Market Information

GOVERNMENT DEBT MANAGEMENT

GDM – Central Bank of Iceland – Kalkofnsvegi 1 – 101 Reykjavík – Web: lanamal.is – E-mail: lanamal@lanamal.is

Vol. 24 - No. 5 May 2023

Auction results in April 2023

	Type	Bond	Amount of bids m.kr.	Amount allocated m.kr.	Yield/ simple interest
14.4.2023	Auction	RIKB 24 0415	10,251	8,251	8.39
14.4.2023	Auction	RIKB 26 1015	9,056	8,856	7.61
24.4.2023	Auction	RIKV 23 0621	25,150	19,050	8.22
24.4.2023	Auction	RIKV 23 0816	16,250	12,550	8.42
28.4.2023	Auction	RIKB 24 0415	7,406	3,706	8.77
28.4.2023	Auction	RIKB 28 1115	2,100	1,900	6.93

Treasury bond issuance in Q2/2023

Amounts in b.kr.	*Maximum*	*Actual*
RIKB 24 0415	-	11.3
RIKB 26 1015	-	8.6
RIKB 28 1115	-	1.7
Total issued in the quarter		21.7

Treasury bond issuance as of 30 April 2023

Regular auctions
Bond series

Amounts in b.kr.	*Sales value*
RIKB 24 0415	11.3
RIKB 26 1015	28.5
RIKB 28 1115	1.7
RIKB 31 0124	2.5
RIKS 26 0216	15.8
RIKS 37 0115	11.4
Total issued this year	71.2

Contents

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The coverage of central government debt in the publication refers to the A1-part of central government excluding pension liabilities and accounts payable, unless otherwise specifically stated.

Comments on the contents of this publication may be submitted to lanamal@lanamal.is.

Benchmark issues, attributes

Domestic marketable debt

Issues	*ISIN*	*Date of issue (d.m.y)*	*Maturity date*	*Interest, %*	*Type of bond*	*Duration**	*Years to maturity*
T - bills							
RIKV 23 0621	IS0000034908	1.2.2023	21.6.2023	0.00	Bullet	0.14	0.14
RIKV 23 0719	IS0000034973	1.3.2023	19.7.2023	0.00	Bullet	0.22	0.22
RIKV 23 0816	IS0000034304	29.3.2023	16.8.2023	0.00	Bullet	0.30	0.30
Nominal T-bonds							
RIKB 23 0515	IS0000032191	15.5.2020	15.5.2023	1.50	Bullet	0.04	0.04
RIKB 24 0415	IS0000033009	15.4.2021	15.4.2024	2.50	Bullet	0.96	0.96
RIKB 25 0612	IS0000019321	12.6.2009	12.6.2025	8.00	Bullet	1.90	2.12
RIKB 26 1015	IS0000034874	15.10.2022	15.10.2026	6.75	Bullet	3.09	3.46
RIKB 28 1115	IS0000028249	15.11.2016	15.11.2028	5.00	Bullet	4.83	5.55
RIKB 31 0124	IS0000020386	24.1.2011	24.1.2031	6.50	Bullet	6.22	7.74
RIKB 42 0217	IS0000033884	17.2.2022	17.2.2042	4.50	Bullet	12.40	18.80
Inflation-linked T-bonds							
RIKS 26 0216	IS0000030732	16.2.2018	16.2.2026	1.50	Bullet	2.76	2.80
RIKS 30 0701	IS0000020576	1.7.2011	1.7.2030	3.25	Bullet	6.39	7.17
RIKS 33 0321	IS0000021251	21.3.2012	21.3.2033	3.00	Bullet	8.75	9.89
RIKS 37 0115	IS0000033793	15.1.2022	15.1.2037	1.00	Bullet	12.79	13.71
Average of benchmark series						4.6	5.4

* Macaulay.

Foreign marketable debt

Issues	*ISIN*	*Date of issue*	*Maturity date*	*Interest, %*	*Type of bond*	*Duration**	*Years to maturity*
EUR 0,1% 20 Jun 2024	XS2015295814	20.6.2019	20.6.2024	0.10	Bullet	1.14	1.14
EUR 0,625% 3 Jun 2026	XS2182399274	3.6.2020	3.6.2026	0.63	Bullet	3.05	3.09
EUR 0,0% 15 Apr 2028	XS2293755125	4.2.2021	15.4.2028	0.00	Bullet	4.96	4.96
Average of benchmark series						3.3	3.3

* Macaulay.

Government debt

Domestic central government debt 30 April 2023 in m.kr.

Issues	*Nominal amount, beg. of month*	*Inflation compensation*	*Issue/ buybacks nominal*	*Inc. inflation compensation, end of month*	*Years to maturity*	*Market value*	*% of domestic debt*
T-bills							
RIKV 23 0419	30,400		-30,400	0	0.00	0	0.0
RIKV 23 0621	37,025		19,050	56,075	0.14	55,441	4.3
RIKV 23 0719	10,080		0	10,080	0.22	9,900	0.8
RIKV 23 0816	15,000		12,550	27,550	0.30	26,872	2.1
Total	92,505			93,705	0.20	92,213	7.1
Nominal T-bonds							
RIKB 23 0515	79,509		-9,301	70,208	0.04	70,110	5.3
RIKB 24 0415	87,158		8,251	95,409	0.96	90,247	7.3
RIKB 25 0612	106,346		0	106,346	2.12	105,144	8.1
RIKB 26 1015	20,159		8,856	29,015	3.46	27,846	2.2
RIKB 28 1115	98,465		0	98,465	5.55	89,623	7.5
RIKB 31 0124	124,632		0	124,632	7.74	124,134	9.5
RIKB 42 0217	44,158		0	44,158	18.80	37,424	3.4
Total	560,428			568,233	4.86	544,528	43.2
Inflation-linked T-bonds							
RIKS 26 0216	83,593	24,985	0	108,578	2.80	109,012	8.3
RIKS 30 0701	78,683	42,298	0	120,981	7.17	133,200	9.2
RIKS 33 0321	79,394	38,915	0	118,309	9.89	131,406	9.0
RIKS 37 0115	39,206	5,076	0	44,281	13.71	40,362	3.4
Total	280,875	111,273		392,149	7.52	413,980	29.8
*Other central government debt **							
Inflation-linked debt				260,402	6.23		19.8
Nominal debt				1	0.04		0.0
Total domestic debt				1,314,489	5.59		100.0

* Mostly inflation-linked loan from Íl-fund. Also inflation-linked loans in relation to the purchase of Landsvirkjun (the National Power Company of Iceland) and Landsnet (the operator of Iceland's national energy grid) together with assumed gov. guarantees.

Foreign central government debt

Issues	*Issued nominal amount (millions)*	*Remaining nominal amount*	*Nominal amount ISK**	*Years to maturity*
Foreign bonds				
EUR 0,1% 20 Jun 2024	500	500	74,550	1.14
EUR 0,625% 3 Jun 2026	500	500	74,550	3.09
EUR 0,0% 15 Apr 2028	750	750	111,825	4.96
Other foreign central government debt**			47,634	4.12
Total foreign debt			308,559	3.46
Central government debt, total			1,623,048	

* Mid rate, official exchange rate of The Central Bank of Iceland.
** Loan due to the government's purchase of Landsnet hf.

Market Information

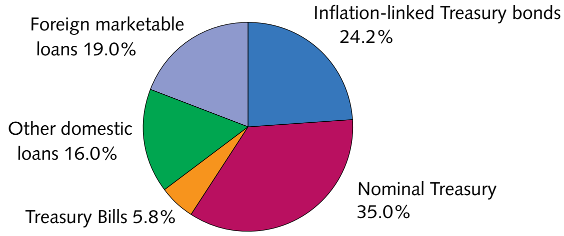
GOVERNMENT DEBT MANAGEMENT

Central government debt. total in m.kr.

	Nominal inc./ inflation compensation	*Weighted time to maturity*
Nominal debt	661,939	4.20
Inflation-linked debt	652,550	7.00
Foreign currency debt	308,559	3.46
Total	1,623,048	5.19
Total debt as percentage of GDP *		39.9

* GDP according to the Central bank of Iceland latest forecast.

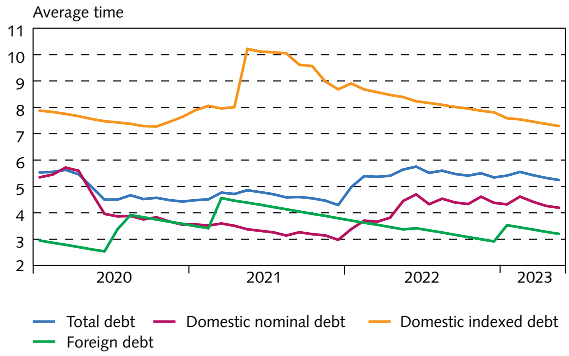
Total market value of benchmark issues



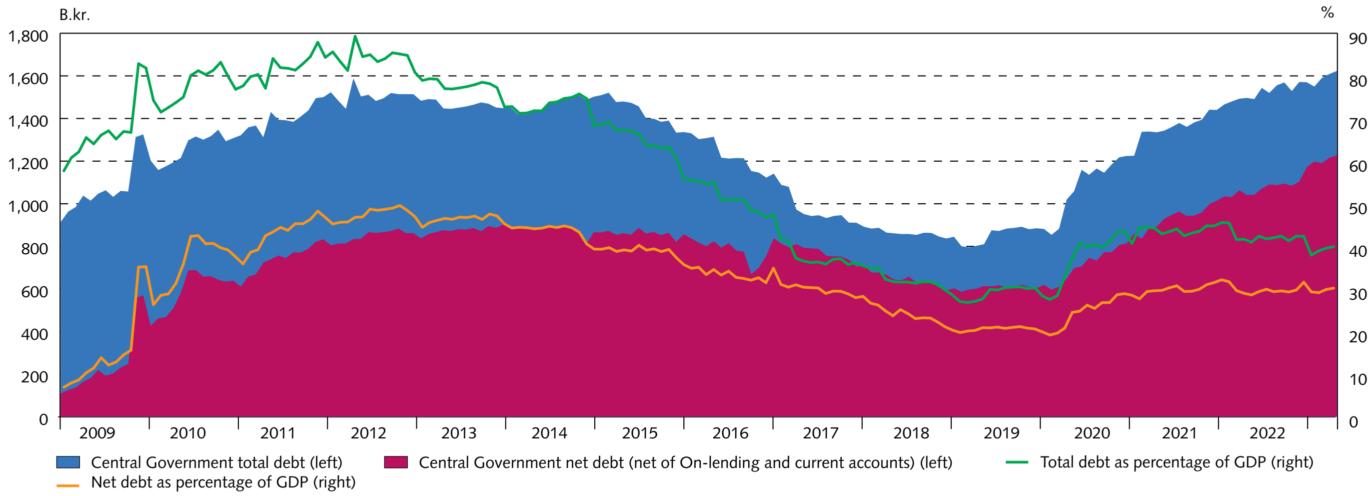
Net debt in m.kr.

On-lending and cash at the Central bank	*Nominal incl./ inflation compensation end of month*
Nominal on - lending	11,968
Inflation-linked on - lending	75,582
FX on - lending	6,945
Cash ISK	75,507
Cash FX	226,228
Total on-lending	396,230
Net debt	
Nominal debt	574,464
Inflation-linked debt	576,968
Foreign currency debt	75,386
Net central government debt	1,226,818
Total net debt as percentage of GDP	30.1

Average Time to Maturity of government debt including swaps



Changes in central government debt



Swaps
30 April 2023

Inflation and Interest Rate swaps in ISK (m.kr.)

Year	New		Expired		Outstanding at year-end	
	Number of contracts	*Nominal amount*	*Number of contracts*	*Nominal amount*	*Number of contracts*	*Nominal amount*
2018	22	28,000	0	0	22	28,000
2019	0	0	0	0	22	28,000
2020	2	6,000	0	0	24	34,000
2021	2	10,000	20	26,000	6	18,000
2022	0	0	0	0	6	18,000
2023	0	0	1	3,000	5	15,000
2024	0	0	0	0	5	15,000
2025	0	0	4	10,000	1	5,000
2026	0	0	1	5,000	0	0

Interest rate type (m.kr.)

	Without swaps		With swaps	
	Nominal amount with accrued indexation (ISK)	*Proportion, %*	*Nominal value with accrued indexation (ISK)*	*Proportion, %*
Icelandic fixed inerest rates	568,233	35	552,233	34
Icelandic indexed interest rates	652,550	40	650,007	40
Icelandic floating interest rates	93,706	6	111,706	7
Foreign fixed interest rates	308,559	19	308,559	19
Foreign floating interest rates	0	0	0	0
Total	1,623,048	100	1,622,505	100

Effect of swaps on Treasury debt (m.kr.)

	Nominal amount with accrued indexation (ISK)	*Market value (ISK)*	*Proportion, %*	*Duration*
Government debt				
Nominal debt	661,939	647,823	41	3.23
Inflation-linked debt	652,550	664,684	40	6.74
Foreign currency debt	308,559	292,792	19	3.11
Total	1,623,048	1,605,299	100	4.66
Government debt with swaps				
Nominal debt	663,939	651,468	41	3.18
Inflation-linked debt	650,007	662,135	40	6.76
Foreign currency debt	308,559	292,792	19	3.11
Total	1,622,505	1,606,395	100	4.64

Investors*

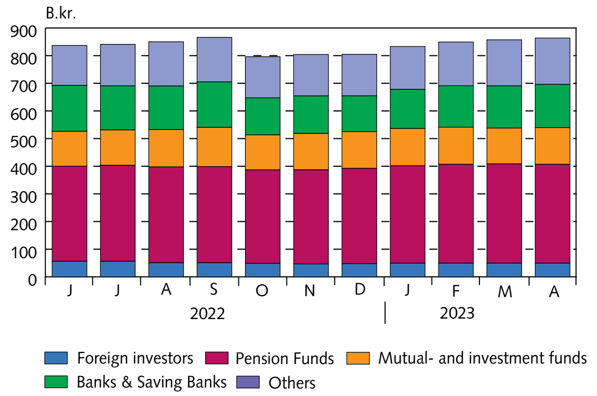
Owners of T-bonds and bills 30 April 2023

	RIKB							RIKS					Bills
	23 0515	*24 0415*	*25 0612*	*26 1015*	*28 1115*	*31 0124*	*42 0217*	*26 0216*	*30 0701*	*33 0321*	*37 0115*	*Total*	*total*
Nominal value in m.kr.													
Domestic investors													
Banks & Saving Banks	39,637	52,354	17,096	12,361	2,685	3,851	1,142	23,232	1,232	1,994	954	156,538	75,000
Miscellaneous credit untertakings	5,817	3,526	713	235	162	120	30	8,681	12,207	12,835	463	44,789	4,200
Mutual and inv. funds	7,388	14,921	15,200	11,469	16,752	16,011	5,647	20,057	12,257	8,535	4,463	132,698	10,800
Pension Funds	10,425	10,880	48,009	2,048	50,726	74,394	19,146	8,687	49,051	49,980	34,027	357,372	0
Firms	2,856	5,021	5,559	1,291	2,641	1,890	149	4,930	1,033	889	183	26,441	180
Insurance companies	1,608	7,210	9,019	907	8,126	9,644	3,040	14,914	2,809	3,914	1,549	62,740	3,500
Households	974	1,077	1,839	418	281	877	3	2,725	740	1,725	111	10,770	25
Others	633	52	5,519	250	8,233	7,200	298	159	135	177	100	22,756	0
Foreign investors	872	367	3,393	36	11,259	12,545	20,707	263	1	66	0	49,508	0
Total	70,208	95,409	106,346	29,015	100,865	126,532	50,161	83,648	79,463	80,114	41,851	863,612	93,705
Dirty price (T-bills nominal value) in m.kr.													
Domestic investors													
Banks & Saving Banks	40,130	49,525	18,087	12,309	2,503	3,892	976	30,335	2,135	3,296	981	164,169	75,000
Miscellaneous credit untertakings	5,889	3,335	754	234	151	122	26	11,336	21,155	21,219	476	64,698	4,200
Mutual and inv. funds	7,480	14,114	16,080	11,422	15,618	16,182	4,827	26,189	21,242	14,111	4,588	151,852	10,800
Pension Funds	10,554	10,292	50,791	2,039	47,292	75,192	16,365	11,343	85,010	82,632	34,980	426,490	0
Firms	2,891	4,750	5,881	1,286	2,462	1,910	127	6,437	1,789	1,470	188	29,192	180
Insurance companies	1,628	6,820	9,542	903	7,576	9,748	2,598	19,473	4,869	6,470	1,592	71,220	3,500
Households	986	1,019	1,946	416	262	887	2	3,558	1,282	2,851	114	13,324	25
Others	641	50	5,839	249	7,676	7,277	255	207	234	293	103	22,822	0
Foreign investors	883	347	3,590	35	10,497	12,680	17,699	343	2	109	0	46,185	0
Total	71,082	90,253	112,509	28,894	94,037	127,889	42,875	109,221	137,718	132,452	43,023	989,952	93,705

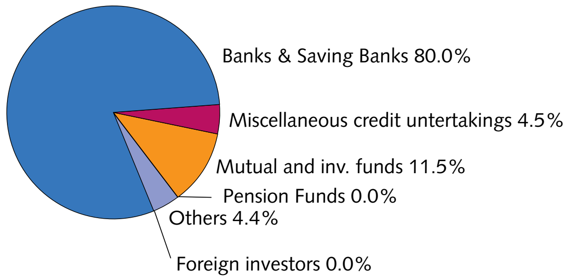
* Included outstanding repo with the primary dealers. From November 2020, owners are categorized according to the international statistical standard for national accounts (SNA08), adopted by the United Nations Statistical Commission.

	RIKB							RIKS					Bills
	23 0515	*24 0415*	*25 0612*	*26 1015*	*28 1115*	*31 0124*	*42 0217*	*26 0216*	*30 0701*	*33 0321*	*37 0115*	*Total*	*total*
Changes between months Nominal value in m.k.													
Domestic investors													
Banks & Saving Banks	-6,970	7,056	1,967	3,173	-99	-489	-356	60	-466	-84	175	3,966	-2,200
Miscellaneous credit untertakings	0	458	-105	100	-210	-2	0	-662	-40	40	100	-321	4,200
Mutual and inv. funds	-1,487	-1,176	-2,059	3,646	780	1,628	1,940	-107	-190	80	80	3,134	1,400
Pension Funds	0	300	0	590	-700	-700	-1,100	305	-120	0	0	-1,425	0
Firms	-111	595	207	470	-105	-285	-67	-209	0	0	-62	434	-2,000
Insurance companies	-800	783	-4	422	0	-475	-100	453	6	7	-121	171	-200
Households	0	234	-6	106	19	-7	-5	33	20	7	8	409	0
Others	0	0	0	150	0	-60	0	0	0	0	-50	40	0
Foreign investors	67	1	0	0	0	0	-164	0	0	0	0	-95	0
Total	-9,301	8,251	-0	8,656	-315	-390	148	-125	-790	50	130	6,314	1,200

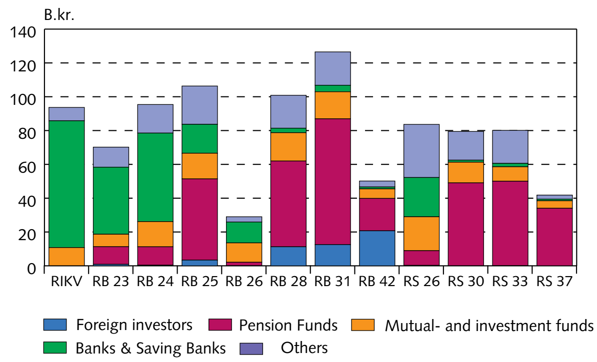
Owners of T-bonds 30 April 2023



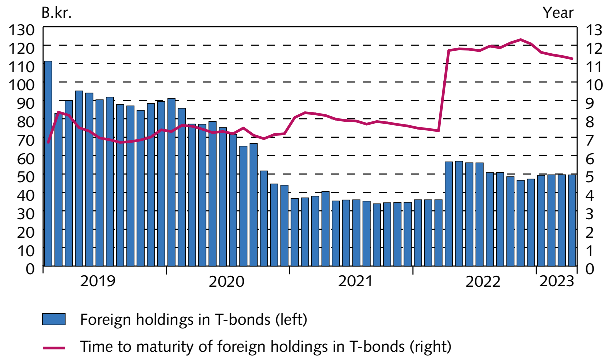
Owners of T-bills 30 April 2023



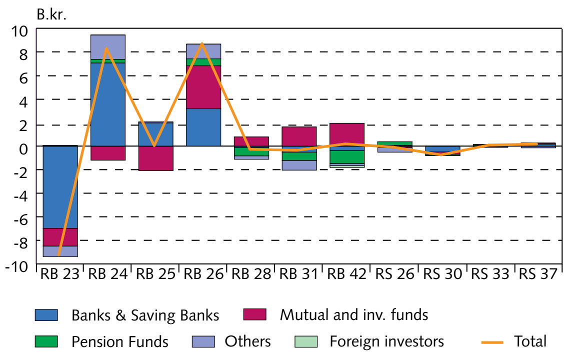
Owners of marketable T-bonds and bills 30 April 2023



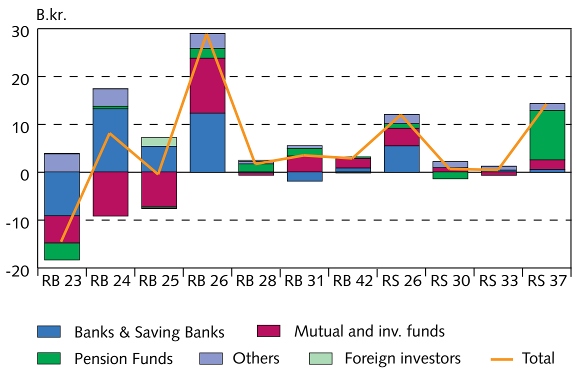
Time to maturity of non-residents´ holdings in T-bonds and T-bills 30 April 2023



Net purchases by market participants between months

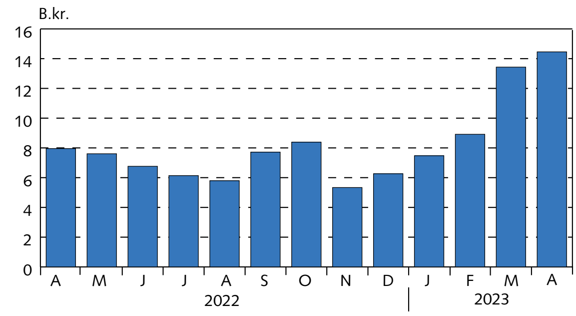


Net purchases by market participants from 31 December 2022



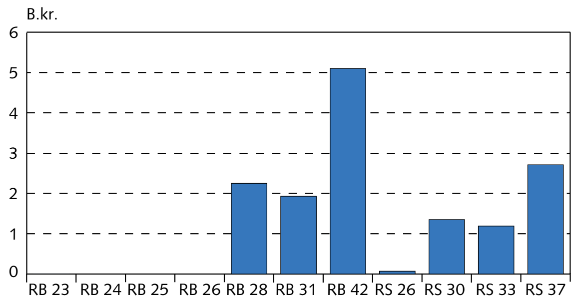
Securities lending facility, redemption profile, yield curves and turnover

Average amount in the security lending facility*

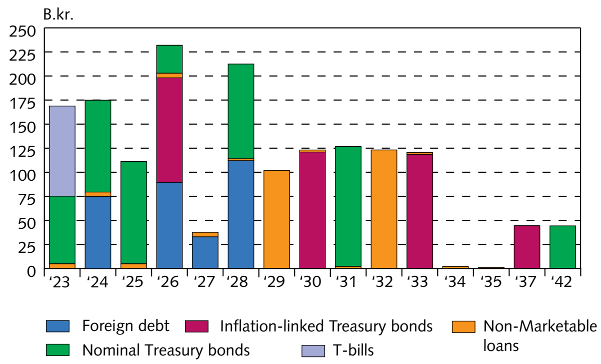


* Calculated at market price.

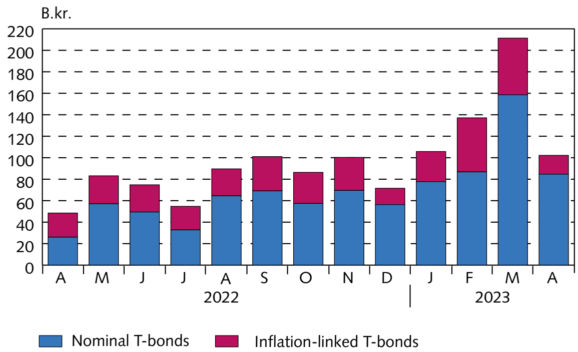
Outstanding amount of the securities lending facility at the end of last month*



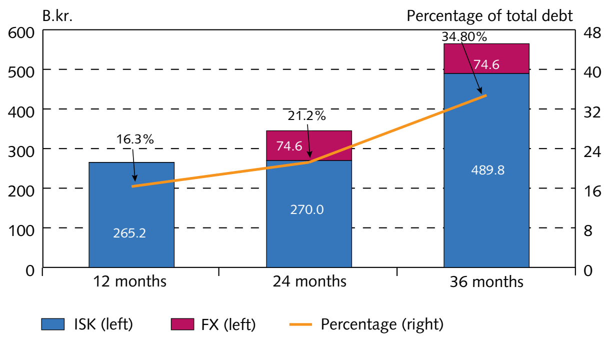
Redemption profile of government debt



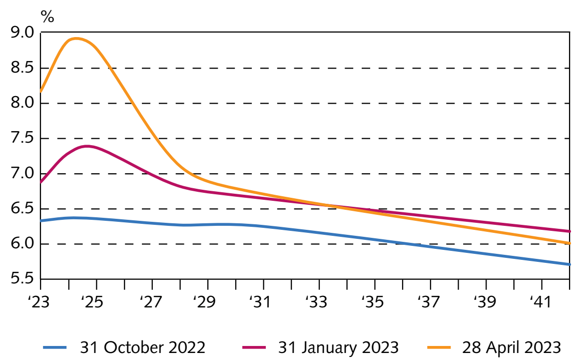
Monthly trading volume in T-Bonds on NASDAQ Iceland Exchange



Accumulated Maturities



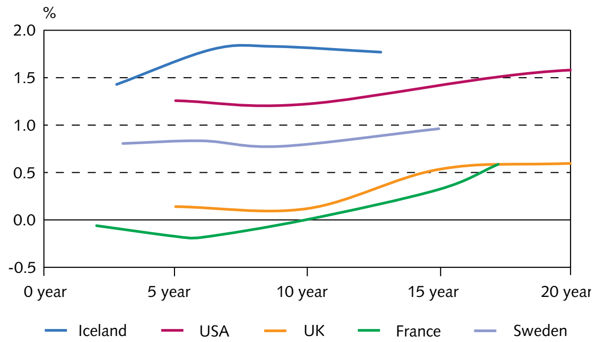
Nominal yield curves



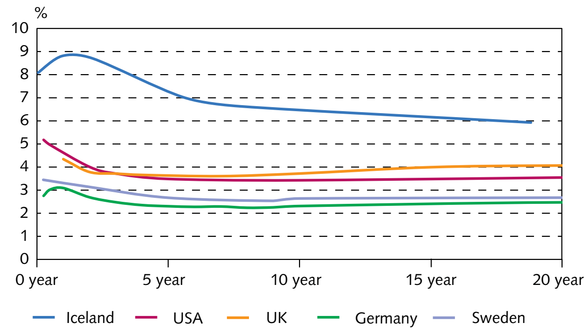
Market Information

Government Debt Management

Yield curve inflation-linked T-bonds

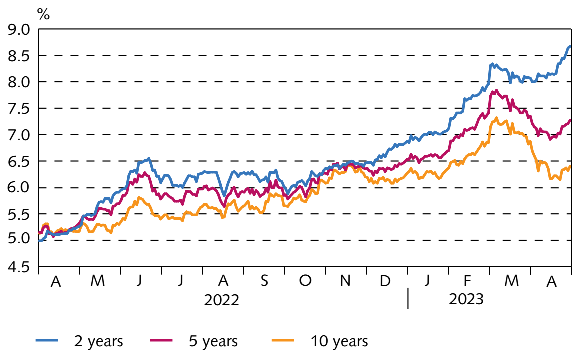


Yield curve Treasury bills and nominal T-bonds



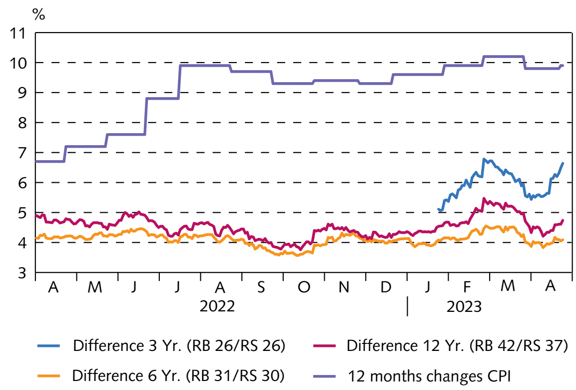
Yield for Treasury bonds

Zero-coupon



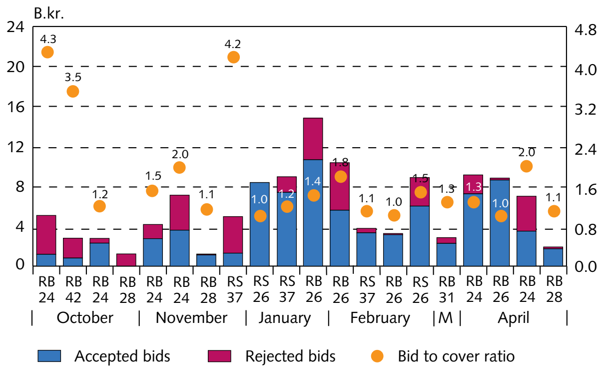
Inflation premium

Inflation premium nominal T-bonds



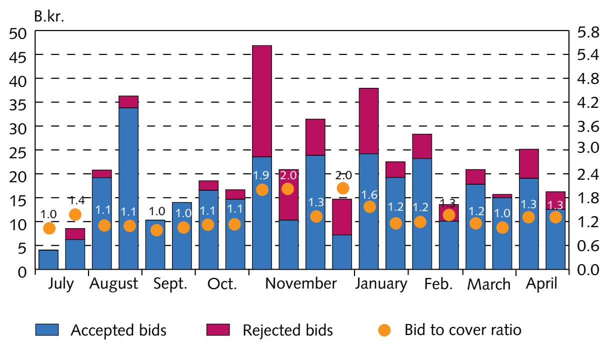
Auctions of Treasury bonds

Treasury bonds at market value



Auctions of Treasury bills

Treasury bills at market value



Auctions of Treasury bonds and bills

Auctions in 2023, in m.kr.

		Offers					*Acc. bids*			
Date		*Market value*	*Nominal value*	*No. of bids*	*No. of acc. bids*	*Yield %*	*Market value*	*Nominal value*	*Non comp. auction nominal v.*	*Total value*
Nominal T-Bonds										
20.01.23	RIKB 26 1015	14,824	14,926	57	48	6.95	10,653	10,726	480	11,130
03.02.23	RIKB 26 1015	10,361	10,556	28	17	7.32	5,600	5,706	0	5,600
17.02.23	RIKB 26 1015	3,266	3,370	10	8	7.73	3,147	3,247	0	3,147
24.03.23	RIKB 31 0124	2,855	2,945	20	16	7.01	2,274	2,345	195	2,462
14.04.23	RIKB 24 0415	9,132	9,651	11	10	8.39	7,240	7,651	600	7,807
14.04.23	RIKB 26 1015	8,819	9,056	35	33	7.61	8,624	8,856	0	8,624
28.04.23	RIKB 24 0415	7,000	7,406	19	14	8.77	3,503	3,706	0	3,503
28.04.23	RIKB 28 1115	1,918	2,100	11	10	6.93	1,735	1,900	0	1,735
Total		58,175	60,010				42,775	44,137	1,275	44,008
Indexed T-Bonds										Indexed value
06.01.23	RIKS 26 0216	8,268	8,394	26	15	2.00	8,371	6,758	650	9,176
06.01.23	RIKS 37 0115	8,941	10,173	36	28	2.00	7,374	7,673	680	8,027
03.02.23	RIKS 37 0115	3,781	4,272	20	14	1.95	3,333	3,422	0	3,333
17.02.23	RIKS 26 0216	8,872	8,900	40	17	1.61	6,013	4,745	475	6,614
Total		29,861	31,739				25,091	22,598	1,805	27,151
									Total value	71,159
T-Bills										
30.01.23	RIKV 23 0315	37,606	37,900	16	8	6.70	24,012	24,200		
30.01.23	RIKV 23 0621	21,930	22,525	14	11	6.98	18,717	19,225		
27.02.23	RIKV 23 0419	28,017	28,300	21	10	7.43	22,968	23,200		
27.02.23	RIKV 23 0719	13,184	13,580	10	5	7.73	9,786	10,080		
27.03.23	RIKV 23 0621	20,512	20,900	16	12	8.10	17,470	17,800		
27.03.23	RIKV 23 0816	15,209	15,700	10	9	8.31	14,531	15,000		
24.04.23	RIKV 23 0621	24,832	25,150	19	16	8.22	18,809	19,050		
24.04.23	RIKV 23 0816	15,835	16,250	12	8	8.42	12,229	12,550		
Total		177,124	180,305				138,522	141,105		

Market Information

Government Debt Management

Primary dealers

Primary dealers in government securities	*Telephone*	*Bloomberg*
Arion Bank hf.	+354 444 6000	ARIO
Fossar Investment Bank hf.	+354 522 4000	
Islandsbanki hf.	+354 440 4000	ISLA
Kvika banki hf.	+354 540 3200	KVIK
Landsbankinn hf.	+354 410 4000	LAIS

Events

10 May 2023	Auction of Treasury bonds
15 May 2023	Maturity of RIKB 23 0515
22 May 2023	Auction of Treasury bills
24 May 2023	Central Bank Policy Rate
26 May 2023	CPI announcement
26 May 2023	Auction of Treasury bonds
2 June 2023	Auction of Treasury bonds

Iceland Sovereign Credit Rating

		Foreign currency		*Domestic currency*		
	Last change	*Long-Term*	*Short-Term*	*Long-Term*	*Short-Term*	*Outlook*
Moody's	November 2019	A2		A2		Stable
S&P	March 2017	A	A-1	A	A-1	Stable
Fitch	March 2022	A	F-1+	A	F-1+	Stable

State guarantees

State guarantees

M.kr.	Q1 2023	End of year 2022
Lending agencies	793,274	800,622
ÍL - Fund	724,709	731,561
Regional Development Fund	10,333	10,533
Icelandic Student Loan Fund	58,232	58,528
Co-operative and Limited Partnerships	27,046	27,394
National Power Company sf.	22,245	22,725
RARIK ohf. (Iceland State Electricity)	300	287
Isavia ohf.	883	895
RUV ohf. (National Broadcasting Service)	3,618	3,486
Industries/ Municipalities	8,242	9,064
Business Supplemental and Support loans	8,242	9,064
State Guarantees total	828,562	837,080

Currency ratio

ISK	97.3%
EUR	2.7%

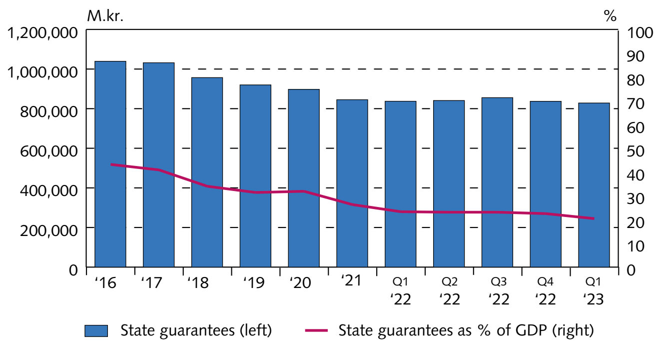
Type of lenders

Domestic marketable securities	88.7%
Domestic banks	1.0%
Foreign banks	2.7%
Other domestic entities	7.6%

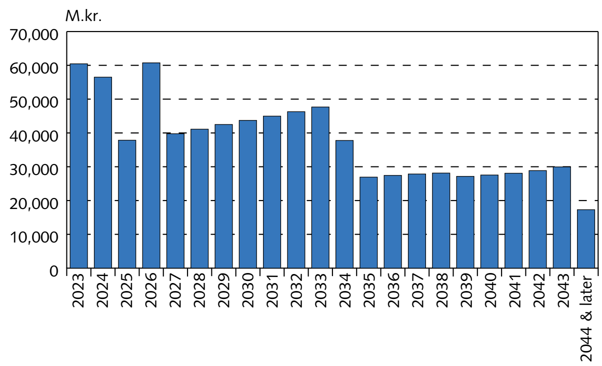
Interest rate type

Fixed	96.3%
Floating	3.7%

State guarantees and % of GDP 2016 - 2023



State guarantees - Maturity profile



On-lending

March 2023	*Amount m.kr.*	*Weighted time to maturity*
Nominal on-lending	11,699	7.65
Inflation-linked on-lending	70,095	15.90
FX on-lending	7,116	5.36
Total	88,910	13.75

On-lending, Redemption profile