



LÁNAMÁL RÍKISINS

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To newspapers, newsrooms,
and financial institutions

Press release
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Quarterly Government Debt Management *Prospect*

Fourth quarter 2018

- *In Q4, Treasury bonds will be offered for sale in the amount of 10 b.kr. market value.¹*
- *Issuance of a new medium-term inflation indexed Treasury bond.*
- *Potential continued issuance of RIKB 22 1026 and RIKB 28 1115.*

Introduction

In the Government Debt Management *Prospect* for 2018, it was announced that Treasury bonds would be issued in the amount of 40 b.kr. market value during the year. Issuance during the first nine months of the year totalled 30 b.kr. market value. Therefore, bonds in the amount of 10 b.kr. remain to be issued in the fourth quarter. In addition, the Treasury has conducted switch auctions with the sale of RIKB20, RIKB22, and RIKB28 in exchange for the purchase of RIKB19, in the amount of 9.5 b.kr. The Treasury has also bought back RIKH18 in the amount of 60.5 b.kr. thus far this year. The purchase was financed using Treasury deposits with the Central Bank of Iceland.

In Q3, the objective was to sell Treasury bonds for 7-10 b.kr. market value. Actual sales totalled 7 b.kr. A breakdown of the amounts sold can be seen in the table below.

Treasury bond issuance in Q3/2018, market value

General auctions	Issuance in b.kr.	
	Maximum	Actual
RIKB 22 1026	7	7
RIKB 28 1115	10	0
Total		7

¹The sale price or market value refers to the clean price, net of accrued interest.



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In addition, a switch auction was held on 6 July, where owners were invited to swap their RIKB19 bonds for RIKB20 and RIKB28. The result was that Government Debt Management bought back RIKB19 for a total of 2.8 b.kr., against delivery of RIKB20 for 2.0 b.kr. and RIKB28 for 0.8 b.kr.

Planned Treasury bond issuance

Total Treasury bond issuance in the fourth quarter of the year is estimated at **10 b.kr.** The planned issuance of a new medium-term inflation indexed bond was announced at the beginning of the year. The terms of the new series will be announced later, but the maturity is planned for early 2026. There will be a market maker for the series. Estimated maximum issuance in individual series, at market value, is set forth in the following table.

Treasury bond issuance in Q4/2018, market value

Amounts in b.kr.	Issuance
Bond series	Maximum
RIKB 22 1026	5
RIKB 28 1115	5
New medium-term bond	10

There is the possibility of buybacks or switch auctions in which the Treasury will offer to buy back RIKB 19 in exchange for issuance of another benchmark series. Interest terms, participation, and market conditions will determine whether and which benchmark bonds will be offered in exchange auctions and how much will be sold in this manner.

Further information on issuance of individual series of Treasury bonds will be published two business days prior to each auction.

Further information can be obtained from Björgvin Sighvatsson, Head of Government Debt Management, at tel +354 569 9600.