



Covered bonds – monthly overview

Landsbankinn sold covered bonds for ISK 700m and Íslandsbanki for ISK 2,920m in offerings in December. Arion Bank did not hold an offering.

Landsbankinn sold covered bonds in the series LBANK CB 25 for ISK 700m at 4.18% yield (0.47% spread on RIKB) in its offering on 7 December.

Íslandsbanki sold bonds in the series ISB CB 27 for ISK 340m at 4.12% yield (0.62% spread on RIKB) in its offering on 2 December. Previously issued bonds were sold. The Bank sold bonds in the index-linked series ISB CBI 28 for ISK 2,580m at 0.02% yield (0.42% spread on RIKS). In addition, the bank issued bonds in ISB CBI 28 for ISK 5,000m for own use. The Bank repurchased bonds in the series ISB CBI 22 for ISK 1,220m as payment in the auction.

Arion Bank did not hold an auction in December.

ARION CBI 21, of nominal value ISK 10,220m matured in December.

Last year, the return on non-indexed bonds ranged from -1.9% to 0.9% and between 4.8% and 8.1% on index-linked bonds.

Nominal bonds	Yield	YTD change	YTD return
	31/12/2021	in yield	
ARION CB 22	2.92%	1.18%	0.9%
ARION CB 24	3.93%	1.45%	-0.6%
ISB CB 23	3.75%	1.42%	-0.1%
ISB CB 27	4.19%	1.51%	-1.9%
LBANK CB 23	3.82%	1.47%	-0.2%
LBANK CB 25	4.27%	1.32%	-1.5%

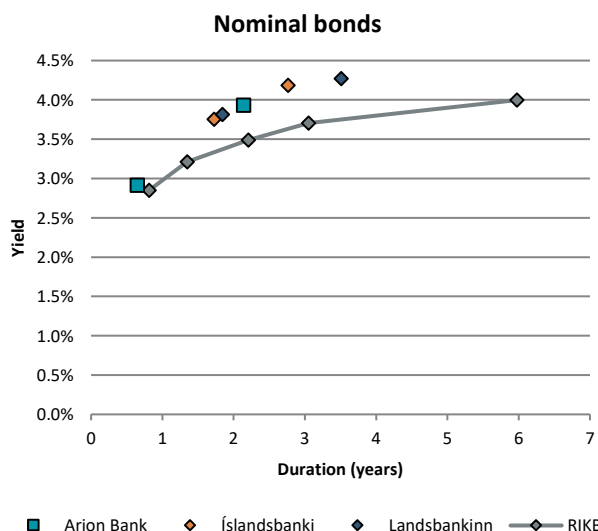
Index-linked bonds			
ARION CBI 25	0.10%	0.03%	4.8%
ARION CBI 26	0.15%	-0.53%	8.1%
ARION CBI 29	0.60%	-0.31%	8.1%
ARION CBI 48	2.15%	0.01%	6.9%
ISB CBI 22	-1.75%	-1.60%	5.8%
ISB CBI 24	-0.45%	-0.90%	7.3%
ISB CBI 26	0.23%	-0.38%	7.0%
ISB CBI 28	-0.07%	-0.56%	6.6%
ISB CBI 30	0.67%	-0.29%	8.1%
LBANK CBI 22	-2.00%	-2.40%	6.1%
LBANK CBI 24	-0.25%	-0.70%	7.3%
LBANK CBI 26	0.15%	-0.52%	8.1%
LBANK CBI 28	0.54%	-0.36%	8.1%

Source: Kodiak Excel

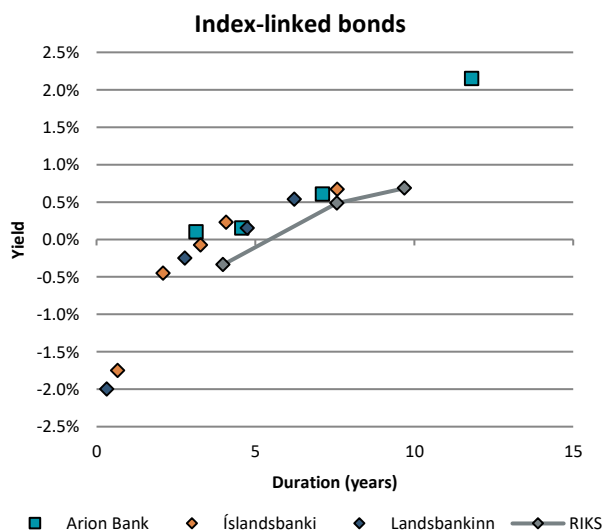
2021 issuance (ISK bn., nominal value)

	Sold	Funding programme
Arion Bank	1.7	-
Íslandsbanki	12.1	30-35
Landsbankinn	28.6	28-33

Source: Arion Bank, Íslandsbanki, Landsbankinn.



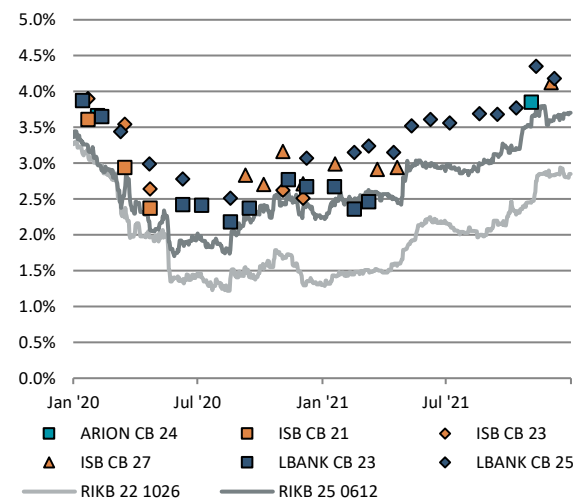
EOD 31 December 2021. Source: Kodiak



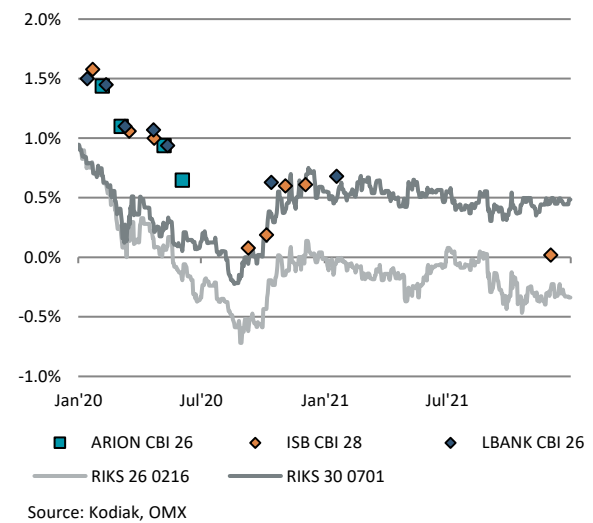
EOD 30 December 2021. Source: Kodiak



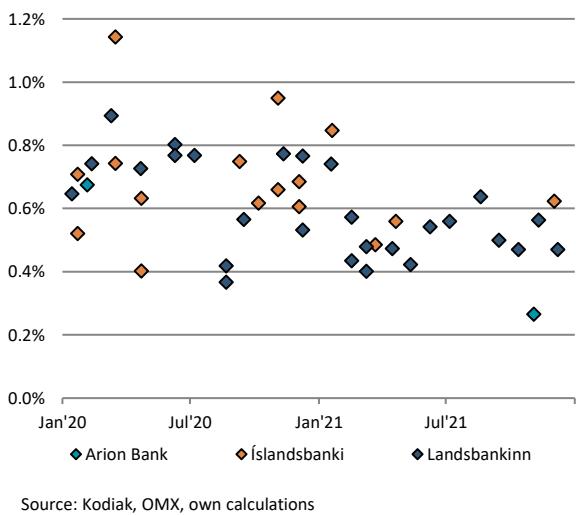
Offering results – Nominal bonds



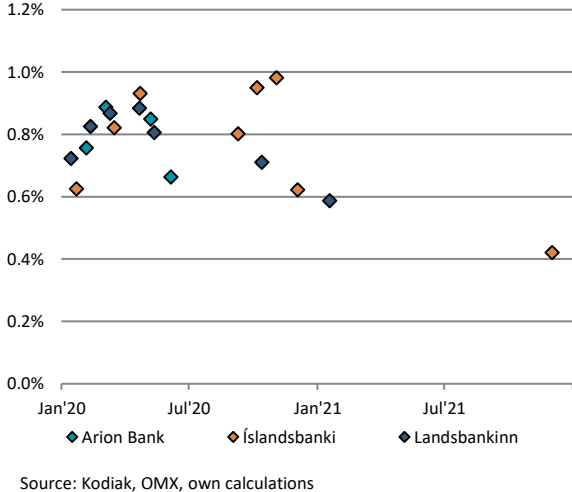
Offering results – Index-linked bonds



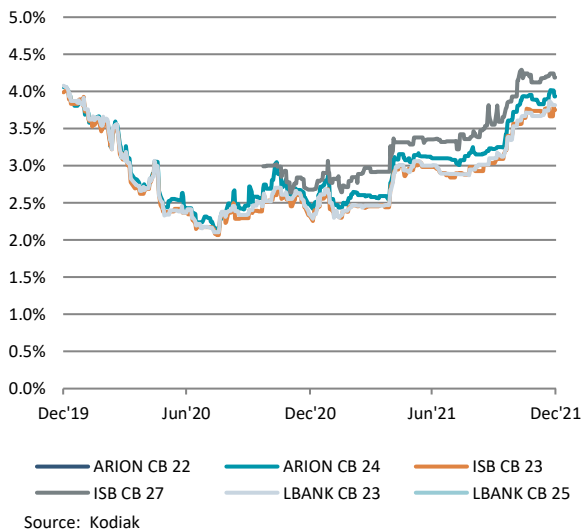
Spread¹ – Nominal bonds



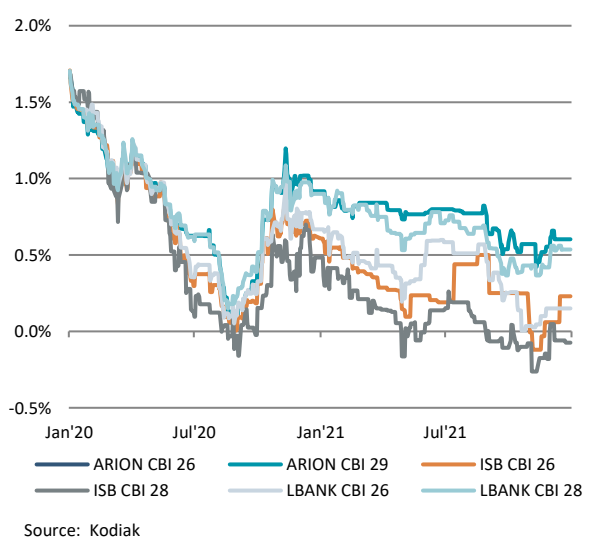
Spread – Index-linked bonds



Yield – Nominal bonds



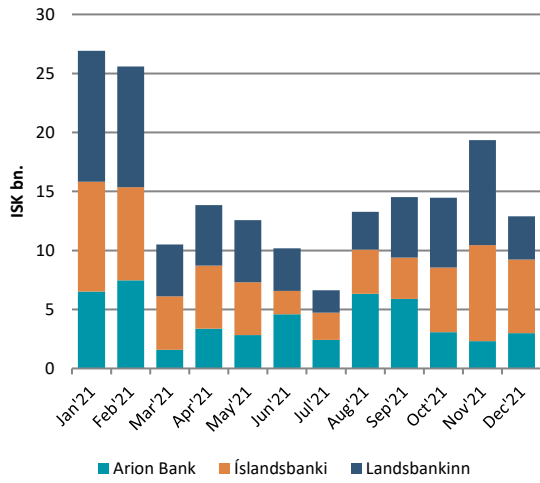
Yield – Index-linked bonds



¹ The spread is calculated as the difference between the yield in the offering and the linear interpolation on the duration of Treasury bonds.

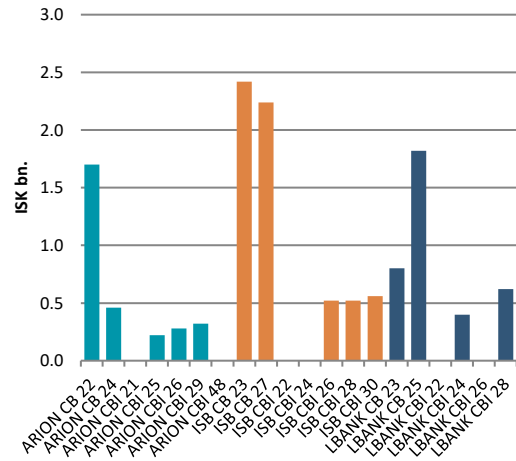


Market turnover in the past 12 months



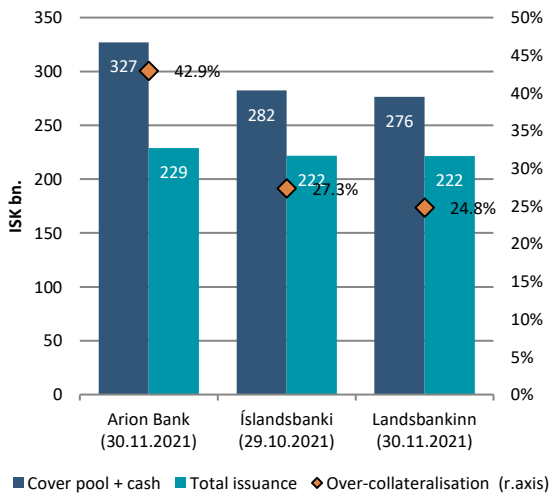
Source: Kodiak

Market turnover in December



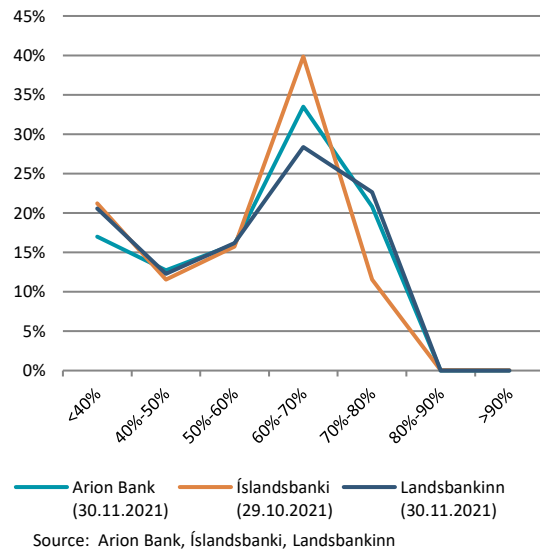
Source: Kodiak

Issuance and collateral



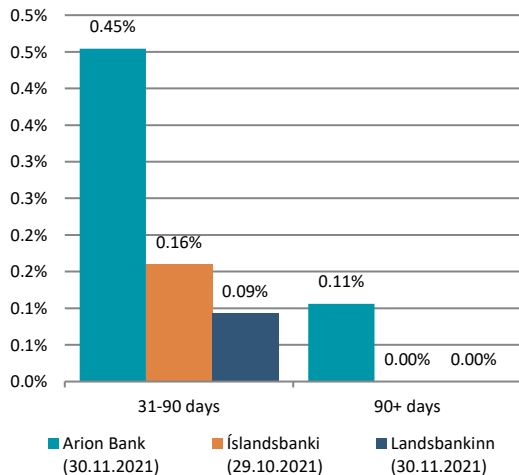
Source: Arion Bank, Íslandsbanki, Landsbankinn

Cover pool - LTV%



Source: Arion Bank, Íslandsbanki, Landsbankinn

Cover pool - Days in arrears



Source: Arion Bank, Íslandsbanki, Landsbankinn



Covered bonds 31 December 2021 in ISKm

	Nominal at beginning of month	Issue/buybacks	Nominal at end of month	Inc. inflation compensation at end of month
ARION CB 22	46,720		46,720	46,720
ARION CB 24	40,180		40,180	40,180
ARION CBI 21	10,220	-10,220	0	0
ARION CBI 25	37,940		37,940	44,259
ARION CBI 26	17,080		17,080	18,955
ARION CBI 29	25,220		25,220	30,648
ARION CBI 48	11,680		11,680	13,414
			Total:	194,175
ISB CB 23	39,940		39,940	39,940
ISB CB 27	43,840		43,840	43,840
ISB CBI 22	17,740		17,740	21,150
ISB CBI 24	28,560		28,560	37,768
ISB CBI 26	25,460		25,460	30,619
ISB CBI 28	28,620	7,580	36,200	40,082
ISB CBI 30	24,000		24,000	27,850
			Total:	241,249
LBANK CB 23	48,040		48,040	48,040
LBANK CB 25	31,840	700	32,540	32,540
LBANK CBI 22	20,500		20,500	24,685
LBANK CBI 24	39,080		39,080	45,455
LBANK CBI 26	12,080		12,080	13,096
LBANK CBI 28	49,240		49,240	57,848
			Total:	221,665



Date	Offering results - nominal bonds			Offering results - index-linked bonds		
	Ticker	Nominal (ISKm)	Yield	Ticker	Nominal (ISKm)	Yield
18/01/2021	LBANK CB 23	1,700	2.67%	LBANK CBI 26	980	0.68%
19/01/2021	ISB CB 27	4,460	2.99%			
16/02/2021	LBANK CB 23	3,340	2.36%			
	LBANK CB 25	2,520	3.15%			
09/03/2021	LBANK CB 23	1,240	2.46%			
	LBANK CB 25	1,860	3.24%			
22/03/2021	ISB CB 27	620	2.91%			
15/04/2021	LBANK CB 25	4,220	3.15%			
20/04/2021	ISB CB 27	4,100	2.94%			
11/05/2021	LBANK CB 25	440	3.52%			
08/06/2021	LBANK CB 25	500	3.61%			
06/07/2021	LBANK CB 25	1,820	3.56%			
19/08/2021	LBANK CB 25	2,660	3.69%			
14/09/2021	LBANK CB 25	3,040	3.68%			
12/10/2021	LBANK CB 25	1,380	3.77%			
03/11/2021	ARION CB 24	1,720	3.85%			
10/11/2021	LBANK CB 25	2,200	4.35%			
02/12/2021	ISB CB 27	340	4.12%	ISB CBI 28	2,580	0.00
07/12/2021	LBANK CB 25	700	4.18%			

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