



Covered bonds – monthly overview

Landsbankinn sold covered bonds for ISK 4,120m in offerings in January. Arion Bank and Íslandsbanki did not hold offerings.

In [its offering on 12 January](#), Landsbankinn sold bonds in series LBANK CB 25 in the amount of ISK 690m at 4.40% yield (0.51% spread on RIKB). In the new series LBANK CB 27, the bank sold bonds in the amount of ISK 3,200m at 4.69% yield (0.63% spread on RIKS). In addition, the series will be tapped for ISK 960m for bond lending purposes in relation to market-making. In connection with the offering, a [bond exchange offering](#) took place where investors could sell bonds of series LBANK CBI 22 against covered bonds bought in the auction. The bank repurchased ISK 1,340m.

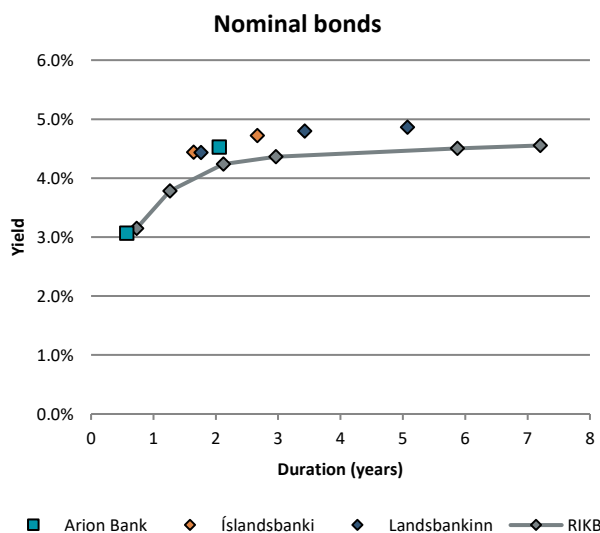
Arion Bank and Íslandsbanki did not hold offerings in January.

According to [Landsbankinn's funding plan](#), the bank plans to issue covered bonds in the amount of ISK 34-39bn in 2022. According to [Arion Bank's funding plan](#), the bank has not made any decision on the amount of covered bonds that it will issue this year. Íslandsbanki has not yet published a funding plan for the year.

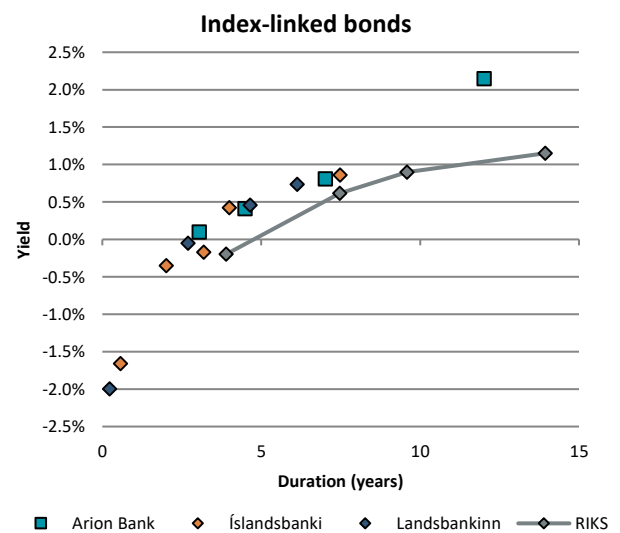
Nominal bonds	Yield 31/01/2022	YTD change in yield	YTD return
ARION CB 22	3.07%	0.15%	0.2%
ARION CB 24	4.53%	0.59%	-0.9%
ISB CB 23	4.44%	0.69%	-0.8%
ISB CB 27	4.72%	0.53%	-1.0%
LBANK CB 23	4.43%	0.62%	-0.7%
LBANK CB 25	4.80%	0.53%	-1.4%
LBANK CB 27	4.86%		

Index-linked bonds	Yield	YTD change in yield	YTD return
ARION CBI 25	0.10%	0.00%	0.4%
ARION CBI 26	0.41%	0.26%	-0.7%
ARION CBI 29	0.81%	0.21%	-1.0%
ARION CBI 48	2.15%	0.00%	0.6%
ISB CBI 22	-1.66%	0.09%	0.2%
ISB CBI 24	-0.35%	0.10%	0.2%
ISB CBI 26	0.42%	0.19%	-0.3%
ISB CBI 28	-0.17%	-0.10%	0.7%
ISB CBI 30	0.86%	0.19%	-0.9%
LBANK CBI 22	-2.00%	0.00%	0.3%
LBANK CBI 24	-0.05%	0.20%	-0.1%
LBANK CBI 26	0.46%	0.31%	-1.0%
LBANK CBI 28	0.73%	0.20%	-0.7%

Source: Kodiak Excel



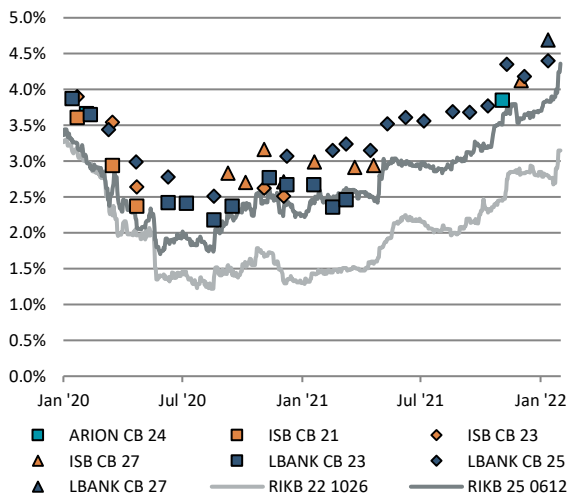
EOD 31 January 2022. Source: Kodiak



EOD 31 January 2021. Source: Kodiak

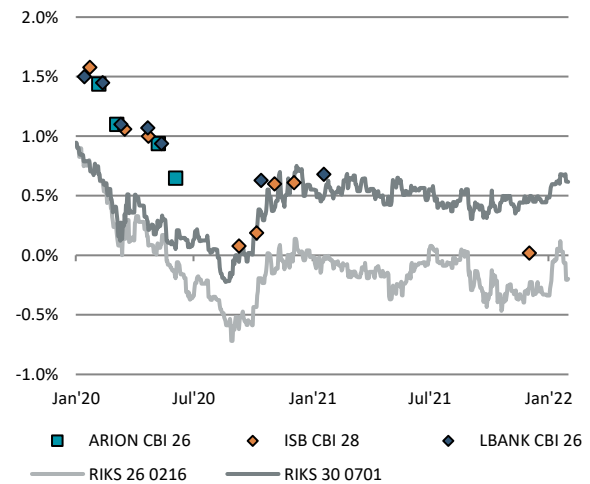


Offering results – Nominal bonds



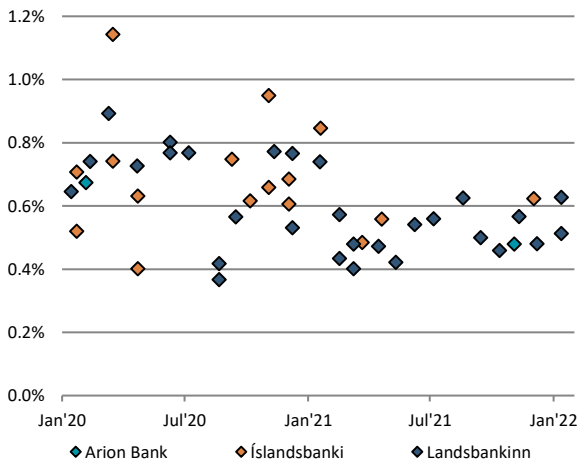
Source: Kodiak, OMX

Offering results – Index-linked bonds



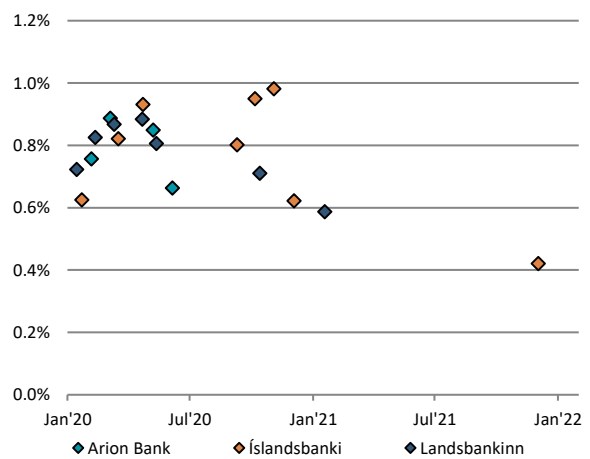
Source: Kodiak, OMX

Spread¹ – Nominal bonds



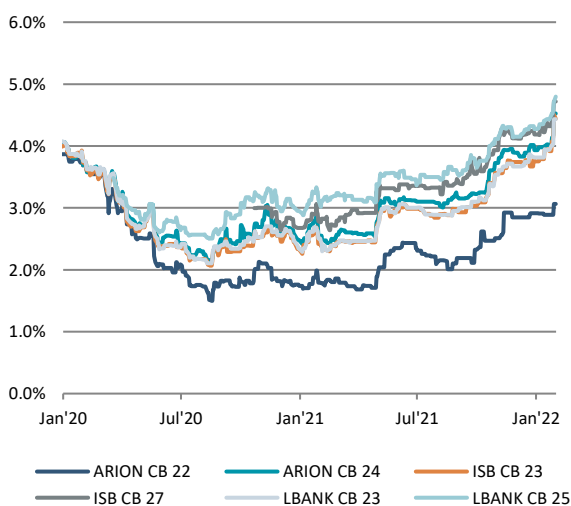
Source: Kodiak, OMX, own calculations

Spread – Index-linked bonds



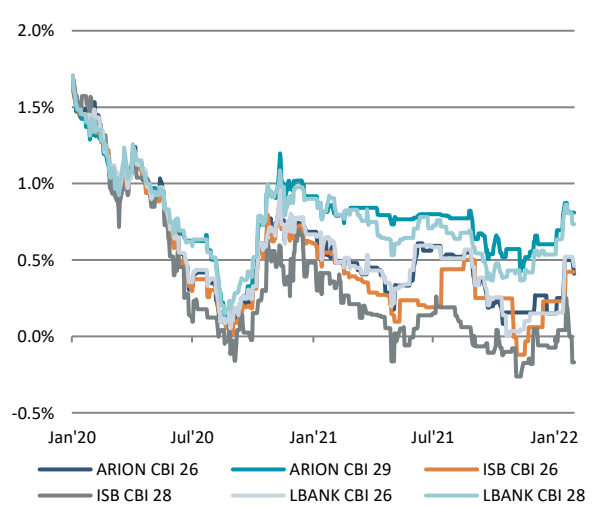
Source: Kodiak, OMX, own calculations

Yield – Nominal bonds



Source: Kodiak

Yield – Index-linked bonds

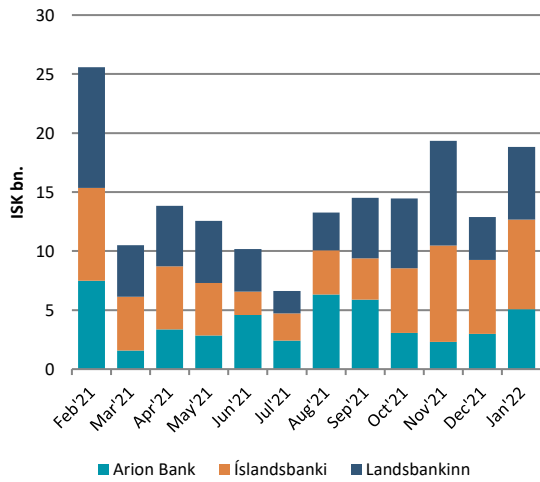


Source: Kodiak

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

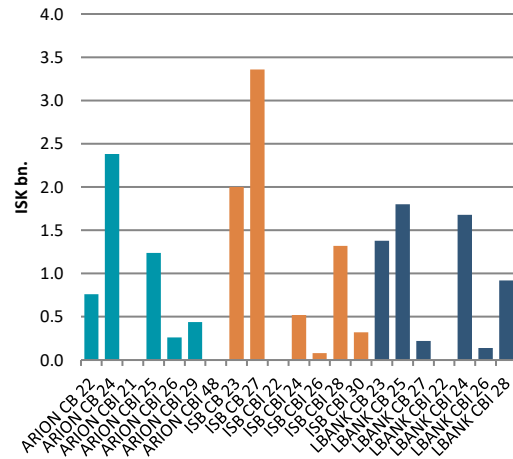


Market turnover in the past 12 months



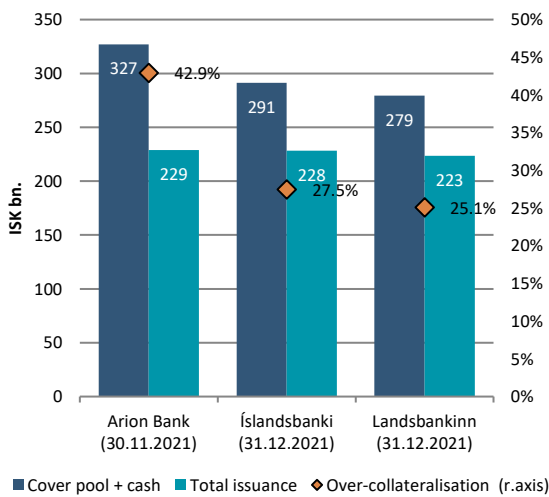
Source: Kodiak

Market turnover in December



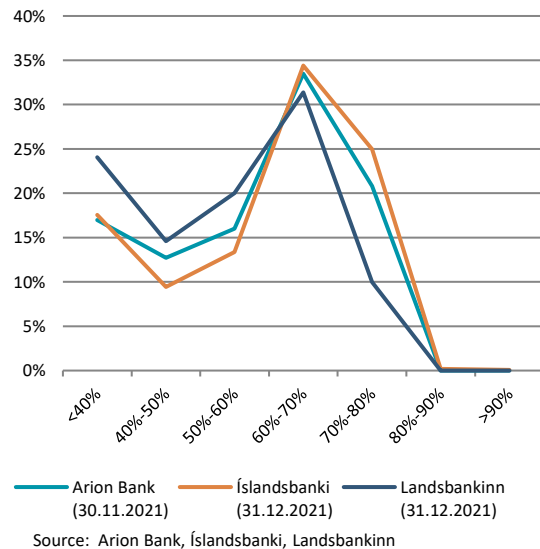
Source: Kodiak

Issuance and collateral



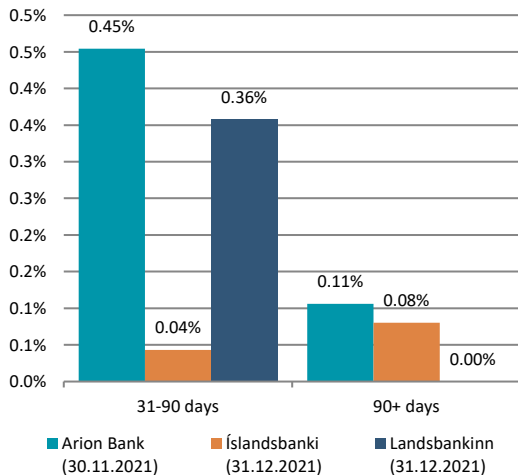
Source: Arion Bank, Íslandsbanki, Landsbankinn

Cover pool - LTV%



Source: Arion Bank, Íslandsbanki, Landsbankinn

Cover pool - Days in arrears



Source: Arion Bank, Íslandsbanki, Landsbankinn



Covered bonds 31 January 2022 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	37,940		37,940	44,456
ARION CBI 25	17,080		17,080	19,039
ARION CBI 26	25,220		25,220	30,784
ARION CBI 29	11,680		11,680	13,474
ARION CBI 48	46,720		46,720	46,720
			Total:	194,653
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	21,245
ISB CBI 24	28,560		28,560	37,936
ISB CBI 26	25,460		25,460	30,755
ISB CBI 28	36,200		36,200	40,260
ISB CBI 30	24,000		24,000	27,974
			Total:	241,950
LBANK CB 23	48,040		48,040	48,040
LBANK CB 25	32,540	960	33,500	33,500
LBANK CB 27	0	4,160	4,160	4,160
LBANK CBI 22	20,500	-1,340	19,160	23,175
LBANK CBI 24	39,080		39,080	45,657
LBANK CBI 26	12,080		12,080	13,155
LBANK CBI 28	49,240		49,240	58,106
			Total:	225,793



Date	Offering results - nominal bonds			Offering results - index-linked bonds		
	Ticker	Nominal (ISKm)	Yield	Ticker	Nominal (ISKm)	Yield
12/01/2022	LBANK CB 25	960	4.40%			
	LBANK CB 27	3,040	4.69%			

The contents and form of this document were produced by employees of Landsbankinn Economic Research (hagfraedideild@landsbankinn.is) and are based on information available to the public when the analysis was compiled. Assessment of this information reflects the views of Economic Research's employees on the analysis date, which may change without notice.

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