



GOVERNMENT DEBT MANAGEMENT

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Bond price for foreign exchange auction

According to an announcement published by the Central Bank of Iceland on 15 May 2014 regarding the Central Bank of Iceland foreign currency auction to be held on 24 June 2014, the Terms of Auction stated that the swap rate for the Bank's purchase of foreign currency in connection with the sale of Treasury bonds in the series RIKS 33 0321 would be published at the close of business on 20 June 2014.

It has been decided that the number of Treasury bond units per euro shall be based on the auction price and the fixed price of the Treasury bonds, which is 105.976296 kr. per Treasury bond unit with accrued interest and indexation (dirty price), assuming a settlement date of 27 June 2014 (yield 3.20%).¹

The formula is as follows: $\text{Swap rate} = \text{auction price} / (\text{bond price} / 100)$.

¹ Clean price of 97,21