

# Iceland

November 14, 2022

This report does not constitute a rating action.

## Credit Highlights

### Overview

#### Institutional and economic profile

The Russia-Ukraine conflict has had only a limited impact on Iceland's economy

-- Iceland has minimal direct trade links with Russia and Ukraine and is largely energy independent.

--Strong domestic demand and significant recovery in all main export sectors will push real GDP growth to about 5.5% in 2022, followed by a slowdown in 2023

--We expect the government to pursue continuity of economic and social policies as well as environmental protection.

#### Flexibility and performance profile

Iceland's elevated inflation this year is largely due to the domestic housing market and headline levels are already declining

-- The Central Bank of Iceland has increased its key rate to 5.75%, a cumulative 5% increase since May 2021.

--The government is speeding up its fiscal consolidation strategy, following two years of sizable deficits during the pandemic.

--External pressures appear manageable, especially given Iceland's net external creditor position and large foreign exchange reserves.

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**Iceland will continue its strong recovery from the pandemic this year**, supported by strong domestic demand and high growth in its most important export sectors, especially tourism. The country has so far been shielded from the effect of the conflict in Ukraine, also due to its significant degree of energy independence.

**As elsewhere, inflation has increased over the past few months.** However, in contrast to global trends, it's not fueled by rising energy prices but by the domestic housing market, and headline inflation appears to be tapering off already.

**S&P Global Ratings therefore expects the government to speed up its fiscal consolidation strategy**, following two years of elevated deficits of close to 9% of GDP during 2020 and 2021. We believe this will stabilize public debt, net of government liquid assets, at slightly above a moderate 40% of GDP over the next few years, all other factors remaining unchanged.

## Outlook

The stable outlook indicates our expectation that Iceland's economy will post strong growth rates this year and remain relatively unaffected by the war in Ukraine. Rising inflation has prompted the Central Bank of Iceland (CBI) to tighten monetary policy and the sound economic backdrop will enable the government to reduce fiscal deficits over the next few years. At the same time, we expect ample foreign reserves will enable the CBI to deal with external pressures or exchange-rate volatility, should they occur.

### Downside scenario

We could lower the ratings on Iceland if the effects of the war in Ukraine became more pronounced, for example through second-round effects stemming from lower economic activity in Iceland's main trading partners in Europe or a shift in global travel preferences. A drop in tourism could also occur if there is a surge in COVID-19 cases, particularly due to new, more dangerous coronavirus variants. In such a scenario, we believe it could be more difficult for Iceland's monetary and fiscal authorities to provide further policy support, given currently elevated inflation and previously large deficits. Net general government debt would rise materially beyond our expectations.

### Upside scenario

We could raise the ratings if economic growth exceeded our expectations, which would likely coincide with stronger export growth and exports becoming more diverse, reducing external debt or the volatility in Iceland's terms of trade. This scenario could enable even quicker fiscal consolidation than we expect, putting the government's debt burden firmly on a downward path and close to prepandemic levels as a share of GDP.

## Rationale

### **Institutional and economic profile: Iceland's economy continues its strong recovery after the pandemic, buoyed by domestic demand and tourism**

We estimate Iceland's economy will expand by a substantial 5.5% in real terms in 2022, given strong domestic and external demand and an only limited impact from the war in Ukraine. Iceland has marginal direct trade relations with Russia and Ukraine, which each represented less than 1% of trade before the conflict. At the same time, Iceland is largely energy independent--since it produces energy locally--and therefore unaffected by the current power price increases across Europe. Iceland produces virtually all of its electricity from renewable sources, mainly hydropower and geothermal plants, and gas is not part of its energy mix. Risks from the conflict are mostly indirect, via lower economic activity in key European trading partners and higher transportation costs.

Domestic and external demand has performed strongly this year. Rising domestic demand is mainly in the form of consumption, which expanded by over 10% year on year in the first half of the year. This was partly due to high savings accumulated by households during the pandemic and a strong labor market, with full-year unemployment estimated to be below 4% for 2022, compared with 6% last year. External demand has also expanded, supporting growth across Iceland's most important export sectors, and was particularly visible in tourism, which in recent months has recovered to prepandemic levels. Tourist arrivals are expected to total 1.7 million for the full year of 2022. At the same time, high global aluminum prices and relatively stable domestic energy prices currently benefit aluminum smelters in Iceland, which are operating at high capacity. Moreover, the fishing sector could potentially see one of its best seasons of the last decade, indicated by strong catches and relatively high fishing quotas for the full year.

However, Iceland's small and open economy has a population of just 370,000, and its GDP was only about \$25 billion in 2021. In our view, the country therefore remains susceptible to external shocks and shifts in terms of trade. For example, if vaccines were to prove ineffective against new strains of COVID-19, or if the war in Ukraine caused a protracted shift in global or European travel preferences, for example due to lower disposable income resulting from high energy prices, tourism could suffer. Tourism represented about 8% of Iceland's GDP before the pandemic and the shock to the industry during the pandemic followed a decade of rapid growth; the number of visitors to Iceland increased about fivefold from 2010 to 2019.

Given the projected slowdown in Iceland's main trading partners, including the eurozone, which we expect to contract by a mere 0.3% in 2023 after 3.1% growth this year, we expect Iceland's GDP to expand by slightly less than 2% in 2023. This will also be a result of

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softer domestic demand stemming from slower consumption growth and decreasing public investment. That said, we expect GDP growth to recover and average close to 2.5% per year in 2024-2025.

In our view, Iceland's institutional arrangements remain a rating strength, with functioning checks and balances between various public-sector institutions. The country's swift and effective policy responses to the pandemic underpin our view of generally effective and stable policymaking. The government coalition, consisting of three parties that span the political spectrum, retained its parliamentary majority in last year's election and we expect it to pursue its broadly consensus-oriented approach to policymaking.

### **Flexibility and performance profile: Fiscal and monetary policy is tightening amid high inflation and a strong economic recovery**

Iceland's better-than-expected economic recovery has also strengthened its fiscal outlook and we believe the government will be able to speed up its consolidation efforts. The fiscal effects of the ongoing recovery have been particularly visible in the form of rising revenues. These could potentially increase by almost 20% year on year, thereby relieving spending pressures from inflation, including through rising interest costs originating from Iceland's large stock of inflation-linked debt. At the same time, the strong labor market and economic recovery have prompted the government to roll back fiscal stimulus measures extended during the pandemic. The government is also actively consolidating its finances by limiting expenditure increases. Although the government has extended the suspension of its fiscal rules by one more year--to 2026, at which point deficits may not exceed -2.5% of GDP--we believe it will be able to achieve this goal earlier, potentially even by 2024, and despite a significant ongoing investment program focusing on health infrastructure, road construction, and the promotion of research and development investments in the private sector. Although outside the government's budget, public finances have also recently benefitted from the sale of significant stakes in publicly owned Islandsbanki in 2021 and early 2022, and further sales are still possible.

The steep reduction of public debt before the pandemic has provided the authorities with fiscal flexibility to support the economy. The country's net general government debt had declined to slightly above 35% of GDP in 2019 from a peak of close to 80% in 2011. Although we forecast debt will remain higher over the next few years than before the pandemic, we think net government debt (net of liquid assets) will stabilize at about a moderate 40% of GDP until 2025. In gross terms, debt will decrease to 47% in 2025 from about 56% of GDP in 2021 since the government will likely reduce its currently still-ample liquid assets, especially in foreign currency, which it quickly accumulated at the beginning of the pandemic, to pay down debt over the next few years.

Iceland's debt profile has also improved significantly in recent years. In a departure from the past, about 75% of gross government debt is now held domestically and about 20% is denominated in foreign currency. Over the past two years, the authorities have placed the proceeds of foreign currency debt issuance as deposits at the central bank to bolster foreign exchange reserves. The government covered its budget deficits during 2020 and 2021 predominantly by issuing debt on the domestic market under favorable conditions. Further bond placements in international markets remain an option, in our view.

Furthermore, over the past two years, the government has drawn from the liquid assets of 100% state-owned enterprise, the HF Fund. The HF Fund's predecessor, the HFF, previously provided affordable housing loans in Iceland and the HF Fund is being wound down following changes to government policy. The authorities are effectively managing the HF Fund's and treasury's liquidity positions jointly. Total funding from the HF Fund to the government in 2020 and 2021 covered more than one-third of the combined budget deficits, but we expect this funding practice will not be used extensively in the future. These additional domestic financing options, as well as low interest costs for past foreign issuance, have helped the government further reduce its financing costs. We expect the government's interest bill to stabilize at 5%-6% of revenue in the medium term after a temporary increase beyond 6% in 2022 due to high inflation (about one-fifth of public debt is inflation linked).

We continue to exclude the HF Fund's liabilities and net income from our general government data, despite their recent inclusion in the data reported by the national statistical office. The HF Fund's balance sheet represents about 20% of GDP and we consider it a contingent liability for the government, which has provided a guarantee for the HF Fund's outstanding debt. Although the HF Fund has sufficient liquid assets to meet its liabilities in the next few years, losses related to an interest-rate mismatch between the institution's assets and liabilities could ultimately require an additional capital contribution from the government in the long term. We continue to include the estimated net present value of the capital shortfall in our general government debt calculations, even though the HF Fund's full liabilities are not. We understand that the government is currently speeding up the process of winding down the HF Fund. However, as of now, total government guarantees remain high--at slightly above 20% of GDP--and pertain mainly to the HF Fund albeit decreasing because the HF Fund's balance sheet is shrinking gradually.

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As elsewhere, inflation rates have risen in Iceland over the past few months. However, the dynamics underlying Iceland's inflation differ from those in most other European countries and inflation has already started declining from its peak of 9.9% in July. Although rising domestic demand has contributed to increasing prices, inflation in Iceland is to a large extent fueled by the housing market. House prices, by themselves, still represent almost 40% of the 9.4% consumer price inflation rate recorded in October the contribution of imputed rents to inflation is usually high in Iceland. In contrast, the contribution of energy prices to headline inflation is lower than elsewhere, reflecting Iceland's lower energy commodity imports. Food prices have only recently started to substantially add to inflation. Although we currently estimate inflation at over 8% for 2022, wage increases, some of which will be decided this year and next through universal wage agreements, could amplify domestic inflation.

These inflation rates exceed the CBI's target of 2.5%, as was the case for almost two years. The CBI has therefore tightened monetary policy over the past few months, mostly in the form of several rate hikes. The key policy rate is now 5.75%, up five percentage points from a historical low of 0.75% in May 2021 and also above pre-pandemic rates. Further hikes are still possible if expected inflation continues to exceed the target rate. The CBI's tightening follows substantial monetary policy support that it mobilized at the start of the pandemic, including primarily a significant reduction of the policy rate, foreign exchange interventions of well over €1 billion, and adjustments to several macroprudential measures related to bank regulation. These policy measures helped support the economy, complementing the government's fiscal efforts and reducing exchange rate volatility. Iceland has accumulated net foreign exchange reserves in recent years on the back of the tourism sector's strong performance in previous years. This provided the CBI additional policy room, especially regarding significant foreign currency sales in 2020 and 2021. Fundamentally, however, we still view Iceland's monetary policy effectiveness as constrained. The underlying economy represents one of the smallest currency areas globally and, historically, domestic inflation has been heavily influenced by developments abroad. The country's real effective exchange rate also tends to fluctuate over the economic cycle and could be subject to large valuation swings, exacerbating the cyclical nature inherent in the economy.

Iceland's current account has generally remained strong throughout the pandemic and only moved into a slight deficit in 2021, despite the significant contraction of tourism--the country's most important export sector. Despite a strong export performance this year, primary income outflows and higher imports due to strong domestic demand will widen the current account deficit in 2022. However, we believe external balances will generally remain narrow over the next few years. We note that Iceland's pre-pandemic current account surpluses averaged over 6% of GDP from 2013-2019, which supported external deleveraging. Since 2016, Iceland has been in a net external asset position, which increased significantly during 2020 and 2021, and we expect it will remain roughly stable at about 40% of GDP over the next few years. This includes significant foreign exchange reserves at the central bank of around \$7 billion, or 25%-30% of GDP.

Icelandic banks' earnings have recovered after the hit from the pandemic, and the sector's profitability should remain robust. We project credit losses will remain close to pre-pandemic levels in the coming two years, at nearly 30 basis points of gross loans. While tourism continues to drive the economic recovery, the housing market's strength amid elevated household debt poses a risk. Nevertheless, banks' capitalization remains very strong and earnings provide a large buffer to absorb higher credit losses than we project in our base case. Therefore, we believe the financial sector represents a limited contingent liability for the government.

## Iceland--Selected Indicators

	2016	2017	2018	2019	2020	2021	2022bc	2023bc	2024bc	2025bc
<b>Economic indicators (%)</b>										
Nominal GDP (bil. ISK)	2,512.1	2,642.0	2,844.4	3,043.9	2,937.9	3,251.2	3,720.1	4,022.0	4,246.2	4,450.3
Nominal GDP (bil. \$)	20.8	24.7	26.3	24.8	21.7	25.6	27.5	28.6	30.6	32.7
GDP per capita (000s \$)	62.5	73.1	75.4	69.5	59.6	69.4	73.0	75.0	78.8	83.1
Real GDP growth	6.3	4.2	4.9	2.4	(6.8)	4.4	5.8	1.9	2.5	2.3

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**Iceland--Selected Indicators**

Real GDP per capita growth	5.2	2.4	1.9	(0.0)	(8.7)	3.1	3.7	0.4	1.0	0.7
Real investment growth	18.0	10.6	3.1	(2.4)	(9.8)	12.3	6.3	0.0	2.5	2.0
Investment/GDP	21.1	21.7	22.3	21.1	21.3	22.8	22.5	21.8	21.7	21.7
Savings/GDP	29.2	26.0	26.4	27.6	23.2	21.2	19.7	20.5	20.9	21.0
Exports/GDP	47.5	45.7	46.6	44.4	34.5	38.2	45.1	43.4	43.7	44.3
Real exports growth	11.0	5.1	1.7	(4.7)	(29.9)	12.7	15.0	3.0	4.3	3.5
Unemployment rate	3.3	3.3	3.1	3.9	6.4	6.0	3.9	4.2	4.1	4.1

**External indicators (%)**

Current account balance/GDP	8.1	4.2	4.1	6.5	1.9	(1.6)	(2.8)	(1.4)	(0.8)	(0.7)
Current account balance/CARs	15.1	8.5	8.1	13.3	4.8	(3.8)	(5.7)	(2.9)	(1.7)	(1.5)
CARs/GDP	53.6	49.8	51.0	49.1	38.9	41.9	48.6	47.5	47.6	47.9
Trade balance/GDP	(3.9)	(6.2)	(5.7)	(4.1)	(2.9)	(4.9)	(5.1)	(4.6)	(4.6)	(4.7)
Net FDI/GDP	3.5	0.7	(1.8)	(2.8)	(2.3)	0.0	0.5	(1.5)	(1.5)	(1.5)
Net portfolio equity inflow/GDP	(6.0)	(1.1)	(2.0)	(0.9)	(4.0)	(4.7)	(1.0)	(2.5)	(2.5)	(2.5)
Gross external financing needs/CARs plus usable reserves	89.3	79.5	83.7	80.4	79.4	90.0	93.1	93.2	93.7	93.7
Narrow net external debt/CARs	54.8	51.3	41.2	38.7	65.0	58.2	53.2	56.9	55.0	53.6
Narrow net external debt/CAPs	64.6	56.0	44.9	44.6	68.2	56.1	50.4	55.3	54.1	52.9
Net external liabilities/CARs	(6.1)	(6.0)	(18.5)	(42.3)	(95.2)	(98.8)	(78.7)	(85.3)	(90.5)	(93.9)
Net external liabilities/CAPs	(7.2)	(6.6)	(20.1)	(48.7)	(100.0)	(95.2)	(74.4)	(82.9)	(89.0)	(92.6)
Short-term external debt by remaining maturity/CARs	43.6	34.7	32.8	35.3	48.0	40.0	36.8	35.0	34.0	32.7
Usable reserves/CAPs (months)	6.2	7.7	6.4	7.2	10.1	6.9	6.0	5.6	5.3	5.1
Usable reserves (Mil. \$)	7230.61	6,575.3	6,327.9	6,787.2	6,420.8	7,079.6	6,500.0	6,500.0	6,750.0	7,000.0

**Fiscal indicators (general government %)**

Balance/GDP	12.2	0.5	0.7	(1.8)	(8.5)	(8.7)	(4.8)	(3.1)	(2.2)	(1.9)
Change in net debt/GDP	(1.0)	(1.9)	(4.3)	7.9	3.4	4.5	2.8	3.0	2.5	1.9
Primary balance/GDP	16.1	4.4	3.4	0.7	(6.1)	(6.5)	(2.3)	(0.9)	(0.1)	0.2
Revenue/GDP	56.3	43.0	42.2	39.7	40.2	38.5	40.0	40.5	41.0	41.0
Expenditures/GDP	44.1	42.4	41.6	41.5	48.7	47.2	44.8	43.6	43.2	42.9
Interest/revenues	6.9	8.9	6.6	6.2	5.9	5.8	6.3	5.5	5.2	5.3
Debt/GDP	53.7	45.4	39.2	45.8	56.5	56.3	50.8	46.9	46.9	46.7
Debt/revenues	95.4	105.7	92.9	115.3	140.3	146.5	127.0	115.7	114.5	113.9
Net debt/GDP	41.6	37.7	30.7	36.6	41.3	41.8	39.4	39.4	39.9	40.0
Liquid assets/GDP	12.1	7.7	8.5	9.2	15.1	14.5	11.4	7.5	7.1	6.7

**Monetary indicators (%)**

CPI growth	1.7	1.8	2.7	3.0	2.8	4.4	8.3	6.3	3.4	2.5
GDP deflator growth	2.3	0.9	2.6	4.5	3.6	6.0	8.2	6.1	3.0	2.5
Exchange rate, year-end (ISK/\$)	112.8	104.4	116.3	121.1	127.2	130.4	140.5	140.4	137.6	134.8

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### Iceland--Selected Indicators

Banks' claims on resident non-gov't sector growth	1.7	6.8	9.0	4.1	4.7	(7.4)	5.0	4.0	4.0	4.0
Banks' claims on resident non-gov't sector/GDP	127.7	129.7	131.3	127.8	138.6	116.0	106.5	102.4	100.9	100.1
Foreign currency share of claims by banks on residents	9.0	9.7	10.4	10.9	13.3	14.1	N/A	N/A	N/A	N/A
Foreign currency share of residents' bank deposits	8.6	9.7	12.2	12.3	10.8	11.2	N/A	N/A	N/A	N/A
Real effective exchange rate growth	13.0	12.1	(2.6)	(7.0)	(8.1)	4.0	0	0	0	0

Sources: Statistics Iceland (Economic Indicators), Central Bank of Iceland, The Government of Iceland External Indicators), Statistics Iceland, Central Bank of Iceland (Fiscal Indicators), and Central Bank of Iceland, IMF (Monetary Indicators).

Adjustments: Government debt adjusted by including loans from Norges Bank and the IMF. Government fiscal metrics exclude the Icelandic Housing Financing Fund. External metrics exclude debt from previous DMBs in settlement proceedings.

Definitions: Savings is defined as investment plus the current account surplus (deficit). Investment is defined as expenditure on capital goods, including plant, equipment, and housing, plus the change in inventories. Banks are other depository corporations other than the central bank, whose liabilities are included in the national definition of broad money. Gross external financing needs are defined as current account payments plus short-term external debt at the end of the prior year plus nonresident deposits at the end of the prior year plus long-term external debt maturing within the year. Narrow net external debt is defined as the stock of foreign and local currency public- and private- sector borrowings from nonresidents minus official reserves minus public-sector liquid claims on nonresidents minus financial-sector loans to, deposits with, or investments in nonresident entities. A negative number indicates net external lending. N/A- Not applicable. ISK-- Icelandic krona. CARs--Current account receipts. FDI--Foreign direct investment. CAPs--Current account payments. The data and ratios above result from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information.

### Iceland--Ratings Score Snapshot

Key rating factors	Score	Explanation
Institutional assessment	2	Generally strong, but relatively shorter track record of policies that deliver sustainable public finances and consistently balanced economic growth over the long term. Generally effective checks and balances and free flow of information through society. Statistical information is generally timely and reliable. Based on GDP per capita (\$) as per the Selected Indicators table above.
Economic assessment	2	The economy is concentrated in fishing, aluminum, and tourism. The metals and fishing sectors together account for over 20% of GDP and are subject to volatility due to changing aluminum prices and varying fishing catch levels. Before the pandemic, the tourism industry also accounted for well over 20% of GDP, including direct and indirect effects. Based on narrow net external debt and gross external financing needs as per Selected Indicators in Table 1.
External assessment	3	Iceland's net international investment position is more favorable than the narrow net external debt position by over 100% of current accounts receipts (CARs), as per Selected Indicators in Table 1. The country is exposed to significant volatility in terms of trade, due to its dependence on tourism exports and changes in metal prices.
Fiscal assessment: flexibility and performance	4	Based on the general government balance (% of GDP) as per Selected Indicators in Table 1. Based on net general government debt (% of GDP) and general government interest expenditure (% of general government revenue) as per Selected Indicators in Table 1.
Fiscal assessment: debt burden	4	Contingent liabilities are moderate. We assess the amount of guarantees provided by Iceland (implicitly and explicitly) to various nondeposit-taking institutions at slightly less than 30% of GDP. We believe there is a significant likelihood of extraordinary government support.
Monetary assessment	4	The krona is largely floating following the removal of capital controls, albeit with a shorter track record. The central bank has broad operational independence and uses market-based monetary instruments. Given the removal of capital controls and accumulation of extra net

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foreign exchange reserves, the central bank can act as lender of last resort for the financial system. However, Iceland exhibits a very volatile real effective exchange rate over the economic cycle.

Indicative rating	a+	As per Table 1 of "Sovereign Rating Methodology."
Notches of supplemental adjustments and flexibility	-1	Iceland's economy and its currency area are narrower than rating peers', which makes the country inherently more susceptible to external shocks. This is not fully captured in the indicative rating.
<b>Final rating</b>		
Foreign currency	A	
Notches of uplift	0	Default risks do not apply differently to foreign- and local-currency debt.
Local currency	A	

S&P Global Ratings' analysis of sovereign creditworthiness rests on its assessment and scoring of five key rating factors: (i) institutional assessment; (ii) economic assessment; (iii) external assessment; (iv) the average of fiscal flexibility and performance, and debt burden; and (v) monetary assessment. Each of the factors is assessed on a continuum spanning from 1 (strongest) to 6 (weakest). S&P Global Ratings' "Sovereign Rating Methodology," published on Dec. 18, 2017, details how we derive and combine the scores and then derive the sovereign foreign currency rating. In accordance with S&P Global Ratings' sovereign ratings methodology, a change in score does not in all cases lead to a change in the rating, nor is a change in the rating necessarily predicated on changes in one or more of the scores. In determining the final rating the committee can make use of the flexibility afforded by §15 and §§126-128 of the rating methodology.

## Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Governments | Sovereigns: Sovereign Rating Methodology, Dec. 18, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Methodology: Criteria For Determining Transfer And Convertibility Assessments, May 18, 2009

## Related Research

- Sovereign Ratings List, Oct. 5, 2022
- Sovereign Ratings History, Oct. 5, 2022
- Sovereign Ratings Score Snapshot, Oct. 7, 2022
- Sovereign Risk Indicators, Oct. 10, 2022; a free interactive version is available at <http://www.spratings.com/sri>
- Banking Industry Country Risk Assessment: Iceland, Feb 21, 2022
- Default, Transition, and Recovery: 2020 Annual Sovereign Default And Rating Transition Study, April 13, 2022

## Ratings Detail (as of November 10, 2022)\*

### Iceland

Sovereign Credit Rating	A/Stable/A-1
Transfer & Convertibility Assessment	A
Senior Unsecured	A
Senior Unsecured	A-1
Short-Term Debt	A-1

### Sovereign Credit Ratings History

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### Ratings Detail (as of November 10, 2022)\*

17-Mar-2017	<i>Foreign Currency</i>	A/Stable/A-1
13-Jan-2017		A-/Stable/A-2
15-Jan-2016		BBB+/Stable/A-2
17-Mar-2017	<i>Local Currency</i>	A/Stable/A-1
13-Jan-2017		A-/Stable/A-2
15-Jan-2016		BBB+/Stable/A-2

\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings credit ratings on the global scale are comparable across countries. S&P Global Ratings credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.



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