



LÁNAMÁL RÍKISINS

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Press release

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Government Debt Management *Prospect* 2026

- *Government bond issuance for 2026 is estimated at 200 b.kr. market value.*
- *It is planned to issue a new nominal bond maturing in 2029. The size of the series concerned and market conditions will determine the amount sold in individual benchmark series.*
- It is possible that the Treasury's year-2026 borrowing need will be met in part with issuance of Treasury bills, drawdowns of foreign deposits held in the Treasury's current account with the Central Bank of Iceland, and the sale of a portion of the Housing Fund's loan portfolio.

Introduction

According to the approved National Budget for 2026, the net financing balance is estimated to be negative by 79.8 b.kr. Maturing in February 2026 is RÍKS 26 0216, which is 75.7 b.kr. in size, including indexation. RÍKB 26 1015 matures in October 2026. The nominal value of the series is 90.3 b.kr. Other instalments on the Treasury's non-marketable domestic debt total 5.5 b.kr. The net financing need plus the year's maturities, adjusted for movements in Treasury deposits and Government bills, will determine the need for domestic long-term borrowing during the year. Euro-denominated bonds in an amount equivalent to 43.9 b.kr. are scheduled to mature in June 2026, and another 21 b.kr. in non-marketable foreign-denominated debt will mature in 2026 as well.

Bond issuance will continue to be the mainstay of Treasury financing activity, with planned Government bond issuance totalling 200 b.kr. market value in 2026.¹ Government bond issuance net of maturities will therefore total 34 b.kr. in 2026, as compared with 91 b.kr. in 2025. Government bond issuance in 2026 is also estimated to exceed the amount provided for in the 2025 *Prospect* by 20 b.kr.

In order to meet the borrowing need, it is also possible to issue additional Treasury bills and draw down foreign deposits in the Treasury's current account with the Central Bank of Iceland, which

¹ The market value is calculated based on the clean price plus accrued indexation, but without accrued interest.



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were equivalent to 297 b.kr. at the end of November 2025. It is also possible to sell a portion of the Housing Fund loan portfolio, thereby reducing the Treasury's borrowing need.

The *Prospect* for each quarter will be published on the last business day of the preceding quarter. Each quarterly *Prospect* will contain information on estimated total issuance during that quarter. The quarterly *Prospect* for Q1/2026 is published concurrent with the Government Debt Management *Prospect* for the full year 2026.

Medium-Term Debt Management Strategy

The Medium-Term Debt Management Strategy is published annually by the Ministry of Finance and Economic Affairs and covers a horizon of five years. It sets forth the authorities' plans for credit financing during the specified period and is reviewed and republished each year. Its principal objectives are to ensure that the Treasury's medium- to long-term financing need and financial obligations are met at the lowest possible cost that is consistent with a prudent degree of risk. The strategy is also intended to encourage further development of efficient primary and secondary markets for domestic Government securities.

Government bond issuance

Inflation-linked bond series RIKS 26 0216 matures on 16 February 2026, in the amount of 75.7 b.kr., including indexation. Bonds in the series were first issued in 2018. On 15 October 2026, the nominal RIKB 26 1015 Treasury bond matures in the amount of 90.3 b.kr. Bonds in the series were first issued in 2023. It is planned to issue a new nominal bond maturing in 2029, with market making planned for the series. It is also possible that a medium-term inflation-linked series will be added.

It is possible to issue bonds in all benchmark Government bond series during the year, but issuance is expected to be limited in the largest series. Market conditions will determine whether the bonds in question will be sold, and if so, how much in each series.

Size of benchmark Government bond series as of year-end 2025 – (m.kr.):

Nominal Series ¹		Inflation-linked Series ²	
RIKB 26 1015	90,334	RIKS 26 0216	75,675
RIKB 27 0415	129,438	RIKS 29 0917	96,414
RIKB 28 1115	124,037	RIKS 30 0701	137,175
RIKB 31 0124	124,632	RIKS 33 0321	134,146
RIKB 35 0917	94,141	RIKS 37 0115	89,290
RIKB 38 0215	48,541	RIKS 50 0915	40,939
RIKB 42 0217	73,719		

¹Nominal value

²Nominal value including accrued indexation



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Treasury bill issuance

As of year-end 2025, outstanding Treasury bills total just over 110 b.kr. The Treasury will continue to be an active issuer of bills, but the outstanding balance at any given time is subject to change, as issuance of bills is, among other things, an element in Treasury liquidity management; furthermore, short-term financing needs, investor demand, and terms at auction could affect the balance. Treasury bill maturities may range from one month to 12 months. The Treasury also has the option of requesting money market loans or granting króna-denominated loans to primary dealers for very short periods so as to mitigate day-to-day fluctuations in their current accounts with the Central Bank.

Flexibility in Treasury bill issuance is important, and it is possible that additional auctions will be added to those already on the Government Debt Management issuance calendar.

Switch auctions – buybacks

It is possible that switch auctions will be held, in which owners of Government bonds in series RIKS 26 0216 will be invited to swap their bonds for other benchmark series. It is also possible that the bonds will be purchased directly, in the secondary market. Switch auctions and secondary market buybacks of RIKB 26 1015 can also be expected during the year. In Q4/2026, it is possible that switch auctions of RIKB 27 0415 will be held, but Government bond issuance in connection with such switch auctions reduces the need for issuance in 2027; therefore, the issued volume according to the annual *Prospect* could increase. Terms and market conditions will determine which issues will be offered in switch auctions and how much will be sold in this manner.

Treasury deposits with the Central Bank

At the end of November 2025, the Treasury's current account balance with the Central Bank of Iceland was about 62 b.kr. At the same time, the Treasury held the equivalent of 297 b.kr. in foreign currency deposits with the Central Bank. Foreign deposits have increased by 36 b.kr. year-to-date, owing largely to issuance during the year of a eurobond that more than covered year-2025 buybacks of the eurobond maturing in June 2026.

Interest rate swaps

The Treasury is authorised to enter into swap agreements with domestic financial institutions for up to 50 b.kr. in 2026, in order to better manage the indexation risk and interest rate risk in its loan portfolio. Such swap agreements will be executed if terms and market conditions allow.

Foreign market bonds

In June 2026, an outstanding balance of 296 million euros is due on a 500 million eurobond issued in the market in 2020. A foreign bond may be issued in 2026 if market conditions permit. Otherwise, the debt will be repaid using the Treasury's foreign deposits with the Central Bank.



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Timing of auctions and further arrangements

Government bond auctions will be held on predetermined dates, according to the *Government Debt Management* auction calendar. Two days each month are reserved for Government bond auctions, and one day per month is reserved for Treasury bill auctions. These days are indicated on the Government Debt Management auction calendar and on the website www.lanamal.is. Government Debt Management reserves the right to cancel auctions or schedule additional ones; for example, due to market conditions. If changes are made to the current annual *Prospect*, they are generally announced in the quarterly Government Debt Management *Prospect*.

The monthly publication *Market Information*, the Bloomberg <ICDO> pages, and the website www.lanamal.is will continue to be the main channels for communication.

Primary dealers in Government securities

Arion Bank hf.
Fossar Investment Bank hf.
Íslandsbanki hf.
Kvika banki hf.
Landsbankinn hf.

Further information can be obtained from Government Debt Management at the following e-mail address: lanamal@lanamal.is.