



## LÁNAMÁL RÍKISINS

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**Press release**  
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### **Government Debt Management *Prospect* 2025**

- *Planned Treasury bond issuance for 2025 totals 180 b.kr. market value.*
- *It is planned to issue a new nominal Treasury bond maturing in 2038 and two new indexed bonds maturing in 2029 and 2044. The size of the series concerned and market conditions will determine the amount sold in individual bond series.*
- *The Treasury's financial need during the year may be met in part by tapping foreign deposits with the Central Bank of Iceland.*

#### **Introduction**

According to the approved National Budget for 2025, the net financing balance is estimated to be negative by 19.5 b.kr. RIKB 25 0612 matures in June 2025. The nominal value of the series is 89 b.kr. Other payments on long-term loans come to a total of 5.3 b.kr. The net financing need plus the year's maturities, adjusted for movements in Treasury deposits and Treasury bills, will determine the need for domestic long-term borrowing during the year. In this context, however, it is appropriate to note that RIKS 26 0216 matures in February 2026. The series is 119 b.kr. in size, and a portion of year-2025 Treasury bond issuance is intended to cover that maturity. No foreign loans are scheduled to mature in 2025.

Bond issuance will continue to be the mainstay of Treasury financing activity, with planned Treasury bond issuance totalling 180 b.kr. market value in 2025.<sup>1</sup> Treasury bond issuance net of maturities will therefore total 91 b.kr. in 2025, as compared with 61 b.kr. in 2024. Estimated total issuance for 2025 will also be 30 b.kr. more than was assumed in the revised year-2024 *Prospect*.

In order to meet the borrowing need, it is also possible to draw down foreign deposits in the Treasury's current account with the Central Bank of Iceland, which were equivalent to 263 b.kr. at the end of November 2024.

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<sup>1</sup> The sale price or market value refers to the clean price plus accrued indexation; i.e., with indexation but without accrued interest.



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The *Prospect* for each quarter will be published on the last business day of the preceding quarter. Each quarterly *Prospect* will contain information on the estimated total issuance during that quarter. The quarterly *Prospect* for Q1/2025 is published concurrent with the Government Debt Management *Prospect* for the full year 2025.

### Medium-Term Debt Management Strategy

The Medium-Term Debt Management Strategy is published 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 published each year. Its principal objectives are to ensure that the Treasury's medium- to long-term financing needs 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.

### Treasury bond issuance

On 12 June 2025, the nominal RIKB 25 0612 Treasury bond matures in the nominal amount of 89 b.kr. Bonds in the series were first issued in 2009. It is planned to issue a new nominal bond maturing in 2038. It is also planned to issue two new indexed bonds maturing in 2029 and 2044, with market making planned for both series.

It is possible that bonds will be issued in all Treasury series during the year, although it can be expected that issuance in the largest series will be limited, as the flexibility to issue in specific series must be examined in light of the objective of keeping the Treasury redemption profile as smooth as possible. Market conditions will determine whether the bonds in question will be sold, and if so, how much in each series.

Size of Treasury bond series as of year-end 2024 (m.kr.):

Nominal Series <sup>1</sup>		Inflation-linked Series <sup>2</sup>	
RIKB 25 0612	88.859	RIKS 26 0216	118.694
RIKB 26 1015	72.924	RIKS 30 0701	132.253
RIKB 27 0415	71.051	RIKS 33 0321	129.332
RIKB 28 1115	118.882	RIKS 37 0115	85.777
RIKB 31 0124	124.632		
RIKB 35 0917	67.257		
RIKB 42 0217	66.082		

<sup>1</sup>Nominal value

<sup>2</sup>Nominal value including accrued indexation

### Treasury bill issuance

As of end-2024, outstanding Treasury bills total just under 190 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;



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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 Treasury bill auctions will be added to those already on the Government Debt Management issuance calendar.

### **Switch auctions – buybacks**

Switch auctions and buybacks during the year will be conducted in accordance with the provisions of primary dealer agreements and the Medium-Term Debt Management Strategy (MTDS).

### **Treasury deposits with the Central Bank**

At the end of November 2024, the Treasury's current account balance with the Central Bank of Iceland was about 71 b.kr. At the same time, the Treasury held the equivalent of 263 b.kr. in foreign currency deposits with the Central Bank. Foreign deposits have increased by 67 b.kr. year-to-date, owing largely to the issuance during the year of sustainable bonds that more than covered the eurobond maturing in June 2024.

### **Interest rate swaps**

In the final month of 2024, the Treasury resumed the practice of concluding inflation swap agreements with domestic financial institutions, after a hiatus of several years. The Treasury is authorised to enter into swap agreements with domestic financial institutions for up to 50 b.kr. in 2025, 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 debt**

No foreign loans are scheduled to mature in 2025.

### **Timing of auctions and further arrangements**

Treasury bond auctions will be held on predetermined dates, according to the *Government Debt Management* auction calendar. Two days each month are reserved for Treasury 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](http://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](http://www.lanamal.is) will continue to be the main channels for communication.



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### Primary dealers in Treasury securities

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

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