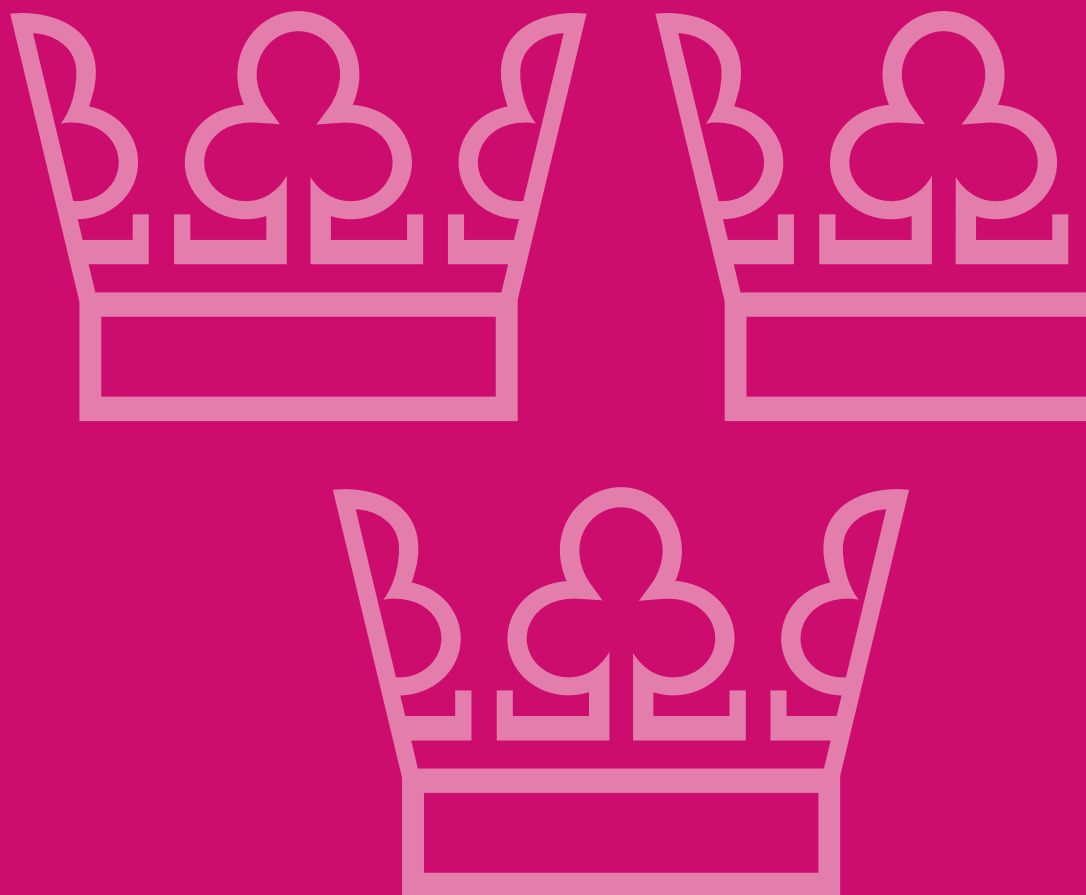


Central government borrowing

Forecast and analysis 2026:1





The Debt Office's assignment

One of the Debt Office's areas of responsibility is to conduct government borrowing and manage the central government debt. The aim is to do this at the lowest possible cost over time while taking account of risk.

The Debt Office borrows to cover deficits in the central government budget (the net borrowing requirement) and to repay previously raised loans that are maturing. In *Central Government Borrowing – Forecast and Analysis*, we present forecasts of the budget balance and borrowing requirement for the coming two years as well as a borrowing plan. The report is published twice a year, in May and November.

On the fifth working day of each month, we publish the outcome of the central government budget balance for the previous month. We compare the outcome with the forecast and explain any deviations. In connection with the monthly outcome, the Debt Office also presents the debt development in the report *Sweden's Central Government Debt*.

Between the forecasts, the Debt Office also continually communicates terms for forthcoming auctions of government securities and the results of the auctions.

Predictable and clear communication about the borrowing requirement and the supply of government securities is a key part of the Debt Office's borrowing strategy. This helps reduce investor uncertainty, thereby improving the conditions for lower borrowing costs for the central government.

Preface

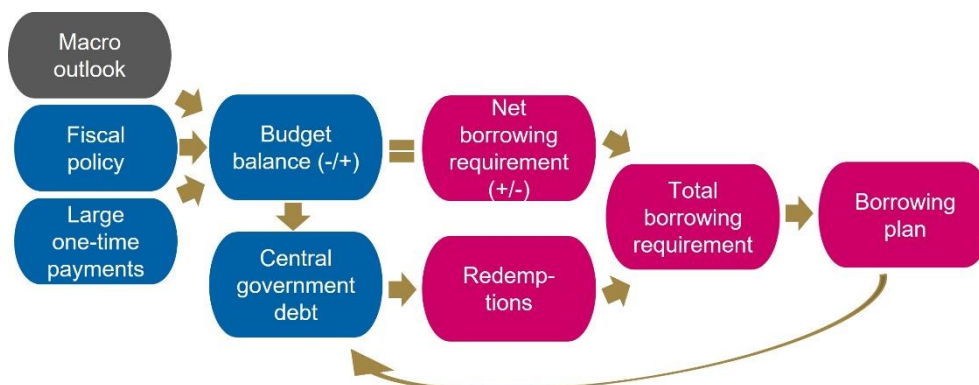
Central Government Borrowing – Forecast and Analysis 2026:1 contains forecasts of the Swedish economy, the central government budget balance and debt, as well as the Debt Office’s borrowing plan for 2026–2027. Illustration 1 shows the connections between the forecasts and the plan.

The first chapter of the report describes the economic outlook that forms the basis of the forecast of the budget balance and central government debt in the second chapter. If the budget balance shows a deficit, the central government has a positive net borrowing requirement and the debt increases. With a budget surplus, the net borrowing requirement is instead negative and the debt decreases. In addition to funding the net borrowing requirement, the Debt Office must also refinance maturing loans. The borrowing plan – and how it affects the composition and term to maturity of the debt – is presented in the last chapter.

The report takes into account developments up to 13 May 2026.

Karolina Ekholm
Debt Office Director General

Illustration 1 The Debt Office funds the budget balance and redemptions



Note: The grey part is covered in chapter 1, the blue parts in chapter 2, and the pink parts in chapter 3. The first two chapters describe the expected conditions for borrowing, whereas the last chapter is about how the Debt Office plans to respond to these conditions.

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Summary

Sweden needs to increase central government borrowing to fund large budget deficits both this year and the next. The Debt Office is therefore further raising the annual issuance volume of government bonds slightly and will begin to hold more frequent auctions. The central government debt continues to rise, albeit from a low level.

The Debt Office's new forecast of the budget balance indicates a deficit of SEK 196 billion for 2026 and SEK 208 billion in 2027. These are greater deficits than in the previous forecast, due to new fiscal policy measures, higher net lending by the Debt Office, and the war in the Middle East's adverse effects on the Swedish economy. The Debt Office is lowering its forecast for GDP growth this year from 2.7 per cent to 1.9 per cent.

The budget deficits cause the central government debt to increase from SEK 1,244 billion at the end of 2025 to SEK 1,633 billion at the end of 2027. This means that the debt ratio will rise from 19 to 23 per cent of GDP. The general government debt (Maastricht measure) increases from 35 to 39 per cent of GDP. It thereby approaches the upper limit of the range for the debt anchor in Sweden's fiscal policy framework, although it remains low by international comparison.

In the new borrowing plan, the annual supply of nominal government bonds is marginally higher this year and somewhat further raised in 2027, compared with the previous plan. The Debt Office will also hold more frequent bond auctions – every Wednesday instead of every other Wednesday – as of 17 June. The volume per auction will then be SEK 5 billion. That will result in an annual volume of SEK 220 billion for 2026. The plan for 2027 contains an increase to SEK 240 billion.

The Debt Office still plans to issue a foreign currency bond per year in 2026 and 2027. The planned inflation-linked bond borrowing is also unchanged.

Table 1 Central government borrowing

SEK billion

Debt instrument	Outcome 2025	25:2 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027
Nominal government bonds	118	118	220	216	240	220
Inflation-linked bonds	6	6	6	6	6	6
Foreign currency bonds	41	41	19	19	19	19
T-bills, stock at year-end	173	173	238	250	233	243
Liquidity management, stock at year-end	137	134	173	142	151	132

Note: 25:2 refers to the previous forecast published in November 2025.

Table 2 Planned issuance volume of nominal government bonds over next six months

SEK billion

Maturity category	Nominal government bond	28 May 2026–26 November 2026
10-year	SGB 1067 2.5% 15 Oct 36	27
	SGB 1068 2.75% 09 Feb 37	33
Forthcoming 10-year	SGB 1068 2.75% 09 Feb 37	9
5-year	SGB 1062 0.125% 12 May 31	6
	SGB 1056 2.25% 01 Jun 32	11
2-year	SGB 1060 0.75% 12 May 28	16.25
> 12-year	SGB 1063 0.5% 24 Nov 45	0.75
	SGB 1053 3.5% 30 Mar 39	2
Other	SGB 1065 1.75% 11 Nov 33	4
	SGB 1066 2.25% 11 May 35	4
Total supply		113

Note: The category "Other" includes bonds that were previously 10-year reference bonds and are not yet included in the 5-year or 2-year categories of reference bonds. The indicated volumes apply assuming that the auctions are fully allotted. The Debt Office will not compensate if any auction is cut but will instead continue to issue according to the plan.

Table 3 Central government finances

SEK billion, unless otherwise stated

Key figure	Outcome 2025	25:2 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027
Budget balance (with the opposite sign, the net borrowing requirement)	-102	-103	-196	-173	-208	-194
Central govt. debt	1,244	1,240	1,430	1,406	1,633	1,591
Central govt. debt (% of GDP)	19	19	21	21	23	22
General govt. debt (% of GDP)	35	35	37	37	39	38

Note: 25:2 refers to the previous forecast published in November 2025.

Table 4 Swedish economy

Annual percentage change, unless otherwise stated

Key figure	Outcome 2025	25:2 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027
GDP growth	1.5	0.9	1.9	2.7	2.5	2.5
Unemployment (% of labour force)	8.8	8.7	8.6	8.4	8.2	7.8
CPIF inflation	2.6	2.6	1.2	0.8	1.4	1.7

Note: 25:2 refers to the previous forecast published in November 2025.

The numerical data for all figures are published on the Debt Office's website together with the report.

Recovery encounters obstacles

The recovery of the Swedish economy and labour market has slowed since the beginning of the year, and the slowdown is exacerbated by the war in the Middle East. The Debt Office is therefore lowering its growth forecast for 2026 but expects the recovery to resume by year-end.

After a strong finish to last year, the Swedish economy has seen weak growth in the beginning of 2026. Moreover, a new war has broken out in the Middle East, which could have tangible consequences for the entire global economy. The uncertainty regarding the continuing developments is significant, and conditions could deteriorate rapidly. So far, the effects of the war on the global economy have been mitigated by the use of strategic oil reserves.

The war in the Middle East affects the Swedish economy mainly through the prevention of deliveries via the Strait of Hormuz causing a spike in the price of oil and other input goods. The Debt Office's forecast is based on the price of oil moving in line with the market's forward pricing¹. From this it can be presumed that the conflict will be resolved in the near future and that the deliveries through the Strait will gradually return to normal, with prices dropping as a consequence. The price of oil is still assumed to be distinctly higher than in the previous forecast, and the increase is large enough to temporarily impede the economic recovery. The more expensive oil will affect inflation, but the inflationary pressure is very low at the outset, and we assume the indirect effects on core inflation to be limited.

Higher oil prices and heightened uncertainty hinder the Swedish economy, particularly in the first half of the year and have implications for the labour market as well. We nevertheless assess the disturbances to be temporary and therefore expect the recovery to gradually resume towards the end of the year. Next year, economic growth picks up and the labour market strengthens with a slight lag.

Increased uncertainty internationally

The war in the Middle East has caused the uncertainty about international economic developments to rise again. The Debt Office uses the National Institute of Economic Research's (NIER) forecasts for international growth. NIER and a number of other experts expect the effects on GDP from the war and higher oil price to nonetheless be relatively limited. This is assuming that a resolution of the conflict will come fairly soon and that, above all, transport through the Strait of Hormuz can resume, in line with the description above.

¹ Forward pricing of Brent crude oil on 12 May. There is a large difference in the forward pricing before the war compared with after its onset. Since the war started, forward pricing has changed relatively little.

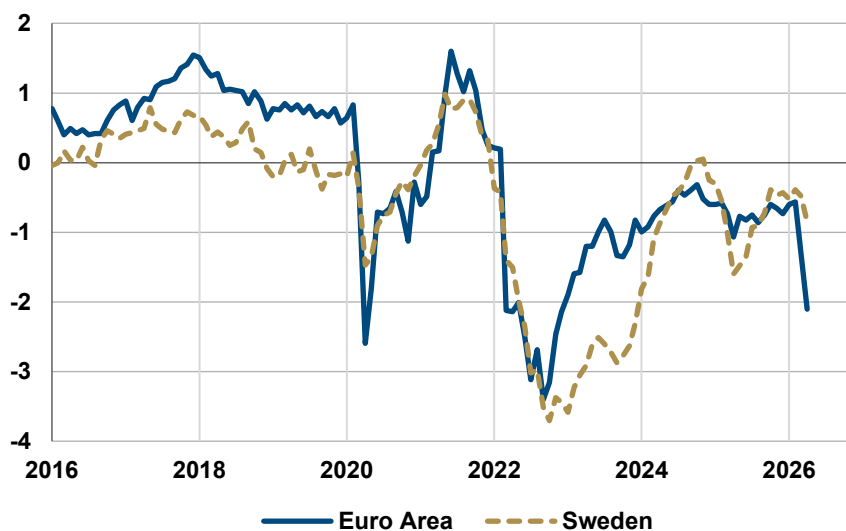
The US is considered one of the countries in which GDP growth is resisting the effects of the war relatively well. While household purchasing power is admittedly decreasing as fuel prices rise, consumption is kept from falling by the fact that many American households have a strong financial standing due to, among other things, high asset prices. The US is also a net exporter of oil and natural gas, which accounts for the country as a whole not being as severely affected by the price increases. Also, fiscal policy stimulus and major investment in, for instance, AI and data centres contribute to high activity in the US economy, which is assessed to grow by around 2 per cent in both 2026 and 2027 (see Table 14 on page 40).

The developments surrounding the tariffs imposed by the US on other countries continue with new manoeuvres from the US administration as well as court trials. In spite of this, the assessment is that the uncertainty surrounding the tariffs has decreased and that the economic impact has been smaller than most feared. Inflation in the US still remains significantly above the target of 2 per cent, and inflation is expected to go up further in the near term as the effects of rising energy prices grow more distinct.

The war in the Middle East has a larger effect on growth in the euro area because the dependency on importation of both oil and natural gas is greater than it is in the US. Sectors with high energy use are seeing their margins shrink as energy prices rise, and German industry in particular is being hit hard. In addition, consumer confidence has deteriorated substantially since the start of the war (see Figure 1). This may be an effect of higher energy prices and reduced purchasing power, but it could also reflect a generally greater economic uncertainty. A dampened trend for the economy in the near future is likely. Inflation is assessed to continue to rise, at least in the short term. At the same time, major defence and infrastructure initiatives are expected to contribute to growth. The forecast of the economy in the euro area shows growth of approximately 1 per cent for both 2026 and 2027.

Figure 1 Consumer confidence in euro area and Sweden

Standardised and seasonally adjusted monthly values



Sources: NIER and the European Commission.

War in Middle East also burdens Swedish economy

According to Statistics Sweden’s GDP indicator, the economic recovery in Sweden halted in the first quarter. The Debt Office now expects the closure of the Strait of Hormuz to further impede the recovery. The fact that oil and natural gas make up a relatively small part of Sweden’s energy mix will, however, help to keep the slump temporary.

Altogether, we expect GDP to grow by 1.9 per cent this year and 2.5 per cent next year in real terms (see Table 5). This entails a downward revision of the forecast for this year by 0.8 percentage points. It is mainly household consumption that is lower but also investment and export. The way in which this affects the central government budget balance is described in the section “Macro revisions weigh on budget balance” on page 15.

Table 5 GDP and its components in constant prices

Percentage change

Variable	Outcome 2025	25:2 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027
GDP	1.5	0.9	1.9	2.7	2.5	2.5
Household consumption	1.6	1.4	2.0	3.2	3.0	2.6
Public consumption	0.7	0.5	2.9	1.8	1.8	1.6
Investment	2.0	0.0	2.5	3.7	3.7	3.5
Changes in inventories ¹	0.2	0.4	-0.3	0.1	0.1	0.0
Exports	3.9	3.9	2.1	3.1	3.1	4.2
Imports	4.3	4.6	2.4	3.6	3.9	4.4
Net exports ¹	-0.1	-0.3	-0.1	-0.2	-0.3	0.0
GDP (calendar-adjusted)	1.8	1.2	1.6	2.5	2.2	2.2

¹ Contribution to GDP growth, percentage points.

Note: 25:2 refers to the previous forecast.

Source: Statistics Sweden and the Debt Office.

Divided indicator picture

The mood according to the results of the NIER’s Economic Tendency Survey is at near normal levels in most sectors. The exception is the trade sector, for which the mood is higher than usual, and consumer confidence has deteriorated since the turn of the year – albeit not as much as in the euro area (see Figure 1). As a whole, the current level of the Economic Tendency Indicator is compatible with GDP growth of approximately 2 per cent. Purchasing managers’ indices, particularly in the manufacturing industry, provide a more optimistic picture than the indicator does, but the higher index level is mostly price driven.

At the time of the Debt Office’s previous forecast, the Economic Tendency Indicator and consumer confidence were both on the way up. Now they have shifted downwards instead. For households, the decline is mainly driven by more

dampened expectations, for both personal finances as well as for Sweden’s economy. High energy prices at the beginning of the year and the global situation are likely contributors to this. After the onset of the war, market expectations for the Riksbank’s policy rate have also gone from expectations of a lower rate to a higher one. If these materialise, mortgages will rise for many households.

Altogether, the survey indicates that household consumption will remain relatively weak in the coming quarters, especially when it comes to consumer durables purchases.

Uncertain situation dampens consumption this year

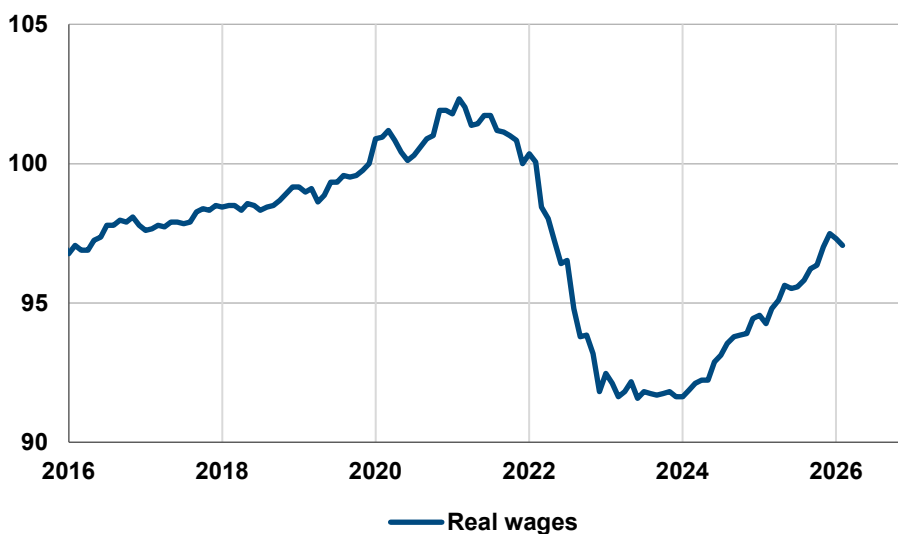
Households are the key to the economic recovery returning at the end of the year. Consumption gained traction in the second half of last year, but its growth has been sluggish again in the first quarter of this one. One explanation is the high electricity prices in the beginning of the year. Uncertainty about the impact of the war in the Middle East is also dampening consumer appetite, particularly for those households that must make major financial decisions.

At the same time, the underlying conditions for households appear to be good. In our assessment, real disposable income for households rises by almost 3 per cent this year. Purchasing power is strengthened by rising real wages, income-tax cuts, and other targeted measures for households such as reduced tax on food, electricity, and fuel. However, the responses in the Economic Tendency Survey indicate that households continue to save more than usual. We nevertheless assess that saving will decrease next year, leading to consumption growing faster than the historical average.

Altogether, we are revising down the forecast for consumption this year and raising it slightly for 2027.

Figure 2 Real-wage level

Index, December 2021 = 100



Sources: National Mediation Office and Statistics Sweden.

Defence build-up drives public consumption

Public consumption increased by close to 3 per cent last year, which was the most rapid increase since 1998. The Debt Office expects it to continue to grow above the historical average in the forecast years. The Government's ambition is for defence expenditure to increase in order to reach 3.5 per cent of GDP by 2030, which contributes to boosting domestic demand in the coming years.

The defence build-up and large purchases of expendable supplies are the biggest reason for the higher public consumption, although initiatives for various infrastructure projects and for the legal system also contribute. In the municipal sector, the demographic development is dampening consumption. The low birth rate has led to fewer children in preschools and schools, reducing the need for staff.

Investment grows above trend

Investment shifted upwards last year after a long period of stagnation. The turnaround is due to the major defence initiatives, while investment in trade and industry as well as housing have continued to develop poorly. The Debt Office expects investment to grow by over 3 per cent on average in the forecast period.

The central government's defence expenditure rose particularly sharply in the fourth quarter of 2025. A greater contribution from trade and industry investment excluding residential housing is expected in periods ahead thanks to, for instance, the expansion of power transmission and data centres. Housing investment, which stagnated in 2024, will grow slowly according to our forecast. The demographic development of low population growth dampens demand for new housing.

More dampened export growth ahead

During the forecast years, export slows as the war in the Middle East dampens growth prospects in important export markets. This is in regard to Germany in particular, the country to which Sweden exports the most. We expect export to grow by just over 2 per cent this year and just over 3 per cent next year. At the same time, relatively good growth of consumption boosts import, and foreign trade thereby makes a negative contribution to growth.

Despite the US tariffs, global trade was resilient last year, and Swedish export grew by almost 4 per cent. We expect a weaker development ahead. Export fell in the fourth quarter of 2025 and has been weak in the start of 2026, according to foreign trade statistics. The indicators show mixed signals. According to the Economic Tendency Survey, the assessment of the order-stock size is that it is close to average, at the same time as order intake according to Purchasing managers' indices for the manufacturing industry show greater optimism.

Inflation stays below target

The impact of the war contributes to higher inflation, but we still expect it to be below the Riksbank's inflation target of 2 per cent both this year and the next (see Figure 3). This is mainly because inflation in Sweden is low from the outset, in contrast with most other countries. When adjusting for energy, the underlying

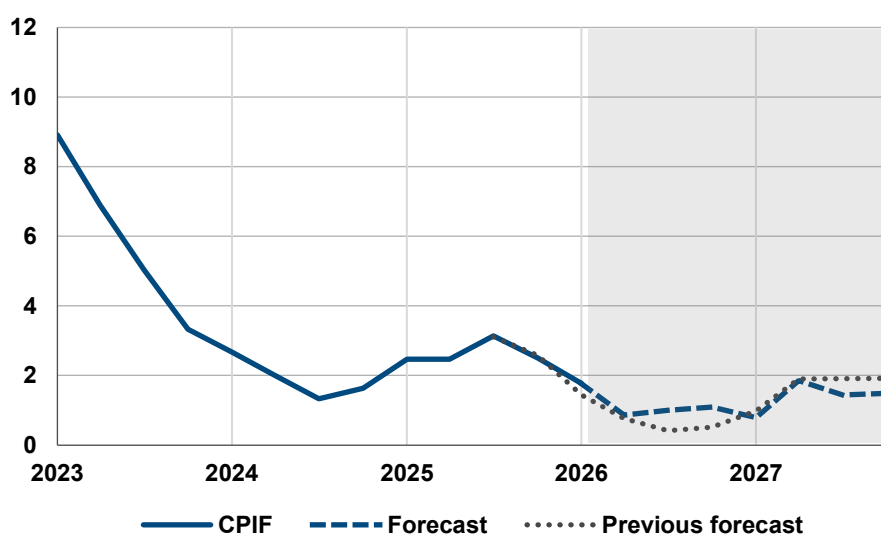
inflation was zero per cent in April. This was the lowest recorded in thirty years and also the lowest in the EU. CPIF, which is the Riksbank’s official target variable, was simultaneously only 0.8 per cent in April.

One explanation for inflation being so low now is the reduced VAT on food items. This dampens inflation distinctly between April 2026 and April 2027. On the other hand, the impact of the war in the form of supply disturbances and sharply rising prices on, for instance, oil, natural gas, and fertiliser means that costs are rising globally, since these are important input goods in trade and industry’s output and distribution. Given the assumptions we are making that traffic through the Strait of Hormuz will gradually normalise, we expect the annual rate of inflation to be about 0.5–0.7 percentage points higher than it would have otherwise been in 2026.

As a whole, the annual average for CPIF inflation is 1.2 per cent this year and 1.4 per cent next year according to our forecast. Despite the dramatic events in the Middle East, the inflation scenario remains relatively intact compared with the assessment in November.

Figure 3 CPIF inflation

Annual percentage change



Sources: The Debt Office and Statistics Sweden.

Recovery in labour market loses momentum

Last year’s economic upturn has finally made its mark on the labour market, which has become stronger. The recovery slows temporarily, however, when the economy now slows down. This in turn inhibits payroll growth (see Table 6).

Since November, the labour market has experienced a positive progression. Employment has risen and unemployment has dropped across all the different measures. The development has been slightly stronger than our previous assessment. We are, however, now seeing signs of it subsiding. The most recent outcomes show that the rate of recovery is slowing. Moreover, dwindling demand

for labour can be seen in several indicators: in the decreasing trend for companies' employment plans shown in the Economic Tendency Survey, in the form of a higher number of redundancy notices, and fewer available positions through the Swedish Public Employment Agency.

Table 6 Labour market and wages

Percentage change

Labour market and wages	Outcome 2025	25:2 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027
Unemployment ¹	8.8	8.7	8.6	8.4	8.2	7.8
Employment	0.4	0.3	0.7	0.5	1.0	1.5
Labour force	0.9	0.6	0.5	0.2	0.5	0.8
Payroll	3.3	3.2	3.7	4.6	4.7	4.8
Hours worked ²	-0.4	-0.4	0.3	1.1	1.5	1.5
Hourly wage, NA ³	3.4	3.5	3.4	3.4	3.2	3.2
Hourly wage, NMO	3.6	3.6	3.3	3.4	3.2	3.2

¹ Per cent of labour force.

² Calendar-adjusted values.

³ The ratio of payroll and the number of hours worked.

Note: 25:2 refers to the previous forecast.

Source: The National Mediation Office, the Debt Office, and Statistics Sweden.

High employment flattens out before gaining momentum

From a historical perspective, employment is high in the Labour Force Survey (LFS). The increase in recent quarters should, however, be interpreted with caution since the register-based measure according to the "Population by Labour market status" (BAS) shows a more subdued increase. Forward-looking indicators and the weak economic development in the beginning of 2026 point away from a continued increase in employment in the near term.

On the other hand, there is not any reason to think that employment will decrease significantly when the economic activity is temporarily stifled, as replacing staff is a comprehensive process. The Debt Office therefore expects employment to level out to where the labour market will again get a boost from the state of the economy at the end of 2026.

Capacity utilisation and the number of hours worked are easier for companies to regulate in the short term. The hours have therefore progressed slower than employment has in the beginning of 2026. Conversely, the hours will accelerate faster once economic demand picks up.

Unemployment drops slowly

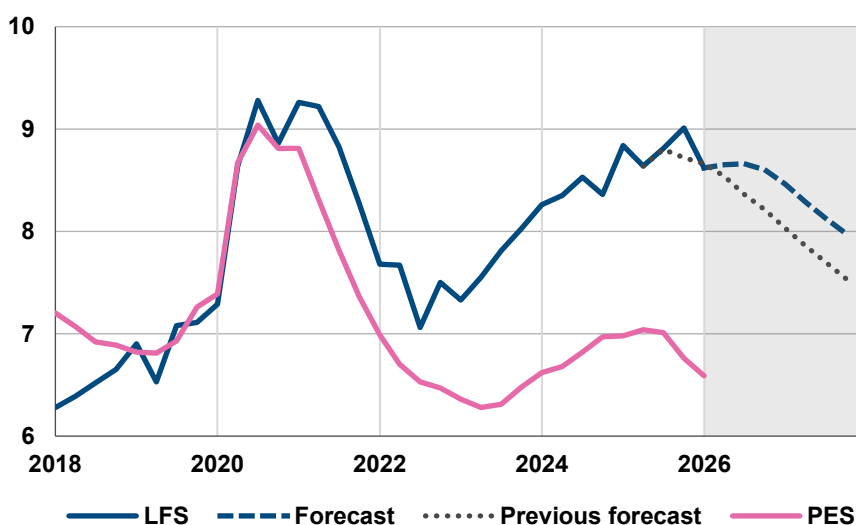
The weakening of the labour market has this time been associated with a growing labour supply that has failed to meet with corresponding demand, as opposed to employees having lost their jobs. The labour force is at historically high levels. It is largely driven by the population growth of the age groups that are most

professionally active, and this growth appears weak in periods ahead. Altogether, the room for continued growth of the labour force is thus relatively limited.

It is therefore largely employment that will determine the level of unemployment. In the short term, the declining trend for unemployment is interrupted when employment growth stalls. But when it does resume, it will grow faster than the labour force and lead to unemployment starting to shrink again. The fact that the economic recovery has encountered impediments means that unemployment will end up at 8 per cent at the end of 2027, rather than 7.5 per cent as in the forecast from November (see Figure 4).

Figure 4 Unemployment

Per cent of labour force, 15–74 years and 16–66 years, respectively



Note: Seasonally adjusted data by quarter. LFS is the Labour Force Survey and PES is the Swedish Public Employment Service.

Source: The Swedish Public Employment Service, the Debt Office, and Statistics Sweden.

Payroll grows with lag

When the labour market loses momentum, this spills over to payroll, which will also grow slightly slower in the near term than we previously foresaw. For this year, we forecast that it will stay at just below its historical average of around 4 per cent and then accelerate in the second half of 2026 when the number of hours worked increases more distinctly.

Despite the weakened labour market in recent years, payroll growth has continued to be fairly good. This is because of a relatively large increase in hourly wages when viewed from a historical perspective. The rate of hourly wage increase remains high in the forecast period, but it subsides slightly in accordance with the labour market parties' wage expectations.

Macro revisions weigh on budget balance

In the new economic forecast, the Debt Office has revised down the parts that have the greatest bearing on major tax bases and therefore the budget balance. We foresee a weaker progression of consumption and investment in current prices (see Table 7). Payroll is also lower than in the previous forecast.

All revisions affect the budget balance adversely in the form of lower tax income, mainly in 2026. The effects of the revisions on tax income are, however, not as significant as the full-year figures indicate at first glance. The concentration of macro revisions is at the beginning of the year – and, so far this year, income from taxes has not been lower than in the forecast from November.

Table 7 GDP and its components in current prices

Percentage change

Variable	Outcome 2025	25:2 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027
GDP	2.8	2.7	3.1	4.3	4.3	4.7
Household consumption	4.4	4.1	3.2	4.1	4.4	4.3
Public consumption	2.3	2.4	6.5	4.9	4.7	4.8
Investment	3.3	1.3	3.0	4.1	4.5	5.0
Changes in inventories ¹	0.2	0.4	-0.4	0.1	0.1	0.0
Exports	0.4	0.9	2.5	2.0	3.4	5.0
Imports	2.0	2.1	3.5	1.9	3.9	4.9

¹ Contribution to GDP growth, percentage points.

Note: 25:2 refers to the previous forecast.

Sources: Statistics Sweden and the Debt Office.

Risks of worsened development carry most weight

The war in the Middle East is causing great uncertainty about how the developments will unfold. The forecast conditions could therefore change rapidly. If deliveries through the Strait of Hormuz cannot be made safely in the near term, the impact on the Swedish economy and labour market may be more adverse than shown in the Debt Office's forecast.

A domestic factor that still generates uncertainty is the balance between saving and consumption among households. Real-wage growth is strong, but the increase is from a low level and a number of households may prefer to build up a buffer again after the years of high inflation. Depending on how they choose to approach saving, household consumption may grow faster or slower than in the forecast.

The Debt Office's overall assessment is that the risk of a worsened economic trend in the forecast is greater than the likelihood of a better one occurring.

Large budget deficits continue

The central government budget balance shows a deficit of around SEK 200 billion for both 2026 and 2027. Despite the stronger-than-expected outcome of the budget balance so far this year, the Debt Office now expects larger deficits than in the previous forecast. This is mainly due to new fiscal policy measures and higher Debt Office net lending. The central government debt rises from a low level at the outset.

The central government budget shifted from a surplus in 2023 to a deficit of approximately SEK 100 billion in both 2024 and 2025. The Debt Office's new forecast points to the deficits for 2026 and 2027 being around twice as large. The growing deficit is largely due to fiscal policy measures that involve both higher expenditure and tax cuts. In the 2026–2027 period, net lending by the Debt Office to government agencies and other parties is expected to increase, further weakening the budget balance.

Table 8 Central government budget balance

SEK billion

Central government budget balance	Outcome 2025	25:2 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027
Primary balance ¹	-63	-69	-136	-125	-120	-124
Debt Office's net lending ^{2,3}	-8	-3	-32	-23	-53	-38
Interest on central government debt ³	-31	-31	-28	-25	-34	-33
Budget balance⁴	-102	-103	-196	-173	-208	-194
Central government net lending	-85	-94	-194	-168	-181	-161

¹ The primary balance is the net of income and expenditure excluding interest payments and Debt Office net lending.

² Debt Office net lending mainly consists of the net of government agencies' loans and deposits in the central government's internal bank.

³ The table shows Debt Office net lending and the interest on central government debt in terms of how they affect the budget balance. The signs are therefore the opposite of those shown in tables 9 and 10.

⁴ The budget balance with the opposite sign is the central government net borrowing requirement.

Note: 25:2 refers to the previous forecast.

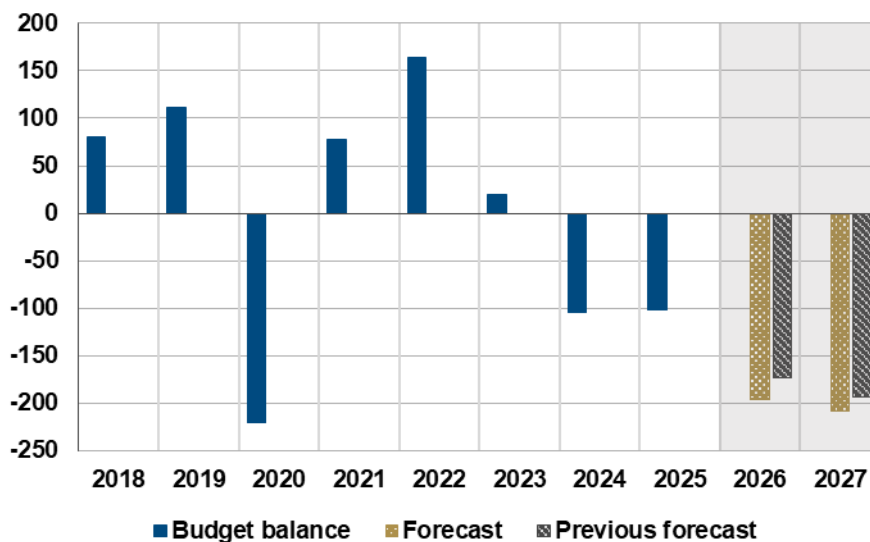
Sources: The Debt Office and Statistics Sweden.

Compared with the Debt Office's previous forecast, the budget deficits are larger in both years. Although the outcome of the budget balance has in fact been stronger than expected so far this year, it is tipped in the other direction by new measures from the Government and the effects of the temporary economic slowdown. Part of the stronger outcome is even due to certain payments occurring at different

times than previously expected, which thereby do not strengthen the full-year budget balance. In the new forecast, we also expect higher Debt Office net lending and slightly higher interest payments.

Figure 5 Central government budget balance 2018–2027

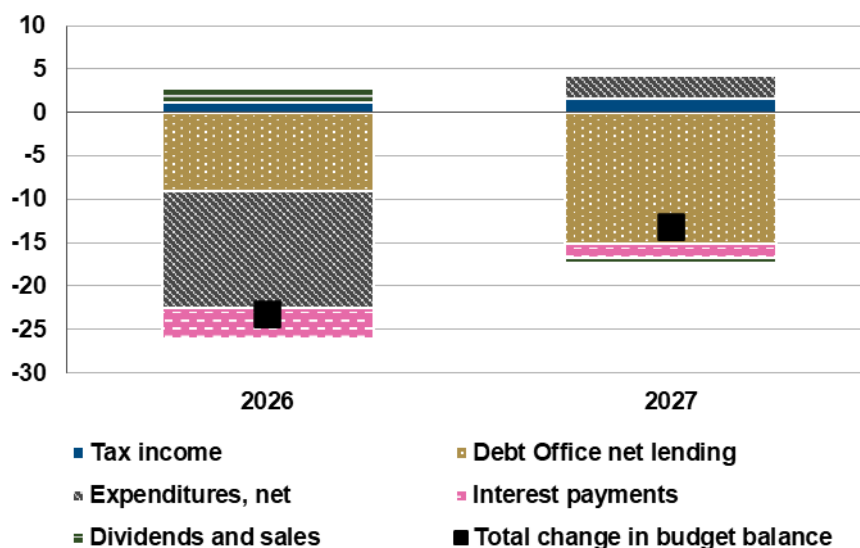
SEK billion



Source: The Debt Office.

Figure 6 Forecast changes, effects on budget balance

SEK billion



Note: The figure shows changes in the budget balance. A positive amount means that the budget balance is strengthened, whereas a negative amount means that it is weakened.

Source: The Debt Office.

The new forecast shows a deficit in the central government budget of SEK 196 billion this year and SEK 208 billion next year (see Table 8 and Figure 5). This entails a downward revision of the budget balance by SEK 36 billion in total for the

2026–2027 period. The revision corresponds to an equally large increase in the central government net borrowing requirement.

Figure 6 shows how the forecast change for the budget balance is distributed among the parts. The revisions for each area are explained in the next section.

Income increases but tax cuts dampen pace

The central government's income from taxes increases in 2026 and at an even faster rate in 2027. The increase is driven by the rising economic activity, but the pace is dampened by tax cuts mainly this year (see Table 17 in the Appendix of Tables). Compared with the previous forecast, tax income is largely unchanged. The outcome so far this year has been stronger than expected, but the weaker economic outlook and further tax cuts push the scales in the opposite direction. The Debt Office's division of tax types is described in the Facts section below.

Facts

What are the types of government tax income?

The Debt Office divides central government tax income into payroll tax, consumption tax, corporate tax, and supplementary tax. The different types of tax are briefly described below.

- Payroll tax consists of the sum of preliminary "A-tax" (PAYE income tax deducted by the employer) and employer's contributions excluding fees for the old-age pension system and disbursements of municipal tax. Payroll (the gross wage sum) affects payroll tax through preliminary "A-tax" and employer's contributions. Local and regional governments receive preliminary amounts as disbursements of municipal tax from the central government. When income for a calendar year is established two years later, the difference against the preliminary disbursements is settled in a one-time payment (final settlement).
- Consumption tax mainly comprises value-added tax (VAT) and excise duties. These are affected by household consumption and investment.
- Corporate tax comprises among other things taxes that companies pay, particularly payroll tax and yield tax, which is a tax on pension and endowment insurance.
- Supplementary tax consists mainly of the net of incoming and outgoing payments for tax accounts, and where the charge is not debited continually. This concerns the flows as a result of deficits and surpluses in conjunction with tax assessment, but it can for instance also be in the form of capital placements in tax accounts.

The largest source of tax income for the central government is from consumption tax, which accounts for approximately 50 per cent of total income from taxes. The

smallest contribution is from supplementary tax. Supplementary tax is, however, volatile, which means that it often has a distinct effect on forecast revisions.

Broader increase in tax income next year

This year, the increase in the central government's tax income is concentrated to consumption tax and corporate tax. Next year, however, all types of tax increase.

Income from consumption tax rises in both years, even as tax cuts keep the rate of increase down. Tax income from VAT increases as a result of the higher economic activity, although the temporarily reduced VAT on food items means that the increase will not be as strong as it would have been otherwise. On the other hand, income from excise duties decreases this year, while increasing again next year. The decrease this year is mainly due to reduced tax on petrol and diesel. The reduction of electricity tax as of 2026 also dampens income from excise duties.

Income from corporate tax increases more this year than it did last year. The main driver of the increase between the years is tax on corporate profits.

Income from preliminary "A-tax" and employer's contributions, however, decreases slightly for this year. This is mainly due to the income being weighed down by, above all, tax on earned income, pension, and sickness and activity compensation as well as temporarily reduced employer's contributions for the 19–23 age group. Next year, though, these increase in step with the growing economic activity.

The previous increase in income from supplementary tax has now come to a halt at a high level. The developments continue to point to more dampened export growth ahead.

Marginal upward revision of forecast for tax income

Despite the weaker macro picture and new information about tax cuts, the forecast of the central government's income from taxes is revised up by SEK 1 billion this year and by SEK 2 billion for 2027. This is because the adverse effects on, among other things, income from payroll tax and excise duties are offset primarily by a stronger-than-expected outcome for income from VAT and supplementary payments.

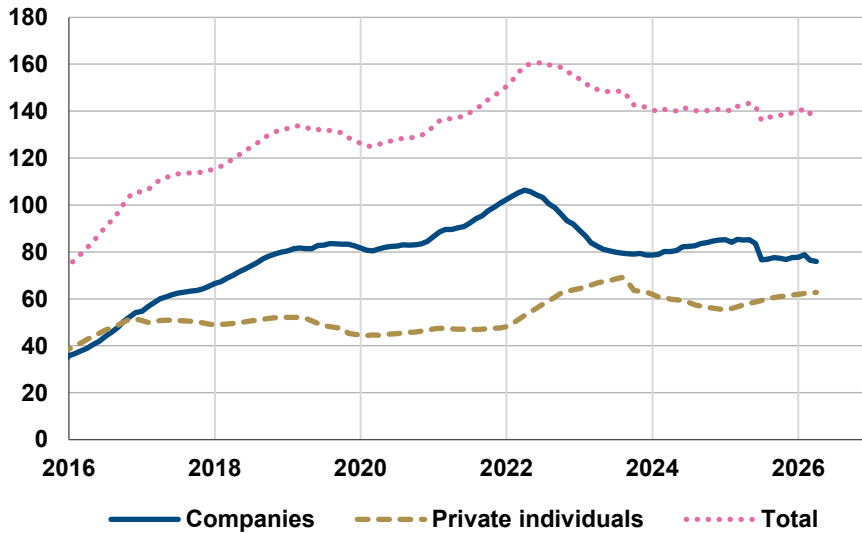
The forecast for income from supplementary tax is revised up slightly for both years as a result of, among other things, higher interest rates. A higher rate level increases standard taxation in Investment Savings Accounts (ISK) and endowment insurance, for example.

Supplementary tax also includes capital placements in tax accounts. The Agency for Financial and Public Management's assessment is that these amounted to SEK 56 billion in total at the end of 2025, thereby rising by SEK 5 billion compared with 2024, but that they will remain unchanged for this year. This is in line with the trend for tax account balances, which we use as an indicator of the scale of capital placements (see Figure 7). Based on the relatively unchanged total balance in tax

accounts, we are retaining our assumption for unchanged capital placements throughout the forecast period.

Figure 7 Total balance of tax accounts

SEK billion, 12-month moving average



Note: The total balance consists primarily of deposits in order to cover future tax payments and capital placements. It is, however, not possible to determine what proportion is capital placements.

Sources: The Debt Office and the Swedish Tax Agency.

Increased expenditure during forecast period

Central government primary expenditure continues to increase this year and during 2027. Mainly, this is due to fiscal policy measures. A dampening effect this year comes from incoming payments from the EU facility to boost recovery in member states after the pandemic, which are defined as negative expenditures. Compared with the previous forecast, the Debt Office is raising the expenditure forecast for this year and lowering it slightly for 2027. The revisions are driven by outcomes and fiscal policy measures.

Facts

Primary expenditure illuminates underlying trend

Primary expenditure is how the Debt Office defines the central government's expenditure that is neither interest nor Debt Office net lending. The intention is to show the underlying expenditure trend. In primary expenditure, certain types of income are deducted. This pertains to income that does not come from taxes, dividends, or the disposal of government assets. EU grants are one such example. In other words, these entail lower primary expenditure.

Spending grows for defence and transport among other things

It is mainly expenditure related to defence that grows in the forecast period, but there is also an increase in other areas (see Table 17 in the Appendix of Tables).

For this year, spending increases predominantly for military aid to Ukraine and Sweden's defence build-up (see In-depth section below on how we have accounted for the spending for the aid to Ukraine). Another area with higher expenditure is transport where it rises as a result of the infrastructure bill decided on previously.

The expected incoming payment from the EU Recovery and Resilience Facility means, however, that primary expenditure will be around SEK 18 billion lower than it would have been otherwise. The payments are part of the aid from the EU-wide initiative to boost recovery in member states after the pandemic. In total, Sweden's portion of the EU facility covers more than SEK 35 billion, of which the European Commission paid out SEK 18.5 billion in 2025.

For 2027, Swedish defence expenditure continues to increase. Military aid to Ukraine remains, however, at the same level as this year. Expenditure within the transport sector and the legal system also continues to increase. Our unchanged assumption of unfunded fiscal policy measures of SEK 15 billion also raises the expenditure level (see the In-depth section below).

In-depth

More fiscal policy in forecast

The Debt Office's new budget-balance forecast contains SEK 25 billion more in fiscal policy measures for this year than the previous forecast did. This comes from the Government's Spring Amending Budget and additional measures. The fiscal policy is based on decided-on, proposed, and announced measures, as well as an assumption of further unfunded fiscal policy measures for 2027.

Last autumn's Budget Bill for 2026 contained approximately SEK 127 billion in unfunded measures for this year. The bulk of the measures increase expenditure, whereas just over SEK 50 billion reduce tax income. Since then, the Government has presented an amending budget with aid to Ukraine and vaccine preparedness, the Spring Fiscal Policy Bill, as well as a Spring Amending Budget for 2026. The Spring Amending Budget contains proposed measures of approximately SEK 8 billion with, among other things, temporarily reduced tax on petrol and diesel and extra electricity and natural gas price support. On 13 May, the Government also announced a forthcoming extra amending budget of SEK 17.5 billion. We have recorded the extra measures for calculation purposes as expenditure items, with the exception of the reduced fuel tax.

For 2027, we have made an assumption of SEK 15 billion in unfunded fiscal policy measures. These measures are also entered as expenditures for calculation purposes, but they should not be interpreted as a forecast of how they will be

distributed by the Riksdag or as the Debt Office's view of how they should be distributed between changes in expenditure and taxes.

The Debt Office has not changed the assumption of how the aid to Ukraine affects the budget balance. In the Budget Bill for 2026, the financial framework for the military aid to Ukraine was increased to SEK 40 billion per year for 2026 and 2027. Even though the framework for the aid is set per calendar year, we assume that the burden on the budget balance will be spread out over a longer period. The way in which the aid will weigh on the budget balance depends on the form of the aid and when it is decided on. We have chosen to spread out the total aid of SEK 80 billion evenly over three years. Accordingly, this means that it burdens the budget balance by approximately SEK 27 billion per year for the 2026–2028 period in our forecast.

Raised expenditure forecast for this year with new fiscal policy measures

The Debt Office is revising up primary expenditure by SEK 14 billion for this year compared with the previous forecast. The forecast for 2027 is revised down instead by SEK 3 billion.

The upward revision for this year is largely due to higher expenditure associated with the Government's fiscal policy measures (see the In-depth section above). This is partially counteracted by our downward revision of expenditure in the areas of education, defence, and transport based on lower outcomes than expected for the first months of the year and new assessments.

For 2027 as well, we have revised down expenditure for education and defence. This is, however, largely offset by upward revisions in other areas, such as pension expenditure and dental care subsidies in the social insurance area.

Debt Office net lending affects balance negatively

In the coming years, net lending by the Debt Office to government agencies and other parties has a significantly greater impact on the budget balance than it has in the last two years. We have revised up Debt Office net lending by a total of SEK 24 billion (see Table 9). The Facts section on page 24 includes a general description of what is included in the net lending.

Debt Office net lending in the last two years has had a small overall impact on the budget balance trend. A high level of deposits from Svenska kraftnät, as a result of congestion revenue, and an increased balance from the Swedish Defence Materiel Administration (FMV) have been counteracted by increased net lending to the Swedish Fortifications Agency and the Swedish Board of Student Finance (CSN). At the end of 2025, net lending by the Debt Office to the Swedish Fortifications Agency increased significantly, which was one of the reasons the net lending was higher than forecast.

Table 9 Debt Office's net lending

SEK billion

The Debt Office's net lending to agencies and other parties	Outcome 2025	25:2 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027
Lending to CSN (the Swedish Board of Student Finance)	16	17	17	18	17	18
Lending to the Swedish Transport Administration	2	2	4	2	3	2
Lending to outside the government ¹	0	0	0	0	0	0
On-lending to the Riksbank	4	3	4	1	2	1
Other lending ²	22	14	28	11	18	11
Total lending	45	37	52	32	40	32
Deposits from CSN, credit reserve, etc.	1	1	2	4	4	4
Deposits from the Resolution Reserve	6	6	6	6	2	2
Deposits from Premium pension, net ³	-3	-6	-2	0	-1	0
Deposits from outside the government ⁴	3	-1	-1	0	0	0
Other deposits ²	30	34	14	-2	-19	-12
Total lending	37	35	20	8	-13	-6
Net lending	8	3	32	23	53	38
Net lending excluding on-lending⁵	4	-1	29	22	51	37

¹ Lending to outside the government refers to lending in SEK to actors outside the realm of government agencies, such as state-owned companies.

² Lending and deposits to Swedish Fortifications Agency, Swedish Defence Materiel Administration and Svenska kraftnät is included in the "Other" category.

³ Premium pension refers to the net of paid-in pension fees and disbursement of funds, and other administrative costs.

⁴ Deposits from outside the government refers to deposits from actors outside the realm of government agencies, such as the EU account.

⁵ On-lending includes the Debt Office's lending to the Riksbank as well as other non-governmental parties.

Note: 25:2 refers to the previous forecast.

Source: The Debt Office.

Net lending increases for this year and 2027 and has a significantly greater negative effect on the budget balance. This is for several reasons. Both lending to the Swedish Fortifications Agency and FMV are expected to be higher as a result of increased investment associated with defence. Lending to the Swedish Transport Administration and CSN is also expected to increase. The impact of the higher net lending is offset this year by a continued increase in deposits from Svenska kraftnät. These deposits will then decrease in periods ahead as Svenska kraftnät makes grid investments financed by congestion revenue. The decreased deposits

then help increase the net lending. On-lending to the Riksbank is expected to increase Debt Office net lending for both years.

The forecast for the net lending is revised up by SEK 9 billion this year and SEK 15 billion for 2027. The revisions are mainly due to new assessments of Swedish Fortifications Agency lending, FMV’s balance, and Svenska kraftnät’s deposits.

Facts

Debt Office net lending – a special expenditure item

Net lending by the Debt Office to government agencies and other parties is an item on the expenditure side of the central government budget. When net lending increases, the budget balance weakens. This means that the net borrowing requirement increases. The net lending is not financed by appropriations and does not come under the so-called expenditure ceiling. It consists of the change in all lending and depositing in the central government’s internal bank at the Debt Office.

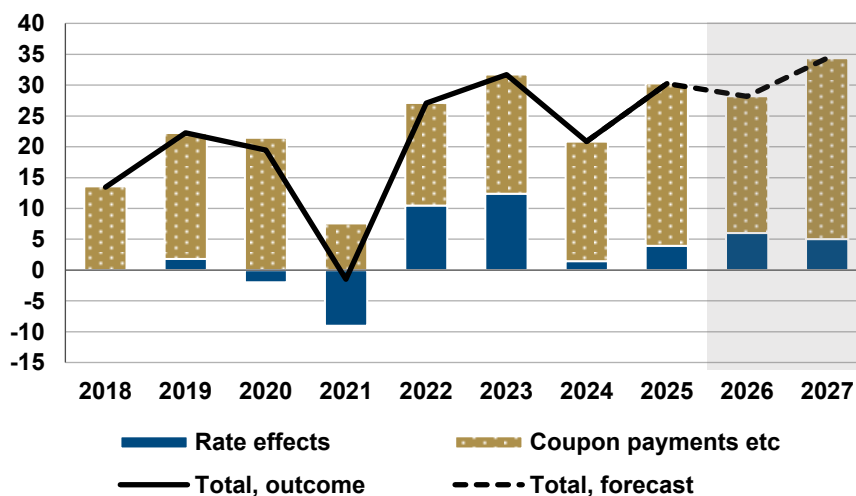
The net lending pertains to areas within the central government’s continual operations – such as disbursements of student loans, deposits in the premium pension system, and lending to infrastructure investments – as well as items such as on-lending to non-governmental parties. As these items may be decided on short notice, the net lending can vary significantly from year to year.

Gradually higher interest payments

The Debt Office expects interest payments on the central government debt to rise from SEK 28 billion this year to SEK 34 billion next year (see Figure 8 and Table 10). This is a result of the increased borrowing gradually taking effect.

Figure 8 Interest payments 2018–2027

SEK billion



Source: The Debt Office.

The interest payments have been revised up by SEK 3 billion for 2026 and SEK 1 billion in 2027, compared with the previous forecast. This is a result of higher interest rates.

The Debt Office uses implicit forward interest rates for the forecast of central government's interest payments. The calculation was made using yield curves on 30 April 2026. For the calculation of exchange rate effects, we use cut-off rates from the same date.

Table 10 Interest on central government debt

SEK billion

Interest on central government debt	Outcome 2025	25:2 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027
Interest on loans in SEK	31	31	30	26	34	33
Interest on loans in foreign currency	0	0	0	0	0	0
Realised currency gains and losses	0	0	-2	-2	0	0
Sum of interest on government debt	31	31	28	25	34	33

Note: 25:2 refers to the previous forecast.

Source: The Debt Office.

By international comparison, Sweden has low interest payments on central government debt in relation to GDP. These amounted to 0.5 per cent of GDP at the end of 2025, which is a relatively small impact on public finances at present.

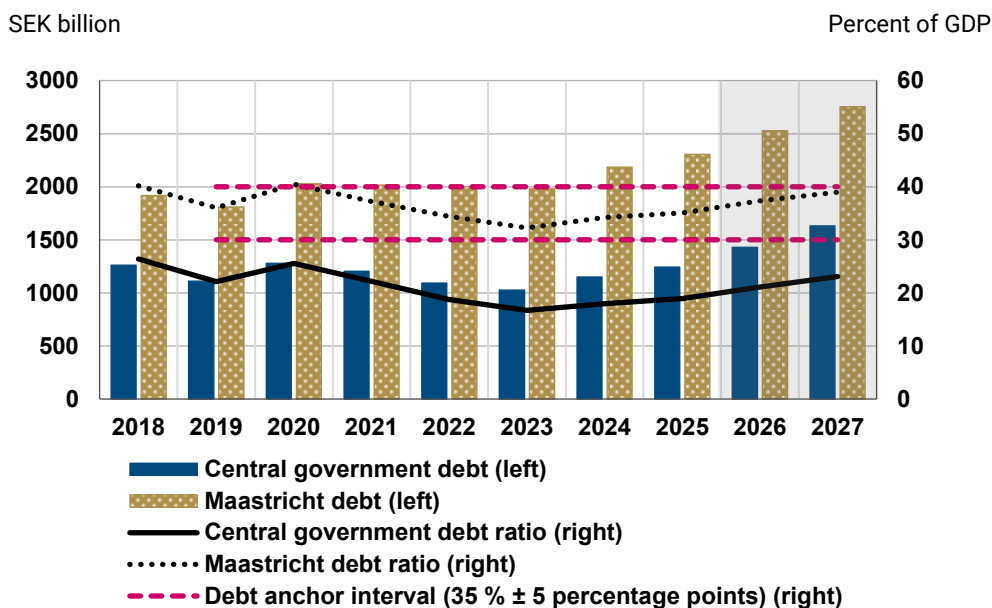
Debt continues to go up from low level at outset

The budget deficit causes the central government debt to increase in the coming years. The way in which the budget balance affects the size of the debt is shown in Table 19 in the Appendix of Tables.

At the end of 2025, the central government debt was SEK 1,244 billion, which corresponds to 19 per cent of GDP. The Debt Office expects it to increase to SEK 1,430 billion for 2026 and SEK 1,633 billion for 2027 (see Figure 9). This means that the central government debt ratio will reach 23 per cent of GDP by the end of 2027.

The general government debt, also called the Maastricht debt, is expected to rise from 35 per cent of GDP at the end of 2025 to 39 per cent at the end of the forecast period. It thereby approaches the upper limit of the range for the debt anchor in the fiscal policy framework, which is 35 per cent (± 5 percentage points). Central government debt accounts for most of the increase. The Maastricht measure includes the consolidated debt for the public sector and is used in international comparisons and the fiscal policy framework (see the Facts section on the next page).

Figure 9 Central government debt



Sources: The Debt Office and Statistics Sweden.

Facts

Different ways to measure government debt

- Unconsolidated central government debt:** The measure is used in the Debt Office's reporting and shows the total gross debt for the central government. It includes all loans raised by the Debt Office on behalf of the central government, irrespective of who owns the debt. The debt is reported at its nominal terminal value, according to EU principles.
- Consolidated central government debt:** Some government agencies own government bonds and treasury bills, which are deducted from the consolidated central government debt (except for the Riksbank's holdings). This measure provides an overall picture of the financial position of the central government and is used in the Government's Budget Bill and the annual report for the central government. The Agency for Financial and Public Management is responsible for calculating this measurement.
- The Maastricht debt:** This is the international measure used for comparison, which measures the consolidated gross debt for the general government sector including local and regional governments and the national pension system. The statistics agency Statistics Sweden publishes this measurement. According to EU regulations, the Maastricht debt must not exceed 60 per cent of GDP. In Sweden, the Riksdag has set the target for the debt – called the debt anchor – at 35 per cent of GDP.

Risks of forecast deviations in both directions

The way in which the economy develops is of great significance to the progression of the budget balance and central government debt. A worse or better state of the economy than in the forecast normally affects tax income more than expenditures, which are usually easier for the central government to control. As stated in the previous chapter, there is a predominant risk of a worse macroeconomic trend than forecast.

The risks associated with the budget balance are nevertheless more balanced. This is, among other things, due to uncertainties about the speed at which central government spending may materialise, particularly regarding defence. A further uncertainty regards the flows as part of Debt Office net lending, such as Svenska kraftnät's congestion revenue and grid investments. To varying degrees, both the amounts and timing are uncertain and may deviate from our forecast.

Slightly higher bond supply

The new budget-balance forecast entails a need to further increase central government borrowing this year and next year. The Debt Office is marginally raising the supply of government bonds for 2026 compared with the previous plan, as well as planning an increase in 2027. We will also start to hold bond auctions every week instead of every other week.

The new forecast of the budget balance (the net borrowing requirement) creates, along with the refinancing of maturing loans, a total borrowing requirement of SEK 656 billion for 2026 and SEK 648 billion for 2027. This brings an increase of SEK 51 billion in total for both years compared with the previous forecast. The borrowing requirement for 2025 was in line with our forecast. Figure 10 shows the development of the borrowing requirement and its components, both over time and in relation to the previous forecast. Table 11 shows how the borrowing requirement is funded.

Table 11 Funding plan

SEK billion

Funding plan	Outcome 2025	25:2 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027
T-bills	173	173	238	250	233	243
Liquidity management	137	134	173	142	151	132
Sum of money market funding	310	307	411	392	383	375
Nominal government bonds	118	118	220	216	240	220
Inflation-linked bonds	6	6	6	6	6	6
Foreign currency bonds	41	41	19	19	19	19
Sum of bond funding	165	165	245	241	265	245
Total gross borrowing	475	472	656	633	648	620

Note: Money market funding corresponds to outstanding stock at the end of December. 25:2 refers to the previous forecast.

Source: The Debt Office.

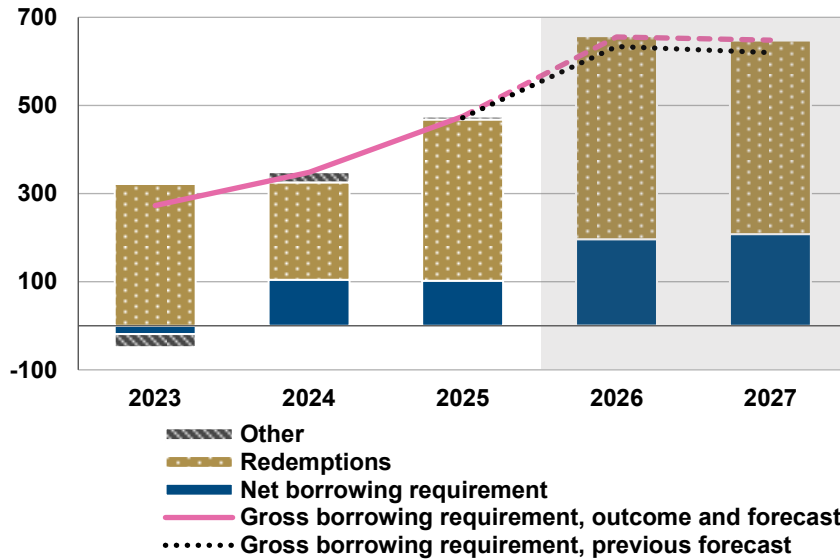
The Debt Office has already planned to increase the issuance volume of nominal government bonds, and we are now increasing it marginally further this year and slightly more next year. At the same time, we will start to hold more frequent auctions of nominal government bonds, with an issuance volume of SEK 5 billion per auction as of 17 June (see the Facts section on page 34). The plan for issuance of inflation-linked bonds and foreign currency bonds is unchanged.

The outstanding stock of short-term instruments in the money market is slightly larger in the new plan. The increase is in liquidity management instruments, while the stock of treasury bills is slightly smaller. We are not changing the plan for the issuance of treasury bills ahead. However, the stock at the end of the year will be

smaller since we have so far issued a lower volume of T-bills this year than planned because of the stronger-than-expected outcome of the budget balance.

Figure 10 Total borrowing requirement

SEK billion

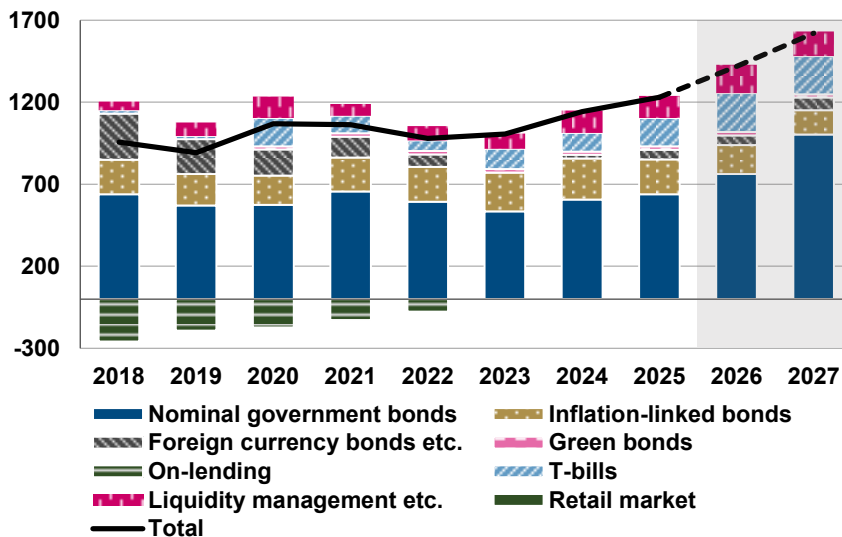


Note: The net borrowing requirement is the budget balance with the opposite sign. The post "Other" includes for example an adjustment due to the net borrowing requirement being reported by settlement date whereas borrowing is reported by trade date.

Source: The Debt Office.

Figure 11 Central government debt by instrument

SEK billion



Note: The central government debt including on-lending and assets under management. The amount refers to the stock at year-end. The stock of treasury bills and liquidity management varies over the years due to changes in the budget balance and is especially large at the end of the year because the central government regularly runs large deficits in December.

Source: The Debt Office.

The strategies that form the basis of how we distribute the borrowing among different instruments and maturities are described in the In-depth section below. With the new plan, the debt's distribution among various debt instruments will develop as shown in Figure 11. Nominal government bonds remain the foundation and are our largest and most important funding source. The outstanding volume of inflation-linked bonds is declining in accordance with the Government's guidelines.

In-depth

Clearly defined strategies behind borrowing plan

In planning central government borrowing, the Debt Office relies on strategies for minimising the long-term cost of the debt while taking risk into account. These strategies include choosing which types of debt instruments we issue and how we distribute the issuance among them. This also involves communicating in a way that supports the functioning of the Swedish government securities market.

The Debt Office issues bonds in the capital market as well as treasury bills and other short-term instruments in the money market. We distribute the issuance among different instruments and maturities on the basis of several factors:

- the development of the borrowing requirement in both the short and long term
- how we take account of various risks and the targets for the average time to refixing (ATR) and composition of the central government debt (even though we can also adjust the exposure with derivatives)
- the need to be able to manage both expected short-term fluctuations in the borrowing requirement and unexpected outcomes of the budget balance
- our strategic prioritisation of government securities in Swedish kronor and certain maturities
- the need to maintain multiple funding channels for contingency purposes.

Nominal government bonds are most important instrument

Nominal government bonds are the Debt Office's most important source of funding. This is because we consider them to offer the best prospects of minimising the cost of the central government debt over time. Bond issuance serves to meet the central government's long-term borrowing needs. It also helps steer the ATR towards the target and limit the refinancing risk.

The Debt Office regularly introduces new government bonds with a term to maturity of just over ten years. With these introductions, we quickly build up the volume to the level required for the new bond to become a ten-year reference bond and deliverable in forward contracts. We plan the introductions so that the outstanding bonds will mature at approximately one-year intervals.

When the Debt Office distributes the issuance volume among different maturities, we use a distribution key with the largest proportion in the ten-year segment and smaller proportions in the five- and two-year segments. The proportions are not

fixed. Instead, we tailor the distribution to the size of the borrowing requirement and the target for ATR. When the borrowing requirement allows, we can reduce the concentration on the ten-year segment and redistribute the issuance volume to the other points on the curve, thereby adjusting the outstanding bond stocks so that they will be about the same size at maturity.

We do not introduce new long-term bonds (>12 years) as part of the regular borrowing programme. We do, however, regularly tap a small volume of the outstanding long-term bonds to offer some activity at those points.

In every *Central Government Borrowing* report, the Debt Office communicates the planned issuance volume of nominal government bonds in each maturity category for the coming six months. That plan remains in place until the next report.

T-bills and other short-term instruments provide flexibility

A prerequisite for being transparent and predictable about the government-bond supply is to also have more flexible debt instruments to use. This mainly involves treasury bills and foreign currency–denominated commercial paper. With these short-term instruments, we can both adapt the planned borrowing to expected fluctuations in the borrowing requirement and adjust the actual borrowing to how the budget balance progresses.

The plan for borrowing in treasury bills may therefore be adjusted during the period until the next report. Even more flexible than T-bills is commercial paper, which we issue ad hoc as part of the liquidity management operations.

Foreign currency bonds are flexible and bolster preparedness

The Debt Office issues bonds in foreign currency with a certain regularity in order to maintain good borrowing preparedness. This gives us the option of borrowing large amounts in a short amount of time if the borrowing requirement rapidly increases. We can also use foreign currency bonds to accommodate a temporarily increased borrowing need (flexibility purposes) or relieve pressure on the government-bond supply (supply-management purposes).

The plan for foreign currency bonds normally includes issuing one every other year for contingency purposes. We can also add more foreign currency bonds to the plan, for flexibility or supply-management purposes. These can be removed depending on how the borrowing requirement progresses.

Inflation-linked bonds a complement steered by guidelines

By issuing inflation-linked bonds, the Debt Office can attract investors wishing to hedge against inflation. According to the Government's guidelines for debt management, the outstanding volume of inflation-linked bonds shall be reduced to a nominal amount of approximately SEK 80 billion by the end of 2029.

The Debt Office continues to introduce new inflation-linked bonds, and the reduction of the outstanding volume is achieved by issuing a lower volume than the amounts reaching maturity. To complement the existing maturities, the terms

to maturity on introduction are planned to be between 11 and 16 years. The plan for the issuance of inflation-linked bonds remains in place until the next report.

The Debt Office updates the strategies for central government borrowing annually in a document that can be read in its entirety on riksgalden.se/borrowing-strategy.

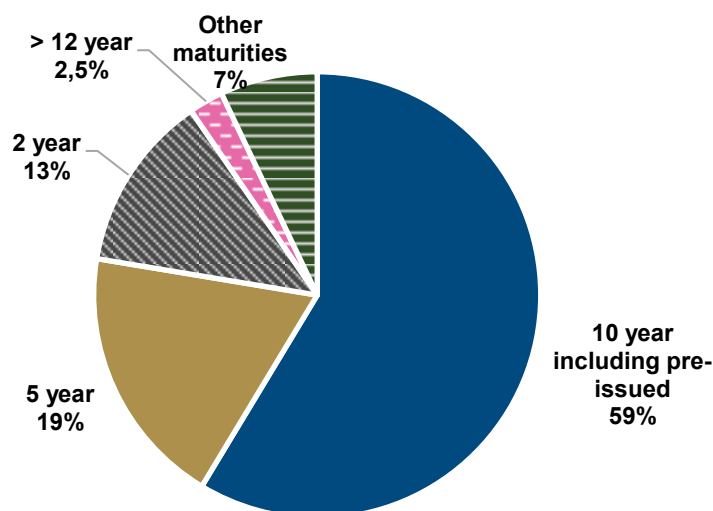
More frequent auctions of nominal government bonds

As of 17 June, the Debt Office is changing to weekly auctions of nominal government bonds (see the Facts section on page 34). We will then be issuing SEK 5 billion per auction. The annual issuance volume for 2026 amounts to SEK 220 billion, which is marginally more than in the previous plan. The planned annual issuance volume for 2027 is SEK 240 billion.

Holding more frequent auctions means that we can postpone the introduction of SGB 1069 and thus shorten the time until it becomes a ten-year reference bond. The bond reaches maturity in 2038 and will be introduced in the first half of 2027. In the previous plan, the introduction was scheduled for the end of 2026.

Figure 12 Distribution of government-bond supply in auctions in 2026

Percent



Note: The figure illustrates how the overall volume in the Debt Office’s auctions (including the syndication of SGB 1068) in 2026 is divided into different maturity segments. The “Other” category includes bonds that were previously ten-year reference bonds and are not yet included in the five-year or two-year segments.

Source: The Debt Office.

The Debt Office will carry out the majority of the auctions in the ten-year segment and in the two-year and five-year reference bonds (see Table 12). This is in line with the strategy of borrowing in a transparent and predictable manner with a focus on

building up nominal government bonds as reference bonds (see the In-depth section on page 30). Figure 12 shows the distribution of the total issuance volume in 2026 into different maturities.

Table 12 Reference bonds

Reference bonds	2-year	5-year	10-year
Current	1060	1062	1067
As of 2026-09-16	-	1056	1068

Note: The reference bond in the electronic interbank market is the bond that is closest to two, five, or ten years in term to maturity. Reference bonds are changed on the IMM (International Money Market) dates: the third Wednesday in March, June, September, and December. The date of change of reference bonds refers to the settlement date.

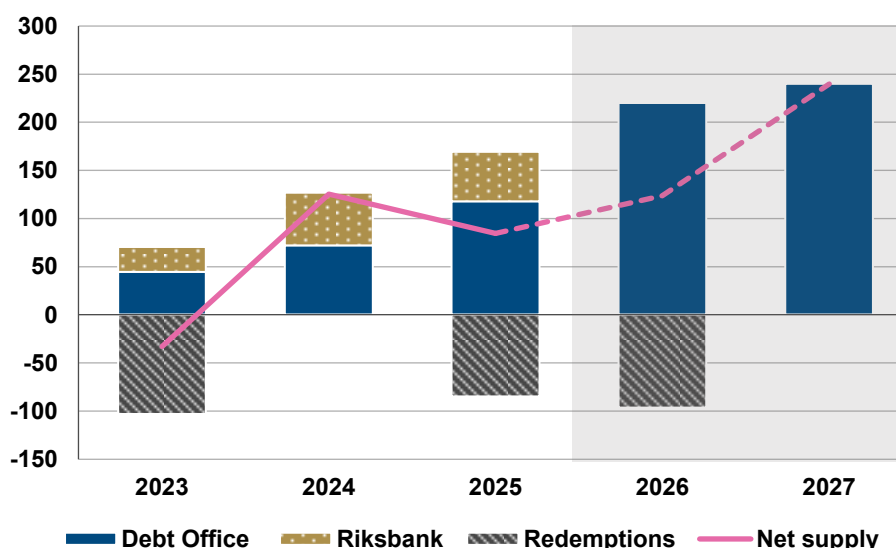
Source: The Debt Office.

For more information on the volumes that we plan to issue in different maturity segments in the auctions until the next report, see Table 2 in the summary or Table 22 in the section entitled Market information at the end of the report.

Figure 13 shows the Debt Office’s issues and redemptions of nominal government bonds together with the Riksbank’s sales. From this perspective, the net supply increases in 2026 and even more so in 2027, since there is no redemption of a nominal government bond that year. The Riksbank sold the majority of its holdings up to the end of 2025 and now owns nominal government bonds of approximately SEK 20 billion (excluding SGB 1059 and the central government’s green bond).

Figure 13 Sales and redemptions of nominal government bonds

SEK billion



Note: The item “Redemptions” also contains the net of the switches.

Source: The Debt Office and the Riksbank.

Table 13 Important dates until next report

Date	Time	Activity
9 June		Treasury bills will begin to be issued on Tuesdays
17 June		Auctions of nominal government bonds will begin to be held weekly
26 November	9:30 a.m.	<i>Central Government Borrowing 2026:2</i> report

Facts

Forthcoming changes to auction schedule

The Debt Office is changing the auction schedule for both treasury bills and nominal government bonds. We will be holding treasury bill auctions every other Tuesday instead of every other Wednesday and bond auctions as a rule every Wednesday instead of every other one.

T-bill auctions every other Tuesday provide better matching

As of 9 June, the Debt Office will issue treasury bills on Tuesdays. The change of auction day is in response to the number of settlement dates for Swedish government securities being changed to one day instead of two days as of 11 October 2027. The new auction day will thus provide better matching of the central government's inflows and outflows of liquid funds. It will also increase the possibility for investors to match maturing T-bills with purchases of new ones.

Auctions of nominal government bonds every Wednesday

The change of auction day for treasury bills also provides room for holding more frequent auctions of nominal government bonds. As of 17 June, these auctions will take place on Wednesdays, except for certain weeks during the summer, official breaks, and holidays. The more frequent auctions entail a lower issuance volume per auction than previously and thereby a smaller risk for the market to manage on each auction date. They can simultaneously provide support for the activity in the secondary market.

The auction schedule is found in the section Market information and at riksgalden.se.

Unchanged plan for inflation-linked bonds

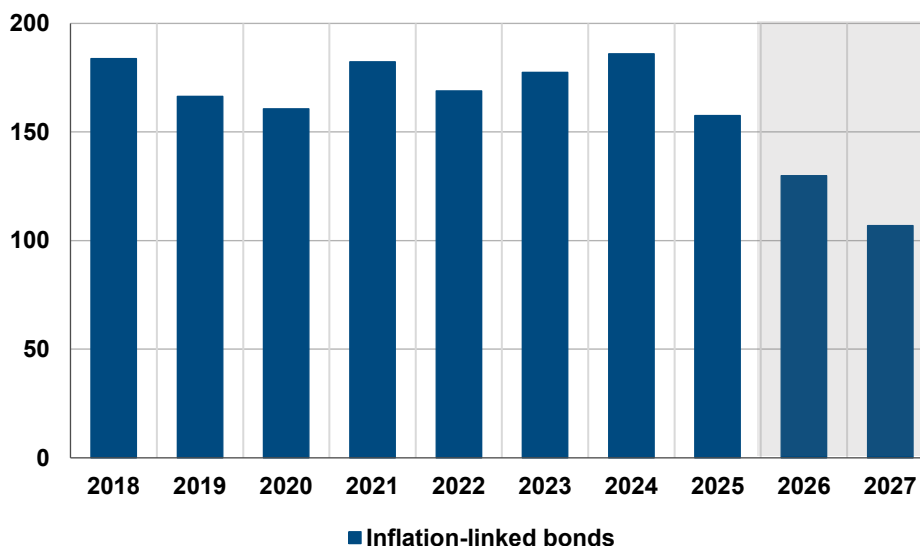
The guidelines for central government debt management stipulate that the outstanding volume of inflation-linked bonds be reduced until 2029. The Debt Office continues to issue inflation-linked bonds in regularly held auctions as planned, and the annual issuance volume remains at SEK 6 billion (see Figure 14).

With this plan, it is our assessment that we will in an appropriate manner reach the target of an outstanding volume of approximately SEK 80 billion in 2029. In coming

years, we will continue to evaluate the progress towards the target and adjust the issuance volume as well as offer switches as necessary.

Figure 14 Outstanding volume of inflation-linked bonds

SEK billion



Note: Volume outstanding in nominal terms at year-end.

Source: The Debt Office.

Foreign currency bonds in 2026 and 2027

As previously communicated, the Debt Office plans to issue a new foreign currency bond in 2026 and 2027. The foreign currency bond issuance corresponds to approximately SEK 19 billion for each year.

The Debt Office issues foreign currency bonds for various reasons, as described in the In-depth section on page 30. Doing so for contingency purposes applies regardless of the size of the borrowing requirement. Currently, as the forecast shows significant borrowing needs in the next few years, we also see a need to supplement the borrowing in kronor with foreign currency borrowing, for flexibility purposes. Foreign currency bonds are a flexible form of borrowing that can provide an alternative to short-term borrowing but with lower refinancing risk.

The Debt Office also issues commercial paper in foreign currency as part of the liquidity management operations. We hedge all foreign currency borrowing,

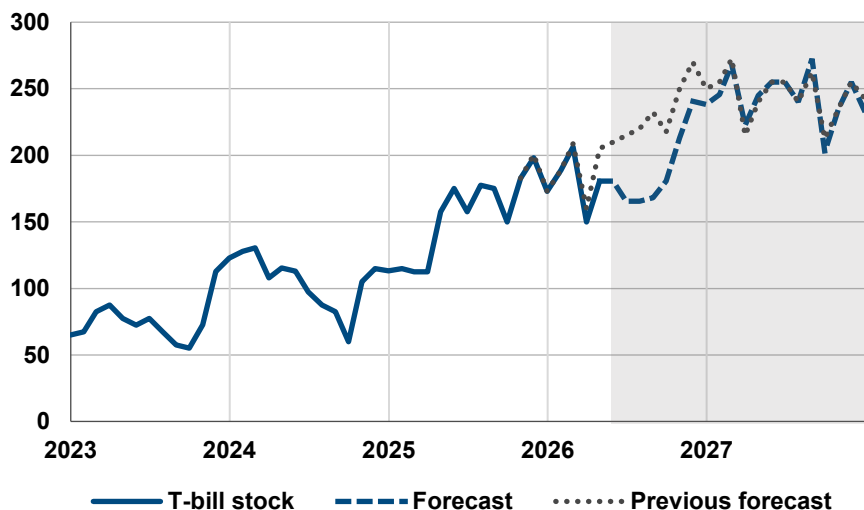
Unchanged issuance plan for treasury bills

The plan for issuing treasury bills for the remainder of the current year and 2027 is unchanged. The stock will, however, be smaller than in the previous plan, which is due to the downward adjustment of the issuance volume so far this year. The stock of treasury bills ends up at SEK 238 billion at the end of 2026 and SEK 233 billion in 2027 (see Figure 15). As of 9 June, the treasury bill auctions will be held on Tuesdays (see the Facts section on page 34).

The Debt Office issues a new 12-month bill every three months maturing on an IMM date (the third Wednesday in March, June, September, and December). In the other months, we introduce a new three-month bill. See Table 25 for more information about auction dates and which treasury bills we will be introducing.

Figure 15 Outstanding volume of treasury bills

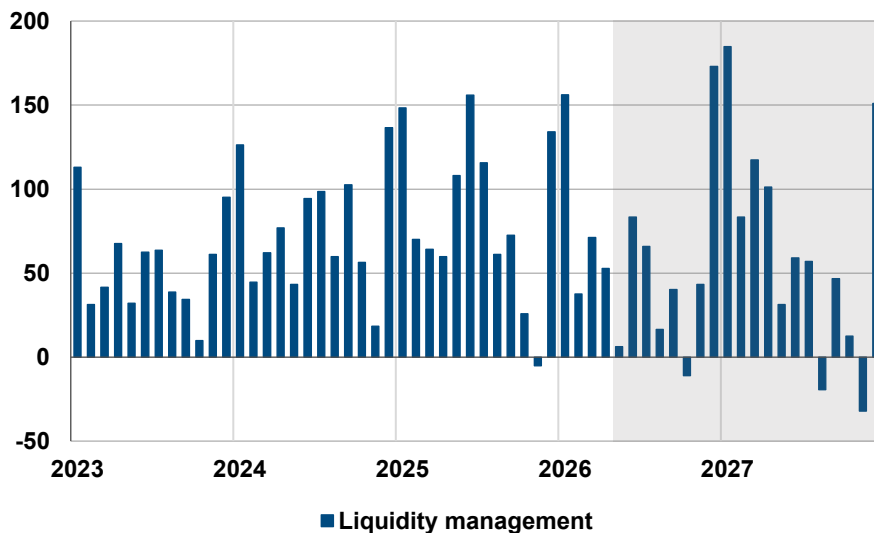
SEK billion



Source: The Debt Office.

Figure 16 Liquidity management

SEK billion



Note: Nominal amount at current exchange rate including assets under management on the last day of each month. Positive amount indicates borrowing requirement, negative amount indicates cash surplus.

Source: The Debt Office.

The planned auction volume for treasury bills varies within the range of SEK 7.5–SEK 22.5 billion. We plan the volumes in individual auctions on the basis of

seasonal patterns in the government payments, and redemptions. If necessary, we can make further adjustments ahead of each auction, depending on how the payments develop. This means, as previously, that decisions we make one week prior to an auction may differ from the planned volumes in the auction schedule.

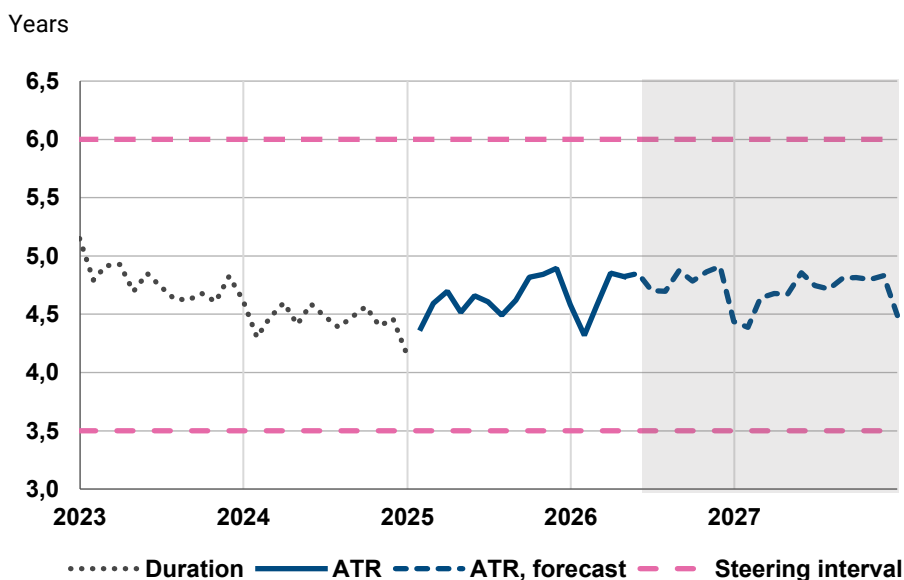
The Debt Office uses the liquidity management operations to fund the borrowing requirement that remains after the planned issues of treasury bills and bonds. This includes issuing treasury bills on a discretionary basis (tap issues), and commercial paper. In this plan, the volume of liquidity management instruments at the end of each year is higher than in the previous one.

There are large variations within liquidity management, both between months and days (see Figure 16). The amounts borrowed as part of liquidity management are continually adjusted to how the budget balance and the regular borrowing develop.

Effects of plan on debt’s term to maturity

The Debt Office plans the borrowing so that the term to maturity measured as average time to refixing (ATR) is within the steering interval decided on by the Government. We steer the ATR towards the middle of the range, which is 4.75 years (see Figure 17).

Figure 17 Term to maturity of central government debt



Note: Up to January 2025, the Debt Office measured term to maturity as Macaulay duration (see the dotted line in the figure). Since then, we measure and make forecasts of the term to maturity as average time to refixing (ATR). The forecast shows the last day of each month, whereas outcomes are shown as the monthly mean. The pink dashed lines represent the steering interval for term to maturity in the Government’s guidelines. This range is the same even after the change in method of measuring term to maturity from duration to ATR.

Source: The Debt Office.

Appendix of Tables

Table 14 International forecasts

Percent change

GDP	Outcome 2025	Forecast 2026	25:2 2026	Forecast 2027	25:2 2027
Euro area	1.4	1.0	1.2	1.4	1.5
US	2.1	2.4	1.8	2.0	1.9

Note: 25:2 refers to the previous forecast. Forecasts are from NIER.

Sources: National Institute of Economic Research (NIER).

Table 15 Central government net lending

SEK billion

Central government net lending	Outcome 2025	Forecast 2026	Forecast 2027
Budget balance	-102	-196	-208
Sales of limited companies	0	0	0
Parts of Debt Office's net lending	8	12	33
Other delimitations etc.	-30	-32	-14
Sum delimitations	-22	-20	20
Accruals of taxes	18	-6	-12
Accruals of interest payments etc.	29	28	19
Sum accruals	48	22	7
Central government net lending	-85	-194	-181
Per cent of GDP	-1.3	-2.9	-2.6

Source: The Debt Office.

Table 16 Budget balance forecast per month

SEK billion

Month	Primary balance	Debt Office net lending	Interest payments	Budget balance
May 26	33.3	1.1	-4.4	30.1
June 26	-55.6	4.7	-14.8	-65.8
July 26	0.6	6.2	0.9	7.7
August 26	23.8	3.9	-1.1	26.6
September 26	-33.6	0.5	-1.6	-34.6
October 26	-31.7	3.4	-0.5	-28.9
November 26	-2.3	0.3	-3.0	-5.0
December 26	-72.3	-67.4	-3.5	-143.2
January 27	-30.4	-4.9	1.6	-33.7
February 27	67.0	-1.3	-3.1	62.6

Source: The Debt Office.

Table 17 Changes between years, effect on budget balance

SEK billion

Changes between years, effect on budget balance	Outcome 2025	Forecast 2026	Forecast 2027
Budget balance, level	-102	-196	-208
Change from previous year	2	-94	-11
Income from taxes	22	22	81
Grants to local governments	1	-7	-1
Labour market	0	0	0
Social insurance	2	-12	1
Defence	-36	-32	-10
EU-fee	-6	-1	1
Transport	3	-8	-9
Education	0	-10	-5
Legal system	-1	-5	-6
State share dividends	3	-1	0
Other	26	-18	-36
Sum of primary balance	13	-73	15
Debt Office's net lending	0	-24	-21
Interest on government debt	-10	3	-6

Source: The Debt Office.

Table 18 Forecast comparison

SEK billion

Forecast	Budget balance	Sale of state assets	Adjusted budget balance
Debt Office: 2026	-196	0	-196
Debt Office: 2027	-208	0	-208
Government: 2026	-184	5	-189
Government: 2027	-182	5	-187
NIER: 2026	-183	0	-183
NIER: 2027	-153	0	-153
Statskontoret: 2026	-209	0	-209
Statskontoret: 2027	-174	0	-174

Note: Publication date for the Debt Office 2026-05-28, the Government 2026-04-09, NIER 2026-03-25 and Statskontoret (Agency for Financial and Public Management) 2026-03-24.

Table 19 From net borrowing requirement to central government debt

SEK billion

From net borrowing requirement to central government debt	Outcome 2025	Forecast 2026	Forecast 2027
Net borrowing requirement (budget balance with opposite sign)	102	196	208
Business day adjustment etc.¹	1	0	0
Net borrowing per business day	103	197	208
A. Net amount including money market assets	1 186	1 382	1 590
Inflation compensation	55	47	42
Exchange rate effects	-3	-1	-1
B. Net amount to current exchange rate incl. inflation compensation	1 238	1 428	1 631
Assets under management	6	2	1
C. Central government debt	1 244	1 430	1 633
Assets under management	-6	-2	-1
On-lending	-9	-11	-11
D. Central government debt incl. on-lending and assets under management	1 229	1 417	1 620
Nominal GDP	6 570	6 775	7 067
C. Central government debt, % of GDP	19	21	23
D. Central government debt incl. on-lending and money market assets, percentage share of GDP	19	21	23

¹ A difference occurs as borrowing is reported by business date and net borrowing requirement by settlement date.

Source: The Debt Office.

Table 20 Total borrowing requirement

SEK billion

	Outcome 2025	Forecast 2026	Forecast 2027
Total borrowing requirement, gross			
Net borrowing requirement (budget balance with opposite sign)	102	196	208
Trade date adjustment etc.¹	1	0	0
Collateral and derivatives, net²	6	-2	0
Treasury bills	113	173	238
Liquidity management instruments	134	137	173
Sum of money market redemptions³	247	310	411
Nominal government bonds	85	96	0
Inflation-linked bonds	34	34	29
Green bonds	0	0	0
Foreign currency bonds ⁴	0	21	0
Sum of bond redemptions, net switches and buy-backs	119	151	29
Total gross borrowing requirement	475	656	648

¹ A difference occurs as borrowing is reported by business date and net borrowing requirement by settlement date.

² Net change in collateral and derivatives.

³ Initial stock maturing within 12 months. Liquidity management is net, including assets under management. Liquidity management includes commercial paper.

⁴ Calculated with the original issuance exchange rate.

Source: The Debt Office.

Table 21 Net borrowing requirement and net borrowing

SEK billion

	Outcome 2025	Forecast 2026	Forecast 2027
Net borrowing requirement and net borrowing			
Net borrowing requirement (budget balance with opposite sign)	102	196	208
Business day adjustment etc. ¹	1	0	0
Total	103	197	208
Collateral and derivatives, net	-6	2	0
T-bills	60	65	-6
Liquidity management	3	36	-22
Sum of net money market funding	63	101	-28
Nominal government bonds	33	124	240
Inflation-linked bonds	-28	-28	-23
Green bonds	0	0	0
Foreign currency bonds	41	-3	19
Sum of net bond market funding	46	93	235
Total net borrowing	103	197	208

¹ A difference occurs as borrowing is reported by business date and net borrowing requirement by settlement date.

Source: The Debt Office.

Market information

Table 22 Planned issue volume of nominal government bonds over the next six months

SEK billion

Maturity category	Nominal government bond	28 May 2026 – 26 November 2026
10-year	SGB 1067 2.5% 15 Oct 36	27
	SGB 1068 2.75% 09 Feb 37	33
10-year pre-issued	SGB 1068 2.75% 09 Feb 37	9
5-year	SGB 1062 0.125% 12 May 31	6
	SGB 1056 2.25% 01 Jun 32	11
2-year	SGB 1060 0.75% 12 May 28	16,25
>12-year	SGB 1063 0.5% 24 Nov 45	0,75
	SGB 1053 3.5% 30 Mar 39	2
Other maturities	SGB 1065 1.75% 11 Nov 33	4
	SGB 1066 2.25% 11 May 35	4
Total supply		113

Note: The category of "Other maturities" includes bonds that were previously 10-year reference bonds and are not yet included in the 5- or 2-year categories. The indicated volumes apply assuming that the auctions are fully allocated. The Debt Office will not compensate if any auction is cut, but will continue to issue according to the plan.

Table 23 Nominal government bonds, auction dates

Announcement date	Auction date	Settlement date
27-May-26	3-Jun-26	5-Jun-26
10-Jun-26	17-Jun-26	22-Jun-26
17-Jun-26	24-Jun-26	26-Jun-26
24-Jun-26	1-Jul-26	3-Jul-26
1-Jul-26	8-Jul-26	10-Jul-26
29-Jul-26	5-Aug-26	7-Aug-26
5-Aug-26	12-Aug-26	14-Aug-26
12-Aug-26	19-Aug-26	21-Aug-26
19-Aug-26	26-Aug-26	28-Aug-26
26-Aug-26	2-Sep-26	4-Sep-26
2-Sep-26	9-Sep-26	11-Sep-26
9-Sep-26	16-Sep-26	18-Sep-26
16-Sep-26	23-Sep-26	25-Sep-26
23-Sep-26	30-Sep-26	2-Oct-26
30-Sep-26	7-Oct-26	9-Oct-26
7-Oct-26	14-Oct-26	16-Oct-26
14-Oct-26	21-Oct-26	23-Oct-26
21-Oct-26	28-Oct-26	30-Oct-26
28-Oct-26	4-Nov-26	6-Nov-26
4-Nov-26	11-Nov-26	13-Nov-26
11-Nov-26	18-Nov-26	20-Nov-26

Announcement date	Auction date	Settlement date
18-Nov-26	25-Nov-26	27-Nov-26
25-Nov-26	2-Dec-26	4-Dec-26
2-Dec-26	9-Dec-26	11-Dec-26
9-Dec-26	16-Dec-26	18-Dec-26

Table 24 Inflation-linked government bonds, auction dates

Announcement date	Auction date	Settlement date
4-Jun-26	11-Jun-26	15-Jun-26
13-Aug-26	20-Aug-26	24-Aug-26
10-Sep-26	17-Sep-26	21-Sep-26
8-Oct-26	15-Oct-26	19-Oct-26
3-Dec-26	10-Dec-26	14-Dec-26

Table 25 T-bills, auction dates

Announcement date	Auction date	Settlement date	Due date
2-Jun-26	9-Jun-26	11-Jun-26	16-Jun-27
16-Jun-26	23-Jun-26	25-Jun-26	
30-Jun-26	7-Jul-26	9-Jul-26	21-Oct-26
28-Jul-26	4-Aug-26	6-Aug-26	18-Nov-26
11-Aug-26	18-Aug-26	20-Aug-26	
25-Aug-26	1-Sep-26	3-Sep-26	15-Sep-27
8-Sep-26	15-Sep-26	17-Sep-26	
22-Sep-26	29-Sep-26	1-Oct-26	20-Jan-27
6-Oct-26	13-Oct-26	15-Oct-26	
20-Oct-26	27-Oct-26	29-Oct-26	
3-Nov-26	10-Nov-26	12-Nov-26	17-Feb-27
17-Nov-26	24-Nov-26	26-Nov-26	
1-Dec-26	8-Dec-26	10-Dec-26	15-Dec-27
15-Dec-26	22-Dec-26	28-Dec-26	

Note: The Debt Office introduces a new 12-month bill every three months maturing on an IMM date: the third Wednesday in March, June, September, and December. In the other months, a new three-month bill will be introduced. The Due date column indicates the maturity date for the new bill. In addition to the new bill introduced, the Debt Office may also sell another bill with a different maturity date.

The Swedish National Debt Office is the central government financial manager and the national resolution and deposit insurance authority. The Debt Office thus plays an important role in the Swedish economy as well as in the financial market.



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