

Central Government Borrowing

Forecast and analysis 2015:2

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In *Central Government Borrowing - forecast and analysis 2015:2* the Debt Office presents forecasts for central government finances and borrowing in 2015 up until 2016. An assessment of the economic development is given in the first section. The following section presents annual and monthly forecasts for the budget balance and the underlying analysis. These forecasts serve as the basis for borrowing, which is discussed in the last section of the report.

Hans Lindblad
Director General



The Debt Office's mission

The Debt Office is the Swedish government's financial manager. The mission includes central government borrowing and debt management. The aim is to do this at the lowest possible cost while avoiding excessive risk.

In *Central Government Borrowing – Forecast and Analysis*, which is usually published three times a year, the Debt Office presents forecasts for central government finances in the coming two years. On the basis of these forecasts, the Debt Office estimates how much the government needs to borrow and sets up a plan for borrowing which is also included in the report.

On the fifth working day of each month, the central government budget balance (the net of all incoming and outgoing payments) is published for the previous month in a press release. The outcome is compared with the forecast from *Central Government Borrowing – Forecast and Analysis* and any deviations are explained. In connection with the monthly outcome, the Debt Office also presents the debt development in the report *Sweden's Central Government Debt*.

Summary

- The Debt Office expects Sweden's GDP to grow by 2.6 per cent this year and 2.5 per cent next year. This is 0.4 and 0.1 percentage points higher than in the previous forecast from February. For 2015 it is mainly private and public consumption that has been revised upwards.
- The net borrowing requirement is estimated at SEK 71 billion this year. This is SEK 10 billion lower than in the previous forecast. This change is mainly due to higher tax income.
- Next year the net borrowing requirement is estimated at SEK 25 billion, which is SEK 9 billion lower than in the previous forecast.
- Central government net lending is estimated at -1.4 per cent as a proportion of GDP in 2015 and -0.6 percent in 2016.
- The central government debt is expected to be SEK 1 476 billion at the end of 2015 and 1 492 billion at the end of 2016. This corresponds to 36 per cent of GDP for 2015 and 35 per cent for 2016.
- The auction volume of government bonds will remain at SEK 4 billion per auction throughout the forecast period. This means that borrowing in government bonds will be SEK 86 billion this year and SEK 88 billion next year, which are the same levels as in the February forecast.
- Borrowing in T-bills will also be unchanged. The Debt Office expects to issue an average of SEK 17.5 billion per auction. The stock is expected to grow to SEK 135 billion at the end of 2016.
- The auction volume of inflation-linked bonds will also be the same as in the previous forecast. The Debt Office issues SEK 1 billion per auction, which corresponds to an annual rate of SEK 17 billion in 2015 and SEK 18 billion in 2016.
- On-lending to the Riksbank (the Swedish central bank) will increase slightly in SEK terms next year on account of a weaker krona exchange rate. Apart from on-lending, foreign currency borrowing is unchanged compared with the February forecast.

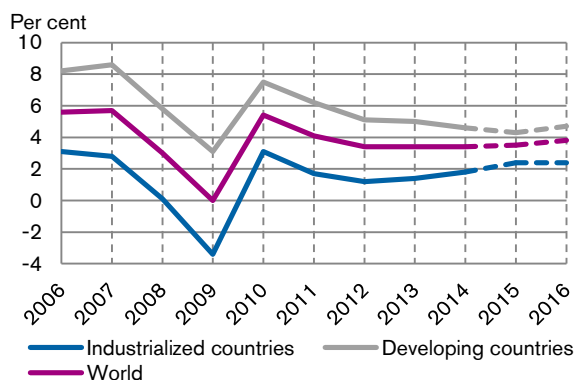
Stable Swedish growth

Global growth prospects are largely unchanged since the previous forecast from February. Despite moderate growth internationally, the Swedish economy is expected to grow at a stable rate in 2015 and 2016. This is mainly due to strong domestic demand. The Debt Office's new forecast for GDP growth is 2.6 per cent this year and 2.5 per cent next year.

Moderate global growth

Global growth in 2014 reached the moderate level of 3.4 per cent. The world economy is continuing to improve, but at a slow rate. The IMF's assessment is that global growth will be 3.5 per cent in 2015 and then increase to 3.8 per cent in 2016, see figure 1. This means that growth prospects are largely unchanged since the previous forecast. Growth in the US has been revised downwards, while the prospects for the euro area have improved slightly.

Figure 1 Global GDP growth



Source: IMF

Euro area – continued low growth

Growth in the euro area looks slightly stronger than at the time of the previous forecast. An expansive monetary policy, a weaker euro and a less tight fiscal policy are expected to increase activity in the economy. The IMF assesses that growth will be 1.5 per cent for 2015 and 1.6 per cent for 2016. This is an increase of 0.3 and 0.2 percentage points respectively, compared with the previous forecast.

Despite slightly better prospects, the picture of continued low growth and low inflation persists. The effects of the financial crisis are still being felt and high debt, high unemployment and low investments continue to dampen demand in the economy.

The uncertainty about developments in Greece and whether the country will continue to be part of the euro zone is still a factor restraining economic growth.

United States – slightly lower growth

The US economy has grown slightly weaker than expected in the opening part of the year. This can largely be explained by temporary factors, but the forecast for US growth has nevertheless been revised downwards slightly. Despite this downward revision the recovery in the US can be characterised as stable. The IMF estimates growth at 3.1 per cent in both 2015 and 2016. This is a downward revision of 0.5 and 0.2 percentage points respectively.

Growth is chiefly being driven by private consumption, which has been benefitted from a strong labour market with rising employment and increases in income for households. Despite the recovery, there are, as yet, no major signs of inflationary or pay pressure.

The strengthening of the dollar has moderated optimism among companies and results in downward pressure on net exports. The contribution of exports to GDP is therefore expected to be slightly lower than in previous assessments.

Emerging economies – continued slackening

The economic situation in the emerging economies is continuing to slacken. Raw materials producers have been hit hard by the fall in oil prices. This is a particular burden for the countries that had a difficult economic situation even before the fall in oil prices, such as Venezuela and Russia. Growth in China is expected to be slightly weaker than previously estimated. This is largely due to a shift from an economy driven by investments and exports to more of consumption-driven growth.

Risks

Geopolitical unrest in the Middle East and Ukraine, in particular, are risks to global economic development.

In Europe it is primarily the situation in Greece that is continuing to be a source of uncertainty concerning economic recovery.

The expansive monetary policy being pursued by central banks has resulted in rises in prices of financial assets, and also of properties, in most countries. This can lead to misallocations of capital in investment decisions and to the emergence of new financial bubbles.

Stable growth in the Swedish economy

The Debt Office expects Sweden's GDP to grow by 2.6 per cent this year and 2.5 per cent next year. For 2015 this is 0.4 percentage points higher and for 2016 it is 0.1 percentage point higher than in the previous forecast. For 2015 it is mainly private and public consumption that has been revised upwards.

The GDP outcome for the fourth quarter of 2014 was higher than expected by the Debt Office. It was mainly the figures for private consumption and exports that were surprising. The higher level of GDP in 2014 means that the level for 2015 and 2016 will also be higher given unchanged growth rates. The outcome figure for growth in the first quarter of 2015 was largely as estimated by the Debt Office.

Table 1 National accounts, constant prices¹

Percentage change	2014	2015	2016
Household consumption	2.4	2.5	2.3
General government consumption	1.9	1.8	1.9
Gross fixed capital formation	7.4	4.5	4.9
Changes in inventories incl valuables	0.2	0.1	0.0
Exports	3.3	4.0	4.2
Imports	6.6	4.9	5.1
Net exports	-1.1	-0.2	-0.2
GDP	2.3	2.6	2.5
GDP calendar adjusted	2.4	2.4	2.3

¹ Actual change compared with previous year.

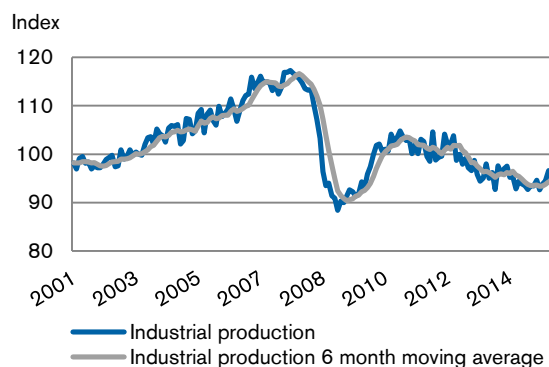
Domestic demand will keep growth up during the forecast period. Private consumption will increase steadily at more than 2 per cent, driven in part by

population growth. Housing investments will continue to rise, but at a declining rate. The contribution from net exports is expected to be weakly negative in both years.

Exports will increase slightly faster this year than in the previous forecast. There was an upturn in goods exports in 2014 after a couple of years of very weak growth. This positive development continued in the first quarter of 2015. Services exports have shown higher and more stable growth for several years. But they still carry less weight in total exports than do exports of goods.

Industrial production in Sweden has shown negative growth since 2010. However, the most recent outcome figures indicate that the level is no longer falling. As goods exports recover, industrial production is expected to start rising again.

Figure 2 Industrial production 2001-2015



Source: Datastream

In 2014 investments were chiefly driven by a sharp rise in housing investments, while growth in machine investments, for example, was weak. In 2015 and 2016 the growth of housing investments is expected to slacken, while investments in industry are expected to increase.

Employment continues to rise

Employment is expected to rise by more than 1 per cent both this year and next year. The labour force is growing somewhat more slowly, resulting in a fall in unemployment to 7.5 per cent in 2016. The slower growth of the labour force is mainly due to demographic factors.

Despite a long recession, nominal wages have developed well in recent years. Together with the unexpectedly low inflation, this has led to good growth of real wages. However, there is a risk that tougher competition in the labour market and lower

inflation expectations will moderate payroll growth in the future. It is difficult for companies that are exposed to international competition to raise their prices, and this eventually puts pressure on payroll growth.

The Debt Office's forecast is that hourly earnings (according to the National Accounts) will increase by about 2.5 per cent per year in 2015 and 2016.

Table 2 Key ratios for the labour market

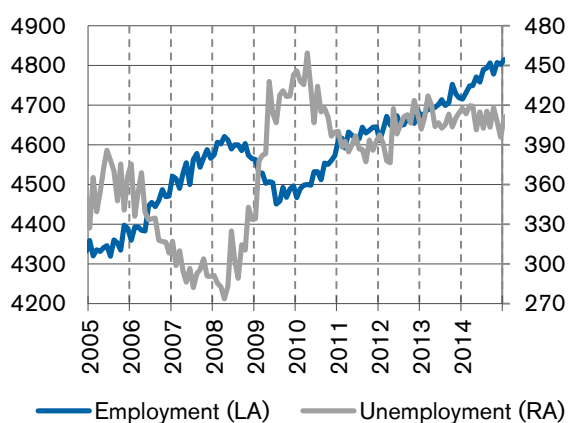
Percentage change unless otherwise stated	2014	2015	2016
Labour force	1.3	1.0	0.9
Employment	1.4	1.2	1.1
Unemployment ¹	7.9	7.7	7.5
Average hours worked	0.1	0.0	0.2
Hours worked ²	1.5	1.2	1.3
Hourly wages	2.2	2.6	2.5
Wage sum	3.7	3.8	3.8
Productivity	0.4	1.8	1.5

¹ 15-74 years, per cent of labour force

² Actual hours

The Debt Office expects the wage sum to increase by 3.8 per cent this year and next year. The increase is mainly explained by the increases in hourly earnings as well as the increase in the number of hours worked as employment rises.

Figure 3 Employment and unemployment, thousands



Source: Statistics Sweden

Stable rise in consumption

Household consumption grew fairly strongly in 2014. The Debt Office expects consumption to rise at about the same rate in both 2015 and 2016. The forecast for household consumption is 2.5 per cent for 2015 and 2.3 per cent for 2016. This is 0.3 percentage points higher than in the previous forecast for this year, but unchanged for next year.

The increase in consumption has been greatest for durable goods, cars especially, and for services. In contrast, consumption of non-durable goods has grown relatively slowly.

The consumer confidence indicator of the National Institute of Economic Research (NIER) shows that households are slightly more negative than the historical average. They are more pessimistic about the development of the Swedish economy than of their own economy. Households also judge that their risk of becoming unemployed has increased.

Disposable income and savings increase

Households' disposable incomes are expected to rise roughly in line with the historical average in the coming years. The favourable growth of incomes has contributed to historically high levels of household savings. Excluding occupational pension schemes, savings are judged to amount to more than 8 per cent of disposable income in 2015 and 2016. This can be compared with the average for the past 20 years, which is just over 1 per cent.

One cause of this could be an increase in precautionary savings, linked to a higher experienced risk of unemployment. It can also be because savings are unevenly distributed and the group that has the highest level of savings has a low marginal propensity to consume since they already have a high level of consumption.

There are also signs that households are amortising their mortgages to a greater degree. To the extent that this is not taken from other savings, it contributes to a higher level of household savings.

Table 3 Disposable income and savings ratio

	2014	2015	2016
Real disposable income ¹	2.6	2.6	2.6
Savings ratio (excl. occupational pension)	8.1	8.2	8.4
Savings ratio	15.8	15.9	16.1
Nominal disposable income ¹	3.3	3.7	4.1

¹ Yearly percentage change

The increase in disposable income is driven to a great extent by the expected increase in the wage sum of 3.8 per cent both this year and next year. Household disposable income will also be strengthened by a rise in pensions of around 1 per cent this year and around 5 per cent in 2016. The increase in 2016 is due to the balancing mechanism in the pension system.

Slightly lower net borrowing requirement

The Debt Office expects a net borrowing requirement of SEK 71 billion in 2015 and SEK 25 billion in 2016. This is a decrease of SEK 10 billion in 2015 and SEK 9 billion in 2016 compared with the previous forecast. The main reason is that tax income is expected to grow faster.

The Debt Office expects the net borrowing requirement this year to be SEK 71 billion. This is SEK 10 billion lower than in the previous forecast published in February. The Spring Fiscal Policy Bill proposed abolishing the reduction of employer's social security contributions for young people, which will increase tax income from the second half of the year. In addition, supplementary tax payments regarding previous years will increase, mainly on account of a higher forecast of household capital gains. Expenditure will also increase as a result of proposals in the Bill, but this will be offset by lower interest payments on the central government debt.

The Debt Office's assessment is that the net borrowing requirement will be SEK 25 billion in 2016, which is SEK 9 billion lower than in the previous forecast. Tax income will increase by SEK 23 billion, mainly due to raised taxes. However, the raised taxes are matched by expenditure reforms of the same size. In addition taxes will also increase because the tax bases are growing slightly faster than previously estimated.

Table 4 Central government net borrowing requirement

SEK billion	2015	2016
Primary net borrowing requirement, of which	46	20
net lending to agencies excl. on-lending	6	4
net lending, on-lending	10	12
sales of state assets	0	0
income and expenditure excl. sales of assets	31	4
Interest payments	25	4
Net borrowing requirement	71	25

The decrease in the net borrowing requirement between the years is because tax bases are growing along with the economy while many items of expenditure are growing at a slower rate since they are linked to the general development of prices. In addition, the Debt Office assumes that no unfinanced reforms will be implemented during the forecast period. Moreover, interest payments on the central government debt and the contribution to the EU will decrease between 2015 and 2016.

The central government debt is expected to be SEK 1 476 billion at end of 2015 and 1 492 billion at the end of 2016. This represents 36 and 35 per cent of GDP respectively. The central government debt is presented in more detail in the section on borrowing.

Forecast changes in net borrowing requirement

Table 5 Major forecast changes¹

SEK billion	2015	2016
Forecast February 2015	80	34
Taxes	-10	-23
Labour market	1	2
Social insurance	0	2
Migration	0	0
Dividends	-4	1
Interest payments	-4	-3
Net lending excl. on-lending	6	3
On-lending	0	1
Other	1	7
Forecast June 2015	71	25
Sum of changes	-10	-9

¹ Changes in terms of net borrowing requirement. A minus sign means that the net borrowing requirement decreases and plus means that it increases.

Higher income from payroll taxes

Payroll taxes will increase by SEK 8 billion this year and SEK 18 billion next year compared with the previous forecast. This is mainly due to the abolition of the reduction of employers' social security contributions for young people.

Another factor contributing to the increase in payroll taxes is slightly stronger growth of the wage sum than was assumed in the previous forecast. Growth of the wage sum has been revised upwards from 3.4 per cent to 3.8 per cent in 2015 and from 3.5 per cent to 3.8 per cent in 2016. The main reason is the slightly stronger than expected growth of the wage sum in the spring.

The growth of the wage sum is still relatively modest in a historical perspective, taking account of employment growth. However, according to the National Accounts, the number of hours worked grew slightly more slowly than employment in the first quarter. For next year there is great uncertainty about the development of hourly earnings since the bulk of the collective agreements are to be renegotiated.

Table 6 Tax income compared with previous forecast¹

SEK billion	2015	2016
Payroll taxes	-8	-18
Consumption taxes	1	-6
Corporate taxes	2	0
Supplementary taxes	-5	0
Total	-10	-23

¹ Changes in terms of net borrowing requirement. A plus sign indicates a decrease in tax income and an increase in the net borrowing requirement.

Slightly lower income from corporate taxes

Central government income in cash terms from corporate taxes is expected to be slightly lower in 2015 than in the previous forecast. However, the assessment of the growth of corporate profits is virtually unchanged for the years 2014–2016. Instead, the decrease follows from the Debt Office's assessment that a smaller share of final tax will be paid as preliminary tax. This means that a larger share of the tax is instead expected to accrue to the state in the form of larger supplementary payments and/or lower payments of excess tax back to companies.

Table 7 Growth rates for tax forecast, current prices

Percentage change	2013	2014	2015	2016
Household consumption	2.7	3.1	3.1	4.5
Wage sum	2.8	3.7	3.8	3.8
Household taxable income	3.4	2.9	3.9	3.7
Income from interest and dividends	-7.8	7.0	-3.2	4.9
Deduction for interest on debts	-10.3	-7.3	-8.8	5.0
Household capital gains, net	15.8	10.1	3.8	3.8
Corporate taxable income	14.2	6.0	5.5	6.5

Lower income from consumption taxes in 2015

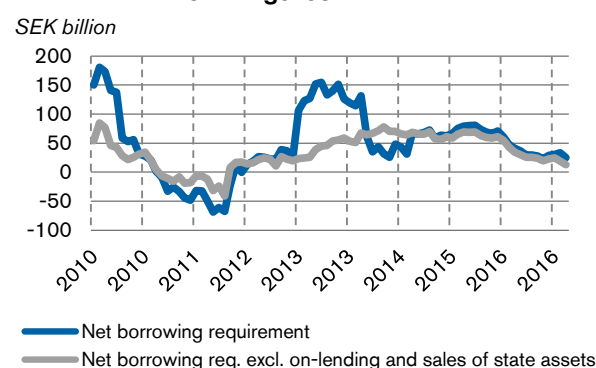
Consumption taxes will decrease by SEK 1 billion in 2015 and increase by SEK 6 billion in 2016 compared with the previous forecast.

Income from excise taxes will be lower in 2015 than in the previous forecast, despite an upward revision of consumption growth. This is due to low outcomes at the start of the year, which can largely

be explained by the mild winter resulting in lower income from energy taxes. In addition, the dividend from Svenska Spel, which is reported as a consumption tax, decreases.

The main reason for the increase in consumption taxes in 2016 is higher income from value added tax when consumption increases more quickly.

Figure 4 Net borrowing requirement, 12-month figures



Dividends on state-owned shares

Central government income from share dividends is put at SEK 13 billion in 2015. Compared with the previous forecast this is an increase of just under SEK 4 billion. The main explanation is that Specialfastigheter AB is to return more than SEK 2 billion to the state through a reduction of its share capital. The company has also paid an extra dividend of SEK 0.5 billion.

For 2016 dividend income is expected to total SEK 12 billion. This is a reduction of almost SEK 1 billion compared with the February forecast. Most of this is due to lower expected dividends from Vattenfall AB and LKAB. Both companies have been adversely affected by falling market prices. The world market price of iron ore fell by more than 50 per cent in 2014 and the fall has continued in the opening months of 2015. Electricity prices are also at historically very low levels, while demand is low. This is expected to have a negative effect on the companies' profits.

Table 8 Dividends on state-owned shares

SEK billion	2014	2015	2016
Akademiska hus AB	1.4	1.4	1.5
LKAB	3.5	0.1	0.5
TeliaSonera AB	4.8	4.8	5.0
Vattenfall AB	0.0	0.0	1.0
Sveaskog AB	0.5	0.8	0.6
Other corporations	2.3	6.1	3.5
Total	12.5	13.3	12.0



Change in the net borrowing requirement between years

The table shows how the net borrowing requirement changes between 2012 and 2016 and how different parts of the net borrowing requirement affect the change.

The net borrowing requirement is virtually unchanged between 2014 and 2015. Tax income will increase by SEK 50 billion between these years. This will be offset by higher expenditure in areas including social insurance and migration. Interest payments will also rise by SEK 21 billion, from a very low level in 2014.

Between 2015 and 2016 the net borrowing requirement decreases by SEK 46 billion. Tax income rises by SEK 51 billion, partly as a result of tax increases. Most expenditure items continue to increase with the exception of the contribution to the EU budget, where Sweden is expected to receive a rebate in 2016. Interest payments decrease by SEK 20 billion, see page 8.

The Debt Office has assumed that no new unfinanced reforms or sales of state assets will be implemented in 2015 and 2016 over and above those already presented.

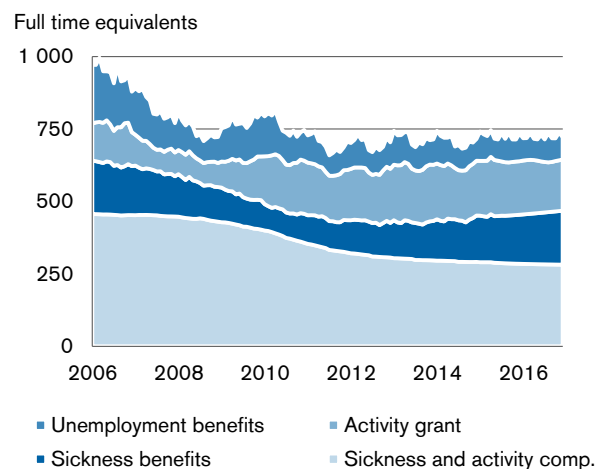
SEK billion	2012	2013	2014	2015	2016
Net borrowing requirement, level	25	131	72	71	25
Net borrowing requirement, change	93	106	-59	-1	-46
Explained by;					
Taxes	48	14	-26	-50	-51
Government grants to local governments	-3	4	5	-3	1
Labour market	2	5	1	1	-1
Social Insurance	4	2	6	7	10
Migration	1	3	3	7	3
Sales of state-owned assets	23	-21	21	0	0
Share dividends	5	1	8	-1	1
EU contribution	5	1	5	-1	-9
Debt Office's net lending					
excl. on-lending	-11	-4	29	-14	-3
On-lending	9	101	-104	7	3
Interest on government debt	-7	-11	-13	21	-20
Other	18	11	6	24	20

Higher labour market expenditure in the Spring Fiscal Policy Bill

The Government proposes several reforms in the labour market area in the spring amending budget for 2015. They include an increase in the highest unemployment benefit and activity support to SEK 910 per day for the first 100 days and SEK 760 per day thereafter. The Government also wants to introduce training contracts and trainee jobs for young people and to replace the employment phase of the job and development guarantee with extra positions with wage subsidies.

In the light of the proposals in the Spring Fiscal Policy Bill and the other macroeconomic changes, expenditure for labour market policy has been revised upwards by SEK 1 billion this year and SEK 2 billion next year.

Figure 5 Volumes, labour market and ill health



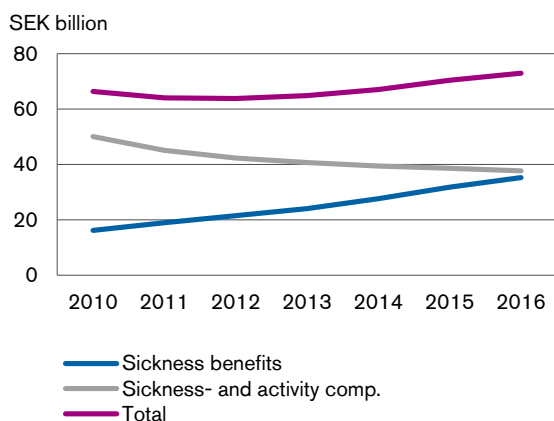
Sources: Statistics Sweden and own calculations

Higher social insurance expenditure next year

Compared with the February forecast, social insurance expenditure has been revised upwards by around SEK 2 billion in 2016. This is chiefly on account of proposals in the Spring Fiscal Policy Bill, including higher sickness benefit, higher sickness and activity compensation, higher housing supplements for pensioners and higher maintenance support. In addition, expenditure for assistance compensation is expected to be slightly higher than the assessment made in the February forecast.

The trend of a gradual rise in expenditure of sickness benefit will continue in the forecast period, as is shown in figure 6. The level of expenditure in 2016 is expected to be twice as high as in 2010, when sickness benefit expenditure bottomed out after declining for several years.

Figure 6 Expenditure for sickness benefit and sickness and activity compensation



Sources: Sweden Social Insurance Agency and own calculations

Net lending by the Debt Office

The Debt Office's net lending to government agencies etc. is expected to amount to SEK 16 billion in 2015 and 2016. This is an increase of SEK 6 billion and SEK 4 billion respectively compared with the February forecast.

The increase in 2015 is mainly due to increased lending to the Swedish Board for Study Support (CSN) and reduced deposits from the Swedish Export Credits Guarantee Board (EKN) and the Swedish Pensions Agency. However, the reduced deposits from the EKN have not affected the net borrowing requirement since the sum withdrawn has been entered under an income heading.

The increase in net lending in 2016 is mainly due to greater lending to CSN and increased on-lending. In 2016 on-lending to the Ukraine corresponding to USD 100 million is planned. In addition to this, on-lending increases on account of currency exchange effects in connection with the refinancing of loans raised on behalf of the Riksbank.

Lower interest on the central government debt

Central government interest payments are estimated at just under SEK 25 billion this year and just over SEK 4 billion next year. This is SEK 4 billion and 3 billion lower than in the previous forecast.

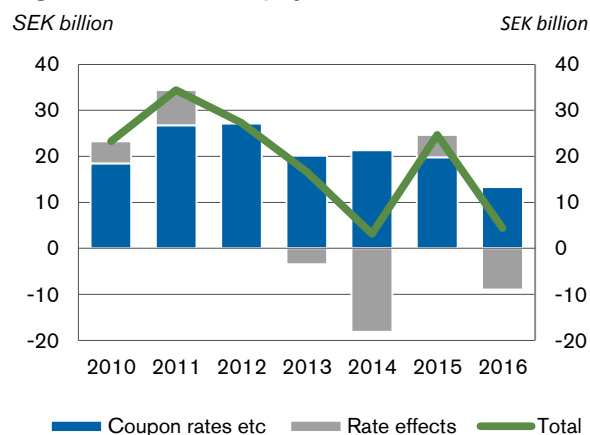
Table 9 Interest payments on the central government debt

SEK billion	2015	2016
Interest on loans in SEK	13.8	4.4
Interest on loans in foreign currency	0.3	0.5
Realised currency gains and losses	10.5	-0.5
Interest payments	24.6	4.4

Several factors explain why interest payments this year are now expected to be lower than in the previous forecast. The main reason is that the interest in exchanging inflation-linked bond SGB IL 3104 for SGB IL 3111 in April was lower than expected. As a result, the capital losses that arose in the buyback were smaller. In addition, lower interest rates have contributed to higher premiums in connection with issues. Higher currency exchange losses on account of a weaker krona act in the opposite direction.

The downward revision next year is largely due to lower interest rates and changes in switches in the issue plan, see the next section on borrowing.

Figure 7 Interest payments



As shown in figure 7, interest payments increase sharply between 2014 and 2015 and then decrease again in 2016. The increase between 2014 and 2015 is because high premiums and currency exchange gains reduced interest payments by around SEK 18 billion in 2014. This year these factors are working in the other direction instead, resulting in an increase of some SEK 5 billion in interest payments. The level for 2015 is also affected by the payment by the Debt Office of accrued inflation compensation of more than SEK 5 billion when inflation-linked bond SGB IL 3105 matures in December 2015. The absence of any corresponding payment in 2016 is one reason, alongside more favourable rate effects, why interest payments fall between 2015 and 2016.

The Debt Office uses cut-off rates in calculating central government interest payments and in measuring the Riksbank's foreign currency loans. The cut-off date for this forecast is 29 May.

Table 10 Cut-off rates for interest rates, per cent

Duration	3M	6M	2Y	5Y	10Y	30Y
Government bonds	-0.3	-0.4	-0.3	0.1	0.7	1.7
Inflation-linked bonds	-1.4	-1.4	-1.2	-1.1	-0.7	0.1
Swap interest rate SEK	-0.2	-0.2	-0.1	0.5	1.3	
Swap interest rate EUR	0.1	0.1	0.1	0.4	0.9	1.3
Swap interest rate USD	0.3	0.3	0.9	1.7	2.3	

Table 11 Cut-off rates for currencies

Spotrates	2015-05-29
SEK/EUR	9.4
SEK/USD	8.5
SEK/CHF	9.1
SEK/JPY	0.1
SEK/GBP	13.1
SEK/CAD	6.8

Budget balance and central government net lending

The Debt Office estimates central government net lending at -1.4 per cent as a proportion of GDP in 2015 and -0.6 per cent in 2016. The improvement of net lending between the years is, in part, an effect of faster growth of tax bases as the economy improves.

Net lending is a better indicator of the underlying central government finances than the net borrowing requirement and the budget balance. The budget balance is a cash flow measure that measures

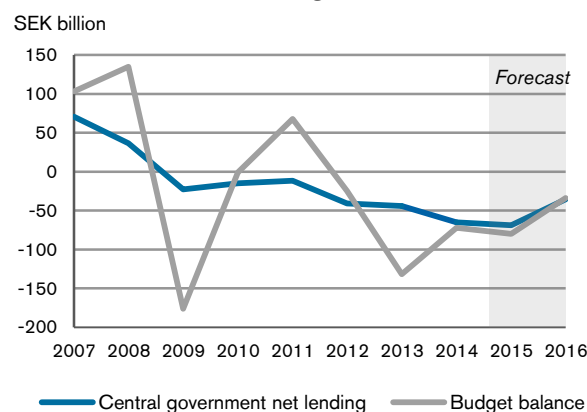
central government's incoming and outgoing payments. Net lending accrues payments to the point in time when the economic activity took place.

Table 12 Central government net lending

SEK billion	2012	2013	2014	2015	2016
Budget balance	-25	-131	-72	-71	-25
Adjustment items	-16	88	14	13	1
Sale of limited companies	0	-21	0	0	0
Parts of Debt Office's net lending	7	99	13	20	22
Accruals etc.	-23	10	1	-8	-21
Central government net lending	-41	-43	-58	-58	-24
Per cent of GDP	-1.1	-1.1	-1.5	-1.4	-0.6

Net lending is also adjusted for payments that do not affect the state's financial wealth. If, for example, the state sells financial assets such as shares this does not affect net lending. The state merely redistributes assets in its balance sheet, i.e. shares are exchanged for cash. However, when the payment is made, the budget balance is affected and the central government debt decreases. Amortising the central government debt does not affect the net asset position of the central government either since the assets decreases just as much.

Figure 8 Central government net lending and the budget balance



In the same way, net lending is not affected by lending to the Riksbank. This is because in its balance sheet the state receives an asset (a claim on the Riksbank) that corresponds to the increased indebtedness incurred in order to finance lending to the Riksbank. On the other hand, the budget balance and central government debt are affected.

Monthly forecasts of net borrowing requirement

The net borrowing requirement varies strongly between months. The following table presents monthly forecasts from June 2015 until and including May 2016.

Much of the variation between months is explained by the distribution of tax income, tax refunds and on-lending by the Debt Office over the year. Some individual payments also impact on the monthly pattern, one example being the annual payment of premium pension rights.

The large net borrowing requirement in December is normal for that month and is explained by the Debt Office's net lending (including the payment of premium pension funds), excess tax and interest payments on the central government debt.

Table 13 Central government net borrowing requirement per month

	Primary borrowing requirement excl. net lending	Net lend- ing	Interest on central govt debt	Net borrowing requirement
Jun-15	35.3	-4.1	1.8	33.0
Jul-15	8.4	-3.8	0.5	5.0
Aug-15	-10.5	-3.7	3.0	-11.1
Sep-15	6.0	-2.3	-2.8	0.9
Oct-15	10.6	-5.5	-3.3	1.8
Nov-15	-11.0	-2.9	0.1	-13.8
Dec-15	56.1	33.5	15.5	105.1
Jan-16	5.5	-1.7	-1.6	2.3
Feb-16	-46.8	-2.7	-0.6	-50.0
Mar-16	-6.3	-1.5	2.7	-5.1
Apr-16	-6.2	-1.9	-3.3	-11.4
May-16	-28.9	2.0	-0.7	-27.6



Sensitivity analysis

The Debt Office does not produce any overall sensitivity analysis for the net borrowing requirement. Instead a partial analysis of the effects that changes in certain key variables have is presented. The table shows an estimate of what different changes mean for net borrowing requirement on a one-year term

<i>SEK billion</i>	
Increase by one per cent/percentage point	Effect on net borrowing requirement
Gross wages ¹	-7
Household consumption in current prices	-3
Unemployment (ILO 15-74) ²	3
Interest rate level in Sweden ³	5
International interest rate level ³	2

¹ Local government taxes on employment are paid to local authorities with a one-year time lag. This means that the effect on the net borrowing requirement in one year's time is bigger than the permanent effect

² Includes effects on unemployment insurance benefits, the job and development guarantee programme and the job guarantee scheme for young people.

³ This relates to an effect on interest payments on government debt.



Forecast comparisons

The Debt Office, the National Institute of Economic Research (NIER) and the Government make similar assessments of the net borrowing requirements in 2015, adjusted for the Government's technical assumption for its calculations regarding sale income. The Swedish Financial Management Authority (ESV) has a slightly lower forecast for 2015, which is explained by a more optimistic assessment of tax income.

All forecasters expect an economic recovery and the absence of unfinanced reforms to result in a decrease in the net borrowing requirement between the years. The Government forecasts a lower net borrowing requirement than the others. To some extent, this can be explained by a more optimistic assessment of developments in the labour market, where the Government expects lower unemployment in 2016 than the other forecasters.

SEK billion	Debt Office (16 Jun)		Government (15 Apr)		NIER (25 Mar)		ESV (11 Jun)	
	2015	2016	2015	2016	2015	2016	2015	2016
Net borrowing requirement	71	25	57	3	67	33	52	27
of which:								
Sales of state assets	0	0	-5	-5	0	0		
Adjusted net borrowing requirement	71	25	62	8	67	33	52	27

Issue volumes unchanged

Borrowing in government bonds will be unchanged in both 2015 and 2016 compared with the February forecast. The intention is still for the stock of T-bills to grow gradually. The issue volume of inflation-linked bonds remains at the same level as in the previous forecast. Borrowing in foreign currency will be unchanged in 2015. In 2016 this borrowing on behalf of the Riksbank will increase slightly due to exchange rate effects.

Small changes compared with the February forecast

Borrowing in government bonds will remain at SEK 4 billion per auction throughout the period, i.e. up until December 2016. Borrowing in T-bills will also be unchanged. The average auction volume will remain SEK 17.5 billion.

Table 14 shows how borrowing is distributed between different instruments. The figures in brackets give the borrowing according to the February forecast.

Table 14 Borrowing according to new forecast

SEK billion	2015		2016	
	jun	(feb)	jun	(feb)
Money market funding¹	309	(308)	248	(254)
T-bills	125	(125)	135	(135)
Commercial paper	109	(108)	40	(40)
of which Central Government	100	(100)	40	(40)
of which on-lending to the Riksbank	9	(8)	0	(0)
Liquidity management	75	(75)	73	(79)
Bond funding	196	(197)	199	(197)
Government bonds	86	(86)	88	(88)
Inflation-linked bonds	17	(18)	18	(18)
Foreign currency bonds	93	(93)	93	(91)
of which Central Government	40	(40)	22	(22)
of which on-lending to the Riksbank	53	(53)	71	(69)
Total gross funding	505	(505)	448	(452)

¹ Outstanding stock as at year-end.

On-lending to the Riksbank is expected to increase slightly in 2016 in SEK terms since the krona has weakened since February.

Slightly lower borrowing requirement in 2016

The gross borrowing requirement will be unchanged in 2015, but decrease slightly in 2016.

In addition to covering the deficit in the central government budget, the Debt Office needs to borrow to finance loans reaching maturity and buybacks in switches. This financing requirement will increase by SEK 10 billion this year and SEK 4 billion next year, compared with the February forecast. Part of the increase for 2015 is due to the fact that the Debt Office has bought back a larger volume than has been sold in market maintaining switches of inflation-linked bonds. The financing requirement in 2015 will also increase because borrowing in the private market has been lower than estimated and needs to be replaced with borrowing in the institutional market.

Table 15 Gross borrowing requirement

SEK billion	2014	2015	2016
Net borrowing requirement	72	71	25
Business day adjustment etc¹	-4	1	0
Retail borrowing & collateral, net²	3	24	5
Money market redemptions³	180	256	309
T-bills	94	88	125
Commercial paper	39	124	109
Liquidity management	47	44	75
Bond redemptions, net switches and buy-backs	182	154	108
Government bonds	89	74	55
Inflation-linked bonds	8	26	3
Foreign currency bonds	86	54	49
Total gross funding requirement⁴	433	505	448

¹ Adjustment for the difference between settlement day and business day. The net borrowing requirement is cashflow-based (settlement day) as opposed to funding and outstanding debt. To this adds the difference in calculation on money market instrument between accounting of government debt and accounting of the net borrowing requirement.

² Net change in retail borrowing and collateral.

³ Initial stock maturing within 12 months.

⁴ Refers to borrowing requirement in the institutional market.

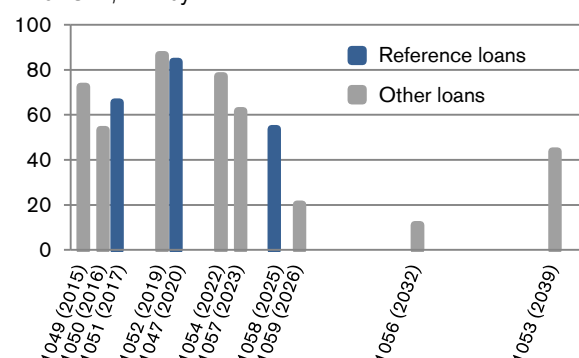
In 2016 the increase is explained by the fact that the Debt Office expects to buy back a larger net volume in switches of inflation-linked bonds than previously planned.

At the same time, the net borrowing requirement will decrease by SEK 10 billion in 2015 and SEK 9 billion in 2016, see the previous chapter. In all, this means that the gross borrowing requirement will be unchanged in 2015 and slightly lower in 2016. In 2016 the increase is explained by the fact that the Debt Office expects to buy back a larger net volume in switches of inflation-linked bonds than previously planned.

Table 15 shows the gross borrowing requirement according to the new forecast.

Figure 9 Outstanding government bonds

Billion SEK, 29 May 2015



Unchanged volume of government bonds

Borrowing in government bonds will be unchanged at SEK 86 billion this year and SEK 88 billion next year. The auction volume per auction will remain at SEK 4.0 billion throughout the forecast period.

In May the Debt Office introduced a new ten-year government bond, SGB 1059. This bond will become the ten-year reference bond in the electronic interbank market in December 2015. The reason for introducing SGB 1059 more than six months before becoming reference bond is for it to meet Nasdaq's criteria for deliverable bonds in forward contracts.

In order to build up an additional volume the Debt Office will, in the usual way, offer switches to SGB 1059. The switches will take place on 26 to 30 November. More information will be presented in a press release on 4 November, see table 17 for important dates.

The Debt Office plans to issue a new ten-year bond next year.

In the first half of the year the Debt Office has split the issue volume between two different maturities in order to meet the demand in different segments. This approach has been well received by the market and may continue to be a feature of issues in the future.

The Debt Office mainly borrows in the ten and five year maturities. The emphasis is on the ten-year maturity. Issues are also made of two-year bonds. Occasional issues will be made in other maturities when justified to maintain liquidity.

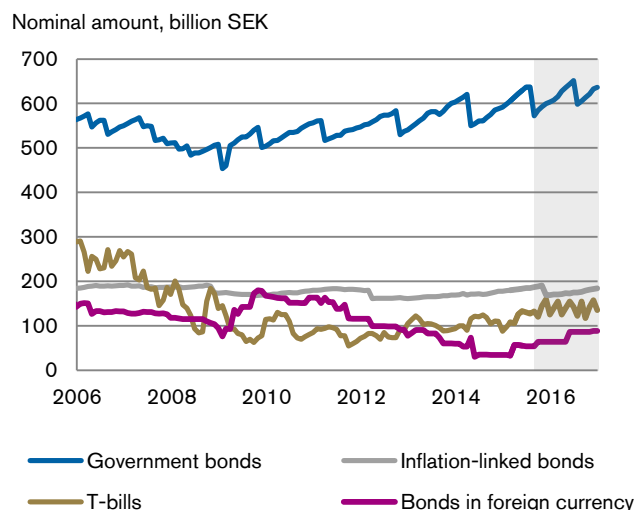
There may be individual auctions in the existing 24-year bond SGB 1053, as well as in the 17-year bond SGB 1056 when there is demand for long maturities.

Table 16 Reference bonds in the electronic interbank market

Date of change (IMM date) ¹	2-year	5-year	10-year
Current reference bonds	1051	1047	1058
16 December 2015			1059

¹The reference bond in electronic trading is the bond that is closest to two, five or ten years in terms of maturity. Reference bonds are only changed on the IMM date provided the new bonds are the bonds that are closest in terms of maturity to two, five or ten years on the subsequent IMM date. The underlying bond in a forward contract will always be the same as a reference bond during the last three months of the contract. The date of change of reference bonds refers to the settlement date. The first trading day for a new reference bond is normally the Friday preceding an IMM date.

Figure 10 Stock of government securities and foreign currency bonds¹



¹ Foreign currency bonds excluding loans on behalf of the Riksbank.

Figure 10 shows how the stock of government bonds has changed since January 2006. The figure illustrates the Debt Office's policy of giving priority

to issues of government bonds ahead of other borrowing so as to maintain a liquid government bond market. For a number of years, when the borrowing requirement was small, there was a substantial decrease in borrowing in both T-bills and foreign currency bonds (apart from loans for the Riksbank). Now that the borrowing requirement is larger, borrowing in these instruments is increasing again.

Table 17 Important dates 2015

Date	Time	Activity
21 Oct.	09.30	Central government borrowing – forecast and analysis 2015:3
4 Nov.	09.30	Information on switches to SGB 1059
26-30 Nov.	11.00	Switches to SGB 1059
4-7 Dec.	11.00	Switches from SGB IL 3107

Auction volume of T-bills stays at same level

As before, the Debt Office's ambition is for the stock of T-bills to grow gradually. As a first step, the issue volume was raised at the beginning of March from SEK 15 billion to SEK 17.5 billion on average per auction. If there is sufficient demand, T-bill borrowing may be further increased slightly later on.

Since the borrowing requirement has a seasonal low at the start of the year, the auction volumes have been slightly lower in the spring. However, planning for the future still includes an average auction volume of SEK 17.5 billion and the stock is expected to grow to SEK 125 billion in December 2015. At the end of next year the stock is expected to amount to SEK 135 billion. These are the same levels as in the previous forecast. On average during the year the stock of T-bills is expected to be SEK 110 billion in 2015 and SEK 140 billion in 2016.

The Debt Office is currently evaluating T-bill borrowing and welcomes proposals on how the market can be developed. One view received by the Debt Office from several quarters is that the market would function better with more frequent, smaller issues. A change may therefore be considered to the borrowing policy. Information about the result of the evaluation and notice of any change in borrowing policy will be presented in the next central government borrowing report.



Treasury bill policy

Every third month, the Debt Office issues a new six-month bill, maturing on an IMM date (the third Wednesday in March, June, September or December). A new three-month bill is introduced in the other months.

Accordingly, there are always at least four outstanding maturities of up to six months. As a rule, there is also a bond with a shorter maturity than twelve months on the market. Normally, the majority of the issued amount is borrowed in the new T-bill that is introduced in the auction. The remainder is borrowed in one of the outstanding IMM T-bills.

If there is an issue of T-bills in the shortest maturities, it is done in the liquidity management, beside the auctions. The Debt Office issues T-bills with tailor-made maturities (liquidity bills) within the framework of the liquidity management.

Borrowing in commercial paper¹

Borrowing in commercial paper on behalf of the Riksbank will increase from SEK 8 to 9 billion in 2015, as an effect of the weaker krona. Apart from this on-lending, the forecast is the same as in February.

The total stock is expected to be SEK 109 billion at the end of 2015, and to then fall back to SEK 40 billion during 2016.

Table 18 Change of outstanding swaps

SEK billion	2014	2015		2016	
		jun	(feb)	jun	(feb)
Interest rate swaps ¹	21	15	(30)	20	(40)
Cross currency swaps ²	9	0	(0)	0	(0)
Swaps total	29	15	(30)	20	(40)
Swaps maturing	25	28	(28)	38	(38)
Swaps, net change	4	-13	(2)	-18	(2)

¹ Interest rate swaps from fixed to floating rate in SEK.

² Cross currency swaps from fixed SEK rate to floating rate in foreign currency.

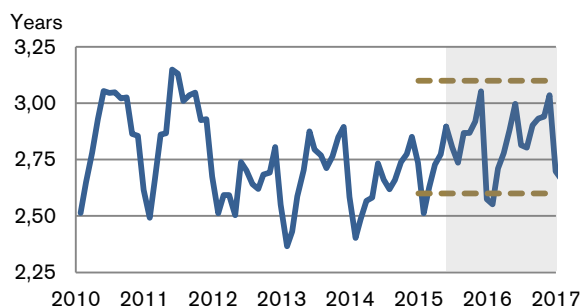
¹ Commercial paper is short securities issued under English law that the Debt Office issues in foreign currency.

Lower volume of interest rate swaps

The volume of interest rate swaps will decrease both this year and next year compared with the previous forecast. The Debt Office expects a volume of SEK 15 billion this year and SEK 20 billion in 2016.

The Debt Office uses interest rate swaps to shorten the duration of the debt. According to the guidelines for the management of the central government debt, the duration of the nominal krona debt with maturities up to 12 years is to be between 2.6 and 3.1 years.

Figure 11 Duration of the nominal krona debt, maturities up to 12 years



The maturity of the swaps corresponds to the average maturity of the government bonds issued. The swap transactions are spread relatively evenly over the year but with commercial flexibility regarding both time and maturity. The Debt Office may deviate from the planned volume if the borrowing requirement and market rates change during the year.

Part of the outstanding currency exposure in the central government debt has been provided by the Debt Office swapping krona borrowing into foreign currency using cross currency basis swaps. Following a proposal from the Debt Office, the Government has decided on a gradual decrease in the currency exposure in the central government debt. This means that the Debt Office is not planning any basis swaps in order to create exposure in foreign currency.

The outstanding stock of swaps will increase by SEK 13 and 18 billion per year respectively in 2015 and 2016, see table 18. The Debt Office does not normally close swaps previously entered into. The change in the stock is therefore due to the net of new and maturing swaps.



Interest rate swaps

The Debt Office uses interest rate swaps to shorten debt duration. This is done in the following way:

1. The Debt Office issues a government bond with, for example, a ten-year maturity and a particular coupon rate.
2. The Debt Office receives a fixed interest rate and pays a floating three-month interest rate (3M Stibor) in an interest rate swap for ten years.

As a result of the swap transaction, the Debt Office pays a floating rate instead of a fixed rate for ten years.

Since the fixed swap rate is higher than the interest rate on the government bond, the Debt Office pays 3M Stibor with a deduction that corresponds to the difference between the swap and the bond rate.

Unchanged volume of inflation-linked bonds

Borrowing in inflation-linked bonds is unchanged in principle from the previous forecast. The planned annual volume is SEK 17.5 billion in 2015 and SEK 18 billion in 2016. The auction volume will therefore stay at SEK 1 billion per auction. The reason why the annual volume is slightly lower for the present year than in the previous report is that one auction in the spring was not fully allocated.

In 2015 the Debt Office will mainly issue in the ten-year inflation-linked bond SGB IL 3109 along with the four-year bond SGB IL 3110. Issues may also take place in other inflation-linked bonds depending on the demand in the market.

The Debt Office's long-term ambition is to increase the number of maturities, thus avoiding excessive concentrations of volume so that no single bonds exceed 30 per cent of the inflation-linked bond index.

Next ten-year inflation-linked bond to be introduced in 2016

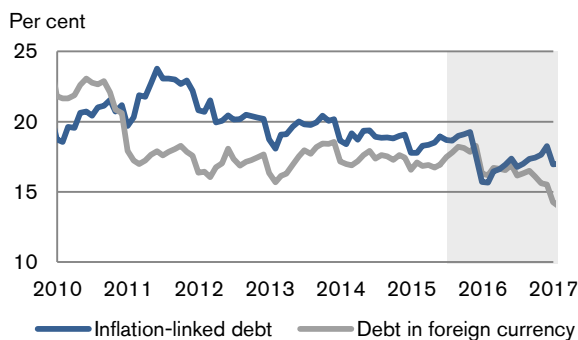
As previously announced, the Debt Office is planning to introduce a new ten-year inflation-linked bond in 2016. In connection with the introduction the Debt Office expects subsequent switches from nearby, both shorter and longer, bonds, especially SGB IL 3104.

Switches of 3107 in December

Switches of SGB IL 3107, which matures in 2017, will take place in December this year and spring 2016. The purpose of the switches is to reduce the stock when the bond approaches maturity, thereby reducing the reinvestment risk for investors. The four-year inflation-linked bond SGB IL 3110 is a natural candidate to sell in these switches.

The Debt Office's policy is to let about SEK 25 billion of an inflation-linked bond go to maturity. The experience of loan SGB IL 3105 shows that SEK 25 billion may be too large a volume for the market to handle in a short inflation-linked bond. The Debt Office is therefore prepared to consider slightly increasing the buy-back volume of SGB IL 3107 in the switches so that a smaller volume is outstanding when the loan has one year left to maturity. This forecast includes approximately SEK 10 billion in switches of SGB IL 3107, meaning that the Debt Office expects maturities of approximately SEK 20 billion in the bond.

Figure 12 Share of inflation-linked debt and of foreign currency debt¹



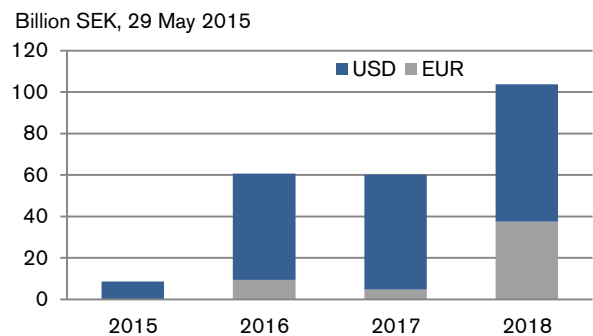
¹ In the long term the inflation-linked debt is to be 20 per cent of the total debt. There is no longer a composition target for the foreign currency debt. Exposure in foreign currency is to decrease gradually.

After 1 June 2016, when SGB IL 3107 will be shorter than one year, the Debt Office will no longer offer switches of this loan. Instead, the Debt Office will, in line with the present principle, provide a restrictive buyback facility. The buy-backs will be made at a premium since this is not a regular buyback offer.

Slight increase in on-lending in 2016

Borrowing in foreign currency bonds will be unchanged in 2015 compared with the previous forecast. In 2016 on-lending to the Riksbank will increase slightly in krona terms compared with the previous forecast. The reason is that the krona has weakened since February. Measured in foreign currency, the borrowing is unchanged.

Figure 13 Maturity profile of foreign currency bonds

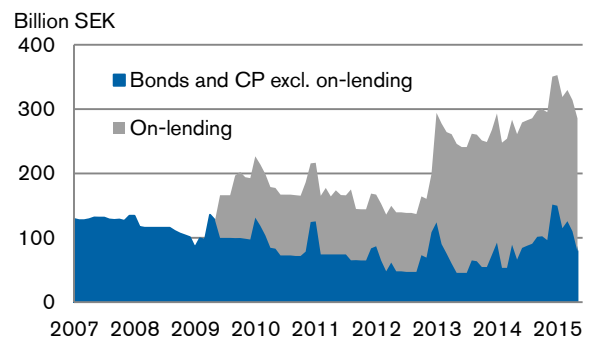


Excluding on-lending to the Riksbank, the Debt Office expects to issue bonds in foreign currency for the equivalent of SEK 40 billion in 2015. In 2016 the borrowing requirement will be lower and bond borrowing in foreign currency on behalf of central government will then be SEK 22 billion. The levels are the same as in the February forecast.

On-lending to the Riksbank

On-lending to the Riksbank amounts to SEK 245 billion. The increase in the volume since the previous report is due to exchange rate effects because of the weakening of the krona. The Debt Office expects maturing loans to be replaced with new loans and the volume in foreign currency to be maintained during the forecast period. The Debt Office's SEK borrowing is not affected since this financing is made in foreign currency, see the fact box about on-lending on the next page.

Figure 14 Outstanding foreign currency loans



This borrowing is concentrated on large benchmark loans in the capital market with maturities of up to five years. The choice of currency and maturity depends on market conditions. Figure 14 shows outstanding bonds and commercial paper in foreign currency for on-lending to the Riksbank and on behalf of central government.



On-lending

The payments made by the Debt Office in connection with lending to states, government agencies and state-owned companies are handled like other payments within central government.

Lending to other states and the Riksbank is presented in the Report 'Sweden's Central Government Debt' under the heading of on-lending. On-lending is included in the budget balance and is therefore part of the Debt Office's net borrowing requirement. However, on-lending is not included in central government net lending. The asset position of central government is not affected by on-lending since central government has a claim of the same size.

In the Debt Office's steering of central government debt these claims are set off against the debts incurred in financing the on-lending. This means that debt shares and maturity measures

Net borrowing and the central government debt

Table 19 shows how the net borrowing requirement is financed using various instruments.

In 2015 and 2016 net borrowing will be positive in government bonds and in foreign currency bonds. This means that the volume issued is greater than the volume maturing. For inflation-linked bonds net borrowing will be weakly negative in 2015 since an inflation-linked bond matures in December. However, in 2016 the stock will grow since none of the outstanding loans will mature.

At the end of 2016 the central government debt is estimated at SEK 1 492 billion. This corresponds to a GDP share of 35 per cent. Figure 15 shows the development of the central government debt.

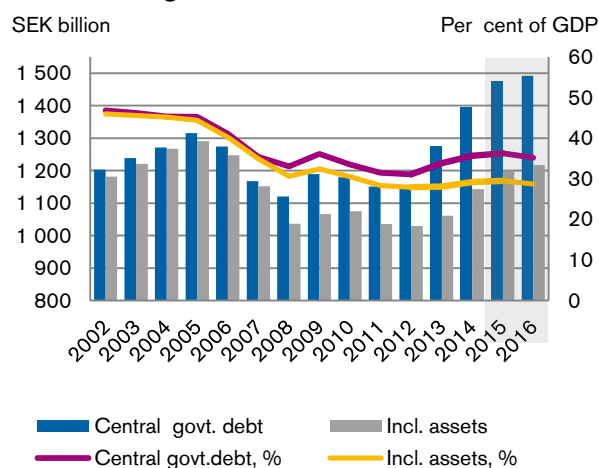
Table 19 Net borrowing per calendar year

SEK billion	2014	2015	2016
Net borrowing requirement	72	71	25
Business day adjustment ¹	-4	1	0
Net borrowing requirement	68	72	25
Retail funding & collateral, net	-3	-24	-5
Net money market funding	76	53	-61
T-bills	-6	37	10
Commercial paper	85	-15	-69
Liquidity management	-3	32	-2
Net bond market funding	-4	42	91
Government bonds	-12	12	33
Inflation-linked bonds	9	-9	15
Foreign currency bonds	-2	39	44
Total net borrowing	68	72	25

¹ Adjustment for the difference between settlement day and business day. The net borrowing requirement is cashflow-based (settlement day) as opposed to funding and outstanding debt. To this adds the difference in calculation on money market instrument between accounting of government debt and accounting of the net borrowing requirement.

The change in the central government debt is due not only to the net borrowing requirement but also to what are called debt adjustments. Debt adjustments consist mainly of accrued inflation compensation and exchange rate effects. Since the official measure of the central government debt is the gross debt, the Debt Office's money market assets are not deducted. These assets are funds temporarily invested in the money market until they are used to pay expenditure in the central government budget or maturing loans.

Figure 15 Development of the central government debt



The Debt Office also reports the net central government debt including assets. This figure includes not only assets in debt management but also assets in the form of claims from on-lending to foreign states and to the Riksbank. Measured in this way the debt will be 29 per cent of GDP at the end of 2016.

This measure 'central government debt including on-lending and assets under management' is used in the steering of the central government debt according to the guidelines adopted by the Government and in the Debt Office's internal risk management. On-lending is a claim for the state, but unlike assets in the money market it is not available for the payment of central government expenditure.

Table 20 Net borrowing and the central government debt

<i>SEK billion</i>	2009	2010	2011	2012	2013	2014	2015	2016
Net borrowing requirement	176	1	-68	25	131	72	71	25
Discrepancy between business and payment date ¹	-20	25	23	-17	0	-4	1	0
Net borrowing per business day	156	26	-45	8	131	68	72	25
A. Nominal amount including money market assets	1 132	1 158	1 113	1 121	1 253	1 321	1 392	1 418
Inflation compensation	30	31	34	31	29	25	20	24
Exchange rate effects	-2	-28	-21	-29	-19	30	38	25
B. Nominal amount to current exchange rate incl. inflation compensation and money market assets	1 160	1 161	1 126	1 123	1 262	1 376	1 451	1 467
Assets under management	29	18	25	23	15	18	25	25
C. Central government debt	1 189	1 179	1 151	1 146	1 277	1 394	1 476	1 492
Assets under management	-29	-18	-25	-23	-15	-18	-25	-25
On-lending	-94	-86	-91	-93	-201	-233	-250	-250
D. Central government debt incl. on-lending and assets under management	1 066	1 075	1 035	1 030	1 061	1 143	1 200	1 217
Nominal GDP	3 289	3 520	3 657	3 685	3 775	3 915	4 071	4 242
C. Central government debt, % of GDP	36	34	31	31	34	36	36	35
D. Central government debt incl. on-lending and money market assets, % of GDP	32	31	28	28	28	29	29	29

¹ Adjustment for the difference between payment and business day. We account for borrowing and central government debt by business day while net borrowing requirements based on payment day. To this adds the difference in calculation on money market instrument between accounting of government debt and accounting of the net borrowing requirement.



Measuring central government debt

The Central government debt is calculated as the value of outstanding debt instruments, mainly bonds and treasury bills, at the reporting date, calculated in accordance with established principles, see below. Within the framework of debt management are also certain assets. There are funds temporarily invested in the money market until they are used to pay expenses in the state budget or maturing loans. The assets mean that the actual liability is less than the sum of outstanding debt instruments.

Nominal amount or face value (A in the table above) is the sum of the amounts that the Debt Office is committed to paying when a debt instrument matures and receives at maturity if it is an asset. The amount is reported in SEK at the exchange rate at the time of borrowing.

The next step (in B above) is to report the nominal amounts at the current exchange rate and add the accrued inflation compensation for outstanding inflation-linked government bonds (this measure is called the uplifted amount at current exchange rate). These measures show the government debt when assets under management are taken into account.

The official measure of government debt (in C above) is defined based on principles laid down at EU level. It accounts for the Central government gross debt, without the assets. To obtain this measurement, we add the financial assets to measure B.

The Debt Office also reports "Central government debt including on-lending and assets under management" (under D above). This includes not only the assets under management but also certain other financial assets, namely on-lending to the Riksbank and foreign states. This measure is used in the management of government debt in accordance with guidelines adopted by the government and in our internal risk management. On-lending is a government claim, but not in the same manner as assets under management available for payment of government spending.

Liabilities are reported with a positive sign and assets with a negative sign.

Market information

Auction dates

Government bonds, auction dates

Announcement date	Auction date	Settlement date
10-Jun-15	17-Jun-15	22-Jun-15
29-Jul-15	05-Aug-15	07-Aug-15
12-Aug-15	19-Aug-15	21-Aug-15
26-Aug-15	02-Sep-15	04-Sep-15
09-Sep-15	16-Sep-15	18-Sep-15
23-Sep-15	30-Sep-15	02-Oct-15
07-Oct-15	14-Oct-15	16-Oct-15
21-Oct-15	28-Oct-15	30-Oct-15
04-Nov-15	11-Nov-15	13-Nov-15
18-Nov-15	25-Nov-15	27-Nov-15
19-Nov-15	26-Nov-15*	30-Nov-15
20-Nov-15	27-Nov-15*	01-Dec-15
23-Nov-15	30-Nov-15*	02-Dec-15
02-Dec-15	09-Dec-15	11-Dec-15

*Exchange auction

Inflation-linked bonds, auction dates

Announcement date	Auction date	Settlement date
06-Aug-15	13-Aug-15	17-Aug-15
20-Aug-15	27-Aug-15	31-Aug-15
03-Sep-15	10-Sep-15	14-Sep-15
17-Sep-15	24-Sep-15	28-Sep-15
01-Oct-15	08-Oct-15	12-Oct-15
15-Oct-15	22-Oct-15	26-Oct-15
29-Oct-15	05-Nov-15	09-Nov-15
12-Nov-15	19-Nov-15	23-Nov-15
26-Nov-15	03-Dec-15	07-Dec-15
27-Nov-15	04-Dec-15*	08-Dec-15
30-Nov-15	07-Dec-15*	09-Dec-15

*Exchange auction

T-bills, auction dates

Announcement date	Auction date	Settlement date
17-Jun-15	24-Jun-15	26-Jun-15
24-Jun-15	01-Jul-15	03-Jul-15
05-Aug-15	12-Aug-15	14-Aug-15
19-Aug-15	26-Aug-15	28-Aug-15
02-Sep-15	09-Sep-15	11-Sep-15
16-Sep-15	23-Sep-15	25-Sep-15
02-Sep-15	09-Sep-15	11-Sep-15
16-Sep-15	23-Sep-15	25-Sep-15
28-Oct-15	04-Nov-15	06-Nov-15
11-Nov-15	18-Nov-15	20-Nov-15
25-Nov-15	02-Dec-15	04-Dec-15
09-Dec-15	16-Dec-15	18-Dec-15

Government bonds, outstanding amounts 29 May 2015

Maturity date	Coupon %	Loan no.	SEK Million
12-Aug-15	4.50	1049	72 490
12-Jul-16	3.00	1050	53 239
12-Aug-17	3.75	1051	65 526
12-Mar-19	4.25	1052	86 550
01-Dec-20	5.00	1047	83 554
01-Jun-22	3.50	1054	77 131
13-Nov-23	1.50	1057	61 634
12-May-25	2.50	1058	53 763
12-Nov-26	1.00	1059	20 205
01-Jun-32	2.25	1056	11 000
30-Mar-39	3.50	1053	43 750
Total government bonds			628 842

Inflation-linked bonds, outstanding amounts 29 May 2015

Maturity date	Coupon %	Loan no.	SEK Million
01-Dec-15	3.50	3105	23 286
01-Jun-17	0.50	3107	30 861
01-Jun-19	0.13	3110	7 705
01-Dec-20	4.00	3102	29 324
01-Jun-22	0.25	3108	30 134
01-Jun-25	1.00	3109	18 747
01-Dec-28	3.50	3104	39 157
01-Jun-32	0.13	3111	4 526
Total Inflation-linked bonds			183 740

T-bills, outstanding amounts 29 May 2015

Maturity date	SEK Million	
17-Jun-15	43 410	
15-Jul-15	20 000	
19-Aug-15	30 000	
16-Sep-15	32 500	
16-Dec-15	7 500	
Total T-bills		133 410

Kreditbetyg

Agency	Rating
Moody's	Aaa
Standard & Poor's	AAA
Fitch	AAA

Primary dealers

Primary dealers	Nominal bonds	Inflation-linked bonds	T-bills	Telephone
Barclays	●			+44 207 773 8275
Danske Markets	●	●	●	+46 8 568 808 44
Handelsbanken Markets	●	●	●	+46 8 463 46 50
Nordea Markets	●	●	●	+45 33 3317 58 / +46 8 614 86 55
Royal Bank of Scotland	●	●	●	+46 8 506 198 76
SEB	●	●	●	+46 8 506 231 51
Swedbank	●	●	●	+46 8 700 99 00

Central Government Borrowing – Forecast and Analysis is published three times a year.

Next Report (preliminary date):

2015:3

21 October 2015

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