

Central government borrowing strategy 2026

The Danish economy is entering 2026 with a strong foundation. Employment has continued to rise throughout 2025, inflation has remained stable, and the economy is in a moderately high boom phase. The central government's financing requirement for 2026 is expected to drop by kr. 32 billion to kr. 109 billion due to low repayments of existing debt. The target for government bond issuance remains unchanged at kr. 65 billion, consistent with previous years. Up to kr. 10 billion of this target will be issued as green bonds. The central government's short-term loan programmes (T-bills and commercial papers) are targeted to amount to kr. 15 billion and kr. 5 billion, respectively, at year-end, with the possibility of significant variation in outstanding amounts during the year. In addition, a short-term bond in foreign currency will be issued under the central government's EMTN programme.

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Target for domestic bond issuance of kr. 65 billion

The target for issuance of government bonds is kr. 65 billion in 2026. The focus will continue to be on issuance in the nominal 2-year and 10-year maturity segments, supplemented with issuance in the green bond, the 30-year bond and the central government's inflation-linked government bond programme.



Opening of 2-year government bond

In January 2026, a new 2-year government bond will be opened via auction maturing in 2028. The new government bond will replace DGB 0.50 per cent 2027 as the 2-year bond and will be continuously built up via auction and tap.



Continuous issuance in central government's green bond programme

The central government's 10-year green government bond, DGB 2.25 per cent 2035G, will be continuously offered on auction in 2026. The issuance of the green government bond will be up to kr. 10 billion in 2026.

Why is it important?

On behalf of the Minister of Finance, Danmarks Nationalbank is responsible for managing central government borrowing and debt. This means that, based on the Danish Finance Act and input from the Ministry of Finance, Danmarks Nationalbank prepares a strategy for central government borrowing so that it covers the central government's annual financing requirement. The strategy is approved by the Ministry of Finance.

The strategy for central government borrowing must ensure that the central government's financing requirement is covered at the lowest possible long-term borrowing costs, taking into account an acceptable level of risk. Furthermore, the aim is to facilitate the central government's access to the capital markets in the longer term, and also that the central government's issuances should help support a well-functioning domestic capital market.

The strategy for central government borrowing is published twice a year. In extraordinary circumstances, Danmarks Nationalbank may make changes to the strategy outside the biannual publications – this was the case during the pandemic, for example, when the central government's financing requirement rose sharply in a short period of time.



Based on the Ministry of Finance's latest forecast, a total financing requirement of kr. 109 billion is expected in 2026.



Keywords

Strategy announcement

Central-government finance and debt

Central-government borrowing and debt

Central-government debt

Danish economy remains robust despite greater geopolitical uncertainty

The Danish economy is entering 2026 with a strong foundation. Employment has been rising throughout 2025, inflation has been low and stable, and the economy is in a moderately high boom phase.

Globally, the picture is more challenging: Higher tariffs in the U.S. are weakening global trade and are expected to slightly dampen growth in the Danish economy. Risks remain tied to trade policy, where a resurgence in conflicts could lead to weaker growth than expected. Bilateral trade agreements have contributed to greater stability, global trade has proven resilient, and the financial markets are now characterised by increased optimism¹.

Solid public finances and drop in overall financing requirement

The central government’s net financing requirement for 2026 is estimated at kr. 15 billion, partly due to tax and duty reductions. The total financing requirement is, however, expected to be kr. 32 billion lower compared to 2025, as repayments on existing debt are lower in 2026. According to the Economic Survey, December 2025, the total financing requirement is expected to amount to kr. 109 billion in 2026. The financing requirement consists of a net financing requirement of kr. 15 billion, net purchases of bonds for special purposes of kr. 41 billion, and repayments on existing debt of kr. 54 billion in total. See table 1 for a detailed breakdown.

With robust public finances and a strong labour market, the government has a solid foundation for managing the planned financing requirement in 2026. The government continues to maintain a substantial liquidity buffer on its account, estimated at kr. 178 billion at the beginning of 2026. Central government borrowing will therefore not increase compared to previous years. The financing requirement will be covered by the issuance of government securities, including government bonds, treasury bills, commercial papers, and a bond in foreign currency, as well as drawdowns on the central government’s account. The issuance strategy is specified below in table 1.

TABLE 1
Financing requirement and financing in 2026

Financing requirement	Kr. billion
Net financing requirement	15
Net purchases of bonds for special purposes ²	41
Repayments on long-term debt, etc. ³	34
Repayments on T-bills and commercial papers	20
Total financing requirement	109

Continues

¹ See the Ministry of Economic Affairs, Økonomisk Redegørelse, December 2025 (Economic Survey, December 2025) ([link](#)).

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Strategy for financing

Issuance of government bonds	65
Issuance of T-bills and commercial papers	20
Issuance of bonds in foreign currency under the central government's EMTN programme	12
Drawings on the central government's account	13
Total financing	109

² Net purchases of bonds for special purposes covers net purchases of social housing bonds, bonds for private care housing and bonds issued by KommuneKredit.

³ Repayments on long-term debt, etc., comprise maturities of government bonds, including bond issuances in foreign currency via the central government's EMTN programme, net payments on currency swaps and central government funds' net bond purchases.

Note: The central government's net financing requirement is based on annual budget performance (DAU balance), central government on-lending (net) and stock movements, etc., and is an expression of the total liquidity effect of central government finances. The government's total financing requirement also includes repayments of central government debt and net purchases of bonds to finance social housing, KommuneKredit etc. No target is set for sales via switch auctions. Rounding may cause sums to differ from totals.

Source: The Ministry of Economic Affairs, *Economic Survey*, December 2025, The Ministry of Finance and Danmarks Nationalbank.

The target for issuance of domestic government bonds is kr. 65 billion.

The target for issuance of domestic government bonds is maintained at kr. 65 billion, which is the same level as in 2025. Bond issuances will focus mainly on 2-year and 10-year maturity segments to ensure liquidity in the benchmark series, supplemented with issuance in the 10-year green government bond and in both central government's inflation-linked bonds. The central government may also, to a limited extent, issue in the existing 30-year government bond in 2026. For an overview of the government's on-the-run issues, see table 2.

TABLE 2

The central government's on-the-run issues in 2026

Segment	On-the-run issues
Maturity < 1 year	T-bills
2-year nominal	DGB 0.50 per cent 2027 / DGB X.XX per cent 2028
10-year nominal	DGB 2.25 per cent 2035
10-year green nominal	DGB 2.25 per cent 2035G
30-year nominal	DGB 0.25 per cent 2052
Inflation-linked	DGBi 0.10 per cent 2030 and DGBi 0.10 per cent 2034

Note: The central government's domestic on-the-run issues. Where two on-the-run issues are separated by '/', a segment change is made during the year. 'X.XX' indicates a currently unknown coupon rate.

Source: Danmarks Nationalbank.

Opening of new 2-year nominal bond in January

A new 2-year nominal government bond will be opened via auction on 21 January 2026. The bond will mature on 15 November 2028 and will replace DGB 0.50 per cent 2027 as the 2-year bond. Typically, a new 2-year nominal government bond is opened every two years in even years, whereas a former 10-year bond is reopened as a 2-year bond in odd years.

Continued issuance of green bonds under the central government's European Green Bond Factsheet, EuGB

The central government's 10-year green government bond, DGB 2.25 per cent 2035G, will be continuously offered at auctions in 2026. The green bond is issued as a twin bond and will therefore have the same financial characteristics as the 10-year nominal government bond maturing on 15 November 2035. The government has planned to allocate a total of kr. 22.6 billion in eligible green expenditures in the Budget Act for 2025 for initiatives within renewable energy, sustainable land use, and clean transportation.⁴ The proceeds from the issuance of green bonds in 2026 are allocated to eligible green expenditures. The total issuance of green bonds is expected to amount to a maximum of kr. 10 billion in proceeds in 2026, leaving a significant buffer relative to the eligible green expenditures from the Budget Act of 2025.

The Danish central government's green bond programme was updated in September 2025. The programme complies with both the ICMA Green Bond Principles and the European standard for green bonds (EuGB standard), and is therefore fully aligned with the EU's taxonomy, ensuring a high level of transparency, credibility, and environmental integrity.⁵

Postponement of new inflation-linked government bond

In 2026, the central government does not plan to open a new inflation-linked government bond. The basis for opening new bond series under the central government's inflation-linked borrowing programme is that a new bond is opened every four years. The most recent opening was the DGBi 0.10 per cent 2034, launched in 2022. At the end of November 2025, the central government's inflation-linked bond programme had built up an outstanding amount of kr. 50 billion, thereby already reaching the previously announced target of kr. 40-60 billion in total outstanding under the programme.

The opening of a new inflation-linked government bond is postponed due to a continued limited central government financing requirement in 2026, combined with a substantial account balance, and because the size of the programme is within the target range.

The central government's inflation-linked borrowing programme helps diversify the debt profile and contributes to securing a broad investor base. In recent times, the central government's inflation-linked bonds have been concentrated among fewer investors, and therefore the timing for opening a new inflation-linked bond will be revisited.

In 2026, the strategy for the central government's inflation-linked borrowing programme is to continue issuing DGBi 0.10 per cent 2030 and DGBi 0.10 per cent 2034 in limited amounts.

⁴ See the Ministry of Finance, Annex IV – Projected eligible green expenditures ([link](#)).

⁵ Read more about the central government's green bond programme here: ([link](#)).

The target for central government's short-term loan programmes (T-bills and commercial papers) is kr. 20 billion in total at the end of the year

At year-end, the outstanding amount is targeted at kr. 15 billion in T-bills and kr. 5 billion in commercial papers, which is approximately the same as the outstanding amounts in the programmes at the end of 2025. Over recent years, the central government has built up a substantial liquidity buffer on its account as a result of ongoing budget improvements and government surpluses. Consequently, the central government's short-term borrowing programmes have been downscaled to a minimum level.

The central government's short-term borrowing programmes remain a key part of its liquidity contingency management. Any increase in the central government's financing requirement that cannot be covered by drawdowns on the central government's account will initially be financed through an expansion of the short-term borrowing programmes. In these programmes, the outstanding amounts may therefore vary significantly during the year depending on the need.

The aim is to have stable outstanding amounts in the programmes over the year, but if the demand is limited during the year, the high account balance gives central government the option to issue less than the announced target.

New 6-month T-bills will be opened in March, June, September and December, and will all mature on the second business day in the month of maturity.

Issuance of bonds in foreign currency

In 2026, a short-term bond in either euros or dollars will be issued under the central government's EMTN programme. The strategy remains to issue a short-term bond denominated in foreign currency annually. This issuance helps to ensure that the central government maintains a strong and broad market access in foreign currency.

Government securities auctions and switch auctions

One T-bill auction, two government bond auctions and one or two switch auctions will generally be held each month throughout the year. At government bond auctions, the central government offers on-the-run bonds, while at switch auctions it is possible to bid for on-the-run government bonds contingent on the sale of off-the-run bonds. Switches are not included in the central government's issuance target, but they contribute to the build-up of the primary on-the-run issues.

Provisional auction dates are published three months in advance on Danmarks Nationalbank's website ([link](#)) on the last business day of each month.

Publications



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WORKING PAPER

Working Paper presents research work by both Danmarks Nationalbank's employees and our partners. Working Paper is primarily targeted at professionals and people with an interest in central banking research as well as economics and finance in a broader sense.

The analysis consists of a Danish and an English version. In case of doubt as to the correctness of the translation, the Danish version will prevail.

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