

PRESS RELEASE

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New strategic allocation of gold and foreign exchange reserves and unchanged currency hedging

The Riksbank has decided on a new strategic allocation of the gold and foreign exchange reserves, which includes a few new eurozone countries being introduced into the foreign exchange reserves. In addition, the current currency hedging will be maintained. In this way, the Riksbank achieves a good balance between contingency preparedness, risk and return. The change means that the Riksbank is expected to increase its earnings slightly.

The Riksbank has a foreign exchange reserve to provide liquidity support to banks operating in Sweden, as well as to be able to intervene in the foreign exchange market. The foreign exchange reserves therefore consist mainly of liquid assets such as government bonds in US dollars and euros. The Riksbank has now decided on a new strategic allocation of the assets in the foreign exchange reserve. The strategic allocation aims to achieve a balance between contingency preparedness, risk and reward. The decision means that, until further notice, the foreign reserves will contain assets in the currencies of the US dollar at 70% (previously 62%), the euro at 17.5% (previously 22%), the pound sterling unchanged at 5%, the Australian dollar unchanged at 5% and the Norwegian krone at 2.5% (previously 3%). At present, the Danish krone and Canadian dollar are not included in the foreign exchange reserves.

The expected return is slightly raised by increasing the share of US dollar assets and in addition to German government bonds denominated in euro, including French, Spanish and Italian government bonds in the foreign exchange reserves. The composition of the euro-denominated bonds is 10% German bonds, French bonds for 5%, Spanish bonds for 2% and Italian bonds for 0.5%.

In September 2023, the Riksbank decided to hedge USD 8 billion and EUR 2 billion to maintain sound risk management and reduce currency risk. The Riksbank has

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decided that the current currency hedging will remain unchanged, which means that around a quarter of the size of the foreign exchange reserve will continue to be hedged.

The Riksbank's gold and foreign exchange reserves are primarily managed on the basis of the Riksbank's contingency needs. The operational management of the foreign exchange reserves is decided in a strategic allocation each year, or when needed. Among other things, this strategic allocation involves a trade-off between contingency preparedness, return, risk and sustainability.