

DECISION

DATE: 22 September 2025

DEPARTMENT: Markets Department and Monetary Policy Department

DOCUMENT REGISTRATION NUMBER (DNR): 2025-01116

The Riksbank's security portfolio in Swedish krona (to be announced on 23 September 2025 at 09:30)

The Riksbank's decision

1. An addition is made to point 2 in the Riksbank's decision dated 6 November 2024 (DNR 2024-01249) that the Riksbank shall maintain a holding of Swedish nominal government bonds¹ in a nominal amount of SEK 20 billion, namely that the holding is allowed to fluctuate within an interval of SEK 18-22 billion for short periods of time.
2. Repurchase agreements in Swedish nominal government bonds can be entered into within the framework of the securities portfolio.
3. The Riksbank decides to adopt the Regulation for the Riksbank's securities portfolio in Swedish krona, pursuant to the annex.

Grounds for the decision

Legal basis

Under Chapter 2, Section 1 of the Sveriges Riksbank Act (2022:1568), the overriding objective of the Riksbank is to maintain low and stable inflation (the price stability objective). Without prejudice to the price stability target, the Riksbank shall also contribute to a balanced development of production and employment (consideration for the real economy). To attain the target, the Riksbank may, in relation to financial companies, enter into repurchase agreements in financial instruments and buy and sell Swedish securities on the

¹ Excluding Government bond 1059 and Green government bond.

secondary market, for instance (Chapter 2, Section 4, first paragraph points 3 and 5 in the Sveriges Riksbank Act).

According to Chapter 9, Section 1 of the Sveriges Riksbank Act, the Riksbank shall manage its assets to be able to fulfil its tasks and powers, for instance pursuant to Chapters 2-6 of the Sveriges Riksbank Act, and to generate sufficient income to finance its activities. The assets shall be managed with low risk and taking into account the Riksbank's status as a central bank. Asset management is a means for the Riksbank to fulfil its tasks and powers and to finance its activities, and not an end in itself. This means, for example, that the tasks and powers relating to monetary policy and financial stability take precedence over those relating to asset management.

Trade in Swedish nominal government bonds

The Riksbank decided on 6 November 2024 (DNR 2024-01249) that the Riksbank shall for monetary policy purposes establish a holding of Swedish nominal government bonds, excluding Government bond 1059 and Green government bond, equivalent to a nominal amount of SEK 20 billion through the purchase and sale of such securities. In connection with this decision, the Riksbank announced that the details for the trade concerning the long-term holding would be decided during the third quarter of 2025.

According to the decision in November 2024, the holding of Swedish nominal government bonds shall amount to a nominal total of SEK 20 billion. To ensure efficient trading, for instance in connection with reinvestment of principle payments or tender procedures, the holdings must be allowed to vary within a certain interval. The holding may thus fluctuate within an interval where the assets may amount to a nominal value of at least SEK 18 billion and at most SEK 22 billion during short periods of time.

There are monetary policy motives for entering into repurchasing agreements (repo transactions) in Swedish nominal government bonds

Experiences from both the financial crisis 2008-2009 and the crisis in connection with the outbreak of the pandemic in 2020 illustrate the importance of the Riksbank being able to quickly take appropriate monetary policy measures.

The speed with which a monetary policy measure can be agreed and implemented is decisive for the effect and efficiency of the monetary policy conducted. In the event of shocks on the financial markets, a good operational capability will help the Riksbank maintain a well-functioning transmission process with the aim of achieving the monetary policy objective. Market participants' awareness that the Riksbank has this capability increases confidence in the Riksbank, thereby improving the Riksbank's premises for maintaining a

sustainably low and stable inflation rate, even in normal times when policy rate adjustments are the primary tool.

Repo transactions can be an important supplementary monetary policy measure if poorer market conditions mean that the monetary policy that has been decided does not impact the economy in the intended way. It is important that the Riksbank has the capacity to rapidly implement necessary repo transactions if the need arises, and to maintain this capacity the Riksbank needs to some extent to carry out repo transactions in Swedish nominal government bonds. The Riksbank having a good operational capacity to implement repo transactions also contributes to the Riksbank's task of promoting a stable and efficient financial system.

Repo transactions lead to a marginally increased credit risk on the Riksbank's balance sheet and shall be managed in accordance with the Riksbank's Financial risk policy and be implemented in a way that avoids impacting the banking system's liquidity position towards the Riksbank. The potential losses that could arise for the Riksbank as a result of repo transactions are assessed as limited and are not expected to give rise to any tangible consequences for the Riksbank's balance sheet. Compared to the socioeconomic cost of not being able to implement repo transactions when necessary, the risk of losses is even more negligible. It is not deemed possible to attain the operational capacity needed by the Riksbank for this purpose in any other way.

To summarise, the Riksbank shall implement repo transactions in Swedish nominal government bonds to maintain its operational capacity. Repo transactions within this portfolio are not intended to function as a market maintenance measure and shall thus not be perceived as a tool to which market participants may have access when they need liquidity or as a measure that can be used to manage disruptions in the market.

Provisions for trade and repo transactions shall be documented in a regulation

Trade and repo transactions shall be implemented in a way that ensures that the Riksbank can maintain a good operational capacity. The provisions for trade and repo transactions shall be designed with consideration given to financial risks, ensuring they are cost-effective and that they are implemented in a way that does not send monetary policy signals. To avoid sending such signals, purchases and sales should not take place during the Riksbank's so-called silent periods (seven calendar days before a monetary policy decision is published) and the maturity for the repo transactions shall not extend beyond the date when a new policy rate comes into force. Further, the repo transactions shall be implemented in such a way that they have a limited impact on the monetary policy liability. To attain this, the transactions shall include both repos and reversed repos.

The more detailed provisions for how trade and repo transactions shall be implemented are stated in the Regulation for the Riksbank's securities portfolio in Swedish krona, see the annex to this decision.

The measures are therefore assessed to be compatible with the principle of proportionality in Chapter 1, Section 8 of the Sveriges Riksbank Act.

The decision has been taken by the Executive Board (Governor Erik Thedéen, First Deputy Governor Anna Breman and Deputy Governors Per Jansson, Aino Bunge and Anna Seim) following a presentation by Senior Advisor Mattias Erlandsson. Acting Head of the Markets Department Anders Gånge participated in the final processing.