

# PRESS RELEASE



DATE: 29 June 2023  
No: 12  
CONTACT: Press Office, tel: +46-(0)8-787 0200

SVERIGES RIKSBANK  
SE-103 37 Stockholm  
(Brunkebergstorg 11)

Tel +46 8 787 00 00  
Fax +46 8 21 05 31  
registratorn@riksbank.se  
www.riksbank.se

## The Riksbank is considering hedging part of the foreign exchange reserves

*Within the framework of asset management, the Riksbank intends to examine the prerequisites for reducing the currency risk, where a possible measure is to hedge part of the foreign exchange reserves. The starting point for this is that the amount hedged will correspond to about one-quarter of the FX reserves. The measure is aimed at reducing the Riksbank's financial risks.*

The Riksbank manages foreign exchange (FX) reserves partly to ensure that the Riksbank can, if necessary, provide liquidity support to banks in foreign currency.

The FX reserves currently amount to around SEK 410 billion. The assets in the FX reserves shall be managed at low risk, taking into account the Riksbank's status as a central bank and the purpose of the asset holdings. The currency risks on the Riksbank's balance sheet are significant as changes in exchange rates affect the value of the FX reserves - this is particularly the case in light of the Riksbank's assessment that the krona will appreciate in the period ahead. If, for example, the krona were to appreciate to the same level as in early 2022, the FX reserves would decrease in value by around SEK 60 billion.

Within the framework of asset management, the Riksbank now intends to examine the prerequisites for reducing the currency risk, where one possible measure is to hedge part of the FX reserves with the help of foreign exchange forwards and currency swaps. The starting point for this is that the amount hedged will correspond to about one-quarter of the FX reserves. An amount of that magnitude is deemed reasonable given that the transactions are spread out over an appropriate period of time. The measure is aimed at reducing the Riksbank's financial risks and does not have a monetary policy purpose.

Any measures must be designed with conditions on the market as a basis. To ensure this, it is necessary for the Riksbank to open a dialogue with relevant market participants and to make certain practical preparations. The work is expected to be finished in early autumn 2023.