

DECISION

DATE: 3 December 2025

DEPARTMENT: Markets Department

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Strategic allocation and hedging of the gold and foreign exchange reserves for 2026

The Riksbank's decision

The Riksbank decides the following on the composition and management of the gold and foreign exchange reserves for 2026:

1. The strategic allocation of gold and foreign exchange reserves is as shown in Table 1.

Table 1. Strategic allocation of the gold and foreign exchange reserves

Gold and foreign exchange reserves		USD	EUR	GBP	NOK	AUD	GOLD
Currency allocation¹		70.0%	17.5%	5.0%	2.5%	5.0%	-
Asset allocation	Government bonds ²	68.0%	17.5%	4.0%	2.5%	2.0%	-
	<i>Of which breakdown in euro:</i>						
	<i>Germany</i>		10.0%				
	<i>France</i>		5.0%				
	<i>Spain</i>		2.0%				
	<i>Italy</i>		0.5%				
Bonds issued by states or provinces		-	-	-	-	3.0%	-
Bonds issued by other government-guaranteed issuers		2.0%	0.0%	1.0%	0.0%	0.0%	-
Modified duration		4.0	4.0	4.0	4.0	4.0	-

¹ The currency breakdown and asset allocation refer to shares in relation to the reserve assets, i.e. excluding the gold reserve assets.

² Bank account balances and claims on the Bank for International Settlements (BIS) are treated as government bonds.

Gold and foreign exchange reserves	USD	EUR	GBP	NOK	AUD	GOLD
Weight (tonnes)	-	-	-	-	-	125.7

2. The hedging of the foreign reserve assets and the specific counterparty and settlement limits for foreign exchange hedging are as shown in Table 2.

Table 2. Hedging of foreign exchange reserves

Currency hedging	USD 8 billion and EUR 2 billion are hedged.
Maintenance	Foreign exchange hedging is maintained through foreign exchange swaps.
Specific counterparty limits	Total exposure to an individual counterparty and parties to which it is closely linked ³ may, independent of credit rating, amount to a maximum nominal sum of USD 4 billion and EUR 1 billion.
Specific settlement limits	Total settlement exposure to a single counterparty and to related parties (see footnote 3), irrespective of the credit rating, may not exceed the equivalent of USD 2 billion in nominal terms.

3. The Head of the Markets Division is given a tactical mandate to decide on deviations from the strategic allocation for the gold and foreign exchange reserves as shown in Table 3.

Table 3. The tactical mandate

Modified duration	Modified duration may deviate by a maximum of +/- 0.25 from the decided value per currency.
Asset allocation	The asset allocation between different issuers may, within each currency, deviate by a maximum of 10 per cent from the strategic allocation.

4. The strategic allocation of the gold and foreign reserve assets shall be rebalanced monthly in relation to this decision.
5. This decision applies from 1 January 2026 and replaces the previous decision on strategic allocation (ref. 2024-01238).

³ The term "closely linked" is defined in the Regulation for measurement of credit risk.

Grounds for the decision

Legal basis

According to Chapter 10, Section 1 of the Sveriges Riksbank Act (2022:1568), the Riksbank shall hold assets in foreign exchange (the foreign exchange reserves). The Riksbank also holds assets in the form of gold (the gold reserve).

According to Chapter 9, Section 1 of the Sveriges Riksbank Act, the Riksbank shall manage its assets in order to fulfil its tasks and powers and generate sufficient income to finance its activities. The assets shall be managed with low risk and take into account the Riksbank's status as a central bank and the purpose of the asset holdings. When managing the assets, particular weight shall be attached to how sustainable development can be promoted without compromising the requirements specified above.

The Riksbank's Financial risk policy (ref. no. 2025-01405) and Investment policy for the gold and foreign exchange reserves (ref. no. 2025-01239) are applicable to measures taken under this decision, unless otherwise stated.

Considerations

Introduction

The Riksbank decides on the strategic allocation of the gold and foreign exchange reserves every year, or more often if required. The decision sets out the composition of the strategic allocation of the gold and foreign exchange reserves to meet contingency⁴ and performance requirements, taking into account risk and sustainability.

A strategic allocation decision should include determinations on, inter alia, the size of the gold reserve (in tonnes of gold), the composition of the foreign exchange reserve (in terms of allotment in different currencies and assets) and interest rate risk by currency (in terms of modified duration). A section of the decision relates to currency hedging, which reduces the Riksbank's exposure to currency risk, the largest financial risk on the balance sheet.

Strategic allocation and hedging

The Riksbank considers that the composition of the gold and foreign exchange reserves should be as set out in Table 1 and that hedging should take place as set out in Table 2. This strategic allocation and hedging is assessed to fulfil the Riksbank's contingency needs and provide an adequate return, while resulting in

⁴ The gold and foreign exchange reserves shall, if necessary, be used to provide liquidity support to credit institutions, intervene in the foreign exchange market and fulfil Sweden's commitment to the International Monetary Fund's (IMF's) Special Drawing Rights (SDR) trading system.

the gold and foreign exchange reserves being managed at low risk for the following reasons.

The strategic allocation is expected to contribute to financing the Riksbank's activities and to building up the Riksbank's equity towards the target level at an appropriate pace. Equity is currently SEK 23 billion, which is significantly below the target level of just over SEK 63 billion. The agreed strategic allocation is expected to contribute to reaching the target level around 2038.

The strategic allocation, including currency hedging, is assessed to result in the Riksbank's assets being managed with low risk. The assets in the portfolio are highly liquid and carry limited market and credit risk, and the financial risk is comparable to a conservative portfolio of US and German government bonds. The gold reserve is unchanged.

The strategic allocation results in a portfolio consisting mostly of US dollars and euros, as the Riksbank needs to hold these currencies for contingency purposes. The expected return and financial risk in US dollars is higher compared to other currencies in the foreign reserves. The chosen share of US dollars is assessed to be well balanced. An even higher proportion of US dollars would entail a higher financial risk than can be justified given the Riksbank's financial position. At the same time, a lower share would mean that the expected return would be too low in relation to the Riksbank's earnings requirement.

The chosen strategic allocation also includes a limited share of assets in Australian dollars, pounds sterling and Norwegian kroner, as well as government bonds from euro area countries other than Germany. This diversification is expected to increase the expected return without increasing the overall market risk compared to a portfolio consisting only of US and German government bonds (i.e. a low-risk portfolio). At the same time, diversification is expected to have a marginal impact on contingency planning. Further increasing the share in these assets would imply a lower share of US and German government bonds, which is not considered compatible with the contingency requirements.

The asset holdings of the strategic allocation mean that the Riksbank is exposed to currency risk. The analysis underlying the decision assumes a future appreciation of the Swedish krona. Hedging parts of the foreign exchange reserve reduces losses in the event of a krona appreciation, while at the same time reducing the financial risk. The adopted currency hedging is assessed to reduce the risk significantly with an acceptable negative impact on preparedness.

The strategic allocation has an interest rate risk, measured as modified duration, of four. The reason for this is that the underlying analysis assumes positive term premiums, i.e. that a higher modified duration yields a higher expected return.

The decided level contributes to ensuring that the expected return from the strategic allocation is sufficient to finance the Riksbank's activities and build up equity at an appropriate pace. A higher modified duration would increase the financial risk more than can be justified given the Riksbank's financial position.

Sustainability

In its decision on strategic allocations, the Riksbank has also considered how sustainable development can be promoted without jeopardising other requirements. The principles for these are defined in the Riksbank's Investment policy for the gold and foreign exchange reserves. According to this, the starting point is, among other things, that the Riksbank does not make investments in countries that have not signed the Paris Agreement unless this is considered necessary for the Riksbank's contingency requirements. It follows from the considerations above that an exception needs to be made for bonds issued by the United States, which the Riksbank is assessed to need from a contingency perspective. The Riksbank does not own bonds issued by states, provinces or equivalent administrative areas whose carbon intensity exceeds the country's average carbon intensity.

Tactical mandate, rebalancing and implementation

The Markets Department is given a limited mandate, known as the tactical mandate, as shown in Table 3. The tactical mandate allows for some deviations from the strategic allocation in the ongoing management of the gold and foreign exchange reserves. This is done to enable increased earnings beyond the strategic allocation and to maintain good market knowledge and operational capacity to execute necessary transactions. The tactical mandate is expected to contribute to both increased earnings and operational capacity, while risk remains low.

To achieve appropriate and cost-effective asset management, it is also decided that the gold and foreign exchange reserves will be restored to the decided values in the strategic allocation on a monthly basis. No actions and no time for implementation is needed for the strategic allocation as it unchanged from the strategic allocation for 2025.

In-depth analysis and overall assessment

The analysis underlying the hedging and strategic allocation decisions is described in the annex.

Overall, the Executive Board considers the decision to be proportionate and well-balanced in relation to the Riksbank's needs and the objectives and principles set out in Chapter 9, Section 1 of the Sveriges Riksbank Act.

The decision has been taken by the Executive Board (Governor Erik Thedéen, First Deputy Governor Aino Bunge and Deputy Governors Per Jansson and Anna Seim)

following a presentation by Senior Advisor Carl Mitchell and Senior Strategist Jesper Dahlqvist. Anders Gånge, acting Head of the Markets Department, Lena Arfalk, Chief Risk Officer, and Annica Sandberg, General Counsel, participated in the finalisation process.