

The Riksbank's balance sheet and deposit requirement

Helsinki June 2025

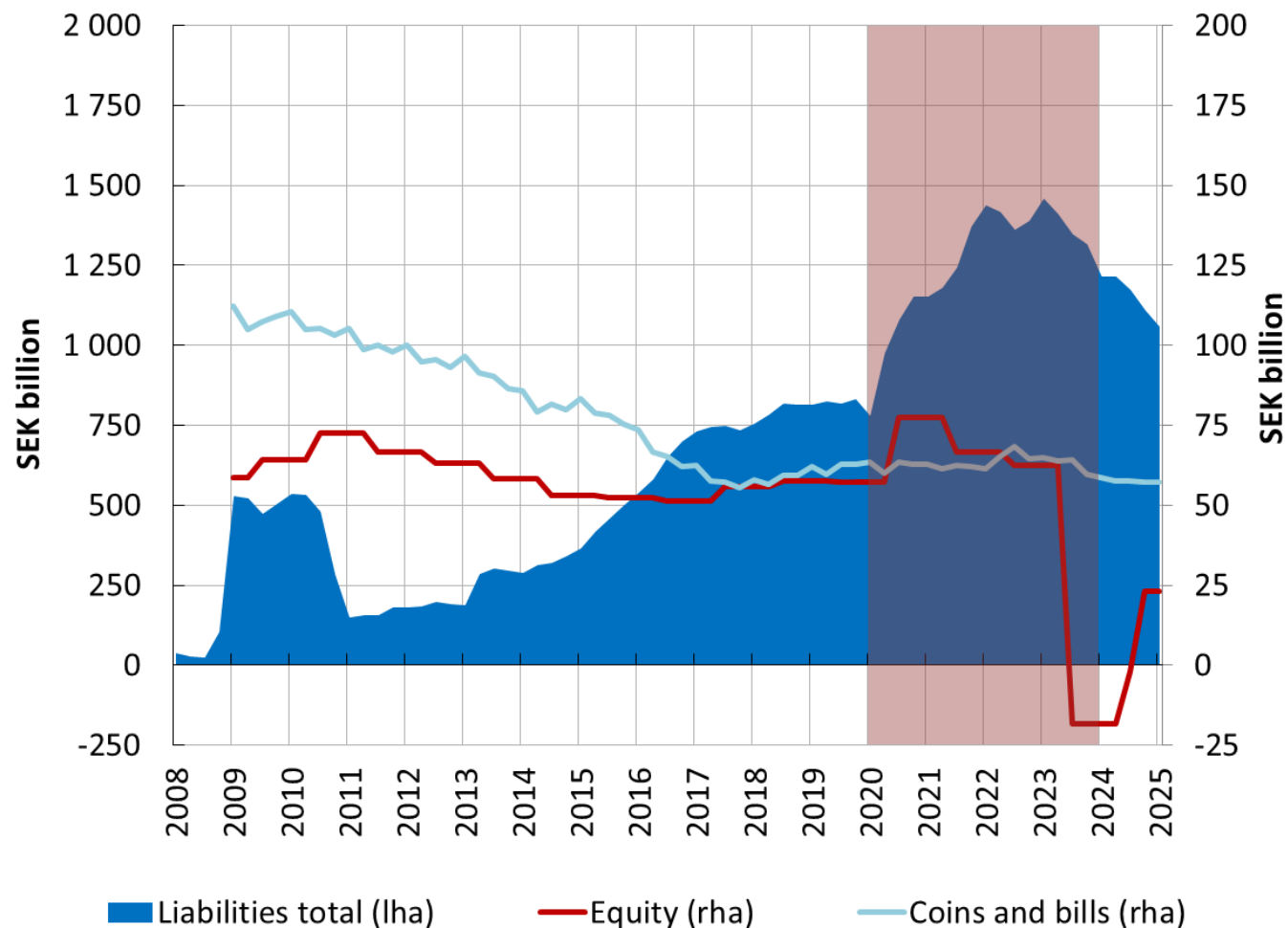
S V E R I G E S R I K S B A N K

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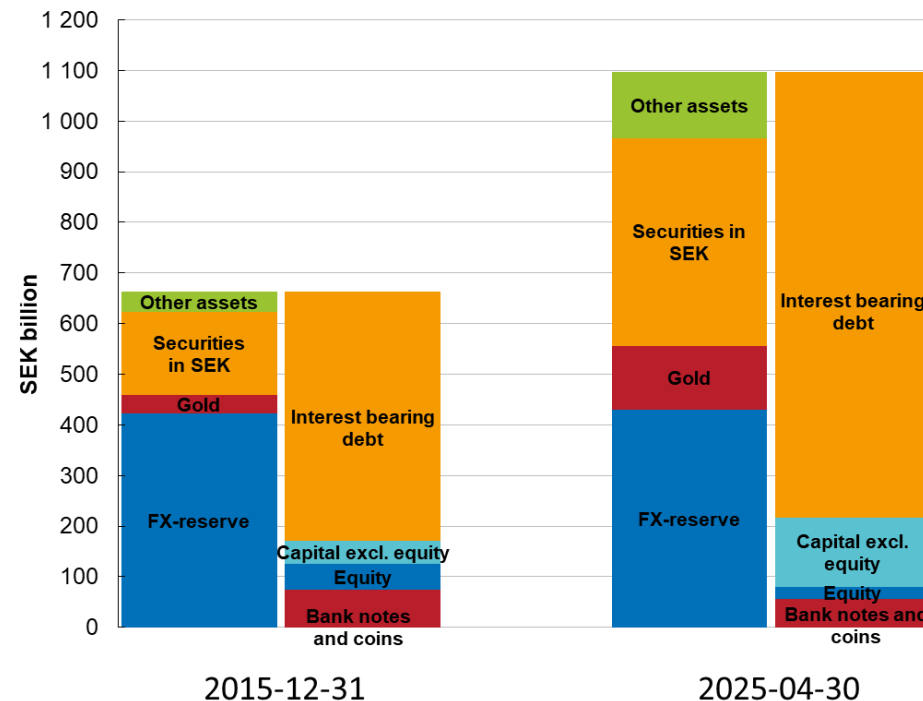
The Riksbank's balance sheet

The perfect storm?



- Significant losses in wake of Covid-19 pandemic following QE and rising interest rates
 - Low level of banknotes and coins
- ➔ Leading to low equity and challenging profit outlook
- ➔ A need to improve profitability

Larger balance sheet but weaker financial position

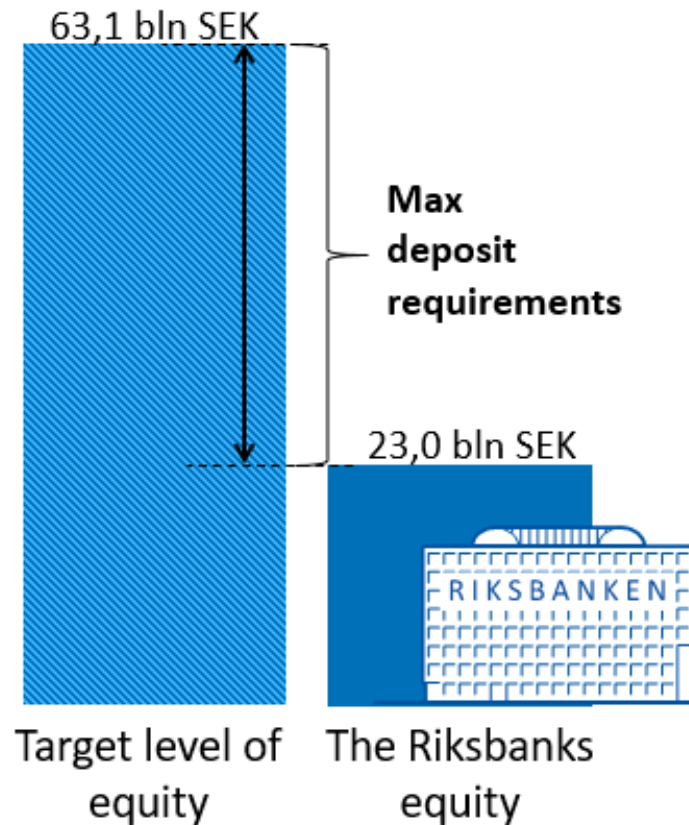


- The last decade
 - Balance sheet +40%
 - Interest free liabilities +20%
- Balance sheet more sensitive to interest rate changes
- Lower capability to absorb losses

Initiatives to improve profitability and strengthen the balance sheet

- Parliament decided on capital injection and changes to the Riksbank Act
 - SEK 25 bn in capital injection in 2024
 - Possibility to have interest rate free deposits from credit institutions as of Jan 2025
 - ➔ Implemented by Q4 2025
- New holistic approach to our strategic allocation of the FX-reserve
 - Focus on the risk/return profile of the whole balance sheet
 - ➔ Implemented 1 April 2025

Key features of interest rate free deposits



- Size: Target level of equity – equity
 - Ensures interest free liabilities always at least at target level
- Affected institutions: 161 institutions
 - Applies to all Swedish credit institutions and institutions with branches in Sweden
- Requirement per institution: Proportional to its liabilities
 - Deposits and debt instruments of all maturities
- Estimated annual cost savings: SEK 0,5 bn/year
 - Five year average

Limited impact on monetary policy and financial stability from the deposit requirement



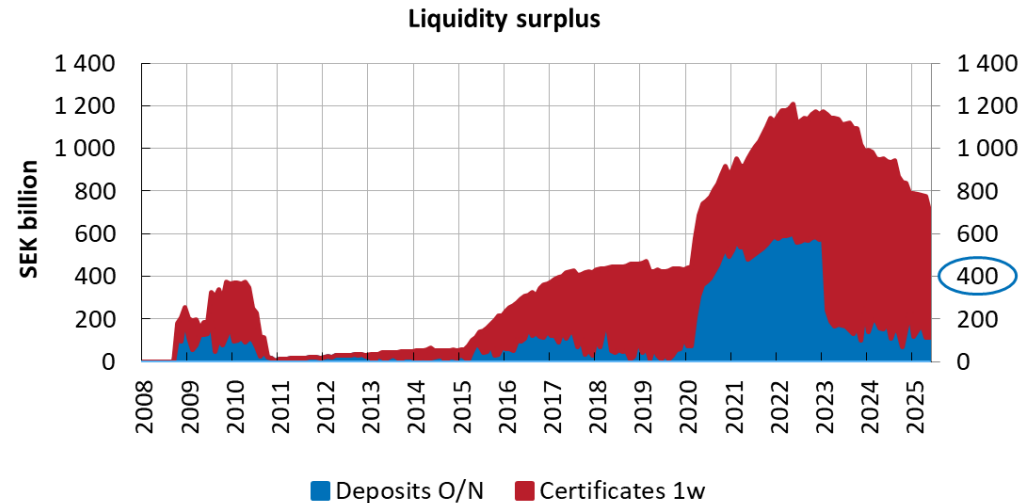
Financial stability

- Cannot be accounted for in the LCR
- Requirement only around 0.25% of institutions' liabilities on average

Monetary policy

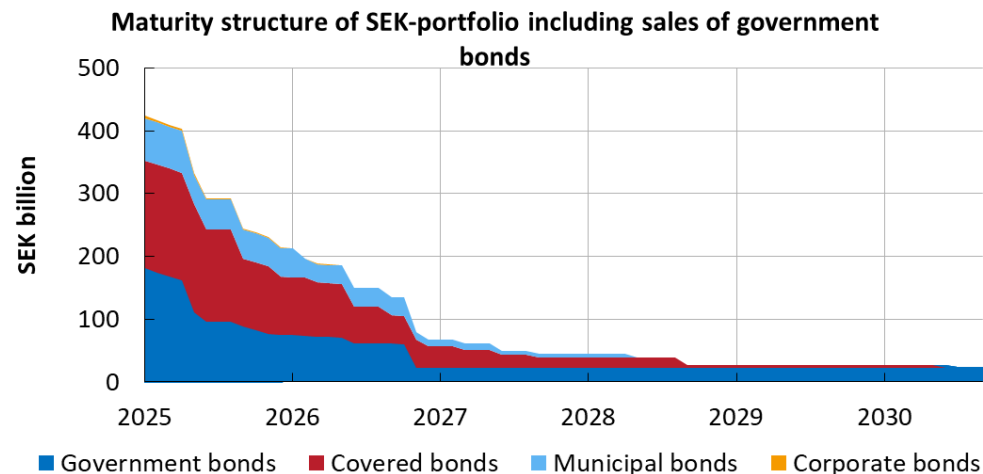
- Deposit requirement corresponds to 5 % of liquidity surplus
- As liquidity surplus remain ample, money market functionality is not significantly affected

Ample liquidity surplus, but decreasing



- Long term liquidity surplus estimated around SEK 400 billion

- Decreasing due to QT and maturing SEK-portfolio



- Riksbank will maintain a SEK-portfolio of 20 billion

Conclusion – more resilient balance sheet

Increased profit and lower risk due to

- Deposit requirement
- New holistic approach regarding strategic allocation of Foreign Reserves
- Maturing SEK-portfolio

All in all, the Riksbank's balance sheet is expected to be more resilient