



**SVERIGES
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Press Release

THE RIKSBANK TRANSFERS SEK 8.1 BILLION TO THE GOVERNMENT

The Riksbank is transferring SEK 8.1 billion to the Government, as specified in the Bank's Annual Report for 1995, which is being presented today to the Riksdag (Sweden's parliament). In addition to the Riksbank's Annual Accounts, the Annual Report contains an account of operations in 1995.

The result for the Riksbank for 1995 before balance-sheet allocations is a surplus of SEK 18.8 billion, of which SEK 14.3 billion is allocated to the Balancing Fund. The corresponding result for 1994 was a deficit of SEK 10.0 billion. To the result for 1995 it is proposed to transfer SEK 3.6 billion from the Contingency Fund. The difference between the annual results illustrates how the Riksbank's result is affected by interest and exchange rate movements. In order to smooth the fluctuations, the transfers to the Government are based on an average of the results for the last five years.

Foreign operations generated a surplus of SEK 18.5 billion in 1995 as against a deficit of SEK 0.7 billion the year before. Interest received on foreign operations contributed SEK 23.3 billion to the surplus. The increase in these receipts came above all from price gains on the holding of securities as interest rates fell during the year. The average level of foreign exchange reserves in 1995 was SEK 188.9 billion, accompanied by a negative average forward exchange position of SEK 126 billion; on a net basis, currency exposure during the year was accordingly restricted to an average of SEK 63

billion. The revaluation of foreign exchange had a negative net effect on the result of SEK 4.6 billion.

Domestic operations resulted in a surplus of SEK 0.7 billion, as against a deficit in 1994 of SEK 8.8 billion. Here, too, the improvement was mainly due to lower interest rates. Interest received and price gains on government securities, etc., rose from SEK 0.7 billion in 1994 to SEK 11.1 billion in 1995. Interest expenditure on domestic operations increased from SEK 9.8 billion in 1994 to SEK 10.7 billion in 1995, mainly due to a successively higher repo rate.

The balance sheet total at the end of 1995 was SEK 257.3 billion as against SEK 272.8 billion a year earlier. The largest assets are the foreign exchange reserves and the holdings of Swedish government securities and bonds. The book value of the foreign exchange reserves decreased from SEK 181.2 billion to SEK 171.3 billion. The book value of Swedish government securities and bonds decreased from SEK 87.3 billion to SEK 71.0 billion at the end of 1995.

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