

Press Release

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Riksbank transfers SEK 8.1 billion to the Government

The Riksbank is transferring SEK 8.1 billion to the Government, as specified in the Annual Report for 1996 which the Bank is presenting today to the Riksdag (Sweden's Parliament). In addition to the Annual Accounts of the Riksbank, the Annual Report contains a presentation of operations in 1996.

The result for the Riksbank for 1996 before balance-sheet allocations is a surplus of SEK 18.6 billion, of which SEK 4.6 billion is allocated to the Balancing Fund. The corresponding figures for 1995 are a surplus of SEK 18.8 billion, an allocation to the Balancing Fund of SEK 14.3 billion and a transfer to the Government of SEK 8.1 billion. The amount transferred to the Government is based on an average of the results for the last five years.

SEK 6.0 billion is transferred to the Contingency Fund, made up of SEK 4.9 billion for exchange rate movements in 1996 together with 10 per cent of the average result before balance-sheet allocations.

Foreign operations generated a surplus of SEK 14.2 billion in 1996 as against SEK 18.5 billion the year before. The 1996 surplus is made up of SEK 9.4 billion in interest received, SEK 0.2 billion in interest expenditure and SEK 4.9 billion in exchange rate effects.

The smaller surplus on foreign operations in 1996 compared with 1995 is partly a consequence of a lower level of foreign exchange reserves in 1996 but it mainly reflects the greater stability of international interest rates compared with 1995. In that the holding of securities is booked at market values, in 1995 the sharp fall in interest rates had a positive effect on the year's result. The krona's exchange rate weakened towards the end of 1996; together with the negative forward position at the year-end, this generated a positive valuation effect of SEK 4.9 billion.

The average level of foreign exchange reserves in 1996 was SEK 153.4 billion, accompanied by a negative forward exchange position equivalent to SEK 70.1 billion; on a net basis, currency exposure during the year was accordingly restricted to an average of SEK 83.3 billion.

Domestic operations in 1996 resulted in a surplus of SEK 4.8 billion, as against SEK 0.7 billion the year before. The improvement came in part from decreased interest expenditure on account of lower interest rates but above all from a reduced stock of Riksbank liquidity bills. Interest expenditure fell from SEK 10.7 billion in 1995 to SEK 4.9 billion in 1996. The valuation of the holding of Swedish government securities at market values affected the result for 1996 by SEK 9.7 billion, as against SEK 11.2 billion in 1995.

The balance sheet total at the end of 1996 was SEK 212.6 billion as against SEK 257.3 billion a year earlier. The largest asset items are the foreign exchange reserves and the holdings of Swedish government securities. The book value of

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the foreign exchange reserves decreased from SEK 171.3 billion to SEK 140.2 billion, mainly due to amortisation of the forward stock. The book value of Swedish government securities decreased from SEK 71.0 billion to SEK 59.0 billion at the end of 1996.

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Copies of the Annual Report (in Swedish) are available at the Riksbank entrance at No. 7 Malmkillnadsgatan. They can also be ordered from the Information Centre, fax no.: Int. +46 787 05 26; phone no.: Int. +46 8 787 01 00.

BALANCE SHEET AT END OF ACCOUNTING PERIOD
Assets, SEK million

		1996	1995	1994 ¹
Gold and foreign assets				
Gold	Note 1	905	925	1 167
Special drawing rights in the IMF	Note 2	1 978	2 956	508
Reserve position in the IMF	Note 3	4 476	3 816	4 930
ECU claim on the EMI	Note 4	10 578	11 764	-
Foreign banks, securities	Note 5	122 304	151 859	174 584
Gold and foreign exchange reserves		140 241	171 320	181 189
Sweden's share of the IBRD's capital stock		-	-	593
Other foreign assets	Note 6	-	5	4
Domestic assets				
Government securities	Note 7	59 045	71 025	87 326
Advances, banks	Note 8	9 638	2 607	10
Other domestic assets	Note 9	2 501	11 480	2 983
Fixed assets				
Fixed assets	Note 10	1 169	864	654
Total assets		212 594	257 301	272 759

Liabilities, SEK million

		1996	1995	1994 ¹
Foreign liabilities				
Net allocation of special drawing rights in the IMF	Note 2	2 448	2 457	2 699
Other foreign liabilities	Note 11	4 135	3 484	3 447
Domestic liabilities				
Deposits, banks	Note 8	1 467	1 295	1 492
Deposits, other	Note 12	6	17 640	15 084
Deposits		1 473	18 935	16 576
Riksbank liquidity bills	Note 13	32 040	75 142	107 960
Special deposits	Note 14	121	586	922
Other domestic liabilities	Note 15	4 254	3 466	177
Notes and coins in circulation				
Notes	Note 16	77 135	73 064	72 992
Coins	Note 17	3 656	3 596	3 450
Notes and coins in circulation		80 791	76 660	76 442
Balancing account and capital				
Balancing account	Note 18	46 993	42 419	28 149
Capital	Note 19	26 283	29 606	27 793
Balancing account and capital		73 276	72 025	55 942
Result for the year		14 056	4 546	8 594
Total liabilities and capital		212 594	257 301	272 759

¹ Note that figures for 1994 have been adapted to the altered accounting principles for repos and reversed repos.

PROFIT AND LOSS ACCOUNT

SEK million

		1996	1995	1994 ²
Foreign operations				
Interest received	Note 20	9 439	23 291	- 2 966
Interest expenditure	Note 21	- 150	- 182	- 155
Revaluation of exchange rates	Note 22	4 941	- 4 563	2 394
Total foreign operations		14 230	18 546	- 727
Domestic operations				
Interest on government securities et cetera	Note 23	9 659	11 169	690
Interest on loans to banks et cetera	Note 24	93	163	274
Interest expenditure et cetera	Note 25	- 4 946	- 10 666	- 9 814
Total domestic operations		4 806	666	- 8 850
Administrative revenue	Note 26	145	144	131
Administrative expenditure	Note 27	- 541	- 533	- 598
Other income	Note 28	3	0	0
Other expenditure	Note 29	- 13	- 7	- 11
Result before balance-sheet allocations		18 630	18 816	- 10 055
Balance-sheet allocations				
From balancing account	Note 30			+ 18 649
To balancing account	Note 30	- 4 574	- 14 270	
Result		14 056	4 546	8 594

² Note that figures for 1994 have been adapted to the altered accounting principles for repos and reversed repos.