

Press release

14 FEBRUARY 2001 NO 10

Riksbank General Council proposes additional dividend to the Treasury

The General Council of the Riksbank has decided to propose to the Riksdag that SEK 8.2 billion (9.8 billion previous year) should be transferred from the Riksbank to the Treasury for the financial year 2000. An additional non-recurring dividend of SEK 20 billion will also be proposed. In total, therefore, the Riksbank will transfer SEK 28.2 billion to the Treasury.

The proposed transfer for the year 2000 has been calculated in accordance with the guidelines for transfers of the Riksbank's profit that have been in force since 1988. These guidelines state that the transfer (dividend) to the Treasury should be based on a five-year average of the result, adjusted among other things for exchange rate effects.

In total, the profit for the year 2000 amounted to SEK 20.3 billion (3.9 billion previous year). The increase in profit is mainly due to a rise in the market value of securities portfolios as a result of falling market interest rates and a weaker exchange rate for the Swedish krona. The Sveriges Riksbank Act prescribes that the allocation of the Riksbank's result is determined by the Riksdag, while the General Council makes the proposal to the Riksdag.

The proposal for an additional dividend arose following a request from the Riksdag Finance Committee in spring 2000 (1999/2000 FiU:23) for a review of the Riksbank's capital. An additional dividend of SEK 20 billion will leave the Riksbank with sufficient total capital of its own to handle normal and extraordinary fluctuations in results. However, the proposal assumes that the appropriation of profits principle that has been applied since 1988 has not been changes. The additional dividend could be transferred through a reduction in the Riksbank's domestic securities portfolio and a simultaneous reduction in capital through the additional dividend.

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