

DECISION

DATE: 9 January 2026
DEPARTMENT: Markets Department
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Financial provisions (risk provisions) for the financial year 2025

The Riksbank's decision

No financial provisions (risk provisions) or reversals are made for the financial year 2025.

Grounds for the decision

Introduction

The Riksbank's balance sheet contains assets and liabilities that entail a risk of financial losses. Since 2020, the Riksbank has decided on the size of the item risk provisions on the balance sheet every financial year.¹

A provision for specific financial risks can be made if there is a need to increase the risk buffer and strengthen the resilience of the balance sheet to these risks. The provision reduces the reported result by the corresponding amount. In the event of losses for which provisions have previously been made, the balance sheet item for risk provisions may be reduced by reversing the provisions. The reversal increases the reported result by the corresponding amount. A reversal may also be made if the buffer set aside is no longer deemed to be justified.

The possibility of making financial risk provisions or reversals and the amount of the provision or reversal for an individual financial year depend, to a large extent, on the Riksbank's earnings and the size of its equity. For the financial year 2024,

¹ See the latest decision, Decision on financial provisions for the financial year 2024 (dnr. 2024-01197).

no risk provisions were made and there are no provisions from previous periods. For the financial year 2025, there are therefore no risk provisions to be reversed.

Legal basis

According to Chapter 8, Section 11 of the Sveriges Riksbank Act (2022:1568) (the Riksbank Act), the Riksbank may make financial provisions (risk provisions) to a reasonable extent in accordance with the guidelines of the European Central Bank (ECB).² Risk provisions are made to cover a known or expected loss or risk, the cost of which cannot be accurately estimated.³ If the loss or risk is realised, the allocated funds shall be used to mitigate its effects on the financial result.⁴ Risk provisions may only be made to a reasonable extent. This means that a provision shall be necessary on the basis of a need for consolidation of the Riksbank's balance sheet and that the size of the provision shall be in proportion to the size of the expected loss or cost.⁵

In the Riksbank's assessment, consolidation need should refer to the need to maintain or strengthen its financial position by means of provisions for income, or an increase in capital by means of funding with the aim of increasing the resilience of the balance sheet.

According to the European Central Bank Guidelines, a central bank may make provisions for financial risks. The size of these and their use shall be determined on the basis of a reasoned estimate of the risk exposure of the central bank.⁶ For the purposes of the guidelines, "provisions" means amounts set aside before arriving at the profit or loss figure in order to provide for any known or expected liability or risk, the cost of which cannot be accurately determined. The guidelines do not allow provisions for future liabilities and costs to be used to adjust the value of assets.⁷

Decisions on risk provision can be made on an ongoing basis during the financial year.⁸

² Guideline (EU) 2016/2249 of the European Central Bank of 3 November 2016 on the legal framework for accounting and financial reporting in the European System of Central Banks has been recast and replaced by Guideline (EU) 2024/2941 of the European Central Bank of 14 November 2024 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2024/31) (recast).

³ Government Bill 2021/22:41, p. 243.

⁴ Ibid.

⁵ Government Bill 2021/22:41 pp. 150-151 and p. 243.

⁶ Article 8 in European Central Bank Guidelines.

⁷ See Annex II to the European Central Bank Guidelines.

⁸ Government Bill 2021/22:41, p. 243.

Considerations

At the end of 2025, the Riksbank's equity was SEK 23 billion and the target level for equity is expected to be around SEK 64 billion.⁹ For the financial year 2025, the Riksbank is expected to make a profit of around SEK 5.3 billion.

The Riksbank's equity is currently low in relation to the target level under the Riksbank Act and there is therefore a need to increase the resilience of the balance sheet. Equity is the Riksbank's primary risk buffer as it can absorb all risks and losses, unlike a risk provision that is limited to specific risks or losses. At present, the build-up of equity is therefore assessed to meet the need for consolidation better than a risk provision.¹⁰

Against this background, no risk provisions are made for the financial year 2025. This means that there is no need to estimate the need for risk provisions or how these are to be used (cf. Article 8 of the European Central Bank Guidelines).

As there are no previously allocated funds, no reversals can be made and thus the reported provisions for 2025 are unchanged compared to the financial year 2024.

This 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 case officer Mattias Danielsson. Head of Finance Linda Kappling and Acting Head of the Markets Department Anders Gånge participated in the final processing.

⁹ The target level is adjusted annually by the annual percentage change in the CPI. The outcome of CPI for December 2025 will be published by Statistics Sweden on 15 January 2026.

¹⁰ Cf. Chapter 8, Section 11 of the Riksbank Act. See also Government Bill 2021/22:41 pp. 150-151 and p. 243.