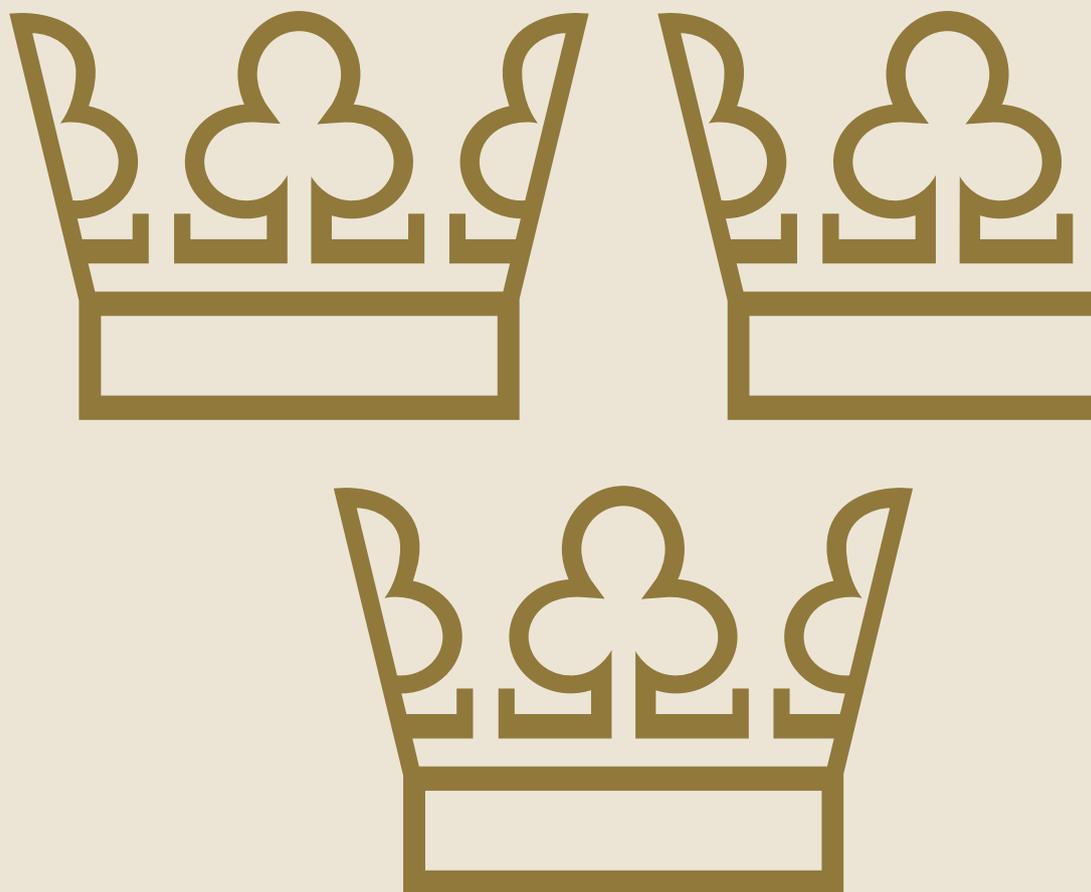


# Financial Policy



Adopted: 2025-12-10  
Enters into force: 2026-01-01  
Adopted by: Board of Directors of the Swedish National Debt Office  
Information owner: Head of Risk Unit  
Version number: 2026:1

## Financial Policy

The Financial Policy is intended to ensure effective risk management that supports the Swedish National Debt Office's risk management and its internal control. The policy establishes certain principles and frameworks for managing financial risks that arise in the Debt Office's operations.

## Contents

<b>1.</b>	<b>Introduction.....</b>	<b>4</b>
<b>2.</b>	<b>The process Raise and manage loans for the central government .....</b>	<b>5</b>
2.1	General premises and assignments .....	5
2.2	Principles for implementation of the guidelines.....	5
2.3	Frameworks for managing risks in central government debt management.....	6
2.4	Reporting to the Board.....	11
<b>3.</b>	<b>The process Develop and manage the central government payment model and the management of government agencies' financial resources.....</b>	<b>13</b>
3.1	General premises and assignments .....	13
3.2	Principles for reducing credit risk.....	14
<b>4.</b>	<b>The process Issue and manage guarantees and loans.....</b>	<b>16</b>
4.1	General premises and assignments .....	16
4.2	Principles for management of guarantees and loans.....	16
4.3	Reporting to the Board.....	17
<b>5.</b>	<b>The process Being responsible for managing nuclear waste financing.....</b>	<b>18</b>
5.1	General premises and assignments .....	18
5.2	Reporting to the Board.....	18
<b>6.</b>	<b>The process Ensuring financial stability and preparedness for managing banks and other financial institutions in crisis .....</b>	<b>19</b>
6.1	General premises and assignments .....	19
6.2	Principles for management of the deposit insurance fund .....	20
6.3	Reporting to the Board.....	21

## 1. Introduction

According to the Ordinance (2023:909) containing Instructions for the Swedish National Debt Office, the Board of Directors of the Debt Office is to decide on frameworks and guidelines for managing the risks associated with the operations. The Debt Office conducts several different operations with separate regulatory frameworks. These different regulations entail that the risk levels and risk management may vary among the various operations. In certain operations, the risk level is determined mainly by decisions from the Riksdag and the Government, whereas in other areas the Debt Office has a mandate to establish the risk level within the given parameters.

The Financial Policy is intended to ensure effective risk management that supports the Debt Office's assignments and its internal control. The policy provides an overview of the agency's management of financial risks and the chosen risk level in applicable situations. Certain risk-related principles for the Debt Office's various operations are established in the policy. When relevant, the policy also provides certain frameworks for managing risks that arise in the operations. The policy is reviewed and decided on annually to ensure that it stays up to date and relevant for the operations.

Decisions by the Board are set forth in the policy. Operational decisions that follow from this policy are made by the Debt Office Director General or officials in accordance with delegation procedures set forth in the rules of procedure of the Debt Office and the relevant departments.

## 2. The process Raise and manage loans for the central government

### 2.1 General premises and assignments

The management of the central government debt is governed by the Budget Act (2011:203). Among other things, the Act sets forth the objective of debt management and the purposes of central government borrowing. The objective is to minimise the cost of the debt over the long-term while taking account of the risk involved in the debt management. The management is to be conducted within the framework of monetary policy requirements as well. The Act also states that each year the Government shall adopt guidelines for central government debt management.

In the Ordinance (2023:909) containing Instructions for the Swedish National Debt Office (the Instructions for the Debt Office), the Government has delegated the responsibility for the operational management of the central government debt to the Debt Office.

The Government's decision on the guidelines for debt management reflects a desired balance between the expected cost and risk of the debt. According to the Instructions for the Debt Office, the Board of Directors of the Debt Office shall then decide on principles for the practical implementation of the Government's guidelines and on frameworks for risk management. The principles and frameworks are stipulated in this policy. Thereunder, the Debt Office decides on internal guidelines and instructions for various parts of the operational management in accordance with the internal rules of procedure.

### 2.2 Principles for implementation of the guidelines

It follows from the Government's guidelines and the objective of central government debt management that the Debt Office shall take a *long-term strategic approach* to conducting the borrowing, rather than a short-term tactical one. This means that the Debt Office shall work to ensure that there are good conditions for borrowing at low cost over time by:

- issuing government securities in kronor on a regular basis and operating in a manner that contributes to a well-functioning Swedish government securities market

- communicating transparently and predictably about the central government borrowing requirement and the supply of government securities in kronor
- maintaining the capacity to borrow in foreign currency
- managing financial risks in accordance with established targets and rules
- using derivatives as necessary to adjust the central government debt's term to maturity and composition in accordance with the exposure targets
- only entering into transactions that the Debt Office has the competence, systems, and procedures for managing
- treating all counterparties in a businesslike and objective manner and avoiding actions that could damage the reputation of the Debt Office or the central government.

## **2.3 Frameworks for managing risks in central government debt management**

This section presents frameworks for managing risks in the various parts of central government debt management: strategic management, continual currency exchanges, position taking, as well as derivative transactions and investments. The frameworks apply to different types of market risk and credit risk. The Debt Office manages the risks that fall under the term liquidity risk mainly by borrowing in a manner described in the principles in Section 2.2.

### **2.3.1 Strategic management**

The strategic management comprises the steering of the central government debt's composition and term to maturity towards the targets in the Government's guidelines. The Government establishes how the central government debt is to be composed, i.e. the distribution between nominal krona debt, inflation-linked krona debt, and exposure in foreign currency. In the guidelines, the Government also adopts an interval for the term to maturity of the central government debt as a whole. According to the guidelines, the Debt Office shall then set a target for the foreign currency debt's distribution among different currencies and decide on maturity intervals for the individual debt types. The frameworks for this are decided in this policy.

### 2.3.1.1 Strategic currency exposure of the central government debt

- The foreign currency exposure of the central government debt is to be managed in two parts: one strategic part that is to be gradually phased out and one variable part that occurs as a consequence of the Debt Office managing changes in the foreign currency exposure in accordance with the frameworks in Section 2.3.2.
- The strategic currency exposure shall consist of CHF (33%) and EUR (67%). The proportions are to be based on exchange rates on 31 October 2022 and adjusted to the extent that the rates change.
- The phase-out of the strategic currency exposure is steered through a daily pace of reduction on which the Debt Office Director General shall decide. The Debt Office Director General is also assigned a mandate for making decisions about altering the pace of reduction within the framework of the Government's adopted guidelines.
- The Debt Office Director General shall establish permitted deviation intervals for the currencies that are included in the currency distribution.

### 2.3.1.2 Term to maturity of the central government debt

- The Debt Office Director General shall decide on term to maturity intervals for the individual debt types. The Debt Office Director General shall also decide on maturity limitations for individual currencies.

## 2.3.2 Continual currency exchanges

There are a number of factors that give rise to changes in the foreign currency exposure of the central government debt. These include interest payments on foreign currency bonds, EU payments, other government agencies' currency hedges, and the central government's multi-currency cash pool. Thereby, a continual need for currency exchanges arises. According to the Instructions for the Debt Office, currency exchanges shall be characterised by predictability and clarity. The Board therefore decides on the following frameworks for managing continual currency exchanges.

- The varying foreign currency exposure that arises as a result of this management shall primarily be exchanged to euros and phased out through currency exchanges according to the point below. The Debt Office Director General is to determine the extent to which exposure in currencies other than the euro is permitted.

- The Debt Office's exchanges between Swedish kronor and foreign currency shall follow an even exchange path. This is to be determined by spreading the net exchange volume evenly over time. Exchanges made in order to phase out the strategic currency exposure and in connection with possible positions between Swedish kronor and foreign currency are to be excluded. Minor deviations from the exchange path are permitted.

### **2.3.3 Position taking**

The Debt Office's position taking comprises positions on which the Board decides as well as positions within the continual management. Here, the Board establishes how much of the mandate approved by the Government for position taking may be used in the continual management. Certain other risk limitations for the continual position taking are also established.

- The Debt Office shall use Value-at-Risk (VaR) to measure the market risk involved in position taking in foreign currency. The risk is measured as daily VaR at a 95 per cent confidence level.

#### **2.3.3.1 Frameworks for continual position taking**

- Continual position taking in the Swedish krona in relation to other currencies is not allowed.
- The aggregate risk in the continual position taking in foreign currency may not exceed SEK 220 million measured as daily VaR.
- For the calculation of currency and interest rate risk limits as well as the earnings measurement, a notional portfolio value is used. The delegated VaR mandate is to correspond to SEK 200 billion in notional portfolio value.
- The currency limit for each currency is  $\pm 6.0$  per cent of the value of the notional portfolio.
- The interest rate risk limit measured in Swedish kronor is  $\pm 0.90$  per cent of the value of the notional portfolio. The interest rate risk limit for each currency is  $\pm 0.60$  per cent of the value of the notional portfolio.
- The result is measured as the change in the market value (including accrued interest) plus realised flows. The result is to be evaluated over five-year periods.

- Currency and interest rate positions may be taken in the following currencies: Australian dollar (AUD), Canadian dollar (CAD), Swiss franc (CHF), Danish krona (DKK), euro (EUR), British pound (GBP), Japanese yen (JPY), Norwegian krona (NOK), and US dollar (USD).

### **2.3.4 Derivative transactions and investments**

Credit risks arise when using derivative instruments in both the strategic management as well as in the position taking. They also arise with investments of surpluses (short-term investments). In this policy, the Board decides on principles and frameworks for managing these credit risks. The purpose is to set requirements that must be met before transactions are entered into in order to limit the credit risk, and also to manage credit risks with outstanding transactions.

#### **2.3.4.1 Principles for managing counterparty risk**

- Counterparties in OTC derivative transactions and short-term investments must have a long-term credit rating of at least A-.
- For counterparties in short-term investments, a short-term credit rating can be used if the counterparty has no long-term credit rating. The Debt Office Director General shall decide on the translation of a short-term credit rating into the equivalent long-term credit rating.
- If the counterparty's credit rating is downgraded to below A-, new transactions with the counterparty are only allowed after a decision by the Debt Office Director General in order to reduce the risk. On the basis of a trade-off between cost and risk, outstanding transactions may be maintained following a decision by the Debt Office Director General. The decision is reconsidered if further downgrades of individual credit ratings occur.

##### **2.3.4.1.1 *Management of counterparty risk in the trade of OTC derivative instruments***

- Transactions are conducted in well-developed markets and with maturities that have good liquidity. The maximum maturity is up to and including 20 years.
- The calculation of exposures in Over the Counter (OTC) derivative transactions is based on the market value, taking account of netting in accordance with ISDA agreements.

- ISDA agreements with a downgrading clause (“rating trigger”) and Credit Support Appendix (CSA) are required before bilateral OTC derivative transactions may be entered into and remain in the portfolio. The Debt Office’s CSA agreements must include a clause on mutual threshold values set at zero. Temporary deviations from the thresholds are permitted for practical reasons.
- Only central counterparties (CCPs) authorised under European Parliament and Council Regulation 648/2012 may be engaged for central counterparty clearing. No credit rating requirements and no limits are set for CCPs.
- The use of central counterparty clearing requires no ISDA or CSA for either the CCP or the initial counterparty.
- The Debt Office’s internal regulations for initial counterparties contain specific regulations for each CCP the Debt Office affiliates to.

#### **2.3.4.1.2      *Management of counterparty risk in short-term investments***

- The maximum maturity for short-term investments is 12 months.
- The Debt Office Director General shall decide on a limit structure that limits the exposure per counterparty. The maximum exposure permitted per counterparty is SEK 20 billion.
- In addition to the regular limit structure on which the Debt Office Director General decides, there are two possibilities for extended limits:
  - Extra scope for overnight (O/N) investments
  - Extended limit for investments in other states
- The extra scope for O/N investments is a maximum of SEK 25 billion per counterparty (including the short-term investment limit). Counterparties that can be approved for extra O/N scope are RIX participants, provided they fulfil the conditions set for short-term investment counterparties.
- The sum of all counterparties’ utilised extra scope for O/N investments may not exceed SEK 25 billion. The Debt Office Director General can, if necessary, decide on temporary expansion of the aggregate extra scope for total O/N investments.

- It is possible to extend the limit for investments in other states to SEK 50 billion per country when the country's credit rating is AAA. The Debt Office Director General decides on other conditions for the extended limit.

#### **2.3.4.2 Principles for managing settlement risk**

- To manage settlement risk, the Debt Office will endeavour, where possible, to achieve settlement on the principles of Delivery Versus Payment (DVP) or Payment Versus Payment (PVP).

#### **2.3.4.3 Principles for managing country risk**

- Short-term investments and OTC derivatives may only be entered into with counterparties from a country with a long-term sovereign credit rating of at least A-. When approving new investment and/or OTC-derivative counterparties, the counterparty's country of domicile is also taken into account, for instance in regard to international sanctions in which Sweden participates.

#### **2.3.4.4 Exceptions**

- Swedish government agencies, the AP Funds, and the Riksbank are regarded as risk-free counterparties and therefore not subject to limits.

## **2.4 Reporting to the Board**

Reporting to the Board on the status of financial risks and results in the process "Raise and manage loans for the central government" is done in accordance with the reporting requirements below. The continual reporting is conducted once per quarter at the regular Board meeting. On these occasions, any violations of limits and boundaries and any changes to the limits of which the Board is to be informed are also reported in accordance with the requirements below.

### **2.4.1 Strategic management**

- The central government debt's composition of inflation-linked krona debt and exposure in foreign currency is to be reported continually based on daily observations. Foreign currency exposure is to be expressed in Swedish kronor at current exchange rates.
- The strategic currency exposure is to be reported continually based on daily observations expressed in Swedish kronor at the current exchange rates. The exposure is also to be reported relative to an even pace of reduction,

expressed in each strategic currency, over a period as of 2023 through 2026.

- Terms to maturity are to be reported as one-month moving averages of daily observations. The reporting shall comprise both the debt as a whole and the individual debt types. Deviations are to be supplemented with an explanation of the sequence of events.

#### **2.4.2 Continual currency exchanges**

- The varying currency exposure of the central government debt is to be reported continually based on daily observations, expressed in Swedish kronor at the current exchange rate.
- The determined accumulated exchange path and the actual accumulated exchanges shall be reported on a continual basis.

#### **2.4.3 Position taking**

- The result, outstanding positions, and utilisation of the risk mandate shall be reported on a continual basis. Any violations of the risk mandate shall be explained.
- The Debt Office's VaR model is to be evaluated once a year by comparing actual outcomes with forecast outcomes (backtesting). The result of backtesting of the VaR model shall be reported.

#### **2.4.4 Derivative transactions and investments**

- The Board shall be informed of the design of the limit structure on which the Debt Office Director General shall, according to this policy, decide as well as any changes to the limit structure.
- Breaches of limits and monitoring limits shall be reported.
- Decisions on management of counterparties whose credit rating is below A- are to be reported.
- The Board is to be kept informed of the counterparties that have been granted an O/N extra limit and the size of the limit.
- Decisions on temporary expansion of the aggregate extra scope for total O/N investments are to be reported.

### **3. The process Develop and manage the central government payment model and the management of government agencies' financial resources**

#### **3.1 General premises and assignments**

The Debt Office is responsible for the central government payment model, including the Treasury Single Account (TSA) at the Riksbank. The objective is for the central government payment model as a whole to be cost-effective and secure. The process is regulated by among other things the Capital Supply Ordinance (2011:210) and the Ordinance (2017:170) on government agencies' Payments and Funds Management (the Payment Ordinance).

According to the payment model, the state's liquidity management shall be centralised. The net of all government agencies' payments is to be financed by the Debt Office and have a direct effect on the government borrowing requirement and central government debt. Risks connected to the central liquidity management are managed in the process "Raise and manage loans for the central government".

The agencies are to follow the principles in the payment model and the framework agreements that the Debt Office procures, but they are themselves responsible for carrying out their payments. The Payment Ordinance and its provisions regulate how the agencies are to reduce the risks in their payment operations.

The Debt Office is to analyse the risks in the payment model each year. Every two years, the Debt Office shall also submit a report on these risks to the Government. The primary means that the Debt Office has for increasing the security of the payment model is through the framework agreements for payment services. The Debt Office may also communicate instructions for the enforcement of the Payment Ordinance.

The financial risks for the Debt Office in connection with the government agencies' payments are mainly within the framework agreement for payment services. The Debt Office is exposed to a credit risk/counterparty risk when funds are in accounts in framework banks during the day or overnight.

The other framework agreements do not contain any appreciable credit risk or counterparty risk. However, there is a reputational risk if, for example, one

party to the agreement does not deliver as agreed. All the framework agreements have a termination clause that entitles the Debt Office to terminate the agreement.

The agencies may, if necessary, apply to the Debt Office to be able to make their own procurements of payment services. So that the Debt Office can approve separate agreements, it is required that the payment service in question, or an equivalent alternative, is not offered under one of the Debt Office's framework agreements. The Debt Office also takes into account the size of the expected payment flow and monitors the permits that are granted. The premise is that the amounts that are managed via separate agreements are so small that they do not affect the central liquidity management.

### **3.2 Principles for reducing credit risk**

The aim of the principles is to reduce the credit risk that the Debt Office is exposed to when state funds are in accounts in a framework agreement bank.

- The framework agreement banks that provide payment services shall have a long-term credit rating of at least A- when the agreement is entered into.
- If a bank's credit rating goes down to BBB- or lower, the Debt Office has the right to terminate the agreement. The credit rating can be determined by weighing together the ratings from several different credit rating agencies specified in each agreement.
- In addition to the downgrading clause, the framework agreements shall provide the Debt Office with the right to terminate the agreement if the bank cancels payments, applies for corporate restructuring, enters into liquidation, or is put into bankruptcy.
- The framework agreements shall include principles and measures for limiting account balances overnight (O/N) in government agencies' bank accounts that are covered and emptied against the central government's Treasury Single Account at the Riksbank.
- To keep account balances to a minimum, settlements are carried out over the course of the day between each framework agreement bank and the Debt Office. The risk before each settlement is to be kept to a minimum by, whenever possible, netting incoming and outgoing payments.
- Account balances that remain after the last settlement is made may remain until the following business day at most. The Debt Office shall follow up

on the reason for account balances remaining overnight if they exceed a certain level that it has specified in advance.

## **4. The process Issue and manage guarantees and loans**

### **4.1 General premises and assignments**

The general premises and principles of the central government guarantee and lending operations are regulated by the Budget Act (2011:203). The Ordinance on Lending and Guarantees (2011:211) contains provisions associated with the Budget Act and regulates in further detail the central government guarantee and lending agencies, including the Debt Office's operations. More specific terms and conditions, and exceptions from the general framework, are stipulated in individual decisions by the Riksdag (Swedish Parliament) and the Government.

The Debt Office's guarantee and lending operations are preceded by decisions from the Riksdag and then the Government, in which the assignment and terms and conditions are specified in further detail. Accordingly, the risk level in the portfolio is largely steered by what commitments the Riksdag and the Government decide on.

In addition to specific guarantee and lending assignments, the Debt Office is to also, together with other guarantee and lending agencies, conduct a risk analysis of the complete portfolio of central government guarantees and loans. A further task is to submit supporting documentation for the central government's annual report in regard to its comprehensive guarantee and lending operations. The Debt Office also assists Sida in valuation and pricing of guarantees issued by Sida as part of its development work.

The Government presents the objectives of the guarantee and lending operations in the annual appropriation directions for the Debt Office.

### **4.2 Principles for management of guarantees and loans**

The purpose of the principles is to specify/provide guidance on how the Debt Office will issue and manage guarantees and loans. The operations shall be conducted within the frameworks set by the Budget Act, government ordinances and other regulations in force, and decisions by the Riksdag and the Government while taking account of the objectives specified by the Government.

- The Debt Office is to work for a design of guarantees and loans that allows the expected losses to be estimated reliably. If the guarantees or loans are designed in such a way that the expected loss cannot be estimated reliably, these commitments shall not be handled within the guarantee and lending model.
- The Debt Office is to ensure that the expected loss in guarantees and loans is determined in an unbiased way.
- When evaluating credit risk, the Debt Office shall use methods regarded as best practice, mainly credit rating methodology where appropriate.
- The methods and specific models used by the Debt Office are to be evaluated on a continual basis.
- The evaluation shall focus on material risks in the operations.
- The handling of recourse claims and problem commitments is to be guided by the principles of professionalism and equal treatment. The Debt Office is to demand repayment based on an assessment of the debtor's ability to pay. The Debt Office may discharge a claim, in whole or in part, if it is evidently unreasonable to demand payment, or otherwise if there is sufficient commercial rationale for doing so.

### **4.3 Reporting to the Board**

The Debt Office's guarantee and lending portfolio shall be reported to the Board annually or as necessary. The reporting shall focus on the larger and more complex risks in the portfolio. In addition, the Board shall be informed of the significant changes in risk that the Debt Office is required to report to the Ministry of Finance and of the outcome of the internal risk monitoring process.

## **5. The process Being responsible for managing nuclear waste financing**

### **5.1 General premises and assignments**

The general premises and principles for financing the costs of final storage of spent nuclear fuel and nuclear waste are regulated under the Act (1984:3) on Nuclear Activities (the Nuclear Act) and the Act (2006:647) on Financial Measures for the Management of Residual Products from Nuclear Activities (the Financing Act). More specific terms and conditions are presented in the Ordinance (2017:1179) on Financial Measures for the Management of Residual Products from Nuclear Activities (the Financing Ordinance).

The basis for how the management of residual products is financed and thus for the work of the Debt Office is that the nuclear power industry, instead of taxpayers, shall bear the costs. If the funding in the form of the fees paid and collateral pledged is not sufficient, the central government may, as part of its ultimate liability, need to finance the excess amount.

The principles for calculating nuclear waste fees, credit risk amounts, and risk margin amounts, as well as certain key assumptions are regulated by the Financing Act and the Financing Ordinance. For reactor owners, the Debt Office proposes nuclear waste fees, credit risk amounts, and risk margin amounts that the Government decides on. For the other permit holders, the Debt Office decides on nuclear waste fees and credit risk amounts. The Debt Office assesses the form and extent of the proposed collateral and submits its opinion on the matter to the Government.

Accordingly, the risk level in the financing system is very much a function of the permit holders' operations and of the framework set by the Riksdag and the Government and is therefore largely beyond the Debt Office's control.

### **5.2 Reporting to the Board**

The financing system's financial position shall be reported as necessary to the Board.

## **6. The process Ensuring financial stability and preparedness for managing banks and other financial institutions in crisis**

### **6.1 General premises and assignments**

In its capacity as a guarantee authority, resolution authority, and support authority, the Debt Office is responsible for the work with resolution, precautionary government support, the deposit guarantee scheme, and investor protection. This work includes responsibility for calculating and collecting fees for the deposit guarantee, resolution, and investor protection as well as the management of the resolution reserve, stability and deposit insurance funds.

According to the Resolution Act (2015:1016), the funds that are collected via resolution fees are to be deposited into the resolution reserve, which is an account at the Debt Office. The funds that have been paid into the stability fund as supported by the now abolished Government Support to Credit Institutions Act (2008:814) have in a corresponding manner been deposited into an account at the Debt Office. According to the legislation in force, the funds from the fees are to be placed in an account at the Debt Office. Therefore, there is currently no need for further principles for investment of funds in the resolution reserve or the stability fund.

According to the Investor Compensation Act (1999:158), affiliated institutions are to pay for the guarantee authority's administration costs. This is done through fees levied retroactively every year. Fees for financing a compensation claim under the investor protection scheme are also levied retroactively. This means that there are not any funds to manage and thus no need for instructions on investment.

Institutions covered by the deposit insurance scheme are required to pay a fee for the deposit guarantee. The fees that the institutions pay are deposited into the deposit insurance fund. According to the Deposit Guarantee Act (1995:1571), the guarantee authority is to place paid-in fees in an interest-bearing account at the Debt Office or in debt instruments issued by the central government. From the paid-in fees, the authority shall deduct its administration costs for the guarantee.

This policy specifies overall principles for the management of funds in the deposit insurance fund. Further provisions on the management are decided on

by the Debt Office in internal guidelines and instructions in accordance with the internal rules of procedure.

## **6.2 Principles for management of the deposit insurance fund**

The funds from fees for the deposit insurance scheme are to be invested with the aim of attaining good payment preparedness and simultaneously maintaining a good long-term return and risk diversification. The following principles are intended to provide a framework for managing the deposit insurance fund:

- Paid-in funds from the fee for the deposit insurance fund are to be managed by the Legal, Financial and Administrative Services Agency, which is to execute transactions on behalf of the deposit insurance fund in accordance with the management agreement between the Debt Office and the Legal, Financial and Administrative Services Agency.
- The fund's resources are to be placed in all nominal government bonds issued by the Debt Office. Placements in inflation-linked bonds, treasury bills, and Riksbank certificates may be done in conjunction with repo transactions.
- The maturity profile of the fund should be well-balanced (to avoid large concentrations).
- The fund may begin disposing of maturing bonds 18 months before they reach maturity and reinvest them.
- The securities in the fund may be repoed out at a term to maturity of up to 90 days if a reverse repo is conducted simultaneously at the same amount and term to maturity. When the reverse repo is made, the liquidity is to be placed in debt instruments issued by the central government, such as treasury bills, nominal government bonds, inflation-linked government bonds, or Riksbank certificates.
- For the repo operations associated with the deposit insurance fund, the counterparty's long-term credit rating must be at least A-.
- Maximum exposure per counterparty may reach SEK 125 million.

- If the Debt Office lacks the right to prematurely redeem repo transactions with the counterparty in the event of a compensation claim, a time limit of seven days is imposed on the repo transactions with that counterparty.
- The Debt Office Director General is to decide on rules and target values for the management of the deposit insurance fund.

### **6.3 Reporting to the Board**

The following is to be reported to the Board:

- An account of the results of the management of funds from the deposit insurance scheme fees once a year and in the event of significant events in that portfolio management.
- Violations of limits in the repo operations.