

SPEECH

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How the Riksbank contributes to financial stability*

In Sweden we have a large financial system, which contributes positively to jobs and growth. But it also entails risks, not only for financial companies, but also for the entire Swedish economy. We have in modern times experienced two bank crises, which the responsible authorities have succeeded in managing in a good way, but which have in the long run lowered production levels and thus general welfare in Sweden.

Discussing what central banks and other authorities do in the field of financial stability is therefore important. Right now it is particularly interesting to discuss what the Riksbank does, as the Riksbank Committee is in the process of reviewing the Sveriges Riksbank Act. One of the areas the Committee is to analyse is precisely the Riksbank's responsibility for financial stability, and it is good that this is clarified. The current act says that the Riksbank shall "promote a safe and efficient payments system". The concrete meaning of this text is not self-evident, but the Riksbank has interpreted it as a task of promoting financial stability.

Today I therefore intend to talk about what tasks the Riksbank has that contribute to promoting financial stability, and how the Riksbank works with them. I also intend to talk about some of the development trends we see in these areas. They entail challenges for the Riksbank, as for many other central banks, and need to be taken into account when reviewing the Sveriges Riksbank Act.

But let me first look back in time a little and reflect on how the central bank tasks have developed in recent decades and ask the more fundamental question of why we actually have central banks.

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The central bank tasks – developments in recent decades

The central bank's responsibility for price stability, that is, to hold inflation low and stable, was upgraded and clarified in Sweden, as in many other countries, during the 1990s.¹ The responsibility was formulated in new legislation, the central banks also received independence in monetary policy and explicit quantified inflation targets were drawn up. The central banks' responsibility for financial stability following the deregulation of the financial markets in the 1980s and 1990s, on the other hand, has not been clarified in the same way, although there has been considerable progress in many areas in recent years.²

Although the legislation is not clear, not only in Sweden but also in many other regions, there is no doubt that central banks have considerable responsibility for the stability and efficiency of the financial system. Both fundamental economic theory and the historical motives for creating central banks indicate this is so.

Central banking is about the provision of liquidity

One of the most important tasks for a central bank is to ensure that the payment system functions – that there is sufficient money, or means of payment or “liquidity” more generally, so that trade in goods and services can function smoothly. To enable the large volume of goods and services produced – and now also financial products and services – to change owner smoothly, one must have good access to a generally accepted means of payment. The supply of means of payment today consists to a very small degree, and to a diminishing degree, of banknotes and coins. Payments are instead made by transfers between the parties' bank accounts or using payment or credit cards. But this does not change the central bank's fundamental task – which is still to ensure that the supply of liquidity functions. The central bank can be regarded as the banks' bank.

The Riksbank and other central banks fulfil this task in many different ways. Partly by granting loans to banks during the day and partly by receiving deposits from or giving loans to banks in the slightly longer term, for instance over one or more weeks. It is the interest on the latter transactions that we now often connect with the concept of monetary policy. A central bank can also give loans to individual banks on special terms in temporary emergency situations, when it acts as lender of last resort.

However, the stability of the financial system is not guaranteed only by the measures taken by the central bank; other public authorities also have important tasks here. It is in particular important that there are sufficient buffers to manage

¹ The nominal anchor for attaining a stable value of money was changed, in many countries, from a fixed exchange rate to a quantified inflation target and a floating exchange rate. Similarly, the ECB, which was given responsibility for monetary policy in the countries in the euro area, applies an inflation target and a floating exchange rate.

² Yellen, Janet E., (25 August 2017), “Financial Stability a Decade after the Onset of the Crisis”, speech, <https://www.federalreserve.gov/newsevents/speech/yellen20170825a.htm>

disruptions and that confidence is good with regard to all participants in the payment system. This is ensured by all of the participants being well-capitalised and having good liquidity. It is also essential to ensure that financial companies can be closed down without any major repercussions on the real economy.

Common to the central bank's different measures regarding efficiency and stability in the payment system and the financial system is that they involve ensuring that the supply of liquidity is functioning – that there is sufficient means of payment and short-term credit for the economy to grow at a good pace without severe fluctuations in interest rates or other disruptions.

One might wonder whether the financial system might not be able to function entirely without central banks and other state intervention. Would not a large private bank or other large and stable company be able to guarantee that there were sufficient means of payment and credit in normal situations, and also to act as lender of last resort in a crisis situation? Historical experiences show that it has been difficult to create sufficient security in the payment and credit systems with private central banks. One such example is that the state was forced to take over Stockholms Banco when there was a bank run on it, which led to the establishment of the Riksbank 350 years ago. But in those days there were no other banks and the financial system was largely undeveloped. As the private banking system grew, it was common at first that the private banks funded themselves by issuing banknotes, in Sweden and in other countries.³ However, during the 19th century the view emerged that this was not a sufficiently stable financial system and central banks run by the state began to be established. They were also given a monopoly on issuing banknotes and coins, which gained a special status as legal tender. The fact that banknotes and coins now have less significance as means of payment does not mean that the need for a state guarantor for the payment system has disappeared. I shall return to this shortly.

I shall now describe in more detail what the Riksbank does in more concrete terms and how I view our responsibility for financial stability.

Promoting a stable and efficient financial system – the Riksbank's role

The Riksbank has three core tasks that contribute to an efficient and stable financial system: issuing banknotes and coins, responsibility for the system for large-value payments and providing emergency liquidity assistance (being lender of last resort). Moreover, there is a close link between monetary policy and financial stability, which I will return to later. Let me discuss the different core tasks one at a time.

³ Jonung, L. (1989), "The Economics of Private Money. Private Bank Notes in Sweden 1831 – 1902", Research Report 282, EFI, Stockholm School of Economics.

Issuing banknotes and coins

One fundamental function that must work if a financial system is to be regarded as stable is payments. And a *first* important central bank task to facilitate payments is to issue **banknotes and coins**. History has shown that it is socio-economically efficient that the government authorities have a monopoly on issuing cash, as this then becomes a risk-free asset that can be used both as an arithmetical unit and for saving and for making transactions. Almost all countries now have central banks that issue banknotes and coins.

In Sweden, we are now facing a historical milestone with regard to cash. The use of banknotes and coins has declined at a very rapid pace in recent years and the general public are increasingly using digital means of payment instead. However, there still remains a fundamental requirement for a safe instrument that can be used as an arithmetical unit and to make payments and as a store of value. A critical issue, in light of this development, is what the role of the state should be on the payment market. This is an important issue to society that contains many dimensions, including consumer issues, financial stability perspectives, contingency planning and competition aspects. The Riksbank is therefore investigating whether we should issue a digital krona, or e-krona, so that there will continue to be a means of payment issued by the Riksbank. In addition, the position of cash in the economy and the Riksbank's responsibility for the handling of cash need to be investigated further and specified.

Responsibility for RIX – the Riksbank's system for large-value payments

The Riksbank can already be said to issue digital money, but this can only be held by banks and some other financial institutions. This electronic central bank money plays an important role and, like cash, is risk-free. It is used to implement payments between financial institutions participating in the central bank's payment system. In Sweden, this payment system is called RIX and it is operated by the Riksbank. **Responsibility for a central payment system** is a *second* central bank task that is of great significance for ensuring that our payments are efficient and safe, and thereby for the financial system.

Most non-cash payments in Sweden that are not internal within a bank pass through RIX one way or another. On average, around 21,000 payments are settled in RIX every day to a total value of around SEK 565 billion⁴. In other words, every week an amount is settled that is roughly the size of Sweden's GDP. RIX also acts as the hub in a large universe of systemically important financial infrastructures that consists of central counterparties, securities companies and clearing organisations. The Riksbank's role is to supply the RIX system and to guarantee that the parties that are members of RIX can settle their payments efficiently. The requirements for operational reliability for the RIX system are very high, as a breakdown would have major repercussions on society. If payments do not reach

⁴ http://www.riksbank.se/Documents/Riksbanken/RIX/2017/rb_RIX_tertia_3_180119_eng.pdf

counterparties as planned, this could entail problems for the companies and households that are affected.

RIX thus plays a very central role in the Swedish economy, as it is the economy's "circulatory system" through which the Riksbank acts when supplying liquidity to promote financial stability and also when conducting monetary policy.

As a result of the increasing internationalisation, the rapid technological developments and the emergence of new regulations, RIX, like the central payment systems in many other countries, is currently facing strong pressure to change. One effect of these developments is that an increasing number of credit institutions and some other institutions want to be able to participate directly in the payment system, instead of through agents. With more participants in the RIX system, the concentration risks will decline, as there will be more institutions that have the possibility to borrow directly from the Riksbank, which is positive. But a larger number of institutions, and new types of institutions, becoming participants in RIX could also lead to the risks of other problems increasing, such as operational problems, money laundering, financial problems and cyber threats. It is therefore important that the Riksbank regularly oversees the participants in RIX and has the power of authority to make strong demands of them. Thus it is essential that the Sveriges Riksbank Act provides sufficient flexibility in this respect.

Function as Lender of last resort – emergency liquidity assistance

A *third* important part of the central banks' responsibility for the efficiency and stability of the financial system is the task of providing emergency liquidity assistance. One usually says that the central banks are the ***lender of last resort***. The need to have a "liquidity emergency service" is based on normal banks' operations being characterised by borrowing money at short maturities and then lending this money at longer maturities. This is the so-called maturity transformation that exposes the banks to liquidity risk.

Sometimes the banks' access to funding may suddenly decline, without it being possible – or socio-economically desirable – for them to reduce their lending at the same pace. This does not usually lead to any problems. A bank that needs more funding can normally borrow from other banks that have a surplus (or it can issue its own bonds). However, sometimes the liquidity problems are so serious that the banks cannot manage them on their own.

If, for instance, confidence in a bank were weakened so that depositors feared they would not be able to get their money back, the bank might be subjected to a bank run that it is unable to manage on its own. There is also a risk that problems in *one* bank may spread to other banks, as the banks are interconnected. Even banks that do not have any problems may be affected as a result of rumours spreading. If the banks also obtain a large share of their financing on the markets – as the Swedish banks do – then a crisis of confidence in an individual bank or the entire banking sector, or the economy as a whole, could also lead to the funding

being withdrawn, especially if the foreign share of the funding was substantial. This could also lead to acute liquidity problems for one or more banks.

In other words, in a crisis, liquid funds are often in short supply. The financial markets that offer funding often function less well than usual and the declining confidence between the market participants means that the liquidity that is still available in the financial system is not redistributed in the same way as under more normal circumstances.

So why have the central banks been given this liquidity supporting role? The simple reason is that they – through their right to create money – have unlimited opportunities to provide liquidity in the national currency. This opportunity is essential when managing a financial crisis.

As the banks' operations have become increasingly internationalised and their need for international securities markets has increased, however, the need to also offer liquidity assistance in other currencies has increased. But the Riksbank, like other central banks, has limited possibility to lend foreign currency. Here the central banks – for natural reasons – do not have any possibility to create liquidity. The foreign currency reserve at the central bank's disposal thus becomes an important tool with regard to meeting the banks' needs for liquidity in foreign currency in a crisis. This applies in particular in a small economy with a small currency, like Sweden's.

As liquidity problems are normally the first symptoms of a crisis, it is generally also the central banks that first take action in a crisis. They often have several ways of quickly adding liquidity. These include *liquidity assistance to individual institutions*, *so-called emergency liquidity assistance*, or *to the financial system as a whole*.

A concrete example of when this type of measure was needed was the financial crisis 2008-2009, when it was difficult for the banks to obtain access to liquidity on the markets. Many central banks were then forced to supply liquidity to a great extent so that the financial system would not suffer any shocks. The Riksbank lent USD to the equivalent of around SEK 250 billion.⁵ In addition, the state in the form of the Swedish National Debt Office provided guarantees corresponding at most to around SEK 350 billion.⁶ This was all done for the purpose of safeguarding the liquidity supply in the financial system so that households and companies would not suffer disruptions.

I have now talked about three *core tasks* that central banks have to contribute to creating an efficient and stable financial system – issuing banknotes and coins, responsibility for a central payment system and acting as liquidity provider in a crisis. Let me also say a few words about *how* we work to be able to carry out these tasks in a good way.

⁵ Riksbank's Annual Report 2009, Figure 11;

http://www.riksbank.se/Upload/Dokument_riksbank/Kat_publicerat/Rapporter/2010/ar2009_en.pdf

⁶ <https://www.riksdagen.se/en/aboutsndo/Guarantees-and-lending/Our-guarantees/>

Regular analysis of the stability of the financial sector and good crisis preparedness

To be able to fulfil our liquidity supporting role in a crisis, we must have good knowledge of the financial system and its participants. We therefore analyse financial companies, infrastructures and markets, as well as the links between them, both under normal circumstances and in times of crisis. In the initial stage of a crisis – when the Riksbank needs to make a decision on liquidity support of several billion in the course of a day or so, or in the worst case a few hours – it is not possible to *start* analysing the bank that is in distress and what links it may have to other participants in the financial system. Being a slow starter does not work, as the course of a crisis can be very rapid. A regular analysis of banks and other financial companies even during normal circumstances is needed also to ensure that the institutions that are members of RIX have good risk management, so that they are stable and do not subject the system to major risks. To be able to carry out this regular analysis in a good way, the Riksbank cooperates with Finansinspektionen, which in its capacity as financial supervisory authority has good access to information and in-depth knowledge of the individual financial companies.

In addition to the regular analyses, we at the Riksbank need to practice our crisis management capacity in various ways. We do this regularly, together with other public authorities in Sweden and in other countries. In other words, crisis preparedness is high on our agenda, as it is for other central banks. It is quite clear that Sweden, with a large bank and payment system, could be destabilised through the payment system. In addition, to our own exercises and preparedness, it is also important that we have the possibility to require that the participants in the payment system have a high level of crisis preparedness. I hope that the Riksbank will be given greater power of authority in this field.⁷

Monetary policy is closely related to financial stability

Now I have talked at length about the concrete tasks the Riksbank has to contribute to a stable and efficient financial system. But how does monetary policy, which is what my colleagues and I most often talk about, relate to financial stability? There are several links, both operational and analytical ones.

Essential that the Riksbank can use its tools flexibly in a crisis

Let me begin with the *operational work* – that is, the tools that we at the Riksbank have at our disposal. They are mainly aimed at affecting the volume of liquidity in the financial system. The tools are used both to implement monetary policy and to contribute to a smoothly-functioning payment system and to manage liquidity

⁷ The Riksbank Committee's work includes reviewing the Riksbank's responsibility for the central emergency preparedness in the payment system.

shortages in an individual institution or in the financial system as a whole. In the current Sveriges Riksbank Act, the different tools are categorised according to different purposes, such as monetary policy (which applies to most of them) and liquidity supporting tools, primarily emergency liquidity assistance. A clear lesson from the financial crisis, however, is that measures taken in a crisis situation often contribute both to promoting financial stability and to the impact of monetary policy, which makes it difficult to distinguish these purposes.

The Riksbank – like a large number of other central banks – implemented a number of different measures during the crisis. We supplied liquidity, for instance, by offering loans in SEK at longer maturities than usual, by increasing access to credit, which involved among other things accepting other forms of collateral than previously and extending the circle of financial institutions allowed to borrow from the Riksbank, as well as offering loans in other currencies than SEK.

The measures that got the financial markets to function in the acute situation then prevailing also affected the monetary policy transmission mechanism from the repo rate to the interest rates paid by households and companies. By maintaining a smoothly functioning payment system and an efficient credit market, the Riksbank thus contributed to both general financial stability and to the narrower monetary policy targets of price stability and stable resource utilisation. In other words, it is seldom meaningful – particularly in a crisis or in times of financial unrest – to make a distinction between measures taken for reasons of financial stability and measures taken to improve the impact of monetary policy.

The Sveriges Riksbank Act is narrow with regard to the areas of use for different tools, but the preliminary works to the act make it possible to extend the areas of use in a crisis. This meant that the Riksbank could take the necessary measures in the crisis. However, it would be desirable for the actual text of the law in future to provide the Riksbank with a broad and clear task of promoting financial stability and flexibility to take the necessary measures in a crisis. As no two crises are the same, and experiences show that different crisis situations require different measures, I am doubtful about linking the tools available to the Riksbank to specific purposes.

Another aspect speaking in favour of flexibility in the use of the various tools is the fact that there is a lot of work under way in the central banking world to develop new liquidity instruments. These often have a monetary policy purpose, but several central banks are now also developing tools that have a clearer link to financial stability. One example is the Bank of England, which has created new liquidity instruments that are proactively aimed at affecting financial institutions' risk-taking. These instruments can be described as a cross between typical standing facilities for monetary policy and crisis facilities. The development of new types of liquidity instrument will probably make it even more difficult in the future to draw boundaries between monetary policy measures and measures to promote financial stability, as well as between crisis tools and tools for normal conditions. It thus illustrates the importance of the Sveriges Riksbank Act giving the Riksbank sufficient flexibility to be able to change the Swedish liquidity framework on the basis of Swedish needs, both with regard to monetary policy targets and financial stability aspects.

Regular analysis of financial stability necessary for monetary policy decisions

Let me now move on to the link between monetary policy and financial stability in the *analytical* work. The close relationship applies here too.

As I have just described, the Riksbank needs – to fulfil its liquidity supporting role in crisis and to safeguard the stability of the RIX system – to analyse the participants, infrastructures and markets in the financial system, as well as the links within the system, also under normal circumstances. This type of analysis is also needed for our monetary policy decisions, both under normal circumstances and in a crisis. A financial crisis or unrest in the financial system means, as I mentioned earlier, that we will find it more difficult to affect the economy through monetary policy, as the transmission mechanism changes. Changes in the repo rate then do not affect the interest rates that households and companies meet in the same way as under more normal circumstances, which we of course must take into account in our monetary policy decisions.

The dependency goes both ways. The monetary policy conducted can affect the risk of a financial crisis, and we must also take this into account. For example, the repo rate influences housing prices, credit granting and general financial risk-taking in the economy. To create an adequate basis for making the monetary policy decisions, the Riksbank needs to analyse these effects. One recent example is the question of how the market for government bonds is affected by the Riksbank buying a large percentage of the outstanding stock. The Riksbank's purchases have meant that a relatively large share of the government bonds have not been available for trading in the market. The Riksbank therefore analyses regularly whether this might affect market functioning and ultimately financial stability.

We can thus draw the conclusion that the Riksbank's work on promoting financial stability has close links to monetary policy, both in operational and analytical terms. Financial stability is a *prerequisite* for a smoothly-functioning monetary policy, at the same time as monetary policy can *impact* the risk of a financial crisis. Sometimes monetary policy, micro- and macroprudential policy measures are interchangeable.⁸

Broad discussions on systemic risk issues are valuable

To summarise, we can observe that the Riksbank is responsible for a number of areas that are central to the financial system – cash supply, the RIX system, supplying liquidity in a crisis and monetary policy. The Riksbank regularly analyses

⁸ See for instance, Finochiaro et al, (2016) "Macroeconomic effects of reducing household debt", Sveriges Riksbank Economic Review 2016:2, Sveriges Riksbank, http://www.riksbank.se/Documents/Rapporter/POV/2016/2016_2/rap_pov_160922_eng.pdf for a discussion of what needs to be done with different macroprudential policy instruments and monetary policy if one needs to reduce household indebtedness, and what effects the different tools have on macro variables such as inflation and GDP.

the risks that could threaten the stability of the financial system to be able to manage these tasks. We therefore consider that it is also our task to contribute to the general debate in society by means of these analyses.

We communicate our views in different ways, both within and outside of Sweden's borders. For instance, we have for 20 years now been publishing our assessments in Financial Stability Reports. We also regularly report our analysis of systemic risks in the Financial Stability Council and hearings of the Riksdag Committee on Finance. The Riksbank also takes part in a number of international committees and working groups where financial stability questions are discussed.

However, there is no clear reflection of the Riksbank's responsibility in the systemic risk field in the current Sveriges Riksbank Act, although this could certainly be included in the task of "promoting a safe and efficient payment system". It would be desirable for this to be explained when the Riksbank's responsibility for financial stability is clarified in a new Sveriges Riksbank Act.

As I mentioned earlier, however, the Riksbank is not the only authority that has a task that is central to financial stability. Both Finansinspektionen (the Swedish Financial Supervisory Authority) and the Swedish National Debt Office also have such tasks. They also conduct financial stability analysis based on their respective areas of responsibility. This necessarily means that there will be some overlapping of the authorities' analyses and communication of systemic risks. I do not see this as a problem, as different authorities have somewhat different points of departure, purposes and comparative advantages in the work. On the contrary, it is valuable to receive different perspectives in this work, as it has historically been very difficult to identify systemic risks and to counteract them in time. Moreover, the costs of a financial crisis are, as we know, extremely high, which means we should do all we can to reduce these risks. Of course, we will never be able to prevent future crises entirely, but having different angles of approach in the analytical work increases the probability that we can detect systemic risks in time. However, it is important that there are also good forms for discussion, cooperation and consultation between the authorities and the Financial Stability Council is *one* useful forum for this.

The Riksbank's voice on liquidity issues should carry particular weight

For the Riksbank, with its central role in providing liquidity to society, the management of liquidity among participants in the financial system is particularly important. The first sign of a financial crisis – regardless of whether it concerns an individual institution or the financial system as a whole – is namely often a shortage of liquidity. By acting as lender of last resort and using its balance sheet, the Riksbank is therefore usually the public authority that first takes action in a financial crisis. In the same way as the fire brigade tries to work on prevention by reducing the risk of fires, it is reasonable that the Riksbank should in various ways contribute to reducing the risks of a financial crisis. It is therefore natural that the Riksbank should analyse and comment on regulations that affect the probability of Sweden suffering a financial crisis, and also the cost of the crisis if it should

come to that. My view is that the Riksbank's voice should carry particular weight with regard to liquidity issues, given our central role in supplying liquidity. There are many different ways of formalising this. For instance, Finansinspektionen could have a stronger obligation to consult the Riksbank on issues that concern liquidity regulation and supervision or the Riksbank could be expected to give recommendations in this field.

International cooperation important to promote financial stability

Finally, I would like to take up the international perspective, which has gradually increased in significance over the years. As the financial sector becomes increasingly cross border, the international cooperation on financial stability issues, and in particular financial regulations and systemic risk, has strengthened. In general, the central banks' cooperation in this field is very extensive. For instance, most central banks have significant responsibilities in the systemic risk field, not least within the EU.

The Riksbank currently participates in around 80 committees and working groups that focus on issues regarding the efficiency and stability of the financial system. This gives us both the possibility to *influence* questions with a bearing on financial stability, and to *learn* from how other central banks conduct their analysis of financial stability and how they manage payment system issues, cash and the role of lender of last resort.

In some cases the Riksbank takes part in forums that are purely for central banks (such as the BIS and the ECB), and in other contexts we participate alongside other Swedish authorities. In the forums that are solely for central banks, other authorities are not able to replace the Riksbank, even if the Riksbank did not have a mandate in the areas discussed. When the Riksbank's responsibility for financial stability is formulated, it is therefore important to do so in a way that ensures that Swedish interests in affecting and receiving relevant information in the international cooperation, for instance regarding systemic risks and financial regulation, can be taken into account in a good way.

Important to have a broad task and flexibility in the use of instruments

What I want to illustrate with my speech today is that the Riksbank's tasks on the whole concern contributing to the smooth functioning of the financial system, by safeguarding the supply of liquidity in various ways. In addition to the responsibility for supplying cash, we are the banks' bank both under normal circumstances and in crisis situations. We give credit to the banks during the day, we use our balance sheet to influence access to liquidity and market rates, and we can enter in as lender of last resort in an emergency situation. The Riksbank, like all other central banks, thus has an important responsibility for financial stability and this is also closely linked to monetary policy.

But while the monetary policy task is clearly stipulated in the law, the responsibility for financial stability is not so clear. This responsibility is also shared with other authorities. It is good that there is now an inquiry that will clarify the Riksbank's responsibility for financial stability in an amended Sveriges Riksbank Act.

It is important that the Riksbank's task of promoting financial stability is then given a *broad* wording. For instance, it would be useful to clarify that the Riksbank is expected to contribute to discussions on risks which may threaten the stability of the financial system. Given its central role in the supply of liquidity, not least the role as lender of last resort, it would be natural for the Riksbank's voice on liquidity issues to carry special weight. It is also essential to take into account the international perspective when formulating the Riksbank's task.

In addition, it is essential that the revised Sveriges Riksbank Act gives the Riksbank sufficient *flexibility* to carry out its tasks in a financial system that is under strong pressure to change. For instance, one should ask whether there is really a need to divide up the Riksbank's instruments with regard to different purposes (as in the current Sveriges Riksbank Act).

A broad responsibility for financial stability and increased flexibility in the use of the instrument also mean that the evaluation of the Riksbank's work in this field may need to be strengthened. Just as for monetary policy, such evaluations could be made by the Riksdag Committee on Finance.

With this, I shall round off my speech. I hope it has provided a good idea of what the Riksbank does to contribute to a stable and efficient financial system, and also given an insight into some of the challenges faced by the Riksbank in the coming years.

Thank you.