

Submission to the riksdag  
2024/25:RB1

## Annual Report for Sveriges riksbank 2024

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### To the Riksdag

Sveriges Riksbank hereby submits the Riksbank's Annual Report for 2024 to the Riksdag. In accordance with Chapter 8, Section 3 of the Sveriges Riksbank Act (2022:1568), the Annual Report includes an administration report, a balance sheet and profit and loss account, and an assessment of the Riksbank's internal controls.

In the administration report, the Riksbank gives an account of its monetary policy and other operations.

*The Executive Board proposes*

that the Riksdag adopt the Riksbank's balance sheet and profit and loss account for the financial year 2024 as proposed in the Annual Report.

Stockholm, 12 February 2025

On behalf of the Executive Board

Erik Thedéen

/Anne Mattila Wass

Erik Thedéen, Anna Breman, Per Jansson, Aino Bunge and Anna Seim took part in this decision.

The reporting clerks were Maria Ljungkvist and Henrik Gardholm.

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# The year in brief

## **Sustainably low and stable inflation**

- The Executive Board of the Riksbank cut the policy rate by a total of 1.5 percentage points, from 4.0 to 2.5 per cent.
- Rapidly falling energy prices contributed to CPIF inflation falling back to, and then below, 2 per cent. The annual average for CPIF inflation amounted to 1.9 per cent. In December, CPIF inflation was 1.5 per cent; adjusted for energy prices, it was 2.0 per cent.
- As inflation was close to the inflation target and long-term inflation expectations were stable at 2 per cent, the Riksbank judges that target fulfilment was good.

## **Asset management**

- In 2024, the Riksbank's reported result amounted to SEK 36 million.
- In September, the Riksbank received a capital injection of SEK 25 billion after submitting a petition for capital restoration to the Riksdag.
- With this capital injection and the reported result for the year, equity is expected to amount to SEK 23 billion after the General Council's decision on the allocation of profit.

## **A stable and efficient financial system**

- The Riksbank published two editions of the Financial Stability Report, which showed that the Swedish financial system was generally functioning well.
- The Riksbank expanded its risk monitoring to include three new actors, partly to assess compliance with certain international principles for financial infrastructure systems.
- The Riksbank participated in a Nordic-Baltic crisis exercise on the theme of financial crises with around 450 participants from various authorities and organisations.

## **Safe, efficient and accessible payments**

- The Riksbank started to settle Swish payments and also opened up to other types of instant payments in RIX-INST.
- The Riksbank maintained a high level of accessibility in the payment system. Technical availability was 99.93 per cent in RIX-RTGS and 99.99 per cent in RIX-INST.
- The value of cash in circulation continued to decrease in 2024. At the end of the year, the cash supply amounted to SEK 57 billion.

## **Civil preparedness**

- The Riksbank's regulations came into force, requiring companies to strengthen their ability to maintain payments during peacetime crisis situations and states of heightened alert. Among other things, the requirements cover premises, staff and information technology.
- The Riksbank conducted situational awareness exercises with the Executive Board, management teams and crisis management staff and decided on a training and exercise plan that extends until 2027.
- To strengthen its ability to contribute to total defence, the Riksbank expanded its international monitoring to include trends in geo-economics.

## **International activities**

- The Riksbank participated in around 240 international committees. The Riksbank also had extensive bilateral cooperation with other central banks, particularly in the Nordic and Baltic countries, on issues such as contingency routines.
- An international secretariat was established at the Riksbank to provide a more strategic perspective to the Riksbank's international cooperation.

## **Bank-wide areas**

- The Riksbank started work on implementing its strategic plan with four strategic shifts in the period 2024–2027.
- IT operations were expanded with new expertise in cybersecurity, IT architecture and data analysis to support new ways of working.
- The Riksbank entered into a strategic partnership with AI Sweden to strengthen its AI expertise and develop the exchange of experience with other authorities and companies.
- Confidence in the Riksbank increased from 38 per cent in 2023 to 51 per cent in 2024.
- At the end of the year, 537 people were employed at the Riksbank (482 full-time equivalents).
- In 2024, an overhaul of the plumbing of the Riksbank building began and technical feasibility studies were initiated for the renovation of the building, which was built in 1976.

# Statement by the Governor

## **Monetary policy could take greater account of economic activity**

Behind us, we leave a year that continued to be characterised by geopolitical turmoil abroad and low growth in the Swedish economy. However, the year was also marked by a significant shift in monetary policy, which helped to stabilise inflation close to the target. I am pleased to say that our determination to bring inflation down to target paid off. Long-term inflation expectations are also well anchored at 2 per cent, indicating strong confidence in the inflation target.

At the beginning of the year, CPIF inflation was quite close to the 2 per cent target. However, adjusted for falling energy prices, inflation remained high and we judged that monetary policy needed to remain contractionary. Inflation then continued to fall at the same time as economic activity slowed. In May, we therefore judged it appropriate to start cutting the policy rate. As we gradually became more confident that inflation would stabilise at the target, we stepped up the pace of cuts to provide further support to the economy. In 2024, we cut the policy rate five times, by a total of 1.5 percentage points, easing monetary policy earlier, faster and to a greater degree than central banks in most other comparable countries.

Although the importance of the number of meetings should not be exaggerated – the Executive Board of the Riksbank can take decisions at any time if necessary – I believe that the new order, where we have gone from five to eight monetary policy decision-making meetings, made it easier for us to conduct monetary policy in the uncertain situation that prevailed during the year.

Inflation has come down and the Riksbank's policy rate cuts have had an effect on the interest rates faced by households and companies. Given the delayed impact of monetary policy, the positive contribution to demand will become more evident in 2025. Having said that, there remains considerable uncertainty over economic developments. The Swedish economy is highly dependent on exports and it remains to be seen how, for example, a change in US trade policy might affect us. For monetary policy, this means that we need to carefully evaluate the impact of our policies and be prepared to reconsider our plans should developments or the overall risks change.

## **The Riksbank's possibilities for funding itself should be strengthened to safeguard its independence**

In March, the Riksbank submitted a petition to the Riksdag for the restoration of equity as it was below the statutory minimum level. Before the summer, the Riksdag decided on a capital injection to the Riksbank of SEK 25 billion. At the end of 2024, the Riksdag also decided on amendments to the Sveriges

Riksbank Act, which included changes to the Riksbank's funding. One of these is that, as of 1 January 2025, the Riksbank has the possibility to require credit institutions to hold interest-free deposits in the Riksbank if the Riksbank's equity is lower than the target level. I welcome these adjustments, which safeguard the Riksbank's independence and show strong parliamentary support for the principle of an independent central bank. In the autumn, we launched inquiries into how to strengthen self-financing. We are also preparing to introduce a deposit requirement in the second half of 2025 and will engage in a dialogue with stakeholders on the design of this requirement.

Another decision of fundamental importance during the year concerns the Riksbank's long-term holdings of Swedish securities. In November, the Executive Board decided that the Riksbank's long-term holdings of Swedish nominal government bonds should amount to a nominal amount of SEK 20 billion – this is to maintain a good ability to trade Swedish government bonds quickly. The sales that started in 2023 are thus expected to be concluded by the end of 2025.

### **Strong financial resilience in the financial system**

In both Financial Stability Reports, the Riksbank assessed that the Swedish financial system was functioning well, despite global market turbulence and increased geopolitical uncertainty. However, past vulnerabilities, such as the banks' exposure to commercial property and high household indebtedness, remained. We therefore emphasised that it would not be sustainable to change, for example, amortisation requirements and loan-to-value limits in such a way that household indebtedness would continue to increase.

Much of the preventive work and the regulatory framework that we have to comply with are developed in cooperation by the central banks of other countries. The Riksbank has good insight into this work thanks to its participation in forums such as the Basel Committee on Banking Supervision, committees within the Bank for International Settlements (BIS), the European System of Central Banks and the European Systemic Risk Board.

The Riksbank also participated in several national and international collaborative projects in which we tested the resilience of the financial system to cyberattacks. We also made preparations to take on a new mandate from the Riksdag from 2025 to monitor financial risks in the commercial banks' IT systems under the EU's Digital Operational Resilience Act (DORA).

### **The Riksbank opens up to more operators for real-time payments**

The technical systems required to enable payments are central to the functioning of society. The Riksbank therefore works constantly to minimise risks and to maintain the public's high level of confidence in the Swedish payment system. We partly do this by participating in the extensive

international development work under way and by having strong defences against cyberattacks and other disruptions.

In the future, the retail payment infrastructure is expected to handle more real-time payments. In Sweden, for example, Swish is a service for small-value payments between individuals, businesses and public authorities. I am proud that the Riksbank has contributed to modernising the payment infrastructure during the year. This development work is important if we are to be able to meet the major changes that we can expect in the next five to ten years. In March, Swish was able to connect to the Riksbank's payment system RIX-INST – the underlying infrastructure needed for these payments. In November, we opened RIX-INST up to more types of instant payment. We hope, of course, that the market will now create the instant payment services that individuals and businesses want. In addition to the development of services, the operations place new demands on the Riksbank's ability to provide round-the-clock service, even in crisis situations.

At the same time, in 2024, we saw cash and manual payment services continue to be replaced by cards and mobile phone and internet services. This led to faster, smoother and cheaper payments but also to increased vulnerability among certain groups and in the cash provision chain. The Riksbank therefore emphasised that legislation is needed to strengthen the position of cash and that both public and private actors need to do more to strengthen the resilience of the payment system.

## **Preparedness and increased capacity to carry out our mission**

The geopolitical uncertainty is making it all the more important for central banks to be able to deal with both known and emerging threats to the financial system. We therefore increased our monitoring of geo-economic trends and anomalies that could affect our mission, strengthened our cybersecurity and made efforts to enhance our ability to detect and respond to disinformation. We are also strengthening our relations and cooperation with other relevant authorities.

A recurring theme in our activities in 2024 was work on our mission to strengthen our ability to counter severe disruptions in the financial system and to ensure the functioning of payments by the public both in peacetime crisis situations and in states of heightened alert. At the beginning of the year, the Riksbank's regulations and general guidelines came into force with requirements for companies of particular importance for the execution of payments. We coordinated our work with these companies, which improved the crisis preparedness of both the Riksbank and the public. For example, we set up a management function for coordination, which includes the private operators and can be activated if something disrupts the ability to make payments.

Internally at the Riksbank, we further developed our wartime organisation and analysed our essential operations to gain a better overview and knowledge

of our key resources, such as staff and systems. As part of Sweden's total defence, the Riksbank has a forward-looking approach to crisis management exercises, often in cooperation with other authorities.

### **International cooperation contributing to continuous improvement**

The Riksbank continued to participate in international organisations where we exchanged information, influenced global standards and built strategic contacts.

I was also able to follow up my visit to Kyiv in 2023 with an invitation to my colleague, the governor of the Ukrainian central bank, to visit the Riksbank to observe our monetary policy process. We could then also continue to learn from Ukraine's experience in maintaining the central bank's operations during almost three years of Russian aggression. The Riksbank also expanded its cooperation in the area of preparedness with the central banks in the Nordic and Baltic countries, where we participated in a stability exercise together with around thirty authorities.

The Riksbank's involvement in international forums makes a difference. In 2024, I was appointed Chair of the Basel Committee on Banking Supervision, First Deputy Governor Anna Breman was appointed member of the Steering Committee of the Network for Greening the Financial System (NGFS) and Deputy Governor Aino Bunge was appointed Vice-Chair of the Advisory Technical Committee of the European Systemic Risk Board (ESRB). The tasks of the international secretariat we established in the autumn include developing central bank cooperation by the Riksbank and increasing the sharing of knowledge internally.

### **Operational development and main office renovation in focus**

During the year, we started the long-term work of developing our activities on the basis of a new strategic plan for the period 2024–2027. With the vision of being a transparent and stable central bank at the forefront, our focus lies on improving our capabilities in areas such as data analysis, artificial intelligence and emergency preparedness.

My Executive Board colleagues and I visited fourteen cities in 2024. We continued to hold one monetary policy decision meeting outside Stockholm, partly to make the Riksbank visible throughout the country and partly to develop our preparedness to manage operations from elsewhere. This time the choice fell on Falun, where the Riksbank opened its first office in 1693.

As for the Riksbank's main office in Stockholm, the building is currently undergoing a multi-year renovation. Renovations are extensive and demanding as the almost 50-year-old building stands for both high architectural and security standards, while still needing to be accessible and offer a good working environment.

At the start of the new year, I would like to take this opportunity to thank my colleagues on the Executive Board and the General Council for their fruitful cooperation over the past year. In particular, I would like to thank Martin Flodén for his excellent work during his eleven years as a member of the Executive Board. Finally, on behalf of the entire Executive Board, I would like to express my sincere thanks to all staff for your professional efforts and great commitment.

Erik Thedéen

# ADMINISTRATION REPORT

## Organisation and management

*Sveriges Riksbank is a public authority under the Riksdag. The Riksdag appoints the members of the Riksbank's General Council. In turn, the General Council appoints the members of the Riksbank's Executive Board. The Executive Board is responsible for the Bank's operations and appoints the Heads of Department.*

### **The General Council of the Riksbank**

The General Council consists of eleven members and as many deputies. These are appointed by the Riksdag after each general election for a term of office of four years. The current General Council was appointed after the election in 2022. The General Council selects a Chairperson and a Vice Chairperson from among its members.

The General Council had the following composition in 2024: Bo Broman (Chairperson), Tomas Eneroth (Vice Chairperson), Susanne Ackum, Martin Kinnunen, Annelie Karlsson, Hans Birger Ekström, Hans Hoff, Mattias Karlsson, Jonas Jacobsson Gjörtler, Emma Lennartsson and Mats Odell. Deputy members during the same period were Lena-Karin Lifvenhjem, Mathias Tegnér, Malin Löfsjögård, Linda Lindberg, Ulla Andersson (until 15 January), Ali Esbati (from 16 January), Maria Plass, Peter Helander, Martin Selander (until 8 April), Eric Westroth (from 9 April), Katarina Brännström, Ulf Holm and Hanne Clivemo.

#### *The General Council's tasks*

The General Council appoints the members of the Riksbank's Executive Board and determines their salaries and other terms of appointment. The General Council monitors the work of the Executive Board, partly through the attendance of the Chairperson and Vice Chairperson at Executive Board meetings, and partly through an external auditor who scrutinises the work of the Executive Board and reports the results of this scrutiny to the General Council. The General Council also monitors the Riksbank's activities and decides on the allocation of the profits for the year.

The General Council submits consultation statements within its area of responsibility and also has the opportunity to comment before the Executive Board petitions the Government or Riksdag. The General Council shall inform the Riksdag Committee on Finance of matters of major importance and shall report its observations to the Committee on a regular basis or upon request.

For the General Council's account of activities for 2024, see 2024:25/RB2.

## **The Executive Board of the Riksbank**

The Executive Board of the Riksbank shall consist of five members with terms of office of five or six years. The General Council appoints the Chair of the Executive Board (the Governor of the Riksbank). The other members are Deputy Governors of the Riksbank. The General Council determines the order in which the Deputy Governors shall serve in the Governor's place.

### *The Executive Board's tasks*

The Executive Board is responsible for the Riksbank's operations and for ensuring that they are conducted in accordance with the Sveriges Riksbank Act. The Executive Board decides on the Riksbank's Rules of Procedure, operational plan and regulations. The Executive Board also decides on principle matters or matters of major importance, such as monetary and foreign exchange policy and strategic issues in the areas of financial stability, payments and the Riksbank's asset management. The Executive Board takes decisions collectively. The Governor manages the day-to-day operations in accordance with the Sveriges Riksbank Act and the directives and guidelines adopted by the Executive Board.

The Executive Board shall regularly or on request report to the Riksdag Committee on Finance on the Riksbank's monetary policy and other operations.

### *Members of the Executive Board*

#### **Erik Thedéen**

Erik Thedéen is the Governor of the Riksbank and the Chair of the Executive Board. He took up the post on 1 January 2023 for a term of office of six years.

Erik Thedéen is a member of the General Council of the European Central Bank (ECB) and a member of the General Board of the European Systemic Risk Board (ESRB). He is a member of the Board of Directors of the Bank for International Settlements (BIS) and a member of the Board of Directors' Administrative Committee. He is Chair of the BIS Basel Committee on Banking Supervision and a member of the BIS committees Economic Consultative Committee and Global Economy Meeting. He is also a member of the BIS Innovation Hub Advisory Committee.

Erik Thedéen is also Sweden's representative on the Executive Board of the International Monetary Fund (IMF). He participates in the informal meetings of EU economy and finance ministers and central bank governors (informal ECOFIN Council meetings). Erik Thedéen is also a member of the Nordic Baltic Macprudential Forum and attends the Nordic central bank meetings. He is a member of the Swedish Financial Stability Council.

### **Anna Breman**

Anna Breman has been First Deputy Governor of the Riksbank since 2 September 2022. She took up the post of First Deputy Governor of the Riksbank on 1 December 2019 for a term of office of six years. She is the Governor's alternate on the ECB General Council. Until 22 May, she participated in the Riksbank's work in the IMF and represented the Riksbank in the Nordic-Baltic Monetary and Financial Committee. Anna Breman is a member of the Network for Greening the Financial System (NGFS) and has been a member of its Steering Committee since April 2024. Since 22 May, she has represented the Riksbank in the Bellagio Group and in the Working Party 3 of the Organisation for Economic Co-operation and Development (OECD).

### **Per Jansson**

Per Jansson is Deputy Governor of the Riksbank. He took up the post on 1 January 2012. Since then, he has had his term of office extended twice by the General Council, most recently in August 2021 by a further six years until 31 December 2027. He represents the Riksbank in the EU Economic and Financial Committee and is a member of the BIS Committee on the Global Financial System and participates in the meetings of the Nordic Deputy Governors. Per Jansson is also the Governor's deputy in the BIS.

### **Martin Flodén**

Martin Flodén was Deputy Governor of the Riksbank until 21 May 2024. He took up the post on 22 May 2013 for a term of office of five years. On 16 February 2018, his mandate was extended by another six years. He represented the Riksbank in the OECD Working Party 3, the BIS Basel Committee for Banking Supervision (BCBS) and the Bellagio Group. Martin Flodén also participated in the Financial Stability Board (FSB) Regional Consultative Group for Europe.

### **Aino Bunge**

Aino Bunge is Deputy Governor of the Riksbank. She took up the post on 1 December 2022 for a term of office of six years. Aino Bunge is the Riksbank's representative on the BIS Committee on Payments and Market Infrastructures. She is Vice-Chair of the ESRB Advisory Technical Committee and a member of the ECB European Retail Payments Board. Aino Bunge also represents the Riksbank in the Central Bank Digital Currencies Coalition, which is a collaboration between the BIS, the Riksbank and six other central banks.

### **Anna Seim**

Anna Seim is Deputy Governor of the Riksbank. She took up the post on 22 May 2024 for a term of office of six years. She participates in the Riksbank's work in the IMF and represents the Riksbank in the Nordic-Baltic

Monetary and Financial Committee, the FSB Regional Consultative Group for Europe and the ECB High Level Task Force on Integrated Reporting Framework.

### *External assignments of the Executive Board members*

If a member of the Executive Board wishes to take up an assignment in addition to their employment at the Riksbank, this must be approved by the General Council and reviewed every second year. Erik Thedéen is a member of the Board of Trustees of the Centre for Business and Policy Studies and a member of the Board of the Toronto Centre. Anna Breman is a member of the Swedish House of Finance Advisory Board and a member of the Royal Swedish Academy of Engineering Sciences (IVA). She is also part of the Advisory Board's MSC programme at the Stockholm School of Economics. Aino Bunge is a member of the Board of Governors of the Institute for International Economic Studies at Stockholm University. As Deputy Governor of the Riksbank, Martin Flodén was a Research Fellow at the Centre for Economic Policy Research in 2024.

During a qualification period of one year after the end of a board member's employment, the authorisation of the General Council is required for certain jobs or positions. The General Council has approved Martin Flodén's assignments as a member of the Swedish National Debt Office's Scientific Advisory Council and a member of the board of directors of Finansinspektionen (the Swedish financial supervisory authority) during his qualification period, and that he will contribute to a new investigation into Sweden and the monetary union on behalf of the Swedish Free Enterprise Foundation. The General Council also approved on 19 April that Martin Flodén would take up a position as Professor at Stockholm University on 1 October 2024.

### *Meetings and consultations*

The Board held a total of 30 meetings in 2024, eight of which were monetary policy meetings. In addition, the Executive Board took nine decisions by circulation. The Governor of the Riksbank and the Executive Board responded to 35 consultations during the year (see the list of the Riksbank's consultation responses in Annex 3).

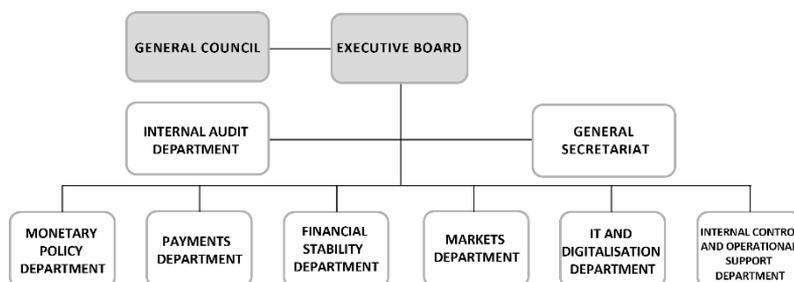
## **The organisation of the Riksbank**

In 2024, the Riksbank consisted of eight departments (see Figure 1 and Annex 1). The Riksbank's Management Group consisted of the heads of all departments except the Head of the Internal Audit Department, and of the General Counsel, the HR Manager and the Director of Communications. The Head of the Internal Auditing Department and the Head of the Risk Division

may attend the Management Group's meetings to the extent considered necessary. The Head of the General Secretariat chairs the Management Group.

The Markets Department was reorganised during the year to focus more clearly on development work. As the General Secretariat has been given greater responsibility for the Riksbank's working methods, HR issues were transferred from the Internal Control and Operational Support Department to the General Secretariat during the year. An International Secretariat was also established at the General Secretariat to promote a more strategic prioritisation of the Riksbank's international engagement.

**Figure 1 The Riksbank's organisation**



## Operations and strategies

*The Riksbank's strategic plan results in four major shifts in our working methods to be implemented over four years. One of them is to increase our investment in data and technology to develop our analyses and a second focuses on creating more efficient ways of working. A third shift relates to the development of the Riksbank's emergency preparedness, which was already under way but has been given even higher priority. The fourth shift relates to cooperation and should, among other things, enable the Riksbank, as a relatively small central bank, to cope with the other three.*

*Several aspects of operational management were reviewed during the year. The aim was to create favourable conditions for achieving the objectives of our mission and of the new strategic plan. Examples include a new operational planning model, a review of budgetary management and a clarification of the responsibilities of heads of department and of operational objectives and indicators.*

*Previously launched infrastructure projects also required high prioritisation and significant efforts. These included not only major projects in the area of payments but also major property projects: the renovation of the main office together with the establishment of a new office during the renovation and of new depots.*

*The Riksbank's assessment is that the year's focus on operational development will improve the conditions for conducting efficient and effective operations that contribute to a strong and secure economy.*

## **The Riksbank's tasks**

The Sveriges Riksbank Act (2022:1568) regulates the objectives, tasks and powers of the Riksbank's various areas of responsibility.

Price stability is the overriding objective of the Riksbank's activities and the Riksbank shall take account of developments in the real economy without neglecting the price stability objective. The Riksbank shall also contribute to the stability and efficiency of the financial system and ensure that the public can make payments even during peacetime crisis situations and states of heightened alert.

Furthermore, according to the Sveriges Riksbank Act, the Riksbank shall manage its assets with low risk and attach particular importance to the promotion of sustainable development in its asset management. The Riksbank shall endeavour to achieve a high level of efficiency in its operations and to be economical with state funds.

During the year, the Riksbank revised its areas of activity with associated objectives and indicators to be more consistent with the Sveriges Riksbank Act and the Riksbank's strategic plan (2024–2027). Activities for 2025 are planned with a basis in the updated policy documents.

The annual report forms a basis for the scrutiny of the Riksbank's operations. The Swedish National Audit Office is tasked with annually auditing the Riksbank's annual accounts, including the balance sheet and profit and loss account, and investigating whether its activities comply with applicable regulations. The Riksdag Committee on Finance monitors and evaluates the Riksbank, focusing on how efficient its operations are and how well the Riksbank fulfils its statutory objectives. The General Council has an audit function that scrutinises the work of the Executive Board.

## **Structure of the annual report**

Sveriges Riksbank is an independent authority under the Riksdag and shall submit an annual report to the Riksdag, the Swedish National Audit Office and the General Council of the Riksbank (Chapter 8, Section 4 of the Sveriges Riksbank Act).

In the Administration Report for 2024, monetary policy and other operations are presented in six chapters based on the general provisions set out in the Sveriges Riksbank Act, followed by explanations based on the Riksbank's tasks and powers. The chapter 'Bank-wide areas' presents the operational support functions of different departments. Here too, the report is based on the tasks and powers specified by the Sveriges Riksbank Act.

An overview of how the activities are carried out is presented below, based on the strategic plan for the period 2024–2027.

## **The Riksbank’s vision and strategy**

In December 2023, the Executive Board took a decision on a strategic plan for the next four years (2024–2027). The starting point for the strategy is the Riksbank’s mission, which is formulated as four overarching objectives: price stability, a stable and efficient financial system, safe, efficient and accessible payments and a high level of preparedness. To further the work of achieving these goals, the Riksbank chose to formulate a new vision and four strategic shifts. These show the Riksbank’s level of ambition and form the basis for development work over the next four years.

### *Vision: An open and stable central bank at the forefront*

The Riksbank’s vision is to be an open and stable central bank at the forefront. This means that the Riksbank shall be

- open, in the sense of being transparent and clear, the Riksbank’s work should be easy to evaluate, we have open communication adapted to our target groups and actively seek new forms of cooperation
- stable, to deal with uncertainty and change while maintaining the reliability of our analyses and ensuring the delivery of our services, in normal times as well as during peacetime crisis situations or states of heightened alert
- at the forefront, to establish a high level of ambition to be at the forefront among central banks in the areas that are important for us to attain our goals.

### *Four strategic shifts*

To steer operational development towards our vision and achieve our overall objectives, the Riksbank has formulated four strategic shifts that will characterise our activities over the next four years. The Riksbank shall:

- harness the potential of data
- build skills that increase our capacity for action
- strengthen preparedness across the financial system
- establish partnerships to strengthen these shifts.

## **Harnessing the potential of data**

Utilising the possibilities of the future for better analysis of data is crucial for the Riksbank to be at the forefront in key areas. The rise in inflation in 2022 showed that we needed to strengthen our ability to capture data that can quickly show what changes are likely to occur. The analysis programme initiated by the Riksbank in 2022 to strengthen the Riksbank’s data and

analysis environment has increased the organisation's competence in terms of which data sources, models and working methods can be used to further improve analyses and reduce dependence on external IT service providers. In 2024, different competences continued to work together in teams to streamline data flows. A new data and analysis platform was built, with a bank-wide data lake that is gradually being populated with data, enabling better analyses.

During the year, artificial intelligence (AI) was trialled in a number of areas, for example to explore whether it could facilitate work with internal newsletters, FAQs, news summaries, searches of internal regulations or to identify trends in the published speeches of different central banks. The Riksbank also entered into a strategic partnership with AI Sweden to strengthen AI expertise, better monitor developments and develop the exchange of experience with other authorities and companies.

### **Building skills that increase our capacity for action**

A fast-moving world requires new skills and greater capacity to act. This shift includes exploring how more agile working models could increase efficiency. More staff are using the digital tools introduced by the analysis programme to work cross-functionally and agilely. This has helped to speed up the development process and it is hoped that it will lead to both greater staff satisfaction and better opportunities to recruit new, highly skilled talent.

In 2024, however, we focused primarily on more basic building blocks. This included reviewing the composition and working methods of the Management Group, the structure of internal preparatory work and budgetary management. We also reviewed the positions of Head of Department and Deputy Head of Department with a view to streamlining and clarifying the roles. Heads of Department have been given a clearer strategic focus on cross-bank issues and leadership development, while Deputy Heads of Department handle much of their departments' internal operations. In order to create a clearer division of responsibilities between the Management Group and the committees with thematic preparatory responsibilities, we revised the committee structure in the autumn. The two committees that currently exist are preparatory committees for the Executive Board or the Riksbank's Management Group on issues relating to operational development, internal governance and control, and risk management. In addition, a new operational planning model was introduced during the year to clarify the Riksbank's development work and provide better conditions for ongoing prioritisation, both at a divisional and departmental level, as well as at a Riksbank-wide level.

In addition to the initiatives mentioned above, the strategy includes a cultural dimension. This concerns the Riksbank's working culture and is about creating the best possible conditions for a curious, courageous and learning organisation. In 2024, the Riksbank collaborated with the Stockholm School of Economics, which led a training programme on leading change and dealing with operational dilemmas.

## **Strengthening preparedness across the financial system**

The Riksbank is tasked with strengthening preparedness in the financial system. This means that we must have a good capacity both to maintain our own critical operations and to contribute to a stable and efficient financial system at large. This strategic shift will strengthen our capabilities and develop them with a focus on the capacity of the entire financial system, not just on the Riksbank's emergency preparedness.

This shift also involves developing our preparedness within the area of financial stability so that the Riksbank is always ready to take the necessary measures to deal with shocks in the financial system. During the year, work in this area included a major Nordic-Baltic crisis exercise. In addition, an internal network was set up to monitor trends and anomalies in geo-economics, i.e. attempts by one state to influence the behaviour of another state with economic instruments, as part of our already ongoing monitoring of the world around us. In this way, we are strengthening our ability to carry out our tasks and contribute to the strengthening of Sweden's total defence.

Finally, this shift includes developing strong and constantly updated protection against threats in the information environment. Related to this, the Riksbank was tasked by the Riksdag during the year with overseeing and coordinating tests of financial actors' resilience to digital attacks in accordance with the EU's DORA regulation (Regulation (EU) 2022/2554). In 2024, initiatives were taken to review the governance of the Riksbank's security, work that will result in an updated security management system, among other things.

## **Establishing partnerships to strengthen our shifts**

The fourth and final shift in the strategic plan does not have a purpose of its own but is intended to facilitate the previously mentioned shifts. The Riksbank is a comparatively small central bank and, to fulfil the high level of ambition of the vision of being at the forefront, the Riksbank must take advantage of the available knowledge and experience.

This means using existing central bank collaborations or establishing new ones in a structured way to gather and contribute knowledge in the Riksbank's areas of activity. It also includes increasing cooperation with other public authorities, academia and the private sector, to learn from each other, promote our skills supply and explore opportunities for new data and technology partnerships.

Among other things, the newly established International Secretariat at the General Secretariat will provide a platform to further develop both central bank cooperation and internal knowledge sharing. Developments in the field of preparedness have led to many new partnerships, both with other authorities and with private companies. Moreover, in 2024, as mentioned earlier, the Riksbank entered into a strategic partnership with AI Sweden.

## **Internal control and risk management**

The Riksbank's internal control (IC) ensures that the Riksbank, as an authority, with reasonable certainty, fulfils its tasks and achieves the objectives and requirements set for its activities in the Sveriges Riksbank Act, for example to practice sound financial management with state funds (Chapter 1, Section 7 of the Sveriges Riksbank Act).

The Executive Board is ultimately responsible for the existence of IC and presents its assessment of its adequacy in the annual report. The assessment is based on the definition of IC in the Sveriges Riksbank Act as a process that includes the elements of risk analysis, control measures, follow-up and documentation (see also Assessment of internal control).

A key element of this process is to ensure that operations have appropriate risk management. The division of responsibility for risk management follows a principle of three lines of responsibility. In the first line of responsibility, the operations are responsible for day-to-day risk management.

The second line of responsibility consists of an independent Risk Division that defines the frameworks and methods for risk management. The Risk Division is also responsible for monitoring and verifying that operations in the first line comply with these and manage their risks appropriately. The Risk Division reports its assessment of a selection of significant risks, actions and incidents to the Executive Board every four months. It also makes an annual overall assessment of the Riksbank's work on internal control. Both of these form the basis for the Executive Board's assessment of IC.

The third line of responsibility consists of an independent internal audit function, reporting directly to the Executive Board, which examines selected areas of the Riksbank's IC, including the work of the Risk Division and the Riksbank's risk management. The internal audit function's examinations provide important input to the Executive Board's assessment of IC. In 2024, for example, audits were carried out on some of the bank's IT processes, cash management processes and internal administrative processes.

In 2024, the Riksbank's Management Group produced an overall risk analysis for the organisation. Its aim was to gain a common understanding of the most current risks to the organisation and the measures that need to be taken to manage these risks. Furthermore, the Chief of Staff set up a committee to prepare IC issues and risk management.

### *The Riksbank's non-financial risks increased*

Non-financial risks refer to risks that threaten the Riksbank's operations, assets or reputation as a result of inappropriate or inadequate internal processes or routines, human error, system failures and deficiencies or external events. The work on non-financial risks follows the steps of the risk management process: identify, assess, manage, follow-up, report and communicate.

In 2024, the focus was on establishing more user-friendly tools and methods for the Riksbank's risk management and the Riksbank started work

on introducing a technical solution for risk management. Furthermore, the Riksbank took various measures to reduce the risks linked to information management, such as training programmes and updating policy documents. The overall level of non-financial risks increased slightly compared with 2023, partly as a result of the uncertain international situation and increased risks related to the ongoing renovation of the Riksbank building. The management of these risks was a particular focus during the year.

### *The Riksbank's financial risks decreased*

Financial risks consist of market risk, credit risk and liquidity risk. These risks are followed up by the Markets Department, which is responsible for day-to-day risk control, while the Risk Division is responsible for the overall and independent risk control.

Financial risks decreased during the year. This was due to the Riksbank continuing to reduce its nominal holdings of Swedish securities and to stabilising developments in the financial markets in which the Riksbank invests. The Swedish securities holdings were reduced as a result of monetary policy decisions not to reinvest maturing securities and to actively sell securities in kronor.

Overall, the measures and market developments led to a reduction in market risk in particular and also a reduction in credit risk. When the securities holdings decreased, this meant that interest rate and credit risks fell, at the same time as reduced fluctuations in the currencies and interest rates in which the Riksbank invests reduced the risk of the assets in foreign currency losing value measured in Swedish kronor.

### *Compliance*

#### **Focusing on ethical matters**

It is of great importance that the Riksbank acts ethically in all contexts, as shortcomings in ethical behaviour can have major consequences for public confidence in both the Riksbank and its employees. To keep ethical issues alive, the Riksbank's Executive Board initiated the concept of the ethics hour in autumn 2024 to give the Riksbank's Executive Board the opportunity to discuss ethical issues in a more structured way twice a year, in addition to its regular discussions.

#### **The Riksbank in central government**

Due to the many new employees in combination with a new Sveriges Riksbank Act, the Riksbank in central government initiative started in autumn 2024, covering all employees. The initiative aims to remind all employees of central government's core values and to provide knowledge about the requirements placed on a public authority. Both compulsory training courses on the regulations that apply to the Riksbank in its capacity as an authority under the

Riksdag and more general seminars aim to increase each employee's understanding of what it means to be a civil servant in central government. The initiative will be finalised and transferred to ongoing administration in the second half of 2025.

## Sustainably low and stable inflation

According to Chapter 2, Sections 1–3 of the Sveriges Riksbank Act, monetary policy shall fulfil the following general provisions:

- The overriding objective of the Riksbank is to maintain sustainably low and stable inflation (the price stability target). Without neglecting the price stability objective, the Riksbank shall also contribute to a balanced development of production and employment (consideration for the real economy).
- The Riksbank shall apply the exchange rate system decided by the Government in accordance with the Exchange Rate Policy Act (1998:1404).
- The Riksbank shall, with the approval of the Riksdag, decide on the specification of the price stability target.

The Riksbank's target is an annual change of 2 per cent in the consumer price index with a fixed interest rate (CPIF). Since 1992, the exchange rate for the Swedish krona has been floating. This means that the exchange rate is freely determined in the foreign exchange market.

*In 2024, inflation gradually stabilised close to the Riksbank's target of 2 per cent. Rapidly falling energy prices contributed to CPIF inflation returning to target in the spring and then falling below 2 per cent in the second half of 2024. As an annual average, CPIF inflation was 1.9 per cent. Adjusted for energy prices, inflation remained high at the beginning of the year but gradually deviated less and less from 2 per cent. In December 2024, the CPIF and the CPIFxe, the CPIF excluding energy, stood at 1.5 and 2.0 per cent respectively. Given that inflation was close to the inflation target and long-term inflation expectations were stable at 2 per cent, target fulfilment in 2024 is judged to have been good. At the same time, the real economy was weak and the Swedish economy was in a mild recession. The need for monetary tightening diminished and, in May, the Riksbank started to cut its policy rate, ahead of the ECB and central banks in many other countries. Apart from a pause in June, the Riksbank subsequently cut the policy rate at each monetary policy meeting in 2024, totalling 1.5 percentage points. This was a gradual but swift adjustment of monetary policy, which contributed to increased household purchasing power and favourable conditions for an economic recovery in 2025.*

## **The Riksbank's work on monetary policy**

The Executive Board of the Riksbank held eight monetary policy meetings in 2024. The Minister of Finance was informed of the decisions in accordance with Chapter 2, Section 7 of the Sveriges Riksbank Act. In conjunction with every other monetary policy decision, a Monetary Policy Report was published, summarising the data on which the monetary policy decision was based. The Report includes three-year forecasts for the policy rate, inflation and other economic variables. For the other monetary policy decisions, no new forecasts were published; instead a shorter document, a Monetary Policy Update, was published. The Update provides an assessment of the impact of new information on the outlook for economic activity, inflation and monetary policy, and a justification for the monetary policy decision. During the year, the Riksbank monitored general economic developments and the financial markets in accordance with Chapter 1, Section 9 of the Sveriges Riksbank Act. This is described in more detail in the Monetary Policy Reports and Updates.

The Riksbank's monetary policy is evaluated by the Riksdag Committee on Finance, and the Riksbank shall regularly or on request submit an account of its monetary policy activities (Chapter 11, Section 1 of the Sveriges Riksbank Act). The accounts are presented in the Monetary Policy Reports and Updates and in a special document for evaluating monetary policy. In March of the year following the year being evaluated, the Riksbank publishes this document, the Account of Monetary Policy. Among other things, the Account of Monetary Policy describes how inflation and the real economy have developed over the past year. The Account of Monetary Policy for 2024 will be submitted to the Riksdag on 28 March 2025.

### *Monetary policy decisions in 2024*

In the Monetary Policy Update in **January**, the Riksbank noted that inflation had continued to fall in the final part of 2023. The slowdown in the Swedish economy with a weakening labour market continued in line with the Riksbank's forecast. However, adjusted for energy prices, inflation remained too high and the risk of a setback persisted. The Executive Board judged that monetary policy needed to remain contractionary for inflation to stabilise close to the target and for the economy to develop favourably in the future. The policy rate was held unchanged at 4 per cent but the Executive Board judged that the risk of inflation becoming entrenched at too high levels had decreased and communicated that the policy rate would therefore probably be cut earlier than indicated in the previous forecast from November. Indicators suggested that inflationary pressures would continue to moderate going forward and, if the outlook for inflation remained favourable, the Executive Board did not rule out the possibility of lowering the policy rate in the first half of 2024.

The Executive Board emphasised that the adjustment of monetary policy needed to be cautious, to ensure that inflation would be stabilised sustainably close to the target. New information and how it could affect the prospects for

the economy and inflation would be decisive in determining future monetary policy.

In **March** too, the Executive Board decided to hold the policy rate unchanged. The Monetary Policy Report emphasised that inflationary pressures remained somewhat elevated but that monetary policy and diminishing supply shocks had contributed to their moderation. Inflation expectations were still firmly anchored and wage increases were moderate. Inflation had continued to fall and forward-looking indicators suggested that it would continue to approach 2 per cent. The risk of inflation becoming entrenched at excessively high levels had continued to diminish but, in the light of the very high inflation rates of recent years and changes in companies' pricing behaviour, the Executive Board wanted further confirmation that inflation was stabilising close to its target.

However, the fact that inflation was now approaching the target at the same time as economic activity was weak meant that there was less need for a contractionary monetary policy. The Executive Board therefore communicated that the policy rate could probably be cut in May or June if the inflation outlook continued to be favourable. The Board emphasised that the adjustment of monetary policy going forward needed to be cautious and that the Riksbank's forecast indicated gradual cuts in the policy rate.

Ahead of the Monetary Policy Update in **May**, the view that inflation would remain close to the target also in the longer term was strengthened. CPIF inflation in March was 2.2 per cent and the outcome was lower than the Riksbank's forecast. The decline was broad among the sub-groups and prices of both goods and services increased more slowly than expected. The new information suggested that, later in 2024, CPIF inflation could temporarily undershoot the target somewhat but this did not change the view of the outlook for inflation in the coming years. The Executive Board decided to cut the policy rate by 0.25 percentage points to 3.75 per cent and communicated that the policy rate could be cut twice in the second half of the year if the inflation outlook remained unchanged, in line with the March forecast. However, risks that could challenge the favourable inflation path persisted, primarily linked to the strong US economy, the geopolitical tension and the krona exchange rate. The Executive Board continued to emphasise that the adjustment of monetary policy going forward needed to be cautious, with gradual policy rate cuts.

In **June**, inflationary pressures had, broadly speaking, developed as expected and the policy rate was held unchanged at 3.75 per cent. This was in line with the forecast in March and the communication in the May Monetary Policy Update. The inflation outcome in April was marginally higher than expected, as service prices increased unusually strongly. However, forward-looking indicators, such as companies' price plans, confirmed the picture of inflationary pressures painted in May. As inflation was essentially moving in the right direction, economic activity was assessed to be somewhat weaker and the krona exchange rate somewhat stronger, the forecast for the policy rate

was adjusted down somewhat. The Executive Board now signalled that the policy rate could be cut two or three times in the second half of the year, provided that the inflation outlook remained unchanged.

Energy prices were expected to be lower than in 2023 and CPIF inflation, in individual months, was thereby predicted to be somewhat lower than the CPIF<sub>xe</sub>. The Riksbank pointed to the risks that could cause inflation to deviate from the target and the uncertainty surrounding the inflation outlook that still motivated a gradual adjustment of monetary policy.

Prior to the Monetary Policy Update in **August**, inflation had developed as expected and economic activity was weak. The view that inflation would stabilise close to the target had strengthened and the risk of too high inflation had declined further. The Executive Board therefore decided to cut the policy rate by 0.25 percentage points to 3.5 per cent, in line with the June forecast. In addition, new information implied that growth prospects in Sweden and abroad were somewhat weaker than in the most recent forecast. The Executive Board therefore assessed that the policy rate could be lowered somewhat faster than in the June assessment. If the inflation outlook were to remain the same, two or three more policy rate cuts could be expected before the end of the year.

The conditions for an inflation rate in line with the target going forward were judged to be good. Long-term inflation expectations signalled strong confidence in the inflation target and wage increases were moderate. At the same time, the Executive Board emphasised that monetary policy needed to be adjusted gradually. This would contribute to stability and predictability for households and companies when making financial decisions.

In the **September** Monetary Policy Report, the Riksbank noted that there had been a clear shift in the balance of risks for the outlook for inflation and economic activity since the spring. The risk of inflation becoming too high had gradually declined. At the same time, the recovery appeared to be proceeding somewhat more slowly than expected. Weaker economic signals were also a theme in international developments. It was important in itself that economic activity should strengthen but it was also a necessary condition for inflation to stabilise close to the target. The Executive Board therefore assessed that the policy rate would need to be cut at a faster rate than the Riksbank had previously communicated. In this way, monetary policy would provide further support to economic growth, boosting the recovery and thereby helping to stabilise inflation close to the target.

The Executive Board decided to cut the policy rate by 0.25 percentage points to 3.25 per cent and communicated that the policy rate could also be cut at the year's two remaining meetings if the outlook for inflation and the economy remained unchanged. The forecast for the policy rate was revised downwards, reflecting the possibility of a 0.5 percentage point cut at one of the next meetings and the possibility of one or two further cuts in the first half of 2025. Together, these changes signalled a relatively large shift of monetary policy in a more expansionary direction, which was expected to improve household finances and make it easier for companies to invest.

Despite an expectation of better times ahead among economic agents, there were few clear signs as yet of a recovery in the Monetary Policy Update in **November**. Economic developments were difficult to assess, especially those abroad and not least following the US election. The Swedish economy was still considered to be in a mild recession, domestic demand remained subdued and industrial activity appeared to be weakening. The risk of a weaker performance in global manufacturing activity was deemed to have increased and thus also the risk of weaker Swedish exports. The labour market had also been somewhat weaker than expected. Together with other new information on redundancy notices, recruitment plans, job vacancies and other developments, this indicated the labour market would remain weak for the rest of the year. Unusually low energy prices had resulted in CPIF inflation being below 2 per cent and being expected to remain there for some time. Underlying inflation, on the other hand, had remained close to 2 per cent and long-term inflation expectations were firmly anchored at the target.

The Executive Board assessed that the policy rate needed to be cut a little faster than previously expected to provide further support to economic activity and therefore decided to cut the policy rate by 0.5 percentage points to 2.75 per cent. The Riksbank communicated that the policy rate could also be cut at the monetary policy meeting in December and in the first half of 2025 if the outlook for inflation and economic activity remained unchanged, in line with what had been communicated in September.

Despite some signs that economic activity was on the way to recovery, it remained weak in **December**. The Executive Board judged that it was appropriate to ease monetary policy further to provide more support to the recovery and therefore decided to cut the policy rate by 0.25 percentage points to 2.5 per cent. It was emphasised that the policy rate had been reduced rapidly and that monetary policy affects the economy with a lag. This argued for a more tentative approach in formulating monetary policy going forward that. The lower policy rate was expected to provide an increasingly clear positive contribution to demand in the Swedish economy in 2025. The Monetary Policy Report stated that the Riksbank would carefully evaluate the need for future policy rate adjustments in light of the effect of earlier cuts and shifts in the risk profile regarding the outlook for inflation and economic activity. If the outlook were to remain the same, the policy rate could be cut once again during the first half of 2025.

### **The Riksbank's target fulfilment in 2024**

The Riksbank's inflation target means that the Executive Board aims at an annual change of 2 per cent in the consumer price index with a fixed interest rate (CPIF). However, it is not possible to keep inflation at 2 per cent all the time, because there are constant changes in the economy that cause inflation to fluctuate in ways that cannot be predicted with sufficient precision or counteracted in the short term. This means that deviations from the inflation

target for individual years are the rule rather than the exception. From a historical perspective, the target deviation was exceptionally large in 2022 and 2023 as a result of the shocks affecting the global economy, resulting in rapidly rising inflation (see Table 1 and Charts 1 and 2).

The Riksbank conducts what is known as flexible inflation targeting, which means also taking into account the real economy – but without neglecting the inflation target. A prerequisite for the Riksbank to be able to take into account the real economy is for households and companies to be confident that deviations from the target will not last too long as this could affect their expectations as to what level of inflation will be normal in the economy. Despite inflation rising to just over 10 per cent at the turn of 2022/23, long-term inflation expectations remained stable at close to 2 per cent. This points to strong confidence in the inflation target even during this period of very high inflation.

There is no general answer to the question of how quickly the Riksbank aims to bring inflation back to 2 per cent if it deviates from the target. Too rapid a return from overly high inflation may have unnecessarily large negative effects on production and employment, while too slow a return may instead weaken confidence in the inflation target. In connection with each monetary policy decision, the Executive Board assesses which monetary policy is well-balanced. As it takes time for monetary policy to have a full impact on inflation and the real economy, monetary policy is guided by economic forecasts. If inflation deviates from the inflation target, it is normally a question of finding a balance between how rapidly it shall be brought back to target and the effects on real economic developments.

Assessments of uncertainties and risks play an important role in the monetary policy deliberations. In 2024, international developments were characterised by war in Europe and increased geopolitical tensions in the Middle East. In addition to the great human suffering, the conflicts created uncertainty about energy, food and freight prices. During the year, uncertainty about international developments also centred on large budget deficits and rising public debt in the United States and the euro area, as well as on the uncertainty following political crises and elections in various countries. Signs that the global economy was starting to move in a more protectionist direction caused concern.

The tightening of monetary policy in Sweden, with the increase in the policy rate to a total of 4 per cent, contributed to a weaker economy and higher unemployment. Monetary policy was geared towards a return to low and stable inflation in 2024, thereby also creating the conditions for an economic recovery and favourable economic growth. With lower inflation and a more stable outlook for inflation in 2024, the need for tight monetary policy diminished and, in May, the Riksbank started to cut its policy rate, ahead of central banks in many other countries where inflation was not falling as fast. Apart from a pause in June, the Riksbank subsequently cut the policy rate at each monetary policy meeting in 2024, totalling 1.5 percentage points.

### *CPIF inflation stabilised close to target and mild recession*

Central bank policy rate hikes in 2023 helped to dampen global economic activity and cost increases slowed markedly in 2024. Foreign economic activity slowed down, although there were large differences both within and between regions. For example, the US economy performed unexpectedly strongly in the first half of 2024, while other export markets important to Sweden, such as the euro area and China, showed clear signs of weakness. Overall, economic developments abroad during the year were somewhat weaker than expected and the new information pointed to slightly weaker growth prospects. Underlying measures of inflation in the euro area and the United States fell during the year and the prospects for inflation suggested a continued decline.

In 2024, after two years of historic highs, inflation in Sweden showed increasing signs of stabilising around 2 per cent. Like the rest of the world, the rate of price increases for goods and food decreased to close to its historical average. Services price increases also continued to decline but remained slightly higher than normal, even towards the end of the year. Above all, this could be explained by large rises in prices that are rarely changed, such as rents and administratively set prices such as fees for refuse collection and water. These prices were still being affected by the cost increases that took place in 2022 and 2023, rather than by the demand and cost development that occurred in 2024.

Energy prices have contributed to large fluctuations in inflation in recent years. Rapidly falling energy prices contributed to CPIF inflation returning to target in the spring and then falling below 2 per cent in the second half of 2024. The annual average for CPIF inflation amounted to 1.9 per cent.

Forecasts suggested that inflation would stabilise around the target in 2024. However, owing to the rapid fall in energy prices, CPIF inflation was lower than expected at the beginning of the year and forecasts were revised downwards (see Charts 1 and 2). Adjusted for energy prices, inflation remained high at the beginning of the year but gradually deviated less and less from 2 per cent. More short-term price changes were also increasingly close to 2 per cent. Various indicators, such as producer prices and company price plans, indicated that inflationary pressures were compatible with the target. All this reinforced the view that inflation would stabilise close to the inflation target and pointed to a diminishing risk of inflation becoming too high again. Companies' pricing behaviour was judged to have broadly normalised, although the stability of this normalisation was uncertain. Long-term inflation expectations continued to signal strong confidence in the target and wage increases were moderate. Because inflation was close to the inflation target and long-term inflation expectations were stable at 2 per cent, target fulfilment in 2024 is judged to have been good.

At the same time, the Swedish economy was in a mild recession in 2024, with resource utilisation lower than normal (see Chart 3). Revised statistics from Statistics Sweden show that GDP has been virtually unchanged since the

end of 2021. This is largely because the interest rate-sensitive parts of the economy, such as household consumption and housing investment, were hit hard when interest rates rose and therefore performed weakly. Although the Swedish labour market developed more strongly than expected at the beginning of 2024, with higher employment rates, it steadily slowed down and unemployment rose. While the risk of excessive inflation declined substantially during the year, the risk that the recovery of the Swedish economy would take longer than expected increased.

By the end of the year, the economic recovery had not yet started but the conditions were in place for better growth in 2025. As the Riksbank cut its policy rate, Swedish mortgage institutions lowered the interest rates on their lending, which contributed to lower interest costs for households and companies. The transmission from the policy rate to the interest rates faced by households and firms thus followed its historical pattern and worked well. Nevertheless, the Riksbank emphasised the close monitoring of this. With lower inflation and interest rates, real wages and household purchasing power rose over the year. Household confidence strengthened and growth indicators rose, approaching levels considered consistent with normal growth towards the end of the year. As a result, the recession was assessed to be close to bottoming out and economic activity, and thus resource utilisation in the economy, was expected to start rising again in early 2025.

### *Monetary policy easing during the year*

During the year, central banks moved from discussing further tightening to increasingly communicating the timing of, and then initiating, interest rate cuts. In addition to Sweden, central banks in the United States, the euro area, the United Kingdom, Canada, Iceland and New Zealand lowered their policy rates during the year. Sweden and Canada cut interest rates the most and Sweden in the shortest time. The Riksbank gradually eased its monetary policy by both cutting the policy rate and communicating that further cuts can be expected. The clear shift in the balance of risks for the outlook for inflation and economic activity entailed that the Riksbank eased monetary policy at a faster pace, particularly in the second half of the year, than was assessed at the beginning of 2024 (see Chart 4).

**Table 1 Comparison of different measures of inflation**

*Annual percentage change, annual average*

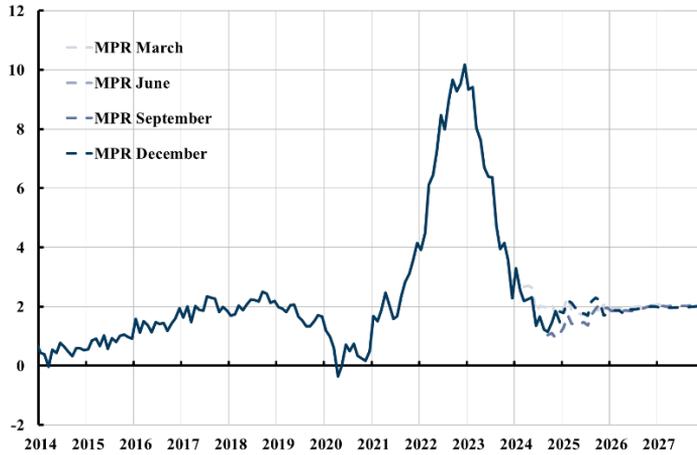
	2022	2023	2024
CPIF	7.7	6.0	1.9
CPIF excl. energy	5.9	7.5	2.7

Note: The CPIF is the consumer price index (CPI) with a fixed interest rate.

Source: Statistics Sweden.

### Chart 1 CPIF and forecasts 2024

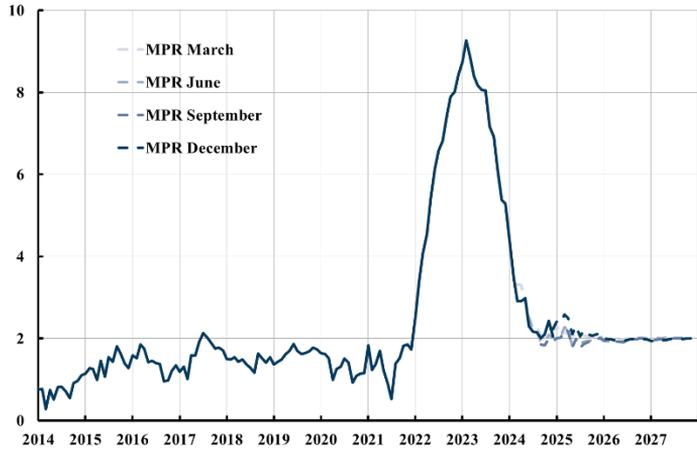
Annual percentage change



Note: Solid line refers to outcome, dashed lines represent the Riksbank's forecast.  
Sources: Statistics Sweden and the Riksbank.

### Chart 2 CPIF excluding energy and projections for 2024

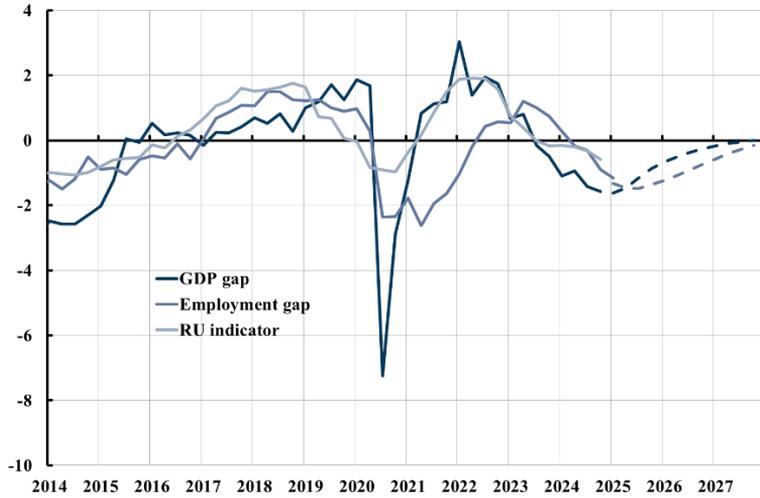
Annual percentage change



Note: Solid line refers to outcome, dashed lines represent the Riksbank's forecast.  
Sources: Statistics Sweden and the Riksbank.

**Chart 3 Different measures of resource utilisation**

*Per cent*

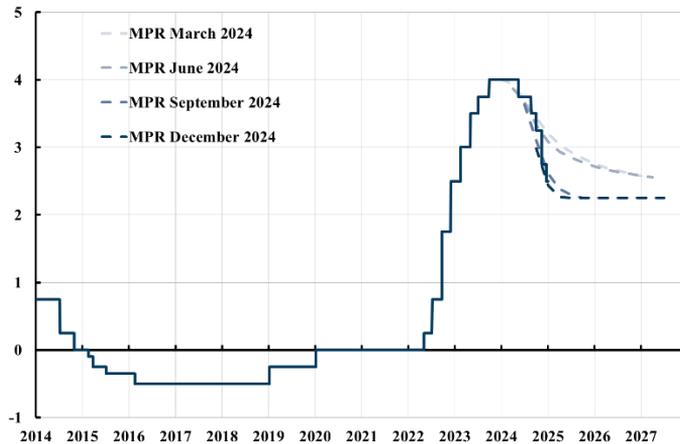


Note: The gaps refer to the deviation in GDP and employment from the Riksbank's projected trends. The RU indicator is a statistical measure of resource utilisation; from Q1 1996 to Q3 2024, it has been normalised so that the mean value is 0 and the standard deviation is 1. The solid line refers to the outcome, the dashed line refers to the Riksbank's forecast from the Monetary Policy Report, December 2024.

Sources: Statistics Sweden and the Riksbank.

**Chart 4 Policy rate and policy rate forecasts 2024**

*Per cent*



Note: Outcomes are daily data and the forecasts refer to quarterly averages. Solid line refers to outcome, dashed lines represent the Riksbank's forecast.

Source: The Riksbank.

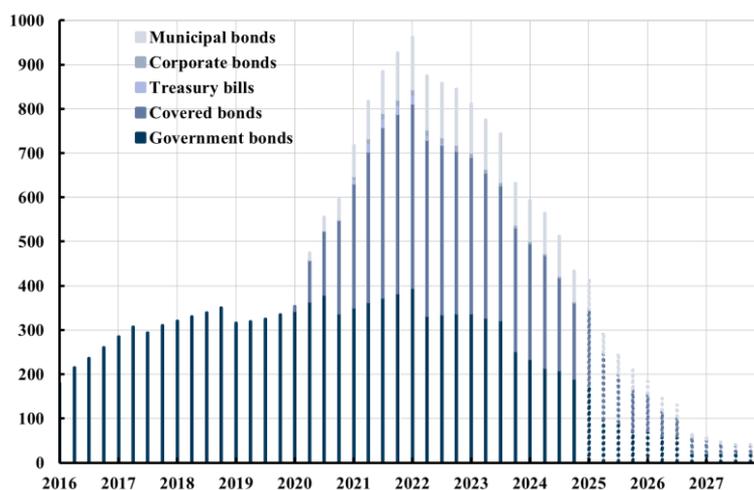
## Normalisation of the Riksbank's balance sheet

As part of normalising its balance sheet, the Riksbank has been selling Swedish government bonds since April 2023. In January 2024, the Executive Board decided to increase the sale of government bonds from SEK 5 billion to SEK 6.5 billion per month. Its intention has been to continue with the ongoing sales and allow bonds to mature.

It is important for the Riksbank quickly to be able to adopt appropriate monetary policy measures, and it cannot be ruled out that situations may arise again where purchases of securities may be an appropriate monetary policy tool. However, the Riksbank judges that the threshold will be high, particularly for the purchase of private securities. In order to maintain a good capacity to trade in government bonds if necessary, the Executive Board decided in November 2024 that the Riksbank should maintain a long-term holding of a nominal amount of SEK 20 billion by trading in Swedish nominal government bonds. At the current rate of maturities and sales of government bonds, that level will be reached by the end of 2025 (see Chart 5). The decision thereby means that the ongoing sales of nominal government bonds are expected to be concluded at this point. A small portion of Swedish nominal government bonds from the holdings built up via the Riksbank's previous purchases of securities will therefore not be liquidated, whereas holdings of other Swedish bonds are continuing to decline as they mature and, in a few years, virtually all will have been phased out.

### Chart 5 The Riksbank's securities holdings

SEK billion



Note: The dashed bars are a projection of the Riksbank's securities holdings, as stated in the Monetary Policy Report in December 2024. It is based on the maturity of the bonds and the decision to sell government bonds at a nominal value of SEK 6.5 billion per month until December 2025. After this, a holding of nominal government bonds with a nominal amount of SEK 20 billion will be maintained in accordance with the decision of the Executive Board from November 2024.

Source: The Riksbank.

## **Monetary policy development work**

In 2024, eight monetary policy decisions were taken, meaning an expansion of preparatory work. At the same time, the Monetary Policy Department mobilised its resources more around analytical work. Investigating and understanding the drivers of inflation was, of course, at the heart of this work. Key monetary policy themes identified and analysed for their implications for inflation, the real economy and monetary policy in Sweden included

- geopolitical tensions – protectionism and disruption of supply chains
- fiscal policy in Sweden and abroad
- labour supply, business pricing and other supply conditions in Sweden.

Other themes for analysis concerned increasing the clarity of the monetary policy deliberations and better understanding the transmission mechanism in Sweden.

In 2024, the Riksbank began publishing forecasts for the policy rate over two-time horizons in the Monetary Policy Reports. The reason for this was to clarify the difference in how the Executive Board views monetary policy decisions in the near term and those in the longer term, which are more uncertain. The Executive Board's assessment of the policy rate in the coming three quarters is shown at the start of the report. Although forecasts are uncertain even in the short term, the Executive Board can predict, and thus communicate, near-term monetary policy decisions with somewhat greater certainty than those further ahead. The final chapter of the report shows the forecast for the policy rate over the entire forecast period, as well as policy rate forecasts based on alternative scenarios for macroeconomic developments to illustrate the uncertainty.

Forecasts of the policy rate several years ahead are associated with considerable uncertainty, but they also indicate what the neutral interest rate is expected to be in the long term. In the autumn, the Riksbank published a new assessment of the neutral interest rate. By reviewing international studies, assessments from other central banks and information from financial markets, as well as by estimating leading models in the literature on Swedish data, the Riksbank produced and published a new assessment for the long-term neutral interest rate – an interval between 1.5 and 3 per cent.

Other strategic analytical work by the Monetary Policy Department included sustainability and monetary policy, AI models for short-term forecasting and the use of models.

Table 2 lists the monetary policy-related studies.

**Table 2 Studies in 2024 related to monetary policy**

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**In-depth analyses in Monetary Policy Reports**

Relationship between producer and consumer prices, March

Structural factors determine interest rates in the longer run, March

Transmission of monetary policy to the money market, June

What factors drove the surge in inflation? June

Effects of monetary policy, September

Microdata gives insights into how companies adjust their prices, September

The Riksbank's assessment of the long-term neutral interest rate, December

Macroeconomic effects of higher US import tariffs, December

**Economic Commentaries**

C Håkanson and S Laséen, "Cruising to victory or a dead heat? Central Bank Championships in forecasting ability 2021 and 2022", No. 1

J Johansson and O Tysklind, "Evaluation of measures of core inflation", No. 3

C Flodberg, "Structural factors determine interest rates in the longer run", No. 4

E Andersson and P Kaplan, "What drove the major fluctuations in deposits between 2020 and 2023?", No. 5

A Breman and B Lagerwall, "Monetary policy and behavioural economics", no. 6

H Armelius, S Laséen and S Mammos, "A surprising pattern is hidden behind the trend in long-term interest rates", No. 7

O Tysklind and J Johansson, "Price changes at different time horizons", No. 8

O Tysklind and J Johansson, "Characteristics of subgroups in the CPIF", No. 9

O Tysklind, "Nya datakällor i prognosarbetet – högfrekvent data för livsmedel" [New data sources in forecasting – high-frequency data for food], No. 10

C Flodberg and P Wasén, "Lower response rates implies challenges for monetary policy in several countries", No. 11

S Mammos and D Stoyko, "Exchange rate pass-through to consumer prices in Sweden: the case of bilateral exchange rates", No. 12

B Petersson, "What does an increased share of products with low import content mean for inflation?", No. 13

M Klein, K Strömberg and O Tysklind, "Inflation dynamics in the high inflation period: insights from microdata", No. 14

M Klein, E Skeppås and O Tysklind, "Price changes on goods and services during the high inflation period: insights from microdata", No. 15

B Andersson and H Lundvall, "Effects of monetary policy", No. 16

**Economic Review**

A Breman, M Eriksson and C Kahn, "The Riksbank and changes in financial markets, a 30-year perspective", No. 1

**Staff Memos**

S Laséen and C Nilsson, "How does the Riksbank's monetary policy affect the Swedish economy: does inflation rise when the policy rate is raised?", January

I Häkkinen Skans, D Lööv and A Westermark, "Effekter av prisregleringar" [Effects of price controls], February

M Almgren and D Stoyko, "Is there state-dependence in the exchange rate pass-through to inflation in Sweden?", April

B Petersson, I Strid and A Österberg, “What is the relationship between Swedish and global inflation?”, April  
P Kaplan and M Njie, “What drives variable mortgage rates?”, May  
M Löf and P Stockhammar, “What drove the surge in inflation?”, June  
E Berggren, S Mammos and I Strid, “The effects of monetary policy in Sweden during the inflation targeting period: estimates with structural VAR models”, August  
S Colakovic, I Wallin Johansson and M Brès, “The money market in Swedish kronor 2022–2023”, August  
M Löf and P Stockhammar, “Indicators for short-term forecasting”, October  
M Jonsson, C Kamanzi, P A Kwizera and J C Niyonsenga, “Adverse weather shocks and monetary policy in Rwanda”, November

### **Working Paper series**

C Olovsson, K Walentin and A Westermark, “Dynamic Macroeconomic Implications of Immigration”, No. 405 (updated May 2024)  
C Bertsch, I Hull, R L Lumsdaine and X Zhang, “Central Bank Mandates and Monetary Policy Stances – Through the Lens of Federal Reserve Speeches”, No. 417 (updated September 2024)  
N Amberg and B Becker, “Banking Without Branches”, No. 430  
C Bertsch, I Hull, R L Lumsdaine and X Zhang, “Four Facts about International Central Bank Communication”, No. 432  
R Billi, J Galí and A Nakov, “Optimal Monetary Policy with  $r^* < 0$ ”, No. 433  
J H E Christensen and X Zhang, “Quantitative Easing, Bond Risk Premia and the Exchange Rate in a Small Open Economy”, No. 434  
T Persson and G Tabellini, “Optimal Contracts and Inflation Targets Revisited”, No. 436  
M Lenza and E Savoia, “Do we need firm data to understand macroeconomic dynamics?”, No. 438  
G Linderoth and M Mueller, “Inflation-Dependent Exchange Rate Pass Through in Sweden – Insights from a Logistic Smooth Transition VAR Model”, No. 439  
J H E Christensen, N Mirkov and X Zhang, “Quantitative Easing and the Supply of Safe Assets – Evidence from International Bond Safety Premia”, No. 440  
T Jappelli, E Savoia and A Sciacchetano, “Intertemporal MPC and Shock Size”, No. 443  
J Almerud, D Krygier, H Lundvall and M Njie, “Measuring Riksbank Monetary Policy: Shocks and Macroeconomic Transmission”, No. 445

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## A stable and efficient financial system

According to Chapter 3, Section 1 of the Sveriges Riksbank Act, the Riksbank shall fulfil the following general provision.

- The Riksbank shall, without neglecting the price stability objective, contribute to the stability and efficiency of the financial system, including the ability of the public to make payments.

*During the year, the Riksbank conducted extensive analyses to assess the stability and efficiency of the financial system and identify any risks of serious disruptions or efficiency losses. The Riksbank presented its assessments in two editions of the Financial Stability Report.*

*The Riksbank's overall assessment was that the Swedish financial system functioned well on the whole during the year, despite a period of turbulence on the global financial markets, partly against a background of increased geopolitical uncertainty. Lower inflation and falling interest rates helped to improve the financial situation of many companies and households. Risks to financial stability were therefore assessed to have diminished in the short term. However, the Riksbank emphasised that the vulnerabilities that have long characterised the Swedish economy remain, including the banks' exposures to the commercial property sector and high household indebtedness.*

*During the year, the Riksbank broadened its analysis of the financial infrastructure to also include actors that provide services such as BankID and Swish. The Riksbank also deepened its analysis of how settlement in central bank money can reduce the risks in the financial system.*

*As part of strengthening its ability to manage any future financial crises, the Riksbank reviewed its plans and procedures to allow it to deploy various types of liquidity support if necessary. The Riksbank also participated in several crisis exercises, such as an extensive Nordic-Baltic exercise partly aimed at rehearsing cooperation between authorities in different countries.*

*The Riksbank also participated in several collaborative projects at the national, regional and European levels to strengthen resilience to cyberattacks and other digital operational threats. Among other things, the Riksbank started preparations for a series of resilience tests among Swedish participants that the Riksbank will lead in the coming years.*

*All in all, the Riksbank's assessment is that the measures taken during the year contributed to strengthening the stability and efficiency of the financial system. The republication of the report *The Swedish Financial Market* is an example of how the Riksbank contributes to increasing knowledge and understanding of the financial system.*

## **Analysis and assessment of the stability and efficiency of the financial system**

According to Chapter 3, Section 9 of the Sveriges Riksbank Act, the Riksbank shall assess whether the financial system is stable and efficient, identify risks of severe disruptions or significant efficiency losses and report its assessments. If the Riksbank considers that these risks may affect the activities of other authorities, it shall inform these authorities and other interested parties.

### *The stability risks have declined recently but there is considerable uncertainty*

As inflation fell, expectations of interest rate cuts increased around the world, characterising developments in the financial markets. The Riksbank cut the policy rate on several occasions during the year, which helped to improve the financial situation of many companies and households. However, there was considerable uncertainty about developments, partly due to wars and conflicts abroad, which also contributed to high cyber risks.

The Riksbank's overall assessment, presented in two editions of the Financial Stability Report, was that the Swedish financial system functioned well overall during the year, despite a period of high volatility in the global financial markets, particularly with regard to fixed income securities with longer maturities. However, the vulnerabilities that had long characterised the Swedish economy remained, which became particularly evident when interest rates rose. This was particularly true for the banks that have large exposures to the commercial property sector, where some property companies are highly indebted. Most households were able to continue paying their mortgages when interest rates rose. But interest rates and the general rise in costs meant that many households had to make adjustments and reduce their consumption. During the year, the Riksbank emphasised that there are risks in making macroprudential policy less strict. In the absence of fiscal and structural policy measures to improve the housing market, it is important that appropriate macroprudential measures are in place. The Riksbank also noted that many households with small margins had taken out consumer loans that they had been unable to repay, which led to loan losses among consumer credit banks.

### *Risks in the property sector remain elevated*

The Riksbank emphasised that property companies need to continue to reduce their risks and urged the banks to be mindful of the uncertain economic situation and ensure they have ample margins above the capital requirements. Overall, the Riksbank assessed that the financial conditions of property companies had improved slightly. Financing conditions in the bond market are more favourable and more property companies have issued bonds, largely purchased by bond funds. On the other hand, the number of vacancies continued to increase and the office rental market continued to weaken, increasing the risks of future price declines in the property market. The

Riksbank called for better transparency in transactions and property valuations.

### *Consumer credit banks*

Although the resilience of the major Swedish banks was good, the Riksbank noted that the risks were greater for consumer credit banks. While their loan losses decreased slightly over the year, they remain elevated. More and more of these banks are also joined so-called deposit platforms, where deposits can be more volatile. This can increase the risks to financial stability. Although these participants are smaller than the major banks, they can be systemically important as a group.

### *Continued focus on the banks' deposits*

During the year, the Riksbank analysed what had driven the sharp fluctuations in deposits between 2020 and 2023. In a report, the Riksbank showed that the fluctuations were not solely linked to economic activity. They were also an expression of structural changes, such as the so-called quantitative tightening measures initiated by the Riksbank during the period. Quantitative tightening involves the Riksbank reducing its holdings of previously acquired bonds by allowing them to mature or by selling them off.

The Riksbank also presented data describing the proportion of Swedish banks' deposits held by large individual depositors and the risks associated with deposits that are highly concentrated among a few depositors.

The Riksbank also studied the impact of quantitative tightening on the banks. One conclusion was that the banks need to issue larger volumes of covered bonds. They may also need to smooth out their liquidity in the interbank market.

### *The Riksbank continued its work on strengthening resilience to cyber threats in the financial sector*

Cyber risks are currently one of the greatest threats to the international financial system and its participants, a threat that is being strengthened by international conflicts. The Riksbank, in its role of supervisory authority, therefore continued its work to strengthen the resilience of the financial sector.

This work included leading several tests within the so-called Tiber programme (Threat Intelligence-based Ethical Red Teaming) and participating in further tests led by other countries. In addition, the Riksbank was involved in several Tiber forums at national, regional and European level. The Riksbank also organised a Swedish-Baltic knowledge-sharing meeting together with the central banks of Estonia, Latvia and Lithuania.

Furthermore, the Riksbank carried out preparations ahead of the introduction of the DORA regulation in January 2025. The regulation introduces requirements and guidelines for how financial companies in the EU should manage, monitor and report cybersecurity threats and IT-related risks.

During the year, the Riksbank emphasised how important it is that actors such as Bankgirot, Finansiell ID-Teknik, Getswish AB and RIX, which are important for the financial system but are not covered by the regulation, also respond to the requirements of DORA and strive for the same level of resilience. The Riksbank was also tasked by the Riksdag in 2024 with overseeing and coordinating tests of financial actors' resilience to digital attacks in accordance with the DORA regulation.

### *Improved understanding of financial actors' perceptions and behaviour*

To identify risks and assess whether the financial system is stable and efficient, the Riksbank obtains information, sometimes directly from financial actors, for example through interviews and surveys. During the year, the Riksbank conducted two financial market surveys, where the respondents were participants in the Swedish foreign exchange and fixed income markets. The purpose of the surveys, which had a response rate of over 50 per cent, was to gain an overall picture of the participants' views of the Swedish financial markets – how they are working, what market activity looks like and the size of the risks they are taking. Overall, the surveys showed that, since autumn 2022, the participants have developed a more optimistic view of the functioning and liquidity of the foreign exchange market for Swedish kronor and of the Swedish fixed-income market.

The Riksbank also studied microdata to examine how investor behaviour has changed over time and has varied depending on the market situation. For example, the analysis showed that the markets started to issue bonds as the Riksbank started to sell its bond holdings or allowed them to mature and that foreign participants returned to the Swedish bond markets at approximately the same rate as they left the markets during the period when the Riksbank purchased bonds. Some of these foreign participants are funds and there are indications that some of their covered bonds are leveraged, which may make the banks' wholesale funding more volatile. As bond funds have also become increasingly important for the capital supply of non-financial companies, the liquidity situation of the funds has become increasingly important, as the Riksbank pointed out during the year.

The Riksbank also deepened its knowledge of the banks' credit assessment for mortgages. The analysis was based on Finansinspektionen's mortgage survey and Statistics Sweden's statistics on actual household expenditure. The main components involved – stressed mortgage rates and standard values for living costs – have been adjusted over time, both increasing and decreasing households' scope for borrowing. In addition, the banks' standard calculations appear to be lower than actual household expenditure. As interest rates rose and borrowers' economic conditions deteriorated, many also had to make relatively large adjustments to meet their credit agreements.

### *A new version of the Swedish Financial Market report was published*

During the year, the Riksbank published the report *The Swedish Financial Market 2024 – The financial system is large, complex and constantly evolving*. The Riksbank thus revived a publication describing the Swedish financial market that was last published in 2016. The new edition provides an updated and comprehensive overview of the Swedish financial system. Over the years, the Swedish Financial Market has been a much sought-after report that helps to increase knowledge and understanding of how the financial system functions and develops. The new elements include an attempt to describe more clearly the links between the different parts of the financial system.

In 2024, the Riksbank published several analyses and studies in the area of financial stability (see Table 3).

### **Table 3 Studies in 2024 related to stability and efficiency of the financial system**

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#### **Financial stability and efficiency**

The Swedish Financial Market 2024, June

2024:1 Financial Stability Report

2024:2 Financial Stability Report

Financial markets survey Spring 2024

Financial markets survey Autumn 2024

#### **Articles in the Financial Stability Report**

2024:1 How does quantitative tightening affect banks?

2024:1 Private equity: a growing market in transition

2024:2 Macroprudential measures safeguard the resilience of the household sector

#### **Economic Commentaries**

L Wiberg, “Settlement in central bank money from a financial stability perspective”, No. 2, February

E Andersson and P Kaplan, “What drove the major fluctuations in deposits between 2020 and 2023?”, No. 6, March

#### **Staff Memos**

M Andersson, “Investor behaviour in Swedish bond markets”, May

K Blom, D Krygier and N Olsén Ingefelt, “Credit assessments for mortgages”, June

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### **Oversight of the financial infrastructure**

According to Chapter 3, Section 8 of the Sveriges Riksbank Act, the Riksbank shall oversee settlement, payment and clearing systems, the accounting of financial instruments, transaction registers and other activities of particular importance to the financial infrastructure in Sweden. The Riksbank shall also monitor developments in the payment market.

### *Continued deeper and broader oversight*

During the year, the Riksbank continued its deeper oversight of Bankgirot. The purpose of the oversight was to ensure the continued stability of the clearing of retail payments and the financial infrastructure in Sweden.

Bankgirot is Sweden's only clearing organisation for payments and is developing a new payment infrastructure that is planned to be implemented at the end of 2026. The new clearing solution will increase harmonisation with the rest of Europe. The solution allows the use of a new standard for payment messages (ISO 20022). This in turn means that there will be more information on each transaction, which will also facilitate money laundering checks. Tasks in the clearing process that were previously handled by Bankgirot will be transferred to the banks. The conversion therefore involves streamlining Bankgirot's services. In talks with Bankgirot, the banks and Finance Sweden, the Riksbank discussed topics including the new operational risks arising from the conversion project.

As part of the broadened oversight of activities of particular significance to the financial infrastructure, the Riksbank extended its risk assessment during the year to include Finansiell ID-Teknik BID AB, Getswish AB and Finance Sweden's activities with Dataclearingen. Part of the risk assessment consisted of the operators' self-assessments of their compliance with certain international principles for financial infrastructure systems. The Riksbank also made its own assessment of compliance. The analysis provided a better understanding of the risks characterising their activities and showed which areas the Riksbank's continued oversight should focus on.

### *Settlement systems in focus*

The safe settlement of money and securities is essential for the smooth functioning of the financial system. The Riksbank is therefore monitoring how financial infrastructure companies and other operators are working to offer safe systems for settlement and how the rapid developments in the payment and securities markets affect their work. The Riksbank continually adapts its oversight to the current risk profile that can be observed for the systems in the financial infrastructure.

One way to reduce settlement risk is to allow settlement in central bank money. However, this is not always practical and therefore settlement in commercial bank money is sometimes necessary. During the year, the Riksbank therefore analysed when and in what way settlement should most appropriately take place in central bank money. The conclusions formed the basis for part of the Riksbank study *The way forward for clearing and settlement of retail payments in Swedish kronor*, which took a closer look at the ongoing changes in the retail payment market infrastructure, including the Riksbank's role in clearing and settlement in the future (see also the chapter *Safe, efficient and accessible payments*).

## **Crisis preparedness work**

According to Chapter 3, Section 10 of the Sveriges Riksbank Act, the Riksbank shall have ample capacity to counteract severe disruptions in the financial system in Sweden and shall identify liquidity support measures that can be used to counteract such disruptions. The Riksbank may participate in crisis preparedness work in Sweden and abroad.

### *Nordic-Baltic authorities practised managing a financial crisis*

In the autumn, as part of its crisis preparedness work, the Riksbank participated in a major exercise in financial crisis management within the framework of the Nordic Baltic Stability Group. The exercise involved almost 450 people from authorities in Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden, as well as the European Banking Authority (EBA), the European Central Bank (ECB), the EU Single Resolution Board and the European Commission. The exercise, which simulated three fictitious banks with cross-border operations, was designed to test communication, information sharing and cooperation between authorities, as well as decision-making in a highly uncertain and time-pressured environment. The crisis scenario included both acute liquidity problems and solvency problems in cross-border banks. One important aim was to allow the authorities to practise cooperation on banks that have been put into resolution. The Riksbank also had the opportunity to practise providing both so-called general liquidity support to the market as a whole and special liquidity support to individual banks. The crisis exercise helped to strengthen crisis preparedness and improve the application of the financial crisis management framework in the Nordic-Baltic region.

During the year, the Riksbank, together with other stability authorities, also participated in Northern Bastion, a workshop series organised by the US Department of the Treasury. The aim was to improve communication and cooperation in the event of operational incidents with an impact on financial stability in the Nordic and Baltic countries. Among other things, the series resulted in a proposal to set up a working group to develop concrete measures to further improve cooperation and preparedness for operational risks. The workshop series was concluded in Stockholm.

## **Cooperation with other authorities**

According to Chapter 3, Section 11 of the Sveriges Riksbank Act, the Riksbank shall provide the authority with which it cooperates with the information that the authority needs for the cooperation.

### *During the year, the Financial Stability Council focused on crisis exercises*

Representatives of the Ministry of Finance, Finansinspektionen (FI), the Riksbank and the Swedish National Debt Office meet regularly in the Financial Stability Council. In April, the Financial Stability Council moved from being a committee to being part of the Government Offices and was also given an expanded remit to broaden its discussions on risks.

In 2024, the Financial Stability Council discussed matters including lessons learnt from previous inter-agency crisis exercises, including the Nordic-Baltic crisis exercise mentioned above, and a strategy for future crisis exercises. International issues discussed included the EU Capital Markets Union. The Riksbank and the Swedish National Debt Office reported on the ongoing discussions on liquidity in resolution.

### *Cooperation on the countercyclical capital buffer*

According to an amendment to Chapter 7, Section 7a of the Capital Buffers Act (2014:996), which entered into force in July 2024, FI shall cooperate with the Riksbank on the countercyclical capital buffer. This means that the Riksbank will be given the opportunity to comment before FI makes a decision on the buffer rate.

As a result of the formal requirement for cooperation, the Riksbank began to review its assessments and analyses of the countercyclical capital buffer. During the year, the Riksbank stated to FI that the countercyclical capital buffer should remain unchanged at its neutral level of 2 per cent, a level that the Riksbank assessed as reflecting the risks in the Swedish financial system and thereby contributing to the banks' overall resilience.

### *Knowledge-sharing with Nordic and Baltic authorities*

Representatives of the Financial Stability Department participated in a number of knowledge exchanges with their counterparts in the Nordic and Baltic countries during the year. Knowledge and experience were exchanged in a variety of areas, including the risks in the commercial property sector, the impact of climate change on financial risks, the links between the crypto world and the financial sector, and the emergence of AI models' impact on financial stability analysis (see also the chapter International operations).

### **SWESTR – a fully transaction-based reference rate**

According to Chapter 1, Section 12 of the Sveriges Riksbank Act, the Riksbank may provide and publish benchmarks for financial instruments and financial contracts or to measure the performance of investment funds. The Riksbank may also charge fees to users of benchmarks.

As a reference rate plays an important role in financial markets, it is important that it is fair and trustworthy. In this way, it contributes to stability and efficiency in the financial system.

As administrator of the fully transaction-based reference interest rate SWESTR, the Riksbank provided during the year average interest rates and an index based on the fixed SWESTR values. Like most other central banks that provide such reference rates, the Riksbank has undertaken to follow the principles for financial benchmarks developed by the International Organisation of Securities Commissions (IOSCO). These represent the best international standard for how work on reference values should be carried out. In October 2024, the Riksbank certified its compliance with these principles. SWESTR, average interest rates and indices were determined and published in good order every business day during the year. The normal calculation method for SWESTR was used for all days except one, when an alternative calculation method was used due to a technical error. SWESTR values were based on an average of SEK 62 billion spread over an average of 150 transactions per day. Typically, six banks per day contributed transactions.

Sweden is behind the rest of the world in the transition to a transaction-based reference rate and the Riksbank therefore worked actively to promote the use of SWESTR. As part of this, the Riksbank decided on changes to the SWESTR framework to increase predictability and reduce uncertainty in the reference rate around the turn of the year. This uncertainty has been perceived as a problem among market participants. In short, the changes reduce the likelihood that the alternative calculation method will need to be used, as one of the robustness requirements is now lower. A new alternative calculation method also means that any deviation on, for example, the year-end date will not be as large as with the previous alternative method. The decision entered into force in September 2024 and is expected to facilitate the transition from STIBOR T/N to SWESTR.

## Safe, efficient and accessible payments

According to Chapter 3, Section 1 and Chapter 4, Section 1 of the Sveriges Riksbank Act, the Riksbank shall fulfil the following general provisions.

- The Riksbank shall, without neglecting the price stability objective, contribute to the stability and efficiency of the financial system, including the ability of the public to make payments.
- The Riksbank shall contribute to the availability of banknotes and coins in kronor (cash) to a satisfactory extent throughout Sweden.

*The availability of the Riksbank's systems for the settlement of payments, RIX-RTGS and RIX-INST, was high in 2024. The Riksbank achieved the target level of availability for both systems by a wide margin. In 2024, an average of 35,000 transfers per day were handled by RIX-RTGS, with the average value per transaction being SEK 18.9 billion.*

*In February, the Riksbank began to settle Swish payments in RIX-INST through the ECB's TIPS platform and, in November, the Riksbank opened up the possibility for the market to use RIX-INST for other types of instant payments as well.*

*The Riksbank worked on preparing RIX-RTGS and the surrounding support systems to handle payments in the new messaging standard ISO 20022. The Riksbank also started work to prepare for large-value payments in Swedish kronor to be settled on the Eurosystem's T2 platform in the future and to enable instant payments between different currencies on the ECB's TIPS platform.*

*The Riksbank had a high level of accessibility to its depots for the delivery and return of banknotes and, during the year, began work on establishing a cash depot in southern Sweden. In 2024, the amount of cash in circulation continued to decline.*

*The Riksbank assesses that payments in Sweden are safe and efficient but that accessibility can be improved. In the Payments Report 2024, the Riksbank noted that the Swedish payment market is being digitalised at a rapid pace and that cash and manual payment services are being replaced by cards, mobile phones and internet services. Internationally, the payment market is characterised by faster and more efficient payment solutions, driven by technological developments, digitalisation and new entrants that are changing the structure of the market. These developments are making payments faster, smoother and cheaper. At the same time, there are groups in society that do not have access to, or find it difficult to use, digital payment services. To increase accessibility, more private individuals, companies and organisations need to be offered the opportunity to have a payment account.*

*The Riksbank's assessment is that the cash management chain is vulnerable because it is largely dependent on a few market participants. Banks need to take more responsibility for their corporate customers' daily takings and petty*

*cash at the same time as legislative measures are needed to strengthen the position of cash.*

*The Riksbank considers that further work needs to be carried out, by both public and private actors, to strengthen the payment system's resilience to peacetime crises and war.*

## **The RIX payment system**

According to Chapter 3, Section 2 of the Sveriges Riksbank Act, the Riksbank shall provide systems for the settlement of payments. The Riksbank determines which companies and authorities may participate in this system and has the right to charge fees to the participants.

Through the RIX payment system, the Riksbank provides two services for payment settlement: RIX-RTGS for the settlement of large-value payments, weekdays between 7 a.m. and 6 p.m., and RIX-INST for the settlement of smaller and instant payments in Swedish kronor, 24 hours a day, every day of the year.

### *The RIX system achieved its operational targets*

The RIX system has two operational targets. The first is availability, meaning the time that each service was available for settlement in relation to its opening hours. The second is cost coverage, meaning how well the fees charged by the Riksbank to participants in the respective settlement services cover the Riksbank's expenses for them.

The target value for availability is 99.85 per cent for RIX-RTGS and 99.9 per cent for RIX-INST. The Riksbank's assessment is that both services functioned very well during the year, when the outcome was 99.93 per cent for RIX-RTGS and 99.99 per cent for RIX-INST. During the year, there was an extended interruption that affected the availability of RIX-RTGS. A couple of short interruptions occurred that affected the availability of RIX-INST. However, these disruptions only lasted for a few minutes at a time and did not affect overall availability.

The cost coverage target is met if the revenue from RIX participants from each service corresponds to 100 per cent  $\pm$  10 percentage points of the costs of the services. For RIX-RTGS, cost coverage is measured over a three-year period and, for RIX-INST, over an initial seven-year period since the service is new. Work on reviewing the cost model for RIX began during the year.

In 2024, costs amounted to about SEK 200 million, 89 per cent of which was covered by fees to participants. Over a three-year period (2022–2024), cost coverage was 92 per cent. In 2024, the cost for RIX-INST amounted to SEK 25.3 million, 101 per cent of which was covered by fees to participants. Over a three-year period (2022–2024), cost coverage was 90 per cent. It will not be possible to measure cost coverage over seven years until 2028. In 2024, the Riksbank increased the fixed fees for participation in RIX-RTGS and RIX-INST. The variable cost was left unchanged.

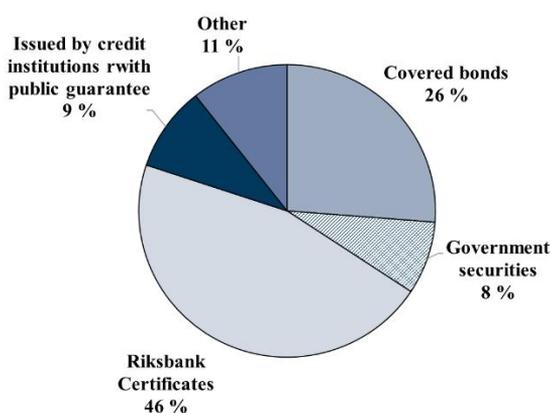
In 2024, RIX-RTGS processed a total of 8,792,698 transactions, an average of just over 35,000 per day, which is an increase of around 5 per cent compared with 2023. The average value of a transaction in 2024 was around SEK 18.8 million, compared with SEK 17.5 million in 2023. At the end of the year, 45 participants were connected to RIX-RTGS, the same number as at the end of last year.

In February 2024, payments were settled for the first time through the RIX-INST service, which is provided using the Eurosystem TIPS platform. During the year, 901,884,490 transactions were settled through RIX-INST, an average of 2.7 million per day, with the average value per transaction being around SEK 500. In February 2024, 11 participants were connected to the service. As the service developed over the year, 4 more participants joined and 2 applied for participation. This means that, at the end of 2024, the Riksbank had 15 participants connected to RIX-INST and 2 applications in progress, which will be processed in 2025.

### *Management of collateral and credit limits*

To ensure that transfers in RIX can be carried out even when a participant lacks liquidity in the system, the Riksbank can provide credit to the participant in exchange for pledged collateral such as bonds or other debt instruments with a high credit rating. This allows transactions to be completed more quickly. In total, the credit limit for participants in RIX was just over SEK 445 billion on average per day in 2024 and, of this, 40 per cent was utilised on average. At the end of 2024, Riksbank Certificates made up 46 per cent of the value of all collateral pledged to the Riksbank (see Chart 6).

**Chart 6 Collateral value pledged for credit per 30 December 2024**



Source: The Riksbank.

### *Crisis management in RIX – the contingency routines work*

Contingency routines are crucial to ensure that the RIX system continues to function even in the event of disruptions or operational interruptions. In 2024, some 30 exercises were organised, both internal and in cooperation with the participants, to ensure the reliability of contingency routines. The most extensive exercise was carried out with the RIX participants and simulated a settlement failure in the RIX system that required manual handling. All exercises were carried out successfully and the organisation implemented the lessons learned by improving contingency routines and operational plans.

### *Work in progress, projects and investigations*

Over the year, the Riksbank worked on preparing the RIX-RTGS payment system and surrounding support systems to handle payments in the new ISO 20022 messaging standard, which is mandatory for all participants in the payment market who use Swift. The messaging standard will be implemented by November 2025. In 2024, preparation work included the upgrade of RIX-RTGS to a new version supporting the new messaging standard.

The Riksbank also analysed the consequences of legislative amendments enabling payment institutions and e-money institutions to participate in designated settlement systems such as RIX. Among other things, the Riksbank has analysed what opportunities and obligations the potential new participants will have and how the Riksbank will need to adapt its operations to receive them. In addition, the Riksbank has started work on upgrading the collateral management system QCMS.

### *More payments in real time*

In 2024, the Riksbank started using the instant payment settlement platform, TIPS. The platform is the basis for the Riksbank's RIX-INST service and, in February, the flows for Swish payments were moved to it. Swish payments are settled by connected banks using an instructing party (Getswish) as an intermediary for the transaction. In November, the service was further developed when the Riksbank opened up to using RIX-INST for more types of instant payments without the need for an intermediary. In this context, an additional participant, not connected to the model used for Swish, joined RIX-INST. Since its launch, several operators have expressed interest in a similar connection.

In addition, in 2024 the Riksbank continued to cooperate with the ECB and Danmarks Nationalbank on TIPS Cross Currency in the context of instant payments. This is an initiative to enable instant cross-currency payments on the TIPS platform and, by extension, on RIX-INST. This work will continue in 2025.

### *The Riksbank is switching to the Eurosystem's technical platform for payment settlement*

In the autumn of 2021, the Riksbank decided to work towards settling large-value payments in Swedish kronor on the Eurosystem's T2 platform instead of RIX-RTGS. To investigate the feasibility of a transition to T2, the Riksbank conducted an in-depth analysis to examine how the Riksbank would be affected by a transition, particularly on the basis of the requirements imposed on the Riksbank and its operations by the Sveriges Riksbank Act and security protection legislation. The analysis showed that a transition would not affect the Riksbank's ability to fulfil its tasks under the Sveriges Riksbank Act, although adjustments would be needed to meet the requirements of security protection legislation.

In June 2024, the Executive Board decided that the Riksbank should enter into negotiations with the Eurosystem to sign an agreement to use the T2 technical platform. Joining is considered to be beneficial, especially as the Riksbank would become part of a collective on a common platform. It is also an advantage that several central banks are jointly responsible for the operation of the platform, which increases operational reliability. The Riksbank also assesses that the Eurosystem, as the provider of the payment settlement platform, will ensure that we have a robust, stable and efficient payment settlement system in the long term.

In the second half of 2024, the Riksbank started preparations for implementation, which is expected to start in 2025.

### **The Riksbank's work in the light of payment market developments**

According to Chapter 3, Section 8 of the Sveriges Riksbank Act, the Riksbank shall monitor developments in the payment market. In 2024, the Riksbank conducted its own analyses and participated in several different national and international forums and cooperation groups (see also the chapter International operations).

The Payments Report 2024 described developments in the payment market. Digitalisation and other rapid technological developments, as well as the increasing number of cross-border payments, are leading to a need for standardisation and regulation that transforms existing payment systems and infrastructures. Clear trends are that instant payments are increasingly replacing slower alternatives and that cash use is continuing to decline.

### *Measures needed in the payments market*

In its Payments Report 2024, the Riksbank noted that several groups in society do not have access to, or have difficulty using, digital payment services. The single most important measure that can be taken to solve this problem is to ensure that consumers and companies have access to payment accounts with

related payment services. The Payments Report also identified the need to improve offline payment options, to adapt the supply of payment services to customers' needs and to safeguard the cash infrastructure and the ability to pay with cash, especially for essential goods.

In the light of developments on the cash market, the Riksbank sent a letter to the Ministry of Finance inquiry into the possibilities for paying with cash and access to cash (Fi2024/0068). In this, the Riksbank presented a legislative proposal aimed at ensuring that actors that are or will be obliged by law to accept cash have access to functioning services for daily takings and petty cash.

In early 2024, the Riksbank organised a round table with market participants on the clearing and settlement of retail payments in Swedish kronor and, at the end of 2024, the Riksbank published its view of how the retail payment infrastructure needs to be modernised over the next five years.

### *Work on an e-krona*

In 2024, the Riksbank concluded its pilot project in which the technical possibilities for creating an e-krona were tested and evaluated. The final stage focused on possible solutions to make a possible future e-krona work offline and the strengths and weaknesses of these solutions. The pilot project was launched in spring 2020 and provided the Riksbank with insights that are valuable in the continued analysis of central bank digital currency.

The Riksbank monitored international work on central bank digital currency. This included analysing the EU's work on a digital euro and the consequences this could have for Sweden and its own national currency. The analysis showed that the impact of a digital euro in the euro area would be limited for Sweden. However, the digital euro has a bearing on the question of whether Sweden should issue an e-krona and there is reason to monitor this work closely.

### *New committee to be set up under the Payments Council*

The Payments Council decided to set up a working committee to address issues related to cash management – including the utility of cash, the functioning and availability of infrastructure, security and the preparedness of the payment system to handle cash payments in the event that other means of payment are not available. The Payments Council thus takes over the issues previously dealt with by the Cash Management Advisory Board, which was wound up at the beginning of 2025.

### *New statistics on payments in commerce*

In 2024, the Riksbank proposed regulations under which payment service providers and payment system operators shall regularly report data on their payment services and payment systems. The data is needed to be able to report information to the ECB in accordance with Regulation No. 1409/2013 on

payments statistics and for the Riksbank to be able to fulfil its objectives linked to payments in the Sveriges Riksbank Act to follow the development of the payments market (see also the section Statistics and the supply of information in the chapter Bank-wide areas).

During the year, the Riksbank conducted a survey on payments in trade and consumer-related services. The aim of the survey was to get a clearer picture, from a variety of perspectives, of how retailers, restaurants, hairdressers and others view retail payments from private customers. The results will be published in the first half of 2025.

In 2024, the Riksbank published several analyses and studies in the area of payments (see Table 4).

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#### **Table 4 Publications in the field of payments in 2024**

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##### **Reports**

Payments Report 2024, March

##### **Riksbank Studies**

The way forward for clearing and settlement of retail payments in Swedish kronor, November

##### **Economic Review**

T Richards, “Central bank priorities in a rapidly changing payment landscape”, November

##### **Staff Memos**

N Engström and A Mølgaard Pedersen, “Banks’ costs for providing payment services”, March

##### **Studies and publications related to e-krona**

E-krona pilot, phase 4: offline payments with e-krona, March

A Börestam and A Mølgaard Pedersen, “The possible impact of the digital euro on Sweden”, May

N Arvidsson, F Harahap, F Urban and A Nurdiawati, “Potential Climate Impact of Retail CBDC Models”, Working Paper Series No. 437, June

##### **Other**

N Arvidsson, F Harahap, F Urban and A Nurdiawati, “Climate impact assessment of retail payment services”, Working Paper Series No. 431, June

Letter to the Ministry of Finance: Measures to maintain the cash chain, September

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#### **The Riksbank’s tasks related to cash provision in Sweden**

According to Chapter 4, Section 2 of the Sveriges Riksbank Act, the Riksbank shall issue and redeem cash and, according to Chapter 4, Section 6, provide depots for banknotes.

##### *Access to cash varies*

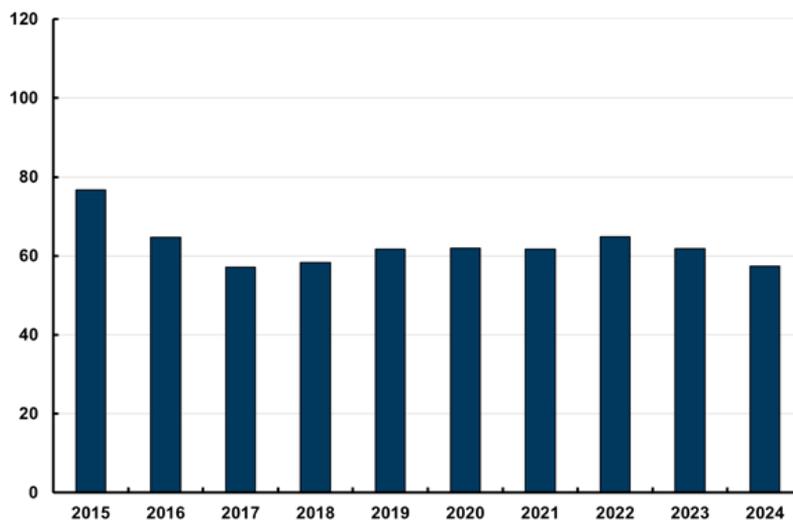
In 2024, the Riksbank provided banknotes and coins to the banks and monitored the value of cash in circulation. The Riksbank is obliged to provide

at least five locations for the storage and issue and return of banknotes in Sweden (depots). Three of these depots have been in operation since 1 January 2023. Two more are being planned and will be operational by 1 January 2026. With the Riksbank opening more depots, adjusting the regulations so that cash-in-transit companies can also collect and deposit cash, and removing the restrictions on when cash can be deposited, cash flows have changed somewhat. The depot in Jönköping has now taken over some of the transactions previously handled by the depot in the Stockholm region. It is also now generally Bankomat that collects cash from the Riksbank (for its ATMs), while Loomis delivers it (through its collection of retailers' daily takings).

In 2024, the amount of cash in circulation continued to decline. The amount is governed by the demand for cash, which varies over the course of a year. One way to describe the amount of cash during the year is to calculate an average of the value of banknotes and coins in circulation on the last day of each month. This value averaged SEK 57 billion in 2024, of which the value of banknotes amounted to SEK 54 billion and the value of coins to SEK 3 billion. This is a reduction of SEK 1 billion since the end of 2023 (see Chart 7 and Tables 5 and 6).

**Chart 7 Average value of banknotes and coins in circulation**

*SEK billion*



Source: The Riksbank.

**Table 5 Value of banknotes and coins in circulation***SEK billion*

	2020	2021	2022	2023	2024
Total value on 31 December	63	61	65	58	57
Banknotes	60	58	62	55	54
Coins	3	3	3	3	3
Total value, average during the year	62	62	65	62	57
Banknotes	59	59	62	59	54
Coins	3	3	3	3	3

Note: The data in the table have been rounded off.

Source: The Riksbank.

**Table 6 Number of banknotes and coins***Millions*

	2020	2021	2022	2023	2024
Number of banknotes in circulation	262	256	265	256	245
Number of coins in circulation	662	686	705	719	728

Note: The information on the number of banknotes and coins in circulation refers to an average over the year and is rounded off.

Source: The Riksbank.

*The number of counterfeit has increased from a low level*

Normally, Swedish banknotes are counterfeited to a minor extent but the Riksbank observed a sharp increase in 2020 and continued high levels in 2021 and 2022. In 2023, the number of counterfeit almost halved but, in 2024, the number of banknotes handed in to the police increased by 930 compared to the previous year. The counterfeits are not particularly sophisticated but, because many people are not used to using banknotes, the counterfeit banknotes become spread in society nonetheless. Previously, the Riksbank has carried out communication initiatives about counterfeit banknotes in social media and elsewhere. This information remains on the Riksbank's website. If the number of counterfeit banknotes were to increase significantly again, the Riksbank could resume these initiatives. The value of counterfeit banknotes removed from circulation during the year amounted to SEK 1,339,440. The number of counterfeit banknotes amounted to 3,109. Around 79 per cent of these were 500-krona banknotes.

**Table 7 Number of counterfeit banknotes**

	2020	2021	2022	2023	2024
Number of counterfeit banknotes	6,629	4,655	4,166	2,179	3,109

Source: Swedish Police Authority

## **Report on the management of cash in Sweden**

The Riksbank has a special task under Chapter 11, Section 2 of the Sveriges Riksbank Act to report on the management of cash in Sweden. Under Chapter 4, Section 8 of the Sveriges Riksbank Act, the Riksbank shall monitor, analyse and, if necessary, coordinate the management of cash in Sweden. This subsection provides a summary report of the management of cash in Sweden and the Riksbank's view of which measures are needed to ensure that cash can continue to function as a means of payment in Sweden. The Riksbank's payments report, which will be published in 2025, provides more detailed analyses of cash as a means of payment in Sweden.

The use of cash for in-store purchases is still very low in Sweden. In recent years, however, the share of in-store cash purchases has stabilised at around 10 per cent. The Riksbank considers that cash provision in Sweden remains vulnerable and that even minor changes in the cash management market can have major consequences for the role of cash as a means of payment. The Riksbank's assessment is that legislation is needed to strengthen the position of cash as a means of payment, otherwise there is a risk that we will lose the infrastructure that makes it possible to make cash payments in Sweden.

The Riksbank believes that cash is still needed for several reasons. One very important reason is that everyone should be able to pay. There are groups in society that still need to use cash. A second important reason is that cash fulfils a role in major crises and states of heightened alert. For example, if electricity or the internet fails, cash would be needed for the public to pay for essential goods such as food, medicines and fuel. It is therefore important that cash can be used in normal situations. Otherwise, it will not work in crisis or war either.

### *The cash provision chain*

The cash provision chain in Sweden consists of the Riksbank and, in practice, two private market operators, Bankomat AB (Bankomat) and Loomis Sverige AB (Loomis). Bankomat is the only company to have private depots and has a dominant position in cash withdrawals and deposits thanks to its network of ATMs. Loomis has a monopoly in cash management, including the counting and transport of cash. Loomis takes care of virtually all services relating to daily takings and petty cash for retailers and provides services for other major players, including Bankomat and the Riksbank, but also for other companies that have ATMs, such as Kontanten and ICA Banken. This dependence on a few companies means that the system is very vulnerable to disruptions or changes. If Loomis or Bankomat is unable to provide their services, it could have major consequences for cash provision in Sweden.

The legal requirement that obliges the major banks to provide the public with the opportunity to withdraw cash and companies and organisations with the opportunity to deposit their daily takings is currently fulfilled by the bank-

owned company Bankomat. The Swedish Post and Telecom Authority is responsible for ensuring that these basic cash services are available.

For a short period in the summer of 2023, the repatriation of Swedish cash to Sweden from abroad did not work. The Riksbank reported on this in the Annual Report for 2023. The problem recurred in 2024 and the Riksbank is monitoring developments in the repatriation of Swedish cash.

### *Structural changes may negatively affect the cash chain*

Bankomat will start its own cash management operations with its own cash-in-transit services in 2025 and will manage the operation and servicing of its own ATMs. By doing so, Bankomat will strengthen the preparedness and operational reliability of its own infrastructure. However, this is likely to affect Loomis' ability and incentives to otherwise maintain its share of cash management.

It can be noted that the Riksbank has also procured some services from Loomis for its share of cash management. If market conditions change significantly, this may also affect the Riksbank's share of cash management.

### *The Riksbank has highlighted the problems and called for stricter legislation for several years*

In the payments report and the consultation response to the Payments Inquiry, the Riksbank has described this development and called for stronger legislation to enable cash to be used for the purchase of essential goods and services. The Riksbank also considers that the banks need to take greater responsibility for ensuring that cash management functions satisfactorily.

At the beginning of September 2024, the Riksbank sent a letter to the Ministry of Finance's cash inquiry. This letter argues that banks need to take responsibility for their corporate customers' daily takings and petty cash. Expanded regulation is needed to ensure that operators, who are legally obliged to accept cash, have access to functioning services for daily takings and petty cash. According to the Riksbank, the current legal requirements for the banks need to be tightened and clarified as the services offered by the banks are inadequate. The Riksbank would also like to see urgent measures to ensure access to petty cash. This service has deteriorated significantly as more and more banks have discontinued manual cash services.

In this context, it can also be mentioned that the Riksbank is engaged in a continuous dialogue with market participants on how the supply of cash can be secured in the long term. The Riksbank has also initiated cooperation with Finansinspektionen, the County Administrative Board of Dalarna and the Swedish Post and Telecom Authority to exchange information on cash management and payments in general.

## Civil preparedness

According to Chapter 5, Section 1 of the Sveriges Riksbank Act, the Riksbank shall fulfil the following general provision.

- The Riksbank shall have the capacity to maintain its operations in peacetime crisis situations and states of heightened alert, including the ability of the public to make payments in peacetime crisis situations and states of heightened alert.

*Capabilities in crisis preparedness and civil defence, the ability to counteract serious disruptions in the financial system and strong protection against threats in the information environment are central elements in the Riksbank's work on strengthening preparedness. This work includes analysis and planning, implementation and follow-up. This allows us to ensure that resources can be allocated where they have the greatest effect and that experiences from incident management, exercises and the like can be captured and contribute to developing the Riksbank's preparedness.*

*The internal division of responsibilities in the area of preparedness has been further developed and clarified during the year, not least due to a new rule for civil preparedness that allows us to effectively coordinate the departments' work on civil preparedness. Through regular tests and exercises and continuous follow-up of the departments' preparedness work, we identify deficiencies and areas for improvement both for individual essential activities and for the Riksbank as a whole.*

*In the area of payments, new regulations came into force in February. These regulations require specific companies to strengthen their ability to maintain payments during peacetime crisis situations and states of heightened alert. The Riksbank coordinates the preparedness work conducted together with these companies, for instance by clarifying the companies' responsibilities and tasks. During the year, the Riksbank also developed and established the focus and working methods allowing it, from 2025, to oversee companies' compliance with the requirements of the regulations.*

*The Riksbank assesses that the work conducted during the year has strengthened both the Riksbank's ability to maintain its own operations and the general public's ability to make payments during peacetime crisis situations and states of heightened alert.*

### **Ability to maintain the Riksbank's operations**

According to Chapter 5, Sections 2 and 3 of the Sveriges Riksbank Act, the Riksbank has the following tasks and powers to maintain its operations:

- The Riksbank shall plan and prepare to be able to maintain its operations in peacetime crisis situations and states of heightened alert. The Riksbank shall take into account the requirements of total defence.

- The Riksbank shall carry out joint training and exercises for its own staff and for employees and contract workers in companies that conduct operations that are of particular importance for the execution of payments.

### *Developed structure for coordination of preparedness work*

The Division for Payment Preparedness at the Department for Internal Governance and Business Support is responsible for leading and coordinating the Riksbank's planning and preparations for civil preparedness. This work includes providing strategic direction to activities based on the requirements of total defence and undertaking and supporting actions that improve preparedness. The Division also ensures that joint preparedness work is carried out effectively.

The special committee for the coordination of preparatory work in civil preparedness concluded its work during the year. Instead, an organisation-wide preparedness group was established with the task of creating the conditions for the Riksbank's preparedness work to be conducted on the basis of the long-term objectives of the strategic plan. Each department, with the exception of the Internal Audit Department, has a preparedness coordinator who participates in the work of the preparedness group.

### *Ability to maintain the Riksbank's essential operations*

During the year, the Riksbank conducted an analysis of its essential operations. This analysis included identifying dependencies on critical resources such as staff, systems, premises and suppliers. The result forms an important complement to the plans aimed at ensuring that the Riksbank can maintain its operations at an acceptable level in all situations. Among other things, the Riksbank has continued to develop its alternative operational sites. We also focused on developing the Riksbank's wartime organisation, including by analysing the highest-priority and potential additional tasks in the event of war and the threat of war.

As even short interruptions in the Riksbank's operations can have considerable consequences for the functionality of society, the Riksbank must always be able to handle sudden events quickly and in a coordinated manner. The Riksbank therefore always has an official on standby. This person should be able to initiate and coordinate the initial work to detect, verify, alert and inform within and outside the bank, 24 hours a day, 7 days a week. In 2024, a new rule was added on responsibilities, tasks, training and exercises, and other matters.

The Riksbank's working methods in the event of incidents and crises are continuously monitored and developed. An example of an incident in 2024 is the ransomware attack that took place against one of Tietoevry's data centres in late January. The attack led to the disruption of the Riksbank's payroll administration system Primula. During the disruption, preparations were made for the payment of salaries via contingency routines. Another example is when

the cybersecurity company CrowdStrike suffered a major disruption to its services in July. At that time, the Riksbank liaised with key payment participants to make an initial assessment of the consequences.

### *Continuous training and exercises*

The Riksbank continuously conducts training and exercises, both to develop and to monitor its ability to maintain operations during peacetime crisis situations and states of heightened alert. In 2024, a training and exercise plan was adopted that extends until 2027. The plan has a strategic and long-term focus and is complemented by an annual exercise and training plan that describes which capabilities are particularly prioritised for development in a given year.

Several exercises were organised in 2024. One example was the situational awareness exercise with several elements that was carried out with all the departments' management teams, the Riksbank's crisis management team and crisis management group and the Riksbank's Executive Board. The exercise increased the overall ability to assess an event and its consequences, to prioritise and decide on measures and to compile both department-specific and joint situational pictures. Other examples included work-related exercises around the business continuity plans and regular training and exercise sessions for the staff members manning the standby officer function.

In addition, the Riksbank carried out several internal training and communication activities in civil preparedness during the year. Among other things, several awareness-raising activities were carried out in connection with national preparedness week and a Riksbank seminar on total defence was arranged together with the Swedish Defence University. These efforts contributed to increasing our specific knowledge in civil preparedness and to the understanding of preparedness planning as a joint effort to adapt operations to changing circumstances.

### **Civil preparedness for payments**

The Riksbank has responsibilities, tasks and mandates that aim to strengthen the overall ability to make payments work even in peacetime crisis situations and states of heightened alert. This responsibility means, in practice, that the Riksbank has the role of regulator, coordinator and supervisor.

The role as regulator is regulated in an authorisation granting the Riksbank the right to issue regulations on which companies are of particular importance for the execution of payments and to specify the obligations of these companies under Chapter 5, Sections 3 and 4 of the Sveriges Riksbank Act.

The Riksbank shall carry out joint training and exercises for its own staff and for employees and contract workers in companies that conduct operations that are of particular importance for the execution of payments.

In the event of disruptions to the payment system, the Riksbank shall establish a crisis management function. The function will facilitate

management through coordination and information sharing in peacetime crisis situations and states of heightened alert.

Chapter 5, Section 4, paragraphs 1–3 and Chapter 5, Section 5 of the Sveriges Riksbank Act regulate the tasks of the companies that perform operations of particular importance for the execution of payments and the decisions that the Riksbank may take, with regard to public service obligations for the execution of payments.

The supervising role means that the Riksbank shall oversee that a company fulfils its obligations (Chapter 5, Section 4, first paragraph of the Sveriges Riksbank Act).

In addition to this, the Riksbank's analyses and recommendations concerning the payment market in general contain several preparedness perspectives. Among other things, the Riksbank emphasises the need to safeguard the cash infrastructure and the possibility of paying for essential goods with cash (see also the chapter Safe, efficient and accessible payments).

### *Requirements on companies of particular importance for the execution of payments*

The Riksbank's regulations and general guidelines (2023:3) on companies of particular importance for the execution of payments in peacetime crisis situations and states of heightened alert entered into force on 1 February 2024. Here the Riksbank defines which companies are covered. These companies shall plan and prepare to maintain the payments part of their business in peacetime crisis situations and states of heightened alert. In addition, by participating in joint activities coordinated by the Riksbank, companies further contribute to the overall objective.

As the responsibility for civil preparedness for payments entails new tasks for the Riksbank, as well as new requirements for the companies covered by the regulations, the Riksbank assesses that the requirements will be met gradually over the coming years. The Riksbank considers that the activities carried out during the year have formed a good basis for continued work.

### *Coordination of work on civil preparedness for payments*

#### **Cooperation structure Civil Preparedness Payments**

By the time the regulations entered into force, the Riksbank had prepared by creating a cooperation structure, Civil Preparedness Payments, for its joint work with companies. The Riksbank guides and coordinates the work, which entails ensuring that it fulfils both the requirements imposed on the Riksbank through the Sveriges Riksbank Act and the requirements imposed on companies via the Riksbank's regulations. The joint work is coordinated by a reference group that includes the Riksbank and the companies affected by the regulations. In addition to holding the position of chair, the Riksbank also

participates in the work through representatives from the operations responsible for the RIX system and cash management.

Through its responsibility for the state internal bank system, the Swedish National Debt Office also conducts operational payment activities and therefore participates in the work on a voluntary basis. During the year, the reference group met regularly, partly to discuss prioritised capacity-building activities, share experiences, evaluate its work and anchor the training plan and operational plan for 2025. The Riksbank has followed up how the cooperation forum and working methods have functioned. Its overall assessment is that the meeting structure has worked well and that the Riksbank can take an even clearer leadership role in the work in the future.

### **Conditions for corporate planning and preparation**

In their responses to the proposed regulations, several of the consultation bodies pointed out that there was a need to clarify the implications of the total defence requirements and the demands placed on the companies covered by the regulations. The Riksbank therefore drew up planning prerequisites to support companies in their work to fulfil the requirements of the Riksbank's regulations. The planning prerequisites include a description of conditions that are particularly important for the payment area based on the requirements that the Riksdag, the Government, the Swedish Armed Forces and the Swedish Civil Contingencies Agency (MSB) place on civilian actors in total defence. They also contain in-depth and concretised descriptions of the different aspects that good planning should include, based on the requirements set out in the regulations. Among other things, they highlight that companies' backup power should be dimensioned for power cuts lasting at least a week and that data centres for central services should be physically and geographically separated.

Once the regulations had entered into force, the Riksbank registered the companies subject to the regulations with the Swedish Defence Conscription and Assessment Agency. This means that companies can carry out an availability check of the staff necessary for their payment activities and then implement mobilisation. Joint efforts are also under way to establish the conditions for mobilisation of staff to the companies' critical suppliers. This work will be followed up and continued over the next year.

The Riksbank also initiated work to ensure that there are conditions for sharing information with companies, including opportunities to exchange classified information if necessary.

### *A crisis management function has been established*

To address the Riksbank's responsibility for coordinating the management of an incident, a crisis management function was established. The function is activated upon the occurrence of an incident that affects or may affect the ability to execute payments. Prior to the entry into force of the regulations, the companies subject to the regulations have staffed the management function

with representatives. The Riksbank conducted six convening tests during the year to ensure that convening and cooperation work well. Work on developing the function is ongoing. This includes finding appropriate technical support, continuously discussing what is required for the function to be activated and, if necessary, being able to expand the circle of participants with more actors.

The inquiry A new function for crisis management in the event of serious operational disruptions in the financial sector's digital infrastructure (Fi2023/01842) proposes that a new crisis management function be established within the Riksbank. The Riksbank's consultation response supports most of the inquiry's proposals. If the proposals of the inquiry are realised, the management function will have more tasks and the circle of participants will be broadened.

### *Analysis of payment flows and implementation of capacity-enhancing measures*

One of the major activities the Riksbank carried out together with companies in the spring was mapping payment flows, analysing risks and vulnerabilities and identifying the need for action. The mapping resulted in a graphical process chart and step-by-step descriptions of different payment flows, such as in-store card purchases, cash withdrawals from ATMs, direct debit payments and social security payments. Based on the mapping, risks and vulnerabilities in the payment flows were then analysed. The conditions prevailing in a state of heightened alert were used as a starting point for the analysis. In the final step, we looked at the actions needed to mitigate the risks and vulnerabilities identified. It is particularly important to recognise those measures that require the participation of multiple actors. After the summer, working groups were established that are now working on a number of such prioritised measures, such as strengthening the possibility of off-line card payments. The technical conditions are considered relatively favourable but another issue that needs to be resolved is who will bear the liquidity and credit risk that may arise. The Riksbank is now working with a variety of companies to develop appropriate solutions.

### *Awareness-raising activities were carried out*

An important part of preparedness work is raising awareness of preparedness issues within companies. The Riksbank has developed a set of exercise materials that companies have been able to use in exercises internally in their own organisations. The Riksbank also conducted a training programme with four courses on different themes in civil preparedness, such as preparedness planning and wartime organisation and mobilisation. The aim was to increase the level of knowledge and establish a common starting point for civil preparedness work at the companies. The activities also gave companies the opportunity to share experiences from their internal work. The Riksbank

continuously follows up this work to develop a basis for the continued development of exercise and training activities.

In addition to these activities for the companies subject to the regulations, the Riksbank also carried out activities aimed at raising public awareness of preparedness and payments. During the year, the Riksbank contributed information on how the general public can include payments in their home preparedness, for example to the Civil Contingencies Agency (MSB) website and the new version of the brochure *In case of crisis or war*, which was sent out to all households in the autumn. The Riksbank advocates that every household should have enough food and other essentials to last a week without shopping and to have cash at home in small denominations to buy essential goods for a week if digital payment methods do not work.

The Riksbank also organised an open forum on the theme of functioning payments in crisis and war. In addition to a member of the Executive Board and a researcher in information technology at the University of Skövde, the panel included the Minister for Financial Markets and the CEO of SEB. The seminar highlighted ideas on how we can work together – in private-public partnerships – to strengthen the ability to sustain payments in times of crisis and war. The Riksbank includes the perspectives highlighted during the seminar in its continued work on civil preparedness in the area of payments.

### *Monitoring that the companies meet their obligations*

During the year, the Riksbank developed, anchored and established the forms and focus of its oversight of the companies covered by the Riksbank's regulations and general guidelines (RBFS 2023:3) on companies of particular importance for the execution of payments in peacetime crisis situations and states of heightened alert. In order to rationalise the Riksbank's oversight work, a working group for oversight was established, which includes the departments that carry out various forms of oversight. The task of the working group is to coordinate and harmonise the oversight work between the departments, while retaining line responsibility for each oversight process.

### *The civil preparedness system and the preparedness sector Financial services*

As an authority under the Riksdag, the Riksbank is not formally part of the structure of the civil preparedness system. However, as the Riksbank has a central role in the financial system and is responsible for ensuring that the general public can make payments, the Riksbank participates in the work on a voluntary basis, including in the various cooperation meetings led by the Swedish Armed Forces and MSB.

At present, there is some overlapping responsibility between Finansinspektionen and the Riksbank in the area of preparedness. Finansinspektionen's responsibility as sectoral authority covers the civil preparedness sector Financial services, which includes payments, while the

Riksbank's responsibility is specific to payments. The overlapping responsibilities and the challenges they entail have been highlighted on several occasions by the Riksbank, the Swedish Defence Committee and others and need to be resolved. It is worth emphasising that the Riksbank cooperates closely and well with Finansinspektionen and participates in the new cooperation structure for the preparedness sector. This brings the payment perspective into the picture.

## International activities

According to Chapter 6, Sections 1 and 7, the Riksbank shall fulfil the following provisions for its international operations.

- The Riksbank may act as a liaison body in relation to international financial bodies of which Sweden is a member.

The Riksbank may participate in international cooperation that

1. is of importance to the bank's operations, or
2. concerns knowledge sharing with other central banks.

In its international operations, the Riksbank shall be guided by the overall positions of the Government and the Riksdag in various policy areas.

- In its international operations, the Riksbank shall keep the Government informed of major issues.

*Sweden is a small open economy that is significantly affected by events in the global economy and global financial system. Good international cooperation is therefore important to the Riksbank's ability to meet its objectives.*

*The Riksbank's international work aims to*

- *exchange information with and learn from other actors, such as other central banks and international organisations*
- *influence other actors, which is particularly important with regard to global financial standards, European regulation of the financial system and international policy measures to reduce risks both in Sweden and abroad*
- *Create good contacts, which are particularly valuable to have in crisis situations.*

*The Riksbank's ambition is to contribute constructively to international cooperation and to be a competent and reliable partner. During the year, Governor Erik Thedéen was appointed Chair of the Basel Committee on Banking Supervision, Deputy Governor Aino Bunge was appointed Vice-Chair of the European Systemic Risk Board's Advisory Technical Committee (ATC) and First Deputy Governor Anna Breman was appointed member of the Steering Committee of the Network for Greening the Financial System (NGFS).*

*During the year, the Riksbank developed its international networks with the aim of facilitating its strategic shifts in areas such as preparedness, analysis and data use. An international secretariat was set up in the autumn under the General Secretariat to support the Executive Board and departments with a more strategic perspective in international cooperation and to improve internal coordination.*

*The Riksbank assesses that participation in international cooperation bodies, work on the boards of vital groups and close contacts with other central banks contributed to the Riksbank's ability to achieve its objectives in various areas of activity in 2024.*

### **Enhanced cooperation with other central banks**

Global developments in recent years have led to increased cooperation with other central banks on preparedness and payment issues. During the year, the Riksbank participated in around 35 groups for Nordic and Nordic-Baltic cooperation and also has close ongoing exchanges with these central banks. At the annual meeting of Nordic central bank governors, the risks associated with geopolitical developments, the economic situation and current monetary policy, and developments in the payment market were discussed.

During the year, the Riksbank deepened its cooperation with Norges Bank, for instance in connection with estimates of the neutral interest rate and the analytical shift in the monetary policy drafting process. The Riksbank and Norges Bank also cooperated closely in preparedness planning, training and exercises, and crisis management. The Riksbank's geo-economics network also invited the Bank of Finland Institute for Emerging Economies to a seminar and round table discussion on economic growth in China and Russia.

The Nordic-Baltic Macroprudential Forum (NBMF), which brings together heads of central banks and financial supervisory authorities, exchanges risk assessments in the Nordic-Baltic countries and discusses macroprudential measures that can reduce risks (such as mortgage caps for households and capital buffers for banks). Among other things, the group started preparations for a stress test of the Nordic-Baltic banking sector to be conducted in 2025. The stress test aims to identify vulnerabilities in the financial system in the Nordic and Baltic countries and potential transmission routes for financial problems.

The Riksbank's close cooperation with the National Bank of Ukraine covers in particular the area of preparedness (see the section The Riksbank's technical assistance).

The Riksbank also initiated a dialogue with the Reserve Bank of Australia as part of its work on civil preparedness in the area of payments.

## **European System of Central Banks**

The European System of Central Banks (ESCB) consists of the ECB and all of the national central banks within the EU. The Riksbank took part in around 60 committees and working groups within this organisation. The General Council, which consists of the governors of the central banks of all EU Member States and the President and Vice-President of the ECB, addressed, among other things, the economic situation of EU Member States, the public finances of EU Member States, the largest imbalances and vulnerabilities in EU non-euro area Member States and compliance by the EU central banks with the prohibition on monetary financing. Other topics discussed included nature-related threats to the economy and financial stability, productivity growth, household inflation expectations and their relevance for monetary policy, and investment in green technologies.

As the Riksbank participates in TIPS, one of the platforms on which the Eurosystem, on behalf of the ECB, provides payment settlement, coordination with the ECB is needed. The Riksbank has therefore emphasised active participation in the ECB's infrastructure and payments committees.

Within the ECB, the Riksbank participated in the Market Infrastructure and Payments Committee (MIPC) and its subgroups, which work on policy issues relating to financial infrastructure in general. The work of the Committee is in line with the ECB's retail payments strategy, which aims to promote cross-border, cost-effective, accessible, safe and efficient European payment solutions with maximum reach. The strategy also involves promoting central bank digital currency available to the public, instant payments and a standardised European payments area.

Within the framework of ECB working groups, the Riksbank also participated in the operational working groups that discuss and drive the development of the platforms provided by the ECB and the Eurosystem under the collective name of TARGET services. Here, the Riksbank participates at management level in the Market Infrastructure Board (MIB), which is responsible for the daily operation and development of all TARGET services. In addition, the Riksbank has chaired the TIPS Non-euro Currencies Steering Group (NECSG) since the forum was established in 2020. All central banks that have connected a domestic currency to the TIPS platform participate with the aim of jointly providing input to the MIB. During the year, the Riksbank also participated in several working groups related to the operation and development of the TIPS platform.

## **European Systemic Risk Board**

The European Systemic Risk Board (ESRB) is the EU's macroprudential body that identifies, analyses and counteracts financial systemic risks in the EU. From the Swedish side, the Riksbank participates in the Board alongside Finansinspektionen. In September 2024, Deputy Governor Aino Bunge was elected Vice-Chair of the ESRB's Advisory Technical Committee (ATC). The

ATC participates in the preparation of most of the issues dealt with by the board.

In total, the Riksbank participated in around 14 ESRB committees and groups in 2024. In these, the Riksbank contributed, among other things, to the ESRB's ongoing risk and policy assessments, to the analysis of macroprudential issues related to central counterparties and securities clearing in the EU, and to the design of economic scenarios underlying stress tests of European banks. The Riksbank also contributed to the ESRB's work on risks associated with non-bank financial intermediaries, including the mutual fund and insurance sectors, and climate and cyber-related risks.

In February 2024, the ESRB assessed previous recommendations and warnings to several EEA countries on vulnerabilities related to their respective housing markets. This included Sweden, which in 2019 received a recommendation on appropriate measures to handle vulnerabilities in the housing market. The ESRB continued to assess the risks in Sweden as high and suggested measures including continued monitoring and borrower-based measures to limit borrowing by indebted households, improved access to certain data, and measures outside the area of macroprudential policy to address structural problems in the housing market.

### **Informal ECOFIN Council meetings and Economic and Financial Committee**

The topic of this spring's informal ECOFIN Council meeting was how to improve public understanding of financial issues and increase private individuals' participation in the capital markets. The Governor of the Riksbank presented his experiences from a Swedish perspective. One message was that it must be easy for private individuals to use the capital market, something that in Sweden is facilitated partly by our pension system. Riksbank officials participated in the informal ECOFIN Council meeting in Budapest in the autumn, as did representatives of the Swedish government.

The Economic and Financial Committee (EFC), which prepares ECOFIN Council meetings, met 11 times during the year. The committee consists of representatives from central banks and finance ministries at the level of deputy governor and state secretary respectively. An important task of the Committee is to discuss the economic and financial situation. The ECB and Commission convergence reports on the fulfilment of the euro accession criteria by non-euro area EU Member States were discussed. No country was judged to fulfil all the convergence criteria for joining the euro. Discussions were also held on how to make sanctions against Russia more effective and the possibilities of using the proceeds of seized Russian assets to support Ukraine. The EFC also discussed current Commission proposals and developed EU stances for the International Monetary Fund (IMF) and G20 meetings. Among other things, the Riksbank emphasised the importance of being vigilant against threats to financial stability, including from joint exposures to third-party risks.

## **European Securities and Markets Authority**

The Riksbank participated as an observer in the European Securities and Markets Authority (ESMA) Supervisory Committee, which is the supervisory authority for central counterparties. The Riksbank participated in its role as issuer of the Swedish krona and contributed its views on risks related to central counterparties active in the Swedish market, with particular emphasis on non-EU central counterparties, such as London Clearing House Limited.

## **Bank for International Settlements**

The Bank for International Settlements (BIS) is the main forum for global central bank cooperation and is owned by 63 central banks from around the world. The Riksbank participates in around 45 committees and working groups within the BIS cooperation. The most important committees set global norms and standards for various financial activities.

The Riksbank has long had a strong position in the BIS, which is illustrated by the fact that various Riksbank Governors have been represented on the BIS Board of Directors since the 1930s. The Riksbank is also the seventh largest shareholder in the BIS. The BIS equity holdings generated a dividend of EUR 7.8 million during the year.

An important part of the Riksbank's BIS engagement is participation in the bimonthly meetings of central bank governors, usually in Basel. On these occasions, the Governor participates in meetings of the Board of Directors, the Economic Consultative Committee (ECC), the Global Economy Meeting and the All Governors' Meeting. During the year, he was also invited to participate as a guest in the Central Bank Governance Group on three occasions, to share the Riksbank's experience on various issues. The Governor's participation in the various BIS committees provides excellent opportunities to obtain information, establish contacts and exert influence by expressing the Riksbank's views on important central bank issues.

### *Basel Committee on Banking Supervision*

The Basel Committee on Banking Supervision involves central banks and supervisory authorities from 28 countries, as well as the ECB and the Single Supervisory Mechanism (SSM). The Committee promotes global financial stability by developing minimum standards, guidelines and recommendations for the regulation and supervision of internationally active banks and by discussing various issues related to banking supervision. In June 2024, Governor Erik Thedéen was appointed Chair of the Committee for a three-year term, with a possible extension for a further three years.

During the year, the Basel Committee monitored the implementation of the Basel III standards in different countries and drew conclusions from the banking turmoil that characterised the United States and Switzerland in 2023. In April, the Basel Committee celebrated its 50th anniversary and decided to

adopt a revision of its Core Principles for Effective Banking Supervision. This is an important document, partly because the IMF uses these principles when evaluating financial regulators around the whole world.

During the year, the Basel Committee also published standards in three areas. One of these concerns how banks should calculate the impact of interest rate changes on the value of some of their assets. Another sets out how banks should disclose their exposures to crypto-assets. A third makes some additions and minor adjustments to how banks' exposures to crypto-assets should be covered.

In addition, the Basel Committee published a number of consultations during the year. One of these was on how climate-related scenario analyses can help strengthen both banks' management and supervision of climate-related financial risks. In addition, a joint report by the Basel Committee, the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) was published, which reviews initial margin requirements.

### *Committee on Payments and Market Infrastructures*

The Committee on Payments and Market Infrastructures (CPMI) is composed of 28 central banks and the BIS. Its mandate includes developing global standards and policies for clearing, settlement and reporting for financial infrastructures and assessing compliance with the Principles for Financial Market Infrastructures (PFMI). A key activity during the year was the work on the G20 Roadmap, a long-standing global effort to improve cross-border payments.

The focus during the year was on encouraging various countries to improve their payment systems, including through various technical changes (introduction of ISO 20022), increasing access to systems and extending opening hours. Furthermore, the CPMI continued to analyse the opportunities and risks of tokenisation and how retail CBDCs, meaning central bank digital currencies for the general public, can be used to improve cross-border payments.

### *CBDC Coalition*

During the year, the Riksbank continued to participate in the work of the CBDC Coalition, a group consisting of seven central banks and the BIS in which various aspects of central bank digital currencies are discussed. Deputy Governor Aino Bunge chaired a working group focusing on technical design issues of the central bank digital currencies (CBDC). The Riksbank also participated in a working group focused on analysing how central banks can act when traditional assets are tokenised.

## *BIS Innovation Hub Nordic Centre in Stockholm*

Since 2021, the Riksbank, together with the central banks of Denmark, Iceland and Norway, has hosted the BIS Nordic Innovation Centre in Stockholm. During the year, four staff members from the Riksbank worked at the Centre in Stockholm on innovative technologies of importance to central banks. These included projects using AI, machine learning and privacy-preserving technologies to counter money laundering, as well as various ways to strengthen the technical security and robustness of central bank digital currencies and make them work offline.

## **International Monetary Fund**

In Sweden, the Riksbank is the contact organisation for the International Monetary Fund (IMF). Sweden is part of a Nordic-Baltic constituency with a common representative on the IMF Executive Board and there is therefore close coordination of IMF issues in this constituency. There is also cooperation between central banks and finance ministries on these issues within the EU.

The year saw the celebration of the 80th anniversary of the Bretton Woods Conference, which established the IMF and the World Bank. The IMF Executive Board discussed the challenges ahead for the world economy and how the IMF will continue to serve as the central forum for global monetary cooperation in a world of increasing fragmentation and geopolitical tensions. The IMF also conducted a review of lending to low-income countries and of the fees charged for loans. In these discussions, the Nordic-Baltic constituency emphasised the importance of safeguarding the IMF's collective resources and making lending sustainable in the long term.

In February 2024, the Riksbank made a request to the government for an increase in Sweden's capital contribution (quota) to the IMF. The request followed the decision by IMF members in December 2023 to approve the 16th General Review of Quotas, which increases the capital contribution of all member countries by 50 per cent. In October, the Riksbank was able to inform the IMF that Sweden had approved its quota increase. However, the quota increase did not enter into force in 2024 because not enough member states have yet approved their own increase.

The Riksbank also petitioned the Riksdag to extend participation in the IMF's bilateral loans and New Arrangements to Borrow (NAB) programmes. These are voluntary loan resources from member countries that the IMF can utilise if the Fund's own capital contribution is insufficient. Although the bilateral loans are due to end when the new quota increase enters into force, they need to be extended until this happens. The Riksdag approved the petition in November 2024.

As part of its mandate to monitor the global economy, the IMF conducts annual assessments of its member countries, known as Article IV consultations. In its 2024 assessment of Sweden, published in March, the IMF noted that the Swedish economy had recovered strongly from the pandemic

but slowed somewhat in 2023, weighed down by weak real wages, high interest rates and falling property valuations. The IMF said that measures to increase productivity in the economy will be important in the medium term. Furthermore, the IMF highlighted that structural challenges remained, such as weaknesses related to the labour and housing markets.

### **Financial Stability Board**

The Financial Stability Board (FSB) is an international organisation that, among other things, analyses risks in the global financial system and makes recommendations to address them. The FSB consists of representatives from 24 countries and 13 international organisations and committees. Following his appointment as Chair of the Basel Committee, Governor Erik Thedéen also participates in the FSB's highest decision-making bodies, the FSB Plenary and the FSB Steering Committee.

In addition, the Riksbank, together with the Ministry of Finance and Finansinspektionen, is a member of the FSB's Regional Consultative Group for Europe (RCG-E). During the year, different countries' assessments of the most relevant risks at the global and regional levels were discussed, along with some specific issues such as commercial real estate risks, the implementation of crypto-asset regulations, the impact of digitalisation on depositors, and the indebtedness of the non-bank sector.

### **Network for Greening the Financial System**

Climate change and its short and long-term impact on the financial system have increasingly come up on the agendas of central banks, both nationally and internationally.

Since 2018, the Riksbank has participated in the Network for Greening the Financial System (NGFS), a global network of central banks and supervisory authorities with a focus on climate aspects in the work of these authorities. First Deputy Governor Anna Breman became a member of the Steering Committee in April 2024.

The Riksbank contributed to the work of several NGFS working groups. The Riksbank worked on issues such as the design and analysis of climate scenarios, biodiversity and nature-related risks, and the impact of climate change on monetary policy. Other questions concerned ways for central banks to work on sustainable investment, climate-related reporting and sustainable central banking.

### **The Riksbank's technical assistance**

Since 2000, the Riksbank has provided technical assistance (TA). The activities consist of knowledge transfer in key central banking-related areas

that can strengthen central banks as institutions. In the longer term, the ambition is to contribute to countries' financial stability and development.

In 2024, the Riksbank had agreements with the central banks of Ethiopia, Rwanda and Ukraine, as well as with the Palestinian Monetary Authority (PMA). All of them are classified as aid recipient countries by the OECD Development Assistance Committee (DAC). The activities were funded by Sida under a specific agreement for the period 2019–2024. In December 2024, the Riksbank signed a new technical assistance agreement with Sida for the period 2025–2028.

The knowledge exchange with the National Bank of Ukraine (NBU) continued during the year despite the difficult conditions. In March, the Riksbank's Internal Audit Department organised a training course for colleagues at the NBU on COSO, a standard for internal control and risk management, which also led to the certification of colleagues. In June, the Governor of the National Bank of Ukraine visited the Riksbank together with some of his colleagues. Among other things, they followed the monetary policy process and participated in round table discussions on civil preparedness with representatives of several authorities, the Government and other bodies. One of the lessons learnt from Ukraine that has been included in the Riksbank's preparedness work is the importance of conducting exercises. During the visit of the National Bank of Ukraine in June, Governor Andriy Pyshnyy repeated one message several times: in a crisis, we do not live up to our expectations, we sink to the level we have trained at. In addition, a number of digital seminars were organised during the year on topics such as payment systems and communication. A research project on monetary policy was also launched.

Riksbank staff visited the National Bank of Rwanda on several occasions in early 2024. Among other things, this saw the completion of the project launched in 2023 on modelling the impact of climate change on the agricultural sector. During the year, a large delegation from the Riksbank also visited the National Bank of Ethiopia and digital workshops were held on financial stability, crisis and resolution management, modelling and payment issues. The deterioration of the security situation in Israel and Palestine led to a reduction in contacts with the PMA. In May, however, staff from the Riksbank participated as observers at the invitation of the United States and the United Kingdom in a review of money laundering and terrorist financing in the Palestinian banking system. The background to the request to participate in the review was work carried out by the Riksbank and Finansinspektionen in 2021.

The Riksbank's assessment is that TA cooperation is beneficial for both the partner bank and the Riksbank's staff. Not least, the cooperation with the NBU provided important insights that the Riksbank is taking with it in its preparedness work.

## **Information to the Government**

Over the year, the Riksbank informed the Government (primarily the Ministry of Finance) about various issues relating to the Riksbank's international cooperation, including within the framework of the activities of the Financial Stability Council. In addition, Riksbank officials submitted a report to the Government on important issues in the Riksbank's international cooperation.

## **Bank-wide areas**

*The aim of work in bank-wide areas is to promote high quality in the Riksbank's activities. Certain aspects of this work are regulated by the Sveriges Riksbank Act.*

*The Riksbank's IT operations took important steps forward in terms of cyber protection and in modernising and developing the IT environment. A sustainability manager took office at the beginning of 2024, leading to new initiatives and results in sustainability and environmental work. In the field of statistics, the Riksbank worked during the year to improve input data in the field of payments and an evaluation of research activities was initiated. For the third year in a row, the Riksbank was awarded the Nyckeltalsinstitutet prize for the best health index for employee health and working environment. The focus of the Communications Department during the year was on monetary policy decisions and preparedness issues in the payment market.*

## **Statistics and the supply of information**

One of the Riksbank's fundamental tasks is to collect, produce and publish statistics (Chapter 1, Article 11 of the Sveriges Riksbank Act). The Riksbank is responsible for the bulk of Sweden's financial statistics and is ultimately responsible for the quality, content and development of the statistics, while the greater part is collected, compiled and published by Statistics Sweden on behalf of the Riksbank.

The Riksbank compiles and publishes daily trading statistics on the fixed-income and foreign exchange markets and daily values for the reference rate SWESTR. The Riksbank publishes quarterly international banking statistics that measure the Swedish banking sector's foreign-related activities, such as assets and liabilities abroad. The statistics are continuously developed on the basis of user needs. To make the statistics comparable and to maintain good quality, the Riksbank cooperates with several international institutions such as the European System of Central Banks, the IMF and the BIS. Extensive work is currently under way to harmonise financial statistics in Europe, with the Riksbank participating at the highest level.

### *The Riksbank intends to develop new statistics on payments*

According to Chapter 3, Sections 8 and 9 of the Sveriges Riksbank Act, the Riksbank shall monitor developments in the payment market. To fulfil this task, the Riksbank must be able to collect and analyse statistics in the field of payments. As there are currently no comprehensive statistics on the Swedish payment market, the Riksbank intends to issue regulations on payment statistics in 2025.

The purpose of the regulations is to make it easier for the Riksbank to identify problems on the payment market and to provide a basis for policy measures to achieve the objective of safe, efficient and accessible payments. The regulations also aim to improve the Riksbank's analytical base for its monetary policy work, as payment statistics are important in current analyses and short-term forecasts for the Swedish economy. The statistics are also important for analysing the development of household consumption.

The regulations are aimed at payment service providers and payment system operators and were prepared and consulted on in 2024. One of the findings emphasised by the consultation responses was that the Riksbank's proposal is relatively far-reaching compared with what countries in the euro area are expected to report. The Riksbank is now conducting a dialogue with the consultation bodies on adjustments to the regulations.

### *Business Survey – companies became less hopeful about economic developments over the year*

The Riksbank conducted three rounds of company interviews in 2024 to obtain an up-to-date assessment of the economic situation and the development of the economy. A common theme of the interviews was that the economic situation during the year was considered to be weaker than normal for all sectors except for the manufacturing sector, where it was considered to be more normal. The weakness of the krona and the deterioration in household purchasing power may partly explain the differences in views. Very low demand for housing construction contributed to construction companies' pessimistic view of the economic situation.

The two rounds of interviews in the spring were characterised by clear hopes for an improvement in economic activity, while expectations were more restrained in all sectors in the September survey. Companies' pricing plans were also affected by the weak economic performance over the year. However, there were increasing hopes that household-related businesses would be able to raise their selling prices in the future.

Among other things, the September report included an in-depth analysis of views on the 2025 wage bargaining rounds, the current level of wage drift and labour shortages. As well as companies, employer and employee organisations were also interviewed. Confidence in the social partners and the Swedish wage formation model remained high during the year.

## **Research provides a scientific basis for policy decisions**

The Riksbank may conduct and contribute financially to research that is relevant to the authority's activities (Chapter 1, Section 10 of the Sveriges Riksbank Act). Research at the Riksbank is primarily focused on areas of direct significance to the bank's operations. Some studies are collaborations between staff at the Research Division and other staff at the Riksbank. During the year, studies examined price controls and inflation dynamics, the pricing behaviour of firms during the period of high inflation and other subjects.

Researchers specialising in financial stability use large amounts of data, which made it possible to examine subjects such as the impact of bank branch closures on lending, employment, sales and bankruptcies in small and medium-sized enterprises. Researchers analysing monetary policy and macroeconomics studied subjects such as how temporary increases in income affect individuals' willingness to increase their consumption over time. The results of the research are published in the Riksbank's various publication series and international scientific journals and are disseminated via presentations at other central banks, universities and scientific conferences.

During the year, an evaluation of research activities was initiated, examining both focus and organisational position.<sup>1</sup> The evaluation was completed in early 2025.

The Research Division is also tasked with acting as a link between the Riksbank and the academic world and has a formal collaboration with the Center for Monetary Policy and Financial Stability (CeMoF) at Stockholm University. During the year, a workshop for doctoral students was organised at the Riksbank in collaboration with CeMoF, in which both Swedish and foreign doctoral students participated.

The Riksbank organised several scientific conferences during the year. At one of these conferences, held in May, researchers and monetary policy decision-makers discussed the lessons learnt from three decades of inflation targeting. The conference was organised together with researchers from the IMF and Stockholm University. Staff at the Research Division also organised the conference Monetary and Financial History – Lessons for the 21st Century together with researchers from the Federal Reserve Bank of New York and Uppsala University, where papers in macroeconomics and financial economics with a historical perspective were presented.

<sup>1</sup> The evaluation was carried out by Elena Carletti (Bocconi University), Frank Smets (BIS) and Silvana Teneyro (London School of Economics).

## Communication

According to Chapter 11, Section 3 of the Sveriges Riksbank Act, the Riksbank shall inform the public about

- the price stability objective, consideration given to the real economy and the Bank's monetary policy strategy
- monetary policy decisions, the grounds for them and any dissenting opinions within the Executive Board
- the Bank's assessment of future price developments, conditions affecting the conduct of monetary policy and circumstances affecting the conditions for attaining the price stability objective and for giving consideration to the real economy
- other activities by the Riksbank.

During 2024, the Riksbank was one of Sweden's most visible and widely publicised public authorities in the media. As the Riksbank has little direct contact with the public, the media play an important role in reaching the public with the decisions the Riksbank makes and the reasons for them. Verian continuously monitors the Riksbank's presence in Sweden's largest media and, in 2024, the number of mentions of the Riksbank decreased by nine per cent compared with the previous year. Members of the Executive Board were involved in 23 per cent of the publicity, largely because monetary policy receives great attention from the media and members of the Executive Board often give speeches followed by media interviews. During the year, members visited Borlänge, Gävle, Helsingborg, Karlskrona, Lund, Malmö, Norrköping, Sala, Skellefteå, Uppsala, Varberg, Visby and Växjö. In November, the monetary policy meeting was held at the Riksbank's local office in Falun, followed by a press conference. Media impact for the messages in the Monetary Policy Reports reached the target level over the year.

It should be easy to scrutinise what the Riksbank does and the Riksbank's external website riksbank.se is therefore of great importance for external communication. The Riksbank also has official accounts on social media such as LinkedIn, X and Facebook, where posts and videos are published and questions answered. To understand how the content and design of the website can be developed and adapted to meet the expectations and requirements of different target groups, the Riksbank conducted a target group survey among users during the year. A clear majority found the content to be trustworthy, up-to-date and relevant.

The Riksbank's communication work in 2024 was dominated by its monetary policy decisions. In 2024, the number of monetary policy meetings was increased from five to eight, which means more communication events per year. The focus was on explaining the gradual shift in monetary policy from last year's need to raise interest rates to gradual but rapid policy rate cuts as inflation approached the target. The communication on financial stability focused on stability risks, which have declined in the near term although geopolitical risks are creating uncertainty, and on the challenges in the

Swedish financial system, not least with regard to household indebtedness and the property sector. The Riksbank also made communication efforts to encourage the general public to strengthen their payment preparedness and to encourage central government and the banks to take greater responsibility for the payment market in general and the cash chain in particular.

### *Confidence rises as inflation falls towards target*

To monitor how confidence in the Riksbank is developing among various target groups and the general public, the Riksbank uses regular external surveys. Verian measures confidence every four months through questions to an online panel representative of the general public. They also make an annual survey of the reputations of other Swedish public authorities. Other annual surveys include MedieAkademin's trust barometer and the SOM Institute's survey, which compares public trust in a number of different institutions and organisations in Sweden.

In 2024, Verian's four-monthly surveys showed that public trust in the Riksbank increased over time. The average percentage of respondents who replied that they had very or fairly high trust in the Riksbank's way of conducting its work increased from 38 per cent in 2023 to 51 per cent. Those who said they had high trust in the Riksbank justified it mainly by saying that they perceived the Riksbank as competent and professional. The increase in public trust in the Riksbank was confirmed by the outcome of Verian's reputation index.

## **IT and digitalisation**

### *Increased digitalisation through increased skills and new IT support*

During the year, the Riksbank's work on increasing digitalisation continued apace. This included the introduction of new IT tools to support new ways of working. IT operations were also expanded with new expertise in key areas, including a focus on cybersecurity, IT architecture and data analytics. To enable future development, strategic work was initiated with a focus on the application of AI, legal conditions for the wider use of cloud services and outsourcing models. Changes in the payment market, increasing cyber threats and the development of analytical capacity were important themes in the close collaboration between operations and IT.

In parallel, work continued on providing the Riksbank's employees with a better digital workplace for hybrid work and on equipping workplaces in the new HK Klara office.

To increase the Riksbank's ability to implement IT changes at a faster pace, IT operations developed their processes and increased their use of agile and cross-functional approaches in line with the Riksbank's strategic plan. These approaches are used in analytics and other areas with a high rate of change and development. The result was a marked increase in the number of changes that

developed the IT support and management of the IT environments, while maintaining operational stability.

### *Prioritising the strengthening of the Riksbank's cyber protection*

Strengthening the Riksbank's cyber protection and capabilities in cybersecurity and preparedness was given priority over the year. The Riksbank, together with other actors from the financial sector and the electronic communications sector, participated in the world's largest cybersecurity exercise, the NATO-wide exercise Locked Shields. Around 4,000 participants from more than 40 nations, both NATO members and partner countries, practised their ability to deal with cyber threats and a major realistic cybersecurity incident.

For the first time, the Riksbank also organised a cybersecurity competition, the Riksbank's Online Cybersecurity Challenge Summit. The aim of the competition was to encourage actors in the Swedish financial sector to practise and strengthen their competence in dealing with cyber threats and also to clarify the Riksbank's role in the field of cybersecurity. In addition to the Riksbank, 15 other organisations from the Swedish financial sector participated. It is hoped that the competition will become annual and be held during Cybersecurity Awareness Month in October, both in Sweden and internationally.

## **Sustainability and the environment**

### *Increased focus on sustainability in internal operations in 2024*

The Riksbank is adapting its sustainability work to the risks posed by the consequences of climate change. Like all organisations, the Riksbank also needs to ensure that its own activities generate as little negative environmental and climate impact as possible.

In the autumn, work began on a climate risk analysis for the main office with the ultimate aim of strengthening preparedness and physical security. During the same period, the main office received a modern waste and recycling system.

The Riksbank established a new function of sustainability manager in 2024. Efforts to coordinate internal sustainability work thereby intensified. A number of policy documents covering different sustainability aspects were updated, in particular the previous environmental policy was replaced by a new sustainability policy. We also initiated an in-depth survey of the organisation's significant risks and impact on the environment, climate and society. The outcome of this work will provide the starting point in the prioritisation of measures. The Riksbank also started work on introducing an environmental management system in the organisation. This will make it easier to survey and structure the organisation's internal environmental work.

Sustainability and the environment are important aspects of the Riksbank’s external agreements. For example, the food served in the staff restaurant has sustainable standards, with a calculated carbon footprint per meal and certified ingredients. Several strategic procurements during the year had a specific focus on sustainability requirements.

The Riksbank continued to participate in several international networks with sustainability and climate as their working areas and that provide valuable knowledge exchange and new partnerships. For example, the Riksbank, together with the central banks of Croatia and Italy, developed recommendations on sustainable construction, energy and renovation for central bank premises. The Riksbank also took the initiative to form a Nordic network for the exchange of experiences in operational internal sustainability work. This led to valuable dialogues on issues such as climate calculation and sustainability reporting (see also the chapter International cooperation).

### *Aware and engaged employees*

The Riksbank encourages all employees to make an active contribution to reducing the negative environmental and climate impact by providing knowledge and understanding of how individual employees can make a positive contribution. During the year, new employees were trained in sustainability in the induction programme. A new information page was launched on the Riksbank’s intranet and several texts on sustainability and the environment were published to inspire and inform staff.

In order to reduce the organisation’s greenhouse gas emissions from business travel, clarification was made to the Riksbank’s business travel rule. However, emissions from official travel increased by 7.5 per cent and the Riksbank is analysing the reasons for this increase. Energy consumption at the main office has decreased by around 8 per cent since 2023 (see Table 8).

**Table 8 Metrics for monitoring environmental sustainable development**

	2021	2022	2023	2024
Carbon dioxide emissions from official travel (tonnes), total per employee	0.08	1.15	1.73	1.86
Total energy consumption (MWh)	5,785	5,549	5,754	5,296
Total energy consumption per employee (MWh per square metre)	14.6 (0.22)	13.1 (0.21)	12.6 (0.22)	11.0 (0.20)

Note: ‘Employee’ refers here to the average number of labour units. Energy consumption refers only to the Riksbank building.

Source: The Riksbank.

## **Workplace and employees**

### *Renovation and remodelling of the Riksbank's main office*

The Riksbank has been planning to renovate and remodel its main office for some time. As the Riksbank owns the building, it is also the developer.

The technical systems of the property, such as heating, ventilation and electricity, are in dire need of renovation as many of them date from the year of construction of the property in 1976. The renovation of lifts and plumbing started in 2024 due to urgent requirements. In addition, there is a need to modernise and adapt premises and workplaces to contribute to the Riksbank's new way of working in accordance with the strategic plan for 2024–2027.

The physical inventory of the building and its technical systems could not be started until the end of 2024, after the finalisation of consultancy tenders and the establishment of a secure IT environment for the actual planning and design of the refurbishment. The inventory showed that the renovation of the technical systems is expected to be more extensive and have a greater impact on operations than previously anticipated. The high architectural value of the main office, a grade I listed building, and its high security requirements, both during remodelling and in the fully renovated building, add to the complexity of the project. The building is also located in an inner-city environment and must be adapted to current accessibility and health and safety requirements.

In the renovation, sustainability aspects are an important and guiding parameter and reuse is an important principle. The Riksbank works on the basis of the international BREEAM In-Use system, which provides good conditions for systematically capturing sustainability aspects. After the renovation, modern, more energy-efficient technical systems will lead to lower energy consumption.

An independent and advisory function with skills in areas such as property projects in an urban environment, the building's architectonic value, and government redevelopment projects will be established in 2025. The function will support the Executive Board and the project's steering group in making cost-conscious decisions on how to manage and implement the renovation and refurbishment.

### *Recruitment and skills supply*

Over the past four years, the Riksbank's workforce has grown by around 130 people (110 full-time equivalents). In 2024, 537 persons were employed (corresponding to an average of 482 full-time equivalents). Women accounted for 49 per cent and men for 51 per cent. Around 47 per cent of managers were women and 53 per cent were men. Staff turnover was 10 per cent. 99 recruitments were made in 2024, including one head of department.

The Riksbank has a relatively strong position as an employer in the financial field but is finding it more difficult to find employees in those parts of its operations that are not as clearly linked to its core tasks, for example people with IT skills. Partly as a result of this, the Riksbank began to

investigate how to improve its employer brand during the year. We plan to start by targeting selected groups.

### *A learning organisation*

The Riksbank is a knowledge organisation with complex activities that require competence development to be adapted to the various areas of activity. Several developmental and training activities were organised during the year. To develop staff competences in cybersecurity and information security, we invested, among other things, in a mandatory digital training series concluding with a test.

In the spring, a training programme in central banking was again held, in which staff members gave lectures on what a central bank is and what role it plays in monetary policy, financial stability, markets and payments. The programme is offered annually to a limited number of participants. We also worked on our culture and what it means to be a civil servant by providing information about the laws and regulations with which the Riksbank needs to comply. All employees also completed the Swedish Agency for Public Management's e-learning programme *Your role in central government*.

The Riksbank strives to provide managers with good conditions for exercising good leadership and so regularly offers leadership development programmes for newly appointed managers. All managers are offered annual health and safety training and targeted management training.

This year, 87 new employees were invited to our introduction programme, which includes several different sessions focusing on the new strategic plan, the principle of public access to official records, the working environment and information management, and security at the Riksbank. All new staff also attended a half-day training programme on the theme of self-leadership, feedback and how to build teams based on skills and experience.

We encourage all staff to regularly attend internal knowledge seminars specialists talk about their fields.

### *Working environment 2024*

In 2024, a new employee survey tool was introduced with the aim of streamlining the surveys and tracking three new indices: dedication (8.0/10.0), well-being (7.0/10.0) and Employee Net Promoter Score (eNPS, 33 on a scale of -100 to +100). The survey showed that we feel a strong sense of belonging in our teams but that we need to work more on streamlining and simplifying our processes. As part of the work on the results of the employee survey, we focused on the psychosocial working environment and held unit-based discussions on dilemmas connected to the theme of victimisation.

For the third year in a row, the Riksbank won the Nyckeltalsinstitutet's prize for the best health index and was ranked first among employers with good working conditions and healthy employees. Absenteeism due to sickness remained low at 1.44 per cent in 2024.

## Asset management

According to Chapter 9, Section 1 of the Sveriges Riksbank Act, the Riksbank's asset management shall fulfil the following general provision.

- The Riksbank shall manage assets for the purpose of fulfilling its tasks and powers of authority and generate sufficient income to finance its operations.

The assets shall be managed with low risk and taking into account the Riksbank's status as a central bank and the purpose of the asset holdings.

In the management, particular weight shall be attached to how sustainable development can be promoted without waiving the requirements of the first and second paragraphs.

According to Chapter 10, Section 1 of the Sveriges Riksbank Act, the Riksbank shall hold foreign currency assets (foreign currency reserves).

*In 2024, the Riksbank's reported result amounted to SEK 36 million. The positive result is mainly explained by realised exchange rate gains and a positive net interest income. The Riksbank's total result, which includes both realised and unrealised results, amounted to SEK 47.3 billion. The increase in the price of gold and the depreciation of the krona during the year are the main reasons for the unrealised result.*

*At the start of 2024, the Riksbank's equity was less than one third of the statutory target level. Therefore, in accordance with the law in force at the time, the Riksbank petitioned the Riksdag for a capital injection. In June 2024, the Riksdag decided to give the Riksbank a capital injection of SEK 25 billion, which was paid out in September.*

*With this capital injection and the reported result for the year, equity is expected to amount to SEK 23 billion after the General Council has decided on the allocation of the result for the financial year 2024. Equity will then be below the target level, which is calculated at SEK 63.1 billion. At the same time, the items equity and revaluation accounts excluding gold value effects totalled SEK 76.1 billion.*

### **Financial assets and liabilities**

Most of the Riksbank's financial assets are made up of the gold and foreign currency reserves. This ensures that the Riksbank, if necessary, can supply temporary liquidity support in foreign currency and intervene in the foreign exchange market. The foreign currency reserves consist of debt securities in foreign currencies with high liquidity and low credit risk, primarily government bonds.

Another large share of the assets consists of securities in Swedish kronor purchased for monetary policy purposes. In 2015, the Riksbank began buying Swedish government bonds to counteract the low level of inflation. After the

outbreak of the coronavirus pandemic, the Riksbank also bought other Swedish securities to support the economy and counteract problems in the financial markets.

The Riksbank's assets also include receivables from the International Monetary Fund (IMF). Part of the Riksbank's receivables from the IMF is the holding of special drawing rights (SDR) and the remaining receivables consist of loans to the IMF.

The Riksbank's financial liabilities mostly consist of the banking system's claims in Swedish krona on the Riksbank. This is mainly because the Riksbank borrows Swedish kronor from the banking system to finance its holdings of Swedish and foreign securities.

The Riksbank also has a liability to the IMF corresponding to the value of the SDR the Riksbank has been allocated by the IMF. In addition, the Riksbank has a liability to the Swedish National Debt Office consisting of foreign currency that the Debt Office has borrowed to fund parts of the Riksbank's lending to the IMF.

At the end of the year, the value of the Riksbank's financial assets was SEK 1,138.0 billion (see Table 9). The total return on the Riksbank's financial assets and liabilities amounted to SEK 47.4 billion.

**Table 9 The Riksbank's financial assets and liabilities at the end of 2024**

*SEK million*

	Assets	Liabilities	Return		Total
			Interest	Currency	
<b>Gold and foreign currency reserves</b>	<b>577,560</b>	–	<b>9,339</b>	<b>56,523</b>	<b>65,862</b>
Gold reserves	117,472	–	–	33,544	33,544
Foreign currency reserves	460,088	–	9,339	22,979	32,318
<b>Derivative instruments</b>	–	<b>4,369</b>	<b>–1,410</b>	–	<b>–1,410</b>
<b>Foreign currency loans</b>	–	<b>5,183</b>	<b>–137</b>	<b>197</b>	<b>60</b>
<b>IMF</b>	<b>123,038</b>	<b>93,877</b>	<b>1,065</b>	<b>1,342</b>	<b>2,407</b>
<b>Monetary policy instruments</b>	<b>437,409</b>	<b>790,942</b>	<b>–19,478</b>	–	<b>–19,478</b>
Securities in SEK	437,297	–	14,663	–	14,663
Standing facilities	112	236,830	–4,904	–	–4,904
Riksbank Certificates	–	554,112	–29,237	–	–29,237
<b>Total</b>	<b>1,138,007</b>	<b>894,371</b>	<b>–10,621</b>	<b>58,062</b>	<b>47,441</b>

Note: The table shows financial assets and liabilities on the Riksbank's balance sheet. The calculation of the return is based on both assets and liabilities and is reported in the table for the Riksbank's net receivables.

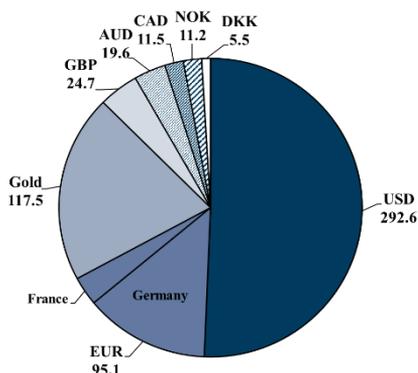
Source: The Riksbank.

## Gold and foreign currency reserves

The gold and foreign currency reserves shall be managed so that the Riksbank is always ready to fulfil its commitments. The Riksbank's preparedness to provide temporary liquidity support in foreign currency at short notice, to intervene in the foreign exchange market and fulfil Sweden's commitments to the IMF places strict demands on the assets in the foreign currency reserves. The reserves therefore consist mainly of assets that can be rapidly converted into liquid funds, mainly government bonds in US dollars and euros. In addition, the reserves are designed to diversify the Riksbank's financial risks and provide a long-term return that helps to safeguard the Riksbank's financial independence. At the end of the year, the total market value of the gold and foreign currency reserves amounted to SEK 577.6 billion (see Chart 8).

**Chart 8 Composition of the gold and foreign currency reserves at the end of 2024**

SEK billion



Note: The chart shows the market value of the gold and foreign currency reserves, including accrued interest.

Source: The Riksbank.

### *No major changes in gold and foreign currency reserve assets*

The Executive Board decides on a financial risk and investment policy that establishes the principles for investments in the gold and foreign currency reserves (Chapter 9, Section 2 of the Sveriges Riksbank Act). The policy sets out the guidelines and restrictions on management. For example, it specifies which currencies and assets the Riksbank should hold in the foreign currency reserves in order to have good preparedness, low risk and sufficient earnings. The guidelines also set out how sustainability should be considered in asset management.

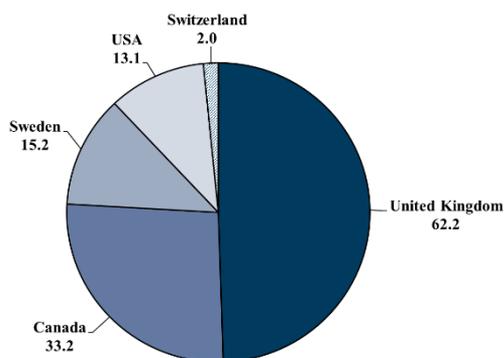
In 2024, the currency allocation and interest rate sensitivity of the foreign currency reserves decided in mid-2023 were maintained. However, during the year the Riksbank initiated a review of the management of the gold and foreign

currency reserves due to the Riksbank's equity being below the target level and the provisions of the new Sveriges Riksbank Act. The review focused on the management model and decision-making process for the composition of the gold and foreign currency reserves and aimed to take greater account of the Riksbank's balance sheet as a whole and the need for earnings. The results of this work will be applied to future decisions on the composition of the gold and foreign currency reserves in early 2025.

Since the end of 2009, the Riksbank's gold reserve has amounted to 125.7 tonnes of gold. The gold is a financial asset that, like the foreign currency reserves, aims to ensure that the Riksbank can carry out its tasks. The Riksbank's gold reserve is stored by the central banks in the United Kingdom, Canada, the United States and Switzerland, as well as at the Riksbank's own depot in Sweden according to the allocation illustrated in Chart 9. To ensure that the gold reserve can be converted at very short notice, almost half of the reserve is held in the United Kingdom, where the most liquid market for gold is located. As in previous years, the Riksbank also stored gold on behalf of one other central bank in 2024.

**Chart 9 Storage of the gold reserves at the end of 2024**

*Tonnes*



Source: The Riksbank.

*The hedging of part of the foreign currency reserves was fully implemented*

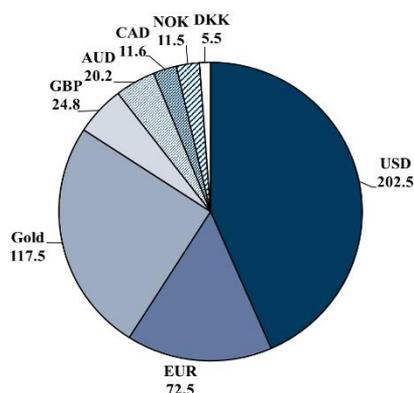
The value of the foreign currency reserves in Swedish kronor is affected by changes in exchange rates, which means that the Riksbank is exposed to currency risks. These account for a large share of the Riksbank's total financial risks. To maintain sound risk management, the Riksbank decided in 2023 to reduce the currency risks by hedging part of the foreign currency reserves. This hedging started in autumn 2023 and was fully implemented by the end of January 2024. Since the end of January 2024, around a quarter of the foreign

currency reserves have thereby been hedged. The measure is aimed at limiting the Riksbank's losses if the krona appreciates and does not have a monetary policy purpose. The Riksbank will continue the hedging until the Executive Board decides otherwise.

The Riksbank's currency hedging contributes to the difference between the currency exposure of the gold and foreign currency reserves and the asset allocation. Chart 10 shows the currency exposure at the end of year.

**Chart 10 Currency exposure of the gold and foreign currency reserves at the end of 2024**

SEK billion



Note: The chart shows the currency exposure of the gold and foreign currency reserves including accrued interest. The calculation of the currency exposure is based on both assets and liabilities (including derivative instruments) and is reported for the Riksbank's net receivables.

Source: The Riksbank.

### *Positive return on the gold and foreign currency reserves*

Over the year, the return on the gold and foreign currency reserves amounted to SEK 65.9 billion or 12.8 per cent. The largest contribution to the return came from the gold reserve. The gold price in US dollars increased by 27.1 per cent and, as the krona weakened against the dollar, the value of the gold reserve expressed in kronor increased by 40.0 per cent or SEK 33.5 billion.

The currency return on the foreign currency reserves amounted to SEK 23.0 billion. The positive currency return is mainly due to the weakening of the krona against the US dollar and the euro, but also against other currencies in the foreign currency reserves. Through the currency hedging transactions, which aim to reduce the Riksbank's currency risks, foreign exchange gains of SEK 2.2 billion were realised. However, the weakening of the krona towards the end of the year meant that the currency hedging made a negative contribution to returns.

The interest return on the foreign currency reserves amounted to SEK 9.3 billion. The positive interest return is mainly due to interest income on foreign

bond holdings. The total return on the foreign currency reserves amounted to SEK 32.3 billion or 7.4 per cent.

### **The Riksbank's financial commitment to the IMF**

According to Chapter 6, Section 2 of the Sveriges Riksbank Act, the Riksbank may be a financial counterparty to the IMF. The Riksbank may also acquire SDR and fulfil the obligations arising from Sweden's participation in the IMF's SDR system. Chapter 6, Sections 3 and 4 of the Sveriges Riksbank Act describe the Riksbank's powers in this work.

The Riksbank contributes towards the funding of the IMF via capital contributions and arrangements to borrow and, for many years, has been prepared to use the gold and foreign currency reserves to fulfil its commitments in relation to the Fund (see Table 10). Since January 2023, new lending to the IMF has been funded by borrowing from the Swedish National Debt Office. The value of this borrowing amounted to SEK 5.2 billion at the end of the year.

**Table 10 The Riksbank's remaining financial commitment to the IMF**

*SDR and SEK, million*

	31 Dec 2024		31 Dec 2023	
	SDR	SEK	SDR	SEK
Special Drawing Rights (SDR)	12,625	181,472	12,654	170,689
Capital contribution (quota)	3,277	47,106	3,175	42,824
New Arrangements to Borrow	4,511	64,847	4,507	60,794
Credit agreement	3,188	45,825	3,188	43,004
Poverty Reduction and Growth Trust	650	9,343	696	9,385
<b>Total remaining commitment</b>	<b>24,251</b>	<b>348,593</b>	<b>24,220</b>	<b>326,696</b>

Note: The commitment for SDR is calculated as an allocated amount plus twice the allocated amount less the Riksbank's holdings of SDR. According to the IMF Articles of Agreement, the Riksbank can be obliged to buy SDR for foreign currency at an amount that means that the Riksbank's total holding of SDR amounts to a maximum of 300 per cent of the ordinary allocation. See also Notes 2, 21 and 43 in the Balance sheet and profit and loss account for a more detailed account of the commitment to the IMF. Source: The Riksbank.

Over the year, the Riksbank's receivables from the IMF increased by SEK 7.0 billion to SEK 123.0 billion (see Table 9). This was mainly due to the weakening of the krona against the basket of currencies on which the valuation of SDR is based. In the same way, the Riksbank's liability to the IMF increased by SEK 5.6 billion and amounted to SEK 93.9 billion at the end of the year. The interest return on net receivables amounted to SEK 1.1 billion over the year. The Riksbank's commitments to the Fund are described in more detail in the sections International operations and Balance sheet and profit and loss account.

## Monetary policy instruments

According to Chapter 1, Section 6 and Chapter 2, Section 4 of the Sveriges Riksbank Act, the Riksbank may, as part of its monetary policy powers, buy and sell Swedish government securities on the secondary market. As part of the normalisation of its balance sheet, the Riksbank has been selling Swedish nominal and real government bonds since April 2023. In January 2024, the Executive Board decided to increase the pace of sales of nominal government bonds (see also the chapter Sustainably low and stable inflation). Overall for the year, sales and maturities contributed to the holdings of Swedish securities decreasing by a nominal SEK 198.4 billion (see Table 11).

**Table 11 The Riksbank's holdings of Swedish securities at the end of 2023 and 2024 respectively and change in holdings during 2024**

*SEK million*

	<b>Holdings 31 Dec 2023</b>	<b>Sales 2024</b>	<b>Maturities 2024</b>	<b>Holdings 31 Dec 2024</b>
Government bonds	252,531	62,220	–	190,311
Covered bonds	279,600	–	107,848	171,752
Municipal bonds	93,284	–	25,505	67,779
Corporate bonds	6,794	–	2,798	3,996
<b>Total</b>	<b>632,209</b>	<b>62,220</b>	<b>136,151</b>	<b>433,838</b>

Note: The table shows the nominal value of sales, maturities and holdings of Swedish securities.

Source: The Riksbank.

### *Positive return on holdings of securities in Swedish kronor*

The total market value of the Riksbank's holdings of Swedish securities amounted to SEK 437.3 billion at the end of the year. Over the year, the return on the securities amounted to SEK 14.7 billion or 2.6 per cent. The return is mainly explained by the reversal of part of previous years' securities write-downs as interest income. In addition, the value of the holding was positively affected by the fall in Swedish market rates during the year.

### *Sales and maturities of Swedish securities reduced the banking system's claims on the Riksbank.*

The Swedish banking system has a liquidity surplus in relation to the Riksbank, which was mainly due to the Riksbank having purchased Swedish securities from the banks. In the same way as the Riksbank's purchases of Swedish securities increase the liquidity surplus in the banking system, the surplus decreases when the Riksbank's holdings of Swedish securities decrease. As the Riksbank sold Swedish securities and some of the holdings matured, the liquidity surplus and thus the banking system's claims on the Riksbank decreased in 2024. The liquidity surplus also decreased when the Swedish government paid out SEK 25 billion in a capital injection to the Riksbank.

Banks that are monetary policy counterparties to the Riksbank may deposit the liquidity surplus with the Riksbank via two different monetary policy instruments – either in a standing deposit facility overnight or in Riksbank Certificates with a maturity of one week. At the end of the year, total placings from the banking system at the Riksbank amounted to SEK 790.9 billion, which is SEK 196.2 billion less than the previous year. The banking system’s placings constitute an interest-bearing liability for the Riksbank and, as a result of the positive policy rate, the Riksbank’s interest expenses for the placings amounted to SEK 34.1 billion.

## **Reported result and equity**

The Riksbank’s equity is regulated by Chapter 8, Sections 8–15 of the Sveriges Riksbank Act. The target level for equity is a maximum of SEK 60 billion, unless the Riksdag decides otherwise (Section 9). The target level shall be recalculated each year in accordance with the annual percentage change in the CPI published by Statistics Sweden (Section 10). On 31 December 2024, the target level amounted to SEK 63.1 billion. According to the legal requirement that ceased to apply after 31 December 2024, the Riksbank should submit a petition to the Riksdag to restore equity if its equity was lower than one third of the target level (Section 15).<sup>2</sup>

For the Riksbank to be financially independent, its results need to be positive over time. Put simply, the Riksbank achieves a positive result when income is greater than costs. The Riksbank’s income consists mainly of interest income from interest-bearing assets. The costs consist partly of management costs and partly of value changes affecting the reported result and interest expenses from the interest-bearing part of the Riksbank’s liabilities.

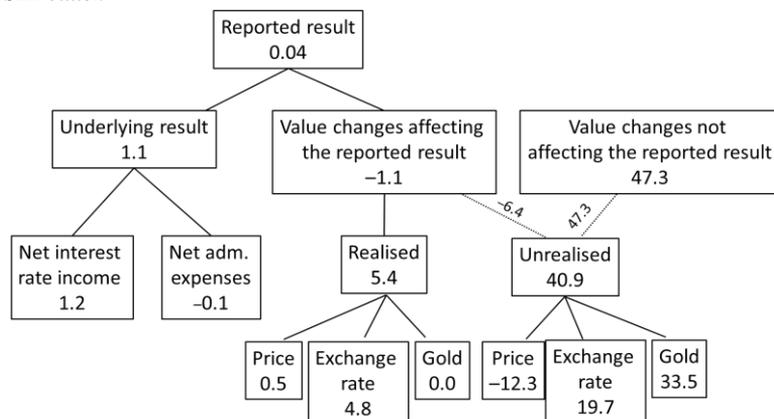
When the result is positive, equity can be built up using the Riksbank’s own resources. The target level of equity was SEK 62.6 billion for the financial year 2024. At the beginning of 2024, equity was SEK –2 billion, which is to say below the minimum level.<sup>3</sup> Therefore, in accordance with the law in force at the time, the Riksbank petitioned the Riksdag for a capital injection. In June 2024, the Riksdag decided to give the Riksbank a capital injection of SEK 25 billion, which was paid out in September. For the financial year 2024, the reported result is SEK 36 million and equity after the allocation of the result is expected to be SEK 23 billion.

<sup>2</sup> An act amending the Sveriges Riksbank Act (2022:1568) entered into force on 1 January 2025 (see the section Capital injection and legislative amendment).

<sup>3</sup> The minimum level is one third of the target level.

**Figure 2 Composition of the Riksbank's reported result**

SEK billion



The reported result can be broken down into an underlying result of SEK 1.1 billion and SEK –1.1 billion in value changes affecting the reported result. The underlying result is mainly due to a positive net interest income and the value changes affecting the reported result are mainly due to realised exchange rate gains. At the same time, the result was dampened by unrealised price losses on the Riksbank's assets in Swedish kronor and foreign currency.

### *Underlying result*

The underlying result includes interest income on assets, interest expenses on liabilities, other income such as fees and the cost of running the Bank's operations. The sum of interest income and interest expenses is called net interest income, while the sum of fees, for example from the RIX system, and costs for running the Bank's operations is called net administrative income. Net interest income benefits from the fact that part of the Riksbank's liability side is interest-free. Among other things, the Riksbank's interest-free debt includes equity and banknotes and coins in circulation. Banknotes and coins in circulation contribute to the part of net interest income known as seigniorage.

On the interest-bearing part of the liability, the Riksbank pays interest that is very closely linked to the policy rate. For much of the year, the policy rate was higher than the return the Riksbank received on its assets. Together with the low proportion of interest-free debt, this meant that the Riksbank's net interest income was low in 2024.

As the underlying result is not directly affected by changes in value, it is relatively stable and thus a relatively better indicator of the Riksbank's long-term financial position. Over the past ten years, the underlying result has averaged SEK 2.5 billion per year, of which net interest income has contributed SEK 3.1 billion per year on average. For 2024, the underlying

result was SEK 1.1 billion, of which net interest income contributed SEK 1.2 billion.

### *Changes in value*

The Riksbank records its assets at market value in accordance with the ESCB accounting guidelines. As a result, the reported value of assets is affected by changes in market prices such as exchange rates and interest rates. When bond yields fall, the market price of bonds rises and vice versa. This gives rise to so-called price gains or price losses. When the krona weakens, the value of foreign assets in krona terms rises and vice versa, giving rise to exchange rate gains or losses. Changes in the value of the Riksbank's assets may be realised or unrealised. Realised changes in value occur when assets are sold and result in a cash flow. Unrealised changes in value show what the realised profit or loss on an asset would be if it were realised, i.e. sold at the current market price. As long as the Riksbank does not sell the asset, no cash flow arises as a result of the change in value but it can still affect the result.

Only changes in value in the form of realised gains and losses and unrealised losses leading to write-downs are included in the reported result. Total changes in value leading to unrealised gains are instead booked against revaluation accounts.<sup>4</sup> The total value changes affecting the reported result were SEK –1.1 billion, of which SEK 5.4 billion are realised gains and SEK –6.4 billion are unrealised losses (see Figure 2).

#### **Realised changes in value**

Realised changes in value amounted to SEK 5.4 billion and consisted mainly of realised foreign exchange gains (SEK 4.8 billion) and price gains corresponding to SEK 0.5 billion. The depreciation of the krona against the US dollar and the euro led to foreign exchange gains on the sale of assets denominated in these currencies, which mainly explains the realised foreign exchange gains. Lower interest rates in Sweden gave rise to price gains on the sale of Swedish government bonds, which mainly explains the realised price gains.

#### **Unrealised changes in value**

The unrealised changes in value were SEK 40.9 billion. Of this, SEK 33.5 billion consisted of unrealised gold price gains as the gold price in Swedish kronor rose. The unrealised changes in the price of the Riksbank's Swedish and foreign assets amounted to SEK –12.3 billion. Of these, write-downs of foreign assets contributed SEK –5.7 billion and write-downs of Swedish assets contributed SEK –0.6 billion, which affected the result. The unrealised exchange rate changes, across all foreign currencies, were SEK 19.7 billion.

<sup>4</sup> See Submission to the Riksdag 2023/24:RB1 Annual report for Sveriges Riksbank 2023.

The Swedish krona strengthened against the Norwegian krone during the year. This led to the market value of the Norwegian assets falling below the acquisition value, which in turn led to a write-down of the Riksbank's Norwegian assets by almost SEK 0.2 billion. Of the total unrealised exchange rate changes, only these affect the reported result.

### *Reported result*

The total reported result (SEK 36 million) is the sum of the underlying result (SEK 1.1 billion) and changes in value transferred to the result (SEK –1.1 billion).

### *Capital injection and legislative amendment*

The Riksbank's capital consists of equity, unrealised gains on revaluation accounts and funds previously allocated for financial risks, known as financial risk provisions.

### **The Riksbank received a capital injection of SEK 25 billion**

At the end of 2023, the Riksbank's equity was SEK –18 billion. As equity at that time was below the statutory minimum level, the Riksbank was obliged by law to submit a petition to the Riksdag for a restoration of equity.

The Riksbank therefore petitioned for a capital injection of SEK 43.7 billion to restore equity to the base level. In June, the Riksdag decided on a capital injection of SEK 25 billion. In connection with this, the Riksdag also decided to investigate the conditions for the Riksbank's funding. In September, the capital injection was paid out, increasing equity from SEK –2 billion to SEK 23 billion. The result for the year means that equity will increase by a further SEK 36 million.

### **Amendment to the Sveriges Riksbank Act improves the Riksbank's self-financing**

In December 2024, the Riksdag decided on an amendment to the Sveriges Riksbank Act that clarifies the conditions for the Riksbank's funding. The legal amendment that entered into force on 1 January 2025 means that it should be possible, rather than obligatory, for the Riksbank to submit a petition to the Riksdag for the restoration of equity. The legal amendment also provides that unrealised gains (excluding increases in the value of the gold reserve) shall be fully taken into account when assessing whether a petition may be submitted and when calculating the amount to which a petition should relate in such a case.

Furthermore, the amendment means that the Riksbank, if its equity is below the target level, is entitled to require that a proportion of the credit institutions' deposits and liabilities at the Riksbank shall correspond to interest-free deposits. The maximum amount of interest-free deposits is such that the sum of deposits, equity and any reserve requirements for monetary policy purposes

equals the target level of equity. In the autumn, the Riksbank began investigating how the deposit requirement will be implemented and intends to introduce it in the second half of 2025.

#### **No risk provisions for 2024**

No risk provisions are made for 2024. The Riksbank's assessment is that a build-up of equity will better fulfil the Riksbank's need for a capital buffer this year than provisions will. As there is no existing provision for financial risks, the capital currently consists only of equity and unrealised gains on revaluation accounts.

# BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

## Summary

### **Balance sheet**

In 2024, the Riksbank's total balance sheet decreased by SEK 116,276 million, mainly as a result of sales and maturities of the Riksbank's securities holdings in Swedish kronor. The market value of gold and foreign securities holdings rose sharply in 2024 as the price of gold increased and the krona depreciated.

In September 2024, the Riksbank received a capital injection of SEK 25,000 million. This increased equity and reduced the liability to banks recognised under the items 'Deposit facility' and 'Debt certificates issued'.

The table below summarises the Riksbank's balance sheet and how it has changed since last year.

To avoid discrepancies in comparison with the balance sheet items presented in the section 'Asset management', accrued interest has been allocated to the relevant asset and liability item.

## The Riksbank's assets and liabilities

SEK million

	2024	2023	Change
<b>Assets</b>			
Gold	117,472	83,928	33,544
Receivables from the IMF	123,038	116,078	6,960
Foreign currency reserves <sup>1</sup>	460,088	418,915	41,173
Lending facility	112	213	-101
Securities denominated in Swedish kronor	437,297	629,927	-192,630
Other assets	1,415	6,637	-5,222
<b>Total assets</b>	<b>1,139,422</b>	<b>1,255,698</b>	<b>-116,276</b>
<b>Liabilities</b>			
Banknotes and coins in circulation	57,094	58,462	-1,368
Deposit facility	236,830	246,516	-9,686
Debt certificates issued	554,112	740,653	-186,541
Liabilities to the Debt Office in foreign currency <sup>2</sup>	5,183	2,606	2,577
Deposit repos in foreign currency	-	3,374	-3,374
Counterpart for Special Drawing Rights	93,877	88,231	5,646
Other liabilities	10,010	6,017	3,993
Provisions	563	426	137
Revaluation accounts	158,708	111,404	47,304
Equity	23,009	-18,182	41,191
Result for the year	36	16,191	-16,155
<b>Total liabilities</b>	<b>1,139,422</b>	<b>1,255,698</b>	<b>-116,276</b>

<sup>1</sup> The item 'Foreign currency reserves' consists of balances with banks, loans and security investments, which are reported in the balance sheet under the heading 'Claims on residents outside Sweden denominated in foreign currency'.

<sup>2</sup> The liability to the Swedish National Debt Office is reported in the balance sheet under the item 'Liabilities to residents of Sweden denominated in foreign currency'.

## Profit and loss account

The Riksbank's result, according to the profit and loss account for 2024, amounted to SEK 36 million, which is SEK 16,155 million lower than the year before. The total result, which also includes unrealised changes in value, amounted to SEK 47,340 million, which is SEK 36,308 million more than the corresponding period 2023. The improvement in the total result is mainly due to the sharp rise in the market value of gold and foreign securities holdings in 2024 as the gold price increased and the krona depreciated.

Administrative costs amounted to SEK -1,347 million, which is 91 per cent of the annual budget.

The table below shows the Riksbank's total result broken down into its main asset classes, i.e. gold, foreign currency reserves and securities in

Swedish kronor. The result for each asset class includes unrealised gains and losses reported in the revaluation account in the balance sheet. If the unrealised result is excluded from the total result, the result corresponds to that reported in the Riksbank's profit and loss account.

### The Riksbank's result

SEK million

	2024	2023	Change
<b>Gold</b>	<b>33,544</b>	<b>7,440</b>	<b>26,104</b>
<i>Unrealised result due to change in gold price</i>	33,544	7,440	26,104
<b>Foreign currency reserves<sup>3</sup></b>	<b>30,908</b>	<b>15,248</b>	<b>15,660</b>
Net interest income	16,040	17,065	-1,025
<i>Realised result due to change in interest rates</i>	-426	397	-823
<i>Unrealised result due to change in interest rates</i>	-1,966	3,361	-5,327
<i>Write-down due to change in interest rates</i>	-5,670	-970	-4,700
<i>Realised result due to change in exchange rate</i>	4,529	16,282	-11,753
<i>Unrealised result due to change in exchange rate</i>	18,624	-20,858	39,482
<i>Write-down due to change in exchange rate</i>	-174	-	-174
<i>Fees</i>	-49	-29	-20
<b>Securities denominated in Swedish kronor</b>	<b>14,663</b>	<b>29,014</b>	<b>-14,351</b>
<i>Net interest income</i>	18,429	23,131	-4,702
<i>Realised result due to change in interest rates</i>	931	-477	1,408
<i>Unrealised result due to change in interest rates</i>	-4,117	6,766	-10,883
<i>Write-down due to change in interest rates</i>	-580	-406	-174
<b>Claims on banks in Swedish kronor<sup>4</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Interest income</i>	0	0	0
<b>Liabilities to banks in Swedish kronor<sup>5</sup></b>	<b>-34,141</b>	<b>-38,668</b>	<b>4,527</b>
<i>Interest expenses</i>	-34,141	-38,668	4,527
<b>Liabilities to the Debt Office in foreign currency</b>	<b>60</b>	<b>-1,198</b>	<b>1,258</b>
<i>Interest expenses</i>	-137	-171	34
<i>Unrealised result due to change in exchange rate</i>	197	-1,027	1,224

The table continues on the next page.

<b>IMF assets and liabilities</b>	<b>2,407</b>	<b>324</b>	<b>2,083</b>
<i>Net interest income</i>	1,065	998	67
<i>Realised result due to change in exchange rate</i>	320	167	153
<i>Unrealised result due to change in exchange rate</i>	1,022	-841	1,863
<b>Total return, asset management</b>	<b>47,441</b>	<b>12,160</b>	<b>35,281</b>
Change in risk provision	-	-	-
Net interest earnings on administration and income from administration	1,246	258	988
Cost of administration	-1,347	-1,386	39
<b>Total result</b>	<b>47,340</b>	<b>11,032</b>	<b>36,308</b>
Reversal of unrealised result above <sup>6</sup>	-47,304	5,159	-52,463
<b>Result recorded in the profit and loss account</b>	<b>36</b>	<b>16,191</b>	<b>-16,155</b>

<sup>3</sup> The foreign currency reserves result includes the return from deposit repos in foreign currency.

<sup>4</sup> 'Claims on banks in Swedish kronor' refer to net interest income for the balance sheet items 'Structural operations' and 'Marginal lending facility'.

<sup>5</sup> 'Liabilities to banks in Swedish kronor' refer to net interest income for the balance sheet items 'Deposit facility' and 'Debt certificates issued'.

<sup>6</sup> The reversal corresponds to the change in the revaluation account. 'Unrealised result' refers to existing holdings and also reversal of unrealised gains with respect to holdings sold during the year.

## Accounting policies

The Riksbank's balance sheet and the profit and loss account have been prepared in accordance with the Sveriges Riksbank Act and in accordance with the Regulations for Bookkeeping and Annual Accounts at Sveriges Riksbank, last updated by the Executive Board on 10 December 2024 (Ref. no. 2024-01330) and entering into force on 31 December 2024. The main purpose of the update was to make risk provisions, write-downs of securities and balanced losses directly visible in the balance sheet and profit and loss account in line with the Governing Council's decision of November 2024 on the update of the Accounting Guideline of the European System of Central Banks (ESCB).

The rules for current recording of transactions refer to the Bookkeeping Ordinance (2000:606) and the rules for annual accounts refer to the ECBS Accounting Guideline, (EU) 2024/2941, (ECB/2024/31).

According to Chapter 8, Section 2 of the Sveriges Riksbank Act, the Riksbank shall apply the ESCB Accounting Guideline in the parts that are now relevant.

The ESCB Accounting Guideline is adopted by the Governing Council of the ECB and the Accounting and Monetary Income Committee (AMICO) reports to the Governing Council on the development, application and implementation of this guideline. When interpreting the Accounting Guideline, its preparatory work, general accounting policies and good accounting practice shall be taken into account.

The Riksbank deviates from the ESCB Accounting Guideline in the following respects.

- In the presentation format for the balance sheet, the terms “euro” and “euro area” have been replaced by “Swedish kronor” and “Sweden” respectively, as Sweden has not introduced the euro as a means of payment. In addition, the balance sheet items for monetary policy transactions and equity differ to better reflect the Riksbank’s monetary policy operational framework and the statutory equity structure.
- The depreciation rate for buildings is 50 years instead of 25 years as 50 years is considered to better reflect the actual lifespan of the Riksbank’s buildings. There are also minor deviations exist for other fixed assets.
- The Riksbank’s threshold for capitalising fixed assets is SEK 20,000 instead of EUR 10,000, justified by the fact that a lower capitalisation limit is deemed to provide better control over the Riksbank’s fixed assets.
- Discounts on discount securities with a maturity of more than one year at the time of acquisition are amortised on a straight-line basis rather than using the internal rate of return method. The deviation is justified because it is deemed to provide a more transparent reporting of the amortisations, and also means that amortisations for all securities are reported in the same way.

The deviations from the ESCB Accounting Guideline are set out in the Regulations for Bookkeeping and Annual Accounts at Sveriges Riksbank.

The cash flow statement is presented as part of the Annual Report, which is not a requirement of the ESCB Accounting Guideline. The analysis has been prepared using the International Accounting Standard IAS 7 as guidance. The deviation is justified by the fact that the cash flow statement provides valuable information, in particular on the result and the change in cash and cash equivalents.

## **Changes in accounting policies**

There was no change in accounting policies in 2024.

## **Fundamental accounting policies**

The following fundamental accounting principles have been applied.

- The accounting shall be transparent and reflect financial reality.
- The valuation of assets and liabilities and for income recognition shall be prudent.
- Deviations from the accounting policies may only occur if the deviations can reasonably be considered immaterial on the whole in the light of the Riksbank’s year-end accounts.
- The criteria for measuring balance sheet items and for income recognition should be applied consistently.

- Assessment of assets and liabilities shall be made on the assumption of a going concern.
- Income and expenditure shall be recognised as revenue and expenditure during the accounting period they were earned or arose, regardless of when payment is made.
- Assets and liabilities shall be adjusted to take into account events that occur between the end of the financial year and the date the annual accounts are adopted by the Executive Board, provided that these events have affected the value of the assets or liabilities on the closing date.

### **Recognition of assets and liabilities**

Assets and liabilities are only reported in the balance sheet if it is probable that any future financial results connected to the asset or liability will comprise a flow to or from the Riksbank and if essentially all risks and rights related to the asset or liability have been transferred to or from the Riksbank.

### **Trade date accounting**

Foreign exchange and securities transactions are recognised in the balance sheet on the settlement date. Realised gains and losses from net sales are registered on the trade date.

### **Provisions for financial risks**

Provisions for market, liquidity and credit risks may be made on the basis of an estimation of the risk exposure.

### **Balance sheet valuation rules**

Gold and securities are valued at the market exchange rates and market prices prevailing on the closing date. According to the accounting rules, it is possible, based on monetary policy considerations, to value securities held for monetary policy purposes at amortised cost subject to impairment. However, the Riksbank has not chosen to apply this valuation method. The exchange rates below were used for revaluation at year-end. In the table below, the exchange rates have been rounded off to four decimal places.

## Exchange rates

	31 Dec 2024	31 Dec 2023
EUR/SEK	11.4579	11.1185
USD/SEK	11.0703	10.0511
GBP/SEK	13.8575	12.8080
AUD/SEK	6.8435	6.8615
CAD/SEK	7.6865	7.6134
SDR/SEK	14.3742	13.4894
NOK/SEK	0.9733	0.9929
JPY/SEK	0.0703	0.0713
DKK/SEK	1.5363	1.4913

Source: Bloomberg.

Receivables, balances and liabilities are valued at nominal value. Amounts in foreign currencies are translated at the closing rate, except for receivables and liabilities reported under the items 'Other assets' and 'Other liabilities'. These are valued at the exchange rate on the trade date.

Shares and participations are valued at cost of acquisition.

Tangible and intangible fixed assets are valued at cost of acquisition and depreciated according to plan. Buildings are depreciated over a period of 50 years, other fixed assets over 5–25 years. Machinery and equipment are depreciated over 3–7 years. Land and art are not depreciated. For IT systems developed in-house at the Riksbank, payroll expenses for certain IT staff are included in the acquisition value of the asset.

## Reversed transactions

Repurchase agreements are reported as loan transactions and therefore do not affect the holdings of securities and gold. A repurchase or repo agreement is an agreement to sell assets, such as securities or gold, whereby the seller simultaneously undertakes to repurchase the assets at a specified price on a specific date in the future.

Assets pledged by the Riksbank as collateral for deposit repos continue to be reported in the balance sheet and are valued in accordance with the applicable rules for the Riksbank's other holdings of securities and gold. An amount equivalent to the received purchase sum is reported as a liability and the assets transferred are not included in the balance sheet but are reported in connection with the balance sheet.

Assets obtained by the Riksbank under reverse repos are not reported in the balance sheet because they constitute loan collateral. An amount corresponding to the purchase sum is reported as a receivable. The difference between the repo's two payments (spot and forward) is allocated over the term of the repo.

Transactions carried out within the framework of agreements on automatic repos are only reported in the balance sheet if the collateral is pledged in the form of cash paid into an account at the Riksbank.

### **Banknotes and coins**

The balance sheet item 'Banknotes and coins in circulation' is equivalent to the nominal value and calculated by deducting, from the value of the banknotes and coins received by the Riksbank from the manufacturers, both the value of the banknotes and coins in the Riksbank's depots, and the value of the banknotes and coins the Riksbank has destroyed and cancelled. Banknotes and coins in circulation that are no longer legal tender are recognised in the profit and loss account at the latest when the Riksbank has decided to no longer redeem them. However, they shall be recognised in the profit and loss account earlier if only a small amount is expected to remain to be redeemed and the Riksbank makes a provision for this amount at the same time. Commemorative coins and banknotes in circulation shall be recognised in the profit and loss account when the issue has been in circulation for more than 10 years.

### **Income recognition**

Realised gains and losses are transferred to the profit and loss account.

Unrealised gains are transferred to a revaluation account in the balance sheet.

Unrealised losses are transferred to the profit and loss account if they exceed unrealised gains that may have been previously posted in the corresponding revaluation account. Unrealised losses recognised in the profit and loss account may not be reversed to offset new unrealised gains in later years. Unrealised losses in a particular security, a particular currency or gold are not netted against unrealised gains in other securities, currencies or gold.

Premiums and discounts on securities purchased are calculated and reported as part of interest income and are written off during the securities' remaining time to maturity. Write-downs shall adjust the recorded premium or discount amounts of the securities downwards and will therefore be reversed as interest income over the securities' remaining time to maturity.

Valuation adjustments of the IMF's holdings in Swedish kronor are offset against the exchange-rate revaluations attributable to the Riksbank's quota in the IMF. The account balance in Swedish kronor have been hedged by the IMF against SDR, which causes exchange-rate conversion. This principle means that the balance of the krona account is valued as if it were in SDR instead of Swedish kronor.

## **Transaction costs**

With regard to gold, instruments in foreign currencies and securities, the average method is used daily to establish the acquisition cost of items sold when calculating effects of exchange rates and prices. When acquisitions of currency and gold are netted, the average acquisition cost for the day's acquisition of each individual currency and gold is added to the previous day's holdings to obtain a new weighted average of the exchange rate and the gold price, respectively. To calculate net sales, the realised result is calculated on the basis of the average acquisition cost on the previous day for the holding in question.

## **Derivative instruments**

Derivative instruments are valued contract by contract within each group of derivative instruments. Groups with a positive value are recorded as an asset and groups with a negative value as a liability.

FX forwards are recorded at a value equal to the contract's forward amount multiplied by the difference between closing-day rates and trade-day rates (spot). The difference between the trade-date exchange rate (spot) and the contracted forward exchange rate is allocated as interest over the term of the contract. On the trade date, currency sold, multiplied by the difference between the trade-date exchange rate (spot rate) and the average acquisition rate, is booked as realised gains or losses.

The spot leg of FX swaps is booked on the settlement date at the trade-date exchange rate (spot). The forward leg of FX swaps is booked in the same way as FX forwards, i.e. at a value equal to the contract's forward amount multiplied by the difference between the closing-day rate and the trade-date rate (spot). The difference between the trade-date exchange rate (spot) and the contracted forward exchange rate is allocated as interest over the term of the contract. Unlike FX forwards, no realised foreign exchange-rate gains or losses arise when recording FX swaps.

Futures contracts are booked daily as realised gains/losses at an amount equal to the value calculated in the daily settlement.

# Balance sheet

SEK million

Assets		31 Dec 2024	31 Dec 2023
<b>Gold</b>	Note 1	<b>117,472</b>	<b>83,928</b>
<b>Claims on residents outside Sweden denominated in foreign currency</b>		<b>579,264</b>	<b>531,574</b>
Receivables from the IMF	Note 2	122,364	115,273
Balances with banks, loans and security investments	Note 3	456,900	416,301
<b>Lending to credit institutions in Sweden related to monetary policy operations denominated in Swedish kronor</b>		<b>112</b>	<b>213</b>
Structural operations	Note 4	–	–
Lending facility	Note 5	112	213
<b>Securities issued by residents in Sweden denominated in Swedish kronor</b>	Note 6	<b>434,990</b>	<b>626,688</b>
<b>Other assets</b>		<b>7,584</b>	<b>13,295</b>
Tangible and intangible fixed assets	Note 7	643	605
Financial assets	Note 8	554	554
Derivative instruments	Note 9	–	5,299
Prepaid expenses and accrued income	Note 10	6,205	6,684
Other assets	Note 11	182	153
<b>Total assets</b>		<b>1,139,422</b>	<b>1,255,698</b>
<b>Banknotes and coins in circulation</b>		<b>57,094</b>	<b>58,462</b>
Banknotes	Note 12	53,945	55,314
Coins	Note 13	3,149	3,148
<b>Liabilities to credit institutions in Sweden related to monetary policy operations denominated in Swedish kronor</b>		<b>236,830</b>	<b>246,516</b>
Deposit facility	Note 14	236,830	246,516
<b>Other liabilities to credit institutions in Sweden denominated in Swedish kronor</b>	Note 15	<b>236</b>	<b>251</b>
<b>Debt certificates issued</b>	Note 16	<b>553,562</b>	<b>739,749</b>
<b>Liabilities to other residents in Sweden denominated in Swedish kronor</b>	Note 17	<b>1,297</b>	<b>4,820</b>

*The table continues on the next page.*

<b>Liabilities and equity</b>		<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
<b>Liabilities to residents outside Sweden denominated in Swedish kronor</b>	Note 18	<b>3,525</b>	<b>587</b>
<b>Liabilities to residents in Sweden denominated in foreign currency</b>	Note 19	<b>5,174</b>	<b>2,614</b>
<b>Liabilities to residents outside Sweden denominated in foreign currency</b>	Note 20	<b>–</b>	<b>3,371</b>
<b>Counterpart for Special Drawing Rights allocated by the IMF</b>	Note 21	<b>93,359</b>	<b>87,613</b>
<b>Other liabilities</b>		<b>6,029</b>	<b>1,876</b>
Derivative instruments	Note 22	4,369	–
Accrued expenses and prepaid income	Note 23	1,586	1,797
Other liabilities	Note 24	74	79
<b>Provisions</b>		<b>563</b>	<b>426</b>
Risk provisions		–	–
Other provisions		563	426
<b>Revaluation accounts</b>	Note 27	<b>158,708</b>	<b>111,404</b>
<b>Equity</b>		<b>23,009</b>	<b>–18,182</b>
Primary capital fund	Note 28	40,000	–
Reserves	Note 29	1,191	–
Retained loss	Note 30	–18,182	–18,182
<b>Result for the year</b>		<b>36</b>	<b>16,191</b>
<b>Total liabilities and equity</b>		<b>1,139,422</b>	<b>1,255,698</b>

For pledged assets and contingent liabilities, etc., see note 43.

## Profit and loss account

<i>SEK million</i>		<b>2024</b>	<b>2023</b>
<b>Net interest income</b>		<b>1,221</b>	<b>2,314</b>
Interest income	Note 31	40,830	45,106
Interest expenses	Note 32	-39,609	-42,792
<b>Net result of financial transactions and write-downs</b>		<b>-1,070</b>	<b>14,993</b>
Realised result from financial transactions	Note 33	5,354	16,369
Write-downs on financial assets and positions	Note 34	-6,424	-1,376
<b>Net income from fees</b>	Note 35	<b>175</b>	<b>141</b>
<b>Dividends received from shares and participations</b>	Note 36	<b>88</b>	<b>71</b>
<b>Other income</b>	Note 37	<b>969</b>	<b>58</b>
<b>Cost of administration</b>		<b>-1,347</b>	<b>-1,386</b>
Personnel expenses	Note 38	-730	-671
Administrative expenses	Note 39	-544	-531
Depreciation of tangible and intangible fixed assets	Note 40	-73	-71
Banknote and coin expenses	Note 41	0	-113
<b>Result before transfer to/from risk provisions</b>		<b>36</b>	<b>16,191</b>
Transfer to/from risk provisions	Note 42	-	-
<b>Result for the year</b>		<b>36</b>	<b>16,191</b>

## Cash flow statement

SEK million

	31 Dec 2024	31 Dec 2023
<b>OPERATING ACTIVITIES</b>	<b>-14,145</b>	<b>-51,290</b>
<i>Cash flow from operating activities, profit and loss</i>	<b>-10,535</b>	<b>-10,655</b>
Interest received	25,032	16,163
Interest paid	-39,822	-42,122
Net received from financial transactions	5,354	16,369
Net received from fees	175	141
Other income	34	58
Management costs paid	-1,308	-1,264
 <i>Cash flow from operating activities, assets</i>	 <b>201,495</b>	 <b>212,509</b>
Receivables from the IMF	3,309	-4,744
Securities denominated in foreign currency	-1,120	4,998
Securities denominated in Swedish kronor	199,542	212,239
Other asset items	-236	16
 <i>Cash flow from operating activities, liabilities</i>	 <b>-205,105</b>	 <b>-253,144</b>
Banknotes and coins in circulation	-283	-6,494
Liabilities to credit institutions in Sweden related to monetary policy operations denominated in Swedish kronor	-9,686	-327,777
Debt certificates issued	-186,187	156,023
Liabilities to residents outside Sweden denominated in Swedish kronor	2,938	-7,643
Liabilities to residents in Sweden denominated in foreign currency	2,373	-73,427
Liabilities to residents outside Sweden denominated in foreign currency	-3,371	3,371
Other liability items	-10,889	2,803
 <b>INVESTMENT ACTIVITIES</b>	 <b>-23</b>	 <b>-5</b>
Acquisition and disposal of tangible and intangible fixed assets	-111	-76
Acquisition and disposal of financial assets	-	-
Dividends received	88	71
 <b>FINANCING ACTIVITIES</b>	 <b>25,000</b>	 <b>-</b>
Transfer to the Treasury	-	-
Capital injection	25,000	-
 <b>CASH FLOW FOR THE PERIOD</b>	 <b>10,832</b>	 <b>-51,295</b>

*The table continues on the next page.*

	31 Dec 2024	31 Dec 2023
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,498</b>	<b>57,812</b>
Cash flow from operating activities	-14,145	-51,290
Cash flow from investment activities	-23	-5
Cash flow from financing activities	25,000	-
Exchange rate difference on cash and cash equivalents	797	-1,019
<b>Cash and cash equivalents at the end of the period</b>	<b>17,127</b>	<b>5,498</b>

<b>Specification of cash and cash equivalents</b>	<b>31 Dec 2024</b>	
Bank accounts, bank lending and reverse repos denominated in foreign currency, see Note 3	17,015	5,285
Lending facility	112	213
<b>Total cash and cash equivalents</b>	<b>17,127</b>	<b>5,498</b>

The cash flow statement shows cash inflows and outflows during the period and cash and cash equivalents at the beginning and end of the period. The analysis is divided into payments from operating, investing and financing activities.

In theory, the Riksbank can create an unlimited amount of liquidity in the national currency. In practice, this capacity is limited by the amount of assets the Riksbank accepts as collateral in its lending and the amount of assets the Riksbank can purchase or invest in.

## Operating activities

Cash flows attributable to operating activities come from the Riksbank's core operations. Cash flow from operating activities, profit and loss, is based on the Riksbank's recorded result. Adjustments are made for items that do not affect cash flow or do not belong to operating activities. In addition, changes are included that affect cash flow from balance sheet items that are part of operating activities.

In the cash flow statement, interest income has been adjusted downwards by SEK 16,499 million (28,913), which is the portion relating to the reversal of previous years' write-downs of bond holdings. The adjustment has been made because the reversal of impairment losses does not affect cash flow. For 2024, the adjustments have been calculated at the securities level, taking into account the fact that foreign currency securities have been traded at higher interest rates. For 2023, the adjustments were calculated by applying the 2022 interest yield percentage, i.e. the yield level that applied in the year before the large price write-downs were made, also applied for 2023. If the 2024 adjustment method had been applied for 2023, interest income would have been adjusted downwards by SEK 21,601 million.

### **Investment activities**

Investment activities consist of acquisitions and disposals of tangible and intangible fixed assets and the shares and participations reported under the item 'Financial assets'. It also includes dividends from share and participation holdings.

### **Financing activities**

Financing activities consist of changes in equity that usually occur through dividends, also known as transfer to the Treasury. In 2024, the Riksbank instead received a capital injection of SEK 25,000 million.

# Notes

SEK million

Figures in brackets refer to 2023.

## Note 1 Gold

	31 Dec 2024	31 Dec 2023
Quantity		
Troy ounces (million)	4.0421	4.0421
Price		
US dollar/troy ounce	2,625.2686	2,065.8152
SEK/USD	11.0703	10.0511
<b>Book value</b>	<b>117,472</b>	<b>83,928</b>

As of 31 December 2024, the Riksbank had 4 million troy ounces (troy/oz.) of gold (4), which is equivalent to 125.7 tonnes. No gold was sold in 2024.

## Note 2 Receivables from the IMF

	31 Dec 2024	31 Dec 2023
Special Drawing Rights	98,605	92,149
Reserve position in the IMF		
Capital contribution (quota)	63,678	59,758
IMF krona account	-47,106	-42,824
	16,572	16,934
PRGT (Poverty Reduction and Growth Trust)	7,187	6,128
NAB (New Arrangements to Borrow)	–	62
<b>Total</b>	<b>122,364</b>	<b>115,273</b>

The Riksbank's holdings of Special Drawing Rights amounts to SDR 6,860 million (6,831). An amount equivalent to the total SDR allocated by the IMF is reported as a liability (see Note 21). At the end of 2024, the SDR holding was 365 million higher than the allocation, which equals SEK 5,246 million.

Under the item 'Reserve position in the IMF', the Riksbank's capital contribution (quota) in the IMF of SDR 4,430 million is booked net of the IMF's account for Swedish kronor. This account is a liabilities account showing the proportion of the capital contribution that the Riksbank has paid into the IMF in Swedish kronor. The net reporting of these items means that only the part of the capital contribution used by the IMF for lending to member countries is reported as a receivable from the IMF. The account balance in Swedish kronor has been hedged by the IMF against SDR, which causes exchange rate conversion.

At the close of 2024, the Riksbank's PRGT lending was SDR 500 million (454) and NAB lending SDR – million (5).

### Note 3 Balances with banks, loans and security investments

	31 Dec 2024	31 Dec 2023
Bank accounts	3,731	1,914
Bank lending	13,284	–
Reverse repos	–	3,371
Bonds	439,885	411,016
<b>Total</b>	<b>456,900</b>	<b>416,301</b>

Bank deposits and securities are issued in euro, US dollars, Pounds sterling, Australian dollars, Canadian dollars, Norwegian kroner, Danish kroner and Japanese yen. The distribution is shown in the table below. The securities have been recorded at quoted prices.

### Currency breakdown, balances with banks, loans and security investments

	31 Dec 2024	31 Dec 2023
Euro	94,339	86,507
US dollars	290,637	259,021
Pounds sterling	24,472	21,976
Australian dollars	19,491	22,049
Canadian dollars	11,408	10,638
Norwegian kroner	11,106	11,109
Danish kroner	5,447	5,001
Japanese yen	–	0
<b>Total</b>	<b>456,900</b>	<b>416,301</b>

The distribution of balances with banks, loans and security investments by maturity is shown in the table below.

### Maturity, balances with banks, loans and security investments

Maturity	Bal. w. banks and loans	Securities
Up to 1 month	17,015	2,378
Over 1 month, up to 3 months	–	9,731
Over 3 months, up to 1 year	–	54,962
Over 1 year, up to 5 years	–	234,794
More than 5 years	–	138,020
<b>Total</b>	<b>17,015</b>	<b>439,885</b>

The Riksbank did not participate in any automatic securities lending programmes in 2024.

### Note 4 Structural operations

Under this item, the Riksbank's lending to banks during the coronavirus pandemic was reported.

## Note 5 Marginal lending facility

This item is used to report overnight loans to banks on their RIX accounts at the Riksbank. Loans are provided against collateral, and the interest rate on the lending facility equals the Riksbank's policy rate plus 0.10 percentage points.

## Note 6 Securities of residents in Sweden denominated in Swedish kronor

In 2012, the Riksbank began acquiring SEK-denominated securities in order to be able to purchase Swedish securities at short notice, either to ensure financial stability or to ensure the transmission mechanism works better in the event of a crisis in the financial system.

In 2015, the Riksbank increased the securities holding to make monetary policy more expansionary. In 2020 and 2021, the Riksbank continued to purchase securities to mitigate the economic impact of the pandemic. In early 2022, the Riksbank focused the purchases on compensating for maturing securities, and in June 2022 the Executive Board decided that the purchases would not fully compensate maturing securities. In November 2022, the Executive Board signalled that the securities holding after the year-end would decrease as it matured. In February 2023, the Executive Board decided to start selling the government bonds purchased by the Riksbank for monetary policy reasons with effect from 4 April.

In November 2024, the Executive Board decided that the Riksbank shall continue with the ongoing sales of Swedish nominal government bonds until the holdings, excluding Government bond 1059 and Green bond, amounts to SEK 20 billion. This means that the sales are expected to be concluded at the end of 2025.

The securities have been recorded at quoted prices.

### Breakdown of SEK-denominated securities

	31 Dec 2024	31 Dec 2023
Government bonds	196,780	260,266
Covered bonds (mortgage bonds)	167,886	269,808
Municipal bonds	66,329	89,891
Corporate bonds	3,995	6,723
<b>Total</b>	<b>434,990</b>	<b>626,688</b>

The breakdown of SEK-denominated securities by time to maturity is shown in the table below.

## Maturity for SEK-denominated securities

<b>Maturity</b>	<b>Securities</b>
Up to 1 month	1,094
Over 1 month, up to 3 months	1,010
Over 3 months, up to 1 year	158,874
Over 1 year, up to 5 years	234,301
More than 5 years	39,711
<b>Total</b>	<b>434,990</b>

## Note 7 Tangible and intangible fixed assets

	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
<b>Land and buildings</b>		
Cost of acquisition, 1 January	645	640
Acquisitions during the year	9	5
Divestments during the year	–	–
Cost of acquisition, 31 December	654	645
Acc. depreciation, 1 January	–363	–342
Depreciation for the year	–22	–21
Divestments during the year	–	–
Acc. depreciation, 31 December	–385	–363
Book value	269	282
<b>Machinery and equipment</b>		
Cost of acquisition, 1 January	889	832
Acquisitions during the year	102	71
Divestments during the year	–2	–14
Cost of acquisition, 31 December	989	889
Acc. depreciation, 1 January	–566	–530
Depreciation for the year	–51	–50
Divestments during the year	2	14
Write-down for the year	–	–
Acc. depreciation, 31 December	–615	–566
Book value	374	323
<b>Total book value</b>	<b>643</b>	<b>605</b>
<b>Tax assessment value</b>		
Buildings	–	–
Land	–	–

The item 'Land and buildings' includes three properties, the main office in Stockholm and the cash provision offices in Sigtuna municipality (Broby) and Falun. The main office and the offices in Broby and Falun are classified as special units and are therefore not taxable.

Acquisitions in 2024 include IT investments to a value of SEK 65 million (47).

The item 'Book value machinery and equipment' includes intangible fixed assets in the form of application systems worth SEK 180 million (SEK 146 million).

#### Note 8 Financial assets

	31 Dec 2024	31 Dec 2023
<b>Shares and participations</b>		
Bank for International Settlements 17,244 shares at a par value of SDR 5,000, of which 25% are paid up	441	441
European Central Bank Value of participation EUR 11,951,213.74 (12,092,886.02)	109	110
Swift 60 shares (43)	4	3
<b>Total</b>	<b>554</b>	<b>554</b>

Non-euro area central banks of the European System of Central Banks (ESCB) are obliged to pay in 3.75 per cent of their capital subscription to the ECB. On 31 December 2024 the Riksbank's capital subscription was 2.9441 per cent and the ECB's total subscribed capital was EUR 10,825,007,069.61. The capital subscription is based on each country's GDP and population and is calculated every five years. The subscription paid is to cover some administration costs of participation in the ESCB. Non-Eurosystem central banks in the ESCB are not entitled to any allocation of profit from the ECB and have no obligation to cover any losses incurred by the ECB. As of 1 January 2024, the percentage capital subscriptions were updated, in accordance with the five-year rule above, so that the Riksbank's capital subscription thereafter amounts to 2.9441 per cent and the paid-in subscription amount to EUR 11,951,213.74.

In 2024, the Riksbank received a further 17 shares in Swift. Shares are reallocated every three years and are based on what each member has paid in fees to Swift in the year prior to the reallocation.

**Note 9 Derivative instruments**

	31 Dec 2024	31 Dec 2023
FX forwards, AUD	–	–3
FX forwards, CAD	–	–2
FX forwards, DKK	–	0
FX forwards, EUR	–	–3
FX forwards, GBP	–	–1
FX forwards, NOK	–	–5
FX forwards, USD	–	20
	–	<b>6</b>
FX swaps, EUR	–	368
FX swaps, USD	–	4,925
	–	<b>5,293</b>
<b>Total</b>	–	<b>5,299</b>

Derivative instrument groups with a positive value are reported under this item. The table above shows the market value of the Riksbank's derivative instruments broken down by instrument group and currency. Outstanding FX swaps have been made in accordance with the Executive Board's decision in September 2023 to hedge part of the foreign currency reserves. The hedging means that the Riksbank has sold foreign currency for Swedish kronor and then entered into FX swaps with the same amount in the FX market. The interest expenses for the FX swaps amounted to SEK 1,412 million for 2024 (163), see note 32. Outstanding FX forwards have been entered into in order to maintain the different currencies' share of the total foreign currency reserves measured in Swedish kronor.

**Nominal amounts of derivative contracts, converted into Swedish krona**

	31 Dec 2024	31 Dec 2023
FX forwards, AUD	–	501
FX forwards, CAD	–	228
FX forwards, DKK	–	39
FX forwards, EUR	–	534
FX forwards, GBP	–	89
FX forwards, NOK	–	410
FX forwards, USD	–	1,698
	–	<b>3,499</b>
FX swaps, EUR	–	13,480
FX swaps, USD	–	66,237
	–	<b>79,717</b>
<b>Total</b>	–	<b>83,216</b>

**Note 10 Prepaid expenses and accrued income**

	31 Dec 2024	31 Dec 2023
Receivables from the IMF	674	805
Bonds in foreign currency	3,156	2,611
Bank lending	32	–
Reverse repos	–	3
Government bonds denominated in Swedish kronor	1,331	1,746
Covered bonds denominated in Swedish kronor	651	1,074
Municipal bonds denominated in Swedish kronor	307	382
Corporate bonds denominated in Swedish kronor	18	37
Other	36	26
<b>Total</b>	<b>6,205</b>	<b>6,684</b>

**Note 11 Other assets**

	31 Dec 2024	31 Dec 2023
Staff loans	72	80
Accounts receivable	6	2
VAT recoverable	16	13
Balances with banks	88	58
Other	0	0
<b>Total</b>	<b>182</b>	<b>153</b>

**Note 12 Banknotes**

	31 Dec 2024	31 Dec 2023
1,000 krona	1,370	1,653
500 krona	40,532	40,387
200 krona	3,683	3,848
100 krona	2,626	2,520
50 krona	782	794
20 krona	947	955
Invalid banknotes	4,005	5,157
<b>Total</b>	<b>53,945</b>	<b>55,314</b>

Banknotes in circulation are distributed among the above denominations. The item ‘Invalid banknotes’ includes banknotes in circulation that ceased to be legal tender at the end of June 2016 and June 2017. The outstanding 50 krona and 1,000 krona banknotes that became invalid after 31 December 2013 were written off from the banknote liability in December 2024. The value written off amounted to SEK 1,085 million, of which SEK 935 million was recorded as income and the remaining SEK 150 million was recorded as a provision in the balance sheet.

Banknotes that have been invalid for more than ten years are normally written off against the outstanding banknote liability, provided that only a small amount is expected to remain unredeemed. At the same time, a provision is then made for the outstanding amount expected to be redeemed, and the remainder is recognised as income. The Riksbank may redeem invalid banknotes if there are particular grounds. At the end of 2024, the value of the banknotes received by the Riksbank but still awaiting a redemption decision was SEK 8 million (11).

### **Note 13 Coins**

	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
10 krona	1,986	2,011
5 krona	524	518
2 krona	417	402
1 krona	222	217
Commemorative coins	–	–
<b>Total</b>	<b>3,149</b>	<b>3,148</b>

The coins in circulation are distributed among the above denominations.

### **Note 14 Deposit facility**

Overnight deposits from the Riksbank's monetary policy counterparties in their RIX accounts at the Riksbank are reported here. The interest rate on the deposit facility during the year corresponded to the Riksbank's policy rate minus 0.10 percentage points. This liability decreased during the year, mainly as a result of maturities and sales of the securities holdings in Swedish kronor.

### **Note 15 Other liabilities to credit institutions in Sweden denominated in Swedish kronor**

This item is used to report overnight deposits in RIX accounts from credit institutions that have their headquarters or a branch in Sweden but are not monetary policy counterparties. The interest rate on these deposits during the year corresponded to the Riksbank's policy rate minus 0.10 percentage points.

### **Note 16 Debt certificates issued**

This item is used to report the Riksbank's issuance of debt certificates, done to absorb liquidity from the financial system at a longer maturity and higher interest rate than the deposit facility. The interest rate on these deposits corresponds to the policy rate, normally with a maturity of one week. The volume of outstanding Riksbank Certificates is determined by banks' demand for them. This liability decreased during the year, mainly as a result of maturities and sales of the securities holdings in Swedish kronor.

**Note 17 Liabilities to other residents in Sweden denominated in Swedish kronor**

This item is used to report overnight deposits in RIX accounts from central counterparties or clearing institutions that have their headquarters or a branch in Sweden but are not monetary policy counterparties and credit institutions. During the year, the deposit rate corresponded to the Riksbank's policy rate minus 0.10 percentage points.

**Note 18 Liabilities to residents outside Sweden denominated in Swedish kronor**

Accounts in Swedish kronor that the Riksbank holds on behalf of other central banks and international organisations are reported here. In addition, RIX account balances of SEK 274 (172) million are reported for participants with headquarters or a branch outside Sweden who are not monetary policy counterparties.

**Note 19 Liabilities to residents in Sweden denominated in foreign currency**

The loan amount at the end of 2024, of SEK 5,155 million (2,589), refers to deposits from the Swedish National Debt Office for lending to the IMF in accordance with the Sveriges Riksbank Act. In connection with deposits from the Debt Office, the Riksbank receives US dollars or euro, which are recorded as a liability in SDR.

**Deposits of foreign currency**

	31 Dec 2024	31 Dec 2023
Deposits from the Debt Office for lending to the IMF	5,155	2,589
Account deposits from authorities	19	25
<b>Total</b>	<b>5,174</b>	<b>2,614</b>

**Note 20 Liabilities to residents outside Sweden denominated in foreign currency**

This item is used to report amounts corresponding to purchase sums received in foreign currency for deposit repos.

**Currency breakdown for deposit repos**

	31 Dec 2024	31 Dec 2023
Australian dollars	–	1,192
Euro	–	2,179
<b>Total</b>	<b>–</b>	<b>3,371</b>

**Note 21 Counterpart of Special Drawing Rights allocated by the IMF**

The Riksbank's liability corresponding to the SDR allocated by the IMF is reported here. The total allocation is SDR 6,495 (6,495). The current holding amounts to SDR 6,860 million (6,831) and is reported under the item

'Receivables from the IMF' (see Note 2). At the end of 2024, the SDR allocation was 365 million lower than the holding, corresponding to SEK 5,246 million.

**Note 22 Derivative instruments**

	31 Dec 2024	31 Dec 2023
FX forwards, AUD	-2	-
FX forwards, CAD	0	-
FX forwards, DKK	0	-
FX forwards, EUR	-1	-
FX forwards, GBP	0	-
FX forwards, NOK	1	-
FX forwards, USD	-4	-
	<b>-6</b>	-
FX swaps, EUR	-83	-
FX swaps, USD	-4,280	-
	<b>-4,363</b>	-
<b>Total</b>	<b>-4,369</b>	-

Derivative instrument groups with a negative value are reported under this item. The table above shows the market value of the Riksbank's derivative instruments broken down by instrument group and currency. Outstanding FX swaps have been made in accordance with the Executive Board's decision in September 2023 to hedge part of the foreign currency reserves. The hedging involves the Riksbank selling 10 foreign currency against Swedish kronor and then entering into FX swaps with the same amount in the FX market. The interest expenses for the FX swaps amounted to SEK 1,412 million for 2024 (163), see note 32. Outstanding FX forwards have been entered into in order to maintain the different currencies' share of the total foreign currency reserves measured in Swedish kronor.

**Nominal amounts of derivative contracts, converted into Swedish krona**

	31 Dec 2024	31 Dec 2023
FX forwards, AUD	616	-
FX forwards, CAD	123	-
FX forwards, DKK	17	-
FX forwards, EUR	378	-
FX forwards, GBP	152	-
FX forwards, NOK	232	-
FX forwards, USD	1,524	-
	<b>3,042</b>	-
FX swaps, EUR	22,916	-
FX swaps, USD	88,562	-
	<b>111,478</b>	-
<b>Total</b>	<b>114,520</b>	-

**Note 23 Accrued expenses and prepaid income**

	31 Dec 2024	31 Dec 2023
Deposit repos	–	3
Derivative instruments	396	164
Deposits, National Debt Office, IMF	28	17
Debt certificates issued	550	904
Counterpart for Special Drawing Rights	518	618
Other	94	91
<b>Total</b>	<b>1,586</b>	<b>1,797</b>

**Note 24 Other liabilities**

	31 Dec 2024	31 Dec 2023
Accounts payable – trade	46	55
Other	28	24
<b>Total</b>	<b>74</b>	<b>79</b>

**Note 25 Risk provisions**

Financial risk provisions are reported under this item. The Executive Board decided on 9 January 2025 that no financial risk provision shall be made for 2024.

**Note 26 Other provisions**

	31 Dec 2024	31 Dec 2023
Pension provision	45	51
Banknotes and commemorative coins written off	501	359
Job Security Foundation	8	7
Other provisions	9	9
<b>Total</b>	<b>563</b>	<b>426</b>

The pension provision has been calculated by the National Government Employee Pensions Board (SPV). Out of the pension provision, including special payroll tax, SEK 44 million (50) refers to PA-91 pensioners with a date of retirement prior to 2003, and SEK 1 million (1) refers to persons who have been granted a partial pension since 2003 or pension compensation prior to the age of 65. On 31 December 2002, the Riksbank redeemed its pension provision for those persons who at that time were employed by or entitled to an annuity from the Riksbank. The effect of technical revaluations for 2024 was SEK – 5.6 million and has been reported as a decrease in the pension provision (0.1).

The item ‘Banknotes and commemorative coins’ refers to the estimated future cost of banknotes and commemorative coins written off that the Riksbank may still redeem. In December 2024, the provision for the estimated future cost of banknotes increased by SEK 150 million as a result of the write-off of 50-krona and 1,000-krona banknotes that became invalid after 31 December 2013.

The item 'Job Security Foundation' refers to provisions for professional development and competence exchange in accordance with an agreement with the Job Security Foundation. The item 'Other provisions' refers to the Executive Board's qualifying period salaries.

#### **Note 27 Revaluation accounts**

	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
Price effect	7,495	13,578
Exchange rate effect	45,538	25,695
Gold value effect	105,675	72,131
<b>Total</b>	<b>158,708</b>	<b>111,404</b>

In special revaluation accounts, since 2004 unrealised gains and losses have been reported that consist of the difference between the cost of acquisition and the market values. At the transition to 2004, it was decided that the cost of acquisition should correspond to the market values as at 31 December 2003. If the unrealised losses exceed the unrealised gains at the end of the year, the difference is reported in the profit and loss account. This calculation is made security by security and currency by currency.

The price effect consists of unrealised securities gains and is affected by changes in market interest rates for the Riksbank's securities holdings. The price effect is calculated for each individual security.

#### **Price effect**

	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
Foreign securities	1,452	3,418
Government bonds denominated in Swedish kronor	2,995	6,894
Covered bonds denominated in Swedish kronor	2,212	2,345
Municipal bonds denominated in Swedish kronor	781	839
Corporate bonds denominated in Swedish kronor	55	82
<b>Total</b>	<b>7,495</b>	<b>13,578</b>

The exchange rate effect consists of exchange rate gains and is affected by changes in the exchange rate of the Riksbank's currency holdings. The exchange rate effect is calculated for each currency.

## Exchange rate effect

	31 Dec 2024	31 Dec 2023
US dollars	30,975	15,363
Euro	3,658	2,093
Pounds sterling	3,260	1,615
Japanese yen	–	0
Australian dollars	968	1,145
Canadian dollars	1,075	998
Special Drawing Rights	5,101	4,079
Norwegian kroner	–	37
Danish kroner	501	365
<b>Total</b>	<b>45,538</b>	<b>25,695</b>

## Note 28 Primary capital fund

In 2023, the entire primary capital fund was utilised in accordance with the allocation of the 2022 result. In April 2024, the profit for 2023 of SEK 16,191 million was transferred to the primary capital fund in accordance with the appropriation of the result for 2023 and, in September 2024, the primary capital fund was restored by SEK 23,809 million to SEK 40,000 million in connection with the Riksbank receiving a capital injection totalling SEK 25,000 million.

## Note 29 Reserve fund

The part of the capital injection that was not transferred to the primary capital fund, SEK 1,191 million, was transferred to the reserve fund in September 2024.

## Note 30 Retained losses

Since 12 December 2024, the Riksbank's retained earnings have been reported on a separate line in the balance sheet. If the item is negative, it is recognised under the balance sheet heading 'Retained losses' and if it is positive under the heading 'Retained earnings'.

The change in the Riksbank's equity after the allocation of the 2023 result and received capital injection is shown in the table below.

## Change in the Riksbank's equity after allocation of the 2023 result and received capital injection

	Primary capital fund	Reserves	Retained earnings
Balance, 31 December 2023	–	–	–18,182
Allocation of the 2023 result	16,191	–	–
Capital injection 25 Sept 2024	23,809	1,191	–
<b>Balance, 31 December 2024</b>	<b>40,000</b>	<b>1,191</b>	<b>–18,182</b>

The target level for the Riksbank's equity under the Riksbank Act's provision on profit distribution amounted to SEK 63,100 million (62,600) on 31 December 2024.

### Note 31 Interest income

	2024	2023
<i>From foreign assets:</i>		
SDR	3,775	3,652
Reserve position in the IMF	605	654
PRGT (Poverty Reduction and Growth Trust)	260	196
NAB (New Arrangements to Borrow)	1	7
Bank accounts	194	511
Bank lending	40	590
Reverse repos	313	242
Bonds	17,208	16,121
Derivative instruments	2	1
	22,398	21,974
<i>From domestic assets:</i>		
Treasury bills denominated in Swedish kronor	–	10
Government bonds denominated in Swedish kronor	6,632	8,096
Covered bonds denominated in Swedish kronor	8,596	11,016
Municipal bonds denominated in Swedish kronor	2,899	3,550
Corporate bonds denominated in Swedish kronor	302	459
Lending facility (RIX)	1	–
Staff loans	2	1
	18,432	23,132
<b>Total</b>	<b>40,830</b>	<b>45,106</b>

Previous years' securities write-downs have been reversed as interest income in the amount of SEK 2,873 million (8,809) for the foreign holding and SEK 13,626 million (20,104) for the domestic holding. These reversals have not been reported separately in the accounts but have been calculated for 2024 at the securities level, taking into account the fact that foreign currency securities have been traded at higher interest rates. For 2023, the adjustments were calculated by applying the 2022 interest rate yield percentage, i.e. the yield level that applied in the year before the large price write-downs were made, also for 2023. If the 2024 adjustment method had been applied for 2023, the reversed write-downs would have been estimated at SEK 3,364 million for the foreign holding and SEK 18,237 million for the domestic holding.

**Note 32 Interest expenses**

	<b>2024</b>	<b>2023</b>
<i>From foreign liabilities:</i>		
Deposits, National Debt Office	–	–120
Deposits, National Debt Office, IMF	–137	–51
Deposit repos	–305	–237
Counterpart for Special Drawing Rights	–3,576	–3,511
Derivative instruments	–1,412	–163
	<hr/> –5,430	<hr/> –4,082
<i>From domestic liabilities:</i>		
Debt certificates issued	–29,237	–31,903
Deposit facility (RIX)	–4,905	–6,765
Cash depots	–37	–42
	<hr/> –34,179	<hr/> –38,710
<b>Total</b>	<b>–39,609</b>	<b>–42,792</b>

This is mainly because the lower policy rate led to lower interest expenses for the Riksbank's liabilities to banks in the form of debt certificates issued and the deposit facility.

**Note 33 Realised result from financial transactions**

	<b>2024</b>	<b>2023</b>
<i>Price effect:</i>		
Realised result from foreign securities	–204	397
Realised result from domestic securities	931	–477
Realised result futures	–222	–
	<hr/> 505	<hr/> –80
<i>Exchange rate effect</i>		
Realised exchange rate effects	4,849	16,449
	<hr/> 4,849	<hr/> 16,449
<i>Gold value effect:</i>		
Realised gold value effects	–	–
<b>Total</b>	<b>5,354</b>	<b>16,369</b>

Of the realised exchange rate gain of SEK 4,849 million, SEK 2,173 million corresponds to currency hedging transactions decided by the Executive Board in September 2023.

The exchange rate effect broken down by currency is shown in the table below.

### Exchange rate effect by currency

	31 Dec 2024	31 Dec 2023
<i>Realised exchange rate effects:</i>		
US dollars	3,768	12,847
Euro	489	1,629
Pounds sterling	156	637
Japanese yen	0	–
Australian dollars	99	623
Canadian dollars	17	329
Special Drawing Rights	320	167
Norwegian kroner	–11	120
Danish kroner	11	97
	4,849	16,449
<b>Total</b>	<b>4,849</b>	<b>16,449</b>

### Note 34 Write-downs on financial assets and positions

	2024	2023
Write-down of foreign securities prices	–5,670	–970
Write-down of domestic securities prices	–580	–406
Write-down of currencies	–174	–
<b>Total</b>	<b>–6,424</b>	<b>–1,376</b>

At the end of the year, price write-downs were made in the bond holdings where the market price at the end of the year was lower than the acquisition price. The write-down of currencies relates to the currency holding of Norwegian kroner.

### Note 35 Net income from fees

	2024	2023
Fees RIX-RTGS	178	151
Fees RIX-INST (excluding TIPS fee)	26	19
Fees to cover TIPS fee to ECB	20	–
TIPS fee to ECB	–20	–
Custody and transaction fees	–29	–29
<b>Total</b>	<b>175</b>	<b>141</b>

### Note 36 Dividends received from shares and participations

In 2024, the Riksbank received a dividend from the BIS of SEK 88 million (71).

### Note 37 Other income

	2024	2023
Reimbursement for the redemption of invalid banknotes	3	3
Unredeemed cash received	21	27
Reimbursement for discoloured banknotes etc.	0	0
Sida	3	3
Banknotes written off	935	–
Other	7	25
<b>Total</b>	<b>969</b>	<b>58</b>

The income from Sida relates to remuneration for expert help to central banks in some developing countries, known as ‘technical assistance’. Banknotes written off refer to 50-krona and 1,000-krona banknotes that became invalid after 31 December 2013 and were written off from the liability for banknotes in circulation and transferred to the Profit and Loss Account. Under the item ‘Other’, SEK 21 million referred to remuneration for the Riksbank’s participation in the IMF’s debt cancellation initiative for Somalia, compared to 2023.

### Note 38 Staff costs

	2024	2023
Salaries and benefits	–418	–386
Social security contributions	–130	–120
	–548	–506
Pension premiums	–129	–115
Pension payments	–6	–6
Change in pension provision	6	2
Special payroll tax	–33	–29
	–162	–148
Training	–4	–4
Staff representation	–1	–1
Other	–15	–12
	–20	–17
<b>Total</b>	<b>–730</b>	<b>–671</b>

Pension premiums were paid in accordance with the pension agreement for central government employees and others (PA 16).

The item ‘Pension payments’ refers to payments to pensioners retiring before 2003 and to persons who have been granted partial pension or pension compensation before the age of 65 since 2003.

Salaries and benefits to the members of the Executive Board amounted to SEK 14.4 million (15.5) in 2024, broken down as follows.

### Salaries and benefits to Executive Board members

	2024	2023
Erik Thedéen	3.4	3.3
Anna Breman	2.9	2.9
Per Jansson	2.7	2.7
Aino Bunge	2.7	2.6
Anna Seim	1.7	–
Martin Flodén	1.0	2.7
Henry Ohlsson	–	1.3
Qualification period salaries	1.3	8.4
<b>Total</b>	<b>15.7</b>	<b>23.9</b>

The General Council decided on 28 October 2011 that, during the statutory qualification period after the end of employment, members of the Board shall receive a full salary for a maximum of six months, minus any income from other employment during this period. According to the Riksbank Act, since 1 January 2023, the Governor and a Deputy Governor may be reappointed once. As a consequence of this change, a provision for qualification period salaries has been made for all members of the Executive Board.

The General Council has decided that the Ordinance on Occupational Pension, Income Guarantee and Severance Pay for Heads of Government Agencies (2016:411) shall apply to all present members of the Executive Board with the exception of Per Jansson. For him, the General Council has decided that the Ordinance on Severance Benefits for Certain Employees employed as Senior Government Officials (2003:55) shall apply.

### Note 39 Administrative expenses

	2024	2023
Information, external representation	–5	–7
Transport, travel	–17	–15
Consulting assignments	–83	–98
Other external services	–123	–137
IT operations	–196	–180
Economics prize	–22	–24
Office and property maintenance	–81	–53
Other	–17	–17
<b>Total</b>	<b>–544</b>	<b>–531</b>

Information expenses include costs for the Riksbank's regular publications, including the Monetary Policy Reports, the Financial Stability Reports and the Annual Report.

Costs for representation amounted to SEK 1.1 million (1.7).

The item 'Transport, travel' includes the cost of the Riksbank's transport of banknotes and coins as well as travel costs.

Consulting costs amounted to SEK 83 million (98). This amount includes the costs of IT consultants of SEK 61 million (75).

Within 'Other external services', the cost of statistics deliveries of SEK 83 million (82) is the single largest item. It refers mainly to remuneration to Statistics Sweden for preparing e.g. balance of payments and financial market statistics. It also includes an audit fee of SEK 0.5 million (2) to the Swedish National Audit Office and the General Council's auditors. As a result of a change in the law, the National Audit Office has not charged fees since the financial year 2024.

The item 'IT operations' includes licence costs of SEK 82 million (74) and costs for IT services of SEK 110 million (100).

The 'Economics prize' item includes the prize sum of SEK 11 million (11) and administration costs for the prize of SEK 11 million (13).

The largest items in the cost group 'Office and property maintenance' are refurbishment and maintenance of the Riksbank's premises of SEK 11 million (12) and rents of SEK 45 million (13).

#### **Note 40 Depreciation of tangible and intangible fixed assets**

This item is used to report scheduled depreciation of tangible and intangible fixed assets.

#### **Note 41 Banknote and coin expenses**

No banknotes were purchased in 2024 (113). No coins were purchased in 2024 (-). No commemorative coins were purchased in 2024 (-).

#### **Note 42 Transfer to/from risk provisions**

No transfers to or from risk provisions have been decided for 2024 and 2023.

#### **Note 43 Pledged assets and contingent liabilities, etc.**

##### **Pledged assets**

At the end of 2024, no securities were pledged as collateral in foreign securities repos (3,345).

##### **Contingent liabilities**

- At the end of 2024 there were no outstanding compensation claims (-).
- The Riksbank has a commitment to provide the Nobel Foundation with funds annually equalling the sum awarded for the prize in economic sciences in memory of Alfred Nobel and also to bear the administration costs for this prize. This undertaking amounted to SEK 22 million in 2024 (23).

##### **Contingent assets**

At the end of 2024 there were no outstanding compensation claims (-).

## Lending and exchange commitments to the IMF

At the end of 2024, the Riksbank's remaining lending and exchange commitments amounted to SEK 348,593 million (326,696), see the table and description below.

### Remaining lending and exchange commitments to the IMF

	31 Dec 2024	31 Dec 2023
<i>Special Drawing Rights</i>		
Contractual commitment (2* allocation)	186,718	175,225
SDR allocation (see Note 21)	93,359	87,613
SDR holdings (see Note 2)	<u>-98,605</u>	<u>-92,149</u>
Remaining	181,472	170,689
<i>Capital contribution (quota)</i>		
Contractual commitment (Capital contribution, see Note 2)	63,678	59,758
Reserve position (see Note 2)	<u>-16,572</u>	<u>-16,934</u>
Remaining	47,106	42,824
<i>PRGT agreements</i>		
Contractual commitment	16,530	15,513
PRGT lending (see Note 2)	<u>-7,187</u>	<u>-6,128</u>
Remaining	9,343	9,385
<i>NAB</i>		
Contractual commitment	64,847	60,856
NAB lending (see Note 2)	<u>-</u>	<u>-62</u>
Remaining	64,847	60,794
<i>Credit agreement</i>	<u>45,825</u>	<u>43,004</u>
<b>Total remaining commitment</b>	<b>348,593</b>	<b>326,696</b>

### *Special Drawing Rights*

The commitment regarding SDR means that the Riksbank, according to the IMF Articles of Agreement, may be obliged to buy SDR in exchange for foreign currency to such an amount that the Riksbank's total SDR holding is a maximum of 300 per cent of the ordinary allocation, i.e. an allocated amount of SEK 93,359 million (87,613) plus twice the allocated amount of SEK 186,718 million (175,225). This commitment also includes the Riksbank's standing obligation to, at the request of the IMF, buy or sell SDR in exchange for payment in US dollars or euro within an interval of 50 to 150 per cent of the Riksbank's total net allocation of SDR. As the Riksbank's holding of SDR

amounts to SEK 98,605 million (92,149), see Note 2, the remaining commitment amounts to SEK 181,472 million (170,689).

### *Capital contribution*

The Riksbank's maximum commitment with regard to capital contribution amounts to SDR 4,430 million (4,430), which equals SEK 63,678 million (59,758). Since the share of the total contribution capital paid in foreign currency, i.e. the reserve position, amounted to SEK 16,572 million (16,934) at the end of 2024, the remaining commitment amounts to SEK 47,106 million (42,824). This corresponds to the balance of the IMF's krona account. In December 2023, IMF members decided to increase member countries' quotas by the equivalent of 50 per cent and at the same time reduce the requirement for lending via NAB and Bilateral Borrowing Agreements (BBA). Sweden has approved the increase in its quota but, for the arrangement to enter into force, member countries corresponding to 85 per cent of the capital contribution must have approved their quota increases. This may happen in 2025. In that case, Sweden's quota would increase to a total of SDR 6,645 million, while the bilateral loans would be cancelled and the NAB agreement reduced to SDR 3,777 million.

### *PRGT agreements*

In November 2016, July 2020 and December 2022, the Riksbank concluded agreements on lending to the IMF totalling SDR 1,150 million, corresponding to SEK 16,530 million (15,513), under a programme called the Poverty Reduction and Growth Trust (PRGT). As the Riksbank's PRGT lending at year-end amounted to SEK 7,187 million (6,128), see Note 2, the remaining commitment amounts to SEK 9,343 million (9,385). The funds lent by the Riksbank in the programme may be used by the IMF for on-lending to low-income countries.

### *NAB*

The commitment in the Riksbank's NAB agreement (New Arrangements to Borrow) with the IMF means that the Riksbank is obliged to lend the IMF an amount not exceeding SDR 4,511 million (4,511), which corresponds to SEK 64,847 million (60,856). As the Riksbank's NAB lending at year-end amounted to SEK – million (62), see Note 2, the remaining commitment amounts to SEK 64,847 million (60,794).

This agreement is activated only in exceptional circumstances and aims to temporarily strengthen the IMF's lending capacity beyond the funds available under the item 'Capital contribution'. On 1 January 2021, after the consent of the Riksdag, the Riksbank's commitment under NAB was extended for a further five-year period. In 2024, the Riksdag approved the Riksbank's proposal to extend the commitment to lend under NAB for a further five years from 1 January 2026. If the quota increase takes effect (see above under

‘Capital contribution’), the loan commitment under NAB will be reduced to SDR 3,777 million.

### *Credit agreements*

On 1 January 2021, after the consent of the Riksdag, the Riksbank renewed its bilateral loan to the IMF in the amount of SDR 3,188 million, which corresponds to SEK 45,825 million (43,004). In order for the IMF to use the new agreement, the IMF’s remaining funds for lending from capital contribution and NAB must be below a minimum threshold of SDR 100,000 million. In addition, lenders that together hold 85 per cent of the committed loan resources must approve the activation of the agreements. Since 1 January 2025, a new bilateral agreement with the IMF has been in force, with the consent of the Riksdag. The agreement, which replaces the existing agreement, is for an amount of SDR 3,188 million. If the quota increase enters into force (see above under ‘Capital contribution’), the bilateral agreement is cancelled.

### **Payment agreements**

- The Riksbank has committed to pay the BIS, three months after any demand, the remaining 75 per cent of the nominal value of the Riksbank’s shareholding in the BIS. This commitment amounted to SDR 65 million (65) at the end of 2024, the equivalent of SEK 934 million (877).
- The Riksbank has a currency repurchase agreement with Norges Bank, whereby Norges Bank may, by special arrangement, borrow Swedish kronor in exchange for Norwegian kroner.
- The Riksbank has a currency repurchase agreement with Danmarks Nationalbank, whereby Danmarks Nationalbank may, by special arrangement, borrow Swedish kronor in exchange for Danish kroner.

### **Deposit agreements**

- The BIS has issued a ‘non-binding credit commitment’, under which the BIS, at the request of the Riksbank and by special agreement, may lend foreign currency to the Riksbank. This credit commitment was extended in 2024 and is valid until 25 April 2025.
- The Riksbank has an agreement with the BIS whereby the Riksbank, by special arrangement, can make repo transactions with the BIS in securities denominated in US dollars, euro and pounds sterling. This agreement was extended in 2024 and expires on 16 April 2025.
- The Riksbank has a currency repurchase agreement with the ECB whereby the Riksbank may, by special arrangement, borrow euro in exchange for Swedish kronor.
- The Riksbank has a currency repurchase agreement with Norges Bank, whereby the Riksbank may, by special arrangement, borrow Norwegian kroner in exchange for Swedish kronor.

- The Riksbank has a currency repurchase agreement with Danmarks Nationalbank, whereby the Riksbank may, by special arrangement, borrow Danish kroner in exchange for Swedish kronor.
- The Riksbank has an agreement with the Federal Reserve concerning the US dollar repo facility (FIMA). Under the agreement, the Riksbank may repo its US government securities holdings to the Federal Reserve and obtain liquidity in dollars.

## Balance sheet and profit and loss account by function

The table below shows the Riksbank's net income and expenses by function. The breakdown of functions is essentially based on the basic tasks of a central bank. Amounts in SEK million.

Function	2024			2023		
	Net income	Ex-penses	Result	Net income	Ex-penses	Result
Monetary policy	2	-222	-220	1	-212	-211
Financial stability	92	-202	-110	74	-191	-117
Payments	1,126	-501	625	158	-588	-430
Of which						
<i>Payment system</i>	<i>204</i>	<i>-222</i>	<i>-18</i>	<i>170</i>	<i>-194</i>	<i>-24</i>
<i>Cash provision</i>	<i>922</i>	<i>-187</i>	<i>735</i>	<i>-12</i>	<i>-291</i>	<i>-303</i>
<i>Dev. and analysis</i>	<i>0</i>	<i>-92</i>	<i>-92</i>	<i>0</i>	<i>-103</i>	<i>-103</i>
Asset management	158	-247	-89	17,319	-228	17,091
Statistics	0	-149	-149	0	-139	-139
Economics Prize and General Council etc.	5	-26	-21	25	-28	-3
<b>Total</b>	<b>1,383</b>	<b>-1,347</b>	<b>36</b>	<b>17,577</b>	<b>-1,386</b>	<b>16,191</b>

The breakdown shall reflect as closely as possible the actual use of resources for each task area. The principle is that expenses and income shall, as far as possible, be allocated directly to each task area without the use of an allocation key.

Payment system expenses shall be financed by fees from participants. Asset management shall generate the highest possible long-term return in relation to the task and the risk taken. For other task areas, there is no cost coverage requirement.

The allocation model is based on the format of the balance sheet and profit and loss account, where the Riksbank's result for 2024 amounts to SEK 36 million (16,191) and the Riksbank's assets and liabilities to SEK 1,139,422 million (1,255,698) on 31 December 2024.

## Allocation of expenses

### *Staff costs, excluding IT personnel*

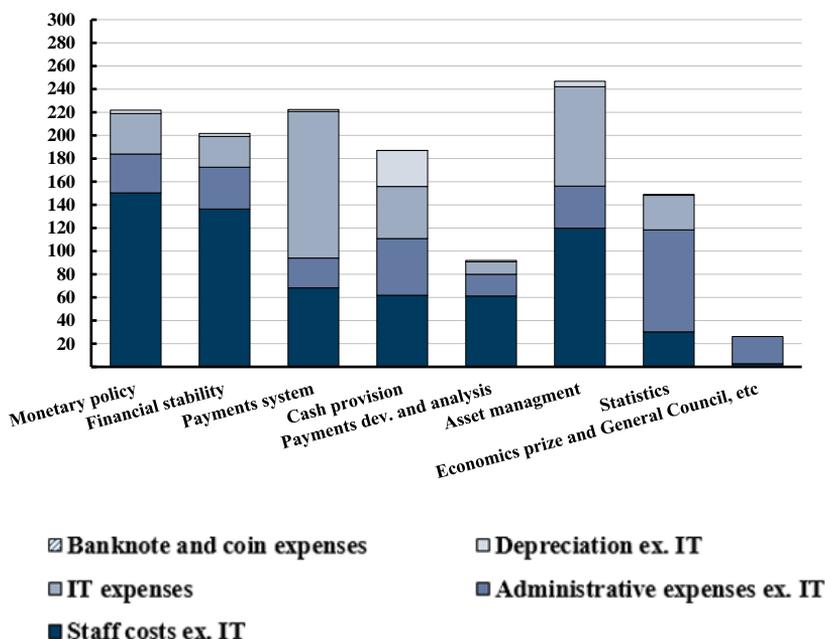
Staff costs for the employees directly involved in a task area have been allocated based on the actual payroll expense. Payroll expenses for the employees included in the support functions have been allocated with the aid of an allocation key. The most commonly used key is the number of directly involved full-time equivalents (FTEs) in relation to the total number of directly involved FTEs in all task areas. In December 2024, out of a total of 489 FTEs, around 59 per cent were directly involved in a task area. The remaining 41 employees are in support functions, mainly IT, communication and internal services.

### *Administrative expenses, excluding IT expenses*

The Riksbank's process accounting means that the administrative expenses are directly allocated by task area when invoices are registered.

However, a large part of the Riksbank's costs are common expenses, such as costs for premises, property maintenance, security and surveillance. These cannot be allocated directly but have been allocated using predefined keys, which usually consist of the number of labour units directly involved per task area in relation to the total number of directly involved labour units in all task areas.

**Chart 11 Allocation by nature of expense by task area, 2024, SEK million**



Source: The Riksbank.

### *Depreciation, excluding IT-related investments*

Depreciation is directly allocated to the task area supported by each facility or allocated using predefined keys.

### *Banknote and coin expenses*

No banknotes or coins were purchased in 2024 (113). The costs are charged entirely to the Cash provision task area.

### *IT expenses*

IT expenses refer to the costs of IT operations. The IT cost allocation model is essentially based on the following principles: The expenses for workstations and basic systems are allocated on the basis of the number of directly involved labour units per task area in relation to the total number of directly involved labour units in all task areas. The expenses for application operation of business systems and other IT expenses (staff, consultants, licences, etc.) are allocated on the basis of the business system's fixed expenses for application operation divided by the total fixed expense for application operation for all business systems. Depreciation for business systems belonging to one or more task areas is allocated directly to each system.

### *Allocation of net income*

Income has been allocated to the task area responsible for it. For example, seigniorage income, that is, the part of the Riksbank's return that comes from the right to issue banknotes and coins, has not been transferred to cash management but instead to asset management, as this task area is responsible for managing the assets that generate seigniorage income.

As the Riksbank does not have any earmarked assets that correspond exactly to the item 'Banknotes and coins in circulation', a standardised calculation is made when estimating the seigniorage income from these assets. Total cash flow income from the Riksbank's assets for 2024 amounted to SEK 30,386 million, of which interest income amounted to SEK 25,032 million and realised price and exchange rate gains to SEK 5,354 million. As the average share of the banknote and coin stock in the balance sheet total in 2024 was 4.7 per cent, it is assumed that 4.7 per cent of the income, i.e. SEK 1,428 million, relates to the right to issue banknotes and coins.

In 2024, the cost of cash management amounted to SEK 187 million. In addition, interest compensation for the cash depots totalled SEK 37 million, and finally SEK 3 million was received in fees for the redemption of invalid banknotes. The net amount of the Riksbank's income and expenses that can be

related to the issuance of banknotes and coins, i.e. seigniorage, thus amounted to  $1,428 - 187 - 37 + 3 = \text{SEK } 1,207$  million (1,112) in 2024.

Net income in the task area ‘Financial stability’ consists mainly of the dividend from the Riksbank’s holding of BIS shares.

Net income from asset management reported in the profit and loss account amounted to SEK 158 million (17,319). Total return from the Riksbank’s asset management for 2024 was SEK 47,441 million (12,160).

### Allocation of assets and liabilities

The table below shows the Riksbank’s assets and liabilities by task area in SEK million.

Task area	31 Dec 2024		31 Dec 2023	
	Assets	Liabilities	Assets	Liabilities
Financial stability	441	–	441	–
Cash provision	–	57,594	–	58,821
Asset management	1,138,007	894,371	1,254,360	1,081,380
Unallocated	974	187,457	897	115,497
<b>Total</b>	<b>1,139,422</b>	<b>1,139,422</b>	<b>1,255,698</b>	<b>1,255,698</b>

The assets in the task area ‘Financial stability’ consist of the shareholding in the BIS.

The item ‘Unallocated assets’ mainly includes the items ‘Tangible and intangible fixed assets’ and ‘Other assets’.

The item ‘Unallocated liabilities’ mainly includes equity, revaluation accounts and result for the year.

## Five-year overview

The five-year overview presents the balance sheet and profit and loss account restated according to current accounting policies.

### Balance sheet

<i>SEK million</i>	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>					
<b>Gold</b>	<b>117,472</b>	<b>83,928</b>	<b>76,488</b>	<b>66,680</b>	<b>62,897</b>
<b>Claims on residents outside</b>					
<b>Sweden denominated in foreign currency</b>	<b>579,264</b>	<b>531,574</b>	<b>595,804</b>	<b>495,788</b>	<b>416,186</b>
Receivables from the IMF	122,364	115,273	115,530	102,794	43,102
Balances with banks, loans and security investments	456,900	416,301	480,274	392,994	373,084
<b>Lending to credit institutions in Sweden related to monetary policy operations denominated in Swedish kronor</b>	<b>112</b>	<b>213</b>	<b>–</b>	<b>19,068</b>	<b>167,500</b>
Structural operations	–	–	–	19,000	167,500
Lending facility	112	213	–	68	–
<b>Securities of residents in Sweden denominated in Swedish kronor</b>	<b>434,990</b>	<b>626,688</b>	<b>819,664</b>	<b>974,712</b>	<b>640,836</b>
<b>Other assets</b>	<b>7,584</b>	<b>13,295</b>	<b>8,005</b>	<b>8,001</b>	<b>6,567</b>
Tangible and intangible fixed assets	643	605	600	576	596
Financial assets	554	554	554	554	552
Derivative instruments	–	5,299	–	–	–
Prepaid expenses and accrued income	6,205	6,684	6,721	6,725	5,271
Other assets	182	153	130	146	148
<b>Total assets</b>	<b>1,139,422</b>	<b>1,255,698</b>	<b>1,499,961</b>	<b>1,564,249</b>	<b>1,293,986</b>

*The table continues on the next page.*

	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020
<b>LIABILITIES AND EQUITY</b>					
<b>Banknotes and coins in circulation</b>	<b>57,094</b>	<b>58,462</b>	<b>64,956</b>	<b>61,462</b>	<b>62,853</b>
Banknotes	53,945	55,314	61,798	58,315	59,717
Coins	3,149	3,148	3,158	3,147	3,136
<b>Liabilities to credit institutions in Sweden related to monetary policy operations denominated in Swedish kronor</b>	<b>236,830</b>	<b>246,516</b>	<b>574,293</b>	<b>588,068</b>	<b>494,574</b>
Deposit facility	236,830	246,516	574,293	588,068	494,574
<b>Other liabilities to credit institutions in Sweden denominated in Swedish kronor</b>	<b>236</b>	<b>251</b>	<b>268</b>	<b>108</b>	<b>194</b>
<b>Debt certificates issued</b>	<b>553,562</b>	<b>739,749</b>	<b>583,726</b>	<b>535,007</b>	<b>380,002</b>
<b>Liabilities to other residents in Sweden denominated in Swedish kronor</b>	<b>1,297</b>	<b>4,820</b>	<b>2,436</b>	<b>806</b>	<b>349</b>
<b>Liabilities to residents outside Sweden denominated in Swedish kronor</b>	<b>3,525</b>	<b>587</b>	<b>8,230</b>	<b>8,363</b>	<b>1,648</b>
<b>Liabilities to residents in Sweden denominated in foreign currency</b>	<b>5,174</b>	<b>2,614</b>	<b>75,586</b>	<b>126,651</b>	<b>173,791</b>
<b>Liabilities to residents outside Sweden denominated in foreign currency</b>	<b>–</b>	<b>3,371</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Counterpart of SDR allocated by the IMF</b>	<b>93,359</b>	<b>87,613</b>	<b>90,417</b>	<b>82,280</b>	<b>26,592</b>
<b>Other liabilities</b>	<b>6,029</b>	<b>1,876</b>	<b>1,245</b>	<b>910</b>	<b>1,185</b>
Derivative instruments	4,369	–	–	–	–
Accrued expenses and prepaid income	1,586	1,797	1,174	845	1,138
Other liabilities	74	79	71	65	47

	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020
<b>Provisions</b>	<b>563</b>	<b>426</b>	<b>423</b>	<b>5,435</b>	<b>5,449</b>
Risk provisions	–	–	–	5,000	5,000
Other provisions	563	426	423	435	449

*The table continues on the next page.*

<b>Revaluation accounts</b>	<b>158,708</b>	<b>111,404</b>	<b>116,563</b>	<b>88,707</b>	<b>74,061</b>
<b>Equity</b>	<b>23,009</b>	<b>-18,182</b>	<b>62,552</b>	<b>66,488</b>	<b>77,561</b>
Primary capital fund	40,000	–	1,000	1,000	1,000
Reserve fund/reserves	1,191	–	61,552	65,488	76,561
Retained loss	-18,182	-18,182	–	–	–
<b>Result for the year</b>	<b>36</b>	<b>16,191</b>	<b>-80,734</b>	<b>-36</b>	<b>-4,273</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,139,422</b>	<b>1,255,698</b>	<b>1,499,961</b>	<b>1,564,249</b>	<b>1,293,986</b>

### Profit and loss account

<i>SEK million</i>	2024	2023	2022	2021	2020
<b>Net interest income</b>	<b>1,221</b>	<b>2,314</b>	<b>1,158</b>	<b>2,912</b>	<b>3,638</b>
Interest income	40,830	45,106	11,661	4,557	6,478
Interest expenses	-39,609	-42,792	-10,503	-1,645	-2,840
<b>Net result of financial transactions and write- downs</b>	<b>-1,070</b>	<b>14,993</b>	<b>-85,961</b>	<b>-2,165</b>	<b>-2,042</b>
Realised result from financial transactions	5,354	16,369	-6,333	2,781	15,418
Write-downs of financial assets and positions	-6,424	-1,376	-79,628	-4,946	-17,460
<b>Net income from fees</b>	<b>175</b>	<b>141</b>	<b>115</b>	<b>106</b>	<b>85</b>
<b>Dividends received</b>	<b>88</b>	<b>71</b>	<b>64</b>	<b>110</b>	<b>–</b>
<b>Other income</b>	<b>969</b>	<b>58</b>	<b>31</b>	<b>59</b>	<b>48</b>
<b>Cost of administration</b>	<b>-1,347</b>	<b>-1,386</b>	<b>-1,141</b>	<b>-1,058</b>	<b>-1,002</b>
Personnel expenses	-730	-671	-589	-546	-497
Administrative expenses	-544	-531	-471	-441	-431
Depreciation of tangible and intangible fixed assets	-73	-71	-66	-65	-71
Banknote and coin expenses	0	-113	-15	-6	-3

<b>Result before transfer to/from risk provisions</b>	<b>36</b>	<b>16,191</b>	<b>-85,734</b>	<b>-36</b>	<b>727</b>
Transfer to/from risk provisions	-	-	5,000	-	-5,000
<b>Result for the year</b>	<b>36</b>	<b>16,191</b>	<b>-80,734</b>	<b>-36</b>	<b>-4,273</b>

# ASSESSMENT OF INTERNAL CONTROL

The Executive Board is responsible for the Riksbank's operations and shall ensure that they are conducted in accordance with the Sveriges Riksbank Act. This is regulated in Chapter 7, Section 8 of the Sveriges Riksbank Act. The Executive Board shall ensure that the Riksbank has a process for internal control that functions satisfactorily. This process shall include risk analysis, control measures, follow-up and documentation. In the Annual Report, the Executive Board shall provide its assessment of whether internal control has been satisfactory during the period covered by the Annual Report. This is regulated in Chapter 8, Section 3 of the Sveriges Riksbank Act.

## The Executive Board's assessment of the Riksbank's internal control

The Executive Board has assessed whether the Riksbank's internal control in 2024 met the requirements in the Sveriges Riksbank Act and concludes that it has been satisfactory for the period covered by the Annual Report.

Stockholm, 12 February 2025

Erik Thedéen  
Governor

Anna Breman  
First Deputy Governor

Per Jansson  
Deputy Governor

Aino Bunge  
Deputy Governor

Anna Seim  
Deputy Governor

## The departments of the Riksbank and their tasks

### Payments Department

*Head of Department: Christina Wejshammar*

The Payments Department is responsible for the Riksbank's cash provision operations and the RIX payment system for large-value payments in Swedish kronor. The department is also tasked with monitoring developments in the payment market and coordinating the analysis of payment issues, including issues related to central bank digital currencies.

### Financial Stability Department

*Head of Department: Olof Sandstedt*

The Financial Stability Department is responsible for the analysis of the stability and efficiency of the financial system and provides the basis for the Executive Board's decisions to promote a safe and efficient payment system. The department regularly analyses the risks and threats to the stability of the Swedish financial system.

### Markets Department

*Head of Department: Heidi Elmér*

The Markets Department manages the Riksbank's gold and foreign currency assets. It administers and settles transactions in the management of the Riksbank's financial assets, and regularly evaluates and measures the results and risks in this management. The department conducts monetary and foreign exchange policy operations in accordance with the monetary policy decisions. In addition, the department is responsible for the ongoing monitoring of the markets and SWESTR, the transactionbased reference rate.

### Monetary Policy Department

*Head of Department: Åsa Olli Segendorf*

The Monetary Policy Department is responsible for the economic analysis that forms a basis for the decisions made to meet the price stability target. The department monitors and analyses economic and price developments, and is responsible for financial market and balance of payments statistics. This department also contains the Riksbank's Research Division.

## Internal Control and Operational Support Department

*Head of Department: Robert Sirkka*

The Internal Control and Operational Support Department is responsible for the Riksbank's procurement support, information management, office and property services, transport and security and for compiling the basis for the budget and financial statements. The department is also responsible for coordinating crisis preparedness in the central payment system, for information security and for the Riksbank's internal sustainability work. The department also contains the Riksbank's independent risk management division.

## IT and Digitalisation Department

*Head of Department: Ulrika Pilestål until 11 April 2024. Johan Acharius acting Head of Department from 12 April 2024 to 30 September 2024. Mats Eklund Head of Department since 1 October 2024.*

The IT and Digitalisation Department is responsible for the Riksbank's digital development. The department is also responsible for the robust and secure operation, management and further development of the Riksbank's IT support. This also includes IT architecture, IT security and IT cooperation. The department shall drive forward and support operational development.

## General Secretariat

*Head of Department: Susanna Grufman*

The General Secretariat coordinates day-to-day operations and supports the Executive Board's governance and control, as well as strategic development of the Bank's activities. Since 1 June, the department has also been responsible for the Riksbank's staff development and skills supply, as well as payroll administration. The department also provides secretariat services for the General Council, the Executive Board and the Management Group. The department includes functions for crisis preparedness, operational planning, legal support and data protection. The Staff Department also coordinates the Riksbank's communication. On 1 September, a Secretariat for International Affairs was established at the Department with responsibility for coordinating and strategically developing the Riksbank's international work.

## Internal Audit Department

*Head of Department: Simon Rörborn until 11 November 2024. Hilka Nyberg acting Head of Department as from 12 November 2024.*

The Internal Audit Department reviews parts of internal governance and control selected by the Executive Board and supports other operations in these matters.

## The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2024

*The Riksbank Prize in Economic Sciences in Memory of Alfred Nobel in 2024 was awarded to Daron Acemoğlu, Simon Johnson and James A. Robinson for their studies of how institutions shape and influence prosperity.*

Daron Acemoğlu, Turkey, born 1967, is a professor at the Massachusetts Institute of Technology. Simon Johnson, UK, born 1963, is a professor at the Massachusetts Institute of Technology. James A. Robinson, UK, born 1960, is a professor at the University of Chicago.

The Sveriges Riksbank Prize in Economic Sciences was established in connection with the Riksbank's 300th anniversary in 1968. By making a donation, the Riksbank committed itself to giving the Nobel Foundation each year in perpetuity the prize money and an amount equal to 65 per cent of the prize money to cover the Foundation's costs for administration and awarding the prize. The Riksdag decided in 2018 that the Riksbank may make an annual supplementary contribution to the Nobel Foundation to cover the increased costs of administering the economic prize. In 2024, this contribution amounted to just over SEK 3.7 million. The Government has established the statutes for the prize.

The prize is awarded every year to a person or persons who have produced work of outstanding importance in the field of economic sciences. The Royal Swedish Academy of Sciences selects the prize-winner(s) according to the same principles as for the Nobel Prizes. The prize amount is also the same. In 2024, the prize money amounted to SEK 11 million. This money is paid by the Riksbank.

In order to mark the year's Economics prize, the Riksbank hosted Nobel Calling, an online seminar for the general public in cooperation with the Nobel Prize Museum, on 14 October 2024. Participants were able to listen to discussions on the significance of the Nobel Prize and find out more about the year's Economics Nobel laureate. Deputy Governor Anna Seim participated in the event.

The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel has been awarded every year since 1969. All of the previous laureates are listed on the Riksbank's website [riksbank.se](https://www.riksbank.se).

# Statements by the Riksbank in 2024

## The Riksbank's consultation responses

<b>Matter</b>	<b>Recipient</b>	<b>Date</b>
Memorandum: Interest rate differential compensation to reduce barriers to longer fixed-rate mortgage periods	Ministry of Justice	24 January 2024
The interim report: A secure and accessible government e-identification	Ministry of Finance	24 January 2024
Memorandum: Examination of cases under the EU Regulation on Markets in crypto-assets	Ministry of Finance	24 January 2024
Proposal for amended regulations on the activities of payment service providers	Finansinspektionen	6 February 2024
Updated method for assessing specific capital requirements for non-trading book market risk	Finansinspektionen	4 March 2024
Memorandum: European Green Bonds	Ministry of Finance	7 March 2024
Memorandum: Digital operational resilience for the financial sector	Ministry of Finance	10 April 2024
Memorandum: Phasing-out tax relief on interest payments for certain loans	Ministry of Finance	10 April 2024
Report: Strengthened constitutional preparedness (SOU 2023:75)	Ministry of Justice	10 April 2024
Proposal for regulations on clearing and settlement of payments	Finansinspektionen	11 April 2024
Report: Financial instruments in distributive ledgers and certain securities settlement issues (SOU 2023:102)	Ministry of Finance	23 April 2024
Memorandum: Measures against abuse of alternative payment systems	Ministry of Finance	23 April 2024
Memorandum: A new EU regulation on markets in crypto-assets	Ministry of Finance	23 April 2024
Report: Labour law in times of war and threat of war (SOU 2023:79)	Ministry of Employment	3 May 2024
Report: New rules for labour immigration etc. (SOU 2024:15)	Ministry of Justice	15 May 2024
Report: Food preparedness for a new era (SOU 2024:8)	Ministry of Rural Affairs and Infrastructure	15 May 2024
Report: Long-Term Survey 2023 – Fiscal policy stabilisation (SOU 2023:85)	Ministry of Finance	15 May 2024
Memorandum: A new function for crisis management in the event of serious operational disruptions in the financial sector's digital infrastructure	Ministry of Finance	27 May 2024

Memorandum: Rules on suspension of government employees	Ministry of Finance	27 May 2024
Proposal for new regulations and general guidelines on the tasks of government authorities in preparation for and during states of heightened alert	Swedish Civil Contingencies Agency	19 June 2024
Proposal to amend Finansinspektionen's regulations on insurance distribution	Finansinspektionen	2 July 2024
Memorandum: Calculation of the total risk-weighted exposure amount	Ministry of Finance	19 August 2024
Memorandum Strengthened consumer protection in the credit market	Ministry of Finance	19 August 2024
Proposal for amended regulations on deposit insurance	Swedish National Debt Office	29 August 2024
Memorandum: New conditions for the Riksbank's funding	Ministry of Finance	18 September 2024
Changed conditions due to the EU Regulation on European Green Bonds	Finansinspektionen	23 September 2024
Proposals for new and amended regulations due to the DORA regulation	Finansinspektionen	1 October 2024
Proposal for amended regulations in response to the banking package	Finansinspektionen	2 October 2024
Final report: Supplementary provisions to the revised EU Regulation on electronic identification (SOU 2024:45)	Ministry of Finance	3 October 2024
National Debt Office's proposal for guidelines for the management of the national debt 2025–2027	Ministry of Finance	4 October 2024
Memorandum: Monitoring and reporting obligation for clearing houses	Ministry of Finance	18 October 2024
Memorandum: Review of the buffer funds	Ministry of Finance	30 October 2024
Legal, Financial and Administrative Services Agency's proposal for amendment to the Ordinance (1987:778) on the investment of funds under the Agency's administration	Ministry of Finance	29 October 2024
Supplement to the referral from Finansinspektionen regarding proposal for new regulations due to the DORA regulation	Finansinspektionen	27 November 2024
Proposal for adaptations to the EU framework for dealing with financial firms in crisis	Ministry of Finance	13 December 2024

Source: The Riksbank.

### Other statements

<b>Title</b>	<b>Recipient</b>	<b>Date</b>
The Riksbank's statement on the Swedish National Audit Office's audit of the Riksbank's asset purchases	Riksdag Committee on Finance	31 January 2024

Source: The Riksbank.

# Glossary

## **Activation of fixed assets**

Recording of expenses for a **fixed asset** as an asset on the balance sheet, instead of as an expense on the profit and loss account. The fixed asset is then written off over its economic life (see also **depreciation**). All tangible fixed assets with a value exceeding SEK 20,000 are activated.

## **Balance of payments**

Statistical report of a country's economic transactions with the rest of the world.

## **Bank for International Settlements (BIS)**

Collaboration body for central banks with its headquarters in Basel.

## **Banknotes and coins in circulation**

Banknotes and coins circulating in society outside the Riksbank. A reduction of the amount of banknotes and coins in circulation means that the banks have returned banknotes and coins to the Riksbank and been paid for this via deposits in their accounts in the Riksbank's payment system **RIX**. The liabilities item 'Banknotes and coins' thereby decreases at the same time as the liability in Swedish kronor to the Riksbank's counterparties increases to a corresponding extent.

## **Basel III**

International regulatory framework for banks that mainly regulates their capital adequacy, i.e. how much capital a bank must hold in relation to the risk it takes, and the way they manage **liquidity**. Basel III has been developed by the **Basel Committee on Banking Supervision**.

## **Basel Committee on Banking Supervision**

Committee within the **Bank for International Settlements (BIS)** for international cooperation on issues relating to banking supervision and financial stability. The Basel Committee is made up of representatives of supervisory authorities and central banks from 28 different countries. It formulates standards and guidelines and issues recommendations.

## **Bond**

Security issued by a government, municipality or company and that functions as a kind of loan. In practice, the buyer of a bond lends a sum of money to the issuer and receives interest on the money. A bond normally has a fixed maturity of one year or more. At maturity, the issuer repays the bond's **nominal amount**.

**By circulation**

Decisions taken without a meeting of the Executive Board. When a decision is taken by circulation, the Governor of the Riksbank presents a draft decision orally or in writing to the individual members of the Executive Board, after which the members' positions are collected and recorded in the minutes.

**Cash management chain**

Cash is managed by a variety of actors in a system often referred to as a cash chain, where cash is manufactured, stored, distributed, used for transactions, deposited, circulated and finally destroyed at the end of its technical life.

**CCP, central counterparty**

Financial company that acts as an intermediary between buyer and seller in a securities transaction. In this way, the parties have no risk exposure to each other, only to the central counterparty.

**Civil preparedness**

An umbrella term for the work that society as a whole carries out together to ensure the ability to withstand and manage both **peacetime crisis situations** and **heightened states of alert**.

**Contingent asset**

Asset that may fall to the Riksbank, depending on possible future events beyond the Riksbank's control. Due to this uncertainty, the asset is not reported in the balance sheet, but is mentioned in the annual report.

**Contingent liability**

A contingent liability is a potential liability that may fall to the Riksbank, depending on possible future events beyond the Riksbank's control. Due to this uncertainty, the liability is not reported in the balance sheet, but is mentioned in the annual report.

**Continuity management**

Process that ensures the organisation can run critical operations at a tolerable level regardless of any disruptions that have occurred. This means that the organisation reduces its vulnerability and increases its resilience to various incidents that could affect its critical operations.

**Covered bond**

**Bond** in which the holder has higher collateral if the issuer should enter bankruptcy. This collateral consists of the issuer holding certain assets (primarily mortgage loans) separate from its other assets so that they can be used in the event of a bankruptcy to repay money to the holder of the covered bond.

**CPI, Consumer Price Index**

Statistical measure of the price level. Calculated every month by **Statistics Sweden**.

**CPIF, the CPI with a fixed mortgage rate**

A statistical measure of the price level that is the Riksbank's target variable for the inflation target. Unlike the **CPI**, the CPIF is not directly affected by changes in mortgage rates. The CPIF is calculated every month by **Statistics Sweden**.

**CPMI, Committee on Payments and Financial Market Infrastructures**

Committee within the **Bank for International Settlements (BIS)** that promotes safe and efficient payments, clearing and **settlement**.

**Deposit facility**

Account in which the monetary policy counterparties deposit money at the Riksbank overnight. See also **Standing facilities**.

**Depreciation**

Allocation of the acquisition cost of an asset over the number of years the asset is calculated to be in use. The asset's value on the balance sheet is reduced by a corresponding amount each year.

**Derivative instruments**

Financial instruments that are linked to an underlying asset, for example shares or a currency, and that entail an agreement between two parties on a purchase or exchange at a specific future point or period in time. The value of the derivative instrument depends on the development of the value of the underlying asset. Trading in derivative instruments involves speculating in how the value of the underlying asset will change over the agreed period of time. Derivative instruments are often used to spread and minimise risks. The most common derivative instruments are options, futures and swaps (**swap agreements**).

**Discounted value**

The present value of a future payment, taking into account the interest during the period until payment. Depending on the purpose of calculating the discounted value, **inflation** may also be taken in to account.

**Ecofin Council**

Group within the Council of the European Union (Council of Ministers) that consists of the economic and finance ministers of the European Union. The Ecofin Council is responsible for economic policy, financial markets, movement of capital and economic links with countries outside the EU.

**ECB, European Central Bank**

Joint central bank for the EU Member States that have adopted the euro, with its head office in Frankfurt. The Bank's duties are stipulated in a statute that is part of the EU Treaty.

### **ECB General Council**

Consultative body within the **European System of Central Banks** consisting of the governors of all the EU central banks as well as the President and Vice President of the **ECB**.

### **EFC, EU Economic and Financial Committee**

Advisory body to the **ECOFIN Council** and the European Commission, monitoring economic and financial developments in the EU and the euro area. The Committee consists of senior officials from national authorities and central banks, as well as from the **European Central Bank** and the European Commission.

### **ESCB, the European System of Central Banks**

Forum for cooperation between the **ECB** and the national central banks of all EU Member States, both those that have adopted the euro and those that have not. See also **Eurosystem**.

### **ESRB, European Systemic Risk Board**

Independent EU body responsible for the macroprudential policy of the financial system within the EU.

### **E-krona**

A central bank digital currency that may be issued by the Riksbank and that would be available to the public. The Riksbank has not taken any decision on issuing an e-krona.

### **Eurosystem**

Collaborative organisation that takes care of monetary policy in the euro area. Consists of the **ECB** and the national central banks in the euro area.

### **Financial markets**

Markets where financial assets are bought and sold. The four most important markets are the foreign exchange market, the fixed income market, the stock market and the derivatives market.

### **Financial Stability Council**

Discussion forum for matters of financial stability. The Council includes representatives of the Government, **Finansinspektionen**, the **Swedish National Debt Office** and the Riksbank.

### **Finansinspektionen**

Central government agency with the task of monitoring the activities of banks, credit market companies, securities companies, securities brokers, fund management companies, stock exchanges, authorised marketplaces, clearing organisations, insurance companies and insurance brokers.

**Fixed assets**

Assets that are intended for permanent use or possession. Examples of such assets are buildings and equipment. The opposite of fixed assets are current assets.

**Foreign exchange (FX) swap**

**Derivative instrument** entailing an agreement between two parties on the respective purchase and sale of a currency at the daily rate, after which they will respectively sell or purchase it back at a later date at a rate determined in advance. FX swaps are often used to obtain **liquidity** in another currency, but there may also be other reasons. For example, central banks can use FX swaps to temporarily create a larger surplus or deficit of their own currency in the banking system.

**GDP, Gross Domestic Product**

The value of all goods and services produced in a country during a period, usually one year or one quarter. GDP can be calculated in several different ways. One common way is to total the value of everything consumed, invested in and exported, and then deduct the value of everything imported.

**GDP per capita**

GDP divided by the number of inhabitants in the country.

**IMF, International Monetary Fund**

International organisation that works to ensure the stability of the global financial system and to prevent international financial crises. The IMF monitors and analyses developments in its 190 member countries. The organisation also provides technical assistance and lends money to countries implementing economic adjustment programmes. The IMF Board of Directors is composed of representatives of the IMF's 24 constituencies, with each constituency comprising one country or group of countries.

**Inflation**

Increase in the general price level, which at the same time means that the value of money decreases. Inflation is usually measured as the change in the **CPI** or **CPIF**.

**Interest rate swap**

**Derivative instrument** entailing an agreement between two parties on a mutual exchange of interest flows, for example fixed-rate against variable-rate interest and vice versa.

**Lending facility**

Account from which the monetary policy counterparties can borrow money from the Riksbank overnight. See also **Standing facilities**.

**Liquid funds**

Assets that can rapidly be used for payments, such as cash or account balances.

### **Liquidity**

Short-term solvency, i.e. the ability to obtain **liquid funds** quickly. The term can be applied to individual companies and organisations or to the financial system as a whole. It can also be used as a synonym for liquid funds. Liquidity can also refer to securities. In this case, the word refers to the ability to convert securities into money, rapidly and at a low transaction cost.

### **Medieakademien**

Non-profit organisation founded by Göteborgs-Posten, the University of Gothenburg, Forsman & Bodenfors and NFO Infratest (now Kantar Sifo) that, among other things, publishes the confidence barometer, a survey of confidence in social institutions, individual companies and the mass media.

### **Monetary policy**

Measures by a central bank to maintain low and stable inflation (**price stability**). The Riksbank's main tool for this is the **policy rate**. Monetary policy shall also contribute to a balanced development in production and employment without disregarding the price stability target.

### **Monetary policy instruments**

The Riksbank uses various monetary policy instruments to conduct monetary policy in practice. The Riksbank primarily does this with the assistance of market operations and standing deposit and lending facilities. In addition, the Riksbank can take other measures if necessary.

### **Net interest income**

Interest income from lending less interest expenditure for funding and deposits.

### **Neutral interest rate**

The policy rate that has neither an expansionary nor a contractionary effect on the economy. When the interest rate is neutral, balance is achieved in the real economy and inflation will eventually stabilise at the target.

### **Nominal amount**

Amount at which a security is issued. For an interest-bearing security, it is the amount that the holder receives back at maturity. For banknotes and coins, it is the amount specified on the banknote or coin.

### **Non-financial companies**

Non-financial companies refer to independent legal entities that are market producers and whose main activity is the production of goods and non-financial services. This includes companies in industry, construction, property and trade. Tenant-owner housing associations and publicly owned companies that fulfil the criteria are also included. Sole proprietorships are not included in non-financial companies but belong to the household sector.

### **Peacetime crisis situations**

Situations that deviate from the norm and are difficult to foresee, affect large numbers of people and large sections of society, threaten fundamental values, involve a serious disruption or imminent risk of serious disruption to essential societal functions, cannot be dealt with individually by the ordinary organisation and require coordinated and urgent action by several actors.

### **Policy rate**

Interest rate set by a central bank for monetary policy purposes.

### **Price stability**

Condition where the prices of goods and services increase only moderately or not at all. Inflation is then low and stable. The price stability target is defined by the Riksbank as **inflation**, measured as the increase in **CPIF**, being 2 per cent.

### **Provision**

Amount that is reserved in the accounts for future costs.

### **Resolution**

Orderly reconstruction or winding-up of a failing bank. Resolution is used by the government as an alternative to bankruptcy for banks or **central counterparties** deemed systemically important. The aim of this is to avoid a financial crisis and ensure that the taxpayer does not have to bear the costs of the bank's collapse. Under the EU crisis management directive, each EU country must designate a specialised resolution authority responsible for dealing with failing banks. Sweden's resolution authority is the Swedish National Debt Office.

### **Retail Payments Council**

Forum for dialogue aimed at promoting the functioning of the Swedish market for payment services. The Retail Payments Council brings together authorities and private operators with important roles in the payments market.

### **Riksbank Certificate**

Security with a maturity of one week, as a rule, that is issued by the Riksbank and that can be purchased by the Riksbank's monetary policy counterparties. Riksbank Certificates work as a type of deposit. The interest received by the counterparty when it places money in Riksbank Certificates is the **policy rate**. In the balance sheet, Riksbank Certificates are reported under 'Debt certificates issued'.

### **Riksdag Committee on Finance**

Parliamentary committee that prepares matters concerning economic issues, including the activities of the Riksbank and the central government budget.

### **RIX**

The Riksbank's payment system, consisting of two services, one for the settlement of large-value payments and one for the settlement of instant

payments in real time. Participants in RIX are banks, clearing organisations, the Swedish National Debt Office and the Riksbank.

### **Settlement**

Final regulation of liabilities and claims between two banks, when money or securities are transferred between them. Settlement is executed on a daily basis.

### **SOM Institute**

Independent survey research organisation at the University of Gothenburg that investigates the habits and attitudes of the people of Sweden. SOM stands for Society, Opinion and Mass Media.

### **Special Drawing Rights (SDR)**

An international reserve asset created by the IMF. An SDR involves a potential claim on the foreign exchange reserves of IMF member countries' but it is not a currency in itself and can only be used by countries and international organisations. The value of an SDR is determined by a weighted currency basket consisting of US dollars, pounds sterling, euro, Japanese yen and Chinese renminbi.

### **Standing facilities**

Overnight deposit and lending accounts that can be used by the Riksbank's monetary policy counterparties. Standing facilities allow counterparties to manage their **liquidity** and at the same time act as a monetary policy instrument. By setting the deposit rate just below the **policy rate**, and the lending rate just above it, the banks are given an incentive to set their own overnight rates in between. This allows the Riksbank to steer overnight rates and, by extension, other short-term market rates against the policy rate. (In recent years, when the banking system has had a surplus of liquidity, the lending rate has become less important. However, the deposit rate still acts as a lower bound for overnight rates).

### **Statistics Sweden**

Central administrative agency for official statistics and other statistics produced by government agencies in Sweden.

### **STIBOR**

Traditional bid-based reference rate (interbank rate) in Swedish kronor. Available at several maturities from tomorrow-next to six months. Abbreviation stands for Stockholm Interbank Offered Rate.

### **Stress test**

Analysis of different scenarios to test the resilience of e.g. banks to unexpected and negative events.

### **Swap agreement**

**Derivative instrument** entailing an agreement between two parties to swap interest rate streams (see **interest rate swap**) or currencies (see **foreign exchange swap**) with each other over a period of time.

### **Swedish National Debt Office**

Government agency tasked with being the government's internal bank. It raises loans, manages government debt, protects consumers' money and securities through the deposit guarantee scheme and is responsible for the government's management of banks in crisis.

### **SWESTR**

A transaction-based reference rate with a maturity of one day (overnight) provided by the Riksbank. The abbreviation stands for Swedish krona Short Term Rate.

### **Swift, Society for Worldwide Interbank Financial Telecommunication**

Belgian member-owned company that provides a global network for the secure transfer of financial messages, such as payment instructions, between financial entities worldwide. The company also promotes the standardisation of financial messages. Swift has over 11,000 participants in over 200 countries.

### **The reference rate**

Common benchmark for the pricing of financial contracts reflecting general interest rate developments. Used, for example, for interest-bearing securities with variable coupons, derivative instruments or variable-rate loans. A reference rate shall not be controlled by any of the contracting parties.

### **Tokenisation**

Tokenisation of financial assets involves converting the ownership of one or more assets into a token that can be traded on a distributed ledger technology (DLT), such as a blockchain.

### **Total defence**

Consists of military defence and civil defence. Total defence means all activities needed to prepare Sweden for war. During the highest state of alert, total defence is all societal functions that must be maintained at that time.

### **Transmission mechanism**

The process through which **monetary policy** affects **inflation** and the economy in general. This occurs both by affecting market interest rates and the banks' propensity to lend and by the appreciation or depreciation of the krona.

### **Undervalue**

The difference between the amount paid and the **nominal amount** of a financial instrument if the nominal amount is larger.

**Vital societal functions**

Activities, services or infrastructure that maintain or ensure the provision of societal functions essential to the basic needs, values or safety of society.