



JÖRGEN APPELGREN

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Mr. Jurgilas  
Bank of Lithuania  
Gedimino pr. 6, LT-01103 Vilnius, Lithuania

Dear Mr. Jurgilas,

I'm responding to Your letter where You have questions about the interpretation of our report *Maintaining Financial Stability in Sweden - Experiences from the Swedish banks' expansion in the Baltics (RiR 2011:9)*.

Let me start by explaining the role of the Swedish National Audit Office (NAO). The NAO is an independent authority under the control of the Swedish Riksdag (Parliament). Thus, the NAO decides autonomously which audit activities it will undertake. We are accountable for our findings, but our views are not necessarily shared by the Government or the Riksdag.

The interpretations made in your Parliamentary inquiry are not correct. It is not a conclusion in our report "that Swedish banks and the Swedish supervisory authorities are essentially responsible for all the crisis developments".

You also had a question concerning the essence of our statements regarding the Swedish banks leading role in the Baltic payment systems and the Governments implicit responsibility for Baltic States economic stability.

The meaning was to clarify for the Riksdag that activities of Swedish banks in other countries can have an impact on the implicit responsibilities of the Swedish Government. We recommended that the Government should examine whether the risks in the banking sector and the implicit state guarantee can be limited. Furthermore, we argued that the Government should make sure that it is regularly made aware of the risks, such as those that the banks' operations in other countries can entail to the Government.

Kind Regards,

Jörgen Appelgren