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■ Monetary policy and financial stability - the Riksbank's two main tasks

"Many countries are currently in the midst of a financial crisis that has repercussions throughout the global financial system. Sweden has so far been spared the worst. But now the financial markets in Sweden are also clearly affected by the uncertainty and lack of confidence, which thus also affects the Swedish banks and other financial agents. We and other government agencies have therefore taken various measures to increase the possibility for credit in both Swedish krona and US dollars. Today we took a decision on a new loan facility to improve access to credit at longer durations. If the situation should deteriorate, the Riksbank and other government agencies are prepared to take action to deal with any problems," says First Deputy Governor Irma Rosenberg in a speech held at Statistics Sweden today.

"The Riksbank, like many other central banks around the world, is currently facing very difficult challenges. But although they are difficult, we are well-equipped to meet them. We have an entirely different starting point from that during the finance crisis of 1992, which largely concerned problems that had originated here at home. Today we are suffering contagion effects from problems in the US mortgage market, a market to which the Swedish banks have only small direct exposures. The situation is also different with regard to monetary policy. The inflation target and the current regulations regarding monetary and fiscal policy together with sound public finances provide a stable base on which to stand and meet the coming economic downturn."

"Even if the Swedish banks are affected by current events, they have good capital buffers and good earnings, and are therefore well-equipped to meet the turmoil in the financial markets. The biggest problem for banks at present is to find funding at longer durations. The Riksbank, together with other government agencies and central banks, has taken measures to improve the situation. Today we decided to offer a further loan facility, with a first auction of SEK 60 billion. We are also prepared to take further measures if necessary."