



PRESS RELEASE

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■ Increased loans and longer maturity

Given the international financial turbulence, the Riksbank has decided to lend more money to the banks. The amount offered in today's auction is now raised from SEK 60 billion to SEK 100 billion. On Wednesday, 8 October, a further auction of SEK 100 billion will be offered for six-month loans. This means that together with the earlier actions taken, the Riksbank will in total be supplying the bank system with SEK 354 billion. The Riksbank is prepared to supply the liquidity needed in the Swedish financial system.

"The Riksbank is now taking swift measures to facilitate the credit supply for the Swedish banks. The international financial turbulence is now clearly affecting the financial market in Sweden, Swedish banks and other financial market participants. Swedish banks have plenty of capital and limited loan losses, but the markets for long-term credit are functioning less efficiently. If this continues, there is a risk it will have negative effects on the credit supply for banks, companies and households in Sweden. The Riksbank has therefore decided to offer further loans as a preventive measure. Together with the actions taken by the Swedish National Debt Office, liquidity of more than SEK 500 billion is being supplied in different ways. The Riksbank is prepared to provide the liquidity necessary to safeguard financial stability and ensure the smooth functioning of the financial markets in Sweden," says Governor Stefan Ingves.

The auction today is open between 09.30 and 11.00 hours CET. The same opening hours will apply on Wednesday, 8 October. The counterparties in both auctions are the monetary policy counterparties. This means that the same collateral applies as for the RIX system. The minimum interest rate in today's auction of three-month loans is the repo rate plus 0.25 percentage points. The minimum interest rate in Wednesday's auction of six-month loans is the repo rate plus 0.40 percentage points. The Riksbank is prepared to take further actions if necessary.

More information on the loan facility will be published later today on the Riksbank's website, www.riksbank.se.