



PRESS RELEASE

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■ Riksbank grants liquidity assistance to Kaupthing Bank Sverige AB

The Riksbank has decided to provide liquidity assistance on special terms with a loan of up to five billion krona to Kaupthing Bank Sverige AB. The loan may be used to pay both depositors with accounts in Kaupthing Bank hf, Iceland, Swedish office (Kaupthing Edge) and depositors and other creditors of Kaupthing Bank Sverige AB.

“The Icelandic bank sector has for some time been under great strain. The conditions in the Icelandic bank sector have recently made it difficult also for Kaupthing Sverige AB to meet its payment obligations. In the situation that has arisen there is an imminent risk that the bank may suffer liquidity problems. To safeguard financial stability in Sweden and ensure the smooth functioning of the financial markets, the Riksbank has therefore decided to grant liquidity assistance to Kaupthing Sverige. The Riksbank is prepared to supply the liquidity necessary,” says Governor Stefan Ingves.

The Riksbank has made the assessment that Kaupthing Bank Sverige AB is solvent. Finansinspektionen (the Swedish Financial Supervisory Authority) has made the same assessment. The Riksbank thus bases its decision on an assessment that the bank is suffering temporary liquidity problems, but that its solvency is not threatened. Moreover, the Icelandic central bank yesterday granted a liquidity assistance loan of EUR 500 million to the Icelandic bank Kaupthing hf.

The loan applies until further notice and is granted against collateral.

The loan is supplied on the basis of Chapter 6, Section 8 of the Sveriges Riksbank Act. This states that the Riksbank can in exceptional circumstances grant credit to banks on special terms for the purpose of supporting liquidity.

A press conference with Riksbank Governor Stefan Ingves, Deputy Governor Lars Nyberg and Lars Frisell, Deputy Head of the Financial Stability Department, will be held today at 8.30 a.m. in the Riksbank. Entry via the bank's main entrance, Brunkebergstorg 11. Press cards must be shown. The press conference will be broadcast live on the Riksbank's website, www.riksbank.se.