

Memorandum

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DNR

■ Liquidity assistance on special terms

Background

The listed holding company D.Carnegie & Co AB has two wholly-owned Swedish subsidiaries. The subsidiary Max Matthiessen Holding AB acts as intermediary for insurance and savings and Carnegie Investment Bank AB (below referred to as Carnegie) conducts operations in securities trading, investment banking, asset management and private banking. Carnegie is one of the largest participants in Nordic equity trading seen in terms of turnover. On 30 September 2008 the Carnegie group's balance sheet total amounted to around SEK 33 billion and the assets under management by Carnegie amounted to around SEK 122 billion. Carnegie has more than four thousand customers in Sweden and deposits amounting to around SEK 2.5 billion.

Carnegie's financing situation has become so strained that the bank risks being unable to meet its payment obligations. Carnegie's possibilities to finance itself have been made more difficult by the deterioration in the availability of borrowing against securities and by increased collateral requirements for transactions on the stock markets. Carnegie has applied for special liquidity assistance from the Riksbank.

Considerations

The Riksbank has analysed the bank's assets, ability to repay and capital structure and found that the bank is capable of meeting its obligations if it receives liquidity assistance from the Riksbank. Finansinspektionen (the Swedish Financial Supervisory Authority) has made the assessment that the bank and the holding company are solvent

Given the anxiety currently prevailing, the Riksbank's assessment is that a payment default by Carnegie could lead to a risk of serious disruptions to the financial system and could undermine confidence in the payment system. There are therefore exceptional circumstances for granting credit on special terms to Carnegie, which is a company under the supervision of Finansinspektionen.

Proposed decision

It is proposed that the Executive Board decide that



1. the Riksbank by virtue of Chapter 6 Section 8 of the Sveriges Riksbank Act (1988:1385) grants Carnegie Investment Bank AB a loan on special terms as follows:

- Amount: SEK 1 billion against collateral.
- Maturity: Until further notice.
- Price of the loan: The repo rate with an addition of 150 basis points.

2. Two Board members shall jointly decide on the more detailed terms of the loan.