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■ Long SEK loans at variable interest rate

The Riksbank is continuing to offer loans in Swedish krona at longer maturities. These loans will be made at a variable interest rate. Loans against normal collateral will be granted with maturities of 3 and 6 months. Loans with commercial paper as collateral will be offered at maturities of 3, 6 and 12 months. It is important that the Riksbank continues to supply loans to facilitate the banks' funding and the functioning of the markets. Longer loans at a variable interest rate will make it easier for the banks to give credit to Swedish companies.

To facilitate the banks' financing and the functioning of the market the Riksbank has regularly held auctions of loans in Swedish krona against normal collateral and with commercial paper as collateral. The loans have contributed to safeguarding the banks' short-term funding and to lowering rates in the interbank market. Recently interest in these loans has declined. This could be a positive sign and reflect that conditions in the financial markets are more stable now than they were in the autumn.

At the same time, the situation in the financial markets is far from normal. The commercial paper market has not recovered and the effects of the decline in market borrowing risk having a negative effect on companies outside of the financial sector. Pricing may have contributed to the weaker interest in participating in the Riksbank's auctions. The Riksbank has granted loans at slightly higher interest rates than other central banks and expectations of a lower repo rate may have contributed to lower demand.

The Riksbank will continue to offer loans in Swedish krona at 3 and 6 months against normal collateral. The minimum interest rate will be set at the average repo rate during the maturity of the loan with a supplement of 0.15 percentage points. The first auction of loans with 3 and 6 month maturities granted against normal collateral will take place on Monday, 23 February. In addition, loans in Swedish krona with commercial paper as collateral will be granted at 3, 6 and 12 months at the average repo rate during the maturity of the loan with a supplement of 0.20 percentage points. The first auction of 3 and 6 month loans with commercial paper as collateral will be held on Friday, 20 February. After this, auctions will be held approximately once a fortnight.