

PRESS RELEASE



DATUM: 27 May 2009

NR:

KONTAKT: Sophie Degenne, Head of the Asset Management Department, +46-8-7870757

SVERIGES RIKSBANK
SE-103 37 Stockholm
(Brunkebergstorg 11)

Tel +46 8 787 00 00
Fax +46 8 21 05 31
registratorn@riksbank.se
www.riksbank.se

■ The foreign currency reserve to be strengthened

The Executive Board of the Riksbank has decided to restore the level of the foreign currency reserve by borrowing the equivalent of SEK 100 billion. This needs to be done because the Riksbank has lent part of the foreign currency reserve to Swedish banks. We have also increased our commitments to other central banks and international organisations. The Riksbank needs to maintain its readiness to supply the Swedish banks with the liquidity required in foreign currency.

One of the Riksbank's tasks is to ensure that the payment system in Sweden works safely and efficiently. An important component of this work is to be able to provide liquidity assistance to the Swedish banks in a crisis situation. As the banks fund a significant part of their operations in foreign currency, the Riksbank must have a sufficient reserve of foreign currency to be able to meet the needs of the banks when necessary.

During the financial crisis, the Riksbank has lent US dollars to Swedish banks. The Riksbank has also entered into swap agreements with the central banks of Iceland, Estonia and Latvia and increased its commitments towards the International Monetary Fund (IMF). In total, these arrangements correspond to approximately SEK 100 billion.

"We still need to be prepared for the eventuality that the financial crisis may be both severe and prolonged. This is why we need to strengthen the foreign currency reserve. This is part of our work to safeguard financial stability," says the Governor of the Riksbank, Stefan Ingves.

The Riksbank intends to borrow the foreign currency through the Swedish National Debt Office. More detailed information on how the lending to the Riksbank is financed is available on the website of the Swedish National Debt Office at www.riksdagen.se. The strengthening of the foreign currency reserve is temporary and will be concluded when the Riksbank phases out the measures taken in connection with the financial crisis.