



PRESS RELEASE

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■ Riksbank continues to offer variable-interest loans

The Riksbank will continue to offer variable-rate loans in Swedish kronor with a maturity of three, six and twelve months. The loans are offered to the Riksbank's monetary policy counterparties at a slightly higher interest rate. By gradually raising the price of the loan in line with the improvement in the functioning of the financial markets, the Riksbank wants to encourage a gradual reduction in the banks' dependence on Riksbank loans.

The banks' opportunities to obtain funding have improved in recent months. However, the positive developments in the markets are still dependent on extensive support from central banks and authorities in Sweden and abroad. It is too early to determine how the markets would function without these support measures. There are still reasons for the Riksbank to continue offering loans in Swedish kronor at a variable interest rate.

The variable interest rate loans will, as before, be granted against normal collateral. But as the situation in the financial markets has improved, there is reason to raise the interest rate on the loans. The supplement on top of the average repo rate during the maturity will be set at 0.25 percentage points for loans with three-month and six-month maturities and at 0.30 percentage points for loans with twelve-month maturities. By gradually raising the price in line with the further improvement in market conditions, the facility will be phased out naturally and the banks will be encouraged to gradually reduce their dependence on Riksbank loans.

The auctions for loans with a three-month maturity will be held around once a fortnight, and the loans with six-month and twelve-month maturities will be held around once every four weeks, according to a timetable published on the Riksbank's website, www.riksbank.se. The first auction with the adjusted terms will take place on 16 November. Loans with three-month and twelve-month maturities will be offered in this auction.