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■ The Riksbank will cease to offer 12-month loans but continue to offer loans at shorter maturities

The Riksbank will cease offering loans at a maturity of 12 months but will continue to offer variable-rate loans at maturities of three and six months. The loans will still be offered to the monetary policy counterparties, but at slightly higher interest rates than previously. The changed terms and conditions are a further step in the phase-out of the Riksbank's support measures.

The banks' opportunities to obtain funding have continued to improve 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 still too soon to determine how the markets would function entirely without these support measures. There are therefore still reasons for the Riksbank to continue offering loans in Swedish kronor at a variable interest rate.

However, as the situation on the financial markets has continued to improve, there are also reasons for the Riksbank to reduce the extent of the current loan facility. Loans at a maturity of 12 months will be phased out. On the other hand, three-month and six-month loans will be offered at variable interest rates and against normal collateral, as previously, although the interest rates for these loans will be increased. The supplement over and above the average repo rate during the maturity of the loans will be increased by 0.05 percentage points to 0.30 percentage points for three-month loans and by 0.10 percentage points to 0.35 percentage points for six-month loans. By gradually raising the price in line with the 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 three-month loans will be held approximately once a fortnight while the auctions for six-month loans will be held approximately once every four weeks, in line with a timetable published on the Riksbank's website, www.riksbank.se. These loans will be offered until the end of October 2010. The first auction under the new terms and conditions will take place on 22 February. Both three-month and twelve-month loans will be offered in this auction.