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CONTACT Press service +46 8 787 02 00



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

■ Extended liquidity assistance to Carnegie Investment Bank

The Riksbank has decided to increase the liquidity assistance provided to Carnegie Investment Bank AB to a maximum sum of SEK 5 billion. Carnegie has applied for extended credit in addition to the loan of SEK 1 billion that was granted on 27 October. The liquidity provided is to be increased as a preventive measure in order to make it easier for Carnegie to release its own liquidity should the need arise. It is the assessment of the Riksbank and Finansinspektionen that Carnegie is solvent.

Conditions in the banking sector have made it difficult for Carnegie to finance its payments. Following a request from Carnegie, the Riksbank is now extending the company's loan facility.

"Against the background of the prevailing unease in the financial system, the Riksbank has decided to grant Carnegie increased liquidity assistance in order to reduce the risk of serious disruptions to the financial system. The Riksbank is prepared to provide the liquidity that is needed to safeguard the stability of the financial system," says Deputy Governor Lars Nyberg.

The Riksbank's assessment is that Carnegie is solvent. Finansinspektionen (the Swedish Financial Supervisory Authority) has made the same assessment. The Riksbank bases its decision on an assessment that the bank is suffering temporary liquidity problems, but that its solvency is not threatened. The loan is to be provided against collateral and until further notice.

The loan is supplied on the basis of Chapter 6, Section 8 of the Sveriges Riksbank Act. This states that the Riksbank can in exceptional circumstances grant credit to banks on special terms for the purpose of supporting liquidity.