



PRESS RELEASE

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■ The Riksbank assists corporate funding

In order to improve the supply of loans to the corporate sector, the Riksbank has decided to facilitate bank lending to large non-financial companies. A new, temporary credit facility is provided so that banks can make greater use than before of collateral in the form of commercial paper with maturities up to one year. The credit facility is only open to banks that purchase newly issued commercial paper.

"The accentuation of problems in financial markets has been accompanied by difficulties in the supply of credit to companies outside the financial sector. We aim to improve the opportunities for companies to borrow funds. This makes it easier for companies to obtain loans and increases the banks' possibilities of providing companies with liquidity. In that way it also leaves resources for bank loans to smaller companies as well. The measure is to be seen as complementing the SEK and USD loans which the Riksbank is already providing", says Governor Stefan Ingves.

As collateral in this credit facility, the Riksbank accepts commercial paper issued by companies with an external rating of A-2/P-2 or K-1. Companies that lack an external rating can also participate in the programme. For this, their bank must confirm that the company's creditworthiness complies with equivalent requirements.

The new loans are offered to the banks that are the Riksbank's monetary policy counterparties and will be provided in an auction procedure. The first auction will be held on Wednesday 5 November for loans with three months maturity and Tuesday 11 November as the payment date. The minimum interest rate in this auction is the repo rate plus 0.4 percentage points. The maximum amount for this auction is SEK 40 billion. The plan after that is to hold auctions every second week.

A monetary policy counterparty wishing to utilise the loans in this facility must not later than 31 October register commercial paper programmes that will be used as collateral. Participation in the first auction is to be registered not later than 12.00 hours on Tuesday 5 November.



■ Further information about the procedure and the terms for the credit facility is available on the Riksbank's website, www.Riksbank.se.