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Green light to Norwegian scheme for recapitalisation of sound banks

The EFTA Surveillance Authority has today approved a scheme for temporary recapitalisation of fundamentally sound banks in Norway.

The objective of the recapitalisation scheme is to restore financial stability and foster lending to the real economy. Fundamentally sound banks may, within a 6 month window, apply for a state capital injection from the *Statens finansfond*, the body that will administer the recapitalisation scheme on behalf of the Norwegian State.

The recapitalisation scheme is non-discriminatory and is limited in time and scope. In line with the Authority's Recapitalisation Guidelines, it provides for an appropriate level of remuneration, which takes the market situation of each beneficiary into account, and adequate safeguards to minimise potential distortions of competition. The Authority has on that basis concluded that the scheme is an appropriate means to remedy a serious disturbance in the Norwegian economy and therefore compatible with Article 61(3)(b) of the EEA Agreement.

Following pre-notification contacts between the Norwegian authorities and the Authority, the formal notification of the scheme was received on 28 April 2009 and today's decision is therefore the result of a swift and efficient procedure.

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Brussels, 8 May 2009

Press Release PR(09)39
Number