

# TERMS FOR 3-MONTH CREDIT IN SWEDISH KRONOR (SEK CREDIT TERMS)

## 1 **Introductory terms**

- 1.1 The Riksbank can in accordance with D.1.2.2 of the Principal Document in the Riksbank's Conditions for RIX and monetary policy instruments (the Conditions) lend Swedish krona (SEK) against collateral in eligible securities (Credit). Credit can be used for Structural Transactions.
- 1.2 The Riksbank can make agreements concerning credit in Swedish krona with a duration of 3 months (92 days) in accordance with what is stipulated in these terms for credit in Swedish kronor (SEK Credit Terms).
- 1.3 Unless expressly stated otherwise in SEK Credit Terms the Conditions apply wherever applicable. Words or phrases beginning with a capital letter shall have the sense stated in annex H1 to the Principal Document of the Conditions.
- 1.4 Only those who are a Monetary Policy Counterparty in accordance with the Conditions (that is, a Counterparty that has a right to the Standing Facilities) have a right to tender for credit in SEK in accordance with these SEK Credit Terms.
- 1.5 If any of the SEK Credit Terms is incompatible with a Condition the SEK Credit Terms has priority.

## 2 **The Credit**

- 2.1 Credit in accordance with these SEK Credit Terms is decided after an auction on the basis of D 3.1.2 in the Principal Document.
- 2.2 The bid date is 6 October 2008.
- 2.3 The announced amount is SEK 60 billion.
- 2.4 Interest on the credit is charged on an annual basis in accordance with a fixed interest rate. The interest rate cannot be less than the rate specified by the Riksbank in Saxess/OMFIE page RIKO at the start of the bid submission period and which is equivalent to the current repo rate with a supplement of 0.25 percentage points.

### 3 **Auction procedure**

- 3.1 Bids shall include information about volume (SEK) and interest rate. Volume shall be stated as SEK 500 million or whole multiples thereof and the total volume bid by a single institution may not exceed SEK 24 billion. A maximum of 5 bids may be submitted by a single institution. The bid interest rate must be expressed as a maximum of three decimals. The lowest interest rate bid that may be submitted is the rate the Riksbank determined at the start of the bid submission period and which is equivalent to the current repo rate with a supplement of 0.25 percentage points.
- 3.2 Bids are submitted by telephone +46-(0)8-696 69 70 and are to be confirmed by fax +46-(0)8-787 01 69. The bid submission period is Monday 6 October 2008 09.30 – 11.00 hours (CET/CEST). A bid submitted by telephone is binding on the bidder. This means that the bidder is bound by a submitted tender irrespective of by whom at the bidder the bid was submitted. It also means that the bidder may not recall or alter a submitted bid after the bid submission period has expired. The bidder is liable for payment of interest in accordance with the tender even if repayment is made in advance and even if payment from the Riksbank does not occur because the Riksbank has not received adequate collateral.

- 3.3 The Riksbank has the right to reject bids that contain conditions other than those set out in the SEK Credit Terms. The Riksbank also has the right to reject a bid if the Riksbank has not received confirmation via fax by 11.15 hours on the tender day, or if the fax message and the telephone bid are inconsistent.
- 3.4 The Riksbank rejects bids that
- (i) are submitted or confirmed after the bid submission period,
  - (ii) are above the maximum permissible amount or below the minimum permissible amount or interest rate.
- 3.5
- (i) When the bid submission period has ended the bids are recorded in descending order of the interest rates that have been bid. An individual bidder can be allocated a maximum of SEK 24 billion.
  - (ii) The bid with the highest interest rate shall be accepted first, followed by the bid with the next highest interest rate and so on until the proffered amount is exhausted.
  - (iii) If the bids with the lowest accepted interest rate add up to more than the amount that remains to be provided, the amount shall be divided proportionally between these bids in accordance with the ratio between the amount that remains to be provided and the total that has been bid at the lowest accepted interest rate.
  - (iv) The allocations shall be rounded to the nearest million krona.
  - (v) Allocations are announced on Monday 6 October 2008 at 12.30 hours (CET/CEST) in Saxess/OMFIE page RIKP.
- 3.6 The Riksbank reserves the right to provide an amount that differs from the announced amount if the Riksbank considers that special reasons exist, for example that the interest rate bid is not judged to be in line with the market or another amount can be assumed to serve the purpose of the provision of credit. A bidder is bound to accept an allocated volume even if this is smaller than the volume of the bid.

## **4 Interest rate**

- 4.1 The lowest accepted interest rate is applied for all bidders that have obtained an allocation in the auction.
- 4.2 The applicable interest rate convention is actual number of days divided by 360. Interest is calculated from the payment date to the due date inclusive.
- 4.3 Interest shall be paid on the same day as repayment is made.

## **5 Payment**

The amount of the credit is paid out on 8 October 2008 to the Counterparty's account in RIX with clearing code DAG.

## **6 Collateral and final settlement**

- 6.1 Credit in accordance with this credit agreement is paid out only in so far as collateral that is eligible and adequate in accordance with the Riksbank's requirements in the Conditions has been registered in a securities account that has been pledged to the Riksbank not later than 11.00 hours (CET/CEST) on the payment date. The bidder is bound to pay interest in accordance with the Conditions even if payment has not been made in pursuance of this item 6.1.
- 6.2 Valuation of collateral is to comply with what is stipulated in the Conditions. An adjusted market value that is equivalent to the amount of repayment is reserved for the credit.

## **7 Repayment**

- 7.1 The amount of the loan together with interest shall be paid into the Riksbank's account in RIX with clearing code ADG no later than 8 January 2009.

7.2 In the event of delayed repayment the Counterparty is bound to pay penal interest to the Riksbank in accordance with the Interest Act.

## **8 Notification**

Bids in accordance with these SEK Credit Terms can be submitted only in accordance with what is stated in item 3.2 above.

## **9 Amendments**

The Riksbank reserves the right to make amendments to the SEK Credit Terms. Any such amendments will be communicated to the counterparties not later than 15.00 hours on 3 October 2008.

**Sveriges Riksbank**