

*The following is a translation of the Credit Terms Variable CP Credit. The Credit Terms Variable CP Credit are in the Swedish language and in the case of any inconsistency between the English translation and the Swedish language version, the Swedish language version shall prevail.*



## **GENERAL TERMS FOR THE RIKSBANK'S PROGRAMME FOR CREDIT IN SWEDISH KRONOR WITH A VARIABLE INTEREST RATE WITH COMMERCIAL PAPER AS COLLATERAL (CREDIT TERMS VARIABLE CP CREDIT)**

These terms apply as of 13 February 2009.

### **1 Introductory terms**

- 1.1 In pursuance of its monetary policy the Riksbank can, in accordance with Ch. 6 §5 in the Sveriges Riksbank Act (1988:1385), grant loans against adequate collateral.
- 1.2 The Riksbank can conclude agreements for SEK loans with a variable interest rate with commercial paper as collateral in accordance with these general terms for SEK credit with a variable interest rate against collateral in commercial paper (Credit Terms Variable CP Credit)
- 1.3 Words or phrases beginning with a capital letter shall have the sense stated in the specific terms for the Riksbank's SEK credit with a variable interest rate against collateral in commercial paper (Specific Terms Variable CP Credit) which apply for the Bid Submission Date in question. Specific Terms Variable CP Credit are announced by publication on the Riksbank's website, normally five bank days before the relevant Bid Submission Date.

- 1.4 Only those who are a Monetary Policy Counterparty in accordance with the Terms and Conditions for RIX and monetary policy instruments have a right to bid for SEK credit in accordance with these Credit Terms Variable CP Credit.

## 2 The loans

- 2.1 Loans in accordance with these Credit Terms Variable CP Credit are decided after an auction on the Bid Submission Date.
- 2.2 Interest on the loans is charged on an annual basis in accordance with the applicable repo rate plus an interest supplement that corresponds to the lowest accepted interest supplement in the auction. Any change in the repo rate that comes into force later than two days before the Maturity Date is not taken into account when calculating the interest rate.

## 3 Auction procedure

- 3.1 Before participating in the auction procedure for the first time a bidder must have registered participation with the Riksbank in accordance with the template presented in Annex 1. Registration signifies that the bidder accepts and confirms being bound by these Credit Terms Variable CP Credit for the auction procedures in which the bidder chooses to participate. To be valid the registration must contain the information that is indicated by the template and carry an authorised signature. Bidding in subsequent procedures signifies that the bidder confirms being bound by the Credit Terms Variable CP Credit as well as by the Specific Terms Variable CP Credit for the

■ auction procedure in question.

- 3.2 Bids shall include information about volume (SEK) and interest supplement. Volume shall be stated as Minimum Bid Amount or whole multiples thereof and the total volume bid may not exceed the Maximum Acceptable Volume of Bids. A single institution may not submit more than the Maximum Number of Bids. The bid interest supplement may be expressed with a maximum of three decimals. The lowest interest supplement that may be bid is 0.20 percentage points.
- 3.3 Bids are submitted by telephone +46-(0)8-696 69 70 and are to be confirmed by fax +46-(0)8-787 01 69 during the Bid Submission Period. A bid submitted by telephone is binding on the bidder. This means that the bidder is bound by a submitted bid 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 for the entire maturity of the loan 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. In this case the Riksbank will apply the repo rate applying at the time for repayment or the planned Payment Date respectively to determine the interest rate for the remaining period of the loan or the entire loan period respectively.
- 3.4 The Riksbank has the right to reject bids that contain conditions other than those set out in Credit Terms Variable CP Credit and in Specific Terms Variable CP Credit. The Riksbank also has the right to reject a bid if the Riksbank has not received confirmation by fax not later than 15 minutes after the end of the Bid Submission Period, or if the fax message and the telephone bid are inconsistent.

- 3.5 The Riksbank rejects bids that exceed the Maximum Acceptable Volume of Bids or are below the Minimum Bid Amount or contain a bid with an interest supplement lower than 0.20 percentage points.
- 3.6
- (i) When the Bid Submission Period has ended the bids are recorded in descending order of the interest supplements that have been tendered.
  - (ii) The bid with the highest interest supplement shall be accepted first, followed by the bid with the next highest interest supplement and so on until the Offered Amount is exhausted.
  - (iii) If the bids with the lowest accepted interest supplement add up to more than the amount that remains to be offered, the amount shall be divided proportionally between these bids in accordance with the ratio between the amount that remains to be offered and the total that has been bid at the lowest accepted interest supplement.
  - (iv) The allocations shall be rounded to the nearest million Swedish kronor.
  - (v) Allocations are announced at the Allocation Time in Saxess/OMFIE page RIKY.
- 3.7 The Riksbank reserves the right to provide an amount that is lower than the Offered Amount if the Riksbank considers that special reasons exist. 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 Interest on the loan is calculated on an annual basis using the repo rate applying at each time plus the interest supplement. The lowest accepted interest

■ supplement is applied to all bidders that have obtained an allocation in the auction.

4.2 The applicable interest rate convention is the actual number of days divided by 360. Interest is calculated from the Payment Date to the Maturity Date. The interest rate for the entire maturity of the loan is determined by the Riksbank two banking days prior to the Maturity Date and corresponds to the actual repo rate during the maturity plus interest supplement.

4.3 The interest shall be paid on the Maturity Date.

## **5 Payment Date**

The amount of the loan is paid out on the Payment Date to the bidder's account in RIX with clearing code DAG.

## **6 Collateral and final settlement**

6.1 Payment of credit in accordance with these Credit Terms Variable CP Credit is conditioned on the Riksbank having received a grant of pledge signed by an authorised representative in accordance with the template in Annex 2 to these Credit Terms Variable CP Credit.

6.2 Loans in accordance with these Credit Terms Variable CP Credit are paid out only in so far as collateral that is eligible and adequate in accordance with the Riksbank's requirements in Annex A (Terms for collateral in the Riksbank's programme for SEK credit with a variable interest rate with collateral in commercial paper) has been registered in a securities account that is pledged to the Riksbank not later than

11.00 hours (CET/CEST) on the Payment Date. The bidder is bound to pay interest according to the Credit Terms Variable CP Credit even if payment has not been made in pursuance of this item 6.2.

- 6.3 Valuation of collateral and haircut comply with what is stipulated in Annex A (Terms for collateral in the Riksbank's programme for SEK credit with a variable interest rate with collateral in commercial paper). An adjusted market value is reserved for the credit corresponding to the loan amount plus accrued interest calculated according to the actual repo rate plus interest supplement. When calculating the collateral requirement the accrued interest is calculated with effect from the Payment Date.

## **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 the Maturity Date.
- 7.2 In the event of delayed repayment the bidder is bound to pay penal interest to the Riksbank in accordance with the Interest Act.

## **8. Breach of agreement**

If the Riksbank considers that the bidder is to an essential extent in breach of some condition in these Credit Terms Variable CP Credit or in Specific Terms Variable CP Credit, the Riksbank has the right to terminate outstanding loans for immediate repayment, exclude the bidder from future tendering procedures and require replacement of collateral or some combination of these measures.

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## Notification

All messages between the parties concerning what is regulated in Credit Terms Variable CP Credit shall be sent by post, fax, SWIFT or email to the following addresses. A message shall be deemed to have arrived when has reached the recipient.

### The Riksbank:

Sveriges Riksbank  
Brunkebergstorg 11  
SE-103 37 Stockholm

SWIFT: RIKSSESS

Fax no.: +46 (0)8 24 77 11

E-mail: [collateral@riksbank.se](mailto:collateral@riksbank.se)

(Reporting commercial paper  
programmes and commercial  
paper as collateral)

E-mail: [backofficegruppen@riksbank.se](mailto:backofficegruppen@riksbank.se) (other matters)

### The bidder:

The addresses the bidder has reported in the bidder's registration in accordance with item 3.1

Bids in accordance with these Credit Terms Variable CP Credit can be submitted only in accordance with what is stipulated in item 3.3 above.

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## Applicable law and settlement of disputes

These Credit Terms Variable CP Credit shall be interpreted and implemented in accordance with Swedish law. Action against the Riksbank on account of these Credit Terms Variable CP Credit may be entered only in Stockholm District Court. This restriction on the right of a counterparty to bring an action does not apply to the Riksbank.

**11****Amendments**

The Riksbank reserves the right to make amendments to the Credit Terms Variable CP Credit. Any such amendments will be communicated to the counterparties not later than 15.00 hours on the day before the relevant Bid Submission Date.

**Sveriges Riksbank**