

*The following is a translation of the General Terms Variable SEK Credit. The General Terms Variable SEK 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 (GENERAL TERMS VARIABLE SEK CREDIT) February 2009**

### **1 Introductory terms**

- 1.1 The Riksbank can in accordance with D.1.2.2 of the Master Document in the Riksbank's Terms and Conditions for RIX and monetary policy instruments (the Terms and Conditions) lend Swedish krona (SEK) against collateral in eligible securities (Credit). Credit can be used for Structural Transactions.
- 1.2 The Riksbank can conclude agreements concerning credit in Swedish krona with a variable interest rate in accordance with what is stipulated in these general terms for the Riksbank's programme for credit in Swedish kronor with a variable interest rate (General Terms Variable SEK Credit).
- 1.3 Unless expressly stated otherwise in the General Terms Variable SEK Credit, the Terms and Conditions apply wherever applicable. Words or phrases beginning with a capital letter shall have the sense stated in the specific terms for the Riksbank's programme for credit in Swedish kronor with a variable interest rate (Specific Terms Variable SEK Credit) and which are relevant for the Bid Submission Date in question. The Specific Terms Variable SEK Credit will be announced by means of publication on the Riksbank's website, normally two days prior to the Bid Submission Date concerned. Otherwise, words or phrases beginning with a capital letter shall have the sense stated in annex H1 to the Master Document of the Terms and Conditions.
- 1.4 Only those who are a Monetary Policy Counterparty in accordance with the Terms and 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 General Terms Variable SEK Credit.
- 1.5 If any of the General Terms Variable SEK Credit is incompatible with any of the Terms and Conditions the General Terms Variable SEK Credit has priority.

### **2 The Credit**

- 2.1 Credit in accordance with these General Terms Variable SEK Credit is decided after an auction on the basis of D 3.1.2 in the Master Document on the Bid Submission Date.
- 2.2 Interest on the credit 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 Submission of a bid signifies that the bidder confirms being bound by these General Terms Variable SEK Credit.
- 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 0.15 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 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 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 the General Terms Variable SEK Credit and the Specific Terms Variable SEK Credit. The Riksbank also has the right to reject a bid if the Riksbank has not received confirmation via fax no later than 15 minutes after the Bid Submission Period has expired, 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 lower than the Minimum Bid Amount or contain a bid with an interest supplement lower than 0.15 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 RIKP.

- 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 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 and including 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 Interest shall be paid on the Maturity Date.

#### **5 Payment Date**

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

#### **6 Collateral and final settlement**

- 6.1 Credit in accordance with these General Terms Variable SEK Credit is paid out only in so far as collateral that is eligible and adequate in accordance with the Riksbank's requirements in the Terms and 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 these General Terms Variable SEK Credit even if payment has not been made in pursuance of this item 6.1.
- 6.2 Valuation of collateral and haircuts is to comply with what is stipulated in the Terms and Conditions. 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 Counterparty is bound to pay penal interest to the Riksbank in accordance with the Interest Act.

#### **8 Notification**

Bids in accordance with these General Terms Variable SEK Credit can be submitted only in accordance with what is stated in item 3.3 above.

The Riksbank reserves the right to make amendments to the General Terms Variable SEK Credit. Any such amendments will be communicated to the counterparties not later than 15.00 hours on the Bid Submission Date concerned.

**Sveriges Riksbank**