

GENERAL TERMS AND CONDITIONS FOR THE RIKSBANK'S PURCHASES OF BONDS VIA BID PROCEDURE 2020:3



- These general terms and conditions ("General terms") apply as of 20 November 2020 for the Riksbank's purchases of bonds (except Swedish government bonds¹ and corporate bonds²) via bid procedure.

1. Definitions

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| "Bid date" | The date for making bids, as stated in the Specific terms. |
| "Bid time" | The time for making bids, as stated in the Specific terms. |
| "Registration" | The procedure by which counterparties register their interest in taking part in the bid procedures, annex 1. |
| "Bloomberg Bond Auction System" | Bloomberg Bond Auction System is the system that will be used for the bid procedures. |
| "Bank day" | Monday to Friday that is not a holiday in Sweden, except Midsummer Eve, Christmas Eve and New Year's Eve. |
| "Requested volume" | The volume, or the interval of volume, of Bonds requested for Purchase by the Riksbank in accordance with the Specific terms for the respective Bid date. |
| "Information system" | Nasdaq's GlobeNewswire system for receiving and distributing information in the Swedish money and bond markets or another electronic system for receiving and/or spreading information that the Riksbank has specially assigned. |
| "Purchase" | The Riksbank's purchases of Bonds on the respective Bid dates. |

¹ The General terms and conditions for the Riksbank's purchases of government bonds via bid procedure 2016:1 (or later version announced by the Riksbank at any time) apply to the Riksbank's purchases of Swedish government bonds.

² The General terms and conditions for the Riksbank's purchases of corporate bonds via bid procedure 2020:1 (or later version announced by the Riksbank at any time) apply to the Riksbank's purchases of Swedish corporate bonds.

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| “Delivery and settlement date” | The second Bank day after the Bid date. |
| “Counterparties” | Counterparties accepted by the Riksbank in accordance with point 4 below. |
| “Bond” | A bond that, from time to time, is requested by the Riksbank for Purchase as stated in the Specific terms (but not Swedish government bonds ³ or corporate bonds ⁴). |
| “Monetary Policy Counterparties” | Counterparties covered by the definition Monetary Policy Counterparties in the Riksbank's Terms and Conditions for RIX and Monetary Policy Instruments. |
| “Final volume” | The volume of Bonds that the Riksbank, after the Bid times have expired on the respective Bid date, decides shall be purchased by the Riksbank on such Bid date. The Final volume is within the Requested volume, when the Requested Volume is stated as an interval. |
| “Specific terms” | The special terms and conditions that are applicable to the respective Bid date. |

2. Method of purchase

Purchases are made by means of a bid procedure with differentiated pricing on allocation (multiple price method, i.e. each bid that receives an allocation receives it at the rate bid).

3. Notification of Purchases and Specific terms

Prior to Purchase, the Riksbank will notify on its website and via the Information system – or by another means determined by the Riksbank – the Bond(s) requested for Purchase, the Bid date, the Requested volume, the Bid times, the Delivery and settlement date and other information (“Specific terms”). Specific terms are normally notified two (2) Bank days prior to the Bid date at latest.

³ The General terms and conditions for the Riksbank's purchases of government bonds via bid procedure 2016:1 (or later version announced by the Riksbank at any time) apply to the Riksbank's purchases of Swedish government bonds.

⁴ The General terms and conditions for the Riksbank's purchases of corporate bonds via bid procedure 2020:1 (or later version announced by the Riksbank at any time) apply to the Riksbank's purchases of Swedish corporate bonds.

4. Counterparties

Only those who, at the time of submitting a bid, are Monetary Policy Counterparties and from whom the Riksbank has received a complete Registration no later than 11.00 (CET/CEST) the Bank day prior to the Bid date are eligible to make a bid in the Riksbank's Bonds Purchase. Counterparties must meet the requirements for Monetary Policy Counterparties on both the date of the Registration and the Bid date. The Riksbank reserves the right to depart from the requirements in this section.

Registration and the information provided in the Registration apply for and are binding for the Counterparty for all ensuing bid procedures in which the Counterparty participates.

Counterparties are obliged to ensure that the person representing the Counterparty in the Bid procedure is authorised to do so and has the authority to make binding bids on behalf of the Counterparty.

A Counterparty is always bound by Bid(s) that have been made by using the Bloomberg Bond Auction System and the codes that have been stated in the Registration or, when Bid(s) are submitted by telephone, by those persons authorised to do so according to the Registration.

5. Bid procedure

Bids regarding rate and volume are made by the Counterparties either via the Bloomberg Bond Auction System or submitted by telephone and confirmed by email during the Bid times on the Bid date. The method applicable for submitting bids is stipulated in the Specific terms.

The Riksbank reserves the right to terminate the bid procedure, extend or postpone the Bid times, or designate a later Bid date. In such case, this will be communicated to the Counterparties as soon as possible.

Counterparties may make more than one bid per Bid date.

Bids shall include information about the desired volume and the rate bid. Volume shall be stated as

SEK 1,000,000 (corresponding nominal amount) or whole multiples thereof and may not exceed the Highest permitted bid volume or be lower than the Lowest permitted bid volume (such volumes are specified in the Specific terms). The bid interest rate shall be expressed with a maximum of three decimals.

Bids made are binding for the Counterparty. Bids may not be withdrawn or changed by the Counterparty after the Bid times have expired. Bids are binding until the allocation result has been notified, in accordance with point 6 below, or until the bid procedure has been terminated by the Riksbank.

When the bid times have expired, the bids are ranked according to the offered interest rate. The Final volume is thereafter decided by the Riksbank. After this, the allocation is made. First the bids with the highest interest rate are allocated and thereafter follow the next highest bids and so on until the Final volume has been filled. If necessary to avoid exceeding the Final volume, the allocation for bids at the lowest interest rate accepted by the Riksbank

is reduced, and if there is more than one bid at this rate, the reduction is made in proportion to the volume the Counterparty has stated in its bid(s). In the event of a reduction, the allocated volume is rounded down to a multiple of SEK 1,000,000 (corresponding nominal amount). The remaining bids will not receive any allocation.

The Riksbank reserves the right to, without stating a reason and prior to the allocation decision, reject bids or individual Bonds (ISIN code), even if this would mean that the Final volume is lower than the Requested volume or even if it means that no allocation is made. The Counterparty's bid is accepted via the allocation decision.

The Counterparty is obliged to deliver the allocated volume even if this is smaller than the volume offered in the Counterparty's bid.

6. Reporting allocation results

The allocation results will be notified via the Information system, or by another means determined by the Riksbank, normally no later than 30 minutes after the last time for making a bid. However, in the case of impediment, the Riksbank reserves the right to report the results at a later point in time. The allocation results will also be reported as soon as possible on the Riksbank's website.

One hour after the allocated volume has been notified, the bidder shall provide information in writing to the Riksbank on the Bonds that the bidder intends to include in the bid.

7. Delivery and payment

On the Delivery and settlement date, the delivery of the allocated Purchases of Bonds will be made by the relevant Counterparty, and payment for the Purchase will be made by the Riksbank. The transaction will be through Euroclear Sweden AB's or Euroclear Bank SA/NV's securities settlement system, in accordance with information provided by the Counterparty in its Registration and by the Riksbank in the Specific terms. The payment will be calculated in accordance with Swedish market practice.

If the bids refers to Bonds issued by the Swedish National Debt Office, municipalities, regions or Kommuninvest i Sverige AB, the following applies: The Counterparty is obliged to ensure that the Bonds supplied to the Riksbank by the Counterparty have not been obtained from the issuer to fulfil delivery.

8. Other matters concerning terms and conditions

If a party is not able to meet its full delivery or payment obligations, or other obligation described in Point 7 above, that party is obliged to compensate the other party for any damage, loss, claim, costs and expenditure the other party has suffered as a result of this failure.

If a Counterparty sells Bonds to the Riksbank that in the Bid date did not fulfil the requirements in the General or Specific terms, the Riksbank has the right to cancel the Purchase of such Bonds within two weeks of the Delivery and payment date.



Unless otherwise expressed in the General terms, the Riksbank's Terms and Conditions for RIX and Monetary Policy Instruments will apply as appropriate. If any of the terms and conditions in the General terms is incompatible with the Riksbank's Terms and Conditions for RIX and Monetary Policy Instruments, the General terms will take priority.

The General terms apply until further notice or until otherwise is notified by the Riksbank. The Riksbank reserves the right to make amendments to the General terms. Any such amendments will be notified to the Counterparties no later than 15.00 on the day before the relevant Bid date and will take immediate effect as of the time the Riksbank gives such notice.

Stockholm, 20 November 2020