



**RIKSGÄLDS  
KONTORET**

THE SWEDISH  
NATIONAL DEBT OFFICE

The securities have not been and will not be registered under the U.S. Securities Act of 1933 (the “Act”). The Securities are part of a continuous offering by the Kingdom of Sweden and may not be offered or sold within the United States at any time except in a transaction exempt from the registration requirements of the Act (including a transaction made in accordance with Rule 144A under the Act).

## **Government bonds**

### **TERMS AND CONDITIONS FOR BUYBACKS OF GOVERNMENT BONDS IN SWEDISH KRONOR WITH AN INDEX CLAUSE (INFLATION-LINKED BONDS)**

*The following is only a translation of the terms and conditions. The terms and conditions 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.*

#### **§ 1 The applicability of the terms and conditions**

These terms and conditions apply to Buybacks of Inflation-linked Bonds by the Swedish National Debt Office (Riksgäldskontoret) at auctions that take place from 17 July 2000 and until further notice.

#### **§ 2 Definitions**

“General Terms and Conditions”	General Terms and Conditions for Inflation-linked Bonds
“Base Index”	See definition in General Terms and Conditions.
“Information System”	OM Räntebörsen AB’s electronic system for reception and distribution of information on the Swedish money market.

“Payment Date” The date on which payment is to be made for buybacks of Inflation-linked Bonds.

“Inflation-linked bonds” Government bonds in Swedish kronor with an index clause issued by the Swedish state through the Swedish National Debt Office.

“Official Index” Consumer price index or – if the consumer price index is no longer established or published – a corresponding index for consumer prices in Sweden established or maintained by SCB or the body which establishes or publishes such indexes instead of SCB. When replacing index series, a new index shall be recalculated to the index series on which the Base Index is based.

“Reference Index” If the Payment Date is the 1st of the month, the Reference Index is the Official Index for the calendar month three months prior to that date. If the Payment Date is the 2nd to the 31st of the month, the Reference Index is obtained by linear interpolation between the Official Index for the calendar months that fall three and two months respectively before the Payment Date. In the event of interpolation, a 30-day month is assumed. The Reference Index is thus calculated according to the following formula:

$$R = F_{M-3} + \frac{D - 1}{30} (F_{M-2} - F_{M-3})$$

- R = Reference Index for the Payment Date
- D = The calendar day on which the Payment Date falls (the 31st is changed to the 30th, however).
- F<sub>M-3</sub> = Official Index for the calendar month which falls three months prior to the Payment Date.
- F<sub>M-2</sub> = Official Index for the calendar month which falls two months prior to the Payment Date.

If the Official Index has not been established, or published, for any month as stated above, when a buyback is to take place in the loan, the Swedish National Debt Office shall notify how the Reference Index shall be calculated instead. Such notification is provided through the Information System or another equivalent information system.

“SCB”	Statistics Sweden (Statistiska Centralbyrån).
“Denomination”	See definition in General Terms and Conditions
“Repayment Date”	The date specified in the General Terms and Conditions.

### **§ 3 Buyback method**

Buyback via auction takes place through a bidding procedure with differentiated pricing in allocation.

### **§ 4 Announcement of buybacks**

Before every buyback, the Swedish National Debt Office announces through the Information System – or in another way decided upon by the Swedish National Debt Office – the auction date, the intended volume of buybacks in the loan in question, the latest time for submitting bids and the Payment Date.

### **§ 5 Bidding procedure**

The bid shall contain information about the volume offered and return (real yield rate). The volume shall be specified as SEK 1,000,000 or whole multiples thereof and may not exceed the notified buyback volume in the loan. The real yield rate shall be specified to at most three decimal places.

When the bidding period has ended, the bids will be ranked in accordance with the offered real yield rate. Allocation will then be made. First the bid with the highest yield rate will receive allocation and then bids with lower yield rates will successively be filled until the notified buyback volume offered has been reached. If necessary to avoid exceeding the volume, the allocation will be reduced for the offer with the lowest accepted yield rate or, in the event of several bids with this yield rate, these bids will be reduced in proportion to the volume offered by the bidder. In the event of reduction, the volume allocated will be rounded off downwards to a multiple of SEK 1,000,000. The remaining bids do not receive any allocation.

The Swedish National Debt Office reserves the right to reject bids offered under a particular yield rate, even if this may mean that the announced buyback volume is not achieved or that no buybacks take place whatsoever.

### **§ 6 Payment**

Payment is made on Payment Date. In relevant cases, the payment amounts shall include a supplement for accrued real interest rate on the loan in accordance with the interest rate applicable for the bond from the most recent interest payment date until and including the Payment Date.

### **§ 7 Payment amount**

Payment is calculated in accordance with the following formula:

$$P = I \times \left[ \sum_{i=1}^n \frac{CF_i}{(1+r)^{T_i}} \right]$$

$$U = I \times \left[ \frac{360 - d_c}{360} \times C \right]$$

$$K = \text{Round}(P - U; D)$$

$$L = \text{Round}\left(\frac{K + U}{100} \times N; 0\right)$$

- P** = price (including accrued interest in relevant cases) expressed as a yield  
**I** = index factor for the payment date corresponding to the ratio between the Reference Index and the Base Index  
**n** = number of payments (interest coupons and nominal amount respectively)  
**CF<sub>i</sub>** = real payment flow at time "i" expressed as a yield rate, i.e. a percentage proportion of the bond's Denomination  
**r** = yield rate expressed as an interest rate divided by 100  
**T<sub>i</sub>** = maturity expressed in years from time "i"  
**U** = accrued interest  
**d<sub>c</sub>** = number of days to next coupon due date  
**C** = real coupon expressed as a yield rate  
**K** = price (excluding accrued interest when appropriate)  
**D** = number of decimals that the price is rounded off to (three for coupon bonds, no rounding off for zero coupon bonds)  
**L** = payment amounts  
**N** = nominal amounts

The index factor (I) in the above formula is calculated in the following way:

$$I = \frac{\text{Reference Index for the Payment Date}}{\text{Base Index}}$$

The maturity (T<sub>i</sub>) is based on each month having 30 days and the year 360 days.

The maturity is calculated from the Payment Date until and including the Repayment Date or Coupon Due Date. In this connection, it is disregarded whether days are bank days or not.

## § 8 Reporting of exchange result

The buyback result is reported via the Information System – or in another way decided upon by the Swedish National Debt Office - 15 minutes after the most recent time for making bids. In the event of impediments, the Swedish National Debt Office reserves the right to report the result at a later time.

**§ 9 Amendment of Terms and Conditions**

Amendment of these Terms and Conditions will be notified two weeks before the amendment comes into effect.

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**Stockholm, 28 June 2000**

**THE SWEDISH NATIONAL DEBT OFFICE**