RIKSGÄLDEN
SWEDISH NATIONAL DEBT OFFICE

December 2010

General Information concerning the Swedish Guarantee Scheme

This document contains a description by the Swedish National Debt Office of the state aid in the form of guarantees for banks and credit market companies' debt instruments which are based upon the State Aid to Credit Institutions Act (2008:814) and the State Guarantees to Banks, etc. Ordinance (2008:819) as well as the Swedish National Debt Office's Regulations 2008:1 and 2008:2 (the Guarantee Scheme)[1]*.*

The Government has appointed the Debt Office to be the supporting governmental agency and to administer the Guarantee Scheme.

The Debt Office is the Swedish Government's financial administration. Our main tasks are to be the government's internal bank, to manage Sweden's central government debt and to issue government guarantees and loans. For further details, visit: www.riksgalden.se.

Generally concerning the Guarantee Scheme

The debt instruments' Guarantee Scheme is part of the Swedish Government's overall package of measures for strengthening the stability of the Swedish financial system. It has been formulated against the background of the agreements entered into at European level as a result of the prevailing situation in the financial system during the autumn of 2008.

The Guarantee Scheme applies for a fixed term up to 30 June 2011 and is limited to an amount of SEK 750 billion, of which not more than SEK 250 billion may relate to covered bonds with terms of between three and five years.

Commitments in respect of the guarantees which are issued to an individual institution may not from time to time exceed the higher of: (a) the sum of maturing debt instruments issued by the institution; or (b) 20 per cent of the institution's deposits on accounts from the public on 1 September 2008.

The "sum of maturing debt instruments" above means the sum of the institution's debt instruments, as per 30 October 2008, with an original due date during the period from and including 1 September 2008 up to and including 31 October 2009 and with an original term exceeding 90 days.

Institutions covered by the Guarantee Scheme

The institutions entitled to receive guarantees under the Guarantee Scheme are; partly banking companies, savings banks, member banks and; partly credit market companies that have considerable lending secured by a right of pledge on e.g. real property on the Swedish market, or have a considerable share of the lending directed toward municipalities on the Swedish market. In order for an institution to receive a guarantee under the Guarantee Scheme, the institution must satisfy certain requirements regarding its capital base and enter into an agreement with the Debt Office (the Guarantee Agreement).

The Guarantee Agreement prescribes, among other things, limitations regarding marketing of the institution's loans and remuneration to the institution's board of directors and senior officers.

[1] *The underlying statutory framework may be found on the following websites: lagrummet.se, regeringen.se and riksgalden.se.*

Debt instruments covered by the Guarantee Scheme
A guarantee may be issued for bonds and other debt instruments that may be subject to trading on the capital market, including secured bonds and money market instruments such as bank certificates. [2] There are no restrictions regarding currency.

A guarantee under the Guarantee Scheme may be given re a debt instrument that inter alia has a return in form of a fixed or variable interest rate and have a term exceeding 90 days, but not exceeding five years. The debt instrument may not be subordinated.

In order for a guarantee to be issued for a certain debt instrument under the Guarantee Scheme, the institution must submit an application for a guarantee to the Debt Office. The Debt Office will thereafter determine whether a guarantee can be issued. The institution to which a guarantee is issued will pay a fee for the guarantee.

Guarantee commitment
A guarantee issued in respect of a debt instrument entails that the Kingdom of Sweden, through the Debt Office, guarantees the performance of all the institution's payment obligations under the debt instrument toward the creditors as surety (the Guarantee).

Subject to the express limitations and terms and conditions set forth in the guarantee document, the Guarantee is irrevocable and unconditional. The Guarantee is formulated to count as eligible unfunded credit protection under capital adequacy rules. [3]

Pre-conditions for fulfillment
In order for a creditor to receive payment under the Guarantee it is required; partly that the institution in question has not performed a payment obligation under the debt instrument on the due date and nor has it performed rectification within a certain, specified time-limit, and; partly that a written notice containing a demand for payment under the Guarantee is received by the Debt Office and the institution not later than 60 days from the due date. The Debt Office will promptly, following the receipt of the notice, pay the creditor the amount due via e.g. Euroclear Sweden AB (previously VPC).

In addition, under the Guarantee the Debt Office is entitled to pay voluntarily instead of the institution on the due date or thereafter where the Debt Office considers that the institution is not anticipated to perform or has failed to perform its payment obligation under the debt instrument on the due date.

More information
The institutions which have entered into a guarantee agreement as well as the debt instruments which are subject to Guarantees under the Guarantee Scheme are regularly published on the Debt Office's website. Debt instruments are published with ISIN codes or equivalent unique identification. [4]

More information concerning the Guarantee Scheme, agreements, guarantees, and application documentation as well as pro-formas are available at: www.riksgalden.se/guaranteeprogramme

[2] *Complex and structured products such as index-linked notes cannot be covered by a Guarantee. For more detailed information regarding all types of debt instruments which may be covered please refer to sections 4-6 of the Swedish State Guarantees to Banks, etc. Ordinance (2008:819).*

[3] *Law (2006:1371) re capital adequacy and large exposures, Ordinance (2006:1533) re capital adequacy and large exposures, Directive 2006/48/EC re to the taking up and pursuit of the business of credit institutions and Directive 2006/49/EC on capital adequacy of investment firms and credit institutions.*

[4] *The information contained on the website is published for information purposes only and the Swedish National Debt Office accepts no responsibility for the accuracy of such information. The Debt Office shall only be legally bound through the issuance of a guarantee document for the debt instrument in question.*

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