

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).

TERMS AND CONDITIONS APPLYING TO THE SALE OF GOVERNMENT INFLATION-LINKED BONDS (“INFLATION-LINKED BONDS”)

The following is 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. Application of Conditions

These Conditions apply to the Issuer’s auctions of Inflation-linked Bonds which will be arranged from 24 October 2000 and until further notice.

2. Definitions

“General Conditions”	The general terms and conditions for Inflation-linked Bonds.
“Base Index”	See the definition in the General Conditions.
“Information System”	OM Räntebörsen AB’s electronic system for reception and distribution of information on the Swedish money and bond market.
“Settlement day”	The day on which payment shall be made for the allotted Inflation-linked Bonds.
“Official Index”	The consumer price index or – if the consumer price index is no longer established or published – an equivalent index of consumer prices in Sweden which has been calculated or published by Statistics Sweden or by such body as establishes or publishes such an index in the place of Statistics Sweden. In the event of the index series being replaced, the new index shall be converted to the index series upon which the Base Index is based.
“Inflation-linked Bond”	Debt instrument issued by the Issuer which belongs to a Series which, in accordance with its Specific Terms, is an Inflation-linked Bond.

“Reference Index” If the Settlement 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 Settlement 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 Settlement 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 Settlement Date

D = The calendar day on which the Settlement Date falls (the 31st is changed to the 30th, however).

F_{M-3} = Official Index for the calendar month which falls three months prior to the Settlement Date.

F_{M-2} = Official Index for the calendar month which falls two months prior to the Settlement Date.

If the Official Index has not been established, or published, for any month as stated above, when an auction is to take place in the bond, 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.

“Interest Commencement Day” See the definition in the General Conditions.

“SCB” Statistics Sweden.

“Denominations” See definition in the General Conditions.

“Maturity Date” The date specified in the General Conditions.

3. Method of sale

Sale by auction takes place in the form of a bidding procedure with differentiated pricing for allotments.

4. Announcement of sale

Prior to each auction, the Issuer will announce via the Information System - or in such other way as may be decided by the Issuer - the date of the auction, the volume in question being offered, the deadline for submission of bids, the Settlement date and whether payment (see clause 6) shall in relevant cases include accrued interest.

5. Bidding procedure

Bids shall contain information concerning the required volume and the requested yield (real yield). The volume shall be stated as one million kronor or multiples thereof and may not exceed the sales volume of the bond being offered. The real yield shall be stated to a maximum of three decimal places.

When the bidding period has expired, the bids are ranked on the basis of the real yield requested. Allotments are then made. The Bonds are allotted first to the bid containing the lowest real yield and then successively to bids with increasing real yield until the volume on offer has been sold. Should it be necessary, in order to prevent the volume from being exceeded, allotments will be scaled down for the bid with the highest accepted real yield, or in the case of several bids at this real yield in proportion to the volume requested by the Dealer. In the event of scaling down, the allotted volume will be rounded down to a multiple of 1,000,000 kronor. Any remaining bids will not receive an allotment.

The Issuer reserves the right to reject bids above a given real yield, even if this would mean that the volume on offer is not sold entirely, or no allotments at all are made.

6. Settlement

Payment shall be made on the Settlement date. Where relevant, payment shall include a supplement for accrued coupon applying to the loan for the period between the Interest Commencement Day/latest coupon date and the Settlement date.

7. Settlement amount

Payment is calculated in accordance with the following formula:

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

$$U = I \times \frac{360 - d_c}{360} \times C$$

$$K = Round[P - U; D]$$

$$L = Round \left[\frac{K + U}{100} \times N; 0 \right]$$

P = price (including accrued coupon in relevant cases) expressed as a yield.

I = index factor for the Settlement Date corresponding to the ratio between the Reference Index and the Base Index.

n = number of payments (coupon payments and nominal amount respectively).

CF_i = real payment flow at time "i" expressed as a yield rate, i.e. a percentage proportion of the bond's Denomination.

r = real yield expressed as an interest rate divided by 100.

T_i = time to maturity expressed in years from time "i".

U = accrued coupon.

d_c = number of days to next coupon date.

C = real coupon expressed as a yield rate.

K = price (excluding accrued interest).

D = number of decimals that the price is rounded off to (three for coupon bonds, no rounding off for zero coupon bonds).

L = settlement amount.

N = nominal amount.

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

$$I = \frac{\textit{Reference Index for the Settlement Date}}{\textit{Base Index}}$$

Time to maturity (T_i) is based on each month having 30 days and the year 360 days.

Time to maturity is calculated from the Settlement Date until and including the Maturity Date or Coupon Date. In this connection, it is disregarded whether days are bank days or not.

8. Reporting of sales results

The result of the sale is reported through the Information System - or in such other way as the Issuer may decide - 15 minutes after the closing time for submission of bids. In the event of a hindrance, the Issuer however reserves the right to announce the result at a later time.

9. Change in Conditions

Alterations to these Conditions will be announced no later than two weeks before the change takes effect.

Stockholm, 23 October 2000

RIKSGÄLDSKONTORET (The Swedish National Debt Office)