

**PRIVATE PLACEMENT MEMORANDUM**



**SVERIGES BOSTADSFINANSIERINGSAKTIEBOLAG, SBAB (PUBL)**  
**THE SWEDISH HOUSING FINANCE CORPORATION, SBAB**  
**(“SBAB”)**

**U.S.\$2,000,000,000**

**Private Placement of  
Commercial Paper Notes**

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY OTHER APPLICABLE SECURITIES LAW, AND OFFERS AND SALES THEREOF MAY BE MADE ONLY IN COMPLIANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER WILL BE DEEMED TO REPRESENT THAT (I) IT HAS BEEN AFFORDED AN OPPORTUNITY TO INVESTIGATE MATTERS RELATING TO THE ISSUER AND THE NOTES, (II) IT IS NOT ACQUIRING SUCH NOTE WITH A VIEW TO ANY DISTRIBUTION THEREOF AND (III) IT IS EITHER (A) (1) AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) UNDER THE ACT (AN “INSTITUTIONAL ACCREDITED INVESTOR”) AND (2) (i) PURCHASING NOTES FOR ITS OWN ACCOUNT, (ii) A U.S. BANK (AS DEFINED IN SECTION 3(a)(2) OF THE ACT) OR A SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION (AS DEFINED IN SECTION 3(a)(5)(A) OF THE ACT) ACTING IN ITS INDIVIDUAL OR FIDUCIARY CAPACITY OR (iii) A FIDUCIARY OR AGENT (OTHER THAN A U.S. BANK OR SAVINGS AND LOAN ASSOCIATION) PURCHASING NOTES FOR ONE OR MORE ACCOUNTS EACH OF WHICH ACCOUNTS IS SUCH AN INSTITUTIONAL ACCREDITED INVESTOR; OR (B) A QUALIFIED INSTITUTIONAL BUYER (“QIB”) WITHIN THE MEANING OF RULE 144A UNDER THE ACT THAT IS ACQUIRING NOTES FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH ACCOUNTS IS A QIB; AND THE PURCHASER ACKNOWLEDGES THAT IT IS AWARE THAT THE SELLER MAY RELY UPON THE EXEMPTION FROM THE REGISTRATION PROVISIONS OF SECTION 5 OF THE ACT PROVIDED BY RULE 144A. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER THEREOF SHALL ALSO BE DEEMED TO AGREE THAT ANY RESALE OR OTHER TRANSFER THEREOF WILL BE MADE ONLY (A) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE ACT, EITHER (1) TO THE ISSUER OR TO A PLACEMENT AGENT DESIGNATED BY THE ISSUER AS A PLACEMENT AGENT FOR THE NOTES (COLLECTIVELY, THE “PLACEMENT AGENTS”), NONE OF WHICH SHALL HAVE ANY OBLIGATION TO ACQUIRE SUCH NOTE, (2) THROUGH A PLACEMENT AGENT TO AN INSTITUTIONAL ACCREDITED INVESTOR OR A QIB, OR (3) TO A QIB IN A TRANSACTION THAT MEETS THE REQUIREMENTS OF RULE 144A AND (B) IN MINIMUM AMOUNTS OF U.S.\$250,000.

**PLACEMENT AGENT:**

**Merrill Lynch Money Markets Inc.**

In connection with maturities up to 270 days

**Merrill Lynch Pierce, Fenner & Smith Incorporated**

In connection with maturities over 270 days and up to 365 days

The date of this Private Placement Memorandum is September 2004

GD5 091404

**SVERIGES BOSTADSFINANSIERINGSAKTIEBOLAG, SBAB (publ)**

**Terms of Commercial Paper Notes**

<b>Issuer:</b>	Sveriges Bostadsfinansieringsaktiebolag, SBAB (publ) (“SBAB” or the “Company”)
<b>Incorporated In:</b>	Kingdom of Sweden
<b>Program Size:</b>	Commercial paper notes authorized to a maximum aggregate amount outstanding of U.S.\$2,000,000,000 of notes (the “Notes”)
<b>Status of the Notes:</b>	The Notes will constitute direct, unsubordinated and unsecured obligations of the Company which will rank pari passu without any preference amongst themselves with all other unsecured and unsubordinated obligations (save for obligations having statutory priority) of SBAB. The Notes will not constitute covered securities ( <i>Sw. "säkerställda obligationer"</i> ) for the purposes of the Swedish Act (2003: 1223) on Issuance of Covered Bonds ( <i>Sw. "Lag (2003: 1223) om utgivning av säkerställda obligationer"</i> ) and accordingly, the Notes will not be secured for the purposes of that Act on the cover pool of assets maintained by SBAB under that Act.
<b>Exemption:</b>	The Notes are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 4(2) thereof and cannot be resold unless registered or an exemption from registration is available.
<b>Offering Price:</b>	Par less a discount representing an interest factor or, if interest bearing, at par.
<b>Minimum Purchase:</b>	U.S.\$250,000 minimum principal amount.
<b>Maturities:</b>	Up to 365 days from date of issue.
<b>Redemption:</b>	The Notes will not be redeemable prior to maturity or be subject to voluntary prepayment.

## **SVERIGES BOSTADSFINANSIERINGSAKTIEBOLAG, SBAB (publ)**

**Settlement:** Unless otherwise agreed to, same day basis, in immediately available funds.

**Form of Issuance:** The Notes will be issued and purchases thereof will be recorded only through the book-entry system of The Depository Trust Company (“DTC”). Beneficial owners will not receive certificates representing their ownership interest in the Notes. The face amount of each Note will be paid upon maturity in immediately available funds to DTC. The Company has been advised by DTC that upon receipt of such payment DTC will credit, on its book-entry records and transfer system, the accounts of the DTC participants through whom Notes are directly or indirectly owned. Payments by DTC to its participants and by such participants to owners of the Notes or their representatives will be governed by customary practices and standing instructions and will be the sole responsibility of DTC, such DTC participants or such representatives, respectively.

**Issuing & Paying Agent:** JPMorgan Chase Bank

### **Ratings**

Ratings are based on current information furnished to the rating agencies by the Company and information obtained by the rating agencies from other sources. Because ratings may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, **a prospective purchaser should verify the current long-term and commercial paper ratings of the Company before purchasing Notes.**

## **SVERIGES BOSTADSFINANSIERINGSAKTIEBOLAG, SBAB (publ)**

### **Description of the Company**

#### **Introduction**

Sveriges Bostadsfinansieringsaktiebolag, SBAB (publ) (The Swedish Housing Finance Corporation, SBAB) (“SBAB”) (formerly Statens Bostadsfinansieringsaktiebolag, SBAB (publ)) is a wholly state-owned public limited liability company. The interest of the Swedish state is represented by the Swedish Ministry of Industry, Employment and Communication. SBAB operates as an independent profit making company regulated by the Swedish Act (2004: 297) on Banking and Financing Activities (*Sw. “Lag (2004: 297) om bank- och finansieringsrörelse”*) and is subject to the supervision of the Swedish Financial Supervisory Authority.

SBAB was registered in Sweden on 21 December 1984. Since its registration, SBAB has had its address and registered office in Stockholm. SBAB's organisation number is 556253-7513.

SBAB's mandate is to contribute to competition in the housing mortgage market by conducting an efficient and profitable mortgage lending operation. SBAB's twofold objective is to operate a low-risk, profitable and cost-efficient business while maintaining ethically high standards and to achieve the rate of return set by the owner. At the end of 2000 a jointly owned credit market company, FriSpar Bolån AB, was established in cooperation with Sparbanken Finn and Sparbanken Gripen AB, within whose geographical area the company provides housing loans. SBAB owns 51 percent of the shares in FriSpar Bolån AB.

#### **Background**

SBAB was formed for the purpose of raising the capital required to finance government housing loans and began lending operations on 1 July 1985. Prior to that time, government housing loans had been financed directly from the government budget. The aim of granting government housing loans was to promote construction and rehabilitation projects approved by central and local government.

In June 1994, Parliament decided to reorganize SBAB in accordance with the proposals set out in government bill (1993/94: 228). Two subsidiaries of SBAB were established, one for government agency-approved loans, “SBAB, Statens Bostadslåneaktiebolag” (the “M-company”) and one for SBAB's own lending on competitive terms, “SBAB, Sveriges Bostadsfinansieringsaktiebolag” (the “K-company”). On 1 January 1995, a portfolio of government agency-approved loans was transferred to the M-company and a portfolio of SBAB-approved loans was transferred to the K-company. The Swedish National Debt Office issued a guarantee in favor of the M-company which guaranteed that the capital ratio of the M-company would at all times exceed the legal minimum. The Swedish National Debt Office also issued a guarantee of SBAB's general indebtedness in an amount of SEK 1,500 million.

As of 1 January 2002, the above described guarantees were cancelled and replaced by a 10-year credit facility with the Swedish National Debt Office on market terms. The credit facility provides that SBAB may borrow up to SEK 10,000 million at any one time. The borrowing limit under the facility, for which SBAB pays a fee, is reduced by SEK 1,000 million each year, and is currently SEK 8,000 million. In addition, SBAB is entitled to further reduce the size of the facility at any time and in such amount(s) as it shall from time to time determine.

Following the replacement of the guarantee by the credit facility, the subsidiary structure was no longer necessary and as a consequence, the M-company and the K-company were merged with SBAB on 1 October 2003. All of the assets and liabilities of both subsidiaries were transferred to SBAB and the subsidiaries ceased to exist at the effective date of the merger. Upon the completion of the merger, SBAB changed its name to Sveriges Bostadsfinansieringsaktiebolag, SBAB (publ), or The Swedish Housing Finance Corporation, SBAB, in English.

The merger did not affect the cooperation company FriSpar Bolån AB, previously owned jointly by the K-company, Sparbanken Finn and Sparbanken Gripen AB. After the merger, FriSpar Bolån AB, became a subsidiary of SBAB.

## **SVERIGES BOSTADSFINANSIERINGSAKTIEBOLAG, SBAB (publ)**

### **Activities**

SBAB's principal activity is conducting an efficient and profitable mortgage lending operation through the refinancing of old loans with first mortgages, the provision of financing for housing property reconstruction and new housing property construction. SBAB may also provide funding for such projects by way of construction credits. SBAB also provides loans to the retail mortgage market.

SBAB may also provide financing for office and commercial properties. However, in relation to SBAB's total loan portfolio, lending to commercial properties is not significant.

### **Funding**

SBAB has an approximately even distribution between international and domestic funding. Swedish Krona ("SEK"), Japanese Yen ("JPY"), U.S. Dollar ("U.S.\$") and Euro are strategic currencies in SBAB's funding. Four securitizations, Mortgage Backed Securities transactions, have been made since 2000.

In addition to this U.S. Commercial Paper Program, since 1989, SBAB has had a domestic commercial paper program, which was increased from SEK 15,000 million to SEK25,000 million in 1999. SBAB also has a U.S.\$2,000 million Euro Commercial Paper Programme, a U.S.\$11,000 million Euro Medium Term Note Programme and presently three Swedish domestic bonds under its Swedish bond program.

### **Regulatory Framework and Capital Requirements**

SBAB's activities have been regulated by the Swedish Act (2004: 297) on Banking and Financing Activities (*Sw. "Lag (2004: 297) om bank- och finansieringsrörelse"*) since 1 July 2004 and SBAB is subject to the supervision of the Swedish Financial Supervisory Authority.

On 15 May, 2003, the Swedish government issued a bill (proposition to law) on a law on covered bonds. The new law, Swedish Act (2003: 1223) on Issuance of Covered Bonds, (*Sw. "Lag (2003: 1223) om utgivning av säkerställda obligationer"*), became effective on 1 July 2004 and enables Swedish financial institutions to issue covered bonds, upon receiving a license from the Swedish Financial Supervisory Authority. SBAB may apply for a license to issue such covered bonds (*Sw. "säkerställda obligationer"*) in accordance with the new legislation. If SBAB is granted such license, SBAB may decide to issue covered bonds.

In addition, the Swedish Act (1994: 2004) on Capital Adequacy and Large Exposures in Credit Institutions and Securities Companies (*Sw. "Lag (1994: 2004) om kapitaltäckning och stora exponeringar för kreditinstitut och värdepappersbolag"*) sets forth certain requirements applicable to credit market companies. These requirements include adequacy requirements that are based on the Bank for International Settlement regulations. SBAB is also subject to the Swedish Companies Act (1975: 1385) (*Sw. "Aktiebolagslag (1985: 1385)"*) and its Articles of Association.

### **Governing Law**

The Notes issued by SBAB shall be governed by and construed in accordance with the laws of the state of New York except with respect to any matters required to be governed by the laws of the Kingdom of Sweden.

## **SVERIGES BOSTADSFINANSIERINGSAKTIEBOLAG, SBAB (publ)**

### **Additional Information**

The Company is offering the opportunity to each prospective purchaser, prior to purchasing any Notes, to ask questions of, and receive answers from, the Company and to obtain relevant information to the extent the Company possesses the same or can acquire it without unreasonable effort or expense. To ask any such questions or request additional information regarding the offering or the Company contact: Sveriges Bostadsfinansieringsaktiebolag, SBAB (publ), Löjtnantsgatan 21, P.O. Box 27308 SE-10254 STOCKHOLM, Sweden, Attention: Legal Counsel, Financial Matters, Phone: +46 8 614 4300, Fax: + 46 8 611 2709. The Company's financial reports are also available on the website maintained by the Company at [www.sbab.se](http://www.sbab.se). (This website URL is an inactive textual reference only.)

At any time when the Company is neither a reporting company under Section 13 or 15(d) of the US Securities Exchange Act of 1934 (the "Exchange Act") nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, the Company will furnish to any holder or beneficial owner of the Notes which are "restricted securities" (within the meaning of Rule 144(a)(3) under the Act) and to each prospective purchaser of such Notes designated by a holder or beneficial owner of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Act.

The Company is organized under the laws of the Kingdom of Sweden. All or a substantial portion of its directors, executive officers and assets are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Company or such person or to enforce against any of them in the U.S. courts judgments obtained in U.S. courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

Any further questions and/or requests should be directed to Merrill Lynch Money Markets Inc., Investor Marketing, Telephone: (212) 449-3264.

**IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THIS EXAMINATION SHOULD INCLUDE THE REVIEW OF THE INFORMATION THE COMPANY HAS MADE PUBLICLY AVAILABLE THAT EXPLAIN THE NATURE OF THE BUSINESS OF THE COMPANY, INCLUDING VARIOUS RISKS OF INVESTING IN THE COMPANY AND ITS SECURITIES. YOUR INVESTMENT DECISION SHOULD NOT BE BASED SOLELY ON THIS ANNOUNCEMENT SINCE IT IS NOT INTENDED TO BE A COMPLETE EXPLANATION OF THE NATURE AND RISKS OF INVESTING IN THE COMPANY AND ITS NOTES. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. NEITHER MERRILL LYNCH MONEY MARKETS INC., MERRILL LYNCH PIERCE, FENNER & SMITH INCORPORATED NOR ANY OF ITS AFFILIATES MAKES ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR REFERRED TO HEREIN.**

### **For New Hampshire Residents**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSE 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR

**SVERIGES BOSTADSFINANSIERINGSAKTIEBOLAG, SBAB (publ)**

QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

**This page left intentionally blank**