



INVESTOR PRESENTATION

Financial information as of Q3 2024

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1. INTRODUCTION TO BORGO

BORGO IN SHORT

- Borgo is a Swedish mortgage company
- Originating & financing Swedish mortgages
- Lending via distribution partners
- Funding via covered bonds, senior bonds and retail deposits
- Owned by ICA Banken, Ikano Bank, Söderberg & Partners, Sparbanken Syd, Lån & Spar and Ålandsbanken, as well as several financial investors

ICA Banken

IKANO
BANK

Sparbanken Syd

 Söderberg
& Partners

ÅLANDSBANKEN

Total assets:
SEK 42bn

Lending:
SEK 34,7bn

Credit losses:
0,01%

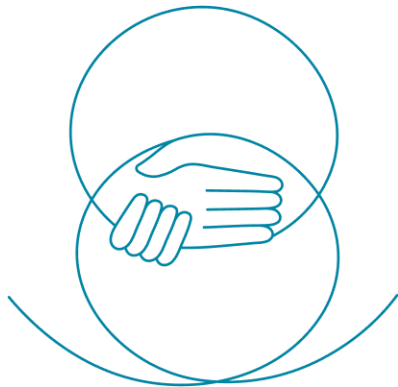
Retail deposits:
SEK 12,6 bn

Customers:
~23 000

CET1 ratio:
18,1%

OWNERS

- Strategic owners (58,1 percent)
 - Act as distribution partners
 - Providing access to a nationwide network
- Financial investors (41,9 percent)
 - Borgo as a financial investment
- Securing strong capitalization and long-term commitment



ICA Banken

19.9%

**IKANO
BANK**

10.2%

 Söderberg
& Partners

12.2%

ÅLANDSBANKEN

8.4%

Sparbanken Syd

3.9%

Lån & SparBank

3.5%

Financial investors

41.9%

THE BORGO WAY

- Borgo is characterised by a flat organization and short chain of command
- Large part of the operation is outsourced to Ålandsbanken and its subsidiary Crosskey
- Borgo focused on managing the core business:
 - Cost of funding
 - Capital structure
 - Credit and liquidity risk etc.
- Lending is distributed via partners, but credit decisions are made in-house
- Deposits are handled both via distribution partners and via the Borgo brand



2. BUSINESS MODEL

Borgo

BUSINESS MODEL

- Mortgage lending to Swedish homeowners
- Lending only SEK in Sweden
- Lending only through distribution partners
- Conservative underwriting standards
- Digital business
- Low operational risk
- No corporate lending
- No handling of cash

Origination of mortgages

- Lending to Swedish homeowners
- Business only in SEK
- Digital process

Lending via distribution partners

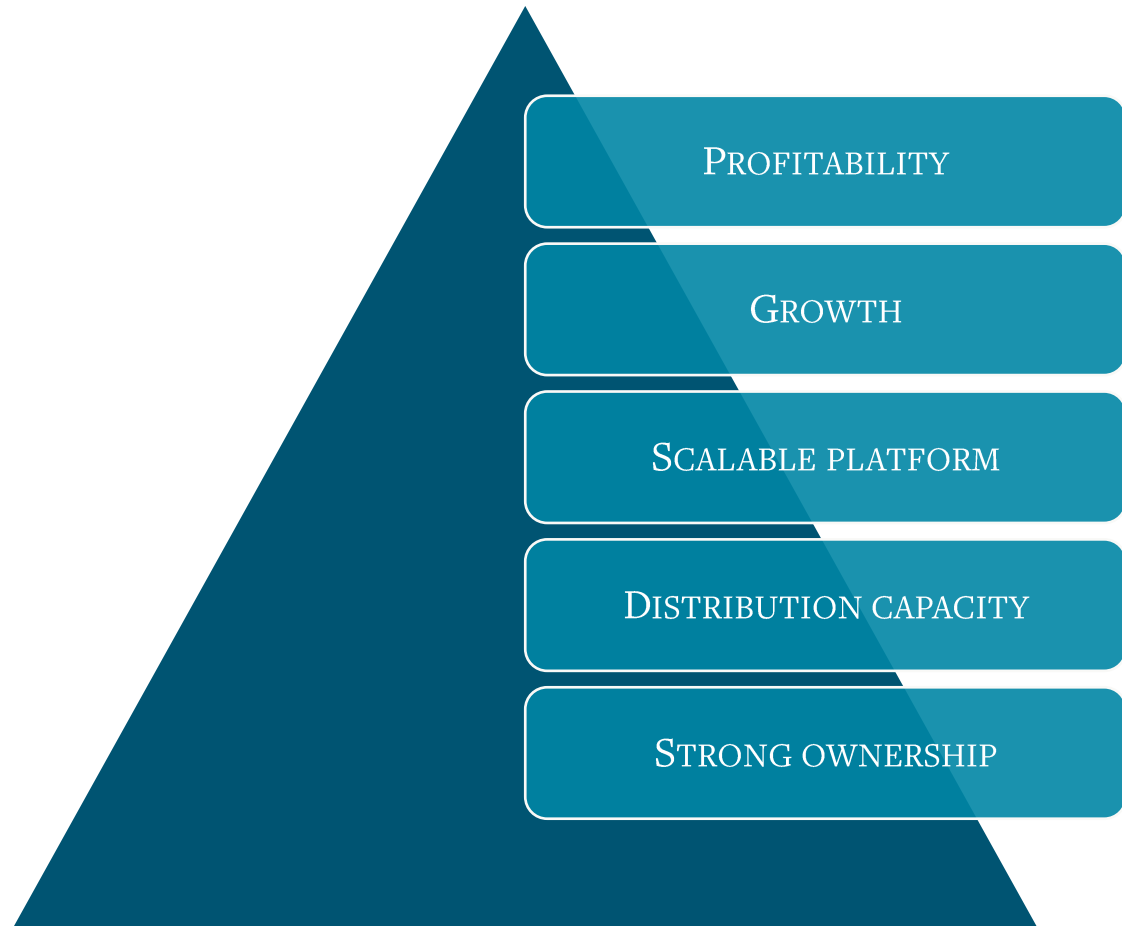
- Strong household names
- Extensive network

Funding and risk-mitigation

- Retail deposits
- Wholesale funding
- Interest rate risk

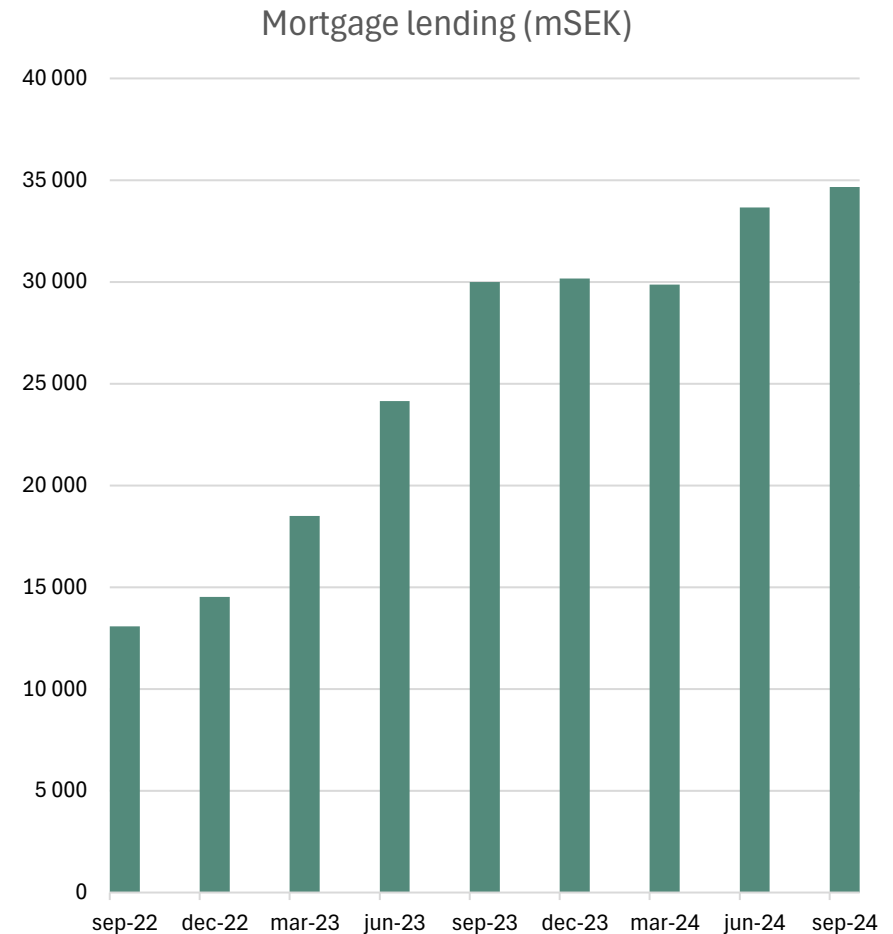
AMBITIONS TO GROW

With a vision to transform the mortgage market by creating a new financial institution, combining modern technology with responsible lending principles, managing cost of funding, efficient capital structure, credit and liquidity risk



MORTGAGE LENDING

- Mortgage lending to Swedish homeowners
- Lending only SEK in Sweden
- Conservative underwriting standards
- Lending only through distribution partners
- Nation-wide distribution power
- Strong brands
- Risk-adjusted pricing matrix
- Very competitive pricing
- Ambitious growth plans



3. FINANCIAL UPDATE

Borgo

BORGO KEY FINANCIALS

- Growing balance sheet
- Strong base of equity
- Increasing income
- Improving net interest income
- Risk-metrics on healthy levels
- Prime assets

Income statement	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023
Interest income	420	312	1 250	680
Interest expenses	-415	-340	-1 261	734
Net interest income	5	-29	-11	-54
Operating income	-41	-59	-146	-162

Balance sheet	Q3 2024	Q3 2023	Change
Mortgage lending	34 676	29 998	16%
Retail deposits	12 633	7 858	61%
Wholesale funding	25 951	26 111	-1%
Equity	2 674	2 176	23%

Asset quality		
Loan-to-value (LTV)	58%	58%
Credit losses	0,00%	0,02%

Liquidity measures		
LCR	850%	869%
NSFR	115%	112%

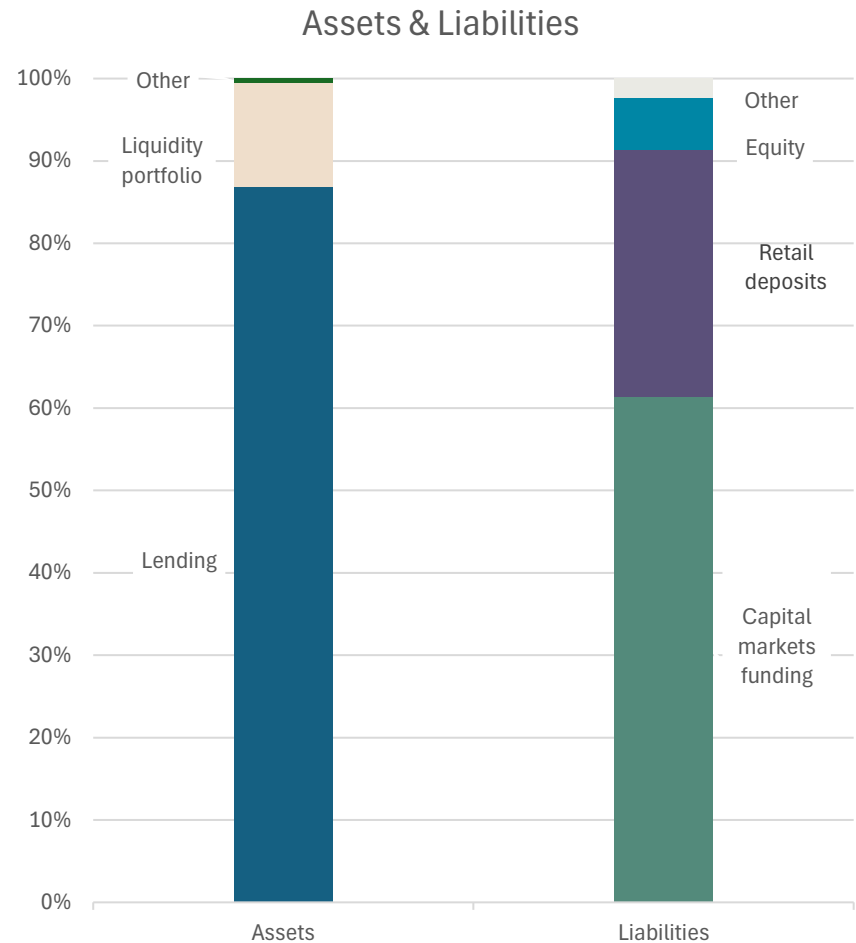
BALANCE SHEET

Assets

- Lending is our main asset
- Liquidity portfolio to meet regulatory demands and cashflow needs

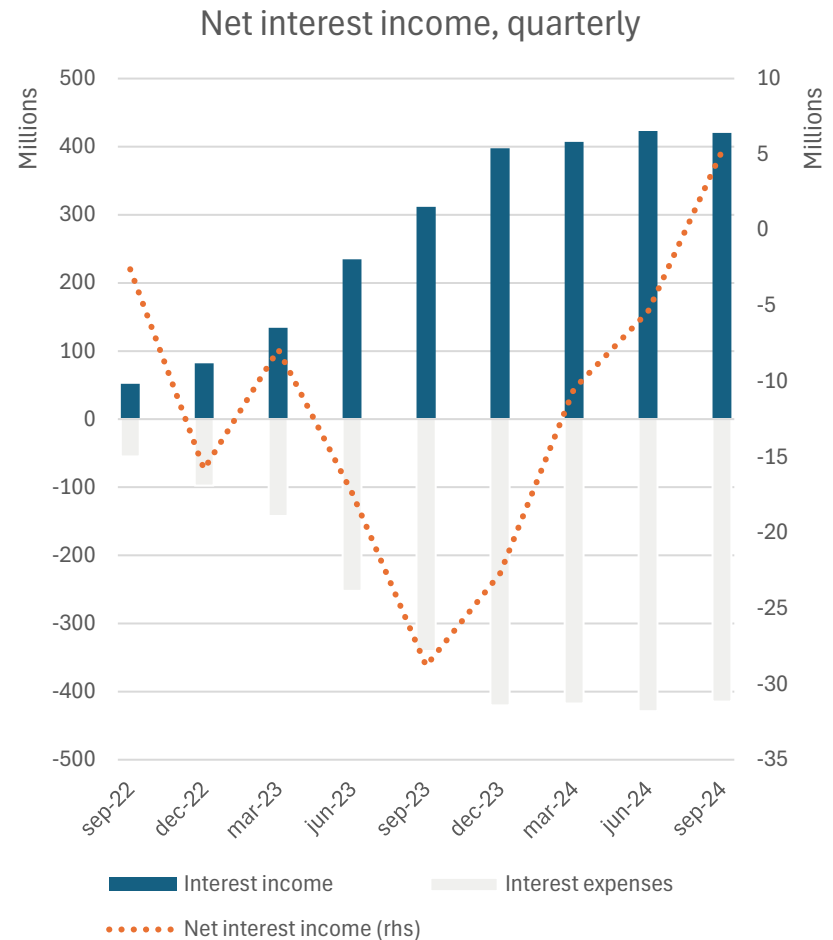
Liabilities

- Capital markets funding
- Retail deposits
- Equity
- The blend adjusted when needed



PROFITABILITY

- Entering a more stable phase, focusing on organic growth
- Benefiting from lower Stibor3m and increasing mortgage volumes
- Diluting old and expensive funding
- Improving NII with growth and improved cost of funding

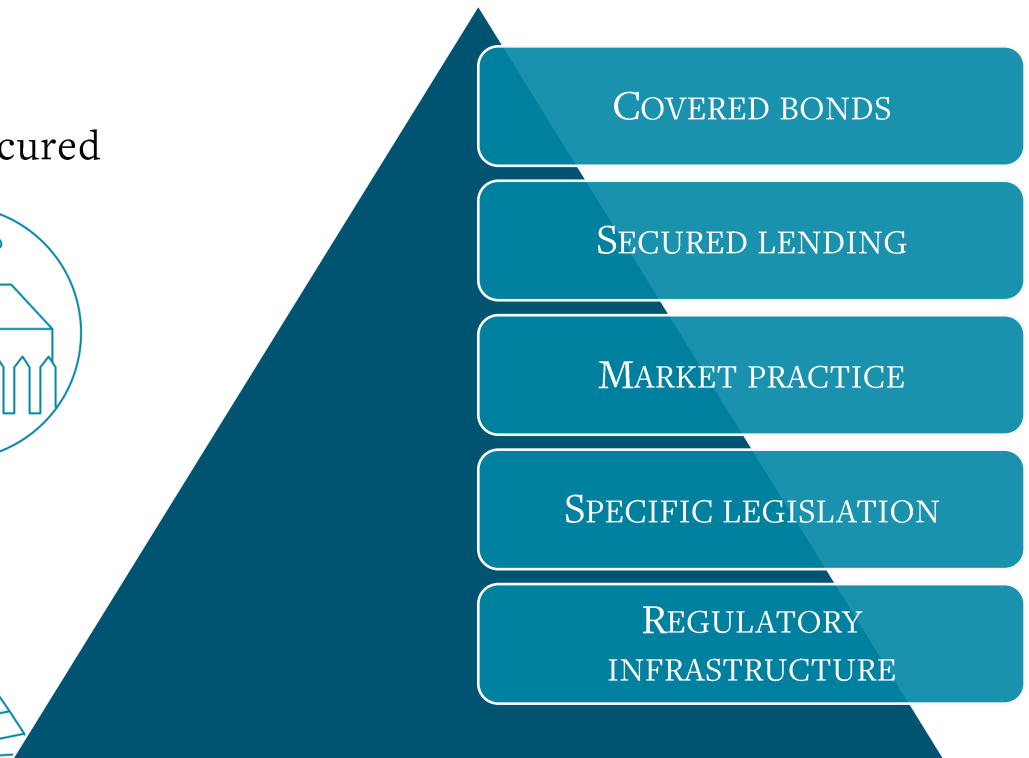


4. ASSET QUALITY & CAPITAL ADEQUACY

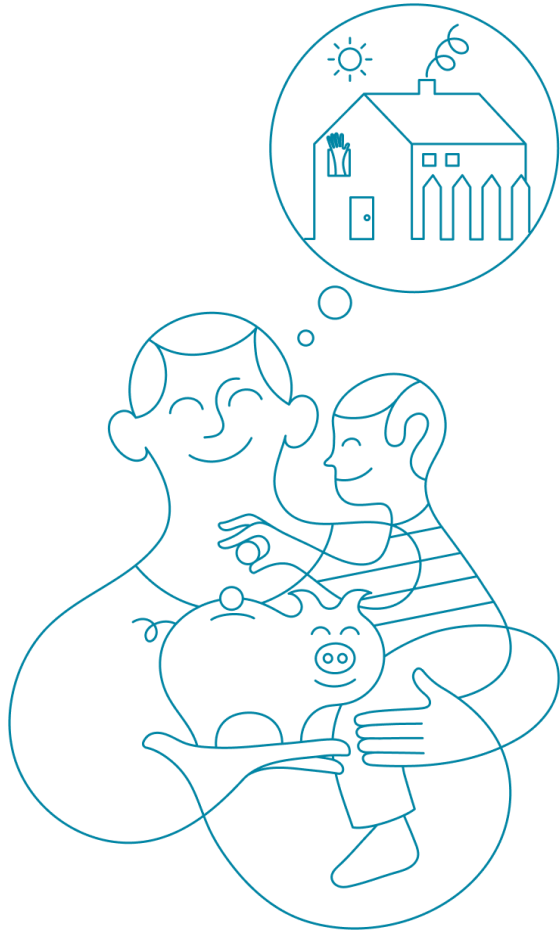
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THE SWEDISH MORTGAGE MARKET

- The Swedish regulatory infrastructure provides a well-grounded foundation
- Regulatory framework and legislation covering both secured lending and secured funding
- Low credit risk
- Very low historical losses



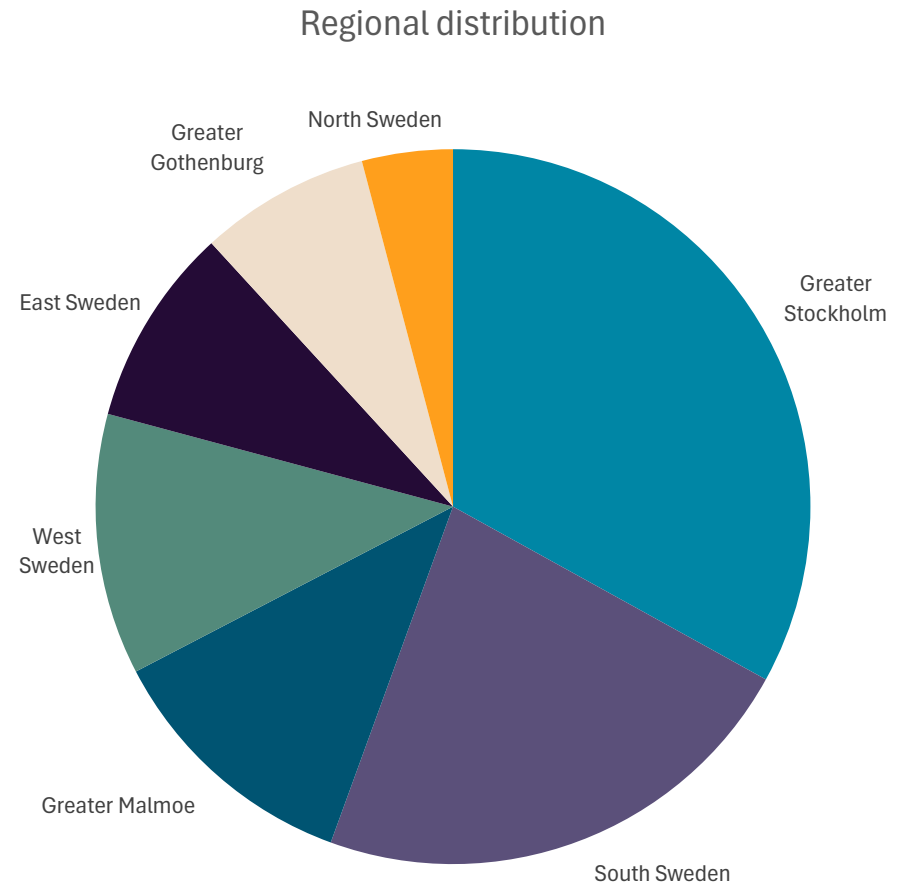
LENDING AT BORGO



- Digital process
- Lending only to homeowners
- Swedish prime mortgages
- Broad distribution power
- Strong brands, national distribution
- Ambitious pricing to support growth
- Risk-adjusted pricing model
- Conservative underwriting standards
- KALP stress-tested at 6%
- All loans secured by a first ranking pledge
- Quarterly revaluation of all properties

ASSET DISTRIBUTION

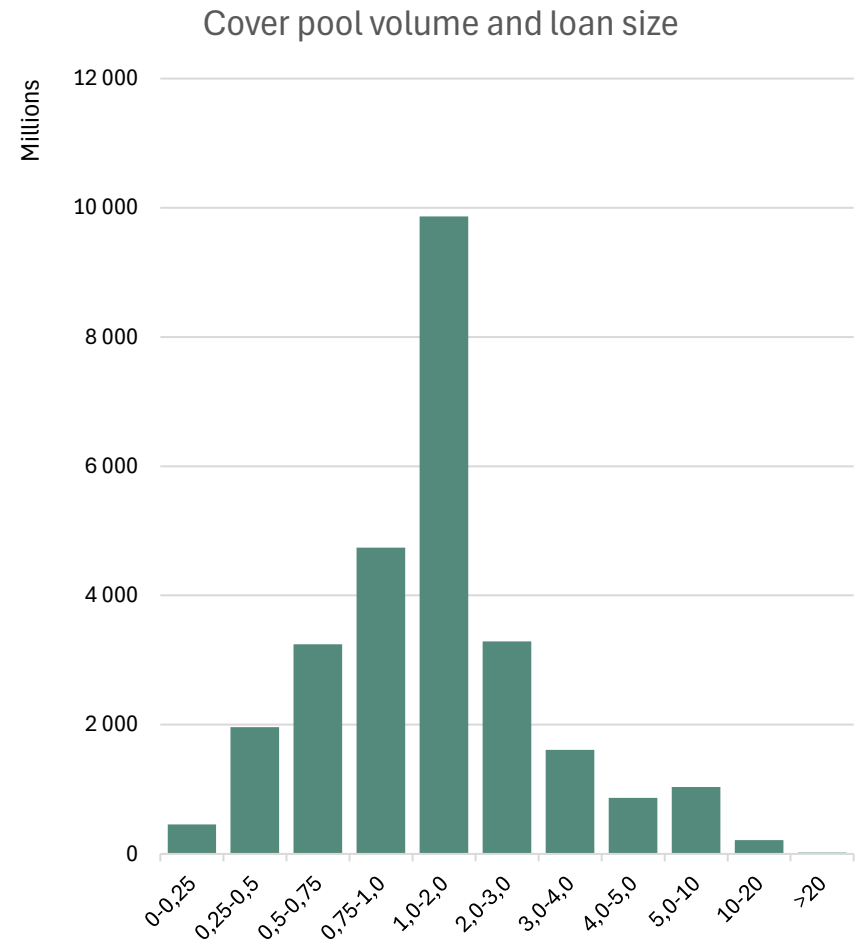
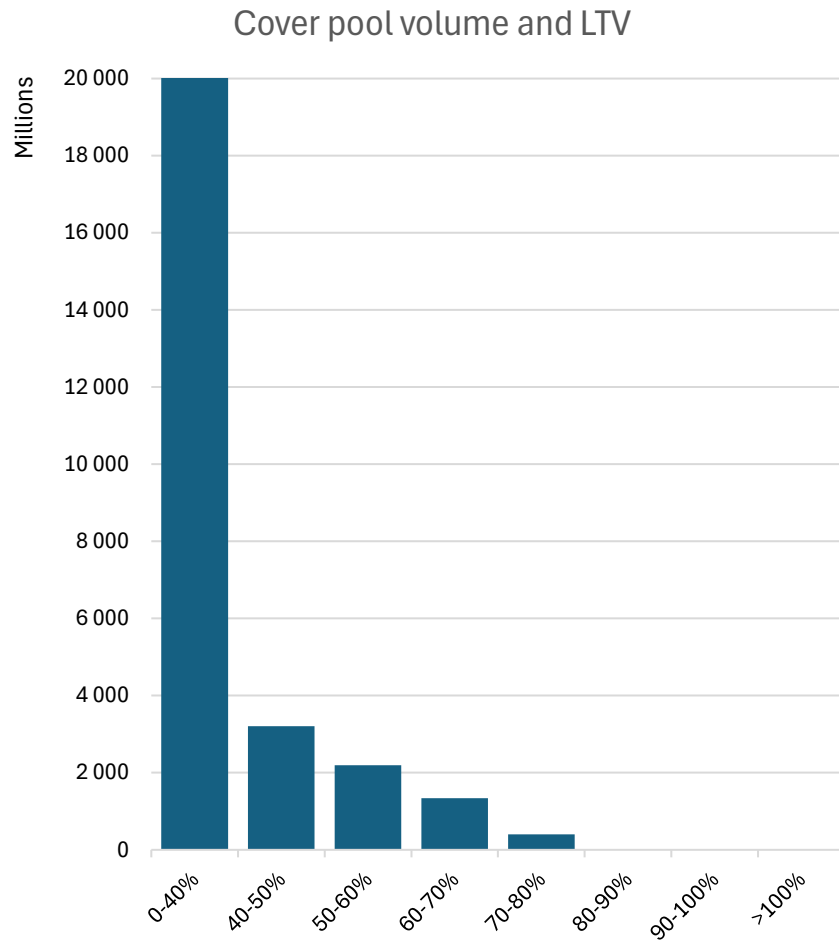
- Skewed towards Stockholm and Malmoe
- Representing the customer base of the distributors
- No geographical preference from Borgo
- Distribution appears to broaden as we grow
- Single family housing: 64%
- Tenant owner rights: 36%



COVER POOL

Metric	Value
Collateral:	100 percent Swedish mortgages
Property type:	Residential properties only
Cover pool size:	MSEK 27 450
Outstanding covered bonds:	MSEK 22 396
Number of borrowers:	23 920
Average loan size:	SEK 979 600
Loan-to-value (Indexed):	56,5 percent
Over-collateralisation:	21 percent
Floating rate (0-3 months):	78,4 percent
Fixed rate (>3 months):	21,6 percent
Weighted average seasoning:	3,4 years
Pool type:	Dynamic
Rating:	Aaa by Moody´s

RESILIENT PORTFOLIO OF ASSETS



CAPITAL POSITION

- Capital metrics are positioned for growth
- Buffer covering future needs of capital
- Committed owners with a strategic and long-term horizon

Metric	Value
Total capital ratio	18,1%
CET1 ratio	18,1%
Leverage ratio	5,8%
Solidity	6,3%



5. SUSTAINABILITY

Borgo

SUSTAINABILITY

Borgo has conducted a materiality assessment that serves as a foundation to the ESG journey going forward. Incorporating ESG into the everyday operation is challenging but important.

Unique selling points

- Offer green mortgages
- Invest responsibly and transparently
- Contribute to sound personal finances
- Green bond framework

Development areas

- Conduct active value chain management
- Uphold ethical business practices and prevent corruption and money laundering
- Attract and retain talent and ensure employee well-being

Aspects to monitor and refine

- Ensure data security and integrity
- Foster equality, diversity and inclusivity and prevent discrimination and harassment
- Minimise our climate impact and decrease own energy use

EVERYDAY ESG

Borgo's ESG-work is of great importance to our employees and investors, as well as to meet stakeholder expectations, build customer loyalty, mitigate risks & improve financial performance.

Environmental

- Minimise climate impact in own business operations
- Energy efficiency
- Offer green bonds and mortgages
- Liquidity portfolio management

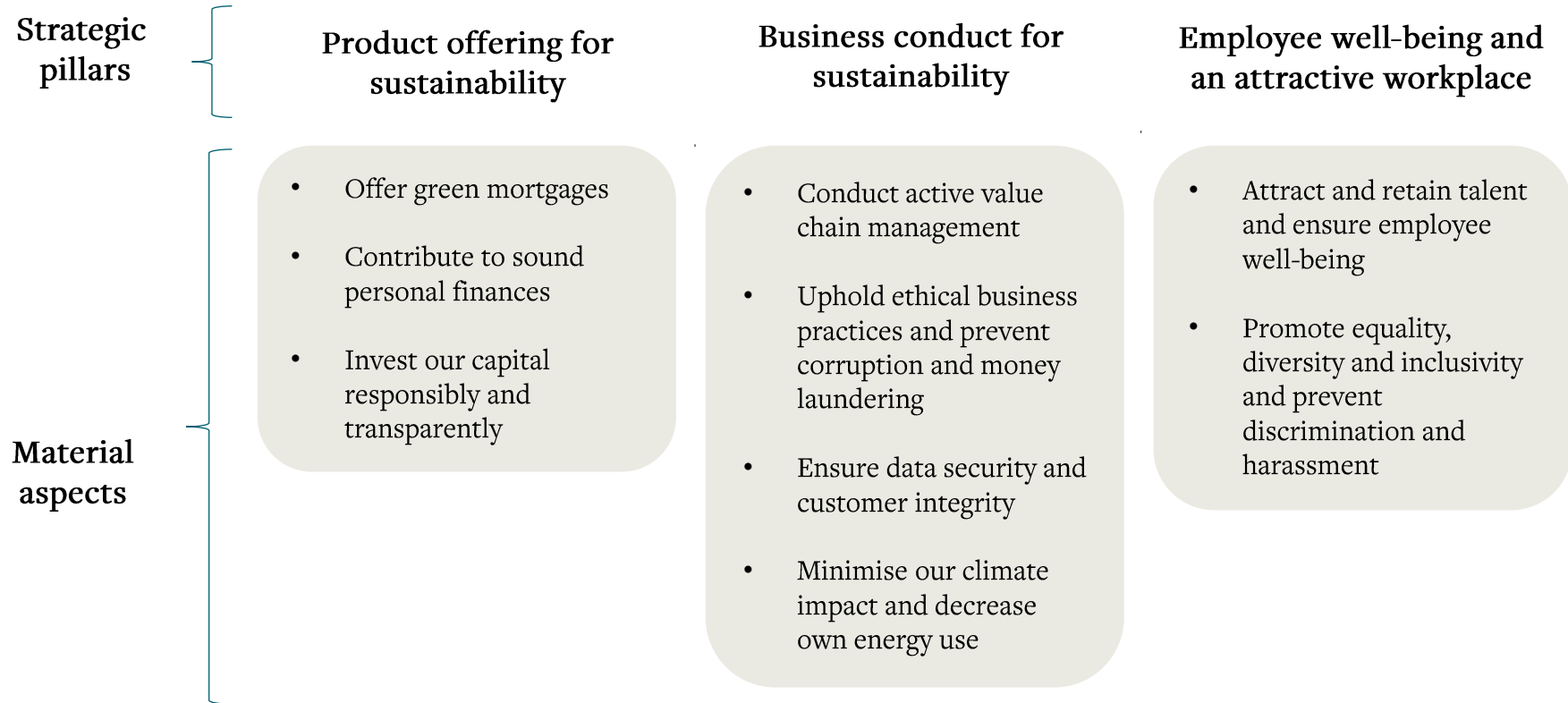
Social

- Risk management in supply chain management
- Diversity and inclusion in own work force
- Anti-discrimination
- Health & safety

Governance

- Skilled, experienced management
- Board composition
- Policies, procedures, instructions in place
- Ethical business practises
- Risk management
- Business & financial strategy

STRATEGIC PILLARS & MATERIAL ASPECTS

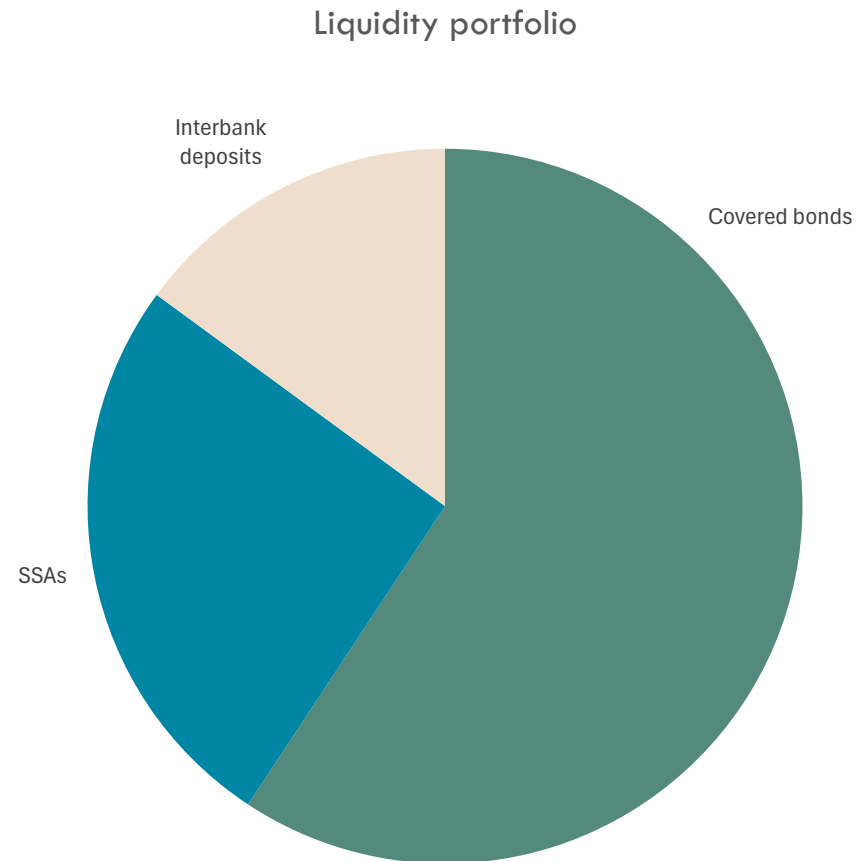


6. FUNDING & LIQUIDITY

Borgo

LIQUIDITY

- Low appetite for liquidity risk
- Buffer of liquid assets to cover regulatory demands and business needs
- Liquidity portfolio of high quality liquid assets (HQLA), eligible as collateral at Riksbanken or with the ECB
- LCR: 850%
- NSFR*: 115%
- Borgo is well prepared to manage its liquidity and survive stressful conditions



*This is calculated using the assumptions relevant previous to the SFSA's standpoint regarding brokered deposits

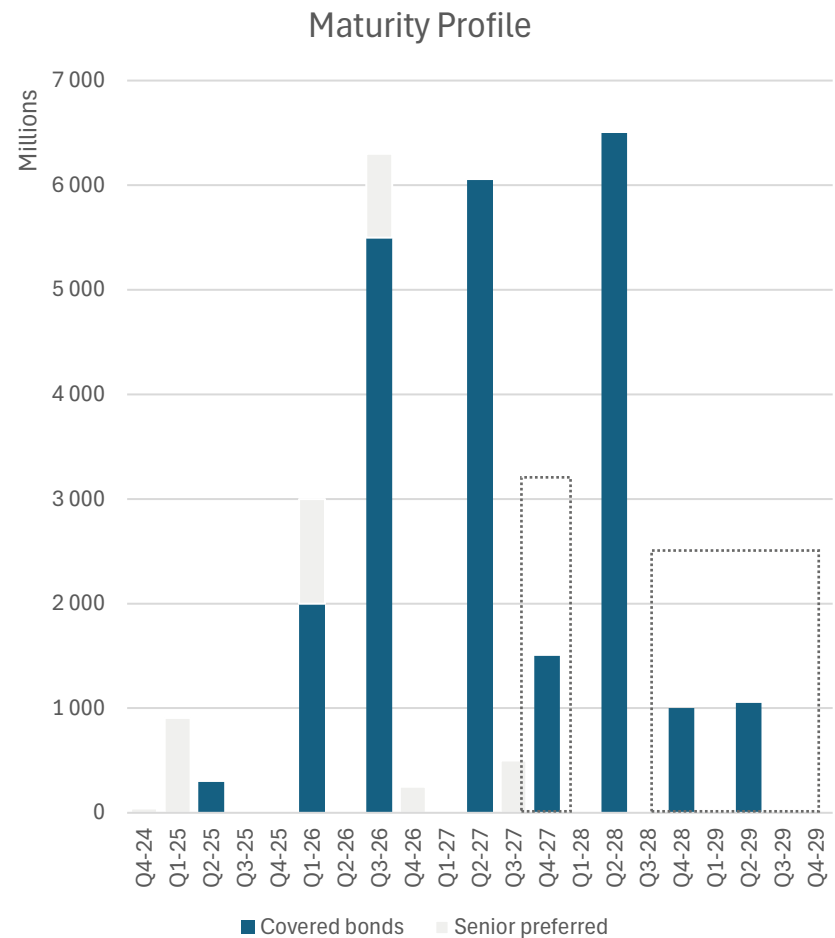
FUNDING STRATEGY

- Securing long- and short-term rating
- Complying with regulatory demands
- Aiming to be a recurring issuer
- Buy-backs to manage refinancing risk & as a service to investors
- Lowering cost of funding going forward
- Striving for transparency and openness
- Long-term commitment



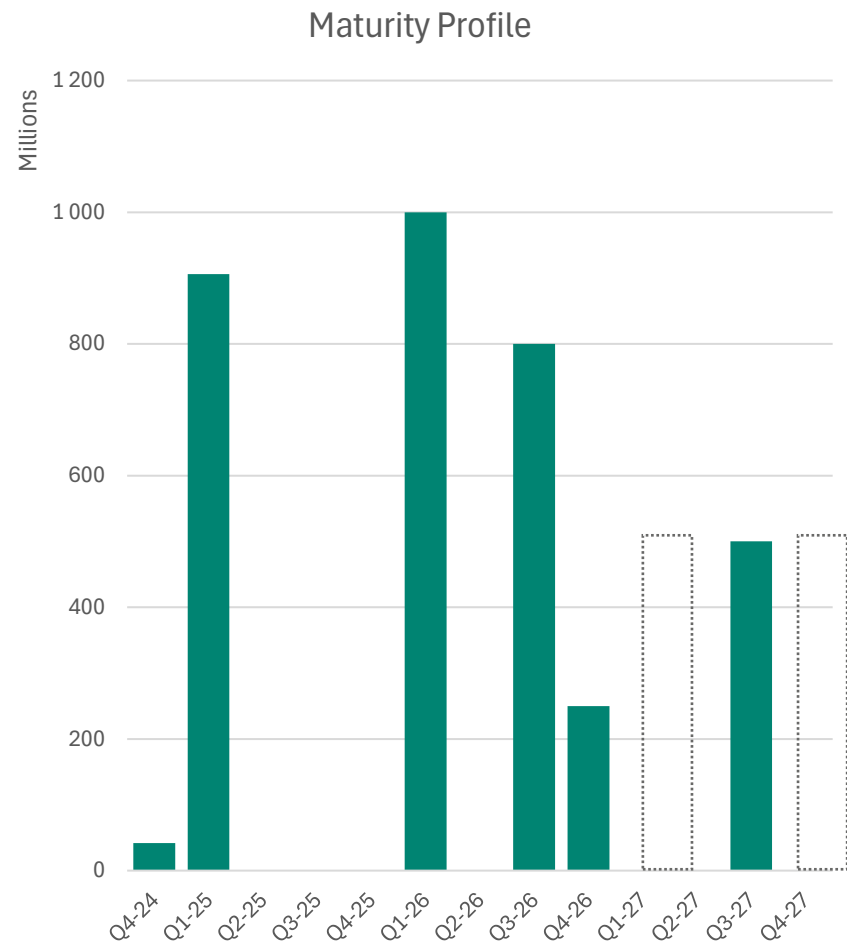
FUNDING PLAN

- Small needs for the remaining part of 2024 expected
- 2025 will focus on financing the organic growth of the business and on rolling coming redemptions longer out the curve if market pricing admits
- Covered bond issuance will focus on our Oct2027 tenor and use longer tenors if suitable
- Unsecured funding is depending on requirements from the rating agency and the development of retail deposits. Likely issuance during Q1 2025



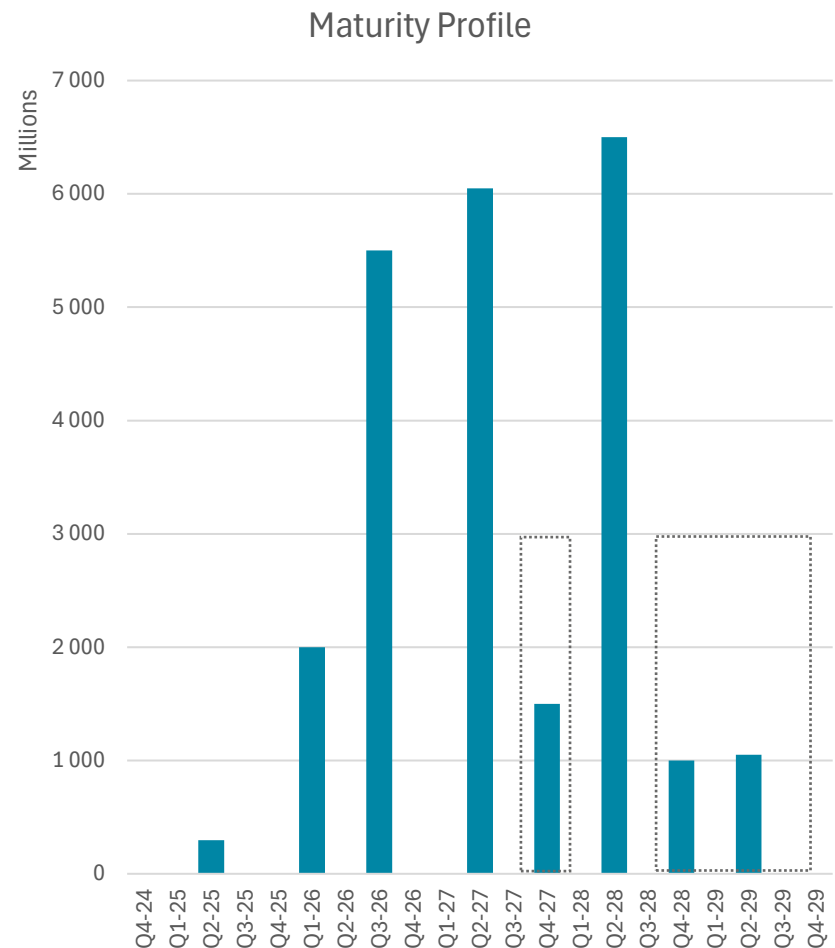
SENIOR PREFERRED

- Mainly to regulate the amount of senior debt needed to comply with Moody's Loss Given Default metric
- Preferred tenor 2-3 years
- FRN or Fixed
- Preferred size SEK 250-750m
- Smaller redemptions help reduce the impact when the bond is due
- Currently SEK 3 498m outstanding
- SEK 906m maturing in February 2025
- Estimated need for 2025: SEK ~1 bn



COVERED BONDS

- The main source of funding together with retail deposits
- Aaa Covered bonds rating by Moody's
- Preferred tenor 3-5 years, FRN or Fixed
- Preferred tap size SEK 250-750m
- Private placements or syndicated trades when suitable, focused on Lvl 2 or Lvl 1
- Currently 23 896m outstanding
- SEK 296m maturing in May 2025
- Estimated need for 2025: SEK 5-10 bn



RATING

Credit strengths

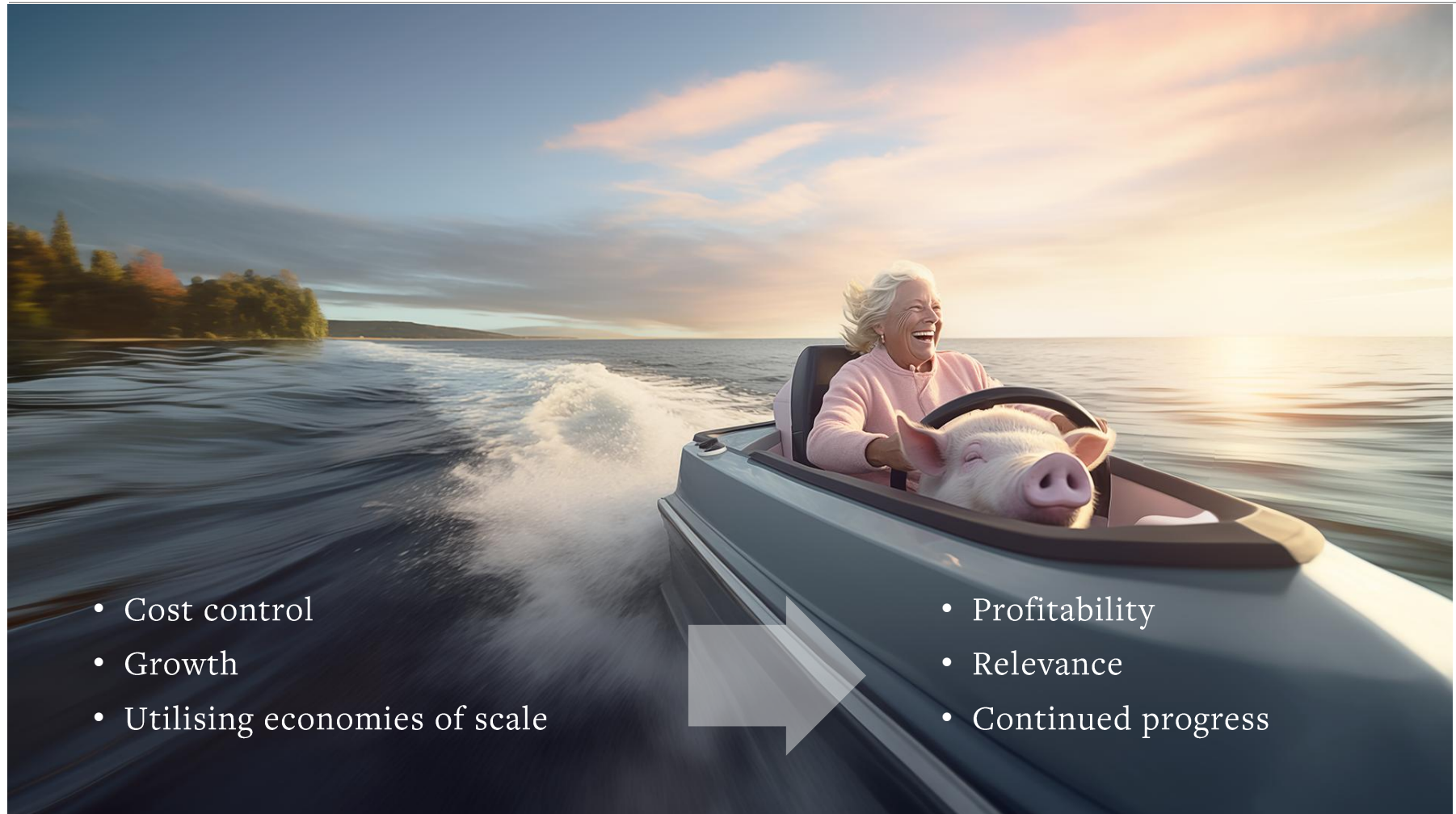
- Very strong asset quality, with lending consisting of Swedish mortgages
- Demonstrated investor backing and access to capital

Credit challenges

- Limited financial track record and governance risks stemming from outsourcing of key services
- Loss making, given the rising funding costs and fast balance sheet growth
- Monoline business model, with limited revenue diversification

Type	Assigned rating
Covered bond rating	Aaa (Stable)
Long-term Issuer Rating	Baa2 (Negative)
Adjusted Baseline Credit Assessment	baa3
Long-term Counterparty Risk Assessment	A3(cr)
Short Term	P-2

PLANS GOING FORWARD



- Cost control
- Growth
- Utilising economies of scale

- Profitability
- Relevance
- Continued progress

6. CONTACTS

Borgo

CONTACT BORGO'S TEAM

Gustav Berggren, CEO

Pehr Olofsson, tf CFO

Karl Aigéus, Head of Treasury

072-648 00 85

karl.aigeus@borgohyptek.se

ir@borgohypotek.se

APPENDIX

BUSINESS MODEL

- Originating & financing mortgages in SEK
- Lending via distribution partners
- Conservative underwriting standards
- Lending only SEK in Sweden
- Digital business
- Low operational risk
- No corporate lending
- No handling of cash



FINANCIAL CALENDAR

Rapport	Datum
Bokslutskommuniké 2023	27 februari 2024
Årsredovisning 2023	22 april 2024
Delårsrapport januari-mars 2024	29 maj 2024
Delårsrapport januari-juni 2024	28 augusti 2024
Delårsrapport januari-september 2024	27 november 2024

BOARD OF DIRECTORS

OWNERS AND INDEPENDENT

External	Lennart Francke Board Member Qliro & Affärsvärlden. Previous senior advisor Swedbank, EVP at Handelsbanken	Julia Lannerheim Risk & Compliance Officer Arvato Financial Solutions	Johan Brodin CTO at Intrum Previous experience: CRO at Intrum, CRO at SBAB
	ICA Banken Per Balazsi (CFO)	Ikano Bank Anna Wanby (CLO)	Sparbanken Syd Johan Sandberg (CFO)
	Söderberg & Partners Gustaf Rentzhog (CEO)	Ålandsbanken Jan-Gunnar Eurell (CFO & deputy CEO)	
Industrial investors			
Financial investors	Proventus Caj Tigerstedt (CIO)	Persson Invest Björn Rentzhog (CEO)	

EXECUTIVE MANAGEMENT & KEY PERSONNEL

EACH WITH DECADES LONG EXPERIENCE FROM THE FINANCIAL FIELD

Executive management

Peter Walldour, COO and deputy CEO
Previous experience: Head of Private Banking & Pro at Avanza (implementation of the mortgage offering). Other positions at Collector and Nordea.

Carolin Runnquist, CIO
Previous experience: Head of Channel and Offering Development Swedbank, Director Cyber Security and Financial Crime PWC.

Gustav Berggren, CEO
Previous experience: Head of the Private bank division and member of Group Management at Avanza. Oversight of the Stabelo mortgage offering and partnership.

Adam Lewenhaupt, CCO
Previous experience: M&A Advisory at Goldman Sachs and Ovington Financial Partners. Private equity at Brummer & Partner and entrepreneurial endeavours.

Pehr Olofsson, tf CFO
Previous experience CFO at Avida Finans, Bankgirot, Swedbank Baltic Banking, Entercard and acting CFO at Klarna

Camilla Philipson Watz, CLO
Previous experience: Legal counsel at Nordnet Bank, Stadshypotek and the Swedish FSA.

Emma di Nicola, CRO
Previous experience: Head of CRO Office at Länsförsäkringar Bank. Various positions at the Swedish FSA and EY.

Other key personnel

Tanya Forsstedt, Head of Compliance
Previous experience: Compliance Officer and Legal Counsel at Avanza Bank. Compliance officer at Klarna Bank.

Karl Aigéus, Head of Treasury
Previous experience: Head of Funding at Skandiabanken and Portfolio Manager at Kommuninvest

Mattias Vilhelmsson, Head of Finance
Previous experience: Financial controller and other related positions at Bluestep Bank

Linnea Sigot, Head of Credit
Previous experience: Management consulting, credit and credit risk roles at different Swedish banks (Länsförsäkringar etc)

BACKGROUND

- The company was set up by Gustav Berggren, Peter Walldour, Carl Martinson and Adam Lewenhaupt in 2018, and thereafter acquired by ICA Banken, Ikano Bank, Söderberg & Partners and Ålandsbanken in 2019 with Sparbanken Syd joining the shareholder list in 2022 and Lån&Spar in 2024
- In less than two operating years, Borgo has become a leading independent mortgage challenger offering mortgages up to 85% LTV servicing the whole Swedish prime mortgage market