



INVESTOR PRESENTATION

Financial information as of Q3 2024

Updated 2024-12-13

TABLE OF CONTENTS

1. INTRODUCTION TO BORG

2. BUSINESS MODEL

3. FINANCIAL UPDATE

4. ASSET QUALITY AND CAPITAL ADEQUACY

5. SUSTAINABILITY

6. FUNDING AND LIQUIDITY

7. CONTACT DETAILS



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%

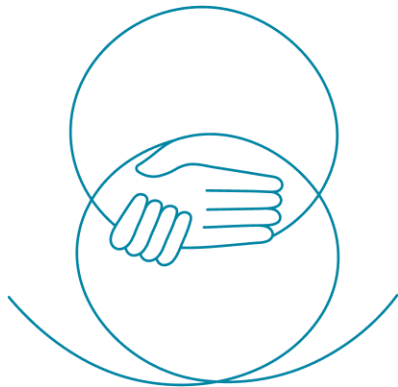
Retail deposits:
SEK 12,6 bn

Customers:
~23 000

CET1 ratio:
18,1%

OWNERS

- Strategic owners
 - Act as distribution partners
 - Providing access to a nationwide network
- Financial investors
 - Borgo as a financial investment
- Securing strong capitalization and long-term commitment



IKANO
BANK

~23%

ICA Banken

~20%

 Söderberg
& Partners

~12%

ÅLANDSBANKEN

~8%

Sparbanken Syd

~4%

Lån & SparBank

~4%

Financial investors

~29%

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

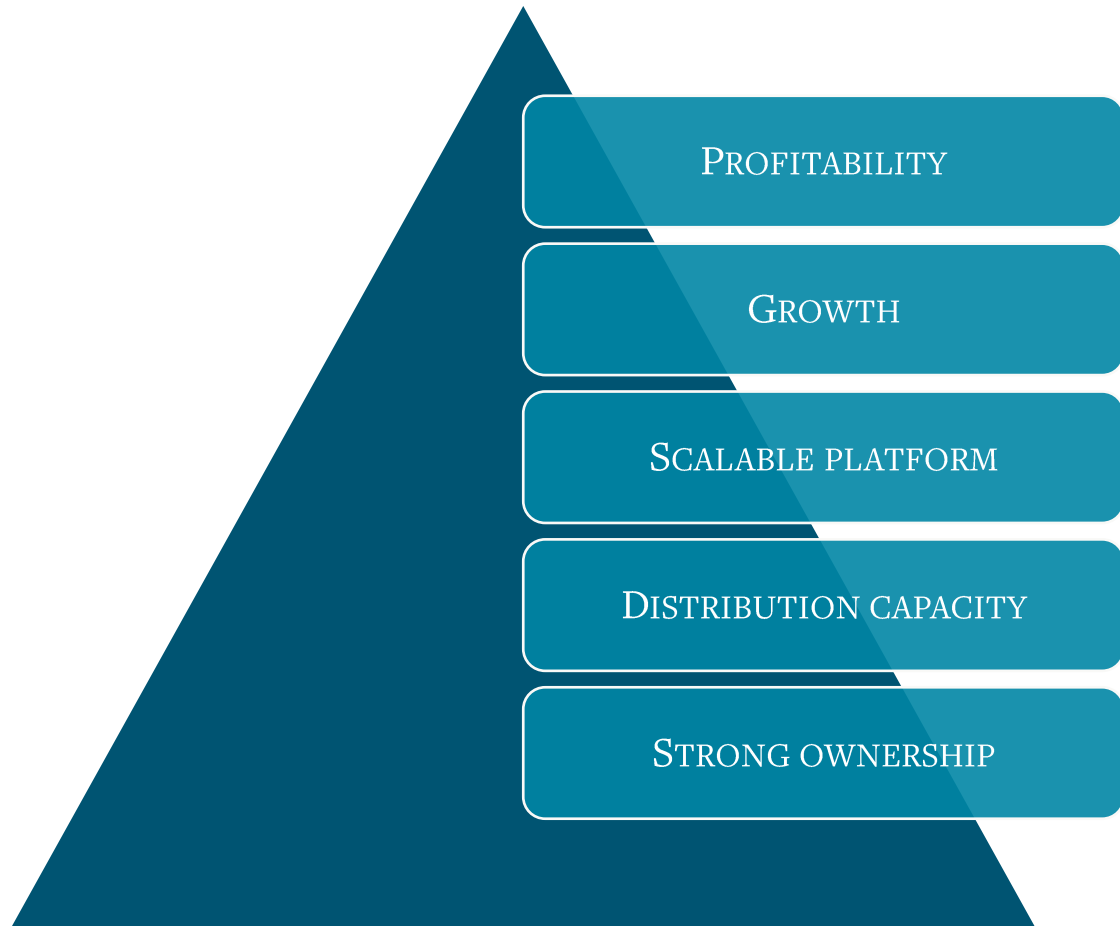
- Strong household names
- Extensive network

Funding and risk-mitigation

- Retail deposits
- Wholesale funding
- Interest rate risk

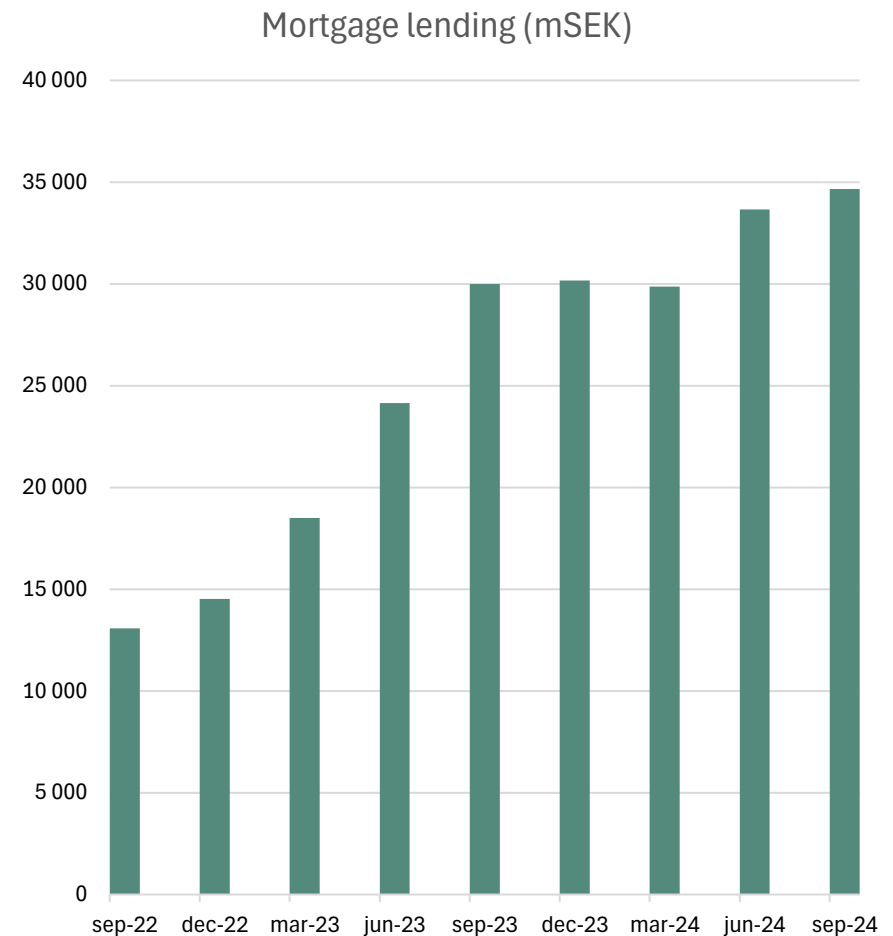
AMBITIONS TO GROW

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

BORGGO 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%

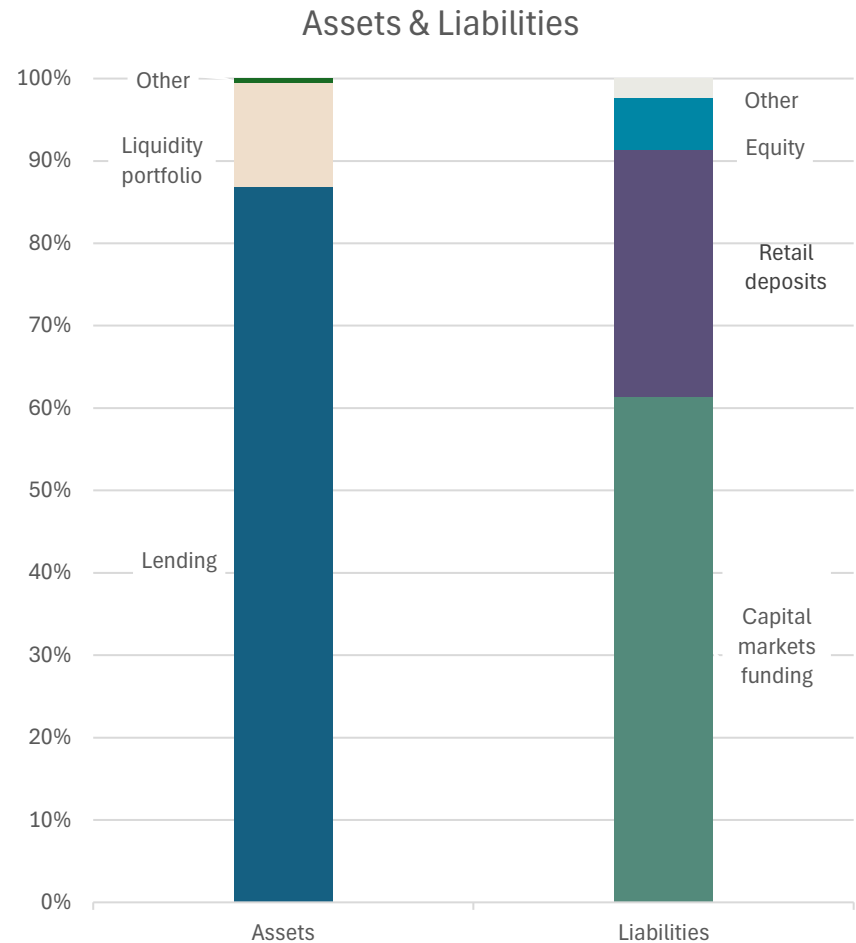
BALANCE SHEET

Assets

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

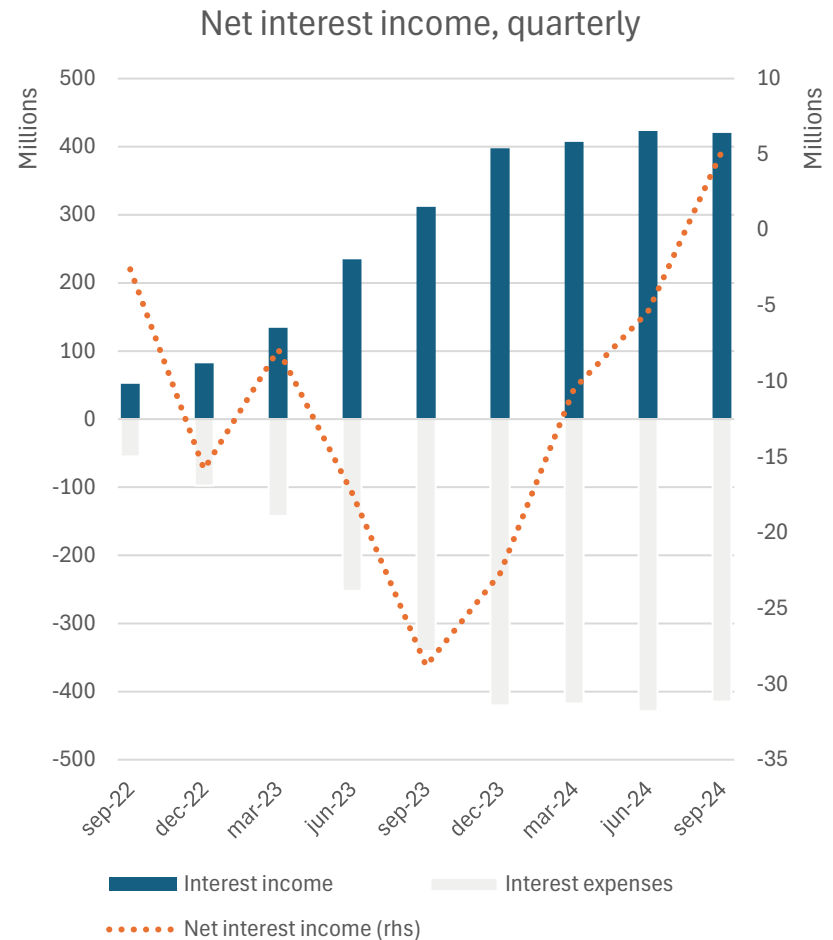
Liabilities

- 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

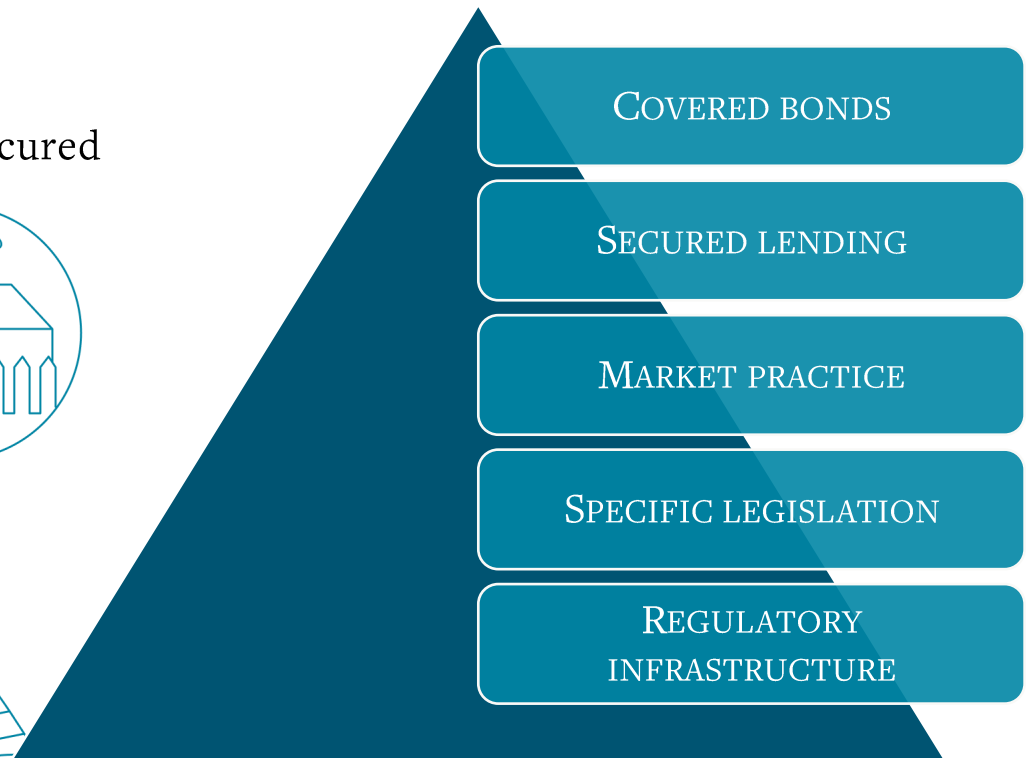


4. ASSET QUALITY & CAPITAL ADEQUACY

Borgo

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



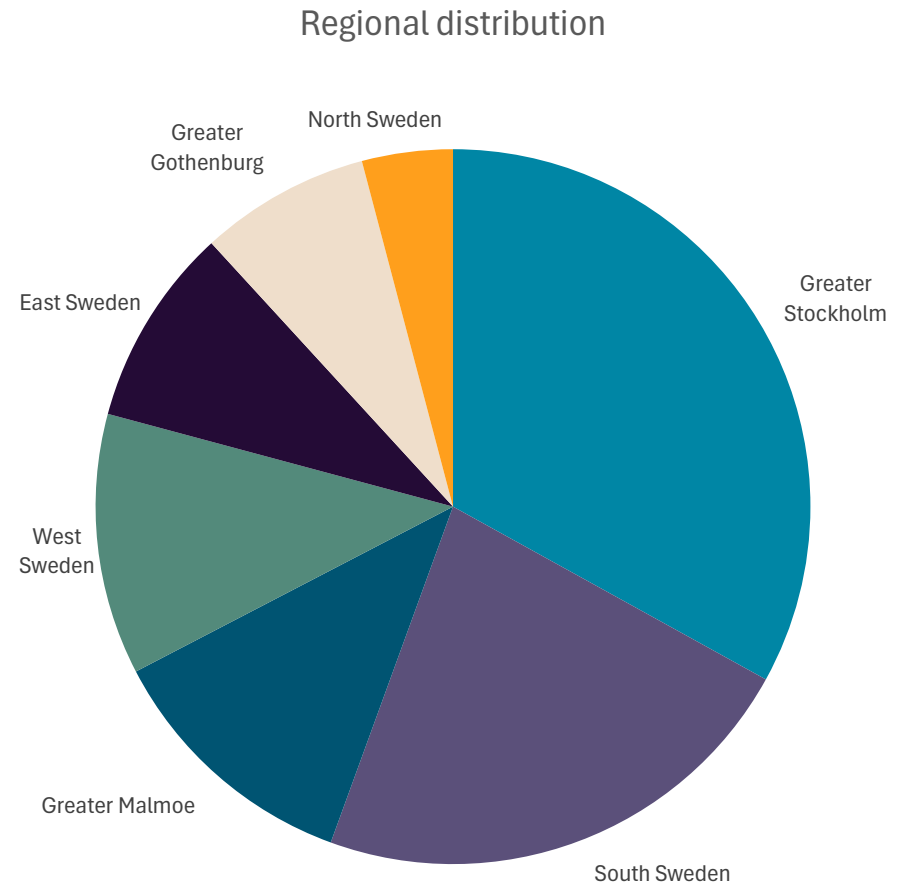
LENDING AT BORGO



- 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

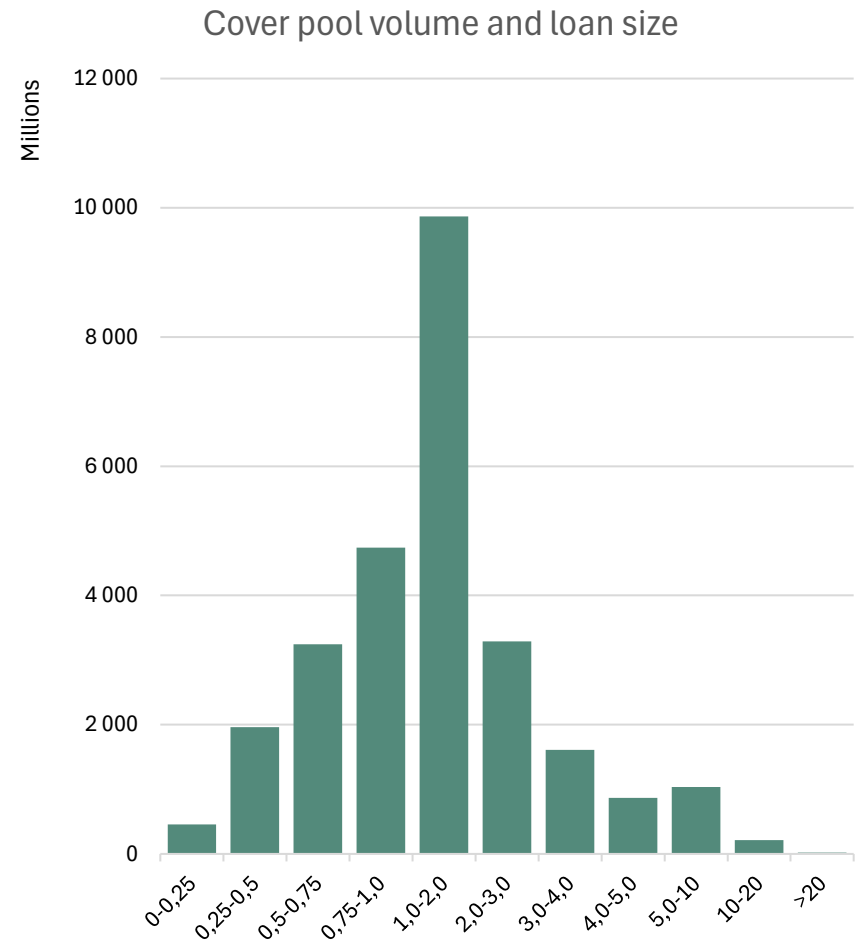
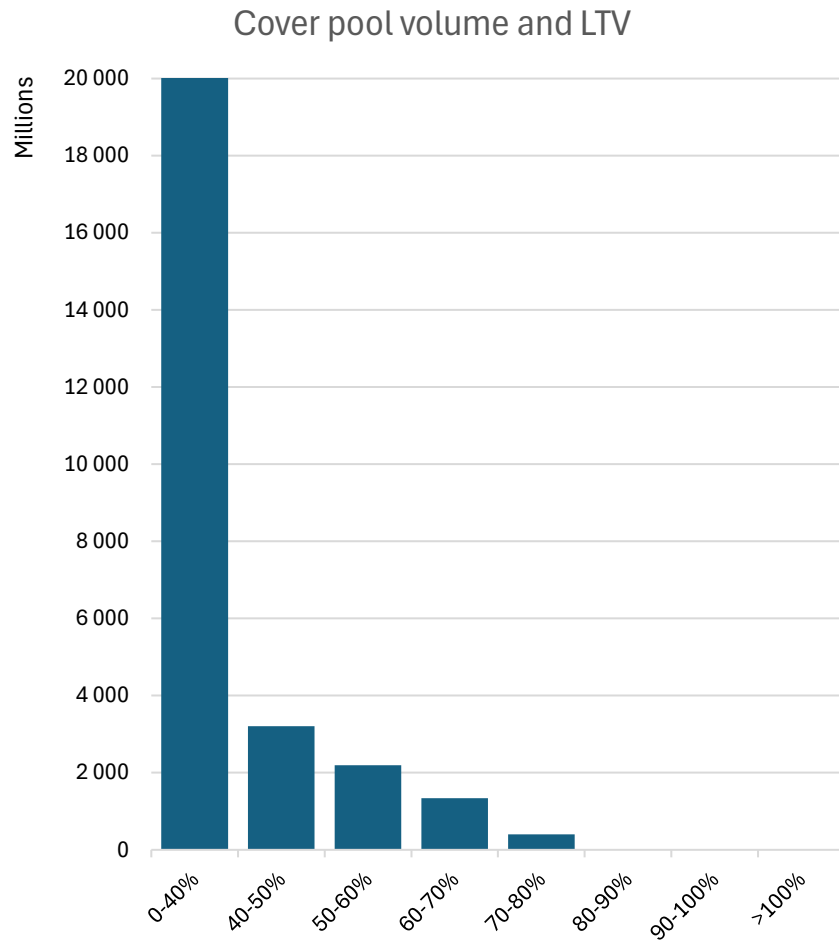
- Skewed towards Stockholm and Malmoe
- Representing the customer base of the distributors
- No geographical preference from Borgo
- Distribution appears to broaden as we grow
- Single family housing: 64%
- Tenant owner rights: 36%



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

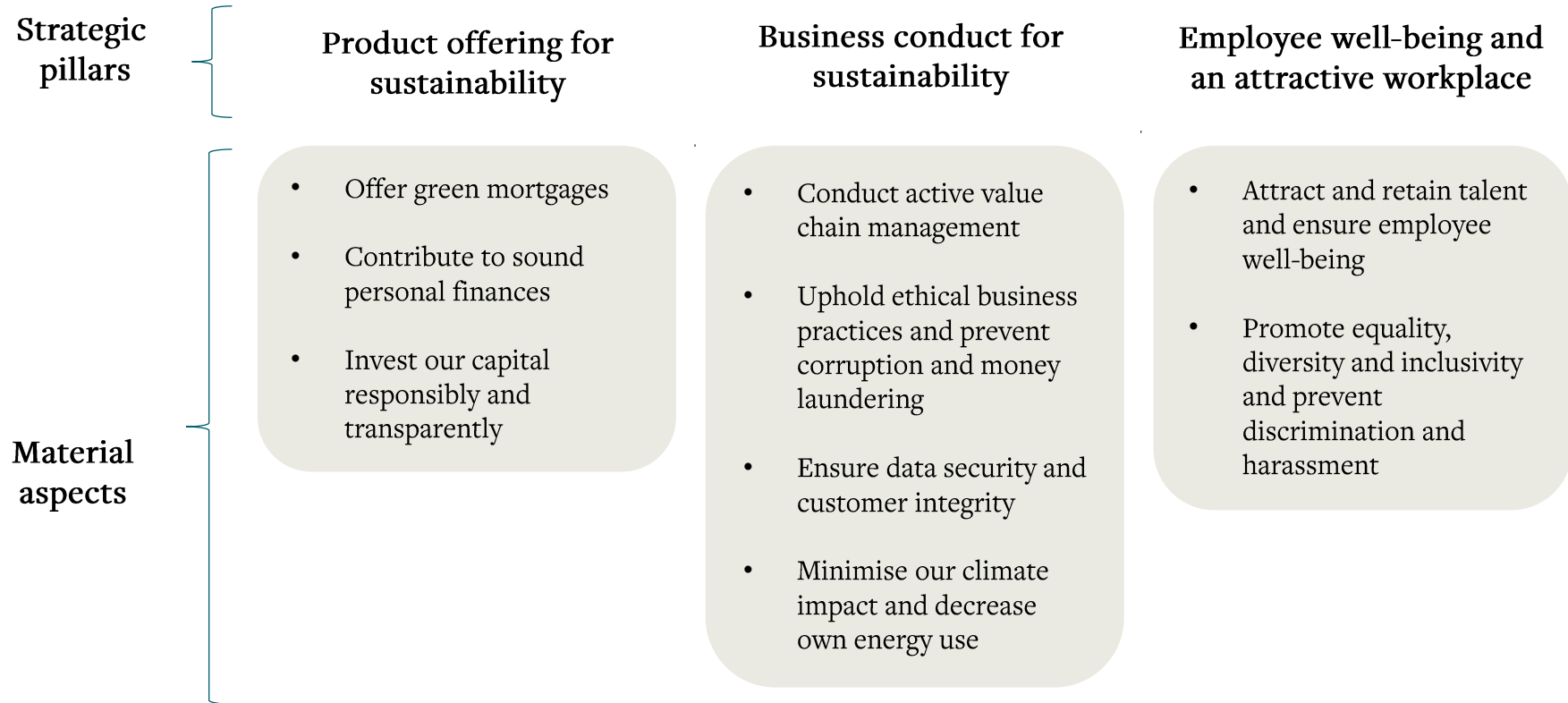
Social

- 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

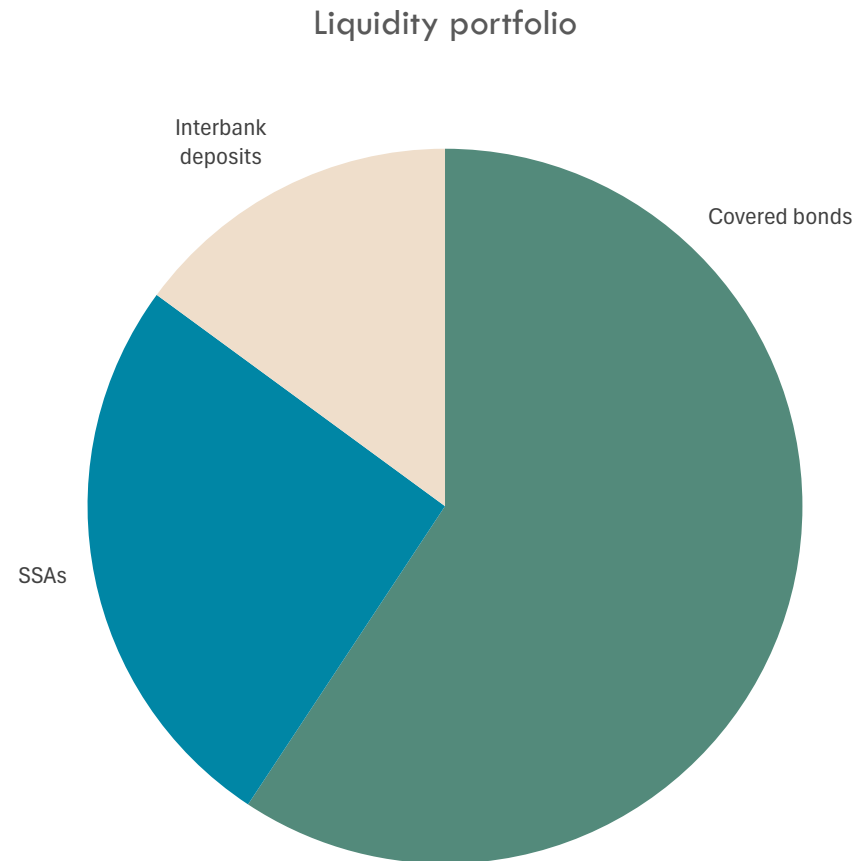


6. FUNDING & LIQUIDITY

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

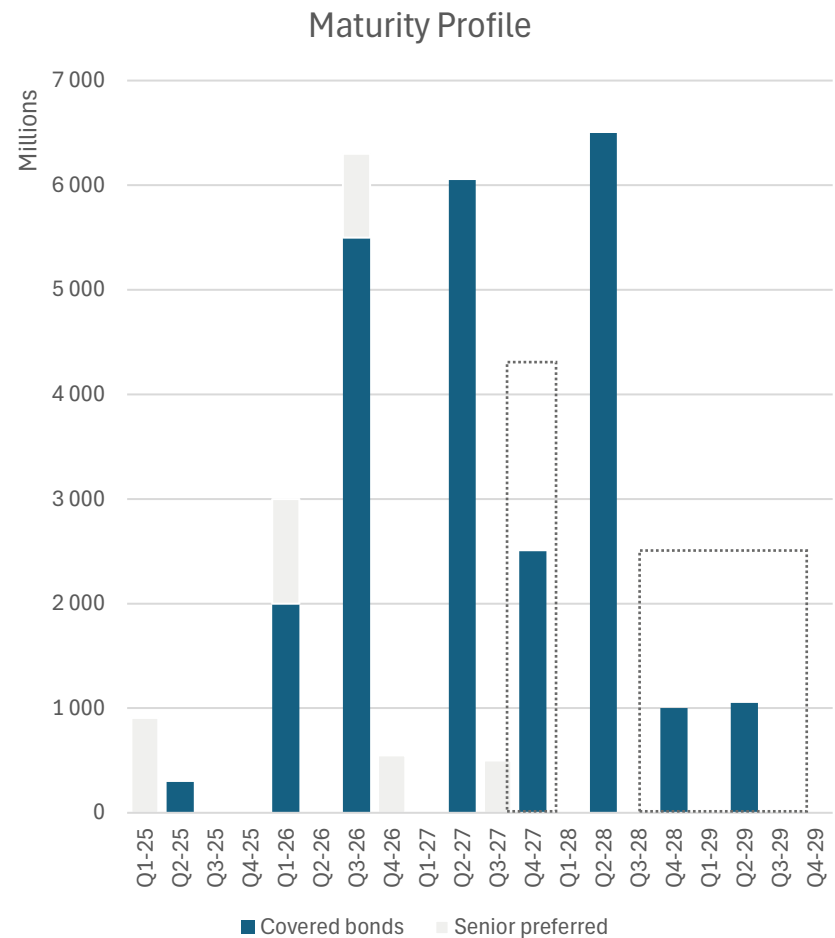
FUNDING STRATEGY

- 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



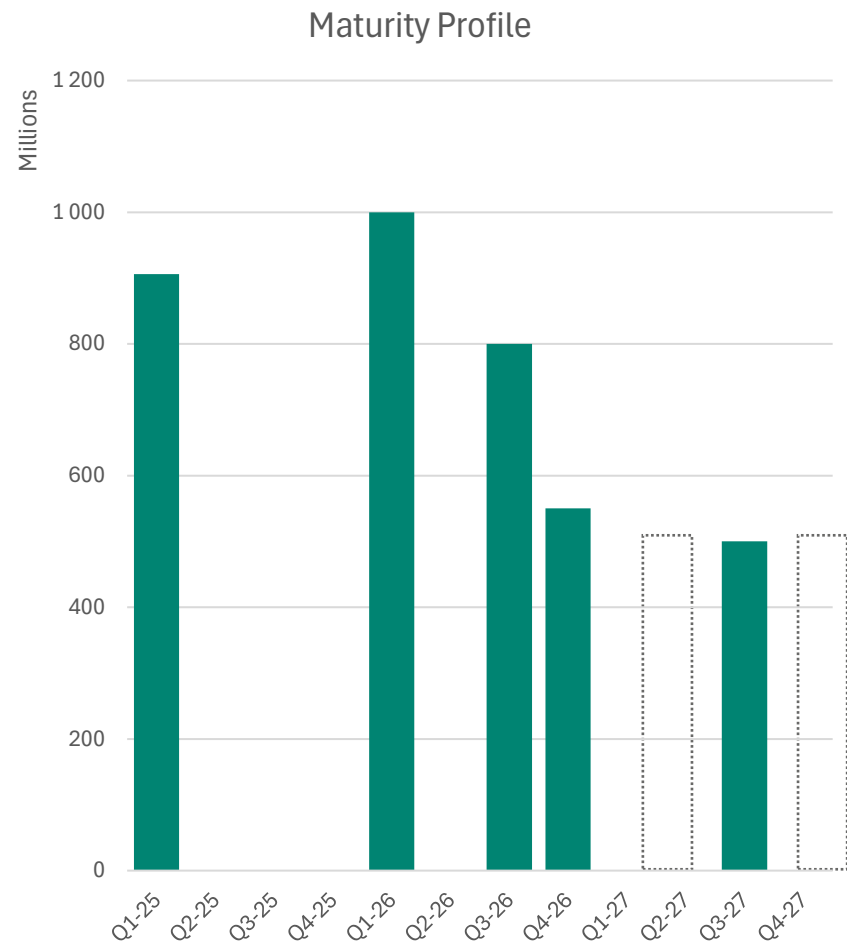
FUNDING PLAN

- 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



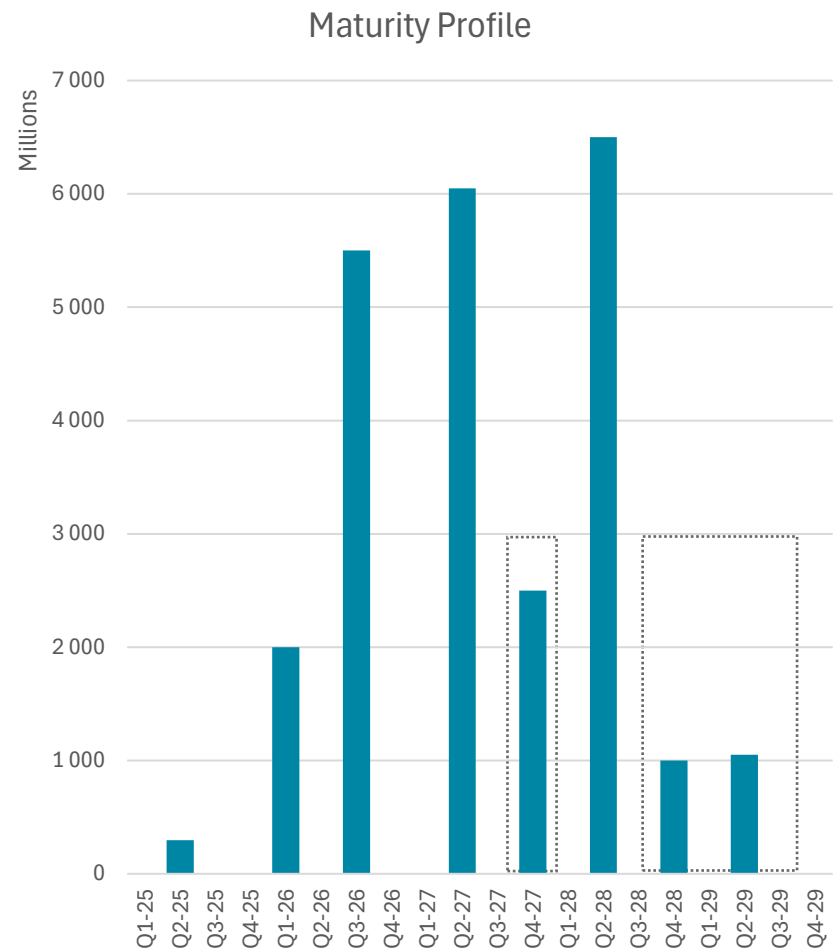
SENIOR PREFERRED

- 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 456m outstanding
- SEK 906m maturing in February 2025
- Estimated need for 2025: SEK ~1,5 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 24 896m outstanding
- SEK 296m maturing in May 2025
- Estimated need for 2025: SEK 8-12 bn



RATING

Credit strengths

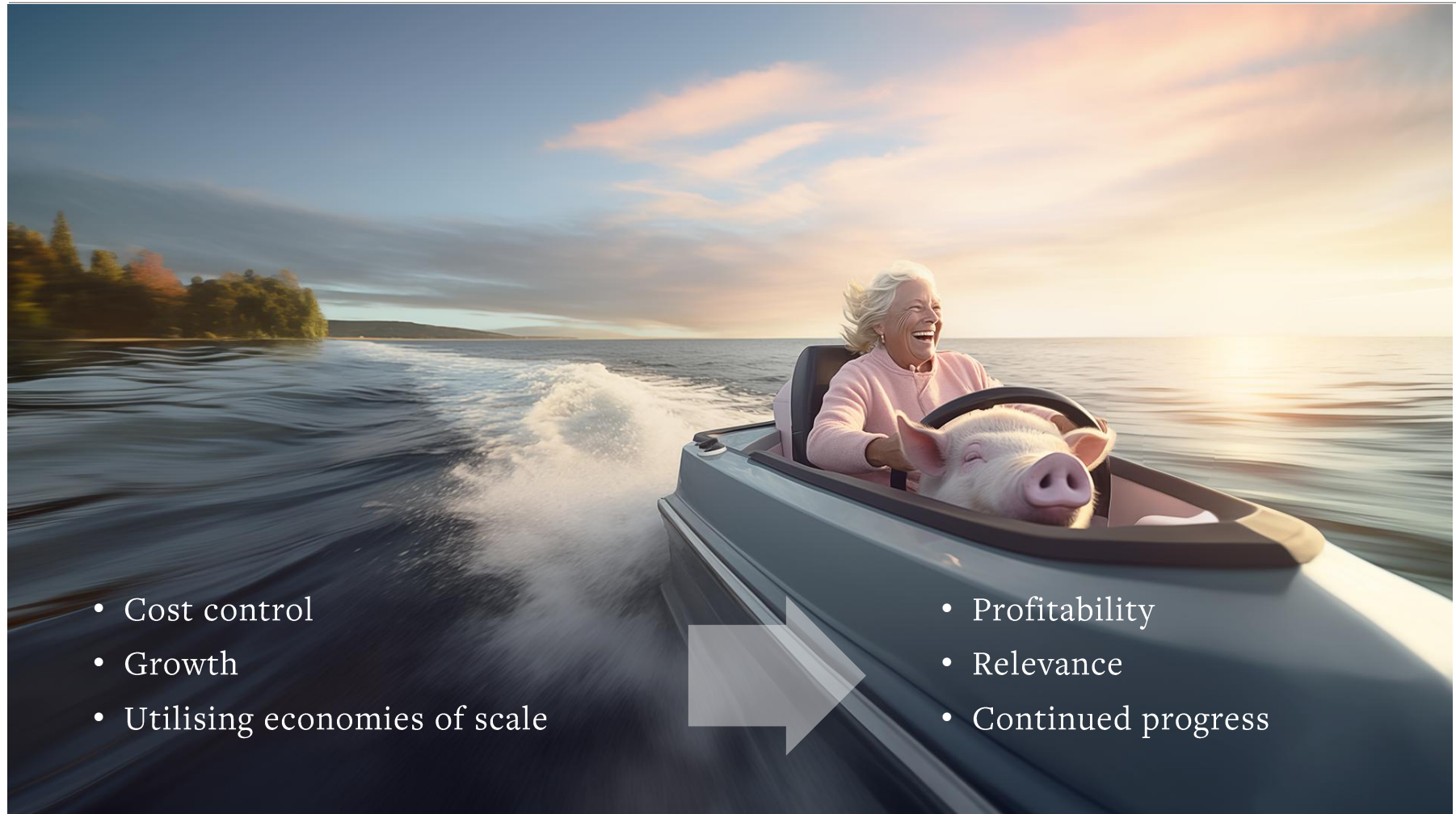
- Very strong asset quality, with lending consisting of Swedish mortgages
- Demonstrated investor backing and access to capital

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

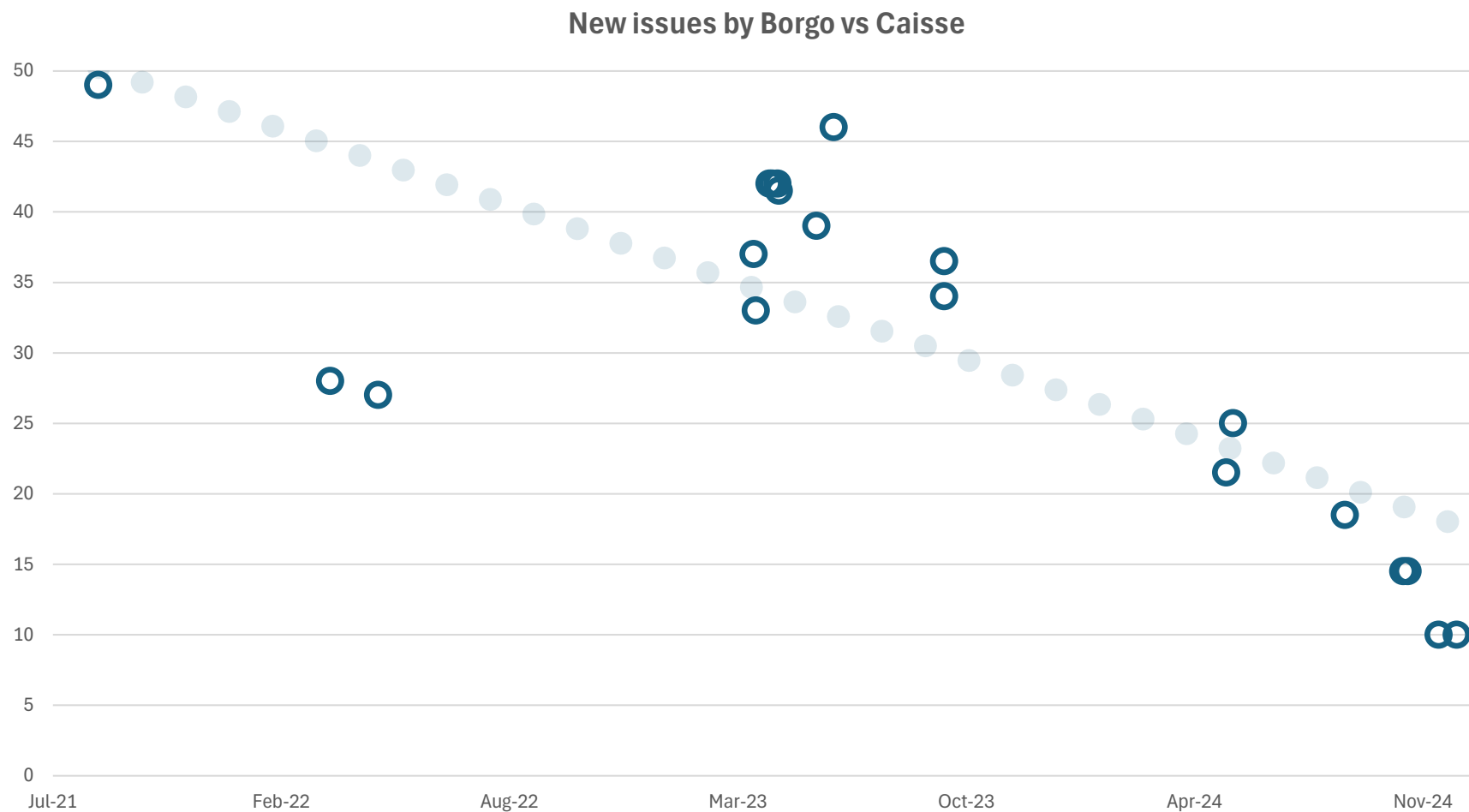
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APPENDIX

BORGO COVERED BONDS VS. CAISSE



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)	
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.

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