



INVESTOR PRESENTATION

Financial information as of Q4 2024

Updated 2025-03-04

TABLE OF CONTENTS

1. INTRODUCTION TO BORGO

2. BUSINESS MODEL

3. FINANCIAL UPDATE

4. ASSET QUALITY AND CAPITAL ADEQUACY

5. FUNDING AND LIQUIDITY

6. CONTACT DETAILS



1. INTRODUCTION TO BORGO

BORG0 IN SHORT

- Borgo is a Swedish mortgage company
- Lending via distribution partners
- In-house originating & funding
- Covered & 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



~23%



~20%



~12%



~8%



~4%



~4%

Financial investors

~29%

Total assets:
SEK 44bn

Lending:
SEK 35,4bn

Credit losses:
0,13%

Retail deposits:
SEK 11,7 bn

Borrowers:
~20 000

CET1 ratio:
17,1%

2. BUSINESS MODEL: THE BORGO WAY

STRAIGHT FORWARD BUSINESS MODEL

- Mortgage lending to Swedish homeowners
- Distribution via some of Sweden's strongest consumer brands
- Lending only SEK
- Lending only through owners
- Conservative underwriting standards
- Digital business
- No corporate lending
- No handling of cash
- No international business

Distribution

- Partnering with strong names
- Extensive network
- Strategic owners

In-house origination

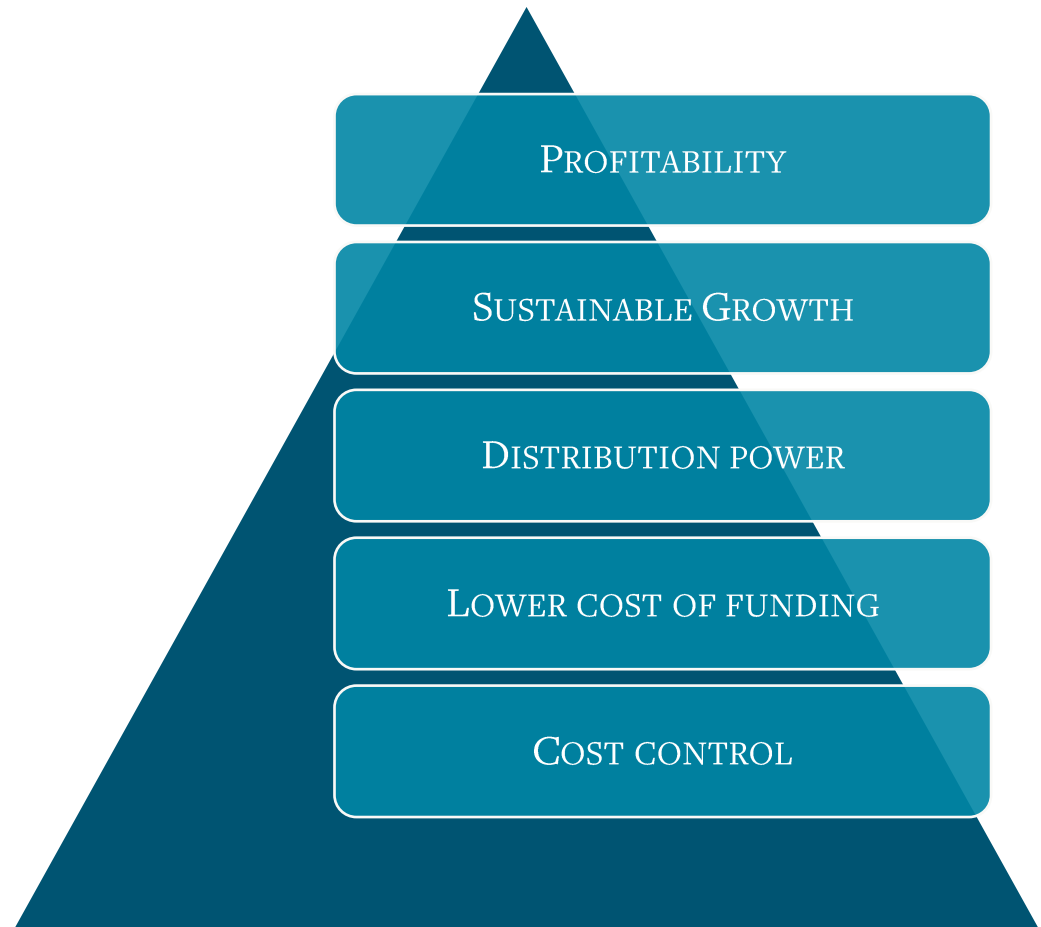
- Mortgage lending to Swedish homeowners
- Business only in SEK
- Digital process

Funding and risk-mitigation

- Retail deposits
- Wholesale funding
- Interest rate risk

ROADMAP TO PROFIT

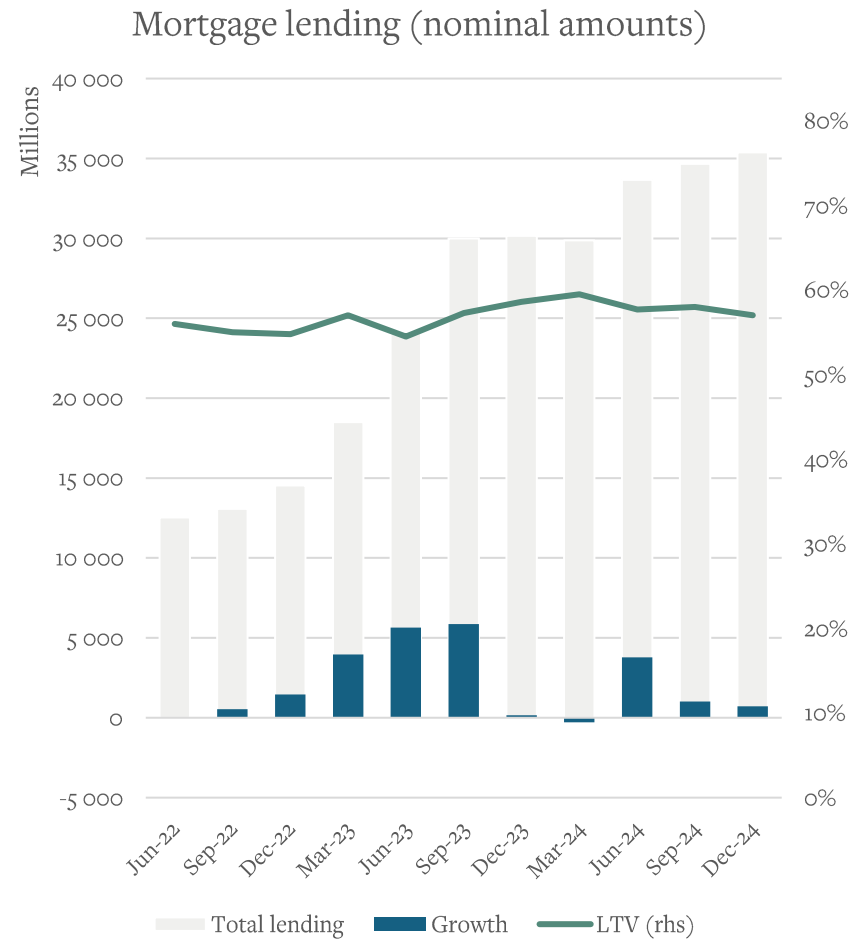
- Modern setup
- Efficient execution
- Economies of scale



3. FINANCIAL UPDATE

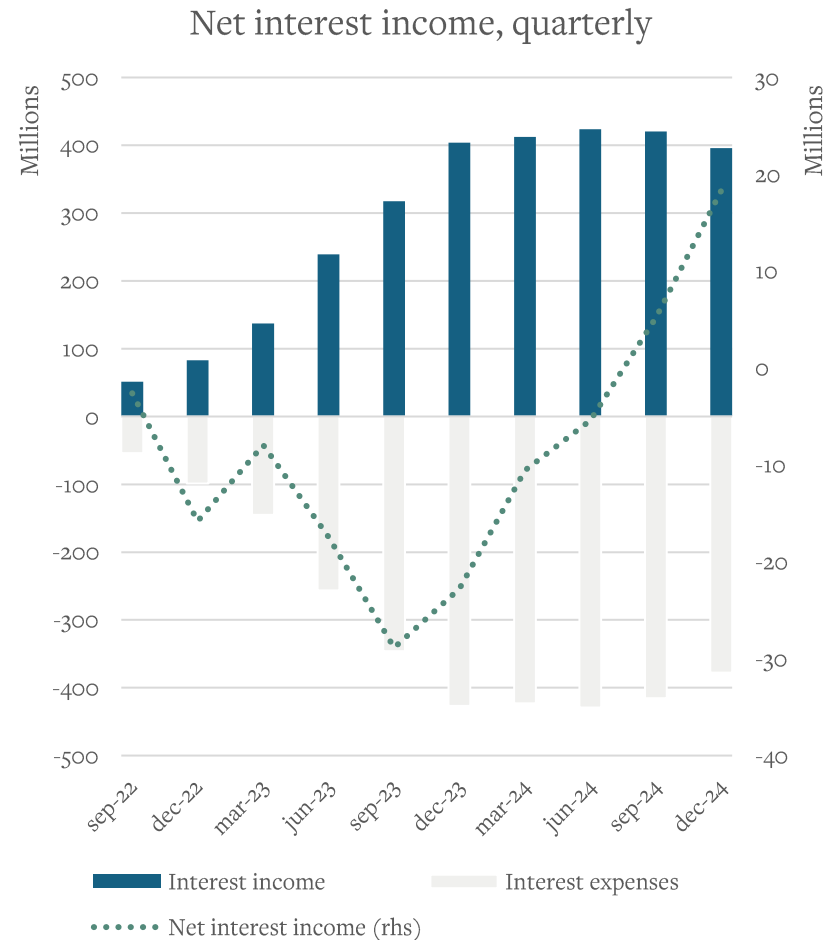
SUSTAINABLE GROWTH

- Nation-wide distribution
- Competitive pricing
- Conservative underwriting standards
- Risk-adjusted pricing matrix



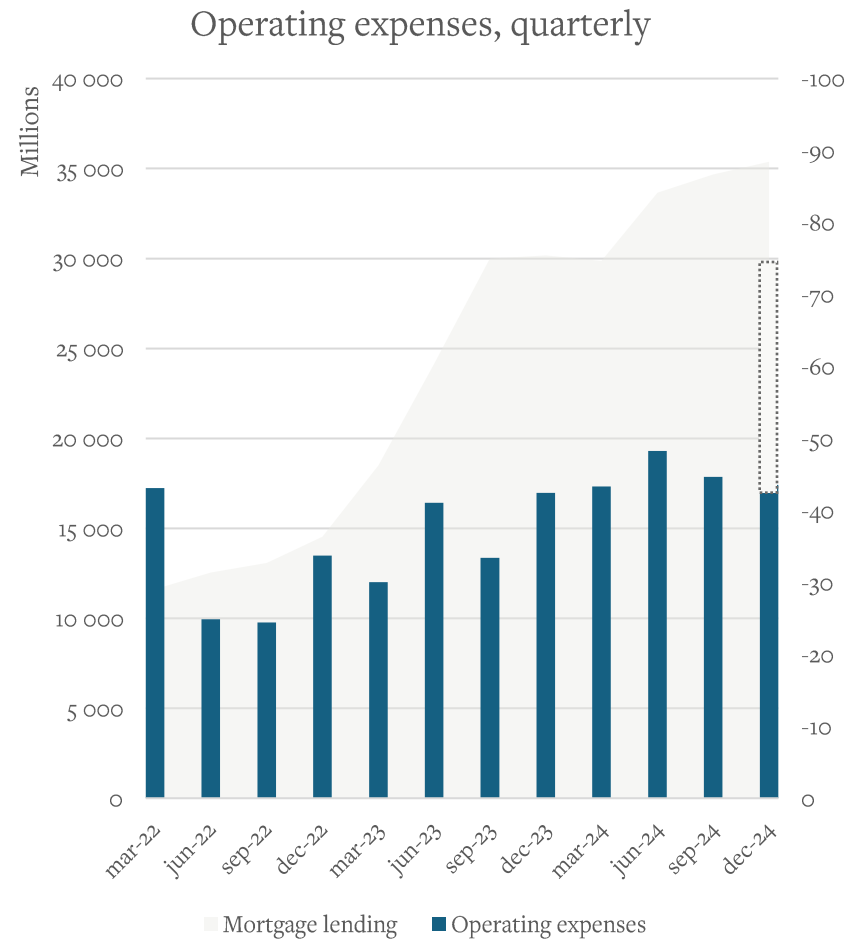
INCREASING NET INTEREST INCOME

- Improving net interest income
- Lower cost of funding
- Increasing mortgage volumes
- Diluting expensive funding



CURBING OPERATIONAL EXPENSES

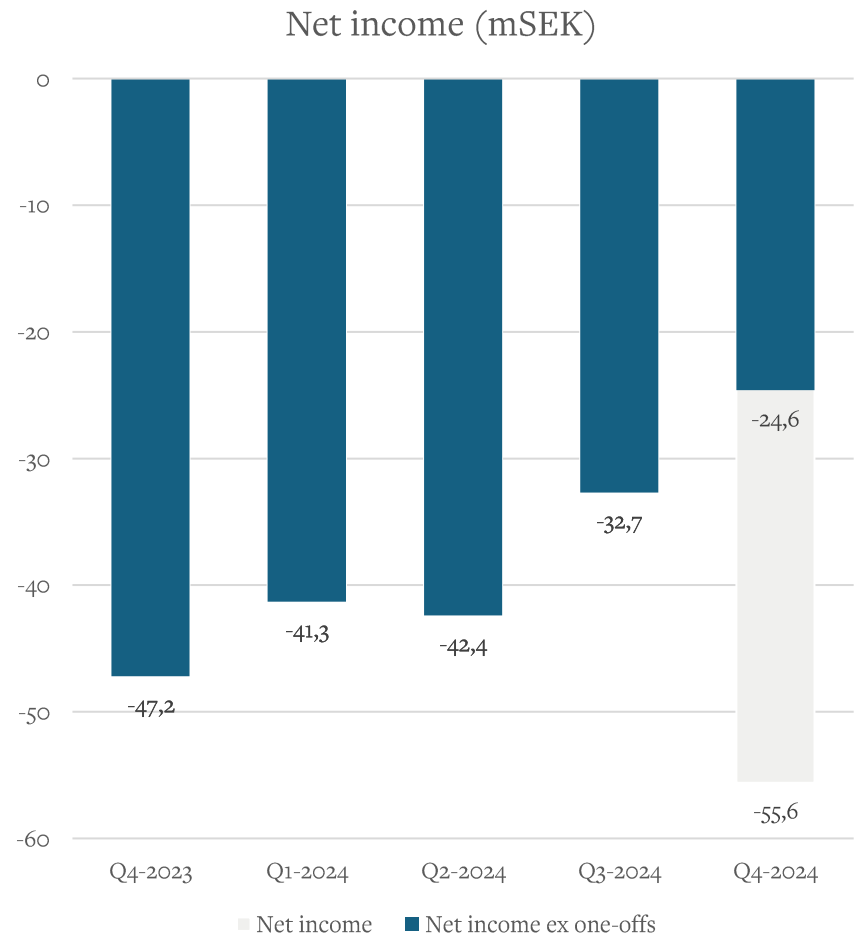
- Scalability is key
- Focus on cost control
- Managed to keep expenses stable despite balance sheet growth
- Some SEK 31m One-offs taken in Q4



*Adjusted for SEK 31m one-off expenses in Q4 2024

IMPROVED NET INCOME

- Net income loss for the 4th quarter
- Some 31m related to one-off expenses
- Accounting for one-offs



BORGO KEY FINANCIALS

- Growing balance sheet
- Strong base of equity
- Increasing income
- Improving net interest income
- Risk-metrics on healthy levels
- One-off costs in Q4

Income statement	Q4 2024	Q4 2023	Jan-Dec 2024	Jan-Dec 2023
Interest income	396	398	1 646	1 078
Interest expenses	-377	-420	-1 638	-1 155
Net interest income	18	-23	8	-77
Net income*	-55,6	-47,2	-171,9	-175,6

Balance sheet	Q4 2024	Q4 2023	Change
Mortgage lending	35 374	30 161	17%
Retail deposits	11 689	9 188	27%
Wholesale funding	28 684	25 659	12%
Equity	2 614	2 154	21%

Asset quality	Q4 2024	Q4 2023
Loan-to-value (LTV)	57%	59%
Credit losses	0,03%	0,002%

Liquidity measures	Q4 2024	Q4 2023
LCR	839%	823%
NSFR	111%	114%

*Net income Q4 2024 include 31mkr one-off expenses

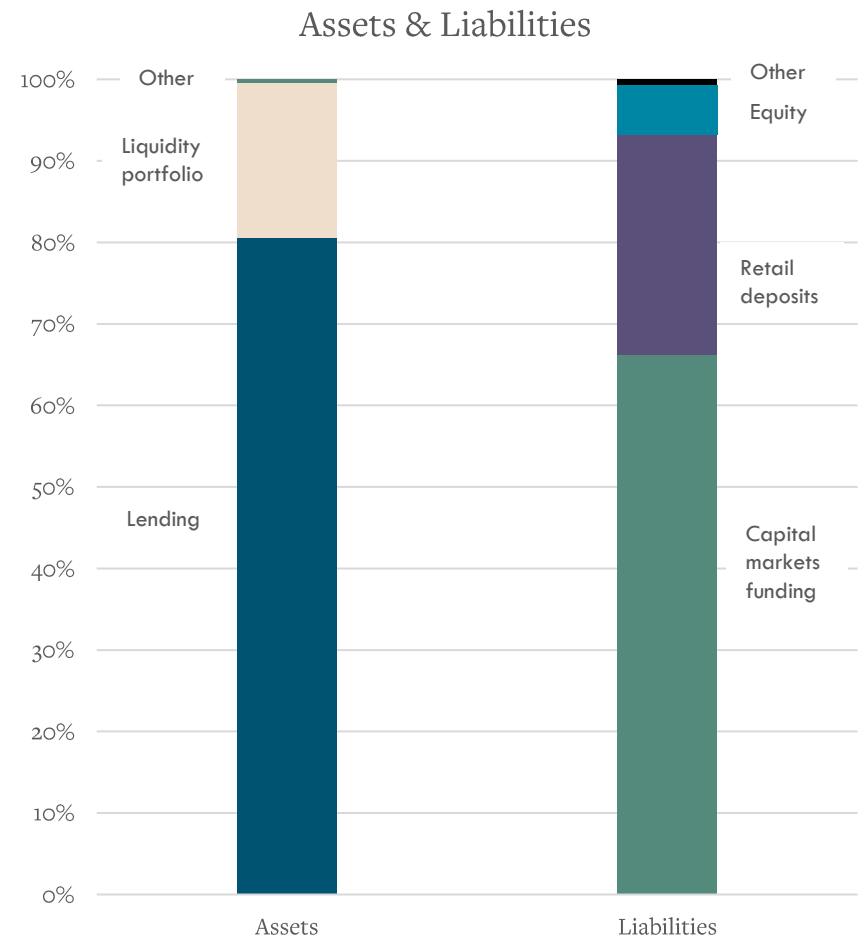
WHAT YOU SEE IS WHAT YOU GET

ASSETS

- Lending
- Liquidity portfolio

LIABILITIES

- Capital markets funding
- Retail deposits
- Equity



POSITIONED FOR GROWTH

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

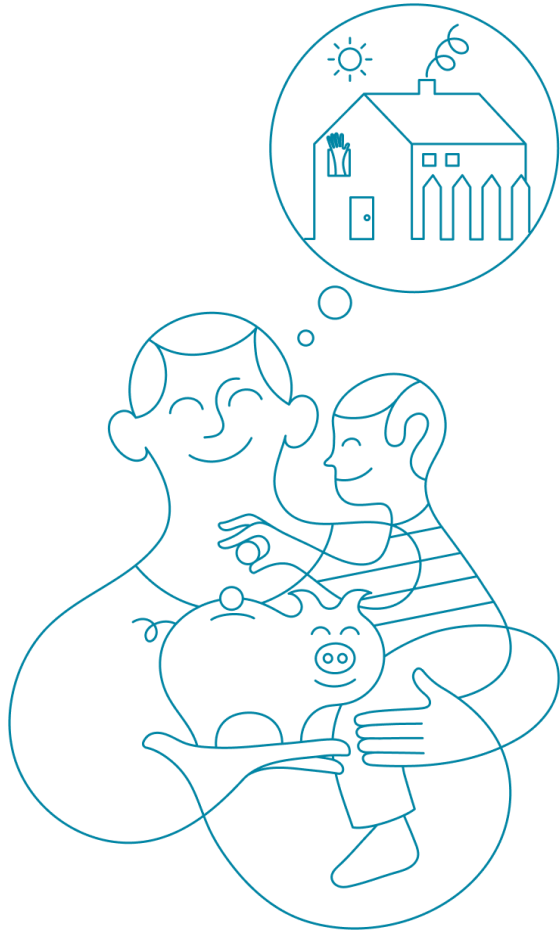
Metric	Value
Total capital ratio*	17,1%
CET1 ratio*	17,1%
Leverage ratio	5,4%
Solidity	6,0%

*Introduction of Basel 4 is expected to increase capital ratios



4. ASSET QUALITY

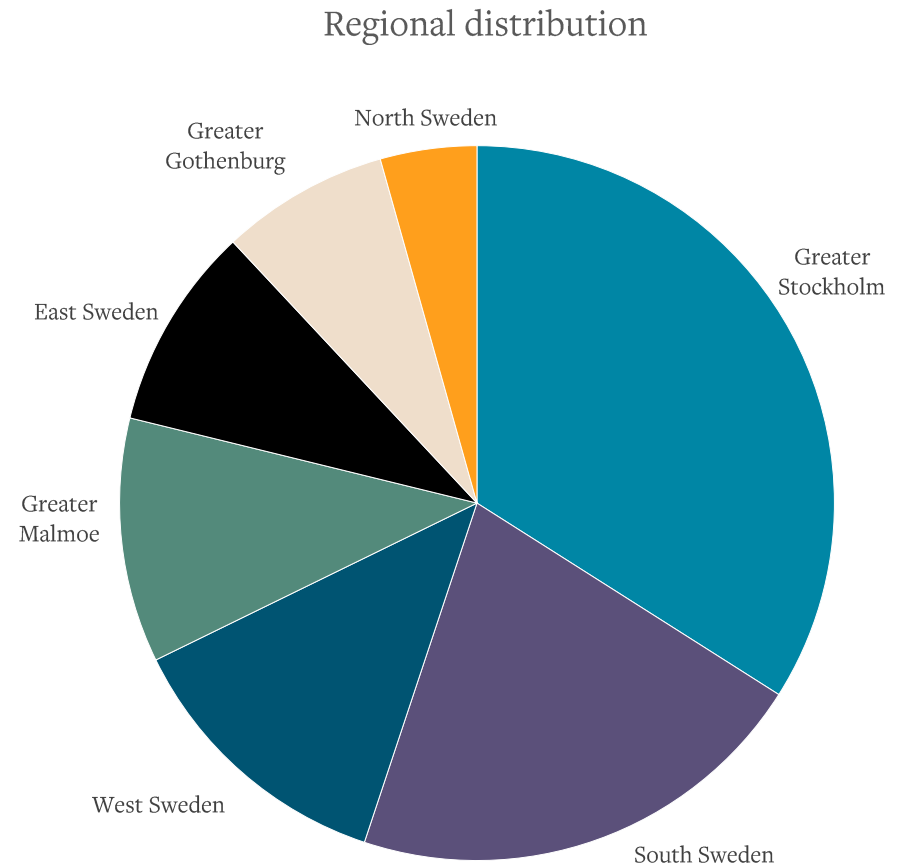
LENDING AT BORGO



- Lending only to homeowners
- Swedish mortgages
- Digital process
- Mainstreet underwriting standards
- KALP stress-tested at 6%
- All loans secured by a first ranking pledge
- Quarterly revaluation of all properties
- Competitive pricing to support growth
- Risk-adjusted pricing model

ASSET DISTRIBUTION

- Skewed towards the more densely populated areas of Sweden, such as Stockholm and southern Sweden
- Representing the customer base of the distributors
- Distribution broadens as we grow
- Single family housing: 64%
- Tenant owner rights: 36%



COVER POOL

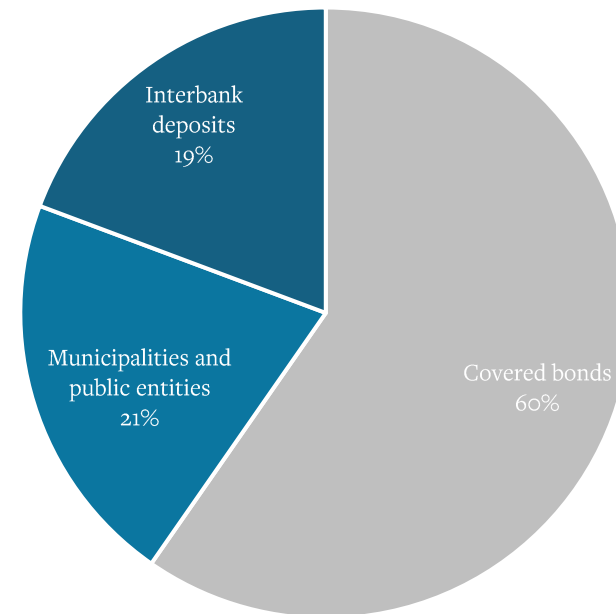
Metric	Value
Collateral:	100 percent Swedish mortgages
Property type:	Residential properties only
Cover pool size:	MSEK 30 351
Outstanding covered bonds:	MSEK 24 896
Number of borrowers:	28 982
Average loan size:	SEK 978 206
Loan-to-value (indexed):	57,3 %
Over-collateralisation:	20,7 %
Floating rate (0-3 months):	79,6 %
Fixed rate (>3 months):	20,4 %
Weighted average seasoning:	3,3 years
Pool type:	Dynamic
Rating:	Aaa by Moody's

5. FUNDING & LIQUIDITY

SAFEGUARDING OUR LIQUIDITY

- Buffer of liquid assets to cover regulatory demands and business needs
- Portfolio of high-quality liquid assets (HQLA), eligible as collateral at Riksbanken or with the ECB
- LCR: 839%
- NSFR: 111%
- All cashflows in Stibor3m to match liabilities

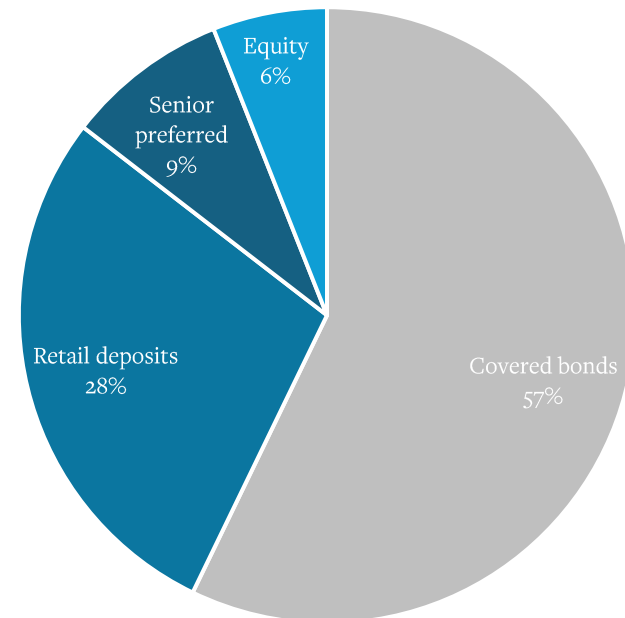
Liquidity portfolio



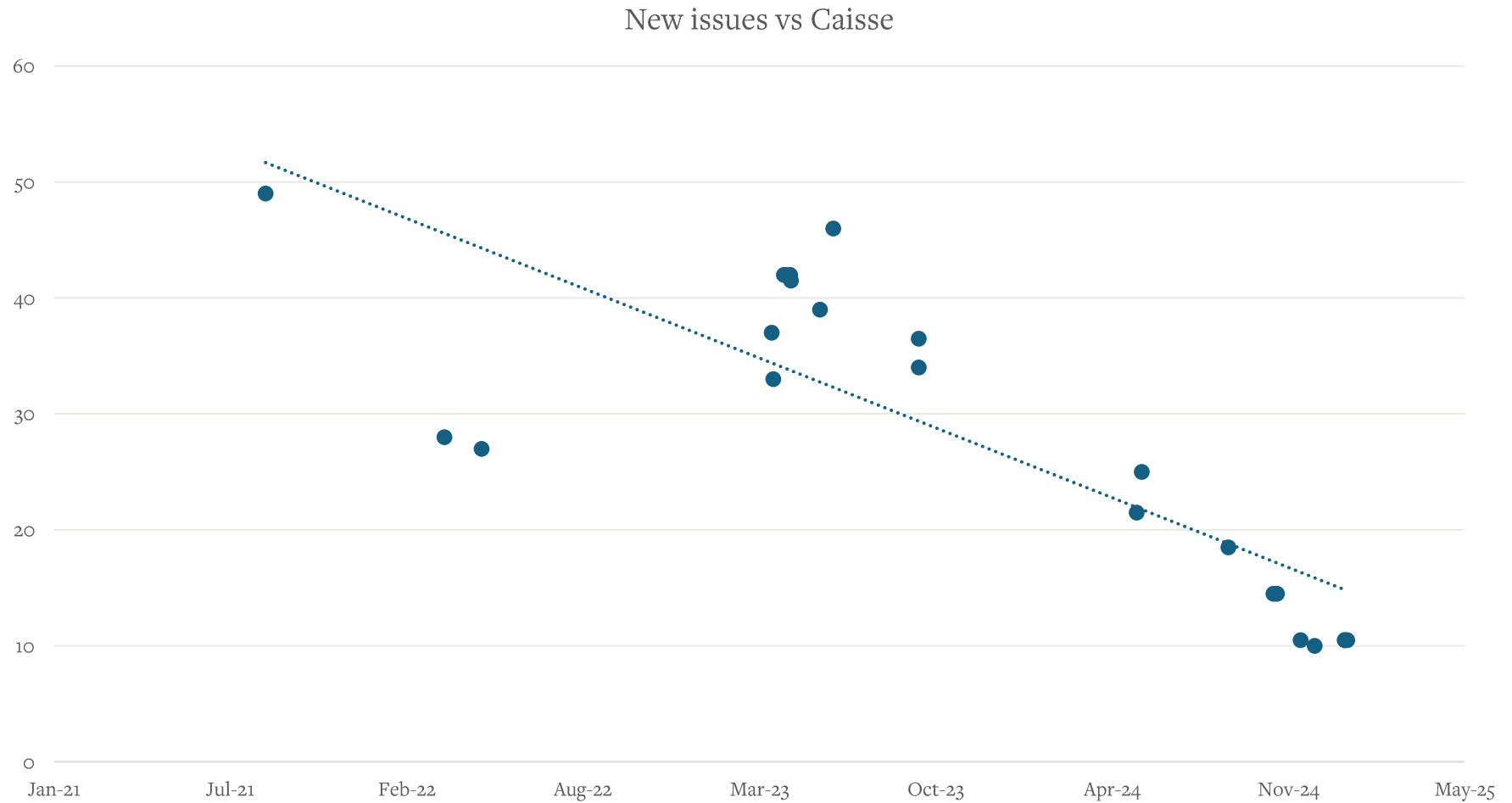
FUNDING STRATEGY

- Lowering cost of funding going forward
- Aiming to be a recurring issuer
- Covered bonds remain the main source of funding
- Buy-backs to roll redemptions & as a service to investors
- Striving for transparency and openness
- Long-term commitment

Sources of funding



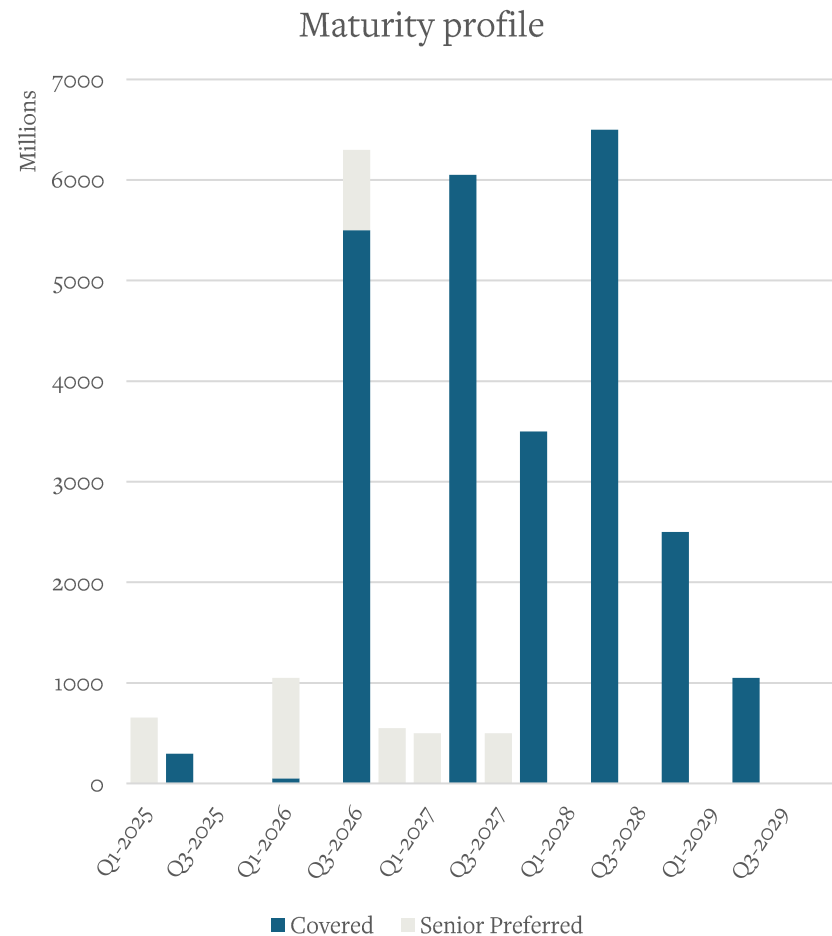
IMPROVING COST OF FUNDING



FUNDING PLAN

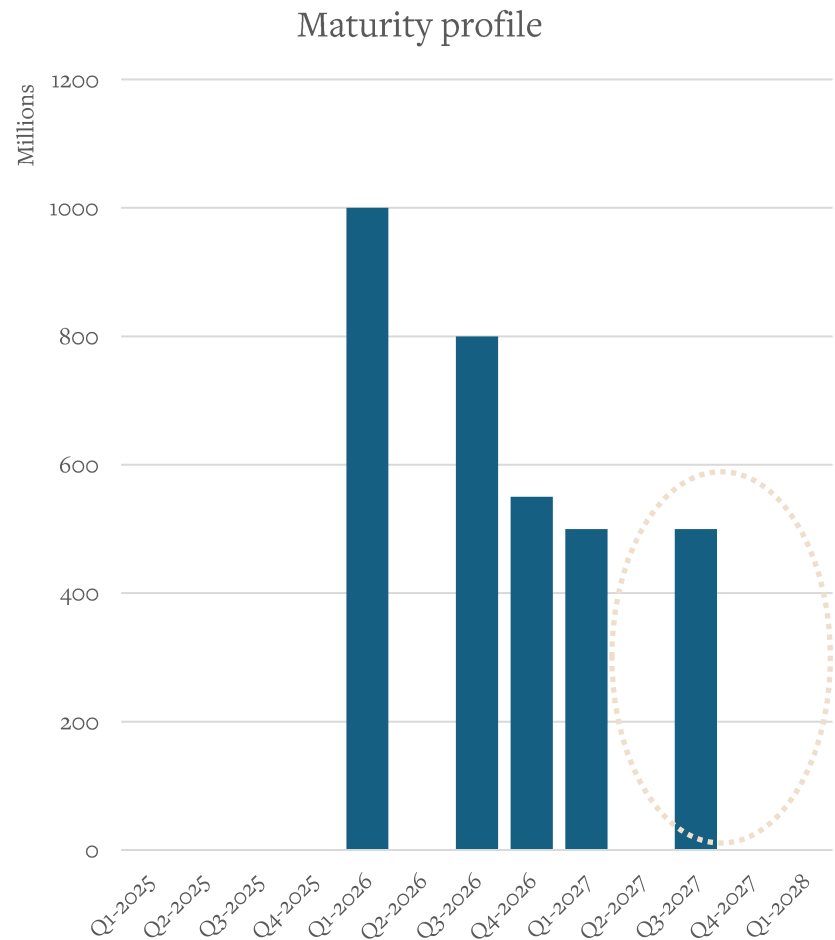
- 2025 will focus on financing the organic growth of the business and rolling upcoming redemptions
- Covered bond issuance will initially focus on our Oct2027 tenor, and longer tenors if suitable
- Unsecured funding is depending on requirements from the rating agency and the development of retail deposits.
- Bonds outstanding:

Senior preferred	3,4 bn
Covered bonds	25,4 bn
Total	28,8 bn



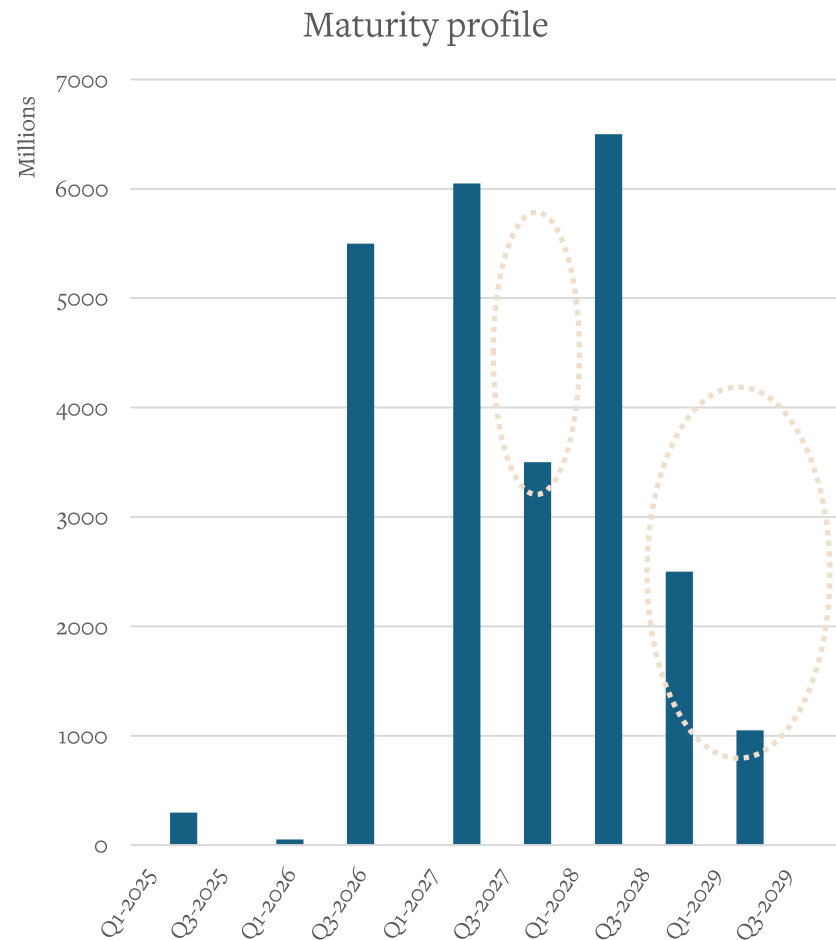
SENIOR PREFERRED

- Senior debt needed to comply with Moody's Loss Given Default (LGF) 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 3,4 bn outstanding
- SEK 654m matured in February 2025
- Estimated need for 2025: SEK ~1,5 bn

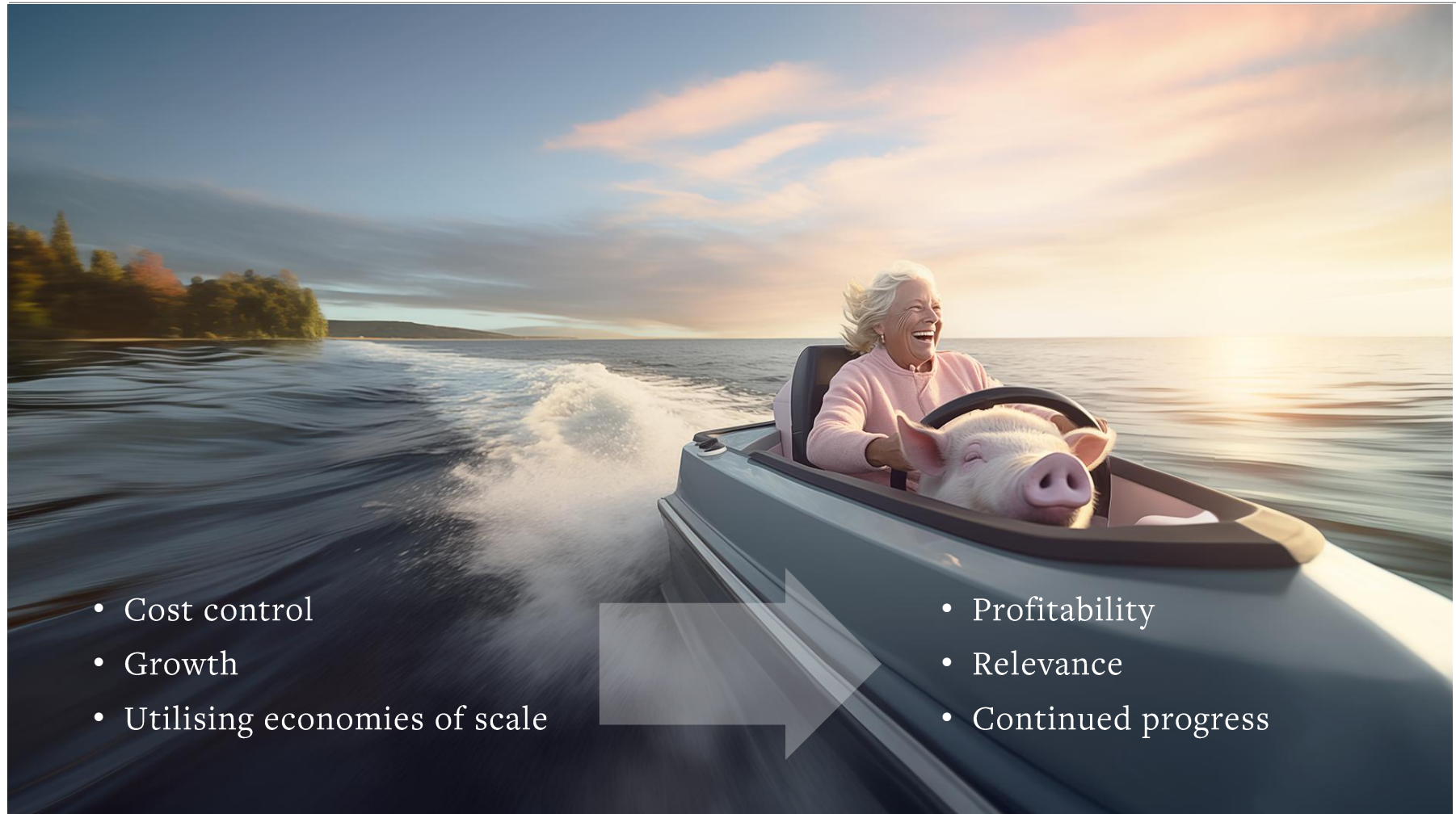


COVERED BONDS

- 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 25,4 bn outstanding
- SEK 296m maturing in May 2025
- Estimated need for 2025: SEK 8-12 bn



PLANS GOING FORWARD



- Cost control
- Growth
- Utilising economies of scale

- Profitability
- Relevance
- Continued progress

6. CONTACTS

CONTACT BORGO'S TEAM

Gustav Berggren, CEO

Pehr Olofsson, tf CFO

Karl Aigéus, Head of Treasury

072-648 00 85

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ir@borgohypotek.se

APPENDIX

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



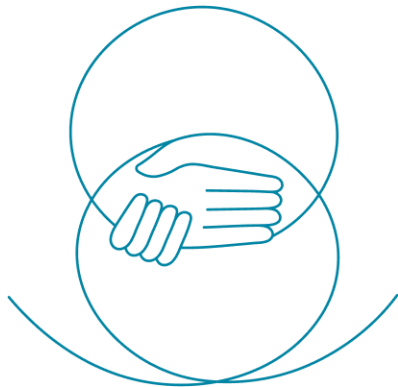
BUSINESS MODEL

- 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



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



~23%



~20%



~12%



~8%



~4%



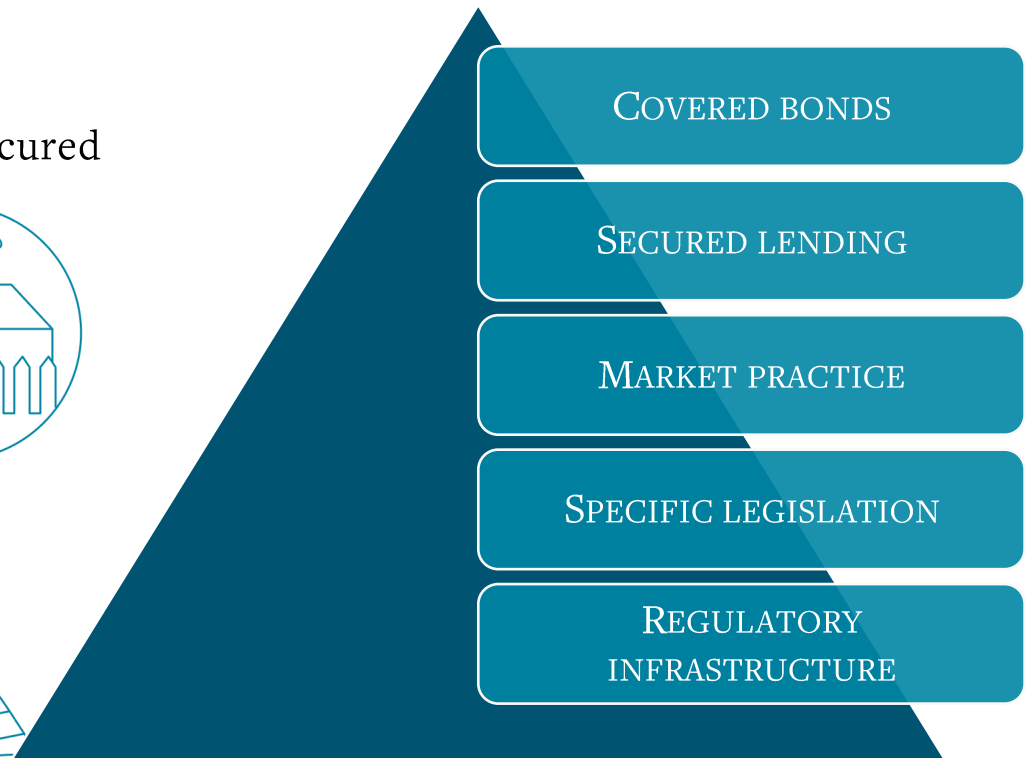
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Financial investors

~29%

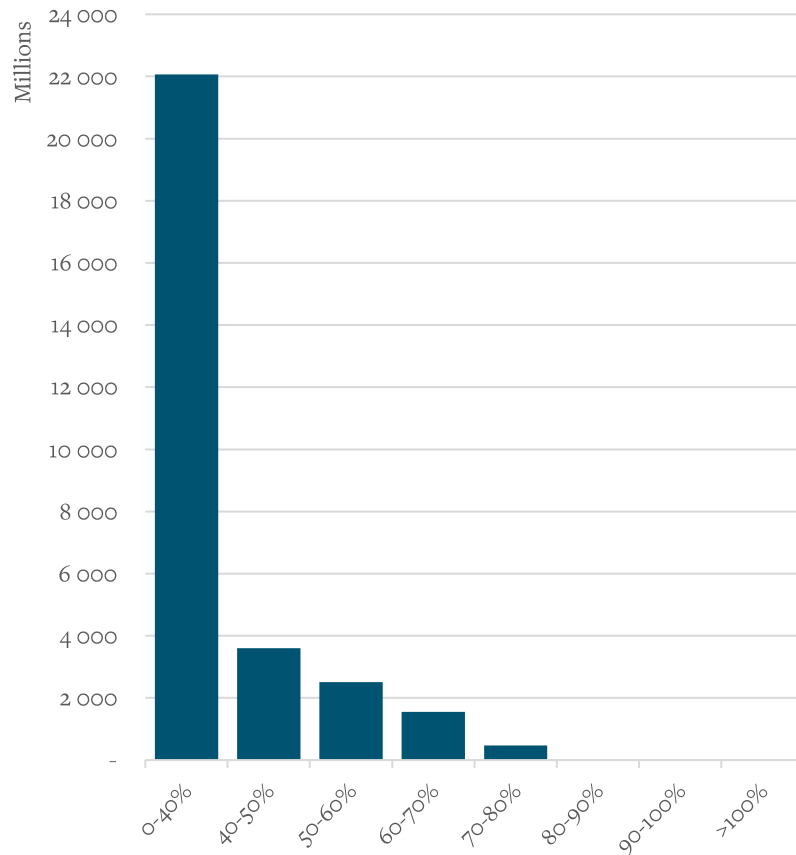
THE SWEDISH MORTGAGE MARKET

- 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

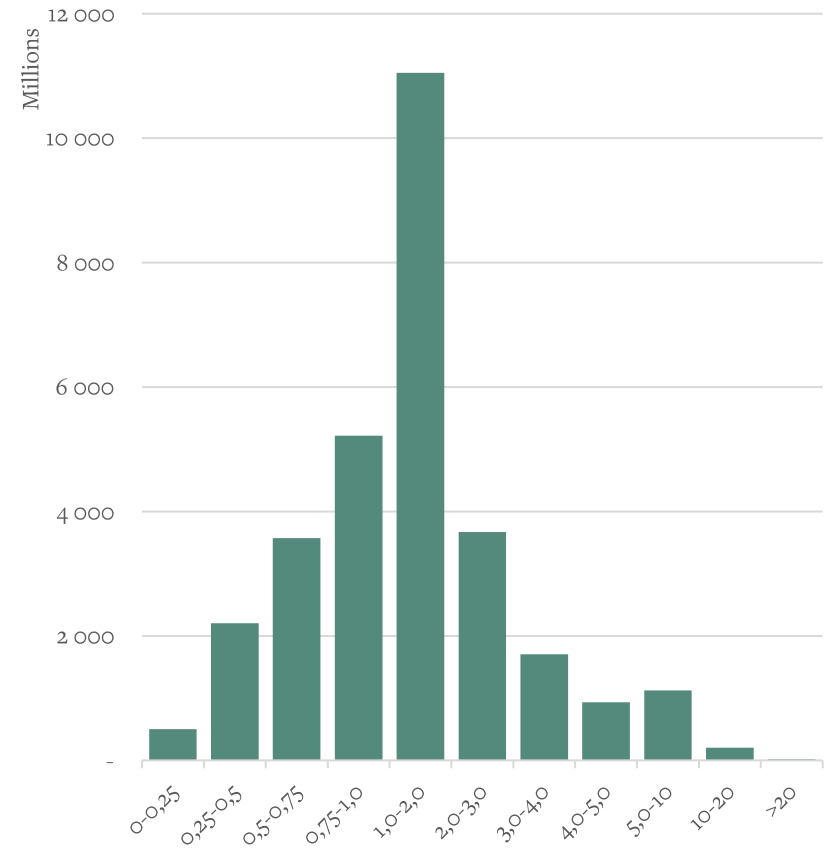


RESILIENT PORTFOLIO OF ASSETS

Cover pool volume and LTV



Cover pool volume and loan size



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

FINANCIAL CALENDAR

Report	Date
Year-end report 2024	26 February 2025
Annual report 2024	22 April 2025
Q1 report 2025	28 May 2025
Q2 report 2025	27 August 2025
Q3 report 2025	26 November 2025

BOARD OF DIRECTORS

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

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.

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

Carolin Runnquist, CIO

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

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