



INVESTOR PRESENTATION

Financial information as of Q2 2025

Updated 2025-08-27

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1. INTRODUCTION TO BORGO

BORG0 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 45,2bn

Lending:
SEK 37,3bn

Credit losses:
0,02%

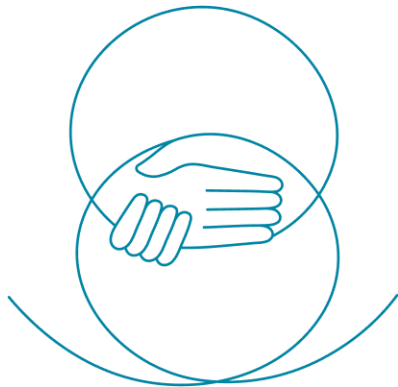
Retail deposits:
SEK 11,6bn

Customers:
~23 000

CET1 ratio:
19,8%

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%

2. BUSINESS MODEL: THE BORGO WAY

Borgo

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

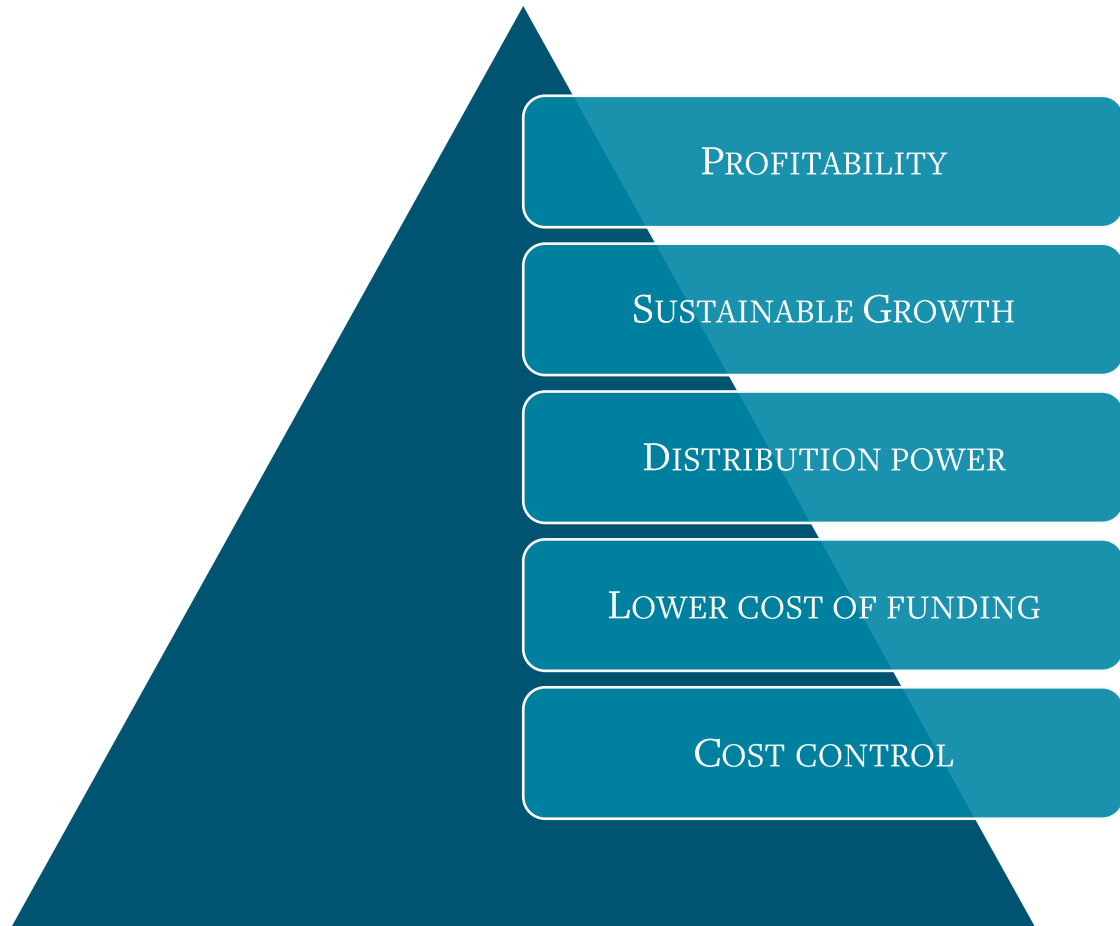
THE BORGO WAY

- 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:
 - Loan origination
 - Retail & wholesale funding
 - Capital structure
 - Risk management
- Lending is distributed via partners, but credit decisions are made in-house
- Deposits are handled both via distribution partners and via the Borgo brand



ROADMAP TO PROFIT

- Modern setup
- Efficient execution
- Economies of scale



STRENGTHENING OUR DIGITAL CAPACITY

- Borgo acquires Hypoteket's market-leading technology
- The deal includes an option to take over Hypoteket's SEK 16 billion mortgage portfolio
- Strengthens our digital infrastructure and distribution capabilities
- The platform is expected to help streamline Borgo's operations and future customer offerings
- If the option is exercised, it will also include Hypoteket's well-established distribution and brand
- The transaction is subject to customary regulatory approvals



“This is an important strategic step for Borgo that strengthens our digital capacity. The opportunity to benefit from both a proven platform and a strong brand, and to achieve significant economies of scale if we choose to exercise the option, is valuable for our continued development as Sweden’s modern and efficient mortgage bank.”

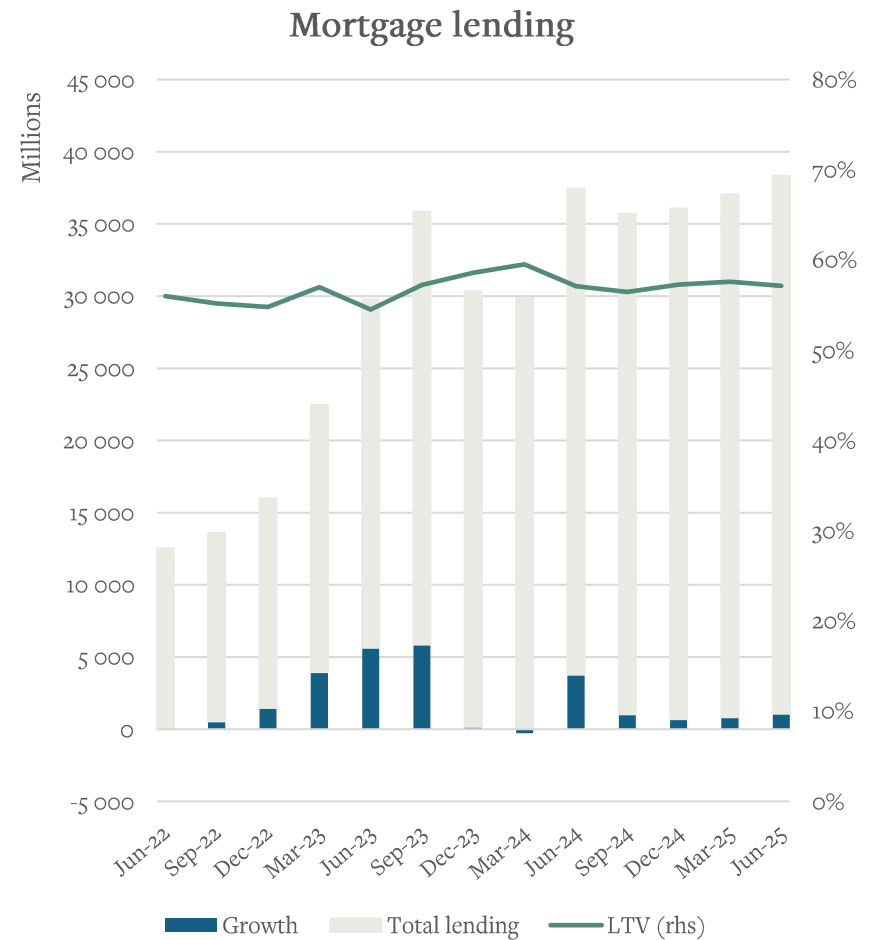
Pehr Olofsson, Acting CEO of Borgo

3. FINANCIAL UPDATE

Borgo

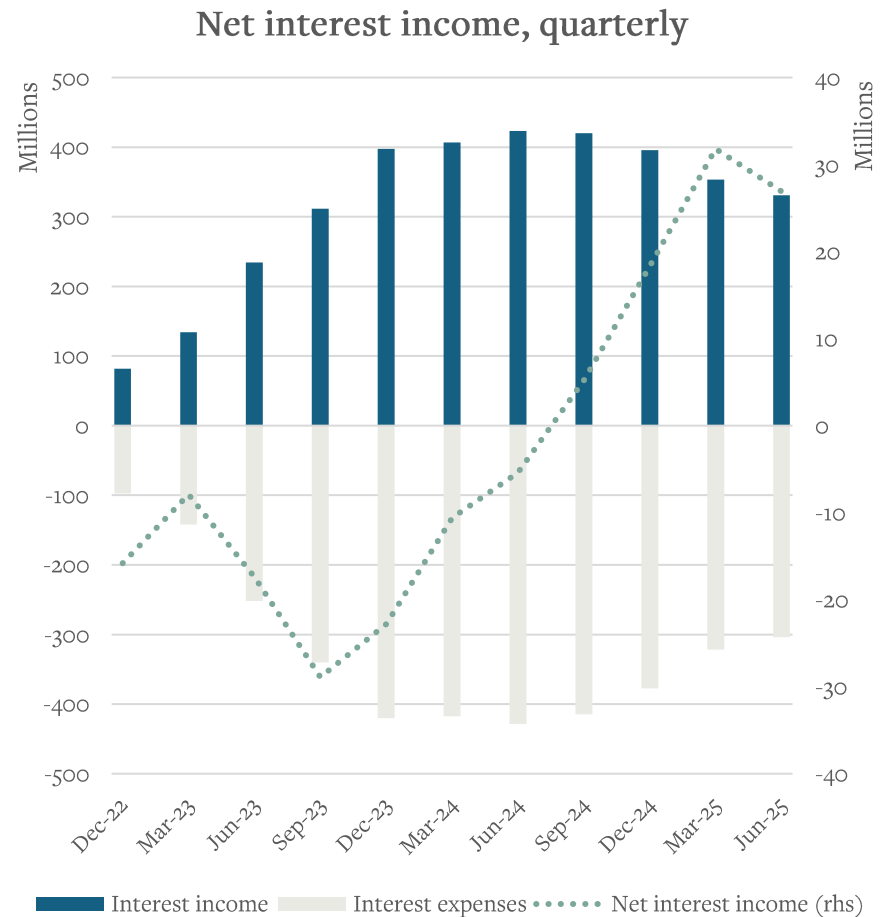
SUSTAINABLE GROWTH

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



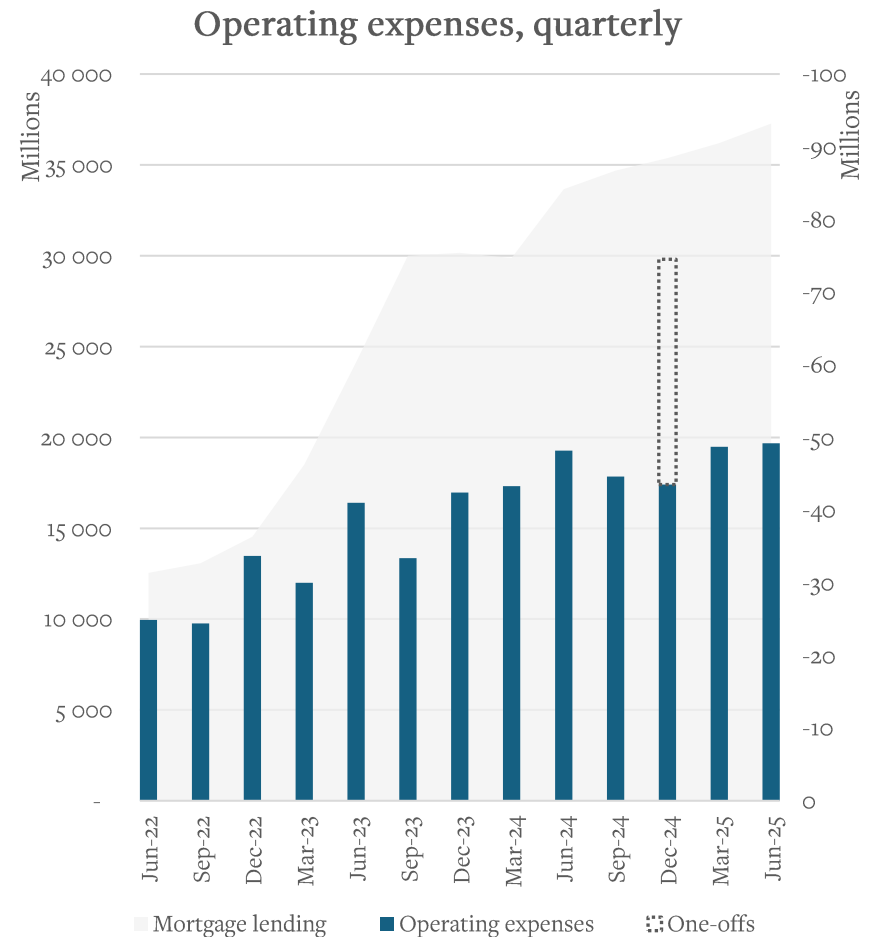
INCREASING NET INTEREST INCOME

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



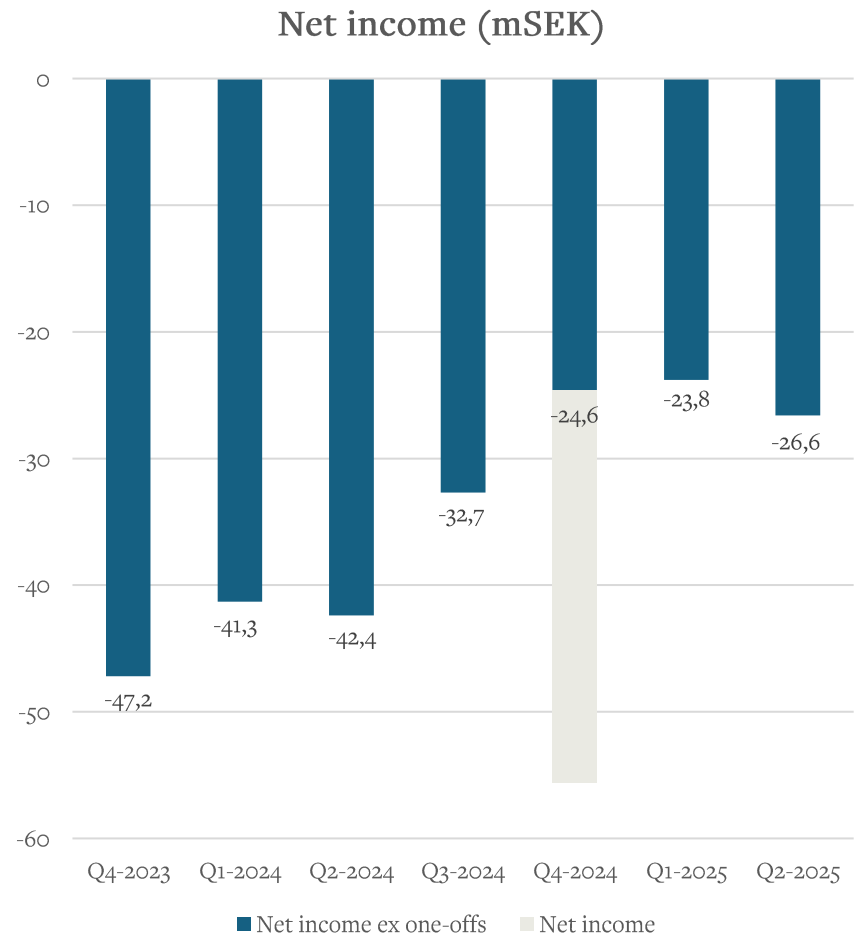
CURBING OPERATIONAL EXPENSES

- Scalability is key
- Focus on cost control
- Managed to keep expenses stable despite balance sheet growth
- Some SEK 31m One-offs taken in Q4 2024



IMPROVED NET INCOME

- Net income loss for the 1st quarter
- Some 31m one-off expenses in Q4 2024
- 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 2024

Income statement	Q2 2025	Q1 2025	Q2 2024
Interest income	331	354	423
Interest expenses	-304	-322	-429
Net interest income	27	32	-5
Net income	-27	-24	-42

Balance sheet	Q2 2025	Q2 2024	Change
Mortgage lending	37 274	33 658	11%
Retail deposits	11 628	12 208	-5%
Wholesale funding	30 134	24 616	22%
Equity	2 578	2 704	-5%

Asset quality	Q2 2025	Q2 2024
Loan-to-value (LTV)	57.1%	57.1%
Credit losses	0.02%	0.00%

Liquidity measures	Q2 2025	Q2 2024
LCR	501%	526%
NSFR	110%	115%

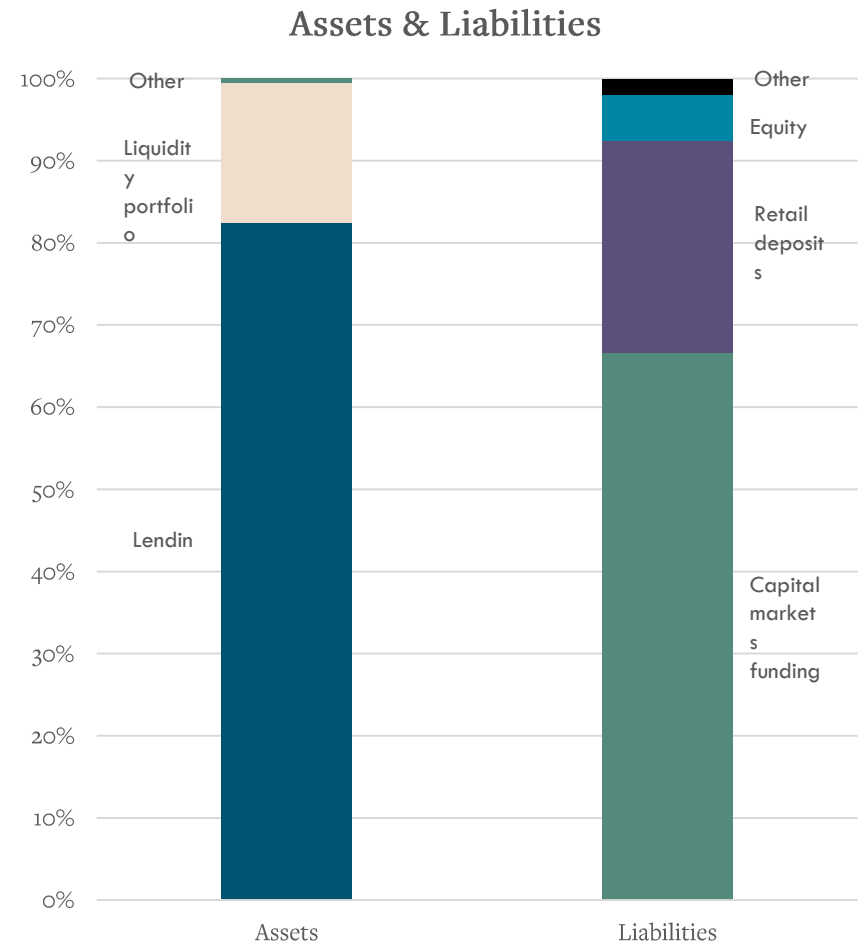
WHAT YOU SEE IS WHAT YOU GET

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	19,8%
CET1 ratio	19,8%
Leverage ratio	4,9%
Solidity	5,7%



4. ASSET QUALITY

Borgo

LENDING AT BORGO

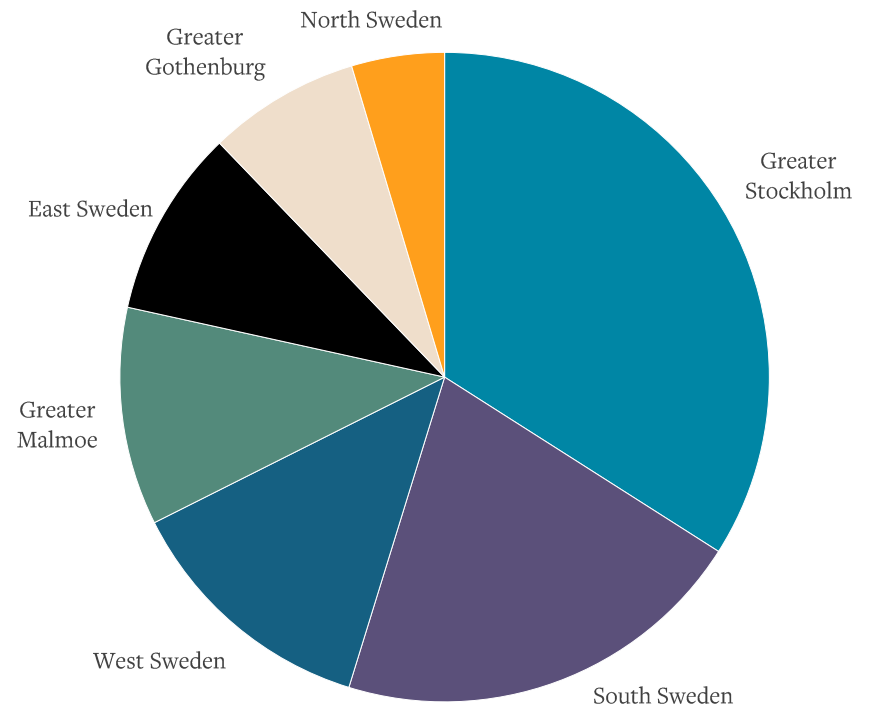


- Lending only to homeowners
- Swedish mortgages
- Digital process
- Mainstreet underwriting standards
- KALP stress-tested at 6%
- All loans secured by a first ranking pledge
- Quarterly revaluation of all properties
- Competitive pricing to support growth
- Risk-adjusted pricing model

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%

Regional distribution



COVER POOL

Metric	Value
Collateral:	100 percent Swedish mortgages
Property type:	Residential properties only
Cover pool size:	MSEK 31 800
Outstanding covered bonds:	MSEK 26 200
Number of borrowers:	27 430
Average loan size:	SEK 957 901
Loan-to-value (indexed):	57,1 %
Over-collateralisation:	20,3 %
Floating rate (0-3 months):	81,0 %
Fixed rate (>3 months):	19,0 %
Weighted average seasoning:	3,4 years
Pool type:	Dynamic
Rating:	Aaa by Moody's

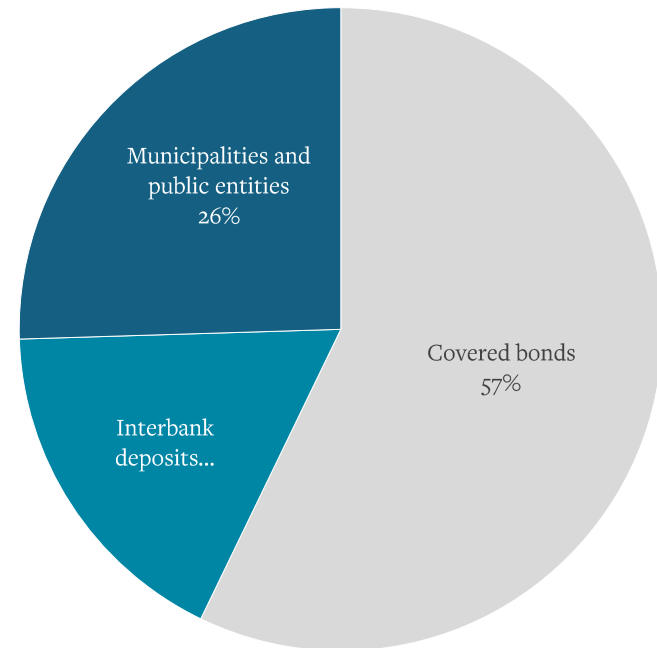
5. FUNDING & LIQUIDITY

Borgo

SAFEGUARDING OUR LIQUIDITY

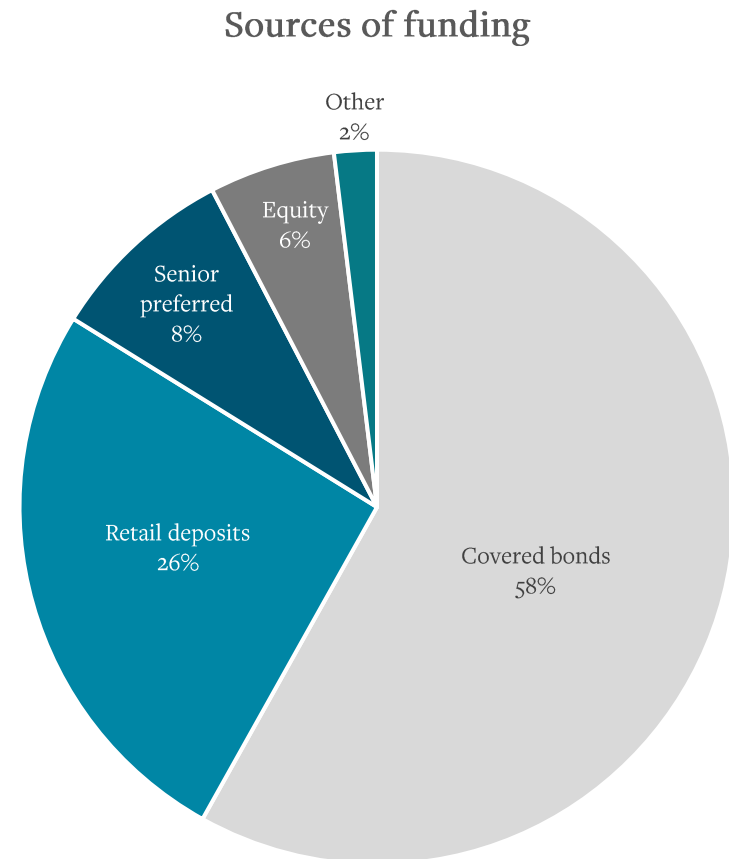
- Buffer of liquid assets to cover regulatory demands and business needs
- Portfolio of high-quality liquid assets (HQLA), eligible as collateral at Riksbanken or with the ECB
- LCR: 501%
- NSFR: 110%
- All cashflows in Stibor3m to match liabilities

Liquidity portfolio



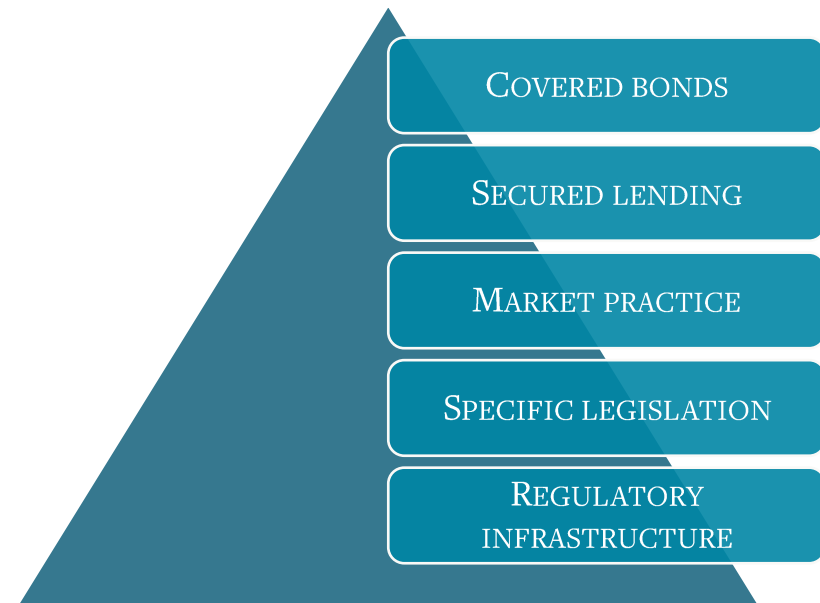
FUNDING STRATEGY

- Covered Bonds
 - The cornerstone of our funding strategy
 - Cost-efficient and reliable funding source
- Retail Deposits
 - Stable and granular funding base, enhancing resilience during periods of market stress
 - Strengthens funding diversification
- Senior Preferred
 - Senior preferred instruments offer flexibility and supports our credit rating via the LGF-metric
- Equity
 - A robust equity base underpins our creditworthiness and ensures compliance with regulatory capital requirements
- Other Funding
 - Reflects the nature of our business and includes received collateral, customer receivables, and tax-related assets



THE SWEDISH MORTGAGE MARKET

- Robust infrastructure
 - Sweden's regulatory system provides a strong and reliable foundation for secured lending and financing. Built on well-established legislation aligned with EU directives, it ensures legal certainty and robust investor protection
- Comprehensive Legislation
 - The legal framework seamlessly governs the transition from secured lending to secured financing. This process is underpinned by transparent and well-defined procedures
- Established Market Practice
 - Market participants operate under well grounded practices, supported by strong institutions and regulatory oversight. This contributes to a high degree of predictability and efficiency
- Low Credit Risk Environment
 - Sweden's economy is characterized by strong macroeconomic fundamentals, prudent fiscal policies, and a resilient banking sector. Coupled with conservative underwriting standards, this creates a low-risk environment

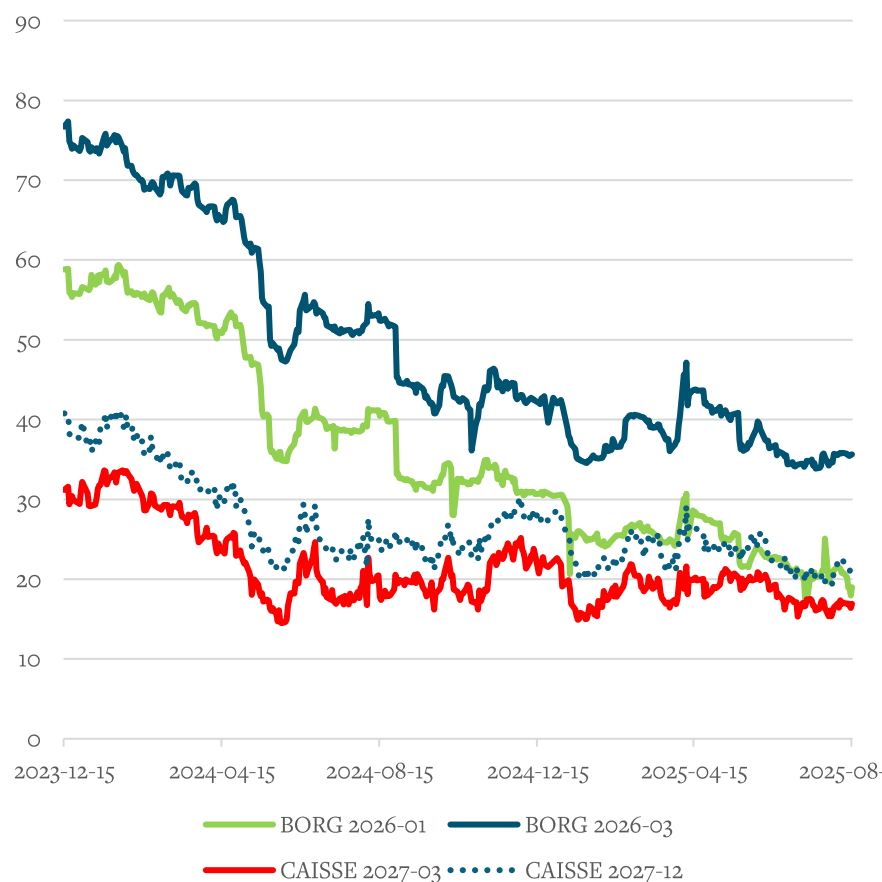


DEBT MANAGEMENT FRAMEWORK

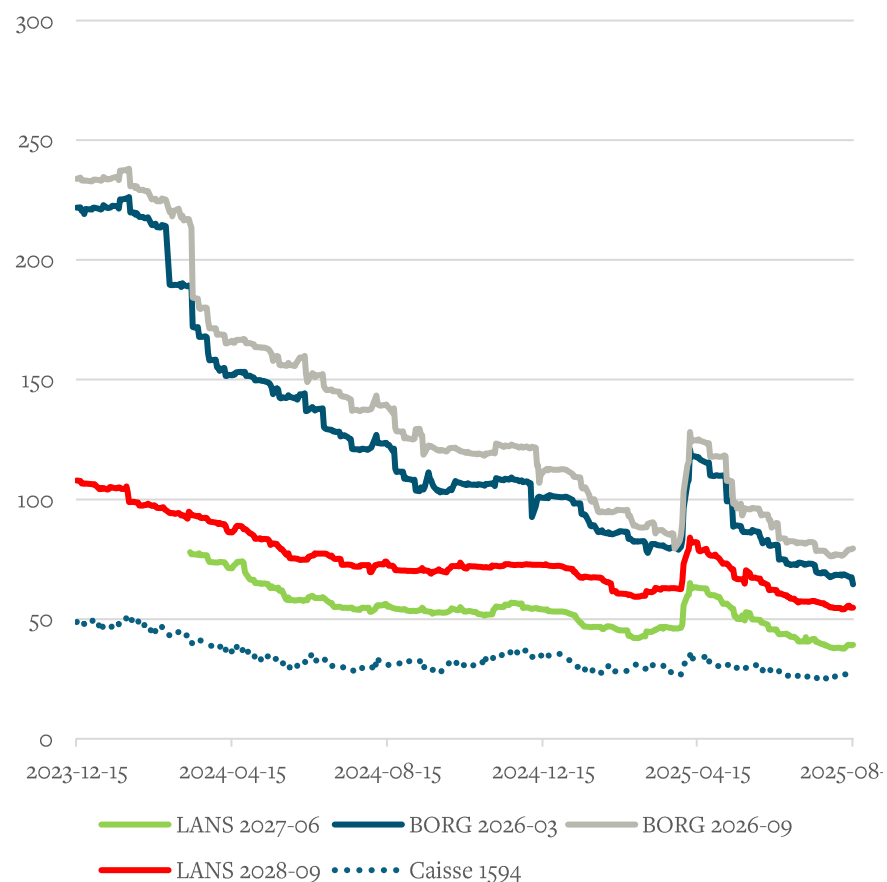
- Focus on reducing long-term funding costs
 - We are committed to continuously optimizing our funding structure with the goal of lowering the cost of funding. This includes proactive market engagement and maintaining a strong credit profile to ensure access to competitive pricing
- Covered bonds as the main source of funding
 - Covered bonds remain our primary source of funding due to their efficiency, investor appeal, and alignment with our asset structure.
- Commitment to transparency
 - We strive to maintain a high level of transparency in all aspects of our funding strategy. Regular updates, clear communication, and accessible information are central to fostering trust with our counterparties
- Recurring issuer
 - Our ambition is to become a recurring and reliable issuer in the capital markets. By maintaining a predictable and transparent issuance pattern, we aim to build long-term relationships with investors and strengthen our market reputation
- Long-term strategic commitment
 - Our debt management approach is guided by a long-term perspective. We are dedicated to maintaining financial stability, supporting sustainable growth, and ensuring that our funding strategy aligns with our objectives

REDUCED SPREAD TO PEERS

Historical spreads - Covered bonds

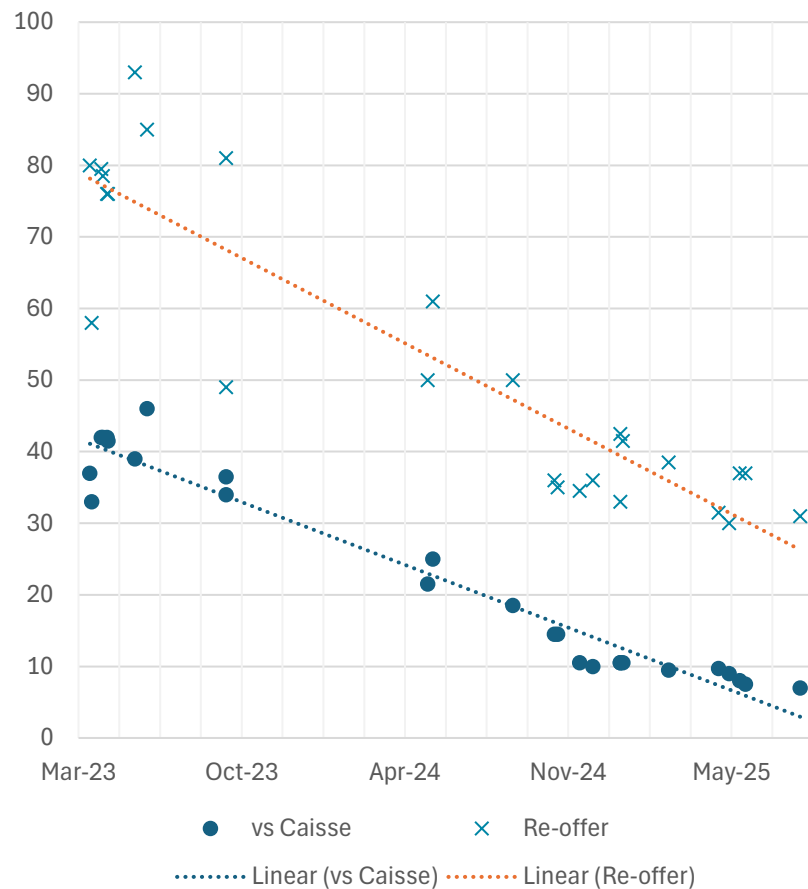


Historical spreads - Senior bonds

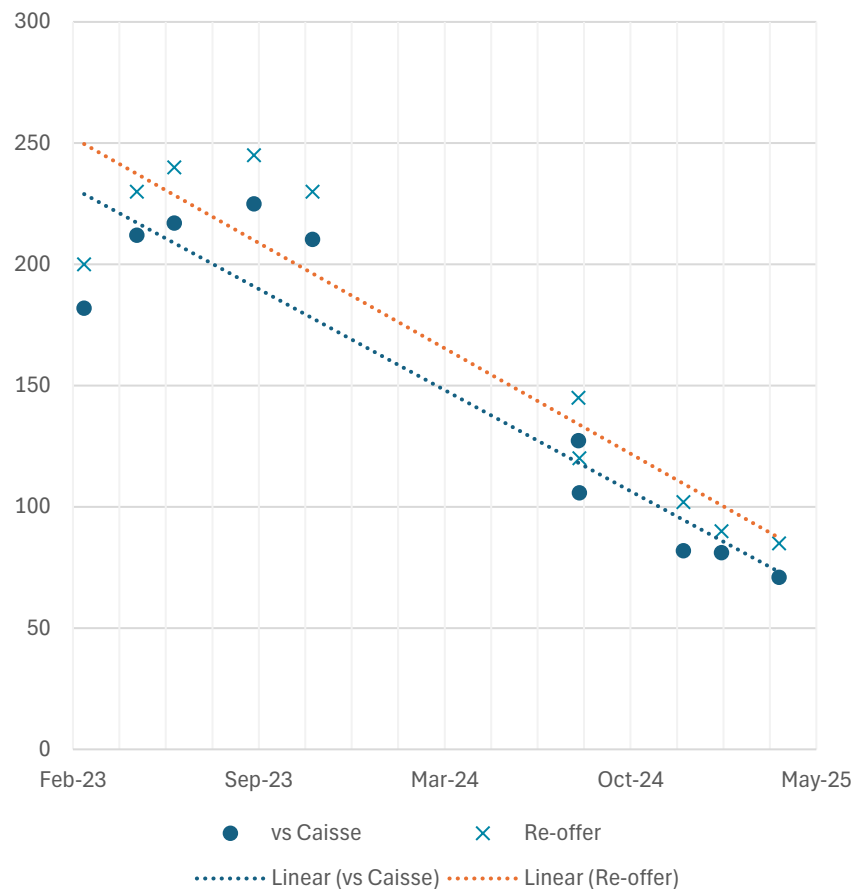


NEW ISSUANCE AT LOWER SPREADS

Covered bonds vs Caisse



Senior preferred vs Caisse

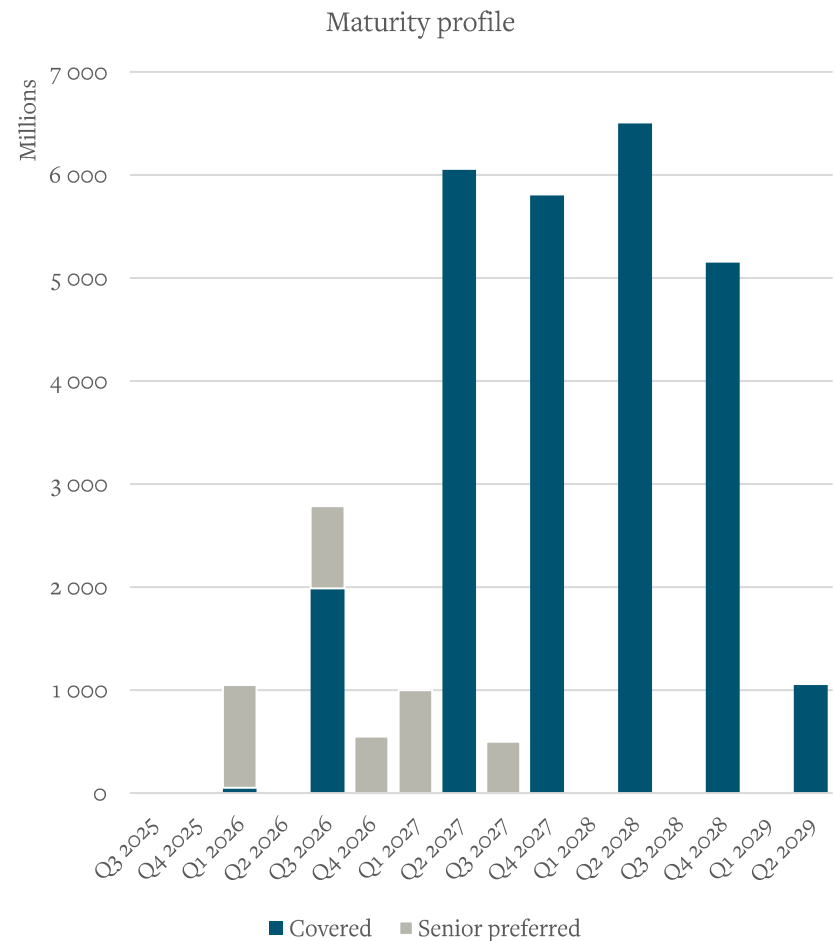


FUNDING PLAN

- In 2025, the focus will be on financing the company's organic growth and managing upcoming debt redemptions
- Covered bond issuance will be skewed toward shorter maturities
- The volume of unsecured funding will be guided by rating agency requirements and the development of retail deposit inflows

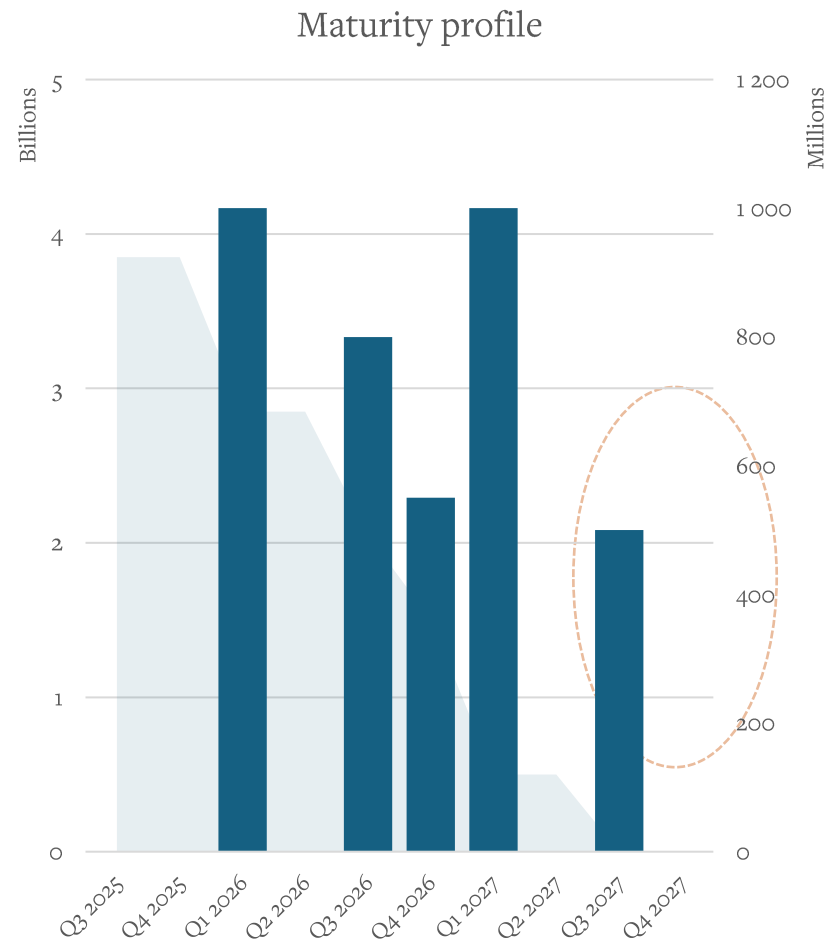
Bonds outstanding:

Senior preferred	~4 bn
Covered bonds	~26 bn
Total	~30 bn



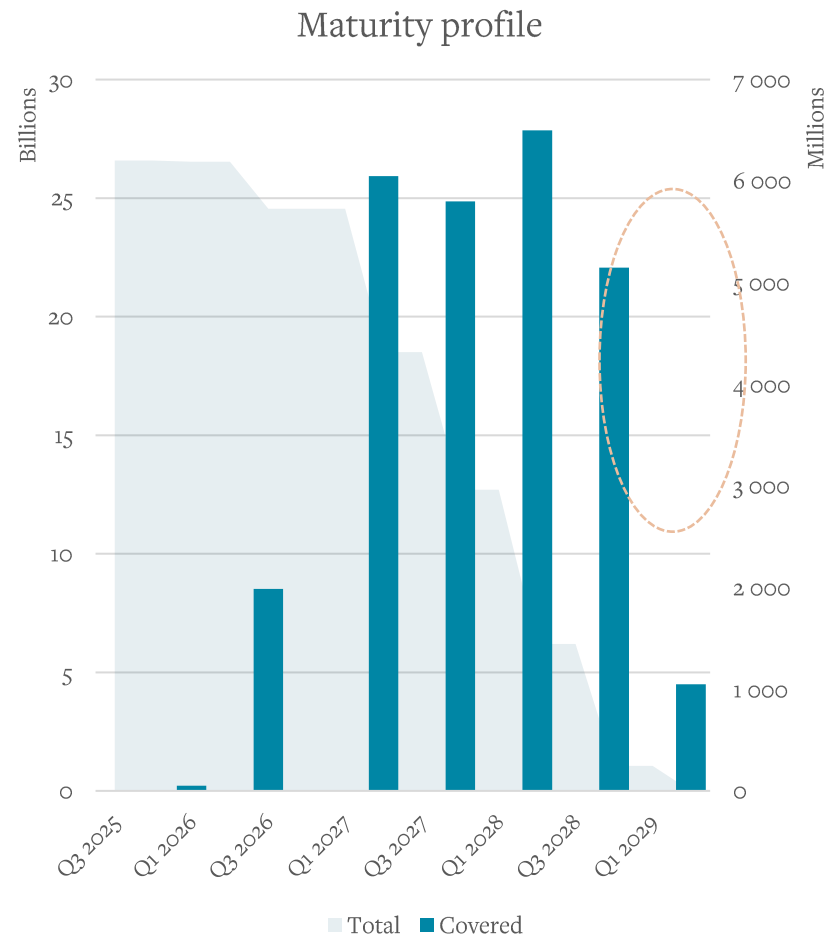
SENIOR PREFERRED

- Senior debt to strengthen 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 ~4 bn outstanding
- Estimated need for 2025: SEK 1-2 bn
- Funded until Q2: SEK 1 bn

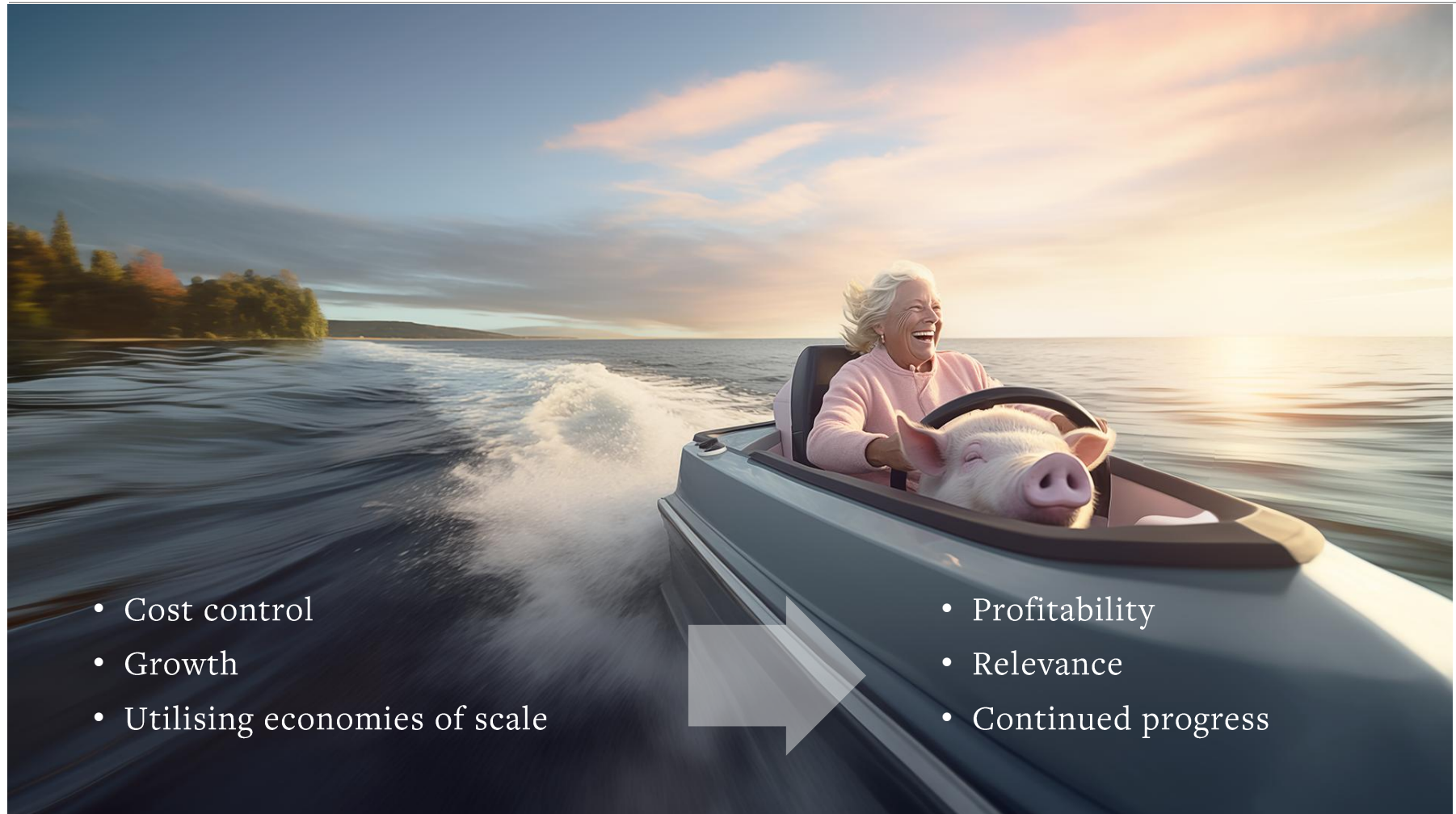


COVERED BONDS

- 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 ~26 bn outstanding
- Estimated need for 2025: SEK 9-14 bn
- Funded until Q2: SEK 7 bn



PLANS GOING FORWARD



- Cost control
- Growth
- Utilising economies of scale

- Profitability
- Relevance
- Continued progress

6. CONTACTS

Borgo

CONTACT BORGO'S TEAM

Pehr Olofsson, tf CEO

Karl Aigéus, Head of Treasury

072-648 00 85

karl.aigeus@borgohypotek.se

ir@borgohypotek.se

APPENDIX

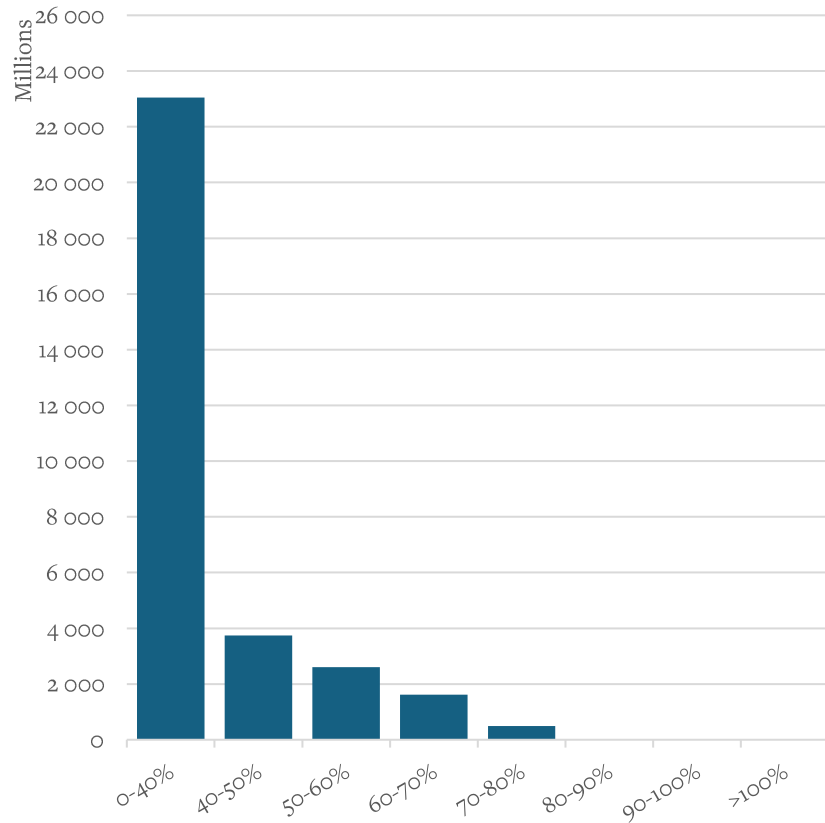
BUSINESS MODEL

- 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

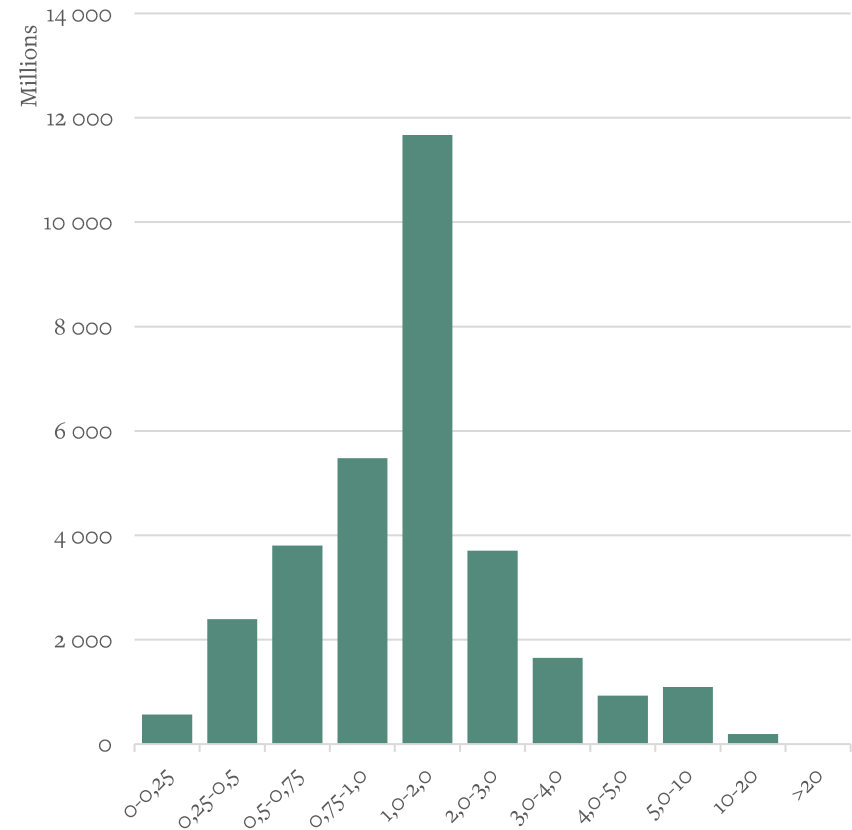


RESILIENT PORTFOLIO OF ASSETS

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 (Stable)
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
Arvato Financial Solutions
Risk & Compliance Officer

Ragnar Gustavii
Board member TEG AB and
Gotlands Bilfrakt AB (chair)
Previous positions at Swedbank and EY

Industrial investors

Per Balazsi
ICA Banken
(CFO)

Anna Wanby
Ikano Bank
(CLO)

Johan Sandberg
Sparbanken Syd
(CFO)

Gustaf Rentzhog
Söderberg & Partners
(CEO)

Jan-Gunnar Eurell
Ålandsbanken
(CFO & deputy CEO)

Financial investors

Caj Tigerstedt
Proventus
(CIO)

Johan Karlsson
CEO Neptunia Invest AB (publ)
CEO Slättö Förvaltning

EXECUTIVE MANAGEMENT & KEY PERSONNEL

Executive management

Pehr Olofsson, interim CEO, CFO

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

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.

Emma di Nicola, CRO

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

Carolin Runnquist, CIO

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

Linnea Sigot, Chief Credit Officer

Previous experience: Management consulting, credit and credit risk roles at different Swedish banks (Länsförsäkringar etc)

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

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