

# Borgo

## INVESTOR PRESENTATION

Financial information as of Q4 2025

Updated 2026-02-25

# TABLE OF CONTENTS

---

1. INTRODUCTION TO BORGO

2. BUSINESS MODEL

3. FINANCIAL UPDATE

4. ASSET QUALITY

5. FUNDING AND LIQUIDITY

6. CONTACTS



---

# 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**

**Lån & SparBank**

Total assets:  
SEK 46,2bn

Lending:  
SEK 39,3bn

Credit losses:  
-0,01%

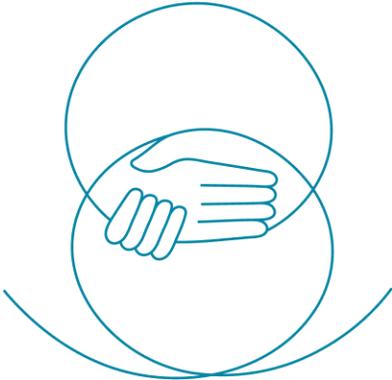
Retail deposits:  
SEK 10,8bn

Customers:  
22 000

CET1 ratio:  
18,9%

# 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 international business
- No handling of cash

## 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

---

- 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



# STRENGTHENING OUR DIGITAL CAPACITY

---

- Borgo has acquired Hypoteket's lending platform
- The agreement includes an option to purchase Hypoteket's lending portfolio of approximately SEK 15 billion
- This strengthens our digital infrastructure and distribution capabilities
- Expected to enhance Borgo's efficiency and improve future offerings

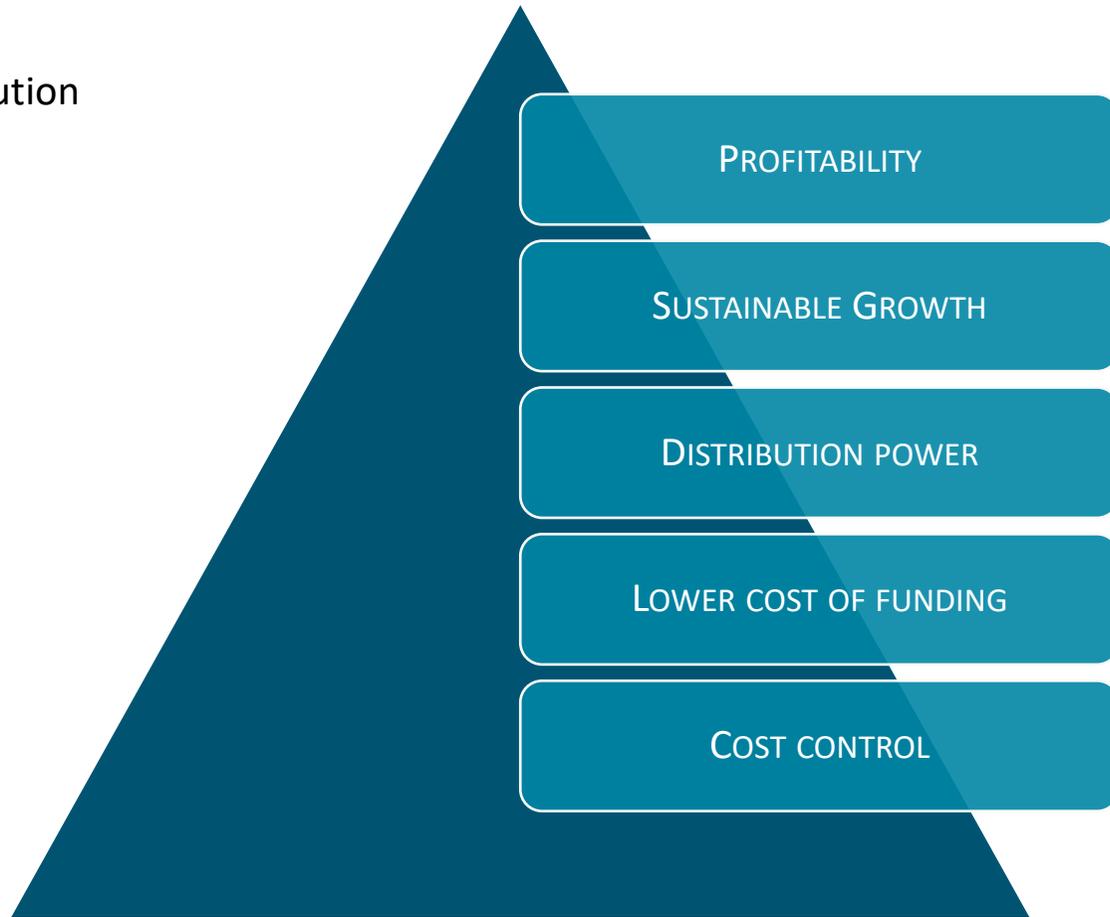
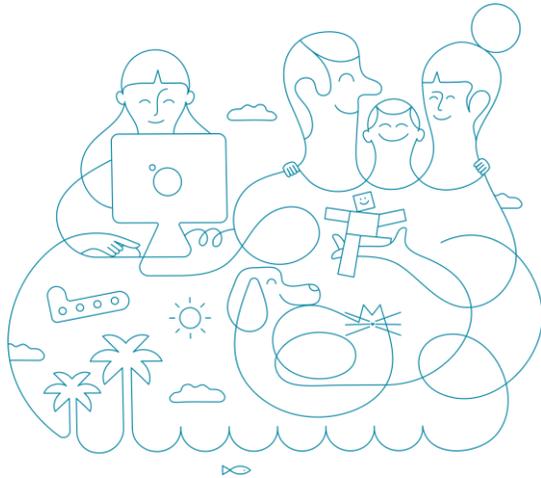
*"This is an important strategic step for Borgo that strengthens our digital capacity. The opportunity to benefit from both a proven platform and a strong brand, and to achieve significant economies of scale if we choose to exercise the option, is valuable for our continued development as Sweden's modern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

Pehr Olofsson, CEO of Borgo



# ROADMAP TO PROFIT

- Modern setup & efficient execution
- Economies of scale
- Decreasing cost of funding



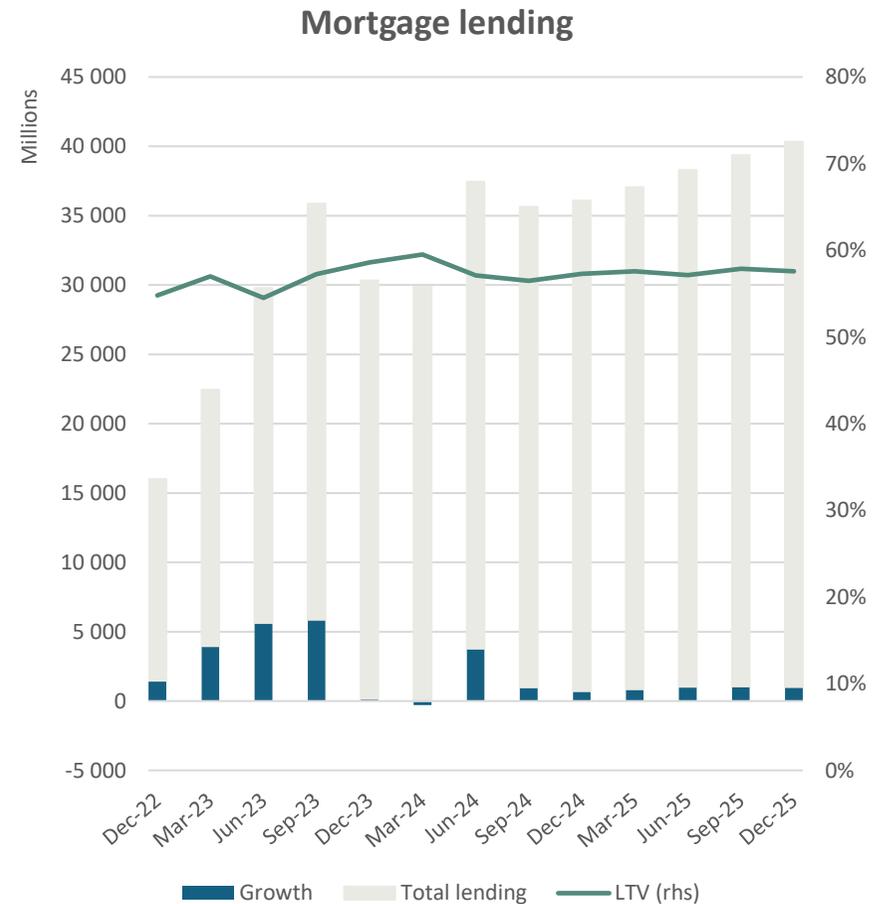
---

## 3. FINANCIAL UPDATE

Borggo

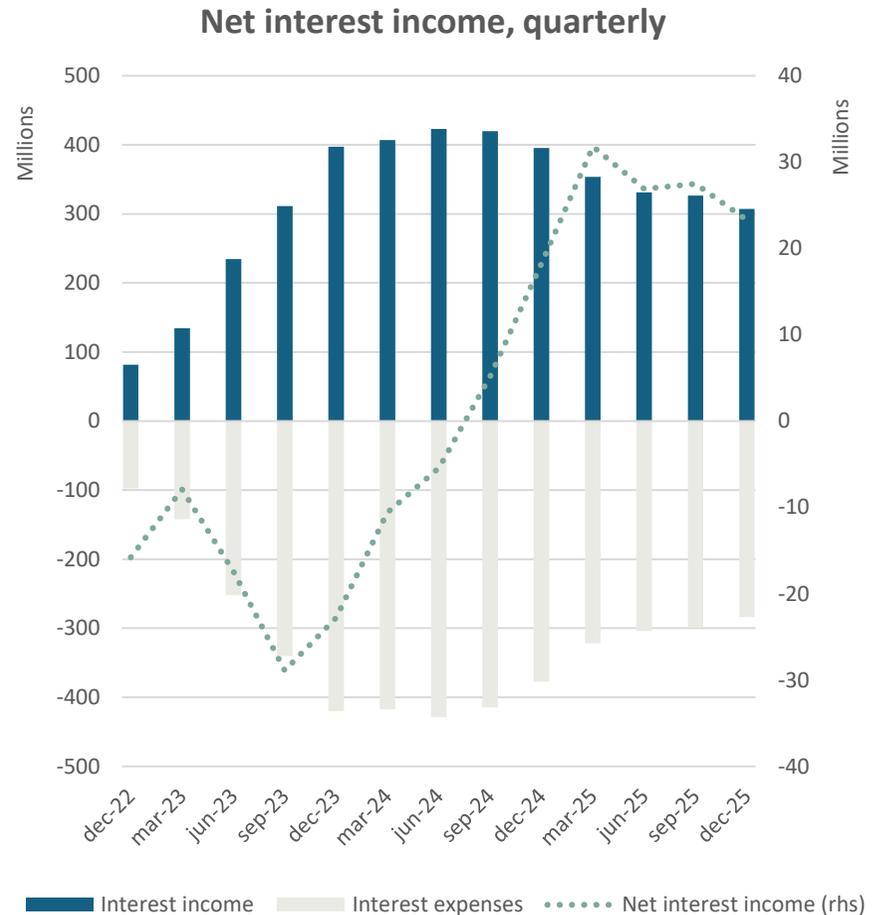
# SUSTAINABLE GROWTH

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



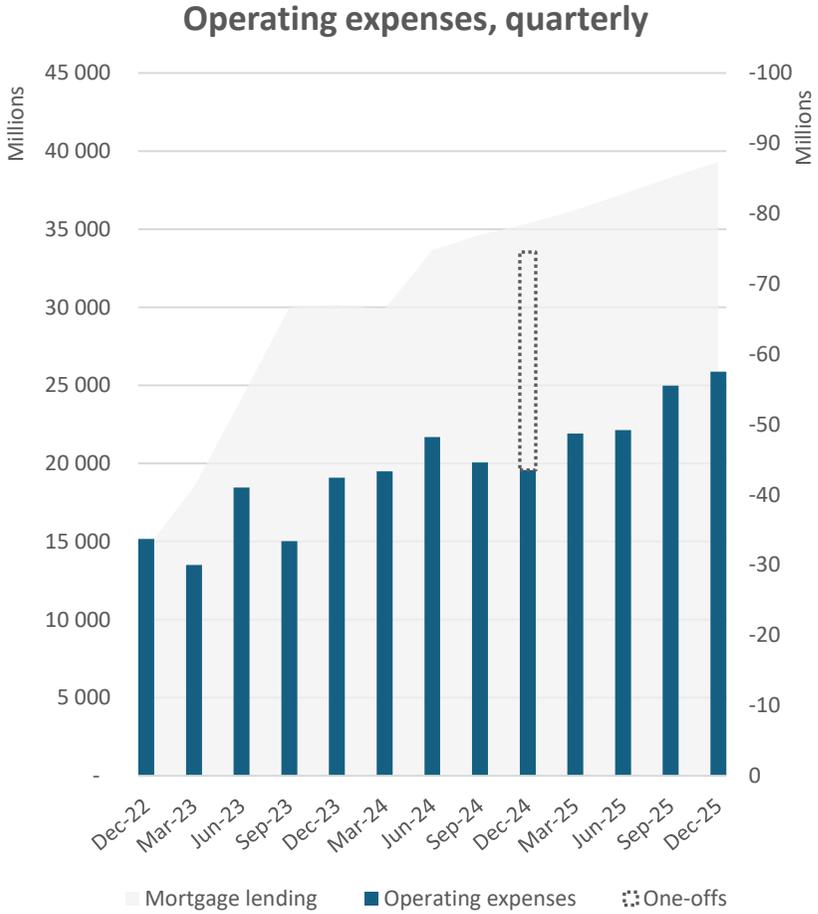
# INCREASING NET INTEREST INCOME

- 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



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

# IMPROVED NET INCOME

- Improving net interest income
- Stable costs
- Higher efficiency



# BORGO KEY FINANCIALS

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

Income statement	Q4 2025	Q3 2025	Q4 2024
Interest income	307	326	396
Interest expenses	-284	-299	-377
Net interest income	23	28	18
Net income	-14	-17	-56

Balance sheet	Q4 2025	Q4 2024	Change
Mortgage lending	39 317	35 361	11%
Retail deposits	10 819	11 689	-7%
Wholesale funding	32 253	28 684	12%
Equity	2 584	2 604	-1%

Asset quality	Q4 2025	Q4 2024
Loan-to-value (LTV)	57.6%	57.3%
Credit losses	-0.01%	0.13%

Liquidity measures	Q4 2025	Q4 2024
LCR	811%	839%
NSFR	109%	111%

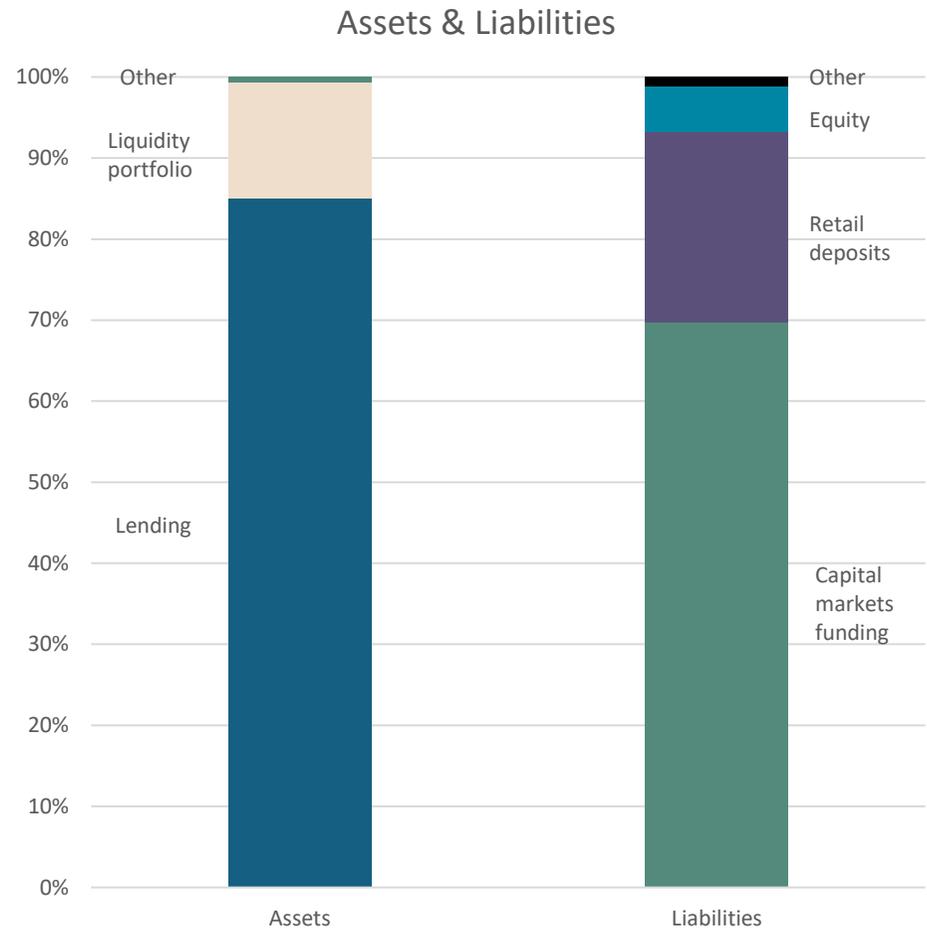
# WHAT YOU SEE IS WHAT YOU GET

## 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
- 350m AT1 issued in January

Metric	Value
Total capital ratio	18,9%
CET1 ratio	18,9%
Leverage ratio	4,8%
Solidity	5,6%



---

## 4. ASSET QUALITY

Borggo

# LENDING AT BORGO

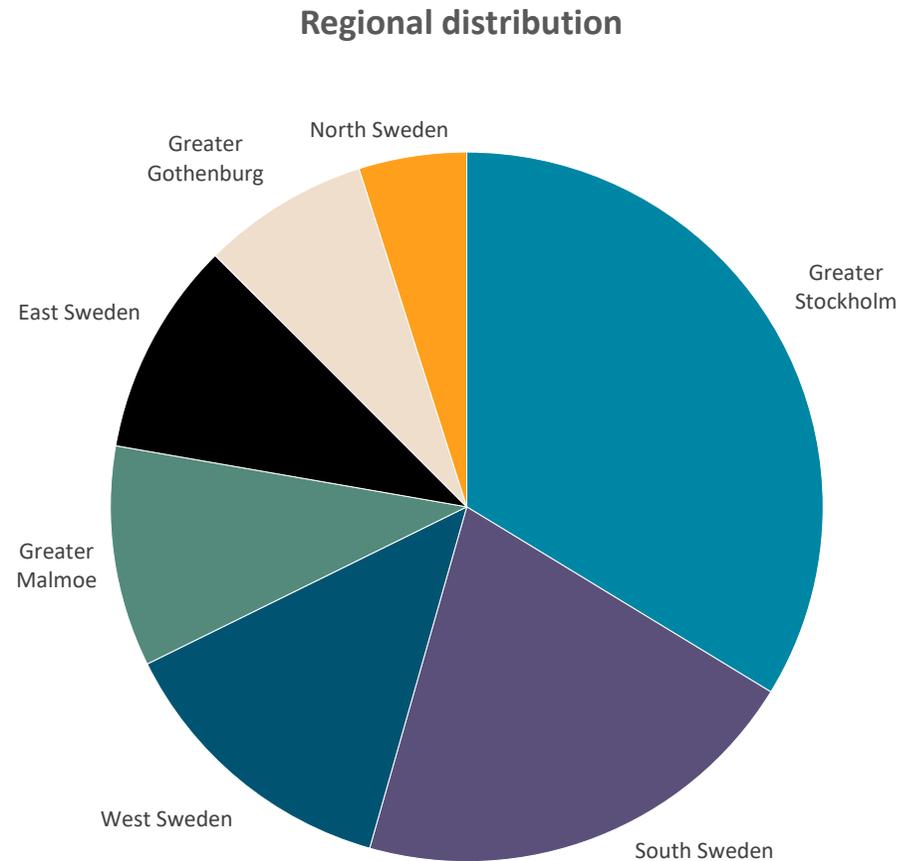
---



- 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 34 101
Outstanding covered bonds:	MSEK 28 110
Number of borrowers:	29 261
Average loan size:	SEK 947 000
Loan-to-value (indexed):	57,6 %
Over-collateralisation:	20,3 %
Floating rate (0-3 months):	82,6 %
Fixed rate (>3 months):	17,4 %
Weighted average seasoning:	3,5 years
Pool type:	Dynamic
Rating:	Aaa by Moody's

---

## 5. FUNDING & LIQUIDITY

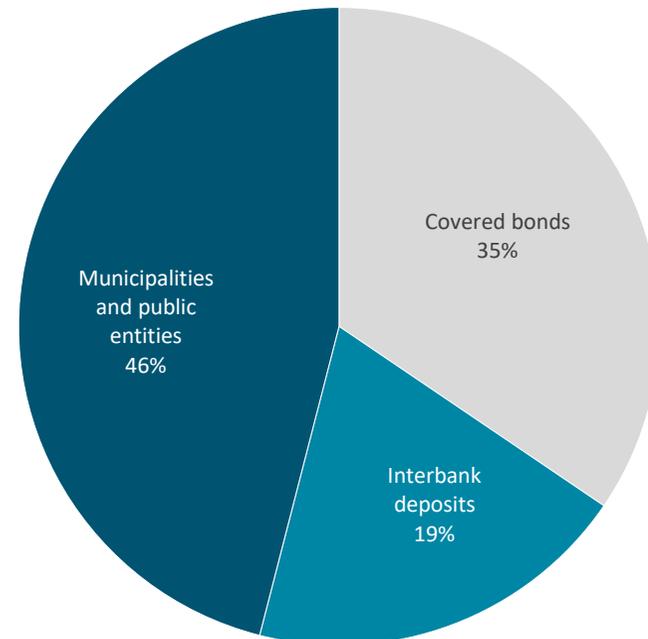
Borgo

# SAFEGUARDING OUR LIQUIDITY

---

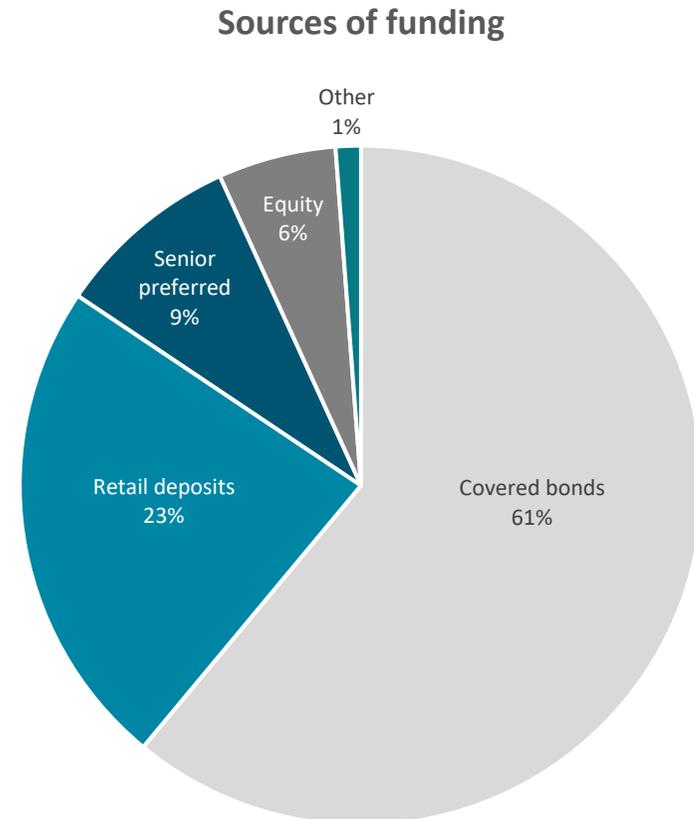
- Buffer of liquid assets to cover regulatory demands and business needs
- Portfolio of high-quality liquid assets (HQLA), eligible as collateral at Riksbanken or with the ECB
- LCR: 811%
- NSFR: 109%
- All cashflows in Stibor3m to match liabilities

Liquidity portfolio



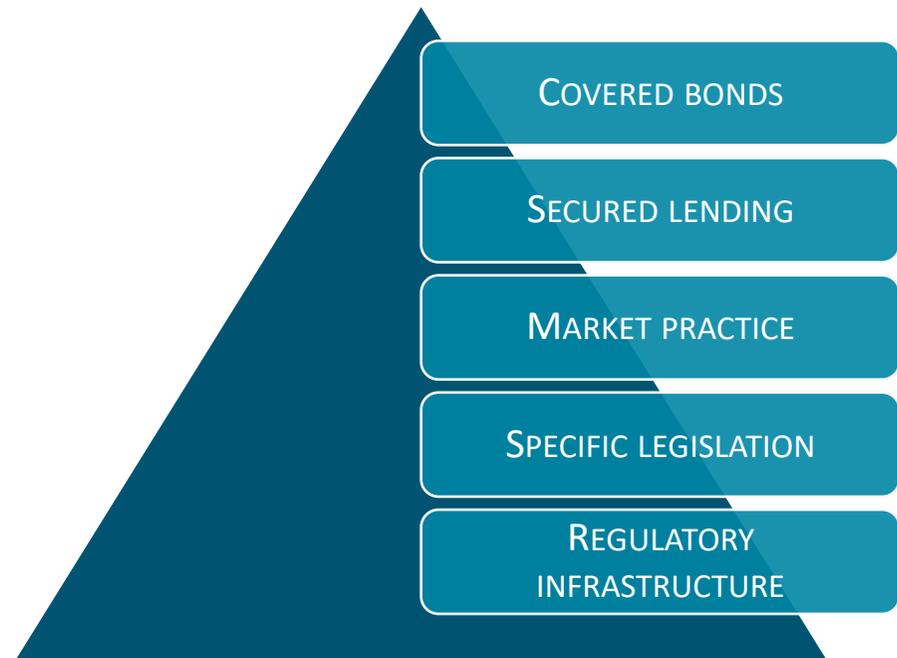
# FUNDING STRATEGY

- 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

---

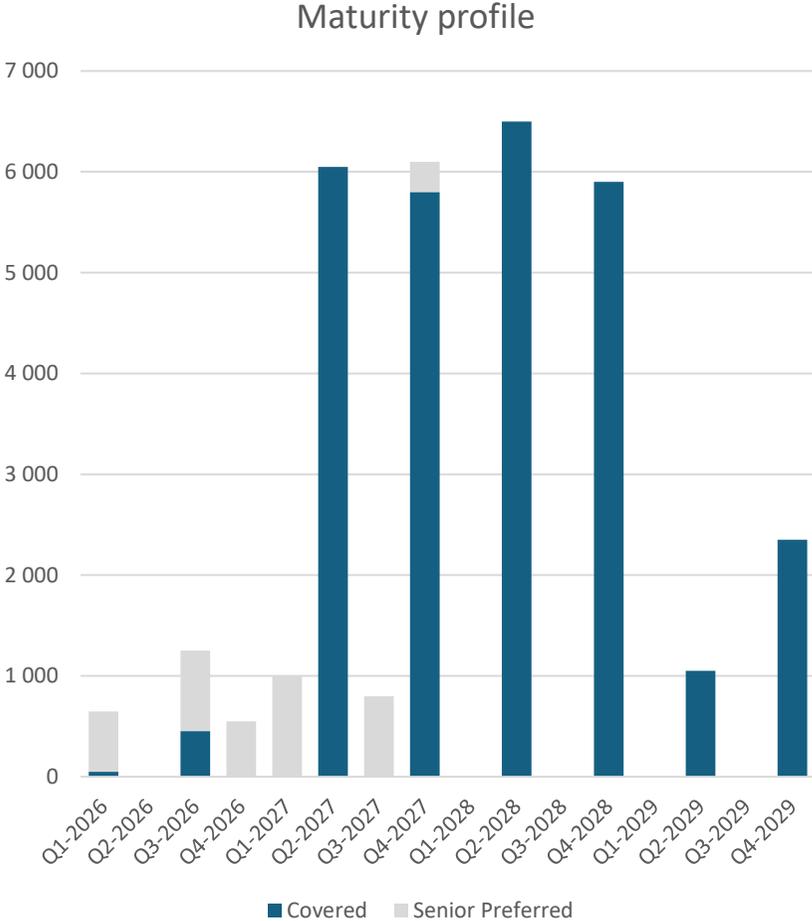
- Focus on reducing long-term funding costs
  - We are committed to continuously optimizing our funding structure with the goal of lowering the cost of funding. This includes proactive market engagement and maintaining a strong credit profile to ensure access to competitive pricing
- Covered bonds as 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 issuer 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 long-term perspective. We are dedicated to maintaining financial stability, supporting sustainable growth, and ensuring that our funding strategy aligns with our objective



# FUNDING PLAN

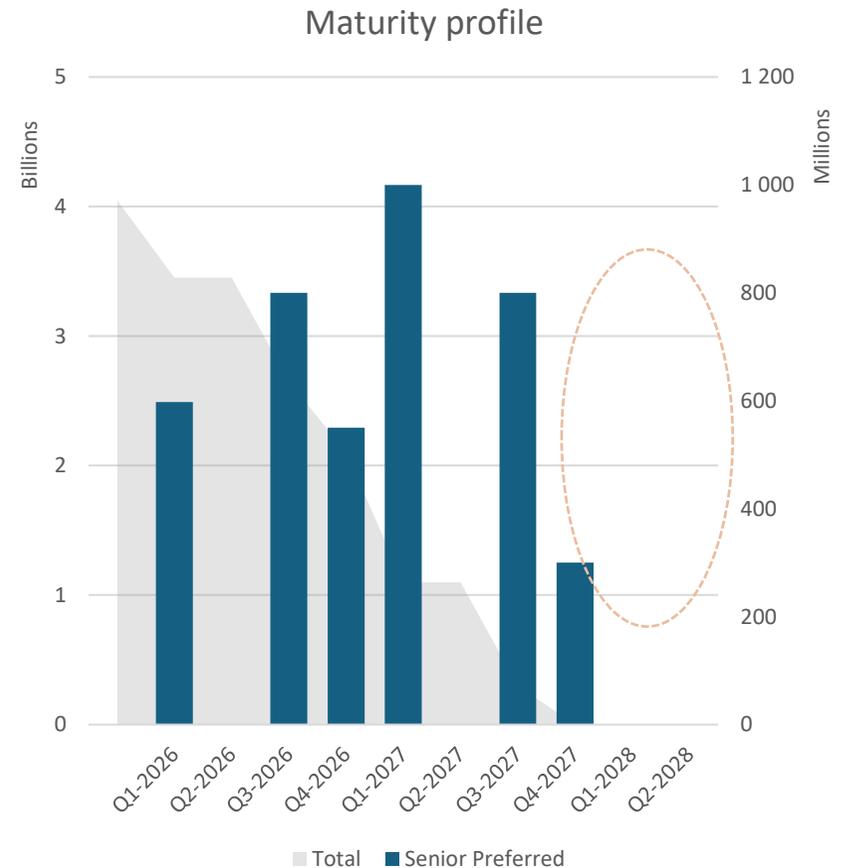
- In 2026, the focus will be on financing the company’s organic growth and managing upcoming debt redemptions
- Covered bond issuance will be skewed toward shorter maturities
- The volume of unsecured funding will be guided by rating agency requirements and the development of retail deposit inflows
- Bonds outstanding:

Senior preferred	~4 bn
Covered bonds	~28 bn
<b>Total</b>	<b>~32 bn</b>



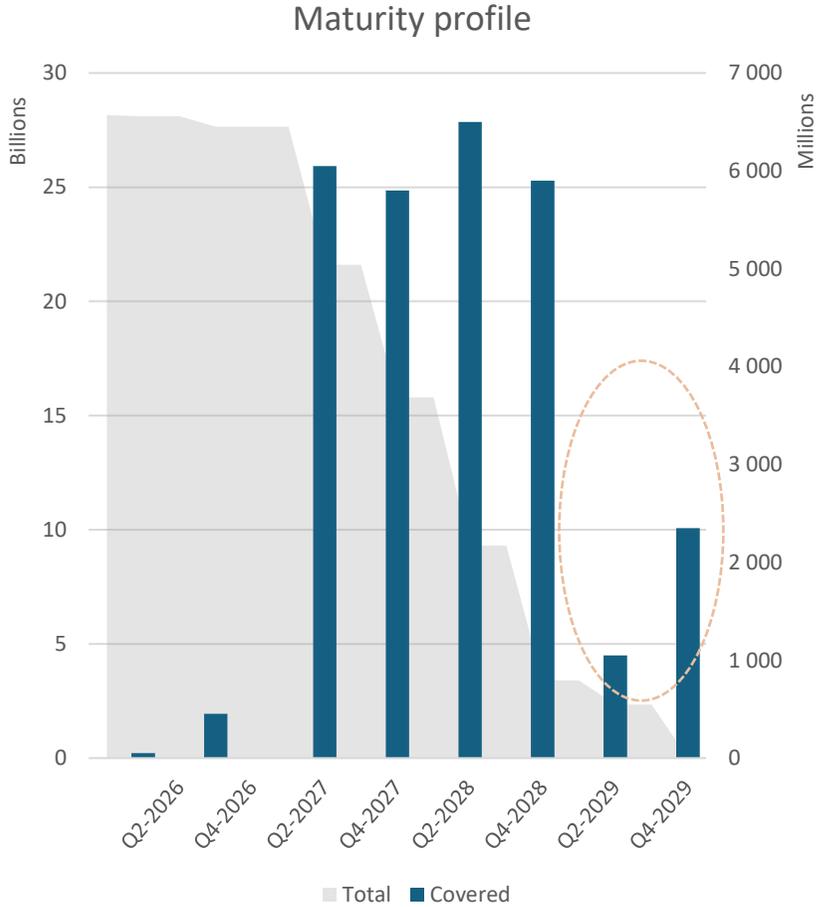
# SENIOR PREFERRED

- 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 2026: SEK 2-3 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 ~28 bn outstanding
- Estimated need for 2026: SEK 12-18 bn



# PLANS GOING FORWARD



- Cost control
- Growth
- Utilising economies of scale



- Profitability
- Relevance
- Continued progress

---

## 6. CONTACTS

Borgo

# CONTACT BORGO'S TEAM

---

**Pehr Olofsson, CEO**

**Karl Aigéus, CFO (acting)**

072-648 00 85

[karl.aigeus@borgohypotek.se](mailto:karl.aigeus@borgohypotek.se)

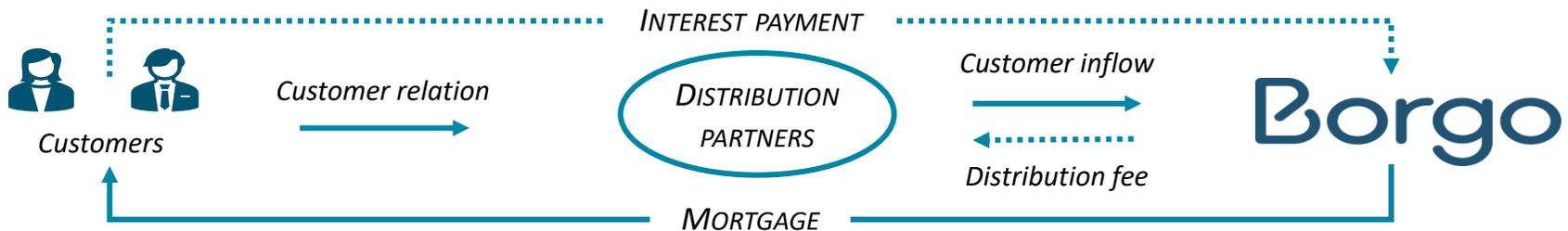
[ir@borgohypotek.se](mailto:ir@borgohypotek.se)

# APPENDIX

---

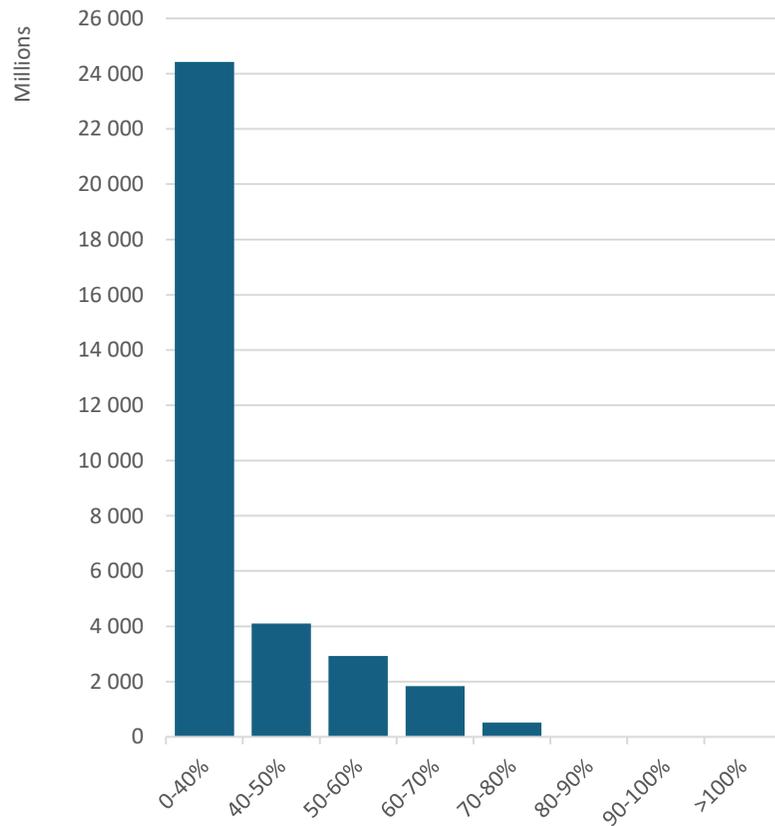
# BUSINESS MODEL

- 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

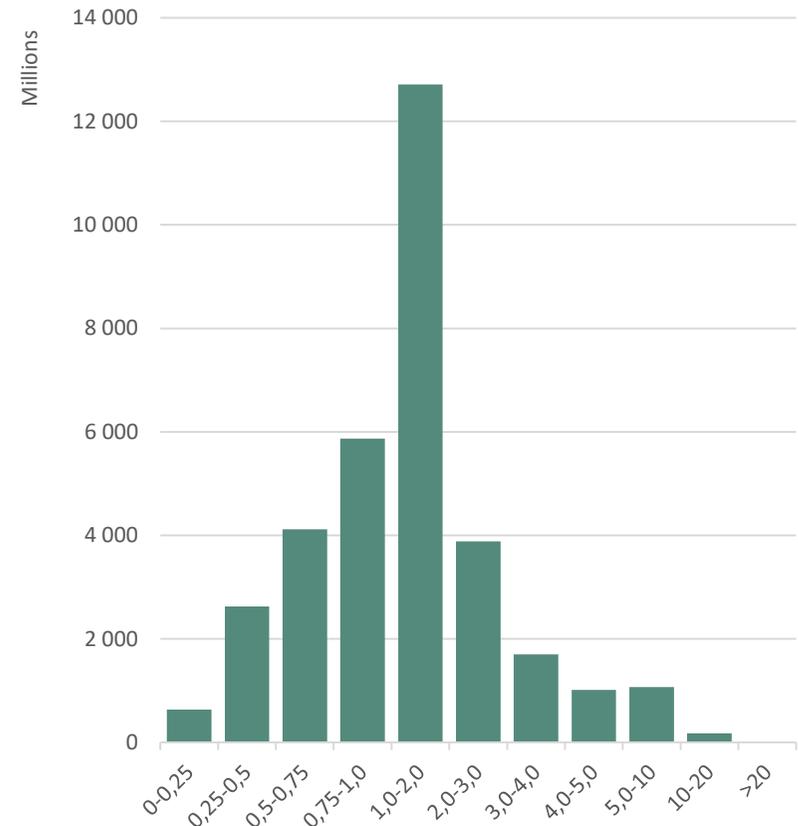


# RESILIENT PORTFOLIO OF ASSETS

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 2025	25 February 2026
Annual report 2025	22 April 2026
Q1 report 2026	28 May 2026
Q2 report 2026	27 August 2026
Q3 report 2026	26 November 2026

# 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

**Caj Tigerstedt**  
Proventus  
(CIO)

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

# EXECUTIVE MANAGEMENT & KEY PERSONNEL

Executive management

**Carolyn Runnquist, CIO**

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

**Pehr Olofsson, CEO**

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

**Linnea Sigot, Chief Credit Officer**

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

**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

**Karl Aigéus, CFO (acting)**

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

Key personnel

**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