

# Bank of Åland Plc: The transfer of Swedish mortgage loans and covered bonds from the Bank of Åland Plc to Borgo AB has been implemented

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Bank of Åland Plc

Inside information

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## **The transfer of Swedish mortgage loans and covered bonds from the Bank of Åland Plc to Borgo AB has been implemented**

The previously announced transfer of most of the Bank of Åland's Swedish mortgage loans and related previously issued covered bonds to Borgo was carried out today. The nominal amount of the mortgage portfolio that was transferred is EUR 10.4 billion. The nominal amount of the previously issued covered bonds, which now have Borgo as their issuer, is EUR 7.5 billion. A smaller mortgage portfolio in the range of EUR 2 billion in size will be transferred later in 2022.

The transaction will have a nonrecurring positive effect in the Bank of Åland's income statement in the EUR 10 M range. At the same time, this will mean a smaller loan portfolio in the Bank of Åland's own balance sheet and thus a lower current net interest income. In the future, the Bank of Åland will instead receive distribution fees for brokered loans and platform revenues for maintaining various services to Borgo. The total full-year effect on 2022 earnings is expected to be positive.

The Bank of Åland's previously communicated future outlook is not affected by the transfer. In other words, the Bank's net operating profit in 2022 will be about the same as in 2021.

The covered bonds issued by the Bank of Åland - SEK 2,000,000,000 with maturity May 12, 2025, ISIN: SE0013359627 and SEK 5,500,000,000 with maturity September 10, 2026, ISIN: SE0013360419 (together "Bonds") - changed issuer in conjunction with the transfer from the Bank of Åland under Finnish mortgage banking legislation to Borgo as issuer under Swedish mortgage banking legislation. February 14, 2022 is the first clearing and settlement date of the Bonds with their new ISIN codes: SE0017232366 and SE0017232358. The SEK 2,000,000,000 bond with maturity May 12, 2025 has its coupon date on February 14, 2022. The coupon will be paid by the Bank of Åland.

### **For further information, please contact:**

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