



Investor Report Green Bonds 2025

Investor Report – Green Bonds

Ziklo Bank issued its first green bond in May 2017 and was among the first in Europe to ever issue a green bond linked to the passenger car sector¹. Since then, Ziklo Bank has further intensified the sustainability focus by establishing new goals, updating its Green Bond Framework in 2019, 2022 and most recently in 2024 with stricter eligibility criteria as well as by being an active issuer in the green bond market. The auto industry is experiencing a rapid transition from fossil fueled vehicles to electric vehicles and Ziklo Bank is determined to contribute to a new transportation landscape consisting of electric vehicles in “green cities” with less climate impact. Since April 2024, the framework has been awarded a Dark Green shading by S&P’s Shades of Green. In March 2025 the bank had eighteen green bonds outstanding with a total volume of SEK 8,750 million. Green bonds are issued under the bank’s MTN program, where green bond funding is used to refinance the bank’s portfolio of green loans.

Allocation

Ziklo Bank’s activity in green bond issuance has continued since the previous report, and from April 1, 2024 to Investor report cut-off date March 31, 2025 the bank has issued seven bonds with a total value of SEK 4,250 million (2,250). The issue volume of the bonds was between 350 and 1,250 million and they had a weighted average maturity of 3,5 years. The bank’s overall objective is to reduce the impact of climate change and to promote the transition to sustainable mobility. This is reflected in Ziklo Bank’s updated main goal of 30% reduction in greenhouse gas emissions by 2025. From a business strategy point of view, the utilization of green financing also allows the bank to benefit from risk differentiation, increased business opportunities and competitive advantage.

Liquidity from current and future bonds is allocated to investments covered by the bank’s green bond framework. These investments consist of loan and leasing contracts entered into by a customer for the use of a “green vehicle” that has zero CO₂ emissions. These contracts constitute the green loan portfolio of Ziklo Bank. The work involved in green bonds and the green loan portfolio is carried out in cooperation with the bank’s Sustainability and Treasury departments.

Ziklo Bank updated the green bond framework in April 2024. In the new framework all remaining low-emission vehicles (PHEV) are excluded from the green loan portfolio, thus only fully electric vehicles with zero specific CO₂ emissions will be financed. The framework follows the core components and key recommendations of the Green Bond Principles published by ICMA. S&P Global Ratings powered by Shades of Green has awarded the framework with a Dark Green shading.

S&P Global
Ratings



¹ Source: GlobalCapital

In March 2025, the green loan portfolio amounted to SEK 14,506 million (11,125) while outstanding bond volumes amounted to SEK 8,750 million (5,000). The number of pure electric vehicles sold and funded is increasing sharply and since only vehicles with zero CO₂ emissions is allowed this gives a dark green portfolio which allows more support and ability for enable the emission of green bonds.

For information on Ziklo Bank’s sustainability work, see the Sustainability Report and Sustainability Policy at [ziklo.com](https://www.ziklo.com).

Framework for Green Bonds

Ziklo Bank’s green bond framework is based on the International Capital Markets Association’s (ICMA) “Green Bond Principles” and sets out the conditions for issuing Ziklo Bank’s green bonds and refinancing. The framework, together with Shades of Green’s statement, can be found at [ziklo.com](https://www.ziklo.com).

Bond liquidity is used to refinance Ziklo Bank’s green loan portfolio of loan and leasing contracts. Each individual contract has a passenger car, light commercial vehicle or a truck as its financing object, whereupon the vehicle is zero emitting. As such and according to Ziklo Bank, the vehicles promote a transition to low carbon dioxide emissions and climate-resistant growth.

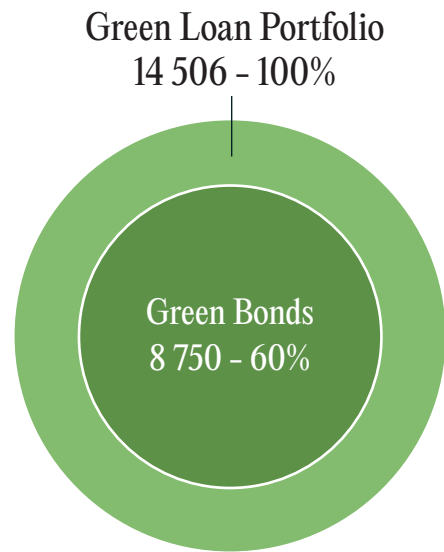
The green bond framework stipulates that the vehicles shall be considered as eligible assets and defined as clean transportation providing they;

- have zero specific CO₂ emissions

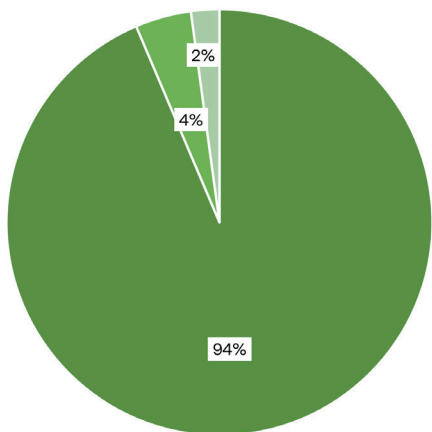
New contracts are continuously allocated to the portfolio, which is then amortized over the contract’s duration. The duration of new contracts is up to 96 months but the average remaining contract term being 22 months as of March 31, 2025 as the major part is shorter leasing contracts. About 93% of the original value of the financing object was financed by Ziklo Bank. Furthermore, the bank’s ambition is for the green loan portfolio to always be larger than the outstanding volume of green bonds.

2025-03-31	million SEK
Approved Green Loan Portfolio	14,506
Outstanding Volume of Green Bonds	8,750
Remaining approved investment amount	5,756

2025-03-31 Vehicles	Number	Balance (MSEK)
Electric cars	40,195	13,578
Electric light commercial vehicles	2,131	0,616
Electric trucks	112	0,312
Total	42,438	14,506

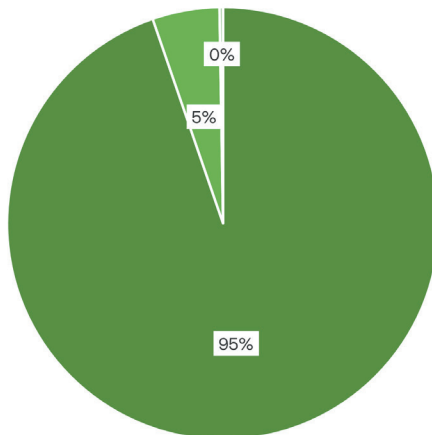


Green Loan Portfolio 250331
% of Balance



■ Cars ■ Light commercial vehicles ■ Trucks

Green Loan Portfolio 250331
% of Number



■ Cars ■ Light commercial vehicles ■ Trucks

Green Bond Portfolio as per 2025-03-31

ISIN	Frame- work	Amount (M)	Due Date	Coupon (%)
SE0013359965	2019	500	2025-11-20	Stif 3M +0,75
SE0013359973	2019	250	2025-11-20	0,858
SE0013883493	2019	400	2025-04-07	2,251
SE0013883485	2019	350	2025-04-07	Stif 3M +0,53
SE0017780273	2022	550	2026-01-26	Stif 3M +1,12
SE0017780265	2022	200	2026-01-26	4,35
SE0013884079	2022	600	2027-05-19	4,368
SE0013884087	2022	400	2027-05-19	Stif 3M +1,30
SE0013105707	2022	800	2027-02-22	Stif 3M +0,92
SE0013105715	2022	300	2028-11-22	Stif 3M +1,22
SE0013105723	2022	150	2028-11-22	4,535
SE0013106069	2024	800	2027-04-23	Stif 3M +0,78
SE0013106077	2024	350	2029-04-23	Stif 3M +1,07
SE0013106085	2024	350	2029-04-23	4,055
SE0022420048	2024	1,250	2026-09-17	Stif 3M +0,50
SE0022420055	2024	500	2029-09-17	Stif 3M +0,92
SE0013362183	2024	500	2028-04-26	Stif 3M +0,65
SE0013362191	2024	500	2030-03-26	Stif 3M +0,95
TOTAL AMOUNT		8,750		

Impact - CO₂ reduction including Calculation methodology

When estimating the climate benefit, the following standardized reasoning focuses on CO₂ emissions.

Ziklo Bank is aware that vehicles have environmental impact in ways other than CO₂ emissions. A comprehensive life-cycle analysis has not been conducted for all vehicles in our portfolio, nor have particle emissions been included. From a green perspective, we do not imply any social benefits associated with being a financier of social transportation nor any negative effects such as societal costs for road accidents.

All vehicles in the green loan portfolio are fully electric and have zero specific CO₂ emissions. Based on this, the expected CO₂ reduction is calculated as the difference between the emissions of vehicles financed by Ziklo Bank and the average emissions of new vehicles in Sweden. In 2024, the average emission was 59g² CO₂/km for newly registered cars, 150g³ CO₂/km for light commercial vehicles and 640g⁴ CO₂/km for trucks, according to the Swedish Transport Agency.

Based on the average annual mileage for cars, 11,410 km/year⁵, and an average emission level of 59g CO₂/km, the 40,195 cars in the portfolio contribute to an annual reduction of 27,059 tonnes of CO₂.

The same methodology has been used in the calculation of CO₂ emission for the light commercial vehicles and trucks included in the green portfolio. The average annual mileage for light commercial vehicles are 13,030 km/year⁶ and the average emission is 150g CO₂/km. This gives an annual reduction of 4,165 tonnes of CO₂ calculated on the basis of 2,131 vehicles. The average annual mileage for timber trucks and heavy trucks combined is 64,660 km/year⁷ and the average emission is 640g CO₂/km. This gives an annual reduction of 4,635 tonnes of CO₂ calculated on the basis of the 112 trucks in the portfolio.

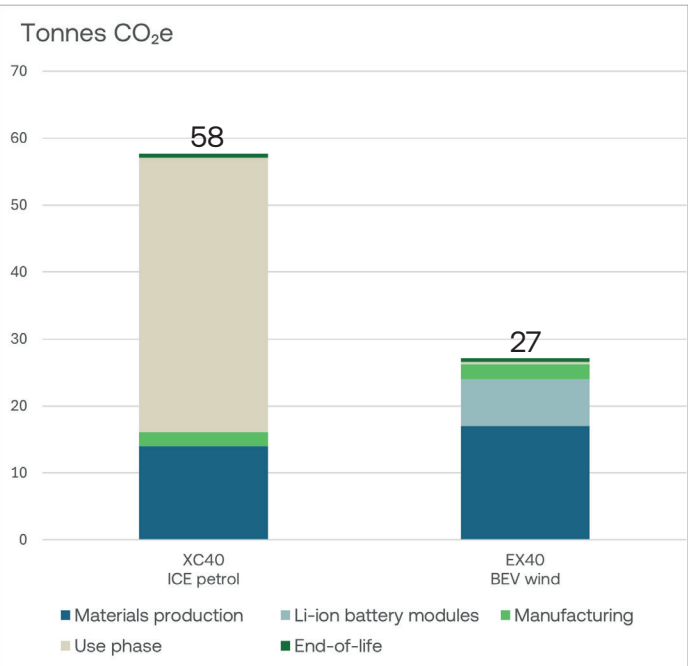
By comparing the environmentally rated vehicles as per March 31, 2025, with average emissions for new vehicles, one can assume an annual reduction of 35,859 tonnes of CO₂ for the vehicles throughout the entire green loan portfolio, see table.

Outstanding volumes of green bonds correspond to an annual CO₂ reduction of 21,630 tonnes of CO₂.

2025-03-31	Green Loan Portfolio	Total CO ₂ reduction Green Loan Portfolio	CO ₂ reduction Green Bonds
Gram CO ₂ per km for cars	0	59	
Grams CO ₂ per km for light commercial vehicles	0	150	
Grams CO ₂ per km for trucks	0	640	
Vehicles (number)	42,438	42,438	
Balance (MSEK)	14,506		8,750
CO ₂ emissions tonnes/year	0	35,859	21,630

Life Cycle Emissions of Electric Vehicles compared to Petrol Cars

Electric vehicles, such as the fully electric Volvo EX40, have a significantly lower climate impact over their lifetime compared to internal combustion engine vehicles, particularly when powered by fossil-free electricity. While the production of electric vehicles results in higher initial emissions than petrol cars, the difference during the use phase is substantial. When charged with electricity from wind power – a scenario that closely reflects Sweden’s predominantly fossil-free electricity mix, largely based on hydro and wind – the operational emissions are close to zero. Over a driving distance of 200,000 kilometers, the EX40 shows a climate impact that is more than 50 percent lower than that of a comparable petrol-powered XC40⁸.



²⁻³ [Vägtrafikens utsläpp 2024 \(trafikverket.se\)](#)

⁴ [Emissionsberäkningsmodellen HBEFA - Bransch \(trafikverket.se\)](#)

⁵⁻⁷ [Körsträckor 2024 \(trafa.se\)](#)

⁸ [Volvo Cars Carbon footprint report](#)

Review performed by compliance function

Ziklo Bank's regulatory compliance function has reviewed this investor report, as well as the use, management and traceability of green bond issues. This review has not resulted in any remarks.

UN Sustainable Development Goals

Ziklo Bank's green bonds framework addresses two of the UN Sustainable Development Goals.



Example of Cars in the Green Loan portfolio



VOLVO EX90 WLTP CO₂ 0g/km



VOLVO EX40 WLTP CO₂ 0g/km



POLESTAR 4 WLTP CO₂ 0g/km



VOLKSWAGEN ID.5 WLTP CO₂ 0g/km

Volvo Cars

Volvo Cars aim to be pioneers in protecting people and the world by working towards net zero greenhouse gas emissions. By 2040 Volvo Cars is aiming to reach net zero greenhouse gas emissions by reducing emissions across the entire value chain. Volvo Cars is also aiming towards becoming a circular business by 2040 and therefore focus on eliminating waste and pollution, making greater use of recycled material with remanufacturing and re-using parts together with a continued focus on durability. Volvo Cars has expanded its car portfolio with new fully electric model ES90, in addition to the EX30, EX40, EC40 and EX90. Volvo Cars is accelerating its electrification and plans to offer a complete line-up of fully electric cars by 2030⁹.

AB Volvo

Volvo Group is committed to driving the transition to sustainable, safe, and more productive transport and infrastructure solutions, while making the journey to become a net-zero society. In 2030, around 35% of all vehicles sold by Volvo Group will be electric and their ambition is to reach net-zero value chain greenhouse gas emissions by 2040. The company was an early mover in the electrification journey. In 2015 Volvo's first fully-electric bus entered service and by 2018 the first fully-electric commercial Volvo truck premiered. Volvo Group now offer fully electric solutions ranging from compact excavators to city buses and heavy-duty trucks with zero greenhouse gas tailpipe emissions. The electrified heavy-duty trucks consist of FH, FM, FMX, FE and FL model¹⁰.

Polestar

Polestar is serious about operating sustainably. By 2030 the Polestar 0 Project aim to create a truly climate-neutral production car and by 2040 Polestar have a goal of reaching climate neutrality by eliminating all greenhouse gas emissions across the operations, and all phases of the cars' life cycles. This includes emissions from supply chain and manufacturing, as well as energy use during the car's use phase. Polestar aims to manufacture cars with reduced virgin materials reliance, improved lifespans, and minimal waste at end-of-life. Polestar 3 and 4 were delivered to the first customers during the summer of 2024¹¹.

Other Car Brands

Ziklo Bank finances cars from many different brands and the ambition is to become even more brand agnostic so that the bank can continue offer its customers financing solutions linked to a large range of fully-electric vehicles. Ziklo Bank's portfolio consists of a numerous different fully electric car models such as Volkswagen ID.5, Tesla Model Y, Renault Zoe and Audi Q4 e-tron. Vehicle electrification is now a permanent feature in the automotive sector. Each year we will see car manufacturer add more EVs to their lineups, from well-established existing manufacturers as well as from new OEMs.

⁹⁻¹¹ Text and information taken from annual reports and/or Ziklo Bank AB

