

Year-end report

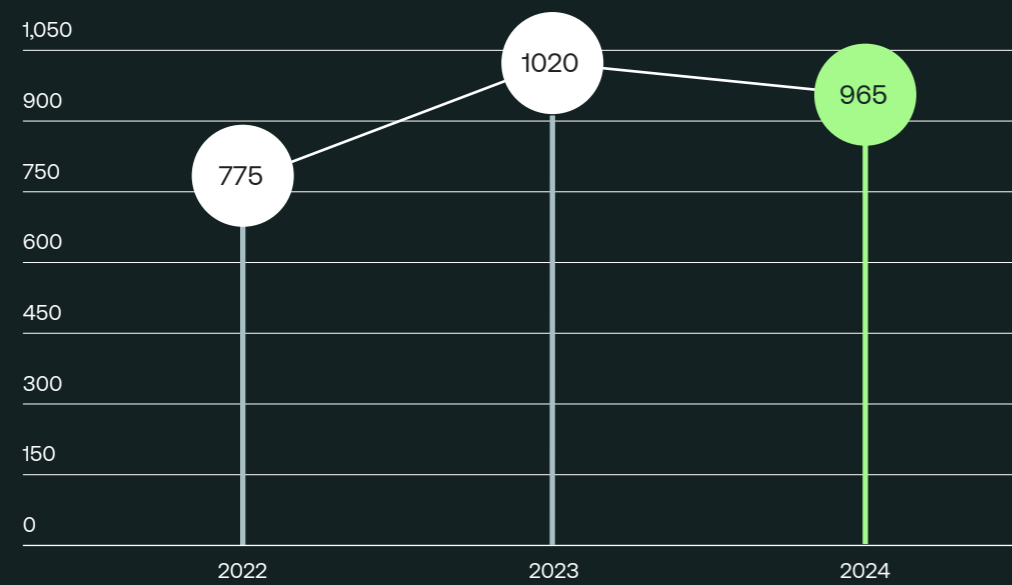
# 2024

**Ziklo** The  
Mobility  
Bank

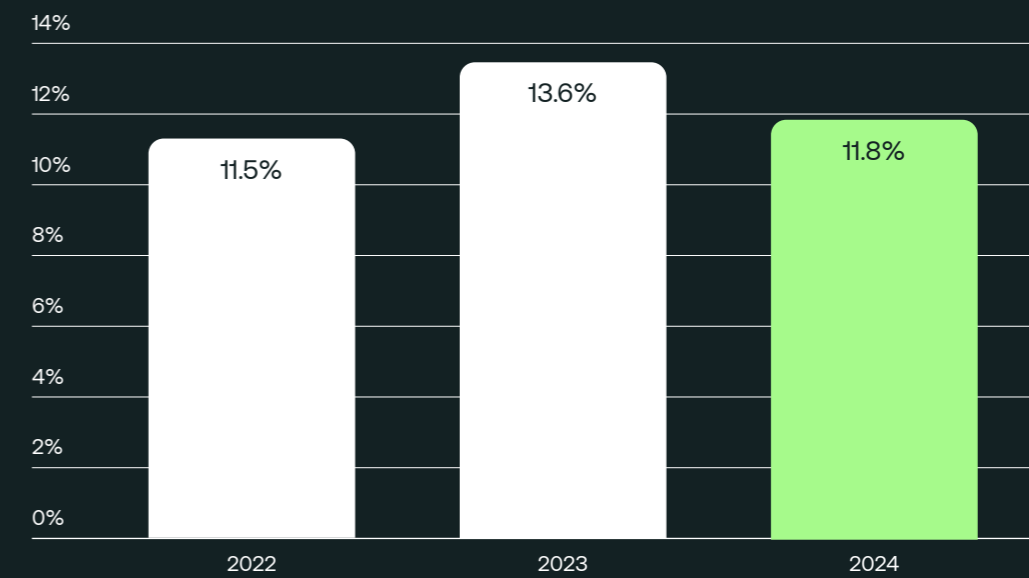
# Summary

Jan–Dec

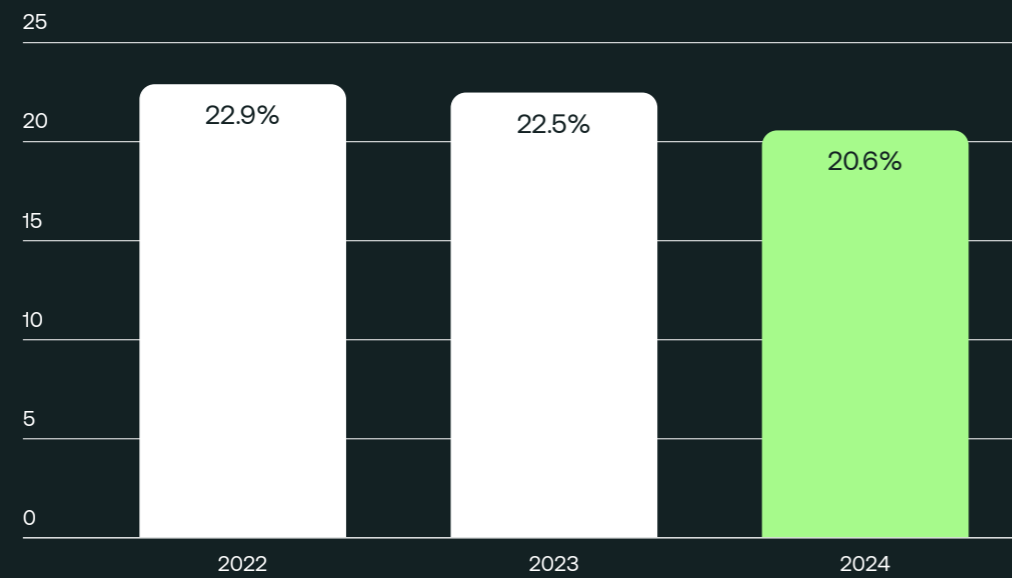
Operating profit, SEK million



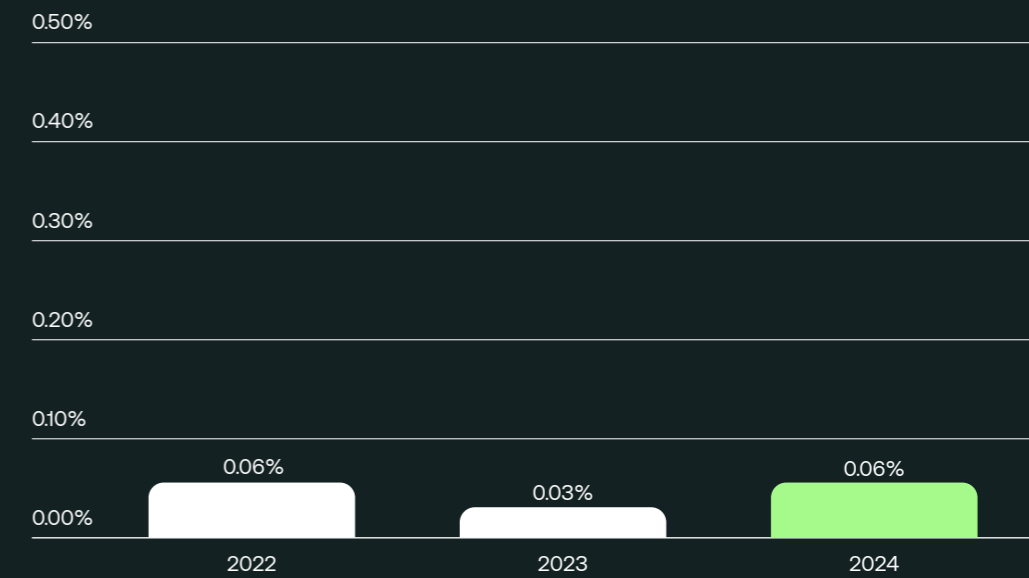
Return on equity



Common Equity Tier 1 capital ratio



Credit losses/lending



# Introduction and financial statements

Jan–Dec 2024 in summary

Operating profit

**SEK 965 million (1,020)**

Return on equity

**11.8% (13.6)**

Lending as of 31 December

**SEK 49.0 billion (42.5)**

Credit losses/lending

**0.06% (0.03)**

Common Equity Tier 1 capital ratio

**20.6% (22.5)**

Cost/Income ratio excluding residual value provision

**0.43 (0.38)**

# Statement by the CEO

In summing up 2024, we note that we were successful in managing our initial concerns about declining lending volumes. Despite a challenging market, demand and the compelling Volvo Cars model range proved to be a successful and favourable combination, especially for company cars. This enabled the bank to continue growing volume, with lending increasing by no less than 15% to SEK 49 billion (42.5). Growth continues to be strong even excluding the SEK 2.7 billion acquisition of the Care by Volvo portfolio at the end of the year.

## Strong earnings despite a challenging interest rate environment

The bank's operating profit decreased slightly to SEK 965 million (1,020), which was expected in view of the decline in market interest rates during the major part of the year. At the same time, increased financing volumes made a positive contribution to net interest income. Common equity tier 1 capital ratio remains stable at more than 20%, well above regulatory requirements despite increased lending. Calculated expected credit losses increased slightly from historically low levels, while on the other hand confirmed credit losses decreased by SEK 1 million to SEK 17 million, once again demonstrating the strength of our diversified risk model, especially in a period of recession when households and companies are under financial pressure.

## Historically low car market volumes

The automotive industry was characterised by weak demand, which resulted in the lowest passenger car registrations in Sweden for 10 years, with a total market of 269,500 registrations and a decrease of 7% compared to the previous year. Despite this, Volvo Cars, our biggest partner, enjoyed success both globally and locally, increasing its market share in Sweden by 3 percentage points to 17.4%, corresponding to almost 47,000 cars. Polestar also continued to grow, achieving a market share of 2.2% and 5,900 registered cars. The truck market had an especially challenging year with a decrease of 21% to 5,226 registered trucks in which the share of electric trucks increased from a low level to 6.5% of the total market, corresponding to 340 vehicles. Volvo Trucks achieved a market share of 40% (45).

The total share of rechargeable passenger cars decreased slightly to just over 58.4% (59.8) of all registrations, of which BEVs accounted for 35% (38.7). It's gratifying to note that Ziklo Bank has achieved a share of no less than 87% rechargeable vehicles, of which 48% are BEVs. We see this as an important recognition of our customer promise of helping them transition to sustainable means of transport.

In 2025, Mobility Sweden expects a marginal increase in the total market to 275,000 passenger car registrations, and for HGVs >16 tonnes, 4,900 registrations according to a forecast by MRF, a Swedish automotive industry association.

## Earnings in the bank's three segments reflect the market situation

Among the bank's operating segments – Cars, Fleet and Trucks – Fleet distinguished itself with a new earnings record for the business area of SEK 530 million (447), where the disposal of leasing vehicles was the main earnings driver. Earnings for Cars and Trucks were affected by a weakened net interest income and increased overhead expenses. Overall, the earnings reflect the two-tiered market

we have seen, where larger companies have shown a stronger willingness to invest than smaller companies and private individuals. However, we believe that the Swedish Central Bank's interest-rate cuts together with fiscal stimulus measures, in combination with the product offerings of our partners, will contribute to new purchasing power and increased optimism in all segments and target groups.

## A successful, eventful 2024 for Ziklo Bank

In many ways, the past year was an eventful one for the bank. In March, we completed our name change to Ziklo Bank – a change that was received very positively by customers and partners alike. The name Ziklo is derived from the Latin word *cyclus*, which means cycle (of events), and it symbolises our ambition to contribute to sustainable transportation.

Our strategy is to grow and expand our business with both new and existing partners, and we can see results of this in the increasing lending volumes for the year. We continue to develop our collaboration with Volvo Cars and Volvo Trucks, and our Volvo-related services remain under the Volvofinans brand. The acquisition of the Care by Volvo portfolio in partnership with Volvo Cars in December was a significant milestone, and marked the bank's biggest stock acquisition ever. The acquisition, which includes 8,745 leases valued at SEK 2.7 billion, strengthens our market position and provides us with an excellent platform for continued growth.

Management changes were carried out in the bank during the spring, and Conny Bergström stepped down after 11 successful years at the helm, to be succeeded by the undersigned. There was also a change in the position of Chairman when Urmas Kruusval declined re-election after 17 years on the Board. Björn Ingemanson was elected as the new Chairman. He joins us from his recent position as CEO of Volvo Penta, and he held an earlier position as CEO and Marketing Manager here at the bank.

## Concluding reflections

It was a dynamic year characterised by both challenges and successes, and today the bank is in a strong position. Our vision is to be the leading bank for the mobility of the future, with the ambition of continuing to drive innovation, strengthen our partnerships and create value in our ecosystem that contributes to sustainable development.

I would like to extend a big thank you to our employees, partners and customers for their commitment and trust. Looking forward to a successful 2025 together.

“Our vision is to be the leading bank for the mobility of the future.”



## Joel Graffman

CEO  
Ziklo Bank AB

Ziklo Bank AB (publ), Co. Reg. 556069-0967, is obliged to publish this information under the Swedish Securities Market Act (SFS 2007:528). This report was submitted for publication on 5 February 2025.

# Financial statements

## Ownership/Operations

The bank was established in 1959 with 50% owned by the Swedish Volvo dealers through their holding company AB Volverkinvest, and 50% by Volvo Personvagnar AB.

As its primary task, Ziklo Bank offers financial and administrative services in the Swedish mobility and vehicle industry through direct sales and an extensive partner distribution network for the purpose of delivering market-leading solutions to partners and end customers alike.

Ziklo Bank is the parent company of a group with dormant subsidiaries. Under Chapter 7, section 6a of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, Ziklo Bank does not prepare consolidated accounts as activities in subsidiaries are negligible.

## Trends in volume/lending

Lending volume reached SEK 49.0 billion compared to 42.5 billion in the previous year. Trucks accounted for SEK 6.5 billion (5.9) of lending, equivalent to 13% (14) of the total. Fleet’s share of lending totalled SEK 13.5 billion (11.7) corresponding to 28% (28) and the card business’s share was 4% (5) or SEK 1.9 billion (1.9). The remainder – SEK 27.1 billion (22.9) – is attributable to passenger car financing in business area Cars, which corresponds to 55% (54) of lending.

Operating income, operating profit, the number of contracts and lending volumes for Ziklo Bank’s business areas are presented in Note 3.

## Development of profits

The bank’s profit after credit losses was SEK 964.7 million (1,020.1), which is SEK 55.4 million or 5% lower year-over-year. The Bank’s net interest income and net leasing was SEK 63.1 million lower than the previous year, due mainly to a deterioration in the financing margin. The bank’s disposal gains from the sale of returned operating leasing vehicles continued to be high. The surplus on sales of these cars was SEK 14.2 million higher than in the previous year. During 2024, booked changes of accumulated impairment charges increased by SEK 76.4 million, which is SEK 29.6 million lower than last year. As a result of a ruling in a case with the Supreme Administrative Court in the autumn of 2023, the bank has requested that VAT from 2017 and 2018 totalling SEK 43.1 million be reviewed, and this is stated under other operating income; see Note 4. Overhead expenses exceeded the previous year’s by SEK 102.4 million, mainly due to increased IT investments as part of the bank’s strategic initiatives.

## Credit risks and credit losses

Because the major part of credit risk is borne by individual Volvo dealers through recourse agreements, the credit risk for Ziklo Bank is very low.

Defaulted receivables are defined as receivables that are more than 90 days overdue or defaulted on for other reasons. Ziklo Bank’s defaulted credit card receivables totalled SEK 22.8 million (7.8) and for loans and leasing SEK 290.6 million (247.3), of which SEK 287.7 million (244.7) is covered by recourse. All loans and lease products in respect of vehicle financing are secured by collateral in the underlying object. Loans subject to deferral totalled SEK 94.6 million (85.7).

Verified credit losses of SEK 16.6 million (17.9) relate mainly to the credit card business. Expected credit losses are calculated based on a prospective impairment model, where the calculation

takes account of macroeconomic data, demographic variables and behavioural variables. Expected credit losses increased by SEK 11.3 million (-4.4) during the year. Thus credit losses for the year totalled SEK 27.9 million (13.5), primarily due to more defaults as a result of the poor economic climate. The provision for expected credit losses totals SEK 43.0 million (31.7).

## Residual value risk

There is residual value risk in operating leases corresponding to the risk that the present value of the remaining rents plus the present value of the expected residual value is lower than the book value and that the bank thereby sustains a loss. During the year, the bank carried out impairments totalling SEK 76.4 million (105.9) related to residual value risk, mainly due to the bank’s increased residual value positions in operating leases. As of 31/12/2024, the bank’s residual value positions for operating lease assets totalled SEK 9.1 billion (6.5). The bank carried out accumulated impairments totalling SEK 376.8 million (300.4) in respect of expected future disposal losses. During the year, the surplus from the sale of returned operating lease vehicles totalled SEK 377.6 million (363.4).

## Funding and liquidity

Deposits in the bank’s savings account increased by SEK 141 million in 2024, reaching a total of SEK 23.4 billion (23.2) at year-end. Total deposits including the credit balances for card accounts and deposits from retailers sums up to SEK 24.8 billion (24.4) and accounted for 53% (62) of the bank’s financing.

The bank’s MTN programme allows the issue of both conventional and green bonds in SEK, NOK and EUR. In the programme, bonds with a value of SEK 7.1 billion and NOK 700 million were issued during the year, of which green bonds accounted for SEK 3.3 billion of the issued volume. Own bonds were repurchased for the nominal amount of SEK 700 million. Commercial papers relating to short-term borrowing were issued in the amount of SEK 575 million during the reporting period. Ziklo Bank’s outstanding financing through its market loan programmes, MTN and certificates totalled a nominal SEK 18.5 billion (13.5), of which green bonds accounted for SEK 7.8 billion as per 31 December 2024.

In addition to market borrowing and deposits, the bank also finances its activities through bank credits, which totalled SEK 3.4 billion (1.3) at the year-end. The proportion of financing from market loans programmes and the banking sector with remaining maturity of more than one year was 81% (74).

Borrowing with a remaining term of less than one year together with a proportion of deposits, must be covered at all times by the liquidity reserve and undrawn credit facilities. The total liquidity reserve at the end of the year was SEK 6.8 billion (5.9). The securities holding accounted for SEK 4.1 billion (61%) and non-fixed deposits at other banks totalled SEK 2.7 billion (39%). Ziklo Bank’s liquidity reserve must always be at least 10% in relation to lending volume. As of 31/12/2024, total lending was SEK 49 billion, which means the liquidity reserve corresponded to 14% (14). In addition to the liquidity reserve, available and unutilised credit facilities totalled SEK 3.8 billion (3.8).

At the end of the fourth quarter, Ziklo Bank’s liquidity coverage ratio (LCR) under article 415 of the EU Capital Requirements Regulation (CRR), totalled 242% (252), and the net stable funding ratio (NSFR) was 120% (119) under CRR2.

## Capital adequacy

Ziklo Bank calculates most of the credit risk on the basis of its internal ratings-based approach (IRB), while the remainder is calculated according to the standard method. The Swedish Financial Supervisory Authority has given Ziklo Bank permission to use modified PD models that meet the requirements of CRR (EU) 575/2013 as amended by (EU) 439/2022 and EBA/GL/2017/16, known simply as Basel IV. Because the bank’s new LGD models and the KF model are not yet approved by the Financial Supervisory Authority, the bank has chosen to correct the capital requirement calculation such that the requirement in relative terms reaches the previous level. This correction, known as an Article 3 mark-up, is used in the bank’s capital requirement calculation as of Q2, 2023. Common Equity Tier 1 ratio amounted to 20.6% (22.5) as of 31/12/2024 and the capital requirement was assessed internally to 14.4% (14.3) calculated on the basis of the methods and models used to calculate capital requirement within the framework of Pillar 1. The capital conservation buffer of 2.5% (2.5) of REA amounted to SEK 797 million (686). The counter cyclical buffer value of 2.0% (2.0) of REA totalled SEK 638 million (548).

The leverage ratio was 11.9% (12.8) as of 31/12/2024. Disclosures are provided in compliance with Swedish Financial Supervisory Authority publication requirements FFFS 2014:12, FFFS 2010:7 and FFFS 2014:21.

Under its review and evaluation process, the Financial Supervisory Authority may decide on a specific own funds requirement and a gross leverage ratio requirement. The bank has not yet received an assessment from the authority regarding specific Pillar 2 guidance.

## Other significant information

The bank’s operations are continually exposed to a number of financial risks.

Liquidity risk is the risk that Ziklo Bank’s payment obligations cannot be met on maturity without significant increased costs in terms of the means of payment or, in the worst case, cannot be met at all. To manage liquidity stress, Ziklo Bank not only maintains a liquidity reserve, but also holds agreed credit facilities that can be utilised at short notice.

Interest rate risk is the current and future risk that net interest income will decline as a result of unfavourable changes in the interest rate. The major part of the bank’s lending and all borrowing follows the short-term market interest rate, which entails a limited interest rate risk.

Currency risk is the risk of unfavourable changes in exchange rates. All of Ziklo Bank’s lending is in Swedish kronor. Any borrowing in foreign currency is hedged, which means the bank is not exposed to exchange rate fluctuations.

## Rating

The bank’s international credit ratings from Moody’s Investors Service are as follows:

- Short-term financing: P-2
- Long-term financing: A3
- Outlook: Stable

There was no change in the credit rating during the period. A detailed, up-to-date analysis from Moody’s can be found on our website, under ‘About us / Investor relations / Rating’.

## Calendar:

Week 12	Annual Report 2024
7 May 2025	Interim Report January–March 2025
4 June 2025	Annual General Meeting
26 August 2025	Interim Report January–June 2025
7 November 2025	Interim Report January–September 2025

## Certificate

The interim report provides a true and fair view of the bank’s operations, position and financial performance, and describes the material risks and uncertainties relating to the bank.

Gothenburg, 5 February 2025

Joel Graffman  
CEO

The report will be available on our website Ziklo.com, under ‘About us / Investor relations / Financial reports’.

Should you have any questions, please call CEO Joel Graffman, +46 31-83 88 00

## Review

The report has not been subject to a separate review by the bank’s auditors.

In the event of conflict in interpretation or differences between this interim report and the Swedish version, the latter will prevail.

## Key ratios

	31/12/2024	31/12/2023
Return on equity, %	11.78	13.60
Deposits / Lending, %	50.5	57.4
Profit / Risk-weighted assets, %	3.0	3.7
Total capital ratio, %	20.63	22.55
Common Equity Tier 1 capital ratio, %	20.63	22.55
Cost/Income ratio	0.47	0.44
Cost/Income ratio excluding residual value provision	0.43	0.38
Credit losses/lending, %	0.06	0.03
Liquidity coverage ratio, %	242	252
Net Stable Funding Ratio (NSFR), %	120	119
Leverage ratio, %	11.9	12.8

Definitions for alternative key ratios and key ratios according to Swedish rules on capital adequacy can be found at:  
<https://www.ziklo.com/om-oss/investerarrelationer/finansiella-rapporter/>

## Income statement, overview

Amounts in SEK thousand

	2024 Q4	2024 Q3	2023 Q4	2024 Jan–Dec	2023 Jan–Dec
Interest income	316,424	342,538	353,616	1,357,096	1,295,344
Lease income	1,785,886	1,778,768	1,865,396	7,218,542	7,261,825
Interest expenses	-387,072	-430,162	-412,423	-1,675,910	-1,392,004
Dividends received	-	73	12	86	35
Commission income	113,609	110,634	102,907	452,474	421,042
Commission expenses	-87,103	-51,821	-76,116	-227,360	-190,127
Net result from financial transactions	18,001	-17,989	-17,542	-7,548	-27,715
Other operating income, Note 4	128,971	109,500	108,989	516,083	435,555
<b>Total operating income</b>	<b>1,888,717</b>	<b>1,841,540</b>	<b>1,924,840</b>	<b>7,633,462</b>	<b>7,803,954</b>
General administrative expenses	-215,884	-152,836	-190,240	-713,034	-607,740
Depreciation and impairments of tangible and intangible non-current assets, Note 5	-1,493,813	-1,419,619	-1,507,312	-5,868,984	-6,085,497
Other operating expenses	-6,196	-19,420	-27,418	-62,780	-77,783
<b>Total operating expenses</b>	<b>-1,715,893</b>	<b>-1,591,876</b>	<b>-1,724,970</b>	<b>-6,644,798</b>	<b>-6,771,020</b>
<b>Profit before credit losses</b>	<b>172,824</b>	<b>249,664</b>	<b>199,870</b>	<b>988,663</b>	<b>1,032,934</b>
Credit losses, net, Note 6	-5,715	-6,066	-5,610	-24,650	-12,621
Impairments/Reversals of financial fixed assets, net	41	-40	308	662	-214
<b>Operating profit</b>	<b>167,150</b>	<b>243,558</b>	<b>194,568</b>	<b>964,676</b>	<b>1,020,099</b>
Appropriations	-964,039	-	-1,017,742	-964,039	-1,017,742
Tax	163,653	-50,173	167,703	-638	-2,357
<b>Profit</b>	<b>-633,236</b>	<b>193,385</b>	<b>-655,472</b>	<b>-</b>	<b>-</b>

## Balance sheet highlights

Amounts in SEK thousand

	31/12/2024	31/12/2023
Treasury bills eligible as collateral etc.	1,813,505	1,830,992
Lending to credit institutions	2,660,161	1,854,022
Loans and advances to the public	177,956,822	16,375,052
Bonds and other interest-bearing securities	2,289,717	2,210,625
Shares and participations in other companies	10,271	6,618
Shares and participations in associated companies	11,115	8,258
Shares and participations in Group companies	6,742	6,742
Intangible non-current assets	41,451	64,018
Tangible assets: inventory	2,450	2,181
Tangible assets: lease items	31,244,548	26,086,832
Tangible current assets	33,639	30,853
Other assets*	2,062,428	1,220,211
Prepaid expenses and accrued income	88,173	95,373
<b>Total assets, Note 8</b>	<b>58,059,881</b>	<b>49,791,778</b>
Liabilities to credit institutions	3,402,381	1,295,238
Deposits and borrowing from the public	24,779,095	24,368,947
Securities issued	18,441,029	13,475,047
Other liabilities*	1,500,558	1,437,125
Accrued expenses and deferred income	1,749,162	1,589,314
<b>Total liabilities, Note 8</b>	<b>49,872,224</b>	<b>42,165,670</b>
Untaxed reserves	6,661,700	5,697,661
<b>Equity</b>	<b>1,525,957</b>	<b>1,928,447</b>
<b>Total liabilities and equity</b>	<b>58,059,881</b>	<b>49,791,778</b>
*Of which derivative instruments with positive and negative market values		
Derivative instruments with positive market value	63,060	51,708
Derivative instruments with negative market value	-67,989	-56,299



# Change in equity

Amounts in SEK thousand

	Restricted equity			Non-restricted equity	Total equity
	Share capital	Statutory reserve	Development fund	Retained earnings	
Opening equity, 1 January 2023	400,000	20,000	19,224	1,642,825	2,082,049
Profit for the period after tax	-	-	-	-	-
Capitalisation of development expenditures	-	-	7,872	-7,872	-
Dissolution resulting from development expenditure depreciations and impairments for the year	-	-	-11,528	11,528	-
<b>Total before transactions with shareholders</b>	<b>400,000</b>	<b>20,000</b>	<b>15,568</b>	<b>1,646,481</b>	<b>2,082,049</b>
Dividend	-	-	-	-153,602	-153,602
Closing equity, 31 December 2023	400,000	20,000	15,568	1,492,879	1,928,447
Opening equity, 1 January 2024	400,000	20,000	15,568	1,492,879	1,928,447
Profit for the period after tax	-	-	-	-	-
Capitalisation of development expenditures	-	-	2,547	-2,547	-
Dissolution resulting from development expenditure depreciations and impairments for the year	-	-	-8,014	8,014	-
<b>Total before transactions with shareholders</b>	<b>400,000</b>	<b>20,000</b>	<b>10,101</b>	<b>1,498,346</b>	<b>1,928,447</b>
Dividend	-	-	-	-402,490	-402,490
Closing equity, 31 December 2021	400,000	20,000	10,101	1,095,856	1,525,957

# Cash flow statement

Amounts in SEK thousand

	2024 Jan-Dec	2023 Jan-Dec
Operating profit	964,676	1,020,099
<b>Adjustment for items not included in cash flow</b>		
Unrealised portion of net result from financial transactions	-6,992	-27,715
Depreciations, amortisation, impairments	5,869,020	6,093,918
Credit losses	24,649	12,621
Paid/refunded (-/+) tax	-25,681	-250
<b>Changes to assets and liabilities in operating activities</b>		
Treasury bills eligible as collateral	17487	-592,099
Loans and advances to the public	-1445162	49,683
Disposal of tangible assets	6,392,651	5,411,533
Acquisition of tangible assets	-17,397,327	-14,182,866
Bonds and other interest-bearing securities	-79,093	284,868
Deposits and borrowing from the public	410,148	1,324,482
Liabilities to credit institutions	2,107,143	-111,905
Other assets	-810,089	-27,955
Securities issued	4,965,982	1,091,602
Other liabilities	230,274	131,101
<b>Cash flow from operating activities</b>	<b>1,217,686</b>	<b>477,117</b>
<b>Investing activities</b>		
Capitalised development expenditures	-2,547	-56,322
Investments in shares and participations	-9628	-4,270
Disposal/redemption of shares and participations	3,118	3,626
<b>Cash flow from investing activities</b>	<b>-9,057</b>	<b>-56,966</b>
<b>Financing activities</b>		
Subordinated liabilities	-	-400,000
Dividends paid	-402,490	-153,602
<b>Cash flow from financing activities</b>	<b>-402,490</b>	<b>-553,602</b>
<b>Cash flow for the period</b>		
Cash and cash equivalents at beginning of year	1,854,022	1,987,473
Cash flow from operating activities	1,217,686	477,117
Cash flow from investing activities	-9,057	-56,966
Cash flow from financing activities	-402,490	-553,602
<b>Cash and cash equivalents at end of period</b>	<b>2,660,161</b>	<b>1,854,022</b>

A person with long hair, wearing a dark jacket and blue jeans, is running from left to right in a modern, multi-story building at night. The building's glass facade reflects the interior lights, creating a blurred, dynamic effect. The word "Notes" is written in a large, white, serif font in the center-right of the image.

# Notes



## NOTES

Unless otherwise specified, amounts are stated in SEK thousand.

**NOTE 1. Accounting policies**

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting. Ziklo Bank applies legally restricted IFRS, which means the interim report has been prepared in compliance with IFRS with the additions and exceptions set out in the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities; the stipulations and general recommendations of the Swedish Financial Supervisory Authority on annual reporting by credit institutions and securities companies (FFFS 2008:25) in compliance with the change regulations in FFS 2009:11 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. No changes in the bank's accounting policies as described in the Annual Report 2023 have taken place.

**Future regulatory changes IFRS****IFRS 18 – Presentation and disclosures in financial statements**

On 9 April 2024, the IASB published a new standard, IFRS 18 – Presentation and disclosures in financial statements, which replaces IAS 1 – Presentation of financial statements. Given that IFRS 18 is adopted by the EU, and that the effective date proposed by the IASB is not changed, the standard will be applied from the beginning of the 2027 financial year. IFRS 18 entails new requirements for presentation and disclosures in financial statements with a particular focus on the income statement and disclosures concerning management performance measures. The standard is not expected to entail any financial effects for the bank as IFRS 18 focuses on presentation and disclosures in the financial statements.

**Other changes, IFRS**

None of the other changes in accounting policies issued for application are considered to have any material impact on the Bank's financial reports, capital adequacy or major exposures, or any other applicable operating regulations.

**NOTE 2. Judgements and estimates in the financial statements**

Preparation of the financial statements in compliance with IFRS requires the bank's management to make assessments, estimations, and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenues, and expenses. These estimations and assumptions are based on historical experience and a number of other factors deemed reasonable under current circumstances. The outcomes of these estimates and assumptions are then used as the basis of the carrying amounts of assets and liabilities not otherwise clearly provided by other sources.

Primarily, the bank made the following critical assessments when applying significant accounting policies:

- Choice of method for calculating expected credit losses
- Whether the bank has assumed significant risks and benefits from the seller on acquisition of receivables and agreements

Actual outcomes may deviate from the estimations made in this report. Areas in which uncertainty about estimates may exist are:

- Estimations of expected residual values for lease objects
- The actual outcome of credit losses may deviate from the expected outcome

Estimates and assumptions are reviewed regularly. Changes in estimates are reported in the period during which a change is made if the change affects only that particular period, or in the period during which the change is made and future periods if the change affects both the current and future periods.

**NOTE 3. Operating segments**

The bank's operations are divided into operating segments based on the business areas monitored by the bank's chief operating decision maker.

Operations are organised such that management monitors profit, returns and cash flows generated by the various services. Internal reporting is structured to allow management to monitor the performance of all services. It is on the basis of this reporting that the bank has identified the segments Cars, Trucks and Fleet.

All operating income derives from external customers and all of the bank's operations take place in Sweden.

The tables below show segment reports on an aggregated level.

	2024 Jan–Dec	2023 Jan–Dec	Change
<b>Income statement</b>			
Net interest income and net leasing*	1,137,159	1,200,352	-63,194
Dividends received	86	35	50
Commission income	452,474	421,042	31,431
Commission expenses	-227,360	-190,127	-37,233
Net result from financial transactions	-7,548	-27,715	20,166
Service, repair and tyre agreements	87,399	65,336	22,063
Disposals, operating leases	377,609	363,384	14,226
Other income	51,074	6,835	44,239
<b>Operating income</b>	<b>1,870,892</b>	<b>1,839,143</b>	<b>31,750</b>
Overhead expenses**	-801,956	-699,594	-102,362
Credit losses	-16,579	-17,934	1,355
Credit risk provision, change	-11,314	4,435	-15,749
Residual value reserve, change	-76,367	-105,950	29,583
<b>Operating profit</b>	<b>964,676</b>	<b>1,020,099</b>	<b>-55,423</b>

\*Including depreciation of lease items.

\*\*Including depreciations of tangible and intangible non-current assets excluding depreciation and impairments of lease items.

	31/12/2024	31/12/2023	Change
<b>Lending</b>			
Car loans, Truck loans etc.	15,499,414	13,947,027	1,552,387
Contract credits	9,547	18,273	-8,725
Credit card credits	1932601	1,927,996	4,605
Inventory credits	300,584	470,734	-170,149
Promissory note loans	53,535	11,023	42,512
Lease items	31,244,548	26,086,832	5,157,716
<b>Lending</b>	<b>49,040,230</b>	<b>42,461,884</b>	<b>6,578,345</b>
<b>Product Information</b>			
Number of transferred loans and leases	194,544	191,485	3,059
of which loans	88,740	88,864	-124
of which leases	105,804	102,621	3,183
	31/12/2024	31/12/2023	Change
Average amount per contract loan and leasing	240	209	31
of which loans	175	157	18
of which leases	295	254	41

# Cars

The Cars segment consists of three businesses: Retail Cars, OEM and Payments, all of which are aimed at consumers and small companies.

Passenger cars, light trucks and other products that are sold and used by our partners, often in package solutions comprising insurance, service agreements and credit cards, are financed by Retail Cars. The close collaboration with Volvo Cars and Volvo dealers can be found e.g. in Retail Cars under the Volvofinans brand. Other marques are also financed under the Ziklo brand, and during the spring of 2024 the bank further extended its offer and began financing caravans and camper vans. OEM, original equipment manufacturer, includes financing of EVs from Polestar. The manufacturer has hitherto only had one model available on the market but has now launched additional models, in which the business will participate with financing. During the fourth quarter of 2024, Ziklo Bank acquired a Volvo Car Sverige portfolio known as Care by Volvo, which consisted of lease items to both private and corporate customers in Sweden.

New passenger car registrations in Sweden totalled 269,582 in 2024, which is 7% fewer compared to the previous year. Companies accounted for 65% of newly registered vehicles and the share of rechargeable vehicles was 58%, which is slightly lower than in 2023. Volvo's and Polestar's share of new car registrations totalled 19.6% for the year. The industry organisation Mobility Sweden forecasts 275,000 new passenger car registrations for 2025. In 2024, sales of used cars increased by 8.6% compared to the previous year. In total, the Swedish dealerships sold more than 385,000 used cars, according to the industry association Vroom.

The Payments business offers card payments and digital payment solutions aimed at creating convenient payment solutions for all mobility requirements.

Using CarPay, the bank's customers can pay for their workshop visits and fuel stops in Volvo dealerships directly in the app. Bonus checks can be redeemed in Volvo dealerships, when charging EVs, and on public transit and trains. On the partner side, we offer a point-of-sale system with card redemption, terminals and several different payment options, in addition to the loyalty programme. The business also provides a subscription service where various customer subscriptions for service agreements, tyre changes, car washes and other aftermarket services can be created and paid for using the bank's E-checkout. The digital customer journey for vehicle financing is under constant development, and together with digital payment solutions, the bank focuses intensely on living up to our customer promise of flexible, simple and smarter payments.

	2024 Jan–Dec	2023 Jan–Dec	Change
Net interest income and net leasing*	808,127	856,622	-48,496
Dividends received	86	35	50
Commission income	298,739	276,415	22,324
Commission expenses	-218,691	-181,426	-37,265
Net result from financial transactions	-5,501	-25,143	19,642
Disposals, operating leases	61,410	40,100	21,311
Other income	41,148	5,117	36,031
<b>Operating income</b>	<b>985,318</b>	<b>971,720</b>	<b>13,599</b>
Overhead expenses**	-545,671	-479,392	-66,279
Credit losses	-16,121	-17,718	1,597
Credit risk provision, change	-9,319	5,650	-14,969
Residual value reserve, change	-52,748	3,122	-55,870
<b>Operating profit</b>	<b>361,459</b>	<b>483,382</b>	<b>-121,922</b>

\*Including depreciation of lease items.

\*\*Including depreciations of tangible and intangible non-current assets excluding depreciation and impairment of lease items.

Product information, loans and leasing	31/12/2024	31/12/2023	Change
Number of contracts	146,242	143,890	2,352
Total volume, SEK million	27,396	23,006	4,390
of which transferred, %	99.2	98.6	0.6
of which pledged, %	0.8	1.4	-0.6
of which loans, %	38.8	40.8	-2.0
of which leases, %	61.2	59.2	2.0
Private leasing as a proportion of total leases, %	34.6	28.9	5.7

Product information, cards	2024 Jan–Dec	2023 Jan–Dec	Change
Number of unique active accounts	534,282	547,813	-13,531
Average number of active accounts	362,508	373,727	-11,219
Total volume, SEK million	1,927	1,922	5
Average number of credit customers	67,537	69,515	-1,978
Total sales, card accounts, SEK million	17,284	17,581	-297
of which fuel, %	25.3	31.9	-6.6
of which workshop, %	13.9	15.3	-1.4
of which retail store, %	0.9	0.8	0.1
of which car wash, %	0.9	0.9	0.0
of which sales outside Volvo dealers, %	54.1	47.1	7.0
of which other (incl. vehicle loans and insurance), %	4.9	4.0	0.9

# Trucks

The Trucks segment offers loans and lease financing for new and used trucks including trailers, and financing for trailers, superstructures and other equipment.

The bank's financing level for new vehicles in recent years has stabilised at around 54%. The financing level for battery-powered trucks, used trucks and trailers is around 60%.

Together with Volvo Trucks and the Swedish Volvo dealers, we develop our financing products and service offering on an ongoing basis in order to modernise our mutual customer offering. eControl is one such product – an invoicing and monitoring system for hauliers' vehicle-related expenditures. Consulting is another service where the bank guides and helps hauliers in their transition to sustainable haulage.

	2024 Jan–Dec	2023 Jan–Dec	Change	Product information, loans and leasing	31/12/2024	31/12/2023	Change
Net interest income and net leasing*	1,139,599	1,251,172	-111,213	Number of contracts	7,779	7,984	-205
Commission income	4,879	4,217	662	Total volume, SEK million	6,890	6,390	500
Commission expenses	-1,190	-1,112	-79	of which transferred, %	93.9	93.0	0.9
Net result from financial transactions	-1,181	-1,806	625	of which pledged, %	6.1	7.0	-0.9
Other income	2,577	289	2,288	of which loans, %	76.8	78.0	-1.2
<b>Operating income</b>	<b>119,043</b>	<b>126,760</b>	<b>-7,716</b>	of which leases, %	23.2	22.0	1.2
Overhead expenses**	-45,844	-36,933	-8,911	Operating leases as a proportion of total leases, %	21.7	25.1	-3.4
Credit losses	-	-	-				
Credit risk provision, change	8	-149	157				
<b>Operating profit</b>	<b>73,207</b>	<b>89,678</b>	<b>-16,471</b>				

\*Including depreciation and impairment of lease items.

\*\*Including depreciations of tangible and intangible non-current assets excluding depreciation and impairment of lease items.



# Fleet

Ziklo Fleet Services manages and finances vehicle fleets for all kinds of companies through operating or financial leasing solutions (or a combination of both). Whether a customer needs just one or several hundred vehicles, we can help with a simple, flexible overall solution based on the customer's specific needs. We attach great importance to our advisory role in our customers' green transition and how they can best adapt to new and future regulations.

Product development is a constant work in progress, as are launches of new digital services to make things simpler for our customers and drivers. Under our continuous improvement efforts, we have been proud to note, several years running, a high satisfied employee index of 66 eNPS (on a scale from -100 to +100), as well as a very high customer satisfaction index of 93.

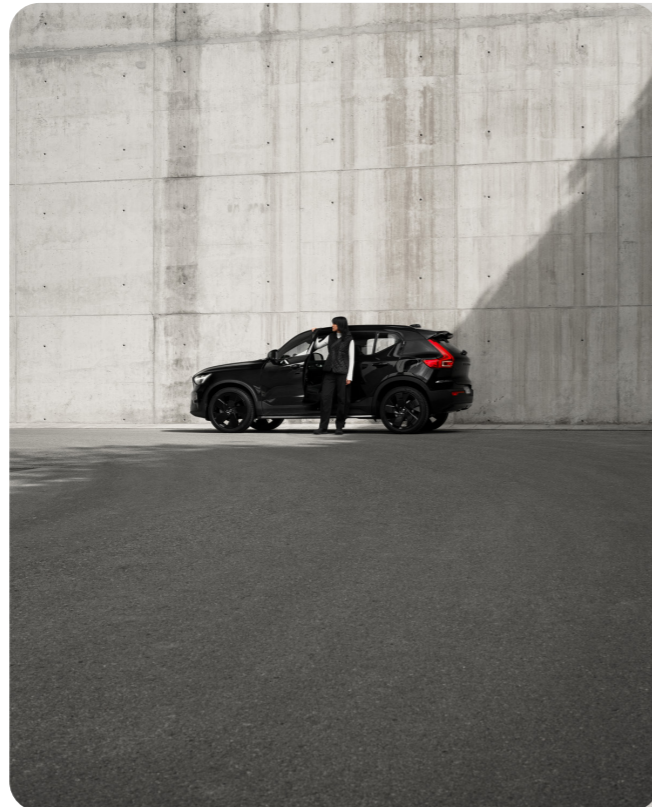
During the year, the number of agreements rose by around 6% compared to the previous year, where the Fleet market also increased by a total of around 2%. The majority of the new contracts were in the operating leasing category. The market for second-hand cars continued to be strong during the year, which is also reflected in the disposal gains for the sale of returned operating leasing cars.

	2024 Jan-Dec	2023 Jan-Dec	Change
Net interest income and net leasing*	215,073	218,558	-3,485
Commission income	148,856	140,411	8,445
Commission expenses	-7,478	-7,589	110
Net result from financial transactions	-866	-765	-101
Service, repair and tyre agreements	87,399	65,342	22,057
Disposals, operating leases	316,199	323,284	-7,085
Other income	7,349	1,423	5,926
<b>Operating income</b>	<b>766,531</b>	<b>740,664</b>	<b>25,867</b>
Overhead expenses**	-210,441	-183,270	-27,171
Credit losses	-459	-217	-242
Credit risk provision, change	-2,003	-1,066	-937
Residual value reserve, change	-23,619	-109,072	85,453
<b>Operating profit</b>	<b>530,010</b>	<b>447,039</b>	<b>82,971</b>

\*Including depreciation of lease items.

\*\*Including depreciations of tangible and intangible non-current assets excluding depreciation and impairment of lease items.

Product Information	31/12/2024	31/12/2023	Change
Number of financing contracts	42,495	42,394	101
Number of administered contracts	55,101	51,843	3,258
Total volume, SEK million	13,495	11,716	1,778
of which operating leases, %	70.0	69.4	0.6
of which financial leases, %	30.0	30.6	-0.6



## NOTE 4. Other operating income

	2024 Jan-Dec	2023 Jan-Dec
Capital gains on the sale of tangible assets	1,314	3,241
Revenues, service and repair contracts	87,399	65,336
Disposals, Operating leases	377,609	363,384
of which sales revenue	(2,169,039)	(1,514,606)
of which cost of goods sold	(-1,791,430)	(-1,151,222)
Income from associated companies	5,975	3,118
Reversal of opening VAT following review	43,130	-
Other income	656	476
<b>Total</b>	<b>516,083</b>	<b>435,555</b>

## NOTE 5. Depreciation and impairments of tangible and intangible non-current assets

	2024 Jan-Dec	2023 Jan-Dec
Depreciation, leased items	-5,762,570	-5,964,812
Impairment charges / Reversals; lease item residual value risk	-76,367	-105,950
Impairment charges / Reversals; lease item credit risk	-3,906	-664
Depreciation, inventory	-1,028	-2,542
Depreciations and impairment of intangible assets	-25,114	-11,528
<b>Total</b>	<b>-5,868,984</b>	<b>-6,085,497</b>



**NOTE 6. Credit losses, net**

Credit losses	31/12/2024	31/12/2023
<b>Loans at amortised cost (incl. unused part of limit)</b>		
Provisions – stage 1	6,049	5,397
Provisions – stage 2	15,500	15,734
Provisions – stage 3	11,774	4,122
<b>Total reserve</b>	<b>33,323</b>	<b>25,253</b>
	2024 Jan–Dec	2023 Jan–Dec
<b>Loans at amortised cost (incl. unused part of limit)</b>		
Change in provisions – stage 1	-652	11,391
Change in provisions – stage 2	234	-4,839
Change in provisions – stage 3	-7,652	-1,239
<b>Total change in provisions</b>	<b>-8,070</b>	<b>5,313</b>
Write-off, confirmed credit losses	-17,834	-19,934
Recoveries of previously confirmed credit losses	1,714	2,233
<b>Total</b>	<b>-16,120</b>	<b>-17,701</b>
<b>Credit losses, net*</b>	<b>-24,190</b>	<b>-12,388</b>

\*Should be read together with the line item 'Confirmed credit losses for lease items' further down in the note for comparison with the income statement overview and the line item 'Credit losses' in Note 6.

Credit losses	31/12/2024	31/12/2023
<b>Lease assets at accrued cost</b>		
Provisions – stage 1	5,535	3,313
Provisions – stage 2	944	642
Provisions – stage 3	2,761	1,378
<b>Total reserve</b>	<b>9,240</b>	<b>5,333</b>
	2024 Jan–Dec	2023 Jan–Dec
<b>Lease assets at accrued cost</b>		
Change in provisions – stage 1	-2,221	-235
Change in provisions – stage 2	-302	-235
Change in provisions – stage 3	-1,383	-194
<b>Total change in provisions**</b>	<b>-3,906</b>	<b>-664</b>
Write-off, confirmed credit losses	-459	-235
Recoveries of previously confirmed credit losses	-	2
<b>Total***</b>	<b>-459</b>	<b>-233</b>
<b>Credit losses, net</b>	<b>-4,365</b>	<b>-897</b>

\*\*Income statement overview and the line item 'Depreciation and impairment of tangible and intangible non-current assets', Note 5. Note 5 refers to the line item 'Impairment charges / Reversals; lease item credit risk'

\*\*\*Should be read together with the line item 'Loans at amortised cost' in the note's first table for comparison with the income statement overview and the line item 'Credit losses, net' in Note 6.

Credit losses	31/12/2024	31/12/2023
<b>Financial fixed assets</b>		
Provisions – stage 1	455	1,129
Provisions – stage 2	11	-
Provisions – stage 3	-	-
<b>Total reserve</b>	<b>466</b>	<b>1,129</b>
	2024 Jan–Dec	2023 Jan–Dec
<b>Financial fixed assets</b>		
Change in provisions – stage 1	673	-214
Change in provisions – stage 2	-11	-
Change in provisions – stage 3	-	-
<b>Total change in provisions</b>	<b>662</b>	<b>-214</b>
<b>Credit losses, net****</b>	<b>662</b>	<b>-214</b>

\*\*\*\*See 'Income statement, overview' and the line item 'Impairments/Reversals of financial intangible assets, net'.

Credit losses	31/12/2024	31/12/2023
<b>Total assets</b>		
Provisions – stage 1	12,039	9,839
Provisions – stage 2	16,455	16,376
Provisions – stage 3	14,535	5,500
<b>Total reserve</b>	<b>43,029</b>	<b>31,715</b>
	2024 Jan–Dec	2023 Jan–Dec
<b>Total assets</b>		
Change in provisions – stage 1	-2,200	10,942
Change in provisions – stage 2	-79	-5,074
Change in provisions – stage 3	-9,035	-1,433
<b>Total change in provisions</b>	<b>-11,314</b>	<b>4,435</b>
Write-off, confirmed credit losses	-18,293	-20,169
Recoveries of previously confirmed credit losses	1,714	2,235
<b>Total</b>	<b>-16,579</b>	<b>-17,934</b>
<b>Credit losses, net</b>	<b>-27,893</b>	<b>-13,499</b>

**NOTE 7. Capital adequacy analysis****KEY RATIOS**

Available capital base (amount)	31/12/2024	30/09/2024	30/06/2024	31/03/2024	31/12/2023
Common Equity Tier 1 (CET1) capital	6,579,663	6,474,428	6,523,759	6,326,134	6,183,220
Tier 1 capital	6,579,663	6,474,428	6,523,759	6,326,134	6,183,220
Total capital	6,579,663	6,474,428	6,523,759	6,326,134	6,183,220
<b>Risk-weighted exposure amounts</b>					
Total risk-weighted exposure amount	31,895,521	28,981,847	28,628,789	27,548,686	27,422,136
<b>Capital ratio (as a percentage of the risk-weighted exposure amount)</b>					
Common Equity Tier 1 capital ratio (%)	20.6	22.3	22.8	23.0	22.5
Tier 1 capital ratio (%)	20.6	22.3	22.8	23.0	22.5
Total capital ratio (%)	20.6	22.3	22.8	23.0	22.5
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (%)</b>					
of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
of which: to be made up of Tier 1 capital (percentage points)	-	-	-	-	-
Total SREP own funds requirements (%)	8.0	8.0	8.0	8.0	8.0
<b>Combined buffer requirement and overall capital requirement (as a percentage of the risk-weighted amount of exposure)</b>					
Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risks identified at the level of a Member State (%)	-	-	-	-	-
Institution-specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	2.0
Systemic risk buffer (%)	-	-	-	-	-
Buffer for global systemically important institutions (%)	-	-	-	-	-
Buffer for other systemically important institutions (%)	-	-	-	-	-
Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
Overall capital requirements (%)	12.5	12.5	12.5	12.5	12.5
Available Common Equity Tier 1 capital after meeting the total own funds requirement for SREP (%)	12.6	14.3	14.8	15.0	14.5
<b>Leverage ratio</b>					
Total exposure measure	55,451,023	52,470,363	50,707,110	48,698,877	48,354,425
Leverage ratio (%)	11.9	12.3	12.9	13.0	12.8
<b>Additional own funds requirements to address the risk of excessive leverage (%)</b>					
Additional own funds requirements to address the risk of excessive leverage (as a percentage of the total exposure measure)	-	-	-	-	-
of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
<b>Leverage buffer and overall leverage ratio requirement (as a percentage of total exposure measurement)</b>					
Leverage ratio buffer requirement (%)	-	-	-	-	-
Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
<b>Liquidity coverage ratio</b>					
Total high-quality liquid assets (weighted value – average)*	3027868	2,986,169	2,933,458	2,881,012	2,863,987
Cash outflows – Total weighted value*	4982851	4,718,364	4,668,727	4,680,323	4,701,467
Cash inflows – Total weighted value*	4652917	4,342,143	4,332,083	4,315,508	4,530,718
Total net cash outflows (adjusted value)	1245713	1,181,496	1,169,087	1,171,986	1,177,272
Liquidity coverage ratio (%)	248	254	252	248	246
<b>Net stable funding ratio</b>					
Total available stable funding	49163382	45,119,232	44,010,384	42,115,379	41,669,854
Total required stable funding	40874702	38,026,077	36,959,004	35,376,329	35,026,800
Net stable funding ratio (%)	120	119	119	119	119

\*Calculated as the simple average of end-of-the-month observations over the past 12 months.

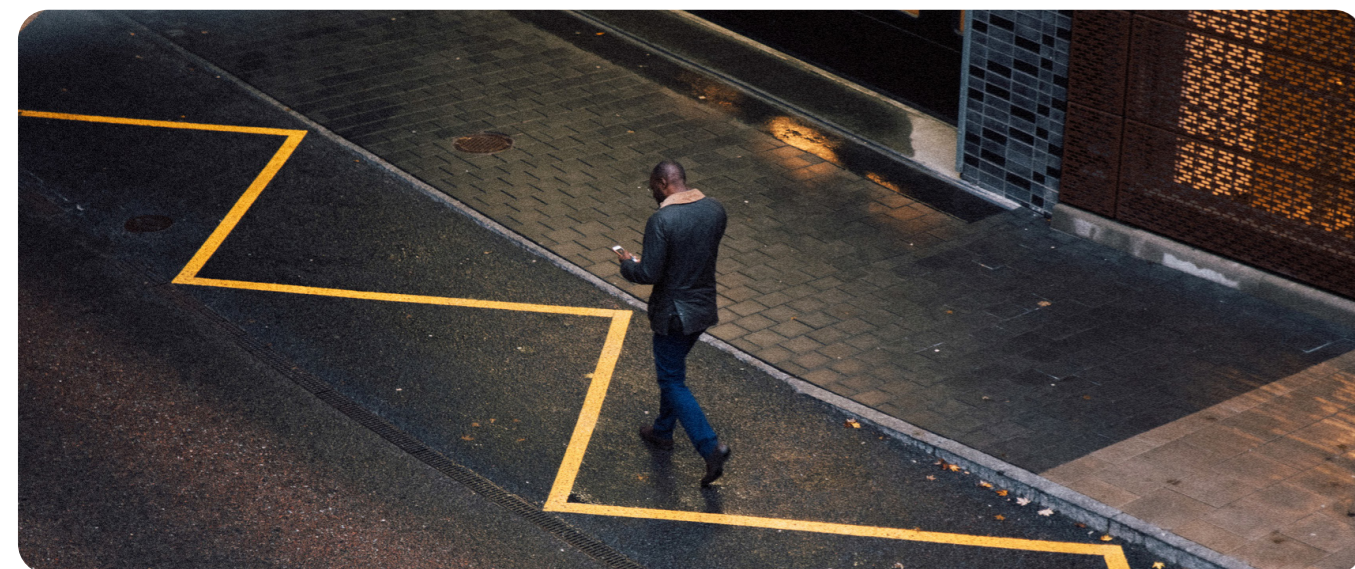


## CAPITAL BASE

	31/12/2024	31/12/2023
<b>Common Equity Tier 1 capital Instruments and reserves</b>		
Capital instruments and the related share premium accounts	400,000	400,000
Retained earnings	904,368	1,290,389
Other reserves	5,319,490	4,559,511
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>6,623,859</b>	<b>6,249,900</b>
<b>Common Equity Tier 1 capital: regulatory adjustments</b>		
Further value adjustments (negative amount)	-141	-115
Intangible assets	-41,451	-64,018
Other regulatory adjustments	-2,603	-2,548
<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>-44,196</b>	<b>-66,680</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>6,579,663</b>	<b>6,183,220</b>
<b>Tier 1 capital contribution: Instrument</b>		
Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital ratio + Tier 1 capital contribution)	6,579,663	6,183,220
Tier 2 capital	-	-
<b>Total capital (Common Equity Tier 1 capital + Tier 2 capital)</b>	<b>6,579,663</b>	<b>6,183,220</b>
<b>Total risk-weighted assets</b>	<b>31,895,521</b>	<b>27,422,136</b>

## CAPITAL RATIOS AND BUFFERS

	31/12/2024	31/12/2023
Risk-weighted assets	31,895,521	27,422,136
Common Equity Tier 1 capital ratio	20.63	22.55
Tier 1 capital ratio	20.63	22.55
Total capital ratio	20.63	22.55
Total capital requirement	14.42	14.33
Institution-specific Common Equity Tier 1 capital requirements including buffer requirements	10.08	10.03
of which: Pillar 1 requirement	4.50	4.50
of which: Pillar 2 requirement	1.08	1.03
of which requirement for capital conservation buffer	2.50	2.50
of which requirement for countercyclical buffer	2.00	2.00



## INTERNALLY ASSESSED CAPITAL REQUIREMENT

	Capital requirement	31/12/2024 Capital requirement / Total REA	Of which CET1 requirements / REA	Capital requirement	31/12/2023 Capital requirement / Total REA	Of which CET1 requirements / REA
Credit risk	2,113,377	6.6%	3.7%	1,803,476	6.6%	3.7%
Operational risk	244,711	0.8%	0.4%	215,203	0.8%	0.4%
CVA risk	5,102	0.0%	0.0%	3,972	0.0%	0.0%
Additional risk exposure amounts according to Article 3 CRR	188,451	0.6%	0.3%	171,120	0.6%	0.4%
<b>Pillar 1 capital requirement</b>	<b>2,551,642</b>	<b>8.0%</b>	<b>4.5%</b>	<b>2,193,771</b>	<b>8.0%</b>	<b>4.5%</b>
Concentration risk	360,714	1.1%	0.6%	281,819	1.0%	0.6%
Strategic risk	127,582	0.4%	0.2%	109,689	0.4%	0.2%
Market risk	124,597	0.4%	0.2%	111,543	0.4%	0.2%
<b>Pillar 2 capital requirement</b>	<b>612,894</b>	<b>1.9%</b>	<b>1.1%</b>	<b>503,050</b>	<b>1.8%</b>	<b>1.0%</b>
Capital conservation buffer	797,388	2.5%	2.5%	685,553	2.5%	2.5%
Countercyclical capital buffer	637,910	2.0%	2.0%	548,443	2.0%	2.0%
<b>Combined buffer requirements</b>	<b>1,435,298</b>	<b>4.5%</b>	<b>4.5%</b>	<b>1,233,996</b>	<b>4.5%</b>	<b>4.5%</b>
<b>Capital requirements</b>	<b>4,599,834</b>	<b>14.4%</b>	<b>10.1%</b>	<b>3,930,817</b>	<b>14.3%</b>	<b>10.0%</b>
Capital base	6,579,663	-	-	6,183,220	-	-
Capital surplus	1,979,829	-	-	2,252,402	-	-

## CAPITAL REQUIREMENT AND RISK-WEIGHTED EXPOSURE AMOUNT

	31/12/2024			31/12/2023		
	Capital requirement	Risk-weighted exposure amount	Average risk weighting	Capital requirement	Risk-weighted exposure amount	Average risk weighting
<b>Credit risk according to IRB</b>						
Corporate exposures	898,802	11,235,020	74.7%	784,035	9,800,443	73.1%
Retail exposures	448,594	5,607,426	17.9%	414,895	5,186,183	17.5%
Non credit-obligation assets exposure	582,290	7,278,625	100.0%	459,006	5,737,581	100.0%
<b>Total according to IRB</b>	<b>1,929,686</b>	<b>24,121,070</b>	<b>45.0%</b>	<b>1,657,936</b>	<b>20,724,206</b>	<b>42.5%</b>
<b>Credit risk STD</b>						
Exposures to central governments or central banks	-	-	0.0%	-	-	0.0%
Exposures to provincial or regional government bodies or local authorities	-	-	0.0%	-	-	0.0%
Exposures to public sector	258	3,231	20.0%	229	2,864	20.0%
Exposures to institutions	44,869	560,867	20.0%	31,452	393,147	20.0%
Corporate exposures	76,333	954,160	83.9%	69,347	866,838	92.9%
Retail exposures	45,279	565,992	67.2%	28,531	356,637	63.6%
Exposures in default	821	10,265	144.4%	1,282	16,022	149.5%
Covered bonds	11,640	145,501	10.0%	10,843	135,532	10.0%
Equity exposures	2,250	28,128	100.0%	1,729	21,618	100.0%
Other items	2,240	28,003	100.0%	2,127	26,593	100.0%
<b>Total STD</b>	<b>183,692</b>	<b>2,296,146</b>	<b>25.4%</b>	<b>145,540</b>	<b>1,819,250</b>	<b>26.3%</b>
<b>Total</b>	<b>2,113,377</b>	<b>26,417,217</b>	<b>42.2%</b>	<b>1,803,476</b>	<b>22,543,456</b>	<b>40.5%</b>
Operational risk according to the basic indicator approach	244,711	3,058,888	-	215,203	2,690,038	-
Credit value adjustment (CVA)	5,102	63,777	-	3,972	49,645	-
Additional risk exposure amounts according to Article 3 CRR	188,451	2,355,640	-	171,120	2,138,997	-
<b>Total minimum capital requirement and risk-weighted exposure amount</b>	<b>2,551,642</b>	<b>31,895,521</b>	<b>-</b>	<b>2,193,771</b>	<b>27,422,136</b>	<b>-</b>

**NOTE 8. Carrying amount of financial instruments by category and disclosures about fair value****Methods for determining fair value**

Derivatives are reported under other assets or other liabilities. Because the derivative instruments have no quoted price on an active market (Level 1), the Bank uses a discounted cash flow analysis to determine the fair value of the instruments in accordance with IFRS 13. When discounting, only observable market data is used (Level 2).

Under IFRS 13 Fair value measurement, treasury bills eligible as collateral, other eligible securities, bonds and other interest-bearing securities are measured at fair value with prices quoted on an active market (Level 1) and also at market value using observable market data (Level 2). Shares and participations in other companies have been marked to market using observable market data (Level 2).

Lending to the public has been calculated by discounting the contractual cash flows using a discount rate based on a current lending spread (Level 3) to determine fair value according to IFRS 13.

Issued securities have been calculated based on current borrowing spreads (Level 2) to determine fair value according to IFRS 13. Liabilities to credit institutions have been calculated on the basis of estimated borrowing spreads (Level 3). Deposits and borrowings from the general public are calculated by estimating borrowing spreads (Level 3); the carrying amount is considered to be a good approximation of fair value due to the short remaining term.

Other categories belong to Level 3. The carrying amounts of these assets and liabilities provide a good approximation of fair value due to their short remaining maturity.

Fair values are categorised into levels in a fair value hierarchy based on the use of input data in the following measurement techniques:

Level 1 – according to quoted price on an active market for identical instruments.

Level 2 – from directly or indirectly observable market data not included in Level 1. This category includes instruments whose value is based on quoted prices on active markets for similar instruments; quoted prices for identical or similar instruments traded on non-active markets, or other valuation techniques where all material input data is directly and indirectly observable on the market.

Level 3 – from input data not observable on the market. This category includes all instruments where the valuation technique comprises inputs that are not based on observable data and where such data has a material impact on valuation.

**Financial instruments that are offset in the balance sheet or covered by netting agreements**

Ziklo Bank concludes derivative contracts under the International Swaps and Derivatives Association (ISDA) master agreement. No amounts have been offset. In the case of derivative agreements concluded, Ziklo Bank receives and provides collateral in the form of bank balances in accordance with the standard conditions of the ISDA Credit Support Annex. Assets for derivative agreements amount to SEK 63.1 million and liabilities to SEK 68.0 million.

Securities in the amount of SEK 35.8 million were received and assets of SEK 39.9 million were pledged as of 31 December 2024.



Assets, Jan–Dec 2024	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Treasury bills eligible as collateral etc.	1,812,453	-	-	1,812,453	1,813,505
Lending to credit institutions	-	-	2,660,161	2,660,161	2,660,161
Loans and advances to the public	-	-	18,240,444	18,240,444	17,795,682
Bonds & other interest-bearing securities	1,455,123	834,740	-	2,289,862	2,289,717
Shares and participations in other companies*	-	10,271	-	10,271	10,271
Other assets*	-	63,060	1,999,368	2,062,428	2,062,428
Prepaid expenses and accrued income	-	-	88,173	88,173	88,173
<b>Total</b>	<b>3,267,576</b>	<b>908,071</b>	<b>22,988,146</b>	<b>27,163,793</b>	<b>26,719,937</b>

Liabilities, Jan–Dec 2024	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Liabilities to credit institutions	-	-	3,479,670	3,479,670	3,402,381
Deposits and borrowing from the public	-	-	24,779,024	24,779,024	24,779,095
Securities issued	-	18,574,909	-	18,574,909	18,441,029
Other liabilities*	-	67,989	1,432,569	1,500,558	1,500,558
Accrued expenses and deferred income	-	-	1,749,162	1,749,162	1,749,162
<b>Total</b>	<b>-</b>	<b>18,642,897</b>	<b>31,440,425</b>	<b>50,083,323</b>	<b>49,872,224</b>

Assets, Jan–Dec 2023	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Treasury bills eligible as collateral etc.	1,830,016	-	-	1,830,016	1,830,992
Lending to credit institutions	-	-	1,854,022	1,854,022	1,854,022
Loans and advances to the public	-	-	16,763,511	16,763,511	16,375,052
Bonds & other interest-bearing securities	1,355,933	855,309	-	2,211,241	2,210,625
Shares and participations in other companies*	-	6,618	-	6,618	6,618
Other assets*	-	35,582	1,184,630	1,220,211	1,220,211
Prepaid expenses and accrued income	-	-	95,373	95,373	95,373
<b>Total</b>	<b>3,185,948</b>	<b>897,508</b>	<b>19,897,536</b>	<b>23,980,993</b>	<b>23,592,894</b>

Liabilities, Jan–Dec 2023	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Liabilities to credit institutions	-	-	1,315,613	1,315,613	1,295,238
Deposits and borrowing from the public	-	-	24,369,009	24,369,009	24,368,947
Securities issued	-	13,544,047	-	13,544,047	13,475,047
Other liabilities*	-	56,299	1,380,826	1,437,125	1,437,125
Accrued expenses and deferred income	-	-	1,589,314	1,589,314	1,589,314
<b>Total</b>	<b>-</b>	<b>13,600,346</b>	<b>28,654,761</b>	<b>42,255,108</b>	<b>42,165,670</b>

\*The financial instruments measured at fair value in the balance sheet by the bank are derivative instruments, and shares and participations in other companies.

## Fair value assets and liabilities per category

Assets 31/12/2024	Financial assets stated at amortised cost	Derivatives in hedge accounting	Other assets	Fair value via the income statement (mandatory)	Total	Fair value
Treasury bills eligible as collateral etc.	1,813,505	-	-	-	1,813,505	1,812,453
Lending to credit institutions	2,660,161	-	-	-	2,660,161	2,660,161
Loans and advances to the public	17,795,682	-	-	-	17,795,682	18,240,444
Bonds & other interest-bearing securities	2,289,717	-	-	-	2,289,717	2,289,862
Shares and participations in other companies	-	-	-	10,271	10,271	10,271
Shares and participations in associated companies	-	-	11,115	-	11,115	-
Shares and participations in Group companies	-	-	6,742	-	6,742	-
Intangible non-current assets	-	-	41,451	-	41,451	-
Tangible assets: inventory	-	-	2,450	-	2,450	-
Tangible assets: lease items	-	-	31,244,548	-	31,244,548	-
Tangible current assets	-	-	33,639	-	33,639	-
Other assets	993,342	52,184	1,006,026	10,876	2,062,428	2,062,428
Prepaid expenses and accrued income	88,173	-	-	-	88,173	88,173
<b>Total assets</b>	<b>25,640,580</b>	<b>52,184</b>	<b>32,345,970</b>	<b>21,147</b>	<b>58,059,881</b>	

Liabilities 31/12/2024	Non-financial liabilities	Derivatives in hedge accounting	Other financial liabilities	Fair value via the income statement (mandatory)	Total	Fair value
Liabilities to credit institutions	-	-	3,402,381	-	3,402,381	3,479,670
Deposits and borrowing from the public	-	-	24,779,095	-	24,779,095	24,779,024
Securities issued	-	-	18,441,029	-	18,441,029	18,574,909
Other liabilities	630,109	8,812	802,460	59,176	1,500,558	1,500,558
Accrued expenses and deferred income	1,628,702	-	120,460	-	1,749,162	1,749,162
<b>Total liabilities</b>	<b>2,258,810</b>	<b>8,812</b>	<b>47,545,425</b>	<b>59,176</b>	<b>49,872,224</b>	

Assets 31/12/2023	Financial assets stated at amortised cost	Derivatives in hedge accounting	Other assets	Fair value via the income statement (mandatory)	Total	Fair value
Treasury bills eligible as collateral etc.	1,830,992	-	-	-	1,830,992	1,830,016
Lending to credit institutions	1,854,022	-	-	-	1,854,022	1,854,022
Loans and advances to the public	16,375,052	-	-	-	16,375,052	16,763,511
Bonds & other interest-bearing securities	2,210,625	-	-	-	2,210,625	2,211,241
Shares and participations in other companies	-	-	-	6,618	6,618	6,618
Shares and participations in associated companies	-	-	8,258	-	8,258	-
Shares and participations in Group companies	-	-	6,742	-	6,742	-
Intangible non-current assets	-	-	64,018	-	64,018	-
Tangible assets: inventory	-	-	2,181	-	2,181	-
Tangible assets: lease items	-	-	26,086,832	-	26,086,832	-
Tangible current assets	-	-	30,853	-	30,853	-
Other assets	889,400	35,582	279,103	16,127	1,220,211	1,220,211
Prepaid expenses and accrued income	95,373	-	-	-	95,373	95,373
<b>Total assets</b>	<b>23,255,464</b>	<b>35,582</b>	<b>26,477,988</b>	<b>22,745</b>	<b>49,791,778</b>	

Liabilities 31/12/2023	Non-financial liabilities	Derivatives in hedge accounting	Other financial liabilities	Fair value via the income statement (mandatory)	Total	Fair value
Liabilities to credit institutions	-	-	1,295,238	-	1,295,238	1,315,613
Deposits and borrowing from the public	-	-	24,368,947	-	24,368,947	24,369,009
Securities issued	-	-	13,475,047	-	13,475,047	13,544,047
Other liabilities	473,995	27,650	906,830	28,650	1,437,125	1,437,125
Accrued expenses and deferred income	1,488,826	-	100,488	-	1,589,314	1,589,314
<b>Total liabilities</b>	<b>1,962,821</b>	<b>27,650</b>	<b>40,146,550</b>	<b>28,650</b>	<b>42,165,670</b>	



**NOTE 9. Related parties**

The bank is owned 50% by Volvo Personvagnar AB and 50% by Swedish Volvo dealers, through their trust company AB Volverkinvest. Both companies are classified as other related companies.

The bank has participations in four companies classified as associates: Volvohandelns PV Försäljnings AB, Volvohandelns PV Försäljnings KB, VCC Tjänstebilar KB and VCC Försäljnings KB. The Group also includes wholly-owned and dormant subsidiaries: Volvofinans Leasing AB, Autofinans Nordic AB, CarPay Sverige AB and Volvofinans IT AB.

In December, 8,745 Care by Volvo vehicles were acquired from Volvo Personvagnar AB valued at SEK 2.7 billion. The transaction was conducted on market terms.

Balance sheet	Group companies		Associates		Other related companies	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Assets	6,742	6,742	51,577	8,258	1,870,108	1,005,548
Liabilities	6,789	6,789	71,545	102,255	419,023	362,598
<b>Income statement</b>						
Interest income	-	-	5,153	5,056	204	191
Lease income	-	-	-	-	359,754	335,792
Interest expenses	-	-	-1,482	-1,147	-11,667	-7,497
Commission income	-	-	3,109	3,095	13,762	12,644
Other operating income	-	-	5,975	3,118	-	-
<b>Total</b>	-	-	<b>12,756</b>	<b>10,122</b>	<b>362,054</b>	<b>341,131</b>

**NOTE 10. Events after the end of the period**

No significant events have occurred since the end of the period.



# Sweden's mobility bank

For more than 60 years we have financed vehicles in Sweden under the name Volvofinans, making it easier for millions of people to travel freely. We have now assumed the name Ziklo, and we aim to accelerate the transition toward tomorrow's mobility and help more people and companies make smarter choices. Because mobility must be easy, flexible and sustainable.