

Green Bond Investor Report 2024

Skandiabanken



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Skandiabanken

Established in 1994, Skandiabanken Aktiebolag (publ) is a wholly-owned subsidiary of Skandia Mutual Life Insurance Company, the parent company of Skandia group. Skandiabanken is a digital retail bank that provides financial services to private individuals in Sweden.

Our strategy is to offer simple, sustainable and transparent products and services that benefit our customers and contribute to society.

More information on our business and sustainability strategy can be found in Skandiabanken's Annual Report 2024. ●

Statement from the CEO

We are delighted to present our inaugural Green Bond Investor Report. This report aims to provide insights into the financial allocation of assets and the estimated environmental impacts achieved through Skandiabanken's newly established green bond program. In January 2024, we successfully issued our inaugural green bonds under Skandiabanken's Green Bond Framework. The successful issuance, totaling SEK 1 billion, showed us that our sustainability efforts are appreciated by investors.

Skandiabanken's lending portfolio is almost entirely composed of residential mortgages. By financing energy-efficient homes and incentivizing energy efficiency improvements, we can make a relevant contribution to climate change mitigation. Consequently, our Green Bond Framework, published in November 2023, supports the financing and refinancing of green and energy-efficient residential buildings. Skandiabanken's Green Bond Framework, Sustainalytics' second-party opinion, as well as other relevant information on our green financing is available on our web page for debt investors.

We are pleased to report that Skandiabanken's eligible green loans increased by more than 50 per cent in 2024, surpassing our expectations and giving us the opportunity to expand our green bond program in the future. We also want to take the opportunity to highlight the launch of our green residential mortgage loans at the end of 2023, which have been very well received by our customers. Green mortgages stand for a higher net growth than any other part of our portfolio. This reinforces our belief that an increased focus on sustainability is the right path forward.

In the coming year, we plan to continue our growth journey with a focus on sustainability. A key priority will be to establish our climate strategy. We became PCAF (Partnership for Carbon Accounting Financials) signatories in 2023 and released our first climate report in 2024. In 2025, we aim to set climate targets for our mortgage portfolio as well as a broader strategy for how to best address climate change in our business. Our Green Bond Framework will be one important pillar of this strategy. We look forward to being an active part of the green bond market in 2025 and beyond. ●



Stockholm, May 2025

*Arvid Krönmark
CEO, Skandiabanken*

Executive Summary

This Green Bond Investor Report provides an overview of the eligible loans under Skandiabanken's Green Bond Framework from November 2023 as well as the environmental impact achieved through our total eligible loans and the use of proceeds from Skandiabanken's outstanding green bonds.

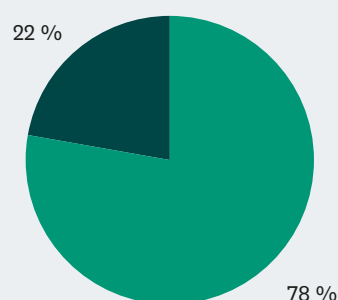
The Green Bond Framework allows for the financing or refinancing of green and energy-efficient residential buildings. In February 2024, Skandia-banken issued a 3-year senior preferred and a 5-year senior non-preferred green bond, together amounting to SEK 1 billion.

Total eligible loans

SEK **9.6** bn

as of 2024-11-30

Eligible loans by project category (volume)



Green bonds outstanding

SEK **1.0** bn

as of 2024-11-30

Existing residential buildings	78 %
New residential buildings	22 %
Major renovation of residential buildings	0 %

Total impact of outstanding green bonds

407 MWh

Annual energy savings

93 t CO₂e

Annual GHG emissions avoided

Impact per SEK 1m invested

0.41 MWh/MSEK

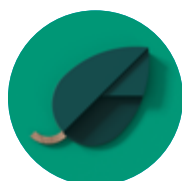
Annual energy savings

0.09 t CO₂e/MSEK

Annual GHG emissions avoided

Skandiabanken's 2024 Results

Allocation Reporting



Outstanding Green Bonds

The outstanding volume of green bonds as of 2024-11-30 is SEK 1.0 billion, as presented in the table below.

Issue date	Nominal Amount	Currency	Format	Maturity Date	Coupon	ISIN	Framework
2024-02-01	500 million	SEK	Senior Preferred FRN	2027-02-01	3M Stibor +67 bps	SE002035 6632	Skandia-banken Green Bond Framework 2023
2024-02-01	500 million	SEK	Senior Non-Preferred FRN	2029-02-01	3M Stibor +140 bps	SE002035 6640	



Eligible Loans under the Green Bond Framework

The Green Bond Framework from November 2023 allows financing and refinancing of green and energy-efficient residential buildings. Skandia-banken's Green Bond Committee evaluates and selects loans that meet the green project criteria in one of the three eligible sub-categories: New residential buildings, Existing residential buildings, and Major renovation of residential buildings.

Skandiabanken's eligible loans grew by more than 50 per cent in 2024, to SEK 9,578 million. 100 per cent of the eligible loans are currently household mortgage loans.

Eligible Project Category	Eligible Sub-Category	# Eligible Loans	Eligible loan volume (MSEK)
Green and energy-efficient buildings	New residential buildings, built after 2020	946	2,131
	Existing residential buildings, built prior to 2021	3,104	7,447
	Major renovation of residential buildings ¹	0	0
Total (as of 2024-11-30)		4,050	9,578

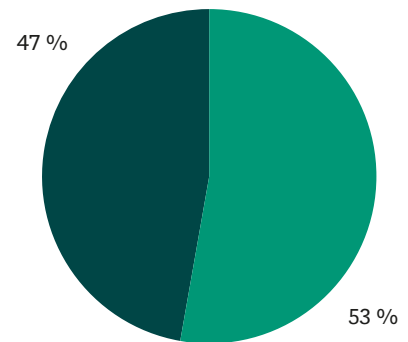
¹ No loans have been included in the sub-category "Major renovation of residential buildings" as of 2024.



Split between financing and refinancing

Net proceeds raised based on Skandiabanken's Green Bond Framework can be applied toward new or existing loans. 47 per cent of eligible loans are new financing (SEK 4,542 million) and 53 per cent of eligible loans (SEK 5,035 million) are refinancing. New loans are defined as loans that were approved by the Skandiabanken's Green Bond Committee up to one year before the reporting year. If the eligible loan was approved more than one year prior to reporting, the loan is defined as refinancing. ●

Split of eligible loans



Refinancing	53 %
Financing	47 %



Impact Reporting

Annual energy savings and avoided emissions

Net proceeds from Skandiabanken's outstanding green bonds financed annual energy savings of 407 MWh. The annual energy savings were calculated compared to the Swedish national building standard valid during 2024 (BBR29).

Financed emissions from eligible loans amounted to 493 tons CO₂e. For the total green bonds

issued, annual GHG emissions avoided amounted to 93 tons CO₂e, or 0.09 ton CO₂e per million SEK green bonds issued.

The table below provides an overview of the impact indicators chosen for this report. More detailed information about our impact calculations can be found in the section "Reporting Methodology".

Financed living area Eligible loans, sqm	Financed annual energy savings Eligible loans, MWh	Financed annual energy savings Outstanding green bonds, MWh	Annual energy savings per million SEK Green Bonds issued, MWh/MSEK
223,195	3,895	407	0.41
Financed GHG emissions Eligible loans, t CO ₂ e	Annual GHG emissions avoided Eligible loans, t CO ₂ e	Annual GHG emissions avoided Outstanding green bonds, t CO ₂ e	GHG emissions avoided per million SEK Green Bonds issued, t CO ₂ e/MSEK
493	887	93	0.09

Alternative calculation of avoided emissions

This report presents an alternative impact calculation for avoided emissions, based on the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting (March 2024). Skandia-banken is aware that different baseline calculations

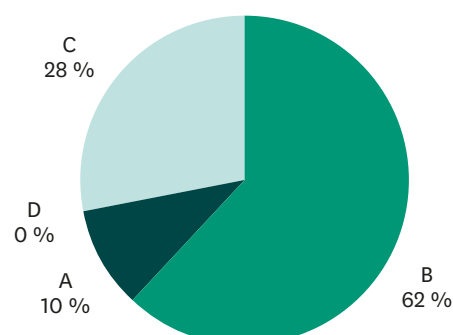
are currently used in the market and intends to cater to investors who might be using the Nordic Position Paper as main guidance document. Please find all used assumptions in the section "Reporting Methodology" below.

Financed GHG emissions Eligible loans, t CO ₂ e	Annual GHG emissions avoided Eligible loans, t CO ₂ e	Annual GHG emissions avoided Outstanding green bonds, t CO ₂ e	GHG emissions avoided per million SEK Green Bonds issued, t CO ₂ e/MSEK
493	4,692	490	0.49

Distribution of EPC labels

An overwhelming majority (62 per cent) of the eligible loans has energy performance certificate (EPC) class B. EPC class A stands for 10 per cent and EPC class C for 28 per cent of eligible loan volume respectively. EPC class D constitutes 0.10 per cent of total eligible assets. Loans with EPC class D can qualify as eligible loans via the selection criteria for existing residential buildings, with a PED in the top 15 per cent of the national building stock. ●

Distribution of EBC labels
(eligible loans, volume)



Reporting Methodology

Skandiabanken reports the estimated annual environmental impact of its eligible loan portfolio as well as its outstanding green bonds on an aggregated level. The 2024 report is based on the bank's residential mortgage portfolio as of 30 November 2024. Skandiabanken uses guidance provided by the ICMA's Harmonised Framework for Impact Reporting Handbook (2023) as well as the Nordic Public Sector Issuers Position Paper on Green Bonds Impact Reporting (2024).

Calculation of annual energy savings

The Swedish national building standard (BBR 29) is used as baseline for the calculation of annual energy savings from green buildings². Energy savings are disclosed as a net value of annual energy usage per square meter, compared to the baseline reference (max PED).

Skandiabanken uses the LTV (loan-to-value) ratio to attribute the amount of the building's total energy savings that is financed by the eligible loan.

$$\text{Annual energy savings} \left(\frac{\text{kWh}}{\text{m}^2 \text{ and year}} \right) = \text{PED (eligible loan)} - \text{max PED (BBR29)}$$

Calculation of annual avoided emissions

Financed greenhouse gas emissions are calculated according to the methodology developed by the Partnership for Carbon Accounting Financials (PCAF). For tenant-owners' rights (bostadsrätter), Skandiabanken uses the method outlined by the Swedish Bankers' Association (Finance Sweden) and PCAF. The full calculation methodology and supporting data is presented in Skandiabanken's Climate Report 2023, available on skandia.se. To derive annual avoided GHG emissions, two different baseline scenarios were constructed. Avoided emissions are disclosed as net value of financed emissions in tons CO₂e, compared to the financed emissions in a baseline scenario.



² In its building regulations BBR29, applicable in 2024, the Swedish National Board of Housing, Building and Planning, Boverket, set the threshold for primary energy demand (PED) at 75 kWh/sqm for multi-family dwellings and at 90 kWh/sqm for single-family dwellings with a size of >130 sqm heated area. The average size of a single-family home in Skandiabanken's mortgage portfolio is 145 square meters heated area (average of all loans where data on size is available). This is why the 90 kWh/sqm reference value was chosen.

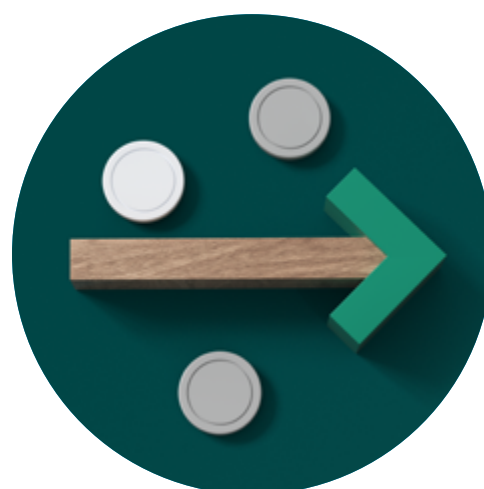
Baseline scenario 1 utilizes a baseline emission factor from a national Swedish reference scenario, obtained via PCAF's database. The table below details the assumptions used to calculate baseline building emissions for a single-family home as well as a tenant owner's right.

Baseline scenario 2 (alternative calculation): This report presents an alternative impact calculation based on the recommendations of the Nordic Public Sector Issuers Position Paper. For this alternative calculation, an emission factor of 191 g CO₂e/kWh is combined with the maximum primary energy demand as defined in the Swedish national building standard (BBR29). All other factors were the same as in scenario 1.

<i>Baseline scenario 1</i>	Single-family home	Tenant-owner's right (bostadsrätt)	Comment
Emission factor (g CO₂e/kWh)	44.62	44.62	Emission factors derived from PCAF database and CRREM scenario for Swedish households (single-family and multi-family homes)
Primary energy demand (kWh/sqm & year)	90	75	Max. PED as defined in BBR29 (see footnote 2)
Heating emissions (g CO₂e/sqm)	4,238.9	3,346.5	Heating emissions = emissions factor x PED
Emissions from electricity usage (g CO₂e/sqm)	628	816.4	<i>Fixed electricity factor derived from the Swedish Energy Agency and the International Energy Agency</i>
Total building emissions (g CO₂e/sqm)	4,866.9	4,162.9	<i>Total building emissions = Heating emissions + Emissions from electricity usage</i>

Link to the EU Taxonomy

The criteria in Skandiabanken's Green Bond Framework are broadly aligned with the EU Taxonomy's technical screening criteria for substantial contribution³. On a best effort basis, 100 per cent of the eligible green loans are assessed to be aligned to the substantial contribution part of the EU Taxonomy. Do No Significant Harm (DNSH) criteria and minimum safeguards have not been considered. ●



³ Refers to Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852.

Skandiabanken's Green Bond Framework

Skandiabanken's Green Bond Framework has been developed in accordance with the ICMA Green Bond Principles (2021). A summary of our

Framework is provided below. For more information, please find the complete framework on our [webpage](#).

Use of Proceeds

Net proceeds of green bonds finance or refinance loans provided by Skandiabanken that promote environmental benefits in accordance with the green project criteria defined in the Framework. Net proceeds can be applied towards new or existing loans.

The green bond net proceeds are only allocated to the financing of retail customers, for single-family homes and tenant-owners' rights (Swedish: bostadsrätter). Skandiabanken only finances buildings located in Sweden. Proceeds from Skandiabanken's green bonds will not be used to finance fossil-based energy generation.

Green project criteria

Green projects are projects that meet one of the following criteria:

- New residential buildings: Built after 2020, with a primary energy demand (PED) at least 10% lower than the national threshold
- Existing residential buildings: Built prior to 2021, with a valid EPC class A or where the building's PED is within the top 15 per cent of national or regional building stock
- Major renovations of residential buildings: Renovations that lead to a reduction in PED of at least 30 per cent or that comply with applicable requirements for major renovations

Process for Project Evaluation and Selection

Skandiabanken has established a Green Bond Committee (GBC) to evaluate and select loans that are aligned with the green project criteria and fulfill all regulations linked to the credit and Know-Your-Customer process as well as internal guidelines. The GBC meets at least on an annual basis or when needed.

Management of Proceeds

An amount equal to the net proceeds of the issue of the green bonds are separately identified within the Skandiabanken's Treasury function and applied in the financing of Eligible loans. The amount identified for such financing, together with an amount corresponding to identified eligible loans, is earmarked within the internal systems of Skandiabanken.

Reporting

Skandiabanken reports on the allocation of net proceeds from green bonds as well as, on a best-effort basis, the expected or actual outputs and environmental impacts of the Eligible loans in a Green Bond Investor Report. The reporting takes guidance from the most recent version of the ICMA's Harmonised Framework for Impact Reporting Handbook. The Green Bond Investor Report will be published on an annual basis.

External Review

Sustainalytics has provided the second party opinion for this Green Bond Framework. Skandiabanken will appoint an external and independent auditor or third party with relevant experience to annually assure that the selection process of Eligible loans and the allocation of the net proceeds of the green bonds are conducted in accordance with Skandiabanken's Green Bond Framework. ●

Auditor's Agreed-Upon Procedures Report

Agreed-Upon Procedures Report on allocation of net proceeds from Green Bonds to Green Projects

To Skandiabanken AB (publ), corp. id 516401-9738

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Skandiabanken AB in presenting to investors that the selection process for eligible loans and the allocation of funds from the green bonds are conducted in accordance with Skandiabanken's Green Bond Framework (November 2023) and may not be suitable for any other purpose. Our procedures related to this document is limited to what is specified in this report.

Responsibilities of the Engaging Party

Skandiabanken AB (the responsible party) has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. Skandiabanken AB is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with Skandiabanken AB, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements as stated in International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBAs Code of Ethics) and independence requirements in section 4A of IESBAs Code of Ethics.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Skandiabanken AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with Skandiabanken AB in the terms of engagement dated 7 March 2025. The procedures performed are described below:

#	Procedures	Findings
1.	Inspect that Skandiabanken's internal classification of Green Projects ("Eligible loans") for the period 2024-01-01 – 2024-11-30 adheres to the defined categories and criteria in Skandiabanken's Green Bond Framework.	<p>We found that Skandiabanken's list of Green Projects include Eligible loans for the period 2024-01-01 to 2024-11-21 for tenant-owner rights and up to 2024-11-22 for single family homes, and that the loan volume for these Eligible loans is as of 2024-11-30.</p> <p>We found, based on Skandiabanken's internal classification of Eligible loans in the list of Green Projects, that the loans are categorized according to the categories and criteria defined in the Skandiabanken's Green Bond Framework.</p>
2.	Inspect 15 samples of Skandiabanken's internally classified Green Projects for the period 2024-01-01 – 2024-11-30 to ensure that the Eligible loans are accurately classified according to the defined categories and criteria in Skandiabanken's Green Bond Framework.	<p>See finding for procedure 1 related to the period.</p> <p>We found that the Primary Energy Demand and/or the Energy Performance Certificate for the 15 selected samples of Eligible loans are accurately categorized according to the defined categories and criteria in Skandiabanken's Green Bond Framework.</p>
3.	Inspect that Green Projects for the period 2024-01-01 – 2024-11-30 have been approved by Skandiabanken's Green Bond Committee.	<p>See finding for procedure 1 related to the period.</p> <p>We found that the Green Projects have been approved by Skandiabanken's Green Bond Committee.</p>
4.	Inspect that the sum corresponding to the net proceeds from issued Green Bonds for the period 2024-01-01 – 2024-11-30 has been earmarked in the bank's internal system and that amounts not allocated to Green Projects have been managed according to Skandiabanken's Green Bond Framework.	<p>We found that the net proceeds from the Green Bonds</p> <ul style="list-style-type: none"> • ISIN: SE0020356632; and • ISIN: SE0020356640 <p>have been earmarked in the bank's internal system, and that the net proceeds from these bonds have been allocated.</p>

Stockholm, date according to electronic signature
KPMG AB

Anders Tagde
Authorized Public Accountant

Christopher Larsson
Expert Member of FAR

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