

Interim report 1 January – 31 March

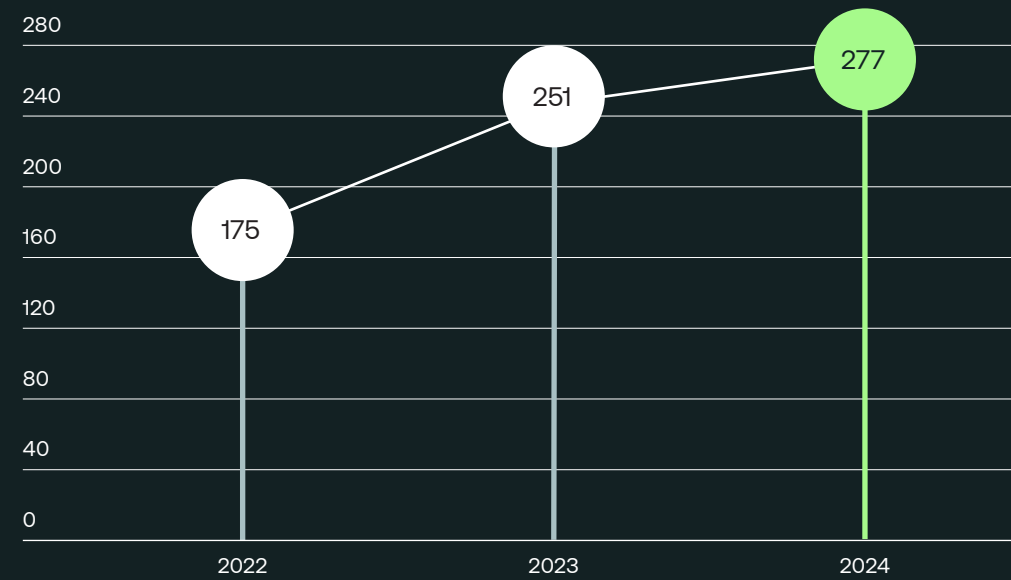
2024

Ziklo The
Mobility
Bank

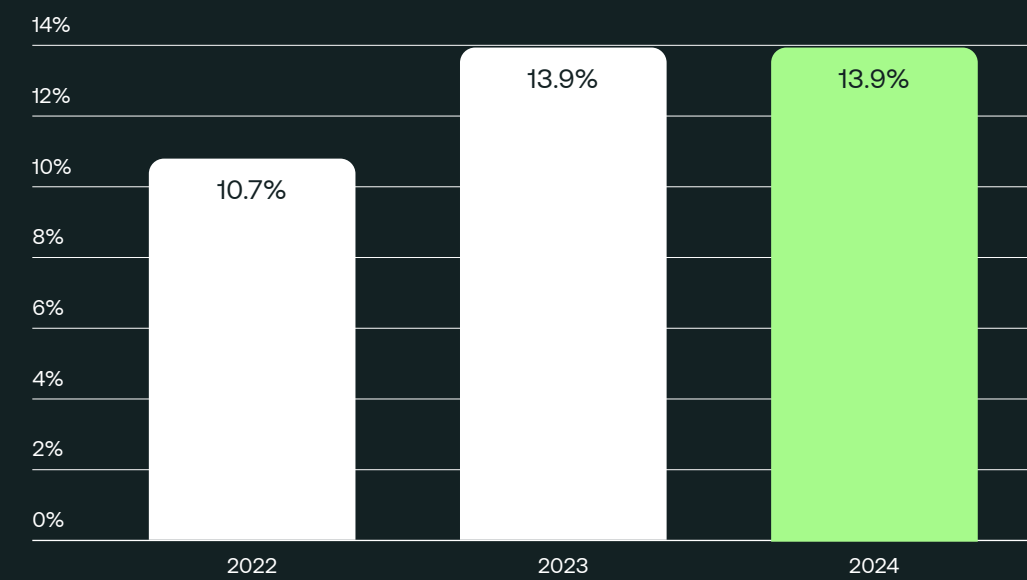
Summary

Jan-Mar

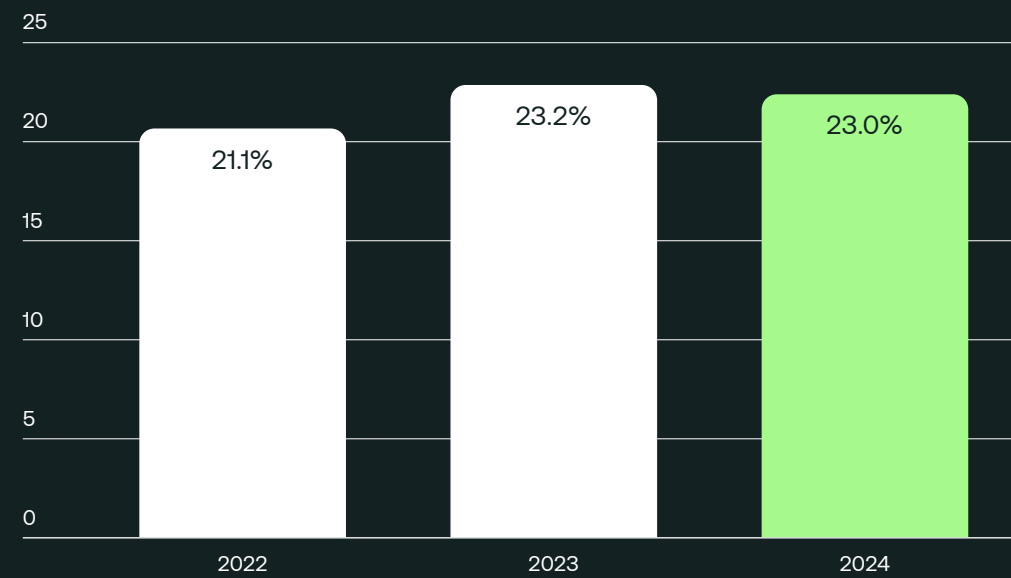
Operating profit, SEK million



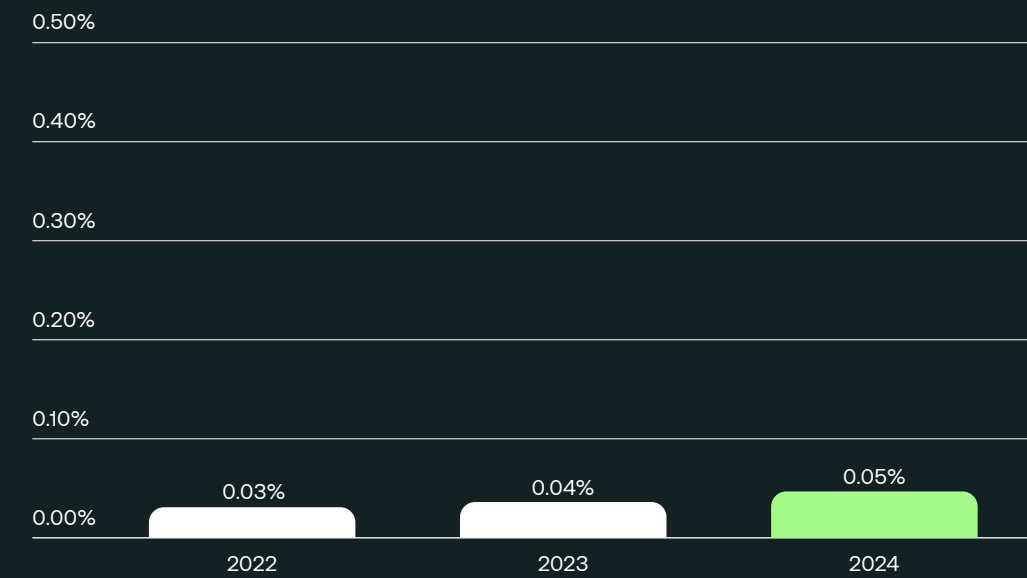
Return on equity



Common Equity Tier 1 capital ratio



Credit losses/lending



Introduction and financial statements

Jan–Mar 2024 in summary

Operating profit

SEK 277 million (251)

Return on equity

13.9% (13.9)

Lending as of 31 March

SEK 42.8 billion (40.2)

Credit losses / lending

0.05% (0.04)

Common Equity Tier 1 capital ratio

23.0% (23.2)

Cost/Income ratio

0.40 (0.45)

Statement by the CEO

This is the first interim report under our new name of Ziklo Bank, and I'm pleased to note developments and profits that are in line with our record year, 2023. Profit for the first quarter totalled SEK 277 million (251), the rate of return increased to almost 14%, lending grew to nearly SEK 43 billion and the cost/income ratio came in at a low 0.40 (0.45).

The first quarter was characterised by ongoing geopolitical tensions and a challenging market environment, even though we note a glimmer of light and positive signals from a stronger market sentiment. As expected, we noted lower volumes in the new car market with a total of 59,822 new passenger cars registered, which is 18% lower than the average for the past five years, with companies accounting for a clear majority of 70% of registrations. Registrations in the light truck segment totalled 10,415, an increase of 16% over the previous year, and there were 1,228 registrations on the heavy truck side, where the decrease in the segment is in line with new passenger cars, but it was gratifying to see how the share of battery-powered trucks rose to almost 6%, helped partly by the government's improved incentives for battery and gas-powered trucks. We saw continued high demand in the important used car business, and together with our vehicle fleet solutions for companies, used and new-car financing through our dealers, our growing business on the heavy side and our payment solutions, we are well diversified in our vehicle industry. One especially pleasing piece of news during the quarter was the first customer contracts in our financing initiative for caravans and camper vans, where the trend for holiday making in our beautiful Sweden continues to be strong.

Ziklo – A mobility bank for modern times

On 12 March, we took a step into the future with the launch of our new bank and our new brand, Ziklo. This will enable us to expand financing regardless of the marque, vehicle type or customer segment, and will also include used vehicles, new vehicles and vehicle fleet solutions. In this new era, we will also consolidate our existing collaboration with Volvo, as we will retain Volvofinans as a brand (registered as a specific company name) for everything we do concerning Volvo Cars, AB Volvo and our Volvo dealers. CarPay remains as our concept and brand for our debit card, payment services and loyalty programme. All of our business segments are performing according to plan or above expectations, and we see our continued profitable growth in a challenging economic climate as a demonstration of our strength.

We're developing the bank for tomorrow's mobility

We aim to be the leading bank for the mobility of the future, and under our new name of Ziklo, we seek to make road transport simple, flexible and sustainable. As Sweden's Mobility Bank, we intend to help more people and companies enjoy freedom of movement and the ability to make better mobility choices. The electrification of vehicles and vehicle fleets is one of the most important transitions of our time and our industry, and our skills and advice have a major part to play in that transition. Sustainability is one of our foundational pillars; we develop services and concepts that not only accelerate transition but which also offer, together with our partners, the best possible customer experience.

Our broader strategy is a natural development for meeting tomorrow's customer requirements, business opportunities and mobility solutions.

Greeting 2024 with confidence

I would like to take this opportunity as the new CEO to thank my predecessor Conny Bergström for his contribution during his 11 years at the bank. I'm looking forward with confidence and enthusiasm to continuing our development in an exciting, changing market.

With quarterly earnings in line with our expectations, we see a somewhat changed market environment moving forward. Rapidly falling inflation means declining interest rates, but while this is good for future growth and purchasing power, it means lower net interest income for the bank. However, electrification means higher vehicle prices, which leads to greater financing volumes, and what the outcome will be in the balance between market volume, financing portfolios and net interest income remains to be seen. In conclusion, I would like to thank our passionately committed employees and say that we, along with our customers and partners, are well-equipped to meet the future together!

We're Sweden's Mobility Bank – come join us on our journey!

“Under our new name of Ziklo, we seek to make road transport simple, flexible and sustainable”



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 03 May 2024

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 in 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 a record high of SEK 42.8 billion compared to 40.2 billion in the previous year. Trucks accounted for SEK 6.1 billion (5.2) of lending, equivalent to 14% (13) of the total. Fleet's share of lending totalled SEK 12.1 billion (9.6) corresponding to 28% (24) and the card business's share was 5% (5) or SEK 1.9 billion (1.9). The remainder – SEK 22.7 billion (23.5) – is attributable to passenger car financing in business area Cars, which corresponds to 53% (59) 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 277.0 million (250.9), which is SEK 26.1 million or 10% higher year-over-year. Prices for second-hand cars continue to be high, which is reflected in the bank's gains from the disposal of vehicles returned from operating leases. The surplus on sales of these cars is SEK 13.4 million higher than in the previous year. During the first quarter of 2024, only marginal changes were booked as accumulated impairments in respect of residual value positions for operating lease assets. By comparison, the bank made impairments in respect of residual value risk of SEK 58.4 million during the first quarter of 2023. The bank's costs exceeded the previous year's by SEK 39.5 million, due inter alia to increased IT investments for strategic initiatives and market investments in conjunction with the bank's switch to the new company name of Ziklo Bank on 12 March 2024.

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 more than 90 days overdue or defaulted on for other reasons. Ziklo Bank's defaulted credit card receivables totalled SEK 13.3 million (7.5) and for loans and leasing SEK 312.7 million (192.4), of which SEK 309.1 million (189.6) is covered by recourse. All loans and lease products in respect of vehicle financing are hedged by items. Loans subject to deferral totalled SEK 104.9 million (70.2).

Verified credit losses of SEK 4.0 million (3.8) 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. During the quarter, expected credit losses

increased by SEK 7.0 million (1.6) primarily due to more defaults as a result of the poor economic climate. Thus credit losses for the year totalled SEK 11.0 million (5.4). The provision for expected credit losses totals SEK 38.7 million (37.7).

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. The bank only booked a marginal change in accumulated impairments in respect of residual value positions for operating lease assets compared to the same period for the previous year when the bank made impairments in respect of an SEK 58.4 million residual value risk. As of 31 March 2024, the bank's residual value positions for operating lease assets totalled SEK 6.5 billion (5.9). The bank carried out accumulated impairments totalling SEK 300.3 million (252.9) on these positions. During the first quarter, the surplus from the sale of returned operating lease vehicles totalled SEK 101.7 million (88.2).

Funding and liquidity

Deposits in the bank's savings account decreased by SEK 376 million during the first quarter, reaching a total of SEK 22.9 billion (21.9) at the end of the quarter. Total deposits, including balances for the CarPay / Volvo Card and deposits from dealerships stood at SEK 24.1 billion (23.1) and accounted for 62% (60) of the bank's financing.

The bank's MTN programme allows the issue of bonds in the currencies SEK, NOK and EUR; green bonds may also be issued. In the program, bonds with a value of SEK 1.6 billion were issued during the first quarter. Own bonds were repurchased for the nominal amount of SEK 0.6 billion. Commercial papers relating to short-term borrowing were issued in the amount of SEK 275 million during the reporting period. Ziklo Bank's outstanding financing through its MTN market loan programmes and certificates totalled a nominal SEK 13.7 billion (13.7), of which green bonds accounted for SEK 5.0 billion as of 31 March 2024.

In addition to market borrowing and deposits, the bank also finances its activities through bank credits, which total SEK 1.3 billion (1.4). The proportion of financing from market loans programmes and the banking sector with remaining maturity of more than one year was 73% (71).

Borrowing with a remaining period 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 quarter was SEK 5.9 billion (6.9). The securities holding accounted for SEK 4.0 billion (68%) and non-fixed deposits at other banks totalled SEK 1.9 billion (32%). Ziklo Bank's liquidity reserve must always be at least 10% in relation to lending volume. As of 31/03/2024, total lending was SEK 42.8 billion, which means the liquidity reserve corresponded to 14% (17). In addition to the liquidity reserve, available and unutilised loan facilities totalled SEK 3.8 billion (3.8).

At the end of the first quarter, Ziklo Bank's liquidity coverage ratio (LCR) under article 415 of the EU Capital Requirements Regulation (CRR), totalled 259% (232), and the net stable funding ratio (NSFR) was 119% (120) 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. The Tier 1 ratio amounted to 23.0% (23.2) as of 31/03/2024 and the capital requirement was assessed internally to 14.3% (13.4) 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 was SEK 689 million (622). The counter cyclical buffer value of 2.0 (1.0) per cent of REA totalled SEK 551 million (249).

The leverage ratio was 13.0% (12.3) as of 31/03/2024.

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 capital base 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 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

4 June 2024	AGM
23 August 2024	Interim Report January-June 2024
5 November 2024	Interim Report January-September 2024

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, 3 May 2024

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

Amounts in SEK thousand

	31/03/2024	31/03/2023	31/12/2023
Return on equity, %	13.90	13.94	13.60
Deposits / Lending, %	56.3	57.5	57.4
Profit / Risk-weighted assets, %	4.0	4.0	3.7
Total capital ratio, %	22.96	23.18	22.55
Common Equity Tier 1 capital ratio, %	22.96	23.18	22.55
Cost/Income ratio	0.40	0.45	0.44
Cost/Income ratio excluding residual value provision	0.40	0.32	0.38
Credit losses / av. lending, %	0.05	0.04	0.03
Liquidity coverage ratio	259	232	252
NSFR (Net Stable Funding Ratio)	119	120	119
Leverage ratio	13.0	12.3	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 Q1	2023 Q4	2023 Q1	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Interest income	348,126	353,616	286,892	348,126	286,892	1,295,344
Lease income	1,848,219	1,865,396	1,730,382	1,848,219	1,730,382	7,261,825
Interest expenses	-425,537	-412,423	-264,015	-425,537	-264,015	-1,392,004
Net interest income	1,770,807	1,806,589	1,753,259	1,770,807	1,753,259	7,165,164
Dividends received	13	12	11	13	11	35
Commission income	107,246	102,907	103,155	107,246	103,155	421,042
Commission expenses	-50,119	-76,116	-33,140	-50,119	-33,140	-190,127
Net result from financial transactions	1,438	-17,542	-8,198	1,438	-8,198	-27,715
Other operating income, Note 4	122,144	108,989	106,946	122,144	106,946	435,555
Total operating income	1,951,529	1,924,840	1,922,032	1,951,529	1,922,032	7,803,954
General administrative expenses	-162,099	-190,240	-134,992	-162,099	-134,992	-607,740
Depreciation and impairments of tangible and intangible non-current assets, Note 5	-1,482,953	-1,507,312	-1,518,645	-1,482,953	-1,518,645	-6,085,497
Other operating expenses	-20,522	-27,418	-12,257	-20,522	-12,257	-77,783
Total operating expenses	-1,665,574	-1,724,970	-1,665,895	-1,665,574	-1,665,895	-6,771,020
Profit before credit losses	285,955	199,870	256,137	285,955	256,137	1,032,934
Credit losses, net, Note 6	-9,061	-5,610	-5,228	-9,061	-5,228	-12,621
Impairments/Reversals of financial fixed assets, net	120	308	-14	120	-14	-214
Operating profit	277,014	194,568	250,895	277,014	250,895	1,020,099
Appropriations	-	-101,742	-	-	-	-1,017,742
Tax	-57,065	167,703	-51,684	-57,065	-51,684	-2,357
Profit	219,949	-655,472	199,211	219,949	199,211	0

Balance sheet highlights

Amounts in SEK thousand

	31/03/2024	31/03/2023	31/12/2023
Treasury bills eligible as collateral etc.	1,747,862	1,520,085	1,830,992
Lending to credit institutions	1,869,495	2,949,135	1,854,022
Loans and advances to the public	16,513,999	16,108,462	16,375,052
Bonds and other interest-bearing securities	2,243,202	2,460,123	2,210,625
Shares and participations in other companies	7,531	5,907	6,618
Shares and participations in associated companies	5,140	5,140	8,258
Shares and participations in Group companies	6,742	6,742	6,742
Intangible non-current assets	57,843	18,428	64,018
Tangible assets: inventory	2,957	2,914	2,181
Tangible assets: lease items	26,331,844	24,067,623	26,086,832
Tangible current assets	23,778	1,081	30,853
Other assets*	1,169,279	813,933	1,220,211
Prepaid expenses and accrued income	122,595	184,455	95,373
Total assets, Note 8	50,102,268	48,144,029	49,791,778
Liabilities to credit institutions	1,271,429	1,366,667	1,295,238
Deposits and borrowing from the public	24,117,384	23,094,069	24,368,947
Securities issued	13,674,439	13,540,343	13,475,047
Other liabilities*	1,364,818	1,110,097	1,437,125
Accrued expenses and deferred income	1,828,141	1,671,675	1,589,314
Subordinated liabilities	-	400,000	-
Total liabilities, Note 8	42,256,211	41,182,851	42,165,670
Untaxed reserves	5,697,661	4,679,919	5,697,661
Equity	2,148,396	2,281,259	1,928,447
Total liabilities and equity	50,102,268	48,144,029	49,791,778
*Of which derivative instruments with positive and negative market values			
Derivative instruments with positive market value	40,372	33,096	51,708
Derivative instruments with negative market value	-55,578	-124,663	-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	-	-	-	199,211	199,211
Capitalisation of development expenditures	-	-	1,400	-1,400	-
Dissolution resulting from development expenditure depreciations and impairments for the year	-	-	-2,196	2,196	-
Total before transactions with shareholders	400,000	20,000	18,428	1,842,831	2,281,259
Dividend	-	-	-	-	-
Closing equity, 31 March 2023	400,000	20,000	18,428	1,842,831	2,281,259
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	-
Total before transactions with shareholders	400,000	20,000	15,568	1,646,481	2,082,049
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	-	-	-	219,949	219,949
Capitalisation of development expenditures	-	-	4,785	-4,785	-
Dissolution resulting from development expenditure depreciations and impairments for the year	-	-	-6,685	6,685	-
Total change before transactions with shareholders	400,000	20,000	13,668	1,714,728	2,148,396
Dividend	-	-	-	-	-
Closing equity, 31 March 2024	400,000	20,000	13,668	1,714,728	2,148,396

Cash flow statement

Amounts in SEK thousand

	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Operating profit	277,014	250,895	1,020,099
Adjustment for items not included in cash flow			
Unrealised portion of net result from financial transactions	1,717	-8,198	-27,715
Depreciations, amortisation, impairments	1,482,953	1,518,645	6,093,918
Credit losses	9,060	5,229	12,621
Paid/refunded (-/+) tax	-10,927	-10,927	-250
Changes to assets and liabilities in operating activities			
Treasury bills eligible as collateral	83,130	-281,192	-592,099
Loans and advances to the public	-147,887	323,403	49,683
Disposal of tangible assets	1,642,741	1,394,099	5,411,533
Acquisition of tangible assets	-3,357,722	-3,550,648	-14,182,866
Bonds and other interest-bearing securities	-32,577	35,370	284,868
Deposits and borrowing from the public	-251,563	49,605	1,324,482
Liabilities to credit institutions	-23,810	-40,476	-111,905
Other assets	-22,548	250,257	-27,955
Securities issued	199,392	1,156,898	1,091,602
Other liabilities	164,805	-133,085	131,101
Cash flow from operating activities	13,778	959,875	477,117
Investing activities			
Capitalised development expenditures	-510	-1,399	-56,322
Investments in shares and participations	-913	-440	-4,270
Disposal/redemption of shares and participations	3,118	3,626	3,626
Cash flow from investing activities	1,695	1,787	-56,966
Financing activities			
Subordinated liabilities	-	-	-400,000
Dividends paid	-	-	-153,602
Cash flow from financing activities	-	-	-553,602
Cash flow for the period			
Cash and cash equivalents at beginning of year	1,854,022	1,987,473	1,987,473
Cash flow from operating activities	13,778	959,875	477,117
Cash flow from investing activities	1,695	1,787	-56,966
Cash flow from financing activities	-	-	-553,602
Cash and cash equivalents at end of period	1,869,495	2,949,135	1,854,022



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 FFFS 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

None of the 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 anticipated 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 which areas of operation are monitored by the bank's chief operating decision maker.

Operations are organised such that management monitors profit, returns and cash flows generated by the 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–Mar	2023 Jan–Mar	2023 Jan–Dec
Income statement			
Net interest income and net leasing*	296,691	295,970	1,200,352
Dividends received	13	11	35
Commission income	107,246	103,155	421,042
Commission expenses	-50,119	-33,140	-190,127
Net result from financial transactions	1,438	-8,198	-27,715
Service, repair and tyre agreements	18,492	16,208	65,336
Disposals, operating leases	101,656	88,224	363,384
Other income	1,996	2,514	6,835
Operating income	477,413	464,744	1,839,143
Overhead expenses**	-189,548	-150,051	-699,594
Credit losses	-3,993	-3,801	-17,934
Credit risk provision, change	-6,986	-1,594	4,435
Residual value reserve, change	128	-58,402	-105,950
Operating profit	277,014	250,895	1,020,099

*Including depreciation of lease items.

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

	31/03/2024	31/03/2023	31/12/2023
Lending			
Car loans, Truck loans etc.	14,205,676	13,777,635	13,947,027
Contract credits	12,801	4,622	18,273
Credit card credits	1,943,641	1,851,132	1,927,996
Inventory credits	331,092	298,354	470,734
Promissory note loans	20,789	176,719	11,023
Lease items	26,331,844	24,067,623	26,086,832
Lending	42,845,843	40,176,085	42,461,884
Product Information			
Number of transferred loans and leases	188,547	201,351	191,485
of which loans	88,179	97,379	88,864
of which leases	100,368	103,972	102,621
	2024 Jan–Mar	2023 Jan–Mar	2023 Jan–Dec
Average contract loan and lease	215	188	209
of which loans	161	141	157
of which leases	262	231	254

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 will be launching an additional two models, in which the business will participate with financing.

New passenger car registrations during the first quarter fell by 21% compared to the previous year. In all, just under 60,000 cars were registered during the first quarter. New Volvo and Polestar registrations during the first quarter of 2024 totalled 11,632, corresponding to a 19% market share. While companies continue to drive order intake, the private market has cooled, which can be attributed to the economic climate. In previous years, the private market was a major driver behind the increased electrification in the vehicle market. This leadership has now transferred to the commercial market as a result of the tougher economic times and the discontinued climate bonus. Despite the tough new-car market situation, the used car trade increased during the first quarter by 8% compared to the previous year. The industry organisation Mobility Sweden forecasts a total market of 240,000 new passenger car registrations for 2024.

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 cheques can be redeemed in Volvo dealerships, when charging EVs, and beginning in the spring of 2024, 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-Mar	2023 Jan-Mar	2023 Jan-Dec
Net interest income and net leasing*	208,322	215,660	856,622
Dividends received	13	11	35
Commission income	66,984	66,176	276,415
Commission expenses	-47,782	-31,009	-181,426
Net result from financial transactions	1,695	-6,497	-25,143
Disposals, operating leases	21,189	3,055	40,100
Other income	1,888	1,888	5,117
Operating income	252,309	249,284	971,720
Overhead expenses**	-131,756	-98,310	-479,392
Credit losses	-3,993	-3,801	-17,718
Credit risk provision, change	-4,983	-1,441	5,650
Residual value reserve, change	8,349	-20,784	3,122
Operating profit	119,926	124,949	483,382

*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	31/03/2024	31/03/2023	31/12/2023
Number of contracts	140,836	159,943	143,890
Total volume, SEK million	22,987	24,197	23,006
of which transferred, %	98.6	96.4	98.6
of which pledged, %	1.4	3.6	1.4
of which loans, %	41.5	40.5	40.8
of which leases, %	58.5	59.5	59.2
Private leasing as a proportion of total leases, %	27.2	31.5	28.9

Product information, cards	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Number of unique active accounts	439,989	451,804	555,746
Average number of active accounts	359,164	368,283	373,727
Total volume, SEK million	1,944	1,851	1,922
Average number of credit customers	75,536	75,946	75,344
Total sales Volvo Card, SEK million	4,005	4,007	17,581
of which fuel, %	27.0	33.5	31.9
of which workshop, %	12.6	13.1	15.3
of which retail store, %	0.9	0.9	0.8
of which car wash, %	1.0	1.3	0.9
of which sales outside Volvo dealers, %	51.3	43.4	47.1
of which other (incl. vehicle loans and insurance), %	7.1	7.9	4.0

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 stabilized at around 54%. The financing level for battery-powered trucks, used trucks and trailers is around 60%.

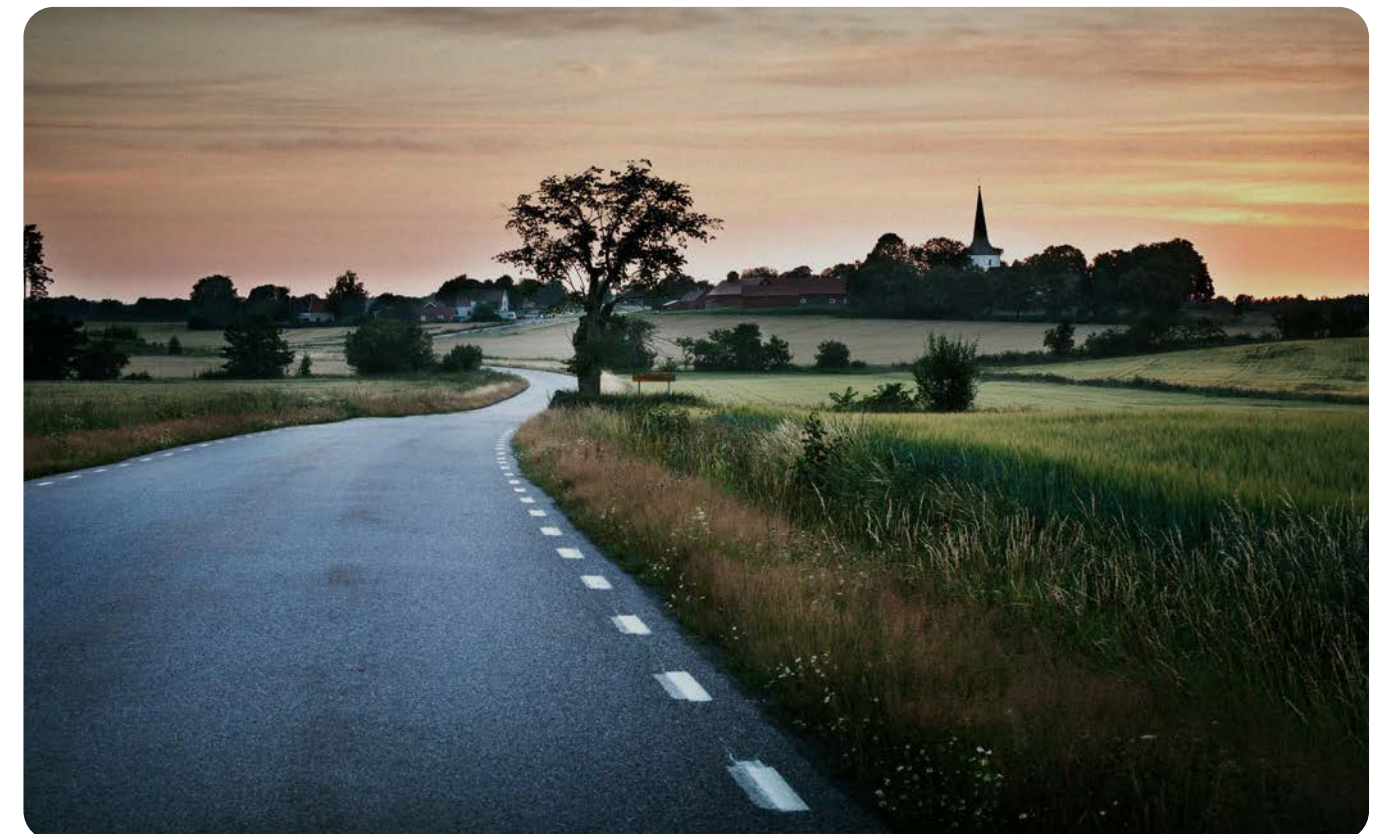
Together with Volvo Trucks and the Swedish Volvo dealers, we develop our financing products and service offering on an ongoing basis in order to modernize our mutual customer offering. eControl is one such product – an invoicing and monitoring system for hauliers' vehicle-related expenditures. Consulting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

	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Net interest income and net leasing*	31,344	32,435	125,172
Commission income	1,012	1,056	4,217
Commission expenses	-333	-319	-1,112
Net result from financial transactions	-19	-694	-1,806
Other income	88	22	289
Operating income	32,092	32,500	126,760
Overhead expenses**	-10,680	-7,868	-36,933
Credit losses	0	0	0
Credit risk provision, change	-33	-6	-149
Operating profit	21,379	24,626	89,678

Product information, loans and leasing	31/03/2024	31/03/2023	31/12/2023
Number of contracts	7,938	7,992	7,984
Total volume, SEK million	6,519	5,797	6,390
of which transferred, %	93.5	89.8	93.0
of which pledged, %	6.5	10.2	7.0
of which loans, %	77.7	78.7	78.0
of which leases, %	22.3	21.3	22.0
Operating leases as a proportion of total leases, %	23.1	27.7	25.1

*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 mid-size and large companies. Companies with small vehicle fleets are also offered this service in the fully digital Small Fleet product. Customers are offered an end-to-end solution regardless of vehicle fleet size or vehicle brand.

Fleet provides both operational and financial leases and the target for Ziklo Fleet is to help companies choose the right product according to their specific needs. It also places great emphasis on advising customers about the green transition, and supports them in adapting to new regulations.

Product development work is constantly in progress, as are launches of new digital services to make things simpler for the customer and create a smarter vehicle economy in the form of competitive company car expenditures for both drivers and companies.

Ziklo Fleet has been market leader for several years, with 22.3% of the market as of March 2024. The number of agreements has risen by around 6% compared to previous year in a Fleet market that rose by a total of 5%. This increase and market-leading position is taking place thanks to our long-term customer relations where we act as advisers concerning company vehicle fleets.

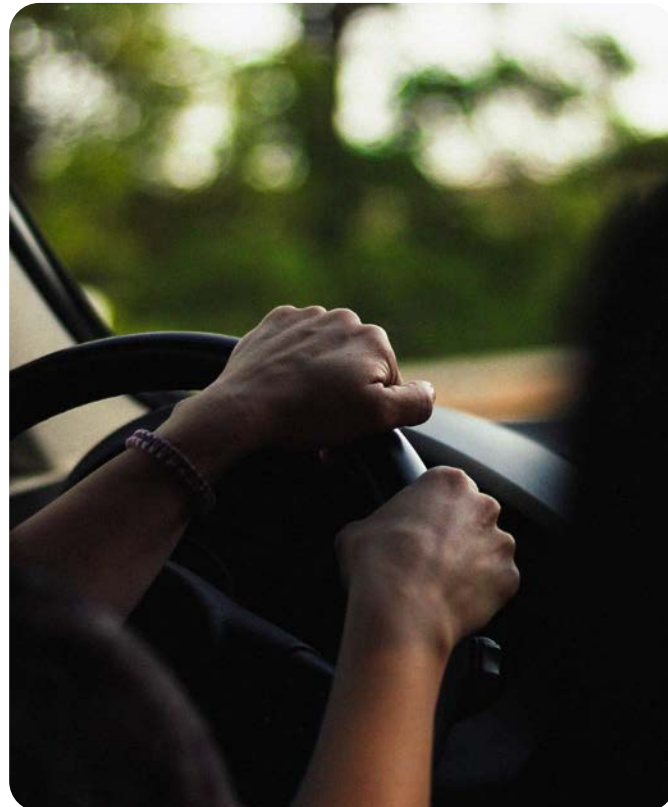
The majority of the new contracts were in the operating leases category. The market for second-hand cars continued to be strong during the period, which is also reflected in the disposal gains for the sale of returned operational leasing cars.

	2024 Jan–Mar	2023 Jan–Mar	2023 Jan–Dec
Net interest income and net leasing*	57,024	47,875	218,558
Commission income	39,250	35,923	140,411
Commission expenses	-2,004	-1,812	-7,589
Net result from financial transactions	-238	-1,008	-765
Service, repair and tyre agreements	18,492	16,209	65,342
Disposals, operating leases	80,467	85,169	323,284
Other income	21	603	1,423
Operating income	193,012	182,960	740,664
Overhead expenses**	-47,111	-43,873	-183,270
Credit losses	-	-	-217
Credit risk provision, change	-1,970	-148	-1,066
Residual value reserve, change	-8,222	-37,619	-109,072
Operating profit	135,709	101,321	447,039

*Including depreciation of lease items.

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

Product Information	31/03/2024	31/03/2023	31/12/2023
Number of financing contracts	42,398	39,702	42,394
Number of administered contracts	52,424	50,377	51,843
Total volume, SEK million	12,089	9,599	11,716
of which operating leases, %	68.5	70.0	69.4
of which financial leases, %	31.5	30.0	30.6



NOTE 4. Other operating income

	2024 Jan–Mar	2023 Jan–Mar	2023 Jan–Dec
Capital gains on the sale of tangible assets	87	1,049	3,241
Revenues, service and repair contracts	18,492	16,208	65,336
Disposals, Operating leases	101,656	88,224	363,384
of which sales revenue	(593,768)	(319,584)	(1,514,606)
of which cost of goods sold	(-492,112)	(-231,359)	(-1,151,222)
Income from associated companies	1,833	1,457	3,118
Other income	76	8	476
Total	122,144	106,946	435,555

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

	2024 Jan–Mar	2023 Jan–Mar	2023 Jan–Dec
Depreciation, leased items	-1,474,116	-1,457,288	-5,964,812
Impairment charges / Reversals; lease item residual value risk	128	-58,402	-105,950
Impairment charges / Reversals; lease item credit risk	-2,039	-153	-664
Depreciation, inventory	-241	-606	-2,542
Depreciations and impairment of intangible assets	-6,685	-2,196	-11,528
Total	-1,482,953	-1,518,645	-6,085,497



NOTE 6. Credit losses, net

Credit losses	31/03/2024	31/03/2023	31/12/2023
Loans at amortised cost (incl. unused part of limit)			
Provisions – stage 1	5,431	17,161	5,397
Provisions – stage 2	17,193	11,196	15,734
Provisions – stage 3	7,698	3,637	4,122
Total reserve	30,322	31,994	25,253
	2024	2023	2023
	Jan–Mar	Jan–Mar	Jan–Dec
Loans at amortised cost (incl. unused part of limit)			
Change in provisions – stage 1	-33	-372	11,391
Change in provisions – stage 2	-1,459	-301	-4839
Change in provisions – stage 3	-3,576	-754	-1,239
Total change in provisions	-5,068	-1,427	5,313
Write-off, confirmed credit losses	-4,584	-4,319	-19,934
Recoveries of previously confirmed credit losses	591	518	2,233
Total	-3,993	-3,801	-17,701
Credit losses, net*	-9,061	-5,228	-12,388

*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	31/03/2024	31/03/2023	31/12/2023
Lease assets at accrued cost			
Provisions – stage 1	3,608	3,266	3,313
Provisions – stage 2	705	361	642
Provisions – stage 3	3,059	1,195	1,378
Total reserve	7,372	4,822	5,333
	2024	2023	2023
	Jan–Mar	Jan–Mar	Jan–Dec
Lease assets at accrued cost			
Change in provisions – stage 1	-294	-188	-235
Change in provisions – stage 2	-63	46	-235
Change in provisions – stage 3	-1681	-11	-194
Total change in provisions**	-2,038	-153	-664
Write-off, confirmed credit losses	-	-	-235
Recoveries of previously confirmed credit losses	-	-	2
Total***	0	0	-233
Credit losses, net	-2,038	-153	-897

**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	31/03/2024	31/03/2023	31/12/2023
Financial fixed assets			
Provisions – stage 1	1,008	928	1,129
Provisions – stage 2	-	-	-
Provisions – stage 3	-	-	-
Total reserve	1,008	928	1,129
	2024	2023	2023
	Jan–Mar	Jan–Mar	Jan–Dec
Financial fixed assets			
Change in provisions – stage 1	120	-14	-214
Change in provisions – stage 2	-	-	-
Change in provisions – stage 3	-	-	-
Total change in provisions	120	-14	-214
Credit losses, net****	120	-14	-214

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

Credit losses	31/03/2024	31/03/2023	31/12/2023
Total assets			
Provisions – stage 1	10,047	21,355	9,839
Provisions – stage 2	17,898	11,557	16,376
Provisions – stage 3	10,767	4,832	5,500
Total reserve	38,702	37,744	31,715
	2024	2023	2023
	Jan–Mar	Jan–Mar	Jan–Dec
Total assets			
Change in provisions – stage 1	-207	-574	10,942
Change in provisions – stage 2	-1,522	-255	-5,074
Change in provisions – stage 3	-5,257	-765	-1,433
Total change in provisions	-6,986	-1,594	4,435
Write-off, confirmed credit losses	-4,584	-4,319	-20,169
Recoveries of previously confirmed credit losses	591	518	2,235
Total	-3,993	-3,801	-17,934
Credit losses, net	-10,979	-5,395	-13,499

**NOTE 7** Capital adequacy analysis

KEY RATIOS

	31/03/2024	31/12/2023	30/09/2023	30/06/2023	31/03/2023
Available capital base (amount)					
Common Equity Tier 1 (CET1) capital	6,326,134	6,183,220	6,096,356	5,894,984	5,771,026
Tier 1 capital	6,326,134	6,183,220	6,096,356	5,894,984	5,771,026
Total capital	6,326,134	6,183,220	6,096,356	5,894,984	5,771,026
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	27,548,686	27,422,136	25,602,745	25,527,585	24,895,259
Capital ratio (as a percentage of the risk-weighted exposure amount)					
Common Equity Tier 1 capital ratio (%)	23.0	22.5	23.8	23.1	23.2
Tier 1 capital ratio (%)	23.0	22.5	23.8	23.1	23.2
Total capital ratio (%)	23.0	22.5	23.8	23.1	23.2
Additional capital base requirements to address risks other than the risk of excessive leverage (%)					
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 capital base requirements (%)	8.0	8.0	8.0	8.0	8.0
Combined buffer requirement and overall capital requirement (as a percentage of the risk-weighted amount of exposure)					
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	1.0
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	3.5
Overall capital requirements (%)	12.5	12.5	12.5	12.5	11.5
Available Common Equity Tier 1 capital after meeting the total capital base requirement for SREP (%)	15.0	14.5	15.8	15.1	15.2
Leverage ratio					
Total exposure measure	48,698,877	48,354,425	47,423,488	47,202,936	46,990,777
Leverage ratio (%)	13.0	12.8	12.9	12.5	12.3
Additional capital base requirements to address the risk of excessive leverage (%)					
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
Leverage buffer and overall leverage ratio requirement (as a percentage of total exposure measurement)					
Leverage ratio buffer requirement (%)	-	-	-	-	-
Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
Liquidity coverage ratio					
Total high-quality liquid assets (weighted value – average)*	2,881,012	2,863,987	2,826,327	2,785,135	2,596,326
Cash outflows – Total weighted value*	4,680,323	4,701,467	4,596,928	4,648,010	4,512,124
Cash inflows – Total weighted value*	4,315,508	4,530,718	4,547,006	4,668,896	4,818,277
Total net cash outflows (adjusted value)	1,171,986	1,177,272	1,167,855	1,180,625	1,146,654
Liquidity coverage ratio (%)	248	246	245	238	230
Net stable funding ratio					
Total available stable funding	42,115,379	41,669,854	40,694,382	40,923,669	39,833,629
Total required stable funding	35,376,329	35,026,800	34,104,499	33,668,478	33,304,257
Net stable funding ratio (%)	119	119	119	122	120

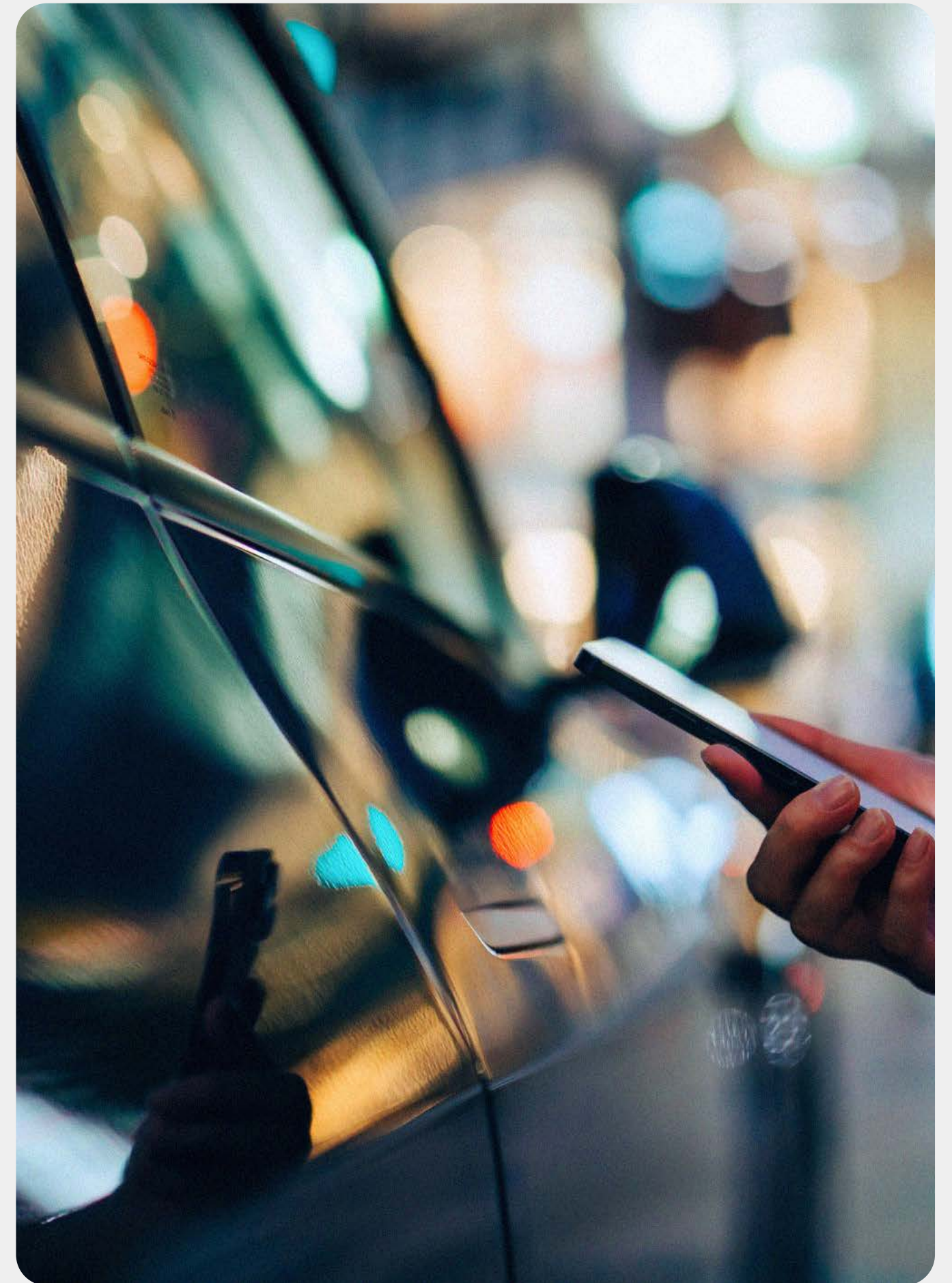
*Calculated as the simple average of end-of-the-month observations over the past 12 months.

CAPITAL BASE

	31/03/2024	31/03/2023	31/12/2023
Common Equity Tier 1 capital Instruments and reserves			
Capital instruments and the related share premium accounts	400,000	400,000	400,000
Retained earnings	1,494,779	1,643,621	1,290,389
Other reserves	4,557,610	3,754,284	4,559,511
Common Equity Tier 1 capital before regulatory adjustments	6,452,390	5,797,905	6,249,900
Common Equity Tier 1 capital: regulatory adjustments			
Further value adjustments (negative amount)	-103	-158	-115
Intangible assets	-57,843	-18,428	-64,018
Negative amounts resulting from the calculation of expected loss amount	-27,648	-4,099	-
Losses for the current financial year (negative amount)	-37,528	-4,194	-
Other regulatory adjustments	-3,134	-	-2,548
Total regulatory adjustments to Common Equity Tier 1 capital	-126,256	-26,879	-66,680
Common Equity Tier 1 (CET1) capital	6,326,134	5,771,026	6,183,220
Tier 1 capital contribution: Instrument			
Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital ratio + Tier 1 capital contribution)	6,326,134	5,771,026	6,183,220
Tier 2 capital	-	-	-
Total capital (Common Equity Tier 1 capital + Tier 2 capital)	6,326,134	5,771,026	6,183,220
Total risk-weighted assets	27,548,686	24,895,259	27,422,136

CAPITAL RATIOS AND BUFFERS

	31/03/2024	31/03/2023	31/12/2023
Risk-weighted assets	27,548,686	24,895,259	27,422,136
Common Equity Tier 1 capital ratio	22.96	23.18	22.55
Tier 1 capital ratio	22.96	23.18	22.55
Total capital ratio	22.96	23.18	22.55
Total capital requirement	14.31	13.35	14.33
Institution-specific Common Equity Tier 1 capital requirements including buffer requirements	10.03	9.00	10.03
of which: Pillar 1 requirement	4.50	4.50	4.50
of which: Pillar 2 requirement	1.03	1.00	1.03
of which requirement for capital conservation buffer	2.50	2.50	2.50
of which requirement for countercyclical buffer	2.00	1.00	2.00





INTERNALLY ASSESSED CAPITAL REQUIREMENT

	Capital requirement	31/03/2024 Capital requirement / Total REA	Of which CET1 requirements / REA	Capital requirement	31/03/2023 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	1,813,489	6.6%	3.7%	1,804,395	7.2%	4.1%	1,803,476	6.6%	3.7%
Operational risk	215,203	0.8%	0.4%	183,321	0.7%	0.4%	215,203	0.8%	0.4%
CVA risk	3,507	0.0%	0.0%	3,904	0.0%	0.0%	3,972	0.0%	0.0%
Additional risk exposure amounts according to Article 3 CRR	171,696	0.6%	0.3%	-	-	-	171,120	0.6%	0.4%
Pillar 1 capital requirement	2,203,895	8.0%	4.5%	1,991,621	8.0%	4.5%	2,193,771	8.0%	4.5%
Concentration risk	278,131	1.0%	0.6%	255,935	1.0%	0.6%	281,819	1.0%	0.6%
Strategic risk	110,195	0.4%	0.2%	99,581	0.4%	0.2%	109,689	0.4%	0.2%
Market risk	111,518	0.4%	0.2%	105,132	0.4%	0.2%	111,543	0.4%	0.2%
Pillar 2 capital requirement*	499,843	1.8%	1.0%	460,648	1.9%	1.0%	503,050	1.8%	1.0%
Capital conservation buffer	688,717	2.5%	2.5%	622,381	2.5%	2.5%	685,553	2.5%	2.5%
Countercyclical capital buffer	550,974	2.0%	2.0%	248,953	1.0%	1.0%	548,443	2.0%	2.0%
Combined buffer requirement	1,239,691	4.5%	4.5%	871,334	3.5%	3.5%	1,233,996	4.5%	4.5%
Capital requirements	3,943,429	14.3%	10.0%	3,323,603	13.4%	9.0%	3,930,817	14.3%	10.0%
Capital base	6,326,134	-	-	5,771,026	-	-	6,183,220	-	-
Capital surplus	2,382,705	-	-	2,447,423	-	-	2,252,402	-	-

CAPITAL REQUIREMENT AND RISK-WEIGHTED EXPOSURE AMOUNT

	31/03/2024			31/03/2023			31/12/2023		
	Capital requirement	Risk-weighted exposure amount	Average risk weighting	Capital requirement	Risk-weighted exposure amount	Average risk weighting	Capital requirement	Risk-weighted exposure amount	Average risk weighting
Credit risk according to IRB									
Corporate exposures	800,240	10,002,998	71.7%	650,264	8,128,302	71.8%	784,035	9,800,443	73.1%
Retail exposures	413,641	5,170,514	17.6%	577,521	7,219,015	24.1%	414,895	5,186,183	17.5%
Non credit-obligation assets exposure	458,808	5,735,095	100.0%	421,534	5,269,171	100.0%	459,006	5,737,581	100.0%
Total according to IRB	1,672,689	20,908,607	42.6%	1,649,319	20,616,488	44.3%	1,657,936	20,724,206	42.5%
Credit risk STD									
Exposures to central governments or central banks	0	0	0.0%	0	0	0.0%	0	0	0.0%
Exposures to provincial or regional government bodies or local authorities	0	0	0.0%	0	0	0.0%	0	0	0.0%
Exposures to public sector	230	2,875	20.0%	149	1,861	20.0%	229	2,864	20.0%
Exposures to institutions	31,925	399,058	20.0%	50,320	628,996	20.0%	31,452	393,147	20.0%
Corporate exposures	63,583	794,792	83.3%	58,510	731,370	90.3%	69,347	866,838	92.9%
Retail exposures	29,476	368,444	63.7%	23,484	293,548	62.0%	28,531	356,637	63.6%
Exposures in default	898	11,223	149.6%	168	2,097	145.3%	1,282	16,022	149.5%
Covered bonds	11,102	138,770	10.0%	12,512	156,400	10.0%	10,843	135,532	10.0%
Equity exposures	1,553	19,413	100.0%	1,423	17,789	100.0%	1,729	21,618	100.0%
Other items	2,035	25,433	100.0%	8,511	106,391	100.0%	2,127	26,593	100.0%
Total STD	140,801	1,760,008	25.7%	155,076	1,938,452	25.0%	145,540	1,819,250	26.3%
Total	1,813,489	22,668,615	40.5%	1,804,395	22,554,940	41.6%	1,803,476	22,543,456	40.5%
Operational risk according to the basic indicator approach	215,203	2,690,038	-	183,321	2,291,514	-	215,203	2,690,038	-
Credit value adjustment (CVA)	3,507	43,838	-	3,904	48,805	-	3,972	49,645	-
Additional risk exposure amounts according to Article 3 CRR	171,696	2,146,201	-	-	-	-	171,120	2,138,997	-
Total minimum capital requirement and risk-weighted exposure amount	2,203,895	27,548,692	-	1,991,621	24,895,259	-	2,193,771	27,422,136	-

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 and subordinated liabilities have been calculated based on current lending 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 balance sheet. 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 40.4 million and liabilities to SEK 55.6 million. Securities in the amount of SEK 5.9 million were received and assets of SEK 28.2 million were pledged as of 31 March 2024.



Assets, Jan–Mar 2024	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Treasury bills eligible as collateral etc.	1,747,989	-	-	1,747,989	1,747,862
Lending to credit institutions	-	-	1,869,495	1,869,495	1,869,495
Loans and advances to the public	-	-	16,872,013	16,872,013	16,513,999
Bonds & other interest-bearing securities	1,387,977	855,502	-	2,243,479	2,243,202
Shares and participations in other companies*	-	7,531	-	7,531	7,531
Other assets*	-	40,372	1,128,907	1,169,279	1,169,279
Prepaid expenses and accrued income	-	-	122,595	122,595	122,595
Total	3,135,966	903,405	19,993,010	24,032,381	23,673,963

Liabilities, Jan–Mar 2024	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Liabilities to credit institutions	-	-	1,288,851	1,288,851	1,271,429
Deposits and borrowing from the public	-	-	24,117,412	24,117,412	24,117,384
Securities issued	-	13,757,253	-	13,757,253	13,674,439
Other liabilities*	-	55,578	1,309,240	1,364,818	1,364,818
Accrued expenses and deferred income	-	-	1,828,141	1,828,141	1,828,141
Subordinated liabilities	-	-	-	-	-
Total	-	13,812,831	28,543,644	42,356,475	42,256,211

Assets, Jan–Mar 2023	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Treasury bills eligible as collateral etc.	1,518,876	-	-	1,518,876	1,520,085
Lending to credit institutions	-	-	2,949,135	2,949,135	2,949,135
Loans and advances to the public	-	-	16,516,358	16,516,358	16,108,462
Bonds & other interest-bearing securities	1,561,881	896,129	-	2,458,011	2,460,123
Shares and participations in other companies*	-	5,907	-	5,907	5,907
Other assets*	-	33,096	781,918	815,014	815,014
Prepaid expenses and accrued income	-	-	184,455	184,455	184,455
Total	3,080,757	935,133	20,430,784	24,446,674	24,043,182

Liabilities, Jan–Mar 2023	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Liabilities to credit institutions	-	-	1,393,828	1,393,828	1,366,667
Deposits and borrowing from the public	-	-	23,094,112	23,094,112	23,094,069
Securities issued	-	13,486,401	-	13,486,401	13,540,343
Other liabilities*	-	124,663	985,434	1,110,097	1,110,097
Accrued expenses and deferred income	-	-	1,671,675	1,671,675	1,671,675
Subordinated liabilities	-	409,765	-	409,765	400,000
Total	-	14,020,829	27,145,049	41,165,878	41,182,851

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

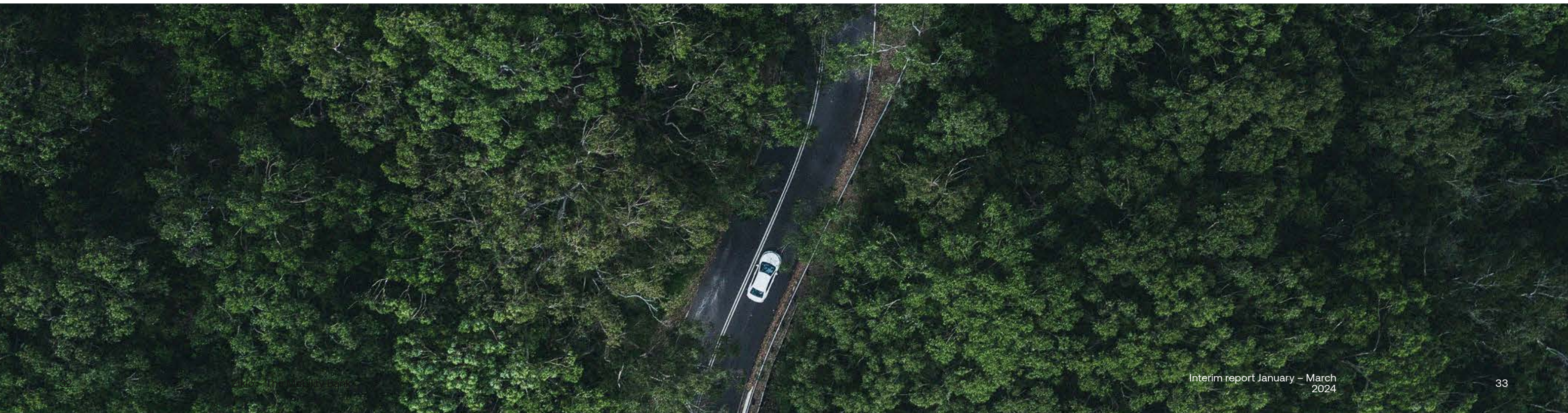
Fair value assets and liabilities per category

Assets 31/03/2024	Financial assets measured 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.	1,747,862	-	-	-	1,747,862	1,747,989
Lending to credit institutions	1,869,495	-	-	-	1,869,495	1,869,495
Loans and advances to the public	16,513,999	-	-	-	16,513,999	16,872,013
Bonds & other interest-bearing securities	2,243,202	-	-	-	2,243,202	2,243,479
Shares and participations in other companies	-	-	-	7,531	7,531	7,531
Shares and participations in associated companies	-	-	5,140	-	5,140	-
Shares and participations in Group companies	-	-	6,742	-	6,742	-
Intangible non-current assets	-	-	57,843	-	57,843	-
Tangible assets: fixtures and fittings	-	-	2,957	-	2,957	-
Tangible assets: lease items	-	-	26,331,844	-	26,331,844	-
Tangible current assets	-	-	23,778	-	23,778	-
Other assets	913,240	25,672	215,667	14,700	1,169,279	1,169,279
Prepaid expenses and accrued income	122,595	-	-	-	122,595	122,595
Total assets	23,410,393	25,672	26,643,972	22,231	50,102,268	

Liabilities 31/03/2024	Non-financial liabilities	Derivatives in hedge accounting	Other financial liabilities	Fair value via the income statement (mandatory)	Total	Fair value
Liabilities to credit institutions	-	-	1,271,429	-	1,271,429	1,288,851
Deposits and borrowing from the public	-	-	24,117,384	-	24,117,384	24,117,412
Securities issued	-	-	13,674,439	-	13,674,439	13,757,253
Other liabilities	483,036	24,666	826,205	30,912	1,364,818	1,364,818
Accrued expenses and deferred income	1,500,010	-	328,130	-	1,828,141	1,828,141
Subordinated liabilities	-	-	-	-	-	-
Total liabilities	1,983,046	24,666	40,217,587	30,912	42,256,211	

Assets 31/03/2023	Financial assets measured 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.	1,520,085	-	-	-	1,520,085	1,518,876
Lending to credit institutions	2,949,135	-	-	-	2,949,135	2,949,135
Loans and advances to the public	16,108,462	-	-	-	16,108,462	16,516,358
Bonds & other interest-bearing securities	2,460,123	-	-	-	2,460,123	2,458,011
Shares and participations in other companies	-	-	-	5,907	5,907	5,907
Shares and participations in associated companies	-	-	5,140	-	5,140	-
Shares and participations in Group companies	-	-	6,742	-	6,742	-
Intangible non-current assets	-	-	18,428	-	18,428	-
Tangible assets: fixtures and fittings	-	-	2,914	-	2,914	-
Tangible assets: lease items	-	-	24,067,623	-	24,067,623	-
Tangible current assets	-	-	1,081	-	1,081	-
Other assets	585,123	226	195,713	32,870	813,933	813,933
Prepaid expenses and accrued income	184,455	-	-	-	184,455	184,455
Total assets	23,807,384	226	24,297,642	38,777	48,144,029	

Liabilities 31/03/2023	Non-financial liabilities	Derivatives in hedge accounting	Other financial liabilities	Fair value via the income statement (mandatory)	Total	Fair value
Liabilities to credit institutions	-	-	1,366,667	-	1,366,667	1,393,828
Deposits and borrowing from the public	-	-	23,094,069	-	23,094,069	23,094,112
Securities issued	-	-	13,540,343	-	13,540,343	13,486,401
Other liabilities	281,270	41,760	704,165	82,902	1,110,097	1,110,097
Accrued expenses and deferred income	1,486,883	-	184,792	-	1,671,675	1,671,675
Subordinated liabilities	-	-	400,000	-	400,000	409,765
Total liabilities	1,768,153	41,760	39,290,035	82,902	41,182,851	



NOTE 9. Related parties

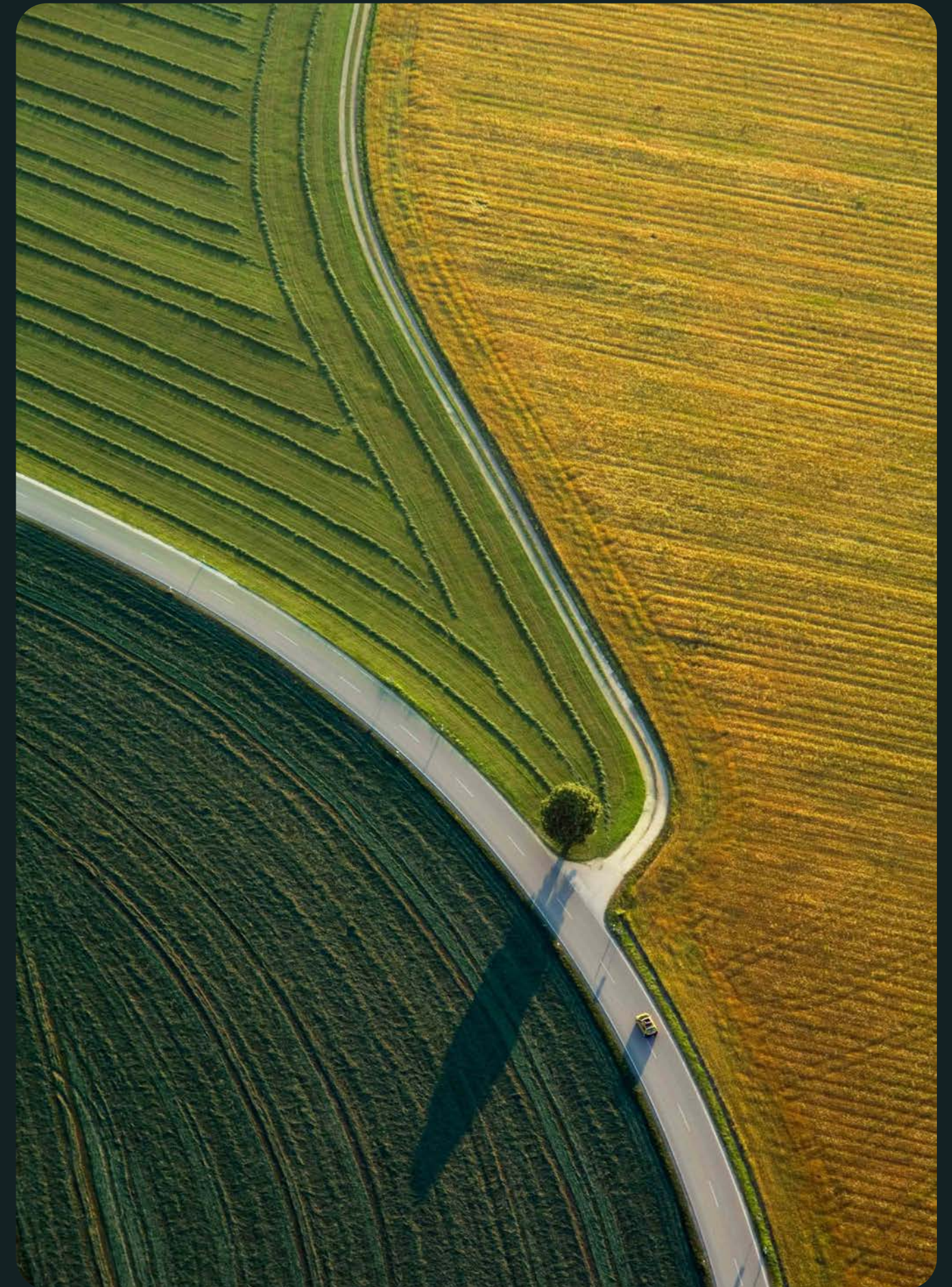
The bank is owned 50% by Volvo Personvagnar AB and 50% by Swedish Volvo dealers, through their trust company AB Volverkinvest. Both companies are classified as other related companies.

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.

	Group companies		Associates		Other related companies	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Balance sheet						
Assets	6,742	6,742	13,546	154,947	1,084,213	905,045
Liabilities	6,789	6,789	92,036	64,999	397,979	233,692
Income statement						
Interest income	-	-	929	2,031	69	26
Lease income	-	-	-	-	78,117	77,870
Interest expenses	-	-	-400	-208	-3,229	-501
Commission revenues	-	-	775	772	3,081	3,187
Other operating income	-	-	1,833	1,457	-	-
Total	-	-	3,137	4,052	78,039	80,581

NOTE 10. Events after the end of the period

On 8 April, Joel Graffman took up his position as the bank's new CEO. In conjunction with this change of leadership, Andreas Bondesson was appointed as Deputy CEO, Johan Linder as Chief Commercial Officer and Håkan Isaksson as Chief Financial Officer, who together with Marianne Moberg, Gunnar Ekeröth, Linda Pedersen and Madeleine Bloom, reports to the CEO.



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 freely travel. 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.