



2015

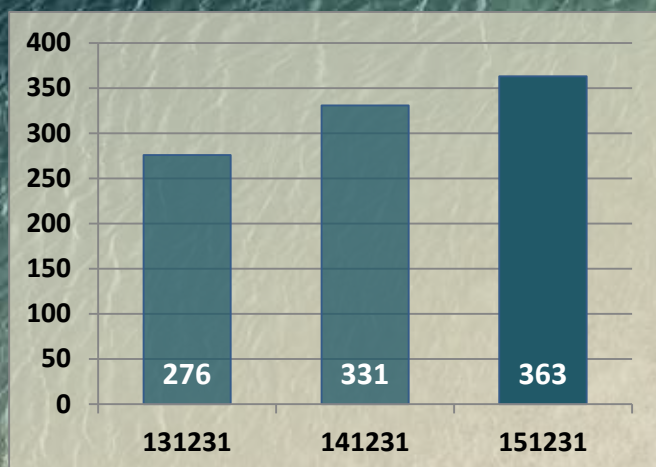
Year-End Report // Volvofinans Bank AB



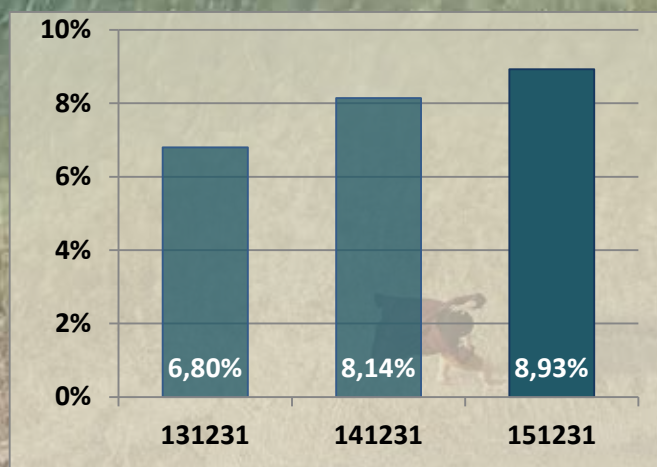
VOLVOFINANS

Record profits and increased return on equity sum up 2015

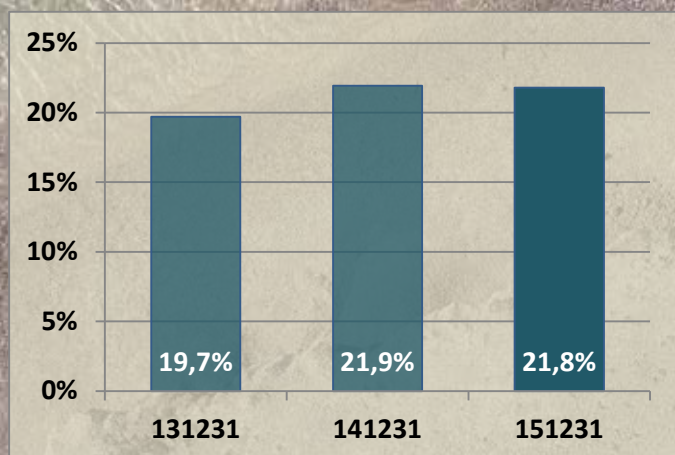
Operating profit, SEK million



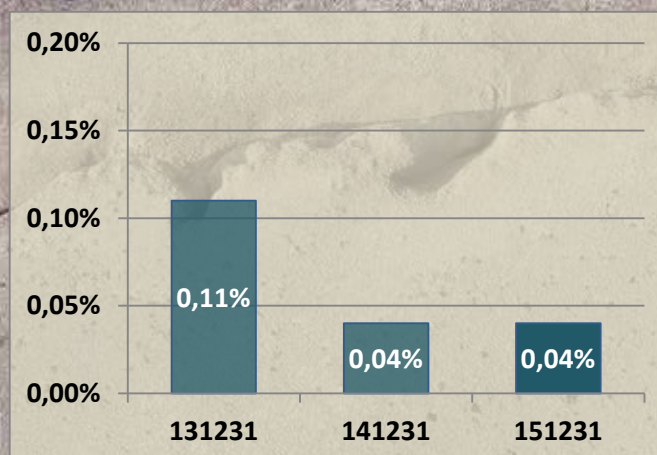
Return on equity



Common Equity Tier 1 capital ratio



Credit losses/lending



Message from the President

January - December 2015 in summary

Profit before appropriations and taxes: SEK 363.0 million (330.6)

Return on equity: 8.9 % (8.1)

Lending as at 31st December: SEK 27.4 million (24.8)

Net credit losses: SEK 11.9 million (11.9)

Common Equity Tier 1 capital ratio: 21.8 % (21.9)

2015 saw a record year for Swedish car sales with over 345,000 new passenger cars, almost 45,000 new light commercial vehicles, 4,800 new heavy-duty vehicles, and 394,000 used vehicles finding new owners. In light of such a good market, Volvofinans Bank delivered a profit for the year amounting to SEK 363,0 million (330.6), which is the bank's best ever.

Volvo Car Group also continues to generate good sales volumes, both globally and in the Swedish market, selling over 70,000 new vehicles. Moreover, market share of the brand also strengthened - landing at 20.6%. The Volvo brand has been further strengthened with the highly successful launch of the XC90 and has continued with the introduction of brand new models helping the company to establish itself as a premium manufacturer. Among the Volvo dealerships' other three brands - Renault, Ford and Dacia - Renault excelled with a sales increase of over 14%.

Within the business areas Sales Finance Cars and Fleet Finance, a positive sales year has continued to generate good results. In 2015, 17% of all private car registrations in Sweden related to privately leased cars, which is the highest figure ever recorded. For Volvo, the proportion of privately leased cars was 18% of total sales to private individuals. In the corporate market, the larger companies continue to be interested in obtaining comprehensive solutions for their fleets and the Bank's intensified presence in the fleet business has been rewarded.

In the heavy truck segment (> 16 tonnes), which is dominated by two large players, Volvo and Scania, Volvo Trucks' share amounted to 39.5%. In a fiercely competitive industry, hauliers are demanding complete solutions with predictable costs for their operations, which in turn, should benefit manufacturers in the market that can offer customers wide-ranging software solutions.

Meanwhile, record-low interest rates have obviously helped to create the favorable auto market, we now find ourselves in. The Swedish Riksbank has kept the repo rate at a negative level for most of the year, despite high growth and falling unemployment in the Swedish economy. With the support of these favorable macroeconomic conditions, coupled with better business efficiencies, both turnover and results in the Swedish Volvo Dealers are among the best ever. Sales at dealers generated new loans and leasing contracts for approximately 50% of the transactions which resulted in an increase in lending for Volvofinans Bank of 2.6 billion SEK during 2015.

Net sales in the Volvo Card remained at a high level at SEK 11.0 billion for the full year and the profit for this business area increased slightly, despite lower credit utilization. Moreover, a lot has been invested in the future of digital mobile systems in this business area, where the bank naturally wants to take a larger share of the ECO system regarding the customer's total number of car transactions and we look forward with confidence and excitement as the bank launches new payment and mobility services during the year.

We can also note that Volvofinans Bank enjoys a great deal of trust from individuals when it comes to savings. Balances on our savings accounts during the year increased by over a billion, and the number of savings account customers

increased by 4,600. Furthermore, the bank has raised new bond financing on the Swedish capital markets to a value of SEK 4 billion. Our investors have long been familiar with our business model and unique risk-allocation with the Volvo dealers, which in turn, enables competitive market borrowing.

Also of note, Volvo Cars announced on December 29 its purchase of the Sixth AP Fund's shareholding in Volvofinans Bank. Increased ownership by an already proactive and important partner means even greater opportunities for the creation of attractive financial products and payment solutions. Packaging together with Volvo, Volvo dealers and Volvia insurance means very competitive customer offerings.

Finally, it is with great pride that we at The Car Bank can present our results for 2015. That said however, many new mobile initiatives are appearing in the banking world, which will stiffen competition even further, particularly in the Volvo Card business area. Whilst far from being arrogant in the face of such stiff competition, we see great opportunities with such new technology. At The Car Bank then, we continue to explore and develop opportunities to create targeted solutions for customers, which is important when car ownership is fundamentally changing and new forms of car utilization are occurring such as private leasing and car sharing. Our ultimate ambition therefore, is to continue developing The Car Bank, to deliver competitive services in a safe and secure way for customers, and look forward to an exciting 2016

Conny Bergström
President
Volvofinans Bank AB



The information is that which Volvofinans Bank AB (publ), Organization Number 556069-0967, is required to disclose under the Securities Market Act (SFS 2007: 528). This report was submitted for publication on February 22, 2016 at 16:15

Financial reports

Ownership/Operations

Since its establishment in 1959, Volvofinans Bank has been 50% owned by Swedish Volvo dealerships via their holding company AB Volverkinvest. The Sixth Swedish National Pension Fund (AP-fonden) owns 40% and Volvo Car Corporation (Volvo Personvagnar AB) 10%.

The primary task of Volvofinans Bank is to actively support sales of products marketed by Volvo dealers on the Swedish market by providing product and sales financing, while reporting favourable earnings.

Volvofinans Bank AB is the parent company in a Group with a dormant subsidiary. Based on chapter 7, section 6a of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), as of 31 December 2010 Volvofinans Bank does not prepare consolidated financial statements as activities in the subsidiary are of negligible value.

Volumes/lending

Sales of new passenger cars in Sweden rose by 14% compared with the same period in the previous year. In total 345,108 (303,948) passenger vehicles were registered. The number of Volvo, Renault and Ford registrations amounted to 99,223 (87,486), and their combined market share was 29% (29).

43% (43) of all passenger car business, new and used, within the Swedish Volvo dealerships generates a financial contract with Volvofinans Bank. New and used vehicle penetration is 49% and 35% respectively. Volvofinans Bank finances the Swedish Volvo dealers' truck sales, apart from those that take place through the AB Volvo-owned Volvo Truck Centre. Penetration for new trucks was 48% (49).

The total contract portfolio (loan and leasing contracts) totalled 212,470 contracts (200,358). The proportion of trucks and buses in the contract portfolio amounts to 5,855 contracts (5,858), representing 3%. The Fleet Finance administers 31,410 (29,364) vehicle fleet contracts.

Goods and services purchased using the Volvo Card totalled SEK 11.0 billion and the number of accounts actively purchasing is half a million per month. The Volvo Truck Card was used to buy products and services to the value of SEK 428 million via the 21,109 cards.

The lending volume was SEK 27.4 billion, compared with SEK 24.8 billion in the previous year. The truck and bus share of lending was SEK 2.2 billion (2.1), which corresponds to 8% of total lending. Vehicle fleet accounts for SEK 5.5 billion (5.1), or 20% of lending, and the Volvo Card for 6%, or SEK 1.5 billion (1.6).

Volvofinans Bank's operational segments are the Volvo Card, Sales Finance Cars, Sales Finance Trucks and Fleet Finance. The Sales Finance Cars segment includes financing for passenger cars through loans and leases and the Sales Finance Trucks segment includes financing for trucks and buses through loans and leases, as well as the Volvo Truck Card. The Fleet Finance includes the financing through leases and administration of vehicle fleets. The operating income, operating profit, number of contracts and lending volume for Volvofinans Bank's operating segments are presented below. Operating income is defined as the net of interest income, interest expenses, leasing net, dividends received, net result of financial transactions, commission income and commission expenses. Expenses are defined as general administration expenses and other operating expenses.

Volvofinans Bank is of the opinion that it is not relevant to divide up its liabilities among the various segments. Borrowing is determined by the total requirement and cannot be attributed to a specific segment.

Jan-Dec 2015	Sales	Sales	Fleet	Volvo	Total
	Finance	Finance			
	Cars	Trucks	Finance	Card	
Operating income*, SEK thousand	256,813	27,637	137,629	295,822	717,901
Operating expenses**, SEK thousand	-80,548	-15,567	-59,305	-171,495	-326,915
Credit losses***, SEK thousand	-581	221	-15,137	-12,460	-27,957
Operating profit, SEK thousand	175,684	12,290	63,188	111,867	363,029
Interest-bearing lending volume, SEK million (average)	18,502	2,381	6,236	1,280	28,399
Average number of contracts	171,626	5,884	62,141	-	239,652
Average number of active accounts	-	1,850	-	457,942	459,792

* Operating income including depreciation on lease items.

** Including depreciation/amortisation of property, plant and equipment and intangible non-current assets excluding depreciation of lease items.

*** Including impairment.

Jan-Dec 2015	Loans	Leases	Total
Number of contracts	117,457	95,013	212,470
Average contract, SEK thousand	105	170	134
Collateral value, SEK million	12,365	16,195	28,560
Credit utilised, SEK million	11,635	13,921	25,556
Loan-to-value ratio	94	86	89
Market value, SEK million	17,000	14,669	31,669
Surplus value, SEK million	5,365	748	6,113
Surplus value, %	46	5	24

Profit

Volvofinans Bank's profit before credit loss expenses is SEK 374.9 million (342.6), an increase of 9.4%. The increase in profit is primarily accounted for by improved borrowing margins and increased lending volume. The profit for the year increased by 9.8% to SEK 363.0 million (330.6).

Credit risks and credit losses

The credit risk for Volvofinans Bank is very low as, under the agreements in place, by far the greatest part of both the credit and residual value risk is borne by each Volvo dealer. Problem credits are defined as all defaulted receivables, i.e. those more than 90 days overdue or given default for other reasons. Volvofinans Bank's problem credits for credit card receivables total SEK 10.8 million (12.7) and for loan and lease lending SEK 91.3 million (142.8).

With regard to commitments relating to loan and leasing lending, in addition to the collateral in the financed items, there are recourse agreements in place meaning that the dealers bear the credit risk of SEK 82.9 million on the balance sheet date. Credits with interest concessions or property received to provide security for receivables total SEK 9.4 million. Confirmed customer losses refer to credit card transactions. Anticipated credit loss impairment for the retail segment has been calculated using statistical risk models, while anticipated credit loss impairment for the corporate segment has been calculated individually by means of a manual review.

Amounts in SEK thousand

	2015 Jan-Dec	2,014 Jan-Dec
Credit losses, net		
Specific provision for collectively valued receivables *		
Write-off of confirmed credit losses for the year	-16,501	-18,105
Impairment for the year	-5,882	-7,722
Received from previous years' confirmed credit losses	1,201	1,045
Reversed provisions no longer required for probable credit losses	6,937	7,939
Net cost for specific provisions for collectively valued receivables for the year	-14,245	-16,843
Collective provision for losses incurred but not yet reported **		
Impairment for the year	-2,878	-2,814
Reversed provisions no longer required for probable credit losses	5,265	7,713
Net cost for the year for collective provisions	2,387	4,899
Credit losses, net	-11,858	-11,944

* Relates to credit losses on receivables individually identified as uncertain and where the reserves are based on historical experience from similar loans.

** Relates to credit losses on receivables that have not yet been identified as uncertain but where there is a need for impairment within a group of loans.

Capital procurement

Savings via the bank's online savings account increased during 2015, apart from during the first quarter. During the fourth quarter, the increase was SEK 575 million and the total balance amounted to SEK 12.8 billion (11.7) on 31 December. Total deposits including the credit balance on the Volvo Card and deposits from Volvo dealerships amounted to SEK 14.3 billion (13.8), and accounted for 55% (58) of the bank's financing.

Bonds worth SEK 4.0 billion were issued with good demand during the year, SEK 1.4 billion of which during the fourth quarter. Commercial papers are issued regularly in the money market, the use was SEK 1.1 billion at the end of the year. Driven by Volvofinans Bank's growth in lending, the outstanding financing is growing via the bank's market loan programs to a nominal SEK 10.8 billion (8.2).

In addition to deposits and market borrowing, operations were financed through bank loans, in the amount of SEK 1.0 billion (1.6). The proportion of long-term financing (\geq 12 months) from the market and banking sector, amounted to 70% (67).

Financial risks

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

Liquidity risk is the risk that Volvofinans Bank's payment obligations cannot be met on maturity without significant costs in terms of the means of payment or – in a worst-case scenario – cannot be met by any means. To deal with liquidity instability, Volvofinans Bank has not only a liquidity reserve, with high-quality liquid securities and unrestricted deposits in another bank, but also agreed credit facilities that can be utilised at short notice.

Deposits with a remaining period of less than one year together with a proportion of borrowing must be covered at all times by the liquidity reserve and unutilised credit facilities.

At 31 December, the liquidity reserve totalled SEK 3.9 billion (3.8), of which the securities portfolio constituted SEK 1.9 billion (49%) and deposits at other banks SEK 2.0 billion (51%). Volvofinans Bank's liquidity reserve must be no less than 10% of lending at all times. At the end of the first quarter this proportion was 14% (15). In addition to the liquidity reserve, unutilised available loan facilities totalled SEK 3.7 billion (3.7).

Volvofinans Bank's liquid coverage ratio (LCR), calculated in accordance with Article 415 of the EU Capital Requirements Regulation (CRR), totalled 205% (201) as at 31 December 2015. NSFR (Net Stable Funding Ratio) according to Volvofinans Bank's interpretation of the Basel Committee's new recommendation (BCBS295) was 143%.

Interest rate risk is the current and future risk that net interest income declines as a result of unfavourable changes in the interest rate. The vast majority of the bank's lending and all borrowing follow the short-term market interest rate, which involves a limited interest rate risk.

Currency risk is the risk of unfavourable changes in exchange rates. All of Volvofinans Bank's lending is in Swedish kronor and any borrowing in foreign currency is hedged, which means the bank is not exposed to fluctuations in exchange rates.

Rating

Volvofinans Bank has international credit ratings from Moody's Investors Service as follows:

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

In March 2015, Moody's reviewed Volvofinans Bank's credit rating, which was a step in the roll-out of a new rating method, which in turn arose from the EU's Bank Recovery and Resolution Directive. The outcome of this review was announced on 28 May, with the rating for long-term financing being raised by two steps from Baa2 to A3, at the same time the outlook was changed to "Stable".

You will find a detailed and current analysis from Moody's on our website, volvofinans.se.

Capital adequacy

Volvofinans Bank calculates most of the credit risk using its internal risk classification method (IRB) following the approval by the Swedish Financial Supervisory Authority in 2014 of Volvofinans Bank's application to calculate the corporate portfolio using IRB. The core tier 1 capital ratio was 21.79% (21.93). The gross solvency ratio was 10.1% (10.2).

Important events during the financial year

Volvo Personvagnar AB will expand its ownership of Volvofinans Bank AB to 50% and buy the Sixth Swedish National Pension Fund's 40%, this was announced on 29 December and the deal is expected to be completed during the first half of 2016. The deal is carried out after approval by the appropriate authorities.



Year-end Report

The report provides a true and fair picture of the bank's operations, position and performance, and describes material risks and uncertainties relating to the bank.

Göteborg, February 2016

Conny Bergström
President and CEO

Calendar

Week 12 2016	Annual Report
20 May 2016	Interim Report January–March
15 June 2016	Annual General Meeting
26 August 2016	Interim Report January–June
18 November 2016	Interim Report January–September

The reports will be available on our website, volvofinans.se. If you have any questions, please contact our President Conny Bergström, on +46 (0)31 83 88 00.

This report has not been the subject of special examination by the company's auditors.

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

KPI

	31/12/2015	31/12/2014
Return on equity, %	8.93	8.14
Risk capital/Balance sheet total, %	12.60	12.68
Deposits/Lending, %	52.33	55.44
Operating profit/Risk-weighted assets, %	2.43	2.40
Capital adequacy ratio	2.72	2.74
Total capital ratio, %	21.79	21.93
CET1 capital ratio, %	21.79	21.93
Credit losses/Lending, %	0.04	0.04
E/I ratio	0.50	0.51
E/I ratio, excl. credit losses	0.48	0.49

Income statement

	Amounts in SEK thousand				
	2015 Q4	2015 Q3	2,014 Q4	2015 Jan-Dec	2,014 Jan-Dec
Interest income	92,310	98,298	121,523	402,487	515,616
Lease income	921,985	912,771	888,999	3,619,222	3,517,264
Interest expenses	-52,605	-54,446	-94,443	-251,689	-470,094
Net interest	961,690	956,623	916,079	3,770,020	3,562,786
Dividends received	601	353	516	2,062	2,822
Commission income	94,667	87,138	92,381	358,770	345,550
Commission expenses	-7,618	-5,387	-5,269	-22,302	-23,798
Net result of financial transactions*	-1,919	956	-1,467	-5,895	-4,281
Other operating income	645	502	-	1,375	-
Total operating income	1,048,066	1,040,185	1,002,240	4,104,030	3,883,079
General administration expenses	-75,558	-61,190	-72,795	-280,192	-265,477
Depreciation, amortisation and impairment of property, plant and equipment and intangible non-current assets	-884,782	-857,794	-839,972	-3,403,677	-3,222,350
Other operating expenses	-20,187	-7,177	-22,744	-45,274	-52,661
Total operating expenses	-980,527	-926,161	-935,511	-3,729,143	-3,540,488
Profit before credit losses	67,539	114,024	66,729	374,887	342,591
Credit losses, net	-2,821	-2,378	-3,010	-11,858	-11,944
Profit before appropriations and tax	64,718	111,646	63,719	363,029	330,647
Appropriations	-362,580	-	961,539	-362,580	961,539
Tax	65,179	-24,562	-226,190	-449	-284,915
Profit	-232,683	87,084	799,068	-	1,007,271

* Net result of financial transactions consists of interest-bearing securities and related derivatives.



Balance sheet

	Amounts in SEK thousand	
	31/12/2015	31/12/2014
Chargeable treasury bills etc.	1,080,515	1,170,846
Lending to credit institutions	1,998,980	1,784,781
Lending to the public	13,690,417	12,650,593
Bonds and other interest-bearing securities	835,501	837,297
Shares and participations in associated and other companies	16,797	14,735
Shares and participations in Group companies	6,742	6,740
Intangible non-current assets	7,874	5,561
Property, plant and equipment, inventory	1,535	1,313
Property, plant and equipment, lease items	13,691,740	12,194,744
Other assets*	638,979	596,242
Prepayments and accrued income	32,177	36,535
Total assets	32,001,257	29,299,387
Liabilities to credit institutions	1,000,000	1,550,000
Deposits and borrowing from the public	14,329,062	13,773,551
Securities issued	10,856,491	8,278,759
Other liabilities*	788,450	876,180
Accruals and deferred income	949,117	848,069
Total liabilities	27,923,120	25,326,559
Untaxed reserves	2,844,225	2,481,645
Equity	1,233,912	483,912
Operating profit	-	1,007,271
Total liabilities and equity	32,001,257	29,299,387
* Of which derivative instruments with positive and negative market value		
Derivative instruments with positive market value	25,698	72,376
Derivative instruments with negative market value	-4,801	-720

Change in equity

	Amounts in SEK thousand			
	Share capital	Statutory reserve fund	Retained earnings	Equity
Opening equity, 1 January 2014	400,000	20,000	279,005	699,005
Net income after taxes	-	-	1,007,271	1,007,271
Total change before transactions with shareholders	-	-	1,007,271	1,007,271
Dividends	-	-	-215,093	-215,093
Closing equity, 31 December 2014	400,000	20,000	1,071,183	1,491,183
	Share capital	Statutory reserve fund	Retained earnings	Equity
Opening equity, 1 January 2015	400,000	20,000	1,071,183	1,491,183
Net income after taxes	-	-	-	-
Total change before transactions with shareholders	-	-	-	-
Dividend	-	-	-257,271	-257,271
Closing equity, 31 December 2015	400,000	20,000	813,912	1,233,912

Cash flow statement

	Amounts in SEK thousand	
	2015 Jan-Dec	2,014 Jan-Dec
Operating activities		
Operating profit	363,029	330,647
Adjustment of items not included in cash flow		
Unrealised portion of net result of financial transactions	-5,895	-4,281
Depreciation, amortisation and impairment	3,420,208	3,232,163
Credit losses	19,135	22,123
Tax paid	-449	-284,915
Changes in operating assets and liabilities		
Chargeable treasury bills etc.	90,331	120,901
Lending to credit institutions	-214,200	800,713
Lending to the public	-1,058,273	-191,311
Bonds and other interest-bearing securities	1,797	435,261
Other assets	-39,064	83,616
Liabilities to credit institutions	-550,000	-
Deposits and borrowing from the public	555,511	-491,955
Securities issued	2,577,731	-35,748
Other liabilities	19,214	137,503
Cash flows from operating activities	5,179,075	4,154,717
Investing activities		
Capitalised development expenditure	-4,412	-
Investments in shares and participations	-2,064	-2,822
Acquisition of property, plant and equipment	-8,080,394	-7,134,710
Sale of property, plant and equipment	3,165,066	3,197,908
Cash flows from investing activities	-4,921,804	-3,939,624
Financing activities		
Dividend paid	-257,271	-215,093
Cash flows from financing activities	-257,271	-215,093
Cash flow for the year		
Cash and cash equivalents at start of year	-	-
Cash flows from operating activities	5,179,075	4,154,717
Cash flows from investing activities	-4,921,804	-3,939,624
Cash flows from financing activities	-257,271	-215,093
Cash and cash equivalents at end of year	-	-



Capital base

	Amounts in SEK thousand	
	31/12/2015	31/12/2014
Common Equity Tier 1 capital		
Equity	1,186,412	1,233,912
Share of equity of untaxed reserves	2,218,495	1,935,683
Intangible non-current assets	-7,874	-5,561
AVA	-1,946	-1,981
IRB shortfall	-130,973	-135,637
CET1 capital	3,264,114	3,026,416
Total capital base	3,264,114	3,026,416
Capital base according to Basel I	3,395,087	3,162,053

Capital adequacy

	Amounts in SEK thousand	
	31/12/2015	31/12/2014
Without transitional rules		
Risk-weighted assets	14,978,041	13,801,517
Capital adequacy ratio	2.72	2.74
CET1 capital ratio, %	21.79	21.93
Total capital ratio, %	21.79	21.93
With transitional rules		
Risk-weighted exposure amount	22,414,395	20,547,387
Capital adequacy ratio	1.89	1.92
CET1 capital ratio, %	15.15	15.39
Total capital ratio, %	15.15	15.39

The internal capital assessment as at 31 December 2015 has resulted in an internally assessed capital requirement of SEK 1,535 million (1,389). If the combined buffer requirement is included, the bank's total capital requirement amounts to SEK 2,059 million (1,733). The excess capital, calculated on the internal capital requirement including buffer requirements, therefore amounts to SEK 1,205 million (1,293).

Capital requirement and risk-weighted exposure amount

	Amounts in SEK thousand			
	Capital requirement	31/12/2015 Risk-weighted exposure amount	Capital requirement	31/12/2014 Risk-weighted exposure amount
Credit risk according to IRB				
Corporate exposure	334,655	4,183,184	296,423	3,705,283
Household exposure	475,435	5,942,936	448,115	5,601,441
Non-credit-obligation asset exposures	199,096	2,488,700	177,434	2,217,925
Total according to IRB	1,009,186	12,614,820	921,972	11,524,648
Credit risk according to standardised method				
Exposures to national governments or central banks	-	-	-	-
Exposure to federal or local autonomous bodies and authorities	-	-	-	-
Exposures to public bodies	380	4,746	324	4,048
Institutional exposure	32,637	407,965	30,017	375,207
Corporate exposure	20,746	259,321	25,335	316,682
Household exposure	25,690	321,121	20,419	255,238
Unsettled items	193	2,409	2,917	36,463
Covered bonds	6,677	83,467	6,692	83,646
Share exposures	1,883	23,539	1,718	21,475
Other items	933	11,659	786	9,821
Total according to the standardised method	89,139	1,114,227	88,206	1,102,578
Operational risk	99,000	1,237,501	92,768	1,159,598
Credit valuation adjustment (CVA)	919	11,493	1,175	14,692
Total minimum capital requirement and risk-weighted exposure amount	1,198,243	14,978,041	1,104,121	13,801,517
Total capital requirement according to transitional rules	1,793,152	22,414,395	1,643,791	20,547,387

Capital and buffer requirements

Amounts in SEK thousand

	31/12/2015			31/12/2014		
	Core tier 1 capital	Tier 1 capital	Total capital base	Core tier 1 capital	Tier 1 capital	Total capital base
Per cent						
Minimum capital requirement	4.5	6.0	8.0	4.5	6.0	8.0
Capital conservation buffer	2.5	2.5	2.5	2.5	2.5	2.5
Countercyclical buffer	1.0	1.0	1.0	-	-	-
Total	8.0	9.5	11.5	7.0	8.5	10.5
Amount						
Minimum capital requirement	674,012	898,682	1,198,243	621,068	828,091	1,104,121
Capital conservation buffer	374,451	374,451	374,451	345,038	345,038	345,038
Countercyclical buffer	149,780	149,780	149,780	-	-	-
Total capital requirement			1,722,474			1,449,159

Lease income and accumulated net interest

Amounts in SEK thousand

	2015	2015	2,014	2015	2,014
	Q4	Q3	Q4	Jan-Dec	Jan-Dec
Income from operating and finance leases	921,985	912,771	888,999	3,619,222	3,517,264
Scheduled amortisation	-866,961	-855,411	-818,109	-3,384,800	-3,208,778
Interest income	92,310	98,298	121,523	402,487	515,616
Interest expenses	-52,605	-54,446	-94,443	-251,689	-470,094
Accumulated net interest	94,729	101,212	97,970	385,220	354,008

Information about derivatives that can be offset

Financial assets and liabilities that are subject to offsetting, and which are covered by a legally binding framework agreement on netting or similar agreement.

Amounts in SEK thousand

	Net amount of reported financial assets ¹⁾	Net amount of reported financial liabilities ¹⁾	Net amount / Asset (+), Liability (-)
Amounts which are not to be offset in the balance sheet			
Derivatives	25,698	-4,801	20,897

¹⁾ No amounts have been reported as net in the balance sheet; there are no securities in the form of cash or financial instruments.

Carrying amount by category of financial instrument and information about fair value

Amounts in SEK thousand

Assets	Level 1	Level 2	Level 3	Total Fair value	Total Carrying amount
	Chargeable treasury bills etc.	1,080,515	-	-	1,080,515
Lending to credit institutions	-	1,998,980	-	1,998,980	1,998,980
Lending to the public	-	13,654,961	-	13,654,961	13,690,417
Bonds and other interest-bearing securities	835,501	-	-	835,501	835,501
Other assets	-	-	638,979	638,979	638,979
Prepayments and accrued income	-	-	32,177	32,177	32,177
Total	1,916,016	15,653,941	671,156	18,241,113	18,276,569

Liabilities	Level 1	Level 2	Level 3	Total Fair value	Total Carrying amount
	Liabilities to credit institutions	995,147	-	-	995,147
Deposits and borrowing from the public	-	14,329,091	-	14,329,091	14,329,062
Securities issued	10,841,637	-	-	10,841,637	10,856,491
Other liabilities	-	788,450	-	788,450	788,450
Accruals and deferred income	-	-	949,117	949,117	949,117
Total	11,836,784	15,117,541	949,117	27,903,442	27,923,120

Assets

	Amounts in SEK thousand						
31/12/2015	Loan and trade receivables	Financial assets at fair value through the statement of comprehensive income	Investments held to maturity	Derivatives used in hedge accounting	Other assets	Total	Fair value
Chargeable treasury bills etc.	-	1,080,515	-	-	-	1,080,515	1,080,515
Lending to credit institutions	1,998,980	-	-	-	-	1,998,980	1,998,980
Lending to the public	13,690,417	-	-	-	-	13,690,417	13,654,961
Bonds and other interest-bearing securities	-	835,501	-	-	-	835,501	835,501
Shares and participations in associated and other companies	-	-	-	-	16,797	16,797	-
Shares and participations in Group companies	-	-	-	-	6,742	6,742	-
Intangible non-current assets	-	-	-	-	7,874	7,874	-
Property, plant and equipment, inventory	-	-	-	-	1,535	1,535	-
Property, plant and equipment, lease items	-	-	-	-	13,691,740	13,691,740	-
Other assets	322,210	-	-	25,698	291,071	638,979	638,979
Prepayments and accrued income	32,177	-	-	-	-	32,177	32,177
Total assets	16,043,784	1,916,016	-	25,698	14,015,759	32,001,257	

Liabilities

31/12/2015	Financial liabilities at fair value through the statement of comprehensive income	Non-financial liabilities	Derivatives used in hedge accounting	Other financial liabilities	Total	Fair value
Liabilities to credit institutions	-	-	-	1,000,000	1,000,000	995,147
Deposits and borrowing from the public	-	-	-	14,329,062	14,329,062	14,329,091
Securities issued	-	-	-	10,856,491	10,856,491	10,841,637
Other liabilities	583	263,291	4,218	520,358	788,450	788,450
Accruals and deferred income	-	921,815	-	27,302	949,117	949,117
Total liabilities	583	1,185,106	4,218	26,733,213	27,923,120	

Accounting policies

Volvofinans Bank applies legally limited IFRS, which means that the report has been prepared in accordance 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 accordance with the amendment provisions in FFFS 2009:11 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRK). The bank applies the same valuation and accounting policies as in the last annual report. See note 35 of the 2015 annual report for a description of the methods used to calculate fair value.

New or amended International Financial Reporting Standards that have been published but not yet applied will, in the bank's assessment, have a limited impact on the financial reports. A preliminary study has been initiated concerning IFRS 9, which becomes mandatory from 1 January 2018.



VOLVOFINANS

Volvofinans Bank AB (publ) • Corporate ID no. 556069-0967
Bohusgatan 15 • Box 198 • SE-401 23 Göteborg, Sweden
Tel.: +46 (0)31 83 88 00 • www.volvofinans.se