

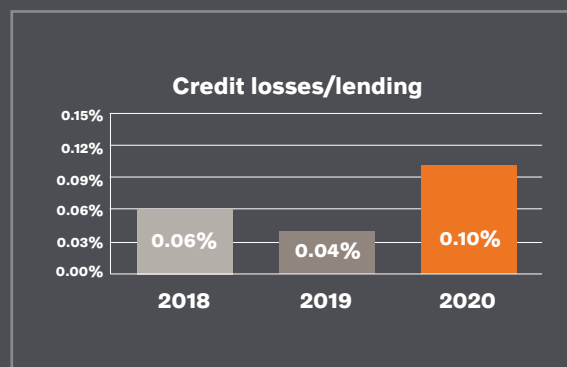
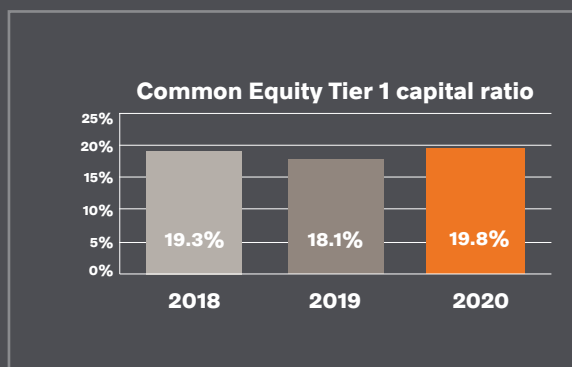
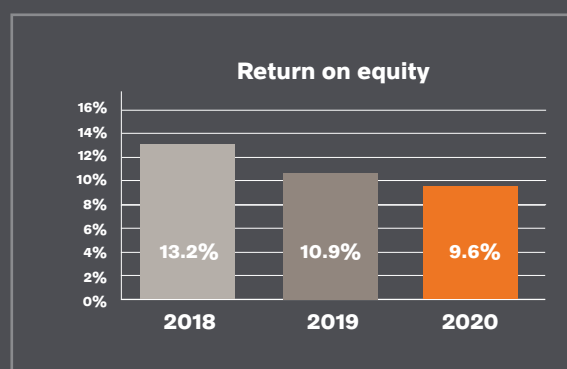
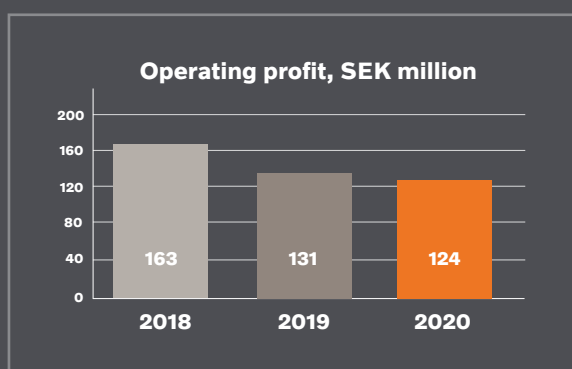
An aerial photograph of a dark-colored car parked on a paved road. The road is flanked by large, dark, jagged rocks. The car is positioned in the lower-left quadrant of the frame. The overall scene is dark and textured, with the car providing a central point of interest.

INTERIM REPORT
1 JANUARY – 31 MARCH
2020

VOLVOFINANS BANK

SUMMARY

JANUARY - MARCH 2020



A dark Volvo SUV is parked inside a garage with vertical wooden slat walls. The car is positioned in the lower half of the frame, with its front end facing left. The lighting is dramatic, highlighting the car's grille and headlights against the dark interior. The text 'INTRODUCTION AND FINANCIAL STATEMENTS' is centered in the upper half of the image, with a small orange horizontal line below it.

INTRODUCTION AND FINANCIAL STATEMENTS

JAN–MAR 2020 IN SUMMARY

Operating profit:
SEK 124 million (131)

Return on equity:
9.6% (10.9)

Lending as of 31 March:
SEK 37.7 billion (37.3)

Credit losses, net:
SEK 24.7 million (3.9)

Common Equity Tier 1 capital ratio:
19.8% (18.1)

During the first quarter of 2020, or more precisely during March, the corona pandemic developed into a serious economic crisis also in Sweden. However, through its approach to the pandemic with partially limited closures of Swedish industry, the government has created an advantage compared to the outside world, at least temporarily. The many preparations undertaken in banks through the agency of the Swedish Financial Supervisory Authority and aimed at managing crises, are proving to be truly useful, even though no two crises are exactly alike, which is also the case with the Covid-19 virus.

Volvofinans Bank began 2020 with a good order book and a good finance portfolio based on vehicle volumes at record high levels for a number of years. Also, based on these favourable market conditions, the bank made sure it maintained high credit quality, which can be seen as a strength in a credit market that is difficult to assess. This basis continues to provide the bank with very good financial outcomes and its Q1 profit of SEK 124 million (131) is only marginally lower than the equivalent period last year.

This very good Q1 performance also takes into account the expected economic consequences of the prevailing pandemic. According to current accounting policies, the bank must make provisions for future credit losses on the basis of macro-economic variables. In these quarterly accounts, Volvofinans Bank sets aside SEK 20 million for expected credit losses. Also, because of a major drop in used vehicle prices noted over a short period, we have made impairment charges of SEK 12 million relating to expected lower future market values for vehicles within the Fleet business area. However, according to our assessment based on experience from the three previous financial crises since the 1990s, growing demand pressure for used vehicles will result in an advantageous price point compared to new vehicles. As production has been cut back by practically all manufacturers, this will also increase demand for used vehicles over time. The adjustment described above constitute our best forecast, even though we naturally realize and accept that we are going through a financial crisis unparalleled in modern times.

On the other hand, we can state with certainty that we and our owners are in a good position and well-equipped to face the crisis. I would like to draw special attention to our competent, financially strong Volvo dealers, the majority of whom have weathered earlier crises under the same ownership umbrella and who constitute the cornerstone for the bank's unique risk-sharing model. For its part, Volvofinans Bank is assisting e.g. by raising dealer credit limits in cases where this is needed to strengthen liquidity, and also by granting deferrals to our strong, long-term joint

customers. Even though the bank's role is to support sales, good credit standards are naturally always maintained when providing such support.

Naturally, the bank focuses keenly on liquidity and credit management. Among other things, this has resulted in Volvofinans Bank's application and approval as a temporary monetary policy counterparty to the Swedish Central Bank, and its joining the Swedish National Debt Office's credit guarantee programme. The ability to make use of these two government agency initiatives adds another string to the bank's bow in supporting Volvo dealers and our joint customers.

Given that new vehicle sales in passenger cars, light vans and heavy trucks are forecast to fall under the current circumstances, it is pleasing to note that workshops have been working flat out in practically every town and region. Our large base of vehicles in our various segments demands a high level of maintenance, as customers have been proven to prioritize their investments and enjoy a sense of assurance by continuing to have their vehicles maintained by their dealers. This provides our dealers

with an excellent contribution to both liquidity and earnings, greatly boosting their resilience as future new vehicle volumes are forecast to be lower.

Naturally, the bank is also taking action to cut costs, and for a number of years we have invested heavily in the future by developing our digital skills to help us take the next steps. While we are cutting back on the pace of long-term development, we are still keen to keep up the pace of development in things that provide us with direct competitive advantages, even in a deep recession.

We have naturally also transformed our working methods as a result of the corona virus, and an absolute majority of our employees work from home. It is also extremely interesting to see how well our digital tools are working and how the efficiency of our processes remains at a high level. This new digital flexibility is an experience we will certainly put to good use in the post corona era.

Even though these are very difficult times for everyone and no one is able to predict when they will end, I must conclude by also mentioning the passionate commitment of our personnel and the fantastic contribution they all make. Although there's not much any of us can do about the crisis, we are determined to be among the banks that handle the crisis best!

Conny Bergström
CEO
Volvofinans Bank AB

Volvofinans 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 29 April 2020.



The Q1 profit of SEK 124 million (131), is only marginally lower than the corresponding period last year.

Financial statements

Ownership/Operations

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

The primary task of Volvofinans Bank is to actively support sales of products marketed by Volvo dealers in the Swedish market by providing product and sales financing with good profitability.

Volvofinans Bank AB 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, Volvofinans Bank does not prepare consolidated accounts as activities in subsidiaries are negligible.

Trends in volume/lending

Lending volume totalled SEK 37.7 billion compared to 37.3 billion in the previous year. Trucks accounted for SEK 3.3 billion (3.2) of lending, equivalent to 9% (9) of the total. Fleet accounted for SEK 7.6 billion (7.1) of lending or 21% (19) and Volvo Card for 4% (5) or SEK 1.7 billion (1.8). The remainder – SEK 25.6 billion (25.6) – is attributable to passenger car financing in Cars, which corresponds to 68% (68) of lending.

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

Trends in profit and financial position

Profit

The bank's profit after credit losses was SEK 124.1 million (131.0), which is 5% lower than the corresponding period last year. Net interest income and commission revenues were higher than last year mainly due to lower borrowing costs and higher revenues from surpluses when concluding operational leases. Earnings have been charged with increased impairments due to expected future credit losses of SEK 20.0 million; see section below. Impairments were also made during the quarter due to expected changes in the future market values of used vehicles in the amount of SEK 12.6 million; see below.

Credit risk and credit losses

Because the major part of credit risk is borne by individual Volvo dealers, the credit risk for Volvofinans Bank is very low. Defaulted receivables are defined as receivables more than 90 days overdue or defaulted on for other reasons. Volvofinans Bank's defaulted credit card receivables amounted to SEK 7.4 million (13.2) and for loans and leasing SEK 281.2 million (175.4).

With regard to commitments relating to loans and leases, there are, in addition to the collateral in the financed items, recourse agreements in place whereby the dealers bear the credit risk. This totalled SEK 273.1 million (173.7) as of the closing date. Deferred loans or loans with renegotiated terms amount to SEK 13.2 million (17.3). Confirmed bad debt losses during the year derive mainly from credit card transactions. 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 first quarter, these forecast variables generated impairments for expected credit losses of SEK 20 million.

Residual value risk

This refers to the risk that the residual value on a vehicle guaranteed by the bank on the final day of the lease is higher than the actual market value, and the bank thereby sustains a loss. During the quarter, the bank made impairments totalling SEK 12.6 million (-2.3) with respect to residual value risk resulting from lower market values for used vehicles due to the prevailing Covid-19 pandemic. As of 31/03/2020, the bank reported an accumulated

impairment loss of SEK 69.0 million (71.6) due to the residual value risk, under depreciations, amortisation and impairments of tangible assets.

Funding and liquidity

Deposits in the bank's savings account decreased by SEK 0.1 billion during the first quarter reaching a total balance of SEK 20.0 billion (19.6) at the end of the quarter. Total deposits including the credit balance for the Volvo Card and deposits from Volvo dealerships totalled SEK 21.1 billion (21.1) and accounted for 59% (56) of the bank's financing.

The bank's MTN program enables issues in the currencies SEK, NOK and EUR; so-called green bonds may also be issued. Bonds for a value of SEK 0.9 billion were issued during the first quarter and own bonds with a nominal amount of SEK 0.4 billion were repurchased. Volvofinans Bank's outstanding financing through its market loan programmes amounted to a nominal SEK 12.5 billion (14.7) as of 31/03/2020.

In addition to market borrowing and deposits, the bank also finances its activities through bank credits, which total SEK 1.6 billion (2.0). The proportion of financing from market loans programmes and the banking sector with remaining terms of more than one year was 70% (77).

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 unutilised credit facilities. The total liquidity reserve was SEK 4.4 billion (7.2). The securities holding accounted for SEK 3.4 billion or 77% and non-fixed deposits at other banks totalled SEK 1.0 billion, or 23%. Volvofinans Bank's liquidity reserve must always be at least 10% in relation to lending volume. As of 31 March 2020, total lending was SEK 37.7 billion, which means the liquidity reserve corresponded to 11.8% (19.3). In addition to the liquidity reserve, available and unutilised loan facilities totalled SEK 4.3 billion (4.3).

At the end of the quarter, Volvofinans Bank's liquidity coverage ratio (LCR) under article 415 of the EU Capital Requirements Regulation (CRR), totalled 197% (341). According to Volvofinans Bank's interpretation of the Basel Committee's recommendation (BCBS295), the Net Stable Funding Ratio (NSFR) was 144% (147).

Capital adequacy

Volvofinans 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. Common equity tier 1 capital ratio was 19.8% (18.1) as of 31/03/2020 and the capital requirement was assessed internally to 12.6% (14.6) and calculated on the basis of the methods and models used to calculate capital requirement within the framework of Pillar 1. In addition to this, there are capital requirements for a countercyclical capital buffer and a capital conservation buffer. The capital conservation buffer of 2.5% of REA was amounted to SEK 513 million (507). The countercyclical buffer was reduced to 0.0% (2.0) as of 16/03/2020 for preventive purposes due to Covid-19. The leverage ratio was 9.5% (8.1) as of 31/03/2020.

Disclosures are provided in compliance with Swedish Financial Supervisory Authority publication requirements FFFS 2014:12, FFFS 2010:7 and FFFS 2014:21.

Other significant information

Significant risks and uncertainty factors

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 increased costs in terms of the means of payment or, in the worst-case, cannot be met at all. To manage liquidity stress, Volvofinans 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 Volvofinans 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.

Covid-19

During the first quarter, Covid-19 had a global impact in both human and economic terms. Volvofinans Bank's income statement and balance sheet were affected primarily in terms of expected credit losses (ECL) and lower expected market prices for used cars. Macro-economic forecasting parameters such as unemployment, bankruptcy rates and behavioural variables have generated impairments for expected credit losses in the amount of SEK 20 million, while lower expected market prices for used vehicles have resulted in impairments of SEK 13 million in the first quarter of 2020. BilSweden has revised its forecast for new passenger car registrations from 330,000 down to 270,000 cars as a direct result of deteriorating short-term economic prospects due to Covid-19. Volvo Cars and other car manufacturers closed their factories for several weeks in April, which has reduced supply and the opportunity to finance new cars in the short term. Because increasing uncertainty in the world economy tends to reduce demand for capital goods, car consumption will probably be lower moving forward than in the past record years. The demand for fuel is also decreasing as a direct result of reduced travel.

Rating

Volvofinans 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 has been 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:

11 June 2020	Annual General Meeting
27 August 2020	Interim Report Jan–Jun
29 October 2020	Interim Report Jan–Sep

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, 29 April 2020

Conny Bergström
CEO

The report will be available on our website volvofinans.se, under About us/ Investor relations/Financial reports.

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

Review

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

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



Key ratios

	31/03/2020	31/03/2019	31/12/2019
Return on equity, %	9.56	10.90	10.74
Risk capital / Balance sheet total, %	13.12	11.32	12.43
Deposits / Lending, %	56.07	56.62	55.94
Profit / Risk-weighted assets, %	2.42	2.59	2.50
Total capital ratio, %	21.78	20.03	21.29
Common Equity Tier 1 capital ratio, %	19.83	18.05	19.35
Cost/Income ratio	0.50	0.48	0.51
Cost/Income ratio excl. residual value provision	0.46	0.49	0.53
Credit losses / Lending, %	0.10	0.04	0.04
Liquidity coverage ratio (LCR), %	197	341	257
NSFR (Net Stable Funding Ratio), %	144	147	143
Leverage ratio, %	9.5	8.1	9.1

Definitions for alternative key ratios and key ratios defined in accordance with the Swedish rules on capital adequacy can be found under:
<https://www.volvofinans.se/om-oss/investerarrelationer/finansiella-rapporter/definition-av-nyckeltal/>

Income statement, overview

	Amounts in SEK thousand			
	2020 Q1	2019 Q4	2019 Q1	2019 Jan–Dec
Interest income	145,541	138,433	133,727	544,851
Lease income	1,442,437	1,429,152	1,402,836	5,659,891
Interest expenses	-81,657	-80,634	-82,713	-335,319
Net interest income, Note 5	1,506,321	1,486,952	1,453,850	5,869,423
Dividend received, Note 6	15	15	13	308
Commission income	116,155	112,854	102,304	439,436
Commission expenses	-10,911	-11,686	-7,133	-42,169
Net result from financial transactions	-821	1,636	-163	851
Other operating income, Note 7	16,550	17,333	17,550	68,202
Total operating income	1,627,309	1,607,102	1,566,421	6,336,051
General administration expenses	-123,623	-144,664	-109,100	-480,027
Depreciation and impairment of tangible and intangible non-current assets, Note 5	-1,344,026	-1,331,098	-1,304,555	-5,248,131
Other operating expenses	-10,808	-24,986	-17,774	-75,821
Total operating expenses	-1,478,457	-1,500,748	-1,431,429	-5,803,979
Profit before credit losses	148,852	106,354	134,992	532,072
Credit losses, net, Note 8	-24,747	-3,838	-3,894	-16,041
Impairments/Reversals of financial intangible assets, net	34	126	-131	57
Operating profit	124,139	102,642	130,967	516,088
Appropriations	-	-498,268	-	-498,268
Tax	-26,565	83,817	-28,027	-4,661
Profit	97,574	-311,809	102,940	13,159

Balance sheet highlights

	Amounts in SEK thousand		
	31/03/2020	31/03/2019	31/12/2019
Treasury bills eligible as collateral etc.	1,231,606	1,312,328	1,429,949
Lending to credit institutions	994,245	3,364,265	1,281,290
Lending to the public	16,799,971	16,836,424	17,278,081
Bonds and other interest-bearing securities	2,212,710	2,491,288	2,349,552
Shares and participations in associates and other companies	11,258	23,777	11,258
Shares and participations in Group companies	6,742	6,742	6,742
Intangible non-current assets	14,210	24,482	15,060
Tangible assets: inventory	11,435	6,744	12,133
Tangible assets: lease items	20,850,560	20,438,519	20,648,640
Other assets*	784,304	793,393	936,042
Prepaid expenses and accrued income	132,348	116,275	67,246
Total assets, Note 11	43,049,389	45,414,237	44,035,993
Liabilities to credit institutions	1,552,381	1,966,667	1,592,857
Deposits and borrowing from the public	21,109,588	21,106,021	21,216,735
Securities issued	12,425,805	14,707,931	13,091,737
Other liabilities*	902,980	981,937	1,255,682
Accrued expenses and deferred income	1,388,132	1,388,635	1,306,053
Subordinated liabilities	400,000	400,000	400,000
Total liabilities, Note 11	37,778,886	40,551,191	38,863,064
Untaxed reserves	4,626,458	4,128,190	4,626,458
Equity	644,045	734,856	546,471
Total liabilities and equity	43,049,389	45,414,237	44,035,993
* Of which derivative instruments with positive and negative market values			
Derivative instruments with positive market value	8,213	10,188	11,022
Derivative instruments with negative market value	-84,782	-5,088	-11,070

Change in equity

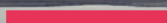
	Amounts in SEK thousand				
	Restricted equity			Non-restricted equity	
	Share capital	Statutory reserve	Development fund	Retained earnings	Total equity
Opening equity, 1 January 2019	400,000	20,000	21,222	190,694	631,916
Profit for the period after tax	-	-	-	102,940	102,940
Transfer, internally generated development costs	-	-	3,076	-3,076	0
Total before transactions with shareholders	400,000	20,000	24,298	290,558	734,856
Dividend	-	-	-	-	-
Closing equity, 31 March 2019	400,000	20,000	24,298	290,558	734,856
	Share capital	Statutory reserve	Development fund	Retained earnings	Total equity
Opening equity, 1 January 2019	400,000	20,000	21,222	190,694	631,916
Profit for the year	-	-	-	13,159	13,159
Transfer, internally generated development costs	-	-	-6,162	6,162	-
Total before transactions with shareholders	400,000	20,000	15,060	210,015	645,075
Dividend	-	-	-	-98,604	-98,604
Closing equity, 31 December 2019	400,000	20,000	15,060	111,411	546,471
	Share capital	Statutory reserve	Development fund	Retained earnings	Total equity
Opening equity, 1 January 2020	400,000	20,000	15,060	111,411	546,471
Profit for the period after tax	-	-	-	97,574	97,574
Transfer, internally generated development costs	-	-	-850	850	-
Total before transactions with shareholders	400,000	20,000	14,210	209,835	644,045
Dividend	-	-	-	-	-
Closing equity, 31 March 2020	400,000	20,000	14,210	209,835	644,045

Cash flow statement

	Amounts in SEK thousand		
	2020 Jan–Mar	2019 Jan–Mar	2019 Jan–Dec
Operating activities			
Operating profit	124,139	130,967	516,088
Adjustment of items not included in cash flow			
Unrealised portion of net result from financial transactions	-588	324	1,920
Depreciations, amortisation, impairments	1,344,026	1,304,555	5,248,171
Credit losses	24,675	3,117	14,600
Paid/refunded (-/+) tax	-1,790	-4,583	-3,328
Changes to assets and liabilities in operating activities			
Treasury bills eligible as collateral etc.	198,343	-66,512	-184,133
Lending to the public	465,948	83,233	-369,907
Bonds and other interest-bearing securities	136,842	-259,321	-117,586
Deposits and borrowing from the public	-107,147	2,887,655	3,001,369
Liabilities to credit institutions	-40,476	-116,666	-490,476
Other assets	49,002	4,745	-66,763
Securities issued	-665,932	-824,468	-2,440,662
Other liabilities	-270,034	-12,110	177,456
Cash flow from operating activities	1,257,009	3,130,936	5,286,751
Investing activities			
Capitalised development expenditures	-845	-3,957	-7,403
Investments in shares and participations	-	-	-3,426
Disposal/redemption of shares and participations	-	-	12,946
Disposal of tangible assets	1,375,311	1,171,319	4,682,274
Acquisition of tangible assets	-2,918,521	-2,556,605	-10,213,819
Cash flow from investing activities	-1,544,054	-1,389,243	-5,529,428
Financing activities			
Subordinated liabilities	-	-	-
Dividends paid	-	-	-98,604
Cash flow from financing activities	-	-	-98,604
Cash flow for the period			
Cash and cash equivalents at beginning of period	1,281,290	1,622,571	1,622,571
Cash flow from operating activities	1,257,009	3,130,936	5,286,751
Cash flow from investing activities	-1,544,054	-1,389,243	-5,529,428
Cash flow from financing activities	-	-	-98,604
Cash and cash equivalents at end of period	994,245	3,364,264	1,281,290



NOTES



NOTE 1. ACCOUNTING POLICIES

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting. Volvofinans 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 2019 have taken place.

The IBOR reform

In September 2019, the IASB published changes to IAS 39, IFRS 9 and IFRS 7 resulting from ongoing reforms to the current reference interest rates (IBOR). The amendments are obligatory and will apply from 1 January 2020. The changes are mainly due to the requirements for hedge accounting and provide relief in order to maintain hedging conditions despite potential uncertainty factors arising from the IBOR reform. The reform also entails additional information requirements on hedging conditions that are affected by uncertainties in the ongoing reference interest rates reforms:

- Significant exposure to reference interest rates and their extent
- How the bank handles the transition to the new alternative reference interest rates
- Significant assumptions and assessments used by the bank when applying the changes
- The nominal amount on hedge relationships to which relief is applied

The bank has exposure to Stibor and Nibor for derivatives where hedge accounting is not applied. For derivatives where hedge accounting is applied and for other financial instruments, there is only exposure to Stibor. Because the bank does not apply cash flow hedges, no effects should arise in the accounts except possibly when IBOR reforms are fully implemented and have an impact on the bank's derivative agreements and other financial instruments linked to reference interest rates.

FUTURE REGULATORY CHANGES**Other changes in IFRSs**

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

NOTE 2. ASSESSMENTS AND ESTIMATIONS 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 to assess the carrying amounts of assets and liabilities not otherwise clearly provided by other sources.

Actual outcomes may deviate from these estimations and assumptions. Primarily, the bank made the following critical assessments when applying significant accounting policies:

- Whether the bank has assumed significant risks and benefits from the seller on acquisition of receivables and agreements
- Impairment testing of lease items at risk of falling residual values
- Choice of method for calculating expected credit losses
- Assessment of the bank's business model for the holding of securities in the liquidity portfolio

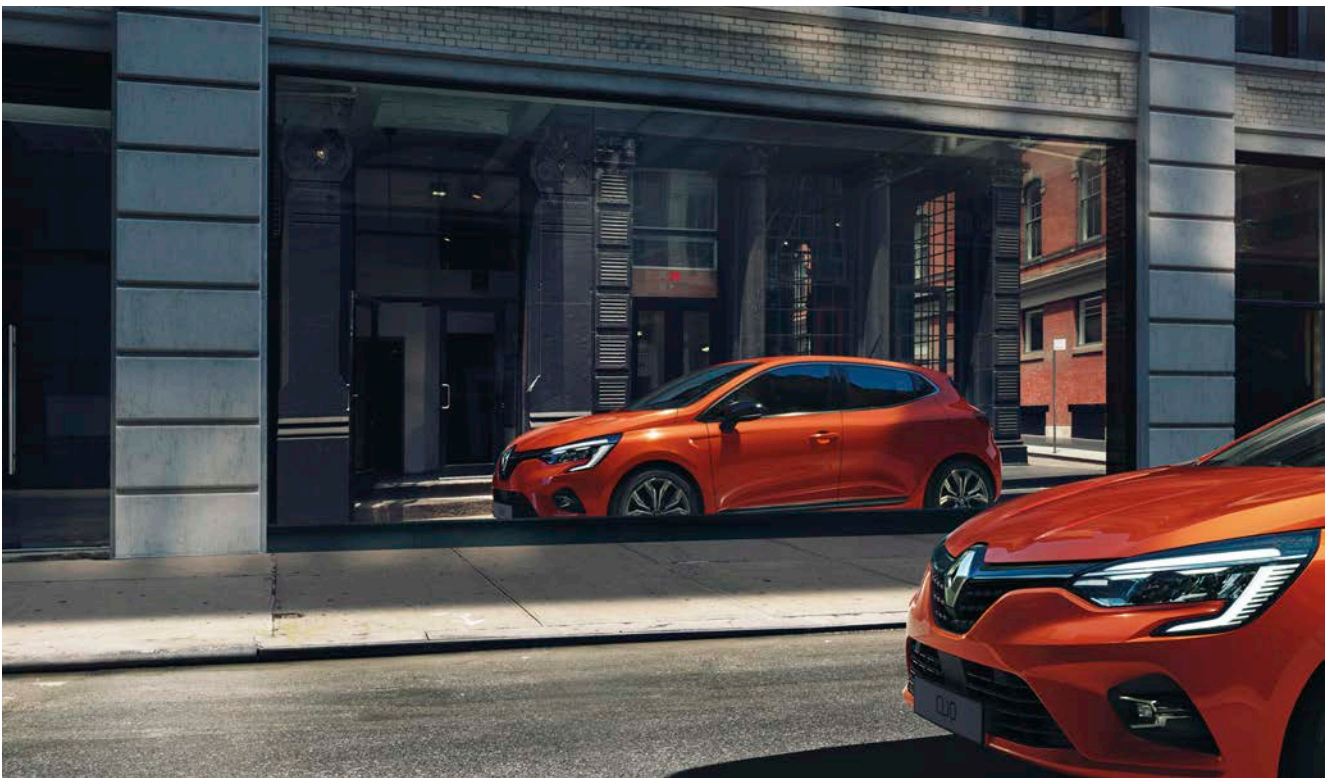
Areas in which uncertainty about estimates may exist are assumptions about credit loss impairment and assessments of the residual value of lease items.

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

NOTE 3. OPERATING SEGMENTS

The bank's operations are divided into operating segments based on the business areas that the bank's chief operating decision maker monitors. Operations are organised such that management monitors profit, returns and cash flows generated by the various services. Internal reporting is structured to allow management to monitor the performance of all services. It is on the basis of this reporting that the bank has identified the segments Cars, Trucks and Fleet.

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



CARS

Business area Cars comprises two businesses; Sales Finance and Cards/Payments, both aimed at consumers and small companies. Sales Finance finances cars mainly sold by Swedish Volvo and Renault dealers through loans or leasing, often in package solutions that include insurance, a credit card and a service agreement. Under a collaboration with Polestar Automotive Sweden AB – a new car marque owned by Volvo Cars and Geely – a new sales channel was launched in Q1 2020 via Polestar.se where consumers and commercial customers can order cars and sign wholly digital financing agreements with Volvofinans directly on the Internet. The Card/Payments business offers card payments and digital payment solutions via CarPay aimed at creating ease of payment for all vehicle usage requirements anywhere VISA is accepted, and which generate bonus checks under a loyalty programme. Using their mobile phones, the bank's customers can pay for their workshop visits, fuel stops at Tanka and other purchases using Samsung Pay and Apple Pay, thus making life a little easier for our customers and partners.

The new car market in Sweden has remained strong for many years and 2019 was the third best year ever with 356,036 registered new passenger cars. A total of 66,116 new cars were registered in Q1 2020, equivalent to a 10.5% drop compared to Q1 2019. New Volvo, Renault and Dacia registrations reached 14,628 cars, equivalent to a market share of 22.1% of which a high proportion of vehicle financing continues to be through Volvofinans. In the Payments business, the bank notes positive trends in card purchases and interest-bearing lending, and we also note that CarPay has now been downloaded by more than 600,000 unique customers. As a result of Covid-19, BilSweden has revised its forecast for the number of newly registered passenger cars this year by 18 per cent from 330,000 to 270,000 cars. The bank also notes a drop in payments in certain areas during the latter part of the first quarter, especially for foreign purchases. Credit risk provision has been revised upwards as a result of Covid-19 as expected credit losses are anticipated to increase as unemployment and bankruptcy rates rise.

Product development work is constantly in progress, as are launches of new digital services together with Volvo and Renault dealers, vehicle manufacturers and other interested parties in the business ecosystem. The digital customer journey during which the financial services are consumed is under constant development, and as with our digital payment solutions, we focus intensely on living up to our customer promise of a smarter car economy.

	Amounts in SEK thousand		
	2020 Jan–Mar	2019 Jan–Mar	Change
Net interest*	146,529	126,728	19,801
Dividends received	15	13	2
Commission income	63,814	64,039	-225
Commission expenses	-10,748	-6,928	-3,820
Net result from financial transactions	-567	-110	-457
Other income	1,863	3,556	-1,693
Operating income	200,906	187,298	13,608
Overhead expenses**	-97,936	-94,924	-3,012
Credit losses	-4,285	-3,460	-825
Credit risk provision	-7,481	-539	-6,942
Operating profit	91,204	88,375	2,829

* Including depreciation and impairment of lease items.

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

Product information, loans and leasing	31/03/2020	31/03/2019	Change
Number of contracts	200,796	207,227	-6,431
Total volume, SEK million	26,242	26,456	-214
of which transferred, %	93.6	93.3	0.3
of which pledged, %	6.4	6.7	-0.3
of which loans, %	45.5	45.4	0.1
of which leases, %	54.5	54.6	-0.1
Private leasing as a proportion of total leases, %	25.1	26.6	-1.5

Product information, cards	31/03/2020	31/03/2019	Change
Average number of active accounts	401,558	410,940	-9,382
Total volume, SEK million	1,675	1,763	-88
Average number of credit customers	86,023	88,703	-2,680
Total sales Volvo Card, SEK million	3,463	3,405	58
of which fuel, %	36.4	39.5	-3.1
of which workshop, %	13.5	13.4	0.1
of which retail store, %	1.3	1.6	-0.3
of which car wash, %	1.7	1.6	0.1
of which sales outside Volvo dealers, %	34.7	30.8	3.9
of which other (incl. car loans and insurance), %	12.3	13.3	-1.0

TRUCKS

In business area Trucks, the bank offers loans and lease financing for new and used trucks including trailers, superstructures and other equipment. Volvo Truck Card is also included in Trucks.

Demand for trucks has slowed partly as a result of the ongoing Covid-19 pandemic, but in terms of market share, Volvo is maintaining a stable, high level. The bank's financing share of new trucks is stable and more than every other truck is financed via truck loans, financial leases or operational leases. Financing volumes for used vehicles and trailers are at a high level. Credit risk provision has been revised upwards as a result of Covid-19 as expected credit losses are anticipated to increase as bankruptcy rates rise.

Work is constantly in progress with product development and the marketing of financial offers together with Volvo Trucks and Volvo Dealers. The development of future services and financial solutions in Fleet Management and flexible payment methods in general are examples of areas where the bank, together with Volvo Trucks, is creating future conditions for enhanced customer value. eControl is an invoice management service and cost monitoring system for the Swedish marketplace and mainly marketed to small and medium-size hauliers. eControl and a financing solution based on driven kilometres are examples of developments in progress at the bank aimed at offering Volvo customers smarter trucking economy to boost haulier profitability.

	Amounts in SEK thousand		
	2020	2019	
	Jan–Mar	Jan–Mar	Change
Net interest*	13,734	10,920	2,814
Commission income	2,147	2,223	-76
Commission expenses	-40	-54	14
Net result from financial transactions	-84	-18	-66
Other income	6	83	-77
Operating income	15,763	13,153	2,610
Overhead expenses**	-7,605	-8,953	1,348
Credit losses	-106	-70	-36
Credit risk provision	-650	62	-712
Operating profit	7,402	4,192	3,210

* Including depreciation and impairment of lease items.

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

Product information, loans and leasing	31/03/2020	31/03/2019	Change
Number of contracts	6,401	6,679	-278
Total volume, SEK million	4,059	4,108	-49
of which transferred, %	79.5	77.1	2.4
of which pledged, %	20.5	22.9	-2.4
of which loans, %	76.8	77.1	-0.3
of which leases, %	23.2	22.9	0.3
Operational leasing as a proportion of total leases, %	22.9	27.8	-4.9



FLEET

In the Fleet segment, the bank provides vehicle-fleet administration and financing mainly to mid-size and large companies, regardless of the car brands customers choose to use. Service and repair agreements and the tyre warranty product are also provided in this segment. The business idea is to simplify company car operations for the bank's customers by creating a smarter automotive economy through competitive costs for both drivers and companies. During recent years, business area Fleet has enjoyed a market-leading position. As of March 2020, Fleet remains the market leader with 22.3%. The number of agreements has risen by around 1% compared to the same period last year. The majority of the new contracts were in the operational leasing category. During the year, the bank entered an impairment loss of SEK 12.6 million due to residual value risk. The impairment is due to expected lower market values for used vehicles where leases expire during 2020 as a result of the prevailing Covid-19 pandemic. Yet another effect of Covid-19 is the credit risk provision charge to the business area's earnings in the amount of SEK 12.2 million regarding expected credit losses due to changed forecasting parameters in respect of macro-economic factors such as bankruptcy rates.

	Amounts in SEK thousand		
	2020 Jan-Mar	2019 Jan-Mar	Change
Leasing, net*	17,260	10,865	6,395
Change in residual value impairment	-12,615	2,312	-14,927
Commission income	50,194	36,042	14,152
Commission expenses	-123	-150	27
Net result from financial transactions	-170	-36	-134
Service and repair contracts	14,552	13,703	849
Other income	129	209	-80
Operating income	69,227	62,945	6,282
Overhead expenses**	-31,504	-24,525	-6,979
Credit losses	-	-	-
Credit risk provision	-12,190	-19	-12,171
Operating profit	25,533	38,401	-12,868

* Including depreciation and impairment of lease items.

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

Product Information	31/03/2020	31/03/2019	Change
Number of financing contracts	35,842	34,301	1,541
Number of administered contracts	47,493	46,829	664
Total volume, SEK million	7,621	7,123	498
of which operational leases, %	69.2	68.4	0.8
of which financial leases, %	30.8	31.6	-0.8

NOTE 4. DISCLOSURES, LOANS AND LEASES

31/03/2020	Loans	Leasing	Total
Number of contracts	126,396	125,399	251,795
Average contract, SEK thousand	119	188	154
Collateral value, SEK million	15,078	23,583	38,661
Credit utilised, SEK million	14,689	21,101	35,790
Loan-to-value ratio	97	89	93

31/03/2019	Loans	Leasing	Total
Number of contracts	129,097	127,156	256,253
Average contract, SEK thousand	118	183	151
Collateral value, SEK million	15,188	23,224	38,412
Credit utilised, SEK million	14,663	20,644	35,307
Loan-to-value ratio	97	89	92

NOTE 5. LEASE INCOME AND ACCUMULATED NET INTEREST INCOME

	Amounts in SEK thousand			
	2020 Q1	2019 Q4	2019 Q1	2019 Jan–Dec
Lease income from operational and financial leases	1,442,437	1,429,152	1,402,836	5,659,891
Depreciations, leased items	-1,328,798	-1,323,966	-1,305,333	-5,247,991
Change in residual value impairment, leased items	-12,615	4,297	2,307	17,503
Leasing, net	101,024	109,483	99,811	429,403
Interest income	145,541	138,433	133,727	544,851
Interest expenses	-81,657	-80,634	-82,713	-335,319
Net interest	63,884	57,800	51,014	209,531
Accumulated net interest income	164,908	167,283	150,825	638,934

NOTE 6. DIVIDENDS RECEIVED

	Amounts in SEK thousand		
	2020 Jan–Mar	2019 Jan–Mar	2019 Jan–Dec
Cash dividend Visa Sweden association	15	13	308
Total	15	13	308

NOTE 7. OTHER OPERATING INCOME

	Amounts in SEK thousand		
	2020 Jan–Mar	2019 Jan–Mar	2019 Jan–Dec
Capital gains on the sale of tangible assets	258	298	808
Revenues, service and repair contracts	14,552	13,703	56,572
Income from associated companies	393	751	3,426
Other operating income	1,347	2,798	7,396
Total	16,550	17,550	68,202

NOTE 8. CREDIT LOSSES, NET

Credit losses, net	Amounts in SEK thousand		
	2020 Jan–Mar	2019 Jan–Mar	2019 Jan–Dec
Assets at amortised cost (incl. unused part of limit)			
Change in provisions – stage 1	-7,935	-17	-222
Change in provisions – stage 2	-5,465	238	200
Change in provisions – stage 3	-6,956	-585	-638
Total change in provisions	-20,356	-364	-660
Write-off, confirmed credit losses	-4,822	-4,111	-17,658
Recoveries of previously confirmed credit losses	431	581	2,277
Total	-4,391	-3,530	-15,381
Credit losses, net	-24,747	-3,894	-16,041

During Q1 2020, the bank's reserve for expected credit losses increased as a result of Covid-19. Macro-economic forecasting parameters in the bank's ECL model such as unemployment, bankruptcy rate and disposable income explain the change in all material respects.

NOTE 9. LEVERAGE RATIO

	Amounts in SEK thousand		
	31/03/2020	31/03/2019	31/12/2019
Tier 1 capital	4,065,739	3,658,522	3,989,768
Exposure measurement	42,699,070	45,128,955	43,609,241
Leverage ratio, %	9.52	8.11	9.15



NOTE 10. CAPITAL ADEQUACY ANALYSIS

CAPITAL BASE

	Amounts in SEK thousand		
	31/03/2020	31/03/2019	31/12/2019
Common Equity Tier 1 capital: instruments and reserves			
Capital instruments and the related share premium accounts	400,000	400,000	400,000
Retained earnings	185,441	166,219	111,411
Accumulated other comprehensive income (and other reserves)	3,670,607	3,289,057	3,671,456
Common Equity Tier 1 capital before regulatory adjustments	4,256,048	3,855,275	4,182,867
Common Equity Tier 1 capital: regulatory adjustments			
Intangible assets	-14,210	-24,482	-15,060
Negative amounts resulting from the calculation of expected loss amount	-176,006	-172,256	-178,017
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-93	-15	-22
Total regulatory adjustments to Common Equity Tier 1	-190,309	-196,753	-193,099
Common Equity Tier 1 capital	4,065,739	3,658,522	3,989,768
Tier 2 capital: instruments and provisions			
Capital instruments and the related share premium accounts	400,000	400,000	400,000
Tier 2 capital	400,000	400,000	400,000
Total capital (Common Equity Tier 1 capital + Tier 2 capital)	4,465,739	4,058,522	4,389,768
Total risk-weighted assets	20,504,344	20,263,647	20,617,467

CAPITAL RATIOS AND BUFFERS

	Amounts in SEK thousand		
	31/03/2020	31/03/2019	31/12/2019
Risk-weighted assets	20,504,344	20,263,647	20,617,467
Common Equity Tier 1 capital ratio, %	19.83	18.05	19.35
Tier 1 capital, %	21.78	20.03	21.29
Total capital ratio, %	21.78	20.03	21.29
Institution-specific Common Equity Tier 1 capital requirements including buffer requirements, %	7.0	9.0	9.50
of which requirement for capital conservation buffer, %	2.5	2.5	2.50
of which requirement for countercyclical buffer, %	-	2.0	2.50
Total capital requirement, %	12.61	14.65	15.15
Common Equity Tier 1 capital ratio available for use as a buffer, %	15.33	13.55	14.36
Common Equity Tier 1 capital ratio available for use as a buffer	3,143,044	2,746,658	2,960,571

INTERNAL ASSESSED CAPITAL REQUIREMENT

	31/03/2020			31/03/2019			31/12/2019		
	Capital requirement	Capital requirement / Total REA	Of which	Capital requirement	Capital requirement / Total REA	Of which	Capital requirement	Capital requirement / Total REA	Of which
			CET1 requirements / REA			CET1 requirements / REA			CET1 requirements / REA
Credit risk	1,492,467	7.3%	4.1%	1,490,611	7.4%	4.1%	1,501,424	7.3%	4.1%
Operational risk	146,522	0.7%	0.4%	128,654	0.6%	0.4%	146,522	0.7%	0.4%
CVA risk	1,358	0.0%	0.0%	1,827	0.0%	0.0%	1,451	0.0%	0.0%
Pillar 1 capital requirement	1,640,348	8.0%	4.5%	1,621,092	8.0%	4.5%	1,649,397	8.0%	4.5%
Concentration risk	285,039	1.4%	0.9%	289,743	1.4%	1.0%	294,797	1.4%	1.0%
Strategic risk	82,017	0.4%	0.3%	81,055	0.4%	0.3%	82,470	0.4%	0.3%
Interest rate risk	65,000	0.3%	0.2%	65,000	0.3%	0.2%	65,000	0.3%	0.2%
Pillar 2 capital requirement	432,056	2.1%	1.4%	435,798	2.2%	1.5%	442,267	2.1%	1.4%
Capital conservation buffer	512,609	2.5%	2.5%	506,591	2.5%	2.5%	515,437	2.5%	2.5%
Countercyclical capital buffer	-	0.0%	0.0%	405,273	2.0%	2.0%	515,437	2.5%	2.5%
Combined buffer requirements	512,609	2.5%	2.5%	911,864	4.5%	4.5%	1,030,874	5.0%	5.0%
Capital requirements	2,585,013	12.6%	8.4%	2,968,754	14.7%	10.5%	3,122,538	15.1%	10.9%
Capital base	4,465,739	-	-	4,058,522	-	-	4,389,768	-	-
Capital surplus	1,880,726	-	-	1,089,768	-	-	1,267,230	-	-

The bank has a permit from the Swedish Financial Supervisory Authority to count interim profit as Common Equity Tier 1 capital.

CAPITAL REQUIREMENT AND RISK-WEIGHTED EXPOSURE AMOUNT

	31/03/2020			31/03/2019			31/12/2019		
	Capital requirement	Risk-weighted exposure amount	Average risk	Capital requirement	Risk-weighted exposure amount	Average risk	Capital requirement	Risk-weighted exposure amount	Average risk
			weighting			weighting			weighting
Credit risk IRB									
Corporate exposures	512,282	6,403,528	70.2%	488,306	6,103,831	71.0%	535,620	6,695,250	70.4%
Retail exposures	569,916	7,123,953	22.1%	556,544	6,956,801	21.5%	558,213	6,977,663	21.6%
Non credit-obligation assets exposure	325,801	4,072,512	100.0%	318,457	3,980,708	100.0%	322,735	4,034,183	100.0%
Total IRB	1,407,999	17,599,993	38.7%	1,363,307	17,041,339	37.9%	1,416,568	17,707,097	38.7%
Credit risk STD									
Exposures to central governments or central banks	-	-	-	-	-	-	-	-	-
Exposures to provincial or regional government bodies or local authorities	-	-	-	-	-	-	-	-	-
Exposures to public sector	571	7,134	100.0%	434	5,423	100.0%	543	6,793	100.0%
Exposures to institutions	18,164	227,048	20.0%	54,922	686,529	20.0%	21,784	272,299	20.0%
Company exposures	18,138	226,726	96.4%	18,709	233,868	94.5%	18,655	233,185	92.9%
Retail exposures	27,119	338,992	66.5%	30,358	379,480	67.1%	28,984	362,294	66.7%
Exposures in default	341	4,259	150.0%	195	2,435	150.0%	267	3,335	150.0%
Covered bonds	11,303	141,286	10.0%	13,531	169,132	10.0%	11,325	141,561	10.0%
Share exposures	1,440	18,000	100.0%	2,442	30,520	100.0%	1,440	18,000	100.0%
Other items	7,392	92,395	100.0%	6,713	83,912	100.0%	1,859	23,233	100.0%
Total STD	84,467	1,055,840	22.1%	127,304	1,591,299	21.2%	84,856	1,060,701	20.3%
Total	1,492,467	18,655,833	37.1%	1,490,611	18,632,638	35.5%	1,501,424	18,767,798	36.8%
Operational risk	146,522	1,831,531	-	128,654	1,608,170	-	146,522	1,831,531	-
Credit value adjustment (CVA)	1,358	16,981	-	1,827	22,839	-	1,451	18,138	-
Total minimum capital requirement and risk-weighted exposure amount	1,640,348	20,504,344	-	1,621,092	20,263,647	-	1,649,397	20,617,467	-

NOTE 11. CARRYING AMOUNT BY CATEGORY OF FINANCIAL INSTRUMENTS 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).

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).

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. Following a study and analysis of views, the bank has changed its opinion regarding the categories lending to the general public, liabilities to credit institutions and deposits and borrowing from the public, and the table below has been amended accordingly.

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.

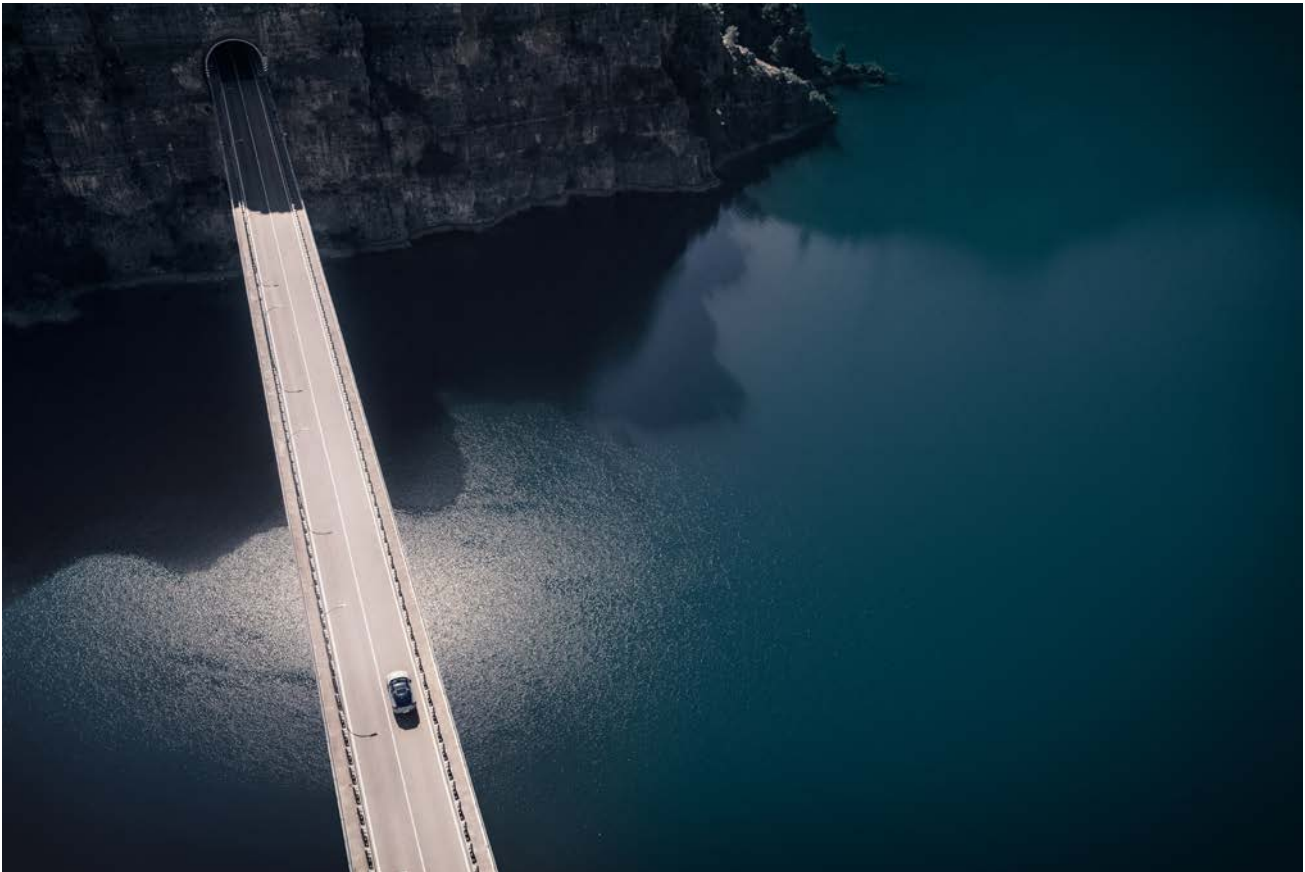
Level 3 – from input data not observable on the market. This category includes all instruments where the valuation technique comprises inputs that are not based on observable data and where such data has a material impact on valuation.

	Amounts in SEK thousand				
	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Assets, Jan–Mar 2020					
Treasury bills eligible as collateral etc.	1,229,546	-	-	1,229,546	1,231,606
Lending to credit institutions	-	-	994,245	994,245	994,245
Lending to the public	-	-	17,349,408	17,349,408	16,799,971
Bonds and other interest-bearing securities	1,411,963	799,856	-	2,211,819	2,212,710
Other assets*	-	8,213	776,091	784,304	784,304
Prepaid expenses and accrued income	-	-	132,348	132,348	132,348
Total	2,641,509	808,069	19,252,092	22,701,670	22,155,184
Liabilities, Jan–Mar 2020					
Liabilities to credit institutions	-	-	1,572,597	1,572,597	1,552,381
Deposits and borrowing from the public	-	-	21,109,588	21,109,588	21,109,588
Securities issued	-	12,232,488	-	12,232,488	12,425,805
Other liabilities*	-	84,782	818,198	902,980	902,980
Accrued expenses and deferred income	-	-	1,388,132	1,388,132	1,388,132
Subordinated liabilities	-	356,799	-	356,799	400,000
Total	-	12,674,069	24,888,515	37,562,584	37,778,886
Assets, Jan–Mar 2019					
Treasury bills eligible as collateral etc.	1,311,275	-	-	1,311,275	1,312,328
Lending to credit institutions	-	-	3,364,265	3,364,265	3,364,265
Lending to the public	-	-	16,838,928	16,838,928	16,836,424
Bonds and other interest-bearing securities	1,691,426	799,974	-	2,491,400	2,491,288
Other assets*	-	10,188	783,205	793,393	793,393
Prepaid expenses and accrued income	-	-	116,275	116,275	116,275
Total	3,002,701	810,162	21,102,673	24,915,536	24,913,973
Liabilities, Jan–Mar 2019					
Liabilities to credit institutions	-	-	1,984,457	1,984,457	1,966,667
Deposits and borrowing from the public	-	-	21,105,981	21,105,981	21,106,021
Securities issued	-	14,955,343	-	14,955,343	14,707,931
Other liabilities*	-	5,088	976,849	981,937	981,937
Accrued expenses and deferred income	-	-	1,388,635	1,388,635	1,388,635
Subordinated liabilities	-	447,987	-	447,987	400,000
Total	-	15,408,418	25,455,922	40,864,340	40,551,191

* The financial instruments measured at fair value in the balance sheet by the bank are derivative instruments.

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

Volvofinans Bank concludes derivative contracts under the International Swaps and Derivatives Association (ISDA) master agreement. No amounts have been offset. In the case of derivative agreements concluded after 1 March 2017, Volvofinans Bank receives and provides collateral in the form of deposits in accordance with the standard conditions of the ISDA Credit Support Annex. Assets for derivative agreements amount to SEK 8.2 million and liabilities to SEK 84.8 million. Securities in the amount of SEK 3.5 million were received and assets of SEK 82.3 million were pledged as of 31 March 2020.



Fair value assets and liabilities per category

Amounts in SEK thousand					
Assets	Financial assets measured at amortised cost	Derivatives in hedge accounting	Other assets*	Total	Fair value
31/03/2020					
Treasury bills eligible as collateral etc.	1,231,606	-	-	1,231,606	1,229,546
Lending to credit institutions	994,245	-	-	994,245	994,245
Lending to the public	16,799,971	-	-	16,799,971	17,349,408
Bonds and other interest-bearing securities	2,212,710	-	-	2,212,710	2,211,819
Shares and participations in associates and other companies	-	-	11,258	11,258	-
Shares and participations in Group companies	-	-	6,742	6,742	-
Intangible non-current assets	-	-	14,210	14,210	-
Tangible assets: inventory	-	-	11,435	11,435	-
Tangible assets: lease items	-	-	20,850,560	20,850,560	-
Other assets	596,440	8,024	179,841	784,304	784,304
Prepaid expenses and accrued income	132,348	-	-	132,348	132,348
Total assets	21,967,320	8,024	21,074,046	43,049,389	
Liabilities					
Liabilities	Non-financial liabilities	Derivatives in hedge accounting	Other financial liabilities**	Total	Fair value
31/03/2020					
Liabilities to credit institutions	-	-	1,552,381	1,552,381	1,572,597
Deposits and borrowing from the public	-	-	21,109,588	21,109,588	21,109,588
Securities issued	-	-	12,425,805	12,425,805	12,232,488
Other liabilities	333,041	1,228	568,710	902,980	902,980
Accrued expenses and deferred income	1,338,529	-	49,603	1,388,132	1,388,132
Subordinated liabilities	-	-	400,000	400,000	356,799
Total liabilities	1,671,570	1,228	36,106,087	37,778,886	

* Non-hedged derivatives amounting to 189 are included in the item other assets.

** Non-hedged derivatives amounting to 83,553 are included in the item other liabilities.

Amounts in SEK thousand					
Assets	Financial assets measured at amortised cost	Derivatives in hedge accounting	Other assets*	Total	Fair value
31/03/2019					
Treasury bills eligible as collateral etc.	1,312,328	-	-	1,312,328	1,311,275
Lending to credit institutions	3,364,265	-	-	3,364,265	3,364,265
Lending to the public	16,836,424	-	-	16,836,424	16,838,928
Bonds and other interest-bearing securities	2,491,288	-	-	2,491,288	2,491,400
Shares and participations in associates and other companies	-	-	23,777	23,777	-
Shares and participations in Group companies	-	-	6,742	6,742	-
Intangible non-current assets	-	-	24,482	24,482	-
Tangible assets: inventory	-	-	6,744	6,744	-
Tangible assets: lease items	-	-	20,438,519	20,438,519	-
Other assets	662,175	10,000	121,218	793,393	793,393
Prepaid expenses and accrued income	116,275	-	-	116,275	116,275
Total assets	24,782,755	10,000	20,621,482	45,414,237	
Liabilities					
Liabilities	Non-financial liabilities	Derivatives in hedge accounting	Other financial liabilities**	Total	Fair value
31/03/2019					
Liabilities to credit institutions	-	-	1,966,667	1,966,667	1,984,457
Deposits and borrowing from the public	-	-	21,106,021	21,106,021	21,105,981
Securities issued	-	-	14,707,931	14,707,931	14,955,343
Other liabilities	388,498	1,606	591,833	981,937	981,937
Accrued expenses and deferred income	1,332,947	-	55,688	1,388,635	1,388,635
Subordinated liabilities	-	-	400,000	400,000	447,987
Total liabilities	1,721,445	1,606	38,828,140	40,551,191	

* Non-hedged derivatives amounting to 188 are included in the item other assets.

** Non-hedged derivatives amounting to 3,482 are included in the item other liabilities.

NOTE 12. 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	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Balance sheet						
Assets	6,742	6,742	8,926	29,756	1,145,724	1,138,782
Liabilities	6,789	6,789	52,140	138,831	183,483	400,145
Income statement						
Interest income	-	-	243	79	-	2
Lease income	-	-	-	-	69,272	93,079
Interest expenses	-	-	-27	-12	-	-15
Commission income	-	-	-	-	351	483
Other operating income	-	-	393	751	-	-
Total	-	-	609	818	69,623	93,549

NOTE 13. EVENTS AFTER THE END OF THE PERIOD

After the end of the period, the bank was approved as a temporary monetary policy counterparty, which is a prerequisite for granting the bank access to the Swedish Central Bank's programme for onward lending to companies. The bank was also approved for participation in the Swedish National Debt Office guarantee programme for lending to companies.



VOLVOFINANS BANK

Volvofinans Bank AB (publ) • Co. Reg. 556069-0967

Bohusgatan 15 • Box 198 • SE 401 23 Gothenburg

Phone: +46 31-83 88 00 • volvofinans.se