

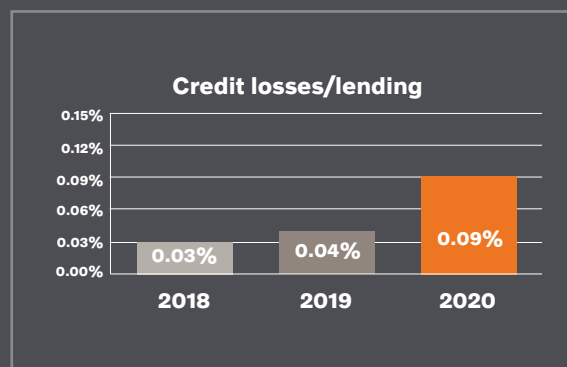
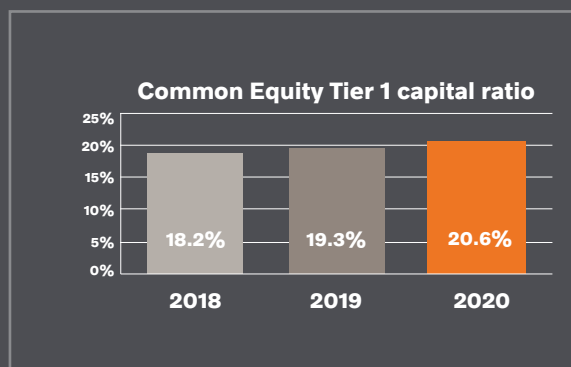
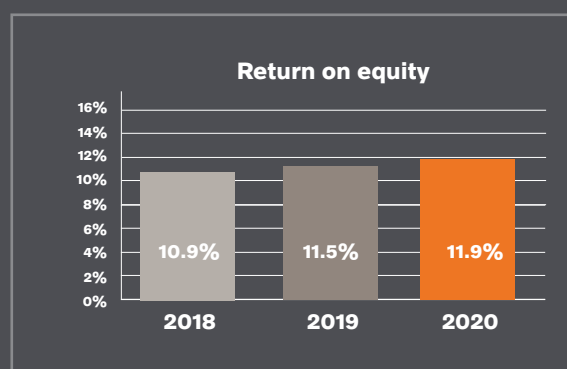
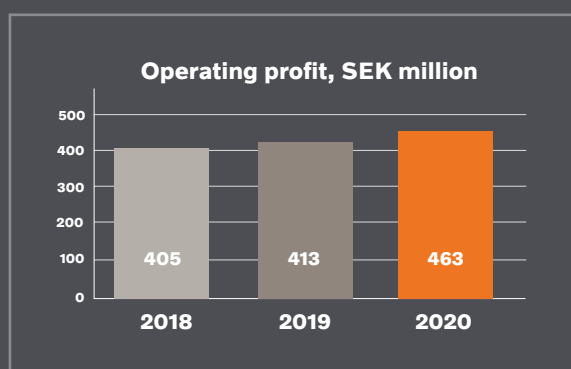
INTERIM REPORT 1 JANUARY – 30 SEPTEMBER
2020



VOLVOFINANS BANK

SUMMARY

JANUARY - SEPTEMBER 2020





INTRODUCTION AND FINANCIAL STATEMENTS

JAN–SEP 2020 IN SUMMARY

Operating profit:
SEK 463 million (413)

Return on equity:
11.9% (11.5)

Lending as of 30 September:
SEK 37.3 billion (37.1)

Credit losses, net:
SEK 32.2 million (12.2)

Common Equity Tier 1 capital ratio:
20.6% (19.3)

Following a mild summer and a cool autumn with comparatively few Covid-19 cases, we are now meekly facing a potential rebound of the pandemic, as recent weeks would indicate.

We note a distinct recovery in our ecosystem during the third quarter, and in some places even more. This made a major contribution to yet another strong performance by Volvofinans Bank. Profit came in at SEK 463 million, which is an increase of 12% compared to the previous year. Despite falling vehicle sales in the wake of the Corona pandemic, it was also satisfying to note a small growth in lending during the quarter, after the first half year's decline.

All three business areas delivered higher profits than the equivalent period last year, with Trucks and Fleet returning two-digit percentage increases in earnings. Reduced pressure from Corona has meant increased sales and higher revenues for our owners and partners, Volvo Cars and Volvo Dealers. This also applies to Volvo Trucks, which has enjoyed a strong recovery in sales and profits since the early autumn. By the end of the quarter, our new collaboration with Polestar very quickly resulted in a portfolio with just over 250 financing agreements since the start of Polestar 2 deliveries in the beginning of August.

In September, a month during which registrations exceeded last year's by 7.3%, the trade organization BilSweden raised its prognosis for the full year by 10,000 to 280,000 new vehicle registrations. The increase demonstrates a continued recovery from the weak second quarter. Rechargeable cars constituted 34.3% of new vehicle registrations in September, an increase of 21 percentage

points compared to last year's 13%. We are more than a little proud to note that Volvo is the biggest brand among plug-in hybrids and that Polestar has very quickly seized third-place (right behind second) for electric cars. The success of Volvo in electrification is also confirmed by the news that the company, as one of few in Europe, is counting on avoiding the EU's emission fines.

All-in-all, the above-mentioned excellent financial performance, events and stable development inspire me and all of our employees to continue building the 'Mobility Bank'.

Conny Bergström

CEO

Volvofinans Bank AB



**"Volvofinans Bank
delivers yet another
very strong performance"**

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 October 2020.

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 37.3 billion compared to 37.1 billion in the previous year. Trucks accounted for SEK 3.2 billion (3.4) of lending, equivalent to 9% (9) of the total. Fleet accounted for SEK 8.0 billion (7.1) of lending or 21% (19) and Volvo Card for 4% (5) or SEK 1.6 billion (1.8). The remainder – SEK 24.5 billion (24.8) is attributable to passenger car financing in Cars, which corresponds to 66% (67) 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 462.6 million (413.4), which is 12% higher than the corresponding period last year. Net interest income is higher than the previous year, mainly due to lower borrowing costs. The bank's cost-cutting programme reduced its expenses by 5% during the year. Profit for the year was charged with increased impairments due to expected future credit losses of SEK 18.8 million; see section below. During the year, market prices for used cars were very volatile, and this is reflected in the bank's residual value reserve; see below. The improvement in profits during Q3 can also be explained by the high used-vehicle prices, which had a positive effect on disposal profits in the sale of returned vehicles in the bank's Fleet business.

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 totalled SEK 6.2 million (12.9) and for loans and leasing SEK 285.3 million (145.3).

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 275.9 million (141.7) as of the closing date. Deferred loans or loans with renegotiated terms amount to SEK 8.7 million (15.9). 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 and behavioural variables. During the year, these forecast variables generated impairments for expected credit losses of SEK 18.8 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. As of 30/09/2020, the bank reported an impairment loss of SEK 42.2 million (60.7) due to the residual value risk, under depreciations, amortisation and impairments of tangible assets. During the year, market prices for used cars were very volatile, and this is reflected in the bank's residual value reserve. During the first quarter, the Bank made impairment charges of SEK 12.6 million resulting from lower market prices for used cars due to the Covid-19 outbreak. Market prices for used vehicles have recovered during the past six months and are now at higher levels than ever, which generated a reverse residual value impairment in the amount of SEK 26.8 million during the period. Thus the accumulated dissolution of residual value impairments during the year totals SEK 14.2 million (13.2).

Funding and liquidity

Deposits in the bank's savings account increased marginally by SEK 0.2 billion during the third quarter reaching a total balance of SEK 20.6 billion (19.9) at the end of the quarter. Total deposits including the credit balance for the Volvo Card and deposits from Volvo dealerships totalled SEK 22.4 billion (21.3) and accounted for 62% (58) 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. During the first six months, bonds were issued to a value of SEK 1.9 billion and own bonds with a nominal value of SEK 0.8 billion were repurchased. No market financing was conducted during the third quarter. Volvofinans Bank AB's outstanding financing through its market loan programmes amounted to a nominal SEK 12.1 billion (13.5) as of 30/09/2020.

In addition to market borrowing and deposits, the bank also finances its activities through bank credits, which total SEK 1.3 billion (1.6). The proportion of financing from market loans programmes and the banking sector with remaining terms of more than one year was 68% (74).

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 5.8 billion (6.3). The securities holding accounted for SEK 3.5 billion (60%) and non-fixed deposits at other banks totalled SEK 2.4 billion (40%). Volvofinans Bank's liquidity reserve must always be at least 10% in relation to lending volume. As of 30/09/2020, total lending was SEK 37.3 billion, which means the liquidity reserve corresponded to 16% (17). In addition to the liquidity reserve, available and unutilised loan facilities totalled SEK 4.8 billion (4.3).

At the end of the third quarter, Volvofinans Bank's liquidity coverage ratio (LCR) under article 415 of the EU Capital Requirements Regulation (CRR) totalled 287 % (287). According to Volvofinans Bank's interpretation of the Basel Committee's recommendation (BCBS295), the Net Stable Funding Ratio (NSFR) was 144% (145).

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. The common equity tier 1 capital ratio totalled 20.6% (19.3) as of 30/06/2020 and the capital requirement was assessed internally to 12.6% (15.1) 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 totalled SEK 513 million (496). The countercyclical buffer was reduced to 0.0% (2.5) as of 16/03/2020 for preventive purposes due to Covid-19. The leverage ratio was 9.7% (8.7) as of 30/09/2020.

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 2020, 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). Macroeconomic forecast parameters such as unemployment, the bankruptcy rate and behavioural variables generated impairment charges for expected credit losses of SEK 19 million. In April, BilSweden 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 reduced supply and the possibility of financing new cars in the short term. However, from the middle of May all Volvo factories were in operation. In September, BilSweden raised its prognosis to 280,000 registrations following several positive summer months, but uncertainty is beginning to rise with an increasing number of Covid-19 cases in Sweden and Europe. 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.

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: Negative

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 Volvofinans Bank/Investor relations.

Calendar:

5 February 2021	Year-end report
Week 12, 2021	Annual Report
7 May 2021	Interim Report Jan-Mar
10 June 2021	Annual General Meeting
27 August 2021	Interim Report Jan-Jun
5 November 2021	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 October 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

	30/09/2020	30/09/2019	31/12/2019
Return on equity, %	11.88	11.47	10.74
Risk capital / Balance sheet total, %	13.26	11.99	12.43
Deposits / Lending, %	59.95	57.30	55.94
Profit / Risk-weighted assets, %	3.00	2.78	2.50
Total capital ratio, %	22.57	21.28	21.29
Common Equity Tier 1 capital ratio, %	20.62	19.26	19.35
Cost/Income ratio	0.42	0.47	0.51
Cost/Income ratio excl. residual value provision	0.44	0.49	0.53
Credit losses / Lending, %	0.09	0.04	0.04
Liquidity coverage ratio (LCR), %	208	287	257
NSFR (Net Stable Funding Ratio), %	144	145	143
Leverage ratio, %	9.7	8.7	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 Q3	2020 Q2	2019 Q3	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Interest income	138,297	146,734	135,589	430,572	406,417	544,851
Lease income	1,464,653	1,449,941	1,412,513	4,357,031	4,230,739	5,659,891
Interest expenses	-85,400	-90,046	-89,029	-257,102	-254,686	-335,319
Net interest income, Note 5	1,517,550	1,506,629	1,459,073	4,530,501	4,382,470	5,869,423
Dividend received, Note 6	171	41	12	227	294	308
Commission income	120,940	98,664	115,296	335,759	326,582	439,436
Commission expenses	-28,595	-11,426	-11,681	-50,932	-30,483	-42,169
Net result from financial transactions	213	-1,729	239	-2,336	-785	851
Other operating income, Note 7	15,827	15,670	15,988	48,047	50,869	68,202
Total operating income	1,626,105	1,607,849	1,578,927	4,861,266	4,728,947	6,336,051
General administration expenses	-95,452	-113,613	-103,857	-332,688	-335,363	-480,027
Depreciation and impairment of tangible and intangible non-current assets, Note 5	-1,339,384	-1,319,798	-1,301,102	-4,003,209	-3,917,032	-5,248,131
Other operating expenses	-10,981	-8,636	-15,029	-30,425	-50,834	-75,821
Total operating expenses	-1,445,817	-1,442,047	-1,419,988	-4,366,322	-4,303,229	-5,803,979
Profit before credit losses	180,288	165,802	158,939	494,944	425,718	532,072
Credit losses, net, Note 8	-325	-7,151	-4,000	-32,223	-12,202	-16,041
Impairments/Reversals of financial intangible assets, net	17	-178	-4	-127	-70	57
Operating profit	179,979	158,473	154,935	462,594	413,446	516,088
Appropriations	-	-	-	-	-	-498,268
Tax	-38,516	-33,914	-33,156	-98,995	-88,478	-4,661
Profit	141,464	124,559	121,779	363,599	324,968	13,159

Balance sheet highlights

	Amounts in SEK thousand		
	30/09/2020	30/09/2019	31/12/2019
Treasury bills eligible as collateral etc.	1,334,216	1,432,217	1,429,949
Lending to credit institutions	2,357,056	2,622,135	1,281,290
Lending to the public	16,373,794	16,970,854	17,278,081
Bonds and other interest-bearing securities	2,152,388	2,199,915	2,349,552
Shares and participations in associates and other companies	7,925	23,777	11,258
Shares and participations in Group companies	6,742	6,742	6,742
Intangible non-current assets	19,769	24,169	15,060
Tangible assets: inventory	10,519	6,404	12,133
Tangible assets: lease items	20,970,813	20,130,221	20,648,640
Other assets*	779,007	756,832	936,042
Prepaid expenses and accrued income	86,631	84,815	67,246
Total assets, Note 11	44,098,860	44,258,081	44,035,993
Liabilities to credit institutions	1,271,429	1,633,333	1,592,857
Deposits and borrowing from the public	22,386,655	21,257,097	21,216,735
Securities issued	12,035,269	13,484,939	13,091,737
Other liabilities*	1,025,388	1,098,756	1,255,682
Accrued expenses and deferred income	1,443,591	1,397,486	1,306,053
Subordinated liabilities	400,000	400,000	400,000
Total liabilities, Note 11	38,562,332	39,271,611	38,863,064
Untaxed reserves	4,626,458	4,128,190	4,626,458
Equity	910,070	858,280	546,471
Total liabilities and equity	44,098,860	44,258,081	44,035,993
* Of which derivative instruments with positive and negative market values			
Derivative instruments with positive market value	17,906	26,798	11,022
Derivative instruments with negative market value	-76,987	-396	-11,070

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 2019	400,000	20,000	21,222	190,694	631,916
Profit for the period after tax	-	-	-	324,968	324,968
Transfer, internally generated development costs	-	-	2,947	-2,947	-
Total before transactions with shareholders	400,000	20,000	24,169	512,715	956,884
Dividend	-	-	-	-98,604	-98,604
Closing equity, 30 September 2019	400,000	20,000	24,169	414,111	858,280
	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	-	-	-	363,599	363,599
Transfer, internally generated development costs	-	-	4,709	-4,709	-
Total before transactions with shareholders	400,000	20,000	19,769	470,301	910,070
Dividend	-	-	-	-	-
Closing equity, 30 September 2020	400,000	20,000	19,769	470,301	910,070

Cash flow statement

	Amounts in SEK thousand		
	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Operating activities			
Operating profit	462,594	413,446	516,088
Adjustment of items not included in cash flow			
Unrealised portion of net result from financial transactions	-2,079	95	1,920
Depreciations, amortisation, impairments	4,003,209	3,917,032	5,248,171
Credit losses	32,164	10,150	14,600
Paid/refunded (-/+) tax	-6,653	-6,680	-3,328
Changes to assets and liabilities in operating activities			
Treasury bills eligible as collateral etc.	95,733	-186,401	-184,133
Lending to the public	886,793	-58,250	-369,907
Bonds and other interest-bearing securities	197,164	32,051	-117,586
Deposits and borrowing from the public	1,169,920	3,038,731	3,001,369
Liabilities to credit institutions	-321,429	-450,000	-490,476
Other assets	30,293	102,911	-66,763
Securities issued	-1,056,469	-2,047,460	-2,440,662
Other liabilities	-90,675	25,312	177,456
Cash flow from operating activities	5,400,567	4,790,937	5,286,751
Investing activities			
Capitalised development expenditures	-9,729	-7,177	-7,403
Investments in shares and participations	-	-	-3,426
Disposal/redemption of shares and participations	3,333	-	12,946
Disposal of tangible assets	3,498,758	3,465,361	4,682,274
Acquisition of tangible assets	-7,817,163	-7,150,953	-10,213,819
Cash flow from investing activities	-4,324,801	-3,692,769	-5,529,428
Financing activities			
Dividends paid	-	-98,604	-98,604
Cash flow from financing activities	-	-98,604	-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	5,400,567	4,790,937	5,286,751
Cash flow from investing activities	-4,324,801	-3,692,769	-5,529,428
Cash flow from financing activities	-	-98,604	-98,604
Cash and cash equivalents at end of period	2,357,056	2,622,135	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 FFS 2009:11 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. No changes in the bank's accounting policies as described in the Annual Report 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. There is also 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 business customers can order their cars and sign financing agreements with Volvofinans digitally 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. 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. This makes life 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. However, the 2020 new car market continues to be seriously affected by Covid-19, with lower volumes as a result. The credit risk provision was adjusted up due to Covid-19, as expected credit losses are anticipated to increase in the wake of the ongoing pandemic. So far this year, passenger car registrations have decreased by 18.2%. New Volvo, Renault, Dacia and Polestar registrations reached 45,170 cars, equivalent to a market share of 22.3%, where Volvofinans provides a high proportion of the financing. The bank also notes that the Payments business market has been affected by Covid-19, resulting in lower sales. Nevertheless, our digital CarPay service provides high inflows and the app has been downloaded by more than 660,000 unique customers.

Product development work is constantly in progress, as are launches of new digital services together with Volvo and Renault dealers, our 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-Sep	2019 Jan-Sep	Change
Net interest*	428,238	391,730	36,508
Dividends received	227	294	-67
Commission income	184,237	197,769	-13,532
Commission expenses	-50,324	-29,801	-20,523
Net result from financial transactions	-1,620	-527	-1,093
Other income	4,149	7,186	-3,037
Operating income	566,681	566,651	30
Overhead expenses**	-266,501	-288,030	21,529
Credit losses	-13,000	-11,195	-1,805
Credit risk provision	-4,335	-866	-3,469
Operating profit	281,072	266,559	14,512

* 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	30/09/2020	30/09/2019	Change
Number of contracts	195,543	204,667	-9,124
Total volume, SEK million	25,753	26,100	-347
of which transferred, %	93.8	93.4	0.4
of which pledged, %	6.2	6.6	-0.4
of which loans, %	46.0	45.9	0.1
of which leases, %	54.0	54.1	-0.1
Private leasing as a proportion of total leases, %	25.1	25.8	-0.7

Product information, cards	30/09/2020	30/09/2019	Change
Average number of active accounts	398,914	420,278	-21,364
Total volume, SEK million	1,648	1,799	-151
Average number of credit customers	82,247	87,270	-5,023
Total sales Volvo Card, SEK million	10,379	11,226	-847
of which fuel, %	35.1	40.4	-5.3
of which workshop, %	17.8	15.8	2.0
of which retail store, %	1.3	1.4	-0.1
of which car wash, %	1.4	1.2	0.2
of which sales outside Volvo dealers, %	36.2	32.2	4.0
of which other (incl. car loans and insurance), %	8.3	9.0	-0.7

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.

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 the development in progress at the bank aimed at offering Volvo customers smarter trucking economy to boost haulier profitability.

	Amounts in SEK thousand		
	2020 Jan-Sep	2019 Jan-Sep	Change
Net interest*	39,547	32,150	7,397
Commission income	7,313	7,681	-368
Commission expenses	-117	-154	37
Net result from financial transactions	-234	-84	-150
Other income	20	660	-640
Operating income	46,529	40,253	6,276
Overhead expenses**	-21,524	-26,109	4,585
Credit losses	-240	-40	-200
Credit risk provision	-147	-161	14
Operating profit	24,618	13,944	10,674

* 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	30/09/2020	30/09/2019	Change
Number of contracts	6,394	6,549	-155
Total volume, SEK million	4,020	4,118	-98
of which transferred, %	79.9	80.7	-0.8
of which pledged, %	20.1	19.3	0.8
of which loans, %	77.2	77.3	-0.1
of which leases, %	22.8	22.7	0.1
Operational leasing as a proportion of total leases, %	22.8	26.0	-3.2



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. Both operational and financial leasing is offered together with the Company Car product.

In recent years, business area Fleet has enjoyed a market-leading position. As of September 2020, Fleet remains the market leader with 22.5%. The number of agreements has risen by around 3% compared to the same period last year. The majority of the new contracts were in the operational leasing category. The used vehicle market has been volatile during the prevailing Covid-19 pandemic, and following an initial severe downturn has recovered and is now at a higher level than 2019, a record year, and this has led to further dissolutions of earlier residual value impairments. Accumulated this year, dissolutions in the amount of SEK 16 million have been made. Credit risk provision has been revised upwards as a result of Covid-19, as expected credit losses are anticipated to increase in the wake of the continuing pandemic.

Product development is constantly in progress, and we are launching new services to make life simpler for the bank's customers by creating a smarter vehicle economy in the form of competitive company car expenditures for both drivers and companies.

	Amounts in SEK thousand		
	2020	2019	
	Jan-Sep	Jan-Sep	Change
Leasing, net*	51,492	34,561	16,931
Change in residual value impairment	15,952	13,210	2,742
Commission income	144,209	121,132	23,077
Commission expenses	-491	-528	37
Net result from financial transactions	-482	-174	-308
Service and repair contracts	43,687	42,550	1,137
Other income	190	472	-282
Operating income	254,557	211,224	43,333
Overhead expenses**	-83,024	-78,271	-4,753
Credit losses	-274	-	-274
Credit risk provision	-14,355	-10	-14,345
Operating profit	156,904	132,943	23,961

* 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	30/09/2020	30/09/2019	Change
Number of financing contracts	36,175	34,595	1,580
Number of administered contracts	48,177	46,841	1,336
Total volume, SEK million	7,973	7,099	874
of which operational leases, %	70.3	68.1	2.2
of which financial leases, %	29.7	31.9	-2.2

NOTE 4. DISCLOSURES, LOANS AND LEASES

30/09/2020	Loans	Leasing	Total
Number of contracts	123,995	122,788	246,783
Average contract, SEK thousand	121	191	156
Collateral value, SEK million	14,946	23,483	38,429
Credit utilised, SEK million	14,534	21,056	35,590
Loan-to-value ratio	97	90	93

30/09/2019	Loans	Leasing	Total
Number of contracts	128,242	126,052	254,294
Average contract, SEK thousand	118	182	150
Collateral value, SEK million	15,161	22,884	38,045
Credit utilised, SEK million	14,790	20,355	35,146
Loan-to-value ratio	98	89	92

NOTE 5. LEASE INCOME AND ACCUMULATED NET INTEREST INCOME

	Amounts in SEK thousand					
	2020 Q3	2020 Q2	2019 Q3	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Lease income from operational and financial leases	1,464,653	1,449,941	1,412,513	4,357,031	4,230,739	5,659,891
Depreciations, leased items	-1,350,469	-1,330,185	-1,308,214	-4,009,452	-3,924,025	-5,247,991
Change in residual value impairment, leased items	13,725	13,070	9,499	14,180	13,206	17,503
Leasing, net	127,909	132,826	113,799	361,759	319,920	429,403
Interest income	138,297	146,734	135,589	430,572	406,417	544,851
Interest expenses	-85,400	-90,046	-89,029	-257,102	-254,686	-335,319
Net interest	52,897	56,688	46,561	173,470	151,731	209,531
Accumulated net interest income	180,806	189,514	160,359	535,229	471,651	638,935

NOTE 6. DIVIDENDS RECEIVED

	Amounts in SEK thousand		
	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Cash dividend Visa Sweden association	227	294	308
Total	227	294	308

NOTE 7. OTHER OPERATING INCOME

	Amounts in SEK thousand		
	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Capital gains on the sale of tangible assets	451	679	808
Revenues, service and repair contracts	43,679	42,550	56,572
Income from associated companies	1,637	2,504	3,426
Other operating income	2,280	5,136	7,396
Total	48,047	50,869	68,202

NOTE 8. CREDIT LOSSES, NET

	Amounts in SEK thousand		
	30/09/2020	30/09/2019	31/12/2019
Assets at amortised cost (incl. unused part of limit)			
Provisions – stage 1	17,531	9,945	9,632
Provisions – stage 2	11,801	8,247	8,203
Provisions – stage 3	13,583	6,279	6,371
Total reserve	42,915	24,471	24,206
	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Assets at amortised cost (incl. unused part of limit)			
Change in provisions – stage 1	-7,899	-540	-222
Change in provisions – stage 2	-3,598	147	200
Change in provisions – stage 3	-7,212	-575	-638
Total change in provisions	-18,709	-968	-660
Write-off, confirmed credit losses	-15,162	-13,102	-17,658
Recoveries of previously confirmed credit losses	1,648	1,868	2,277
Total	-13,514	-11,234	-15,381
Credit losses, net	-32,223	-12,202	-16,041

During the year, the bank's provision 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 account for the change in all material respects.

NOTE 9. LEVERAGE RATIO

	Amounts in SEK thousand		
	30/09/2020	30/09/2019	31/12/2019
Tier 1 capital	4,233,796	3,825,004	3,989,768
Exposure measurement	43,620,817	44,005,369	43,609,241
Leverage ratio, %	9.71	8.69	9.15



NOTE 10. CAPITAL ADEQUACY ANALYSIS

CAPITAL BASE

	Amounts in SEK thousand		
	30/09/2020	30/09/2019	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	379,401	377,039	111,411
Accumulated other comprehensive income (and other reserves)	3,676,165	3,244,757	3,671,456
Common Equity Tier 1 capital before regulatory adjustments	4,455,566	4,021,796	4,182,867
Common Equity Tier 1 capital: regulatory adjustments			
Intangible assets	-19,769	-24,169	-15,060
Negative amounts resulting from the calculation of expected loss amount	-201,906	-172,596	-178,017
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-95	-27	-22
Total regulatory adjustments to Common Equity Tier 1	-221,770	-196,792	-193,099
Common Equity Tier 1 capital	4,233,796	3,825,004	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)	4,633,796	4,225,004	4,389,768
Total risk-weighted assets	20,532,537	19,857,061	20,617,467

CAPITAL RATIOS AND BUFFERS

	Amounts in SEK thousand		
	30/09/2020	30/09/2019	31/12/2019
Risk-weighted assets	20,532,537	19,857,061	20,617,467
Common Equity Tier 1 capital ratio, %	20.62	19.26	19.35
Tier 1 capital, %	22.57	21.28	21.29
Total capital ratio, %	22.57	21.28	21.29
Institution-specific common Equity Tier 1 capital requirements including buffer requirements, %	7.0	9.5	9.5
of which requirement for capital conservation buffer, %	2.5	2.5	2.5
of which requirement for countercyclical buffer, %	-	2.5	2.5
Total capital requirement, %	12.64	15.09	15.15
Common Equity Tier 1 capital ratio available for use as a buffer, %	16.12	14.76	14.85
Common Equity Tier 1 capital ratio available for use as a buffer	3,309,832	2,931,436	3,061,982

INTERNAL ASSESSED CAPITAL REQUIREMENT

	30/09/2020			30/09/2019			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 requirement / REA			CET1 requirement / REA			CET1 requirement / REA
Credit risk	1,494,841	7.3%	4.1%	1,458,017	7.3%	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	1,240	0.0%	0.0%	1,894	0.0%	0.0%	1,451	0.0%	0.0%
Pillar 1 capital requirement	1,642,603	8.0%	4.5%	1,588,565	8.0%	4.5%	1,649,397	8.0%	4.5%
Concentration risk	292,894	1.4%	1.0%	270,444	1.4%	0.9%	294,797	1.4%	1.0%
Strategic risk	82,130	0.4%	0.3%	79,428	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	440,024	2.1%	1.4%	414,872	2.1%	1.5%	442,267	2.1%	1.4%
Capital conservation buffer	513,313	2.5%	2.5%	496,427	2.5%	2.5%	515,437	2.5%	2.5%
Countercyclical capital buffer	-	0.0%	0.0%	496,427	2.5%	2.5%	515,437	2.5%	2.5%
Combined buffer requirements	513,313	2.5%	2.5%	992,853	5.0%	5.0%	1,030,874	5.0%	5.0%
Capital requirements	2,595,940	12.6%	8.4%	2,996,290	15.1%	11.0%	3,122,538	15.1%	10.9%
Capital base	4,633,796	-	-	4,225,004	-	-	4,389,768	-	-
Capital surplus	2,037,856	-	-	1,228,714	-	-	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

	30/09/2020			30/09/2019			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	489,155	6,114,436	69.6%	474,646	5,933,076	69.0%	535,620	6,695,250	70.4%
Retail exposures	568,593	7,107,408	22.3%	550,034	6,875,424	21.4%	558,213	6,977,663	21.6%
Non credit-obligation assets exposure	336,566	4,207,079	100.0%	321,488	4,018,597	100.0%	322,735	4,034,183	100.0%
Total IRB	1,394,314	17,428,923	38.8%	1,346,168	16,827,097	37.6%	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	631	7,889	100.0%	429	5,363	100.0%	543	6,793	100.0%
Exposures to institutions	39,948	499,356	20.0%	43,270	540,878	20.0%	21,784	272,299	20.0%
Company exposures	16,473	205,909	95.6%	20,430	255,373	94.8%	18,655	233,185	92.9%
Retail exposures	26,545	331,819	66.6%	30,652	383,152	67.2%	28,984	362,294	66.7%
Exposures in default	1,092	13,647	150.0%	81	1,017	150.0%	267	3,335	150.0%
Covered bonds	11,061	138,264	10.0%	11,335	141,691	10.0%	11,325	141,561	10.0%
Share exposures	1,173	14,667	100.0%	2,442	30,520	100.0%	1,440	18,000	100.0%
Other items	3,603	45,033	100.0%	3,210	40,124	100.0%	1,859	23,233	100.0%
Total STD	100,527	1,256,584	20.5%	111,849	1,398,117	21.5%	84,856	1,060,701	20.3%
Total	1,494,841	18,685,507	36.6%	1,458,017	18,225,214	35.8%	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)	1,240	15,499	-	1,894	23,676	-	1,451	18,138	-
Total minimum capital requirement and risk-weighted exposure amount	1,642,603	20,532,537	-	1,588,565	19,857,061	-	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. 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. 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 - Sep 2020					
Treasury bills eligible as collateral etc.	1,332,956	-	-	1,332,956	1,334,216
Lending to credit institutions	-	-	2,468,506	2,468,506	2,357,056
Lending to the public	-	-	16,911,536	16,911,536	16,373,794
Bonds and other interest-bearing securities	1,382,648	769,751	-	2,152,399	2,152,388
Other assets*	-	17,906	761,101	779,007	779,007
Prepaid expenses and accrued income	-	-	86,631	86,631	86,631
Total	2,715,604	787,657	20,227,774	23,731,035	23,083,092
Liabilities, Jan - Sep 2020					
Liabilities to credit institutions	-	-	1,280,478	1,280,478	1,271,429
Deposits and borrowing from the public	-	-	22,386,645	22,386,645	22,386,655
Securities issued	-	12,115,489	-	12,115,489	12,035,269
Other liabilities*	-	76,987	948,401	1,025,388	1,025,388
Accrued expenses and deferred income	-	-	1,443,591	1,443,591	1,443,591
Subordinated liabilities	-	401,713	-	401,713	400,000
Total	-	12,594,189	26,059,115	38,653,304	38,562,332
Assets, Jan - Sep 2019					
Treasury bills eligible as collateral etc.	1,430,757	-	-	1,430,757	1,432,217
Lending to credit institutions	-	-	2,622,135	2,622,135	2,622,135
Lending to the public	-	-	16,947,941	16,947,941	16,970,854
Bonds and other interest-bearing securities	1,416,546	783,007	-	2,199,553	2,199,915
Other assets*	-	26,798	730,034	756,832	756,832
Prepaid expenses and accrued income	-	-	84,815	84,815	84,815
Total	2,847,303	809,805	20,384,925	24,042,033	24,066,768
Liabilities, Jan - Sep 2019					
Liabilities to credit institutions	-	-	1,648,577	1,648,577	1,633,333
Deposits and borrowing from the public	-	-	21,257,097	21,257,097	21,257,097
Securities issued	-	13,696,837	-	13,696,837	13,484,939
Other liabilities*	-	396	1,098,360	1,098,756	1,098,756
Accrued expenses and deferred income	-	-	1,397,486	1,397,486	1,397,486
Subordinated liabilities	-	446,846	-	446,846	400,000
Total	-	14,144,079	25,401,520	39,545,599	39,271,611

* 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 17.9 million and liabilities to SEK 77.0 million. Securities in the amount of SEK 3.5 million were received and assets of SEK 69.4 million were pledged as of 30 June 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
30/09/2020					
Treasury bills eligible as collateral etc.	1,334,216	-	-	1,334,216	1,332,956
Lending to credit institutions	2,357,056	-	-	2,357,056	2,468,506
Lending to the public	16,373,794	-	-	16,373,794	16,911,536
Bonds and other interest-bearing securities	2,152,388	-	-	2,152,388	2,152,399
Shares and participations in associates and other companies	-	-	7,925	7,925	-
Shares and participations in Group companies	-	-	6,742	6,742	-
Intangible non-current assets	-	-	19,769	19,769	-
Tangible assets: inventory	-	-	10,519	10,519	-
Tangible assets: lease items	-	-	20,970,813	20,970,813	-
Other assets	598,842	17,894	162,271	779,007	779,007
Prepaid expenses and accrued income	86,631	-	-	86,631	86,631
Total assets	22,902,927	17,894	21,178,039	44,098,860	
Liabilities					
Liabilities	Non-financial liabilities	Derivatives in hedge accounting	Other financial liabilities**	Total	Fair value
30/09/2020					
Liabilities to credit institutions	-	-	1,271,429	1,271,429	1,280,478
Deposits and borrowing from the public	-	-	22,386,655	22,386,655	22,386,645
Securities issued	-	-	12,035,269	12,035,269	12,115,489
Other liabilities	386,015	-	639,373	1,025,388	1,025,388
Accrued expenses and deferred income	1,320,225	-	123,366	1,443,591	1,443,591
Subordinated liabilities	-	-	400,000	400,000	401,713
Total liabilities	1,706,240	-	36,856,092	38,562,332	

* Non-hedged derivatives amounting to 12 are included in the item other assets.

** Non-hedged derivatives amounting to 76,987 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
30/09/2019					
Treasury bills eligible as collateral etc.	1,432,217	-	-	1,432,217	1,430,757
Lending to credit institutions	2,622,135	-	-	2,622,135	2,622,135
Lending to the public	16,970,854	-	-	16,970,854	16,947,941
Bonds and other interest-bearing securities	2,199,915	-	-	2,199,915	2,199,553
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	-	-	24,169	24,169	-
Tangible assets: inventory	-	-	6,404	6,404	-
Tangible assets: lease items	-	-	20,130,221	20,130,221	-
Other assets	619,725	26,222	110,885	756,832	756,832
Prepaid expenses and accrued income	84,815	-	-	84,815	84,815
Total assets	23,929,661	26,222	20,302,198	44,258,081	
Liabilities					
Liabilities	Non-financial liabilities	Derivatives in hedge accounting	Other financial liabilities**	Total	Fair value
30/09/2019					
Liabilities to credit institutions	-	-	1,633,333	1,633,333	1,648,577
Deposits and borrowing from the public	-	-	21,257,097	21,257,097	21,257,097
Securities issued	-	-	13,484,939	13,484,939	13,696,837
Other liabilities	511,596	-	587,160	1,098,756	1,098,756
Accrued expenses and deferred income	1,263,331	-	134,155	1,397,486	1,397,486
Subordinated liabilities	-	-	400,000	400,000	446,846
Total liabilities	1,774,927	-	37,496,684	39,271,611	

* Non-hedged derivatives amounting to 576 are included in the item other assets.

** Non-hedged derivatives amounting to 396 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	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Balance sheet						
Assets	6,742	6,742	38,337	28,235	1,337,764	1,142,906
Liabilities	6,789	6,789	82,524	125,787	314,696	112,552
Income statement						
Interest income	-	-	862	709	-	5
Lease income	-	-	-	-	142,298	265,799
Interest expenses	-	-	-86	-38	-113	-20
Commission income	-	-	-	-	694	1,378
Other operating income	-	-	1,637	2,504	-	-
Total	-	-	2,413	3,175	142,879	267,162

NOTE 13. EVENTS AFTER THE END OF THE PERIOD

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



VOLVOFINANS BANK

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