

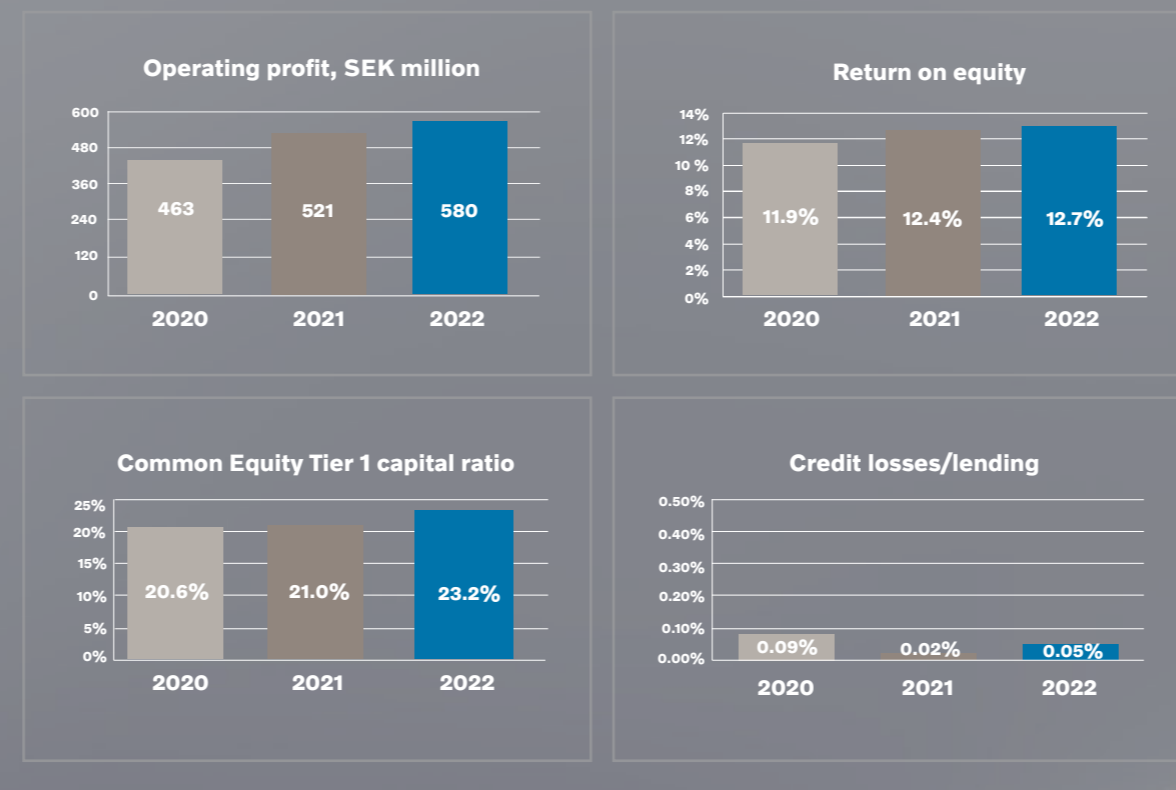
INTERIM REPORT 1 JANUARY – 30 SEPTEMBER
2022



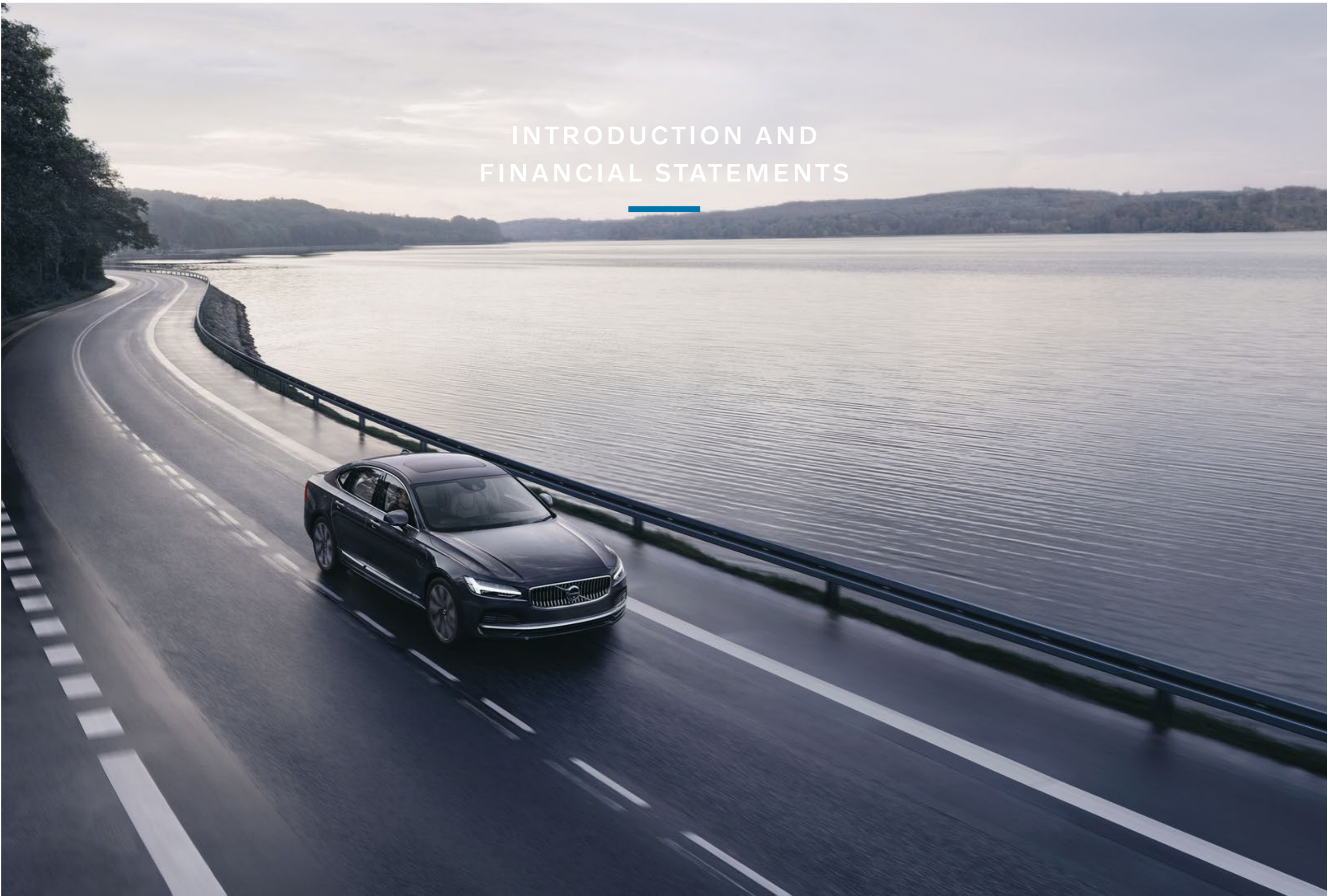
VOLVOFINANS BANK

SUMMARY

JANUARY - SEPTEMBER 2022



INTRODUCTION AND FINANCIAL STATEMENTS



STATEMENT BY THE CEO

Summary

VolvoFinans Bank entered the third quarter with record earnings behind it. With a profit of SEK 580 million (521) for the nine-month period, the bank has reached new record levels. The strong growth in earnings is driven primarily by continued high gains from the sale of used vehicles and rapidly rising market interest rates that affect our net interest income positively. The growth in earnings combined with slightly lower lending means that the already high common equity tier 1 capital ratio rose to 23.2% (21.0).

In a period characterised by almost runaway inflation and a rising cost of living, the bank's prospective impairment model based on macroeconomic parameters generate somewhat higher provisions for expected credit losses of SEK 6.2 million. Despite the uncertainties that have plagued various markets during the year, our verified credit losses are largely unchanged at SEK 11.5 million (11.9) year-over-year.

Development in segments

A protracted semiconductor shortage caused continued delivery problems for all vehicle manufacturers in the Swedish market during the third quarter. Despite this, VolvoFinans Bank's three segments delivered profits in line with, or better than, planned. With the exception of business area Fleet, Trucks had an outstanding improvement in earnings of no less than 47%. The improvement was driven by higher net interest income, which in turn is explained by higher lending volumes and higher interest margins. Volvo Cars has indicated significantly increased deliveries for the last quarter of the year.



“We will very soon present more green finance products”

The Mobility Bank

I have many times described the bank's ambitious development to provide seamless payments and financing for the transportation of people and goods in the emerging green city. We will very soon present more green finance products for our partners and customers that will motivate our customers to choose the sustainable option.

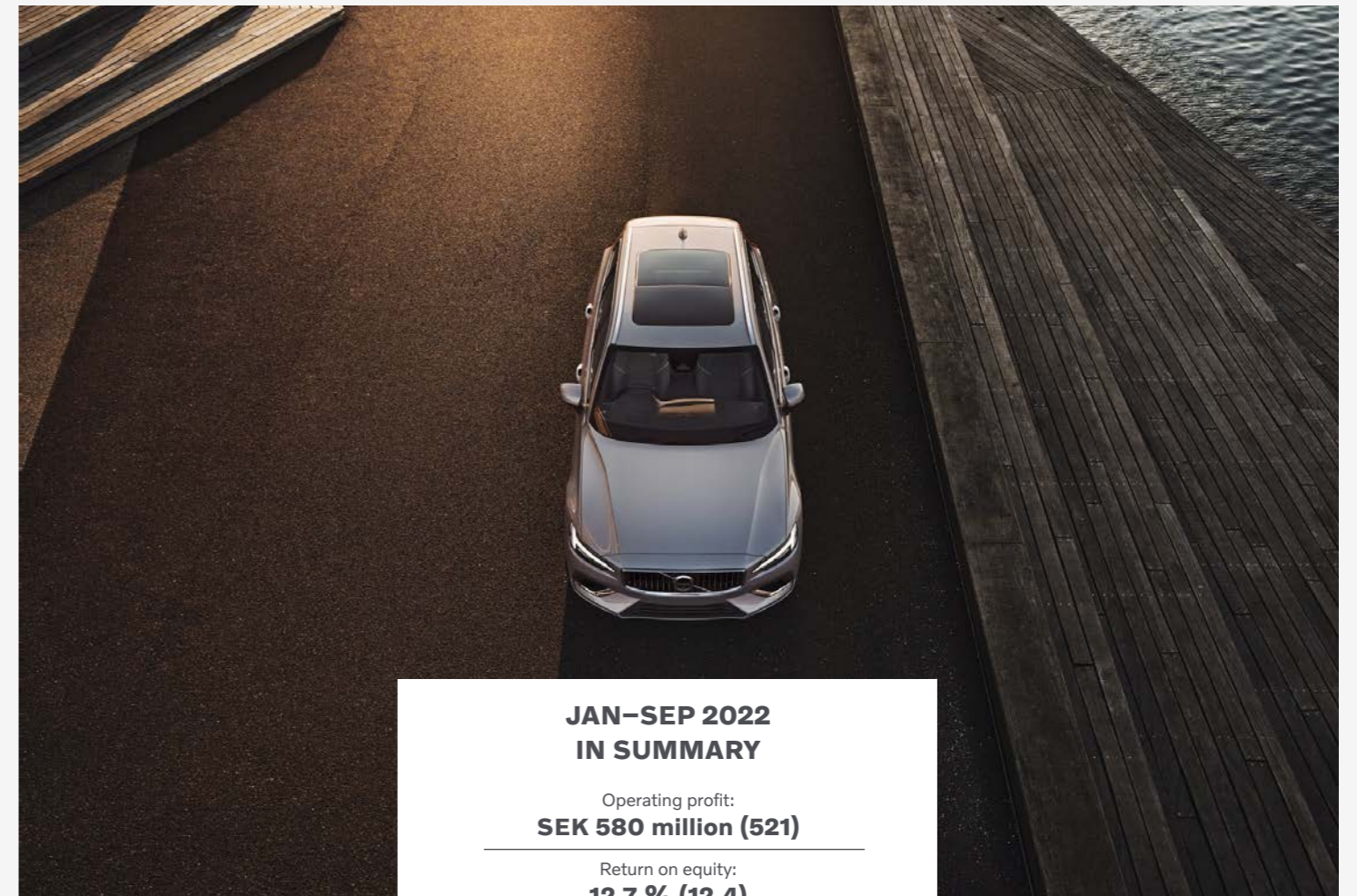
Well equipped for tougher times

As mentioned above, we have all had to accept that the upcoming quarter may be tough, with record high electricity prices and further increases in the Central Bank's repo rate anticipated. The impact on consumption and investments at the end of this year and in 2023 will probably be considerable. While VolvoFinans Bank is preparing for tougher times, it is also in very good shape and has a substantial customer base. Many of our employees have extensive experience and have managed our businesses through tough times before. Our business model and very close collaboration with strategic partners in both sales and credit assessment, means that when the market gets tough, we enjoy better conditions for taking market share. All in all, I remain confident about the situation and am looking forward to VolvoFinans Bank's next exciting steps.

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 04 November 2022.



JAN-SEP 2022 IN SUMMARY

Operating profit:
SEK 580 million (521)

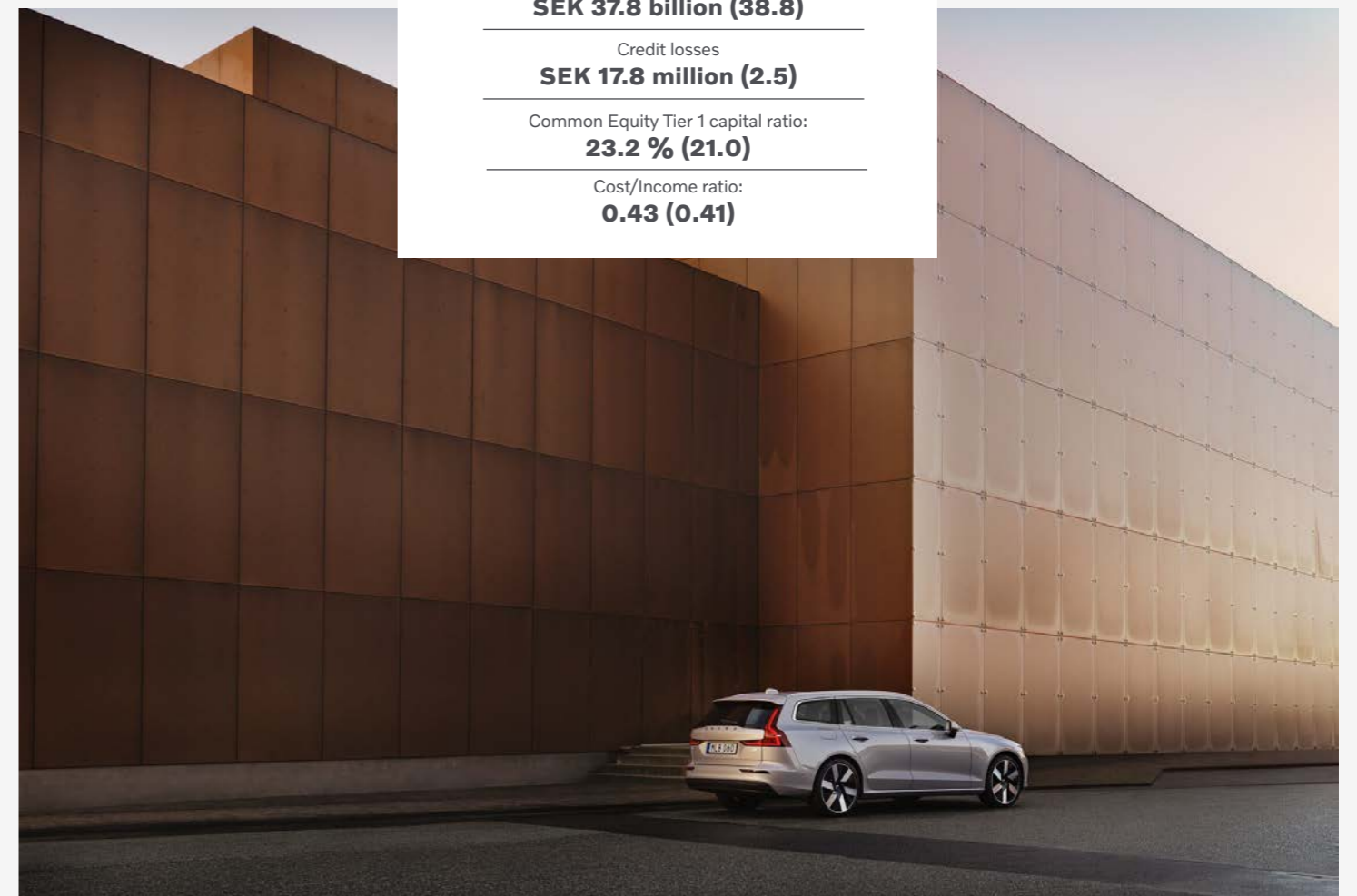
Return on equity:
12.7 % (12.4)

Lending as of 30 September:
SEK 37.8 billion (38.8)

Credit losses
SEK 17.8 million (2.5)

Common Equity Tier 1 capital ratio:
23.2 % (21.0)

Cost/Income ratio:
0.43 (0.41)



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 37.8 billion compared to 38.8 billion in the previous year.

Trucks accounted for SEK 4.6 billion (4.3) of lending, equivalent to 12 % (11) of the total. Fleet accounted for SEK 8.7 billion (8.9) of lending or 23% (23) and Volvo Card for 5 % (4) or SEK 1.9 billion (1.8). The remainder – SEK 22.6 billion (23.8) – is attributable to passenger car financing in business area Cars, which corresponds to 60% (61) 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 579.9 million (521.1), which is SEK 58.8 million or 11 % higher year-over-year. The bank's net interest income and net leasing improved during the period by SEK 61.4 million, which was primarily due to rapidly rising interest rates, which was beneficial for our borrowing expenses. Net commissions increased by SEK 40.8 million, mainly due to the charge the bank has introduced for customers who prefer paper statements. Prices for second-hand cars continue to be high, which is reflected in the bank's gains from the disposal of vehicles returned from operational leasing contracts. The accumulated surplus on sales of these cars is SEK 25.8 million higher than in the previous year. Moving forward, the demand for second-hand cars is expected to fall as a result of deteriorating economic conditions and a diminishing shortage of new cars. This year, the bank made impairments in respect of residual value provisions of SEK 47.9 million (19.5). Due to the deteriorating economic conditions forecast, the macro parameters in the bank's ECL model increased credit loss provisions by SEK 6.2 million (-9.3) during the period.

Credit risk and credit losses

Because the major part of credit risk is borne by individual Volvo dealers through recourse agreements, 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 5.2 million (4.9) and for loans and leasing SEK 186.2 million (205.1), of which SEK 184.6 million (203.1) is covered by recourse. Loans subject to deferral totalled SEK 55.5 million (127.0).

Verified credit losses of SEK 11.5 million (11.9) relate mainly to the credit card business. Expected credit losses are calculated based on a prospective impairment model, where the calculation takes account of macroeconomic data, demographic variables and behavioural variables. During the year, these forecast variables generated provisions for expected credit losses of SEK 6.2 million. Thus the provision for expected credit losses totals SEK 33.2 million. Credit losses totalled SEK 17.8 million.

Residual value risk

There is residual value risk in operational leases corresponding to the risk that the present value of the remaining rents plus the present value of the expected residual value is lower than the book value and that the bank thereby sustains a loss.

As of 30/09/2022, the bank carried out impairments totalling SEK 172.9 million (99.8) due to the residual value risk, under depreciations, amortisation and impairments of tangible assets. During the year, the bank carried out impairments totalling SEK 47.9 million related to residual value risk, mainly due to the bank's increased residual value positions in operational leases. As of 30/09/2022, the bank's residual value positions for operational lease assets totalled SEK 5.4 billion (4.7).

Funding and liquidity

Deposits in the bank's savings account increased marginally by SEK 962 million during the third quarter reaching a total of SEK 21.2 billion (20.1) at the end of the quarter. Total deposits including the credit balance for the Volvo Card and deposits from Volvo dealerships stood at SEK 22.7 billion (22.2) and accounted for 62% (61) of the bank's financing.

The bank's MTN program allows the issue of bonds in the currencies SEK, NOK and EUR; green bonds may also be issued. No new bonds were issued during the third quarter. During the first nine months, issues totalled SEK 2.5 billion, of which green bonds accounted for SEK 0.8 billion, and own bonds were repurchased for the nominal amount of SEK 0.5 billion. Certificates of deposit relating to short-term borrowing were issued in the amount of SEK 0.5 billion during the reporting period. Volvofinans Bank AB's outstanding financing through its market loan program totalled a nominal SEK 12.5 billion (12.9), of which green bonds accounted for SEK 3.4 billion on 30 September 2022.

In addition to market borrowing and deposits, the bank also finances its activities through bank credits, which total SEK 0.9 billion (1.1). The proportion of financing from market loans programmes and the banking sector with remaining maturity of more than one year was 61% (75).

Borrowing with a remaining period of less than one year together with a proportion of deposits, must be covered at all times by the liquidity reserve and undrawn credit facilities. The total liquidity reserve at the end of the quarter was SEK 7.1 billion (5.5). The securities holding accounted for SEK 3.5 billion (50%) and non-fixed deposits at other banks totalled SEK 3.5 billion (50%). Volvofinans Bank's liquidity reserve must always be at least 10% in relation to lending volume. As of 30/09/2022, total lending was SEK 37.8 billion, which means the liquidity reserve corresponded to 19 % (14). In addition to the liquidity reserve, available and unutilised loan facilities totalled SEK 4.3 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 206% (217), and the net stable funding ratio (NSFR) was 118% under CRR2 (117).

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 Tier 1 ratio amounted to 23.2% (21.0) as of 30/09/2022 and the capital requirement was assessed internally to 13.4% (12.4) 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% (2.5) of REA was SEK 573 million (548). The counter cyclical buffer value of 1.0 (0.0) per cent of REA totalled SEK 229 million (0) as of 29 September 2022. The value will be 2.0% from June 2023.

The leverage ratio was 11.8% (10.5) as of 30/09/2022.

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

Under its review and evaluation process, the Financial Supervisory Authority may decide on a specific capital base requirement and a gross leverage ratio requirement. The bank has not yet received an assessment from the authority regarding specific Pillar 2 guidance.

Other significant information

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.

The war in Ukraine

After a period of geopolitical tension, Russia invaded Ukraine on 24 February 2022. As a result of the war, Sweden has experienced higher fuel and energy prices, which mainly impacts transport companies and private individuals. Credit losses in the transport sector may increase if fuel prices remain high. The Board of Directors and management note significant uncertainty in the world at large, and this may lead to lower growth in Sweden affecting both the will to invest and consume and thus demand for the bank's services. The war has further exacerbated global component and raw material flows not least within the automotive sector, which has led to further supply shortages in an already strained situation. In general, the bank sees a worsening security situation in Europe, especially in the form of cybersecurity threats. Since the outbreak of the war, the cost of borrowing on the bond market has increased. The geopolitical developments discussed above have not yet significantly affected Volvofinans Bank's earnings or position.

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 was no change in the credit rating during the period.

A detailed, up-to-date analysis from Moody's can be found on our website, under 'About us / Investor relations / Rating'.

Calendar:

4 February 2023	Year-end report 2022
Week 12	Annual Report 2022
5 May 2023	Interim Report January-March 2023
8 June 2023	AGM
25 August 2023	Interim Report January-June 2023
7 November 2023	Interim Report January-September 2023

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

	30/09/2022	30/09/2021	31/12/2021
Return on equity, %	12.66	12.41	11.75
Deposits / Lending, %	60.23	57.29	56.36
Profit / Risk-weighted assets, %	3.37	3.17	2.96
Total capital ratio, %	24.98	22.84	23.08
Common Equity Tier 1 capital ratio, %	23.23	21.02	21.28
Cost/Income ratio	0.43	0.41	0.44
Cost/Income ratio excl. residual value provision	0.38	0.39	0.41
Credit losses / Lending, %	0.05	0.02	0.01
Liquidity coverage ratio (LCR), %	206	217	225
NSFR (Net Stable Funding Ratio), %	118	117	116
Leverage ratio, %	11.8	10.5	10.8

Definitions for alternative key ratios and key ratios defined in accordance with the Swedish rules on capital adequacy can be found under:

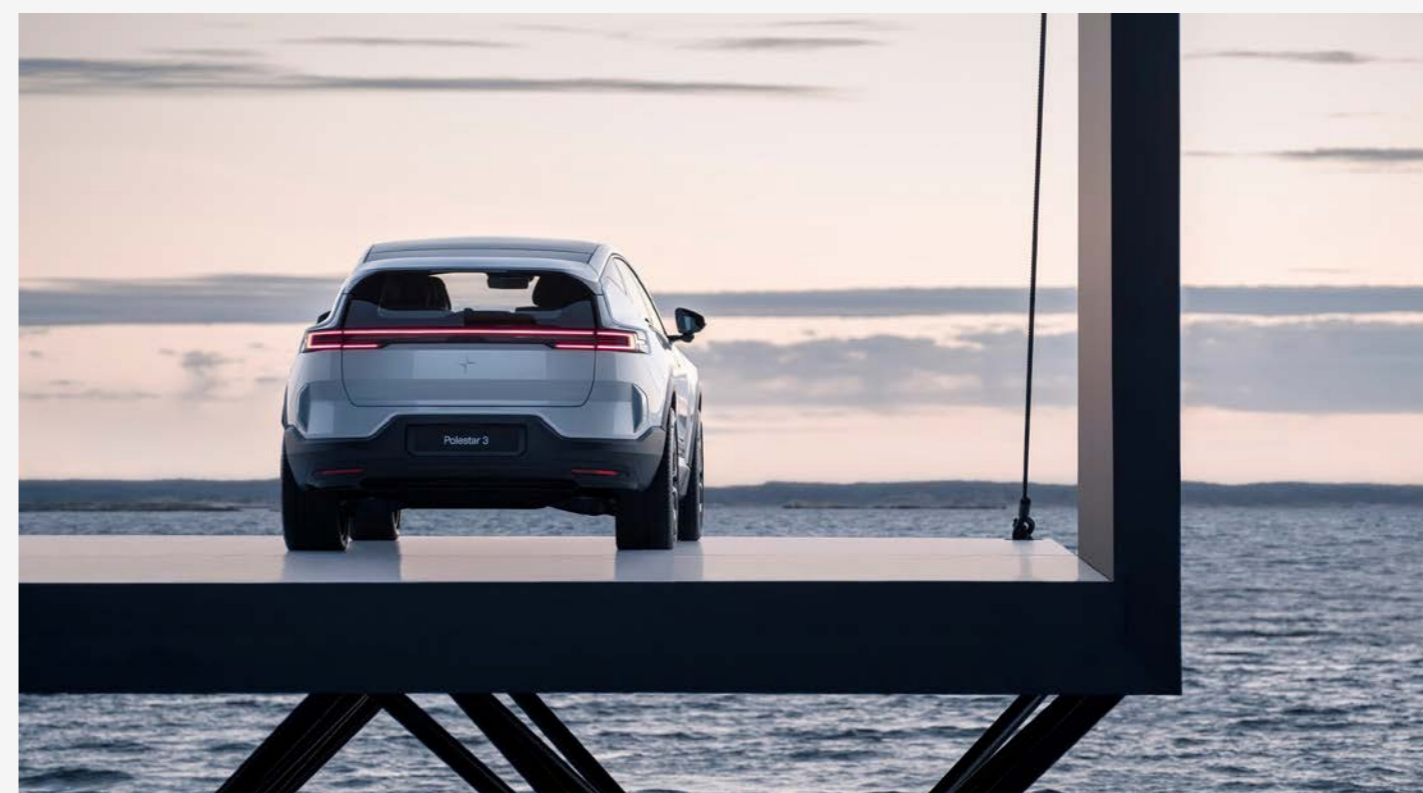
<https://www.volvofinans.se/om-oss/investerarrelationer/finansiella-rapporter/definition-av-nyckeltal/>

Income statement, overview

	Amounts in SEK thousand					
	2022 Q3	2022 Q2	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Interest income	193,876	147,838	137,087	476,777	408,146	543,397
Lease income	1,601,186	1,554,550	1,523,302	4,689,580	4,585,228	6,158,786
Interest expenses	-125,267	-73,653	-70,373	-266,363	-212,567	-281,025
Net interest income, Note 5	1,669,795	1,628,735	1,590,016	4,899,993	4,780,807	6,421,157
Dividends received	46	9	-	63	26	46
Commission income	97,456	110,933	88,001	292,267	263,027	350,281
Commission expenses	-47,485	-35,179	-60,983	-109,638	-121,193	-139,813
Net result from financial transactions	7,947	11,188	434	32,840	8,379	10,379
Other operating income, Note 6	68,927	79,880	72,203	224,585	201,875	259,038
Total operating income	1,796,686	1,795,564	1,689,671	5,340,111	5,132,921	6,901,088
General administration expenses	-112,519	-119,604	-91,958	-353,888	-310,332	-448,008
Depreciation and impairment of tangible and intangible non-current assets, Note 5	-1,449,053	-1,464,221	-1,416,321	-4,349,619	-4,261,558	-5,753,371
Other operating expenses	-12,531	-14,009	-10,655	-38,945	-32,053	-30,892
Total operating expenses	-1,574,103	-1,597,834	-1,518,934	-4,742,451	-4,603,943	-6,232,271
Profit before credit losses	222,583	197,730	170,736	597,660	528,977	668,817
Credit losses, net, Note 7	-4,947	-10,530	-2,985	-17,793	-7,805	-10,848
Impairments/Reversals of financial fixed assets, net	-19	324	-208	3	-114	20
Operating profit	217,617	187,524	167,543	579,869	521,058	657,989
Appropriations	-	-	-	-	-	-494,047
Taxes, Note 8	-44,829	-38,630	-34,514	-119,453	-107,338	258,669
Profit	172,788	148,894	133,029	460,416	413,720	422,611

Balance sheet highlights

	Amounts in SEK thousand		
	30/09/2022	30/09/2021	31/12/2021
Treasury bills eligible as collateral etc.	986,467	1,669,975	1,586,148
Lending to credit institutions	3,530,475	2,261,623	2,233,864
Loans and advances to the public	16,065,069	16,749,823	16,872,075
Bonds and other interest-bearing securities	2,545,922	1,556,213	1,452,687
Shares and participations in other companies	4,984	3,387	3,406
Shares and participations in associated companies	5,417	5,584	7,493
Shares and participations in Group companies	6,742	6,742	6,742
Intangible non-current assets	24,732	17,806	19,047
Tangible assets: inventory	4,304	6,760	5,877
Tangible assets: lease items	21,688,664	22,008,672	21,797,175
Other assets*	929,370	670,839	770,076
Deferred tax asset, Note 8	73,000	-	292,000
Prepaid expenses and accrued income	113,908	98,401	65,434
Total assets, Note 11	45,979,054	45,055,825	45,112,024
Liabilities to credit institutions	947,619	1,109,524	1,069,048
Deposits and borrowing from the public	22,737,302	22,204,834	21,794,994
Securities issued	12,452,361	12,908,584	13,092,362
Other liabilities*	1,204,419	1,016,059	1,032,916
Accrued expenses and deferred income	1,496,782	1,508,996	1,311,938
Subordinated liabilities	400,000	400,000	400,000
Total liabilities, Note 11	39,238,483	39,147,997	38,701,258
Untaxed reserves	5,533,095	5,039,048	5,533,095
Equity	1,207,476	868,780	877,671
Total liabilities and equity	45,979,054	45,055,825	45,112,024
* Of which derivative instruments with positive and negative market values			
Derivative instruments with positive market value	38,732	10,501	8,840
Derivative instruments with negative market value	-84,868	-50,450	-39,484



Change in equity

	Amounts in SEK thousand				
	Share capital	Restricted equity Statutory reserve	Development fund	Non-restricted equity Retained earnings	Total equity
Opening equity, 1 January 2021	400,000	20,000	20,182	227,947	668,129
Profit for the period after tax	-	-	-	413,720	413,720
Transfer, internally generated development costs	-	-	-2,376	2,376	-
Total before transactions with shareholders	400,000	20,000	17,806	644,043	1,081,849
Dividend	-	-	-	-213,069	-213,069
Closing equity, 30 September 2021	400,000	20,000	17,806	430,974	868,780
	Share capital	Statutory reserve	Development fund	Retained earnings	Total equity
Opening equity, 1 January 2021	400,000	20,000	20,182	227,947	668,129
Profit for the year	-	-	-	422,611	422,611
Transfer, internally generated development costs	-	-	-1,135	1,135	-
Total before transactions with shareholders	400,000	20,000	19,047	651,693	1,090,740
Dividend	-	-	-	-213,069	-213,069
Closing equity, 31 December 2021	400,000	20,000	19,047	438,624	877,671
	Share capital	Statutory reserve	Development fund	Retained earnings	Total equity
Opening equity, 1 January 2022	400,000	20,000	19,047	438,624	877,671
Profit for the period after tax	-	-	-	460,416	460,416
Transfer, internally generated development costs	-	-	5,685	-5,685	-
Total before transactions with shareholders	400,000	20,000	24,732	893,355	1,338,087
Dividend	-	-	-	-130,611	-130,611
Closing equity, 30 September 2022	400,000	20,000	24,732	762,744	1,207,476



Cash flow statement

	Amounts in SEK thousand		
	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Operating activities			
Operating profit	579,869	521,058	657,989
Adjustment of items not included in cash flow			
Unrealised portion of net result from financial transactions	34,082	4,026	6,178
Depreciations, amortisation, impairments	4,349,619	4,261,558	5,753,371
Credit losses	17,793	7,805	10,848
Paid/refunded (-/+) tax	-30,012	-33,140	-37,132
Changes to assets and liabilities in operating activities			
Treasury bills eligible as collateral etc.	599,681	-338,772	-254,945
Loans and advances to the public	789,146	-480,116	-605,388
Bonds and other interest-bearing securities	-1,093,235	269,770	373,297
Deposits and borrowing from the public	942,308	-103,959	-513,800
Liabilities to credit institutions	-121,429	-121,429	-161,905
Other assets	-78,143	-71,004	-59,294
Securities issued	-640,001	799,675	983,453
Other liabilities	322,266	134,516	-47,841
Cash flow from operating activities	5,671,944	4,849,988	6,104,831
Investing activities			
Capitalised development expenditures	-13,282	-3,399	-7,162
Investments in shares and participations	-1,578	-2,246	-2,264
Disposal/redemption of shares and participations	2,077	3,036	1,126
Disposal of tangible assets	2,989,275	3,361,562	3,990,081
Acquisition of tangible assets	-7,221,214	-8,217,879	-10,123,309
Cash flow from investing activities	-4,244,722	-4,858,926	-6,141,528
Financing activities			
Dividends paid	-130,611	-213,069	-213,069
Cash flow from financing activities	-130,611	-213,069	-213,069
Cash flow for the period			
Cash and cash equivalents at beginning of period	2,233,864	2,483,630	2,483,630
Cash flow from operating activities	5,671,944	4,849,988	6,104,831
Cash flow from investing activities	-4,244,722	-4,858,926	-6,141,528
Cash flow from financing activities	-130,611	-213,069	-213,069
Cash and cash equivalents at end of period	3,530,475	2,261,623	2,233,864





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 2021 have taken place.

FUTURE REGULATORY CHANGES

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

NOTE 2. ASSESSMENTS AND ESTIMATIONS IN THE FINANCIAL STATEMENTS

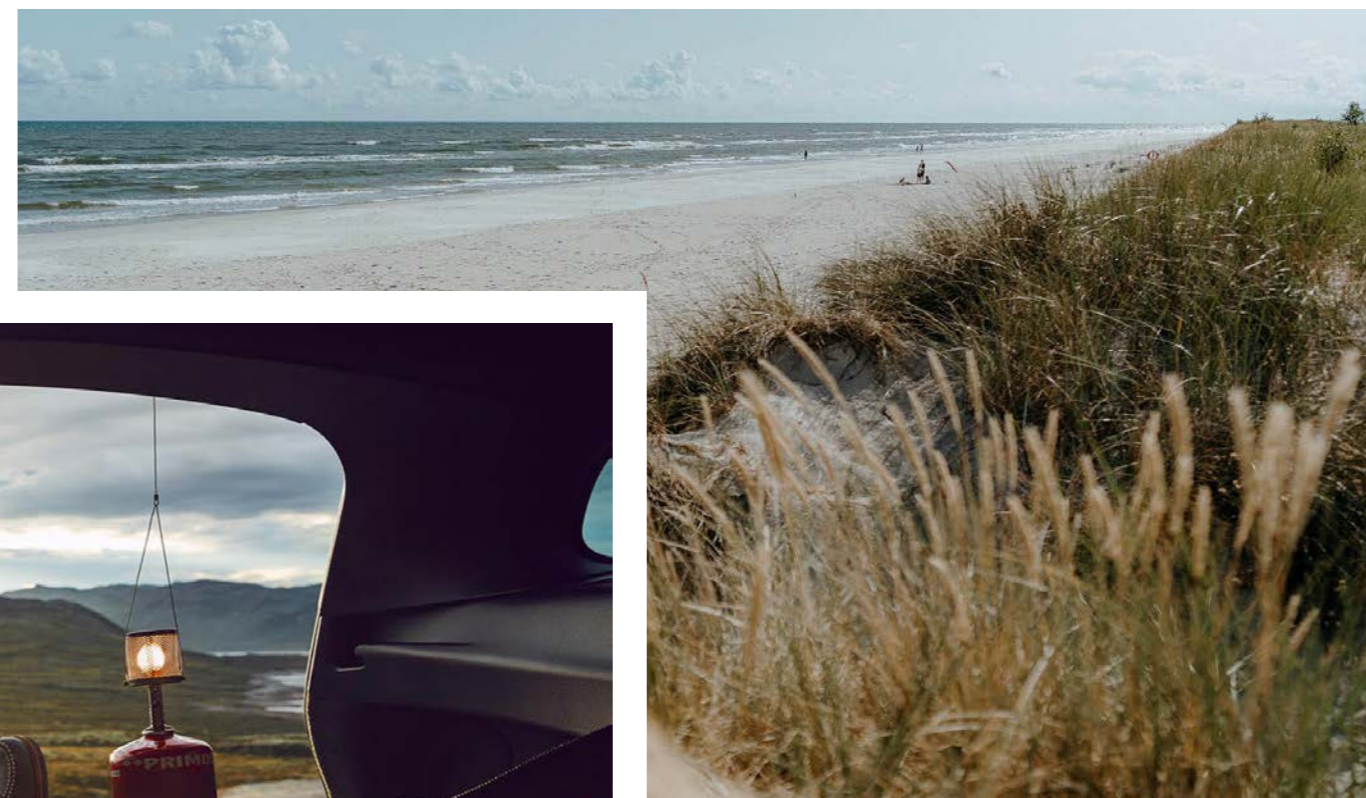
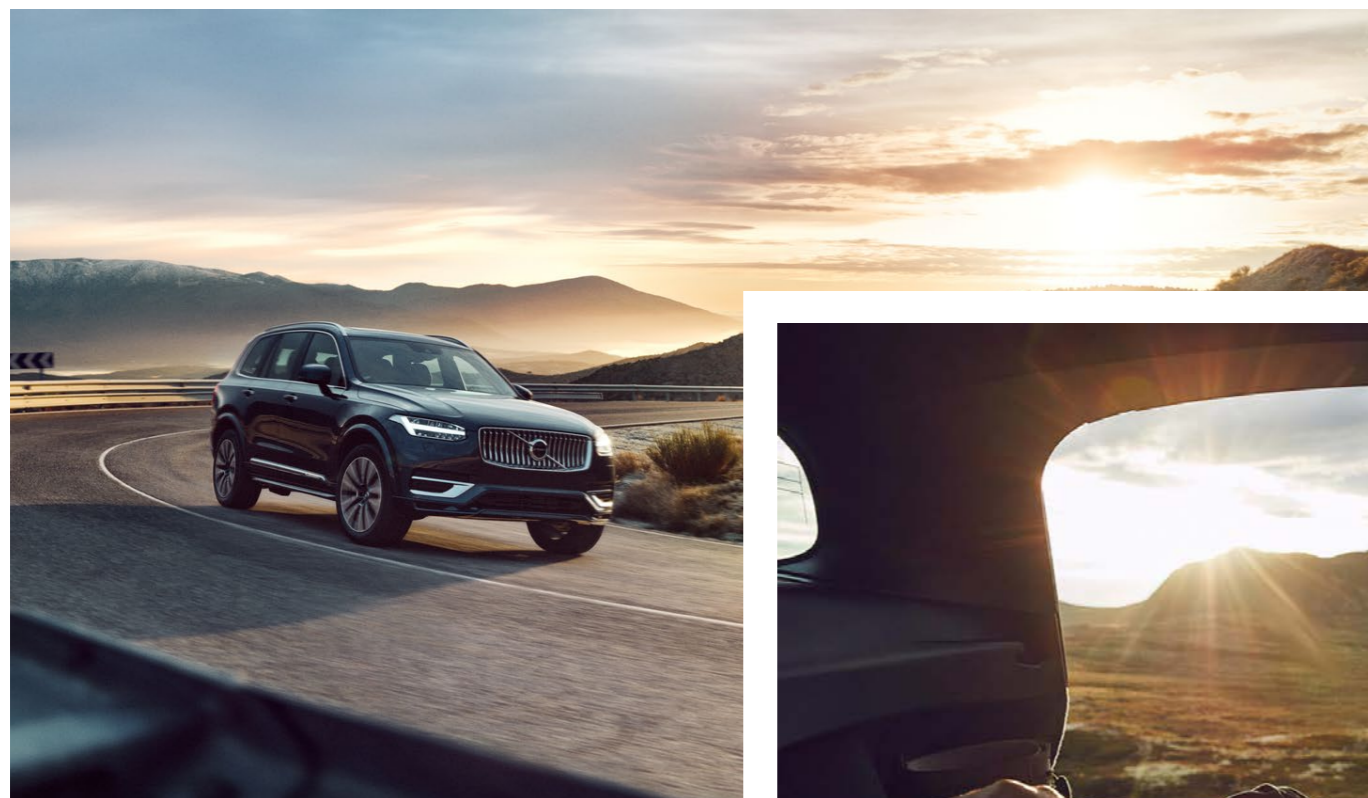
Preparation of the financial statements in compliance with IFRS requires the bank's management to make assessments, estimations, and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenues, and expenses. These estimations and assumptions 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 expected lower residual values
- Choice of method for calculating expected credit losses
- Choice of method for a deferred tax asset applicable to a tax reduction for investments in inventory acquired in 2021.

Areas where estimations may be subject to uncertainty include assumptions on credit loss impairments, estimations of expected residual values for lease objects and uncertainty as to how large a part of the lease stock will be redeemed early or disposed of in some other way in 2022.

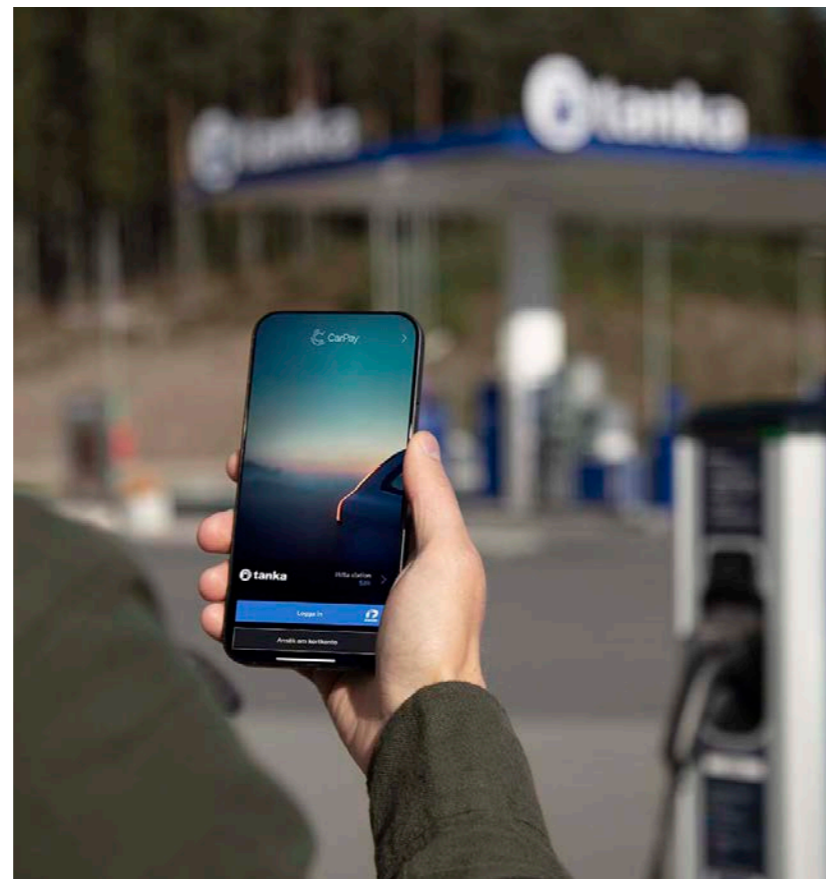
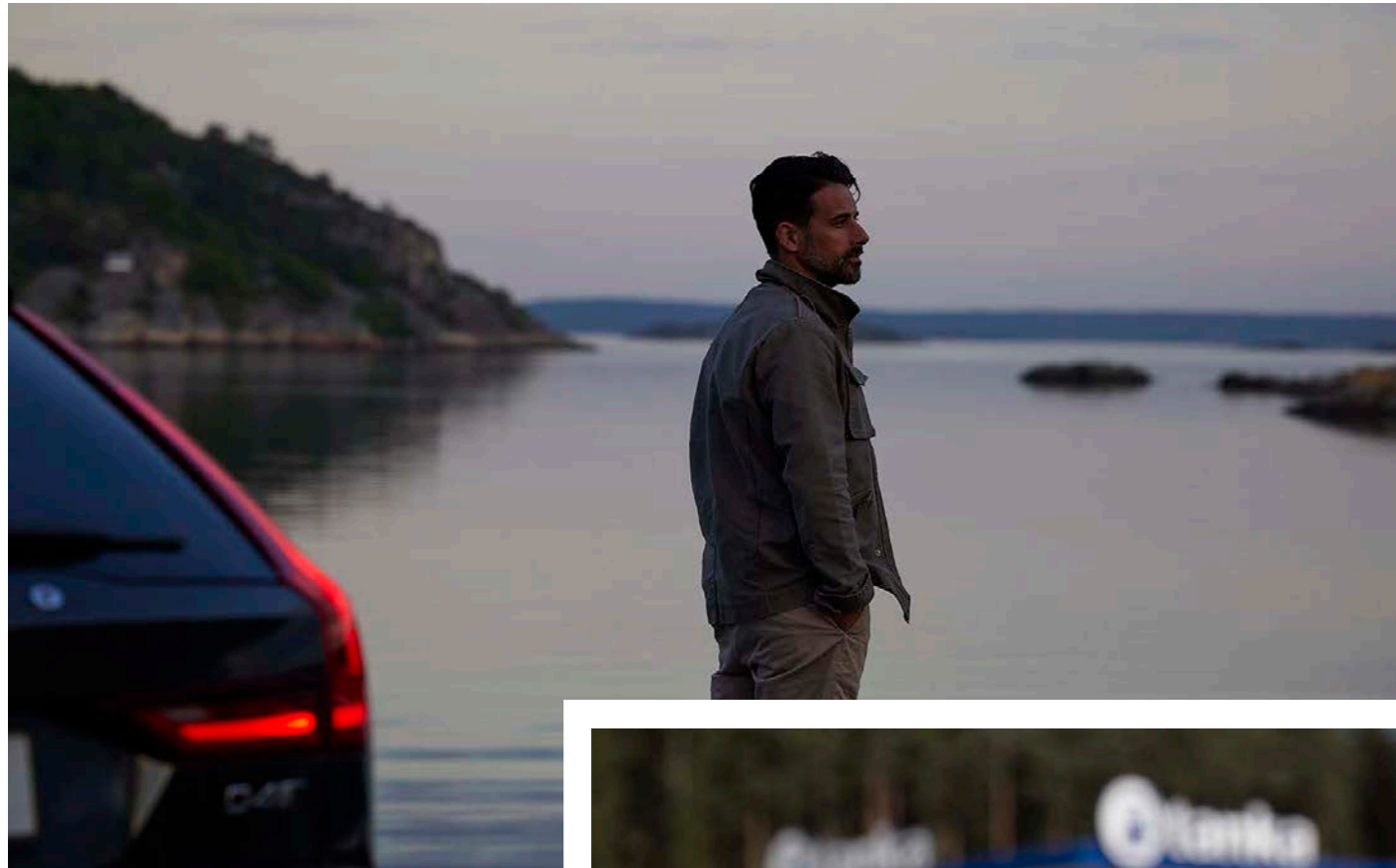
Estimates and assumptions are reviewed regularly. Changes in estimates are reported in the period during which a change is made if the change affects only that particular period, or in the period during which the change is made and future periods if the change affects both the current and future periods.



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 vehicles 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, which only makes fully electric cars. 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, Google Pay and Apple Pay.

So far this year, passenger car registrations have decreased by just over 14%, which should be compared with a great many registrations last year as a result of system changes such as in Bonus Malus and preferential regulations. The global shortage of components continues, while the war in Ukraine has an impact on the market with disruptions in the supply chains. The combination of production disruptions, increased energy prices, increased costs for input goods and haulage, a weak krona and general sense of unease will have consequences on the Swedish vehicle market. So far, demand is still strong, but supply is already under pressure and delivery capacity remains a bottleneck.

New Volvo, Renault, Dacia and Polestar registrations reached 37,128 cars, equivalent to a market share of 18.1 %, where Volvofinans provides a high proportion of the financing. The trend during the year continued to show a sharp rise for rechargeable cars, especially in the case of purely electrical cars following the new tax regulations.

Our payments business is picking up, our digital CarPay service continues to provide high inflows and the app has been downloaded by more than 800,000 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 for vehicle financing 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 flexible, simple and smarter payments.

	Amounts in SEK thousand		
	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Net interest income and net leasing*	473,816	425,243	583,410
Change in impairment of operational leases	-35,744	-23,687	-48,176
Dividends received	63	26	46
Commission income	207,371	161,224	245,816
Commission expenses	-105,916	-50,792	-136,743
Net result from financial transactions	21,806	8,431	9,632
Other income	5,795	1,897	5,539
Operating income	567,191	522,342	659,525
Overhead expenses**	-282,176	-271,919	-347,252
Credit losses	-11,545	-11,760	-15,008
Credit risk provision	-6,381	1,722	2,121
Operating profit	267,090	240,386	299,386

* Including depreciation of lease items.

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

Product information, loans and leasing	30/09/2022	30/09/2021	31/12/2021
Number of contracts	169,020	184,612	182,001
Total volume, SEK million	23,715	25,191	25,042
of which transferred, %	94.7	94.0	94.0
of which pledged, %	5.3	6.0	6.0
of which loans, %	43.3	45.1	44.9
of which leases, %	56.7	54.9	55.1
Private leasing as a proportion of total leases, %	28.5	26.3	27.3

Product information, cards	30/09/2022	30/09/2021	31/12/2021
Average number of active accounts	386,421	390,235	392,230
Total volume, SEK million	1,866	1,758	1,810
Average number of credit customers	75,490	74,865	74,897
Total sales Volvo Card, SEK million	13,197	11,234	15,413
of which fuel, %	37.4	34.9	34.8
of which workshop, %	15.7	17.2	17.3
of which retail store, %	0.9	1.0	1.0
of which car wash, %	1.2	1.3	1.2
of which sales outside Volvo dealers, %	40.3	39.0	39.3
of which other (incl. car loans and insurance), %	4.6	6.6	6.3

TRUCKS

In business area Trucks, the bank offers loans and lease financing for new and used trucks including trailers, superstructures and other equipment.

The demand for HGVs is very high, but production and customer delivery are affected negatively by shortage of semiconductors and other components in the wake of the pandemic. The bank's financing share of new trucks is stable and more than every other truck is financed via truck loans, financial leases or operating 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		
	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Net interest income*	57,539	41,035	55,498
Commission income	2,967	6,227	8,376
Commission expenses	-710	-696	-1,207
Net result from financial transactions	3,453	-23	219
Other income	161	137	258
Operating income	63,410	46,680	63,144
Overhead expenses**	-27,131	-22,228	-31,300
Credit losses	0	-21	-5
Credit risk provision	-2	193	138
Operating profit	36,278	24,625	31,977

* 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	30/09/2022	30/09/2021	31/12/2021
Number of contracts	8,153	7,762	7,832
Total volume, SEK million	5,531	5,063	5,246
of which transferred, %	84.1	84.9	84.8
of which pledged, %	15.9	15.1	15.2
of which loans, %	78.7	80.1	80.0
of which leases, %	21.3	19.9	20.0
Operating leases as a proportion of total leases, %	27.3	20.7	20.1



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. Here we offer both operational and financial leasing.

Business area Fleet has been market leader for several years, with 22.1 % of the market as of September 2022. The number of agreements has risen by around 2% compared to the same period last year. The majority of the new contracts were in the operational leasing category. The market for second-hand cars continues to be strong, which is also reflected in the disposal gains for the sale of returned operational leasing cars. The accumulated surplus on sales of these cars is SEK 23 million higher than in the previous year.

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		
	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Leasing, net*	77,278	59,787	78,498
Change in impairment of operational leases	-12,189	4,215	3,580
Commission income	81,929	71,660	96,089
Commission expenses	-3,013	-3,232	-1,864
Net result from financial transactions	7,581	-29	528
Service and repair contracts	42,580	46,506	60,176
Disposals, operational leases	175,679	152,372	191,744
Other income	371	865	1,320
Operating income	370,217	332,145	430,072
Overhead expenses**	-93,849	-83,465	-112,380
Credit losses	0	-91	-278
Credit risk provision	134	7,459	9,212
Operating profit	276,502	256,047	326,626

* Including depreciation of lease items.

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

Product Information	30/09/2022	30/09/2021	31/12/2021
Number of financing contracts	37,792	36,904	36,905
Number of administered contracts	49,465	48,527	48,408
Total volume, SEK million	8,675	8,936	8,756
of which operational leases, %	71.1	72.5	72.7
of which financial leases, %	28.9	27.5	27.3



NOTE 4. DISCLOSURES, LOANS AND LEASES

30/09/2022	Loans	Leasing	Total
Number of contracts	106,841	111,945	218,786
Average contract, SEK thousand	137	216	177
Collateral value, SEK million	14,638	24,184	38,822
Credit utilised, SEK million	13,935	21,958	35,893
Loan-to-value ratio	95%	91%	92%

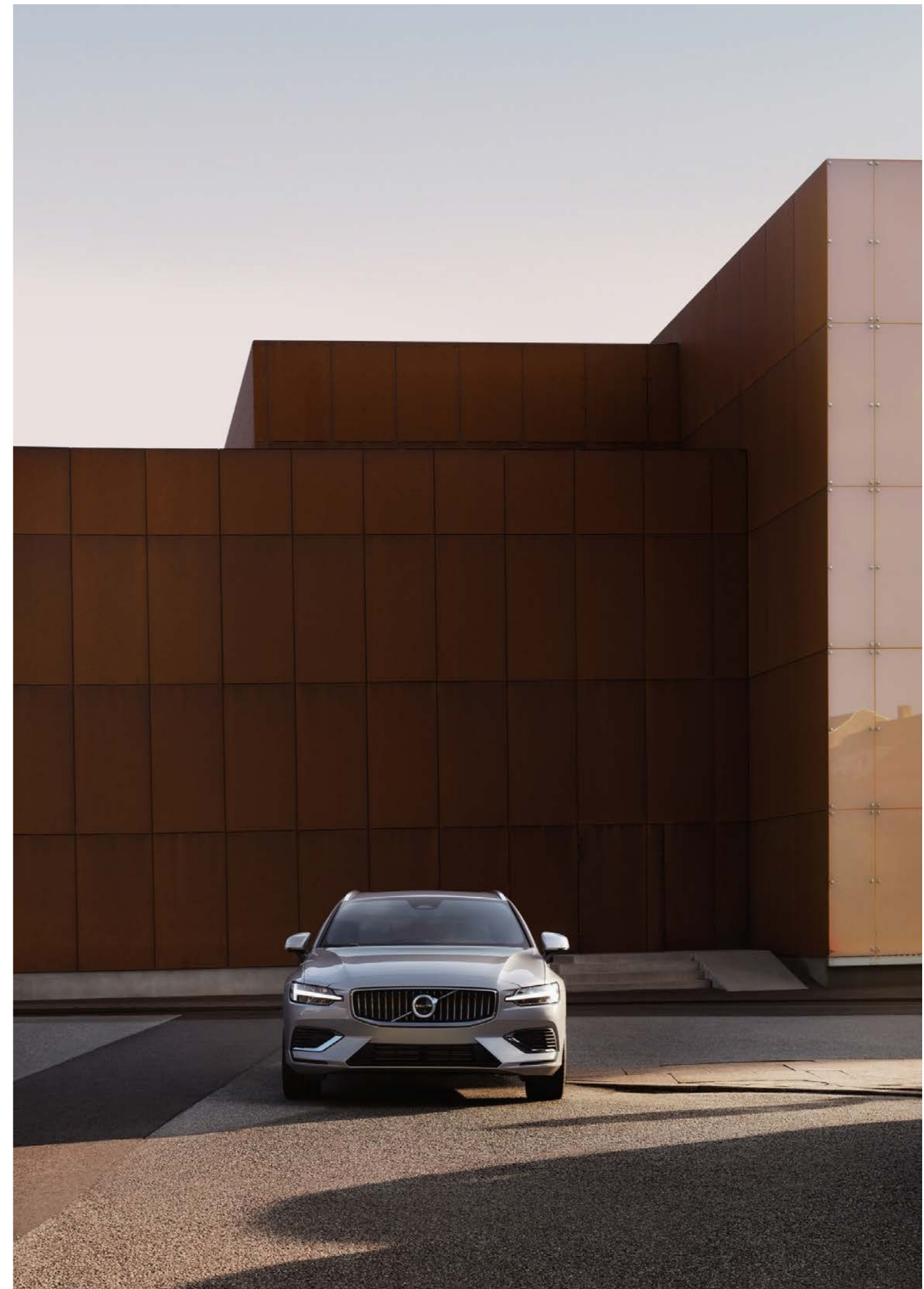
30/09/2021	Loans	Leasing	Total
Number of contracts	118,731	118,882	237,613
Average contract, SEK thousand	130	206	168
Collateral value, SEK million	15,428	24,494	39,922
Credit utilised, SEK million	14,791	22,165	36,956
Loan-to-value ratio	96%	90%	93%

NOTE 5. LEASE INCOME AND ACCUMULATED NET INTEREST INCOME

	2022 Q3	2022 Q2	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Lease income from operational and financial leases	1,601,186	1,554,550	1,523,302	4,689,580	4,585,228	6,158,786
Depreciations, leased items	-1,445,144	-1,429,084	-1,406,737	-4,291,360	-4,238,946	-5,703,751
Impairment charges / Reversals; lease item credit risk	331	-700	582	-3	5,423	7,008
Impairment charges / Reversals; lease item residual value risk	-737	-31,182	-7,098	-47,933	-19,473	-44,597
Leasing, net	155,637	93,585	110,049	350,284	332,233	417,446
Interest income	193,876	147,838	137,087	476,777	408,146	543,397
Interest expenses	-125,267	-73,653	-70,373	-266,363	-212,567	-281,025
Net interest income	68,609	74,185	66,714	210,413	195,579	262,371
Accumulated net interest income	224,245	167,770	176,763	560,698	527,812	679,817

NOTE 6. OTHER OPERATING INCOME

	Amounts in SEK thousand		
	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Capital gains on the sale of tangible assets	1,008	1,907	2,266
Revenues, service and repair contracts	42,580	46,506	60,176
Disposals, operational leases	178,273	152,469	192,040
Income from associated companies	2,289	969	1,910
Other operating income	435	24	2,646
Total	224,585	201,875	259,039



NOTE 7. CREDIT LOSSES, NET

Credit losses	Amounts in SEK thousand		
	30/09/2022	30/09/2021	31/12/2021
Loans at amortised cost (incl. unused part of limit)			
Provisions – stage 1	16,273	11,349	11,004
Provisions – stage 2	9,910	8,843	8,696
Provisions – stage 3	2,487	2,607	2,722
Total reserve	28,670	22,799	22,422
	2022	2021	2021
	Jan-Sep	Jan-Sep	Jan-Dec
Loans at amortised cost (incl. unused part of limit)			
Change in provisions – stage 1	-5,269	1,022	1,368
Change in provisions – stage 2	-1,214	1,275	1,422
Change in provisions – stage 3	235	1,769	1,653
Total change in provisions	-6,248	4,066	4,443
Write-off, confirmed credit losses	-13,212	-13,617	-17,490
Recoveries of previously confirmed credit losses	1,663	1,837	2,477
Total	-11,549	-11,780	-15,013
Credit losses, net*	-17,797	-7,714	-10,570

* Should be read together with the line item 'Loans at amortised cost' in the note's first table for comparison with the income statement overview and the line item 'Credit losses, net' in Note 7.

Credit losses	Amounts in SEK thousand		
	30/09/2022	30/09/2021	31/12/2021
Lease assets at accrued cost			
Provisions – stage 1	2,252	2,669	2,317
Provisions – stage 2	382	200	194
Provisions – stage 3	990	2,338	1,110
Total reserve	3,624	5,207	3,621
	2022	2021	2021
	Jan-Sep	Jan-Sep	Jan-Dec
Lease assets at accrued cost			
Change in provisions – stage 1	65	759	1,109
Change in provisions – stage 2	-188	-2	4
Change in provisions – stage 3	120	4,666	5,895
Total change in provisions**	-3	5,423	7,008
Write-off, confirmed credit losses	0	-177	-364
Recoveries of previously confirmed credit losses	4	86	86
Total***	4	-91	-278
Credit losses, net	1	5,332	6,730

** Refer to the Income statement overview and the line item 'Depreciation and impairment of tangible and intangible non-current assets', Note 5. Note 5 refers to the line item 'Impairment charges / Reversals; lease item credit risk'

*** Should be read together with the line item 'Loans at amortised cost' in the note's first table for comparison with the income statement overview and the line item 'Credit losses, net' in Note 7.

Credit losses	Amounts in SEK thousand		
	30/09/2022	30/09/2021	31/12/2021
Financial fixed assets			
Provisions – stage 1	894	1,031	897
Provisions – stage 2	-	-	-
Provisions – stage 3	-	-	-
Total reserve	894	1,031	897
	2022	2021	2021
	Jan-Sep	Jan-Sep	Jan-Dec
Financial fixed assets			
Change in provisions – stage 1	3	-114	20
Change in provisions – stage 2	-	-	-
Change in provisions – stage 3	-	-	-
Total change in provisions	3	-114	20
Credit losses, net****	3	-114	20

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

Credit losses	Amounts in SEK thousand		
	30/09/2022	30/09/2021	31/12/2021
Total assets			
Provisions – stage 1	19,419	15,049	14,218
Provisions – stage 2	10,292	9,043	8,890
Provisions – stage 3	3,477	4,945	3,832
Total reserve	33,188	29,037	26,940
	2022	2021	2021
	Jan-Sep	Jan-Sep	Jan-Dec
Total assets			
Change in provisions – stage 1	-5,201	1,667	2,497
Change in provisions – stage 2	-1,402	1,273	1,426
Change in provisions – stage 3	355	6,435	7,548
Total change in provisions	-6,248	9,375	11,471
Write-off, confirmed credit losses	-13,212	-13,794	-17,854
Recoveries of previously confirmed credit losses	1,667	1,923	2,563
Total	-11,545	-11,871	-15,291
Credit losses, net	-17,793	-2,496	-3,820

NOTE 8. TAX

	Amounts in SEK thousand		
	30/09/2022	30/09/2021	31/12/2021
Current tax	99,547	-107,338	-33,331
Deferred tax income with regard to other unutilised tax deductions	-219,000	-	292,000
Tax	-119,453	-107,338	258,669

In October 2021, parliament resolved to introduce a tax reduction for investments in inventory acquired during 2021. A tax reduction of 3.9% may be used for tangible assets i.e. lease items, remaining at year-end 2022. As of 31 December 2021, Volvofinans Bank reported an accrued tax asset of SEK 292 million in accordance with IAS 12. During the equivalent quarter in 2022, the Bank will dissolve 25% of the SEK 292 million booked in the financial statements of 31 December 2021, provided that the original assumptions regarding vehicles disposed of remain valid in 2022.

NOTE 9. LEVERAGE RATIO

	Amounts in SEK thousand		
	30/09/2022	30/09/2021	31/12/2021
Tier 1 capital	5,328,390	4,608,800	4,722,671
Exposure measurement	45,008,622	43,900,020	43,742,447
Leverage ratio, %	11.84	10.50	10.80
Leverage ratio 3 %	1,350,259	1,317,001	1,312,273



NOTE 10. CAPITAL ADEQUACY ANALYSIS
KEY RATIOS

	Amounts in SEK thousand				
	30/09/2022	30/06/2022	31/03/2022	31/12/2021	30/09/2021
Available capital base (amount)					
Common Equity Tier 1 (CET1) capital	5,328,390	5,116,924	4,914,409	4,722,671	4,608,800
Tier 1 capital	5,328,390	5,116,924	4,914,409	4,722,671	4,608,800
Total capital	5,728,390	5,516,924	5,314,409	5,122,671	5,008,800
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	22,932,601	22,953,509	23,349,328	22,193,673	21,926,932
Capital ratio (as a percentage of the risk-weighted exposure amount)					
Common Equity Tier 1 capital ratio, %	23.2	22.3	21.1	21.3	21.0
Tier 1 capital ratio, %	23.2	22.3	21.1	21.3	21.0
Total capital ratio, %	25.0	24.0	22.8	23.1	22.8
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of the risk-weighted amount of exposure)					
Additional own funds requirements to address risks other than the risk of excessive leverage, %	-	-	-	-	-
of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
of which: to be made up of Tier 1 capital (percentage points)	-	-	-	-	-
Total SREP own funds requirements, %	8.0	8.0	8.0	8.0	8.0
Combined buffer requirement and overall capital requirement (as a percentage of the risk-weighted amount of exposure)					
Capital conservation buffer, %	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State, %	-	-	-	-	-
Institution specific countercyclical capital buffer, %	1.0	-	-	-	-
System risk buffer, %	-	-	-	-	-
Global Systemically Important Institution buffer, %	-	-	-	-	-
Other systemically important institution buffer, %	-	-	-	-	-
Combined buffer requirement, %	3.5	2.5	2.5	2.5	2.5
Overall capital requirements, %	11.5	10.5	10.5	10.5	10.5
CET1 available after meeting the total SREP own funds requirements, %	18.7	17.8	16.6	16.8	16.5
Leverage ratio					
Total exposure measure	45,008,622	45,190,118	44,760,649	43,742,447	43,900,020
Leverage ratio, %	11.8	11.3	11.0	10.8	10.5
Additional own funds requirements to address the risk of excessive leverage (as a percentage of the total exposure measure)					
Additional own funds requirements to address the risk of excessive leverage, %	-	-	-	-	-
of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
Total SREP leverage ratio requirements, %	3.0	3.0	3.0	3.0	3.0
Leverage buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
Leverage ratio buffer requirement, %	-	-	-	-	-
Overall leverage ratio requirements, %	3.0	3.0	3.0	3.0	3.0
Liquidity coverage ratio					
Total high-quality liquid assets (HQLA) (Weighted value - average)*	2,300,340	2,260,681	2,278,983	2,349,990	2,356,091
Cash outflows - Total weighted value*	4,252,538	4,154,440	4,157,008	4,116,682	4,067,382
Cash inflows - Total weighted value*	4,545,091	4,062,100	3,779,553	3,432,408	3,361,002
Total net cash outflows (adjusted value)*	1,063,135	1,038,610	1,039,252	1,082,277	1,069,952
Liquidity Coverage Ratio,%*	217	218	220	219	223
Net stable funding ratio					
Total available stable funding	37,529,413	37,642,927	38,307,334	37,317,968	37,863,750
Total required stable funding	31,936,461	32,522,369	32,676,508	32,257,689	32,374,247
Net stable funding ratio, %	118	116	117	116	117

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

CAPITAL BASE

	Amounts in SEK thousand		
	30/09/2022	30/09/2021	31/12/2021
Common Equity Tier 1 capital: instruments and reserves			
Capital instruments and the related share premium accounts	400,000	400,000	400,000
Retained earnings	302,328	17,254	16,013
Other reserves	4,438,010	4,038,810	4,432,324
Net interim profit after deductions for predictable expenses and dividends verified by persons in an independent position.	345,312	310,290	292,000
Common Equity Tier 1 capital before regulatory adjustments	5,485,650	4,766,354	5,140,337
Common Equity Tier 1 capital: regulatory adjustments			
Further value adjustments (negative amount)	-124	-61	-48
Intangible assets (net after reduction of related tax liabilities) (negative amount)	-24,732	-17,806	-19,047
Deferred tax assets that are dependent on future profitability, except those that arise as a result of temporary differences.*	-73,000	-	-292,000
Negative amounts resulting from the calculation of expected loss amount	-59,404	-139,687	-106,571
Total regulatory adjustments to Common Equity Tier 1	-157,260	-157,554	-417,666
Common Equity Tier 1 (CET1) capital	5,328,390	4,608,800	4,722,671
Tier 1 capital contribution: Instrument			
Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital ratio + Tier 1 capital contribution)	5,328,390	4,608,800	4,722,671
Tier 2 capital: instruments and provisions			
Capital instruments and the related share premium accounts	400,000	400,000	400,000
Tier 2 capital before regulatory adjustments	400,000	400,000	400,000
Tier 2 capital: regulatory adjustments			
Tier 2 capital	400,000	400,000	400,000
Total capital (total capital = tier 1 capital + tier 2 capital)	5,728,390	5,008,800	5,122,671
Total risk-weighted assets	22,932,601	21,926,932	22,193,673

* After a reduction for an associated tax liability when the conditions in article 38.3 are met. Negative amount.

CAPITAL RATIOS AND BUFFERS

	Amounts in SEK thousand		
	30/09/2022	30/09/2021	31/12/2021
Risk-weighted assets	22,932,601	21,926,932	22,193,673
Common Equity Tier 1 capital ratio, %	23.24	21.00	21.28
Tier 1 capital ratio, %	23.24	21.00	21.28
Total capital ratio, %	24.98	22.80	23.08
Total capital requirement, %	13.40	12.40	12.50
Institution-specific Common Equity Tier 1 capital requirements including buffer requirements, %	9.30	8.20	8.40
of which: Pillar 1 requirement, %	4.50	4.50	4.50
of which: Pillar 2 requirement, %	1.30	1.20	1.40
of which requirement for capital conservation buffer, %	2.50	2.50	2.50
of which requirement for countercyclical buffer, %	1.00	-	-

INTERNALLY ASSESSED CAPITAL REQUIREMENT

	Amounts in SEK thousand								
	30/09/2022			30/09/2021			31/12/2021		
	Capital requirement	Capital requirement / Total REA	Of which CET1 requirements / REA	Capital requirement	Capital requirement / Total REA	Of which CET1 requirements / REA	Capital requirement	Capital requirement / Total REA	Of which CET1 requirements / REA
Credit risk	1,663,360	7.3%	4.1%	1,591,892	7.3%	4.1%	1,604,337	7.2%	4.1%
Operational risk	170,024	0.7%	0.4%	160,693	0.7%	0.4%	170,024	0.8%	0.4%
CVA risk	1,224	0.0%	0.0%	1,570	0.0%	0.0%	1,133	0.0%	0.0%
Pillar 1 capital requirement	1,834,608	8.0%	4.5%	1,754,155	8.0%	4.5%	1,775,494	8.0%	4.5%
Concentration risk	242,956	1.1%	0.7%	243,201	1.1%	0.7%	257,363	1.2%	0.8%
Strategic risk	91,730	0.4%	0.3%	87,708	0.4%	0.3%	88,775	0.4%	0.3%
Market risk	101,052	0.4%	0.3%	78,632	0.4%	0.2%	94,907	0.4%	0.3%
Pillar 2 capital requirement*	435,738	1.9%	1.3%	409,541	1.9%	1.2%	441,045	2.0%	1.4%
Capital conservation buffer	573,315	2.5%	2.5%	548,173	2.5%	2.5%	554,842	2.5%	2.5%
Countercyclical capital buffer	229,326	1.0%	1.0%	-	-	-	-	-	-
Combined buffer requirement	802,641	3.5%	3.5%	548,173	2.5%	2.5%	554,842	2.5%	2.5%
Capital requirements	3,072,987	13.4%	9.3%	2,711,869	12.4%	8.2%	2,771,381	12.5%	8.4%
Capital base	5,728,390	-	-	5,008,800	-	-	5,122,671	-	-
Capital surplus	2,655,403	-	-	2,296,931	-	-	2,351,290	-	-

* The bank has not yet received an assessment from the authority regarding specific Pillar 2 guidance.

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

	Amounts in SEK thousand								
	30/09/2022			30/09/2021			30/09/2021		
	Capital requirement	Risk-weighted exposure amount	Average risk weighting	Capital requirement	Risk-weighted exposure amount	Average risk weighting	Capital requirement	Risk-weighted exposure amount	Average risk weighting
Credit risk according to IRB									
Corporate exposures	513,696	6,421,200	70.5%	516,131	6,451,632	69.9%	532,525	6,656,565	69.5%
Retail exposures	580,577	7,257,208	24.1%	606,618	7,582,722	23.9%	599,089	7,488,610	24.0%
Non credit-obligation assets exposure	404,321	5,054,016	100.0%	373,953	4,674,408	100.0%	382,050	4,775,621	100.0%
Total according to IRB	1,498,594	18,732,423	42.3%	1,496,701	18,708,762	41.0%	1,513,664	18,920,795	41.5%
Credit risk STD									
Exposures to central governments or central banks	-	-	-	-	-	-	-	-	-
Exposures to provincial or regional government bodies or local authorities	-	-	-	-	-	-	-	-	-
Exposures to public sector	114	1,420	20.0%	129	1,607	20.0%	140	1,746	20.0%
Exposures to institutions	58,484	731,055	20.0%	37,882	473,524	20.0%	37,380	467,254	20.0%
Corporate exposures	63,576	794,703	91.5%	19,449	243,109	87.9%	18,841	235,516	89.3%
Retail exposures	22,526	281,581	61.8%	24,932	311,650	61.6%	23,700	296,249	62.1%
Exposures in default	190	2,372	150.0%	267	3,339	150.0%	229	2,867	150.0%
Covered bonds	13,982	174,773	10.0%	6,850	85,623	10.0%	6,821	85,268	10.0%
Equity exposures	1,371	17,142	100.0%	1,257	15,713	100.0%	1,411	17,641	100.0%
Other items	4,522	56,526	100.0%	4,426	55,328	100.0%	2,150	26,873	100.0%
Total STD	164,766	2,059,571	25.4%	95,191	1,189,893	20.3%	90,673	1,133,414	20.0%
Total	1,663,360	20,791,995	39.7%	1,591,892	19,898,655	38.6%	1,604,337	20,054,209	39.1%
Operational risk	170,024	2,125,302	-	160,693	2,008,657	-	170,024	2,125,302	-
Credit value adjustment (CVA)	1,224	15,304	-	1,570	19,620	-	1,133	14,161	-
Total minimum capital requirement and risk-weighted exposure amount	1,834,608	22,932,601	-	1,754,155	21,926,932	-	1,775,494	22,193,673	-



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).

Shares and participations in other companies have been marked to market using observable market data (Level 2).

Lending to the public has been calculated by discounting the contractual cash flows using a discount rate based on a current lending spread (Level 3) to determine fair value according to IFRS 13.

Issued securities and subordinated liabilities have been calculated based on current lending spreads (Level 2) to determine fair value according to IFRS 13. Liabilities to credit institutions have been calculated on the basis of estimated borrowing spreads (Level 3). Deposits and borrowings from the general public are calculated by estimating borrowing spreads (Level 3); the carrying amount is considered to be a good approximation of fair value due to the short remaining term.

Other categories belong to Level 3. The carrying amounts of these assets and liabilities provide a good approximation of fair value due to their short remaining maturity.

Fair values are categorised into levels in a fair value hierarchy based on the use of input data in the following measurement techniques:

Level 1 – according to quoted price on an active market for identical instruments.

Level 2 – from directly or indirectly observable market data not included in Level 1. This category includes instruments whose value is based on quoted prices on active markets for similar instruments; quoted prices for identical or similar instruments traded on non-active markets, or other valuation techniques where all material input data is directly and indirectly observable on the market.

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

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

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, Volvofinans Bank receives and provides collateral in the form of bank balances in accordance with the standard conditions of the ISDA Credit Support Annex. Assets for derivative agreements amount to SEK 38.7 million and liabilities to SEK 84.9 million. Securities in the amount of SEK 18.2 million were received and assets of SEK 42.3 million were pledged as of 30 June 2022.



					Amounts in SEK thousand	
	Level 1	Level 2	Level 3	Total fair value	Total carrying amount	
ASSETS, JAN - SEP 2022						
Treasury bills eligible as collateral etc.	984,996	-	-	984,996	986,467	
Lending to credit institutions	-	-	3,530,475	3,530,475	3,530,475	
Loans and advances to the public	-	-	16,503,902	16,503,902	16,065,069	
Bonds and other interest-bearing securities	1,745,361	798,192	-	2,543,553	2,545,922	
Shares and participations in other companies*	-	4,984	-	4,984	4,984	
Other assets*	-	38,732	890,638	929,370	929,370	
Prepaid expenses and accrued income	-	-	113,908	113,908	113,908	
Total	2,730,357	841,908	21,038,923	24,611,188	24,176,195	
LIABILITIES, Jan - Sep 2022						
Liabilities to credit institutions	-	-	956,399	956,399	947,619	
Deposits and borrowing from the public	-	-	22,737,339	22,737,339	22,737,302	
Securities issued	-	12,374,466	-	12,374,466	12,452,361	
Other liabilities*	-	84,868	1,119,551	1,204,419	1,204,419	
Accrued expenses and deferred income	-	-	1,496,782	1,496,782	1,496,782	
Subordinated liabilities	-	397,682	-	397,682	400,000	
Total	-	12,857,016	26,310,071	39,167,087	39,238,483	
Assets, Jan - Sep 2021						
Treasury bills eligible as collateral etc.	1,671,089	-	-	1,671,089	1,669,975	
Lending to credit institutions	-	-	2,261,623	2,261,623	2,261,623	
Loans and advances to the public	-	-	17,262,503	17,262,503	16,749,908	
Bonds and other interest-bearing securities	857,088	699,981	-	1,557,069	1,556,213	
Shares and participations in other companies*	-	3,387	-	3,387	3,387	
Other assets*	-	10,501	660,338	670,839	670,839	
Prepaid expenses and accrued income	-	-	98,401	98,401	98,401	
Total	2,528,177	713,869	20,282,865	23,524,911	23,010,346	
LIABILITIES, JAN - SEP 2021						
Liabilities to credit institutions	-	-	1,116,783	1,116,783	1,109,524	
Deposits and borrowing from the public	-	-	22,204,834	22,204,834	22,204,834	
Securities issued	-	13,010,205	-	13,010,205	12,908,584	
Other liabilities*	-	50,450	965,694	1,016,144	1,016,144	
Accrued expenses and deferred income	-	-	1,508,996	1,508,996	1,508,996	
Subordinated liabilities	-	428,454	-	428,454	400,000	
Total	-	13,489,109	25,796,307	39,285,416	39,148,082	

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

Fair value assets and liabilities per category

Assets	Financial assets measured at amortised cost	Derivatives in hedge accounting	Other assets*	Fair value via the income statement (mandatory)	Amounts in SEK thousand	
					Total	Fair value
30/09/2022						
Treasury bills eligible as collateral etc.	986,467	-	-	-	986,467	984,996
Lending to credit institutions	3,530,475	-	-	-	3,530,475	3,530,475
Loans and advances to the public	16,065,069	-	-	-	16,065,069	16,503,902
Bonds and other interest-bearing securities	2,545,922	-	-	-	2,545,922	2,543,553
Shares and participations in other companies	-	-	-	4,984	4,984	4,984
Shares and participations in associated companies	-	-	5,417	-	5,417	-
Shares and participations in Group companies	-	-	6,742	-	6,742	-
Intangible non-current assets	-	-	24,732	-	24,732	-
Tangible assets: inventory	-	-	4,304	-	4,304	-
Tangible assets: lease items	-	-	21,688,664	-	21,688,664	-
Other assets	546,878	2,333	343,760	36,399	929,370	929,370
Deferred tax asset	-	-	73,000	-	73,000	-
Prepaid expenses and accrued income	113,908	-	-	-	113,908	113,908
Total assets	23,788,719	2,333	22,146,619	41,383	45,979,054	
Liabilities						
30/09/2022						
Liabilities to credit institutions	-	-	947,619	-	947,619	956,399
Deposits and borrowing from the public	-	-	22,737,302	-	22,737,302	22,737,339
Securities issued	-	-	12,452,361	-	12,452,361	12,374,466
Other liabilities	487,575	49,823	631,975	35,045	1,204,419	1,204,419
Accrued expenses and deferred income	1,348,676	-	148,105	-	1,496,782	1,496,782
Subordinated liabilities	-	-	400,000	-	400,000	397,682
Total liabilities	1,836,251	49,823	37,317,363	35,045	39,238,483	

Assets	Financial assets measured at amortised cost	Derivatives in hedge accounting	Other assets*	Fair value via the income statement (mandatory)	Amounts in SEK thousand	
					Total	Fair value
30/09/2021						
Treasury bills eligible as collateral etc.	1,669,975	-	-	-	1,669,975	1,671,089
Lending to credit institutions	2,261,623	-	-	-	2,261,623	2,261,623
Loans and advances to the public	16,749,908	-	-	-	16,749,908	17,262,503
Bonds and other interest-bearing securities	1,556,213	-	-	-	1,556,213	1,557,069
Shares and participations in other companies	-	-	-	3,387	3,387	3,387
Shares and participations in associated companies	-	-	5,584	-	5,417	-
Shares and participations in Group companies	-	-	6,742	-	6,742	-
Intangible non-current assets	-	-	17,806	-	17,806	-
Tangible assets: inventory	-	-	6,760	-	6,760	-
Tangible assets: lease items	-	-	22,008,672	-	22,008,672	-
Other assets	546,659	9,199	113,680	1,301	670,839	670,839
Deferred tax asset	-	-	-	-	-	-
Prepaid expenses and accrued income	98,401	-	-	-	98,401	98,401
Total assets	22,882,779	9,199	22,159,244	4,688	45,055,910	
Liabilities						
30/09/2021						
Liabilities to credit institutions	-	-	1,109,524	-	1,109,524	1,116,783
Deposits and borrowing from the public	-	-	22,204,834	-	22,204,834	22,204,834
Securities issued	-	-	12,908,584	-	12,908,584	13,010,205
Other liabilities	421,293	2,247	544,401	48,203	1,016,144	1,016,144
Accrued expenses and deferred income	1,404,670	-	104,326	-	1,508,996	1,508,996
Subordinated liabilities	-	-	400,000	-	400,000	428,454
Total liabilities	1,825,963	2,247	37,271,669	48,203	39,148,082	

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

** Non-hedged derivatives 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.

Balance sheet	Group companies		Associates		Other related companies	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021
Assets	6,742	6,742	92,934	5,584	1,119,483	1,274,730
Liabilities	6,789	6,789	99,385	128,935	291,864	74,128
Income statement						
Interest income	-	-	1735	1,057	3	10
Lease income	-	-	-	-	88,296	95,611
Interest expenses	-	-	-41	-76	-309	-
Commission income	-	-	-	-	355	404
Other operating income	-	-	2289	969	-	-
Total	-	-	2,367	1,275	56,269	64,400

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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