

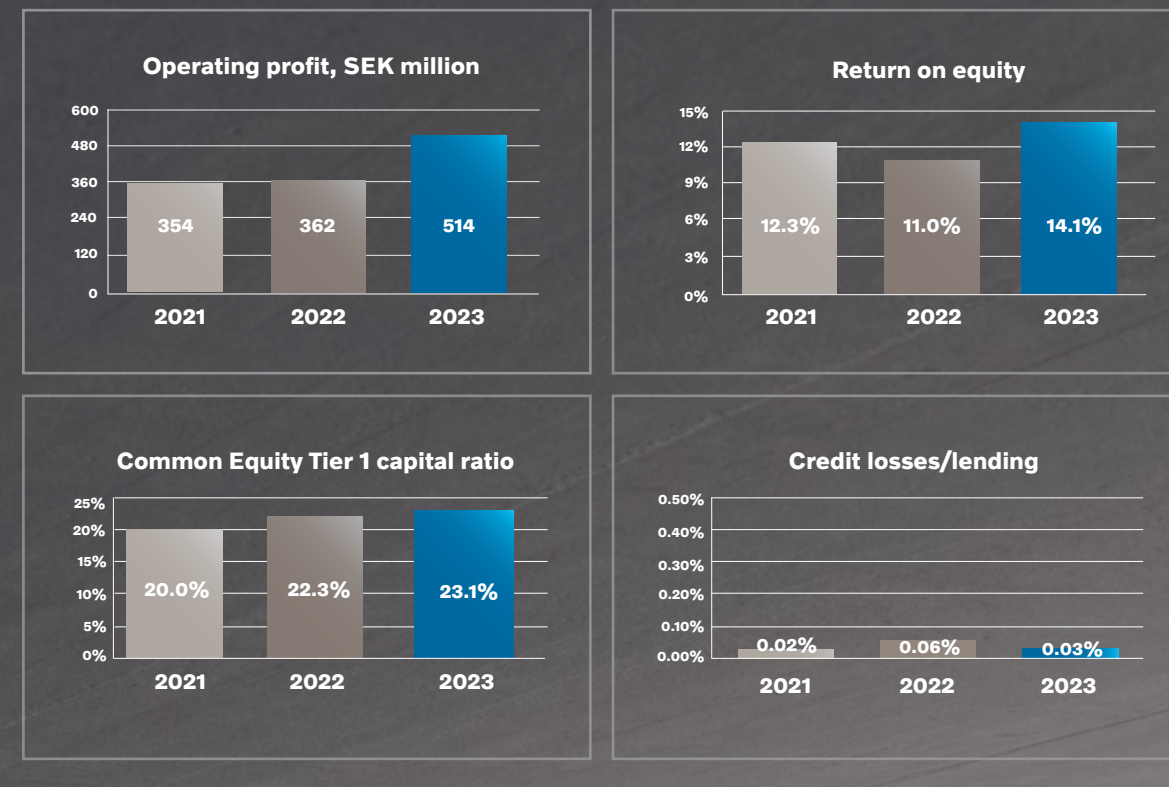
INTERIM REPORT 1 JANUARY – 30 JUNE
2023



VOLVOFINANS BANK

SUMMARY

JANUARY - JUNE 2023



INTRODUCTION AND FINANCIAL STATEMENTS



STATEMENT BY THE CEO

Market interest rates continued to rise quickly during the second quarter, largely as a result of the exceptional inflation situation. In the short term, the rapid rise in interest rates benefits net interest income for banks, including Volvofinans Bank. Our net interest income is the primary driver behind the new record profit of SEK 514 million compared to SEK 362 million during the equivalent period last year. At the same time, we see challenges in the economic climate, and in the current high interest rate environment it is increasingly difficult for our partners to offer attractive vehicle financing set-ups, not least in the financially stressed household sector.

Positive lending growth

But on a positive note, lending volumes grew during the quarter leading to a total of SEK 40.8 billion (38.7) during the first six months. The bank's credit losses continued at a very low level, with a strong Common Equity Tier 1 capital ratio of more than 23%.

Strong used vehicle market

All segments with the underlying business areas Cars, Fleet, Trucks, OEM and Payments report better profits than the previous year. This is mainly due to improved net interest income, but the strong used vehicle market also plays its part with higher gains from operational leasing disposals in business area Fleet.

Decline in new vehicle registrations

Mobility Sweden's full-year forecast is for a total of 265,000 registered new vehicles, which is a reduction of 8% compared to 2022. During the first six months, registrations in new vehicle sales remained relatively stable at 140,000, which is a reduction of 2.4%.



“Despite challenges in the economic climate, the bank is extremely healthy”

Conny Bergström
CEO
Volvofinans Bank AB

We note that the private market weakened overall in line with rising market interest rates and uncertainty regarding the future economic climate. Following the abolition of the vehicle climate bonus in November 2022, EV registrations among private customers also fell markedly, and we note a reduction from 58% to 34% in the proportion of EVs during the first six months.

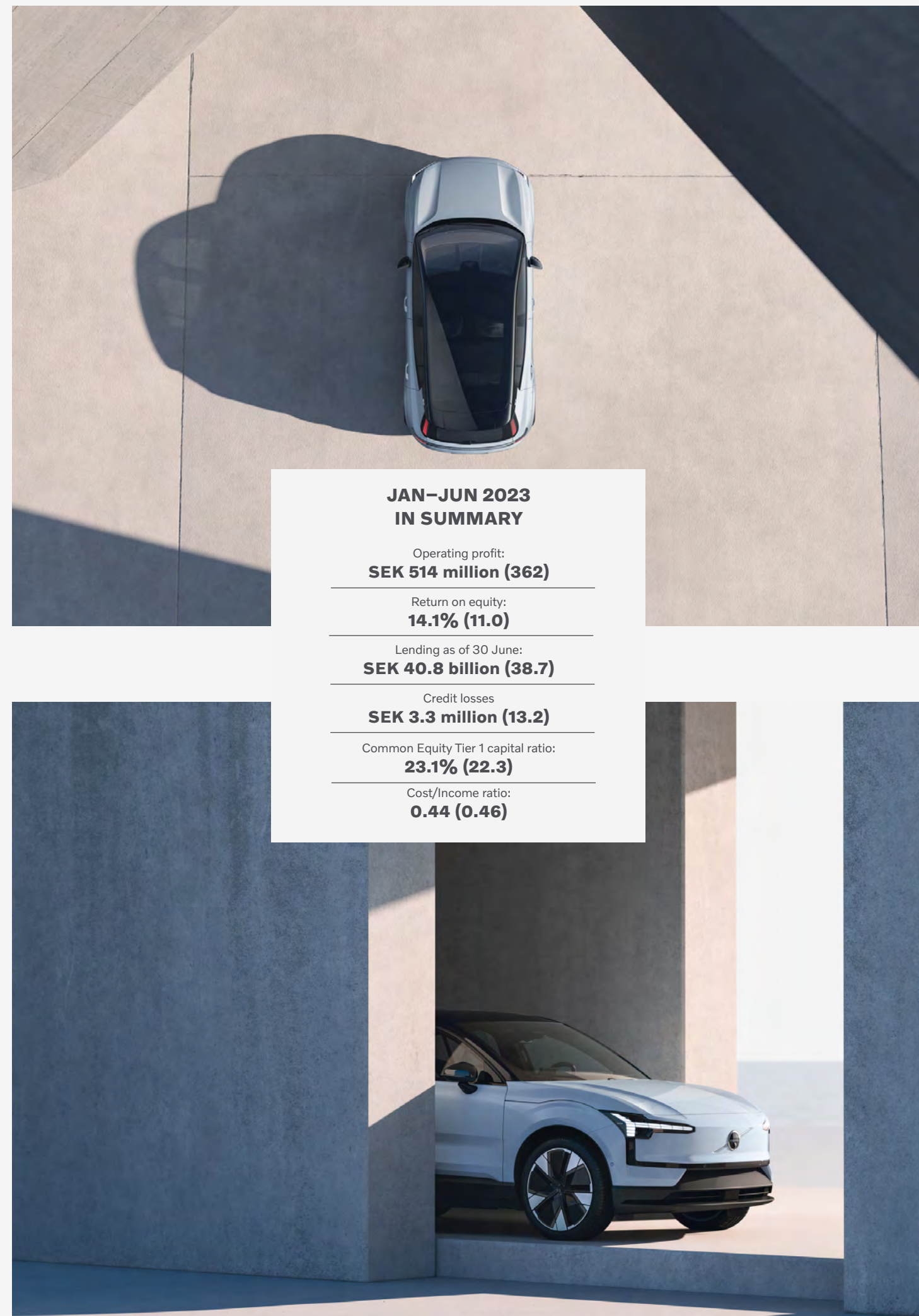
Strong market for new trucks

We note robust growth in heavy trucks of more than 27% during the first six months, with 3,341 vehicles registered. Volvo Trucks has established itself as market leader here. It is also worth noting that electrically driven trucks now account for 4.2% compared to 2.6% during the same period last year, and we note continued strong demand for climate-friendly, cost-effective vehicles. The bank also sees great opportunities for offering innovative financing services in the heavy vehicles sector along with smart administration systems for tomorrow's sustainable haulage.

Opportunities in sustainable mobility

We anticipate that the market will cool further in the run-up to the autumn. The Swedish Central Bank is planning further interest rate rises, and the geopolitical situation will probably continue to exacerbate uncertainty. Despite challenges in the economic climate, the bank boasts extremely healthy KPIs and an excellent annual forecast, putting us in a position to continue investing in the innovative solutions and capabilities our customers and partners demand of us. We find ourselves in the middle of a transition where a green society is taking shape and a new ecosystem with EVs and smart services is emerging. Our endeavour is to occupy the position as the prominent, most well-regarded financial player in sustainable mobility – The Mobility Bank!

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 25 August 2023.



JAN–JUN 2023 IN SUMMARY

Operating profit:
SEK 514 million (362)

Return on equity:
14.1% (11.0)

Lending as of 30 June:
SEK 40.8 billion (38.7)

Credit losses
SEK 3.3 million (13.2)

Common Equity Tier 1 capital ratio:
23.1% (22.3)

Cost/Income ratio:
0.44 (0.46)

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 40.8 billion compared to 38.7 billion in the previous year. Trucks accounted for SEK 5.4 billion (4.6) of lending, equivalent to 13% (12) of the total. Fleet accounted for SEK 10.3 billion (8.8) of lending or 25% (23) and Volvo Card for 5% (5) or SEK 2.0 billion (2.0). The remainder – SEK 23.1 billion (23.3) – is attributable to passenger car financing in business area Cars, which corresponds to 57% (60) 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 514.0 million (362.3), which is SEK 151.8 million or 42% higher year-over-year. The Bank's net interest income and leasing is SEK 198.2 million higher than the first six months of 2022, mainly due to lower borrowing costs. 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. The surplus on sales of these cars is SEK 51.0 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. During the period, the bank made impairments in respect of residual value provisions of SEK 72.3 million (47.2).

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 6.7 million (5.8) and for loans and leasing SEK 226.7 million (194.6), of which SEK 223.1 million (192.9) is covered by recourse. Loans subject to deferral totalled SEK 62.0 million (59.5).

Verified credit losses of SEK 8.9 million (7.6) 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 second quarter, the bank updated its IRB models and also adapted the ECL method accordingly, and this is the primary reason why the expected credit losses were reduced by SEK 5.6 million (-5.6) during the year. Thus credit losses for the year totalled SEK 3.3 million (13.2). The provision for expected credit losses totals SEK 30.6 million (32.5).

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. During the year, the bank carried out impairments totalling SEK 72.3 million (47.2) related to residual value risk, mainly due to the bank's increased residual value positions in operational leases and increased selling costs when calculating the recoverable value.

As of 30 June 2023, the bank's residual value positions for operational lease assets totalled SEK 6.1 billion (5.3). The bank carried out impairments totalling SEK 266.8 million (172.1) reported under depreciations, amortisation and impairments of tangible assets.

Funding and liquidity

Deposits in the bank's savings account increased by SEK 477 million during the second quarter, to reach a total of SEK 22.4 billion (20.2) at half year end. Total deposits including the credit balance for the Volvo Card and deposits from Volvo dealerships stood at SEK 23.7 billion (22.4) and accounted for 61% (60) of the bank's financing.

The bank's MTN programme allows the issue of bonds in the currencies SEK, NOK and EUR; green bonds may also be issued. In the program, shares with a value of SEK 2.8 billion and NOK 700 million were issued during the first six months. Certificates of deposit relating to short-term borrowing were issued in the amount of SEK 300 million during the first six months. Volvofinans Bank AB's outstanding financing through its market loan programmes, MTN and commercial papers totalled a nominal SEK 13.3 billion (13.5), of which green bonds accounted for SEK 5.1 billion on 30/06/2023.

In addition to market borrowing and deposits, the bank also finances its activities through bank credits, which totalled SEK 1.3 billion (1.0) at the end of the six-month period. The proportion of financing from market loans programmes and the banking sector with remaining maturity of more than one year was 74% (61).

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 six-month period was SEK 6.5 billion (6.3). The securities holding accounted for SEK 4.0 billion (62%) and non-fixed deposits at other banks totalled SEK 2.5 billion (38%). Volvofinans Bank's liquidity reserve must always be at least 10% in relation to lending volume. As of 30/06/2023, total lending was SEK 40.8 billion, which means the liquidity reserve corresponded to 16% (16). In addition to the liquidity reserve, available and unutilised loan facilities totalled SEK 3.8 billion (4.3).

At the end of the second quarter, Volvofinans Bank's liquidity coverage ratio (LCR) under article 415 of the EU Capital Requirements Regulation (CRR), totalled 282% (244), and the net stable funding ratio (NSFR) was 122% under CRR2 (116).

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 Swedish Financial Supervisory Authority has given Volvofinans Bank permission to use modified PD models that meet the requirements of CRR (EU) 575/2013 as amended by (EU) 439/2022 and EBA/GL/2017/16, known simply as Basel IV. Because the bank's new LGD models and the KF model are not yet approved by the Financial Supervisory Authority, the bank has chosen to correct the capital requirement calculation for the household segment such that the requirement in relative terms reaches the previous level. This correction, known as an Article 3 mark-up, is used in the bank's capital requirement calculation as of Q2, 2023. The Tier 1 ratio amounted to 23.1% (22.3) as of 30/06/2023 and the capital requirement was assessed internally to 14.4% (12.4) calculated on the basis of the methods and models used to calculate capital requirement within the framework of Pillar 1. The capital conservation buffer of 2.5% (2.5) of REA was SEK 638 million (574). The countercyclical buffer value during the quarter increased from 1.0% to 2.0% (0) of REA, thus totalling SEK 511 million (0).

The leverage ratio was 12.5% (11.3) as of 30/06/2023.

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.

On 11 April 2023, the bank made an early SEK 400 million repayment of a subordinated loan.

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 contracted 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 majority of the bank's lending and all borrowing follows the short-term market interest rate, which entails a limited interest rate risk.

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, 25 August 2023

Urmas Kruusval Chairman of the Board	Synnöve Trygg Deputy Chairman of the Board	Per Avander Board Member	Johan Ekdahl Board Member
Ann Hellenius Board Member	Björn Rentzhog Board Member	Jessica Span Board Member	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.

Key ratios

	30/06/2023	30/06/2022	31/12/2022
Return on equity, %*	14.09	10.96	11.46
Deposits / Lending, %	58.08	57.91	57.81
Profit / Risk-weighted assets, %	4.03	3.16	3.19
Total capital ratio, %	23.09	24.04	24.59
Common Equity Tier 1 capital ratio, %	23.09	22.29	22.94
Cost/Income ratio	0.44	0.46	0.45
Cost/Income ratio excl. residual value provision	0.36	0.39	0.40
Credit losses / Lending, %	0.03	0.06	0.06
Liquidity coverage ratio (LCR), %	282	244	210
NSFR (Net Stable Funding Ratio), %	122	116	118
Leverage ratio, %	12.5	11.3	12.2

*As of Q1 2023, return on equity is calculated according to a new method. Historical values have been updated.

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/>

Income statement, overview

	Amounts in SEK thousand					
	2023 Q2	2023 Q1	2022 Q2	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
Interest income	312,334	286,892	147,838	599,226	282,901	709,272
Lease income	1,794,961	1,730,382	1,554,550	3,525,343	3,088,394	6,364,920
Interest expenses	-331,851	-264,015	-73,653	-595,866	-141,096	-455,369
Net interest income	1,775,444	1,753,259	1,628,735	3,528,702	3,230,199	6,618,822
Dividends received	11	11	9	23	17	75
Commission income	111,892	103,155	110,933	215,047	194,811	389,271
Commission expenses	-48,786	-33,140	-35,179	-81,926	-62,153	-156,594
Net result from financial transactions	2,283	-8,198	11,188	-5,916	24,893	32,384
Other operating income, Note 4	104,019	106,946	79,880	210,966	155,659	312,009
Total operating income	1,944,864	1,922,032	1,795,564	3,866,896	3,543,426	7,195,967
General administration expenses	-154,287	-134,992	-119,604	-289,279	-241,369	-495,761
Depreciation and impairment of tangible and intangible non-current assets, Note 5	-1,506,046	-1,518,645	-1,464,221	-3,024,691	-2,900,566	-5,847,030
Other operating expenses	-24,946	-12,257	-14,009	-37,203	-26,414	-54,859
Total operating expenses	-1,685,279	-1,665,895	-1,597,834	-3,351,174	-3,168,349	-6,397,650
Profit before credit losses	259,585	256,137	197,730	515,722	375,077	798,318
Credit losses, net, Note 6	4,129	-5,228	-10,530	-1,099	-12,846	-23,118
Impairments/Reversals of financial fixed assets, net	-568	-14	324	-582	22	-17
Operating profit	263,146	250,895	187,524	514,041	362,252	775,183
Appropriations	-	-	-	-	-	853,176
Taxes, Note 7	-54,208	-51,684	-38,630	-105,892	-74,624	-293,370
Profit	208,938	199,211	148,894	408,149	287,628	1,334,989

Balance sheet highlights

	Amounts in SEK thousand		
	30/06/2023	30/06/2022	31/12/2022
Treasury bills eligible as collateral etc.	1,438,665	1,197,356	1,238,893
Lending to credit institutions	2,468,354	3,125,291	1,987,473
Loans and advances to the public	16,075,126	16,639,025	16,437,193
Bonds and other interest-bearing securities	2,597,768	1,935,955	2,495,493
Shares and participations in other companies	6,465	3,502	5,467
Shares and participations in associated companies	5,140	5,417	8,766
Shares and participations in Group companies	6,742	6,742	6,742
Intangible non-current assets	18,089	22,563	19,224
Tangible assets: inventory	2,346	4,262	3,485
Tangible assets: lease items	24,749,962	22,022,719	23,426,952
Tangible current assets	5,554	-	-
Other assets	932,214	1,045,194	1,213,419
Deferred tax asset, Note 8	-	146,000	-
Prepaid expenses and accrued income	168,116	125,566	76,965
Total assets, Note 11	48,474,541	46,279,592	46,920,073
Liabilities to credit institutions	1,342,857	988,095	1,407,143
Deposits and borrowing from the public	23,712,843	22,388,653	23,044,465
Securities issued	13,235,814	13,398,444	12,383,444
Other liabilities*	1,265,037	1,111,179	1,494,354
Accrued expenses and deferred income	1,901,476	1,425,438	1,428,700
Subordinated liabilities	-	400,000	400,000
Total liabilities, Note 11	41,458,027	39,711,809	40,158,106
Untaxed reserves	4,679,919	5,533,095	4,679,919
Equity	2,336,596	1,034,688	2,082,049
Total liabilities and equity	48,474,541	46,279,592	46,920,073
*Of which derivative instruments with positive and negative market values			
Derivative instruments with positive market value	35,836	30,269	37,681
Derivative instruments with negative market value	-81,052	-69,080	-63,134



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 2022	400,000	20,000	19,047	438,624	877,671
Profit for the period after tax	-	-	-	287,628	287,628
Capitalisation of development expenditures	-	-	8,631	-8,631	-
Dissolution resulting from development expenditure depreciations and impairments for the year	-	-	-5,114	5,114	-
Total before transactions with shareholders	400,000	20,000	22,564	722,735	1,165,299
Dividend	-	-	-	-130,611	-130,611
Closing equity, 30 June 2022	400,000	20,000	22,564	592,124	1,034,688
	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	-	-	-	1,334,989	1,334,989
Capitalisation of development expenditures	-	-	18,849	-18,849	-
Dissolution resulting from development expenditure depreciations and impairments for the year	-	-	-18,672	18,672	-
Total before transactions with shareholders	400,000	20,000	19,224	1,773,436	2,212,660
Dividend	-	-	-	-130,611	-130,611
Closing equity, 31 December 2022	400,000	20,000	19,224	1,642,825	2,082,049
	Share capital	Statutory reserve	Development fund	Retained earnings	Total equity
Opening equity, 1 January 2023	400,000	20,000	19,224	1,642,825	2,082,049
Profit for the period after tax	-	-	-	408,149	408,149
Capitalisation of development expenditures	-	-	3,148	-3,148	-
Dissolution resulting from development expenditure depreciations and impairments for the year	-	-	-4,283	4,283	-
Total before transactions with shareholders	400,000	20,000	18,089	2,052,109	2,490,198
Dividend	-	-	-	-153,602	-153,602
Closing equity, 30 June 2023	400,000	20,000	18,089	1,898,507	2,336,596

Cash flow statement

	Amounts in SEK thousand		
	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
Operating activities			
Operating profit	514,041	362,252	775,183
Adjustment of items not included in cash flow			
Unrealised portion of net result from financial transactions	-5,916	26,014	33,626
Depreciations, amortisation, impairments	3,024,691	2,900,566	5,847,030
Credit losses	1,099	12,846	23,117
Paid/refunded (-/+) tax	-21,822	-19,148	-63,814
Changes to assets and liabilities in operating activities			
Treasury bills eligible as collateral etc.	-199,772	388,792	347,255
Loans and advances to the public	361,188	220,132	411,910
Disposal of tangible assets*	2,751,060	2,273,511	3,995,200
Acquisition of tangible assets*	-7,098,407	-5,392,891	-11,450,944
Bonds and other interest-bearing securities	-102,275	-483,268	-1,042,806
Deposits and borrowing from the public	668,378	593,659	1,249,471
Liabilities to credit institutions	-64,286	-80,952	338,095
Other assets	105,279	-244,654	-392,575
Securities issued	852,370	306,082	-708,918
Other liabilities	249,375	165,748	544,573
Cash flow from operating activities	1,035,003	1,028,689	-93,597
Investing activities			
Capitalised development expenditures	-3,148	-8,631	-18,849
Investments in shares and participations	-998	-97	-2,061
Disposal/redemption of shares and participations	3,626	2,077	-1,273
Cash flow from investing activities	-520	-6,651	-22,184
Financing activities			
Subordinated liabilities	-400,000	-	-
Dividends paid	-153,602	-130,611	-130,611
Cash flow from financing activities	-553,602	-130,611	-130,611
Cash flow for the period			
Cash and cash equivalents at beginning of period	1,987,473	2,233,864	2,233,864
Cash flow from operating activities*	1,035,003	1,028,689	-93,597
Cash flow from investing activities*	-520	-6,651	-22,184
Cash flow from financing activities	-553,602	-130,611	-130,611
Cash and cash equivalents at end of period	2,468,354	3,125,291	1,987,473

*As of Q2 2023, cash flow from the acquisition and disposal of tangible assets is reported in operating activities instead of investment activities.



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 2022 have taken place.

FUTURE REGULATORY CHANGES

Amendments to IAS 1 – Presentation of financial reports. Review in progress; briefing in 2023.

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

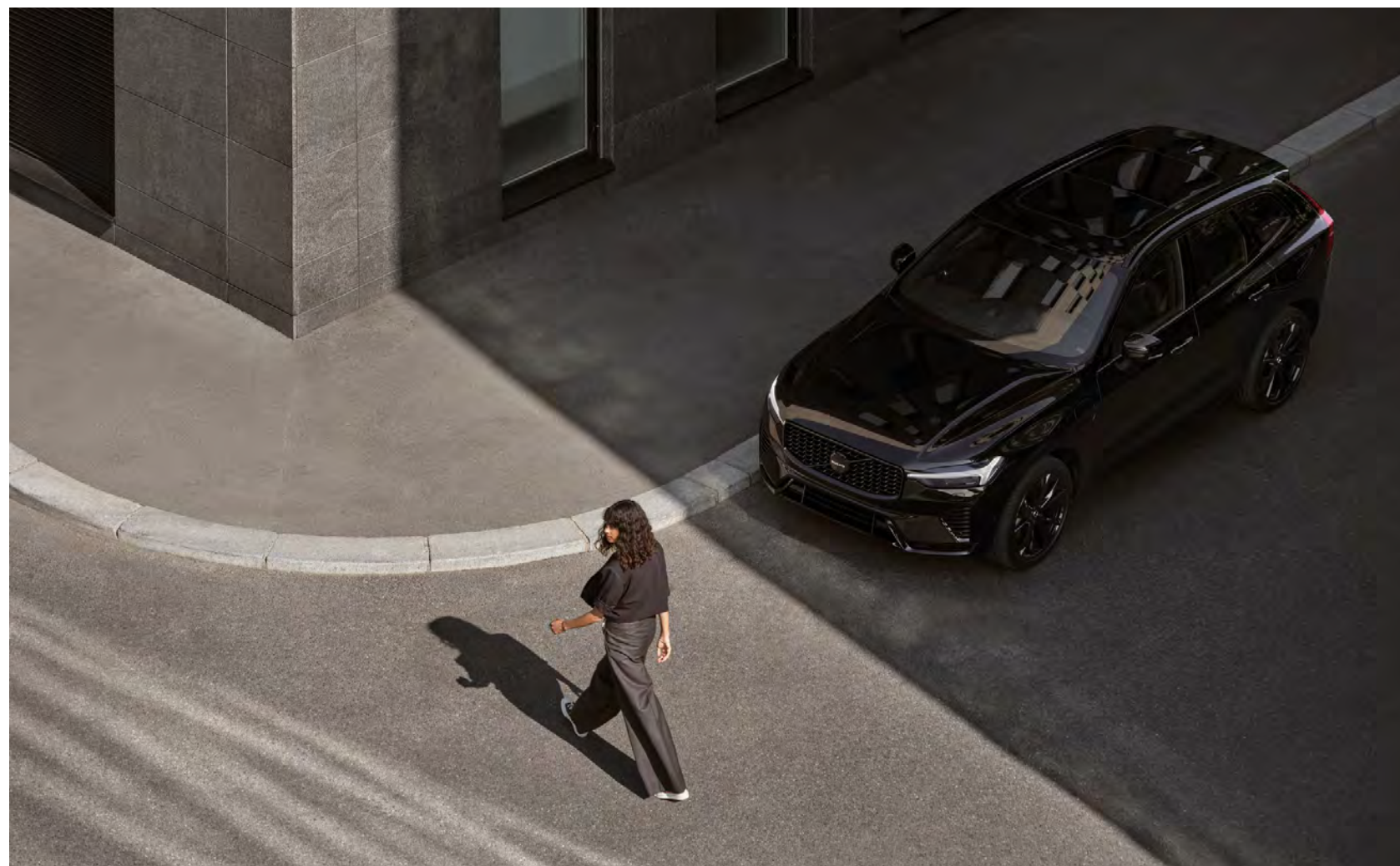
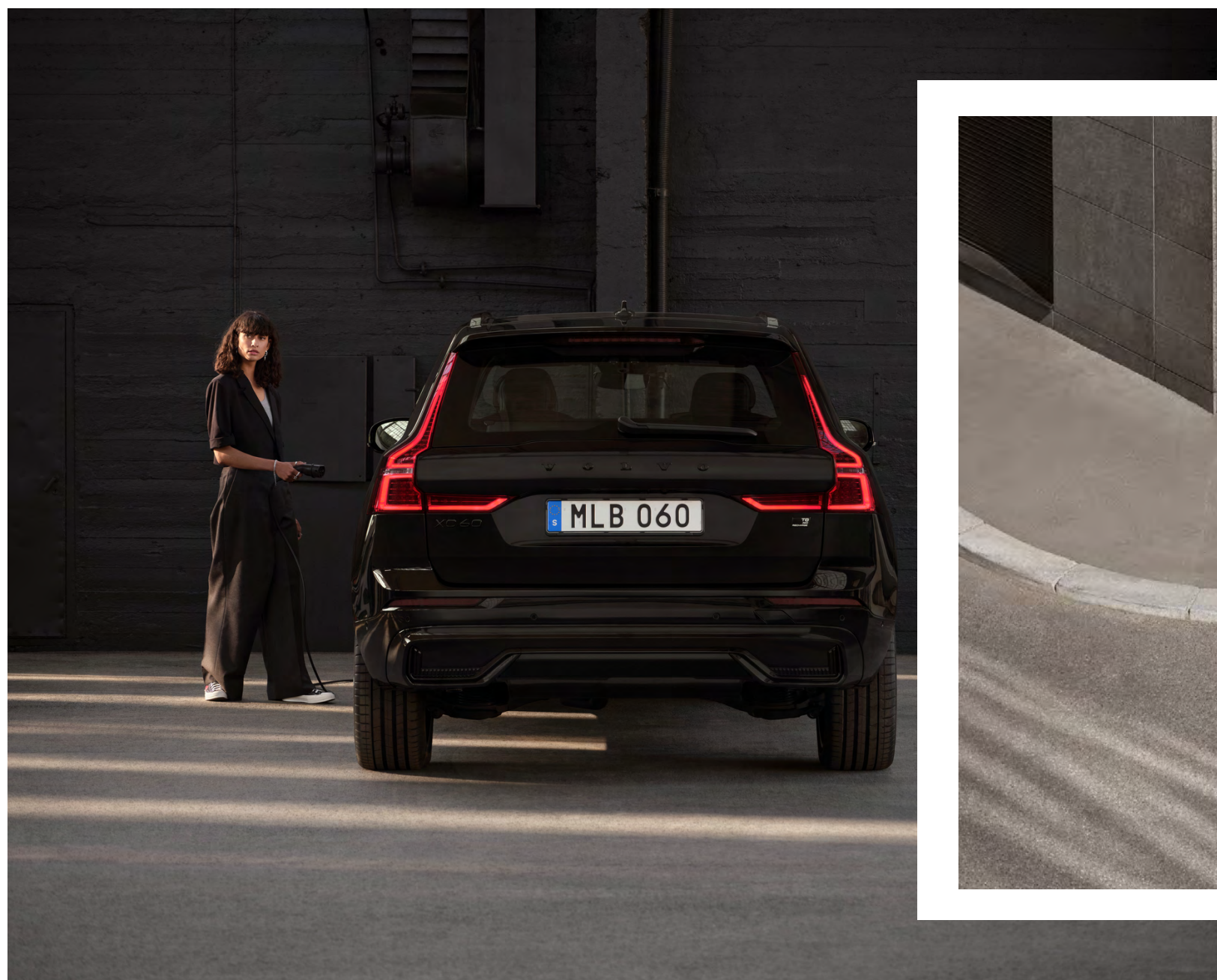
Preparation of the financial statements in compliance with IFRS requires the bank's management to make assessments, estimations, and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenues, and expenses. These estimations and assumptions 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

Areas in which uncertainty about estimates may exist are assumptions about credit loss impairment and assessments of the expected 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.

The tables below show segment reports on an aggregated level.

Income statement	Amounts in SEK thousand		
	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
Net interest income and net leasing*	583,446	383,982	864,737
Change in impairment of operating leases	-72,307	-47,196	-69,567
Dividends received	23	17	75
Commission income	215,047	194,811	389,271
Commission expenses	-81,926	-62,153	-156,594
Net result from financial transactions	-5,916	24,893	32,384
Service, repair and tyre agreements	31,244	28,125	56,625
Disposals, operational leases	176,133	125,092	249,391
Other income	3,588	2,442	5,993
Operating income	849,333	650,014	1,372,315
Overhead expenses**	-331,985	-274,603	-572,950
Credit losses	-8,901	-7,576	-14,972
Credit risk provision	5,594	-5,582	-9,210
Operating profit	514,041	362,252	775,183

* Including depreciation of lease items.

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

Lending	Amounts in SEK thousand		
	30/06/2023	30/06/2022	31/12/2022
Car loans, Truck loans etc.	13,755,476	14,419,561	13,752,068
Contract credits	28,277	102,648	105,110
Credit card credits	1,958,854	1,992,480	1,854,293
Inventory credits	304,816	14,227	617,735
Promissory note loans	27,703	110,109	107,987
Lease items	24,749,962	22,022,719	23,426,952
Lending	40,825,088	38,661,744	39,864,145

Product Information	Amounts in SEK thousand		
	30/06/2023	30/06/2022	31/12/2022
Number of transferred loans and leases	197,873	210,988	204,142
of which loans	94,395	109,376	100,649
of which leases	103,478	101,612	103,493

	Amounts in SEK thousand		
	30/06/2023	30/06/2022	31/12/2022
Average contract loans and leasing	195	173	182
of which loans	146	132	137
of which leases	239	217	226

CARS

The Cars segment consists of three businesses: Retail Cars, OEM and Payments, all aimed at consumers and small companies. Retail Cars 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. OEM, original equipment manufacturer, includes financing of cars from Polestar. The 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 decreased by around 2.5%. These relatively high figures, despite the depressed economic climate, are driven by shorter delivery times and large order entries. So far, demand among companies remains strong, but the already depressed private market has cooled, which can be attributed to the economic climate. In previous years, the private market was a major driver behind the increased electrification in the vehicle market. This leadership has now transferred to the commercial market as a result of the tougher economic times and the discontinued climate bonus.

New Volvo, Renault, Dacia and Polestar registrations during the first six months reached 26,477 cars, equivalent to a market share of 18.9%, where Volvofinans provides a high proportion of the financing. There were 140,663 registrations during the first six months, while Mobility Sweden forecasts a total of 265,000 registrations for 2023.

Our digital CarPay service continues to provide high inflows and the app has been downloaded by 837,000 unique customers.

Product development work is constantly in progress, as are launches of new digital services together with our partners 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		
	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
Net interest income and net leasing*	420,968	305,743	671,218
Change in impairment of operating leases	1,015	-41,080	-42,565
Dividends received	23	17	75
Commission income	140,708	135,397	276,649
Commission expenses	-77,815	-59,521	-151,880
Net result from financial transactions	-4,098	16,231	30,438
Disposals, operational leases	8,679	1,351	5,176
Other income	2,561	1,993	4,787
Operating income	492,040	360,131	793,898
Overhead expenses**	-219,508	-190,185	-405,014
Credit losses	-8,901	-7,576	-14,972
Credit risk provision	8,009	-5,496	-8,252
Operating profit	271,639	156,874	365,660

* 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	Amounts in SEK thousand		
	30/06/2023	30/06/2022	31/12/2022
Number of contracts	155,124	174,790	165,389
Total volume, SEK million	23,945	24,568	24,517
of which transferred, %	96.4	94.6	94.8
of which pledged, %	3.6	5.4	5.2
of which loans, %	40.4	43.8	41.0
of which leases, %	59.6	56.2	59.0
Private leasing as a proportion of total leases, %	30.9	28.2	31.7

Product information, cards	Amounts in SEK thousand		
	30/06/2023	30/06/2022	31/12/2022
Average number of active accounts	376,704	387,470	384,942
Total volume, SEK million	1,959	1,992	1,854
Average number of credit customers	75,292	74,700	75,901
Total sales Volvo Card, SEK million	8,567	8,633	17,611
of which fuel, %	32.3	37.3	36.6
of which workshop, %	13.2	13.1	12.6
of which retail store, %	0.8	1.0	0.9
of which car wash, %	1.3	1.4	1.1
of which sales outside Volvo dealers, %	45.1	39.0	40.9
of which other (incl. car loans and insurance), %	7.3	8.3	7.9

TRUCKS

In business area Trucks, the bank offers loans and lease financing for new and used trucks including trailers, superstructures and other equipment. The bank's financing share of new trucks is stable and more than one in two trucks is financed via truck loans, financial leases or operating leases. Financing volumes for used vehicles and trailers are at a continued 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		
	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
Net interest income and net leasing*	61,728	32,846	76,789
Commission income	2,150	1,996	4,038
Commission expenses	-545	-458	-970
Net result from financial transactions	-693	2,723	1,216
Other income	109	78	307
Operating income	62,749	37,184	81,379
Overhead expenses**	-19,474	-18,662	-39,105
Credit losses	-	-	-
Credit risk provision	-197	-1	-8
Operating profit	43,078	18,521	42,267

* 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	30/06/2023	30/06/2022	31/12/2022
Number of contracts	8,053	8,105	8,093
Total volume, SEK million	6,075	5,483	5,706
of which transferred, %	89.3	84.2	84.2
of which pledged, %	10.7	15.8	15.8
of which loans, %	77.4	79.2	78.1
of which leases, %	22.6	20.8	21.9
Operating leases as a proportion of total leases, %	27.9	24.6	29.5

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% of the market as of June 2023. The number of agreements has risen by around 4% compared to the same period last year. We have retained our position as market leader thanks to our long-term customer relations in which we act as an advisor concerning company vehicle fleets. Our focus in the past few years has largely been on helping companies with their green transition and to adapt their fleets to new regulations. The majority of the new contracts were in the operating leases 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 44 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		
	2023 Jan–Jun	2022 Jan–Jun	2022 Jan–Dec
Net interest income and net leasing*	100,750	45,394	116,730
Change in impairment of operating leases	-73,321	-6,116	-27,002
Commission income	72,188	57,418	108,584
Commission expenses	-3,566	-2,173	-3,744
Net result from financial transactions	-1,124	5,940	730
Service, repair and tyre agreements	31,246	28,125	56,625
Disposals, operational leases	167,454	123,741	244,215
Other income	917	371	898
Operating income	294,544	252,698	497,037
Overhead expenses**	-93,003	-65,757	-128,831
Credit losses	-	-	-
Credit risk provision	-2,217	-85	-950
Operating profit	199,324	186,857	367,256

* Including depreciation of lease items.

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

Product Information	30/06/2023	30/06/2022	31/12/2022
Number of financing contracts	40,838	37,445	39,445
Number of administered contracts	51,025	49,062	49,971
Total volume, SEK million	10,307	8,762	9,350
of which operating leases, %	70.0	72.3	69.9
of which financial leases, %	30.0	27.7	30.1



NOTE 8. CAPITAL ADEQUACY ANALYSIS
KEY RATIOS

	Amounts in SEK thousand				
	30/06/2023	31/03/2023	31/12/2022	30/09/2022	30/06/2022
Available capital base (amount)					
Common Equity Tier 1 (CET1) capital	5,894,984	5,771,026	5,572,602	5,328,390	5,116,924
Tier 1 capital	5,894,984	5,771,026	5,572,602	5,328,390	5,116,924
Total capital	5,894,984	5,771,026	5,972,602	5,728,390	5,516,924
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	25,527,585	24,895,259	24,293,417	22,932,601	22,953,509
Capital ratio (as a percentage of the risk-weighted exposure amount)					
Common Equity Tier 1 capital ratio, %	23.1	23.2	22.9	23.2	22.3
Tier 1 capital ratio, %	23.1	23.2	22.9	23.2	22.3
Total capital ratio, %	23.1	23.2	24.6	25.0	24.0
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, %	2.0	1.0	1.0	1.0	-
System risk buffer, %	-	-	-	-	-
Global Systemically Important Institution buffer, %	-	-	-	-	-
Other Systemically Important Institution buffer, %	-	-	-	-	-
Combined buffer requirement, %	4.5	3.5	3.5	3.5	2.5
Overall capital requirements, %	12.5	11.5	11.5	11.5	10.5
CET1 available after meeting the total SREP own funds requirements, %	18.6	18.7	18.4	18.7	17.8
Leverage ratio					
Total exposure measure	47,202,936	46,990,777	45,639,695	45,008,622	45,190,118
Leverage ratio, %	12.5	12.3	12.2	11.8	11.3
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)*	2,785,135	2,596,326	2,420,982	2,300,340	2,260,681
Cash outflows – Total weighted value*	4,648,010	4,512,124	4,345,288	4,252,538	4,154,440
Cash inflows – Total weighted value*	4,668,896	4,818,277	4,676,561	4,545,091	4,062,100
Total net cash outflows (adjusted value)*	1,180,625	1,146,654	1,104,945	1,063,135	1,038,610
Liquidity Coverage Ratio, %*	238	230	220	217	218
Net stable funding ratio					
Total available stable funding	40,923,669	39,833,629	38,540,914	37,529,413	37,642,927
Total required stable funding	33,668,478	33,304,257	32,662,417	31,936,461	32,522,369
Net stable funding ratio, %	122	120	118	118	116

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

CAPITAL BASE

	Amounts in SEK thousand		
	30/06/2023	30/06/2022	31/12/2022
Common Equity Tier 1 capital: instruments and reserves			
Capital instruments and the related share premium accounts	400,000	400,000	400,000
Retained earnings	1,490,358	304,497	307,835
Other reserves	3,753,945	4,435,840	3,755,080
Net interim profit after deductions for predictable expenses and dividends verified by persons in an independent position.	306,111	215,721	1,181,387
Common Equity Tier 1 capital before regulatory adjustments	5,950,414	5,356,058	5,644,302
Common Equity Tier 1 capital: regulatory adjustments			
Further value adjustments (negative amount)	-123	-99	-101
Intangible assets (net after reduction of related tax liabilities) (negative amount)	-18,089	-22,563	-19,224
Deferred tax assets dependent on future profitability, except those that arise as a result of temporary differences*	-	-146,000	-
Negative amounts resulting from the calculation of expected loss amount	-33,644	-70,472	-52,375
Other regulatory adjustments	-3,574	-	-
Total regulatory adjustments to Common Equity Tier 1	-55,430	-239,134	-71,700
Common Equity Tier 1 (CET1) capital	5,894,984	5,116,924	5,572,602
Tier 1 capital contribution: Instrument			
Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital ratio + Tier 1 capital contribution)	5,894,984	5,116,924	5,572,602
Tier 2 capital: instruments and provisions			
Capital instruments and the related share premium accounts	-	400,000	400,000
Tier 2 capital before regulatory adjustments	-	400,000	400,000
Tier 2 capital: regulatory adjustments			
Tier 2 capital	-	400,000	400,000
Total capital (total capital = tier 1 capital + tier 2 capital)	5,894,984	5,516,924	5,972,602
Total risk-weighted assets	25,527,585	22,953,509	24,293,417

* 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		
	30/06/2023	30/06/2022	31/12/2022
Risk-weighted assets	25,527,585	22,953,509	24,293,417
Common Equity Tier 1 capital ratio, %	23.09	22.29	22.94
Tier 1 capital ratio, %	23.09	22.29	22.94
Total capital ratio, %	23.09	24.04	24.59
Total capital requirement, %	14.39	12.36	13.40
Institution-specific Common Equity Tier 1 capital requirements including buffer requirements, %	10.10	8.00	9.10
of which: Pillar 1 requirement, %	4.50	4.50	4.50
of which: Pillar 2 requirement, %	1.10	1.00	1.10
of which requirement for capital conservation buffer, %	2.50	2.50	2.50
of which requirement for countercyclical buffer, %	2.00	0.00	1.00

INTERNALLY ASSESSED CAPITAL REQUIREMENT

	Amounts in SEK thousand								
	30/06/2023			30/06/2022			31/12/2022		
	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	1,677,447	6.6%	3.7%	1,665,135	7.3%	4.1%	1,758,829	7.2%	4.1%
Operational risk	183,321	0.7%	0.4%	170,024	0.7%	0.4%	183,321	0.8%	0.4%
CVA risk	3,839	0.0%	0.0%	1,122	0.0%	0.0%	1,323	0.0%	0.0%
Additional risk exposure amounts according to Article 3 CRR	177,600	0.7%	0.4%	-	-	-	-	-	-
Pillar 1 capital requirement	2,042,207	8.0%	4.5%	1,836,281	8.0%	4.5%	1,943,473	8.0%	4.5%
Concentration risk	275,120	1.1%	0.6%	237,346	1.0%	0.6%	267,172	1.1%	0.6%
Strategic risk	102,110	0.4%	0.2%	91,814	0.4%	0.2%	97,174	0.4%	0.2%
Market risk	105,887	0.4%	0.2%	98,786	0.4%	0.2%	103,185	0.4%	0.2%
Pillar 2 capital requirement*	483,117	1.9%	1.1%	427,946	1.9%	1.0%	467,531	1.9%	1.1%
Capital conservation buffer	638,190	2.5%	2.5%	573,838	2.5%	2.5%	607,335	2.5%	2.5%
Countercyclical capital buffer	510,552	2.0%	2.0%	-	-	-	242,934	1.0%	1.0%
Combined buffer requirement	1,148,741	4.5%	4.5%	573,838	2.5%	2.5%	850,270	3.5%	3.5%
Capital requirements	3,674,065	14.4%	10.1%	2,838,065	12.4%	8.0%	3,261,274	13.4%	9.1%
Capital base	5,894,984	-	-	5,516,924	-	-	5,972,602	-	-
Capital surplus	2,220,919	-	-	2,678,859	-	-	2,711,328	-	-

* 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								
	30/06/2023			30/06/2022			31/12/2022		
	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	670,989	8,387,366	73.7%	505,307	6,316,336	70.4%	607,826	7,597,823	71.6%
Retail exposures	430,698	5,383,727	17.7%	595,370	7,442,129	24.2%	583,802	7,297,521	24.2%
Non credit-obligation assets exposure	434,046	5,425,580	100.0%	409,027	5,112,837	100.0%	413,976	5,174,706	100.0%
Total according to IRB	1,535,734	19,196,673	40.6%	1,509,704	18,871,302	42.0%	1,605,604	20,070,050	43.7%
Credit risk STD									
Exposures to central governments or central banks	-	-	-	-	-	-	-	-	-
Exposures to provincial or regional government bodies or local authorities	-	-	-	-	-	-	-	-	-
Exposures to public sector	178	2,226	20.0%	121	1,515	20.0%	142	1,778	20.0%
Exposures to institutions	41,905	523,813	20.0%	52,285	653,560	20.0%	33,858	423,225	20.0%
Corporate exposures	53,257	665,717	94.9%	56,602	707,521	90.7%	76,978	962,227	91.3%
Retail exposures	24,398	304,973	62.3%	26,807	335,088	62.7%	23,817	297,707	62.4%
Exposures in default	229	2,862	150.0%	156	1,945	150.0%	269	3,365	146.6%
Covered bonds	13,627	170,340	10.0%	11,489	143,615	10.0%	14,384	179,800	10.0%
Equity exposures	1,468	18,347	100.0%	1,253	15,661	100.0%	1,678	20,975	100.0%
Other items	6,651	83,143	100.0%	6,718	83,981	100.0%	2,099	26,239	100.0%
Total STD	141,714	1,771,420	24.6%	155,431	1,942,886	25.7%	153,225	1,915,316	20.0%
Total	1,677,447	20,968,093	38.5%	1,665,135	20,814,188	39.7%	1,758,829	21,985,366	41.5%
Operational risk	183,321	2,291,514	-	170,024	2,125,302	-	183,321	2,291,514	-
Credit value adjustment (CVA)	3,839	47,982	-	1,122	14,019	-	1,323	16,537	-
Additional risk exposure amounts due to Article 3 CRR	177,600	2,219,996	-	-	-	-	-	-	-
Total minimum capital requirement and risk-weighted exposure amount	2,042,207	25,527,585	-	1,836,281	22,953,509	-	1,943,473	24,293,417	-



NOTE 9. 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 balance sheet. 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 35.8 million and liabilities to SEK 81.1 million. Securities totalling SEK 0.0 million were received and assets of SEK 42.8 million were pledged as of 30 June 2023.



Amounts in SEK thousand

ASSETS, JAN – JUN 2023	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Treasury bills eligible as collateral etc.	1,438,591	-	-	1,438,591	1,438,665
Lending to credit institutions	-	-	2,468,354	2,468,354	2,468,354
Loans and advances to the public	-	-	16,511,482	16,511,482	16,075,126
Bonds and other interest-bearing securities	1,702,977	894,374	-	2,597,352	2,597,768
Shares and participations in other companies*	-	6,465	-	6,465	6,465
Other assets*	-	-	932,214	932,214	932,214
Prepaid expenses and accrued income	-	-	168,116	168,116	168,116
Total	3,141,569	900,839	20,080,166	24,122,573	23,686,708

Liabilities, Jan – Jun 2023	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Liabilities to credit institutions	-	-	1,367,459	1,367,459	1,342,857
Deposits and borrowing from the public	-	-	23,713,133	23,713,133	23,712,843
Securities issued	-	13,204,932	-	13,204,932	13,235,814
Other liabilities*	-	81,052	1,183,985	1,265,037	1,265,037
Accrued expenses and deferred income	-	-	1,901,476	1,901,476	1,901,476
Total	-	13,285,984	28,166,053	41,452,037	41,458,027

ASSETS, JAN – JUN 2022	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Treasury bills eligible as collateral etc.	1,194,745	-	-	1,194,745	1,197,356
Lending to credit institutions	-	-	3,125,291	3,125,291	3,125,291
Loans and advances to the public	-	-	17,106,060	17,106,060	16,639,025
Bonds and other interest-bearing securities	1,432,338	499,802	-	1,932,140	1,935,955
Shares and participations in other companies*	-	3,502	-	3,502	3,502
Other assets*	-	30,269	1,014,925	1,045,194	1,045,194
Prepaid expenses and accrued income	-	-	125,566	125,566	125,566
Total	2,627,083	533,573	21,371,842	24,532,498	24,071,889

Liabilities, Jan – Jun 2022	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Liabilities to credit institutions	-	-	998,427	998,427	988,095
Deposits and borrowing from the public	-	-	22,388,653	22,388,653	22,388,653
Securities issued	-	13,310,255	-	13,310,255	13,398,444
Other liabilities*	-	69,080	1,042,099	1,111,179	1,111,179
Accrued expenses and deferred income	-	-	1,425,438	1,425,438	1,425,438
Subordinated liabilities	-	400,508	-	400,508	400,000
Total	-	13,779,843	25,854,617	39,634,460	39,711,809

* 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

Amounts in SEK thousand						
Assets	Financial assets measured at amortised cost	Derivatives in hedge accounting	Other assets	Fair value via the income statement (mandatory)	Total	Fair value
30/06/2023						
Treasury bills eligible as collateral etc.	1,438,665	-	-	-	1,438,665	1,438,591
Lending to credit institutions	2,468,354	-	-	-	2,468,354	2,468,354
Loans and advances to the public	16,075,126	-	-	-	16,075,126	16,511,482
Bonds and other interest-bearing securities	2,597,768	-	-	-	2,597,768	2,597,352
Shares and participations in other companies	-	-	-	6,465	6,465	6,465
Shares and participations in associated companies	-	-	5,140	-	5,140	-
Shares and participations in Group companies	-	-	6,742	-	6,742	-
Intangible non-current assets	-	-	18,089	-	18,089	-
Tangible assets: inventory	-	-	2,346	-	2,346	-
Tangible assets: lease items	-	-	24,749,962	-	24,749,962	-
Tangible current assets	-	-	5,554	-	5,554	-
Other assets	719,345	-	177,033	35,836	932,214	932,214
Deferred tax asset	-	-	-	-	-	-
Prepaid expenses and accrued income	168,116	-	-	-	168,116	168,116
Total assets	23,467,374	-	24,964,866	42,301	48,474,541	
Liabilities						
30/06/2023						
Liabilities to credit institutions	-	-	1,342,857	-	1,342,857	1,367,459
Deposits and borrowing from the public	-	-	23,712,843	-	23,712,843	23,713,133
Securities issued	-	-	13,235,814	-	13,235,814	13,204,932
Other liabilities	351,917	65,888	832,068	15,164	1,265,037	1,265,037
Accrued expenses and deferred income	1,562,796	-	338,680	-	1,901,476	1,901,476
Subordinated liabilities	-	-	-	-	-	-
Total liabilities	1,914,713	65,888	39,462,262	15,164	41,458,027	

Amounts in SEK thousand						
Assets	Financial assets measured at amortised cost	Derivatives in hedge accounting	Other assets	Fair value via the income statement (mandatory)	Total	Fair value
30/06/2022						
Treasury bills eligible as collateral etc.	1,197,356	-	-	-	1,197,356	1,194,745
Lending to credit institutions	3,125,291	-	-	-	3,125,291	3,125,291
Loans and advances to the public	16,639,025	-	-	-	16,639,025	17,106,060
Bonds and other interest-bearing securities	1,935,955	-	-	-	1,935,955	1,932,140
Shares and participations in other companies	-	-	-	3,502	3,502	3,502
Shares and participations in associated companies	-	-	5,417	-	5,417	-
Shares and participations in Group companies	-	-	6,742	-	6,742	-
Intangible non-current assets	-	-	22,563	-	22,563	-
Tangible assets: inventory	-	-	4,262	-	4,262	-
Tangible assets: lease items	-	-	22,022,719	-	22,022,719	-
Other assets	686,400	1,229	328,525	29,040	1,045,194	1,045,194
Deferred tax asset	-	-	146,000	-	146,000	-
Prepaid expenses and accrued income	125,566	-	-	-	125,566	125,566
Total assets	23,709,593	1,229	22,536,228	32,542	46,279,592	
Liabilities						
30/06/2022						
Liabilities to credit institutions	-	-	988,095	-	988,095	998,427
Deposits and borrowing from the public	-	-	22,388,653	-	22,388,653	22,388,653
Securities issued	-	-	13,398,444	-	13,398,444	13,310,255
Other liabilities	477,095	42,083	565,003	26,998	1,111,179	1,111,179
Accrued expenses and deferred income	1,348,249	-	77,189	-	1,425,438	1,425,438
Subordinated liabilities	-	-	400,000	-	400,000	400,508
Total liabilities	1,825,344	42,083	37,817,384	26,998	39,711,809	

NOTE 10. 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.

Amounts in SEK thousand						
Balance sheet	Group companies		Associates		Other related companies	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Assets	6,742	6,742	5,140	105,039	971,245	1,280,958
Liabilities	6,789	6,789	124,335	27,092	402,421	609,737
Income statement						
Interest income	-	-	3,660	772	52	-
Lease income	-	-	-	-	153,645	195,702
Interest expenses	-	-	-472	-13	-2,125	-
Commission income	-	-	1,547	1,546	6,388	6,733
Other operating income	-	-	1,787	1,608	-	-
Total	-	-	6,521	3,913	157,960	202,435

NOTE 11. EVENTS AFTER THE END OF THE PERIOD

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



VOLVOFINANS BANK

Volvofinans Bank AB (publ) • Co. Reg. 556069-0967
Bohusgatan 15 • Box 198 • SE 401 23 Gothenburg
Phone: +46 31-83 88 00 • volvofinans.se