

Interim report 1 January – 30 September

2024

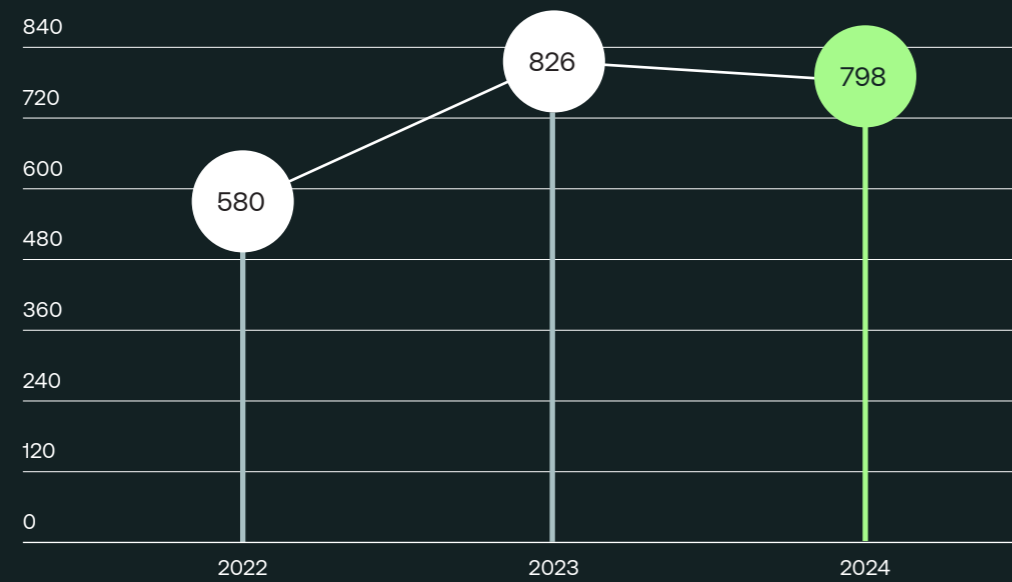


Ziklo The
Mobility
Bank

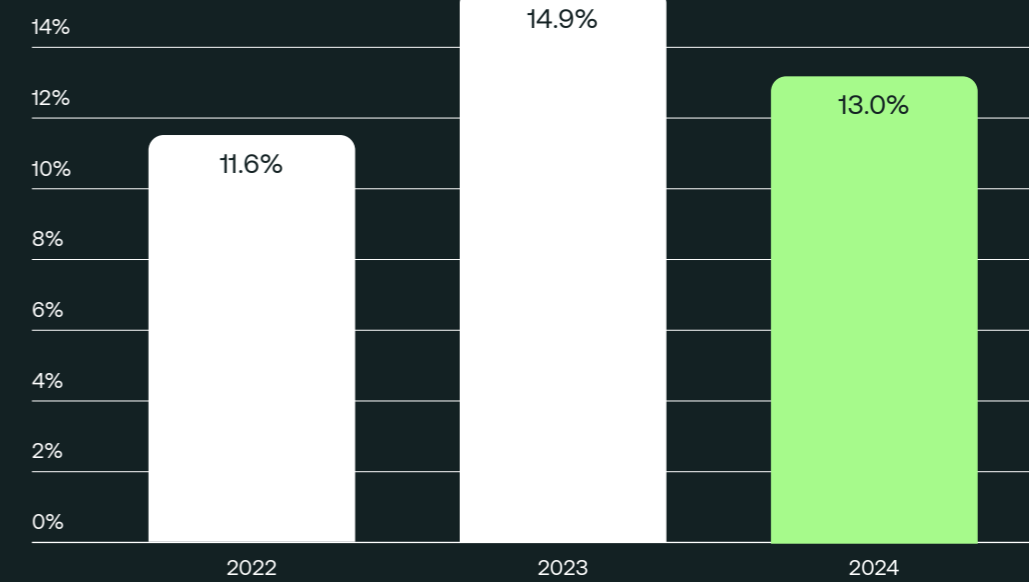
Summary

Jan – Sep

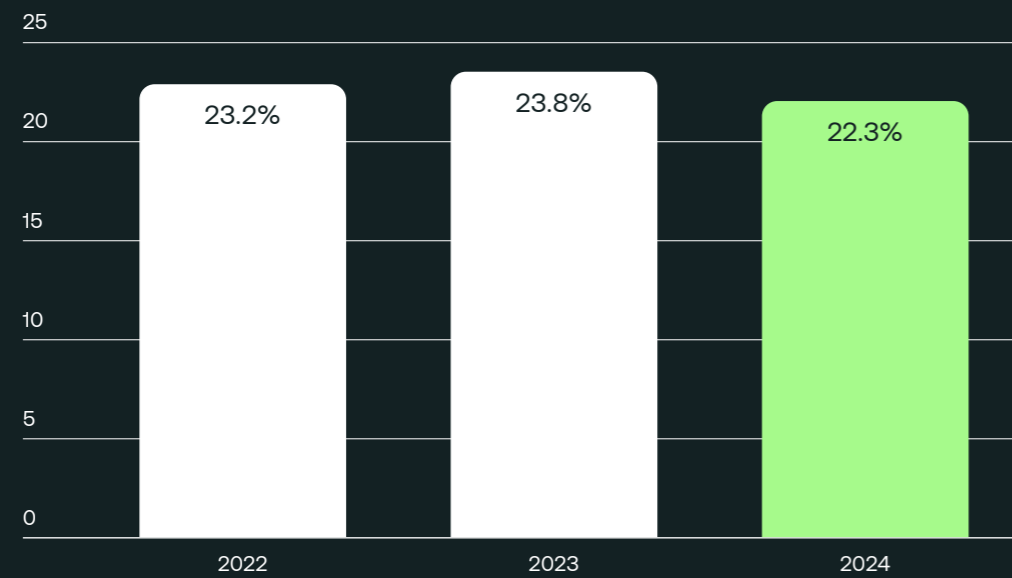
Operating profit, SEK million



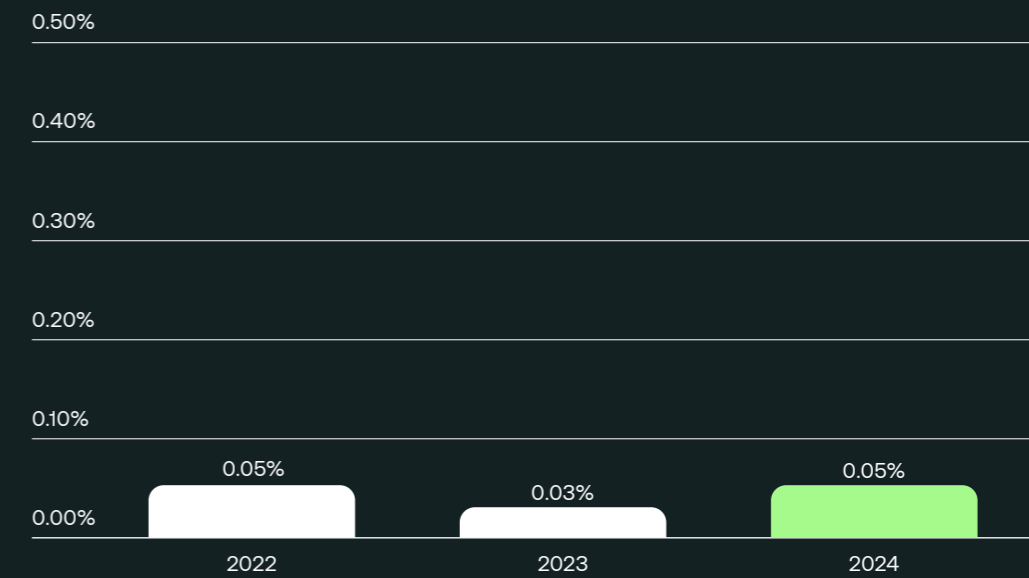
Return on equity



Common Equity Tier 1 capital ratio



Credit losses/lending



Introduction and financial statements

Jan – Sep 2024 in summary

Operating profit

SEK 798 million (826)

Return on equity

13.0% (14.9)

Lending as of 30 September

SEK 44.4 billion (40.7)

Credit losses / lending

0.05% (0.03)

Common Equity Tier 1 capital ratio

22.3% (23.8)

Cost/Income ratio

0.43 (0.41)

Statement by the CEO

Ziklo Bank continued to grow during the third quarter, with a lending volume of SEK 44.4 billion (40.7) at the end of the quarter. The total increase was almost SEK 2 billion during 2024, of which SEK 0.2 billion was added during the last quarter. The volume increase partially compensated for the effects of falling interest rate levels, which have had a negative effect on the bank’s net interest income.

Operating profit for the period was SEK 798 million, which is somewhat lower than the SEK 826 million reported during the same period last year. In addition to lower net interest income, increased costs linked to the bank’s name change, the strategic transformation to Ziklo and IT projects also had an impact.

Given the Swedish Central Bank’s indications of further interest rate reductions during 2024, we can expect continued headwinds for net interest income during the fourth quarter, even though we note the benefits the economic relief provides for our households and companies. The bank’s very low credit losses are the result of our business model and the risk-sharing with our dealers we have long applied to a major part of the credit volume. Our strategy for sound credit granting is based on high-quality credit decisions supported by our internal risk classification models. Together, they explain our continued low credit losses, which are currently at 0.05% (0.03).

Our capital adequacy levels continue to be strong, with a total capital ratio of more than 22%, which is significantly higher than the minimum requirement of around 14.5%. In the light of our strong capital position, an extraordinary shareholders meeting resolved on an extra dividend of SEK 200 million, equivalent to an additional 25% of 2023 earnings, and this was paid out in September.

All of the bank’s segments developed well and performed in line with or better than planned, and our biggest segment, Cars, which includes Payments and OEM, was impacted most by the decrease in net interest income. Happily, the proportion of Volvo cars sold to consumers increased in the important new car sales at the end of the quarter, and the availability of new cars is good. Fleet distinguished itself with strong disposal gains, and the Trucks segment showed steady growth with an increase in lending of SEK 0.4 billion so far this year.

As we enter the year’s final period, we can see some significant glimmers of light despite continuing geopolitical uncertainty. We expect purchasing power for both households and companies to improve during the coming year, supported by financial policy stimuli and lower interest rates. We believe private individuals and small businesses will continue to switch to new EVs, a central part of the transition where we also see lower cost of ownership through home charging or charging at the workplace.

Our role as mobility experts was further strengthened through the recently published Mobility Report, in which we analysed Swedish mobility habits and the population’s opinion regarding the advance of electrification. I encourage our readers to take a look at it!

In conclusion, I would like to extend my warmest thanks to our customers, partners and employees for a successful quarter. We look forward to a strong, positive ending to 2024, and we will continue to build on our vision of becoming the leading bank for the mobility of tomorrow.



“We will continue to build on our vision of becoming the leading bank for the mobility of tomorrow”



Joel Graffman

CEO
Ziklo Bank AB

Ziklo 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 05 November 2024.

Financial statements

Ownership/Operations

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

As its primary task, Ziklo Bank offers financial and administrative services in the Swedish mobility and vehicle industry through direct sales and an extensive partner distribution network for the purpose of delivering market-leading solutions to partners and end customers alike.

Ziklo Bank is the parent company of a group with dormant subsidiaries. Under Chapter 7, section 6a of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, Ziklo Bank does not prepare consolidated accounts as activities in subsidiaries are negligible.

Trends in volume/lending

Lending volume reached SEK 44.4 billion compared to 40.7 billion in the previous year. Trucks accounted for SEK 6.3 billion (5.5) of lending, equivalent to 14% (14) of the total. Fleet’s share of lending totalled SEK 12.8 billion (10.7) corresponding to 29% (26) and the Volvo Card share was 4% (5) or SEK 1.9 billion (2.0). The remainder – SEK 23.4 billion (22.5) – is attributable to passenger car financing in the Cars business area, which corresponds to 53% (55) of lending.

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

Development of profits

The bank’s profit after credit losses was SEK 797.5 million (825.5), which is SEK 28.0 million or 3% lower year-over-year. Prices for second-hand cars continue to be high, which is reflected in the bank’s gains from the sale of vehicles returned from operating leases. The surplus on sales of these cars is SEK 35.0 million higher than in the previous year. During 2024, booked changes of accumulated impairment charges increased by SEK 35.1 million, which is SEK 63.2 million lower than the same period last year.

As a result of a ruling in a case with the Supreme Administrative Court in the autumn of 2023, the bank has requested that VAT from 2017 totalling SEK 19.6 million be reviewed. The request was approved by the Swedish Tax Agency during the second quarter of 2024; see Note 4.

The bank’s costs exceeded the previous year’s by SEK 97.5 million, due inter alia to increased IT investments for strategic initiatives and market investments in conjunction with the bank’s switch to the new company name of Ziklo Bank on 12 March 2024.

Credit risks and credit losses

Because the major part of credit risk is borne by individual Volvo dealers through recourse agreements, the credit risk for Ziklo Bank is very low.

Defaulted receivables are defined as receivables more than 90 days overdue or defaulted on for other reasons. Ziklo Bank’s defaulted credit card receivables totalled SEK 17.1 million (6.7) and for loans and leasing SEK 325.2 million (283.7), of which SEK 323.3 million (279.3) is covered by recourse. All loans and lease products in respect of vehicle financing are secured by collateral in the underlying object. Loans subject to deferral totalled SEK 87.9 million (70.9).

Verified credit losses of SEK 12.6 million (13.4) 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. Expected credit losses increased by SEK 8.2 million (–3.9) during the year. Thus credit losses for the year totalled SEK 20.8 million (9.5), primarily due to more defaults as a result of the worsened economic climate. The provision for expected credit losses totals SEK 39.9 million (32.3).

Residual value risk

There is residual value risk in operating 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 35.1 million (98.3) related to residual value risk, mainly due to the bank’s increased residual value positions in operating leases. As of 30 September 2024, the bank’s residual value positions for operating lease assets totalled SEK 6.8 billion (6.3). The bank carried out accumulated impairments totalling SEK 335.5 million (292.8). During the year, the surplus from the sale of returned operating lease vehicles totalled SEK 308.5 million (273.6).

Funding and liquidity

Deposits in the bank’s savings account increased marginally by SEK 300 million during the third quarter reaching a total of SEK 23.1 billion (22.6) at the end of the quarter. Total deposits including the credit balance for CarPay/Volvo Card and deposits from dealerships stood at SEK 24.7 billion (24.1) and accounted for 58% (63) 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, bonds with a value of SEK 4.9 billion and NOK 700 million were issued during the year. Own bonds were repurchased for the nominal amount of SEK 700 million. Commercial papers relating to short-term borrowing were issued in the amount of SEK 375 million during the reporting period. Ziklo Bank’s outstanding financing through its market loan programmes, MTN and certificates totalled a nominal SEK 16.5 billion (12.8), of which green bonds accounted for SEK 8.0 billion on 30 September 2024.

In addition to market borrowing and deposits, the bank also finances its activities through bank credits, which totalled SEK 1.2 billion (1.3) at the end of the quarter. The proportion of financing from market loans programmes and the banking sector with remaining maturity of more than one year was 79% (74).

Borrowing with a remaining period of less than one year together with a proportion of deposits, must be covered at all times by the liquidity reserve and undrawn credit facilities. The total liquidity reserve at the end of the quarter was SEK 8.2 billion (6.9). The securities holding accounted for SEK 4.1 billion (50%) and non-fixed deposits at other banks totalled SEK 4.1 billion (50%). Ziklo Bank’s liquidity reserve must always be at least 10% in relation to lending volume. As of 30 September 2024, total lending was SEK 44.4 billion, which means the liquidity reserve corresponded to 18% (17). In addition to the liquidity reserve, available and unutilised loan facilities totalled SEK 3.8 billion (3.8).

At the end of the third quarter, Ziklo Bank’s liquidity coverage ratio (LCR) under article 415 of the EU Capital Requirements Regulation (CRR), totalled 257% (265), and the net stable funding ratio (NSFR) was 119% (119) under CRR2.

Capital adequacy

Ziklo 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 Ziklo 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 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 22.3% (23.8) as of 30 September 2024 and the capital requirement was assessed internally to 14.4% (14.4) 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% of REA totalled SEK 725 million (640). The counter cyclical buffer value of 2.0% (2.0) of REA totalled SEK 580 million (512).

The leverage ratio was 12.3% (12.9) as of 30 September 2024. 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

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

Liquidity risk is the risk that Ziklo 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, Ziklo Bank maintains a liquidity reserve as well as 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 Ziklo 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.

An extraordinary shareholders meeting for Ziklo Bank AB held on 03 September 2024 resolved on an additional dividend in the amount of SEK 200 million, which was paid out in September. The company observed the prudential rule (Chapter 17, Section 3, paragraphs 2 and 3 of the Swedish Companies Act). The additional dividend was deemed justifiable considering the demands that

the nature, scope and risks of the business place on the amount of equity, liquidity and financial position in general.

Rating

The 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:

5 February 2025	Year-end report 2024
Week 12	Annual report 2024
7 May 2025	Interim Report January–March 2025
4 June 2025	Annual General Meeting
26 August 2025	Interim Report January–June 2025
7 November 2025	Interim Report January–September 2025

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, 5 November 2024.

Joel Graffman
CEO

The report will be available on our website Ziklo.com, under ‘About us / Investor relations / Financial reports’.

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

Review

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

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

Key ratios

Amounts in SEK thousand

	30/09/2024	30/09/2023	31/12/2023
Return on equity, %	13.04	14.87	13.60
Deposits / Lending, %	55.6	59.2	57.4
Profit / Risk-weighted assets, %	3.7	4.3	3.7
Total capital ratio, %	22.34	23.81	22.55
Common Equity Tier 1 capital ratio, %	22.34	23.81	22.55
Cost/Income ratio	0.43	0.41	0.44
Cost/Income ratio excluding residual value provision	0.40	0.34	0.38
Credit losses / Lending, %	0.05	0.03	0.03
Liquidity coverage ratio, %	257	265	252
Net Stable Funding Ratio (NSFR), %	119	119	119
Leverage ratio, %	12.3	12.9	12.8

Definitions for alternative key ratios and key ratios according to Swedish rules on capital adequacy can be found at:
<https://www.Ziklo.com/om-oss/investerarrelationer/finansiella-rapporter/>

Income statement, overview

Amounts in SEK thousand

	2024 Q3	2024 Q2	2023 Q3	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Interest income	342,538	350,009	342,502	1,040,672	941,728	1,295,344
Lease income	1,778,768	1,805,669	1,871,086	5,432,655	5,396,429	7,261,825
Interest expenses	-430,162	-433,139	-383,716	-1,288,838	-979,582	-1,392,004
Dividends received	73	-	-	86	23	35
Commission income	110,634	120,985	103,088	338,864	318,135	421,042
Commission expenses	-51,821	-38,317	-32,086	-140,257	-114,011	-190,127
Net result from financial transactions	-17,989	-8,998	-4,257	-25,549	-10,173	-27,715
Other operating income, Note 4	109,500	155,467	115,600	387,111	326,566	435,555
Total operating income	1,841,540	1,951,676	2,012,218	5,744,745	5,879,114	7,803,954
General administrative expenses	-152,836	-182,214	-128,221	-497,150	-417,500	-607,740
Depreciation and impairments of tangible and intangible non-current assets, Note 5	-1,419,619	-1,472,599	-1,553,493	-4,375,171	-4,578,184	-6,085,497
Other operating expenses	-19,420	-16,642	-13,162	-56,584	-50,365	-77,783
Total operating expenses	-1,591,876	-1,671,455	-1,694,877	-4,928,905	-5,046,050	-6,771,020
Profit before credit losses	249,664	280,220	317,342	815,839	833,064	1,032,934
Credit losses, net, Note 6	-6,066	-3,808	-5,912	-18,934	-7,011	-12,621
Impairments/Reversals of financial fixed assets, net	-40	541	60	622	-522	-214
Operating profit	243,558	276,954	311,490	797,526	825,531	1,020,099
Appropriations	-	-	-	-	-	-1,017,742
Tax	-50,173	-57,053	-64,167	-164,290	-170,059	-2,357
Profit	193,385	219,901	247,323	633,236	655,472	-

Balance sheet highlights

Amounts in SEK thousand

	30/09/2024	30/09/2023	31/12/2023
Treasury bills eligible as collateral etc.	1,816,170	1,438,656	1,830,992
Lending to credit institutions	4,064,492	3,285,130	1,854,022
Loans and advances to the public	17,228,799	15,939,906	16,375,052
Bonds and other interest-bearing securities	2,313,915	2,152,615	2,210,625
Shares and participations in other companies	7,002	6,481	6,618
Shares and participations in associated companies	5,140	5,140	8,258
Shares and participations in Group companies	6,742	6,742	6,742
Intangible non-current assets	47,417	20,594	64,018
Tangible assets: inventory	2,570	1,860	2,181
Tangible assets: lease items	27,171,945	24,728,482	26,086,832
Tangible current assets	18,132	19,227	30,853
Other assets*	1,265,149	1,076,697	1,220,211
Prepaid expenses and accrued income	129,743	158,886	95,373
Total assets, Note 8	54,077,217	48,840,416	49,791,778
Liabilities to credit institutions	1,200,000	1,319,048	1,295,238
Deposits and borrowing from the public	24,697,635	24,065,098	24,368,947
Securities issued	16,478,004	12,746,783	13,475,047
Other liabilities*	1,502,641	1,391,487	1,437,125
Accrued expenses and deferred income	2,342,084	2,054,163	1,589,314
Total liabilities, Note 8	46,220,363	41,576,578	42,165,670
Untaxed reserves	5,697,661	4,679,919	5,697,661
Equity	2,159,193	2,583,919	1,928,447
Total liabilities and equity	54,077,217	48,840,416	49,791,778
*Of which derivative instruments with positive and negative market values			
Derivative instruments with positive market value	68,153	32,584	51,708
Derivative instruments with negative market value	-90,315	-56,220	-56,299



Change in equity

Amounts in SEK thousand

	Restricted equity			Non-restricted equity	Total equity
	Share capital	Statutory reserve	Development fund	Retained earnings	
Opening equity, 1 January 2023	400,000	20,000	19,224	1,642,825	2,082,049
Profit for the period after tax	-	-	-	655,472	655,472
Capitalisation of development expenditures	-	-	7,729	-7,729	-
Dissolution resulting from development expenditure depreciations and impairments for the year	-	-	-6,359	6,359	-
Total before transactions with shareholders	400,000	20,000	20,594	2,296,927	2,737,521
Dividend	-	-	-	-153,602	-153,602
Closing equity, 30 September 2023	400,000	20,000	20,594	2,143,325	2,583,919
Opening equity, 1 January 2023	400,000	20,000	19,224	1,642,825	2,082,049
Profit for the period after tax	-	-	-	-	-
Capitalisation of development expenditures	-	-	7,872	-7,872	-
Dissolution resulting from development expenditure depreciations and impairments for the year	-	-	-11,528	11,528	-
Total before transactions with shareholders	400,000	20,000	15,568	1,646,481	2,082,049
Dividend	-	-	-	-153,602	-153,602
Closing equity, 31 December 2023	400,000	20,000	15,568	1,492,879	1,928,447
Opening equity, 1 January 2024	400,000	20,000	15,568	1,492,879	1,928,447
Profit for the period after tax	-	-	-	633,236	633,236
Capitalisation of development expenditures	-	-	2,524	-2,524	-
Dissolution resulting from development expenditure depreciations and impairments for the year	-	-	-6,300	6,300	-
Total change before transactions with shareholders	400,000	20,000	11,792	2,129,891	2,561,683
Dividend				-402,490	-402,490
Closing equity, 30 September 2024	400,000	20,000	11,792	1,727,401	2,159,193

Cash flow statement

Amounts in SEK thousand

	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Operating profit	797,526	825,531	1,020,099
Adjustment for items not included in cash flow			
Unrealised portion of net result from financial transactions	-24,992	-10,173	-27,715
Depreciations, amortisation, impairments	4,375,171	4,578,184	6,093,918
Credit losses	18,934	7,011	12,621
Paid/refunded (-/+) tax	-32,781	-32,749	-250
Changes to assets and liabilities in operating activities			
Treasury bills eligible as collateral	14,822	-199,763	-592,099
Loans and advances to the public	-872,731	490,663	49,683
Disposal of tangible assets	4,887,397	4,012,032	5,411,533
Acquisition of tangible assets	-10,316,224	-9,902,503	-14,182,866
Bonds and other interest-bearing securities	-103,291	342,879	284,868
Deposits and borrowing from the public	328,688	1,020,633	1,324,482
Liabilities to credit institutions	-95,238	-88,095	-111,905
Other assets	-210,767	-83,383	-27,955
Securities issued	3,002,957	363,339	1,091,602
Other liabilities	843,279	532,769	131,101
Cash flow from operating activities	2,612,750	1,856,376	477,117
Investing activities			
Capitalised development expenditures	-2,524	-7,729	-56,322
Investments in shares and participations	-384	-1,014	-4,270
Disposal/redemption of shares and participations	3,118	3,626	3,626
Cash flow from investing activities	210	-5,117	-56,966
Financing activities			
Subordinated liabilities	-	-400,000	-400,000
Dividends paid	-402,490	-153,602	-153,602
Cash flow from financing activities	-402,490	-553,602	-553,602
Cash flow for the period			
Cash and cash equivalents at beginning of year	1,854,022	1,987,473	1,987,473
Cash flow from operating activities	2,612,750	1,856,376	477,117
Cash flow from investing activities	210	-5,117	-56,966
Cash flow from financing activities	-402,490	-553,602	-553,602
Cash and cash equivalents at end of period	4,064,492	3,285,130	1,854,022



Notes

NOTES

Unless otherwise specified, amounts are stated in SEK thousand.

NOTE 1. Accounting policies

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting. Ziklo 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 2023 have taken place.

Future regulatory changes IFRS

IFRS 18 – Presentation and disclosures in financial statements

On 9 April 2024, the IASB published a new standard, IFRS 18 – Presentation and disclosures in financial statements, which replaces IAS 1 – Presentation of financial statements. Given that IFRS 18 is adopted by the EU, and that the effective date proposed by the IASB is not changed, the standard will be applied from the beginning of the 2027 financial year. IFRS 18 entails new requirements for presentation and disclosures in financial statements with a particular focus on the income statement and disclosures concerning management performance measures. The standard is not expected to entail any financial effects for the bank as IFRS 18 focuses on presentation and disclosures in the financial statements.

Other changes, IFRS

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

NOTE 2. Judgements and estimates 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 as the basis of the carrying amounts of assets and liabilities not otherwise clearly provided by other sources.

Primarily, the bank made the following critical assessments when applying significant accounting policies:

- Choice of method for calculating expected credit losses
- Whether the bank has assumed significant risks and benefits from the seller on acquisition of receivables and agreements

Actual outcomes may deviate from the estimations made in this report. Areas in which uncertainty about estimates may exist are:

- Estimations of expected residual values for lease objects
- The actual outcome of credit losses may deviate from the anticipated outcome

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.

	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Income statement			
Net interest income and net leasing*	866,733	888,824	1,200,352
Dividends received	86	23	35
Commission income	338,864	318,135	421,042
Commission expenses	-140,257	-114,011	-190,127
Net result from financial transactions	-25,549	-10,173	-27,715
Service, repair and tyre agreements	53,987	47,523	65,336
Disposals, operating leases	308,529	273,572	363,384
Other income	24,596	5,470	6,835
Operating income	1,426,988	1,409,363	1,839,143
Overhead expenses**	-573,600	-476,076	-699,594
Credit losses	-12,603	-13,366	-17,934
Credit risk provision, change	-8,173	3,880	4,435
Residual value reserve, change	-35,085	-98,270	-105,950
Operating profit	797,526	825,531	1,020,099

*Including depreciation of lease items.

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

Lending	30/09/2024	30/09/2023	31/12/2023
Car loans, Truck loans etc.	15,079,113	13,715,417	13,947,027
Contract credits	4,891	16,926	18,273
Credit card credits	1,906,126	1,983,799	1,927,996
Inventory credits	163,183	196,675	470,734
Promissory note loans	75,486	27,090	11,023
Lease items	27,171,945	24,728,482	26,086,832
Lending	44,400,744	40,668,388	42,461,884
Product Information	30/09/2024	30/09/2023	31/12/2023
Number of transferred loans and leases	185,199	192,902	191,485
of which loans	88,157	91,398	88,864
of which leases	97,042	101,504	102,621
	30/09/2024	30/09/2023	31/12/2023
Average contract loan and lease	228	199	209
of which loans	171	150	157
of which leases	280	244	254

Cars

The Cars segment consists of three businesses: Retail Cars, OEM and Payments, all of which are aimed at consumers and small companies.

Passenger cars, light trucks and other products that are sold and used by our partners, often in package solutions comprising insurance, service agreements and credit cards, are financed by Retail Cars. The close collaboration with Volvo Cars and Volvo dealers can be found e.g. in Retail Cars under the Volvofinans brand. Other marques are also financed under the Ziklo brand, and during the spring of 2024 the bank further extended its offer and began financing caravans and camper vans.

OEM, original equipment manufacture, includes financing of EVs from Polestar. The manufacturer has hitherto only had one model available on the market but has now launched an additional two models, in which the business will participate with financing.

New passenger car registrations during the first three quarters fell by 8% compared to the previous year. A total of 190,000 vehicles were registered. New Volvo and Polestar registrations during the three first quarters of 2024 totalled 36,754, corresponding to a 19% market share. Out of ten new registrations, seven can be attributed to companies, while the private market is more cautious, partly because the interest rate reductions introduced by the Swedish Central Bank have not yet strengthened household purchasing power. The proportion of rechargeable EVs is 57%, which is a little lower than 2023's 59%. In September, the industry organisation Mobility Sweden raised its forecast for new registrations from 240,000 to 255,000, due to improved delivery capabilities. Sales of used cars were 8% higher during the year's first three quarters compared to the previous year, according to Vroom, the industry organisation.

The Payments business offers card payments and digital payment solutions aimed at creating convenient payment solutions for all mobility requirements. Using CarPay, the bank's customers can pay for their workshop visits and fuel stops in Volvo dealerships directly in the app. Bonus checks can be redeemed in Volvo dealerships, when charging EVs, and on public transit and trains.

On the partner side, we offer a point-of-sale system with card redemption, terminals and several different payment options, in addition to the loyalty programme. The business also provides a subscription service where various customer subscriptions for service agreements, tyre changes, car washes and other aftermarket services can be created and paid for using the bank's E-checkout.

The digital customer journey for vehicle financing is under constant development, and together with digital payment solutions, the bank focuses intensely on living up to our customer promise of flexible, simple and smarter payments.

	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Net interest income and net leasing*	613,830	639,525	856,622
Dividends received	86	23	35
Commission income	222,641	208,622	276,415
Commission expenses	-133,959	-107,755	-181,426
Net result from financial transactions	-22,790	-8,619	-25,143
Disposals, operating leases	53,019	22,111	40,100
Other income	20,216	4,305	5,117
Operating income	753,043	758,211	971,720
Overhead expenses**	-391,486	-318,325	-479,392
Credit losses	-12,244	-13,366	-17,718
Credit risk provision, change	-6,467	6,744	5,650
Residual value reserve, change	-16,242	-8,512	3,122
Operating profit	326,605	424,752	483,382

*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	30/09/2024	30/09/2023	31/12/2023
Number of contracts	137,803	149,385	143,890
Total volume, SEK million	23,781	23,344	23,006
of which transferred, %	98.7	96.4	98.6
of which pledged, %	1.3	3.6	1.4
of which loans, %	43.2	40.9	40.8
of which leases, %	56.8	59.1	59.2
Private leasing as a proportion of total leases, %	26.0	30.3	28.9

Product information, cards	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Number of unique active accounts	513,901	528,493	555,746
Average number of active accounts	363,060	373,720	373,727
Total volume, SEK million	1,906	1,984	1,922
Average number of credit customers	73,340	75,135	75,344
Total sales Volvo Card, SEK million	12,902	13,132	17,581
of which fuel, %	26.2	32.6	31.9
of which workshop, %	13.6	15.3	15.3
of which retail store, %	0.8	0.8	0.8
of which car wash, %	0.9	1.0	0.9
of which sales outside Volvo dealers, %	53.6	46.4	47.1
of which other (incl. vehicle loans and insurance), %	4.9	3.9	4.0

Trucks

The Trucks segment offers loans and lease financing for new and used trucks including trailers, and financing for trailers, superstructures and other equipment.

The bank's financing level for new vehicles in recent years has stabilized at around 54%. The financing level for battery-powered trucks, used trucks and trailers is around 60%.

Together with Volvo Trucks and the Swedish Volvo dealers, we develop our financing products and service offering on an ongoing basis in order to modernize our mutual customer offering. eControl is one such product – an invoicing and monitoring system for hauliers' vehicle-related expenditures. Consulting is another service where the bank guides and helps hauliers in their transition to sustainable haulage.

	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Net interest income and net leasing*	89,806	93,006	125,172
Commission income	3,846	3,123	4,217
Commission expenses	-882	-812	-1,112
Net result from financial transactions	-1,467	-731	-1,806
Other income	1,154	202	289
Operating income	92,457	94,788	126,760
Overhead expenses**	-32,452	-27,874	-36,933
Credit losses	-	-	-
Credit risk provision, change	-48	-218	-149
Operating profit	59,957	66,696	89,678

Product information, loans and leasing	30/09/2024	30/09/2023	31/12/2023
Number of contracts	7,871	8,101	7,984
Total volume, SEK million	6,795	6,188	6,390
of which transferred, %	93.4	89.3	93.0
of which pledged, %	6.6	10.7	7.0
of which loans, %	77.2	77.6	78.0
of which leases, %	22.8	22.4	22.0
Operating leases as a proportion of total leases, %	22.5	27.8	25.1

*Including depreciation and impairment of lease items.

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



Fleet

Ziklo Fleet Services manages and finances vehicle fleets for mid-size and large companies. Companies with small vehicle fleets are also offered this service in the fully digital Small Fleet product. Customers are offered an end-to-end solution regardless of vehicle fleet size or vehicle brand.

Fleet provides both operational and financial leases and the target för Ziklo Fleet is to help companies choose the right product according to their specific needs. It also places great emphasis on advising customers about the green transition, and supports them in adapt-ing to new regulations.

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

The number of agreements increased by around 5% compared to the previous year in a Fleet market that rose overall by around 2%. This increase is thanks to our long-term customer relations where we act as an advisor concerning company vehicle fleets.

The majority of the new contracts were in the operating leases category. The market for second-hand cars continued to be strong during the period, which is also reflected in the disposal gains for the sale of returned operational leasing cars.

	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Net interest income and net leasing*	163,096	156,292	218,558
Commission income	112,378	106,391	140,411
Commission expenses	-5,417	-5,444	-7,589
Net result from financial transactions	-1,292	-822	-765
Service, repair and tyre agreements	53,987	47,526	65,342
Disposals, operating leases	255,510	251,461	323,284
Other income	3,226	961	1,423
Operating income	581,487	556,365	740,664
Overhead expenses**	-149,662	-129,878	-183,270
Credit losses	-359	-	-217
Credit risk provision, change	-1,658	-2,646	-1,066
Residual value reserve, change	-18,843	-89,758	-109,072
Operating profit	410,965	334,083	447,039

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

Product Information	30/09/2024	30/09/2023	31/12/2023
Number of financing contracts	41,859	41,314	42,394
Number of administered contracts	53,627	51,322	51,843
Total volume, SEK million	12,757	10,721	11,716
of which operating leases, %	70.1	70.1	69.4
of which financial leases, %	29.9	29.9	30.6



NOTE 4. Other operating income

	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Capital gains on the sale of tangible assets	627	2,234	3,241
Revenues, service and repair contracts	53,987	47,523	65,336
Disposals, Operating leases	308,529	273,572	363,384
of which sales revenue	(1,725,000)	(1,052,267)	(1,514,606)
of which cost of goods sold	(-1,416,471)	(-778,695)	(-1,151,222)
Income from associated companies	4,007	3,082	3,118
Reversal of opening VAT following review	19,589	-	-
Other income	373	155	476
Total	387,111	326,566	435,555

NOTE 5. Depreciation and impairments of tangible and intangible non-current assets

	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Depreciation, leased items	-4,317,757	-4,469,751	-5,964,812
Impairment charges / Reversals; lease item residual value risk	-35,085	-98,270	-105,950
Impairment charges / Reversals; lease item credit risk	-2,463	-1,952	-664
Depreciation, inventory	-741	-1,852	-2,542
Depreciations and impairment of intangible assets	-19,125	-6,359	-11,528
Total	-4,375,171	-4,578,184	-6,085,497



NOTE 6. Credit losses, net

Credit losses	30/09/2024	30/09/2023	31/12/2023
Loans at amortised cost (incl. unused part of limit)			
Provisions – stage 1	5,403	5,473	5,397
Provisions – stage 2	16,481	14,708	15,734
Provisions – stage 3	9,701	4,031	4,122
Total reserve	31,585	24,212	25,253
	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Loans at amortised cost (incl. unused part of limit)			
Change in provisions – stage 1	-6	11,316	11,391
Change in provisions – stage 2	-747	-3,813	-4,839
Change in provisions – stage 3	-5,579	-1,148	-1,239
Total change in provisions	-6,332	6,355	5,313
Write-off, confirmed credit losses	-13,700	-14,968	-19,934
Recoveries of previously confirmed credit losses	1,456	1,600	2,233
Total	-12,244	-13,368	-17,701
Credit losses, net*	-18,576	-7,013	-12,388

*Should be read together with the line item 'Confirmed credit losses for lease items' further down in the note for comparison with the income statement overview and the line item 'Credit losses' in Note 6.

Credit losses	30/09/2024	30/09/2023	31/12/2023
Lease assets at accrued cost			
Provisions – stage 1	4,036	2,882	3,313
Provisions – stage 2	1,183	631	642
Provisions – stage 3	2,578	3,108	1,378
Total reserve	7,797	6,621	5,333
	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Lease assets at accrued cost			
Change in provisions – stage 1	-722	196	-235
Change in provisions – stage 2	-541	-224	-235
Change in provisions – stage 3	-1,200	-1,924	-194
Total change in provisions**	-2,463	-1,952	-664
Write-off, confirmed credit losses	-359	-	-235
Recoveries of previously confirmed credit losses	-	2	2
Total***	-359	2	-233
Credit losses, net	-2,822	-1,950	-897

**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'.

***For comparison, should be read together with the line item 'Credit losses, net' under 'Loans at amortised cost' in the note's first table.

Credit losses	30/09/2024	30/09/2023	31/12/2023
Financial fixed assets			
Provisions – stage 1	507	1,437	1,129
Provisions – stage 2	-	-	-
Provisions – stage 3	-	-	-
Total reserve	507	1,437	1,129
	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Financial fixed assets			
Change in provisions – stage 1	622	-523	-214
Change in provisions – stage 2	-	-	-
Change in provisions – stage 3	-	-	-
Total change in provisions	622	-523	-214
Credit losses, net****	622	-523	-214

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

Credit losses	30/09/2024	30/09/2023	31/12/2023
Total assets			
Provisions – stage 1	9,946	9,792	9,839
Provisions – stage 2	17,664	15,339	16,376
Provisions – stage 3	12,279	7,139	5,500
Total reserve	39,889	32,270	31,715
	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Total assets			
Change in provisions – stage 1	-106	10,989	10,942
Change in provisions – stage 2	-1,288	-4,037	-5,074
Change in provisions – stage 3	-6,779	-3,072	-1,433
Total change in provisions	-8,173	3,880	4,435
Write-off, confirmed credit losses	-14,059	-14,968	-20,169
Recoveries of previously confirmed credit losses	1,456	1,602	2,235
Total	-12,603	-13,366	-17,934
Credit losses, net	-20,776	-9,486	-13,499

NOTE 7: Capital adequacy analysis

KEY RATIOS

Available capital base (amount)	30/09/2024	30/06/2024	31/03/2024	31/12/2023	30/09/2023
Common Equity Tier 1 (CET1) capital	6,474,428	6,523,759	6,326,134	6,183,220	6,096,356
Tier 1 capital	6,474,428	6,523,759	6,326,134	6,183,220	6,096,356
Total capital	6,474,428	6,523,759	6,326,134	6,183,220	6,096,356
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	28,981,847	28,628,789	27,548,686	27,422,136	25,602,745
Capital ratio (as a percentage of the risk-weighted exposure amount)					
Common Equity Tier 1 capital ratio (%)	22.3	22.8	23.0	22.5	23.8
Tier 1 capital ratio (%)	22.3	22.8	23.0	22.5	23.8
Total capital ratio (%)	22.3	22.8	23.0	22.5	23.8

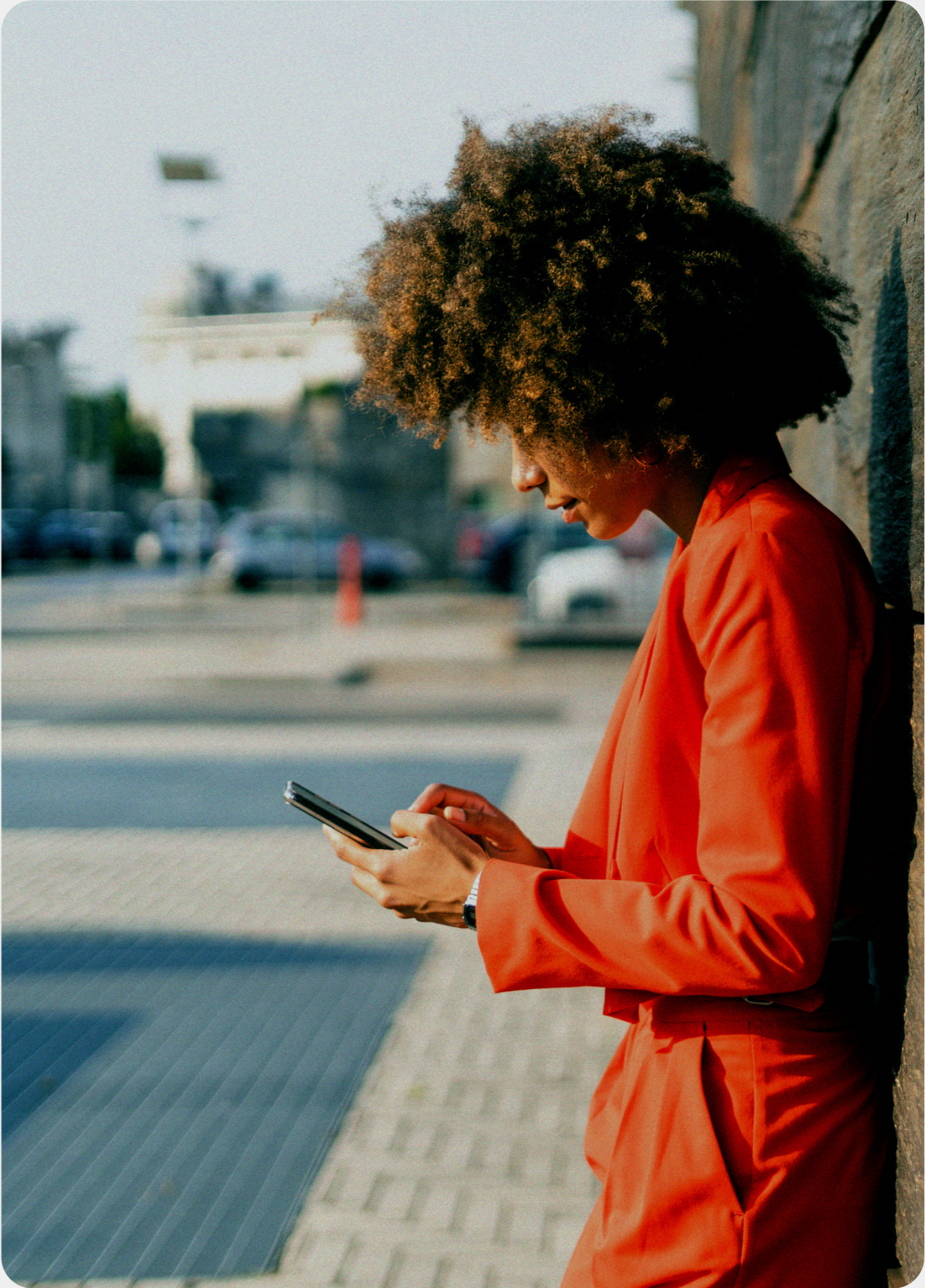
Additional capital base requirements to address risks other than the risk of excessive leverage (%)					
of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
of which: to be made up of Tier 1 capital (percentage points)	-	-	-	-	-
Total SREP capital base requirements (%)	8.0	8.0	8.0	8.0	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 risks identified at the level of a Member State (%)	-	-	-	-	-
Institution-specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	2.0
Systemic risk buffer (%)	-	-	-	-	-
Buffer for global systemically important institutions (%)	-	-	-	-	-
Buffer for other systemically important institutions (%)	-	-	-	-	-
Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
Overall capital requirements (%)	12.5	12.5	12.5	12.5	12.5
Available Common Equity Tier 1 capital after meeting the total capital base requirement for SREP (%)	14.3	14.8	15.0	14.5	15.8
Leverage ratio					
Total exposure measure	52,470,363	50,707,110	48,698,877	48,354,425	47,423,488
Leverage ratio (%)	12.3	12.9	13.0	12.8	12.9

Additional capital base requirements to address the risk of excessive leverage (%)					
Additional own funds requirements to address the risk of excessive leverage (as a percentage of the total exposure measure)	-	-	-	-	-
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 measurement)					
Leverage ratio buffer requirement (%)	-	-	-	-	-
Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
Liquidity coverage ratio					
Total high-quality liquid assets (weighted value – average)*	2,986,169	2,933,458	2,881,012	2,863,987	2,826,327
Cash outflows – Total weighted value*	4,718,364	4,668,727	4,680,323	4,701,467	4,596,928
Cash inflows – Total weighted value*	4,342,143	4,332,083	4,315,508	4,530,718	4,547,006
Total net cash outflows (adjusted value)	1,181,496	1,169,087	1,171,986	1,177,272	1,167,855
Liquidity coverage ratio (%)	254	252	248	246	245
Net stable funding ratio					
Total available stable funding	45,119,232	44,010,384	42,115,379	41,669,854	40,694,382
Total required stable funding	38,026,077	36,959,004	35,376,329	35,026,800	34,104,499
Net stable funding ratio (%)	119	119	119	119	119

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



CAPITAL BASE

Common Equity Tier 1 capital Instruments and reserves	30/09/2024	30/09/2023	31/12/2023
Capital instruments and the related share premium accounts	400,000	400,000	400,000
Retained earnings	1,094,165	1,487,853	1,290,389
Other reserves	4,555,735	3,756,449	4,559,511
Net interim profit after deductions for predictable expenses and dividends verified by persons in an independent position.	474,927	491,604	-
Common Equity Tier 1 capital before regulatory adjustments	6,524,827	6,135,906	6,249,900
Common Equity Tier 1 capital: regulatory adjustments			
Further value adjustments (negative amount)	-165	-95	-115
Intangible assets	-47,417	-20,594	-64,018
Negative amounts resulting from the calculation of expected loss amount	-	-15,685	-
Other regulatory adjustments	-2,816	-3,176	-2,548
Total regulatory adjustments to Common Equity Tier 1	-50,399	-39,550	-66,680
Common Equity Tier 1 (CET1) capital	6,474,428	6,096,356	6,183,220
Tier 1 capital contribution: Instrument			
Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital ratio + Tier 1 capital contribution)	6,474,428	6,096,356	6,183,220
Tier 2 capital	-	-	-
Total capital (Common Equity Tier 1 capital + Tier 2 capital)	6,474,428	6,096,356	6,183,220
Total risk-weighted assets	28,981,847	25,602,745	27,422,136

CAPITAL RATIOS AND BUFFERS

	30/09/2024	30/09/2023	31/12/2023
Risk-weighted assets	28,981,847	25,602,745	27,422,136
Common Equity Tier 1 capital ratio	22.34	23.81	22.55
Tier 1 capital ratio	22.34	23.81	22.55
Total capital ratio	22.34	23.81	22.55
Total capital requirement	14.43	14.39	14.33
Institution-specific Common Equity Tier 1 capital requirements including buffer requirements	10.09	10.05	10.03
of which: Pillar 1 requirement	4.50	4.50	4.50
of which: Pillar 2 requirement	1.09	1.05	1.03
of which requirement for capital conservation buffer	2.50	2.50	2.50
of which requirement for countercyclical buffer	2.00	2.00	2.00



INTERNALLY ASSESSED CAPITAL REQUIREMENT

	Capital require-ment	30/09/2024 Capital requirement / Total REA	Of which CET1 require-ments / REA	Capital require-ment	30/09/2023 Capital re-quirement / Total REA	Of which CET1 re-quirements / REA	Capital require-ment	31/12/2023 Capital re-quirement / Total REA	Of which CET1 require-ments / REA
Credit risk	1,918,772	6.6%	3.7%	1,687,761	6.6%	3.7%	1,803,476	6.6%	3.7%
Operational risk	215,203	0.7%	0.4%	183,321	0.7%	0.4%	215,203	0.8%	0.4%
CVA risk	5,545	0.0%	0.0%	3,528	0.0%	0.0%	3,972	0.0%	0.0%
Additional risk exposure amounts according to Article 3 CRR	179,028	0.6%	0.3%	173,610	0.7%	0.4%	171,120	0.6%	0.4%
Pillar 1 capital requirement	2,318,548	8.0%	4.5%	2,048,220	8.0%	4.5%	2,193,771	8.0%	4.5%
Concentration risk	309,675	1.1%	0.6%	270,834	1.1%	0.6%	281,819	1.0%	0.6%
Strategic risk	115,927	0.4%	0.2%	102,411	0.4%	0.2%	109,689	0.4%	0.2%
Market risk	134,914	0.5%	0.3%	109,167	0.4%	0.2%	111,543	0.4%	0.2%
Pillar 2 capital requirement*	560,517	1.9%	1.1%	482,412	1.9%	1.1%	503,050	1.8%	1.0%
Capital conservation buffer	724,546	2.5%	2.5%	640,069	2.5%	2.5%	685,553	2.5%	2.5%
Countercyclical capital buffer	579,637	2.0%	2.0%	512,055	2.0%	2.0%	548,443	2.0%	2.0%
Combined buffer requirement	1,304,183	4.5%	4.5%	1,152,124	4.5%	4.5%	1,233,996	4.5%	4.5%
Capital requirements	4,183,247	14.4%	10.1%	3,682,755	14.4%	10.1%	3,930,817	14.3%	10.0%
Capital base	6,474,428	-	-	6,096,356	-	-	6,183,220	-	-
Capital surplus	2,291,181	-	-	2,413,601	-	-	2,252,402	-	-

CAPITAL REQUIREMENT AND RISK-WEIGHTED EXPOSURE AMOUNT

	30/09/2024			30/09/2023			31/12/2023		
	Capital require-ment	Risk-weighted exposure amount	Average risk weighting	Capital require-ment	Risk-weighted exposure amount	Average risk weighting	Capital require-ment	Risk-weighted exposure amount	Average risk weighting
Credit risk according to IRB									
Corporate exposures	801,711	10,021,389	71.7%	679,520	8,494,005	73.2%	784,035	9,800,443	73.1%
Retail exposures	431,316	5,391,453	18.0%	420,887	5,261,087	17.7%	414,895	5,186,183	17.5%
Non credit-obligation assets exposure	478,176	5,977,205	100.0%	427,490	5,343,621	100.0%	459,006	5,737,581	100.0%
Total according to IRB	1,711,204	21,390,047	42.8%	1,527,897	19,098,713	40.9%	1,657,936	20,724,206	42.5%
Credit risk STD									
Exposures to central governments or central banks	-	-	0.0%	-	-	0.0%	-	-	0.0%
Exposures to provincial or regional government bodies or local authorities	-	-	0.0%	-	-	0.0%	-	-	0.0%
Exposures to public sector	285	3,564	20.0%	182	2,280	20.0%	229	2,864	20.0%
Exposures to institutions	67,799	847,484	20.0%	54,914	686,428	20.0%	31,452	393,147	20.0%
Corporate exposures	87,078	1,088,478	85.9%	60,821	760,262	93.2%	69,347	866,838	92.9%
Retail exposures	36,396	454,946	65.6%	25,733	321,663	62.8%	28,531	356,637	63.6%
Exposures in default	718	8,976	149.9%	209	2,607	150.0%	1,282	16,022	149.5%
Covered bonds	11,668	145,847	10.0%	11,968	149,602	10.0%	10,843	135,532	10.0%
Equity exposures	1,511	18,884	100.0%	1,469	18,363	100.0%	1,729	21,618	100.0%
Other items	2,114	26,420	100.0%	4,567	57,092	100.0%	2,127	26,593	100.0%
Total STD	207,568	2,594,600	26.7%	159,864	1,998,295	25.2%	145,540	1,819,250	26.3%
Total	1,918,772	23,984,647	40.2%	1,687,761	21,097,008	38.6%	1,803,476	22,543,456	40.5%
Operational risk according to the basic indicator approach	215,203	2,690,038	-	183,321	2,291,514	-	215,203	2,690,038	-
Credit value adjustment (CVA)	5,545	69,317	-	3,528	44,100	-	3,972	49,645	-
Additional risk exposure amounts according to Article 3 CRR	179,028	2,237,845	-	173,610	2,170,122	-	171,120	2,138,997	-
Total minimum capital require-ment and risk-weighted exposure amount	2,318,548	28,981,847	-	2,048,220	25,602,745	-	2,193,771	27,422,136	-

NOTE 8. Carrying amount of financial instruments by category 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

Ziklo 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, Ziklo 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 68.2 million and liabilities to SEK 90.3 million. Securities in the amount of SEK 19.4 million were received and assets of SEK 40.6 million were pledged as of 30 September 2024.



Assets, Jan – Sep 2024	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Treasury bills eligible as collateral etc.	1,816,520	-	-	1,816,520	1,816,170
Lending to credit institutions	-	-	4,064,492	4,064,492	4,064,492
Loans and advances to the public	-	-	17,660,096	17,660,096	17,228,799
Bonds & other interest-bearing securities	1,459,424	855,445	-	2,314,870	2,313,915
Shares and participations in other companies*	-	7,002	-	7,002	7,002
Other assets*	-	68,153	1,196,996	1,265,149	1,265,149
Prepaid expenses and accrued income	-	-	129,743	129,743	129,743
Total	3,275,945	930,600	23,051,328	27,257,873	26,825,271

Liabilities, Jan – Sep 2024	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Liabilities to credit institutions	-	-	1,219,134	1,219,134	1,200,000
Deposits and borrowing from the public	-	-	24,697,575	24,697,575	24,697,635
Securities issued	-	16,621,205	-	16,621,205	16,478,004
Other liabilities*	-	90,315	1,412,326	1,502,641	1,502,641
Accrued expenses and deferred income	-	-	2,342,084	2,342,084	2,342,084
Total	-	16,711,520	29,671,118	46,382,638	46,220,363

Assets, Jan – Sep 2023	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Treasury bills eligible as collateral etc.	1,438,281	-	-	1,438,281	1,438,656
Lending to credit institutions	-	-	3,285,130	3,285,130	3,285,130
Loans and advances to the public	-	-	16,330,316	16,330,316	15,939,906
Bonds & other interest-bearing securities	1,496,148	656,600	-	2,152,748	2,152,615
Shares and participations in other companies*	-	6,481	-	6,481	6,481
Other assets*	-	1,630	1,075,067	1,076,697	1,076,697
Prepaid expenses and accrued income	-	-	158,886	158,886	158,886
Total	2,934,429	664,711	20,849,399	24,448,539	24,058,371

Liabilities, Jan – Sep 2023	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Liabilities to credit institutions	-	-	1,342,124	1,342,124	1,319,048
Deposits and borrowing from the public	-	-	24,065,269	24,065,269	24,065,098
Securities issued	-	12,793,708	-	12,793,708	12,746,783
Other liabilities*	-	56,219	1,335,268	1,391,487	1,391,487
Accrued expenses and deferred income	-	-	2,054,163	2,054,163	2,054,163
Total	-	12,849,927	28,796,824	41,646,751	41,576,578

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

Fair value assets and liabilities per category

Assets 30/09/2024	Financial assets measured at amortised cost	Derivatives in hedge accounting	Other assets	Fair value via the income statement (mandatory)	Total	Fair value
Treasury bills eligible as collateral etc.	1,816,170	-	-	-	1,816,170	1,816,520
Lending to credit institutions	4,064,492	-	-	-	4,064,492	4,064,492
Loans and advances to the public	17,228,799	-	-	-	17,228,799	17,660,096
Bonds & other interest-bearing securities	2,313,915	-	-	-	2,313,915	2,314,870
Shares and participations in other companies	-	-	-	7,002	7,002	7,002
Shares and participations in associated companies	-	-	5,140	-	5,140	-
Shares and participations in Group companies	-	-	6,742	-	6,742	-
Intangible non-current assets	-	-	47,417	-	47,417	-
Tangible assets: fixtures and fittings	-	-	2,570	-	2,570	-
Tangible assets: lease items	-	-	27,171,945	-	27,171,945	-
Tangible current assets	-	-	18,132	-	18,132	-
Other assets	843,373	63,536	353,624	4,617	1,265,149	1,265,149
Prepaid expenses and accrued income	129,743	-	-	-	129,743	129,743
Total assets	26,396,493	63,536	27,605,570	11,619	54,077,217	

Liabilities 30/09/2024	Non-financial liabilities	Derivatives in hedge accounting	Other financial liabilities	Fair value via the income statement (mandatory)	Total	Fair value
Liabilities to credit institutions	-	-	1,200,000	-	1,200,000	1,219,134
Deposits and borrowing from the public	-	-	24,697,635	-	24,697,635	24,697,575
Securities issued	-	-	16,478,004	-	16,478,004	16,621,205
Other liabilities	649,792	11,362	762,534	78,952	1,502,641	1,502,641
Accrued expenses and deferred income	1,591,436	-	750,648	-	2,342,084	2,342,084
Total liabilities	2,241,228	11,362	43,888,821	78,952	46,220,363	

Assets 30/09/2023	Financial assets measured at amortised cost	Derivatives in hedge accounting	Other assets	Fair value via the income statement (mandatory)	Total	Fair value
Treasury bills eligible as collateral etc.	1,438,656	-	-	-	1,438,656	1,438,281
Lending to credit institutions	3,285,130	-	-	-	3,285,130	3,285,130
Loans and advances to the public	15,939,906	-	-	-	15,939,906	16,330,316
Bonds & other interest-bearing securities	2,152,615	-	-	-	2,152,615	2,152,748
Shares and participations in other companies	-	-	-	6,481	6,481	6,481
Shares and participations in associated companies	-	-	5,140	-	5,140	-
Shares and participations in Group companies	-	-	6,742	-	6,742	-
Intangible non-current assets	-	-	20,594	-	20,594	-
Tangible assets: fixtures and fittings	-	-	1,860	-	1,860	-
Tangible assets: lease items	-	-	24,728,482	-	24,728,482	-
Tangible current assets	-	-	19,227	-	19,227	-
Other assets	880,939	1,630	163,174	30,954	1,076,697	1,076,697
Prepaid expenses and accrued income	158,886	-	-	-	158,886	158,886
Total assets	23,856,132	1,630	24,945,219	37,435	48,840,416	

Liabilities 30/09/2023	Non-financial liabilities	Derivatives in hedge accounting	Other financial liabilities	Fair value via the income statement (mandatory)	Total	Fair value
Liabilities to credit institutions	-	-	1,319,048	-	1,319,048	1,342,124
Deposits and borrowing from the public	-	-	24,065,098	-	24,065,098	24,065,269
Securities issued	-	-	12,746,783	-	12,746,783	12,793,708
Other liabilities	545,001	53,365	790,266	2,854	1,391,487	1,391,487
Accrued expenses and deferred income	1,510,486	-	543,677	-	2,054,163	2,054,163
Total liabilities	2,055,487	53,365	39,464,872	2,854	41,576,578	

NOTE 9. 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	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023	30/09/2024	30/09/2023
Assets	6,742	6,742	67,602	5,140	1,462,103	969,950
Liabilities	6,789	6,789	199,603	121,060	494,049	335,829
Income statement						
Interest income	-	-	3,791	4,197	177	124
Lease income	-	-	-	-	247,433	230,487
Interest expenses	-	-	-1,154	-730	-7,858	-4,597
Commission revenues	-	-	2,326	2,313	9,973	9,533
Other operating income	-	-	4,007	3,082	-	-
Total	-	-	8,970	8,862	249,725	235,547

NOTE 10. Events after the end of the period

Before the end of the year, the bank intends to acquire a leasing portfolio valued at around SEK 3.1 billion.



Sweden's mobility bank

For more than 60 years we have financed vehicles in Sweden under the name Volvofinans, making it easier for millions of people to freely travel. We have now assumed the name Ziklo, and we aim to accelerate the transition toward tomorrow's mobility and help more people and companies make smarter choices. Because mobility must be easy, flexible and sustainable.