

INTERIM REPORT  
1 JANUARY - 30 JUNE  
2009  
VOLVOFINANS BANK AB

The information contained in this report is that which Volvofinans Bank AB (publ), corporate ID no. 556069-0967 is obliged to publish in accordance with the Swedish Securities Market Act (SFS 2007:528).

This report was submitted for publication at 3.00 p.m. on 21 August 2009.



# MESSAGE FROM THE PRESIDENT

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The first quarter of 2009 was characterised by interest rates tumbling to record lows and a sharp decline in sales volumes for new passenger cars and trucks. This, combined with increased financing costs, meant that Volvofinans returned a relatively modest profit of SEK 35.6 million in the first quarter. The second quarter was significantly more positive, showing a profit of SEK 50.5 million. The reason for this is that the “extraordinary” events of a rapid fall in interest rates combined with decreased sales have, for the most part, ceased to have any effect. At the same time, we have now adjusted our lending margins and costs to the new market levels.

A profit of SEK 86.1 million for the first six months shows that we have returned to a positive course now that we have left the fall in interest rates behind us and we are also seeing signs of improvement in terms of new vehicle sales. Used vehicle sales are also experiencing more positive development and the use of the Volvo Card is increasing from what is already a high level.

The business model that Volvofinans has been using for 50 years, where the credit risk is borne by the Volvo dealers, continues to operate exceptionally well and we are therefore not experiencing any credit losses within sales financing. We are seeing only a marginal increase in repossessed vehicles at the dealerships, and the recourse fulfilment of stable dealers has only increased to a corresponding degree as a result.

Volvofinans' total contract portfolio amounts to SEK 21.9 billion and has a market value of SEK 27.1 billion. This is the result, among other things, of the cash deposit requirement of at least 20 % stipulated by the Swedish Consumer Credit Act, as well as the fact that there are often what are known as increased initial rents within corporate lending. The contract portfolio, which commands a market value of SEK 27.1 billion, is pledged for SEK 19.7 billion, giving a real

surplus value of SEK 7.4 billion. So even without recourse from the Volvo dealerships, contractual lending is extremely secure. Confirmed credit losses have increased, but continue to be at a low level and, as before, relate solely to credit card operations.

Volvofinans is a “system-critical” bank for the Swedish Volvo dealership network and is affiliated with the Swedish government's guarantee scheme via the Swedish National Debt Office. This has meant that vehicle sales through the Swedish Volvo dealerships have taken place without interference, at an otherwise tough time for the automotive industry with a generally difficult financial market. This has had a major impact for Volvo Cars, Volvo Trucks and the Swedish Volvo dealerships (for both passenger vehicles and trucks).

Deposits from the public via the Volvo Card continue to increase and passed the SEK 1 billion mark over the summer. This positive trend has developed following our campaign to offer our customers good terms on their savings.

There are signs that the economic outlook is beginning to look a lot more positive, which corresponds to the reports we are receiving from the Volvo dealerships. Dealer activity is on the increase, which will generate new business for Volvofinans Bank AB.

In June, a bonus issue was made, which increased share capital by SEK 100 million. Core capital amounts to SEK 2.8 billion, giving a core capital ratio of 13.96 %.

Volvofinans, with its very strong capital base (SEK 3.0 billion) and access to the strongest brands with environmentally friendly vehicles through the Volvo dealerships, is well equipped to meet future challenges with continued adjusted good profitability.

# VOLVOFINANS BANK

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## Business idea

Volvofinans Bank has had the same primary function for many years: "to actively support sales of products marketed by Volvo dealers on the Swedish market by providing product and sales financing, while reporting favourable earnings".

## About Volvofinans Bank

This year Volvofinans Bank is celebrating its fiftieth anniversary. For these 50 years, the watchwords for Volvofinans have been economical vehicle ownership and benefits for car-buyers at Swedish Volvo dealerships as well as for the dealers. These benefits, both for our dealers and our customers, have been successful. The range we offer has supported both vehicle sales and aftermarket on the passenger car market and the truck market. In today's turbulent times, it is more important than ever to tie customers to dealers by offering additional solutions that are more flexible for vehicle ownership.

## New distribution channel for the Volvo Card

During Q2 2009, we began an extensive campaign to canvass Swedish sports clubs with a view to distributing Volvo Card applications. The idea of using the sports clubs to reach people who drive a lot and who at the same time want to support their local club has exceeded all expectations. By the end of June, around 200 sports clubs had registered their interest and around 1,500 Volvo Card applications had been approved.

## Deposits

Deposits have increased significantly as we have begun to market a savings account. By August, our customers had deposited SEK 1 billion in their Volvo Card accounts.

## Autumn 2009

During the autumn we will further consolidate our position on the corporate market through campaigns in the financial press, on the Web and through targeted CRM mailshots and local activities with Volvo dealers.



**VOLVOFINANS**  
*50 års Jubileum  
1959 - 2009*

## OWNERSHIP & OPERATIONS

Since its establishment in 1959, Volvofinans Bank has been 50 % owned by Swedish Volvo dealerships via their holding company AB Volverkinvest. The Sixth Swedish National Pension Fund owns 40 % and Ford Credit International Inc. 10 %.

The primary task of Volvofinans Bank is to actively support sales of products marketed by Volvo dealers on the Swedish market by providing product and sales financing, while reporting favourable earnings.

Volvofinans Bank AB is the Parent Company in a Group with subsidiaries, namely Volvofinans Konto Bank AB and Volvofinans IT AB. On 1 October 2008, the subsidiaries' operations were transferred to the Parent Company and the companies are now dormant.

## VOLUMES & LENDING

Sales of new passenger cars in Sweden fell by 26.3 % in the first half of 2009 compared with the same period in the previous year. In total, 102,794 passenger vehicles were registered (139,511). The number of Volvo and Renault registrations was 23,497 (30,902) and the combined market share of Volvo and Renault was 22.8 % (22.1).

43.4 % (48.7) of all passenger car business, new and used, within the Swedish Volvo dealerships generate a financial contract with Volvofinans Bank. New and used vehicle penetration is 49.8 % and 38.5 % respectively.

Volvofinans Bank finances the Swedish Volvo dealers' truck sales, apart from those that take place through the AB Volvo-owned Volvo Truck Centre. Penetration for new trucks was 50.1 %. The total contract portfolio (loan and leasing contracts) amounted to 187,212 contracts (197,437). The truck and bus element of the contract portfolio amounted to 8,492 contracts (8,699) which represents more than 4 % of the total.

	Number of contracts	Average contract, SEK T	Collateral value, SEK M	Credit used, SEK M	Lending value, %	Market value, SEK M	Surplus value, SEK M	Surplus value, %
Loans	118,482	99	11,730	11,387	97 %	17,122	5,735	50 %
Leasing	68,730	148	10,190	8,272	81 %	9,953	1,681	20 %
<b>Total</b>	<b>187,212</b>	<b>117</b>	<b>21,920</b>	<b>19,659</b>	<b>90 %</b>	<b>27,075</b>	<b>7,416</b>	<b>38 %</b>

The number of corporate customers for which Svensk Vagnparksfinans conducts car administration is at a stable high level. Administration with cost follow-up was being provided for 31,993 (32,624) cars at the end of the reporting period.

Goods and services purchased using the Volvo Card totalled SEK 4.7 billion and the number of accounts actively purchasing is half a million per month. The Volvo dealerships' Truck Card was used for the purchase of goods and services totalling SEK 243 million via 22,000 cards.

The Group's lending volume was SEK 22.6 billion compared with SEK 24.1 billion in the previous year. The truck and bus element of lending was SEK 3.8 billion (3.6), which corresponds to 17 % of total lending.

The Group's primary segments are the business lines of the passenger car market and the truck market. The geographic distribution reflects the Group as a whole. The passenger car market segment includes financing passenger cars through loans and leasing as well as vehicle administration and the Volvo Card. The truck market segment includes financing trucks and buses, as well as the Truck Card.

## VOLUMES & LENDING, CONT.

The operating revenue, operating profit, number of contracts and lending volume for Volvofinans' lines of business are detailed below. Operating revenue is defined as the net of interest income, interest expenses, leasing net, dividends received, the net result of financial transactions, commission income and commission expenses.

Expenses are defined as general administrative expenses and other operating costs.

Volvofinans is of the opinion that it is not relevant to divide up its liabilities among the various segments. Borrowing is driven by the total requirement and cannot be attributed to a specific segment.

Jan - June 2009	Cars	Trucks	Group
Assets, SEK million (average)	20,985	4,470	25,455
Lending volume, SEK million (average)	20,085	4,328	24,413
Operating revenue, SEK T	222,948	11,541	234,489
Operating profit, SEK T	82,040	4,069	86,109
Expenses, SEK T	135,168	6,070	141,238
<b>Number of contracts (average)</b>	<b>217,661</b>	<b>8,538</b>	<b>226,199</b>

## PROFIT

Earnings before credit losses amount to SEK 93.3 million (153.5). The drop in earnings is mainly the result of the effect on net interest income of rapidly falling market interest rates, as well as the very low interest rate position itself. The reduced number of loan and leasing contracts has had a negative impact on commission income. Expenses are 14 % lower than in the previous year. Income before appropriations and taxes for the period fell by 43 % to SEK 86.1 million (150.0).

## CREDIT RISKS AND CREDIT LOSSES

The Group's credit risk continues to be very low as most of the credit risk and residual value risk is borne by the Volvo dealers.

The Group has redefined problem credits as of 31 December 2008, which has resulted in an increase compared with the previous year. Problem credits are now all receivables that are overdue by more than 90 days. Previously, problem credits were only considered equivalent to the Group's debt collection receivables, which related solely to credit card receivables.

The Group's problem credits for credit card receivables total SEK 112.2 million (87.1) and for loan and leasing lending SEK 157.8 million (0). The increase in problem credits, taking into account the new definition, is due to an increase in the average liability for credit cards, partly as the result of higher fuel prices and customers' opportunities for longer credit periods. Dealers bear the credit risk through recourse agreements for the majority, SEK 153.3 million, of problem credits relating to loans and leasing. There are no loans for which interest concessions have been agreed and no property has been received to provide security for receivables.

Confirmed credit losses relate mainly to credit card operations and recovered losses consist mostly of payments for losses sold that had previously been written off.

Provisions for anticipated credit losses are estimated for the household segment using statistical risk models and for the corporate segment using an expert risk classification model and a manual review.

Amounts in SEK T	Group		Parent Company	
	2009	2008	2009	2008
<b>Confirmed credit losses</b>				
Confirmed credit losses	-7,040	-5,134	-7,040	-
Recovered losses	<u>1,439</u>	<u>1,067</u>	<u>1,439</u>	<u>27</u>
<b>Total</b>	<b>-5,601</b>	<b>-4,067</b>	<b>-5,601</b>	<b>27</b>
<b>Provisions for credit risk</b>				
Provisions for anticipated credit losses	<u>-1,542</u>	<u>582</u>	<u>-1,542</u>	<u>1,866</u>
<b>Credit losses, net</b>	<b>-7,143</b>	<b>-3,485</b>	<b>-7,143</b>	<b>1,893</b>

# CAPITAL PROCUREMENT

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The situation on the financial markets stabilised during the spring and there has been an improvement in liquidity. During this period, Volvofinans has utilised both short-term and long-term market loans programmes. For short-term financing, commercial papers are issued through the Volvofinans Nordic and Euro Commercial Paper Programme, while for loans with a longer maturity period, bonds are issued through our MTN programme. Borrowing has mainly been arranged using the government guarantee under the Swedish government's guarantee scheme.

Total outstanding financing on the Swedish and European capital markets amounted to SEK 12.9 billion at the end of the first half year. In addition to market borrowing, operations were financed in the amount of SEK 4.7 billion in the form of bank loans, as well as customer deposits of SEK 1.4 billion. The proportion of long-term financing, with a remaining period greater than one year, was 64 % at the report date.

# RATING

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Volvofinans has international credit ratings from Moody's Investors Service as follows:

- Short-term financing: P-2
- Long-term financing: Baa1

On 22 July, Moody's announced that Volvofinans' credit rating is subject to review, possibly resulting in downgrading. The review, which will also cover a number of other Nordic credit institutions, will primarily focus on potential future credit losses and Volvofinans' ability to absorb such losses.

You will find a detailed analysis from Moody's Investors Service on our website, [www.volvofinans.se](http://www.volvofinans.se)

# FINANCIAL RISKS

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As the Group operates within the financial sector, the company is continuously 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 costs in terms of the means of payment or – in a worst-case scenario – cannot be met by any means. In order to secure its ability to pay, Volvofinans Bank has entered into agreements with banks concerning credit facilities that can be utilised at short notice. Borrowing with a remaining period of less than one year must be covered at all times by unutilised credit facilities. The total volume of available facilities at the end of the period was SEK 9.8 billion.

*Interest rate risk* is the current and future risk that net interest income declines as a result of unfavourable changes in the interest rate. The vast majority of Volvofinans Bank's lending and all borrowing follow the short-term market interest rate, which involves a slight interest rate risk.

*Currency risk* is the risk of unfavourable changes in exchange rates. All of Volvofinans Bank's lending is in Swedish kronor and any borrowing in foreign currency is hedged, thus Volvofinans Bank is not exposed to fluctuations in exchange rates.

# CAPITAL ADEQUACY

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The regulatory framework for capital adequacy means that Volvofinans Bank must at all times have a capital base that corresponds at least to the total of the capital requirement for credit risk, market risk and operational risk, as well as the calculated capital requirement for additional identified risks in operations. Volvofinans Bank calculates the capital requirement for credit risk using the standardised method, which means that all exposures are allocated to one of fifteen exposure categories with a different risk weighting for each category. The capital requirement for operational risk is calculated using the base indicator method, which means that the capital requirement is 15 % of the average operating income for the last three financial years.

# EVENTS AFTER THE END OF THE REPORTING PERIOD

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

The report for 30 September will be published on 16 November 2009 and will be available from our website [www.volvofinans.se](http://www.volvofinans.se)

If you have any questions, please contact our President and CEO, Bert Björn on +46 (0)31 83 88 00.

This report has not been the subject of special examination by the company's auditors.

# INTERIM REPORT

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The interim report provides a true and fair overview of the business, financial position and results of the Parent Company and the Group and describes significant risks and uncertainty factors with which the Parent Company and the companies forming part of the Group are faced.

Göteborg, August 2009



Urmas Kruusval  
Chairman  
Senior Vice President, Head of AP Direct  
Investments, The Sixth Swedish  
National Pension Fund, Göteborg



Tommy Andersson  
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President, AB Persson Invest,  
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Jan Pettersson  
President and CEO, Bilia AB,  
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Per Rinder  
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Bert Björn  
President and CEO,  
Volvofinans Bank AB

# CAPITAL ADEQUACY

Amounts in SEK M

	Group 30 Jun 2009	Parent Company 30 Jun 2009	Group 30 Jun 2008	Parent Company 30 Jun 2008
<b>Capital base</b>				
Capital base	2,971	2,958	2,729	2,739
Core capital	2,761	2,748	2,538	2,548
Supplementary capital	210	210	191	191
<b>Capital requirements</b>				
Capital requirement for credit risk using the standardised method	1,582	1,582	1,665	1,560
Capital requirement for operational risk using the base indicator method	89	89	84	43
Total minimum capital requirement pursuant to Basel II	1,671	1,671	1,749	1,603
Total minimum capital requirement pursuant to Basel I	1,886	1,882	2,002	1,844
<b>Capital adequacy</b>				
Capital adequacy ratio	1.78	1.77	1.56	1.71
Capital adequacy level, %	15.02	14.96	13.11	14.05
Core capital ratio, %	13.96	13.89	12.19	13.07

# LEASING INCOME & AGGREGATE NET INTEREST

	Group				Parent Company			
	2009 Jan-Juni	2009 Apr-Jun	2008 Jan-Jun	2008 Apr-Jun	2009 Jan-Jun	2009 Apr-Jun	2008 Jan-Jun	2008 Apr-Jun
Leasing income from operational and financial leasing agreements	125,496	62,360	125,606	66,505	1,169,839	569,533	1,239,945	617,291
Scheduled depreciation	-114,630	-58,235	-104,544	-54,339	-1,069,738	-533,558	-1,033,790	-513,243
Interest income	355,270	146,631	683,352	342,910	266,035	114,782	423,416	216,376
Interest expenses	-263,513	-95,546	-511,291	-259,498	-263,512	-95,545	-506,531	-256,781
<b>Aggregate net interest</b>	<b>102,623</b>	<b>55,210</b>	<b>193,123</b>	<b>95,578</b>	<b>102,624</b>	<b>55,212</b>	<b>123,040</b>	<b>63,643</b>

At the Parent Company all leasing agreements are reported as operational, while at Group level some are reported as financial. This means that the leasing net of financial contracts is reclassified as interest income in the consolidated accounts.

# STATEMENT OF INCOME

Amounts in SEK T

	Group				Parent Company			
	2009 Jan-Jun	2009 Apr-Jun	2008 Jan-Jun	2008 Apr-Jun	2009 Jan-Jun	2009 Apr-Jun	2008 Jan-Jun	2008 Apr-Jun
Interest income	355,270	146,631	683,352	342,910	266,035	114,782	423,416	216,376
Leasing income	125,496	62,360	125,606	66,505	1,169,839	569,533	1,239,945	617,291
Interest expenses	-263,513	-95,546	-511,291	-259,498	-263,512	-95,545	-506,531	-256,781
Dividends received	-	-	-	-	-	-	-	-
Net result of financial transactions*	2,841	3,089	1,012	1,532	2,841	3,089	1,012	1,532
Commission income	143,772	74,627	135,172	72,354	143,772	74,627	40,802	20,057
Commission expenses	-14,747	-7,654	-10,898	-6,308	-14,747	-7,654	-6,980	-3,447
<b>Total operating income</b>	<b>349,120</b>	<b>183,508</b>	<b>422,953</b>	<b>217,495</b>	<b>1,304,228</b>	<b>658,833</b>		<b>595,028</b>
General administrative expenses	-114,617	-57,882	-127,788	-63,711	-114,617	-57,882	-50,113	-25,937
Depreciation of tangible fixed assets		-63,479	-112,654	-58,406		-538,803		-516,120
Other operating expenses	-15,984	-10,611	-29,058	-20,423	-15,980	-10,606	-9,423	-6,003
<b>Total operating expenses</b>	<b>-255,868</b>	<b>-131,972</b>	<b>-269,500</b>	<b>-142,540</b>		<b>-607,291</b>		<b>-548,060</b>
<b>Income before credit losses</b>	<b>93,252</b>	<b>51,536</b>	<b>153,453</b>	<b>74,955</b>	<b>93,256</b>	<b>51,542</b>	<b>92,609</b>	<b>46,968</b>
Credit losses, net	-7,143	-1,006	-3,485	-4,827	-7,143	-1,006	1,893	538
<b>Income before appropriations and taxes</b>	<b>86,109</b>	<b>50,530</b>	<b>149,968</b>	<b>70,128</b>	<b>86,113</b>	<b>50,536</b>	<b>94,502</b>	<b>47,506</b>
Appropriations	-	-	-	-	-	-	-	-
Taxes	-22,647	-13,290	-41,991	-19,636	-22,648	-13,291	-26,461	-13,302
<b>Profit</b>	<b>63,462</b>	<b>37,240</b>	<b>107,977</b>	<b>50,492</b>	<b>63,465</b>	<b>37,244</b>	<b>68,041</b>	<b>34,204</b>
<i>* Net income from financial transactions</i>								
- Currency-related	74	-	84	-123	74	-	84	-123
- Interest-bearing securities and related derivatives	2,767	3,089	928	1,655	2,767	3,089	928	1,655
<b>Total</b>	<b>2,841</b>	<b>3,089</b>	<b>1,012</b>	<b>1,532</b>	<b>2,841</b>	<b>3,089</b>	<b>1,012</b>	<b>1,532</b>

# BALANCE SHEET

Amounts in SEK T

	Group 30 Jun 2009	Group 30 Jun 2008	Parent Company 30 Jun 2009	Parent Company 30 Jun 2008
Lending incl. leasing objects	23,487,119	24,796,382	23,487,119	22,985,700
Lending Group companies	-	-	-	980,358
Other assets*	916,901	890,904	1,065,015	1,010,385
<b>Total assets</b>	<b>24,404,020</b>	<b>25,687,286</b>	<b>24,552,134</b>	<b>24,976,443</b>
Borrowing	19,236,619	20,613,425	19,404,010	20,377,562
Other liabilities*	1,241,187	1,297,417	1,241,187	896,040
Debtenture loans	210,189	190,681	210,189	190,681
Deferred tax liabilities	806,061	824,115	806,061	824,115
Guarantee fund loan	200,000	200,000	200,000	200,000
Shareholders' equity	2,623,855	2,411,680	2,604,574	2,393,543
<b>Income before appropriations and taxes</b>	<b>86,109</b>	<b>149,968</b>	<b>86,113</b>	<b>w94,502</b>
<b>Total liabilities and shareholders' equity</b>	<b>24,404,020</b>	<b>25,687,286</b>	<b>24,552,134</b>	<b>24,976,443</b>
<i>* Of which derivative instruments with positive and negative market value</i>				
- Derivative instruments with positive market value	322,679	33,724		
- Derivative instruments with negative market value	-8,823	-87,699		

# KEY RATIOS

	Group 2009 Jan - Jun	Group 2008 Jan - Jun	Group 2008 Year as a whole
Return on shareholders' equity, %	5.16	8.96	8.14
Risk capital/balance sheet total, %	16.09	14.70	14.79
Income/risk-weighted assets, %	0.87	1.44	1.32
Capital adequacy ratio	1.78	1.56	1.73
Capital adequacy level, %	15.02	13.11	14.55
Core capital ratio, %	13.96	12.19	13.53
Credit losses/Ø lending, %	0.06	0.03	0.08
I/E ratio	1.58	1.89	1.76
I/E ratio, excl. credit losses	1.66	1.93	1.87

# CASH FLOW STATEMENT

Amounts in SEK T

	Group 2009 Jan - June	Group 2008 Jan - June
<b>Ongoing operations</b>		
Operating income	86,109	149,968
Depreciation	125,267	112,654
<i>Changes in operating assets and liabilities</i>		
Lending to credit institutions	-310,868	-592,882
Lending to the public	1,075,100	714,764
Other assets	135,020	94,416
Liabilities to credit institutions	-2,501,884	-243,823
Borrowing from the public	652,173	90,713
Securities issued	855,695	173,786
Other liabilities	-34,949	-316,857
<b>Cash from ongoing operations</b>	<b>81,663</b>	<b>182,739</b>
<b>Investment operations</b>		
Change in intangible fixed assets	8,666	-4,063
Change in tangible fixed assets	-55,055	-141,080
<b>Cash flow from investment operations</b>	<b>-46,389</b>	<b>-145,143</b>
<b>Financing operations</b>		
Debenture loans	626	-4,300
Dividend paid	-35,900	-33,300
<b>Cash flow from financing operations</b>	<b>-35,274</b>	<b>-37,600</b>
<b>Cash flow for the period</b>	<b>-</b>	<b>-4</b>
Cash and cash equivalents at start of year	-	6
Cash from ongoing operations	81,663	182,739
Cash flow from investment operations	-46,389	-145,143
Cash flow from financing operations	-35,274	-37,600
<b>Cash and cash equivalents at the end of the period</b>	<b>-</b>	<b>2</b>

# CHANGE IN SHAREHOLDERS' EQUITY

Amounts in SEK T

GROUP	Share capital	Retained earnings, incl. net profit for the year	Total shareholders' equity
Opening shareholders' equity, 1 January 2008	100,000	2,344,980	2,444,980
Net profit for the year		248,074	<b>248,074</b>
<b>Total change before transactions with shareholders</b>	-	<b>248,074</b>	<b>248,074</b>
Dividend		-33,300	<b>-33,300</b>
Shareholders' equity, 31 December 2008	100,000	2,559,754	2,659,754
Opening shareholders' equity, 1 January 2009	100,000	2,559,754	2,659,754
Profit for the period after tax		63,462	<b>63,462</b>
<b>Total change before transactions with shareholders</b>	-	<b>63,462</b>	<b>63,462</b>
Dividend		-35,900	<b>-35,900</b>
Bonus issue	100,000	-100,000	-
Shareholders' equity, 30 June 2009	200,000	2,487,316	2,687,316

PARENT COMPANY	Restricted share- holders' equity Share capital	Restricted share- holders' equity Statutory serve fund	Retained earnings, incl. net profit for the year	Total shareholders' equity
Opening shareholders' equity, 1 January 2008	100,000	20,000	187,689	307,689
Net profit for the year			40,861	<b>40,861</b>
<b>Total change before transactions with shareholders</b>	-	-	<b>40,861</b>	<b>40,861</b>
Group contribution received			92,244	<b>92,244</b>
Tax attributable to Group contribution received			-25,828	<b>-25,828</b>
Dividend			-33,300	<b>-33,300</b>
Shareholders' equity, 31 December 2008	100,000	20,000	261,666	381,666
Opening shareholders' equity, 1 January 2009	100,000	20,000	261,666	381,666
Profit for the period after tax			63,465	<b>63,465</b>
<b>Total change before transactions with shareholders</b>	-	-	<b>63,465</b>	<b>63,465</b>
Dividend			-35,900	<b>-35,900</b>
Bonus issue	100,000	-	-100,000	-
Shareholders' equity, 30 June 2009	200,000	20,000	189,231	409,231

# ACCOUNTING PRINCIPLES

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Volvofinans applies the IFRS (International Financial Reporting Standards) as approved by the EU. This interim report has been prepared in accordance with IAS 34. The Parent Company prepares interim reports in accordance with legally limited IFRS.

As of 2009, Volvofinans applies the IFRS 8 standard relating to operating segments. This standard requires segment information to be presented from the management's perspective, as used in internal reporting. The introduction of this standard has not resulted in any changes to the segment information. In all other respects, the same valuation and accounting principles apply as in the most recent annual report.

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

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



**VOLVOFINANS**

*50 års Jubileum  
1959 - 2009*

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