

VOLVO

Capital Market Day

June 21, 2005

Sal Mauro

Volvo Financial Services



A Global Services Organization

Customer Finance



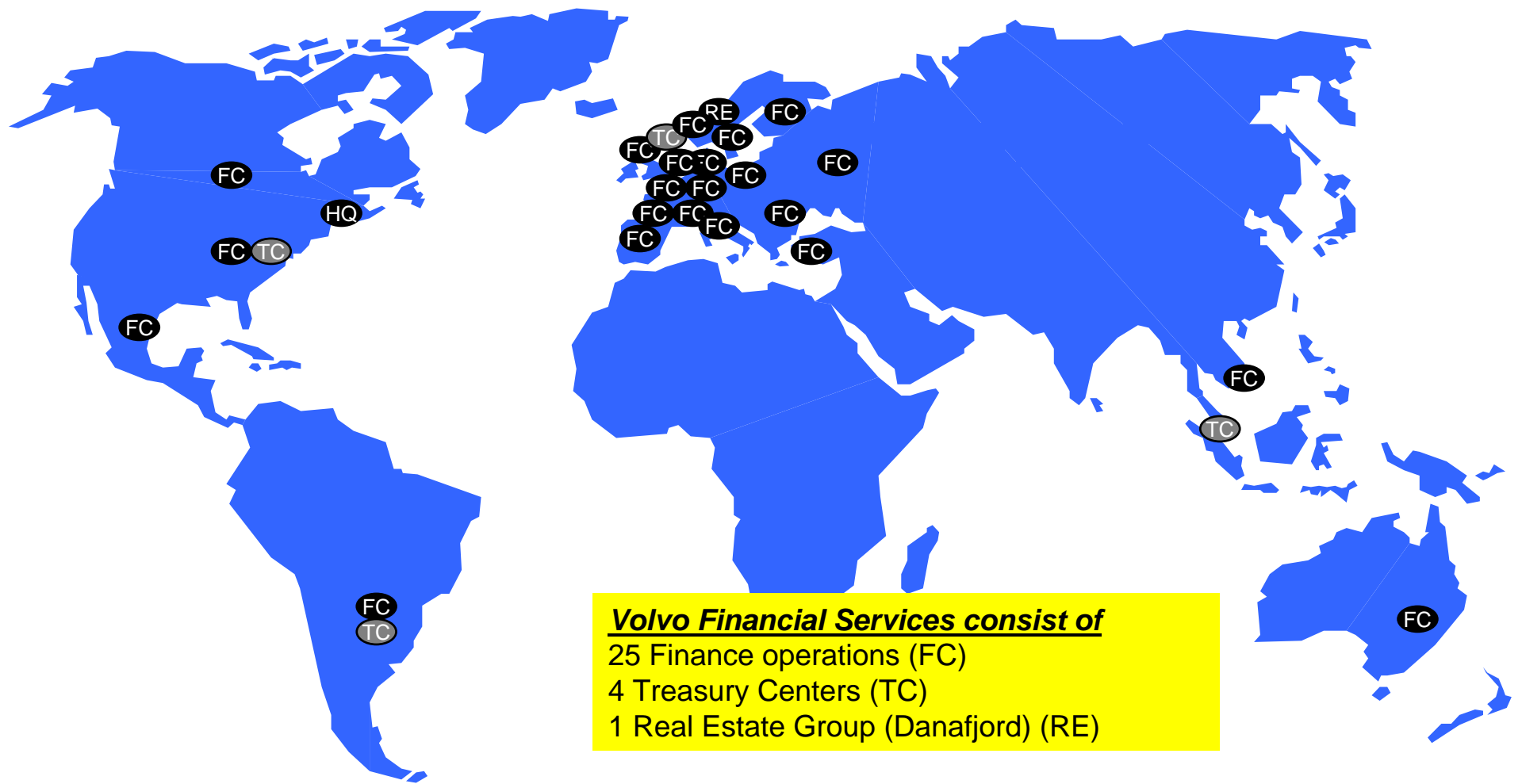
Treasury



Real Estate



A Global Services Organization



Volvo Financial Services consist of
25 Finance operations (FC)
4 Treasury Centers (TC)
1 Real Estate Group (Danafjord) (RE)

Supporting the Brands

VOLVO

Financial Services

- Volvo Trucks
- Volvo Buses
- Volvo Construction Equipment
- Volvo Aero
- Volvo Penta

RENAULT TRUCKS Finance

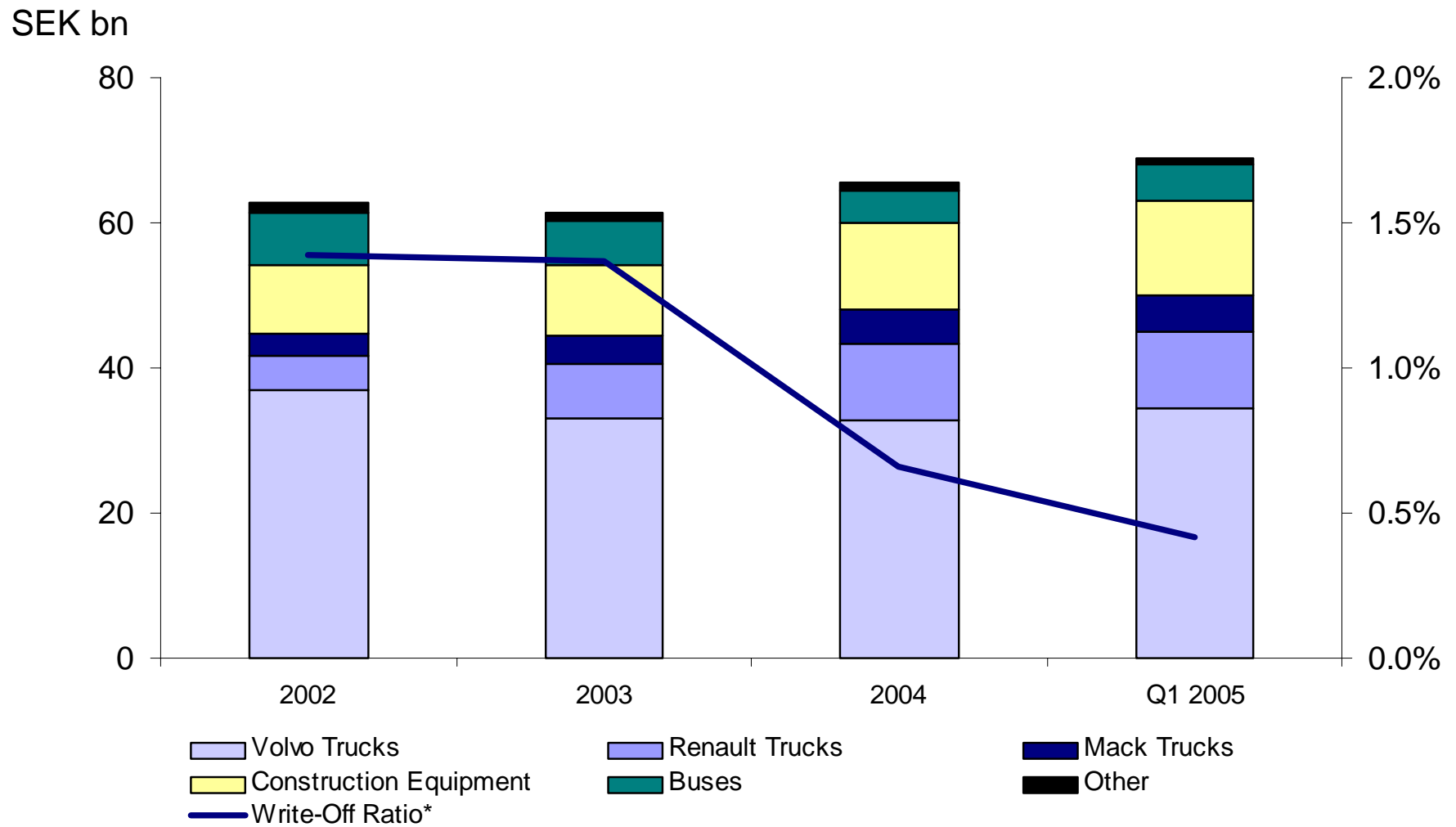
- Renault Trucks



- Mack Trucks

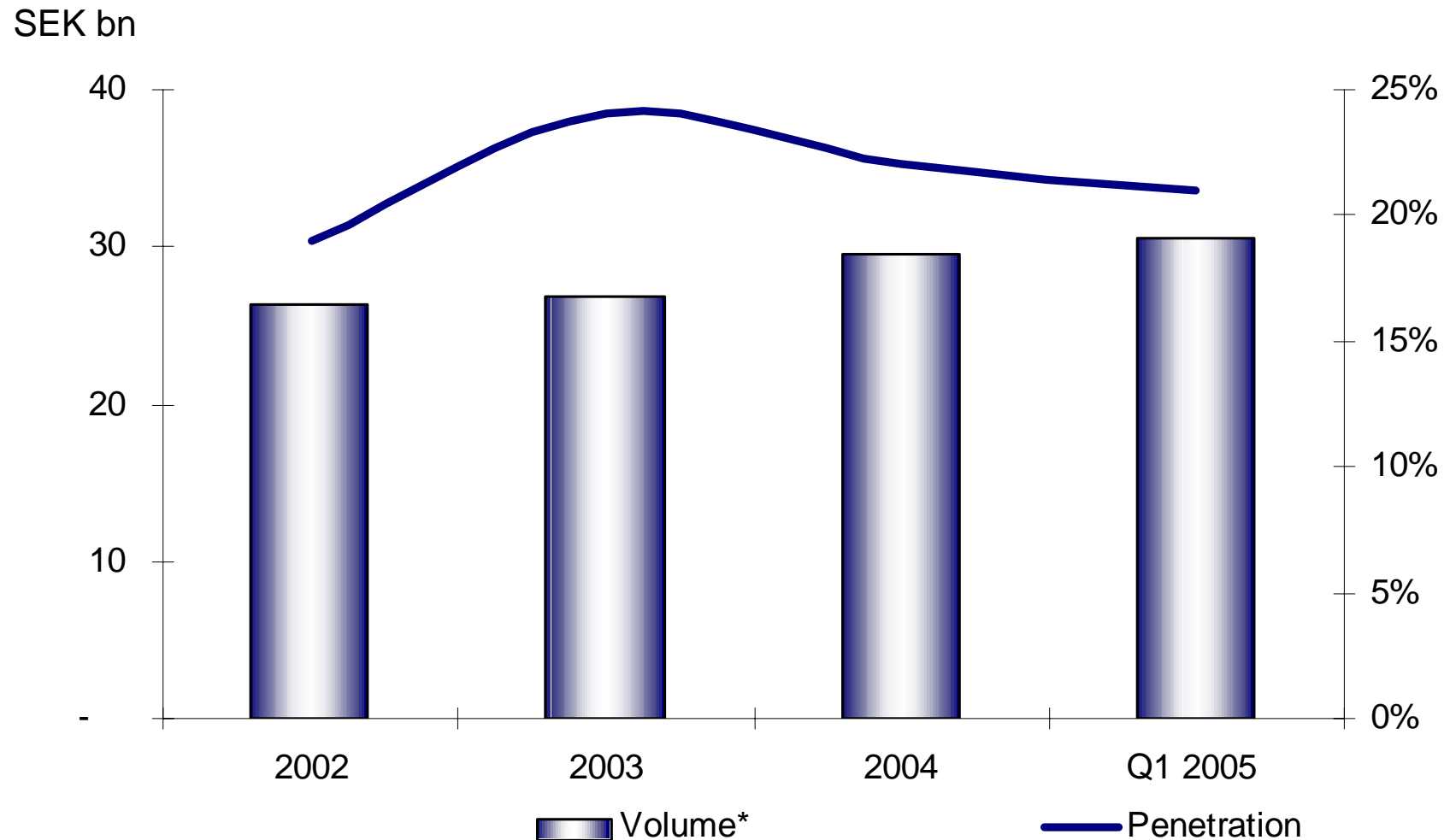


Gross Credit Portfolio and Write-Off Ratio



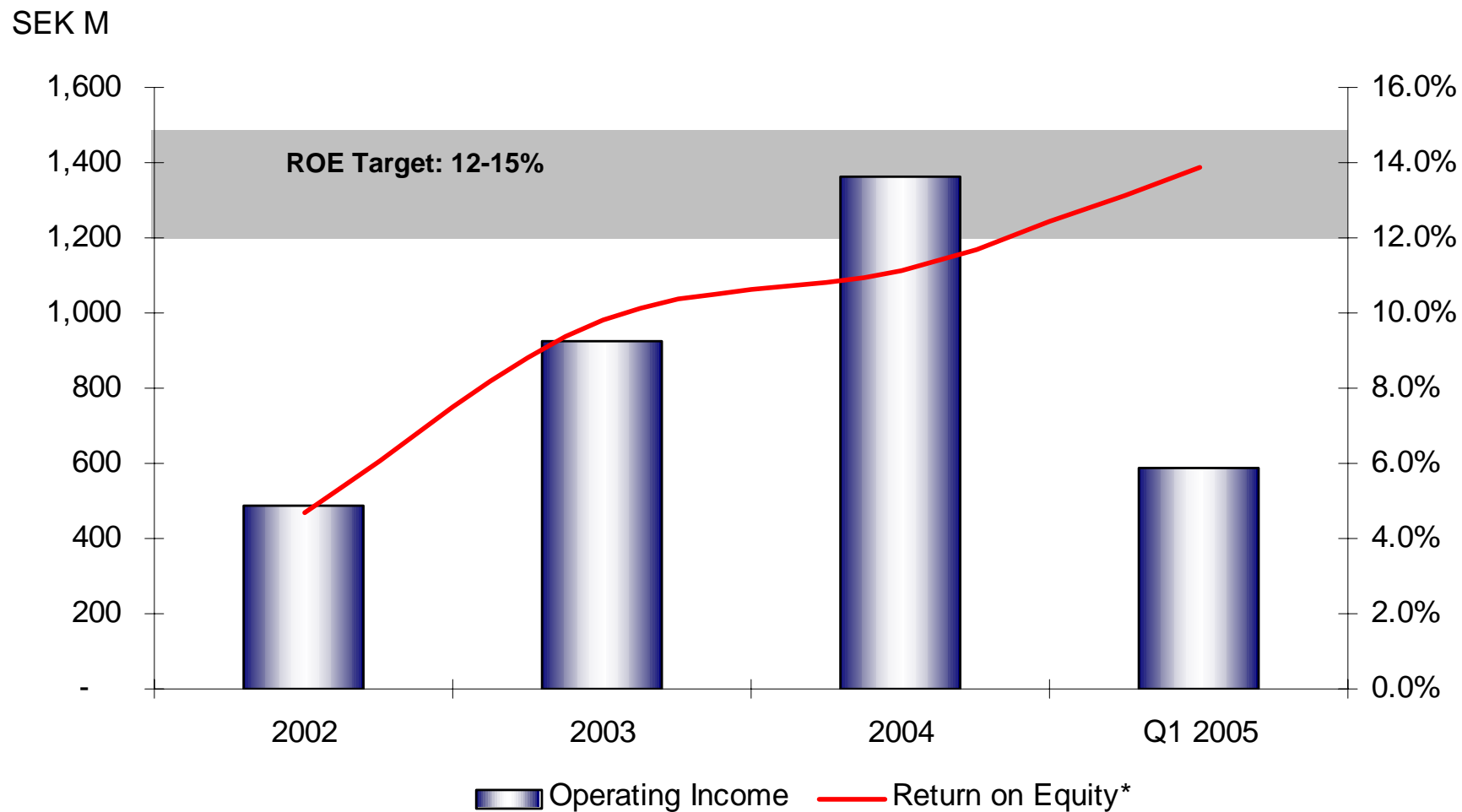
* Annualized

New financing Volume and Penetration Ratio



*12 month moving

Operating Income and Return on Equity



*12 months moving

Mature and Emerging Markets

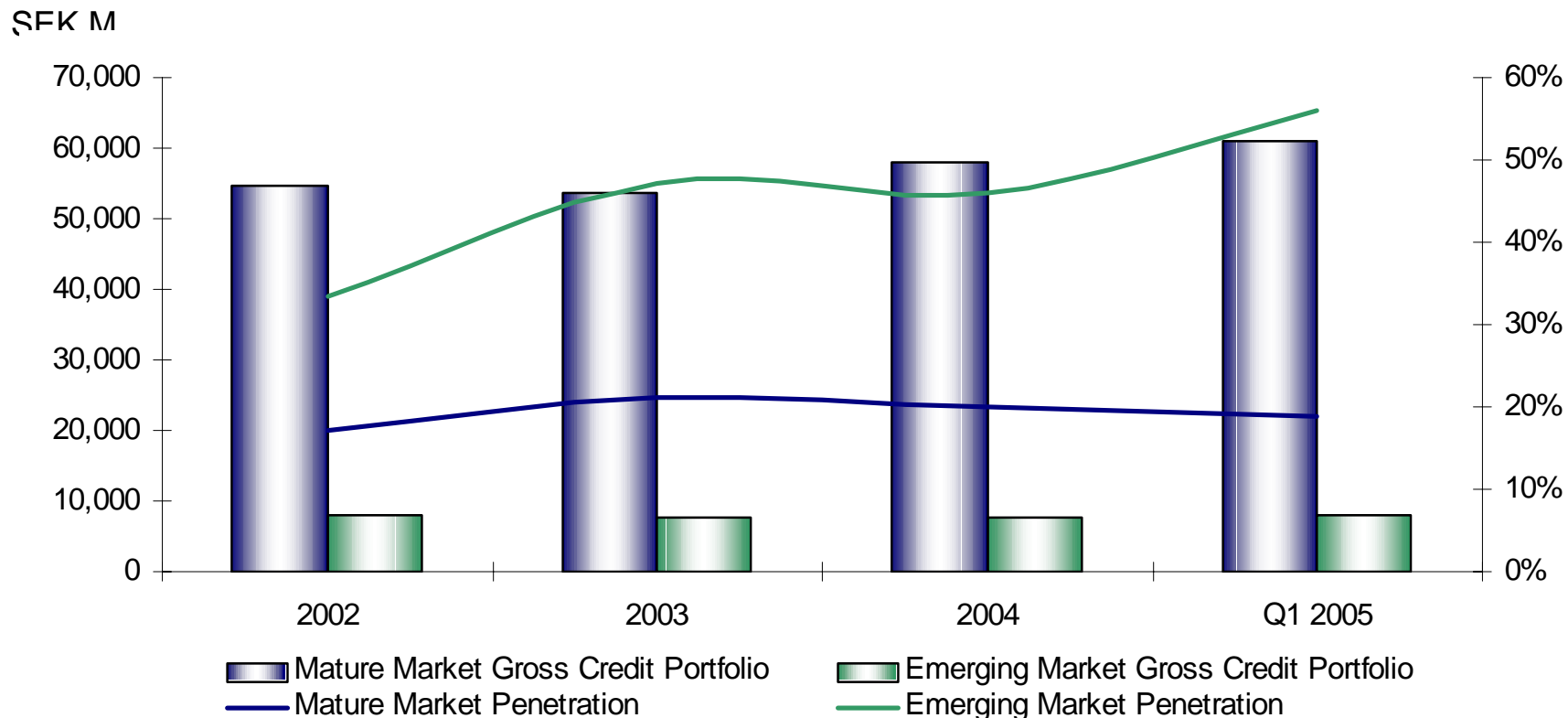
Customer Finance: Operations in 25 Countries

- Mature Markets – 17 Finance Operations
- Emerging Markets – 8 Finance Operations

Cross Border Activities in up to 20 countries



Gross Credit Portfolio & Penetration Ratio



Mature Market Characteristics

- Stability of Portfolio
- Good Profitability
- Steady Growth
- More Competition and Liquidity than Emerging Markets
- Wider Product Offerings



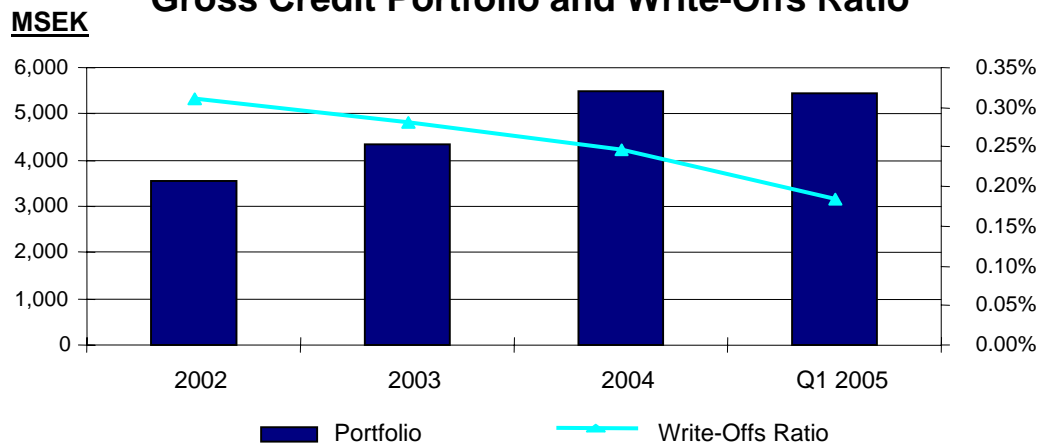
Typical Mature Market Product Offerings

- Installment Credit Financing
- Finance Lease Financing
- Operating Lease Financing
- Dealer Financing
- Rental Franchisee Financing
- Insurance Offering
- Maintenance and Service Contracts
- Packaged Products

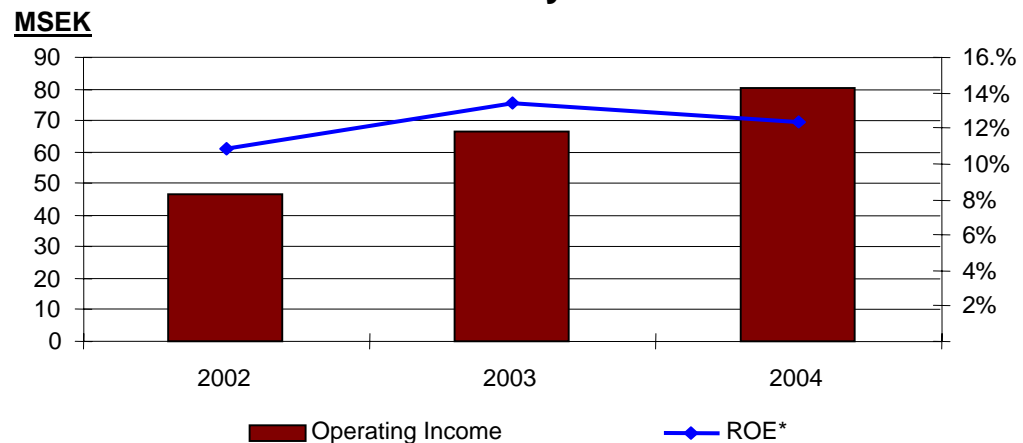


Mature Market: Germany

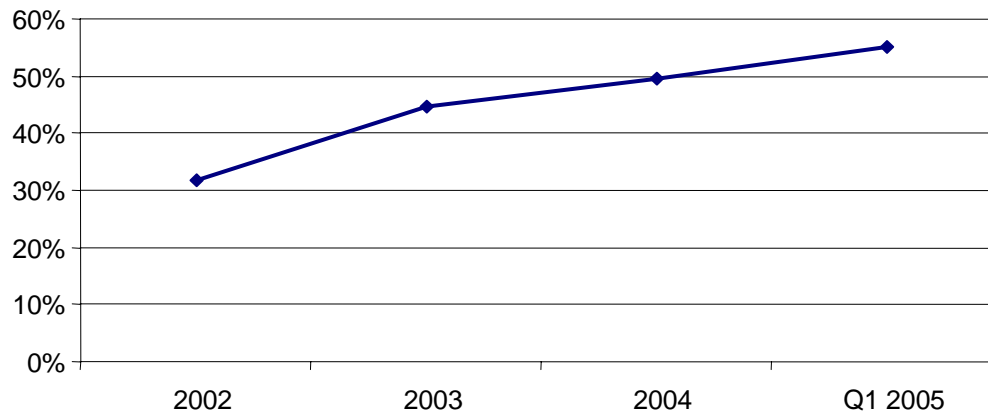
Gross Credit Portfolio and Write-Offs Ratio



Profitability



Penetration



*12 - months rolling

Emerging Market Characteristics

- Selective Product Offerings
- Lower Competition and Liquidity, but Increasing
- Lower Lending to Asset Value Ratio
- Market Specific Collection Procedures and Techniques
- Higher Market Share
- Generally Higher Returns
- Good Profitability
- Good Potential for Further Controlled Growth



Typical Emerging Market Product Offerings

Limited Product Offering:

- Cross-Border Financing
- Installment Credit Financing
- Finance Lease Financing

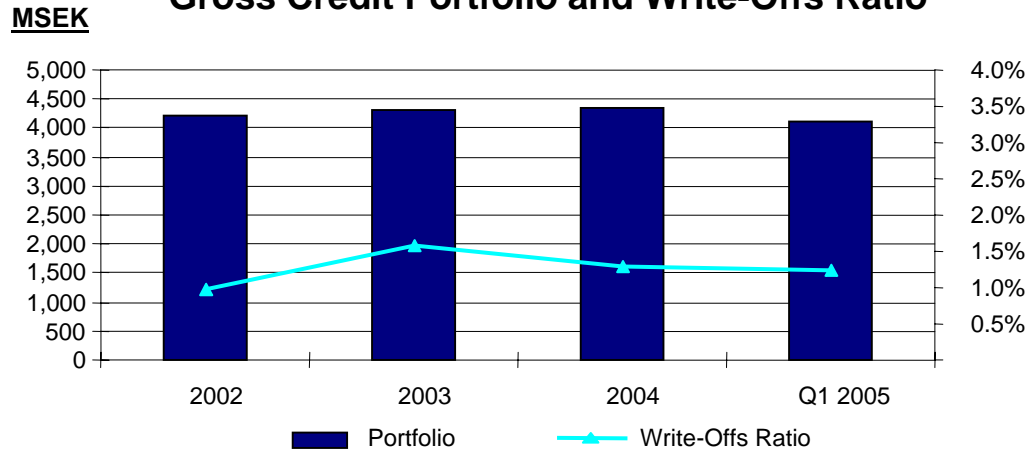
Note:

- Further Financial Product Development as Market Stabilizes
- Establishment of Finance Companies in Markets as they Develop (Russia, Turkey and Romania)

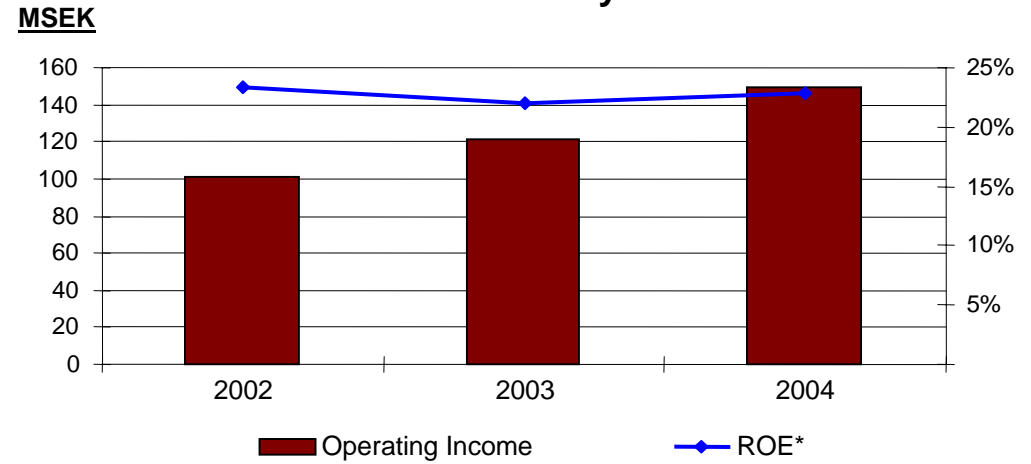


Emerging Market: Eastern Europe

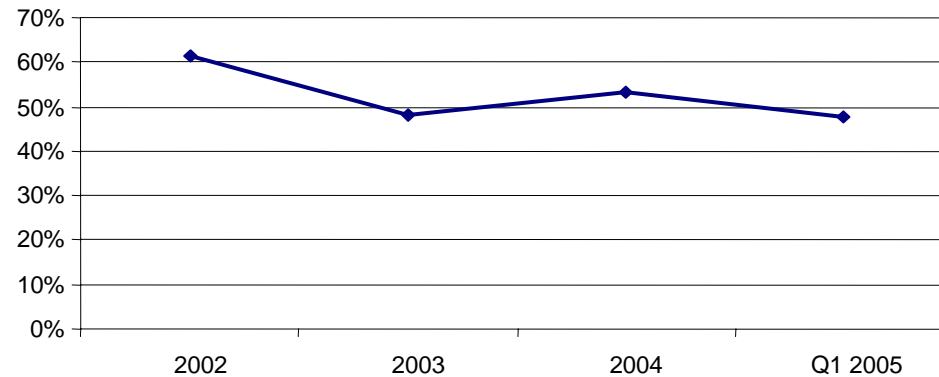
Gross Credit Portfolio and Write-Offs Ratio



Profitability



Penetration



*12 - months rolling

Summary

- Overall Steady Earnings and Growth
- Good Portfolio Performance
- Room for Further Growth in Mature Markets
- Developing Further - Region International



Key Objectives

1. **Stability in earnings** over a business cycle
2. **Profitability** in all business segments
3. Controlled and profitable **asset growth**
4. Sound **portfolio structure** / asset diversification
5. Support Business Areas & maximize **customer satisfaction**

