

VOLVO

Financial Services

2010
Investor Day

Volvo Financial Services at a Glance

Global presence



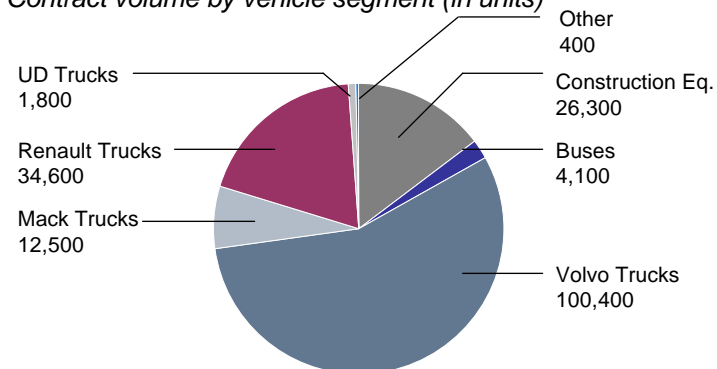
Volvo Financial Services (VFS) offers financing capacity in 43 countries around the world

As of September 30

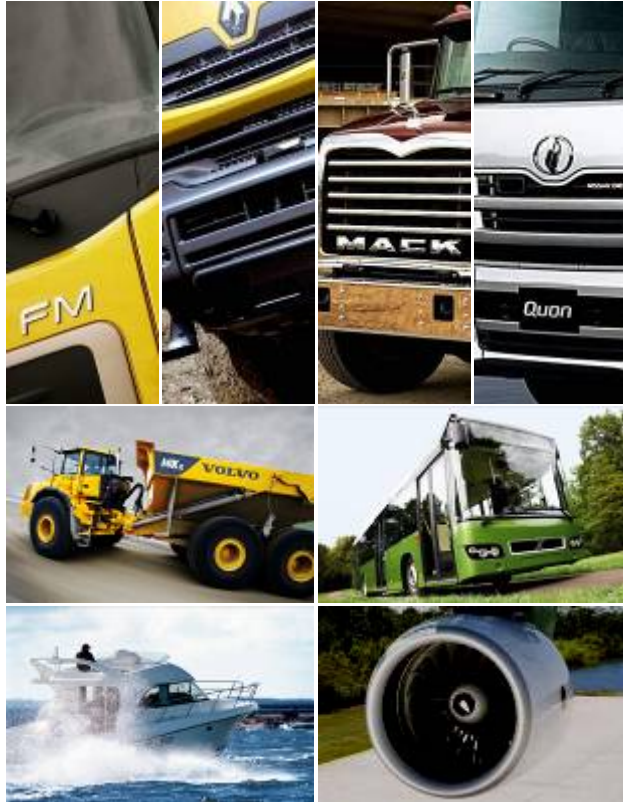
New retail financing	SEK 24.5 bn
Managed assets	SEK 90.9 bn
Employees	1,230
Portfolio (in units)	180,100

Portfolio

Contract volume by vehicle segment (in units)



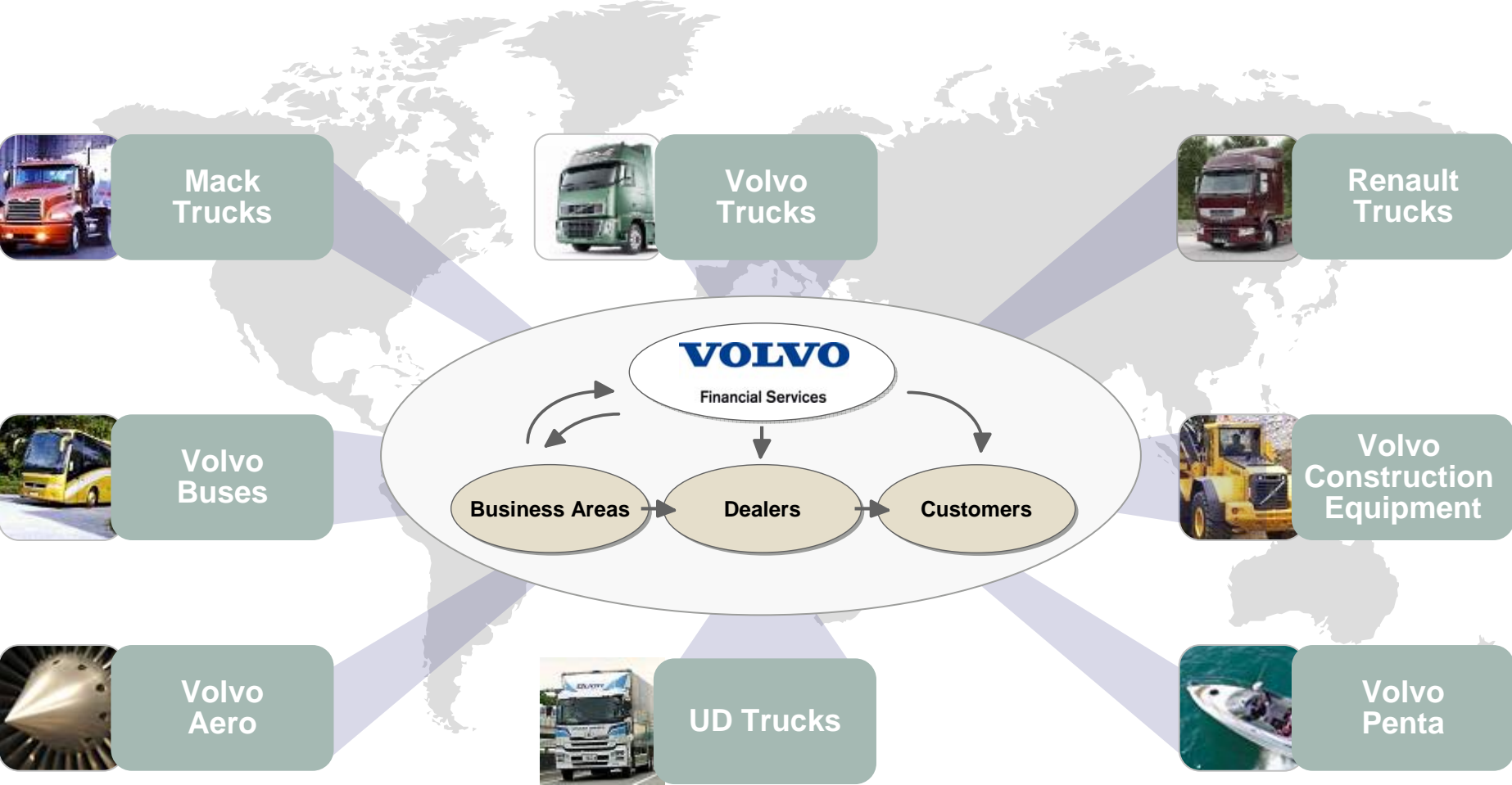
Our Value Proposition



- Our focus is exclusively on the Volvo Group's brands and segments
- In close relationship with the Group's brands, we develop integrated services meeting the needs of our customers and dealers
- We strengthen the customer retention and loyalty to the brands of the Volvo Group
- We provide a worldwide presence through wholly owned subsidiaries and private label agreements with local partners
- We support customers and dealers over the business cycle

We strive to achieve value for the Volvo Group's customers, dealers, Business Areas and shareholders

Integrated Commercial Offer



Branded Finance Products



UD TRUCKS
FINANCIAL SERVICES



VOLVO

Financial Services



**RENAULT
TRUCKS**
FINANCIAL SERVICES

Operating Models

Efficient and Effective Use of Volvo Group Capital

1. In-country (local) operations
2. Cross-border financing and leasing
3. Private label agreements
4. Third party alliances

- Ability to protect Volvo Group assets
- External Risks: political, financial systems, etc.
- Scale (unit sales): current and future potential
- Funding: availability of competitive capital with growth potential
- Competition: How do others manage this market? No competition may be a warning sign.
- Resources and local knowledge to execute correctly and profitably

Customer Offering

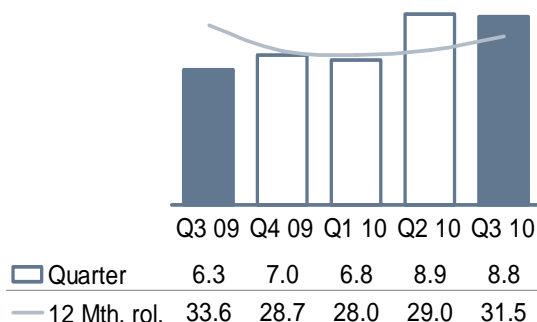


Q3 Results



New retail financing

SEK bn

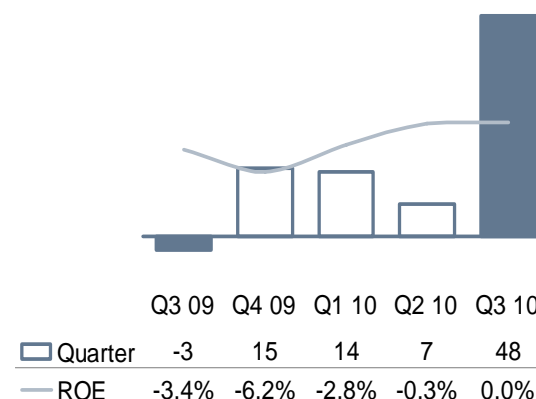


Highlights

- Strong North America portfolio performance
- Targeted volume increases
- Stabilization of Eastern Europe portfolio

Operating income and return on equity

SEK M



In Focus

- Profitable growth mature markets
- Further BRIC development
- Eastern Europe inventory reduction

Regional Performance

Positive trends continue

Western Europe:

- Risk-related KPI's steadily improving; still far from 2007/2008 levels
- Demand for used equipment getting stronger and price levels increasing
- New business volume picking up

Americas:

- US portfolio quality back to pre-crisis levels
- Latin America and Canada portfolios continue to perform well
- Strong volumes in Brazil; picking up in North America
- South Africa private label with Wesbank

Eastern Europe:

- Portfolio continues to stabilize
- Improvement pace varies across markets
- Focus on inventory reduction
- New business volume picking up in Russia

Asia/Pacific:

- Solid portfolio performance
- Controlled growth in China
- New operations in Japan and Australia developing well. India start-up in focus.
- Indonesia alliance with Orix

BRIC Focus

Significant Growth Markets for the Volvo Group

Brazil:

- Local finance company in operation > 15 years
- Managed assets up 30% over the last year
- 4 BSEK portfolio syndication in Q210
- Portfolio performing well with low delinquencies
- Mature and tested remarketing system

China:

- Local finance company established in 2006
- Strong volume in construction equipment
- Portfolio performing well with low delinquencies and write offs
- Recruitment strategies in place
- Strong deal structure and risk management discipline

Russia:

- Cross border activities started 1995 / local finance company established 2003
- Market hit hard in 2009, but now is set for a steady recovery in 2011+
- Business model and control environment strengthened based on experience

India:

- New market development plan in process
- Expected to start-up in 1st quarter 2011
- Evaluating wholesale financing opportunities

CONCLUSION & KEY MESSAGES

- VFS as part of the Volvo Group integrated commercial offer
- We are well positioned to support Volvo Group growth in all key markets
- Positive trends continue in our portfolio as we emerge from the severe economic downturn
- We are preparing now for future downturns in the BRICs with strong underwriting and risk management disciplines
- Profitable, controlled growth

