

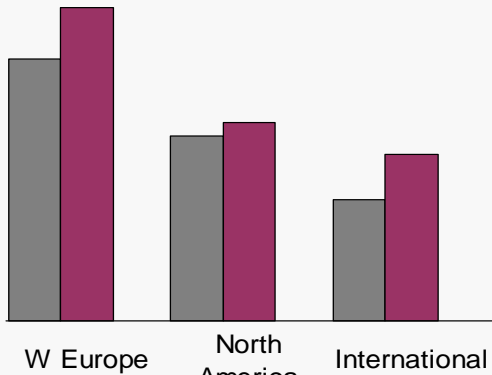
# **VOLVO**

**VOLVO FINANCIAL SERVICES  
NORTH AMERICA  
INVESTOR & ANALYST PRESENTATION**

Martin Weissburg  
President & CEO  
November 19, 2008

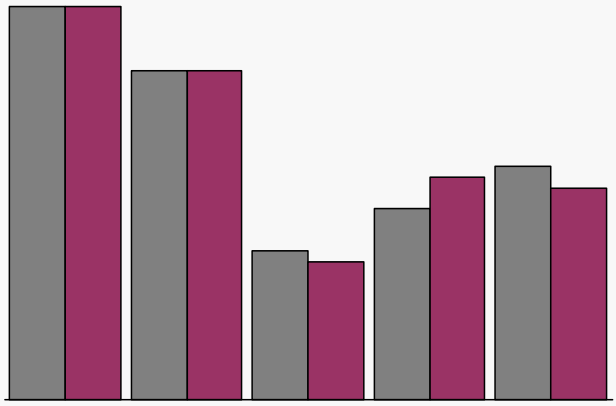
# Financial Services

**Total managed assets**  
(SEK bn)



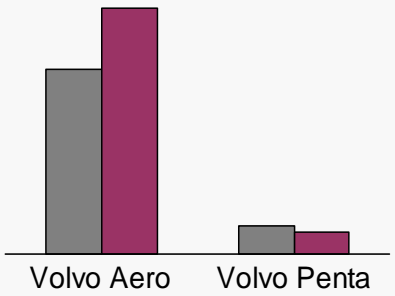
	W Europe	North America	International
Q307	41	29	19
Q308	49	31	26

**Penetration on new financing**



	Volvo CE	Volvo Trucks	Buses	Renault Trucks	Mack Trucks
Q307	37%	31%	14%	18%	22%
Q308	37%	31%	13%	21%	20%

**Managed assets in:  
Volvo Aero & Volvo Penta**  
(SEK M)



	Volvo Aero	Volvo Penta
Q307	874	134
Q308	1167	105

# Benefits Provided to The Volvo Group



- Sustainable profitability throughout the business cycle
- Increased Business Area sales
- Enhanced customer loyalty & retention
- Strengthen brand recognition
- Ongoing access to customers
- Superior customer & dealer service
- Sole focus on Volvo Group products
- Longevity in the market

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**VOLVO**

Financial Services

# Customer offering



**Insurance/  
Service &  
Maintenance  
Contracts  
(Non risk based)**

**Operational  
Lease  
Global – 10.3%  
NA – 10.2%**

**Receivables  
Management  
Global – 0.8%  
NA – 0.7%**

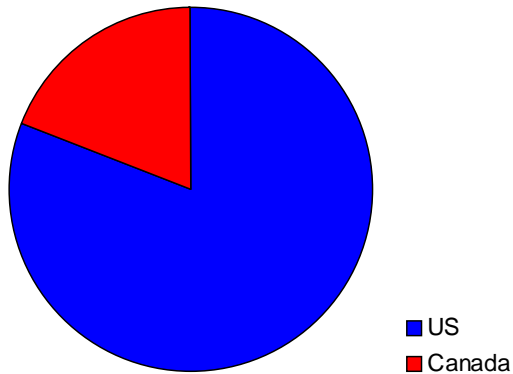
**Installment  
Credit  
Global – 36.2%  
NA – 43.1%**

**Finance Lease  
Global – 36.2%  
NA – 14.9%**

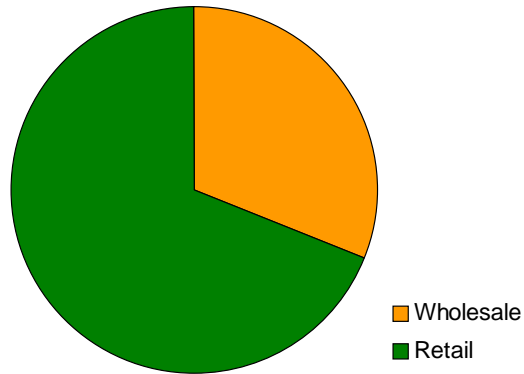
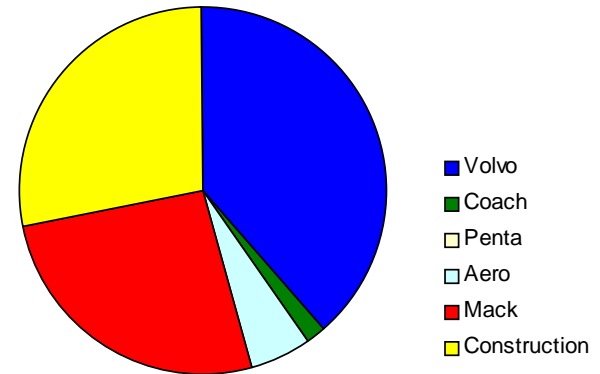
**Dealer Financing  
Global – 16.5%  
NA – 31.1%**

# VFSNA Portfolio as of Sept. 30<sup>th</sup>, 2008

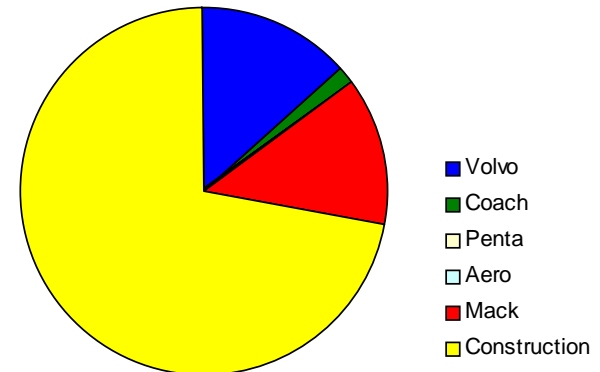
## Managed Assets



## Retail



## Wholesale



# Volvo Group Customer Relationships

	2007	Sep-2008 YTD
• Customers (end users)	23,389	23,158
• Retail transactions		
– Accounts	10,817	7,984
– Amount funded	\$1.5 Billion	\$1.0 Billion
• Dealer customers	221	256
• Dealer transactions funded	\$2.3 Billion	\$1.8 Billion

- Volvo Group customer retention
- Soft product Volvo brand experience for customer
- High quality service throughout business cycle
- VFS consistent point of contact with customer

# Business Conditions

## Topic

- Consumer spending & credit cards
- Fuel
- Freight movement
- Construction

## Strategy & Action

- Maintain credit standards
- Stability & Control
- Transaction Structuring

- Equipment supply and demand
- Equipment remarketing

- Expanded sales channels & resources
- Price optimization

- Liquidity and interest rates

- Market pricing + VFS premium

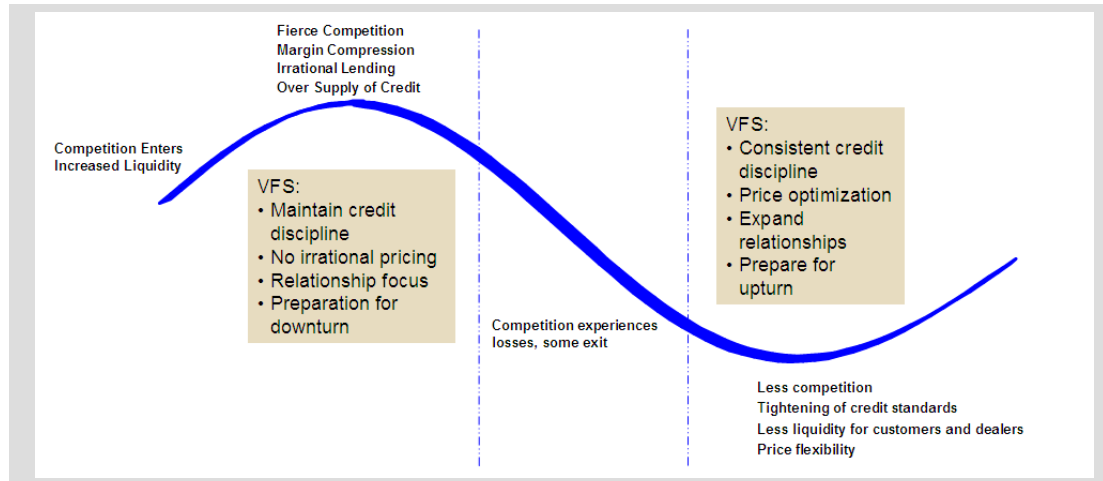
# Credit and Risk Management

- Collateral based lending of readily marketable assets
  - Disciplined transaction structuring
  - Supported by well developed remarketing networks
- Consistent underwriting
  - Global credit policies
  - Local/region/executive credit committees
- Portfolio performance & trends
  - Daily/weekly reporting
  - Monthly review
  - Internal control reviews
  - Best practices
- Limited risk concentration
  - Diversified asset categories
  - Country & regional dispersion
  - Risk sharing & syndication of large customer exposures



# Business Cycle Management

## Downturn

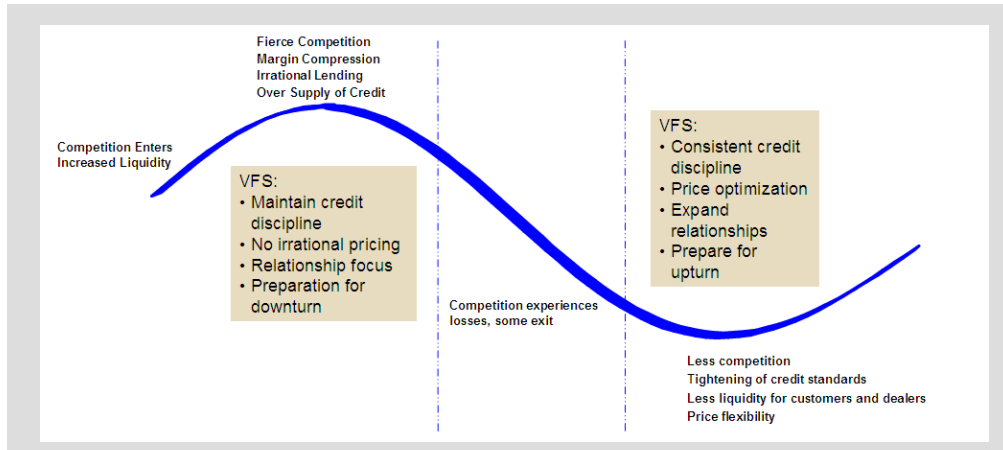


### Actions Taken 2007 - 2008

- Process improvements from last downturn
- Hired additional experienced staff in credit and collections
- Reallocated resources to collections and remarketing
- Disposition of equipment through expanded remarketing channels
- Maintained credit standards
- Cost reduction and operational efficiency

# Business Cycle Management

## Profitable Growth & Upturn Preparation



*Build Strong Relationships That Promote Group Sales*

*Provide Steady Profitability to Enhance Shareholder Value Throughout the Business Cycle*

*Maintain Strict Credit Parameters Throughout All Periods of the Cycle*

### Opportunities 2009

- Price premium & leadership
- Retail penetration increase
- Wholesale penetration increase
- Cross marketing for increased hard product sales
- Group Soft Product strategy
- Target market exiting competitors

# Conclusion

- VFSNA prepared for current downturn
- Operational improvements continue
- Portfolio performance as anticipated
- Stability, control and profitability throughout cycle
- Reliable and consistent provider to Group, dealers and end-users
- Growth within strict credit parameters
- Price leadership
- Maintain strategy and focus