

INTERIM REPORT

AB Volvofinans (publ)
Corporate registration No. 556069-0967

January 1 to March 31, 2003

Sales of passenger cars

Sales of passenger cars in Sweden rose 9.5% compared with the year-earlier period. A total of 63,613 cars were registered (58,077). Volvo and Renault accounted for 25.8% of the sales, or 16,410 vehicles (15,238).

Truck sales amounted to 1,045 units (935), of which Volvo's share was 53% (45). The current order situation indicates an annual volume of 4,850 units compared with 4,700 in the preceding year.

Lending

Lending to the public totalled SEK 23.1 billion (22.5), an increase of SEK 600 million, or 3%, compared with the preceding year. Our sales financing and credit card operations accelerate as planned while inventory financing declined slightly compared with the preceding year.

Income

Income before appropriations and tax amounted to SEK 59.3 million (55.3), an increase of 7% compared with the preceding year.

The improvement in income is attributable to slightly better margins in lending and unchanged costs. Return on shareholders' equity amounted to 10.77% (11.05).

Credit losses/risk provisions

Credit losses amounted to SEK 1.5 million (1.9) and refer entirely to the credit card operations. The bulk of lending (89%) concerns our sales financing in which Volvo dealers bear the ultimate credit risk, which explains why this area, as in the past, does not present any credit losses.

Allocation for Group-based risk provisions has decreased slightly compared with year end. The reserves amounted to SEK 137.8 million (141.8 year end).

The problem credits, as of the reporting period, amounted to SEK 29.4 million (28.7), which pertain solely to the credit card operations.

Capital procurement

Our total market lending as of March 31 was SEK 13.5 billion and unutilized credit facilities amounted to SEK 15.7 billion.

Rating

Standard and Poor's has chosen to link Volvofinans' credit rating to Ford Credit, which has resulted in a long-term credit rating of BBB and short-term credit rating of A-2/K-2.

Since 1988 Volvofinans has had the credit rating K-1 for borrowing in the Swedish certificate market. However, the credit-rating downgrade in October 2002 also changed this domestic rating to K-2.

In its statement, Standard & Poor's explained that the revised credit rating had nothing to do with Volvofinans' operations but was based entirely on developments in the Ford Group.

If any questions, please contact President Björn Ingemanson at telephone no. +46 31-838890 or Chief Financial Officer Bert Björn at +46 31-838812.

This interim report is unaudited.

INCOME STATEMENT

Amounts in SEK T	2003	Group	2003	Parent Company
	2003	2002	2003	2002
	Jan - March	Jan - March	Jan - March	Jan - March
Interest income	207,861	219,519	191,009	206,193
Leasing income	603,225	540,214	603,225	540,214
Interest expenses	- 234,484	- 232,232	- 232,691	- 230,552
Commission income	55,104	50,852	16,817	15,988
Commission expenses	- 6,514	- 3,885	- 5,144	- 2,593
Total operating income	625,192	574,468	573,216	529,250
General administrative expenses	47,646	46,676	16,901	17,188
Depreciation of tangible assets	511,771	461,467	511,178	460,891
Other operating expenses	8,889	8,840	2,373	3,417
Total operating expenses	568,306	516,983	530,452	481,496
Income before loan losses	56,886	57,485	42,764	47,754
Loan losses, net	2,432	- 2,196	4,476	387
Income before appropriations and taxes	59,318	55,289	47,240	48,141

BALANCE SHEET

Amounts in SEK T	2003	Group	2003	Parent Company
	2003	2002	2003	2002
	March 31	March 31	March 31	March 31
Lending, including leasing items	24,240,008	22,796,808	22,827,933	21,395,345
Lending, group companies	-	-	609,554	633,795
Other assets	567,143	778,857	649,268	879,489
Total assets	24,807,151	23,575,665	24,086,755	22,908,629
Borrowing	19,633,520	18,782,040	19,497,464	18,657,820
Other liabilities	1,791,917	1,677,133	1,230,525	1,152,331
Subordinated loan	976,800	916,800	976,800	916,800
Deferred tax	560,113	503,780	560,113	503,780
Shareholders' equity *	1,785,483	1,640,623	1,774,613	1,629,757
Income before appropriations and taxes	59,318	55,289	47,240	48,141
Total liabilities and shareholders' equity	24,807,151	23,575,665	24,086,755	22,908,629

*Including the guarantee fund and 72% of untaxed reserves.

KEY RATIOS

The Group	2003	2002	2002
	Jan - March	Jan - March	Full-year
Return on shareholders' equity, %	10.77	11.05	11.56
Risk capital/total assets, %	13.63	13.22	13.70
Capital adequacy ratio, %	11.00	10.46	10.87
Primary capital relation, %	7.58	7.13	7.43
Loan losses as percentage of lending, %	0.00	0.04	0.05
I/C ratio	2.92	1.92	1.96
I/C ratio excluding loan losses	2.72	1.99	2.06