

INTERIM REPORT

AB Volvofinans (publ)
Reg. No. 556069-0967

January 1 - September 30, 2002

Car sales

New car sales in Sweden rose 3.1% compared with the corresponding period in the preceding year. A total of 187,995 cars were registered (182,276). Volvo and Renault's combined market share was 26.0% or 48,945 cars (46,729).

Truck sales amounted to 3,260 units (3,799), of which Volvo's market share amounted to 44%. Current order bookings indicate an annual volume of 4,500 units, as compared with 5,000 in the preceding year.

Lending

Lending amounted to SEK 22.8 billion (22.0), an increase of SEK 0.8 billion or 4% compared with the same date in the preceding year. Delayed deliveries of Volvo's new trucks had an adverse impact on truck financing, which declined by SEK 0.2 billion. Otherwise, all business areas reported increased loan volumes.

Income

Income before appropriations and taxes amounted to SEK 185.0 M (133.4), up 39% compared with the preceding year. Improved lending margins and reduced costs account for the sharp improvement in income. Return on equity was 12.33% (9.59).

Credit losses and risk provisions

Credit losses of SEK 5.0 M (4.7) related entirely to credit card operations. Most of the Company's lending (88%) pertained to its sales financing operations, in which Volvo dealers bear the full credit risk. For this reason, as in the past, this item does not include any credit losses.

Appropriations to Group-based risk provisions rose as a result of the increase in lending. The provisions amounted to SEK 139.0 M at the time of the report. At year-end 2001, they amounted to SEK 136.5 M. Non-performing loans amounted to SEK 28.5 M, which pertains only to credit card operations.

Capital procurement

The Company's total market borrowing as at September 30 was SEK 13.5 billion, and unutilized lines of credit amounted to SEK 17.3 billion.

Rating

Standard & Poor's have chosen to link Volvofinans rating to Ford Credit, resulting in a BBB+ for long-term financing and A-2 for short-term. After Ford issued its quarterly report on October 16, it was placed on "Creditwatch negative" pertaining to the long-term rating. At the same time, the short-term rating was confirmed. Standard & Poor's action also affected Volvofinans, despite the sharply improved earnings.

The income statement and balance sheet, as well as other supplementary information, may be ordered by telephone, +46 31 838862, or from our website, www.volvofinans.se.

If any questions, contact our President, Björn Ingemanson, at +46 31 838890, or CFO Bert Björn, +46 31 838812.

This report is unaudited.

CONSOLIDATED STATEMENT OF INCOME

Amounts in SEK T	Group		Parent Company	
	2002 Jan - Sept	2001 Jan - Sept	2002 Jan - Sept	2001 Jan - Sept
Interest income	821,111	674,666	778,509	636,860
Leasing income	1,673,765	1,408,592	1,673,765	1,408,592
Interest expenses	- 880,737	- 718,859	- 875,642	- 714,479
Commission income	163,849	149,337	49,335	44,513
Commission expenses	- 18,655	- 13,657	- 14,537	- 9,752
Total operating income	1,759,333	1,500,079	1,611,430	1,365,734
General administrative expenses	133,969	152,970	49,378	47,089
Depreciation of tangible assets	1,404,472	1,173,551	1,402,654	1,171,677
Other operating expenses	28,319	27,183	9,717	9,778
Total operating expenses	1,566,760	1,353,704	1,461,749	1,228,544
Income before loan losses	192,573	146,375	149,681	137,190
Loan losses, net	- 7,608	- 12,985	- 829	- 6,491
Income before appropriations and taxes	184,965	133,390	148,852	130,699

CONSOLIDATED BALANCE SHEET

Amounts in SEK T	Group		Parent Company	
	2002 Sept 30	2001 Sept 30	2002 Sept 30	2001 Sept 30
Lending, including leasing items	23,230,017	22,212,727	21,771,911	20,815,388
Lending, group companies	-	-	688,039	654,859
Other assets	504,279	499,533	594,861	605,473
Total assets	23,734,296	22,712,260	23,054,811	22,075,720
Borrowing	18,763,694	18,191,429	18,655,015	18,072,220
Other liabilities	1,614,434	1,461,994	1,090,607	950,850
Subordinated loan	1,226,800	1,124,925	1,226,800	1,124,925
Deferred tax	503,780	465,557	503,780	465,557
Shareholders' equity*	1,440,623	1,334,965	1,429,757	1,331,469
Income before appropriations and taxes	184,965	133,390	148,852	130,699
Total liabilities and shareholders' equity	23,734,926	22,712,260	23,054,811	22,075,720

* Guarantee fund and 72% of untaxed reserves are included

KEY RATIOS

The Group	2002 Jan - Sept	2001 Jan - Sept	2001 Full-year
Return on shareholders' equity, %	12.33	9.59	9.40
Risk capital/total assets. %	14.14	13.47	12.54
Capital adequacy ratio. %	10.81	9.45	10.17
Primary capital relation. %	7.13	6.94	6.84
Loan losses as percentage of lending. %	0.04	0.08	0.06
I/C ratio	2.05	1.67	1.67
I/C ratio excluding loan losses	2.15	1.78	1.76