

# Creating Value with Volkswagen Group Mobility

AUTOS VIRTUAL TRIP – 14 MAY – CITI AUTOS  
Frank Fiedler – CFO Volkswagen Financial Services AG

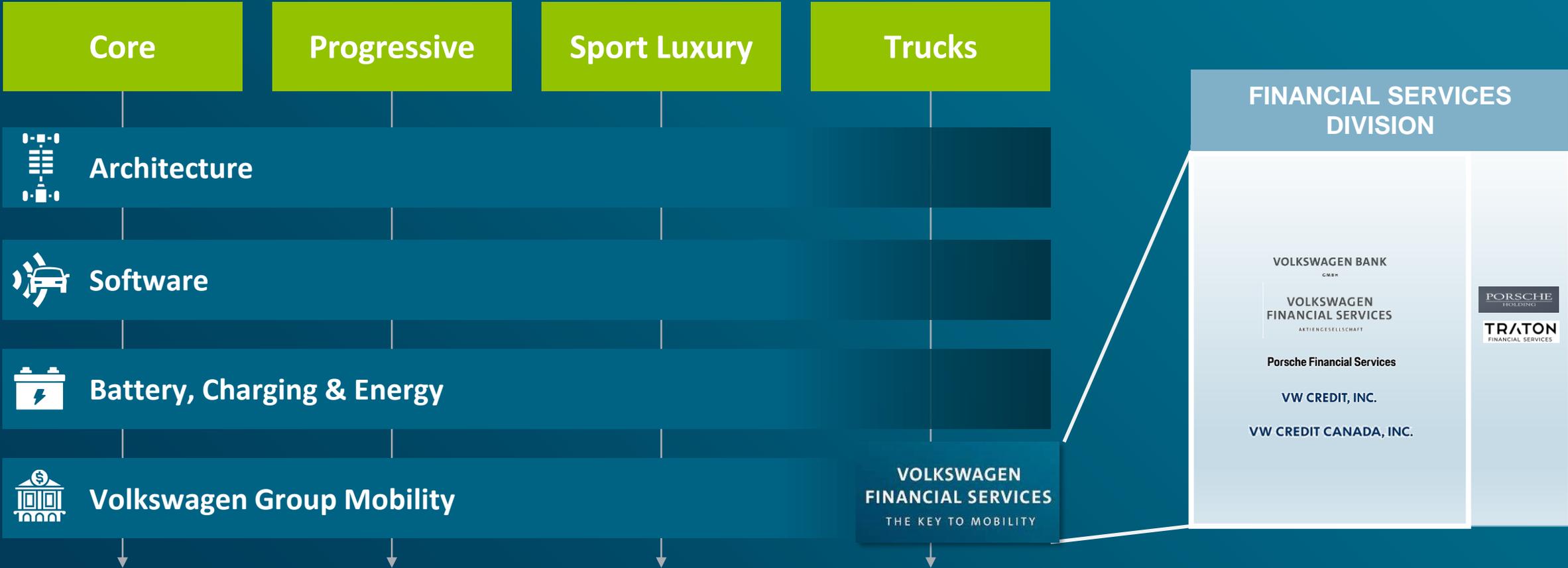
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## Disclaimer

The following presentations as well as remarks/comments and explanations in this context contain forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast. All figures are rounded, so minor discrepancies may arise from addition of these amounts. At the time of preparing these presentations, it is not yet possible to conclusively assess the specific effects of the latest developments in the Russia-Ukraine conflict on the Volkswagen Group's business, nor is it possible to predict with sufficient certainty to what extent further escalation of the Russia-Ukraine conflict will impact on the global economy and growth in the industry in fiscal year 2024. Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, energy and other commodities or the supply with parts relevant to the Volkswagen Group will have a corresponding effect on the development of our business. In addition, there may also be departures from our expected business development if the assessments of the factors influencing sustainable value enhancement and of risks and opportunities presented develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business. We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded. This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

Under the brand "Volkswagen Financial Services – the key to mobility" the subsidiaries of Volkswagen Financial Services AG as well as its sister company Volkswagen Bank GmbH render various services under the joint brand "Volkswagen Group Mobility". Such services are banking services (through Volkswagen Bank GmbH), leasing services (through Volkswagen Leasing GmbH), insurance services (through Volkswagen Versicherung AG, Volkswagen Autoversicherung AG) as well as mobility services (inter alia through Volkswagen Leasing GmbH). In addition, insurance products of other providers are offered.

# Volkswagen Financial Services will offer the platform for mobility solutions based on Volkswagen Group's NEW AUTO strategy



# Volkswagen Financial Services offers four key benefits for the Group

Sales Support & Customer Loyalty



Risk



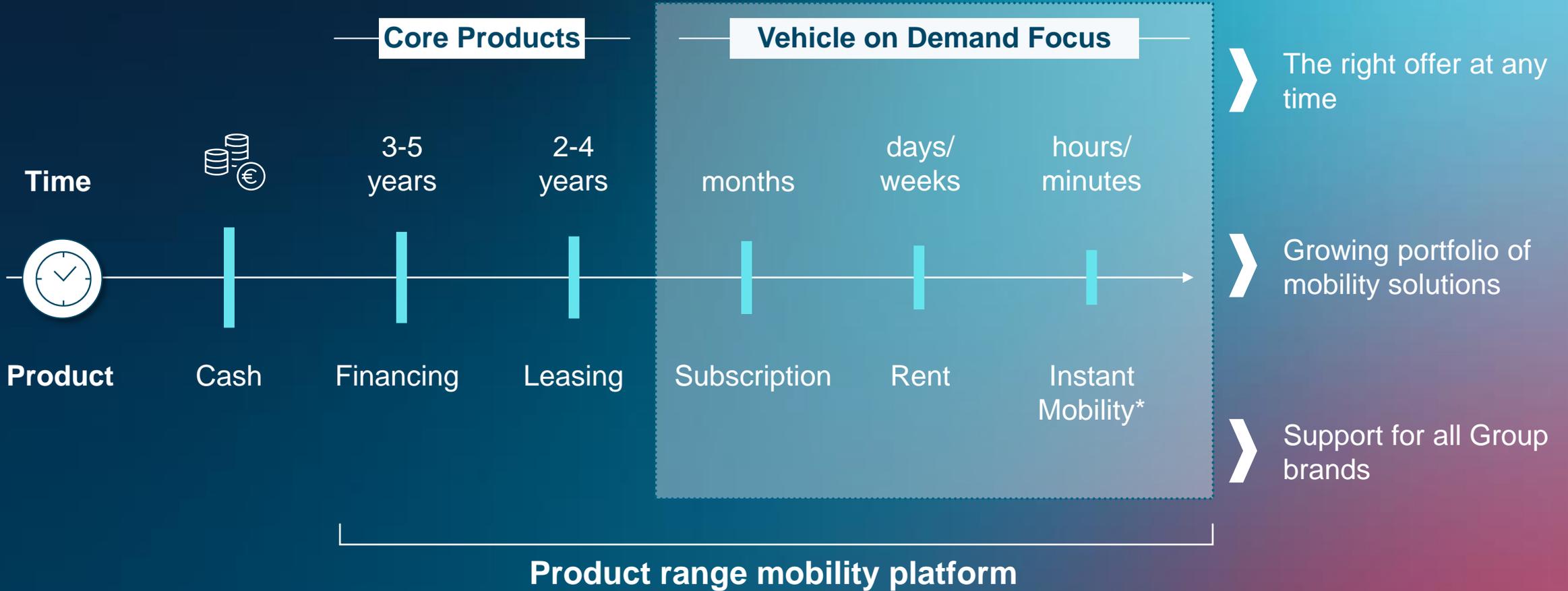
Liquidity



Return on Equity



# Volkswagen Financial Services will in future be placing an additional focus on the Vehicle on Demand business

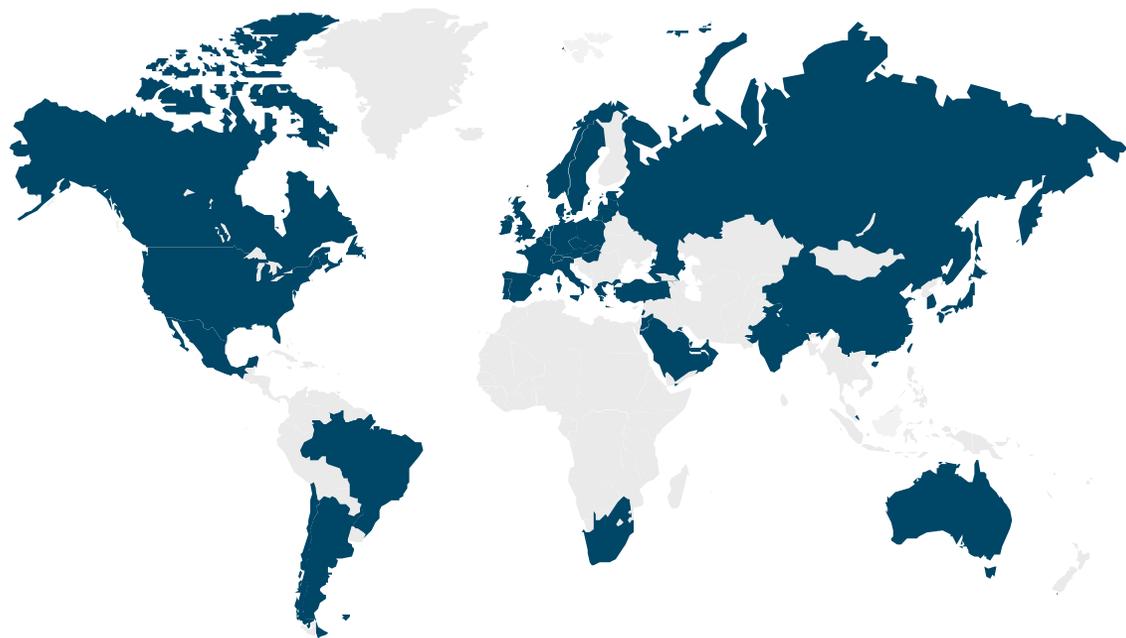


\* Instant Mobility (mainly from third-party providers): sharing (eScooter, bicycle, car), hailing (incl. taxi), pooling, public transport

# Volkswagen Financial Services at a glance (12/31/2023)

Volkswagen Financial Services is present in

## 47 markets.



## Key figures

Total assets	€ 267.8 bn
Equity	€ 39.5 bn
Customer deposits	€ 38.1 bn
Operating profit	€ 3.25 bn
Employees	15.439
Contracts (units)	22.3 mn

Leasing  
€ 117,7 bn  
55,2%

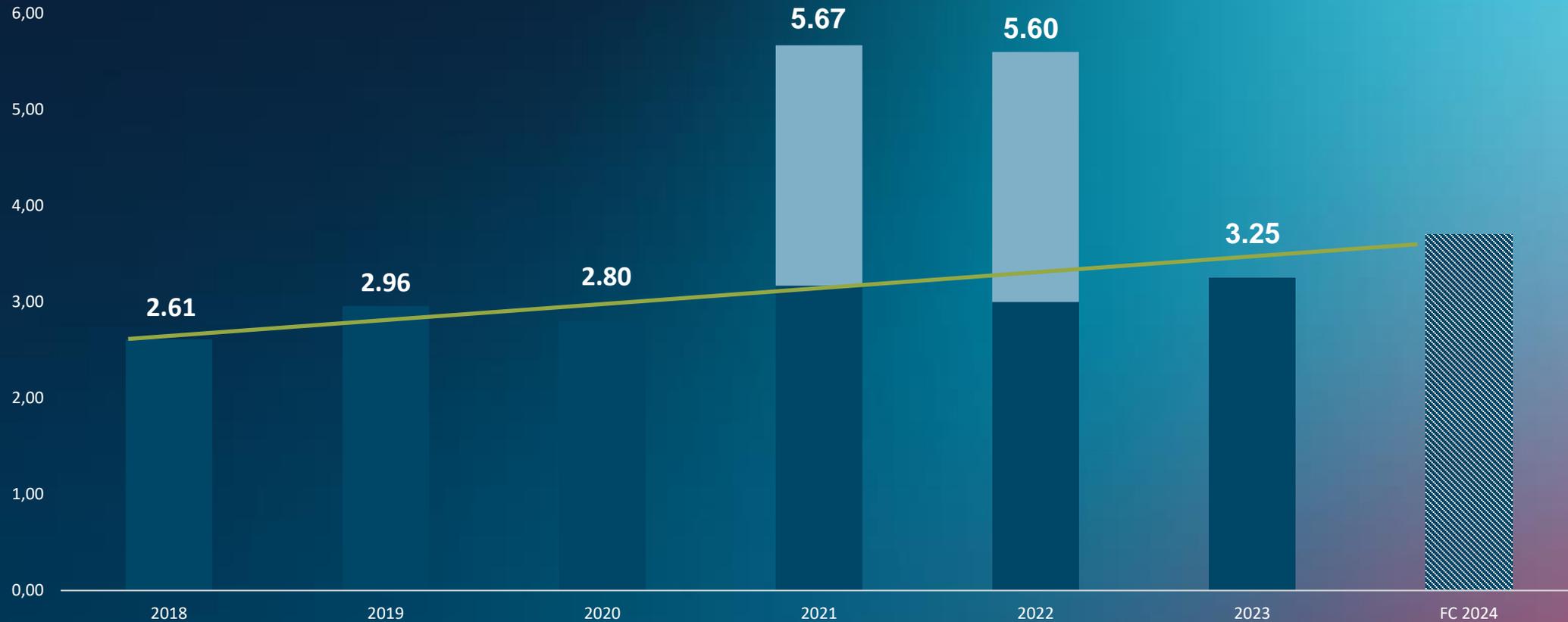


Retail financing  
€ 69,3 bn  
32,5%

Dealer Financing  
€ 26,2 bn  
12,3%

\* Receivables + leased assets

# Operating Result Volkswagen Financial Services



## Risk Cost Effects



Corona  
Pandemic



Semiconductor  
Shortage

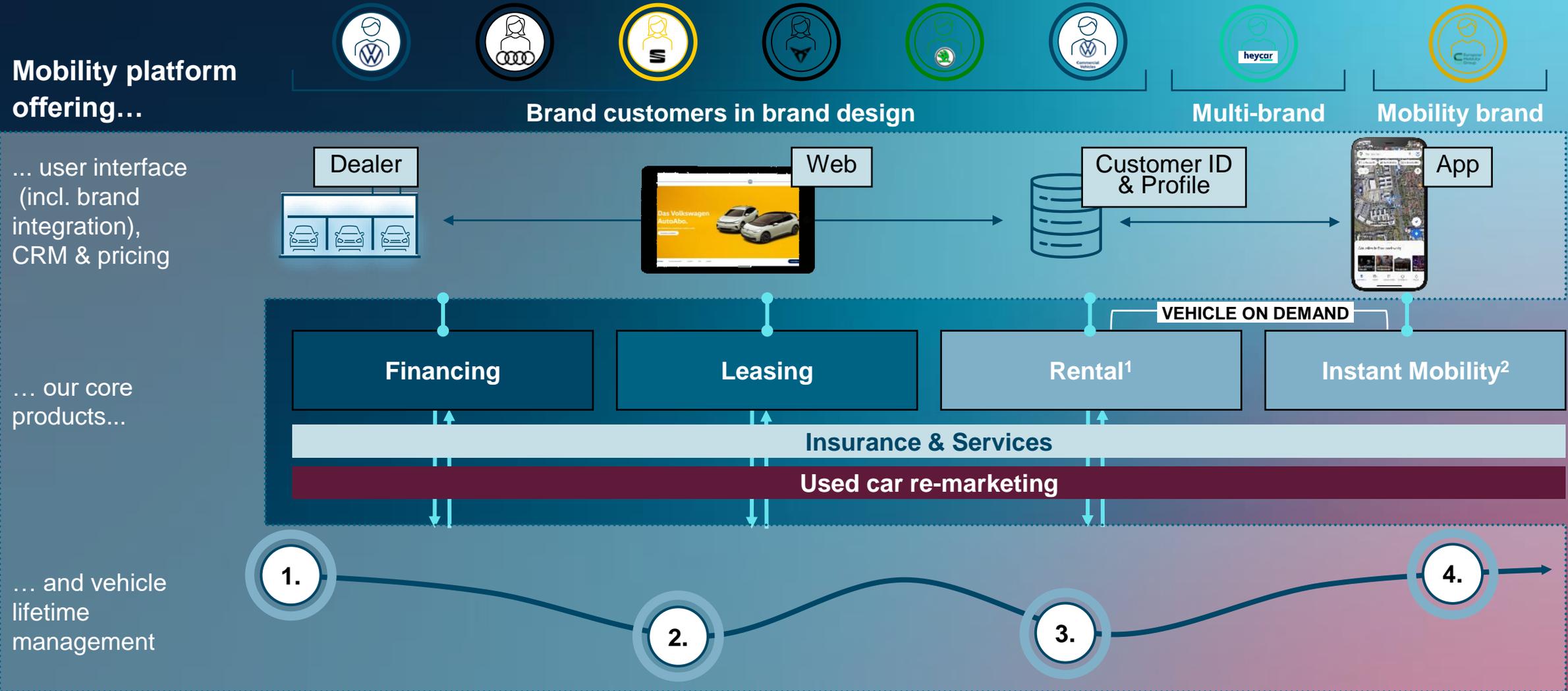


Normalizing  
Risk Cost Situation



■ Extraordinary effects

# Volkswagen Financial Services provides the mobility platform for the Volkswagen Group



<sup>1</sup> Long/short-term rental, subscription, extended rental

<sup>2</sup> Instant Mobility (mainly from third-party providers): sharing (eScooter, bicycle, car), hailing (incl. taxi), pooling, public transport

With the Vehicle Lifetime Concept we will utilize untapped opportunities especially in 2<sup>nd</sup> & 3<sup>rd</sup> lifecycle

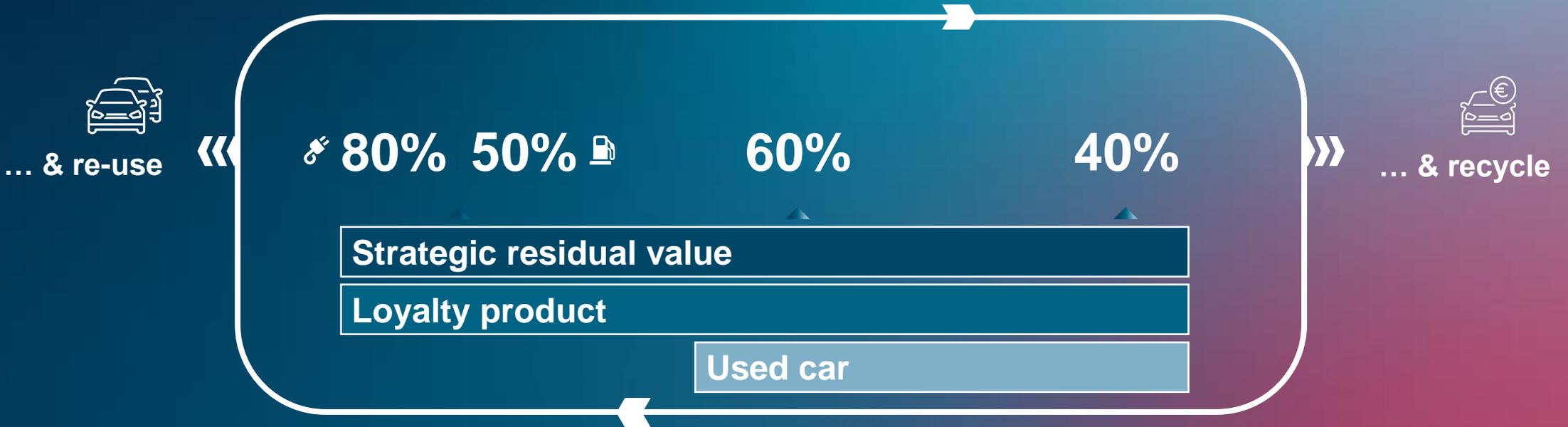
TODAY



### CYCLES & PENETRATION



TOMORROW



# The BEV transformations requires to change the role of Volkswagen Financial Services

Today

## New & used car campaigns

T-Roc VW Edition. Série spéciale toute équipée. À partir de 299 €/mois\* 1<sup>er</sup> loyer de 3500 €.

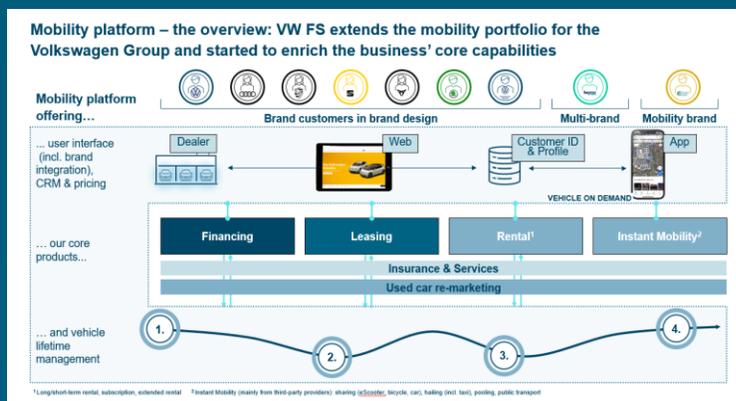
Der Audi Gebrauchtwagen :plus Herbst. Aktionswochen vom 18.09. bis zum 31.10.2023. CUPRA ATECA. 221, 4.9, 389... 5 Jahre Garantie<sup>3</sup>.

## Customer Loyalty



+ 20 %  
loyalty vs.  
cash buyer

## Mobility Platform



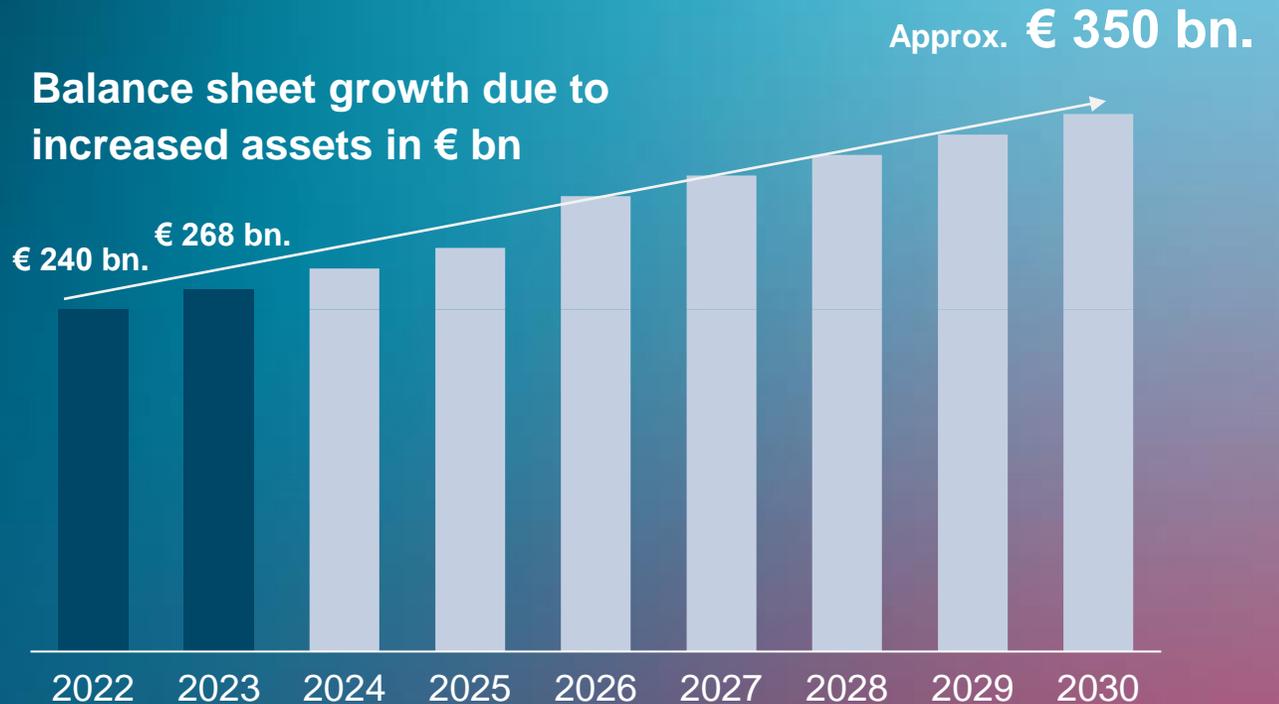
## Vehicle Lifetime Concept

Vehicle Lifetime Concept is a **Group initiative** to become a leading mobility provider enabling ...

- Increased car park control (incl. control over ownership exchange)
- Sustainable tacticals usage
- Additional customer groups & vehicle touchpoints
- Unlocked business potential with cross-selling
- Access to recycling pool
- Group's strategic initiatives

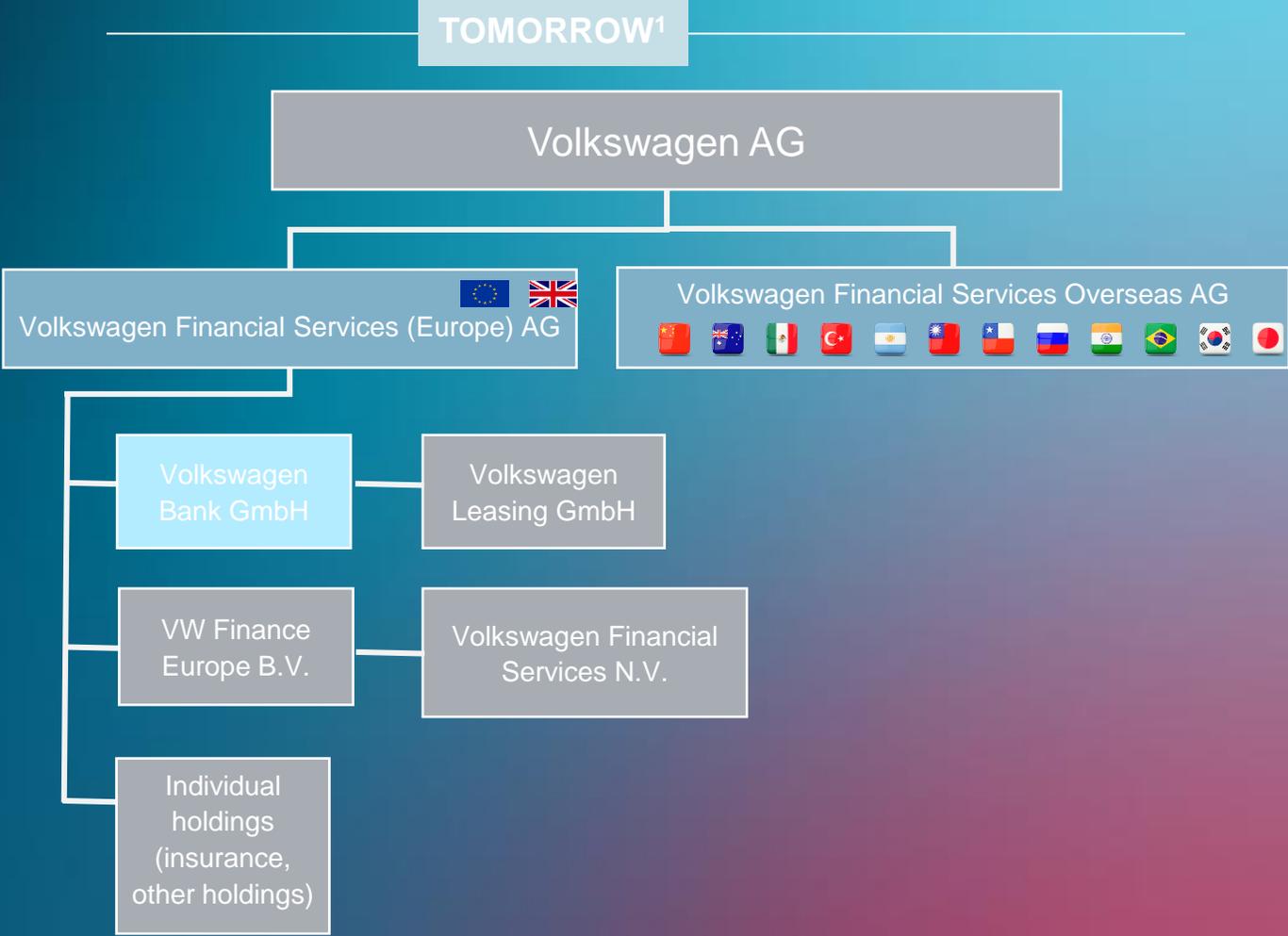
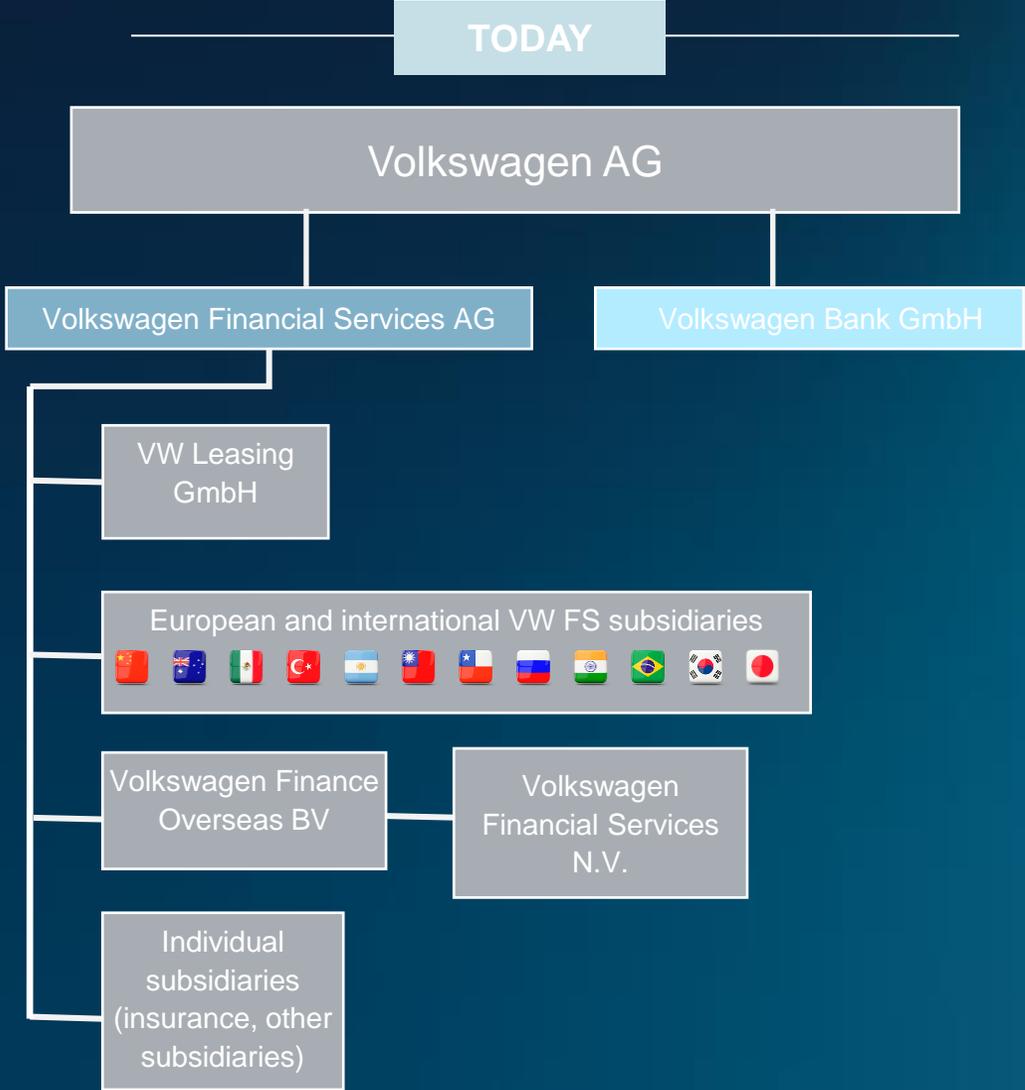
Tomorrow

# Annual new car sales and an increasing VW FS share of Volkswagen's car parc will increase VW FS' refinancing demand



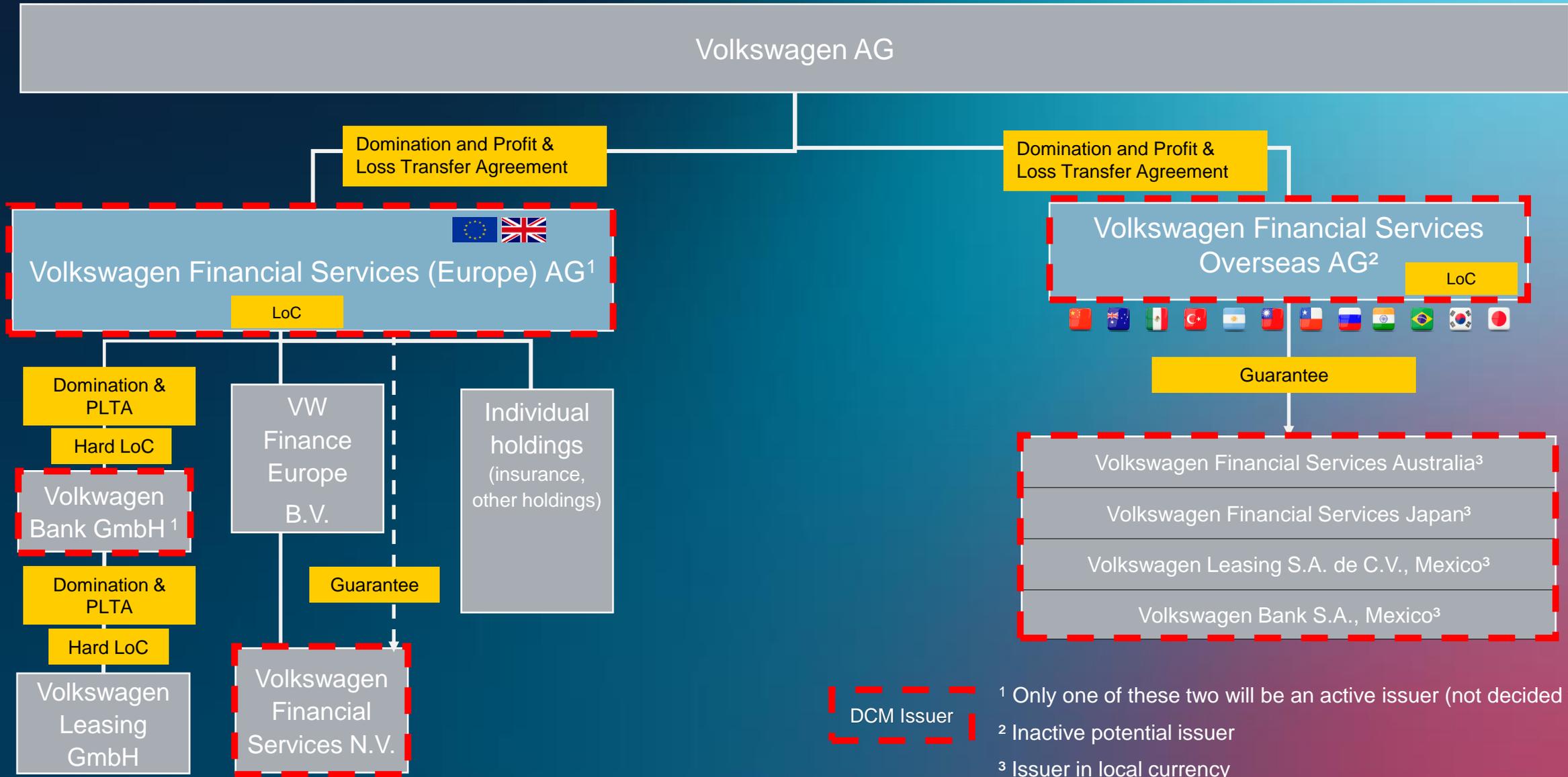
✓ Green in the sense of CO2-neutral use of the car, e.g. BEV

# The new Group structure of Volkswagen Financial Services



<sup>1</sup> Target Picture as of 01.07.2024

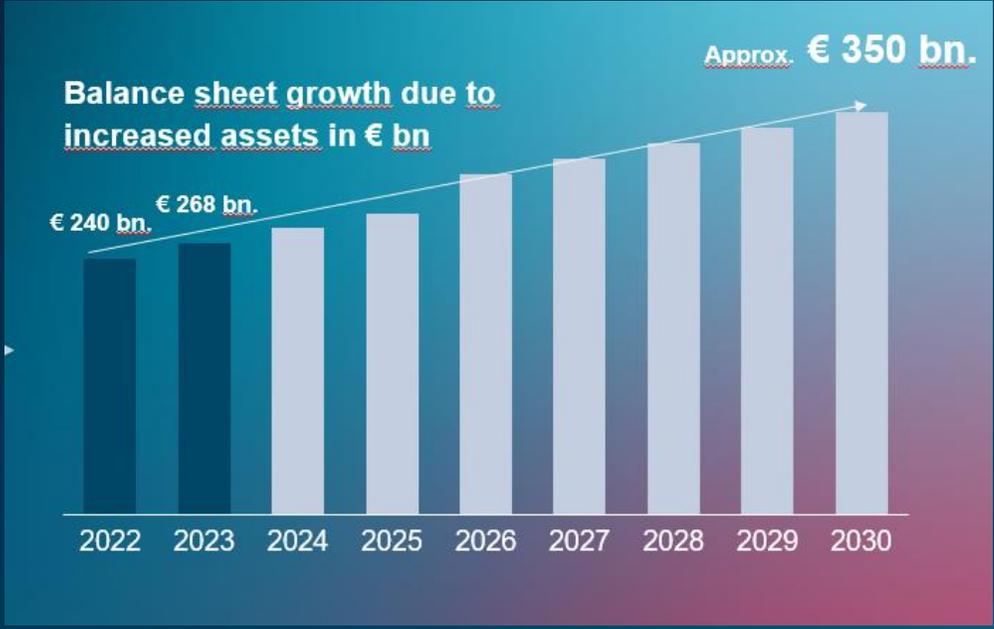
# Volkswagen Financial Services organisational structure and guarantee scheme target picture



# Strong business growth needs a strong refinancing strategy

## Core element is the increase of customer deposits in Europe

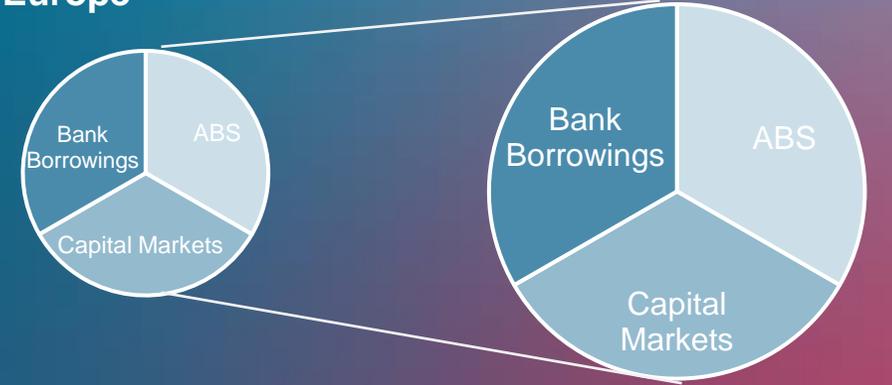
### Strategic Funding Mix of Volkswagen Financial Services



#### Europe

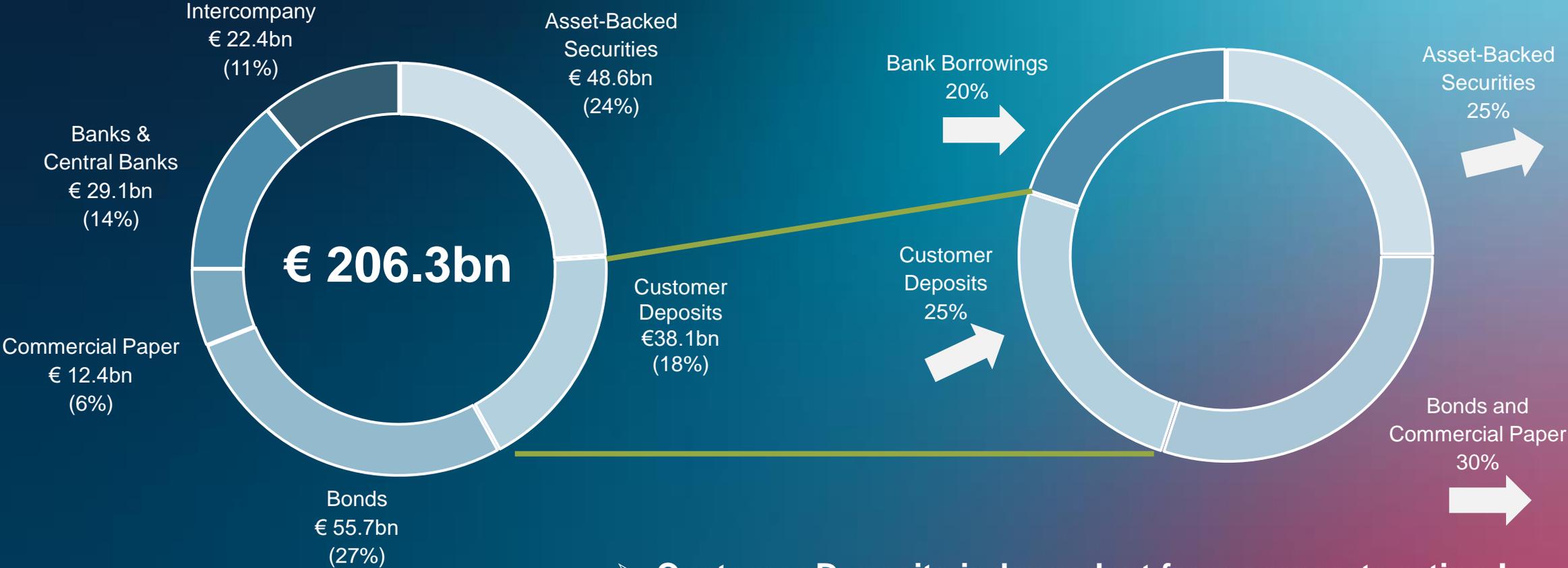


#### Non-Europe



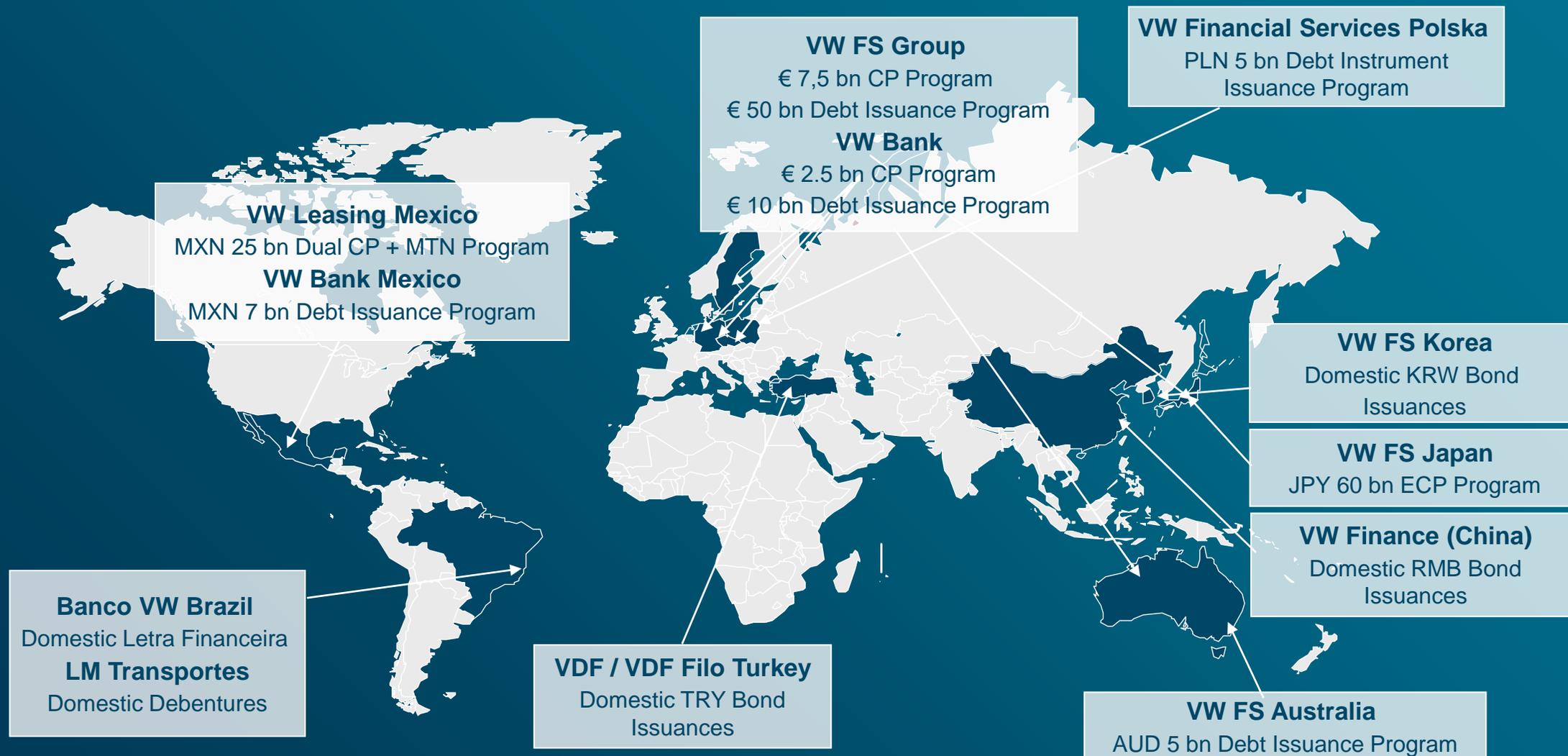
# Funding allocation of segment Volkswagen Financial Services as of 31.12.2023

## Strategic Funding Mix 2030



➤ **Customer Deposits independent from corporate rating !**

# Worldwide DCM activities of Volkswagen Financial Services

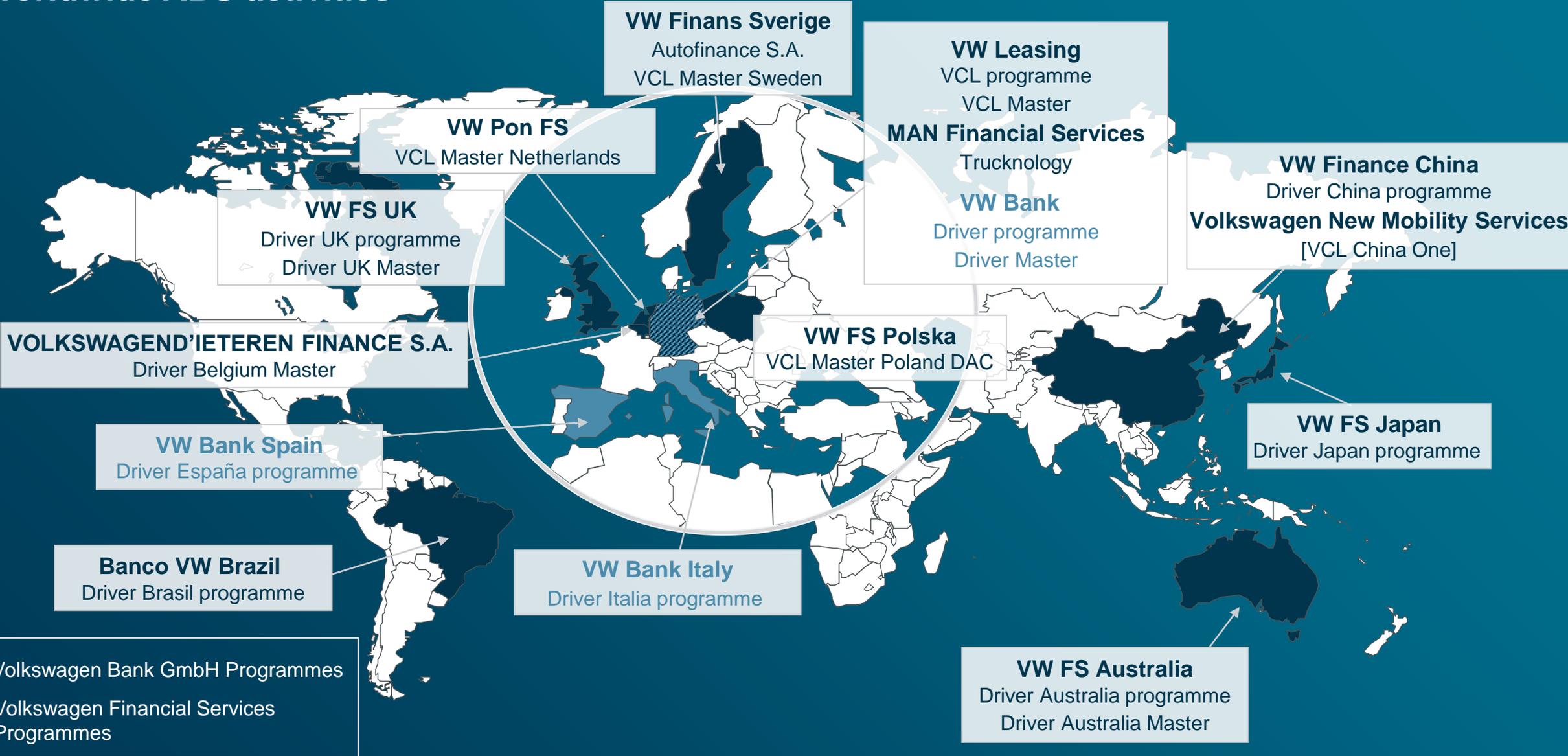


## Green Bonds of Volkswagen Financial Services



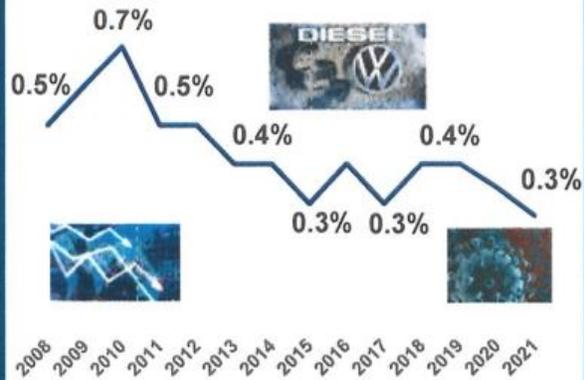
- First Green Bond of Volkswagen Leasing GmbH successfully placed on September 18<sup>th</sup> 2023.
- Total volume of triple tranche bond in September 2023 € 2 bn, total volume of triple tranche bond in January 2024 € 2.75 bn. Further green bonds in SEK und NOK.
- Refinancing of financial products for BEVs.
- Sustainability is part of VWFS' strategy Mobility2030 and supports the sales of Volkswagen Group BEVs.
- Further information at:  
<https://www.vwfs.com/en/investor-relations/volkswagen-financial-services-ag/refinancing.html#>

# Worldwide ABS activities

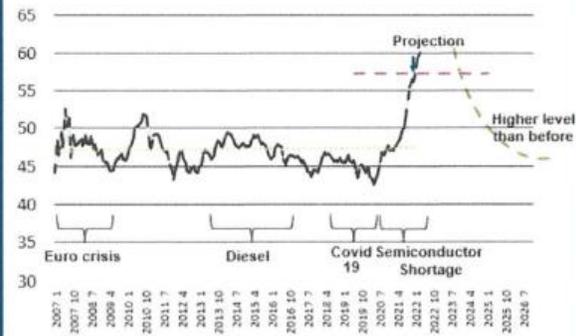


# To ensure the success of providing mobility solutions, the risks have to be managed reasonably

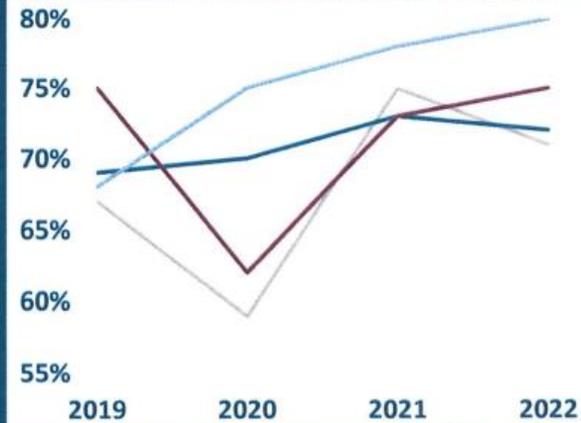
## Credit Risks



## Residual Value Risks



## Utilization Risks



## Liquidity Risks & Interest rate Risks

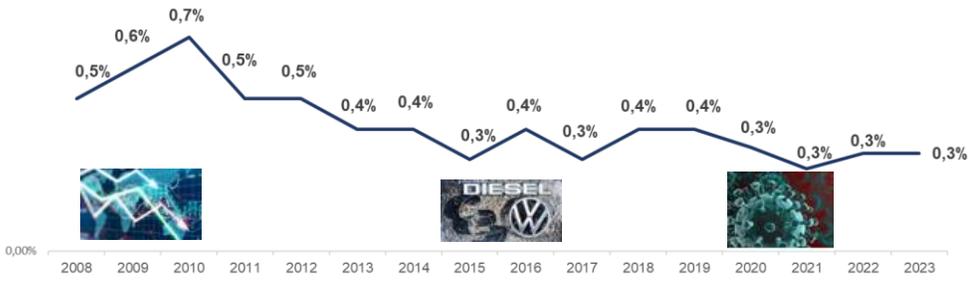
Corporate Funder in  
€ Market 2014-2023:

- VW € 102.1 bn.\*
- BMW GROUP € 63.3 bn.
- Mercedes € 60.0 bn.



# Volkswagen's resilient manager of assets and related risks serving as anchor of stability

## Credit loss ratio historically on a very low level

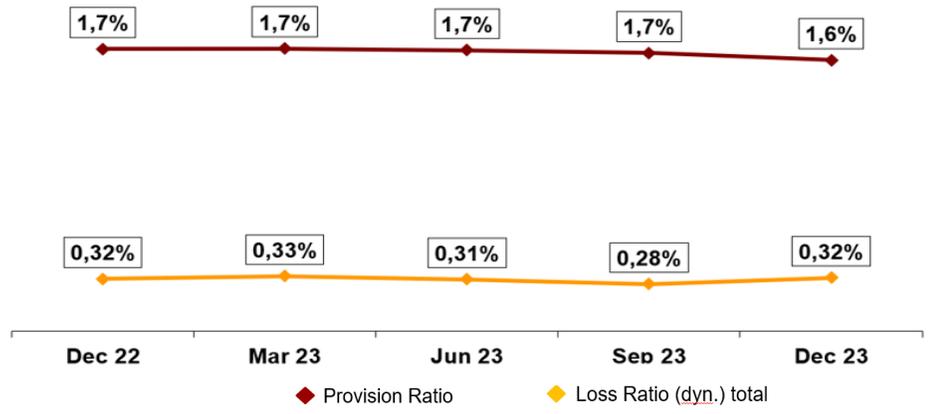


Credit risk situation monitored closely due to the current macroeconomic challenges.

### Proven crisis resilience:

- No significant influence of past crises on credit risk until now.
- Credit losses currently and historically on a very low level (**0.32% as of 31 December 2023**).
- Credit risks appropriately covered by provisions.

## Provision- vs. Loss Ratio



- The used car market price level is still high, but the first normalization can be seen on model level.
- The current sales prices of BEVs are under pressure but still on a solid level.
- Especially in the German market slight increase of residual value risk.
- The risk situation is monitored closely.

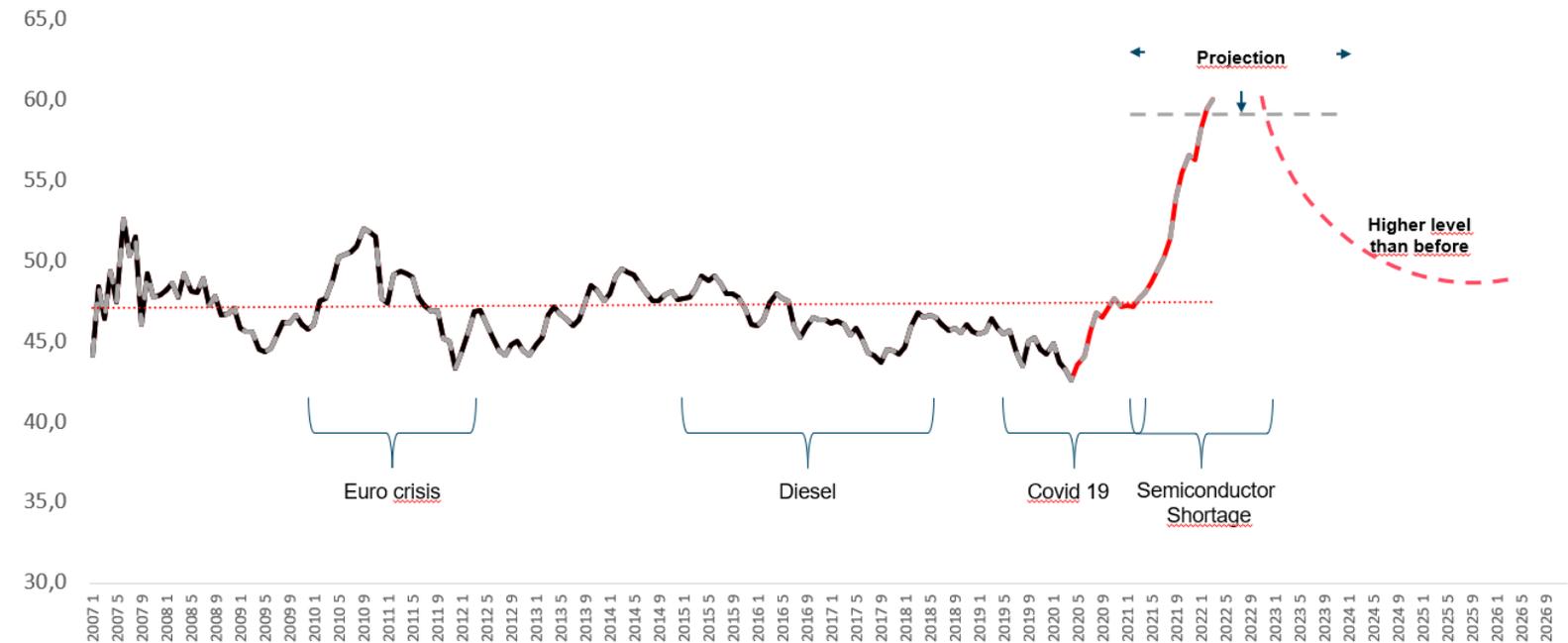
**Forecast:**

- After different adjustments in the last months due to the economic situation (increasing interest rates, inflation) and the normalization of the production capacities, a stable residual value risk situation is expected for the year 2024.

## Volkswagen’s resilient manager of related risks serving as anchor of stability

### Re-marketing situation used cars

Residual Value



**VOLKSWAGEN  
FINANCIAL SERVICES**

THE KEY TO MOBILITY

# Thank you!

Volkswagen Financial Services AG

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