The Key to Mobility
Creating Value with Financial Services

Fixed Income Investor Update – Volkswagen Financial Services AG; December 2013

Bernd Bode
Head of Group Treasury
and Investor Relations
Volkswagen Financial Services
Volkswagen Group – built on three strong pillars

<table>
<thead>
<tr>
<th>Automotive Division</th>
<th>Financial Services Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Cars</td>
<td>Volkswagen Financial Services</td>
</tr>
<tr>
<td>Audi</td>
<td>Volkswagen Financial Services (Europe / Asia-Pacific / North and South America)</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>Financial Services (USA / Canada / Spain / Argentina)</td>
</tr>
<tr>
<td>Bentey</td>
<td>Scania Financial Services</td>
</tr>
<tr>
<td>Bugatti</td>
<td>MAN Financial Services</td>
</tr>
<tr>
<td>Porsche</td>
<td>Porsche Holding Financial Services</td>
</tr>
<tr>
<td>Ducati</td>
<td>Porsche Financial Services</td>
</tr>
<tr>
<td>Remaining companies</td>
<td></td>
</tr>
</tbody>
</table>
Volkswagen Financial Services AG (30 June 2013)

Worldwide presence

Volkswagen Financial Services conducts business in 40 countries

Key company figures (Jan – Jun 2013)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 87.6 bn</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 8.5 bn</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 25.6 bn</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 484 m</td>
</tr>
<tr>
<td>Employees</td>
<td>9,147</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>8.3 m</td>
</tr>
</tbody>
</table>

Receivables

Leasing €16 bn
Credit €39.1 bn
Wholesale €11.1 bn
A wide product range around the car

1. enable "OWNERSHIP"
   - Bank
     - Retail Finance
     - Dealer Finance
   - Das Auto

2. provide SERVICE
   - Insurance
     - Automotive
     - Warranty
     - Payment Protection
   - Leasing
     - Finance Lease
     - Operating Lease

3. offer FLEXIBILITY
   - New Mobility
     - Micro Mobility
     - Mobile Online Services
     - Short Term Rental
   - Direct Banking
     - Deposits
     - Instalment Loans
     - Brokerage Products

enable "OWNERSHIP"
provide SERVICE
offer FLEXIBILITY
Key sales markets offer substantial growth opportunities
Market growth 2012 – 2018 (million units)

North America

Western Europe

Central & Eastern Europe (incl. Russia)

China (incl. HK)

South America

India

World

1) Includes Cyprus and Malta
2) Includes Central America and Caribbean

Source: IHS Automotive (data status: October 2013), rounded

Note: Market = Cars and LCVs
Growth dimensions
Growth dimension countries

South America

Middle East

ASEAN
Growth dimension brands

Ducati Financial Services
## Growth dimension product

<table>
<thead>
<tr>
<th>Car Ownership</th>
<th>Car Usage</th>
<th>Total Flexibility (Bikes, Public Transportation, Planes etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Leasing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Long-Term Rental</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Short-Term Rental</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Car Sharing</td>
<td></td>
</tr>
</tbody>
</table>

- **Car Ownership**
  - 5 to 6 years
  - 1 to 3 years
  - 1 month to 1 year
  - 1 day to 1 month
  - 1 minute to 1 day

- **Car Usage**
  - Leasing
  - Long-Term Rental
  - Short-Term Rental
  - Car Sharing

- **Total Flexibility**
  - (Bikes, Public Transportation, Planes etc.)
Strong benefits for automotive through captive

- Equipment: + 48%
  - Cash Payer: 100%
  - Captive Customer: 148%

- Turnover: + 33%
  - Holding Period (years): 7.2 (Cash Payer), 4.8 (Captive Customer)

- Brand Loyalty: + 19%
  - Switch to Competitor: 36% (Cash Payer), 24% (Captive Customer)
  - Stay Loyal: 64% (Cash Payer), 76% (Captive Customer)

EU-5 markets
Risk management

* Liquidity Risk, Strategic Risk, Reputational Risk, Market Price Risk, Shareholder Risk + Issuer Risk + Counterparty Risk

Portfolio Structure
- Retail: 75%
- Corporate: 25%

Risk categories:
- Operational Risk
- Earnings Risk
- Residual Value Risk
- Credit Risk
- Other Risks*

Portfolio Structure:
- Retail: 75%
- Corporate: 25%
VW Financial Services – Credit risks

Credit risk remains at low level despite challenging market environment

- **Provision Ratio**
  - 2010: 2.5%
  - 2011: 2.2%
  - 2012: 2.0%

- **Ø Dynamic Loss Ratio**
  - 2010: 0.8%
  - 2011: 0.7%
  - 2012: 0.6%

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail Financing</th>
<th>Leasing</th>
<th>Corporate Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0.6%</td>
<td>0.9%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>0.6%</td>
<td>0.5%</td>
<td>0.4%</td>
</tr>
<tr>
<td>2012</td>
<td>0.6%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>
Residual value risks well covered by provisions

<table>
<thead>
<tr>
<th>Units</th>
<th>€ per unit</th>
<th>€ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2011</td>
<td>431</td>
<td>470</td>
</tr>
<tr>
<td>Jun 2012</td>
<td>503</td>
<td>548</td>
</tr>
<tr>
<td>Dec 2012</td>
<td>486</td>
<td>482</td>
</tr>
<tr>
<td>Jun 2013</td>
<td>567</td>
<td>517</td>
</tr>
</tbody>
</table>

Residual Value Risk  Provision  RV Risk per car  Provision per car  Units
## Volkswagen Financial Services AG
### Key data 2009 – H1 2013 (IFRS)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio (‘000)</td>
<td>6,028</td>
<td>6,144</td>
<td>6,852</td>
<td>7,977</td>
<td>8,331</td>
</tr>
<tr>
<td>Retail + Leasing receivables (€ mn)</td>
<td>40,538</td>
<td>44,148</td>
<td>47,513</td>
<td>53,439</td>
<td>55,097</td>
</tr>
<tr>
<td>Wholesale receivables (€ mn)</td>
<td>8,391</td>
<td>8,828</td>
<td>10,412</td>
<td>10,781</td>
<td>11,139</td>
</tr>
<tr>
<td>Customer deposits (€ mn)</td>
<td>19.532</td>
<td>20.129</td>
<td>23.795</td>
<td>24.889</td>
<td>25.584</td>
</tr>
<tr>
<td>Employees</td>
<td>6.775</td>
<td>6.797</td>
<td>7.322</td>
<td>8.770</td>
<td>9.147</td>
</tr>
<tr>
<td>IFRS profit before tax (€ mn)</td>
<td>554</td>
<td>870</td>
<td>933</td>
<td>993</td>
<td>551</td>
</tr>
</tbody>
</table>
Funding structure Volkswagen Financial Services AG
Total €87.6 bn

Strategic Debt Plan

- Deposits
- Capital Markets
- ABS

- Liabilities to affiliated companies €4.2 bn (4.8%)
- Customer Deposits €25.6 bn (29.2%)
- Liabilities to financial institutions €10.7 bn (12.2%)
- Asset Backed Securities €8 bn (9.1%)
- Bonds €22.8 bn (26.1%)
- Commercial Paper €2.9 bn (3.3%)
- Others €4.9 bn (5.6%)
- Equity €8.5 bn (9.7%)
- Equity

as of 30 June 2013

* strategic funding allocation
## DCM Activities in 2012 / 2013 worldwide

<table>
<thead>
<tr>
<th>Region</th>
<th>Issuances</th>
<th>Currency</th>
<th>Tenor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany: VW FS AG</td>
<td>2</td>
<td>610 m EUR</td>
<td>1.5 years</td>
</tr>
<tr>
<td>Germany: VW Leasing</td>
<td>6</td>
<td>2,775 m EUR</td>
<td>2 to 10 years</td>
</tr>
<tr>
<td>Germany: VW Bank</td>
<td>11</td>
<td>1,955 m EUR</td>
<td>1 to 5 years</td>
</tr>
<tr>
<td>Australia: VW FS Australia</td>
<td>4</td>
<td>600 m AUD</td>
<td>3 to 5 years</td>
</tr>
<tr>
<td>Japan: VW FS Japan</td>
<td>16</td>
<td>36 bn JPY</td>
<td>2 to 5 years</td>
</tr>
<tr>
<td>India: VW FS India</td>
<td>2</td>
<td>3,000 m INR</td>
<td>3 to 5 years</td>
</tr>
<tr>
<td>Mexico: VW Bank/Leasing</td>
<td>3</td>
<td>5,500 m MXN</td>
<td>3 to 4 years</td>
</tr>
<tr>
<td>Brasil: Banco VW</td>
<td>10</td>
<td>1,465 m BRL</td>
<td>2 years</td>
</tr>
<tr>
<td>International: VW FS N.V.</td>
<td>27</td>
<td>3,199 m EUR*</td>
<td>1 to 4 years</td>
</tr>
<tr>
<td>Turkey: VDF</td>
<td>1</td>
<td>100 m TRY</td>
<td>1.5 years</td>
</tr>
</tbody>
</table>

* Issues in various Currencies (NOK, SEK, GBP, EUR, TRY)
DCM Strategy VW Automotive and VW Financial Services

VOLKSWAGEN
(A3 / A1- Rating)

100% Owner + Control and Profit Transfer Agreement

Guarantee

VW Automotive Companies:
VW International Finance.....

VW FS AG Companies:
VW Leasing,
VW FS Japan...

DCM Investors worldwide
Security for Investors – Three Layer of Protection

1. Solvency and Creditworthiness of the Issuer (VW Leasing, VW FS, VW FS Japan, VW FS Australia, VW FS N.V.)
   
   Irrevocable and Unconditional Guarantee

2. Solvency and Creditworthiness of the Guarantor/ Offeror (Volkswagen Financial Services AG)
   S&P Rating: A- positive / Moody’s: A3 positive
   
   Control & Profit / Loss Transfer Agreement

3. Solvency and Creditworthiness of Ultimate Parent (Volkswagen AG)
   S&P Rating: A- positive / Moody’s: A3 positive

One Risk – One Price!
VW Financial Services’ worldwide capital market activities

*Dual = CP + Debt Issuance
VW Financial Services’ worldwide ABS activities
Standard & Poor’s Statements regarding VW FS AG
“RatingsDirect” July 31, 2013

“We consider VW FS to be core to its ultimate parent VW AG and equalize our ratings on VW FS with those on VW AG.”

“(...) positive outlook (...) mirrors that on its parent, Volkswagen AG (A-/Positive/A-2). It reflects our view that captive finance operations will remain integral to the VW group’s overall corporate strategy.”

“We consider VW FS’ corporate strategy to be prudent, well-executed, and focused on its core business in which it has expertise.”

“As a core entity of VW AG, any rating action on the parent - positive or negative - would translate in a similar action on VW FS.”

“In our view, VW FS’ earnings generated by moderate growth, steady margins and solid risk costs are relatively predictable and stable.”
Volkswagen Financial Services AG has a solid and stable rating history.

Data Source: Reuters
Thank you!
Contact

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Annual Report Volkswagen Financial Services AG:
http://www.vwfsag.com
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