The Key to Mobility
Creating Value with Financial Services

Kepler Cheuvreux: European Auto Field Trip – November 2015

Frank Fiedler, CFO Volkswagen Financial Services AG
Disclaimer

The following presentations contain forward-looking statements and information on the business development of the Volkswagen Group. These statements may be spoken or written and can be recognized by terms such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “will” or words with similar meaning. These statements are based on assumptions relating to the development of the economies of individual countries, and in particular of 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 involve a degree of risk, and the actual developments may differ from those forecast.

Consequently, any unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna.

If any of these or other risks occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such statements.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superceded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.
Volkswagen Group – Leveraging the strength of the three 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>Commercial Vehicles / Power Engineering</td>
<td>Included: MAN Financial Services</td>
</tr>
<tr>
<td>Remaining companies</td>
<td>Financial Services</td>
</tr>
<tr>
<td></td>
<td>USA / Canada / Spain / Argentina</td>
</tr>
<tr>
<td></td>
<td>Scania Financial Services</td>
</tr>
<tr>
<td></td>
<td>Porsche Holding Financial Services</td>
</tr>
<tr>
<td></td>
<td>Porsche Financial Services</td>
</tr>
</tbody>
</table>
Volkswagen Financial Services at a Glance (09/30/2015)

**Worldwide presence**

Volkswagen Financial Services conducts business in **51 countries**

**Key company figures**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 148.2 bn</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 17.1 bn</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 25.3 bn</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 1.38 bn</td>
</tr>
<tr>
<td>Employees</td>
<td>13,321</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>12.8 m</td>
</tr>
</tbody>
</table>

**Receivables**

- Credit: 63.4%
- Leasing: 20.5%
- Wholesale: 16.1%
Contract portfolio Volkswagen Financial Services

Continuous portfolio expansion

- Credit: 5,719
- Leasing: 2,371
- Insurance/Services: 4,727
- Total: 12,817

2009: 6,632
2011: 7,482
2013: 9,640
Q3 2015: 12,817

Regions:
- Germany: 39%
- Europe (excl. Germany): 31%
- Asia Pacific: 9%
- South America: 6%
- North America: 15%

In ‘000 units
Creating Value
Volkswagen Financial Services offers the whole range of services under one roof

- **BANK**
  - Retail Finance
  - Dealer Finance
  - Factoring
  - Deposits
  - Instalment Loans
  - Investment Products

- **LEASING**
  - Finance Lease
  - Operating Leasing

- **INSURANCE**
  - Automotive
  - Payment Protection
  - Industry

- **MOBILITY**
  - Fleet Management
  - Service & Maintenance
  - Tyres
  - Long-term rent
  - Short-term rent
  - Carsharing
Integrating Automotive and Financial Services

- Improving Customer Loyalty
- Maximizing Profit Potential

Automotive Mobility

Total Mobility

Financial Mobility

New Mobility Business Models
Regain Customer Trust
Audi banks on VWFS

<table>
<thead>
<tr>
<th>Service &amp; Condition</th>
<th>Private Customers</th>
<th>Small Commercial</th>
<th>Corporate Customers</th>
<th>Used Cars Floor Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial/Lease</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Maintenance &amp; Inspection Service</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Service &amp; partial Wear/Tear</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Maintenance &amp; complete Wear/Tear</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Motor Insurance</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Warranty Extension</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Warranty Extension (Brands)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

- Measures can be stepped up when required
- Trust-building measures implemented successfully
Penetration VW FS

Rising penetration rates

<table>
<thead>
<tr>
<th>Year</th>
<th>w/o China</th>
<th>with China</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>32.5%</td>
<td>26.4%</td>
</tr>
<tr>
<td>2009</td>
<td>32.9%</td>
<td>25.0%</td>
</tr>
<tr>
<td>2010</td>
<td>34.9%</td>
<td>24.7%</td>
</tr>
<tr>
<td>2011</td>
<td>36.3%</td>
<td>25.4%</td>
</tr>
<tr>
<td>2012</td>
<td>40.7%</td>
<td>27.5%</td>
</tr>
<tr>
<td>2013</td>
<td>44.3%</td>
<td>28.9%</td>
</tr>
<tr>
<td>2014</td>
<td>44.5%</td>
<td>30.6%</td>
</tr>
<tr>
<td>Q3 2015</td>
<td>45.8%</td>
<td>31.0%</td>
</tr>
</tbody>
</table>
Risk management

- **Credit Risk**:
  - Risk of loss through defaults in customer transactions
  - Portfolio Structure:
    - Retail 75% / Corporate 25%
  - Assessment of creditworthiness of customers with scoring (in retail business) and rating systems (corporate).

- **Residual Value**:
  - Residual values are monitored closely
  - Regular adjustment to the current market situation for new business
  - Completely covered by provisions and equity according to IAS 36.

* Shareholder Risk + Issuer Risk + Counterparty Risk + lump sum for non-quantified Risk: Liquidity Risk, Strategic Risk, Reputational Risk
Volkswagen Financial Services – Credit risks

Credit risk remains at low level despite challenging market environment

- Provision Ratio:
  - 2011: 2.2%
  - 2012: 2.0%
  - 2013: 2.0%
  - 2014: 1.8%
  - Sep 15: 1.7%

- Ø Dynamic Loss Ratio:
  - 2011: 0.6%
  - 2012: 0.5%
  - 2013: 0.5%
  - 2014: 0.4%
  - Sep 15: 0.3%
# Volkswagen Financial Services – Residual value

## Residual value risks well covered by provisions

<table>
<thead>
<tr>
<th>Units</th>
<th>Provision per car in €</th>
<th>RV Risk per car in €</th>
<th>€ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2013</td>
<td>496</td>
<td>608</td>
<td>541</td>
</tr>
<tr>
<td>Jun 2014</td>
<td>778</td>
<td>917</td>
<td>929</td>
</tr>
<tr>
<td>Dec 2014</td>
<td>1.410.842</td>
<td>1.538.292</td>
<td>1.687.373</td>
</tr>
<tr>
<td>Jun 15</td>
<td>431</td>
<td>445</td>
<td>544</td>
</tr>
<tr>
<td>Sep 15</td>
<td>352</td>
<td>352</td>
<td>461</td>
</tr>
<tr>
<td>€ m</td>
<td>496</td>
<td>608</td>
<td>541</td>
</tr>
</tbody>
</table>
Current used car market | Development of used car prices (Germany)

Analysis of current used car market shows no significant impact.

Source: http://www.schwackepro.de/aktuell (18th November 2015)
**Funding structure Volkswagen Financial Services**

Total € 148.2 bn

### Strategic Funding Sources

- **Customer Deposits**: € 25.3 bn (17.1%)
- **Liabilities to affiliated companies**: € 17.6 bn (11.9%)
- **Liabilities to financial institutions**: € 16.2 bn (10.9%)
- **Commercial Paper**: € 4.8 bn (3.2%)
- **Asset Backed Securitization**: € 22.1 bn (14.9%)
- **Bonds issued**: € 35.7 bn (24.1%)
- **Equity**: € 17.1 bn (11.6%)
- **Others**: € 9.4 bn (6.3%)

* strategic funding allocation

as of 30 September 2015
VW FS AG: Development of Customer Deposits in bn Euro

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>9.6</td>
<td>12.8</td>
<td>19.5</td>
<td>20.1</td>
<td>23.8</td>
<td>24.9</td>
<td>24.3</td>
<td>26.2</td>
<td>25.3</td>
<td>26.6</td>
</tr>
</tbody>
</table>

Direct banking activities – a stable and strategic source
Volkswagen Financial Services’ Worldwide Capital Market Activities

- **VW Credit Canada Inc.**
  - €30 bn Debt Issuance Program (VW Group)
  - CAD 1 bn CP Program

- **VW Credit Inc. (USA)**
  - $4 bn CP Program (VWoA + VW Credit Inc.)
  - €10 bn CP Program (VW Group)
  - €30 bn Debt Issuance Program (VW Group)
  - 144a Bond issuances via VWGoAF

- **VW Leasing Mexico**
  - MXN 20 bn Dual Program*

- **VW Bank Mexico**
  - MXN 7 bn Debt Issuance Program

- **VW FS Group**
  - €10 bn CP Program
  - €25 bn Debt Issuance Program

- **VW Bank**
  - €2.5 bn CP Program
  - €10 bn Debt Issuance Program

- **VW Bank Polska**
  - PLN 3 bn Debt Issuance Program

- **VW Bank Russia**
  - Domestic 50bn RUB Bond Program

- **VW FS Korea**
  - Domestic KRW Bond Issuances

- **VW FS Japan**
  - JPY 60 bn ECP Program

- **VW Finance (China)**
  - Project

- **VDF Turkey**
  - Domestic TRY Bond Issuances

- **Banco VW Brazil**
  - Domestic Letra Financeira

- **VW FS India**
  - Domestic INR CP + Bond Issuances

- **VW FS Australia**
  - AUD 3 bn Debt Issuance Program

*Dual = CP + Debt Issuance
VW Financial Services’ worldwide ABS activities

- **VCI/ VCCI VALET program, VALT program**
- **DFM DFM Master program**
- **VW FS UK Driver UK Master**
- **VW Bank France Driver France program**
- **VW Finance Spain Driver España program**
- **Banco VW Brazil Driver Brasil program**
- **VW Bank / VW Leasing Driver- & VCL- program, VCL Master, Driver Master**
- **VW FS Japan Driver Japan program**
- **VW Finance China Driver China program**
- **VW FS Australia Driver Australia program**
## Übersicht ABS-Transaktionen

<table>
<thead>
<tr>
<th>Transaktion</th>
<th>Gesellschaft</th>
<th>Closing-datum</th>
<th>Forderungsvolumen in Mio.</th>
<th>Rating Class A¹</th>
<th>Rating Class B¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driver UK Master</td>
<td>Volkswagen Financial Services UK Ltd.</td>
<td>25.11.2015</td>
<td>GBP 4.300</td>
<td>AAA/AAA/AAA (S&amp;P/Fitch/DBRS)</td>
<td>A+/A+/A(high) (S&amp;P/Fitch/DBRS)</td>
</tr>
<tr>
<td>VCL Master RV C2</td>
<td>Volkswagen Leasing GmbH</td>
<td>25.11.2015</td>
<td>EUR 830</td>
<td>AAA/AAA (S&amp;P/Fitch)</td>
<td>A+/A(High) (S&amp;P/Fitch)</td>
</tr>
<tr>
<td>Tap-Up Driver Master C1</td>
<td>Volkswagen Bank GmbH</td>
<td>25.11.2015</td>
<td>EUR 381</td>
<td>Aaa/AAA/AAA (Moody’s/Fitch/DBRS)</td>
<td>Aa3/A+/A(high) (Moody’s/Fitch/DBRS)</td>
</tr>
<tr>
<td>Driver Master C6 + C7</td>
<td>Volkswagen Bank GmbH</td>
<td>25.11.2015</td>
<td>EUR 2.100</td>
<td>AAA/AAA (Moody’s/DBRS)</td>
<td>Aa3/A(high) (Moody’s/DBRS)</td>
</tr>
<tr>
<td>VCL 22</td>
<td>Volkswagen Leasing GmbH</td>
<td>25.11.2015</td>
<td>EUR 860</td>
<td>AAA/Aaa/AAA/AAA/AAA (S&amp;P/Moody’s/Fitch/DBRS/Creditreform)</td>
<td>AA/Aa3/A+/A(high)/A+ (S&amp;P/Moody’s/Fitch/DBRS/Creditreform)</td>
</tr>
</tbody>
</table>

(1) Structured Finance Ratings
Recent Public DCM and ABS Deals

**Capital Market**
- VW FS N.V.: 04/2015, GBP 350m, due 04/2020
- VW FS AG: 04/2015, EUR 500m, due 10/2017 & EUR 750m, due 10/2021
- VW FS Korea Limited: 04/2015, KRW 150bn, due 04/2018
- VW Leasing Mexico S.A. de CV: 06/2015, MXN 1,500m, due 06/2019
- VW Leasing GmbH: 08/2015, EUR 750m, due 08/2017 & EUR 750m, due 08/2020
- VW FS Australia Pty. Ltd.: 08/2015, AUD 250m, due 08/2019

**Asset-Backed Securities**
- Driver 13, Germany: EUR 717m (closing February 2015)
- Driver Japan four: JPY 32bn (closing February 2015)
- Driver Australia two: AUD 463m (closing March 2015)
- VCL 21, Germany: EUR 1,028m (closing May 2015)
- Driver France two: EUR 481m (closing June 2015)
- Driver China two: RMB 1,766m (closing July 2015)
- Driver Master, Germany: EUR 708m (closing July 2015)
- Driver UK three: GBP 453m (closing September 2015)
- Driver España two: EUR 816m (closing September 2015)
- VCL 22, Germany: EUR 857m (closing October 2015)
WE ARE THE KEY TO MOBILITY

VISION

WHAT

STRATEGIC DIMENSIONS

CUSTOMERS

• Satisfied Customers

EMPLOYEES

• Top Employer
• Top Employees

OPERATIONAL EXCELLENCE

• Compliance & Governance
• Process Efficiency
• IT-Excellence

PROFITABILITY

• Total Operating Income 20% ROE
• 50% CIR

VOLUME

• 30M Contracts
• 50% Extended Penetration

HOW

FS WAY

Corporate Culture

FS Values

Leadership Culture

INTERNATIONAL COLLABORATION

Full Entrepreneurial Autonomy of Countries

Aligned by a Global Approach
Thank You.
Volkswagen Financial Services AG
Gifhorner Str. 57
38112 Braunschweig
Germany