The Key to Mobility
Creating Value with Financial Services

Fixed Income Investor Update Volkswagen Financial Services AG – September 2013

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Volkswagen Financial Services AG

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Head of Debt Capital Markets & Corporate Rating
Volkswagen Financial Services AG
Volkswagen is a product-driven business through and through.
Everything we do revolves around automobiles. At the same time, though, we are setting our sights more and more on the entire value chain.
Financing, leasing and mobility services aren’t just highly profitable. These business areas are also becoming increasingly important for attracting and retaining customers; all over the world.”

Prof. Dr. Martin Winterkorn
Chairman of the Board of Management
Volkswagen Group – Built on Three Strong Pillars(1)

### Automotive Division

- **Passenger Cars**: Volkswagen, Audi, SEAT, Škoda, Bentley, Bugatti, Lamborghini, Porsche

### Commercial Vehicles, Power Engineering

- **Commercial Vehicles**: Scania

### Financial Services Division

- **Volkswagen Financial Services**: Europe / Asia-Pacific / North- and South America
- **Scania Financial Services**
- **MAN Financial Services**
- **Porsche Holding Financial Services**
- **Porsche Financial Services**

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(1) Organizational structure of Volkswagen Group as from 1 September 2012; reporting structure as from January 2013
(2) Fully consolidated as from 1 August 2012
(3) Consolidated as from 19 July 2012
Volkswagen Financial Services AG at a Glance (06/30/2013)

Worldwide Presence

Volkswagen Financial Services AG is conducting business in 40 countries worldwide.

Key Company Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Value</th>
</tr>
</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>
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<tr>
<td>Contracts (units)</td>
<td>8.3 m</td>
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Receivables

<table>
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<tr>
<th>Receivable Type</th>
<th>Value</th>
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<tr>
<td>Wholesale</td>
<td>€ 11.1 bn</td>
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<tr>
<td>Leasing</td>
<td>€ 16.0 bn</td>
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<tr>
<td>Credit</td>
<td>€ 39.1 bn</td>
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</table>
Creating Value / Our Customers
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
   - Services
     - Fleet Management
     - Gas Card
     - Tyre
     - Wear & Tear

3. offer FLEXIBILITY
   - New Mobility
     - Micro Mobility
     - Mobile Online Services
     - Short Term Rental
   - Direct Banking
     - Deposits
     - Instalment Loans
     - Brokerage Products
Strategy WIR2018

VISION

The best automotive financial services group in the world.

BRAND GUIDELINE

FS product brands follow the brand guidelines of the respective automotive brand

STRATEGIC GOALS

Customers
- To be the most attractive supporter of sales for the brands
- To be the quality leader in business with customers and dealers

Employees
- We are a top team!

Profitability
- 20% ROE\(^1\) with 50% CIR

Volume
- Comprehensive support for the Volkswagen Group Brands
  - To cover at least every 2nd new car from the Volkswagen Group with one or more FS products
  - To become market leader for financial services products for young used cars of the Volkswagen Group

\(^1\) factoring, employee leasing; based on the necessary capital to run the business (today 8%)
Strong Benefits for Automotive through Captive

**Equipment**
- Cash payer: 100%
- Captive customer: 148%

**Turnover**
- Holding period (years): 7.2 (Cash payer), 4.8 (Captive customer)

**Brand Loyalty**
- Switch to competitor: 36%, 24%
- Stay loyal: 64%, 76%

Note: EU-5 markets
Volkswagen Financial Services Supports Launch of the Golf: Integrated Concept for Financial Services

- **Product Bundle**
  - Insurance
  - Service
  - Finance / Leasing

- **Benefit Customer**
  - „Key to mobility“-Approach:
    - Cost Transparency („All In One“)
    - Affordability
    - Facilitating sales process

- **Benefit VW AG**
  - Positive Effects on:
    - Loyalty to Brand, Dealer & Workshop
    - Customer Satisfaction
    - Profitability per Customer
Spare Parts and Dealer Profitability are Key Factors

Volkswagen Autoversicherung AG (since 1st April 2013)

Workshop Steering

Damaged Cars

Volkswagen Dealer

Spare Parts of Volkswagen Original Teile®
Growth Dimensions
Strategy for Mobility

From Sale of Cars …

- Financing
- Leasing
- Long Term Rental
- Short Term Rental
- Micro Mobility/Car Sharing

Mobile (Online-)Services
Offer of Integrated Mobility („Mobility Pass“)

> 5 Y.  4 Y.  1 Y.  2 months  1 day  1 h

How often will the customer choose?

… to Sale of Mobility
Risk Management

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

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

Portfolio Structure
- Retail (75%)
- Corporate (25%)
Total Provision and Dynamic Loss Ratio

The credit risk losses are under control and completely covered by provisions.
Residual Value Risk

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<tr>
<td>RV Risk per car</td>
<td>€ 470</td>
<td>€ 456</td>
<td>€ 431</td>
<td>€ 503</td>
<td>€ 403</td>
<td>€ 482</td>
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<tr>
<td>Provision per car</td>
<td>€ 540</td>
<td>€ 470</td>
<td>€ 431</td>
<td>€ 503</td>
<td>€ 403</td>
<td>€ 482</td>
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in € per unit

in € m

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<td>€ 397</td>
<td>€ 456</td>
<td>€ 431</td>
<td>€ 503</td>
<td>€ 403</td>
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Volkswagen Financial Services AG: Successful, Diversified and Automotive-Independent Funding Structure

Funding

- total € 87.6 bn
- Customer Deposits € 25.6 bn (29.2%)
- Liabilities to affiliated companies € 4.2 bn (4.8%)
- Asset Backed Securities € 8 bn (9.1%)
- Bonds € 22.8 bn (26.1%)
- Commercial Paper € 2.9 bn (3.3%)
- Liabilities to financial institutions € 10.7 bn (12.2%)
- Others € 4.9 bn (5.6%)
- Equity € 8.5 bn (9.7%)

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<tr>
<td>Value</td>
<td>0.7</td>
<td>1.0</td>
<td>1.6</td>
<td>2.2</td>
<td>2.7</td>
<td>3.4</td>
<td>4.5</td>
<td>5.6</td>
<td>7.1</td>
<td>8.0</td>
<td>8.7</td>
<td>8.8</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>25.6</td>
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as of 30.06.2013

* strategic allocation = not consistent with accounting logic
Refinancing Strategy

Focus on three fundamental funding sources
VW Financial Services’ Worldwide Capital Market Activities

**VW Credit Canada Inc.**
- € 25 bn Debt Issuance Program (VW Group)
- CAD 1 bn CP Program

**VW FS Group**
- € 10 bn CP Program
- € 18 bn Debt Issuance Program

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

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

**VW Bank RUS**
- domestic RUB bond issuances in preparation

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

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

**VW Credit Inc.**
- $ 4 bn CP Program (VWoA + VW Credit Inc.)
- € 10 bn CP Program (VW Group)
- € 25 bn Debt Issuance Program (VW Group)
- 144a Bond issuances via VIF

**VW Credit Canada Inc.**
- € 25 bn Debt Issuance Program (VW Group)
- CAD 1 bn CP Program

**VW Leasing Mexico**
- MXN 15 bn Dual Program*

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

**VDF Turkey**
- domestic TRY bond issuances

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

**Banco VW Brazil**
- domestic
- Letra Financeira

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

*Dual = CP + Debt Issuance
DCM Activities in 2012 / 2013 Worldwide

Volkswagen FS AG

Germany: VW FS AG
- 2 Issuances 610 m EUR tenor: 1,5 years

Germany: VW Leasing
- 6 Issuances 2,775 m EUR tenor: 2 to 10 years

Germany: VW Bank
- 11 Issuances 1,955 m EUR tenor: 1 to 5 years

Australia: VW FS Australia
- 4 Issuances 600 m AUD tenor: 3 to 5 years

Japan: VW FS Japan
- 16 Issuances 36 bn JPY tenor: 2 to 5 years

India: VW FS India
- 2 Issuances 3,000 m INR tenor: 3 to 5 years

Mexico: VW Bank/Leasing
- 3 Issuances 5,500 m MXN tenor: 3 to 4 years

Brasil: Banco VW
- 10 Issuances 1,465 m BRL tenor: 2 years

International: VW FS N.V.
- 27 Issuances 3,199 m EUR* tenor: 1 to 4 years

Turkey: VDF
- 1 Issue 100 m TRY tenor: 1,5 years

* Issues in various Currencies (NOK, SEK, GBP, EUR, TRY)
Security for Investors – Three Layer of Protection

1. Solvency and Creditworthiness of the Issuer (Volkswagen Leasing, VW FS NV Amsterdam)

   Irrevocable and Unconditional Guarantee

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

   Control & Profit + Loss Transfer Agreement

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

One Risk – One Price!
Volkswagen Financial Services AG has a solid and stable rating history.

Rating History (07/31/2013)

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<th></th>
<th>Moody's</th>
<th>S&amp;P</th>
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<td>Toyota</td>
<td>Aa3</td>
<td>AA-</td>
</tr>
<tr>
<td>Honda</td>
<td>A1</td>
<td>A+</td>
</tr>
<tr>
<td>BMW</td>
<td>A2</td>
<td>A</td>
</tr>
<tr>
<td>VW AG / VW FS AG</td>
<td>A3 1)</td>
<td>A- 1)</td>
</tr>
<tr>
<td>VW Bank GmbH</td>
<td>A3 1)</td>
<td>A- 1)</td>
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<tr>
<td>MAN</td>
<td>A3</td>
<td>-- 2)</td>
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<tr>
<td>Scania</td>
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<td>A-</td>
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<td>Daimler</td>
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<tr>
<td>Banque PSA</td>
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<td>BB+</td>
</tr>
</tbody>
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**Development of credit ratings (Standard & Poor's)**

1) Outlook: positive  2) Rating withdrawn at company's request as of Dec. 2012

Data Source: Reuters
VW Financial Services’ Worldwide ABS Activities
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Annual Report Volkswagen Financial Services AG:
http://www.vwfsag.com/ar12
Thank You!

Father and Sun

Faded denim and the Beetle Cabrio. Symbols of freedom, synonymous with the '60s, the two just go together. So when we conceived the new Beetle Cabrio '60s Edition, we knew exactly what color it had to be. But that coat of denim blue paint was just the beginning.

With its 2.0L turbocharged engine and advanced touchscreen navigation system, the '60s Edition was designed, quite literally, to set you free. What you do with that freedom, well, that's up to you.

www.beetle.com/60s
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