Volkswagen Financial Services AG – The Key to Mobility

Fixed Income Investor Update – June 2012

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and Investor Relations
Volkswagen Financial Services

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Investor Relations
Volkswagen Financial Services AG
Agenda

- Volkswagen Financial Services – Company Overview
- Preparing for the Future – Implementing our Strategy WIR2018
- Management of Risks
- Funding Strategy – Volkswagen Financial Services AG
- Financial Figures
- Outlook 2012
# Volkswagen Group Structure – Two Strong Divisions

## VOLKSWAGEN

<table>
<thead>
<tr>
<th>Automotive Division</th>
<th>Financial Services Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Cars and Light Commercial Vehicles</td>
<td>Volkswagen Financial Services</td>
</tr>
<tr>
<td>Trucks and Busses, Power Engineering</td>
<td>Europe / Asia-Pacific / North- and South America</td>
</tr>
<tr>
<td></td>
<td>USA / Canada / Spain / Argentina</td>
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<tr>
<td></td>
<td>Scania Financial Services</td>
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<td>MAN Financial Services</td>
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<tr>
<td></td>
<td>Porsche Holding Salzburg – Financial Services</td>
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</tbody>
</table>

* 49.9% stake in Porsche Zwischenholding GmbH since 7 December 2009
Volkswagen Financial Services AG at a glance (12/31/2011)

**Worldwide presence**

Directly, as well as through equity participations and service contracts, Volkswagen Financial Services AG offers financial services for the Volkswagen Group brands in 38 countries worldwide.

**Company figures**

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 76.95 bn</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 7.70 bn</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 23.80 bn</td>
</tr>
<tr>
<td>Employees</td>
<td>7,322</td>
</tr>
<tr>
<td>Receivables</td>
<td>€ 57.93 bn</td>
</tr>
</tbody>
</table>

**Receivables**

- Leasing: € 14.3 bn
- Wholesale: € 10.4 bn
- Credit: € 33.3 bn
A wide range of products around the car

1. „Ownership“
   - Bank
     - Retail Finance
     - Dealer Finance
   - Leasing
     - Finance Lease
     - Operating Lease

2. SERVICES
   - Insurance
     - Automotive
     - Warranty
     - Payment Protection
   - Services
     - Fleet Management
     - Gas Card
     - Tyre
     - Wear & Tear

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

Volkswagen Financial Services AG | Company Presentation | June 2012
Volkswagen Financial Services: Strategy WIR2018

VISION

The best automotive financial services group in the world.

BRAND GUIDELINE

getting things done
pioneering
customer - focused

The key to mobility.

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

\(^1\) excl. LeasePlan, factoring, employee leasing; based on the necessary capital to run the business (today 8%)
Volkswagen Financial Services Supports Launch of up!:
Integrated Concept for Financial Services

- Cost Transparency ("All In One")
- Affordability
- Facilitating sales process

Benefit Customer

Benefit Brand Volkswagen

- Secure Profitability per Customer
- Secure Volume Targets
- Increase Customer Satisfaction
Risk Profile of Volkswagen Financial Services AG

Credit Risk is the predominant risk type whereof the major share is originated from well diversified retail business with a low risk profile.

* Liquidity Risk, Strategic Risk, Reputational Risk

as of 12/31/2011
Total Provision and Dynamic Loss Ratio – VW FS AG

The credit risk losses are under control and completely covered by provisions.
Residual Value Risk
December 2009 - December 2011

1) Re-calculation of EL in UK (harmonisation to FS standards)
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Refinancing Strategy

Focus on three fundamental funding sources
Volkswagen Financial Services AG: successful, diversified and automotive-independent funding structure

**Funding**

- **total** € 76,95 bn
- Customer deposits € 23,8 bn (31%)
- Liabilities to affiliated companies € 5,2 bn (7%)
- Others € 4,7 bn (6%)
- Equity € 7,7 bn (10%)
- Asset Backed Securitization € 7,0 bn (9%)

**Deposits**

- Bonds issued € 18,4 bn (24%)
- Commercial Paper € 3,1 bn (4%)
- Liabilities to financial institutions € 7,0 bn (9%)

As of 31.12.2011
VW Financial Services Worldwide Capital Market Activities

- **VCCl**: €25 bn Debt Issuance Program (VW Group)
  - CAD 1 bn CP Program (VW Canada)
- **VCI**: $4 bn CP Program (VWoA)
  - €10 bn CP Program (VW Group)
  - €25 bn Debt Issuance Program (VW Group)
- **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 Instrument Issuance Program
- **VW Bank Polska**
  - VW Leasing Polska
  - PLN 3 bn Debt Instrument Issuance Program
- **VW FS Japan**: JPY 60 bn ECP Program
- **VW FS Australia**: AUD 2 bn Debt Issuance Program
- **VW Finance (China)**
  - Feasibility study
- **VDF Turkey**
  - Feasibility study
- **Banco VW Brazil**
  - Letra Financeira
- **VW Leasing**
  - MXN 15 bn Dual Program
- **VW Bank**
  - MXN 10 bn CP Program (in progress)
  - Debt Issuance Program (in progress)
- **VW FS India**
  - INR 30 bn Dual Frame
Security for Investors – Three Layer of Protection

1. Solvability and Creditworthiness of the Issuer (Affiliated Company of Volkswagen Financial Services AG)
   - Irrevocable and Unconditional Guarantee + Letter of Comfort

   - Control & Profit + Loss Transfer Agreement


One Risk – One Price!
VW Financial Services Worldwide ABS Activities

- VW FS UK
  - ABCP-Conduit, Driver UK Program
- VW Bank / VW Leasing
  - Driver- & VCL-Program
- VW Bank France
  - Current ABS-project
- VW Finance Spain
  - Driver España Program
- VW Finance Spain
  - Driver España Program
- Banco VW Brazil
  - Driver Brazil Program
- VW FS Japan Ltd
  - ABCP Conduit, Driver Japan Program
- VW FS Australia
  - Current ABS-project
- VW FC China
  - Current ABS Project

VCI / VCCI
Separate ABS expertise in the USA and Canada
Two Strong Brands in the Automobile Securitisation Market

- Securitisation Program of VW FS AG
- Car loans originated by Volkswagen Bank
- Program running since 2004
- Currently 12 public transactions placed in the market
- Volume of public transactions since ‘04: € 9.8 bn
- Highly granular risk profile
- International roll out (2008 in UK, 2011 in Spain, 2012 in Japan, planned for Brazil, France, and Australia)
- Stable and diversified investor base

- Securitisation Program of VW FS AG
- Car leases originated by Volkswagen Leasing
- Program running since 1996
- Currently 15 public transaction placed in the market
- Total volume of public transactions since ‘96: € 11.4 bn
## Recent Public CM and ABS Deals

### Capital Market
- VW Leasing GmbH: 11/11 € 750mn due 11/14
- VW Leasing GmbH: 11/11 € 750mn due 05/18
- VW Bank GmbH: 04/11 € 500mn due 04/14
- VW Bank GmbH: 04/11 € 500mn due 10/12
- VW Leasing Mexico S.A. de C.V.: 04/11 MXN 2,0bn due 04/14
- Banco Volkswagen Brazil: 06/12 BRL 300mn due 06/14
- VWFS Australia: 02/12 AUD 150mn due 01/14
- VW FS NV, Netherlands: 05/12 GBP 250mn due 10/15

### Asset-Backed Securities
- VCL 15, Germany: € 1bn (March 2012)
- Driver Nine, Germany: € 714.4m (May 2011)
- DFM Master, Netherlands: € 293.5m (May 2011)
- Driver España One, Spain: € 628.9m (May 2011)
### Rating History (04/30/2012)

<table>
<thead>
<tr>
<th>Company</th>
<th>Moody's</th>
<th>S&amp;P</th>
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</thead>
<tbody>
<tr>
<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</td>
<td>A-</td>
</tr>
<tr>
<td>VW Bank GmbH</td>
<td>A3</td>
<td>A-</td>
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<tr>
<td>MAN</td>
<td>A3</td>
<td>A-</td>
</tr>
<tr>
<td>Scania</td>
<td>--</td>
<td>A-</td>
</tr>
<tr>
<td>Daimler</td>
<td>A3</td>
<td>A-</td>
</tr>
<tr>
<td>Banque PSA</td>
<td>Baa1</td>
<td>BBB</td>
</tr>
<tr>
<td>RCI Banque</td>
<td>Baa2</td>
<td>BBB</td>
</tr>
<tr>
<td>FMCC</td>
<td>Ba1</td>
<td>BB+</td>
</tr>
</tbody>
</table>

#### Development of credit ratings (Standard & Poor's)

- **Toyota (AA-)**
- **Honda (A+)**
- **BMW (A)**
- **VW AG / VW FS AG (A)**
- **VW Bank (A)**
- **MAN (A)**
- **Scania (A)**
- **Daimler (A)**
- **Banque PSA (BBB)**
- **RCI Banque (BBB)**
- **FMCC (BB+)**

Volkswagen Financial Services AG has a solid and stable rating history.

Data Source: Reuters
Volkswagen Financial Services AG: Financial Figures (IFRS)

ROE (based on the avg. equity of the referred year): PbT / ((Equity current year + Equity previous year) / 2)
Volkswagen Financial Services AG: Outlook 2012

- Volumes are expected to Stabilise in Saturated Markets with Growth Opportunities in Growth Markets

- Refinancing Costs on low levels

- Highly Uncertain Economic Environment might have impact on Risk Costs

- Earnings in 2012 are expected to be at the level of 2011
Thank you for your attention!
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Annual Report of Volkswagen Financial Services AG:
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