The Key to Mobility
Creating Value with Financial Services

Fixed Income Investor Update – Volkswagen Financial Services AG; December 2014

Bernd Bode
Head of Group Treasury and Investor Relations
Volkswagen Financial Services
Disclaimer

The following presentations 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 Such statements are valid on the date of publication and can be superceded.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 power of 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>Commercial Vehicles</td>
<td></td>
</tr>
<tr>
<td>Power Engineering</td>
<td></td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td></td>
</tr>
<tr>
<td>Scania</td>
<td></td>
</tr>
<tr>
<td>Remaining companies</td>
<td></td>
</tr>
</tbody>
</table>

Europe / Asia-Pacific / North and South America

Financial Services
USA / Canada / Spain / Argentina

Scania Financial Services
Porsche Holding Financial Services
Porsche Financial Services
Volkswagen Financial Services at a Glance (06/30/2014)

Worldwide presence

Volkswagen Financial Services conducts business in 50 countries

Key company figures

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 126.6 bn</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 14.7 bn</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 25.3 bn</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 776 m</td>
</tr>
<tr>
<td>Employees</td>
<td>11,859</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>11.5 m</td>
</tr>
</tbody>
</table>

Business Volume* € 105.9 bn

- Leasing: € 37.4 bn
- Credit: € 54.6 bn
- Wholesale: € 13.9 bn

*Receivables + Leased Assets
Volkswagen Financial Services: Our business model
Volkswagen Financial Services offers the whole range of services under one roof

- Retail Finance
- Dealer Finance
- Factoring
- Deposits
- Instalment Loans
- Investment Products
- Finance Lease
- Operating Leasing
- Automotive
- Payment Protection
- Industry
- Fleet Management
- Tyre
- Wear & Tear
- Long-term rent
- Short-term rent
- Carsharing
Strong Benefits for Automotive through Captive

- **Equipment**
  - + 26%
  - Cash Payer: 100%
  - Captive Customer: 126%

- **Turnover**
  - + 34%
  - Cash Payer: 7.2 years
  - Captive Customer: 4.8 years

- **Brand Loyalty**
  - + 17%
  - Switch to Competitor: 34% Cash Payer, 23% Captive Customer
  - Stay Loyal: 66% Cash Payer, 76% Captive Customer
Three Growth Dimensions
### MAN Finance

<table>
<thead>
<tr>
<th>Countries</th>
<th>Employees</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>100</td>
<td>€ 1.473 Mio</td>
</tr>
<tr>
<td>France</td>
<td>21</td>
<td>€ 270 Mio</td>
</tr>
<tr>
<td>Italy</td>
<td>23</td>
<td>€ 127 Mio</td>
</tr>
<tr>
<td>UK</td>
<td>44</td>
<td>€ 387 Mio</td>
</tr>
<tr>
<td>Turkey</td>
<td>21</td>
<td>€ 155 Mio</td>
</tr>
<tr>
<td>Poland</td>
<td>22</td>
<td>€ 95 Mio</td>
</tr>
<tr>
<td>Switzerland</td>
<td>4</td>
<td>€ 30 Mio</td>
</tr>
<tr>
<td>Austria</td>
<td>10</td>
<td>€ 197 Mio</td>
</tr>
<tr>
<td>South Africa</td>
<td>JV</td>
<td>€ 133 Mio</td>
</tr>
<tr>
<td>Russia</td>
<td>33</td>
<td>€ 119 Mio</td>
</tr>
<tr>
<td>Spain</td>
<td>25</td>
<td>€ 189 Mio</td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Values shown: employees and Total Assets, End of 2013

### MAN Rental

152 Employees
€ 375 Mio
MAN Finance: Initial success – Foundation for growth

<table>
<thead>
<tr>
<th>MAN Finance markets Penetration</th>
<th>2013</th>
<th>2014 (YTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penetration</td>
<td>27%</td>
<td>43%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VW FS pilot projects Penetration</th>
<th>2013</th>
<th>2014 (YTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penetration</td>
<td></td>
<td>44%</td>
</tr>
</tbody>
</table>

New markets launched

<table>
<thead>
<tr>
<th>Actual: September Figures</th>
</tr>
</thead>
</table>

VW FS AG | Investor Presentation | 2014
Penetration Rates

Rising penetration rates

- 2008: 26.4% (w/o China)
- 2009: 25.0% (w/o China)
- 2010: 24.7% (w/o China)
- 2011: 25.4% (w/o China)
- 2012: 27.5% (w/o China)
- 2013: 27.7% (w/o China)
- H1 2014: 29.7% (w/o China)

- 2008: 32.5% (with China)
- 2009: 32.9% (with China)
- 2010: 34.9% (with China)
- 2011: 36.3% (with China)
- 2012: 40.7% (with China)
- 2013: 43.0% (with China)
- H1 2014: 44.20% (with China)
Risk Management

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

Portfolio Structure

- Retail 75%
- Corporate 25%

VW FS AG | Investor Presentation | 2014
Volkswagen Financial Services – Credit Risks

Credit risk remains at low level despite challenging market environment

- **Provision Ratio**
  - 2010: 0.9%
  - 2011: 0.6%
  - 2012: 0.5%
  - 2013: 0.4%

- **Loss Ratio**
  - 2010: 2.5%
  - 2011: 2.2%
  - 2012: 2.0%
  - 2013: 2.0%

- **Types of Financing**
  - Retail Financing
  - Leasing
  - Corporate Financing

VW FS AG | Investor Presentation | 2014
### Residual value risks well covered by provisions

<table>
<thead>
<tr>
<th>Units in € m</th>
<th>Jun 2012</th>
<th>Dec 2012</th>
<th>Jun 2013</th>
<th>Dec 2013</th>
<th>Jun 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residual Value Risk</td>
<td>310</td>
<td>465</td>
<td>541</td>
<td>496</td>
<td>514</td>
</tr>
<tr>
<td>Provision</td>
<td>495</td>
<td>556</td>
<td>569</td>
<td>608</td>
<td>684</td>
</tr>
<tr>
<td>Units</td>
<td>548</td>
<td>482</td>
<td>517</td>
<td>553</td>
<td>484</td>
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</tbody>
</table>

1) Proactive inclusion of contracts from employee/staff car leasing and long-term rentals
Funding structure Volkswagen Financial Services AG
Total € 100.6 bn
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)**
  - Feasibility study

*Dual = CP + Debt Issuance

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

- **VW FS Australia**
  - AUD 3 bn Debt Issuance Program
DCM Strategy VW Automotive and VW Financial Services

**VOLKSWAGEN**
(A3 / A1- Rating)

100% Owner +
Control and Profit Transfer Agreement

**VOLKSWAGEN FINANCIAL SERVICES**
(A3 / A- Rating)

Guarantee

**VW Automotive Companies:**
VW International Finance…..

**VW FS AG Companies:**
VW Leasing,
VW FS Japan…

DCM Investors worldwide
DCM Activities in 2014 (until 30/11/2014)

<table>
<thead>
<tr>
<th>Country</th>
<th>Issuances</th>
<th>Amount</th>
<th>Tenor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>3</td>
<td>2,750 mn EUR</td>
<td>3.5 to 10 years</td>
</tr>
<tr>
<td>Russia</td>
<td>11</td>
<td>2,625 mn EUR</td>
<td>1 to 5 years</td>
</tr>
<tr>
<td>Russia</td>
<td>3</td>
<td>15,000 mn RUB</td>
<td>5 years*</td>
</tr>
<tr>
<td>Australia</td>
<td>2</td>
<td>400 mn AUD</td>
<td>4 to 5 years</td>
</tr>
<tr>
<td>Japan</td>
<td>8</td>
<td>28,000 mn JPY</td>
<td>3 to 5 years</td>
</tr>
<tr>
<td>India</td>
<td>2</td>
<td>4,000 mn INR</td>
<td>2 to 3 years</td>
</tr>
<tr>
<td>Mexico</td>
<td>2</td>
<td>4,500 mn MXN</td>
<td>2.5 to 4 years</td>
</tr>
<tr>
<td>Brasil</td>
<td>8</td>
<td>713 mn BRL</td>
<td>2 years</td>
</tr>
<tr>
<td>Korea</td>
<td>2</td>
<td>250 bn KRW</td>
<td>3 years</td>
</tr>
<tr>
<td>International</td>
<td>17</td>
<td>1,984 mn EUR</td>
<td>1.5 to 6.5 years</td>
</tr>
</tbody>
</table>

* Economically 2 years as per Put-Option  ** Issuances in various currencies (NOK, SEK, GBP, EUR, TRY, NZD, CZK)
## Rating History (09/22/2014)

<table>
<thead>
<tr>
<th>Company</th>
<th>Moody's</th>
<th>S&amp;P</th>
</tr>
</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>
</tr>
<tr>
<td>MAN</td>
<td>A3</td>
<td>-- 1</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>RCI Banque</td>
<td>Baa3</td>
<td>BBB</td>
</tr>
<tr>
<td>FMCC</td>
<td>Baa3</td>
<td>BBB-</td>
</tr>
<tr>
<td>Banque PSA</td>
<td>Ba1</td>
<td>BB</td>
</tr>
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1) Rating withdrawn at company’s request as of Dec. 2012

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

Bernd Bode
Group Treasury and Investor Relations Volkswagen Financial Services

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Interim Report Volkswagen Financial Services AG:
http://www.vwfsag.com/zb14

Memorandum of Clifford Chance concerning the „Domination and Profit and Loss Transfer Agreement VWAG – VWFSAG“
http://www.vwfsag.com/
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