The Key to Mobility
Creating Value with Financial Services
Investor Update – 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 Such statements are valid on the date of publication and can be superceded.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>
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</thead>
<tbody>
<tr>
<td><strong>Passenger Cars</strong></td>
<td><strong>Volkswagen Financial Services</strong></td>
</tr>
<tr>
<td><strong>Commercial Vehicles / Power Engineering</strong></td>
<td>Included: MAN Financial Services</td>
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<td><strong>Remaining companies</strong></td>
<td><strong>Financial Services</strong></td>
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<td></td>
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<td>Porsche Holding Financial Services</td>
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<td>Porsche Financial Services</td>
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Volkswagen Financial Services

Porsche Financial Services

MAN Financial Services

Scania Financial Services

Porsche Holding Financial Services

Fixed Income, Paris, 29 September 2016
Volkswagen Financial Services AG at a Glance (06/30/2016)

Worldwide presence

Volkswagen Financial Services conducts business in 49 countries

Key company figures

- Total assets: €125.7 bn
- Equity: €15.5 bn
- Customer deposits: €34.2 bn
- Operating profit: €751 m
- Employees: 11,538
- Contracts (units): 12.7 m

Business Volume* €101.1 bn

- Leasing €34.8 bn
- Credit €51.9 bn
- Dealer financing €14.4 bn

*Receivables + Leased Assets
Contract portfolio Volkswagen Financial Services AG

Continuous portfolio expansion

in '000 units


- Credit: 4,888
- Leasing: 1,870
- Insurance/Services: 5,954
- 11% Latin America
- 33% Europe excl. Germany
- 10% Asia Pacific / Other Countries
- 1% MAN Financial Services
- 45% Germany
- 12,712 thd. contracts

4,888
1,870
5,954
11,086
12,712

Continuous portfolio expansion

4,888
1,870
5,954
11,086
12,712

6,028
6,852
8,848
11,086
12,712

Diesel Issue | Effects on VW FS AG

Effects of Diesel Issue

1. Trust of Customers
2. Residual Values
3. Funding
4. Dealer Solvency
# Diesel Issue | Potential Effects on VW FS AG: Confidence-building measures

<table>
<thead>
<tr>
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<th>New Cars</th>
<th>Used Cars</th>
<th>New Cars</th>
<th>Used Cars</th>
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</table>

**Legend**
- ✓ Trust Campaign implemented
Diesel Issue | Potential Effects on VW FS AG: Residual Values

Used car prices EU

- Offered online prices fluctuated in ordinary and expected range
- Realized prices have recovered

- Prices not affected by Diesel Issue

- Prices not affected by Diesel Issue

- Prices not affected by Diesel Issue
Diesel Issue | Potential Effects on VW FS AG: Residual Values

Used car prices | Example Germany

Relative Residual Value Development* in comparison to 25.09.2015 (as of 09.09.2016)

Eine Analyse von

SCHWACKE

*Indicated residual value progression (25.09.2015 = 100%)
Diesel Issue | Potential Effects on VW FS AG: Funding
Funding structure Volkswagen Financial Services AG

As of 31 December 2015:
Total € 121.3 bn

- Liabilities to affiliated companies: € 9 bn (7.4%)
- Customer Deposits: € 28.1 bn (23.1%)
- Equity: € 14.8 bn (12.2%)
- Others: € 7.4 bn (6.1%)
- Asset Backed Securitization: € 17.1 bn (14.1%)
- Bonds issued: € 26 bn (21.4%)
- Commercial Paper: € 3.2 bn (2.7%)

As of 30 June 2016:
Total € 125.7 bn

- Liabilities to affiliated companies: € 8.1 bn (6.4%)
- Customer Deposits: € 34.2 bn (27.2%)
- Equity: € 15.5 bn (12.3%)
- Others: € 8.1 bn (6.4%)
- Asset Backed Securitization: € 16.4 bn (13.1%)
- Bonds issued: € 22.5 bn (17.9%)
- Commercial Paper: € 3.8 bn (3%)

strategic funding allocation
Diesel Issue | Potential Effects on VW FS AG: Funding Development of Customer Deposits

in € bn

<table>
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<tr>
<th>Year</th>
<th>Term Deposits</th>
<th>Overnight</th>
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<tbody>
<tr>
<td>2013</td>
<td>24.3</td>
<td>1.3</td>
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<tr>
<td>2014</td>
<td>26.2</td>
<td>1.1</td>
</tr>
<tr>
<td>2015</td>
<td>28.1</td>
<td>0.2</td>
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<tr>
<td>Q2/2016</td>
<td>34.2</td>
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</table>

About 75% Private Customers
Diesel Issue | Potential Effects on VW FS AG: Dealer Solvency

Monthly monitoring dealer business

Cause:
- 4 VWFS AG markets have been identified where the current diesel issues might have a negative impact on the risks of the dealer portfolio (UK, FR, JP, KR)

Action:
- Monthly monitoring of portfolio data, differentiated by rating classes
- Additional information about significant changes (stocking days, credit line extensions, stock audit results, overdrafts)

Target:
- In case of negative development countermeasures can be prepared and implemented at an early stage
With the publication of the results on 29 July 2016, Volkswagen Financial Services AG again successfully passed the bank stress test by EBA.

VW FS AG achieved for 2018 a capital ratio (CET 1) of 9.6% (12.0 percent starting point per 31.12.2015) in the stress test and therefore exceeded the supervisory threshold (pass mark) of 5.5% by a significant extent.

“The gratifying result of the 2016 stress test again shows the robustness of our business model and adequate capital resources even in the turbulent times assumed for this simulation.”

(Dr. Michael Reinhart, Member of Board of Management of VW FS AG responsible for risk management.)
**Risk Management**

### Credit Risk
- Risk of loss through defaults in customer transactions
- Portfolio Structure: Retail 74% / Corporate 26%
- 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.

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* Shareholder Risk + Issuer Risk + Counterparty Risk + Liquidity Risk + Risks of MAN FS subsidiaries and lump sum for non-quantified Risk: Strategic Risk, Reputational Risk
Credit risk remains at low level despite challenging market environment

- **Total Provision Ratio**: Total provisions in proportion to the total receivables’ volume at reporting date.
- **Ø Dynamic Loss Ratio**: Drawings on provisions including direct write-offs relative to the average volume of receivables (last four quarters).

### Key Data
- **December 2011**: 2.3%, Retail Financing 0.6%, Leasing 0.5%, Corporate Financing 0.6%
- **December 2012**: 2.2%, Retail Financing 0.6%, Leasing 0.7%, Corporate Financing 0.4%
- **December 2013**: 2.2%, Retail Financing 0.4%, Leasing 0.4%, Corporate Financing 0.5%
- **December 2014**: 2.0%, Retail Financing 0.4%, Leasing 0.5%, Corporate Financing 0.4%
- **December 2015**: 1.9%, Retail Financing 0.3%, Leasing 0.2%, Corporate Financing 0.2%
Worldwide Capital Market Activities

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 FS Japan
JPY 60 bn ECP Program

VW Finance (China)
Domestic RMB Bond Issuances

VW FS India
Domestic INR CP + Bond Issuances

VW FS Korea
Domestic KRW Bond Issuances

VW FS Australia
AUD 3 bn Debt Issuance Program

VW Bank Polska
PLN 3 bn Debt Issuance Program

VW Bank Russia
Domestic 50bn RUB Bond Program

VW Bank Polska
Domestic 50bn RUB Bond Program

VW FS Japan
JPY 60 bn ECP Program

VW Finance (China)
Domestic RMB Bond Issuances

VW FS Australia
AUD 3 bn Debt Issuance Program

*Dual = CP + Debt Issuance
Worldwide ABS Activities

- **DFM**
  - DFM Master program

- **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 UK**
  - Driver UK Master

- **VW FS Japan**
  - Driver Japan program

- **VW Finance China**
  - Driver China program

- **VW FS Australia**
  - Driver Australia program
## Rating History (09/15/2016) – Moody’s

<table>
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<tr>
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<th>S&amp;P</th>
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<tr>
<td>Toyota</td>
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<tr>
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<td>A+</td>
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<td>BBB+1)</td>
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<tr>
<td>VW Bank GmbH</td>
<td>Aa3 1)</td>
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<td>VW FS AG</td>
<td>A2 1)</td>
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<tr>
<td>Scania</td>
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<td>Banque PSA</td>
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<td>BB+ *</td>
</tr>
</tbody>
</table>

1) Outlook: negative  * withdrawn at bank’s request

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

Data Source: Reuters
Contact

Katja Hauer
Investor Relations Officer
Volkswagen Financial Services AG
Tel.: +49 531 212 84608
katja.hauer@vwfs.com

Nils Allnoch
Debt Capital Markets & Corporate Rating
Volkswagen Financial Services AG
Tel.: +49 531 212 2459
nils.allnoch@vwfs.com

More Information:
https://www.vwfsag.de/en/home/investor_relations.html
Thank You.

Volkswagen Financial Services AG
Gifhorner Str. 57
38112 Braunschweig
Germany