Volkswagen Group
Ulrich Hauswaldt, Martin Büdke, Katja Hauer, Dirk Bauer
Volkswagen AG, Volkswagen Financial Services
Barclays Investorday, Frankfurt, 13th September 2017
Volkswagen Investor Update

Volkswagen AG
Ulrich Hauswaldt – Group Investor Relations
Martin Büdke – Capital Markets & Rating

Volkswagen Bank GmbH
Katja Hauer – Investor Relations
Dirk Bauer – Head of Debt Capital Markets & Corporate Rating
Development World Car Market vs. Volkswagen Group Car Deliveries to Customers\(^1\)
(Growth y-o-y in deliveries to customers, January to July 2017 vs. 2016)

<table>
<thead>
<tr>
<th>Region</th>
<th>Car Market Cars + LCV</th>
<th>VW Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>-1.8%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>11.7%</td>
<td>11.8%</td>
</tr>
<tr>
<td>South America</td>
<td>10.4%</td>
<td>11.5%</td>
</tr>
<tr>
<td>World</td>
<td>4.9%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>-1.6%</td>
<td>-1.6%</td>
</tr>
</tbody>
</table>

\(^1\) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN Commercial Vehicles.
Volkswagen Group – Deliveries to Customers by Brands (January to July 2017 vs. 2016)

1) MAN incl. MAN Latin America Trucks and Busses GVW > 5t

```plaintext
<table>
<thead>
<tr>
<th>Brand</th>
<th>January - July 2016</th>
<th>January - July 2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Cars</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volkswagen</td>
<td>5,903</td>
<td>5,977</td>
<td>+1.3%</td>
</tr>
<tr>
<td>Audi</td>
<td>3,374</td>
<td>3,402</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Skoda</td>
<td>1,103</td>
<td>1,064</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Seat</td>
<td>653</td>
<td>672</td>
<td>+2.9%</td>
</tr>
<tr>
<td>Porsche</td>
<td>252</td>
<td>285</td>
<td>+13.4%</td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volkswagen</td>
<td>1,790</td>
<td>1,732</td>
<td>-3.6%</td>
</tr>
<tr>
<td>MAN</td>
<td>58</td>
<td>62</td>
<td>+6.7%</td>
</tr>
<tr>
<td>MAN Latin America Trucks and Busses GVW &gt; 5t</td>
<td>3,374</td>
<td>3,402</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Scania</td>
<td>50</td>
<td>58</td>
<td>+16.3%</td>
</tr>
</tbody>
</table>
```

1) MAN incl. MAN Latin America Trucks and Busses GVW > 5t
Volkswagen Group – Deliveries to Customers by Markets\(^1\)
(January to July 2017 vs. 2016)

\(^1\) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles);
Volkswagen Group: Environmental and Future Incentives Program

- Promoting the renewal of the vehicle fleet through the changeover to Euro 6 and e-mobility
- Improve air quality in cities
- Incentives on purchasing a Volkswagen, Volkswagen Commercial Vehicles, Audi, SEAT, ŠKODA or Porsche with Euro 6 Standard

**e.g. Germany:**
- Program is available until December 31st, 2017
- Incentives for scrapping an old diesel vehicle of any brand with Euro 4 or older and purchase of a new vehicle
  (Volkswagen: €2,000 to €10,000; Audi: €3,000 to €10,000; SEAT: €1,750 to €8,000; ŠKODA: €1,750 to €5,000; Porsche: €5,000)
- Additional bonus for the purchase of alternative powertrain (electric, hybrid or natural gas)

**Example Incentive Volkswagen Brand:**

<table>
<thead>
<tr>
<th>Model</th>
<th>&quot;Environmental&quot; Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>up!</td>
<td>€2,000</td>
</tr>
<tr>
<td>Polo</td>
<td>€3,000</td>
</tr>
<tr>
<td>Golf, Golf Sportsvan, Golf Estate, Tiguan, Tiguan Allspace, Beetle Cabrio</td>
<td>€5,000</td>
</tr>
<tr>
<td>Touran</td>
<td>€6,000</td>
</tr>
<tr>
<td>Passat Sedan/Estate, Arteon, Sharan</td>
<td>€8,000</td>
</tr>
<tr>
<td>Touareg</td>
<td>€10,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Powertrain type</th>
<th>&quot;Future&quot; Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural gas (e.g. Golf TGI)</td>
<td>€1,000</td>
</tr>
<tr>
<td>Hybrid (e.g. Golf GTE; Passat GTE)</td>
<td>€1,785</td>
</tr>
<tr>
<td>Electric (e.g. e-up!; e-Golf)</td>
<td>€2,380</td>
</tr>
</tbody>
</table>

- Additional bonus for the purchase of alternative powertrain (electric, hybrid or natural gas)
  
<table>
<thead>
<tr>
<th>Model</th>
<th>&quot;Environmental&quot; Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>up!</td>
<td>€2,000</td>
</tr>
<tr>
<td>Polo</td>
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<td>Golf, Golf Sportsvan, Golf Estate, Tiguan, Tiguan Allspace, Beetle Cabrio</td>
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<td>€8,000</td>
</tr>
<tr>
<td>Touareg</td>
<td>€10,000</td>
</tr>
</tbody>
</table>

**Cost of Programs anticipated to be balanced through higher volumes, benefits of gaining new customers and raising customer loyalty**
Global Passenger Car Market 2017/2020

Slowdown in Western Europe; Stagnation in USA at a high level; Recovery in Brazil though from a low level; Strong growth in India; China remains largest driver of passenger car demand
## Volkswagen Group – Key Financial Figures
(January to June 2017 vs. 2016)

<table>
<thead>
<tr>
<th>Thousand vehicles / € million</th>
<th>2017</th>
<th>2016</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle Sales 2)</td>
<td>5,270</td>
<td>5,199</td>
<td>+1.4</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>115,862</td>
<td>107,935</td>
<td>+7.3</td>
</tr>
<tr>
<td>Operating profit before Special Items</td>
<td>8,916</td>
<td>7,517</td>
<td>+18.6</td>
</tr>
<tr>
<td>% of sales revenue</td>
<td>7.7</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>8,916</td>
<td>5,339</td>
<td>+67.0</td>
</tr>
<tr>
<td>% of sales revenue</td>
<td>7.7</td>
<td>4.9</td>
<td></td>
</tr>
<tr>
<td>Financial result</td>
<td>44</td>
<td>-528</td>
<td>X</td>
</tr>
<tr>
<td>of which: At-equity result2)</td>
<td>1,635</td>
<td>1,715</td>
<td>-4.7</td>
</tr>
<tr>
<td>of which: Other financial result</td>
<td>-1,591</td>
<td>-2,243</td>
<td>-29.1</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>8,960</td>
<td>4,810</td>
<td>+86.3</td>
</tr>
<tr>
<td>% Return on sales before tax</td>
<td>7.7</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>6,595</td>
<td>3,579</td>
<td>+84.3</td>
</tr>
</tbody>
</table>

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1) All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

2) Volume data including the unconsolidated Chinese joint ventures. The joint venture companies in China are accounted for using the equity method and recorded an operating profit (proportionate) of €2,135 million (€2,366 million).
Operating profit increased to €8.9 billion in H1 2017

All figures shown are rounded, minor discrepancies may arise from addition of these amounts. *) without FS  **) including PPA
### Strong brands contributed to the operating profit of the Group in H1 2017

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Passenger Cars</td>
<td>1,812</td>
<td>2,232</td>
<td>39,855</td>
<td>53,006</td>
<td>1,776</td>
<td>881</td>
</tr>
<tr>
<td>Audi</td>
<td>783</td>
<td>799</td>
<td>30,143</td>
<td>30,134</td>
<td>2,680</td>
<td>2,666</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>501</td>
<td>431</td>
<td>8,720</td>
<td>7,114</td>
<td>860</td>
<td>685</td>
</tr>
<tr>
<td>SEAT</td>
<td>304</td>
<td>276</td>
<td>5,054</td>
<td>4,485</td>
<td>130</td>
<td>93</td>
</tr>
<tr>
<td>Bentley</td>
<td>5</td>
<td>5</td>
<td>867</td>
<td>883</td>
<td>13</td>
<td>-22</td>
</tr>
<tr>
<td>Porsche Automotive 3)</td>
<td>124</td>
<td>117</td>
<td>10,841</td>
<td>10,151</td>
<td>2,056</td>
<td>1,768</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>244</td>
<td>231</td>
<td>5,927</td>
<td>5,406</td>
<td>448</td>
<td>299</td>
</tr>
<tr>
<td>Scania 4)</td>
<td>44</td>
<td>41</td>
<td>6,307</td>
<td>5,575</td>
<td>673</td>
<td>550</td>
</tr>
<tr>
<td>MAN Commercial Vehicles</td>
<td>53</td>
<td>49</td>
<td>5,297</td>
<td>4,798</td>
<td>193</td>
<td>186</td>
</tr>
<tr>
<td>MAN Power Engineering</td>
<td>-</td>
<td>-</td>
<td>1,579</td>
<td>1,673</td>
<td>73</td>
<td>103</td>
</tr>
<tr>
<td>VW China 5)</td>
<td>1,870</td>
<td>1,867</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other 6)</td>
<td>-469</td>
<td>-849</td>
<td>-14,728</td>
<td>-28,901</td>
<td>-1,152</td>
<td>-687</td>
</tr>
<tr>
<td>Volkswagen Financial Services 7)</td>
<td>-</td>
<td>-</td>
<td>15,999</td>
<td>13,611</td>
<td>1,165</td>
<td>995</td>
</tr>
<tr>
<td><strong>Volkswagen Group before Special Items</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,916</td>
<td>7,517</td>
</tr>
<tr>
<td><strong>Special Items</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-2,178</td>
</tr>
<tr>
<td><strong>Volkswagen Group</strong></td>
<td>5,270</td>
<td>5,199</td>
<td>115,862</td>
<td>107,935</td>
<td>8,916</td>
<td>5,339</td>
</tr>
<tr>
<td><strong>Automotive Division</strong></td>
<td>5,270</td>
<td>5,199</td>
<td>98,901</td>
<td>92,547</td>
<td>7,651</td>
<td>4,162</td>
</tr>
<tr>
<td>of which: Passenger Cars</td>
<td>4,930</td>
<td>4,879</td>
<td>80,070</td>
<td>75,285</td>
<td>6,654</td>
<td>3,895</td>
</tr>
<tr>
<td>of which: Commercial Vehicles</td>
<td>340</td>
<td>320</td>
<td>17,252</td>
<td>15,589</td>
<td>1,043</td>
<td>285</td>
</tr>
<tr>
<td>of which: Power Engineering</td>
<td>-</td>
<td>-</td>
<td>1,579</td>
<td>1,673</td>
<td>-46</td>
<td>-18</td>
</tr>
<tr>
<td>Financial Services Division</td>
<td>-</td>
<td>-</td>
<td>16,961</td>
<td>15,388</td>
<td>1,265</td>
<td>1,177</td>
</tr>
</tbody>
</table>

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. 2) 2017 figures take account of the reclassification of companies; prior-year figures were not adjusted. 3) Porsche (Automotive and Financial Services): sales revenue €11,778 (10,929) million, operating profit €2,131 (1,830) million. 4) Including financial services. 5) The sales revenue and operating profits of the joint venture companies in China are not included in the figures for the Group. These Chinese companies are accounted for using the equity method and recorded a proportionate operating profit of €2,135 (2,366) million. 6) Prior year adjusted. In operating profit mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of purchase price allocation for Scania, Porsche Holding Salzburg, MAN and Porsche. 7) Starting January 1, 2017, Porsche’s financial services business is reported as part of Volkswagen Financial Services. Prior-year figures were not adjusted. 8) Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
Automotive Division net cash flow H1 2017: Significant increase in operating cash flow

+44%

<table>
<thead>
<tr>
<th>2016 3)</th>
<th>9.7</th>
<th>0.0</th>
<th>9.7</th>
<th>-4.5 (4.9%)</th>
<th>-2.6</th>
<th>0.2</th>
<th>2.8</th>
<th>2.3</th>
<th>5.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash flow before Diesel Outflow</td>
<td>9.7</td>
<td>0.0</td>
<td>9.7</td>
<td>-4.5 (4.9%)</td>
<td>-2.6</td>
<td>0.2</td>
<td>2.8</td>
<td>2.3</td>
<td>5.1</td>
</tr>
<tr>
<td>Diesel Outflow</td>
<td>-12.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capex 3)</td>
<td>-4.2 (4.2%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalized development costs</td>
<td>-2.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>0.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash flow before equity investments</td>
<td>0.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition and disposal of equity investments</td>
<td>-4.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash flow</td>
<td>-4.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.  
2) Including allocation of consolidation adjustments between Automotive and Financial Services divisions.  
3) Capital expenditure for property, plant and equipment in % of Automotive sales revenue.
Automotive Division net liquidity on a robust level in H1

€ billion

€ billion

-4.8
3.5
-1.0
-1.0
-0.2
27.2
23.7

Net Cash Flow H1
Hybrid Bond
Capital increase Volkswagen FS AG
Dividend pay-out to Volkswagen AG shareholders
Other
30.06.2017

Volkswagen FS AG
Net Cash Flow
H1

Volkswagen FS AG
Dividend pay-out to Volkswagen AG shareholders

Volkswagen AG
Dividend pay-out to Volkswagen AG shareholders

Other
## Volkswagen Group Funding Strategy – Funding Programs & Outstandings

### June 30, 2017 in € billion

### Money and Capital Markets

<table>
<thead>
<tr>
<th></th>
<th>Utilization</th>
<th>June 30 2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Papers</td>
<td>16.1</td>
<td>4.3</td>
<td>+11.8</td>
</tr>
<tr>
<td>Medium Term Notes / Bonds</td>
<td>54.9</td>
<td>61.9</td>
<td>-7.0</td>
</tr>
<tr>
<td><strong>thereof: Hybrid Bonds</strong></td>
<td>11.0</td>
<td>7.5</td>
<td>+3.5</td>
</tr>
<tr>
<td>ABS</td>
<td>37.0</td>
<td>27.1</td>
<td>-9.9</td>
</tr>
<tr>
<td><strong>Total Amount</strong></td>
<td>171.5</td>
<td>139.9</td>
<td></td>
</tr>
</tbody>
</table>

### Borrowings

<table>
<thead>
<tr>
<th></th>
<th>Frame</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed Lines</td>
<td>16.6</td>
<td>3.0</td>
<td>+0.6</td>
</tr>
<tr>
<td>Uncommitted Lines</td>
<td>30.6</td>
<td>10.4</td>
<td>+3.7</td>
</tr>
<tr>
<td>Supranationals, development banks, government, other</td>
<td>19.9</td>
<td>19.9</td>
<td>+6.4</td>
</tr>
<tr>
<td>Direct Banking Deposits</td>
<td>./.</td>
<td>30.2</td>
<td>+6.2</td>
</tr>
<tr>
<td><strong>Total Amount</strong></td>
<td>171.5</td>
<td>139.9</td>
<td></td>
</tr>
</tbody>
</table>

1) China JV's pro rata, 2) excluding Porsche, MAN, Scania

Source: Volkswagen Group
Volkswagen Group Funding Strategy – Overview¹)

Diversification of Funding Sources²)

- Direct Banking Deposits 18%
- Hybrid Bonds 7%
- Commercial Paper 9%
- Bank Loans 19%
- ABS 22%
- Medium Term Notes / Bonds 25%

Currencies – Breakdown

- EUR 59%
- USD 18%
- JPY 3%
- CAD 2%
- SEK 2%
- AUD 2%
- CNY 2%
- other³ 3%

¹) as of June 30, 2017; without Scania and Porsche FS
²) Bank Loans without MAN SE, Porsche AG
³) BRL, CZK, HKD, INR, KRW, MXN, NOK, NZD, RUB, TRY

Source: Volkswagen Group

\[ \text{\\textbf{\euro\textregistered\quad 165.1 bn}} \]
Volkswagen Group Funding Strategy – Major Issuances in 2017

March: EUR 8bn Volkswagen International Finance N.V.
April: GBP 850mn Volkswagen Financial Services N.V.
May: EUR 3.5bn Volkswagen International Finance N.V. - Hybrid Bond
June: EUR 3.5bn Volkswagen Leasing GmbH

Source: Volkswagen Group
Volkswagen Group Funding Strategy – Maturity Profile (in € million)$^1$

$^1$ as of June 30, 2017, excluding Scania and Porsche FS

Source: Volkswagen Group
Volkswagen Group Funding Strategy – Main Guarantors and Issuers

Volkswagen AG
BBB+ (n) / A3 (n)¹

Volkswagen International Finance N.V.
Volkswagen Group of America Finance, LLC
Volkswagen Credit Canada, Inc.

Volkswagen Financial Services AG
Volkswagen Financial Services N.V.
Volkswagen Leasing GmbH

Volkswagen Bank GmbH
A- (n) / A3 (n)²

¹Credit Ratings from Standard & Poor’s / Moody’s as per 01 Sep 2017; Outlook negative (n)
Volkswagen Group Funding Strategy – Major Commercial Paper Programmes in Europe

**Volkswagen AG**
- EUR 15.0 bn Multi CCY CP-Programme
- Volkswagen International Finance N.V.
- Volkswagen Group of America Finance, LLC
- EUR 5.0 bn Belgian Short-Term Treasury Notes Programme
- Volkswagen Group Services NV/SA

**Volkswagen FS AG**
- EUR 5.0 bn Multi CCY CP-Programme
- Volkswagen Financial Services AG
- Volkswagen Financial Services N.V.
- Volkswagen Leasing GmbH

**Volkswagen Bank GmbH**
- EUR 2.5 bn Multi CCY CP-Programme
- Volkswagen Bank GmbH

**Automotive Division**

**Financial Services Division**
## Volkswagen Group – Main Ratings

### Current Ratings

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P Global</th>
<th></th>
<th>Moody's</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Long Term</td>
<td>Short Term</td>
<td>Long Term</td>
<td>Short Term</td>
</tr>
<tr>
<td><strong>Volkswagen AG</strong></td>
<td>BBB+</td>
<td>A-2</td>
<td>A3</td>
<td>P-2</td>
</tr>
<tr>
<td><strong>Volkswagen Financial Services AG</strong></td>
<td>BBB+</td>
<td>A-2</td>
<td>A3</td>
<td>P-2</td>
</tr>
<tr>
<td><strong>Volkswagen Bank GmbH</strong></td>
<td>A-</td>
<td>A-2</td>
<td>A3</td>
<td>P-1</td>
</tr>
</tbody>
</table>

Outlook: negative

1) as of September 01, 2017
Volkswagen Group – Outlook for 2017

Deliveries to customers (’000 vehicles)

- 2015: 9,931
- 2016: 10,297

Deliveries to customers moderately above prior year

Sales revenue (€ billion)

- 2015: 213.3
- 2016: 217.3

Sales revenue*
Up more than 4% above prior year level

Operating return on sales (%)

- 2015: 6.0*
- 2016: 6.7*

Operating return on sales
between 6.0% and 7.0%

*)before Special Items

* Upgraded at H1
Improving Group results despite significant challenges

- **Emission costs**
  - EU -27% CO₂ emission
  - US -35% CO₂ emission
  - CN -40% l/km consumption

- **Industry transition**
  - e-mobility
  - Digitalization
  - Autonomous Driving

<table>
<thead>
<tr>
<th>Year</th>
<th>Return on Sales</th>
<th>2016 Actual</th>
<th>2020 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>6.7%</td>
<td>6.5-7.5%</td>
</tr>
</tbody>
</table>

Return on Sales
### Clear Financial Targets and Milestones

<table>
<thead>
<tr>
<th>Key financial targets</th>
<th>2016 Actual</th>
<th>2017 Targets</th>
<th>2020 Targets</th>
<th>2025 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating return on sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before special items</td>
<td>6.7%</td>
<td>6-7%</td>
<td>6.5-7.5%</td>
<td>7-8%</td>
</tr>
<tr>
<td>Return on investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division before special items</td>
<td>13.9%</td>
<td>11-13%</td>
<td>13-15%</td>
<td>&gt;15%</td>
</tr>
<tr>
<td>Capex ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division</td>
<td>6.9%</td>
<td>6.6%</td>
<td>6% (2020/21)</td>
<td>6%</td>
</tr>
<tr>
<td>R&amp;D cost ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division</td>
<td>7.3%</td>
<td>6.7%</td>
<td>6% (2020/21)</td>
<td>6%</td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Net Cashflow</td>
<td>€ 4.3 bn</td>
<td>negative</td>
<td>positive 1)</td>
<td>positive 1)</td>
</tr>
<tr>
<td>Automotive Division</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Net Liquidity</td>
<td>€ 27.2 bn</td>
<td>&gt; 15 bn</td>
<td>≥€ 20 bn</td>
<td>~10% of Group turnover</td>
</tr>
</tbody>
</table>

1) after considering a strategic target of 30% Payout Ratio based on Group profit after tax
CAPEX Automotive Division
(€ bn, as % of sales revenue)

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Stretch</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>10.3</td>
<td>5.9%</td>
</tr>
<tr>
<td>2013</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>11.5</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>12.7</td>
<td>6.9%</td>
</tr>
<tr>
<td>2016</td>
<td>12.8</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>~13</td>
<td></td>
</tr>
<tr>
<td>2018-19</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>2020-21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
R&D Cost Automotive Division
(€ bn, as % of sales revenue)
STRATEGY 2025 – INITIATIVES AT A GLANCE

1. Sharpen positioning of brands
2. Develop winning vehicle and drivetrain portfolio
3. Streamline modular architectures
4. Partner with regional players to win in economy segment
5. Develop self-driving system for autonomous vehicles and artificial intelligence in-house
6. Develop battery technology as new core competency
7. Develop best-in-class user experience across brands and customer touchpoints
8. Implement model line organization
9. Realign “Components” business
10. Build mobility solutions business
11. Develop and expand attractive and profitable smart mobility offering
12. Improve operational excellence
13. Optimize business portfolio
14. Drive digital transformation
15. Create organization 4.0
16. Better integrated and strategic planning process
Delivering on Core Principles

账 可 性 责 任

依 纪 律

减 少 复 杂 性

利 润 性

Modular Toolkits

MQB
- Modular Transverse Toolkit
MLB
- Modular Longitudinal Toolkit
MSB
- Modular Standard Drivetrain Toolkit
MNB
- Modular Light Commercial Vehicle Toolkit
MMB
- Modular Mid-engine Toolkit
MEB
- Modular Electric Toolkit

Product Line Organization

(Example Volkswagen Brand)

- G1 – Small
- G2 – Compact
- G3 – Mid- & Fullsize
- G4 – e-Mobility
Cascading Group Targets to Brands

Group KPIs
- RoS
- RoI
- Capex
- R&D
- CF/Liquidity

Commitment

Brand KPIs
- Top-Down Targets
- Committed in Planning Rounds
Status update

✅ Group Strategy “Together 2025” applied to Brands with KPIs

✅ KPIs committed in Planning Round

✅ Product line management implemented

✅ Dramatic decrease in number of derivatives / complexity

✅ Right vehicles with regional focus (e.g. SUV’s in Europe, China and NA)

✅ “Zukunftspakt” for Volkswagen
### Overview Brand Targets (RoS, RoE)

#### Return on Sales in %

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Group</td>
<td>6.7</td>
<td>6.0-7.0</td>
<td>6.5-7.5</td>
<td>7.0-8.0</td>
</tr>
<tr>
<td>Volkswagen Brand</td>
<td>1.8</td>
<td>2.5-3.5</td>
<td>≥4</td>
<td>≥6</td>
</tr>
<tr>
<td>Audi</td>
<td>8.2</td>
<td>8-10</td>
<td>8-10</td>
<td>8-10</td>
</tr>
<tr>
<td>Porsche</td>
<td>17.4</td>
<td>&gt;15</td>
<td>&gt;15</td>
<td>&gt;15</td>
</tr>
<tr>
<td>ŠKODA</td>
<td>8.7</td>
<td>7-8</td>
<td>6-7</td>
<td>≥7</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>4.1</td>
<td>3-4</td>
<td>4-5</td>
<td>&gt;6</td>
</tr>
<tr>
<td>Truck &amp; Bus Business 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Scania</td>
<td>9.5</td>
<td>6-7</td>
<td>9 2)</td>
<td>9 2)</td>
</tr>
<tr>
<td>• MAN Commercial Vehicles</td>
<td>2.3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Return on Equity (norm. 8%)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Financial Services</td>
<td>15.6%</td>
<td>14-16%</td>
<td>14-16%</td>
<td>20%</td>
</tr>
</tbody>
</table>

1) For peer-group analysis: Truck & Bus Business RoS is calculated as the sum of Scania and MAN Commercial Vehicles (equals ~6.1% in 2016)
2) Through-cycle Target
The „TRANSFORM 2025+“ strategy will put the brand to the top of the automotive industry

Radical restructuring

1. Brand positioning „top of volume“
2. SUV offensive
3. Regions (China, NAR, SAM)
4. Economy markets
5. Zukunftspakt
6. Product margins
7. Agile organisation

Leap to the top of electric mobility

2. Electro offensive
3. Digital ecosystem
4. Operational excellence

Major transformation

3. Automated driving
4. New fields of mobility

2015 Diesel crisis 2% RoS*
2020 Leading & profitable volume manufacturer 4% RoS
2025 Global leader in e-mobility 6% RoS
2030 Global leader in auto-mobility >6% RoS

* Before special items
Result outlook for 2017 follows TRANSFORM 2025+ strategy path
(Growth in operating return on sales as % of net earnings)

- Implementation of the “Zukunftspakt”
- Turnaround in NAR, Brazil, Russia
- Growth in SUV portfolio
- Future CO₂ and emissions legislation
- Transformation in the industry

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017 Outlook</th>
<th>2020 Target</th>
<th>2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.8</td>
<td>2.5 – 3.5</td>
<td>≥ 4.0</td>
<td>≥ 6.0</td>
</tr>
</tbody>
</table>

"at the upper end of the range"
Increase in competitiveness and safeguarding the future are the focus points of the Future Pact agreement

| Working Group 1 | • Increase of productivity by 25%  
| | • Reduction of plant costs |
| Working Group 2 | • Increase of productivity by 25%  
| | • Discontinuation of unprofitable products |
| Working Group 3 | • Reduction of hardware-oriented development work  
| | • Increased efficiency in development processes |
| Working Group 4 | • Reduction of bureaucracy |

**Secure the Future**

- 4 additional models: 2 conventional and 2 MEB vehicles
- Investments in:
  - Electric drive trains
  - Pilot facility battery cell
  - Battery system
- Competency/capacity increase in autonomous driving, electrification, connectivity etc.
- Creation of employment in new business segments

**Reduction in workforce based on demographic curve**
Volkswagen brand is planning a strong comeback in the USA

Focus on US Core Segments

Key measures

- Extend SUV offering, focus on US core segments (SUVs, sedans)
- Market-oriented pricing
- Market-oriented alignment to local standards and customer expectations
- Reduce material, product and fixed costs
- “Electrify America”: infrastructure and locally produced cars from 2021

Atlas
Tiguan LWB
Jetta
Passat
A product offensive will initiate a new growth phase in South America

Product offensive in South America

Key measures

- Restructuring: reduce capacities and fixed costs
- Increase productivity, align products to local requirements
- Product offensive, €2.5 bn investment
- New brand positioning
- New growth strategy for Latin America
2017 will be shaped by a high product momentum

Atlas (NAR)  Arteon (EU)  Polo (EU)  Phideon PHEV (CN)  Touareg (EU)

up! PA (SAM)  Tiguan LWB (NAR)  T-Roc (EU)  Virtus (SAM)  Jetta (NAR)

Dates: Start of Production
The Volkswagen brand will implement Electro Architecture to make electric vehicles affordable and profitable

Key measures

- Concept determined by: customer benefit and package for cost-optimized implementation of e-components
- Electro Architecture: economies of scale from use of Electro Architecture across entire Group
- “Design for manufacturing”: higher productivity, shorter manufacturing time
- Lower material and distribution costs
- Significant reduction in variants
- Early involvement of suppliers
The ID family shows the future direction of Brand Volkswagen
Volkswagen Group autonomous driving

- SEDRIC first Self-Driving Car in Volkswagen Group
- „Level 5“: autonomous driving without steering wheel and pedals
- Formation of Autonomous Intelligent Driving GmbH
- Target: until 2021
Core challenges in the commercial vehicle industry ...

- **Cyclical markets**
  - Strong correlation to GDP in developed world
  - Not all regions hit by economic downturns at the same time

- **Further globalization**
  - Local OEMs dominating in BRIC markets
  - Improving infrastructure, stronger regulations open opportunities for Volkswagen

- **Emission regulations**
  - Europe with aggressive regulations, focus shifting to diesel lock-outs
  - BRIC trailing behind, but with ambitious roadmap

- **Connectivity & digitalization**
  - Platooning and partly-autonomous driving as transition solutions
  - Data management for customers and traffic of broad interest

- **After sales and new business opportunities**
  - After sales increasingly important as alternative source of revenues
  - New business models (e.g. enhanced telematics) can stabilize revenues
Long-term synergy potential will enable savings of up to €1 bn p.a.

Synergy potential from brand collaboration and expanded platform strategy

€ million p.a.

Key common powertrain platforms

- Base engine
- After-treatment
- Transmission
- Axles

Material costs

~200

2016

2025

R&D Production costs / tooling

Up to 1,000
Global expansion on track with Navistar alliance

1. Equity investment
   - 16.8% equity stake in Navistar by way of capital increase*

2. Strategic technology and supply cooperation
   - Companies to collaborate on technology for powertrain systems, as well as other advanced technologies

3. Procurement joint venture
   - Procurement joint venture is pursuing joint global sourcing opportunities

4. Governance
   - 2 VW T&B representatives nominated to Navistar Board of Directors. Joint Alliance Board to govern overall alliance

* As at 30.06.2017
RoS target of 9 percent to be reached through combination of measures

RoS before special items

- Operational improvement of brands and initial successes of cooperation
- Buildup of VW T&B organization and team
- Long-term cooperation
  - Alternative fuels, hybrid, electrification
  - Common Powertrain
  - Autonomous vehicles
  - Digitalization

Through-cycle target

9%
Volkswagen Group China performance
(January to July 2017 vs. 2016)

Volkswagen

Jan.- July 2016
Jan.- July 2017

Proportionate operating profit, January to June (in € million)

2016
2017

2,366
2,135

-9.8%

-0.6%

1,606
1,624

+1.3%

337
306

-9.1%

-6.7%

+12.9%

155
156

+3.9%

1,899

660
909

+37.7%

60
56

+69.2%

0
500
1,000
1,500
2,000
2,500
3,000
3,500

0
500
1,000
1,500
2,000
2,500
3,000
3,500

0
500
1,000
1,500
2,000
2,500
3,000
3,500

155
161

+69.2%

1,899

660
909

+37.7%

155
161

+3.9%

60
56

+69.2%

0
500
1,000
1,500
2,000
2,500
3,000
3,500

0
500
1,000
1,500
2,000
2,500
3,000
3,500

337
306

-9.1%

-6.7%

+12.9%

-0.6%

1,603
1,624

+1.3%

1,899

660
909

+37.7%

155
161

+3.9%

1,899

660
909

+37.7%

155
161

+3.9%

2,148
2,135

-0.6%

1,603
1,624

+1.3%

2,148
2,135

-0.6%

1,603
1,624

+1.3%

2,148
2,135

-0.6%

1,603
1,624

+1.3%

2,148
2,135

-0.6%

1,603
1,624

+1.3%

2,148
2,135

-0.6%

1,603
1,624

+1.3%

2,148
2,135

-0.6%

1,603
1,624

+1.3%

2,148
2,135

-0.6%

1,603
1,624

+1.3%
Regulatory environment in China

**CAFC - Fuel consumption target**

- Requirement 2016: 6.71 ÷ 157 g CO₂/km
- Requirement 2020: 5.01 ÷ 120 g CO₂/km

**China 6 regulation**

- Emission regulation China 6 for gasoline engines
- Implementation on national level for C6a from July 2020, for C6b from July 2023
- Beijing and Shanghai may start with similar regulation in 2018 and other key regions in 2019

**MIIT proposal for NEV credit system**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEV credit point ratio</td>
<td>None</td>
<td>8%</td>
<td>10%</td>
<td>12%</td>
</tr>
</tbody>
</table>

**NEV Credit Point Attribution per NEV Type**

<table>
<thead>
<tr>
<th>E-Range (in km)</th>
<th>BEV</th>
<th>PHEV</th>
<th>FCEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 - 150</td>
<td>2</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>150 - 250</td>
<td>3</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>250 - 350</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>&gt;350</td>
<td></td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

**NEV subsidies scheme**

- **New Requirement** on national subsidies for NEVs
  - raise the entry threshold
  - may be adjusted dynamically
- **Direct national subsidy** (20% reduced in 2017)
  (up to 44,000 RMB for BEV and 24,000 RMB for PHEV)
- **Additional subsidies** from local provinces
  (≤50% of national subsidy)

---

1) Simplified schematic overview.
We will be prepared to deliver around 400,000 NEVs by 2020 and 1,500,000 by 2025

**Introduction of locally produced NEV**

**Phase 1**
Plug-in hybrids based on current toolkits

**Phase 2**
Pure electric vehicles based on current toolkits

**Phase 3**
Pure electric vehicles based on scalable electric toolkit

**Mass market BEV cooperation**

**Phase 1**
Plug-in hybrids based on current toolkits

**Phase 2**
Pure electric vehicles based on current toolkits

**Phase 3**
Pure electric vehicles based on scalable electric toolkit
### New product offering with an expanded SUV offering ¹)

#### Body style trends until 2020¹)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2020e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest</td>
<td>40%</td>
<td>46%</td>
</tr>
<tr>
<td>SUV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MPV</td>
<td>53%</td>
<td>47%</td>
</tr>
</tbody>
</table>

#### New vehicle launches 2017 and to follow²)

- **SUV**
  - Teramont
  - Q5
  - KODIAQ
  - Tiguan LWB
  - KAROQ

- **Others**
  - Bora
  - R8 Spyder
  - Panamera LWB
  - Variant GTE

- **Imported**
  - Panamera Turbo
  - A5 Coupé
  - TT
  - Phideon PHEV

- **Locally produced**
  - Lavida

---

¹) Source: IHS  
²) Schematic overview – does not show all models
## Special Items: Diesel related and other

<table>
<thead>
<tr>
<th>(In € bn)</th>
<th>Diesel</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Legal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>7.0</td>
<td></td>
<td>16.9</td>
</tr>
<tr>
<td></td>
<td>Other items</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Restructuring:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Truck Business</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Passenger Cars South America</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Airbags Takata</td>
<td>0.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.7</td>
<td>16.9</td>
</tr>
<tr>
<td>2016</td>
<td>Mainly legal risks</td>
<td>6.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7.5</td>
</tr>
<tr>
<td></td>
<td>Scania Anti-Trust Proceedings</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>0.7</td>
<td>1.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7.5</td>
</tr>
<tr>
<td>Total to date</td>
<td></td>
<td>22.6</td>
<td>1.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>24.4</td>
</tr>
</tbody>
</table>

No material special items in H1 2017. A significant amount of the Diesel dollar-related provisions are hedged and a further substantial amount of the provisions have been utilized as we had cash outflows of around €3bn in Q4 2016, around €5bn in Q1 2017 and around €7bn in Q2.
Technical solution in Europe/RoW simple and relatively easy to implement

- Predominantly software-only solution
- Update status

Almost 5.9m units have been updated (status 31\textsuperscript{th} August 2017)

- Technical solution already generally confirmed for all concepts by KBA\textsuperscript{1}
- Gradual approval of clusters after cluster-specific KBA inspection\textsuperscript{1}
- Software update in < 30 min. for 2.0L and 1.2L TDI; also simple, very cost-effective hardware solution “flow rectifier” for 1.6L TDI in < 60 min.

\textsuperscript{1} KBA approval relevant for EU28 and ECE user states (e.g., Turkey)
The new remuneration system is designed to be completely forward-looking

Adjusted recommendation of no. 4.2.3 sec. 2 German Corporate Governance Code

“Variable remuneration components shall generally be based on a multi-year assessment, which shall be materially related to the future.”
The new remuneration system harmonizes the interests of different stakeholder groups

✓ ... is based on clear remuneration policy guidelines
✓ ... constitutes a core element of the realignment of the Group
✓ ... integrates strategic objectives of the TOGETHER strategy 2025
✓ ... is capital market-oriented and reflects human resource-related transformation objectives
✓ ... sets ambitious objectives for sustainable corporate development
✓ ... incorporates a higher long-term orientation
✓ ... reflects no past events and is therefore completely forward-looking
✓ ... is based on a transparent target remuneration approach
✓ ... incorporates a total cap noticeably lower than the individual caps
✓ ... is transparent and is easy to comprehend
✓ ... is common market practice and conforms to regulatory requirements
Integrity, Compliance & Culture: a three-dimensional approach for change
Integrity, Compliance & Culture: a selection of three current activity areas

1. Implementation of Holistic Integrity Programme:
Six action fields form the basis for a holistic integrity programme:

2. Evolution of Group Compliance:
Three areas were defined:
1. Development of Group Compliance Values
2. Clear definition of Group Compliance Objectives
3. Adjustment of Group Compliance structure

Compliance scope:
- Anti-corruption
- Fraud Prevention
- Embezzlement Prevention
- Human Rights
- Investigation of Compliance violations
- Money laundering Prevention
- Corruption

3. Development of Code of Cooperation:
Mutual rules and guidelines of working together were developed:
- Cross functional
- Aims at corporate culture
- Includes all brands
Implementation of a Holistic Integrity Programme: Six action fields form the basis for a holistic integrity programme

**DIALOGUE AND COMMUNICATION**
“Talk & Drive. Integrity moves Volkswagen”
Communication surrounding the issue of integrity with focused involvement of employees. Continuous visibility and accessibility of the issue of integrity.

**SOUNDING BOARD PROGRAMME**
“Knowing where the action is!”
Voluntary ambassadors from all divisions and hierarchies. Workforce perspective taken into account.

**LEADERSHIP PROGRAMME**
“Role model for integrity? Boss’s matter!”
Intensive measures for all managers from Team Leader to Top Management.

**PROCESSES AND INSTRUMENTS**
“Promote self-responsibility”
Anchoring integrity in existing processes (e.g. personnel).

**INTERNATIONALIZATION**
“Integrity as the basis of Volkswagen Group”
Planned extension of the integrity initiative to brands, selected companies, regions and factory sites.

**REPORTING AND CONFIRMATION OF EFFECTIVENESS**
“Enquiring what gets across”
Regular monitoring of the impact of measures used as part of the integrity initiative.
In Summary:

We know we have to earn your trust!

We are only promising what we have commitments for!

We will improve our targets once we make visible progress!

We have a plan and strongly believe in it!
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New remuneration system for the Board of Management 2017

Functionality of determining the annual bonus amount

Target amount
(€1,350,000, or €3,045,000 for the Chairman of the Board of Management)

= Payment amount
(Cap "180%" of the target amount)

Target achievement

Corporate bonus
Two operational KPIs (each 50%)
(target achievement 0 – 150%)

Performance factor
Multiplier
(0.8 – 1.2)

Individual KPI (targets) separate for every member of the Board of Management
& Transformation of staff into new areas of activity task for the entire Board of Management

Individual targets shall be agreed annually in advance with every member of the Board of Management
The transformation of staff shall be measured based on the “HR transformation score”

50% operating profit incl. China

50% operating return on sales (ROS)

* Cap of 180% arises from 150% of the maximum financial target achievement and a performance factor up to a maximum of 1.2

Targets shall be reviewed and, if necessary, adjusted by the Supervisory Board on a regular basis
Target Values take into account Shareholder and Employee interests

- **Earnings per preferred share**
  - Hurdle: €10 per share

- **Share price**

- **50% Operating Profit incl. China**
  - New hurdle: €9 billion

- **50% Operating Return on Sales**
  - Hurdle: 4%

- **Performance factor ± 20 %**

- **Successful transformation of employee’s duties to new activities**

- **Individual targets**

**Share-based long term remuneration**
*No share options; payment in cash*

**Current Year Variable Pay**

**Fixed Salary**

**New System**

**Target Value (yearly review)**
The annual bonus is based on the Operating Profit incl. China and the Return on Sales; the payment amount is adjusted by a performance factor.

**Annual bonus**

<table>
<thead>
<tr>
<th>Operating result (OP) incl. China</th>
<th>KPIs</th>
<th>Operating profit (OP) incl. China Operating return on sales (RoS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two years</td>
<td></td>
<td>Operating return on sales (RoS)</td>
</tr>
<tr>
<td>Direct participation above a certain OP-threshold value (€5bn)</td>
<td>Performance measurement</td>
<td>50 % direct participation above a certain OP threshold value (€9bn) 50 % strategic target return above a certain threshold return (4%)</td>
</tr>
<tr>
<td>0% to 50% of special remuneration Discretionary assessment Additive linkage</td>
<td>Individual performance bonus/performance factor</td>
<td>Factor 0.8 to 1.2 Discretionary, criteria-based assessment Multiplicative linkage</td>
</tr>
</tbody>
</table>
The Performance Share Plan ensures an orientation towards a sustainable corporate development

### Performance Share Plan

<table>
<thead>
<tr>
<th>Old design</th>
<th>New design</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple-year bonus</td>
<td>Plan type</td>
</tr>
<tr>
<td>Top customer satisfaction, top employer, sales volume, Profit before Tax return</td>
<td>Key performance indicators</td>
</tr>
<tr>
<td>4 sub-indices with a total of 10 indicators, threshold: 1.5 % return on sales</td>
<td>Calibration/calculation</td>
</tr>
<tr>
<td>Four years backward-looking</td>
<td>Performance period</td>
</tr>
</tbody>
</table>
The payout amount depends on the development of the share price and the EPS target achievement

Performance Share Plan

Functionality: virtual shares granted; quantity changes depending on the EPS-target achievement

- Conversion of contractually defined target value in virtual preferred shares based on the share price at grant
- Share price at grant is defined as the average closing price of the last 30 trading days before the grant
- Target definition for EPS (100 % target achievement at an EPS of €20)

Grant

Performance period

FY n → FY n+1 → FY n+2

Payout

- Determination of the final number of virtual shares based on the target achievement
- Determination of the closing price (equal to the average closing price of the last 30 trading days before the end of the performance period)
- Payout in cash incl. dividend equivalents for the final number of shares
- Caps: 150 % target achievement, max. payout of 200 % of target value

Value of shares changes based on the share price development

Number of shares changes based on the EPS target achievement (annual “lock-in”)
Achievement of the EPS objective is measured annually over the three-year term of the tranches

- Annual EPS performance measurement for 1/3 of the respective virtual performance shares granted
- Incentive effect throughout the plan term
Volkswagen Investor Update

Volkswagen AG
Ulrich Hauswaldt – Group Investor Relations
Martin Büdke – Capital Markets & Rating

Volkswagen Bank GmbH
Katja Hauer – Investor Relations
Dirk Bauer – Head of Debt Capital Markets & Corporate Rating
The Key to Mobility
Creating Value with Financial Services
Investor Update –
Volkswagen Bank GmbH & 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. The Volkswagen Group currently faces additional risks and uncertainty related to pending claims and investigations of Volkswagen Group members in a number of jurisdictions in connection with findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The degree to which the Volkswagen Group may be negatively affected by these ongoing claims and investigations remains uncertain.

Consequently, a negative impact relating to ongoing claims or investigations, 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 superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

Under the brand “Volkswagen Financial Services – the key to mobility“ the subsidiaries of Volkswagen Financial Services AG as well as its sister company Volkswagen Bank GmbH render various services under the joint sign “Volkswagen Financial Services“. Such services are banking services (through Volkswagen Bank GmbH), leasing services (through Volkswagen Leasing GmbH), insurance services (through Volkswagen Versicherung AG, Volkswagen Autoversicherung AG) as well as mobility services (inter alia through Volkswagen Leasing GmbH). In addition, insurance products of other providers are offered.
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>Audi, SEAT, SKODA, BENTLEY, PORSCHE</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Commercial Vehicles, Power Engineering</td>
<td>Porsche Financial Services</td>
</tr>
<tr>
<td>Commercial Vehicles</td>
<td>Financial Services USA / Canada / Spain</td>
</tr>
<tr>
<td>Scania</td>
<td>Scania Financial Services</td>
</tr>
<tr>
<td>MAN</td>
<td>Porsche Holding Financial Services</td>
</tr>
</tbody>
</table>
Optimized structure for Financial Services Business (starting 01.09.2017)

Substantial Effects

- Optimized capital requirement
- Reduced complexity & improved transparency
- Supports future growth path

**Volkswagen Bank GmbH**
- European Volkswagen Bank branches
- Affiliates with European credit business
- Domination and profit and loss transfer agreement with Volkswagen AG
- Supervised and regulated by ECB

**Volkswagen Financial Services AG**
- Non-bank-related European affiliates
- Affiliates in: Asia-Pacific, Latin America
- Domination and profit and loss transfer agreement with Volkswagen AG
- No supervision and regulation by ECB anymore

Advantages:
We offer the whole range of services under one roof*

<table>
<thead>
<tr>
<th>Volkswagen Financial Services</th>
<th>Volkswagen Bank GmbH</th>
<th>Bank</th>
<th>Direct Bank</th>
<th>LEASING</th>
<th>INSURANCE</th>
<th>MOBILITY</th>
<th>PAYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bank</td>
<td>Bank</td>
<td>Direct Bank</td>
<td>Leasing</td>
<td>Insurance</td>
<td>Services</td>
<td>Rental</td>
</tr>
<tr>
<td></td>
<td>• Retail Finance</td>
<td>• Deposits</td>
<td>• Deposits</td>
<td>• Finance</td>
<td>• Motor Insurance</td>
<td>• Fleet Management</td>
<td>• Payment platform</td>
</tr>
<tr>
<td></td>
<td>• Dealer Stock Finance</td>
<td>• Instalment Credit</td>
<td>• Instalment Credit</td>
<td>• Lease</td>
<td>• Warranty</td>
<td>• Service &amp; Maintenance</td>
<td>• Mobile Payments</td>
</tr>
<tr>
<td></td>
<td>• Factoring</td>
<td>• Investment Products</td>
<td>• Operating Lease</td>
<td>• Operating Lease</td>
<td>• Credit Protection</td>
<td>• Tyres</td>
<td>• Short-term rental</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Industry</td>
<td>• GAP Insurance</td>
<td>• Fuel &amp; Service Card and Charge &amp; Fuel Card</td>
<td>• Services around parking</td>
</tr>
</tbody>
</table>

*Displayed portfolio depends on the market; products offered or mediated by different operative subsidiaries.
Strong Benefits for Automotive through Captive Equipment

- Decision to buy a better equipped car due to the attractive finance offer: +43%

<table>
<thead>
<tr>
<th></th>
<th>Cash Payer</th>
<th>Captive Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>143%</td>
<td></td>
</tr>
</tbody>
</table>

Turnover

- Length of ownership (years): +25%

<table>
<thead>
<tr>
<th></th>
<th>Cash Payer</th>
<th>Captive Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.9</td>
<td>4.4</td>
<td></td>
</tr>
</tbody>
</table>

Brand Loyalty

- Switch to Competitor: +37%
- Stay Loyal: +63%

<table>
<thead>
<tr>
<th></th>
<th>Cash Payer</th>
<th>Captive Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>54%</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>46%</td>
<td>63%</td>
<td></td>
</tr>
</tbody>
</table>

Source: AKA – Automobilbanken 2016, Study of puls Marktforschung GmbH
At a Glance (06/30/2017)

### Volkswagen Bank GmbH

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 57.9 bn</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 8.1 bn</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 33.65 bn</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 401 m</td>
</tr>
<tr>
<td>Employees</td>
<td>1,305</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>3.1 m</td>
</tr>
</tbody>
</table>

### Volkswagen Financial Services AG

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 134.0 bn</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 18.2 bn</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 34.35 bn</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 788 m</td>
</tr>
<tr>
<td>Employees</td>
<td>11,926</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>13.7 m</td>
</tr>
</tbody>
</table>

### Business Volume* € 41.2 bn

- Leasing: € 4.18 bn
- Credit: € 25.84 bn
- Dealer financing: € 11.19 bn

### Business Volume* € 109.5 bn

- Leasing: € 38.87 bn
- Credit: € 55.19 bn
- Dealer financing: € 15.49 bn

*Receivables + Leased Assets
Operating Income

Volkswagen Bank GmbH

Volkswagen Financial Services AG

€ m

2010 2013 2016 HJ/17

HJ/17
Contract portfolio

Continuous portfolio expansion

Volkswagen Bank GmbH
in ’000 units

Volkswagen Financial Services AG
in ’000 units

<table>
<thead>
<tr>
<th>Year</th>
<th>Credit</th>
<th>Leasing</th>
<th>Insurance/Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2,000</td>
<td>2,205</td>
<td>660</td>
</tr>
<tr>
<td>2012</td>
<td>2,679</td>
<td>246</td>
<td>2,074</td>
</tr>
<tr>
<td>2014</td>
<td>3,003</td>
<td>660</td>
<td>5,217</td>
</tr>
<tr>
<td>2016</td>
<td>3,122</td>
<td>660</td>
<td>2,679</td>
</tr>
<tr>
<td>2017</td>
<td>HY</td>
<td>HY</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Insurance/Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>13,243</td>
</tr>
<tr>
<td>2012</td>
<td>13,687</td>
</tr>
<tr>
<td>2014</td>
<td>13,243</td>
</tr>
<tr>
<td>2016</td>
<td>13,687</td>
</tr>
<tr>
<td>2017</td>
<td>HY</td>
</tr>
</tbody>
</table>
Risk management Volkswagen Financial Services AG (31.12.2016)

- **Credit Risk**
  - Risk of loss through defaults in customer transactions
  - Portfolio Structure:
    - Retail 73% / Corporate 27%
  - 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 + Liquidity Risk + Risks of MAN FS subsidiaries and lump sum for non-quantified Risk: Strategic Risk, Reputational Risk*
The market share of Diesel cars is decreasing across Europe.
As of today a dramatic erosion of diesel residual values cannot be seen. External data providers such as DAT confirm this.
From today’s perspective it is way too early, to finally determine if this is a short-term effect or a lasting trend.
Development of residual value risks continues to be closely monitored.
With respect to new business Volkswagen Financial Services further does not expect longterm effects on residual values.

Credit risk remains at low level despite challenging market environment

- **Dynamic Loss Ratio**: drawings on provisions including direct write-offs relative to the average volume of receivables (last four quarters)
- **Total Provision Ratio according to IAS 39**: total provisions in proportion to the total receivables’ volume at reporting date

### Key Ratios
- **Ø Dynamic Loss Ratio**:
  - Dec 15: 0.4%
  - Mar 16: 0.3%
  - Jun 16: 0.4%
  - Sep 16: 0.3%
  - Dec 16: 0.4%
- **Total Provision Ratio**:
  - Retail Financing:
    - Dec 15: 0.1%
    - Mar 16: 0.3%
    - Jun 16: 0.4%
    - Sep 16: 0.3%
    - Dec 16: 0.5%
  - Leasing:
    - Dec 15: 0.3%
    - Mar 16: 0.3%
    - Jun 16: 0.3%
    - Sep 16: 0.3%
    - Dec 16: 0.3%
  - Corporate Financing:
    - Dec 15: 0.1%
    - Mar 16: 0.3%
    - Jun 16: 0.2%
    - Sep 16: 0.2%
    - Dec 16: 0.2%
Worldwide Capital Market Activities

**VW Leasing Mexico**
MXN 20 bn Dual CP + MTN Program

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

**VDF Turkey**
Domestic TRY Bond Issuances

**Banco VW Brazil**
Domestic Letra Financeira

**VW FS Group**
€ 5 bn CP Program
€ 25 bn Debt Issuance Program

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

**VW FS Korea**
Domestic KRW Bond Issuances

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

**VW Finance (China)**
Domestic RMB Bond Issuances

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

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

**VW Bank Russia**
Domestic 100bn RUB Bond Program

* Guarantee Volkswagen Financial Services AG
Volkswagen Bank GmbH Programs
Worldwide ABS Activities

- **VW Leasing/DutchLease**
  - VCL Master
  - DFM
  - DFM Master

- **MAN Financial Services**
  - Trucknology

- **VW Bank**
  - Driver program
  - Driver Master

- **VW FS Australia**
  - Driver Australia program
  - Driver Australia Master

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

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

- **VW FS UK**
  - Driver UK program
  - Driver UK Master

- **VW Bank France**
  - Driver France program

- **VW Finance Spain**
  - Driver España program

- **Banco VW Brazil**
  - Driver Brasil program
### Recent Public DCM and ABS Deals 2017

*(Volkswagen Financial Services AG and Volkswagen Bank GmbH)*

<table>
<thead>
<tr>
<th>Capital Market</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Bank GmbH</td>
<td></td>
</tr>
<tr>
<td>Volkswagen Financial Services AG</td>
<td></td>
</tr>
</tbody>
</table>

- Volkswagen Financial Services AG (SSD): 02/2017 EUR ~900m, due 2020, 2022, 2024
- Volkswagen Financial Services Australia Pty: 04/2017, AUD 500m, due 04/2020
- Volkswagen Finance (China): 05/2017, RMB 4bn, due 05/2020
- Volkswagen FPL (India): 06/2017, INR 1.5bn, due 06/2019 & due 06/2020
- Volkswagen Leasing S.A., Mexico: 06/2017, MXN 2bn, due 06/2020
- Banco Volkswagen S.A., Brasilien: 05/2017, BRL 500m, due 05/2019
- Volkswagen Leasing GmbH: EUR 3.5bn 06/2017, due 06/19, 06/21 & 12/24
- Volkswagen Financial Services N.V.: GBP 850m, 04/2017, due 04/2021 & 04/2025

<table>
<thead>
<tr>
<th>Asset-Backed Securities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Bank GmbH</td>
<td></td>
</tr>
<tr>
<td>Volkswagen Financial Services AG</td>
<td></td>
</tr>
</tbody>
</table>

- Driver UK five (Volkswagen Financial Services UK): GBP 370m (03/2017)
- Driver France three (Volkswagen Bank GmbH): EUR 470m (04/2017)
- Driver Espana four (Volkswagen Finance S.A.): EUR 1.0bn (05/2017)

- Driver Japan six (Volkswagen Financial Services Japan): JPY 60bn (02/2017)
- Driver Australia four (Volkswagen Financial Services Australia): AUD 500m (05/2017)
- Driver China six (Volkswagen Finance (China) Co.): RMB 3.2bn (05/2017)
Strategic Funding Allocation as of 30 June 2017

Volkswagen Bank GmbH

- Total € 57.9 bn
  - Customer Deposits € 33.7 bn (58.2%)
  - Liabilities to affiliated companies € 1.2 bn (2%)
  - Others € 3.2 bn (5.7%)
  - Liabilities to financial institutions € 7.5 bn (13%)
  - Asset Backed Securitization € 2.6 bn (4.5%)
  - Bonds issued € 1.8 bn (2.7%)
  - Equity € 8.1 bn (14.1%)

Volkswagen Financial Services AG

- Total € 134.0 bn
  - Customer Deposits € 34.4 bn (25.6%)
  - Liabilities to affiliated companies € 9.1 bn (6.8%)
  - Others € 11.4 bn (8.6%)
  - Liabilities to financial institutions € 18.6 bn (13.9%)
  - Asset Backed Securitization € 20.6 bn (15.4%)
  - Bonds issued € 21.6 bn (16.4%)
  - Commercial Paper € 3.1 bn (2.3%)
  - Equity € 18.2 bn (13.6%)

VOLKSWAGEN FINANCIAL SERVICES
THE KEY TO MOBILITY
WE ARE THE KEY TO MOBILITY

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

STRATEGIC DIMENSIONS

VISION

WHAT

STRATEGIC TARGETS
The world keeps turning | Focus on additional topics

- Digitalization
- Used Car Business
- Operational Excellence
- Growth Market China
Digitalisation: Our target

Until 2020 all relevant products can be sold online and offline.
Outlook


We expect the operating profit (including positive nonrecurring items) for fiscal year 2017 to exceed the level achieved in fiscal year 2016.

(This forecast is based on the current corporate structure of Volkswagen Bank GmbH and does not take into account any future changes that may result from the restructuring program that has been initiated.)


It is expected that the operating profit for fiscal year 2017 will reach at least the level of the operating profit achieved in fiscal year 2016 after adjustment for non-recurring items, which included support payments from the Volkswagen Group in connection with the diesel issue.

(This forecast is based on the current corporate structure of Volkswagen Financial Services AG and does not take into account any future changes that may result from the restructuring program that has been initiated.)
Contact

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katja.hauer@vwfs.com

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Head of Debt Capital Markets & Corporate Rating
Volkswagen Bank GmbH
Tel.: +49 531 212 3882
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Thank You.
Volkswagen Bank GmbH
Gifhorner Str. 57
38112 Braunschweig
Germany
Volkswagen Bank GmbH  
Key data 2013 – HY 2017 (IFRS)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>HY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio (‘000)</td>
<td>2.351</td>
<td>2.565</td>
<td>2.767</td>
<td>3.002</td>
<td>3.122</td>
</tr>
<tr>
<td>Retail + Leasing receivables (€ mn)</td>
<td>22.220</td>
<td>23.887</td>
<td>25.814</td>
<td>27.954</td>
<td>29.066</td>
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<tr>
<td>Dealer financing (€ mn)</td>
<td>7.973</td>
<td>8.928</td>
<td>10.302</td>
<td>10.538</td>
<td>11.193</td>
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<tr>
<td>Customer deposits (€ mn)</td>
<td>23.140</td>
<td>25.252</td>
<td>27.877</td>
<td>35.666</td>
<td>33.650</td>
</tr>
<tr>
<td>Employees</td>
<td>1.241</td>
<td>1.123</td>
<td>1.185</td>
<td>1.293</td>
<td>1.305</td>
</tr>
<tr>
<td>IFRS profit before tax (€ mn)</td>
<td>459</td>
<td>464</td>
<td>575</td>
<td>669</td>
<td>412</td>
</tr>
</tbody>
</table>
## Volkswagen Financial Services AG

### Key data 2013 – HY 2017 (IFRS)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>HY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Portfolio (‘000)</strong></td>
<td>8,848</td>
<td>10,249</td>
<td>12,081</td>
<td>13,244</td>
<td>13,687</td>
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<tr>
<td><strong>Retail + Leasing receivables (€ mn)</strong></td>
<td>65,127</td>
<td>76,749</td>
<td>83,351</td>
<td>90,666</td>
<td>94,057</td>
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<tr>
<td><strong>Dealer financing (€ mn)</strong></td>
<td>11,082</td>
<td>12,625</td>
<td>13,967</td>
<td>14,638</td>
<td>15,489</td>
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<tr>
<td><strong>Customer deposits (€ mn)</strong></td>
<td>24,286</td>
<td>26,224</td>
<td>28,109</td>
<td>36,149</td>
<td>34,351</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>9,498</td>
<td>11,305</td>
<td>11,746</td>
<td>11,819</td>
<td>11,926</td>
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<tr>
<td><strong>IFRS profit before tax (€ mn)</strong></td>
<td>1,315</td>
<td>1,317</td>
<td>1,513</td>
<td>1,650</td>
<td>796</td>
</tr>
</tbody>
</table>
Development of Customer Deposits

in € bn

- 2013: 21.1
- 2014: 23.8
- 2015: 20.8
- 2016: 30.3
- HY 2017: 28.9

About 70% Private Customers
Volkswagen Financial Services Digital Solution GmbH (VW FS DS)
Target Structure & Status

Structure and Business Activities

- Shareholders of Volkswagen Financial Services Digital Solutions GmbH are Volkswagen Bank GmbH (51%) and Volkswagen Financial Services AG (49%)
- VW FS DS will provide services exclusively for Volkswagen Bank GmbH and Volkswagen Financial Services AG
- Business activities concentrated within VW FS DS largely comprise of IT, Customer Services, Process Management and Internal Services.
**Rating History (09/05/2017) – Moody’s**

<table>
<thead>
<tr>
<th></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>A1</td>
<td>A+</td>
</tr>
<tr>
<td>VW AG</td>
<td>A3 1)</td>
<td>BBB+</td>
</tr>
<tr>
<td>VW FS AG</td>
<td>A3 1)</td>
<td>BBB+ 2)</td>
</tr>
<tr>
<td>VW Bank GmbH</td>
<td>A3 1)</td>
<td>A- 3)</td>
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<tr>
<td>Scania</td>
<td>--</td>
<td>BBB+</td>
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<tr>
<td>Daimler</td>
<td>A2</td>
<td>A</td>
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<tr>
<td>RCI Banque</td>
<td>Baa1</td>
<td>BBB</td>
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<tr>
<td>FMCC</td>
<td>Baa2</td>
<td>BBB</td>
</tr>
<tr>
<td>Banque PSA</td>
<td>Baa2</td>
<td>BB+</td>
</tr>
</tbody>
</table>

1) Outlook: negative  2) Bonds are senior subordinated rated BBB  3) Bonds are senior subordinated rated BBB+  * withdrawn at bank’s request

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

Data Source: Reuters
DCM Strategy VW Automotive and VW Financial Services AG

VOLKSWAGEN

(A3 / BBB+ Rating)

100% Owner + Control and Profit & Loss Transfer Agreement

VOLKSWAGEN FINANCIAL SERVICES

(A3 / BBB+ Rating)

VOLKSWAGEN BANK

(A3 / A- Rating)

Guarantee

VW Automotive Companies:
VW International Finance.....

Guarantee

VW FS AG Companies:
VW Leasing, VW FS NV...

DCM Investors worldwide

DCM Strategy VW Automotive and VW Financial Services AG

VOLKSWAGEN

(A3 / BBB+ Rating)

100% Owner + Control and Profit & Loss Transfer Agreement

VOLKSWAGEN FINANCIAL SERVICES

(A3 / BBB+ Rating)

VOLKSWAGEN BANK

(A3 / A- Rating)

Guarantee

VW Automotive Companies:
VW International Finance.....

Guarantee

VW FS AG Companies:
VW Leasing, VW FS NV...

DCM Investors worldwide

DCM Strategy VW Automotive and VW Financial Services AG

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VOLKSWAGEN BANK

(A3 / A- Rating)

Guarantee

VW Automotive Companies:
VW International Finance.....

Guarantee

VW FS AG Companies:
VW Leasing, VW FS NV...

DCM Investors worldwide
Volkswagen T-Roc
Volkswagen I.D.BUZZ
Porsche 718 Boxster
ŠKODA KODIAQ
Bentley Bentayga
Lamborghini Centenario
Bugatti Chiron
Volkswagen Crafter
Scania R500 4x2
Volkswagen Group
Ulrich Hauswaldt, Martin Büdke, Katja Hauer, Dirk Bauer
Volkswagen AG, Volkswagen Financial Services
Barclays Investor Day, Frankfurt, 13th September 2017