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 Such statements are valid on the date of publication and can be superceded.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>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger Cars</strong></td>
<td><strong>Volkswagen Financial Services</strong></td>
</tr>
<tr>
<td>Volkswagen</td>
<td>Included: MAN Financial Services</td>
</tr>
<tr>
<td>Audi</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Škoda</td>
<td>USA / Canada / Spain / Argentina</td>
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<tr>
<td>Bentley</td>
<td>Scania Financial Services</td>
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<td>Bugatti</td>
<td>Porsche Holding Financial Services</td>
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<tr>
<td>Porsche</td>
<td>Porsche Financial Services</td>
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<tr>
<td><strong>Commercial Vehicles / Power Engineering</strong></td>
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<td>Volkswagen</td>
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<tr>
<td>Commercial Vehicles</td>
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<td>Skoda</td>
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<td>Porsche</td>
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<td>Scania</td>
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<tr>
<td><strong>Remaining companies</strong></td>
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</tr>
<tr>
<td>Audi</td>
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<tr>
<td>Škoda</td>
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<tr>
<td>Bentley</td>
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<td>Bugatti</td>
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<td>Porsche</td>
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<tr>
<td>Scania</td>
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Volkswagen Financial Services AG at a Glance (12/31/2015)

Worldwide presence

Volkswagen Financial Services conducts business in 49 countries

Key company figures

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 121.3 bn</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 14.8 bn</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 28.1 bn</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 1.4 bn</td>
</tr>
<tr>
<td>Employees</td>
<td>11,746</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>11.1 m</td>
</tr>
</tbody>
</table>

Business Volume* € 97.3 bn

- Leasing € 32.6 bn
- Credit € 50.7 bn
- Wholesale € 14.0 bn

*Receivables + Leased Assets
Contract portfolio Volkswagen Financial Services AG

Continuous portfolio expansion

- 45% Germany
- 33% Europe excl. Germany
- 11% Latin America
- 10% Asia Pacific / Other Countries
- 1% MAN Financial Services

in ‘000 units

- Credit: 2009 - 6,028, 2011 - 6,852, 2013 - 8,848, 2015 - 11,086

Contracts: 2009 - 6,028, 2011 - 6,852, 2013 - 8,848, 2015 - 11,086 tsd

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Penetration Volkswagen Financial Services AG

Rising penetration rates


26.4% 25.0% 24.7% 25.4% 27.5% 28.9% 30.6% 28.3%

32.5% 32.9% 34.9% 36.3% 40.7% 44.3% 44.5% 45.9%

w/o China

with China

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## Diesel Issue | Effects on VW FS: Confidence-building measures

<table>
<thead>
<tr>
<th></th>
<th>New Cars</th>
<th>Used Cars</th>
<th>New Cars</th>
<th>Used Cars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audi</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<tr>
<td>SEAT</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Nutzfahrzeuge</td>
<td>✔️</td>
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</tbody>
</table>

**Legend**

- ✔️ Trust Campaign implemented
Diesel Issue | Effects on VW FS: Residual Values

Used car prices EU 5

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

- Prices are stable and fluctuate in ordinary and expected range. No negative impact visible

- Prices not affected by Diesel Issue

- Prices not affected by Diesel Issue

- Expected impact on prices not yet visible
Diesel Issue | Effects on VW FS: Residual Values

Used car prices | Example Germany

Relative residual* value development 09/25/2015 to 05/09/2016

* Indexed illustration: 09/25/2015 = 100%
Diesel Issue | Effects on VW FS: Funding

Funding structure Volkswagen Financial Services AG

strategic funding allocation as of 30 June 2015

Total € 114.2 bn

strategic funding allocation as of 31 December 2015

Total € 121.3 bn

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Diesel Issue | Effects on VW FS: Funding Development of Customer Deposits

in € bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Term Deposits</th>
<th>Overnight</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>24.3</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>26.2</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>28.1</td>
<td></td>
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</tbody>
</table>

About 75% Private Customers

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Risk management

- 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 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
Credit risk remains at low level despite challenging market environment

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

### Key Figures:
- **2011**: 2.3%
- **2012**: 2.2%
- **2013**: 2.2%
- **2014**: 2.0%
- **2015**: 1.9%

**Color Coding**:
- **Red**: Total Provision Ratio
- **Blue**: Retail Financing
- **Orange**: Leasing
- **Gray**: Corporate Financing

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Volkswagen Financial Services AG – Residual value (only fully consolidated)

Residual value risks well covered by provisions

Provision per car in €
Risk per car in €
Units

in € m

---|---|---|---|---
68 | 163 | 193 | 281 | 892
66 | 177 | 268 | 358 | 897

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Rating History (04/30/2016) – Moody's

<table>
<thead>
<tr>
<th>Company</th>
<th>Moody's</th>
<th>S&amp;P</th>
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<tbody>
<tr>
<td>Toyota</td>
<td>Aa3</td>
<td>AA-</td>
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<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</td>
<td>A3&lt;sup&gt;1&lt;/sup&gt;</td>
<td>BBB+&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>VW Bank GmbH</td>
<td>A1&lt;sup&gt;1&lt;/sup&gt;</td>
<td>A-&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>VW FS AG</td>
<td>A1&lt;sup&gt;1&lt;/sup&gt;</td>
<td>BBB+&lt;sup&gt;1&lt;/sup&gt;</td>
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<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>Baa1</td>
<td>BBB</td>
</tr>
<tr>
<td>FMCC</td>
<td>Baa3</td>
<td>BBB-</td>
</tr>
<tr>
<td>Banque PSA</td>
<td>Baa2</td>
<td>BB+</td>
</tr>
</tbody>
</table>

<sup>1</sup> Outlook: negative

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

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

Volkswagen Financial Services

Volkswagen Bank GmbH (A1 / A- Rating)

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

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

Guarantee

100% Owner +
Control and Profit Transfer Agreement

DCM Investors worldwide
Worldwide Capital Market Activities

VW Leasing Mexico
MXN 20 bn Dual 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
€ 10 bn CP Program
€ 25 bn Debt Issuance Program

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

VW FS India
Domestic INR CP + Bond Issuances

VW FS Korea
Domestic KRW Bond Issuances

VW Bank Polska
PLN 3 bn Debt Issuance Program

VW Bank Russia
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 FS UK
Driver UK Master

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 Japan
Driver Japan program

VW Finance China
Driver China program

VW FS Australia
Driver Australia program

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WE ARE THE KEY TO MOBILITY

VISION

WHAT

STRATEGIC DIMENSIONS

CUSTOMERS

EMPLOYEES

OPERATIONAL EXCELLENCE

PROFITABILITY

VOLUME

STRATEGIC TARGETS

• Satisfied Customers

• Top Employer

• Top Employees

• Compliance & Governance

• Process Efficiency

• IT-Excellence

• Total Operating Income

• 20% ROE

• 50% CIR

• 30M Contracts

• 50% Extended Penetration

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Thank You.
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