Investor & Analyst Dialogue
Volkswagen Financial Services
Lars Henner Santelmann & Frank Fiedler
Volkswagen Group: Management Model

Management Holding

Passenger Cars

- Volume
  - Volkswagen
  - Commercial Vehicles
  - Skoda
  - Seat
  - Cupra
  - Jetta
- Premium
  - Audi
- Sport & Luxury
  - Porsche
  - Bentley
  - Lamborghini
  - Bugatti

(Internal) Supplier

- Software
  - Porsche
- Hardware

Financial Holding

- Financial Services
  - Volkswagen Bank
  - Volkswagen Financial Services
  - Porsche Financial Services
  - Scania Financial Services
  - Finanzvertrieb USA / Canada

- Truck and Bus
  - Traton
  - MAN

- Power Engineering

* Brand Group Leads: VW PC, Audi, Porsche
We offer the whole range of services under one roof*

* Displayed portfolio depends on the market; products offered or mediated by different operative subsidiaries.
Volkswagen Financial Services outperformed with stable growth in Operating Income by 400 % over the last 10 years. Exceeds global GDP growth of 38% within the same 10 years period.
Stable development in 2020 continues
Operating Profit of 1.632 bn €
(as of 30.09.2020)

Volkswagen Financial Services conducts business in 48 MARKETS.

KEY FIGURES

<table>
<thead>
<tr>
<th></th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>226.1</td>
</tr>
<tr>
<td>Equity</td>
<td>28.6</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>30.8</td>
</tr>
<tr>
<td>Operating profit</td>
<td>1.63</td>
</tr>
<tr>
<td>Employees</td>
<td>14,425</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>21.6 mn</td>
</tr>
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*Receivables + Leased Assets

BUSINESS VOLUME*

- CREDIT: € 67.5 bn
- WHOLESALE: € 13.2 bn
- LEASING: € 92.5 bn

**BUSINESS VOLUME**

*Receivables + Leased Assets
Vision and targets of ROUTE2025

WE ARE THE BEST AUTOMOTIVE FINANCIAL SERVICES GROUP IN THE WORLD

VISION

CUSTOMERS
• Excited Customers

EMployees
• Top Employer
• Top Employees

OPERATIONAL EXCELLENCE
• Compliance & Governance
• Process Efficiency
• IT Excellence

PROfitability
• Total Operating Income
• 20% ROE
• 40% CIR

VOLUME
• 30 mn Contracts
• 50% Extended Penetration
All of Volkswagen Financial Services’ initiatives help to create a strong basis for further growth - » sustainable growth and efficient use of equity «
ROUTE2025 - Target of 30 mn contracts\(^1\) in portfolio by 2025
Major driver is used car growth

Main drivers:
- Digitalization
- Multi-Brand Fleet Provider
- Used Car Business

\(^1\) Contract portfolio including contracts of non-consolidated companies
\(^2\) DtC = Deliveries to Customers
\(^3\) CarPark category 0-7 years cars

DTC VW AG: ≈ 11 mn units

CarPark: ≈ 62 mn units

2019

21.5 mn

2025 Target

30 mn

8.5 mn
ROUTE2025 – Equity situation Volkswagen Financial Services

Growth path without additional equity injection

No further equity injections needed for growth strategy

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets in bn €</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>158</td>
</tr>
<tr>
<td>2016</td>
<td>170</td>
</tr>
<tr>
<td>2017</td>
<td>187</td>
</tr>
<tr>
<td>2018</td>
<td>208</td>
</tr>
<tr>
<td>2019</td>
<td>224</td>
</tr>
<tr>
<td>2025</td>
<td>300</td>
</tr>
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</table>

Growth potential at an equity base of 8%*

Equity-Ratio:
- 10.9% in 2019
- 12.0% in 2025

* Based on normalized equity
Volkswagen Financial Services - funding independently from automotive

Refinancing Mix VW FS as of 30.09.2020

- **€ 223.9 bn**
  - Equity: € 28.6 bn (12.8%)
  - Asset Backed Securitization: € 39.9 bn (17.8%)
  - Bonds issued: € 55.4 bn (24.7%)
  - Commercial Paper: € 6.3 bn (2.8%)
  - Liabilities to financial institutions: € 22.3 bn (10.0%)
  - Liabilities to affiliated companies: € 23.8 bn (10.6%)
  - Customer Deposits: € 30.8 bn (13.8%)
  - Others: € 16.9 bn (7.5%)
  - Equity: € 28.6 bn (12.8%)

Refinancing Mix VW FS as of 31.12.2025

- **€ 300 bn**
  - Equity: (12%)
  - Asset Backed Securitization: (22%)
  - Bonds issued: (29%)
  - Commercial Paper: (3%)
  - Liabilities to affiliated companies: (6%)
  - Liabilities to financial institutions: (10%)
  - Customer Deposits: (13%)
  - Others: (5%)
  - € 300 bn
All Volkswagen Financial Services initiatives are creating a strong basis for further growth - » improving our existing business model «

- **Volume**
  - VW AG
  - VW Bank GmbH
  - VWFS AG

- **Efficiency**
  - Cost-Income-Ratio 40%
  - Improving our existing business model

- **Touchpoints**
  - Parking
  - Charging & Fueling
  - Creating digital touchpoints

- **Digitalization**
  - Online journeys & direct sales channels

Sustainable growth and efficient use of equity
ROUTE2025 - Target of 40% Cost-Income ratio in 2025
Three OPEX levers help to support Volkswagen Financial Services‘ overall target
All Volkswagen Financial Services initiatives are creating a strong basis for further growth - » creating digital touchpoints «

- **Volume**
  - VW AG
  - VW Bank GmbH
  - VWFS AG

- **Efficiency**
  - Cost-Income-Ratio: 40%
  - Improving our existing business model

- **Touchpoints**
  - Parking
  - Charging & Fueling
  - Creating digital touchpoints

- **Digitalization**
  - Online journeys & direct sales channels

Sustainable growth and efficient use of equity
Through new products in mobility and payment services, we will significantly increase the customer contact through 2025

Customer contact from portfolio

- 20 – 30 mn p.a.
- factor x 20
- 400 – 600 mn p.a.

Currently 210 mn p.a.

* Displayed portfolio depends on the market; products offered or mediated by different operative subsidiaries.
All Volkswagen Financial Services initiatives are creating a strong basis for further growth - » online journeys & direct sales channels «

Volume

Efficiency

Touchpoints

Digitalization

Sustainable growth and efficient use of equity

Improving our existing business model

Creating digital touchpoints

Online journeys & direct sales channels

VW AG

VW Bank GmbH

VWFS AG

40% Cost-Income-Ratio

Parking

Charging & Fueling

Online journeys & direct sales channels
Volkswagen Financial Services will digitize all products by 2025 and extend its distribution channels.

Past: Single Channel

By 2025: Development from Multi- to Omni-Channel
All Volkswagen Financial Services initiatives are creating a strong basis for further growth - » especially the digital capabilities are expanded «

<table>
<thead>
<tr>
<th>Volume</th>
<th>Efficiency</th>
<th>Touchpoints</th>
<th>Digitalization</th>
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<tbody>
<tr>
<td>300 bn € assets</td>
<td>1 % OH-Ratio + 1 % CoS-Ratio = 1.3 bn € lower cost level p.a.</td>
<td>500 mn</td>
<td>2.5 mn Online sales Target 2025 500 mn € Investment in planning round</td>
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30 mn portfolio
12 % equity

All changes are ... within the existing business model
COVID-19 as catalyst for new business models

» Volkswagen Financial Services has started from a strong basis «
In our existing business model, VW FS has mainly indirect contact to customers. Therefore we invented our new “Digital & Direct” business model.
Digital & Direct has a clear aim: Optimize the customer & car lifetime value and identify specific customer requirements
CRM² platform is the catalyst to creating value around the customer

Additional 1 billion profit targeted!
Example Germany: Customer-related share of wallet totals to 377,000 €
Extending the share of wallet by following the car and customer through the entire life cycle will transfer Volkswagen Financial Services into a data-driven company!
Questions?
Thank You!

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