The Key to Mobility
Creating Value with Financial Services
Investor Update –
Volkswagen Financial Services
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, 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. These assumptions relate in particular to the development of the economies of individual countries and markets, the regulatory framework and the development of the automotive industry. Therefore 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 in particular 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 Such statements are valid on the date of publication and can be superseded.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 brand “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 Structure

<table>
<thead>
<tr>
<th>Volume</th>
<th>Premium</th>
<th>Sport &amp; Luxury</th>
<th>Truck &amp; Bus</th>
<th>Procurement/Components</th>
<th>Finance &amp; IT</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>VW</td>
<td>Audi</td>
<td>Porsche</td>
<td>MAN</td>
<td>Procurement</td>
<td></td>
<td>Region China</td>
</tr>
<tr>
<td>Škoda</td>
<td>Lamborghini*</td>
<td>Bentley</td>
<td>Scania</td>
<td>Components**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEAT</td>
<td>Ducati*</td>
<td>Bugatti</td>
<td>Power Engineering*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW LCV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Allocation will be verified

** Temporarily responsibility of Group CEO, will be a combined Board of Management function
Optimized Structure for Financial Services Business (starting 01.09.2017)
Substantial Effects

Advantages:
- Optimized capital requirement
- Reduced complexity & improved transparency
- Agile for new business models

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

Commerzbank Sector Conference | Bernd Bode | 29 August, 2018 | Investor Update Volkswagen Financial Services
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 at a glance (06/30/2018)

Worldwide Presence

Volkswagen Financial Services conducts business in **48 markets**.

Key Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>€ 196.5 bn</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 25.6 bn</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>€ 33.6 bn</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>€ 1.2 bn</td>
</tr>
<tr>
<td>Employees</td>
<td>13,943</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>16.8 m</td>
</tr>
</tbody>
</table>

Business Volume*

- Leasing: € 79.7 bn
- Wholesale: € 19.9 bn
- Credit: € 61.2 bn

* Receivables + Leased Assets
Operating Income Volkswagen Financial Services

€ m

2010 719
2013 945
2016 1,214
2017 1,293
HY 18 1,416
2017 2,105
2018 2,450
2010 1,231
Contract Portfolio

**Continuous portfolio expansion**

**Volkswagen Financial Services**

in ‘000 units

- **Credit**
  - 2011: 8,244
  - 2013: 10,725
  - 2015: 13,230
  - 2017: 17,234
  - HY 18: 17,575

- **Leasing**
  - 2011: 5,846
  - 2013: 4,082
  - 2015: 7,647
  - 2017: 13,230
  - HY 18: 17,234

- **Insurance/Services**
  - 2011: 13,230
  - 2013: 7,647
  - 2015: 13,230
  - 2017: 17,575
  - HY 18: 17,234

Commerzbank Sector Conference | Bernd Bode | 29 August, 2018 | Investor Update Volkswagen Financial Services
Portfolio Structure Volkswagen Financial Services

Credit Risk is the predominant risk type whereof the major share is originated from well diversified retail business with a low risk profile.

Other relevant risk types:
- Residual Value Risk
- Earning Risk
- Operational Risk
- Marketprice Risk
- Shareholder Risk

as of 12/31/2017
Credit risk remains at low level despite challenging market environment

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)
• Generally, Automotive and Financial Services Division are operating “at Arms Length” when setting residual values. Adequate provisioning for our existing portfolio is done on the basis of a regular portfolio assessment.
• All residual value risks are completely covered by provisions and equity according to IAS 36.

Petrol

Diesel

+ 1.2%

- 2.3%
The International Used Car Broker is the additional and international channel in remarketing, implemented in several European countries.

- Currently 8 VW FS AG countries participating
- 2 additional countries in discussion
Strategic Funding Allocation as of June 30, 2018
Total € 196.5 bn
Volkswagen Financial Services has a solid and stable rating history.

<table>
<thead>
<tr>
<th></th>
<th>Moody’s</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota</td>
<td>Aa3</td>
<td>AA-</td>
</tr>
<tr>
<td>Honda</td>
<td>A2</td>
<td>A+</td>
</tr>
<tr>
<td>BMW</td>
<td>A1</td>
<td>A+</td>
</tr>
<tr>
<td>VW AG</td>
<td>A3  2)</td>
<td>BBB+  2)</td>
</tr>
<tr>
<td>VW FS AG</td>
<td>A3  2)</td>
<td>BBB+  2)</td>
</tr>
<tr>
<td>VW Bank GmbH</td>
<td>A1  2)  3)</td>
<td>A-  1)  3)</td>
</tr>
<tr>
<td>Scania</td>
<td>--</td>
<td>BBB+  2)</td>
</tr>
<tr>
<td>Daimler</td>
<td>A2</td>
<td>A</td>
</tr>
<tr>
<td>RCI Banque</td>
<td>Baa1</td>
<td>BBB</td>
</tr>
<tr>
<td>FMCC</td>
<td>Baa2</td>
<td>BBB</td>
</tr>
<tr>
<td>Banque PSA</td>
<td>A3</td>
<td>-*</td>
</tr>
</tbody>
</table>

1) Outlook: negative  2) Outlook: stable  3) Bonds are rated senior subordinated BBB+ (S&P) and junior senior unsecured A3 (Moody’s)  * withdrawn at bank’s request
Volkswagen Financial Services organisational structure and guarantee scheme

Volkswagen AG
BBB+ (s) / A3 (s)¹

100% Owner +
Control and Profit & Loss Transfer Agreement

Volkswagen FS AG
BBB+ (s) / A3 (s)¹

Guarantee

Volkswagen Leasing GmbH
Volkswagen Financial Services N.V.
Volkswagen Financial Services Australia
Volkswagen Financial Services Japan

Volkswagen Bank GmbH
A- (n) / A1 (s)¹

¹Credit Ratings from Standard&Poors / Moody’s as per 13 August 2018; (n) Outlook negative, (s) Outlook stable
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 INR CP + Bond Issuances

VW FS India
Domestic INR CP + Bond Issuances

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 Bank Polska *
PLN 3 bn Debt Instrument Issuance Program

VW Bank Russia
Domestic 100bn RUB Bond 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

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

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

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

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

- **Banco VW Brazil**
  - Driver Brasil program

- **VW Bank Italy**
  - Driver Italia program

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

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

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

- **VWFS Australia**
  - Driver Australia program
  - Driver Australia Master

- **MAN Financial Services**
  - Trucknology

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

- **VDF Turkey**
  - Driver Turkey Master
### Recent Public DCM Deals 2018
(Volkswagen Financial Services AG and Volkswagen Bank GmbH)

#### Volkswagen Bank GmbH
- Volkswagen Bank GmbH: 06/2018 EUR 2bn, due 09/2021, 12/2021, 06/2024
- Volkswagen Bank GmbH: 12/2017 EUR 2bn, due 06/2021, 06/2023, 12/2025

#### Volkswagen Financial Services AG
- Volkswagen Financial Services AG: EUR 2.25bn 04/2018, due 10/19, 04/21 & 04/23
- Volkswagen Leasing GmbH: EUR 2.5bn 08/2018, due 02/2021 & 02/2023 & 08/2025
- Volkswagen Financial Services N.V.: GBP 500m 08/2018, due 09/21
- OOO Volkswagen Bank RUS: RUB 5bn 08/2018, due 08/2021
Recent Public ABS Deals 2018  
(Volkswagen Financial Services AG and Volkswagen Bank GmbH)

- Driver Espania five (Volkswagen Finance S.A.): EUR 1.0bn (02/2018)
- Driver fourteen (Volkswagen Bank GmbH): EUR 900m (03/2018)
- Driver Italia one (Volkswagen Bank GmbH): EUR 500m (04/2018)
- Driver China eight (Volkswagen Finance (China) Co.): RMB 3.2 bn (12/2017)
- Driver Japan seven (Volkswagen Financial Services Japan): JPY 55 bn (02/2018)
- Driver Turkey Master (Volkswagen Dogus Finansman S.A.): TRY 1.1 bn (02/2018)
- VCL 26 (Volkswagen Leasing GmbH): EUR 1.5 bn (03/2018)
- Driver Australia five (Volkswagen Financial Services Australia Pty Ltd.): AUD 750m (04/2018)
Volkswagen Financial Services follows consequently its vision and the targets of Route2025

**Vision**

**Strategic Dimensions**

- Customer
  - Satisfied Customers

- Employees
  - Top Employer
  - Top Employees

- Operational Excellence
  - Compliance & Governance
  - Process Efficiency
  - IT Excellence

- Profitability
  - Total Operating Income
  - 20% ROE
  - 40% CIR

- Volume
  - 50M Contracts
  - 50% Extended Penetration

**FS Way**

- Corporate Culture
- FS Values
- Leadership Culture

**International Collaboration**

- Full Entrepreneurial Autonomy of Countries
- Aligned by a Global Approach
ROUTE 2025 | Our Focus Topics

- Digitalization
- Operational Excellence
- Mobility Services
- Used Car Business
Volkswagen Financial Services will digitalize all core products by 2020 and extends its distribution channels

Past: single channel  By 2020: multi channel  By 2025: omni channel

dealer  website  in-car

customer  touchpoints & platforms  customer portal

brand  ecosystem

customer

Commerzbank Sector Conference | Bernd Bode | 29 August, 2018 | Investor Update Volkswagen Financial Services
Growing business with leading companies per business segment

**Mobility**

**VOLKSWAGEN FINANCIAL SERVICES**

**THE KEY TO MOBILITY**

**Growing business with leading companies per business segment**

**VW FS MOBILITY UNIT**

**CHARGE & FUEL**

Charge & Fuel card and app and tolling solutions

**RENTAL & CARSHARING**

Car & Truck rental and car sharing

**SMART PARKING**

Cashless parking, access and payment

**VW FS DIGITAL UNIT**

**PAYMENT**

Electronic payments and wallet

**USED CARS**

Used Car multi-brand platform

Volkswagen Finance Luxemburg II S.A.

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Used Car Business - Hey Car: development of a real alternative to the current duopoly

Online share of trades

- mobile.de and AUTO SCOUT 24 counts for 85% of the Market
- Constant price increase for both platforms
- Dominant platforms controlled by American tech companies

Hey Car is being developed as an alternative in close cooperation with dealers

Dealers own website

VW 30%

Audi 10%

Others 55%
Outlook

Volkswagen Financial Services

Assuming that margins and funding costs remain stable in the remaining year, the operating profit in fiscal year 2018 would be on the level achieved in fiscal year 2017.
Thank You.
Volkswagen Bank GmbH
Gifhorner Str. 57
38112 Braunschweig
Germany
At a Glance (06/30/2018)

**Volkswagen Bank GmbH**

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 84.3 bn</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 11.4 bn</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 33.7 bn</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 567 m</td>
</tr>
<tr>
<td>Employees</td>
<td>3,584</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>5.7 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>€ 73.6 bn</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 8.0 bn</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>68.5 m</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 329 m</td>
</tr>
<tr>
<td>Employees</td>
<td>8,449</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>8.4 m</td>
</tr>
</tbody>
</table>

**Business Volume**

**Volkswagen Bank GmbH**

- Leasing: € 25.3 bn
- Credit: € 30.0 bn
- Dealer financing: € 13.1 bn

**Volkswagen Financial Services AG**

- Leasing: € 31.5 bn
- Credit: € 16.1 bn
- Dealer financing: € 3.9 bn

*Receivables + Leased Assets
## Volkswagen Bank GmbH Key data 2014 – HY 2018 (IFRS)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>HY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio (‘000)</td>
<td>2,565</td>
<td>2,767</td>
<td>3,002</td>
<td>5,533</td>
<td>5,710</td>
</tr>
<tr>
<td>Retail + Leasing receivables (€ mn)</td>
<td>23,887</td>
<td>25,814</td>
<td>27,954</td>
<td>52,316</td>
<td>55,298</td>
</tr>
<tr>
<td>Dealer financing (€ mn)</td>
<td>8,928</td>
<td>10,302</td>
<td>10,538</td>
<td>12,430</td>
<td>13,103</td>
</tr>
<tr>
<td>Customer deposits (€ mn)</td>
<td>25,252</td>
<td>27,877</td>
<td>35,666</td>
<td>33,583</td>
<td>33,712</td>
</tr>
<tr>
<td>Employees</td>
<td>1,123</td>
<td>1,185</td>
<td>1,293</td>
<td>3,549</td>
<td>3,584</td>
</tr>
<tr>
<td>IFRS profit before tax (€ mn)</td>
<td>464</td>
<td>575</td>
<td>669</td>
<td>992</td>
<td>575</td>
</tr>
</tbody>
</table>
## Volkswagen Financial Services AG
### Key data 2014 – HY 2018 (IFRS)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017*</th>
<th>HY 2018*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio (‘000)</td>
<td>10,249</td>
<td>12,081</td>
<td>13,244</td>
<td>8,524</td>
<td>8,397</td>
</tr>
<tr>
<td>Retail + Leasing receivables (€ mn)</td>
<td>76,749</td>
<td>83,351</td>
<td>90,666</td>
<td>46,649</td>
<td>47,604</td>
</tr>
<tr>
<td>Dealer financing (€ mn)</td>
<td>12,625</td>
<td>13,967</td>
<td>14,638</td>
<td>3,584</td>
<td>3,949</td>
</tr>
<tr>
<td>Customer deposits (€ mn)</td>
<td>26,224</td>
<td>28,109</td>
<td>36,149</td>
<td>69</td>
<td>69</td>
</tr>
<tr>
<td>Employees</td>
<td>11,305</td>
<td>11,746</td>
<td>11,819</td>
<td>8,555</td>
<td>8,449</td>
</tr>
<tr>
<td>IFRS profit before tax (€ mn)</td>
<td>1,317</td>
<td>1,513</td>
<td>1,650</td>
<td>643</td>
<td>352</td>
</tr>
</tbody>
</table>

* Figures of Volkswagen Bank GmbH consolidated within Volkswagen Financial Services AG until 2016
Strategic Funding Allocation as of June 30, 2018

Volkswagen Bank GmbH
Total € 84.3 bn

Strategic Funding Mix

Volkswagen Financial Services AG
Total € 73.7 bn

Strategic Funding Mix