

VOLKSWAGEN FINANCIAL SERVICES

THE KEY TO MOBILITY



The Key to Mobility

Creating Value with Financial Services

BayernLB Fixed Income Conference 2014 – Volkswagen Financial Services AG

Katja Hauer

Investor Relations

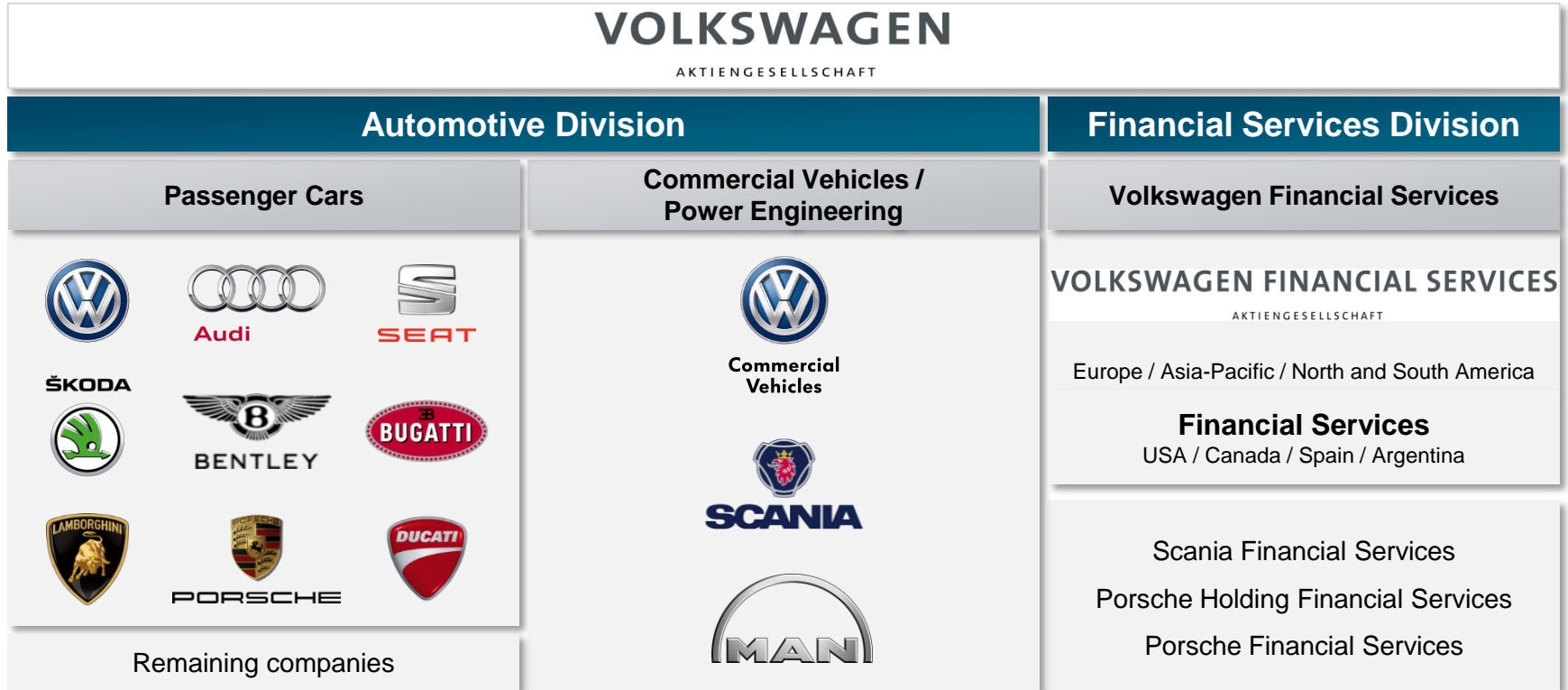
Volkswagen Financial Services AG

Dirk Bauer




Head of Capital Markets and Corporate Rating

Volkswagen Financial Services AG

Volkswagen Group – leveraging the power of three strong pillars



Volkswagen Financial Services offers the whole range of services under one roof

BANK		LEASING	INSURANCE	MOBILITY	
					
<ul style="list-style-type: none"> • Retail Finance • Dealer Finance • Factoring 	<ul style="list-style-type: none"> • Deposits • Instalment Loans • Investment Products 	<ul style="list-style-type: none"> • Finance Lease • Operating Leasing 	<ul style="list-style-type: none"> • Automotive • Payment Protection • Industry 	<ul style="list-style-type: none"> • Fleet Management • Tyre • Wear & Tear 	<ul style="list-style-type: none"> • Long-term rent • Short-term rent • Carsharing

Strong Benefits for Automotive through Captive



Volkswagen Financial Services at a Glance

Worldwide presence



Volkswagen Financial Services
conducts business in **49 countries**

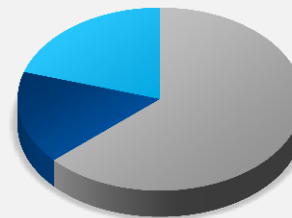
Key figures 2013

Total assets	€ 115.1 bn
Equity	€ 11.6 bn
Customer deposits	€ 24.3 bn
Operating profit	€ 1.6 bn
Employees	10,945
Contracts (units)	10.7 m

Receivables

Leasing
€ 16.2 bn

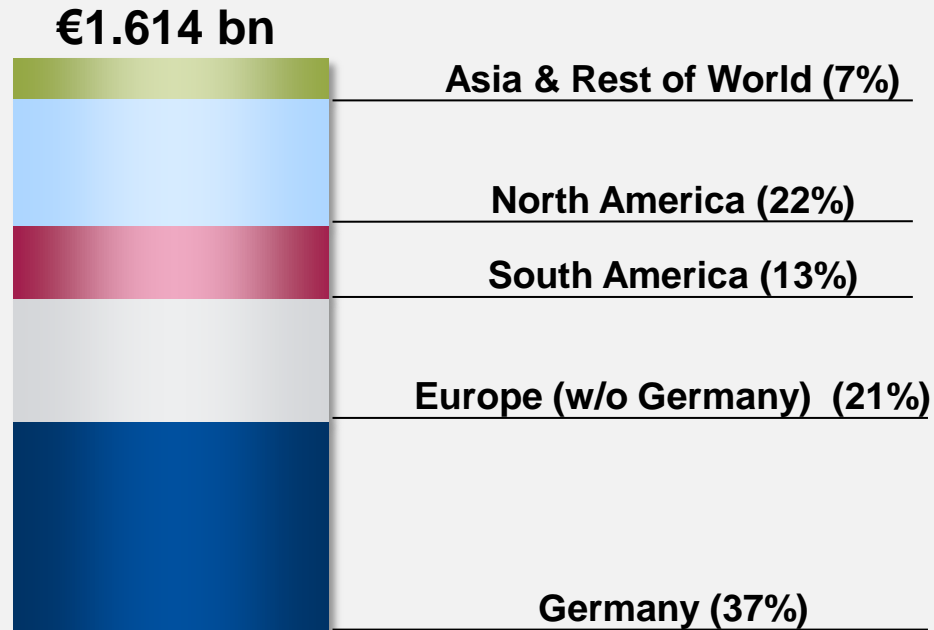
Wholesale
€ 13.2 bn



Credit
€ 50.7 bn

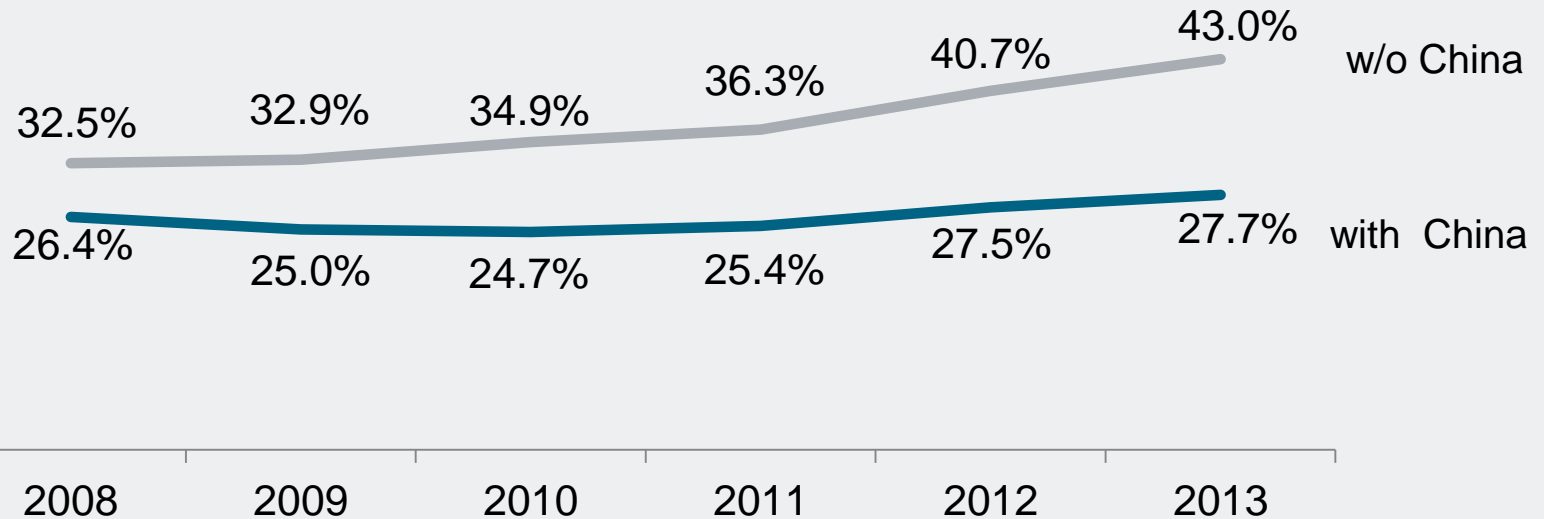
Operating Income 2013 (regional split)

Growing international share

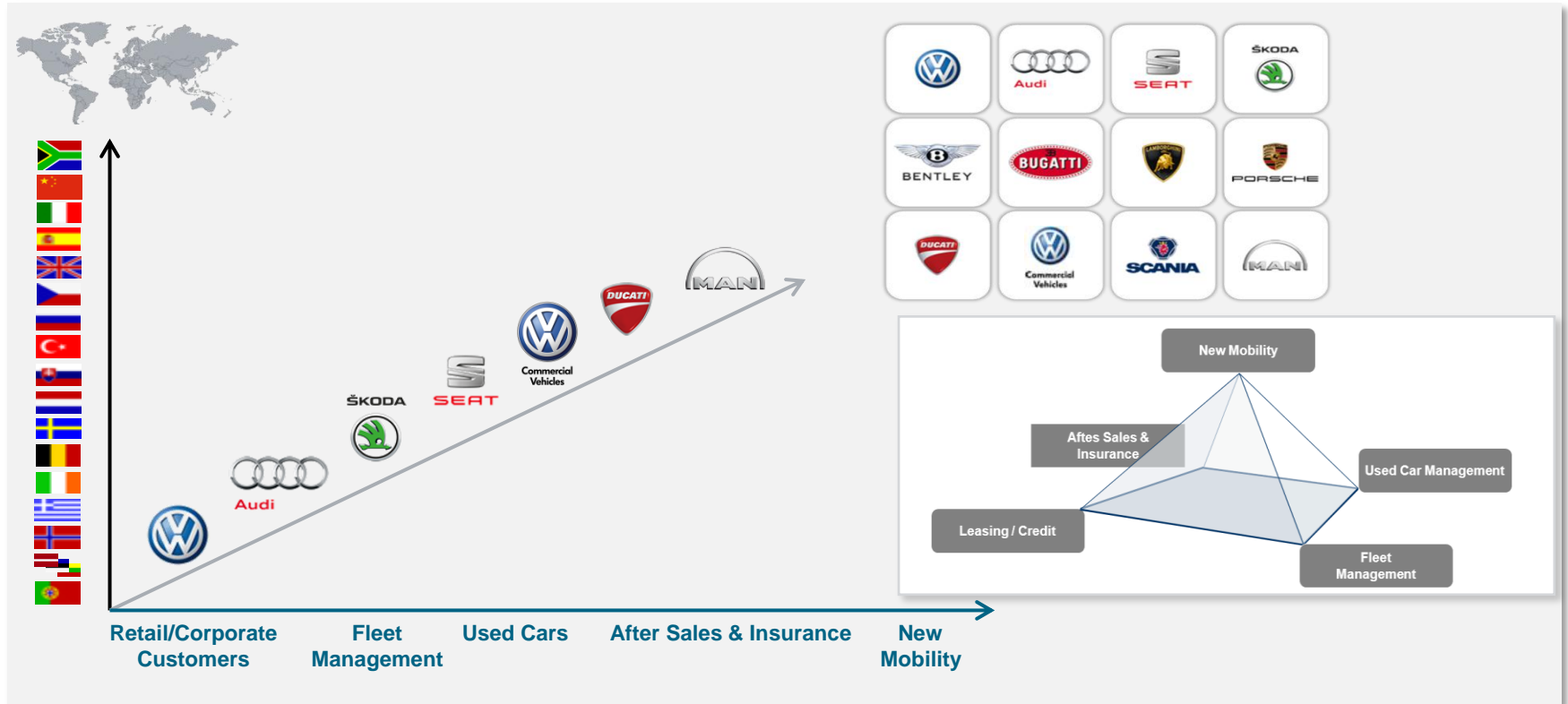


Penetration Rates

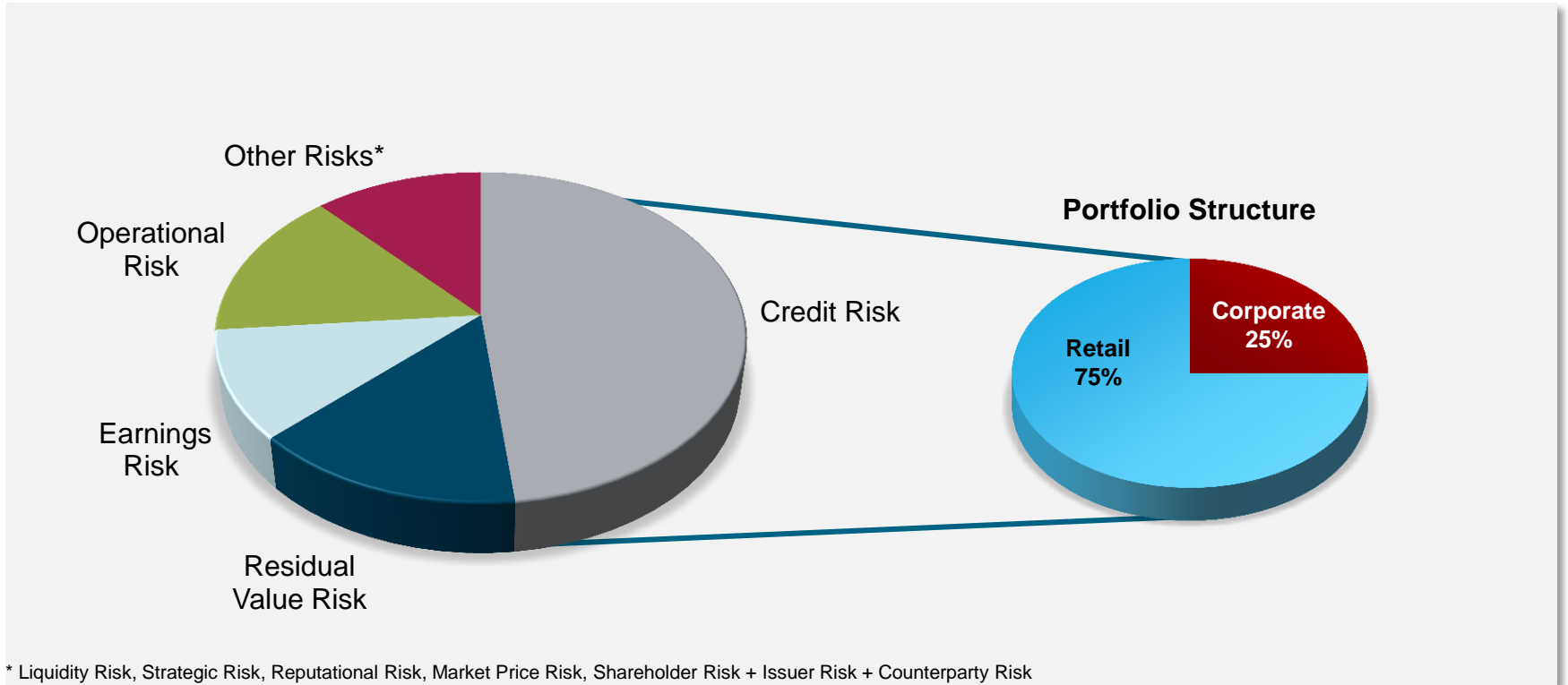
Rising penetration rates



3 Growth Dimensions

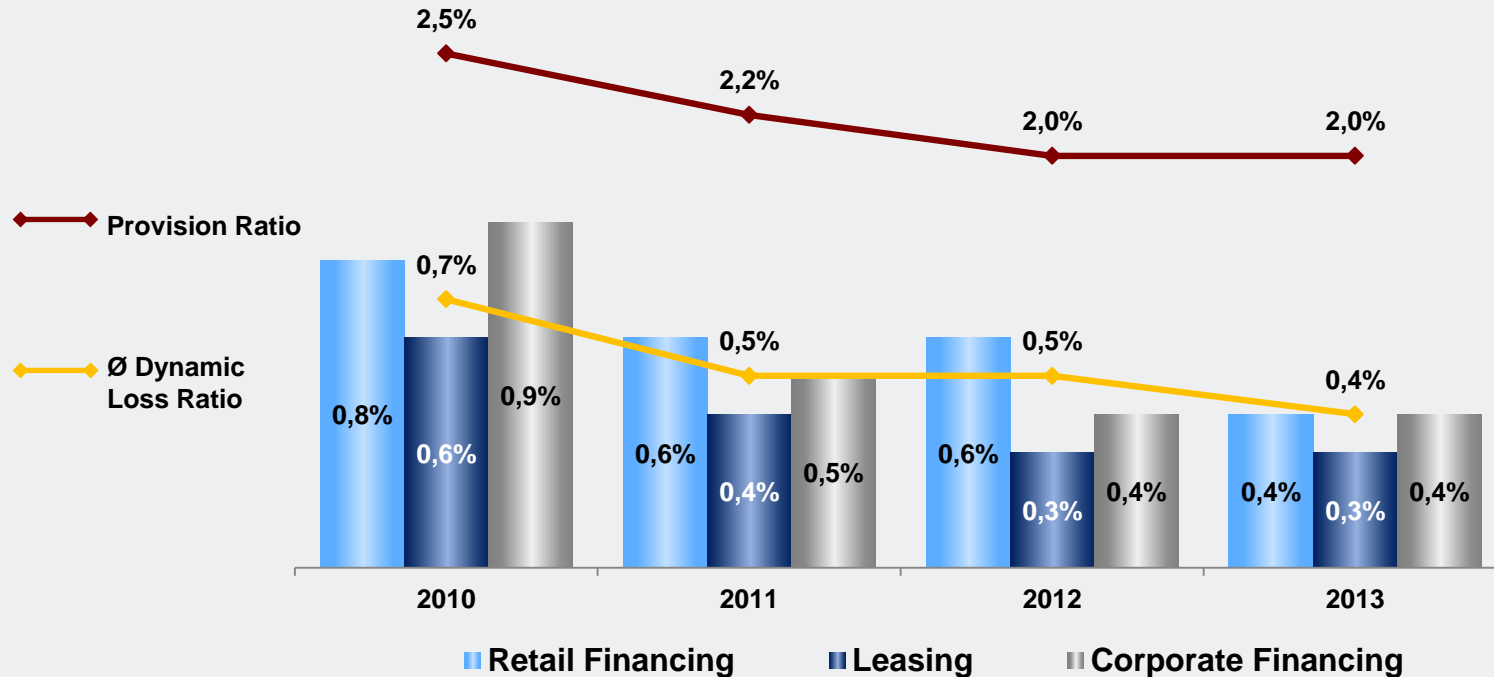


Risk Management

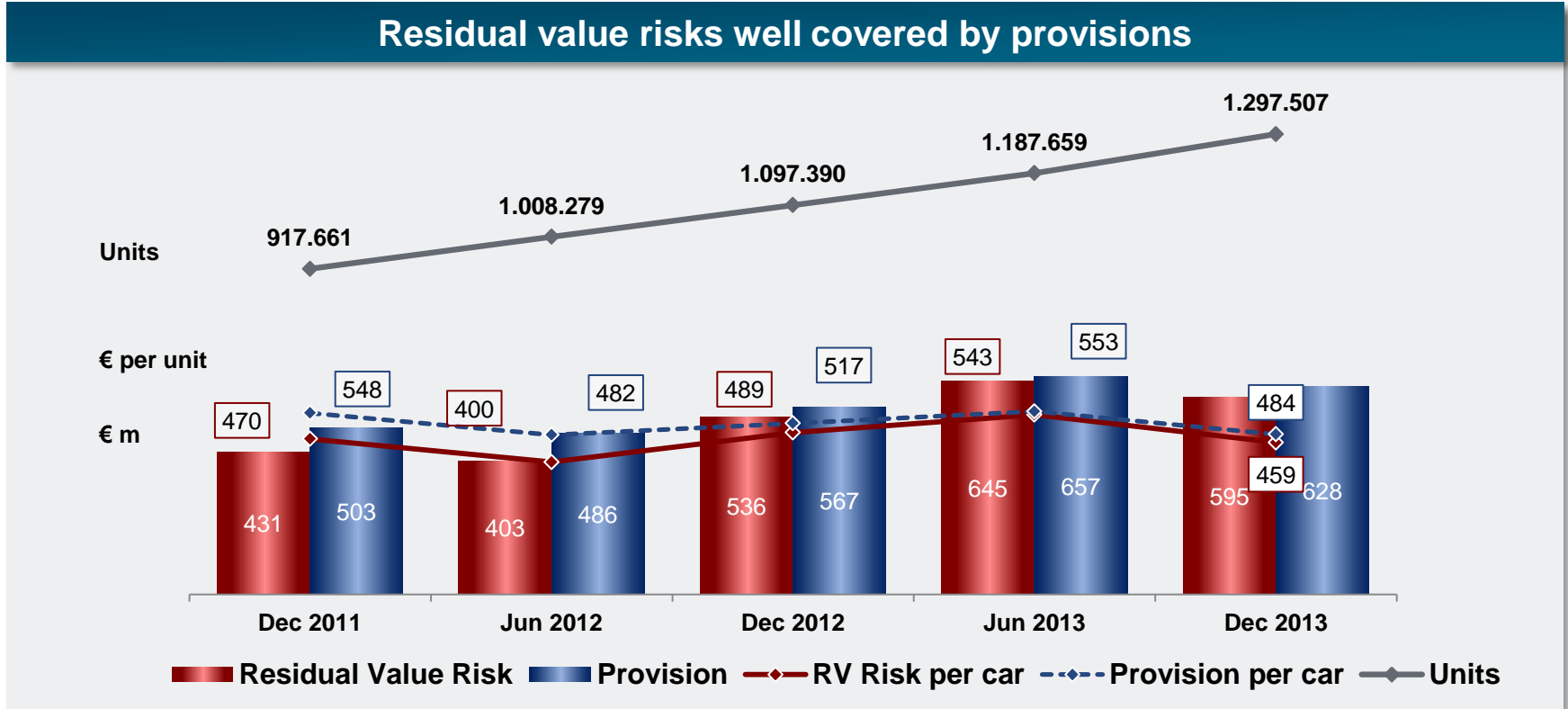


Volkswagen Financial Services – Credit Risks

Credit risk remains at low level despite challenging market environment

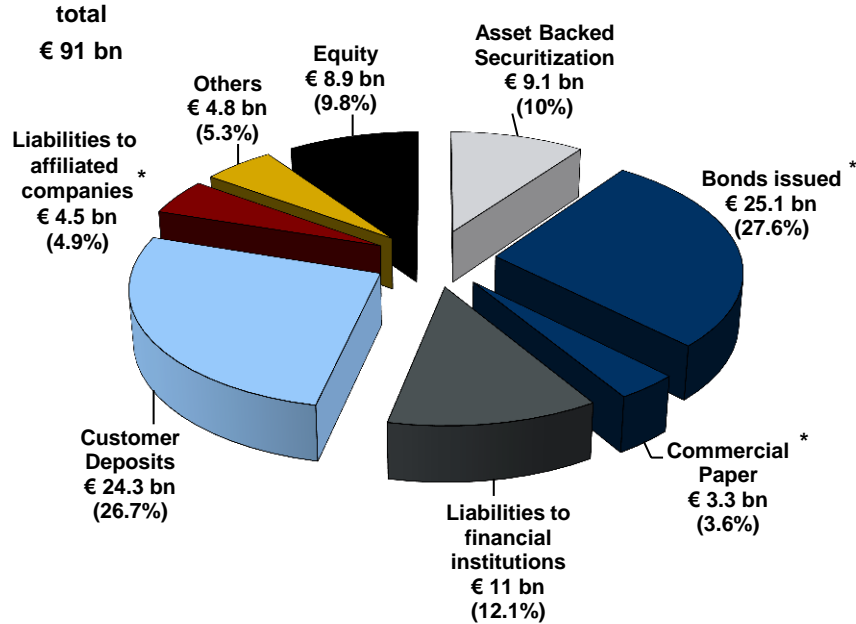


Volkswagen Financial Services – Residual Value



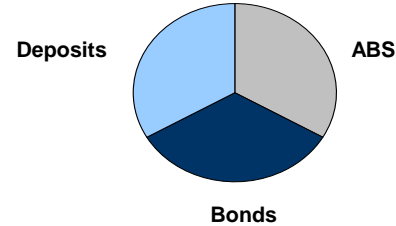
Funding Structure Volkswagen Financial Services AG

Funding

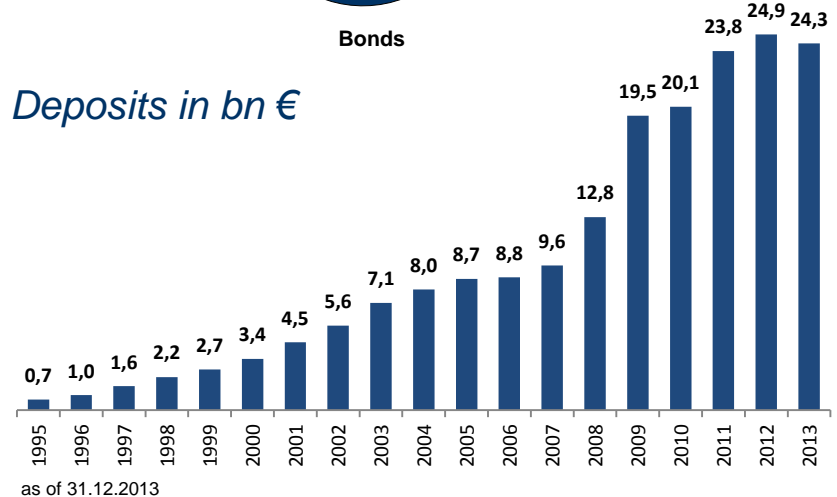


* strategic allocation = not consistent with accounting logic

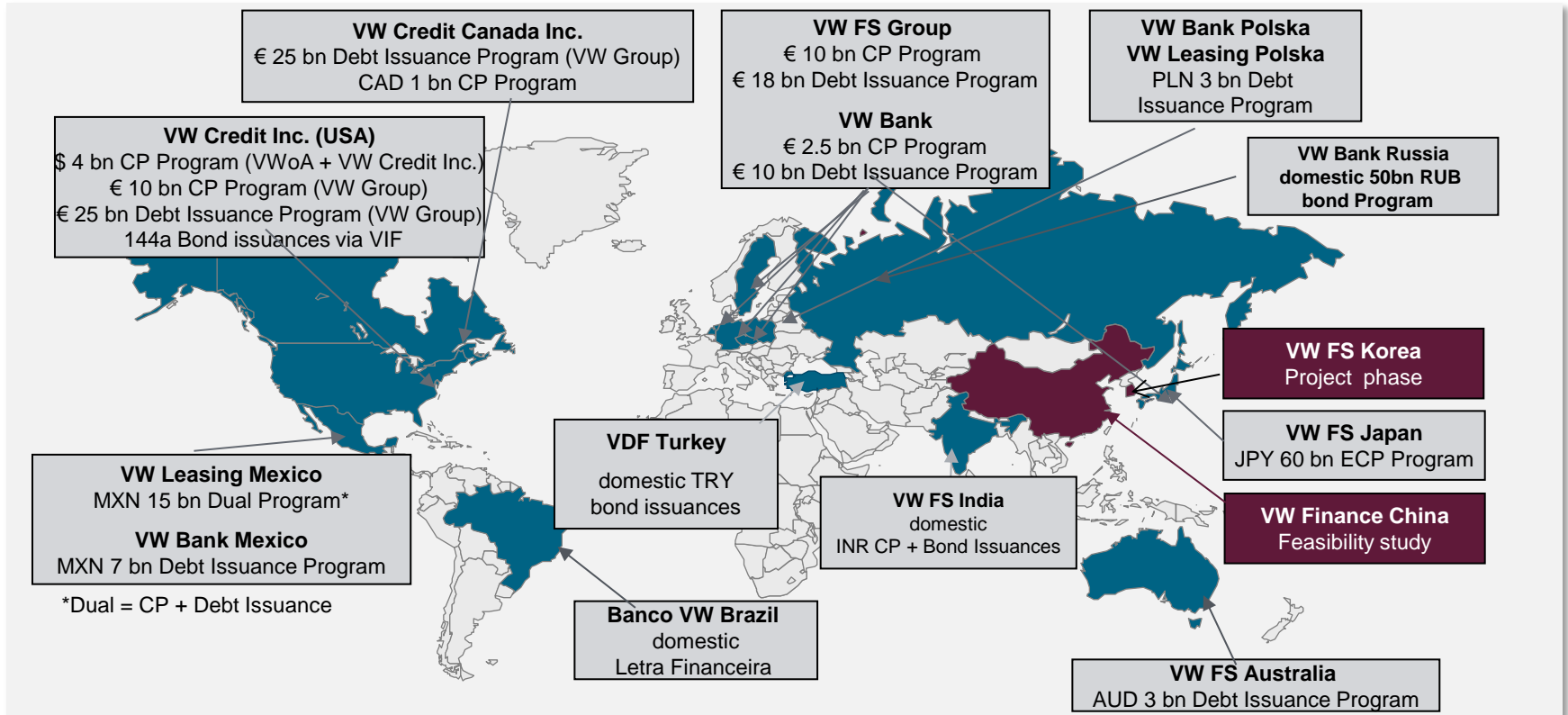
Refinancing Strategy



Deposits in bn €

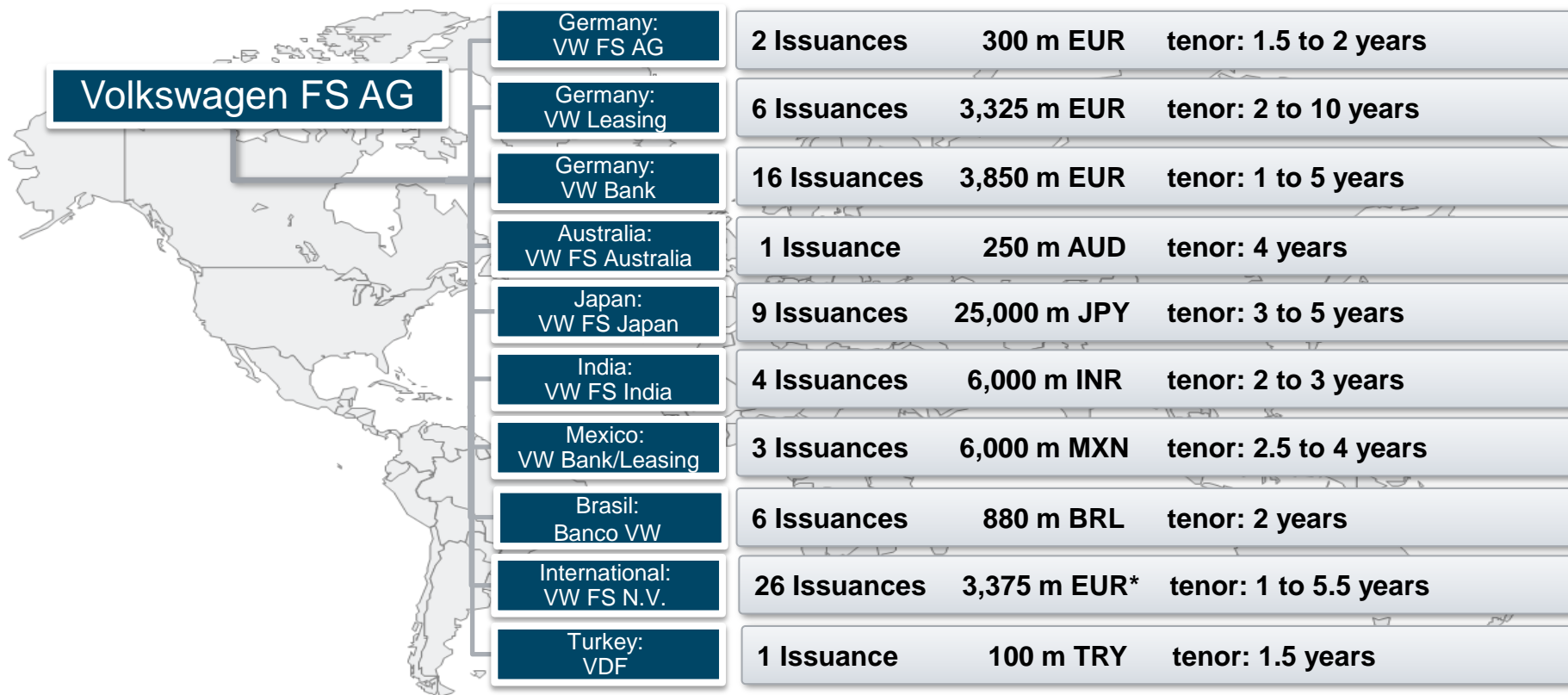


Volkswagen Financial Services' Worldwide Capital Market Activities



*Dual = CP + Debt Issuance

DCM Activities in 2013 / 2014 Worldwide



Security for Investors – Three Layer of Protection



1. Solvency and Creditworthiness of the Issuer
(VW Leasing GmbH, VW FS NV Amsterdam, VW Bank RUS...)

Irrevocable and Unconditional Guarantee for Issuers Payment Obligations



2. Solvency and Creditworthiness of the Guarantor
(Volkswagen Financial Services AG)
S&P Rating: A- positive / Moody's: A3 positive

Control & Profit / Loss Transfer Agreement

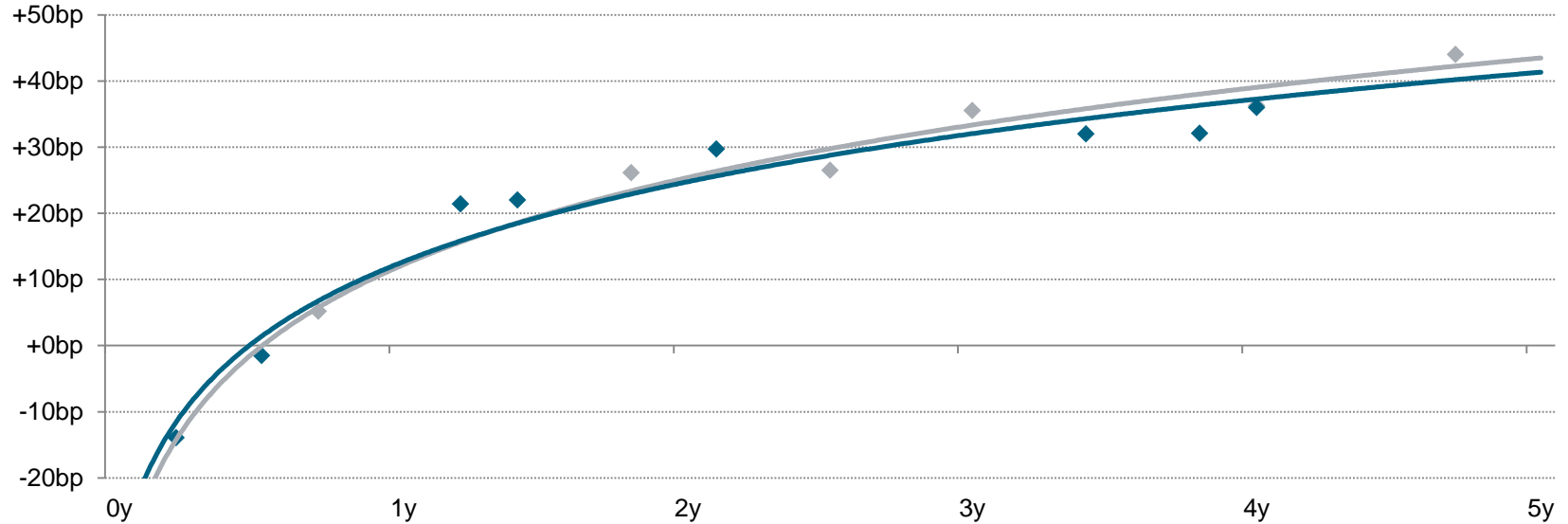


3. Solvency and Creditworthiness of Ultimate Parent
(Volkswagen AG)
S&P Rating: A- positive / Moody's: A3 positive

One Risk – One Price!

Investor's Risk Evaluation - Bond Curve Volkswagen AG compared to Volkswagen Financial Services AG

z-spread

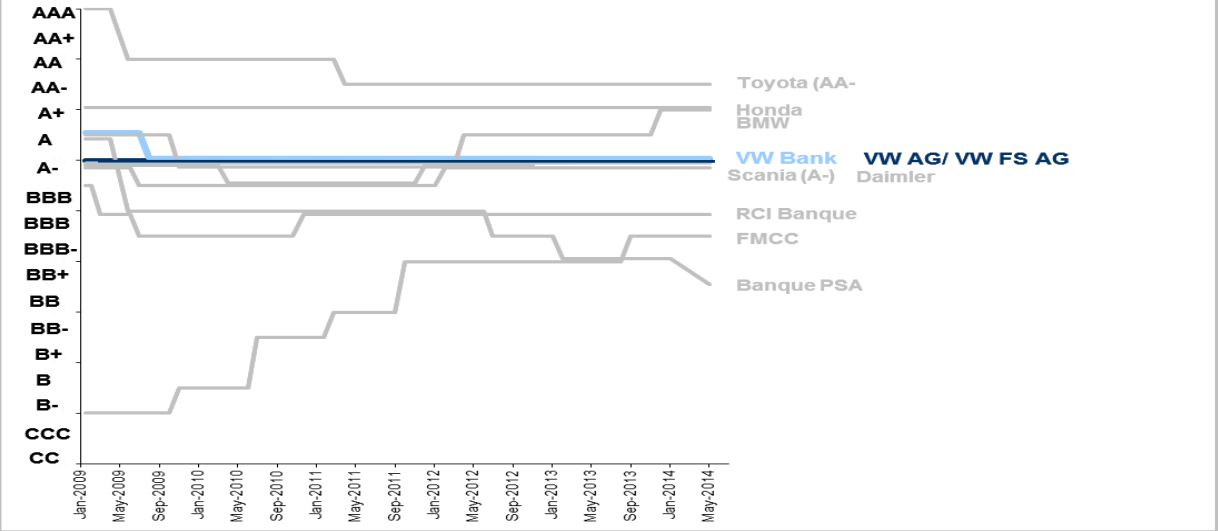


◆ VW AG outstanding bonds ◆ VW FS outstanding bonds — VW corporate EUR bond curve — VW FS EUR bond curve

Rating History

	Moody's	S&P
Toyota	Aa3	AA-
Honda	A1	A+
BMW	A2	A+
VW AG / VW FS AG	A3 ¹⁾	A- ¹⁾
VW Bank GmbH	A3 ¹⁾	A- ¹⁾
MAN	A3	-- ²⁾
Scania	--	A-
Daimler	A3	A-
RCI Banque	Baa3	BBB
FMCC	Baa3	BBB-
Banque PSA	Ba1	BB

Development of credit ratings (Standard & Poor's)



¹⁾ Outlook: positive ²⁾ Rating withdrawn at company's request as of Dec. 2012

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

Data Source: Reuters

Standard & Poor's Statements regarding Volkswagen Financial Services AG, "RatingsDirect" July 31, 2013

"We consider VW FS to be core to its ultimate parent VW AG and equalize our ratings on VW FS with those on VW AG."

"As a core entity of VW AG, any rating action on the parent - positive or negative - would translate in a similar action on VW FS."

"We consider VW FS' corporate strategy to be prudent, well-executed, and focused on its core business in which it has expertise."

"(...) positive outlook (...) mirrors that on its parent, Volkswagen AG (A- /Positive/A-2). It reflects our view that captive finance operations will remain integral to the VW group's overall corporate strategy."

"In our view, VW FS' earnings generated by moderate growth, steady margins and solid risk costs are relatively predictable and stable."

Contact



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Annual Report Volkswagen Financial Services AG:
http://www.vwfsag.de/de/home/investor_relations/geschaeftsberichte/gb2013.html

Memorandum of Clifford Chance concerning the „Domination and Profit and Loss Transfer Agreement VWAG – VWFSAG“
http://www.vwfsag.de/en/home/investor_relations/bgav.html

Thank you for your attention!



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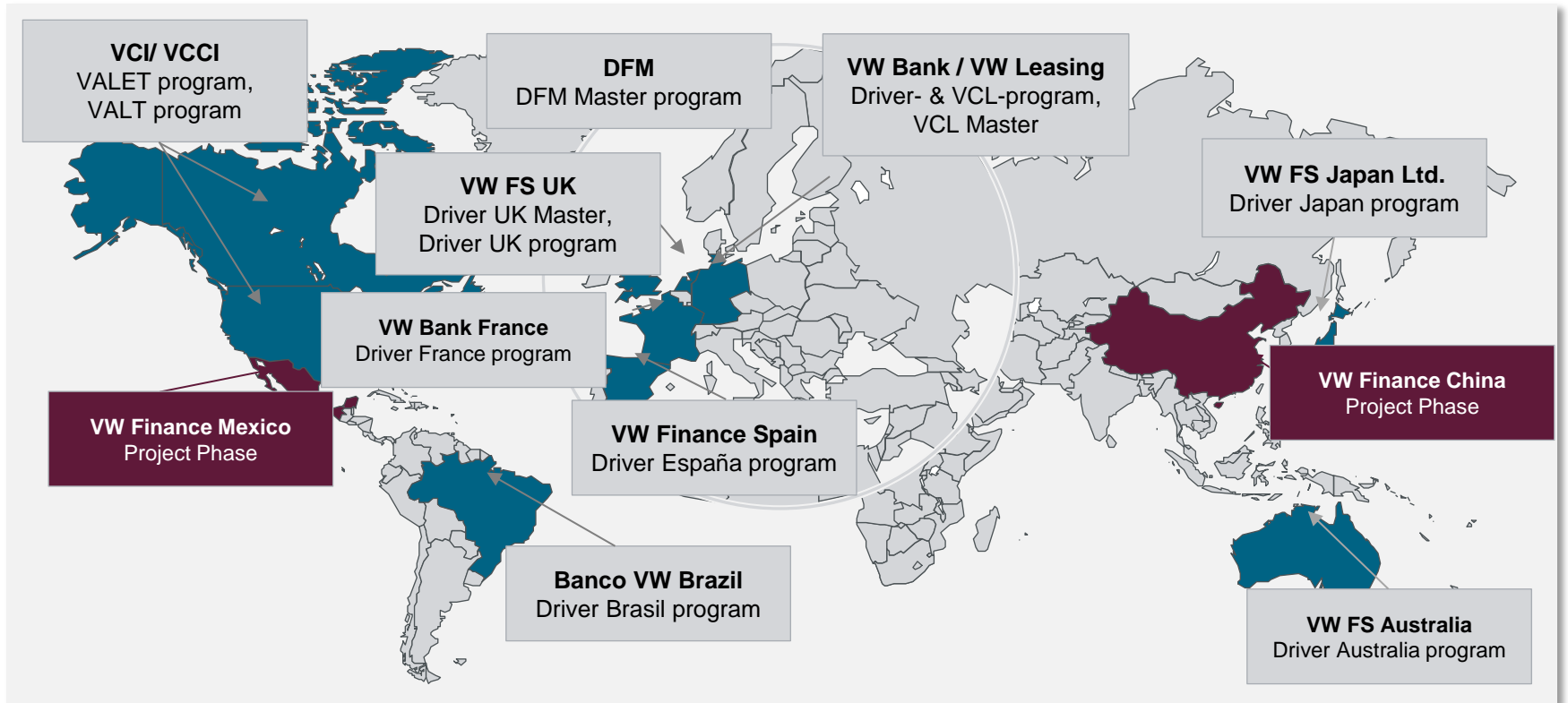
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BACK-UP

Volkswagen Financial Services' worldwide ABS Activities



Contract Portfolio Volkswagen Financial Services

