

VOLKSWAGEN FINANCIAL SERVICES

AKTIENGESELLSCHAFT



The Key to Mobility

Creating Value with Financial Services

Fixed Income Investor Update – September 2012

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Investor Relations

Volkswagen Financial Services AG

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Debt Capital Markets & Rating

Volkswagen Financial Services AG

Volkswagen Group Structure



A wide product range around the car

1.

„Ownership“

Bank

- Retail Finance
- Dealer Finance

Das Auto



2.

SERVICE

Insurance

- Automotive
- Warranty
- Payment Protection

Leasing

- Finance Lease
- Operating Lease

Services

- Fleet Management
- Gas Card
- Tyre
- Wear & Tear

3.

FLEXIBILITY

New Mobility

- Micro Mobility
- Mobile Online Services
- Short Term Rental

Direct Banking

- Deposits
- Instalment Loans
- Brokerage Products

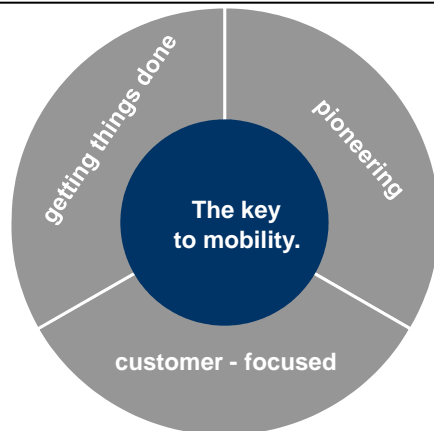
Volkswagen Financial Services: Strategy WIR2018

VISION

VOLKSWAGEN FINANCIAL SERVICES
AKTIENGESELLSCHAFT

The best automotive financial services group in the world.

BRAND GUIDELINE



FS product brands follow the brand guidelines of the respective automotive brand

STRATEGIC GOALS

Customers

- To be the most attractive supporter of sales for the brands
- To be the quality leader in business with customers and dealers

Employees

- We are a top team !

Profitability

- 20% ROE¹⁾ with 50% CIR

Volume

- Comprehensive support for the Volkswagen Group Brands
 - To cover at least every 2nd new car from the Volkswagen Group with one or more FS products
 - To become market leader for financial services products for young used cars of the Volkswagen Group

¹⁾ excl. LeasePlan, factoring, employee leasing; based on the necessary capital to run the business (today 8%)

Strategic Benefit from a Captive

Equipment



+ 27%

Turnover

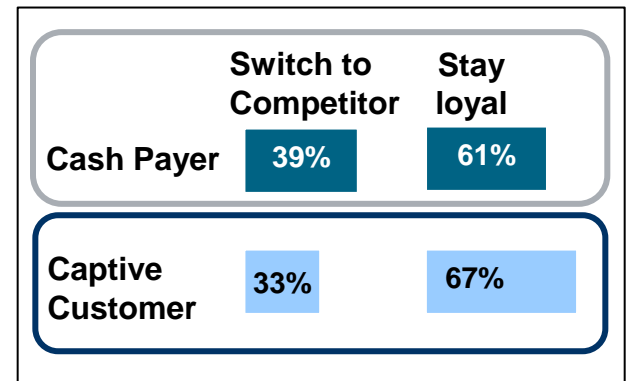
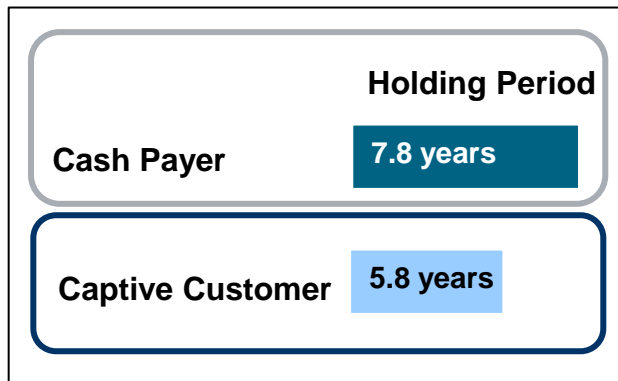
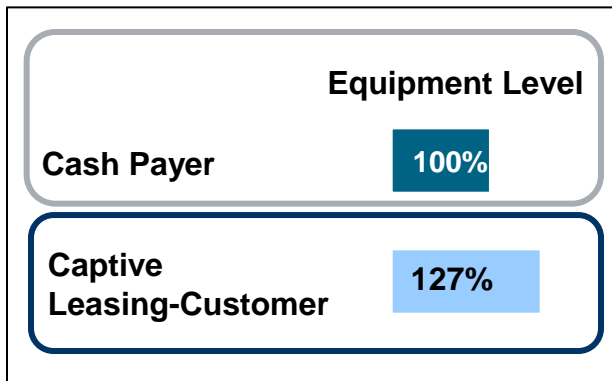


+ 25%

Brand Loyalty



+ 10%



Source: NCBS 2011, EU 5

Volkswagen Financial Services Supports Launch of up!: Integrated Concept for Financial Services

Monthly rate incl.



Benefit Customer

- Cost Transparency (“All In One”)
- Affordability
- Facilitating sales process

Benefit Brand Volkswagen

- Secure Profitability per Customer
- Secure Volume Targets
- Increase Customer Satisfaction

After Sales

1 After sales products **add advantages** to brands and dealers after financing & leasing

2 After sales products **meet today's customer needs**

3 After sales represents **strong growth area** of VW FS

Especially dealers benefit:

- Higher wages & parts turnover in workshops
- Commission income
- Customer retention

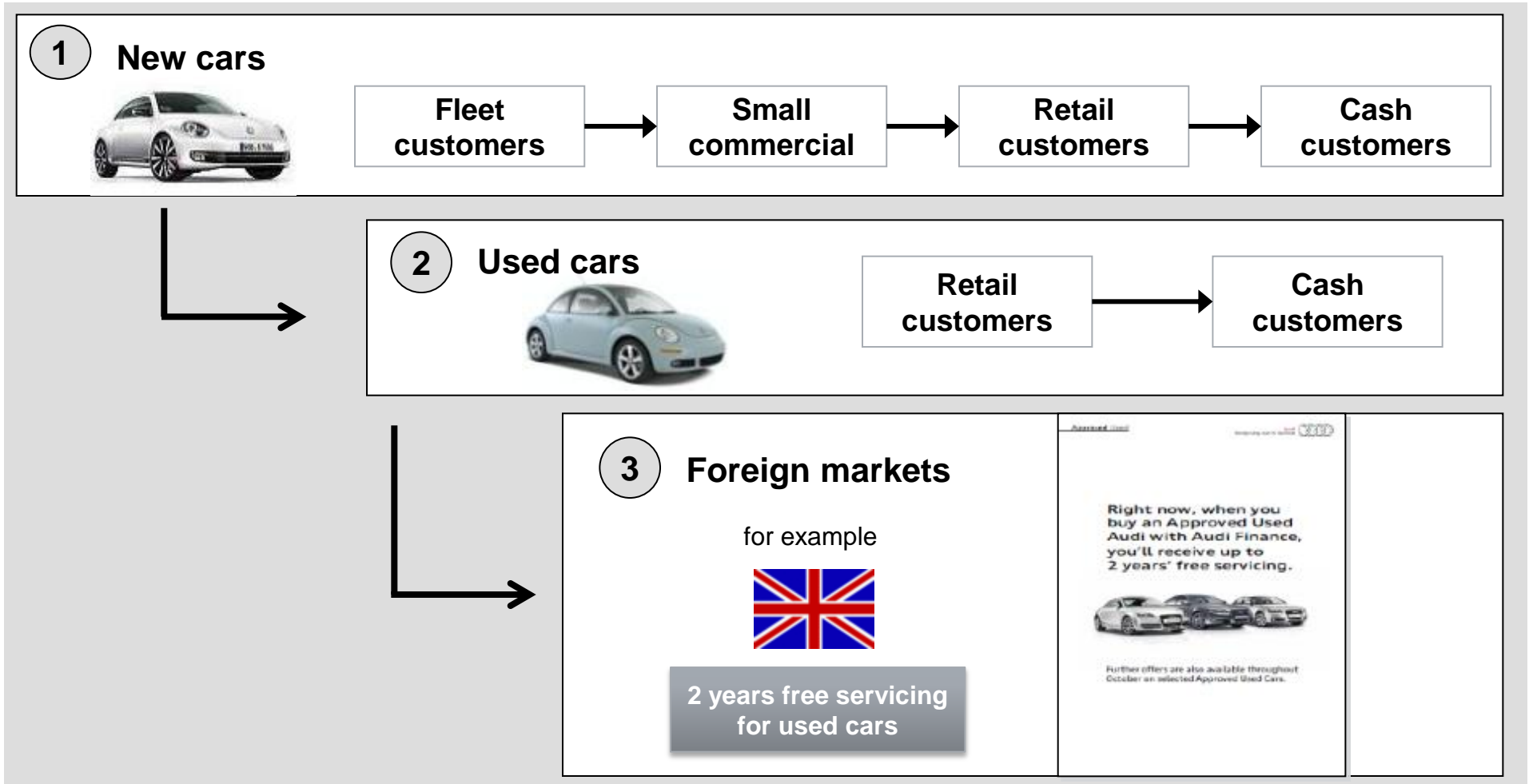
- Use more important than ownership
- Cost transparency/total cost of ownership

Objective: 50% profit increase market Germany from 2010-2018

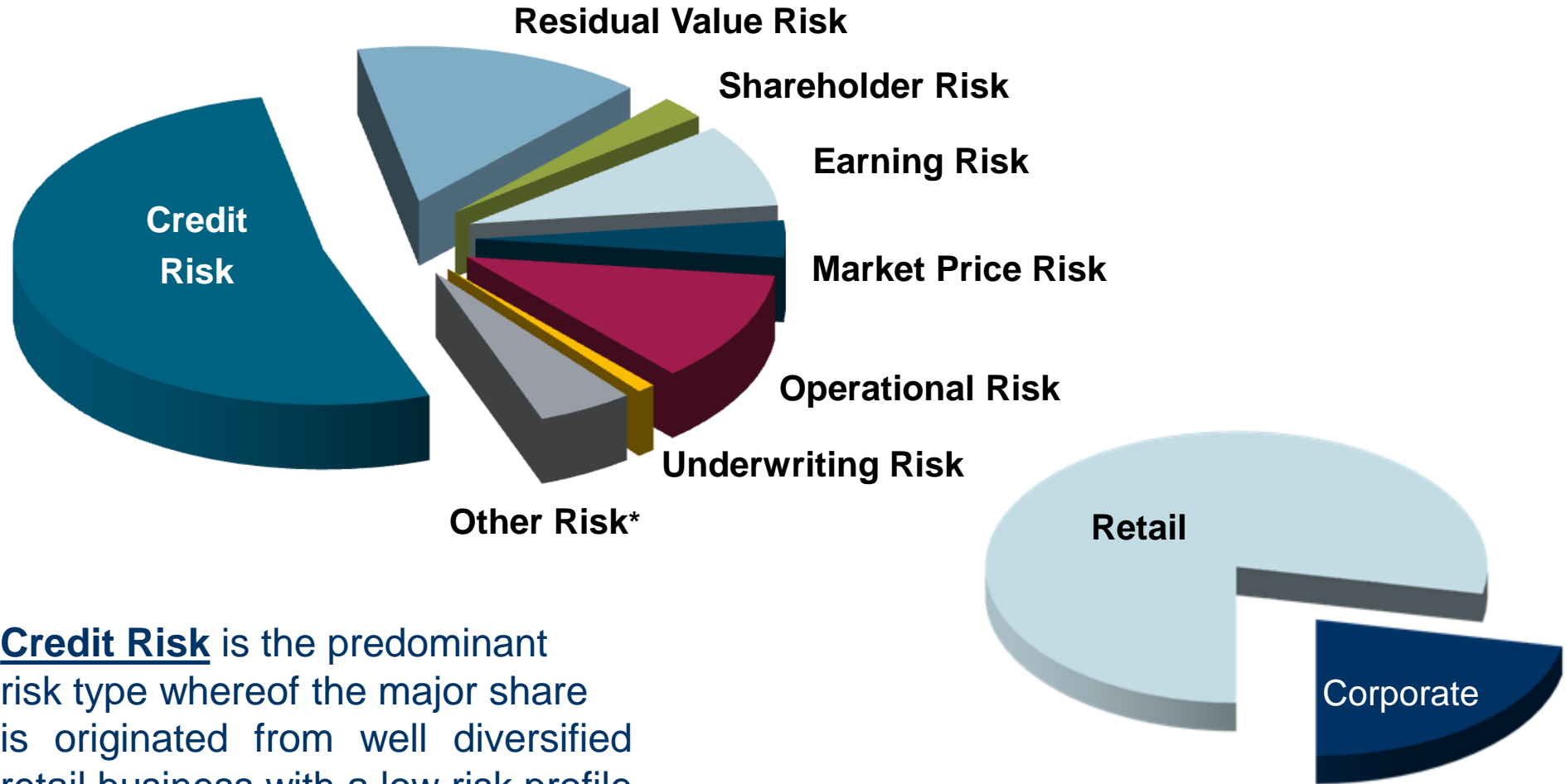
- Substantial contribution from After sales products

Expansion of After Sales Products in Foreign Markets

Experiences from Germany are transferred step by step



Risk Profile of Volkswagen Financial Services AG

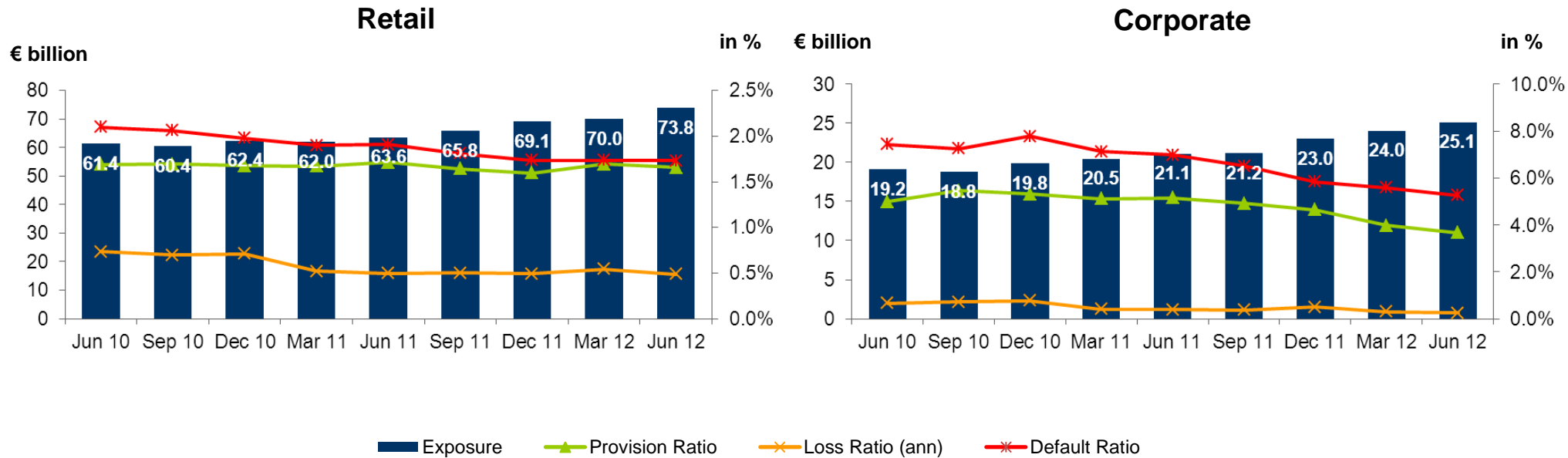


Credit Risk is the predominant risk type whereof the major share is originated from well diversified retail business with a low risk profile

* Liquidity Risk, Strategic Risk, Reputational Risk

Development of Credit Risk

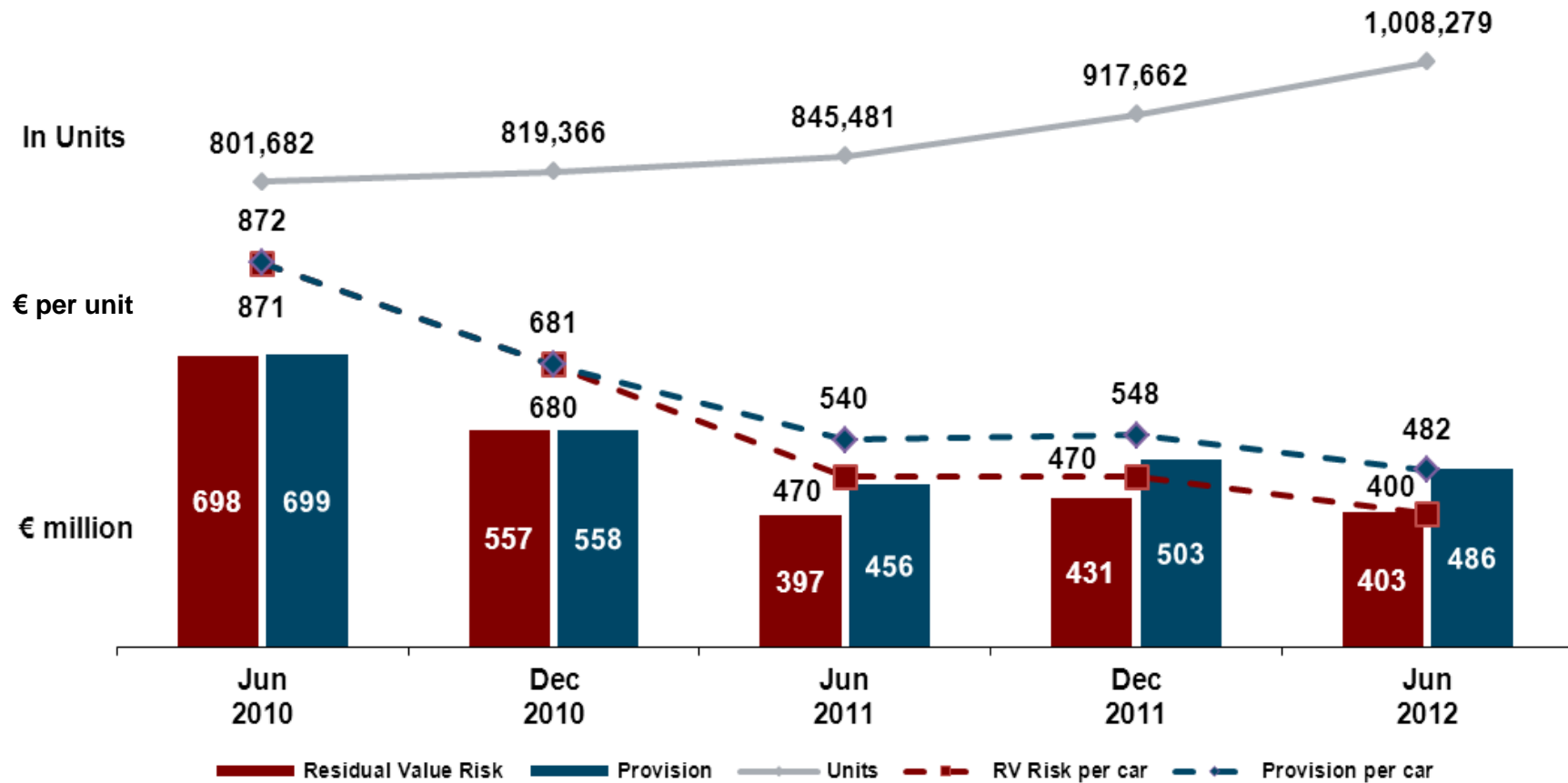
June 2010 to June 2012



The Credit Risk Losses are under Control and completely covered by Provisions

Residual Value Risk

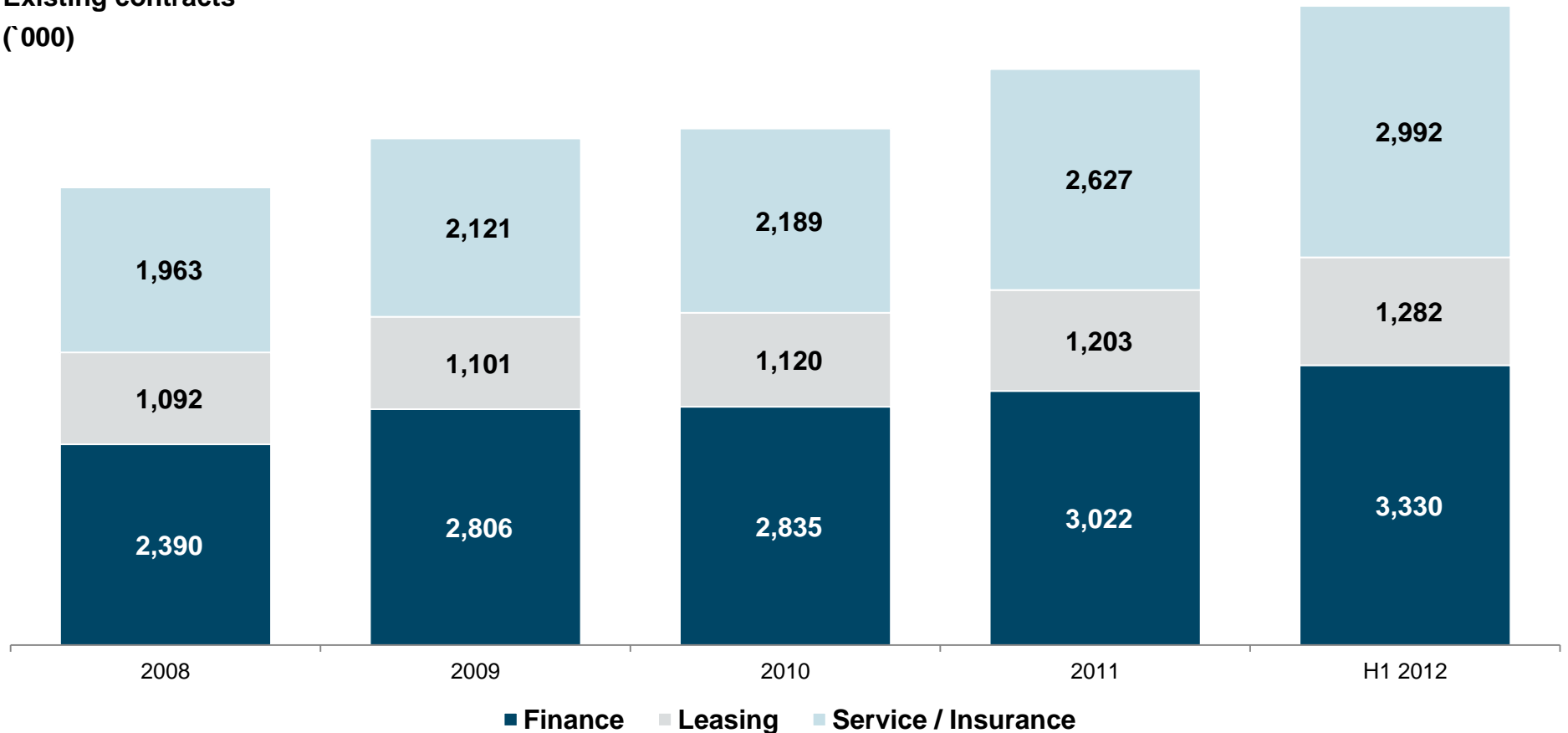
June 2010 - June 2012



Volkswagen Financial Services AG:

Stable portfolio growth

Existing contracts
('000)



Volkswagen Financial Services AG

Key data 2008 – H1 2012 (IFRS)

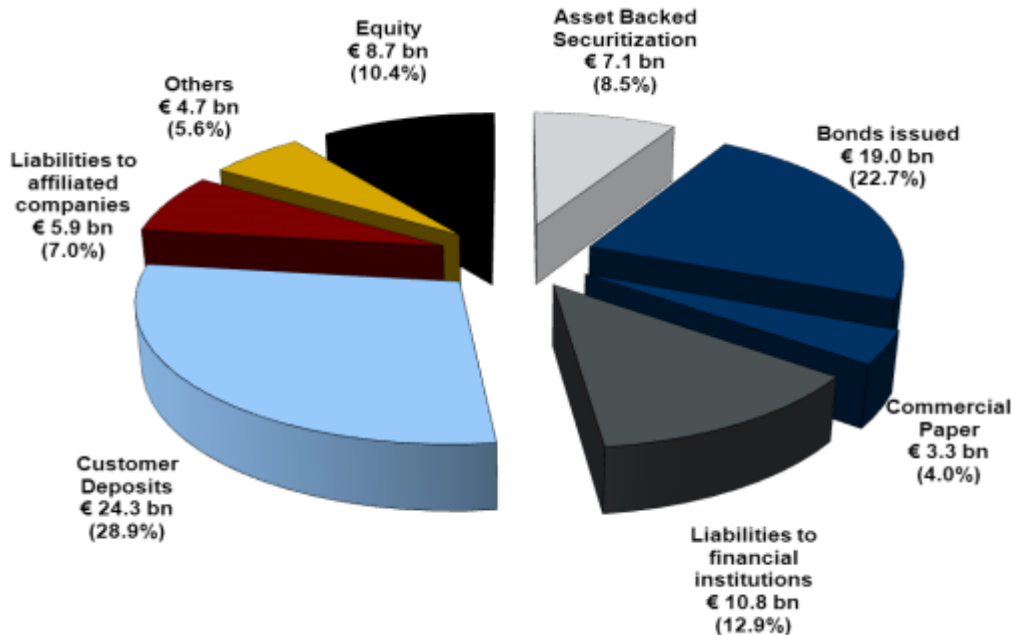
	2008	2009	2010	2011	H1 2012
Portfolio ('000)	5,793	6,028	6,144	6,852	7,604
Retail + Leasing receivables (€ mn)	36,825	40,538	44,148	47,513	51,469
Wholesale receivables (€ mn)	9,584	8,391	8,828	10,412	11,366
Customer deposits (€ mn)	12,835	19,532	20,129	23,795	24,257
Employees	6,639	6,775	6,797	7,322	8,456
IFRS profit before tax (€ mn)	792	554	870	933	478

Outlook 2012

- Volumes are expected to stabilise in saturated markets with opportunities in growth markets
- Refinancing costs will be stable
- Highly uncertain economic environment might have impact on risk costs
- Earnings in 2012 are expected to be at the level of 2011

Volkswagen Financial Services AG Funding Structure

Funding

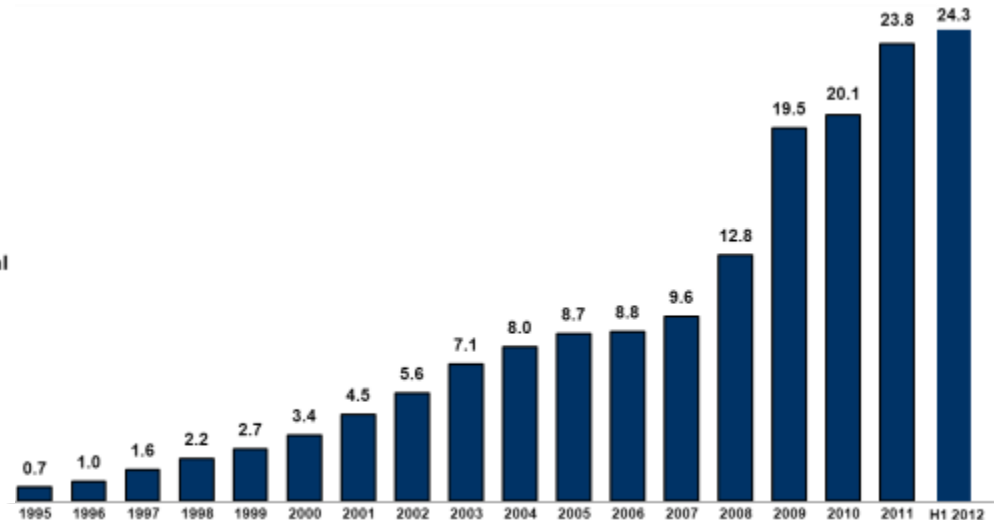


Total € 83.8 bn

Deposits

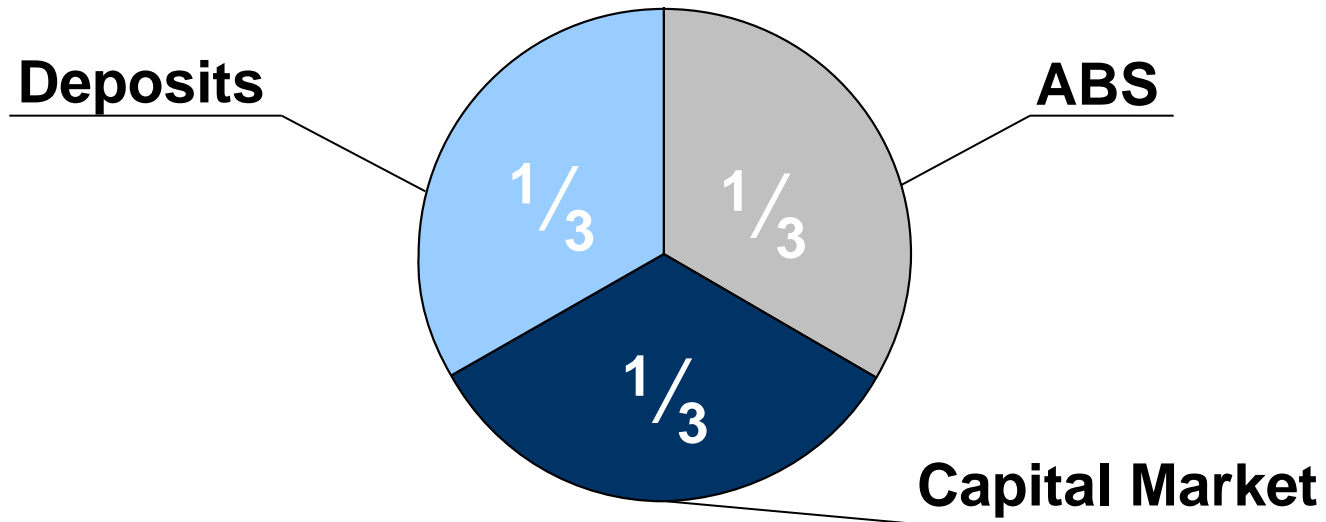
€ billion

As of 30.06.2012



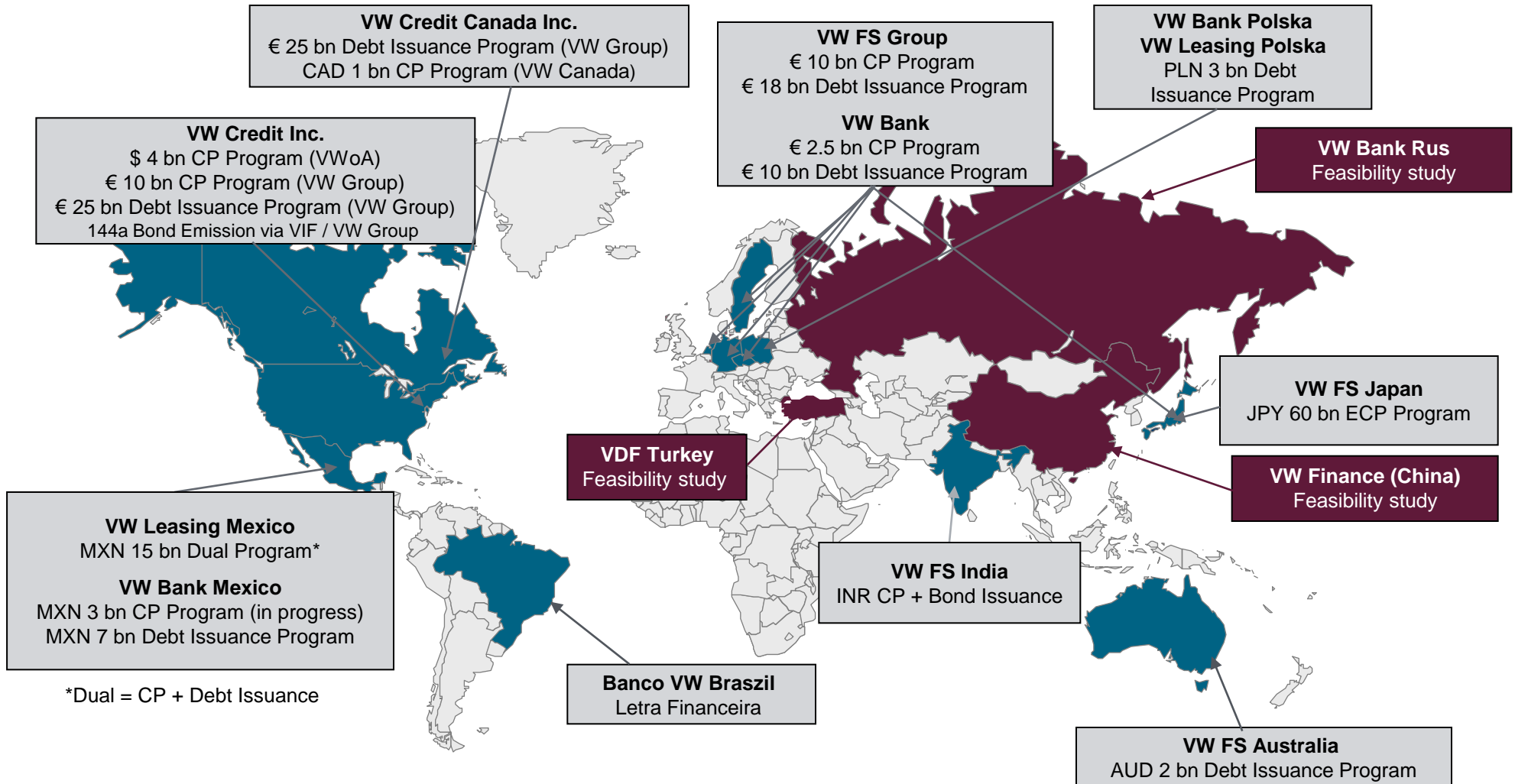
Customer Deposits Total € 24.3 bn

Refinancing Strategy



Focus on three fundamental funding sources

VW Financial Services Worldwide Capital Market Activities



Security for Investors – Three Layer of Protection



1. Solvability and Creditworthiness of the Issuer
(Volkswagen Leasing, VW FS NV Amsterdam)

Irrevocable and Unconditional Guarantee + Letter of Comfort



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

Control & Profit + Loss Transfer Agreement

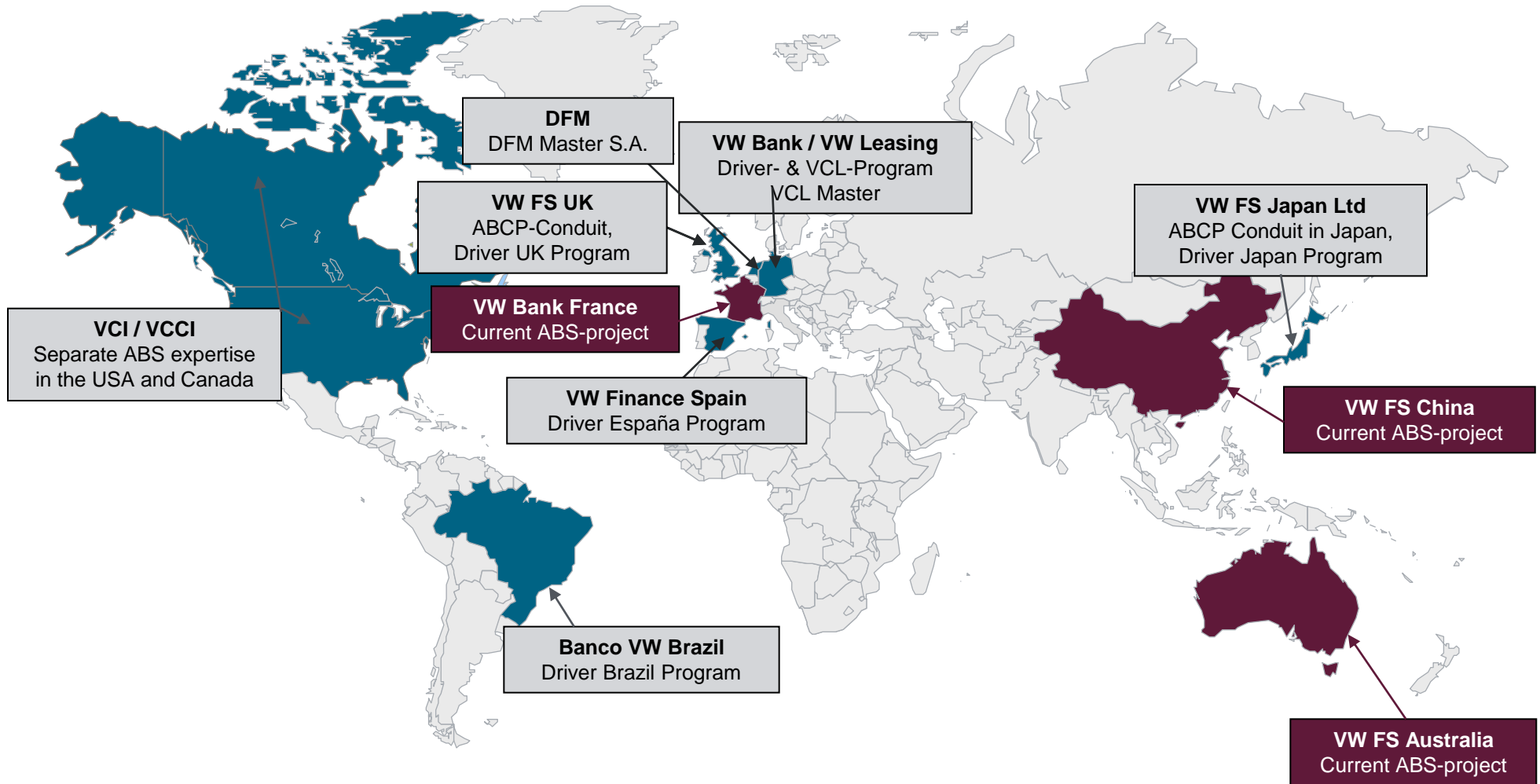


3. Solvability and Creditworthiness of Volkswagen AG

S&P Rating: A- stable / Moody's: A3 positive

One Risk – One Price!

VW Financial Services Worldwide ABS Activities



Recent Public CM and ABS Deals

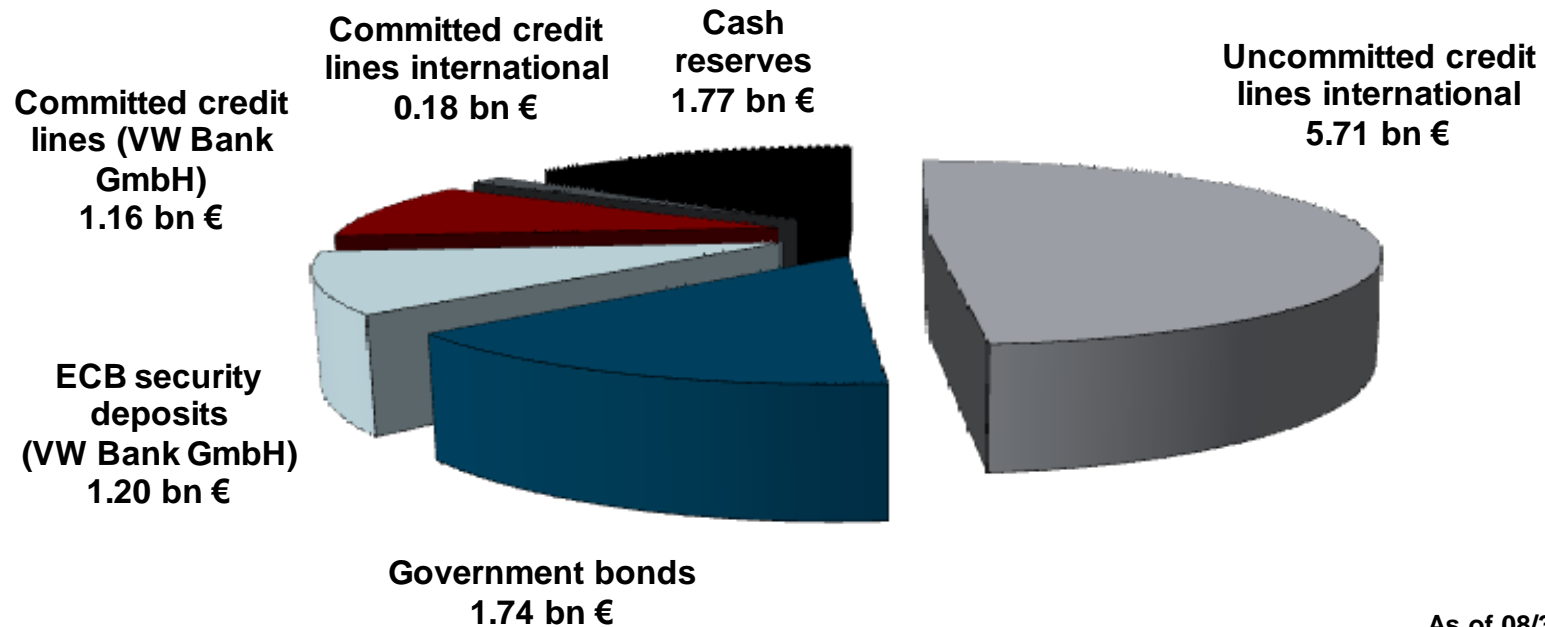
Capital Market

- VW Leasing GmbH: 09/2012, € 1bn due 09/2022
- VW FS NV: 05/2012, GBP 250m, due 10/2015
- VW FS Australia: 02/2012, AUD 150m, due 01/2014
- VW FS Australia: 06/2012, AUD 150m, due 06/2017
- Banco VW, Brazil: 06/2012, BRL 300m, due 06/2014
- VW Bank Mexico S.A. de C.V.: 06/2012, MXN 1bn, due 06/2016

Asset-Backed Securities

- VCL 16, Germany: € 1.1bn (September 2012)
- Driver Brasil One, Brazil: BRL 1bn (July 2012)
- Driver Japan One, ¥ 25m (January 2012)
- Driver España One, € 687m (June 2011)
- Driver Nine, Germany: € 714.4m (May 2011)

Liquidity Reserve of Volkswagen Financial Services AG



As of 08/31/2012

Total: 11.76 bn €



Thank you for your attention!

Contact



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