

VOLKSWAGEN FINANCIAL SERVICES

THE KEY TO MOBILITY

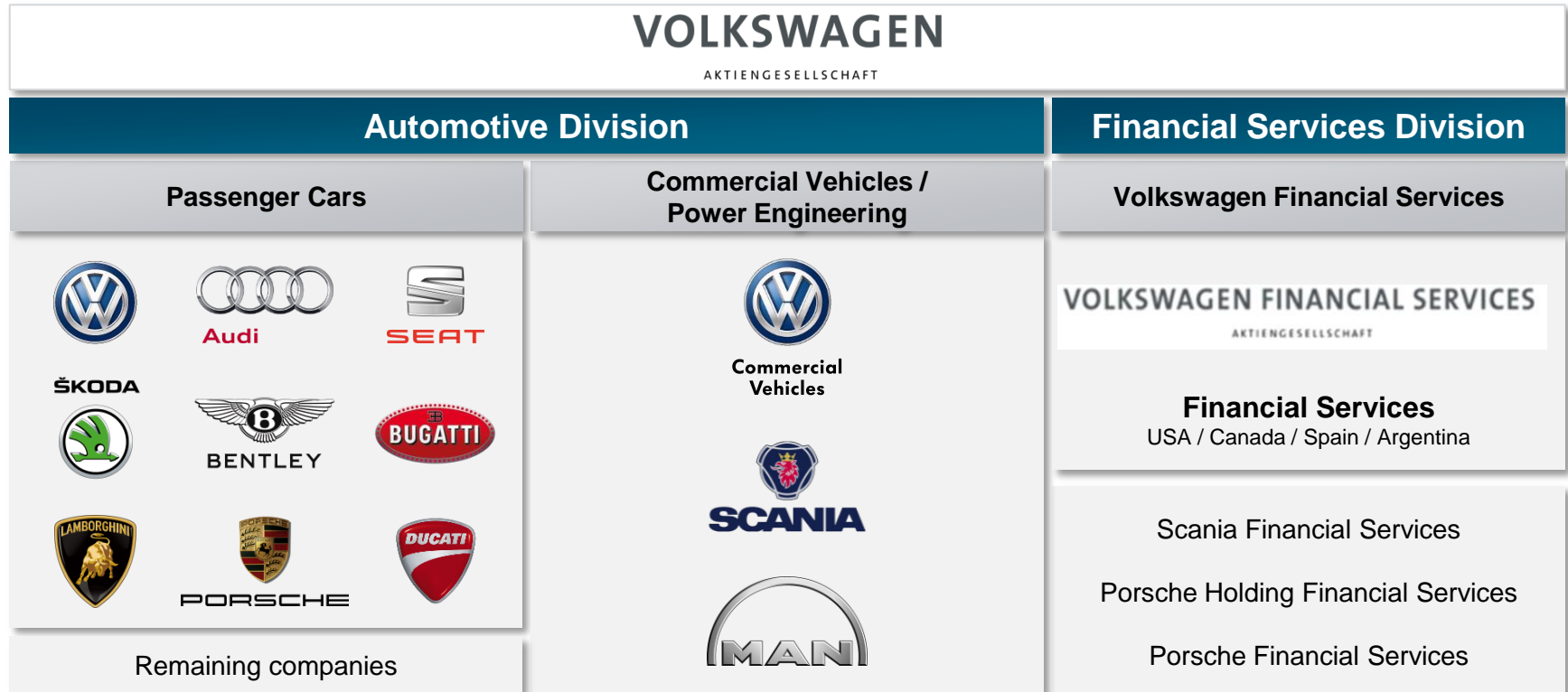


The Key to Mobility

Creating Value with Financial Services

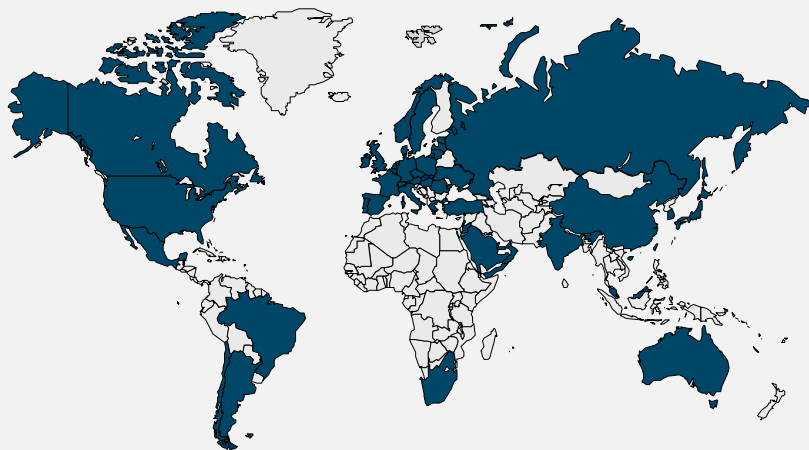
Investor Update – Volkswagen Financial Services AG

Volkswagen Group – Leveraging the strength of the three pillars



Volkswagen Financial Services at a Glance (12/31/2014)

Worldwide presence



Volkswagen Financial Services
conducts business in **51 countries**

Key company figures

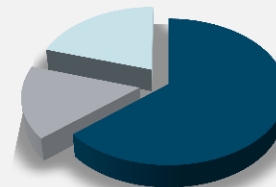
Total assets	€ 137.4 bn
Equity	€ 15.2 bn
Customer deposits	€ 26.2 bn
Operating profit	€ 1.7 bn
Employees	12,821
Contracts (units)	12.4 m

Receivables

Leasing
20,2 %

Credit
63,8 %

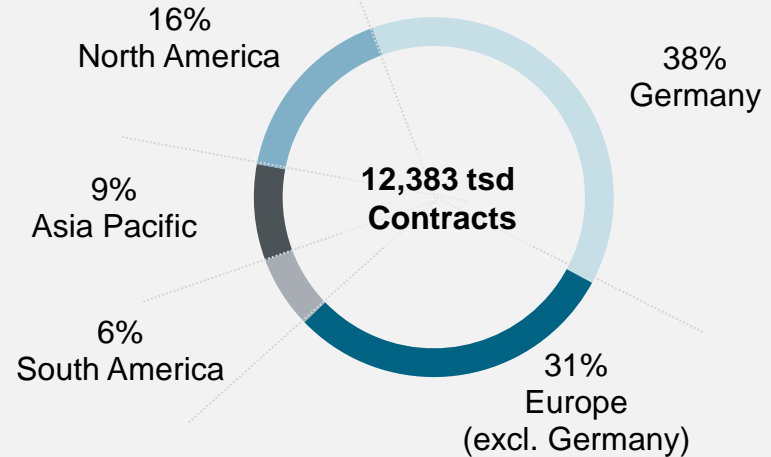
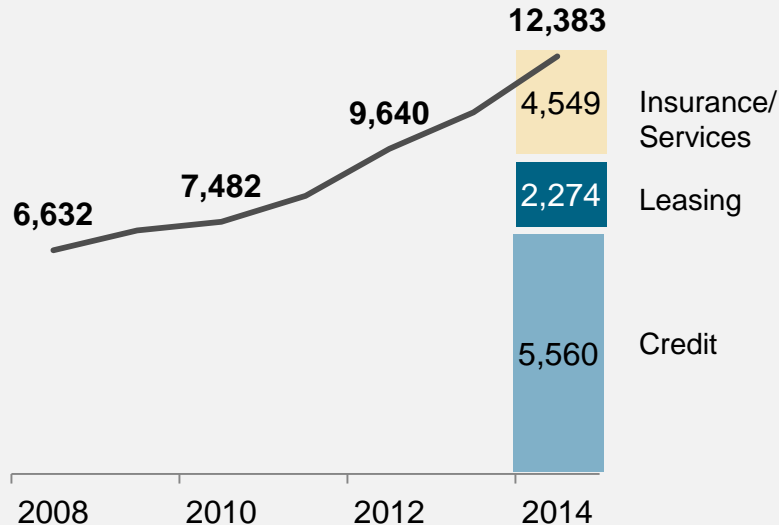
Wholesale
16,0 %



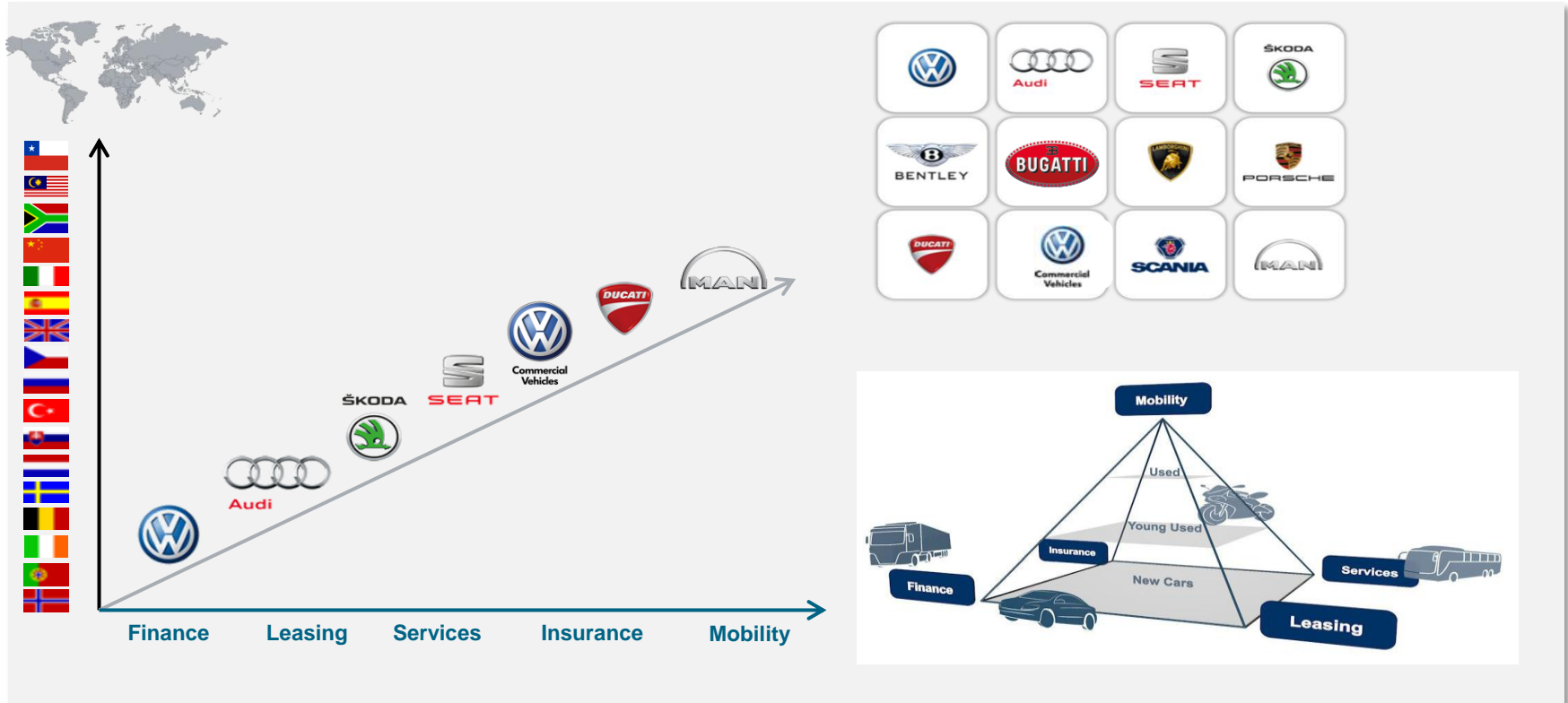
Contract portfolio Volkswagen Financial Services

Continuous portfolio expansion

in '000 units



Growth dimensions

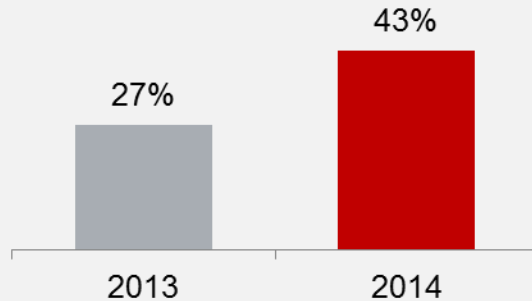


MAN Finance Initial Success – Foundation for Growth

Initial success

MAN | Financial Services

Penetration

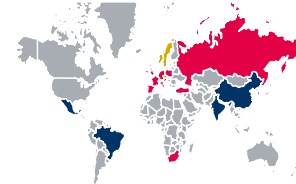


Foundation for growth

Product-
portfolio/
TCO



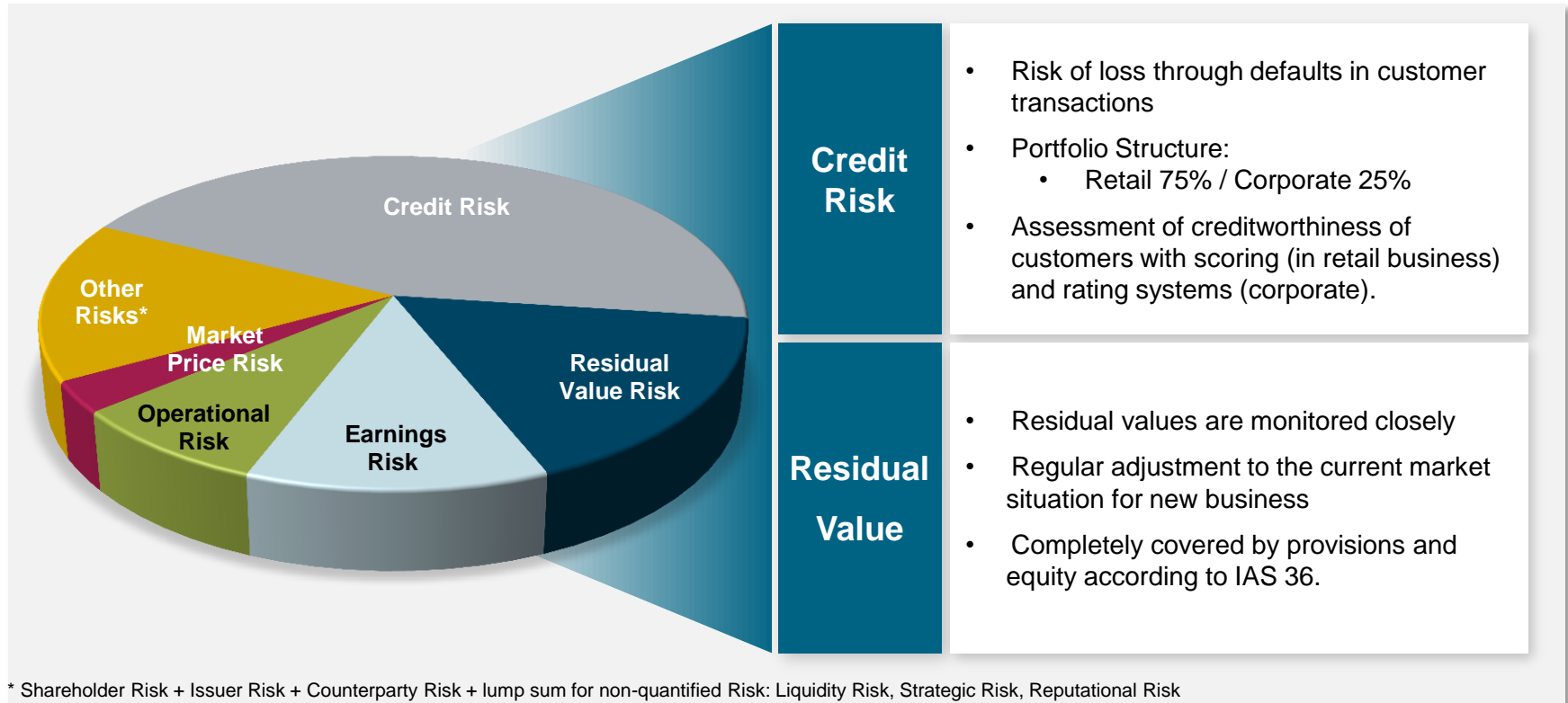
Global
expansion



GO50

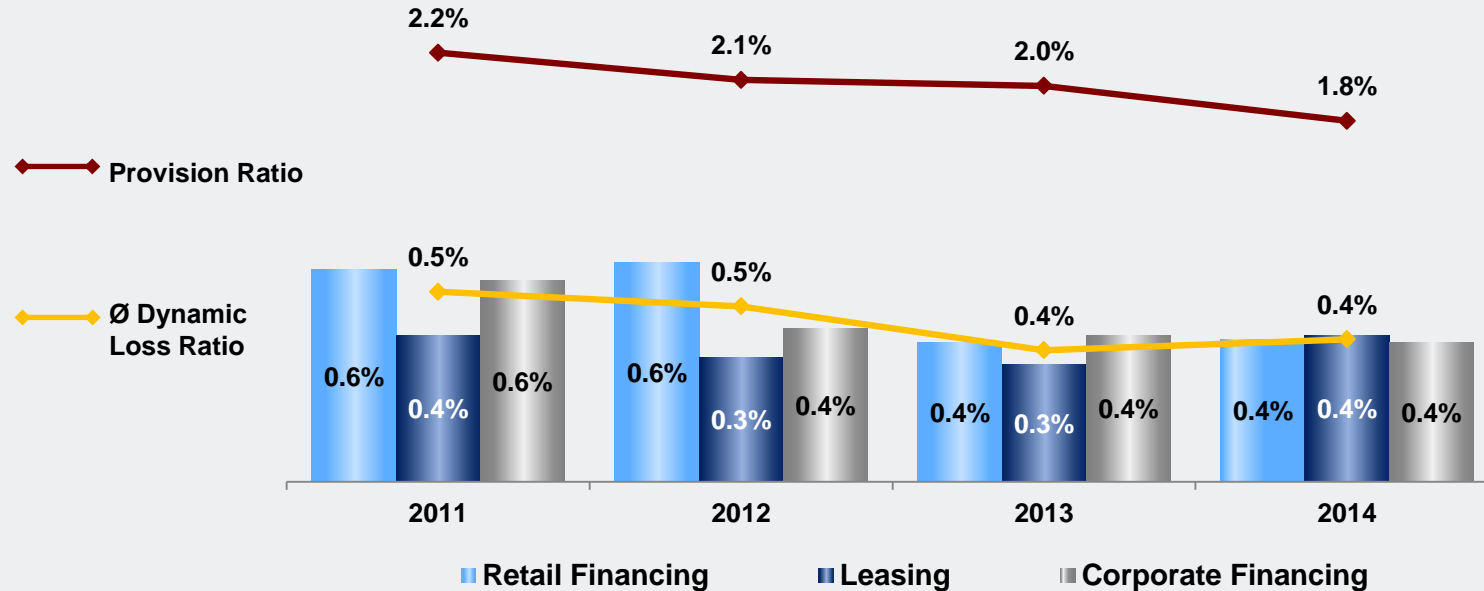


Risk management



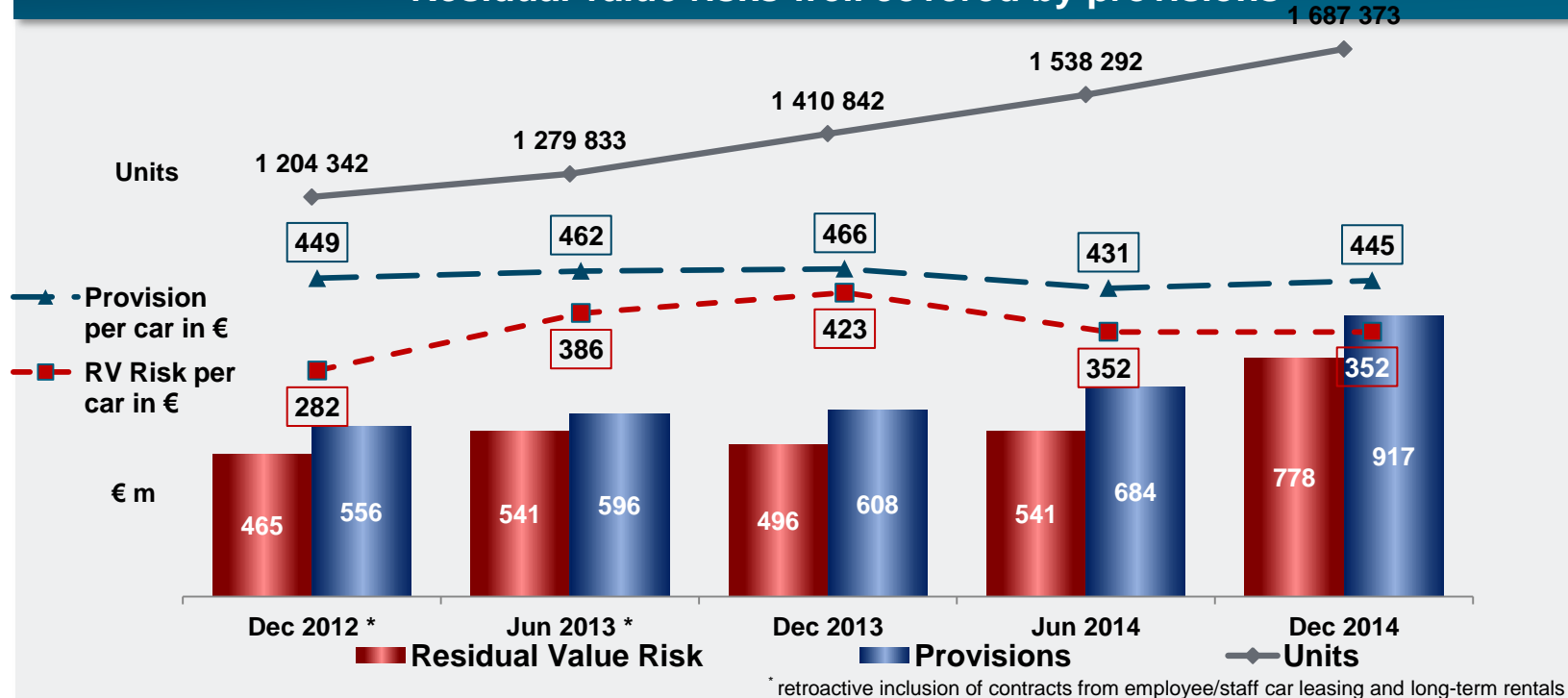
VW Financial Services – Credit risks

Credit risk remains at low level despite challenging market environment



VW Financial Services – Residual value

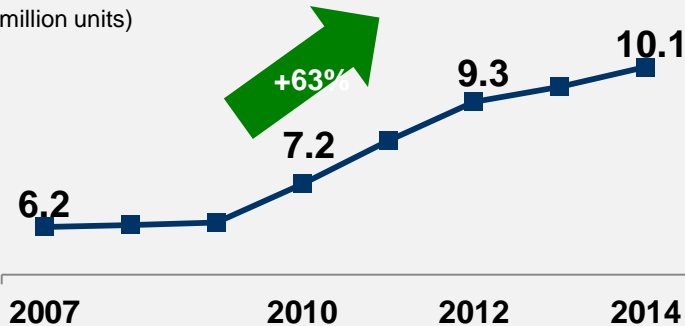
Residual value risks well covered by provisions



Growth of Volkswagen Automotive leads to Growth of Financial Services

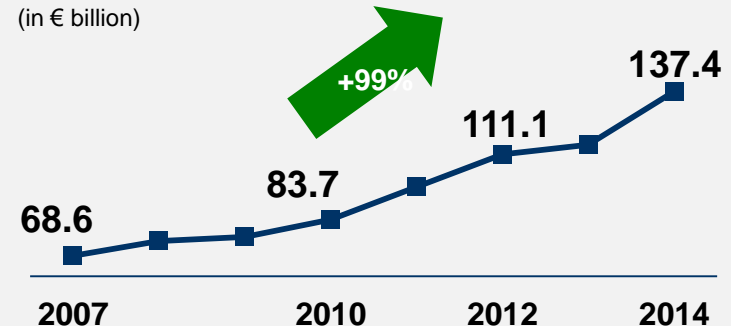
Volkswagen Group deliveries to Customers

(in million units)



Volkswagen FS development of Balance Sheet

(in € billion)



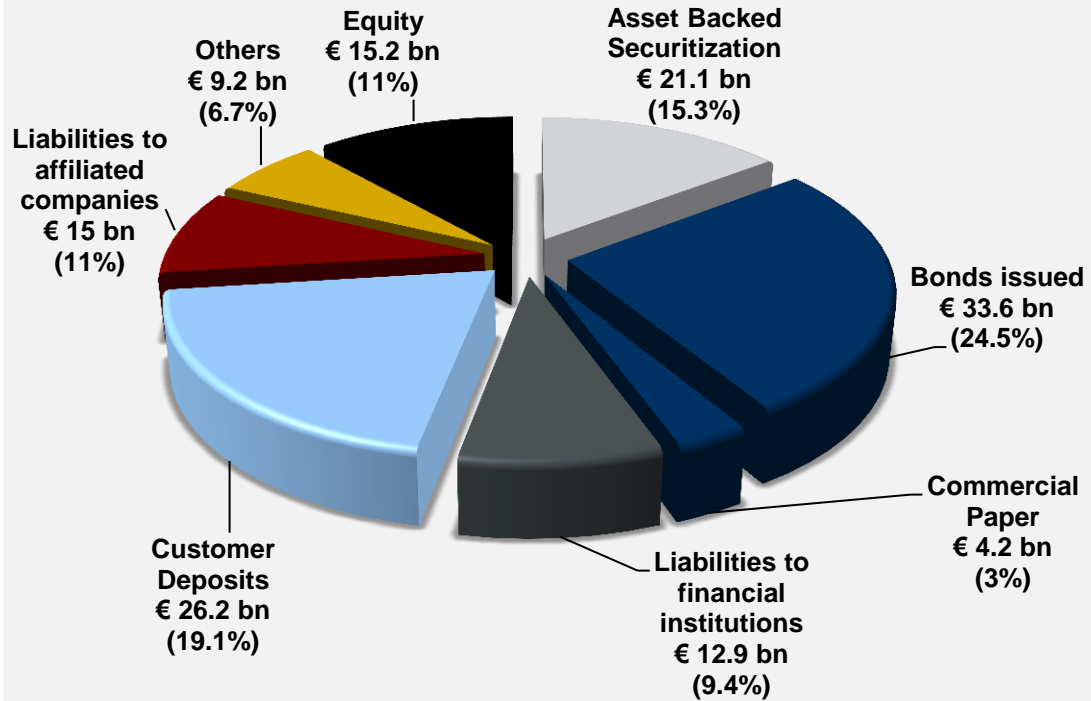
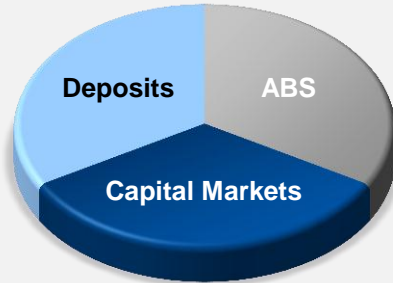
Diversified Funding Strategy ensures Liquidity for Growth

- Development of local diversified funding sources is essential for a sustainable growth path
- Standardised programs increase brand recognition for investors and ensure attractive pricings

Funding structure Volkswagen Financial Services

Total € 137.4 bn

Strategic Funding Sources



* strategic funding allocation

as of 31 December 2014

Volkswagen Financial Services' Worldwide Capital Market Activities

VW Credit Canada Inc.
 € 30 bn Debt Issuance Program (VW Group)
 CAD 1 bn CP Program

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 Bank Polska
 PLN 3 bn Debt
 Issuance Program

VW Bank Russia
 Domestic 50bn RUB
 Bond Program

VW Credit Inc. (USA)
 \$ 4 bn CP Program (VWoA + VW Credit Inc.)
 € 10 bn CP Program (VW Group)
 € 30 bn Debt Issuance Program (VW Group)
 144a Bond Issuances via VWGoAF

VW FS Korea
 Domestic KRW Bond
 Issuances

VW FS Japan
 JPY 60 bn ECP Program

VW Finance (China)
 Project

VW FS India
 Domestic
 INR CP + Bond Issuances

VW FS Australia
 AUD 3 bn Debt Issuance Program

VDF Turkey
 Domestic TRY
 Bond Issuances

Banco VW Brazil
 Domestic
 Letra Financeira

VW Leasing Mexico
 MXN 20 bn Dual Program*

VW Bank Mexico
 MXN 7 bn Debt Issuance Program

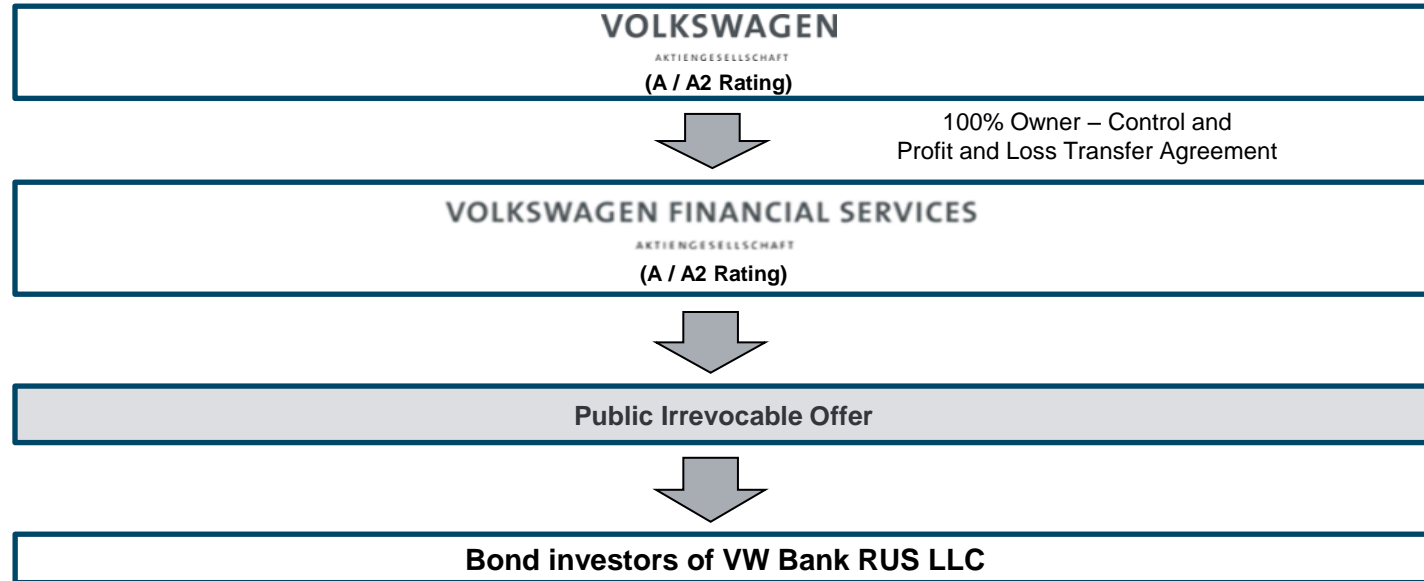
*Dual = CP + Debt Issuance

DCM Activities (2014 + Q1 2015)



Volkswagen FS AG	Germany: VW Leasing	3 Issuances	2,750 m EUR	tenor: 3.5 to 10 years
	Germany: VW Bank	11 Issuances	2,625 m EUR	tenor: 1 to 5 years
	Russia: VW Bank RUS	3 Issuances	15,000 m RUB	tenor: 5 years
	Australia: VW FS Australia	2 Issuances	400 m AUD	tenor: 4 and 5 years
	Japan: VW FS Japan	10 Issuances	31,000 m JPY	tenor: 3 to 5 years
	India: VW FS India	3 Issuances	8,000 m INR	tenor: 2 to 3 years
	Mexico: VW Leasing + Bank	3 Issuances	5,500 m MXN	tenor: 2.5 to 4 years
	Brasil: Banco VW	18 Issuances	1,645 m BRL	tenor: 2 years
	Korea: VWFS Korea	2 Issuances	250 bn KRW	tenor: 3 years
	International: VW FS N.V.	18 Issuances	2,145 m EUR*	tenor: 1.5 to 6.5 years

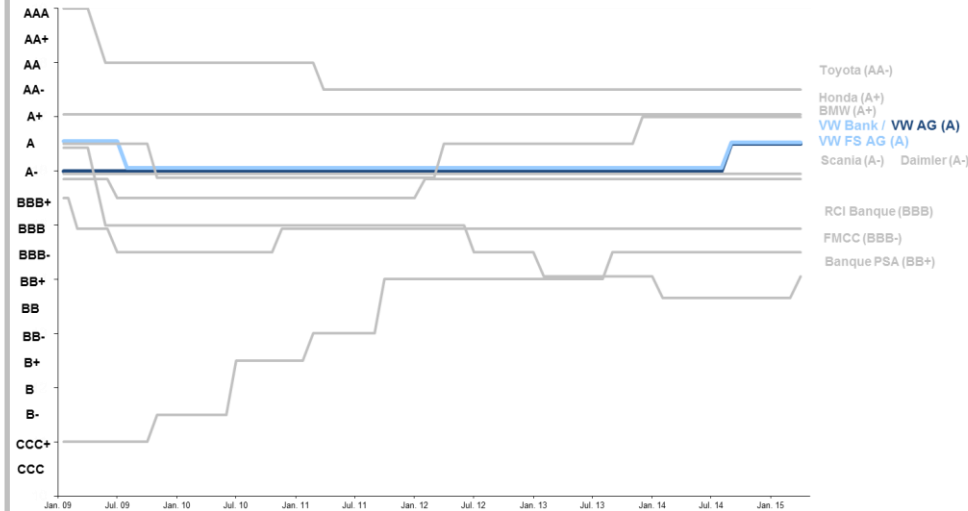
Public Irrevocable Offer underpins strategic importance of DCM business and commitment of the shareholder



Rating History (04/30/2015)

	Moody's	S&P
Toyota	Aa3	AA-
Honda	A1	A+
BMW	A2	A+
VW AG	A2 ¹⁾	A ¹⁾
VW Bank GmbH / VW FS AG	A2 ²⁾	A ¹⁾
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: stable ²⁾ Outlook: Review for Upgrade

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

Data Source: Reuters

S&P and Moody's value VWFS's strategic position within VW Group

S&P: "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."

Moody's: "VW FS AG benefits from a domination and profit-and-loss transfer agreement with Volkswagen that reflects the entity's core strategic role for Volkswagen."

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

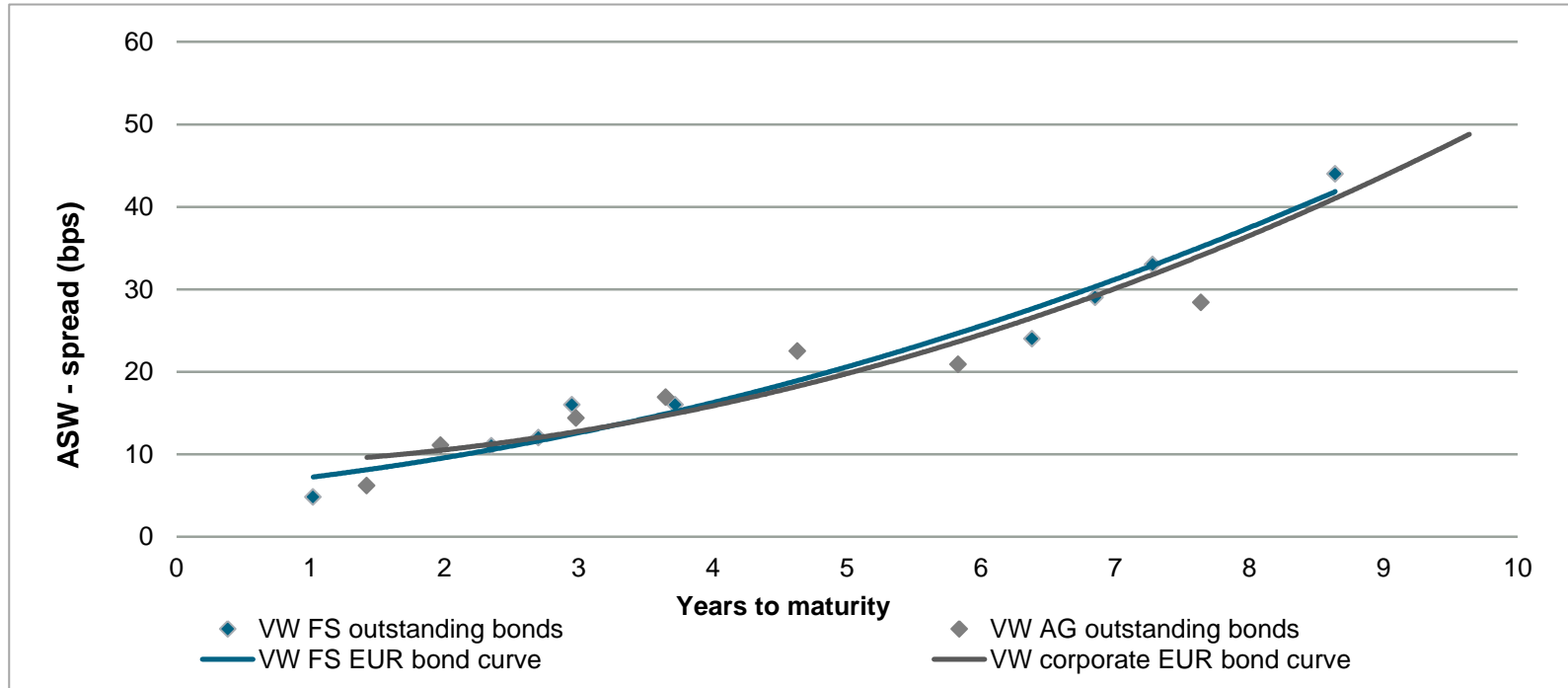
Moody's: "Because of the strength of the contractual and strategic links between Volkswagen and its subsidiaries, Moody's expects both VW FS AG and VW Bank to benefit from "affiliate backing", the highest degree of affiliate support (...)."

S&P: "(...) reflects our view that captive finance operations will remain integral to the VW group's overall corporate strategy."

"S&P: We believe that VW FS will preserve its current conservative capital and risk management, and that its asset mix and growth trends are unlikely to change materially in the short to medium term."

Source: S&P Research, July 31, 2014 and Moody's Global Credit Research, March 20, 2015.

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



Contact



Bernd Bode

Head of Group Treasury & Investor Relations
Volkswagen Financial Services AG

Tel.: +49 531 212 3807
bernd.bode@vwfs.com

Annual Report Volkswagen Financial Services AG:
<http://www.vwfsag.com/ar14>



Dirk Bauer

Head of Debt Capital Markets & Corporate Rating
Volkswagen Financial Services AG

Tel.: +49 531 212 3882
dirk.bauer@vwfs.com



Thank you

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.

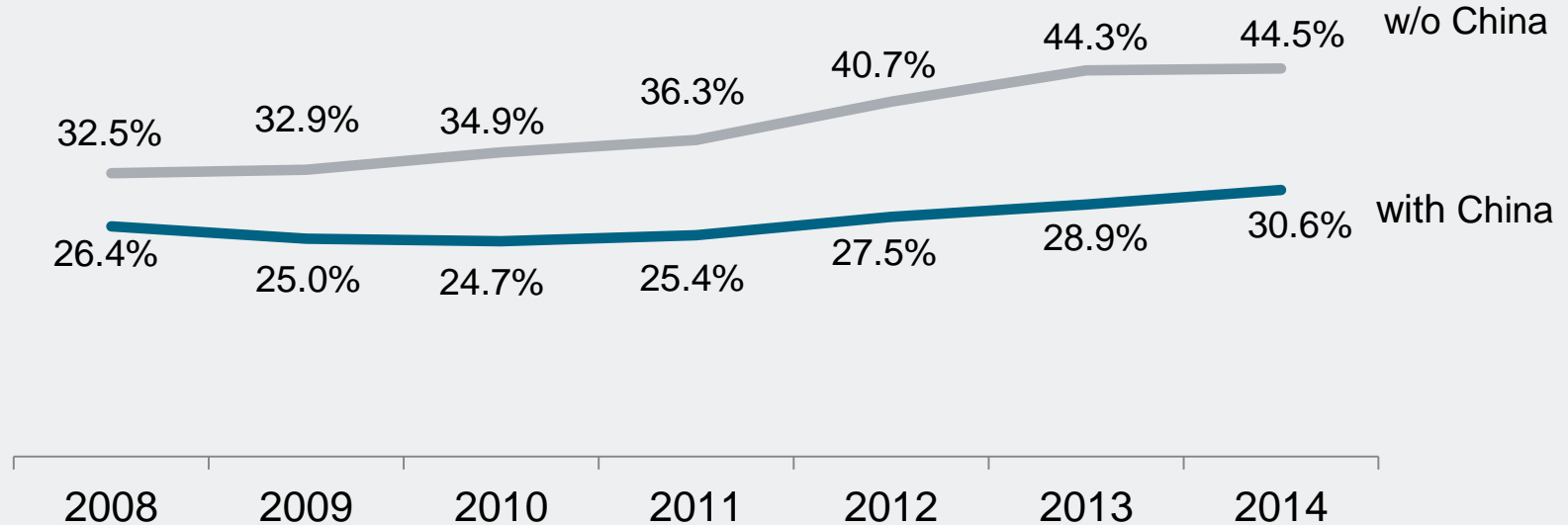
If any of these or other risks occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such statements.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded. This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

Backup

Penetration Volkswagen Financial Services

Rising penetration rates



Strong Benefits for Automotive through Captive

Equipment



+ 5%



100%

Cash Payer



105%

Captive Customer

Turnover



+ 35%

Length of ownership (years)

7.4

Cash Payer

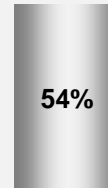
4.8

Captive Customer

Brand Loyalty

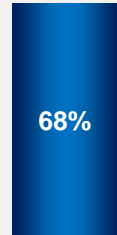


+ 14%



54%

Cash Payer



68%

Captive Customer

Volkswagen Financial Services offers the whole Range of Services under one roof

