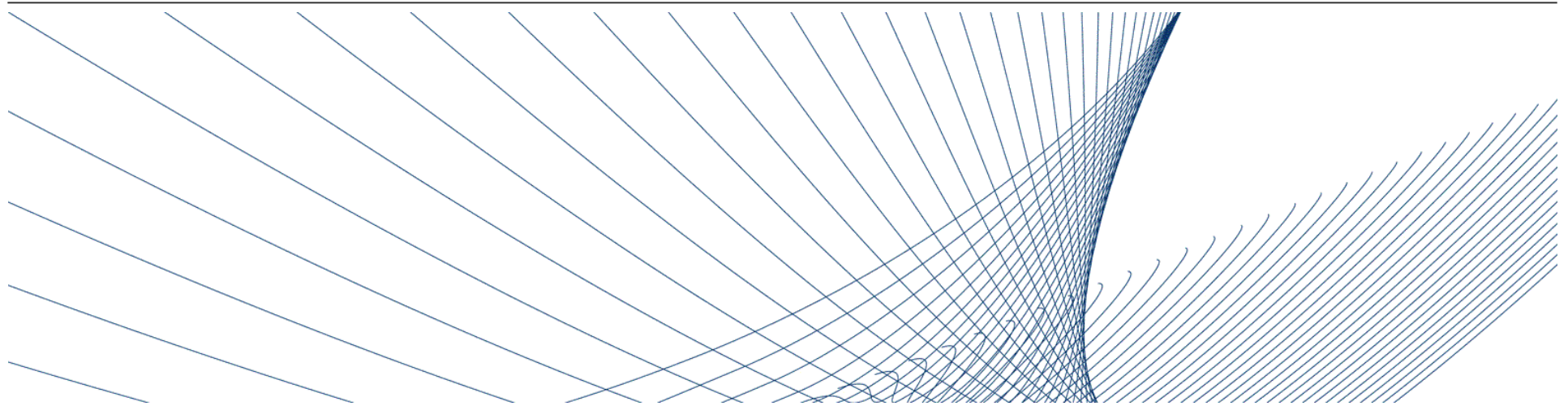


# VOLKSWAGEN BANK

RUS LLC



## Volkswagen Bank RUS LLC

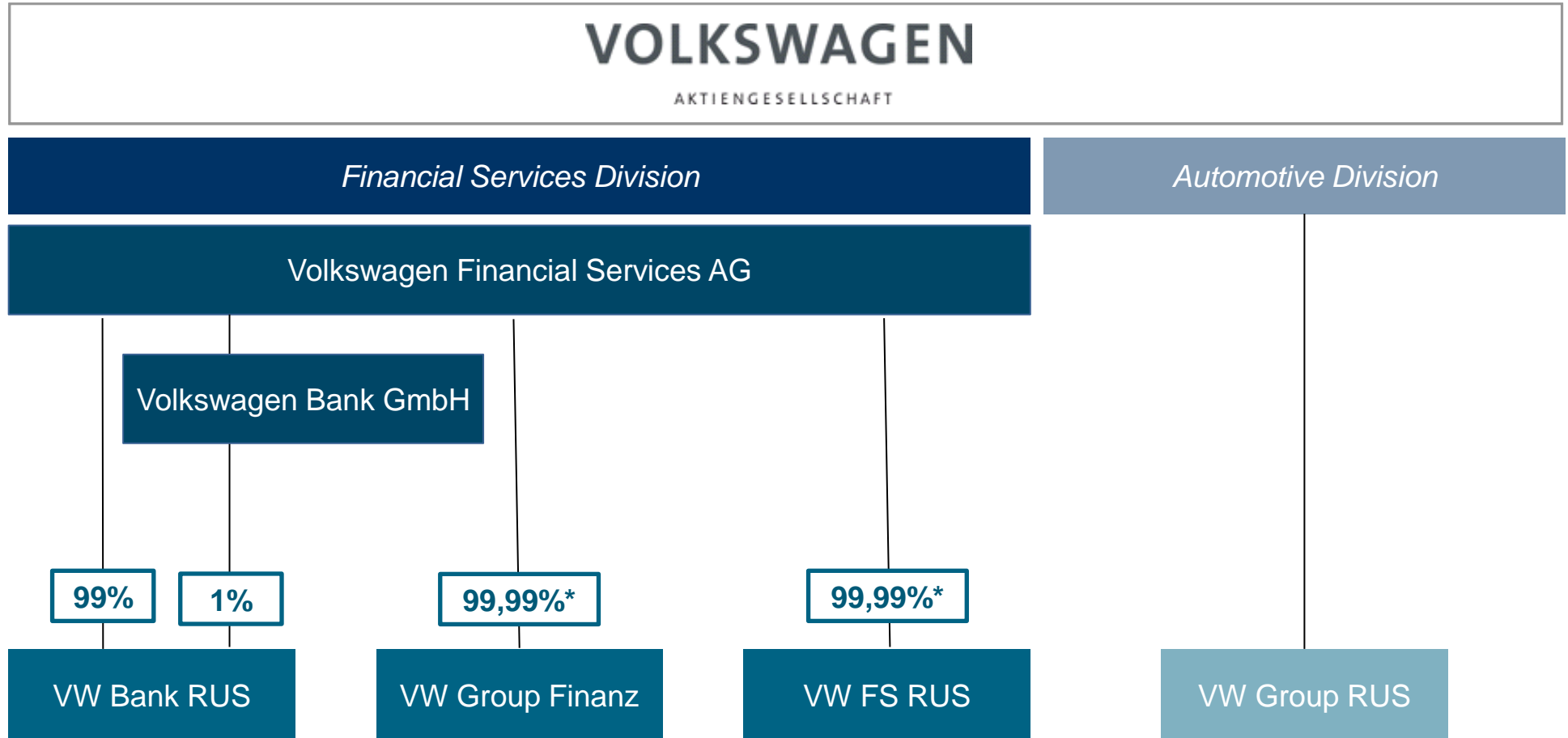
**Inaugural Bond Issuance / Corporate presentation**

**November 2013**

**Jan Suniar**  
Director of Economy  
Volkswagen Bank RUS LLC

**Hans Droessler**  
Head of Treasury and Financial Institutions  
Volkswagen Bank RUS LLC

## Volkswagen Group in Russia



\*) **Mr. Norbert Dorn** (Head of Eastern Europe VW FS AG) owns 0,01% VW Group Finanz and 0,01% VW FS RUS

## Volkswagen Financial Services Division in Russia

### VW Bank RUS

- 2010 Dealer stock car financing
- 2012 Retail car loan

### VW Group Finanz

- 2003 Financial leasing
- 2005 Equipment leasing
- 2008 Test leasing

### VW Financial Services RUS

- 2007 Bank cooperation
- 2007 Leasing motor insurance
- 2009 Retail motor insurance
- 2011 Warranty insurance
- 2013 *Credit protection\**
- 2013 *GAP insurance\**

\*) services planned for implementation

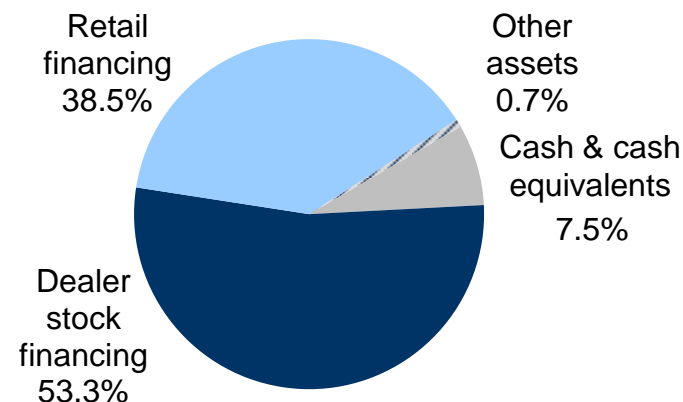
## Volkswagen Bank RUS at a glance

- In August 2010, Volkswagen Bank RUS acquired banking license.
- In September 2010, implementation of dealer stock car financing product started and since then developed in a close cooperation with VW Group companies in Russia
- In March 2012, the first retail car loan was granted for a purchase of Volkswagen Amarok. Four VW Group brands are currently covered by retail business: VW, Audi, Skoda, and Seat.
- In August 2013, VW Bank RUS launched retail car loans as part of State Subsidy Program

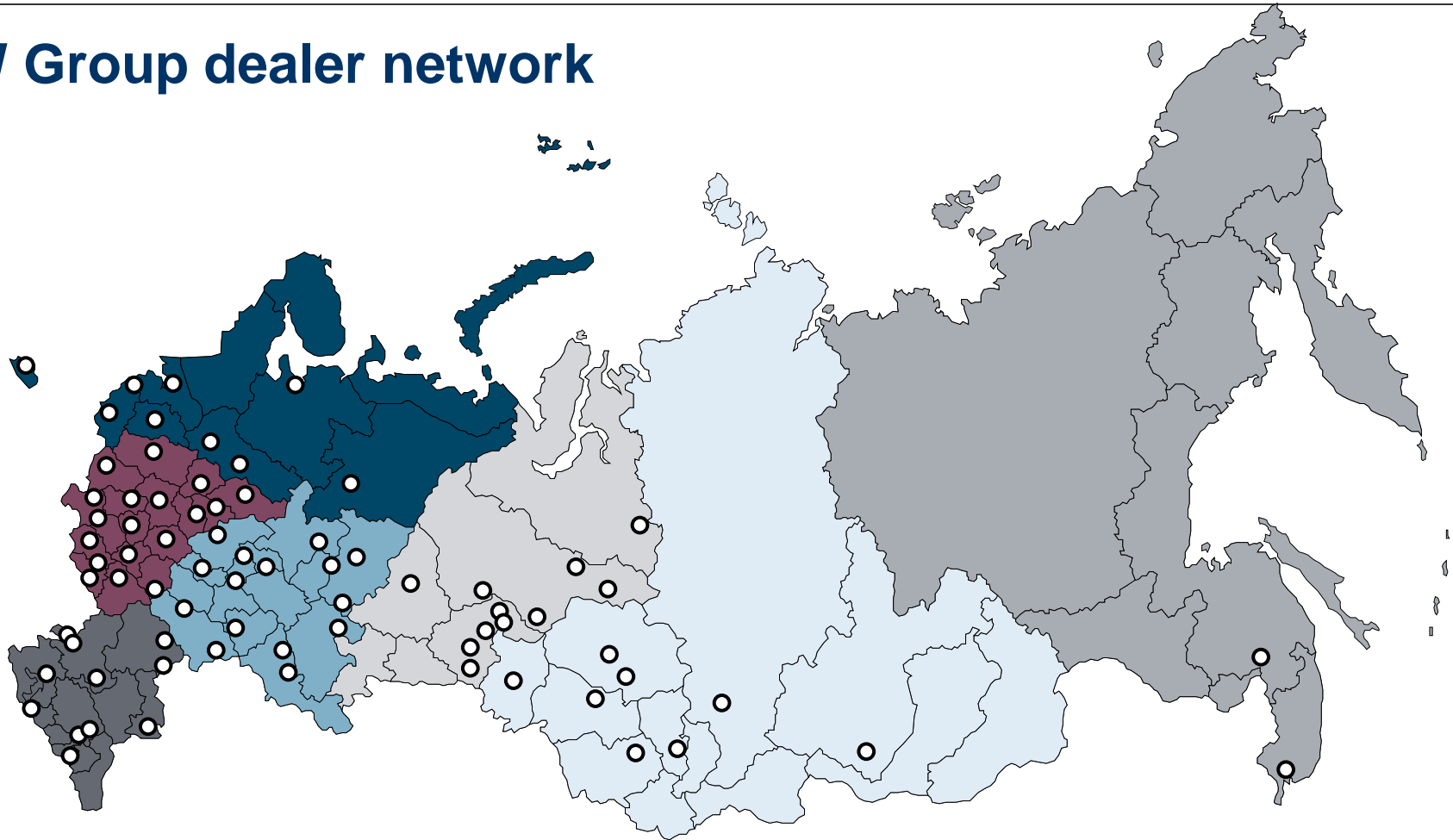
### Key Figures (30/09/2013)

Assets	RUB 22.8 bn
Equity	RUB 9.1 bn
Retail loans (gross)	RUB 9.0 bn
# of retail loans	18.5 ths
Dealer stock financing (gross)	RUB 12.4 bn
# of dealer clients	222

### Asset structure



## VW Group dealer network



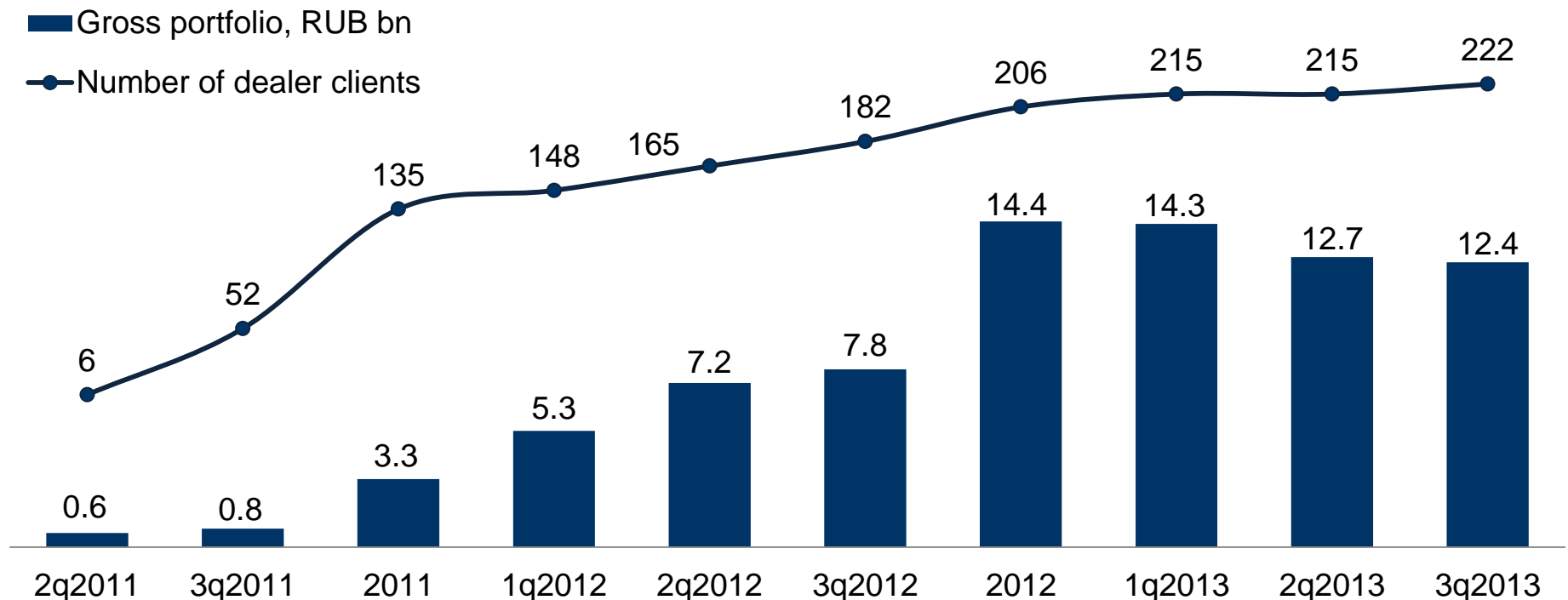
VW Group brand dealer network is comprised of more than 420 car dealerships.

Strong cooperation with dealers provides foundation for key business lines of VW Bank RUS:

- **Wholesale:** loan facilities provided to 222 dealers that contribute about 65% VW Group car sales in Russia
- **Retail:** more than 95% of VW Group brand dealers are involved into retail car loan programme

## Wholesale loans: dynamics and quality

Wholesale is represented by dealer's stock car financing product.

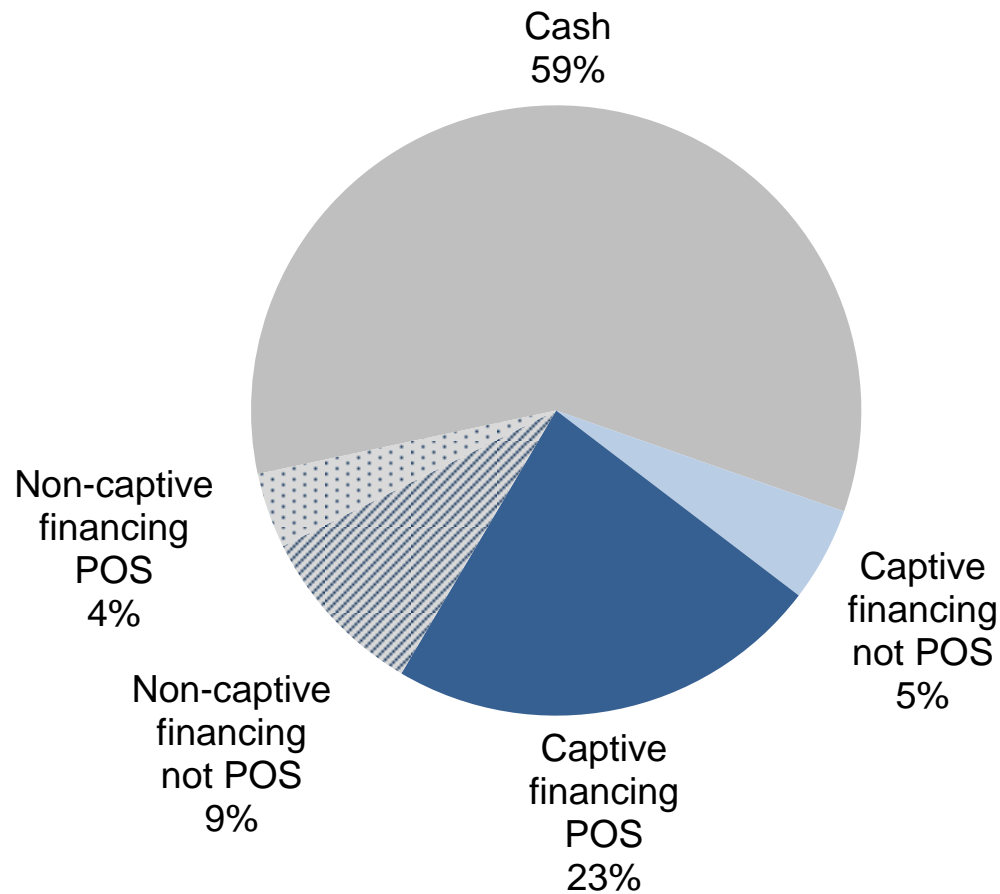


Provision ratio for corporate portfolio stabilized at 2-3% in 2013.

IFRS-based

No overdue corporate loans have been registered at the end of quarter periods.

## Retail business: market environment at points of sale

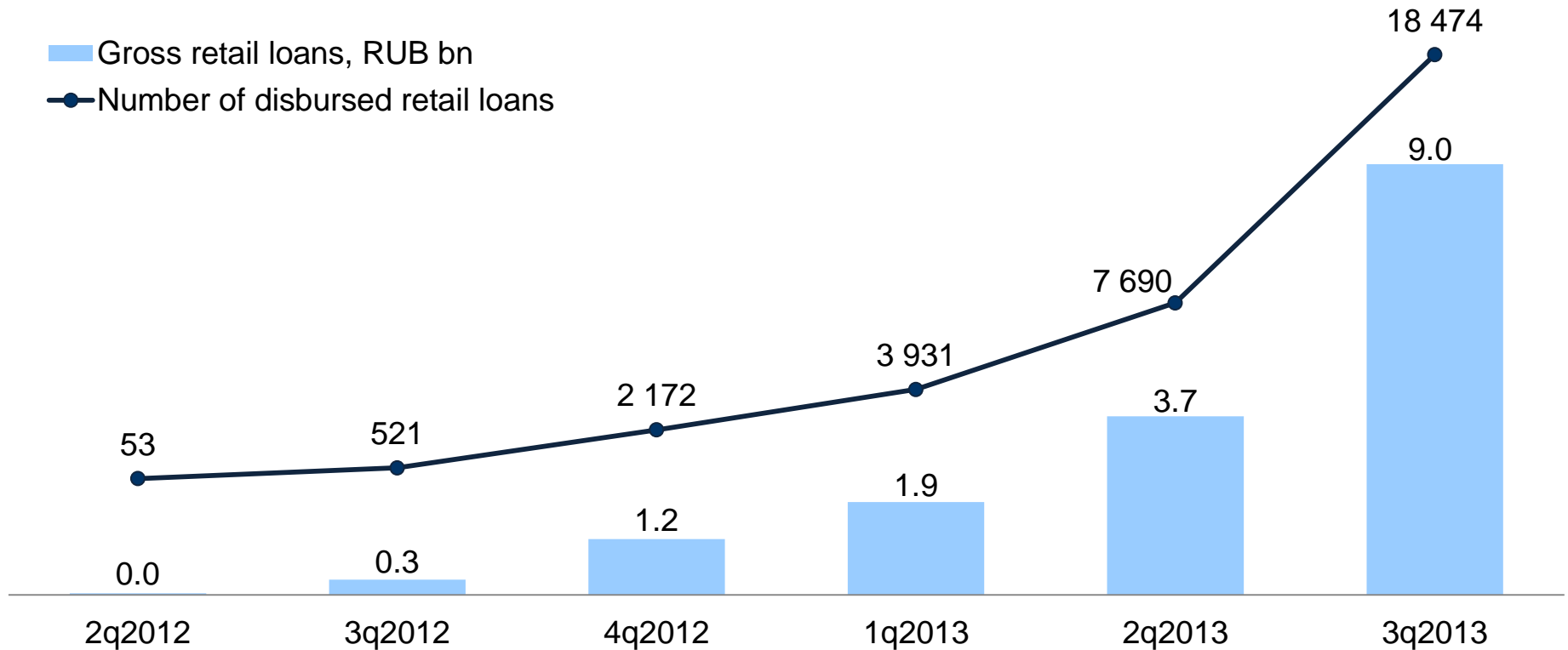


Share of cash customers is expected to gradually decrease in the long term on the backdrop of financial market development

Captive financing share growth to be bolstered by acquisition of new customers through dealers and introduction of new products

Captive business has been positively influenced recently by State Subsidy Program and sufficient cooperation with Brands

## Retail business: portfolio development and quality



IFRS-based

The first retail loan was extended on March, 2012.

Provision ratio for retail portfolio has been maintained at 2.5-2.7% since 2q2012

Overdue structure as of 3q2013: 1-30 days – 2.97%, 31-90 days – 0.16%, 91+ days – 0.02%



## Volkswagen Bank RUS key IFRS figures

RUB mn	2010	2011	2012	3q2013*
Assets	1 723	5 098	18 891	22 834
Equity	1 694	3 592	5 870	9 091
Average interest-earning assets (wholesale)	8	800	7659	13 826
Average interest-earning assets (retail)	-	-	318	3 556
Total interest income	4	109	863	1 482
Profit contribution	2	90	136	616

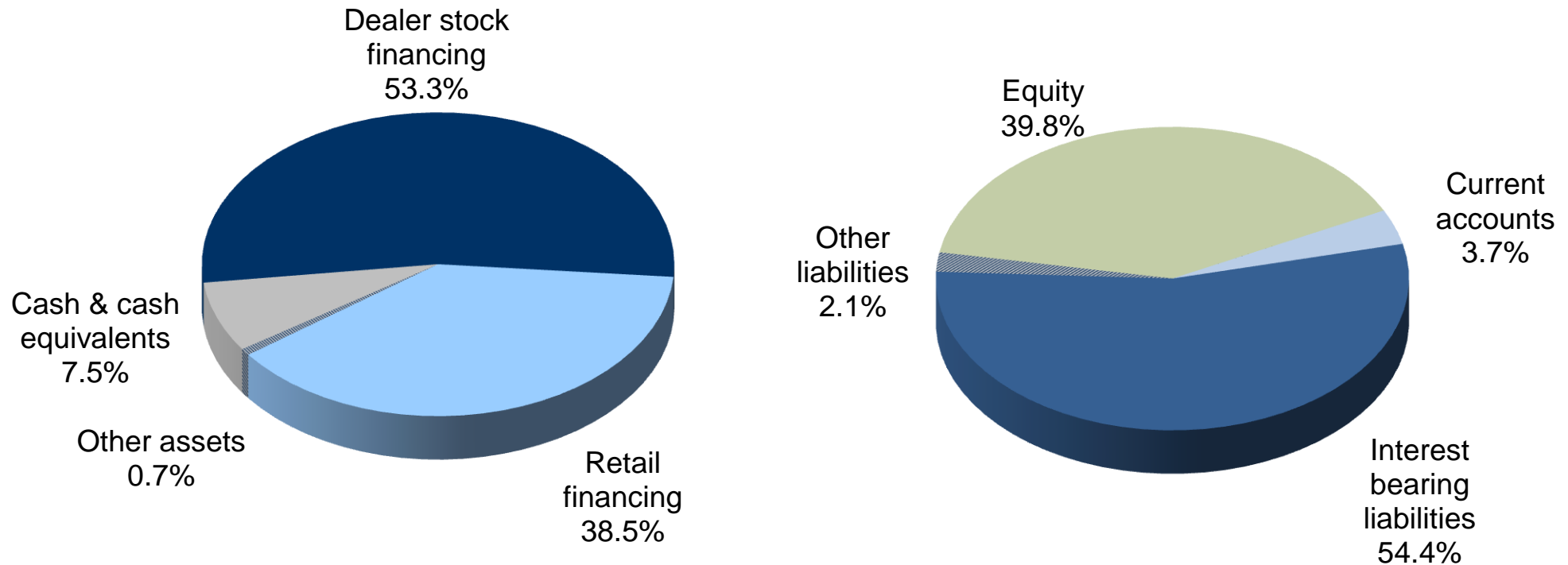
\* IFRS estimates

# VOLKSWAGEN BANK

RUS LLC



## How are the commercial activities represented in our current Asset and Liability Structure?



Dealer stock car financing currently represents half of VW Bank RUS's assets.

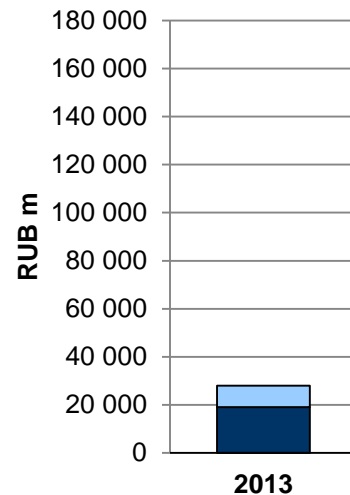
Retail business is set to become the major driver behind asset growth.

IFRS-based estimates for 3q2013

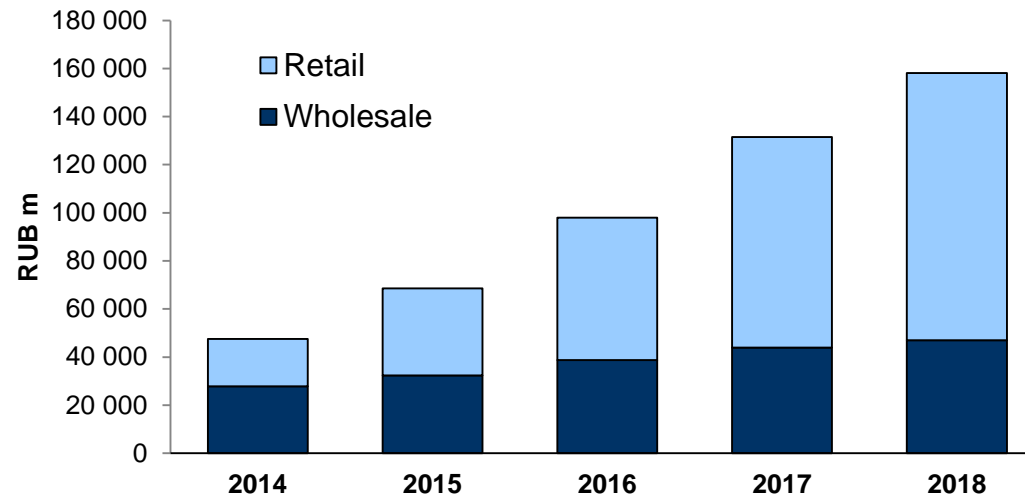
## Business Development Plan 2013-2018

Business development of Volkswagen Bank RUS relies on two main pillars:  
Retail and Wholesale

**FORECAST (YEAR END)**  
2013



**PLAN (YEAR END)**  
2014-2018

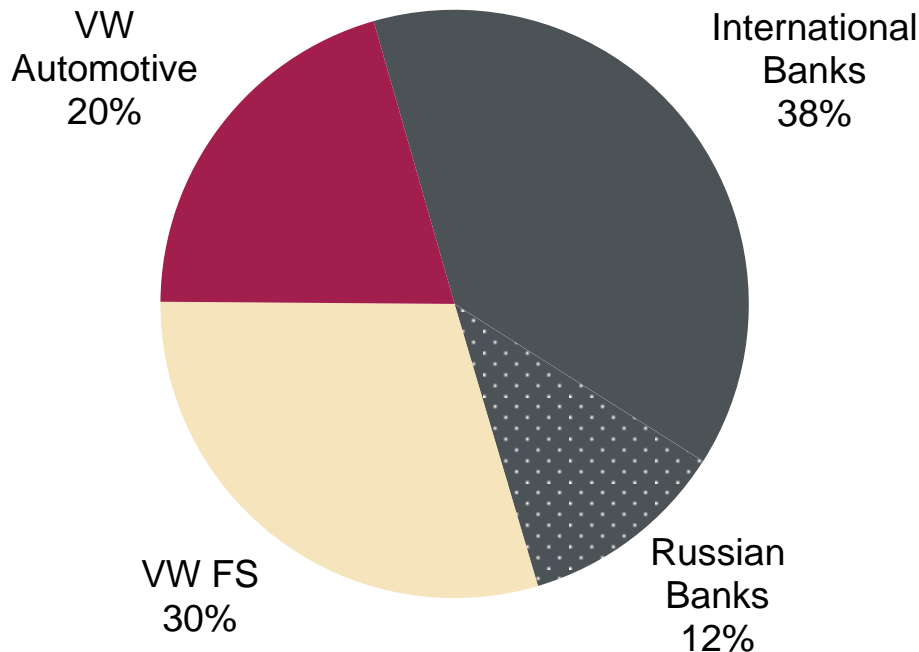


VW Bank RUS's business development until 2018 tends to RUB 160bn

## Current Funding Mix and Forecast for 2018

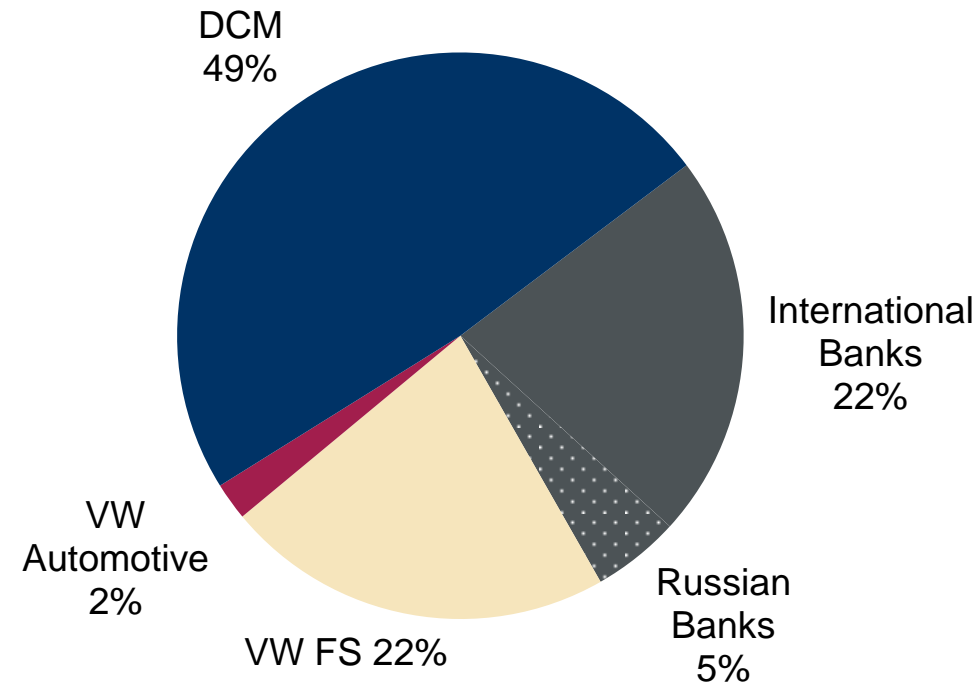
VW Bank RUS is on the good way to achieve VW FS Group Refinancing Strategy

**September 2013**



**Total funding approx. RUB 12bn**

**Funding 2018**

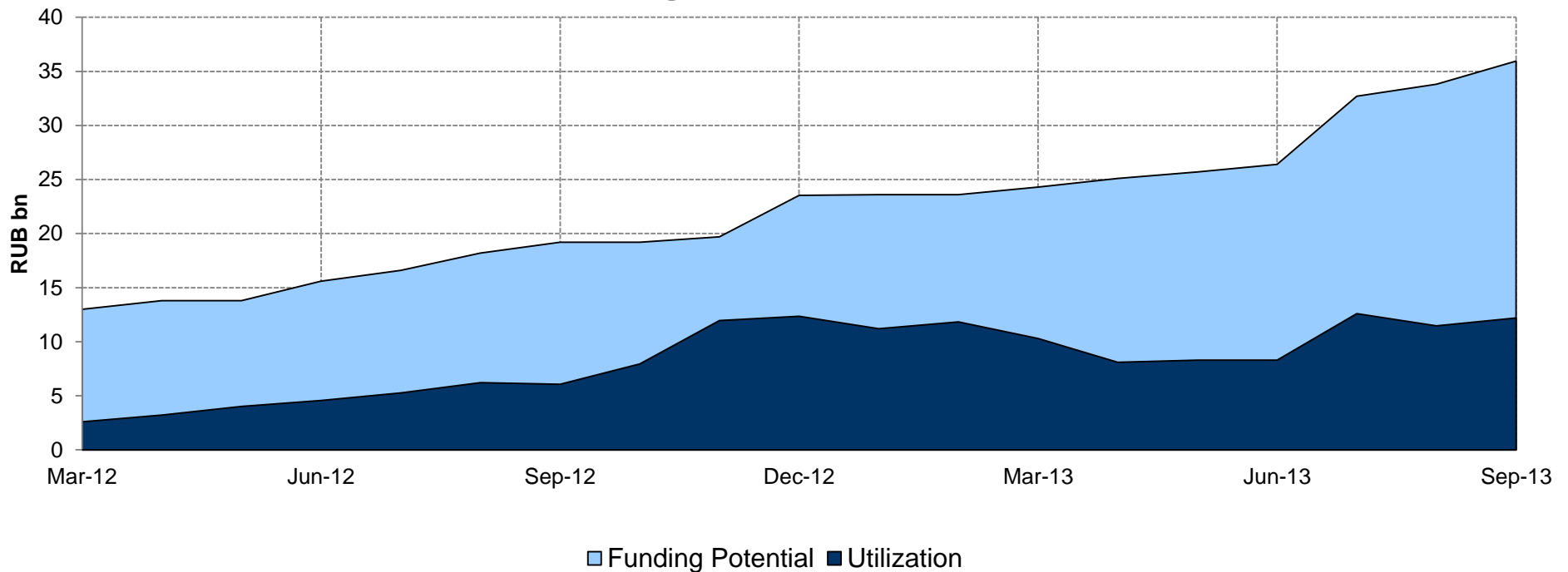


**Total funding approx. RUB 140bn**

## Funding Potential of Volkswagen Bank RUS

Funding Potential is well prepared for planned business growth.  
Utilization is absorbing 30% - 55% vs. total Funding Potential only.

### Total Funding Potential vs. Utilization

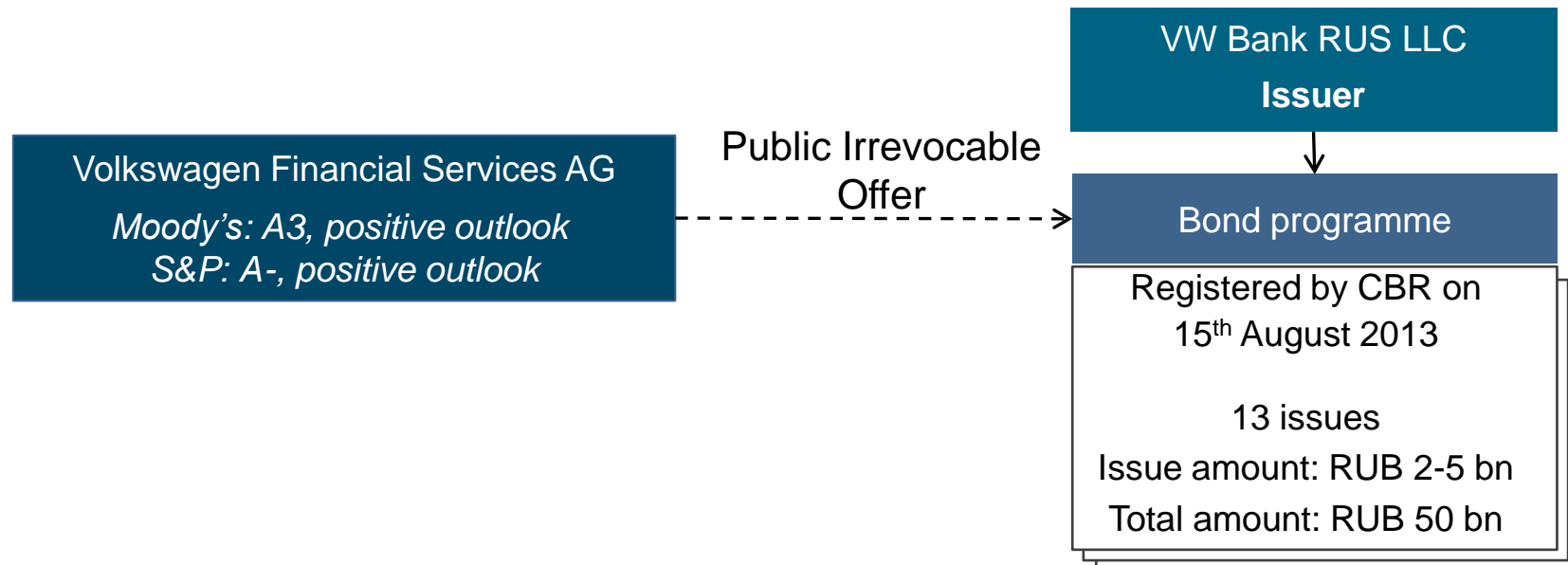


## Funding instruments

VW Bank RUS enjoys solid relationship with more than 15 local banking groups, represented by both subsidiaries of VW Group global partners and top Russian banks.

VW Bank RUS is secured by Russian and International Intercompany Loans provided by several VW Group entities.

VW Bank RUS established Debt Capital Markets programme structured as follows:





## Contacts



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Annual Report Volkswagen Bank RUS LLC: <http://vwbank.ru/pub.html?docid=913>



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