

# VOLKSWAGEN FINANCIAL SERVICES

AKTIENGESELLSCHAFT



## **Volkswagen Financial Services AG – The Key to Mobility**

Stefan Rolf, Treasury

Ulrich Hauswaldt, Investor Relations

3rd Automotive Credit Conference, London; May 15, 2012

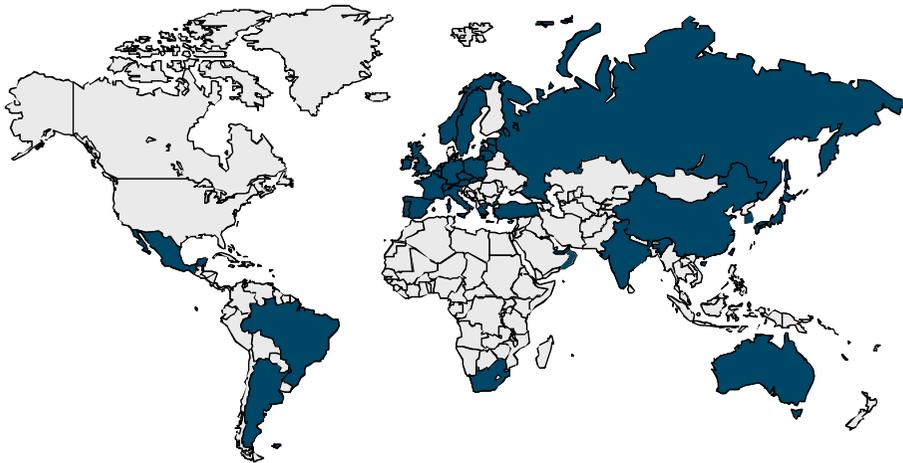
# Volkswagen Group Structure – Two Strong Divisions



\* 49.9% stake in Porsche Zwischenholding GmbH since 7 December 2009

# Volkswagen Financial Services AG at a glance (12/31/2011)

## Worldwide presence

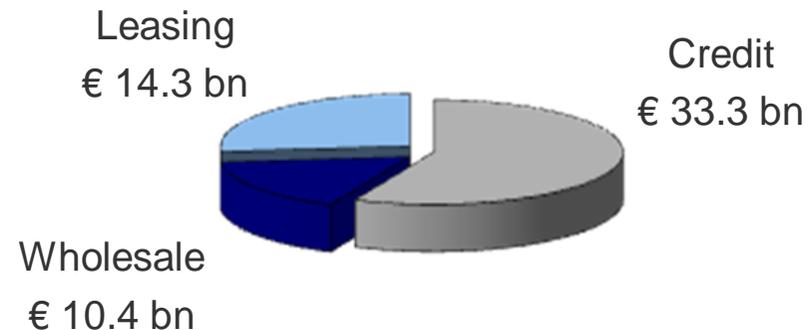


Directly, as well as through equity participations and service contracts, Volkswagen Financial Services AG offers financial services for the Volkswagen Group brands in **38** countries worldwide.

## Company figures

Total assets	€ 76.95 bn
Equity	€ 7.70 bn
Customer deposits	€ 23.80 bn
Employees	7,322
Receivables	€ 57.93 bn

## Receivables



# 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

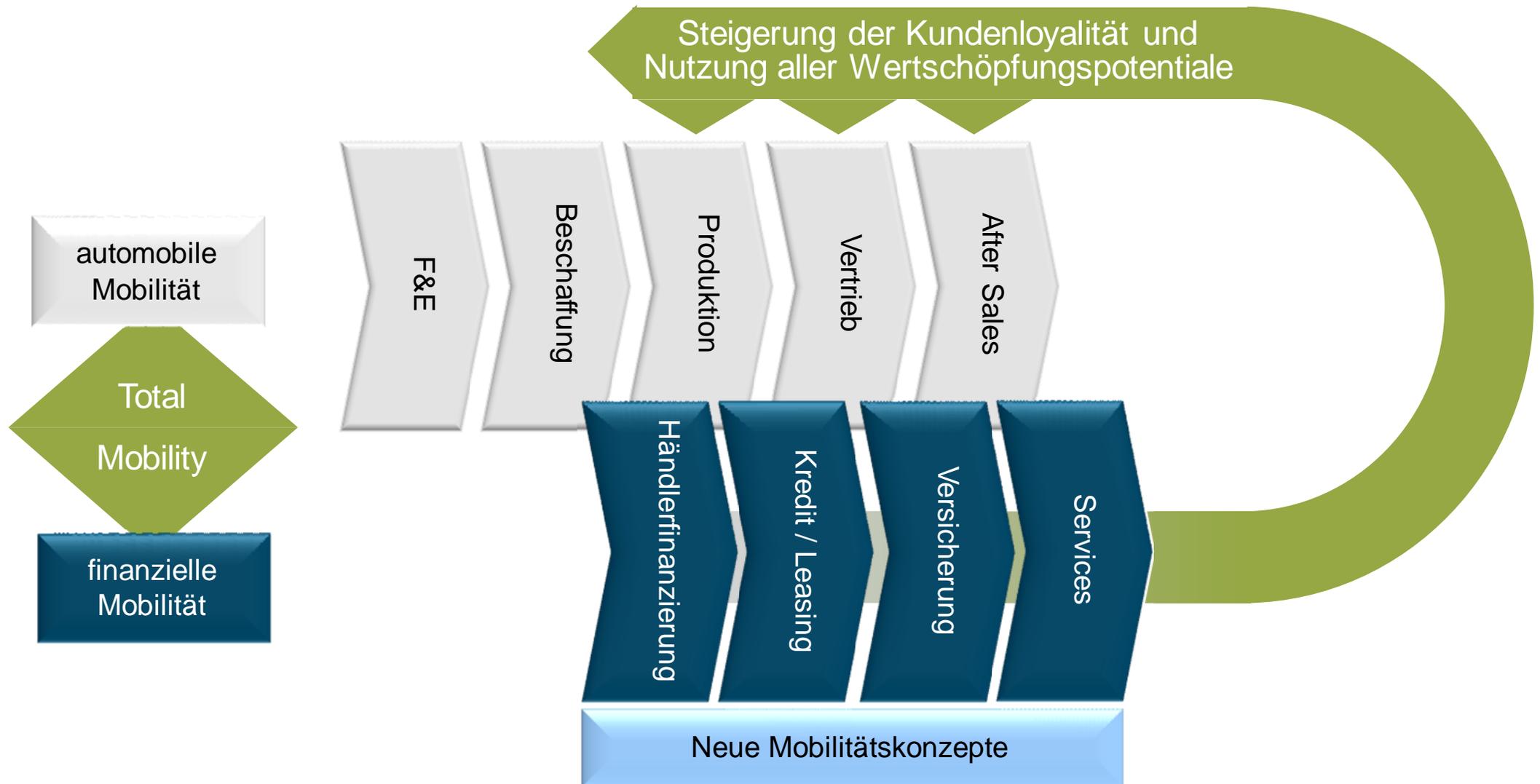
## New Mobility

- Micro Mobility
- Mobile Online Services
- Short Term Rental

## Direct Banking

- Deposits
- Instalment Loans
- Brokerage Products

# Verzahnung von Automotive und Financial Services: Ausschöpfung aller Potenziale entlang der automobilen Wertschöpfungskette



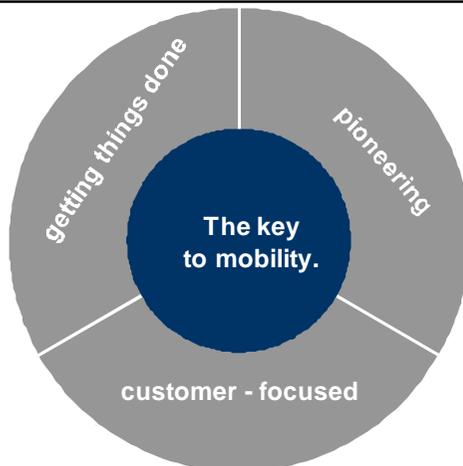
# Volkswagen Financial Services: Strategy WIR2018

## 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% ROE<sup>1)</sup> 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

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

# 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

# Risk Profile of Volkswagen Financial Services AG

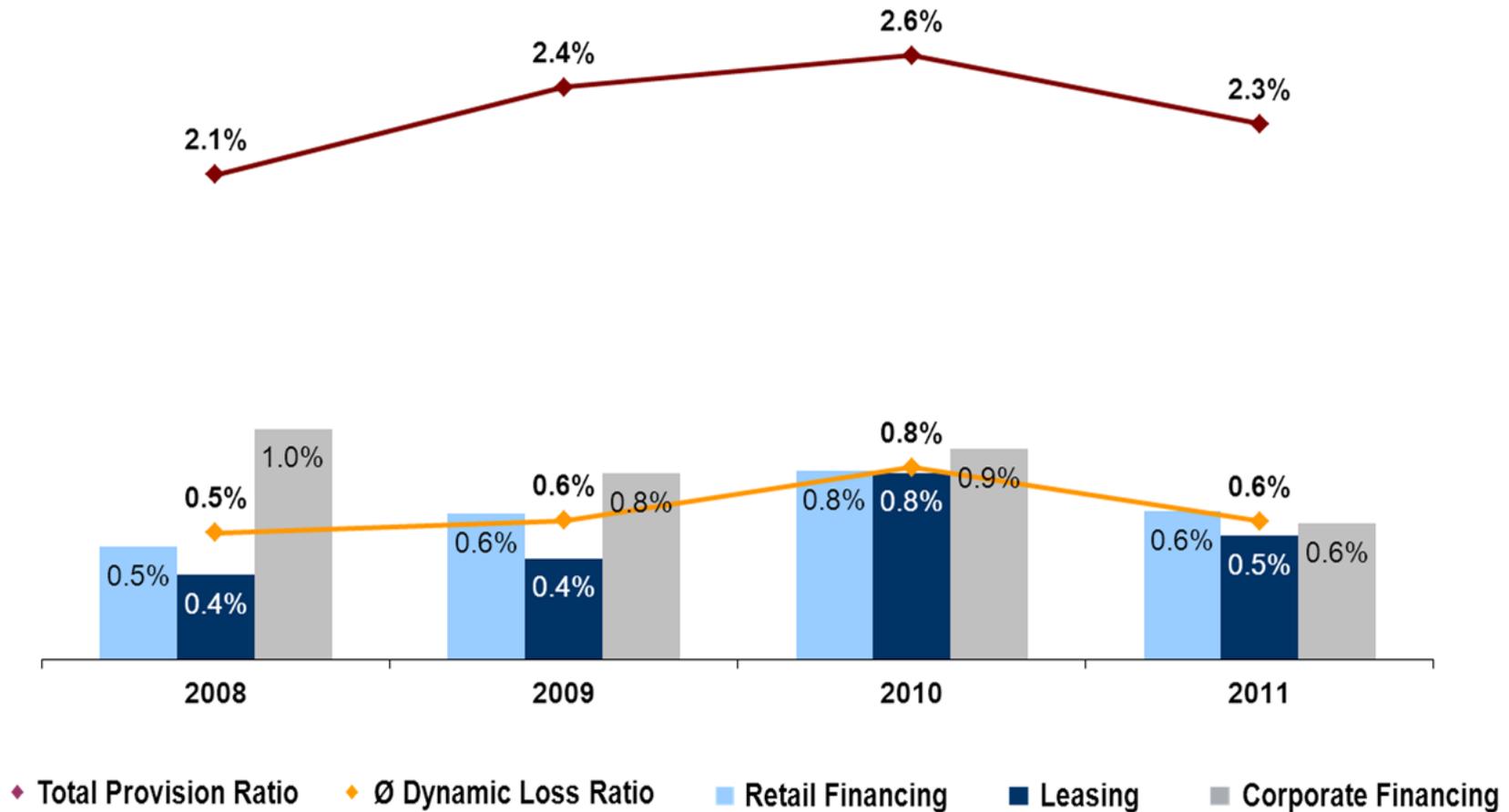


**Credit Risk** is the predominant risk type whereof the major share is originated from well diversified retail business with a low risk profile

\* Liquidity Risk, Strategic Risk, Reputational Risk

as of 12/31/2011

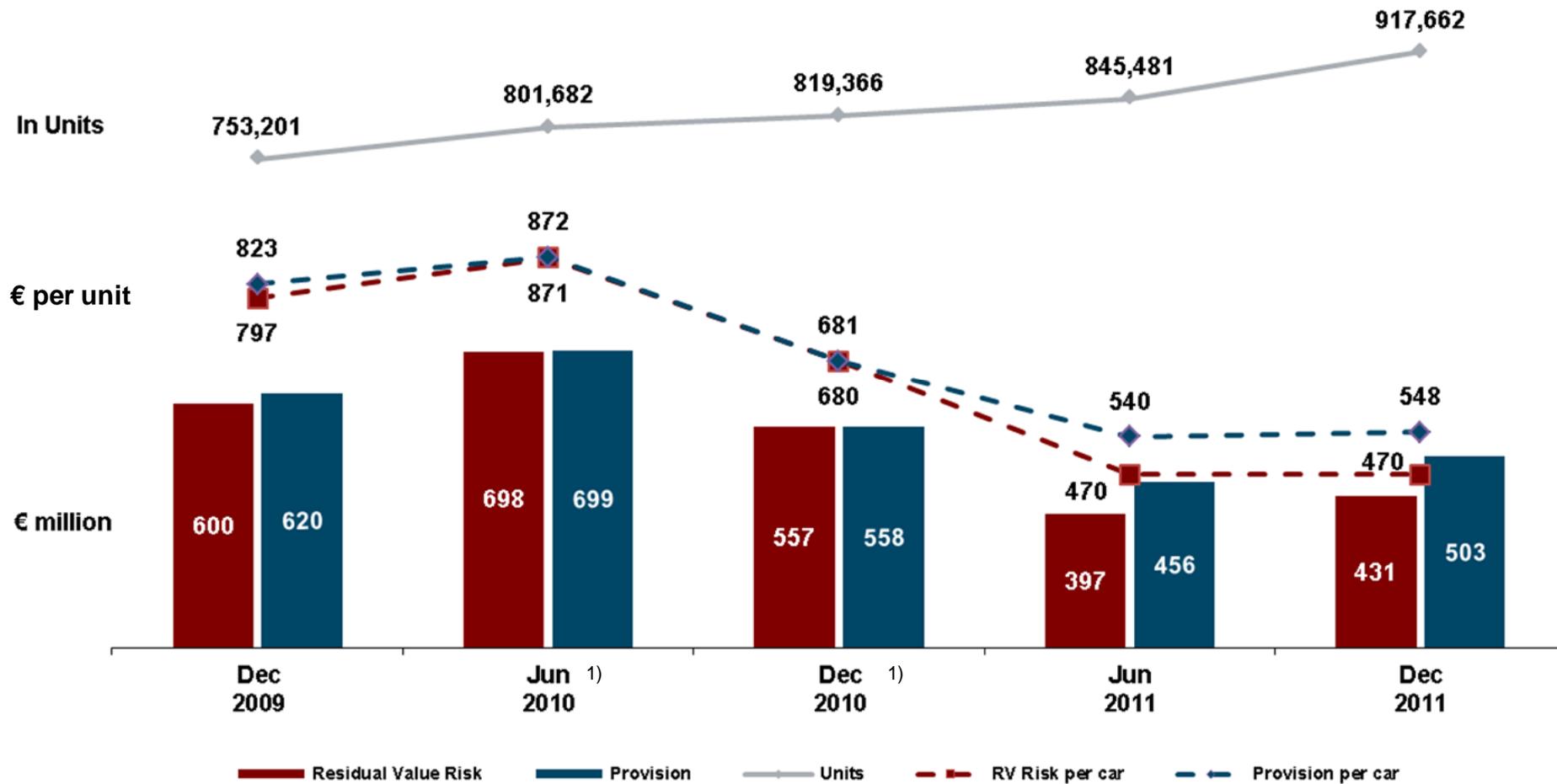
# Total Provision and Dynamic Loss Ratio – VW FS AG



The credit risk losses are under control and completely covered by provisions

# Residual Value Risk

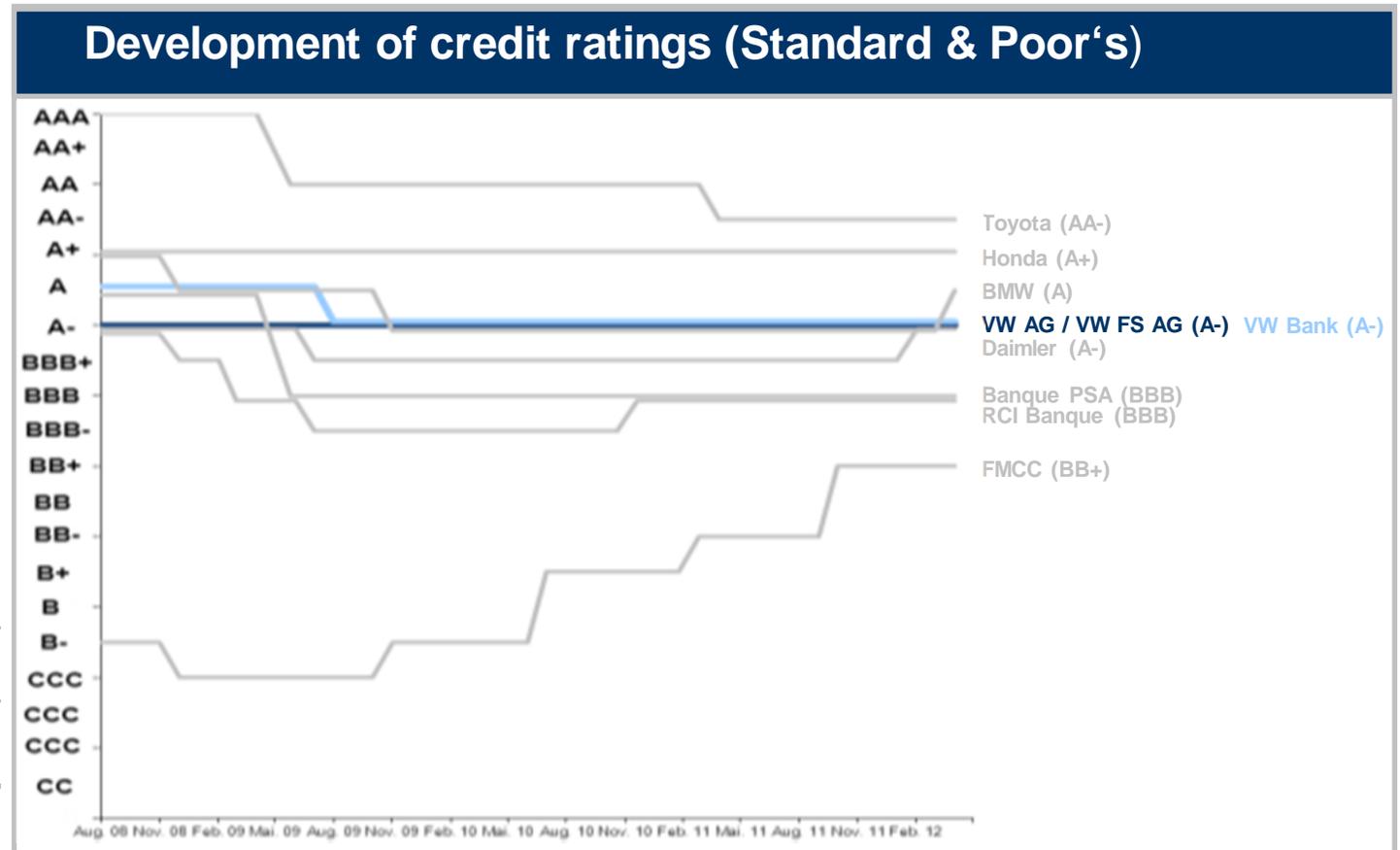
December 2009 - December 2011



1) Re-calculation of EL in UK (harmonisation to FS standards)

## Rating History (04/30/2012)

	Moody's	S&P
Toyota	Aa3	AA-
Honda	A1	A+
BMW	A2	A
<b>VW AG / VW FS AG</b>	<b>A3</b>	<b>A-</b>
<b>VW Bank GmbH</b>	<b>A3</b>	<b>A-</b>
Daimler	A3	A-
Banque PSA	Baa1	BBB
RCI Banque	Baa2	BBB
FMCC	Ba1	BB+



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

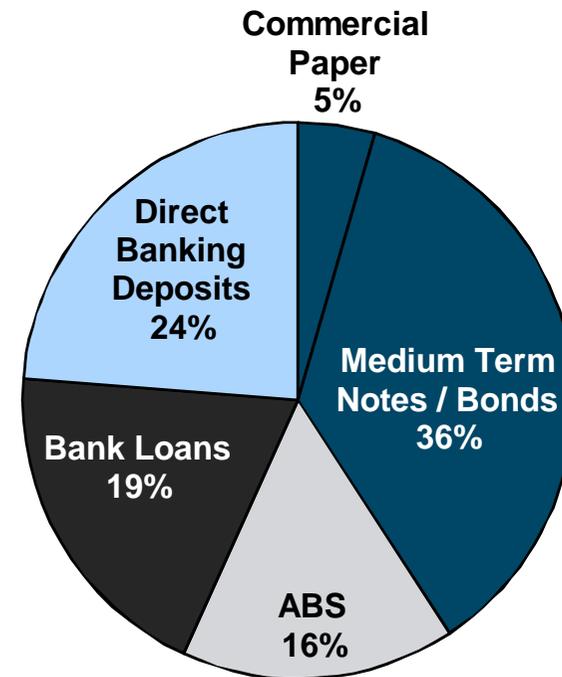
Data Source: Reuters

# Volkswagen AG – Overview to Group Funding Strategy

- Highly successful track record in the Eurobond market
- Making use of international funding markets, to diversify financing, e.g. US 144A market
- Tapping emerging funding markets to support Volkswagen’s growth, e.g. Chinese Dim Sum Market
- Focused on high quality orderbooks and secondary performance
- Leading Auto issuer of Asset Backed Securities
- Global use of Commercial Paper markets
- Significant volume of undrawn committed credit facilities
- High level of Direct Banking Deposits differentiates Volkswagen from its peers

**VW AG has a strong focus to further diversify its funding into all major Capital Markets**

## Diversification of Funding Sources<sup>1</sup>



<sup>1</sup> as of March 31, 2012  
Source: Volkswagen Group

**Total: € 91.0 billion**

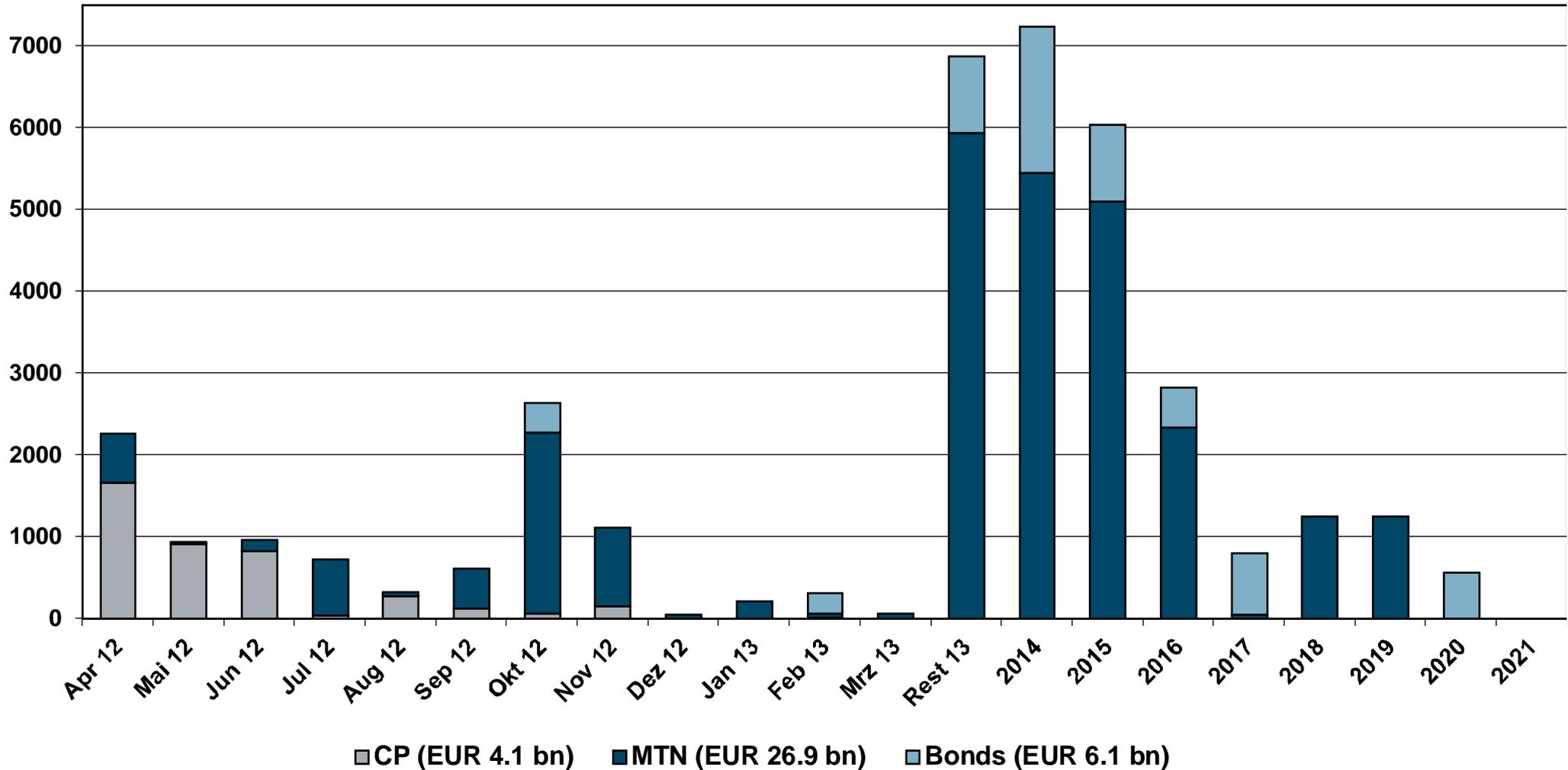
## Debt - Volkswagen Group

March 31, 2012

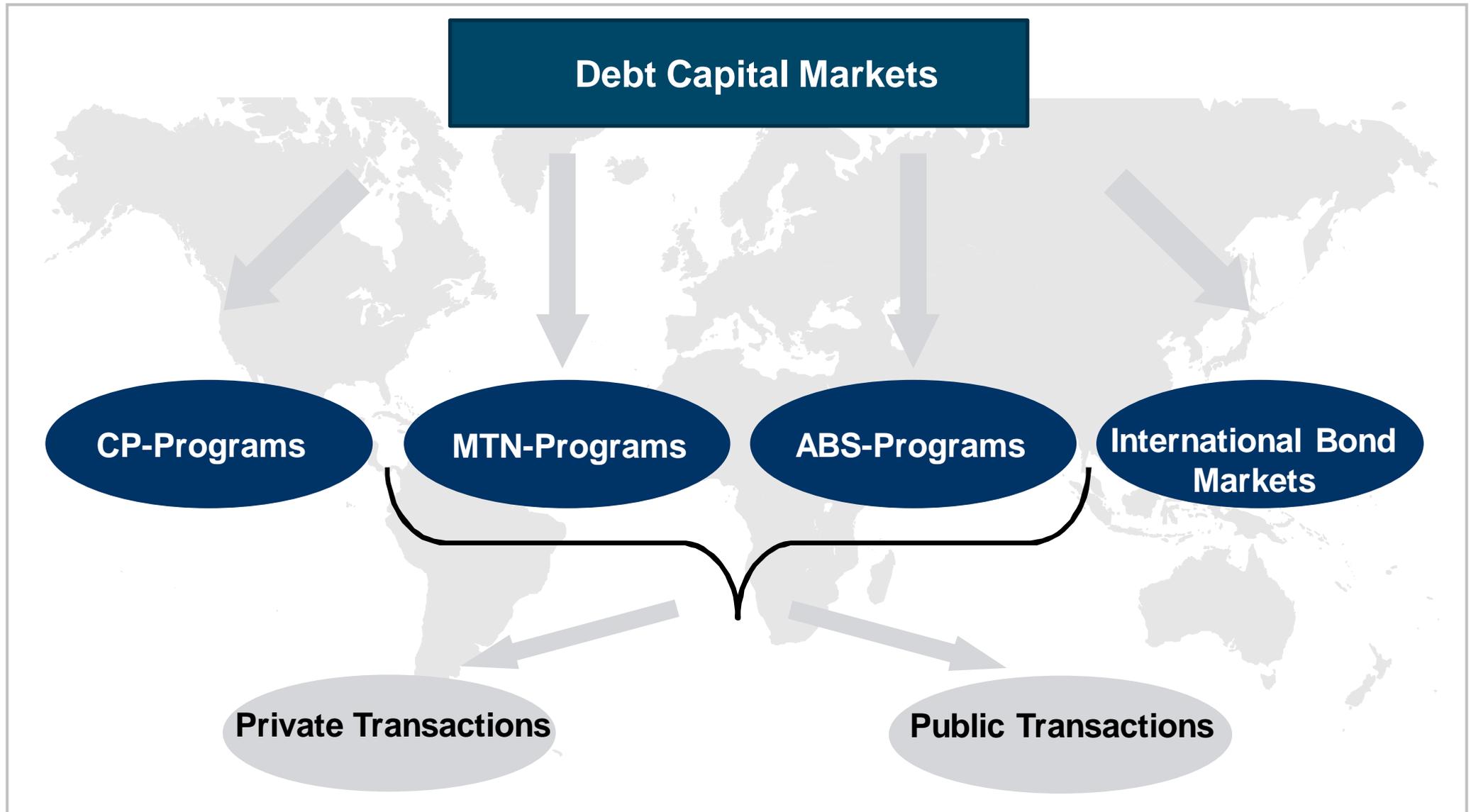
<b>Money and Capital Market in € billions</b>	<b>Frame</b>	<b>Utilization</b>
<b>Commercial Paper</b>	<b>24.2</b>	<b>4.1</b>
<b>Medium Term Notes</b>	<b>59.6</b>	<b>26.9</b>
<b>Bonds and other Capital Market Notes</b>	<b>20.0</b>	<b>6.1</b>
<b>ABS</b>	<b>40.0</b>	<b>14.6</b>
<b>Direct Banking Deposits</b>	<b>./.</b>	<b>21.6</b>
<b>Borrowings</b>		
<b>Committed Lines</b>	<b>13.6</b>	<b>2.7</b>
thereof: Syndicated Lines	5.0	0
<b>Uncommitted Lines</b>	<b>17.1</b>	<b>5.4</b>
<b>Total Lines</b>	<b>30.7</b>	<b>7.1</b>
<b>Supranationals, development banks, government, other</b>	<b>10.6</b>	<b>10.6</b>
<b>Total Debts (incl. ABS)</b>	<b>./.</b>	<b>91.0</b>

# Volkswagen Group Funding Strategy – Maturity Profile

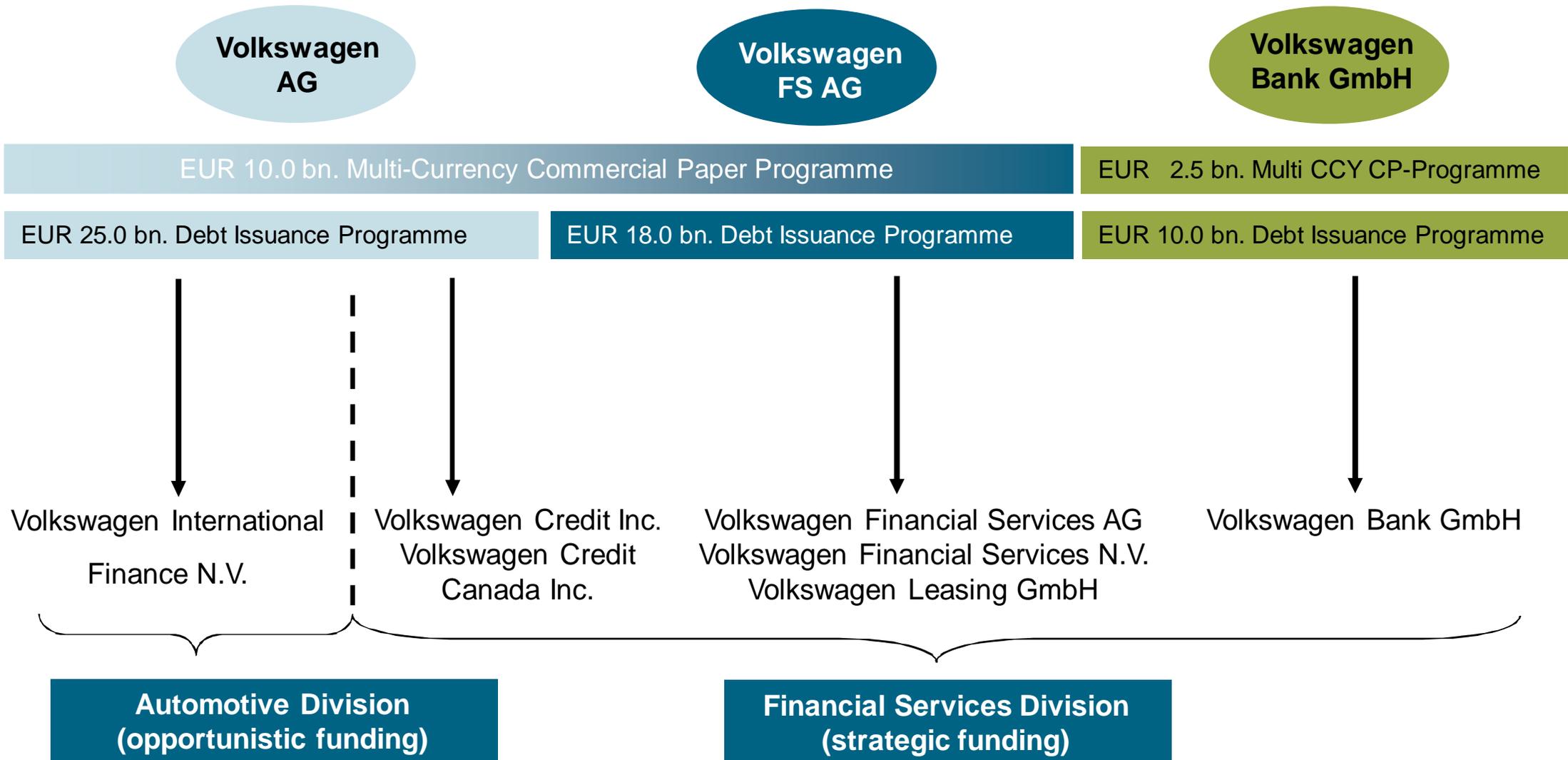
March 31, 2012 (Equivalent in mn EUR)



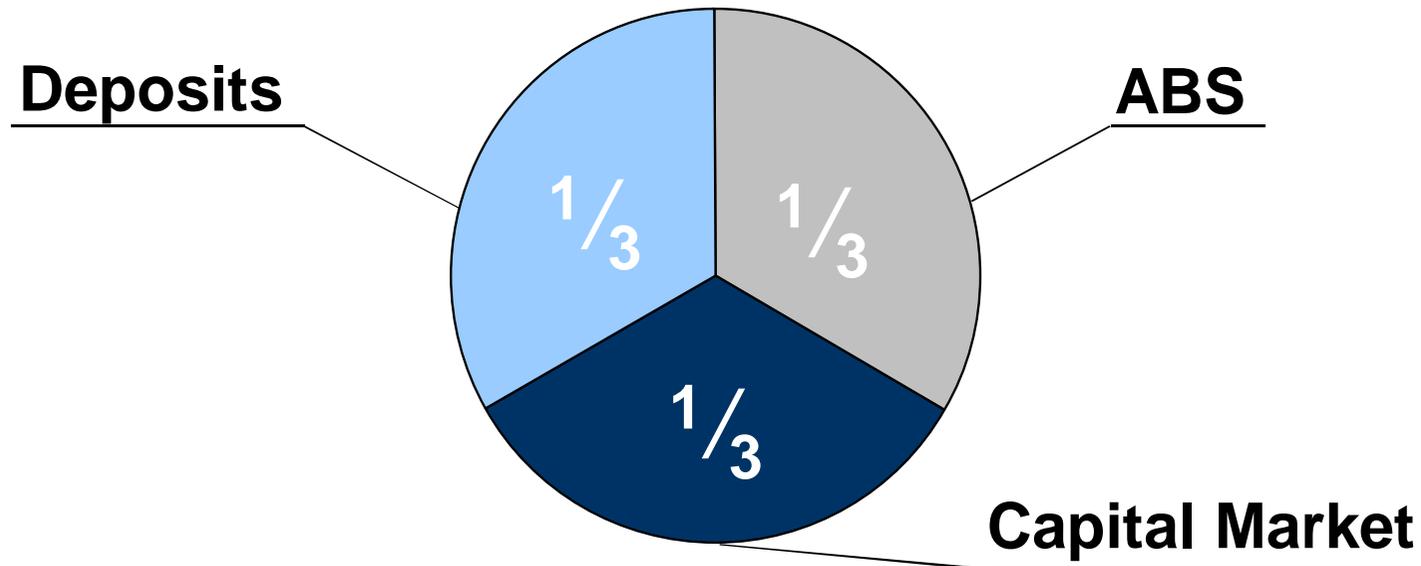
# Volkswagen Group Funding Strategy – Global approach



# Volkswagen Group – Major Funding Vehicles / Guarantors



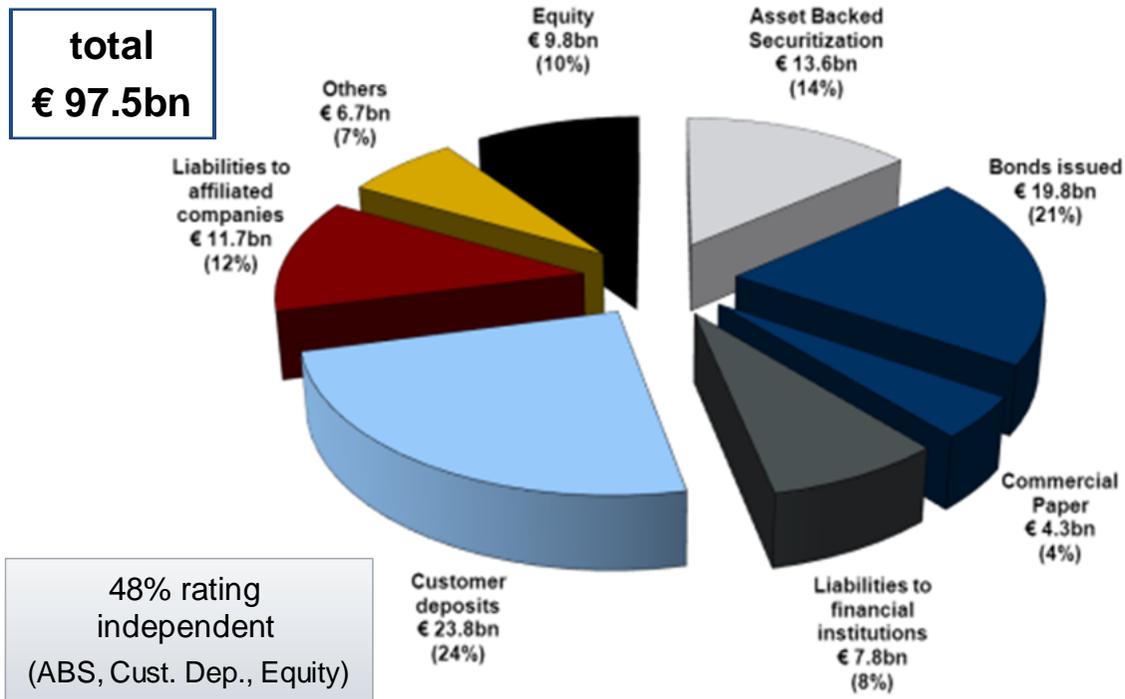
# Volkswagen Financial Services – Refinancing Strategy



Focus on three fundamental funding sources

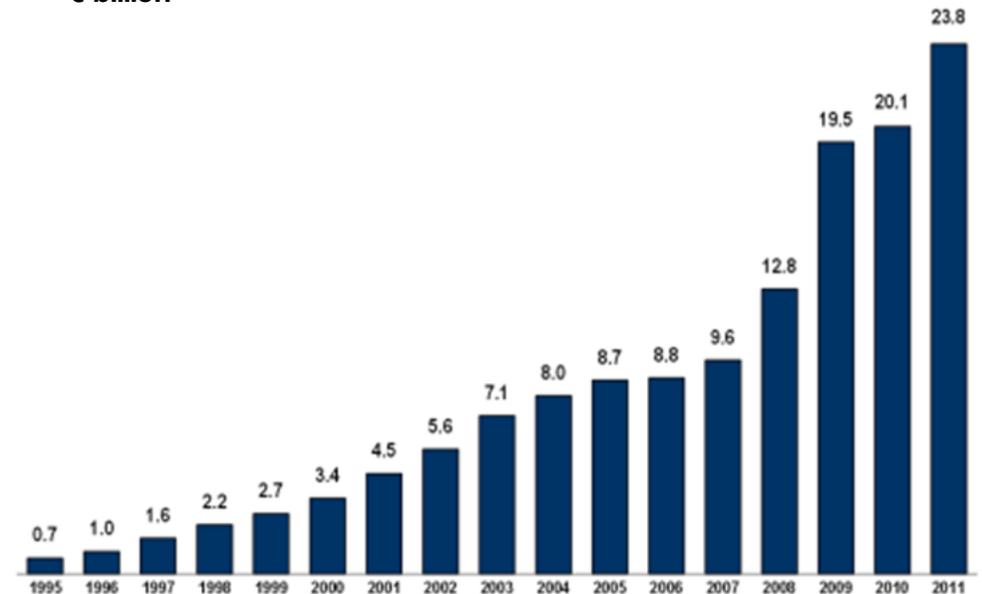
# Volkswagen Financial Services: successful, diversified and automotive-independent funding structure

## Funding



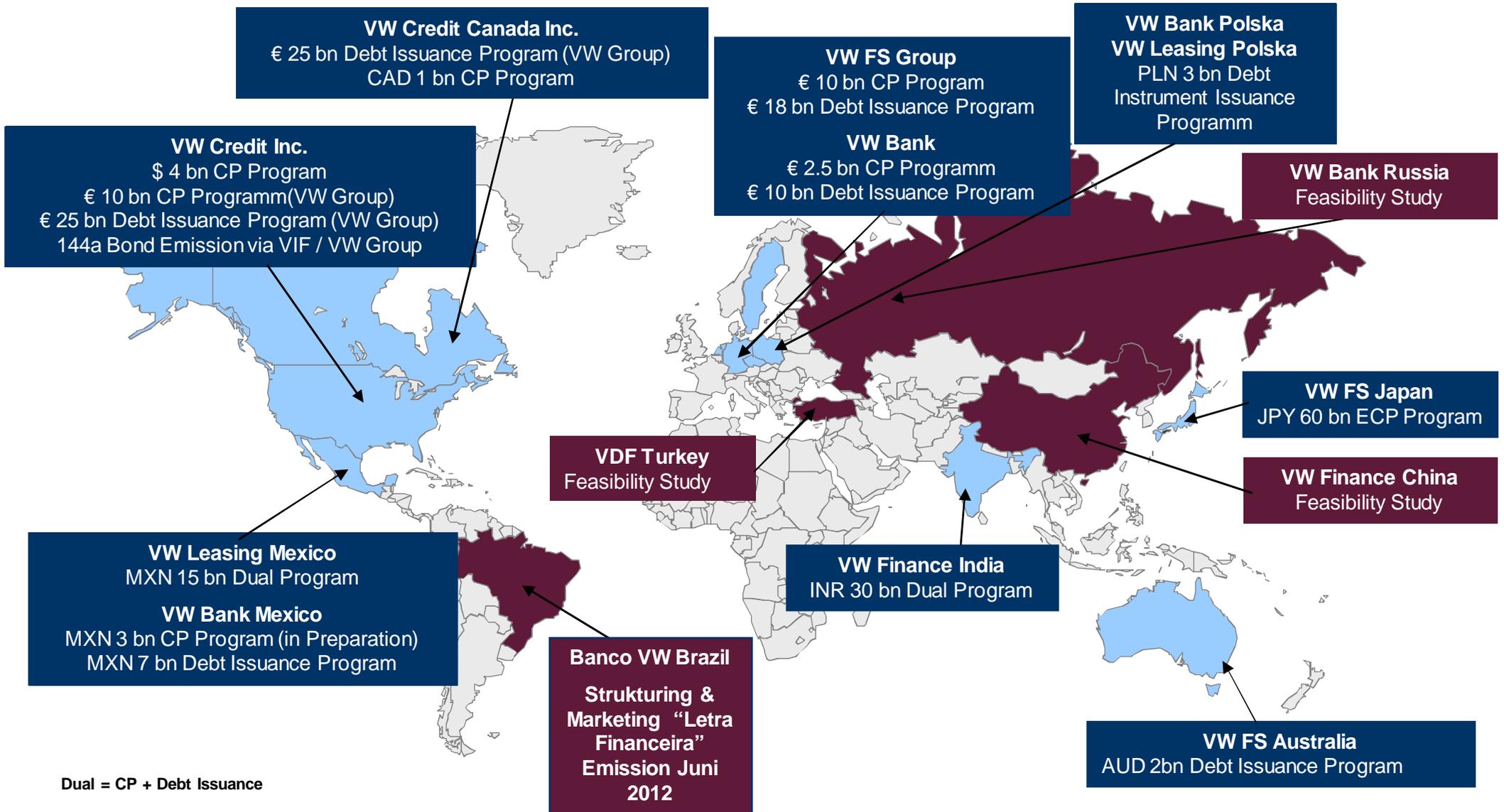
## Deposits

€ billion



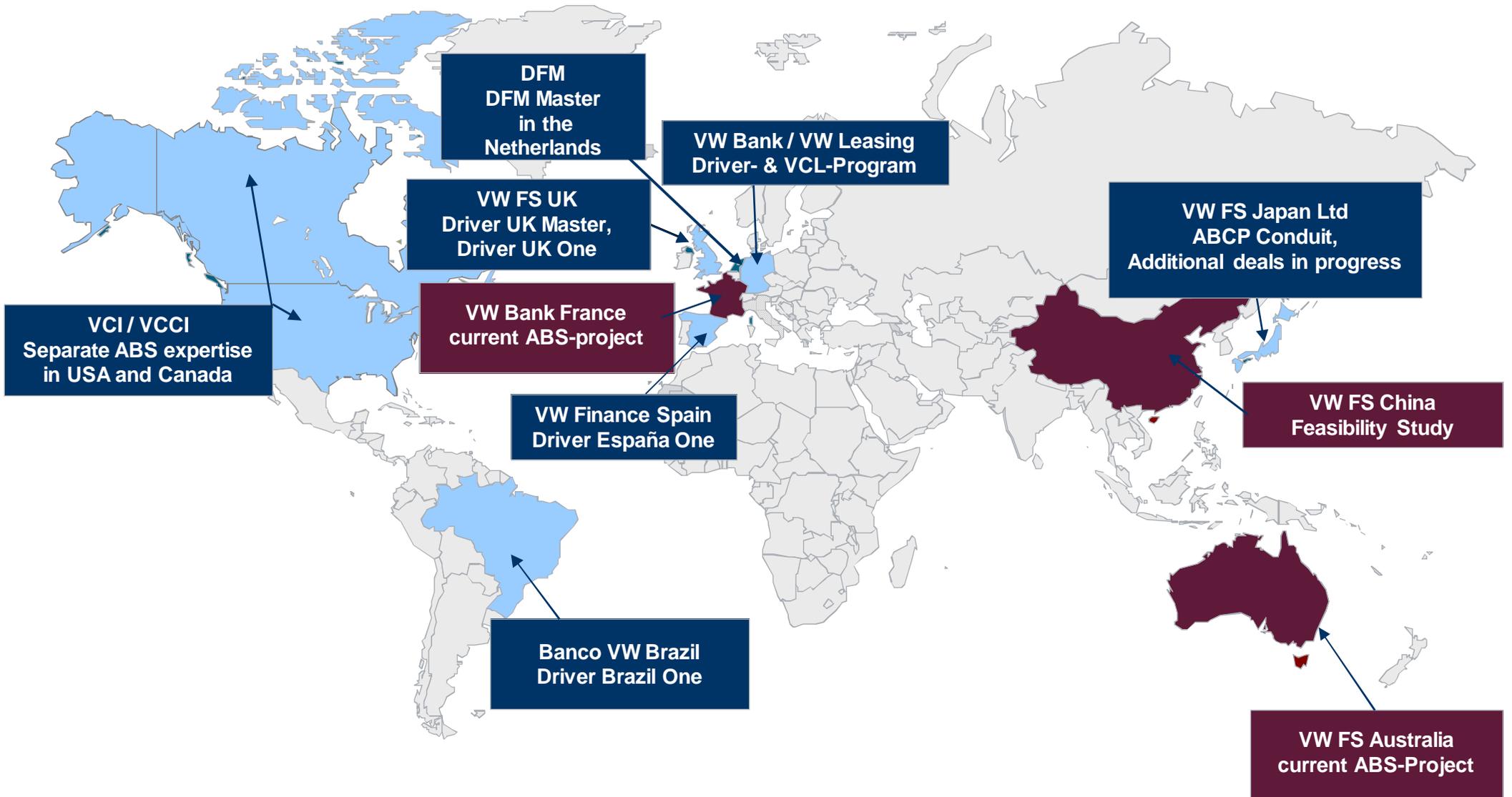
As of 31.12.2011

# VW Financial Services – Worldwide Capital Market Activities

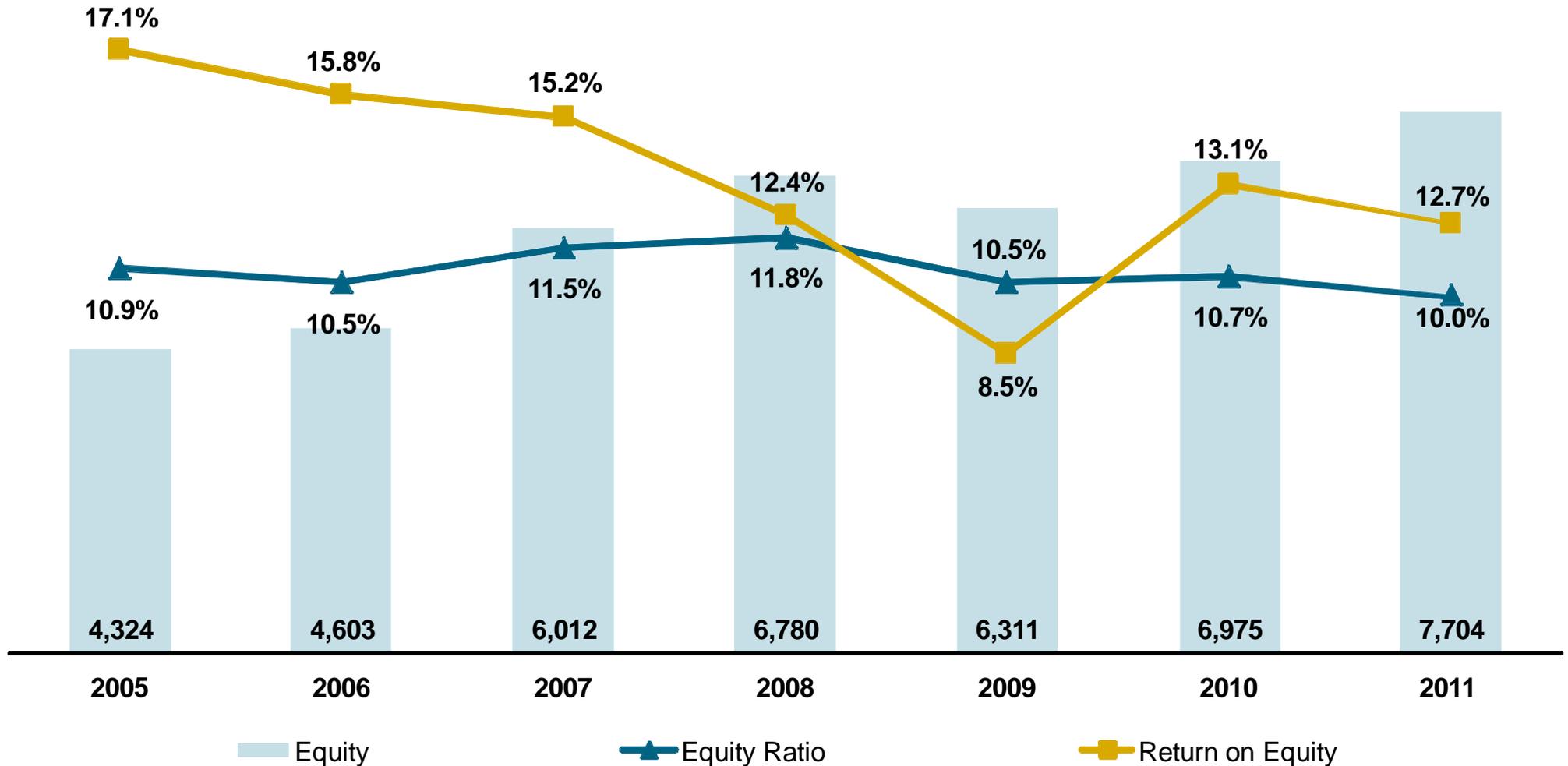


Dual = CP + Debt Issuance

# Volkswagen Financial Services – Worldwide ABS Activities



# Volkswagen Financial Services AG: Financial Figures (IFRS)



ROE (based on the avg. equity of the referred year):  $PbT / ((\text{Equity current year} + \text{Equity previous year}) / 2)$

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## Volkswagen Financial Services AG: Outlook 2012

- Volumes are expected to Stabilise in Saturated Markets with Growth Opportunities in Growth Markets
- Refinancing Costs on low levels
- Highly Uncertain Economic Environment might have impact on Risk Costs
- Earnings in 2012 are expected to be at the level of 2011