

**VOLKSWAGEN
FINANCIAL SERVICES**
THE KEY TO MOBILITY

Investor & Analyst Dialogue

Volkswagen Financial Services

Lars Henner Santelmann & Frank Fiedler



Volkswagen Group: Management Model

VOLKSWAGEN
AKTIENGESELLSCHAFT

Management Holding

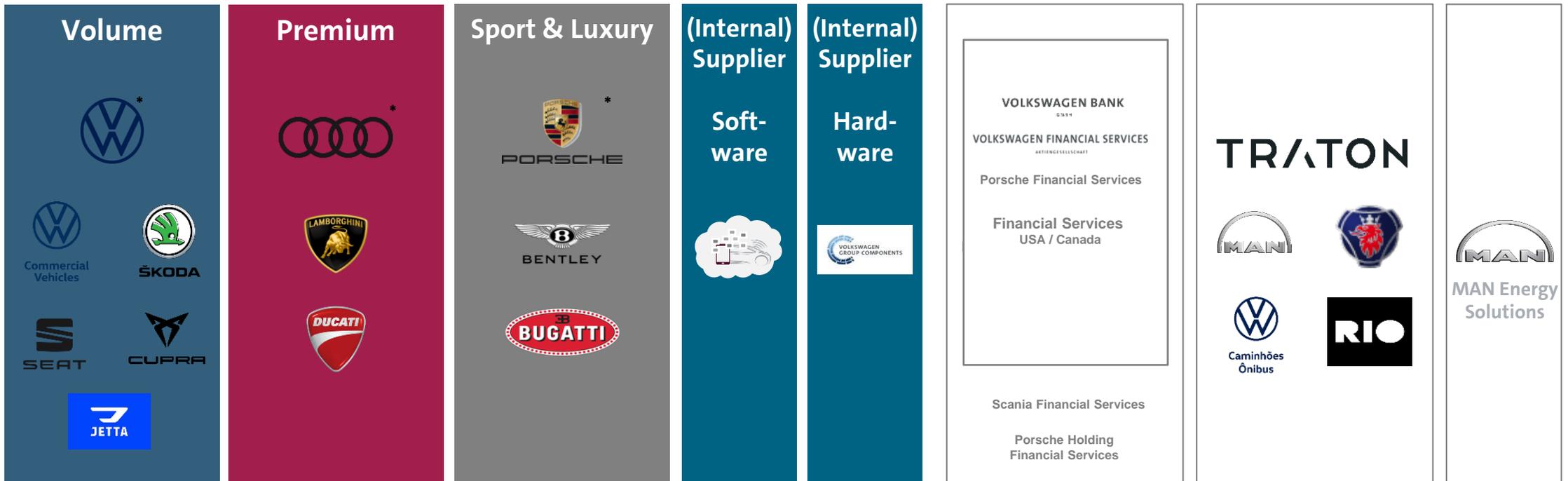
Financial Holding

Passenger Cars

Financial Services

Truck and Bus

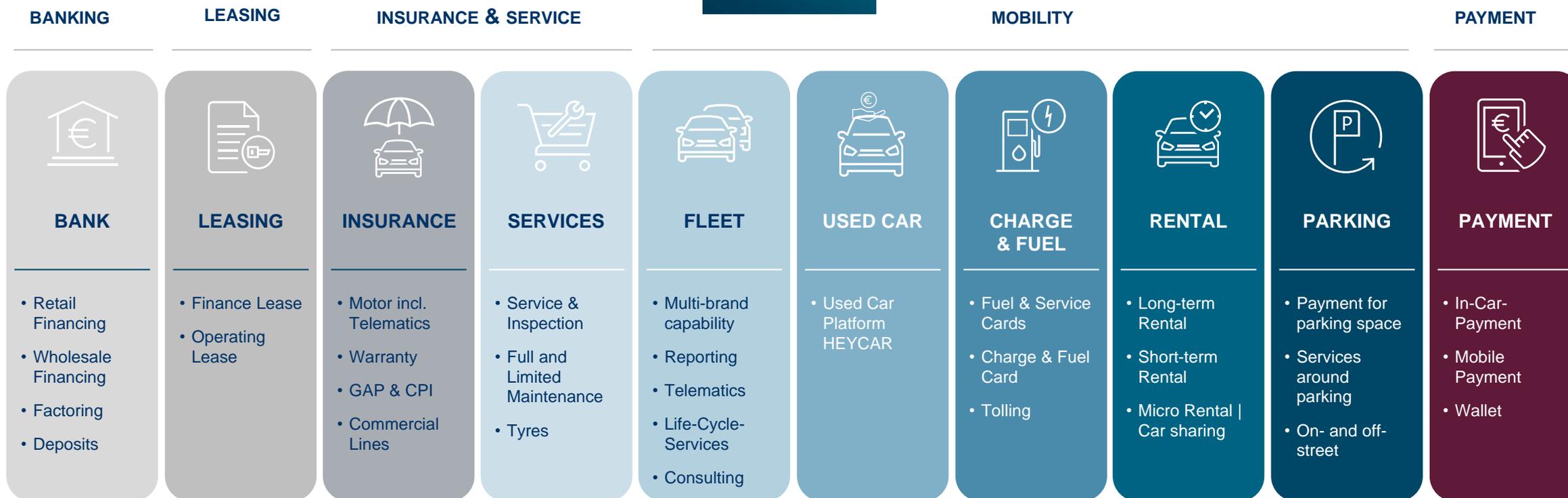
Power Engineering



* Brand Group Leads: VW PC, Audi, Porsche

We offer the whole range of services under one roof*

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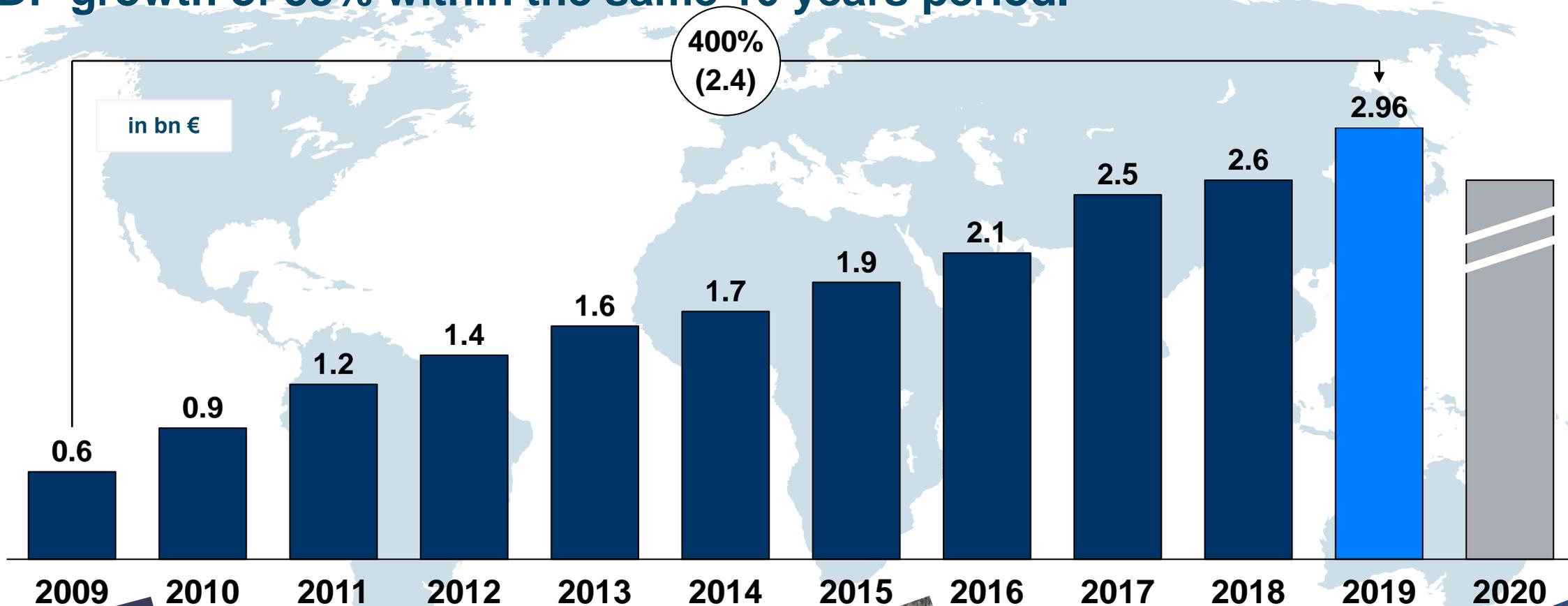


PROFITABILITY

CONTACT FREQUENCY

* Displayed portfolio depends on the market; products offered or mediated by different operative subsidiaries.

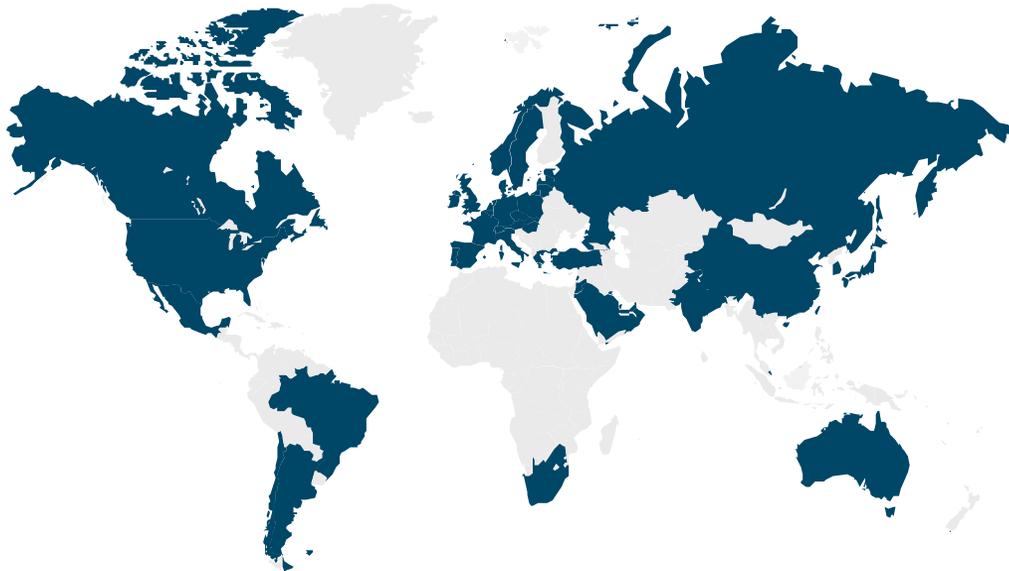
Volkswagen Financial Services outperformed with stable growth in Operating Income by 400 % over the last 10 years. Exceeds global GDP growth of 38% within the same 10 years period.



Stable development in 2020 continues

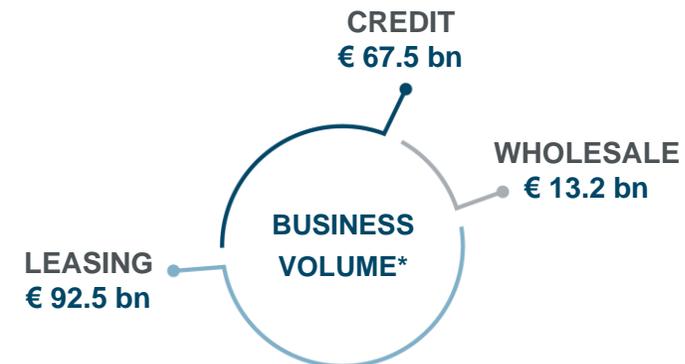
Operating Profit of 1.632 bn €
(as of 30.09.2020)

Volkswagen Financial Services conducts business in
48 MARKETS.



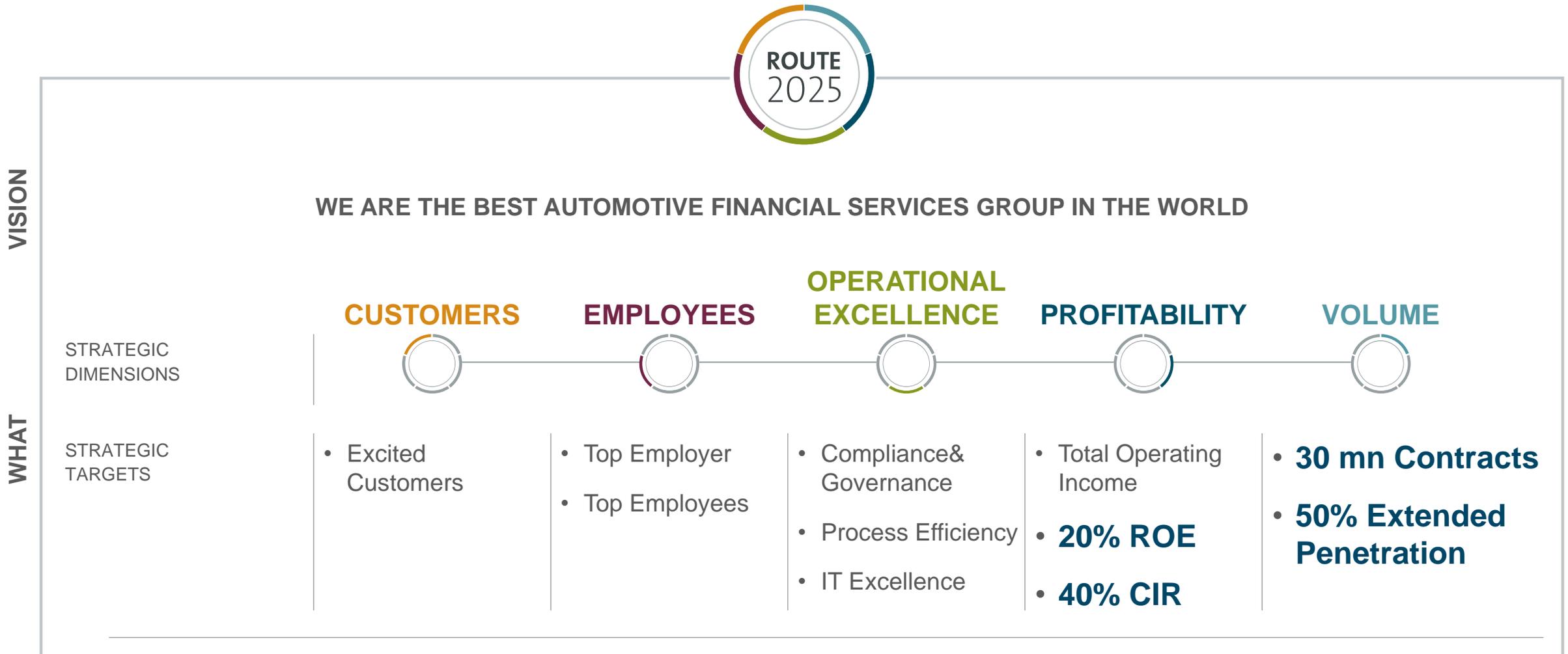
KEY FIGURES

Total assets	€ 226.1 bn
Equity	€ 28.6 bn
Customer deposits	€ 30.8 bn
Operating profit	€ 1.63 bn
Employees	14,425
Contracts (units)	21.6 mn



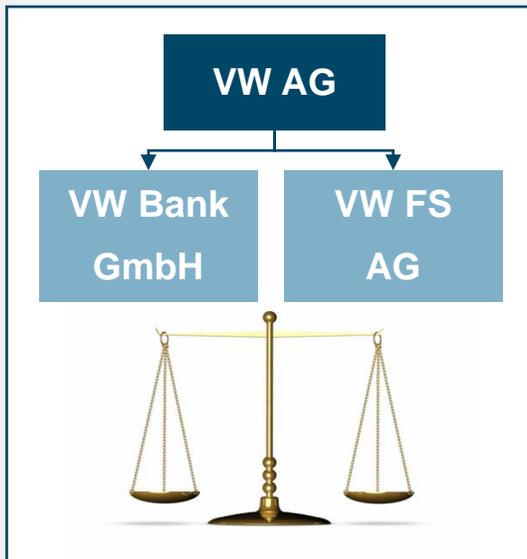
*Receivables + Leased Assets

Vision and targets of ROUTE2025



All of Volkswagen Financial Services' initiatives help to create a strong basis for further growth - » sustainable growth and efficient use of equity «

Volume



Sustainable growth and efficient use of equity

Efficiency

PEX

40%

Cost-Income-Ratio

Improving our existing business model

Touchpoints

Parking

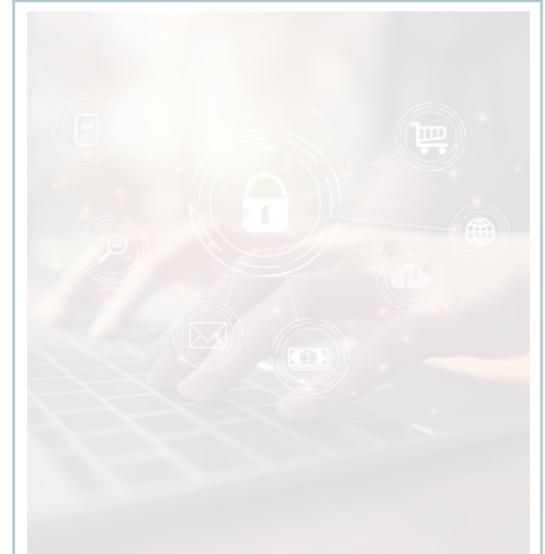
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Charging & Fueling

LOGPAY

Creating digital touchpoints

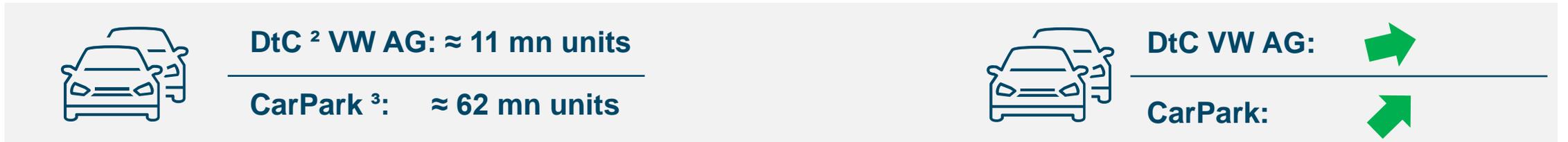
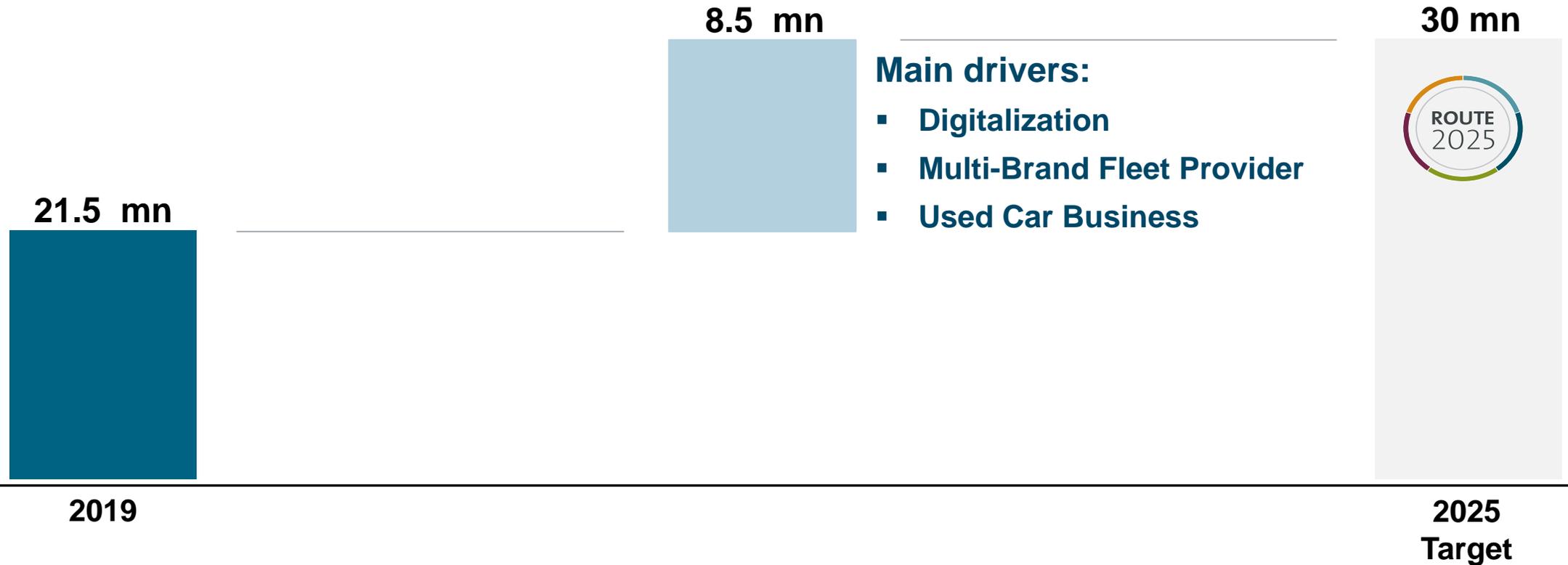
Digitalization



Online journeys & direct sales channels

ROUTE2025 - Target of 30 mn contracts¹ in portfolio by 2025

Major driver is used car growth



¹ Contract portfolio including contracts of non-consolidated companies

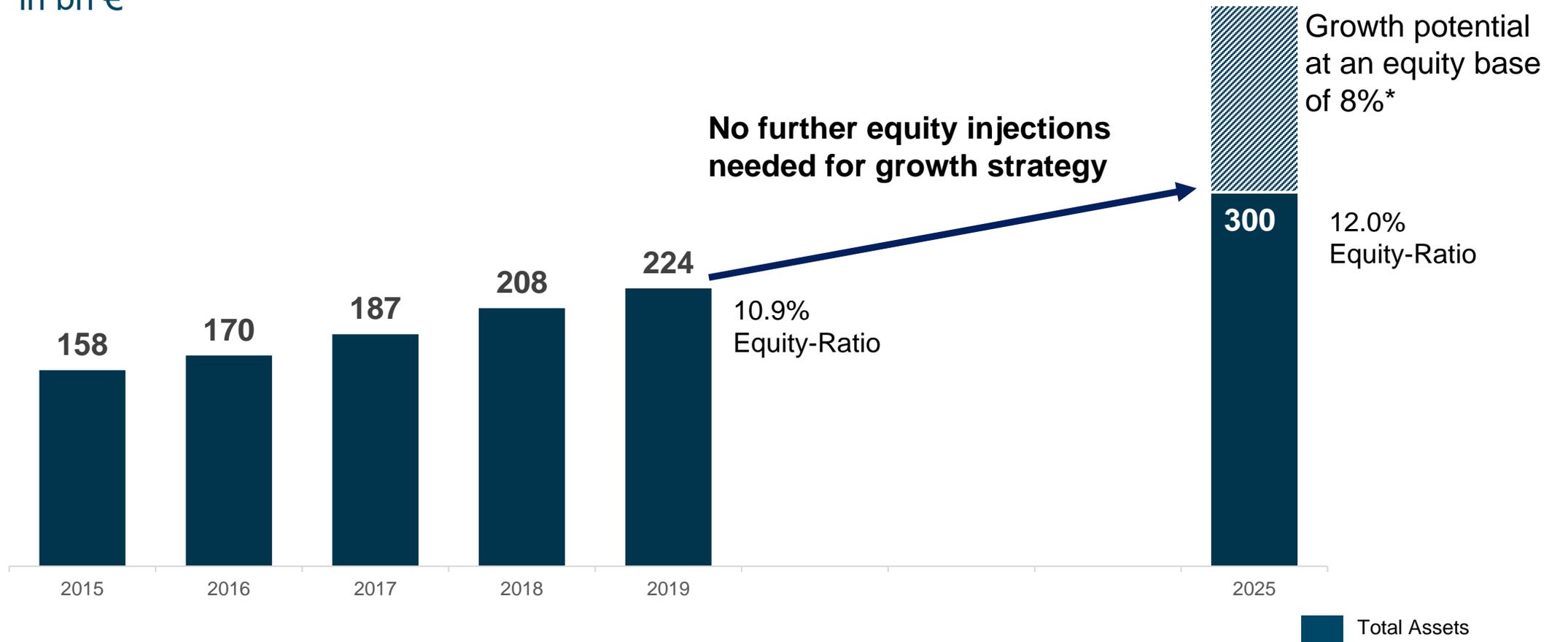
² DtC = Deliveries to Customers

³ CarPark category 0-7 years cars

ROUTE2025 – Equity situation Volkswagen Financial Services

Growth path without additional equity injection

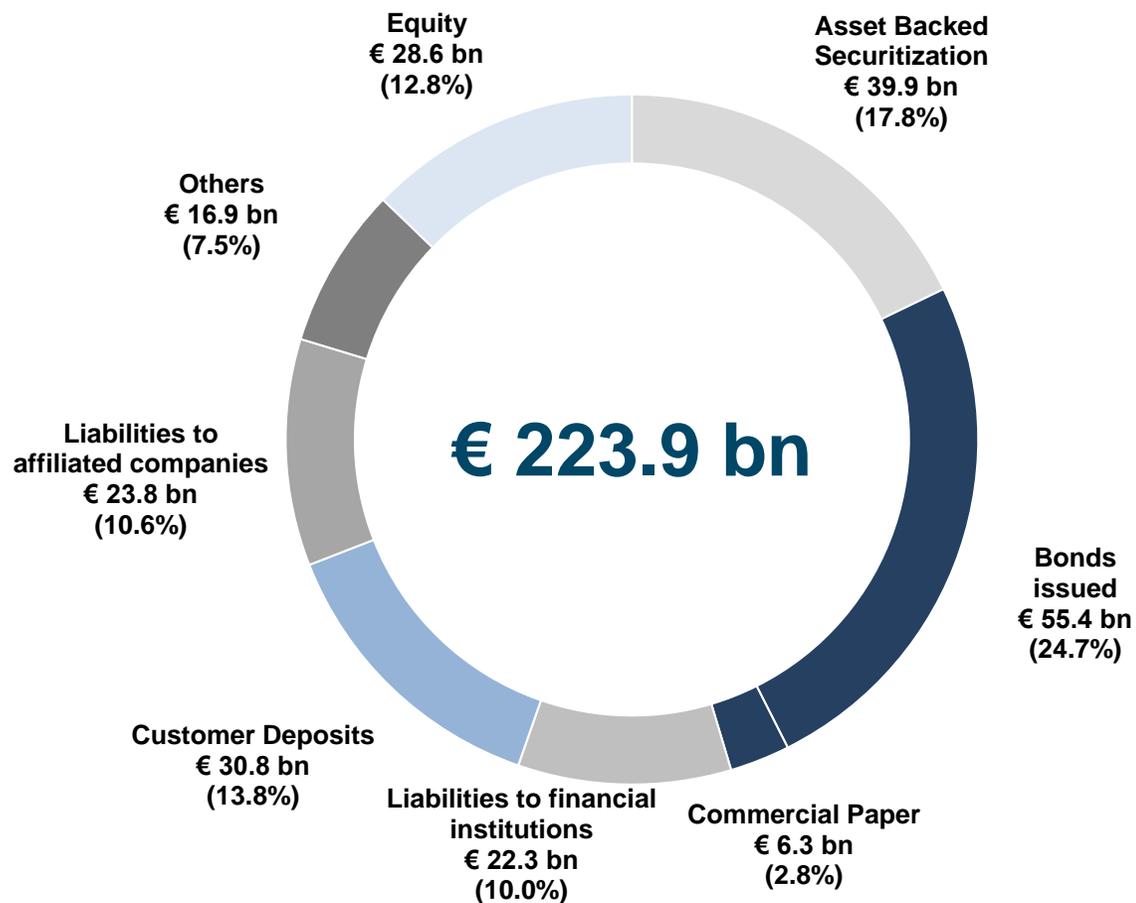
in bn €



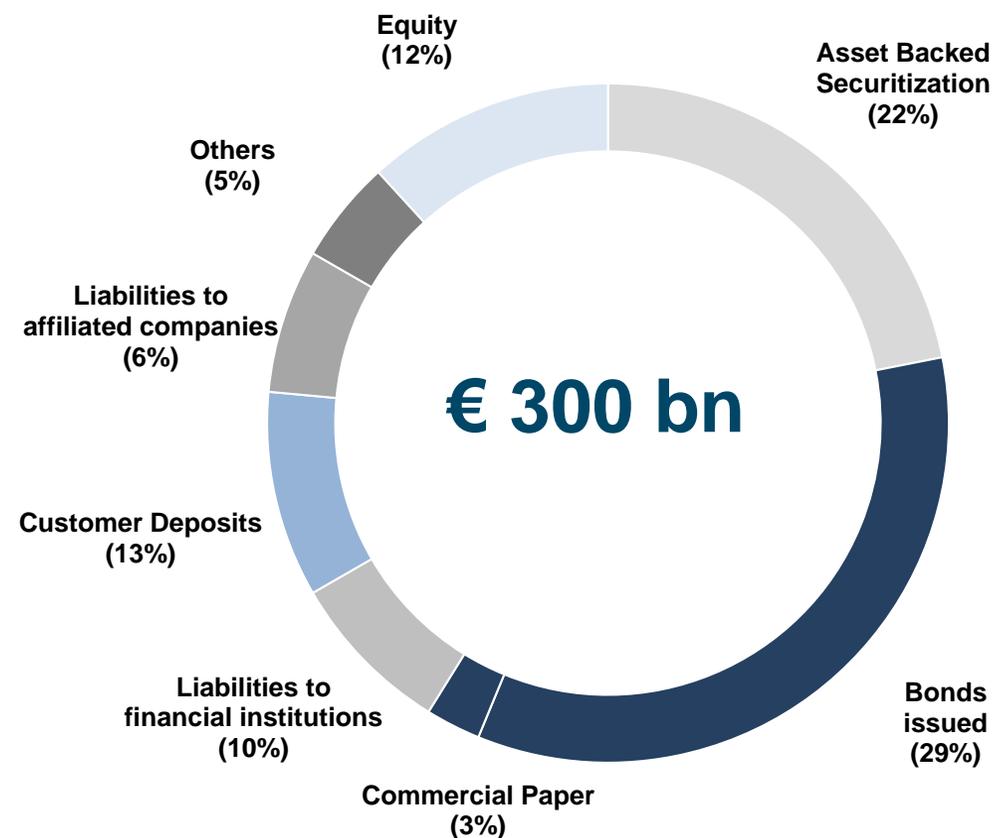
* Based on normalized equity

Volkswagen Financial Services - funding independently from automotive

Refinancing Mix VW FS as of 30.09.2020

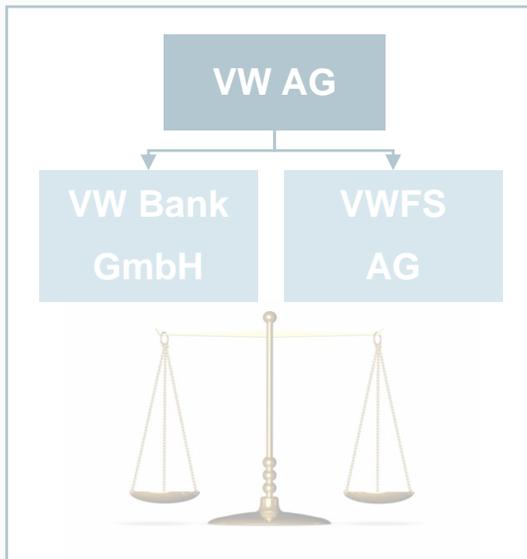


Refinancing Mix VW FS as of 31.12.2025



All Volkswagen Financial Services initiatives are creating a strong basis for further growth - » improving our existing business model «

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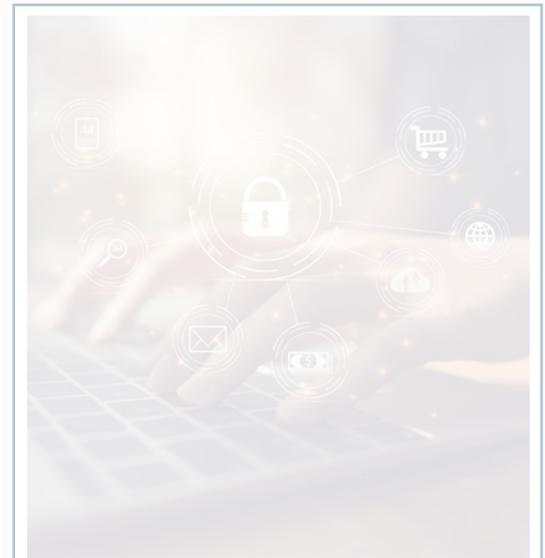
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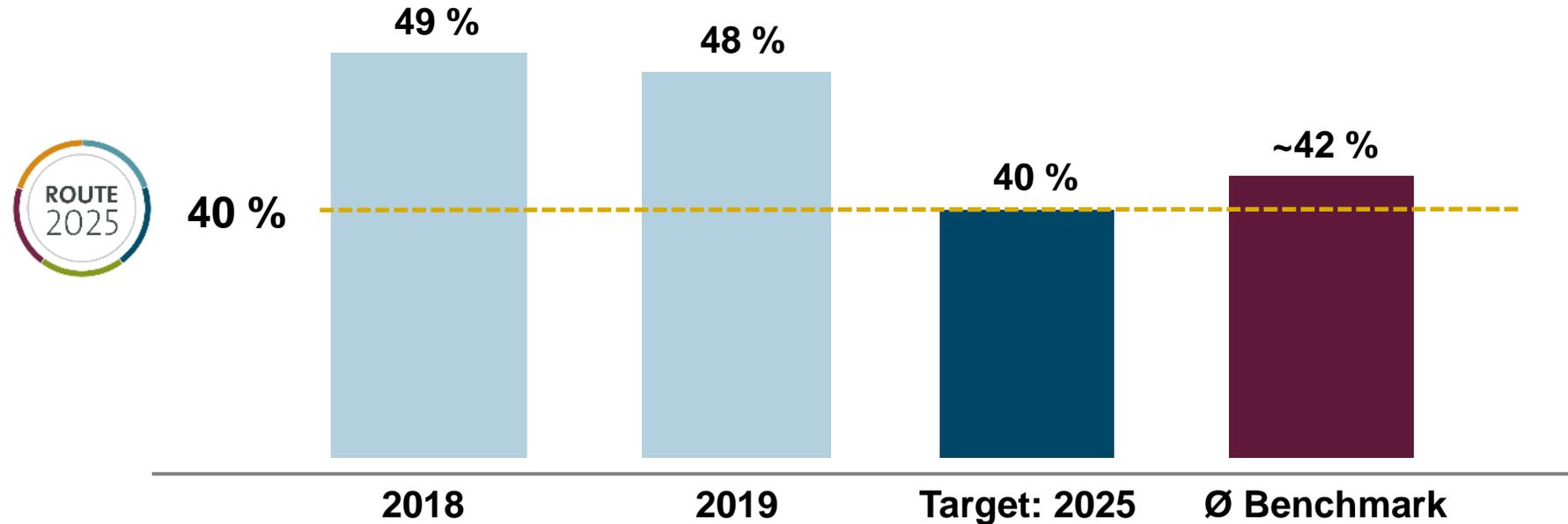
Digitalization



Online journeys & direct sales channels

ROUTE2025 - Target of 40% Cost-Income ratio in 2025

Three OPEX levers help to support Volkswagen Financial Services' overall target



Productivity

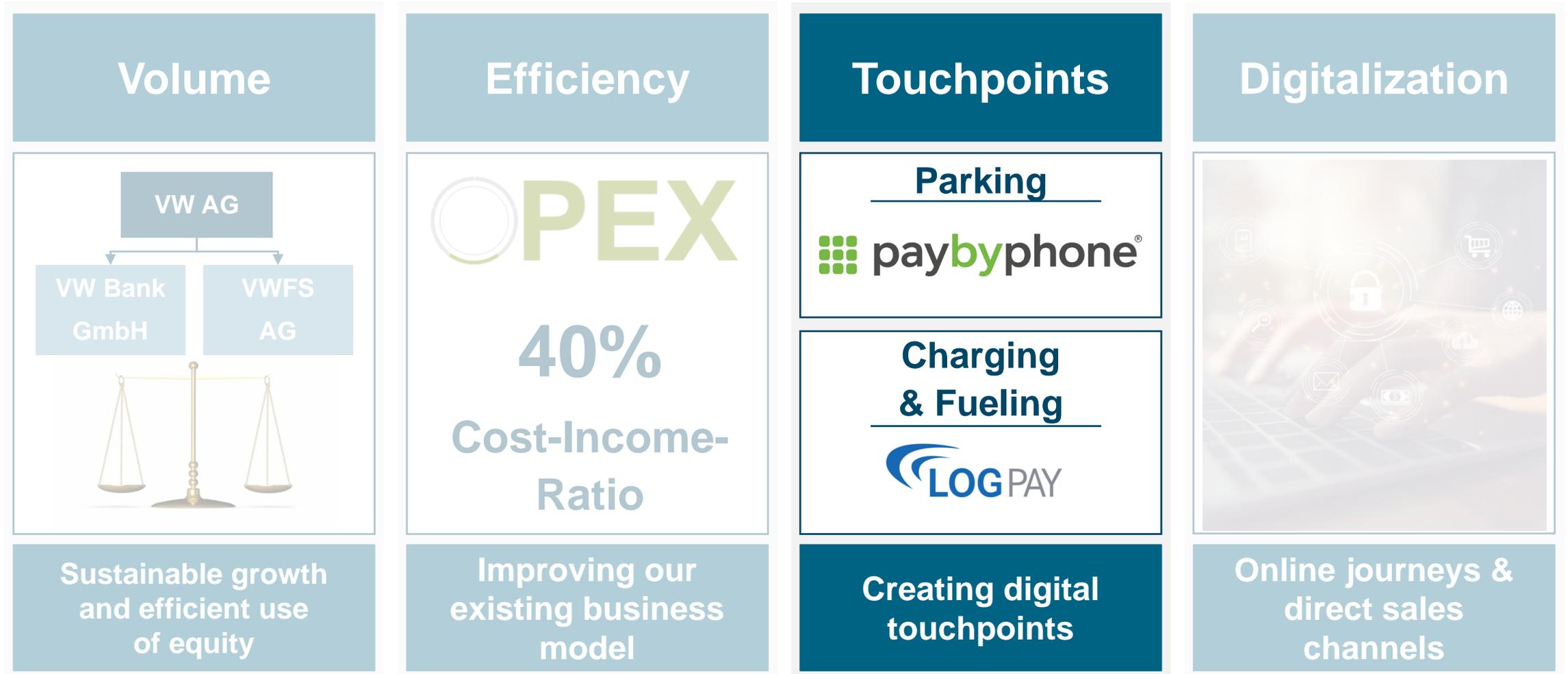


IT- Costs

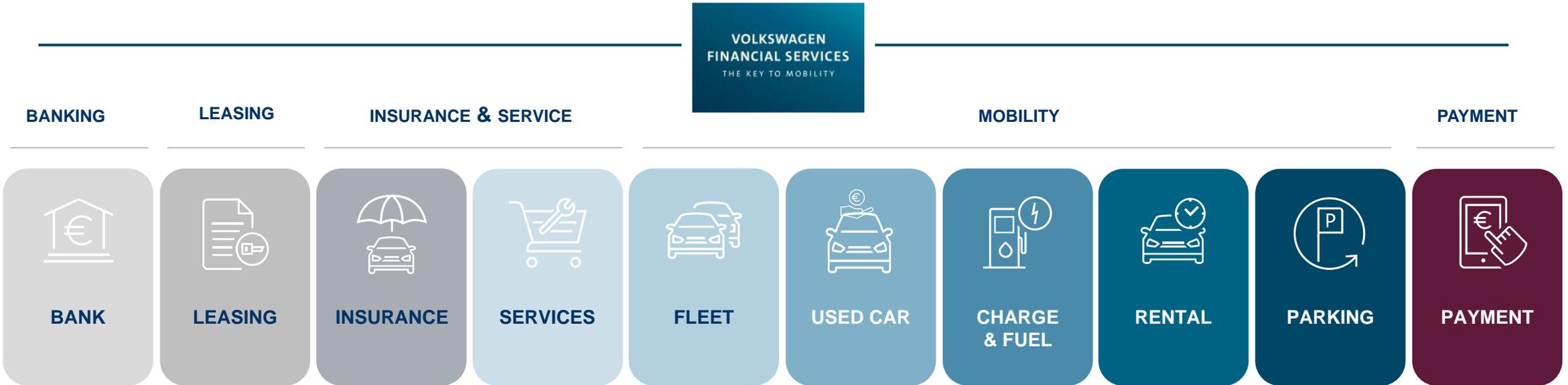


Cost of Sales

All Volkswagen Financial Services initiatives are creating a strong basis for further growth - » creating digital touchpoints «



Through new products in mobility and payment services, we will significantly increase the customer contact through 2025



Customer contact from portfolio



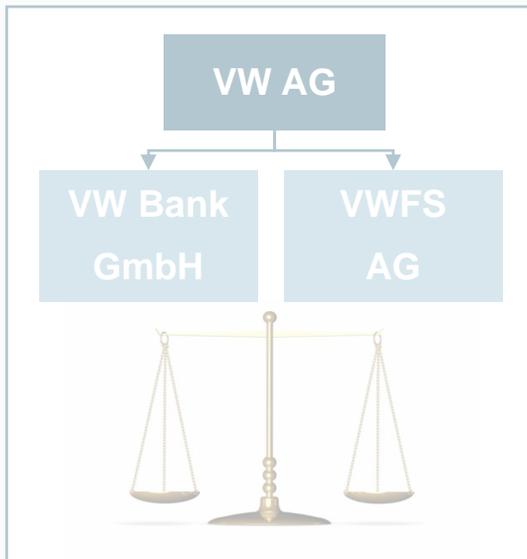
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All Volkswagen Financial Services initiatives are creating a strong basis for further growth - » online journeys & direct sales channels «

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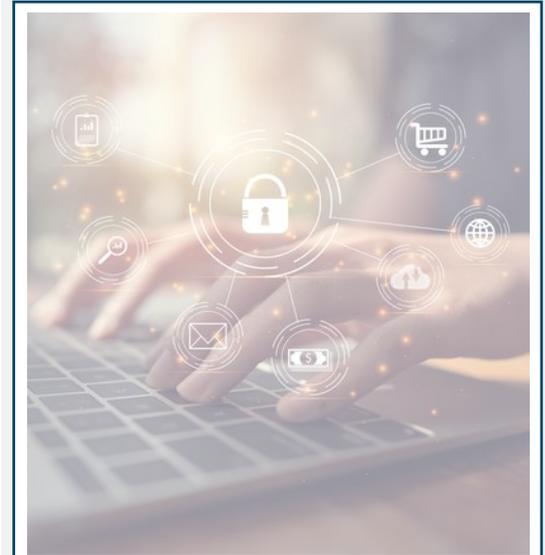
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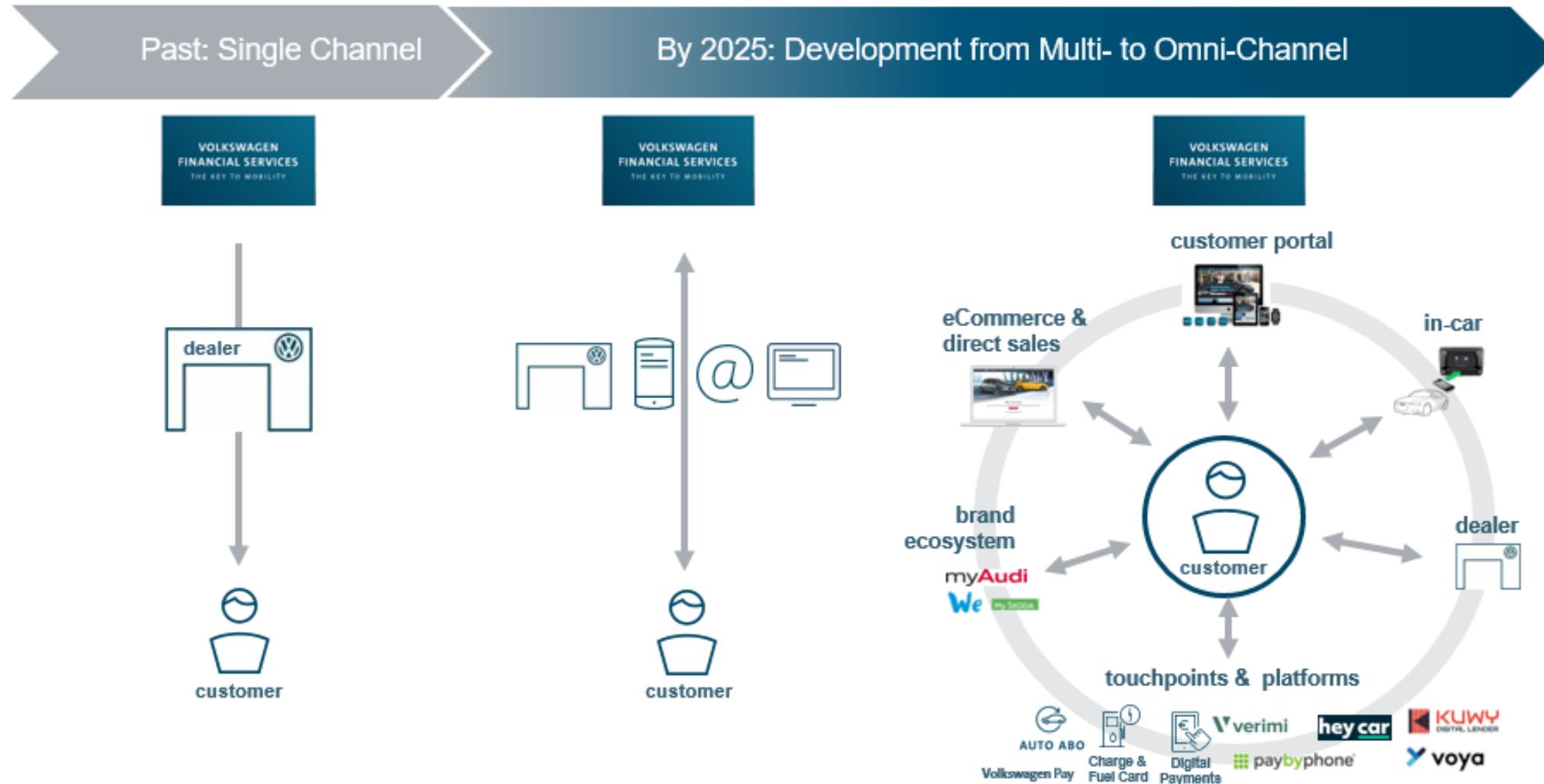
Creating digital touchpoints

Digitalization

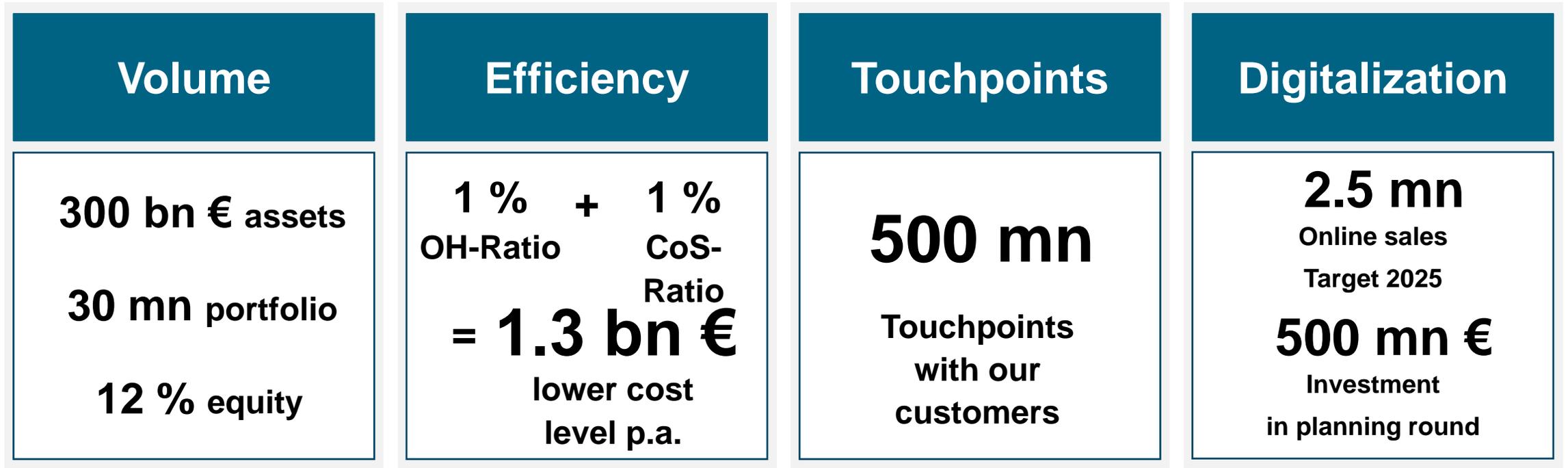


Online journeys & direct sales channels

Volkswagen Financial Services will digitize all products by 2025 and extend its distribution channels



All Volkswagen Financial Services initiatives are creating a strong basis for further growth - » especially the digital capabilities are expanded «

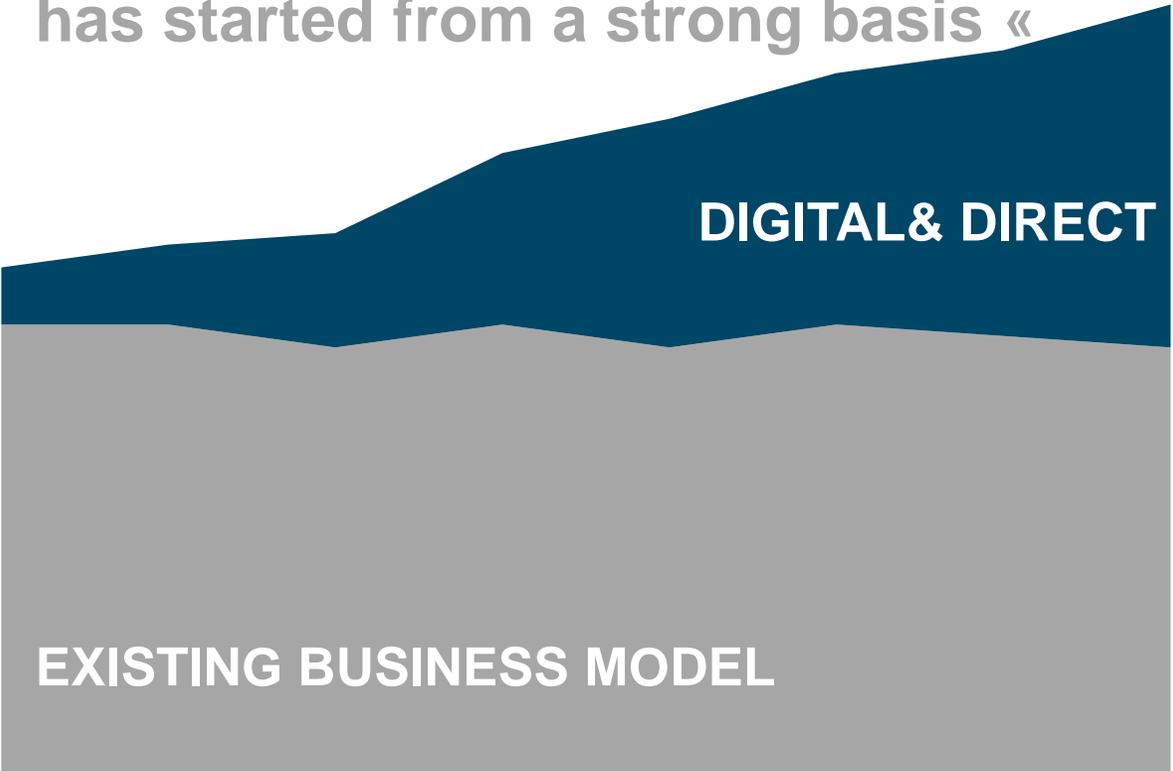


All changes are ... within the existing business model



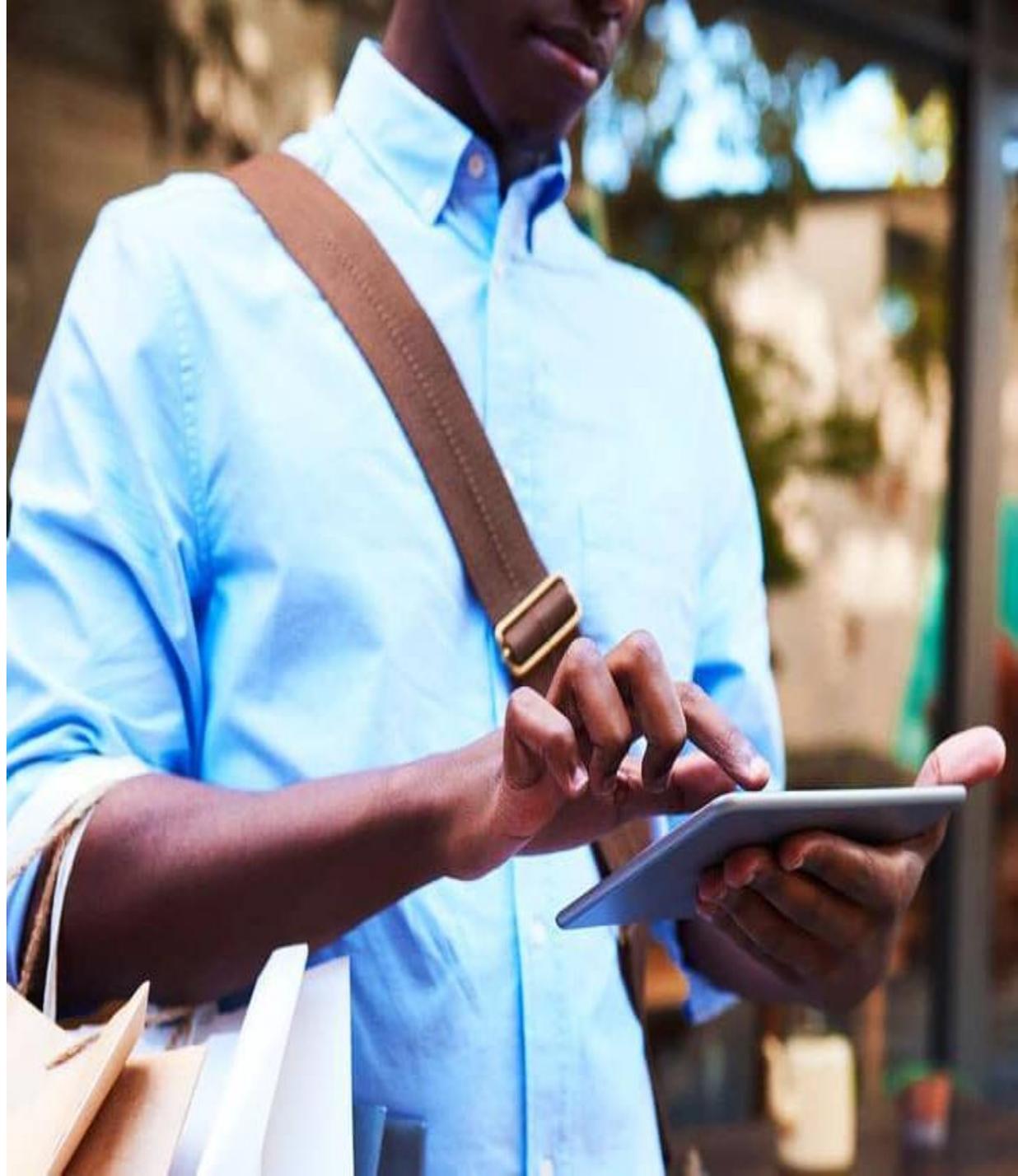
COVID-19 as catalyst for new business models

» Volkswagen Financial Services has started from a strong basis «

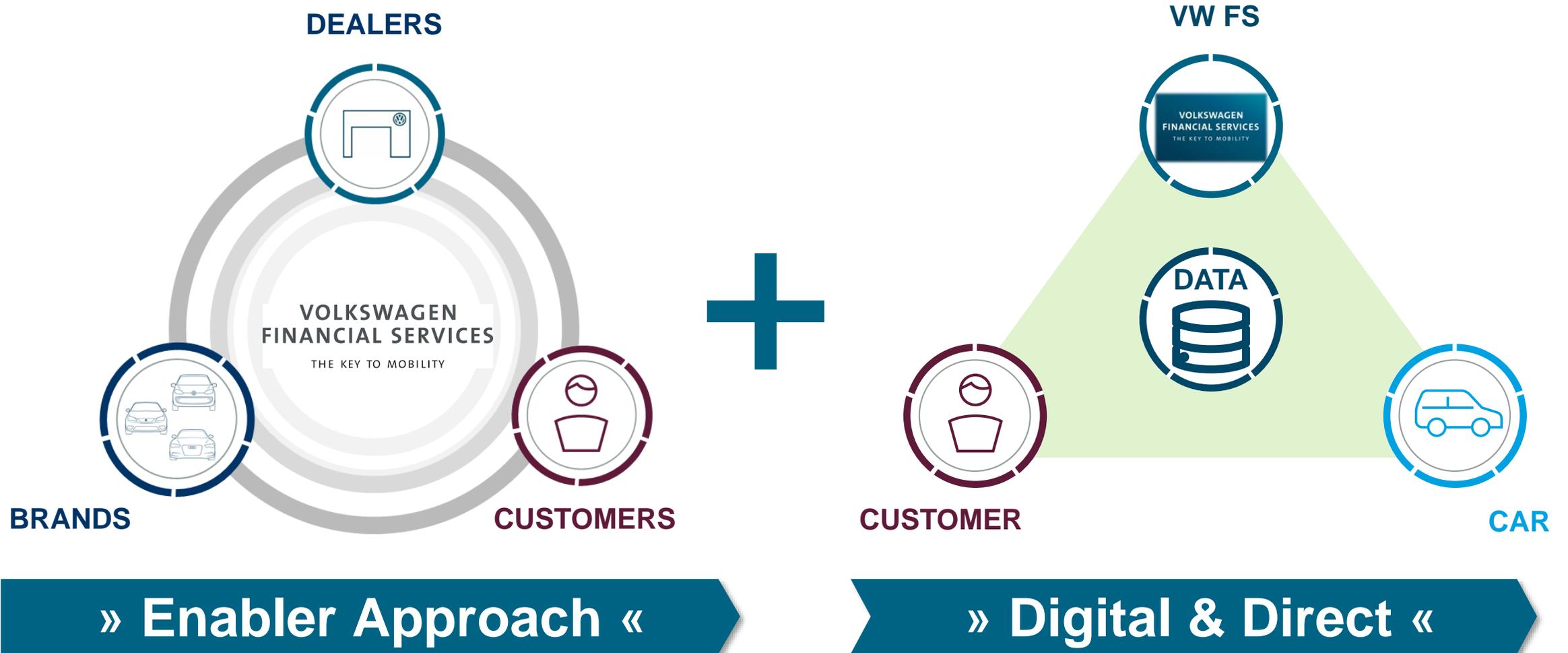


DIGITAL & DIRECT

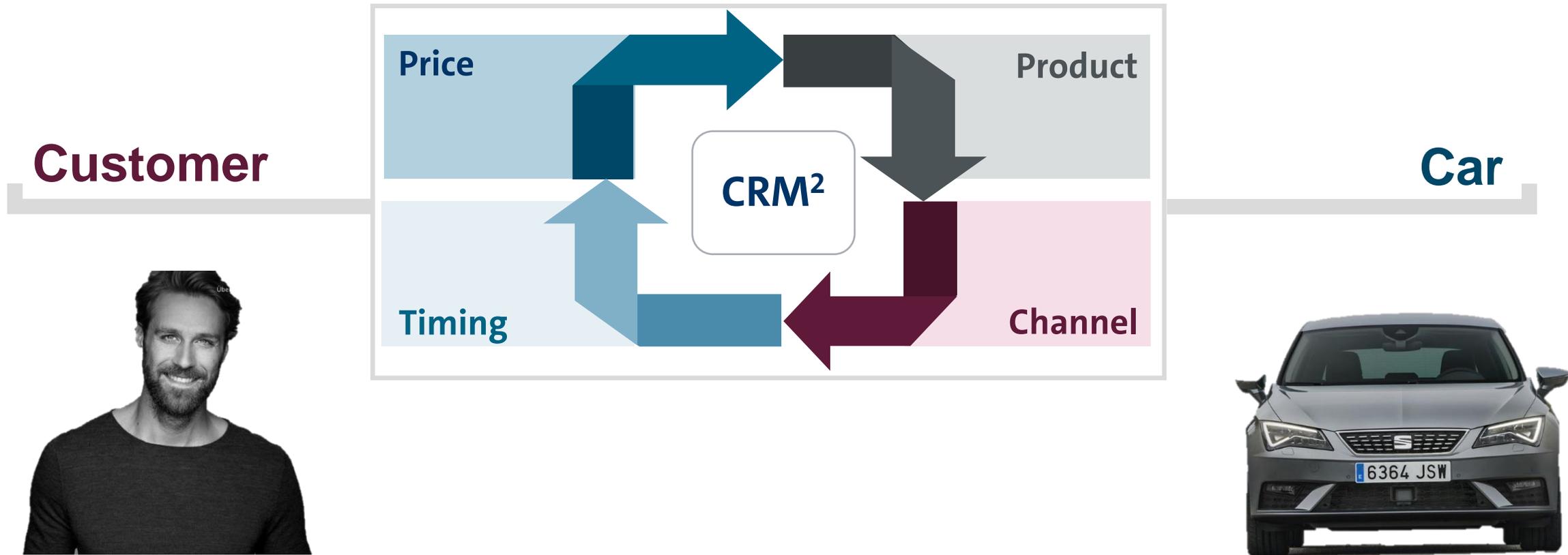
EXISTING BUSINESS MODEL



In our existing business model, VW FS has mainly indirect contact to customers
» Therefore we invented our new “Digital & Direct” business model «



Digital & Direct has a clear aim: Optimize the customer & car lifetime value and identify specific customer requirements



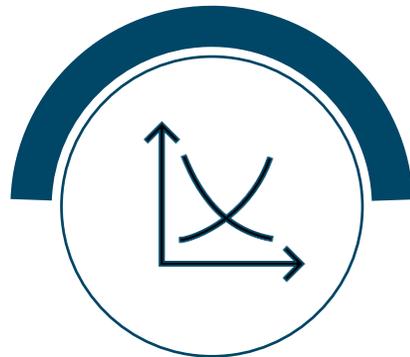
CRM² platform is the catalyst to creating value around the customer



Dealer Remuneration



Digital Pricing



Digital Renewal



Subscription

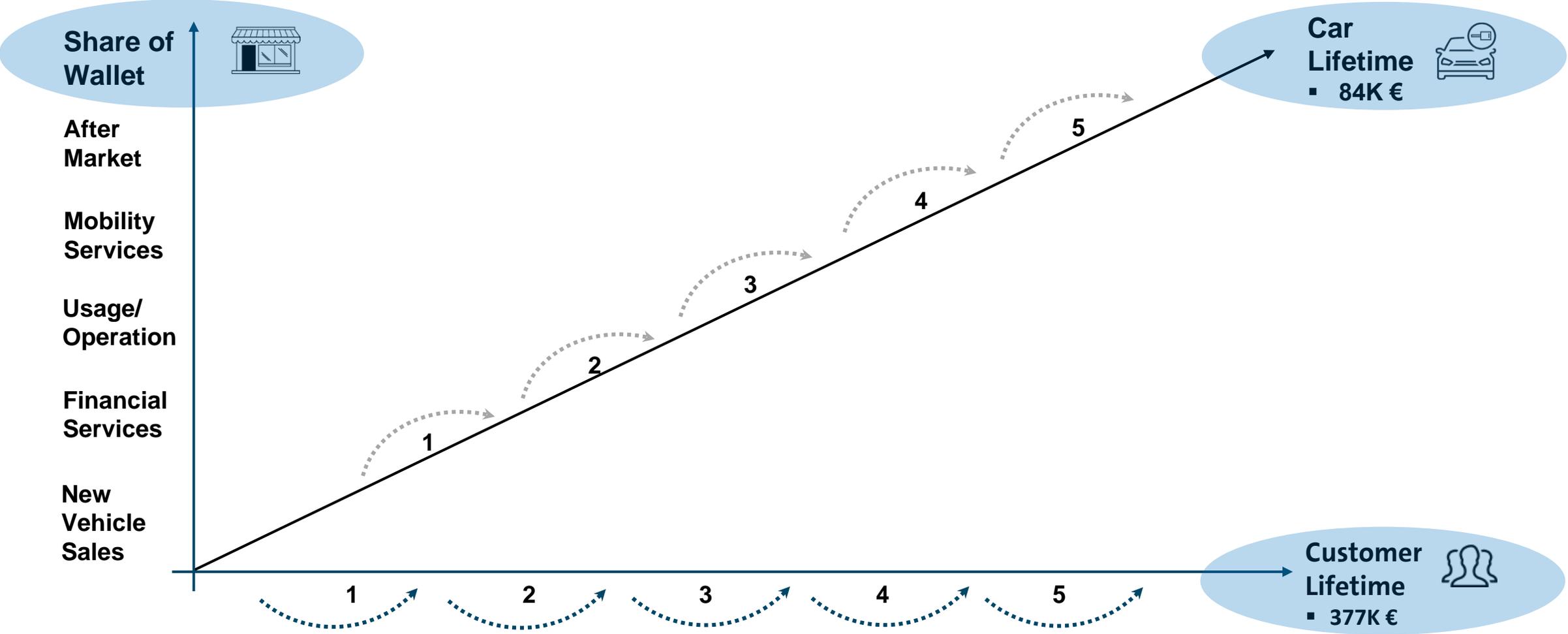


D2C Car Sales



Additional 1 billion profit targeted!

Example Germany: Customer-related share of wallet totals to 377.000 €



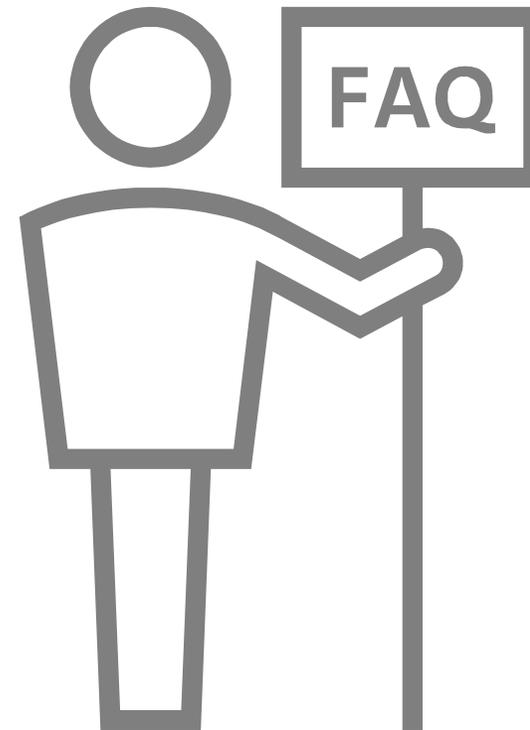
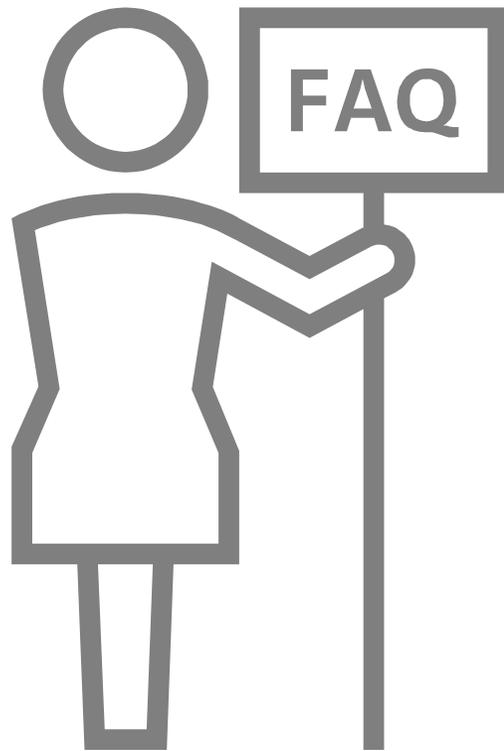
Extending the share of wallet

by following the car and customer through the entire life cycle

will transfer Volkswagen Financial Services into a data-driven company!



Questions?



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Thank You!

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