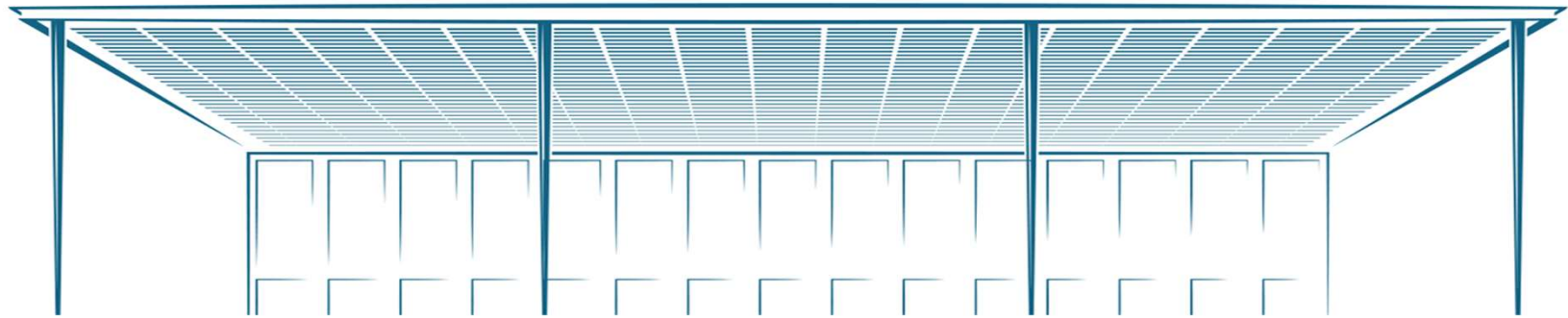


VOLKSWAGEN FINANCE
PRIVATE LIMITED



Investor Update

March 2020

Company History

- Incorporated in January 2009
- Wholly owned subsidiary (directly and indirectly) of Volkswagen AG
- Commenced activities as Corporate Agent of Bajaj Allianz General Insurance Company Limited in March 2009 to distribute insurance products to retail customers of Volkswagen Group Brands
- Captive NBFC – Financing Retail customers and dealers of Volkswagen Group Brands
- Non-Deposit taking NBFC registered with the Reserve Bank of India. Obtained NBFC license in March 2011
- Commenced Retail Financing business from March 2011
- Commenced Wholesale (Dealer Funding) Financing business from January 2012
- Added insurance partners Reliance General Insurance Company Limited and United India Insurance Company Ltd in 2017

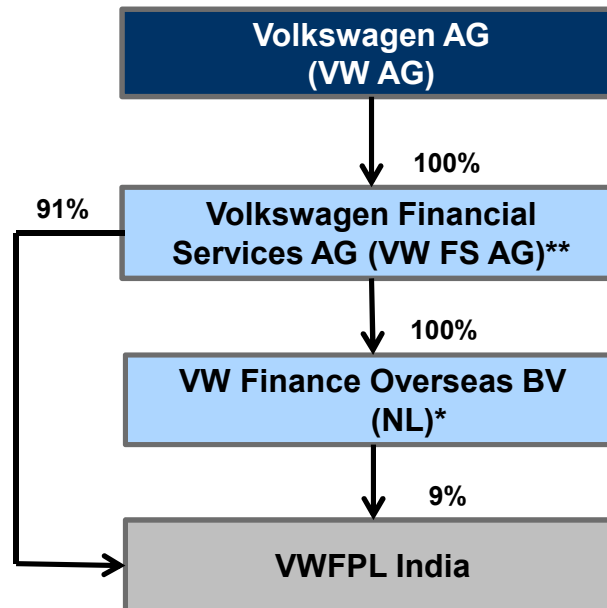
Brand Coverage in India



VOLKSWAGEN FINANCE
PRIVATE LIMITED



Share Holding Structure



*100% shares held by Volkswagen Financial Services A.G.

**Volkswagen AG is listed on Frankfurt Stock Exchange. For further information please refer the link as below

<https://www.volkswagenag.com/en/InvestorRelations/shares/shareholder-structure.html>

Volkswagen Finance Private Limited | Investor Update | March 2020

Creating Value

Our business model interfaces Customers, Automotive Brands and Dealers



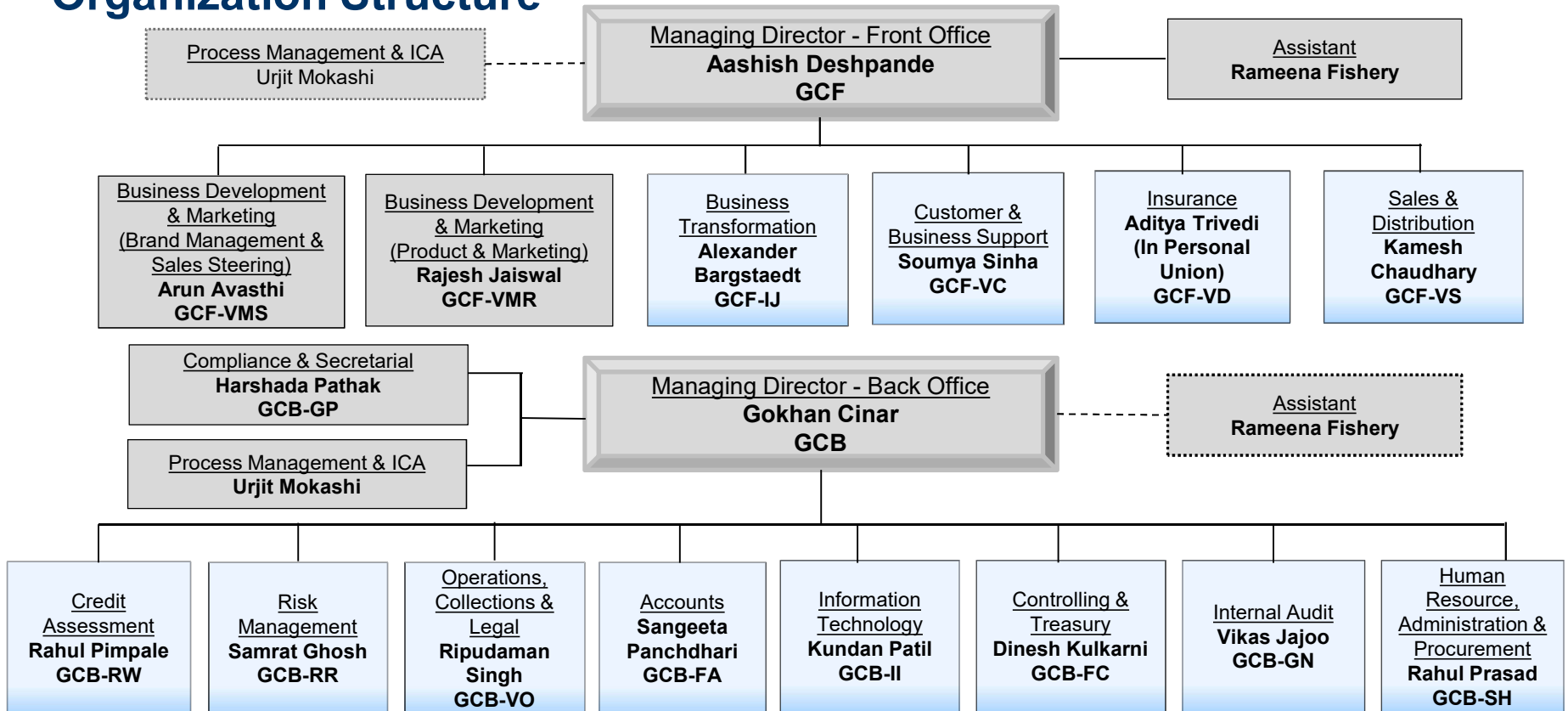


Closely Integrated with Parent and Strong Parental Support

Strong Parental Support

- 100% Equity Ownership by VW Financial Services AG
- Equity infusion commitment of parent to secure Volkswagen Finance Pvt Ltd (VWFPL) adherence to regulations set by RBI
- Executive Board members\ Key Management staff from the parent
- Formulation, implementation and execution of business policy approved by the parent
- Tacticals - Interest Subsidy from VW Group Brands to support campaign business
- Letter of Comfort / Letter of Support / Letter of Awareness from Volkswagen Financial Services AG (Annual Report 2019)
- Unconditional and irrevocable guarantee to VWFPL's banking facilities

Organization Structure



Note : In Personal Union means temporary in charges of Insurance Department.
Volkswagen Finance Private Limited | Investor Update | March 2020

Board of Directors - Profile

Mr. Ashish Deshpande

Managing Director Front Office & CEO

- More than 2 decades of experience in Marketing, Sales and Business Development operations
- Aged 45 years graduated in Mechanical Engineering and Masters in Business Administration (Marketing Management) from University of Pune, India

Mr. Gokhan Cinar

Managing Director Back Office & CFO

- More than 15 years of experience in Finance and Auditing
- Aged 43 years graduated in Economics and Post graduate in International Finance

Mr. Norbert Dorn

Non- Executive Director

- Over 25 years of experience in controlling and sales within Volkswagen Group
- Aged 62 years and has completed Diploma Master of Economics

Ms. Rupa Vora

Non Executive Independent Director

- 30 years of experience in Finance of which more than 11 years with IDFC Group and 10 years in Banking
- Aged 59 years holding a Chartered Accountancy degree

Mr. Jambunathan Subramanian

Non Executive Independent Director

- 26 years of experience in banking and financial Services, 18 of which have been in leadership positions.
- Aged 50 years, Bachelor of Engineering (Electronica and Communication) from Gulbarga University and Post Graduate Diploma in Management from Indian Institute of Management, Bangalore

Volkswagen Finance vs. Banks

Volkswagen Finance

- ✓ Focus: Customer loyalty for Brand
- ✓ “One-Stop-Shop” philosophy
- ✓ Brand experience VW Group
- ✓ Customer data remain within the Group
- ✓ Wide range of FS products
- ✓ Profit maker & loyalty driver for the VW Group



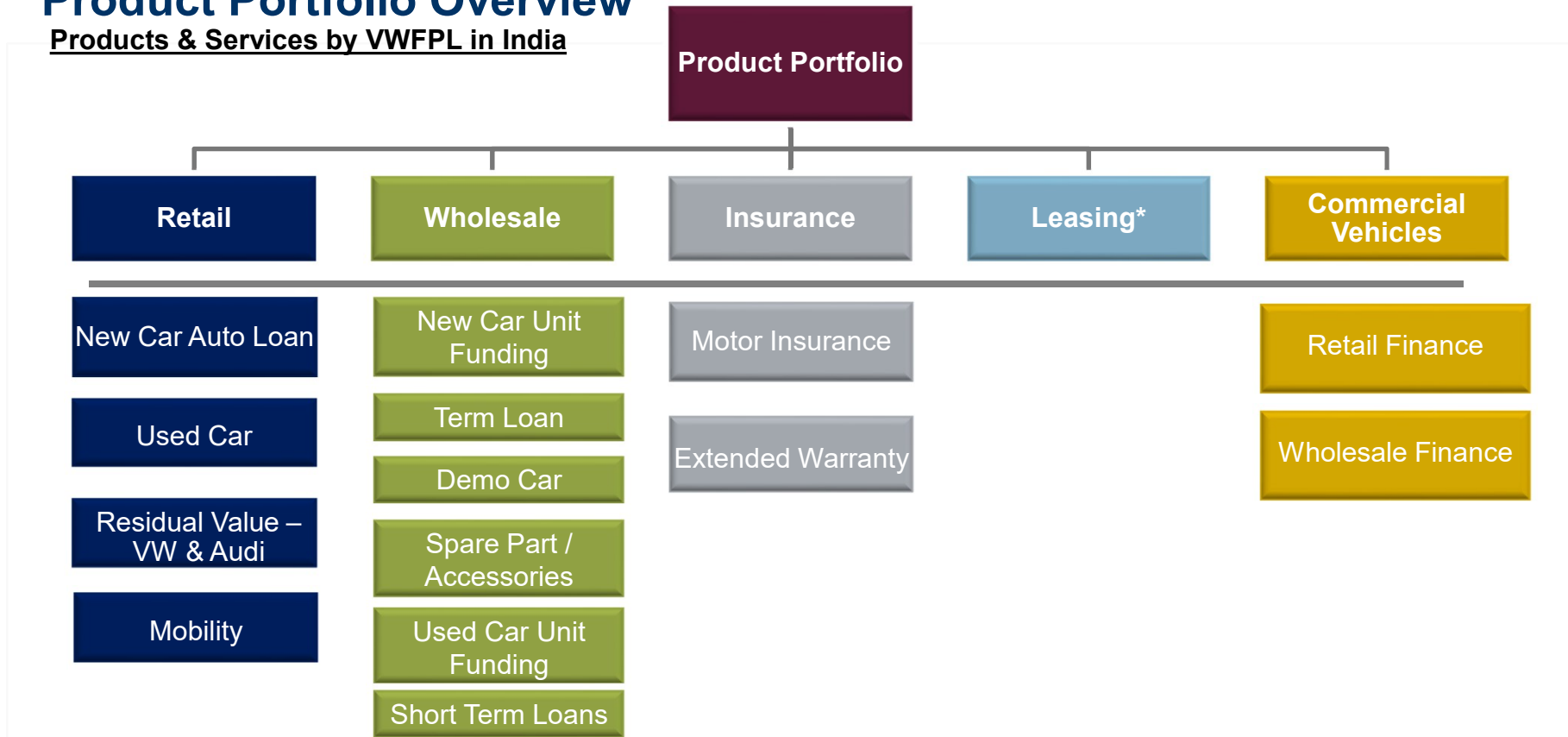
Banks

- × Focus: Customer loyalty for the bank & up-selling
- × Only Loan.
- × Independent financial institution
- × Drain of data □ Missing CRM synergies
- × Limited product. No subvention scheme possible
- × Vehicle sale is the only added value for the VW Group



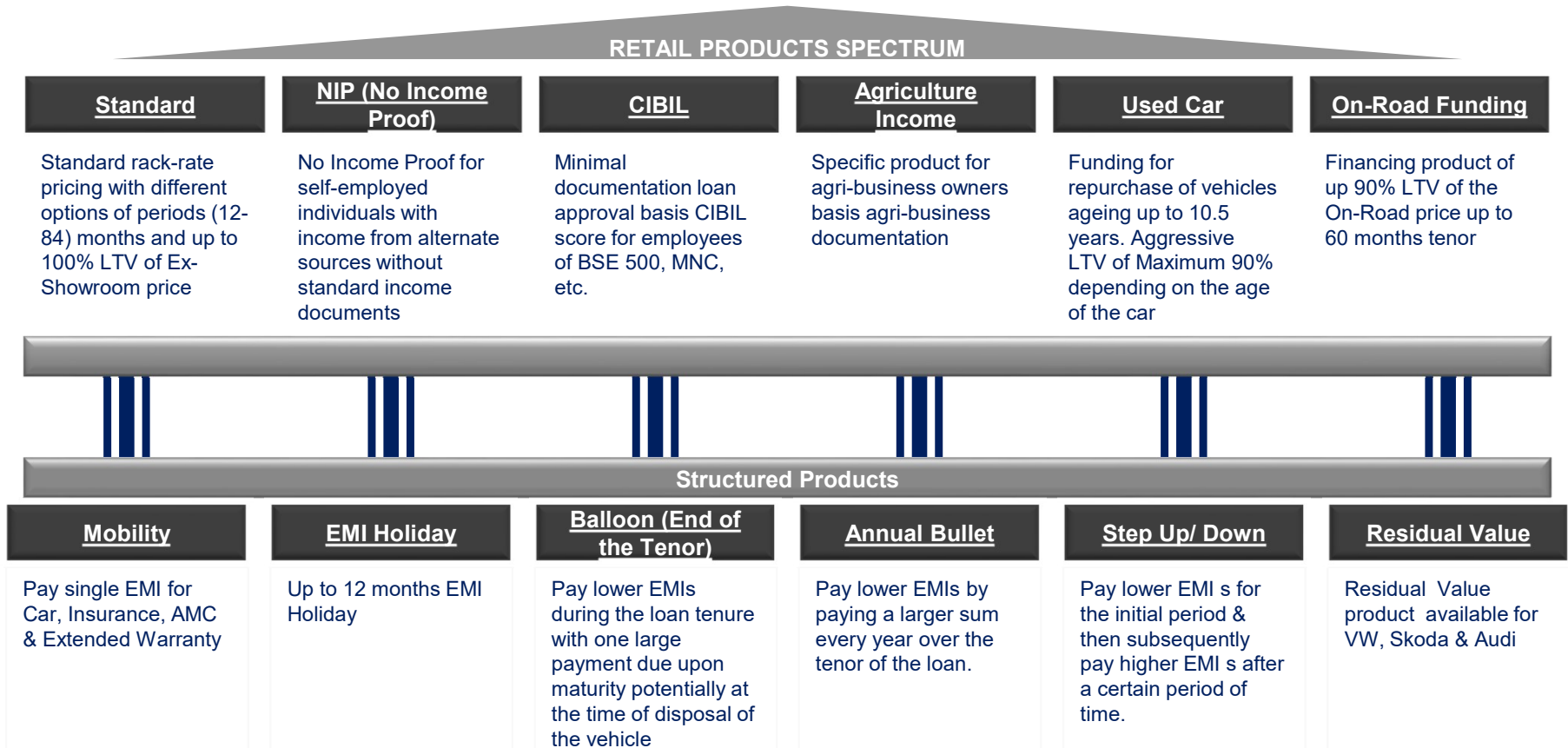
Product Portfolio Overview

Products & Services by VWFPL in India

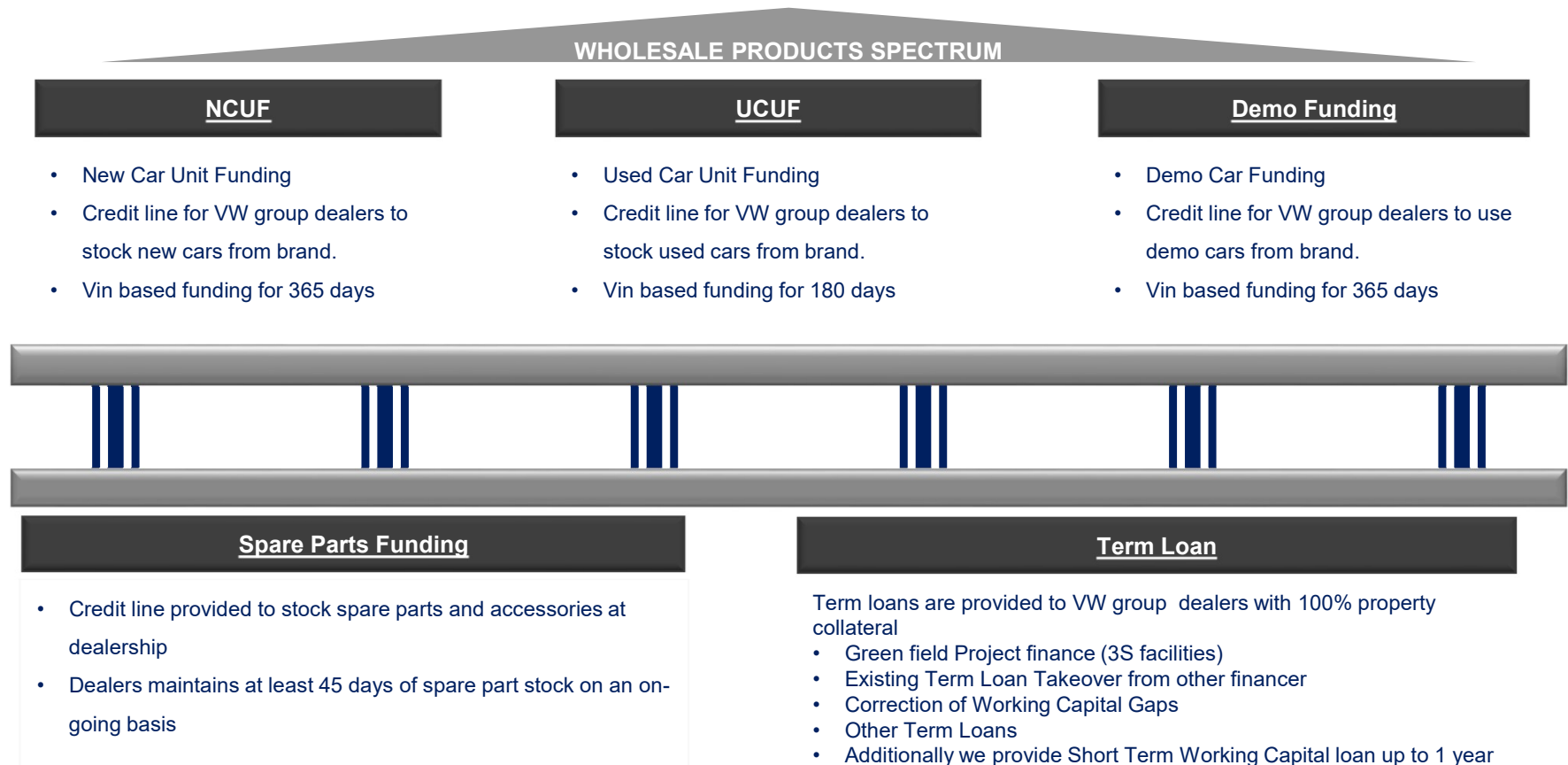


* Product - Operational Lease launched on a pilot basis only for group companies in October 2016
Volkswagen Finance Private Limited | Investor Update | March 2020

Retail Products – Matching the customer profile



Wholesale Products



Product Overview - Insurance

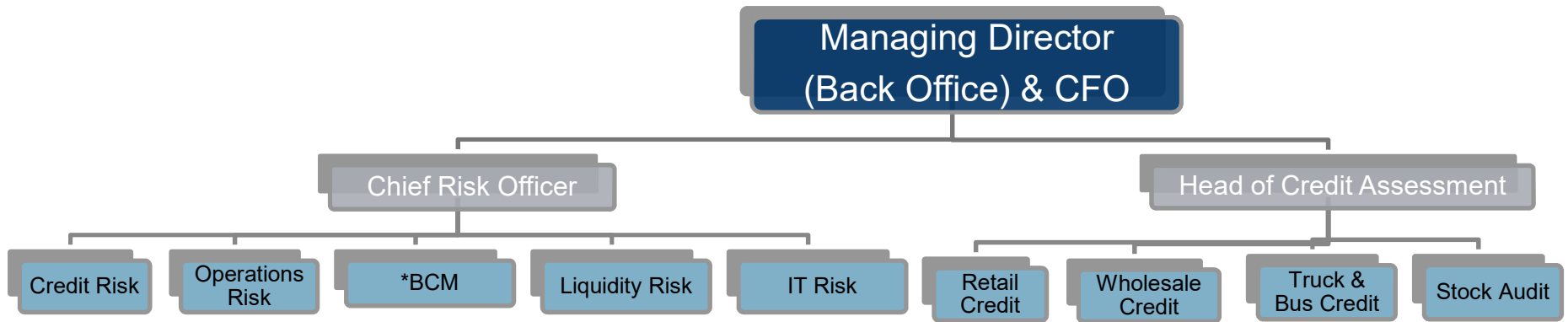
Insurance Product

- Partner with Bajaj Allianz General Insurance Company Limited, Reliance General Insurance Company Limited and United India Insurance Company Limited.
- Offer motor insurance product to cover the risk of the group brand vehicles and provide peace of mind to customers
- Add-on product: Enhanced or value added products to support customers by protecting their liability under basic motor insurance
- Dealer package policies: Covers the risk associated to the dealer's property and stock

Extended Warranty Product

- Fee based product
- Involves back-to-back arrangements between the customer – brand and brand – insurance company
- Product structured in cooperation with Bajaj Allianz and brands
- Extended Warranty available for 3rd, 4th, 5th, 6th and 7th year since the date of car purchase and any time Warranty

Replicating Global Strong Risk Management System



*BCM = Business Continuity Management

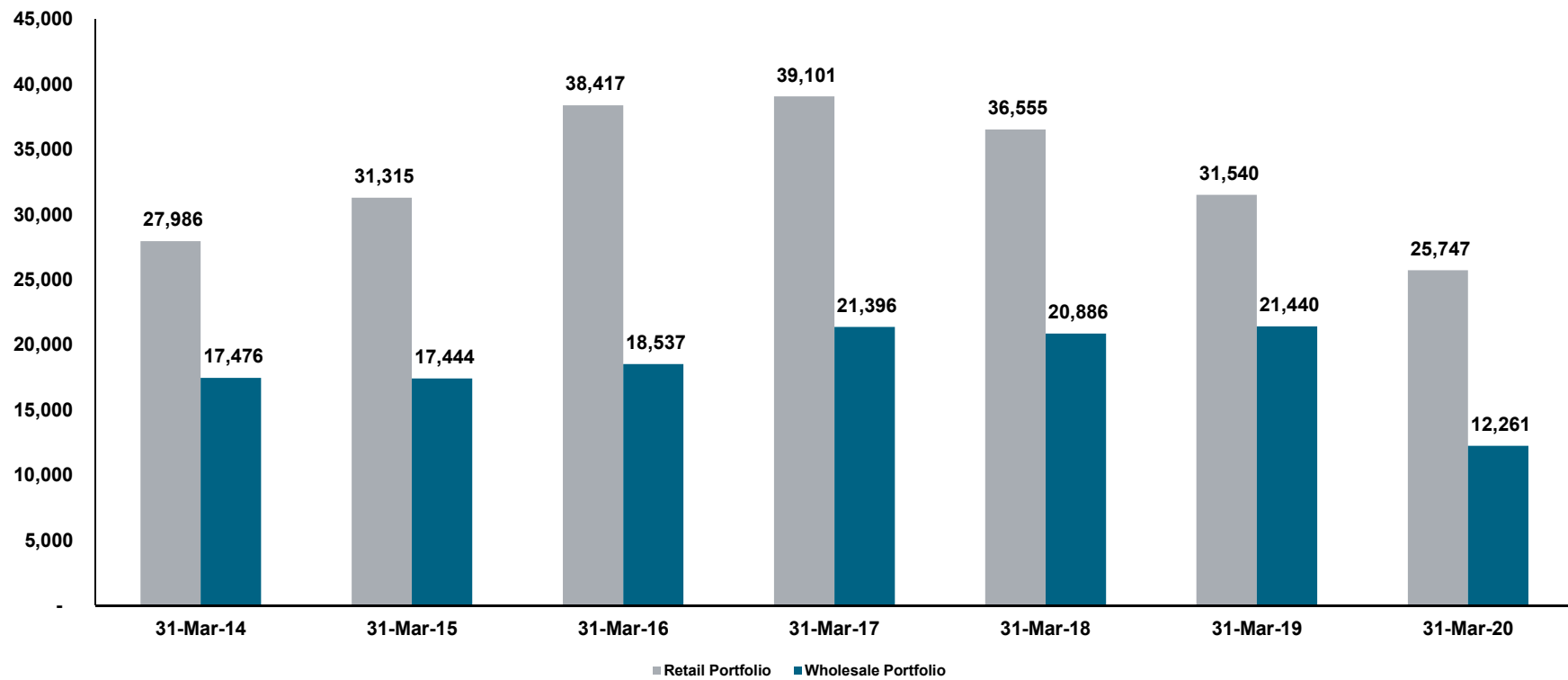
Replicating Global Strong Risk Management System (continued)

Identifying Key Risks:

- Counterparty Risks – Credit Risk
 - Industry Risk
 - Concentration Risk
- Market Risks
 - Interest Rate Risk
- Operational Risks
 - Business Continuity Risk
 - Fraud Risk
- Liquidity Risks
 - Funding Risk
 - Asset Liability Management



Asset Portfolio (INR mn)



Retail Portfolio Snapshot as on March 31, 2020

Particulars		
Active Cases (Count)	47,594*	
Retail Portfolio (INR Mn)	25,747	
Audi (% volume) / (% value)	10.2%	27.65%
Skoda (% volume) / (% value)	21.5%	22.34%
Volkswagen (% volume) / (% value)	62.0%	40.19%
Porsche (% volume) / (% value)	0.1%	0.76%
Lamborghini (% volume) / (% value)	0.0%	0.48%
MAN (% volume) / (% value)	0.3%	0.70%
Scania (% volume) / (% value)	0.3%	2.27%
Used Car (% volume) / (% value)	5.5%	5.20%
Ducati (% volume) / (% value)	0.1%	0.18%
Others (% volume) / (% value)	0.1%	0.23%
NPA cases (count)	2531	
90 DPD (% of retail portfolio)	1527.91	

Notes :- DPD – Days Past Due

* excludes retail contracts pertaining to financing Demo Car and Non Dealer Corporate

Summary of Loan To Value (LTV)

Brand	Average LTV (percent)
Audi	84.13%
VW	81.13%
Skoda	82.48%
Porsche	88.51%
Lamborghini	82.01%
MAN	92.14%
Scania	91.10%
Used Car	73.32%
Ducati	81.44%
Others	82.82%
Portfolio LTV	82.36%

Region-wise Retail Portfolio Contribution

Region	Contribution (%)
East	3.32%
North	22.96%
South	49.31%
West	24.42%
Total	100%

Wholesale Portfolio Snapshot as on March 31, 2020

Particulars		
Total Corporate Customer (Dealer + Non dealer) (includes non dealer – 25)		132
Dealer Portfolio - Inventory Funding (INR mn)		3106.29
Dealer Portfolio - Term Loan (INR mn)		2370.60
Dealer Portfolio - Demo Cars (INR mn)		709.54
Non Dealer Corporate (INR mn)		6074.80
Total Wholesale Portfolio (INR mn)		12261.24
Audi (% covered) / (% value)	13%	17%
Skoda (% covered) / (% value)	15%	9%
Volkswagen (% covered) / (% value)	42%	13%
Porsche (% covered) / (% value)	5%	6%
Lamborghini (% covered) / (% value)	3%	3%
Ducati (% covered) / (% value)	1%	0%
Scania (% covered) / (% value)	17%	46%
Non Brand T&B (% covered) / (% value)	2%	2%
Others (% covered) / (% value) (incl. NBFC & TATA)	3%	3%
NPA cases (#) (Dealers - 19 & Non Dealers - 8)		3565.3
90 DPD (% of Corporate portfolio)		29.08%

Product Reach/Dealership Coverage

Retail and Truck & Bus Product Reach

- VW :excluding 11 pop up store, 1 digital outlet, 6 City stores
- Data is as on August 2020

Brands	Covered Dealer Principals (number)	Covered Dealer Outlets (number)	Coverage (percent)
Volkswagen	57	108	100%
Skoda	42	62	100%
Audi	20	31	100%
Lamborghini	3	3	100%
Porsche	5	5	100%
MAN	NA	NA	NA
Scania	NA	NA	NA
Total	127	209	100%

Based on Retail data, wholesale MIS and verbal confirmation given by the respective brands

Wholesale Product Reach

- Please note: Table contains only standard dealers & NDC with utilization greater than zero as on 31st Mar '20.
- Also, dealers & NDC having 2 brands are counted twice once for each brand, their details is given below.

Zoomcar India Pvt. Ltd.	Audi/Volkswagen
Gaurav Contracts CO.	Scania/Non Brand T & B
Infinity Cars Pvt Ltd	Lamborghini/Ducati

Brands	Covered Dealers Principal (number Active including NDC)	Coverage (percent)
Volkswagen	50	88%
Skoda	13	31%
Audi	15	75%
Lamborghini	3	100%
Porsche	4	80%
Scania	14	NA
Non Brand T & B	3	NA
Other*(Ducati & NBFC)	6	NA
Total	108	

Based on Risk confirmation

ALM Snapshot as on March 31, 2020

ALM Statement of Structural Liquidity		
Time Bucket	Cumulative Mismatch (INR Mn)	Mismatch %
Upto 14 days	9.13	57.65
Upto 1 month	18.82	116.26
Upto 2 month	11.38	28.94
Upto 3 month	7.42	14.15
Upto 6 month	(41.62)	31.64
Upto 1 year	(25.06)	14.87
Upto 3 year	45.96	19.78
Upto 5 year	107.72	46.36
Over 5 year	-	-

Credit Ratings

- Rating from India Ratings & Research Private Limited (India Ratings) - wholly owned subsidiary of the Fitch Ratings
- Short term ratings from ICRA Limited - subsidiary of Moody's Investors Service

Long Term Issuer Rating	IND AAA; Outlook Stable
Short Term Issuer Rating	IND A1+
INR 32bn Long Term Bank Loan	IND AAA
INR 25bn Secured Redeemable Non-Convertible Debentures	IND AAA
INR 15bn Short Term Bank Loan	IND A1+
INR 30bn Commercial Paper Program	IND A1+ & ICRA A1+

Key Financial Performance Metrics

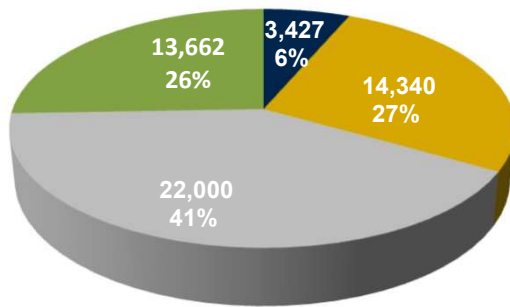
Metrics (INR mn)	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Paid up Capital / Equity	11,688	11,688	11,688	11,688	11,688	11,688
Networth	13,167	13,412	13,662	13,139	12,589	11,763
Retail Portfolio	25,747	31,540	36,555	39,101	38,417	31,315
Wholesale Portfolio	12,261	21,440	20,886	21,396	18,537	17,444
Total Portfolio	38,008	52,980	57,441	60,497	56,954	48,759
Revenue	4,823	5,926	6,342	6,493	6,186	5,639
Expense	4,646	6,510	5,486	5,619	5,051	4,700
Profit Before Tax	177	-584	856	875	1,214	939
Tax Expense	422	-203	333	325	387	305
Profit After Tax	-245	-381	523	549	827	634
Return on Assets (%)	-0.67	-0.46	0.88	0.88	1.41	1.26

Key Financial Performance Metrics (contd...)

Metrics (INR mn)	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Gross NPA (%)	13.40	8.72	3.7	2.71	2.31	4.14
Net NPA (%)	6.25	3.48	1.84	1.27	1.07	2.41
NPA Provisioning Coverage (%)	56.89	62.99	51.12	53.78	54.23	42.93
Net Interest Income	2,002	2,376	2,882	2,671	2,578	2,270
Net Interest Income (%)	5.27	4.49	5.01	4.41	4.52	4.65
CRAR (%)	35.05	23.48	22.56	20.76	21.07	22.93
Debt-Equity Ratio	1.69	2.64	2.99	3.35	3.29	2.89

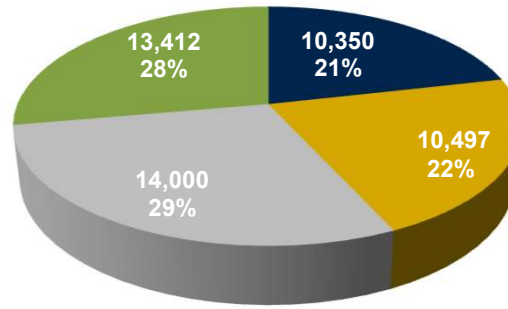
Funding Mix (INR mn)

March 31, 2018



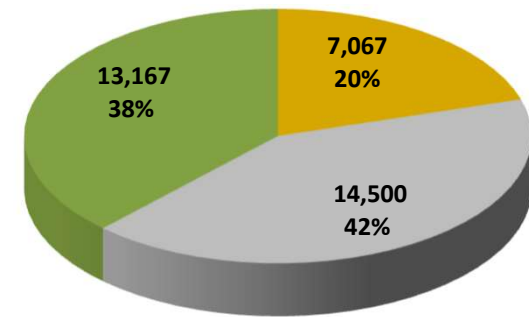
Total = INR 53,429

March 31, 2019



Total = INR 48,259

March 31, 2020



Total = INR 34,734

■ CP ■ Bank Lines ■ Bonds ■ Net Worth

Available Funding Sources as on March 31, 2020

Instrument	Sanctioned / Rated Amount (INR Mn)	Available Amount (INR Mn)
Short Term Funding Sources		
Credit Facilities with banks (overdraft + working capital demand loan)	43,120	36,053*
Money Market – Commercial Paper	30,000	30,000
Sub Total	73,120	66,053
Long Term Funding Sources		
Secured Non Convertible Debentures (private placement basis)	14,500	2,000
Sub Total	14,500	2,000
Total Funding Lines	87,620	68,053

*Net amount available after drawdown of bank loans & investment by banks in Commercial Paper / Bonds

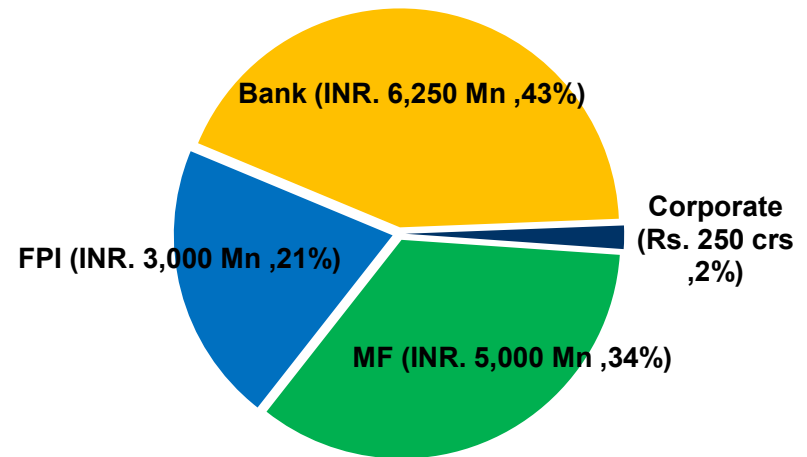
Capital Market Program

Investor Category Composition as on March 31, 2020

Commercial Paper Program

No O/s CP's as on March 31, 2020

Non Convertible Debentures



Diversified Investor Base for Capital Market Program

Mutual Funds	Banks	FPIs	Corporates	Pension Funds	Total
13	4	1	1	-	19

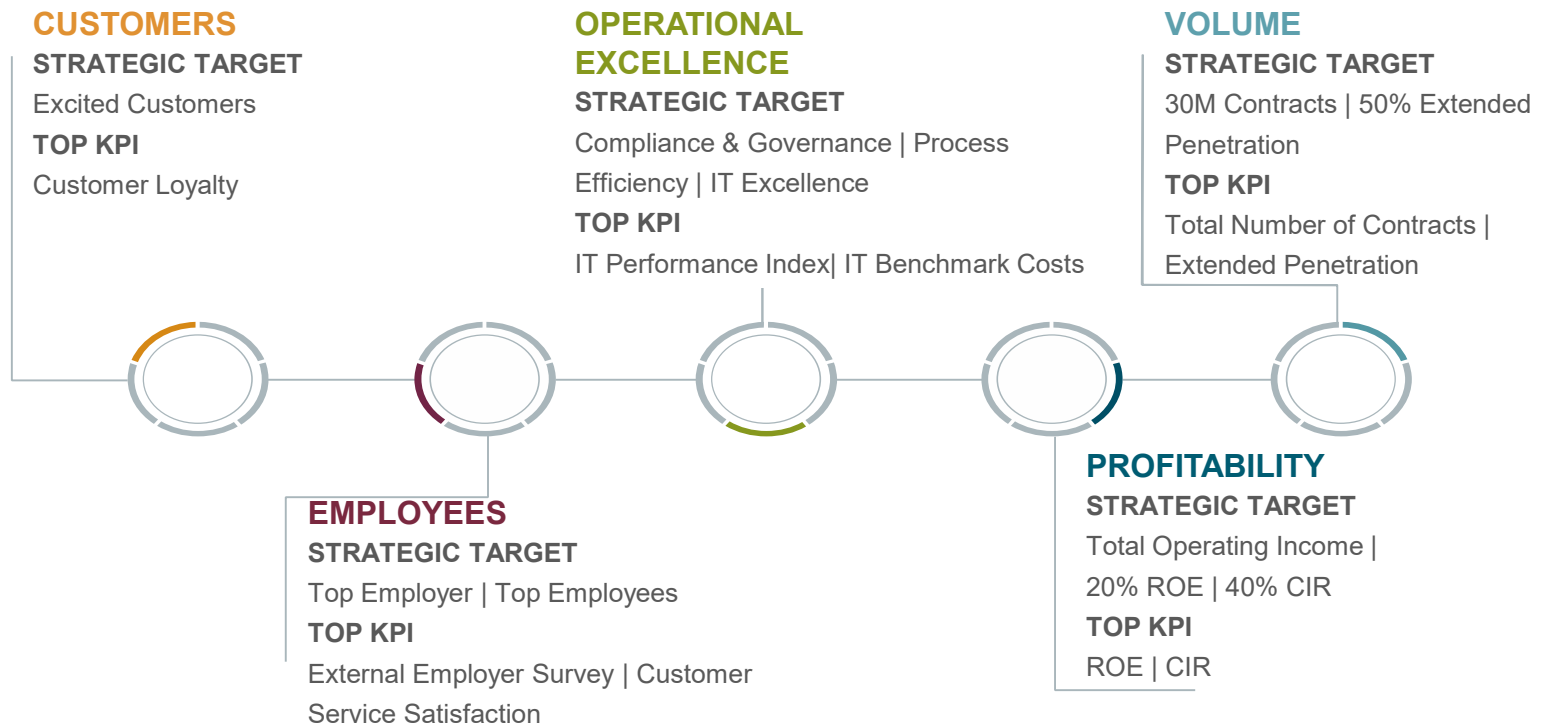
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Bank Facilities as on March 31, 2020

Sr No	Bank	Nature of Credit Lines	Facility Amount INR mn
1	Citibank	Working Capital Facility / Overdraft Facility	5,000
2	JP Morgan Chase Bank	Working Capital Facility / Overdraft Facility	5,000
3	State Bank of India	Working Capital Facility / Overdraft	7,000
4	Bank of America Merrill Lynch	Working Capital Facility / Overdraft Facility / Term Loan Facility	4,070
5	DBS Bank Limited	Working Capital Facility	3,000
6	IndusInd Bank	Working Capital Facility / Overdraft	5,000
7	Bank of Tokyo MUFJ	Working Capital Facility / Overdraft Facility	2,000
8	Standard Chartered Bank	Working Capital Facility / Overdraft Facility	1,800
9	BNP Paribas Bank	Working Capital Facility / Overdraft Facility	1,690
10	Scotiabank	Working Capital Facility / Overdraft	1,440
11	Societe Generale	Working Capital Facility	1,350
12	ANZ Banking Group	Working Capital Facility	500
13	Credit Agricole	Working Capital Facility	1,970
14	Barclays Bank	Working Capital Facility	2,000
15	Qatar National Bank	Working Capital Facility	300
16	Mizuho Bank	Working Capital Facility	1000
Total			43,120

Note: All the above credit facilities are backed or will be backed by corporate guarantee from Volkswagen Financial Services AG.

Strategic Dimensions, Strategic Targets and Top KPI



Our Company Values

“What do we stand for and believe in?”



Contact

Dinesh Kulkarni

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<http://www.volkswagen-finance-india.co.in>

Thank You