

VOLKSWAGEN

AKTIENGESELLSCHAFT

HISTORICAL NOTES I 6

A series of publications from Volkswagen Aktiengesellschaft, Corporate History Department



Volkswagen Financial Services AG

Bank, Leasing, Insurance – A Chronicle of 60 Years of Financial Services

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Volkswagen Financial Services AG

Bank, Leasing, Insurance – A Chronicle of 60 Years of Financial Services

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Volkswagen Financial Services AG

Bank, Leasing, Insurance – A Chronicle of 60 Years of Financial Services

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The Global Mobility Service Provider

The Financial Services strategy

In November 1988, the then Chairman of the Board of Management, Carl H. Hahn, stood in front of the Supervisory Board and described the strategy for the reorientation of Volkswagen AG's financial services, thus: The competition shows that "there is enormous earnings potential on the periphery of the automotive sector." Pointing to the revenue generated by the financial divisions of American manufacturers, the Chairman announced his intention to set up a "financial services company to coordinate our international FS activities." At the time, Volkswagen was spearheading the European automotive industry and was forging new ways of generating profit the length of a vehicle's value chain and using services to build lasting customer loyalty to the Group marques. At an executives conference just a few months later, Dieter Ullsperger, Director of Controlling and Finance at Volkswagen AG, outlined the aims of the new "financial services strategy", the cornerstones of which were to build up financial services in Germany, to make business activities more European in character and to broaden the range of services offered.

In the first move in this direction, automotive financing, leasing and insurance activities were stepped up in Germany. The Group already had a long tradition in these fields; in fact, two subsidiaries of the Volkswagen Group had been operating for more than 20 years in the financial services sector in Germany. "V.A.G Kredit Bank GmbH" (VAGKB), founded in 1949 as "Volkswagen Finanzierungsgesellschaft

mbH" (VFG), was operating on a twofold basis in autumn 1988: in Retail Financing, car loans were offered to customers buying the Group marques Volkswagen, Audi and Seat. The second linchpin was short-term financing of loans to dealers for vehicles in stock and demonstration vehicles. With a Retail Financing volume of DM 2.5 billion and a Dealer Financing volume of DM 2 billion, the Brunswick-based VAGKB was the largest bank specialising in vehicle financing in the Federal Republic of Germany in 1989.

The market leader in the field of automotive leasing was another wholly-owned subsidiary of Volkswagen AG. Brunswick-based "V.A.G Leasing GmbH" (VAGL), established in 1966 as "Volkswagen Leasing GmbH" (VWL), provided private and corporate customers in Germany with leasing packages for Volkswagen Group marques. Turnover in 1989 totalled DM 3 billion from 281,000 leased vehicles.

The last of the trio of companies involved in the "financial services strategy" was an independent insurance intermediary, which had been closely associated with Volkswagen for four decades. In 1989 "Volkswagen Versicherungsdienst GmbH" (VVD), which was established in 1948, reported a total of 658,000 insurance contracts and turnover of DM 134 million. In the concept presented by Ullsperger, the business activities of the three companies would focus on the domestic market and merge to form a holding company in the medium term.



THE OFFICE BUILDING IN BRUNSWICK, 1990

The financial services strategy pursued two further aims: to press ahead with expansion in the European markets and to open up new business segments. Norbert M. Massfeller, who took over the management of the finance division at the Volkswagen Group in July 1989, was given responsibility for implementing the strategy. A banker and graduate of business administration, he was involved in establishing a

European-wide credit card-system during his time on the board of "Eurocard International, S.A." in Brussels. Before making the move to Volkswagen, he had been responsible for restoring the good fortunes of "Noris Verbraucherbank GmbH" in the capacity of managing director of the Nuremberg banking house.

New products, new companies

VAGKB's entry into the direct banking business initiated the first stage in implementation of the financial services strategy. The "Volkswagen und Audi Card-System", which had been available since 1990, brought together two of the leading credit card providers and included an account with an attractive interest rate. Deposit-taking business was now the third line of business alongside Dealer and Retail Financing, a move clearly signalled by a change of name to "V.A.G Bank GmbH" (VAGB). The direct banking business, which today offers the full banking service ranging from online current accounts and credit cards to securities trading, mortgages and consumer credit, has been operated as a separate brand called "Volkswagen Bank *direct*" since April 1997. This segment sold its products by telephone and Internet without a costly branch network. Customer deposits, which had grown to 12.8 billion euros by 2008, helped the Volkswagen Group to keep down the refinancing costs of financing and leasing business.

A key corporate move towards stepping up business activities was the formation of "Volkswagen Finanz GmbH" (VWF) on 4 March 1991, under which the Bank and Leasing company were consolidated nine months later. The transfer of shares in the Brunswick financial services providers to the new holding company meant that around one eighth of the balance-sheet total of the Volkswagen Group was concentrated in the one subsidiary.

Radical political changes in Central and Eastern Europe precipitated the Europeanisation envisioned in the financial services strategy. When building a dealer network in East Germany and introducing the financial services range to the new federal German states, the Brunswick financial services providers gained valuable experience in breaking into new markets. This know-how was useful in building up pan-European financial services under the Brunswick holding company, which followed Volkswagen AG's drive into the Eastern European markets in line with the maxim "financial services follows automotive." After the takeover of Škoda by the Volkswagen Group in spring of 1991, VWF founded its first foreign subsidiary in the ČSFR in mid-1992.

The Brunswick financial services provider also moved into the Western European export markets one step at a time and took over the provision of financial services from the European Group companies. It all started with the foundation of a British company in summer 1993 and the takeover of the Italian and French Volkswagen financial services providers at the beginning of 1994.



THE CONFERENCE AND FINANCE CENTRE IN BRUNSWICK

VWF was the corporate precursor of the consolidation of all financial services under one roof. On 1 April 1994 it became “Volkswagen Financial Services AG” (VWFS), with Massfeller as Chairman. The new company had its own rating since 1996 and took advantage of easier access to the international money markets to lower the cost of refinancing. Since the switch to VWFS, the Brunswick financial services providers trade as “Volkswagen Bank GmbH” (VWB) and “Volkswagen Leasing GmbH” (VWL).

Under the holding company, business expansion was sustained by a large number of new financial services products. In the core business of automotive financing, “Credit”, which was introduced in 1996, became the most important product in the portfolio. Fleet solutions generated potential for growth in the leasing business; an opportunity which did not go unrealised thanks to technical innovations like the IT-supported information and analysis system “CARS”, introduced in 1997.

New business lines

The takeover of VVD and its European subsidiaries in 1999 strengthened the international competitiveness of VWFS and the presence of Volkswagen financial services on the domestic market. Innovative package solutions like “Prämielight” had been developed in close collaboration with VVD. The integration of VVD paved the way for bundling financing, leasing and insurance services in new ways and for using Volkswagen Bank *direct* as an additional channel for insurance services.

Consolidation under an Aktiengesellschaft created new strategic opportunities in the insurance business as well. The most recent example is the establishment of “Volkswagen Reinsurance AG” on 13 September 2005. Reinsurance enabled VWFS, through the offices of VVD, to exert more influence on the product and premium mix of its long-standing partner Allianz Versicherungs-AG. For instance, it meant lower premiums if the customer ordered extra safety features for his vehicle. The arrival of insurance services along with the existing servicing and repair services extended the automotive value chain, which boosted profits from comprehensive financial services and increased customer loyalty to the Group marques.

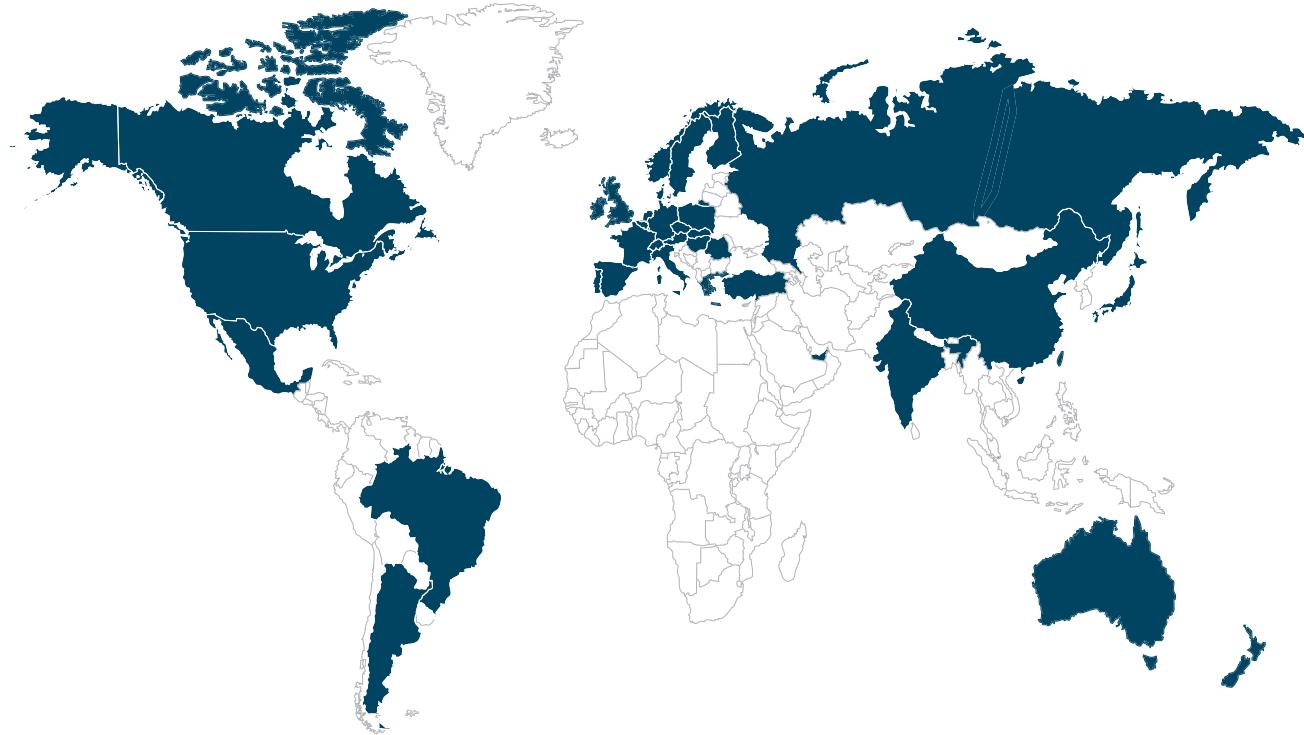
The financial services of the Volkswagen Group took on a new aspect upon the formation and takeover of international companies. VWL outsourced fleet management to “ifm international fleet management Gesellschaft mbH” in 1999. After a short spell under the Europcar Group, the fleet business switched to “LeasePlan N.V.” in November 2004. VWL brought its vast experience in fleet management of the marques to bear in the growth market of fleet leasing. In VWL and the Amsterdam-based LeasePlan, VWFS chose two companies to cater for the varied requirements of the different customer groups. In particular, VWL met the requirements of the Volkswagen Group’s key accounts, which operate mainly within Germany, in close partnership with the trade organisation. The LeasePlan Group implemented mobility solutions for fleet customers of international orientation and multiple-brand fleets.

Zufriedene Mieter
erkennt man am Schlüssel.
Und das seit 50 Jahren.



• Herzlichen Glückwunsch zum 50. Geburtstag und
auch weiterhin viel Erfolg.





VOLKSWAGEN FINANCIAL SERVICES LINKS 37 COUNTRIES
THROUGH ITS HOLDINGS AND SERVICE CONTRACTS



CONCEPT CAR UP!

Financial Services goes global

Originally European in focus, VWFS became a global company in 1996 when Volkswagen AG transferred control of the Group's financial services in the Asia-Pacific region to the Brunswick holding company. The first subsidiary outside Europe under the umbrella of VWFS came along in 1996 with the assumption of financial services in Japan. VWFS took the next step in globalisation at the end of 2005, under the chairmanship of Burkhard Breiing, when it was assigned the coordination of the Volkswagen Group's worldwide financial services activities. Volkswagen AG gradually transferred to VWFS the shares in the Group's financial services providers in the Latin American region in addition to control of the Group's global financial services.

In 2008, VWFS-controlled financial services accounted for 74.7 billion euros of Volkswagen AG's balance-sheet total of 167.9 billion euros. At 57.3 billion euros, more than a third of the Volkswagen Group's result was attributable to VWFS. Those financial services on what was called the "periphery of the automotive business" in 1988 are today core business lines at Volkswagen AG.



From Lender to Banker: Volkswagen Bank



Credit drives the German economic miracle

From the very start of the Beetle's boom years, customers could buy their Volkswagen on credit. This is because on 24 June 1949, Hermann Knott, General Counsel of Volkswagenwerk GmbH, presented to the "Board of Control" the management's plans to found a financing company for Volkswagen. The Board of Control represented the collective interests of the various offices of the British military government responsible for the administration of the Wolfsburg plant in trusteeship. In Germany, Knott explained, the creation of a financing company was "an imperative and urgent matter for the Volkswagen plant, if it is to remain competitive and maintain its sales base into the future." Car loans enabled customers with insufficient cash to purchase a Volkswagen. There was also the fact that in 1949 more customers were availing themselves of bank finance and this was an opportunity for the Volkswagenwerk to tap additional earnings potential.

With Board approval, the memorandum of association establishing "Volkswagen Finanzierungsgesellschaft mbH" (VFG) as a subsidiary of Volkswagenwerk GmbH was officially signed on 30 June 1949. The object of VFG was to "grant loans for the purchase of motor vehicles and other products of the Volkswagenwerk or its affiliated enterprises." While the establishment of a financing company served to strengthen sales and extend the value chain, it also represented a continuation of the business practice of the interwar period. Back in the 1920s, car makers in Germany had run their own finance companies for granting car loans.

Similarly, VFG's business model was to borrow money itself and lend it at a higher interest rate via the dealer network to customers for the purchase of a Volkswagen. The company's income was the difference between the interest rates. Flat-rate credit fees were also charged. Volkswagenwerk GmbH profited from this business model because the vehicles credit-financed by VFG gave the same return as a new vehicle sold for cash. A profit transfer agreement ensured that the VFG profits contributed to Volkswagenwerk GmbH's bottom line.

The first managing director of VFG, which opened for business selling loans for new and used vehicles in October 1949, was Rudolf Engel. Born in Cologne in 1903, he had trained in banking and had worked for the General Motors Group and Adam Opel AG in the instalment credit business and in finance management. It was during his time at the helm that VFG purchased the offices situated on the Südstrasse side of the Wolfsburg factory premises.

The initial capitalisation of DM 20,000 did not provide much scope for VFG's lending business. By August 1950 the financing volume had grown to DM 8.6 million, at that point Volkswagenwerk GmbH increased VFG's nominal capital to DM 100,000, setting the company on firmer financial footing. This capital increase made refinancing on the capital market possible. On the basis of these financial resources, the Landeszentralbank responsible for banking supervision approved an agreement under which Braunschweigische Staatsbank would provide the funds through the discounting of bills.



FAMILY OUTING DURING THE ECONOMIC MIRACLE

From the start, VFG's business was closely tied to Volkswagen's distribution organisation. It was primarily the dealers and sellers who informed prospective customers about VFG's finance offers and signed the loan contracts on the basis of bills of exchange. For this the dealers received commissions from VFG and in exchange assumed liability for the customers. If they were unable to meet their monthly bills the dealers were liable.

Initially, VFG itself did not make the contacts with dealers, but it put "Volkswagen Versicherungsdienst GmbH" (VVD) in charge of acquisition and advertising. It was not until June 1956 that VFG began to build up its own field sales force. VFG worked with VVD not only on field sales, but also on finance products. Loans from VFG were subject to fully comprehensive insurance with VVD, and the insurance premium could also be financed in full as well. Insurance cover eliminated VFG's risk of customer default in the event of an accident. The favourable finance terms for company employees available as of 1951 also included special VVD insurance rates.

In August 1950, dealer financing was added to the loan portfolio for workers, staff and business people. VFG gave dealers loans for Transporters, and demonstration vehicles were also financed for dealers. These loans bridged the gap between the vehicle leaving the factory and being sold by the dealer. Dealer financing accounted for less than a tenth of VFG's turnover until the 1960s.



ASSEMBLY IN WOLFSBURG, 1950

Retail financing remained VFG's core business in the early years. Expanding the product range stimulated growth of VFG in the wake of record sales of Beetle and Transporter, which became symbols of the young Federal Republic both at home and abroad during the economic miracle. Falling interest rates and cuts in charges enabled VFG to offer ever cheaper credit. Since West German real incomes were increasing at the same time, the financing business saw the emergence of new customer groups. The number of customers who were paying for their Volkswagen with instalment credit rose from 7,283 in 1950 to 27,881 in 1962.

Despite meteoric business expansion in the early years – by 1962 the number of financing contracts had almost quadrupled and the number of employees almost trebled from 17 to 48 – VFG-financed Volkswagen vehicles decreased as a percentage of total deliveries by Volkswagenwerk GmbH in the Federal Republic. In 1951, 14.4% of domestic deliveries were paid for with VFG loans; ten years later it was a mere 8.9%. VFG turnover still buoyant but was down from the time of the sales boom in Beetle and Transporter.

Restrictive lending caps due to VFG's slim capital base posed an obstacle to growth. While the nominal capital increase by the Wolfsburg parent to DM 1.5 million in April 1951 fulfilled a requirement set by the Landzentralbank that equity should cover at least ten percent of the credit volume, VFG had to demand the downpayment of one third of the purchase price and strictly limit the term to twelve months to make sure they did not exceed the permitted credit volume of DM 15 million. Even when the banking supervisor authorised a credit limit of 20 times the nominal capital in 1954, the capital base was insufficient for long-term growth, since the credit volume of DM 30 million had almost been exhausted by the end of the year.

VFG's capital base did not improve until the profit transfer agreement was terminated on 25 November 1954. Profits were no longer being drawn off by Volkswagenwerk GmbH; instead, after the payment of a dividend, they were used to broaden the capital base for future business expansion. By 1962, equity had increased by DM 3.5 million to DM 5 million by making transfers from the end-of-year profits. This capital base allowed VFG to borrow up to DM 100 million from various banks.



RUDOLF ENGEL

Despite the business expansion facilitated by capital increases, VFG felt the effects of stiffening competition between the credit institutions. VFG's 1962 annual report complained that the dealers were selling fewer loans because they had to assume liability. The reason was that a rival product was facilitating the purchase of cars on credit without dealer liability: the "personal loans" promoted by banks through advertisements in the press and mailings offered private customers a loan of up to DM 6,000. Since

Securing sales in a buyer's market

this product entailed no risk for the Volkswagen dealers, VFG's tied finance came under pressure.

But capital adequacy and increasing competition in the market for credit financing of consumer durables were not the only stumbling blocks for VFG; the long wait times for Beetle and Transporter also had a negative effect on its business. When customers had to wait a long time for a vehicle, they had time to find out about competing finance offers or pay for their Volkswagen in cash. This lessened the main incentive of the instalment business, which was that one took immediate delivery of the Volkswagen and then paid off the rest of the purchase price in instalments. Despite these circumstances, VFG reported a return on equity of 16% at the close of 1962, which permitted the payment of a dividend to Volkswagenwerk GmbH and further strengthening of the capital base.

Rising exports led the Wolfsburg car-maker to again increase its vehicle output in 1963. The number of domestic deliveries, however, fell compared to the previous year by around 40,000 to 445,250 vehicles. Volkswagenwerk GmbH found itself facing a new phenomenon: Cars were no longer being snapped up by the customers as soon as they left the factory. The post-war excess of demand over supply gradually dissipated. Dealers' and distributors' stock levels built up. Heinrich Nordhoff, General Director of Volkswagenwerk GmbH, referred to it in June 1960 as an unexpected turnaround. No-one had been prepared for this, "conceptually, logically or financially." In this situation, which Nordhoff described as a "sea change from seller's to buyer's market," VFG became a central sales instrument in the company's survival in the new market environment.

The car financier began to work closely alongside its Wolfsburg parent to support the dealers in the accumulation of large vehicle stocks by providing cheap credit. The Supervisory Board of VFG decided in mid-1963 to offer credit for vehicles in stock to the West German trade organisation at an annual interest rate of five percent. On the heels of significant increases in dealer financing in previous years, the figure shot up from around 6,000 to almost 75,000 financing contracts. In 1964, this business line again recorded a sharp increase to 338,607 vehicles. The figure continued to rise in subsequent years, establishing dealer financing as the second pillar of VFG, alongside retail financing. Mean-



BEETLES READY FOR DELIVERY



HEINRICH NORDHOFF, 1957

while, for Volkswagenwerk AG, the build-up of stocks in the dealerships meant that delivery and full-scale production could continue unabated. Thus VFG's dealer financing proved to be a successful and flexible response to fluctuation in demand.

Since VFG did not have an adequate capital base for rapid business expansion in 1963, the funds for dealer financing were initially sourced from the Wolfsburg parent. The automotive financier was working purely as an intermediary and received a quarter of the interest earnings for this service. Finally, on 11 January 1965, Volkswagenwerk AG increased its holding to DM 7.5 million by making a cash investment, and a loan of DM 15 million was converted into a silent contribution. This increased VFG's equity to DM 27.7 million and met the banking supervisor's requirement for the financing business, in which turnover had grown to DM 2 billion, to be conducted internally.

In the course of the next few years, VFG followed the path marked out by the Wolfsburg parent towards becoming a "house of brands." During the takeover of "Auto Union GmbH" by Volkswagenwerk AG in 1965, the financing business of the new subsidiary was also restructured. VFG purchased "Auto Union Kredit Bank GmbH" (AUK) in 1966 and controlled the dealer and retail financing of the Ingolstadt-based company.

When in 1967 the tremendous economic growth of the post-war period first went into decline, the fall in sales at Volkswagenwerk AG was briefly mirrored in VFG. Retail financing reached a nadir in 1968, at 24,400 financed cars. At this stage of the economic downturn, VFG resorted to advertising for the first time, and placed ads in magazines and newspapers to raise awareness about their offers and

attract new customers. The strategy worked: the very next year, 30,000 loans were sold to customers and in 1972, VFG reached a record high of 47,400 loans. The positive performance of sales financing was key to VFG's earnings because the profit margins were substantially larger than for dealer financing. It was primarily the increases in retail financing that enabled VFG to transfer a record dividend of DM 1.38 million to Volkswagenwerk AG in 1972.

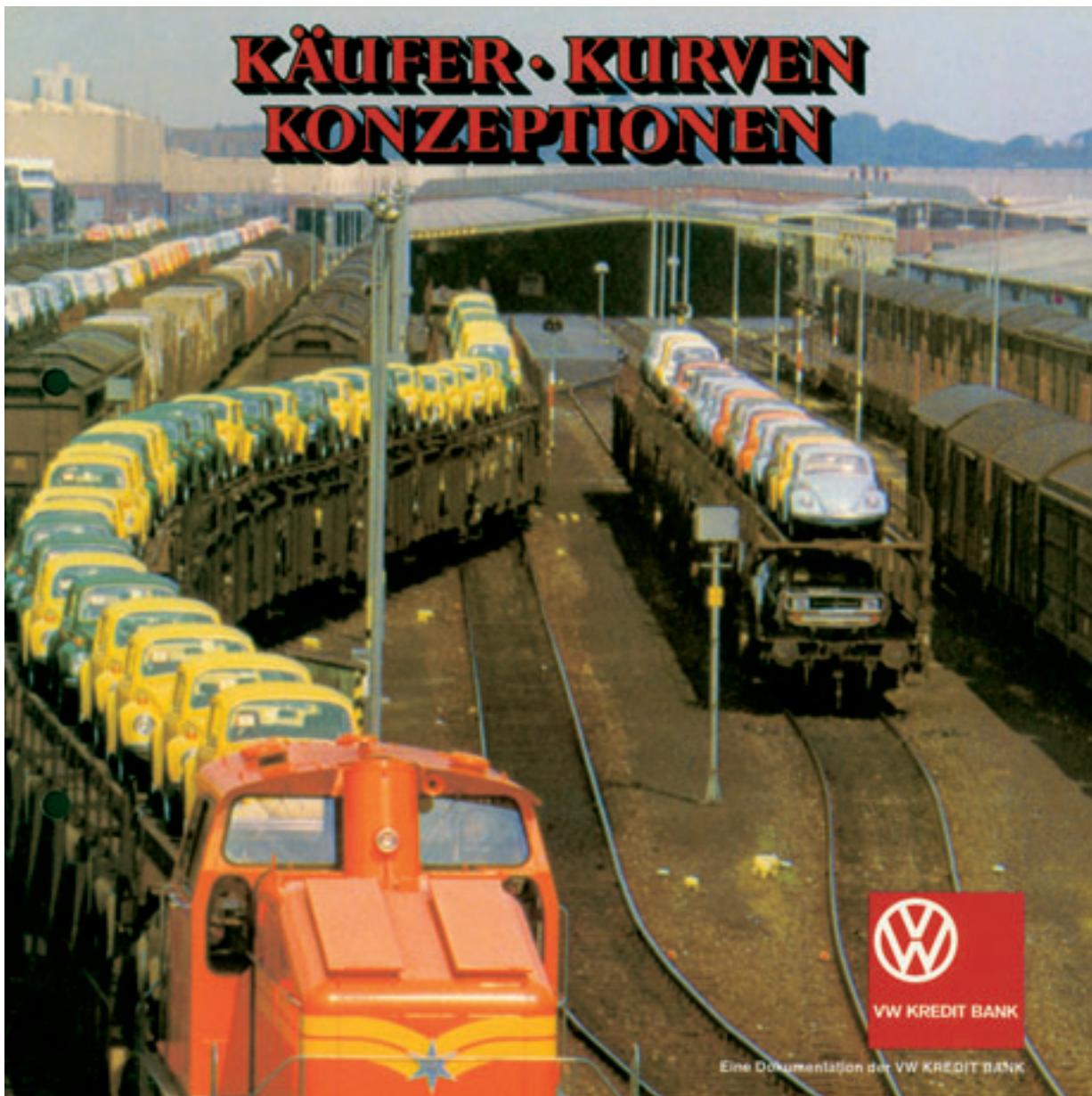
Growth spurred by the new generation of Volkswagen cars

From 1973 to 1975 Volkswagen was to experience the deepest crisis in its history. Oil price hikes and recession caused a slump in sales and threatened the solvency of the Wolfsburg company. On 1 June 1974, the last of almost twelve million Beetles rolled off the assembly line at the Mittellandkanal plant. The new ranges, Passat, Scirocco, Golf and Polo, brought the turnaround. Good take-up of the Passat, which was in production since 1973, and the success of the Golf saloon cushioned the drop in demand. The car financier was largely unscathed by the upheaval. So, while no dividend was paid out in 1973, the first crisis year at the Wolfsburg parent, the profit for the year enabled a further capital increase.

The Volkswagen subsidiary's change of name in 1973 to "Volkswagen Kredit Bank GmbH" (VWKB) marked the transformation into a full-service bank, a move which the "Bundesaufsichtsamt für das Kreditwesen" had already authorised at the end of August 1970. The licence to operate as a full-service bank changed nothing about the business model but it did open the door to better and significantly cheaper refinancing options through the direct sale of bills from dealer financing to the Landeszentralbank. Under the new name, turnover and profit again rose rapidly from 1974 onwards, with a dividend of DM 8 million transferred to Volkswagenwerk AG in 1976. As counter-cyclical business segments with increasing reserves, financial services were a source of strength in the crisis.

The outlook in the subsequent years was for growth. In 1974, VWKB decided to merge the financing companies of Volkswagen and Audi. In the first half of 1975, the AUK's competences were gradually transferred to Wolfsburg. VWKB now offered its services to all of Volkswagen's and Audi's customers and dealers.

After the introduction of repair financing in 1970, spare parts financing topped off the product range in 1974. The introduction of the "Kombi-Zinsprogramm" in early 1974 helped to expand the retail financing business, which was a major earner. The new offer gave dealers reduced interest rates when they brokered retail financing contracts for VWKB in return.



BROCHURE ON THE CHANGE OF NAME



SCIROCCO

The business was again expanded on a weak capital base. In 1976, the “Bundesaufsichtsamt für das Kreditwesen” issued the bank with a warning for repeatedly exceeding its credit limit. The problem at the car financier, which was renamed “V.A.G Kredit Bank GmbH” (VAGKB) in July 1978, was solved by significantly raising capital: in July 1979,

Volkswagenwerk AG increased the nominal capital of VAGKB to DM 92.5 million, more than doubling equity from DM 65 million to DM 139 million. On this financial footing, in 1980 the bank broke the barrier of 1 million dealer financing contracts for the first time. Annual sales financing rose to 66,400 contracts.

New offices, new offers, new brands

The year 1982 heralded two changes: The move to Brunswick and the introduction of special finance offers with low interest rates, which, with brands, dealers and financial services working closely together, effectively boosted sales.

Since the end of the 1970s the offices had no longer been big enough for the steadily increasing staff. As there was no space available on the Wolfsburg premises, the management sought a suitable property in or around Wolfsburg. On 16 December 1980, Volkswagenwerk AG, VAGKB and VAGL purchased the former business premises of "Olympia-Werke AG" on Gifhorner Strasse in Brunswick. The production facilities were used to expand production for the nearby Brunswick Volkswagen plant; and the administration buildings became the new home of Volkswagen financial services providers in 1982.

When competition intensified on the European car markets due to an influx from Japan at the beginning of the 1980s, Volkswagen responded by stepping up the international division of labour, making manufacturing more flexible and developing new models. Before the second generation of Jetta and Golf went into full-scale production in 1983, something had to be done to reduce existing stocks. In addition, VAGKB's domestic retail financing was coming under pressure. Competitors' financial institutions in the automotive industry were offering interest rates far below the usual bank rates. To compete, and boost sales of Volkswagen and

Audi cars, VAGKB ran special offers with reduced interest rates. The entire Volkswagen organisation – from dealer to VAGKB and on to manufacturer – cut their profit margins to make it possible for VAGKB to offer low interest rates. The time-limited cut in interest rates designed to increase sales of all Volkswagen and Audi models was a resounding success.

The next sales financing push was in connection with the production launch of the second Golf generation in June 1983. To prevent short-time working in Wolfsburg, around 25,000 special editions of the Golf 1 were built in the second half of the year. Thanks to a special interest rate offer from VAGKB with an annual rate of 3.9%, the Golf special editions sold extremely well. The principle of boosting the sales of a model using special finance conditions became the blueprint for special offers that still stands to this day. The heightened importance of financial services for sales did not escape the notice of Wolfsburg Group headquarters: When the offer came to a close, the Supervisory Board could see that the limited offers for the "old" Golf had stimulated demand and brought about a marked increase in sales.

Marque, financial services provider and dealer worked together to turn special offers into a sales promotion instrument which is still effective today. The whole Volkswagen organisation banded together in support of retail financing, making it possible to offer low

interest rates, which advertising campaigns specifically highlighted. These measures did not lower the list price, which protected the image and value of the marques, and the residual value of the vehicles. In addition, these special offers were instrumental in the tremendous performance of VAGKB in the 1980s.

The Volkswagen Group's multi-brand strategy also stimulated growth for the financing business in Germany. In parallel with the takeover of the Spanish car-maker Seat in June 1986, VAGKB began setting up a financing company for the new group subsidiary. After the Iron Curtain was lifted and the Eastern European market was opened up, the fourth marque "Škoda" offered fresh potential for growth. The "Škoda Bank" branch was founded in 1992 at a time when Volkswagen AG was evolving into a multi-brand group; a group which for some years had been ranked number one in the European automotive industry. With its finance offers for customers and dealers and its entry into deposit-taking business in 1990, VAGKB came to be a keystone in the Wolfsburg company's financial services strategy.



GATE ON GIFHORNERSTRASSE
IN BRUNSWICK, 1984



V.A.G KREDIT BANK IN BRUNSWICK, 1989



OPEN-PLAN OFFICE IN VW KREDIT BANK, 1973



Mobility for a Fixed Term: Volkswagen Leasing

The new market

Volkswagen pioneered auto leasing in Germany. On 18 October 1966, the Wolfsburg car-maker established “Volkswagen Leasing GmbH” (VWL), a subsidiary built up under the management of Richard Berthold in response to developments in the USA, where leasing originated. The aim was to break into the leasing business at an early stage, thus ensuring that the new sales instrument remained in the control of Volkswagenwerk AG.

VWL's range initially only targeted the commercial sector, and various contract models were offered. In the “standard contract” leasing arrangement for low-volume customers, a car was paid off over the term of the lease. The total of all lease payments covered the full purchase price plus interest, as with credit financing. At the end of the contract term, the lessee was reimbursed 90% of the residual value, that is, of the amount realised from the sale of the used vehicle.

In July 1976, the standard contract was replaced by leasing arrangements that resulted in much lower monthly instalments. Factoring the residual value into the initial calculation gave a cheaper lease. The monthly payments were the difference between as-new value and the residual value plus interest for the total value of the car. A variation of this financing model was the “open-end lease”, where the difference between the expected and actual residual value is charged or refunded to the customer on lease expiration.



RICHARD BERTHOLD

With “open-end leasing” the customer bears the residual risk. There was one model where the lessee did not share in the residual value. The dealer calculated the residual value according to intended use, lease term and the number of kilometres on the clock and was contractually bound to VWL to buy back the vehicle for the agreed sum. These two leasing arrangements were available for fleet customers in particular.

Carefree mobility

From the day it was established, VWL saw itself as a leasing firm that offered Volkswagen models with a full service. If a customer opted for full-service leasing, his leasing instalments covered wear and tear repairs, lubrication and servicing, including oil change "Dienstleistungspaket A", tyre replacement "Dienstleistungspaket C" and motor vehicle tax. The "claims service" made it possible to have accident damage taken care of without cash changing hands. This product was called "Dienstleistungspaket B" as of February 1975. The key feature of the new "Dienstleistungspaket B" was fully comprehensive insurance (incl. third-party) with low premiums set at a fixed rate rather than on the basis of the customer's no-claims bonus. For individual customers, this pack was obligatory.

In addition to calculating the used vehicle value at the end of the lease, leasing differed from credit financing mainly in that a Beetle, Golf, Passat or Transporter remained the property of the leasing company. This business model held advantages for customers and car-makers alike. For manufacturers, vehicle turnover increased because, with leasing, the old car was replaced after three years at the latest. At the same time, leasing fostered customer loyalty to marque and dealer. Since the customer had to hand in the leased vehicle to the Volkswagen dealer at the end of the term, the opportunity to negotiate a follow-on lease presented itself. The full-service model was also of advantage to garages, since the lessee went to the Volkswagen dealerships and authorised garages for servicing and repairs. Regular garage visits for maintenance also ensured that the dealers ended up with attractive, well-maintained used Volkswagens to sell.

Der spart ein Schweinegeld.

Wissen Sie um die Wirtschaft geht, führt man auf dem Viehmarkt am Tisch zusammen. „Er ist von Kugel bis Fuß auf Schweine eingepackt.“

„Seine Muskeln sind robust und spannend, 100 Kilogramm leichter als im Durchschnitt, kostet nur 11,4 Euro. 71,8 Euro Motorverbrauch (CWL). Seine Zuverlässigkeit ist sprichwörtlich. Denkt an Auto, das seit 20 Jahren

in über 47 Millionen Exemplaren gefahren ist, nicht oft an ein Volkswagen weiß, kommt er sich vor selbst.“

Eine graffe Hilfe für kleinere Betriebe ist sicherlich, doch es steht vor allem Betriebseigentümern gezieltere Werbung aus. „Der VW Transporter ist ein Fahrzeug, das nicht nur für Privat-Clienten, sondern für Firmenkunden bestimmt ist. Ein Fahrzeug, das nicht nur für Privat-Clienten, sondern für Firmenkunden bestimmt ist.“

Haben Sie ja von einem wöchentlichen „Schweinegeld“ gehört?

Der Transporter.

Initial successes

For commercial customers, the advantage of leasing was that, for tax purposes, the monthly instalment was treated the same as a rent, which was fully tax deductible as an operating expense. And because substantial up-front investment was not required, for example, to purchase a Transporter, leasing did not tie up equity. For fleet customers, VWL's full-service offer was attractive because the administrative costs of managing a fleet, especially personnel costs, could be saved by opting for the comprehensive VWL service.

By the end of 1967, eleven VWL staff members were tasked with making the Volkswagen dealer organisation aware of "leasing" as a business model, and explaining its advantages. At the same time, the first customers were being acquired in the offices on the premises of the Wolfsburg Volkswagen plant. In the course of the year, contracts were signed with large customers for 396 vehicles. As of January 1968, the dealers were allowed to sign leasing contracts themselves. Lessees or dealers then bore the residual value risk, which VWL had previously assumed. Thanks to close cooperation with the Volkswagen dealers, who were contractually prohibited from engaging in competition, a perceptible upturn in business was achieved. Over the year, 1,437 cars were leased and a turnover of almost DM 5 million was generated.

Advertising, brochures and dealer training had been a key part of the concept from the outset, because it was important to inform people about an as yet unknown product and attract customers with strong selling points. After the groundwork of the first few years, which mainly involved acquiring dealers for the new financial service of "leasing", VWL began turning a profit in 1969. With 4,151 vehicles and a turnover of DM 10.7 million, VWL reached an equity ratio of 100%. The profit of DM 1 million was transferred to Volkswagenwerk AG and used to increase equity in equal amounts.



THE WHEELS OF THE ECONOMIC MIRACLE:
THE TRANSPORTER

BROCHURE, 1980

Im Prinzip ist Leasing etwas für Dienstleistungsunternehmen.

Wer anderen handelt im Dienste ihres eigenen Interesses ist im Anspruch, gleich zu tun, was er selbst tun würde, wenn er in einer solchen Stellung stand. Eine Theorie, welche unter den Dienstleistungen eine so hohe Stellung einnimmt, muß eigentlich für Taten und entgegenstehende Widerstände einen starken Antrieb geben. Ein solches Prinzip ist aber nicht auf der ganzen Erde zu finden. Wenn es sich um die Dienstleistungen eines einzelnen oder einer kleinen Gruppe von Dienstleistern handelt, so kann man sie leicht als wirtschaftliche Akteur, also als individuelle Dienstleister, ansiehen. Aber wenn es sich um eine ganze Branche oder gar um eine gesamte Wirtschaft handelt, so kann man sie nicht mehr als individuelle Dienstleister ansiehen. Dann müssen diese Dienstleister zusammenarbeiten, um ihre Dienstleistungen zu verbessern. Dies bedeutet jedoch, daß sie sich gegenseitig behindern. Es kann daher nicht mehr von einem einzelnen Dienstleister sprechen, sondern es muß von einer Gruppe von Dienstleistern gesprochen werden.

und sein Name.
Diese Argumente legen also auf die "Welt", die einen sozialen Raum für die Konsolidierung, Lernen, Raten und Preisgestaltung aller Funktionen hinweisen. Nur wenn dies gelingt, ist der Wissensaufbau möglich. Und damit sind diese drei Elemente von einer funktionierenden Wirtschaft bestimmt. Das bedeutet: unter bestimmten und weiter Fehlentwicklungen, aber weniger Brotzeit und weniger Angst.



Aber erst recht für
Freiberufler.

Friedrichshafen wurde beschlossen. Was hier Adelungs eigene Theorie und seine Motivation waren, ist nicht klar. Er kann aber mit dem Wissensstand seiner Zeit nicht verglichen werden. Eine andere, von mir vertretene Hypothese ist die folgende: Zum einen ging er mit Empfehlungen in Wissenschaftsministerien ein, in denen er sich auf seine Arbeit und seine Arbeitsergebnisse berief. Aber wenigstens diese Arbeit und das Ergebnis dieser Arbeit war ihm wichtig, damit er sie nicht verloren hat.



When the Supervisory Board of Volkswagenwerk AG gave approval in September 1966 for the company to be set up, Friedrich Thomée, Director of Finance and Administration had assumed that the company would break even at around 2,000 leased vehicles, and cited 20,000 leasing contracts as VWL's commercial goal. At that level, he said, "a nice profit" could be made. The new company had already met Thomée's expectation after little more than two years. In 1973 it far surpassed Thomée's stated goal, with 23,092 leased Volkswagens and Audis. At a turnover of DM 93.2 million,

VWL generated a result of DM 6.68 million, which went to the Wolfsburg parent and into the capital reserves in equal measure.

These turnover figures and total number of leased vehicles made VWL the largest automotive leasing company in Germany, with a market share of around a third. The sustained successes helped expand the product range. From 1970 on, VWL offered dealers capital goods leasing and in May 1977 private individuals could, for the first time, lease Volkswagen and Audi vehicles from VWL.

Unchecked growth

Even in Volkswagenwerk AG's darkest hours between 1973 and 1975, VWL continued expanding. In the crisis year of 1974, no less, the number of leased cars increased by more than ten percent and the profit situation remained excellent. Buoyed by the successes of the new generation of Volkswagen, VWL continued to flourish and grow. Having been renamed "V.A.G Leasing GmbH" (VAGL) in July 1978, the company saw its turnover break through the half-a-billion Deutschmarks barrier in 1981. 198 employees made out 89,347 new leases. The following year, the steadily growing staff moved to Gifhorner Strasse in Brunswick together with the staff of VAGKB.

The success of Japanese car producers in the European markets intensified competition at the start of the 1980s. In Germany, the Volkswagen brand was compelled to find new ways of promoting sales and reducing stocks before the new Golf was launched. The Volkswagen financial services providers were key players in this campaign. Like VAGKB, VAGL helped boost sales markedly by running special offers for private leasing customers, called "Null-Leasing" a package in which the one-off payments, leasing instalments and calculated used vehicle value added up to the same figure as Volkswagen's RRP for buying the vehicle outright. This offer was made possible because it was supported by manufacturers, dealers and VAGL equally. Tailored to private leasing, these products ensured that the number of private lessees rose and VAGL's number of contracts increased unabated in subsequent years.



V.A.G LEASING OFFICES, 1994

In addition to the regular special offers run from 1982 onwards, VAGL began to gear itself towards foreign markets. In 1983, VAGL initiated the "Europe Service", providing cashless settlement of servicing and repairs within Europe. By 1988, this service had expanded into 13 Western European countries. VAGL was thus taking the concept of "full-service leasing" to the next level, something which had been corporate policy since its foundation.



THE NEW GOLF GENERATION, 1983

VAGL accompanied and assisted Volkswagen's evolution into an international multi-brand group by setting up subsidiaries and opening branches. When Volkswagen AG took over the Spanish car-maker Seat, VAGL began building up "Seat Leasing GmbH", which offered leasing services for Seat vehicles in Germany. After the political events of 1989/90, Volkswagen AG expanded its business into Eastern Europe. "Škoda Leasing" was established as the fourth

**Machen Sie was aus
Ihrem Geld, statt es
im Auto spazierenzu-
fahren.
Mit dem V.A.G Leasing.**

Flakon · Art.-Nr. 0001000.000.00

**Wenn Sie mehr Geld
zum Ausgeben haben
wollen:
Fragen Sie uns nach
dem V.A.G Leasing.**

Bürokratier · Art.-Nr. 0001000.007.00

**Hier können
Sie jahrelang
Autos mieten.
Mit dem V.A.G
Leasing.**

Stapelschiff · Art.-Nr. 0001000.008.00

ADVERTISEMENTS, 1982

Volkswagen Group marque in 1991. When the Volkswagen financial service providers were finally consolidated under VWF, VAGL had around 350,000 vehicles, making it the largest provider of auto leasing in Germany with vast experience in fleet management and a successful full-service range.



Safe Driving: Volkswagen Insurance

The beginnings

Even back when Volkswagen first began supplying the German market, it saw the provision of motor vehicle insurance as part of the full-service concept. In 1948, the new General Director of Volkswagenwerk GmbH, Heinrich Nordhoff, looked forward with optimism to the company having an independent future. Once the British Senior Resident Officer, Ivan Hirst, had seen to it that a customer service and distribution network was set up in 1946/47, Nordhoff initiated the establishment of Volkswagen insurance services. The rising number of cars and drivers on the road meant the risk of accidents was increasing. The “Compulsory Insurance Act” of 7 November 1939 made third-party insurance obligatory. Since it was expected that the new customers would be using most of their savings, or taking out loans, to buy the cars, the point of comprehensive insurance was to protect the buyer from loss in the event of an accident, and also to mitigate the credit risk for the finance companies.

Nordhoff tied the insurance products with his understanding of modern customer service and wanted to offer the customer an all-inclusive insurance service from a single source. The idea was that customers would take out statutory third-party insurance and fire and theft or fully comprehensive and personal accident insurance through their dealer when they signed the sales contract. If the vehicle was bought on credit, motor vehicle insurance had to be taken out with Volkswagen Versicherungsdienst. VVD would settle the claims and push for the damaged vehicles to be repaired in Volkswagen garages; VVD would coordinate

as necessary with the Volkswagen organisation and also pay them the costs of repair directly. Not only would this system make life easier for the customer, it would also foster lasting loyalty to the company.

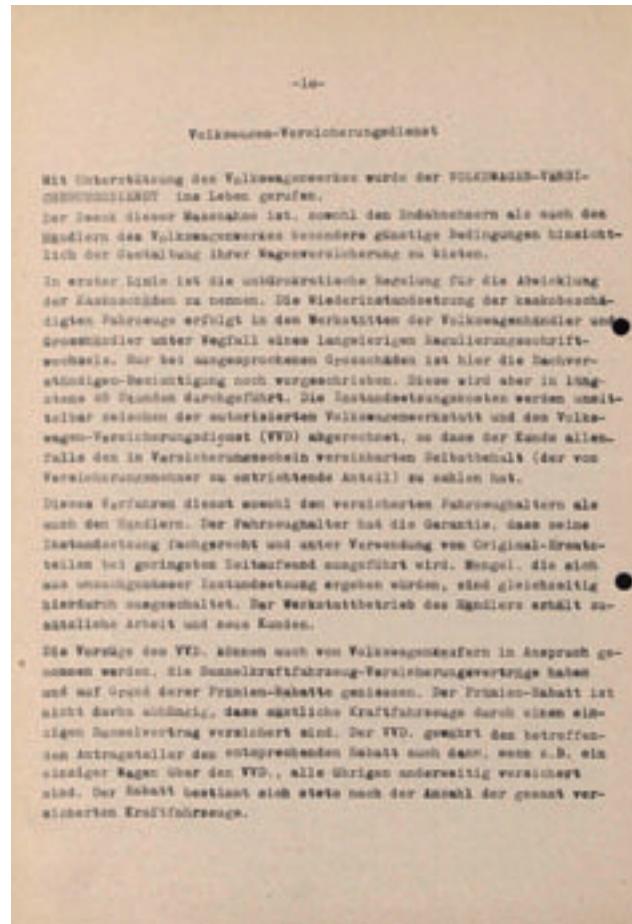
However, for legal reasons, Volkswagenwerk GmbH was not able to set up its own insurance company. Instead, on 17 January 1948, it engaged insurance broker Heinrich Kurig from Fallersleben, Wolfsburg, to establish “Volkswagen Versicherungsdienst GmbH” (VVD). The object of the company was to arrange motor vehicle insurance and take care of customers in the event of a claim. Kurig was also instructed to take out policies with Frankfurter Versicherungs-AG as insurer. The partnership agreement drafted by Kurig was notarised on 10 February 1948, and Wolfsburg District Court entered VVD into the register of companies on 28 February 1948.

Business was slow to get off the ground in the following months, leading to the intervention of Volkswagenwerk GmbH in late summer 1949. Hermann Knott, General Counsel of the company became a member of the Supervisory Board of VVD. At the same time, Karl D. Tiedke was appointed the new MD. Christian C. Holler, who was already working with Volkswagen through the Düsseldorf insurance company “Gradmann & Holler” for plant insurance, became a partner in VVD in October 1949. As of December 1951, Holler was the sole shareholder in VVD through his Berlin company, “Wertschutz Versicherungs-Vermittlungs GmbH.”

The contractual relationship between Volkswagenwerk GmbH and VVD was defined more precisely in October 1949. For the right to use "Volkswagen" in its name, VVD was to transfer ten percent of gross income from commissions and fees for insurance broking to Volkswagenwerk GmbH as of 1950. This naming contract formed the basis for a close partnership between two independent companies, which was in the interests of and proved successful for both parties.

In the German market, VVD expanded its activities through Volkswagen's distribution network. For insurance broking, the dealers were the most important partners. They were supplied with information and material by a growing number of VVD area managers. For rapid loss settlement, the VVD set up claims offices at large dealerships from 1952 onwards. A VVD office, opened in 1952 in Hamburg, checked dealerships' insurance cover for gaps and inadequate cover and offered them special employer's liability insurance with cover for defective workmanship.

On the product side, VVD began 1950 with two innovations for motor vehicle insurance: Coupon insurance policies for comprehensive insurance with DM 100 or DM 300 excess did away with the tedious filling out of insurance certificates. With delivery insurance, VVD offered Volkswagen dealers coverage for new vehicles from the factory gate until handover to customer.



DEALER BULLETIN, 1948



VVD OFFICE IN THE VOLKSWAGEN PLANT, 1962

In the German market, VVD's expansion progressed rapidly the more vehicles Volkswagenwerk GmbH delivered. VVD applications as a percentage of annual domestic deliveries rose to more than 20%. When the one-millionth Volkswagen left the Wolfsburg plant in 1955, VVD issued its one-hundred-thousandth customer contract. VVD topped the 150,000 contract mark only four years later.

VVD founded its first subsidiary in Europe in 1953. Volkswagen's general importer for Austria, "Porsche Konstruktionen GmbH", approached VVD with the proposal to set up a Volkswagen insurance provider in Austria. On 1 July 1953, the new company began trading in Salzburg, and posted good results in subsequent years.

VVD was also involved in expanding export business overseas in the 1950s. Holler's principle was to set up VVD subsidiaries in the various countries outside Europe as part of Volkswagen's distribution and service network. While legal constraints in the USA ruled out the possibility of running a profitable business under the name of "Volkswagen Versicherungsdienst of America, Inc.", the situation in Brazil was more promising. Two years after the Brazilian Volkswagenwerk GmbH production plant was formed, VVD founded a subsidiary there in 1955 called "VVD Volkswagen Servico de Seguros S.A." It was soon joined by a finance company. Holler and VVD also took advantage of the unique nature of the Brazilian market by offering industrial insurance to companies of German origin in particular. VVD also set up subsidiaries in South Africa and Mexico in 1959 and 1966 respectively.

Change of business model

VVD had a promising start into the new decade: Due to mass production of the Beetle and Volkswagenwerk AG's increasing vehicle sales, VVD's contract book swelled in financial years 1960/1961 by more than 160,000 to around 262,000 insurance contracts. After the motor vehicle standard rate was phased out on 1 January 1962 in favour of company-set rates, the business of motor vehicle insurance in Germany changed. Third-party insurance premiums rose 12.4% on average. The other insurance premiums fell – fully comprehensive by 12.2%, fire and theft by 35.8% and motor accident insurance by 24%. People showed a greater readiness to switch provider after the standard rate was abolished. This proved to be in VVD's favour, as it further increased its clientele.

Increases in production and sales of the Beetle and Transporter meant more sales for Volkswagen in the European markets. Market entry was frustrated by protectionist measures in some states and tougher competition. Nonetheless, VVD managed to stimulate exports to some countries by setting up subsidiaries. It founded five subsidiaries in quick succession: in the Netherlands in 1960, Italy in 1961, Great Britain and France in 1962, followed by Switzerland in 1965. This spreading European network enabled VVD to expand Europe-wide its customer service for German drivers, who were increasingly travelling abroad by car. VVD sealed a deal with all European Volkswagen importers on the uniform and direct settlement of damage claims. "Fahren Sie sorgenfrei auf allen Straßen Europas!" went the slogan from 1962 onwards for VVD's "Europa-Schadendienst."



BURGWALL-CENTER IN WOLFSBURG, 1972

VVD founded the subsidiary "VVD Verwaltungs- und Organisations-Gesellschaft mbH", based in Frankfurt am Main, when Volkswagenwerk AG acquired the Daimler-Benz subsidiary "Auto Union GmbH" in 1965, which went on to be merged with "NSU Motorenwerke AG" in 1969. That same year, the VVD subsidiary was renamed "Auto Union-Versicherungsdienst GmbH" (AUVD). Separate insurance provision came to an end in 1975 when the Volkswagen Group was reorganised and Volkswagen and Auto Union dealer organizations were amalgamated. AUVD was dissolved and more than 40,000 motor insurance policies were transferred to VVD.

Despite the introduction of the “Europa-Schadendienst”, 1963 was the first year since VVD was founded in which the number of newly issued insurance certificates was lower than the previous year. This was the first sign of change on the automotive and insurance market. After the long high of the economic miracle, the number of contracts on the books shrank by around 2% during the Wolfsburg car-maker’s sales collapse of 1966/67. While the figures improved in 1968, the pace of growth had slowed.

Apart from further expanding its field sales, VVD found new ways to raise awareness and to forge links in the Volkswagen organisation. From January to March 1970, VVD ran a series of six advertisements in the Bild-Zeitung newspaper, all of which appeared with the slogan “Sorgenfrei fahren. Überall in Europa.” The headline of the first advertisement was “VVD. Was heißt das?” It informed readers in plain terms about VVD and the advantages of fully comprehensive insurance in Germany and Europe. In this print campaign, VVD consistently presented itself as “part of VW’s full-service”; an insurer who offered its services in close partnership with Volkswagen dealers and garages. As “Volkswagen Insurance”, VVD’s products were also part of the advertising campaign “VW ist mehr.”, which Volkswagenwerk AG ran from 1971 to 1973. When the brand “V.A.G” was introduced for Volkswagen’s and Audi’s sales organisation in Summer 1978, VVD confirmed its affiliation with the Group through the name “V.A.G Versicherungs-Service.”

The one-millionth insurance contract since company foundation was issued in 1965, an occasion which highlighted the mounting workload involved in managing the growing insurance portfolio and the number of insurance applications that was increasing every year. In July 1967, therefore, VVD put in place its first computer system, an IBM 360/30 mainframe. By 1967, staff numbers had risen to more than 450 and remained at this level until the end of the 1980s. The office space in the Mittellandkanal plant became too small for the growing staff, prompting a move to the newly built Burgwall-Center in Wolfsburg at the beginning of 1970.

During Volkswagenwerk AG’s period of crisis in the first half of the 1970s, VVD improved its business processes with the Volkswagen organisation. In early 1972, it introduced the short claim procedure for fast, straightforward and cashless settlement of liability claims. This cemented the relationship with partners in the Volkswagen distribution organisation that were important to the sale of insurance. When insurance closures rose again thanks to the new generation of Volkswagen models – the Passat, Scirocco, Golf and Polo – and the crisis in sales was overcome, a valuable observation was made: that new vehicle business would no longer be sufficient to grow the business in the future.

VVD and the Volkswagen Dealer Advisory Board, the legal department of Volkswagenwerk AG and the insurers established a new kind of product for used cars, and introduced it in 1980 with the slogan “Gebrauchte mit Zukunft.” The V.A.G partners gave customers a one-year warranty, which VVD protected with insurance covering the cost of repairs. On the back of this new product and the continued success of the Golf, VVD closed in excess of 200,000 new contracts for the first time in 1980.

In 1975, Volkswagenwerk AG adopted the principle of granting trademark rights and rights to use the Volkswagen name only to companies in which Volkswagenwerk AG had a majority shareholding. However, VVD was wholly owned by Wertschutz GmbH, which had passed to Mrs Asta Holler on the death of her husband Christian C. Holler in 1969. When negotiating the extension of the contract allowing use of the Volkswagen name, Asta Holler rejected a shareholding on the basis that the two companies had worked closely for decades. The outcome of the negotiations with Volkswagen was that the contract was extended beyond 1979, and VVD set up an advisory board. Two representatives of Volkswagenwerk AG sat on the new, five-member board in accordance with the articles of association.



Globalisation

The political changes in Eastern Europe and the collapse of the socialist planned economy triggered a boom in demand in the automotive sector. In step with the expansion of the Volkswagen distribution network into the East German federal states, VVD also expanded its field sales force and soon established itself on the merits of its range. Strong as growth already was, it was given an added one-off boost at the beginning of 1991 when the GDR state insurance was dissolved and all car owners in the new federal states were forced to purchase new vehicle insurance.

Positive performance in East Germany could not hide the fact that competition had intensified in a changed insurance market. The VVD subsidiary model had no role to play in the Volkswagen Group's breaking into future markets in Eastern Europe. VVD needed a change of direction; all the more so after deregulation of the insurance market as a result of the EC Single Market taking effect on 1 July 1994. The abolishment of state approval of motor vehicle insurance rates and conditions intensified competition. In addition, shorter periods of notice made it easier for motor insurance customers to switch to cheaper insurance providers.

In this changed environment, VVD did two things: it set up "Assivalor GmbH" for selling and managing personal insurance. In addition, it recognised the importance of offering new and flexible products. Helped along by projects to electronically link up Volkswagen distribution organisations, VVD began working more closely with VWL, which led to "Prämie Light" in 1997.

The structural changes in the Volkswagen Group also prompted louder calls for participation in VVD. In the negotiations on retention of the rights to use the Volkswagen name, Asta Holler agreed to allow Volkswagenwerk AG to take a 50% interest in the "Holler Stiftung", a foundation which was to be set up from VVD assets. With these funds, which flowed in from 1990 onwards, Volkswagen AG founded the "Volkswagen Art Foundation", which opened the Wolfsburg Kunstmuseum in May 1994.



WOLFSBURG KUNSTMUSEUM

In the mid-1990s Volkswagen AG decided to completely overhaul insurance activities and combine them with the financial services of VWB and VWL. The relationship between VVD and Volkswagen then had no future in its existing form. The Holler Stiftung, to which Asta Holler bequeathed her fortune, sold the shares in VVD to VWFS on 1 April 1999, allowing insurance activities to be integrated into the integral financial services strategy.



THE CONFERENCE AND FINANCE CENTRE IN BRUNSWICK



Chronicle

1949

30 JUNE “Volkswagen Finanzierungsgesellschaft mbH” (VFG) is established upon notarisation of the memorandum of association in Wolfsburg. The company is entered in the Register of Companies on 19 August 1949. The first managing director of the company, which has nominal capital of DM 20,000, is Rudolf Engel.

VFG and “Volkswagen Versicherungsdienst GmbH” (VVD) come to an agreement, under which VVD field sales will take care of matters relating to advertising, instructions and contract control for VFG. VVD, with registered office in Wolfsburg, was founded on 10 February 1948 upon notarisation of the partnership agreement in Fallersleben, and entered in the Wolfsburg Register of Companies. Initial capital was RM 20,000, 60% of which was put up by Heinrich Kurig and 20% each by Gertrud and Ursula Kurig. Chairman of the board was Hans Hiemenz, Head of Finance at Volkswagenwerk GmbH. On 30 June 1948, the District Economy Office, under Lüneburg district government, granted VVD permission to open an insurance brokerage in Wolfsburg.

In preparation for start-up, the insurance broker Kurig had already signed contracts with Frankfurter Versicherungs-AG on 17 January 1948. VVD was contracted to process motor insurance applications, issue policies, collect premiums, assess damage and settle claims. The settlement of vehicle damage was VVD's responsibility, while Frankfurter Versicherungs-AG settled claims under third-party and personal accident insurance.

13 JULY At the constituent meeting of the Supervisory Board of VFG, Oskar W. Jensen, Deputy Managing Director of Volkswagenwerk GmbH, is appointed Chairman.

1 OCTOBER VFG starts up its financing business, offering loans for new and used vehicles. With a downpayment of at least 33% for new vehicles and 50% for used vehicles, the annual interest rate for the maximum term of twelve months is 9% for new vehicles and 10% for used vehicles. By the end of the year, 168 financing contracts have been concluded. Of Volkswagenwerk GmbH's 162 authorised dealers, 42 have business links with VFG.

19 OCTOBER Insurance entrepreneur Christian C. Holler from Düsseldorf buys a 30% stake in VVD. A further 30% goes to Werner Meyer zu Bexten from Brunswick. VVD holds the remaining 40%. Karl D. Tiedke from the third-party claims department of Frankfurter Versicherungs-AG is appointed the new managing director. The General Counsel of Volkswagenwerk GmbH, Hermann Knott, becomes a member of the Supervisory Board.

20 OCTOBER Nordhoff officially grants VVD the right to use “Volkswagen” in the company's name. The initial price is 15% of gross income from commissions and fees on the sale of insurance. It is reduced to 10% when the Federal Ministry of Economics changes the regulations on commissions in motor vehicle insurance with Ordinance PR 52/50. In view of the cost of setting up the company, Volkswagen waives the fee for 1949.



BEETLE



HARVEST TIME AT THE PLANT

1949

VFG

Balance-sheet total:	DM 571,105
Turnover:	DM 551,421
New contracts:	168
Profit:	DM -45,318.36
Equity:	DM 20,000
Staff:	6

VVD

Balance-sheet total:	DM 174,000
Turnover:	n/a
New contracts since start-up:	5,266
Total contracts:	n/a
Profit:	DM -5,664
Staff:	16

1950

1 JANUARY VVD adds delivery insurance for new vehicles to its range of products. Cover starts once the vehicles are ready for dispatch from the factory and ends on handover to the customer. Like comprehensive insurance, it covers damage to and loss of the insured vehicle. In addition, the insurance covers the transport of spare and replacement parts from production to depot and dealer and on to the garage, and also the return of replaced parts, reusable packaging and pallets.

4 APRIL Through his Berlin company, Wertschutz Versicherungs-Vermittlungs GmbH, Holler acquires a 20% stake in VVD from Werner Meyer zu Bexten.

MAY VVD recruits four area managers in field sales, using the same territorial division as Volkswagenwerk GmbH. Their job is to visit the Volkswagen dealers and garages on a regular basis. VVD introduces an innovative concept in the motor insurance industry; coupon insurance policies for comprehensive insurance with an excess of DM 100 or DM 300. Now dealerships can immediately hand the insurance policy to the insured together with the keys to the vehicle. In November, VVD expands its product range and now offers collective accident insurance for the Volkswagen field sales organisation.

16 AUGUST VFG's Supervisory Board passes a resolution to enter dealer financing. The products they offer are loans for Transporters and demonstration vehicles. With a 15% and 20% downpayment respectively, distributors and dealers can obtain instalment finance for the Volkswagen cars used for demonstration purposes over a term of three or four months. In mid-December, the company begins financing vehicles in stock. Dealers can bridge the gap between vehicle delivery and sale by drawing on short-term loans from VFG. This offer is initially limited to the Volkswagen Type 2.

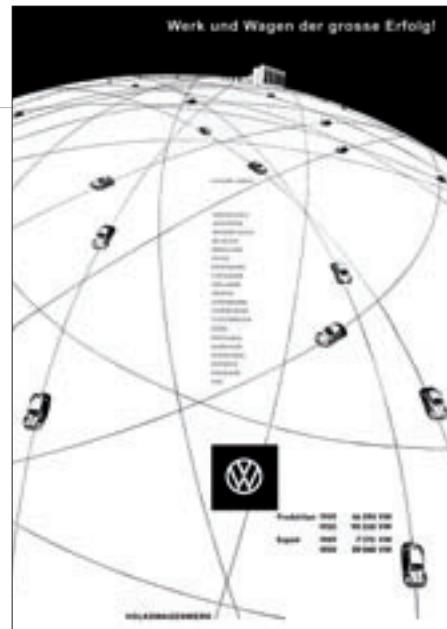
19 DECEMBER VFG's capital is increased to DM 100,000 by Volkswagenwerk GmbH. VFG initially used bridging loans from Volkswagen to finance itself, which had built up to DM 8.6 million by mid-August 1950. This capital increase is significant in that the company now meets the business licence condition imposed by the Minister of Finance of Lower Saxony, and is thus able to source funds for its burgeoning finance business on the open capital market. VFG enters into an agreement with Braunschweigische Staatsbank, under which the latter provides refinancing credit through the discounting of bills of exchange.

31 DECEMBER 77% of all Volkswagen distributors and dealers have a business relationship with VFG. At 366 contracts, finance for used vehicles accounts for 4.9% of VFG's total contracts at the end of the year. Dealers are granted 33 purchase loans to the value of DM 124,628.

NEW YEAR'S ADVERTISEMENT



TRANSPORTER



1950

VFG

Balance-sheet total:	DM 1.4 million
Turnover:	DM 26.6 million
New contracts:	7,283
Profit:	DM 237,000
Equity:	DM 100,000
Staff:	17

VVD

Balance-sheet total:	DM 1.3 million
Turnover:	DM 0.7 million
New contracts:	9,687
Total contracts:	n/a
Profit:	DM 38,951
Staff:	42

1951

7 APRIL Volkswagenwerk GmbH increases VFG's capital to DM 1.5 million. This capital increase is necessary to meet a condition imposed by the Finance Minister of Lower Saxony, namely, that equity must be at least 10% of the total credit volume. Braunschweigische Staatsbank provides VFG with a credit line of up to DM 15 million. To avoid exceeding the permitted credit limit, the Supervisory Board lays down the rule that a downpayment of one third of the purchase price must be made and the term must not exceed twelve months.

5 OCTOBER In Wolfsburg, the two-hundred-and-fifty-thousandth Volkswagen rolls off the line. The same day, VVD issues its twenty-five-thousandth policy.

20 DECEMBER Wertschutz Versicherungs-Vermittlungs GmbH is now the sole partner of VVD. At the beginning of 1951 Holler transferred his stake in VVD to his Berlin company. Wertschutz GmbH then owned 50% of VVD. When Werner Meyer zu Bexten bowed out as partner in March, VVD had the other 50% for a short period, which was held by Johannes Gassner from Munich until it was bought by Wertschutz GmbH.

VVD pays its customers a no-claims refund for the first time, thanks to Ordinance PR No. 51/50 of the Federal Ministry of Economics of 9 August 1950, which provides for a no-claims bonus for third-party and comprehensive motor insurances. The ministry changes the discount options by passing further ordinances over the following three years, paving the way for fixed no-claims bonuses amongst other things.

Of the Volkswagen cars financed through VFG, between 58% and 65% are insured by VVD in the 1950s. In 1951, VFG accounts for almost half of VVD's insurance contracts. This substantial share is due to the high number of tradespeople among Volkswagen's buyers, who protect the value of their loan-financed vehicles by taking out comprehensive insurance. With more and more private customers paying cash for their vehicles during the economic miracle, VFG's share of VVD business dips below 10% by 1962.



CELEBRATING 250,000 VOLKSWAGENS



BEETLE SHELLS

1951

VFG

Balance-sheet total:	DM 17.9 million
Turnover:	DM 35.6 million
New contracts:	10,098
Profit:	DM 227,000
Equity:	DM 1.5 million
Staff:	23

VVD

Balance-sheet total:	DM 1.2 million
Turnover:	DM 1.3 million
New contracts:	13,724
Total contracts:	19,670
Profit:	DM 10,105
Staff:	68

1952

JANUARY The first issue of the “VVD-Post” gazette, directed at Volkswagen distributors, dealers and garage-owners, comes out. Between now and 1972, 60 issues of “VVD-Post” will inform its readers on the latest insurance topics and answer insurance-related questions from the Volkswagen field sales organisation. As is only fitting for a new medium, VVD launches its new logo, which is made up of the letters “VVD” and the outline of the Beetle.

1 FEBRUARY The Supervisory Board of VFG passes a resolution to offer Volkswagen staff finance on special terms. The product, which is taken up by 55 staff members by the end of the year, also includes cheap insurance from VVD.

20 MAY VVD's extraordinary shareholders' meeting votes to set up a branch office in Hamburg. The purpose of the new VVD office is to check Volkswagen dealerships' insurance for gaps and inadequate cover and to offer special employer's liability insurance. This advisory role is assigned to the newly founded “Erwin Warnecke GmbH” on 1 January 1954 for several years. VVD holds over a third of the shares until 1960, when the company is sold to “Gradmann & Holler GmbH in Stuttgart.”

1 SEPTEMBER VVD now produces the renewal notices for customers internally, thanks to the new Adrema and Hollerith machine. The soaring number of insurance contracts on the books has added to the administration work, necessitating the purchase of an Adrema addressing machine and a Hollerith punched-card machine for statistical evaluation as well as the constant recruitment of new staff. The use of punched cards makes it easier to swap information with Frankfurter Versicherungs-AG.

30 OCTOBER In response to fiercer competition among financial institutions, the Supervisory Board of VFG decides to reduce the finance rates and credit charges. It also allows the credit terms for Transporters to be extended to up to 18 months. In the months that follow, charges and interest rates are cut several times.





THE PLANT AT MITTELLANDKANAL



MOBILITY FOR TRADEPEOPLE

1952

VFG

Balance-sheet total:	DM 22.1 million
Turnover:	DM 41.6 million
New contracts:	11,465
Profit:	DM 320,000
Equity:	DM 1.5 million
Staff:	24

VVD

Balance-sheet total:	DM 1.7 million
Turnover:	DM 1.8 million
New contracts:	18,252
Total contracts:	31,379
Profit:	DM 15,161
Staff:	78

1953

4 JUNE VFG concedes to pressure from Volkswagen dealers and waives the requirement for comprehensive insurance in exceptional cases. The Supervisory Board instructs management to look for other forms of collateral, such as bank guarantees, in such cases.

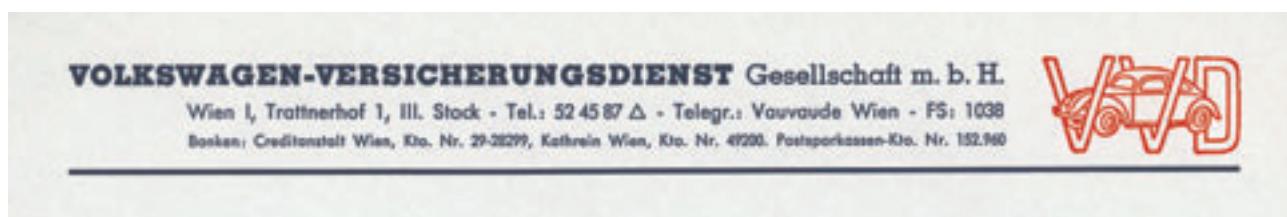
30 JUNE VVD founds its first foreign company; it is “Volkswagen Versicherungsdienst GmbH” with registered office in Salzburg, Austria. The Austrian general importer, “Porsche Konstruktionen GmbH”, has a 10% stake in the new company. On 1 April 1954 VVD Austria moves to Vienna. Business progresses well and at the end of 1959 it has 28,000 insurance contracts on the books.

17 DECEMBER At VVD's extraordinary shareholders' meeting, a resolution is passed to build a block of fourteen apartments as affordable housing for staff. “VW-Wohnungsbau-Gemeinnützige Gesellschaft GmbH”, founded in Wolfsburg by Volkswagen in 1953, is the contractor on the project and, over the course of the year, builds 1,400 apartments for the fast-growing Volkswagen workforce. The VVD apartments are built in Stettiner Ring, Wolfsburg, and in 1955 the first families move in.

// In the 1953 financial year, 24 VFG staff members generate a turnover of DM 39.5 million. In the same year, the company transfers a profit in excess of DM 400,000 to Volkswagenwerk GmbH. This makes the automotive financier a major contributor to the bottom line of the Wolfsburg parent, which reports a profit of DM 3.5 million for the year.

// VVD helps Volkswagenwerk GmbH to expand its export business. Holler is working on the formation of “Volkswagen Versicherungsdienst of America, Inc.”, the headquarters of which are to be built in Wilmington, Delaware. At an advanced stage the preparations for formation are abandoned, as the nature of the American insurance market makes it unfeasible to set up there. VVD starts looking into the establishment of its own companies in Sweden and Brazil in 1954.

LETTERHEAD OF VVD VIENNA



TRANSPORTER LINE IN WOLFSBURG

EMPLOYEE APARTMENTS UNDER CONSTRUCTION
IN WOLFSBURG

1953

VFG

Balance-sheet total:	DM 21.2 million
Turnover:	DM 39.5 million
New contracts:	11,417
Profit:	DM 403,000
Equity:	DM 1.5 million
Staff:	24

VVD

Balance-sheet total:	DM 2.6 million
Turnover:	DM 2.5 million
New contracts:	20,683
Total contracts:	40,404
Profit:	DM 25,530
Staff:	93

1954

26 JANUARY The Supervisory Board of VFG passes a resolution to extend the maximum finance period for Volkswagen cars to 18 months for retail financing. It makes no change to the minimum downpayment, which is still one third of the purchase price. Key accounts get special conditions.

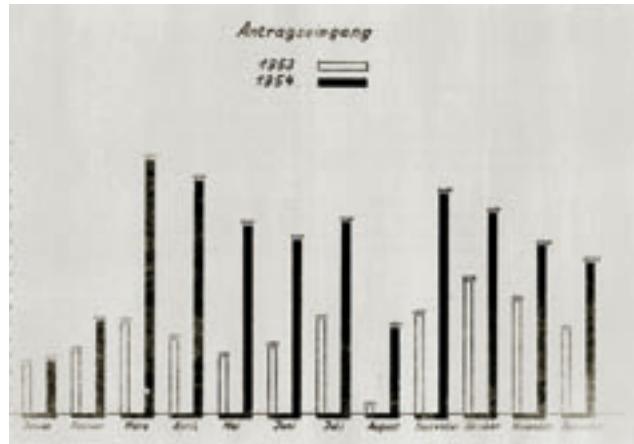
FEBRUARY VVD opens its first branch office/claims office at the Volkswagen distributor in Munich for the purpose of regional networking and rapid claims settlement. It marks an expansion of VVD's decentral network in addition to more area managers. Between now and 1959 VVD will have set up branches/claims offices in eleven cities – including Stuttgart, Nuremberg, Frankfurt am Main, Dortmund and Hamburg.

24 MAY The Banking Supervisor gives its approval for VFG to draw bank credit of up to twenty times its equity. With capital still at DM 1.5 million, VFG's maximum credit volume is DM 30 million. At 92.4% by the end of the year, the credit limit is almost exhausted due to the rising number of contracts.

25 NOVEMBER In response to rapid expansion of the business, Volkswagenwerk GmbH terminates its profit transfer agreement with VFG. Some of VFG's earnings are now used to increase equity in order to establish an adequate capital base for its growing credit needs. By 1962 the capital base will have increased by DM 3.5 million to DM 5 million in total.



SAMBA BUS IN FRONT OF THE SOUTH PERIMETER, 1954



VVD BUSINESS REPORT

1954

VFG

Balance-sheet total:	DM 27.8 million
Turnover:	DM 48.8 million
New contracts:	14,831
Profit:	DM 295,000
Equity:	DM 1.5 million
Staff:	33

VVD

Balance-sheet total:	DM 3.4 million
Turnover:	DM 3.3 million
New contracts:	27,355
Total contracts:	53,258
Profit:	DM 119,401
Staff:	104

1955

2 FEBRUARY Norddeutsche Bank grants VFG a credit line of up to DM 10 million. In addition, VFG continues to draw on a credit line with Braunschweigische Staatsbank to refinance its business.

MARCH To improve customer service, VVD expands its human and technical resources. With the aim of taking over more of the work involved in contract management from the insurers, VVD develops plan "Z" and puts it to the test in Austria. VVD Austria increases its insurance book because insurance contracts with Volkswagen drivers that were not taken out through VVD in Vienna are nevertheless acquired from the insurers. In Germany, VVD cannot come to an arrangement with the insurers in relation to these contract packages, so the plans are scrapped in 1961.

19 MARCH VVD's extraordinary shareholders' meeting passes a resolution to set up a subsidiary in Brazil under the name "VVD Volkswagen Servico de Seguros S.A." with registered office in São Paulo. VVD puts up 70% of the initial capital. It is soon joined by the financing company "VVD de Credito, Financiamento e Investimentos S. A." After the Volkswagen plant is opened in São Bernardo do Campo in 1959, it is not long before VVD Brazil becomes the biggest insurance seller in Brazil.

5 AUGUST Celebrations are held in Wolfsburg to mark the completion of the one-millionth Volkswagen. Overall, Volkswagenwerk GmbH significantly increases vehicle production this year. In 1955 329,893 vehicles roll off the line, compared with 242,373 the previous year. Export business is now growing faster than the domestic side and accounts for more than half of vehicle deliveries for the first time. Vehicles financed by VFG make up around 10% of domestic deliveries. Since the list price of the Beetle is dropped once more, VFG's turnover falls compared with the previous year. At DM 3,160, the average customer loan amount is now DM 130 less than in 1954.

// VFG increases equity by DM 200,000 from profits for the first time after the profit transfer agreement is lifted. The result also enables a dividend of DM 120,000 to be transferred to Volkswagenwerk GmbH.



NEW PRODUCTION RECORD



OPENING OF THE AUTOMOTIVE PLANT IN SÃO PAULO

1955

VFG

Balance-sheet total:	DM 27.7 million
Turnover:	DM 46.4 million
New contracts:	14,700
Profit:	DM 418,000
Equity:	DM 1.7 million
Staff:	34

VVD

Balance-sheet total:	DM 5.7 million
Turnover:	DM 4.4 million
New contracts:	31,568
Total contracts:	66,377
Profit:	DM 539,611
Staff:	129

1956

12 MARCH Hans Hiemenz, head of the central finance department at Volkswagenwerk GmbH, moves from the Supervisory Board of VFG to management, becoming Member of the Board of Management of VFG alongside Rudolf Engel.

11 JUNE The Supervisory Board of VFG passes a resolution to set up its own field sales force and recruit two employees to provide support for the dealers.

// The first issue of the flyer entitled "Was muß ich wissen." is published. It informs Volkswagen drivers about motor insurance in a concise form. VVD realises that more and more private individuals are buying cars and taking over from tradespeople as the most important customer group. Most are first-time buyers and therefore have little experience with motor insurance, the effect being that they are less inclined to spend on insurance and tend to take out fire and theft cover. From May 1954 onwards, VVD informs the dealers in VVD-Post about this emerging trend and advertises the advantages of fully comprehensive insurance. VVD recommends fully comprehensive insurance and higher levels of cover for third-party insurance to Volkswagen buyers to help maintain the value of their vehicles.



COMING OFF THE LINE



VOLKSWAGEN DEALERSHIP IN WOLFSBURG

1956

VFG

Balance-sheet total:	DM 31.9 million
Retail financing turnover:	DM 54.3 million
Retail financing new contracts:	17,017
Dealer financing new contracts:	513
Profit:	DM 394,000
Equity:	DM 2 million
Staff:	35

VVD

Balance-sheet total:	DM 6.5 million
Turnover:	DM 4.7 million
New contracts:	39,287
Total contracts:	83,247
Profit:	DM 448,380
Staff:	144

1957

9 MAY VFG arranges with Deutsche Bank to increase the credit volume to DM 20 million if necessary. To cover the capital requirements for car finance, VFG works with three commercial banks.

16 DECEMBER The Supervisory Board of VFG waives the downpayment on Volkswagen Transporters in exceptional cases on condition that the term of the credit does not exceed three months.

// VVD's 1957 financial year goes well. For the first time since its formation, more than 50,000 new insurance contracts are concluded in one year. The insurance book grows by about 22,000 contracts and passes the 100,000 mark. The volume of paid insurance premiums reaches almost DM 30 million. The number of vehicle damage claims rises as the number of insurance contracts increases. In financial year 1957 the figures are 9,866 claims for damage, which cost DM 4.1 million, so around DM 418 is paid out per claim.



TRANSPORTERS READY FOR DELIVERY



BEETLE IN THE COUNTRYSIDE, 1957

1957

VFG

Balance-sheet total:	DM 35.8 million
Retail financing turnover:	DM 60.3 million
Retail financing new contracts:	19,098
Dealer financing new contracts:	1,403
Profit:	DM 541,000
Equity:	DM 2.25 million
Staff:	35

VVD

Balance-sheet total:	DM 6.9 million
Turnover:	DM 5.7 million
New contracts:	51,255
Total contracts:	105,000
Profit:	DM 523,563
Staff:	171

1958

28 FEBRUARY VVD's extraordinary shareholders' meeting passes a resolution to found "VVD-Unterstützungsskasse e.V." benevolent fund and, in its 10th anniversary year, sets up a company pension for the 179 staff members. This is an example of VVD's continued efforts to protect staff and their surviving dependants against risks arising through no fault of their own. VVD has been financing annuity and life assurance since 1953.

25 NOVEMBER The Supervisory Board of VFG decides to offer customers payment protection insurance, which covers their monthly instalments in the event of illness or death.

The Supervisory Board of VFG discusses the first default for three years, which leads to the absorption of a loss of DM 1,750. The minutes of the Supervisory Board meeting state that the buyer took the vehicle out of the country and has been missing since May, when he was last heard of in France. The case goes to show how little risk VFG takes in its lending activities. As at November 1958, only 0.4% of contracts have gone into arrears.



BEETLE NO. 50,000 DESTINED FOR AUSTRALIA



VOLKSWAGEN KARMAN GHIA CONVERTIBLE

1958

VFG

Balance-sheet total:	DM 33.2 million
Retail financing turnover:	DM 55.8 million
Retail financing new contracts:	17,672
Dealer financing new contracts:	1,141
Profit:	DM 878,000
Equity:	DM 3 million
Staff:	39

VVD

Balance-sheet total:	DM 8.5 million
Turnover:	DM 6.7 million
New contracts:	56,580
Total contracts:	125,000
Profit:	DM 0.9 million
Staff:	182

1959

24 JUNE The extraordinary shareholders' meeting of VVD passes a resolution to establish the subsidiary "Volkswagen Insurance Service Ltd." (VIS) with registered office in Johannesburg, South Africa. VVD and the Volkswagen general importer "South Africa Motor Assemblers and Distributors Ltd." each have a 50% stake in the new company. Although VIS is well received by the Volkswagen organisation, South Africa is difficult to break into. The South African market is characterised by a very close relationship between insurance industry and automotive industry. This results in higher prices and premiums for foreign manufacturers. In 1980, a resolution is passed by the VVD shareholders' meeting to wind up the company.

// Over the year, VFG grants plant employees 1,650 loans to the total value of DM 4.2 million. After the introduction of special conditions in 1952, staff finance reaches a peak for the time being, with figures dropping slightly in the following years. In 1961, 1,300 staff are given a loan for their new Volkswagen cars.



SHIFT CHANGE IN WOLFSBURG

VOLKSWAGEN PLANT IN SOUTH AFRICA



1959

VFG

Balance-sheet total:	DM 30.1 million
Retail financing turnover:	DM 49.4 million
Retail financing new contracts:	15,636
Dealer financing new contracts:	636
Profit:	DM 620,000
Equity:	DM 3.5 million
Staff:	36

VVD

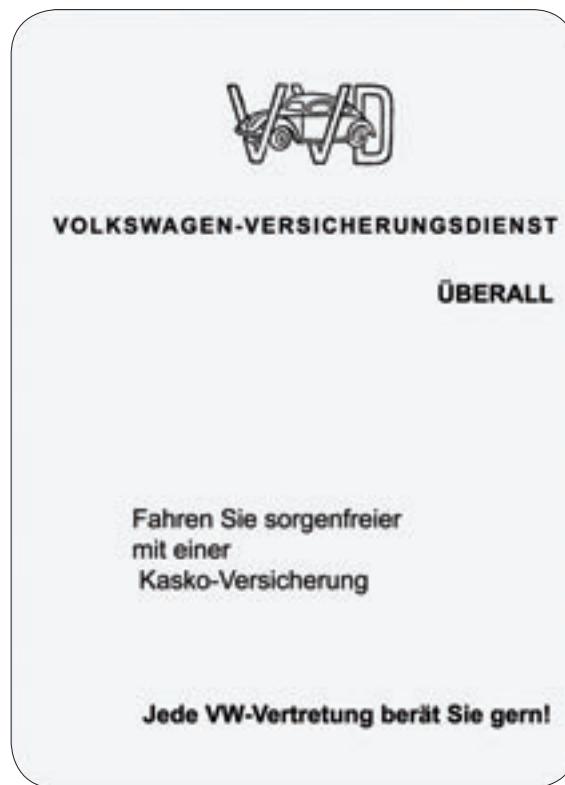
Balance-sheet total:	DM 9.7 million
Turnover:	DM 8 million
New contracts:	67,024
Total contracts:	150,000
Profit:	DM 1.3 million
Staff:	204

1960

11 JANUARY Authorised garages can now finance used vehicles, traded in for new cars, with VFG. To further boost Volkswagen sales, VFG expands this offer to other marques for all dealers. Since used vehicles are increasingly traded in to buy a new car, the volume of used car finance as a percentage of VFG's total business rises to 11.8%, up from 9.6% in 1959 and 8.7% in 1958.

17 OCTOBER VVD finds a subsidiary based in Amsterdam in the Netherlands by the name of "VVS Volkswagen Verzekering Service N.V." 49% of the capital is held by Pon's Automobielhandel N.V., Amersfoort. The Pon brothers have a long-standing relationship with Volkswagen. In 1947, they imported five saloons to the Netherlands; in effect the first commercial Volkswagen export.

22 DECEMBER Wolfgang Siebert, Finance Director of Volkswagenwerk AG, is elected Chairman of the Supervisory Board of VFG.



The advertisement features a stylized logo at the top left consisting of the letters 'V' and 'D' intertwined with a car wheel. Below the logo, the text 'VOLKSWAGEN-VERSICHERUNGSDIENST' is written in a bold, sans-serif font. To the right of the logo, the word 'ÜBERALL' is printed in a smaller, bold, sans-serif font. In the lower-left quadrant of the advertisement, there is a block of German text: 'Fahren Sie sorgenfreier mit einer Kasko-Versicherung'. In the bottom right corner, another line of German text reads: 'Jede VW-Vertretung berät Sie gern!'



IN THE WORKSHOP



1960

VFG

Balance-sheet total:	DM 41.7 million
Retail financing turnover:	DM 67.7 million
Retail financing new contracts:	22,037
Dealer financing new contracts:	1,114
Profit:	DM 458,000
Equity:	DM 3.8 million
Staff:	43

VVD

Balance-sheet total:	DM 12.2 million
Turnover:	DM 10.7 million
New contracts:	102,371
Total contracts:	200,000
Profit:	DM 1.6 million
Staff:	286

1961

1 JANUARY Increased workload and business volumes lead VVD to add three deputy managing directors to the management. The new appointments mark the beginning of a long period of continuity: Günther Obst is made Member of the Board of Management in 1969 and Chairman of the Supervisory Board in 1991. Hans Ruschke stays with the company until 1979. The third Deputy Member of the Board of Management, appointed in 1962, is Ernst Widmer, who succeeds Werner Schlichting.

16 MAY The extraordinary shareholders' meeting of VVD passes a resolution to found the Italian subsidiary "Servizio Assicurazioni Volkswagen S.p.A." (SAV) with registered office in Milan. When the Italian government introduces compulsory third-party insurance for motor vehicles in 1971, VVD liquidates SAV and, at the same time, sets up the insurance agency "Volkswagen Co. S.p.A" in Milan. The earnings potential on the Italian market is low because the premiums for third-party liability insurance are kept down by law. In addition, Italians have no confidence in comprehensive insurance in general, and so the core business of VVD in Italy is nothing more than a sideline. Furthermore, exclusive insurance conditions apply to Italian insurance sellers, including territorial protection which guarantees them all commissions within a region. The company operates until 1977 and is dissolved in 1998.

SEPTEMBER Volkswagen presents the VW 1500 at the IAA international motor show in Frankfurt. The saloon can be financed by VFG and broadens the range of products offered by the Wolfsburg automotive financier.

In retail financing, the trend is towards longer contract terms. The average term of all sales financing contracts on the books increases in 1961 to 14.5 months compared to 13.8 and 12.2 months in the previous years. The mean downpayment in the same period shrinks from 47.4% to 46.4%. VFG management believes this decline is due to competition between the finance providers, which results in less restrictive credit conditions. The greater purchasing power enjoyed by West Germans makes it possible for more and more people to fulfil their dream of owning their own car.



VW 1500



VOLKSWAGEN SHARE CERTIFICATE

1961

VFG

Balance-sheet total:	DM 49.4 million
Retail financing turnover:	DM 76.4 million
Retail financing new contracts:	24,668
Dealer financing new contracts:	2,152
Profit:	DM 775,000
Equity:	DM 3.8 million
Staff:	47

VVD

Balance-sheet total:	DM 15.8 million
Turnover:	DM 14.3 million
New contracts:	118,213
Total contracts:	262,000
Profit:	DM 2.4 million
Staff:	315

1962

1 JANUARY The “VVD-Europa-Schadendienst” is introduced. It enables any European Volkswagen garage to invoice VVD or its subsidiaries direct for the insured costs of accident repairs. A person insured with VVD is encouraged to contact the nearest Volkswagen agent after an accident, where the insured can pick up VVD report forms, which, once completed, are passed directly to VVD. At the same time, the Volkswagen garage begins the repairs and clarifies with VVD any questions about the level of insurance cover by telephone or post.

25 JANUARY The extraordinary shareholders' meeting of VVD passes a resolution to found a subsidiary in London. VVD has a 51% shareholding in the new “Volkswagen Insurance Service Ltd.” Other shareholders include the general importer “Volkswagen Motors Ltd” with registered office in London, with 20%, and the London-based insurance company “H. Clarkson & Co. Ltd.” Business is slow as there are not many Volkswagen agents. By dint of working with the general importer, however, Volkswagen Insurance Service does manage to turn a profit in the following years.

21 AUGUST The extraordinary shareholders' meeting of VVD passes a resolution to found a subsidiary in France. VVD acquires 49% of the new “Service d'Assurance Volkswagen S.A.” (SAV) with registered office in Paris. The 51% majority is held by “Volkswagen France S.A.” SAV ceases trading on 31 December 1983.

5 DECEMBER Annual equity injections enable VFG to raise its bank credit lines from DM 60 million to DM 100 million. Growth in dealer financing drives the greater need for refinancing. This business segment having doubled every year from 1959 and tripled since the previous year, 4,398 stock and demonstration vehicles are financed over the course of 1962. Dealer financing tends to fall off in the winter months, when incoming vehicles outstrip outgoing vehicles, resulting in higher inventories.



OFF TO ITALY IN THE BEETLE



1962

VFG

Balance-sheet total:	DM 59.3 million
Retail financing turnover:	DM 71.5 million
Retail financing new contracts:	27,881
Dealer financing new contracts:	4,389
Profit:	DM 817,000
Equity:	DM 5 million
Staff:	48

VVD

Balance-sheet total:	DM 18 million
Turnover:	DM 17.4 million
New contracts:	124,513
Total contracts:	294,000
Profit:	DM 2.7 million
Staff:	396

1963

5 JUNE The Supervisory Board of VFG decides to cut the interest rate for vehicle in stock finance to an annual rate of 5%. To continue doing business in this burgeoning segment – almost 75,000 dealer finance contracts are executed in 1963, compared to 4,389 the previous year – capital is sourced from Volkswagenwerk AG. From this commission business, which is discontinued in January 1965, VFG receives 25% of the interest income.

30 SEPTEMBER The international VVD companies set up before 1962 are enjoying great financial success. Compared to the previous year, VVD income from participations rises from over DM 47,000 to in excess of DM 650,000. This result is all the more remarkable because 1963 is an abridged financial year for VVD after the 1962 shareholders' meeting fixed the financial year as running from 1 October to 30 September.

1 OCTOBER VFG devises more attractive credit conditions to stimulate the retail financing business. Dealers can now choose between two contract options: VFG no longer requires the dealer selling the loan to assume liability but, if he does, he gets significantly higher commissions. Credit conditions for customers are also relaxed. The minimum downpayment is dropped to 25% of the purchase price for new cars and 40% for used vehicles.



BEETLES PRIOR TO DESPATCH



VVD OFFICE

1963

VFG

Balance-sheet total:	DM 135.1 million
Retail financing turnover:	DM 71.9 million
Retail financing new contracts:	21,078
Dealer financing new contracts:	74,176
Profit:	DM 1.1 million
Equity:	DM 5.9 million
Staff:	58

VVD

Balance-sheet total:	DM 18.1 million
Turnover:	DM 15.6 million
New contracts:	101,710
Total contracts:	313,000
Profit:	DM 3 million
Staff:	427

1964

29 JANUARY TO 9 FEBRUARY For the IX Winter Olympic Games in Innsbruck, the local Volkswagen distributor "Autohaus VOWA, Dr. Klockner u. Co." sets up a special claims office in conjunction with VVD Austria.

30 APRIL Volkswagenwerk AG provides VFG with a loan in excess of DM 100 million for dealer financing. The demand for the low-priced finance for vehicles in stock far exceeds expectations. By the end of August 1964, turnover is more than a billion Deutschmarks instead of the expected DM 620 million.

SEPTEMBER Six field sales representatives are recruited by VFG, whose role is to persuade the Volkswagen sales organisation to engage in more retail financing. In addition to promoting the sales finance, they collect arrears on customer loans and monitor dealer financing on a nationwide basis.

31 DECEMBER Used vehicle financing as a proportion of VFG's total contracts increases. The number of used car financing contracts, which has risen to 4,835 at the end of the year, adds to the number of retail financing contracts on the books. Used vehicles now account for 21.7% of retail financing, up from 16.2%, 10% and 8.9% respectively in the previous three years.





1964

VFG

Balance-sheet total:	DM 212.3 million
Retail financing turnover:	DM 75.6 million
Retail financing new contracts:	22,268
Dealer financing new contracts:	338,607
Profit:	DM 1.3 million
Equity:	DM 6.7 million
Staff:	76

VVD

Balance-sheet total:	DM 21.8 million
Turnover:	DM 22.2 million
New contracts:	136,820
Total contracts:	330,000
Profit:	DM 4.2 million
Staff:	442

1965

11 JANUARY A cash investment increases the VFG capital held by Volkswagenwerk AG to DM 7.5 million and a loan of DM 15 million is converted into a silent contribution. With these measures, equity jumps from DM 6.7 million to DM 27.7 million. This means that VFG is now in a position to fund dealer financing itself.

24 MARCH The Supervisory Board of VFG decides to extend the credit terms to 36 months for new vehicles and 24 months for used vehicles. This, along with the changed commission rules introduced back in 1963 and a larger field sales force, boost the appeal and sales of retail financing.

30 MARCH After Volkswagenwerk AG acquires the Daimler-Benz subsidiary "Auto Union GmbH", the extraordinary shareholders' meeting of VVD passes a resolution to found "VVD Verwaltungs- und Organisations-Gesellschaft mbH" (VVD-VO). The company, with registered office in Frankfurt am Main, issues more than 8,800 insurance policies through the Auto Union agents up to financial year 1967/68. In 1969 VVD transfers the insurance book to the renamed "Auto Union-Versicherungsdienst GmbH" (AUVD).

17 SEPTEMBER The extraordinary shareholders' meeting of VVD votes to establish a subsidiary in Switzerland. VVD owns 51% and the Holler-Group, through "Assivalor AG", owns 49% of "Volkswagen Versicherungsdienst A.G.", which has its registered office in Zürich.

1 DECEMBER Paul Erich Weiße and Heinrich Niehus become Deputy Members of the Board of Management of VFG. Hans Hiemenz leaves the management to join the Supervisory Board of VFG.

// Some of the dealer financing paperwork is processed with the aid of the Volkswagen plant's electronic equipment and the data managed with the aid of punched cards. The advantage of Hollerith processing is that arrears are flagged and immediate action can be taken in conjunction with the Organisation department of the Wolfsburg parent company. As of 2 May 1966 the bookkeeping for "Auto Union Kredit GmbH" is also done on Wolfsburg computer systems.



FACTORY GATE IN INGOLSTADT



THE PARTS OF A BEETLE

1965

VFG

Balance-sheet total:	DM 267 million
Retail financing turnover:	DM 95.4 million
Retail financing new contracts:	28,282
Dealer financing new contracts:	345,205
Profit:	DM 100,000
Equity:	DM 27.7 million
Staff:	77

VVD

Balance-sheet total:	DM 22 million
Turnover:	DM 24.2 million
New contracts:	157,953
Total contracts:	355,000
Profit:	DM 4.3 million
Staff:	470

1966

27 FEBRUARY Friedrich Thomée, Director of Finance and Administration at Volkswagenwerk AG, becomes Chairman of the Supervisory Board of VFG.

24 MARCH 46% of the capital of "Auto Union Kredit GmbH" (AUK) is transferred from Volkswagenwerk AG to VFG. VFG acquires the remainder by the end of the year, completing a reorganisation of the financing business of "Auto Union GmbH", which had been taken over by Volkswagenwerk AG on 1 January 1965. Rudolf Engel becomes Member of the Board of Management of the new VFG subsidiary on 7 September 1966.

6 JULY VVD and the insurance agency Brockman y Schuh A.P., in Mexico City, agree the formation of a public limited company, "VVD Seguros Mexico S.A.". In the meantime, a separate department with the name "Volkswagen Servicio de Seguros Brockman y Schuh A.P." is set up within the agency. From the outset, VVD Mexico maintains close links with VVD in Brazil to draw from its experience in building up the business. VVD Mexico ceases trading at the end of 1976 due to the poor profit outlook.

18 OCTOBER The first German automotive leasing company is established upon registration of "Volkswagen Leasing GmbH" (VWL). The object of the company is to "lease motor vehicles, plant and equipment of all kinds at home and abroad." Richard Berthold is the first managing director of the company, which has a capital of DM 1 million.

20 OCTOBER VFG, in conjunction with the advertising department of Volkswagenwerk AG, initiates an advertising campaign to inform the public about reduced interest rates and longer credit terms.

OCTOBER VWL reaches an agreement with VVD on the insurance of leased Volkswagen cars.



THE VOLKSWAGEN PLANT FROM THE SOUTHEAST

VW verkauft nicht nur Autos. Sondern auch das Geld dazu.

Wir machen gern für Sie auch den Bankier. Weil es für Sie viel angenehmer ist, ein Auto und Geld zu haben, als ein Auto zu haben, aber kein Geld mehr.

Für einen neuen VW braucht man nämlich nur circa ein Viertel des Kaufpreises. Den Rest zahlen Sie über (maximal) 3 Jahre verteilt.

Diese Finanzierung bekommen Sie bei uns genauso wie bei der Bank. Nur näher,



WV 1200 DM 4.990,- ab Werk.
Wenn Ihr Gehaltszuschlag noch DM 1.500,- wert ist, kommt
Sie dieser VW 1200 nur noch 3440,- DM 125,- monatlich.

Ihre VW-Dienste

Warum wollen Sie 3 Jahre auf Ihren VW warten,
wenn wir viel besser auf Ihr Geld warten können?

Wahrscheinlich brauchen Sie noch nicht mal ein Viertel in bar. Sie haben doch einen gebrauchten Wagen - den nehmen wir gern als Anzahlung.

**Wir verkaufen Ihnen nicht nur
ein Auto, sondern auch das Geld
dazu. Das ist die VW-Finanzierung.**



1966

VFG

Balance-sheet total:	DM 320.8 million
Retail financing turnover:	DM 103.5 million
Retail financing new contracts:	29,965
Dealer financing new contracts:	421,083
Profit:	DM 1.5 million
Equity:	DM 29 million
Staff:	97

VVD

Balance-sheet total:	DM 24 million
Turnover:	DM 30.3 million
New contracts:	163,794
Total contracts:	394,000
Profit:	DM 6.5 million
Staff:	477

VWL

Balance-sheet total:	n/a
Turnover:	n/a
Leased vehicles:	20
Profit:	n/a
Equity:	DM 1 million
Staff:	8

1967

17 MARCH VWL writes to the distributors and dealers of Volkswagenwerk AG, asking them to pass on the addresses of prospective customers for VWL's leasing offers. The response from the Volkswagen field organisation is such that, in April, VWL sends out a mailing and brochures to 330 firms with the potential to become fleet customers.

Horst Kabisch becomes a Member of the Board of Management of VWL.

MAY Horst-Dieter Holtbrügge becomes Chairperson of the Works Council of VFG.

JULY VVD commissions its first IT system; the IBM 360/30 mainframe computer newly developed by IBM. One of the advantages of this equipment is that VVD can now handle peak workloads when implementing rate changes. To make the most of the computer's capabilities, VVD switches to two-shift operation in 1971. With larger portfolios and the structure of motor insurance premiums becoming more complicated, further investment in computer capacity is necessary.

14 TO 24 SEPTEMBER For the first time VVD has its own stand at the biennial IAA international motor show held in Frankfurt am Main. The aim is to raise awareness and foster relations with the Volkswagen dealers and customers.

31 DECEMBER Due to the economic recession, annual production at Volkswagenwerk AG drops by almost 300,000 vehicles, and vehicle sales by 120,000. The effect of the sales crisis is that for the first time since its foundation, the number of contracts on VVD's books declines by around 2% within one year. Initially, at VFG the number of new contracts in retail financing falls off only slightly. But the company is down around 10% the following year.



VOLKSWAGEN STAND AT THE IAA



ADVERTISEMENT IN A DEALERSHIP

1967

VFG

Balance-sheet total:	DM 185.9 million
Retail financing turnover:	DM 99.1 million
Retail financing new contracts:	28,810
Dealer financing new contracts:	337,530
Profit:	DM 1.1 million
Equity:	DM 29.6 million
Staff:	105

VVD

Balance-sheet total:	DM 21 million
Turnover:	DM 28.3 million
New contracts:	141,413
Total contracts:	385,000
Profit:	DM 4.7 million
Staff:	467

VWL

Balance-sheet total:	DM 1.9 million
Turnover:	DM 0.7 million
Leased vehicles:	396
Profit:	DM -0.3 million
Equity:	DM 1 million
Staff:	11

1968

1 JANUARY As of the beginning of the year, all partners of the Volkswagen organisation can acquire automotive leasing business more or less independently. At the same time, the lessee or dealer assumes the residual risk, which had previously been assumed by VWL. The offer is restricted to commercial customers.

19 FEBRUARY VWL sends its "Leasing-Handbuch" to Volkswagen distributors and dealers, a sales aid which contains all the important information on closing a deal.

28 FEBRUARY VFG's capital base is barely adequate: The loans used to refinance dealer and retail financing are 17.6 times the capital – just within the limit set by the banking supervisor, which granted approval for VFG to draw bank loans of up to 18 times equity. To facilitate growth in the coming years, another DM 800,000 is used to shore up the capital base at the end of the year.

1 MARCH VWL becomes the agent for the Auto Union organisation. Now VWL's services are available to all of Volkswagen's and Audi's customers and dealers. In May 1971 VWL founds the Audi NSU-Leasing branch in Ingolstadt.

10 JULY A tornado with wind speeds of far in excess of 300 kph ravages the town of Pforzheim and the surrounding area. This uncommon event in Germany causes extensive damage to cars and buildings. VVD informs insured drivers on the claims procedure after the natural disaster by placing an advertisement in the local Pforzheim newspaper.

// VWL helps the German dealer organisation to modernise their technical equipment, offering capital goods leasing for the first time. VWL's low-cost leasing facilitates the substantial investments necessitated by new computer technology in vehicles and in the sales network. Garages have to upgrade their equipment to prepare for the introduction of a computer diagnosis interface, which all Volkswagen models have as of 1971. VWL also offers leasing solutions for the introduction of IT systems for management tasks, which require heavy investment.



VW ist wie ein Bankhaus, das auch Autos produziert.

Wir verkaufen Ihnen nicht nur VW's. Sondern auch das Geld dazu. Wie eine Bank.

Für einen ganzen neuen VW brauchen Sie nämlich nur circa ein Viertel seines Preises. Den Rest zahlen Sie über (maximal) 3 Jahre verteilt. Und wenn Sie schon ein Auto haben, brauchen Sie wahrscheinlich nicht mal das erste Viertel in bar, weil wir Ihnen Gebrauchtwagen als Anzahlung nehmen können.



VW 1300 DM 6.300,- ab Werk.
Wenn Ihr Gebrauchtwagen noch DM 1.400,- wert ist, kann
Sie diesen VW 1300 nur noch DM 4.920,- monatlich.

Ihre VW-Dienste

Warum sollen Sie also 3 Jahre sparen und auf Ihren VW warten, wenn VW viel besser auf Ihr Geld warten kann?

Nageln Sie jetzt den Preis für Ihren neuen VW fest, indem Sie ein Viertel anzahlen. Dann mag anderes teurer werden: Ihr VW-Preis bleibt. Wir verkaufen Ihnen nicht nur ein Auto, sondern auch das Geld dazu. Das ist die VW-Finanzierung.



VFG

Balance-sheet total:	DM 191.6 million
Retail financing turnover:	DM 89.8 million
Retail financing new contracts:	24.400
Dealer financing new contracts:	380.900
Profit:	DM 1.3 million
Equity:	DM 30.4 million
Staff:	99

VVD

Balance-sheet total:	DM 21.9 million
Turnover:	DM 30.7 million
New contracts:	159.703
Total contracts:	400.000
Profit:	DM 5 million
Staff:	468

VWL

Balance-sheet total:	DM 13.9 million
Turnover:	DM 5 million
Leased vehicles:	1.437
Profit:	DM -1.3 million
Equity:	DM 1 million
Staff:	17

1968

1969

31 MARCH Rudolf Engel leaves VFG after almost 20 years as Member of the Board of Management. He is succeeded by Johannes Maniura.

1 SEPTEMBER VWL opens a branch in Berlin. The new office is set up in the premises of the firm Eduard Winter, at Kurfürstendamm 106. Availing of the investment subsidy under the "Gesetz zur Förderung der Wirtschaft von Berlin", leasing contracts are executed with private individuals as well as businesses strictly in the Berlin area. Contracts through the Berlin office account for around 2% of the total contracts on the books in the 1970s.

SEPTEMBER Audi NSU vehicles account for more than 10% of VWL's leased vehicles for the first time.

VWL launches an advertising campaign in the national press to coincide with the 44th IAA motor show, held from 11 to 21 September in Frankfurt am Main. The motifs devised by agency "Doyle Dane Bernbach" and their cheeky slogans catch people's attention ("VW schlägt Ihnen ein gutes Geschäft vor: Kaufen Sie keinen VW."). The text points out the extensive range of services in addition to the fact that leasing does not tie up capital. The campaign is prompted by the management's belief that VWL urgently needs an advertising presence on the German market because other leasing companies which also offer full-service leasing are edging into the market.

22 OCTOBER Christian C. Holler dies at the age of 69. His wife Asta Holler takes over stewardship of the group of companies.

1 DECEMBER VVD appoints a second Member of the Board of Management, Günther Obst.

16 DECEMBER To ensure that VWL has adequate financial resources to allow for rapid growth, the profit transfer agreement with Volkswagenwerk AG is changed insofar as VWL will now retain half of the profit to improve its capital base.



VWD AT THE IAA



Auto-Leasing mit dem größten Beratungs- und Servicenetz in Deutschland.

1969

VFG

Balance-sheet total:	DM 228.8 million
Retail financing turnover:	DM 114.4 million
Retail financing new contracts:	30,100
Dealer financing new contracts:	470,800
Profit:	DM 1.5 million
Equity:	DM 31.4 million
Staff:	98

VVD

Balance-sheet total:	DM 21.5 million
Turnover:	DM 33.1 million
New contracts:	176,625
Total contracts:	408,000
Profit:	DM 5.1 million
Staff:	477

VWL

Balance-sheet total:	DM 26 million
Turnover:	DM 10.7 million
Leased vehicles:	4,151
Profit:	DM 1 million
Equity:	DM 1.5 million
Staff:	22

1970

JANUARY VVD moves into the Burgwall-Center in Braunschweiger Strasse, Wolfsburg. Electronic data processing and the human resources offices remain in the Mittellandkanal plant.

23 JANUARY In Friday's issue of the Bild-Zeitung newspaper the first of a series of six advertisements for VVD appears. It answers the key questions about the company and its business. "VVD. Was heißt das?" is the first question. It is followed by "VVD. Und Ihr Geld.", "Sorgenfrei fahren. Überall in Europa.", "VVD. Ein Extra-Kundendienst.", "VVD. Eine wahre Geschichte.", and in summary, "VVD. Was bietet er?" VVD portrays itself in a modern light in the advertisements, which have prominent placement; also, the layout is uncluttered with a non-serif font. The brief texts are informative and are written in a journalistic style.

1 JULY VFG offers Volkswagen customers repair finance.

7 JULY The Supervisory Board of VFG passes a resolution to offer finance for vehicles in stock and demonstration vehicles for domestic Porsche dealers. The offer applies to the VW Porsche 914 as well as Porsche vehicles.

31 DECEMBER VWL's most widely leased vehicle is the Transporter, of which the company has 3,573: 44.4% of its fleet. Next comes the Beetle, at 2,002 (24.9%), and VWL also has 1,283 VW 1600 (15.9% of the total), while 7% of the leasing fleet is made up by the 557 Audi NSU vehicles.



THE NEW VVD OFFICE BUILDING IN WOLFSBURG

Wenn Sie vernünftig genug sind, einen VW zu fahren, dann sollten Sie auch vernünftig genug sein, ihn durch VW versichern zu lassen.

Das erspart Ihnen viele Laufereien und gibt Ihnen zusätzliche Sicherheit. Denn jeder VW-Betrieb ist gleichzeitig auch Ihr Partner für den Volkswagen-Versicherungsdienst, den VVD. Und der bringt Ihnen Vorteile, die Sie sonst nirgendwo erhalten. Zum Beispiel

eine wirkliche Haftpflichtschaden-Schnellregulierung durch alle 2.400 VW-Betriebe in Deutschland; oder eine bargeldlose Regulierung der versicherten Kaskoschäden durch sämtliche 5.500 VW-Betriebe in Europa. Ein Extra-Service, der nichts extra kostet.

Fragen Sie Ihren VW-Betrieb besser heute als morgen.



Volkswagen-Versicherungsdienst
– das Beste für Sie und Ihren VW.

1970

VFG

Balance-sheet total:	DM 221.3 million
Retail financing turnover:	DM 159.4 million
Retail financing new contracts:	37,700
Dealer financing new contracts:	404,100
Profit:	DM 1.8 million
Equity:	DM 32.4 million
Staff:	101

VVD

Balance-sheet total:	DM 22.1 million
Turnover:	DM 36.3 million
New contracts:	185,831
Total contracts:	427,000
Profit:	DM 5.1 million
Staff:	469

VWL

Balance-sheet total:	DM 74 million
Turnover:	DM 22.8 million
Leased vehicles:	8,056
Profit:	DM 1.3 million
Equity:	DM 2.2 million
Staff:	35

1971

1 JANUARY VFG launches a dealer finance product for spare parts. Domestic turnover for Volkswagen spare parts is around DM 500 million. A new IT program is developed and introduced to enable this business to be processed alongside retail and dealer financing.

VFG's nominal capital is increased to DM 11.5 million by releasing DM 4 million from the silent contribution.

8 APRIL VFG offers private customers the option of taking out car finance without a downpayment. The "Null-Anzahlung" is advertised using posters, free-standing displays and leaflets. At the same time, extensive dealer training is held for the first time, with an accompanying slide show. The training session inform dealers about what VFG has to offer, and is supported by leaflets and selling point guides. As a result, retail financing volumes go up. The increase in advertising intensity comes in response to competition from "personal loans" offered by banks.

1 OCTOBER VVD appoints a fourth Deputy Member of the Board of Management, Walter Streicher. The other three are Hans Ruschke, Charles F. Kern, who succeeded Ernst Widmer in 1966 and will remain in VVD's management for 23 years, and Jürgen Tschersich as of July 1970. The fourth deputy managing directorship was established in 1967 and was held for brief periods by Eberhard Kaross and Kurt Venzmer. The appointments of Tschersich and Streicher mark the beginning of another period of continuity in the management echelons. Both remain with the company for more than 20 years, only departing on their retirement in 1994.

Ein großer Partner mit einem vorteilhaften Angebot: Volkswagen Leasing.

Zuverlässig wie der Volkswagen.



Die gesunde Basis des Volkswagen Leasing: Das Volkswagenwerk stellt über 1000 Modelle im Deutschland-Volkswagen-Leasing bereit. Wenn nicht nur ein großes Programm wirtschaftlicher Automobile, sondern auch günstige Verträge. Für jeden Zeitraum und jede Fahrleistung – mit oder ohne Dienstleistungen ...

machen wir Ihnen ein individuelles Angebot. Durch das enge VW-Dienstnetz hat der Leasing-Kunden überall einen verlässlichen Beratungs- und Betreuungsdienst. Ein Anruf beim nächsten VW-Händler genügt, und Sie werden umfassend über Volkswagen Leasing informiert.

**Volkswagen
Leasing GmbH**

311 Wölfslburg

DAWN OF THE
INFORMATION AGE



1971

VFG

Balance-sheet total:	DM 333.8 million
Retail financing accounts receivable:	DM 171 million
Retail financing total contracts:	56,700
Dealer financing accounts receivable:	DM 179 million
Profit:	DM 2.1 million
Equity:	DM 33.5 million
Staff:	111

VVD

Balance-sheet total:	DM 36.9 million
Turnover:	DM 42.8 million
New contracts:	177,895
Total contracts:	438,000
Profit:	DM 6.8 million
Staff:	488

VWL

Balance-sheet total:	DM 70.8 million
Turnover:	DM 40.5 million
Leased vehicles:	11,422
Profit:	DM 2 million
Equity:	DM 3.2 million
Staff:	59

1972

JANUARY VFG holds a competition for the field sales staff in order to boost turnover in sales financing. Particular success in landing new contracts is rewarded with prizes worth a total DM 5,000. First prize is a television.

1 MARCH VVD plays a pioneering role in Europe in 1972 with the introduction of a fast procedure for third-party claims encompassing the "Reparatur-Scheck" and the short-form notice of claim. This brings great advantages and time-savings for customers, injured parties and the authorised dealers/garages.

APRIL Friedrich-Wilhelm Schlichting becomes Chairperson of the Works Council of VFG.

DECEMBER After a VFG advertising campaign, the number of loans granted to Volkswagen staff increases considerably. In 1972, 2,451 financing contracts in total are signed with employees, an increase of 138% on the previous year. Thus, employees now make up 5% of customers in retail financing; a further 17% are tradespeople or self-employed and 78% are private customers.

31 DECEMBER Karl D. Tiedke leaves VVD after 23 years' service as a Member of the Board of Management. His successor is Karl-Ludwig Barths, the former president of "Volkswagen Canada Ltd.", who has been on the management of VVD since June 1972.



VFG OFFICES ON SÜDSTRASSE



1972

VFG

Balance-sheet total:	DM 483.3 million
Retail financing accounts receivable:	DM 208 million
Retail financing total contracts:	66,200
Dealer financing accounts receivable:	DM 294 million
Profit:	DM 2.4 million
Equity:	DM 34.5 million
Staff:	126

VVD

Balance-sheet total:	DM 32.4 million
Turnover:	DM 49.1 million
New contracts:	163,538
Total contracts:	435,000
Profit:	DM 8.2 million
Staff:	482

VWL

Balance-sheet total:	DM 119.1 million
Turnover:	DM 63.9 million
Leased vehicles:	17,081
Profit:	DM 4.8 million
Equity:	DM 5.5 million
Staff:	76

1973

1 JANUARY VFG changes its name to “VW Kredit Bank GmbH” (VWKB). This marks the transformation into a full-service bank, for which approval was granted by the Federal Banking Supervisor at the end of August 1970. To provide an adequate capital base, a resolution was passed at the shareholders’ meeting on 12 December 1972 increasing the existing nominal capital of DM 11.5 million to DM 20 million by releasing DM 8.5 million from the silent contribution. One advantage of a full-service bank licence is access to more favourable refinancing options through the direct sale of bills of exchange to the Landeszentralkreditbank.

28 FEBRUARY On its 25th anniversary, VVD reflects on two and a half decades in which 2,297,912 insurance applications were processed and 1,698,217 claims were settled. A new pension plan for the 473 members of VVD’s workforce has been in effect since 1 January 1973. Under it, employees receive a lump-sum payment upon reaching retirement age. The amount is 5% of pensionable pay multiplied by the eligible number of years of service. The employee’s surviving dependants receive the same sum if the employee dies while in the company’s employ.

MAY The Passat, the first model in the new generation of Volkswagens, goes into production. At the end of the year, the Passat accounts for 1.2%, or 274, of VWL’s leased vehicles.

During the year VWKB and VWL move out of Südstrasse into new offices in Research and Development on the northwest of the factory premises in Wolfsburg.



ADVERTISING DISPLAY FOR VW KREDIT BANK

OPEN PLAN OFFICE



1973

VWKB

Balance-sheet total:	DM 496 million
Retail financing accounts receivable:	DM 216 million
Retail financing total contracts:	67,700
Dealer financing accounts receivable:	DM 298 million
Profit:	DM 1.6 million
Equity:	DM 35.5 million
Staff:	134

VVD

Balance-sheet total:	DM 35.2 million
Turnover:	DM 51.3 million
New contracts:	162,556
Total contracts:	440,000
Profit:	DM 7 million
Staff:	477

VWL

Balance-sheet total:	DM 166.7 million
Turnover:	DM 93.2 million
Leased vehicles:	23,092
Profit:	DM 6.7 million
Equity:	DM 8.9 million
Staff:	80

1974

29 MARCH Production of the Golf begins in Wolfsburg. At the end of the Golf's debut year, VWL has 651 of the Beetle's successor on lease, which accounts for 2% of leased vehicles. By 1980 that figure is up to 17.4%, or 13,144. The jewel in VWL's fleet remains the Volkswagen Transporter, which in 1974 still accounts for 54.9% and in 1980 27.1% of leased vehicles. The Transporter's abiding popularity can be attributed to VWL's focus on corporate customers, which in 1980, three years after the introduction of private auto leasing, still make up 94.3% of customers.

1 APRIL VWKB offers dealers the "Kombi-Zinsprogramm", which gives dealers who sell large volumes of retail financing better conditions for the financing of demonstration vehicles and vehicles in stock.

13 AUGUST The Supervisory Board of VWKB decides to merge its wholly-owned Ingolstadt-based subsidiary "Audi NSU Kredit Bank GmbH" with the parent company. In the first half of 1975, competences are gradually transferred to Wolfsburg. The subsidiary, whose profit situation has been trending upwards since 1972, reaching DM 876,000 one year later, brings around 30 staff members and a turnover of DM 122 million to Wolfsburg. The merger coincides with the amalgamation of the sales organisations within the Group. After the merger, VWKB offers its services to all Volkswagen and Audi customers and dealers and adds considerably to its field sales force between now and October 1975.

31 AUGUST As part of the amalgamation of Group sales, the VWL branch in Ingolstadt is wound up and the 2,467 leased vehicles on its books transferred to the main branch.

14 OCTOBER The extraordinary shareholders' meeting of VVD passes a resolution for AUVD to cease trading on 31 December 1974. This decision is connected with the resolution passed by the Volkswagen Group to amalgamate the sales organisations of the Volkswagen and Audi marques. Separate insurance management is no longer necessary. VVD takes on AUVD's 24 staff members and its over 40,000 insurance contracts.



GOLF

1974

VWKB

Balance-sheet total:	DM 521.1 million
Retail financing accounts receivable:	DM 225 million
Retail financing total contracts:	65,300
Dealer financing accounts receivable:	DM 320 million
Profit:	DM 4.4 million
Equity:	DM 40 million
Staff:	135

VVD

Balance-sheet total:	DM 30.7 million
Turnover:	DM 54 million
New contracts:	144,944
Total contracts:	443,000
Profit:	DM 7.8 million
Staff:	444

VWL

Balance-sheet total:	DM 199.8 million
Turnover:	DM 122.5 million
Leased vehicles:	26,870
Profit:	DM 10 million
Equity:	DM 13.8 million
Staff:	101

1975

23 JANUARY Karl Schoder becomes a Member of the Board of Management of VWKB.

1 FEBRUARY VWL launches its “Dienstleistungspaket B”, which is obligatory for private customers. The monthly lease instalment includes motor vehicle tax, third-party insurance with cover up to a set amount, comprehensive motor insurance and legal expenses insurance for traffic-related disputes. Claims settlement and payment in advance of all accident-related costs of repairs to the leased vehicle are included. Apart from the appeal of the full range of services, the package attracts customers on account of its uniformly low insurance premiums. This motor vehicle insurance is initially provided in conjunction with the HDI, “Haftpflichtverband der Deutschen Industrie.” “Dienstleistungspaket B” is unique when launched on the market, and develops into a successful product for VWL. It is replaced in 1989 by insurance products with individual classifications for private customers. Package solutions are still offered to fleet customers.

MARCH The Wolfsburg Volkswagen factory begins full-scale production of the Polo, the fourth model in the new generation of vehicles characterised by water-cooled engines and front-wheel drive. At the same time, Volkswagen expands its range of commercial vehicles and produces the Volkswagen LT with various body types. Thanks to the success of the new generation of Volkswagens, VVD is able, for the first time in four years, to issue more insurance policies than the previous year. After a decline in the years 1970 to 1974 by around 20%, the number of contracts rises by some 15%. VVD does not manage to surpass its 1970 mark of around 185,000 new insurance contracts until 1978.

9 OCTOBER The shareholders' meeting of VWL votes to increase the nominal capital by DM 9 million from the revenue reserve. On 22 October 1975 the increase in nominal capital to DM 10 million is entered in the Register of Companies.



Ab Februar 1975

Neu bei VW-Audi Leasing

Das Dienstleistungspaket B – mehr Service für Leasing-Kunden

Zusätzlicher Verdienst durch zusätzliche Provision

Kostenerstattung bei Minderfahrtleistung

1975

VWKB

Balance-sheet total:	DM 630.2 million
Retail financing accounts receivable:	DM 276 million
Retail financing total contracts:	68,700
Dealer financing accounts receivable:	DM 276 million
Profit:	DM 15 million
Equity:	DM 50 million
Staff:	156

VVD

Balance-sheet total:	DM 31.2 million
Turnover:	DM 55.1 million
New contracts:	166,576
Total contracts:	497,000
Profit:	DM 5.6 million
Staff:	462

VWL

Balance-sheet total:	DM 224.7 million
Turnover:	DM 142.7 million
Leased vehicles:	28,976
Profit:	DM 20.4 million
Equity:	DM 24.4 million
Staff:	107

1976

1 JANUARY By resolution of the shareholders' meeting on 15 December 1975, the nominal capital of VWKB is increased to DM 22.5 million by converting DM 2.5 million of the silent contribution into liable capital. On 10 May 1976 the shareholders' meeting approves a further increase in the nominal capital by DM 30 million to DM 52.5 million, effective 1 May 1976.

APRIL As part of "sale-and-lease-back" transactions, VWL offers solutions for fleets in which non-VW marques can now be included.

4 AUGUST Volkswagenwerk AG founds "Volkswagen Versicherungsvermittlungs GmbH" (VVW), of which "Gradmann & Holler GmbH" owns one third. The new company specialises in the arrangement, sale and management of industrial insurance especially for the global Volkswagen locations.

31 DECEMBER VWKB's turnover from finance increases 81.5% on the previous year; the reason for the leap to DM 9.8 billion is Volkswagenwerk AG's robust sales situation.

Der Golf Champion. Der hat sich was Schönes geleistet.



Erstens gibt es den Golf jetzt über eine Million mal. Zweitens hat das nur 31 Monate gedauert. Drittens ist das absolut und unangefochtenen Europa-Rekord. Und viertens ist das Grund genug, die Angelegenheit gebührend zu feiern. Mit einem Sondermodell vom Golf, eben mit dem Golf Champion.

Wie das bei Champions vorkommen soll, sieht er blendend aus. Außen funkelt er mit seinen Metallic-Lackierungen in Perl oder Inariüber. Innen glänzt er mit dicken Polstern und molligen Teppichen, sämtlich stilvoll in eleu oder aubergine.

Seinen unangefochtenen Stand hat der Golf Champion durch die 175/70er Stahl-Gürtelreifen. Für alles gerüstet ist er

durch seine reiche GL-Ausstattung. Und für den Blick auf das weit abgeschlagene Verfolger-Feld hat er einen elektrischen Wischer-Wascher am Heck.

Etwas unüblich für Champions ist sein günstiger Preis. Wenn Sie wollen, brauchen Sie nicht mal Bargeld auf den Tisch zu blättern. Denn es gibt ihn wohl als ersten Champion für Null Anzahlung. Über die VW Kredit Bank. Zu erwähnen wäre noch die Medaille, mit der der Golf Champion behängt ist. Und das numerierte Zertifikat, aus dem Sie ganz genau verstehen können, welchen der nur 8.000 Champions Sie sich geleistet haben.

Ihre Volkswagen und Audi Partner.



1976

VWKB

VWKB	
Balance-sheet total:	DM 789.1 million
Retail financing accounts receivable:	DM 350 million
Retail financing total contracts:	76,200
Dealer financing accounts receivable:	DM 391 million
Profit:	DM 13 million
Equity:	DM 85 million
Staff:	159

VVD

VVD	
Balance-sheet total:	DM 31.6 million
Turnover:	DM 57.8 million
New contracts:	180,361
Total contracts:	508,000
Profit:	DM 7.8 million
Staff:	459

VWL

VWL	
Balance-sheet total:	DM 273.8 million
Turnover:	DM 163.4 million
Leased vehicles:	33,513
Profit:	DM 24.5 million
Equity:	DM 36.3 million
Staff:	123

1977

1 MAY VWL now offers leasing for private individuals. At the end of the year around 400 vehicles have been leased as part of the new "Privatauto-Leasing" line. Similar to the success of the "individual lease" in the USA, VWL is expecting good sales in the long-term for this new channel in the German market. In the early years, growth is slower than expected. Then, at the beginning of the 1980s, business begins to pick up appreciably. By the end of the decade, private auto leasing will have steadily increased to over 30%. The beginning of the 1990s sees the resurgence of commercial business, with private lessees accounting for 19% of business in 1994 and only 8.5% in 2008.

// VWKB sells around 25% more vehicle loans to Volkswagen Group employees than in the previous year. The reason for the increase to 4,002 contracts is a new office on the Wolfsburg plant premises, from where it is possible to offer the workforce more in-depth advice and customer care.

// In the course of the year, technical and organisational measures are introduced at VWL, both optimise the service for customers and dealers and improve internal processes. Contract processing in sales is switched to on-screen dialog format, which generally enables dealers to finalise contracts with the customer on the first visit. The capabilities of the new IT system are continually extended in subsequent years. Repair cost control, introduced in 1979, enables the processing staff to call up on-screen all invoices up to the previous day in order to speed up and improve tracking the progress of repairs to individual vehicles.

**DAS FEINE AM
EXTRA PASSAT IST,
DASS ER BESONDERS
WENIG KOSTET.**



**UND WENN SIE
WOLLEN, GIBT ES
IHN SOGAR FÜR NULL
ANZAHLUNG.
ÜBER DIE VW
KREDIT BANK.**

**IHR VOLKSWAGEN UND AUDI PARTNER.
Carl Bond.**

**DEN NEUEN
DERBY BE-
KOMMEN SIE
FÜR NULL
ANZAHLUNG.
(ÜBER DIE VW KREDIT BANK)
POTZ PLATZ! **



IHR VOLKSWAGEN UND AUDI PARTNER.

1977

VWKB

Balance-sheet total:	DM 677.2 million
Retail financing accounts receivable:	DM 390 million
Retail financing total contracts:	81,200
Dealer financing accounts receivable:	DM 333 million
Profit:	DM 6.1 million
Equity:	DM 91 million
Staff:	170

VVD

Balance-sheet total:	DM 34.8 million
Turnover:	DM 63.7 million
New contracts:	184,199
Total contracts:	479,680
Profit:	DM 6.4 million
Staff:	450

VWL

Balance-sheet total:	DM 379.3 million
Turnover:	DM 200 million
Leased vehicles:	42,008
Profit:	DM 12.1 million
Equity:	DM 48.4 million
Staff:	139

1978

10 MAY VWL's nominal capital is increased by DM 26 million to DM 36 million using own resources.

1 JULY Richard Berthold moves from VWL management to the Supervisory Board. Peter Schneider, Horst Lehmann and Udo Schülke are newly appointed to the Board of Management.

3 JULY The sales organisation for Volkswagen and Audi attains a cross-brand identity with the introduction of the name "V.A.G." The name of VWKB is changed in the Register of Companies on 3 July to "V.A.G Kredit Bank GmbH" (VAGKB) and VWL to "V.A.G Leasing GmbH" (VAGL). VVD, by the name of "V.A.G Versicherungs-Service", is part of the new trading structure.

31 DECEMBER VAGKB's balance-sheet total increases by DM 332 million compared to the previous year, crossing the DM 1 billion mark for the first time. The 49% increase is due to ongoing brisk sales of Volkswagen and Audi models.

// Almost one in four Volkswagen and Audi cars delivered in Germany are insured through VVD.

Künftig.

Außer den zwei Marken für die Autos, die wir verkaufen, gibt es jetzt eine dritte. Also einen eigenen Namen und ein eigenes Kennzeichen für uns und unsere Leistungen. Wir heißen ab sofort V.A.G Partner. Und natürlich trägt von nun an auch alles, was wir tun, unseren neuen Namen: V.A.G Beratung, V.A.G Service mit V.A.G Express Service und V.A.G Notdienst, V.A.G Original Teile Service, V.A.G Zubehör Service, V.A.G Finanzierung, V.A.G Leasing, V.A.G Versicherungs Service usw.

Bei uns, den V.A.G Partnern, werden Sie also in Zukunft diese zwei Zeichen   für die Automarken sehen: Und dazu ein neues, eigenes, drittes Zeichen für uns und alles, was wir tun: **V.A.G**
Ihre V.A.G Partner

„Erstens finanziert die V.A.G Kredit Bank Neuwagen, also Volkswagen und Audis. Zweitens Gebrauchtwagen, drittens Zubehör, viertens Versicherungsprämien und fünftens Reparaturen. Was sechstens eigentlich eine ganze Menge ist.“

Die V.A.G Kredit Bank, die bisher VW Kredit Bank hieß, kann Ihnen also in jeder Lage helfen, wenn es um Geld zum Fahrtn geht. Ihr V.A.G Partner für Volkswagen und Audi kann Ihnen das alles mal genau erklären und Sie beraten. Oder wenden Sie sich bitte direkt an die V.A.G Kredit Bank GmbH, Postfach 69, 3180 Wolfsburg 1.



Ihre V.A.G Kredit Bank.

1978

VAGKB

Balance-sheet total:	DM 1 billion
Retail financing accounts receivable:	DM 449 million
Retail financing total contracts:	86,500
Dealer financing accounts receivable:	DM 615 million
Profit:	DM 4 million
Equity:	DM 95 million
Staff:	173

VVD

Balance-sheet total:	DM 38.6 million
Turnover:	DM 67 million
New contracts:	194,207
Total contracts:	496,622
Profit:	DM 7.1 million
Staff:	441

VAGL

Balance-sheet total:	DM 474.5 million
Turnover:	DM 251.8 million
Leased vehicles:	51,969
Profit:	DM 5.6 million
Equity:	DM 54 million
Staff:	148

1979

21 FEBRUARY The Advisory Board of VVD convenes for its constituent meeting. Asta Holler takes the chair of the Advisory Board. Volkswagen is represented by company lawyer Jürgen Schow, who is also Deputy Chairman of the Advisory Board, and by Harald Wischenbart as of 4 May 1983.

19 JULY By resolution of an extraordinary shareholders' meeting, the nominal capital of VAGKB is increased to DM 92.5 million by a Volkswagenwerk AG contribution. It is entered in the Register of Companies on 21 August 1979. The increase was necessary due to the issue of large loans to V.A.G distribution centres.

AUGUST Because the start of full-scale production of the third Transporter generation is behind schedule and deliveries are late, VAGL concludes approximately 2,500 fewer new contracts than planned. Customers waiting on new vehicles are offered a contract extension.

10 DECEMBER Wolfgang Steinmann joins the management of VAGKB.

Gebrauchtwg. div. Marken u. Bauj. zu verk. Finanz. mögl.

Unsere neuen Volkswagen und Audis sind so gefragt, daß wir sehr, sehr viele verkaufen können. Entsprechend groß ist natürlich die Zahl der Gebrauchten, die wir in Zahlung nehmen.

Und das sind dann nicht nur Volkswagen und Audis, sondern div. Gebrauchte. Also große und kleine, starke und sparsame, Kombis und Coupés, deutsche und Ausländer. Von einzelnen Typen haben wir manchmal gleich mehrere da, so daß Sie sich dann sogar Farbe und Ausstattung aussuchen können. (Selbstverständlich bekommen Sie auch bei Gebrauchten von uns alles, was dazugehört, z. B. die Finanzierung und die Versicherung.) Sehen Sie doch mal nach, ob wir Ihren Traumwagen dhaben.

Aber am besten recht bald. Denn bei uns sind nicht nur die Neuwagen schnell weg. Schließlich sind wir auch die Nr. 1 auf dem Gebrauchtwagenmarkt. **VAG**

Ihre VAG Partner für Volkswagen und Audi.

ADVICE FOR EMPLOYEES



1979

VAGKB

Balance-sheet total:	DM 1.4 billion
Retail financing accounts receivable:	DM 521 million
Retail financing total contracts:	92,000
Dealer financing accounts receivable:	DM 919 million
Profit:	DM 4 million
Equity:	DM 139 million
Staff:	177

VVD

Balance-sheet total:	DM 42.6 million
Turnover:	DM 75.3 million
New contracts:	196,967
Total contracts:	511,384
Profit:	DM 9.1 million
Staff:	446

VAGL

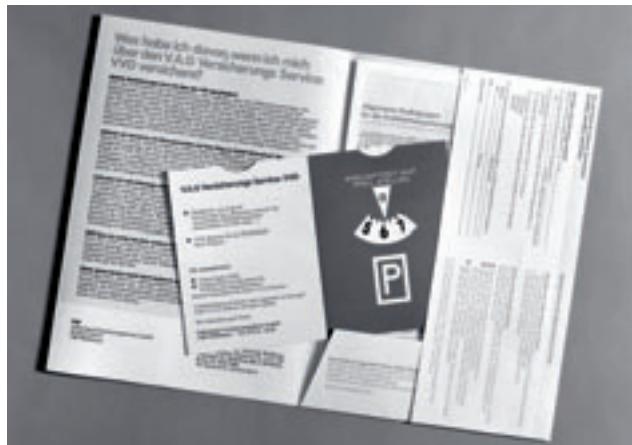
Balance-sheet total:	DM 601.5 million
Turnover:	DM 300.9 million
Leased vehicles:	63,847
Profit:	DM -1.4 million
Equity:	DM 54 million
Staff:	165

1980

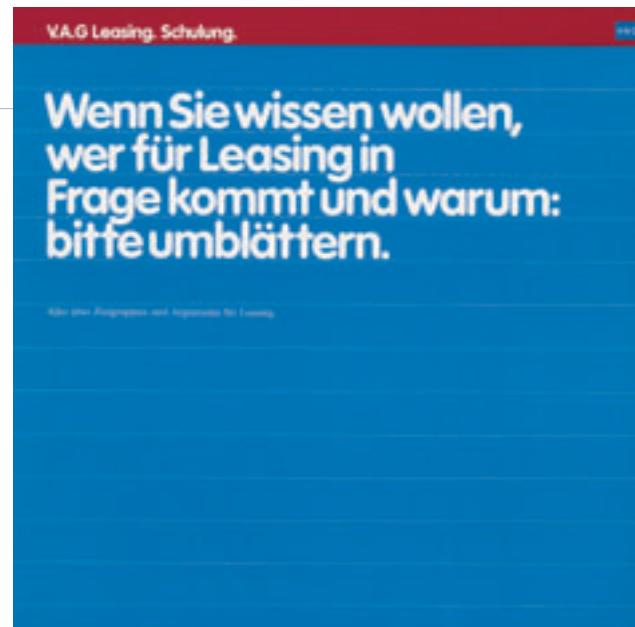
APRIL Under the slogan “Gebrauchte mit Zukunft” Volkswagen launches a novel initiative in the used car market. The V.A.G partners give buyers a one-year warranty, on which VVD provides insurance covering the cost of repairs. The warranty applies to engine, automatic and manual transmission and final drive, transmission shafts, steering, brakes, fuel system and electronics of the purchased car, which may also be a non-Volkswagen marque. VVD issues repair cost insurance for the used vehicles on which the participating V.A.G dealers and garages provide the warranty.

// VAGKB concludes 78% of its retail financing with private individuals. Contracts with tradespeople and the self-employed account for 16% of the total.

// VAGL continues to modernise its data processing systems. Mid-year, the first upgrade of the new IBM 8100 systems goes into operation. At monitor workstations, proposals and inquiries received can be recorded and checked by the processing staff. Confirmations of cover can then be sent directly to the customer. The new technology enables dealers to make their customers a firm offer and sign the contract on the first meeting. Previously, the earliest a confirmation could be given was the next day. From the beginning of 1981, the new technology is also used for internal processes, and facilitates the fast, systematic follow-up of arrears. Direct debits and transfers can be executed immediately on the system, and cheques and reminders issued with little outlay.



VVD CONTRACT FOLDER



1980

VAGKB

Balance-sheet total:	DM 1.5 billion
Retail financing accounts receivable:	DM 584 million
Retail financing total contracts:	95,300
Dealer financing accounts receivable:	DM 948 million
Profit:	DM 5.2 million
Equity:	DM 144 million
Staff:	196

VVD

Balance-sheet total:	DM 51.2 million
Turnover:	DM 82.2 million
New contracts:	201,884
Total contracts:	539,671
Profit:	DM 9.8 million
Staff:	462

VAGL

Balance-sheet total:	DM 767.2 million
Turnover:	DM 403.2 million
Leased vehicles:	75,832
Profit:	DM -7.7 million
Equity:	DM 54 million
Staff:	182

1981

31 DECEMBER At the end of the year, Audi models account for 18.3% of VAGL's leased vehicles. The Audi 80 is the most popular, with 7,418 out on lease, followed by the Audi 100, of which 6,898 are on lease.

// Despite rising refinancing costs, VAGKB's operating result before tax is up 29% to DM 37 million.

// Almost 150,000 sign up for the new repair cost insurance in 1981, bringing the net volume to around DM 27 million. VVD profit this year passes the DM 10 million mark for the first time.

// In the 1981 recession, despite a decline in new car registrations in Germany, VAGL's turnover is up by more than 26%. In addition to advertising, VAGL concentrates on training and informs 2,000 employees in the V.A.G organisation about auto leasing over the course of the year. Attendances at the IAA motor show and the Hanover trade fair produce new relationships with key account customers. In the following years, these activities are pursued further, with special training being held at high-volume dealers who only do a small proportion of leasing business.



AUDI 80

Im Prinzip ist Leasing etwas für die Familie.

Familien sind in vielen Disziplinen besonders und ähnlich ausgerichtet: mit Kindern und Jugendlichen, von Familienangehörigen. Das Familienleben ist Schatz und Erbe der Menschen. 1990 beschäftigten sich etwa 17 Millionen Menschen mit mehr als 23 Millionen Haushalten mit dem Thema „Familie“. Der Anteil der Familien an der Bevölkerung betrug damals 52 Prozent (Geburten: 4,1). Und dieser Trendsetzer war lange am Ende.

„Familien sind in vielen Disziplinen besonders und ähnlich ausgerichtet: mit Kindern und Jugendlichen, von Familienangehörigen. Das Familienleben ist Schatz und Erbe der Menschen. 1990 beschäftigten sich etwa 17 Millionen Menschen mit mehr als 23 Millionen Haushalten mit dem Thema „Familie“. Der Anteil der Familien an der Bevölkerung betrug damals 52 Prozent (Geburten: 4,1). Und dieser Trendsetzer war lange am Ende.“



Aber vor allem für die Frauen.

Frauen gehen im allgemeinen als gute Nachbarin, keine Goldgräberin und vorwiegend nicht handeln sich nach guten Arbeitnehmern aus. Frauen sind auch eine wichtige Gruppe von Müttern mit kleinen Kinderwagen und sind meistlich diejenigen Auto-fahrenden. Ein LKW-Fahrer kann sich nicht auf eine Frau beziehen, was aber für Mütter leichter laut und weniger Reaktionen da und einen entzückenden Schmuck für den Kindergartenkindergarten. Wenn ein LKW-Fahrer eine Mutter mit einem kleinen Kinderwagen sieht, weiß er vielleicht das kann passieren. Die meisten Frauen Leasing-Wagen von Mietwagen mieten. Ein LKW-Fahrer kann leichter eine Mutter, die mit einem kleinen Kinderwagen zu einem Kindergarten kommt. Das ist für mich die Frau bestens geeignet zu wissen.

Schönheit für den Kindergartenkindergarten. Wenn ein LKW-Fahrer eine Mutter mit einem kleinen Kinderwagen sieht, weiß er vielleicht das kann passieren. Die meisten Frauen Leasing-Wagen von Mietwagen mieten. Ein LKW-Fahrer kann leichter eine Mutter, die mit einem kleinen Kinderwagen zu einem Kindergarten kommt. Das ist für mich die Frau bestens geeignet zu wissen.

1981

VAGKB

Balance-sheet total:	DM 1.4 billion
Retail financing accounts receivable:	DM 615 million
Retail financing total contracts:	95,000
Dealer financing accounts receivable:	DM 927 million
Profit:	DM 9 million
Equity:	DM 153 million
Staff:	202

VVD

Balance-sheet total:	DM 70.1 million
Turnover:	DM 91.8 million
New contracts:	193,433
Total contracts:	559,990
Profit:	DM 12.8 million
Staff:	475

VAGL

Balance-sheet total:	DM 950.3 million
Turnover:	DM 509.5 million
Leased vehicles:	89,347
Profit:	DM 6.2 million
Equity:	DM 54 million
Staff:	198

1982

13 AUGUST VAGL and VAGKB start moving into their new offices in the renovated and extended administration buildings of the former Olympia-Werke AG on Gifhorner Strasse in Brunswick. When the move to Brunswick is completed in 1983, 466 employees of the Volkswagen financial services providers work in the new location at the end of the year.

1 DECEMBER VAGL and VAGKB launch special offers to reduce the stocks of Volkswagen and Audi vehicles. The "Null-Leasing" offer for private customers initially applies until 21 March 1983, and is immensely successful: Instead of the expected 6,000 contracts, more than 12,000 vehicles are delivered. In the same period VAGKB launches a low interest offer. The cheap offers are advertised in a massive campaign. VAGKB receives around DM 2 million from Volkswagenwerk AG in December and around DM 11 million in the course of the following year to finance the special offers. Extra staff are recruited, Saturdays are worked and field sales staff is called in to cope with the sheer volume of applications.

// VVD issues the four-millionth insurance policy since it was founded.

// VAGL launches the "V.A.G Europe Service." This service enables customers to use the services of Volkswagen dealers and garages in European countries to the same extent as in Germany. Wear and tear repairs, oil and tyre changes and the cashless settlement of accident damage can all be done abroad. The service is available in six European countries at the end of the year. By 1988 the Europe Service is available in Belgium, Denmark, Finland, France, Great Britain, Italy, Luxembourg, Norway, the Netherlands, Austria, Portugal, Sweden, Switzerland and Spain.

EUROPE SERVICE CUSTOMER CARD



BROCHURE FOR PRIVATE
AND BUSINESS CUSTOMERS

**In 5 Minuten
wissen Sie, ob
sich Leasing
lohnt oder nicht.
Für Sie als
Privatmann.**

**In 10 Minuten
wissen Sie, ob
sich Leasing
lohnt oder nicht.
Für Sie als
Geschäftsmann.**



1982

VAGKB

Balance-sheet total:	DM 1.8 billion
Retail financing accounts receivable:	DM 836 million
Retail financing total contracts:	116,500
Dealer financing accounts receivable:	DM 1.1 billion
Profit:	DM 5.1 million
Equity:	DM 158 million
Staff:	235

VVD

Balance-sheet total:	DM 65 million
Turnover:	DM 98.1 million
New contracts:	194,944
Total contracts:	574,106
Profit:	DM 14.2 million
Staff:	467

VAGL

Balance-sheet total:	DM 951.1 million
Turnover:	DM 594.2 million
Leased vehicles:	92,595
Profit:	DM 12.9 million
Equity:	DM 65.5 million
Staff:	218

1983

4 MARCH Udo Schülke becomes Member of the Board of Management of VAGL.

31 MAY The final vehicle deliveries are made for VAGL's and VAGKB's special offers, which commenced in December 1982. Manufacturer, financial service provider and dealer all pulled together to finance the special offers by discounting prices by over 10%. With the average vehicle costing DM 14,970; the discounts given by the Volkswagen financial services providers and Volkswagenwerk AG together amount to DM 808 per car. 902 dealers and 160 garages take part in the special offers and cut their profit margins by a similar amount. DM 9.8 million of the sales promotions is attributed to VAGKB.

31 DECEMBER The number of VVD policies issued rises to 30% of the Volkswagen Group's domestic deliveries.

// Jürgen Veit becomes Chairperson of the Works Council of VAGL.

**Machen Sie mit
bei unserer großen
Sonderaktion
für
Privateute.**

 **V.A.G Leasing.**

GOLF



1983

VAGKB

Balance-sheet total:	DM 2.4 billion
Retail financing accounts receivable:	DM 1.1 billion
Retail financing total contracts:	145,300
Dealer financing accounts receivable:	DM 1.5 billion
Profit:	DM 10.7 million
Equity:	DM 158 million
Staff:	231

VVD

Balance-sheet total:	DM 72 million
Turnover:	DM 74.5 million
New contracts:	203,794
Total contracts:	592,897
Profit:	DM 13 million
Staff:	464

VAGL

Balance-sheet total:	DM 1.4 billion
Turnover:	DM 747.6 million
Leased vehicles:	125,517
Profit:	DM 13.4 million
Equity:	DM 72.1 million
Staff:	235

1984

11 JANUARY Heinz Jürgen Loock and Wolfgang Roth join the Board of Management of VAGKB.

1 FEBRUARY The staff of VAGL receives new contracts of employment, as they are now employed by VAGL rather than the Wolfsburg parent company. A follow-on collective agreement ensures that the Volkswagen AG's wage structure continues to apply.

1 JULY VAGL's nominal capital is increased from own resources by DM 34 million to DM 70 million.

12 JULY A bad thunderstorm over Bavaria turns into a hailstorm, and the huge hailstones cause widespread damage in Munich. VVD rents a sports field and places ads in the regional newspapers calling on its customers to bring their damaged vehicles there. In a matter of days, 5,000 claims are settled totalling DM 16 million.

27 NOVEMBER VAGKB's nominal capital is increased by Volkswagenwerk AG from DM 92.5 million to DM 300 million. Revenue reserves of DM 65.5 million are released and go to the parent company on 19 December.

31 DECEMBER The deficit reported in VAGL's financial statements arose as a consequence of making use of tax benefits. The high number of new contracts impacts on the result because dealer commissions are due as soon as the contract is signed but income is only collected over the term of the lease and from the sale of the used vehicle at the end of the contract. In addition, the cost of acquisition can be written off over the statutory terms. The meteoric growth in the mid-1980s, which pushes turnover from DM 747 million in 1983 to over DM 3 billion in 1987, amounts to a total deficit of DM 137 million up to 1987.



**Großwäscherei
Volkmann hat ihr Defizit
ausgebügelt: Sie hat
eine neue Waschanlage
gekauft. Und die
Firmenwagen geleast.**

Inhaber Volkmann war sich über durchdringen der wettbewerblichen Faktoren sehr bewusst. Als Lösung für seine Probleme entschied er sich für das V.A.G. Leasing. Erst dann konnte er sich auf seine eigene Wäsche konzentrieren und seine Kunden-Kapazität als dominante Dienstleistung positionieren. Und die ausgewählten Leasing-Partnern halfen ihm dabei, die finanziellen Mittel zu erhalten, die er benötigte. Dieser Erfolg hat sich gezeigt. Seine Wäschelei pfeift jetzt nicht mehr

Kontinuierlich. Ausnahmslos und Garantiert.
Als Partner kann Sie Ihre Wahl zwischen drei
V.A.G. Leasing-Formen, die größte deutsche Auto-
Leasing-Gesellschaft. Minimales Vorsicht ist erwünscht:
Leasing. Die Leasing-Wahlentscheidung und
die V.A.G. Leasing-Formen. Viele Vorteile und
Mindestens das zweitwichtigste: Fahrzeuge leicht kaufen
an Wert zuholen. Aber diesen „Alles steht den
Fahrern“.

Dann bekommt er wieder die wesentliche Me-
daille: Lust am Neuen. Vereinfachung, Schaffens-
freude, Wegenesser und Wissbegier brechen er
sich auf. Und das ist kein Wunsch, über dessenwert jetzt alles
V.A.G. Leasing.

Beobachten Sie einen der 3000 V.A.G. Partner
für Automobil- und Auto- und Finanzierung. Sie
finden sicherlich Ihren Leasing-Partnern, wie geht es mit
V.A.G. Leasing?

V.A.G Leasing
Mit v.a.g. finanzieren Sie mehr.

Wege zum neuen Auto

Barkauf

DM 20.000



Beim Barkauf
zahlen Sie den
vollen Kaufpreis,
und zwar sofort.

Finanzierung

DM 4.000

Anzahlung

DM 16.000

Tilzung



Bei der Finanzierung
zahlen Sie ebenfalls
den vollen Kaufpreis
(plus Zinsen), und
zwar durch eine An-
zahlung und monatliche
Finanzierungs-
raten.

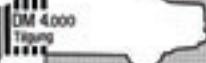
Leasing

DM 4.000

Sonder-
zahlung

DM 12.000

Gebrauchtwagenwert nach
24 Monaten



Beim Leasing zahlen
Sie nur den Wertver-
lust (plus Zinsen), und
zwar durch eine Sonderzahlung und
monatliche Leasing-
Raten

CUSTOMER BROCHURE

1984

VAGKB

Balance-sheet total:	DM 2.4 billion
Retail financing accounts receivable:	DM 1.1 billion
Retail financing total contracts:	161,100
Dealer financing accounts receivable:	DM 1.4 billion
Profit:	DM 35.8 million
Equity:	DM 300 million
Staff:	242

VVD

Balance-sheet total:	DM 72.6 million
Turnover:	DM 80 million
New contracts:	211,871
Total contracts:	606,904
Profit:	DM 14.7 million
Staff:	451

VAGL

Balance-sheet total:	DM 1.7 billion
Turnover:	DM 0.9 billion
Leased vehicles:	148,128
Profit:	DM -54.5 million
Equity:	DM 72.1 million
Staff:	249

1985

1 JANUARY Klaus Kaminsky is appointed Deputy Member of the Board of Management of VVD. He is the first in a new generation of top executives after a long period of continuity in personnel. Klaus Vacano, who had been Head of Export Sales in the Volkswagen Group, succeeds Karl-Ludwig Barths as Member of the Board of Management on his departure in 1986.

SEPTEMBER VAGKB launches the "4.9% p.a. Gebrauchtwagen-Aktion", which provides private customers with low-cost finance for used Volkswagen-Group marques. For Volkswagen dealers, this signals an opportunity to shift used-car stocks. The offer is announced nationwide in magazine and periodical advertisements, backed up by the dealers' own promotions. The offer is so successful that weekend work becomes necessary and field sales workers are despatched to Brunswick for several weeks.

19 NOVEMBER VAGKB commences import financing for the V.A.G importer in Sweden. "V.A.G Sverige AB" is granted a credit line of DM 30 million. Daily vehicle deliveries are now around the DM 2.5 million level. The Volkswagen Group is ranked second for new vehicle registrations in the Swedish market, with 37,000 vehicles. Within the next six months a similar agreement is concluded with the Norwegian importer. After a positive review of activities in Scandinavia, deals are subsequently made with importers from the Benelux countries.

V.A.G. LEASING OFFICES AND
PLASTICS PRODUCTION FACILITY OF THE
VOLKSWAGEN PLANT IN BRUNSWICK



Das Jahr fängt gut an:

4,9%

effektiver Jahreszins durch die VAG Kredit Bank.
Für alle neuen Passat, Passat Variant und Santana.

Die VAG Kredit Bank senkt die Zinsen: 4,9% effektiver Jahreszins für einen neuen Passat, Passat Variant oder Santana. Für Sie jetzt günstig wie nie.

Sie verraten uns Ihr Wunschauto und sagen, die VAG Kredit Bank möglicherweise die Finanzierung übernehmen. Wegen der niedrigen Zinsen. Sie werden sich wundern, wie einfach es geht, stolzer Besitzer eines Passat oder Santana zu werden. Wegen der niedrigen Zinsen.

Ihre VAG Partner:  

1985

VAGKB

Balance-sheet total:	DM 2.6 billion
Retail financing accounts receivable:	DM 1.2 billion
Retail financing total contracts:	184,000
Dealer financing accounts receivable:	DM 1.4 billion
Profit:	DM 11 million
Equity:	DM 311 million
Staff:	266

VVD

Balance-sheet total:	DM 78.2 million
Turnover:	DM 85.8 million
New contracts:	219,317
Total contracts:	612,439
Profit:	DM 16 million
Staff:	459

VAGL

Balance-sheet total:	DM 1.9 billion
Turnover:	DM 1 billion
Leased vehicles:	166,584
Profit:	DM -51.8 million
Equity:	DM 72.1 million
Staff:	268

1986

8 DECEMBER The pay scales at Volkswagen AG apply to VAGKB staff henceforth. The follow-on contracts signify an improvement for the staff of VAGKB, who are now on an equal footing with the employees of Volkswagen AG and VAGL.

20 DECEMBER At the end of the year, VVD management reports to the Volkswagen Group that the turnover of VVD and its subsidiaries has topped DM 100 million for the first time.

DECEMBER Volkswagenwerk AG increases VAGL's nominal capital by DM 230 million to DM 300 million.

// VAGKB refinances through a number of business arrangements with German banking houses. At the end of the year, VAGKB has borrowed around DM 303 million over terms in excess of four years from eleven financial institutions. It has drawn another DM 927 million from 25 banks in the form of short-term credit.

// VVD introduces a service card which identifies its customers to the V.A.G. garage, simplifying the entire claims procedure for motor insurance. Service enhancements secure VVD's market position in the face of competition, which had intensified after statutory pre-approval for comprehensive insurance premiums was abolished in 1982, followed by fire and theft insurance in 1985.



3,9%

effektiver Jahreszins
für alle neuen
Polo C/CL und
Polo Coupé CL/GT.

Kaufen Sie jetzt und finanzieren Sie über die V.A.G Kredit Bank.
Sie sparen durch diese Zinssenkung rund DM 1.300,- für eine
Finanzierung von DM 12.000,- über 36 Monate.
Kommen Sie zu uns. Wegen der niedrigen Zinsen.

Ihre V.A.G Partner. 

1986

VAGKB

Balance-sheet total:	DM 2.8 billion
Retail financing accounts receivable:	DM 1.5 billion
Retail financing total contracts:	203,000
Dealer financing accounts receivable:	DM 1.4 billion
Profit:	DM 32.5 million
Equity:	DM 311 million
Staff:	297

VVD

Balance-sheet total:	DM 84.7 million
Turnover:	DM 112.7 million
New contracts:	220,086
Total contracts:	624,208
Profit:	DM 17 million
Staff:	460

VAGL

Balance-sheet total:	DM 2.3 billion
Turnover:	DM 1.1 billion
Leased vehicles:	188,993
Profit:	DM -31.2 million
Equity:	DM 302.1 million
Staff:	297

1987

6 MAY “Seat Leasing GmbH” is entered in the Register of Companies at Brunswick District Court. The sole partner, with a subscribed capital of DM 1 million, is VAGL. The new company enables the Seat sales organisation to conduct its auto leasing business unaffected by the interests of non-Group leasing providers. Also in May 1987, “Seat Kredit Bank GmbH” is founded as a wholly-owned subsidiary of VAGKB. The nominal capital is DM 7 million as on 31 December 1988 and is increased to DM 18 million in January 1989. The new leasing and finance companies are integrated into the Group in tandem with the Spanish car-maker Seat, in which Volkswagen AG acquired a majority holding on 18 June 1986.

25 SEPTEMBER Volkswagen AG founds the “Volkswagen Art Foundation”, located in Wolfsburg. The object of the foundation is the patronage and cultivation of art, in particular fine art of the 20th Century, in the Wolfsburg region by funding art exhibitions, purchasing collections and building an Kunstmuseum in Wolfsburg. Wolfsburg Kunstmuseum opens in May 1994 and soon gains international standing as a centre for contemporary art. Construction of the Kunstmuseum is paid for by a loan of DM 40 million from the sole VVD shareholder, Wertschutz GmbH.

31 DECEMBER 58.3% of the domestic V.A.G dealers avail of VAGKB dealer financing. Turnover in this segment is now almost DM 27 billion.



VVD IN WOLFSBURG



SEAT IBIZA

1987

VAGKB

Balance-sheet total:	DM 3.3 billion
Retail financing accounts receivable:	DM 1.7 billion
Retail financing total contracts:	221,000
Dealer financing accounts receivable:	DM 1.6 billion
Profit:	DM 34.4 million
Equity:	DM 311 million
Staff:	330

VVD

Balance-sheet total:	DM 89.1 million
Turnover:	DM 120 million
New contracts:	229,995
Total contracts:	638,080
Profit:	DM 18.4 million
Staff:	471

VAGL

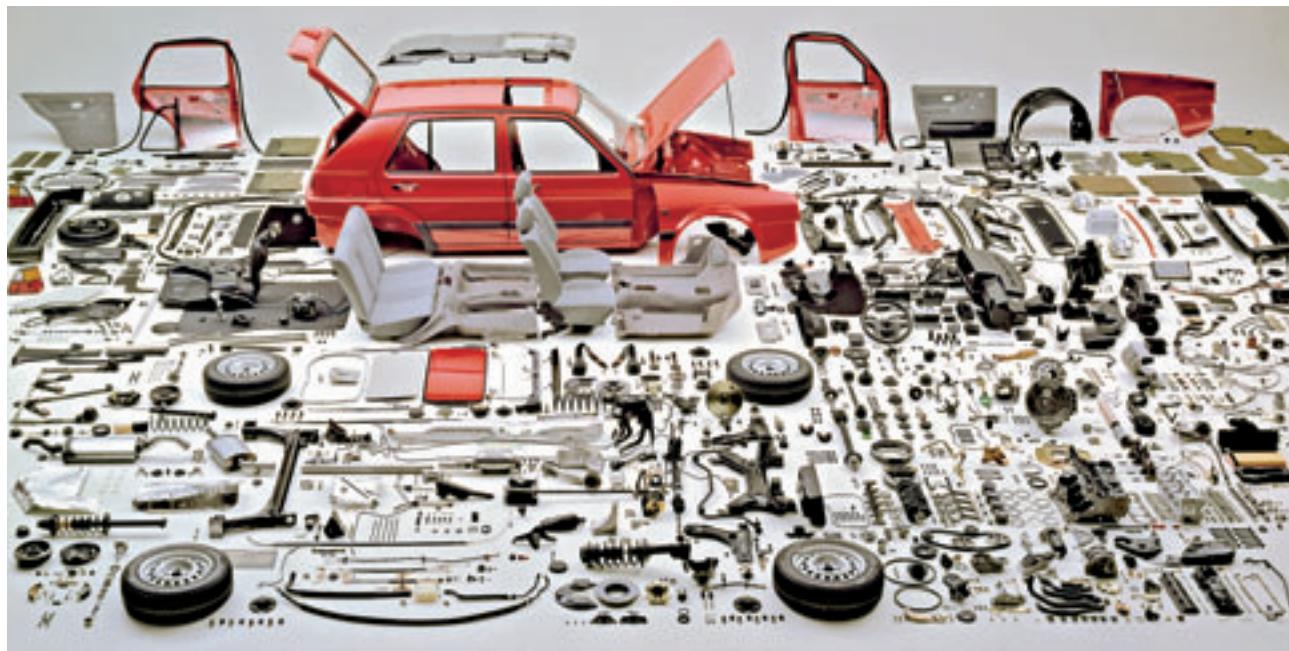
Balance-sheet total:	DM 3 billion
Turnover:	DM 2.2 billion
Leased vehicles:	235,000
Profit:	DM 32.2 million
Equity:	DM 302.1 million
Staff:	328

1988

25 MAY VAGKB reorganises its field sales by setting up branches nationwide. The first field sales office is opened in Norderstedt in northern Germany. Seven more follow over the course of the year. In 1989, a branch is opened in the Wolfsburg plant. After the fall of the Berlin Wall, offices are opened in Germany's capital city and in Chemnitz, and finally an agency is opened in Munich in 1991. At the same time, many more field sales staff are recruited, the numbers rising from 20 prior to reorganisation to a sale force of 84 on 1 April 1992. The availability of regional contacts meets with the approval of the dealers in particular, and their proximity to the dealerships also helps to boost sales of retail finance.

NOVEMBER VAGL sends out a brochure "Zwei starke Partner – ein überzeugendes Angebot" to inform the V.A.G. sales organisation that Leasing and VVD will be offering a joint product package starting on 1 January 1989. Spurred on by projects to link up the Volkswagen sales organisations electronically, the two companies work together more and more in the 1990s.

The image shows a brochure cover with a white background. On the right side, there is a vertical bar divided into three horizontal sections: red at the top, blue in the middle, and white at the bottom. The word 'Verkauf' is written vertically in white on the red section, and 'V.A.G Leasing' is written vertically in white on the blue section. The main title 'Leasing-Information' is at the top in bold black font. Below it, 'V.A.G Leasing und VVD' is also in bold black font. The central text 'Zwei starke Partner – ein überzeugendes Angebot' is in large, bold, black, sans-serif font. At the bottom left, the word 'Absatzförderung' is in small black font. At the bottom right, there is a small blue square containing the letters 'VAG'.



1988

VAGKB

Balance-sheet total:	DM 3.8 billion
Retail financing accounts receivable:	DM 1.9 billion
Retail financing total contracts:	233,000
Dealer financing accounts receivable:	DM 1.9 billion
Profit:	DM 1.1 million
Equity:	DM 311 million
Staff:	380

VVD

Balance-sheet total:	n/a
Turnover:	DM 129.3 million
New contracts:	n/a
Total contracts:	652,030
Profit:	DM 19.7 million
Staff:	482

VAGL

Balance-sheet total:	DM 3.2 billion
Turnover:	DM 2.6 billion
Leased vehicles:	264,000
Profit:	DM 34 million
Equity:	DM 302.1 million
Staff:	364

1989

1 JANUARY Dieter Ullsperger, Director of Controlling and Finance at Volkswagen AG, is appointed Chairman of the Supervisory Board of VAGKB and VAGL.

18 JULY To shore up equity, VAGKB's nominal capital is increased by Volkswagen AG by DM 100 million to DM 400 million. Including DM 11 million in the revenue reserve, liable capital is now DM 411 million, representing 8.9% of the balance-sheet total.

27 AUGUST On her death, Asta Holler leaves her fortune and the group of companies she headed to the Holler-Stiftung in Munich. The bylaws of the foundation provide for the funds to go to charitable organisations and institutions according to a specific system. The Volkswagen Art Foundation, set up in 1987 in Wolfsburg, receives 40% of the annual fund, and, from that budget, it finances the running of Wolfsburg Kunstmuseum.

DECEMBER During the year, VAGL concludes 124,000 new contracts; total leased vehicles stand at 281,000 at the end of the year. Put another way, one in six vehicles delivered by the Volkswagen Group in Germany is leased by VAGL. Taken together with the 162,000 vehicles financed by VAGKB, this means that VAGL and VAGKB lease and finance almost one fifth of total domestic deliveries.

**Frau Lange verbindet Nouvelle cuisine mit Tradition:
Gasthaus verschönert. Passat Variant geleast.**

Wie macht man klassische Käseküche Zeit und Raum gut? Gelingen kann es nur durch eine Ausflugsküche wie die von Frau Lange. Das Projekt ist ein Testbericht. Frau Lange, der dieses Konzeptlock jungen Gästen gegeben hat, sagt: „Eine gesunde Investition geht das gar nicht mehr.“ Wenn auch die Ausstattung sowie den gehobenen Anspruch widerspricht. Unter neuem Passat Variant wurde deshalb kürzlich gekauft. Mit dem gepassten Gerät habe ich das Restaurant auf Vordermann gebracht, berichtet V.A.G Leasing, Deutschlands Nummer eins im Auto-Leasing, zufrieden schreibt.

„Den vielen Kundinnen, die kommen nur für das, was ich während der V.A.G Leasing-Kunden sind, kann ich Ihnen keine Leistung beweisen, die sie nicht erwarteten. Und am Punkt kann ich Ihnen nicht V.A.G Leasing sogar noch um Steuer, Versicherung, Wartung, Reparaturen, Schadensabwicklung und Pflegeversorgung. Ich selbst kann Ihnen noch leben um diese kostengünstige Käseküche.“ Wie kommt hier gepasst hat, wird natürlich deutlich sein.

Besuchen Sie einen der 3.300 V.A.G Partner für Volkswagen und Audi. Damit Sie erfahren, wie gut Sie mit V.A.G Leasing fahren.

VAG V.A.G Leasing
Autoleasing für jedermann

Besondere Finanzierung. Besonderes Leasing.

Es geht in die Verlängerung.

Wegen der großen Nachfrage haben wir uns entschlossen, Ihnen weiterhin unsere „Besondere Finanzierung“ und das „Besondere Leasing“ anzubieten.
Das heißt im Klartext: 2,9% effektiver Jahreszins der V.A.G Kredit Bank bei 25 % Anzahlung und bis zu 36 Monaten Laufzeit, wenn Sie jetzt ein neues Serienmodell des Polo, Golf, Jetta oder Scirocco finanzieren.

Und für unser „Besonderes Leasing“ gilt: Wir verrechnen den Wert Ihres Gebrauchten mit der Sonderzahlung, und Sie zahlen für Ihren neuen Volkswagen jetzt besonders günstige monatliche Leasing-Raten. So einfach ist das.
Als sofort geht es in die Verlängerung.
Bei uns. Bei Ihrem V.A.G Partner.




1989

VAGKB

Balance-sheet total:	DM 4.6 billion
Retail financing accounts receivable:	DM 2.5 billion
Retail financing total contracts:	287,000
Dealer financing accounts receivable:	DM 2 billion
Profit:	DM 12.9 million
Equity:	DM 411 million
Staff:	409

VVD

Balance-sheet total:	n/a
Turnover:	DM 138.6 million
New contracts:	n/a
Total contracts:	658,541
Profit:	DM 24.1 million
Staff:	489

VAGL

Balance-sheet total:	DM 3 billion
Turnover:	DM 3.1 billion
Leased vehicles:	281,000
Profit:	DM 28.7 million
Equity:	DM 302.1 million
Staff:	367

1990

MARCH VAGKB decides to lease a building in Chemnitz to set up offices and rooms for employees who are overseeing the establishment of a dealer network in East Germany after the opening of the border. At the end of the year, VAGL also opens a branch in Chemnitz. By the end of the year, around 7,000 vehicle leases, amounting to an investment of some DM 140 million, are sold out in Chemnitz.

1 JUNE Klaus-Peter Caspritz and Dieter Grethe join the Board of Management of VAGKB.

10 JUNE The management of VAGKB decides to support the new dealers in East Germany in their retail finance business and begins lending after the dealer contracts are signed in autumn.

14 JUNE The renaming of VAGKB as "V.A.G Bank GmbH" (VAGB) signals its entry into direct banking, the third core business segment in addition to dealer and retail financing.

NOVEMBER VAGB adds direct banking services to its product range with the introduction of the "Volkswagen und Audi Card-System", which offers two of the leading credit cards (Eurocard/Mastercard and Visa) as a package for the first time in Germany. The associated card account comes with an attractive rate of deposit interest.

// A new Volkswagen sales network is built up in the new federal states, which comprises 420 Volkswagen and Audi dealerships and 180 Seat dealerships after one year. Like their counterparts in the old federal states, the new authorised dealers are given full authority by VVD to conclude contracts and settle claims. They are also perfectly positioned to pick up the lucrative extra business that comes along when the GDR state insurance provider is wound up. All East German drivers have to take out new motor insurance by 1 January 1991. These changes, combined with increased sales, prompt a flood of applications to VVD. By the beginning of September 1991, third-party motor insurance business for new and used vehicles increases 93.4%. Since 85% are new contracts, VVD's total insurance book grows by 20% to almost 850,000 contracts.

POSTER IN DEALERSHIP



THE FIRST POLO FROM ZWICKAU



1990

VAGB

VAGB	
Balance-sheet total:	DM 4.6 billion
Retail financing accounts receivable:	DM 2.8 billion
Retail financing total contracts:	305,000
Dealer financing accounts receivable:	DM 1.7 billion
Profit:	DM 42.7 million
Equity:	DM 453 million
Staff:	459

VVD

VVD	
Balance-sheet total:	n/a
Turnover:	DM 144.2 million
New contracts:	228,612
Total contracts:	697,504
Profit:	DM 24.4 million
Staff:	496

VAGL

VAGL	
Balance-sheet total:	DM 3.6 billion
Turnover:	DM 3.3 billion
Leased vehicles:	301,000
Profit:	DM 21.2 million
Equity:	DM 302.1 million
Staff:	392

1991

4 MARCH Restructuring of the financial services division begins in the Volkswagen Group with the foundation of “Volkswagen Finanz GmbH” (VWF). Norbert M. Massfeller becomes Chairman of the Supervisory Board, with Peter Schneider, Udo Schülke and Hans Jürgen Raab as Members of the Board of Management. The nominal capital is DM 100,000.

1 MAY Klaus Kaminsky becomes Member of the Board of Management of VVD.

12 JUNE Norbert M. Massfeller is appointed Chairman of the Supervisory Board of VAGB and VAGL.

20 JUNE Looking ahead to the bundling of financial services, the nominal capital of VAGL is reduced from DM 300 million to DM 100 million by resolution of the shareholders' meeting. At the same time, the nominal capital of VAGB is increased from DM 200 million to DM 600 million. The restructuring, which strengthens the banking division, gives rise to lower refinancing costs because increasing the liable capital gives VAGB greater access to credit from the Bundesbank.

14 AUGUST Klaus-Peter Caspritz become Deputy Member of the Board of Management of VWF.

27 AUGUST The assets of “Seat Leasing GmbH” are transferred to VAGL under a merger agreement. “Seat Leasing” itself is kept in operation as a branch of VAGL.

28 AUGUST “Seat Bank GmbH” is merged with VAGB and the business is continued as a branch under the name of “Seat Bank.”

4 SEPTEMBER The Supervisory Board of VVD convenes for its constituent meeting. This body must be set up because VVD's staff now exceeds 500. Former Member of the Board of Management of VVD, Günter Obst, is elected Chairman. The employees' representative is Giesela Burmester, Chairwoman of the Works Council.

17 OCTOBER Peter Bittermann and Karl-Heinz Schmidt become Deputy Members of the Board of Management of VAGL.

13 DECEMBER “Škoda Leasing” is opened in Brunswick as a branch of VAGL. It smoothes the integration of the Czech car manufacturer into the Volkswagen Group by providing leasing products on the German market.

31 DECEMBER Sales financing contracts entered into with customers from the new federal states now account for around 19% of VAGB's total acquisitions at the end of the year. This growth is due in particular to an initiative dubbed “Erfolg braucht Partnerschaft”, in which all senior staff mentored dealerships in the new federal states.

POSTER IN DEALERSHIP



THE ŠKODA PLANT IN MLADÁ BOLESLAV

VAGB

Balance-sheet total:	DM 6.4 billion
Retail financing accounts receivable:	DM 3.4 billion
Retail financing total contracts:	366,000
Dealer financing accounts receivable:	DM 3 billion
Private customer deposits:	DM 85 million
Profit:	DM 17 million
Equity:	DM 653 million
Staff:	546

VAGL

Balance-sheet total:	DM 4.7 billion
Turnover:	DM 3.9 billion
Leased vehicles:	349,000
Profit:	DM 10.6 million
Equity:	DM 100 million
Staff:	432

**Wir machen es
wie schon zwei Millionen
vor uns.**

V.A.G Bank 
Auto kaufen, leicht gemacht



1991

1992

1 JANUARY As part of the restructuring of financial services, VAGL and VAGB are transferred from Volkswagen AG to VWF. Upon acquisition of the shares in the Volkswagen financial services providers, around one eighth of the balance-sheet total of the Volkswagen Group is consolidated under the holding company.

5 FEBRUARY “Škoda Bank” is founded in Brunswick as a branch of VAGB.

22 MAY “Volim Volkswagen Immobilien Vermietgesellschaft für VW-/Audi-Händlerbetriebe mbH” is formed as a wholly-owned subsidiary of VWF, with registered office in Brunswick and a nominal capital of DM 50,000. The company rents and leases sites or entire operating units to secure the business locations of dealerships in the new federal states. Sites are purchased in prime locations to help the Volkswagen and Audi sales organisation to establish new motor vehicle dealerships as part of the “Dealer-Development-Programm.”

1 JUNE “SkoFIN, s.r.o.” is founded in Prague as a wholly-owned subsidiary of VWF. The start-up is the Brunswick-based financial services provider’s first foreign venture and marks the beginning of a phase of internationalisation in line with the Volkswagen Group’s financial services strategy. After the foundation of the Czech Republic on 1 January 1993, SkoFIN only remains in operation on the Czech market. As of 9 September 1999 the nominal capital is 865 million Czech koruna. After the VWFS subsidiaries “SkoLEASE” and “SkoFIN Fleetservices” are merged to form SkoFIN, the latter offers leasing and financial services in the Czech Republic. Insurance activities on the Czech

market are now carried on via “INIS International Insurance Service s.r.o.”, which was founded on 15 August 1993. Initially located in Prague, the company moves to Mladá Boleslav on 1 July 2003 and is transferred to the VWFS subsidiary “VW-Versicherungsvermittlungs GmbH” (VWV) on 1 January 2007.

JUNE Investment financing is VAGB’s new financial service for Volkswagen, Audi, Seat and Škoda dealers. By the end of the year, equipment and investment loans to the value of DM 66.6 million have been approved. Partners in Germany’s new federal states account for DM 7.4 million. Investment finance serves to fund the purchase of sites, new buildings, expansions and dealers’ office and business equipment. By doing so VAGB is instrumental in building up an efficient dealer network in the new federal states.

1 JULY Bundling financing and leasing under the umbrella of VWL creates new ways of expanding the financial services business. With the updated model of the combi-interest product introduced in 1974, dealers can get better dealer finance conditions by selling leasing products.

30 DECEMBER The VVD Supervisory Board passes a resolution by circulation that VVS is to widen its existing activities, which are limited to motor vehicle insurance, to include business insurance and other insurance products in response to tougher competition in the Netherlands. This broadens the successful subsidiary’s prospects. Between 1965 and 1991 VVS had paid VVD dividends totalling around DM 5.6 million.

**Finanz-dienstleistungen:
der sichere Weg zu
guten Geschäften.**

Erfolg braucht

Partnerschaft

Volkswagen Finanz GmbH

V.A.G Bank GmbH - V.A.G Leasing GmbH  

**Künftig können auch
Leasing-Verträge Ihre Zinsen
senken. Im neuen 10-Stufen-
Zinsprogramm.**



1992

VAGB

Balance-sheet total:	DM 7.8 billion
Retail financing accounts receivable:	DM 4.6 billion
Retail financing total contracts:	427,000
Dealer financing accounts receivable:	DM 3 billion
Private customer deposits:	DM 270 million
Profit:	DM 18.3 million
Equity:	DM 653 million
Staff:	637

VVD

Balance-sheet total:	DM 148.4 million
Turnover:	DM 184.6 million
New contracts:	286,654
Total contracts:	917,004
Profit:	DM 26 million
Staff:	569

VAGL

Balance-sheet total:	DM 5.3 billion
Turnover:	DM 4.7 billion
Leased vehicles:	381,000
Profit:	DM 14.4 million
Equity:	DM 114.4 million
Staff:	482

1993

14 JANUARY The process of building up a financial services portfolio in Slovakia begins after the foundation of the Slovak Republic on 1 January. "SkoFIN Bratislava, s.r.o.", is founded as a subsidiary of VWF's Prague agent and transferred to VWFS on 1 September 1999. On 28 September 2000 it is renamed "Volkswagen Financné sluzby Slovensko s.r.o." The insurance business in the Slovakian market is conducted through "INIS International Insurance Service s.r.o.", with registered office in Bratislava. The company, founded on 20 December 1996 by the Czech insurance subsidiary, is transferred to VVW, a wholly-owned subsidiary of VWFS, on 1 January 2007.

12 JULY VWF enters the British market with the foundation of "Kellens Limited." Renamed "Volkswagen Financial Services (UK) Ltd." on 11 November 1993, the company opens for business on 1 April 1994 with a nominal capital of 20 million pounds. After several capital increases, the wholly-owned subsidiary of VWFS, located in Milton Keynes, has a nominal capital of 70 million pounds as of 30 June 1997.

1 SEPTEMBER VAGB begins a training programme for careers in banking, and initially takes on ten young people. This step ensures the availability of qualified up-and-coming staff through in-house training.

20 SEPTEMBER Klaus R. Zapf becomes Chairman of the Board of Management of VAGB.

1 DECEMBER Roland Gleisner becomes a member of the management of VAGB.

// VWF's upgrading of its IT systems continues with the arrival of the new computer programs ALF (Auto, Leasing, Financing) and KREDOS (Credit Bank Information System for the Volkswagen/Audi Organisation). With ALF, dealers can do everything on-screen, from calculating finance and leasing offers to drawing up the ready-to-sign loan contract. VWD's motor vehicle insurance products are also integrated into the ALF program. KREDOS speeds up and simplifies communication with dealers. For instance, log books can be called up online. Thanks to the scoring system introduced in 1994, KREDOS speeds up the processing of credit applications by using automated routines to assess the lending risk.

**Der Boulevard
der kleinen Raten.**

Lieben Sie ein besonderes Fahr? Dann wenden Sie mit dem neuen Polo Boulevard schnell Freundschaft: schließen. Vor allem, wenn Sie erfahren, wie günstig Sie Ihr finanziert werden können.

Für nur 4,9% effektiven Jahreszins nämlich. Bei 20% Anzahlung und einer Laufzeit von 36 Monaten. Ein Angebot der VAG Bank.

Was sein Fahr ausmacht? Zum Beispiel die Stoffbezüge in besonders attraktivem Design „Jubiläum“, der komfortable Fahrersitz und die grüne Wärmeschutzverglasung.

Es gibt den Polo Boulevard als Stufenheck und als Coupé mit 33 kW/45 PS- oder 40 kW/55 PS-Benzinmotor und einem 35 kW/48 PS-Dieselmotor.

Freunden Sie sich mit ihm an – bei einer Probefahrt.

Kommen Sie zum Kundentreffen zu uns.



Die Weihnachts-Ideen von Volkswagen.

Das überraschende Finanzierungs-Angebot:
z.B. Golf für 3,9% effektiver Jahreszins*.
Jetzt kaufen – in drei Monaten zahlen.

Das besondere Leasing-Angebot:
z.B. Golf New Orleans für DM 181,-*.
Jetzt abholen – in drei Monaten zahlen.

Das außergewöhnliche Winterreifen-Angebot
für Ihren neuen Volkswagen.
Mehr Sicherheit zu einem günstigen Preis.

Das gilt jetzt für einen neuen Golf, Golf Variant, Golf Cabrio und Vento. *Bei 25% Anzahlung sowie einer Laufzeit zwischen 12 und 48 Monaten. Der Clou: Sie zahlen die 1. Rate erst 3 Monate nach der Zulassung. Das gilt auf Wunsch auch für die Anzahlung. So lautet das Angebot der VAG Bank.

*DM 181,- monatliche Leasingrate für einen neuen Golf New Orleans mit 44 kW (60 PS). Einmalige Sonderzahlung DM 7200,-. Laufzeit 24 Monate. Jährliche Laufleistung: 15000 km. Zahlung der 1. Rate 3 Monate nach Zulassung. Das gilt auf Wunsch auch für die Sonderzahlung. Ein Angebot der VAG Leasing.

Das ist das besondere Angebot für alle, die weder leasen noch finanzieren wollen. Mehr Sicherheit zu einem besonders günstigen Preis. Fragen Sie uns nach dem außergewöhnlichen Winterreifen-Angebot. Wir beraten Sie gern.

Jetzt bei Ihrem Volkswagen Partner. 

1993

VAGB

Balance-sheet total:	DM 8.6 billion
Retail financing accounts receivable:	DM 5.7 billion
Retail financing total contracts:	524,000
Dealer financing accounts receivable:	DM 2.7 billion
Private customer deposits:	DM 630 million
Profit:	DM 20.1 million
Equity:	DM 653 million
Staff:	735

VVD

Balance-sheet total:	DM 170.8 million
Turnover:	DM 197.8 million
New contracts:	273,472
Total contracts:	957,498
Profit:	DM 31.7 million
Staff:	605

VAGL

Balance-sheet total:	DM 5.2 billion
Turnover:	DM 5.4 billion
Leased vehicles:	404,000
Profit:	DM 114 million
Equity:	DM 198.2 million
Staff:	535

1994

1 JANUARY VWF enters the Spanish market upon acquisition of the assets of “Financiera Seat, S.A.”, founded on 6 December 1967, from Seat, the Volkswagen subsidiary. The Madrid-based company is renamed “VW FINANCE, S.A. – Entidad de Financiacion” on 20 October 1994 and has been trading since 19 October 1995 under its current name: “Volkswagen Finance, S.A. – Establecimiento Financiero de Crédito.” Leasing business in Spain is conducted by “Servilease, S.A.”, a company founded on 17 December 1991, which has belonged to VWFS since 13 May 1996. “Volkswagen Insurance Services, Correduria de Seguros, S.L.” conducts the insurance business on the Spanish market. The company located in Barcelona was founded on 8 June 1956 as “ALSE”, and belongs to VWV. Since 16 November 2001, VWB has a branch in Madrid.

The shares in the Italian “Fingerma A.S.”, established in 1991, are transferred from Volkswagen AG to VWF. In 1997 VWB establishes branches in Milan and Verona, which are registered locally on 7 July 1998. These branches add banking business to the range of services offered to Italian dealers to boost sales of the Volkswagen Group’s products. On 17 August 1998 VWL also founds a branch in Milan, which processes leasing transactions for the Volkswagen Group as of 1 January 1999.

The shares of “V.A.G Holding Financière S.A.” are transferred from “V.A.G France” to VWF. The company, which was founded on 30 November 1993 in Paris, is renamed “Volkswagen Holding Financière S.A.” on 20 November 1995 and as of 13 January 1995 its registered office is in Villers-Cotterêts. It acts as the holding company for the Volkswagen Group’s financial services in France. On 19 January 2004 a VWB branch is set up in Saint Denis.

2 MARCH The shareholders’ meeting of VWF passes a resolution to change the legal form of the company to an “Aktiengesellschaft”, a public company limited by shares. “Volkswagen Financial Services AG” (VWFS) is established as a wholly-owned subsidiary of Volkswagen AG. VWFS is responsible for European financial services. On the Board of Management are Peter Schneider and Klaus R. Zapf, with Norbert M. Massfeller as Chairman. Rutbert Reisch, Finance Director of the Group Treasury of Volkswagen AG is appointed Chairman of the Supervisory Board.

MADRID LOCATION



1994

1 APRIL The composition of VVD management changes with the appointment of Wolfgang P. Kurth as Member of the Board of Management alongside Klaus Kaminsky. It is reduced from six seats, with two Members and four Deputy Members of the Board of Management, to three Members of the Board of Management. Heinz Adolf Göbbels had been appointed Member of the Board of Management in July 1993.

1 JULY The third non-life insurance Council Directive 92/49/EEC of 18 June 1992 on the coordination of laws, regulations and administrative provisions relating to direct insurance comes into effect. Its aim is the harmonisation of the EU internal market. Competition in the motor insurance market again tightens with the abolishment of statutory pre-approval of motor insurance premiums and conditions. In Germany this affects third-party motor insurance. In addition, the EC Directive cuts the periods of notice and makes it easier for motor insurance customers to switch to other insurance providers.

10 NOVEMBER Rainer Blank becomes a Member of the Board of Management of VAGB.

14 DECEMBER The Brunswick-based financial services providers are renamed “Volkswagen Leasing GmbH” (VWL) and “Volkswagen Bank GmbH” (VWB).

Unsere Gebrauchten. Durch die Bank günstig.



4,9% effektiver Jahreszins. Anzahlung: 25%, Laufzeit: 12–36 Monate. Ein Angebot der V.A.G. Bank.
Für gebrauchte Pkw und Nutzfahrzeuge von Volkswagen, Audi und vielen anderen Marken ab DM 17.500,-.

Glückswochen '94 bei Ihren Partnern für Volkswagen und Audi.



1994

VWFS

Balance-sheet total:	DM 21.4 billion
Equity:	DM 1.4 billion
Net income:	DM 187 million
Retail financing accounts receivable:	DM 7.1 billion
Dealer financing accounts receivable:	DM 2.7 billion
Retail financing total contracts:	563,000
Private customer deposits:	DM 1 billion
Total leasing contracts:	437,000
Staff in Germany:	1,435
Staff abroad:	801

VVD

Balance-sheet total:	DM 188.5 million
Turnover:	DM 211.4 million
New contracts:	250,802
Total contracts:	975,640
Profit:	DM 36 million
Staff:	622

1995

1 JANUARY VWFS commences operations in the Netherlands, and acquires half of the Amsterdam-based “Audi Finance N.V.” This company, which was founded on 16 May 1983, is renamed “Volkswagen Financial Services N.V.” on 20 July 1995. The takeover of VVD on 1 April 1999 gives VWFS 51% of “Volkswagen Verzekerings-Service N.V.”, which was founded on 17 October 1960 with its registered office in Diemen. The corporate object of the participation, which will be increased to 60% on 27 July 2007 and renamed “VVS Verzekerings-Service N.V.” on 18 September 2007, is the sale of motor insurance. The remaining 40% of the nominal capital is held by the Pon Group. “Volkswagen Pon Financial Services B.V.”, in which VWFS holds 60% of the nominal capital of 10 million euros as of 1 July 2003, is run as a joint venture with the Pon Group. Established on 31 December 2001 as “Pon Financial Services B.V.”, the company trades under its new name from 12 December 2003. Its largest subsidiary is “Dealers Financierings Maatschappij N.V.”, which was founded by “Pon Holdings B.V.” on 16 March 1967. VWB enters the Dutch market on 1 January 2004, operating through a branch in Amersfoort.

8 MARCH The extraordinary shareholders’ meeting of VVD passes a resolution establishing new rules of procedure for management: Marketing and Sales is taken on by Heinz Adolf Göbbels, Operations and Claims by Wolfgang P. Kurth, and Klaus Kaminsky is in charge of Finance and Controlling, HR, Participations and Coordination of Divisions.

MAY Alfred Rodewald becomes Chairperson of the Works Council of VWFS.

1 JULY “Assivalor Consulting GmbH”, with registered office in Wolfsburg, commences trading. The object of the VVD subsidiary, founded at the beginning of the year, is the conclusion, sale and administration of personal insurance.

OCTOBER Andreas Stoffels becomes Chairperson of the Works Council of VAGL.

// Over the course of the year, VWB expands its direct banking activities and allows employees of the Volkswagen Group to take out mortgages. A fixed-term deposit, the “Auto-Ansparplan” and the “Plus” instant access account are added to the product range for all private customers.

// VVD introduces the new product “VVD family policy.” It provides financial protection for the whole family in the event of an accident: one contract covers all of the family’s cars, regardless of whether one or more cars are being used at the same time. In addition, family members are covered when travelling in rental cars and other cars.

1995

VWFS

Balance-sheet total:	DM 22.8 billion
Equity:	DM 1.4 billion
Net income:	DM 166 million
Retail financing accounts receivable:	DM 9.9 billion
Dealer financing accounts receivable:	DM 3.5 billion
Retail financing total contracts:	1.1 million
Private customer deposits:	DM 1.4 billion
Total leasing contracts:	585,000
Staff in Germany:	1,447
Staff abroad:	810

VVD

Balance-sheet total:	DM 184.6 million
Turnover:	DM 214.4 million
New contracts:	238,292
Total contracts:	971,297
Profit:	DM 30.9 million
Staff:	638

1996

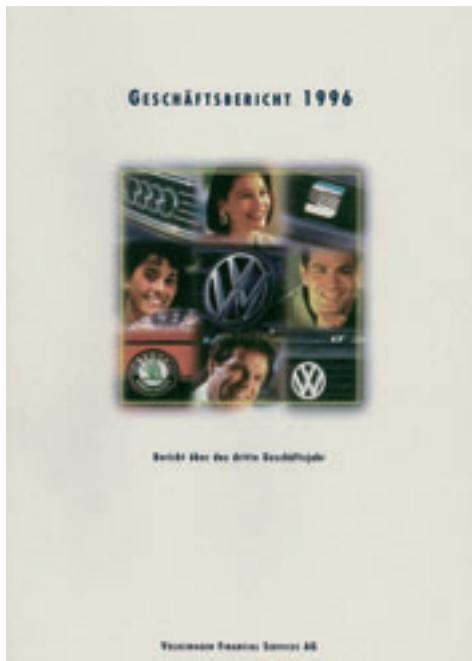
1 JANUARY VWB introduces “Auto Credit”, which takes all the risk associated with a used vehicle at the end of the contract out of the mix for the customer. At the same time, the low monthly instalments afford flexibility, as the customer does not have to decide until the term expires whether he wants to pick a new Volkswagen, pay the final instalment or continue financing the vehicle. Prior to launch, a large-scale field trial was conducted in 1995 in which more than 450 Volkswagen and Audi dealers took part. AutoCredit soon becomes the most important finance product in the portfolio and outstrips traditional instalment credit for the first time at the end of 2003, accounting for 52% of new contracts.

1 FEBRUARY Uwe R. Hoffmann becomes a member of VWB Board of Management.

FEBRUARY VWFS takes advantage of the international capital market to diversify its sources of refinancing and reduce the associated costs, and, together with Volkswagen AG, issues asset-backed securities of DM 500 million. Having received a first-time rating by “Standard & Poor’s Corporation” and “Moody’s Investors Service Limited” in this financial year, VWFS is now able to borrow on the international capital markets in its own name.

31 DEZEMBER VWFS takes responsibility for the Volkswagen Group’s financial services in the Asia-Pacific region, including Japan. For the first time, VWFS acquires an interest in a financial services provider outside Europe, with the purchase of a 49% holding in “VANS Finance Corporation.” The company, which was founded on 5 September 1990 as a joint venture between “Volkswagen Audi Nippon K.K.” and “Nippon Shinpan”, is renamed “VW Finance Japan K.K.” on 1 January 1997 and is wholly controlled by VWFS as of 25 June 1997. Having changed its name several times, VWFS’s agent in Tokyo has been trading as “Volkswagen Financial Services Japan Ltd.” since January 2007. One of the company’s subsidiaries is “Volkswagen Financial Real Estate Corporation”, founded on 31 October 2002, which provides financial services to help build up an Audi dealer network for the Group in the Japanese market.

// VVD introduces the “Schaden Card”, making it significantly easier to settle third-party insurance claims.



1996

VWFS

Balance-sheet total:	DM 26.6 billion
Equity:	DM 1.9 billion
Net income:	DM 266 million
Retail financing accounts receivable:	DM 11.7 billion
Dealer financing accounts receivable:	DM 4.4 billion
Retail financing total contracts:	1.2 million
Private customer deposits:	DM 1.9 billion
Total leasing contracts:	625,000
Staff in Germany:	1,512
Staff abroad:	849

VVD

Balance-sheet total:	DM 169.8 million
Turnover:	DM 198.8 million
New contracts:	n/a
Total contracts:	950,424
Profit:	DM 27 million
Staff:	679

1997

13 JANUARY VWFS enters the Polish market upon the foundation of “Volkswagen Leasing Polska Sp. z o.o.” in Warsaw. Capital is increased to 12.1 million zloty on 30 March 1999, and the company run as a joint venture as of 28 June 2001. 40% of the nominal capital is taken over by “Kulczyk Pon Investment B.V.”, a subsidiary of the Pon Group, which operates as Volkswagen importer in the Netherlands and Poland. On 4 July 2002 the capital is reduced to 3.1 million zloty. The Warsaw-based “Volkswagen Bank Polska, S.A.”, which has a bank licence from the Polish national bank, is also run as a joint venture with the Pon Group as of 28 June 2001.

1 APRIL VWB's direct banking division now trades as “Volkswagen Bank *direct*.” With in excess of 185,000 customers and deposits totalling DM 3.2 billion at the end of 1997, Volkswagen Bank *direct* is one of the largest direct banks in Germany. Expansion of the range continues with new products such as the “Direct-Sparplan” – a regular savings plan with an annually increasing interest rate – the “Plus-Sparbrief” and a “2 Phasen Sparbrief” certificate, which give private customers even more investment opportunities for the medium- to long-term.

1 OCTOBER “Prämie-Light” from VVD and VWL offers private car leasing customers the first product to combine lease and insurance payments. The advantage lies in fixed premiums over the entire term. VWL continues to innovate in the fleet customer business as well: thanks to “fleet-CARS” (Control and Reporting System), a new computer-based information and analysis system introduced in 1997, the costs and performance of all cars can be examined more closely and fleets built based on a company's requirements.

21 OCTOBER VWB founds a branch in Belgium. “Volkswagen Bank, Succursale de Bruxelles” opens for business at the beginning of 1998, initially offering customer loans for new and used vehicles and for financing repairs and spare parts.

1 NOVEMBER Hans-Peter Lützenkirchen and Roland Gleisner join the Board of Management of VWFS. Lützenkirchen also becomes Chairman of the Board of Management of VWL.

NEW BEETLE



Leasing-Dienstwagen
statt Gehaltserhöhung.

VOLKSWAGEN LEASING GMBH
© Volkswagen Leasing GmbH, 2004 Volkswagen - Seite 10 von 10

1997

VWFS

Balance-sheet total:	DM 27.6 billion
Equity:	DM 2.2 billion
Net income:	DM 286 million
Retail financing accounts receivable:	DM 12.2 billion
Dealer financing accounts receivable:	DM 4.8 billion
Retail financing total contracts:	1.1 million
Private customer deposits:	DM 3.2 billion
Total leasing contracts:	619,000
Staff in Germany:	1,557
Staff abroad:	619

VVD

Balance-sheet total:	DM 148 million
Turnover:	DM 180.7 million
New contracts:	n/a
Total contracts:	941,023
Profit:	DM 18.5 million
Staff:	685

1998

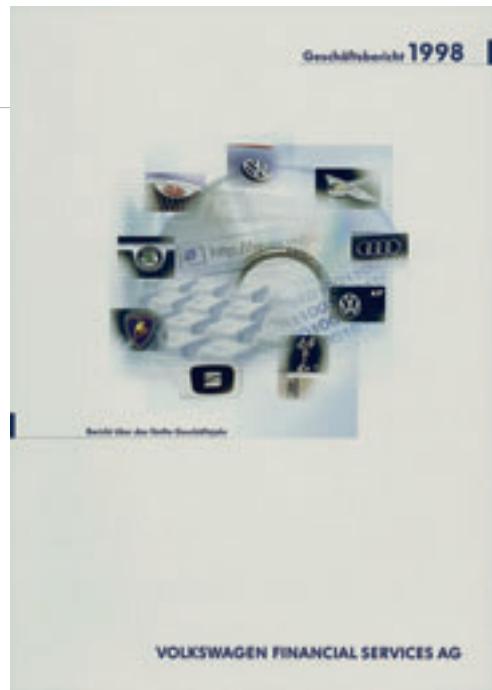
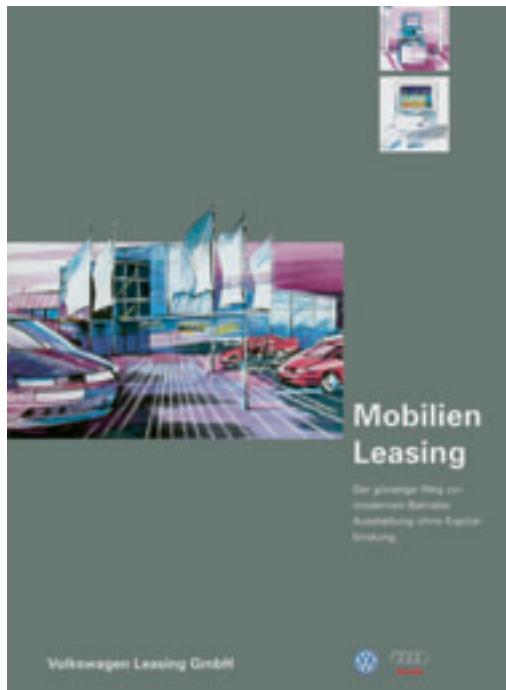
MARCH Waldemar Drosdziok becomes Chairperson of the Works Council of VWB.

11 MAY The Supervisory Board of VVD elects Deputy Chairman Jürgen Schow as its new Chairman. He replaces Günter Obst, the former VVD Member of the Board of Management and Chairman of the Supervisory Board who died at the beginning of the year.

11 DECEMBER The extraordinary shareholders' meeting of VVD passes a resolution to transfer the VVD shares from Wertschutz GmbH to the Holler-Stiftung in Munich.

DECEMBER VWL outsources fleet planning, administration and controlling to the newly established Group company, "ifm international fleet management Gesellschaft mbH", thereby strengthening its competitive position in the fast-growing fleet business. The company is transferred to "Europcar Fleet Services GmbH" in March 2001 after Volkswagen AG takes over the Europcar Group.

The Electronic Sales Assistant, known as EVA, is developed by VWFS and the Volkswagen Group. The new software gradually replaces the existing ALF system.



1998

VWFS

Balance-sheet total:	DM 34.5 billion
Equity:	DM 2.2 billion
Net income:	DM 77 million
Retail financing accounts receivable:	DM 15.2 billion
Dealer financing accounts receivable:	DM 7.5 billion
Retail financing total contracts:	1.3 million
Private customer deposits:	DM 4.3 billion
Total leasing contracts:	623,000
Staff in Germany:	1,598
Staff abroad:	734

VVD

Balance-sheet total:	DM 151.6 million
Turnover:	DM 175.8 million
New contracts:	n/a
Total contracts:	943,141
Profit:	DM 19.7 million
Staff:	691

1999

12 FEBRUARY Jens Neumann, Director of Group Strategy, Treasury, Legal Matters and Organisation at Volkswagen AG, becomes the new Chairman of the Supervisory Board of VWB.

22 FEBRUARY Hans-Peter Lützenkirchen and Peter Schneider join the Board of Management of VWB; Norbert M. Massfeller is appointed Chairman of the Board of Management of VWB.

1 APRIL VWFS buys the Munich-based Holler-Stiftung's holding in "Volkswagen Versicherungsdienst GmbH" (VVD), which was established in 1948, and extends its business to the sale of motor vehicle insurance.

By taking over VVD, VWFS enters the Swiss market and controls 51% of "Volkswagen-Versicherungsdienst AG", which was founded on 29 October 1965 with registered office in Zurich. On 31 March 2000, VWFS acquires the remaining 49%, making it the sole shareholder of the company, which has a nominal capital of CHF 300,000. The registered office is moved to Wallisellen on 11 August 2003.

1 MAY Klaus Kaminsky, Member of the Board of Management of VVD since 1991, becomes Member of the Board of Management at VWFS responsible for insurance.

6 JULY Jens Neumann, Member of the Volkswagen AG Board of Management, becomes Chairman of the Supervisory Board of VWFS and VWL.

30 SEPTEMBER The VVD Supervisory Board passes a resolution by circulation to purchase all the shares of the foreign subsidiaries. As a result, VVD buys from Assivalor AG, Basel, a subsidiary of the Holler-Stiftung, the remaining 10% and 49% of the shares in the VVD companies in Austria and Switzerland, respectively. In Brazil it increases its holding in "VVD Volkswagen Corretagem de Seguros Ltda.", São Paulo, to 56% before the company is sold in 2001 to "Banco Volkswagen S.A." Its shareholdings in the British "Volkswagen Insurance Service Ltd.", Milton Keynes, and in the Dutch "VVS Verzekerings-Service N.V.", Diemen, remain unchanged.

30 DECEMBER VWFS enters the Turkish market with the foundation of "Volkswagen Dogus Tüetici Finansman A.S." in Istanbul. VWFS controls 51% of the nominal capital of the company limited by shares established under Turkish law; the Dogus Group, which is the Volkswagen Group's Turkish importer, holds the remaining 49%. After the redenomination of the Turkish lira in 2005, the share capital is seven million new Turkish lira. Insurance services are provided through the Istanbul-based "vdf Sigorta Aracılık Hizmetleri A.S.", which was founded on 29 March 2004 and is wholly owned by VWFS.

Volkswagen Bank *direct* expands its portfolio again in the 1999 financial year. It is the first automotive bank in Germany to operate in the securities sector, by selling investment funds. A mortgage service for private customers is also introduced over the course of the year.

Was will man mäh?

Auf unserem Tagesgeldkonto gibt's bis zu 3,1 %.*

* 3,1% für Beträge ab 10.000,- Euro bis zur Endzeit, Stand 16.1.99

Hohe Zinsen findet man nicht auf der grünen Wiese, sondern auf unserem Plus Konto. Dazu freie Verfügbarkeit, kostenlose Kontoführung und monatliche Zinsgutschrift. Dabei kommt freundlicher Service und persönliche Beratung am Telefon natürlich nicht zu kurz. Wenn Ihre Schäfchen auch mal ins trockene möchten, rufen Sie uns an. Warum nicht direct.

VOLKSWAGEN BANK direct
0180 · 322 4728
direct mehr Zinsen

1999

VWFS

Balance-sheet total:	DM 41.2 billion
Equity:	DM 2.3 billion
Net income:	DM 49 million
Retail financing accounts receivable:	DM 18.5 billion
Dealer financing accounts receivable:	DM 7.8 billion
Retail financing total contracts:	1.4 million
Private customer deposits:	DM 5.2 billion
Total leasing contracts:	646,000
Staff in Germany:	1,663
Staff abroad:	873

VVD

Balance-sheet total:	DM 213 million
Turnover:	DM 210.7 million
New contracts:	353,277
Total contracts:	1,001,604
Profit:	DM 22.1 million
Staff:	732

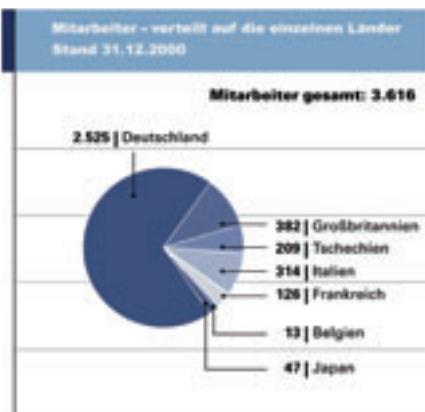
2000

1 JANUARY VWFS enters the Portuguese market. “Interbanco, S.A.” is run as a joint venture with the Portuguese importer, in which VWFS holds half of the shares.

1 APRIL “Volkswagen Leasing Thailand Ltd.”, with registered office in Bangkok, commences operating. VWFS holds 49.9% of the shares in the company, which was established jointly with the Thai importer and “Thai Commercial Auto Ltd.” In April 2004 VWFS pulls out of Thailand.

MAY The Internet becomes VWB’s new distribution channel: With “Business banking online”, VWB provides business customers with an online business account that makes payments much easier and bundles payment transactions. “Volkswagen Bank *direct*” also launches online banking for private customers, thereby adding an important new element to the existing mainstays of the direct banking concept (telephone, fax, direct mailing), which is used by well over 50,000 customers by the end of the year. New products include online-only accounts with higher interest on credit balances and the innovative “WAP banking”, which facilitates transactions via mobile telephone for the first time in Germany. The new range is topped off by the online current account “Giro@home”, which is introduced in 2001.

12 JULY VVD sets up five branches in Wolfsburg: “Volkswagen Versicherungs Service”, “Seat Versicherungs Service”, “Audi Versicherungs Service”, “Škoda Versicherungs Service” and “ifm Versicherungs Service.” “ifm Versicherungs Service” works with “ifm international fleet management GmbH”, which was founded by VWFS in 1998 and operates across Europe. VVD offers its German corporate customers who have at least five vehicles a daily rate system. The daily rates are fixed and uniform. There is no vehicle type or regional class variation, which means that companies can plan long-term. In 2002, the branch is renamed “Europcar Versicherungs Service.”



STAFF WORLDWIDE

VWFS

Balance-sheet total:	DM 44.7 billion
Equity:	DM 2.5 billion
Net income:	DM 175 million
Retail financing accounts receivable:	DM 19.8 billion
Dealer financing accounts receivable:	DM 7.9 billion
Retail financing total contracts:	1.5 million
Private customer deposits:	DM 6.7 billion
Total leasing contracts:	699,000
Total insurance contracts:	1 million
Staff in Germany:	2,525
Staff abroad:	1,091



2001

10 JANUARY VWFS enters the financial services business in Singapore upon the foundation of “Volkswagen Financial Services Singapore Pte. Ltd.” The company is initially operated jointly with the Volkswagen importer “Group Exclusive Pte. Ltd.” before becoming a wholly-owned subsidiary on 30 August 2001.

26 MARCH VWB opens a branch in Ireland.

7 JUNE VWFS founds “Volkswagen Financial Services Australia Limited” with registered office in Sydney, and enters the Australian market.

25 JULY “VVD Volkswagen Corretagem de Seguros”, the successful Brazilian subsidiary which had undergone a change of legal form in 1977 into a “private limited company”, is not unaffected by the restructuring under the umbrella of VWFS. “Banco Volkswagen S.A.” purchases 56% of the shares from VVD and 44% from the Holler-Stiftung.



The image consists of three vertically stacked panels, each showing the exterior of a modern Volkswagen dealership building. The building has a large glass facade, a prominent yellow vertical panel with the Volkswagen logo, and a dark blue roof. In the foreground, there are several small cars parked near the entrance. Each panel contains a question in German:

- The top panel contains the text "Neues Auto?" (New car?).
- The middle panel contains the text "Top-Finanzierung oder -Leasing?" (Top financing or leasing?).
- The bottom panel contains the text "Günstige Versicherung?" (Affordable insurance?).

Below the bottom panel, there is explanatory text in German:

• Warum zwei Wege gehen, wenn einer reicht! Besonders attraktiver: Monatsraten. Und dann PRÄMIE light, die günstige Autoversicherung für individuelle Angebote erhalten Sie bei Ihrem Volkswagen-Partner oder besuchen Sie uns im Internet: www.volkswagengruppe.de

Volkswagen Bank
Volkswagen Leasing
Volkswagen VersicherungsService



VWFS

Balance-sheet total:	18.8 billion euros
Equity:	2.8 billion euros
Net income:	264 million euros
Retail financing accounts receivable:	11.1 billion euros
Dealer financing accounts receivable:	4.5 billion euros
Retail financing total contracts:	1.5 million
Private customer deposits:	4.6 billion euros
Total leasing contracts:	735,000
Total insurance contracts:	1.4 million
Staff in Germany:	2,804
Staff abroad:	1,315

VOLKSWAGEN BANK direct
direct mehr Zinsen

**Denken Sie
auch mal
an was anderes
als an Geld?**

An Zinsen vielleicht?

Bis zu 4,5 %* Zinsen für Sie auf unseren Tagessaldobonus.

VOLKSWAGEN BANK direct
direct mehr Zinsen

2001

2002

26 FEBRUARY After Klaus Kaminsky's move to the Board of the Holler-Stiftung in 2001, Wolfgang P. Kurth and Heinz Adolf Göbbels leave VVD management on reaching retirement age. Their successors are Jörg Wälder and Klaus-Dieter Schürmann.

MAY VWB sets up "Europcar Bank" in Brunswick. It initially concentrates on financial services in the leisure sector by entering into cooperation agreements with caravan and mobile home manufacturers. By 2004, more than 70% of all dealers in this sector work with Europcar Bank. In addition, Europcar Bank improves the position of VWFS in the brand-independent business by offering financial services for multiple-brand dealers and independent used-vehicle dealers.

12 DECEMBER "Volkswagen Financial Services Taiwan Ltd." is founded as a wholly-owned subsidiary of VWFS. After the capital is increased on two occasions, the nominal capital of the Taipeh-located company is 168 million Taiwanese dollars as at 1 December 2004.

"Arbeitslosigkeits-Versicherung" is added to finance contracts for new and used vehicles. This insurance, unique in Germany, covers up to 12 monthly instalments in the event of unemployment. At the same time, the unemployment insurance product delivers on VWFS's promise of "carefree mobility." At the beginning of the year "PRÄMIE light Plus" is launched; it is the first motor insurance with an extended new car warranty. Dealerships are offered a new service concept called "e@sy banking." Product innovations at "Volkswagen Bank direct" also ensure greater customer friendliness. As a result of cooperation agreements with insurance companies, products like pension insurance, life assurance, third-party liability, accident and legal expenses insurance are now available. The new "BörseDirect" service gives private customers direct access to share dealing.

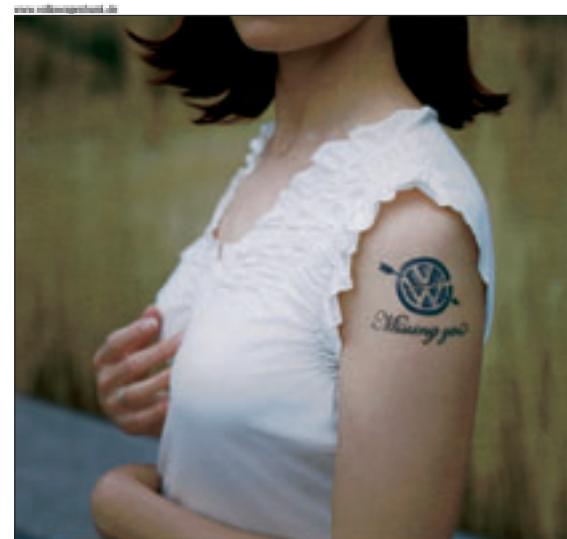
**Fast jeder ist
bestechlich.**

Dürften wir mal?

Bis zu 3,50 %* Zinsen für Sie auf unserem Tagessaldokonto.

Keine Sorge, hier gibt's keine Drossel ganz legal. Ob denn endlich Euro-Spar-
konto, Verfügbarkeit und kostenlose Kontaktkündigung. Freundschaftlicher Service
und persönliche Beratung am Telefon selbstverständlich inklusive. Na,
kommen Sie jetzt nach untenstehen! Rufen Sie uns an oder besuchen Sie
www.vwbankdirect.de. Wegen nichts direkt.

VOLKSWAGEN BANK direct
0180-38 000
direct mehr Zinsen



2002

VWFS

VWFS	
Balance-sheet total:	29.4 billion euros
Equity:	2.7 billion euros
Net income:	359 million euros
Retail financing accounts receivable:	12.4 billion euros
Dealer financing accounts receivable:	4.9 billion euros
Retail financing total contracts:	1.6 million
Private customer deposits:	5.6 billion euros
Total leasing contracts:	781,000
Total insurance contracts:	1.5 million
Staff in Germany:	3,042
Staff abroad:	1,384

So weit lassen wir es mit Ihnen nicht kommen.

Wir schaffen Ihnen eine Absturzschutz-Herstellung - damit Sie sich von Ihrem Volkswagen nicht mehr trennen müssen. Diese Herstellung schafft mir gratis für Sie ab, wenn Sie bei uns einen jahresdurchgehenden Leasingvertrag abschließen. Sie bekommen für das, dass Sie mich einen Fahrzeug haben, kein zuviel! Wenn Sie möchten, können Sie darüber hinaus den Folgeschaden durch Wände wie Ihnen dieses Geschäft machen! In einem Leben geht es um viele verschiedene Möglichkeiten. Und natürlich haben wir ein besonders Vorfestivals für diese Art von Herstellungen. Künftiges erhalten Sie bei Ihrem Volkswagen Partner.

Entspannen Sie sich, Volkswagen Bank



2003

1 JANUARY Klaus-Dieter Schürmann becomes a Member of the Board of Management of VWFS and joins the Board of Management of VWB. Uwe R. Hoffmann becomes a member of the Board of Management of VWFS.

8 APRIL VWFS enters the Russian market upon the foundation of “Volkswagen Group Finanz OOO.” The Moscow-located company offers extensive finance and leasing services in Russia, and has a nominal capital of 208.5 million rubles as of 22 November 2007. On 2 November 2007 “LLC Volkswagen Financial Services RUS”, with registered office in Moscow, is founded as a subsidiary of VWFS.

1 JULY VWFS enters the Swedish market upon the acquisition of “Svenska Volkswagen Finans AB.” Located in Södertälje, the company was founded on 13 September 1985 as “Aktiebolaget Viggen Aderton.” After several changes of name, “V.A.G Sverige AB” acquired half the shares in the business on 1 January 1994. It was renamed “V.A.G Finans AB” on 7 February 1994, and trades under the name of “Svenska Volkswagen Finans AB” as of 27 November 1996. On 1 January 2003 the Swedish subsidiary acquired a 100% holding in the company.

1 OCTOBER Burkhard Breiting becomes Member of the Board of Management of VWFS and a Member of the Board of VWB.

20 NOVEMBER Dietrich Paul becomes a Member of the Board of Management of VWL.

31 DECEMBER For the fifth year in a row, VVD closes the financial year with more than one million third-party insurance policies on the books. This year, VVD settles in excess of 200,000 claims for the motor insurance segment. It manages a premium volume of 580 million euros.

VWB again comes up with a series of product innovations. In dealer financing, all finance offers are mapped on an SAP-based IT system to facilitate corporate customers’ transactions via the “business banking online” portal. In 2002 an in-house document management system for keeping logbooks is introduced, which approximately 1,400 dealers are using by the end of the year. In the direct banking business, “Komfort-Krankenversicherung” is offered as of 2003, which brings together the advantages of state and private health insurance in a choice of plans. The free online current account “Young Giro @ home” offers trainees and students an EC card and a Visa card in addition to an attractive interest rate on credit balances.

The image is a black and white advertisement. At the top, there is a URL: "www.volkswagen.de". Below this is a large, dark, blurry photograph of the interior of a car, showing the dashboard and seats. In the bottom left corner, there is a block of German text. In the bottom right corner, there is a small Volkswagen logo (the "VW" circle) positioned above two smaller, dark photographs of cars.

VWFS

Balance-sheet total:	32.6 billion euros
Equity:	2.6 billion euros
Net income:	329 million euros
Retail financing accounts receivable:	13.7 billion euros
Dealer financing accounts receivable:	4.9 billion euros
Retail financing total contracts:	1.7 million
Private customer deposits:	6.7 billion euros
Total leasing contracts:	813,000
Total insurance contracts:	1.5 million
Staff in Germany:	3,389
Staff abroad:	1,666

www.volkswagen.de

2004

1 JANUARY VWFS takes over the private customer business from VWV and assigns it to the VVD subsidiary “Volkswagen Insurance Brokers GmbH”, which was formerly “Assivalor Consulting GmbH.” On 1 January 2005 VWFS buys up the rest of the shares in VWV in a further step towards bundling insurance activities in the Volkswagen Group. Shortly beforehand, Volkswagen AG had acquired the shares from “Marsh & McLennan GmbH”, the successor of “Gradmann & Holler GmbH.”

1 JANUARY Rolf Grönig becomes a Member of the Board of Management of VWFS. Hans Dieter Pötsch, Director of Finance and Controlling at Volkswagen AG, becomes Chairman of the Supervisory Board of VWL.

1 MAY Burkhard Breiing becomes Chairman of the Board of Management of VWFS and Chairman of the Board of Management of VWB.

12 MAY VWB establishes a branch in Brunswick: “ADAC Finanz Service.” Private vehicle sales are financed in conjunction with ADAC regardless of manufacturer. While Europcar Bank offers dealers and customers cross-brand mobility concepts, ADAC Finanz Service stands for independent finance offers especially for the private purchase of used vehicles.

30 AUGUST “Volkswagen Finance (China) Co., Ltd.” with registered office in Beijing is granted a business licence. The corporate object of the wholly-owned VWFS subsidiary is auto finance and also deposit-taking business. Back in 1997 VWFS opened an agency in Beijing to do the groundwork in preparation for entering the Chinese market because, under Chinese law, an agency must be in existence for at least two years before a licence can be obtained to form a finance company. The People’s Republic of China is a strategic market in line with the principle of “financial services follows automotive.”

SEPTEMBER VWL brings out “Leasing-Raten-Ver sicherung”, another product that offers financially secure mobility to private and commercial customers. The new cross-selling product was jointly developed with VVD.

VWFS now operates in New Zealand after “Volkswagen Financial Services (NZ) Ltd.” commences business in Auckland. VWFS holds 51% of this joint venture and the remaining 49% is held by a subsidiary of the New Zealand importer of Volkswagen Group marques. In November 2007 VWFS pulls out of New Zealand.

Geschäftsbericht über das elfte Geschäftsjahr

2004



2004

2004

6 OCTOBER VWFS enters the Greek market upon the foundation of a VWB branch in Athens. Also on 6 October 2004 the Wolfsburg VVD subsidiary “Volkswagen Insurance Brokers GmbH” establishes a branch in Greece.

22 NOVEMBER 50% of “LeasePlan Corporation N.V.”, with registered office in Amsterdam, is transferred to VWB as a contribution in kind, after Volkswagen AG purchased the Dutch company on 4 November 2004. LeasePlan has a licence to operate as a full-service bank in the Netherlands. Now that VWB has taken over this shareholding, all of the companies under the auspices of the banking supervisor are consolidated under one umbrella company. Participation in LeasePlan gives VWFS’s brand-independent service business a global scope. LeasePlan is the European market leader and occupies a prominent position in multi-brand fleet management in the international marketplace. This position in the independent fleet business is reinforced with the transfer of shares in “Europcar Fleet Services GmbH” to LeasePlan in May 2005.

Volkswagen Bank *direct* enhances customer service in its credit card and personal lending business. The new VISA card includes many extras for the Volkswagen, Audi and Škoda marques. With the “Direkt-Rabatt-System,” the customers gain every time they use their card – for example, 1% of total fuel purchase is credited to the card account. “ComfortCredit” is added to VWB’s product range during the year; it is a credit line which a customer can take out via the Internet in a fully automated process. In addition, VWB is the first German bank to introduce the mobile TAN generator.

VWFS

Balance-sheet total:	41.3 billion euros
Equity:	4 billion euros
Net income:	341 million euros
Retail financing accounts receivable:	14.8 billion euros
Dealer financing accounts receivable:	6.8 billion euros
Retail financing total contracts:	1.8 million
Private customer deposits:	8 billion euros
Total leasing contracts:	830,000
Total insurance contracts:	1.6 million
Staff in Germany:	3,487
Staff abroad:	1,766

www.volkswagen.de



**Der Touran
jetzt ab 0,9 %
Finanzierung.***

Noch nie war die Gelegenheit so günstig, einen Touran zu finanzieren. Machen Sie doch einfach eine Probefahrt mit ihm – das bringt nicht nur Spaß, sondern ist auch extrem abwechslungsreich. Dafür sorgen allein schon seine bis zu 7 Sitze und 39 Ablagefächer, die seitentägliche Zentralverriegelung mit Funkfernbedienung und sein CD-Radio. Und lassen Sie sich dabei gleich ein persönliches Finanzierungsangebot machen.

Die Happy Days.
Jetzt bei Ihrem Volkswagen Partner.



*Ab 0,9 % effektiv (Leihzinsen für polare Kreditlinien).
Von Angehörigen der Volkswagen-Bank finanziert.

2004

2005

1 JANUARY Hans Dieter Pötsch, Director of Finance and Controlling at Volkswagen AG, is appointed Chairman of the Supervisory Board of VWFS and VWB.

13 JULY Karsten Crede is the new Spokesman of the Board of Management of VVD.

13 SEPTEMBER "Volkswagen Reinsurance AG" with registered office in Brunswick is founded as a wholly-owned subsidiary of VWFS. It is entered in the Register of Companies in May 2006. As a reinsurer, the new company enables VWFS to offer motor insurance products specially tailored to Volkswagen Group marques.

12 OCTOBER Volkswagen AG decides to hand over coordination of the Group's global financial services to VWFS. Unlike the Latin-American financial services providers, whose shares are gradually bought up by VWFS, the legal independence of the North-American subsidiaries is not affected by this decision.

The advertisement is for Volkswagen Bank direct. It features a large, stylized red '3,33%' in the center. Below it, the text '3,33% pro Jahr Tagesgeldzins.' is written in orange. The background shows a blurred image of a car driving through green trees. At the top right, it says 'VOLKSWAGEN BANK direct'. On the left, there's a vertical yellow bar with the text 'Plus Konti TopZins' at the top. At the bottom right, there's a small section with icons and text: 'Informationen über alle günstigen Konti-Konten unter [www.volkswagenbank.de](#)', 'Informationen über alle günstigen Konti-Konten unter [www.volkswagenbank.de](#)', 'Informationen über alle günstigen Konti-Konten unter [www.volkswagenbank.de](#)', and 'Informationen über alle günstigen Konti-Konten unter [www.volkswagenbank.de](#)'.

VWFS

Balance-sheet total:	39.8 billion euros
Equity:	4.3 billion euros
Net income:	493 million euros
Retail financing accounts receivable:	15.5 billion euros
Dealer financing accounts receivable:	6.6 billion euros
Retail financing total contracts:	1.8 million
Private customer deposits:	8.7 billion euros
Total leasing contracts:	789,000
Total insurance contracts:	1.6 million
Staff in Germany:	3,595
Staff abroad:	1,373



2005

2006

16 FEBRUARY The Supervisory Board of VWFS passes a resolution to enter the Mexican market. On 18 September 2006 “Volkswagen Leasing SA DE CE” is formed to conduct leasing business in Mexico. It is registered on 5 October. Not quite one year later, VWFS founds “Volkswagen Bank S.A., Institución de Banca Múltiple” with registered office in Puebla on 16 August 2007. It is registered with a nominal capital of 409.4 million Mexican pesos on 9 November 2007.

MARCH After the sale of Europcar, the car rental group, by Volkswagen AG, “AutoEuropa Bank” is set up as a branch of VWB and launched on the market as a successor of “Europcar Bank.”

14 JULY Rainer Blank becomes Member of the Board of Management of VVD.

1 OCTOBER Michael Reinhart is made a Member of the Board of Management of VWFS and Member of the Board of Management of VWB. Rolf Grönig joins the Board of Management of VWB, Dirk Pinkvos and Lars-Henner Santelmann become Members of the Board of Management of VWL.

1 DECEMBER According to an agreement with “Allianz Versicherungs-AG”, VWFS takes on customer care for third-party claims settlement. This move enables VWFS to put in place customer-friendly processes. Ever since the foundation of VVD, the established practice in the settlement of own-vehicle damage claims is to have vehicles repaired in the group’s authorised garages. This principle is now adopted for third-party insurance.



VWFS

Balance-sheet total:	43.9 billion euros
Equity:	4.6 billion euros
Net income:	475 million euros
Retail financing accounts receivable:	17.3 billion euros
Dealer financing accounts receivable:	7 billion euros
Retail financing total contracts:	1.9 million
Private customer deposits:	8.8 billion euros
Total leasing contracts:	859,000
Total insurance contracts:	1.8 million
Staff in Germany:	3,602
Staff abroad:	1,420



2006

2007

30 JUNE VWFS starts operating in Brazil upon the takeover of “Volkswagen Participações Ltda.” The São Paulo-situated subsidiary acts as a holding company for financial services activities and has a nominal capital of around R\$ 1.1 billion as of October 2007. The most important subsidiary of Volkswagen Participações as of 29 February 2008 is “Banco Volkswagen S.A.”, a company with share capital of R\$ 550 million which was founded on 3 July 1956 as “VVD de Crédito, Financiamento e Investimentos.” After two previous changes of name, the company traded under the name of “Banco Autolatina S.A.” as of 15 May 1990, providing financial services for Autolatina, the joint venture operated by Volkswagen and Ford. Its change of name to “Banco Volkswagen S.A.” on 31 May 1996 signalled its separation from the Ford business, which took effect on 30 July 1996.

JULY Waldemar Drosdziok becomes Chairperson of the Works Council of VWFS.

1 OCTOBER Elke Eller becomes Member of the Board of Management of VWFS.

The new mobility packages, which include finance or leasing offers and insurance products, are placed on the market, with success. The “Sauber + Sorglos” package includes finance at 0.9% APR, four years’ fully comprehensive car insurance, four years’ servicing and maintenance and a 2-year extension to the manufacturer’s warranty. In an economic climate dominated by lack of consumer confidence, VWFS maintains its leadership in automotive financial services in Germany.



SÃO PAULO LOCATION

VWFS

Balance-sheet total:	52.3 billion euros
Equity:	6 billion euros
Net income:	719 million euros
Retail financing accounts receivable:	20.9 billion euros
Dealer financing accounts receivable:	9.4 billion euros
Retail financing total contracts:	2.3 million
Private customer deposits:	9.6 billion euros
Total leasing contracts:	959,000
Total insurance contracts:	2 million
Staff in Germany:	3,856
Staff abroad:	2,282

2007

VOLKSWAGEN BANK direct

Versicherungs-Service



**Der Schutz, der genau zu
Ihrem Leben passt.
Versicherungs-Service der
Volkswagen Bank direct.**

Unser Angebot für:
Konzernangehörige

2008

23 MAY In Brunswick, construction begins on the office complex and VWFS's "InformationsLogistikCenter." The five-storey office building is primarily intended for the staff of VVD and "Volkswagen Business Services."

1 JULY VWFS offers mobility packages for used Volkswagens for the first time; they combine finance or leasing with "BestService" insurance, which covers customers for unexpected expenses for servicing, oil change or Volkswagen genuine parts.

15 SEPTEMBER Frank Witter becomes Chairman of the Board of Management of VWFS. Frank Fiedler becomes a Member of the Board of Management of VWFS.

10 OCTOBER Volkswagen Bank *direct* takes a new approach to customer acquisition in conjunction with supermarket chains Kaufland and Lidl. Customers can sign up for the fixed-term account "SuperZins", which has an attractive interest rate, in the discount chain's outlets.

Sie lieben Ihr Auto? Wir auch!
BestService Plus: Top Service-Angebot für Gebrauchtwagen.





THE CONFERENCE AND FINANCE CENTRE
IN BRUNSWICK

2008

VWFS

Balance-sheet total:	57.3 billion euros
Equity:	6.8 billion euros
Net income:	578 million euros
Retail financing accounts receivable:	21.9 billion euros
Dealer financing accounts receivable:	9.6 billion euros
Retail financing total contracts:	2.4 million
Private customer deposits:	12.8 billion euros
Total leasing contracts:	1.1 million
Total insurance contracts:	2.3 million
Staff in Germany:	4,128
Staff abroad:	2,511

2009

13 JANUARY VWFS's new office building in Brunswick is given the German seal of quality for sustainable building by Wolfgang Tiefensee, Federal Minister for Transport, Building and Urban Affairs. The development is a model of ecological, economical and social design and is one of the first buildings in the country to be awarded the gold seal. After seven months of construction, Käferweg 4 now provides office space for 550 employees and a canteen.

MAY VWFS's "InformationsLogistikCenter" is completed. The new building is where the vehicle logbooks will be managed and the powerful printers and scanners that are indispensable to the digital processing of all internal work processes will be housed.



2009

THE NEW OFFICE BUILDING ON KÄFERWEG

Management of Volkswagen Finanz GmbH

Peter Schneider
Member of the Board of Management
(*4 March 1991 to 4 May 1994*)

Udo Schülke
Deputy Member of the Board of Management
(*4 March 1991 to 4 May 1994*)

Hans Jürgen Raab
Deputy Member of the Board of Management
(*4 March 1991 to 4 May 1994*)

Klaus-Peter Caspritz
Deputy Member of the Board of Management
(*14 August 1991 to 31 March 1993*)

Board of Management of Volkswagen Financial Services AG

Norbert M. Massfeller
Chairman of the Board of Management
(*16 March 1994 to 30 April 2004*)

Peter Schneider
Member of the Board of Management
(*16 March 1994 to 31 March 2000*)

Klaus R. Zapf
Member of the Board of Management
(*16 March 1994 to 30 September 1996*)

Hans-Peter Lützenkirchen
Member of the Board of Management
(*1 November 1997 to 30 September 2006*)

Roland Gleisner
Member of the Board of Management
(*1 November 1997 to 31 October 2002*)

Klaus Kaminsky
Member of the Board of Management
(*1 May 1999 to 30 June 2001*)

Uwe R. Hoffmann
Member of the Board of Management
(*1 January 2003 to 30 June 2005*)

Management of Volkswagen Bank GmbH

Klaus-Dieter Schürmann

Member of the Board of Management
(*1 January 2003 to 19 September 2008*)

Burkhard Breiing

Member of the Board of Management
(*1 October 2003 to 30 April 2004*)
Chairman of the Board of Management
(*1 May 2004 to 14 September 2008*)

Rolf Grönig

Member of the Board of Management
(*1 January 2004 to 30 September 2007*)

Michael Reinhart

Member of the Board of Management
(*as of 1 October 2006*)

Elke Eller

Member of the Board of Management
(*as of 1 October 2007*)

Frank Witter

Chairman of the Board of Management
(*as of 15 September 2008*)

Frank Fiedler

Member of the Board of Management
(*as of 15 September 2008*)

Rudolf Engel

Member of the Board of Management
(*30 June 1949 to 31 March 1969*)

Hans Hiemenz

Member of the Board of Management
(*12 March 1956 to 30 November 1965*)

Heinrich Niehus

Deputy Member of the Board of Management
(*1 December 1965 to 31 January 1977*)

Paul Erich Weiße

Deputy Member of the Board of Management
(*1 December 1965 to 3 December 1973*)

Johannes Maniura

Member of the Board of Management
(*1 April 1969 to 30 June 1989*)

Karl Schoder

Deputy Member of the Board of Management
(*23 January 1975 to 9 December 1979*)
Member of the Board of Management
(*10 December 1979 to 11 January 1984*)

Wolfgang Steinmann

Deputy Member of the Board of Management
(10 December 1979 to 10 January 1984)
Member of the Board of Management
(11 January 1984 to 30 June 1989)
Spokesman of the Board of Management
(1 July 1989 to 13 August 1991)
Member of the Board of Management
(14 August 1991 to 31 May 1996)

Heinz Jürgen Loock

Deputy Member of the Board of Management
(11 January 1984 to 30 June 1991)

Wolfgang Roth

Deputy Member of the Board of Management
(11 January 1984 to 31 March 1994)

Klaus-Peter Caspritz

Member of the Board of Management
(1 June 1990 to 13 August 1991)
Spokesman of the Board of Management
(14 August 1991 to 31 March 1993)

Dieter Grethe

Member of the Board of Management
(1 June 1990 to 31 December 1993)

Klaus R. Zapf

Chairman of the Board of Management
(20 September 1993 to 30 September 1996)

Roland Gleisner

Member of the Board of Management
(1 December 1993 to 31 October 2002)

Rainer Blank

Member of the Board of Management
(10 November 1994 to 14 September 2008)
Spokesman of the Board of Management
(as of 15 September 2008)

Uwe R. Hoffmann

Member of the Board of Management
(1 February 1996 to 30 June 2005)

Norbert M. Massfeller

Chairman of the Board of Management
(22 February 1999 to 30 April 2004)

Hans-Peter Lützenkirchen

Member of the Board of management
(22 February 1999 to 30 September 2006)

Peter Schneider

Member of the Board of Management
(22 February 1999 to 31 March 2000)

Management of Volkswagen Leasing GmbH

Burkhard Breing

Member of the Board of Management

(*1 October 2003 to 30 April 2004*)

Chairman of the Board of Management

(*1 May 2004 to 30 June 2007*)

Rolf Grönig

Member of the Board of Management

(*1 October 2006 to 30 September 2007*)

Klaus-Dieter Schürmann

Member of the Board of Management

(*as of 1 January 2003*)

Michael Reinhart

Member of the Board of Management

(*as of 1 October 2006*)

Richard Berthold

Member of the Board of Management

(*18 October 1966 to 1 July 1978*)

Helmut Kabisch

Member of the Board of Management

(*17 March 1967 to 1974*)

Peter Schneider

Member of the Board of Management

(*1 July 1978 to 3 March 1983*)

Spokesman of the Board of Management

(*4 March 1983 to 17 October 1991*)

Horst Lehmann

Deputy Member of the Board of Management

(*1 July 1978 to 4 March 1983*)

Udo Schülke

Deputy Member of the Board of Management

(*1 July 1978 to 3 March 1983*)

Member of the Board of Management

(*4 March 1983 to 16 October 1991*)

Chairman of the Board of Management

(*17 October 1991 to 18 October 1997*)

Hans-Peter Bittermann

Deputy Member of the Board of Management

(*17 October 1991 to 1 April 1997*)

Management of Volkswagen Versicherungsdienst GmbH

Karl-Heinz Schmidt

Deputy Member of the Board of Management
(*17 October 1991 to 5 November 1993*)
Member of the Board of Management
(*5 November 1993 to 28 September 2006*)

Hans-Peter Lützenkirchen

Chairman of the Board of Management
(*1 November 1997 to 30 September 2006*)

Dietrich Paul

Member of the Board of Management
(*20 November 2003 to 31 December 2007*)

Lars-Henner Santelmann

Spokesman of the Board of Management
(*as of 1 October 2006*)

Dirk H. Pinkvos

Member of the Board of Management
(*as of 1 October 2006*)

Heinrich Kurig

Member of the Board of Management
(*10 February 1948 to 31 January 1958*)

Gotthard Sladeczek

Deputy Member of the Board of Management
(*1948 to 30 November 1949*)

Karl D. Tiedke

Member of the Board of Management
(*1 October 1949 to 31 December 1972*)

Werner Schlichting

Deputy Member of the Board of Management
(*1 January 1961 to 31 December 1962*)

Günther Obst

Deputy Member of the Board of Management
(*1 January 1961 to 30 November 1969*)
Member of the Board of Management
(*1 December 1969 to 30 April 1991*)

Hans Ruschke

Deputy Member of the Board of Management
(*1 January 1961 to 31 December 1979*)

Ernst Widmer

Deputy Member of the Board of Management
(15 June 1962 to 30 June 1966)

Charles F. Kern

Deputy Member of the Board of Management
(1 October 1966 to 31 January 1989)

Eberhard Kaross

Deputy Member of the Board of Management
(1 January 1967 to 18 October 1967)

Kurt Venzmer

Deputy Member of the Board of Management
(1 January 1969 to 30 April 1970)

Jürgen Tschersich

Deputy Member of the Board of Management
(1 July 1970 to 30 September 1994)

Walter Streicher

Deputy Member of the Board of Management
(1 October 1971 to 30 June 1994)

Karl-Ludwig Barths

Member of the Board of Management
(1 June 1972 to 31 March 1986)

Klaus Kaminsky

Deputy Member of the Board of Management
(1 January 1985 to 30 April 1991)
Member of the Board of Management
(1 May 1991 to 30 June 2001)

Klaus Vacano

Member of the Board of Management
(1 August 1985 to 30 June 1995)

Heinz Adolf Göbbels

Member of the Board of Management
(1 July 1993 to 26 February 2003)

Wolfgang P. Kurth

Member of the Board of Management
(1 April 1994 to 26 February 2003)

Jörg Wälder

Member of the Board of Management
(1 July 2002 to 30 June 2005)

Employee representatives
Volkswagen Financial Services AG

Klaus-Dieter Schürmann
Member of the Board of Management
(*1 January 2003 to 30 September 2006*)

Karsten Crede
Spokesman of the Board of Management
(*as of 13 July 2005*)

Rainer Blank
Member of the Board of Management
(*as of 14 July 2006*)

Alfred Rodewald
Chairperson of the Works Council
(*May 1995 to October 1998*)

Waldemar Drosdziok
Chairperson of the Group Works Council
(*March 2000 to April 2002*)
Chairperson of the Joint Works Council of Volkswagen
Financial Services AG, Volkswagen Bank GmbH and
Volkswagen Business Services GmbH
(*as of July 2007*)

Volkswagen Bank GmbH

Horst-Dieter Holtbrügge
Chairperson of the Works Council
(*May 1967 to April 1972*)

Friedrich-Wilhelm Schlichting
Chairperson of the Works Council
(*April 1972 to April 1998*)

Waldemar Drosdziok
Chairperson of the Works Council
(*April 1998 to June 2007*)
Chairperson of the General Works Council
(*April 2002 to April 2006*)

Volkswagen Leasing GmbH

Jürgen Veit
Chairperson of the Works Council
(*1983 to 1995*)

Andreas Stoffels
Chairperson of the Works Council
(*1995 to October 1998*)

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