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Volkswagen Financial Services establish joint venture with BNP Paribas Cardif subsidiary to strengthen European fleet business

- **Main focus of the new joint venture: maintenance products for non-Group brands**
- **Worldwide agreement renewed for providing insurance solutions in 16 countries**

Braunschweig/Boulogne-Billancourt, 20 January 2022. In order to expand their European fleet business, Volkswagen Financial Services have set up a new joint venture based in France with Icare SA, a subsidiary of BNP Paribas Cardif, which is specialized in extended warranties and maintenance for motor vehicles. Icare will provide maintenance solutions across Europe through the newly formed joint venture. The main focus lies on the multi-brand business – i.e. on vehicle brands outside the Volkswagen Group. "As part of our growth strategy, we have set ourselves the goal of becoming the world's leading fleet provider. This can only be achieved by expanding our multi-brand capability, since many fleet customers use different makes of vehicles within their fleets," said Anthony Bandmann, Member of the Management Board of Volkswagen Financial Services AG with responsibility for Sales and Marketing. He added: "With BNP Paribas Cardif we now have a strong partner at our side to help us offer our customers better processes and conditions in the particularly important maintenance business." Volkswagen Financial Services hold 51.0 percent of the shares in the joint venture company and the BNP Paribas Cardif subsidiary Icare SA holds 49.0 percent. The establishment of the joint venture is still subject to approval by the antitrust authorities. Both parties have agreed not to disclose the amount of the investment. The market launch will take place in France. In addition to the new joint venture BNP Paribas Cardif and Volkswagen Financial Services have announced the renewal of their worldwide partnership agreement for providing insurance solutions in 16 countries.

Several years ago, Volkswagen Financial Services expanded their VW Group-branded fleet business to include the leasing and financing of external brands – both nationally and internationally. Maintenance products will play a crucial role in reaching this goal, since these are the kind of service most frequently requested by customers. In Germany, for example, around 80 percent of fleet customer leasing contracts include a maintenance contract. Bandmann noted: "The joint venture enables us to steadily expand our network of workshops. In addition, we anticipate that the close collaboration with our joint venture partner will also enable us to develop expertise in the multi-brand business. That is another key element on the way to becoming the global number one in the fleet business."



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The expansion of the fleet business is of strategic importance for Volkswagen Financial Services. As part of their structural realignment in Europe, which is geared towards sales channels, a separate fleet channel was also created in order to be even more effective in serving international fleet customers in particular. The other sales channels are dedicated to the dealers and the digital direct business.

Renewal of long-term worldwide agreement

Alongside the new joint venture BNP Paribas Cardif and Volkswagen Financial Services have renewed their worldwide partnership agreement. Both companies have been working together since 2001 and expanded their cooperation in 2017 to 16 countries, primarily in Europe and Latin America. With the signature of this new agreement, BNP Paribas Cardif and Volkswagen Financial Services are strengthening their long-term partnership, which is focused on providing protection for customers who take out an automobile loan, lease a vehicle or take out a personal loan.

“As a partner of Volkswagen Financial Services around the world for more than 20 years, we are proud to further pursue our cooperation. We will continue to make insurance more accessible for customers thanks to products that are easier to purchase, coupled with an optimized digital experience. Our partnership takes on a new dimension with the establishment of our new joint venture which will provide maintenance solutions to Volkswagen Financial Services customers throughout Europe,” said Jean-Bertrand Laroche, BNP Paribas Cardif Deputy Chief Executive Officer, International Markets.

Information for editors:

About VWFS

Volkswagen Financial Services are a business division of the Volkswagen AG group of companies and comprise Volkswagen Financial Services AG along with its associated companies, Volkswagen Bank GmbH, Porsche Financial Services, and the financial services companies in the USA and Canada that belong directly or indirectly to Volkswagen AG – with the exception of the financial services of the Scania brand and Porsche Holding Salzburg. The key business fields embrace dealer and customer financing, leasing, the bank and insurance business, fleet management and mobility offers. Volkswagen Financial Services have a total of 16,558 employees worldwide – including 7,472 alone in Germany. Volkswagen Financial Services report total assets of around EUR 225.6 billion, an operating result of EUR 2.8 billion and a portfolio of around 21.9 million current contracts (as at: 31.12.2020).

More information: www.vwfs.com

About BNP Paribas Cardif

The world leader in bancassurance partnerships¹ and creditor insurance², BNP Paribas Cardif plays an essential role in the lives of its customers, providing them with savings and protection solutions that let them realize their goals while protecting themselves from unforeseen events. As a committed insurer, BNP Paribas Cardif works to have a positive impact on society and to make insurance more accessible. In a world that has been deeply transformed by the emergence of new uses and lifestyles, the company, a subsidiary of BNP Paribas, has a unique business model anchored in partnerships. It co-creates



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solutions with more than 500 partner distributors in a variety of sectors (including banks and financial institutions, automotive sector companies, retailers, telecommunications companies, energy companies, among others), as well as financial advisors and brokers who market the products to their customers. With a presence in 33 countries and strong positions in three regions – Europe, Asia and Latin America – BNP Paribas Cardif is a global specialist in personal insurance and a major contributor to financing for the real economy. With nearly 8,000 employees worldwide, BNP Paribas Cardif had gross written premiums of EUR 24.8 billion in 2020.

More information on Twitter: https://twitter.com/bnpp_cardif?lang=de

About Icare

Launched in 1983, Icare has become a recognized leader in mechanical breakdown warranties and maintenance contracts. Icare provides support for its partners – carmakers, distribution groups, and financial companies – in designing innovative, brand-specific offers that strengthen customer relationships. Since 2016, Icare has been the international center of expertise in mechanical breakdown warranties and maintenance contracts for the international affiliates of BNP Paribas Cardif.

More information: <https://icare-service.com>

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¹ Source: Finaccord - 2018

² Source: Finaccord - 2020