VOLKSWAGEN LEASING

GMBH

HALF-YEARLY FINANCIAL REPORT

JANUARY – JUNE

2023

INTERIM MANAGEMENT REPORT

INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONDENSED)

Key Figures

€ million	June 30, 2023	Dec. 31, 2022
Total assets	55,780	54,249
Loans to and receivables from customers attributable to		
Dealer financing	12	12
Leasing business	19,494	18,932
Lease assets	26,633	25,764
Equity	6,710	6,506

€ million	H1 2023	H1 2022
Operating profit	101	987
Profit before tax	101	987

Percent	June 30, 2023	Dec. 31, 2022
Equity ratio[1]	12.0	12.0

in thousand vehicles	H1 2023	H1 2022	H1 2021	H1 2020	H1 2019
New contracts	361	296	361	304	381
Current contracte	1,932	1,833	1,792	1,582	1,593

[1] Equity divided by total assets

All figures shown in the report are rounded, so minor discrepancies may arise when amounts are added together. The comparative figures from the previous fiscal year are shown in parentheses directly after the figures for the current fiscal year.

Report on Economic Position

RESTRUCTURING OF THE VOLKSWAGEN FINANCIAL SERVICES AG AND VOLKSWAGEN BANK GMBH SUB-GROUPS

In March 2023, the management board of Volkswagen Financial Services AG and the board of managing directors of Volkswagen Bank GmbH resolved to initiate a reorganization of the subgroups of Volkswagen Financial Services AG and Volkswagen Bank GmbH.

To implement the planned reorganization, the majority of the German and European companies (including the respective subsidiaries and participations) as well as other assets, liabilities and further legal relationships of Volkswagen Financial Services AG and Volkswagen Bank GmbH (including its participations) shall be consolidated under a new financial holding company supervised by the ECB. The shares in Volkswagen Leasing GmbH shall be completely transferred to Volkswagen Bank GmbH. The current Volkswagen Financial Services AG shall act as a holding company for non-European companies. Both the new financial holding company and the holding company for non-European companies will continue to be an integral part of the Volkswagen Group, as wholly owned subsidiaries of Volkswagen AG but with different geographic business focus.

By bundling its activities in an European financial services provider, the refinancing strength of Volkswagen Bank GmbH can best be used for the growth of the leasing business in Germany and Europe. The Volkswagen Group is thus laying the foundation for the successful implementation of the Group's strategy in the mobility sector, taking into account the regulatory framework.

A company-wide program has been set up to prepare for and implement the restructuring. Numerous workstreams, such as supervisory law, company law and tax, regulatory reporting, treasury, human resources, risk management, data provision, IT and processes, accounting and controlling as well as sales, will ensure that all the necessary steps are initiated and implemented and any emerging risks are mitigated in a timely manner.

It is intended to complete the main steps of the reorganization mid-2024

OVERALL ASSESSMENT OF THE COURSE OF BUSINESS AND THE GROUP’S POSITION

The difficult economic conditions that have prevailed since the coronavirus crisis and the Russia-Ukraine conflict have worsened considerably with the change in the path of inflation, as a result of which the challenges facing Volkswagen Leasing GmbH continued to grow in the first half of 2023. The Company was unable to sustain the positive performance of previous years, and the Management Board expects a significantly lower result compared to the previous year.

At 1,932 thousand units, the volume of existing contracts was up moderately on the 1,833 units as of June 30, 2022 (of which MAN FS branch, Munich: 43 thousand units). At 58.9% in the first half of the year, the penetration rate based on all new leasing contracts in the German market was down slightly on the penetration rate at the same date in the previous year (June 30, 2022: 60.8%) and therefore still at a high level.

CHANGES IN EQUITY INVESTMENTS

There were no changes in equity investments.

GENERAL ECONOMIC DEVELOPMENT

The Russia-Ukraine conflict led to increased uncertainty in relation to developments in the global economy and prompted large sections of the community of Western states to impose sanctions on Russia, ranging from extensive trade embargoes to the partial exclusion of Russia from the global financial system. Russia itself, in its role as an energy exporter, restricted deliveries to Europe, particularly deliveries of gas. Although calm began to return to the energy and commodity markets in recent months, some raw material prices remain comparatively elevated. Furthermore, salary trends in the overheated labor markets, among other factors, pose the threat of continued high inflation.

Following the slump in global economic output in 2020, the incipient recovery due to baseline and catch-up effects in 2021 and further normalization of economic activity in 2022 despite the Russia-Ukraine conflict, economic growth continued to recover in the reporting period on average, albeit with diminishing momentum compared with the prior year. This was mainly due to weaker growth in the advanced economies, whereas the rate of change in the emerging markets remained virtually the same overall. At national level, developments depended on the one hand on the intensity with which central banks had to tighten monetary policy to curb the higher inflation – mainly by raising interest rates and scaling back bond-buying – which had a negative impact on consumer spending and investment activity. On the other hand, the extent to which national economies were affected by the consequences of the Russia-Ukraine conflict was a decisive factor. Prices for energy and many other raw materials were lower than in the previous year, and shortages of intermediate products and commodities eased somewhat. Global trade in goods expressed in nominal terms decreased in the reporting period.

The economy in Western Europe recorded positive but lower growth in the first half of 2023, as in the same period of the previous year. This trend was seen in many countries in Northern and Southern Europe. The main reasons for this were the in some cases momentarily significant increases in energy and commodity prices, which had substantially pushed up inflation rates in the previous year and thus had a negative impact on consumer confidence. The recovery in consumer sentiment in the European Union that commenced in the second half of 2022 continued at a low level in the reporting period, while the mood among companies progressively darkened. In addition, the restrictive monetary policy measures taken to rein in inflation impacted on both consumer spending and investment.

Germany registered negative economic growth in the reporting period. Compared with the same period of the prior year, the seasonally adjusted unemployment figures rose on average. After reaching historically high levels in 2022, monthly inflation rates fell though stayed relatively high.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

Demand for automotive financial services was at a high level in the first half of 2023; however, higher interest rates put pressure on demand for financial services in almost all regions.

The European passenger car market was still affected by shortages in the reporting period. Vehicle deliveries nevertheless increased and were up on the prior-year period. Demand for financial services products also grew; however, as a percentage of vehicle deliveries, the figure was down on the equivalent figure for 2022. The positive trend in the financing of used vehicles continued. The sale of after-sales products such as servicing, maintenance and spare parts agreements continued to expand.

In Germany, persistent challenges presented by parts supply in vehicle production and by logistics chains continued to impact vehicle sales and the financial services business. Nevertheless, the increase in deliveries of new vehicles led to a higher volume of both leasing and financing contracts in the first half of 2023. New vehicle penetration was down on the comparative figure for 2022, however. New contracts for used vehicles exceeded the previous year's levels. The number of new after-sales contracts also increased and was above the 2022 level in the reporting period.

The financial services business in the market for heavy commercial vehicles was slightly up on the prior-year level in the first half of 2023. The lengthy delivery times for commercial vehicles are gradually beginning to return to normal. The borrowing habits of commercial vehicle customers changed due to rising interest rates: the decision on financing is moving closer to the time of vehicle delivery as customers speculate on interest rates falling.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

In the first half of 2023, the volume of the global passenger car market was noticeably above the comparative figure for 2022 at 36.5 million vehicles (+9.2%). The performance of the largest passenger car markets was positive, due primarily to the weak prior-year figures. While the supply situation for intermediates improved compared with 2022, particularly the consequences of the Russia-Ukraine conflict and pull-forward effects generated by state subsidies expiring at the end of the previous year dampened the trend in new registrations in individual markets. Significant growth was recorded in the overall market of the Western Europe region.

In the first half of 2023, the global volume of new registrations for light commercial vehicles was significantly higher (+15.5%) than in the previous year.

In Western Europe, the number of new passenger car registrations in the first half of the 2023 reporting year in-creased significantly year-on-year by +17.9% to 6.0 million vehicles. The performance of the large individual passenger car markets was positive across the board: France (+15.4%), United Kingdom (+18.4%), Italy (+22.7%) and Spain (+23.2%) all exceeded the levels recorded in the first half of 2022 by a significant to strong degree.

The volume of new registrations for light commercial vehicles in Western Europe in the reporting period was significantly higher than for the same period of the previous year (+13.5%).

At 1.4 million, the total number of new passenger car registrations in Germany in the first six months of 2023 was significantly higher than the weak prior-year level (+12.9%). Disruption in global logistic chains restricted vehicle availability at the beginning of the year. More recently, parts availability improved further, giving a boost to domestic production. Production in Germany in the first half of 2023 rose to 2.2 million vehicles (+32.4%) and passenger car exports grew to 1.7 million units (+32.5%).

Sales of light commercial vehicles in Germany in the first six months of 2023 were significantly higher than the 2022 figure, recording an increase of 17.2%.

TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

In the markets that are relevant for the Volkswagen Group, global demand for mid-sized and heavy trucks with a gross weight of more than six tonnes was significantly higher in the reporting period than in the same period of 2022. Truck markets globally were strongly up on the previous year's level. This was due to an improved situation in global supply chains and the very strong recovery in China, the world's largest truck market, following the end of the country's zero-Covid strategy.

Sales volume in the 27 EU states excluding Malta, but plus the United Kingdom, Norway and Switzerland (EU27+3), was significantly higher in the first six months of 2023 than in the prior year. The shortages in parts supplies have largely been overcome. New registrations in Germany, the largest market in this region, rose strongly.

In the first half of 2023, there was a very strong rise in demand overall in the bus markets that are relevant for the Volkswagen Group compared with the same period of the prior year. Demand for buses in the EU27+3 markets in the reporting period was up significantly on the level of the previous year, with the picture varying from country to country.

FINANCIAL PERFORMANCE

The following disclosures on the financial performance of the Volkswagen Leasing GmbH Group relate to changes compared with the corresponding prior-year period.

In the first half of 2023, leasing income rose by €1,033 million to €6,907 million. Depreciation, impairment losses and other expenses from leasing transactions amounted to €5,721 million, a rise of €839 million compared with the prior-year period. Interest expense rose to €663 million, compared with €85 million in the prior-year period.

Net income from service contracts decreased to €69 million (previous year: €123 million). The net loss on financial instruments measured at fair value was €78 million (previous year: net gain of€296 million).

The operating result of the Volkswagen Leasing GmbH Group fell to €101 million (previous year: €987 million).

NET ASSETS AND FINANCIAL POSITION

The following disclosures on net assets and the financial position of the Volkswagen Leasing GmbH Group relate to changes compared with the December 31, 2022 reporting date.

Lending business

Loans to and receivables from customers declined from €25.7 billion to €25.5 billion. Conversely, lease assets grew from €25.8 billion to €26.6 billion.

The volume of current contracts increased compared with the reporting date of December 31, 2022, from 1,897 thousand units to 1,932 thousand units. Of this total, approximately 112 thousand contracts were attributable to the Italian branch in Milan and approximately 43 thousand contracts to the MAN FS branch, Munich. The increase in the portfolio was the net effect from the addition of 361 thousand new units and the disposal of 326 thousand vehicles in the first six months of 2023.

The Company is funded largely by issuing bonds and through loans from affiliated companies. As of the end of June 2023, the volume of bonds issued amounted to €23.9 billion (December 31, 2022: €23.7 billion). Loans from affiliated companies amounted to €17.5 billion as of June 30, 2023 compared with €16.3 billion as of December 31, 2022.

As of June 30, 2023, the volume of future lease receivables sold amounted to €5.8 billion (December 31, 2022: €5.3 billion). The volume of future lease residual values sold amounted to €12.5 billion as of June 30, 2023 (December 31, 2022: €12.1 billion).

This package of measures ensured that Volkswagen Leasing GmbH had adequate liquidity at all times during the first six months of 2023.

KEY FIGURES BY SEGMENT AS OF JUNE 30, 2023

in thousands	Retail	Wholesale	Segments total	Reconciliation	Group
Current contracts	**2,123**	**3,204**	**5,327**	**–**	**5,327**
Leasing business	896	1,036	1,932	–	1,932
Service	1,227	2,168	3,395	–	3,395
New contracts	**367**	**578**	**945**	**–**	**945**
Leasing business	163	198	361	–	361
Service	204	380	584	–	584
€ million					
Loans to and receivables from customers attributable to					
Dealer financing	–	12	12	–	12
Leasing business	9,039	10,455	19,494	–	19,494
Lease assets	12,349	14,284	26,633	–	26,633
Investment[1]	2,634	3,189	5,823	–	5,823
Operating result	–3	156	153	–52	101

1 Corresponds to additions to lease assets classified as noncurrent assets.

Deposit Business and Borrowings

The significant liability items were liabilities to customers in the amount of €20.5 billion (+8.1%) and commercial paper issued in the amount of €24.9 billion (–0.9%).

Equity

The subscribed capital remained unchanged at €76 million in the reporting period. Equity in accordance with the IFRSs was €6.7 billion (December 31, 2022: €6.5 billion). This resulted in an equity ratio of 12.0% based on total assets of €55.8 billion.

Report on Opportunities and Risks

REPORT ON OPPORTUNITIES

Macroeconomic Opportunities

Global economic growth is currently particularly dependent on the inflation and interest rate trend as well as on shortages in global supply chains. In response to this, existing opportunities are being leveraged systematically.

The tense macroeconomic environment at present might also give rise to opportunities for Volkswagen Leasing GmbH if actual trends turn out to be better than expected.

Strategic Opportunities

Volkswagen Leasing GmbH sees changing customer requirements, tighter regulation and an ever greater awareness of sustainability as an opportunity in restructuring and further developing its existing product portfolio. This includes developing new products, optimizing existing ones and discontinuing outdated products. New mobility and service products are being developed and expanded as the focus on an excellent customer experience continues to grow. Digital technologies and programs support the expansion of digital sales channels.

RISK REPORT

The credit risk, residual value risk and earnings risk position of Volkswagen Leasing GmbH is being affected by the consequences of the Russia-Ukraine conflict and the current economic situation (supply chain problems and high inflation). Rising interest rates mean that Volkswagen Leasing GmbH faces greater interest rate risk. Measures to minimize the risk and cushion the effects are in place. The risk situation continues to be very closely monitored.

While numbers have risen in the marketing of used electric and hybrid vehicles, a downward trend can be observed in market values. Appropriate countermeasures are already being taken on the sales front to mitigate this trend. Current developments and events that might impact unexpectedly on residual values continue to be closely monitored and taken into account where necessary.

Other than the above, there were no material changes in the reporting period to the details set out in the report on opportunities and risks in the 2022 Annual Report.

There were also no material changes in the risk models compared with the 2022 Annual Report. Only the confidence level that quantifies the different categories of risk was raised from 99% to 99.9% as of April 1, 2023.

Human Resources Report

The structure of the German legal entities in the Volkswagen Financial Services AG Group is such that the employees of Volkswagen Financial Services AG may also work in the various subsidiaries. As a result of this structure, 739 employees of Volkswagen Financial Services AG were assigned to the units of Volkswagen Leasing GmbH under staff leasing arrangements as of June 30, 2023 (December 31, 2022: 739).

Because of local legal requirements, employees of the Italian branches in Milan and Verona continue to hold employment contracts directly with Volkswagen Leasing GmbH. There are currently 66 people employed in those branches (December 31, 2022: 57).

Report on Expected Developments

The Management Board of Volkswagen Leasing GmbH expects the current market situation to remain challenging despite some initial easing in the brand's supply situation due to a fall in orders at the brands and thus a fall in procurement orders at Volkswagen Leasing GmbH. Persistently high inflation and interest rates will continue to impact negatively on consumer demand. In addition, growth prospects will be negatively impacted by ongoing geopolitical tensions and conflicts.

Our planning is based on the assumption that global economic output will grow overall in 2023 albeit at a slower pace. The persistently high inflation in many regions and the resulting restrictive monetary policy measures taken by central banks are expected to increasingly dampen consumer spending. We continue to believe that risks will arise from protectionist tendencies, turbulence in the financial markets and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are weighing on growth prospects; risks continue to be associated with the Russia-Ukraine conflict. Furthermore, it cannot be ruled out that risks may also arise if new variants of the SARS-CoV-2 virus occur, particularly with regard to regional outbreaks and the measures associated with these. We assume that both the advanced economies and the emerging markets will show positive momentum on average, but with below-average growth in gross domestic product (GDP).

We predict that trends in the markets for passenger cars in the individual regions will be mixed in 2023. Overall, the global volume of new car sales is expected to be noticeably higher than in the previous year. For 2023, we anticipate that the volume of new passenger car registrations in Western Europe will be significantly above that recorded in the previous year. In the German passenger car market, we predict a noticeable increase in the volume of new registrations in 2023 compared with the previous year.

Trends in the markets for light commercial vehicles in the individual regions will also be mixed; on the whole, we expect a significant increase in the sales volume for 2023.

For 2023, we expect to see a noticeable upwards trend in new registrations for mid-sized and heavy trucks with a gross weight of more than six tonnes compared with the previous year in the markets that are relevant for the Volkswagen Group, with variations from region to region. A significant increase in overall demand is anticipated for 2023 in the bus markets relevant for the Volkswagen Group, whereby this will vary depending on the region.

We anticipate that automotive financial services will continue to prove highly important to global vehicle sales in 2023, particularly in light of the continuing macroeconomic challenges.

As a consequence of the current crises, we expect interest rates in the eurozone to remain on a slight upward trend through to the end of the year. Interest rate risk is monitored continuously. Potential changes in interest rates are simulated if necessary to determine their effect on profits.

Due to the improvement in new vehicle availability, it is anticipated that market values for used vehicles will fall, especially for vehicles with an electric or hybrid drivetrain. Residual value risk is therefore expected to increase. Appropriate countermeasures are already being taken on the sales front. The other types of risk are currently categorized as relatively stable. The risks are continuously monitored.

In general, economic growth in individual countries and regions depends to a large extent on the following factors. Risks will arise first and foremost from the repercussions of the Russia-Ukraine war and sustained high inflation rates. As a result, risk costs are expected to be up on the low prior-year level.

For fiscal year 2023, the Management Board of Volkswagen Leasing GmbH expects the IFRS operating result to deteriorate significantly compared with the previous year. In particular, our earnings expectations assume an increase in funding costs, increased investment in digitalization and continued uncertainty about macroeconomic conditions. In addition, the anticipated path of both risk costs and the fair values of derivatives used for hedging purposes has a significant impact.

The number of current contracts at Volkswagen Leasing GmbH is projected to be significantly above the prior-year level at year-end. Volkswagen Leasing GmbH's penetration rate in the German market is expected to be at a high level and up moderately year on year. It is assumed in this context that deliveries of new vehicles to Volkswagen Group customers will be above the level reached in 2022.

This report contains forward-looking statements on the future business development of Volkswagen Leasing GmbH. These statements are based on assumptions relating to changes in the economic, political and legal environment in individual countries, economic regions and markets, in particular for financial services and the automotive industry; these assumptions have been made on the basis of the information available and Volkswagen Leasing GmbH currently considers them to be realistic. The estimates given entail a degree of risk, and actual developments may differ from those forecast. If material parameters relating to key sales markets vary from the assumptions, or material changes arise from energy and other commodities or the supply of parts relevant to the Volkswagen Group, the performance of the business will be affected accordingly. In addition, expected business performance may vary if the key performance indicators and risks and opportunities presented in the 2022 Annual Report turn out to be different from current expectations, or additional risks and opportunities or other factors emerge that affect the development of the business.

Interim Consolidated Financial Statements (Condensed)

Income Statement

of the Volkswagen Leasing GmbH Group

€ million	Note	Jan. 1 – June 30, 2023	Jan. 1 – June 30, 2022	Change in percent
Interest income from lending transactions and marketable securities		71	8	X
Income from leasing transactions		6,907	5,874	17.6
Depreciation, impairment losses and other expenses from leasing transactions		–5,721	–4,882	17.2
Net income from leasing transactions	1	1,186	992	19.6
Interest expense		–663	–85	X
Income from service contracts		910	862	5.6
Expenses from service contracts		–841	–739	13.8
Net income from service contracts		69	123	–44.1
Provision for credit risks		–60	–1	X
Fee and commission income		0	0	–68.2
Fee and commission expenses		–129	–95	35.8
Net fee and commission result		–129	–95	35.7
Net gain or loss on hedges		–13	6	X
Net gain/loss on financial instruments measured at fair value		–78	296	X
General and administrative expenses		–319	–287	11.4
Other operating income		49	48	1.3
Other operating expenses		–13	–19	–30.0
Net other operating income/expenses		36	29	23.5
Operating result		**101**	**987**	**–89.7**
Other financial gains or losses		–0	–0	X
Profit before tax		**101**	**987**	**–89.8**
Income tax expense		–17	–299	–94.2
Profit after tax		**84**	**689**	**–87.9**
Profit after tax attributable to Volkswagen Financial Services AG		84	689	–87.9
German GAAP profit/loss attributable to Volkswagen Financial Services AG in the event of loss absorption/profit transfer.		–114	–3	X

Statement of Comprehensive Income

of the Volkswagen Leasing GmbH Group

€ million	Jan. 1 – June 30, 2023	Jan. 1 – June 30, 2022
Profit after tax	**84**	**689**
Items that will not be reclassified to profit or loss	**–**	**–**
Hedging transactions		
Fair value changes recognized in other comprehensive income (OCI I)	8	–
Transferred to profit or loss (OCI I)	–	–
Cash flow hedges (OCI I), before tax	8	–
Deferred taxes relating to cash flow hedges (OCI I)	–2	–
Cash flow hedges (OCI I), net of tax	6	–
Items that may be reclassified to profit or loss	**6**	**–**
Other comprehensive income, net of tax	**6**	**–**
Total comprehensive income	**89**	**689**
Total comprehensive income attributable to Volkswagen Financial Services AG	89	689

Balance Sheet

of the Volkswagen Leasing GmbH Group

€ million	Note	June 30, 2023	Dec. 31, 2022	Change in percent
Assets				
Loans to and receivables from banks		1,171	621	88.6
Loans to and receivables from customers attributable to				
Dealer financing		12	12	–0.7
Leasing business		19,494	18,932	3.0
Other loans and receivables		6,027	6,788	–11.2
Total loans to and receivables from customers		25,533	25,732	– 0.8
Change in Fair Value from Portfolio Fair Value Hedges		–78	–123	– 36.3
Derivative financial instruments		781	863	–9.6
Property and equipment		4	4	–3.5
Lease assets	2	26,633	25,764	3.4
Investment property		24	25	–2.4
Deferred tax assets		68	64	6.4
Current tax assets		77	101	–24.3
Other assets		1,566	1,197	30.8
Total		**55,780**	**54,249**	**2.8**

€ million	Note	June 30, 2023	Dec. 31, 2022	Change in percent
Equity and Liabilities				
Liabilities to banks		0	0	–38.3
Liabilities to customers		20,501	18,962	8.1
Notes, commercial paper issued		24,895	25,121	–0.9
Derivative financial instruments		958	966	–0.8
Provisions for pensions and other post-employment benefits		1	1	14.0
Other provisions		224	262	–14.8
Deferred tax liabilities		799	729	9.6
Current tax liabilities		15	44	–66.9
Other liabilities		1,486	1,475	0.8
Subordinated capital		192	183	4.7
Equity		6,710	6,506	3.1
Subscribed capital		76	76	–
Capital reserves		361	361	–
Retained earnings		6,267	6,069	3.3
Other reserves		6	–	X
Total		**55,780**	**54,249**	**2.8**

Statement of Changes in Equity

of the Volkswagen Leasing GmbH Group

€ million	Subscribed capital	Capital reserves	Retained earnings	OTHER RESERVES: Currency translation	OTHER RESERVES: Hedging transactions: Cash flow hedges (OCI I)	OTHER RESERVES: Hedging transactions: Deferred hedging costs (OCI II)	OTHER RESERVES: Equity and debt instruments	OTHER RESERVES: Equity-accounted invest-ments	Total equity
As of Jan. 1, 2022	**76**	**361**	**4,194**	**–**	**–**	**–**	**–**	**–**	**4,631**
Profit after tax	–	–	689	–	–	–	–	–	689
Total comprehensive income	**–**	**–**	**689**	**–**	**–**	**–**	**–**	**–**	**689**
Other changes[1]	–	–	3	–	–	–	–	–	3
As of June 30, 2022	**76**	**361**	**4,887**	**–**	**–**	**–**	**–**	**–**	**5,323**
As of Jan. 1, 2023	**76**	**361**	**6,069**	**–**	**–**	**–**	**–**	**–**	**6,506**
Profit after tax	–	–	84	–	–	–	–	–	84
Other comprehensive income, net of tax	–	–	–	–	6	–	–	–	6
Total comprehensive income	**–**	**–**	**84**	**–**	**6**	**–**	**–**	**–**	**89**
Other changes[1]	–	–	114	–	–	–	–	–	114
As of June 30, 2023	**76**	**361**	**6,267**	**–**	**6**	**–**	**–**	**–**	**6,710**

[1] Includes German GAAP (HGB) profit/loss attributable to Volkswagen Financial Services AG in the event of loss absorption/profit transfer.

Cash Flow Statement

of the Volkswagen Leasing GmbH Group

€ million	Jan. 1 – June 30, 2023	Jan. 1 – June 30, 2022
Profit before tax	**101**	**987**
Depreciation, amortization, impairment losses and reversals of impairment losses	1,984	1,681
Change in provisions	–39	1
Change in other noncash items	83	264
Loss on disposal of financial assets and items of property and equipment	–0	5
Net interest expense and dividend income	20	–210
Other adjustments	–	–
Change in loans to and receivables from banks	–550	223
Change in loans to and receivables from customers	–752	978
Change in lease assets	–2,802	–2,802
Change in other assets related to operating activities	–415	157
Change in liabilities to banks	–0	50
Change in liabilities to customers	1,540	4,648
Change in notes, commercial paper issued	–226	–3,592
Change in other liabilities related to operating activities	11	–68
Interest received	642	295
Interest paid	–663	–85
Income taxes paid	41	–55
Cash flows from operating activities	**–1,024**	**2,478**
Proceeds from disposal of other assets	0	0
Acquisition of other assets	–0	–0
Cash flows from investing activities	**0**	**0**
Loss assumed by Volkswagen Financial Services AG	1,016	242
Change in cash funds attributable to subordinated capital[1]	9	–2,720
Repayment of liabilities arising from leases	–1	0
Cash flows from financing activities	**1,024**	**–2,478**
Cash and cash equivalents at end of prior period	**–**	**–**
Cash flows from operating activities	–1,024	2,478
Cash flows from investing activities	0	0
Cash flows from financing activities	1,024	–2,478
Cash and cash equivalents at end of period	**–**	**–**

1 The change in prior period results from the amortization of the subordinated loan previously issued by Volkswagen Financial Services AG to VCL Master Residual Value SA, which is now issued by Volkswagen Leasing GmbH since the first half of 2022 and therefore an intragroup transaction in Volkswagen Leasing GmbH Group which is thus eliminated in the consolidated financial statement. The compensation of the negative cash flow from financing activities is included in the cash flow from operating activities.

Notes to the Interim Consolidated Financial Statements

of the Volkswagen Leasing GmbH Group

General Information

Volkswagen Leasing GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*, GmbH) under German law. It has its registered office at Gifhorner Strasse, Braunschweig, Germany, and is registered in the Braunschweig commercial register (HRB 1858).

Volkswagen Financial Services AG, Braunschweig, is the sole shareholder of the parent company Volkswagen Leasing GmbH. Volkswagen Financial Services AG and Volkswagen Leasing GmbH have entered into a control and profit-and-loss transfer agreement.

Basis of Presentation

Volkswagen Leasing GmbH prepared its consolidated financial statements for the year ended December 31, 2022 in accordance with the International Financial Reporting Standards (IFRSs), as adopted by the European Union (EU), and the interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRS IC) and also in accordance with the additional disclosures required by German commercial law under section 315a(1) of the *Handelsgesetzbuch* (HGB – German Commercial Code). These interim consolidated financial statements for the period ended June 30, 2023 have therefore also been prepared in accordance with IAS 34 and represent a condensed version compared with the full consolidated financial statements. These interim financial statements have not been reviewed by an auditor.

Unless otherwise stated, amounts are shown in millions of euros (€ million). All amounts shown are rounded, so minor discrepancies may arise when amounts are added together.

Accounting Policies

Volkswagen Leasing GmbH has applied all financial reporting standards adopted by the EU and subject to mandatory application from January 1, 2023.

Otherwise, the same consolidation methods and accounting policies as those applied in the 2022 Consolidated Financial Statements have generally been used in the preparation of the interim consolidated financial statements and the calculation of the prior-year comparative figures. A detailed description of these policies was published in the notes to the annual financial statements in the 2022 Annual Report.

In addition, the effects of new standards were described in detail under “New and Revised IFRSs Not Applied”. The 2022 Consolidated Financial Statements are available online at https://www.vwfs.com/arvwleasing22

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Effects of the Russia-Ukraine Conflict

The start of the Russia-Ukraine conflict in February 2022 led not only to a humanitarian crisis but also brought market upheaval around the world. There have been substantial price rises, particularly on the energy and commodity markets, and significant increases in interest and inflation rates have been observed internationally. There were some signs of normalization in the markets in the first half of fiscal year 2023.

Basis of Consolidation

In addition to Volkswagen Leasing GmbH, the interim consolidated financial statements cover all international subsidiaries taking the form of structured entities that are controlled directly or indirectly by Volkswagen Leasing GmbH. This is the case if Volkswagen Leasing GmbH has direct or indirect power over the entity, is exposed to or has rights to positive or negative variable returns from its involvement with the entity, and has the ability to use its power to influence those returns. In the case of the structured entities consolidated in the Volkswagen Leasing GmbH Group, Volkswagen Leasing GmbH holds no equity investment but nevertheless determines the main relevant activities remaining after the structure is created and thereby influences its own variable returns. The purpose of the structured entities is to facilitate asset-backed-securities transactions to fund the financial services business. The Volkswagen Leasing GmbH Group does not have any business relationships with unconsolidated structured entities.

The composition of the Volkswagen Leasing GmbH Group is as follows:

- Volkswagen Leasing GmbH, Braunschweig
- VCL Multi-Compartment S.A., Luxembourg
- VCL Master S.A., Luxembourg
- VCL Master Residual Value S.A., Luxembourg
- Trucknology S.A., Luxembourg

Disclosures on the Interim Consolidated Financial Statements

1. Net Income from Leasing Transactions

The breakdown of net income from leasing transactions is as follows:

€ million	Jan. 1 – June 30, 2023	Jan. 1 – June 30, 2022
Leasing income from operating leases	2,521	2,228
Interest income from finance leases	413	288
Gains from the disposal of used ex-lease vehicles	3,607	3,162
Net interest income/expense from finance lease hedging derivatives	158	–15
Miscellaneous income from leasing transactions	207	211
Income from leasing transactions	**6,907**	**5,874**
Lease assets depreciation and impairment losses	1,952	1,780
Expenses from the disposal of used ex-lease vehicles	3,483	2,795
Miscellaneous expenses from leasing transactions	286	307
Depreciation, impairment losses and other expenses from leasing transactions	**5,721**	**4,882**
Total	**1,186**	**992**

2. Lease Assets

€ million	Leased vehicles	Other equipment, operating and office equipment	Total
Cost as of January 1, 2023	**33,212**	**1**	**33,213**
Additions	6,667	–	6,667
Disposals	5,456	0	5,456
Balance as of June 30, 2023	**34,423**	**1**	**34,424**
Depreciation and impairment losses as of January 1, 2023	**7,449**	**1**	**7,450**
Additions to cumulative depreciation	1,790	0	1,790
Additions to cumulative impairment losses	162	–	162
Disposals	1,592	0	1,592
Reversal of impairment losses	19	–	19
Balance as of June 30, 2023	**7,790**	**1**	**7,790**
Net carrying amount as of June 30, 2023	**26,633**	**0**	**26,633**
Net carrying amount as of January 1, 2023	**25,763**	**0**	**25,764**

€ million	Leased vehicles	Other equipment, operating and office equipment	Total
Cost as of January 1, 2022	**29,405**	**1**	**29,406**
Changes in basis of consolidation	–	–	–
Additions	11,716	–	11,716
Disposals	7,909	0	7,909
Balance as of December 31, 2022	**33,212**	**1**	**33,213**
Depreciation and impairment losses as of January 1, 2022	**6,133**	**1**	**6,133**
Additions to cumulative depreciation	3,519	0	3,519
Additions to cumulative impairment losses	67	–	67
Disposals	2,180	0	2,180
Reversal of impairment losses	90	–	90
Balance as of December 31, 2022	**7,449**	**1**	**7,450**
Net carrying amount as of December 31, 2022	**25,763**	**0**	**25,764**
Net carrying amount as of January 1, 2022	**23,272**	**1**	**23,273**

3. Classes of Financial Instruments

Financial instruments are divided into the following classes in the Volkswagen Leasing GmbH Group:

> Measured at fair value
> Measured at amortized cost
> Derivative financial instruments designated as hedges
> Not allocated to any measurement category

The table below shows a reconciliation between the balance sheet items in which financial instruments are reported and the classes of financial instruments listed above. They include financial instruments allocated to IFRS 9 measurement categories as well as financial instruments not allocated to any IFRS 9 measurement category (e.g. finance lease receivables) and are therefore included in the "Not allocated to any measurement category" class.

Loans to and receivables from customers in the "Total loans to and receivables from customers" balance sheet item are reconciled to the "Measured at amortized cost" and "Not allocated to any measurement category" classes. The "Not allocated to any measurement category" class mainly consists of the loans to and receivables from customers attributable to the leasing business.

Loans/receivables and liabilities designated as hedges with derivative financial instruments are included in the class "Measured at amortized cost".

The income tax receivables and income tax liabilities on the balance sheet include receivables and liabilities from tax allocations to Volkswagen Group companies made under civil law. These receivables and liabilities are accounted for as financial instruments and allocated to the "Measured at amortized cost" class.

If the balance sheet items contain assets and liabilities that do not constitute financial instruments, the amounts concerned are included in the "Not allocated to any measurement category" class so that the reconciliation is complete.

The following table shows a reconciliation of the relevant balance sheet items to the classes of financial instruments:

			CLASS OF FINANCIAL INSTRUMENTS									
	BALANCE SHEET ITEM		MEASURED AT AMORTIZED COST		MEASURED AT FAIR VALUE		DERIVATIVE FINANCIAL INSTRUMENTS DESIGNATED AS HEDGES		NOT ALLOCATED TO ANY MEASUREMENT CATEGORY		NOT ALLOCATED TO ANY CLASS OF FINANCIAL INSTRUMENTS	
€ million	**June 30, 2023**	Dec. 31, 2022	**June 30, 2023**	Dec. 31, 2022	**June 30, 2023**	Dec. 31, 2022	**June 30, 2023**	Dec. 31, 2022	**June 30, 2023**	Dec. 31, 2022	**June 30, 2023**	Dec. 31, 2022
Assets												
Loans to and receivables from banks	1,171	621	1,171	621	–	–	–	–	–	–	–	–
Loans to and receivables from customers	25,533	25,732	6,039	6,800	–	–	–	–	19,494	18,932	–	–
Value adjustment on portfolio fair value hedges	–78	–123	–	–	–	–	–	–	–78	–123	–	–
Derivative financial instruments	781	863	–	–	369	349	412	515	–	–	–	–
Current tax assets	77	101	59	70	–	–	–	–	–	–	18	31
Other assets	1,566	1,197	494	440	–	–	–	–	–	–	1,072	758
Total	**29,050**	**28,392**	**7,763**	**7,931**	**369**	**349**	**412**	**515**	**19,416**	**18,809**	**1,090**	**789**
Equity and liabilities												
Liabilities to banks	0	0	0	0	–	–	–	–	–	–	–	–
Liabilities to customers	20,501	18,962	19,111	17,671	–	–	–	–	12	13	1,378	1,278
Notes, commercial paper issued	24,895	25,121	24,895	25,121	–	–	–	–	–	–	–	–
Derivative financial instruments	958	966	–	–	245	237	712	729	–	–	–	–
Current tax liabilities	15	44	3	8	–	–	–	–	–	–	12	36
Other liabilities	1,486	1,475	69	83	–	–	–	–	–	–	1,417	1,392
Subordinated capital	192	183	192	183	–	–	–	–	–	–	–	–
Total	**48,046**	**46,751**	**44,270**	**43,067**	**245**	**237**	**712**	**729**	**12**	**13**	**2,807**	**2,706**

4. Fair Value Disclosures

For the purposes of fair value measurement and the associated disclosures, fair values are classified using a three-level measurement hierarchy. Classification to the individual levels is dictated by the extent to which the main inputs used in determining the fair value are or are not observable in the market.

Level 1 is used to report the fair value of financial instruments such as marketable securities for which a quoted price is directly observable in an active market.

Level 2 fair values are measured on the basis of inputs observable in the markets, such as exchange rates or yield curves, using market-based valuation techniques. Fair values measured in this way include those for derivatives.

Level 3 fair values are measured using valuation techniques incorporating at least one input that is not directly observable in an active market.

The fair values of loans to and receivables from customers are allocated to Level 3 because these fair values are measured using inputs that are not observable in active markets.

The following table shows the allocation of financial instruments measured at fair value and derivative financial instruments designated as hedges to the three-level fair value hierarchy by class:

	LEVEL 1		LEVEL 2		LEVEL 3	
€ million	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Assets						
Measured at fair value						
Derivative financial instruments	–	–	369	349	–	–
Derivative financial instruments designated as hedges	–	–	412	515	–	–
Total	**–**	**–**	**781**	**863**	**–**	**–**
Equity and liabilities						
Measured at fair value						
Derivative financial instruments	–	–	245	237	–	–
Derivative financial instruments designated as hedges	–	–	712	729	–	–
Total	**–**	**–**	**958**	**966**	**–**	**–**

The table below shows the fair values of the financial instruments.

€ million	FAIR VALUE		CARRYING AMOUNT		DIFFERENCE	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Assets						
Measured at fair value						
Derivative financial instruments	369	349	369	349	–	–
Measured at amortized cost						
Loans to and receivables from banks	1,171	621	1,171	621	–	–
Loans to and receivables from customers	6,090	6,855	6,039	6,800	51	55
Current tax assets	59	70	59	70	–	–
Other assets	494	440	494	440	–	–
Derivative financial instruments designated as hedges	412	515	412	515	–	–
Not allocated to any measurement category						
Loans to and receivables from customers	18,867	18,224	19,494	18,932	–628	–708
Equity and liabilities						
Measured at fair value						
Derivative financial instruments	245	237	245	237	–	–
Measured at amortized cost						
Liabilities to banks	0	0	0	0	–	–
Liabilities to customers	19,154	17,662	19,111	17,671	44	–9
Notes, commercial paper issued	25,157	25,496	24,895	25,121	262	375
Current tax liabilities	3	8	3	8	–	–
Other liabilities	69	83	69	83	–0	–0
Subordinated capital	195	186	192	183	3	2
Derivative financial instruments designated as hedges	712	729	712	729	–	–

Segment Reporting

5. Segment Reporting

The delineation between segments follows that used for internal management and reporting purposes in the Volkswagen Leasing GmbH Group. As the primary key performance indicator, the operating result is reported to the chief operating decision-makers. The information made available to management for management purposes is based on the same accounting policies as those used for external financial reporting.

Internal management distinguishes between retail customers and wholesale customers.

Individual customers include retail customers and individual business customers. Individual business customers are business operators who have not concluded a delivery agreement with the Volkswagen Group for the purchase of new vehicles. Retail customers are customers who have a right to withdraw from a contract.

Within the fleet customers group, a distinction is made between corporate fleet customers and special buyers. Corporate fleet customers are companies that purchase at least five Group vehicles per year via a delivery agreement and have at least 15 corresponding vehicles in their contract portfolio. Special buyers include, for example, churches, care services and people with a disability.

In accordance with IFRS 8, noncurrent assets are reported exclusive of financial instruments, deferred tax assets, post-employment benefits and rights under insurance contracts.

BREAKDOWN BY CUSTOMER CATEGORY FOR THE FIRST HALF OF 2023:

€ million	Retail	Fleet	Segments total	Other	Group
Interest income from lending transactions and marketable securities	–	–	–	71	71
Income from leasing transactions	3,453	3,252	6,705	202	6,907
Depreciation, impairment losses and other expenses from leasing transactions	–2,993	–2,739	–5,732	12	–5,721
Net income from leasing transactions	460	513	973	214	1,186
Interest expense	–166	–226	–392	–271	–663
Income from service contracts	210	700	910	–	910
Expenses from service contracts	–189	–652	–841	–	–841
Net income from service contracts	21	48	69	–	69
Provision for credit risks	–35	–24	–59	–1	–60
Fee and commission income	–	–	–	–	0
Fee and commission expenses	–125	–4	–129	–	–129
Net fee and commission income	–125	–4	–129	–	–129
Net gain or loss on hedges	–	–	–	–13	–13
Net gain/loss on financial instruments measured at fair value	–	–	–	–78	–78
General and administrative expenses	–176	–160	–336	17	–319
Other operating income	19	13	32	17	49
Other operating expenses	–1	–4	–5	–8	–13
Net other operating income/expenses	18	9	27	9	36
Operating result	**–3**	**156**	**153**	**–52**	**101**

BREAKDOWN BY CUSTOMER CATEGORY FOR THE FIRST HALF OF 2022:

€ million	Retail	Fleet	Segments total	Other	Group
Interest income from lending transactions and marketable securities	–	–	–	8	8
Income from leasing transactions	2,443	3,446	5,889	–15	5,874
Depreciation, impairment losses and other expenses from leasing transactions	–2,080	–2,808	–4,888	6	–4,882
Net income from leasing transactions	363	638	1,000	–9	992
Interest expense	–45	–40	–85	–	–85
Income from service contracts	284	578	862	–0	862
Expenses from service contracts	–235	–504	–739	–0	–739
Net income from service contracts	49	74	123	–0	123
Provision for credit risks	–2	0	–2	2	–1
Fee and commission income	–	0	0	–	0
Fee and commission expenses	–94	–1	–95	–	–95
Net fee and commission income	–94	–1	–95	–	–95
Net gain or loss on hedges	–	–	–	6	6
Net gain/loss on financial instruments measured at fair value	–	–	–	296	296
General and administrative expenses	–75	–134	–209	–77	–287
Other operating income	10	12	23	26	48
Other operating expenses	–0	–2	–2	–17	–19
Net other operating income/expenses	10	11	21	9	29
Operating result	**205**	**547**	**752**	**235**	**987**

The breakdown of noncurrent assets in accordance with IFRS 8 and of the additions to noncurrent lease assets by customer category is shown in the following tables:

€ million	JAN. 1 – JUNE 30, 2023 Retail	Fleet
Noncurrent Assets	11,638	13,462
Additions to lease assets classified as noncurrent assets	2,634	3,189

Investment recognized under other assets was of minor significance.

Other Disclosures

6. Cash Flow Statement

The Volkswagen Leasing GmbH Group's cash flow statement documents changes in cash and cash equivalents attributable to cash flows from operating, investing and financing activities. In line with the definition of cash and cash equivalents as a cash reserve consisting of cash-in-hand and central bank balances, cash and cash equivalents in the Volkswagen Leasing GmbH Group amount to zero.

7. Off-Balance-Sheet Liabilities

CONTINGENT LIABILITIES

There were no contingent liabilities as of the reporting date. As of December 31, 2022 there were also no contingent liabilities.

OTHER FINANCIAL OBLIGATIONS

€ million	DUE by June 30, 2024	DUE July 1 2024 – June 30,2028	DUE From July 1, 2028	TOTAL June 30, 2023
Obligations from				
Long-term leasing and rental contracts	–	–	–	–
Miscellaneous financial obligations	5	–	–	5

€ million	DUE 2023	DUE 2024- 2027	DUE From 2028	TOTAL Dec. 31, 2022
Obligations from				
Long-term leasing and rental contracts	–	–	–	–
Miscellaneous financial obligations	19	–	–	19

8. Related Party Disclosures

Related parties as defined by IAS 24 are natural persons and entities that Volkswagen Leasing GmbH has control over or over which it has significant influence, or natural persons and entities that have control over or can exercise significant influence over Volkswagen Leasing GmbH, or natural persons and entities who are controlled by or under the influence of another related party of Volkswagen Leasing GmbH.

Volkswagen Financial Services AG, Braunschweig, is the sole shareholder of Volkswagen Leasing GmbH. The sole shareholder of VW FS AG is Volkswagen AG, Wolfsburg. Porsche Automobil Holding SE, Stuttgart, held the majority of the voting rights in Volkswagen AG as of the reporting date. The Extraordinary General Meeting of Volkswagen AG held on December 3, 2009 approved the creation of rights of appointment for the State of Lower Saxony. As a result, Porsche SE cannot elect, via the Annual General

Meeting, all the shareholder representatives on Volkswagen AG's Supervisory Board for as long as the State of Lower Saxony holds at least 15% of Volkswagen AG's ordinary shares. However, Porsche SE has the power to participate in the operating policy decisions of the Volkswagen Group and is therefore deemed to be a related party as defined by IAS 24. According to a notification dated January 9, 2023, the State of Lower Saxony and Hannoversche Beteiligungsgesellschaft Niedersachsen mbH, Hanover, held 20.00% of the voting rights in Volkswagen AG on December 31, 2022 and therefore indirectly had significant influence over the Volkswagen Bank GmbH Group. As mentioned above, the General Meeting of Volkswagen AG on December 3, 2009 also resolved that the State of Lower Saxony may appoint two members of the Supervisory Board (right of appointment). The sole shareholder, VW FS AG, and Volkswagen Leasing GmbH have entered into a control and profit-and-loss transfer agreement.

Volkswagen AG and other related parties in Volkswagen AG's group of consolidated entities provide the Volkswagen Leasing GmbH Group with funding on an arm's-length basis. As part of funding transactions, Volkswagen AG and other related parties in Volkswagen AG's group of consolidated entities sold vehicles to Volkswagen Leasing GmbH on an arm's-length basis. These transactions are presented in the "Goods and services received" column.

The "Goods and services provided" column primarily contains income from the marketing of ex-lease vehicles via companies of the Volkswagen Group.

The two tables below show the transactions with related parties.

	INTEREST INCOME H1		INTEREST EXPENSES H1		GOODS AND SERVICES PROVIDED H1		GOODS AND SERVICES RECIEVED H1	
€ million	2023	2022	2023	2022	2023	2022	2023	2022
Audit Committee	–	–	–	–	–	–	–	–
Management Board	–	–	–	–	–	–	–	–
Volkswagen Financial Services AG	15	4	–88	–33	5	5	106	75
Volkswagen AG	34	1	–16	–11	523	397	6,090	4,386
Porsche SE	–	–	–	–	–	–	–	–
Other related parties in the consolidated entitites	15	5	–143	–10	3,552	2,818	1,771	1,480

€ million	LOANS TO AND RECEIVABLES FROM		VALUATION ALLOWANCES ON IMPAIRED LOANS AND RECEIVABLES		OF WHICH ADDITIONS IN CURRENT YEAR		LIABILITIES TO	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Audit Committee	–	–	–	–	–	–	–	–
Management Board	–	–	–	–	–	–	–	–
Volkswagen Financial Services AG	1,365	2,272	–	–	–	–	6,862	7,726
Volkswagen AG	3,359	3,151	–	–	–	–	2,317	1,492
Porsche SE	–	–	–	–	–	–	–	–
Other related parties in the consolidated entitites	3,442	2,907	–	–	–	–	10,250	8,693

The “Other related parties in the group of consolidated entities” row includes, in addition to sister entities, joint ventures and associates that are related parties in Volkswagen AG’s group of consolidated entities but do not directly belong to Volkswagen Leasing GmbH. The relationships with the Audit Committee and the Management Board comprise relationships with the relevant groups of people.

Volkswagen Leasing GmbH did not receive any capital contributions from VW FS AG in the first half of 2023 or in the first half of 2022.

Individual members of the Management Board and Audit Committee of Volkswagen Leasing GmbH are also members of management and supervisory boards of other entities in the Volkswagen Group with which Volkswagen Leasing GmbH sometimes conducts transactions in the normal course of business. All transactions with these related parties are conducted on an arm’s-length basis.

9. Governing Bodies of Volkswagen Leasing GmbH

Management Board

ARMIN VILLINGER
Chair of the Management Board
Corporate Management of Volkswagen Leasing GmbH
Front Office, Volkswagen Leasing GmbH
Front Office, MAN FS (as of February 1, 2023)

FRANK CZARNETZKI (UNTIL JANUARY 31, 2023)
Front Office, MAN FS

HENDRIK EGGERS
Back Office, Volkswagen Leasing GmbH

MANUELA VOIGT
Operations, Volkswagen Leasing GmbH

10. Events After the Balance Sheet Date

On July 12, 2023, after obtaining the final approvals from the relevant bodies in the first half of 2023, Volkswagen Financial Services AG and Volkswagen Bank GmbH signed a framework agreement with TRATON SE and TRATON Financial Services AB regarding the transfer of significant parts of the new global financial services business at MAN and Volkswagen Truck & Bus. The signing of the framework agreement will be followed by local agreements in the individual markets that will transfer the rights to provide financial solutions to MAN and Volkswagen Truck & Bus customers on a country-by-country basis. Existing customer contracts will remain with Volkswagen Financial Services AG, Volkswagen Leasing GmbH and Volkswagen Bank GmbH. The total sale price agreed in the framework agreement will be recognized proportionately in profit or loss in the consolidated financial statements of Volkswagen Financial Services AG, Volkswagen Leasing GmbH and Volkswagen Bank GmbH at the date of signing of the relevant local agreement.

Apart from these transactions, there were no significant events after June 30, 2023.

Braunschweig, July 21, 2023

Volkswagen Leasing GmbH
The Management Board

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the condensed interim consolidated financial statements in accordance with generally accepted accounting principles give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group over the rest of the fiscal year.

Braunschweig, July 21, 2023

Volkswagen Leasing GmbH
The Management Board

Armin Villinger

Hendrik Eggers

Manuela Voigt

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