VOLKSWAGEN FINANCIAL SERVICES

THE KEY TO MOBILITY

VOLKSWAGEN LEASING GMBH
HALF-YEARLY FINANCIAL REPORT
JANUARY – JUNE

2017

Key Figures

€ million	June 30, 2017	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013
Lease assets	25,237	23,753	21,141	19,206	17,940
Total assets	29,060	27,767	24,549	21,744	19,354

€ million	H1.2017	H1.2016	H1.2015	H1.2014	H1.2013
Lease asset acquisitions	8,422	7,655	6,774	5,975	5,049
Leasing income	8,040	7,345	7,098	6,369	5,833

Thousands of vehicles	H1.2017	H1.2016	H1.2015	H1.2014	H1.2013
New leases	325	309	276	257	213
Lease portfolio	1,349	1,239	1,132	1,079	969

Report on Economic Position

GENERAL ECONOMIC DEVELOPMENT

The global economy saw moderate growth in the first half of 2017. The average expansion rate of gross domestic product (GDP) was up year-on-year in both the industrialized countries and the emerging market economies. Energy and commodity prices, which increased again at the beginning of the year, giving a boost to the economies of individual exporting countries that depend on them, weakened slightly in the course of the second quarter.

The economy of Western Europe recorded stable growth on the whole between January and June 2017, though the rates of change were mixed in both Northern European and Southern European countries.

In Germany, the continuing optimism among consumers and the strong labor market situation allowed the economy to maintain its solid growth course in the reporting period.

Central Europe continued to enjoy economic growth in the first half of 2017. Eastern Europe's economic situation improved on the back of the comparatively higher level of energy prices.

FINANCIAL MARKETS

The first half of 2017 saw a recovery in global financial markets, responding to positive trends in key industrialized nations. The fiscal stimulus from the US Federal Reserve (Fed) came later than expected and measures boosting the expansion of credit in China reached their limits. Despite hesitant trends in the global economy and the uncertainty surrounding the implementation of Brexit, financial market sentiment at the end of the first six months of 2017 had become positive again.

Particularly in Europe, the economy was boosted by a continuation of the expansionary monetary policy.

Economic indicators in Germany gave cause for optimism, the DAX ending the first half of the year higher than at the end of 2016. However, Germany faces a negative impact from the expenditure caused by growth in pensions and the integration of refugees.

The European Central Bank (ECB) now holds just under one third of the entire market for benchmark bonds as a result of its corporate sector purchase program (CSPP). It seems likely that the ECB will make an announcement during the autumn of this year that it intends to gradually withdraw the program in 2018.

June saw the start of the official negotiations for the UK's withdrawal from the EU. The UK general election on June 8 unexpectedly returned a parliament in which no party had an overall majority, as a result of which Prime Minister Theresa May formed a minority government with the support of the Democratic Unionist Party (DUP) of Northern Ireland. The financial markets appeared unperturbed.

The outcome of the French parliamentary elections following the election of the new president, Emmanuel Macron, offers the prospect of far-reaching reforms.

It remains to be seen whether there will be further changes in the Italian banking sector after the nationalization of Banco Popolare.

As anticipated, the Fed raised its benchmark rate in June by 25 basis points to a target range of 1.0% to 1.25%. A further hike is likely during the course of the year. However, a weak first quarter and a fall in the inflation rate have cooled speculation in this regard.

In Russia, the cut in oil production in collaboration with the Organization of the Petroleum Exporting Countries (OPEC) had a positive impact on the oil price and strengthened the ruble. Nevertheless, the country did not reach its inflation target. The central bank lowered its key interest rate further.

For the first time since 1989, Moody's rating agency downgraded China's credit rating by one notch to A1. The background to this is a moderate slowdown in economic growth accompanied by a rise in credit risk. The Chinese central bank continues to apply a squeeze to money market liquidity in order to prevent speculation. The resulting rise in money market interest rates has led to a strengthening of the renminbi against the US dollar.

The ASEAN region has experienced modest economic growth, although this has not been the case in India.

The Brazilian real continued to fall in value in response to further political turmoil in the country. The central bank has lowered key interest rates as a consequence of a slight economic recovery and a fall in inflation rates.

PASSENGER CAR MARKETS

Worldwide demand for passenger cars was up 2.7% in the period from January to June 2017 compared with the prior-year period. Growth was driven by the Asia-Pacific region, Western Europe, South America and Central and Eastern Europe. The number of new cars sold in North America, the Middle East and Africa declined.

In the first half of 2017, the Western European passenger car market continued its growth trajectory in spite of ongoing political uncertainty. This positive performance was underpinned by the stable macroeconomic environment. While new registrations in Italy and Spain continued to benefit from high demand for replacement vehicles and considerable growth in demand for commercial customers, the French market recorded an increase that was below average in comparison.

New passenger car registrations in Germany in the first six months of 2017 were up year-on-year for the fourth year in a row. Demand from private and also commercial customers was helped in particular by the ongoing robust development of the economy.

The passenger car market in Central and Eastern Europe saw a marked increase year-on-year in the first half of 2017. As in the three preceding years, the majority of EU markets in Central Europe recorded high growth rates. Passenger car sales in Eastern Europe also rose, starting from a very low level. This was primarily attributable to the growth of the Russian market in the year to date.

Global demand for light commercial vehicles was down on the previous year's level in the first half of 2017.

In Western Europe new registrations stabilized and exceeded the prior-year level slightly on the back of the sustained positive economic performance. In the reporting period, demand in Germany was also up slightly year-on-year.

Registrations of light commercial vehicles in Central and Eastern Europe recorded a moderate increase compared with the previous year.

OVERALL ASSESSMENT OF THE COURSE OF BUSINESS AND THE COMPANY'S POSITION

In the opinion of the Management of Volkswagen Leasing GmbH, the business has continued to perform well in 2017 to date. Volkswagen Leasing GmbH once again generated growth in its lease portfolio in the first half of the year.

The lease portfolio expanded by 8.9% and the total number of leases was 110 thousand higher than at the end of the equivalent period in 2016. Volkswagen Leasing GmbH thereby achieved a record level for the lease portfolio of 1,349 thousand leases. The penetration rate based on all new Volkswagen Bank GmbH and Volkswagen Leasing GmbH financing and leasing contracts in the German market declined to 57.3% (December 31, 2016: 59.1%).

INTERNAL MANAGEMENT

Volkswagen Leasing GmbH is included in Volkswagen Financial Services AG's consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs). The internal management of the companies in the group is therefore based on IFRS figures. For further information please refer to the disclosures in the management report of Volkswagen Leasing GmbH for the year ended December 31, 2016.

RESULTS OF OPERATIONS

The disclosures on the results of operations relate to the changes compared with the corresponding period in 2016.

In the first half of 2017, leasing income rose by €0.7 billion to €8.0 billion. Of this increase in income, €0.2 billion was mainly attributable to ongoing lease installments and €0.4 billion to sales of used vehicles. The larger portfolio of leases will lift revenue in the coming years.

Expenses from leasing business amounted to €4.4 billion, a year-on-year rise of €0.4 billion. This item is used mainly to recognize the net carrying amounts of vehicles disposed of and service lease expenses.

Depreciation and write-downs of lease assets rose to €3.0 billion as a result of volume growth (previous year: €2.5 billion).

The interest expense for the funding of the leasing business increased sharply by €63 million year-on-year to €229 million, largely as a result of the greater business volume, the rise in the volume of ABS deals and slightly higher funding costs. The result from ordinary business activities declined substantially to a loss of €246 million in the first six months of 2017 compared with a profit of €22 million in the corresponding period in 2016. This decrease was primarily attributable to higher one-off expenses and a rise in the provision for credit risks required under the HGB as the volume of new business continued to rise sharply. Operating profit in accordance with IFRS amounted to €65 million, which was down compared with the equivalent figure of €173 million generated in the first half of 2016.

NET ASSETS AND FINANCIAL POSITION

The disclosures on net assets and financial position relate to the changes compared with the balance sheet date of December 31, 2016.

Volkswagen Leasing GmbH continued to expand its business activities in the first half of 2017. The gross carrying amount of lease assets increased from €32.1 billion to €34.1 billion. The net carrying amount as of June 30, 2017 was €25.2 billion (December 31, 2016: €23.8 billion), which equated to a rise of €1.4 billion or 5.9%.

The trend in the portfolio of vehicles was also positive: the portfolio of leased vehicles increased to 1,349,000 units compared with 1,281,000 units as of the balance sheet date of December 31, 2016. Of this figure, the Italian branch in Milan accounted for approximately 28,000 vehicles and the Polish branch in Warsaw 65,000 vehicles. The increase in the portfolio was due to the net effect from the addition of 325,000 new units and the disposal of 257,000 vehicles in the first six months of 2017.

The company is funded largely through bonds issued by Volkswagen Leasing GmbH and loans from affiliated companies. As of the end of June 2017, the volume of bonds issued amounted to €6.1 billion (December 31, 2016: €6.1 billion.) Loans from affiliated companies amounted to €6.9 billion as of June 30, 2017 compared with €5.4 billion as of December 31, 2016.

In addition, the Company has currently placed seven asset-backed security (ABS) deals in the market to fund its leasing business. As of June 30, 2017, the volume of future lease receivables sold amounted to €4.1 billion (December 31, 2016: €3.9 billion). The volume of future lease residual values sold amounted to €6.0 billion as of June 30, 2017 (December 31, 2016: €5.4 billion).

This package of measures ensured that Volkswagen Leasing GmbH had adequate liquidity at all times during the first six months of 2017. Volkswagen Leasing GmbH has a sound liquidity base.

Report on Opportunities and Risks

REPORT ON OPPORTUNITIES

Macroeconomic Opportunities

Based on the forecast of a moderate year-on-year increase in deliveries to customers of the Volkswagen Group, the Management of Volkswagen Leasing GmbH anticipates a sustainable rise in sales of financial services products in the European markets, assuming that further economic growth is maintained in most of the markets.

Strategic Opportunities

As well as continuing its international focus by tapping new markets, Volkswagen Leasing GmbH believes that developing innovative products that are tailored to customers' changing mobility requirements offers additional opportunities. Growth areas such as new mobility products and service offerings (park and pay) are being systematically leveraged and expanded. Further opportunities may be created by launching established products in markets where these products have not previously been offered.

An increase in the interest rate differential between the long and short ends of the yield curve in key currency areas would open up the prospect of a positive effect on operating profit.

The digitalization of our business represents a significant opportunity for Volkswagen Leasing GmbH. Our aim is to ensure that all our products worldwide are also available online by 2025. By expanding digital sales channels, we are addressing the changing needs of our customers and strengthening our competitive position.

RISK REPORT

In the risk-bearing capacity analysis, the confidence level for pure Pillar II risks (market risk, especially interest rate risk, earnings risk) was increased from 90% to 99% in the going concern approach. As before, funding risk continues to be reported with a confidence level of 99%. The confidence level used for all other risks remains unchanged at 90%.

Other than these items, there were no other material changes in the reporting period to the details set out in the report on opportunities and risks in the 2016 Annual Report.

Human Resources Report

The structure of the German legal entities in the Volkswagen Financial Services AG Group provides for arrangements under which the employees of Volkswagen Financial Services AG may be assigned to carry out their duties in the subsidiaries. As a result of this structure, 954 employees of Volkswagen Financial Services AG were assigned to the units of Volkswagen Leasing GmbH under staff leasing arrangements as of June 30, 2017.

Because of local legal requirements, employees of the Italian branches in Milan and Verona continue to hold employment contracts directly with Volkswagen Leasing GmbH. Currently, 83 people are employed in those branches. The Polish leasing branch had three employees as of June 30, 2017.

Report on Expected Developments

The global economy saw moderate growth in the first six months of 2017. The average expansion rate of gross domestic product (GDP) was up year-on-year in both the industrialized countries and the emerging market economies. The Management of Volkswagen Leasing GmbH expects global economic growth in 2017 to be slightly higher than in the previous year. We believe risks will arise from protectionist tendencies, turbulence in the financial markets and structural deficits in individual countries. In addition, growth prospects will continue to be hurt by geopolitical tensions and conflicts. We expect the economic upturn to continue in the large majority of industrialized nations, with stable rates of expansion overall.

Financial markets will continue to be exposed to existing uncertainties caused by geopolitical tensions and in relation to future developments in the eurozone.

In European markets, a slower rise in inflation and stronger economic growth is anticipated overall. It is therefore unlikely that the ECB will introduce further economic stimulus measures. The ECB will probably announce during the course of 2017 that it is going to bring its quantitative easing program to an end, although the program itself is expected to continue until mid-2018. Any termination of the program would most affect Portugal and Italy. It is also anticipated that the ECB will raise interest rates on deposits. The accompanying scarcity of German government bonds will lead to an upturn in yields, particularly on long-dated bonds.

Delays in the legislative process in the USA, together with the legal initiatives announced by President Trump, will cause a slowdown in global growth. It is probable that there will be a further hike in the US federal funds rate during the second half of the year and the recovery in the US economy is expected to continue.

In China, the further slowdown in economic growth is projected to continue over the rest of the year.

However, the rebound in the Brazilian economy will be maintained in the second half of the year and further recovery is also expected in Russia in the remainder of 2017.

Global demand for passenger cars continued to rise in the first six month of 2017, although there was regional variation in the markets. We expect trends in the passenger car markets in the individual regions to be mixed in 2017. Overall, growth in global demand for new vehicles will probably be slower than in 2016. We anticipate that sales volume in Western Europe and the German passenger car market will be slightly higher than in the previous year. In the Central and Eastern European markets, demand for passenger cars should exceed the weak prior-year figure.

We expect trends in the markets for light commercial vehicles in the individual regions to be mixed again in 2017. Overall, we envisage a slight increase in demand.

When the above factors and the market trends are considered, the following overall picture emerges: our earnings expectations assume a slight increase in funding costs, greater levels of cooperation with the individual Group brands, increased cost optimization under our efficiency program and a continued high degree of uncertainty about macroeconomic conditions in the real economy and the impact of this uncertainty on factors such as risk costs.

In the German market and for the Volkswagen Leasing GmbH legal entity overall, we anticipate for fiscal year 2017 a substantially lower IFRS operating profit year-on-year.

The volumes of the lease portfolio and new leases are likely to be slightly above the prior-year level. We forecast a marginal decline in 2017 in the penetration rate in the German market and for the Volkswagen Leasing GmbH legal entity.

In Italy, we forecast that there will be a slight year-on-year rise in new leases, the lease portfolio and the penetration rate. Operating profit in accordance with IFRS is projected to be significantly in excess of the prior-year figure.

In Poland, we expect to see substantial growth in new leases and in the lease portfolio, with operating profit in accordance with IFRS slightly higher than the level achieved in the previous year. The penetration rate is likely to be fractionally below the prior-year level.

This report contains forward-looking statements on the future business development of Volkswagen Leasing GmbH. These statements are based on assumptions relating to the development of the economic and legal environment in individual countries and economic regions in terms of the global economy and of the financial and automotive markets, which we have made on the basis of the information available to us and which we currently consider to be realistic. The estimates given entail a degree of risk, and the actual developments may differ from those forecast. Any unexpected fall in demand or economic stagnation in the key sales markets of the Volkswagen Group will have a corresponding impact on the development of our business. The same applies in the event of material changes in exchange rates against the euro. In addition, expected business development may vary if the assessments of the key performance indicators and of risks and opportunities presented in the 2016 Annual Report develop differently to our current expectations, or additional risks and opportunities or other factors emerge that affect the development of our business.

Balance Sheet

of Volkswagen Leasing GmbH, Braunschweig, as of June 30, 2017

€ thousand	June 30, 2017	Dec. 31, 2016
Assets		
1. Receivables from banks		
a) Repayable on demand	3,414	5,381
b) Other receivables	114,728	88,895
	118,142	94,276
2. Receivables from customers		
a) Repayable on demand	280,753	572,573
b) Other receivables	1,316,844	1,194,927
	1,597,597	1,767,500
3. Lease assets	25,236,674	23,753,366
4. Intangible fixed assets		
a) Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	2,602	3,113
b) Prepayments	55	24
	2,657	3,137
5. Property and equipment		
a) Land and buildings	38,061	38,627
b) Operating and office equipment	1,293	1,218
	39,354	39,845
6. Other assets	1,004,539	1,129,834
7. Prepaid expenses	1,061,363	978,613
Total assets	**29,060,326**	**27,766,571**

€ thousand	June 30, 2017	Dec. 31, 2016
Equity and liabilities		
1. Liabilities to banks		
a) Repayable on demand	252,994	321,887
b) With agreed maturity or notice period	1,006,256	1,193,699
	1,259,250	1,515,586
2. Liabilities to customers		
a) Repayable on demand	8,047,977	7,344,708
b) With agreed maturity or notice period	6,862,524	5,360,052
	14,910,501	12,704,760
3. Notes, commercial paper issued		
a) Bonds issued	6,052,259	6,070,837
b) Commercial Paper issued	476,881	1,101,699
	6,529,140	7,172,536
4. Other liabilities	20,816	21,607
5. Prepaid expenses	5,455,430	5,217,604
6. Provisions		
a) Provisions for taxes	7,873	9,813
b) Other provisions	940,364	901,071
	948,237	910,884
7. Special tax-allowable reserve	1,182	1,235
8. Equity		
a) Subscribed capital	76,004	76,004
b) Capital reserves	145,706	145,706
c) Net accumulated losses (previous year: net retained profits)	–285,940	649
	–64,230	222,359
Total equity and liabilities	**29,060,326**	**27,766,571**
1. Contingent liabilities		
Liability arising from the provision of collateral for third-party liabilities	169,898	169,898
2. Other obligations		
Irrevocable credit commitments	2,356,604	1,943,035

Income Statement

of Volkswagen Leasing GmbH, Braunschweig, for the period January 1 to June 30, 2017

€ thousand	Jan. 1 – June 30, 2017	Jan. 1 – June 30, 2016
1. Leasing income	8,040,405	7,345,135
2. Leasing expenses	4,444,742	4,032,899
	3,595,663	3,312,236
3. Interest income from lending and money market transactions	12,603	11,027
4. Interest expense	229,874	166,395
of which: Unwinding of discount on provisions	470	767
	–217,271	–155,368
5. Income from profit-and-loss transfer agreements	0	6,725
6. Fee and commission income	224	224
7. Fee and commission expenses	258,630	242,619
	–258,406	–242,395
8. Other operating income	149,688	157,415
9. Income from the reversal of special tax-allowable reserve	53	52
10. General and administrative expenses		
a) Personnel expenses		
aa) Wages and salaries	2,345	2,131
ab) Social security, post-employment and other employee benefit costs	711	688
	3,056	2,819
b) Other administrative expenses	192,872	170,579
	195,928	173,398
11. Depreciation, amortization and writedowns		
a) Amortization and writedowns of intangible fixed assets, and depreciation and writedowns of property and equipment	1,878	1,773
b) Depreciation and writedowns of lease assets	2,963,007	2,510,126
	2,964,885	2,511,899
12. Other operating expenses	58,618	29,769
13. Writedowns of and valuation allowances on receivables and additions to provisions in the leasing business	420,222	389,232
14. Income from the reversal of writedowns of and valuation allowances on receivables and from the reversal of provisions in the leasing business	124,040	52,360
15. Expenses from transfer and absorption of losses	0	4,439
16. Result from ordinary business activities	–245,886	22,288
17. Income tax expense	40,703	29,990
18. Net loss	–286,589	–7,702
19. Retained profits brought forward	649	649
20. Net accumulated losses	**–285,940**	**–7,053**

Notes

to the Interim Financial Statements of Volkswagen Leasing GmbH, Braunschweig, for the period ended June 30, 2017

General Information

The annual financial statements of Volkswagen Leasing GmbH for the 2016 fiscal year were prepared in accordance with the requirements of the Handelsgesetzbuch (HGB – German Commercial Code) and the Verordnung über die Rechnungslegung der Kreditinstitute (RechKredV – German Bank Accounting Regulation). These interim financial statements have also been prepared on the same basis. No review of these interim financial statements has been carried out by an independent auditor.

Accounting Policies

The same accounting policies as those applied in the 2016 annual financial statements have generally been used in the preparation of the interim financial statements and in 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 2016 Annual Report.

In accordance with section 256a sentence 1 of the HGB, foreign currency assets and liabilities are translated at the middle spot rate at the reporting date and in compliance with the historical cost convention and the principle of imparity (whereby unrealized losses are recognized but unrealized gains are not recognized). In the case of maturities of one year or less, currency translation gains and losses are recognized in their entirety in the income statement in accordance with section 256a sentence 2 of the HGB.

CHANGES IN FIXED ASSETS OF VOLKSWAGEN LEASING GMBH IN THE PERIOD JANUARY 1 TO JUNE 30, 2017

€ thousand	Net carrying amount Jan. 1, 2017	Additions	Disposals/other changes	Depreciation, amortization, write-downs	Currency translation differences	Net carrying amount June 30, 2017
I. Intangible fixed assets						
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	3,113	361	0	900	28	2,602
Prepayments	24	30	0	0	1	55
	3,137	**391**	**0**	**900**	**29**	**2,657**
II. Property and equipment						
Land and buildings	38,528	0	0	794	26	37,760
Operating and office equipment	1,218	338	192	184	113	1,293
Assets under construction	99	202	0	0	0	301
	39,845	**540**	**192**	**978**	**139**	**39,354**
III. Lease assets						
Vehicles, technical equipment and machinery	23,655,498	8,419,217	3,876,927	2,963,007	1,893	25,236,674
Prepayments	97,868	0	97,868	0	0	0
	23,753,366	**8,419,217**	**3,974,795**	**2,963,007**	**1,893**	**25,236,674**
Total fixed assets	**23,796,348**	**8,420,148**	**3,974,987**	**2,964,885**	**2,061**	**25,278,685**

THE BREAKDOWN OF RECEIVABLES FROM BANKS IS AS FOLLOWS:

€ thousand	June 30, 2017	June 30, 2016
1. Receivables from banks	118,142	92,325
(of which to affiliated companies €117,613 thousand; previous year: €91,757 thousand)		
(of which trade payables €212 thousand; previous year: €167 thousand)		
Total	**118,142**	**92,325**

THE BREAKDOWN OF RECEIVABLES FROM CUSTOMERS IS AS FOLLOWS:

€ thousand	June 30, 2017	June 30, 2016
1. Trade receivables	740,770	516,786
2. Receivables from affiliated companies	833,843	810,620
(of which from the shareholder €756,946 thousand; previous year: €750,932 thousand)		
(of which trade payables €76,964 thousand; previous year: €54,669 thousand)		
3. Other receivables	22,984	13,110
Total	**1,597,597**	**1,340,516**

THE BREAKDOWN OF LIABILITIES IS AS FOLLOWS:

€ thousand	June 30, 2017	June 30, 2016
1. Liabilities to banks	1,259,250	1,336,426
(of which to affiliated companies €284,105 thousand; previous year: €702,346 thousand)		
2. Liabilities to customers	14,910,501	12,388,740
(of which to affiliated companies €7,525,014 thousand; previous year: €6,936,818 thousand)		
(of which to the shareholder €1,488,387 thousand; previous year: €768,962 thousand)		
(of which trade payables €713,626 thousand; previous year: €798,264 thousand)		
3. Notes, commercial paper issued	6,529,140	6,642,057
4. Other liabilities	20,816	20,571
Total	**22,719,707**	**20,387,794**

THE BREAKDOWN OF NET INTEREST INCOME/EXPENSE IS AS FOLLOWS:

€ thousand	Jan. 1 – June 30, 2017	Jan. 1 – June 30, 2016
1. Interest income from lending and money market transactions	12,603	11,027
(of which to affiliated companies €2,960 thousand; previous year: €3,119 thousand)		
2. Interest expense	229,874	166,395
(of which to affiliated companies €14,577 thousand; previous year: €15,830 thousand)		
Total	**–217,271**	**–155,368**

THE BREAKDOWN OF INCOME BY REGION IS AS FOLLOWS:

€ thousand	Germany	Italy	Poland	Jan. 1 – June 30, 2017 Total	JAN. 1 – JUNE 30, 2016 Total
1. Leasing income					
Lease payments	2,585,240	62,844	34,515	2,682,599	2,534,499
Maintenance and service income	552,063	51,147	10,621	613,831	535,613
Used vehicle sales	4,284,136	50,364	5,963	4,340,463	3,971,075
Other	371,678	8,168	23,666	403,512	303,948
	7,793,117	172,523	74,765	8,040,405	7,345,135
3. Interest income from lending and money market transactions	2,668	282	9,653	12,603	11,027
6. Fee and commission income	222	-	2	224	224
8. Other operating income	107,375	1,085	41,228	149,688	157,415
9. Income from the reversal of special tax-allowable reserve	53	-	-	53	52
14. Income from the reversal of writedowns of and valuation allowances on receivables and from the reversal of provisions in the leasing business	71,920	47,383	4,737	124,040	52,360
Total	**7,975,355**	**221,273**	**130,385**	**8,327,013**	**7,566,213**

Volkswagen Leasing GmbH has undertaken to assign an amount of €4.7 billion from future lease receivables to Volkswagen Bank GmbH as collateral for lines of credit.

Report on Post-Balance Sheet Date Events

Other than the items described above, there were no significant events after the balance sheet date of this half-yearly financial report (June 30, 2017).

Management of Volkswagen Leasing GmbH

GERHARD KÜNNE
Management Chairman
Sales Fleet Customers (until April 30, 2017)
Middle Office Fleet Management (from May 1, 2017)

KNUT KRÖSCHE (AS OF MARCH 1, 2017)
Front Office Fleet Management (from May 1, 2017)

HARALD HEßKE
Back Office Leasing

Audit Committee of Volkswagen Leasing GmbH

The members of the Audit Committee are as follows:

DR. JÖRG BOCHE
Chairman
Executive Vice President of Volkswagen AG
Head of Group Treasury

WALDEMAR DROSDZIOK
Deputy Chairman
Chairman of the Joint Works Council of Volkswagen Financial Services AG, Volkswagen Bank GmbH and Euromobil Autovermietung GmbH

DR. ARNO ANTLITZ
Member of the Volkswagen Brand Board of Management
Controlling and Financial Accounting

GABOR POLONYI
Head of Fleet Customer Management at Volkswagen Leasing GmbH

Responsibility Statement

To the best of our knowledge, the half-year financial statements of Volkswagen Leasing GmbH give a true and fair view of the assets, liabilities, financial position and profit or loss of Volkswagen Leasing GmbH, and the interim management report includes a fair review of the development and performance of the business and the position of Volkswagen Leasing GmbH, together with a description of the material opportunities and risks associated with the expected development of Volkswagen Leasing GmbH over the remainder of the fiscal year.

Braunschweig, July 26, 2017
The Management

Gerhard Künne

Harald Heßke

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