VOLKSWAGEN FINANCIAL SERVICES

AKTIENGESELLSCHAFT

HALF-YEARLY FINANCIAL REPORT
JANUARY – JUNE

2026

Key Figures

VOLKSWAGEN FINANCIAL SERVICES AG

€ million	June 30, 2026	Dec. 31, 2025
Total assets	213,698	202,271
Loans to and receivables from customers attributable to		
Retail financing	34,533	33,308
Dealer financing	21,288	19,985
Leasing business	53,666	53,614
Lease assets	59,755	56,205
Deposits received in the direct banking business	78,537	66,692
Equity	33,302	32,447

€ million	H1 2026	H1 2025 changed[1]
Operating result	1,045	1,357
Profit before tax	1,121	1,428

1 Changes of figures for the prior-year comparative period in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets in the notes to the interim financial statements, section “Changes to Figures for the Prior-Year Comparative Period”.

Percent	June 30, 2026	Dec. 31, 2025
Equity ratio[1]	15.6	16.0

1 Equity divided by total assets

Percent	March 31, 2026[2]	Dec. 31, 2025
Common Equity Tier 1 capital ratio[1]	16.8	16.3
Tier 1 capital ratio[1]	16.8	16.3
Total capital ratio[1]	18.2	17.8

1 Regulatory ratio in accordance with Article 92(1) of the CRR for the financial holding group of Volkswagen Financial Services AG.
2 The regulatory capital ratios as of March 31, 2026 are shown here. The capital ratios as of June 30, 2026 are calculated by the required deadline of August 11, 2026 in accordance with banking supervisory requirements.

Headcount	June 30, 2026	Dec. 31, 2025
Employees	10,497	10,414
Germany	6,301	6,321
International	4,196	4,093

	STANDARD & POOR'S			MOODY'S INVESTORS SERVICE			FITCH RATINGS LIMITED		
RATING (AS OF JUNE 30)	Short-term	Long-term	Outlook	Short-term	Long-term	Outlook	Short-term	Long-term	Outlook
Volkswagen Financial Services AG	A-2	BBB+	negative	P-2	Baa1	stable	F1	A-	negative
Volkswagen Bank GmbH	A-2	BBB+	stable	P-1	A1	stable	F1	A-	negative

All figures in the report are rounded individually which may lead to minor discrepancies when 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

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

The Board of Management of Volkswagen Financial Services AG considers the course of business so far in 2026 to have been satisfactory, given the general market environment.

In the first six months of 2026, Volkswagen Financial Services AG took advantage of continued strong demand for automotive financial services. However, geopolitical and geoeconomic uncertainties, as well as volatile energy prices, negatively impacted the economic environment. The rise in interest rates in response to geopolitical tensions did not yet negatively impact unit sales of financial services.

New business (new contracts) in Europe reached 3.5 million contracts in the first half of 2026, representing a slight increase (+ 2.7 %) compared with the first half of 2025. The share of financed and leased new vehicles in the Group's deliveries to customers in Europe (penetration) stood at 55.4 (55.8) % at the end of the first half of the year.

At 19,014 thousand, the number of current contracts is slightly above the figure of 18,234 thousand units as of June 30, 2025.

The business volume of Volkswagen Financial Services AG in the first half of fiscal year 2026 was noticeably above the level recorded at the end of 2025.

The money and capital market rates relevant for funding rose in the first half of the year with the onset of the escalation in the Middle East. Risk premiums (spreads) remained stable overall. Direct bank deposits significantly increased further and amounted to €78.6 (66.8) billion as of June 30, 2026.

The credit risk exposure of Volkswagen Financial Services AG increased further compared with December 2025. The increase is mainly due to the retail portfolio and the continuing strong demand for our products. The main growth drivers in the retail portfolio were the markets Germany, UK, Italy, Spain and France. The portfolio quality in credit risk remained stable despite the tense geopolitical environment and the associated uncertainties.

The residual value portfolio of Volkswagen Financial Services AG continued to grow compared to the end of the previous fiscal year. At the same time, residual value risks increased, and this is reflected in the provision for residual value risks. This is primarily attributable to revised remarketing expectations due to economic and political uncertainties. At this time, we are assuming that the current increase in demand for all-electric vehicles, as well as the decline in demand for vehicles with internal combustion engines due to high fuel prices, is largely temporary.

The respective developments will continue to be closely monitored.

The operating result for the first half of fiscal year 2026 amounted to €1,045 million and was below the prior-year level.

GENERAL ECONOMIC DEVELOPMENT

The global economy as a whole maintained its growth trajectory in the first six months of 2026, though momentum eased compared with the prior-year period. Both the group of advanced economies and the emerging markets recorded lower growth on average. Geopolitical and geoeconomic uncertainties, predominantly related to the escalation in the Middle East that began at the end of February, dampened sentiment among market participants. In this context, the prices for crude oil, among other things, rose significantly at times during the first half of the year.

The economy in Western Europe performed positively overall in the first six months of this year, but grew at a slower pace than in the prior year. The European Central Bank raised its key interest rate in the reporting period in response to a renewed rise in consumer prices.

Germany recorded slightly positive economic growth in the first two quarters of this year, which – like the seasonally adjusted unemployment rate – was at a similar level on average to the prior-year period.

Inflation rose during the first half of 2026, primarily due to energy price developments, and was somewhat higher than the level recorded in the same period of 2025.

Overall, the economies in Central and Eastern Europe experienced growth at a somewhat slower momentum during the first six months of 2026.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

Demand for automotive financial services was high in the first half of 2026. Despite rising interest rates, particularly during the second quarter, demand for financial services products remained robust.

The European passenger car market experienced stronger activity during the reporting period than in the same period of the previous year. Sales of financial services products were up slightly on the prior-year figure, primarily in the new car business. Compared with the same period of the previous year, a positive trend was also observed in the sale of after-sales products such as servicing, maintenance and spare parts agreements.

In Germany, the market for automotive financial services developed encouragingly between January and June 2026 despite the operating environment, which continued to be challenging. High vehicle prices and changing patterns of consumer behavior dampened vehicle demand, but financing models were of great importance in unit sales. The structural shift away from traditional lending towards leasing, flexible models and integrated services continued.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

The volume of the global passenger car market from January to June 2026 was slightly below the prior-year figure, with the picture varying from region to region. While the market volume in Western Europe, Central and Eastern Europe, South America and Africa rose, it declined in North America, Asia-Pacific (fueled by developments in China) and the Middle East. The market for all-electric vehicles (BEVs) increased compared with the prior-year period; its share of the underlying overall market volume amounted to 15.9 (14.7) %.

The global volume of new registrations of light commercial vehicles from January to June 2026 was slightly down on the figure for the same period of the previous year.

In Western Europe, the number of new passenger car registrations in the first six months of 2026 noticeably exceeded the prior-year figure. The performance of the large individual passenger car markets in this region was mixed. While noticeable growth was recorded for the United Kingdom, Italy and Spain, the market volume in France was in the range of the previous year.

The volume of new registrations of light commercial vehicles in Western Europe in the reporting period was slightly higher than the figure for the same period of 2025.

The number of new passenger car registrations in Germany from January to June 2026 was noticeably higher than in the prior year, with a very strong increase in demand for all-electric vehicles. Demand for vehicles with conventional drives declined, however.

The number of light commercial vehicles sold in Germany in the first half of 2026 was on a level with the previous year.

In the Central and Eastern Europe region, there was a noticeable increase in the volume of the passenger car market in the reporting period as compared to the prior year. The number of vehicles sold in Poland and the Czech Republic was also noticeably higher than in the previous year.

From January to June 2026, the market volume of light commercial vehicles in Central and Eastern Europe was on a level with the prior year.

SIGNIFICANT CHANGES IN EQUITY INVESTMENTS

Effective March 10, 2026, Volkswagen Finance Europe B.V., with registered office in Amsterdam, the Netherlands – a wholly owned subsidiary of Volkswagen Financial Services AG – sold its 60% interest in CollectCar B.V., with registered office in Rotterdam, the Netherlands, to Pon Automotive Services B.V., with registered office in Leusden, the Netherlands. As a result, the Volkswagen Financial Services AG Group no longer holds any interests in CollectCar B.V.

The sale marks the Group's exit from CollectCar B.V., which offered its services under the "Greenwheels" car-sharing brand.

There were no other significant changes in equity investments.

FINANCIAL PERFORMANCE

The explanations relating to our financial performance refer to changes compared with the prior-year comparative period.

The course of business was satisfactory for the Volkswagen Financial Services AG Group in the first half of 2026 in light of the general market environment.

Operating result for the first half of 2026 amounted to €1,045 (1,357[1]) million, which was down sharply year-on-year. Including the share of profits and losses of equity-accounted investments and the net gain or loss on miscellaneous financial assets of other financial investments as well as the other financial result, consolidated profit before tax fell sharply year-on-year to €1,121 (1,428[1]) million.

At €1,894 (1,773[1]) million, interest income from lending transactions and marketable securities rose noticeably year-on-year. At €2,690 (3,197[1]) million, net income from leasing transactions was significantly lower than in the previous year. Interest expenses were down slightly year-on-year at €2,348 (2,427) million. Net income from service contracts amounted to €178 (173) million and was up slightly year-on-year. Net income from insurance business amounted to €71 (49) million and was hence up very sharply year-on-year.

At €– 264 (– 326) million, the provision for credit risks was significantly lower than in the previous year. Net fee and commission income fell noticeably year-on-year and amounted to €138 (150) million. At €132 (– 60) million, the net gain/loss on financial instruments measured at fair value grew very sharply year-on-year. General and administrative expenses were down noticeably year-on-year, at €1,145 (1,248) million, and largely contain personnel and non-staff operating expenses.

Net other operating income/expense recorded a very strong decrease year-on-year to €– 293 (100[1]) million. The share of profits and losses of equity-accounted investments was down noticeably year-on-year, at €68 (73) million. On the basis of these figures, together with the other income and expense components, the Volkswagen Financial Services AG Group generated profit after tax of €803 (978[1]) million.

[1] Changes of figures for the prior-year comparative period in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets and the corrected reporting of income and expenses from the sale of used vehicles in section "Changes to Figures for the Prior-Year Comparative Period".

NET ASSETS AND FINANCIAL POSITION

Unless otherwise stated, the disclosures on net assets and financial position relate to the changes compared with the balance sheet date of December 31, 2025.

Lending business

The total assets of Volkswagen Financial Services AG rose by €11.4 billion to €213.7 billion.

At €186.2 billion in total, loans to and receivables from customers and lease assets – which make up the core business of the Volkswagen Financial Services AG Group – accounted for approximately 87 % of the Group's total assets.

The volume of retail financing lending increased by €1.2 billion to €34.5 billion (+3.7 %).

The number of new contracts was 408 thousand (+ 0.8 % compared with the figure for the first half of 2025). The number of current contracts increased to 2,199 thousand (+ 1.1 %).

The lending volume in dealer financing – which comprises loans to and receivables from Group dealers in connection with financing for inventory vehicles, as well as working capital and investment loans – increased to €21.3 billion (+ 6.5 %).

Receivables from leasing transactions were on a level with the previous year at €53.7 billion (+ 0.1 %). Lease assets recorded growth of €3.6 billion to €59.8 billion (+ 6.3 %).

A total of 914 thousand new leases were entered into in the reporting period, corresponding to the level for the first half of 2025 (+ 1.4 %). The number of leased vehicles as of June 30, 2026, was 4,796 thousand, a year-on-year increase of 2.2 %.

The number of service and insurance contracts as of June 30, 2026 was 12,019 thousand (+ 1.3 %). The new business volume amounted to 2,167 thousand contracts and was therefore up slightly compared with the first half of 2025 (+ 3.6 %).

The German companies continued to account for the highest business volumes with 37.0 % of all current contracts.

KEY FIGURES BY SEGMENT AS OF JUNE 30, 2026

in thousands	Germany	United Kingdom	France	Sweden	Italy	Spain	Other companies[1]	VW FS AG Group
Current contracts	**7,029**	**2,601**	**1,762**	**608**	**2,012**	**1,412**	**3,590**	**19,014**
Retail financing	915	16	129	71	392	325	351	2,199
of which: consolidated	915	16	129	71	392	325	173	2,020
Leasing business	2,068	1,056	493	115	199	104	761	4,796
of which: consolidated	2,068	1,056	493	115	199	104	382	4,417
Service/insurance	4,047	1,530	1,139	422	1,420	983	2,478	12,019
of which: consolidated	4,047	1,530	1,139	422	1,420	983	2,474	12,015
New contracts	**1,254**	**583**	**321**	**117**	**382**	**229**	**603**	**3,489**
Retail financing	141	16	26	16	78	56	75	408
of which: consolidated	141	16	26	16	78	56	41	375
Leasing business	404	205	83	20	38	24	140	914
of which: consolidated	404	205	83	20	38	24	76	850
Service/insurance	709	362	212	81	266	150	388	2,167
of which: consolidated	709	362	212	81	266	150	210	1,989
€ million								
Loans to and receivables from customers attributable to								
Retail financing	17,141	207	731	1,119	7,463	5,797	2,076	34,533
Dealer financing	8,055	3,233	2,472	50	1,720	1,264	4,494	21,288
Leasing business	22,415	20,176	3,895	1,224	1,342	206	4,409	53,666
Lease assets	35,416	5,571	6,859	2,089	3,938	2,337	3,546	59,755
Investment[2]	7,524	1,310	1,866	459	916	433	929	13,437
Operating result	903	–399	–105	11	125	67	442	1,045
Percent								
Penetration[3]	65.5	52.9	63.3	52.8	59.8	43.2	41.1	55.4
of which: consolidated	65.5	52.9	63.3	52.8	59.8	43.2	44.2	57.1

1, Other Companies include the markets of Greece, Ireland, Poland, Portugal, and the Czech Republic. Based on contract numbers and penetration rate the above-mentioned markets are included, as well as Belgium, Denmark, Luxembourg, the Netherlands, Norwayand Switzerland. It also includes the Volkswagen Financial Services AG holding company, the holding and financing companies in Belgium and the Netherlands, Vehicle Trading International (VTI) GmbH, Volkswagen Insurance Brokers GmbH, Volkswagen Versicherung AG, Volim Volkswagen Immobilien Vermietgesellschaft für VW-/Audi-Händlerbetriebe mbH, EURO-Leasing GmbH and consolidation effects.
2 Corresponds to additions to lease assets classified as noncurrent assets.
3 Ratio of new contracts for new Group vehicles under retail financing and leasing business to deliveries of Group vehicles

Deposit business and borrowings

Significant liability items were liabilities to banks in the amount of €7.1 billion (– 2.4 %), liabilities to customers amounting to €99.7 billion (+ 11.0 %) and notes and commercial paper issued amounting to €63.0 billion (+ 1.5 %). The increase in liabilities to customers is attributable in particular to the expansion of direct bank deposits, which had a volume of €78.5 billion (previous year: €66.7 billion).

Following the conclusion of the consultation process, the UK Financial Conduct Authority (FCA) published its final rules and guidance on the redress scheme for motor finance customers at the end of March 2026. The final rules include a number of changes compared with the model outlined in the consultation paper. However, the redress scheme continues to not adequately address the specific characteristics of captive finance institutions such as Volkswagen Financial Services (UK) Ltd., Milton Keynes (VWFSUK), which is affected by the scheme within the Group. For this reason, among others, VWFSUK has filed a claim against the redress scheme. Irrespective of the outcome of these proceedings, provisions have been recognized in the consolidated financial statements of Volkswagen Financial Services AG based on the current regulatory framework.

Underwriting provisions and other provisions increased by €0.1 billion to €1.8 billion.

Equity

The subscribed capital remained unchanged at €250 million in the reporting period. Equity in accordance with the IFRSs was €33.3 (32.4) billion. This resulted in an equity ratio of 15.6 % based on total assets of €213.7 billion.

The regulatory capital ratios (CET1 capital ratio/Tier 1 capital ratio/total capital ratio) are calculated in accordance with the Credit Risk Standardized Approach (CRSA), the standardized approach for operational risk, the standardized approach for market risk and the basic approach for CVA (Credit Valuation Adjustment) risk.

Report on Opportunities and Risks

There were no material changes during the reporting period compared with the facts presented in the Report on Opportunities and Risks in the 2025 Annual Report.

However, as part of the risk inventory required to be conducted at least annually, the CVA risk was identified as material for the first time.

CVA risk describes the risk of changes in the credit valuation adjustment (CVA) for derivatives resulting from a deterioration in the credit quality of counterparties, due in particular to widening credit spreads, without the counterparty actually defaulting. It represents a market-value-based component of counterparty risk and reflects valuation and earnings fluctuations ahead of a potential default.

At Volkswagen Financial Services AG, CVA risks arise from derivative transactions with external counterparties. A deterioration in credit quality or widening credit spreads lead to higher CVA values and hence to valuation losses on derivatives.

In light of Volkswagen Financial Services AG's business model as a non-trading book institution in which derivatives are used exclusively for hedging purposes and no speculative trading activities occur, this type of risk is of minor significance overall.

From the economic perspective of the risk inventory, credit valuation adjustment risk accounts for an insignificant portion of total risk. The materiality of CVA risks is based on their relevance from a normative perspective.

In addition, the residual value risk forecast has been revised compared with the 2025 Annual Report. Contrary to expectations stated in the Annual Report, the increase in residual value risks since the beginning of the second quarter of 2026 is attributable less to declining residual values of used first-generation BEVs and more to greater economic uncertainty and higher fuel prices, which are affecting demand for vehicles with internal combustion engines. This is being partly offset by increased demand for BEVs. Currently, we are assuming that these effects are largely temporary.

The relevant developments are constantly monitored.

Report on Expected Developments

Our planning for 2026 is based on the assumption that global economic output will grow overall, albeit at a slower pace than in 2025. We continue to see risks related to the development of the general economic environment in the increasing fragmentation of the global economy and protectionist tendencies, in turbulence in the financial, energy and commodity markets, as well as in structural deficits in individual countries. Growth prospects are also weighed down by continuing geopolitical tensions and conflicts; risks stem in particular from the Russia-Ukraine conflict, the escalation in the Middle East, as well as growing uncertainties regarding the policy stance of the USA and the global increase of geoeconomic measures, which could further exacerbate geopolitical tensions. We anticipate that both the advanced economies and the group of emerging markets will exhibit on average momentum that is slower than in 2025.

The trend in the automotive industry closely follows global economic developments. We assume that competition in the international automotive markets will continue to increase. Crisis-related disruption to the global supply chain and the resulting impact on vehicle availability may weigh on new registration volumes. Moreover, suddenly arising or intensifying geopolitical tensions and conflicts could in particular result in rising prices and declining availability of materials and energy, and necessitate a reassessment of existing resource allocations.

We predict that trends in the markets for passenger cars in the individual regions will be mixed in 2026. Overall, global new vehicle sales volumes are expected to be slightly below the level of the previous year. In Western Europe, we anticipate that the volume of new passenger car registrations in 2026 will be slightly higher than the prior-year level. For the German passenger car market, we expect the volume of new registrations in 2026 to be in the range of the previous year. We anticipate a strong year-on-year increase in sales of passenger cars overall in markets in Central and Eastern Europe – subject to further developments in the Russia-Ukraine conflict.

Trends in the markets for light commercial vehicles in the individual regions will be mixed; on the whole, we expect the sales volume for 2026 to be in the range of the figure recorded the previous year.

We assume that automotive financial services will continue to play an important role in global vehicle sales in 2026, in conjunction with the development of vehicle markets.

In light of significant market volume declines in China, the Volkswagen Group expects deliveries to customers to decrease by –7.0 % to –3.0 % in 2026.

Uncertainties relate in particular to the economic environment, international trade restrictions and geopolitical tensions, intensifying competition, volatile commodity, energy and foreign exchange markets, and changing emissions-related requirements.

The penetration rate will probably be on a level with the previous year. The number of new contracts is expected to remain in the range of the previous year, while the volume of business is expected to be slightly higher than the previous year. In this context, the portfolio of contracts at year-end will be broadly in line with the previous year. In light of the current business performance, in particular the trend for residual value risk costs, the operating result in fiscal year 2026 is expected to be slightly higher overall year-on-year.

The forecast earnings performance and capital adequacy in 2026 are expected to result in a return on equity that is slightly up on the previous year. We are expecting the overhead ratio in 2026 to be on a level with the previous year.

This annual report contains forward-looking statements on the future business development of Volkswagen Financial Services AG Group. 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 the Volkswagen Financial Services AG Group 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 the most important sales markets vary from the assumptions, or material changes arise from the exchange rates, commodity and energy prices or 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 2025 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. No obligation is assumed to update any forward-looking statements made in this report, except as required by law.

Income Statement

of the Volkswagen Financial Services AG Group

€ million	Note	Jan. 1 – June 30, 2026	Jan. 1 – June 30, 2025 restated[1]	Change in percent
Interest income from lending transactions and marketable securities		1,894	1,773	6.8
Income from leasing transactions		16,585	14,619	13.4
Depreciation, impairment losses and other expenses from leasing transactions		–13,896	–11,422	21.7
Net income from leasing transactions	1	2,690	3,197	–15.9
Interest expense		–2,348	–2,427	–3.3
Income from service contracts		1,695	1,586	6.9
Expenses from service contracts		–1,517	–1,413	7.4
Net income from service contracts	2	178	173	2.9
Income from insurance transactions		169	159	6.3
Expenses from insurance transactions		–98	–110	–10.9
Net income from insurance business		71	49	44.9
Provision for credit risks		–264	–326	–19.0
Fee and commission income		259	262	–1.1
Fee and commission expenses		–121	–112	8.0
Net fee and commission income		138	150	–8.0
Net gain or loss on hedges		–8	–22	–63.6
Net gain/loss on financial instruments measured at fair value		132	–60	X
General and administrative expenses	3	–1,145	–1,248	–8.3
Other operating income		1,247	1,103	13.1
Other operating expenses		–1,540	–1,003	53.5
Net other operating income/expenses		–293	100	X
Operating result		**1,045**	**1,357**	**–23.0**
Share of profits and losses of equity-accounted investments		68	73	–6.8
Net gain/loss on miscellaneous financial assets		9	3	X
Other financial gains or losses		–1	–6	–83.3
Profit before tax		**1,121**	**1,428**	**–21.5**
Income tax expense		–318	–450	–29.3
Profit after tax		**803**	**978**	**–17.9**
Profit after tax attributable to Volkswagen AG		803	978	–17.9
German GAAP profit/loss attributable to Volkswagen AG in the event of loss absorption/profit transfer		0	366	–100.0

1 Changes to figures for the prior-year comparative period in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets and the corrected reporting of income and expenses from the sale of used vehicles in section “Changes to Figures for the Prior-Year Comparative Period”.

Statement of Comprehensive Income

of the Volkswagen Financial Services AG Group

€ million	Jan. 1 – June 30, 2026	Jan. 1 – June 30, 2025 restated[1]
Profit after tax	**803**	**978**
Pension plan remeasurements recognized in other comprehensive income		
Pension plan remeasurements recognized in other comprehensive income, before tax	3	92
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	–1	–28
Pension plan remeasurements recognized in other comprehensive income, net of tax	2	64
Fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax	4	0
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax	0	0
Items that will not be reclassified to profit or loss	**6**	**64**
Exchange differences on translating foreign operations		
Gains/losses on currency translation recognized in other comprehensive income	9	–93
Transferred to profit or loss	–	–
Exchange differences on translating foreign operations, before tax	9	–93
Deferred taxes relating to exchange differences on translating foreign operations	–	–
Exchange differences on translating foreign operations, net of tax	9	–93
Hedging transactions		
Fair value changes recognized in other comprehensive income (OCI I)	24	64
Transferred to profit or loss (OCI I)	17	–69
Cash flow hedges (OCI I), before tax	41	–5
Deferred taxes relating to cash flow hedges (OCI I)	–11	0
Cash flow hedges (OCI I), net of tax	30	–5
Fair value valuation of debt instruments that may be reclassified to profit or loss		
Fair value changes recognized in other comprehensive income	0	58
Transferred to profit or loss	–2	–5
Fair value valuation of debt instruments that may be reclassified to profit or loss, before tax	–2	52
Deferred taxes relating to fair value valuation of debt instruments that may be reclassified to profit and loss	0	–16
Fair value valuation of debt instruments that may be reclassified to profit or loss, net of tax	–1	36
Share of other comprehensive income of equity--accounted investments that may be reclassified to profit or loss, net of tax	9	0
Items that may be reclassified to profit or loss	**46**	**–61**
Other comprehensive income, before tax	64	46
Deferred taxes relating to other comprehensive income	–11	–43
Other comprehensive income, net of tax	**53**	**3**
Total comprehensive income	**855**	**981**
Total comprehensive income attributable to Volkswagen AG	855	981

1 Changes to figures for the prior-year comparative period in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets in section “Changes to Figures for the Prior-Year Comparative Period”.

Balance Sheet

of the Volkswagen Financial Services AG Group

€ million	Note	June 30, 2026	Dec. 31, 2025	Change in percent
Assets				
Cash reserve		12,515	8,271	51.3
Loans to and receivables from banks		1,799	873	X
Loans to and receivables from customers attributable to				
Retail financing		34,533	33,308	3.7
Dealer financing		21,288	19,985	6.5
Leasing business		53,666	53,614	0.1
Other loans and receivables		16,910	17,606	–4.0
Total loans to and receivables from customers		126,399	124,513	1.5
Value adjustment on portfolio fair value hedges		–127	13	X
Derivative financial instruments		491	419	17.2
Marketable securities		4,212	3,486	20.8
Equity-accounted investments		1,410	1,402	0.6
Miscellaneous financial assets		116	114	1.8
Intangible assets	4	122	131	–6.9
Property and equipment	4	347	355	–2.3
Lease assets	4	59,755	56,205	6.3
Investment property		3	3	0,0
Deferred tax assets		1,009	944	6.9
Current tax assets		177	126	40.5
Other assets		5,469	5,414	1.0
Total		**213,698**	**202,271**	**5.6**

€ million	Note	June 30, 2026	Dec. 31, 2025	Change in percent
Equity and Liabilities				
Liabilities to banks		7,146	7,318	–2.4
Liabilities to customers		99,656	89,746	11.0
Notes, commercial paper issued		63,032	62,106	1.5
Derivative financial instruments		728	908	–19.8
Provisions for pensions and other post-employment benefits		300	300	0,0
Underwriting provisions and other provisions	4	1,804	1,689	6.8
Deferred tax liabilities		2,208	1,962	12.5
Current tax liabilities		113	76	48.7
Other liabilities		2,665	2,973	–10.4
Subordinated capital		2,745	2,745	–
Equity		33,302	32,447	2.6
Subscribed capital		250	250	–
Capital reserves		16,713	16,713	–
Retained earnings		16,582	15,778	5.1
Other reserves		–244	–294	–17.0
Total		**213,698**	**202,271**	**5.6**

Statement of Changes in Equity

of the Volkswagen Financial Services AG Group

€ million	Subscribed capital	Capital reserves	Retained earnings	OTHER RESERVES					Total equity
					Hedging transactions				
				Currency translation	Cash flow hedges (OCI I)	Deferred hedging costs (OCI II)	Equity and debt instruments	Equity-accounted investments	
Balance as of Jan. 1, 2025, before changes	**250**	**16,713**	**14,741**	**–38**	**15**	**–**	**–84**	**–62**	**31,535**
Changes to prior-year figures[1]	–	–	42	–	–	–	–	–	42
Balance as of Jan. 1, 2025, after changes	**250**	**16,713**	**14,782**	**–38**	**15**	**–**	**–84**	**–62**	**31,576**
Profit after tax[2]	–	–	978	–	–	–	–	–	978
Other comprehensive income, net of tax	–	–	64	–93	–5	–	36	0	3
Total comprehensive income[2]	**–**	**–**	**1,042**	**–93**	**–5**	**–**	**36**	**0**	**981**
Capital increases	–	–	–	–	–	–	–	–	–
Other changes[3]	–	–	–366	0	–	–	–	0	–366
Balance as of June 30, 2025[2]	**250**	**16,713**	**15,459**	**–131**	**10**	**–**	**–48**	**–62**	**32,191**
Balance as of Jan. 1, 2026	**250**	**16,713**	**15,778**	**–180**	**10**	**–**	**–62**	**–62**	**32,447**
Profit after tax	–	–	803	–	–	–	–	–	803
Other comprehensive income, net of tax	–	–	2	9	30	–	3	9	53
Total comprehensive income	**–**	**–**	**805**	**9**	**30**	**–**	**3**	**9**	**855**
Capital increases	–	–	–	–	–	–	–	–	–
Other changes[3]	–	–	0	–	–	–	–	–	0
Balance as of June 30, 2026	**250**	**16,713**	**16,582**	**–171**	**40**	**–**	**–59**	**–53**	**33,302**

1 Changes of figures as of January 1, 2025, in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets, the correction of the carrying amount of the investment in an associate, the correction of a loss allowance and the nonrecognition of deferred tax assets in section "Changes to Prior-Year Figures" in the Notes to the Consolidated Financial Statements as of December 31, 2025.
2 Changes of figures for the prior-year comparative period in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets in section "Changes to Figures for the Prior-Year Comparative Period".
3 Includes German GAAP (HGB) profit/loss attributable to Volkswagen AG in the event of loss absorption/profit transfer.

Cash Flow Statement

of the Volkswagen Financial Services AG Group

€ million	Jan. 1 – June 30, 2026	Jan. 1 – June 30, 2025 restated[1]
Profit before tax	**1,121**	**1,428**
Depreciation, amortization, impairment losses and reversals of impairment losses	4,237	3,627
Change in provisions	105	–33
Change in other noncash items	–235	140
Loss on disposal of financial assets and items of property and equipment	0	–2
Net interest expense and dividend income	–1,250	–1,064
Other adjustments	0	0
Change in loans to and receivables from banks	–812	–3
Change in loans to and receivables from customers	–2,043	–2,380
Change in lease assets	–7,675	–8,082
Change in other assets related to operating activities	–58	108
Change in liabilities to banks	–145	46
Change in liabilities to customers	10,429	6,885
Change in notes, commercial paper issued	937	–2,520
Change in other liabilities related to operating activities	49	–55
Interest received	3,588	3,488
Dividends received	9	3
Interest paid	–2,348	–2,426
Income taxes paid	–529	–782
Cash flows from operating activities	**5,380**	**–1,626**
Proceeds from disposal of investment property	0	4
Proceeds from disposal of subsidiaries, joint ventures and associates	2	51
Acquisition of subsidiaries, joint ventures and associates	–22	–31
Proceeds from disposal of other assets	4	5
Acquisition of other assets	–21	–17
Change in investments in marketable securities	–699	–152
Cash flows from investing activities	**–735**	**–140**
Profit transferred to/loss assumed by Volkswagen AG	–644	–898
Repayment of liabilities arising from leases	–9	–6
Cash flows from financing activities	**–652**	**–904**
Cash and cash equivalents at end of prior period	**9,337**	**13,417**
Cash flows from operating activities	5,380	–1,626
Cash flows from investing activities	–735	–140
Cash flows from financing activities	–652	–904
Effect of exchange rate changes	–5	–3
Cash and cash equivalents at end of period	**13,324**	**10,744**

1 Changes of figures for the prior-year comparative period in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets in section “Changes to Figures for the Prior-Year Comparative Period”.

Notes to the Interim Consolidated Financial Statements

of the Volkswagen Financial Services AG Group as of June 30, 2026

General Information

Volkswagen Financial Services Aktiengesellschaft (VW FS AG) has the legal structure of a stock corporation. It has its registered office at Gifhorner Strasse, Braunschweig, and is registered in the Braunschweig commercial register (HRB 210842).

Volkswagen AG, Wolfsburg, is the sole shareholder of the parent company VW FS AG. Volkswagen AG and VW FS AG have entered into a control and profit-and-loss transfer agreement.

Basis of Presentation

VW FS AG prepared its consolidated financial statements for the year ended December 31, 2025 in accordance with the IFRS Accounting 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, 2026 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.

Changes to Figures for the Prior-Year Comparative Period

CORRECTION TO THE CALCULATION OF INTEREST INCOME FROM CREDIT-IMPAIRED FINANCIAL ASSETS:

It was established during the previous year that the requirements of IFRS 9.5.4.1 b) for determining interest income from credit-impaired financial assets by applying the effective interest rate to amortized cost and thus taking into account the provision for credit risks, as well as the requirements of IFRS 9.5.4.1 a) on the application of a credit-adjusted effective interest rate to amortized cost, were not fully complied with in parts of the VW FS AG Group. This error was corrected in the consolidated financial statements as of December 31, 2025 in accordance with IAS 8. The retrospective correction resulted in a change in equity of €–29 million as of December 31, 2024, and January 1, 2025, respectively. The effects on the prior-year comparative period of the income statement and cash flow statement are presented in the following.

The prior-year comparative period income statement was restated as follows due to the corrected calculation of interest income from credit-impaired financial assets:

€ million	Jan. 1 – June 30, 2025 prior to changes	Changes resulting from the corrected calculation of interest income from credit-impaired financial assets	Jan. 1 – June. 30, 2025 after changes resulting from the corrected calculation of interest income from credit-impaired financial assets
Interest income from lending transactions and marketable securities	1,768	5	1,773
Income from leasing transactions	15,501	10	15,511
Net income from leasing transactions	3,193	10	3,203
Operating result	**1,343**	**15**	**1,357**
Profit before tax	**1,413**	**15**	**1,428**
Income tax expense	–446	–4	–450
Profit after tax	**967**	**11**	**978**
Profit after tax attributable to Volkswagen AG	967	11	978

The prior-year comparative period statement of cash flows was restated as follows due to the changes resulting from the corrected calculation of interest income from credit-impaired financial assets in the determination of cash flows from operating activities:

€ million	Jan. 1 – June 30, 2025 prior to changes	Changes resulting from the corrected calculation of interest income from credit-impaired financial assets	Jan. 1 – June 30, 2025 restated
Profit before tax	**1,413**	**15**	**1,428**
Net interest expense and dividend income	–1,049	–15	–1,064
Change in loans to and receivables from customers	–2,365	–15	–2,380
Interest received	3,473	15	3,488
Cash flows from operating activities	**–1,626**	**–**	**–1,626**

In addition, the corresponding prior-year comparative period figures in notes (1) Net income from leasing transactions and (7) Segment reporting were corrected accordingly.

CORRECTION OF THE ELIMINATION OF PROFITS AND LOSSES AND THE REPORTING OF INCOME AND EXPENSES FROM THE SALE OF USED VEHICLES:

It was discovered during the previous year that, in a specific case involving intragroup sales of used cars, intercompany gross income and gross expenses had not been eliminated. The error was corrected in the consolidated financial statements as of December 31, 2025 by reducing gross income from leasing transactions and gross expenses from leasing transactions in the prior-year comparative period.

In the VW FS AG Group, income and expenses from the sale of used vehicles are reported under income from leasing transactions or expenses from leasing transactions, provided that the sales result from lease returns under lease agreements previously classified as operating leases. Income and expenses from other cases of used vehicle sales are reported under other operating income and other operating expenses. In the previous year, it was discovered that this classification had not been applied in a specific use case. The error was corrected in the consolidated financial statements as of December 31, 2025 by reclassifying income from income from leasing transactions to other operating income, and by reclassifying expenses from expenses from leasing transactions to other operating expenses in the prior-year comparative period.

The prior-year comparative period income statement was restated as follows to reflect the correction of the elimination of profits and losses and the reporting of income and expenses from the sale of used vehicles:

€ million	Jan. 1 – June 30, 2025 after changes resulting from the corrected calculation of interest income from credit-impaired financial assets	Changes from the correction of the elimination of profits and losses and the reporting of income and expenses from the sale of used vehicles	Jan. 1 – June 30, 2025 after changes from the correction of the elimination of profits and losses and the reporting of income and expenses from the sale of used vehicles
Income from leasing transactions	15,511	–892	14,619
Depreciation, impairment losses and other expenses from leasing transactions	–12,308	886	–11,422
Net income from leasing transactions	3,203	–6	3,197
Other operating income	611	492	1,103
Other operating expenses	–518	–486	–1,003
Net other operating income/expenses	94	6	100
Operating result	**1,357**	**–**	**1,357**
Profit before tax	**1,428**	**–**	**1,428**
Profit after tax	**978**	**–**	**978**
Profit after tax attributable to Volkswagen AG	978	–	978

The corresponding prior-year comparative period figures in notes (1) Net income from leasing transactions and (7) Segment reporting were corrected accordingly.

SUMMARY RECONCILIATION OF CHANGES IN THE INCOME STATEMENT TO FIGURES FOR THE PRIOR-YEAR COMPARATIVE PERIOD:

The figures for the prior-year comparative period in the income statement that were changed as a result of the corrections described above are reconciled in summary form in the following from the figures prior to restatement to the figures after restatement.

€ million	Jan. 1 – June 30, 2025 prior to changes	Adjustments as a result of corrections	Jan. 1 – June 30, 2025 restated
Interest income from lending transactions and marketable securities	1,768	5	1,773
Income from leasing transactions	15,501	–882	14,619
Depreciation, impairment losses and other expenses from leasing transactions	–12,308	886	–11,422
Net income from leasing transactions	3,193	4	3,197
Other operating income	611	492	1,103
Other operating expenses	–518	–486	–1,003
Net other operating income/expenses	94	6	100
Operating result	**1,343**	**15**	**1,357**
Profit before tax	**1,413**	**15**	**1,428**
Income tax expense	–446	–4	–450
Profit after tax	**967**	**11**	**978**
Profit after tax attributable to Volkswagen AG	967	11	978

New and Revised IFRSs Not Applied

On April 9, 2024, the IASB published the new financial reporting standard IFRS 18 “Presentation and Disclosure in Financial Statements”, which was adopted in the EU on February 13, 2026. IFRS 18 will be applied for the first time to VW FS AG’s consolidated financial statements for the fiscal year beginning January 1, 2027.

Expense and income items are classified into the five categories in the income statement based, among other things, on the main business activities defined by IFRS 18. In accordance with the current implementation plan, VW FS AG is expecting to report main business activities in the areas of customer finance and investment in specific assets. However, this preliminary assessment is subject to further clarification, in particular from pending IFRS IC decisions. It would result in the expenses and income from these main business activities being reported in the “Operating” category and, consequently, within the operating result in the income statement, in line with the current presentation. Based on the current implementation status and subject to further clarification regarding the interpretation of IFRS 18, changes in the presentation of expenses and income in the income statement are therefore expected only in select cases. Among other things, the expected changes include the future presentation of financial income and expenses from insurance contracts in the “Operating” category, the future presentation of expenses and income related to financial investments in real estate in the “Investment” category, and the future presentation of interest expense on lease liabilities in the “Financing” category. Based on the current interpretation of IFRS 18 and the current implementation status, VW FS AG therefore does not expect any material effects on financial performance indicators, for example operating result, resulting from the allocation of expenses and revenues to categories. In individual cases, implementation of IFRS 18 is expected to result in additions to and changes in the designation of income statement items compared with the current presentation. No adjustments to existing subtotals are expected because VW FS AG’s income statement already includes an operating result subtotal, among other reasons.

In the statement of cash flows, the expected classification of the main business activity (customer finance and investment in specific assets) will result in cash flows from interest received and paid being presented under “Cash flows from operating activities”, largely in line with the existing presentation.

In addition, existing disclosures are expected to be expanded on the basis of the new requirements under IFRS 18. The potential addition of disclosures regarding any existing management-defined performance measures is currently still being examined.

The effects of other new and amended standards are further described under the disclosure “New and Revised IFRSs Not Applied” in the notes to the consolidated financial statements as of December 31, 2025. The 2025 Consolidated Financial Statements can be accessed online at www.vwfs.com/arvwfsag25.

Accounting Policies

VW FS AG has applied all financial reporting standards adopted by the EU which are subject to mandatory application starting January 1, 2026.

The discount rate applied to German pension provisions reported in these interim consolidated financial statements was 4.30% (December 31, 2025: 4.20%). The increase in the discount rate led to a decrease of the pension provisions, the associated deferred taxes and the actuarial losses on pension provisions recognized in equity under retained earnings.

In the VW FS AG Group, portfolio hedge accounting is used to enter into hedging relationships with appropriate underlying transactions on a portfolio basis under the hedging strategy. In portfolio hedge accounting, derivatives for interest rate hedging were previously designated in a quarterly cycle. Starting with the hedging period commencing on January 1, 2026, interest rate derivatives in portfolio hedge accounting are being designated on a monthly basis. By shortening the hedging period to a monthly period, new interest rate derivatives can be designated in hedging relationships at an earlier stage.

Otherwise, the same consolidation methods and accounting policies as those applied in the 2025 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 methods and policies was published in the notes to the consolidated financial statements in the 2025 Annual Report.

Basis of Consolidation

In addition to VW FS AG, the consolidated financial statements cover all significant German and non-German subsidiaries, including structured entities, controlled directly or indirectly by VW FS AG. This is the case if VW FS AG has power over potential subsidiaries directly or indirectly from voting rights or similar rights, is exposed, or has rights to, positive or negative variable returns from its involvement with the potential subsidiaries, and has the ability to use its power to influence those returns.

The following change occurred in the basis of consolidation during the reporting period:

Volkswagen Finance Europe B.V., Amsterdam, sold its 60% interest in the unconsolidated joint venture Collect Car B.V., Rotterdam, for a cash purchase price of €2 million. The resulting loss of €1 million is contained in the income statement line item “Net gain/loss on miscellaneous financial assets”.

The change described above did not materially affect the VW FS AG Group’s net assets, financial position or financial performance.

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, 2026	Jan. 1 – June 30, 2025 restated[1,2]
Leasing income from operating leases	5,261	4,698
Interest income from finance leases[1]	1,731	1,677
Gains from the disposal of used ex-operating-lease vehicles[2]	8,995	7,691
Net interest income/expense from finance lease hedging derivatives	–37	38
Miscellaneous income from leasing transactions	636	515
Income from leasing transactions[1,2]	**16,585**	**14,619**
Lease assets depreciation and impairment losses	–4,184	–3,475
Expenses from the disposal of used ex-operating-lease vehicles[2]	–9,212	–7,524
Miscellaneous expenses from leasing transactions	–499	–423
Depreciation, impairment losses and other expenses from leasing transactions[2]	**–13,896**	**–11,422**
Total[1,2]	**2,690**	**3,197**

1 Changes offigures for the prior-year comparative period in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets in section “Changes to Figures for the Prior-Year Comparative Period”.
2 Changes of figures for the prior-period comparative period in accordance with the explanation on the correction of the elimination of profits and losses and the reporting of income and expenses from the sale of used vehicles in section “Changes to Figures for the Prior-Year Comparative Period”.

2. Net income from service contracts

Of the total income recognized for service contracts in the first six months, €1,257 million (prior-year comparative period: €1,195 million) related to service contracts for which revenue must be recognized at a point in time and €439 million (prior-year comparative period: €391 million) related to service contracts for which revenue must be recognized over time.

3. General and administrative expenses

The breakdown of general and administrative expenses is shown in the following table:

€ million	Jan. 1 – June 30, 2026	Jan. 1 – June 30, 2025
Personnel expenses in general and administrative expenses	–545	–546
Non-staff operating expenses	–513	–634
Advertising, public relations and sales promotion expenses	–38	–31
Depreciation of and impairment losses on property and equipment, amortization of and impairment losses on intangible assets	–40	–37
Other taxes	–11	–11
Income from the reversal of provisions and accrued liabilities	3	11
Total	**–1,145**	**–1,248**

4. Changes in selected assets and liabilities

The following table presents changes in selected assets:

€ million	Net carrying amount as of January 1, 2026	Basis of consolidation additions/changes	Disposals/other changes[1]	Depr./amort./ impairment	Net carrying amount as of June 30, 2026
Intangible assets	131	11	2	19	122
Property and equipment	355	24	11	21	347
Lease assets	56,205	17,274	9,540	4,184	59,755

1 The other changes are attributable to exchange rate effects, reclassifications and reversals of impairment losses.

The following table presents changes in selected liabilities:

€ million	Net carrying amount as of January 1, 2026	Basis of consolidation additions/changes	Disposals/other changes	Depr./amort./ impairment	Net carrying amount as of June 30, 2026
Underwriting provisions and other provisions	1,689	694	–232	347	1,804

The “Underwriting provisions and other provisions” balance sheet item contains provisions for litigation and legal risks. They reflect the risks identified as of the reporting date in relation to utilization and legal expenses arising from the latest decisions by the courts and from ongoing civil proceedings involving dealers and other customers, as well as other matters.

After the UK Financial Conduct Authority (FCA) banned all discretionary commission arrangements (DCAs) in the motor finance market in January 2021, the Supreme Court of the United Kingdom subsequently ruled that customers were being treated unfairly by motor finance providers charging high levels of commission, especially where these were not disclosed. In October 2025, the FCA published a consultation paper proposing an industry-wide redress scheme for motor finance customers. This seeks compensation for customers who entered into financing arrangements during a specific time frame if they suffered loss or damage due to the commission not being disclosed.

Following the conclusion of the consultation process, the FCA published its final rules and guidance on the redress scheme at the end of March 2026. The final rules include a number of changes compared with the model outlined in the consultation paper. However, the redress scheme continues to not adequately address the specific characteristics of captive finance institutions such as Volkswagen Financial Services (UK) Ltd., Milton Keynes (VWFSUK), which is affected by the scheme within the Group. For this reason, among others, VWFSUK has filed a claim against the redress scheme. Irrespective of the outcome of these proceedings, provisions have been recognized in the consolidated financial statements of Volkswagen Financial Services AG based on the current regulatory framework.

5. Classes of financial instruments

Financial instruments are divided into the following classes in the VW FS AG Group:

> Measured at fair value
> Measured at amortized cost
> Derivative financial instruments designated as hedges
> Not allocated to any measurement category
> Credit commitments and financial guarantees (off-balance-sheet)

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, 2026	Dec. 31, 2025	June 30, 2026	Dec. 31, 2025	June 30, 2026	Dec. 31, 2025	June 30, 2026	Dec. 31, 2025	June 30, 2026	Dec. 31, 2025	June 30, 2026	Dec. 31, 2025
Assets												
Cash reserve	12,515	8,271	12,515	8,271	–	–	–	–	–	–	–	–
Loans to and receivables from banks	1,799	873	1,799	873	–	–	–	–	–	–	–	–
Loans to and receivables from customers	126,399	124,513	72,732	70,899	–	–	–	–	53,666	53,614	0	0
Value adjustment on portfolio fair value hedges	–127	13	–60	–34	–	–	–	–	–67	47	–	–
Derivative financial instruments	491	419	–	–	268	200	223	219	–	–	–	–
Marketable securities	4,212	3,486	–	–	4,212	3,486	–	–	–	–	–	–
Equity-accounted investments	1,410	1,402	–	–	–	–	–	–	–	–	1,410	1,402
Miscellaneous financial assets	116	114	–	–	0	0	–	–	–	–	116	114
Current tax assets	177	126	–	–	–	–	–	–	–	–	177	126
Other assets	5,469	5,414	1,282	1,328	–	–	–	–	–	–	4,187	4,086
Total	**152,461**	**144,632**	**88,268**	**81,337**	**4,480**	**3,687**	**223**	**219**	**53,599**	**53,661**	**5,891**	**5,729**
Equity and liabilities												
Liabilities to banks	7,146	7,318	7,146	7,318	–	–	–	–	–	–	–	–
Liabilities to customers	99,656	89,746	96,530	86,884	–	–	–	–	60	65	3,066	2,798
Notes, commercial paper issued	63,032	62,106	63,032	62,106	–	–	–	–	–	–	–	–
Derivative financial instruments	728	908	–	–	272	299	456	609	–	–	–	–
Current tax liabilities	113	76	–	–	–	–	–	–	–	–	113	76
Other liabilities	2,665	2,973	388	622	–	–	–	–	–	–	2,276	2,350
Subordinated capital	2,745	2,745	2,745	2,745	–	–	–	–	–	–	–	–
Total	**176,085**	**165,872**	**169,842**	**159,675**	**272**	**299**	**456**	**609**	**60**	**65**	**5,456**	**5,224**

The "(Off-balance-sheet) Credit commitments and financial guarantees" class contains obligations under irrevocable credit commitments and financial guarantees amounting to €10,128 million (December 31, 2025: €10,439 million).

6. Fair value disclosures

The principles and methods of fair value measurement have generally remained unchanged compared with those applied in the previous year. Detailed disclosures on the measurement principles and methods can be found in the 2025 Annual Report.

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.

Equity investments measured at fair value through other comprehensive income and using inputs that are not observable in the market are reported under Level 3. The main inputs used to measure these equity investments are strategic planning and cost of equity rates.

Level 3 also includes the fair values of separately recognized derivatives in connection with early termination rights embedded in finance leases. Inputs for determining the fair value of derivatives in connection with the risk of early termination are forecasts and estimates of used vehicle residual values for the models concerned, and yield curves.

There was no need to reclassify instruments to different hierarchy levels in the interim reporting period and in the prior-year comparative period.

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, 2026	Dec. 31, 2025	June 30, 2026	Dec. 31, 2025	June 30, 2026	Dec. 31, 2025
Assets						
Measured at fair value						
Derivative financial instruments	–	–	268	200	–	–
Marketable securities	4,098	3,346	114	140	–	–
Miscellaneous financial assets	–	–	–	–	0	0
Derivative financial instruments designated as hedges	–	–	223	219	–	–
Total	**4,098**	**3,346**	**605**	**559**	**0**	**0**
Equity and liabilities						
Measured at fair value						
Derivative financial instruments	–	–	175	216	97	83
Derivative financial instruments designated as hedges	–	–	456	609	–	–
Total	**–**	**–**	**630**	**826**	**97**	**83**

The following table shows the changes in receivables from customers and equity investments measured at fair value and allocated to Level 3:

€ million	2026	2025
Balance as of Jan. 1	**0**	**8**
Foreign exchange differences	–	–
Changes in basis of consolidation	–	–
Portfolio changes	–	–
Measured at fair value through profit or loss	–	–8
Measured at fair value through other comprehensive income	–	–
Balance as of June 30	**0**	**0**

The risk variables relevant to the fair value of the equity investment are the growth rate within strategic planning and the cost of equity. If a 10% change were applied to the financial performance (which takes into account the relevant risk variables) of the equity investment measured at fair value through other comprehensive income, there would be no material change to equity.

The following table shows the changes in derivative financial instruments measured at fair value and allocated to Level 3:

€ million	2026	2025
Balance as of Jan. 1	**83**	**90**
Foreign exchange differences	1	–3
Changes in basis of consolidation	–	–
Portfolio changes	–	–
Measured at fair value through profit or loss	14	–2
Measured at fair value through other comprehensive income	–	–
Balance as of June 30	**97**	**86**

The remeasurements of expenses recognized in profit or loss amounting to €–14 million (previous year: income of €2 million) are reported under "Net gain or loss on financial instruments measured at fair value". Of the remeasurements recognized in profit or loss, an amount of €–13 million (previous year: €2 million) was attributable to derivative financial instruments held as of the reporting date.

Early termination rights can arise from country-specific consumer protection legislation, under which customers may have the right to return used vehicles for which a lease has been signed. The impact on earnings arising from market-related fluctuations in residual values and interest rates is borne by the VW FS AG Group.

The market prices of used vehicles are the main risk variable applied to the fair value of derivatives recognized in connection with the risk of early termination. A sensitivity analysis is used to quantify the impact of changes in used vehicle prices on profit or loss after tax. If the used vehicle prices of the vehicles included in the derivatives in connection with the risk of early termination had been 10% higher as of the reporting date, profit after tax would have been €26 million (previous year: €25 million) higher. If the used vehicle prices of the vehicles included in the derivatives in connection with the risk of early termination had been 10% lower as of the reporting date, profit after tax would have been €28 million (previous year: €27 million) lower.

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

	FAIR VALUE		CARRYING AMOUNT		DIFFERENCE	
€ million	June 30, 2026	Dec. 31, 2025	June 30, 2026	Dec. 31, 2025	June 30, 2026	Dec. 31, 2025
Assets						
Measured at fair value						
Derivative financial instruments	268	200	268	200	–	–
Marketable securities	4,212	3,486	4,212	3,486	–	–
Miscellaneous financial assets	0	0	0	0	–	–
Measured at amortized cost						
Cash reserve	12,515	8,271	12,515	8,271	–	–
Loans to and receivables from banks	1,799	872	1,799	873	0	0
Loans to and receivables from customers	73,313	71,589	72,732	70,899	580	690
Value adjustment on portfolio fair value hedges	–	–	–60	–34	60	34
Other assets	1,282	1,329	1,282	1,328	0	1
Derivative financial instruments designated as hedges	223	219	223	219	–	–
Not allocated to any measurement category						
Loans to and receivables from customers	54,210	54,612	53,666	53,614	544	998
Value adjustment on portfolio fair value hedges	–	–	–67	47	67	–47
Equity and liabilities						
Measured at fair value						
Derivative financial instruments	272	299	272	299	–	–
Measured at amortized cost						
Liabilities to banks	7,243	7,416	7,146	7,318	97	98
Liabilities to customers	96,400	87,224	96,530	86,884	–130	340
Notes, commercial paper issued	63,377	62,576	63,032	62,106	345	470
Other liabilities	388	622	388	622	0	0
Subordinated capital	2,064	2,010	2,745	2,745	–681	–735
Derivative financial instruments designated as hedges	456	609	456	609	–	–

The fair value of irrevocable credit commitments is affected by changes in the credit quality of the borrower and in the market conditions for the relevant credit product between the commitment date and the measurement date. Because of the short period between commitment and drawdown and the variable interest rate tied to the market interest rate, market conditions only have a very minor impact. The fair value of irrevocable credit commitments was therefore largely determined by the change in the credit quality of the borrower, which was established as part of the process for calculating expected credit losses from irrevocable credit commitments and reported in the balance sheet as a liability in the amount of €57 million (previous year: €65 million) under Other liabilities. The fair value of financial guarantees also largely reflects the amount of expected credit losses and was reported in the balance sheet as a liability in the amount of €12 million (previous year: €7 million) under Other liabilities.

Segment reporting

7. Segment reporting

The presentation of reportable segments follows the system used for internal management and reporting purposes in the VW FS AG 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 applies a market-based geographical breakdown. Foreign branches of German subsidiaries are allocated to the markets in which they are based. The geographical markets of Germany, France, Italy, Spain, Sweden and the United Kingdom, are the segments that are subject to reporting requirements under IFRS 8. Subsidiaries in the VW FS AG Group are aggregated within these segments. All other companies that can be allocated to geographical markets are brought together under “Other segments”.

Companies that are not allocated to any geographical market are reported in the reconciliation. The reconciliation also includes the VW FS AG holding company, the holding and financing companies in the Netherlands and Belgium, Vehicle Trading International (VTI) GmbH, Volim Volkswagen Immobilien Vermietgesellschaft für VW-/Audi-Händlerbetriebe mbH, Volkswagen Insurance Brokers GmbH, Volkswagen Versicherung AG and EURO-Leasing GmbH. In the internal reporting structure, this presentation ensures that there is a separation between market activities on one side and typical holding company or financing functions, industry business, primary insurance business and reinsurance business on the other side. The reconciliation reflects additional consolidation effects between the segments.

In the previous year, the previous allocation of Vehicle Trading International (VTI) GmbH and EURO-Leasing GmbH to the German market in internal management and reporting to management was changed to allocation to the holding companies, which are presented in segment reporting outside the reporting segments in the reconciliation to the consolidated carrying amounts. The change in classification reflects the corresponding adjustment to the management of the German market. The new classification of Vehicle Trading International (VTI) GmbH reflects its expanded role in marketing used cars outside the German market. The figures in the segment reporting for the prior-year comparative period were adjusted accordingly.

All business transactions between the segments – where such transactions take place – are conducted on an arm’s-length basis.

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

BREAKDOWN BY GEOGRAPHICAL MARKET FOR THE FIRST HALF OF 2026:

	JAN. 1 – JUNE 30, 2026									
€ million	Germany	United Kingdom	France	Italy	Spain	Sweden	Other segments	Segments total	Recon-ciliation	Group
Interest income from lending transactions and marketable securities in respect of third parties	1,019	103	77	274	206	28	152	1,859	35	1,894
Intersegment interest income from lending transactions and marketable securities	597	–	3	1	–	–	–	602	–602	–
Income from leasing transactions with third parties	9,905	1,830	1,385	882	466	1,161	923	16,552	34	16,585
of which reversal of impairment losses in accordance with IAS 36	68	–	–	10	–	–	6	85	4	89
Intersegment income from leasing transactions	–	–	–	–	–	–	–	–	–	–
Depreciation, impairment losses and other expenses from leasing transactions	–8,677	–980	–1,241	–794	–431	–1,095	–698	–13,915	19	–13,896
of which impairment losses in accordance with IAS 36	–332	–39	–142	–88	–28	–27	–53	–709	–	–709
Net income from leasing transactions	1,228	850	144	88	35	66	225	2,637	53	2,690
Interest expense	–1,580	–586	–187	–190	–126	–51	–246	–2,966	617	–2,348
Income from service contracts with third parties	827	163	68	346	121	–	171	1,697	–1	1,695
of which over-time income	65	–	–	235	54	–	86	439	–	439
of which at a point in time income	762	163	68	112	67	–	85	1,258	–1	1,257
Intersegment income from service contracts	–	–	–	–	–	–	–	–	–	–
Expenses from service contracts	–690	–152	–81	–336	–108	–	–152	–1,518	1	–1,517
Net income from service contracts	137	11	–13	11	13	–	19	178	–	178
Income from insurance business with third parties	–	–	–	–	–	–	–	–	169	169
Intersegment income from insurance business	–	–	–	–	–	–	–	–	–	–
Expenses from insurance business	–	–	–	–	–	–	–	–	–98	–98
Net income from insurance business	–	–	–	–	–	–	–	–	71	71
Provision for credit risks	–95	–40	–63	–15	–16	–	–25	–255	–8	–264
Fee and commission income from third parties	69	2	19	56	28	8	46	229	30	259
Intersegment fee and commission income	–	–	–	–	–	–	–	–	–	–
Fee and commission expenses	–59	–	–10	–40	–13	–1	–4	–127	5	–121
Net fee and commission income	11	2	9	16	15	7	42	102	36	138
General and administrative expenses	–513	–118	–73	–66	–52	–41	–128	–991	–154	–1,145
Other amortization, depreciation and impairment losses	–	–1	–1	–1	–1	–	–7	–12	–29	–40
Operating result	**903**	**–399**	**–105**	**125**	**67**	**11**	**54**	**658**	**388**	**1,045**

BREAKDOWN BY GEOGRAPHICAL MARKET FOR THE FIRST HALF OF 2025:

	JAN. 1 – JUNE 30, 2025									
€ million	Germany restated[1,2]	United Kingdom	France	Italy	Spain	Sweden	Other segments	Segments total restated[1,2]	Recon-ciliation restated[1,2,3]	Group restated[1,3]
Interest income from lending transactions and marketable securities in respect of third parties[1,2]	866	113	81	249	168	27	156	1,660	113	1,773
Intersegment interest income from lending transactions and marketable securities	585	–	2	2	–	–	–	588	–588	–
Income from leasing transactions with third parties[1,2,3]	8,555	1,676	1,103	760	396	1,154	845	14,489	129	14,619
of which reversal of impairment losses in accordance with IAS 36[2]	9	–	–	16	–	1	3	28	7	35
Intersegment income from leasing transactions[2]	–	–	–	–	–	–	–	–	–	–
Depreciation, impairment losses and other expenses from leasing transactions[2,3]	–7,121	–794	–889	–674	–334	–1,047	–568	–11,426	5	–11,422
of which impairment losses in accordance with IAS 36[2]	–133	–18	–97	–42	–14	–1	–23	–329	–3	–332
Net income from leasing transactions[1,3]	1,434	883	214	86	62	107	277	3,063	134	3,197
Interest expense[2]	–1,506	–664	–184	–179	–108	–53	–269	–2,964	537	–2,427
Income from service contracts with third parties	789	164	64	313	110	–	145	1,587	–1	1,586
of which over-time income	60	–	–	209	50	–	71	390	–	391
of which at a point in time income	729	164	64	104	60	–	74	1,196	–1	1,195
Intersegment income from service contracts	–	–	–	–	–	–	–	–	–	–
Expenses from service contracts	–642	–155	–70	–314	–96	–	–137	–1,414	1	–1,413
Net income from service contracts	147	9	–6	–	14	–	8	173	–	173
Income from insurance business with third parties	–	–	–	–	–	–	–	–	159	159
Intersegment income from insurance business	–	–	–	–	–	–	–	–	–	–
Expenses from insurance business	–	–	–	–	–	–	–	–	–110	–110
Net income from insurance business	–	–	–	–	–	–	–	–	49	49
Provision for credit risks	–160	–30	–71	–25	–7	3	–37	–327	–	–326
Fee and commission income from third parties	67	2	21	55	31	7	44	226	37	262
Intersegment fee and commission income	–	–	–	–	–	–	–	–	–	–
Fee and commission expenses[2]	–59	–	–12	–27	–12	–1	–4	–116	3	–112
Net fee and commission income	7	2	9	27	19	6	40	110	40	150
General and administrative expenses[2]	–537	–112	–71	–68	–52	–38	–125	–1,003	–245	–1,248
Other amortization, depreciation and impairment losses	–1	–1	–1	–1	–1	–	–8	–12	–25	–37
Operating result[1,2]	**823**	**159**	**–8**	**111**	**73**	**54**	**71**	**1,283**	**74**	**1,357**

1 Changes of figures for the prior-year comparative period in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets in section "Changes to Figures for the Prior-Year Comparative Period".
2 Adjustment of figures for the prior-year comparative period: In line with a change in internal reporting, Vehicle Trading International GmbH (VTI) and Euro-Leasing GmbH are included in the reconciliation instead of in the German market.
3 Changes of figures for the prior-period comparative period in accordance with the explanation on the correction of the elimination of profits and losses and the reporting of income and expenses from the sale of used vehicles in section "Changes to Figures for the Prior-Year Comparative Period".

The impairment losses and reversals of impairment losses reported in accordance with IAS 36 related to lease assets.

Information on the main products (lending and leasing business) can be taken directly from the income statement.

The breakdown of non-current assets in accordance with IFRS 8 and of the additions to non-current lease assets by geographical market is shown in the following tables:

	JAN. 1 – JUNE 30, 2026					
€ million	Germany	United Kingdom	France	Italy	Spain	Sweden
Noncurrent Assets	32,240	5,671	6,863	4,273	2,107	1,878
Additions to lease assets classified as noncurrent assets	7,524	1,310	1,866	916	433	459

	JAN. 1 – JUNE 30, 2025					
€ million	Germany restated[1]	United Kingdom	France	Italy	Spain	Sweden
Noncurrent Assets[1]	28,207	4,844	5,335	3,654	1,819	1,605
Additions to lease assets classified as noncurrent assets	6,969	1,267	1,465	838	410	464

1 Adjustment of figures for the prior-year comparative period: In line with a change in internal reporting, Vehicle Trading International GmbH (VTI) and Euro-Leasing GmbH are included in the reconciliation instead of in the German market.

Investment recognized under other assets was of minor significance.

The following table shows the reconciliation to group income, operating result and profit before tax.

€ million	Jan. 1 – June 30, 2026	Jan. 1 – June 30, 2025 restated[1,2,3]
Segment income[1,2]	**20,336**	**17,962**
Other companies[2,3]	6,092	4,895
Consolidation[2,3]	–5,825	–4,458
Group income[1,3]	**20,603**	**18,398**
Segment profit or loss (operating result)[1,2]	**658**	**1,283**
Other companies[2]	54	57
Contribution to operating profit by included companies	–	–
Consolidation between segments[1,3]	334	17
Operating result[1]	**1,045**	**1,357**
Share of profits and losses of equity-accounted investments	68	73
Net gain or loss on miscellaneous financial assets	9	3
Other financial gains or losses	–1	–6
Profit before tax[1]	**1,121**	**1,428**

1 Changes of figures for the prior-year comparative period in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets in section "Changes to Figures for the Prior-Year Comparative Period".
2 Adjustment of figures for the prior-year comparative period: In line with a change in internal reporting, Vehicle Trading International GmbH (VTI) and Euro-Leasing GmbH are included in the reconciliation instead of in the German market.
3 Changes of figures for the prior-period comparative period in accordance with the explanation on the correction of the elimination of profits and losses and the reporting of income and expenses from the sale of used vehicles in section "Changes to Figures for the Prior-Year Comparative Period".

Other Disclosures

8. Cash flow statement

The VW FS AG Group's cash flow statement documents changes in cash and cash equivalents attributable to cash flows from operating, investing and financing activities.

Cash and cash equivalents include the entire "Cash reserve" balance sheet item, which consists of cash-in-hand and balances held with Deutsche Bundesbank and foreign central banks, as well as cash and cash equivalents reported in the balance sheet under loans to and receivables from banks, as well as loans to and receivables from customers attributable to other receivables. Cash equivalents from cash pooling with a non-bank entity in the Volkswagen Group are included in the loans to and receivables from customers attributable to other receivables.

The changes in the balance sheet items used to determine the changes in the cash flow statement cannot be derived directly from the balance sheet because effects from the changes in the basis of consolidation have no impact on cash and are eliminated.

9. Contingent assets and off-balance-sheet liabilities

CONTINGENT ASSETS

As of December 31, 2025, contingent assets were reported that resulted from an earn-out agreement entered into in connection with the sale of an associate. In the first half of 2026, a settlement agreement was reached with the business partner, resulting in the termination of the previous earn-out agreement and the receipt of a settlement payment. The settlement payment received was recognized in profit or loss.

CONTINGENT LIABILITIES

VW FS AG, as a legal entity participating in the spin-off of the European operation of Volkswagen Financial Overseas AG, is liable as a joint and several debtor in accordance with section 133 (1) sentence 1 of the *Umwandlungsgesetz* (German Transformation Act – UmwG) for the liabilities incurred by the transferring legal entity, Volkswagen Financial Services Overseas AG, up to the effective date of the spin-off on July 1, 2024. The liabilities incurred by Volkswagen Financial Services Overseas AG prior to July 1, 2024 and transferred to VW FS AG with the European operations by way of the spin-off are recognized in the balance sheet of the VW FS AG Group and are not included for the purposes of determining contingent liabilities. The liabilities incurred by Volkswagen Financial Services Overseas AG prior to July 1, 2024 and remaining with Volkswagen Financial Services Overseas AG as of the reporting date result in contingent liabilities of €7 million (December 31, 2025: €7 million) under the joint and several liability.

There are additional contingent liabilities of €1 million (December 31, 2025: €6 million) from surety agreements that do not satisfy the conditions for recognizing a provision in accordance with IAS 37.

OTHER FINANCIAL OBLIGATIONS

€ million	DUE by June 30, 2027	DUE July 1, 2027 – June 30, 2031	DUE From July 1, 2031	TOTAL June 30, 2026
Purchase commitments in respect of				
Property and equipment	2	–	–	2
Intangible assets	1	–	–	1
Investment property	–	–	–	–
Obligations from				
Irrevocable credit commitments to customers	9,831	141	–	9,972
Long-term leasing and rental contracts	10	7	–	17
Miscellaneous financial obligations	299	58	–	357

In the case of irrevocable credit commitments, the Company expects the customers to draw down the facilities concerned.

€ million	DUE 2026	DUE 2027 - 2030	DUE From 2031	TOTAL Dec. 31, 2025
Purchase commitments in respect of				
Property and equipment	0	–	–	0
Intangible assets	0	–	–	0
Investment property	–	–	–	–
Obligations from				
Irrevocable credit commitments to customers	10,173	105	–	10,278
Long-term leasing and rental contracts	17	6	–	23
Miscellaneous financial obligations	202	70	–	272

10. Related party disclosures

Related parties as defined by IAS 24 are natural persons and entities over which VW FS AG can exercise significant influence, or which can exercise significant influence over VW FS AG, or that are under the influence of another related party of VW FS AG.

Volkswagen AG, Wolfsburg, is the sole shareholder of VW FS AG. 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 all of the shareholder representatives to the Supervisory Board of Volkswagen AG via the annual general meeting 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 8, 2026, the State of Lower Saxony and Hannoversche Beteiligungsgesellschaft Niedersachsen mbH, Hanover, held 20.00% of the voting rights of Volkswagen AG on December 31, 2025 and thus exercise an indirect significant influence over the VW FS AG 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, Volkswagen AG, and VW FS AG 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 entities in the VW FS AG Group with funding on an arm's-length basis. As part of funding and leasing transactions, Volkswagen AG and other related parties in Volkswagen AG's group of consolidated entities sold vehicles to entities in the VW FS AG Group on an arm's-length basis. These transactions are presented in the "Goods and services received" column. Volkswagen AG and its subsidiaries have also furnished collateral for the benefit of the companies in the VW FS AG Group within the scope of the operating business.

The production companies and importers in the Volkswagen Group provide the entities in the VW FS AG Group with financial subsidies to support sales promotion campaigns.

The "Goods and services provided" column primarily contains income from leasing transactions.

The business transactions with unconsolidated subsidiaries, joint ventures and associates of VW FS AG relate mainly to the provision of funding and services. These transactions are always conducted on an arm's-length basis, e.g., when using the cost plus method for the provision of services.

The two tables below show the transactions with related parties. In these tables, the exchange rates used are the closing rate for asset and liability items, and the weighted average rates for the year for income statement items.

	INTEREST INCOME H1		INTEREST EXPENSES H1		GOODS AND SERVICES PROVIDED H1		GOODS AND SERVICES RECEIVED H1	
€ million	2026	2025	2026	2025	2026	2025	2026	2025
Supervisory Board	0	0	0	0	–	–	–	–
Board of Management	0	0	0	0	–	–	–	–
Volkswagen AG	18	19	–45	–66	756	745	7,012	6,764
Porsche SE	–	–	–	–	0	0	–	–
Other related parties in the consolidated entities	236	97	–265	–375	2,984	3,040	5,454	5,221
Non-consolidated subsidiaries	2	4	–1	–1	16	8	6	3
Joint ventures	209	212	0	0	44	54	70	3
Associated companies	–	–	0	–	15	–	5	2

	LOANS TO AND RECEIVABLES FROM		VALUATION ALLOWANCES ON IMPAIRED LOANS AND RECEIVABLES		OF WHICH ADDITIONS IN CURRENT YEAR		LIABILITIES TO	
€ million	June 30, 2026	Dec. 31, 2025	June 30, 2026	Dec. 31, 2025	June 30, 2026	Dec. 31, 2025	June 30, 2026	Dec. 31, 2025
Supervisory Board	0	0	–	–	–	–	2	2
Board of Management	0	0	–	–	–	–	14	11
Volkswagen AG	529	416	–	–	–	–	7,109	8,453
Porsche SE	–	–	–	–	–	–	–	–
Other related parties in the consolidated entities	3,591	4,222	–6	–1	–5	–1	11,605	12,718
Non-consolidated subsidiaries	125	122	–	–	–	–	140	68
Joint ventures	13,186	13,581	–	–	–	–	202	454
Associated companies	0	1	–	–	–	–	23	36

The "Other related parties in the group of consolidated entities" line 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 VW FS AG. The relationships with the Supervisory Board and the Management Board comprise relationships with the relevant groups of people at VW FS AG and the Group parent company Volkswagen AG. As in the prior year, relationships with pension plans and the State of Lower Saxony were of lesser significance.

VW FS AG did not receive any capital increase from its parent company, Volkswagen AG, during the first half of 2026 or the first half of 2025. However, VW FS AG and its subsidiaries provided capital contributions of €22 million (previous year: €31 million) to related parties.

Members of the Management Board and Supervisory Board of VW FS AG are also members of management and supervisory boards of other entities in the Volkswagen Group with which VW FS AG sometimes conducts transactions in the normal course of business. All transactions with these related parties are conducted on an arm's-length basis.

In the first half of 2026, standard short-term bank loans amounting to an average total of €869 million (prior-year comparative period, changed: €719 million) were granted to related parties as part of dealer financing.

11. Governing bodies of Volkswagen Financial Services AG

The members of the Board of Management are as follows as of June 30, 2026:

ANTHONY BANDMANN
Chair of the Board of Management
Corporate Management
Human Resources and Organization
Sales and Marketing
Europe region (including Germany)

DR. INGRUN ULLA BARTÖLKE
Finance and Purchasing

DR. ALENA KRETZBERG
IT and Digital

CHRISTIAN LÖBKE
Risk Management

The members of the Supervisory Board of Volkswagen Financial Services AG are as follows as of June 30, 2026:

DR. ARNO ANTLITZ
Chair
Member of the Board of Management of Volkswagen AG
Finance and Operations

DR. HANS PETER SCHÜTZINGER
Deputy Chair
Chief Executive Officer of Porsche Holding GmbH Salzburg

ANDREAS KRAUß
Deputy Chair
Chair of the Joint Works Council of Volkswagen Financial Services AG, Volkswagen Financial Services Overseas AG, Volkswagen Bank GmbH, Volkswagen Leasing GmbH, Vehicle Trading International (VTI) GmbH, Volkswagen Insurance Brokers GmbH and Volkswagen Versicherung AG

GARNET ALPS
First authorized representative IG Metall Braunschweig

SARAH AMELING-ZAFFIRO
Deputy Chair of the Joint Works Council of Volkswagen Financial Services AG, Volkswagen Financial Services Overseas AG, Volkswagen Bank GmbH, Volkswagen Leasing GmbH, Vehicle Trading International (VTI) GmbH, Volkswagen Insurance Brokers GmbH and Volkswagen Versicherung AG

NINA BABIC
Member of the Board of Management of Aareal Bank AG
Chief Risk Officer

JÜRGEN MAHNKOPF
Deputy Chair of the General and Group Works Council of Volkswagen AG

LIESBETH RIGTER
Co-owner and Leadership Consultant at Saliente VOF

JÜRGEN RITTERSBERGER
Member of the Board of Management of AUDI AG
Finance, Legal Affairs and IT

SABINE SCHMITTROTH
Managing partner of sajos GmbH

HOLGER SIEDENTOPF
Chair of the Board of Management of the Management Association of Volkswagen Financial Services AG and Volkswagen Financial Services Overseas AG

MIRCO THIEL
Executive Director of the Joint Works Council of Volkswagen Financial Services AG, Volkswagen Financial Services Overseas AG, Volkswagen Bank GmbH, Volkswagen Leasing GmbH, Vehicle Trading International (VTI) GmbH, Volkswagen Insurance Brokers GmbH and Volkswagen Versicherung AG

The composition of the committees of the Supervisory Board of Volkswagen Financial Services AG was as follows as of June 30, 2026:

MEMBERS OF THE AUDIT COMMITTEE
Nina Babic (Chair)
Sarah Ameling-Zaffiro
Dr. Hans Peter Schützinger
Mirco Thiel

MEMBERS OF THE NOMINATION COMMITTEE
Dr. Arno Antlitz (Chair)
Andreas Krauß
Liesbeth Rigter

MEMBERS OF THE RENUMERATION COMMITTEE
Sabine Schmittroth (Chair)
Dr. Arno Antlitz
Andreas Krauß
Jürgen Rittersberger

MEMBERS OF THE RISK COMMITTEE
Liesbeth Rigter (Chair)
Sabine Schmittroth
Dr. Hans Peter Schützinger
Mirco Thiel

MEMBERS OF THE CREDIT COMMITTEE

Dr. Arno Antlitz (Chair)
Liesbeth Rigter
Holger Siedentopf

MEMBERS OF THE SPECIAL CREDIT COMMITTEE

Sabine Schmittroth (Chair)
Nina Babic
Liesbeth Rigter

12. Events after the balance sheet date

There were no effects after June 30, 2026, that were of particular importance for the net assets, financial position, or financial performance.

Braunschweig, July 17, 2026

Volkswagen Financial Services AG
The Board of Management

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.

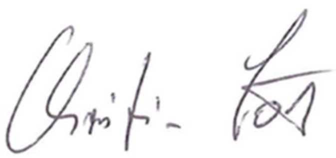
Braunschweig, July 17, 2026

Volkswagen Financial Services AG
The Board of Management

Anthony Bandmann

Dr. Ingrun Bartölke

Dr. Alena Kretzberg



Christian Löbke

Human Resources Report

As of June 30, 2026, Volkswagen Financial Services AG had 10,071 active employees worldwide. In addition to the active workforce, Volkswagen Financial Services AG had 128 vocational trainees and 298 employees who had reached the passive phase of their partial retirement agreements. The total number of employees at Volkswagen Financial Services AG was therefore 10,497 as of June 30, 2026. Currently, 6,301 people are employed in Germany.

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