

VOLKSWAGEN FINANCIAL SERVICES N.V.

Half-yearly financial report as at 30 June 2024

PDF/printed version

This document is the PDF/printed version of the 2024 Half-yearly financial report of Volkswagen Financial Services N.V. and has been prepared for ease of use.

The 2024 Half-yearly financial report was made publicly available pursuant to section 5:25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht), and was filed with the Netherlands Authority for the Financial Markets in European single electronic reporting format (the ESEF package).

The ESEF package is available on the company's website at <https://www.vwfs.nl/> and includes a human readable XHTML version of the 2024 Half-yearly financial report.

In any case of discrepancies between this PDF version and the ESEF package, the latter prevails.

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Report of the Management Board

Business Strategy and Objectives

Volkswagen Financial Services N.V. ('FSNV'), founded in 1983, is one of the funding vehicles of Volkswagen Financial Services AG ('FSAG') and its subsidiaries. FSNV raises funds by issuing bonds and commercial papers in the international capital markets and lends the proceeds to Volkswagen Financial Services companies and joint ventures. FSNV provides the capital market funding as a service within FSAG Group, thereby achieving an adequate return commensurate with the efforts and associated risks.

FSNV is performing its tasks using 14 employees under service agreements with its sister companies Volkswagen International Finance N.V. and Volkswagen Finance Overseas B.V.

Funding

Basis for the issuing activities are the EUR 50 billion Debt Issuance Programme ('DIP') that adheres to the European Prospectus Directive and is regularly updated, as well as the EUR 7,5 billion Commercial Paper ('CP') Programme. Bonds are listed with the Luxembourg Stock Exchange and are traded on regulated markets. All issuances are fully guaranteed towards the investors by FSAG.

Therefore, the FSNV rating by Moody's and Standard & Poor's is derived from the FSAG rating. Moody's assessed the risk with Prime-2 / A3 (short/long term) with a stable outlook while Standard & Poor's assessed the rating with A-2 / BBB+ (short/long term) with a stable outlook in 2024.

In the first half of 2024, FSNV raised a EUR equivalent of 735 million under the DIP with multi-tranche bonds and no commercial paper issuances under the mentioned CP programme. The proceeds were granted to FSAG Group companies.

FSNV also redeemed bonds with a EUR equivalent of 1,68 billion and commercial papers with a EUR equivalent of 821 million. There were no new borrowings from VW Group companies but there were repayments in the amount of EUR 60,4 million.

Financial results

FSNV decreased its lending assets from EUR 10,8 billion in 2023 to EUR 10,1 billion in 30 June 2024, assisting companies in the Financial Services Division to maintain their market position. All outstanding loans have been fully performing.

FSNV realized a gain of EUR 40,4 million after tax in the first half of 2024. The Company generates income from the FSAG Group financing business. The net interest income amounts to EUR 55,9 million. For the second half of 2024 we expect business volume and net interest income to be on a similar level as in the first half.

Risks

FSNV is exposed to business and financial risks. Business risks comprise inter alia legal, operational, personnel, reputational and compliance risks. FSNV is adhering to the Governance, Risk and Compliance Guidelines of FSAG managing the aforementioned risks within the FSAG Group policies.

The main financial risks of FSNV are liquidity risk, credit risk, currency risk and interest rate risk.

Liquidity risk is defined as the risk of not being able to meet own payment obligations in full or when due.

Credit risk is defined as the risk of incurring losses as a result of a default of a borrower or bank.

Currency risk refers to the potential loss in open currency positions arising from adverse changes in exchange rates.

Interest rate risk occurs because of fixed and floating interest rate mismatches between asset and liability items on the balance sheet.

The Supervisory Board has established narrow risk limits to restrict these risks and achieve a low risk exposure.

Risk policies

The Board of Management is responsible for the internal control, the management of risks within the company and for the assessment of the effectiveness of the control systems.

Liquidity risk is contained by extending loan amounts sourced from bond or CP-issuances to FSAG Group companies at identical tenors as the funded amounts. Borrowers agreed to repay their loans on the same due date when FSNV's own payment obligations to the capital markets become due. In addition, FSNV may issue loans to VWAG-Group companies funded in whole or in part by its equity position.

Credit risk is addressed by monitoring the financial stability of the FSAG Group borrowers and external banks. A fair value and impairment trigger assessment is performed for Group companies at least once a year or in case of need. Banks are monitored centrally at FSAG based on rating and financial analyses. Financial transactions are only conducted with approved banks.

Currency risk is limited by matching funding and lending currency amounts. In case funding and lending currency do not match, derivatives are used to achieve closed positions.

Interest rate risk is contained by matching the fixed and floating interest rate terms of the funding and lending amounts. Mismatches are closed using interest rate derivatives.

For remaining mismatches, the Supervisory Board has defined narrow limits. FSNV uses adequate tools to assess and to monitor risks. On a monthly basis, a detailed mismatch report, containing all relevant risks, is presented to the management. In the first half of 2024, limits were not exceeded.

Balance sheet as at 30 June 2024

(before profit appropriation)

		30 June 2024		31 December 2023	
	Ref.	EUR'000	EUR'000	EUR'000	EUR'000
Assets					
Fixed assets					
Financial fixed assets:					
Loans to Volkswagen Group companies	4	5.410.012		5.440.541	
Loans to affiliates of the Volkswagen Group	4	120.168		100.000	
Total fixed assets			5.530.180		5.540.541
Current assets					
Receivables due from Volkswagen Group companies	5	3.230.438		4.387.764	
Receivables due from affiliates of the Volkswagen Group	5	1.417.769		1.878.199	
Other assets		88.431		59.634	
Prepaid and deferred charges		-		163	
Cash at banks and in hand		24.444		51.093	
Total current assets			4.761.082		6.376.853
Total assets			10.291.262		11.917.394

The accompanying notes are integral parts of these financial statements.

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<i>Liabilities</i>		30 June 2024		31 December 2023	
	Ref.	EUR'000	EUR'000	EUR'000	EUR'000
<i>Shareholder's equity and liabilities</i>					
Shareholder's equity	6				
Issued and paid-up share capital		454		454	
Share premium reserve		2.587.500		2.587.500	
Retained earnings		96.624		56.226	
Total shareholder's equity			2.684.578		2.644.180
Long-term liabilities					
Bonds	7	4.645.877		4.858.015	
Liabilities to Volkswagen Group companies	7	469.392		519.392	
Total long-term liabilities			5.115.269		5.377.407
Current liabilities					
Bonds	8	1.818.066		2.419.688	
Liabilities to Volkswagen Group companies	8	254.410		261.921	
Commercial papers	8	217.542		1.048.313	
Other liabilities		188.853		151.965	
Deferred income		12.544		13.920	
Total current liabilities			2.491.415		3.895.807
Total shareholder's equity and liabilities			10.291.262		11.917.394

The accompanying notes are integral parts of these financial statements.

Income statement for the period ended 30 June 2024

	30 June 2024		30 June 2023	
	EUR'000	EUR'000	EUR'000	EUR'000
Net financial income				
Interest income and similar income	287.261		207.852	
Interest expenses and similar expenses	(231.346)		(187.906)	
Total net financial income		55.915		19.946
Expenses				
Other operating expenses	(12)		(8)	
General and administrative expenses	(1.279)		(1.084)	
Total expenses		(1.291)		(1.092)
Profit and (loss) before income taxes		54.624		18.854
Taxation on result on ordinary activities		(14.226)		(4.855)
Net profit and (loss) after taxation		40.398		13.999

The accompanying notes are integral parts of these financial statements.

Cash flow statement for the period ended 30 June 2024

	30 June 2024		31 December 2023	
	EUR'000	EUR'000	EUR'000	EUR'000
Cash (used in)/generated from operations				
Interest received	329.151		489.241	
Interest paid	(242.955)		(400.889)	
Guaranty fees paid	-		(4.845)	
General and other Expenses paid	(10.855)		(2.431)	
Tax paid	(885)		(5.634)	
Net cash (used in)/from operating activities		74.456		75.442
Cash flow (used in)/generated from investment activities				
Loans issued to VW Group companies & affiliates of the Volkswagen Group	(38.712.551)		(29.467.743)	
Collection of loans to VW Group companies & affiliates of the Volkswagen Group	40.473.279		28.046.560	
Net cash (used in)/from investment activities		1.760.728		(1.421.183)
Cash flow (used in)/generated from financing activities				
Proceeds from borrowings	724.309		2.151.717	
Repayment of borrowings	(1.750.403)		(2.771.474)	
Proceeds from commercial papers	0		1.734.268	
Repayment of commercial papers	(821.065)		(1.188.191)	
Derivatives	(14.751)		(20.239)	
Injection to share premium by shareholder	0		1.472.500	
Net cash (used in)/from financing activities		(1.861.910)		1.378.581
Effect of exchange rates on cash		77		43
Net cash flows		(26.649)		32.883
Balance at beginning of period		51.093		18.210
Movement		(26.649)		32.883
Balance at end of period		24.444		51.093

The accompanying notes are integral parts of these financial statements.

Notes to the interim financial statements for the period ended 30 June 2024

1. General

1.1 Activities

Volkswagen Financial Services N.V. ('FSNV' or 'the Company'), founded in 1983, is a 100% subsidiary of Volkswagen Finance Overseas BV ('Overseas'), who in turn is a 100% subsidiary of Financial Services AG ('FSAG'). The ultimate parent company is Volkswagen AG (VWAG).

FSNV's registered office is located at Paleisstraat 1, 1012 RB Amsterdam, The Netherlands. The Company is registered with the Dutch Register of Commerce under No. 33172400. FSNV maintains a website at www.vwfs.nl.

The primary purpose of the Company is the financing of Group companies. FSNV has access to several funding sources such as bonds, and commercial paper as well as intercompany loans.

All external issuances of financial instruments are guaranteed by FSAG. FSNV has lent the proceeds of these borrowings to related parties of the Volkswagen Group ('VW Group')

Due to its issuing activity in the capital markets, FSNV is subject to the regulatory supervision by the Dutch Financial Market Authority (Autoriteit Financiële Markten, 'AFM') and has to submit its yearly and half-yearly annual reports to the AFM.

Bonds issued by FSNV can be listed or unlisted. Most of the bonds outstanding as per 30 June 2024 and 31 December 2023 are listed at the Luxembourg Stock Exchange. The bond prospectuses of the listed bonds have been approved by the Commission de Surveillance du Secteur Financier of the Grand Duchy of Luxembourg ('CSSF').

2. Basis of preparation

The financial statements and accompanying notes for the year ended 31 December 2023 were prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code. The interim financial statements for the period ended 30 June 2024 have therefore also been prepared in accordance with Standard 394 (Interim Financial Reporting) of the Dutch Accounting Standards and represent a condensed version compared with the full financial statements. These interim financial statements have neither been audited nor reviewed.

The interim financial statements are presented in EUR, which is also the Company's functional currency, and have been prepared on a going concern basis.

Unless otherwise stated, amounts are shown in thousands of euros (EUR'000). All amounts shown are rounded, so minor discrepancies may arise from addition of these amounts. Negligible discrepancies could also arise in the comparison with the prior year owing to adjustments in the rounding methodology.

2.1 Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced by FSNV are considered to be related parties. Also entities (and their subsidiaries and affiliated companies) which

can control or significantly influence the Company are considered to be related parties. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

2.2 Note to the cash-flow statement

Consolidated cash flows for the whole Volkswagen Financial Services Group are included in the Volkswagen AG consolidated financial statements; therefore a separate cash flow statement for the Company is not required by Dutch law. To be in line with practice in the capital market, FSNV prepares a cash flow statement, using the direct method.

The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents. Cash flows denominated in foreign currencies have been translated at average exchange rates. Exchange differences affecting cash items are included in the respective amounts.

Cash from loans granted is included in cash from / used in investment activities. Cash from borrowings and the related derivatives, including capital increases, dividends paid / received are included in cash from / used in financing activities.

All other movements are included in cash used / generated from operations.

3. Significant accounting policies

The same accounting policies that were used for the financial statements for the year ended 31 December 2023, are generally applied to the preparation of the interim financial statements and the measurement of the prior-year comparatives. A detailed description of the policies applied is published in the "Principles of valuation of assets and liabilities" and "Principles determination of result" section of the accompanying notes to the financial statements for the year ended 31 December 2023.

The income tax expense for the interim financial statements was calculated on the basis of the average annual tax rate that is expected for the entire fiscal year.

The financial statements for the year ended 31 December 2023 can be also accessed on the internet at <https://www.vwfs.nl>

4. Financial fixed assets

Loans to Volkswagen Group companies and affiliates of the Volkswagen Group included in financial fixed assets

The breakdown of the loans to Volkswagen Group companies and affiliates of the Volkswagen Group is as follows:

	Original currency	Weighted average effective interest rate (%)	30 June 2024	
			Book value	Fair value
			EUR'000	EUR'000
Fixed asset loans to Volkswagen Group companies	GBP	4,27	3.934.521	4.117.880
	EUR	4,16	833.711	834.367
	PLN	7,17	404.370	411.759
	SEK	4,95	237.410	237.347
			5.410.012	5.601.353
Fixed asset loans to affiliates of the Volkswagen Group	NOK	1,06	70.168	70.188
	EUR	0,46	50.000	47.268
			120.168	117.456
Total fixed asset loans to Volkswagen Group companies and affiliates of the Volkswagen Group			5.530.180	5.718.809

The fair values are determined using the discounted cash flow model.

Because all loans are granted to companies and affiliates of the Volkswagen Group, the fair value calculation takes into account the credit default swap rate of the Volkswagen Group traded in the financial markets retrieved from Reuters. The country risk premium is based on the country in which the counterparty is located.

By issuing a letter of comfort to the lenders, Volkswagen Financial Services AG declares that, as the shareholder of its affiliated companies, over which it has managerial control and/or in which it holds a direct or indirect majority share of the share capital, it will exert its influence to ensure that the latter meet their liabilities to lenders in the agreed manner. This is why the Company believes that the book value equals the expected value, hence no impairment has been recorded.

The weighted average effective interest rate is calculated for the outstanding loans as per year end, taking into account the duration in the current year.

The terms of all outstanding loans to Volkswagen Group companies and affiliates are to a large extent matched with the corresponding external borrowings or hedged by using derivatives to match the terms of the bonds and loans from Volkswagen Group companies.

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Implying that even though the Company has exposure to interest rate risk and currency risk, exposure is limited through these effective risk management strategies.

For comparison, the fixed asset loans overview of 2023:

	Original currency	Weighted average effective interest rate (%)	31 December 2023	
			Book value	Fair value
			EUR'000	EUR'000
Fixed asset loans to Volkswagen Group companies	GBP	3,29	4.707.950	4.890.880
	EUR	4,41	367.724	371.981
	SEK	5,16	211.869	211.555
	PLN	6,07	152.998	160.732
			5.440.541	5.635.148
Fixed asset loans to affiliates of the Volkswagen Group	EUR	0,42	100.000	94.168
			100.000	94.168
Total fixed asset loans to Volkswagen Group companies and affiliates of the Volkswagen Group			5.540.541	5.729.316

The movement of the loans for the financial fixed assets and current receivables (note 5) due from Volkswagen Group companies and affiliates of the Volkswagen Group consists of the following:

	30 Jun 2024	31 Dec 2023
	EUR'000	EUR'000
Beginning of the period	11.806.504	10.230.810
Loans advanced	38.712.551	29.467.743
Loan repayments received	(40.473.279)	(28.046.560)
Interest accrued	119.600	114.329
Interest received	(114.329)	(70.524)
FX difference on loans	127.340	110.706
End of the period	10.178.387	11.806.504
Long-term	5.530.180	5.540.541
Short-term	4.648.207	6.265.963

5. Receivables due from Volkswagen Group companies and affiliates of the Volkswagen Group

	Original currency	Weighted average effective interest rate (%)	30 June 2024	
			Book value	Fair value
			EUR'000	EUR'000
Current receivables due from Volkswagen Group companies	EUR	3,79	1.405.190	1.403.973
	GBP	1,49	1.296.921	1.290.141
	PLN	6,44	426.645	432.797
Accrued interest and other receivables			101.682	101.682
			<u>3.230.438</u>	<u>3.228.593</u>
Current receivables due from affiliates of the Volkswagen Group	EUR	4,19	1.355.969	1.355.156
	NOK	5,66	43.881	43.969
Accrued interest and other receivables			17.918	17.918
			<u>1.417.769</u>	<u>1.417.043</u>
Total current receivables due from Volkswagen Group companies and affiliates			<u>4.648.207</u>	<u>4.645.636</u>

For the determination of the market values, see note 4.

The terms of all outstanding loans to Volkswagen Group companies and affiliates are to a large extent matched with the corresponding external borrowings or hedged by using derivatives to match the terms of the bonds and loans from Volkswagen Group companies. Implying that even though the Company has exposure to interest rate risk and currency risk, exposure is limited through these effective risk management strategies.

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For comparison, the overview of 2023:

	Original currency	Weighted average effective interest rate (%)	31 December 2023	
			Book value	Fair value
			EUR'000	EUR'000
Current receivables due from Volkswagen Group companies	EUR	3,95	1.545.486	1.545.248
	GBP	1,76	1.263.371	1.268.870
	PLN	7,01	596.195	607.690
	SEK	4,84	225.744	225.773
	CZK	2,00	40.335	39.561
	AUD	4,65	525.000	522.708
	JPY	0,13	100.000	100.922
Accrued interest and other receivables			91.633	91.633
			<u>4.387.764</u>	<u>4.402.405</u>
Current receivables due from affiliates of the Volkswagen Group	EUR	4,37	1.637.034	1.636.149
	NOK	5,66	88.935	89.134
	TRY	36,52	129.534	124.364
Accrued interest and other receivables			22.696	22.696
			<u>1.878.199</u>	<u>1.872.343</u>
Total current receivables due from Volkswagen Group companies and affiliates			<u>6.265.963</u>	<u>6.274.748</u>

6. Shareholder's equity

	<i>Issued and paid-up share capital</i>	<i>Share premium reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
	<i>EUR'000</i>	<i>EUR'000</i>	<i>EUR'000</i>	<i>EUR'000</i>
Balance as at 1 January 2023	454	1.115.000	22.675	1.138.129
Share premium contribution	-	1.472.500	-	1.472.500
Result for the year 2023	-	-	33.551	33.551
Balance as at 31 December 2023 / 1 January 2024	454	2.587.500	56.226	2.644.180
Result for the period	-	-	40.398	40.398
Balance as at 30 June 2024	454	2.587.500	96.624	2.684.578

The shareholder's equity consists of the following:

Share capital

On 30 June 2024, the authorized capital of the Company amounted to EUR 2,3 million, of which an amount of EUR 454.000 was issued and paid-up, representing 454 registered and issued shares of EUR 1.000 each. The Company has no mandatory statutory reserve.

Share premium reserve

There have been no changes to the share premium reserve for the period from 01 January to 30 June 2024.

Retained earnings

As of 30 June 2024 the total retained earnings amounts to EUR 96,62 million and the total equity amounted to EUR 2,68 billion.

7. Long-term liabilities

	30 Jun 2024	31 Dec 2023
	EUR'000	EUR'000
Bonds listed	4.614.415	4.764.005
Bonds unlisted	31.462	94.010
	<u>4.645.877</u>	<u>4.858.015</u>

The breakdown of the long-term bonds is as follows:

		Weighted average effective interest rate (%)	30 June 2024	
	Original currency		Book value	Fair value
			EUR'000	EUR'000
Maturity longer than 5 years				
Bonds listed	CHF	2,49	320.063	322.548
Maturity less than 5 years				
Bonds listed	GBP	3,79	3.355.982	3.210.997
Bonds listed	CHF	2,21	320.523	316.549
Bonds listed	SEK	4,67	237.476	238.518
Bonds listed	JPY	0,20	224.519	170.348
Bonds listed	NOK	5,30	155.852	156.549
Bonds unlisted	JPY	1,04	31.462	29.776
			<u>4.645.877</u>	<u>4.445.285</u>

The market values for the bonds are based on the prices of the Stuttgart stock exchange. In case of non-availability, the market values are determined on the basis of discounted cash flows. Credit spreads were not included in the model used to determine the market value.

The weighted average effective interest rate is calculated for the outstanding loans as per year end, taking into account the duration in the current year.

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For comparison purposes, the overview of long-term bonds as at 31 December 2023 is as follows:

	Original currency	Weighted average effective interest rate (%)	31 December 2023	
			Book value	Fair value
			EUR'000	EUR'000
Maturity longer than 5 years				
Bonds listed	GBP	5,88	344.237	358.917
Bonds listed	NOK	5,10	85.689	90.156
Maturity less than 5 years				
Bonds listed	GBP	3,08	3.785.164	3.549.698
Bonds listed	SEK	4,93	184.891	183.954
Bonds listed	JPY	0,28	364.024	319.254
Bonds unlisted	HKD	3,52	35.491	35.151
Bonds unlisted	JPY	1,04	31.462	32.599
Bonds unlisted	SEK	4,28	27.057	27.445
Total long-term bonds			4.858.015	4.597.174

The market values for the bonds are based on the prices of the Stuttgart stock exchange. In case of non-availability, the market values are determined on the basis of discounted cash flows. Credit spreads were not included in the model used to determine the market value.

The weighted average effective interest rate is calculated for the outstanding loans as per year end, taking into account the duration in the current year.

Liabilities to Volkswagen Group companies excluding interest

A breakdown of the long-term liabilities to Volkswagen Group companies is as follows:

	Original currency	Weighted average effective interest rate (%)	30 June 2024	
			Book value	Fair value
			EUR'000	EUR'000
Maturity less than 5 years				
VWGoAF	USD	1,48	419.392	438.145
Volkswagen International Estonia	EUR	0,40	50.000	47.227
			469.392	485.371

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For comparison purposes, the overview of 2023 is as follows:

			31 December 2023	
	Original currency	Weighted average effective interest rate (%)	Book value	Fair value
			EUR'000	EUR'000
Maturity less than 5 years				
VWGoAF	USD	1,48	419.392	416.021
Volkswagen International Estonia	EUR	0,36	100.000	94.071
			519.392	510.092

The movement of the borrowings and bonds (long and short-term) consists of the following:

	30 Jun 2024	31 Dec 2023
	EUR'000	EUR'000
Beginning of the period	9.107.329	9.032.788
Borrowings	724.309	3.885.985
Maturities	(2.571.468)	(3.959.665)
Interest accrued to VW Group companies	4.410	723
Interest paid to VW Group companies	(723)	(452)
FX difference on borrowings and bonds	141.430	147.950
End of the period	7.405.287	9.107.329
Long-term	5.115.269	5.377.407
Short-term	2.290.018	3.729.922

8. Current liabilities

	30 Jun 2024	31 Dec 2023
	EUR'000	EUR'000
Bonds listed	1.782.572	2.419.688
Bonds unlisted	35.494	-
	1.818.066	2.419.688

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The breakdown of the current bonds is as follows:

	Original currency	Weighted average effective interest rate (%)	30 June 2024	
			Book value	Fair value
			EUR'000	EUR'000
Maturity less than 1 year				
Bonds listed	GBP	1,63	1.298.959	1.271.123
Bonds listed	EUR	3,75	299.924	299.519
Bonds listed	JPY	0,40	139.814	116.751
Bonds listed	NOK	1,88	43.875	43.326
Bonds unlisted	HKD	3,52	35.494	36.431
Total current bonds			1.818.066	2.883.894

For comparison purposes, the overview of current bonds as at 31 December 2023 is as follows:

	Original currency	Weighted average effective interest rate (%)	31 December 2023	
			Book value	Fair value
			EUR'000	EUR'000
Maturity less than 1 year				
Bonds listed	GBP	1,86	1.264.873	1.242.498
Bonds listed	NOK	3,67	88.943	87.833
Bonds listed	SEK	4,71	225.495	225.478
Bonds listed	EUR	4,33	799.938	798.291
Bonds listed	CZK	1,71	40.439	39.633
Total current bonds			2.419.688	2.393.733

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Liabilities to Volkswagen Group companies

The breakdown of the current liabilities, including accrued interest to Volkswagen Group companies is as follows:

	Original currency	Weighted average effective interest rate (%)	30 June 2024	
			Book value	Fair value
			EUR'000	EUR'000
Volkswagen International Estonia	EUR	2,47	250.000	247.277
Accrued interest			4.410	4.410
			<u>254.410</u>	<u>251.687</u>

For comparison purposes, the overview of current liabilities, including accrued interest to Volkswagen Group companies as at 31 December 2023 is as follows:

	Original currency	Weighted average effective interest rate (%)	31 December 2023	
			Book value	Fair value
			EUR'000	EUR'000
FSAG	EUR	0,96	60.400	60.389
Volkswagen International Estonia	EUR	2,31	200.000	197.285
Accrued interest			723	723
			<u>261.123</u>	<u>258.397</u>

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Commercial papers

A breakdown of the current liabilities from issued commercial paper is as follows:

	Original currency	Weighted average effective interest rate (%)	30 June 2024	
			Book value	Fair value
			EUR'000	EUR'000
Average term 5 months				
Commercial Papers	EUR	4,23	217.542	211.030
Total commercial papers			217.542	211.030

For comparison, the overview of 2023:

	Original currency	Weighted average effective interest rate (%)	31 December 2023	
			Book value	Fair value
			EUR'000	EUR'000
Average term 5 months				
Commercial Papers	EUR	4,08	1.048.313	1.031.208
Total commercial papers			1.048.313	1.031.208

9. Financial instruments

The company uses derivatives to manage interest and FX exposures that arise as result of mismatches between the loans issued in the capital markets and loans issued to VWAG Group companies and affiliates. On this basis the fair value changes in derivatives are primarily driven by changes in the applicable currencies and related interest curves. The main currencies and interest zones applicable are GBP and USD as well as NOK, SEK, PLN and JPY.

The company applies hedge accounting for all derivatives except for short-term FX forwards relating to interest positions. The current hedges are all 100% effective during the year.

The financial instruments of the Company had the following notional amounts:

	Up to 1 year	1 to 5 years	More than 5 years	Total
	EUR'000	EUR'000	EUR'000	EUR'000
30 June 2024				
Interest rate swaps	1.321.011	2.862.263	-	4.183.274
Cross currency Interest rate swaps	442.596	1.571.455	311.656	2.325.707
Foreign exchange contracts	154.613	15.918	-	170.531
Total notional amounts	1.918.220	4.449.636	311.656	6.679.512
31 December 2023				
Interest rate swaps	1.299.912	2.846.066	345.185	4.491.163
Cross currency Interest rate swaps	76.604	1.067.515	88.961	1.233.080
Foreign exchange contracts	1.305.452	19.510	321	1.325.283
Total notional amounts	2.681.968	3.933.091	434.467	7.049.526

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The financial instruments of the Company had the following positive or negative fair values. The values are shown as Dirty Prices, i.e. including accrued interest.

	Interest rate swaps	Cross currency Interest rate swaps	Foreign exchange contracts	Total
	EUR'000	EUR'000	EUR'000	EUR'000
30 June 2024				
Positive fair value	11.638	4.895	20	16.553
Negative fair value	(207.431)	(128.434)	(928)	(336.793)
Total market value	(195.793)	(123.539)	(908)	(320.240)
31 December 2023				
Positive fair value	18.099	3.290	5.456	26.845
Negative fair value	(207.818)	(82.373)	(12.184)	(302.375)
Total market value	(189.719)	(79.083)	(6.728)	(275.530)

10. Post balance sheet events

No post balance sheet events that require disclosure nor adjustment have occurred.

11. Members of Management Board and Supervisory Board

Management Board:

- Christopher R. Norrod, Amsterdam

In line with the exemption provided in article 2:383 of the Dutch civil code, no information is disclosed with respect to the remuneration of the management.

Supervisory Board:

- Frank Fiedler, Braunschweig (Chairman)
- Roman Rosenberg, Magdeburg

The members of the Supervisory Board receive a fixed fee for all their supervisory board mandates within the Volkswagen Group from FSAG.

Amsterdam, 09 August 2024

Volkswagen Financial Services N.V.
The Management Board

Other information

Profit appropriation according to the Articles of Association

The Company's Articles of Association provide that appropriation of accrued profit is subject to the decision of the shareholders at the general meeting of shareholders. The Company can only make distributions to the shareholders and other persons entitled up to an amount, which does not exceed the amount of the distributable reserves. The general meeting may resolve to pay dividends from legally distributable reserves.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim financial statements prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code, give a true and fair view of the assets, liabilities, financial positions and profit or loss of the company, and the interim management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the material opportunities and risks associated with the expected development of the company for the remaining months of the fiscal year.

Amsterdam, 09 August 2024

Original has been signed by
Christopher R. Norrod, Managing Director