

# VOLKSWAGEN LEASING

G M B H

HALF-YEARLY FINANCIAL REPORT

JANUARY – JUNE

*2021*

# Key Figures

€ million	June 30, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Lease assets	38,122	36,033	31,960	27,739	26,049
Total assets	48,501	43,127	39,106	37,486	32,218

€ million	H1 2021	H1 2020	H1 2019	H1 2018	H1 2017
Investments in lease assets	10,841	8,625	10,224	8,393	8,422
Leasing income	10,749	9,583	9,464	8,734	8,040

in thousand vehicles	H1 2021	H1 2020	H1 2019	H1 2018	H1 2017
New contracts	361	304	381	326	325
Current contracts	1,792	1,582	1,593	1,449	1,349

The figures for the MAN Financial Services branch are not included in the prior-year comparative figures as of June 30, 2020.

# Report on Economic Position

## COVID-19 PANDEMIC

At the end of 2019, initial cases of a potentially fatal respiratory disease became known in China. This disease is attributable to a novel virus belonging to the coronavirus family. Infections also appeared outside China from mid-January 2020. The number of people infected rose very rapidly in the course of 2020, albeit with differences in timing and regional spread. Around the world, measures were taken and adapted at national level and with varying levels of intensity based on the situation. However, these ultimately failed to bring the spread of the SARS-CoV-2 virus under control. In addition, aid packages to support the economy were agreed by the European Commission and by numerous governments in Europe and other regions, and economic stimulus measures were introduced to counter the pandemic's impact. Throughout the whole of 2020, the global spread of the SARS-CoV-2 virus brought enormous disruption to all areas of everyday life and the economy.

The mostly dynamic increase in the rate of infection continued in many places throughout the first quarter of 2021. This was accompanied by ongoing disruption – such as contact and mobility restrictions or limitations on business activities – in many parts of the world. With the increased availability of testing capacities and vaccines, some countries have permitted the extensive reopening of everyday life and the economy. In China in particular, the measures taken have resulted in a removal of restrictions. In most of the world, infection rates declined in the second quarter of 2021, leading to a further easing of the measures taken to contain the pandemic. However, some countries in South and Central America, Asia and Europe recorded a new rise in infections, which was primarily due to new variants of the SARS-CoV-2 virus. Some restrictions returned in response to the situation.

## GENERAL ECONOMIC DEVELOPMENT

The global spread of the SARS-CoV-2 virus and the associated restrictions continued in the first half of 2021 to varying degrees. The progress made by many countries in administering vaccines to their populations had a positive effect, while the emergence of new variants of the virus led to a renewed rise in infections at a national level. Compared with the prior-year period, the global economy recorded positive growth. In both the advanced economies and the emerging markets, the average rate of expansion of gross domestic product (GDP) was far higher than the negative growth seen in the first half of 2020. At a national level, performance during the reporting period was in part dependent on the extent to which the negative impacts of the Covid-19 pandemic were already materializing and the degree of intensity applied to the

measures taken to contain the spread. The governments and central banks of numerous countries around the world continued to maintain their expansive fiscal and monetary policy measures. Interest rates remained relatively low. On average, prices for energy and other commodities rose significantly compared with the prior-year period. Global trade in goods increased in the reporting period.

The economies of Western Europe recorded markedly positive growth overall from January to June 2021 compared with the prior-year period. This trend was seen in nearly all countries in Northern and Southern Europe due among other things to falling infection rates in many countries during the second quarter, which led to the relaxing of measures to contain the pandemic.

On the whole, Germany reported a positive growth rate over the reporting period. The unemployment rate rose slightly compared with the prior-year period, while the number of employees affected by short-time working (Kurzarbeit) remained high. Confidence in the industrial and service sectors rose on average, consumer confidence was slightly above the level for the same period of the previous year.

## TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

Automotive financial services enjoyed a high level of demand in the first half of 2021. This was attributable to a number of factors, notably the persistently low key interest rates in the main currency areas. Nevertheless, the Covid-19 pandemic exerted downward pressure on demand for financial services in virtually every region.

The European passenger car market continued to be affected by the ramifications of the Covid-19 pandemic in the reporting period, although vehicle deliveries sharply exceeded those of the prior-year period, which had been weak because of the pandemic. Demand for financing agreements and leases for new vehicles was also higher than in the equivalent 2020 period, but there was nevertheless a year-on-year fall in the proportion of total sales accounted for by these contracts.

Also in Germany, the financial services business continued to be impacted by the pandemic. Nevertheless, more leases were signed with private and fleet customers in the first half of 2021. The number of new financing agreements in respect of new and used vehicles fell below the level in the prior-year period, although the used vehicle business registered an uptrend, particularly in the second quarter.

In the first half of 2021, the commercial vehicles market – which had been sharply impacted by the Covid-19 pandemic in the previous year – benefited from a recovery compared with the equivalent period in the previous year, primarily on

the back of growth in demand for heavy-duty commercial vehicles.

#### TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

Between January and June 2021, global demand for passenger cars rose sharply on the whole compared with the weak level recorded in the prior-year period (+29.1%). However, the growth was uneven owing to the effects of the Covid-19 pandemic, which varied strongly from region to region both in the first six months of 2020 and in 2021. The overall markets of the South America and Africa regions recorded above-average growth. The increases in Western Europe, Central and Eastern Europe, North America and Asia-Pacific were roughly in line with the global average.

Global demand for light commercial vehicles between January and June 2021 was up significantly on the prior-year level.

In Western Europe, demand for passenger cars in the reporting period was up sharply on the previous year. The continuing restrictions aimed at containing the Covid-19 pandemic led to a year-on-year decline in deliveries in the first two months of 2021. From March onwards, demand in the individual months exceeded that of the previous year, which had been affected by the pandemic as of the last third of the first quarter and particularly in the second quarter of 2020. The performance of the large individual passenger car markets was positive without exception: from January to June 2021, new registrations of passenger cars in France, the United Kingdom, Italy and Spain recorded above-average double-digit growth rates.

In the first half of 2021, the volume of new registrations of light commercial vehicles in Western Europe was much higher than the prior-year figure.

Demand for passenger cars in Germany rose significantly between January and June 2021. In addition to the effects of the Covid-19 pandemic, early purchases in the fourth quarter of 2020 in anticipation of the expiry of the temporary reduction in value-added tax (VAT) led to a lower volume of new registrations in the first few months of the reporting period.

Demand for light commercial vehicles in Germany in the reporting period was substantially higher than in the same period of 2020.

#### TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

In the markets that are relevant for the Volkswagen Group, global demand for mid-sized and heavy trucks with a gross weight of more than six tonnes was much higher in the reporting period compared with the prior year. Compared with the previous year, which had been adversely affected by the Covid-19 pandemic, a recovery of the truck markets could be observed worldwide.

Demand in the 27 EU states excluding Malta, but plus the United Kingdom, Norway and Switzerland (EU27+3), was also up sharply on the previous year's level in the first half of 2021. Growth could be observed in almost all truck markets in the region. Poland saw demand virtually double, while the

UK recorded growth of more than 40%. France and Germany also saw an appreciable rise in demand.

In the first six months of 2021, there was noticeable growth in demand overall in the bus markets that are relevant for the Volkswagen Group compared with the same period of the prior year. Between January and June 2021, demand for buses in the EU27+3 markets was unchanged on the weak level of the previous year. As a consequence of the Covid-19 pandemic, demand for coaches in particular was still virtually non-existent in any of the bus markets that are relevant for the Volkswagen Group.

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

Volkswagen Leasing GmbH found itself in a very tough business environment in the first half of 2021 as a consequence of the challenges presented by the Covid-19 crisis. Taking into account the prevalent conditions, the Management Board believes that the Company has performed successfully over the year to date. On August 31, 2020, MAN Financial Services GmbH, Munich, was merged into Volkswagen Leasing GmbH with retroactive effect as from January 1, 2020. It is therefore only possible to make limited comparisons with the prior-year period.

At 1,792 thousand units, the volume of existing contracts was up markedly on the 1,582 units as of June 30, 2020 (of which MAN FS branch, Munich: 42 thousand units).

The penetration rate based on all new Volkswagen Bank GmbH and Volkswagen Leasing GmbH financing and leasing contracts in the German market amounted to 66.7% and was up slightly on the prior-year penetration rate (December 31, 2020: 64.4%). The trend toward the use of automotive financial services is being sustained.

#### INTERNAL MANAGEMENT

Volkswagen Leasing GmbH is included in Volkswagen Financial Services AG's consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs). The internal management of the companies in the group is therefore based on IFRS figures. For further information please refer to the disclosures in the management report of Volkswagen Leasing GmbH for the year ended December 31, 2020.

#### RESULTS OF OPERATIONS

The disclosures on the results of operations relate to the changes compared with the corresponding prior-year period. Due to the merger, on August 31, 2020, of MAN Financial Services GmbH, Munich, into Volkswagen Leasing GmbH, which was completed with retroactive effect as from January 1, 2020, only limited comparisons with the prior-year period are possible.

In the first half of 2021, leasing income rose by €1.1 billion to €10.7 billion. The increase in income is mainly due to a rise of €0.6 billion in income from sales of used vehicles and of €0.4 billion in income from ongoing lease

installments. Year-on-year growth of €0.1 billion in subsidies and of €0.2 billion in other leasing income was offset by a €0.2 billion decline in income from maintenance and service contracts.

The larger portfolio of leases will increase revenue in the coming years.

Expenses from the leasing business amounted to €5.6 billion, a year-on-year increase of €0.5 billion. This item mainly consists of the residual carrying amounts of re-marketed vehicles and the expenses from service leasing.

Depreciation and write-downs of lease assets rose to €4.3 billion (previous year: €3.7 billion). The interest expense for the funding of the leasing business saw a year-on-year increase of €35 million to €276 million.

The loss from ordinary business activities improved very significantly in the first six months of 2021 compared with the prior-year period, up €26 million to €118 million. The IFRS operating result of Volkswagen Leasing GmbH for the German market stood at €176 million (previous year: €3 million). The MAN Financial Services branch in Munich contributed to this result in an amount of €29 million.

#### NET ASSETS AND FINANCIAL POSITION

The disclosures on net assets and financial position relate to the changes compared with the balance sheet date of December 31, 2020.

Volkswagen Leasing GmbH continued to expand its business activities in the first half of 2021. The gross carrying amount of lease assets increased from €48.8 billion to €51.8 billion. At

€38.1 billion, the net carrying amount was also above the prior-year figure (December 31, 2020: €36.0 billion).

The portfolio of leased vehicles increased compared with the reporting date of December 31, 2020, from 1,721 thousand units to 1,792 thousand units. Of this total, approximately 81 thousand vehicles were attributable to the Italian branch in Milan and approximately 42 thousand vehicles to the MAN FS branch, Munich. The increase in the portfolio was the net effect from the addition of 361 thousand new units and the disposal of 290 thousand vehicles in the first six months of 2021.

The Company is funded largely through bonds issued by Volkswagen Leasing GmbH and loans from affiliated companies. As of the end of June 2021, the volume of bonds issued amounted to €18.4 billion (December 31, 2020: €13.4 billion). Loans from affiliated companies amounted to €9.7 billion as of June 30, 2021 compared with €9.6 billion as of December 31, 2020.

In addition, the Company has currently placed eight asset-backed security (ABS) transactions on the market to fund its leasing business. As of June 30, 2021, the volume of future lease receivables sold amounted to €4.7 billion (December 31, 2020: €4.9 billion). The volume of future lease residual values sold amounted to €9.9 billion as of June 30, 2021 (December 31, 2020: €10.1 billion).

This package of measures ensured that Volkswagen Leasing GmbH had adequate liquidity at all times during the first six months of 2021. Volkswagen Leasing GmbH has a sound liquidity base.

# Report on Opportunities and Risks

## REPORT ON OPPORTUNITIES

### Macroeconomic opportunities

The Management Board of Volkswagen Leasing GmbH anticipates that deliveries to Volkswagen Group customers will be noticeable up on the previous year in 2021, assuming that containment of the Covid-19 pandemic is successful. Volkswagen Leasing GmbH supports this positive trend by providing financial services products designed to promote sales. The risk of bottlenecks and disruptions in the supply of semiconductor components has intensified across the entire industry. The adverse impact expected as a result is more likely to affect the second half of the year, prompting us to lower our forecast for deliveries to customers.

Overall, growth in the global economy depends on how the Covid-19 pandemic develops. However, diminished rates of global economic growth or a period of temporary below-average growth rates cannot be ruled out. In this regard, particular attention needs to be paid to the expiry of government support measures and the economic consequences of the action implemented to contain the pandemic. The macroeconomic environment could also give rise to opportunities for Volkswagen Leasing GmbH if actual trends turn out to be better than the forecast.

### Strategic opportunities

Volkswagen Leasing GmbH believes that developing innovative products tailored to customers' changing mobility re-

quirements (parking, payment, electric mobility) offers additional opportunities. Growth areas such as new mobility products and service offerings are being systematically leveraged and expanded. Further opportunities may be created by launching established products in markets where these products have not previously been offered.

The digitalization of its business represents a significant opportunity for Volkswagen Leasing GmbH. By expanding digital sales channels, the Company is addressing the changing needs of its customers and strengthening its competitive position.

## RISK REPORT

Credit risk, residual value risk and earnings risk at Volkswagen Leasing GmbH continue to be affected by the Covid-19 pandemic and its economic consequences. The overall risk situation has, however, remained stable to date. The risk-minimizing measures to cushion the effects remain in place. The risk trend continues to be very closely monitored.

The definition of default laid down in the CRR was implemented in the first quarter of 2021. Other than the above, there were no material changes to the details set out in the report on opportunities and risks in the 2020 Annual Report.

# Human Resources Report

The structure of the German legal entities in the Volkswagen Financial Services AG Group is such that the employees of Volkswagen Financial Services AG may be assigned to carry out their duties in the subsidiaries. As a result of this structure, 998 employees of Volkswagen Financial Services AG were assigned to the units of Volkswagen Leasing GmbH under staff leasing arrangements as of June 30, 2021 (December 31, 2020: 1,017).

Because of local legal requirements, employees of the Italian branches in Milan and Verona continue to hold employment contracts directly with Volkswagen Leasing GmbH. Currently, 69 people are employed in those branches (December 31, 2020: 63).

# Report on Expected Developments

The Management Board of Volkswagen Leasing GmbH anticipates that global economic output will recover overall in 2021, provided lasting containment of the Covid-19 pandemic is achieved. This growth will most likely be sufficient for the economy to exceed its pre-pandemic level. The Company still believes that risks will arise from protectionist tendencies, turmoil in financial markets and structural deficits in individual countries. In addition, growth prospects will be negatively impacted by ongoing geopolitical tensions and conflicts. The Company anticipates that both the advanced economies and the emerging markets will experience positive momentum.

It is expected that trends in the markets for passenger cars in the individual regions will be mixed in 2021. Overall, the volume of demand worldwide for new vehicles is expected to be noticeably up on the previous year, but will not reach the pre-pandemic level, provided successful containment of the Covid-19 pandemic is achieved. For 2021, Volkswagen Leasing GmbH anticipates that the volume of new passenger car registrations in Western Europe will be noticeably above that recorded in the previous year. In the German passenger car market, a moderate increase in demand is expected in 2021.

Trends in the markets for light commercial vehicles in the individual regions will also be mixed in 2021; on the whole, the Company anticipates a moderate rise in demand for 2021, assuming that containment of the Covid-19 pandemic is successful.

For 2021, a substantially positive development in new registrations for mid-sized and heavy trucks with a gross weight of more than six tonnes compared with the previous year in the markets that are relevant for the Volkswagen Group is expected. In the bus markets relevant for the

Volkswagen Group, a moderate increase in overall demand for 2021 is likely.

The Company anticipates that automotive financial services will prove highly important to global vehicle sales in 2021, particularly in the context of the ongoing challenges posed by the Covid-19 pandemic.

In the German market and for the Volkswagen Leasing GmbH legal entity overall, the Management Board anticipates for fiscal year 2021 an IFRS operating result on a level with the previous year.

Despite the persistent challenges presented by the Covid-19 crisis, the volume of existing contracts at Volkswagen Leasing GmbH is expected to be markedly above the prior-year level. The penetration rate is anticipated to be slightly down on the prior-year figure. The Management Board of Volkswagen Leasing GmbH expects deliveries to customers of the Volkswagen Group to be significantly above those in the prior-year period.

For Italy, the Management Board anticipates a very significant year-on-year rise in the number of new contracts in the leasing business and in the insurance/service business. The volume of existing contracts in the leasing business and of insurance/service contracts is also set to increase very significantly. A moderate year-on-year rise in the penetration rate is anticipated. The IFRS operating result is projected to be very significantly above the prior-year figure.

This report contains forward-looking statements on the future business development of Volkswagen Leasing GmbH. These statements are based on assumptions relating to the development of the economic and legal environment in individual countries and economic regions in terms of the global economy and of the financial and automotive markets, which Volkswagen Leasing GmbH has made on the basis of the available information and which the Company currently considers to be realistic. The estimates given entail a degree of risk, and the actual developments may differ from those forecast. Any unexpected fall in demand or economic stagnation in the key sales markets of the Volkswagen Group will have a corresponding impact on the development of the business.

The same applies should the actual effects of the Covid-19 pandemic differ from the scenario assumed in this report. In addition, expected business development may vary if the assessments of the key performance indicators and of risks and opportunities presented in the 2020 Annual Report develop differently to the Company's current expectations, or additional risks and opportunities or other factors emerge that affect the development of its business.

# Balance Sheet

of Volkswagen Leasing GmbH, Braunschweig, as of June 30, 2021

€ thousand	June 30, 2021	Dec. 31, 2020
<b>Assets</b>		
1. Loans to and receivables from banks		
b) From other activities		
aa) Repayable on demand	2,215,420	150,012
	2,215,420	150,012
2. Loans to and receivables from customers		
a) From payment services	0	0
aa) From fees and commissions	384	337
b) From other activities	6,275,259	5,052,460
	6,275,643	5,052,797
3. Lease assets		
aa) From other activities	38,121,794	36,033,215
4. Intangible assets		
a) Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	1,727	2,430
	1,727	2,430
5. Property and equipment		
a) Land and buildings		
ab) From other activities	33,631	34,458
b) Operating and office equipment		
ab) From other activities	1,081	1,267
	34,712	35,725
6. Other assets		
b) From other activities	1,194,078	1,161,632
7. Prepaid expenses		
b) From other activities	657,126	690,076
8. Excess of plan assets over pension liability	800	800
<b>Total assets</b>	<b>48,501,300</b>	<b>43,126,687</b>

€ thousand	June 30, 2021	Dec. 31, 2020
<b>Equity and liabilities</b>		
1. Liabilities to banks		
b) From other activities		
a) Repayable on demand	91	141
	91	141
2. Liabilities to customers		
b) From other activities	19,387,378	19,710,437
3. Notes, commercial paper issued		
a) Bonds issued	16,564,786	12,095,215
b) Commercial paper	1,873,198	1,257,992
	18,437,984	13,353,207
4. Other liabilities		
b) From other activities	760,169	632,975
5. Deferred income		
b) From other activities	8,888,688	8,279,564
6. Provisions		
a) Provisions for pensions and other post-employment benefits		
bb) From other activities	1,076	1,070
b) Provisions for taxes		
bb) From other activities	9,292	1,682
c) Other provisions		
bb) From other activities	882,791	869,957
	893,159	872,709
7. Special tax-allowable reserve	913	942
8. Fund for general banking risks	6,000	6,000
9. Equity		
a) Subscribed capital	76,004	76,004
b) Capital reserves	194,059	194,059
c) Net retained losses (previous year: net accumulated profits)	-143,145	649
	126,918	270,712
<b>Total equity and liabilities</b>	<b>48,501,300</b>	<b>43,126,687</b>
<b>1. Contingent liabilities</b>		
Liability arising from the provision of collateral for third-party liabilities	66,703	55,243
<b>2. Other obligations</b>		
Irrevocable leasing commitments	5,008,557	3,987,648

# Income Statement

of Volkswagen Leasing GmbH, Braunschweig, for the period January 1 to June 30, 2021

€ thousand	Jan. 1 – June 30, 2021	Jan. 1 – June 30, 2020 <sup>1</sup>
1. Leasing income	10,749,456	9,583,115
2. Leasing expenses	5,646,155	5,127,573
	5,103,301	4,455,542
3. Interest income from lending and money market transactions		
b) From other activities		
aa) Lending and money market transactions	23,205	4,841
4. Interest expense		
b) From other activities	276,226	241,315
	-253,021	-236,474
5. Fee and commission income		
a) From payment services and the issuance of e-money	88	146
b) From other activities	84,129	65,830
6. Fee and commission expenses		
b) From other activities	386,310	289,890
	-302,093	-223,914
7. Other operating income		
b) From other activities	113,798	99,442
8. Income from the reversal of special tax-allowable reserves	29	29
9. General and administrative expenses		
a) From payment services and the issuance of e-money		
bb) Other administrative expenses	152	1,445
b) From other activities		
aa) Personnel expenses	3,006	2,850
aaa) Wages and salaries	0	0
bbb) Social security, post-employment and other employee benefit costs of which: for post-employment benefits €22 thousand	855	855
	4,013	5,150
bb) Other administrative expenses	293,296	271,744
	297,309	276,894
10. Depreciation, amortization and write-downs		
a) Depreciation and write-downs of lease assets		
ab) From other activities	4,267,474	3,721,292
b) Amortization and write-downs of intangible fixed assets, and depreciation and write-downs of property and equipment		
bb) From other activities	1,676	1,607
	4,269,150	3,722,899
11. Other operating expenses		
b) From other activities	20,480	9,366
12. Write-downs of and valuation allowances on receivables and additions to provisions in the leasing business		
b) From other activities	322,910	286,439
13. Income from the reversal of write-downs of and valuation allowances on receivables and from the reversal of provisions in the leasing business		

b) From other activities	129,647	57,393
<b>14. Result from ordinary business activities</b>	<b>-118,188</b>	<b>-143,580</b>
a) From payment services and the issuance of e-money	-64	-1,299
b) From other activities	-118,124	-142,281
<b>15. Income tax expense</b>	<b>25,606</b>	<b>5,922</b>
a) From payment services and the issuance of e-money	-19	-390
b) From other activities	25,625	6,312
<b>16. Net loss for the year</b>	<b>-143,794</b>	<b>-149,502</b>
<b>17. Retained profits brought forward</b>	<b>649</b>	<b>649</b>
<b>18. Net retained losses</b>	<b>-143,145</b>	<b>-148,853</b>

1 The figures for the MAN Financial Services branch are not included in the prior-year comparative figures. The main figures for the branch as of June 30, 2020 were: Net leasing income €169,133 thousand, net interest income €11,943 thousand, general and administrative expenses €13,934 thousand, depreciation, amortization and write-downs €146,704 thousand, profit from ordinary business activities €13,651 thousand, net profit for the year €9,279 thousand.

# Notes

to the Half-Yearly Financial Statements of Volkswagen Leasing GmbH, Braunschweig, for the period ended June 30, 2021

## General Information

The 2020 annual financial statements of Volkswagen Leasing GmbH have been prepared in accordance with the provisions of the Handelsgesetzbuch (HGB – German Commercial Code) and the Verordnung über die Rechnungslegung der Kreditinstitute (RechKredV – German Bank Accounting Regulation) as well as the additional disclosures required under the Verordnung über die Rechnungslegung der Zahlungsinstitute und E-Geld-Institute (RechZahlV – German Regulation on the Accounting of Payment Institutions and E-Money Institutions). These interim financial statements have also been prepared on the same basis. These interim financial statements have not been reviewed by an auditor.

## Accounting Policies

The same accounting policies as those applied in the 2020 annual financial statements have generally been used in the preparation of the interim financial statements and in the calculation of the prior-year comparative figures. A detailed description of these policies was published in the notes to the annual financial statements in the 2020 Annual Report.

The comparative figures as of June 30, 2020 and the “of which” details as of June 30, 2020 do not yet include the figures for the MAN Financial Services branch. If material, these figures are disclosed beneath the breakdown concerned.

### CHANGES IN FIXED ASSETS OF VOLKSWAGEN LEASING GMBH IN THE PERIOD JANUARY 1 TO JUNE 30, 2021

€ thousand	Net carrying amount as of Jan. 1, 2021	Additions	Disposals/other changes	Depreciation, amortization and write-downs	Net carrying amount as of June 30, 2021
<b>I. Intangible assets</b>					
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	2,431	0	0	704	1,727
Prepayments	0	0	0	0	0
	<b>2,431</b>	<b>0</b>	<b>0</b>	<b>704</b>	<b>1,727</b>
<b>II. Property and equipment</b>					
Land and buildings	34,460	67	37	858	33,632
Operating and office equipment	1,266	9	152	42	1,081
Assets under construction	0	0	0	0	0
	<b>35,726</b>	<b>76</b>	<b>189</b>	<b>900</b>	<b>34,713</b>
<b>III. Lease assets</b>					
Vehicles, technical equipment and machinery	35,912,766	10,819,499	7,782,614	829,500	38,120,151
Prepayments	120,447	21,780	140,586	0	1,641
	<b>36,033,213</b>	<b>10,841,279</b>	<b>7,923,200</b>	<b>829,500</b>	<b>38,121,792</b>
<b>Total fixed assets</b>	<b>36,071,370</b>	<b>10,841,355</b>	<b>7,923,389</b>	<b>831,104</b>	<b>38,158,232</b>

## THE BREAKDOWN OF RECEIVABLES FROM BANKS IS AS FOLLOWS:

€ thousand	June 30, 2021	Dec. 31, 2020
1. Loans to and receivables from banks	2,215,420	150,012
(of which: to affiliated companies €2,215,172 thousand; previous year: €149,070 thousand)		
(of which: trade receivables €2,707 thousand; previous year: €420 thousand)		
<b>Total</b>	<b>2,215,420</b>	<b>150,012</b>

## THE BREAKDOWN OF RECEIVABLES FROM CUSTOMERS IS AS FOLLOWS

€ thousand	June 30, 2021	Dec. 31, 2020
1. Trade receivables	1,421,392	1,305,204
2. Receivables from affiliated companies	4,841,343	3,737,978
(of which: to the shareholder €2,201,386 thousand; previous year: €1,030,352 thousand)		
(of which: trade receivables €140,042 thousand; previous year: €209,236 thousand)		
3. Other receivables	12,909	9,615
<b>Total</b>	<b>6,275,644</b>	<b>5,052,797</b>

## THE BREAKDOWN OF LIABILITIES IS AS FOLLOWS

€ thousand	June 30, 2021	Dec. 31, 2020
1. Liabilities to banks	91	141
(of which: to affiliated companies €0 thousand; previous year: €0 thousand)		
2. Liabilities to customers	19,387,378	19,710,437
(of which: to affiliated companies €10,065,648 thousand; previous year: €10,011,878 thousand)		
(of which: to the shareholder €5,150,631 thousand; previous year: €5,014,883 thousand)		
(of which: trade receivables €403,456 thousand; previous year: €490,859 thousand)		
3. Notes, commercial paper issued	18,437,984	13,353,207
4. Other liabilities	760,169	632,975
<b>Total</b>	<b>38,585,622</b>	<b>33,696,760</b>

## THE BREAKDOWN OF NET INTEREST INCOME/EXPENSES IS AS FOLLOWS:

€ thousand	Jan. 1 – June 30, 2021	Jan. 1 – June 30, 2020 <sup>1</sup>
1. Interest income from lending and money market transactions (of which: to affiliated companies €4,046 thousand; previous year: €3,290 thousand)	23,205	4,841
2. Interest expense (of which: to affiliated companies €37,956 thousand; previous year: €23,451 thousand)	276,227	241,315
<b>Total</b>	<b>-253,022</b>	<b>-236,474</b>

1 As of June 30, 2020, the net interest income of the MAN Financial Services branch amounted to €11,943 thousand.

## BREAKDOWN OF INCOME BY REGION

€ thousand			JAN. 1 – JUNE 30, 2021	JAN. 1 – JUNE 30, 2020 <sup>1</sup>
	Germany	Italy	Total	Total
1. Leasing income				
Lease payments	3,560,346	172,697	3,733,043	3,285,869
Maintenance and service income	429,652	124,481	554,133	791,956
Used vehicle sales	5,412,920	133,017	5,545,937	4,977,315
Other	900,919	15,424	916,343	527,975
	10,303,837	445,619	10,749,456	9,583,115
3. Interest income from lending and money market transactions	23,179	26	23,205	4,841
5. Fee and commission income	84,217	-	84,217	65,976
7. Other operating income	112,473	1,325	113,798	99,442
8. Income from the reversal of special tax-allowable reserves	29	-	29	29
13. Income from the reversal of write-downs of and valuation allowances on receivables and from the reversal of provisions in the leasing business	71,724	57,923	129,647	57,393
<b>Total</b>	<b>10,595,459</b>	<b>504,893</b>	<b>11,100,352</b>	<b>9,810,796</b>

1 As of June 30, 2020, leasing income of the MAN Financial Services branch amounted to €475,670 thousand and its total income to €494,019 thousand.

## Report on Post-Balance Sheet Date Events

Other than the items described above, there were no significant events after the balance sheet date of this half-yearly financial report (June 30, 2021).

## The Management Board of Volkswagen Leasing GmbH

Members of the Management Board as of June 30, 2021

### **JENS LEGENBAUER**

Chairman of the Management Board  
Corporate Management of Volkswagen Leasing GmbH  
Front Office, Volkswagen Leasing GmbH

### **HENDRIK EGGERS**

Back Office, Volkswagen Leasing GmbH

### **FRANK CZARNETZKI**

Front Office, MAN Financial Services

## Audit Committee of Volkswagen Leasing GmbH

The members of the Audit Committee of Volkswagen Leasing GmbH are as follows:

### **WERNER FLÜGGE**

Chairman  
German public auditor, tax consultant, managing shareholder of Gehrke Econ GmbH WPG

### **HELMUT STREIFF**

Deputy Chairman  
Managing Director of Streiff Holding GmbH & Co. KG

### **FRANK FIEDLER**

Member of the Board of Management of Volkswagen Financial Services AG  
Finance and Purchasing division

Braunschweig, July 23, 2021

Volkswagen Leasing GmbH  
The Management Board

## Responsibility Statement

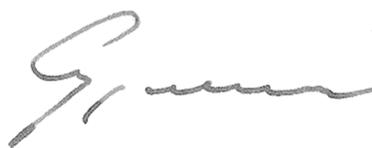
To the best of our knowledge, and in accordance with the applicable reporting principles, the interim financial statements of Volkswagen Leasing GmbH give a true and fair view of the assets, liabilities, financial position and profit or loss of Volkswagen Leasing GmbH; the management report includes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

Braunschweig, July 23, 2021

Volkswagen Leasing GmbH  
The Management Board



Jens Legenbauer



Hendrik Eggers



Frank Czarnetzki

**PUBLISHED BY**

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This half-yearly financial report is also available in German at <https://www.vwfs.com/hjbleasing21>.

## **VOLKSWAGEN LEASING GMBH**

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