

Volkswagen Financial Services Overseas **Aktiengesellschaft**

(formerly: Volkswagen Financial Services Aktiengesellschaft)

HALF-YEARLY FINANCIAL REPORT

JANUARY – JUNE

2025

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Key Figures

VOLKSWAGEN FINANCIAL SERVICES OVERSEAS AG

€ million	June 30, 2025	Dec. 31, 2024
Total assets	29,860	31,378
Loans to and receivables from customers attributable to		
Retail financing	18,031	19,125
Dealer financing	4,126	4,421
Leasing business	1,155	1,124
Lease assets	2,583	2,455
Equity	3,795	3,990

€ million	H1 2025	H1 2024 ¹
Operating result	221	188
Profit before tax	233	157
Profit after tax	144	500

1 Prior-year changes as explained for the corrected recognition of provisions for Time Assets under "Changes to figures for the prior-year comparative period"

Percent	June 30, 2025	Dec. 31, 2024
Equity ratio ¹	12.7	12.7

1 Equity divided by total assets

Headcount	June 30, 2025	Dec. 31, 2024
Employees	2,977	2,930
Germany	46	48
International	2,931	2,882

RATING (AS OF JUNE 30)	STANDARD & POOR'S			MOODY'S INVESTORSSERVICE			FITCH RATINGS		
	Short-term	Long-term	Outlook	Short-term	Long-term	Outlook	Short-term	Long-term	Outlook
Volkswagen Financial Services Overseas AG	A-2	BBB+	stable	P-2	Baa1	stable	F1	A-	negative

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

Report on Economic Position

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

Implementation of the restructuring program as of July 1, 2024 has led to significant changes in the key performance indicators and the items of the income statement and balance sheet. The following disclosures on differences compared with the prior year relate to the change in the amounts of key performance indicators and of performance indicators in the balance sheet and income statement for the continuing operations of Volkswagen Financial Services Overseas AG.

Compared with 2024, the new business of Volkswagen Financial Services Overseas AG developed dynamically overall and increased sharply compared with the first half of 2024.

The business volume of Volkswagen Financial Services Overseas AG in the first half of fiscal year 2025 was noticeably lower than at year-end 2024, mainly due to negative currency translation effects.

The share of financed and leased new vehicles in the Group's deliveries to customers (penetration) stood at 15.1 (13.5) % at the end of the first half of the year.

The money and capital market rates relevant for funding decreased in the first half of 2025. Risk premiums (spreads) eased slightly overall, but were volatile during the first half of the year due to the current discussions in the entire automotive sector.

In the first half of fiscal year 2025, the volume of loans and receivables in the Group was moderately below the level of the prior fiscal year-end, while the provision for credit risks was noticeably higher.

The portfolio growth (units) in the residual value portfolio in the Group was tangibly higher than at the end of the previous fiscal year, largely driven by the Brazilian market. This was accompanied by a significant reduction in residual value risks, which is reflected in the provision level.

The individual trends continue to be closely monitored.

At €221 million, the operating result in the first half of fiscal year 2025 was significantly above the level of the prior-year period.

The Board of Management of Volkswagen Financial Services Overseas AG considers the course of business so far in 2025 to have been positive, despite the general market environment.

GENERAL ECONOMIC DEVELOPMENT

The global economy as a whole remained on a growth path in the first half of 2025, showing momentum on a par with the year before. In comparison, the group of emerging markets recorded a somewhat stronger increase in the growth rate, while growth in the advanced economies tapered off slightly overall. Geopolitical uncertainty, particularly precipitated by US trade policy, dampened sentiment among market participants and counteracted the effects of declining inflation rates in many countries and a loosening of monetary policy.

Economic output in Brazil grew at a somewhat faster pace than in the first six months of the previous year.

Growth in China's economic output was above the global average and somewhat higher than in the prior-year period.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

Demand for automotive financial services was at a high level in the first half of 2025.

In Türkiye, the political situation was slightly calmer at the end of the reporting period. The refinancing situation remained strained but has nearly returned to pre-crisis levels. While leasing-based fleet business remained under pressure, virtually no effect was seen on the traditional lending and insurance business.

In South Africa, there was a strong increase in vehicle sales in the first half of 2025 compared with the prior-year period. As a result, the number of financed purchases also increased. The used car market remained strong as a result of higher prices for new vehicles. Financing costs remained high under challenging economic parameters.

The North America region revealed a mixed picture in the first half of 2025 in light of the tariff discussions and vehicle availability. Demand for financial services in Mexico was higher than in the previous year.

In the South America region, the market for financial services remained strong. In Brazil, the number of new contracts rose thanks to the range of financial services targeted at specific customer groups, as well as higher number of new vehicle registrations. The number of car subscriptions and fleet management programs entered into also rose. In Argentina, improving macroeconomic conditions led to a very sharp increase in the number of financial services contracts concluded.

Demand for electrified vehicles in the Chinese automotive market continued to rise in the first half of 2025, though demand for used vehicles tapered off slightly. After banks had increasingly sought to gain a foothold in the market with their own products in the first quarter, the regulatory authorities reined in anti-competitive conduct in June, which in turn gave a boost to demand for automotive financial services. In Japan, demand for new vehicles was up significantly year-on-year. Demand for vehicle financing arrangements also increased, bolstered by innovative financing offerings, with banks continuing to dominate the market and digital solutions growing in importance.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

From January to June 2025, the volume of the global passenger car market was up slightly on the prior-year figure, with varying performance in the individual regions. While market volumes in Western Europe and Central and Eastern Europe fell, North America, South America, Asia-Pacific, Africa and the Middle East developed favorably. The market for all-electric vehicles (BEVs) increased strongly compared with the prior-year period, with its share of the underlying market volume rising to 14.6 (12.0) %.

The global volume of new registrations of light commercial vehicles between January and June 2025 was in the range of the previous year.

Sales of passenger cars and light commercial vehicles (up to 6.35 tonnes) rose slightly in the North American region. Canada noticeably exceeded the prior-year figure, while Mexico remained at the prior-year level.

In the South America region, the volume of new vehicle registrations for passenger cars and light commercial vehicles was significantly higher in the first half of 2025 than in the comparative prior-year period. In Brazil, the number of new vehicle registrations was noticeably higher than in the previous year, while the market volume in Argentina saw a very strong increase.

In the Asia-Pacific region, the volume of the passenger car market from January to June 2025 was noticeably higher than in the previous year. The number of new registrations in the Chinese passenger car market was also noticeably higher than in the prior-year figure, due to the increased demand for all-electric vehicles. The Indian market was in the range of the previous year. In Japan, the market volume rose significantly following weak unit sales in 2024.

In the reporting period, the volume of demand for light commercial vehicles in the Asia-Pacific region was slightly above the level for the prior-year period. Registration volumes in China, the region's dominant market and the largest market worldwide, were on a level with the volume in the period one year earlier.

CHANGES IN EQUITY INVESTMENTS

Effective February 3, 2025, Volkswagen Financial Services Overseas AG acquired 10 % of the shares in Porsche Volkswagen Servicios Financieros Chile S.p.A. from Porsche Bank AG, headquartered in Salzburg, Austria, thus increasing the equity investment it holds to a total of 60 %. In addition, Volkswagen Finance Overseas B.V., headquartered in Amsterdam, Netherlands, acquired 60 % of the shares in Porsche Movilidad Colombia S.A.S., headquartered in Bogotá, Colombia, from Porsche Bank AG.

The objective of the project was a strategic realignment of the markets between Porsche Bank AG and Volkswagen Financial Services AG.

Effective February 25, 2025, Volkswagen Financial Services Overseas AG sold 99.0 % and Volkswagen Bank GmbH 1.0 % of the shares in OOO Volkswagen Bank Rus, headquartered in Moscow, Russia, to external investors. The sale serves the exit from the Russian market.

There were no other significant changes in equity investments.

FINANCIAL PERFORMANCE

The disclosures on financial performance relate to changes in continuing operations compared with the prior-year period.

Despite the general market environment, the Volkswagen Financial Services Overseas AG Group performed positively in the first half of 2025.

At €221 (188¹) million, the operating result was significantly above the previous year's level.

Interest income from lending transactions and marketable securities was on the prior-year level at €1,295 million (– 0.8 %).

Net income from leasing transactions rose slightly by 4.0 % year-on-year to €234 (225) million due to the growth in business volumes.

Interest expenses amounted to €913 (875) million and were somewhat higher than the prior-year figure.

Net income from service contracts was at the previous year's level, at €7 million (previous year: €7 million).

At €205 (36) million, the net addition to the provision for credit risks was up very sharply on the prior-year period. In the previous year, the provision for credit risks was impacted by special effects resulting from the reversal of additional country-specific valuation allowances of €135 million.

Net fee and commission income amounted to €26 (34) million, a very strong decrease on the prior-year figure.

Income from hedges was €– 60 (2) million.

General and administrative expenses declined noticeably year-on-year to €210 million (– 7.5 %).

Net other operating income amounted to €47 (– 247) million, a drastic increase on the prior-year figure. In the previous year, the deconsolidation of companies in particular had a negative impact of €– 244 million.

The share of profits and losses of equity-accounted joint ventures amounted to €11 million (previous year: €– 33 million).

On the basis of these figures, together with the other income and expense components, the Volkswagen Financial Services Overseas AG Group generated profit after tax of €144 (500¹) million.

¹ Prior-year changes as explained for the corrected recognition of provisions for Time Assets under "Changes to figures for the prior-year comparative period" in the Notes to the Interim Consolidated Financial Statements

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, 2024.

Lending business

The total assets of Volkswagen Financial Services Overseas AG declined by €1.5 billion to €29.9 billion.

At €26.7 billion in total, loans to and receivables from customers and lease assets – which make up the core business of the Volkswagen Financial Services Overseas AG Group – accounted for approximately 89 % of the Group's total assets.

The volume of retail financing lending decreased by €1.1 billion to €18.0 billion (– 5.7 %).

The number of new contracts was 354 thousand (+ 6.4 % compared with the figure for continuing operations for the first half of 2024). Compared with December 31, 2024, the number of current contracts decreased to 1,930 thousand (– 2.0 %).

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 – decreased to €4.1 billion (– 6.7 %).

Receivables from leasing transactions were slightly above the previous year's level at €1.2 billion (+ 2.8 %). Lease assets recorded growth of €0.1 billion to €2.6 billion (+ 5.2 %).

A total of 83 thousand new leasing contracts were signed in the reporting period, surpassing the figure for the first half of 2024 for continuing operations (+ 56.8 %). The number of leased vehicles as of June 30, 2025, was 216 thousand, a year-on-year increase of 7.5 %.

The number of service and insurance contracts as of June 30, 2025 was 2,702 thousand. The total of 652 thousand new contracts was above the figure for the first half of 2024 (+ 31.9 %).

The Brazilian companies account for the largest share of current contracts at 37.6 %.

KEY FIGURES BY SEGMENT AS OF JUNE 30, 2025

	Brazil	Mexico	China	Australia	Other companies ¹	VW FS Overseas AG Group
Current contracts	1,821,146	844,197	655,117	188,394	1,339,536	4,848,390
Retail financing	616,992	166,823	625,094	158,013	363,391	1,930,313
of which: consolidated	616,992	166,823	625,094	158,013	168,554	1,735,476
Leasing business	95,078	49,862	30,023	8,612	32,013	215,588
of which: consolidated	95,078	49,862	29,877	8,612	22,207	205,363
Service/insurance	1,109,076	627,512	–	21,769	944,132	2,702,489
of which: consolidated	1,109,076	513,654	–	21,769	253,571	1,898,070
New contracts	545,866	160,036	80,692	34,233	268,164	1,088,991
Retail financing	153,923	33,537	58,472	29,409	78,754	354,095
of which: consolidated	153,923	33,537	58,472	29,409	29,359	304,700
Leasing business	40,588	10,771	22,220	1,956	7,194	82,729
of which: consolidated	40,588	10,771	22,220	1,956	2,697	78,232
Service/insurance	351,355	115,728	–	2,868	182,216	652,167
of which: consolidated	351,355	115,728	–	2,868	15,862	485,813
€ million						
Loans to and receivables from customers attributable to						
Retail financing	7,187	1,710	3,618	3,050	2,467	18,031
Dealer financing	412	760	634	1,656	665	4,126
Leasing business	133	657	0	55	310	1,155
Lease assets	1,914	139	1	79	450	2,583
Investment ²	436	10	–	38	73	556
Operating result	91	71	56	23	–20	221
Percent						
Penetration ³	47.4	43.2	5.2	48.2	27.6	15.1
of which: consolidated	47.4	43.2	5.2	48.2	44.5	12.8

1 The other companies include the markets of Japan, Korea and Taiwan, as well as the markets of Argentina, Chile, Colombia, South Africa and Türkiye in terms of the number of contracts and the penetration rate. They also include the holding companies of Volkswagen Financial Services Overseas AG 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 €12.6 billion (– 10.7 %), liabilities to customers amounting to €3.3 billion (– 1.9 %) and notes and commercial paper issued amounting to €8.6 billion (+ 0.2 %).

Equity

The subscribed capital remained unchanged at €441 million in the reporting period. Equity in accordance with IFRSs was €3.8 (4.0) billion. This resulted in an equity ratio of 12.7 % based on total assets of €29.9 billion.

Report on Opportunities and Risks

REPORT ON OPPORTUNITIES

Macroeconomic opportunities

In a challenging market environment, the Board of Management of Volkswagen Financial Services Overseas AG anticipates that deliveries to customers by the Volkswagen Group in 2025 will be on a level with the previous year. Volkswagen Financial Services Overseas AG supports sales of vehicles by supplying financial services products.

The macroeconomic environment could create opportunities for Volkswagen Financial Services Overseas AG if inflation takes a more positive path than anticipated, for example, or if geopolitical tensions ease and economic growth proves stronger as a result. The digital transformation of the business is being systematically driven forward. Changing customer needs are thus addressed and the competitive position of Volkswagen Financial Services Overseas AG reinforced.

Strategic opportunities

In addition to maintaining its international focus by tapping into new markets, Volkswagen Financial Services Overseas AG believes that developing innovative products that are tailored to customers' changing mobility requirements offers additional opportunities. Growth areas such as mobility products and service offerings are being systematically developed and expanded. Further opportunities may be created by launching established products in new markets.

Volkswagen Financial Services Overseas AG expects to be presented with opportunities arising from the digitalization of its business. The aim is to make all key products also available online and to expand the used vehicle business. This will create opportunities to tap into new customer groups, develop new sales channels and open up new ways to boost efficiency and increase revenue.

By expanding digital sales channels, the Company is promoting direct sales to complement its dealership business. Changing customer needs are thus addressed and the competitive position of Volkswagen Financial Services Overseas AG reinforced.

Risk report

In the reporting period, there were no material changes to the details regarding the Internal Control System and Internal Risk Management System set out in the report on opportunities and risks in the 2024 Annual Report.

Report on Expected Developments

Our planning is based on the assumption that global economic output will grow overall in 2025 at a slightly slower pace than in 2024. Declining inflation in major economic regions and the resulting easing of monetary policy are expected to boost consumer demand. We continue to believe that risks will arise from increasing fragmentation of the global economy and protectionist tendencies, turbulence in the financial markets and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are weighing on growth prospects; risks are associated in particular with the Russia-Ukraine conflict, the confrontations in the Middle East, as well as the uncertainties regarding the political orientation of the USA and the corresponding measures that the new US administration is planning or has already implemented. We assume that both the advanced economies and the emerging markets will record somewhat weaker momentum on average than that of the previous reporting year.

The trend in the automotive industry closely follows global economic developments. We assume that competition in the international automotive markets will intensify further. Crisis-related disruption to the global supply chain and the resulting impact on vehicle availability may weigh on the volume of new registrations. Moreover, sudden new or intensified geopolitical tension and conflicts could lead in particular to rising prices for materials and declining availability of energy.

We predict that trends in the markets for passenger cars in the individual regions will be mixed but predominantly positive in 2025. Overall, the global volume of new car sales is expected to be on a level with that recorded in the prior year. We expect that unit sales of passenger cars and light commercial vehicles (up to 6.35 tonnes) in North American markets will be noticeably below the level of the previous year in 2025. We anticipate a noticeable increase overall in new registrations in the South American markets in 2025 compared with the previous year. The passenger car markets in the Asia-Pacific region in 2025 are expected to be up slightly on the prior-year level.

Trends in the markets for light commercial vehicles in the individual regions will be mixed; on the whole, we expect the sales volume for 2025 to be similar to the previous year's figure.

We assume that automotive financial services will prove highly important to global vehicle sales in 2025 – in synergy with the development of the vehicle markets.

The penetration rate and the number of new contracts will probably be significantly higher than in the previous year. In this context, the portfolio of contracts at year-end will be noticeably higher than the previous year's level. The volume of business is expected to fall slightly short of the previous year's level due to currency translation effects. In light of the current business performance in fiscal year 2025, the operating result is expected to be significantly higher overall year-on-year.

The forecast earnings performance and capital adequacy in 2025 are expected to result in a return on equity that is strongly above the previous year's level. The overhead ratio in 2025 is expected to be noticeably lower than in the previous year.

This annual report contains forward-looking statements on the future business development of the Volkswagen Financial Services Overseas 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 Overseas 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 2024 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 Overseas AG Group

€ million	Note	Jan. 1 – June 30, 2025	Jan. 1 – June 30, 2024 restated ¹	Change in percent
Interest income from lending transactions and marketable securities		1,295	1,305	–0.8
Income from leasing transactions		663	664	–0.2
Depreciation, impairment losses and other expenses from leasing transactions		–429	–439	–2.3
Net income from leasing transactions	1	234	225	4.0
Interest expense		–913	–875	4.3
Income from service contracts		66	56	17.9
Expenses from service contracts		–59	–48	22.9
Net income from service contracts	2	7	7	0.0
Provision for credit risks		–205	–36	X
Fee and commission income		84	75	12.0
Fee and commission expenses		–59	–41	43.9
Net fee and commission income		26	34	–23.5
Net gain or loss on hedges		–60	2	X
Net gain/loss on financial instruments measured at fair value		–1	0	X
General and administrative expenses	3	–210	–227	–7.5
Other operating income		83	51	62.7
Other operating expenses		–36	–298	–87.9
Net other operating income/expenses		47	–247	X
Operating result		221	188	17.6
Share of profits and losses of equity-accounted investments		11	–33	X
Net gain/loss on miscellaneous financial assets		0	0	0.0
Other financial gains or losses		2	2	0.0
Profit before tax		233	157	48.4
Income tax expense		–89	–89	0.0
Profit from continuing operations, net of tax		144	68	X
Profit from discontinued operations, net of tax		–	432	–100.0
Profit after tax		144	500	–71.2
Profit after tax attributable to noncontrolling interests		–3	7	X
Profit after tax attributable to Volkswagen AG		147	493	–70.2
German GAAP profit/loss attributable to Volkswagen AG in the event of loss absorption/profit transfer.		–10	534	X

¹ Restatement of the prior-year figures for general and administrative expenses, other financial gains or losses, income tax expense, profit from discontinued operations, net of tax, and profit after tax attributable to Volkswagen AG as explained for the corrected recognition of provisions for Time Assets under “Changes to figures for the prior-year comparative period”

Statement of Comprehensive Income

of the Volkswagen Financial Services Overseas AG Group

€ million	Jan. 1 – June 30, 2025	Jan. 1 – June 30, 2024 restated ¹
Profit after tax	144	500
Pension plan remeasurements recognized in other comprehensive income		
Pension plan remeasurements recognized in other comprehensive income, before tax	0	43
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	0	-13
Pension plan remeasurements recognized in other comprehensive income, net of tax	0	30
Fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax	-	-
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	0	30
Exchange differences on translating foreign operations		
Gains/losses on currency translation recognized in other comprehensive income	-301	-45
Transferred to profit or loss	-	228
Exchange differences on translating foreign operations, before tax	-301	183
Deferred taxes relating to exchange differences on translating foreign operations	-	-
Exchange differences on translating foreign operations, net of tax	-301	183
Hedging transactions		
Fair value changes recognized in other comprehensive income (OCI I)	-63	85
Transferred to profit or loss (OCI I)	-4	-1
Cash flow hedges (OCI I), before tax	-67	84
Deferred taxes relating to cash flow hedges (OCI I)	24	-32
Cash flow hedges (OCI I), net of tax	-42	51
Fair value changes recognized in other comprehensive income (OCI II)	-	-
Transferred to profit or loss (OCI II)	-	-
Cash flow hedges (OCI II), before tax	-	-
Deferred taxes relating to cash flow hedges (OCI II)	-	-
Cash flow hedges (OCI II), net of tax	-	-
Fair value valuation of debt instruments that may be reclassified to profit or loss		
Fair value changes recognized in other comprehensive income	-	-3
Transferred to profit or loss	-	0
Fair value valuation of debt instruments that may be reclassified to profit or loss, before tax	-	-3
Deferred taxes relating to fair value valuation of debt instruments that may be reclassified to profit and loss	-	1
Fair value valuation of debt instruments that may be reclassified to profit or loss, net of tax	-	-2
Share of other comprehensive income of equity-accounted investments that may be reclassified to profit or loss, net of tax	-17	53
Items that may be reclassified to profit or loss	-360	286
Other comprehensive income, before tax	-385	360
Deferred taxes relating to other comprehensive income	24	-44
Other comprehensive income, net of tax	-360	316
Total comprehensive income	-216	816
Total comprehensive income attributable to noncontrolling interests	0	-1
Total comprehensive income attributable to Volkswagen AG	-216	816

1 Prior-year changes as explained for the corrected recognition of provisions for Time Assets under "Changes to figures for the prior-year comparative period"

€ million	Jan. 1 – June 30, 2025	Jan. 1 – June 30, 2024 restated ¹
Breakdown of total comprehensive income attributable to Volkswagen AG	–216	815
Continuing operation	–216	210
Discontinued operation	–	606

¹ Prior-year changes as explained for the corrected recognition of provisions for Time Assets under "Changes to figures for the prior-year comparative period"

Balance Sheet

of the Volkswagen Financial Services Overseas AG Group

€ million	Note	June 30, 2025	Dec. 31, 2024	Change in percent
Assets				
Cash reserve		374	320	16.9
Loans to and receivables from banks		667	1,160	-42.5
Loans to and receivables from customers attributable to				
Retail financing		18,031	19,125	-5.7
Dealer financing		4,126	4,421	-6.7
Leasing business		1,155	1,124	2.8
Other loans and receivables		806	658	22.5
Total loans to and receivables from customers		24,118	25,327	-4.8
Derivative financial instruments		157	277	-43.3
Marketable securities		0	0	0.0
Equity-accounted investments		89	95	-6.3
Miscellaneous financial assets		95	87	9.2
Intangible assets	4	223	230	-3.0
Property and equipment	4	40	45	-11.1
Lease assets	4	2,583	2,455	5.2
Investment property		1	1	0.0
Deferred tax assets		483	500	-3.4
Current tax assets		219	186	17.7
Other assets		811	694	16.9
Total		29,860	31,378	-4.8

€ million	Note	June 30, 2025	Dec. 31, 2024	Change in percent
Equity and Liabilities				
Liabilities to banks		12,565	14,075	-10.7
Liabilities to customers		3,252	3,315	-1.9
Notes, commercial paper issued		8,618	8,599	0.2
Derivative financial instruments		93	21	X
Provisions for pensions and other post-employment benefits		11	11	0.0
Other provisions		142	131	8.4
Deferred tax liabilities		177	173	2.3
Current tax liabilities		668	650	2.8
Other liabilities		357	306	16.7
Subordinated capital		184	107	72.0
Equity		3,795	3,990	-4.9
Subscribed capital		441	441	-
Capital reserves		2	2	-
Retained earnings		4,416	4,265	3.5
Other reserves		-1,179	-822	43.4
Equity attributable to noncontrolling interests		115	103	11.7
Total		29,860	31,378	-4.8

Statement of Changes in Equity

of the Volkswagen Financial Services Overseas AG Group

€ million	Subscribed capital	Capital reserves	Retained earnings	Currency translation	OTHER RESERVES					Non-controlling interests	Total equity
					Hedging transactions		Equity and debt instruments	Equity-accounted investments			
					Cash flow hedges (OCI I)	Deferred hedging costs (OCI II)					
Balance as of Jan. 1, 2024	441	6,589	16,934	-1,048	-55	-	-4	-82	115	22,891	
Changes due to the corrected accounting of provisions for Time Assets ¹	-	-	-27	-	-	-	-	-	-	-27	
Balance as of Jan. 1, 2024 after corrections	441	6,589	16,907	-1,048	-55	-	-4	-82	115	22,863	
Profit after tax ¹	-	-	493	-	-	-	-	-	7	500	
Other comprehensive income, net of tax	-	-	30	192	50	-	-2	53	-7	316	
Total comprehensive income	-	-	523	192	50	-	-2	53	0	816	
Capital increases	-	-	-	-	-	-	-	-	-	-	
Other changes ²	-	-	-523	-	-	-	-	-	-2	-525	
Balance as of Dec. 31, 2024 ¹	441	6,589	16,906	-856	-5	-	-6	-29	113	23,154	
Balance as of Jan. 1, 2025	441	2	4,265	-889	43	-	-	24	103	3,990	
Profit after tax	-	-	141	-	-	-	-	-	3	144	
Other comprehensive income, net of tax	-	-	0	-301	-39	-	-	-17	-3	-360	
Total comprehensive income	-	-	141	-301	-39	-	-	-17	0	-216	
Capital increases	-	-	-	-	-	-	-	-	-	-	
Other changes ²	-	-	10	-	-	-	-	-	12	22	
Balance as of Dec. 31, 2025	441	2	4,416	-1,189	4	-	-	6	115	3,795	

¹ Prior-year changes as explained for the corrected recognition of provisions for Time Assets under "Changes to figures for the prior-year comparative period"

² Includes the share of the profit/loss attributable to Volkswagen AG in the event of loss assumed/profit transferred in accordance with the *Handelsgesetzbuch* (HGB – German Commercial Code)

Cash Flow Statement

of the Volkswagen Financial Services Overseas AG Group

€ million	Jan. 1 – June 30, 2025	Jan. 1 – June 30, 2024 restated ¹
Profit before tax	233	765
Depreciation, amortization, impairment losses and reversals of impairment losses	220	3,126
Change in provisions	11	-68
Change in other noncash items	141	200
Loss on disposal of financial assets and items of property and equipment	-3	242
Net interest expense and dividend income	-455	-506
Other adjustments	2	5
Change in loans to and receivables from banks	6	-195
Change in loans to and receivables from customers	140	1,417
Change in lease assets	-290	-4,542
Change in other assets related to operating activities	-132	389
Change in liabilities to banks	-1,119	-1,138
Change in liabilities to customers	219	-127
Change in notes, commercial paper issued	331	2,785
Change in other liabilities related to operating activities	57	-49
Interest received	1,367	3,407
Dividends received	0	6
Interest paid	-912	-2,907
Income taxes paid	-77	-219
Cash flows from operating activities	-260	2,591
Proceeds from disposal of investment property	-	6
Acquisition of investment property	-	-
Proceeds from disposal of subsidiaries, joint ventures and associates	-	56
Acquisition of subsidiaries, joint ventures and associates	-11	-343
Proceeds from disposal of other assets	3	15
Acquisition of other assets	-7	-28
Change in investments in marketable securities	0	29
Cash flows from investing activities	-15	-265
Proceeds from changes in capital	-	-
Distribution to Volkswagen AG	-207	-
Profit transferred to/loss assumed by Volkswagen AG	-	323
Change in cash funds attributable to subordinated capital	78	-39
Repayment of liabilities arising from leases	-4	-10
Cash flows from financing activities	-132	275
Cash and cash equivalents at end of prior period²	1,455	3,457
Changes in basis of consolidation	-	-
Cash flows from operating activities	-260	2,591
Cash flows from investing activities	-15	-265
Cash flows from financing activities	-132	275
Effect of exchange rate changes	-27	6
Change in the provision for cash	0	1
Cash and cash equivalents at end of period²	1,021	6,065

1 Prior-year changes as explained for the corrected recognition of provisions for Time Assets under "Changes to figures for the prior-year comparative period" and due to the amended definition of cash and cash equivalents as explained in Note (67) Cash flow statement in the Notes to the Consolidated Financial Statements for the period ended December 31, 2024

2 The changes in cash and cash equivalents at the start and end of the prior-year period include cash and cash equivalents attributable to disposal groups (IFRS 5).

Notes to the Interim Consolidated Financial Statements

of the Volkswagen Financial Services Overseas AG Group as of June 30, 2025

General information

Volkswagen Financial Services Overseas Aktiengesellschaft (VW FS Overseas AG, which operated under the name Volkswagen Financial Services Aktiengesellschaft until June 30, 2024), has the legal form of an Aktiengesellschaft (German stock corporation). It has its registered office at Gifhorner Strasse, Braunschweig, and is registered in the Braunschweig commercial register (HRB 3790).

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

Basis of presentation

As of the reporting date of the interim consolidated financial statements, VW FS Overseas AG is not a publicly traded share capital company within the meaning of section 264d of the *Handelsgesetzbuch* (HGB – German Commercial Code) and does not have the status of a public-interest entity pursuant to section 316a of the HGB. As of the reporting date, VW FS Overseas AG has no obligation to prepare a half-yearly financial report in accordance with section 115(1) of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act). Nevertheless, the Company voluntarily prepares and publishes the Half-Yearly Financial Report.

VW FS Overseas AG voluntarily prepared its consolidated financial statements for the year ended December 31, 2024 in accordance with section 315e(3) of the HGB with application of 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 HGB. These interim consolidated financial statements for the period ended June 30, 2025 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

In the prior year, it was discovered that obligations for granting ancillary benefits had not been considered in full when calculating the provisions for Time Assets. The error was corrected in the 2024 Consolidated Financial Statements in compliance with IAS 8 by adjusting the affected items in the previous years' consolidated financial statements. The retrospective correction resulted in changes to equity as of December 31, 2023 / January 1, 2024 and as of January 1, 2023. This is attributable to the increase in other provisions in the "Underwriting provisions and other provisions" and "Liabilities associated with assets held for sale (IFRS 5)" balance sheet items and the recognition of deferred tax assets in the "Deferred tax

assets” and “Assets held for sale (IFRS 5)” balance sheet items. The effects on the prior-year comparison period in the income statement and cash flow statement are shown below.

Due to the corrected recognition of provisions for Time Assets, the consolidated income statement for the prior-year comparison period was restated as follows:

€ million	Jan. 1 – June 30, 2024 prior to restate- ment	Changes due to the corrected recogni- tion of provisions for Time Assets	Jan. 1 – June 30, 2024 restated
General and administrative expenses	-227	0	-227
Operating result	188	0	188
Other financial result	2	-1	2
Profit before tax	158	-1	157
Income tax	-89	0	-89
Profit after tax, continuing operations	68	0	68
Profit after tax, discontinued operations	432	0	432
Profit after tax	501	-1	500
Profit after tax attributable to Volkswagen AG	493	-1	493

Due to the corrected recognition of provisions for Time Assets, the cash flows from operating activities reported in the cash flow statement for the prior-year comparison period were restated as follows:

€ million	Jan. 1 – June 30, 2024 prior to restate- ment	Changes due to the corrected recogni- tion of provisions for Time Assets	Jan. 1 – June 30, 2024 restated
Profit before tax	766	-1	765
Change in provisions	-69	1	-68
Change in other non-cash items	200	-	200
Cash flow from operating activities	-82	-	-82

Accounting policies

VW FS Overseas AG has applied all financial reporting standards adopted by the EU which are subject to mandatory application starting January 1, 2025.

Due to the spin-off of the European operation effective July 1, 2024, which included underwriting provisions associated with the previous insurance business of the VW FS Overseas AG Group, the “Underwriting provisions and other provisions” balance sheet item was renamed “Other provisions”.

In addition, the “Value adjustment on portfolio fair value hedges”, “Assets held for sale (IFRS 5)” and “Liabilities associated with assets held for sale (IFRS 5)” balance sheet items are no longer presented because they are no longer relevant for the VW FS Overseas AG Group following the spin-off of the European operation.

Otherwise, the same consolidation methods and accounting policies as those applied in the 2024 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 2024 Annual Report.

In addition, the effects of new standards were described in detail under “New and Revised IFRSs Not Applied”. The 2024 Consolidated Financial Statements can also be accessed online at www.vwfs-overseas.com/arvwfso24.

Basis of consolidation

In addition to VW FS Overseas AG, the consolidated financial statements cover all significant German and non-German subsidiaries, including structured entities, controlled directly or indirectly by VW FS Overseas AG. This is the case if VW FS Overseas 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 changes were made to the basis of consolidation in the reporting period:

During the current fiscal year, VW FS Overseas AG acquired further shares amounting to 10 % in the joint venture Porsche Volkswagen Servicios Financieros Chile S.p.A., Santiago de Chile, for a purchase price of €2.2 million from Porsche Bank AG, Salzburg, a Volkswagen Group company. By increasing its holding to a total of 60 %, VW FS Overseas AG now controls Porsche Volkswagen Servicios Financieros Chile S.p.A. and its subsidiary Porsche Volkswagen Corredores de Seguros Chile S.p.A., Santiago de Chile. In addition, Volkswagen Finance Overseas B.V., Amsterdam, a subsidiary of VW FS Overseas AG, acquired 60 % of the shares in Porsche Movilidad Colombia S.A.S., Bogotá, for a purchase price of €3.9 million from Porsche Bank AG. With the acquisition of the shares, Volkswagen Finance Overseas B.V. controls the company. For reasons of materiality, the three companies are not consolidated.

Effective February 25, 2025, all shares in OOO Volkswagen Bank RUS, Moscow, previously reported with a carrying amount of the equity investment of €1 under “Miscellaneous financial assets”, were sold to an external investor.

These changes in the composition of the VW FS Overseas AG Group did not have any material impact on the net assets, financial position or financial performance of the Group.

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, 2025	Jan. 1 – June 30, 2024
Leasing income from operating leases	316	292
Interest income from finance leases	72	71
Gains from the disposal of used ex-lease vehicles	269	295
Miscellaneous income from leasing transactions	6	5
Income from leasing transactions	663	664
Lease assets depreciation and impairment losses	–140	–119
Expenses from the disposal of used ex-lease vehicles	–277	–308
Miscellaneous expenses from leasing transactions	–12	–12
Depreciation, impairment losses and other expenses from leasing transactions	–429	–439
Total	234	225

2. Net income from service contracts

Of the total income recognized for service contracts of continuing operations in the first six months, €66 million (prior-year comparative period: €56 million) related to service contracts for which revenue must be recognized at a point in time and €0 million (prior-year comparative period: €0 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, 2025	Jan. 1 – June 30, 2024 restated ¹
Personnel expenses	–69	–74
Non-staff operating expenses	–116	–127
Advertising, public relations and sales promotion expenses	–3	–4
Depreciation of and impairment losses on property and equipment, amortization of and impairment losses on intangible assets	–17	–20
Other taxes	–5	–3
Income from the reversal of provisions and accrued liabilities	0	1
Total	–210	–227

¹ Prior-year changes as explained for the corrected recognition of provisions for Time Assets under “Changes to figures for the prior-year comparative period”

4. Changes in selected assets

The following table presents changes in selected assets:

€ million	Net carrying amount as of January 1, 2025	Basis of consolidation additions/ changes	Disposals/other changes	Depr./amort./ impairment	Net carrying amount as of June 30, 2025
Intangible assets	230	7	3	11	223
Property and equipment	45	3	2	6	40
Lease assets	2,455	621	353	140	2,583

1 The other changes include reversals of impairment losses in the amount of €2 million.

5. Classes of financial instruments

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

€ million	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	
	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024
Assets												
Cash reserve	374	320	374	320	–	–	–	–	–	–	–	–
Loans to and receivables from banks	667	1,160	667	1,160	–	–	–	–	–	–	–	–
Loans to and receivables from customers	24,118	25,327	22,932	24,154	30	49	–	–	1,155	1,124	0	0
Derivative financial instruments	157	277	–	–	26	18	131	258	–	–	–	–
Marketable securities	0	0	–	–	0	0	–	–	–	–	–	–
Equity accounted investments	89	95	–	–	–	–	–	–	–	–	89	95
Miscellaneous financial assets	95	87	–	–	–	–	–	–	–	–	95	87
Current tax assets	219	186	10	15	–	–	–	–	–	–	209	171
Other assets	811	694	119	110	–	–	–	–	–	–	693	585
Total	26,530	28,147	24,102	25,759	57	68	131	258	1,155	1,124	1,086	938
Equity and liabilities												
Liabilities to banks	12,565	14,075	12,565	14,075	–	–	–	–	–	–	–	–
Liabilities to customers	3,252	3,315	3,168	3,234	–	–	–	–	23	27	60	55
Notes, commercial paper issued	8,618	8,599	8,618	8,599	–	–	–	–	–	–	–	–
Derivative financial instruments	93	21	–	–	33	12	60	9	–	–	–	–
Current tax liabilities	668	650	423	423	–	–	–	–	–	–	245	227
Other liabilities	357	306	126	89	–	–	–	–	–	–	231	218
Subordinated capital	184	107	184	107	–	–	–	–	–	–	–	–
Total	25,735	27,073	25,084	26,526	33	12	60	9	23	27	535	499

The “(Off-balance-sheet) Credit commitments and financial guarantees” class contains obligations under irrevocable credit commitments and financial guarantees amounting to €490 million (December 31, 2024: €728 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 2024 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 or notes and commercial paper 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 and liabilities to customers.

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

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

In the previous year, Level 3 had also included 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 as well as 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:

€ million	LEVEL 1		LEVEL 2		LEVEL 3	
	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024
Assets						
Measured at fair value						
Loans to and receivables from banks	–	–	–	–	–	–
Loans to and receivables from customers	–	–	–	–	30	49
Derivative financial instruments	–	–	26	18	–	–
Marketable securities	–	–	–	–	0	0
Miscellaneous financial assets	–	–	–	–	–	–
Derivative financial instruments designated as hedges	–	–	131	258	–	–
Total	–	–	157	277	30	49
Equity and liabilities						
Measured at fair value						
Derivative financial instruments	–	–	33	12	–	–
Derivative financial instruments designated as hedges	–	–	60	9	–	–
Total	–	–	93	21	–	–

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

€ million	2025	2024
Balance as of Jan. 1	49	129
Foreign exchange differences	–3	1
Changes in basis of consolidation	–	–
Portfolio changes	–16	–34
Measured at fair value through profit or loss	1	2
Measured at fair value through other comprehensive income	–	–
Balance as of June 30	31	99

The amounts of €1 million (previous year: €2 million) recognized in profit or loss for receivables are reported in the income statement under Net gain/loss on financial instruments measured at fair value; in the previous year, they were additionally recognized in the income statement under Profit/loss from discontinued operations, net of tax. Of the remeasurements recognized in profit or loss, a net gain of €0 million (previous year: €2 million) was attributable to receivables as of the reporting date.

The risk variables relevant to the fair value of the loans to and receivables from customers are risk-adjusted interest rates. A sensitivity analysis is used to quantify the impact from changes in risk adjusted interest rates on profit or loss after tax.

If risk-adjusted interest rates as of June 30, 2025 had been 100 basis points higher, profit after tax would have been €1 million (previous year: €4 million) lower. If risk-adjusted interest rates as of June 30, 2025 had been 100 basis points lower, profit after tax would have been €1 million (previous year: €3 million) higher.

The table below shows the changes in the derivative financial instruments measured at fair value, which are recognized in the balance sheet under Liabilities associated with assets held for sale (IFRS 5) until June 30, 2024, based on Level 3 measurement:

€ million	2024
Balance as of Jan. 1	94
Foreign exchange differences	2
Changes in basis of consolidation	–
Portfolio changes	–
Measured at fair value through profit or loss	–10
Measured at fair value through other comprehensive income	–
Balance as of June 30	86

The amounts recognized in profit or loss in the prior-year comparative period resulting in a net loss of €10 million were reported in the income statement under Profit/loss from discontinued operations, net of tax. Of the remeasurements recognized in profit or loss, a net gain of €2 million was attributable to derivative financial instruments held as of June 30, 2024.

Early termination rights arose 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 were borne by the VW FS Overseas AG Group.

In the previous year, the market prices of used vehicles were the main risk variable in the fair value of the derivatives in connection with the risk of early termination. A sensitivity analysis was 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 June 30, 2024, profit after tax would have been €30 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 June 30, 2024, profit after tax would have been €66 million lower.

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

€ million	FAIR VALUE		CARRYING AMOUNT		DIFFERENCE	
	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024
Assets						
Measured at fair value						
Loans to and receivables from banks	–	–	–	–	–	–
Loans to and receivables from customers	30	49	30	49	–	–
Derivative financial instruments	26	18	26	18	–	–
Marketable securities	0	0	0	0	–	–
Miscellaneous financial assets	–	–	–	–	–	–
Measured at amortized cost						
Cash reserve	374	320	374	320	–	–
Loans to and receivables from banks	667	1,160	667	1,160	–	–
Loans to and receivables from customers	22,974	24,465	22,932	24,154	42	311
Current tax assets	10	15	10	15	–	–
Other assets	119	110	119	110	–	–
Derivative financial instruments designated as hedges	131	258	131	258	–	–
Not allocated to any measurement category						
Loans to and receivables from customers	1,288	1,260	1,155	1,124	133	136
Equity and liabilities						
Measured at fair value						
Derivative financial instruments	33	12	33	12	–	–
Measured at amortized cost						
Liabilities to banks	12,553	14,023	12,565	14,075	–12	–52
Liabilities to customers	3,171	3,233	3,168	3,234	3	–1
Notes, commercial paper issued	8,643	8,597	8,618	8,599	26	–2
Current tax liabilities	423	423	423	423	–	–
Other liabilities	126	89	126	89	–	–
Subordinated capital	207	77	184	107	23	–30
Derivative financial instruments designated as hedges	60	9	60	9	–	–

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 €0 million (previous year: €0 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 €0 million (previous year: €0 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 Overseas 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.

In the Notes to the 2024 Consolidated Financial Statements, the reporting segments for the reporting year and the previous year were redefined due to the restructuring of the VW FS Overseas AG Group as of July 1, 2024 and the shift in focus of VW FS Overseas AG to managing the international markets outside Europe. In addition, the breakdown by geographical market was supplemented with further material income and expense data that are included in the operating result key performance indicator. In these interim financial statements, the figures in the breakdown by geographical market for the prior-year comparative period are restated accordingly.

Internal management applies a market-based geographical breakdown. The geographical markets of Brazil, China, Mexico and Australia are the segments that are subject to reporting requirements under IFRS 8. Subsidiaries in the VW FS Overseas 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. This also includes the holding VW FS Overseas AG and the holding companies in the Netherlands. In the internal reporting structure, this presentation ensures that there is a separation between market activities on one side and typical holding company functions on the other side. Effects from both, consolidation between the segments and from the provision for country risks in the previous year, are additionally included in the reconciliation.

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 2025:

€ million	JAN. 1 – JUNE 30, 2025						Recon- ciliation	Group
	Brazil	China	Mexico	Australia	Other segments	Segments total		
Interest income from lending transactions and marketable securities in respect of third parties	651	164	182	171	68	1,238	57	1,295
Intersegment interest income from lending transactions and marketable securities	–	–	–	–	–	–	–	–
Income from leasing transactions with third parties	351	1	162	23	126	663	–	663
of which reversal of impairment losses in accordance with IAS 36	–	–	2	–	1	2	–	2
Intersegment income from leasing transactions	–	–	–	–	–	–	–	–
Depreciation, impairment losses and other expenses from leasing transactions	–209	–1	–90	–20	–109	–429	–	–429
of which impairment losses in accordance with IAS 36	–7	–	–2	–3	–1	–13	–	–13
Net income from leasing transactions	142	–	72	4	18	234	–	234
Interest expense	–577	–36	–126	–123	–27	–888	–25	–913
Income from service contracts with third parties	57	–	9	–	–	66	–	66
of which over-time income	–	–	–	–	–	–	–	–
of which at a point in time income	57	–	9	–	–	66	–	66
Intersegment income from service contracts	–	–	–	–	–	–	–	–
Expenses from service contracts	–48	–	–11	–	–	–59	–	–59
Net income from service contracts	9	–	–2	–	–	7	–	7
Provisions for credit risks	–126	–31	–38	–9	–	–203	–2	–205
Fee and commission income from third parties	46	5	28	–	5	84	–	84
Intersegment fee and commission income	–	–	–	–	–	–	–	–
Fee and commission expenses	–25	–4	–8	–1	–15	–52	–6	–59
Net fee and commission income	21	1	19	–	–10	32	–6	26
General and administrative expenses	–75	–43	–35	–19	–24	–196	–13	–210
of which Other amortization, depreciation and impairment losses	–5	–8	–1	–1	–2	–17	–	–17
Operating result	95	55	75	23	33	281	–61	221

BREAKDOWN BY GEOGRAPHICAL MARKET FOR THE FIRST HALF OF 2024:

€ million	JAN. 1 – JUNE 30, 2024						Reconcilia- tion adjusted ^{1,3}	Group adjusted ³
	Brazil ¹	China ¹	Mexico ¹	Australia ¹	Other segments ¹	Segments total ¹		
Interest income from lending transactions and marketable securities in respect of third parties	578	274	185	173	72	1,282	23	1,305
Intersegment interest income from lending transactions and marketable securities	–	–	–	–	–	–	–	–
Income from leasing transactions with third parties	363	–	153	15	132	664	–	664
of which reversal of impairment losses in accordance with IAS 36	–	–	1	–	–	1	–	1
Intersegment income from leasing transactions	–	–	–	–	–	–	–	–
Depreciation, impairment losses and other expenses from leasing transactions	–238	–	–76	–11	–114	–439	–	–439
of which impairment losses in accordance with IAS 36	–	–	–2	–3	–	–4	–	–4
Net income from leasing transactions	125	–	77	4	18	225	–	225
Interest expense	–463	–97	–124	–132	–31	–847	–28	–875
Income from service contracts with third parties	48	–	8	–	–	56	–	56
of which over-time income	–	–	–	–	–	–	–	–
of which at a point in time income	48	–	8	–	–	56	–	56
Intersegment income from service contracts	–	–	–	–	–	–	–	–
Expenses from service contracts ²	–41	–	–7	–	–	–48	–	–48
Net income from service contracts ²	6	–	1	–	–	7	–	7
Provision for credit risks ²	–103	–33	–29	–8	–	–172	136	–36
Fee and commission income from third parties	39	2	28	2	4	75	–	75
Intersegment fee and commission income	–	–	–	–	–	–	–	–
Fee and commission expenses ²	–21	–1	–4	–1	–11	–38	–3	–41
Net fee and commission income ²	18	–	24	2	–7	37	–3	34
General and administrative expenses ²	–74	–55	–44	–20	–25	–218	–9	–227
of which Other amortization, depreciation and impairment losses	–6	–8	–	–2	–3	–19	–1	–20
Operating result	111	91	95	22	32	350	–162	188

1 Prior-year figures restated due to the redefinition of the reporting segments

2 Prior-year figures restated due to the inclusion of further material income and expense data

3 Prior-year changes as explained for the corrected recognition of provisions for Time Assets under "Changes to figures for the prior-year comparative period"

The reported impairment losses and reversals of impairment losses 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:

€ million	JAN. 1 – JUNE 30, 2025			
	Brazil	China	Mexico	Australia
Noncurrent Assets	2,534	73	77	101
Additions to lease assets classified as noncurrent assets	436	–	10	38

€ million	JAN. 1 – JUNE 30, 2024			
	Brazil ¹	China ¹	Mexico ¹	Australia ¹
Noncurrent Assets	2,198	78	66	76
Additions to lease assets classified as noncurrent assets	718	2	8	22

1 Prior-year figures restated due to the redefinition of the reporting segments

Investment recognized under other assets was of minor significance.

The following table shows the reconciliation to group revenue, operating result from continuing operations and profit before tax from continuing operations:

€ million	Jan. 1 – June 30, 2025	Jan. 1 – June 30, 2024 adjusted ¹
Segment income	2,051	2,075
Other companies	68	5,075
Consolidation	–10	–5,051
Consolidated income	2,108	2,099
Segment profit or loss (operating result)	281	350
Other companies	–46	194
Contribution to operating profit by included companies	–10	–128
Consolidation between segments	–4	–229
Discontinued operation	–	–
Operating result from continuing operation	221	188
Share of profits and losses of equity-accounted investments	11	–33
Net gain or loss on miscellaneous financial assets	–	–
Other financial gains or losses	2	2
Profit before tax from continuing operation	233	157

1 Prior-year figures restated due to the redefinition of the reporting segments, the inclusion of further material income and expense data, the switch from the reconciliation of segment revenue to the reconciliation of segment income and changes in the figures for the prior-year comparative period as explained for the corrected recognition of provisions for Time Assets under "Changes to Prior-Year Figures"

The designations "Segment revenue" and "Group revenue" in the reconciliation were changed to "Segment income" and "Consolidated income", respectively. The change to the designation "income" commonly used by financial services providers for gross income from ordinary activities is intended to enhance clarity and consistency of the terms used in the financial statements. As before, consolidated income comprises all income items from the breakdown by geographical markets and hence includes interest income from lending transactions and marketable securities, income from leasing transactions, income from service contracts and fee and commission income.

Other Disclosures

8. Cash flow statement

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

The definition of the cash and cash equivalents of the VW FS Overseas AG Group was amended and disclosed accordingly in the 2024 Consolidated Financial Statements in the course of implementing a voluntary change in accounting policy. The newly defined cash and cash equivalents as of June 30, 2025 include the entire cash reserve, mainly comprising balances held with foreign central banks, as well as the cash and cash equivalents reported under "Loans to and receivables from banks". The prior-year figures were restated accordingly.

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. Off-balance-sheet liabilities

CONTINGENT LIABILITIES

Contingent liabilities in continuing operations in the amount of €353 million (December 31, 2024: €309 million) largely related to legal disputes concerning income tax and other tax matters in which the criteria for the recognition of a provision in accordance with IAS 12 and IAS 37 are not satisfied. After an analysis of the individual cases covered by the contingent liabilities, it is expected that the disclosure of further detailed information on individual proceedings, legal disputes and legal risks could seriously prejudice the course of those proceedings.

Moreover, VW FS Overseas AG, as a legal entity participating in the spin-off of the European operation to Volkswagen Financial Services AG (operating at that time under the name Volkswagen Financial Services Europe AG), is liable as a joint and several debtor in accordance with section 133(1) sentence 1 of the *Umwandlungsgesetz* (UmwG – German Transformation Act) for the liabilities incurred by the transferring legal entity, VW FS Overseas AG, up to the effective date of the spin-off on July 1, 2024. The liabilities incurred by VW FS Overseas AG prior to July 1, 2024 and not transferred to Volkswagen Financial Services AG with the European operation are recognized in the balance sheet of the VW FS Overseas AG Group and are not included for the purposes of determining contingent liabilities. The liabilities incurred by VW FS Overseas AG prior to July 1, 2024 that were transferred with the spin-off of the European operation and remained within Volkswagen Financial Services AG as of the reporting date are included for the purposes of determining contingent liabilities. In accordance with section 133(3) sentence 2 of the UmwG, the joint and several liability of VW FS Overseas AG is restricted to the fair value of the net assets (Overseas operation) assigned to VW FS Overseas AG following the spin-off of the shares in Volkswagen Leasing GmbH and the spin-off of the European operation as the liability cap. This resulted in contingent liabilities of €3,942 million (December 31, 2024: €3,942 million) for the VW FS Overseas AG Group. In the unlikely event of a claim on the joint and several liability, it is possible that claims for reimbursement in the same amount will be made against Volkswagen Financial Services AG.

OTHER FINANCIAL OBLIGATIONS

The disclosures of other financial obligations relate to continuing operations.

€ million	DUE	DUE	DUE	TOTAL
	by June 30, 2026	July 1, 2026 – June 30, 2030	From July 1, 2030	June 30, 2025
Purchase commitments in respect of				
Property and equipment	–	–	–	–
Intangible assets	2	–	–	2
Investment property	–	–	–	–
Obligations from				
Irrevocable credit commitments to customers	488	–	–	488
Long-term leasing and rental contracts	2	2	–	4
Miscellaneous financial obligations	0	–	–	0

€ million	DUE	DUE	DUE	TOTAL
	2025	2026 - 2029	From 2030	Dec. 31, 2024
Purchase commitments in respect of				
Property and equipment	–	–	–	–
Intangible assets	0	–	–	0
Investment property	–	–	–	–
Obligations from				
Irrevocable credit commitments to customers	726	–	–	726
Long-term leasing and rental contracts	2	2	–	5
Miscellaneous financial obligations	0	–	–	0

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

10. Related party disclosures

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

Volkswagen AG, Wolfsburg, is the sole shareholder of VW FS Overseas 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 2, 2025, the State of Lower Saxony and Hannoversche Beteiligungsgesellschaft Niedersachsen mbH, Hanover, held 20.00 % of the voting rights of Volkswagen AG on December 31, 2024 and thus exercise an indirect significant influence over the VW FS Overseas AG Group. As mentioned above, the Annual 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 Overseas 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 Overseas AG Group with funding on an arm's-length basis. As part of funding transactions, Volkswagen AG and other related parties in Volkswagen AG's group of consolidated entities sold vehicles to entities in the VW FS Overseas 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 VW FS Overseas AG within the scope of the operating business.

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 Overseas AG mainly relate 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.

€ million	INTEREST INCOME		INTEREST EXPENSES		GOODS AND SERVICES PROVIDED		GOODS AND SERVICES RECEIVED	
	H1		H1		H1		H1	
	2025	2024	2025	2024	2025	2024	2025	2024
Supervisory Board	–	–	–	–	–	–	–	–
Board of Management	–	–	–	–	–	–	–	–
Volkswagen AG	11	65	0	–26	–	543	4	5,567
Porsche SE	–	–	–	–	–	0	–	–
Other related parties in the consolidated entities	36	162	–107	–535	131	2,336	79	4,194
Non-consolidated subsidiaries	0	2	0	–3	–	23	14	22
Joint ventures	45	189	–	0	0	208	–	226
Associated companies	–	–	–	–	–	32	–	19

€ million	LOANS TO AND RECEIVABLES FROM		VALUATION ALLOWANCES ON IMPAIRED LOANS AND RECEIVABLES		OF WHICH ADDITIONS IN CURRENT YEAR		LIABILITIES TO	
	June 30, 2025		Dec. 31, 2024		June 30, 2025		Dec. 31, 2024	
	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024
Supervisory Board	–	–	–	–	–	–	–	–
Board of Management	–	–	–	–	–	–	–	–
Volkswagen AG	24	16	–	–	–	–	531	733
Porsche SE	–	–	–	–	–	–	–	–
Other related parties in the consolidated entities	603	917	–	–	–	–	3,632	3,412
Non-consolidated subsidiaries	11	15	–	–	–	–	10	11
Joint ventures	276	263	–	–	–	–	–	–
Associated companies	–	–	–	–	–	–	–	–

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 Overseas AG. The relationships with the Supervisory Board and the Board of Management comprise relationships with the relevant groups of people at VW FS Overseas 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 Overseas AG did not receive any capital contributions from Volkswagen AG in the first half of 2025 or in the first half of 2024. However, VW FS Overseas AG and its subsidiaries provided capital contributions of €5 million (previous year: €331 million) to related parties.

In the previous year, non-cash assets of €19,530 million were distributed to the shareholder Volkswagen AG due to the spin-off of the shares in Volkswagen Leasing GmbH to Volkswagen Bank GmbH and to the spin-off of the European operation of VW FS Overseas AG to Volkswagen Financial Services AG, both effective July 1, 2024.

Members of the Board of Management and Supervisory Board of VW FS Overseas AG are also members of management and supervisory boards of other entities in the Volkswagen Group with which

VW FS Overseas 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 2025, standard short-term bank loans amounting to an average total of €47 million (December 31, 2024: €37 million) were granted to related parties as part of dealer financing.

11. Governing bodies of Volkswagen Financial Services Overseas AG

The members of the Board of Management are as follows:

KAI VOGLER

Chair of the Board of Management

Front Office and Corporate Management

China region, South America region, Mexico region, International region

PATRICK WELTER

Back Office and Finance

Risk Management

The members of the Supervisory Board are as follows:

DR. CHRISTIAN DAHLHEIM

Chair

Chair of the Board of Management of

Volkswagen Financial Services AG

TORSTEN BECHSTÄDT

Head of Supervisory Board Matters for the

Chair of the Group Works Council of

Volkswagen AG

RAINER SEIDL

Head of Group Controlling of Volkswagen AG

DR. WOLF-STEFAN SPECHT

Head of Wholesale Steering & Transition of

Volkswagen AG

The members of the Supervisory Board committees are as follows:

MEMBERS OF THE AUDIT COMMITTEE

Rainer Seidl (Chair)

Torsten Bechstädt

Dr. Christian Dahlheim

MEMBERS OF THE CREDIT COMMITTEE

Dr. Christian Dahlheim (Chair)

Rainer Seidl

Dr. Wolf-Stefan Specht

Torsten Bechstädt (Deputy Member)

12. Events after the balance sheet date

There were no significant events after June 30, 2025.

Braunschweig, July 21, 2025

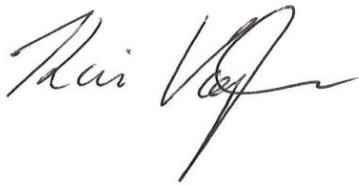
Volkswagen Financial Services Overseas AG
The Board of Management

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 21, 2025

Volkswagen Financial Services Overseas AG
The Board of Management

A handwritten signature in black ink, appearing to read 'Kai Vogler', with a stylized, flowing script.

Kai Vogler

A handwritten signature in black ink, appearing to read 'Patrick Welter', with a stylized, flowing script.

Patrick Welter

Human Resources Report

As of June 30, 2025, the Volkswagen Financial Services Overseas Group had 2,977 employees (December 31, 2024: 2,930 employees). Owing to economic considerations, 251 employees of Volkswagen Servicios, S.A. de C.V., Puebla, Mexico, which is a non-consolidated company, are included in the overall workforce figures.

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Volkswagen Financial Services Overseas AG
Gifhorner Straße 57
38112 Braunschweig, Germany
Telephone +49 (0) 531 212-0
info@vwfs-overseas.com
www.vwfs-overseas.com

INVESTOR RELATIONS

investor-relations@vwfs-overseas.com

This Half-Yearly Financial Report is also available in German at <https://www.vwfs-overseas.com/hjfbvwfso25>.