Annual Financial Statements of Volkswagen AG

Balance Sheet of Volkswagen AG as of December 31, 2019

€ million	Note	Dec. 31, 2019	Dec. 31, 2018
Assets			
Fixed assets			
Intangible assets	1	652	230
Tangible assets	1	7,378	6,731
Long-term financial assets	1	112,793	112,752
		120,823	**119,713**
Current assets			
Inventories	2	5,554	5,140
Receivables and other assets	3	35,748	36,895
Cash-in-hand and bank balances	4	5,639	14,595
		46,940	**56,630**
Prepaid expenses		**109**	**70**
Excess of plan assets over pension liability		**0**	**–**
Total assets		**167,872**	**176,412**
Equity and Liabilities			
Equity			
Subscribed capital	5	1,283	1,283
Ordinary shares		755	755
Preferred shares		528	528
Capital reserve	6	15,021	15,021
Revenue reserves	7	16,052	14,367
Net retained profits		3,273	2,419
		35,629	**33,090**
Special tax-allowable reserves	**8**	**18**	**19**
Provisions	**9**	**42,986**	**39,870**
Liabilities	**10**	**87,832**	**102,308**
Deferred income	**11**	**1,406**	**1,126**
Total equity and liabilities		**167,872**	**176,412**

Income Statement of Volkswagen AG for the Period January 1 to December 31, 2019

€ million	Note	2019	2018
Sales	12	**80,621**	**78,001**
Cost of sales		−74,700	−72,700
Gross profit on sales		**5,921**	**5,301**
Distribution expenses		−5,980	−5,760
General and administrative expenses		−1,968	−1,865
Other operating income	13	5,053	5,673
Other operating expenses	14	−5,967	−6,089
Financial result	15	**10,638**	**8,264**
Write-downs of long-term financial assets		−1,523	–
Taxes on income		−1,215	−907
Earnings after taxes = Net income for the year		**4,958**	**4,620**

Notes to the Annual Financial Statements of Volkswagen AG for the Period ended December 31, 2019

Financial statements in accordance with the German Commercial Code

Volkswagen AG is domiciled in Wolfsburg, Germany, and entered in the commercial register at the Braunschweig Local Court under no. HRB 100484. The annual financial statements of Volkswagen AG have been prepared in accordance with the provisions of the Handelsgesetzbuch (HGB – German Commercial Code) and comply with the provisions of the Aktiengesetz (AktG – German Stock Corporation Act).
The fiscal year corresponds to the calendar year.

To enhance the clarity of presentation, individual items of the balance sheet and the income statement have been combined. These items are disclosed separately in the notes. The income statement uses the cost of sales (function of expense) format. Information that can be disclosed optionally in the balance sheet or income statement, in the notes to the annual financial statements, is disclosed in its entirety in the notes to the annual financial statements. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

Volkswagen AG performs electricity generation and distribution/sales activities together with a subsidiary. As a result, Volkswagen AG and this subsidiary are classed as a vertically integrated energy company within the meaning of section 3 no. 38 of the Energiewirtschaftsgesetz (EnWG – German Energy Industry Act) and are therefore subject to the provisions of the EnWG. Separate accounts must normally be maintained for certain activities in the energy sector in accordance with section 6b(3) of the EnWG (unbundling requirement in accounting systems). Volkswagen AG itself only operates customer systems in accordance with section 3 no. 24 b and 24 a of the EnWG (medium-voltage and low-voltage grids). The subsidiary distributes the electricity via a general supply network (high-voltage grid in Wolfsburg, section 3 no. 17 of the EnWG).

The list of all shareholdings is a component of the notes and can also be downloaded from the electronic companies register at www.unternehmensregister.de and from www.volkswagenag.com/ir.

The Board of Management completed preparation of the annual financial statements on February 18, 2020. On February 18, 2020, the period ended in which adjusting events after the reporting period are recognized.

Declaration on the German Corporate Governance Code in accordance with section 161 of the AktG/section 285 no. 16 of the HGB

The Board of Management and Supervisory Board of Volkswagen AG issued the declaration of conformity in accordance with section 161 of the AktG on Friday, November 15, 2019.

The declaration of conformity has been made permanently available at www.volkswagenag.com/ir.

Significant events in the fiscal year

On September 18, 2015, the US Environmental Protection Agency (EPA) publicly announced in a “Notice of Violation” that irregularities in relation to nitrogen oxide (NO_X) emissions had been discovered in emissions tests on certain vehicles of Volkswagen Group with type 2.0 l diesel engines in the USA. In this context, Volkswagen AG announced that noticeable discrepancies between the figures achieved in testing and in actual road use had been identified in around eleven million vehicles worldwide with type EA 189 diesel engines. On November 2, 2015, the EPA issued a “Notice of Violation” alleging that irregularities had also been discovered in the software installed in US vehicles with type V6 3.0 l diesel engines.

In the months following publication of a study by the International Council on Clean Transportation in May 2014, Volkswagen AG’s Powertrain Development department checked the test set-ups on which the study was based for plausibility, confirming the unusually high NO_x emissions from certain US vehicles with type EA 189 2.0 l diesel engines. The California Air Resources Board (CARB) – a part of the environmental regulatory authority of California – was informed of this result, and, at the same time, an offer was made to recalibrate the engine control unit software of type EA 189 diesel engines in the USA as part of a service measure that was already planned in the USA. This measure was evaluated and adopted by the Ausschuss für Produktsicherheit (APS – Product Safety Committee), which initiates necessary and appropriate measures to ensure the safety and conformity of Volkswagen AG’s products that are placed in the market. There are no findings that an unlawful “defeat device” under US law was disclosed to the APS as the cause of the discrepancies or to the persons responsible for preparing the 2014 annual and consolidated financial statements. Instead, at the time the 2014 annual and consolidated financial statements were being prepared, the persons responsible for preparing the 2014 annual and consolidated financial statements remained under the impression that the issue could be solved with comparatively little effort.

In the course of the summer of 2015, however, it became successively apparent to individual members of Volkswagen AG’s Board of Management that the cause of the discrepancies in the USA was a modification of parts of the software of the engine control unit, which was later identified as an unlawful “defeat device” as defined by US law. This culminated in the disclosure of a “defeat device” to EPA and CARB on September 3, 2015. According to the assessment at that time of the responsible persons dealing with the matter, the scope of the costs expected by the Volkswagen Group (recall costs, retrofitting costs and financial penalties) was not fundamentally dissimilar to that of previous cases involving other vehicle manufacturers, and, therefore, appeared to be controllable overall with a view to the business activities of the Volkswagen Group. This assessment by the Volkswagen Group was based, among other things, on the advice of a law firm engaged in the USA for approval issues, according to which similar cases in the past were resolved amicably with the US authorities. The EPA's publication of the “Notice of Violation” on September 18, 2015, which the Board of Management had not expected, especially at that time, then presented the situation in an entirely different light.

In fiscal year 2019, additional special items of €1.8 billion (previous year: €2.0 billion) had to be recognized in connection with the diesel issue . These mainly arose from higher provisions for legal risks recognized under other operating expenses.

In addition, based on the information as it exists and has been established, there continue to be no conclusive findings or assessments available to the Board of Management of Volkswagen AG regarding the described facts that would suggest that a different assessment of the associated risks should have been made.

Further details can be found in the “Diesel Issue” section of the Report on Risks and Opportunities in the group management report.

As a result of an intragroup reorganization, Volkswagen Vermögensverwaltungs-GmbH (VW VV GmbH, formerly VW Klassik GmbH) acquired a number of companies from MAN SE and its subsidiaries, effective December 31, 2018. To finance these acquisitions, Volkswagen AG made a contribution of €2.3 billion to the capital reserves of VW VV GmbH in the previous year. The transaction was recognized directly in equity. For reasons including the intragroup reorganization, an impairment loss had to be recognized on TRATON SE's investment in MAN SE in its annual financial statements as of December 31, 2018. A loss totaling €4.2 billion reported in TRATON SE's HGB financial statements had to be absorbed by Volkswagen AG. Due to the intragroup reorganization, a portion of this total, €2.6 billion, led to an increase in the investment in VW VV GmbH, which was recognized directly in equity; the remainder was recognized under the financial result in the income statement. In addition, the equity investment in TRATON SE held by Volkswagen AG declined by €3.3 billion because of the capital decrease at TRATON SE.

Since June 28, 51 million shares of TRATON SE have been traded on the regulated markets of the Frankfurt Stock Exchange and of the Nasdaq Stockholm. The offer price was set at €27.00 per share. The transaction resulted in a disposal loss of €0.8 billion for Volkswagen AG, which is reported under other investment expenses in the financial result.

Accounting policies

The accounting policies applied in the previous year were retained. Investment income, income from other investments and long-term loans, as well as net interest income, are combined in the income statement and presented as the financial result. This item is addressed in greater detail in note (15) Financial result.

Purchased intangible assets are recognized at cost and amortized over three to five years using the straight-line method. Internally generated intangible assets are not recognized. Grants paid for third-party assets are capitalized as purchased rights to use and amortized over five years. Software and grants paid are derecognized once they have been fully amortized.

Tangible assets are carried at cost and reduced by depreciation. Investment grants are deducted from cost.

Depreciation is based primarily on the following useful lives:

	Useful life
Buildings	14 – 50 years
Leasehold improvements	10 – 35 years
Technical equipment and machinery	5 – 20 years
Other equipment, operating and office equipment including special tools	4 – 30 years

For additions up until December 31, 2009, to the extent allowed by tax law, depreciation of movable items of tangible assets is generally charged initially using the declining balance method, and subsequently using the straight-line method, and also reflects the use of assets in multishift operation. The option to retain and adjust lower carrying amounts of tangible asset balances at December 31, 2009 in accordance with section 67(4) of the Einführungsgesetz zum Handelsgesetzbuch (EGHGB – Introductory Act to the German Commercial Code) has been exercised. Movable items of tangible assets purchased or manufactured as from January 1, 2010 are depreciated using the straight-line method.

Prepayments made for tangible and intangible assets are measured at their nominal value.

As a general rule, additions of assets are depreciated or amortized ratably in the year of acquisition.

Low-value assets are written off and derecognized in full in the year they are acquired. In addition, certain items of operating and office equipment with individual purchase costs of up to €1,500 are treated as disposals when their standard useful life has expired.

Write-downs are recognized if the impairment is expected to be permanent; write-downs are reversed up to the amount of historical cost, net of depreciation or impairment, as soon as the reasons for impairment no longer apply.

Shares in affiliated companies and other equity investments are measured at the lower of cost and fair value. Fair values are by preference calculated using the discounted cash flow method on the basis of corporate plans, if available, or derived from observable market prices if not.

The basis for calculating fair value using the discounted cash flow method is management's current planning, which is based on expectations regarding future economic trends. The planning period generally covers five years. The discount rate used for the expected cash flows is the weighted average cost of capital (WACC).

As a general principle, all loans are measured at their nominal amount. Non- or low-interest-bearing loans are carried at their present value; other loans are carried at their principal amount.

Long-term investments are carried at the lower of cost or fair value in the case of permanent impairment.

Securities held as plan assets for post-employment benefit obligations are measured at fair value and offset against the corresponding provisions. These securities are assets that are exempt from attachment by all creditors and that exclusively serve to settle liabilities from post-employment benefit obligations. The fair value of these assets corresponds to the market price (section 255(4) of the HGB).

Raw materials, consumables and supplies, and merchandise carried in inventories are measured at the lower of average cost and replacement cost. In addition to direct materials and direct labor costs, the carrying amount of finished goods and work in progress also includes proportionate indirect materials and labor costs, including depreciation in the amount required. Adequate valuation allowances take account of all identifiable storage and inventory risks. Prepayments made for inventories are recognized at their nominal amounts.

Volkswagen AG recognizes emissions certificates as of the date of issue or acquisition. They are measured at the lower of cost or fair value. Emissions certificates issued free of charge are recognized as a memorandum item. Each certificate is valued at €26.10 per tonne of CO_2 as of the reporting date.

Receivables and other assets are carried at their principal amounts. Write-downs to the lower fair value are recognized for identifiable specific risks.

Receivables due after more than one year are carried at their present value at the balance sheet date by applying an interest rate to match the maturity.

Receivables denominated in foreign currencies are translated at the middle spot rate prevailing at the date of initial recognition. Receivables that are due within less than one year are translated at the middle spot rate at the reporting date. In the case of receivables with a longer term, a lower exchange rate at the balance sheet date results in the remeasurement of the receivable at a lower carrying amount, with the difference recognized in the income statement; a higher exchange rate at the balance sheet date (remeasurement gain) is not recognized. Hedged receivables are not remeasured at the closing rate ("net hedge presentation method").

Purchased foreign currency options are carried at the lower of cost or fair value until maturity.

Securities classified as current assets are carried at the lower of cost or fair value.

Cash and bank balances are measured at their nominal amount.

Expenditure prior to the balance sheet date that represents an expense for a specific period after this date is recognized under prepaid expenses on the assets side of the balance sheet.

Deferred taxes are recognized for temporary differences between the carrying amounts required by the HGB and the tax base of all assets and liabilities. As Volkswagen AG is the consolidated tax group parent and thus also the taxpayer for affiliated companies with which there are profit and loss transfer agreements, the differences at those companies are also included when calculating deferred taxes. Volkswagen AG is also a partner in various partnerships. Deferred taxes in respect of the difference between the HGB carrying amounts of assets and liabilities and their tax base are also reported at Volkswagen AG where these relate to corporation tax. The deferred taxes in respect of these differences are calculated on the basis of an average income tax rate of 29.8% or 15.8% for temporary differences that are attributable to different carrying amounts at partnerships in which Volkswagen AG is a partner. The option to recognize excess assets in accordance with section 274 of the HGB is not exercised.

The differences between the carrying amounts required by the HGB and the lower carrying amounts allowed under tax law were recorded in the special tax-allowable reserves presented between equity and liabilities in the balance sheet.

Existing special reserves are retained since they were recognized before the year of the transition to the provisions of the Bilanzrechtsmodernisierungsgesetz (BilMoG – German Accounting Law Modernization Act). These are reversed to the income statement and are based on the provisions of section 3(2) of the Zonenrandförderungsgesetz (German Zonal Border Development Act), section 6b of the Einkommensteuergesetz (EStG – German Income Tax Act)/regulation 6.6 of the Einkommensteuerrichtlinien (EStR – German Income Tax Regulations), section 7d of the EStG, section 82d of the Einkommensteuer-Durchführungsverordnung (EStDV – German Income Tax Implementing Regulation) and regulation 35 of the EStR. No new special reserves have been recognized since January 1, 2010.

Pension provisions are measured in accordance with actuarial principles; the projected unit credit method is used for defined benefit plans. Future obligations are measured on the basis of the ratable benefit entitlements earned as of the balance sheet date. In addition to the pension payments and vested entitlements known at the balance sheet date, future increases in salaries and pensions are taken into consideration, along with other relevant parameters. The discount rate published by the Deutsche Bundesbank as of Monday, December 31, 2019 is used. This figure is used to measure pension provisions in accordance with section 253(2) of the HGB and is based on the discount rate of 2.71% for a remaining maturity of 15 years.

Provisions for long-service jubilees and death benefits are also measured using the projected unit credit method.

Provisions for taxes are calculated according to the principles of prudent business judgment.

Provisions that have an expected remaining maturity of more than one year are discounted at an interest rate to match the maturity.

Provisions for warranty obligations are recognized on the basis of the historical or estimated probability of claims affecting vehicles delivered. Assumptions were made in respect of the warranty provisions recognized in connection with the diesel issues. These depend on the series, model year and country concerned and relate in particular to the effort, material costs and hourly wage rates involved, or to vehicle values in the case of repurchases. These assumptions are based on qualified estimates, which are based in turn on external data, and also reflect additional information available internally, such as values derived from past experience.

Provisions for litigation risks relating to the diesel issue, which comprise criminal, civil and administrative law cases as well as product-related lawsuits, including adequate defense and legal advice expenses, were calculated as the best estimate based on the present state of knowledge and current estimates.

Liabilities are carried at their settlement amount.

Liabilities denominated in foreign currencies are translated at the middle exchange rate prevailing at the date of initial recognition. Short-term foreign currency liabilities due within one year or less are measured at the middle spot rate. Long-term foreign currency liabilities are recognized at a higher carrying amount, with the difference recognized in the income statement if the closing rate is higher. Lower exchange rates at the balance sheet date (remeasurement gains) are not recognized.

Adequate provisions are recognized at their settlement amount for identifiable risks and uncertain obligations on the basis of prudent business judgment, taking into account expected future price and cost increases. Provisions cover all identifiable risks of future settlement.

The amount of contingent liabilities disclosed corresponds to the liable amount.

Receipts prior to the balance sheet date that represent income for a specific period after that date are reported under deferred income on the equity and liabilities side of the balance sheet.

Currency forwards and commodity futures contracts are measured by comparing the agreed rate with the forward rate for the same maturity at the balance sheet date. A provision is recognized for any resulting unrealized loss. Any positive gains (remeasurement gains) are not recognized. Gains and losses are not offset. Measurement gains or losses are discounted to the present value.

Where possible and feasible, derivatives entered into for hedging purposes are combined to form hedges if they have comparable risks to the hedged item. These are recognized using the "net hedge presentation method"; i.e. the items are not measured to the extent that and for as long as offsetting changes in fair value or cash flows are compensated. In some cases, the gross hedge presentation method is used, i.e. offsetting changes or cash flows are recognized separately and compensate each other. In some cases, the gross hedge presentation method is used, i.e. offsetting changes or cash flows are recognized separately and compensate each other.

Derivatives not included in hedge accounting are measured individually at fair value. Any resulting unrealized losses are recognized in income. Assets or liabilities hedged by cross-currency swaps and currency forwards are translated at the contractually agreed rates at the time of initial recognition. Transactions denominated in foreign currencies are translated at the exchange rates prevailing at the transaction dates or at agreed exchange rates. Expected exchange rate losses at the balance sheet date are reflected in the measurement of the items. Receivables and liabilities due within less than one year that are denominated in foreign currencies are translated at the middle spot rate prevailing at the balance sheet date.

Production costs are recognized on the basis of directly attributable material and labor costs, as well as proportionate indirect material and labor costs, including depreciation and amortization. Administrative cost components are not included.

Cost of sales contains all expenses relating to the purchase of materials and the production function, the costs of merchandise, the cost of research and development, and warranties and product liability expenses including the amounts recharged by subsidiaries.

Selling expenses include personnel and non-personnel operating costs of our sales and marketing activities, as well as shipping, advertising, sales promotion, market research and customer service costs.

General and administrative expenses include personnel and non-personnel operating costs of the administrative functions.

Other taxes are allocated to the functional areas.

Balance Sheet Disclosures

(1) FIXED ASSETS

The classification of the assets combined in the balance sheet and their changes during the year are presented on pages 12 to 13.

Capital expenditures amounted to:

€ million	2019	2018
Intangible assets	522	89
Tangible assets	2,699	1,919
Long-term financial assets	29,009	9,476
	32,230	**11,484**

The additions of €29.0 billion (previous year: €9.5 billion) are accompanied by disposals of €27.5 billion (previous year: €3.5 billion). This is attributable to intragroup reassignments to optimize the portfolio of long-term equity investments.

Depreciation, amortization and write-downs were charged on:

€ million	2019	2018
Intangible assets	99	126
Tangible assets	2,040	2,143
Long-term financial assets	1,523	–
	3,662	**2,269**

Assets recognized before the introduction of the BilMoG continue to be depreciated using the declining balance method. Depreciation of tangible assets includes an amount of €9.8 million (previous year: €36.8 million) for write-downs of special tools, an amount of €99.9 million (previous year: €– million) for other equipment, operating and office equipment, and an amount of €6.9 million (previous year: €9.1 million) for declining-balance depreciation.

Write-downs of long-term financial assets primarily relate to impairment losses on long-term equity investments required on the basis of updated corporate plans or expected selling prices.

Disclosures in accordance with section 285 no. 26 of the HGB

Securities investment funds (values as of December 31, 2019)

€ million	Carrying amount	Fair value	Fair value – carrying amount	Distribution 2019	Daily redemption possible	Write-downs not recognized
UI-TV Fund[1]	8,561	8,175	–386	88	yes	yes
UI-ZW Fund[1]	2,144	2,144	–	46	yes	not applicable
UI-BA Fund[1]	4,586	4,586	–	102	yes	not applicable
DWS Institutional ESG Euro Money Market Fund IC	438	438	–	–	yes	not applicable

1 Distributions received in 2019 were for 2018.

The funds' investment objectives are a return to match the maturity with appropriate risk diversification using the following asset classes: equities, fixed-income securities, cash investments and other assets. These can be invested in both Germany and internationally. The fund units can be redeemed on a daily basis. Fair values are calculated on the basis of quoted market prices.

The DWS fund is an institutional mutual fund that invests solely in money market instruments.

The treasury fund (UI-TV) is allocated to fixed assets at Volkswagen AG and measured at cost. The UI-TV Fund was not written down to the lower fair value in 2019 as no permanent impairment was expected.

The UI-ZW fund (Time Assets fund), the DWS fund and the UI-BA fund (occupational investment fund) solely serve the purpose of meeting occupational pension obligations and similar long-term obligations and are measured at fair value. Both funds are offset against the related obligations. As the settlement amount exceeds the present value of the UI-BA fund due to the decline in the applicable interest rate, provisions were recognized. Income and expenses from fair value measurement of the funds are recognized immediately in income.

Changes in Fixed Assets

	GROSS CARRYING AMOUNTS				
€ million	Cost Jan. 1, 2019	Additions	Transfers	Disposals	Cost Dec. 31, 2019
Intangible assets					
Industrial and similar rights and assets, and licenses in such rights and assets	419	455	5	50	828
Payments on account	7	67	−6	–	68
	426	**522**	**−1**	**50**	**897**
Tangible assets					
Land, land rights and buildings, including buildings on third-party land	5,984	91	58	1	6,132
Technical equipment and machinery	12,126	308	190	279	12,345
Other equipment, operating and office equipment	21,795	1,247	190	257	22,974
Payments on account and assets under construction	974	1,053	−436	0	1,591
	40,879	**2,699**	**−1**	**537**	**43,042**
Long-term financial assets					
Shares in affiliated companies	99,850	28,387	–	27,438	100,800
Loans to affiliated companies	4,210	–	–	–	4,210
Other equity investments	916	47	–	–	963
Loans to other investees and investors	3	–	–	3	–
Long-term investments	8,015	575	–	15	8,575
Other loans	19	–	–	1	18
	113,012	**29,009**	**–**	**27,456**	**114,565**
Total fixed assets	**154,317**	**32,230**	**–**	**28,044**	**158,503**

DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

Cumulative depreciation, amortization and write-downs Jan. 1, 2019	Depreciation, amortization and write-downs in current year	Disposals	Transfers	Reversals of write-downs	Cumulative depreciation, amortization and write-downs Dec. 31, 2019	Carrying amounts Dec. 31, 2019	Carrying amounts Dec. 31, 2018
196	99	50	–	–	245	584	223
–	–	–	–	–	–	68	7
196	**99**	**50**	**–**	**–**	**245**	**652**	**230**
4,420	112	1	0	–	4,530	1,602	1,565
10,863	545	276	1	–	11,132	1,213	1,263
18,866	1,383	248	–1	–	20,001	2,973	2,929
–	–	–	–	–	–	1,591	974
34,149	**2,040**	**525**	**–**	**–**	**35,663**	**7,378**	**6,731**
31	1,463	10	–	–	1,484	99,316	99,819
–	–	–	–	–	–	4,210	4,210
214	60	–	–	–	274	689	702
–	–	–	–	–	–	–	3
14	–	–	–	0	14	8,561	8,001
–	–	–	–	–	–	18	19
259	**1,523**	**10**	**–**	**0**	**1,772**	**112,793**	**112,752**
34,604	**3,662**	**586**	**–**	**0**	**37,680**	**120,823**	**119,713**

(2) INVENTORIES

€ million	Dec. 31, 2019	Dec. 31, 2018
Raw materials, consumables and supplies	1,436	1,156
Work in progress	1,200	1,227
Finished goods and merchandise	2,696	2,727
Payments on account	222	29
	5,554	**5,140**

(3) RECEIVABLES AND OTHER ASSETS

€ million	Dec. 31, 2019	Dec. 31, 2018
Trade receivables	1,297	1,293
of which due after more than one year	*7*	*4*
Receivables from affiliated companies	30,900	31,003
of which trade receivables	*4,342*	*5,069*
of which due after more than one year	*4,605*	*5,728*
Receivables from other investees and investors	1,673	2,206
of which trade receivables	*1,635*	*2,177*
of which due after more than one year	–	–
Other assets	1,878	2,393
of which due after more than one year	*133*	*190*
	35,748	**36,895**

In addition to trade receivables, receivables from affiliated companies are composed primarily of short- and medium-term loans and receivables relating to profit distributions, including income tax allocations.

Other assets primarily include tax reimbursements that are not yet due in the amount of €816 million (previous year: €1,522 million), payments on account of orders in the amount of €409 million (previous year: €383 million), option premiums paid in the amount of €280 million (previous year: €366 million) and receivables from the sale of used vehicles on behalf of subsidiaries in the amount of €196 million (previous year: €195 million).

(4) CASH-IN-HAND AND BANK BALANCES

Bank balances (€5.6 billion; previous year: €14.6 billion) include a total of €3.0 billion (previous year: €2.6 billion) held by an affiliated company. Bank balances of €2.4 billion (previous year: €2.4 billion) are held by the affiliated company and are subject to pledges. Restricted balances amount to €21.8 million (previous year: €287.2 million).

(5) SUBSCRIBED CAPITAL

The subscribed capital of Volkswagen AG is composed of no-par value bearer shares with a notional value of €2.56. As well as ordinary shares, there are preferred shares that entitle the bearer to a €0.06 higher dividend than ordinary shares, but do not carry voting rights.

As before, the subscribed capital is composed of 295,089,818 no-par value ordinary shares and 206,205,445 no-par value preferred shares and amounts to €1,283 million (previous year: €1,283 million).

The amount to be recognized for provisions for pension obligations that would result if the corresponding average market interest rate for the past seven fiscal years were applied, exceeds the amount recognized in the balance sheet by €3.1 billion. In accordance with section 253(6) sentence 2 of the HGB, this amount is restricted for distribution.

An amount of €0.2 million is restricted for distribution in accordance with section 268(8) sentence 3 of the HGB.

Based on the resolution by the Annual General Meeting on May 14, 2019, authorized capital of up to €179 million, expiring on May 13, 2024, was approved for the issue of new preferred bearer shares.

(6) CAPITAL RESERVES

€ million	Dec. 31, 2019	Dec. 31, 2018
Capital Reserves	15,021	15,021

The capital reserves comprise the share premium from various capital increases (€14,695 million), the premium from the issue of bonds with warrants (€219 million) and an amount of €107 million appropriated on the basis of the capital reduction implemented in 2006.

(7) REVENUE RESERVES

€ million	Dec. 31, 2019	Dec. 31, 2018
Legal reserve	31	31
Other revenue reserves	16,021	14,336
	16,052	**14,367**

An amount of €1,685 million was appropriated from net income for the year to other revenue reserves in accordance with section 58(2) of the AktG.

(8) SPECIAL TAX-ALLOWABLE RESERVES

€ million	Dec. 31, 2019	Dec. 31, 2018
Accelerated tax depreciation	18	19
	18	**19**

(9) PROVISIONS

€ million	Dec. 31, 2019	Dec. 31, 2018
Provisions for pensions and similar obligations	17,780	16,125
Provisions for taxes	3,842	3,699
Other provisions	21,364	20,045
	42,986	**39,870**
short-term (up to 1 year)	15,156	12,260
medium-term (more than 1 to 5 years)	10,364	11,493
long-term (more than 5 years)	17,466	16,117
	42,986	**39,870**

Provisions for pensions and similar obligations

Provisions for pensions are recognized for commitments in the form of retirement, invalidity and dependents' benefits payable under pension plans. The benefits usually depend on the employees' length of service and remuneration. At Volkswagen AG, pension plans are based on defined benefit plans, whereby a distinction is made between provision-funded and externally funded pension plans.

Pension provisions are measured on the basis of the following assumptions:

	Dec. 31, 2019	Dec. 31, 2018
Discount rate	2.71%	3.21%
Salary trend	3.70%	3.50%
Wage/pension trend	1.50%	1.50%
Fluctuation	1.10%	1.00%
Basis of calculation	2018 G mortality tables	2018 G mortality tables
Age limits	RV-Altersgrenzen-anpassungsgesetz (German Act to Adapt the Standard Retirement Age to Reflect Demographic Trends and to Strengthen the Funding Basis for the Statutory Pension Insurance System) 2007	RV-Altersgrenzen-anpassungsgesetz (German Act to Adapt the Standard Retirement Age to Reflect Demographic Trends and to Strengthen the Funding Basis for the Statutory Pension Insurance System) 2007

The percentage figure used to calculate the salary trend takes into account increases attributable to career development as a surcharge on regular salary increases. The discount rate applied is based on the average market interest rate for the past ten years.

The pension obligations reported in the balance sheet are composed of the following items:

€ million	Dec. 31, 2019	Dec. 31, 2018
Externally funded pension obligation		
Cost of the pension fund	4,610	4,176
Fair value of the pension fund	4,586	4,006
Settlement amount of the obligations in the pension fund model (fair value)	6,068	4,907
Offset against the fair value of the pension fund (in accordance with section 246(2) of the HGB)	**1,482**	**901**
Provision-funded pension obligation		
Settlement amount of the obligations outside the pension fund model	16,298	15,224
Pension provisions reported in the balance sheet	**17,780**	**16,125**

Externally funded pension benefits

The fund assets of externally funded pension obligations are measured at fair value. The settlement amount of the obligation exceeds the present value of the pension fund due to the decline in the interest rate applied. Consequently, corresponding provisions have been recognized. Since 1996, the occupational pension arrangements of Volkswagen AG have been based on a specially developed expense-related pension model. With effect from January 1, 2001, this model was developed into a pension fund, with the annual remuneration-linked contributions being invested in funds by Volkswagen Pension Trust e.V., Wolfsburg, as the trustee. By investing in funds, this model offers an opportunity for increasing benefit entitlements, while at the same time fully safeguarding them.

The following amounts were offset in the income statement:

€ million	2019	2018
Reinvested distributions from the pension fund	102	34
Measurement of the pension fund	147	–140
Change in value	**249**	**–105**
Adjustment of externally funded pension obligations in profit or loss	–249	105
Balance of income and expenses	**–**	**–**

Other provisions

Significant provisions were recognized for selling expenses including warranties (€9.6 billion; previous year: €10.5 billion), legal and litigation risks (€2.9 billion; previous year: €2.3 billion) and personnel expenses (€4.4 billion, mainly for long-service benefits, special benefits, partial retirement and other workforce costs; previous year: €3.8 billion). Provisions for the obligation to return emission certificates amount to €0.0 million (previous year: €0.0 million).

Provisions for personnel expenses include liabilities relating to employee Time Assets. Volkswagen AG has been issuing Time Assets as a retirement benefit concept for working life planning since January 1, 1998. This allows employees to acquire Time Assets, which represent liabilities for Volkswagen AG. An approved fund (Time Assets fund) was launched to safeguard employees' claims. Investments are also made in a money market fund. By investing in funds, the model offers an opportunity for increasing the value of Time Assets, while at the same time fully safeguarding them.

The plan assets from both funds are measured at fair value in accordance with section 253(1) of the HGB. The fair value of offset assets in the Time Assets fund was determined by reference to market prices (stock market prices) in an active market. Fund assets and liabilities relating to Time Assets are offset:

€ million	Dec. 31, 2019	Dec. 31, 2018
Cost of the Time Asset funds	2,764	2,517
Fair value of the Time Asset funds	2,583	2,263
Settlement amount of the Time Asset obligation	2,585	2,265
Balance of the Time Asset fund and the settlement amount of the Time Asset obligation	**2**	**2**

The following amounts were offset:

€ million	2019	2018
Reinvested distributions from the Time Asset funds	45	19
Measurement of the Time Asset funds	72	–72
Change in value	**118**	**–53**
Settlement amount of the Time Asset obligation	–118	53
Balance of income and expenses	**–**	**–**

(10) LIABILITIES

€ million	Dec. 31, 2019	TERM TO MATURITY due within one year	due in more than one year	*of which due within one to five years*	*of which due over 5 years*
Type of liability					
Liabilities to banks	**2,900**	1,312	1,588	*1,577*	*11*
Payments received on account of orders	**56**	56	–	–	–
Trade payables	**2,117**	2,117	–	–	–
Liabilities to affiliated companies	**78,536**	33,454	45,082	*23,437*	*21,645*
Liabilities to other investees and investors	**1,377**	1,377	–	–	–
Other liabilities	**2,848**	2,159	689	*605*	*84*
of which taxes	***41***	41	–	–	–
of which social security	***38***	38	–	–	–
	87,832	**40,474**	**47,359**	***25,619***	***21,740***

€ million	Dec. 31, 2018	TERM TO MATURITY due within one year	due in more than one year	*of which due within one to five years*	*of which due over 5 years*
Type of liability					
Liabilities to banks	**4,391**	2,369	2,022	*2,020*	*2*
Payments received on account of orders	**44**	44	–	–	–
Trade payables	**2,224**	2,224	–	–	–
Liabilities to affiliated companies	**92,473**	45,085	47,388	*23,244*	*24,145*
Liabilities to other investees and investors	**1,693**	1,693	–	–	–
Other liabilities	**1,483**	733	750	*666*	*84*
of which taxes	***61***	61	–	–	–
of which social security	***29***	29	–	–	–
	102,308	**52,147**	**50,160**	***25,930***	***24,231***

Volkswagen AG's syndicated credit line of €5.0 billion agreed in July 2011 was replaced in December 2019 by a new syndicated credit line of €10.0 billion. The new credit facility runs for five years, with the option of extending the term until 2026 at the latest. This credit facility was unused as of the end of 2019. In addition, there were externally confirmed credit facilities totaling €5.5 billion.

In the US capital market Volkswagen Group of America Finance LLC placed a bond with a total volume of USD 3.0 billion with investors in five tranches. Volkswagen Credit Canada Inc. issued notes with a volume of around CAD 1.5 billion in the Canadian refinancing market. Both bonds are guaranteed by Volkswagen AG.

In June 2018, Volkswagen AG placed unsecured subordinated hybrid notes with an aggregate principal amount of €2.75 billion via a subsidiary, Volkswagen International Finance N.V. Amsterdam, Netherlands (VIF). The perpetual hybrid notes were issued in two tranches and can be called by VIF. The first call date for the first tranche (€1.25 billion and a coupon of 3.375%) is after 6 years, and the first call date for the second tranche (€1.5 billion and a coupon of 4.625%) is after 10 years.

The transaction also served to refinance a tranche with a principal amount of €1.25 billion from the hybrid notes issued in 2013; the tranche was terminated in September 2018.

€2.5 billion (previous year: €2.2 billion) of the liabilities to affiliated companies relates to trade payables. The liabilities to other investees and investors contain trade payables of €147 million (previous year: €74 million). Other liabilities include option premiums received in the amount of €227 million (previous year: €314 million).

Standard retention of title applies to the liabilities from deliveries of goods contained in the amounts shown above.

Other liabilities include liabilities to employees of €216 million (previous year: €245 million) that are secured by real estate liens.

(11) DEFERRED INCOME

Deferred income primarily comprises amounts for extended warranties.

CONTINGENCIES AND COMMITMENTS

€ million	Dec. 31, 2019	Dec. 31, 2018
Contingent liabilities from guarantees	170	288
Contingent liabilities from warranties	36,407	42,626
of which relating to pensions	*735*	*689*
of which relating to affiliated companies	*239*	*407*
Granting of security for third-party liabilities	1,507	2,113
of which relating to affiliated companies	*987*	*1,033*
Contingent liabilities others	3,664	5,383
	41,748	**50,409**

Contingent liabilities from warranties

Contingent liabilities from warranties relate primarily to guarantees given to creditors of subsidiaries and for bonds issued by these subsidiaries.

Contingent liabilities others

The other contingent liabilities primarily comprise potential liabilities arising from matters relating to taxes and customs duties, as well as litigation and proceedings relating to suppliers, dealers, customers, employees and investors. The contingent liabilities recognized in connection with the diesel issue totaled €3.6 billion (previous year: €5.4 billion), of which €3.4 billion (previous year: €3.4 billion) was attributable to investor lawsuits. Also included are certain elements of the class action lawsuits relating to the diesel issue as well as criminal proceedings/misdemeanor proceedings as far as these can be quantified.

The shareholders of Volkswagen Original Teile Logistik GmbH & Co. KG, Baunatal (VW OT Logistik), were granted a put option that entitles them to tender their shares in VW OT Logistik to Volkswagen AG until December 31, 2024. The value of this obligation amounted to €0.05 billion (previous year: €0.1 billion) as of the reporting date.

Risk assessment of the settlement of contingent liabilities

Volkswagen AG provides guarantees for the capital market issues of the finance companies, for development loans from supranational financial institutions and, in specific cases, for loans to newly formed subsidiaries. Volkswagen AG manages its subsidiaries in such a way that they can discharge their financial obligations at any time. In addition to the preparation of a monthly liquidity report for Volkswagen AG, regular financial reviews are held during which the variances between the actual and projected liquidity are analyzed and the necessary corrective measures are implemented. Based on this information, the Company sees no risk of a claim being brought under the guarantees provided.

Transactions not included in the balance sheet (section 285 no. 3 of the HGB)

Volkswagen AG finances its trade receivables from foreign affiliated companies and certain selected non-Group importers on the basis of nonrecourse factoring via foreign subsidiaries. In addition, selected receivables from partners of the domestic sales organization are financed on the basis of non-recourse factoring via a subsidiary. The total amount concerned was €31.5 billion (previous year: €29.8 billion) in the fiscal year. The Company received liquid funds in this amount. These transactions do not lead to any specific new risks.

Volkswagen AG sells a small number of vehicles, mainly to car rental companies, subject to the obligation to repurchase them for a predefined price after a fixed period of time. As of December 31, 2019, this was the case for 18,105 vehicles worth €0.3 billion (previous year: 16,166 vehicles worth €0.3 billion). Provisions are recognized for the risk arising from potential differences between the agreed prices and the market prices when such vehicles are marketed in the future.

TOTAL FEES PAID TO AUDITORS

The total fee paid to the auditors of the consolidated financial statements can be found in Note 42 of the notes to the consolidated financial statements.

The fee paid to the auditors in 2019 was mostly attributable to the audit of the consolidated financial statements of Volkswagen AG and of annual financial statements of German Group companies as well as to reviews of the interim consolidated financial statements of Volkswagen AG and of interim financial statements of German Group companies. The auditors provided other attestation and tax consulting services to only a minor extent. In the year under review, non-auditing services provided by the auditors mainly comprised advice on the implementation of new legal standards and support for measures taken in connection with the diesel issue.

OTHER FINANCIAL OBLIGATIONS

€ million	Dec. 31, 2019	Due 2020	Due 2021 - 2024	Due after 2024
Loan commitments	26,460	26,460	–	–
of which related to affiliated companies	*26,460*	*26,460*	–	–
Rental and leasing agreements	77	73	4	–
of which related to affiliated companies	*34*	*34*	–	–
Other Contracts	1,224	66	356	802
of which related to affiliated companies	–	–	–	–
of which related to associated companies	–	–	–	–
	27,761	**26,599**	**360**	**802**

€ million	Dec. 31, 2018	Due 2019	Due 2020 - 2023	Due after 2023
Loan commitments	23,750	23,750	–	–
of which related to affiliated companies	*23,750*	*23,750*	–	–
Rental and leasing agreements	892	212	388	292
of which related to affiliated companies	*336*	*61*	*112*	*164*
Other Contracts	1,319	97	349	873
of which related to affiliated companies	–	–	–	–
of which related to associated companies	–	–	–	–
	25,961	**24,059**	**737**	**1,165**

The other financial obligations from long-term rental and leasing agreements comprise rentals of storage, logistics and office space, as well as test tracks. Around 42 hectares of land (carrying amount €7.0 million) are encumbered by heritable building rights. In accordance with Art. 5(10) of the statutes of the Einlagensicherungsfonds (Deposit Protection Fund), Volkswagen AG has given an undertaking to indemnify Bundesverband deutscher Banken e.V., Berlin, against any losses incurred that are attributable to measures taken by it in favor of a majority-owned bank.

Volkswagen AG has liabilities from its investments in commercial partnerships.

The purchase commitment for capital expenditure projects has not changed significantly.

Other miscellaneous obligations primarily comprise obligations for investments in the infrastructure for zero-emission vehicles as well as initiatives for promoting access to and awareness of these technologies. The Volkswagen Group had committed itself to an amount of €1.2 billion under the settlement agreement relating to the diesel issue.

Disclosures on derivatives

MEASUREMENT METHODS

The fair values of the derivatives generally correspond to the market or quoted market price. If no active market exists, fair value is determined using valuation techniques, such as by discounting the future cash flows at the market interest rate, or by using recognized option pricing models, and verified by confirmations from the banks that handle the transactions.

The calculations were based on the following term structures:

in %	EUR	CAD	CHF	CNY	GBP	JPY	PLN	SEK	USD
Interest rate for six months	−0.3774	1.9480	−0.5622	2.9797	0.7651	−0.1787	1.7156	0.1852	1.8264
Interest rate for one year	−0.3674	1.9659	−0.5146	2.9918	0.7386	−0.0877	1.6984	0.1970	1.7630
Interest rate for five years	−0.1195	2.0300	−0.4360	3.4000	0.8844	0.0250	1.7920	0.3900	1.6866
Interest rate for ten years	0.2110	2.1150	−0.1120	4.1500	1.0172	0.1263	1.8800	0.6900	1.8350

DERIVATIVES

Currency forwards, currency options, commodity futures, cross-currency swaps and interest rate swaps are used as hedging instruments. All instruments serve to hedge currency, interest rate and commodity price risk exposures of hedged items attributable to the real economy, independently of whether or not they are included in hedge accounting. In 2019, existing hedges of sales revenue were terminated because the hedged items no longer met the criteria for hedge accounting. Provisions for impending losses (see section entitled “Balance sheet items and carrying amounts”) were recognized to a small extent for the currency forwards concerned and, in cases in which they were settled, new hedging relationships were designated for the currency forwards concerned.

The following table shows the hedging volume of the financial instruments not included in hedge accounting.

€ million	NOTIONAL AMOUNT		FAIR VALUE	
Type and volume	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Currency futures contracts	**4,883**	**3,470**		
of which currency purchases	*3,529*	*2,498*		
of which positive fair values			*117*	*59*
of which negative fair values			*−3*	*−3*
of which currency sales	*1,353*	*971*		
of which positive fair values			*2*	*1*
of which negative fair values			*−4*	*−2*
Currency option contracts	**–**	**–**		
of which positive fair values			*–*	*–*
Commodity futures contracts	**3,169**	**1,575**		
of which positive fair values			*100*	*37*
of which negative fair values			*−132*	*−90*

Balance sheet items and carrying amounts

Derivatives not included in hedges are contained in the following balance sheet items at the carrying amounts shown:

€ million		CARRYING AMOUNT	
	Balance sheet item	Dec. 31, 2019	Dec. 31, 2018
Expected losses from open currency forwards	Other provisions	7	6
Expected losses from open commodity future contracts	Other provisions	132	90

Derivatives – included in hedges

Explanations of the risks hedged, the hedging strategy and the highly probable forecast transactions are included in the management report.

Hedges of currency, interest rate and commodity price risk exposures

The following risk exposures are included in hedge accounting:

€ million	NOTIONAL AMOUNT		FAIR VALUE	
Hedged risks	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Currency risk from assets (cross currency swaps, currency forwards) and forecasted transactions	**2,565**	**5,292**		
negative fair values			−112	−60
positive fair values			27	82
Currency risk from forecast transactions	**122,863**	**92,303**		
negative fair values			−2,079	−1,557
positive fair values			1,729	2,049
Currency option contracts	**30,087**	**33,810**		
negative fair values			−138	−265
positive fair values			140	269
Commodity futures contracts	**5,588**	**3,049**		
negative fair values			−128	−97
positive fair values			128	97
Currency risk from executory contracts	**7,511**	**6,638**		
negative fair values			−125	−94
positive fair values			148	129

A portfolio approach is used to hedge currency risk exposures, under which expected cash inflows and outflows in foreign currencies are offset in order to hedge the net position. Since the volume of the hedges is lower than the volume of the planned commodity purchases and sales, there is a strong presumption that the changes in cash flows from hedging instruments in the future will offset the effects relating to commodity purchases and sales. Furthermore, the extent of hedging decreases the later the commodity purchase or sale is planned within the planning period. All hedges were recognized using both the net hedge presentation method and the gross hedge presentation method. The recognized hedges were almost 100% effective.

Assets and liabilities in a nominal amount of €2.6 billion are hedged by combining cross-currency swaps with interest rate swaps of equal amounts in micro hedges; the term of the hedge is based on the term of the underlying transaction. An exposure of €112 million arising from assets was hedged as of the reporting date on December 31, 2019. The effectiveness of the hedge is assessed prospectively using the critical terms match method and retrospectively using the dollar offset method.

Micro hedges, macro hedges and portfolio hedges are recognized for the forecast transactions. Their effectiveness is assessed prospectively using the critical terms match method and retrospectively using the dollar offset method. With respect to the hedging of forecast transactions using currency forwards, risk exposures in the amount of €97.9 billion are hedged by micro hedges, €25.0 billion by macro hedges and €88.7 million by portfolio hedges.

Forecast transactions relating to risk exposures of €30.1 billion are micro-hedged using currency options.

Executory contracts and forecast transactions mainly relate to planned commodity purchases in foreign currency and revenue from vehicle sales that are highly probable in the coming five years. There are also currency forwards that serve as offsetting transactions to close out terminated hedges.

An insignificant amount of individual planned sales and purchases in connection with the future electric vehicle strategy also relates to periods beyond this. Currency risk exposures relating to executory contracts are hedged by micro hedges.

In addition to the derivatives used for hedging foreign currency, interest rate and price risk, the Group held options and other derivatives in connection with fund investments at the reporting date with a notional amount of €9.0 billion. Credit default swaps, also in connection with fund investments, had a notional amount of €14.9 billion.

Hedging of currency and commodity price risk exposures for subsidiaries

Volkswagen AG combines the currency and purchase price risk exposures of certain subsidiaries with its own exposures as part of uniform planning in order to hedge them using currency forwards, currency options and commodity futures with external partners. The notional amounts of the aggregate hedging transactions entered into by Volkswagen AG for forecast transactions and planned commodity purchases therefore also includes amounts attributable to subsidiaries included in the consolidated financial statements. They are allocated to subsidiaries either via hedging transactions between the subsidiary and Volkswagen AG that mirror the external hedging transactions, or by the subsidiary participating in the gain or loss when the hedging transaction is settled

The term and method used to assess the effectiveness of hedging transactions entered into between Volkswagen AG and a subsidiary are the same as for external hedging transactions. Hedge accounting is applied only to micro hedges. The underlying is defined as the entire hedging transaction or a part of the hedging transaction entered into between Volkswagen AG and external partners.

Derivatives

The following table shows the hedging volume attributable to subsidiaries included in the consolidated financial statements that is not included in hedge accounting:

€ million	NOTIONAL AMOUNT		FAIR VALUE	
Hedged risks	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Currency futures contracts	**254**	**92**		
of which currency purchases	*251*	*90*		
of which positive fair values			*9*	*3*
of which negative fair values			*0*	*0*
of which currency sales	*3*	*2*		
of which positive fair values			*0*	*0*
of which negative fair values			*–*	*–*
Currency option contracts	**–**	**–**		
of which positive fair values			*–*	*–*
Commodity futures contracts	**275**	**137**		
of which positive fair values			*3*	*2*
of which negative fair values			*–12*	*–9*

Balance sheet items and carrying amounts

The carrying amounts of hedges not included in hedge accounting and attributable to subsidiaries are contained in the following balance sheet items:

€ million		CARRYING AMOUNT	
	Balance sheet item	Dec. 31, 2019	Dec. 31, 2018
Expected losses from open currency forwards	Other provisions	0	0
Expected losses from open commodity future contracts	Other provisions	12	9

Hedging of currency and commodity price risk exposures

The following exposures were hedged for subsidiaries and included in hedge accounting:

€ million		DEC. 31, 2019		
Hedged exchange rate risks	Hedging instrument	Amount hedged	Positive fair value	Negative fair value
Forecast transactions	Currency futures contracts	48,904	1,348	–249
	Currency option contracts	14,890	67	–70
	Commodity futures contracts	2,794	128	–74
		66,588	**1,543**	**–393**
Executory contracts	Currency futures contracts	2,835	11	–106
Assets	Currency futures contracts	221	6	–
		69,644	**1,560**	**–499**

Income Statement Disclosures

(12) SALES

€ million	2019	%	2018	%
by region				
Germany	30,536	37.9	27,549	35.3
Europe / excl. Germany	36,391	45.1	35,431	45.4
North America	3,456	4.3	3,159	4.0
South America	757	0.9	1,043	1.3
Africa	1,684	2.1	1,759	2.3
Asia-Pacific	7,798	9.7	9,060	11.6
	80,621	**100.0**	**78,001**	**100.0**
by segment				
Vehicle sales	52,495	65.1	48,228	61.8
Genuine parts	6,453	8.0	6,476	8.3
Other sales	21,673	26.9	23,297	29.9
	80,621	**100.0**	**78,001**	**100.0**

Other sales comprise deliveries of materials and parts worth €11.7 billion (previous year: €12.6 billion) to subsidiaries.

(13) OTHER OPERATING INCOME

€ million	2019	2018
Other operating income	5,053	5,673
of which income from the reversal of special tax-allowable reserves	*1*	*2*

Other operating income relates primarily to income from the measurement and settlement of hedging transactions in the amount of €2.5 billion (previous year: €2.4 billion) and income from the foreign currency translation in the amount of €0.5 billion (previous year: €0.4 billion). Income from the reversal of provisions amounts to €1.5 billion (previous year: €2.0 billion). Other income that is attributable to previous fiscal years amounted to €0.1 billion (previous year: €0.2 billion).

(14) OTHER OPERATING EXPENSES

€ million	2019	2018
Other operating expenses	5,967	6,089

Other operating expenses include legal and litigation risks from the diesel issue amounting to €2.3 billion (previous year: €2.4 billion). This item also includes expenses from the measurement and settlement of hedging transactions in the amount of €2.4 billion (previous year: €2.3 billion) and foreign currency translation expenses of €0.5 billion (previous year: €0.3 billion).

Foreign currency translation expenses mainly relate to exchange rate losses from the measurement and settlement of foreign currency hedges, as well as exchange rate losses from the translation of operating receivables and liabilities that have not been offset. Expenses attributable to previous fiscal years amounted to €0.1 billion (previous year: €0.2 billion).

(15) FINANCIAL RESULT

€ million	2019	2018
Income and expenses from investments	14,144	11,496
Interest income and expense	−1,000	−968
Other financial result	−2,507	−2,264
	10,638	**8,264**

Income and expenses from investments

€ million	2019	2018
Income from investments	5,437	6,791
of which from affiliated companies	*3,192*	*4,813*
Income from profit and loss transfer agreements	10,210	6,045
Other investment income	–	745
Other investment expenses	1,102	454
Cost of loss absorption	401	1,630
	14,144	**11,496**

Income from investments primarily comprises income from Volkswagen Finance Luxemburg S.A., Strassen, SAIC-Volkswagen Automotive Company Ltd., Shanghai, China, Volkswagen (China) Investment Co. Ltd., Beijing, China, and FAW-Volkswagen Automotive Company Ltd., Changchun, China.

Income from profit and loss transfer agreements, which includes allocations of income-related taxes, primarily comprises income from Audi AG, Ingolstadt, Porsche Holding Stuttgart GmbH, Stuttgart, TRATON SE, Munich, VW Group Services GmbH, Wolfsburg, Volkswagen Bank GmbH, Braunschweig, and Volkswagen Sachsen GmbH, Zwickau.

Other investment expenses include disposal losses of €0.8 billion recognized in connection with the IPO of TRATON SE (see “Significant events in the fiscal year”). In addition, the item includes the transfer of investment income to Audi AG, Ingolstadt (€0.3 billion).

Interest income and expense

€ million	2019	2018
Income from other investments and long-term loans	305	271
of which from affiliated companies	*214*	*261*
Other interest and similar income	65	119
of which from affiliated companies	*57*	*103*
Interest and similar expenses	1,369	1,358
of which to affiliated companies	*1,283*	*1,145*
	−1,000	**−968**

Interest and similar expenses mainly relate to interest expenses to affiliated companies, bank commission and interest on overnight and fixed-term borrowings as well as negative interest on time deposits.

Other financial result

€ million	2019	2018
Interest component of pension expenses	−2,174	−2,231
Unwinding of the discount on provisions	−332	−32
Unwinding of the discount on/discounting of liabilities	0	−1
	−2,507	**−2,264**

Other taxes

The other taxes allocated to the consuming functions amounted to €65 million (previous year: €56 million). They relate to VAT, vehicle taxes and land taxes.

Deferred taxes

Offsetting deferred tax assets and liabilities in the fiscal year resulted in an excess of tax assets in Volkswagen AG's consolidated tax group. This represents a future tax benefit and is not recognized as an asset. The following tables show the changes in deferred taxes in the current and past fiscal year:

Reporting period

€ million	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
Dec. 31, 2019	Difference	Tax	Difference	Tax
Assets				
Fixed assets	6,055	1,800	−48	−14
Current assets	4,403	1,312	−23	−7
Other assets	15	5	–	–
Liabilities				
Special reserves	0	0	0	0
Provisions	26,743	7,970		
Liabilities	1,066	318	−894	−266
Deferred income items	255	76		
Tax loss carried forward		1,239		
Total		**12,719**		**−288**
Offset		−288		288
Net deferred tax assets		12,431		

Previous year

€ million	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
Dec. 31, 2018	Difference	Tax	Difference	Tax
Assets				
Fixed assets	5,293	1,559	−66	−20
Current assets	4,241	1,264	−16	−5
Other assets	13	4	–	–
Liabilities				
Special reserves	0	0	0	0
Provisions	24,144	7,195		
Liabilities	1,009	301	−750	−223
Deferred income items	122	36		
Tax loss carried forward		1,764		
Total		**12,122**		**−248**
Offset		−248		248
Net deferred tax assets		11,875		

NOTICES AND DISCLOSURE OF CHANGES REGARDING THE OWNERSHIP OF VOTING RIGHTS IN VOLKSWAGEN AG IN ACCORDANCE WITH ARTICLE 21 AND ARTICLE 26 OF THE WERTPAPIERHANDELSGESETZ (WPHG – GERMAN SECURITIES TRADING ACT) IN THE VERSION CURRENTLY VALID ON THE DATE OF PUBLICATION

PORSCHE

1) Porsche Automobil Holding SE, Stuttgart, Germany has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in Volkswagen Aktiengesellschaft, Wolfsburg, Germany, exceeded the threshold of 50% on January 5, 2009 and amounted to 50.76% (149,696,680 voting rights) at this date.

2) The following persons notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in Volkswagen Aktiengesellschaft in each case exceeded the threshold of 50% on January 5, 2009 and in each case amounted to 50.76% (149,696,680 voting rights) at this date. All of the above-mentioned 149,696,680 voting rights are attributable to each of the persons making the notification in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the persons making the notifications are held via subsidiaries within the meaning of article 22, section 3 of the WpHG, whose attributed share of the voting rights amounts to 3% or more and whose names are given in brackets:

   Mag. Josef Ahorner, Austria
   (Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

   Mag. Louise Kiesling, Austria
   (Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

   Prof. Ferdinand Alexander Porsche, Austria
   (Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

   Dr. Oliver Porsche, Austria
   (Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Kai Alexander Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Mark Philipp Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Anton Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ing. Hans-Peter Porsche, Austria
(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Peter Daniell Porsche, Austria
(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Wolfgang Porsche, Germany
(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Wolfgang Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Porsche Privatstiftung, Salzburg/Austria
(Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Privatstiftung, Salzburg/Austria
(Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Porsche Holding GmbH, Salzburg/Austria
(Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Holding GmbH, Salzburg/Austria
(Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Louise Daxer-Piëch GmbH, Salzburg/Austria
(Louise Daxer-Piech GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany),

Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria
(Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/ Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Anton Porsche GmbH, Salzburg/Austria
(Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Louise Daxer-Piech GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/ Germany),

Ferdinand Alexander Porsche GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/ Germany),

Gerhard Porsche GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ing. Hans-Peter Porsche GmbH, Salzburg/Austria
(Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Hans-Peter Porsche GmbH, Grünwald/Germany
(Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Wolfgang Porsche GmbH, Grünwald/Germany
(Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Beteiligung GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Porsche GmbH, Stuttgart/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Hans Michel Piëch, Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Hans Michel Piech GmbH, Grünwald/Germany; Dr. Hans Michel Piëch GmbH, Salzburg/Austria),

Dr. Hans Michel Piëch GmbH, Salzburg/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Hans Michel Piech GmbH, Grünwald/Germany),

Hans Michel Piech GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Dipl.-Ing. Dr. h.c. Ferdinand Piëch, Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany; Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria; Ferdinand Karl Alpha Privatstiftung, Vienna/Austria),

Ferdinand Karl Alpha Privatstiftung, Vienna/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany; Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria),

Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany),

Ferdinand Piech GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany).

3) Porsche Holding Gesellschaft m.b.H., Salzburg/Austria, and Porsche GmbH, Salzburg/Austria, notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in Volkswagen Aktiengesellschaft in each case exceeded the threshold of 50% on January 5, 2009 and in each case amounted to 53.13% (156,702,015 voting rights) at this date.

All the above-mentioned 156,702,015 voting rights are attributable to Porsche Holding Gesellschaft m.b.H. in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The companies via which the voting rights are actually held and whose attributed share of the voting rights amounts to 3% or more are:
– Porsche GmbH, Salzburg/Austria;
– Porsche GmbH, Stuttgart/Germany;
– Porsche Automobil Holding SE, Stuttgart/Germany.

Of the above-mentioned 156,702,015 voting rights, 50.76% of the voting rights (149,696,753 voting rights) are attributable to Porsche GmbH, Salzburg/Austria, in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The companies via which the voting rights are actually held and whose attributed share of the voting rights amounts to 3% or more are:
– Porsche GmbH, Stuttgart/Germany;
– Porsche Automobil Holding SE, Stuttgart/Germany.

4) Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Germany has notified us in accordance with article 21, section 1 of the WpHG that its (indirect) share of the voting rights in Volkswagen Aktiengesellschaft, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 29, 2010 and amounted to 50.74% of the voting rights (149,696,680 voting rights) at this date.

   Of this figure, 50.74% of the voting rights (149,696,680 voting rights) are attributable to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG are held via the following enterprises controlled by it, whose share of the voting rights in Volkswagen Aktiengesellschaft amounts to 3% or more in each case: Wolfgang Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald, Porsche Automobil Holding SE, Stuttgart.

   These voting rights were not reached by exercise of purchase rights resulting from financial instruments according to article 25, section 1, sentence 1 of the WpHG.

5) On August 12, 2013, LK Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on August 10, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date.

   Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to LK Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to LK Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Porsche Automobil Holding SE, Stuttgart; Familien Porsche-Kiesling Beteiligung GmbH, Grünwald; Louise Daxer-Piech GmbH, Grünwald.

6) On September 11, 2013, Ahorner Alpha Beteiligungs GmbH, Grünwald, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Alpha Beteiligungs GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to Ahorner Alpha Beteiligungs GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Porsche Automobil Holding SE, Stuttgart.

7) On September 11, 2013, Ahorner Beta Beteiligungs GmbH, Grünwald, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Beta Beteiligungs GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to Ahorner Beta Beteiligungs GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

8) On September 11, 2013, Louise Daxer-Piech GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Louise Daxer-Piech GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to Louise Daxer-Piech GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Ahorner Beta Beteiligungs GmbH, Grünwald; Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

9) On September 11, 2013, Ahorner Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to Ahorner Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Louise Daxer-Piech GmbH, Salzburg, Austria; Ahorner Beta Beteiligungs GmbH, Grünwald; Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

10) On December 16, 2014, Porsche Wolfgang 1. Beteiligungsverwaltungs GmbH, Stuttgart, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on December 15, 2014 and amounted to 0% of the voting rights (0 voting rights) at this date.

11) On December 17, 2014, Dr. Wolfgang Porsche Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on December 15, 2014 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Dr. Wolfgang Porsche Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

    The voting rights attributed to Dr. Wolfgang Porsche Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Wolfgang Porsche GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

12) On July 15, 2015, the following persons in each case have notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and in each case amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date:

– Dipl.-Design. Stephanie Porsche-Schröder, Austria,
– Dr. Dr. Christian Porsche, Austria,
– Ferdinand Rudolf Wolfgang Porsche, Austria

Of this figure, in each case 50.73% of the voting rights (149,696,681 voting rights) are attributable to each of the above-mentioned notifying persons in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the notifying persons in each case are held via the following enterprises controlled by the notifying persons, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Dr. Wolfgang Porsche Holding GmbH, Salzburg; Wolfgang Porsche GmbH, Grünwald; Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

13) On July 15, 2015, Familie Porsche Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on July 14, 2015 and amounted to 0% of the voting rights (0 voting rights) at this date.

14) On July 15, 2015, Ferdinand Porsche Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on July 14, 2015 and amounted to 0% of the voting rights (0 voting rights) at this date.

15) On July 15, 2015, Ferdinand Porsche Familien-Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ferdinand Porsche Familien-Privatstiftung in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ferdinand Porsche Familien-Privatstiftung are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

16) On July 20, 2015, the following persons in each case have notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and in each case amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date:

– Dr. Geraldine Porsche, Austria,
– Diana Porsche, Austria,
– Felix Alexander Porsche, Germany.

Of this figure, in each case 50.73% of the voting rights (149,696,681 voting rights) are attributable to each of the above-mentioned notifying persons in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the notifying persons in each case are held via the following enterprises controlled by the notifying persons, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

17) On August 4, 2015, Ferdinand Porsche Familien- Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 31, 2015 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ferdinand Porsche Familien- Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ferdinand Porsche Familien- Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:
Hans-Peter Porsche GmbH, Grünwald; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Porsche GmbH, Grünwald; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

18) Release according to article 26, section 1 of the WpHG of June 3, 2016

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification
☐ Acquisition/disposal of shares with voting rights
☒ Acquisition/disposal of instruments
☐ Change of breakdown of voting rights
☐ Other reason:

3. Details of person subject to the notification obligation
Name: City and country of registered office:
Dr. Dr. Christian Porsche, Dipl.- Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.
Porsche Automobil Holding SE

5. Date on which treshold was crossed or reached
June 1, 2016

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	52.22%	52.22%	295089818
Previous notification	50.73%	n/a%	0.00%	

7. Notified details of the resulting situation **a. Voting rights attached to shares (articles 21, 22 WpHG)**				
ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	154093681	0%	52.22%
Total	**154093681**		**52.22 %**	

b.1. Instruments according to article 25, section 1, no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		**%**

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
Contribution Agreement	n/a	n/a	physical	154093681	52.22%
			Total	**154093681**	**52.22%**

8. Information in relation to the person subject to the notification obligation

☐ Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

☒ Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Familie WP Holding GmbH	%	52.22%	52.22%
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%

Porsche Automobil Holding SE	52.22%	%	52.22%

9. In case of proxy voting according to article 22, section 3 WpHG
(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)
Date of general meeting:
Holding position after general meeting: % (equals voting rights)

19) Release according to article 26, section 1 of the WpHG of June 3, 2016

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification
☐ Acquisition/disposal of shares with voting rights
☒ Acquisition/disposal of instruments
☐ Change of breakdown of voting rights
☐ Other reason:

3. Details of person subject to the notification obligation
Name: City and country of registered office:
Mr. Dr. Wolfgang Porsche

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.
Porsche Automobil Holding SE

5. Date on which treshold was crossed or reached
June 1, 2016

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	52.22%	52.22%	295089818
Previous notification	50.76%	n/a%	0.00%	

7. Notified details of the resulting situation
a. Voting rights attached to shares (articles 21, 22 WpHG)

ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	154093681	0%	52.22%
Total	**154093681**		**52.22%**	

b.1. Instruments according to article 25, section 1, no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		**%**

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
Contribution Agreement	n/a	n/a	physical	154093681	52.22%
			Total	**154093681**	**52.22%**

8. Information in relation to the person subject to the notification obligation

☐ Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

☒ Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Wolfgang Porsche	%	%	%
Familie WP Holding GmbH	%	52.22%	52.22%
Dr. Wolfgang Porsche	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Wolfgang Porsche	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%

9. In case of proxy voting according to article 22, section 3 WpHG (only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG) Date of general meeting: Holding position after general meeting: % (equals voting rights)

20) Release according to article 26, section 1 of the WpHG of June 17, 2016

1. Details of issuer VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification ☐ Acquisition/disposal of shares with voting rights ☒ Acquisition/disposal of instruments ☐ Change of breakdown of voting rights ☒ Other reason: Group notification due to intra group restructuring

3. Details of person subject to the notification obligation	
Name:	City and country of registered office:
Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3. Porsche Automobil Holding SE

5. Date on which treshold was crossed or reached June 15, 2016

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	0.00%	52.22%	295089818
Previous notification	52.22%	52.22%	52.22%	

7. Notified details of the resulting situation
a. Voting rights attached to shares (articles 21, 22 WpHG)

ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	154093681	0	52.22%
Total	**154093681**		**52.22%**	

b.1. Instruments according to article 25, section 1, no. 1 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		**%**

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
					%
			Total		**%**

8. Information in relation to the person subject to the notification obligation

☐ Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

☒ Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.- Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Familie WP Holding GmbH	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.- Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%

9. In case of proxy voting according to article 22, section 3 WpHG
(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)
Date of general meeting:
Holding position after general meeting: % (equals voting rights)

21) Release according to article 26, section 1 of the WpHG of November 10, 2017

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification
☐ Acquisition/disposal of shares with voting rights
☐ Acquisition/disposal of instruments
☐ Change of breakdown of voting rights
☒ Other reason: Disposal of subsidiary

3. Details of person subject to the notification obligation

Name:	City and country of registered office:
Mr Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand Karl Piëch, Date of birth: April 17, 1937	

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.

5. Date on which treshold was crossed or reached
November 8, 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	0.00%	0.00%	0.00%	295089818
Previous notification	50.76%	n/a%	n/a%	

7. Notified details of the resulting situation
a. Voting rights attached to shares (articles 21, 22 WpHG)

ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	0	0.00%	0.00%
Total	**0**		**0.00%**	

b.1. Instruments according to article 25, section 1, no. 1 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		**%**

b.2. Instruments according to article 25, section 1, no. 2 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
					%
			Total		**%**

8. Information in relation to the person subject to the notification obligation

☒ Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

☐ Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)

9. In case of proxy voting according to article 22, section 3 WpHG
(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)
Date of general meeting:
Holding position after general meeting: % (equals voting rights)

10. Other explanatory remarks:
This voting rights notification is made with releasing effect also for Dipl.Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg, and Ferdinand Karl Alpha Privatstiftung, Salzburg. Due to the sale and transfer of the participation in Auto 2015 Beteiligungs GmbH by Dipl.Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg, voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT are also no longer attributed to Dipl.Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg, and Ferdinand Karl Alpha Privatstiftung, Salzburg.

QATAR

We have received the following notification:

(1) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of the State of Qatar, acting by and through the Qatar Investment Authority, Doha, Qatar, that its indirect voting rights in Volkswagen Aktiengesellschaft

(a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date

(i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the State of Qatar pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

(b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date

(i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the State of Qatar pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to the State of Qatar pursuant to lit. (a) and (b) above are held via the following entities which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more:

(aa) Qatar Investment Authority, Doha, Qatar;
(bb) Qatar Holding LLC, Doha, Qatar;
(cc) Qatar Holding Luxembourg II S.à.r.l., Luxembourg, Luxembourg;
(dd) Qatar Holding Netherlands B.V., Amsterdam, The Netherlands.

(2) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of the Qatar Investment Authority, Doha, Qatar, that its indirect voting rights in Volkswagen Aktiengesellschaft

(a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date

(i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the Qatar Investment Authority pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

(b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date

(i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the Qatar Investment Authority pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to the Qatar Investment Authority pursuant to lit. (a) and (b) above are held via the entities as set forth in (1) (bb) through (dd) which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more.

(3) Pursuant to article 21, section 1 of the WpHG we hereby notify for and behalf of Qatar Holding LLC, Doha, Qatar, that its direct and indirect voting rights in Volkswagen Aktiengesellschaft

(a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date

(i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) 6.78% (20,011,000 voting rights) of which are attributed to Qatar Holding LLC pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

(b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date

(i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) 6.78% (20,011,000 voting rights) of which are attributed to Qatar Holding LLC pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to Qatar Holding LLC pursuant to lit. (a) and (b) above are held via the entities as set forth in (1) (cc) through (dd) which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more.

We have received the following notification:

(1) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of Qatar Holding Luxembourg II S.à.r.l., Luxembourg, Luxembourg, that its indirect voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date, all of which are attributed to Qatar Holding Luxembourg II S.à.r.l. pursuant to article 22, section 1, sentence 1 no.1 of the WpHG.

Voting rights that are attributed to Qatar Holding Luxembourg II S.à.r.l. are held via the following entities which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more:

(a) Qatar Holding Netherlands B.V., Amsterdam, The Netherlands;
(b) Qatar Holding Germany GmbH, Frankfurt am Main, Germany.

(2) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of Qatar Holding Netherlands B.V., Amsterdam, The Netherlands, that its indirect voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date, all of which are attributed to Qatar Holding Luxembourg II S.à.r.l. pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to Qatar Holding Netherlands B.V. are held via the entity as set forth in (1) (b) which is controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amounts to 3% or more.

(3) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of Qatar Holding Germany GmbH, Frankfurt am Main, Germany, that its direct voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 3%, 5%, 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date.

STATE OF LOWER SAXONY

The State of Lower Saxony notified us on January 2, 2020 that it held a total of 59,022,310 ordinary shares of Volkswagen AG as of December 31, 2019. It held 440 VW ordinary shares directly and 59,021,870 ordinary shares indirectly via Hannoversche Beteiligungsgesellschaft Niedersachsen mbH (HanBG), which is owned by the State of Lower Saxony.

RECONCILIATION OF NET INCOME TO NET RETAINED PROFITS

€ million	2019	2018
Net income for the year	4,958	4,620
Retained profits brought forward	0	3
Appropriations to revenue reserves	−1,685	−2,204
Net retained profits	**3,273**	**2,419**

Declining balance depreciation continues to be charged to net income. See page 10 for the amount incurred in the fiscal year. The Board of Management and the Supervisory Board propose to the Annual General Meeting that a dividend of €3,3 billion be distributed from net retained profits of €3,3 billion.

TOTAL EXPENSE FOR THE PERIOD

Cost of materials

€ million	2019	2018
Cost of raw materials, consumables and supplies, and of purchased merchandise	52,035	50,667
Cost of purchased services	4,682	4,122
	56,718	**54,789**

Personnel expenses

€ million	2019	2018
Wages and salaries	9,731	9,525
Social security, post-employment and other employee benefit costs	2,185	2,048
of which in respect of post-employment benefits	*682*	*611*
	11,916	**11,573**

AVERAGE NUMBER OF EMPLOYEES OF VOLKSWAGEN AG DURING THE YEAR

	2019	2018
by group		
Direct area	56,902	58,308
Indirect area	60,144	59,136
	117,046	**117,443**
Apprentices	4,622	4,553
	121,668	**121,996**
by plant		
Wolfsburg	66,090	66,065
Hanover	15,141	15,346
Braunschweig	7,172	6,928
Kassel	17,007	17,099
Emden	9,101	9,264
Salzgitter	7,157	7,294
	121,668	**121,996**

Information about the composition of the Board of Management and the Supervisory Board, on changes in these executive bodies and on the memberships of members of the Board of Management and the Supervisory Board of other statutory supervisory boards and comparable supervisory bodies is contained in an annex to the notes.

REPORT ON SUBSEQUENT EVENTS

Continuing restrictions due to the coronavirus could adversely affect the results of operations, financial position and net assets in 2020. In this context, please refer to our remarks found in the management report in the “Report on Expected Developments” and “Report on Risks and Opportunities” chapters.

BENEFITS BASED ON PERFORMANCE SHARES AND PHANTOM SHARES (SHARE-BASED PAYMENT)

At the beginning of 2017, the Supervisory Board of Volkswagen AG resolved to adjust the remuneration system of the Board of Management with effect from January 1, 2017. The remuneration system of the Board of Management comprises non-performance-related and performance-related components. The performance-related remuneration consists of a performance-related annual bonus with a one-year assessment period and a long-term incentive (LTI) in the form of a Performance-Share-Plan with a mainly forward-looking three-year term (share-based payment). In addition, a bonus was converted into phantom preferred shares (phantom shares) in 2016; the payment was made in 2019.

The group of beneficiaries of the performance share plan was expanded at the end of 2018 by including members of top management and at the end of 2019 by adding all other members of management and selected participants below management level. Performance shares were first granted to members of top management at the beginning of 2019. All other beneficiaries will receive performance shares for the first time at the beginning of 2020. The way the newly launched performance share plan works is essentially the same as the performance share plan established for members of the Board of Management. When the performance share plan was launched, members of top management were guaranteed a minimum bonus amount for the first three years on the basis of the remuneration for 2018, while all other beneficiaries were given a guarantee for the first three years on the basis of the remuneration for 2019.

Performance Shares

Each performance period of the performance share plan has a term of three years. At the time the LTI is granted, the annual target amount under the LTI is converted, on the basis of the initial reference price of Volkswagen's preferred shares, into performance shares of Volkswagen AG, which are allocated to the beneficiaries as a pure calculation position. For members of the Board of Management and of top management, the number of performance shares is definitively determined on the basis of a three-year, forward-looking performance period based on the degree of target achievement for the annual earnings per Volkswagen preferred share. For all other beneficiaries, the number is definitively determined on the basis of a three-year performance period with a forward-looking horizon of one year. As a departure from this, in 2020 the number will be determined on the basis of a one-year forward-looking performance period of one year, and in 2021 on the basis of a two-year performance period with a forward-looking horizon of one year.

After the end of the performance period, a cash settlement is made. The payment amount corresponds to the number of determined performance shares, multiplied by the closing reference price at the end of the period plus a dividend equivalent. The payment amount under the performance share plan shall be limited to 200% of the target amount.

Management Board

		31.12.2019	31.12.2018
Total expense of the reporting period	€ million	22	18
Carrying amount of the obligation	€ million	57	48
Intrinsic value of the obligation	€ million	31	34
Fair value on granting date	€ million	20	22
Granted performance shares	shares	431,800	276,382
thereof: granted during the reporting period	*shares*	*155,418*	*134,956*

Top management tier

		31.12.2019	31.12.2018
Total expense of the reporting period	€ million	83	–
Carrying amount of the obligation	€ million	83	–
Intrinsic value of the obligation	€ million	78	–
Fair value on granting date	€ million	46	–
Granted performance shares	shares	355,781	–
thereof: granted during the reporting period	*shares*	*355,781*	–

Members of management and selected participants below management level

If 100% of the targets agreed in each case are reached, the total target amount for all other beneficiaries will total €629 million (previous year: €– million).

Phantom shares

At its meeting on April 22, 2016, Volkswagen AG's Supervisory Board accepted the offer made by the members of the Board of Management to withhold 30% of the variable remuneration for fiscal year 2015 for the Board of Management members active on the date of the resolution and to make its disposal subject to future share price performance by means of phantom shares. The amount withheld led to the creation of 50,703 phantom preferred shares. In 2018, Mr. Stadler received a cash payment of the value of 8,633 shares in an amount of €1.0 million as part of the termination of his contract of service. The other phantom shares were settled as planned in fiscal year 2019. The payment amount totaled €5.3 million.

In the year under review, changes in the value of the phantom shares led to the recognition of expenses of €0.3 million (previous year: income of €1.0 million).

For more details, please refer to our disclosures in the Remuneration report, which is part of the Group management report

RELATED PARTY DISCLOSURES

Related parties as defined by IAS 24 are natural persons and entities that Volkswagen AG has the ability to control or on which it can exercise significant influence, or natural persons and entities that have the ability to control or exercise significant influence on Volkswagen AG, or that are influenced by another related party of Volkswagen AG.

All transactions with related parties are conducted on an arm's length basis.

Porsche SE held the majority of the voting rights in Volkswagen AG as of the reporting date. The creation of rights of appointment for the State of Lower Saxony was resolved at the Extraordinary General Meeting of Volkswagen AG on December 3, 2009. As a result, Porsche SE cannot appoint the majority of the members of Volkswagen AG's Supervisory Board 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 classified as a related party as defined by IAS 24.

The contribution of Porsche SE's holding company operating business to Volkswagen AG on August 1, 2012 has the following effects on the agreements between Porsche SE, Volkswagen AG and companies of the Porsche Holding Stuttgart Group that existed prior to the contribution and were entered into on the basis of the Comprehensive Agreement and its related implementation agreements:

> As part of the contribution of Porsche SE's holding company operating business to Volkswagen AG, Volkswagen AG undertook to assume standard market liability compensation effective August 1, 2012 for guarantees issued to external creditors, whereby it is indemnified internally.
> Volkswagen AG continues to indemnify Porsche SE internally against claims by the Einlagensicherungsfonds (German deposit protection fund) after Porsche SE submitted an indemnification agreement required by the Bundesverband Deutscher Banken (Association of German Banks) to the Einlagensicherungsfonds in August 2009. Volkswagen AG has also undertaken to indemnify the Einlagensicherungsfonds against any losses caused by measures taken by the latter in favor of a bank in which Volkswagen AG holds a majority interest.
> Under certain conditions, Porsche SE continues to indemnify Porsche Holding Stuttgart, Porsche AG and their legal predecessors against tax liabilities that exceed the obligations recognized in the financial statements of those companies relating to periods up to and including July 31, 2009. In return, Volkswagen AG has undertaken to pay to Porsche SE any tax benefits of Porsche Holding Stuttgart, Porsche AG and their legal predecessors and subsidiaries for tax assessment periods up to July 31, 2009. Based on the results of the external tax audit for the assessment periods 2006 to 2008 that has now been completed, a compensation obligation running into the low triple-digit millions of euros would arise for Volkswagen AG. New information emerging in the future from the external tax audit for the 2009 assessment period that started at the end of 2015 could result in an increase or decrease in the potential compensation obligation.

Under the terms of the Comprehensive Agreement, Porsche SE and Volkswagen AG had granted each other put and call options with regard to the remaining 50.1% interest in Porsche Holding Stuttgart held by Porsche SE until the contribution of its holding company operating business to Volkswagen AG. Both Volkswagen AG (if it had exercised its call option) and Porsche SE (if it had exercised its put option) had undertaken to bear the tax burden resulting from the exercise of the options and any subsequent activities in relation to the equity investment in Porsche Holding Stuttgart (e.g. from recapture taxation on the spin-off in 2007 and/or 2009). If tax benefits had accrued to Volkswagen AG, Porsche Holding Stuttgart, Porsche AG, or their respective subsidiaries as a result of recapture taxation on the spin-off in 2007 and/or 2009, the purchase price to be paid by Volkswagen AG for the transfer of the outstanding 50.1% equity investment in Porsche Holding Stuttgart if the put option had been exercised by Porsche SE would have been increased by the present value of the tax benefit. This arrangement was taken over under the terms of the contribution agreement to the effect that Porsche SE has a claim against Volkswagen AG for payment in the amount of the present value of the realizable tax benefits from any recapture taxation of the spin-off in 2007 as a result of the contribution. It was also agreed under the terms of the contribution that Porsche SE will indemnify Volkswagen AG, Porsche Holding Stuttgart and their subsidiaries against taxes if measures taken by or not taken by Porsche SE result in recapture taxation for 2012 at these companies in the course of or following implementation of the contribution. In this case, too, Porsche SE is entitled to assert a claim for payment against Volkswagen AG in the amount of the present value of the realizable tax benefits that arise at the level of Volkswagen AG or one of its subsidiaries as a result of such a transaction.

Further agreements were entered into and declarations were issued in connection with the contribution of Porsche SE's holding company operating business to Volkswagen AG, in particular:

- Porsche SE indemnifies its contributed subsidiaries, Porsche Holding Stuttgart, Porsche AG and their subsidiaries against liabilities to Porsche SE that relate to the period up to and including December 31, 2011 and that exceed the obligations recognized in the financial statements of those companies for that period.
- Moreover, Porsche SE indemnifies Volkswagen AG, Porsche Holding Stuttgart, Porsche AG and their subsidiaries against half of the taxes (other than taxes on income) arising at those companies in conjunction with the contribution that would not have been incurred in the event of the exercise of the call option on the shares of Porsche Holding Stuttgart that continued to be held by Porsche SE until the contribution. Volkswagen AG therefore indemnifies Porsche SE against half of such taxes that it incurs. In addition, Porsche Holding Stuttgart is indemnified against half of the land transfer tax and other costs triggered by the merger.
- Additionally, Porsche SE and Porsche AG agreed to allocate any subsequent VAT receivables or liabilities from transactions in the period up to December 31, 2009 to the company entitled to the receivable or incurring the liability.
- A range of information, conduct and cooperation obligations were agreed by Porsche SE and the Volkswagen Group.

According to a notification dated Tuesday, January 2, 2020, the State of Lower Saxony and Hannoversche Beteiligungsgesellschaft mbH, Hanover, held 20.00% of the voting rights of Volkswagen AG on Tuesday, December 31, 2019. As mentioned above, the General Meeting of Volkswagen AG on December 3, 2009 also resolved that the State of Lower Saxony may appoint two members of the Supervisory Board (right of appointment).

The following tables present the amounts of supplies and services transacted between Volkswagen AG and related parties. The scope of such related parties was defined on the basis of IAS 24 and comprises unconsolidated and consolidated subsidiaries unless Volkswagen AG directly or indirectly holds 100% of the shares, joint ventures, associates, Porsche SE and its affiliated companies as well as other related parties. In addition to the amounts disclosed in the following tables, Volkswagen AG paid dividends to Porsche SE in the amount of €753 million (previous year: €601 million).

RELATED PARTIES

€ million	SUPPLIES AND SERVICES RENDERED 2019	SUPPLIES AND SERVICES RECEIVED 2019
Porsche SE and its majority interests	1	1
Supervisory Board members	0	–
Board of Management members	0	–
Consolidated subsidiaries	11,903	8,871
Unconsolidated subsidiaries	90	332
Joint ventures and its majority interests	2,799	132
Associates and its majority interests	8	643
Pension plans	1	–
State of Lower Saxony, its majority interests and joint ventures	9	4

€ million	SUPPLIES AND SERVICES RENDERED 2018	SUPPLIES AND SERVICES RECEIVED 2018
Porsche SE and its majority interests	1	3
Supervisory Board members	0	–
Board of Management members	0	–
Consolidated subsidiaries	10,071	7,009
Unconsolidated subsidiaries	114	335
Joint ventures and its majority interests	3,064	444
Associates and its majority interests	12	137
Pension plans	1	–
State of Lower Saxony, its majority interests and joint ventures	9	3

€ million	INCOME FROM PROFIT AND LOSS TRANSFER AGREEMENTS 2019	COST OF LOSS ABSORPTION 2019	INTEREST INCOME 2019	INTEREST EXPENSE 2019
Porsche SE and its majority interests	–	–	–	–
Consolidated subsidiaries	5,010	–	15	79
Unconsolidated subsidiaries	0	5	0	0
Joint ventures and its majority interests	2,245	–	0	0
Associates and its majority interests	–	–	0	–
State of Lower Saxony, its majority interests and joint ventures	0	–	–	–

€ million	INCOME FROM PROFIT AND LOSS TRANSFER AGREEMENTS 2018	COST OF LOSS ABSORPTION 2018	INTEREST INCOME 2018	INTEREST EXPENSE 2018
Porsche SE and its majority interests	–	–	–	–
Consolidated subsidiaries	1,880	–	8	62
Unconsolidated subsidiaries	0	2	–	–
Joint ventures and its majority interests	1,978	–	–	0
Associates and its majority interests	–	–	0	0
State of Lower Saxony, its majority interests and joint ventures	0	–	–	–

€ million	COLLATERAL GRANTED 2019	COLLATERAL RECEIVED 2019	CREDIT LINES GRANTED 2019
Consolidated subsidiaries	443	–	485
Unconsolidated subsidiaries	–	–	59
Joint ventures and its majority interests	–	1,573	–
State of Lower Saxony, its majority interests and joint ventures	–	–	–

€ million	COLLATERAL GRANTED 2018	COLLATERAL RECEIVED 2018	CREDIT LINES GRANTED 2018
Consolidated subsidiaries	403	–	1,418
Unconsolidated subsidiaries	–	–	284
Joint ventures and its majority interests	–	1,502	–
State of Lower Saxony, its majority interests and joint ventures	–	–	–

The Board of Management and Supervisory Board of the Volkswagen Group are related parties. At the end of the fiscal year, liabilities to members of the Board of Management relating to the annual bonus and performance shares stood at €50.1 million (previous year: €64.8 million), while an amount of – € million (previous year: €0.3 million) was due to members of the Supervisory Board. The following benefits and remuneration were recorded as expenses for these persons in connection with their executive body membership:

€	2019	2018
Short-term benefits	34,411,475	31,417,331
Benefits based on performance shares and phantom shares	19,606,328	10,022,492
Post-employment benefits	9,989,705	3,087,693
Termination benefits	15,329,402	11,307,464
	79,336,909	**55,834,979**

Benefits paid on the basis of performance shares include the cost of €19.5 million (previous year: €10.6 million) attributable to the performance shares granted to Board of Management members under the remuneration system applicable as from 2017. This requires, economically caused, inclusion of not only the performance share plan for 2017 and 2018, but also of a pro-rated amount for future share plans to be granted during the current employment contract.

In fiscal year 2019, the share price performance up until the settlement period led to the recognition of an expense of €0.1 million (previous year: income of €0.6 million) for the phantom shares.

The employee representatives and the representative of the senior executives on the Supervisory Board are also entitled to a regular salary as set out in their employment contracts. For members of German works councils, this is based on the provisions of the Betriebsverfassungsgesetz (BetrVG – German Works Constitution Act).

In the previous year, due to investigations by the authorities, a review of the remuneration of some works council members were conducted. Prior to this and as a precaution, components of the remuneration of some works council members had been retained in this context until the matter was clarified. In fiscal year 2019, the matter was addressed and concluded as part of an arbitration procedure by two former judges from the German Federal Labour Court as well as by final settlements before a labor court. The previous remuneration was largely confirmed in the process.

The post-employment benefits relate to additions to pension provisions for current members of the Board of Management. The termination benefits relate to the severance payment made to Mr. Schot in connection with his early departure from the Board of Management on March 31, 2020.

PENSIONS OF THE MEMBERS OF THE BOARD OF MANAGEMENT

€	SERVICE EXPENSE 2019	PRESENT VALUE AS OF Dec. 31, 2019	SERVICE EXPENSE 2018	PRESENT VALUE AS OF Dec. 31, 2018
Herbert Diess	1,104,539	4,303,485	935,681	2,795,439
Oliver Blume (since April 13, 2018)	585,858	1,164,974	435,116	435,116
Jochem Heizmann (until January 10, 2019)	–20,164	–	–1,188,723	15,621,272
Gunnar Kilian (since April 13, 2019)	589,939	1,263,756	481,987	481,987
Andreas Renschler	3,900,449	22,489,022	2,887,769	16,358,233
Abraham Schot (since January 1, 2019)	1,601,918	1,601,918	–	–
Stefan Sommer	588,158	887,818	212,500	212,500
Hiltrud Dorothea Werner	711,305	2,427,087	618,554	1,425,118
Frank Witter	927,703	10,651,438	460,410	8,550,888
Members of the Board of Management who left in the previous year	–	–	–1,755,601	–
Total	**9,989,705**	**44,789,498**	**3,087,693**	**45,880,553**

REMUNERATION OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

€	2019	2018
Board of Management remuneration		
Non-performance-related remuneration	13,283,805	12,990,940
Performance-related remuneration	17,647,682	14,827,178
Long-term incentive component	14,414,075	22,457,869
	45,345,561	**50,275,986**
Supervisory Board remuneration		
Non-performance-related remuneration	2,290,833	2,297,500
Performance-related remuneration	944,444	936,389
	3,235,278	**3,233,889**
	48,580,839	**53,509,875**

The non-performance-related remuneration of the Board of Management comprises fixed remuneration and fringe benefits. The fringe benefits relate to noncash benefits granted and include in particular the use of operating assets such as company cars and the payment of insurance premiums. Taxes due on these noncash benefits were mainly borne by Volkswagen AG.

Performance-related remuneration includes the annual bonus with a one-year assessment period. The long-term incentive component contains the long-term incentive (LTI) in the form of a performance share plan with a forward-looking three-year term. For more information on the performance share plan, please refer to the section entitled “Benefits based on performance shares and phantom shares (share-based payment)”.

At its meeting on April 22, 2016, Volkswagen AG's Supervisory Board accepted the offer made by the members of the Board of Management to withhold 30% of the variable remuneration for fiscal year 2015 for the Board of Management members active on the date of the resolution and to make its disposal subject to future share price performance by means of phantom shares. The resulting effects on remuneration were reported as appropriate in previous years.

Expenses arising from performance shares and phantom shares do not represent remuneration under German GAAP and are therefore not included in the tables above.

As in the previous year, no interest-free advances were paid to members of the Board of Management.

As a result of its regular review of the Supervisory Board remuneration, the Supervisory Board proposed a reorganization of the system of Supervisory Board remuneration to the 2017 Annual General Meeting, which was approved on May 10, 2017 with 99.98 % of the votes cast. The remuneration of the members of the Supervisory Board of Volkswagen AG no longer contains any performance-related remuneration components but consists entirely of non-performance-related remuneration components. Remuneration for supervisory board work at subsidiaries continues in part to comprise a mix of non-performance-related and performance-related components.

On December 31, 2019, the pension provisions for members of the Board of Management amounted to €44,8 million (previous year: €45.9 million). Current pensions are index-linked in accordance with the index-linking of the highest collectively agreed salary insofar as the application of section 16 of the Gesetz zur Verbesserung der betrieblichen Altersversorgung (BetrAVG – German Company Pension Act) does not lead to a larger increase.

The former members of the Board of Management and their surviving dependents were granted €32.7 million (previous year: €44.0 million). Pension provisions for this group of individuals amounted to €300.5 million (previous year: €276.2 million).

In connection with his departure effective March 31, 2020, Mr. Schot was promised the following amounts:

- a non-performance-related component of €2.4 million (previous year €– million),
- a performance-related component of €3.8 million (previous €– million) and
- a long-term incentive component of €3.9 million (previous €– million) were recognized

The individual remuneration of the members of the Board of Management and the Supervisory Board is explained in the remuneration report in the management report. A comprehensive assessment of the individual remuneration components, including the LTI, in the form of the performance share plan can also be found there.

Wolfsburg, February 18, 2020

Volkswagen Aktiengesellschaft

The Board of Management

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Volkswagen AG, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.

Wolfsburg, 18 February, 2020

Volkswagen Aktiengesellschaft

The Board of Management

Herbert Diess

Oliver Blume

Gunnar Kilian

Andreas Renschler

Abraham Schot

Stefan Sommer

Hiltrud Dorothea Werner

Frank Witter

Independent Auditor's Report

On completion of our audit, we issued an unqualified auditor's report dated February 26, 2020 in German language. The following text is a translation of this auditor's report. The German text is authoritative:

To VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, which comprise the balance sheet as at December 31, 2019, and the income statement for the financial year from January 1 to December 31, 2019, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of VOLKSWAGEN AKTIENGESELLSCHAFT, which is combined with the group management report, for the financial year from January 1 to December 31, 2019. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2019, and of its financial performance for the financial year from January 1 to December 31, 2019, in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Emphasis of Matter – Diesel Issue

We draw attention to the information provided and statements made in section „Key Events“ of the notes to the annual financial statements and in section „Risks and Opportunities” of the management report with regard to the diesel issue including information about the allegations made and claims filed, the underlying causes, the non-involvement of members of the board of management as well as the impact on these annual financial statements.

Based on the results of the various measures taken to investigate the issue presented so far, which underlie the annual financial statements and the management report, there is still no evidence that members of the Company's board of management were aware of the deliberate manipulation of engine management software before summer 2015. Nevertheless, should as a result of the ongoing investigation new solid knowledge be obtained showing that members of the board of management were informed earlier about the diesel issue, this could eventually have an impact on the annual financial statements and on the management report for financial year 2019 and prior years.

The provisions for warranties and legal risks recorded so far are based on the presented state of knowledge. Due to the inevitable uncertainties associated with the current and expected litigation it cannot be excluded that a future assessment of the risks may be different.

Our opinions on the annual financial statements and on the management report are not modified in respect of this matter.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2019. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Accounting treatment of risk provisions for the diesel issue
❷ Completeness and measurement of provisions for warranty obligations
❸ Measurement of shares in affiliated companies and other equity investments

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue
② Audit approach and findings
③ Reference to further information

Hereinafter we present the key audit matters:

❶ Accounting treatment of risk provisions for the diesel issue

① Companies of the Volkswagen Group are involved in investigations by government authorities in numerous countries (in particular in Europe, the United States and Canada) with respect to irregularities in the exhaust gas emissions from diesel engines in certain vehicles of the Volkswagen Group. Different measures are being implemented in various countries for affected vehicles. These include hardware and/or software solutions, vehicle repurchases or the early termination of leases and, in some cases, cash payments to vehicle owners. Furthermore, payments are being made as a result of criminal proceedings and civil law settlements with various parties. In addition, there are civil lawsuits pending from customers, dealers and holders of securities. Further direct and indirect effects concern in particular impairment of assets and customer-specific sales programs.

VOLKSWAGEN AKTIENGESELLSCHAFT recognizes the expenses directly related to the diesel issue in its operating income. The special items expensed in financial year 2019 amount to € 1.8 billion. These result mainly from further additions to reserves for legal risks. In addition to provisions, contingent liabilities for legal risks in the amount of € 3.6 billion are reported as of December 31, 2019.

The reported provisions and contingent liabilities are exposed to considerable estimation risk due to the wide-ranging investigations and proceedings that are ongoing, the complexity of the various negotiations and pending approval procedures by authorities, and developments in market conditions. This matter was of particular significance for our audit due to the material amounts of the provisions as well as the scope of assumptions and discretion on the part of the executive directors.

② In order to audit the recognition and measurement of provisions for field activities and vehicle repurchases arising as a result of the diesel issue, we critically examined the processes put in place by the companies of the Volkswagen Group to make substantive preparations to address the diesel issue, and assessed the progress made in implementing the technical solutions developed to remedy it. We compared this knowledge with the technical and legal substantiations of independent experts, as presented to us. We used in particular an IT data analysis solution to examine the quantity structure underlying the field activities and repurchases. We assessed the inputs used to measure the repair solutions and the repurchases. We used this as a basis to evaluate the calculation of the provisions.

In order to audit the recognition and measurement of the provisions for legal risks and the disclosure of contingent liabilities for legal risks resulting from the diesel issue, we assessed both the available official documents as well as in particular the work delivered and opinions prepared by experts commissioned by the Volkswagen Group. As part of a targeted selection of key procedures and supplemented by additional samples, we inspected the correspondence relating to the litigation and, in talks with officials from the affected companies and the lawyers involved, and including our own legal experts, we discussed the assessments made.

Taking into consideration the information provided and statements made in the section entitled "Key events" in the notes to the annual financial statements and in the section entitled " Risks and Opportunities " in the management report with regard to the diesel issue including information about the underlying causes, the non-involvement of members of the board of management as well as the impact on these annual financial statements, we believe that, overall, the assumptions and inputs underlying the calculation of the risk provisions for the diesel issue are appropriate to properly recognize and measure the provisions.

③ The Company's disclosures on the diesel issue are contained in the sections entitled "Key events" in the notes to the annual financial statements, and in section entitled “Risks and Opportunities”, sub-section “legal risks” in the management report.

❷ Completeness and measurement of provisions for warranty obligations

① In the annual financial statements of VOLKSWAGEN AKTIENGESELLSCHAFT € 9.6 billion in provisions for obligations from sales-related expenses including warranties are reported under the "Other provisions" balance sheet item. These obligations primarily relate to warranty claims arising from the sale of vehicles, components and genuine parts. Warranty claims are calculated on the basis of losses to date, estimated future losses and the policy on ex gratia arrangements. The discount rate used is a maturity-matched average market rate of interest over the last seven financial years, calculated based on the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung). In addition, assumptions must be made about the nature and extent of future warranty and ex gratia claims. These assumptions are based on qualified estimates.

From our point of view, this matter was of particular significance for our audit because the recognition and measurement of this material item is to a large extent based on estimates and assumptions made by the Company's executive directors.

② With the knowledge that estimated values result in an increased risk of accounting misstatements and that the measurement decisions made by the executive directors have a direct and significant effect on net profit/loss, we assessed the appropriateness of the carrying amounts, including by comparing these figures with historical data and using the measurement bases presented to us. We evaluated the entire calculations (including discounting) for the provisions using the applicable measurement inputs and assessed the planned timetable for utilizing the provisions.

In doing so, we were able to satisfy ourselves that the estimates applied and the assumptions made by the executive directors were sufficiently documented and supported to justify the recognition and measurement of the provisions for warranty obligations.

③ The Company's disclosures on other provisions are contained in sections entitled “Accounting policies” and “(9) Provisions” in the notes to the annual financial statements.

❸ Measurement of shares in affiliated companies and other equity investments

① In the annual financial statements of the Company shares in affiliated companies amounting to € 99.3 billion are reported under the "Other financial assets" balance sheet item. In addition, other equity investments amounting to € 0.7 billion are reported.

Shares in affiliated companies and other equity investments are measured in accordance with German commercial law at the lower of cost and fair value. The fair values of the shares in affiliated companies and material other equity investments are calculated using discounted cash flow models as the present values of the expected future cash flows according to the planning projections prepared by the executive directors. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the individually determined cost of capital for the relevant financial investment. On the basis of the values determined and supplementary documentation, write-downs amounting in total to € 1.5 billion were required for the financial year.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors of the future cash flows, and on the respective discount rates and rates of growth used. The valuation is therefore subject to material uncertainties. Against this background and due to the highly complex nature of the valuation and its material significance for the Company's assets, liabilities and financial performance, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the methodology used for the purposes of the valuation, among other things. In particular, we assessed whether the fair values of the material equity investments had been appropriately determined using discounted cash flow models in compliance with the relevant measurement standards. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the executive directors‘ detailed explanations regarding the key value drivers underlying the expected cash flows. In the knowledge that even relatively small changes in the discount rate and sustainable growth rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate and growth rate applied, and assessed the calculation model.

In our view, taking into consideration the information available, the valuation parameters and underlying assumptions used by the executive directors are appropriate overall for the purpose of appropriately measuring the shares in affiliated companies and other equity investments.

③ The Company's disclosures relating to the measurement of shares in affiliated companies and other equity investments are contained in sections “Accounting policies” and “(1) fixed assets” of the notes to the annual financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report :

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section “Corporate Governance Report” of the management report
- the corporate governance report pursuant to No. 3.10 of the German Corporate Governance Code
- the separate non-financial report pursuant to § 289b Abs. 3 HGB and § 315b Abs. 3 HGB

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company’s position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company’s financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor’s Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company’s position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE AUDIT OF COMPLIANCE WITH THE ACCOUNTING OBLIGATIONS PURSUANT TO § 6B ABS. 3 ENWG

Audit Opinion

We have audited whether the Company has complied with its obligations pursuant to § 6b Abs. 3 Sätze [sentences] 1 to 5 EnWG [Energiewirtschaftsgesetz: German Energy Industry Act] to maintain separate accounts for the financial year from January 1 to December 31, 2019.

In our opinion, the obligations pursuant to § 6b Abs. 3 Sätze 1 to 5 EnWG to maintain separate accounts have been complied with in all material respects.

Basis for the Audit Opinion

We conducted our audit of the compliance with the obligations to maintain separate accounts in accordance with § 6b Abs. 5 EnWG in compliance with the draft revision of IDW Auditing Standard: Audit pursuant to § 6b Abs. 5 Energiewirtschaftsgesetz [German Energy Industry Act] (IDW EPS 610 n.F.). Our responsibilities under those requirements and principles are further described in section "Auditor's

Responsibilities for the Audit of the Compliance with the Accounting Obligations pursuant to § 6b Abs. 3 EnWG". We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We as an audit firm apply the requirements of the IDW Standard on Quality Control: Requirements to quality control for audit firms (IDW QS 1). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the compliance with the accounting obligations pursuant to § 6b Abs. 3 EnWG.

Responsibilities of the Executive Directors the Supervisory Board for the Compliance with the Accounting Obligations pursuant to § 6b Abs. 3 EnWG

The executive directors are responsible for the compliance with the obligations pursuant to § 6b Abs. 3 Sätze 1 to 5 EnWG to maintain separate accounts.

In addition, the executive directors are responsible for such internal control as they have determined necessary to comply with the obligations to maintain separate accounts.

The supervisory board is responsible for overseeing the Company's compliance with the accounting obligations pursuant to § 6b Abs. 3 EnWG.

Auditor's Responsibilities for the Audit of the Compliance with the Accounting Obligations pursuant to § 6b Abs. 3 EnWG

Our objective is to obtain reasonable assurance about whether the executive directors have complied, in all material respects, with their obligations pursuant to § 6b Abs. 3 Sätze 1 to 5 EnWG to maintain separate accounts.

In addition, our objective is to include a report in the auditor's report which contains our audit opinion on the compliance with the accounting obligations pursuant to § 6b Abs. 3 EnWG .

The audit of the compliance with the obligations pursuant to § 6b Abs. 3 Sätze 1 to 5 EnWG to maintain separate accounts comprises an assessment of whether the allocation of the accounts to the activities pursuant to § 6b Abs. 3 Sätze 1 to 4 EnWG has been made appropriately and comprehensibly and whether the principle of consistency has been observed.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the annual general meeting on May 14, 2019. We were engaged by the supervisory board on May 20, 2019. We have been the auditor of the VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, without interruption since the financial year 1948/1949.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr. Arne Jacobi.

Hanover, February 26, 2020

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Frank Hübner
Wirtschaftsprüfer
(German Public Auditor)

Dr. Arne Jacobi
Wirtschaftsprüfer
(German Public Auditor)

Executive Bodies

Members of the Board of Management and their appointments

Appointments: as of December 31, 2019 or the leaving date from the Board of Management of Volkswagen AG

DR.-ING. HERBERT DIESS (*1958)
Chairman (since April 13, 2018),
Chairman of the Brand Board of Management
of Volkswagen Passenger Cars,
Volume brand group,
China (since January 11, 2019)
July 1, 2015[1], appointed until 2023
Nationality: Austrian
Appointments:
○ FC Bayern München AG, Munich
○ Infineon Technologies AG, Neubiberg

OLIVER BLUME (*1968)
Chairman of the Executive Board of
Dr. Ing. h.c. F. Porsche AG,
Sport & Luxury brand group
April 13, 2018[1], appointed until 2023
Nationality: German

PROF. DR. RER. POL. DR.-ING. E.H. JOCHEM HEIZMANN (*1952)
China
January 11, 2007 – January 10, 2019[1]
Nationality: German
Appointments (as of January 10, 2019):
○ Lufthansa Technik AG, Hamburg
⦿ OBO Bettermann Holding GmbH Co. KG, Menden

GUNNAR KILIAN (43)
Human Resources
April 13, 2018[1], appointed until 2023
Nationality: German
Appointments:
○ Wolfsburg AG, Wolfsburg

ANDREAS RENSCHLER (*1958)
Chairman of the Board of Management of
TRATON SE, Truck & Bus brand group
February 1, 2015[1], appointed until 2024
Nationality: German
Appointments:
○ Deutsche Messe AG, Hanover

ABRAHAM SCHOT (*1961)
Chairman of the Board of Management of
AUDI AG,
Premium brand group
January 1, 2019[1], appointed until 2020
Nationality: Dutch

DR.-ING. STEFAN SOMMER (*1963)
Components & Procurement
Nationality: German
September 1, 2018[1], appointed until 2021

HILTRUD DOROTHEA WERNER (*1966)
Integrity & Legal Affairs
February 1, 2017[1], appointed until 2022
Nationality: German

FRANK WITTER (*1959)
Finance & IT
October 7, 2015[1], appointed until 2021
Nationality: German

As part of their duty to manage and supervise the Group's business, the members of the Board of Management hold other offices on the supervisory boards of consolidated Group companies and other significant investees.

○ Membership of statutory supervisory boards in Germany.
⦿ Comparable appointments in Germany and abroad.

1 Beginning or period of membership of the Board of Management.

Members of the Supervisory Board and their appointments

Appointments: as of December 31, 2019 or the leaving date from the Supervisory Board of Volkswagen AG

HANS DIETER PÖTSCH (*1951)
Chairman (since October 7, 2015),
Chairman of the Executive Board and
Chief Financial Officer of
Porsche Automobil Holding SE
October 7, 2015[1], elected until 2021
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt
- ○ Autostadt GmbH, Wolfsburg
- ○ Bertelsmann Management SE, Gütersloh
- ○ Bertelsmann SE & Co. KGaA, Gütersloh
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart
- ○ TRATON SE, Munich (Chairman)
- ○ Wolfsburg AG, Wolfsburg
- ⊙ Porsche Austria Gesellschaft m.b.H., Salzburg (Chairman)
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg (Chairman)
- ⊙ Porsche Retail GmbH, Salzburg (Chairman)
- ⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg (Deputy Chairman)

JÖRG HOFMANN (*1955)
Deputy Chairman (since November 20, 2015),
1. Chairman of IG Metall
November 20, 2015[1], appointed until 2022
Nationality: German
Appointments:
- ○ Robert Bosch GmbH, Stuttgart

DR. HUSSAIN ALI AL-ABDULLA (*1957)
Minister of State, Qatar
April 22, 2010[1], elected until 2020
Nationality: Qatari
Appointments:
- ⊙ Gulf Investment Corporation, Safat/Kuwait (Board member)
- ⊙ Masraf Al Rayan, Doha (Chairman and Managing Director)
- ⊙ Qatar Investment Authority, Doha (Board member)
- ⊙ Qatar Supreme Council for Economic Affairs and Investment, Doha (Board member)

DR. HESSA SULTAN AL-JABER (*1959)
Member of the Consultative Assembly
(Shura Council) of the state of Qatar, Doha
Ex-Minister of Information and
Communications Technology, Qatar
June 22, 2016[1], elected until 2024
Nationality: Qatari
Appointments:
- ⊙ Malomatia, Doha (Chairwoman)
- ⊙ MEEZA, Doha
- ⊙ Qatar Satellite Company (Es'hailSat), Doha (Chairwoman)
- ⊙ Trio Investment, Doha (Chairwoman)

DR. BERND ALTHUSMANN (*1966)
Minister of Economic Affairs, Labor, Transport
and Digitalization for the Federal State of
Lower Saxony
December 14, 2017[1], delegated until 2020
Nationality: German
Appointments:
- ○ Deutsche Messe AG, Hanover (Deputy Chairman)
- ⊙ Container Terminal Wilhelmshaven JadeWeserPort-Marketing GmbH & Co. KG, Wilhelmshaven (Chairman)
- ⊙ JadeWeserPort Realisierungs GmbH & Co. KG, Wilhelmshaven (Chairman)
- ⊙ JadeWeserPort Realisierungs-Beteiligungs GmbH, Wilhelmshaven (Chairman)
- ⊙ Niedersachsen Ports GmbH & Co. KG, Oldenburg (Chairman)

BIRGIT DIETZE (*1973)
First authorized representative of
IG Metall Berlin
June 1, 2016 – May 31, 2019[1]
Nationality: German
Appointments (as of May 31, 2019):
- ○ Volkswagen Bank GmbH, Braunschweig

DR. JUR. HANS-PETER FISCHER (*1959)
Chairman of the Board of Management of
Volkswagen Management Association e.V.
January 1, 2013[1], appointed until 2022
Nationality: German
Appointments:
- ⊙ Volkswagen Pension Trust e.V., Wolfsburg

○ Membership of statutory supervisory boards in Germany.
⊙ Comparable appointments in Germany and abroad.

1 Beginning or period of membership of the Supervisory Board.

MARIANNE HEIß (*1972)
Chief Executive Officer of BBDO Group Germany GmbH, Düsseldorf
February 14, 2018[1], elected until 2023
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt
- ○ Porsche Automobil Holding SE, Stuttgart

UWE HÜCK (*1962)
Chairman of the General and Group Works Councils of
Dr. Ing. h.c. F. Porsche AG
July 1, 2015 – February 8, 2019[1]
Nationality: German
Appointments (as of 2/8/2019):
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart (Deputy Chairman)

JOHAN JÄRVKLO (*1973)
Secretary-General of the European and Global Group Works Council of Volkswagen AG
November 22, 2015[1], appointed until 2022
Nationality: Swedish

ULRIKE JAKOB (*1960)
Deputy Chairwoman of the Works Council of Volkswagen AG, Kassel plant
May 10, 2017[1], appointed until 2022
Nationality: German

DR. LOUISE KIESLING (*1957)
Businesswoman
April 30, 2015[1], elected until 2021
Nationality: Austrian

PETER MOSCH (*1972)
Chairman of the General Works Council of AUDI AG
January 18, 2006[1], appointed until 2022
Nationality: German
Appointments:
- ○ AUDI AG, Ingolstadt (Deputy Chairman)
- ○ Audi Pensionskasse – Altersversorgung der AUTO UNION GmbH, VVaG, Ingolstadt
- ⊙ Audi Stiftung für Umwelt GmbH, Ingolstadt

BERTINA MURKOVIC (*1957)
Chairwoman of the Works Council of Volkswagen Commercial Vehicles
May 10, 2017[1], appointed until 2022
Nationality: German
Appointments:
- ⊙ MOIA GmbH, Berlin

BERND OSTERLOH (*1956)
Chairman of the General and Group Works Councils of Volkswagen AG
January 1, 2005[1], appointed until 2022
Nationality: German
Appointments:
- ○ Autostadt GmbH, Wolfsburg
- ○ TRATON SE, Munich
- ○ Wolfsburg AG, Wolfsburg
- ⊙ Allianz für die Region GmbH, Braunschweig
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg
- ⊙ SEAT, S.A., Martorell
- ⊙ ŠKODA Auto a.s., Mladá Boleslav
- ⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg
- ⊙ Volkswagen Immobilien GmbH, Wolfsburg

DR. JUR. HANS MICHEL PIËCH (*1942)
Lawyer in private practice
August 7, 2009[1], elected until 2024
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart
- ○ Porsche Automobil Holding SE, Stuttgart (Deputy Chairman)
- ⊙ Porsche Cars Great Britain Ltd., Reading
- ⊙ Porsche Cars North America Inc., Atlanta
- ⊙ Porsche Greater China, consisting of:
  Porsche (China) Motors Limited, Shanghai
  Porsche Hong Kong Limited, Hong Kong
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg
- ⊙ Schmittenhöhebahn AG, Zell am See
- ⊙ Volksoper Wien GmbH, Vienna

DR. JUR. FERDINAND OLIVER PORSCHE (*1961)
Member of the Board of Management of Familie Porsche AG Beteiligungsgesellschaft
August 7, 2009[1], elected until 2024
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart
- ○ Porsche Automobil Holding SE, Stuttgart
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg
- ⊙ Porsche Lizenz- und Handelsgesellschaft mbH & Co. KG, Ludwigsburg

DR. RER. COMM. WOLFGANG PORSCHE (*1943)
Chairman of the Supervisory Board of Porsche Automobil Holding SE;
Chairman of the Supervisory Board of Dr. Ing. h.c. F. Porsche AG
April 24, 2008[1], elected until 2023
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart (Chairman)
- ○ Porsche Automobil Holding SE, Stuttgart (Chairman)
- ⊙ Familie Porsche AG Beteiligungsgesellschaft, Salzburg (Chairman)
- ⊙ Porsche Cars Great Britain Ltd., Reading
- ⊙ Porsche Cars North America Inc., Atlanta
- ⊙ Porsche Greater China, consisting of:
  Porsche (China) Motors Limited, Shanghai
  Porsche Hong Kong Limited, Hong Kong
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg
- ⊙ Schmittenhöhebahn AG, Zell am See

○ Membership of statutory supervisory boards in Germany.
⊙ Comparable appointments in Germany and abroad.

1 Beginning or period of membership of the Supervisory Board.

CONNY SCHÖNHARDT (*1978)
Union Secretary to the board of IG Metall
June 21, 2019[1], appointed until 2022
Nationality: German

ATHANASIOS STIMONIARIS (*1971)
Chairman of the Group Works Council of MAN SE
and of the SE Works Council
May 10, 2017[1], appointed until 2022
Nationality: German
Appointments:
- ○ MAN SE, Munich
- ○ MAN Truck & Bus SE, Munich
- ○ Rheinmetall MAN Military Vehicles GmbH, Munich
- ○ TRATON SE, Munich (Deputy Chairman)

STEPHAN WEIL (*1958)
Minister-President of the Federal State of Lower Saxony
February 19, 2013[1], delegated until 2020
Nationality: German

WERNER WERESCH (*1961)
Chairman of the General and Group Works Councils of Dr. Ing. h.c. F. Porsche AG
February 21,2019[1], appointed until 2022
Nationality: German
Appointments:
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart

COMMITTEES OF THE SUPERVISORY BOARD AS OF DECEMBER 31, 2019

Members of the Executive Committee
Hans Dieter Pötsch (Chairman)
Jörg Hofmann (Deputy Chairman)
Peter Mosch
Bernd Osterloh
Dr. Wolfgang Porsche
Stephan Weil

Members of the Mediation Committee established in accordance with section 27(3) of the Mitbestimmungsgesetz (German Codetermination Act)
Hans Dieter Pötsch (Chairman)
Jörg Hofmann (Deputy Chairman)
Bernd Osterloh
Stephan Weil

Members of the Audit Committee
Dr. Ferdinand Oliver Porsche (Chairman)
Bernd Osterloh (Deputy Chairman)
Marianne Heiß
Conny Schönhardt

Members of the Nomination Committee
Hans Dieter Pötsch (Chairman)
Dr. Wolfgang Porsche
Stephan Weil

Special Committee on Diesel Engines
Dr. Wolfgang Porsche (Chairman)
Dr. Bernd Althusmann
Peter Mosch
Bertina Murkovic
Bernd Osterloh
Dr. Ferdinand Oliver Porsche

○ Membership of statutory supervisory boards in Germany.
⊙ Comparable appointments in Germany and abroad.

1 Beginning or period of membership of the Supervisory Board.