

VOLKSWAGEN LEASING

GMBH

ANNUAL REPORT

German GAAP

2025

Fundamental Information about the Group

The companies of the Volkswagen Leasing GmbH Group provide a wide range of automotive financial services for retail and business customers.

BUSINESS MODEL

The Volkswagen Financial Services AG Group is a central and integrated provider of financial and mobility services within the Volkswagen Group. Its business activities are closely aligned with the manufacturers and dealer organizations of the Volkswagen Group.

The core responsibilities are:

- > To support sales of Group products for the benefit of the Volkswagen Group brands and their distribution partners
- > To strengthen customer loyalty to the Volkswagen Leasing GmbH Group and the Group brands along the automotive industry value chain, including through the targeted use of digital products and mobility solutions
- > To create synergies for the Group by combining Group and brand requirements in the finance and mobility services areas
- > To generate and sustain a high level of return on equity for the Group

The business model comprises the following operating segment:

Leasing transactions and services

This business area includes the finance lease business and operating lease business for retail and business customers as well as fleet management. In addition, the services offered include, for example, replacement tires, maintenance and servicing, or comprehensive insurance.

ORGANIZATION OF VOLKSWAGEN LEASING GMBH

The restructuring program completed as of July 1, 2024, consisted of comprehensive cross-company organizational changes with the aim of laying the foundation for the successful implementation of the Group's strategy in the mobility sector, taking into account the regulatory framework. As a consequence of this, Volkswagen Financial Services AG, as a financial holding company, together with the German and European companies, including their respective subsidiaries and investees, is supervised by the European Central Bank (ECB). Significant subsidiaries of Volkswagen Financial Services AG include Volkswagen Bank GmbH and its wholly owned subsidiary, Volkswagen Leasing GmbH.

Generally speaking, the aim of all structural measures implemented by Volkswagen Leasing GmbH is to improve the quality offered to both customers and dealerships, make processes more efficient and leverage synergies.

The responsibilities of the Management Board of Volkswagen Leasing GmbH are subdivided into three areas (Board departments).

Manuela Voigt is responsible for the German Market Board department as well as being Chair of the Management Board. Sales management, digital sales applications, marketing, product and brand management and operations are located in this Board department.

The Sales, German Market Board department is headed by Verena Roth; it is divided into sales strategy, retail sales, fleet customer sales and special target group sales.

The Back Office Board department was the responsibility of Hendrik Eggers until March 31, 2025. Since April 1, 2025, Oliver Roes has been responsible for the Board department and the areas of controlling and data management.

MOBILITY2030 STRATEGY

The core mission of the companies within the Volkswagen Financial Services AG Group is to jointly develop and offer a broad range of mobility services together with the Volkswagen Group brands. Customers receive fast, digital, flexible access to mobility.

As a provider of mobility solutions, the Volkswagen Financial Services AG Group has defined a clear growth plan in its MOBILITY2030 strategy, guided by its vision (“We are the key to mobility”) and mission (“We meet our customers’ mobility needs with sustainable solutions along the entire vehicle lifecycle”). The objective is to maintain a longer and more continuous relationship with both the customer and the vehicle along the automotive value chain.

Within the framework of the MOBILITY2030 strategy, six strategic dimensions were defined:

- > **Customer loyalty:** “We maximize customer loyalty to the Volkswagen Group brands.”
- > **Vehicle:** “We own the Volkswagen Group’s car parc and unlock business potential throughout the entire vehicle lifecycle – together with the Group brands and dealers.”
- > **Data and Technology:** “We leverage data and technology as core enablers of our success.”
- > **Profitability:** “We use our capital efficiently and deliver adequate returns to our shareholders.”
- > **Sustainability:** “We drive the transition to emission-free mobility along the Volkswagen Group’s sustainability principles.”
- > **People and Values:** “Our people are key.”

The products and services offered by the Volkswagen Leasing GmbH Group companies will contribute to implementing the MOBILITY2030 strategy.

PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF A COMBINED MANAGEMENT REPORT

The consolidated financial statements are prepared in accordance with the IFRS Accounting Standards (IFRSs), as adopted by the European Union (EU), and the interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRS IC) as well as in accordance with the additional disclosures required by German commercial law under section 315e(1) of the *Handelsgesetzbuch* (HGB – German Commercial Code).

Based on the statutory requirements, the Volkswagen Leasing GmbH Group is exercising the option to prepare a combined management report.

SIGNIFICANT CHANGES IN THE VOLKSWAGEN LEASING GMBH GROUP

There were no material changes in the reporting year.

INTERNAL MANAGEMENT

The Group's key performance indicators are determined on the basis of IFRSs and are presented as part of the internal reporting system. The most important nonfinancial performance indicators are penetration, number of current contracts and new contracts concluded. The financial key performance indicators are the interest-bearing assets, operating result, return on equity and the overhead ratio.

KEY PERFORMANCE INDICATORS

	Definition
Nonfinancial performance indicators	
Penetration	Ratio of new contracts for new Group vehicles under leasing business to deliveries of Group vehicles in markets Germany
Current contracts	Contracts recognized as of the reporting date
New contracts	Contracts recognized for the first time in the reporting period
Financial performance indicators	
Interest-bearing assets	Loans to and receivables from customers arising from leasing business and lease assets.
Operating result	Interest income from cash and loans, net income from leasing transactions, interest expense, net income from service contracts, provision for credit risks, net fee and commission result, net gain or loss on hedges, net gain or loss on financial instruments measured at fair value, general and administrative expenses and net other operating income/expenses
Return on equity	Return on equity before tax, which is calculated by dividing profit before tax by average equity.
Overhead ratio	Personnel expenses, nonpersonnel indirect expenses and recognized amortization and depreciation reduced by income from services rendered / average total assets.

CORPORATE GOVERNANCE DECLARATION

Increase in the proportion of women

As of December 31, 2025, women accounted for 55% of the workforce of Volkswagen Leasing GmbH, although this is not yet reflected across all levels of management. Volkswagen Leasing GmbH is working to meet the targets for women on all levels and has set itself the objective to raise the proportion of women in management positions sustainably. A systematic effort is made to ensure that female candidates are considered during succession planning to help establish compliance with the relevant targets.

PROPORTION OF WOMEN – TARGET AND ACTUAL VALUES FOR GERMANY

in percent	Target 2026	Actual 2025
Second management level	27.3	30.8
First management level	19.7	35.0
Management Board	20.0	66.7
Supervisory Board	25.0	25.0

Following the completion of the restructuring of the Group structure as of July 1, 2024, the companies belonging to the Volkswagen Financial Services AG Group have set consistent targets for the proportion of women on the first and second management level throughout the Group. The achievement of targets is assessed according to a Group perspective, taking account of the fact that the professional development of relevant employees is typically organized across the Group, with development-related

transfers between individual Group companies. Volkswagen Leasing GmbH will then, as far as necessary, take relevant (counter) measures to meet the respective targets.

NONFINANCIAL STATEMENT OF THE GROUP

Pursuant to section 315b(2) of the HGB, Volkswagen Leasing GmbH exercises the option not to issue a consolidated nonfinancial statement. Please refer to the separate combined nonfinancial statement of the Volkswagen Group and Volkswagen AG for fiscal year 2025, as part of the Group Management Report in the 2025 Annual Report of the Volkswagen Group.

The combined nonfinancial statement will be available in German on this website <https://www.volkswagen-group.com/de/finanzberichte-18134> and in English on this website <https://www.volkswagen-group.com/en/financial-reports-18134> as from March 10, 2026.

Volkswagen AG is responsible for managing environmental, social and corporate governance (ESG) issues throughout the Group.

Report on Economic Position

The global economy recorded positive growth in 2025. Global demand for vehicles increased slightly as compared with the previous year. At €1,032 million, the operating result was very strongly up the prior year.

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

The operating result, which amounted to €1,032 million in fiscal year 2025 was very strongly up on the previous year (€318 million). The rise is mainly attributable to the very strong increase in net income from leasing transactions and from service contracts as well as to a significant drop in interest expenses. The very strong increase in the provision for credit risks had an offsetting effect.

Deliveries to customers were down slightly in fiscal year 2025, dropping below the prior-year level. The new leasing business continued its encouraging trend, driven predominantly by the increasing switch from financing to leasing, especially in the retail business. Despite the challenging economic environment (due to factors such as poor economic performance and geopolitical uncertainties), the volume of loans and receivables in the Volkswagen Leasing GmbH Group grew significantly. Especially the established sales promotion programs were a key growth driver. In the reporting year, the number of new contracts rose significantly, and the volume of current contracts also went up slightly.

In the reporting year, the share of leased vehicles in the Volkswagen Group's deliveries (penetration) for Volkswagen Leasing GmbH in the Germany market was 64.7% and thus slightly above the prior-year level (61.6%).

Continuing strong demand for our products led to continuous significant growth in the portfolio of Volkswagen GmbH in fiscal year 2025, and the volume of loans and receivables in the loan portfolio expanded further. The quality of the loan portfolio remained at a stable level.

Despite strained markets, Volkswagen Leasing GmbH's residual value portfolio experienced continuous growth in 2025. Changes in residual value risk continue to be closely monitored on an ongoing basis, leading to corresponding measures where required.

Despite higher interest-bearing assets, funding costs amounting to €1,557 million were significantly lower than the prior-year level of €1,899 million.

At the level of Volkswagen Leasing GmbH, liquidity risk remained stable in the reporting period. Funding risk always remained within the specified limits. The existing sources of funding were adequate to enable the growth achieved in the fiscal year.

Since the reorganization in 2024, Volkswagen Leasing GmbH has been funded by using the funding opportunities of Volkswagen Bank GmbH, such as customer deposits or capital market transactions, as well as the continued issuance of ABSs.

The money and capital market rates relevant for funding decreased slightly in the course of 2025. Risk premiums (spreads) declined significantly in the second half of the year, after reaching high levels at times at the beginning of the year, especially due to the uncertain impacts of the US government's economic policy measures.

The Management Board of Volkswagen Leasing GmbH considers the course of business in the year 2025 to have been positive.

CHANGES IN KEY PERFORMANCE INDICATORS FOR FISCAL YEAR 2025 COMPARED WITH THE PRIOR-YEAR FORECAST

	Actual 2024		Forecast for 2025	Actual 2025
Nonfinancial performance indicators				
Penetration (percent)	61.6	<61,6	Slightly below previous year	64.7
Current contracts (thousands)	2,085	>2.085	Moderately up on previous year	2,284
New contracts (thousands)	795 ¹	>865	Moderately up on previous year	876
Financial performance indicators				
Interest-bearing assets (€ million)	49,661	>49.661	Noticeably up on previous year	55,266
Operating result (€ million)	318	>318	Substantially up on previous year	1,032
Return on equity (percent)	3.2	>3,2	Substantially up on previous year	9.8
Overhead ratio in %	0.91	=0,91	On prior-year level	0.79

¹ Prior-year figure restated.

DEVELOPMENTS IN THE GLOBAL ECONOMY

The global economy continued to grow in 2025 at a pace similar to the previous year. In the emerging markets, the pace of growth picked up slightly. Momentum in the advanced economies remained roughly at the prior-year level. While inflation rates fell in many countries, they remained elevated in some cases. Due to these differing conditions, central banks reduced key policy rates to varying degrees, which had a dampening effect on economic growth in some countries. Overall, geopolitical uncertainties, particularly those related to the economic policy stance of the USA and the increase in geo-economic measures, placed a strain on the global economic environment.

Europe

In the reporting year, the economy in Western Europe exhibited positive growth overall, higher than the prior-year level. Development in the individual countries in Northern and Southern Europe was mixed. In response to falling inflation rates, the European Central Bank lowered its key policy rate in eight rate cuts, beginning in June 2024. In 2025, the economies of Central Europe grew overall at a slightly higher pace on average than in the same period of the previous year, while Eastern Europe recorded a smaller increase.

Germany

German gross domestic product stagnated at the prior-year level in 2025 after having fallen in the two preceding years. Compared with 2024, the unemployment figures rose slightly on average over the year. The harmonized rate of inflation in the reporting year was somewhat lower than the prior-year level.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

Demand for automotive financial services was high in fiscal year 2025.

Movement on the European passenger car market was similar to that of the previous year in the year under review. Sales of financial services products exceeded the prior-year figure, primarily in the new car business. A positive trend was also observed in the sale of after-sales products such as servicing, maintenance and spare parts agreements.

New passenger car registrations in Germany in the period from January to December 2025 remained at the prior-year level. There was an increase in the number of new contracts in the financial services business. This trend is attributable to leasing contracts with individual and corporate customers. New vehicle financing was on a level with the prior year. The penetration of new vehicles exceeded the previous year's figure and trends on the used car business were also positive. The number of new service contracts increased year on year, primarily in the field of maintenance. There were fewer new contracts in the insurance business, but there was an increase in the number of passenger car insurance contracts concluded.

Sector-specific environment

The sector-specific environment in the European financial market in the reporting period was dominated by the continuation of the monetary policy easing that had begun in the previous year. The ECB lowered its key interest rate in a total of four steps to 2.0% in the first half of the year. The inflation rate in the eurozone stabilized around the target rate of around 2% over the course of the year. With regard to economic growth, the positive effects of increased public spending are offsetting the negative effects of trade tensions. The holdings in the Asset Purchase Program (APP) and the Pandemic Emergency Purchase Program (PEPP) were reduced as planned due to redemptions. Over the course of the year, the holdings fell below the 2.4 trillion mark in the APP and the 1.5 trillion mark in the PEPP.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

In 2025, the volume of the passenger car market worldwide was slightly up on the prior-year figure, with all regions developing favorably. While Africa, South America, Asia-Pacific, the Middle East, and Central and Eastern Europe recorded significant to slight growth, Western Europe and North America remained at the prior-year level.

The global volume of new registrations of light commercial vehicles in fiscal year 2025 was similar to the previous year.

Sector-specific environment

Along with fiscal policy measures, the sector-specific environment was affected by the economic situation, which contributed to the mixed trends in unit sales in the markets in the fiscal year now ended. The fiscal policy measures included tax cuts or increases, the introduction, expiry and adjustment of incentive programs and sales incentives, as well as import duties. In addition, non-tariff trade barriers to protect the respective domestic automotive industries made the movement of vehicles, parts and components more difficult.

Europe

In Western Europe, the number of new passenger car registrations in 2025 was on a level with the previous year. The performance of the large individual passenger car markets in this region was mixed. The United Kingdom registered slight growth and Spain significant growth and the market volume in Italy and France decreased slightly.

In the reporting year, the volume of new registrations for light commercial vehicles in Western Europe was significantly down year on year.

In the Central and Eastern Europe region, there was a slight increase in the volume of the passenger car market between January and December 2025. Positive movement was recorded in the number of vehicles sold in the major markets of Central Europe.

In fiscal year 2025, the market volume of light commercial vehicles in Central and Eastern Europe was significantly lower than in the previous year.

Germany

The number of new passenger car registrations in Germany from January to December 2025 was in the range of the previous year. There was positive development primarily in new registrations of all-electric vehicles. Production in Germany increased to 4.2 million vehicles (+2.0%) in 2025, while passenger car exports stagnated at 3.2 million units (-0.3%).

The number of light commercial vehicles sold in Germany in the reporting year was noticeably lower than the 2024 figure.

FINANCIAL PERFORMANCE

The IFRS operating result increased very strongly to €1,032 (318) million, driven above all by the significant increase in net income from leasing transactions and significantly lower interest expense. In contrast, the provision for credit risks increased very strongly.

Profit before tax came to €1,030 (316) million, which was very strongly up on the prior year.

Return on equity amounted to 9.8 (3.2)%.

Interest income from bank balances and loans amounted to €89 million, a very strong decrease from the prior-year figure of €206 million.

Net income from leasing transactions amounted to €2,924 (2,479) million and was therefore very strongly up on the previous year. The rise was to a significant extent due to lease income from the operating lease business, which contributed €6,485 (5,695) million. The impairment losses on lease assets of €334 (523) million included in the surplus from leasing transactions were attributable to current market movements and expectations.

Interest expense was €1,557 million, a significant decrease from the prior-year level (€1,899 million).

Net income from service contracts amounted to €322 (165) million and was very strongly above the prior-year figure.

There was very strong year-on-year growth in the provision for credit risks to €316 (122) million.

Net fee and commission income amounted to €-20 (-2) million, very strongly below the prior-year level.

General and administrative expenses were slightly down on the previous year at €572 (585) million. This figure also includes costs associated with services for other entities in the Volkswagen Group. Accordingly, costs of €72 (56) million were recharged to other entities in the Volkswagen Group and reported under net other operating income/expenses. At 0.79 (0.91)%, the overhead ratio was substantially lower than in the previous year.

Net other operating income/expenses was very sharply below the prior-year level at €148 (217) million. An amount of €0 (0) million was added to the provisions for legal risks and recognized through profit or loss in net other operating income/expenses.

In total, the Volkswagen Leasing GmbH Group generated a profit after tax amounting to €616 (191) million.

Under Volkswagen Leasing GmbH's current control and profit-and-loss transfer agreement, a loss of €245 million reported by Volkswagen Leasing GmbH in its single-entity financial statements prepared in accordance with the HGB was absorbed by the shareholder, Volkswagen Bank GmbH.

NET ASSETS AND FINANCIAL POSITION

Lending business

At €61.6 billion in total, loans to and receivables from customers and lease assets – which make up the core business of the Volkswagen Leasing GmbH Group – accounted for approximately 92% of the Group's total assets.

The number of new retail financing contracts came to 876 thousand, which was significantly above the prior-year level (prior-year figure restated: 795 thousand). The number of current contracts stood at 2,284 thousand at the end of the year, noticeably up on the previous year (2,085 contracts).

Overall, receivables from leasing transactions were on the same level as in the previous year at €22.7 billion (+1.3%).

Lease assets recorded significant growth of €5.7 billion to €37.4 billion (+17.9%).

Total assets of the Volkswagen Leasing GmbH Group rose significantly to €66.9 billion year-on-year (+10.7%). This growth resulted primarily from the increase in lease assets and hence reflects business expansion over the fiscal year ended.

There were 4,263 thousand (previous year: 3,913 thousand) service contracts in the portfolio as of the end of the year. The new business volume of 1,446 thousand contracts was significantly up on the prior-year level (1,270 thousand).

Deposit business and borrowings

In terms of the capital structure, the significant liability items included liabilities to banks in the amount of €16.0 billion (+120.9%), liabilities to customers amounting to €13.5 billion (–2.4%) and notes and commercial paper issued in the amount of €23.6 billion (–10.9%). Further details on the funding and hedging strategy can be found in the sections Liquidity Analysis and Funding and in the risk report within the disclosures on interest-rate risk and liquidity risk.

Equity

The subscribed capital of Volkswagen Leasing GmbH remained unchanged at €76 million in fiscal year 2025. Equity in accordance with the IFRSs was €11.0 (10.1) billion. This resulted in an equity ratio (equity divided by total assets) of 16.4% based on total assets of €66.9 billion.

KEY FIGURES BY SEGMENT FOR FISCAL YEAR 2025

in thousands	Retail	Fleet	Sum	Reconciliation	Group
Current contracts	2,604	4,047	6,651	–	6,651
Leasing business	1,100	1,184	2,284	–	2,284
Service	1,504	2,863	4,367	–	4,367
New contracts	936	1,421	2,357	–	2,357
Leasing business	398	478	876	–	876
Service	538	943	1,481	–	1,481
€ million					
Loans to and receivables from customers attributable to					
Dealer financing	–	–	–	–	–
Leasing business	10,915	11,745	22,660	–	22,660
Lease assets	18,032	19,402	37,434	–	37,434
Investment ¹	7,374	8,847	16,221	–	16,221
Operating result	382	697	1,079	–47	1,032
In percent					
Penetration ²	–	–	–	–	64.7%

1 Corresponds to additions to lease assets classified as noncurrent assets.

2 Ratio of new contracts for new Group vehicles under retail financing and leasing business to deliveries of Group vehicles

KEY FIGURES BY SEGMENT FOR FISCAL YEAR 2024

in thousands	Retail	Fleet	Sum	Reconciliation	Group
Current contracts	2,280	3,736	6,016	–	6,016
Leasing business	993	1,093	2,085	–	2,085
Service	1,287	2,644 ³	3,913 ³	–	3,913 ³
New contracts	865	1,201	2,066	–	2,066
Leasing business	392	404	795	–	795
Service	473	797	1,270	–	1,270
€ million					
Loans to and receivables from customers attributable to					
Dealer financing	–	–	–	–	–
Leasing business	10,646	11,714	22,360	–	22,360
Lease assets	15,121	16,639	31,760	–	31,760
Investment ¹	6,832	7,034	13,866	–	13,866
Operating result	247	–128	119	199	318
In percent					
Penetration ²	–	–	–	–	61.6%

1 Corresponds to additions to lease assets classified as noncurrent assets.

2 Ratio of new contracts for new Group vehicles under retail financing and leasing business to deliveries of Group vehicles.

3 Prior-year figure restated.

LIQUIDITY ANALYSIS

The companies of the Volkswagen Leasing GmbH Group are funded primarily through asset-backed securities (ABSs) and through intercompany loans from Volkswagen Bank GmbH.

Volkswagen Leasing GmbH is an integral part of the Volkswagen Bank GmbH Group, and Volkswagen Leasing GmbH's liquidity is therefore managed at the level of the Volkswagen Bank GmbH Group.

Volkswagen Leasing GmbH must satisfy the minimum requirements for risk management (MaRisk). Compliance with these requirements is determined and continuously monitored by the liquidity risk management department. Moreover, the cash flows for the coming 12 months are projected and compared against the funding potentials in each maturity bucket.

There is a regulatory requirement that any liquidity requirements identified in institution-specific stress scenarios must be covered with an adequate liquidity buffer over a time horizon of seven and 30 days. From a regulatory perspective, there was no immediate need to take action for Volkswagen Leasing GmbH in the reporting year.

FUNDING

Strategic principles

By pooling its activities in a European financial services provider and through the spin-off of Volkswagen Leasing GmbH to Volkswagen Bank GmbH as of July 1, 2024, the funding strength Volkswagen Bank GmbH can be used for the growth of the leasing business in Germany and Europe. In addition to engaging in ABS transactions, Volkswagen Bank GmbH can now also use the significant increase in customer deposits and intercompany loans to fund the planned business growth.

Volkswagen Leasing GmbH itself no longer actively places any unsecured bonds in the capital market.

Implementation

Volkswagen Leasing GmbH was active in the German market with its ABS program. German lease receivables were securitized in February, June and October in the form of Volkswagen Car Lease (VCL) transactions, which had a total volume of €3.5 billion.

The following table shows the transaction details:

ABS TRANSACTIONS IN FISCAL YEAR 2025

Originator	Transaction name	Month	Country	Volume and currency
Volkswagen Leasing GmbH, Braunschweig	VCL 44	February	Germany	EUR 1.25 billion
Volkswagen Leasing GmbH, Braunschweig	VCL 45	June	Germany	EUR 1.0 billion
Volkswagen Leasing GmbH, Braunschweig	VCL 46	October	Germany	EUR 1.25 billion

Volkswagen Leasing GmbH

(Condensed, in accordance with the HGB)

2025 BUSINESS PERFORMANCE

Volkswagen Leasing GmbH reported a result from ordinary activities after tax amounting to a loss of €245 million in the reporting year.

Lease income of €30,011 (28,351) million was offset by lease expenses of €15,053 (14,663) million.

Net fee and commission income of €-1,191 (-1,020) million is mainly comprised of closing commissions arising from lease business.

Other operating income came to €406 (462) million, with other operating expenses amounting to €22 (40) million. Other operating income included income from service fees from ABS transactions amounting to €212 million.

The general and administrative expenses included expenses from cost allocations to Group companies and the expenses related to personnel and administrative costs.

Risk costs totaling €642 (479) million primarily included expenses arising from additions to provisions.

The loss after tax of €245 million will be absorbed by Volkswagen Bank GmbH pursuant to the existing control and profit-and-loss transfer agreement.

Receivables from banks decreased by €506 million (20%). The decline is primarily due to lower credit balances at Volkswagen Bank GmbH.

Receivables from customers fell by €767 million (15%). The drop is mainly the result of the decline in loans to affiliated companies.

Lease assets increased by 10.0% to €54,193 million. The change results from an increased vehicle inventory.

Liabilities to customers decreased by €826 million (3%) to €22,811 million, mainly because of lower liabilities to affiliated companies.

Commercial paper issued decreased by €1,768 million compared to the previous year (17%) to €8,758 million.

The decrease in provisions of €149 million (13%) arose mainly from lower provisions for expected losses.

The equity ratio is now 5.1 (5.5)%. Total assets at the end of the reporting period amounted to €64,333 million.

NUMBER OF EMPLOYEES

The average number of employees during the reporting period can be found in the table below.

	Dec. 31, 2025	Dec. 31, 2024
Salaried employees	1,977	1,041
of which senior managers	21	11
of which part time	593	296
Vocational trainees	–	–

MANAGEMENT, AND OPPORTUNITIES AND RISKS RELATING TO THE BUSINESS PERFORMANCE OF VOLKSWAGEN LEASING GMBH

Volkswagen Leasing GmbH is integrated into the internal management concept of the Volkswagen Leasing GmbH Group. It is thus subject to the same key performance indicators and the same opportunities and risks as the Volkswagen Leasing GmbH Group. The legal requirements governing the management of Volkswagen Leasing GmbH as a legal entity are observed using key performance indicators such as penetration, operating result and return on equity. This internal management concept and these opportunities and risks are described in the section on the fundamental information about the Volkswagen Leasing GmbH Group as well as in the report on opportunities and risks of this annual report.

INCOME STATEMENT OF VOLKSWAGEN LEASING GMBH, BRAUNSCHWEIG, FOR FISCAL YEAR 2025

€ thousand	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
1. Lease income	30,011,366	28,351,180
2. Leasing expenses	15,052,717	14,663,204
	14,958,649	13,687,976
3. Interest income		
b) From other activities		
aa) Lending and money market transactions	314,025	546,635
4. Interest expense		
b) From other activities	1,650,851	1,604,612
thereof: unwinding of discount on provisions	1,102	2,365
	-1,336,826	-1,057,977
5. Fee and commission income		
a) From payment services and the issuance of e-money	40	34
b) From other activities	4,668	55,960
6. Fee and commission expenses		
b) From other activities	1,195,912	1,075,659
	-1,191,204	-1,019,665
7. Other operating income		
b) From other activities	406,315	462,482
8. Income from the reversal of special tax-allowable reserve	59	59
9. General and administrative expenses		
a) From payment services and the issuance of e-money		
bb) Other administrative expenses	21	87
b) From other activities		
aa) Personnel expenses		
aaa) Wages and salaries	189,678	104,984
bbb) Social security, post-employment and other employee benefit costs of which: for post-employment benefits €20.481 thousand	63,911	36,410
	253,589	141,394
bb) Other administrative expenses	326,949	479,609
	580,559	621,090

€ thousand	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
10. Depreciation, amortization and write-downs		
a) Depreciation and write-downs of lease assets		
ab) From other activities	12,122,852	11,386,464
b) Amortization and write-downs of intangible fixed assets, and depreciation and write-downs of property and equipment		
bb) From other activities	69,649	64,693
	12,192,501	11,451,157
11. Other operating expenses		
b) From other activities	21,903	39,988
12. Write-downs of and valuation allowances on receivables and additions to provisions in the leasing business		
b) From other activities	642,458	478,542
13. Income from the reversal of write-downs of and valuation allowances on receivables and from the reversal of provisions in the leasing business		
b) From other activities	389,882	672,776
14. Result from ordinary business activities	-210,546	154,874
a) From payment services and the issuance of e-money	19	-53
b) From other activities	-210,565	154,927
15. Income tax expense	34,485	135,971
a) From payment services and the issuance of e-money	-3	-47
b) From other activities	34,488	136,018
16. Income from the absorption of losses	245,031	-
a) From payment services and the issuance of e-money	-22	-
b) From other activities	245,053	-
17. Profits transferred due to a profit-and-loss transfer agreement	-	18,903
a) From payment services and the issuance of e-money	-	-100
b) From other activities	-	19,003
18. Net income for the year	-	-
19. Retained profits brought forward	649	649
20. Net retained profits	649	649

BALANCE SHEET OF VOLKSWAGEN LEASING GMBH, BRAUNSCHWEIG, AS OF DECEMBER 31, 2025

€ thousand	Dec. 31, 2025	Dec. 31, 2024
Assets		
1. Cash reserve		
b) From other activities	3	4
2. Loans to and receivables from banks		
b) From other activities		
aa) Repayable on demand	2,041,483	2,547,941
3. Loans to and receivables from customers		
a) From payment services	145	175
aa) From fees and commissions	145	175
b) From other activities	4,316,955	5,083,524
	4,317,100	5,083,699
4. Notes and other fixed-income securities		
b) Commercial paper and notes		
ba) From public-sector issuers	476,540	143,907
5. Lease assets		
aa) From other activities	54,193,235	49,094,343
6. Intangible fixed assets		
a) Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	98,885	102,773
	98,885	102,773
7. Property and equipment		
a) Land and buildings		
ab) From other activities	16,779	17,864
b) Operating and office equipment		
ab) From other activities	1,734	567
	18,513	18,431
8. Other assets		
b) From other activities	2,198,209	1,567,666
9. Prepaid expenses and accrued income		
b) From other activities	989,512	1,059,072
Total assets	64,333,480	59,617,836

€ thousand	Dec. 31, 2025	Dec. 31, 2024
Equity and liabilities		
1. Liabilities to banks		
b) From other activities		
aa) Repayable on demand	46,999	175,127
bb) With agreed maturity or notice period	14,922,817	7,741,866
	14,969,816	7,916,993
2. Liabilities to customers		
b) From other activities	22,810,699	23,636,699
3. Notes, commercial paper issued		
a) Bonds issued	8,757,840	10,525,518
4. Other liabilities		
b) From other activities	2,117,602	1,837,707
5. Prepaid expenses and accrued income		
b) From other activities	11,373,532	11,241,777
6. Provisions		
a) Provisions for pensions and other post-employment benefits		
bb) From other activities	100,261	117,337
b) Provisions for taxes		
bb) From other activities	7,399	14,718
c) Other provisions		
bb) From other activities	925,772	1,050,469
	1,033,432	1,182,524
7. Special tax-allowable reserve	647	706
8. Fund for general banking risks	–	6,000
9. Equity		
a) Subscribed capital	76,004	76,004
b) Capital reserves	3,193,259	3,193,259
c) Net retained profits	649	649
	3,269,912	3,269,912
Total equity and liabilities	64,333,480	59,617,836
1. Contingent liabilities		
Liability arising from the provision of collateral for third-party liabilities	38,500	73,375
2. Other obligations		
Irrevocable leasing commitments	5,745,006	5,362,820

Report on Opportunities and Risks

Volkswagen Leasing GmbH is responding systematically to the challenging fiscal year dominated by geopolitical tensions with balanced, active opportunity and risk management to secure its long-term business success.

OPPORTUNITIES AND RISKS

In this section, the risks and opportunities that arise in connection with business activities are presented. The opportunities and risks are grouped into various categories. Unless specifically stated, there were no material year-on-year changes to the individual risks or opportunities.

Analyses of the competitive and operating environment are used, together with market observations, to identify not only risks but also opportunities, which then have a positive impact on the design of products, the success of the products in the marketplace and on the cost structure. Opportunities and risks that are expected to materialize have already been taken into account in the medium-term planning and forecast. The following sections therefore describe fundamental opportunities that could lead to a positive variance from the forecast and also present a detailed description of relevant risks.

Macroeconomic opportunities and risks

In a challenging market environment, the Management Board of Volkswagen Leasing GmbH anticipates that number of deliveries to Volkswagen Group customers will increase by around 1% year-on-year in 2026. The Volkswagen Leasing GmbH Group supports sales of vehicles by supplying financial services products.

European economic growth is being significantly driven by further inflation developments and the monetary policy easing cycle that has already been implemented. Overall inflation has declined on average. Key interest rates are expected to remain at their current low levels. If overall inflation were to rise again, this could lead to a renewed tightening of monetary policy, thereby weakening economic growth.

Global economic growth could also be further dampened by geopolitical tensions, should these give rise to shortages and delays in global supply chains, for example, or result in a renewed upward trend in inflation. This, in turn, could also impact negatively on both consumption and investment climate.

The macroeconomic environment could, however, also create opportunities for Volkswagen Leasing GmbH if inflation takes a more positive path than anticipated, for example, or if geopolitical tensions ease and economic growth proves stronger as a result.

Strategic opportunities and risks

Volkswagen Leasing GmbH identifies opportunities in developing innovative products that address customers' evolving mobility requirements. Growth segments such as mobility products and service offerings are being systematically developed and expanded.

Volkswagen Leasing GmbH also sees opportunities in the ongoing digital transformation of the business and the increasing customer demand for usage rather than ownership. Our objective is to respond to this development by expanding our product range across the entire vehicle lifecycle and further strengthening the used car business. This will create opportunities to tap into new customer groups, develop new distribution channels and generate additional efficiency and increase revenue.

By expanding digital sales channels, the Group is enhancing its direct-to-customer business as a complement to the dealership. Changing customer needs are thus addressed and the competitive position of Volkswagen Leasing GmbH reinforced.

Furthermore, the refinancing capabilities of Volkswagen Bank GmbH create opportunities to finance the planned business growth of the companies within the Volkswagen Financial Services AG Group.

Opportunities from credit risk

Opportunities may arise in connection with credit risk if the losses actually incurred in the lease business turn out to be lower than the prior calculations of expected loss and the associated provisions recognized on the basis thereof. Particularly in those countries in which increased risk provisioning was identified due to an uncertain economic situation, the realized losses may be lower than the expected losses if the economy stabilizes and borrowers' credit ratings improve as a result.

Opportunities from residual value risk

When vehicles are remarketed, Volkswagen Leasing GmbH may be presented with the opportunity to achieve a price that is higher than the contractual residual value if prices actually achieved from remarketing rise more than anticipated.

KEY FEATURES OF THE INTERNAL CONTROL SYSTEM AND THE INTERNAL RISK MANAGEMENT SYSTEM AS REGARDS THE FINANCIAL REPORTING PROCESS

The internal control system (ICS) that is relevant to the accounting system and used for the consolidated and annual financial statements as well as the management report of Volkswagen Leasing GmbH is defined as the sum of all principles, procedures and activities aimed at ensuring the effectiveness and propriety of the financial reporting and compliance with the relevant legal requirements. The internal risk management system (IRMS) as regards the accounting process refers to the risk of misstatement in the bookkeeping at the company and Group level as well as in external financial reporting. The sections below describe the principal elements of the ICS/IRMS as they relate to the financial reporting process of Volkswagen Leasing GmbH.

- > The Management Board of Volkswagen Leasing GmbH is the governing body with responsibility for the executive management of the business. In this role, the Board has set up the divisions Accounting, Treasury, Compliance, Risk Management and Controlling, each with clearly separated functions and clearly assigned areas of responsibility and authority, to ensure that accounting and financial reporting processes are carried out properly. The tasks of the Treasury function are performed by Volkswagen Bank GmbH under an outsourcing agreement. The compliance function has also been outsourced to Volkswagen Bank GmbH, although its services are supplemented by a compliance officer function at Volkswagen Leasing GmbH. The accounting tasks (single-entity and consolidated financial statements) are performed in full by Volkswagen Financial Services AG on the basis of an outsourcing agreement.

- > There are Group-wide requirements and rules that form the basis of a standardized, proper and continuous financial reporting process.
- > Among other things, the accounting policies for the Volkswagen Leasing GmbH Group are governed by the accounting and financial reporting requirements of the IFRS Accounting Standards (IFRSs). Accounting policies, including accounting policies in accordance with German commercial law (HGB) in conjunction with the *Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute* (RechKredV – German Bank Accounting Regulation) govern the accounting policies for the single-entity financial statements of Volkswagen Leasing GmbH.
- > The accounting requirements also govern specific formal requirements for the consolidated financial statements. In addition to defining the basis of consolidation, the components of the IFRS reporting packages to be prepared are also defined in detail. The accounting requirements also include specific requirements for the presentation and settlement of intercompany transactions and the related balance reconciliation process.
- > At Group level, specific control activities to ensure the consolidated financial statements are properly and reliably presented comprise the analysis and, if necessary, correction of the IFRS consolidated financial statements.
- > These are supplemented by the clear definition of areas of responsibility and various monitoring and review mechanisms.
- > These monitoring and review mechanisms are designed with both integrated and independent process components. Automated IT processing controls account for a significant proportion of the integrated process activities alongside manual process controls, such as double-checking by a second person.
- > Internal Audit of Volkswagen Financial Services AG is a key component of Volkswagen Leasing GmbH's monitoring and control system. As an outsourcee, supplemented by an audit officer function at Volkswagen Leasing GmbH, it carries out regular audits of accounting-related processes as part of its risk-oriented auditing activities and reports on these audits directly to the Management Board of Volkswagen Leasing GmbH and the Board of Management of Volkswagen Financial Services AG.

In summary, the ICS and IRMS of the Volkswagen Leasing GmbH Group are intended to ensure that the financial position of the individual entities and of the Volkswagen Leasing GmbH Group as of the reporting date December 31, 2025 has been based on information that is reliable and has been properly recognized. In addition, the accurate recording, the processing and the evaluation of all transactions and their inclusion in the accounting system as a whole must be ensured.

No material changes were made to the internal monitoring and control system of Volkswagen Leasing GmbH after the reporting date.

BASIC RISK MANAGEMENT PRINCIPLES

Since July 1, 2024, Volkswagen Leasing GmbH has had an authorization to provide payment services, which comprises the acquisition and settlement of payment transactions pursuant to section 1(1) sentence 2 no. 5 2nd alternative of the *Zahlungsdiensteaufsichtsgesetz* (ZAG – Payment Services Supervision Act) and the money remittance business pursuant to section 1(1) sentence 2 no. 6 of the ZAG. Volkswagen Leasing GmbH has since then therefore also been subject to the provisions of the ZAG as a payment institution pursuant to section 1(1) sentence 1 no. 1 of the ZAG. It should be noted in this context that the focus is on the leasing business and the proportion of payment services is of minor importance for Volkswagen Leasing GmbH.

Since July 1, 2024, Volkswagen Leasing GmbH has been a direct subsidiary of Volkswagen Bank GmbH and an indirect subsidiary of the financial holding company Volkswagen Financial Services AG. This means that it belongs firstly to the regulatory basis of consolidation of the financial holding group of Volkswagen Financial Services AG and secondly to the Volkswagen Bank GmbH Group on the level of the prudential scope of sub-consolidation pursuant to Article 11(6) of the CRR. Volkswagen Leasing GmbH therefore has to meet the Group-related coordinated requirements of Volkswagen Financial Services AG and Volkswagen Bank GmbH, which also include the Group-related regulatory requirements of the European Banking Authority (EBA).

As of October 9, 2024 Volkswagen Leasing GmbH has met the condition and requirements for approval of a waiver applied for pursuant to section 2a(2) of the KWG with regard to the provisions of section 25a of the KWG. Following the acceptance of an unrestricted letter of comfort by Volkswagen Bank GmbH to the creditors of Volkswagen Leasing GmbH, this means that it does not have to have its own business and risk strategy, determine its own risk-bearing capacity and its own processes for identifying, assessing, managing, monitoring and communicating the risks and does not have to have its own risk control function, with the exception of liquidity risk for the single entity Volkswagen Leasing GmbH. Instead, Volkswagen Bank GmbH now prepares a business and risk strategy for the Volkswagen Bank GmbH Group, including Volkswagen Leasing GmbH, which it coordinates with the Group, and ensures the risk-bearing capacity at Volkswagen Bank GmbH Group level.

Based on the approval of the waiver pursuant to section 2a(2) of the KWG, Volkswagen Bank GmbH and Volkswagen Leasing GmbH have implemented the organizational structure previously resolved for risk management. Since November 1, 2024 there has only been one risk control function responsible for the Volkswagen Bank GmbH Group. It is located at Volkswagen Bank GmbH and, with the exception of liquidity risk controlling, performs the risk control function for Volkswagen Bank GmbH and Volkswagen Leasing GmbH. Volkswagen Leasing GmbH has outsourced most liquidity risk management and liquidity risk controlling tasks to Volkswagen Bank GmbH, although responsibility for ensuring and controlling liquidity remains with the Management Board of Volkswagen Leasing GmbH. As a result of the approval of the waiver pursuant to section 2a(2) of the KWG, most of the MaRisk requirements now have to be met by Volkswagen Bank GmbH for the Volkswagen Bank GmbH Group, including Volkswagen Leasing GmbH. Responsibility for the remaining MaRisk requirements not covered by the waiver approval pursuant to section 2a(2) of the KWG remains with the Management Board of Volkswagen Leasing GmbH, which has outsourced most of the processes to the financial holding company Volkswagen Financial Services AG and to Volkswagen Bank GmbH. An outsourcing officer, who monitors service provision by Volkswagen Financial Services AG and Volkswagen Bank GmbH, ensures compliance with regulatory requirements.

ORGANIZATIONAL STRUCTURE OF THE RISK MANAGEMENT SYSTEM

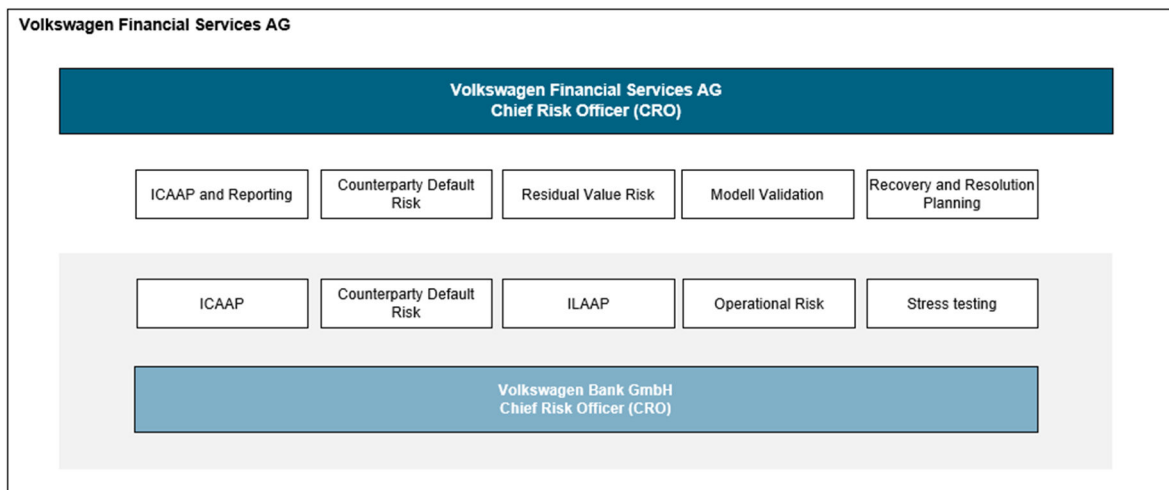
At Volkswagen Leasing GmbH, risk is defined as the danger of loss or damage that could occur if an expected future development turns out to be less favorable than planned. Volkswagen Leasing GmbH is exposed to a large number of risks typical for the financial services sector as part of its primary operating activities. It accepts these risks so that it can exploit any resulting market opportunities.

In 2024, a waiver arrangement for Volkswagen Leasing GmbH as part of the Volkswagen Bank GmbH Group had been requested from and approved by the German banking supervisory authority. Pursuant to section 2a(2) sentence 1 of the *Kreditwesengesetz* (KWG – German Banking Act) in conjunction with Article 7(1) of the Capital Requirements Regulation (CRR), entities of a group of institutions may be exempted from operational risk management (with the exception of liquidity risk in relation to section 25a(1) sentence 3 nos. 1, 2 and 3 letters b and c of the KWG). In this case, the operating activities are performed by the risk management function of the overarching group. The exemption granted on

October 2, 2024 is subject to conditions being met. The report by internal Audit relating to Volkswagen Leasing GmbH has to be submitted once a year, including audit fields and findings. In addition, the quarterly risk management report of Volkswagen Bank GmbH has to be provided, including risks material to Volkswagen Leasing GmbH, in particular residual value risk and counterparty default risk from customer financing. In this process, the Management Board member responsible for Back Office receives a copy of the risk management report as proof that the requirement has been met.

Volkswagen Leasing GmbH is integrated into the risk management system of Volkswagen Financial Services AG and Volkswagen Bank GmbH, which is used to identify, assess, manage, monitor and communicate risks. The risk management system comprises a framework of risk principles, organizational structures and processes for assessing and monitoring risks. The individual elements are tightly focused on the activities of the individual divisions. This structure is to ensure that any trends that could represent a risk to the business as a going concern are identified in good time so that appropriate corrective action can then be initiated at an early stage.

ORGANIZATIONAL STRUCTURE OF RISK MANAGEMENT



By making use of the waiver arrangements presented earlier, the Management Board of Volkswagen Bank GmbH is generally responsible for the risk management of Volkswagen Leasing GmbH, although the Management Board of Volkswagen Leasing GmbH retains responsibility for liquidity risks. Volkswagen Leasing GmbH thus uses the functions of a number of risk management units that were set up to fulfill the operational risk controlling functions at the parent companies. In this way, Volkswagen Financial Services AG as well as Volkswagen Bank GmbH and Volkswagen Leasing GmbH perform the risk management using an integrated approach and pooling key risk management skills in Volkswagen Financial Services AG and Volkswagen Bank GmbH.

In terms of the practical implementation, operational implementation for the liquidity risks (ILAAP) and operational risks as well as activities in stress testing are the responsibility of Volkswagen Bank GmbH. Moreover, it uses the competence of Volkswagen Financial Services AG's Risk Management for residual value risk processes, defined activities of model validation and for recovery and resolution planning. Risk-bearing capacity was determined and the internal capital adequacy of Volkswagen Financial Services AG and Volkswagen Bank GmbH was assessed (under the internal capital adequacy assessment process – ICAAP) in close collaboration between the two companies; counterparty default risk is managed in the same way.

In this context, the risk management function of Volkswagen Leasing GmbH – using the waiver arrangement – is exempt from performing all ICAAP elements. Exceptions relate to arrangements linked to the operational and organizational structure and liquidity risk management.

The clear, unequivocal separation of tasks and areas of responsibility, both organizationally and in terms of personnel, ensures that the system is fully functioning at all times and regardless of the personnel involved.

The risk management departments are responsible for providing guidelines for the organization of risk management. This function includes drawing up risk policy guidelines, developing and maintaining methodologies and processes relevant to risk management, and also issuing and enforcing international framework requirements for the procedures to be used throughout Europe. In particular, these include models for conducting credit quality analyses in the lending business, for quantifying the risk categories and the risk-bearing capacity, and for valuing collateral, as well as standardized procedures for identifying, analyzing and measuring direct and indirect residual value risks. Risk management is therefore responsible for identifying potential risks, as well as analyzing, quantifying and measuring risks, and for subsequently deriving risk management measures.

In summary, ongoing risk monitoring, open and direct communication with the Management Board and the integration of the insights gained into operational risk management form the basis for optimal leverage of market potential from the Management Board's perspective, based on informed and effective management of Volkswagen Leasing GmbH's risks.

RISK STRATEGY AND RISK MANAGEMENT

Fundamental decisions relating to strategy and the instruments of risk management are the responsibility of the Management Board of the Volkswagen Bank GmbH Group, which also includes Volkswagen Leasing GmbH.

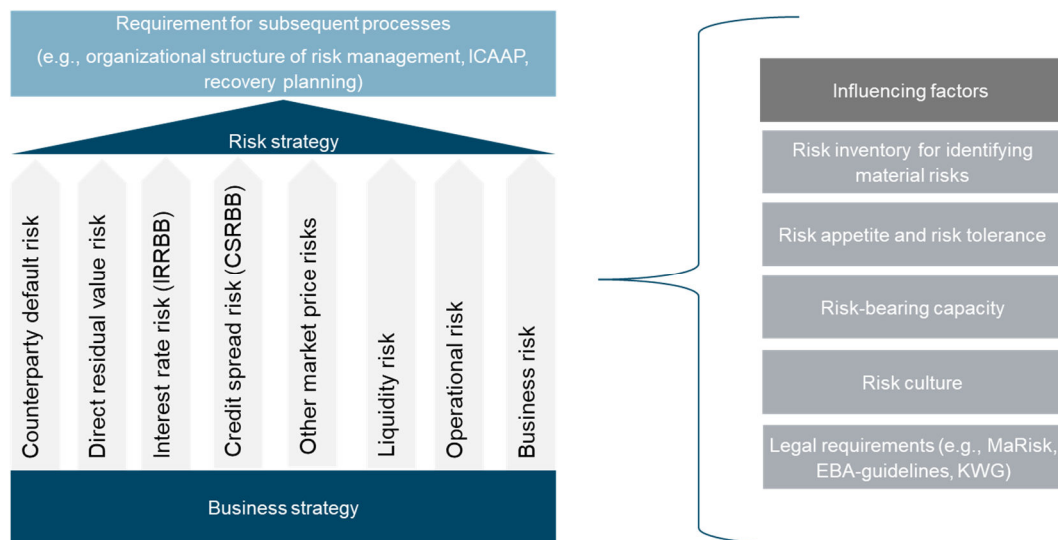
As part of this overall responsibility, the Management Board of Volkswagen Bank GmbH has introduced a MaRisk-compliant strategy process and implemented a business and risk strategy.

The MOBILITY2030 Group-wide business strategy sets out the fundamental views of the Management Board of Volkswagen Bank GmbH on key matters relating to business policy. It includes the objectives for each major business activity and the strategic areas for action to achieve the relevant objectives. Moreover, the business strategy serves as the starting point for the preparation and associated development of the risk strategy.

It is adjusted where appropriate, approved by the Management Board of Volkswagen Bank GmbH and discussed with the Supervisory Board of Volkswagen Bank GmbH. The risk strategy presents the key objectives of and measures for risk management for each risk category, taking into account the business policy focus, risk tolerance and risk appetite. Achievement of the risk strategy objectives is reviewed annually. The causes of any variances are analyzed and then discussed with the Management Board of Volkswagen Bank GmbH.

The risk strategy contains all material quantifiable and unquantifiable risks. More detailed information and specific examples of the individual risk categories are presented in the form of subrisk strategies and operationalized in the business and risk planning process.

RISK STRATEGY PROCESS



RISK INVENTORY

The objective of the risk inventory, which has to be performed at least once a year, is to identify the main categories of risk. To this end, all known categories of risk are investigated to establish whether they are relevant for Volkswagen Bank GmbH. The results of the risk inventory also cover Volkswagen Leasing GmbH.

In the risk inventory, the relevant categories of risk are examined in greater detail, quantified or, if they cannot be quantified, subjected to a qualitative assessment by experts, and then evaluated to determine whether they are material for the Volkswagen Bank GmbH Group. The main categories of risk are then assessed as part of portfolio analyses regarding their influence on drivers of sustainability risk.

The risk inventory of the Volkswagen Bank GmbH Group carried out for 2025 came to the conclusion that the quantifiable risk categories of counterparty risk, direct residual value risk, interest rate risk, credit spread risk in the banking book (CSRBB), other market risks, funding risk and operational risk, as well as the non-quantifiable risk category business risk, consisting of earnings risk, reputation risk and strategic risk including the ESG add-on, as well as business model risk, had to be classified as material risk categories. Indirect residual value risk and pension risk were still classified as immaterial because they accounted for a low proportion of the overall risk. Existing other risk subcategories are included in the named risk categories.

RISK-BEARING CAPACITY, RISK LIMITS AND STRESS TESTING

Fundamental decisions relating to risk-bearing capacity, risk limits and stress testing are the responsibility of the Management Board of the Volkswagen Bank GmbH Group; they include risk-bearing capacity, risk limits and stress testing for Volkswagen Leasing GmbH, which are performed as part of Group governance. The overarching Group management of the Volkswagen Bank GmbH Group is structured as follows.

The Volkswagen Bank GmbH Group has set up a system for calculating risk-bearing capacity in accordance with the requirements specified in the ECB Guide to the internal capital adequacy assessment process (ICAAP). In the opinion of the Management Board, the system ensures that the Group maintains risk-bearing capacity from both economic and normative perspectives.

In the economic risk-bearing capacity analysis, the overall economic risk is compared against the risk-taking potential. An institution has the capacity to bear its risk if, as a minimum, all material risks to which the institution is exposed are covered at all times by the institution's risk-taking potential.

The main risks are quantified as part of the economic risk-bearing capacity analysis with a confidence level of 99.9% and a time horizon of one year.

The objective of the normative perspective is to ensure that all relevant regulatory capital ratio requirements are met (in particular, the requirements for the total capital ratio and Common Equity Tier 1 capital ratio) in the planning period. To this end, the Volkswagen Bank GmbH Group analyzes a baseline scenario and a multidimensional adverse scenario over a forward-looking time horizon of three years beyond the current year and constantly monitors its compliance with the regulatory capital requirements and its internally specified early warning thresholds.

In addition, the Volkswagen Bank GmbH Group uses a system of limits derived from the economic risk-bearing capacity analysis to specifically manage risk-cover capital in accordance with the level of risk tolerance determined by the Management Board.

Building on the Bank's risk appetite framework, the risk limit system that has been put in place limits the risk at different levels, thereby aiming to safeguard the economic risk-bearing capacity of the Volkswagen Bank GmbH Group.

Risk-taking potential is determined from the available equity and earnings components subject to deductions (such as undisclosed liabilities). In accordance with a moderate, overarching risk appetite, only a portion (a maximum of 90%) of this risk-taking potential is specified as a risk ceiling or overall risk limit. The overall risk limit is apportioned according to the relevant specific risk appetite to counterparty default risk, direct residual value risk, market risk, funding risk, and operational risk for the purposes of operational monitoring and control. In this process, the limit allocated to counterparty credit risk, itself an overarching category of risk, is subdivided into individual limits for credit risk, shareholder risk, issuer risk and counterparty risk. The limit for market risk is also subdivided into the interest rate risk in the banking book, credit spread risk in the banking book and other market risk. From a qualitative perspective, the specific risk appetite for each category of risk is set at moderate to low based on the business model and risk strategy of Volkswagen Bank GmbH.

In a second step, the limits for the risk categories of credit and residual value risk are broken down and allocated at the level of the branches and subsidiaries. As part of this process, a company limit is assigned to Volkswagen Leasing GmbH for each category. Interest rate risk in the banking book is managed at Group level. The business risk, consisting of earnings risk, reputational risk and strategic risk including ESG markup and business model risk, is not limited but treated as a deduction from the risk-taking potential. The limit system provides management with a tool that enables it to meet its strategic and operational corporate management responsibilities in accordance with statutory requirements.

Scenarios that can show the potential impact from exceptional but plausible events on the risk-bearing capacity and earnings performance of Volkswagen Leasing GmbH are analyzed in detail as part of the Group-wide stress tests of Volkswagen Financial Services AG. The purpose of these scenarios is to facilitate early identification of those risks that would be particularly affected by the trends simulated in the scenarios so that any necessary corrective action can be initiated in good time.

RISK CONCENTRATIONS

Volkswagen Leasing GmbH is a captive financial services provider in the automotive sector. The business model, which focuses on promoting vehicle sales for the various Volkswagen Group brands, results in concentrations of risk, which can take a variety of forms.

Concentrations of risk can arise from an uneven distribution of activity in which

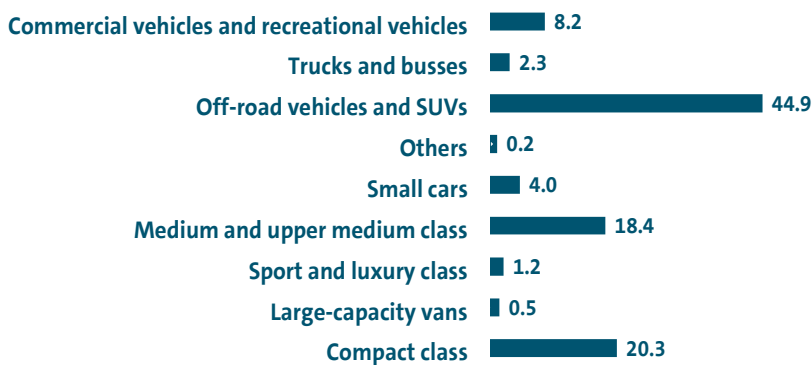
- > Just a few borrowers/contracts account for a large proportion of the loans (counterparty concentrations)
- > A small number of sectors account for a large proportion of the loans (sector concentrations)
- > Many of the loans are to businesses within a defined geographical area (regional concentrations)
- > Loans/receivables are secured by just one type of collateral or by a limited range of collateral types (collateral concentrations)
- > Residual values subject to risk are limited to a small number of vehicle segments or models (residual value concentrations) or
- > Volkswagen Leasing GmbH's income is generated from just a few sources (income concentrations)

Possible concentrations are countered through diversification, for example regarding the dimensions brand, model and country.

Counterparty concentrations from customer business are only of minor significance in Volkswagen Leasing GmbH because of the large proportion of business accounted for by retail leases. From a regional perspective, Volkswagen Leasing GmbH is concentrated on the German market, but is focusing on broad diversification across regions. The fact that customers come from different sectors enhances diversification.

COLLATERAL STRUCTURE AS OF DECEMBER 31, 2025

Disclosures in %



As the vehicle is the predominant collateral asset by virtue of the business model of a captive provider, concentrations of collateral are consciously accepted. Risks can arise from concentrations of collateral if downward pricing trends in used vehicle markets or segments lead to lower proceeds from the recovery of assets and, as a consequence, there is a fall in the value of the collateral. Nevertheless, in terms of the vehicles used as collateral, Volkswagen Leasing GmbH enjoys a broad diversification across all vehicle segments (see collateral structure diagram) based on a large range of vehicles from the different brands in the Volkswagen Group.

Income concentration arises from the very nature of the business model. The special constellation in which the Company serves to promote Volkswagen Group sales results in certain dependencies that directly affect income growth.

MODEL RISKS

Model risk arises from inaccuracies in the modeling of risk values, and must be taken into account, particularly in complex models.

Depending on the model complexity, model risk can occur in a number of areas of model development and application.

Potential model risks relating to the risk models used for the risk-bearing capacity analysis are qualitatively assessed both in the original model development process and as part of regular independent model validation. The objective is to examine the need for additional cover in relation to such risks in the form of own funds.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) RISKS

The increasing emphasis placed on sustainability and the need to manage ESG risks are changing the financial system. We intend to be proactively involved in these changes and make the most of the opportunities that arise.

In this context, Volkswagen Leasing GmbH, the largest subsidiary of the Volkswagen Bank GmbH Group, in its role as a provider of financial products across Europe serving the automotive markets, sees sustainability as a business responsibility and critical strategic success factor. ESG risks are identified, managed, quantified and monitored by the Volkswagen Bank GmbH Group as part of Group governance.

Based on the objectives of the sustainability dimension, which has been formulated as part of the corporate MOBILITY2030 strategy developed for Volkswagen Financial Services AG and Volkswagen Leasing GmbH, the fundamental understanding for dealing with ESG risks is specified in the risk strategy,

and risk strategy guidelines are set out for the operational framework used to address them. This is complemented by the separate sustainability strategy of the Volkswagen Bank GmbH Group, which was updated at the beginning of 2025; the strategy also applies to Volkswagen Leasing GmbH as part of the Volkswagen Bank GmbH Group.

Volkswagen Leasing GmbH attaches high importance to the treatment of sustainability risks that could have negative consequences for the financial position, financial performance and reputation of the Company if such risks were to materialize. Demand for environmentally friendly and climate-neutral products is growing too, and customers have ever higher expectations of companies, including financial sector companies, in terms of sustainable operations and behavior.

To accommodate the changing expectations of stakeholders with regard to sustainability at Volkswagen Leasing GmbH, the Volkswagen Bank GmbH Group and Volkswagen Leasing GmbH as a single entity have in recent years gradually integrated ESG risks in extensive sustainability risk projects as an integral part of the risk management framework. ESG risks do not represent a separate risk category but are risk drivers of existing risk categories. In particular climate and environment-specific risks drivers are highly significant to Volkswagen Leasing GmbH as part of the Volkswagen Bank GmbH Group, but social and governance risks are also considered when identifying, assessing and managing ESG risks.

To ensure that ESG risks are adequately identified, quantified, managed and monitored, a qualitative and quantitative assessment of the materiality of ESG risk drivers is carried out within the existing risk categories as part of a general annual materiality assessment. Based on the results of the materiality assessment, appropriate scenarios are developed and quantified Group-wide during an annual climate stress test. The definition of ESG key risk indicators within the Volkswagen Bank GmbH Group ensures that these scenarios are incorporated into the risk strategy so that they can be managed. ESG risks are integrated into the quarterly Group-wide risk management report to ensure that they are adequately monitored.

To counter the material ESG risks, Volkswagen Leasing GmbH, the largest subsidiary of the Volkswagen Bank GmbH Group, has established tools for including ESG aspects in the credit and residual value processes. As a captive provider, Volkswagen Leasing GmbH focuses on leasing passenger cars and light commercial vehicles as well as trucks and buses for retail and corporate customers. A material risk for Volkswagen Leasing GmbH therefore arises from the transformation of the automotive sector and its effects on residual vehicle values. During the loan origination process, ESG risks are assessed at Volkswagen Leasing GmbH on the basis of the comprehensive expertise of the front and back offices. The process of forecasting residual values takes account of the relevant ESG factors.

Following the reorganization of the Volkswagen Financial Services AG Group, Volkswagen Leasing GmbH is funded mainly via Volkswagen Bank GmbH. As a subsidiary of Volkswagen Bank GmbH, the sustainability concept of Volkswagen Leasing GmbH is based on that of Volkswagen Bank GmbH. Volkswagen Leasing GmbH carries out a range of measures in its business operations to ensure that it becomes net carbon neutral and to prevent the danger of serious environmental damage. For example, high priority is given to pursuing reductions in CO₂ emissions.

Potential hazards to employees, buildings or technology (particularly from environmental factors) and the means used to safeguard them are also analyzed continuously and included in the impact analyses so that remedial actions can be defined and implemented if necessary.

Volkswagen Leasing GmbH also has a tradition of supporting specific social and environmental protection projects through donations and sponsorship, such as wetland restoration projects run by NABU.

RISK REPORTING

A detailed comprehensive risk management report, which also covers Volkswagen Leasing GmbH, is submitted to the Management Board of Volkswagen Bank GmbH and to the Supervisory Board on a quarterly basis. The risk management report contains information including the following:

- > Presentation of the risk situation for the main risk categories, including ESG risks
- > Results of the risk-bearing capacity analysis using the economic and normative perspectives
- > Overview of outsourcing activities and business continuity management
- > Overview of ad hoc cases

The following information is also presented to the Management Board in the quarterly ICAAP report:

- > Presentation and evaluation of stress test results in various scenarios (historical and hypothetical)
- > Sensitivity analyses (by risk category)
- > Normative/economic reconciliation of capital requirement (for each risk category)
- > Commentary on the changes in risk-bearing capacity in the individual perspectives and scenarios

Ad hoc reports and specific risk category reports are generated as needed to supplement the system of regular reporting.

Volkswagen Bank GmbH strives to ensure the high quality of the information contained in the risk reports about structures and trends by means of a process of constant refinement and ongoing portfolio adjustment in line with current circumstances.

RECOVERY AND RESOLUTION PLANNING

As part of the Volkswagen Financial Services AG Group, Volkswagen Leasing GmbH is included in the Group recovery plan of Volkswagen Financial Services AG. The plan was updated in the course of fiscal year 2025 and submitted to the European Central Bank, which is the competent supervisory authority.

The recovery plan covers matters including a system to ensure that adverse developments are identified promptly, and the possible measures that could be used by the Group in different stress scenarios to safeguard or restore a robust financial footing.

As part of the Volkswagen Financial Services AG Group, Volkswagen Leasing GmbH has additionally assisted the competent resolution authorities with the preparation of a Group resolution plan during the current fiscal year. The objective of the resolution plan is to safeguard the resolvability of the Group. The Group recovery plan is expected to be formally served in the course of the first quarter of fiscal year 2026.

CURRENT REGULATORY FACTORS

As a financial services institution pursuant to section 1(1a) of the KWG with authorization to conduct finance leasing and factoring activities, Volkswagen Leasing GmbH is subject to the provisions of the *Kreditwesengesetz* (KWG – German Banking Act) and the *Mindestanforderungen an das Risikomanagement* (MaRisk – German Minimum Requirements for Risk Management), which set out details of the requirements of section 25a of the KWG for proper organization and appropriate and effective risk management, and on the basis of which BaFin and Deutsche Bundesbank assess the propriety of the organization, capital adequacy to cover the risks in the context of determining risk-bearing capacity and the appropriateness and effectiveness of risk management. MaRisk was last updated in May 2024 to implement the EBA guidelines on interest rate risk and credit spread risk in the non-trading book (EBA/GL/2022/14), which significant institutions such as Volkswagen Bank GmbH had to implement by December 31, 2023; this was done as part of the “Koralle” integration project.

As a consequence of receiving the ZAG license on July 1, 2024, Volkswagen Leasing GmbH now also has to implement ZAG MaRisk. Since Volkswagen Leasing GmbH is also subject to MaRisk, and ZAG MaRisk (MaRisk for companies subject to the *Zahlungsdienstenaufsichtsgesetz* (ZAG – Payment Services Supervision Act) contains only a small number of additional ZAG-specific requirements that have already been implemented, ZAG MaRisk is therefore also complied with.

Seeing that Volkswagen Leasing GmbH is a large-scale originator of public securitizations, the provisions of the Securitization Regulation and compliance with the requirements for STS securitizations are highly relevant. In this context, the European Commission presented proposals for reviving the securitization framework in June 2025, on which the Council formulated its view on December 19, 2025 and on which the rapporteur of the ECON Committee of the European Parliament on December 11, 2025 submitted his report with proposed amendments for discussion in the ECON Committee of the European Parliament. While significantly higher capital requirements for bank investors in triple A-rated senior STS auto ABS securitization tranches would have to be expected on the basis of the Commission’s proposal, the Council’s point of view, on the other hand, would lead to a significant reduction in capital requirements for these securitization tranches, which are important for funding. The proposal of the rapporteur of the European Parliament also envisages a reduction in capital requirements for these securitization tranches. Because of their significance, the legislative proceedings are being closely watched and monitored through the associations.

A regulatory effect is, moreover, assumed from the following provisions:

In order to implement CRD VI, which came into force on July 9, 2024, and which was to be transposed into national law by January 10, 2026, and to apply from January 11, 2026, the Bundestag adopted the Finance Committee’s recommendation on the Banking Directive Transposition and Bureaucracy Relief Act, or BRUBEG for short, on January 29, 2026. The act still requires the consent of the Bundesrat. Enactment is planned for the first quarter of 2026. The act is expected to apply from April 1, 2026. It contains a large number of new requirements and will lead to a significant tightening of the sanctions regime and an expansion of the powers of the supervisory authorities. Volkswagen Financial Services AG, Volkswagen Bank GmbH and Volkswagen Leasing GmbH are currently analyzing the legislative changes and are in the process of determining the implementation measures required and will start implementation on this basis.

In addition, the Digital Operational Resilience Act, also referred to as DORA, will be highly relevant to the requirements for IT. It determines to a significant extent also relations with information and communication technology (ICT) service providers. As a payment institution, Volkswagen Leasing GmbH is directly subject to the provisions of DORA, even if Volkswagen Leasing GmbH has outsourced its IT to Volkswagen Financial Services AG.

DORA is intended to establish a standardized framework for the effective and all-inclusive management of cybersecurity risk and ICT risk for financial market participants and critical ICT service providers as defined in the Regulation. It aims to ensure that resilient operation can be maintained in the event of serious disruption that could potentially jeopardize the security of the network and information systems so that financial market participants can continue to work securely and reliably even if ICT is affected by a major incident.

DORA focuses on six main areas: ICT risk management, the reporting of ICT-related incidents and material cyberthreats, digital operational resilience testing (including threat-led penetration testing, TLPT), third-party ICT risk management, a European oversight framework for critical third-party ICT service providers, and information sharing and (cyber) emergency exercises. Some of the requirements were familiar from the Supervisory Requirements for IT in Financial Institutions (BAIT) and MaRisk. In this respect, many familiar requirements have now been elevated to a statutory level. DORA has been in effect since January 17, 2025. BaFin has exempted financial undertakings that are directly subject to DORA from the scope of BAIT in order to avoid duplicate requirements. As a result, BAIT no longer addresses Volkswagen Leasing GmbH directly.

DORA contains a range of mandates for issuing delegated regulations, the last of which are to be published and applied over the course of 2025.

The requirements of DORA and the associated delegated regulations were implemented by December 31, 2025 in a project whose implementation activities were embedded in Volkswagen Financial Services AG. Any remaining work has been transferred to the line functions and is being implemented there. According on the latest planning, this work is expected to be completed in the course of 2026.

In the context of DORA, BaFin published supervisory guidance on outsourcing to cloud service providers in February 2024, which it updated in July 2024. In its guidance, it has included contents on the governance of cloud outsourcing, introduction processes and contractual minimum standards, taking account DORA requirements. In addition, BaFin has added two new sections. They give supervised entities advice on development, operation and cyber security in the cloud and on specific monitoring and control of the performance and security of the cloud service provider.

Factoring in climate and environmental risks, including transition risk, in risk management will continue to remain important. This continues to require an intensive review of these risks, which could be drivers of existing categories of risk and have to be considered in the identification, assessment, monitoring and management of the categories of risk. While a lot of data for identifying and assessing potential climate and environmental risks is already being collected, either for internal risk management or for disclosure purposes, the issue of the relevance and quality of this data for management in accordance with transition plans will continue to remain important.

Of particular importance will be the ECB's Guide on climate-related and environmental risks, whose requirements were implemented by the end of September 2025 according to a plan coordinated with the ECB after the formation of the financial holding group. This plan also includes the new Volkswagen Bank Group, with Volkswagen Leasing GmbH as a subsidiary of Volkswagen Bank GmbH.

Emissions intensity is expected to decline as the proportion of battery-powered vehicles leased increases over the next few years, i.e., CO₂ emissions are likely to fall relative to the receivables outstanding. Vehicles with combustion engines will still be leased in the future, so there are plans to offset these emissions as part of the sustainability strategy. As part of the Volkswagen Financial Services AG Group, Volkswagen Leasing GmbH aims to achieve CO₂ neutrality on balance for the direct emissions of leased vehicles in the portfolio by 2030. The corresponding unavoidable carbon emissions will be offset by investing in climate change mitigation projects.

In order to ensure the consistent EU-wide implementation of the CRD VI requirements with regard to the management of ESG risks, the EBA published its guidelines on the management of ESG risks on January 9, 2025; its requirements had to be implemented by January 11, 2026. While a sizable portion of the requirements for the management of ESG risks is known from the ECB Guide on climate-related and environmental risks and the MaRisk published at the end of June 2023, this Guide is characterized by the fact that it sets out quite binding yardsticks for measuring and checking whether the relevant requirement for the management of ESG risks is fulfilled even though the EBA has expanded the scope for appropriate, proportionate implementation in some places when compared with the consultation paper. Whereas today it is often still sufficient for ESG risks to be considered in the various risk management processes for all types of risk, the EBA guidelines lay out stipulations that are as specific as possible and that must be complied with for the particular requirement to be deemed met, and to have been considered adequately. Specifications resulting from the CRD VI requirements are also new. This relates in particular to the requirements for the transition plan to be prepared. Accordingly, the management body will in future, after national implementation, be responsible for the development of specific plans with quantifiable targets in order to monitor and handle physical and transition risks that arise in the short, medium and long term from the non-conformance of the business model and strategy of the institution and group with relevant political objectives of the European Union or more general transition trends toward a sustainable economy in relation to environmental, social and governance factors. The long-term horizon is expected to be at least ten years. Moreover, an interim target has to be set for 2030 to demonstrate to the supervisory authorities how the plan enables the Company and the Group to identify and measure ESG risks that are linked to the EU's target of reducing greenhouse gas emissions by 55% compared to 1990 levels. Furthermore, the transition plans must be consistent with the business strategy, risk appetite, ICAAP and the other risk management processes. These requirements will also have to be implemented for Volkswagen Leasing GmbH as part of the Volkswagen Bank GmbH Group and the financial holding group Volkswagen Financial Services AG.

NEW PRODUCTS AND NEW MARKETS PROCESS

Before launching new products or commencing activities in new markets, the new product and new market process is first launched. All the units involved (such as Risk Management, Controlling, Accounting, Reporting, Legal Affairs, Compliance, Antitrust Law, Treasury, Payments, IT) must be integrated into the process. The process for every new activity requires the preparation of a written concept, which includes an analysis of the risks associated with the new product or market and a description of the possible implications for management posed by the risks. Responsibility for approval or rejection lies with the Board of Management of Volkswagen Financial Services AG and the relevant members of the Management Board of Volkswagen Leasing GmbH or those with delegated authority from the Management Board, and, in the case of new markets, also with the members of the Supervisory Board.

The Bank maintains a product manual containing details of all products and markets intended to form part of the business activities.

CHANGES TO OPERATING PROCESSES OR STRUCTURES

Any material changes proposed to the operational and organizational structure or IT systems have to be analyzed prior to implementation to determine their impact on control procedures and on the extent of such controls.

This analysis is completed using a standardized questionnaire to ensure a consistent, rigorous approach.

The organizational units that will be involved in the future workflows are included in the preliminary stages of any proposed changes. The Risk Management and Compliance units each give an opinion and details are passed to Internal Audit to keep it informed.

OVERVIEW OF RISK CATEGORIES

The following section explains the risk categories of Volkswagen Leasing GmbH in detail.

OVERVIEW OF RISK CATEGORIES

Risk category
Counterparty Default Risk
Credit Risk
Counterparty and Issuer Risk
Country Risk
Shareholder Risk
Residual Value Risk
Market Price Risk
Interest Rate Risk in the Banking Book (IRRBB)
Credit Spread Risk in the Banking Book (CSRBB)
Other Market Price Risks (Currency and Fund Price Risk)
Liquidity Risk (Funding Risk)
Business Risk
Earnings Risk
Reputational Risk
Strategic Risk
Business Model Risk
Operational Risk
Process Risks
External Risks
Technology Risks

Unless specifically stated, there were no material year-on-year changes to the individual risks or opportunities.

Counterparty default risk

Counterparty default risk refers to a potential negative variance between actual and forecast counterparty risk outcomes. The forecast outcome is exceeded if the loss incurred as a consequence of defaults or changes in credit rating is higher than the expected loss.

In the Volkswagen Bank GmbH Group, counterparty default risk encompasses the following risk categories: credit risk, counterparty risk, issuer risk and country risk.

Credit risk

Credit risk is defined as the danger of incurring losses as a result of defaults in customer business (retail and corporate), specifically the default of the lessee. Loans to and receivables from Volkswagen Group companies are also included in the analysis. Default occurs when the lessee is unable or unwilling to make the payments due. This includes late or partial payment of interest and principal on the part of the contracting party.

Credit risk, which also includes counterparty credit risk in connection with leases, accounts by far for the greatest proportion of risk exposures in the counterparty credit risk category.

The aim of a systematic credit risk monitoring system is to identify potential lessee insolvencies at an early stage, initiate any corrective action in respect of a potential default in good time and anticipate possible losses by recognizing appropriate write-downs or provisions.

If a loan default materializes, this represents the loss of a business asset, which has a negative impact on financial position and financial performance. If, for example, an economic downturn leads to a higher number of insolvencies or greater unwillingness of lessees to make payments, the recognition of a higher write-down expense is required. This in turn has an adverse effect on the operating result.

Risk identification and assessment

Decisions at Volkswagen Leasing GmbH are made primarily on the basis of the lessee credit check. These credit checks use rating or scoring systems, which provide the relevant departments with an objective basis for reaching a decision on a lease.

A set of guidelines outlines the requirements for developing and maintaining the rating systems. The Company also has a rating manual which specifies how the rating systems are to be applied as part of the leasing-approval process. Similarly, other written procedures specify the parameters for developing, using and validating the scoring systems in the retail business.

To quantify counterparty default risk, an expected loss (EL) and an unexpected loss (UL) are determined at portfolio level for each entity. The UL is the value at risk (VaR) less the EL. The calculations use an asymptotic single risk factor (ASRF) model in accordance with the capital requirements specified by the Basel Committee on Banking Supervision (Gordy formula), augmented with concentration and/or diversification factors, taking into account the credit quality assessments from the individual rating and scoring systems used.

Rating systems for corporate customers

Volkswagen Leasing GmbH uses rating systems to assess the credit quality of corporate customers. This evaluation takes into account both quantitative factors (mainly data from annual financial statements) and qualitative factors (such as the prospects for future business growth, quality of management and the customer's payment record). When the credit assessment has been completed, the customer is assigned to a rating class, which is linked to a probability of default. A centrally maintained, workflow-based rating application is used for the most part to support this analysis of credit worthiness. The rating determined for the customer serves as an important basis for decisions on whether to grant or renew a loan, and for decisions on provisions.

Scoring systems in the retail business

For the purposes of determining the credit quality of retail customers, scoring systems are incorporated into the processes for lease approval and for evaluating the existing portfolio. These scoring systems provide an objective basis for accepting the business. The systems use information about the borrower available internally and externally and estimate the probability of default for the requested loan,

generally with the help of statistical methods based on historical data covering a number of years. An alternative approach adopted for smaller or low-risk portfolios also uses generic, robust scorecards and expert systems to assess the risk involved in credit applications.

To classify the risk in the credit portfolio, both behavioral scorecards and simplified estimation procedures are used, depending on portfolio size and the risk inherent in the portfolio.

Supervision and review of retail and corporate systems

The models and systems supervised by Risk Management are regularly validated and monitored using standardized procedural models for validating and monitoring risk classification systems. The models and systems are adjusted and refined as required. These review procedures are applied to models and systems for assessing credit quality and estimating the probability of default (such as rating and scoring systems) and to models used for estimating loss given default, credit conversion factor and expected exposure at default.

For models and systems for assessing credit quality in retail and corporate environments, a structured validation approach is pursued that can take both central and local responsibilities into account. The validation focuses in particular on selectivity as well as an assessment of whether the model calibration is appropriate to the risk. If any need for action is identified, suitable measures are formulated and their implementation monitored to ensure the standards are consistently applied.

Collateral

The general rule is that leasing transactions are secured by collateral to an extent that is commensurate with the risk. In addition, overarching rules specify the requirements that must be satisfied by collateral, the evaluation procedures and the evaluation bases. Further local regulations (collateral policies) set out specific values and special regional requirements that must be observed.

The values in the collateral policies are based on historical data and experience accumulated by experts over many years. As the operating activities of Volkswagen Leasing GmbH are focused on the vehicle leasing business, the vehicles themselves are very important as collateral assets. For this reason, trends in the market values of vehicles are closely monitored and analyzed. Procedures provide for adjustments to evaluation systems and vehicle remarketing processes if there are strong changes in the market values of vehicles.

Provisions

The calculation of provisions is based on the expected loss model in accordance with IFRS 9. Provisions are determined as a function of the results of the rating and scoring processes applied.

The provision for credit risks in accordance with IFRS 9 is determined on the basis of the credit risk parameters used in the internal risk calculations (see also “Risk Identification and Assessment” and the following sections).

Risk monitoring and control

Risk Management sets framework constraints for the management of credit risk. These constraints form the mandatory outer framework of the central risk management system, within which the divisions/markets can operate in terms of their business policy activities, planning, decisions, etc. in compliance with their assigned authority.

Appropriate processes are used to monitor all lending in relation to financial circumstances, collateral and compliance with limits, contractual obligations and internal and external conditions. As such, commitments are managed according to the degree of risk involved (standard, intensified and problem loan management). Approval or reporting limits determined by Volkswagen Leasing GmbH are also used to manage credit risk. These limits are specified separately for each individual branch.

Trends

The volume of loans and receivables in the loan portfolio of Volkswagen Leasing GmbH continuously expanded in fiscal year 2025, recording a significant increase (+€10.3 billion in December 2025 compared with December 2024).

Overall, credit risk was observed to remain stable at a moderate level. The financial position of a small number of corporate customers nevertheless deteriorated, and this led to one default in fiscal year 2025.

Retail portfolio

The sustained strong demand for our retail products led to a significant increase in the volume of loans and receivables in the loan portfolio in fiscal year 2025 (+€6.7 billion in December 2025 compared with December 2024). The German market is the growth driver, and the rise is attributable to the operating lease and finance lease products.

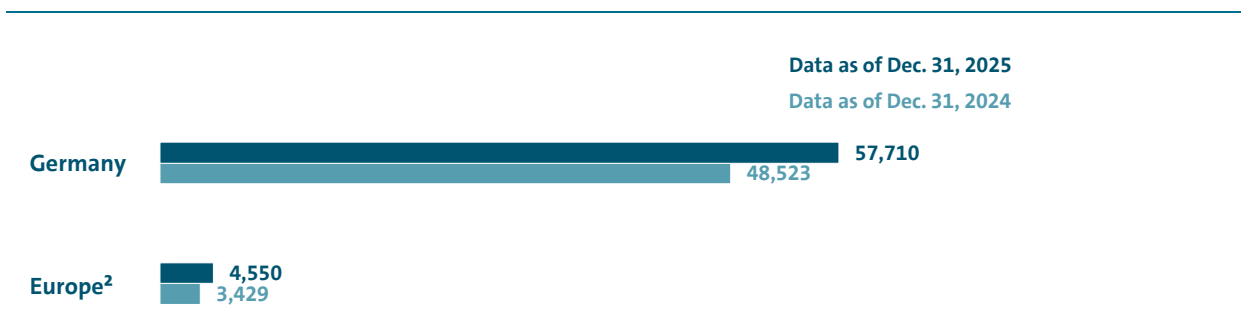
Overall, the credit risk in Volkswagen Leasing GmbH’s retail portfolio has been stable at a moderate level. The default rate increased slightly in fiscal year 2025, from 2.5% as of December 2024 to 2.6% as of December 2025, while the percentage provision for credit risks declined slightly, from 1.2% as of December 2024 to 1.1% as of December 2025.

Corporate portfolio

In Volkswagen Leasing GmbH’s corporate portfolio, a significant increase in the volume of loans and receivables was likewise recorded in fiscal year 2025 (€+3.6 billion as of December 2025 compared with December 2024), driven by the German market. The rise is attributable to both the dealer financing portfolio and the corporate non-dealer portfolio.

Risk in the corporate portfolio was shaped by a rise in the default rate (from 4.7% as of December 2024 to 5.8% as of December 2025) and an increasing percentage provision for credit risks (1.2% as of December 2024 and 1.7% as of December 2025). The rise in the default rate is attributable to the default of individual dealers and fleet customers, especially in the German market.

BREAKDOWN OF LENDING VOLUME BY REGION¹
 € million



1 Figures before application of consolidation effects
 2 Europe excluding Germany

BREAKDOWN OF LENDING VOLUME BY PD BAND AND PORTFOLIO¹
 € million

PD band	Retail	Corporate	Total
< = 1 %	7,688 12.3%	10,099 16.2%	17,787 28.6%
> 1 % < 100 %	32,096 51.6%	10,075 16.2%	42,171 67.7%
100%	1,068 1.7%	1,234 2.0%	2,302 3.7%
Total	40,852 65.6%	21,407 34.4%	62,259 100.0%

1 Figures before application of consolidation effects

Counterparty/Issuer risk

Counterparty risk arises in connection with interbank investments, derivatives and pension funds. Counterparty risk is a subcategory of counterparty credit risk and describes the risk that a counterparty may be unable to make payments of interest and/or repayments of principal as contractually required. Similarly, issuer risk is the risk that the issuer of a security could become insolvent during the maturity of the product and, as a consequence, some or all of the invested capital, including the expected interest payments, has to be written off. Issuer risk results from the purchase of securities to optimize liquidity management and to fulfill statutory and/or regulatory requirements.

The objective in the management of counterparty and issuer risk is to identify potential defaults in a timely manner, so that corrective action can be initiated at an early stage as far as possible. Another important objective is to ensure that risks are only taken on within the approved limits.

If a counterparty or issuer risk were to materialize, this would represent the potential loss of a business asset, which would have a negative impact on financial position and financial performance.

Risk identification and assessment

Both counterparty risk and issuer risk are recorded as components of counterparty credit risk. Counterparty and issuer risks are quantified by estimating the portfolio loss distribution using a Monte Carlo simulation and in terms of the value-at-risk or unexpected loss thus calculated.

Risk monitoring and control

To establish effective monitoring and control, volume limits are specified for each counterparty and issuer. The Treasury back office, in its role as a subsidiary function of Risk Management, is responsible for monitoring compliance with these limits. The volume limits are set as a function of the capital available in line with the adopted strategy taking account of business requirements and the credit assessment. The back office department is responsible for the initial classification and then regular reviews. The relevant credit applications are then submitted to the decision-makers for a decision. Risk Management analyzes counterparty and issuer risks quarterly as part of the calculation of risk-bearing capacity. Counterparty and issuer risk is reported to the Board of Management in the quarterly risk management report.

Country risk

Country risk refers to risks in international transactions that are not attributable to the counterparty itself but that arise because of the counterparty's domicile in a country outside Germany. The Volkswagen Leasing GmbH has to take into account country risk particularly in connection with funding and the lending business. Given the focus of business activities in Volkswagen Leasing GmbH, only limited country risks could arise as the Group is not usually involved in cross-border leasing business. Cross-border activities account for less than 1% of leasing business at Volkswagen Leasing GmbH. For this reason, there has been no need to establish limits related to the overall level of business for countries or regions, for example, to limit transfer risk.

Residual value risk

Residual value risk arises from the fact that the predicted market value for an asset leased or financed could turn out to be lower upon remarketing at the end of the contract than the residual value calculated when the contract was concluded, or that the sales revenue realized could be less than the carrying amount of the vehicle in the event of the contract ending early if legal contract termination options are exercised. On the other hand, there is a possibility that remarketing could generate proceeds greater than the calculated residual value or carrying amount.

Referring to the bearer of residual value risk, a distinction is made between direct and indirect residual value risks. Direct residual value risk refers to residual value risk borne directly by Volkswagen Leasing GmbH. An indirect residual value risk arises if the residual value risk has been transferred to a third party (such as a dealership) on the basis of a contractual agreement. In such cases, there is a counterparty credit risk in respect of the bearer of the residual value risk. If the bearer of the residual value risk defaults, Volkswagen Leasing GmbH's indirect residual value risk becomes relevant in that the indirect residual value risk passes back to Volkswagen Leasing GmbH and becomes a direct residual value risk. In other words, Volkswagen Leasing GmbH re-assumes responsibility for remarketing the vehicles.

The objective of residual value risk management is to keep the risks within the agreed limits. The net assets and financial performance of Volkswagen Leasing GmbH would be adversely affected by losses on disposal or impairment losses if the residual value risk were to materialize. As stated in the accounting policies for leases described in the notes to the consolidated financial statements, the impairment losses generally lead to a subsequent adjustment of future depreciation rates.

Risk identification and assessment

Direct residual value risks are quantified on the basis of expected loss (EL) and unexpected loss (UL). EL is the difference between the contractual residual value specified for each vehicle at the inception of the lease and the latest forecast of the remarketing proceeds as of the remeasurement date. Other parameters such as remarketing costs are also taken into account in the calculation. The portfolio EL is determined by aggregating the individual expected losses for all vehicles. The expected losses arising from contracts subject to risk relate to the losses expected at the end of the term of the contracts concerned. These losses are recognized in profit or loss in the consolidated financial statements for the current period or in prior periods.

To quantify the UL, the difference between the selling price of the vehicles sold, adjusted for damage and mileage variances, and the contractual residual value is measured. A discount is derived from the history of these variances.

The UL is calculated as the product of the contractual residual value and the discount for leased vehicles that have not yet been sold. It can be calculated for each individual lease for each vehicle in the portfolio. As in the calculation of the EL, the UL portfolio is calculated as the aggregated ULs of the individual vehicles and is determined quarterly. The results from the calculation of the EL and UL are fed into the assessment of the risk situation, e.g., they are one of the factors used in assessing the adequacy of the provisions for risks and are included in the calculation of risk-bearing capacity.

In the case of indirect residual value risk, the method used to quantify residual value risk is generally similar to that used for direct residual value risk. In addition, further risk parameters are taken into account (dealer default and other factors specific to this category of risk).

The general requirements for developing, using and validating the risk parameters for direct and indirect residual value risk are laid down in a set of procedural instructions.

Risk monitoring and control

The Risk Management unit monitors residual value risk within Volkswagen Leasing GmbH.

As part of risk management procedures, the adequacy of the provision for risks and the potential residual value risk are regularly reviewed in respect of direct residual value risk; residual value opportunities are disregarded in the recognition of the provision for risks.

Due to the distribution of risks, the risks entered into are not always fully covered on an individual contract basis due to the different curves of the residual value (degressive curve) and the repayment (progressive) during the term of the contract. The risk amounts assigned to the remaining term must therefore still be earned and written down in the future for the risks already identified.

When reviewing the appropriateness, in the process of preparing the risk management report, the amount of existing direct residual value risk is considered compared to the provision for credit risks recognized.

Based on the resulting potential residual value risk, various measures are initiated as part of a proactive risk management approach to limit the residual value risk. Residual value recommendations for new lease origination must take into account prevailing market circumstances and future influences. There are also a number of stress tests for direct residual value risks for creating a comprehensive picture of the risk sensitivity of the residual value business. These stress tests are carried out by experts with the involvement of risk specialists at head office and in the local units.

As part of risk management activities, Risk Management regularly reviews the potential indirect residual value risk and the adequacy of the associated provision for risks. Based on the potential indirect residual value risk determined in these activities, various measures are initiated in close collaboration with the brands and the dealer organization to limit the risk.

Trends

CHANGES IN DIRECT RESIDUAL VALUE RISK

Direct residual value risk	Dec. 31, 2025	Dec. 31, 2024
Number of contracts	1,432,442	1,172,985
Guaranteed residual values (€ million)	31,414	23,908
Risk exposure in %	6.0	7.8

Despite the persistently tight market situation, the volume of contracts grew in the 2025 reporting year. At the same time, there has been an increase in residual value risk, which is attributable in particular to the expanding portfolio and to used first-generation battery electric vehicles (BEVs), whose residual values are under pressure. This is caused both by advancing technological developments leading to technological leaps between generations and by continuing political uncertainty in connection with trade tariffs, trade conflicts and scrapping premiums.

The residual values of vehicles with combustion engines continue to hold above the levels before the COVID-19 pandemic and have been stable overall.

As part of the management of residual value risk, Volkswagen Leasing GmbH has firstly specified rules for managing residual value. The processes for this include the calculation of the risk exposures of forward-looking residual value forecasts. This was complemented by rolling out a system-based solution for forecasting residual values in the course of the year. Secondly, it has established uniform requirements for the Group, which reflect the accounting standards governing the recognition of provisions for credit risks. The rollout of a system-based solution was also launched for measuring the portfolio and calculating the provision for credit risks required. On the basis of this mandatory outer framework, the divisions/markets monitor and control their business policy activities, planning and decisions in compliance with their assigned authority. Residual value risk is monitored at portfolio level by means of regular reporting and the annual planning process.

Interest rate risk in the banking book (IRRBB)

Interest rate risk refers to potential present-value and periodic losses that could arise as a result of changes in market interest rates. It occurs because of interest rate mismatches between asset and liability items. Changes in interest rates that cause interest rate risk to materialize can have a negative impact on financial performance.

Risk identification and assessment

Interest rate risks for Volkswagen Leasing GmbH, as part of the Volkswagen Bank GmbH Group, are determined and reported as part of the monthly monitoring process using the value at risk (VaR) method. Based on a historic simulation, the model calculates potential gains and losses, taking into account a 10-year history of market fluctuations, a 365-day holding period and a confidence level of 99.9%. VaR is calculated for management purposes to estimate potential losses under historical market conditions. At Group level, stress tests are also carried out for situations in which interest rate exposures are subject to exceptional changes in interest rates and worst-case scenarios. The results of the simulations are analyzed to assess whether any of the situations could represent a serious potential risk. This process also includes the monthly quantification and monitoring of the changes in present value resulting from the interest rate shock scenarios of +200 basis points and –200 basis points as specified by BaFin and from the scenarios relating to interest rate risk in the banking book specified by the ECB and the Basel Committee on Banking Supervision.

In addition to the present value perspective, interest rate risk is also measured from an income-oriented or periodic perspective pursuant to the provisions of MaRisk at Group level. The earnings perspective relates to the periodic results and therefore establishes a direct connection to the income statement.

The periodic interest rate risk is monitored via a threshold value.

Risk monitoring and control

The strategic orientation and management of interest rate risk is decided by the Asset Liability Management Committee (ALM Committee) and implemented by Treasury. Interest rate risk is managed on the basis of limits or target structures at the level of the Volkswagen Bank GmbH Group. Funding instruments and interest rate derivatives are used to comply with these limits and target structures. The hedging contracts entered into by the Group mainly comprise interest rate swaps and cross-currency interest rate swaps.

Hedged banking book items are assigned to interest rate derivatives either individually for each interest rate derivative (micro hedges) or, aggregated at portfolio level, in portfolio hedge accounting. Interest rate risk is accordingly hedged using fair value hedges, cash flow hedges at micro level and portfolio hedges. Hedge ineffectiveness in micro-hedge accounting results from differences between the mark-to-market (fair value) measurement of hedged items and that of hedging instruments. Hedge ineffectiveness in portfolio hedge accounting also results from differences in transaction attributes between the portfolio hedged items and hedging instruments.

Other factors (e.g., in relation to counterparty risk) are only of minor significance as regards hedge ineffectiveness. Individual yield curves are used when determining forward interest rates and prices and also when discounting future cash flows for hedged items and hedging instruments in order to obtain a measurement in line with the market. Risk Management is responsible for monitoring and reporting on interest rate risk.

The Management Board of the Volkswagen Bank GmbH Group receives a separate report on the latest interest rate risk position in the Volkswagen Bank GmbH Group (including Volkswagen Leasing GmbH) each month.

Trends

Interest rate risk in the banking book of Volkswagen Leasing GmbH as part of the Volkswagen Bank GmbH Group remained at an elevated level due to high interest rate volatility in the period under review.

Credit spread risk in the banking book (CSRBB)

The credit spread risk in the banking book (CSRBB) as defined by the European Banking Authority (EBA) is the risk driven by changes of the market price for credit risk and liquidity risk. The Volkswagen Bank GmbH Group has developed and implemented methods for measuring CSRBB from a present-value and periodic perspective to comply with the EBA requirements (EBA/GL/2022/14). As part of the Volkswagen Bank GmbH Group, CSRBB is regularly determined for the securities portfolios, if any, of Volkswagen Leasing GmbH.

For the Volkswagen Bank GmbH Group, CSRBB is determined and reported as part of the monthly monitoring process using the value at risk (VaR) method. Based on a historic simulation, the model calculates potential losses, taking into account a 10-year history of market fluctuations, a 365-day holding period and a confidence level of 99.9%. The VaR for CSRBB is subject to limits agreed by the Management Board. If limits are exceeded, the situation is escalated to the Management Board and the ALM Committee. As soon as limit utilization increases, risk-relieving measures are agreed between Risk Management and Treasury.

Other market risk (currency and fund price risk)

Currency risk arises from foreign exchange exposures and potential changes in the corresponding exchange rates. Volkswagen Leasing GmbH is not exposed to currency risks.

The risk in connection with fund investments arises from possible changes in market prices. Fund price risk describes the risk relating to changes in market prices which can cause the value of portfolios of securities to fall, thereby giving rise to a loss. Volkswagen Leasing GmbH is exposed to fund price risk solely from its employee post-employment benefit arrangements that are funded by pension plan assets consisting of fund investments (pension fund price risk). The Volkswagen Bank GmbH Group has undertaken to meet these pension obligations to employees if the employees' guaranteed entitlements can no longer be satisfied from the pension trust; it covers these obligations by recognizing pension provisions.

The objective of currency and fund price risk management is to control the financial losses arising from these categories of risk. With this in mind, the Management Board has agreed limits for this category of risk at Volkswagen Bank GmbH Group level. For Volkswagen Leasing GmbH, which is covered by the risk management activities at the level of the Volkswagen Bank GmbH Group, currency risk and fund price risk, if any, are included in the monthly risk report with a transparent analysis based on value at risk (VaR), a calculation offsetting the risk against the loss ceiling set for the Volkswagen Bank GmbH Group.

Based on a historic simulation, the VaR model calculates potential losses, taking into account a 10-year history of market fluctuations (volatilities), a 365-day holding period and a confidence level of 99.9%.

Liquidity risk

Liquidity risk is the risk of a negative variance between actual and expected cash inflows and outflows.

Liquidity risk is defined as the risk of not being able to meet payment obligations in full or when due, or – in the event of a liquidity crisis – the risk of only being able to raise funding at higher market rates or only being able to sell assets at a discount to market prices. This results in a distinction between illiquidity risk (day-to-day cash flow risk including deposit withdrawal/commitment drawdown risk and the risk of delayed repayment of loans on maturity), funding risk (structural liquidity risk) and market

liquidity risk. The primary objective of liquidity management at Volkswagen Leasing GmbH is to safeguard the ability of the Company to meet its payment obligations at all times.

If liquidity risk were to materialize, funding risk would result in higher costs and market liquidity risk would result in lower selling prices for assets, both of which would have a negative impact on financial performance. The most serious consequence associated with the risk of insolvency is insolvency caused by illiquidity. Liquidity risk management ensures that this situation does not arise.

Risk identification and assessment

The expected cash flows at Volkswagen Leasing GmbH are brought together and evaluated by the Treasury unit at Volkswagen Bank GmbH on the basis of an outsourcing agreement.

The Risk Management of Volkswagen Bank GmbH is responsible for identifying and recording liquidity risk, also on the basis of an outsourcing agreement. Stress tests are applied to funding matrices using a scenario approach with scenario triggers from the institution itself or the market, or a combination of the two. To determine the parameters for these stress scenarios, the first approach uses observed historical events and specifies different degrees of impact from hypothetical, but conceivable events. To quantify the funding risk, this approach takes into account the relevant aspects of illiquidity risk and changes in spreads driven by credit ratings or the market.

Risk monitoring and control

The operational liquidity management of Volkswagen Leasing GmbH has been outsourced to Treasury at Volkswagen Bank GmbH. For managing liquidity, the Group prepares funding matrices, carries out cash flow forecasts and uses this information to determine the relevant range of liquidity coverage. The results of the analyses, the current liquidity situation and potential funding measures are presented and discussed at the meetings of the Operational Liquidity Committee (OLC), which are generally held every two weeks.

The OLC comprises representatives from the Risk Management (Volkswagen Bank GmbH), Controlling (Volkswagen Leasing GmbH), Direct Bank and Treasury (both Volkswagen Bank GmbH) departments.

Under an outsourcing agreement, the Risk Management unit at Volkswagen Bank GmbH communicates key management information and relevant early warning indicators relating to risk of insolvency and funding risk to the Management Board of Volkswagen Leasing GmbH. As far as illiquidity risk is concerned, these indicators involve appropriate threshold values for determined degrees of utilization over various time horizons, taking into account access to relevant sources of funding. The indicators relating to funding risk are based on potential funding costs, which are monitored using a system of limits.

A further strict requirement imposed under banking regulations is the need to provide a highly liquid cash buffer and appropriate liquidity reserves to cover any liquidity requirements over seven-day and 30-day time horizons. For this reason, a contingency plan with an appropriate list of measures for obtaining liquidity has already been drawn up so that it can be implemented in the event of a liquidity squeeze. The Management Board of Volkswagen Leasing GmbH is given an up-to-date report on the liquidity position on a monthly basis.

Trends

At the level of Volkswagen Leasing GmbH, liquidity risk remained stable in the reporting period. In the reporting period, funding risk always remained within the specified limits.

Business risk

The Volkswagen Bank GmbH Group defines business risk as the risk of direct or indirect loss from adverse changes in economic conditions, particularly in the financial services sector (equates to sector risk). Business risk includes the following risk subcategories:

- > Earnings risk
- > Reputational risk
- > Strategic risk
- > Business model risk

All four risk subcategories relate to earnings drivers (e.g., business volume, margin, overheads, fees and commissions).

The method followed to determine risk-bearing capacity uses the planned profit before tax as a deduction for business risk. In the economic perspective, business risk is included in risk management as a material category of risk.

Earnings risk (specific profit or loss risk)

Earnings risk refers to the risk that actual values will vary from the budgeted values for certain items on the income statement that are not already covered by the other categories of risks described elsewhere. Earnings risk includes the following risks:

- > Unexpectedly low fees and commissions (fee and commission risk)
- > Unexpectedly high costs (cost risk)
- > Excessively high income targets for new and existing business volume (sales risk); and
- > Unexpectedly low investment income

The objective of quantification is to regularly analyze and monitor the potential risks associated with earnings risk to ensure that values at variance with budgeted values are identified at an early stage and any necessary corrective action is initiated. If the risk were to materialize, this would reduce income or increase costs and thereby also adversely impact the operating result.

Risk identification and assessment

The Volkswagen Bank GmbH Group quantifies earnings risk using a parametric earnings at risk (EaR) model with the confidence level specified in the calculation of risk-bearing capacity and a one-year forecast period.

The relevant income statement items provide the basis for these calculations. The estimates for earnings risk are then based on two perspectives: firstly, the observed, relative variances between target and actual values; secondly, the volatility and interdependencies among the individual items. Both components are incorporated into the EaR calculation.

Risk monitoring and control

During the course of the year, changes in the actual values for the earnings risk exposures are compared with the forecast values. This comparison is included in the standard reporting procedure carried out by Controlling.

The results from the quarterly quantification of earnings risk are included in the calculation of business risk.

Reputational risk

Reputational risk refers to the risk that an event or several successive events could cause reputational damage (in the eyes of the general public), which in turn could limit current and future business opportunities or activities (potential earnings), thereby leading to an indirect adverse financial impact (customer base, sales, funding costs, etc.) and/or direct financial losses such as penalties, litigation costs, etc.

The responsibilities of the Corporate Communications division include avoiding negative reports in the press or similar announcements that could inflict damage on the reputation of the Company. If this is unsuccessful, the division is then responsible for assessing the situation and initiating appropriate communications aimed at specific target groups to limit the reputational damage as far as possible. The strategic objective is therefore to prevent or reduce any negative variance between actual reputation and the level of reputation the Company expects. A loss of reputation or damage to the Company's image could have a direct impact on financial performance.

Reputational risk is recognized quantitatively in the context of the risk-taking potential of the Volkswagen Bank GmbH Group by applying a flat-rate markdown as part of business risk. This global approach is reassessed each year from a qualitative perspective.

Strategic risk

Strategic risk is the risk of a direct or indirect loss arising from strategic decisions that are flawed or based on false assumptions.

Strategic risk also includes all risks that result from the integration/reorganization of technical systems, personnel or corporate culture (integration/reorganization risk). These risks may be caused by fundamental decisions about the structure of the business made by the Management in relation to the positioning of the Company in the market.

The objective of the Volkswagen Bank GmbH Group is to manage its acceptance of strategic risk enabling it to systematically leverage earnings potential in its core business. In the worst-case scenario, a materialization of strategic risk could jeopardize the continued existence of the Company as a going concern.

Strategic risk is included in the calculation of risk-bearing capacity as part of business risk in the risk-taking potential of the Volkswagen Bank GmbH Group; it additionally includes a qualitative premium for climate and sustainability risk drivers.

Business model risk

Business model risk arises as a result of the economic dependency of an entity on its group parent. The value for business model risk is derived using a scenario-based approach.

The underlying scenario from the climate stress test simulates the risks of the transformation into a provider of zero-emissions mobility, mapped with additional increases in risk parameters.

The additional capital that would be required to satisfy all creditor claims is calculated to determine the business model risk. An analysis of business model risk is carried out annually and the value of this risk is currently assessed at €0 (previous year: €0).

Operational risk

Operational risk (OPR) is defined as the risk of loss resulting from inadequate or failed internal processes (process risk), people (HR risk) or systems (technological risk), or resulting from external events (third-party risk). This definition includes legal risks.

Other categories of risk, such as reputational or strategic risk, do not fall within the scope of operational risk and are analyzed separately.

The objective of operational risk management is to present operational risks transparently and to initiate precautionary or corrective measures with the aim of preventing or, when this is not possible, mitigating the risks or losses. If an operational risk materializes, this represents an operational loss that has a negative impact on financial position and financial performance.

The operational risk strategy specifies the focus for the management of operational risk; work instructions such as the operational risk manual set out the associated implementation process and allocate responsibilities.

The strategic risk objectives are implemented on the basis of the 3 lines of defense model. The local operational risk units in Germany and abroad are responsible for the local operational risk management as the 1st line of defense. In this process, Risk Management's central requirements with regard to methods and procedures (central OpR unit) and those of the special OpR units (governance functions with expert knowledge, referred to as risk owners for specific risk drivers) must be taken into account as the second line of defense.

In addition, a rolling program of training and briefing sessions ensures that awareness of operational risk continues to grow.

Risk identification and assessment

Operational risks or losses are identified and assessed by the first line of defense working in pairs (assessor and approver) with the help of two operational risk tools: a risk self-assessment and a loss database.

The risk self-assessment is used to determine a monetary assessment of future risks. A standardized risk questionnaire is provided for this purpose. The local experts use these questionnaires to determine and record the details for various risk scenarios. The details include the possible amount of the risk and the probability of occurrence, in each case with typical and maximum figures.

The central loss database is used to ensure that information about monetary operational losses is collected in-house on an ongoing basis and the relevant data is stored. The local experts use this database to determine and record the relevant data, including the amount and cause of the loss.

The value at risk for operational risk is calculated quarterly by the central OpR unit using a loss distribution approach (LDA) that incorporates the results of the risk self-assessment and any losses incurred.

Risk monitoring and control

Operational risk is managed by the OpR units (first line of defense) on the basis of the rules in force and the requirements laid down by the special OpR units responsible for specific risk categories (second line of defense). Local management decides whether future risks or losses are to be ruled out (risk prevention), mitigated (risk mitigation), consciously accepted (risk acceptance) or transferred to third parties (risk transfer).

On the basis of random samples, the central OpR unit checks the plausibility of the information provided in the risk self-assessments, reviews the operational risk system to ensure it is fully functioning and instigates appropriate modifications as required. This includes, in particular, the integration of all operational risk units and operational risk special units, compliance with the risk sub-strategies for operational risks and a review of the methods and procedures used for risk measurement.

Risk communication

Operational risks are communicated on a quarterly basis as part of the risk management reports of the Volkswagen Bank GmbH Group. The quarterly details are supplemented by an annual operational risk report for the Volkswagen Bank GmbH Group in which the main events in the year are presented and assessed again in one coherent report. Ad hoc reports are issued in addition to the regular reports, provided that the relevant specified criteria are satisfied.

Trends

The operational risk from the business activities of Volkswagen Leasing GmbH was generally within the set strategic limits. Legal risks as a risk driver (within the litigation risk category) account for the largest proportion of overall operational risk. It is followed by the risk category External risk – external services and outsourced tasks. In addition, the area of technological risk – information and communication technology (especially due to the general rise in the number of cyber attacks and increasing process digitalization) – continues to entail a high risk potential.

These three important causes of risk are described in detail in the following.

Process risks - compliance risk

To counter the risk of law infringements (compliance risk), a compliance and integrity function has been established in the Volkswagen Bank GmbH Group whose task is to specify and implement risk-mitigating measures in the role of a governance function. At the Volkswagen Bank GmbH Group, compliance risk encompasses all risks that could arise from non-compliance with statutory rules and regulations or other official or supervisory requirements, or that could be caused by a breach of internal company regulations. This is not to be confused with conduct risk, which is defined as the risk arising from inadequate conduct by the institution toward the customer, unreasonable treatment of the customer or provision of advice using products that are not suitable for the customer.

In addition, integrity risk encompasses all risks that arise from a failure of employees to conduct themselves in an ethically acceptable manner or to act in accordance with the Group's principles or the FS values, thereby presenting an obstacle to the sustained success of the business.

The Volkswagen Bank GmbH Group addresses the three categories of risk by means of a compliance and integrity function whose task is to specify and implement risk-mitigating measures in the role of a governance function.

To counter compliance and conduct risks, the compliance function is committed to ensuring compliance with laws, other legal requirements, internal rules and the organization's own stated values and to creating and fostering an appropriate compliance culture. It is also the responsibility of the integrity function, on the basis of an integrity management system, to raise awareness of the ethical principles, the code of conduct and the need for compliance, and to help employees choose the right course of action, responsibly and steadfastly, driven by their own personal conviction.

As part of the compliance unit, the role of the compliance officer is to work toward implementing effective procedures to ensure compliance with legal rules and regulations that are central for and core to the institution and toward establishing appropriate controls. This is achieved, in particular, by specifying mandatory compliance requirements for legal stipulations classified as material. These requirements include documenting responsibilities and processes, establishing controls to the extent required and raising employee awareness of pertinent rules so that employees comply with the rules as a matter of course, reflecting a fully functioning compliance culture.

Further regular activities also nurture a compliance and integrity culture. These activities include, in particular, constantly promoting the Volkswagen Group's Code of Conduct, raising employee awareness on a risk-oriented basis (e.g. tone from the top, tone from the middle, classroom training, e-learning programs and other media-based activities), implementing communication initiatives, including distributing guidelines and other information media, and participating in compliance and integrity programs.

The compliance function has been set up on a decentralized basis. The departments are responsible for complying with the rules and regulations in their respective areas of activity. A compliance theme coordinator is appointed for all central and core rules and regulations. The coordinator is responsible for adherence to and the implementation of the defined compliance requirements (such as documenting responsibilities, setting up controls, raising awareness and training employees).

Using the control plans and records as a basis, the compliance unit checks whether the implemented controls are appropriate. In addition, the findings from various audit activities are used to evaluate whether there are indications that the implemented compliance requirements may be ineffective, or whether the audits have identified material residual risks on the basis of which further action needs to be determined.

The compliance officer is responsible for coordinating ongoing legal monitoring, the purpose of which is to ensure that new or amended legal regulations and requirements are identified promptly. For their part, the compliance theme coordinators must work in collaboration with the legal department and the various other departments to implement measures aimed at identifying new or amended regulations and requirements relevant to their areas of responsibility at an early stage and, if such relevance is established, furnishing an analysis of materiality for the Bank. The respective compliance officer is notified of any identified regulations and requirements in accordance with the process description.

The internal Compliance Committee conducts a regular materiality analysis on the basis of the outcomes of this legal monitoring. After taking into account the evaluated compliance risks, the Compliance Committee makes a decision on the materiality of new legal requirements applicable to the Bank. Compliance risk primarily includes the risk of a loss of reputation vis-à-vis the general public or supervisory authorities and the risk of material financial loss.

Currently, the following specific legal fields have been determined as being fundamentally material from the perspective of the Group:

- > Unexpectedly low fees and commissions (fee and commission risk)
- > Prevention of money laundering and terrorist financing
- > Prevention of corruption and other criminal acts
- > Data protection
- > Consumer protection
- > Capital market law
- > Market abuse regulation
- > Banking supervisory law (selected topics)
- > Antitrust law and
- > IT security law

The compliance requirements for the Volkswagen Bank GmbH Group are specified centrally and must be implemented autonomously in the branch in Italy. Deviations from the minimum requirements or guidelines are only possible if accompanied by a description of the reasons (such as local statutory requirements) and only in consultation with, and with the consent of, the institution's compliance officer.

As in the case of the compliance function, the central integrity function only specifies the framework for the Group. The internal compliance risk assessment (ICRA), which also covers human rights issues, and the risk-oriented programs of action derived from it help the Group to ensure that proper account is taken of compliance and integrity matters. The responsibility for implementing the requirements, for example by raising awareness of the ethical principles among employees, remains with the local entity concerned.

The Compliance and Integrity Officer receives regular reports and carries out on-site visits on a risk-oriented basis to ensure that the local compliance and integrity units are meeting their responsibilities.

To meet the statutory reporting requirements of the compliance unit, the compliance officer must submit to the Management Board both regular reports on the outcome of the meetings of the Compliance Committee and ad hoc reports as necessary (for example, if control plans are not prepared by the required deadline).

In addition, the Management Board receives an annual compliance report, although this can be updated during the year if required. The annual compliance report contains a presentation of the appropriateness and effectiveness of the compliance requirements implemented to ensure compliance with central and core legal rules and regulations.

The Management Board has entered into a voluntary undertaking regarding compliance and integrity. This is to ensure that aspects of compliance and integrity are also always discussed and taken into consideration for all decisions of the Management Board.

External risk – external services and outsourced tasks

Outsourcing describes a situation in which another entity (the outsourcee) is engaged to carry out activities and processes in connection with the provision financial services or other typical banking-related services that would otherwise be carried out by the outsourcing entity itself.

As part of the restructuring of the Volkswagen Financial Services AG and Volkswagen Bank GmbH subgroups, internal outsourcing agreements were entered into in various functional areas, including IT, accounting, controlling, legal, compliance, corporate security, HR matters, internal audit, corporate management, procurement, risk management and process management. Supporting software services material to risk-relevant or financial processes are also considered outsourcing arrangements.

Not considered outsourcing is the one-time or occasional procurement from third parties of goods or services as well as those services that, because of legal or actual circumstances, cannot be provided by the institution itself. The mere procurement of software without supporting services is not normally classified as outsourcing.

The goal of outsourcing risk management is to identify and mitigate all risks associated with outsourcing at an early stage. If heightened risk is found, measures such as changing the service provider or insourcing the tasks in question may be considered. The legal bases for the approach are derived from the *Kreditwesengesetz* (KWG – German Banking Act), the *Mindestanforderungen an das Risikomanagement* (MaRisk – German Minimum Requirements for Risk Management) and the EBA Guidelines on outsourcing arrangements (EBA/GL/2019/02).

Risks arising in connection with outsourced activities are identified by examining the circumstances with a focus on risk. In this context, it is first established whether the planned activity constitutes outsourcing or other procurement from a third-party supplier, and whether the outsourcing is permitted. A risk assessment is subsequently performed to classify the planned activity as a “material” or “non-material” outsourcing arrangement. Depending on the risk involved, different requirements apply for management, control and contract design.

To ensure effective management, a framework policy has been introduced that governs the approach to outsourcing. Before any activity is outsourced, the circumstances must be examined with a focus on risk. In this process, the outsourcing officer with functional responsibility examines the quality of service provision and initiates appropriate measures if there are any deviations. All outsourced activities must be agreed with the central Outsourcing Coordination unit, which is informed of all risks and regularly reports to the Management Board.

Responsibility for all outsourcing arrangements is assigned to the Central Outsourcing Officer of Volkswagen Leasing GmbH, who is appointed by the Management Board. Although this function cannot be outsourced, it is supported by the central Outsourcing Coordination unit at Volkswagen Financial Services AG.

Technology risk – information and communication technology

In the context of advancing digitalization and increasingly networked business processes, information and communication technology (ICT) is of critical importance for Volkswagen Leasing GmbH. As a result of the development and expansion of new technologies, such as artificial intelligence, as well as of the tense geopolitical situation, the finance sector faces a threat situation on multiple fronts. As regards cyber risks, a general rise in the number of cyber threats on businesses and their customers was evident. The nature of these attacks is continually evolving and becoming increasingly professionalized (examples being DDoS or ransomware attacks, supply chain attacks). Hackers are using new technologies to launch more sophisticated and more targeted attacks. As a result, there is high dependence on stable, secure and resilient IT in companies.

ICT risk, which is part of operational risk, refers to potential threats and weaknesses arising from the use of IT systems, digital infrastructures and communication networks that could compromise the confidentiality, integrity, including authenticity, and availability of information. ICT risk arises, for example, as a result of cyber attacks, system failures, data losses or weaknesses at third-party providers.

In light of the potential losses arising from the disruption or interruption of business operations, preventive measures and countermeasures are being continuously implemented and refined to maintain resilient IT systems at Volkswagen Leasing GmbH. The focus here is on ensuring the confidentiality, integrity, authenticity and availability of information. The measures are built around the various tools of the Three Lines Model to guarantee security, stability and compliance within all business operations that use IT.

Continuous investments are made in ICT security measures and there is a continuous focus on monitoring the threat situation and raising awareness among, and training, employees. Identified potential vulnerabilities are systematically entered into the IKT risk process, assessed and managed in line with the risk appetite. In addition, the ICT risk management function, which consists, among others, of representatives from information security, IT compliance, ICT emergency management or even ICT third-party management, is intended to ensure appropriate management and continuous monitoring of ICT risk. In this context, the ICT risk management framework is regularly reviewed to identify any need for adjustments. By taking these measures, Volkswagen Leasing GmbH is responding to the entry into force of the EU's Digital Operational Resilience Act (DORA) in January 2025, which resulted in a significant broadening of the requirements for a consistent framework for the effective and comprehensive management of ICT risk for financial market participants and critical third-party ICT service providers. By addressing these requirements, the Company's digital resilience is to be sustainably strengthened and the adequate management of ICT is to be ensured.

SUMMARY

Volkswagen Leasing GmbH strives to handle risks in a responsible manner as part of its operating activities. This approach is based on a multifaceted system for identifying, measuring, analyzing, monitoring and controlling risks, which is part of a comprehensive risk- and return-oriented management system.

Volkswagen Leasing GmbH will continue to invest in optimizing its control system and risk management systems in order to meet the business and statutory requirements for the management and control of risks.

As is clear from the above details in the risk report, there is currently no evidence of any risks that could jeopardize the continued existence of Volkswagen Leasing GmbH as a going concern.

Forecast of material risks

Credit risk forecast

The volume of loans and receivables subject to credit risk at Volkswagen Leasing GmbH is expected to increase continuously in fiscal year 2026 (by 2% compared with December 2025 based on the 2026 budget). Overall, the geopolitical and macroeconomic environment is expected to lead to a challenging risk situation, both in the retail portfolio and in the corporate portfolio. That is why it is vital to continue closely monitoring the development of credit risks at Volkswagen Leasing GmbH and to proactively address any such developments as they arise. The objective for fiscal year 2026 is to achieve a stable risk situation in the loan portfolio.

Residual value risk forecast

The persistent economic and political uncertainties are expected to cause the strained risk situation to continue in 2026. The specific risk situation of Volkswagen Leasing GmbH will be impacted to a significant extent by how inflation and purchasing power develop in the markets. It is expected that the portfolios of Volkswagen Leasing GmbH will continue to expand, especially as a result of the growth programs implemented, the expansion of the fleet business and the ongoing shift from finance to leasing. First-generation BEVs will remain under pressure in the short-term analysis and the BEV risk performance is reflected in reduced residual values for new business. It can, however, be assumed that the residual values of second-generation ICEs and BEVs will stabilize.

Forecast interest rate risk in the banking book

A present value analysis of interest rate risk indicates a vulnerability to rising interest rates. It is generally expected that the interest rate risk in the banking book of Volkswagen Leasing GmbH, which is part of the Volkswagen Bank GmbH Group, will be on a similar level in 2026 as in the previous year. Given the macroeconomic situation, unexpected significant increases in interest rates cannot be ruled out.

Liquidity risk forecast

The risk situation is considered to be stable. The established sources of funding remain available despite the prevailing global political uncertainties. Funding diversification continues to be extended and existing sources of funding are being expanded.

Operational risk forecast

The year 2025 has demonstrated that we can effectively manage potential operational risk in such a way that this risk does not materialize to any significant extent.

We predict that our management will be equally successful in 2026 and we do not therefore anticipate any significant rise in operational risk from the business activities of Volkswagen Leasing GmbH. We expect the effectiveness of fraud protection to remain stable and the high level of quality in processes, staff skills and qualifications, and IT systems to be maintained.

Report on Expected Developments

The global economy is expected to grow at a similar pace in 2026 as in the reporting period. Global demand for passenger cars will probably vary from region to region and be on a level with the previous year. With our broad product range and services, we believe we are well prepared for the future challenges in the mobility business.

The Report on Opportunities and Risks describes the risks and opportunities that could cause actual results to differ from the forecast developments. In the following, we describe the expected development of the Volkswagen Leasing GmbH Group and the general conditions affecting its business activities. These developments give rise to opportunities and potential benefits that are included in the planning process on an ongoing basis so that Volkswagen Leasing GmbH can exploit them as soon as possible.

Our assumptions regarding external factors are based on current assessments by third-party institutions, including economic research institutes, banks, international organizations and consulting firms.

DEVELOPMENTS IN THE GLOBAL ECONOMY

Our planning is based on the assumption that global economic output will grow overall in 2026 at a similar pace to 2025. Falling inflation in major economic regions and the gradual easing of monetary policy as a result are expected to boost consumer demand. We continue to see risks in the increasing fragmentation of the global economy and protectionist tendencies, turbulence in the financial, energy and commodity markets, and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are constraining growth prospects; risks stem in particular from the Russia-Ukraine conflict and the confrontations in the Middle East, as well as from growing uncertainties regarding the economic policy stance of the USA and the global increase of geoeconomic measures which could further exacerbate geopolitical tensions. We anticipate that advanced economies will maintain, on average, a momentum comparable to that of the reporting year, while the group of emerging markets is expected to exhibit somewhat softer dynamics.

We also foresee the global economy continuing on a path of steady growth through 2030.

Europe

In Western Europe, we expect the economy to grow at a somewhat slower rate than in the reporting year, with a further decline in the average inflation rate, but we do not expect the European Central Bank (ECB) to make any further key interest rate cuts as a result.

We estimate that the pace of growth in Central Europe will pick up somewhat in 2026, with some countries seeing persistently high though less dynamic price increases than in the previous year. Economic output in Eastern Europe will probably continue to recover at a similar pace to the reporting year following the heavy slump in 2022 as a result of the Russia-Ukraine conflict.

Germany

We expect gross domestic product (GDP) to develop positively in Germany in 2026, with a somewhat higher growth rate than in the previous year. The German inflation rate is likely to decrease somewhat on average over the year, while the labor market situation is unlikely to improve much.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

We assume that automotive financial services will continue to prove highly important to global vehicle sales in 2026 in synergy with the development of the vehicle markets. We expect demand to rise in markets where market penetration has so far been low. Regions with already established automotive financial services markets will probably see a continuation of the trend towards achieving mobility at the lowest possible total cost. The shift from financing to lease contracts that has begun in the European financial services business with individual customers will continue. Integrated end-to-end solutions, which include mobility-related service modules such as insurance and innovative packages of services, are likely to become ever more important. Additionally, we expect that demand will increase for new forms of mobility, such as rental and car subscription services. Dealers will remain important strategic partners. The seamless integration of financial services into the online vehicle offering will become increasingly important. We estimate that this trend will also persist in the years 2027 to 2030.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

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

We predict that trends in the markets for passenger cars in the individual regions will be mixed but generally stable overall in 2026. Overall, the global volume of new car sales is expected to be on a level with the previous year. We are forecasting growing demand for passenger cars worldwide in the period from 2027 to 2030.

Trends in the markets for light commercial vehicles in the individual regions will be mixed; on the whole, we expect the sales volume for 2026 to be on a level with the previous year's figure. For the years 2027 to 2030, we expect demand for light commercial vehicles to increase globally.

Europe

For 2026, we anticipate that the volume of new passenger car registrations in Western Europe will be on a level with the reporting year. For the major individual markets of Italy and the United Kingdom, we expect growth in 2026 to be at the prior-year level, with growth in France to be similar to the previous year. We estimate that the Spanish market will come in at slightly below the level recorded in the previous year.

For light commercial vehicles, we expect the volume of new registrations in Western Europe in 2026 to be slightly higher than in the previous year. Mixed development is anticipated in the major individual markets of France, the United Kingdom, Italy and Spain.

We expect a strong year-on-year increase in sales of passenger cars overall in markets in Central and Eastern Europe in 2026 – subject to the further development of the Russia-Ukraine conflict. We expect a mixed development in the major markets of this region.

Registrations of light commercial vehicles in the markets of Central and Eastern Europe in 2026 will probably noticeably exceed the prior-year figures – subject to the further development of the Russia-Ukraine conflict.

Germany

In the German passenger car market, we expect the volume of new registrations in 2026 to be at the prior-year level.

We anticipate that the number of registrations of light commercial vehicles in 2026 will be noticeably up on the figure recorded the previous year.

INTEREST RATE TRENDS

The European Central Bank (ECB) and other central banks further lowered their key interest rates in 2025. No significant interest rate changes are expected for 2026, with geopolitical uncertainties weighing on the economy and inflation close to the target value.

MOBILITY CONCEPTS

Social and political factors have an increasing impact on many people's individual mobility behavior. Among the general public, environmental and climate protection has grown immensely in importance over the last few years and is attracting increasing attention from lawmakers. Especially in large metropolitan areas, new challenges are appearing in connection with the design of an intelligent mobility mix consisting of public transport combined with motorized and non-motorized private transport. In addition, new mobility solutions will change the traditional perception of owning a vehicle. As a result, mobility is being redefined in many respects.

The companies in the Volkswagen Financial Services AG Group closely monitor developments in the mobility market and are working on new models to support alternative marketing approaches and establish new mobility concepts with the goal of securing and expanding its business model. Simple, convenient, transparent, safe, reliable, flexible – these are the standards that the Company has set for itself. In collaboration with the automotive brands of the Volkswagen Group, the companies of the Volkswagen Financial Services AG Group aim to take a leading position in the development of new mobility concepts, as has been the case in the conventional automotive business for many years.

With traditional leasing, the Volkswagen Leasing GmbH Group, already today, covers a large proportion of customers mobility needs.

SUMMARY OF EXPECTED DEVELOPMENTS

Volkswagen Leasing GmbH expects its business growth in fiscal year 2026 to be linked to the growth in unit sales of Volkswagen Group vehicles.

Sales activities related to the Volkswagen Group brands will be further intensified, particularly through joint strategic projects. Furthermore, Volkswagen Leasing GmbH intends to maintain the measures it has introduced to leverage greater potential along the automotive value chain.

Together with the Group brands, Volkswagen Leasing GmbH aims to provide optimum solutions to satisfy the wishes and needs of its customers. Its end customers are looking in particular for sustainable individual mobility with predictable fixed costs. We are also planning to drive the continuing digitalization of our business.

The product packages and mobility solutions launched successfully from Leasing's perspective in the last few years are to be refined in line with customer needs.

Alongside market-oriented activities, the Volkswagen Leasing GmbH Group's competitive position in Europe is to be strengthened further with strategic investments in structural projects as well as the Future program to optimize processes and improve productivity.

OUTLOOK FOR 2026

The Management Board of Volkswagen Leasing GmbH expects that economic growth in Europe will recover in 2026 and the economy will continue to grow – at a subdued rate in Germany. The primary source of risk is inflation, the future course of which will determine the development of interest rates to a very significant extent. At present, the Management Board projects a slight decline in the inflation rate in Germany. In addition, growth prospects will be affected by geopolitical tensions and conflicts.

In view of the underlying conditions described here and the trends evident in the market, the following overall picture emerges: the earnings outlook is based on the assumption of intensified cooperation with the individual Group brands, increased investments in future-oriented digitalization, potential effects of geopolitical upheaval, and continued uncertainty regarding the macroeconomic conditions in the real economy and the actual development of deliveries to customers of the Volkswagen Group brands.

For fiscal year 2026, the Management Board expects a noticeable improvement in the operating result compared to the previous year. This forecast is based on the assumption of increased cooperation with the Group brands and extensive cost optimizations through our efficiency program. In addition, the anticipated path of risk costs and the fair values of derivatives used for hedging purposes are having a significant impact on earnings performance.

Based on forecast deliveries of new vehicles of the Volkswagen Group and due to the persistently challenging market conditions, the number of new contracts is expected to decline slightly, amid a slight decrease in the penetration rates of Volkswagen Leasing GmbH in the German market. The contract portfolio is expected to be similar to the prior-year level.

Next year's return on equity is expected to be in the same range as in the previous year as a result of the forecast earnings performance and stable capital adequacy situation. The overhead ratio is predicted to be similar to the previous year's level.

FORECAST CHANGES IN KEY PERFORMANCE INDICATORS FOR THE NEXT FISCAL YEAR COMPARED WITH PRIOR-YEAR FIGURES

	Actual 2025	Forecast for 2026	
Nonfinancial performance indicators			
Penetration (percent)	64.7	< 64.7	Slightly below the previous year
Current contracts (thousands)	2,284	= 2,284	In the range of the previous year's level
New contracts (thousands)	876	< 876	Slightly below the previous year
Financial performance indicators			
Volume of business (€ million)	55,266	> 55,266	Noticeable above the previous year
Operating result (€ million)	1,032	> 1,032	Noticeable above the previous year
Return on equity (percent)	9.8	= 9.8	In the range of the previous year's level
Overhead ratio (percent)	0.79	= 0.79	In the range of the previous year's level

Braunschweig, February 20, 2026
The Management Board



Manuela Voigt



Oliver Roes



Verena Roth

This annual report contains forward-looking statements on the future business development of Volkswagen Leasing GmbH. These statements are based on assumptions relating to changes in the economic, political and legal environment in individual countries, economic regions and markets, in particular for financial services and the automotive industry; these assumptions have been made on the basis of the information available and Volkswagen Leasing GmbH currently considers them to be realistic. The estimates given entail a degree of risk, and actual developments may differ from those forecast. If material parameters relating to the most important sales markets vary from the assumptions, or material changes arise from the exchange rates, commodity and energy prices or supply of parts relevant to the Volkswagen Group, the performance of the business will be affected accordingly. In addition, expected business performance may vary if the key performance indicators and risks and opportunities presented in this annual report turn out to be different from current expectations, or additional risks and opportunities or other factors emerge that affect the development of the business. Forward-looking statements are not updated and no obligation is assumed to update any forward-looking statements made in this annual report, except as required by law.

Balance Sheet

of Volkswagen Leasing GmbH, Braunschweig, as of December 31, 2025

€ thousand	Dec. 31, 2025	Dec. 31, 2024
Assets		
1. Cash reserve		
b) From other activities	3	4
2. Loans to and receivables from banks		
b) From other activities		
aa) Repayable on demand	2,041,483	2,547,941
3. Loans to and receivables from customers		
a) From payment services	145	175
aa) From fees and commissions	145	175
b) From other activities	4,316,955	5,083,524
	4,317,100	5,083,699
4. Notes and other fixed-income securities		
b) Commercial paper and notes		
ba) From public-sector issuers	476,540	143,907
5. Lease assets		
aa) From other activities	54,193,235	49,094,343
6. Intangible fixed assets		
a) Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	98,885	102,773
	98,885	102,773
7. Property and equipment		
a) Land and buildings		
ab) From other activities	16,779	17,864
b) Operating and office equipment		
ab) From other activities	1,734	567
	18,513	18,431
8. Other assets		
b) From other activities	2,198,209	1,567,666
9. Prepaid expenses and accrued income		
b) From other activities	989,512	1,059,072
Total assets	64,333,480	59,617,836

€ thousand	Dec. 31, 2025	Dec. 31, 2024
Equity and liabilities		
1. Liabilities to banks		
b) From other activities		
aa) Repayable on demand	46,999	175,127
bb) With agreed maturity or notice period	14,922,817	7,741,866
	14,969,816	7,916,993
2. Liabilities to customers		
b) From other activities	22,810,699	23,636,699
3. Notes, commercial paper issued		
a) Bonds issued	8,757,840	10,525,518
4. Other liabilities		
b) From other activities	2,117,602	1,837,707
5. Prepaid expenses and accrued income		
b) From other activities	11,373,532	11,241,777
6. Provisions		
a) Provisions for pensions and other post-employment benefits		
bb) From other activities	100,261	117,337
b) Provisions for taxes		
bb) From other activities	7,399	14,718
c) Other provisions		
bb) From other activities	925,772	1,050,469
	1,033,432	1,182,524
7. Special tax-allowable reserve	647	706
8. Fund for general banking risks	–	6,000
9. Equity		
a) Subscribed capital	76,004	76,004
b) Capital reserves	3,193,259	3,193,259
c) Net retained profits	649	649
	3,269,912	3,269,912
Total equity and liabilities	64,333,480	59,617,836
1. Contingent liabilities		
Liability arising from the provision of collateral for third-party liabilities	38,500	73,375
2. Other obligations		
Irrevocable leasing commitments	5,745,006	5,362,820

Income Statement

of Volkswagen Leasing GmbH, Braunschweig, for the period from January 1
through December 31, 2025

€ thousand	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
1. Lease income	30,011,366	28,351,180
2. Leasing expenses	15,052,717	14,663,204
	14,958,649	13,687,976
3. Interest income		
b) From other activities		
aa) Lending and money market transactions	314,025	546,635
4. Interest expense		
b) From other activities	1,650,851	1,604,612
thereof: unwinding of discount on provisions	1,102	2,365
	-1,336,826	-1,057,977
5. Fee and commission income		
a) From payment services and the issuance of e-money	40	34
b) From other activities	4,668	55,960
6. Fee and commission expenses		
b) From other activities	1,195,912	1,075,659
	-1,191,204	-1,019,665
7. Other operating income		
b) From other activities	406,315	462,482
8. Income from the reversal of special tax-allowable reserve	59	59
9. General and administrative expenses		
a) From payment services and the issuance of e-money		
bb) Other administrative expenses	21	87
b) From other activities		
aa) Personnel expenses		
aaa) Wages and salaries	189,678	104,984
bbb) Social security, post-employment and other employee benefit costs of which: for post-employment benefits €20.481 thousand	63,911	36,410
	253,589	141,394
bb) Other administrative expenses	326,949	479,609
	580,559	621,090

€ thousand	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
10. Depreciation, amortization and write-downs		
a) Depreciation and write-downs of lease assets		
ab) From other activities	12,122,852	11,386,464
b) Amortization and write-downs of intangible fixed assets, and depreciation and write-downs of property and equipment		
bb) From other activities	69,649	64,693
	12,192,501	11,451,157
11. Other operating expenses		
b) From other activities	21,903	39,988
12. Write-downs of and valuation allowances on receivables and additions to provisions in the leasing business		
b) From other activities	642,458	478,542
13. Income from the reversal of write-downs of and valuation allowances on receivables and from the reversal of provisions in the leasing business		
b) From other activities	389,882	672,776
14. Result from ordinary business activities	-210,546	154,874
a) From payment services and the issuance of e-money	19	-53
b) From other activities	-210,565	154,927
15. Income tax expense	34,485	135,971
a) From payment services and the issuance of e-money	-3	-47
b) From other activities	34,488	136,018
16. Income from the absorption of losses	245,031	-
a) From payment services and the issuance of e-money	-22	-
b) From other activities	245,053	-
17. Profits transferred due to a profit-and-loss transfer agreement	-	18,903
a) From payment services and the issuance of e-money	-	-100
b) From other activities	-	19,003
18. Net income for the year	-	-
19. Retained profits brought forward	649	649
20. Net retained profits	649	649

Notes to the Annual Financial Statements

of Volkswagen Leasing GmbH, Braunschweig, as of December 31, 2025

1. General Information

The annual financial statements of Volkswagen Leasing GmbH have been prepared in accordance with the provisions of the *Handelsgesetzbuch* (HGB – German Commercial Code) and the *Verordnung über die Rechnungslegung der Kreditinstitute* (RechKredV – German Bank Accounting Regulation) as well as the additional disclosures required under the *Verordnung über die Rechnungslegung der Zahlungsinstitute und E-Geld-Institute* (RechZahlV – German Regulation on the Accounting of Payment Institutions and E-Money Institutions).

Volkswagen Leasing GmbH is responsible for operating activities required to perform vehicle-related financial services. The business operations are closely interlinked with those of the manufacturers and the dealer organizations in the Volkswagen Group. Additionally, Volkswagen Leasing GmbH provides internal services for companies in the Volkswagen Financial Services AG Group. An internal cost allocation system is used to charge these services to the German group companies according to the costs-by-cause principle. The income derived from the allocation of these costs is reported under other operating income.

2. Accounting Policies

The accounting policies applied in the previous year have been retained.

Intangible fixed assets, property and equipment, and lease assets are carried at cost less depreciation and less impairment losses, if the impairment is expected to be permanent, taking existing collateral into account. In this process, the non-amortizable intangible fixed assets are measured at fair value. Since a hedge relationship exists between the residual value under the lease and the put option, the option to apply hedge accounting allowed by section 254 of the HGB has been applied.

The office buildings are depreciated on a straight-line basis (useful life of 50 years for old buildings and 25 years for new buildings). Operating and office equipment is depreciated on a straight-line basis over its typical useful life of three to seven years. Lease assets are depreciated on a straight-line basis over their typical useful life. The useful life of a passenger car is six years, of trucks and buses between five and nine years, and of other leased items, which mainly comprise movable lease assets at dealerships (workshop equipment), three to 13 years. Amortizable intangible fixed assets are amortized on a straight-line basis over three years. Non-amortizable intangible assets are written down for any impairment expected to be permanent.

Receivables and other assets are recognized at their principal amounts. Appropriate valuation allowances are recognized to take into account any default risk. Lease purchase agreements that specify the transfer of ownership of the vehicle from Volkswagen Leasing GmbH to the customer on payment of

the last installment are recognized under receivables from customers at the present value of receivables outstanding less any valuation allowances.

Notes and other fixed-income securities are measured at cost or at the lower fair value.

Prepaid expenses are expenses incurred before the reporting date but attributable to a period or periods after this date; the item is reversed and taken to the income statement on a straight-line basis over the relevant period of time.

Liabilities are recognized at the settlement amount.

Deferred income comprises income before the reporting date, representing income or other operating income from the leasing business that is attributable to future periods.

Provisions for pensions are recognized for commitments in the form of retirement, invalidity and surviving dependents' benefits payable under pension plans.

There are both direct pension commitments and those funded via Volkswagen Pension Trust e.V. The commitments funded via Volkswagen Pension Trust e.V. are what are known as securities-based pension commitments, whose amount is determined according to the fair value of the securities pursuant to 253(1) sentence 3 HGB. The securities are netted against funded pension provisions pursuant to section 246(2) HGB.

The 2018 G mortality tables published by Professor Klaus Heubeck are used to measure pension obligations. The provisions for pension obligations are discounted using an average discount rate in accordance with section 253(2) sentence 1 of the HGB, whereby it is assumed that the obligations have a general residual maturity of 15 years. The recognized provisions for pensions equate to the pension obligations net of the associated plan assets, which are measured at fair value. If the value of the plan assets is higher than that of the pension provisions, the difference is reported as an excess of plan assets over pension liability.

Other pension obligations (time asset bonds) are also linked to securities funds. Time asset bonds provide an opportunity to save for early retirement by acquiring time asset bond units. The securities measured at fair value are offset as plan assets against the corresponding provisions.

The pension provision that is not externally funded is recognized at present value.

Discernible risks and uncertain liabilities are accounted for by recognizing adequate provisions in the amount required to settle the liability determined in accordance with prudent business judgment. Provisions with a maturity of more than one year are discounted using the average market discount rate for the previous seven fiscal years. This discount rate is published monthly by Deutsche Bundesbank.

On the basis of an existing profit and loss transfer agreement, deferred taxes are recognized by Volkswagen AG, Wolfsburg, the controlling entity in the tax group.

The introduction of global minimum taxation (Pillar 2) does not give rise to any costs for Volkswagen Leasing GmbH. This means that there is no current tax expense in connection with Pillar 2 income taxes. Volkswagen Leasing GmbH has applied the exemption from recognition and disclosure of deferred taxes in connection with Pillar 2 income taxes.

The exemption introduced in section 274(3) of the HGB means that deferred taxes in connection with income taxes arising from applicable or announced tax rules relating to the implementation of the Pillar Two model rules are neither recognized nor disclosed at Volkswagen Leasing GmbH.

Differences between the carrying amounts required by the HGB and those permitted in the tax base continue to be reported under the special tax-allowable reserve in exercise of the grandfather rights provided for in article 67(3) sentence 1 of the *Einführungsgesetz zum Handelsgesetzbuch* (EGHGB – Introductory Act to the German Commercial Code).

The fund for general banking risks was first established by MAN Financial Services GmbH in accordance with section 340g of the HGB in fiscal year 2012 and wound up in the fiscal year under review.

Equity is recognized at the nominal amount. Irrevocable lease commitments are reported at their present value. Interest rate derivatives entered into by Volkswagen Leasing GmbH are used as part of general economic hedges. The Company does not make use of the option to apply specific hedge accounting arrangements. The interest rate derivatives of Volkswagen Leasing GmbH were reviewed to assess whether there was any need to recognize a provision for expected losses. In addition to positive fair values, there were also negative fair values, and this led to the recognition of a provision for expected losses.

Leasing income is recognized insofar as the goods or services due have been provided and an entitlement to the consideration has been created. Income from goods supplied, principally from the sale of used vehicles (sales revenue), is reported as soon as beneficial ownership has passed to the customer (transfer of possession, of the right to use and sell, of charges and of the risk of loss and accidental loss). The transfer of beneficial ownership is determined in accordance with the agreed terms of delivery and/or general terms and conditions. Income from services is recognized as soon as the service has been rendered. The amount of income reported corresponds to the agreed consideration minus the applicable sales tax and income deductions such as bonuses, discounts and rebates.

3. Balance Sheet Disclosures

RECEIVABLES FROM BANKS AND CUSTOMERS

The breakdown of receivables from banks is as follows:

€ thousand	Dec. 31, 2025	Dec. 31, 2024
1. Loans to and receivables from banks	2,041,483	2,547,941
(of which to affiliated companies €2,040,699 thousand; previous year: €2,547,276 thousand)		
(of which from the sole shareholder €2,040,699 thousand; previous year: €2,547,276 thousand)		
Total	2,041,483	2,547,941

The breakdown of receivables from customers is as follows:

€ thousand	Dec. 31, 2025	Dec. 31, 2024
1. Trade receivables	1,330,121	1,748,738
2. Receivables from affiliated companies	2,961,865	3,317,759
(of which trade receivables €541,159 thousand; previous year: €397,474 thousand)		
3. Other receivables	25,114	17,202
Total	4,317,100	5,083,699

The following table shows the maturity analysis for the receivables:

€ thousand	Dec. 31, 2025	Dec. 31, 2024
1. Loans to and receivables from banks	2,041,483	2,547,941
of which due in 0 – 3 months	2,041,483	2,547,941
2. Trade receivables	1,330,121	1,748,738
of which due in 0 – 3 months	496,316	471,623
of which due in 3 – 6 months	281,058	–
of which due in 6 – 12 months	271,689	326,374
of which due in 12 – 60 months	281,058	950,741
3. Receivables from affiliated companies	2,961,865	3,317,759
of which due in 0 – 3 months	562,355	547,810
of which due in 3 – 6 months	224,215	601,978
of which due in 6 – 12 months	883,085	–
of which due in 12 – 60 months	1,292,202	2,167,971
of which due in > 60 months	8	–
4. Other receivables	25,114	17,202
of which due in 0 – 3 months	25,114	17,202
Total	6,367,626	7,631,640

The “Loans to and receivables from customers” balance sheet item includes subordinated receivables of €2,419,422 thousand (previous year: €2,917,538 thousand), of which €2,419,422 thousand (previous year: €2,917,538 thousand) is attributable to subordinated receivables from ABS transactions carried out by Volkswagen Leasing GmbH.

NOTES AND OTHER FIXED-INCOME SECURITIES

Of the notes and other fixed-income securities, an amount of €476,540 thousand is eligible as collateral with the Deutsche Bundesbank and fully negotiable. A total nominal amount of €20,000 thousand (previous year: €0 thousand) is due in the next fiscal year.

LEASE ASSETS, INTANGIBLE FIXED ASSETS, AND PROPERTY AND EQUIPMENT

The breakdown of the fixed assets aggregated in the balance sheet and the changes in these assets in the reporting period are shown in the statement of changes in fixed assets. Capitalized put options are recognized under intangible assets. Additions in the current fiscal year amounted to €64,401 thousand.

Statement of changes in fixed assets of Volkswagen Leasing GmbH, Braunschweig, for 2025

€ thousand	Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	Land and buildings	Operating and office equipment	Assets under construction	Vehicles, technical equipment and machinery	Prepayments	Total fixed assets
Gross carrying amount							
Balance brought forward as of Jan. 1, 2025	235,472	32,055	1,301	–	67,956,877	322,600	68,548,305
Additions	64,401	68	1,668	–	30,314,597	252,048	30,632,782
Disposals	68,840	49	320	–	23,270,937	–	23,340,146
Transfers	–	–	–	–	322,600	–322,600	–
Balance as of Dec. 31, 2025	231,033	32,074	2,649	–	75,323,137	252,048	75,840,941
Depreciation, amortization and write-downs							
brought forward January 1, 2023	132,699	14,191	735	–	19,185,134	–	19,332,759
Additions	68,289	1,104	255	–	12,122,852	–	12,192,500
Disposals	68,840	–	75	–	9,926,036	–	9,994,951
Transfers	–	–	–	–	–	–	–
Balance as of Dec. 31, 2025	132,148	15,295	915	–	21,381,950	–	21,530,308
Net carrying amount as of Dec. 31, 2025	98,885	16,779	1,734	–	53,941,187	252,048	54,310,633
Net carrying amount as of Dec. 31, 2024	102,773	17,864	566	–	48,771,743	322,600	49,215,546

OTHER ASSETS AND PREPAID EXPENSES

Other assets relate primarily to available-for-sale lease returns amounting to €1,428,759 thousand (previous year: €823,853 thousand), receivables from the processing of ABS transactions amounting to €108,885 thousand (previous year: €109,484 thousand), accrued swap interest of €72,679 thousand (previous year: €99,713 thousand) and value added tax receivables of the Italy branch in an amount of €432,169 thousand (previous year: €380,919 thousand).

Prepaid expenses include discounts on purchased bonds and ABS transactions amounting to €850,676 thousand (previous year: €931,760 thousand); these discounts are amortized over the relevant maturity. Prepaid vehicle taxes of €8,659 thousand (previous year: €9,703 thousand), insurance payments in connection with service leases in the amount of €58,539 thousand (previous year: €53,535 thousand) and other prepaid expenses are also recognized under this item.

LIABILITIES

The breakdown of liabilities is as follows:

€ thousand	Dec. 31, 2025	Dec. 31, 2024
1. Liabilities to banks	14,969,816	7,916,993
(of which to affiliated companies €14,969,816 thousand; previous year: €7,916,993 thousand)		
(of which to the sole shareholder €14,969,816 thousand; previous year: €7,916,993 thousand)		–
2. Liabilities to customers	22,810,699	23,636,699
(of which to affiliated companies €22,392,249 thousand; previous year: €23,188,608 thousand)		–
(of which trade receivables €883,085 thousand; previous year: €597,951 thousand)		–
3. Notes, commercial paper issued	8,757,840	10,525,518
4. Other liabilities	2,117,602	1,837,707
Total	48,655,957	43,916,917

The following table shows the maturity analysis for the liabilities:

€ thousand	Dec. 31, 2025	Dec. 31, 2024
1. Liabilities to banks	14,969,816	7,916,993
of which due in 0 – 3 months	3,299,816	1,586,993
of which due in 3 – 6 months	3,765,000	–
of which due in 6 – 12 months	2,880,000	3,010,000
of which due in 12 – 60 months	5,025,000	3,320,000
2. Liabilities to customers	22,810,699	23,636,699
of which due in 0 – 3 months	1,132,453	1,470,593
of which due in 3 – 6 months	2,721,988	–
of which due in 6 – 12 months	3,124,573	5,282,183
of which due in 12 – 60 months	15,829,894	16,437,645
of which due in > 60 months	1,791	446,278
3. Notes, commercial paper issued	8,757,840	10,525,518
of which due in 0 – 3 months	1,657,840	1,125,518
of which due in 3 – 6 months	650,000	–
of which due in 6 – 12 months	1,850,000	750,000
of which due in 12 – 60 months	3,150,000	7,200,000
of which due in > 60 months	1,450,000	1,450,000
4. Other liabilities	2,117,602	1,837,707
of which due in 0 – 3 months	1,211,458	914,392
of which due in 3 – 6 months	218,842	–
of which due in 6 – 12 months	436,794	593,216
of which due in 12 – 60 months	250,508	330,099
Total	48,655,957	43,916,917

Volkswagen Leasing GmbH has furnished collateral in the amount of €5,521,580 thousand in connection with the liabilities.

A total nominal amount of €4,050,000 thousand (previous year: €1,750,000 thousand) of the notes and commercial paper issued is due in the next fiscal year.

Other liabilities include liabilities for outstanding repair invoices under servicing and wear-and-tear agreements amounting to €1,168,038 thousand (previous year: €1,050,581 thousand) and swap interest liabilities amounting to €52,730 thousand (previous year: €74,318 thousand).

PROVISIONS

Provisions comprise the following items:

€ thousand	Dec. 31, 2025	Dec. 31, 2024
Provisions for pensions and other post-employment benefits	100,261	117,337
Settlement of funded pension obligation included in this amount:		
Funded pension provisions	167,238	162,816
Fund assets as plan assets (cost €103,394 thousand)	-113,354	-91,807
Provisions for taxes	7,399	14,718
Other provisions	925,772	1,050,469
Provision for time asset bonds	49,236	43,557
Fund assets as plan assets (cost €42.939 thousand)	-49,236	-43,557
Other provisions	925,772	1,050,469
Total	1,033,432	1,182,524

As part of netting fair value obligations and the securities fund for time asset bonds, income of €2,483 thousand from the fair value measurement of the fund was netted against interest expense of €2,483 thousand on provisions.

The calculation of the present value of the defined benefit obligations was based on the following actuarial assumptions:

Percent	GERMANY
	Dec. 31, 2025
Discount rate	2.06
Pay trend	2.15
Pension trend	2.00
Staff turnover rate	1.69

For Germany, the discount rate of 2.06% (average market interest rate of the past ten years) published by the Deutsche Bundesbank for December 2025 pursuant to section 253(2) HGB is used. Discounting using the average market interest rate of the past seven years (2.22%) resulted in a difference of €8,486 thousand.

The other provisions include provisions for the risks arising in connection with existing leases. The provisions for residual value risks amount to €2,566 thousand (previous year: €4,425 thousand). Further notable recognized items include expenses from service leases and expenses for outstanding invoices in an amount of €378,438 thousand (previous year: €317,754 thousand). Provisions totaling €118,035 thousand (previous year: €126,078 thousand) have also been recognized for dealer bonuses and other bonus payments. The provision for expected losses from interest rate derivatives amounted to

€221,000 thousand (previous year: €362,000 thousand). Expected losses from interest rate derivatives are set against positive fair values, which are not reported due to the prudence principle.

The tax write-downs for the office building in accordance with section 3 of the *Zonenrandförderungsgesetz* (ZRFG – German Border Zone Development Act) are recognized in the special tax-allowable reserve. The reported net income is not materially increased by the reversal of the special tax-allowable reserve and the resulting change in the tax expense. This measurement for tax purposes will not have a significant impact on future net income, either.

Subscribed capital did not change in the year under review.

4. Income Statement Disclosures

LEASING INCOME AND LEASING EXPENSE

Leasing income amounts to €30,011,366 thousand. The leasing expense amounts to €15,052,717 thousand and includes the expenses necessary to generate the income. These expenses largely comprise the net carrying amounts of lease assets for which the leases have expired, and expenses from the services business. Net leasing income is €14,958,649 thousand.

INTEREST INCOME AND INTEREST EXPENSE

The breakdown of net interest income/expense is as follows:

€ thousand	Dec. 31, 2025	Dec. 31, 2024
1. Interest income from lending and money market transactions	314,025	546,635
(of which from affiliated companies €222,848 thousand; previous year: €423,279 thousand)		–
2. Interest expense	1,650,851	1,604,612
(of which to affiliated companies €1,255,730 thousand; previous year: €1,173,611 thousand)		–
Total	–1,336,826	–1,057,977

FEE AND COMMISSION INCOME AND FEE AND COMMISSION EXPENSE

Fee and commission income was down because the commission model with Volkswagen Bank GmbH was terminated.

Fee and commission expenses rose slightly to €1,195,912 thousand (previous year: €1,075,659 thousand). In this context, it must be taken into account that fee and commission expenses were reduced by €64,401 thousand (previous year: €72,081 thousand), corresponding to the capitalized amount of put options under contracts dating from 2025.

OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income amounts to €406,315 thousand; it includes income of €211,894 thousand (previous year: €201,709 thousand) from administration and brokerage services provided for third parties and of €68,262 thousand from the allocation of overheads to other entities.

Other operating expenses amounted to €21,903 thousand in the reporting period. This figure includes issuance and rating expenses of €2,304 thousand (previous year: €9,620 thousand) and expenses related to prior periods of €0 thousand (previous year: €80 thousand).

Income from the reversal of special tax-allowable reserves amounts to €59 thousand.

GENERAL AND ADMINISTRATIVE EXPENSES

Personnel expenses break down as follows:

€ thousand	Dec. 31, 2025	Dec. 31, 2024
Salaries	189,678	104,984
Social security contributions and post-employment and other employee benefit costs	63,911	36,409
of which for post-employment benefits	20,481	18,066
Total	253,589	141,393

Other administrative expenses amount to €326,949 thousand. These relate, in particular, to internal charges from other group companies in connection with workplace costs, staff leasing and IT services, and to charges for services provided by third parties.

DEPRECIATION, AMORTIZATION AND WRITE-DOWNS, AS WELL AS INCOME FROM THE REVERSAL OF WRITE-DOWNS AND OF PROVISIONS

Depreciation and write-downs on lease assets are reported separately, the recognized amount for this item being €12,122,852 thousand. This figure includes write-downs to the lower fair value in the amount of €212,800 thousand (previous year: €346,797 thousand). Lease assets have been written down by an additional amount of €55,844 thousand (previous year: €20,387 thousand) to account for risks arising from the early remarketing of vehicles following the default of a lessee (latent credit risk). Amortization and write-downs of intangible fixed assets and depreciation and write-downs of property and equipment amounted to €69,649 thousand (previous year: €64,693 thousand), of which €68,289 thousand was attributable to write-downs of put options.

Expenses for write-downs of, and valuation allowances on, receivables and additions to provisions in the leasing business amounting to €642,458 thousand are offset by corresponding income of €389,882 thousand. The income is mainly attributable to income from reversals of the provision for expected losses from interest rate derivatives (€141,000 thousand).

The above figures resulted in a loss before tax for the reporting period of €210,546 thousand (previous year: profit before tax of €154,874 thousand).

Income tax expense includes tax allocations amounting to €39,480 thousand (previous year: €118,369 thousand).

Under the existing profit-and-loss transfer agreement, the loss after tax of €245,031 thousand is transferred to Volkswagen Bank GmbH.

5. Other Disclosures

BREAKDOWN OF INCOME BY REGION:

€ thousand			Dec. 31, 2025	Dec. 31, 2024
	Germany	Italy	Total	Total
1. Lease income				
Lease payments	9,129,161	746,497	9,875,658	8,939,583
Maintenance and service income	1,394,274	507,759	1,902,033	1,578,591
Used vehicle sales	14,919,310	801,983	15,721,293	14,975,670
Miscellaneous	2,418,145	94,237	2,512,382	2,857,336
	27,860,890	2,150,476	30,011,366	28,351,180
3. Interest income from lending and money market transactions	313,951	74	314,025	546,635
5. Fee and commission income	4,708	–	4,708	55,994
7. Other operating income	383,702	22,613	406,315	462,482
8. Income from the reversal of special tax-allowable reserve	59	–	59	59
13. Income from the reversal of write-downs of and valuation allowances on receivables and from the reversal of provisions in the leasing business	268,410	121,472	389,882	672,776
Total	28,831,720	2,294,635	31,126,355	30,089,126

Interest rate risk has been hedged by interest rate swaps with a total notional value of €33,569,491 thousand. As of the reporting date, the positive fair values were €87,805 thousand and the negative fair values €224,602 thousand. The fair values are determined using the discounted cash flow method with the help of market information as of the reporting date and suitable IT-based valuation methods. In connection with these derivatives, accrued interest of €72,679 thousand is included in other assets and €52,730 thousand in other liabilities.

The put options limit the residual value risk of the vehicles for Volkswagen Leasing GmbH. They give Volkswagen Leasing GmbH the right at the end of the contract term to sell the vehicles to the intermediary dealers at an agreed option price. This option price is therefore the minimum value threshold for Volkswagen Leasing GmbH. In accordance with section 254 of the HGB, the resulting hedge relationship meant that, by applying the net hedge presentation method (*Einfrüerungsmethode*), a write-down of the lease assets in the amount of €313,011 thousand, equivalent to the hedged risk, was avoided.

The annual financial statements of the Company are included in the consolidated financial statements of Volkswagen AG, Wolfsburg (largest basis of consolidation), which are prepared in accordance with the International Financial Reporting Standards and published in the German Federal Gazette.

The annual financial statements of the Company are also included in the consolidated financial statements of Volkswagen Leasing GmbH, Braunschweig (smallest basis of consolidation), which are prepared in accordance with the International Financial Reporting Standards and published in the German Federal Gazette.

To fund the lease assets, Volkswagen Leasing GmbH has placed asset-backed securities transactions (ABS transactions) in the market. Three such transactions were carried out in fiscal year 2025. In 2025, Volkswagen Leasing GmbH generated cash inflows totaling €9,936,245 thousand from the sale of future lease receivables and residual values under these leases. Six further transactions are in place, dating back to prior years. Other than the one-time inflows from each of these transactions, there is no other material impact on the present or future liquidity and financial position of Volkswagen Leasing GmbH.

The land and buildings belonging to Volkswagen Leasing GmbH are largely used by the other companies in the FS subgroup based in Braunschweig.

CONTINGENT LIABILITIES AND OTHER OBLIGATIONS

The irrevocable leasing commitments relate to confirmed leases for which the vehicle had not yet been delivered on the reporting date and for which the credit limit to which the Company had committed itself had thus not yet been utilized. It is expected that the credit will be drawn down, as the commitments relate to leasing agreements that have been entered into. Other financial obligations relate to purchase commitments in an amount that is not material for assessing the company's financial position.

These contingent liabilities and obligations arise from ABS transactions VCL 39, VCL 40, VCL 41, VCL 42, VCL 43, VCL 44, VCL 45, VCL 46 and VCL Master RV C2. A market risk reserve serving as collateral for certain risks was paid to investors in connection with these transactions. It is expected that this collateral will not be called upon, as it is assumed that the risk will not materialize.

In the year under review, Volkswagen Leasing GmbH executed 16,432 payment transactions with a volume of €586 thousand.

Volkswagen Leasing GmbH does not enter into transactions with related parties that are not on an arm's length basis.

The fees paid to the auditor are disclosed in the notes to the IFRS consolidated financial statements of Volkswagen Leasing GmbH. In 2025, the fees attributable to Volkswagen Leasing GmbH for audit-related services concerned the audit of the annual financial statements and reviews of interim financial statements prepared during the year.

The other services performed by the auditor in the reporting period focused mainly on other assurance services.

The average number of employees during the reporting period was:

	Dec. 31, 2025	Dec. 31, 2024
Salaried employees	1,977	1,041
of which senior managers	21	11
of which part time	593	296
Vocational trainees	–	–

The expenses borne by the Company for the Management Board amounted to €873 thousand (previous year: €1,143 thousand).

Provisions of €762 thousand were recognized for pensions and similar obligations in favor of former members of the Management Board or their surviving dependents. No payments have been made to this group of persons to date.

The Management Board is represented on the following supervisory bodies whose establishment is required by law:

Oliver Roes: Supervisory Board of Volkswagen Finance Belgium S.A., Brussels (until April 1, 2025)

Verena Roth: Supervisory Board of Volkswagen Versicherung AG, Braunschweig; Supervisory Board of Volkswagen Autoversicherung AG, Braunschweig

The Management Board of Volkswagen Leasing GmbH proposes that the net retained profits of €648,680.82 be carried forward to the new fiscal year.

6. Report on Post-Balance Sheet Date Events

There were no significant events in the period between December 31, 2025 and February 20, 2026.

7. Company Information

Company: Volkswagen Leasing Gesellschaft mit beschränkter Haftung

Registered office: Braunschweig

Registry court: Amtsgericht Braunschweig, Commercial Register B

Commercial register number: HRB 1858

8. Governing bodies of Volkswagen Leasing GmbH

The Management Board had the following members in the reporting year:

MANUELA VOIGT

Chair of the Management Board

Management, German Market

HENDRIK EGGERS (UNTIL MARCH 31, 2025)

Back Office, Volkswagen Leasing GmbH

OLIVER ROES (SINCE APRIL 1, 2025)

Back Office, Volkswagen Leasing GmbH

VERENA ROTH

Sales, German Market

The Supervisory Board had the following members as of December 31, 2025:

ANTHONY BANDMANN

Chair

Member of the Board of Management of Volkswagen Financial Services AG

Sales and Marketing

Europe region (incl. Germany)

CHRISTIAN LÖBKE

Deputy Chair

Member of the Board of Management of Volkswagen Financial Services AG

Member of the Management Board of Volkswagen Bank GmbH

Risk Management

SARAH AMELING-ZAFFIRO

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

BJÖRN SCHÖNE

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

The Supervisory Board committees of Volkswagen Leasing GmbH had the following members as of December 31, 2025:

AUDIT COMMITTEE

Christian Löbke (Chair)

Anthony Bandmann

Björn Schöne

CREDIT COMMITTEE

Anthony Bandmann (Chair)

Christian Löbke

Björn Schöne

Braunschweig, February 20, 2026
The Management Board

A handwritten signature in black ink, appearing to read 'M. Voigt'.

Manuela Voigt

A handwritten signature in black ink, appearing to read 'O. Roes'.

Oliver Roes

A handwritten signature in black ink, appearing to read 'Verena Roth'.

Verena Roth

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 Leasing GmbH, 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 Volkswagen Leasing GmbH.

Braunschweig, February 20, 2026

Volkswagen Leasing GmbH
The Management Board



Manuela Voigt



Oliver Roes



Verena Roth

Independent Auditor's Report¹

To Volkswagen Leasing GmbH, Braunschweig

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

OPINIONS

We have audited the annual financial statements of Volkswagen Leasing GmbH, Braunschweig (which, together with its dependent branches, forms the Group as defined in ISA [DE] 600 (Revised), which comprise the balance sheet as at 31 December 2025, and the income statement for the fiscal year from 1 January 2025 to 31 December 2025, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Volkswagen Leasing GmbH, Braunschweig, which is combined with the group management report, for the fiscal year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of the corporate governance declaration pursuant to Sec. 289f (4) in conjunction with Sec. 289f (2) No. 4 HGB [“Handelsgesetzbuch”: German Commercial Code] included in the “Corporate Governance Declaration” section of the management report (disclosures on the quota for women on executive boards).

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 applicable to institutions and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its financial performance for the fiscal year from 1 January 2025 to 31 December 2025 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 opinion on the management report does not cover the corporate governance declaration in accordance with Sec. 289f (4) in conjunction with Sec. 289f (2) No. 4 HGB included in the “Corporate Governance Declaration” section of the management report (disclosures on the quota for women on executive boards).

Pursuant to Sec. 322 (3) Sentence 1 HGB, 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.

¹ Translation of the German independent auditor's report concerning the audit of the annual financial statements and management report prepared in German

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as “EU Audit Regulation”) and 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 as well as the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other German professional responsibilities in accordance with these requirements and the IESBA Code. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 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 opinions on the annual financial statements and on the management report.

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 fiscal year from 1 January 2025 to 31 December 2025. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matter:

Determination of the expected residual values of lease assets during impairment testing

Reasons why the matter was determined to be a key audit matter

The lease assets balance sheet item comprises vehicles under leases. The recoverability of the lease assets depends in particular on the expected residual value of the leased vehicles after expiration of the contractual term. The expected residual values are reviewed by the Company on a quarterly basis. The forecast residual values are adjusted to include constantly updated internal and external information on residual values, depending on specific local factors and the experiences gained in the marketing of used cars. This requires management to make, in particular, assumptions about vehicle supply and demand in the future, as well as about vehicle price trends.

The residual values of vehicles are particularly influenced by the development of purchasing power in the respective markets and thus by demand driven by economic conditions and, in the case of electric vehicles, by a high pace of innovation and state subsidies. Due to the ongoing geopolitical tensions, conflicts and protectionist tendencies as well as the resulting risk of negative effects on the German economy, the estimation uncertainty in relation to the determination of the expected residual values remained heightened in the fiscal year. In this light, the determination of the expected residual values of the lease assets during impairment testing was a key audit matter.

Auditor's response

During our audit, we analyzed the process implemented by the Company for determining and monitoring the residual values to identify any risks of material misstatement and obtained an understanding of the process steps and controls. On this basis, we tested the operating effectiveness of the implemented controls over the determination and monitoring of the expected residual values. To assess the forecasting models used to determine the residual values, we analyzed the validation plans on the basis of the respective model designs to determine whether the validation procedures described in the plans allow an assessment of the models' forecast quality. We investigated whether the validation procedures and the backtesting performed led to any indications of model weaknesses or any need to adjust the models. Furthermore, we assessed whether the assumptions underlying the forecasting model and the inputs used for determining the expected residual values were clearly documented. To this end, we obtained evidence for the main inputs and assumptions used for mileage, age and lifecycle phase of the vehicles to determine the residual values and examined them for currentness and transparency. We assessed whether the marketing assumptions used reflect industry-specific and general market expectations as well as, in particular, current marketing results.

Our audit procedures did not lead to any reservations relating to the determination of the expected residual values of the lease assets during impairment testing.

Reference to related disclosures

The Company's disclosures on the recognition and measurement policies applied for lease assets are contained in section 2 "Accounting Policies," section 3 "Balance Sheet Disclosures" and section 4 "Income Statement Disclosures" of the notes to the financial statements.

Other information

The Supervisory Board is responsible for the Report of the Supervisory Board. In all other respects, the executive directors are responsible for the other information. The other information comprises the "Key Figures," "Human Resources Report," "Responsibility Statement" and "Report of the Supervisory Board" sections to be included in the annual report, of which we obtained a copy prior to issuing this auditor's report, but not the annual financial statements, not the management report disclosures whose content is audited and not our auditor's report thereon.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 applicable to institutions, 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 (i.e., fraudulent financial reporting and misappropriation of assets) 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 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 Sec. 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 combined 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures 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 opinion on the effectiveness of the Company's internal control and of such arrangements and measures.
- > 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 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.
- > Plan and perform the audit as we would a group audit as defined in ISA [DE] 600 (Revised) to obtain sufficient appropriate audit evidence regarding the financial information of the dependent branches within the Group as defined in ISA [DE] 600 (Revised) as a basis for forming opinions on the annual financial statements and on the management report. We are responsible for the direction, supervision and review of the work performed for the group audit. We remain solely responsible for our audit opinions.
- > 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 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 assurance on the electronic rendering of the annual financial statements and the management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in "Volkswagen Leasing_GmbH_JA+LB_ESEF-2025-12-31.zip" and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and the accompanying management report for the fiscal year from 1 January 2025 to 31 December 2025 contained in the "Report on the audit of the annual financial statements and of the management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410) (06.2022). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- > Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- > Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- > Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.
- > Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the Annual General Meeting on 26 February 2025 and were engaged by the Management Board on 20 August 2025. We have been the auditor of Volkswagen Leasing GmbH without interruption since fiscal year 2020.

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

In addition to the financial statement audit, we have provided to the Company or entities controlled by it the following services that are not disclosed in the annual financial statements or in the management report:

- > Review of the reporting packages for the reporting dates 31 March, 30 June and 30 September 2025 in accordance with the instructions of the group auditor
- > Agreed-upon procedures relating to the investor reports of VCL Master S.A., VCL Master Residual Value S.A., VCL Multi-Compartment S.A. and Trucknology S.A. as of 31 December 2024
- > Limited assurance engagement on the group sustainability reporting within the meaning of Directive (EU) 2022/2464 (“CSRD”) for the period from 1 January 2025 to 31 December 2025
- > Procedures in accordance with the engagement instructions issued by the auditor performing the assurance engagement on the group sustainability reporting of Volkswagen AG with respect to the reporting package of Volkswagen Leasing GmbH for the period from 1 January 2025 to 31 December 2025

OTHER MATTER – USE OF THE AUDITOR’S REPORT

Our auditor’s report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the *Unternehmensregister* [German Company Register] – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Matthias Koch.

Eschborn/Frankfurt am Main, 23 February 2026

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Koch
Wirtschaftsprüfer
[German Public Auditor]

Hölscher
Wirtschaftsprüfer
[German Public Auditor]

Human Resources Report

Our people are key.

Volkswagen Leasing GmbH in Germany had a total of 1,882 (1,926) employees as of December 31, 2025. The Italian Leasing branch had 102 employees as of December 31, 2025 (previous year: 87).

PEOPLE STRATEGY

The corporate MOBILITY2030 strategy reinforces the objective, as provider of many different mobility solutions, to use a mobility platform to play a central role in the Volkswagen Group. To turn this vision into reality, MOBILITY2030 focuses on the strategic dimensions of Customer Loyalty, Vehicle, Profitability, Data & Technology and Sustainability.

All employees – as a global team – are the foundation for Volkswagen Leasing GmbH’s future success. This central role is expressed by the foundation of MOBILITY2030, “Our People – Our Values”, and emphasizes the significance of employees for each individual strategic dimension. The embedded values, courage, trust and customer centricity, are intended to give employees guidance in their daily work and to motivate them in this process to bring out their best.

As part of the Hello.PEOPLE framework, the Human Resources department developed and refined ten initiatives in the past fiscal year to put people even more at the center of MOBILITY2030 and to support the Company in implementing MOBILITY2030 in the best possible way so that targeted actions can be taken to contribute to developing a powerful organization. In this way, the upcoming challenges and the Company’s transformation are to be shaped together. Change will become an opportunity for sustainable success. A strategy that enables everyone to work at full capacity and realize their potential – where it will have the most effect. “Our Transformation” is the core initiative. It ensures the sustainable development of our workforce. Specific future skills will be identified, data-based decisions enabled and resources deployed efficiently. These goals will be driven through the Diversity, Health, Employee Loyalty, Leadership, Values, Cooperation, New Learning, Change Management and HR Digital initiatives. The degree of maturity of our goals will be determined with mechanisms such as surveys on external and internal employee and customer satisfaction.

Qualified, committed employees who are willing to embrace change are the cornerstones of the Company’s success, and Volkswagen Leasing GmbH continually gives its employees opportunities for further qualification and development. The significance of knowledge and experience is steadily on the rise, especially in the area of digitalization and automation. Accordingly, the focus of further training in the reporting year was again on transferring digital data and AI know-how. This was done by offering various learning formats, from self-service learning through the use of AI-assisted learning platforms down to tailored training and courses of study for selected target groups.

Topics to be mentioned for the reporting year are in particular strategic workforce planning, diversity, culture and leadership.

For the first time, strategic workforce planning was conducted across all departments of Volkswagen Leasing GmbH in Germany. The result available now is an important indication of how quantitative HR requirements and job profiles will change in the future and what qualifications will be required to meet the Company’s long-term targets.

Our leaders have a major influence on the mood and satisfaction of their employees and therefore also on their motivation, willingness to embrace change and commitment.

A Leadership Day was held at the Braunschweig site, enabling active engagement with people initiatives as well as the challenges and opportunities of the leadership role. Supported by input from external presenters, the leaders who attended were also given important ideas for their everyday management work. To ensure that the corporate culture is continuously strengthened, the culture initiatives launched in the previous year were systematically continued in the reporting year. For example, another employee survey was conducted on the Values Index to enable differentiated comments on the perception of corporate values in the teams and to identify potential areas for action and strategic values initiatives.

WORK-LIFE BALANCE

Volkswagen Leasing GmbH is committed to a family-friendly working environment and continually expands its offering to improve the work-life balance. This includes different working time models or the Company's childcare facility, "Frech Daxe" close to the Company's Braunschweig site, which offers flexible care hours and vacation care.

Report of the Supervisory Board

of Volkswagen Leasing GmbH

In the reporting period, the Supervisory Board regularly concerned itself closely with the situation and development of the company. The Management Board regularly provided the Supervisory Board with timely and comprehensive information, both written and oral, on the key aspects of planning, on the situation of the Bank, including the risk position and risk management, and on business development. On the basis of the reports by the Management Board, the Supervisory Board continually monitored the conduct of the business and was thus able to perform the functions entrusted to it by law and under the articles of association without any restrictions. All decisions of fundamental importance to the Bank and other transactions requiring the approval of the Supervisory Board in accordance with the rules of procedure (*Geschäftsordnung*) were reviewed and discussed with the Management Board before a resolution was adopted.

The Supervisory Board has four members. In the reporting year, the Supervisory Board held four regular meetings; there were no extraordinary meetings. The average attendance rate was 100%. Three decisions were made by circular resolution in the reporting period until December 31, 2025.

The main issues discussed at the meetings of the Supervisory Board and the committees are presented below.

MATTERS DISCUSSED BY THE SUPERVISORY BOARD

At its meeting on February 11, 2025, the Supervisory Board gave its approval for granting joint powers of representation (*Prokura*) to certain function holders and appointed Mr. Oliver Roes as a new Management Board member (responsible for Back Office) for Volkswagen Leasing GmbH. In addition, the Supervisory Board heard reports from the Credit Committee and the Audit Committee. It also dealt with the annual report of Internal Audit. This was followed by the presentation of the company report, which focused on strategic, sales and financial developments. Finally there was an update from the Operations unit, and information from the LeAD project (replacement of the old leasing backend system) and an outlook on the upcoming rollout in the dealer organization were shared.

At the meeting on February 25, 2025, the Supervisory Board, at the recommendation of the Audit Committee and following its own detailed review, recommended to the shareholders' meeting to adopt the annual financial statements of Volkswagen Leasing GmbH for the year 2024 prepared by the Management Board, issued a recommendation on the election of the auditor, and commented on the consolidated financial statements.

At the meeting on April 29, 2025, the Supervisory Board reviewed compliance with requirements for granting variable compensation in accordance with section 7 of the *Institutsvergütungsverordnung* (IVV; Remuneration Regulation for Institutions) and submitted recommendations for determining the bonus pool for fiscal year 2024. Furthermore, the Supervisory Board resolved a new malus concept and reviewed the existence of facts qualifying for a malus. The Supervisory Board also defined certain bonus-related ratios for fiscal year 2024, targets for fiscal year 2025 as well as a target path for a ratio for the years 2026 to 2028 and took a decision on the long-term bonus. Finally the Supervisory Board specified payout factors in relation to variable remuneration for the Management Board and extended the mandate of a member of the Management Board.

At the meeting on November 21, 2025, the Supervisory Board discussed the results of the annual appraisal of the Management Board and Supervisory Board. In addition, the Supervisory Board heard reports from the Credit Committee and the Audit Committee. After that the Management Board informed the Supervisory Board extensively on the strategic key topics as well as the sales and financial performance of Volkswagen Leasing GmbH. Moreover, the Supervisory Board received information from the IT unit about the current IT stability/system stability. Finally there was an update from the Operations unit, which focused on the collection unit and the current staffing of the unit as a whole.

COMMITTEE ACTIVITIES

The Supervisory Board has established two committees. The duties and responsibilities of the respective committees are governed by the relevant rules of procedure of the committees.

Audit Committee

The Audit Committee held two regular meetings in the reporting year. The committee has three members, who attended all the meetings in the reporting period.

At the meeting held on February 25, 2025, the committee discussed the consolidated financial statements in accordance with the IFRSs, the annual financial statements in accordance with *Handelsgesetzbuch* (HGB, the German Commercial Code) and the combined management report of Volkswagen Leasing GmbH for fiscal year 2024. As part of this discussion, the Audit Committee discussed with the auditor the reports on the audit of the annual financial statements, the consolidated financial statements and the combined management report of Volkswagen Leasing GmbH, as well as material transactions and issues related to financial reporting. After in-depth discussions, the Audit Committee asked the Supervisory Board to issue a recommendation to the sole shareholder on the adoption of the annual financial statements and the election of the auditor and to prepare the resolution of the shareholders' meeting on issuing the audit engagement. In addition, it was resolved to amend the guidelines of the Audit Committee relating to the services of the network of auditors.

On November 21, 2025, the committee discussed audit planning, key audit matters and the obligations of the auditor to provide certain information. As part of this, it also paid particular attention to the quality of the audit. The Audit Committee also discussed the monitoring of the effectiveness of the internal audit systems, the 2026 audit plan and the monitoring of the effectiveness of the compliance system. Furthermore, the committee informed itself on credit and residual value risks as well as on current audit procedures being performed by supervisory authorities.

By circular resolution dated February 16, 2026, the Supervisory Board dissolved the Audit Committee effective February 23, 2026. The tasks of the Audit Committee will be assumed by the Supervisory Board in future.

Credit Committee

Decision powers assigned to the Credit Committee include the approval of credit exposures submitted, the assumption of sureties, guarantees and similar liabilities, the raising of loans by the Company, the purchase of receivables and framework agreements for the assumption of receivables; the law and the rules of procedure require the Supervisory Board to deal with these matters. The Credit Committee consists of three Supervisory Board members. It takes its decisions by circulation of written resolutions or using electronic credit applications.

EDUCATION AND TRAINING MEASURES

Training sessions were held for the members of the Supervisory Board on “Regulatory Update DORA (Digital Operational Resilience Act)” as well as on “Information and Communication Technology (ICT)”.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Eschborn, was engaged to audit the IFRS consolidated financial statements and the HGB annual financial statements of Volkswagen Leasing GmbH as of December 31, 2025, including the bookkeeping and the combined management report.

The IFRS consolidated financial statements and the HGB annual financial statements of Volkswagen Leasing GmbH as of December 31, 2025 as well as the combined management report were available to the Supervisory Board. The auditor, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Eschborn, audited these financial statements, including the bookkeeping and the combined management report, and issued unqualified audit reports (*uneingeschränkter Bestätigungsvermerk*) in each case.

The reviews of the consolidated financial statements, the annual financial statements and the combined management report by the Audit Committee and the Supervisory Board did not provide any reason for objections. The auditors attended the meeting of the Supervisory Board when this agenda item was discussed, reported on the significant findings of their audit and were available for questions.

At its meeting on February 24, 2026, the Supervisory Board commented on the consolidated financial statements and the annual financial statements of Volkswagen Leasing GmbH prepared by the Management Board and, following a detailed examination, the Supervisory Board recommended to the shareholders’ meeting to adopt the annual financial statements for the year 2025 and to approve the consolidated financial statements.

On the basis of the existing profit and loss transfer agreement with Volkswagen Bank GmbH, registered in the commercial register on July 11, 2024, the loss according to HGB of Volkswagen Leasing GmbH incurred in fiscal year 2025 was absorbed by Volkswagen Bank GmbH.

The Supervisory Board would like to express its thanks and appreciation to the members of the Management Board, the members of the works councils, management and all employees of Volkswagen Leasing GmbH and its affiliated companies for the work performed. With their high level of commitment, they all contributed to the further development of Volkswagen Leasing GmbH.

Braunschweig, February 24, 2026



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Chair of the Supervisory Board

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