

# VOLKSWAGEN BANK

G M B H

ANNUAL REPORT

IFRS

*2025*

# Key Figures

## VOLKSWAGEN BANK GMBH GROUP

€ million (as of Dec. 31)	2025	2024 restated <sup>1</sup>
Total assets	156,541	140,009
Loans and receivables attributable to		
Retail financing	31,345	29,004
Dealer financing	17,492	16,583
Leasing business	28,151	26,280
Lease assets	43,754	36,548
Deposits received in the direct banking business	66,796	56,044
Equity	24,216	21,404
Operating result	2,142	1,105
Profit before tax	2,136	1,116

Percent (as of Dec. 31)	2025	2024
Overhead ratio <sup>1,2</sup>	0.81	0.67
Equity Ratio <sup>1,3</sup>	15.5	15.2
Return on Equity <sup>1,4</sup>	9.4	5.2
Common Equity Tier 1 capital ratio <sup>5</sup>	16.3	16.1
Tier 1 capital ratio <sup>5</sup>	16.3	16.1
Total capital ratio <sup>5</sup>	16.3	16.1

1 Prior-year figures restated.

2 Personnel expenses, nonpersonnel indirect expenses and recognized amortization and depreciation reduced by income from services rendered / average total assets.

3 Equity / total assets

4 Profit before tax / average equity.

5 According to Article 92(1) of the CRR

Number (as of Dec. 31)	2025	2024
Employees	5,012	4,640

RATING (AS OF DEC. 31)	STANDARD & POOR'S			MOODY'S INVESTORS SERVICE			FITCH RATINGS LIMITED		
	Short-term	Long-term	Outlook	Short-term	Long-term	Outlook	Short-term	Long-term	Outlook
Volkswagen Bank GmbH	A-2	BBB+	stable	P-1	A1	negative	F1	A	negative

1 Regulatory ratio in accordance with Article 92(1) of the CRR.

**COMBINED MANAGEMENT REPORT**

<b>5</b>	Fundamental Information about the Group
<b>10</b>	Report on Economic Position
<b>22</b>	Volkswagen Bank GmbH (Condensed, in accordance with the HGB)
<b>25</b>	Report on Opportunities and Risks
<b>66</b>	Report on Expected Developments

**CONSOLIDATED FINANCIAL STATEMENTS**

<b>73</b>	Income Statement
<b>74</b>	Statement of Comprehensive Income
<b>75</b>	Balance Sheet
<b>77</b>	Statement of Changes in Equity
<b>78</b>	Cash Flow Statement
<b>79</b>	Notes to the Consolidated Financial Statements

**FURTHER INFORMATION**

<b>207</b>	Responsibility Statement
<b>208</b>	Country-by-Country Reporting of Volkswagen Bank GmbH
<b>210</b>	Independent Auditor's Report
<b>221</b>	Human Resources Report
<b>224</b>	Report of the Supervisory Board

## **COMBINED MANAGEMENT REPORT**

- 5 Fundamental Information about the Group
- 10 Report on Economic Position
- 22 Volkswagen Bank GmbH  
(Condensed, in accordance with the HGB)
- 25 Report on Opportunities and Risks
- 66 Report on Expected Developments

# Fundamental Information about the Group

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

## **BUSINESS MODEL**

The Volkswagen Bank GmbH 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 Bank 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 segments:

### **Financing**

Vehicle-related financing products for retail and corporate customers, e.g. in the form of deferred payment credit and three-way financing, are distributed predominantly through the Volkswagen Group dealers. Financing products are also available to the authorized dealers themselves, in particular for inventory vehicles, working capital and investment loans.

### **Leasing business**

This segment includes finance leasing and operating leasing for private and corporate customers, along with a range of mobility offerings covering periods from several days to multiple years, as well as fleet management services.

### **Direct banking**

Volkswagen Bank GmbH primarily offers deposit products such as overnight money accounts, term deposits, and savings bonds for private and business customers. In addition, current accounts and various payment transaction solutions are provided. The direct banking business is operated in Germany and through the Bank's branch in Poland.

### Insurance and services

This segment includes, for example, comprehensive and third party liability insurance products. It also covers credit protection insurance safeguarding customers against financial difficulties, such as unemployment, as well as insurance brokerage activities. Additional service products include tire replacement, maintenance and inspection contracts, and extended warranties.

### ORGANIZATION OF VOLKSWAGEN BANK 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 Bank GmbH is to improve the quality offered to both customers and dealerships, make processes more efficient and leverage synergies.

Volkswagen Bank GmbH has three Management Board divisions. The Corporate Management & Operations division is home to Central Business Processes, Bank Corporate Management, Purchasing Financing, Portfolio Financing, Direct Bank Customer Service, Bank Internal Audit and Corporate Customer Sales. This division is led by Dr. Volker Stadler, Chair of the Management Board of Volkswagen Bank GmbH. The Finance division, home to Direct Bank Sales, Reporting, and Group Treasury & Investor Relations, remains the responsibility of Oliver Roes; Chief Representative Holger Prüssner has had managerial responsibility since April 1, 2025. The Risk Management division, headed by Christian Löbke, encompasses Enterprise Risk Management, Operational Risk Management, Applications & Risk Reporting, Bank Back Office, Bank Special Customer Care and Treasury Back Office. As of March 1, 2025, the new area Data & Analytics Bank was added. The three organizational units Bank Back Office, Bank Special Customer Care and Data & Analytics Bank were combined in the newly created Lending Business Germany/Data & Analytics Bank division as of October 1, 2025.

### MOBILITY2030 STRATEGY

The core mission of the companies within the Volkswagen Bank GmbH 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 Bank GmbH 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 Bank GmbH Group companies will contribute to implementing the MOBILITY2030 strategy.

#### PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND 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 Bank GmbH Group is exercising the option to prepare a combined management report.

#### REPORT ON THE SUBSIDIARIES AND BRANCHES

The Volkswagen Bank GmbH Group has a presence in numerous countries within the European market. Each of the Volkswagen Bank GmbH’s international branches in France, Greece, Italy, the Netherlands, Poland, Portugal, Spain and the United Kingdom operate their own local business.

Please refer to the section on changes in equity investments in this report for further information in this regard.

The brand-related branches of the Volkswagen Bank GmbH Group (Audi Bank, SEAT Bank, ŠKODA Bank, AutoEuropa Bank and ADAC Finance Service) are intended to provide specific support for the financing of the corresponding vehicles. The Ducati Bank branch supports the financing of motorcycles.

In Braunschweig, Emden, Ingolstadt, Salzgitter and Wolfsburg, the Volkswagen Bank GmbH Group maintains branches offering customers counter services, advisory support and ATMs.

#### SIGNIFICANT CHANGES IN EQUITY INVESTMENTS

Effective February 3, 2025, Volkswagen Bank GmbH, with its registered office in Braunschweig, Germany, sold its entire equity investment in Volkswagen Finančné služby Slovensko s.r.o., with its registered office in Bratislava, Slovakia, to Porsche Bank AG and Porsche Versicherungs AG, based in Salzburg, Austria. The objective was a strategic realignment of the markets between Porsche Bank AG and Volkswagen Financial Services AG.

Effective July 1, 2025, Volkswagen Financial Services S.p.A., based in Milan/Italy, a previously wholly owned subsidiary of Volkswagen Financial Services AG, was merged by absorption into Volkswagen Bank GmbH. The merger is designed to streamline the structure of Volkswagen Financial Services AG’s equity investments.

There were no other significant changes in equity investments.

## INTERNAL MANAGEMENT

The key performance indicators used by the Group are determined on the basis of the IFRSs and presented as part of the internal reporting system. The most important nonfinancial performance indicators are penetration, current contracts and new contracts. The financial key performance indicators are the volume of business, deposit volume and the operating result, the return on equity and the overhead ratio.

### KEY PERFORMANCE INDICATORS

	Definition
<b>Nonfinancial performance indicators</b>	
Penetration	Amount of new contracts for new Group vehicles under retail financing and leasing business as a proportion of deliveries of Group vehicles, based on the Volkswagen Bank GmbH Group's relevant markets
Current contracts	Contracts recognized as of the reporting date
New contracts	Contracts recognized for the first time in the reporting period
<b>Financial performance indicators</b>	
Volume of business	Loans to and receivables from customers arising from retail financing, dealership financing (incl. factoring), leasing business and direct banking
Volume of deposits	Deposits from direct banking business
Operating result	Interest income from lending transactions and marketable securities, net income from leasing transactions, interest expense, net income from service contracts, net income from insurance business, provision for credit risks, net fee and commission income, net gain or loss on hedges, net gain or loss on financial instruments measured at fair value and on derecognition of financial assets measured at fair value through other comprehensive income, general and administrative expenses and net other operating income/expenses
Return on equity	Return on equity before tax 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 59% of the workforce of Volkswagen Bank GmbH in Germany, but this is not yet reflected in the percentage of women at all management levels. Volkswagen Bank GmbH is working toward achieving the targets for women at all levels. The Bank has set itself the objective of achieving a sustained increase in the proportion of women in management positions. In succession planning, female candidates are systematically considered with the aim of meeting the relevant targets.

## PROPORTION OF WOMEN – TARGET AND ACTUAL VALUES FOR GERMANY

In percent	Target 2026	Actual 2025
Second management level	27.3	14.3
First management level	19.7	15.4
Management Board	20.0	–
Supervisory Board	25.0	50.0

Following completion of the Group restructuring as of July 1, 2024, the companies of the Volkswagen Financial Services AG Group set uniform targets for the proportion of women working at the first and second levels of management throughout the Group. The achievement of the targets for the proportion of women is assessed from a Group perspective, taking into account the fact that the professional development of relevant employees typically takes place across the Group with employees moving between individual Group companies in the course of their career development. Where necessary, Volkswagen Bank GmbH will take (counter)measures to achieve the relevant targets.

**CONSOLIDATED NONFINANCIAL STATEMENT**

Pursuant to section 315b(2) of the HGB, Volkswagen Bank 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 also 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 of March 10, 2026.

# 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 €2.1 billion, the operating result of the prior year was almost doubled.

## OVERALL ASSESSMENT OF BUSINESS PERFORMANCE

The Management Board of Volkswagen Bank GmbH considers the course of business in the year 2025 to have been positive. In particular, the restructuring under company law in the previous year had an effect as the intragroup lending increased from €9.2 billion to €17.3 billion.

The availability of vehicles from the Group brands remained constant, leading to a stable market for new vehicle financing and leasing. Used vehicles also continued to be available on the market. Demand for financing and leasing products was stable despite the, in part, gloomy economic situation on the markets of Volkswagen Bank GmbH. The merger of Volkswagen Financial Services S.p.A. with the Italian subsidiary of Volkswagen Bank GmbH as of July 1, 2025, led to an expansion of the obtainable market. Given the restructuring under company law in the previous year, 2025 is the first full reporting period that includes Volkswagen Leasing GmbH.

As a result, penetration and new contracts are in line with the forecast and current contracts higher than projected, so the high expectation of total business volume for 2025 was even slightly exceeded.

Thus the volume of loans and receivables in the loan portfolio was further expanded. The quality of the loan portfolio remained at a stable level. The residual value portfolio continued to grow in 2025 despite the tense situation on the markets. Changes in residual value risk continue to be closely monitored on an ongoing basis, leading to corresponding measures where required.

Customer deposits were increased by means of specific business policy measures to a significantly higher level than in 2024, to help cover the also substantial increase in business volume of the Volkswagen Bank GmbH Group.

The funding structure remained broadly diversified in terms of the instruments used. The Group's main sources of funding, comprising money and capital markets, ABSs, and also funding through banks and deposits in individual markets, continued to be readily available at Group level and could still be used as required.

The money and capital market rates relevant for funding decreased slightly during 2025. The risk premiums (spreads) fell significantly in the second half of the year after recording a high level for a time at the start of the year owing in particular to the uncertain outcome of the US administration's economic policy measures.

The operating result for fiscal year 2025 had been expected to be very strongly above the 2024 level. This forecast was reaffirmed, supported in particular by the slightly exceeded volume expectations and lower funding costs. Return on equity followed this trend and was as expected. By contrast, the overhead ratio outperformed the forecast.

All forecasts already take into account the new structure of the Volkswagen Bank GmbH Group.

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

	Actual 2024	Forecast 2025		Actual 2025
<b>Nonfinancial performance indicators</b>				
Penetration <sup>1</sup> (percent)	31.0	> 31,0	Very strongly above the level achieved in 2024	48.4
Current contracts (thousands)	8,156	> 8.156	Noticeable above the level achieved in 2024	9,124
New contracts (thousands) <sup>1</sup>	2,052	> 2.052	Very strongly above the level achieved in 2024	3,258
<b>Financial performance indicators</b>				
Volume of business (€ million)	108,947	> 108.947	Noticeable above the level achieved in 2024	121,143
Volume of deposits (€ million) <sup>2</sup>	56,044	> 56.044	Strongly above the level achieved in 2024	66,796
Operating result <sup>2</sup> (€ million) <sup>3</sup>	1,118	> 1.118	Very strongly above the level achieved in 2024	2,142
Return on equity <sup>2</sup> (percent)	5.3	> 5.3	Very strongly above the level achieved in 2024	9.4
Overhead ratio <sup>2</sup> (percent)	0.66	> 0.66	Very strongly above the level achieved in 2024	0.81

<sup>1</sup> For Volkswagen Leasing GmbH (Germany and Italy), contract additions are only taken into account from July 1, 2024

<sup>2</sup> For Volkswagen Leasing GmbH (Germany and Italy), results are only taken into account from July 1, 2024

#### DEVELOPMENTS IN THE GLOBAL ECONOMY

The global economy continued to grow in 2025 at a pace similar to the previous year. In this context, the pace of growth picked up slightly in the emerging markets, while 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. 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 interest 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 rate rose somewhat 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 were on a level with the prior year. 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 in the range of the prior year.

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 and increases, the introduction, expiry and adjustment of incentive programs and sales incentives, as well as import tariffs. 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 in the range of 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, while 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 comparative figure.

## FINANCIAL PERFORMANCE

The net assets, financial position and results of operations described in the following sections were largely shaped by the restructuring under company law in the previous year.

2025 is the first full reporting period that includes Volkswagen Leasing GmbH; this has an impact on the comparative development of the income statement in particular. Regarding changes to prior-year figures, please see the notes to the IFRS consolidated financial statements. The comparative data in this section is based on the adjusted prior-year figures.

The earnings performance of the Volkswagen Bank GmbH Group improved year-on-year in fiscal year 2025.

The operating result almost doubled year-on-year to €2,142.2 million (previous year: €1,104.6 million). Profit before tax increased by €1,019.9 million to €2,136.1 million.

Interest income from lending and securities transactions amounting to €3,305.1 million recorded a slight year-on-year decline. The fall in the general level of interest rates more than offset the increase in the volume of loans and receivables.

At €3,021.6 million, interest expenses are at the pre-year level.

Net income from leasing business increased by €1,639.3 to €3,479.4 million. Net income from service contracts recorded a particularly strong performance as the prior-year figure of €46.4 million rose by a large multiple, to €315.6 million.

Net additions to provisions for credit risks deteriorated by €404.8 million to €-714.5 million. This is due to the significant increase in the volume of loans and receivables.

Net fee and commission income declined by €84.1 million year-on-year to €-42.7 million owing to higher expenses.

The net gain or loss on hedges amounted to a net loss of €124.6 million (previous year: net loss of €38.6 million) generated predominantly on the German market. There was a profit on financial instruments measured at fair value of €64.2 million (previous year: net loss of €66.0 million).

General and administrative expenses rose by €306.3 million to €1,351.6 million, in particular due to the impact of the personnel transfer in the previous year.

Other operating income amounted to €921.7 million (previous year: €467.5 million). This particularly includes income from vehicle marketing of €593.6 million (previous year: €281.7 million). Other operating expenses rose to €688.8 million (previous year: €335.9 million), mostly as a result of vehicle marketing costs incurred.

Including the other components of financial gains or losses, the Volkswagen Bank GmbH Group generated profit after tax of €1,396.7 million (previous year: €674.6 million).

The profit of Volkswagen Bank GmbH determined in accordance with the HGB (after deduction of taxes) amounting to €550.8 million (previous year: €581.7 million) will be transferred to Volkswagen Financial Services AG under the existing profit-and-loss transfer agreement.

### NET ASSETS AND FINANCIAL POSITION

The Management Board of Volkswagen Bank deems the net assets and financial position to be positive.

#### Lending business

The lending business of the Volkswagen Bank GmbH Group is marked by the leasing business; finance leases are reported within loans and receivables from customers while operating leases are reported in lease assets. It is further characterized by vehicle-related loans granted to retail customers, business customers and dealers. Lending to other Group companies also makes a material contribution to the composition of the lending business. The volume of these loans and receivables is €138.0 billion (previous year: €117.7 billion) and represents around 88.2% of the Group's total assets.

#### Retail financing

In the Volkswagen Bank GmbH Group, the total number of current customer financing contracts remains unchanged at 2.0 million. A total of 685 thousand new contracts were concluded in fiscal year 2025 (previous year: 674 thousand). As of December 31, 2025, the volume of loans and receivables in retail financing amounted to €31.4 billion (previous year: €29.0 billion). Of this total, €14.4 billion (previous year: €12.6 billion) was attributable to European countries other than Germany.

#### Dealer financing

The lending volume in dealer financing – which comprises loans to and receivables from dealers in connection with financing for inventory vehicles, as well as working capital and investment loans – rose by 5.5% or €0.9 billion to €17.5 billion.

The volume of loans and receivables related to the international branches came to €10.0 billion (previous year: €9.1 billion) as of the balance sheet date.

#### Lending to other Group companies

Loans to companies of the Volkswagen Financial Services AG Group recorded the strongest year-on-year rise. Overall, this portfolio amounts to €17.3 billion (previous year: €9.2 billion).

### Leasing business

Receivables from leasing transactions (finance leases) were €28.2 billion (previous year: €26.3 billion). This balance sheet item is primarily characterized by the German business of Volkswagen Leasing GmbH, which accounts for around 80.2%.

In the year under review, 1,072 thousand new leases were concluded. As of December 31, 2025, the portfolio comprised 2,722 thousand leased vehicles.

### Marketable securities

The Volkswagen Bank GmbH Group's portfolio mainly consists of fixed-income securities from public-sector issuers amounting to €3.1 billion (previous year: €3.7 billion).

### Assets leased out

This item mostly consists of assets from operating leases, which are predominantly recognized in Germany with a volume of €33.7 billion (previous year: €28.7 billion) or 78.4%.

As of the end of the year, the portfolio consisted of 4,415 thousand contracts signed for services and insurance. The new business volume comprises 1,501 thousand contracts.

#### KEY FIGURES BY SEGMENT AS OF DECEMBER 31, 2025

in thousands <sup>1</sup>	Volkswagen Bank Group	of which: Germany	of which: Italy	of which: France	of which: Spain	of which: other branches/subsidiaries
Current contracts <sup>2</sup>	9,124	5,580	1,744	1,302	327	170
Automotive retail financing	1,875	930	382	127	316	120
Consumer retail financing	111	99	–	–	7	5
Leasing business	2,722	2,029	195	478	4	16
Service/insurance	4,415	2,523	1,167	697	–	29
New contracts <sup>2</sup>	3,258	1,962	571	518	113	93
Automotive retail financing	677	299	142	59	105	73
Consumer retail financing	8	6	–	–	0	2
Leasing business	1,072	814	72	167	8	10
Service/insurance	1,501	843	356	293	–	9
€ million						
Loans to and receivables from customers attributable to						
Retail financing	31,311	16,939	6,902	783	5,338	1,349
Direct banking	437	401	–	–	2	34
Dealer financing	17,492	7,535	1,723	2,524	1,219	4,492
Leasing business	28,148	22,566	1,344	3,966	50	222
Assets leased out	43,754	33,730	3,716	6,244	63	–
Percent						
Penetration rates <sup>3</sup>	48.4	69.3	64.0	63.0	33.2	9.3

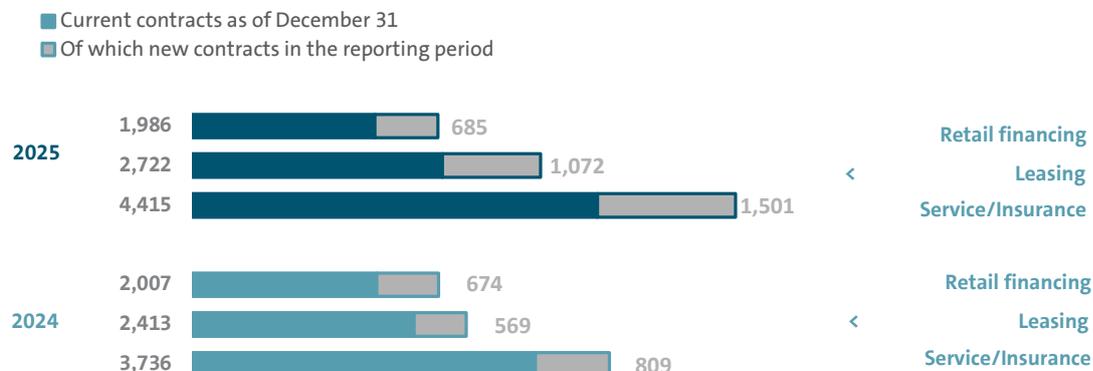
<sup>1</sup> All figures shown are rounded; so minor discrepancies may arise from addition of these amounts.

<sup>2</sup> Current contracts and new contracts in each case in relation to the markets shown for the Volkswagen Bank GmbH Group

<sup>3</sup> Ratio of new contracts for new Group vehicles to deliveries of Group vehicles in each case in relation to the markets shown for the Volkswagen Bank GmbH Group

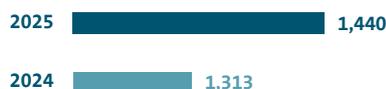
**NEW AND CURRENT CONTRACTS AS OF DEC. 31**

In thousands



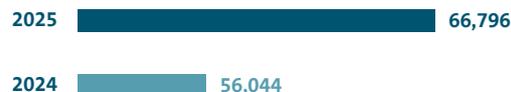
**DIRECT BANK CUSTOMERS AS OF DEC. 31**

Lending and deposit business and borrowings (in thousands)



**CUSTOMER DEPOSITS AS OF DEC. 31**

€ million



Since January 1, 2019, the volume of deposits has been calculated without cash deposits from Group companies.

**Deposit business and borrowings**

Liabilities to customers

The main item on the equity and liabilities side of the balance sheet is liabilities to customers with a volume of €93.4 billion (previous year: €83.4 billion), 71.5% of which derives from the operation of the direct bank's deposit business. In addition to the security provided by statutory deposit guarantees, Volkswagen Bank GmbH is also covered by its ongoing membership in the Deposit Protection Fund of the Association of German Banks (*Bundesverband deutscher Banken e.V.*).

Notes, commercial paper issued

Notes and commercial paper issued in the amount of €32.9 billion (previous year: €30.3 billion) mostly originate from Volkswagen Leasing GmbH's capital market activities.

Equity

Equity was €24.2 billion (previous year: €21.4 billion). It comprises subscribed capital in the unchanged amount of €318.3 million, capital reserves of €14.2 billion (previous year: €12.3 billion), retained earnings of €9.8 billion (previous year: €8.9 billion) and other reserves amounting to €103 million (previous year: €108 million).

### Changes in Off-Balance-Sheet Liabilities

The off-balance-sheet liabilities relate mainly to irrevocable credit commitments. At the Volkswagen Bank GmbH Group, they amounted to €9,549 million as of December 31, 2025 (previous year: €10,336 million).

### REGULATORY OWN FUNDS

Under regulatory requirements, Volkswagen Bank GmbH must comply with the provisions of Regulation (EU) No. 575/2013 (Capital Requirements Regulation, CRR) and satisfy the minimum capital requirements. In this context, Volkswagen Bank GmbH must comply with the minimum capital ratios as specified in Article 92(1) of the CRR at partly consolidated level (IFRS). The minimum ratio under the CRR for Common Equity Tier 1 (CET1) capital is 4.5%, for Tier 1 capital 6% and for total capital 8%.

In addition, Volkswagen Bank GmbH must satisfy the combined capital buffer requirement specified in section 10i of the *Kreditwesengesetz* (KWG – German Banking Act), i.e., the requirements for the capital conservation buffer and the institution-specific countercyclical capital buffer.

In its capacity as the competent supervisory authority for Volkswagen Bank GmbH, the European Central Bank (ECB) can decide in the Supervisory Review and Evaluation Process (SREP) to impose a capital add-on that must be satisfied in addition to the statutory minimum ratios and the capital buffer requirements. The legal basis for this capital add-on, or Pillar 2 requirement (P2R), is Article 16 of Council Regulation (EU) No. 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions. The decision of the ECB requires Volkswagen Bank GmbH to satisfy, at partly consolidated level, a total SREP capital requirement (TSCR) of at least 10.25% and a Pillar 2 requirement of 2.25%. The ECB decision specifies that the Pillar 2 requirement must be satisfied with a minimum of 56.25% in the form of CET1 capital. The remainder of the Pillar 2 requirement can be met with Additional Tier 1 (AT1) capital and Tier 2 (T2) capital.

Volkswagen Bank GmbH complied with all minimum requirements at all times in the reporting period at partly consolidated level.

The total capital ratio (ratio of own funds to total risk exposure) was 16.3% at the end of the reporting period (previous year: 16.1%), significantly above the statutory minimum ratio.

The Tier 1 capital ratio and Common Equity Tier 1 capital ratio were each 16.3% (previous year: 16.1%) at the end of the reporting period, and therefore also significantly above the respective minimum ratios specified in the CRR.

Total risk exposure is calculated on the basis of credit risks, market risks, operational risks and risks arising from credit valuation adjustment (CVA charge). Volkswagen Bank GmbH uses the Standardized Approach for Credit Risk (CRSA) to quantify credit risk and to determine risk-weighted exposures.

The Standardized Approach as specified in Article 313 of the CRR is used to calculate the own funds requirements for operational risk. The own funds requirements for the CVA charge are determined using the standardized method specified in Article 384 of the CRR. The own funds requirements for market risk are calculated as specified in Article 351 of the CRR in accordance with the Standardized Approach for foreign exchange risk.

The following overview shows a breakdown of total risk exposure and own funds:

	Dec. 31, 2025	Dec. 31, 2024
Total risk exposure <sup>1</sup> (€ million)	139,847	114,216
of which risk-weighted exposure amounts for credit risk	127,298	107,439
of which own funds requirements for market risk * 12,5	554	352
of which own funds requirements for operational risk * 12.5	10,715	5,258
of which own funds requirements for credit valuation adjustments * 12.5	1,280	1,167
Own funds (€ million)	22,768	18,350
of which Common Equity Tier 1 capital	22,768	18,350
of which Additional Tier 1 capital	-	-
of which Tier 2 capital	-	-
Common Equity Tier 1 capital ratio <sup>2</sup> (percent)	16.3	16.1
Tier 1 capital ratio <sup>2</sup> (percent)	16.3	16.1
Total capital ratio <sup>2</sup> (percent)	16.3	16.1

<sup>1</sup> According to Article 92(3) of the CRR

<sup>2</sup> According to Article 92(1) of the CRR

REGULATORY RATIOS OF THE VOLKSWAGEN BANK GMBH GROUP AS OF DEC. 31

**Ownfunds and total risk exposure/total risk value**  
in € billion



**Tier 1 capital ratio/  
Common equity Tier 1  
capital ratio**

**Overall ratio/  
Total capital ratio**

**16.3 %**

**16.3 %**

**16.1 %**

**16.1 %**

<sup>1</sup> The amount of Tier 1 capital is the same as the amount of Common Equity Tier 1 capital because Volkswagen Bank GmbH has not issued any Additional Tier 1 instruments.

The year-on-year increase in the regulatory capital ratios (CET1 capital ratio, Tier 1 capital ratio and total capital ratio) is largely attributable to the fact that the rise in own funds more than offset the growth in total risk exposure.

The increase in total risk exposure of €25.6 billion is principally a result of the growth in the business volume in the corporate and retail segments and the coming into force of CRR III.

The rise in the own funds of €4.4 billion is essentially based on a capital increase and an increase in retained profits.

**TIER 1 CAPITAL RATIO/COMMON EQUITY TIER 1 CAPITAL RATIO**  
In %



**OVERALL RATIO/TOTAL CAPITAL RATIO (CRR/SOLVV)**  
In %



Volkswagen Bank GmbH has a capital planning process, the aim of which is to ensure that the regulatory minimum capital ratios are satisfied, even when the volume of business grows. In addition to making additions to capital reserves and using Tier 2 capital proportionately in the form of subordinated liabilities, the Bank can also make use of ABS transactions to optimize its capital management. Volkswagen Bank GmbH therefore has the benefit of a sound foundation for further expansion of the financial services business.

**LIQUIDITY ANALYSIS**

The Volkswagen Bank GmbH Group is funded largely through direct banking deposits and through capital market and asset-backed security programs. If required, funding can be supplemented by central bank liquidity through open market transactions. The Volkswagen Bank GmbH Group holds liquidity reserves in the form of cash balances on its account with the ECB and securities deposited in its pledge account with Deutsche Bundesbank. In addition to bonds from various countries, German federal states (Länder bonds), supranational institutions and multilateral development banks plus covered bonds, with a nominal volume of €3.2 billion, the Volkswagen Bank GmbH Group holds senior ABS bonds issued by special purpose vehicles of Volkswagen Bank GmbH with a nominal volume of €9.0 billion, which are deposited as collateral in the pledge account.

In conjunction with various Internal Liquidity Adequacy Assessment Process (ILAAP) metrics, the normative and economic perspectives of liquidity adequacy are assessed over short-, medium- and long-term time horizons. The Volkswagen Bank GmbH Group ensures that it has appropriate liquidity adequacy at all times by measuring and limiting the ILAAP metrics. A significant ILAAP metric used by Treasury to manage short-term liquidity at Volkswagen Bank GmbH and in the entities within the regulatory basis of consolidation of the Volkswagen Bank GmbH Group is the liquidity coverage ratio (LCR). From January to December in the year under review, this ratio varied between 168% and 313%. The LCR was therefore significantly above the regulatory minimum of 100% at all times. The changes in the liquidity ratio are continuously monitored and proactively managed by a lower limit for internal management purposes. High quality liquid assets for the purposes of the LCR include central bank balances and government bonds plus other securities such as bonds issued by federal states, supranational institutions and covered bonds.

The requirement under the *Mindestanforderungen an das Risikomanagement* (MaRisk – German Minimum Requirements for Risk Management) for the Volkswagen Bank GmbH Group to provide a highly liquid cash buffer and appropriate liquidity reserves to cover any liquidity requirements over 7-day and 30-day time horizons was also satisfied at all times, even under various stress scenarios. Compliance with this requirement is determined and continuously monitored by the liquidity risk management department. In this process, the cash flows for the coming 12 months are projected and compared against the potential funding available in each maturity band. Adequate potential funding to cover the liquidity requirements was available at all times in the normal scenario. The survival period recovery indicator remained within the stipulated limits through the 2025 reporting year.

## FUNDING

### Strategic principles

In terms of funding, the Volkswagen Bank GmbH Group pursues the goal of ensuring liquidity at all times. The concept of diversification includes optimization of the available instruments, currencies, maturities and fixed interest rates, considering cost and risk aspects.

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 of Volkswagen Bank GmbH can be used for the growth of the leasing business in Germany and Europe. Alongside the issue of bonds and ABS transactions, customer deposits at Volkswagen Bank GmbH complete the funding mix.

### Implementation

Out of the €50 billion debt issuance program of Volkswagen Financial Services AG, Volkswagen Bank GmbH and Volkswagen Financial Services N.V., Volkswagen Bank GmbH issued three bonds with eight tranches in 2025. Volkswagen Leasing GmbH no longer operates as an issuer of unsecured bonds on the capital market.

No public securitization transactions were carried out by Volkswagen Bank GmbH in the reporting period. Volkswagen Leasing GmbH was active on the German market with its ABS program. German lease receivables were securitized as part of “Volkswagen Car Lease” (VCL) transactions in February, June, and October. The transactions had a total volume of €3.5 billion.

Moreover, the significant increase in customer deposits can be used to fund the increase in business volume of Volkswagen Leasing GmbH.

#### CAPITAL MARKET TRANSACTIONS IN 2025

Originator	Month	Volume and currency	Maturity
Volkswagen Bank GmbH, Braunschweig (Green)	June	€800 million	3 years
Volkswagen Bank GmbH, Braunschweig (Green)	June	€700 million	6 years
Volkswagen Bank GmbH, Braunschweig (Green)	October	€600 million	3 years
Volkswagen Bank GmbH, Braunschweig (Green)	October	€900 million	4 years
Volkswagen Bank GmbH, Braunschweig (Green)	October	€500 million	7 years
Volkswagen Bank GmbH, Braunschweig (Green)	December	€750 million	2 years
Volkswagen Bank GmbH, Braunschweig (Green)	December	€1.0 billion	4 years
Volkswagen Bank GmbH, Braunschweig (Green)	December	€750 million	7 years

## ABS TRANSACTIONS IN 2025

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

## Ratings

Volkswagen Bank GmbH is a wholly owned subsidiary of Volkswagen Financial Services AG and, as such, its credit ratings with Standard & Poor's (S&P), Moody's Investors Service (Moody's) and Fitch Ratings Limited (Fitch) are closely associated with those of Volkswagen Financial Services AG and the Volkswagen Group.

In December 2025, S&P confirmed the ratings of Volkswagen Financial Services AG and Volkswagen Bank GmbH with a long-term rating of BBB+ and a short-term rating of A-2. Subsequent to the changes at Volkswagen AG, the outlook for Volkswagen Financial Services AG was lowered to "negative" while the outlook for Volkswagen Bank GmbH remained unchanged at "stable".

On March 18, 2025, Moody's lowered the rating of Volkswagen Financial Services AG following the downgrade of Volkswagen AG on March 17, 2025, to a long-term rating of Baa1 while the short-term rating was confirmed at P-2 and the outlook was returned to "stable". By contrast, Volkswagen Bank GmbH's long-term rating of A1 and short-term rating of P-1 were confirmed. The outlook remains "negative".

In September 2025, Fitch confirmed the ratings of Volkswagen Financial Services AG (long-term A-, short-term F1) and Volkswagen Bank GmbH (long-term senior preferred A, short-term F1). The outlook for both was changed from "stable" to "negative" on April 10, 2025, following the change to Volkswagen AG on April 7, 2025.

# Volkswagen Bank GmbH

(Condensed, in accordance with the HGB)

As the parent company, Volkswagen Bank GmbH accounts for a significant share of the business performance of the Volkswagen Bank GmbH Group. Please refer to the previous section for a presentation of the business performance of the Group in accordance with the IFRSs. In the section below, information is provided on the changes in the net assets, financial position and results of operations of Volkswagen Bank GmbH in accordance with the HGB.

## BUSINESS PERFORMANCE 2025

The result from ordinary activities increased to €950.0 million (previous year: €1,053.3 million). The net interest income generated by Volkswagen Bank GmbH increased by €534.2 million to €2,320.5 million. The interest income from lending and money market transactions included here predominantly consists of financing business with end customers, the vehicle and capital investment financing with dealerships, and the finance leases. In addition, loans to companies of the Volkswagen Group and investment in securities contributed to interest income amounting to €4,264.3 million (previous year: €3,983.1 million). In the longer-term segment of customer financing and finance leases, an increase of €577.0 million to €2,055.6 million was recorded due to portfolio growth among other things; whereas the reductions in market interest rates in 2025 had a more pronounced impact in the other subportfolios. Thus interest income in dealer financing, Group loans and securities fell by a total of €295.8 million to €2,208.8 million.

Net income from leasing business amounted to €1,261.6 million (previous year: €1,024.4 million). Within this figure, income from leasing transactions, which rose by €380.4 million, is set against expenses from leasing transactions, which increased by €143.2 million. Interest expenses of €1,943.8 million originate predominantly from the deposit business and fell by €355.8 million year-on-year due to the general course of interest rates. Fee and commission income amounted to €368.9 million and rose by €97.1 million compared with the same period of the prior year. This is due in particular to the merger of Volkswagen Financial Services S.p.A. with the Italian subsidiary of Volkswagen Bank GmbH, as a result of which income from insurance brokerage amounting to €86.0 million was generated. Fee and commission expenses paid mostly for the brokerage of financing contracts and leases came to €796.6 million (previous year: €659.4 million). This increase was primarily due to the development of the customer financing portfolio and the reorganization of the contractual arrangements for the payment of commissions in the German market. The resumption of capital market issuance and the accompanying issuing costs also contribute to this development. Net fee and commission income was thus in negative territory with a net expense of €-427.7 million (previous year: net expense of €-387.5 million).

Other operating income rose by €364.1 million to €761.9 million following a correction in the reporting of liabilities to an ABS special purpose entity.

General and administrative expenses rose by €101.4 million to €928.0 million. A substantial factor in this development is the above-mentioned merger in Italy, which is reflected in both an increase in personnel expenses, and in general and administrative expenses. All told, personnel expenses grew from

€247.0 million in the previous year to €323.6 million in the current year. Other administrative expenses rose by €24.3 million to €604.4 million.

Depreciation and write-downs on lease assets climbed from €972.0 million to €1,323.3 million against the backdrop of the strong portfolio growth in the Bank's branch in France. Other operating expenses increased by €40.7 million to €124.4 million, in particular due to currency conversion effects.

The provision for credit risks deteriorated from a net addition of €165.5 million to a net addition of €382.8 million against the backdrop of the portfolio growth and the weak economic performance. Compared to the previous year, expenses for losses assumed for subsidiary Volkswagen Leasing GmbH in 2025 amounted to €246.2 million.

The profit after tax of €550.8 million (previous year: €581.7 million) will be transferred to Volkswagen Financial Services AG pursuant to the existing control and profit-and-loss transfer agreement.

Total assets rose by €15.5 billion to €118.7 billion. The customer loans and receivables reported in the balance sheet increased by €19.0 billion and amounted to €87.0 billion as of the reporting date. They included the following subportfolios, which all showed a positive development: loans and receivables attributable to sales finance (increase from €2.4 billion to €31.5 billion), loans and receivables in connection with purchase financing (increase from €0.9 billion to €17.5 billion), and receivables from leasing (increase from €1.6 billion to €5.7 billion). However, of primary importance was the increase in receivables from loans to Group companies, which grew by €14.1 billion to €31.5 billion.

The cash reserve rose from €0.9 billion in the prior year to €1.1 billion.

The securities portfolio of Volkswagen Bank GmbH declined by €1.8 billion to €11.9 billion compared with the prior-year reporting date. It comprises securities from own-account ABS transactions amounting to €9.9 billion (previous year: €11.6 billion) and from public-sector issuers of €1.9 billion (previous year: €2.1 billion). Lease assets from operating leases in the amount of €5.7 billion (previous year: €4.5 billion) and the carrying amount of equity investments in subsidiary Volkswagen Leasing GmbH in the unchanged amount of €3.4 billion are further significant asset items.

Of primary importance for the funding of Volkswagen Bank GmbH are the direct banking deposits within liabilities to customers (€82.1 billion, previous year: €73.1 billion). All told, liabilities from demand deposits, time deposits, savings bonds, and savings plans rose by €10.3 billion to €75.3 billion. Notes, commercial paper issued also increased by €5.5 billion to €9.0 billion as a result of new issues. There were further material changes in equity. Capital reserves grew by a total of €1.9 billion to €14.5 billion owing to the above-mentioned merger in Italy and one addition.

## INCOME STATEMENT OF VOLKSWAGEN BANK GMBH, BRAUNSCHWEIG

€ million	2025	2024
Net interest income	2,321	1,786
Net leasing income	1,262	1,024
Net fee and commission income	-428	-388
Income from profit pooling, profit transfer/partial profit transfer agreement	41	140
Administrative expenses	-928	-827
Other comprehensive income	-935	-518
Provision for credit risks	-383	-165
<b>Result from ordinary business activities</b>	<b>950</b>	<b>1,053</b>
Tax expense	-399	-471
Profits transferred under a profit transfer agreement	-551	-582
<b>Net income for the year</b>	<b>0</b>	<b>0</b>
Retained profits brought forward	0	0
<b>Net retained profits</b>	<b>0</b>	<b>0</b>

## BALANCE SHEET STRUCTURE OF VOLKSWAGEN BANK GMBH, BRAUNSCHWEIG

€ million	Dec. 31, 2025	Dec. 31, 2024
<b>Assets</b>		
Cash reserve	1,070	918
Loans to and receivables from banks	8,582	12,106
Loans to and receivables from customers	87,029	67,986
Marketable securities	11,854	13,699
Equity investments and shares in affiliated companies	3,392	3,417
Lease assets	5,689	4,456
Other assets	1,062	553
<b>Total assets</b>	<b>118,679</b>	<b>103,135</b>
<b>Equity and liabilities</b>		
Liabilities to banks	235	288
Liabilities to customers	82,177	73,051
Notes, commercial paper issued	8,976	3,431
Provisions	532	622
Subordinated liabilities	-	-
Funds for general banking risks	26	26
Equity	14,510	12,616
Other liabilities	12,224	13,101
<b>Total equity and liabilities</b>	<b>118,679</b>	<b>103,134</b>
<b>Balance sheet disclosures</b>		
Contingent liabilities	9,138	9,086
Other obligations	9,768	10,280

## OPPORTUNITIES AND RISKS FACING VOLKSWAGEN BANK GMBH

The business performance of Volkswagen Bank GmbH is largely subject to the same opportunities and risks as those faced by the Volkswagen Bank GmbH Group. These opportunities and risks are described in the report on opportunities and risks in the following sections of this management report.

# Report on Opportunities and Risks

**Volkswagen Bank 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 opportunities and risks 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 Bank GmbH anticipates that number of deliveries to Volkswagen Group customers will increase by around 1% year-on-year in 2026. The Volkswagen Bank 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 the Volkswagen Bank GmbH Group 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**

The Volkswagen Bank GmbH Group 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 within Volkswagen Leasing GmbH, which was integrated in 2024. Further opportunities may be created by launching established products in new markets.

The Volkswagen Bank GmbH Group 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 Bank 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 on lending transactions or 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 Bank 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 Bank 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 Bank GmbH.

- > The Management Board of Volkswagen Bank 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, Risk Management, Controlling, and Integrity and Compliance, 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. All accounting tasks (single-entirety and consolidated financial statements) are performed by Volkswagen Financial Services AG in the context of an outsourcing agreement. Volkswagen Leasing GmbH fulfills some of the controlling tasks as part of an outsourcing agreement. The compliance function has also been outsourced to Volkswagen Financial Services AG and is supplemented by the compliance officer function at Volkswagen Bank GmbH.

- > 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 domestic and foreign entities included in the consolidated financial statements of Volkswagen Bank GmbH are governed by the accounting and financial reporting requirements of the IFRS Accounting Standards (IFRSs). Reporting requirements including the accounting policies according to the German Commercial Code (HGB) in conjunction with the *Verordnung über die Rechnungslegung der Kreditinstitute* (RechKredV – German Regulation on Accounting for Banks, Financial Services Institutions and Investment Firms) set out the accounting and valuation principles for the single-entity financial statements of Volkswagen Bank 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 reporting packages to be prepared by the Group companies 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 aimed at ensuring that the consolidated financial reporting provides a true and fair view include the analysis and any necessary adjustment of IFRS reporting packages prepared by the consolidated entities, taking into account the reports submitted by the auditor and the related discussions concerning the 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 auditing is a key component of the monitoring and control system. It carries out regular audits of accounting-related processes in Germany and abroad as part of its risk-oriented auditing activities and reports on these audits directly to the Management Board of Volkswagen Bank GmbH. Parts of Internal Audit's activities are outsourced to Volkswagen Financial Services AG.

In summary, the existing ICS and IRMS of the Volkswagen Bank GmbH are intended to ensure that the financial position of the individual entity Volkswagen Bank GmbH Group as of the reporting date of 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 Bank GmbH after the reporting date.

#### **ORGANIZATIONAL STRUCTURE OF RISK MANAGEMENT**

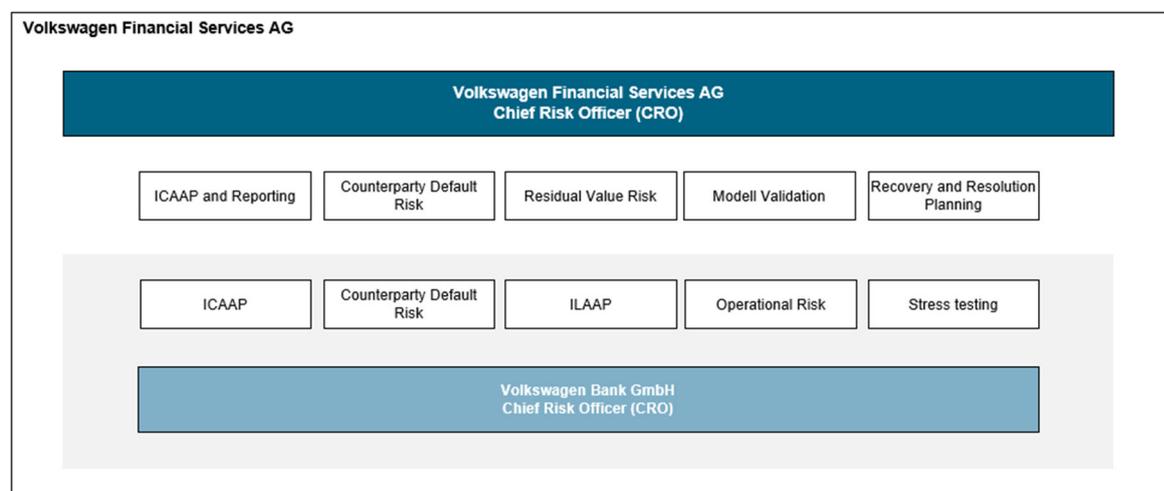
At Volkswagen Bank GmbH, risk is defined as the danger of loss or damage that could occur if an anticipated future development turns out to be less favorable than planned. In the realm of its primary operating activities, Volkswagen Bank GmbH is exposed to a large number of risks typical for the financial services sector. The Group takes on these risks within the limits of the approved risk strategy so that it can target and exploit any resulting market opportunities.

Volkswagen Bank GmbH, working in close cooperation with Volkswagen Financial Services AG, has put a risk management system in place 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 intended to ensure early detection of any trends that could represent a risk to the business as a going concern so that appropriate countermeasures can then be initiated early on.

The entire Management Board is responsible for risk management at Volkswagen Bank GmbH, although responsibility for operational implementation lies with the Chief Risk Officer (CRO). In this function, the CRO submits regular reports on the overall risk position of Volkswagen Bank GmbH to the other members of the Management Board and to the Supervisory Board.

**ORGANIZATIONAL STRUCTURE OF RISK MANAGEMENT**



The Board of Management is supported by several risk management units that were established to perform the operational risk control functions. This means that Volkswagen Financial Services AG and Volkswagen Bank GmbH manage the risks using an integrated approach. In terms of the practical implementation, operational implementation for the liquidity risks (ILAAP), operational risks and activities in stress testing is 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. The risk-bearing capacity of Volkswagen Financial Services AG and Volkswagen Bank GmbH are determined, their capital adequacy assessed (ICAAP – Internal Capital Adequacy Assessment Process) and the counterparty default risks managed in close cooperation between the two companies.

Volkswagen Bank GmbH has implemented suitable procedures to make sure that the risk management system is fit for purpose. The Internal Audit department monitors the individual elements in the system regularly on a risk-oriented basis.

In 2025, no changes were made to the existing Pillar 2 requirement for Volkswagen Bank GmbH of 2.25%. The Pillar 2 requirement, which is specified and reviewed by the ECB banking supervisor every year, must be satisfied in addition to the minimum capital requirements under Pillar 1 and covers risks that are underestimated in or not covered by the minimum capital requirements.

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 issuing and monitoring international framework standards for the procedures to be used across Europe.

In particular, these activities involve providing models for carrying out credit assessments, quantifying the different categories of risk, determining risk-bearing capacity, evaluating collateral and standard procedures for the identification, analysis and assessment of direct and indirect residual value risks. Risk Management is therefore responsible for identifying possible risks, analyzing, quantifying and evaluating risks, and for determining the resulting measures to respond to the risks.

Local risk management units ensure that the requirements specified by Volkswagen Bank GmbH's Risk Management are implemented and complied with in their respective market.

To summarize, continuous monitoring of risks, open and direct communication with the Management Board and the integration of all findings into the operational risk management system together form the basis, in the view of the Management Board, for the best possible leveraging of market potential based on conscious, effective management of the overall risk faced by Volkswagen Bank GmbH.

#### **RISK STRATEGY AND RISK MANAGEMENT**

Fundamental decisions relating to strategy and the instruments of risk management are the responsibility of the Management Board of Volkswagen Bank 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.

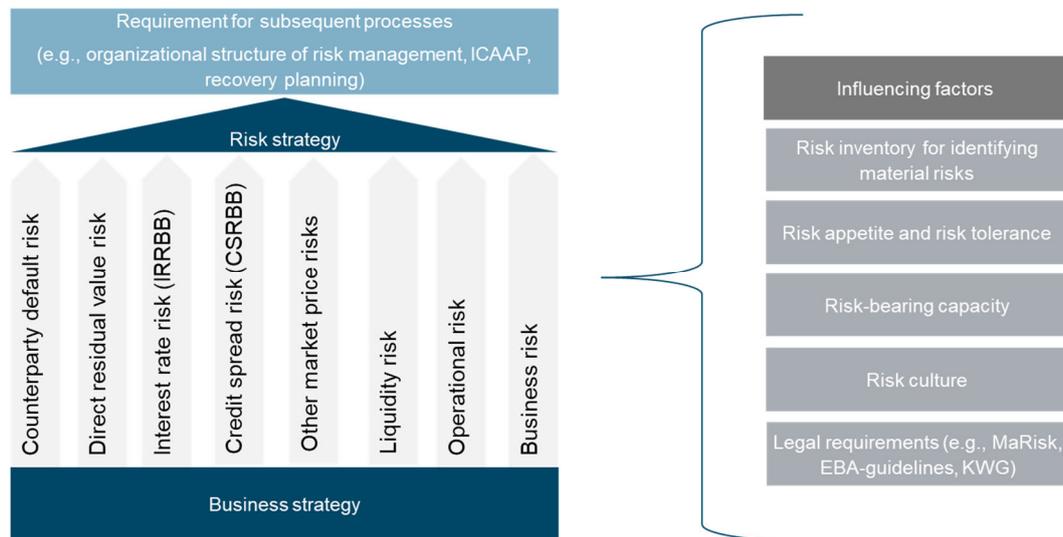
The MOBILITY2030 Group-wide business strategy sets out the fundamental views of the Management Board of Volkswagen Bank GmbH on key matters relating to business policy. It includes the objectives for each major business activity and the strategic areas for action to achieve the relevant objectives. The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

The risk strategy is reviewed each year and whenever required on the basis of a risk inventory, risk-bearing capacity and legal requirements. It is adjusted where appropriate, approved by the Management Board and discussed with the Supervisory Board of Volkswagen Bank GmbH. The risk strategy describes the main risk management goals and action plans for each category of risk, taking into account the business policy focus, risk tolerance and risk appetite. A review is carried out annually to establish whether the goals in the risk strategy have been attained. The causes of any variances are analyzed and then discussed with the Management Board of Volkswagen Bank GmbH.

The risk strategy includes all material quantifiable and non-quantifiable risks. More detailed information and specific examples of the individual risk categories are modeled in the form of subrisk strategies and operationalized in the business and risk planning process.

The Management Board of Volkswagen Bank GmbH is responsible for specifying and subsequently implementing the overall risk strategy in the Volkswagen Bank GmbH Group.

**RISK STRATEGY PROCESS**



**RISK INVENTORY**

The objective of the risk inventory, which has to be carried out at least once a year, is to identify the main categories of risk. To this end, all known categories of risk are examined to establish whether they arise and are relevant in the Volkswagen Bank GmbH Group. In the risk inventory, the relevant categories of risk are examined in greater detail, quantified or, if they cannot be quantified, assessed by experts, and then evaluated to determine whether they are material for the Volkswagen Bank GmbH Group. In accordance with the requirements set out in the ECB Guide to the internal capital adequacy assessment process (ICAAP) and the ECB Guide to the internal liquidity adequacy assessment process (ILAAP), the risk inventory is carried out using both the economic and normative perspectives and, in addition, a gross approach (i.e. an analysis of the risks that does not take into account specific techniques designed to mitigate the underlying risks). The Volkswagen Bank GmbH Group also has an ILAAP-specific framework for risk identification in place as required by the ILAAP guide.

The risk inventory for 2025 carried out as per December 31, 2025 came to the conclusion that the following quantifiable categories of risk should be classified as material: counterparty default risk, direct residual value risk, interest rate risk, credit spread risk (CSRBB), other market risk, funding risk and operational risk. The following categories of risk should be classified as non-material: business risk consisting of earnings risk, reputational risk and strategic risk including ESG markup, and business model risk. The indirect residual value risk and the pension risk are still considered immaterial due to their low share of the overall risk. Other existing subcategories of risk are taken into account within the categories specified above.

### RISK-BEARING CAPACITY, RISK LIMITS AND STRESS TESTING

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 should ensure 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 the Volkswagen Bank GmbH Group meets all relevant regulatory capital ratio requirements (in particular, the requirements for the total capital ratio and CET1 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 Volkswagen Bank GmbH'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 default risk, itself an overarching category of risk, is subdivided into individual limits for credit risk, shareholder risk, issuer risk and counterparty risk. Market risk is also limited separately in 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.

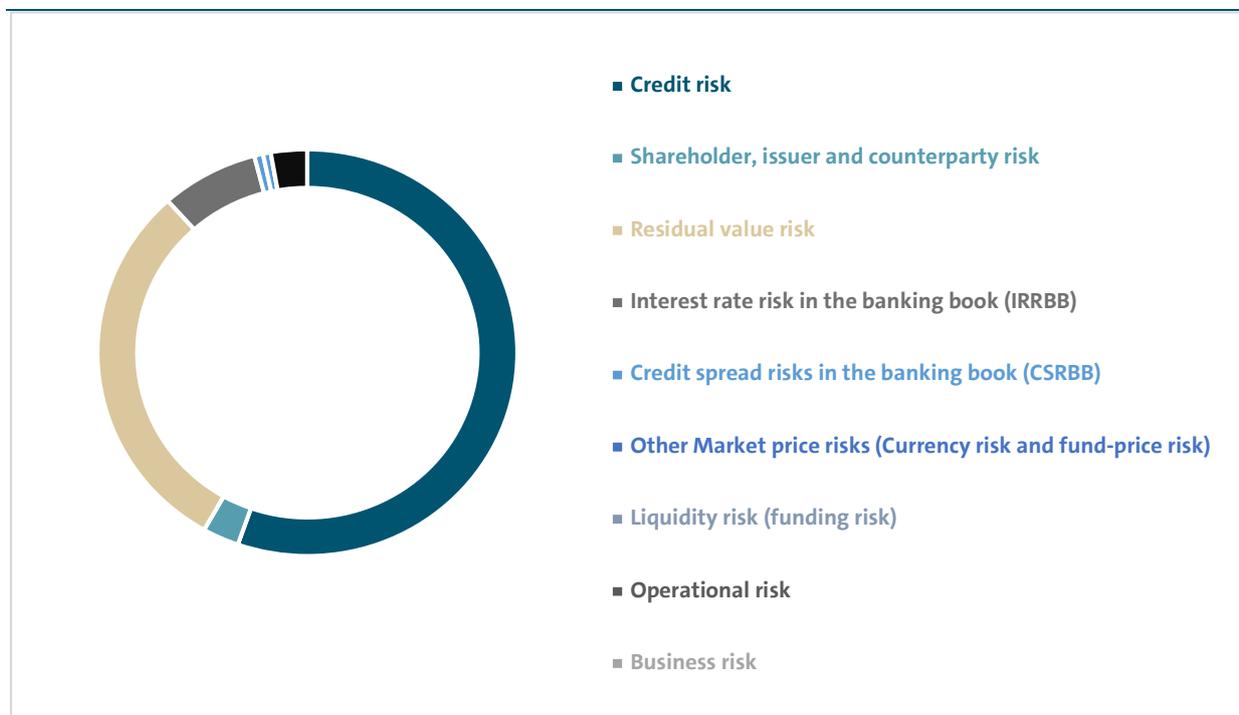
In a second step, the limits for the risk categories of credit and residual value risk are broken down and allocated at the level of the branches and subsidiaries. The business risk, consisting of earnings risk, reputational risk and strategic risk including ESG markup and business model risk, is not 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.

The overall economic risk of the Volkswagen Bank GmbH Group as of December 31, 2025 amounted to €13.7 billion (previous year: €12.2 billion). The apportionment of this total risk by individual risk category was as follows:

**DISTRIBUTION OF RISKS BY RISK CATEGORY**

As of December 31, 2025



**CHANGES IN RISK CATEGORY APPORTIONMENT<sup>1</sup>**

Risk category	€ MILLION		SHARE IN PERCENT	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Credit risk	7,586	6,633	55	54
Shareholder, issuer and counterparty risk	385	508	3	4
Residual value risk	4,145	3,132	30	26
Interest rate risk in the banking book (IRRBB)	1,028	1,487	8	12
Credit spread risks in the banking book (CSRBB)	94	102	1	1
Other market risk (currency and fund price risk)	82	56	1	0
Liquidity risk (funding risk)	–	3	–	0
Operational risk	382	284	3	2
Business risk	0	0	–	0
<b>Total</b>	<b>13,702</b>	<b>12,205</b>	<b>101</b>	<b>99</b>

<sup>1</sup> The confidence level is 99.9% as standard.

Due to the changes to the company, the direct residual value risks constitute the key driver for the year-on-year increase in economic risks.

As of December 31, 2025, risk-taking potential amounted to €22.8 billion and comprised CET1 capital (€22.8 billion) plus accumulated earnings after dividend deduction (€1.6 billion) less hidden charges and loss allowance shortfalls (€1.6 billion in total). As of December 31, 2025, 60% of risk-taking potential was utilized by the risks outlined above. In the period January 1, 2025 to December 31, 2025, the maximum

utilization of the risk-taking potential in the economic perspective was 65%. In addition to determining the risk-bearing capacity in a normal scenario, the Volkswagen Bank GmbH Group also conducts Group-wide stress tests and reports the results to the Management Board. Stress tests are used to examine the potential impact from exceptional but plausible events on the risk-bearing capacity and earnings performance of Volkswagen Bank GmbH Group. 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. The stress tests include both a historical scenario (a repeat of the financial crisis in the years 2008 to 2010) and a hypothetical scenario (a sharp drop in sales in the Volkswagen Group). These scenarios, which cover all categories of risk, are supplemented by sensitivity analyses specific to risk categories. Appended to these analyses are regular stress test analyses with a multi-year time horizon for the normative perspective. In addition, annual reverse stress tests are used to identify what events could represent a threat to the ability of the Volkswagen Bank GmbH Group to continue as a going concern. Stress tests using a multi-year time horizon (for example an economic downturn, ESG scenarios) are also prepared annually.

In 2025, the calculations of risk-bearing capacity confirmed that all material risks that could adversely impact the financial position or financial performance were adequately covered by the available risk-taking potential at all times. The stress tests did not indicate any need for action.

### RISK CONCENTRATIONS

The Volkswagen Bank GmbH Group is a captive finance company in the automotive sector. The business model, which focuses on promoting vehicle sales for the different Volkswagen Group brands, results in concentrations of risk, which can take various 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 Bank GmbH's income is generated from just a few sources (income concentrations)

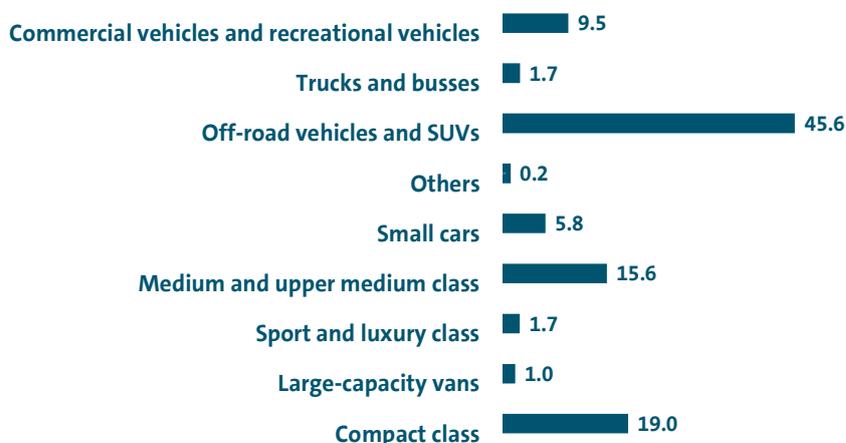
The potential concentrations are counteracted by diversification, for example in the dimensions of brands, models and countries.

Counterparty concentrations from customer business are only of minor significance in the Volkswagen Bank GmbH Group because of the large proportion of business accounted for by retail lending. From a regional perspective, the Volkswagen Bank GmbH Group has a concentration of business in the German market, but looks to achieve broad nationwide diversification within the country.

In contrast, sector concentrations in the dealership business are a natural part of the business for a captive and these concentrations are therefore individually analyzed.

Likewise, a captive cannot avoid collateral concentrations because the vehicle is the predominant collateral asset by virtue of the business model. 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, the Volkswagen Bank GmbH Group enjoys a broad diversification across all vehicle segments (see following diagram) based on a large range of vehicles from the different brands in the Volkswagen Group.

**COLLATERAL STRUCTURE AS OF DECEMBER 31, 2025**  
In %



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 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. The Bank intends to be proactively involved in these changes and make the most of the opportunities that arise.

In this context, the Volkswagen Bank GmbH Group, in its role as a provider of financial products across Europe serving the automotive and individual mobility markets, sees sustainability as a business responsibility and critical strategic success factor.

Based on the goals of the “Sustainability” dimension as part of the corporate strategy MOBILITY2030 that has been defined for Volkswagen Financial Services AG and for the Volkswagen Bank GmbH Group, the risk strategy sets out the fundamental understanding for handling ESG risks and describes the risk strategy guidelines for the operational framework to address this issue. These strategies are complemented by the separate sustainability strategy that was updated at the beginning of 2025.

The Volkswagen Bank GmbH Group attaches high importance to the treatment of sustainability risks that could have negative consequences for the financial position, financial performance and reputation of the Bank 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.

In order to take into account stakeholders’ changing requirements with regard to sustainability at the Volkswagen Bank GmbH Group, in recent years the Volkswagen Bank GmbH Group has gradually integrated ESG risks into the risk management framework as an integral part in the context of a comprehensive sustainability project. Here, ESG risks do not constitute a risk category of their own; rather, they are risk drivers of existing types of risk. Although climate- and environment-specific risk drivers, in particular, are of great importance for the Volkswagen Bank GmbH Group, social and governance risks are also taken into account when identifying, evaluating and managing ESG risks.

In order to ensure that the ESG risks are adequately identified, quantified, managed and monitored, a qualitative and quantitative assessment of the materiality of the ESG risk drivers within the existing risk categories is carried out as part of an annual materiality assessment. Starting from the results of the materiality assessment, appropriate scenarios are devised, which are quantified as part of an annual climate stress test. The definition of ESG key risk indicators ensures that they are integrated into the risk strategy so that they can be managed. To guarantee appropriate monitoring, ESG risks are integrated into the quarterly risk management report. In addition, ESG aspects are regularly published in the Disclosure Report.

In order to address the identified material ESG risks, the Volkswagen Bank GmbH Group has established tools to take ESG aspects into account in its credit and residual value processes. As part of the credit approval process, the Volkswagen Bank GmbH Group assesses ESG risks on the basis of the comprehensive expertise of the front and back office. As part of determining the residual value, the relevant ESG factors are taken into consideration.

As a captive, the Volkswagen Bank GmbH Group is geared to the financing and leasing of passenger cars for retail and corporate customers. This means that the transformation of the automotive industry and the impact on vehicle dealers and the residual values of vehicles constitute a material risk for the Volkswagen Bank GmbH Group.

By contrast, from a funding perspective the electric mobility transformation is supported by the issue of green bonds, assisted by Volkswagen Financial Services AG's positive ESG rating. The Volkswagen Bank GmbH Group established a green finance framework on the basis of ICMA-GBP-2021 and LMA/LSTA/APLMA GLP-2023 standards for the issuance of the green bonds.

In this case, the objective is to base funding to a greater extent on sustainability criteria overall.

The Volkswagen Bank GmbH Group is making various efforts to ensure that its own business operations are net climate-neutral and prevent the danger of serious environmental damage. Accordingly, high priority is being accorded to cutting carbon emissions.

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

The Volkswagen Bank GmbH Group also has a tradition of supporting specific social and environmental protection projects through donations and sponsorship such as wetland restoration projects run by NABU (Nature And Biodiversity Conservation Union in Germany).

### RISK REPORTING

A detailed risk management report is submitted to the Management Board and to the Supervisory Board of Volkswagen Bank GmbH 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 maintain the high quality of the information contained in the risk reports about structures and trends in the portfolios by means of a process of constant refinement and ongoing adjustment in line with current circumstances.

### RECOVERY AND RESOLUTION PLANNING

As part of the Volkswagen Financial Services AG Group, Volkswagen Bank GmbH is included in the group recovery plan of Volkswagen Financial Services AG. The group recovery plan was updated in the course of fiscal year 2025 and submitted to the European Central Bank as 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 Bank 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. Formal delivery of the group recovery plan is expected to take place in the first quarter of fiscal year 2026.

Volkswagen Bank GmbH complied with the applicable bank-specific minimum requirement for own funds and eligible liabilities (MREL) at all times in 2025.

### CURRENT REGULATORY FACTORS

Following years of tightening of the regulatory framework for institution and financial holding groups, the focus of the current EU legislative period is on the topics of competitiveness and cutting red tape through targeted simplifications of the regulatory framework as the European Union's ability to compete against China and the USA is declining. It remains to be seen if this will have a positive impact on the regulatory framework requirements, except for selective improvements. According to a letter by the EU Commission dated October 1, 2025, to the European supervisory authorities, based on an analysis looking at the areas of supervisory and financial regulation there are mandates for 430 delegated acts, of which 115 delegated acts are due to be deprioritized at the EU Commission's suggestion. Although this is likely to weaken the momentum in the area of delegated acts, it will not reverse the trend effectively unless significantly further-reaching measures are taken. Based on past experience, these draft rules and regulations may include a considerable tightening of regulation that cannot be foreseen at present; they need to be identified in the course of the expected consultation processes and highlighted by the associations. The same applies in the context of the envisaged simplifications which could lead to significant tightening in selectively important aspects. As part of the financial holding group Volkswagen Financial Services AG, Volkswagen Bank GmbH will scrutinize these new stipulations, comply with them and take them into account. This may also have implications for the business and risk strategy.

The CRR III came into effect on July 9, 2024, and is concerned primarily with the implementation of Basel IV (also referred to by the Basel Committee as the completion of Basel III). In addition, the reporting requirements and specific requirements for the individual types of risk that must be backed by capital are set out in delegated regulations. Most CRR III provisions have been in force since January 1, 2025. The CRR III reporting requirements had to be implemented by June 30, 2025, with the following exception: the requirements for determining and reporting own funds requirements of market price risks were postponed to January 2, 2027, by Commission Delegated Regulation (EU) 2025/1496.

With regard to credit risk, the final report from the European Banking Authority (EBA) with a draft Commission Delegated Regulation on the allocation and specification of off-balance sheet items has been available since August 2025. It also includes requirements to examine the circumstances under which it can be assumed that a commitment is not unconditionally cancellable and thus a higher standard credit conversation factor must be applied. This may result in higher capital requirements.

Furthermore, in August 2025 the EBA published its final report with drafts of three Commission delegated regulations regarding the recognition and recording of losses from operational risks, of which two are of relevance for the financial holding group Volkswagen Financial Services AG. This relates, first of all, to the final draft of a risk taxonomy for operational risk that includes a list of the types, categories and attributes of operational risk events to be used by institutions when recognizing losses from operational risks. Secondly, to the draft adjustments to the loss data approach through an estimate of the annual loss from operational risks according to a specified methodology if, as was the case with Volkswagen Financial Services AG, the formation of a financial holding group completed on July 1, 2024, results in the addition of new companies to the regulatory basis of consolidation.

To implement CRD VI, which also came into effect on July 9, 2024, and was due to be transposed into national law by January 10, 2026, and applicable as of January 11, 2026, the German *Bundestag* on January 29, 2026, adopted the Recommendation for a Resolution of the Finance Committee of the *Bankenrichtlinienumsetzungs- und Bürokratieentlastungsgesetz* (BRUBEG – CRD VI Implementing and Bureaucracy Reduction Act). The bill requires the approval of the *Bundesrat*. The law was due to be enacted in the first quarter of 2026. It will apply as of April 1, 2026. It includes a large number of new requirements and will lead to significant tightening of the sanctions regime and a widening of

supervisory powers. One focus is the fact that Volkswagen Bank GmbH will, in future, have to adopt an ESG risk plan that will need to be brought to the immediate attention of the supervisory authorities, and according to which Volkswagen Bank GmbH will seek to manage and monitor the transition to a sustainable economy for the banking group, consisting of Volkswagen Bank GmbH and Volkswagen Leasing GmbH. Volkswagen Bank GmbH, Volkswagen Leasing GmbH, and Volkswagen Financial Services AG are currently analyzing the statutory changes and are in the process of deriving the required implementation measures before implementation.

Even after the creation of the financial holding group Volkswagen Financial Services AG, Volkswagen Bank GmbH is considered a significant institution and, as part of this group, it remains subject to the direct supervision of the ECB. This means that it must comply with the EBA guidelines, the requirements of the ECB and the requirements of the German Federal Financial Supervisory Authority (BaFin), including the *Mindestanforderungen an das Risikomanagement* (MaRisk – German Minimum Requirements for Risk Management) insofar as BaFin has not limited the scope of its requirements to less significant institutions. Volkswagen Bank GmbH is also subject to the ECB's Supervisory Review and Evaluation Process (SREP) for the supervised Volkswagen Bank GmbH Group. The EBA has published guidelines concerning SREP implementation and assessment and updates them from time to time. The EBA published its most recent set of revised guidelines on SREP and supervisory stress testing, which have been in effect since January 1, 2023, on March 18, 2022. The revised SREP guidelines serve largely to implement requirements of CRD V, incorporate the stipulations of various new and revised EBA guidelines and are intended to help refine supervisory practice. The changes being introduced include a requirement that ESG risks be incorporated into business model analysis. ESG risks and their consequences are to be assessed in this context with regard to the viability and sustainability of the business model and the long-term resilience of the Volkswagen Bank GmbH Group. In future, this assessment will probably have an increased effect on the level of the overall SREP score determined by the ECB.

On October 25, 2025, the EBA published a consultation paper on changes to the SREP and supervisory stress tests in order to take into account, in particular, changes to regulatory provisions that have occurred in the meantime, including aspects such as resilience.

Once the SREP has been completed, Volkswagen Bank GmbH, like other significant institutions, will be notified of the additional equity requirements and expectations in relation to Pillar 2 along with recommendations for implementation. Volkswagen Bank GmbH is bound to respect that notification for the Volkswagen Bank GmbH Group.

Given that Volkswagen Bank GmbH originates securitizations on a large scale, the provisions of the Securitization Regulation and compliance with the requirements for STS securitizations are also of great relevance. Here, the EU Commission in June 2025 submitted proposals to revive the securitization set of rules on which the Council on December 19, 2025, expressed its opinion and the Rapporteur of the ECON Committee of the EU Parliament on December 11, 2025, presented their report with proposed changes for deliberation in the EU Parliament's ECON Committee. While the Commission draft would probably lead to significantly higher capital requirements for bank investors in triple-A-rated senior STS auto ABS securitization tranches, the Council's viewpoint would, by contrast, lead to a significant reduction in capital requirements for these securitization tranches that are of significance for the funding. The proposal by the EU Parliament's Rapporteur provides for capital relief for these securitization tranches. Because of its importance the legislative process is closely monitored and supported by the associations. The provisions of the Prudential Backstop Regulation for nonperforming loans as described in Art. 47a of the CRR, which entered into force on April 26, 2019, also have a regulatory effect on the capital requirement for credit risk. Regulatory minimum capital requirements for risk exposures that have been

nonperforming for more than two years have been in force since 2021. Failure to comply in full with the regulatory minimum capital requirement necessitates a deduction from Common Equity Tier 1 capital. The regulator does not currently allow CRSA institutions like Volkswagen Bank GmbH to recognize collateral in the form of vehicles, which means that deductions are made from equity. This deduction from equity also affects Pillar II.

The expectations of the ECB set out in its addendum to the guidance on nonperforming loans (prudential provisioning backstop for nonperforming exposures), most recently updated by the expectations regarding adequate prudential minimum provisioning published on August 22, 2019, also have a regulatory impact. Volkswagen Bank GmbH must also ensure that its management of nonperforming loans complies with the EBA Guidelines on the management of nonperforming and forborne exposures, the ECB's Guidance to banks on nonperforming loans and the revised MaRisk published in August 2021. More significant implications for the credit risk strategy can arise should the proportion of nonperforming risk exposures reach or exceed 5% at the level of the Volkswagen Bank GmbH Group or at the level of the single entity. Volkswagen Bank GmbH must additionally comply with the EBA Guidelines on loan origination and monitoring, which define wide-ranging requirements for the assessment of lending operations and thus have implications for credit decisions.

Regulatory influences result from the requirements relating to interest rate risks. They include the guidelines on interest rate risks in the banking book (IRRBB) and credit spread risk arising from non-trading book activities (CSRBB). The adopted delegated act regarding CRD V on the supervisory IRRBB outlier test specifies the six supervisory shock scenarios plus the criteria to be used to assess whether there is a strong decline in net interest income or in the economic value of equity that could trigger supervisory measures. Completing the IRRBB package are extensive reporting requirements for interest rate risk that had to be implemented by September 30, 2024. The LiMA project ensures sustainable IT implementation.

Other regulatory effects on risk management in Pillar 2 stem in particular from the EBA Guidelines on information and communication technology (ICT) and security risk management, and the EBA Guidelines on outsourcing arrangements, which are also considered in the MaRisk published in August 2021.

The Regulation on digital operational resilience for the financial sector (DORA) will also be of great relevance for the requirements for IT. It also largely determines the relationship with ICT service providers. DORA established 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.

A large proportion of the requirements was already familiar from the aforementioned EBA Guidelines on ICT and security risk management, the EBA Guidelines on outsourcing arrangements and from the supervisory requirements for IT in financial institutions (BAIT) and MaRisk. What the regulation does, in effect, is elevate many requirements that were already known onto a statutory footing. The DORA Regulation has applied since January 17, 2025. BaFin has exempted financial undertakings that are directly subject to the DORA Regulation from the scope of BAIT in order to avoid double regulation.

Consequently, BAIT no longer directly addresses Volkswagen Bank GmbH and its subsidiary Volkswagen Leasing GmbH.

Furthermore, the DORA Regulation includes a series of mandates on which delegated regulations were adopted, the most recent of which were published and had to be implemented in the course of 2025. Of particular importance for risk management at Volkswagen Bank GmbH is a delegated regulation for the further harmonization of ICT risk management instruments, methods, processes, and strategies.

The requirements of DORA and the associated delegated regulations were implemented in a project by 31 December, 2025. Its implementation activities were embedded in Volkswagen Financial Services AG. The remaining residual work has been transferred to the line functions and is implemented there. According to current planning, this work is due to be completed by the end of 2026.

Furthermore, on July 16, 2025, the ECB published its “Guide on outsourcing cloud services to cloud service providers.” The ECB guide scrutinizes the requirements of DORA in the context of outsourcing cloud services to cloud service providers, which in many cases are also likely to be critical ICT service providers within the meaning of DORA, and formulates expectations for the relevant implementation of DORA.

In July 2025, the EBA moreover published its consultation paper on its new Guidelines on third-party risk management with regard to non-ICT-related services, which also includes the subcontract award to subcontractors. The Guidelines will expand their scope to the procurement of services from third parties and include outsourcing agreements as a subcategory of third-party services. A consultation on this topic took place in October 2025. A particular focus is on the provision of services for critical or important functions. The draft Guidelines are set to replace the current EBA Guidelines on outsourcing and they are due to be as consistent as possible with the requirements under the DORA framework. In addition, the information requirements for the information register will also be consistent with the DORA requirements, thereby providing the opportunity to maintain only one information register in future. The new Guidelines will result in considerable additional expenses if implemented in this form. For this reason, the institutions will be granted a two-year period for existing service agreements to allow them to review and adapt existing third-party service agreements and to update the information register in line with new and amended information requirements. The banking associations have demanded a stronger focus of the requirements on critical and important functions and a harmonization of DORA requirements where this is meaningful and reasonable in terms of effort. It remains to be seen, therefore, to what extent the proposals by the banking associations for a less bureaucratic implementation will be taken up.

In May 2024, the ECB published its Guide on effective risk data aggregation and risk reporting – RDARR), in which it underlines the great importance it attaches to this issue. The Guide is primarily concerned with the consistent implementation of the principles for effective risk data aggregation and risk reporting issued by the Basel Committee (BCBS 239).

The Guide focuses on seven key areas: a) the responsibilities of the management body, b) the scope of application of the data governance framework, c) key roles and responsibilities for data governance, d) the implementation of an integrated data architecture at group level, e) the effectiveness of data quality controls, f) the timeliness of internal risk reporting and g) implementation programs. Volkswagen Bank GmbH attaches great importance to this matter and is working with Volkswagen Financial Services AG to ensure that there is continuous improvement in data quality. It is also tackling the subject from the governance side, with a Head of Data Governance ensuring there is an appropriate governance framework in place and that data quality will be adequate for regulatory reporting and internal management purposes. The Head of Data Governance is the CRO of Volkswagen Bank GmbH.

Factoring in climate and environmental risks, including transition risk, will continue to play a significant role in risk management. This requires a continuing intensive review of these risks that could be drivers of existing categories of risk and that are considered in the identification, assessment, monitoring and management of the categories of risk. While large amounts of data are already collected to identify and assess any climate and environmental risks, be it for internal risk management or for disclosure purposes, it will remain important to ensure the relevance and quality of this data so it can be managed in line with transition plans.

The ECB's Guide on climate-related and environmental risks remains of particular significance in this connection. Its requirements were implemented by the end of September 2025 following the establishment of the financial holding group in accordance with a plan agreed with the ECB. This plan also included the new Volkswagen Bank GmbH Group, with Volkswagen Leasing GmbH as a subsidiary of Volkswagen Bank GmbH.

It is worth noting that ESG risks must not only be taken into account comprehensively in risk management; a comprehensive disclosure of ESG risks is now required. In the disclosure report of the Volkswagen Bank GmbH Group as of December 31, 2024, for example, extensive sustainability-related information was required. This relates, in particular, to information on CO<sub>2</sub> emissions including emissions related to the financing of vehicles, so-called Scope 3 emissions.

Emissions intensity is expected to decline, with an increase in the proportion of battery-powered vehicles financed, i.e., leased CO<sub>2</sub> emissions are likely to fall relative to the portfolio of loans and receivables over the next few years.

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, whose requirements had to be implemented by January 11, 2026. Whereas a large part of the requirements for managing ESG risks is known from the EBA Guidelines on climate-related and environmental risks and from the MaRisk published at the end of June 2023, these guidelines are noteworthy for the fact that they define standards that are quite binding in some cases; these can be used in the future to measure and verify whether the relevant requirement for managing ESG risks has been met, even though the EBA has somewhat broadened the scope for appropriate, proportional implementation in some areas 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 in a range of cases 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. The specifications resulting from the CRD VI requirements are also new. They relate, in particular, to the requirements for the transition plan that is to be prepared. Accordingly, the management body will, following implementation at the national level, be responsible for the development of specific plans with quantifiable objectives to monitor and mitigate physical and transition risks resulting over the short, medium and long term from the business model and strategy of the institution or group not being consistent with the relevant political objectives of the European Union or more general trends to transition to a more sustainable economy with regard to ecological, social and governance factors.

The long-term time horizon should be at least ten years. Furthermore, the plan must include an interim target for 2030 to demonstrate to the supervisory authorities how the plan enables the institution and the group to identify and measure ESG risks associated with the EU's target of reducing greenhouse gas emissions by 55% from 1990 levels. Furthermore, the transition plans must be consistent with the business strategy, risk appetite, ICAAP and the other risk management processes. In December

2025, Volkswagen Bank GmbH decided on a transition plan for the Volkswagen Bank GmbH Group, which it transmitted to the supervisory authorities in January 2026.

In July 2024, the ECB put a “Draft guide on governance and risk culture” out for consultation. By way of a background, in the context of the crisis on the financial markets, the problems faced by Credit Suisse and the insolvency of major banks in the USA in 2023, governance and risk culture issues are now among the top priorities of regulatory authorities around the world, according to the ECB. This consultation paper has also been prompted by the entry into force of CRD VI in July 2024 as part of the so-called banking package, which is due to be transposed into national law by January 2026 in order to ensure a uniform approach in the national implementation of CRD VI across the major supervised institutions and groups in the eurozone.

The significance of the ECB guide on governance and risk culture lies in the fact that the ECB is specifying and clarifying its supervisory expectations regarding governance and risk culture on the basis of existing regulatory requirements. The ECB guide focuses on the following topics:

- > Requirements relating to the risk culture
- > Functioning and effectiveness of the governing bodies of the supervised companies (including committees of the supervisory board and of the independent members)
- > Functioning and effectiveness of the internal controlling functions consisting of the risk management function, the compliance function and Internal Audit and
- > The design and implementation of the risk appetite framework

The guide outlines the good practices observed in the ECB’s view.

In terms of the policies on the composition and functioning of the governing bodies, a suitability policy and a diversity policy in particular are expected in the future.

A large number of expectations and recommendations set out in the consultation paper were heavily criticized by the banks, as some of them go well beyond existing regulatory requirements and it is at times questionable whether they will really achieve the intended strengthening of governance, although this is welcome in principle. It therefore remains to be seen what the final ECB guide on governance and risk culture will look like. Volkswagen Financial Services AG and Volkswagen Bank GmbH will scrutinize the final ECB guide and derive any need for action and any measures to be taken, where applicable.

Finally, in August 2025 the EBA put revised Guidelines on internal governance out for consultation, designed to specify the implementation of CRD VI. They include, in particular, extensive additional detailed documentation requirements for organizations by mapping the duties in the form of an overview, including details on the reporting lines and areas of responsibility of the persons that are part of the regulations for corporate governance in order to identify and close organizational gaps. These requirements are due to be supplemented with signed individual statements of roles and duties for the members of the management body, the supervisory or administrative board, for key function holders and senior managers in order to strengthen accountability and responsibility. The requirements are due to apply at the level of the individual entity and on a partially and fully consolidated basis. Although a strengthening of governance is to be welcomed on principle, the documentation requirements should be proportionate to a strengthening of internal governance and take greater account of the existing comprehensive internal regulations regarding organization. For this reason, the documentation requirements for the organization, in some cases very detailed, have been criticized by the associations as being disproportionate.

The revised draft of the EBA Guidelines on internal governance moreover provides for the following material changes: the network and information systems have to be set up and managed in accordance with DORA requirements. This will then also apply group-wide. Group-wide implementation already takes place as part of the DORA project. Business continuity management should also be in line with DORA requirements. This, too, applies group-wide. The EBA Guidelines now also take ESG risks into account in corporate governance processes, but these are described in significantly greater detail in the EBA Guidelines on the management of ESG risks. The internal control functions must be strengthened and be given direct access and a reporting line to the supervisory board. Moreover, the remuneration of the directors of the internal control function must in future be monitored directly by the supervisory board. Potential conflicts of interest of the director of an internal control function who is also a member of the management body must be effectively mitigated through appropriate protection and risk mitigation measures. The corporate culture should include diversity and inclusion. Moreover, institutions should aim to establish a culture of equality, diversity and inclusion and prevent discrimination and harassment. Volkswagen Bank GmbH already considers itself to be committed to these values today as part of its corporate culture.

Volkswagen Bank GmbH will continue to scrutinize the EBA draft Guidelines on internal governance and derive any need for action and any measures to be taken for their implementation once the final version has been published.

### **NEW PRODUCTS AND NEW MARKET PROCESS**

Before launching new products or commencing activities in new markets, the Volkswagen Bank GmbH Group first runs through its new product and new market process. 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 involves 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 with the relevant members of the Management Board of Volkswagen Bank 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 presents the risk categories of Volkswagen Bank 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, country risk and shareholder 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 borrower or lessee. Loans to and receivables from Volkswagen Group companies are also included in the analysis. Default occurs when the borrower or 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 default risk in connection with leases, accounts by far for the greatest proportion of risk exposures in the counterparty default risk category.

The aim of a systematic credit risk monitoring system is to identify potential borrower or 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 borrowers or 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

Lending or credit decisions in the Volkswagen Bank GmbH Group are made primarily on the basis of the borrower 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 loan or a lease.

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

To quantify credit 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

The Volkswagen Bank GmbH Group 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 creditworthiness. 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 credit approval and for evaluating the existing portfolio. These scoring systems provide an objective basis for credit decisions. 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, the credit conversion factor, and the expected exposure at default.

For the models and systems for assessing credit quality in the retail and corporate areas a structured validation approach is followed that can take into account both central and local responsibilities. In the validation process, a particular focus will be on the discriminant power of the models and an assessment of whether the model calibration is appropriate to the risk. If a need for action is identified, suitable measures are derived and their implementation monitored in order to ensure consistent application of the standards.

#### Collateral

The general rule is that credit 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 the Volkswagen Bank GmbH Group focus on retail and dealership financing as well as vehicle leasing, the vehicles themselves are hugely 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/remarketing proceeds 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 risk 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 (the) Volkswagen Bank GmbH (Group) are also used to manage credit risk. These limits are specified separately for each individual branch and subsidiary.

#### Trends

The volume of loans and receivables in Volkswagen Bank GmbH Group's loan portfolio increased continuously in fiscal year 2025 and recorded a significant increase (€+16.2 billion in December 2025 compared with December 2024). Alongside the continued strong demand for our products, the absorption of Volkswagen Financial Services S.p.A., Milan, in the Volkswagen Bank Italy branch in July 2025 contributed to the positive development of the volume of loans and receivables. By contrast, the sale of Volkswagen Finančné služby Slovensko s.r.o., Bratislava, to Porsche Bank AG in February 2025 served to reduce the volume of loans and receivables.

Overall, credit risk was observed to remain stable at a moderate level. Nevertheless, a deterioration in the financial situation emerged for individual corporate customers, particularly in the German market, which 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 (increase of €12.0 billion in December 2025 compared with December 2024). The main growth drivers are the German, Italian, and French markets. The increase results particularly from the operating lease, finance lease and deferred payment credit products. Another factor influencing the positive development of loans and receivables volumes in the Italian market was the integration of the business of Volkswagen Financial Services S.p.A., Milan, in the Volkswagen Bank Italy branch in July 2025, whereas the sale of Volkswagen Finančné služby Slovensko s.r.o., Bratislava, to Porsche Bank AG in February 2025 reduced the volume of loans and receivables.

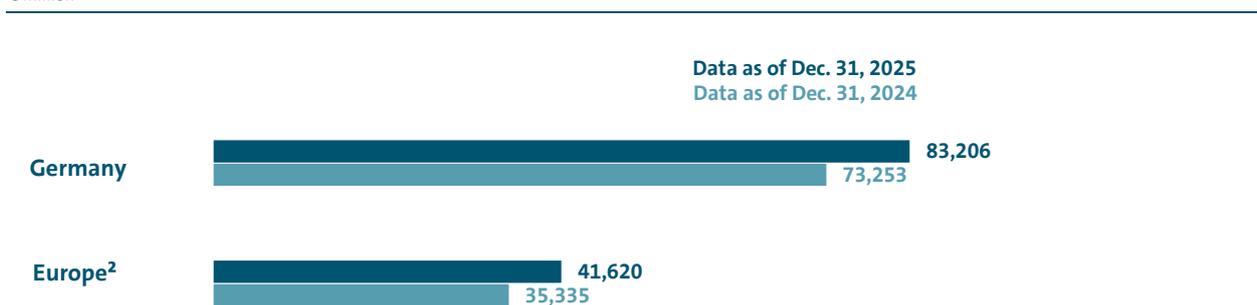
All told, the credit risk in the Volkswagen Bank GmbH Group’s retail portfolio was stable and changed at a moderate level. In fiscal year 2025, the default rate rose slightly from 2.9% in December 2024 to 3.0% in December 2025, and the percentage provision for credit risks remained stable at 1.7% both in December 2024 and December 2025.

### Corporate portfolio

In Volkswagen Bank GmbH Group’s corporate portfolio, an increase in the volume of loans and receivables was also recorded in fiscal year 2025 (increase of €4.2 billion as of December 2025 compared with December 2024), driven primarily 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 3.8% as of December 2024 to 4.5% as of December 2025) and an increase in the percentage provision for credit risks (from 1.6% as of December 2024 to 2.0% as of December 2025). The rise in the default rate is due to the default of individual dealers and fleet customers in the German market, in particular.

**BREAKDOWN OF LENDING VOLUME BY REGION<sup>1</sup>**  
 € million



<sup>1</sup> Figures before application of consolidation effects  
<sup>2</sup> Europe excluding Germany

BREAKDOWN OF LENDING VOLUME BY PD BAND AND PORTFOLIO<sup>1</sup>

€ million

PD band	Retail	Corporate	Total
< = 1 %	30,870	17,977	48,847
	24.7%	14.4%	39.1%
> 1 % < 100 %	51,077	20,539	71,616
	40.9%	16.5%	57.4%
100%	2,544	1,818	4,362
	2.0%	1.5%	3.5%
<b>Total</b>	<b>84,491</b>	<b>40,335</b>	<b>124,826</b>
	67.7%	32.3%	100.0%

<sup>1</sup> 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 default 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 the Bank only takes on risks 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 default 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 Backoffice, 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 Management Board 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 Bank GmbH Group has to take into account country risk particularly in connection with funding and equity investment activities involving foreign companies and in connection with the lending business. Given the focus of business activities in the Volkswagen Bank GmbH Group, only limited country risks could arise as the Group is not usually involved in cross-border lending business, with the exception of intercompany loans. Cross-border activities account for less than 1% of lending business in retail financing. The conventional country risk analysis is not applicable to intercompany lending because, if the difficulties described above were to occur, the funding of the entities through lending could be extended if necessary, thereby ensuring that the entities could continue to operate in the strategic market concerned. For these reasons, 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.

### Shareholder risk

Shareholder risk refers to the risk that after contributions of capital or loans regarded as equity are made to a company, losses with negative effects on the carrying amount of the shareholding might occur (e.g., silent contributions). In principle, the Volkswagen Bank GmbH Group only makes such equity investments to help achieve its corporate objectives. The investments must therefore support the Bank's own operating activities and be as intended a long-term holding.

If shareholder risk were to materialize in the form of a loss of fair value or even the complete loss of an equity investment, this would have a direct impact on relevant financial data. The net assets and financial performance in the Volkswagen Bank GmbH Group would be adversely affected by write-downs recognized in profit or loss.

#### Risk identification and assessment

Shareholder risk reports the total of carrying amounts of all equity investments.

#### Risk monitoring and control

Equity investments are integrated into the annual strategy and planning process of the Volkswagen Bank GmbH Group. It exercises influence over the business and risk policies of the equity investments through its representation on the relevant ownership or supervisory bodies. However, responsibility for the operational use of the risk management tools lies with the entities.

### 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 the Volkswagen Bank GmbH Group. 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 default risk in respect of the bearer of the residual value risk. If the bearer of the residual value risk defaults, the Volkswagen Bank GmbH Group's indirect residual value risk becomes relevant in

that the indirect residual value risk passes back to the Volkswagen Bank GmbH Group and becomes a direct residual value risk. In other words, the Volkswagen Bank GmbH Group reassumes 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 the Volkswagen Bank GmbH Group 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 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). The EL equates to the difference between the contractual residual value specified at the inception of the lease for each vehicle and the latest forecast as of the measurement date of the remarketing proceeds. 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 prior periods.

To determine the UL, the variation is measured between the realized selling price of the sold vehicles, adjusted for damage and mileage variances, and the contractual residual value. A markdown is derived from the history of these variations.

The UL is calculated by multiplying the contractual residual value by the markdown for the leased and still unsold vehicles. 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 determined by aggregating the ULs of the individual vehicles. This figure is determined quarterly. The results from the calculation of the EL and UL are fed in to 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

Risk Management monitors direct residual value risk within the Volkswagen Bank GmbH Group.

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.

The distribution of risks means that the risks incurred in the individual contract analysis are not always fully covered due to the different curve progressions of the residual value (digressive curve) and repayment (progressive) during the term of the lease. Consequently, in future, for the risks already identified the risk amounts allocated during the residual term must be earned and transferred to depreciation.

The preparation of the risk management report includes a review of adequacy in which the level of existing direct residual value risk is compared against the level of the recognized provisions for risks.

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. With regard to new business, the residual value recommendation takes into account prevailing market conditions and factors that might have an influence in future. Various sensitivities for direct residual value risks are also in place to create a comprehensive picture of the risk sensitivity of residual values. These sensitivities are applied under expert leadership with the involvement of the central and local risk specialists. Indirect residual value risks faced by the Volkswagen Bank GmbH Group are subject to plausibility checks and are assessed from the perspectives of risk amount and significance.

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. If necessary, it takes measures to limit the indirect residual value risk.

#### DEVELOPMENT OF DIRECT RESIDUAL VALUE RISK

Direct residual value risk <sup>1</sup>	Dec. 31, 2025	Dec. 31, 2024 <sup>2</sup>
Number of contracts	1,667,109	1,374,006
Guaranteed residual values (€ million)	36,825	28,200
Risk exposure in %	6.80	4.56

<sup>1</sup> Including joint ventures (full inclusion) and subsidiaries recognized at cost  
<sup>2</sup> Errata for calendar year 2024.

In 2025, an increase in the volume of contracts was recorded despite a persistently tense market situation in the reporting year. At the same time, the residual value risk saw an increase that is attributable in particular to the growing portfolio and to the pressure on residual values of used battery-powered vehicles of the first generation. This is due to the ongoing advance of technological developments that lead to major technological leaps between generations and to the continuing political uncertainties in connection with tariffs, trade conflicts, and environmental bonuses.

The residual values of vehicles with combustion engines remain above pre-Covid-19 levels and are stable overall.

The Volkswagen Bank GmbH Group stipulates provisions for the management of residual values; first of all, its procedures for determining risk exposures include forward-looking residual value forecasts. In addition, a system-based solution to forecast the residual values was rolled out during the course of the year. Secondly, requirements applicable throughout the Group have been established that take into account the accounting standards for the provision for credit risks. The rollout of a system-based solution was also started for the portfolio evaluation and calculation of the necessary provision for credit risks. On the basis of this mandatory outer framework the divisions/markets manage and monitor their business policy activities, planning and decisions, in compliance with their assigned authority. For risk monitoring at portfolio level, residual value risks are monitored as part of regular reporting and in the annual planning process.

### Interest rate risk in the banking book (IRRBB)

Interest rate risk in the banking book (IRRBB) consists of potential present-value and periodic losses arising as a result of changes in market interest rates. It occurs because of interest rate mismatches between asset and liability items. The Volkswagen Bank GmbH Group is exposed to interest rate risk in its banking book. The Volkswagen Bank GmbH Group does not keep a trading book.

The objective of interest rate risk management is to control the financial losses arising from this category of risk. With this in mind, the Management Board of the Volkswagen Bank GmbH Group decided on risk limits and other limits whose utilization is reported monthly or quarterly. If limits are exceeded, the situation is escalated on an ad hoc basis to the Management Board and the Asset Liability Management Committee (ALM Committee), which discusses and recommends action to reduce risk.

#### Risk identification and assessment

Present-value interest rate risks for the Volkswagen Bank GmbH Group are determined and reported as part of the monthly monitoring process using the value at risk (VaR). The model is based on a historical simulation and calculates potential losses taking into account a ten-year history of market fluctuations, a holding period of 365 days and with a confidence level of 99.9%. Negative interest rates can also be processed in the historical simulation.

The VaR calculated for operational management purposes estimates potential losses under historical market conditions, but stress tests are also carried out in which interest rate positions are subject to exceptional interest rate changes and worst-case scenarios. The results from 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 the German Federal Financial Supervisory Authority (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.

The behavior of investors with indefinite deposits is analyzed using internal models and methods for managing and monitoring interest rate risk.

In addition to the present value perspective, the interest rate risk in the Volkswagen Bank GmbH Group is measured using the income-oriented and periodic perspective on a quarterly basis. The income-oriented perspective relates to the periodic results and thus creates a direct link with the income statement. The periodic interest rate risks are monitored using limits.

#### Risk monitoring and control

The strategic orientation and management of interest rate risk is decided by the ALM Committee and implemented by Treasury. Interest rate risk is managed on the basis of limits or target structures. Funding instruments and interest rate derivatives are used to ensure adherence to 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 each month.

### Trends

Interest rate risk in the banking book at the level of the Volkswagen Bank GmbH Group remained high in the reporting period due to high interest rate volatility.

### Credit spread risk in the banking book (CSRBB)

The credit spread risk in the banking book (CSRBB) as defined by the 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). The Volkswagen Bank GmbH Group has been monitoring CSRBB for its securities portfolios regularly.

The CSRBB for the Volkswagen Bank GmbH Group is determined and reported as part of the monthly monitoring process using the value at risk (VaR). The model is based on a historical simulation and calculates potential losses taking into account a 10-year history of market fluctuations, a holding period of 365 days and with 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. The Volkswagen Bank GmbH Group is exposed to structural currency risks. These risks arise from the equity investments in the relevant local currency in the foreign branches.

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.

The Volkswagen Bank GmbH Group 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, and 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. As part of risk management activities, currency risk and fund price risk 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.

The model is based on a historical simulation and calculates potential losses taking into account a ten-year history of market fluctuations (volatilities), a holding period of 365 days and with 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 in the Volkswagen Bank GmbH Group is to safeguard the ability of the Group to meet its payment obligations at all times. To this end, the Volkswagen Bank GmbH Group holds liquidity reserves in the form of securities deposited in its operational safe custody account with a number of banks, including Deutsche Bundesbank.

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 consequence of illiquidity risk in the worst-case scenario is insolvency caused by illiquidity. The Volkswagen Bank GmbH Group manages liquidity risk to prevent this situation from arising.

#### Risk identification and assessment

In line with the requirements of the ECB's Supervisory Review and Evaluation Process (SREP), the Volkswagen Bank GmbH Group has an internal liquidity adequacy assessment process (ILAAP). In addition, the Volkswagen Bank GmbH Group has a comprehensive range of tools appropriate to its business model and business strategy to enable it to measure, monitor and control liquidity risk and the relevant risk subcategories.

In conjunction with various ILAAP metrics, the normative and economic perspectives of liquidity adequacy are assessed over short-, medium- and long-term time horizons. The Volkswagen Bank GmbH Group ensures that it has appropriate liquidity adequacy at all times by measuring and limiting the ILAAP metrics. In the normative perspective, the liquidity coverage ratio (LCR) is used to assess the short-term liquidity risk; this approach is complemented by an analysis of the net stable funding ratio (NSFR), which is a longer-term structural liquidity ratio. The economic perspective also distinguishes between the analysis time horizons. For the purposes of safeguarding solvency at all times, utilization limits are specified for potential funding over the short- and medium-term time horizons.

Unexpected funding risks are quantified in order to manage the medium- to long-term funding structure. Liquidity adequacy is evaluated using a baseline scenario and multiple adverse scenarios, and is complemented by reverse stress tests. Stress tests are applied to funding matrices using a scenario approach with scenario triggers from the Bank itself or the market, or a combination of the two. Two approaches are used 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. A risk assessment is a key component in the system to ensure appropriate liquidity adequacy at all times. All ILAAP metrics are linked with other elements of the ILAAP (including liquidity contingency plan, recovery plan) to ensure that an effective overall process is in place. Funding risk is also included in the calculation of risk-bearing capacity for the Volkswagen Bank GmbH Group.

In addition to ensuring appropriate liquidity management, the Group prepares funding matrices, carries out cash flow forecasts and uses this information to determine the relevant range of liquidity coverage.

#### Risk monitoring and control

Volkswagen Bank GmbH's Treasury manages the liquidity of the Volkswagen Bank GmbH Group in operational terms. To this end, it prepares funding matrices, carries out cash flow forecasts and uses this information to determine the relevant range of liquidity coverage. The analysis results, the current liquidity situation and possible funding measures are presented to and discussed with the Operational Liquidity Committee (OLC) at meetings generally held every week.

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

Risk Management communicates the main risk management information and relevant early warning indicators relating to illiquidity risk and funding risk. 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.

#### Risk communication

The ILAAP is a permanent component of the management framework. This means there is regular reporting on all key elements of the ILAAP to the Management Board.

The members of the Management of Volkswagen Bank GmbH are informed on a daily basis of outstanding funding and the value of the securities in the operational safe custody account held with Deutsche Bundesbank.

#### Trends

Liquidity risk at the level of the Volkswagen Bank GmbH Group remained stable. The prevailing global uncertainty did not result in any unanticipated liquidity outflows. Funding instruments remained available and stable at all times. The main ILAAP metrics remained within the specified limits in the reporting period.

### 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 Corporate Communications include avoiding negative press reports or similar communications that might damage the Group's reputation or, if this is not possible, assessing such reports and initiating appropriate communication measures specific to the target group with a view to ensuring that the reputational damage is kept to a minimum. The strategic objective is thus to avoid or reduce negative variances of the reputation from the expected level. Reputational losses or damage to the Group's image may have a direct impact on the company's economic success.

Reputational risk is recognized quantitatively in the context of the risk-taking potential 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 Management in relation to the positioning of the Bank 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 Bank as a going concern.

Strategic risk is included in the calculation of risk-bearing capacity as part of business risk, and also includes a qualitative markup 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.

In the underlying scenario from the climate stress test, the risks of the transformation to a provider of zero-emission mobility is simulated, a development it maps 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 risk.

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, which 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 Three 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 context, it is important to observe the central requirements of risk management with regard to methodology and procedures (central operational risk unit) and the operational risk units responsible for specific risk categories (governance functions with expert knowledge, risk owners for individual causes of risk), which act 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 second line of defense working in pairs (assessor and approver) with the help of two 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 ensures that information about monetary operational losses is collected internally on an ongoing basis and the relevant data is stored. The local experts use this form to determine and record the relevant data, including the amount and cause of the loss.

The risk value (value-at-risk) for operational risk is determined quarterly by the central operational risk unit on the basis of a loss distribution approach (LDA), factoring in the results from the risk self-assessment and actual losses incurred.

#### Risk monitoring and control

Operational risk is managed by the operational risk units (first line of defense) on the basis of the provisions in force and the requirements laid down by the special operational risk 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).

The central operational risk unit assesses the validity of the information from the risk self-assessments and the reported losses, monitors the proper functioning of the operational risk system and, if necessary, makes appropriate adjustments. 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

Communications relating to operational risks are provided quarterly as part of the risk management reports. The quarterly details are supplemented by an annual operational risk report 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

Operational risk from the business activities of Volkswagen Bank GmbH were generally within the strategic limits. Risks classified as legal risks (within the process risk category) account for the largest proportion of risk exposure in the operational risk category. It is followed by the risk category External risk – external services and outsourced tasks. In addition, the topic of technology risks – information and communication technology (in particular due to the generally growing number of cyber attacks and the increasing importance of implications from artificial intelligence) – continues to constitute 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 violations of rules, regulations and laws (compliance risk), a compliance and integrity function has been established in the Volkswagen Bank GmbH Group whose task it 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. 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 values of Financial Services, thereby presenting an obstacle to the sustained success of the business. This differs from 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.

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 a component of the compliance function, the role of the compliance officer is to work toward implementing effective procedures to ensure compliance with material regulations for 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, face-to-face training, e-learning programs, other media-based activities), carrying out 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 material 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 manages the coordination of ongoing legal monitoring, the purpose of which is to ensure that new or amended legal regulations and requirements are identified promptly. All departments and the legal department are actively involved to ensure that new or amended regulations and requirements relevant to their areas of responsibility are identified at an early stage and reported to the compliance officer 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:

- > 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 local branches and companies. Any deviation from the minimum requirements or guidelines is 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 Compliance Officer at the institution concerned.

As in the case of the compliance function, the central integrity function only specifies the framework for the Group. In particular, the internal compliance risk assessment (ICRA), which also covers human rights issues, and the plans for action derived from it on a risk-oriented basis play a particularly prominent role in helping to ensure the Bank's companies and branches take proper account 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.

In cooperation with the Central Clarification Office of Volkswagen AG, an independent, impartial and confidential whistleblower system is operated in order to obtain reports of potential regulatory violations or misconduct by employees. The system enables employees and third parties to report relevant matters – anonymously if desired.

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

To meet the statutory reporting requirements of the compliance unit, the Management Board furthermore receives an annual compliance report, which is updated on an ad hoc basis, including during the year, as necessary. The annual compliance report contains a presentation of the appropriateness and effectiveness of the compliance requirements implemented to ensure compliance with material legal regulations and requirements.

The Management Board has also entered into a voluntary undertaking regarding compliance and integrity to ensure that compliance and integrity issues are always discussed and taken into account in connection with all decisions made by the Management Board.

#### **External risks – 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 of banking activities, financial services or other typical banking-related services that would otherwise be carried out by the outsourcing entity itself.

In the context of the restructuring of the subgroups of Volkswagen Financial Services AG and Volkswagen Bank GmbH implemented in the previous year, internal outsourcing agreements were signed in various functional areas, including IT, Accounting, Controlling, Legal, Compliance, Corporate Security, Human Resources, Internal Audit, Corporate Management, Marketing, Sales, Purchasing, Risk Management and Process Management. Supporting software services of material importance for risk-relevant or financial processes are also considered outsourcing.

By contrast, the one-time or occasional procurement of services and services that cannot be supplied by the institution itself due to legal requirements or because of the actual circumstances is not considered outsourcing. The pure procurement of software without accompanying services is also generally not classified as outsourcing.

The aim of outsourcing risk management is to identify and minimize all risks associated with outsourcing at an early stage. If an elevated level of risk is identified, measures such as a change in service provider or relocation of tasks may be considered. The legal bases for the approach are derived from the *Kreditwesengesetz* (KWG – German Banking Act), the *Mindestanforderungen an das Risikomanagement* (MaRisk – 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. First, it is determined if the activities constitute outsourcing or other procurement and if the outsourcing is permitted. Subsequently a risk assessment is implemented that results in classification of the arrangement as “material” or “non-material” outsourcing. Depending on the risk content, different requirements apply in terms of monitoring, control and contract drafting.

To ensure effective management a framework guideline stipulating the procedure for outsourcings has been introduced. Prior to every outsourcing, the circumstances are examined with a focus on risk. The specialist outsourcing officer carries out checks primarily to establish the quality of performance and, where appropriate, initiates corrective measures. All outsourced activities must be agreed with the central Outsourcing Coordination unit, which is kept informed of all risks and reports regularly to the Management Board.

Responsibility for all outsourcings lies with the Central Outsourcing Officer of Volkswagen Bank GmbH, who is appointed by the Management Board. This function cannot be outsourced. It is, however, supported by the central Outsourcing Coordination unit at Volkswagen Financial Services AG.

### **Technology risks – information and communication technology**

Information and communication technology (ICT) is of key importance for the Volkswagen Bank GmbH Group in the context of the ongoing advance of digitalization and increasing interconnection of business processes. Due to the development and expansion of new technologies, such as artificial intelligence, but also due to the tense geopolitical situation, the banking sector is facing a multifaceted threat situation. As regards cyber threats, a general rise in the number of cyber attacks 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 and supply chain attacks). Hackers use new technologies to perform more sophisticated and more targeted attacks. As a result, companies need to be able to rely on a stable, secure and resilient IT.

ICT risks form part of operational risk and refer to all potential threats and vulnerabilities resulting from the use of IT systems, digital infrastructures and communication networks that may jeopardize the confidentiality, integrity including authenticity and the availability of information. ICT risks result from, for instance, cyber attacks, system outages, data losses or vulnerabilities at third-party providers. Due to the associated potential damage resulting from disruptions or interruptions in business operations, preventative action and countermeasures are continuously implemented and developed at the Volkswagen Bank GmbH Group in order to ensure its IT remains resilient. The focus here is on ensuring the confidentiality, integrity, authenticity and availability of information. The measures are based on various instruments of the Three Lines model to ensure security, stability and compliance within the entire IT-based business operations. The design and implementation of the ICT risk management process

has been outsourced to Volkswagen Financial Services AG. Results and anomalies are reported to Volkswagen Bank GmbH at regular intervals.

Investments in ICT security measures are made on an ongoing basis, with a focus on the continuous monitoring of the threat situation and on raising awareness among employees and offering them training. Identified potential vulnerabilities are systematically transferred to the IKT risk process, assessed and managed in accordance with the risk appetite. In addition, the ICT risk control function, consisting of representatives of Information Security, IT Compliance, ICT Contingency Management and ICT Third-party Management, is tasked with ensuring appropriate management and continuous monitoring of the ICT risk. The ICT risk management framework is reviewed by the company on a regular basis with a view to identifying necessary adjustments to be made. With these measures the Volkswagen Bank GmbH Group is responding to the EU's DORA Regulation (Digital Operational Resilience Act) coming into force in January 2025, as a result of which the requirements for a uniform framework for effective and comprehensive management of ICT risks for financial market players and critical ICT third-party service providers have risen significantly. By addressing these requirements, the company's resilience should be strengthened on a sustained basis and its ICT risks managed appropriately.

#### **SUMMARY**

The Volkswagen Bank GmbH Group 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.

The Volkswagen Bank GmbH Group 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 Report of on Opportunities and Risks, there is currently no evidence of any risks that could jeopardize the continued existence of the Volkswagen Bank GmbH Group as a going concern.

As of December 31, 2025, the regulatory own funds requirements amounted to €11.2 billion. The actual available own funds amounted to €22.8 billion and therefore exceeded the regulatory requirements.

#### **Forecast of material risks**

##### **Credit risk forecast**

The volume of loans and receivables subject to credit risk for the Volkswagen Bank GmbH Group is expected to continue to increase in fiscal year 2026 (by 4% compared with December 2025 based on the 2026 budget). All told, due to the geopolitical and macroeconomic conditions, we expect a challenging risk situation for selected markets of the Volkswagen Bank GmbH Group, both in the retail and the corporate portfolios. That is why it is vital to continue closely monitoring the development of credit risks at the Volkswagen Bank GmbH Group 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**

For 2026 it is expected that the persistent economic and geopolitical uncertainties will lead to a continued tense risk situation. The risk situation of the Volkswagen Bank GmbH Group will be driven largely by the further development of inflation and purchasing power on the markets. The portfolios of the Volkswagen Bank GmbH Group are expected to continue their growth, in particular on account of the implemented growth programs, expansion of the fleet business and the persistent trend away from financing and toward leasing. BEVs of the first generation remain under pressure in a short-term view, and the BEV risk performance is reflected in reduced residual values for new business. It can be assumed, however, that the residual values of ICEs and BEVs of the second generation will stabilize.

**Forecast interest rate risk in the banking book**

From a present-value perspective of the interest rate risk the company is susceptible to rising interest rates. In general, interest rate risk in the banking book in 2026 is expected to be at a comparable level to the prior year, although unexpected significant interest rate increases cannot be ruled out given the macroeconomic situation.

**Liquidity risk forecast**

The restructuring and the integration of new entities into the subgroup will have no material effect on the methods and procedures used by Volkswagen Bank GmbH in relation to liquidity risk owing to its centralized approach to the identification and management of this category of risk. The Bank revises its risk models constantly to ensure they continuously improve and adapt.

Volkswagen Bank GmbH predicts that its funding instruments will still be permanently available in fiscal year 2026 and that the planned growth in the deposit business will be realized. Liquidity risk is expected to remain stable against the backdrop of the corporate reorganization.

**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 Bank 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 Bank 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 Bank 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.v

### 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 financing and leasing the Volkswagen Bank GmbH Group, already today, covers a large proportion of customers mobility needs.

## SUMMARY OF EXPECTED DEVELOPMENTS

The Volkswagen Bank GmbH Group predicts that the volume of business in the upcoming fiscal year will be noticeably above the level of 2025. Please refer to the details provided in the opportunities and risks report for information on changes in credit risk, liquidity risk, and residual value risk.

Sales activities related to the Volkswagen Group brands will be further intensified, particularly through joint strategic projects.

Furthermore, the Volkswagen Bank GmbH Group intends to continue enhancing the leveraging of potential along the automotive value chain. Our aim is to satisfy the wishes and needs of our customers in the most efficient manner in cooperation with the Group brands. Our end customers are looking, in particular, for mobility with predictable fixed costs. In addition, we intend to further expand the digitalization of our business.

The product packages that the Bank believes it has successfully launched in the last few years are due to be refined in line with customer needs.

In parallel with its market-based activities, the Volkswagen Bank GmbH Group aims to further strengthen its position in the European competitive environment through strategic investment in structural projects as well as through the Future program, which focuses on process optimization and productivity improvements.

## OUTLOOK FOR THE YEAR 2026

The Management Board of Volkswagen Bank GmbH expects economic growth in the eurozone to continue its recovery in 2026 and the economy to continue its growth, albeit still muted in Western Europe. Risks originate primarily from the further inflation trend, which has a material impact on interest rate movements. At present, the Management Board projects a slight decline in the inflation rate in Germany and the other markets of Volkswagen Bank GmbH. Geopolitical tensions and conflicts have an additional impact on the growth prospects.

Taking into account the general parameters and market trends, the following overall picture emerges: the earnings expectation is based on the assumption that collaboration with the individual Group brands will intensify, investment in digitalization for the future will increase and that geopolitical upheavals will have a potential impact, as well as further uncertainties regarding the underlying macroeconomic conditions in the real economy and the actual development of deliveries to customers of the Volkswagen Group brands.

In 2026, current contracts are expected to be slightly and business volume perceptibly above the levels in fiscal year 2025. The volume of deposits is anticipated to be significantly higher than in the prior year due to sales measures initiated to help cover the increased funding requirements associated with the integration of Volkswagen Leasing GmbH, completed in 2024, in a cost-optimized manner.

New contracts are expected to be noticeably above the prior-year level despite penetration slightly below the level of 2025, essentially driven by higher additions in the service and insurance business, as well as in the area of used vehicle financing and leasing.

Against the backdrop of the aforementioned effects, an operating result strongly above the prior year is projected for fiscal year 2026.

The projected earnings trend shows a return on equity significantly above the prior-year level in the following year despite the planned further increase in capital requirements in 2026.

Due to stable overheads, the overhead ratio is likely to be on the same level as in the prior year.

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

	Actual 2025	Forecast for 2026	
<b>Nonfinancial performance indicators</b>			
Penetration (percent)	48.4	< 48.4	Slightly below the previous year
Current contracts (thousands)	9,124	> 9,124	Slightly above the previous year
New contracts (thousands)	3,258	> 3,258	Noticeably above the previous year
<b>Financial performance indicators</b>			
Volume of business (€ million)	121,143	> 121,143	Noticeably above the previous year
Volume of deposits (€ million)	66,796	> 66,796	Significantly above the previous year
Operating result (€ million)	2,142	> 2,142	Strongly above the previous year
Return on equity (percent)	9.4	> 9.4	Significantly above the previous year
Overhead ratio (percent)	0.81	= 0.81	at the level

This annual report contains forward-looking statements on the future business development of Volkswagen Bank GmbH Group. These statements are based on assumptions relating to changes in the economic, political and legal environment in individual countries, economic regions and markets, in particular for financial services and the automotive industry; these assumptions have been made on the basis of the information available and Volkswagen Bank 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.

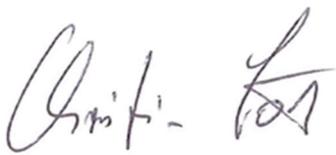
Braunschweig, February 24, 2026  
The Management Board

A handwritten signature in black ink, appearing to read 'Volker Stadler'.

Dr. Volker Stadler

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

Oliver Roes

A handwritten signature in black ink, appearing to read 'Christi. Løbke'.

Christian Løbke

## **CONSOLIDATED FINANCIAL STATEMENTS**

73	Income Statement
74	Statement of Comprehensive Income
75	Balance Sheet
77	Statement of Changes in Equity
78	Cash Flow Statement
79	Notes to the consolidated financial statements
79	General Information
79	Basis of Presentation
80	Changes in prior-year figures
88	Effects of New and Revised IFRSs
89	New and Revised IFRSs Not Applied
90	Accounting Policies
113	Income Statement Disclosures
121	Balance Sheet Disclosures
143	Financial Instrument Disclosures
180	Segment reporting
185	Other Disclosures
204	Shareholdings

## **FURTHER INFORMATION**

207	Responsibility Statement
208	Country-by-Country Reporting of Volkswagen Bank GmbH
210	Independent Auditor's Report
221	Human Resources Report
224	Report of the Supervisory Board

# Income Statement

## of the Volkswagen Bank GmbH Group

€ million	Note	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024 restated <sup>1</sup>	Change in percent
Interest income from lending transactions and marketable securities	5, 9, 20, 58	3,305	3,502	–5.6
Income from leasing transactions		20,607	9,536	X
Depreciation, impairment losses and other expenses from leasing transactions		–17,128	–7,696	X
Net income from leasing transactions	5, 9, 14-15, 21, 69	3,479	1,840	89.1
Interest expense	5, 9, 22, 58	–3,022	–2,997	0.8
Income from service contracts		2,440	1,083	X
Expenses from service contracts		–2,125	–1,037	X
Net income from service contracts	5, 23	316	46	X
Provision for credit risks	9, 24, 58	–715	–310	X
Fee and commission income		197	144	37.1
Fee and commission expenses		–240	–103	X
Net fee and commission income	5, 25	–43	41	X
Net gain or loss on hedges	9, 10, 26	–125	–39	X
Net gain/loss on financial instruments measured at fair value	9, 27, 58	64	–66	X
General and administrative expenses	5, 12-14, 16-17, 28	–1,352	–1,045	29.3
Net other operating income		922	467	97.2
Other operating expenses		–689	–336	X
Net other operating income	5, 29	233	132	77.0
<b>Operating result</b>		<b>2,142</b>	<b>1,105</b>	<b>93.9</b>
Share of profits and losses of equity-accounted joint ventures		–	–1	X
Net gain or loss on miscellaneous financial assets	11, 30	0	23	–99.5
Other financial gains or losses	31	–6	–10	–40.1
<b>Profit before tax</b>		<b>2,136</b>	<b>1,116</b>	<b>91.4</b>
Income tax expense	7, 32	–739	–442	67.4
<b>Profit after tax</b>		<b>1,397</b>	<b>675</b>	<b>X</b>
Profit after tax attributable to Volkswagen Financial Services AG (previous year: Volkswagen AG)		1,397	675	X

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

# Statement of Comprehensive Income

## of the Volkswagen Bank GmbH Group

€ million	Note	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024 restated <sup>1</sup>
<b>Profit after tax</b>		<b>1,397</b>	<b>675</b>
Pension plan remeasurements recognized in other comprehensive income	16, 50		
Pension plan remeasurements recognized in other comprehensive income, before tax		44	1
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	7, 32	–10	0
Pension plan remeasurements recognized in other comprehensive income, net of tax		34	1
Fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax	9	–3	9
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax		–	–
<b>Items that will not be reclassified to profit or loss</b>		<b>31</b>	<b>10</b>
Exchange differences on translating foreign operations	4		
Gains/losses on currency translation recognized in other comprehensive income		–14	15
Transferred to profit or loss		–	0
Exchange differences on translating foreign operations, before tax		–14	15
Deferred taxes relating to exchange differences on translating foreign operations	7, 32	–	–
Exchange differences on translating foreign operations, net of tax		–14	15
Hedging transactions	9		
Fair value changes recognized in other comprehensive income (OCI I)		93	–51
Transferred to profit or loss (OCI I)		–98	73
Cash flow hedges (OCI I), before tax		–5	22
Deferred taxes relating to cash flow hedges (OCI I)	7, 32	2	–7
Cash flow hedges (OCI I), net of tax		–3	16
Fair value changes recognized in other comprehensive income (OCI II)		–	–
Transferred to profit or loss (OCI II)		–	–
Cash flow hedges (OCI II), before tax		–	–
Deferred taxes relating to cash flow hedges (OCI II)	7, 32	–	–
Cash flow hedges (OCI II), net of tax		–	–
Fair value valuation of debt instruments that may be reclassified to profit or loss	9		
Fair value changes recognized in other comprehensive income		49	78
Transferred to profit or loss		–9	–8
Fair value valuation of debt instruments that may be reclassified to profit or loss, before tax		40	70
Deferred taxes relating to fair value valuation of debt instruments that may be reclassified to profit and loss	7, 32	–15	–21
Fair value valuation of debt instruments that may be reclassified to profit or loss, net of tax		25	49
Share of other comprehensive income of equity-accounted investments that may be reclassified to profit or loss, net of tax		–	–
<b>Items that may be reclassified to profit or loss</b>		<b>8</b>	<b>80</b>
Other comprehensive income, before tax		62	118
Deferred taxes relating to other comprehensive income		–23	–28
<b>Other comprehensive income, after tax</b>		<b>39</b>	<b>90</b>
<b>Total comprehensive income</b>		<b>1,435</b>	<b>764</b>
Total comprehensive income attributable to Volkswagen Financial Services AG (previous year: Volkswagen AG)		1,435	764

<sup>1</sup> Adjustment of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets, the correction of a loss allowance and the nonrecognition of deferred tax assets (see section "Changes to Prior-Year Figures").

# Balance Sheet

## of the Volkswagen Bank GmbH Group

€ million	Note	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1</sup>	Change in percent	Jan. 1, 2024 restated <sup>2</sup>
<b>Assets</b>					
Cash reserve	8, 34, 58-62, 65-66	8,271	12,444	-33.5	11,974
Loans to and receivables from banks	9, 35, 58-62, 64-66	554	594	-6.7	272
Loans to and receivables from customers attributable to					
Retail financing		31,345	29,004	8.1	28,273
Dealer financing		17,492	16,583	5.5	15,258
Leasing business		28,151	26,280	7.1	3,385
Other loans and receivables		19,373	11,403	69.9	3,521
Total loans to and receivables from customers	9, 14, 36, 58-64, 66	96,362	83,270	15.7	50,437
Value adjustment on portfolio fair value hedges	10, 37	-37	83	X	30
Derivative financial instruments	9, 38, 58-62, 65-67	202	205	-1.7	28
Marketable securities	9, 39, 58-62, 64-66	3,090	3,743	-17.4	4,029
Equity-accounted joint ventures	40	-	-	-	29
Miscellaneous financial assets	9, 11, 40	0	0	0	0
Intangible assets	12, 41	3	3	30.7	4
Property and equipment	13-14, 42, 69	18	17	8.4	18
Assets leased out	14, 68	43,754	36,548	19.7	3,424
Investment property	14-15, 43, 68	16	17	-5.5	0
Deferred tax assets	7, 44	289	188	54.0	597
Current tax assets	7	35	32	10.2	3
Other assets	45, 58-62, 64	3,984	2,841	40.3	632
Assets held for sale (IFRS 5)	2	-	25	X	273
<b>Total</b>		<b>156,541</b>	<b>140,009</b>	<b>11.8</b>	<b>71,750</b>

<sup>1</sup> Adjustment to prior-year figures in accordance with the explanations in chapter "Changes to Prior-Year Figures"

<sup>2</sup> January 1, 2024, corresponds to December 31, 2023, following changes according to the disclosures in the Changes to Prior-Year Figures section.

€ million	Note	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1</sup>	Change in percent	Jan. 1, 2024 restated <sup>2</sup>
<b>Equity and liabilities</b>					
Liabilities to banks	9, 47, 58-62, 65-66	1,485	313	X	7,462
Liabilities to customers	9, 47, 58-62, 65-66	93,364	83,367	12.0	46,221
Notes, commercial paper issued	9, 48, 58-63, 65-66	32,880	30,335	8.4	5,173
Derivative financial instruments	9, 49, 60-62, 65-67	309	427	-27.6	52
Provisions for pensions and other post-employment benefits	16, 50	118	156	-24.1	103
Other provisions	17, 51	206	173	19.0	93
Deferred tax liabilities	7, 52	1,681	1,190	41.2	859
Current tax liabilities	7	34	43	-20.1	13
Other liabilities	17, 53, 58-62, 65	2,094	2,421	-13.5	751
Subordinated capital	9, 54, 58-63, 65-66	154	180	-14.5	10
Equity	56	24,216	21,404	13.1	11,014
Subscribed capital		318	318	-	318
Capital reserves		14,166	12,272	15.4	8,881
Retained earnings		9,835	8,922	10.2	2,013
Other reserves		-103	-108	-4.7	-198
<b>Total</b>		<b>156,541</b>	<b>140,009</b>	<b>11.8</b>	<b>71,750</b>

<sup>1</sup> Adjustment to prior-year figures in accordance with the explanations in chapter "Changes to Prior-Year Figures"

<sup>2</sup> January 1, 2024, corresponds to December 31, 2023, following changes according to the disclosures in the Changes to Prior-Year Figures section.

# Statement of Changes in Equity

## of the Volkswagen Bank GmbH Group

€ million	OTHER RESERVES								Total equity
	Subscribed capital	Capital reserves	Retained earnings	Currency translation	Hedging transactions		Equity and debt instruments	Non-controlling interests	
					Cash flow hedges (OCI I)	Deferred hedging costs (OCI II)			
<b>Balance as of Jan. 1, 2024 before adjustment</b>	<b>318</b>	<b>8,881</b>	<b>2,032</b>	<b>-56</b>	<b>-1</b>	<b>-</b>	<b>-141</b>	<b>-</b>	<b>11,033</b>
Changes due to the corrected calculation of the interest income from financial assets in default <sup>5</sup>	-	-	-19	-	-	-	-	-	-19
<b>Balance as of Jan. 1, 2024 adjusted</b>	<b>318</b>	<b>8,881</b>	<b>2,013</b>	<b>-56</b>	<b>-1</b>	<b>-</b>	<b>-141</b>	<b>-</b>	<b>11,014</b>
Profit after tax <sup>5</sup>	-	-	675	-	-	-	-	-	675
Other comprehensive income, after tax	-	-	1	15	16	-	58	-	90
<b>Total comprehensive income<sup>5</sup></b>	<b>-</b>	<b>-</b>	<b>676</b>	<b>15</b>	<b>16</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>764</b>
Capital increases against cash contributions	-	-	-	-	-	-	-	-	-
Change due to contribution in kind by the shareholder Volkswagen AG <sup>2</sup>	-	3,392	6,745	-	1	-	0	-	10,137
Change due to contribution in kind by the shareholder Volkswagen Financial Services AG <sup>3</sup>	-	-	94	-	-	-	-	-	94
Change due to distribution in kind to the shareholder Volkswagen Financial Services AG <sup>3</sup>	-	-	-7	-	-	-	-	-	-7
Profit transfer to Volkswagen AG <sup>1</sup>	-	-	-582	-	-	-	-	-	-582
Other changes	-	-	-17	-	-	-	-	-	-17
<b>Balance as of Dec. 31, 2024 adjusted<sup>5</sup></b>	<b>318</b>	<b>12,272</b>	<b>8,922</b>	<b>-41</b>	<b>15</b>	<b>-</b>	<b>-82</b>	<b>-</b>	<b>21,404</b>
<b>Balance as of Jan. 1, 2025 before adjustment</b>	<b>318</b>	<b>12,272</b>	<b>8,865</b>	<b>-41</b>	<b>15</b>	<b>-</b>	<b>-82</b>	<b>-</b>	<b>21,347</b>
Changes due to the corrected calculation of the interest income from financial assets in default <sup>5</sup>	-	-	-29	-	-	-	-	-	-29
<b>Balance as of Jan. 1, 2025 adjusted</b>	<b>318</b>	<b>12,272</b>	<b>8,922</b>	<b>-41</b>	<b>15</b>	<b>-</b>	<b>-82</b>	<b>-</b>	<b>21,404</b>
Profit after tax	-	-	1,397	-	-	-	-	-	1,397
Other comprehensive income, after tax	-	-	34	-14	-3	-	22	-	39
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,430</b>	<b>-14</b>	<b>-3</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>1,435</b>
Capital increases against cash contributions	-	1,600	-	-	-	-	-	-	1,600
Capital increases against contributions in kind <sup>4</sup>	-	294	32	-	-	-	-	-	326
Profit transfer to Volkswagen Financial Services AG (previous year: Volkswagen AG) <sup>1</sup>	-	-	-551	-	-	-	-	-	-551
Other changes	-	-	2	-	-	-	-	-	2
<b>Balance as of Dec. 31, 2025</b>	<b>318</b>	<b>14,166</b>	<b>9,835</b>	<b>-55</b>	<b>11</b>	<b>-</b>	<b>-60</b>	<b>-</b>	<b>24,216</b>

1 The figures show the share of HGB profit attributable to Volkswagen Financial Services AG (previous year: Volkswagen AG).

2 See the information on "Capital increases due to contribution in kind of the shareholder Volkswagen AG" in note (2) Basis of consolidation of the consolidated financial statements in the 2024 Annual Report.

3 See the information on "Capital increases due to contribution in kind of the shareholder Volkswagen Financial Services AG" and "Distributions in kind to the shareholder Volkswagen Financial Services AG" in note (16) Provisions for pensions and other post-employment benefits of the consolidated financial statements in the 2024 Annual Report

4 See the information in section "CROSS-BORDER MERGER OF VOLKSWAGEN FINANCIAL SERVICES S.P.A." in note (2) Basis of consolidation

5 Prior-year adjustments according to the information on the corrected calculation of the interest income from financial assets in default, on the correction of a provision, and on the non-recognition of deferred tax assets in the "Changes to Prior-Year Figures" section.

Further information on equity is presented in note (56).

# Cash Flow Statement

## of the Volkswagen Bank GmbH Group

€ million	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024 restated <sup>1</sup>
<b>Profit before tax</b>	<b>2,136</b>	<b>1,116</b>
Depreciation, amortization, impairment losses and reversals of impairment losses	6,099	3,049
Change in provisions	-11	-11
Change in other noncash items	72	-236
Loss on disposal of financial assets and items of property and equipment	-1	0
Net interest expense and dividend income	-1,706	-1,366
Other adjustments	0	1
Change in loans to and receivables from banks	-693	26
Change in loans to and receivables from customers	-12,205	-8,141
Change in lease assets	-12,851	-7,051
Change in other assets related to operating activities	-1,086	-528
Change in liabilities to banks	1,173	-7,153
Change in liabilities to customers	9,611	22,153
Change in notes, commercial paper issued	2,522	-2,560
Change in other liabilities related to operating activities	-60	110
Interest received	4,728	4,363
Dividends received	0	0
Interest paid	-3,022	-2,997
Income taxes paid	-703	-296
<b>Cash flows from operating activities</b>	<b>-5,998</b>	<b>480</b>
Proceeds from disposal of investment property	0	-
Acquisition of investment property	-	0
Proceeds from disposal of subsidiaries, joint ventures and associated companies	28	299
Acquisition of subsidiaries, joint ventures and associated companies	-	-26
Proceeds from disposal of other assets	0	1
Acquisition of other assets	-4	-2
Change in investments in marketable securities	657	522
<b>Cash flows from investing activities</b>	<b>682</b>	<b>794</b>
Proceeds from changes in capital	1,600	203
Acquisition of changes in capital	-	-14
Dividend payment/profit transfer to Volkswagen Financial Services AG (Previous year: Volkswagen AG)	-582	-621
Loss assumed by Volkswagen Financial Services AG (Previous year: Volkswagen AG)	-	-
Change in cash funds attributable to subordinated capital	-26	-26
Repayments of lease liabilities	-10	-4
<b>Cash flows from financing activities</b>	<b>982</b>	<b>-460</b>
<b>Cash and cash equivalents at end of prior period</b>	<b>13,036</b>	<b>12,218</b>
Changes in basis of consolidation <sup>2,3</sup>	0	2
Cash flows from operating activities	-5,998	480
Cash flows from investing activities	682	794
Cash flows from financing activities	982	-460
Effect of exchange rate changes	2	2
<b>Cash and cash equivalents at end of period</b>	<b>8,704</b>	<b>13,036</b>

1 Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section "Changes to Prior-Year Figures").

2 Changes to cash and cash equivalents in the prior-year resulting from the inclusion of Volkswagen Leasing GmbH

3 Changes to cash and cash equivalents from the cross-border merger of Volkswagen Financial Services S.p.A. (see note (2) Basis of consolidation). Further information on the cash flow statement is presented in note (70).

# Notes to the Consolidated Financial Statements

of the Volkswagen Bank GmbH Group as of December 31, 2025

## General Information

Volkswagen Bank GmbH (VW Bank GmbH) is a limited liability company (*Gesellschaft mit beschränkter Haftung*, GmbH) under German law. It has its registered office at Gifhorner Strasse, Braunschweig, Germany, and is registered in the Braunschweig commercial register (HRB 1819).

The object of the Company is to develop, sell and process its own and third-party financial and mobility services both in Germany and abroad, the purpose of such services being to support the business of Volkswagen AG and of Volkswagen AG's affiliated companies.

Volkswagen Financial Services AG, Braunschweig, is the sole shareholder of the parent, Volkswagen Bank GmbH. Volkswagen AG, Wolfsburg, is the parent company of the sole shareholder, Volkswagen Financial Services AG, and, at the same time, the ultimate parent company of Volkswagen Bank GmbH.

Volkswagen Financial Services AG and Volkswagen Bank GmbH have entered into a control agreement.

The previous profit-and-loss transfer agreement between Volkswagen AG and Volkswagen Bank GmbH was in place until December 31, 2024 and was terminated effective the end of December 31, 2024. A new profit-and-loss transfer agreement was signed between Volkswagen Financial Services AG and Volkswagen Bank GmbH effective January 1, 2025.

The annual financial statements of the Volkswagen Bank GmbH Group entities are included in the consolidated financial statements of Volkswagen Financial Services AG, Braunschweig, and Volkswagen AG, Wolfsburg, both of which are published in the Company Register.

## Basis of Presentation

In the prior year, the comprehensive restructuring program for the previous subgroups of Volkswagen Financial Services Overseas AG and Volkswagen Bank GmbH was successfully completed within the Volkswagen Group. Among other things, as of July 1, 2024, the shares in Volkswagen Leasing GmbH were transferred by Volkswagen Financial Services Overseas AG as part of a spin-off for purposes of absorption and contributed by Volkswagen AG through a contribution in kind to Volkswagen Bank GmbH. The predecessor accounting method was used for all transferred assets and liabilities, and the absorbed assets and liabilities were recognized at the consolidated carrying amounts of the group of the ultimate parent company, Volkswagen AG, on July 1, 2024, the date of initial recognition. Subsequently, as of July 1, 2024, the shares in Volkswagen Bank GmbH were transferred by Volkswagen AG to Volkswagen Financial Services AG, which operated as Volkswagen Financial Services Europe AG until June 30, 2024.

Volkswagen Bank GmbH has prepared its consolidated financial statements for the year ended December 31, 2025 in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union (EU), and the interpretations issued by the IFRS 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). All IFRSs issued by the International Accounting Standards Board (IASB) up to December 31, 2025 for which mandatory application was required in fiscal year 2025 in the EU have been taken into account in these consolidated financial statements.

In addition to the income statement, the statement of comprehensive income and the balance sheet, the IFRS consolidated financial statements also include the statement of changes in equity, the cash flow statement and the notes. The separate report on the risks associated with future development (report on opportunities and risks in accordance with section 315(1) of the HGB) can be found in the combined management report on pages 25-65. This includes the qualitative disclosures on the nature and scope of risk from financial instruments required under IFRS 7.

All the estimates and assumptions necessary as part of recognition and measurement in accordance with IFRS comply with the relevant standard, are continuously updated and are based on past experience and other factors, including expectations regarding future events that appear to be reasonable in the given circumstances. The assumptions made by the Bank are explained in detail in the disclosures on management's material estimates and assumptions.

The Management Board completed the preparation of these consolidated financial statements on February 24, 2026 and released them for forwarding to the Supervisory Board for review, for subsequent approval by the shareholders' meeting, and final publication. Approval by the Supervisory Board marks the end of the period in which adjusting events after the reporting period are recognized.

## Changes to Prior-Year Figures

This section explains the changes to prior-year figures. They result from corrections or the change in balance-sheet recognition and were recognized retrospectively as adjustments, depending on the matter, of capital, items on the income statement and balance sheet, and the associated Notes.

In addition to the adjustments explained in this section, further retrospective corrections of information were made. They are described in notes (40), (61), (65) and (69) with explanations in the text or footnotes of tables.

### **CORRECTION OF THE CALCULATION OF THE INTEREST INCOME FROM FINANCIAL ASSETS IN DEFAULT:**

In the reporting year it was determined that the requirements of IFRS 9.5.4.1 b) for the calculation of the interest income from financial assets in default by applying the effective interest rate at amortized cost, thus taking into account the provision for credit risks, and the requirements of IFRS 9.5.4.1 a) for applying a credit-adjusted effective interest rate at amortized cost in part of the Volkswagen Bank GmbH Group, were not fully taken into account. The error was corrected in accordance with IAS 8 by adjusting the relevant items in the consolidated financial statements for the previous years accordingly.

The retrospective correction resulted in changes to equity as of December 31, 2024, or January 1, 2025, of €–29 million, and as of January 1, 2024, of €–19 million. The prior-year correction was recognized as reduction in interest income from lending transactions and marketable securities amounting to €–9 million and in income from leasing transactions amounting to €–5 million. The impact on the comparative prior-year periods of the income statement, the balance sheet, and cash flow statement is shown below. In addition, the associated prior-year figures of information in notes (20), (21), (32), (36), (44), (46), (52), (58), (59), (60), (61), (62), (64), (68) and (69) were restated accordingly.

The prior-year income statement was changed as follows due to the corrected calculation of interest income from financial assets in default:

€ million	Jan. 1 - Dec. 31, 2024 before restatement	Changes resulting from the corrected calculation of interest income from credit- impaired financial assets	Jan. 1 – Dec. 31, 2024 after changes resulting from the corrected calculation of interest income from credit- impaired financial assets
Interest income from lending transactions and marketable securities	3,510	–9	3,502
Income from leasing transactions	9,541	–5	9,536
Net income from leasing transactions	1,845	–5	1,840
<b>Operating result</b>	<b>1,118</b>	<b>–14</b>	<b>1,105</b>
<b>Profit before tax</b>	<b>1,130</b>	<b>–14</b>	<b>1,116</b>
Income tax expense	–532	4	–528
<b>Profit after tax</b>	<b>598</b>	<b>–10</b>	<b>589</b>
Profit after tax attributable to Volkswagen Financial Services AG	598	–10	589

The balance sheet as of January 1, 2024, was changed as follows due to the corrected calculation of interest income from financial assets in default:

€ million	Jan. 1, 2024 before restatement	Changes resulting from the corrected calculation of interest income from credit- impaired financial assets	Jan 1, 2024 after changes resulting from the corrected calculation of interest income from credit- impaired financial assets
<b>Assets</b>			
Loans to and receivables from customers attributable to			
Retail financing	28,285	–12	28,273
Dealer financing	15,268	–11	15,258
Leasing business	3,390	–5	3,385
Other loans and receivables	3,521	0	3,521
Total loans to and receivables from customers	50,464	–27	50,437
Deferred tax assets	901	6	907
<b>Total</b>	<b>72,081</b>	<b>–21</b>	<b>72,060</b>
<b>Liabilities</b>			
Deferred tax liabilities	1,171	–2	1,169
Equity	11,033	–19	11,014
Retained earnings	2,032	–19	2,013
<b>Total</b>	<b>72,081</b>	<b>–21</b>	<b>72,060</b>

The balance sheet as of December 31, 2024 was changed as follows due to the corrected calculation of interest income from financial assets in default:

€ million	Dec. 31, 2024 before restatement	Changes resulting from the corrected calculation of interest income from credit- impaired financial assets	Dec. 31, 2024 after changes resulting from the corrected calculation of interest income from credit- impaired financial assets
<b>Assets</b>			
Loans to and receivables from customers attributable to			
Retail financing	29,021	-17	29,004
Dealer financing	16,598	-14	16,583
Leasing business	26,290	-10	26,280
Other loans and receivables	11,403	0	11,403
Total loans to and receivables from customers	83,311	-41	83,270
Deferred tax assets	726	8	735
<b>Total</b>	<b>140,588</b>	<b>-33</b>	<b>140,556</b>
<b>Liabilities</b>			
Deferred tax liabilities	1,827	-3	1,823
Equity	21,347	-29	21,318
Retained earnings	8,865	-29	8,836
<b>Total</b>	<b>140,588</b>	<b>-33</b>	<b>140,556</b>

The prior-year cash flow statement was changed as follows due to the corrected calculation of interest income from financial assets in default in deriving the cash flow from operating activities:

€ million	Jan. 1 - Dec. 31, 2024 before restatement	Changes resulting from the corrected calculation of interest income from credit- impaired financial assets	Jan. 1 - Dec. 31, 2024 after changes resulting from the corrected calculation of interest income from credit- impaired financial assets
<b>Profit before tax</b>	<b>1,130</b>	<b>-14</b>	<b>1,116</b>
Net interest expense and dividend income	-1,380	14	-1,366
Change in loans to and receivables from customers	-8,154	14	-8,141
Interest received	4,377	-14	4,363

**CORRECTION OF DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES:**

In connection with the statutory changes to the immediate tax investment program to strengthen Germany as a business location, detailed analyses of the maturity profile of deferred tax assets and deferred tax liabilities were carried out. On the basis of these analyses, matters were uncovered where the allocation of the tax bases to assets was incorrect in the past. For these matters the allocation of the temporary differences with regard to the balance sheet item responsible and the underlying maturity was corrected. These corrections resulted in changes to the table of allocations to balance sheet items and in changes to the offsetting of deferred tax assets and deferred tax liabilities, which leads to balance sheet reduction.

The balance sheet items deferred tax assets and deferred tax liabilities were reduced by €310 million each as of January 1, 2024, and by €633 million each as of December 31, 2024. Furthermore, the prior-year figures in notes (44) Deferred tax assets and (52) Deferred tax liabilities were corrected accordingly.

The balance sheet as of January 1, 2024, was changed as follows due to the correction of deferred tax assets and deferred tax liabilities:

€ million	Jan. 1, 2024 after changes resulting from the corrected calculation of interest income from credit- impaired financial assets	Changes from the correction of deferred tax assets and liabilities	Jan 1, 2024 after changes from the correction of deferred tax assets and liabilities
<b>Assets</b>			
Deferred tax assets	907	-310	597
<b>Total</b>	<b>72,060</b>	<b>-310</b>	<b>71,750</b>
<b>Liabilities</b>			
Deferred tax liabilities	1,169	-310	859
<b>Total</b>	<b>72,060</b>	<b>-310</b>	<b>71,750</b>

The balance sheet as of December 31, 2024, was changed as follows due to the correction of deferred tax assets and deferred tax liabilities:

€ million	Dec. 31, 2024 after changes resulting from the corrected calculation of interest income from credit- impaired financial assets	Changes from the correction of deferred tax assets and liabilities	Dec. 31, 2024 after changes from the correction of deferred tax assets and liabilities
<b>Assets</b>			
Deferred tax assets	735	-633	102
<b>Total</b>	<b>140,556</b>	<b>-633</b>	<b>139,923</b>
<b>Liabilities</b>			
Deferred tax liabilities	1,823	-633	1,190
<b>Total</b>	<b>140,556</b>	<b>-633</b>	<b>139,923</b>

#### CORRECTION OF A PROVISION AND OF THE NON-RECOGNITION OF DEFERRED TAX ASSETS

An analysis of the recoverability of deferred tax assets showed that in the previous year deferred tax assets of a Group company were not recovered / not recognized despite being recoverable. The error was corrected retrospectively in accordance with IAS 8 by reversal / recognition of deferred tax assets.

The retrospective correction led to an increase in equity as of December 31, 2024 or January 1, 2025, by an amount of €86 million. In the comparative period in the income statement, the correction is reported as income in the income statement item Income tax expense amounting to €86 million. The impact of the correction on the comparative prior-year periods of the income statement and cash flow statement is shown below.

€ million	Jan. 1 - Dec. 31, 2024 after changes resulting from the corrected calculation of interest income from credit- impaired financial assets	Changes from the correction of a loss allowance and the nonrecognition of deferred tax assets	Jan. 1 - Dec. 31, 2024 after changes from the correction of a loss allowance and the nonrecognition of deferred tax assets
Income tax expense	-528	86	-442
<b>Profit after tax</b>	<b>589</b>	<b>86</b>	<b>675</b>
Profit after tax attributable to Volkswagen Financial Services AG	589	86	675

€ million	Dec. 31, 2024 after changes from the correction of deferred tax assets and liabilities	Changes from the correction of a loss allowance and the nonrecognition of deferred tax assets	Dec. 31, 2024 after changes from the correction of a loss allowance and the nonrecognition of deferred tax assets
<b>Assets</b>			
Deferred tax assets	102	86	188
<b>Total</b>	<b>139,923</b>	<b>86</b>	<b>140,009</b>
<b>Liabilities</b>			
Equity	21,318	86	21,404
Retained earnings	8,836	86	8,922
<b>Total</b>	<b>139,923</b>	<b>86</b>	<b>140,009</b>

Additionally, the associated prior-year figures in the information in notes (32) Income tax expense and (44) Deferred tax assets were corrected accordingly.

#### ADJUSTMENT IN BALANCE-SHEET PRESENTATION DUE TO RECLASSIFICATION OF INTRAGROUP INCOME TAX ALLOCATIONS:

In the Volkswagen Bank GmbH Group, receivables and liabilities due to taxes charged in respect of the Volkswagen AG group tax (“intragroup tax allocations”) were previously reported in the “Current tax assets” and “Current tax liabilities” balance sheet items.

These balance sheet items also report current tax assets and current tax liabilities relating to the tax authorities. In the reporting year the intragroup tax allocations were reclassified to the “Other assets” and “Other liabilities” balance sheet items.

The balance sheet figures as of January 1, 2024, and as of December 31, 2024, were adjusted accordingly. With the reclassification and separate presentation outside current income tax assets and liabilities relating to the tax authorities, the balance sheet presentation takes account of the different characteristics of the intragroup tax allocations as financial assets or liabilities. The voluntary change in the balance sheet presentation thus increases the meaningfulness of the consolidated financial statements and their usefulness for decision-making. Information relating to the changed balance sheet items was adjusted in the Notes including their prior-year figures in notes (45), (46), (53), (55), (59), (60), (61), (62), and (65).

The balance sheet as of January 1, 2024, was changed as follows due to the intragroup income tax allocation:

€ million	Jan 1, 2024 after changes from the correction of deferred tax assets and liabilities	Adjustment in balance sheet presentation due to reclassification of intragroup income tax allocations	Jan. 1, 2024 restated
<b>Assets</b>			
Current tax assets	7	-4	3
Other assets	627	4	632
<b>Total</b>	<b>71,750</b>	<b>-</b>	<b>71,750</b>
<b>Liabilities</b>			
Current tax liabilities	378	-365	13
Other liabilities	386	365	751
<b>Total</b>	<b>71,750</b>	<b>-</b>	<b>71,750</b>

The balance sheet as of December 31, 2024, was changed as follows due to the intragroup income tax allocation:

€ million	Dec. 31, 2024 after changes from the correction of a loss allowance and the nonrecognition of deferred tax assets	Adjustment in balance sheet presentation due to reclassification of intragroup income tax allocations	Dec. 31, 2024 restated
<b>Assets</b>			
Current tax assets	33	-1	32
Other assets	2,840	1	2,841
<b>Total</b>	<b>140,009</b>	<b>-</b>	<b>140,009</b>
<b>Liabilities</b>			
Current tax liabilities	589	-547	43
Other liabilities	1,874	547	2,421
<b>Total</b>	<b>140,009</b>	<b>-</b>	<b>140,009</b>

**SUMMARY RECONCILIATION OF CHANGES TO PRIOR-YEAR FIGURES**

The changes to the prior-year figures in the income statement, balance sheet, and cash flow statement on account of the previously explained corrections and the voluntary change in balance sheet presentation will be reconciled below in summary from the prior-year figures before adjustments to the prior-year figures after adjustments.

Reconciliation of the prior-year income statement:

€ million	Jan. 1 - Dec. 31, 2024 before restatement	Adjustments as a result of corrections	Jan. 1 - Dec. 31, 2024 restated
Interest income from lending transactions and marketable securities	3,510	-9	3,502
Income from leasing transactions	9,541	-5	9,536
Net income from leasing transactions	1,845	-5	1,840
<b>Operating result</b>	<b>1,118</b>	<b>-14</b>	<b>1,105</b>
<b>Profit before tax</b>	<b>1,130</b>	<b>-14</b>	<b>1,116</b>
Income tax expense	-532	90	-442
<b>Profit after tax</b>	<b>598</b>	<b>76</b>	<b>675</b>
Profit after tax attributable to Volkswagen Financial Services AG	598	76	675

Reconciliation of the balance sheet as of January 1, 2024:

€ million	Jan. 1, 2024 before restatement	Adjustments as a result of corrections and changes in presentation	Jan. 1, 2024 restated
<b>Assets</b>			
Loans to and receivables from customers attributable to			
Retail financing	28,285	-12	28,273
Dealer financing	15,268	-11	15,258
Leasing business	3,390	-5	3,385
Other loans and receivables	3,521	0	3,521
Total loans to and receivables from customers	50,464	-27	50,437
Deferred tax assets	901	-304	597
Current tax assets	7	-4	3
Other assets	627	4	632
<b>Total</b>	<b>72,081</b>	<b>-331</b>	<b>71,750</b>
<b>Liabilities</b>			
Deferred tax liabilities	1,171	-312	859
Current tax liabilities	378	-365	13
Other liabilities	386	365	751
Equity	11,033	-19	11,014
Retained earnings	2,032	-19	2,013
<b>Total</b>	<b>72,081</b>	<b>-331</b>	<b>71,750</b>

## Reconciliation of the balance sheet as of December 31, 2024:

€ million	Dec. 31, 2024 before restatement	Adjustments as a result of corrections and changes in presentation	Dec. 31, 2024 restated
<b>Assets</b>			
Loans to and receivables from customers attributable to			
Retail financing	29,021	-17	29,004
Dealer financing	16,598	-14	16,583
Leasing business	26,290	-10	26,280
Other loans and receivables	11,403	0	11,403
Total loans to and receivables from customers	83,311	-41	83,270
Deferred tax assets	726	-539	188
Current tax assets	33	-1	32
Other assets	2,840	1	2,841
<b>Total</b>	<b>140,588</b>	<b>-579</b>	<b>140,009</b>
<b>Liabilities</b>			
Deferred tax liabilities	1,827	-636	1,190
Current tax liabilities	589	-547	43
Other liabilities	1,874	547	2,421
Equity	21,347	57	21,404
Retained earnings	8,865	57	8,922
<b>Total</b>	<b>140,588</b>	<b>-579</b>	<b>140,009</b>

## Reconciliation of prior-year cash flow statement:

€ million	Jan. 1 - Dec. 31, 2024 before restatement	Adjustments as a result of corrections	Jan. 1 - Dec. 31, 2024 restated
<b>Profit before tax</b>	<b>1,130</b>	<b>-14</b>	<b>1,116</b>
Net interest expense and dividend income	-1,380	14	-1,366
Change in loans to and receivables from customers	-8,154	14	-8,141
Interest received	4,377	-14	4,363

## Effects of New and Revised IFRSs

Volkswagen Bank GmbH has applied all financial reporting standards adopted by the EU and subject to mandatory application from fiscal year 2025.

Since January 1, 2025, amendments to IAS 21 on determining the exchange rate must be applied where the lack of exchangeability is not temporary. The amendments stipulate when a currency is and is not exchangeable into another currency and how an exchange rate is to be determined when a currency is not exchangeable. The amended provisions do not materially affect the Volkswagen Bank GmbH Group's financial position and financial performance.

## New and Revised IFRSs Not Applied

In its 2025 consolidated financial statements, Volkswagen Bank GmbH has not applied the following financial reporting standards that were issued by the IASB as of December 31, 2025 but were not yet subject to mandatory application in that fiscal year.

Standard / interpretation	Published by the IASB	Application requirement <sup>1</sup>	Adopted by EU	Expected impact
IFRS 9 / IFRS 7 Classification and measurement of financial instruments	May 30, 2024	Jan. 1, 2026	Yes	No material impact
IFRS 9 / IFRS 7 Contracts referencing nature-dependent electricity	Dec. 18, 2024	Jan. 1, 2026	Yes	No material impact
IFRS 18 Presentation and information in the financial statements	Apr. 9, 2024	Jan. 1, 2027	Yes	Case-by-case changes to the presentation of income and expenses in the income statement; additional disclosures in the notes
IFRS 19 Subsidiaries without Public Accountability: Disclosures	May 9, 2024	Jan. 1, 2027	No	No impact
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Aug. 21, 2025	Jan. 1, 2027	No	No impact
IAS 21 Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates on the translation of financial information in hyperinflationary presentation currencies	Nov. 13, 2025	Jan. 1, 2027	No	No impact
Annual Improvements to International Financial Reporting Standards – Volume 11 <sup>2</sup>	Jul. 18, 2024	Jan. 1, 2026	Yes	No material impact

<sup>1</sup> Requirement for initial application from the Volkswagen Bank GmbH perspective

<sup>2</sup> Minor amendments to a series of IFRSs (IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)

## Accounting Policies

### 1. Basic principles

All entities included in the basis of consolidation have prepared their annual financial statements as of the reporting date of December 31, 2025.

Financial reporting in the Volkswagen Bank GmbH Group complies with IFRS 10 and is based on standard Group accounting policies.

Unless otherwise stated, amounts are shown in millions of euros (€ million). All amounts shown are rounded, so minor discrepancies may arise when amounts are added together. Amounts smaller than €0.5 million are rounded to 0, whereas “–” is used if there is no applicable figure. Relative changes greater than 100% are marked with an “X”.

Assets and liabilities are presented broadly in order of liquidity in accordance with IAS 1.60.

### 2. Basis of consolidation

In addition to Volkswagen Bank GmbH, the consolidated financial statements cover all significant German and non-German subsidiaries, including all structured entities, that are controlled directly or indirectly by Volkswagen Bank GmbH. This is the case if Volkswagen Bank GmbH has power over potential subsidiaries directly or indirectly from voting rights or similar rights, is exposed, or has rights to, positive or negative variable returns from its involvement with the potential subsidiaries, and has the ability to use its power to influence those returns. In the case of the structured entities consolidated in the Volkswagen Bank GmbH Group, Volkswagen Bank GmbH holds no equity investment but nevertheless determines the main relevant activities remaining after the structure is created and thereby influences its own variable returns. The purpose of the structured entities is to facilitate asset-backed-securities transactions to fund the financial services business.

Subsidiaries are included in the consolidation from the date on which control comes into existence; they cease to be consolidated when control no longer exists. Subsidiaries in which activities are dormant or of low volume and that, individually and jointly, are of minor significance in the presentation of a true and fair view of the financial position, financial performance and cash flows of the Volkswagen Bank GmbH Group are not consolidated. They are recognized at cost in the consolidated financial statements under miscellaneous financial assets, taking into account any necessary impairment losses or reversals of impairment losses.

The equity method is used to account for material entities in which Volkswagen Bank GmbH has the opportunity, directly or indirectly, to exercise significant influence over financial and operating policy decisions (associates) or in which Volkswagen Bank GmbH directly or indirectly shares control (joint ventures). Joint ventures also include entities in which the Volkswagen Bank GmbH Group controls a majority of the voting rights but whose partnership agreements or articles of association specify that key decisions may only be made unanimously. A classification as associate also applies if the voting right share is less than 20% provided that significant influence is exercised according to the partnership agreements or articles of associations. Associated companies and joint ventures of minor significance are not accounted for using the equity method but are reported at cost under miscellaneous financial assets, taking into account any necessary impairment losses or reversals of impairment losses.

**COMPOSITION OF THE VOLKSWAGEN BANK GMBH GROUP**

The composition of the Volkswagen Bank GmbH Group is as follows:

- > Volkswagen Bank GmbH, Braunschweig
- > Volkswagen Leasing GmbH, Braunschweig
- > Driver Master S.A., Luxembourg
- > Private Driver España 2020 -1, Fondo de Titulización, Madrid
- > Private Driver Italia 2020 -1 S.r.l., Milan
- > Private Driver Italia 2024 -1 S.r.l., Milan
- > Tucknology S.A., Luxembourg
- > VCL Multi-Compartment S.A., Luxembourg
- > VCL Master S.A., Luxembourg
- > VCL Master Residual Value S.A., Luxembourg

The list of all shareholdings in accordance with section 313 (2) of the HGB and in accordance with IFRS 12.10 and IFRS 12.21 is included in the consolidated financial statements.

**SALE OF THE SHARES IN VOLKSWAGEN FINANČNÉ SLUŽBY SLOVENSKO S.R.O., INCLUDING THE DISCLOSURES PURSUANT TO IFRS 5, AND DERECOGNITION OF THE EQUITY INVESTMENT IN OOO VOLKSWAGEN BANK RUS**

The interest in the joint venture Volkswagen Finančné služby Slovensko s.r.o., Bratislava, which was classified as assets held for sale in accordance with IFRS 5 in the previous year, was sold to Porsche Bank AG, Salzburg, and Porsche Versicherungs AG, Salzburg, on February 3, 2025. The 58 % interest in VOLKSWAGEN Finančné služby Slovensko s.r.o. was sold at its carrying amount of €25.0 million, meaning that no disposal gain or loss was recognized.

In the fiscal year, the 1% equity investment in OOO Volkswagen Bank RUS, Moscow, which was previously included in Miscellaneous financial assets with a carrying amount of equity investments amounting to €1.

**CROSS-BORDER MERGER OF VOLKSWAGEN FINANCIAL SERVICES S.P.A.**

On July 1, 2025, the cross-border merger of company Volkswagen Financial Services S.p.A, Milan, previously a subsidiary of sole shareholder Volkswagen Financial Services AG, with Volkswagen Bank GmbH took place. The merged company previously operated financial services activities on the Italian market, among other things through the issue of finance leases and insurance brokerage. Following the merger, the financial services activities will be continued by the Italian branch of Volkswagen Bank GmbH. The merger took place without consideration from the granting of new business shares in Volkswagen Bank GmbH and thus constitutes a contribution in kind from sole shareholder Volkswagen Financial Services AG to the equity of Volkswagen Bank GmbH.

Since the transaction was carried out under common control by Volkswagen Financial Services AG, the transferred assets and liabilities were recognized in the Volkswagen Bank GmbH Group at the consolidated carrying amounts on the date of initial recognition (predecessor accounting). The absorption of the assets and liabilities at consolidated carrying amounts results in a total of contributions in kind to equity of €326 million, which was recognized in capital reserves at €294 million, and at €32 million in retained earnings.

The carrying amounts of the transferred assets and liabilities on the date of initial recognition were as follows: With the transferred assets, cash and cash equivalents amounting to €0 million were recognized.

€ million	IFRS- CONSOLIDATED CARRYING AMOUNTS AT ACQUISITION DATE JULY 1, 2025
Loans to and receivables from banks	102
Loans to and receivables from customers	1,331
of which receivables from leasing business	1,313
Other assets	39
<b>Total assets</b>	<b>1,473</b>
Liabilities to banks	668
Liabilities to customers	450
Provisions for pensions and other post-employment benefits as well as other provisions	6
Other liabilities	23
<b>Total liabilities</b>	<b>1,147</b>
<b>Net assets</b>	<b>326</b>

### DISCLOSURE OF INTERESTS IN SUBSIDIARIES PURSUANT TO IFRS 12

Some subsidiaries have assets in the form of cash the use of which within the Group is restricted due to contractual or regulatory provisions. These assets are reported as restricted cash in the “Other assets” balance sheet item amounting to €510 million (previous year: €613 million).

### 3. Consolidation methods

The assets and liabilities of the German and international entities included in the consolidated financial statements are reported in accordance with the uniform accounting policies applicable throughout the Volkswagen Bank GmbH Group.

When subsidiaries are consolidated for the first time, the assets and liabilities, together with contingent consideration, are recognized at fair value on the date of acquisition. Subsequent changes in the fair value of contingent consideration do not generally result in an adjustment of the acquisition-date measurement. Goodwill is accounted for at the subsidiaries in the functional currency of those subsidiaries.

The net assets recognized at fair value as part of an acquisition transaction are depreciated or amortized over their relevant useful lives. If the useful life is indefinite, any requirement for the recognition of an impairment loss is determined at individual asset level using a procedure similar to that used for goodwill. Where hidden reserves and charges in the recognized assets and liabilities are

uncovered during the course of purchase price allocation, these items are amortized over their remaining maturities.

The acquisition method described above is not applied when subsidiaries are newly established; no goodwill or negative goodwill can arise when newly established subsidiaries are included in the consolidation. The assets and liabilities of the subsidiaries are recognized at their values on the date of initial consolidation. Any difference between the carrying amount of the previously unconsolidated subsidiary and the subsidiary's equity at the time of inclusion is recognized in retained earnings as part of the initial consolidation.

When subsidiaries are consolidated for the first time as a result from a company merger under common control by an ultimate parent company, e.g., Volkswagen AG, the acquisition method of IFRS 3 is not applied. Instead, the Group uses the predecessor accounting method in the recognition of assets and liabilities. Including these subsidiaries can therefore not result in goodwill or badwill. Any difference between the net assets transferred and any consideration transferred is recognized in retained earnings as part of the initial consolidation.

Intragroup transactions are conducted on an arm's-length basis. Any resulting intercompany profits or losses are eliminated.

#### 4. Currency translation

Transactions in foreign currencies are translated in the single-entity financial statements of Volkswagen Bank GmbH and its consolidated subsidiaries at the rates prevailing on the transaction date. Foreign currency monetary items are reported in the balance sheet using the middle rate at the closing date and the resulting gains or losses are recognized in profit or loss.

The foreign branches and subsidiaries which form part of the Volkswagen Bank GmbH Group are independent subunits whose financial statements are translated using the functional currency principle. Assets and liabilities, but not equity, must therefore be translated at the closing rate. With the exception of income and expenses recognized directly in equity, equity is translated at historical rates. Until the disposal of the subsidiary concerned, the resulting exchange differences on translating foreign operations are recognized in other comprehensive income and are presented as a separate item in equity.

The transaction data in the statement of changes in noncurrent assets is translated into euros using the monthly average rates for the relevant months of underlying transactions. A separate "Foreign exchange differences" line is reported to reconcile the carryforwards translated at the middle spot rate on the prior-year reporting date and the transaction data translated at average rates with the final balances translated at the middle spot rate on the reporting date.

The income statement line items are translated into euros using the monthly average rates for the relevant months of underlying transactions.

Rates supplied by an external market data provider are used for translation throughout the whole of the Volkswagen Bank GmbH Group.

The following table shows the closing date middle spot rates used and, for information purposes, the unweighted average rates for the year derived from the monthly average rates used.

	1 € =	BALANCE SHEET, MIDDLE SPOT RATE ON DEC. 31		INCOME STATEMENT, AVERAGE RATE	
		2025	2024	2025	2024
United Kingdom	GBP	0.87305	0.83020	0.85687	0.84666
Poland	PLN	4.21925	4.27185	4.24070	4.30599

## 5. Recognition of revenue and expenses

Revenue and expenses are recognized in accordance with the accrual basis of accounting and are reported in profit or loss in the period in which the substance of the related transaction occurs.

Interest income is recognized in the income statement using the effective interest method. Income from financing activities is included in the interest income from lending and securities transactions; leasing income is reported in the income statement under income from leasing transactions. The leasing revenue from operating lease contracts is recognized on a straight-line basis over the lease term. Contingent payments under finance leases and operating leases are recognized when the conditions for the contingent payments are satisfied.

Expenses relating to the funding of financing and leasing transactions are reported in interest expenses.

Gains from the sale of used vehicles are recognized when the buyer has acquired title to the vehicle concerned. The gains are reported under income from leasing transactions if the used vehicles were accounted for in the context of operating leases prior to the sale. The expenses that are incurred in connection with the disposal of used vehicles from previous operating leases are recognized under depreciation, impairment losses and other expenses from leasing transactions. Where the sold used vehicles originate from previously accounted for lending transactions or finance leases, the income is recognized in Other operating income while the associated expenses from the disposal of the used vehicles are recognized in Other operating expenses. Income from the sale of used vehicles that do not originate from previous leasing or lending transactions of the Group is also recognized in Other operating income. The associated expenses from the disposal of these used vehicles are recognized in Other operating expenses.

In the case of service contracts, such as maintenance or inspection agreements, revenue is recognized on either a percentage-of-completion or straight-line basis, depending on the type of service performed. Percentage of completion is normally calculated by considering the services provided up to the reporting date as a proportion of the total anticipated services (output-based). If the customer pays for services in advance, the Group recognizes a corresponding contractual liability until the relevant service is performed. Revenue is recognized on a straight-line basis provided that the service is offered consistently over the contract term or that the commitment applicable over the entire term can be utilized at any time in the event of unforeseen circumstances.

A trade receivable is recognized for the period between revenue recognition and receipt of payment. Any financing component included in the transaction is not recognized because the period between the transfer of the goods and the payment of consideration is generally less than a year. In the Volkswagen Bank GmbH Group, contract origination costs are capitalized and amortized on a straight-line basis over

the term of the contract only if the underlying contract has a term of at least one year and these costs would not have been incurred if the contract concerned had not materialized.

Net fee and commission income includes income and expenses from insurance brokerage as well as fees and commissions from the financing and financial services businesses. Fee and commission income from brokering insurance policies is recognized in accordance with contractual arrangements with the insurers when the entitlement arises, i.e., when the related premium is charged to the policyholder. If, in the context of insurance brokerage, agreements exist with insurance companies for the repayment of brokerage commissions in the event of early termination, the amount that is highly unlikely to result in a reversal of revenue is determined for the calculation of the fee and commission income. For the remaining claim, a reimbursement provision is set aside, which is retrospectively recognized as net fee and commission income if no repayment is made.

Fee and commission expenses arising from financing-business sales commission that are not included through the effective interest rate for the underlying financial assets are expensed in full on the date of performance.

Dividends are reported on the date on which the legal entitlement is established, i.e., generally the date on which a dividend distribution resolution is approved.

## 6. Government grants

The Volkswagen Bank GmbH Group recognizes income from government grants if there is reasonable assurance that the Group will comply with the conditions attaching to the grants and that the grants will be received. The Group regards the ECB as a government agency or similar institution for the purposes of IAS 20. The ECB's TLTRO III funding program is intended to stimulate borrowing in the eurozone by creating an incentive for participating banks to lend to the real economy. Volkswagen Bank GmbH believes that this support constitutes a government grant. In prior years, the Volkswagen Bank GmbH Group recognized the benefit in the accounting period in which the grant compensated the Group for the corresponding costs and reported the grant as a reduction in the related expense. The level of the benefit depended on the amount borrowed and on which of a number of lending thresholds are satisfied. Further information about the Volkswagen Bank GmbH Group's recognition of income in the context of the benefit from the TLTRO III funding program can be found in note (33) Further Income Statement disclosures.

## 7. Income taxes

Current income tax assets and liabilities are measured using the tax rates expected to apply in respect of the refund from or payment to the tax authorities concerned. Current income taxes are generally reported on an unnetted basis.

Deferred tax assets are recognized if it is probable that in the future sufficient taxable profits will be generated in the same tax unit against which the deferred tax assets can be utilized. No deferred tax assets that are not expected to be recovered within a reasonable period are recognized in the year in which they arise. If it is no longer likely that it will be possible to recover deferred tax assets recognized in previous years within a reasonable period, valuation allowances are applied.

Deferred tax assets and liabilities with the same maturities and relating to the same tax authorities are netted.

The Group has applied the exemption of the recognition and presentation of deferred taxes in connection with the introduction of a global minimum level of taxation (Pillar 2 income taxes).

The impact of the changes to the Corporation Tax Act in Germany and from the introduction of a global minimum level of taxation is included in the information in note (32) Income tax expense.

## 8. Cash reserve

The cash reserve is carried at the nominal amount.

## 9. Financial Instruments

In the case of regular-way purchases or sales, financial instruments are normally recognized on the settlement date, i.e., the date on which the asset is delivered. An exception to this rule arises in connection with the accounting treatment of derivatives, which are always recognized on the trade date.

Financial assets are classified and measured on the basis of the business model operated by an entity and the structure of its cash flows.

IFRS 9 breaks down financial assets into the following categories:

- > Financial assets measured at fair value through profit or loss,
- > Financial assets measured at fair value through other comprehensive income (debt instruments),
- > Financial assets measured at fair value through other comprehensive income (equity instruments),
- > Financial assets measured at amortized cost

Financial liabilities are classified using the following categories:

- > Financial liabilities measured at fair value through profit or loss, and
- > Financial liabilities measured at amortized cost.

In the Volkswagen Bank GmbH Group, the categories shown above are allocated to the classes “Financial assets and liabilities measured at amortized cost” and “Financial assets and liabilities measured at fair value”.

The fair value option for financial assets and financial liabilities is not applied in the Volkswagen Bank GmbH Group.

Financial assets and financial liabilities are generally reported with their unnetted gross values. Offsetting is only applied if, at the present time, the offsetting of the amounts is legally enforceable by the Volkswagen Bank GmbH Group and there is an intention to settle on a net basis in practice.

#### **FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTIZED COST**

Financial assets held within a business model whose objective is to collect contractual cash flows (“hold to collect” business model) are allocated to the category of financial assets measured at amortized cost measurement. The contractual cash flows of these financial assets consist solely of payments of principal and interest on the principal amount outstanding, such that the cash flow criterion is satisfied.

Financial liabilities other than derivatives are allocated to the measurement category of financial liabilities measured at amortized cost.

Gains and losses arising from the changes in amortized cost are recognized in profit or loss, including the effects from changes in exchange rates.

#### **FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (DEBT INSTRUMENTS)**

Financial assets held within a business model whose objective is to collect contractual cash flows and sell financial assets (“hold to collect and sell” business model) are classified in the category of financial assets measured at fair value through other comprehensive income measurement (debt instruments). The contractual cash flows of these financial assets consist solely of payments of principal and interest on the principal amount outstanding.

Changes in fair value that extend beyond the changes in the amortized cost of these financial assets are recognized in other comprehensive income (taking into account deferred taxes) until the financial asset concerned is derecognized. Only then are the accumulated gains or losses reclassified to profit or loss. Changes due to specific factors affecting value, such as impairment losses, interest determined in accordance with the effective interest method and foreign currency gains or losses, are immediately recognized in profit or loss.

#### **FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**

The measurement category of financial assets measured at fair value through profit or loss encompasses financial assets (debt instruments) for which the cash flow criterion is not satisfied, or that are managed within a business model that aims to sell these assets in order to realize cash flows (“sell” business model).

In addition, derivatives are allocated to the measurement categories of financial assets measured at fair value through profit or loss and financial liabilities measured at fair value through profit or loss.

In the case of these financial assets and liabilities, any changes in fair value are recognized in profit or loss.

### **FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (EQUITY INSTRUMENTS)**

The Volkswagen Bank GmbH Group recognizes financial assets that represent an equity instrument and are not held for trading purposes in the measurement category of financial assets measured at fair value through other comprehensive income (equity instruments). Equity instruments are measured at fair value through other comprehensive income in exercise of the fair-value-through-OCI option. The accumulated gains or losses from remeasurement are transferred on derecognition to retained earnings and not to the income statement (i.e., they are not reclassified to profit or loss).

### **LOANS AND RECEIVABLES**

Loans to and receivables from banks, and loans to and receivables from customers, originated by the Volkswagen Bank GmbH Group are generally recognized at amortized cost using the effective interest method. Gains or losses arising from the changes in amortized cost are recognized in profit or loss, including the effects from changes in exchange rates.

For reasons of materiality, non-interest-bearing current loans and receivables (due within one year) are not discounted and therefore no unwinding of discount is recognized.

Loans and receivables are generally derecognized when they are repaid or settled. There are no indications of derecognition for loans/receivables from ABS transactions carried out by the Group.

The accounting policies relating to receivables from customers attributable to the leasing business in the Volkswagen Bank GmbH Group are described in note (14) Leases.

### **MARKETABLE SECURITIES**

The “Marketable securities” balance sheet item largely comprises investments of resources in the form of fixed-income securities from public- and private-sector issuers and asset-backed securities issued by ABS special purpose entities in the Volkswagen AG Group of consolidated entities.

Asset-backed securities are allocated to the measurement category of financial assets measured at fair value through profit or loss.

Fixed-income securities are allocated to the measurement category of financial assets measured at fair value through other comprehensive income (debt instruments). Valuation allowances for marketable securities are recognized in profit or loss under the “Provision for credit risks” line item. Interest determined in accordance with the effective interest method and effects from changes in exchange rates are also recognized in profit or loss. In addition, the differences between the amortized cost and fair value arising from the remeasurement of fixed-income securities are recognized in other comprehensive income, taking into account deferred taxes.

Financial investments in equity instruments from marketable securities are measured at fair value through other comprehensive income in exercise of the fair-value-through-OCI option. The net gain on measurement of these instruments is reported in the statement of comprehensive income under fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax.

### **EQUITY INVESTMENTS**

The equity investments included in the “Miscellaneous financial assets” balance sheet item are measured as equity instruments generally at fair value through other comprehensive income in exercise of the fair-value-through-OCI option. The net gain on measurement of these equity investments is reported in the statement of comprehensive income under fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax.

As the equity investments are strategic financial investments, this classification provides a more meaningful presentation of the investments.

If, in the case of non-material equity investments, there is no active market and there is no evidence that the fair values are significantly different from cost, such equity investments are accounted for at cost and reported under financial assets measured at fair value.

#### **DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING**

Derivative financial instruments comprise derivatives designated as hedging instruments and derivatives not designated as hedging instruments. All derivatives are measured at fair value and are presented separately in notes (38) and (49).

The fair value is determined with the help of measurement software in IT systems using the discounted cash flow method and taking into account credit value adjustments and debt value adjustments.

In the Volkswagen Bank GmbH Group, entities enter into hedging transactions solely as part of their management of interest rate risk and/or currency risk.

Derivatives are used as hedging instruments to hedge fair values or future cash flows (referred to as hedged items). Hedge accounting in accordance with IFRS 9 is only applied in the case of hedges that can be demonstrated to be effective, both on designation and continuously thereafter. The Volkswagen Bank GmbH Group documents all relationships between hedging instruments and hedged items.

When fair value hedges are applied, changes in the fair value of the derivative designated as the instrument used to hedge the fair value of a recognized asset or liability (hedged item) are recognized in profit or loss under net gain or loss on hedges. Changes in the fair value of the hedged item in connection with which the risk is being minimized are also reported in profit or loss under the same item. Gains or losses arising from the ineffectiveness of fair value hedges are also recognized in gain or loss on hedges.

Portfolio fair value hedge accounting reports transactions to hedge the risk of changes in the interest rates of hedged items (receivables from retail financing) on a portfolio basis. The hedged interest rate risk for the hedged items is based on the 3-month EURIBOR. The Volkswagen Bank GmbH Group exercises the option afforded in the provisions of IAS 39 regarding hedge accounting in its portfolio fair value hedge accounting treatment. As part of the accounting treatment of hedges in portfolio fair value hedge accounting, the hedged fair value changes for hedged items are recognized in a separate asset item in the balance sheet ("Change in fair value from portfolio fair value hedges").

In the case of derivatives that are designated as hedges of future cash flows in cash flow hedges and that satisfy the relevant criteria, the changes in the fair value of the derivative are recognized in separate items of other comprehensive income. The designated effective portion is recognized within other comprehensive income in OCI I. Effects on profit or loss under net gain or loss on hedges arise from the ineffective portion of the change in fair value as well as from the reclassification (on recognition of the hedged item) of changes in fair value previously recognized in other comprehensive income. The measurement of the hedged item remains unchanged.

Changes in the fair values of derivatives that do not satisfy the IFRS 9 or IAS 39 criteria for hedge accounting and are therefore accounted for in the measurement category of financial assets and financial liabilities measured at fair value through profit or loss are recognized in profit or loss under net gain or loss on financial instruments measured at fair value.

Interest income or interest expense related to derivatives designated as hedging instruments is reported in the income statement item in which the interest income or interest expense related to the hedged item is presented. Interest income or interest expense related to derivatives used in economic hedging relationships that do not meet the requirements of designation as hedging instruments is also reported in the income statement item in which the interest income or interest expense related to the financial assets and liabilities or the hedged item is presented.

### PROVISION FOR CREDIT RISKS

The provision for credit risks, which is recognized in accordance with the expected credit loss model specified by IFRS 9 and in accordance with uniform standards applied throughout the Group, encompasses all financial assets measured at amortized cost, financial assets in the form of debt instruments measured at fair value through other comprehensive income, finance lease receivables and receivables related to payments due under operating leases that fall within the scope of IFRS 16, and credit risks from off-balance-sheet irrevocable credit commitments and financial guarantees. Revocable off-balance-sheet credit commitments are, by contrast, not included in the scope of the provision for credit risks. A credit commitment is considered revocable if a contractual or statutory basis for the revocation or termination exists and the Group also has the practical ability to revoke the credit commitment at any time.

The calculation of the provision for credit risks takes into account the exposure at default, the probability of default and the loss given default.

Financial assets are subject to credit risks, which are taken into account by recognizing valuation allowances in the amount of the expected loss; such valuation allowances are recognized for both financial assets with objective evidence of impairment and non-impaired financial assets. These allowances are posted to separate valuation allowance accounts.

The general approach is used for financial assets measured at amortized cost (with the exception of trade receivables), financial assets (debt instruments) whose changes in fair value are recognized in other comprehensive income and for irrevocable credit commitments and financial guarantees unless there is already objective evidence of impairment on initial recognition. Financial assets are broken down into three stages in the general approach. Stage 1 consists of financial assets that are being recognized for the first time or that have not demonstrated any significant increase in default risk since initial recognition. Stage 2 consists of financial assets for which the risk of default has increased significantly since initial recognition. Financial assets demonstrating objective indications of impairment are allocated to Stage 3.

In the case of financial assets already impaired on initial recognition (POCI) and classified as Stage 4 for the purposes of the disclosures, the provision for credit risks is recognized in subsequent measurement on the basis of the cumulative changes in the expected credit loss for the entire life of the asset concerned.

The provision for credit risks is calculated on the basis of the individual financial asset. The parameters required for this calculation are established by assessing portfolios in which individual financial assets of a similar type are brought together. Such homogeneous portfolios are created, for example, on the basis of customer group (e.g. dealer), product (e.g. financing or leasing), or type of collateral (e.g. vehicle). In the case of significant financial assets (e.g., dealer financing loans/receivables and fleet customer business loans/receivables) with objective evidence of impairment, the measurement parameters are determined on the basis of the individual contract.

In the Volkswagen Bank GmbH Group, the provision for credit risks relating to trade receivables and to operating and finance lease receivables accounted for in accordance with IFRS 16 is uniformly determined using the simplified approach. The valuation allowance for trade receivables is calculated according to the extent to which the receivable is past due using a valuation allowance table (provision matrix).

Both historical information, such as average historical default probabilities for each portfolio, and forward-looking information, such as macroeconomic factors and trends (e.g., the rate of change for gross domestic product, the rate of change for industrial production, the unemployment rate, inflation, and short-term and long-term interest rates), linked to expected credit losses, is used to determine the measurement parameters for calculating the provision for credit risks. To model the measurement

parameters, calculations are carried out for various probability-weighted scenarios using region-specific macroeconomic factors.

The scenarios assume different economic trends and reflect their impact on credit risk and the provision for credit risks. In this regard, Volkswagen Bank GmbH analyzes macroeconomic factors that are also used in internal management. If statistical methods demonstrate that macroeconomic factors have an impact on credit risk, then the relevant forecast macroeconomic factors and their effects on credit risk are taken into account in the scenarios.

The Volkswagen Bank GmbH Group normally analyzes three scenarios: a baseline scenario, a positive scenario and a negative scenario. The baseline scenario uses validated risk parameters as also used in the internal risk calculations. The positive scenario assumes a more positive trend in probabilities of default and loss for the next 12 months compared with the baseline scenario, whereas the negative scenario assumes a rise in default probabilities and higher losses. Compared with the baseline scenario, the probability of default (PD) is reduced by -13.0% on average in the positive scenario (previous year: -13.5%), but is increased by an average of +18.7% in the negative scenario (previous year: +27.4%). The loss is reduced by -1.2% on average in the positive scenario (previous year: -1.3%), but is increased by an average of +2.6% (previous year: +2.7%) in the negative scenario.

The calculation to determine whether the credit risk has increased significantly at the reporting date generally takes into account the maturity of the agreement. The credit risk expected for the reporting date on the date of initial recognition is compared against the actual credit risk on the reporting date on the basis of the 12-month probability of default; the expected probability of default for the reporting date is derived for the comparison taking the maturity of the agreement into account. Depending on the internal risk management models applied, threshold values are specified for expected credit risk using statistical methods and expert assessments, taking into account transaction-specific variables (such as maturity, payment record and credit process). A credit risk higher than the threshold value indicates a significant increase in credit risk. Depending on specific regional circumstances, qualitative factors may also be used to determine a significant increase in credit risk. Credit risk is assumed to have increased significantly, at the latest, if payments are past due by more than 30 days unless the financial assets have already been allocated to Stage 3 because of other objective evidence of impairment or, as a consequence of a substantial contractual modification, they are added to Stage 1 again at the reporting date despite payments being past due. A financial asset for which the credit risk is determined to be very low at the reporting date can normally be allocated to Stage 1. In the Volkswagen Bank GmbH Group, a very low credit risk can be assumed if the financial asset is assigned a one-year probability of default of less than 0.3%.

Objective evidence of impairment is identified in the Volkswagen Bank GmbH Group using the definition of default specified in Article 178 of the CRR. The existence of a variety of factors could be decisive in determining whether a default has occurred. Examples of such factors include payment more than 90 days past due, the initiation of enforcement measures, the threat of insolvency or overindebtedness, application for or the initiation of insolvency proceedings, or the failure of restructuring measures. The Volkswagen Bank GmbH Group uses the EBA's amended guidelines on the application of the definition of default under Article 178 of the CRR. If the reason for the recognition of a default (e.g., disruption to payments) has been eliminated, this must then be followed immediately by a cure period of several months before the financial instrument can no longer be considered to be in default.

Reviews are regularly carried out to ensure the valuation allowances are appropriate.

Uncollectible loans or receivables that are already subject to a remediation for which all collateral has been recovered and all further options for recovering the loan or receivable have been exhausted are

written off directly. Any valuation allowances previously recognized are utilized. Income subsequently collected in connection with loans or receivables already written off is recognized in profit and loss.

Loans and receivables are reported in the balance sheet at the net carrying amount. The provision for credit risks relating to off-balance sheet irrevocable credit commitments and financial guarantees is recognized within other liabilities.

Disclosures relating to the provision for credit risks are presented separately in notes (24) and (64).

## MODIFICATIONS

Modifications falling within the scope of IFRS 9 are adjustments of an individual financial instrument or finance lease in which the provisions of IFRS 9 must be applied in accordance with IFRS 16.80(b) and in which the nature, amount and/or timing of the contractual cash flows from the contract are modified. They can be caused by credit rating or market factors. If modified cash flows arise in connection with financial assets or financial liabilities, an assessment must be carried out to establish whether the modification is significant or not. The significance of a modification is assessed from both a qualitative perspective (e.g., change in cash flow currency, adjustment in subordination, switch from fixed to variable interest rate) and a quantitative perspective. As a quantitative guideline, the Volkswagen Bank GmbH Group deems any variation in the discounted cash flows for a financial asset or a financial liability of more than 10% to be significant.

If a modification is significant, the financial asset or financial liability concerned must be derecognized and the modified contract recognized as a new financial asset or financial liability at fair value, taking into account a new effective interest rate. In the case of financial assets that are credit-impaired when purchased or originated and thereby allocated to Stage 4, a credit-adjusted effective interest rate is applied. Financial assets that are not posted as credit-impaired as part of a significant modification and are subject to the general approach are allocated to Stage 1; in subsequent measurement, they are allocated to Stage 2 if a significant increase in credit risk is determined in connection with the modification.

If a modification is not significant, the gross carrying amount of the financial asset or financial liability must be adjusted such that the gross carrying amount after modification reflects the modified cash flows discounted with the original effective interest rate, including all the costs incurred as a result of the modification of the agreement. The old financial asset or financial liability is therefore not derecognized and there is no recognition of a new asset or liability. The difference between the gross carrying amount before and after modification is the modification gain or loss. If a significant increase in credit risk is determined as part of a non-significant modification of a financial asset subject to the general approach (see the section "Provision for credit risks"), the asset is allocated to Stage 2.

## LIABILITIES

Liabilities to banks and customers, notes and commercial paper issued, and subordinated capital liabilities are recognized at amortized cost using the effective interest method. Gains or losses arising from the changes in amortized cost are recognized in profit or loss, including the effects from changes in exchange rates.

For reasons of materiality, discounting or unwinding of discounting is not applied to non-interest-bearing current liabilities (due within one year). They are therefore recognized at their repayment or settlement value.

### 10. Value adjustment on portfolio fair value hedges

This assets-side line item on the balance sheet recognizes changes in the hedged fair value in relation to the hedged interest rate risk for the hedged items covered by portfolio fair value hedge accounting. The effects arising from the amortization of changes in fair value recognized for hedged items (changes in hedged fair value) in portfolio fair value hedges are reported in the interest income from hedged financial assets.

### 11. Miscellaneous financial assets

Shares of equity investments are recognized under Miscellaneous financial assets.

The accounting policies applicable to equity investments are set out in note (9) Financial Instruments.

### 12. Intangible assets

Intangible assets are recognized in accordance with the cost model.

Purchased intangible assets are – provided they have a finite useful life – amortized on a straight-line basis over their useful lives. These assets mainly consist of software, which is generally amortized over three or five years.

Subject to the conditions specified in IAS 38, internally developed software is capitalized. Amortization is on a straight-line basis over the useful life of three to five years from the start of use and is reported under general and administrative expenses.

At every reporting date, intangible assets with finite useful lives are tested to establish whether there are any indications of impairment. An appropriate impairment loss is recognized if a comparison shows that the recoverable amount for the asset is lower than its carrying amount.

Intangible assets with indefinite useful lives are not amortized. An annual review is carried out to establish whether an asset has an indefinite useful life. In accordance with IAS 36, these assets are tested for impairment by comparing the carrying amount and recoverable amount at least once a year and additionally if relevant events or changes in circumstances should occur. If required, an impairment loss is recognized to reduce the carrying amount to a lower recoverable amount.

### 13. Property and equipment

Property and equipment (land and buildings plus operating and office equipment) is recognized in accordance with the cost model. Depreciation is applied on a straight-line basis over the estimated useful life.

Depreciation and amortization is based mainly on the following useful lives:

Property and equipment	Useful lives
Buildings and property facilities	10 to 50 years
Operating and office equipment	3 to 23 years

At every reporting date, property and equipment are tested to establish whether there are any indications of impairment, for example as a result of relevant events or changes in circumstances. The recoverable amount for the asset is compared against its carrying amount in such cases. If the recoverable amount of the asset concerned has fallen below its carrying value, an impairment loss is recognized in accordance with IAS 36.

Depreciation expense and impairment losses are reported within general and administrative expenses. Income from the reversal of impairment losses is recognized in net other operating income/expenses.

The property and equipment line item on the balance sheet also includes right-of-use assets recognized on the balance sheet in connection with leases in which the Volkswagen Bank GmbH Group is the lessee. The accounting policies for these right-of-use assets are set out in note (14) Leases within the subsection covering the Group as lessee.

### 14. Leases

#### GROUP AS LESSOR

The Volkswagen Bank GmbH Group operates both finance lease business and operating lease business. The leases are mainly vehicle leases, but to a lesser extent also involve land and buildings.

Lease income and lease expenses that the Group generates or incurs as a lessor are recognized under income from leasing transactions and depreciation, impairment losses and other expenses from leasing transactions in the income statement and are explained in note (21) Net Income from Leasing Transactions. Net income from leasing transactions largely consists of the following components: revenue from operating leases, interest income from finance leases, gains and expenses from the disposal of used ex-lease vehicles, net interest income/expense from finance lease hedging derivatives and depreciation and impairment losses in respect of lease assets. Interest income from finance leases includes the effects arising from the amortization of changes in fair value recognized for hedged items (changes in hedged fair value) resulting from finance lease receivables in portfolio fair value hedge accounting.

A finance lease is a lease that transfers substantial risks and rewards to the lessee. Where residual value guarantees are agreed, residual value risks are passed on to the residual value guarantor. In the consolidated balance sheet, receivables from finance leases are reported within loans to and receivables from customers and the net investment in the lease generally equates to the cost of the lease asset.

Interest income from these transactions is reported under leasing income in the income statement. The interest paid by the customer is allocated so as to produce a constant periodic rate of interest on the remaining balance of the lease receivable. Net interest income/expense from hedging derivatives for the interest rate exposure for parts of the receivables from finance leases is reported under income from leasing business. Net interest income/expense from hedging derivatives is reported under income from leasing business in order to present hedged interest income from finance leases generated by the Volkswagen Bank GmbH Group including net interest income/expense from hedging derivatives for the interest rate exposure.

In the case of operating leases, the substantial risks and rewards related to the leased asset remain with the lessor. In this case, the assets involved are reported in a separate "Lease assets" item in the consolidated balance sheet, measured at cost and reduced by straight-line depreciation over the lease term to the calculated residual carrying amount. Any impairment identified as a result of an impairment test in accordance with IAS 36 in which the recoverable amount (normally the value in use) is found to have fallen below the carrying amount is taken into account by recognizing an impairment loss. Generally, future depreciation rates are adjusted as a consequence of impairment. Depreciation and impairment losses are reported under depreciation, impairment losses and other expenses from leasing transactions. Reversals of impairment losses recognized in prior years for reasons that no longer apply are included in income from leasing transactions. Leasing revenue is recognized on a straight-line basis over the lease term and is reported in income from leasing transactions.

Where the Volkswagen Bank GmbH Group is a lessor, one of the ways in which it counters the risks arising in connection with the underlying leased assets (primarily vehicles) is to take into account residual value guarantees received for parts of the lease portfolio and to include residual value forecasts on the basis of internal and external information within residual value management. Residual value forecasts are regularly verified by a process of backtesting.

The Volkswagen Bank GmbH Group takes full account of the credit risk arising in connection with lease receivables by recognizing loss allowances in accordance with the provisions specified in IFRS 9. The accounting policies covering loss allowances for the credit risk on lease receivables are included in note (9) Financial Instruments in the subsection addressing the provision for credit risks.

#### **GROUP AS LESSEE**

The right-of-use asset for leases in which the Volkswagen Bank GmbH Group is the lessee is depreciated on a straight-line basis over the term of the lease. The depreciation expense is reported under general and administrative expenses. The allocation of the depreciation amounts for right-of-use assets to the categories "Right of use on land, land rights and buildings incl. buildings on third party land" and "Right of use on other equipment, operating and office equipment" is shown in note (69) Leases.

In the subsequent measurement of the lease liability, the carrying amount is updated using the effective interest method and taking into account the lease payments made. The interest expenses arising from the application of the effective interest method are reported under interest expenses in the income statement.

The right-of-use assets recognized in the balance sheet for leases are reported under those line items in which the lease's underlying assets would have been reported if these assets had been in the beneficial ownership of the Volkswagen Bank GmbH Group. The right-of-use assets are therefore reported as of the reporting date under property and equipment.

Lease liabilities are carried at the present value of the lease payments. Exemptions are provided for short-term leases and leases in which the underlying asset is of low value. The Volkswagen Bank GmbH Group has elected to apply these exemptions and therefore does not recognize any right-of-use asset or

lease liability for such leases. The associated lease payments are recognized as an expense under general and administrative expenses in the income statement. A lease is treated as low in value if the underlying asset is worth no more than €5,000 when new. Furthermore, the accounting requirements specified in IFRS 16 are not applied to leases for intangible assets.

Leases of the Volkswagen Bank GmbH Group may include extension or termination options that are taken into account when determining the lease term.

#### **BUYBACK TRANSACTIONS**

The Volkswagen Bank GmbH Group enters into vehicle purchase contracts in which there is a fixed buyback agreement with the vehicle sellers, who are entities in the Volkswagen Group. Ultimately, these contracts entitle the Group solely to use the vehicles during an agreed timeframe, the contracts being accounted for as leases. The Group is the lessee in the primary lease and uses the vehicles made available under the lease to conduct leasing business with customers. The leases with customers are treated as subleases linked to the right of use received for the period of use and are classified as finance leases or operating leases according to the classification criteria. The vast majority of buyback transactions are classified as finance leases and the values arising from the transfer of the right of use are consequently presented as receivables from finance leases in the balance sheet. To a lesser extent, some transactions are classified as operating leases and the values arising from the transfer of the right of use are thus in this case accounted for as lease assets.

In connection with buyback transactions, buyback receivables are also recognized under loans to and receivables from customers within other loans and receivables in the amount of the buyback values agreed at the inception of the lease. In the case of noncurrent leases (maturity of more than one year), the agreed buyback value is discounted at the inception of the lease. The unwinding of the discount during the term of the lease is recognized in interest income.

### **15. Investment property**

Land and buildings held to earn rentals are reported under the Investment property line item in the balance sheet and recognized in accordance with the cost model. The fair values disclosed in the notes are determined by discounting the estimated future cash flows using the relevant long-term market discount rate. Depreciation is applied on a straight-line basis over useful lives of nine to 33 years. Any impairment identified as a result of an impairment test in accordance with IAS 36 is taken into account by recognizing an impairment loss.

### **16. Provisions for pensions and other post-employment benefits**

Provisions are recognized for commitments in the form of retirement, invalidity and surviving dependants' benefits payable under pension plans. The benefits provided by the Group vary according to the legal, tax and economic circumstances of the country concerned, and usually depend on the length of service and remuneration of the employees.

The Volkswagen Bank GmbH Group provides occupational pensions in the form of both defined contribution and defined benefit plans. In the case of defined contribution plans, the Bank makes contributions to state or private pension schemes based on statutory or contractual requirements, or on a voluntary basis. Once the contributions have been paid, the Volkswagen Bank GmbH Group has no further obligations. In 2025, the total contributions made by the Volkswagen Bank GmbH Group came to

€27 million in total (previous year: €17 million). This amount included contributions to the compulsory state pension system in Germany in an amount totaling €26 million (previous year: €16 million).

Pension schemes in the Volkswagen Bank GmbH Group are predominantly defined benefit plans in which there is a distinction between pensions funded by provisions (without plan assets) and externally funded plans (with plan assets). The pension provisions for defined benefit commitments are measured by independent actuaries using the internationally accepted projected unit credit method in accordance with IAS 19. This means that the future obligations are measured on the basis of the proportionate benefit entitlements earned as of the reporting date. The measurement of pension provisions takes into account actuarial assumptions regarding discount rates, salary and pension trends, life expectancy and employee turnover rates, which are determined for each Group company depending on the economic environment.

Detailed disclosures on provisions for pensions and other post-employment benefits are set out in note (50).

## 17. Other provisions and other liabilities

Under IAS 37, provisions are recognized if a present legal or constructive obligation to a third party has arisen as a result of a past event, it is probable that settlement in the future will result in an outflow of resources embodying economic benefits, and the amount of the obligation can be estimated reliably. If an outflow of resources is neither probable nor improbable, the amount concerned is deemed to be a contingent liability. In accordance with IAS 37, this contingent liability is not recognized but disclosed in note (71).

The share-based remuneration within Other liabilities includes benefits from the share-based backward-looking long-term bonus that is implemented by means of cash settlement based on Volkswagen AG preferred shares and accounted for at fair value in accordance with IFRS 2. The fair value is recognized as remuneration expense over the vesting period and is treated as part of personnel expenses within general and administration expenses reported in the income Statement. Further information on the share-based remuneration can be found in note (72) Share-based payment.

Provisions for litigation and legal risks are recognized and measured using assumptions about the probability of an unfavorable outcome and the amount of possible utilization.

Income from the reversal of other provisions is generally recognized in the income statement item or net income item in which the associated expense was recognized in previous fiscal years.

Provisions that are not associated with an outflow of resources within one year are recognized at their settlement amount discounted to the reporting date using market discount rates. An average discount rate of 2.58% (previous year: 2.61%) has been used for the eurozone. The settlement amount also includes expected cost increases.

## 18. Trust transactions

Volkswagen Bank GmbH acts as a trustee in some of its lending business. As the pass-through criteria specified in IFRS 9.3.2.4(b) and IFRS 9.3.2.5 are satisfied, the asset, which only needs to be recognized for the briefest of periods, and the matching liability are derecognized in full. The upshot is that trust business does not need to be reported on the balance sheet. The extent of this business is not material.

## 19. Estimates and assumptions by management

The preparation of the consolidated financial statements requires management to make certain estimates and assumptions that affect the recognition and measurement of assets, liabilities, income and expenses, and disclosures relating to contingent assets and liabilities for the reporting period.

Assumptions and estimates are based on the latest available information. The circumstances prevailing at the time the consolidated financial statements are prepared and future trends in the global and sector environment considered to be realistic are taken into account in the projected future performance of the business. The estimates and assumptions used by management have been made, in particular, on the basis of assumptions relating to macroeconomic trends (including energy prices and inflation) and developments in the automotive markets, financial markets (specifically including interest rate trends) and underlying legal conditions.

The planning assumption in respect of global economic development is that global economic output will grow overall at a similar pace in 2026 when compared with 2025. Falling inflation in major economic regions and the gradual easing of monetary policy as a result are expected to boost consumer demand. It is still expected that risks will arise from growing 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. It is assumed that the advanced economies will show a similar momentum and the group of the emerging markets a slightly weaker momentum compared with the reporting year. There is also a general expectation that the global economy will continue growing at stable rates of change in the period to 2030.

These assumptions suggest that automotive financial services – in combination with the development of the vehicle markets – will prove highly important to global vehicle sales in 2026. We expect demand to rise in markets where market penetration has so far been low. Demand for solutions that provide access to mobility at the lowest possible total cost is expected to continue to grow in the markets of Volkswagen Bank GmbH Group's markets. 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, demand is expected to increase for new forms of mobility, such as rental and car subscription (Auto-Abo) services, and for integrated mobility services including refueling and charging. Dealers will remain important strategic partners. The seamless integration of financial services into the online vehicle offering will become increasingly important. We assume that this trend will also persist in the years 2027 to 2030.

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

Trends in the markets for passenger cars in 2026 are expected to be positive overall, but with some variation from region to region. Overall, the global volume of new car sales is expected to be on a level with the previous year. Growing demand for passenger cars is forecast worldwide in the period from 2027 to 2030. Trends in the markets for light commercial vehicles in the individual regions will be mixed. The

sales volume for 2026 is expected to be on the same level as in the previous year; for the years 2027 to 2030, demand for light commercial vehicles is forecast to increase globally.

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.

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 of the Volkswagen Bank GmbH 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 their business model.

These and other assumptions and judgements are explained in detail in the report on expected developments, which is part of the management report.

As future business performance is subject to unknown factors that, in part, lie outside the control of the Group, assumptions and estimates continue to be subject to considerable uncertainty. If changes in parameters are different from the assumptions and beyond any influence that can be exercised by management, the amounts actually arising could differ from the estimated values originally forecast. If actual performance varies with the forecasts, the assumptions and, where necessary, the carrying amounts of the assets and liabilities concerned are adjusted accordingly.

The assumptions and estimates largely relate to the items set out below.

#### **RECOVERABLE AMOUNT OF LEASE ASSETS**

The recoverable amount of leased assets in the Group mainly depends on the residual value of the leased vehicles when the leases expire because this value represents a considerable proportion of the expected cash inflows. Continuously updated internal and external information on trends in residual values – based on particular local circumstances and empirical values from the marketing of used vehicles – is factored into the forecasts of residual values for leased vehicles. These forecasts require the Group to make assumptions, primarily in relation to future supply and demand for vehicles and in relation to trends in vehicle prices. These assumptions are based on either professional estimates or information published by third-party experts. The professional estimates are based on external data (where available), taking into account any additional information available internally, such as values from past experience and current sales data. Forecasts and assumptions are regularly verified by a process of backtesting.

The mix of drive types in the Volkswagen Bank GmbH portfolio is changing constantly as the transition to zero-emissions mobility progresses. The implications of this transition for residual values in the portfolio are monitored continuously using an appropriate method for the analysis and evaluation of ESG factors, including technological and regulatory changes and CO<sub>2</sub> transition costs. The defined residual values of vehicles of different drive types are updated in line with the results of this monitoring at regular intervals for the purposes of both new business and residual value forecasting. Customer behavior and the structure of the market are also key determining factors in this context alongside the aforementioned elements. No additional estimation uncertainty arising from ESG/sustainability considerations that would materially affect existing estimates, for example the recoverable amount of

leased assets, in the consolidated financial statements is apparent as of the current reporting date. Possible future effects of ESG/sustainability factors on existing estimates are considered continuously.

#### LEASE TERM IN LESSEE ACCOUNTING

Under IFRS 16, the term of a lease is determined on the basis of the fundamental noncancelable term of the lease plus an assessment of whether any option to extend the lease will be exercised or whether any option to terminate the lease will be exercised. The lease term determined in this way and the discount rates used affect the amounts recognized for the right-of-use assets and the lease liabilities.

#### FINANCIAL INSTRUMENTS

The procedure for determining the recoverability of financial assets requires estimates about the extent and probability of occurrence of future events. When possible, these estimates take into account the latest market data as well as rating classes and scoring information derived from empirical values and combined with forward-looking parameters. Further information on determining valuation allowances can be found in the disclosures on the provision for credit risks in notes (9) and (64).

With regard to default risks of financial assets in the Volkswagen Bank GmbH Group, climate and environmental risks in the portfolio of nonfinancial companies and for collateral in the form of vehicles may become increasingly relevant in future reporting periods. In the portfolio of nonfinancial companies, possible transition risks, in particular, are classified as being of medium- to long-term relevance. Their nature varies within the individual sectors of the nonfinancial companies. The car trade, in particular, may be subject to medium- and long-term transition risks driven by additional transformation costs, long-term structural change and the need for capital expenditure on technology. The corresponding short-term transition risks are not classified as material. In terms of collateral in the form of vehicles, it can generally be assumed that the gradual transition from combustion engines to electric vehicles will continue. From today's perspective, therefore, there are no heightened risks and the valuation approaches remain appropriate. Nevertheless, the impact of relevant risk drivers such as the CO<sub>2</sub> transition, technological changes, laws and provisions and customer interest are kept under observation and reassessed on a regular and ad hoc basis. Instruments to take ESG aspects into account in the credit processes were established within the Volkswagen Bank GmbH Group in order to counter ESG risks. As part of the credit approval process the Group assesses ESG risks on the basis of the comprehensive expertise of the front and back office.

Management estimates are necessary to determine the fair value of financial instruments. This relates to both fair value as a measurement standard in the balance sheet and fair value in the context of disclosures in the notes. Fair value measurements are categorized into a three-level hierarchy depending on the type of inputs used in the valuation technique and each level requires different management estimates. Fair values in Level 1 are based on prices quoted in active markets. Management assessments in this case relate to determining the primary or most advantageous market. Level 2 fair values are measured on the basis of observable market data using market-based valuation techniques. Management decisions for this level relate to selecting generally accepted, standard industry models and specifying the market in which the relevant input factors are observable. Level 3 fair values are determined using recognized valuation techniques and relying on some inputs that cannot be observed in an active market. Management judgment is required in this case when selecting the valuation techniques and determining the inputs to be used. These inputs are developed using the best available information. If the Bank uses its own data, it applies appropriate adjustments to best reflect market conditions. This is done with regard to fair value disclosures for loans to customers in the notes, as these are measured at amortized cost and not at fair value.

### **INCOME FROM SERVICE CONTRACTS**

The calculation of contractual service rates in service contracts is subject to assumptions about expenses during the term of contracts; these assumptions are based on past empirical data. The parameters used in the calculation of contractual service rates are regularly reviewed. During the term of contracts, income from service contracts is recognized on the basis of expenses incurred, plus a margin derived from the contractual service rates.

### **PROVISIONS**

The recognition and measurement of provisions is also based on assumptions about the probability that future events will occur and the amounts involved, together with an estimation of the discount rate. Again, experience or reports from external experts are used whenever possible.

The measurement of pension provisions is based on actuarial assumptions regarding discount rates, salary and pension trends, and employee turnover rates, which are determined for each group company depending on the economic environment. Further information about the assumptions applied in relation to provisions for pensions and other post-employment benefits can be found in notes (16) and (50).

Other provisions are measured on the basis of expected values, which often results in changes involving either additions to the provisions or the reversal of unused provisions. Changes in the estimates of the amounts for other provisions are always recognized in profit or loss. The recognition and measurement of provisions for litigation and legal risks included within other provisions requires making predictions with regard to court decisions and the outcome of legal proceedings. Each case is individually assessed on its merits based on developments in the proceedings, the company's past experience in comparable situations and evaluations made by experts and lawyers. Further information about the assumptions applied in relation to other provisions can be found in note (17).

### **RECOVERABLE AMOUNT OF NONFINANCIAL ASSETS AND EQUITY INVESTMENTS**

The impairment tests applied to nonfinancial assets and equity investments measured at cost require assumptions related to the future cash flows in the planning period and, where applicable, beyond. The assumptions about the future cash flows factor in expectations regarding future global economic trends, trends in the overall markets for passenger cars and commercial vehicles and expectations derived from these trends about financial services, taking into account market penetration, risk costs, margins and regulatory requirements. The assumptions are based on current estimates by third-party institutions, which include economic research institutes, banks, multinational organizations and consulting firms. The discount rates used in the discounted cash flow method applied when testing nonfinancial assets for impairment are based on specified cost of equity rates, taking into account historical experience and appropriate assumptions regarding macroeconomic trends. In particular the forecasts for short- and medium-term cash flows, and the discount rates used, are subject to uncertainty outside the control of the group.

**DEFERRED TAX ASSETS AND UNCERTAIN INCOME TAX ITEMS**

When determining deferred tax assets, there is a need to make assumptions about future taxable income and the timing for any recovery of the deferred tax assets. The measurement of deferred tax assets for tax loss carryforwards is generally based on future taxable income within a planning horizon of five fiscal years. In the recognition of uncertain income tax items, the expected tax payment is used as the basis for the best estimate.

Tax liabilities are recognized for potential retrospective tax payments in the future; other liabilities are recognized for any additional tax costs incurred in this regard.

The entities in the Volkswagen Bank GmbH Group operate worldwide and are audited on an ongoing basis by the local tax authorities. Changes to tax legislation, decisions by the courts and their interpretation by the tax authorities in the countries concerned could give rise to tax payments that are different from the estimates made in the financial statements.

The assessment of uncertain tax exposures is based on the most likely figure if the risk were to materialize. The Volkswagen Bank GmbH Group makes a decision on a case-by-case basis as to whether to account for several tax uncertainties individually or in groups, depending on which approach better serves to predict whether the tax risk will materialize.

The pricing of individual services is particularly complex in contracts for cross-border intragroup services because, in many cases, there are no observable market prices or the application of market prices for similar services is subject to some uncertainty because the services are not comparable. In such cases – and for tax purposes – the pricing is determined using uniform measurement methods applied in generally accepted business practice.

Actual figures may differ from the original estimates if the circumstances differ from the assumptions made in the estimates.

## Income Statement Disclosures

### 20. Interest income from lending transactions and marketable securities

Income from lending transactions and marketable securities includes interest income from customer financing and dealer financing, interest income from direct banking business, interest income and expenses from hedging derivatives for financial assets outside the leasing business, and other interest income, which includes interest income from fixed-income securities.

The interest income from financial assets measured at amortized cost included in interest income from lending transactions and marketable securities is calculated using the effective interest method and amounted to €3,326 million (previous year restated: €3,498 million). The interest income from financial assets measured at fair value through other comprehensive income is calculated using the effective interest method and amounted to €37 million (previous year: €19 million).

Non-derivative financial instruments measured at fair value through profit or loss accounted for interest income of €25 million in the reporting year (previous year: €22 million).

Interest income and interest expense related to derivatives not designated as hedging instruments for hedging financial assets outside the leasing business gave rise to net income of €24 million (previous year: net expense of €18 million). Derivatives designated as a hedging instrument for hedging financial assets outside the leasing business resulted in net expense from interest income and expenses of €74 million (previous year: €64 million).

### 21. Net income from leasing transactions

The breakdown of net income from leasing transactions is as follows:

€ million	2025	2024 restated <sup>1</sup>
Leasing income from operating leases	7,560	3,726
Interest income from finance leases <sup>1</sup>	1,454	792
Gains from the disposal of used ex-operate lease vehicles	10,814	4,428
Net interest income/expense from finance lease hedging derivatives	-31	70
Miscellaneous income from leasing transactions	811	521
<b>Income from leasing transactions<sup>1</sup></b>	<b>20,607</b>	<b>9,536</b>
Lease assets depreciation and impairment losses	-5,668	-2,905
Expenses from the disposal of used ex-operate lease vehicles	-10,667	-4,448
Miscellaneous expenses from leasing transactions	-793	-342
<b>Depreciation, impairment losses and other expenses from leasing transactions</b>	<b>-17,128</b>	<b>-7,696</b>
<b>Total<sup>1</sup></b>	<b>3,479</b>	<b>1,840</b>

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section "Changes to Prior-Year Figures").

## 22. Interest expense

Interest expenses include funding expenses for lending and leasing business and relate in an amount of €2,911 million (previous year: €2,868 million) to financial instruments measured at fair value through other comprehensive income.

Interest income and interest expenses on derivatives not designated as hedging instruments for hedging financial liabilities gave rise to net income of €7 million (previous year: net expense of €4 million). Derivatives designated as hedging instruments for hedging financial liabilities resulted in net expenses from interest income and expenses of €117 million (previous year: €125 million).

The disclosures relating to the interest expenses for lease liabilities reported under the interest expense line item in the income statement can be found in note (69) Leases.

## 23. Net income from service contracts

Of the total income recognized for service contracts in the reporting year, an amount of €1,890 million (previous year: €840 million) related to service contracts requiring the recognition of income at a specific time, and €550 million (previous year: €243 million) related to service contracts requiring the recognition of income over a period of time.

Of the income from service contracts recognized in the reporting year, income of €755 million had been included in the contractual liabilities for service contracts within liabilities to customers as of January 1, 2025. Of the income recognized in the prior year, income of €656 million had been included in the contractual liabilities for service contracts as of January 1, 2024.

## 24. Provision for credit risks

The provision for credit risks relates to the following balance sheet items: loans to and receivables from banks, loans to and receivables from customers, marketable securities and other assets; in the context of the provision for credit risks in respect of credit commitments and financial guarantees, it also relates to the “Other liabilities” balance sheet item.

The breakdown of the amount recognized in the consolidated income statement is as follows:

€ million	2025	2024
Additions to provision for credit risks	-888	-496
Reversals of provision for credit risks	325	231
Direct write-offs	-194	-87
Income from loans and receivables previously written off	43	42
Net gain or loss from significant modifications	0	0
<b>Total</b>	<b>-715</b>	<b>-310</b>

Additions to provision for credit risks and direct write-offs include expenses from the provision for credit relating to trade receivables in the amount of €16 million (previous year: €5 million). Income from reversals of provision for credit risks refers to trade receivables of €29 million (previous year: €6 million).

## 25. Net fee and commission income

Net fee and commission income largely comprises income and expenses from insurance brokerage, together with fees and commission expenses from the financing business and the financial services business. The breakdown is as follows:

€ million	2025	2024
Fee and commission income	197	144
of which commissions from insurance broking	139	91
Fee and commission expenses	-240	-103
of which sales commissions from the financing business and financial services business	-183	-64
of which commissions from insurance broking	-27	-11
<b>Total</b>	<b>-43</b>	<b>41</b>

## 26. Net gain or loss on hedges

The “Net gain or loss on hedges” item comprises gains and losses arising from the fair value measurement of hedging instruments and hedged items.

The details of the gains and losses are as follows:

€ million	2025	2024
<b>Fair value hedges</b>		
Gains/losses from micro fair value hedges		
Gains/losses on hedging instruments	16	106
Gains/losses on hedged items	-53	-142
Gains/losses from micro fair value hedges	-36	-36
Gains/losses from the ineffective portion of micro fair value hedges	-36	-36
Gains/losses from portfolio fair value hedges		
Gains/losses on hedging instruments	16	-78
Gains/losses on hedged items	-81	76
Gains/losses from the ineffective portion of portfolio fair value hedges	-65	-2
Gains/losses from the ineffective portion of portfolio fair value hedges	-65	-2
<b>Cash flow hedges</b>		
Gains/losses from the reclassification of reserves	98	-73
Gains/losses from translation of foreign currency loans/receivables and liabilities	-120	73
Gains/losses from the ineffective portion of hedging instruments	0	-1
<b>Total</b>	<b>-125</b>	<b>-39</b>

## 27. Net gain or loss on financial instruments measured at fair value

The net gains or losses on derivatives not designated as hedging instruments, net gains or losses on marketable securities and loans/receivables measured at fair value through profit or loss, and net gains or losses on derecognition of marketable securities measured at fair value through other comprehensive income are reported under this item. Gains and losses arising from changes in the fair value of derivatives that do not satisfy the requirements of IFRS 9 for hedge accounting at the micro level or of IAS 39 for portfolio hedging are recognized under gains and losses on derivatives not designated as hedging instruments.

The details of the gains and losses are as follows:

€ million	2025	2024
Gains/losses on derivatives not designated as hedging instruments	69	-98
Gains/losses on marketable securities measured at fair value through profit/loss	-14	24
Gains/losses on loans/receivables measured at fair value through profit/loss	-	-
Gains/losses on the derecognition of marketable securities measured at fair value through OCI	9	8
<b>Total</b>	<b>64</b>	<b>-66</b>

## 28. General and administrative expenses

The breakdown of general and administrative expenses is shown in the following table:

€ million	2025	2024
Personnel expenses in general and administrative expenses	-536	-373
Nonstaff operating expenses	-776	-665
Advertising, public relations and sales promotion expenses	-26	-20
Depreciation of and impairment losses on property and equipment, amortization of and impairment losses on intangible assets	-10	-7
Other taxes	-17	-12
Income from the reversal of provisions and accrued liabilities	13	32
<b>Total</b>	<b>-1,352</b>	<b>-1,045</b>

The disclosures relating to the expenses from the depreciation of right-of-use assets included in general and administrative expenses and to the expenses from short-term leases and leases in which the underlying asset is of low value can be found in note (69) Leases.

The breakdown and explanation of personnel expenses is included in the separate note (74) Personnel expenses.

The information on the total fees charged by the auditor of the consolidated financial statements pursuant to section 314(1) no. 9 of the HGB is provided in note (73) Total fees charged by the auditor of the consolidated financial statements. The disclosures relating to the expenses from the depreciation of right-of-use assets included in general and administrative expenses and to the expenses from short-term leases and leases in which the underlying asset is of low value can be found in note (69) Leases.

## 29. Net other operating income/expenses

The breakdown of the net other operating income/expenses is as follows:

€ million	2025	2024
Gains on the measurement of nonhedge foreign currency loans/receivables and liabilities	36	8
Income from services provided and cost allocations to other entities in the Volkswagen Group	120	85
Income from the reversal of provisions and accrued liabilities	31	30
Income from claims for damages	33	15
Gains from the disposal of used vehicles outside operating leases	594	282
Income from nonsignificant modifications	20	7
Miscellaneous operating income	88	41
Losses on the measurement of nonhedge foreign currency loans/receivables and liabilities	-10	-10
Litigation and legal risk expenses	-3	-4
Expenses from the disposal of used vehicles outside operating leases	-588	-270
Expenses from nonsignificant modifications	-9	-4
Miscellaneous operating expenses	-79	-47
<b>Total</b>	<b>233</b>	<b>132</b>

## 30. Net gain/loss on miscellaneous financial assets

Net gain or loss on miscellaneous financial assets includes net gains or losses arising from the recognition of impairment losses and net gains or losses arising from the derecognition of joint ventures and investments.

## 31. Other financial gains or losses

Other financial gains or losses mainly consist of interest expenses in connection with pensions, tax-related issues and other liabilities.

## 32. Income tax expense

Income tax expense includes the taxes charged in respect of the Volkswagen Financial Services AG tax group, the taxes of subsidiary Volkswagen Leasing GmbH and taxes for which the international branches are the taxpayers, as well as deferred taxes.

The components of the income tax expense are as follows:

€ million	2025	2024 restated <sup>1</sup>
Current tax income/expense, Germany	-265	-367
Current tax income/expense, foreign	-88	-128
<b>Current income tax expense</b>	<b>-352</b>	<b>-496</b>
of which income (+)/expense (-) related to prior periods	11	0
Deferred tax income (+)/expense (-), Germany <sup>1</sup>	-337	156
Deferred tax income (+)/expense (-), foreign <sup>1</sup>	-51	-102
<b>Deferred tax income (+)/expense (-)<sup>1</sup></b>	<b>-387</b>	<b>54</b>
<b>Income tax expense<sup>1</sup></b>	<b>-739</b>	<b>-442</b>

<sup>1</sup> Adjustment of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets, the correction of a loss allowance and the nonrecognition of deferred tax assets (see section "Changes to Prior-Year Figures").

The reported tax expense in 2025 of €739 million (previous year restated: €442 million) is €98 million (previous year restated: €107 million) higher than the expected tax expense of €641 million (previous year restated: €335 million) calculated by applying the tax rate of 30.0% (previous year: 30.0%) to the consolidated profit before tax.

The following reconciliation shows the relationship between the income tax expense and the profit before tax for the reporting year:

€ million	2025	2024 restated <sup>1,2</sup>
<b>Profit before tax<sup>1</sup></b>	<b>2,136</b>	<b>1,116</b>
multiplied by the domestic income tax rate of 30,0 % (previous year: 30.0 %)		
<b>= Imputed income tax expense in the reporting period at the domestic income tax rate<sup>1</sup></b>	<b>-641</b>	<b>-335</b>
+ Effects from different foreign tax rates	14	16
+ Effects from tax-exempt income	-	41
+ Effects from non-deductible operating expenses	-42	-1
+ Effects from loss carryforwards	8	-
+ Effects from permanent differences	-14	4
+ Effects from tax credits	1	0
+ Taxes attributable to prior periods	-147	-16
+ Effects from changes in tax rates	92	-
+ Effects from non-deductible withholding taxes	0	0
+ Other variances <sup>2</sup>	-10	-151
<b>= Income tax expense<sup>1,2</sup></b>	<b>-739</b>	<b>-442</b>
Effective tax rate in % <sup>1,2</sup>	34.6	39.6

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section "Changes to Prior-Year Figures").

<sup>2</sup> Adjustment of prior-year figures in accordance with the explanations on the correction of a loss allowance and the nonrecognition of deferred tax assets (see section "Changes to Prior-Year Figures").

The statutory corporation tax rate in Germany for the 2025 assessment period was 15.0%. Including trade tax and the solidarity surcharge, this resulted in an aggregate tax rate of 30%.

An amendment of the Corporation Tax Act was adopted in Germany in July 2025. As a result, the corporation tax rate will be gradually lowered from 15.0% to 10.0% starting in 2028. In the fiscal year ended December 31, 2025, this resulted in income of €85 million from the measurement of deferred tax assets and deferred tax liabilities.

In the German tax group, a tax rate of 30.0% (previous year: 30.0%) is used to measure deferred taxes for temporary reversals in differences between the carrying amount of an asset on the balance sheet and its tax value and a tax rate of 27.0% (previous year: 30.0%) for differences that reverse in the long term. The reduction in the tax rate for long-term differences results from the amendments to the Corporation Tax Act in Germany. The applied local income tax rates for international branches vary between 19.0% and 33.1% (previous year restated: 19.0% and 33.1%).

The following table shows a breakdown of the as yet unused tax loss carryforwards:

€ million	UNUSED TAX LOSS CARRYFORWARDS		OF WHICH UNUSABLE TAX LOSS CARRYFORWARDS	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Non-expiring tax loss carryforwards	558	–	31	–
Expiry within 10 years	–	–	–	–
Expiry over 10 years	–	–	–	–
<b>Total</b>	<b>558</b>	<b>–</b>	<b>31</b>	<b>–</b>

The income taxes for continuing and discontinued operation were reduced by €9 million (previous year: € zero) using previously unrecognized tax losses and tax credits. The realization of tax loss carryforwards from previous years resulted in a €41 million reduction in current income tax expense in 2025 (previous year: € zero).

Deferred tax expense arising from the write-down of deferred tax assets amounts to € zero (previous year restated: € zero). Deferred tax income from the reversal of impairment losses on deferred tax assets for continuing and discontinued operation in the reporting year amounted to € zero (previous year restated: €18 million). For deductible temporary differences totaling €117 million (previous year restated: €1 million) no deferred tax assets were recognized.

Deferred tax assets of €102 million (previous year restated: €100 million) were capitalized without being offset by deferred tax liabilities of the same amount. The branches affected expect positive results in the future after losses in the current financial year or the previous year.

Of the deferred taxes recognized in the balance sheet, an amount of €17 million (previous year: €40 million) relates to transactions reported in other comprehensive income. A breakdown of the changes in deferred taxes is presented in the statement of comprehensive income.

The introduction of a global minimum level of taxation (Pillar 2) will not result in any burdens for the Volkswagen Bank GmbH Group. Consequently, no current tax expense in connection with Pillar 2 income taxes is incurred. The Volkswagen Bank GmbH Group has applied the exemption of the recognition and presentation of deferred taxes in connection with Pillar 2 income taxes.

### 33. Further income statement disclosures

The figures reported for fiscal years 2024 and 2025 do not include any commission expenses and income for fees and commissions resulting from assets and liabilities not measured at fair value through profit or loss and not accounted for using the effective interest method.

The way interest rates had developed in the previous year meant that government grants in the amount of €106 million were more than offset by the interest expenses associated with the targeted longer-term refinancing operations.

## Balance Sheet Disclosures

### 34. Cash reserve

The cash reserve primarily includes credit balances of € 7,664 million (previous year: €12,157 million) held with Deutsche Bundesbank.

### 35. Loans to and receivables from banks

Loans to and receivables from banks of € 554 million (previous year: €594 million) include credit balances and time deposits with banks and receivables from banks attributable to loans.

### 36. Loans to and receivables from customers

The “Loans to and receivables from customers” item includes deductions arising from the provision for credit risks recognized to cover the expected credit risk. The provision for credit risks is presented in notes (24) and (64).

Loans to and receivables from customers from retail financing largely comprise loans to private and commercial customers for the financing of vehicles. The vehicle itself is normally pledged as collateral for the financing of vehicles. Dealer financing encompasses floor plan financing as well as loans to the dealer organization for operating equipment and investment. Assets are pledged as collateral, but guarantees and charges on real estate are also used as security.

Receivables from leasing transactions include receivables from finance leases and receivables due in connection with lease assets.

Other loans and receivables primarily relate to lines of credit and overdrafts drawn down by customers, loans to and receivables from Volkswagen Group entities, and receivables from leasing transactions with a buyback agreement.

Receivables from leasing transactions include due receivables amounting to €828 million (December 31, 2024 restated: €660 million; January 1, 2024 restated: €118 million). Of this amount, €425 million (December 31, 2024 restated: €352 million; January 1, 2024 restated: €104 million) is attributable to finance leases and €403 million (previous year: €308 million) to operating leases. The due lease receivables are payable within one year.

### 37. Value adjustment on portfolio fair value hedges

This assets-side line item on the balance sheet recognizes changes in the hedged fair value in relation to the hedged interest rate risk for the hedged items covered by portfolio fair value hedge accounting.

The following table shows the amount reported in the balance sheet on the reporting date:

€ million	2025	2024
Value adjustment on portfolio fair value hedges	-37	83

### 38. Derivative financial instruments

This item comprises the positive fair values from derivatives designated as a hedging instrument and from derivatives not designated as a hedging instrument. In the presentation within the following table, the positive fair values of hedging cross-currency interest rate swaps designated as hedging instruments are broken down into currency and interest rate components provided that there is an appropriate underlying hedging strategy.

€ million	Dec. 31, 2025	Dec. 31, 2024
<b>Transactions to hedge against</b>		
currency risk on assets using fair value hedges	1	2
currency risk on liabilities using fair value hedges	-	-
interest-rate risk using fair value hedges	59	80
of which hedges against interest-rate risk using portfolio fair value hedges	10	10
interest-rate risk using cash flow hedges	40	10
currency risk on future cash flows using cash flow hedges	-16	0
<b>Hedging transactions</b>	<b>83</b>	<b>92</b>
Assets arising from derivatives not designated as hedges	118	114
<b>Total</b>	<b>202</b>	<b>205</b>

### 39. Marketable securities

The marketable securities mainly consisted of fixed-income bonds from public-sector issuers amounting to €3,076 million (previous year: €3,162 million). In addition, they included asset-backed securities totaling €560 million.

Marketable securities amounting to €520 million (previous year: €814 million) were pledged as collateral for own liabilities. They are deposited at Deutsche Bundesbank and are furnished as collateral in connection with open market operations.

The "Marketable securities" balance sheet item also includes series A and C stocks in VISA Inc., USA, in the amount of €15 million (previous year: €21 million). The series A stocks are classified as equity instruments and are measured through the OCI reserve; the series C stocks are classified as debt instruments and are measured through profit or loss.

## 40. Equity-accounted investments and miscellaneous financial assets

## EQUITY-ACCOUNTED INVESTMENTS

€ million	2025	2024
<b>Cost as of Jan. 1,</b>	-	<b>49</b>
Foreign exchange differences	-	-
Changes in basis of consolidation	-	-
Additions	-	-
Reclassifications	-	-
Assets held for sale (IFRS 5)	-	-48
Disposals	-	-
Changes/remeasurements recognized in profit or loss	-	-1
Dividends	-	-
Other changes recognized in other comprehensive income	-	-
<b>Balance as of Dec. 31,</b>	-	-
<b>Impairment losses as of Jan. 1,</b>	-	<b>19</b>
Foreign exchange differences	-	-
Changes in basis of consolidation	-	-
Additions	-	3
Reclassifications	-	-
Assets held for sale (IFRS 5)	-	-23
Disposals	-	-
Reversal of impairment losses	-	-
<b>Balance as of Dec. 31,</b>	-	-
<b>Net carrying amount as of Dec. 31,</b>	-	-
<b>Net carrying amount as of Jan. 1,</b>	-	<b>29</b>

The reclassifications shown in the “Assets held for sale (IFRS 5)” lines in the previous year were the result of the reclassification of assets on the balance sheet to Assets held for sale (IFRS 5).

The presentation of equity-accounted investments in the previous year referred in full to joint ventures.

Impairment losses in an amount of €3 million were recognized for equity-accounted joint ventures in the previous year.

The amount of the impairment losses equated to the amount by which the determined recoverable amount fell below the carrying amount before recognition of the impairment losses.

## MISCELLANEOUS FINANCIAL ASSETS

€ million	2025	2024 geändert <sup>1</sup>
<b>Cost as of Jan. 1,</b>	<b>3</b>	<b>3</b>
Foreign exchange differences	–	–
Changes in basis of consolidation <sup>1</sup>	–	–
Additions <sup>1</sup>	–	–
Reclassifications	–	–
Disposals	3	–
<b>Balance as of Dec. 31,</b>	<b>0</b>	<b>3</b>
<b>Amortization and impairment losses as of Jan. 1,</b>	<b>3</b>	<b>3</b>
Foreign exchange differences	–	–
Changes in basis of consolidation	–	–
Additions	–	–
Reclassifications	–	–
Disposals	3	–
Reversal of impairment losses	–	–
<b>Balance as of Dec. 31,</b>	<b>–</b>	<b>3</b>
<b>Net carrying amount as of Dec. 31,</b>	<b>0</b>	<b>0</b>
<b>Net carrying amount as of Jan. 1,</b>	<b>0</b>	<b>0</b>

<sup>1</sup> The figures were adjusted due to a technical presentation error.

## 41. Intangible assets

€ million	Internally generated software	Brand name, customer base	Goodwill	Other intangible assets	Total
<b>Cost as of Jan 1, 2025</b>	–	<b>3</b>	–	<b>75</b>	<b>78</b>
Foreign exchange differences	–	–	–	0	0
Changes in basis of consolidation	–	–	–	–	0
Additions	–	–	–	2	2
Reclassifications	–	–	–	–	–
Disposals	–	3	–	33	35
<b>Balance as of Dec. 31, 2025</b>	–	<b>0</b>	–	<b>45</b>	<b>45</b>
<b>Amortization and impairment losses as of Jan. 1, 2025</b>	–	<b>3</b>	–	<b>73</b>	<b>75</b>
Foreign exchange differences	–	–	–	0	0
Changes in basis of consolidation	–	–	–	–	–
Additions to cumulative amortization	–	–	–	1	1
Additions to cumulative impairment losses	–	–	–	–	–
Reclassifications	–	–	–	–	–
Disposals	–	3	–	33	35
Reversal of impairment losses	–	–	–	–	–
<b>Balance as of Dec. 31, 2025</b>	–	–	–	<b>41</b>	<b>41</b>
<b>Net carrying amount as of Dec. 31, 2025</b>	–	–	–	<b>3</b>	<b>3</b>
<b>Net carrying amount as of Jan. 1, 2025</b>	–	–	–	<b>3</b>	<b>3</b>

€ million	Internally generated software	Brand name, customer base	Goodwill	Other intangible assets	Total
<b>Cost as of Jan 1, 2024</b>	–	<b>19</b>	–	<b>41</b>	<b>60</b>
Foreign exchange differences	–	0	–	0	1
Changes in basis of consolidation	–	–	–	37	37
Additions	–	–	–	2	2
Reclassifications	–	–	–	–	–
Disposals	–	17	–	5	22
<b>Balance as of Dec. 31, 2024</b>	–	<b>3</b>	–	<b>75</b>	<b>78</b>
<b>Amortization and impairment losses as of Jan. 1, 2024</b>	–	<b>19</b>	–	<b>37</b>	<b>57</b>
Foreign exchange differences	–	0	–	0	1
Changes in basis of consolidation	–	–	–	37	37
Additions to cumulative amortization	–	–	–	2	2
Additions to cumulative impairment losses	–	–	–	–	–
Reclassifications	–	–	–	–	–
Disposals	–	17	–	3	21
Reversal of impairment losses	–	–	–	–	–
<b>Balance as of Dec. 31, 2024</b>	–	<b>3</b>	–	<b>73</b>	<b>75</b>
<b>Net carrying amount as of Dec. 31, 2024</b>	–	–	–	<b>3</b>	<b>3</b>
<b>Net carrying amount as of Jan. 1, 2024</b>	–	–	–	<b>4</b>	<b>4</b>

## 42. Property and equipment

Mio. €	Land and buildings	Operating and office equipment	Total
<b>Cost as of Jan 1, 2025</b>	<b>39</b>	<b>21</b>	<b>60</b>
Foreign exchange differences	0	0	0
Changes in basis of consolidation	1	0	1
Additions	21	5	25
Reclassifications	–	–	–
Disposals	12	5	16
<b>Balance as of Dec. 31, 2025</b>	<b>48</b>	<b>21</b>	<b>70</b>
<b>Depreciation and impairment losses as of Jan. 1, 2025</b>	<b>25</b>	<b>18</b>	<b>43</b>
Foreign exchange differences	0	0	0
Changes in basis of consolidation	0	0	1
Additions to cumulative depreciation	5	3	8
Additions to cumulative impairment losses	–	–	–
Reclassifications	–	–	–
Disposals	–3	3	1
Reversal of impairment losses	–	–	–
<b>Balance as of Dec. 31, 2025</b>	<b>34</b>	<b>18</b>	<b>52</b>
<b>Net carrying amount as of Dec. 31, 2025</b>	<b>14</b>	<b>4</b>	<b>18</b>
<b>Net carrying amount as of Jan. 1, 2025</b>	<b>13</b>	<b>3</b>	<b>17</b>

€ million	Land and buildings	Operating and office equipment	Total
<b>Cost as of Jan 1, 2024</b>	<b>35</b>	<b>19</b>	<b>54</b>
Foreign exchange differences	0	0	0
Changes in basis of consolidation	3	1	4
Additions	1	3	4
Reclassifications	–	–	–
Disposals	–	2	2
<b>Balance as of Dec. 31, 2024</b>	<b>39</b>	<b>21</b>	<b>60</b>
<b>Depreciation and impairment losses as of Jan. 1, 2024</b>	<b>19</b>	<b>16</b>	<b>35</b>
Foreign exchange differences	0	0	0
Changes in basis of consolidation	3	1	4
Additions to cumulative depreciation	3	3	6
Additions to cumulative impairment losses	–	–	–
Reclassifications	–	–	–
Disposals	–	2	2
Reversal of impairment losses	–	–	–
<b>Balance as of Dec. 31, 2024</b>	<b>25</b>	<b>18</b>	<b>43</b>
<b>Net carrying amount as of Dec. 31, 2024</b>	<b>13</b>	<b>3</b>	<b>17</b>
<b>Net carrying amount as of Jan. 1, 2024</b>	<b>15</b>	<b>3</b>	<b>18</b>

Rights of use on land, land rights and buildings incl. buildings on third party land do not include any assets under construction. (Previous year: none).

### 43. Investment property

The following table shows the changes in investment property assets:

€ million	2025	2024
<b>Cost as of Jan. 1</b>	<b>33</b>	<b>3</b>
Foreign exchange differences	–	–
Changes in basis of consolidation	–	30
Additions	–	0
Reclassifications	–	–
Disposals	0	–
<b>Balance as of Dec. 31</b>	<b>33</b>	<b>33</b>
<b>Depreciation and impairment losses as of Jan. 1</b>	<b>16</b>	<b>3</b>
Foreign exchange differences	–	–
Changes in basis of consolidation	–	13
Additions to cumulative depreciation	1	0
Additions to cumulative impairment losses	–	–
Reclassifications	–	–
Disposals	–	–
Reversal of impairment losses	–	–
<b>Balance as of Dec. 31</b>	<b>17</b>	<b>16</b>
<b>Net carrying amount as of Dec. 31</b>	<b>16</b>	<b>17</b>
<b>Net carrying amount as of Jan. 1</b>	<b>17</b>	<b>0</b>

The fair value of investment property amounts to €18 million (previous year: €18 million). The fair value is determined using an income approach based on internal calculations (Level 3 of the fair value hierarchy). The main inputs for the calculation are future rental income and the cost of capital.

Operating expenses incurred for the maintenance of investment property came to €1 million (previous year: €1 million).

The “Income from leasing transactions” line item in the income statement included €2 million (previous year: €1 million) in rental income from investment property.

#### 44. Deferred tax assets

The breakdown of the deferred tax assets is as follows:

€ million	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>
Deferred tax assets <sup>1,2</sup>	1,710	1,977	1,372
Tax loss carryforwards, net of valuation allowances	136	–	0
<b>Amount before offset<sup>1,2</sup></b>	<b>1,846</b>	<b>1,977</b>	<b>1,372</b>
of which noncurrent <sup>1,2</sup>	1,327	1,384	702
Offset (with deferred tax liabilities) <sup>1</sup>	–1,557	–1,789	–776
<b>Total<sup>1,2</sup></b>	<b>289</b>	<b>188</b>	<b>597</b>

1 Adjustment of prior-year figures in accordance with the explanations on the correction of deferred tax assets and liabilities, the correction of a loss allowance and the nonrecognition of deferred tax assets (see section “Changes to Prior-Year Figures”).

2 Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

Of the deferred tax assets, an amount of €52 million (previous year: €45 million; January 1, 2024: €522 million) is accounted for by differences in recognition and measurement between IFRS and the accounts prepared for tax purposes, which are reversed within a year.

Deferred tax assets are recognized in connection with the following balance sheet items:

€ million	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2,3</sup>	Jan. 1, 2024 restated <sup>1,2</sup>
Loans, receivables and other assets <sup>1,2</sup>	301	177	648
Marketable securities and cash <sup>1</sup>	0	6	50
Intangible assets/property and equipment <sup>1</sup>	239	411	23
Assets leased out <sup>1</sup>	713	700	635
Liabilities and provisions <sup>1,3</sup>	458	684	17
Valuation allowances for deferred assets on temporary differences <sup>3</sup>	–	–	–
<b>Total<sup>1,2,3</sup></b>	<b>1,710</b>	<b>1,977</b>	<b>1,372</b>

1 Adjustment of prior-year figures in accordance with the explanations on the correction of deferred tax assets and liabilities (see section “Changes to Prior-Year Figures”).

2 Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

3 Adjustment of prior-year figures in accordance with the explanations on the correction of a loss allowance and the nonrecognition of deferred tax assets (see section “Changes to Prior-Year Figures”).

## 45. Other assets

The details of other assets are as follows:

€ million	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1</sup>	Jan. 1, 2024 restated <sup>1</sup>
Used vehicles held for sale	2,021	1,119	134
Restricted cash	510	613	167
Prepaid expenses and accrued income	160	121	16
Other tax assets	600	531	136
Receivables from tax allocations <sup>1</sup>	56	1	4
Assets from insurance contracts	–	–	–
Miscellaneous	637	456	175
<b>Total<sup>1</sup></b>	<b>3,984</b>	<b>2,841</b>	<b>632</b>

<sup>1</sup> Adjustment of prior-year figures in accordance with the explanations on the correction of the change in balance sheet presentation due to reclassification of intragroup income tax allocations (see section "Changes to Prior-Year Figures").

Restricted cash essentially consists of cash collateral of consolidated ABS special purpose entities furnished in the context of ABS transactions.

On December 31, 2025, €30 million (previous year and January 1, 2024: none) in contract origination costs were capitalized and reported under Miscellaneous in the balance sheet item Other assets. In 2025, there were no amortization and impairment losses on capitalized contract origination costs in the balance sheet item Other assets (previous year: none).

## 46. Noncurrent assets

€ million	Dec. 31, 2025	of which noncurrent	Dec. 31, 2024 restated <sup>1,2</sup>	of which noncurrent restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>	of which noncurrent restated <sup>1,2</sup>
Cash reserve	8,271	–	12,444	–	11,974	–
Loans to and receivables from banks	554	–	594	–	272	–
Loans to and receivables from customers <sup>1</sup>	96,362	49,117	83,270	43,239	50,437	24,637
Value adjustment on portfolio fair value hedges	–37	–17	83	31	30	17
Derivative financial instruments	202	150	205	159	28	8
Marketable securities	3,090	–	3,743	–	4,029	–
Equity-accounted joint ventures	–	–	–	–	29	29
Miscellaneous financial assets	0	0	0	0	0	0
Intangible assets	3	3	3	3	4	4
Property and equipment	18	18	17	17	18	18
Assets leased out	43,754	40,502	36,548	33,744	3,424	3,424
Investment property	16	16	17	17	0	0
Current tax assets <sup>2</sup>	35	–	32	–	3	–
Other assets <sup>2</sup>	3,984	101	2,841	373	632	1
Assets held for sale (IFRS 5)	–	–	25	–	273	273
<b>Total<sup>1</sup></b>	<b>156,252</b>	<b>89,890</b>	<b>139,821</b>	<b>77,583</b>	<b>71,153</b>	<b>28,411</b>

1 Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

2 Adjustment of prior-year figures in accordance with the explanations on the correction of the change in balance sheet presentation due to reclassification of intragroup income tax allocations (see section “Changes to Prior-Year Figures”).

## 47. Liabilities to banks and customers

The liabilities to customers include deposits received in the direct banking business of €66,796 million (previous year: €56,044 million). They comprise call deposits and time deposits, as well as various savings bonds and savings plans. In terms of maturity, the “Direkt-Sparplan” and “Plus Sparbrief” savings products currently offer the longest investment horizon. The maximum maturity is ten years.

The following table shows the changes in the contractual liabilities from service contracts that are included in the liabilities to customers:

€ million	2025	2024
<b>Contractual liabilities at Jan. 1</b>	<b>1,763</b>	<b>49</b>
Additions and disposals	291	184
Changes in consolidated Group	23	1,530
Foreign exchange differences	–	–
<b>Contractual liabilities at Dec. 31</b>	<b>2,077</b>	<b>1,763</b>

It is expected that income will be realized under contractual liabilities in the amount of €844 million (previous year: €755 million) in the next fiscal year and in the amount of €374 million (previous year: €344 million) in the subsequent fiscal years.

#### 48. Notes, commercial paper issued

This item comprises bonds and commercial paper.

€ million	Dec. 31, 2025	Dec. 31, 2024
Bonds issued	32,880	30,335
Commercial paper issued	–	–
<b>Total</b>	<b>32,880</b>	<b>30,335</b>

#### 49. Derivative financial instruments

This balance sheet item comprises the negative fair values from derivatives designated as a hedging instrument and from derivatives not designated as a hedging instrument. In the following table, the negative fair values of hedging cross-currency interest rate swaps designated as hedging instruments are broken down into currency and interest rate components provided that there is an appropriate underlying hedging strategy.

€ million	Dec. 31, 2025	Dec. 31, 2024
Transactions to hedge against		
currency risk on assets using fair value hedges	17	11
currency risk on liabilities using fair value hedges	–	–
interstrate risk using fair value hedges	173	315
of which hedges against interest-rate risk using portfolio fair value hedges	25	71
interstrate risk using cash flow hedges	–1	3
currency risk on future cash flows using cash flow hedges	26	17
<b>Hedging transactions</b>	<b>216</b>	<b>347</b>
Liabilities arising from derivatives not designated as hedges	93	80
<b>Total</b>	<b>309</b>	<b>427</b>

## 50. Provisions for pensions and other post-employment benefits

The following amounts have been recognized in the balance sheet for benefit commitments:

€ million	Dec. 31, 2025	Dec. 31, 2024
Present value of funded obligations	229	218
Fair value of plan assets	228	188
<b>Funded status (net)</b>	<b>1</b>	<b>30</b>
Present value of unfunded obligations	117	126
Amount not recognized as an asset because of the ceiling in IAS 19	–	–
<b>Net liability recognized in the balance sheet</b>	<b>118</b>	<b>156</b>
of which provisions for pensions	118	156
of which other assets	0	–

### Key pension arrangements in the Volkswagen Bank GmbH Group

For the period after the active working life of employees, the Volkswagen Bank GmbH Group offers its employees benefits under occupational pension arrangements. Most of the arrangements in the Volkswagen Bank GmbH Group are pension plans for employees in Germany classified as defined benefit plans under IAS 19. The majority of these obligations are funded by provisions recognized in the balance sheet. These plans are now closed for new members. To reduce the risks associated with defined benefit plans, in particular longevity, salary increases and inflation, the Volkswagen Bank GmbH Group has further defined benefit plans in which the benefits are funded by appropriate external plan assets. The risks referred to above have been significantly reduced in these pension plans.

The main pension commitments are described below.

### German pension plans funded solely by provisions

The pension plans funded solely by recognized provisions comprise both defined contribution plans with guarantees and final salary plans. For defined contribution plans, an annual pension expense dependent on income and status is converted into a lifelong pension entitlement using annuity factors (guaranteed modular pension entitlements). The annuity factors include a guaranteed rate of interest. The modular pension entitlements earned annually are added together at retirement. For final salary plans, the underlying salary is multiplied at retirement by a percentage that depends on the years of service up to the retirement date. The present value of the guaranteed obligation rises as interest rates fall and is therefore exposed to interest rate risk. The pension system provides for lifelong pension payments. The companies therefore bear the longevity risk. This is accounted for by calculating the annuity factors and the present value of the guaranteed obligation using the latest generational mortality tables – the “Heubeck 2018 G” mortality tables – which already reflect future increases in life expectancy. To reduce the inflation risk from adjusting the regular pension payments by the rate of inflation, a pension adjustment that is not indexed to inflation was introduced for pension plans where this is permitted by law.

### German pension plans funded by external plan assets

The pension plans funded by external plan assets are defined contribution plans with guarantees. In this case, an annual pension expense dependent on income and status is either converted into a lifelong pension entitlement using annuity factors (guaranteed modular pension entitlement) or paid out in a single lump sum or in installments. In some cases, employees also have the opportunity to provide for their own retirement through deferred compensation. The annuity factors include a guaranteed rate of interest. The modular pension entitlements earned annually are added together at retirement. The pension expense is contributed on an ongoing basis to a separate pool of assets that is administered independently of the Bank in trust and invested in the capital markets. If the plan assets exceed the present value of the obligations calculated using the guaranteed rate of interest, surpluses are allocated (modular pension bonuses). As the assets administered in the trust meet the IAS 19 criteria for classification as plan assets, they are offset against the obligations.

The amount of the pension assets is exposed to general market risk. The investment strategy and its implementation are therefore continuously monitored by the trusts' governing bodies, on which the companies are also represented. For example, investment policies are stipulated in investment guidelines with the aim of limiting market risk and its impact on plan assets. In addition, asset-liability management analyses are conducted at regular intervals so as to ensure that investments are in line with the obligations that need to be covered. The pension assets are currently invested primarily in fixed-income or equity funds. Interest rates and equity prices therefore present the main risks. To mitigate market risk, the pension system also provides for funds to be set aside in an equalization reserve before any surplus is allocated.

The present value of the obligation is reported as the maximum of the present value of the guaranteed obligation and of the plan assets. If the value of the plan assets falls below the present value of the guaranteed obligation, a provision must be recognized for the difference. The present value of the guaranteed obligation rises as interest rates fall and is therefore exposed to interest rate risk.

In the case of lifelong pension payments, the Volkswagen Bank GmbH Group bears the longevity risk. This is accounted for by calculating the annuity factors and the present value of the guaranteed obligation using the latest generational mortality tables – the “Heubeck 2018 G” mortality tables – which already reflect future increases in life expectancy. In addition, independent actuaries carry out annual risk monitoring as part of the review of the assets administered by the trusts.

To reduce the inflation risk from adjusting the regular pension payments by the rate of inflation, a pension adjustment that is not indexed to inflation was introduced for pension plans where this is permitted by law. The calculation of the present value of the defined benefit obligations was based on the following actuarial assumptions:

Percent	GERMANY		INTERNATIONAL	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025 restated <sup>1</sup>	Dec. 31, 2024 restated <sup>1</sup>
Discount rate	4.20	3.40	3.95	2.94
Pay trend	2.15	2.15	2.50	2.00
Pension trend	2.00	2.00	2.60	2.80
Staff turnover rate	1.69	1.21	3.67	2.53

<sup>1</sup> In the previous year, the parameters for the actuarial assumptions for international were published as ranges. In the reporting year, the average figures of the parameters for international are stated. The prior-year figures were adjusted accordingly.

These assumptions are averages that were weighted using the present value of the defined benefit obligation.

With regard to life expectancy, the latest mortality tables in every country are taken into account. For example, in Germany calculations are based on the “2018 G” mortality tables developed by Professor Dr. Klaus Heubeck. The discount rates are generally determined to reflect the yields on prime-rated corporate bonds with matching maturities and currencies. The iBoxx AA 10+ Corporates index was taken as the basis for the obligations of German Group companies. Similar indices were used for foreign pension obligations.

The pay trends cover expected wage and salary trends, which also include increases attributable to career development. The pension trends either reflect the contractually guaranteed pension adjustments or are based on the rules on pension adjustments in force in each country. The employee turnover rates are based on past experience and future expectations.

The following table shows changes in the net defined benefit liability recognized in the balance sheet:

€ million	2025	2024
<b>Net liability recognized in the balance sheet as of January 1</b>	<b>156</b>	<b>103</b>
Change due to personnel transfer as of July 1, 2024	–	51
Current service cost	15	11
Net interest expense	5	4
Actuarial gains (–)/losses (+) arising from changes in demographic assumptions	0	0
Actuarial gains (–)/losses (+) arising from changes in financial assumptions	–42	–13
Actuarial gains (–)/losses (+) arising from experience adjustments	12	15
Income/expenses from plan assets not included in interest income	14	3
Change in amount not recognized as an asset because of the ceiling in IAS 19	–	–
Employer contributions to plan assets	12	9
Employee contributions to plan assets	–	–
Pension payments from company assets	4	4
Past service cost (including plan curtailments)	–	–
Gains (–) or losses (+) arising from plan settlements	–	–
Changes in basis of consolidation	–	–
Other changes	2	–1
Foreign exchange differences from foreign plans	0	0
<b>Net liability recognized in the balance sheet as of December 31</b>	<b>118</b>	<b>156</b>

The change in the present value of the defined benefit obligations is attributable to the following factors:

€ million	2025	2024
<b>Present value of obligations as of January 1</b>	<b>344</b>	<b>172</b>
Changes due to personnel transfer as of July 1, 2024	–	151
Current service cost	15	11
Interest cost (unwinding of discount on obligations)	12	8
Actuarial gains (-)/losses (+) arising from changes in demographic assumptions	0	0
Actuarial gains (-)/losses (+) arising from changes in financial assumptions	–42	–13
Actuarial gains (-)/losses (+) arising from experience adjustments	12	15
Employee contributions to plan assets	–	–
Pension payments from company assets	4	4
Pension payments from plan assets	1	1
Past service cost (including plan curtailments)	–	–
Gains (-) or losses (+) arising from plan settlements	–	–
Changes in basis of consolidation	–	–
Other changes	10	2
Foreign exchange differences from foreign plans	0	0
<b>Present value of obligations as of December 31</b>	<b>346</b>	<b>344</b>

Changes in the relevant actuarial assumptions would have had the following effects on the defined benefit obligation:

Present value of defined benefit obligation if		DEC. 31, 2025		DEC. 31, 2024	
		€ million	Change in percent	€ million	Change in percent
	is 0.5 percentage points higher	338	–2.25	311	–9.48
Discount rate	is 0.5 percentage points lower	356	2.92	381	11.01
	is 0.5 percentage points higher	352	1.73	355	3.21
Pension trend	is 0.5 percentage points lower	340	–1.59	334	–2.90
	is 0.5 percentage points higher	347	0.20	345	0.25
Pay trend	is 0.5 percentage points lower	345	–0.19	343	–0.20
Longevity	increases by one year	349	0.94	352	2.45

The sensitivity analysis shown above considers the change in one assumption at a time, leaving the other assumptions unchanged versus the original calculation. In other words, any correlation effects between the individual assumptions are ignored.

To examine the sensitivity of the present value of the defined benefit obligation to a change in assumed longevity, the estimates of mortality were reduced as part of a comparative calculation by a measure that was roughly equivalent to an increase in life expectancy of one year.

The average duration of the defined benefit obligation weighted by the present value of the defined benefit obligation (Macaulay duration) is 20 years (previous year: 21 years).

The following table shows a breakdown of the present value of the defined benefit obligation by category of plan member:

€ million	2025	2024
Active members with pension entitlements	283	284
Members with vested entitlements who have left the Bank	11	8
Retirees	52	51
<b>Total</b>	<b>346</b>	<b>344</b>

The maturity profile of payments attributable to the defined benefit obligation is presented in the following table, which classifies the present value of the obligation by the maturity of the underlying payments:

€ million	2025	2024
Payments due within the next fiscal year	5	4
Payments due between two and five years	29	24
Payments due in more than five years	312	315
<b>Total</b>	<b>346</b>	<b>344</b>

Changes in plan assets are shown in the following table:

€ million	2025	2024
<b>Fair value of plan assets as of January 1</b>	<b>188</b>	<b>69</b>
Changes due to personnel transfer as of July 1, 2024	–	101
Interest income on plan assets determined using the discount rate	7	4
Income/expenses from plan assets not included in interest income	14	3
Employer contributions to plan assets	12	9
Employee contributions to plan assets	–	–
Pension payments from plan assets	1	1
Gains (+) or losses (–) arising from plan settlements	–	–
Changes in basis of consolidation	–	–
Other changes	8	3
Foreign exchange differences from foreign plans	0	0
<b>Fair value of plan assets as of December 31</b>	<b>228</b>	<b>188</b>

The investment of the plan assets to cover future pension obligations resulted in a net result of €21 million (previous year: €7 million).

Employer contributions to plan assets are expected to amount to €11 million (previous year: €12 million) in the next fiscal year.

Plan assets are invested in the following asset classes:

€ million	DEC. 31, 2025			DEC. 31, 2024		
	Quoted prices in active markets	No quoted prices in active markets	Total	Quoted prices in active markets	No quoted prices in active markets	Total
Cash and cash equivalents	10	–	10	5	–	5
Equity instruments	–	–	–	–	–	–
Debt instruments	2	–	2	2	–	2
Direct investments in real estate	–	–	–	–	–	–
Derivatives	0	1	1	–1	–1	–2
Equity funds	102	–	102	77	–	77
Bond funds	88	–	88	84	–	84
Real estate funds	7	–	7	5	–	5
Other funds	17	–	17	15	–	15
Asset-backed securities	0	–	0	–	–	–
Structured debt	–	–	–	–	–	–
Other	2	0	2	2	0	2

Of the total plan assets, 44% (previous year: 48%) are invested in German assets, 11% (previous year: 13%) in other European assets and 45% (previous year: 40%) in assets in other regions.

The following amounts have been recognized in the income statement:

€ million	2025	2024
Current service cost	15	11
Net interest on the net defined benefit liability	5	4
Past service cost (including plan curtailments)	0	0
Gains (–) or losses (+) arising from plan settlements	–	–
<b>Net income (–) and expenses (+) recognized in profit or loss</b>	<b>20</b>	<b>15</b>

## 51. Other provisions

In the reporting period, other provisions were broken down into provisions for employee expenses, provisions for litigation and legal risks, and miscellaneous provisions.

The following table shows the changes in other provisions, including maturities:

€ million	Employee expenses	Litigation and legal risks	Miscellaneous provisions	Total
<b>Balance as of Jan. 1, 2024</b>	<b>55</b>	<b>28</b>	<b>10</b>	<b>93</b>
Foreign exchange differences	0	–	0	0
Changes in basis of consolidation	9	49	34	91
Changes due to personnel transfer as of July 1, 2024	44	0	0	44
Utilization	28	13	8	49
Additions/new provisions	27	2	19	47
Unwinding of discount/effect of change in discount rate	2	0	–	2
Reversals	28	21	6	55
<b>Balance as of Dec. 31, 2024</b>	<b>80</b>	<b>45</b>	<b>48</b>	<b>173</b>
of which current	38	8	40	86
of which noncurrent	42	37	8	88
<b>Balance as of Jan. 1, 2025</b>	<b>80</b>	<b>45</b>	<b>48</b>	<b>173</b>
Foreign exchange differences	0	–	0	0
Changes in basis of consolidation	4	–	0	4
Utilization	35	16	31	83
Additions/new provisions	38	3	85	125
Unwinding of discount/effect of change in discount rate	0	–	–	0
Reversals	1	1	12	14
<b>Balance as of Dec. 31, 2025</b>	<b>86</b>	<b>30</b>	<b>90</b>	<b>206</b>
of which current	43	29	64	136
of which noncurrent	43	1	26	70

Other provisions for employee expenses are recognized primarily for annually recurring bonuses such as long-term-service awards and other employee expenses.

The provisions for litigation and legal risks reflect the risks identified as of the reporting date in relation to utilization and legal expenses arising from the latest decisions by the courts and from ongoing civil proceedings involving dealers and other customers. For these provisions and for provisions for customer financing brokerage claims, Volkswagen Bank GmbH invokes the safeguard clause within the meaning of IAS 37.92 and opts not to disclose in detail any amounts, descriptions, or probability assumptions.

The timing of the cash outflows in connection with other provisions is expected to be as follows: 66% in the next year, 28% in the years 2027 to 2030, and 5% thereafter.

## 52. Deferred tax liabilities

The breakdown of the deferred tax liabilities is as follows:

€ million	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>
Deferred tax liabilities <sup>1,2</sup>	3,238	2,980	1,635
of which non-current assets and liabilities <sup>1,2</sup>	1,877	1,792	1,165
Offset (with deferred tax assets) <sup>1</sup>	-1,557	-1,789	-776
<b>Total<sup>1,2</sup></b>	<b>1,681</b>	<b>1,190</b>	<b>859</b>

1 Adjustment of prior-year figures in accordance with the explanations on the correction of deferred tax assets and liabilities (see section "Changes to Prior-Year Figures").

2 Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section "Changes to Prior-Year Figures").

Of the deferred tax liabilities, an amount of €893 million (previous year: €640 million; January 1, 2024: €322 million) is accounted for by differences in recognition and measurement between IFRS and the accounts prepared for tax purposes, which are reversed within a year.

Deferred tax liabilities have been recognized in connection with the following balance sheet items:

€ million	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>
Loans, receivables and other assets <sup>1,2</sup>	2,428	2,574	1,306
Marketable securities and cash	22	-5	31
Intangible assets/property and equipment <sup>1</sup>	1	2	1
Assets leased out <sup>1</sup>	366	136	34
Liabilities and provisions <sup>1</sup>	421	273	264
<b>Total<sup>1,2</sup></b>	<b>3,238</b>	<b>2,980</b>	<b>1,635</b>

1 Adjustment of prior-year figures in accordance with the explanations on the correction of deferred tax assets and liabilities (see section "Changes to Prior-Year Figures").

2 Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section "Changes to Prior-Year Figures").

## 53. Other liabilities

The details of other liabilities are as follows:

€ million	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1</sup>	Jan. 1, 2024 restated <sup>1</sup>
Prepaid expenses and accrued income	1,356	1,387	118
Other tax liabilities	227	218	93
Liabilities from tax allocations <sup>1</sup>	265	547	365
Social security and payroll liabilities	145	120	60
Miscellaneous	101	150	116
<b>Total<sup>1</sup></b>	<b>2,094</b>	<b>2,421</b>	<b>751</b>

<sup>1</sup> Adjustment of prior-year figures in accordance with the explanations on the correction of the change in balance sheet presentation due to reclassification of intragroup income tax allocations (see section "Changes to Prior-Year Figures").

## 54. Subordinated capital

The breakdown of subordinated capital is as follows:

€ million	Dec. 31, 2025	Dec. 31, 2024
Subordinated liabilities	154	180
of which: to other Volkswagen Group companies	–	–
<b>Total</b>	<b>154</b>	<b>180</b>

The Bank has not entered into any agreement to convert these liabilities into equity or another form of debt, nor is it planning any such conversion.

## 55. Noncurrent liabilities

€ million	Dec. 31, 2025	of which noncurrent	Dec. 31, 2024 restated <sup>1</sup>	of which noncurrent restated <sup>1</sup>	Jan. 1, 2024 restated <sup>1</sup>	of which noncurrent restated <sup>1</sup>
Liabilities to banks	1,485	1,139	313	180	7,462	89
Liabilities to customers	93,364	17,814	83,367	15,309	46,221	3,172
Notes, commercial paper issued	32,880	21,902	30,335	23,832	5,173	3,385
Derivative financial instruments	309	202	427	271	52	14
Current tax liabilities <sup>1</sup>	34	–	43	–	13	–
Other liabilities <sup>1</sup>	2,094	811	2,421	843	751	54
Subordinated capital	154	84	180	102	10	–
<b>Total</b>	<b>130,320</b>	<b>41,953</b>	<b>117,085</b>	<b>40,537</b>	<b>59,682</b>	<b>6,714</b>

<sup>1</sup> Adjustment of prior-year figures in accordance with the explanations on the correction of the change in balance sheet presentation due to reclassification of intragroup income tax allocations (see section "Changes to Prior-Year Figures").

## 56. Equity

Volkswagen Bank GmbH's subscribed capital amounted to €318 million and was fully paid up. The sole shareholder is Volkswagen Financial Services AG, Braunschweig. There are no preferential rights or restrictions in connection with the subscribed capital.

The capital contributions made by the sole shareholder are reported under the capital reserves of Volkswagen Bank GmbH. In fiscal year 2025, capital reserves stood unchanged at €14,166 million.

Retained earnings comprise undistributed profits from prior years. They relate primarily to other revenue reserves.

The previous profit-and-loss transfer agreement between Volkswagen AG and Volkswagen Bank GmbH was in place until December 31, 2024 and was terminated effective the end of December 31, 2024. A new profit-and-loss transfer agreement was signed between Volkswagen Financial Services AG and Volkswagen Bank GmbH effective January 1, 2025. The HGB profit of €551 million will be transferred to Volkswagen Financial Services AG in accordance with the profit-and-loss transfer agreement. In the previous year, the HGB profit of €582 million was transferred to Volkswagen AG.

The accumulated deferred taxes in equity amounted to €17 million (previous year: €40 million).

In the reporting year, sole shareholder Volkswagen Financial Services AG made a contribution in kind in capital reserves with an amount of €1,600 million.

In the reporting year, sole shareholder Volkswagen Financial Services AG also made a contribution in kind resulting from the cross-border merger of Volkswagen Financial Services S.p.A. (see note (2) Basis of consolidation) with a total amount of €326 million, which was recognized in capital reserves at €294 million, and at €32 million in retained earnings.

In the previous year significant changes to equity resulted from a contribution in kind made by the previous shareholder, Volkswagen AG, in the amount of €10,137 million from the spin-off of Volkswagen Leasing GmbH by Volkswagen Financial Services Overseas AG.

Furthermore, a contribution in kind of €94 million was made in the previous year to retained earnings by the shareholder Volkswagen Financial Services AG from positive differences and a distribution in kind of €7 million made from retained earnings to the shareholder Volkswagen Financial Services AG from negative differences in the context of the transfer of claims by employees.

## 57. Capital management

In this context, capital is defined as equity in accordance with the IFRSs. The aim of capital management in the Volkswagen Bank GmbH Group is to support the Bank's credit rating by ensuring that the Group has adequate capital backing, to obtain capital for the growth planned for the next few years and to satisfy regulatory capital requirements.

Regulatory capital is different from equity as defined by the IFRSs, the components of which are set out in the Statement of Changes in Equity. Regulatory capital consists of capital components referred to as Common Equity Tier (CET) 1 capital, Additional Tier 1 capital and Tier 2 capital net of certain deductions and adjustments and must meet specific requirements defined by law.

Corporate actions implemented by the parent company of Volkswagen Bank GmbH as a general rule have an impact on both IFRS equity and regulatory capital. In the reporting year the regulatory capital increased by €4,418 million and IFRS equity by €2,812 million as a result of corporate actions, in particular the addition to capital reserves by Volkswagen Financial Services AG in the amount of €1,600 million and the cross-border merger of Volkswagen Financial Services S.p.A. The previous year also saw an increase in regulatory capital by €8,749 million and equity in accordance with the IFRSs by

€10,231 million, due in particular to the inclusion of Volkswagen Leasing GmbH in the regulatory basis of consolidation and in the Volkswagen Bank GmbH Group.

Under the regulatory provisions – the Capital Requirements Regulation (CRR), *Kreditwesengesetz* (KWG – German Banking Act) and *Solvabilitätsverordnung* (SolV – German Solvency Regulation) – the banking supervisor generally assumes that capital adequacy requirements are satisfied if the entity subject to supervision has a CET1 capital ratio of at least 4.5%, a Tier 1 capital ratio of at least 6.0% and a total capital ratio of at least 8.0%. Furthermore, the capital buffer requirements and the capital requirements from the SREP decision must be fulfilled. In calculating these capital ratios, regulatory capital is measured against the own funds requirements determined in accordance with statutory provisions for counterparty risk, operational risk, market risk and credit value adjustments (CVAs). To ensure compliance with these requirements at all times, the Group has established a planning procedure that is integrated into the internal reporting system. In this procedure, the capital requirement is continuously determined based on actual and forecast business trends. This ensured that the minimum regulatory capital requirements continued to be satisfied at all times in the reporting period.

The following IFRS-based amounts and ratios were determined for Volkswagen Bank GmbH Group under the regulatory requirements. The amounts and ratios are based on the figures reported to the supervisory authorities for regulatory purposes before approval of the consolidated financial statements. As a result, for the statistical components within own funds and the total risk exposure the figures from the prior year's approved consolidated financial statements are used.

	Dec. 31, 2025	Dec. 31, 2024
Total risk exposure amount (€ million) <sup>1</sup>	139,847	114,216
of which risk-weighted exposure amounts for credit risk	127,298	107,439
of which own funds requirements for market risk * 12,5	554	352
of which own funds requirements for operational risk * 12.5	10,715	5,258
of which own funds requirements for credit valuation adjustments * 12.5	1,280	1,167
Own funds (€ million)	22,768	18,350
of which Common Equity Tier 1 capital	22,768	18,350
of which Additional Tier 1 capital	–	–
of which Tier 2 capital	–	–
Common Equity Tier 1 capital ratio (percent) <sup>2</sup>	16.3	16.1
Tier 1 capital ratio (percent) <sup>2</sup>	16.3	16.1
Total capital ratio (percent) <sup>2</sup>	16.3	16.1

<sup>1</sup> According to Article 92(3) of the CRR

<sup>2</sup> According to Article 92(1) of the CRR

## Financial Instrument Disclosures

### 58. Carrying amounts, gains or losses and income or expenses in respect of financial instruments, by measurement category

The carrying amounts of financial instruments (excluding derivatives designated as a hedging instrument) broken down by IFRS 9 measurement category are shown in the following table:

€ million	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1</sup>	Jan. 1, 2024 restated <sup>1</sup>
Financial assets measured at amortized cost <sup>1</sup>	77,969	70,916	59,672
Financial assets measured at fair value through profit or loss	119	678	524
Financial assets measured at fair value through other comprehensive income (debt instruments)	3,076	3,162	3,505
Financial assets measured at fair value through other comprehensive income (equity instruments)	13	16	7
Financial liabilities measured at amortized cost	126,169	113,119	59,289
Financial liabilities measured at fair value through profit or loss	93	80	3

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section "Changes to Prior-Year Figures").

Receivables from leasing transactions amounting to €28,151 million (December 31, 2024 restated: €26,280 million; Jan 1, 2024 restated: €3,385 million) and the associated value adjustment on portfolio fair value hedges of receivables from finance leases amounting to €-3 million (previous year: €67 million; January 1, 2024: none) and lease liabilities (as a lessee) amounting to €17 million (previous year: €19 million; January 1, 2024: €14 million) are not allocated to any measurement class as specified in IFRS 9.

The net gains or losses and income or expenses in respect of financial instruments (excluding derivatives designated as hedging instruments) broken down by measurement category, as specified in IFRS 9, are shown in the following table:

€ million	2025	2024 restated <sup>1</sup>
Financial assets measured at amortized cost <sup>1</sup>	3,110	3,326
Financial instruments measured at fair value through profit or loss	51	42
Financial liabilities measured at amortized cost	-2,951	-2,877
Financial assets measured at fair value through other comprehensive income (debt instruments)	46	27
<b>Total<sup>1</sup></b>	<b>257</b>	<b>518</b>

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section "Changes to Prior-Year Figures").

The net gain/loss from financial investments in equity instruments is reported in the statement of comprehensive income under fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax.

The net gains/losses and income/expenses are determined as follows:

Measurement category	Measurement method
Financial assets measured at amortized cost	Interest income using the effective interest method and expenses/income from the recognition of valuation allowances in accordance with IFRS 9 and expenses/income from currency translation
Financial instruments measured at fair value through profit or loss	Fair value in accordance with IFRS 9 in conjunction with IFRS 13, including interest and expenses/income from currency translation
Financial liabilities measured at amortized cost	Interest expense using the effective interest method in accordance with IFRS 9, and expenses/income from currency translation
Financial assets measured at fair value through other comprehensive income (debt instruments)	Fair value valuation in accordance with IFRS 9 in conjunction with IFRS 13, interest income using the effective interest method and expenses/income from the recognition of valuation allowances in accordance with IFRS 9 and expenses/income from currency translation

Expenses that arise from the direct write-off of uncollectible financial assets previously measured at amortized cost are reported and explained as a component of the “Provision for credit risks” line item in the income statement. Income recovered in respect of financial assets already written off is also reported and explained as a component of the “Provision for credit risks” line item in the income statement. After recognizing the income and expenses referred to above, the Volkswagen Bank GmbH Group did not for the most part generate or incur any gains, losses, income or expenses from the derecognition of financial assets measured at amortized cost that resulted from the elimination of a contractual right to cash flows or from a transfer subject to the fulfillment of the derecognition conditions.

Furthermore, the Group did not generate or incur any material gains, losses, income or expenses from the derecognition of financial assets measured at amortized cost as a consequence of substantial contractual modifications (see disclosures on the provision for the credit risks line item in the income statement).

## 59. Classes of financial instruments

Financial instruments are divided into the following classes in the Volkswagen Bank GmbH Group:

- > Measured at fair value
- > Measured at amortized cost
- > Derivative financial instruments designated as hedges
- > Not allocated to any measurement category
- > Credit commitments and financial guarantees (off-balance-sheet)

The table below shows a reconciliation between the balance sheet items in which financial instruments are reported and the classes of financial instruments listed above. This includes financial instruments that are assigned to the IFRS 9 measurement categories and financial instruments that are not assigned to any IFRS 9 measurement category at all (such as finance lease receivables) and are therefore reported under the “Not allocated to any measurement category” class. The assets and liabilities not constituting financial instruments that are contained in the balance sheet items are included in the “Not allocated to any class of financial instruments” column so that the reconciliation is complete.

Loans to and receivables from customers in the “Total loans to and receivables from customers” balance sheet item are reconciled to the “Measured at amortized cost” and “Not allocated to any measurement category” classes. The “Not allocated to any measurement category” class consists of the receivables from customers attributable to the leasing business.

Loans/receivables and liabilities designated as hedges with derivative financial instruments are included in the class “Measured at amortized cost”.

Within Miscellaneous financial assets, joint ventures that are not consolidated for reasons of materiality are not deemed financial instruments in accordance with IFRS 9 and therefore do not fall within the scope of IFRS 7. For the purposes of reconciling the balance sheet item, they are shown in the “Not allocated to any class of financial instruments” category. Equity investments forming part of miscellaneous financial assets are reported as financial instruments in accordance with IFRS 9 in the class “Measured at fair value”.

The “Current tax assets” and “Current tax liabilities” balance sheet line items contain current income tax assets and liabilities relating to the tax authorities. They do not constitute financial instruments, as a result of which they are shown in the “Not allocated to any class of financial instruments” category.

Liabilities to customers are reported in the “Measured at amortized cost” class, but the amount of lease liabilities (as a lessee) within the overall figure is shown in the “Not allocated to any measurement category” class. The “Not allocated to any class of financial instruments” column consists of advance payments received from service contracts.

The following table shows a reconciliation of the relevant balance sheet items to the classes of financial instruments:

€ million	CLASSES OF FINANCIAL INSTRUMENTS																	
	BALANCE SHEET ITEM			MEASURED AT AMORTIZED COST			MEASURED AT FAIR VALUE			DERIVATIVE FINANCIAL INSTRUMENTS DESIGNATED AS HEDGES			NOT ALLOCATED TO ANY MEASUREMENT CATEGORY			NOT ALLOCATED TO ANY CLASS OF FINANCIAL INSTRUMENTS		
	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>	Dec. 31, 2025	Dec. 31, 2024	Jan. 1, 2024	Dec. 31, 2025	Dec. 31, 2024	Jan. 1, 2024	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1</sup>	Jan. 1, 2024 restated <sup>1</sup>	Dec. 31, 2025	Dec. 31, 2024	Jan. 1, 2024
<b>Assets</b>																		
Cash reserve	8,271	12,444	11,974	8,271	12,444	11,974	–	–	–	–	–	–	–	–	–	–	–	–
Loans to and receivables from banks	554	594	272	554	594	272	–	–	–	–	–	–	–	–	–	–	–	–
Loans to and receivables from customers <sup>1</sup>	96,362	83,270	50,437	68,211	56,991	47,051	–	–	–	–	–	–	28,151	26,280	3,385	0	–	0
Value adjustment on portfolio fair value hedges	–37	83	30	–34	15	30	–	–	–	–	–	–	–3	67	–	–	–	–
Derivative financial instruments	202	205	28	–	–	–	118	114	7	83	92	21	–	–	–	–	–	–
Marketable securities	3,090	3,743	4,029	–	–	–	3,090	3,743	4,029	–	–	–	–	–	–	–	–	–
Miscellaneous financial assets	0	0	0	–	–	–	0	0	0	–	–	–	–	–	–	–	0	0
Current tax assets <sup>2</sup>	35	32	3	–	–	–	–	–	–	–	–	–	–	–	–	35	32	3
Other assets <sup>2</sup>	3,984	2,841	632	967	872	344	–	–	–	–	–	–	–	–	–	3,017	1,969	287
Held for sale (IFRS 5)	–	25	273	–	–	–	–	–	–	–	–	–	–	–	–	–	25	273
<b>Total<sup>1,2</sup></b>	<b>112,461</b>	<b>103,237</b>	<b>67,678</b>	<b>77,969</b>	<b>70,916</b>	<b>59,672</b>	<b>3,208</b>	<b>3,856</b>	<b>4,036</b>	<b>83</b>	<b>92</b>	<b>21</b>	<b>28,148</b>	<b>26,347</b>	<b>3,363</b>	<b>3,052</b>	<b>2,026</b>	<b>564</b>
<b>Equity and liabilities</b>																		
Liabilities to banks	1,485	313	7,462	1,485	313	7,462	–	–	–	–	–	–	–	–	–	–	–	–
Liabilities to customers	93,364	83,367	46,221	91,270	81,585	46,158	–	–	–	–	–	–	17	19	14	2,077	1,763	49
Notes, commercial paper issued	32,880	30,335	5,173	32,880	30,335	5,173	–	–	–	–	–	–	–	–	–	–	–	–
Derivative financial instruments	309	427	52	–	–	–	93	80	3	216	347	49	–	–	–	–	–	–
Current tax liabilities <sup>2</sup>	34	43	13	–	–	–	–	–	–	–	–	–	–	–	–	34	43	13
Other liabilities <sup>2</sup>	2,094	2,421	751	380	706	486	–	–	–	–	–	–	–	–	–	1,714	1,715	265
Subordinated capital	154	180	10	154	180	10	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>130,320</b>	<b>117,085</b>	<b>59,682</b>	<b>126,169</b>	<b>113,119</b>	<b>59,289</b>	<b>93</b>	<b>80</b>	<b>3</b>	<b>216</b>	<b>347</b>	<b>49</b>	<b>17</b>	<b>19</b>	<b>14</b>	<b>3,825</b>	<b>3,520</b>	<b>327</b>

1 Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

2 Adjustment of prior-year figures in accordance with the explanations on the correction of the change in balance sheet presentation due to reclassification of intragroup income tax allocations (see section “Changes to Prior-Year Figures”).

The “(Off-balance-sheet) Credit commitments and financial guarantees” class contains obligations under irrevocable credit commitments and financial guarantees amounting to €9,549 million (previous year: €10,336 million; January 1, 2024: €10,215 million).

#### 60. Fair values of financial assets and liabilities

The following table shows the fair values of financial instruments in the classes “measured at amortized cost”, “measured at fair value”, “derivative financial instruments designated as hedges” and the fair values of receivables from customers relating to the leasing business classified as “not allocated to any measurement category”. The fair value is the amount at which financial assets or liabilities could be sold on fair terms as of the reporting date. Where available, Volkswagen Bank GmbH used market prices without modification for measuring fair value (e.g., for marketable securities). If no market prices were available, the fair values for loans/receivables and liabilities were calculated by discounting using a maturity-matched discount rate appropriate to the risk. The discount rate was determined by adjusting risk-free yield curves, where appropriate, by relevant risk factors and taking into account capital and administrative costs. For reasons of materiality, the fair values of loans/receivables and liabilities due within one year were deemed to be the same as the carrying amount.

€ million	FAIR VALUE			CARRYING AMOUNT			DIFFERENCE		
	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1</sup>	Jan. 1, 2024 restated <sup>1</sup>
<b>Assets</b>									
Measured at fair value									
Loans to and receivables from banks	–	–	–	–	–	–	–	–	–
Loans to and receivables from customers	–	–	–	–	–	–	–	–	–
Derivative financial instruments	118	114	7	118	114	7	–	–	–
Marketable securities	3,090	3,743	4,029	3,090	3,743	4,029	–	–	–
Miscellaneous financial assets	0	0	0	0	0	0	–	–	–
Measured at amortized cost									
Cash reserve	8,271	12,444	11,974	8,271	12,444	11,974	–	–	–
Loans to and receivables from banks	554	594	272	554	594	272	–	–	–
Loans to and receivables from customers <sup>1</sup>	68,852	57,745	46,729	68,211	56,991	47,051	641	755	–323
Value adjustment on portfolio fair value hedges	–	–	–	–34	15	30	34	–15	–30
Current tax assets <sup>2</sup>	–	–	–	–	–	–	–	–	–
Other assets <sup>2</sup>	968	872	344	967	872	344	1	–	–
Derivative financial instruments designated as hedges	83	92	21	83	92	21	–	–	–
Not allocated to any measurement category									
Loans to and receivables from customers <sup>1</sup>	28,385	26,468	3,394	28,151	26,280	3,385	234	189	9
Value adjustment on portfolio fair value hedges	–	–	–	–3	67	–	3	–67	–
<b>Equity and liabilities</b>									
Measured at fair value									
Derivative financial instruments	93	80	3	93	80	3	–	–	–
Measured at amortized cost									
Liabilities to banks	1,537	332	7,481	1,485	313	7,462	52	19	19
Liabilities to customers	91,638	81,713	46,093	91,270	81,585	46,158	369	128	–65
Notes, commercial paper issued	33,225	30,716	5,175	32,880	30,335	5,173	345	381	2
Current tax liabilities <sup>2</sup>	–	–	–	–	–	–	–	–	–
Other liabilities <sup>2</sup>	380	706	486	380	706	486	0	0	0
Subordinated capital	156	182	10	154	180	10	3	3	–
Derivative financial instruments designated as hedges	216	347	49	216	347	49	–	–	–

1 Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

2 Adjustment of prior-year figures in accordance with the explanations on the correction of the change in balance sheet presentation due to reclassification of intragroup income tax allocations (see section “Changes to Prior-Year Figures”).

The fair value of irrevocable credit commitments is affected by changes in the credit quality of the borrower and in the market conditions for the relevant credit product between the commitment date and the measurement date. Because of the short period between commitment and drawdown, and the variable interest rate tied to the market interest rate, market conditions only have a very minor impact. The fair value of irrevocable credit commitments was therefore largely determined by the change in the credit quality of the borrower, which was established as part of the process for calculating expected credit

losses from irrevocable credit commitments and reported in the balance sheet as a liability in the amount of €63 million (previous year: €49 million) under Other liabilities. The fair value of financial guarantees also largely reflects the amount of expected credit losses and was reported in the balance sheet as a liability in the amount of €7 million (previous year: €3 million) under Other liabilities. Both expected credit losses are disclosed as a consolidated figure in note (64) Default Risk in the “Credit commitments and financial guarantees” class.

The fair values of financial instruments were determined on the basis of the following risk-free yield curves that are derived from indicators including overnight index swaps, zero-coupon rates and interest rate swaps in the relevant currency areas, e.g. overnight index swaps on €STER for EUR:

Percent	EUR	GBP	PLN	SEK	CZK
Interest rate for six months	1.934	3.647	3.854	2.097	3.389
Interest rate for one year	1.939	3.541	3.614	2.102	3.456
Interest rate for five years	2.327	3.657	3.739	2.558	3.830
Interest rate for ten years	2.678	3.997	4.173	2.935	4.121

## 61. Measurement levels of financial assets and liabilities

For the purposes of fair value measurement and the associated disclosures, fair values are classified using a three-level measurement hierarchy. The following table shows the hierarchy breakdown for financial instruments in the classes “Measured at amortized cost”, “Measured at fair value” and “Derivative financial instruments designated as hedges”. Classification to the individual levels is dictated by the extent to which the main inputs used in determining the fair value are or are not observable in the market.

Level 1 is used to report the fair value of financial instruments such as marketable securities or notes and commercial paper issued for which a quoted price is directly observable in an active market.

Level 2 fair values are measured on the basis of inputs observable in the markets, such as exchange rates or yield curves, using market-based valuation techniques. Fair values measured in this way include those for derivatives and liabilities to customers.

Level 3 fair values are measured using valuation techniques incorporating at least one input that is not directly observable in an active market. The fair values of loans to and receivables from customers measured at amortized cost are largely allocated to Level 3 because these fair values are measured using inputs that are not observable in active markets (see note 60). In the previous year, securities from ABS transactions of unconsolidated structured entities were also allocated to Level 3. Equity investments measured at fair value through other comprehensive income and using inputs that are not observable in the market are also reported under Level 3. The main inputs used to measure these equity investments are strategic planning and cost of equity rates.

As in the previous year, there was no need to reclassify instruments to different hierarchy levels in the reporting period.

The following table shows the allocation of financial instruments to the three-level fair value hierarchy by class:

€ million	LEVEL 1			LEVEL 2			LEVEL 3		
	Dec. 31, 2025	Dec. 31, 2024 restated <sup>3</sup>	Jan. 1, 2024	Dec. 31, 2025	Dec. 31, 2024 restated <sup>2</sup>	Jan. 1, 2024 restated <sup>2</sup>	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,3</sup>	Jan. 1, 2024 restated <sup>1</sup>
<b>Assets</b>									
Measured at fair value									
Loans to and receivables from banks	–	–	–	–	–	–	–	–	–
Loans to and receivables from customers	–	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	118	114	7	–	–	–
Marketable securities	3,090	3,183	3,516	–	–	–	–	560	513
Miscellaneous financial assets	–	–	–	–	–	–	0	0	0
Measured at amortized cost									
Cash reserve	8,271	12,444	11,974	–	–	–	–	–	–
Loans to and receivables from banks	310	274	244	244	320	27	–	27	–
Loans to and receivables from customers <sup>1,3</sup>	–	–	–	1,320	867	244	67,532	56,878	46,485
Current tax assets <sup>2</sup>	–	–	–	–	–	–	–	–	–
Other assets <sup>2</sup>	510	613	–	421	259	344	37	0	0
Derivative financial instruments designated as hedges	–	–	–	83	92	21	–	21	–
<b>Total</b>	<b>12,181</b>	<b>16,513</b>	<b>15,734</b>	<b>2,187</b>	<b>1,652</b>	<b>643</b>	<b>67,569</b>	<b>57,507</b>	<b>46,998</b>
<b>Equity and liabilities</b>									
Measured at fair value									
Derivative financial instruments	–	–	–	93	80	3	–	–	–
Measured at amortized cost									
Liabilities to banks	–	–	–	1,537	332	7,481	–	–	–
Liabilities to customers	–	–	–	91,638	81,713	46,093	–	–	–
Notes, commercial paper issued	23,329	25,729	–	9,896	4,987	5,175	–	–	–
Current tax liabilities <sup>2</sup>	–	–	–	–	–	–	–	–	–
Other liabilities <sup>2</sup>	–	–	–	369	704	483	12	3	2
Subordinated capital	–	–	–	156	182	10	–	–	–
Derivative financial instruments designated as hedges	–	–	–	216	347	49	–	–	–
<b>Total</b>	<b>23,329</b>	<b>25,729</b>	<b>–</b>	<b>103,905</b>	<b>88,345</b>	<b>59,295</b>	<b>12</b>	<b>3</b>	<b>2</b>

1 Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section "Changes to Prior-Year Figures").

2 Adjustment of prior-year figures in accordance with the explanations on the correction of the change in balance sheet presentation due to reclassification of intragroup income tax allocations (see section "Changes to Prior-Year Figures").

3 The prior-year figures were adjusted due to the incorrect classification of measurement levels in loans to and receivables from customers. The prior-year adjustment resulted in a transfer from Level 1 into Level 3 amounting to €398 million.

The following table shows the changes in marketable securities and miscellaneous financial assets measured at fair value and allocated to Level 3.

€ million	2025	2024
<b>Balance as of Jan. 1</b>	<b>560</b>	<b>513</b>
Foreign exchange differences	-29	24
Portfolio changes	-	-
Changes in basis of consolidation	-522	0
Measured at fair value through profit or loss	-10	23
Measured at fair value through other comprehensive income	-	-
<b>Balance as of Dec. 31</b>	<b>0</b>	<b>560</b>

The remeasurements recognized in profit or loss amounting to €-10 million (previous year: €23 million) have been reported under net gain or loss on financial instruments measured at fair value. As in the previous year, in the year under review, the net remeasurement loss was attributable entirely to securities from ABS transactions of unconsolidated structured entities held as of the reporting date.

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

If, as of the December 31, 2025 reporting date, risk-adjusted interest rates had been 100 basis points higher, profit after tax in the financial year would not have been impacted (previous year: €10 million lower). If risk-adjusted interest rates as of December 31, 2025 had been 100 basis points lower, this would not have impacted profit after tax in the financial year (previous year: €10 million).

## 62. Offsetting of financial assets and liabilities

The table below contains information about the effects of offsetting in the consolidated balance sheet and the financial effects of offsetting in the case of instruments that are subject to a legally enforceable master netting agreement or a similar arrangement.

The “Financial instruments” column shows the amounts that are subject to a master netting agreement but have not been netted because the relevant criteria have not been satisfied. Most of the amounts involved are positive and negative fair values of derivatives entered into with the same counterparty.

The “Collateral received/pledged” column shows the cash collateral amounts and collateral in the form of financial instruments received or pledged in connection with the total sum of assets and liabilities. It includes such collateral relating to assets and liabilities that have not been offset against each other. The collateral amounts primarily consist of pledged cash collateral in connection with ABS transactions and marketable securities pledged as collateral.

€ million	AMOUNTS NOT OFFSET IN THE BALANCE SHEET																		
	Gross amount of recognized financial assets/liabilities			Gross amount of recognized financial assets/liabilities offset in the balance sheet			Net amount of financial assets/liabilities reported in the balance sheet			Financial Instruments			Collateral received/pledged			Net amount			
	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>	Dec. 31, 2025	Dec. 31, 2024	Jan. 1, 2024	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>	Dec. 31, 2025	Dec. 31, 2024	Jan. 1, 2024	Dec. 31, 2025	Dec. 31, 2024	Jan. 1, 2024	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>	
<b>Assets</b>																			
Cash reserve	8,271	12,444	11,974	–	–	–	8,271	12,444	11,974	–	–	–	–	–	–	–	8,271	12,444	11,974
Loans to and receivables from banks	554	594	291	–	–	–20	554	594	272	–	–	–	–	–	–	–	554	594	272
Loans to and receivables from customers <sup>1</sup>	96,362	83,270	50,437	–	–	–	96,362	83,270	50,437	–	–	–	–	–	–	–	96,362	83,270	50,437
Value adjustment on portfolio fair value hedges	–37	83	30	–	–	–	–37	83	30	–	–	–	–	–	–	–	–37	83	30
Derivative financial instruments	285	278	84	–83	–73	–56	202	205	28	–146	–176	–28	–27	–14	–	–	29	15	–
Marketable securities	3,090	3,743	4,029	–	–	–	3,090	3,743	4,029	–	–	–	–	–549	–513	–	3,090	3,194	3,516
Miscellaneous financial assets	0	0	0	–	–	–	0	0	0	–	–	–	–	–	–	–	0	0	0
Current tax assets <sup>2</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other assets <sup>2</sup>	967	872	344	–	–	–	967	872	344	–	–	–	–	–	–	–	967	872	344
<b>Total<sup>1</sup></b>	<b>109,492</b>	<b>101,284</b>	<b>67,190</b>	<b>–83</b>	<b>–73</b>	<b>–76</b>	<b>109,409</b>	<b>101,211</b>	<b>67,114</b>	<b>–146</b>	<b>–176</b>	<b>–28</b>	<b>–27</b>	<b>–563</b>	<b>–513</b>	<b>–</b>	<b>109,236</b>	<b>100,472</b>	<b>66,573</b>
<b>Equity and liabilities</b>																			
Liabilities to banks	1,541	327	7,462	–56	–15	–	1,485	313	7,462	–	–	–	–520	–814	–1,264	–	965	–501	6,198
Liabilities to customers	91,286	81,604	46,172	–	–	–	91,286	81,604	46,172	–	–	–	–	–	–	–	91,286	81,604	46,172
Notes, commercial paper issued	32,880	30,335	5,173	–	–	–	32,880	30,335	5,173	–	–	–	–427	–565	–120	–	32,453	29,770	5,053
Derivative financial instruments	336	485	128	–27	–58	–76	309	427	52	–146	–176	–28	–40	–20	–24	–	123	231	–
Income tax liabilities <sup>2</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other liabilities <sup>2</sup>	380	706	486	–	–	–	380	706	486	–	–	–	–	–	–	–	380	706	486
Subordinated capital	154	180	10	–	–	–	154	180	10	–	–	–	–	–	–	–	154	180	10
<b>Total</b>	<b>126,578</b>	<b>113,638</b>	<b>59,430</b>	<b>–83</b>	<b>–73</b>	<b>–76</b>	<b>126,494</b>	<b>113,565</b>	<b>59,355</b>	<b>–146</b>	<b>–176</b>	<b>–28</b>	<b>–988</b>	<b>–1,399</b>	<b>–1,408</b>	<b>–</b>	<b>125,361</b>	<b>111,990</b>	<b>57,919</b>

1 Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section "Changes to Prior-Year Figures").

2 Adjustment of prior-year figures in accordance with the explanations on the correction of the change in balance sheet presentation due to reclassification of intragroup income tax allocations (see section "Changes to Prior-Year Figures").

### 63. ABS transactions

The Volkswagen Bank GmbH Group uses ABS transactions for funding purposes. The related liabilities are recognized in the following items:

€ million	Dec. 31, 2025	Dec. 31, 2024
Bonds issued	15,317	16,606
Subordinated liabilities	154	180
<b>Total</b>	<b>15,471</b>	<b>16,786</b>

Of the total amount of liabilities arising in connection with ABS transactions, an amount of €6,850 million (previous year: €7,560 million) is accounted for by ABS transactions with financial assets. The corresponding carrying amount of the securitized loans and receivables from retail financing and the leasing business amounts to €8,904 million (previous year: €9,855 million). As of December 31, 2025, the fair value of these liabilities amounted to €6,976 million (previous year: €7,664 million). The fair value of the assigned loans/receivables that continued to be recognized amounted to €8,954 million as of December 31, 2025 (previous year: €9,656 million).

Collateral totaling €22,037 million (previous year: €22,609 million) has been pledged in connection with ABS transactions, of which €9,030 million (previous year: €10,039 million) is accounted for by collateral in the form of financial assets. In these arrangements, the expected payments are assigned to special purpose entities and, if applicable, the ownership of the collateral in the leased or financed vehicles is transferred. The leased or financed vehicles cannot be assigned again to anyone else or used in any other way as collateral. The rights of the bond holders are limited to the assigned loans/receivables and the corresponding collateral, and the payment receipts arising from these loans/receivables are used to repay the corresponding liability.

These asset-backed securities transactions did not lead to a derecognition of the loans or receivables from the financing business because the residual value risk, credit risk and timing risk were retained in the Group depending on the ABS transaction. The difference between the amount of the assigned loans/receivables and the associated liabilities results from the different terms and conditions and from the proportion of the ABSs held by the Volkswagen Bank GmbH Group itself or granted subordinated loans, which reduce the liabilities in the consolidation process.

The Volkswagen Bank GmbH Group is under a contractual obligation to transfer funds in certain circumstances to the structured entities included in its consolidated financial statements. If the rating of the Group companies concerned declines to below a contractually agreed level, collateral must be furnished to the special purpose entities, for example by making customer payments in advance or transferring interest compensation payments to an account of the special purpose entity.

As the loans/receivables are transferred to the special purpose entities by way of undisclosed assignment, it is possible that the loan/receivable has already been reduced in a legally binding manner at the originator, for example if the debtor effectively offsets it against amounts it is owed by the Volkswagen Bank GmbH Group companies. Collateral must also be furnished for the resulting compensation claims against the special purpose entity if the rating of the Group companies drops below a contractually agreed level.

The ABS transactions in the Volkswagen Bank GmbH Group can be called early if the remaining exposures fall below a specified level (so-called clean-up call).

#### 64. Default risk

The default risk arising from financial assets is essentially the risk that a counterparty will default. The maximum amount of the risk is therefore the amount of the claims against the counterparty concerned arising from recognized carrying amounts and irrevocable credit commitments.

The maximum default risk is reduced by collateral and other credit enhancements. The collateral held relates to loans to and receivables from banks and loans and receivables from customers in the classes “Measured at amortized cost”, “Measured at fair value” and “Not allocated to any measurement category”, and to “Credit commitments and financial guarantees (off-balance-sheet)”. The types of collateral held include vehicles, vehicles pledged as collateral, financial guarantees, marketable securities, cash collateral and charges on real estate.

In the case of financial assets with an objective indication of impairment as of the reporting date, the collateral reduced the risk by €1,523 million (previous year: €1,041 million). For financial assets in the “Measured at fair value” class to which the IFRS 9 impairment requirements are not applied, the maximum credit and default risk was reduced by collateral with a value of €34 million (previous year: €604 million).

For financial assets on which impairment losses were recognized during the fiscal year and that are subject to enforcement measures, the contractually outstanding amounts total €112 million (previous year: €40 million).

As a consequence of the international distribution of business activities and the resulting diversification, there are no material concentrations of default risk in individual counterparties or individual markets. Sector concentrations in the dealership business are a natural part of the business for a captive financial services provider in the automotive industry and these concentrations are individually analyzed in the existing risk management processes. The loans and receivables from dealership business subject to the inherent sector concentrations described above are included in the loans to and receivables from customers arising from dealer financing.

As derivatives are only entered into with counterparties demonstrating strong credit ratings, and limits are set for each counterparty as part of the risk management system, the actual default risk arising from derivative transactions is deemed to be low.

For qualitative information, please refer to the risk report (Credit Risk section), which forms part of the management report.

#### **PROVISION FOR CREDIT RISKS**

Please refer to the provision for credit risks section in note (9) for disclosures on the accounting policies relating to the provision for credit risks.

The following tables show a reconciliation of the provision for credit risks relating to financial assets measured at amortized cost:

million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	Total
<b>Balance as of Jan. 1., 2025</b>	<b>176</b>	<b>220</b>	<b>412</b>	<b>48</b>	<b>-4</b>	<b>852</b>
Exchange differences on translating foreign operations	0	0	0	0	0	0
Changes in basis of consolidation	0	-	-	0	-	0
Newly extended/purchased financial assets (additions)	85	-	-	8	9	102
Other changes within a stage	-2	-19	23	18	6	26
Transfers to						
Stage 1	4	-22	-2	-	-	-21
Stage 2	-34	144	-17	-	-	94
Stage 3	-4	-40	210	-	-	166
Financial instruments derecognized during the period (derecognitions)	-50	-41	-82	-7	0	-181
Utilizations	-	-	-50	-4	-5	-59
Model or risk parameter changes	14	21	7	-	1	44
<b>Balance as of Dec. 31, 2025</b>	<b>188</b>	<b>264</b>	<b>501</b>	<b>64</b>	<b>7</b>	<b>1,024</b>

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	Total
<b>Balance as of Jan. 1, 2024</b>	<b>132</b>	<b>250</b>	<b>323</b>	<b>28</b>	<b>-12</b>	<b>721</b>
Exchange differences on translating foreign operations	0	0	0	0	0	1
Changes in basis of consolidation	4	2	-	12	-	18
Newly extended/purchased financial assets (additions)	98	-	-	12	9	119
Other changes within a stage	12	-18	7	4	4	9
Transfers to						
Stage 1	6	-46	-9	-	-	-50
Stage 2	-27	125	-14	-	-	84
Stage 3	-6	-46	203	-	-	151
Financial instruments derecognized during the period (derecognitions)	-43	-47	-55	-8	-2	-155
Utilizations	0	-	-43	-	-3	-46
Model or risk parameter changes	-	-	-	0	-	0
<b>Balance as of Dec. 31, 2024</b>	<b>176</b>	<b>220</b>	<b>412</b>	<b>48</b>	<b>-4</b>	<b>852</b>

The following tables show a reconciliation of the gross carrying amounts of financial assets measured at amortized cost:

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	Total
<b>Carrying amount before adjustment as of Jan. 1, 2025</b>	<b>56,357</b>	<b>9,258</b>	<b>1,069</b>	<b>4,878</b>	<b>236</b>	<b>71,799</b>
Changes due to the corrected calculation of the interest income from financial assets in default <sup>1</sup>	–	–	–24	–	–7	–31
<b>Carrying amount restated as of Jan. 1, 2025</b>	<b>56,357</b>	<b>9,258</b>	<b>1,045</b>	<b>4,878</b>	<b>229</b>	<b>71,768</b>
Exchange differences on translating foreign operations	–69	–53	0	–9	0	–130
Changes in basis of consolidation	186	–	–	25	–	211
Changes	8,466	–1,697	–351	766	–40	7,144
Modifications	0	0	0	0	–	1
Transfers to						
Stage 1	1,068	–1,059	–9	–	–	0
Stage 2	–4,868	4,911	–43	–	–	0
Stage 3	–250	–346	596	–	–	–
<b>Carrying amount as of Dec. 31, 2025</b>	<b>60,891</b>	<b>11,014</b>	<b>1,237</b>	<b>5,661</b>	<b>190</b>	<b>78,993</b>

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

€ million	Stage 1	Stage 2	Stage 3 restated <sup>1</sup>	Simplified approach	Stage 4 restated <sup>1</sup>	Total restated <sup>1</sup>
<b>Carrying amount before adjustment as of Jan. 1, 2024</b>	<b>48,166</b>	<b>7,155</b>	<b>902</b>	<b>3,942</b>	<b>249</b>	<b>60,415</b>
Changes due to the corrected calculation of the interest income from financial assets in default <sup>1</sup>	–	–	–17	–	–5	–22
<b>Carrying amount restated as of Jan. 1, 2024</b>	<b>48,166</b>	<b>7,155</b>	<b>885</b>	<b>3,942</b>	<b>244</b>	<b>60,393</b>
Exchange differences on translating foreign operations	117	33	0	10	0	161
Changes in basis of consolidation	3,252	24	–	474	–	3,750
Changes <sup>1</sup>	7,724	–473	–224	451	–15	7,463
Modifications	1	0	0	–	–	1
Transfers to						
Stage 1	1,942	–1,863	–79	–	–	0
Stage 2	–4,618	4,662	–44	–	–	0
Stage 3	–228	–278	507	–	–	–
<b>Carrying amount as of Dec. 31, 2024<sup>1</sup></b>	<b>56,357</b>	<b>9,258</b>	<b>1,045</b>	<b>4,878</b>	<b>229</b>	<b>71,768</b>

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

The “Changes” line relates to changes in gross carrying amounts that are not allocated to the other lines in the reconciliation of the gross carrying amounts from the beginning to the end of the reporting period concerned. These changes include the addition and derecognition of financial assets during the reporting period.

The undiscounted expected credit losses on the initial recognition of purchased or originated credit-impaired financial assets amounted to €2 million (previous year: €2 million).

The following tables show a reconciliation for the provision for credit risks relating to financial assets measured at fair value:

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	Total
<b>Balance as of Jan. 1, 2025</b>	<b>9</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10</b>
Exchange differences on translating foreign operations	–	–	–	–	–	–
Changes in basis of consolidation	–	–	–	–	–	–
Newly extended/purchased financial assets (additions)	3	–	–	–	–	3
Other changes within a stage	0	0	–	–	–	0
Transfers to						
Stage 1	0	0	–	–	–	–
Stage 2	–	–	–	–	–	–
Stage 3	–	–	–	–	–	–
Financial instruments derecognized during the period (derecognitions)	–2	–1	–	–	–	–3
Utilizations	–	–	–	–	–	–
Model or risk parameter changes	–	–	–	–	–	–
<b>Balance as of Dec. 31, 2025</b>	<b>9</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10</b>

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	Total
<b>Balance as of Jan. 1, 2024</b>	<b>9</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>12</b>
Exchange differences on translating foreign operations	–	–	–	–	–	–
Changes in basis of consolidation	0	–	–	–	–	0
Newly extended/purchased financial assets (additions)	0	–	–	–	–	0
Other changes within a stage	0	0	–	–	–	0
Transfers to						
Stage 1	2	–2	–	–	–	0
Stage 2	0	0	–	–	–	0
Stage 3	–	–	–	–	–	–
Financial instruments derecognized during the period (derecognitions)	–2	–	–	–	–	–2
Utilizations	–	–	–	–	–	–
Model or risk parameter changes	–	–	–	–	–	–
<b>Balance as of Dec. 31, 2024</b>	<b>9</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10</b>

The following tables show a reconciliation of the gross carrying amounts of financial assets measured at fair value:

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	No provision for credit risks	Total
<b>Carrying amount as of Jan. 1, 2025</b>	<b>2,744</b>	<b>444</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>678</b>	<b>3,867</b>
Exchange differences on translating foreign operations	–	–	–	–	–	–17	–17
Changes in basis of consolidation	–	–	–	–	–	–	–
Changes	80	–169	–	–	–	–542	–631
Modifications	–	–	–	–	–	–	–
Transfers to							
Stage 1	68	–68	–	–	–	–	–
Stage 2	–	–	–	–	–	–	–
Stage 3	–	–	–	–	–	–	–
<b>Carrying amount as of Dec. 31, 2025</b>	<b>2,892</b>	<b>207</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>119</b>	<b>3,218</b>

€ million	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4	No provision for credit risks	Total
<b>Carrying amount as of Jan. 1, 2024</b>	<b>1,783</b>	<b>1,741</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>524</b>	<b>4,048</b>
Exchange differences on translating foreign operations	–	–	–	–	–	24	24
Changes in basis of consolidation	104	–	–	–	–	94	197
Changes	477	–917	–	–	–	37	–403
Modifications	–	–	–	–	–	–	–
Transfers to							
Stage 1	459	–459	–	–	–	–	–
Stage 2	–79	79	–	–	–	–	–
Stage 3	–	–	–	–	–	–	–
<b>Carrying amount as of Dec. 31, 2024</b>	<b>2,744</b>	<b>444</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>678</b>	<b>3,867</b>

The following tables show a reconciliation of the provision for credit risks relating to irrevocable credit commitments and financial guarantees:

€ million	Stage 1	Stage 2	Stage 3	Stage 4	Total
<b>Balance as of Jan. 1, 2025</b>	<b>18</b>	<b>10</b>	<b>17</b>	<b>8</b>	<b>52</b>
Exchange differences on translating foreign operations	0	0	0	0	0
Changes in basis of consolidation	–	–	–	–	–
Newly extended/purchased financial assets (additions)	12	–	–	1	12
Other changes within a stage	–1	4	0	1	5
Transfers to					
Stage 1	0	–1	0	–	–1
Stage 2	–2	4	–	–	2
Stage 3	0	–1	11	–	9
Financial instruments derecognized during the period (derecognitions)	–7	–1	–1	0	–9
Utilizations	–	–	–	–	–
Model or risk parameter changes	–	–	–	–	–
<b>Balance as of Dec. 31, 2025</b>	<b>20</b>	<b>14</b>	<b>26</b>	<b>10</b>	<b>70</b>

€ million	Stage 1	Stage 2	Stage 3	Stage 4	Total
<b>Balance as of Jan. 1, 2024</b>	<b>16</b>	<b>10</b>	<b>41</b>	<b>8</b>	<b>75</b>
Exchange differences on translating foreign operations	0	0	0	0	0
Changes in basis of consolidation	–	–	–	–	–
Newly extended/purchased financial assets (additions)	7	–	–	1	8
Other changes within a stage	1	3	–20	–1	–16
Transfers to					
Stage 1	7	–2	–6	–	0
Stage 2	–4	4	–1	–	0
Stage 3	–3	–2	4	–	0
Financial instruments derecognized during the period (derecognitions)	–7	–4	–2	0	–14
Utilizations	–	–	–	–	–
Model or risk parameter changes	–	–	–	–	–
<b>Balance as of Dec. 31, 2024</b>	<b>18</b>	<b>10</b>	<b>17</b>	<b>8</b>	<b>52</b>

The following tables present a reconciliation of default risk exposures arising from irrevocable credit commitments and financial guarantees:

€ million	Stage 1	Stage 2	Stage 3	Stage 4	Total
<b>Carrying amount as of Jan. 1, 2025</b>	<b>6,400</b>	<b>3,501</b>	<b>139</b>	<b>103</b>	<b>10,143</b>
Exchange differences on translating foreign operations	-47	-57	0	0	-105
Changes in basis of consolidation	-	-	-	-	-
Changes	-148	-301	-16	-12	-476
Modifications	-	-	-	-	-
Transfers to					
Stage 1	243	-240	-3	-	0
Stage 2	-650	650	0	-	0
Stage 3	-25	-22	47	-	-
<b>Carrying amount as of Dec. 31, 2025</b>	<b>5,773</b>	<b>3,532</b>	<b>167</b>	<b>91</b>	<b>9,563</b>

€ million	Stage 1	Stage 2	Stage 3	Stage 4	Total
<b>Carrying amount as of Jan. 1, 2024</b>	<b>7,284</b>	<b>2,676</b>	<b>166</b>	<b>89</b>	<b>10,215</b>
Exchange differences on translating foreign operations	62	47	0	0	108
Changes in basis of consolidation	-197	-	-	-	-197
Changes	7	7	-12	15	17
Modifications	-	-	0	0	-
Transfers to					
Stage 1	267	-235	-32	-	0
Stage 2	-1,014	1,015	-2	-	0
Stage 3	-9	-9	19	-	0
<b>Carrying amount as of Dec. 31, 2024</b>	<b>6,400</b>	<b>3,501</b>	<b>139</b>	<b>103</b>	<b>10,143</b>

The following table shows a reconciliation for the provision for credit risks relating to lease receivables in the class "Not allocated to any measurement category":

€ million	SIMPLIFIED APPROACH	
	2025	2024
<b>Balance as of Jan. 1</b>	<b>655</b>	<b>147</b>
Exchange differences on translating foreign operations	-	-
Changes in basis of consolidation	28	386
Newly extended/purchased financial assets (additions)	122	177
Other changes within a stage	344	-
Financial instruments derecognized during the period (derecognitions)	-166	-32
Utilizations	-53	-8
Model or risk parameter changes	15	-14
<b>Balance as of Dec. 31</b>	<b>944</b>	<b>655</b>

The following table shows a reconciliation of the gross carrying amounts of lease receivables in the class “Not allocated to any measurement category”:

€ million	SIMPLIFIED APPROACH	
	2025	2024 restated <sup>1</sup>
<b>Carrying amount before adjustment as of Jan. 1</b>	<b>27,013</b>	<b>3,538</b>
Changes due to the corrected calculation of the interest income from financial assets in default <sup>1</sup>	-10	-5
<b>Carrying amount restated as of Jan. 1</b>	<b>27,003</b>	<b>3,533</b>
Exchange differences on translating foreign operations	-	-
Changes in basis of consolidation	1,342	22,005
Changes <sup>1</sup>	738	1,464
Modifications	10	1
<b>Carrying amount as of Dec. 31<sup>1</sup></b>	<b>29,093</b>	<b>27,003</b>

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

## MODIFICATIONS

During the reporting period and the prior-year period, there were contractual modifications of financial assets that did not lead to a derecognition of the asset concerned. These modifications were caused by either changes in credit ratings or adjustments agreed retrospectively that did not stem from customer credit quality (market-induced adjustments).

In the case of financial assets for which the provision for credit risks was determined in the amount of the lifetime expected credit losses, the amortized cost before contractual modifications amounted to €484 million (previous year: €246 million). In the reporting period, the contractual modifications of these financial assets gave rise to an overall net gain of €0 million (previous year: €2 million). In the case of trade receivables and lease receivables, which are all included in the simplified approach, the only modifications that are taken into account are those in which the underlying receivables are more than 30 days past due.

At the reporting date, the gross carrying amount of financial assets that had been modified since initial recognition and that, in the reporting period, had also been transferred from Stage 2 or Stage 3 to Stage 1 amounted to €10 million (previous year: €6 million). As a consequence, the measurement of the provision for credit risks for these financial assets was switched from the lifetime expected credit loss to a twelve-month expected credit loss.

## MAXIMUM CREDIT RISK

The following table shows the maximum credit risk, broken down by class, to which the Volkswagen Bank GmbH Group was exposed as of the reporting date and to which the impairment model was applied.

€ million	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1</sup>	Jan. 1, 2024 restated <sup>1</sup>
Financial assets measured at amortized cost <sup>1</sup>	77,969	70,915	59,672
Financial assets measured at fair value	3,089	3,178	3,505
Financial guarantees and credit commitments	9,549	10,077	10,140
Not allocated to any measurement category <sup>1</sup>	28,148	26,347	3,385
<b>Total<sup>1</sup></b>	<b>118,755</b>	<b>110,517</b>	<b>76,702</b>

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section "Changes to Prior-Year Figures").

The assets disclosed as belonging to the class "Financial assets measured at fair value" are allocated to the measurement category "Financial assets measured at fair value through other comprehensive income (debt instruments)".

The maximum credit risk associated with the financial guarantees in accordance with IFRS 7.B10 amounts to €152 million (previous year: €99 million; January 1, 2024: €176 million).

The Volkswagen Bank GmbH Group intends to recover the following collateral accepted in the reporting year for financial assets:

€ million	Dec. 31, 2025	Dec. 31, 2024
Vehicles	105	72
Real estate	–	–
Other movable assets	–	–
<b>Total</b>	<b>105</b>	<b>72</b>

The vehicles are remarketed to Volkswagen Group dealers through direct sales and auctions.

## DEFAULT RISK RATING CLASSES

The Volkswagen Bank GmbH Group uses internal risk management and control systems to evaluate the credit quality of the borrower before entering into any lending contract or lease. In the retail business, this evaluation is carried out by using scoring systems, whereas rating systems are used for fleet customers and dealer financing transactions. The results of the evaluation are allocated to a master scale based on the probability of default as the relevant criterion. The 16 risk classes in the master scale represent the default risk rating classes and are each defined according to the probabilities of default shown below.

In addition, the gross carrying amounts of the financial assets are broken down into three default risk categories so that default risk exposures can be presented on a uniform basis throughout the Group. Loans and receivables for which the credit quality is classified as "good" are allocated to default risk category 1. Loans to and receivables from customers whose credit quality has not been classified as "good"

but who have not yet defaulted are included under default risk category 2. Accordingly, all loans and receivables in default are allocated to default risk category 3.

The following tables show the gross carrying amounts of financial assets by default risk category and by default risk rating class:

**REFERENCE DATE DECEMBER 31, 2025**

€ million	Default risk rating classes	Probability of default (>=)	Probability of default (<)	Stage 1	Stage 2	Stage 3	Simplified approach	Stage 4
	1	0.00%	0.06%	19,552	4	–	1,800	–
	2	0.06%	0.09%	601	1	–	373	–
	3	0.09%	0.15%	3,544	67	–	493	–
	4	0.15%	0.23%	4,329	97	–	988	0
	5	0.23%	0.36%	6,488	247	–	993	8
	6	0.36%	0.56%	7,747	1,219	–	1,815	9
	7	0.56%	0.88%	6,202	1,181	–	4,123	16
	8	0.88%	1.37%	5,726	1,447	–	6,497	13
	9	1.37%	2.14%	3,936	950	–	6,189	14
	10	2.14%	3.35%	2,618	1,000	–	3,989	22
	11	3.35%	5.23%	1,788	2,300	–	3,022	2
Default risk category 1	12	5.23%	8.18%	919	500	–	1,326	1
	13	8.18%	12.79%	218	661	–	666	1
	14	12.79%	20.00%	104	917	–	349	6
Default risk category 2	15	20.00%	100.00%	10	630	–	504	2
Default risk category 3	D	100.00%	100.00%	–	–	1,237	1,628	97
<b>Total</b>				<b>63,783</b>	<b>11,221</b>	<b>1,237</b>	<b>34,754</b>	<b>190</b>

## REFERENCE DATE DECEMBER 31, 2024

€ million	Default risk rating classes	Probability of default (>=)	Probability of default (<)	Stage 1	Stage 2	Stage 3 restated <sup>1</sup>	Simplified approach restated <sup>1</sup>	Stage 4 restated <sup>1</sup>
	1	0.00%	0.06%	12,406	316	–	1,236	46
	2	0.06%	0.09%	544	6	–	314	–
	3	0.09%	0.15%	2,776	50	–	559	–
	4	0.15%	0.23%	4,369	69	–	834	0
	5	0.23%	0.36%	6,054	270	–	693	10
	6	0.36%	0.56%	12,509	1,772	–	2,381	11
	7	0.56%	0.88%	4,590	1,423	–	4,635	7
	8	0.88%	1.37%	6,856	1,238	–	5,117	6
	9	1.37%	2.14%	2,750	882	–	5,370	4
	10	2.14%	3.35%	3,093	715	–	3,754	32
	11	3.35%	5.23%	2,273	740	–	2,932	2
Default risk category 1	12	5.23%	8.18%	608	675	–	1,050	6
	13	8.18%	12.79%	193	488	–	1,168	1
	14	12.79%	20.00%	56	470	–	420	4
Default risk category 2	15	20.00%	100.00%	24	588	–	439	3
Default risk category 3 <sup>1</sup>	D	100.00%	100.00%	–	–	1,045	979	96
<b>Total</b>				<b>59,101</b>	<b>9,702</b>	<b>1,045</b>	<b>31,881</b>	<b>229</b>

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

## REFERENCE DATE JANUARY 1, 2024

€ million	Default risk rating classes	Probability of default (>=)	Probability of default (<)	Stage 1	Stage 2	Stage 3 restated <sup>1</sup>	Simplified approach restated	Stage 4 restated <sup>1</sup>
	1	0.00%	0.06%	13,705	2	–	181	–
	2	0.06%	0.09%	397	3	–	158	–
	3	0.09%	0.15%	1,952	8	–	450	–
	4	0.15%	0.23%	3,063	13	–	391	–
	5	0.23%	0.36%	1,755	112	–	396	1
	6	0.36%	0.56%	4,625	731	–	1,021	20
	7	0.56%	0.88%	8,061	689	–	1,618	4
	8	0.88%	1.37%	7,706	1,681	–	757	8
	9	1.37%	2.14%	4,445	1,072	–	600	23
	10	2.14%	3.35%	2,274	880	–	266	2
	11	3.35%	5.23%	991	784	–	872	3
Default risk category 1	12	5.23%	8.18%	611	1,066	–	143	10
	13	8.18%	12.79%	228	505	–	167	10
	14	12.79%	20.00%	103	321	–	50	14
Default risk category 2	15	20.00%	100.00%	36	1,029	–	131	17
Default risk category 3 <sup>1</sup>	D	100.00%	100.00%	–	–	885	280	133
<b>Total</b>				<b>49,949</b>	<b>8,896</b>	<b>885</b>	<b>7,480</b>	<b>244</b>

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

The following tables show the default risk exposures for irrevocable credit commitments and financial guarantees by default risk rating class:

## FISCAL YEAR 2025

€ million	Default risk rating classes	Probability of default (>=)	Probability of default (<)	Stage 1	Stage 2	Stage 3	Stage 4
	1	0.00%	0.06%	830	21	–	–
	2	0.06%	0.09%	212	1	–	–
	3	0.09%	0.15%	733	1	–	3
	4	0.15%	0.23%	508	12	–	0
	5	0.23%	0.36%	662	87	–	2
	6	0.36%	0.56%	692	325	–	12
	7	0.56%	0.88%	792	301	–	9
	8	0.88%	1.37%	548	751	–	3
	9	1.37%	2.14%	259	337	–	4
	10	2.14%	3.35%	272	625	–	10
	11	3.35%	5.23%	176	375	–	0
Default risk category 1	12	5.23%	8.18%	51	60	–	0
	13	8.18%	12.79%	28	130	–	0
	14	12.79%	20.00%	12	479	–	1
Default risk category 2	15	20.00%	100.00%	0	26	–	0
Default risk category 3	D	100.00%	100.00%	–	–	167	47
<b>Total</b>				<b>5,773</b>	<b>3,532</b>	<b>167</b>	<b>91</b>

## FISCAL YEAR 2024

€ million	Default risk rating classes	Probability of default (>=)	Probability of default (<)	Stage 1	Stage 2	Stage 3	Stage 4
	1	0.00%	0.06%	657	22	–	0
	2	0.06%	0.09%	543	2	–	–
	3	0.09%	0.15%	294	9	–	–
	4	0.15%	0.23%	949	14	–	0
	5	0.23%	0.36%	491	71	–	9
	6	0.36%	0.56%	837	361	–	13
	7	0.56%	0.88%	605	600	–	11
	8	0.88%	1.37%	901	775	–	17
	9	1.37%	2.14%	467	285	–	3
	10	2.14%	3.35%	320	557	–	9
	11	3.35%	5.23%	186	219	–	0
Default risk category 1	12	5.23%	8.18%	99	187	–	3
	13	8.18%	12.79%	42	139	–	0
	14	12.79%	20.00%	9	198	–	1
Default risk category 2	15	20.00%	100.00%	1	61	–	0
Default risk category 3	D	100.00%	100.00%	–	–	139	37
<b>Total</b>				<b>6,400</b>	<b>3,501</b>	<b>139</b>	<b>103</b>

## 65. Liquidity risk

Liquidity risk is defined primarily as the risk of not being able to meet payment obligations in full or when due. The companies of the Volkswagen Bank GmbH Group are funded primarily through capital market and ABS (asset-backed securities) programs as well as through deposits received in the direct banking business. A rolling liquidity planning system ensures that the Volkswagen Bank GmbH Group remains solvent and has an adequate supply of liquidity. The supply of liquidity is ensured via a liquidity reserve in the form of cash, securities and confirmed credit lines that can be accessed at any time at short notice.

The Volkswagen Bank GmbH Group takes precautions to minimize the risk from any potential liquidity squeeze by holding credit lines with Volkswagen AG and by using a debt issuance program allowing funds to be raised in multiple currencies. It also holds marketable securities from public-sector issuers that are readily marketable and can be deposited with central banks, and can thus be used to help safeguard liquidity.

Further details on the funding and hedging strategy can be found in the Report on Economic Position in the “Liquidity Analysis” (page 19) and “Funding” (pages 20–21) sections, and in the risk report within the disclosures on the “Interest Rate Risk in the Banking Book (IRRBB)” (pages 53–54) and on the “Liquidity Risk” (pages 55–56) in the management report.

The maturity profile of assets held to manage liquidity risk is as follows:

€ million	ASSETS		REPAYABLE ON DEMAND		UP TO 3 MONTHS		3 MONTHS TO 1 YEAR		1 TO 5 YEARS		MORE THAN 5 YEARS	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
	Cash reserve	8,271	12,444	8,271	12,444	–	–	–	–	–	–	–
Loans to and receivables from banks	554	594	310	274	124	320	120	0	–	–	–	–
Marketable securities	3,090	3,743	–	–	3,090	3,743	–	–	–	–	–	–
<b>Total</b>	<b>11,915</b>	<b>16,781</b>	<b>8,581</b>	<b>12,718</b>	<b>3,214</b>	<b>4,063</b>	<b>120</b>	<b>0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

The following table shows the maturity profile of undiscounted cash outflows from financial liabilities and irrevocable credit commitments:

€ million	REMAINING CONTRACTUAL MATURITIES														
	Cash outflows			up to 3 months			3 months to 1 year			1 to 5 years			more than 5 years		
	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>	Dec. 31, 2025	Dec. 31, 2024 restated <sup>1,2</sup>	Jan. 1, 2024 restated <sup>1,2</sup>
Liabilities to banks	1,552	322	7,998	61	94	551	319	41	7,352	1,117	127	38	55	60	57
Liabilities to customers	92,779	83,175	46,924	57,366	48,502	29,658	17,791	19,548	13,876	17,538	14,520	2,576	83	605	814
Notes, commercial paper issued	35,094	32,373	5,672	3,776	2,141	941	7,970	5,049	893	19,298	23,032	3,269	4,050	2,151	569
Derivative financial instruments <sup>2</sup>	9,136	5,643	4,086	4,263	3,298	–	2,478	2,046	3,873	2,395	300	212	–	–	–
Other liabilities <sup>1</sup>	380	706	486	302	621	22	70	80	461	6	4	1	2	1	1
Subordinated capital	162	190	10	30	26	–	45	59	10	88	105	–	0	0	–
Credit commitments	9,411	10,237	10,039	4,860	5,986	4,736	4,551	4,250	5,303	–	–	–	–	–	–
<b>Total</b>	<b>148,514</b>	<b>132,646</b>	<b>75,214</b>	<b>70,658</b>	<b>60,669</b>	<b>35,909</b>	<b>33,224</b>	<b>31,074</b>	<b>31,768</b>	<b>40,442</b>	<b>38,087</b>	<b>6,095</b>	<b>4,190</b>	<b>2,816</b>	<b>1,442</b>

1 Adjustment of prior-year figures in accordance with the explanations on the correction of the change in presentation due to reclassification of intragroup income tax allocations (see section "Changes to Prior-Year Figures").

2 Due to the correction of an error, the information on cash outflows for derivative financial instruments for the previous year was adjusted from a total of €6,070 million to a total of €5,643 million.

The derivatives include both cash outflows relating to derivatives with negative fair values and cash outflows relating to derivatives with positive fair values in connection with which gross settlement has been agreed.

Financial guarantees with a maximum possible drawdown of €152 million (previous year: €99 million; January 1, 2024: €176 million) are always assumed to be payable on demand.

## 66. Market risk

For qualitative information, please refer to the risk report within the disclosures on “Interest Rate Risk in the Banking Book (IRRBB)” (pages 53–54) and “Other Market Risk (Currency and Fund Price Risk)” (pages 54) in the management report.

For quantitative risk measurement, interest rate and foreign currency risk are measured using a value-at-risk (VaR) model on the basis of a historical simulation. The value-at-risk calculation indicates the size of the maximum potential loss on the portfolio as a whole within a time horizon of 365 days, measured at a confidence level of 99.9%. To provide the basis for this calculation, all cash flows from non-derivative and derivative financial instruments are aggregated into an interest rate gap analysis. The historical market data used in determining value at risk covers a period of ten years.

This approach has produced the following values:

€ million	Dec. 31, 2025	Dec. 31, 2024 <sup>2</sup>
Interest rate risk	929	474
Currency translation risk	77	0
<b>Total market risk<sup>1</sup></b>	<b>908</b>	<b>473</b>

<sup>1</sup> As a result of correlation effects, the total market risk is not identical to the sum of the individual risks.

<sup>2</sup> The values for December 31, 2024 were calculated with a confidence level of 99% and a holding period of 60 calendar days. Comparability is therefore only possible to a limited extent.

## 67. Hedging policy disclosures

### HEDGING POLICY AND FINANCIAL DERIVATIVES

Given its international financial activities, the Volkswagen Bank GmbH Group is exposed to fluctuations in interest rates and foreign exchange rates on the international money and capital markets. The general rules governing the Group-wide currency and interest rate hedging policy are specified in internal Group guidelines and satisfy the Minimum Requirements for Risk Management (MaRisk – *Mindestanforderungen an das Risikomanagement*) issued by the German Federal Financial Supervisory Authority (BaFin). The partners used by the Group when entering into appropriate financial transactions are national and international banks with strong credit ratings whose credit quality is continuously monitored by leading rating agencies. The Group enters into suitable hedging transactions to limit currency and interest rate risks. Regular derivative financial instruments are used for this purpose.

## MARKET RISK

Market risk arises when changes in prices on financial markets (interest rates and exchange rates) have a positive or negative effect on the value of traded products. The fair values listed in the tables in the notes were determined using the market information available on the reporting date and represent the fair values of the financial derivatives. They were determined on the basis of standardized techniques using generally applicable market risk variables, such as yield curves and exchange rates.

### Interest rate risk

Changes in the level of interest rates in the money and capital markets represent an interest rate risk if the funding is not maturity-matched. Interest rate risk is managed on the basis of an overall interest rate risk limit that is set for the entire Group. Interest rate risk is quantified using interest rate gap analyses to which various scenarios involving changes in interest rates are applied. The calculations take into account uniform risk ceilings applicable throughout the Group.

The hedging contracts entered into by the Group mainly comprise interest rate swaps and cross-currency interest rate swaps. Interest rate risk is hedged using fair value hedges and cash flow hedges at micro level and fair value hedges at portfolio level (portfolio fair value hedges). Fixed-income assets and liabilities included in micro fair value hedges are recognized with the addition of a hedge adjustment based on the hedged fair value of the hedged item value rather than at amortized cost, the method used in their original subsequent measurement. The resulting effects in the income statement are generally offset by the opposite effects from the corresponding gains and losses on the interest rate hedging instruments (swaps).

### Currency risk

The Volkswagen Bank GmbH Group avoids currency risk by entering into currency hedging contracts, which may be currency forwards, cross-currency swaps or cross-currency interest rate swaps. Generally speaking, all cash flows in foreign currency are hedged.

## DESCRIPTION OF HEDGES AND METHODOLOGIES FOR MONITORING HEDGE EFFECTIVENESS

If possible, the hedge strategy aims to recognize hedges for suitable underlying transactions (hedged items) on an individual or portfolio basis. Assets or liabilities on the balance sheet serve as hedge items. Future transactions are currently not used as hedged items.

In the Volkswagen Bank GmbH Group, hedges to which micro-hedge accounting is applied are normally held to maturity. Individual risk components are not separated out and designated for the purposes of hedge accounting.

Hedge effectiveness in Volkswagen Bank GmbH is usually measured prospectively using the critical terms match method. Hedge effectiveness is analyzed retrospectively by testing for ineffectiveness using the dollar offset method. The dollar offset method compares the changes in the value of the hedged item expressed in monetary units with the changes in the value of the hedging instrument expressed in monetary units. The volume represented by the hedging instruments is generally the same as the volume represented by the designated hedged items.

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. 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. Other factors (e.g., in relation to counterparty risk) are only of minor significance as regards hedge ineffectiveness.

In portfolio hedge accounting, derivatives for interest rate hedging are designated in a quarterly cycle. Effectiveness is checked by maturity band as part of this process. The designation proportions for the derivatives are determined on the basis of the volumes of the hedged item portfolios in the maturity bands. Derivatives are only considered for a hedging period in portfolio hedge accounting if a high prospective and retrospective effectiveness level is determined using regression tests. Ineffectiveness in portfolio hedge accounting is usually the result of changes in the fair values of hedging instruments and the hedged fair values of hedged items that do not fully offset each other.

#### DISCLOSURES ON GAINS AND LOSSES FROM FAIR VALUE HEDGES

In fair value hedges, the transactions hedge the risk of changes in the fair value of financial assets and financial liabilities. Changes in fair value that arise from the recognition of hedging instruments at fair value and those from the recognition of the associated hedged items at the hedged fair value generally have an offsetting effect and are reported under the net gain or loss on hedges.

The following table shows the degree of hedge ineffectiveness from fair value hedges broken down by type of risk, equating to the differences between the gains or losses on hedging instruments and those on hedged items:

€ million	2025	2024
Interest rate risk hedging	-66	-4
Currency risk hedging	-36	-34
Combined interest rate and currency risk hedging	-	-

#### DISCLOSURES ON GAINS AND LOSSES FROM CASH FLOW HEDGES

Cash flow hedges are recognized with the aim of hedging risks arising from changes in future cash flows. These cash flows can arise from a recognized asset or a recognized liability.

The following table covering gains and losses from cash flow hedges shows the gains and losses on hedges recognized in other comprehensive income, the hedge ineffectiveness recognized under net gain or loss on hedges, and the gains or losses arising from the reclassification of cash flow hedge reserves recognized under net gain or loss on hedges:

€ million	2025	2024
<b>Interest rate risk hedging</b>		
Gain or loss from changes in fair value of hedged items within hedge accounting		
Recognized in other comprehensive income	5	0
Recognized in profit or loss	0	0
Reclassifications from the cash flow hedge reserve to profit or loss		
As a result of the early termination of hedges	–	–
As a result of the recovery of the hedged item	–	0
<b>Currency risk hedging</b>		
Gain or loss from changes in fair value of hedged items within hedge accounting		
Recognized in other comprehensive income	81	–36
Recognized in profit or loss	0	–1
Reclassifications from the cash flow hedge reserve to profit or loss		
As a result of the early termination of hedges	–	–
As a result of the recovery of the hedged item	–82	53
<b>Combined interest rate and currency risk hedging</b>		
Gain or loss from changes in fair value of hedged items within hedge accounting		
Recognized in other comprehensive income	–18	1
Recognized in profit or loss	–	–
Reclassifications from the cash flow hedge reserve to profit or loss		
As a result of the early termination of hedges	–	–
As a result of the recovery of the hedged item	11	–2

In the table, effects recognized directly in equity are presented net of deferred taxes.

The gain or loss from changes in the fair value of hedges within hedge accounting equates to the basis for determining hedge ineffectiveness. Those gains or losses on changes in the fair value of hedging instruments that exceed the changes in the fair value of the hedged items constitute the ineffective portion of cash flow hedges. This ineffectiveness within a hedge arises as a result of differences in the parameters applicable to the hedging instrument and the hedged item. These gains or losses are recognized immediately under the gain or loss on hedges.

**NOTIONAL AMOUNTS OF DERIVATIVE FINANCIAL INSTRUMENTS**

The following tables present a maturity analysis of the notional amounts of hedging instruments reported under the hedge accounting rules and those of derivatives to which hedge accounting is not applied:

FISCAL YEAR 2025

€ million	RESIDUAL MATURITY			TOTAL NOTIONAL AMOUNT
	Up to 1 year	1 to 5 years	more than 5 years	Dec. 31, 2025
<b>Notional amounts of hedging instruments in hedge accounting</b>				
<b>Interest rate risk hedging</b>				
Interest rate swaps	7,068	13,756	2,450	23,274
<b>Currency risk hedging</b>				
Currency forwards/cross-currency swaps GBP	1,490	–	–	1,490
Currency forwards/cross-currency swaps PLN	17	11	–	28
Currency forwards/cross-currency swaps CZK	1,188	64	–	1,253
Currency forwards/cross-currency swaps DKK	578	469	–	1,046
Currency forwards/cross-currency swaps, other currencies	479	–	–	479
<b>Combined interest rate and currency risk hedging</b>				
Cross-currency interest rate swaps NOK	327	231	–	559
Cross-currency interest rate swaps PLN	–	721	–	721
Cross-currency interest rate swaps DKK	596	214	–	810
Cross-currency interest rate swaps SEK	667	174	–	841
Cross-currency interest rate swaps, other foreign currencies	–	–	–	–
<b>Notional amounts of other derivatives</b>				
<b>Interest rate risk hedging</b>				
Interest rate swaps	14,889	30,735	0	45,624
<b>Currency risk hedging</b>				
Currency forwards/cross-currency swaps	–	–	–	–
<b>Combined interest rate and currency risk hedging</b>				
Cross-currency interest rate swap	1,037	275	–	1,311

In the reporting year, the average exchange rates used in the measurement of currency hedges were as follows for currencies with significant notional amounts: PLN 4.4776 (cash flow hedge) and 4.2975 (fair value hedge), GBP 0.8739 (cash flow hedge) and 0.8786 (fair value hedge).

The average exchange rates used in the measurement of interest rate/currency hedges in the previous year were as follows for the following currencies with significant nominal amounts: PLN 4.2764 (cash flow hedge) and NOK 4.2764 (cash flow hedge).

The following average exchange rates are used for interest rate swaps and cross-currency swaps in cash flow hedges in the fiscal year for the following currencies: PLN 3.73%, NOK 3.43%.

## FISCAL YEAR 2024

€ million	RESIDUAL MATURITY			TOTAL NOTIONAL AMOUNT
	Up to 1 year	1 to 5 years	more than 5 years	Dec. 31, 2024
<b>Notional amounts of hedging instruments in hedge accounting</b>				
<b>Interest rate risk hedging</b>				
Interest rate swaps	3,426	14,056	1,200	18,681
<b>Currency risk hedging</b>				
Currency forwards/cross-currency swaps GBP	3,381	–	–	3,381
Currency forwards/cross-currency swaps PLN	899	7	–	906
Currency forwards/cross-currency swaps CZK	556	–	–	556
Currency forwards/cross-currency swaps, other currencies	97	–	–	97
<b>Combined interest rate and currency risk hedging</b>				
Cross-currency interest rate swaps NOK	265	73	–	338
Cross-currency interest rate swaps PLN	–	269	–	269
Cross-currency interest rate swaps, other foreign currencies	–	–	–	–
<b>Notional amounts of other derivatives</b>				
<b>Interest rate risk hedging</b>				
Interest rate swaps	13,669	30,656	0	44,325
<b>Currency risk hedging</b>				
Currency forwards/cross-currency swaps	–	–	–	–
<b>Combined interest rate and currency risk hedging</b>				
Cross-currency interest rate swaps	–	–	–	–

In the previous year, the average exchange rates used in the measurement of currency hedges were as follows for currencies with significant notional amounts: PLN 4.5781 (cash flow hedge) and 4.2965 (fair value hedge), GBP 0.8385 (cash flow hedge) and 0.8356 (fair value hedge).

The average exchange rates used in the measurement of interest rate/currency hedges in the previous year were as follows for the following currencies with significant nominal amounts: PLN 4.2736 (cash flow hedge) and NOK 11.6844 (cash flow hedge).

In the previous year, the following average exchange rates were used for interest rate swaps and cross-currency swaps in cash flow hedges for the following currencies: PLN 3.44%, NOK 3.65%.

The timings of the future payments for the hedged items in the cash flow hedges match the maturities of the hedging instruments.

As of the reporting date and the prior-year reporting date, none of the cash flow hedges recognized involved a hedged item whose underlying transaction was no longer expected to occur in the future.

**DISCLOSURES ON HEDGING INSTRUMENTS USED IN HEDGE ACCOUNTING**

The Volkswagen Bank GmbH Group regularly uses hedging instruments to hedge changes in the fair value of financial assets and financial liabilities.

The following overviews show the notional amounts, fair values and changes in fair value used to determine ineffectiveness in hedging instruments that are employed in the context of fair value hedges to hedge the risk arising from changes in fair value:

**FISCAL YEAR 2025**

€ million	Notional amount	Derivative financial instruments - Assets	Derivative financial instruments - Equity and Liabilities	Fair value change to determine ineffectiveness
<b>Interest rate risk hedging</b>				
Interest rate swaps	18,991	59	173	-110
<b>Currency risk hedging</b>				
Currency forwards contracts/cross-currency swaps	3,086	1	17	-16
<b>Combined interest rate and currency risk hedging</b>				
Cross-currency interest rate swaps	-	-	-	-

**FISCAL YEAR 2024**

€ million	Notional amount	Derivative financial instruments - Assets	Derivative financial instruments - Equity and Liabilities	Fair value change to determine ineffectiveness
<b>Interest rate risk hedging</b>				
Interest rate swaps	17,648	80	315	-177
<b>Currency risk hedging</b>				
Currency forwards contracts/cross-currency swaps	2,668	2	11	-10
<b>Combined interest rate and currency risk hedging</b>				
Cross-currency interest rate swaps	-	-	-	-

The Volkswagen Bank GmbH Group also uses hedging instruments to hedge the risk arising from changes in future cash flows.

The following tables set out the notional amounts, fair values and changes in fair value to determine ineffectiveness in hedging instruments used in cash flow hedges:

**FISCAL YEAR 2025**

€ million	Notional amount	Derivative financial instruments – assets	Derivative financial instruments – liabilities	Fair value change to determine ineffectiveness
<b>Interest rate risk hedging</b>				
Interest rate swaps	4,283	6	1	6
<b>Currency risk hedging</b>				
Currency forwards/cross-currency swaps	1,209	1	5	-4
<b>Combined interest rate and currency risk hedging</b>				
Cross-currency interest rate swaps	2,930	17	19	-26

**FISCAL YEAR 2024**

€ million	Notional amount	Derivative financial instruments - Assets	Derivative financial instruments - Equity and Liabilities	Fair value change to determine ineffectiveness
<b>Interest rate risk hedging</b>				
Interest rate swaps	1,033	1	2	-412
<b>Currency risk hedging</b>				
Currency forwards/cross-currency swaps	2,272	3	17	-29
<b>Combined interest rate and currency risk hedging</b>				
Cross-currency interest rate swaps	607	6	2	2

The change in fair value used to determine ineffectiveness equates to the change in the fair value of the designated components of the hedging instruments.

**DISCLOSURES ON HEDGED ITEMS TO WHICH HEDGE ACCOUNTING IS APPLIED**

Disclosures on hedged items, broken down by risk category and type of designation, are required in addition to the disclosures on hedging instruments.

The tables below show the hedged items hedged in fair value hedges:

**FISCAL YEAR 2025**

€ million	Carrying amount	Cumulative hedge adjustments	Hedge adjustments current period/ fiscal year	Cumulative hedge adjustments from terminated hedges
<b>Interest rate risk hedging</b>				
Loans to and receivables from banks	-	-	-	-
Loans to and receivables from customers including value adjustment on portfolio fair value hedges	9,395	-35	-98	-
Liabilities to banks	-	-	-	-
Liabilities to customers	-	-	-	-
Notes, commercial paper issued	9,352	-116	68	-
Subordinated capital	-	-	-	-
<b>Currency risk hedging</b>				
Loans to and receivables from banks	-	-	-	-
Loans to and receivables from customers	2,009	11	7	-
Liabilities to banks	-	-	-	-
Liabilities to customers	-	-	-	-
Notes, commercial paper issued	-	-	-	-
Subordinated capital	-	-	-	-
<b>Combined interest rate and currency risk hedging</b>				
Loans to and receivables from banks	-	-	-	-
Loans to and receivables from customers	-	-	-	-
Liabilities to banks	-	-	-	-
Liabilities to customers	-	-	-	-
Notes, commercial paper issued	-	-	-	-
Subordinated capital	-	-	-	-

## FISCAL YEAR 2024

€ million	Carrying amount	Cumulative hedge adjustments	Hedge adjustments current period/ fiscal year	Cumulative hedge adjustments from terminated hedges
<b>Interest rate risk hedging</b>				
Loans to and receivables from banks	–	–	–	–
Loans to and receivables from customers including value adjustment on portfolio fair value hedges	10,789	62	–42	–
Liabilities to banks	–	–	–	–
Liabilities to customers	–	–	–	–
Notes, commercial paper issued	9,265	–185	259	–
Subordinated capital	–	–	–	–
<b>Currency risk hedging</b>				
Loans to and receivables from banks	–	–	–	–
Loans to and receivables from customers	648	4	4	–
Liabilities to banks	–	–	–	–
Liabilities to customers	–	–	–	–
Notes, commercial paper issued	–	–	–	–
Subordinated capital	–	–	–	–
<b>Combined interest rate and currency risk hedging</b>				
Loans to and receivables from banks	–	–	–	–
Loans to and receivables from customers	–	–	–	–
Liabilities to banks	–	–	–	–
Liabilities to customers	–	–	–	–
Notes, commercial paper issued	–	–	–	–
Subordinated capital	–	–	–	–

The following tables present the hedged items hedged in cash flow hedges:

#### FISCAL YEAR 2025

€ million	Fair value change to determine ineffectiveness	RESERVE FOR	
		Existing cash flow hedges	Terminated cash flow hedges
<b>Interest rate risk hedging</b>			
Designated components	4	6	–
Deferred taxes	–	–2	–
Total interest rate risk	4	4	–
<b>Currency risk hedging</b>			
Designated components	–2	19	–
Nondesignated components	–	–	–
Deferred taxes	–	–5	–
Total hedging currency risk	–2	14	–
<b>Combined interest rate and currency risk hedging</b>			
Designated components	–11	–10	–
Deferred taxes	–	3	–
Total combined interest rate and currency risk	–11	–7	–

#### FISCAL YEAR 2024

€ million	Fair value change to determine ineffectiveness	RESERVE FOR	
		Existing cash flow hedges	Terminated cash flow hedges
<b>Interest rate risk hedging</b>			
Designated components	–1	–1	–
Deferred taxes	–	0	–
Total interest rate risk	–1	0	–
<b>Currency risk hedging</b>			
Designated components	0	23	–
Nondesignated components	–	–	–
Deferred taxes	–	–7	–
Total hedging currency risk	0	16	–
<b>Combined interest rate and currency risk hedging</b>			
Designated components	4	–1	–
Deferred taxes	–	0	–
Total combined interest rate and currency risk	4	–1	–

**DEVELOPMENT OF THE CASH FLOW HEDGE RESERVE**

In the accounting treatment of cash flow hedges, the designated effective portion of a hedge is reported in other comprehensive income (in OCI I). All changes in the fair value of hedging instruments in excess of the effective portion are reported in profit or loss as hedge ineffectiveness.

The following tables show a reconciliation for the cash flow hedge reserve (OCI I):

€ million	Interest rate risk	Currency risk	Combined interest rate and currency risk	Total
<b>Balance as of Jan. 1, 2025</b>	<b>0</b>	<b>16</b>	<b>-1</b>	<b>15</b>
Gains or losses from effective hedges	5	81	-18	68
Reclassifications resulting from a change in expected materialization of the hedged item	-	-	-	-
Reclassifications resulting from the recovery of the hedged item	-	-82	11	-71
<b>Balance as of Dec. 31, 2025</b>	<b>4</b>	<b>14</b>	<b>-7</b>	<b>11</b>

€ million	Interest rate risk	Currency risk	Combined interest rate and currency risk	Total
<b>Balance as of Jan. 1, 2024</b>	<b>-</b>	<b>-1</b>	<b>-</b>	<b>-1</b>
Gains or losses from effective hedges	0	-36	1	-35
Reclassifications resulting from the recovery of the hedged item	-	53	-2	51
<b>Balance as of Dec. 31, 2024</b>	<b>0</b>	<b>16</b>	<b>-1</b>	<b>15</b>

In the above tables, the effects on equity from the cash flow hedge reserve (OCI I) are presented net of deferred taxes. In the cash flow hedge reserve (OCI I), the deferred taxes on gains or losses from effective hedges amounted to €-24 million (previous year: €15 million) and the deferred taxes on reclassifications resulting from the recovery of the hedged item came to €26 million (previous year: €-22 million).

## Segment Reporting

### 68. Breakdown by geographic market

The presentation of the reportable segments within the meaning of IFRS 8 is based on the internal control and reporting structure of the Volkswagen Bank GmbH Group and is broken down according to the geographical markets in which the Volkswagen Bank GmbH Group operates.

Accordingly, the reportable segments are as follows: Germany, Italy and France. The branches in Spain, the Netherlands, Greece, the United Kingdom, Portugal and Poland are reported in the “Other” segment.

The cross-border merger of company Volkswagen Financial Services S.p.A. with Volkswagen Bank GmbH had an effect in the Italy segment.

As the primary key performance indicator, the operating result is reported to the chief operating decision-makers. The information made available to management for management purposes is based on the same accounting policies as those used for external financial reporting.

All business transactions between the segments – where such transactions take place – are conducted on an arm’s-length basis.

In accordance with IFRS 8, non-current assets are reported exclusive of financial instruments, deferred tax assets and post-employment benefits.

## FISCAL YEAR 2025

€ million	JAN. 1 – DEC. 31, 2025					Consoli- dation	Total
	Germany	Italy	France	Other			
Interest income from lending transactions and marketable securities in respect of third parties	1,881	492	171	762	–	–	3,305
Intersegment interest income from lending transactions and marketable securities	1,015	3	1	–4	–1,015	–	–
Income from leasing transactions with third parties	16,831	1,468	2,273	35	–	–	20,607
of which impairment losses in accordance with IAS 36	4	18	–	–	–	–	22
Intersegment income from leasing transactions	–	–	–10	–	10	–	–
Depreciation, impairment losses and other expenses from leasing transactions	–14,022	–1,295	–1,779	–22	–10	–10	–17,128
of which impairment losses in accordance with IAS 36	–298	–58	–199	–4	–	–	–559
Net income from leasing transactions	2,810	173	484	13	0	0	3,479
Interest expense	–2,880	–341	–372	–451	1,023	–	–3,022
Income from service contracts with third parties	1,665	640	136	–	–	–	2,440
of which period-related income	129	421	–	–	–	–	550
of which income related to a point in time	1,536	219	136	–	–	–	1,890
Intersegment income from service contracts	–	–	–	–	–	–	–
Expenses from service contracts	–1,365	–618	–142	–	–	–	–2,125
Net income from service contracts	300	22	–6	–	–	–	316
Provision for credit risks	–541	–32	–113	–30	2	2	–715
Fee and commission income from third parties	34	56	39	69	–	–	197
Intersegment fee and commission income	–	–	–	–	–	–	–
Fee and commission expenses	–121	–65	–23	–32	–	–	–240
Net fee and commission income	–87	–9	16	37	–	–	–43
Net gain or loss on hedges	–127	–	–	–	3	3	–125
Net gain or loss on financial instruments measured at fair value	70	–1	–	–10	5	5	64
General and administrative expenses	–957	–107	–135	–154	1	1	–1,352
Net other operating income	817	37	18	51	–1	–1	922
Other operating expenses	–646	–24	–3	–16	–	–	–689
Net other operating income/expenses	171	14	16	34	–1	–1	233
<b>Operating result</b>	<b>1,654</b>	<b>214</b>	<b>61</b>	<b>197</b>	<b>17</b>	<b>17</b>	<b>2,142</b>

## FISCAL YEAR 2024

€ million	JAN. 1 – DEC. 31, 2024					Total restated <sup>1</sup>
	Germany restated <sup>1</sup>	Italy	France restated <sup>1</sup>	Other restated <sup>1</sup>	Consolidation	
Interest income from lending transactions and marketable securities in respect of third parties <sup>1</sup>	2,176	437	191	698	–	3,502
Intersegment interest income from lending transactions and marketable securities	909	4	3	0	–916	–
Income from leasing transactions with third parties <sup>1</sup>	7,113	565	1,839	18	–	9,536
of which impairment losses in accordance with IAS 36	85	3	17	–	–	105
Intersegment income from leasing transactions	–	–	–	–	–	–
Depreciation, impairment losses and other expenses from leasing transactions	–5,811	–558	–1,324	–2	–2	–7,696
of which impairment losses in accordance with IAS 36	–202	–66	–	–	–	–268
Net income from leasing transactions <sup>1</sup>	1,303	7	515	17	–2	1,840
Interest expense	–2,918	–246	–341	–407	916	–2,997
Income from service contracts with third parties	686	282	115	–	–	1,083
of which period-related income	66	178	–	–	–	243
of which income related to a point in time	621	104	115	–	–	840
Intersegment income from service contracts	–	–4	–	–	4	–
Expenses from service contracts	–634	–274	–125	–	–4	–1,037
Net income from service contracts	52	4	–10	–	0	46
Provision for credit risks	–196	–10	–106	–1	4	–310
Fee and commission income from third parties	33	3	38	70	–	144
Fee and commission expenses	–26	–30	–19	–27	–	–103
Net fee and commission income	7	–27	19	43	–	41
Net gain or loss on hedges	–39	–	–	–	–	–39
Net gain or loss on financial instruments measured at fair value	56	8	–	22	–153	–66
General and administrative expenses	–715	–62	–131	–138	1	–1,045
Net other operating income	552	17	5	44	–150	467
Other operating expenses	–315	7	–3	–24	0	–336
Net other operating income/expenses	236	24	2	20	–151	132
<b>Operating result<sup>1</sup></b>	<b>871</b>	<b>139</b>	<b>141</b>	<b>253</b>	<b>–300</b>	<b>1,105</b>

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section "Changes to Prior-Year Figures").

The impairment losses and reversals of impairment losses reported in accordance with IAS 36 related to lease assets.

The breakdown of “Income from service contracts with third parties” into “of which period-related income” and “of which income related to a point in time” described in note (23) “Net income from service contracts” has been carried over to the tables above.

Information on the main products can be taken directly from the income statement.

The breakdown of non-current assets in accordance with IFRS 8 and of the additions to non-current lease assets by geographical market is shown in the following tables:

€ million	DEC. 31, 2025					Total
	Germany	Italy	France	Other	Consolidation	
Noncurrent assets	30,783	3,942	6,249	10	–	40,984
Additions to noncurrent lease assets	14,602	1,619	3,553	–	–	19,774

€ million	DEC. 31, 2024					Total
	Germany	Italy	France	Other	Consolidation	
Noncurrent assets	26,061	3,290	4,793	10	–	34,153
Additions to noncurrent lease assets	6,196	902	2,832	–	–	9,930

Investment recognized under other assets was of minor significance.

The following table shows the reconciliation to group income, operating result and profit before tax.

€ million	2025	2024 restated <sup>1</sup>
<b>Segment income<sup>1</sup></b>	<b>27,556</b>	<b>15,177</b>
Other companies	–	–
Consolidation	–1,005	–912
<b>Consolidated income<sup>1</sup></b>	<b>26,550</b>	<b>14,265</b>
<b>Segment profit or loss (operating result)<sup>1</sup></b>	<b>2,126</b>	<b>1,404</b>
Other companies	–	–
Consolidation	17	–300
<b>Operating result<sup>1</sup></b>	<b>2,142</b>	<b>1,105</b>
Share of profits and losses of equity-accounted joint ventures	–	–1
Net gain or loss on miscellaneous financial assets	0	23
Other financial gains or losses	–6	–10
<b>Profit before tax<sup>1</sup></b>	<b>2,136</b>	<b>1,116</b>

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

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

## Other Disclosures

### 69. Leases

#### LESSOR ACCOUNTING FOR FINANCE LEASES

In the reporting year, interest income from the net investment in the lease amounting to €1,454 million (previous year restated: €792 million) was generated from finance leases. There was no income from variable lease payments that was not taken into account in the measurement of the net investment in the lease where finance leases were concerned.

The following table shows a reconciliation of the undiscounted lease payments under finance leases to the net investment in the leases.

€ million	Dec. 31,2025	Dec. 31,2024 restated <sup>1,2</sup>	Jan. 1,2024 restated <sup>1,2</sup>
Non-discounted lease payments <sup>1,2</sup>	30,616	28,430	3,829
Non-guaranteed residual value	–	60	–
Unearned interest income	–2,047	–1,965	–335
Loss allowance on lease receivables	–821	–554	–122
Other	–	–	–
<b>Net investment<sup>1,2</sup></b>	<b>27,748</b>	<b>25,971</b>	<b>3,372</b>

1 Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section “Changes to Prior-Year Figures”).

2 Prior-year adjustment due to a calculation error for undiscounted lease payments.

In the Volkswagen Bank GmbH Group, the net investment equates to the net receivables from finance leases.

As of the reporting date, the following payments are anticipated over subsequent years from expected, outstanding, non-discounted lease payments under finance leases.

€ million	2026	2027	2028	2029	2030	From 2031	Total
Lease payments	11,903	8,568	6,511	2,924	566	143	30,616

In the previous year, the following payments were anticipated over the subsequent years from expected, outstanding, non-discounted lease payments under finance leases.

€ million	2025 restated <sup>1</sup>	2026	2027	2028	2029	From 2030	Total restated <sup>1</sup>
Lease payments	10,259	8,457	6,316	2,726	498	174	28,430

<sup>1</sup> Adjustments of prior-year figures in accordance with the explanations on the corrected calculation of interest income from credit-impaired financial assets (see section "Changes to Prior-Year Figures").

### LESSOR ACCOUNTING FOR OPERATING LEASES

Income generated from operating leases is included in the income from leasing transactions and other operating income line items in the income statement. The following table shows a breakdown between income from leases without variable lease payments and income from leases with variable lease payments.

€ million	2025	2024
Lease income	7,560	3,727
Income from variable lease payments	–	–
<b>Total</b>	<b>7,560</b>	<b>3,727</b>

The impairment losses recognized as a result of the impairment test on lease assets amount to €559 million (previous year: €268 million) and are included in the depreciation, impairment losses and other expenses from leasing transactions. Impairment losses are based on continuously updated internal and external information, which is then fed into the forecasts of residual values for vehicles. Income from reversals of impairment losses on lease assets applied in prior years amounted to €22 million (previous year: €105 million) and is included in income from leasing business.

The following table shows the changes in the reporting year for assets leased out under operating leases:

€ million	Movable lease assets
<b>Cost as of Jan. 1, 2025</b>	<b>46,496</b>
Foreign exchange differences	–
Changes in basis of consolidation	–
Additions	24,741
Reclassifications	–
Disposals	16,219
<b>Balance as of Dec. 31, 2025</b>	<b>55,019</b>
<b>Amortization and impairment losses as of Jan. 1, 2025</b>	<b>9,948</b>
Foreign exchange differences	–
Changes in basis of consolidation	–
Additions to cumulative depreciation	5,108
Additions to cumulative impairment losses	559
Reclassifications	–
Disposals	4,328
Reversal of impairment losses	22
<b>Balance as of Dec. 31, 2025</b>	<b>11,265</b>
<b>Net carrying amount as of Dec. 31, 2025</b>	<b>43,754</b>
<b>Net carrying amount as of Jan. 1, 2025</b>	<b>36,548</b>

In the case of subleases that are classified as operating leases, right-of-use assets recognized in connection with buyback transactions are reported, from the perspective of the Volkswagen Bank GmbH Group as lessor, under lease assets in the balance sheet and in the reconciliation showing the changes in movable lease assets.

As of the reporting date, the outstanding, undiscounted lease payments from operating leases expected for subsequent years were as follows:

€ million	2026	2027	2028	2029	2030	From 2031	Total
Lease payments	5,361	2,860	1,302	416	238	6	10,184

The following table shows the changes in the prior year for lease assets under operating leases:

€ million	Movable lease assets
<b>Cost as of Jan. 1, 2024</b>	<b>4,319</b>
Foreign exchange differences	–
Changes in basis of consolidation	37,410
Additions	12,075
Reclassifications	–
Disposals	7,308
<b>Balance as of Dec. 31, 2024</b>	<b>46,496</b>
<b>Amortization and impairment losses as of Jan. 1, 2024</b>	<b>895</b>
Foreign exchange differences	–
Changes in basis of consolidation	8,538
Additions to cumulative depreciation	2,636
Additions to cumulative impairment losses	268
Reclassifications	–
Disposals	2,284
Reversal of impairment losses	105
<b>Balance as of Dec. 31, 2024</b>	<b>9,948</b>
<b>Net carrying amount as of Dec. 31, 2024</b>	<b>36,548</b>
<b>Net carrying amount as of Jan. 1, 2024</b>	<b>3,424</b>

In the previous year, the outstanding, undiscounted lease payments from operating leases expected for subsequent years were as follows:

€ million	2025	2026	2027	2028	2029	From 2030	Total
Lease payments	4,777	2,604	1,140	347	155	7	9,031

### LESSEE ACCOUNTING

The Volkswagen Bank GmbH Group is a party to leases as a lessee in various aspects of the business. These leases mainly involve the leasing of land and buildings and operating and office equipment. Furthermore, accounting for buyback transactions as leases also means that the Volkswagen Bank GmbH Group is the lessee in the primary lease in relation to the sellers of the vehicles – entities of the Volkswagen Group.

In the reporting year, interest expenses of €17 million (previous year: €19 million) were recognized under the interest expenses line item in the income statement in respect of lease liabilities amounting to €0 million (previous year: €0 million) reported under liabilities to customers on the balance sheet.

In the reporting year, subleases in connection with buyback transactions gave rise to income of €15 million (previous year: €31 million); this income was derived from both finance leases and operating leases.

No right-of-use assets are recognized for short-term leases or leases in which the underlying asset is of low value.

In the reporting year, expenses for leases in which the underlying assets are of low value amounted to €3 million (previous year: €3 million). In the reporting year, expenses for short-term leases amounted to €0 million (previous year: €1 million). There were no variable lease expenses in the reporting year or in the previous year that were not taken into account in the measurement of the lease liabilities.

Right-of-use assets derived from leases are reported in the balance sheet of the Volkswagen Bank GmbH Group within property and equipment under the following items:

€ million	Right of use on land, land rights and buildings incl. buildings on third party land	Right of use on other equipment, operational and office equipment	Total
<b>Gross carrying amount (or cost) as of Jan. 1, 2025</b>	<b>23</b>	<b>5</b>	<b>27</b>
Foreign exchange differences	0	0	0
Changes in basis of consolidation	1	–	1
Additions	20	3	23
Reclassifications	–	–	–
Disposals	11	4	15
<b>Balance as of Dec. 31, 2025</b>	<b>33</b>	<b>3</b>	<b>36</b>
<b>Depreciation and impairment losses as of Jan. 1, 2025</b>	<b>15</b>	<b>3</b>	<b>17</b>
Foreign exchange differences	0	0	0
Changes in basis of consolidation	0	–	0
Additions to cumulative amortization	5	2	7
Additions to cumulative impairment losses	–	–	–
Reclassifications	–	–	–
Disposals	–4	3	–1
Reversal of impairment losses	–	–	–
<b>Balance as of Dec. 31, 2025</b>	<b>23</b>	<b>2</b>	<b>25</b>
<b>Net carrying amount as of Dec. 31, 2025</b>	<b>9</b>	<b>1</b>	<b>11</b>
<b>Net carrying amount as of Jan. 1, 2025</b>	<b>8</b>	<b>2</b>	<b>10</b>

€ million	Right of use on land, land rights and buildings incl. buildings on third party land	Right of use on other equipment, operational and office equipment	Total
<b>Gross carrying amount (or cost) as of Jan. 1, 2024</b>	<b>22</b>	<b>6</b>	<b>28</b>
Foreign exchange differences	0	0	0
Changes in basis of consolidation	1	-3	-2
Additions	0	3	4
Reclassifications	-	-	-
Disposals	-	2	2
<b>Balance as of Dec. 31, 2024</b>	<b>23</b>	<b>5</b>	<b>27</b>
<b>Depreciation and impairment losses as of Jan. 1, 2024</b>	<b>11</b>	<b>4</b>	<b>15</b>
Foreign exchange differences	0	0	0
Changes in basis of consolidation	2	-1	0
Additions to cumulative amortization	2	2	5
Additions to cumulative impairment losses	-	-	-
Reclassifications	-	-	-
Disposals	-	2	2
Reversal of impairment losses	-	-	-
<b>Balance as of Dec. 31, 2024</b>	<b>15</b>	<b>3</b>	<b>17</b>
<b>Net carrying amount as of Dec. 31, 2024</b>	<b>8</b>	<b>2</b>	<b>10</b>
<b>Net carrying amount as of Jan. 1, 2024</b>	<b>11</b>	<b>2</b>	<b>13</b>

Depending on the classification of the subleases, the right-of-use assets recognized from primary leases as part of buyback transactions are reported either as finance leases and therefore as receivables from finance leases or as operating leases and therefore as lease assets, and are recorded in the relevant information on this balance sheet item.

When assessing the lease term underlying a lease liability, the Volkswagen Bank GmbH Group makes a best estimate as to whether an extension option or a termination option will be exercised. In the event of a material change in the general parameters used for this estimate or a modification of the lease, this estimate is updated.

In the balance sheet, lease liabilities are reported under liabilities to customers. The following table shows a breakdown of the contractual maturities of undiscounted lease liabilities:

€ million	REMAINING CONTRACTUAL MATURITIES			Total
	Up to 1 year	1 – 5 years	more than 5 years	
Lease liabilities as of Dec. 31, 2025	6	9	4	19
Lease liabilities as of Dec. 31, 2024	6	13	6	24

Overall, leases in which the Volkswagen Bank GmbH Group is a lessee gave rise to total cash outflows of €49 million (previous year: €31 million) in the reporting year. In the case of assets leased as part of buyback transactions, the total cash outflows were reported in an amount equal to the value of the right of use recognized in the reporting year.

The following table shows an overview of the potential future cash outflows that have not been included in the measurement of the lease liabilities.

€ million	2025	2024
Future cash outflows to which the lessee is potentially exposed		
Variable lease payments	–	–
Residual value guarantees	–	–
Extension options	4	4
Termination options	–	–
Obligations under leases not yet commenced (contractual obligations)	–	–
<b>Total</b>	<b>4</b>	<b>4</b>

## 70. Cash flow statement

Volkswagen Bank GmbH Group's cash flow statement documents changes in cash and cash equivalents attributable to cash flows from operating, investing and financing activities. Cash flows from investing activities comprise purchase payments and disposal proceeds relating to investment property, subsidiaries, joint ventures and other assets. Cash flows from financing activities reflect all cash flows arising from transactions involving equity, subordinated capital and other financing activities. All other cash flows are classified as cash flows from operating activities in accordance with standard international practice for financial services companies.

Cash and cash equivalents comprise the entire "Cash reserve" balance sheet item, which essentially includes central bank balances, and cash and cash equivalents in the "Loans to and receivables from banks" balance sheet item.

The "Cash reserve" and "Loans to and receivables from banks" balance sheet items are reconciled to "Cash and cash equivalents" by adjusting "Loans to and receivables from banks" for the items which are not cash or cash equivalents:

€ million	Dec. 31, 2025	Dec. 31, 2024
Cash reserve	8,271	12,444
Loans to and receivables from banks	554	594
<b>Total of cash reserve and loans to and receivables from banks</b>	<b>8,825</b>	<b>13,038</b>
Receivables from loans and debt instruments in receivables from banks	–	–
Receivables from time deposits in receivables from banks	–120	–
Trade receivables in receivables from banks	0	–
Other loans and receivables in receivables from banks	0	–1
<b>Cash and cash equivalents</b>	<b>8,704</b>	<b>13,036</b>

The changes in the balance sheet items used to determine the changes in the cash flow statement cannot be derived directly from the balance sheet because effects from the changes in the basis of consolidation have no impact on cash and are eliminated.

The following tables show the breakdown of the changes in subordinated capital (as part of financing activities) into cash and noncash transactions for the reporting year and the prior year.

€ million	Balance as of Jan. 1, 2025	Cash changes	NONCASH TRANSACTIONS			Balance as of Dec. 31, 2025
			Exchange rate changes	Changes in basis of consolidation	Measurement changes	
Subordinated capital	180	–26	–	–	–	154

€ million	Balance as of Jan. 1, 2024	Cash changes	NONCASH TRANSACTIONS			Balance as of Dec. 31, 2024
			Exchange rate changes	Changes in basis of consolidation	Measurement changes	
Subordinated capital	10	–26	–	196	–	180

## 71. Off-balance-sheet liabilities

### CONTINGENT LIABILITIES

As a legal entity involved in the spin-off of the business shares of Volkswagen Leasing GmbH, pursuant to section 133(1) sentence 1 of the *Umwandlungsgesetz* (UmwG – German Transformation Act) Volkswagen Bank GmbH was liable as joint and several debtor for the liabilities established by the legal entity transferring assets, Volkswagen Financial Overseas AG (at this time operating as Volkswagen Financial Services AG), until July 1, 2024, when the spin-off came into effect. Pursuant to section 133(3) sentence 2 of the UmwG, the joint and several liability of Volkswagen Bank GmbH is limited to the fair value of the net assets allocated to Volkswagen Bank GmbH with the spin-off of the business shares in Volkswagen Leasing GmbH as the upper liability limit. This results in contingent liabilities for the Volkswagen Bank GmbH Group of €8,986 million (previous year: €8,986 million). In the unlikely event of

claims arising from joint and several liability, potential claims for reimbursement might be made against Volkswagen Financial Services Overseas AG and Volkswagen Financial Services AG.

#### OTHER FINANCIAL OBLIGATIONS

€ million	DUE	DUE	DUE	TOTAL
	2026	2027-2030	From 2031	Dec. 31, 2025
Purchase commitments in respect of				
Property and equipment	–	–	–	–
Intangible assets	–	–	–	–
Investment property	–	–	–	–
Obligations from				
credit commitments to customers	9,411	–	–	9,411
long-term leasing and rental contracts	3	2	–	5
Miscellaneous financial obligations	39	69	–	108

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

€ million	DUE	DUE	DUE	TOTAL
	2025	2026-2029	From 2030	Dec. 31, 2024
Purchase commitments in respect of				
Property and equipment	–	–	–	–
Intangible assets	–	–	–	–
Investment property	–	–	–	–
Obligations from				
credit commitments to customers	10,237	–	–	10,237
long-term leasing and rental contracts	3	1	–	5
Miscellaneous financial obligations	86	53	–	140

## 72. Share-based payment

The variable remuneration of the members of the Management Board, the members of management, and selected members below management level includes a backward-looking long-term bonus (LTB) with a three-year assessment basis. The payout amount for the LTB is determined by multiplying the individual target amount for the LTB with the degree of target achievement for the annual result for each Volkswagen preferred stock and the ratio between the closing reference price at the end of the term plus a dividend equivalent and the initial reference price. The payment amount for all beneficiaries under the LTB is limited to 250% of the target amount.

In the reporting year, all beneficiaries were granted a target amount, based on target attainment of 100%, of €9 million (previous year: €8 million). As of December 31, 2025, the total carrying amount of the obligation, which equated to the intrinsic value of the liabilities, amounted to €16 million (previous year: €15 million). A total expense of €13 million (previous year: €14 million) was recognized in the reporting period for this commitment.

### 73. Total fees charged by the auditor of the consolidated financial statements

In accordance with the requirements specified in section 314(1) no. 9 of the HGB, the table below shows the total fees charged in the reporting year by the auditor of the consolidated financial statements EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft.

€ million	2025	2024
Financial statement audit services	4	4
Other attestation services	1	0
Tax consulting services	–	–
Other services	0	0
<b>Total</b>	<b>4</b>	<b>4</b>

The fee paid to the auditor for audit services in the year under review was mostly attributable to the audit of the consolidated financial statements of Volkswagen Bank GmbH and of the annual financial statements of German Group companies, as well as to reviews of the reporting packages of German Group companies. Other attestation services related to the issue of a letter of comfort, the analysis of a contractual compliance issue and the audit of sustainability and the Sustainability Report.

### 74. Personnel expenses

The personnel expenses of the Volkswagen Bank GmbH Group are reported under general and administrative expenses and explained below.

€ million	2025	2024
Wages and salaries	439	306
Social security benefits	76	54
Post-employment and other employee benefit costs	21	17
<b>Total</b>	<b>536</b>	<b>377</b>

### 75. Average number of employees during the reporting period

The following table sets out the average number of employees during the reporting period.

	2025	2024
Salaried employees	4,722	3,366
of which senior managers	76	61
of which part time	1,265	819
Vocational trainees	32	31

## 76. Related party disclosures

Related parties as defined by IAS 24 are natural persons and entities that Volkswagen Bank GmbH has control over or over which it has significant influence, or natural persons and entities that have control over or can exercise significant influence over Volkswagen Bank GmbH, or who or which are under the influence of another related party of Volkswagen Bank GmbH.

Volkswagen Financial Services AG, Braunschweig, is the sole shareholder of Volkswagen Bank GmbH. Volkswagen AG is the parent company of Volkswagen Financial Services AG. Porsche Automobil Holding SE, Stuttgart, held the majority of the voting rights in Volkswagen AG as of the reporting date. The Extraordinary General Meeting of Volkswagen AG held on December 3, 2009 approved the creation of rights of appointment for the State of Lower Saxony. As a result, Porsche SE cannot elect all of the shareholder representatives to the Supervisory Board of Volkswagen AG via the shareholders' meeting as long as the State of Lower Saxony holds at least 15% of Volkswagen AG's ordinary shares. However, Porsche SE has the power to participate in the operating policy decisions of the Volkswagen Group and is therefore deemed to be a related party as defined by IAS 24. According to a notification dated January 8, 2026, the State of Lower Saxony and Hannoversche Beteiligungsgesellschaft mbH, Hanover, held 20% of the voting rights in Volkswagen AG on December 31, 2025. They therefore indirectly have significant influence over the Volkswagen Bank GmbH Group. As mentioned above, the General Meeting of Volkswagen AG on December 3, 2009 also resolved that the State of Lower Saxony may appoint two members of the Supervisory Board (right of appointment).

The previous profit-and-loss transfer agreement between Volkswagen AG and Volkswagen Bank GmbH was in place until December 31, 2024 and was terminated effective the end of December 31, 2024. A new profit-and-loss transfer agreement was signed between Volkswagen Financial Services AG and Volkswagen Bank GmbH effective January 1, 2025. Shareholder Volkswagen Financial Services AG and Volkswagen Bank GmbH have entered into a control agreement.

Volkswagen Financial Services AG, Volkswagen AG and other related parties in Volkswagen AG's group of consolidated entities maintain current accounts with Volkswagen Bank AG bearing interest at standard market rates. As part of financing and leasing transactions Volkswagen AG and other related parties in Volkswagen AG's group of consolidated entities conducted the sale of vehicles to the companies of the Volkswagen Bank GmbH Group on an arm's length basis. These transactions are presented in the "Goods and services received" line item. Volkswagen AG and its subsidiaries have also furnished collateral in the Bank's favor as part of the operating business.

The production companies and importers in the Volkswagen Group provide the entities in the Volkswagen Bank GmbH Group with financial subsidies to support sales promotion campaigns.

Business transactions with unconsolidated subsidiaries, joint ventures, associates and other related parties in Volkswagen AG's group of consolidated entities are processed at arm's length.

The two tables below show the transactions with related parties. In these tables, the exchange rates used for asset and liability items are the closing rates, and the weighted average rates for the year are used for income statement items.

## FISCAL YEAR 2025

€ million	Supervisory Board	Management Board	Volkswagen AG	Volkswagen Financial Services AG	Porsche SE	Other related parties in the consolidated entities	Unconsolidated subsidiaries	Joint ventures	Associates
Loans and Receivables	0	0	402	–	–	19,700	–	–	–
Valuation allowances on impaired loans and receivables	–	–	–	–	–	–1	–	–	–
of which additions in current year	–	–	–	–	–	–1	–	–	–
Obligations	2	4	3,722	14,564	–	5,450	–	–	–
Interest income	0	0	22	–	–	599	–	–	–
Interest expense	0	0	–87	–383	–	–203	–	–	–
Goods and services provided	–	–	1,532	43	0	11,318	–	–	–
Goods and services received	–	–	14,180	397	–	5,737	–	–	–

## FISCAL YEAR 2024

€ million	Supervisory Board	Management Board	Volkswagen AG	Volkswagen Financial Services AG	Porsche SE	Other related parties in the consolidated entities	Unconsolidated subsidiaries	Joint ventures	Associates
Loans and Receivables	0	0	404	10	0	12,144	–	522	–
Valuation allowances on impaired loans and receivables	–	–	–	–	–	0	–	–	–
of which additions in current year	–	–	–	–	–	–	–	–	–
Obligations	2	3	5,214	11,602	–	8,314	–	10	–
Interest income	0	0	31	–	–	274	–	54	–
Interest expense	0	0	–128	–194	–	–206	–	–2	–
Goods and services provided	–	–	522	6	0	4,303	–	1	–
Goods and services received	–	–	8,877	237	–	3,240	–	101	0

The “Other related parties in the group of consolidated entities” column includes, in addition to sister entities, joint ventures and associates that are related parties in Volkswagen AG’s group of consolidated entities but do not directly belong to Volkswagen Bank GmbH. The relationships with the Supervisory Board and the Management Board/Board of Management comprise relationships with the relevant groups of people at Volkswagen Bank GmbH and the parent company Volkswagen Financial Services AG. For the period-related key figures, the Management Board and Supervisory Board of the previous parent company, Volkswagen AG, had been taken into account within the Management Board and within the Supervisory Board in the previous year. Relationships with pension plans and the State of Lower Saxony were of lesser significance in the reporting year.

“Goods and services received” mainly resulted from IT services and other services in connection with financing transactions. “Goods and services provided” largely arose in connection with income from finance cost subsidies received and from the provision of services. “Goods and services provided” essentially were the result of income from leasing transactions.

In the reporting year, Volkswagen Bank GmbH received from sole shareholder Volkswagen Financial Services AG a cash contribution of €1,600 million and a contribution in kind with a total amount of €326 million resulting from the cross-border merger of Volkswagen Financial Services S.p.A. (see note (2) Basis of consolidation). Volkswagen Bank GmbH in the previous year received a contribution in kind from the transfer of assets and liabilities of Volkswagen Leasing GmbH amounting to €10,137 million from the previous shareholder Volkswagen AG and a contribution in kind from the positive difference between received compensation payments and acquired personnel provisions from the current shareholder Volkswagen Financial Services AG. In the previous year Volkswagen Bank GmbH moreover recognized a distribution in kind from the negative difference between compensation payments made and transferred personnel provisions to the shareholder Volkswagen Financial Services AG.

Members of the Management Board and Supervisory Board / Audit Committee of Volkswagen Bank GmbH are members of supervisory boards of other entities in the Volkswagen Group with which Volkswagen Bank GmbH sometimes conducts transactions in the normal course of business. All transactions with these related parties are conducted on an arm’s-length basis.

#### MANAGEMENT BOARD REMUNERATION IN ACCORDANCE WITH IAS 24

The following table shows the remuneration of the members of the Management Board in accordance with IAS 24.17:

€ million	2025	2024
Short-term benefits	1	2
Long-term benefits	–	–
Benefits on the basis of share-based payment awards	0	0
Termination benefits	–	–
Post-employment benefits	0	0
<b>Total</b>	<b>2</b>	<b>2</b>

Employer-financed contributions to defined contribution plans for members of the Management Board pursuant to IAS 19.54 came to €0 million (previous year: €0 million).

#### MANAGEMENT BOARD REMUNERATION

In the current fiscal year, the total payments made to members of the Management Board according to section 314(1) no. 6 of the HGB amounted to €1 million (previous year: €1 million). In the current reporting year, the target amount of the long-term bonus for members of the Management Board, which is based on target achievement of 100%, is €0 million (previous year: €0 million).

As in the previous year, the total payments made to former members of the Management Board and their surviving dependants amounted to less than €0.5 million in the reporting year. The provisions recognized for this group of people to cover current pensions and pension entitlements amounted to €7 million (previous year: €7 million).

### SUPERVISORY BOARD REMUNERATION

In accordance with a resolution passed by the shareholders' meeting, the members of the Supervisory Board who are not employees of the Volkswagen Group are entitled to annual remuneration. This remuneration is independent of the performance of the Bank. The members of the Supervisory Board who are employees of the Volkswagen Group receive a flat-rate remuneration from Volkswagen Bank GmbH. If they are also members of other supervisory boards of Group companies of Volkswagen AG, remuneration received for these functions is deducted from their entitlement. As a result, a total amount of less than €0.2 million (previous year: €0.2 million) was paid out to the members of the Supervisory Board in the reporting year.

The employee representatives on the Supervisory Board employed by Volkswagen Bank GmbH also receive their regular salaries under the terms of their employment contracts. This salary is based on the provisions in the *Betriebsverfassungsgesetz* (BetrVG – German Works Constitution Act) and corresponds to the remuneration for equivalent employees with career development typical for the organization. Appropriate remuneration for the representative of the senior executives on the Supervisory Board corresponds to the remuneration for a corresponding function or role within the company.

### 77. Disclosures relating to unconsolidated structured entities

A structured entity is normally designed so that voting rights or similar rights are not the deciding factor in determining control over the entity.

Typical features of a structured entity are as follows:

- > Limited scope of activities
- > Narrowly defined business purpose
- > Inadequate equity to finance the business activities
- > Financing through a number of instruments that contractually bind investors and that give rise to a concentration of credit risk and other risks.

In the year under review Volkswagen Bank GmbH maintained business relationships with structured entities that were terminated at the end of the fiscal year. These are ABS special purpose entities within Volkswagen AG's group of consolidated entities. The entities carry out a process of securitization by taking assets from lending agreements and leases for vehicles and transforming them into securities (asset-backed securities) on a maturity-matched basis. Volkswagen Bank GmbH has acquired these securities with an average term of 2 years. In the Volkswagen Bank GmbH Group, the securities were allocated to the category of assets measured at fair value through profit or loss until their disposal in November. The securities give rise to the following items reported in the consolidated income statement: interest income, which is recognized under interest income from lending transactions and marketable securities, and remeasurement effects, which are recognized under net gain or loss on financial instruments measured at fair value.

Under the principles specified in IFRS 10, these entities are not controlled by Volkswagen Bank GmbH and are therefore not included in the consolidated financial statements.

The financial services business of the associated entity in Volkswagen AG's group of consolidated entities was funded as a result of the purchase of the securities issued by ABS special purpose entities within Volkswagen AG's group of consolidated entities.

The acquisition of the securities gave rise to counterparty default risk (from the assets contained in the issuer's securitized portfolio) and interest rate risk. The maximum risk of Volkswagen Bank GmbH from shares in unconsolidated structured entities was limited to the fair value of the purchased debt instruments reported in the balance sheet, among other things because the purchased securities had senior ranking in their exposure to losses incurred by the unconsolidated structured entities.

The following table contains disclosures on Volkswagen Bank GmbH's assets reported in the prior-year balance sheet that are related to unconsolidated structured entities and the maximum risk exposure of the Volkswagen Bank GmbH Group (disregarding collateral). The nominal amount of the prior-year securitized assets is also disclosed.

€ million	ABS SPECIAL PURPOSE ENTITIES	
	2025	2024
Reported in the balance sheet as of December 31		
Marketable securities	–	549
Loans to and receivables from customers	–	–
Maximum loss risk	–	549
Nominal volume of securitized assets	–	693

Volkswagen Bank GmbH Group companies did not provide unconsolidated structured entities with any noncontractual support during the reporting year and in the previous year.

## 78. Governing bodies of Volkswagen Bank GmbH

The members of the Management Board are as follows:

### **DR. VOLKER STADLER**

Chair of the Management Board  
Corporate Management & Operations, Volkswagen Bank GmbH

### **OLIVER ROES**

Finance, Volkswagen Bank GmbH

### **CHRISTIAN LÖBKE**

Risk Management, Volkswagen Bank GmbH

The Supervisory Board will be composed as follows as of December 31, 2025:

### **DR. INGRUN ULLA BARTÖLKE**

Chair (since October 8, 2025)  
Member of the Board of Management of Volkswagen Financial Services AG  
Finance and Purchasing

### **BJÖRN BÄTGE**

Deputy Chair  
Group Treasury – Head of Global Markets at Volkswagen AG

### **SILVIA STELZNER**

Deputy Chair  
Managing Director 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

### **MARKUS BIEBER**

Managing Director of the General Works Council of Volkswagen AG

### **PROF. DR. SUSANNE HOMÖLLE**

Chair of ABWL: Banking and Finance, University of Rostock

### **MARKUS KONRADT**

Member of the Board of Management of the Management Association  
of Volkswagen Financial Services AG and Volkswagen Financial Services Overseas AG

### **DR. ALENA KRETZBERG**

Member of the Board of Management of Volkswagen Financial Services AG  
IT and Digital

### **KATRIN ROHMANN**

Public auditor

**ALINA ROß**

IG Metall District Management Lower Saxony and Saxony-Anhalt  
Collective agreements secretary and In-house counsel

**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

Furthermore, the following person was a member of the Supervisory Board in 2025:

**FRANK FIEDLER**

Chair (until September 30, 2025)  
Member of the Board of Management of Volkswagen Financial Services AG  
Risk, Tax and Legal

The committees of the Supervisory Board of Volkswagen Bank GmbH are composed as follows as of December 31, 2025:

**MEMBERS OF THE AUDIT COMMITTEE**

Katrin Rohmann (Chair)  
Prof. Dr. Susanne Homölle (Deputy Chair)  
Dr. Alena Kretzberg  
Silvia Stelzner

**MEMBERS OF THE RISK COMMITTEE**

Prof. Dr. Susanne Homölle (Chair)  
Björn Bätge (Deputy Chair)  
Dr. Ingrun Ulla Bartölke (since October 8, 2025)  
Björn Schöne

Furthermore, the following person was a member of the Risk Committee in 2025:  
Frank Fiedler (until September 30, 2025)

**MEMBERS OF THE NOMINATION COMMITTEE**

Dr. Ingrun Ulla Bartölke (Chair) (since October 8, 2025)  
Silvia Stelzner (Deputy Chair)  
Katrin Rohmann

Furthermore, the following person was a member of the Nomination Committee in 2025:  
Frank Fiedler (Chair) (until September 30, 2025)

**MEMBERS OF THE REMUNERATION COMMITTEE**

Dr. Ingrun Ulla Bartölke (Chair) (since October 8, 2025)  
Silvia Stelzner (Deputy Chair)  
Björn Bätge  
Prof. Dr. Susanne Homölle

Furthermore, the following person was a member of the Remuneration Committee in 2025:  
Frank Fiedler (Chair) (until September 30, 2025)

**MEMBERS OF THE CREDIT COMMITTEE**

Björn Bätge (Chair)  
Dr. Alena Kretzberg  
Björn Schöne

**MEMBERS OF THE SPECIAL CREDIT COMMITTEE**

Katrin Rohmann (Chair)  
Björn Schöne  
Silvia Stelzner

### 79. Letter of comfort in favor of the creditors of Volkswagen Leasing GmbH

Volkswagen Bank GmbH has issued the following hard letter of comfort:

Volkswagen Bank GmbH, with its registered office in Braunschweig, is the sole shareholder of the company under the name Volkswagen Leasing GmbH with its registered office in Braunschweig.

Volkswagen Bank GmbH undertakes vis-à-vis all current and future creditors of Volkswagen Leasing GmbH to ensure that Volkswagen Leasing GmbH is financially equipped in such a way that it is able at all times to properly fulfil all its current and future obligations.

The assignment of rights and obligations arising from this letter of comfort is excluded.

### 80. Events after the reporting date

Up to February 24, 2026, there were no other significant events that would have required a significantly different presentation of the assets, liabilities, financial position and profit or loss.

## Shareholdings

Shareholdings of Volkswagen Bank GmbH and the Volkswagen Bank Group in accordance with sections 285 and 313 of the HGB and presentation of the companies included in the consolidated financial statements of the Volkswagen Bank Group in accordance with IFRS 12 as of December 31, 2025.

Name and registered office of the company	Currency	EXCHANGE RATE	VW BANK GMBH'S INTEREST IN CAPITAL			EQUITY IN THOUSANDS	PROFIT/LOSS IN THOUSANDS	Footnote	Year
		(1 EURO =)	IN %	IN %	IN %	local currency	local currency		
		Dec. 31, 2025	Direct	Indirect	Total				
<b>I. PARENT COMPANY</b>									
Volkswagen Bank GmbH, Braunschweig									
<b>II. SUBSIDIARIES</b>									
<b>A. Consolidated companies</b>									
<b>1. Germany</b>									
Volkswagen Leasing GmbH	EUR		100.00	–	100.00	3,269,912	–	1)	2025
<b>2. International</b>									
Driver Master S.A., Luxemburg	EUR		–	–	–	31	–	2)	2024
Private Driver España 2020 -1, Fondo de Titulización, Madrid	EUR		–	–	–	–	–	2)	2024
Private Driver Italia 2020 -1 S.r.l., Mailand	EUR		–	–	–	10	–	2)	2024
Private Driver Italia 2024 -1 S.r.l., Mailand	EUR		–	–	–	10	–	2), 3)	
Trucknology S.A., Luxemburg	EUR		–	–	–	31	–	2)	2024
VCL Master Residual Value S.A., Luxemburg	EUR		–	–	–	31	–	2)	2024
VCL Master S.A., Luxemburg	EUR		–	–	–	31	–	2)	2024
VCL Multi-Compartment S.A., Luxemburg	EUR		–	–	–	31	–	2)	2024
<b>B. Unconsolidated companies</b>									
<b>1. Germany</b>									
<b>2. International</b>									

Name and registered office of the company	Currency	EXCHANGE RATE	VW BANK GMBH'S INTEREST IN CAPITAL			EQUITY IN THOUSANDS	PROFIT / LOSS IN THOUSANDS	Footnote	Year
		(1 EURO =)	IN %	IN %	IN %		local		
		Dec. 31, 2025	Direct	Indirect	Total	local currency	currency		
<b>III. JOINT VENTURES</b>									
<b>A. Equity-accounted companies</b>									
<b>1. Germany</b>									
<b>2. International</b>									
<b>B. Companies accounted for at cost</b>									
<b>1. Germany</b>									
<b>2. International</b>									
<b>IV. ASSOCIATES</b>									
<b>A. Equity-accounted companies</b>									
<b>1. Germany</b>									
<b>2. International</b>									
<b>B. Associates accounted for at cost</b>									
<b>1. Germany</b>									
<b>2. International</b>									
<b>V. EQUITY INVESTMENTS</b>									
<b>1. Germany</b>									
<b>2. International</b>									
Society for Worldwide Interbank Financial Telecommunications SCRL, La Hulpe	EUR	–	0.01	–	0.01	871,200	132,900	4), 5)	2024

1) Profit and loss transfer agreement

2) Structured entity in accordance with IFRS 10 and 12

4) Figures in accordance with IFRS

5) Consolidated financial statements

Braunschweig, February 24, 2026

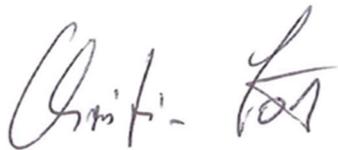
Volkswagen Bank GmbH  
The Management Board



Dr. Volker Stadler



Oliver Roes



Christian Løbke

# Responsibility Statement

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

Braunschweig, February 24, 2026

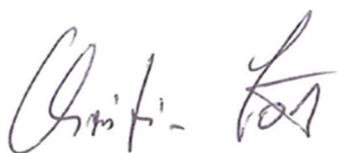
Volkswagen Bank GmbH  
The Management Board



Dr. Volker Stadler



Oliver Roes



Christian Løbke

# Country-by-Country Reporting of Volkswagen Bank GmbH

The requirements of country-by-country reporting laid down in Article 89 of EU Directive 2013/36/EU (Capital Requirements Directive, CRD IV) have been transposed into German law in section 26a(1) sentence 2 of the KWG.

In this country-by-country report, required in accordance with section 26a(1) sentence 2 nos. 1 to 6 of the KWG, the Volkswagen Bank Group makes the disclosures listed below as of December 31, 2025:

- > Name, nature of activities and geographical location of branch
- > Sales revenue
- > Number of employees on a full-time equivalent basis
- > Profit or loss before tax
- > Tax on profit or loss
- > Public subsidies received

The report encompasses the disclosures required for all consolidated entities included in the IFRS consolidated financial statements.

Branches are understood to be the individual subsidiaries and, if appropriate, branches maintained by subsidiaries in individual countries. All figures included in this report were determined on an unconsolidated basis. Revenue has been adjusted for intragroup transactions within the same country.

Revenue is defined as the sum of the following components of the IFRS income statement:

- > Interest income from lending transactions less interest expenses
- > Income from leasing transactions and service contracts
- > Net fee and commission income
- > Net gain or loss on hedges
- > Net gain/loss on financial instruments measured at fair value
- > Net other operating income

The number of employees is reported as an average on a full-time equivalent basis.

Tax on profit or loss is reported as effective income tax expense. Information on how the figure is determined can be found in note (32) Income tax expense to the consolidated financial statements of Volkswagen Bank GmbH as of December 31, 2025.

In the country-by-country reporting, only direct EU subsidies are deemed public subsidies received.

Country	Sales revenue (€ million)	Employees	Profit/loss before tax (€ million)	Income tax (€ million)	Public subsidies received (€ million)
EU countries					
Germany	18,298	2,668	625	-305	-
France	2,615	433	443	56	-
Greece	29	55	16	-1	-
United Kingdom	198	71	185	-15	-
Italy	2,580	383	505	-90	-
Luxembourg	-	-	-	-	-
Netherlands	0	0	0	0	-
Poland	98	82	51	-10	-
Portugal	53	81	28	-3	-
Spain	392	363	268	-26	-

Company name	Company type	Domicile	Country
EU countries			
Volkswagen Bank GmbH	Bank	Braunschweig	Germany
Volkswagen Leasing GmbH	Financial Services Institution	Braunschweig	Germany
Volkswagen Bank GmbH, France branch	Bank	Roissy en France	France
Volkswagen Bank GmbH, Greece branch	Bank	Glyfada-Athens	Greece
Volkswagen Bank GmbH, United Kingdom branch	Bank	Milton Keynes	United Kingdom
Private Driver Italia 2020-1 S.r.l.,	SPV	Milan	Italy
Private Driver Italia 2024-1 S.r.l.,	SPV	Milan	Italy
Volkswagen Bank GmbH, Italy branch	Bank	Milan	Italy
Volkswagen Leasing GmbH, Italy branch	Financial Services Institution	Milan	Italy
Driver Master S.A.	SPV	Luxembourg	Luxembourg
Trucknology S.A.	SPV	Luxembourg	Luxembourg
VCL Master Residual Value S.A.	SPV	Luxembourg	Luxembourg
VCL Master S.A.	SPV	Luxembourg	Luxembourg
VCL Multi-Compartment S.A.	SPV	Luxembourg	Luxembourg
Volkswagen Bank GmbH, Netherlands branch	Bank	Amersfoort	Netherlands
Volkswagen Bank GmbH, Poland branch	Bank	Warsaw	Poland
Volkswagen Bank GmbH, Portugal branch	Bank	Amadora	Portugal
Volkswagen Bank GmbH, Spain branch	Bank	Alcobendas-Madrid	Spain
Private Driver España 2020-1, Fondo de Titulización	SPV	Madrid	Spain

# Independent Auditor's Report<sup>1</sup>

To Volkswagen Bank GmbH, Braunschweig

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

### OPINIONS

We have audited the consolidated financial statements of Volkswagen Bank GmbH, Braunschweig, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the fiscal year from 1 January 2025 to 31 December 2025, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Volkswagen Bank GmbH, which is combined with the Company's management report, for the fiscal year from 1 January 2025 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 group 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 consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards) and adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2025 and of its financial performance for the fiscal year from 1 January to 31 December 2025, and
- > the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated 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 consolidated financial statements and of the group management report.

<sup>1</sup> Translation of the German independent auditor's report concerning the audit of the consolidated financial statements and group management report prepared in German

### **Basis for the opinions**

We conducted our audit of the consolidated financial statements and of the group 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 consolidated financial statements and of the group management report” section of our auditor’s report. We are independent of the Group entities 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 consolidated financial statements and on the group management report.

### **Key audit matters in the audit of the consolidated financial statements**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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 consolidated 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 matters:

#### **Identification of impaired loans and determination of the provision for Stage 3 credit risks in dealer financing**

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

The identification of impaired loans and the determination of provisions for Stage 3 credit risks in dealer financing are significant areas in which the executive directors exercise judgment. The identification of impaired loans and the determination of an appropriate provision for Stage 3 credit risks entail uncertainties, which include various assumptions and estimation inputs, particularly regarding the dealers’ financial performance, expected future cash flows and the valuation of collateral. The dealers’ financial performance is influenced in particular by the volume of automotive sales, which depends on factors such as changes in purchasing power due to the trend in inflation and general interest rates as well as the dealers’ refinancing costs. Due to the ongoing geopolitical tensions, conflicts and protectionist tendencies as well as the resulting risk of negative effects on the European economy, estimation uncertainty remained heightened in the fiscal year.

In view of the business model and the significance of dealer financing for the Group’s assets and financial performance, we determined the identification of impaired loans and the determination of provisions for Stage 3 credit risks in dealer financing to be a key audit matter.

##### **Auditor’s response**

During our audit, we analyzed the accounting-related processes for the identification of impaired loans and the determination of the provision for Stage 3 credit risks to check for the consideration of relevant risk factors. We tested the operating effectiveness of the controls implemented in these processes for

identifying impaired loans and determining the provision for Stage 3 credit risks. Our audit procedures focused on the processes for evaluating the borrowers' economic situation, monitoring early warning indicators, applying impairment triggers and thus for correctly applying internal risk classification procedures and for valuing collateral.

In addition, we performed substantive audit procedures on a sample basis and assessed the existence of any acute default risks and the determination of the provision for Stage 3 credit risks. We selected our sample applying a risk-based approach, using in particular criteria such as the inclusion of loans on watch lists for increased default risks, rating class, the level of exposure and the provision for credit risks already recognized.

As part of our risk-based sampling, we assessed whether the significant assumptions and estimates relating to dealers' expected cash flows including the carrying amounts of collateral held are consistent with the borrower's economic situation and market expectations. Furthermore, we checked the arithmetical accuracy of the provision determined for Stage 3 credit risks.

Our audit procedures did not lead to any reservations relating to the identification of impaired loans and the determination of the provision for Stage 3 credit risks in dealer financing.

#### Reference to related disclosures

The Company's disclosures on the accounting policies applied for the identification of impaired loans and the determination of provisions for Stage 3 credit risks (including dealer financing) are contained in the notes to the consolidated financial statements in note "9 Financial instruments" and note "19. Management estimates and assumptions" and in the group management report in the Report on Opportunities and Risks under the heading "Credit risk" in the passages addressing "Collateral" and "Provisions."

#### **Macroeconomic scenarios and the specific credit risk parameters derived therefrom in connection with the model-based determination of the provisions for Stage 1 and 2 non-defaulted loans to and receivables from customers and for loans and receivables attributable to the leasing business**

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

The valuation of loans to and receivables from customers and the related determination of the provisions for Stage 1 and 2 credit risks of such loans and receivables and for loans and receivables attributable to the leasing business are significant areas in which the executive directors exercise judgment. As of the reporting date, the model-based determination of provisions uses three macroeconomic scenarios to meet the requirements for an unbiased and probability weighted estimate. The three scenarios (base, positive, negative) differ in terms of the assumptions and estimates of future macroeconomic developments and are reflected in the different specific credit risk parameters underlying the calculation of the provisions (loss given default, probability of default and credit conversion factor).

In light of the significant volume of Stage 1 and 2 non-defaulted loans to and receivables from customers and of loans and receivables attributable to the leasing business underlying the model-based determination of the provisions as well as the increased uncertainty and judgment involved in the macroeconomic scenarios as a consequence of the ongoing geopolitical tensions, conflicts and protectionist tendencies as well as the resulting risk of negative effects on the European economy, we

consider the macroeconomic scenarios and the specific credit risk parameters derived therefrom in connection with the determination of the provisions for Stage 1 and 2 non-defaulted loans to and receivables from customers and for loans and receivables attributable to the leasing business to be a key audit matter.

#### **Auditor's response**

As part of our audit, we analyzed the derivation of the scenarios to determine whether they are consistent with the macroeconomic forecasts of selected economic research institutes. We also consulted internal specialists to assess the appropriateness of the derived scenarios on the basis of our expectations of industry performance.

We analyzed the processes implemented in connection with the specific credit risk parameters derived from the scenarios and assessed the adequate design and operating effectiveness of the controls implemented in the process.

We examined the method used so as to check that the specific credit risk parameters are consistent with the relevant scenario. To test the adequate design of the credit risk parameters for each scenario, we first assessed the operating effectiveness of the controls implemented in the risk classification process with regard to the default risk. We also examined the appropriate valuation of the collateral using the recovery rates realized in the past.

We reperformed the calculations of the model-based provisions determined on the basis of the different scenarios and the different specific credit risk parameters and checked whether the Company correctly included the scenarios in its calculation. In this context, we checked that the specific credit risk parameters relate to the entire term for the relevant derived scenario if there has been a significant increase in the credit risk of the loans to and receivables from customers since initial recognition (Stage 2 of the impairment model).

Our audit procedures did not give rise to any reservations with regard to the macroeconomic scenarios and the specific credit risk parameters derived therefrom in connection with the model-based determination of the provisions for Stage 1 and 2 non-defaulted loans to and receivables from customers and for loans and receivables attributable to the leasing business.

#### **Reference to related disclosures**

The Company's disclosures on the accounting policies applied for the model-based determination of the provisions for Stage 1 and 2 non-defaulted loans to and receivables from customers and for loans and receivables attributable to the leasing business are contained in the notes to the consolidated financial statements in note "9. Financial instruments" and note "19. Management estimates and assumptions" and in the group management report in the Report on Opportunities and Risks under the heading "Credit risk" in the passages addressing "Collateral" and "Provisions."

#### **Determination of the expected residual values of assets leased under operating leases during impairment testing**

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

The lease assets balance sheet item comprises vehicles under operating 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 technological advancements and state subsidies. Due to the ongoing geopolitical tensions, conflicts and protectionist tendencies as well as the resulting risk of negative effects on the European 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 assets leased under operating leases 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 assets leased under operating leases during impairment testing.

#### **Reference to related disclosures**

The Company's disclosures on the accounting policies applied for lease assets are contained in note "14. Leases" and note "69. Leases" and the disclosures on the determination of the expected residual values of lease assets in note "19. Management estimates and assumptions" of the notes to the consolidated 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 corporate governance declaration referred to above (disclosures on the quota for women on executive boards). The other information also comprises additional parts of the annual report, of which we obtained a copy prior to issuing this auditor's report, such as "Key Figures," the "Human Resources Report," the "Report of the Supervisory Board" and the "Responsibility Statement," but not the consolidated financial statements, not the management report disclosures whose content is audited and not our auditor's report thereon.

Our opinions on the consolidated financial statements and on the group 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 consolidated financial statements, with the group 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 consolidated financial statements and the group management report**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated 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 consolidated financial statements, the executive directors are responsible for assessing the Group'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 unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated 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 group 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 group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

### **Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated 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 consolidated financial statements and on the group 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 consolidated financial statements and this group 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 consolidated financial statements and of the group 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 consolidated financial statements and of arrangements and measures relevant to the audit of the group 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 Group'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 Group'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 consolidated financial statements and in the group 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 Group to cease to be able to continue as a going concern.
- > Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a

true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

- > Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming opinions on the consolidated financial statements and on the group 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 group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- > Perform audit procedures on the prospective information presented by the executive directors in the group 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 consolidated 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 consolidated financial statements and the group 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 consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the file "Volkswagen Bank\_GmbH\_KA+KLB\_ESEF-2025-12-31.xbri" 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 consolidated financial statements and the group 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 consolidated financial statements and the group 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 consolidated financial statements and the accompanying group management report for the fiscal year from 1 January 2025 to 31 December 2025 contained in the “Report on the audit of the consolidated financial statements and of the group 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 consolidated financial statements and the group 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 “Group 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 consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 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.

#### **Group 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 consolidated financial statements and to the audited group management report.
- > Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine readable XBRL copy of the XHTML rendering.

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

We were elected as group auditor by the Annual General Meeting on 26 February 2025. We were engaged by the Supervisory Board on 18 August 2025. We have been the group auditor of Volkswagen Bank 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 Audit Committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to Group entities the following services that are not disclosed in the consolidated financial statements or in the management report:

- > Issue of a comfort letter in connection with the update of the EUR 50b debt issuance program of Volkswagen Financial Services AG, Braunschweig, Volkswagen Bank GmbH, Braunschweig, and Volkswagen Financial Services N.V., Amsterdam, Netherlands
- > Review of the reporting packages for the reporting dates 31 March, 30 June and 30 September 2025 of Volkswagen Bank GmbH, Braunschweig, and Volkswagen Leasing GmbH, Braunschweig, in accordance with the instructions of the group auditor
- > 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 Bank GmbH, Braunschweig, and Volkswagen Leasing GmbH, Braunschweig, for the period from 1 January 2025 to 31 December 2025
- > Limited assurance engagement on the group sustainability reporting within the meaning of Directive (EU) 2022/2464 ("CSRD") of Volkswagen Bank GmbH, Braunschweig, and Volkswagen Leasing GmbH, Braunschweig, for the period from 1 January 2025 to 31 December 2025
- > Agreed-upon procedures relating to the investor reports of Driver Master S.A., VCL Master S.A., VCL Master Residual Value S.A., VCL Multi-Compartment S.A. and Trucknology S.A. as of 31 December 2024

#### Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group 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 consolidated financial statements and the audited group 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, 24 February 2026

EY GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft

Koch  
Wirtschaftsprüfer  
[German Public Auditor]

Ottner  
Wirtschaftsprüfer  
[German Public Auditor]

# Human Resources Report

Our people are key.

## EMPLOYEES

Volkswagen Bank GmbH employed 1,413 people in Germany as of December 31, 2025 (December 31, 2024: 1,369).

A total of 1,615 people (previous year: 1,258) were employed at the international branches of Volkswagen Bank GmbH.

Following the extensive restructurings of the Volkswagen Financial Services Group, the following companies have been part of the Volkswagen Bank GmbH Group since July 2024: Volkswagen Leasing GmbH in Germany had 1,882 employees as of December 31, 2025. The Italian Volkswagen Leasing GmbH branches reported 102 employees as of December 31, 2025.

## HUMAN RESOURCES STRATEGY

The MOBILITY2030 corporate strategy reinforces the objective of leveraging a mobility platform to play a central role in the Volkswagen Group as a provider of a wide range of mobility services. MOBILITY2030 sets out to realize this vision by focusing on the strategic dimensions of customer loyalty, vehicles, profitability, data and technology, and sustainability.

The future success of Volkswagen Bank GmbH will be founded on the global team comprising every single employee. This pivotal role is expressed in the cornerstone of MOBILITY2030, “Our team, our values”, which emphasizes the importance of employees for all the strategic dimensions. The values this embeds – courage, trust and customer centricity – are intended to guide employees in their everyday activities and help motivate them to do their best.

In the past fiscal year, the Human Resources unit developed ten initiatives under the working title “People Strategy” in order to place even greater focus on people in MOBILITY2030 and provide the Company with the best possible support in implementing MOBILITY2030, thereby contributing to the development of a high-performance organization through targeted measures. These measures are intended to jointly shape the upcoming challenges and transform the Company. Change becomes an opportunity for sustainable success. A strategy that enables everyone to fully realize their potential – where it has the greatest impact. “Our Transformation” is the core initiative. It safeguards the sustainable development of our workforce. Future skills are specifically identified, data-based decisions are enabled, and resources are efficiently allocated. These objectives are being pursued through initiatives in the areas of diversity, health, employee loyalty, leadership, values, collaboration, new learning, change management, and digital HR. Progress towards our targets is determined, among other things, by the results of surveys on external and internal employee and customer satisfaction.

Skilled and committed employees who are open to change are the cornerstones of any company’s success, and Volkswagen Bank GmbH empowers its employees to continuously develop and gain new qualifications. Knowledge and experience are becoming more critical all the time, especially in the field of digitalization and automation. Accordingly, the focus of professional development in the reporting year again was on teaching digital, data and AI skills, delivered through a variety of learning opportunities, from self-service learning, through the use of an AI-based learning platform, down to

customized training and degree programs for selected target groups. For the reporting year, the topics of strategic workforce planning, diversity, culture and leadership are particularly noteworthy.

For the first time, Volkswagen Bank GmbH performed strategic workforce planning across all departments at the German location. The result is an important indication of how quantitative personnel requirements and job profiles will develop in the future and what qualifications will be necessary to achieve the Company's long-term goals.

Our leaders have a significant influence on the morale and satisfaction of their staff and therefore also on their motivation, willingness to change and commitment. A Leadership Day was held at the Braunschweig site during the reporting period, providing an opportunity for active discussion of people-centric initiatives and the challenges and opportunities of leadership. Supported by input from external presenters, participating leaders were also given valuable insights for their day-to-day leadership roles. The cultural initiatives introduced in the previous year were systematically continued in the reporting period to continuously strengthen the corporate culture. Another employee survey on the Values Index was conducted to enable differentiated statements on how the corporate values are perceived in the teams and to identify potential action areas and strategic value initiatives.

#### **REGULATORY REQUIREMENTS RELATING TO REMUNERATION SYSTEMS**

Volkswagen Bank GmbH was directly supervised by the European Central Bank in the reporting period and implemented the latest version of the *Institutsvergütungsverordnung* (IVV; Remuneration Regulation for Institutions) across the entire Group. The special regulatory requirements relating to remuneration systems applied in addition to the general requirements. Strategies and instruments already introduced, such as the Works Council agreement on variable remuneration, the variable remuneration ceiling, national and international risk-taker identification and the reporting system using a remuneration report, continued to be applied, adapted and enhanced in fiscal year 2025. Furthermore, special governance functions (Remuneration Committee and Remuneration Officer) were used to ensure that the adequacy of the remuneration systems was continuously monitored. The remuneration strategy – and hence the remuneration systems – of Volkswagen Bank GmbH are informed by and help to implement the institution's business and risk strategy and are geared toward ensuring sustainability and constancy. This fosters a responsible and risk-conscious approach among staff and contributes materially to the lasting success of its business.

#### **DIVERSITY**

In addition to the advancement of women, the concept of diversity has been an integral component of the corporate culture since 2002. The Bank sent a clear signal with its Diversity Charter corporate initiative, which was signed in 2007. Under this initiative, Volkswagen Bank GmbH has pledged to respect and value diversity, and to promote employees according to their skills and ability. In 2018, Volkswagen Bank GmbH adopted a Diversity Policy to reinforce this approach and enshrined the policy in its organizational manual. The Diversity Policy ensures that diversity is recognized as the norm rather than an exception. Diversity becomes a strength through the conscious appreciation of the workforce. The Bank operates at an international level and thus workforce diversity is a substantial factor in the successful performance of the business.

The various actions the Bank takes in connection with its participation in the annual Diversity Day organized by German diversity non-profit Charta der Vielfalt also help to raise the profile of diversity matters.

**WORK-LIFE BALANCE**

Volkswagen Bank GmbH works proactively to provide a family-friendly working environment and is constantly adding new options to help employees improve their work-life balance. Examples include a variety of working time models and the “Frech Daxe” company childcare facility, which is located next to the company’s site in Braunschweig and offers both flexible care hours and vacation care.

# Report of the Supervisory Board

## of Volkswagen Bank GmbH

During the reporting period, the Supervisory Board has regularly concerned itself closely with the situation and development of the Bank. 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. There are regular exchanges between the Chair of the Supervisory Board and the Management Board even outside of meetings. On the basis of the reports by the Management Board, the Supervisory Board continually monitored the conduct of the Bank's 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 were reviewed and discussed with the Management Board before a resolution was adopted.

The Supervisory Board had ten members. The Supervisory Board held five meetings in the reporting year. The Remuneration Committee met five times, the Audit Committee and the Risk Committee each met four times. The Nominations Committee convened for three meetings. The Credit Committee and the Special Credit Committee adopted their resolutions outside of the meetings by circulation of written resolutions or using electronic credit applications. The average attendance rate of Supervisory Board members was approximately 94%. Four meetings were held in person and one via video conference. Only one member participated via video conference in the meeting on September 23, 2025. There were also three resolutions adopted by circulation of written resolutions and no decision was made by the Chair of the Supervisory Board via the expedited procedure.

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

### **MATTERS DISCUSSED BY THE SUPERVISORY BOARD**

At its meeting on February 26, 2025, following a detailed examination of its own and acting on the recommendation of the Audit Committee, the Supervisory Board recommended to the shareholders' meeting to adopt the annual financial statements of Volkswagen Bank GmbH prepared by the Management Board for 2024. It also submitted a recommendation regarding the election of the auditor and commented on the consolidated financial statements. The Supervisory Board discussed the audit findings with the auditor in this connection. Moreover, the future General Authorized Representative presented himself, and his appointment was approved. We informed ourselves about the Management Board's new schedule of responsibilities and adopted resolutions on remuneration issues. The Supervisory Board additionally discussed the financial performance and approved the planning round 73 of the Volkswagen Bank GmbH Group. It also received reports on the status of the transfer of the shares in Volkswagen Finančné služby Slovensko s.r.o., Bratislava/Slovakia to our joint venture partner Porsche Bank AG, and on the status of the sale of our share in OOO Volkswagen Bank RUS, Moscow/Russia.

At its meeting on April 28, 2025, the Supervisory Board adopted resolutions on the fixed and variable remuneration of the Management Board.

At its meeting on July 7, 2025, it decided to accept the Management Board's waiver of remuneration and confirmed the suitability of a member of the Management Board and the Supervisory Board following the assumption of additional mandates. We also approved the change to the investment policy of VW Bank GmbH and deliberated the financial performance of the Volkswagen Bank GmbH Group, the status of the "Rent-a-Car" business, an update of the IT strategy, the status of implementation of the DORA (Digital Operational Resilience Act), and an update on payment services.

At its meeting on September 23, 2025, it approved the granting of a general power of attorney and confirmed the suitability of two members of the Management Board following the assumption of further mandates. We reviewed the remuneration of the monitoring units and confirmed that it corresponds to the requirements of the IVV. Furthermore, we received reports on the financial performance of the Volkswagen Bank GmbH Group, the draft SREP resolution, and the status of the Future initiatives. It also recommended that the meeting of shareholders appoint a new Supervisory Board member. The election as Chair of the Supervisory Board and replacement in the committees took place by means of circulation of a written resolution for approval on October 8, 2025, after the election to the Supervisory Board.

At the meeting on December 16, 2025, a further future General Authorized Representative presented herself, and her appointment was approved. The Supervisory Board discussed the analysis of the annual assessment of the Management Board and Supervisory Board and confirmed the suitability of both. It renewed two Management Board mandates and confirmed the suitability of one Supervisory Board member and the appropriateness of the Management Board's remuneration. It also deliberated the financial performance of the Volkswagen Bank GmbH Group, current issues of the Direct Bank, and selected supervisory topics. The Supervisory Board moreover reviewed the handling of the key issues in 2025 and looked ahead to the key issues for 2026.

The chairs of the respective committees reported in detail on the content of their committee meetings in the Supervisory Board meetings.

## COMMITTEE ACTIVITIES

The Supervisory Board has formed six committees from among its members to enable it to fulfill its responsibilities. Four of these committees are committees as described in section 25d of the KWG. The duties and responsibilities of the various committees are regulated in the respective committee rules of procedure.

### Audit Committee

The Audit Committee held four regular meetings in the reporting period. During the reporting period, there were no urgent transactions that would have required a decision by circulation of written resolutions for approval. The Audit Committee has four members, the attendance rate was around 94%.

At the meeting held on February 26, 2025, the Committee concerned itself with the annual financial statements and the management report, the consolidated financial statements, and the group management report of Volkswagen Bank GmbH for the fiscal year of 2024. As part of this review, the Audit Committee discussed with the auditor the reports on the audit of the annual financial statements, the management report, the consolidated financial statements and the group management report of Volkswagen Bank GmbH as well as material matters and issues related to financial reporting. Following a detailed consultation, the Audit Committee requested the Supervisory Board to submit a recommendation to the sole shareholder regarding the adoption of the annual financial statements and the election of the auditor and to draw up the resolution covering the issue of the audit engagement in preparation for the shareholders' meeting. In addition, it passed a resolution to adjust the guidelines of the Audit Committee for services of the auditor network. The Head of Internal Audit provided further information relating to the unit's 2024 Annual Report for the Volkswagen Bank Group for the benefit of

the Audit Committee. In addition, the members of the Committee discussed the current status of reportability.

The Audit Committee received a presentation on the compliance report including the annual compliance report 2024 and the annual report from the money laundering officer and discussed their content on July 7, 2025. Moreover, the Committee discussed the status of reportability and the presenter data file of the deposit protection report. Moreover, the members of the Committee received training on relevant accounting standards.

At its meeting on September 23, 2025, the Committee addressed the subject of audit planning and key audit matters together with representatives of the auditor. It also received a report on the 2025 half-yearly financial statements and the quality of the audit of the 2024 financial statements. The Committee also debated the ongoing regulatory audits and the status of reportability.

On December 16, 2025, the Committee deliberated the auditor's report on the previous audit results and an outlook on the partial audit report II. The Committee also discussed the audit planning of Internal Audit and received reports on the ongoing regulatory audits, the reportability status, and the presenter data file of the deposit protection report.

### **Risk Committee**

The Risk Committee held four meetings in the reporting year. During the reporting period, there were no urgent transactions that would have required a decision by circulation of written resolutions for approval. The Committee has four members, who all participated in the four meetings.

At its meeting on February 26, 2025, the Risk Committee deliberated the business and risk strategy, the risk tolerance, risk appetite, and risk mitigation for 2025 of the Volkswagen Bank GmbH (Group). It furthermore discussed the risk management/ICAAP report as of December 31, 2024, of Volkswagen Bank GmbH, in particular the explanations on the stress test results. Following an appropriate review, the Risk Committee confirmed that the incentives set by the Bank's remuneration system do factor in its risk, capital and liquidity structure and the probability and timing of income.

At its meeting on July 7, 2025, the Risk Committee debated the risk inventory 2025 and the risk management report of Volkswagen Bank GmbH (Group) as of March 31, 2025. In addition, the Committee discussed the interest rate risk of Volkswagen Bank GmbH, in particular the interaction of Treasury and Risk Management in funding.

At its meeting on September 23, 2025, the Risk Committee dealt with the results of the EBA/ECB stress test 2025 of Volkswagen Financial Services AG, and the management concept of direct banking deposits and liquidity. In addition, the Committee received a report on the current status of the large exposure of Volkswagen Bank GmbH.

On December 16, 2025, the Risk Committee deliberated the BCBS 239 Compliance Report, discussed the geopolitical risks and their relevance for Volkswagen Bank GmbH (Group), and the risk analysis on the impact of biodiversity on sectors of the Volkswagen Financial Services AG Group. The Committee furthermore debated the vehicle lifetime concept and the status of the Depot A portfolio.

### Remuneration Committee

The Remuneration Committee held five meetings in the reporting year. The Committee has four members. Following Mr. Fiedler's resignation from the Supervisory Board as of September 30, 2025, his successor, Dr. Bartölke, took over as Chair as of October 8, 2025. The attendance rate at the meetings was 95%. There was one resolution adopted by circulation of a written resolution on a frame regarding loans to managers and related parties in the reporting period.

The Remuneration Committee at its meeting on February 26, 2025, recommended that no objection be raised against the appointment of a Group Remuneration Officer of the Volkswagen Financial Services AG Group including Volkswagen Bank GmbH. Moreover, the Remuneration Committee reviewed compliance with the requirements for granting variable remuneration pursuant to section 7 of the *Institutsvergütungsverordnung* (IVV; Remuneration Regulation for Institutions), submitted recommendations for determining the bonus pool for fiscal year 2024, and for the development of the sustainability component relevant to remuneration. The Committee assessed the impact of the remuneration systems on the risk, capital, and liquidity situations and reviewed if the remuneration systems were in accordance with the requirements pursuant to section 4 of the IVV. Moreover, the Committee reviewed the malus provisions and recommended an adjustment of the threshold figures for individual malus provisions. In addition, the Committee recommended determining certain figures as bonus KPIs 2024 and the further approval of a higher variable remuneration by the shareholders' meeting.

On April 28, 2025, the Committee issued recommendations on determining the variable remuneration of the members of the Management Board and on adjusting the remuneration of one Management Board member. No facts were identified that are relevant to malus provisions within the meaning of section 18 of the IVV.

At its meeting on July 7, 2025, the Committee recommended that the Management Board's proposal regarding a waiver of remuneration be accepted.

At its meeting on September 23, 2025, the Remuneration Committee considered the remuneration report of Volkswagen Bank GmbH for fiscal year 2024 and the review of the remuneration for the monitoring units.

On December 16, 2025, the Remuneration Officer presented the remuneration control report 2024/2025 and a report on the appropriateness of employee remuneration. The Committee deliberated the appropriateness of Management Board remuneration and recommended that the Supervisory Board confirm the appropriateness of Management Board remuneration with regard to the regulatory requirements. Furthermore, the Committee considered the risk taker analysis 2025 and 2026.

### Nomination Committee

The Nomination Committee held three meetings in the reporting year. Following Mr. Fiedler's resignation from the Supervisory Board as of September 30, 2025, his successor, Dr. Bartölke, took over as Chair as of October 8, 2025. The attendance rate was approx. 89%. One decision was made by circulation of written resolutions for approval in the reporting period. In the written resolution the Committee considered the suitability of a Management Board member due to the assumption of an additional mandate, and the recommendation to approve the granting of a general power of attorney and the appointment of a General Authorized Representative.

On July 7, 2025, the Nomination Committee reviewed the suitability of one Management Board member and one Supervisory Board member due to the assumption of additional mandates.

At its meeting on September 23, 2025, the Committee recommended the granting of a general power of attorney and reviewed the suitability of two members of the Management Board due to the assumption of additional mandates. Following the announcement of the Supervisory Board Chair's

resignation, the Nomination Committee recommended the appointment of a new Supervisory Board member, the election of a new Supervisory Board Chair, and the replacements in the committees.

On December 9, 2025, the Committee considered the succession concept for the Management Board of Volkswagen Bank GmbH and recommended approval of the granting of a general power of attorney. Another subject of the meeting was the annual appraisal of the Management Board and Supervisory Board. Following an evaluation of the feedback received from the Supervisory Board members, the Committee confirmed the suitability of the Management Board and Supervisory Board in the context of the annual assessment and presented recommendations for training and process improvements. The Committee also recommended the extension of two Management Board mandates and reviewed the suitability of a Supervisory Board member due to the assumption of an additional mandate.

### **Credit Committee**

The Credit Committee is responsible for approving issues that the Supervisory Board has to deal with by law and under the rules of procedure relating to loan commitments, the assumption of sureties, guarantees and similar liabilities, bank borrowings, the purchasing of receivables and for master agreements governing the assumption of receivables. The Credit Committee is composed of three members of the Supervisory Board and makes its decisions by circulation of written resolutions or on the basis of electronic credit applications.

### **Special Credit Committee**

The Special Credit Committee decides on lending to Volkswagen Bank GmbH's largest borrower of related party loans. The Special Credit Committee is composed of three members of the Supervisory Board who are not subject to a conflict of interest pursuant to section 15 of the KWG and makes its decisions by circulation of written resolutions or on the basis of electronic credit applications.

The members of the committees also consulted each other on several occasions and were in constant contact with the Management Board.

## **EDUCATION AND TRAINING**

On July 7, 2025, a training on "Relevant accounting standards" took place in the Audit Committee. On the same day, the Supervisory Board conducted training on "Prevention of money laundering, terrorist financing and criminal acts" and "Regulatory Update DORA (Digital Operational Resilience Act)". On September 23, 2025, a training course on "Reporting risk management" was held, and on December 16, 2025, a course on "Information and communication technology (ICT)".

## **AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS**

EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Eschborn, was appointed to audit both the consolidated financial statements of the Volkswagen Bank GmbH Group in accordance with the IFRSs and the annual financial statements of Volkswagen Bank GmbH in accordance with the HGB for the year ended December 31, 2025, including the bookkeeping system and management reports.

The consolidated financial statements of the Volkswagen Bank GmbH Group in accordance with the IFRSs and the annual financial statements of Volkswagen Bank GmbH in accordance with the HGB for the year ended December 31, 2025, together with the management reports, were submitted to the Audit Committee and the Supervisory Board. The auditor, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Eschborn, audited these financial statements, including the bookkeeping system and the management reports, and issued an unqualified auditor's opinion in each case.

The reviews of the consolidated financial statements and the annual financial statements, including the management reports, by the Audit Committee and the Supervisory Board did not result in any reservations. The auditors were present when this agenda item was addressed at the meetings of the Audit Committee and the Supervisory Board, reported on the main findings of their audit and made themselves available to take questions.

At their meetings on February 25, 2026, the Audit Committee and the Supervisory Board commented on the consolidated financial statements and annual financial statements of Volkswagen Bank GmbH prepared by the Management Board, and the Supervisory Board, following a detailed examination, recommended to the shareholders' meeting to adopt the annual financial statements for 2025 and to approve the consolidated financial statements.

Under the existing profit-and-loss transfer agreement with Volkswagen Financial Services AG dated November 25, 2024, the profit of Volkswagen Bank GmbH in fiscal year 2025 determined in accordance with the HGB was transferred to Volkswagen Financial Services AG.

The Supervisory Board would like to take this opportunity to express its gratitude and appreciation for the work of the members of the Management Board, the members of the Works Council, the managerial staff and all employees of Volkswagen Bank GmbH and its affiliated companies. The high level of commitment from all of them has helped to sustain the ongoing growth of Volkswagen Bank GmbH.

Braunschweig, February 25, 2026



Dr. Ingrun Ulla Bartölke  
Chair of the Supervisory Board

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Volkswagen Bank GmbH  
Gifhorner Straße 57  
38112 Braunschweig, Germany  
Telephone +49 (0) 531 212-0  
info@volkswagenbank.de  
www.vwfs.com  
www.facebook.com/vwfsde

**INVESTOR RELATIONS**

ir@vwfs.com

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