

Volkswagen Financial Services Overseas Aktiengesellschaft

ANNUAL REPORT

HGB

2025

Fundamental Information about the Group

The companies of the Volkswagen Financial Services Overseas AG Group provide a wide range of automotive financial services for retail and business customers.

BUSINESS MODEL

Within the Volkswagen Group, the Volkswagen Financial Services Overseas AG Group is a central and integrated provider of financial and mobility services in non-European third countries. 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 Financial Services Overseas AG 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.

Insurance and services

This segment includes, for example, comprehensive and third-party liability insurance products as well as credit protection insurance safeguarding customers against financial difficulties, such as unemployment. In this context, Volkswagen Financial Services Overseas AG serves as an insurance broker. Another area is service contracts, e.g. for tire replacement, maintenance and servicing, as well as extended warranties.

ORGANIZATION OF THE VOLKSWAGEN FINANCIAL SERVICES OVERSEAS AG GROUP

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). Since the restructuring, the non-European companies have been grouped together in the Volkswagen Financial Services Overseas AG Group.

Generally speaking, all the structural measures implemented by Volkswagen Financial Services Overseas AG have the goal of organizing the company in a way that increases the quality delivered to customers and distributors, makes processes more efficient and leverages synergies.

The Board of Management of Volkswagen Financial Services Overseas AG consists of two members. Kai Vogler served as the CEO (Chair of the Board of Management) until January 31, 2026. Dr. Wolf-Stefan Specht was appointed Chair of the Board of Management effective March 1, 2026. This role covers functions such as corporate management, sales and marketing, audit and information technology. As CFO, Patrick Welter is responsible for functions such as risk management, controlling, treasury and compliance.

MOBILITY2030 STRATEGY

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

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

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

- > **Customer loyalty:** "We maximize customer loyalty to the Volkswagen Group brands."
- > **Vehicle:** "We own the Volkswagen Group's car parc and unlock business potential throughout the entire vehicle lifecycle – together with the Group brands and dealers."
- > **Data and Technology:** "We leverage data and technology as core enablers of our success."
- > **Profitability:** "We use our capital efficiently and deliver adequate returns to our shareholder."
- > **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 Financial Services Overseas AG 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 Financial Services Overseas AG Group is exercising the option to prepare a combined management report.

SIGNIFICANT CHANGES IN EQUITY INVESTMENTS

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

In addition, Volkswagen Finance Overseas B.V., headquartered in Amsterdam, Netherlands, acquired 60% of the shares in Porsche Movilidad Colombia S.A.S., headquartered in Bogotá, Colombia, from Porsche Bank AG. The objective of the project was a strategic realignment of the markets between Porsche Bank AG and Volkswagen Financial Services Overseas AG.

Effective August 1, 2025, Volkswagen Financial Services Taiwan Ltd., headquartered in Taipei, Taiwan, a wholly owned subsidiary of Volkswagen Finance Overseas B.V., headquartered in Amsterdam, Netherlands, formed a new subsidiary named Volkswagen Insurance Brokers Taiwan Co., Ltd., also headquartered in Taipei, Taiwan. The new subsidiary serves to provide reinsurance brokerage services.

Effective December 16, 2025, the joint venture named Beijing Cardif Airstar Property & Casualty Insurance Co., Ltd., headquartered in Beijing, China, was formed. Volkswagen Financial Services Overseas AG holds a share of 18%; other shareholders are BNP Paribas Cardif S.A., headquartered in Paris, France, and Sichuan Silver Mi Technology Co., Ltd., headquartered in Sichuan, China, a wholly owned subsidiary of Xiaomi Corporation, headquartered in Beijing, China. The investment serves to gain access to the Chinese insurance market.

There were no other significant changes in equity investments.

INTERNAL MANAGEMENT

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

KEY PERFORMANCE INDICATORS

	Definition
Nonfinancial performance indicators	
Penetration	Ratio of new contracts for new Group vehicles under retail financing and leasing business to deliveries of Group vehicles, based on Volkswagen Financial Services Overseas AG's consolidated entities.
Current contracts	Contracts recognized as of the reporting date
New contracts	Contracts recognized for the first time in the reporting period
Financial performance indicators	
Volume of business	Loans to and receivables from customers arising from retail financing, dealer financing, leasing business and lease assets.
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, which is calculated by dividing profit before tax by average equity.
Overhead ratio	Personnel expenses, nonpersonnel indirect expenses and recognized amortization and depreciation reduced by income from services rendered/average total assets

Report on Economic Position

The global economy recorded positive growth in 2025. Global demand for vehicles increased slightly compared with the previous year. The operating result amounted to €528 million, a significant increase on the prior-year figure.

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

Implementation of the restructuring program as of July 1, 2024 has led to significant changes in the key performance indicators and the items of the income statement and balance sheet. The following explanations of the deviations from the prior year relate to the change in the values of key performance indicators and of performance indicators in the balance sheet and income statement for continuing operation of Volkswagen Financial Services Overseas AG.

The operating result amounted to €528 million in the reporting year, a significant increase on the prior-year figure.

New business (new contracts) worldwide amounted to 2.4 million in 2025.

The business volume of Volkswagen Financial Services Overseas AG came to €27.2 billion, which was on a level with the prior year.

The share of financed and leased vehicles in the Group's worldwide deliveries (penetration) stood at 17.8 (13.5)% at the end of 2025.

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 credit risk situation arising from Volkswagen Financial Services Overseas AG's overall portfolio was largely shaped by macroeconomic factors and increased competitive pressure in fiscal year 2025. This resulted in a strongly increased risk situation with a lending volume on a level with the previous year.

The residual value portfolio continues to be of minor significance to Volkswagen Financial Services Overseas AG because customer demand at present is focused mainly on financing products. Nevertheless, very strong growth in the portfolio was achieved, driven especially by the Brazilian market. The development in residual value risk continues to be closely monitored on an ongoing basis, leading to corresponding measures where required.

In fiscal year 2025, liquidity risk for the Volkswagen Financial Services Overseas AG Group was essentially on a level with the previous year.

The existing sources of funding were adequate to enable the growth achieved in the fiscal year. A wide range of funding instruments were used in a number of different currency areas, regions and countries. 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 funding through banks, continued to be available at Group level and could still be used as required.

The Board of Management of Volkswagen Financial Services Overseas AG considers the course of business in 2025 to have been positive.

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

	Actual 2024		Forecast for 2025	Actual 2025
Nonfinancial performance indicators				
Penetration (percent)	13.5	> 13.5	slightly over previous year	17.8
Current contracts (thousands)	4,646	> 4,646	significantly over previous year	5,061
New contracts (thousands)	1,940	> 1,940	significantly over previous year	2,367
Financial performance indicators				
Volume of business (€ million)	27,124	= 27,124	same level as previous year	27,174
Operating result (€ million)	460	> 460	significantly over previous year	528
Return on Equity in (percent)	9.2	> 9.2	strong above previous year	15.0
Overhead ratio (percent)	1.4	= 1.4	same level as previous year	1.17

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.

North America

In the USA, gross domestic product in the reporting year grew at a somewhat slower pace than in the previous year. The Federal Reserve had cut its key interest rates in several steps in the previous year but broke with this easing stance in the reporting year due to uncertainty surrounding the impact of the US administration's economic policy actions, and only resumed its monetary policy easing in September 2025. In Canada and Mexico, economic growth was down somewhat year on year.

South America

In Brazil, economic output grew at a somewhat slower pace, while economic growth in Argentina picked up considerably following a negative trend over two consecutive years.

Asia-Pacific

Growth in China's economic output was above the global average and hovered around the prior-year level in the reporting year. India's economy grew at a similarly strong rate as in 2024. Japan's economic output increased.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

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

In Türkiye, the political environment calmed down in the reporting year. This led to key interest rates being cut, which in turn had a positive impact on the refinancing situation. While the leasing-based fleet business remained challenging, the lending business showed itself to be robust. In the insurance business, a slight decline began to emerge in the premium segment.

In South Africa, there was a strong increase in vehicle sales in 2025 compared with the previous year. As a result, the number of financed purchases also increased. Used cars were popular on account of higher prices for new vehicles. Although the South African Reserve Bank cut key interest rates, financing costs remained high amid challenging economic conditions.

The market environment in the North America region was challenging in the reporting year, particularly in light of tariff discussions and vehicle availability. In the USA, the number of leasing and financing contracts, new vehicle penetration and new contracts for insurance and aftersales products were all down on the respective prior-year figures despite rising penetration figures in the second half of the year. In Canada and Mexico, demand for leasing and financing contracts was lower than in the previous year, while new contracts for insurance and after-sales products were up on the prior-year figures.

In the South America region, the market for financial services remained strong, underpinned by growing demand for mobility and financing solutions. Interest rates remained high in Brazil, although expectations of rate cuts improved the market environment. Trends in the demand for mobility and financing solutions were positive thanks to improved consumer sentiment, increased credit availability and brisk business from marketing campaigns. In Argentina, the number of financial services contracts concluded benefited from stabilizing macroeconomic conditions despite political uncertainty.

Demand for electrified vehicles in the Chinese automotive market continued to rise between January and December 2025, and trends in the used vehicles segment were also positive. After the first quarter, which saw an increase in banks edging into the market with their products, the regulatory authorities reined in these competitive measures in June, which in turn boosted demand for automotive financial services. Interest subsidies for consumer loans generated further stimulus in the market. Japan's highly competitive automotive market showed growth in the sale of new and used cars in the reporting period despite rising inflation and refinancing costs. A positive trend was also observed in the electric vehicle sales contained in these figures. There was a strong rise in digital and flexible financing models.

The financial services business for commercial vehicles was down on the prior-year level in 2025.

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.

North America

Sales of passenger cars and light commercial vehicles (up to 6.35 tonnes) were in the range of the previous year in the North America region in fiscal year 2025. The market volume in the USA and Mexico also remained similar to that of the previous year, but increased slightly in Canada.

South America

In the South America region, the volume of new vehicle registrations for passenger cars and light commercial vehicles was noticeably higher in the reporting year than for 2024. The number of new registrations in Brazil increased slightly compared with the previous year, while the Argentinian market recorded very strong growth.

Asia-Pacific

In the Asia-Pacific region, the volume of the passenger car market from January to December 2025 was slightly up on that of the previous year. The number of new registrations in the Chinese passenger car market was slightly higher than the 2024 figure due to measures including extensive government sales incentives and lower prices. The Indian and Japanese passenger car markets also saw slight growth.

In 2025, the volume of demand for light commercial vehicles in the Asia-Pacific region was slightly above the level for the previous year. Registration volumes in China, the region's dominant market and the largest market worldwide, were noticeably higher year on year.

TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

In the markets that are relevant for the Volkswagen Group, demand for mid-sized and heavy trucks with a gross weight of more than 6 tonnes was noticeably below the level of the comparative period in fiscal year 2025. Globally, truck markets were on a level with the previous year.

The truck market in North America is divided into weight classes 1 to 8. In the segments relevant for Volkswagen – Class 6 to 8 (8.85 tonnes or heavier) – the level of new registrations was significantly lower than in the previous year. In South America, demand for trucks in the reporting year was slightly above that of the previous year.

Demand in the bus markets relevant for the Volkswagen Group was up noticeably on the prior-year level. Demand on the bus markets in North America was on a level with the previous year overall, though the individual markets exhibited very different trends. For example, the school bus segment in the USA and Canada recorded a significant increase, while new registrations of buses in Mexico saw a strong decrease compared with the previous year. Demand for buses in South America was up significantly year on year.

FINANCIAL PERFORMANCE

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

The course of business was positive for the companies of Volkswagen Financial Services Overseas AG in fiscal year 2025.

The operating result increased significantly year-on-year to €528 (460) million. Consolidated profit before tax, after including the share of profits and losses of equity-accounted investments, the net gain or loss on miscellaneous financial assets of other financial investments and the other financial result, amounted to €589 million, a very strong increase on the prior-year figure. Return on equity amounted to 15.0 (9.2)%.

Interest income from lending transactions and marketable securities was €2,666 million (+3.1%) and therefore slightly up on the level of the previous year.

Net income from leasing transactions amounted to €485 (457) million, a noticeable increase compared to the previous year's level. The impairment losses on lease assets of €16 (11) million included in the surplus from leasing transactions were attributable to current market movements and expectations.

Interest expenses were noticeably above the previous year's level at €1,889 (1,729) million.

Net income from service contracts amounted to €18 million (-5.3%) and was noticeably below the prior-year figure.

At €-296 (-233) million, the net addition to the provision for credit risks was up sharply on the previous year. In the previous year, the provision for credit risks contained a one-time item caused by the full reversal of additional country-specific valuation allowances of €136 million.

Net fee and commission income amounted to €42 (55) million, a very strong decrease on the prior-year figure.

General and administrative expenses were slightly down on the previous year at €435 (447) million.

The overhead ratio was 1.17%.

Net other operating income amounted to €43 (-208) million, a very strong increase on the prior-year figure. In the previous year, the deconsolidation of companies in particular had a negative impact of €-244 million. An amount of €21 (22) million was added to the provisions for legal risks and recognized through profit or loss in net other operating income/expenses.

The share of profits and losses of equity-accounted investments saw a very strong year-on-year increase to €35 (-44) million. This change was mainly due to the return to profit after tax of the Turkish joint venture in the current fiscal year.

The net gain/loss on miscellaneous financial assets amounting to €-12 (-12) million in the current fiscal year includes impairment losses of €-11 million for an equity-accounted joint venture and €-7 million for unconsolidated subsidiaries.

On the basis of these figures, together with the other income and expense components, the Volkswagen Financial Services Overseas AG Group generated profit after tax of €572 (184) million.

Under Volkswagen Financial Services Overseas AG's current control and profit-and-loss transfer agreement, a profit of €401 million reported by Volkswagen Financial Services Overseas AG in its single-entity financial statements prepared in accordance with the HGB was transferred to the sole shareholder, Volkswagen AG.

NET ASSETS AND FINANCIAL POSITION

Lending business

At 27.5 billion in total, loans to and receivables from customers and lease assets – which make up the core business of the Volkswagen Financial Services Overseas AG Group – accounted for approximately 89% of the Group's total assets.

The volume of retail lending decreased by a total of €0.3 billion to 18.8 billion (–1.7%).

The number of new retail financing contracts came to 839 thousand, which was above the prior-year level (699 thousand). The number of current contracts stood at 1,960 (1,970) thousand at the end of the year.

The overall lending volume in dealer financing – which comprises loans to and receivables from Group dealers in connection with financing for inventory vehicles, as well as working capital and investment loans – decreased to €4.3 billion (–1.9%).

Overall, receivables from leasing transactions were noticeably above the previous year's level at €1.2 billion (+9.9%). Overall, lease assets grew by €0.4 billion to €2.8 billion (+14.4%).

A total of 194 thousand new leases were entered into in the reporting period. There were 250 thousand lease vehicles in the contract portfolio as of December 31, 2025. The biggest contribution came from LM Transp. Interestaduais Serviços e Comércio S.A., Salvador, Brazil, which has a contract portfolio of 110 thousand lease vehicles.

Total assets of the Volkswagen Financial Services Overseas AG Group fell to €31.1 billion year-on-year (–0.8%).

There were 2,851 thousand service and insurance contracts at the end of the year. The new business volume of 1,334 thousand contracts was up on the prior-year figure (1,097 thousand).

Deposit business and borrowings

In terms of capital structure, the significant liability items included liabilities to banks in the amount of €13.4 billion (–4.5%), liabilities to customers amounting to €3.7 billion (+12.6%) and notes, commercial paper issued in the amount of €8.7 billion (+0.8%). Further details on the funding and hedging strategy can be found in the Liquidity Analysis and Funding sections and in the disclosures on interest-rate risk and liquidity risk in the risk report.

Subordinated capital

The subordinated capital was €0.1 (0.1) billion.

Equity

IFRS equity consists of subscribed capital of unchanged €441 million, the capital reserve of unchanged €2 million, retained earnings of €4.4 (4.3) billion, other reserves of €–1.1 (–0.8) billion and equity attributable to non-controlling interests of €0.1 (0.1) billion. Equity in accordance with IFRSs was €3.9 (4.0) billion overall. This resulted in an equity ratio (equity divided by total assets) of 12.4% based on total assets of €31.1 billion.

Changes in off-balance-sheet liabilities

Off-balance-sheet liabilities decreased by a total of €271 million year-on-year to €4,711 million as of December 31, 2025.

KEY FIGURES BY SEGMENT AS OF DECEMBER 31, 2025

in thousands	Brazil	Mexico	China	Australia	Other companies ¹	VW FS Overseas AG Group
Current contracts	2,064	853	613	186	1,345	5,061
Retail financing	704	171	565	154	367	1,960
of which: consolidated	704	171	565	154	166	1,759
Leasing business	110	52	48	10	30	250
of which: consolidated	110	52	48	10	20	239
Service/insurance	1,250	631	–	21	948	2,851
of which: consolidated	1,250	499	–	21	252	2,023
New contracts	1,140	328	255	69	575	2,367
Retail financing	332	69	210	58	169	839
of which: consolidated	332	69	210	58	61	730
Leasing business	108	24	45	5	12	194
of which: consolidated	108	24	45	5	5	188
Service/insurance	699	236	–	5	394	1,334
of which: consolidated	699	236	–	5	31	972
€ million						
Loans to and receivables from customers attributable to						
Retail financing	7,585	1,888	3,922	3,103	2,298	18,795
Dealer financing	196	917	1,033	1,549	640	4,336
Leasing business	148	699	–	95	294	1,235
Lease assets	2,174	155	–	80	399	2,809
Investment ²	1,094	21	–	58	180	1,354
Operating result	234	168	80	55	–10	528
Percent						
Penetration ³	49.4	42.7	8.3	44.6	28.0	17.8
of which: consolidated	49.4	42.7	8.3	44.6	45.2	17.1

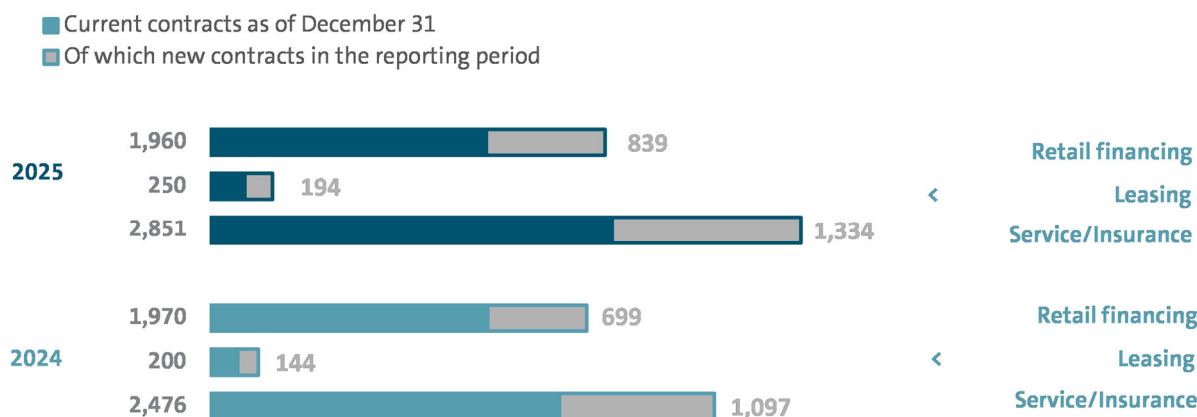
1 The other companies include the markets of Argentina, Chile, Colombia, India, Japan, South Africa, South Korea, Taiwan and Türkiye in terms of the number of contracts and the penetration rate. They also include the Volkswagen Financial Services Overseas AG holding company, the holding companies in the Netherlands and consolidation effects.

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

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

NEW AND EXISTING CONTRACTS AS OF DECEMBER 31, 2025

In thousands



LIQUIDITY ANALYSIS

Most of the funding for the entities of Volkswagen Financial Services Overseas AG is procured locally, mainly on the basis of capital market and asset-backed securities (ABS), bank credit lines and loans from other Volkswagen Group companies. Moreover, committed and uncommitted credit lines from other Volkswagen AG Group companies are available to protect against unexpected fluctuations in liquidity.

Within the context of an outsourcing agreement, the Treasury function of Volkswagen Bank GmbH performs central liquidity management tasks, which include preparing liquidity maturity balances, forecasting cash flows and initiating suitable actions as required.

Liquidity management is conducted locally by the subsidiaries of Volkswagen Financial Services Overseas AG. An internal control system (ICS) has been established within the companies to monitor and measure the liquidity risk. Risk management is based on the use of defined maturity structures for Treasury liabilities. Compliance with these limits is reviewed monthly, serving as an early warning indicator. The central reporting takes place on a quarterly basis.

Depending on their location, the subsidiaries of Volkswagen Financial Services Overseas AG additionally satisfy local regulatory liquidity requirements.

FUNDING

Strategic principles

In terms of funding, the Volkswagen Financial Services Overseas AG 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 rate while taking into account cost and risk aspects.

Funding for the international entities is also intended to be largely procured locally. Bank credit lines, ABS and unsecured capital market bonds are the strategic funding instruments for this purpose.

Implementation

During the reporting year, Volkswagen Financial Services Overseas AG and its subsidiaries issued 20 public bonds in various currencies and made a number of private placements. Bonds denominated in Japanese Yen were issued under the €5 billion capital market program established for Volkswagen Financial Services Overseas AG. Further transactions were placed in Australia, Brazil, Mexico and Türkiye, each on the basis of applicable local documentation requirements.

The following tables show the transaction details:

CAPITAL MARKET TRANSACTIONS IN FISCAL YEAR 2025

Originator	Month	Volume and currency	Maturity
LM Transportes Interestaduais Serviços e Comércio S.A., Salvador	January	150 million BRL	3 years
LM Transportes Interestaduais Serviços e Comércio S.A., Salvador	January	350 million BRL	5 years
VDF FAKTORİNG A.Ş., Istanbul	February	150 million TRY	0.5 years
VDF Filo Kiralama A.Ş., Istanbul	March	1 billion TRY	1 years
Volkswagen Leasing S.A. de C.V., Puebla	May	1.4 billion MXN	3 years
Volkswagen Leasing S.A. de C.V., Puebla	May	1.6 billion MXN	5 years
Volkswagen Financial Services Australia Pty. Ltd., Chullora	June	500 million AUD	4 years
Banco Volkswagen S.A., São Paulo	June	519 million BRL	2 years
Banco Volkswagen S.A., São Paulo	June	337 million BRL	3 years
Banco Volkswagen S.A., São Paulo	June	144 million BRL	10 years
Volkswagen Bank S.A., Institucion de Banca Múltiple, Puebla	September	1.4 billion MXN	3 years
Volkswagen Bank S.A., Institucion de Banca Múltiple, Puebla	September	1.1 billion MXN	5 years
LM Transportes Interestaduais Serviços e Comércio S.A., Salvador	September	1.1 billion BRL	3 years
LM Transportes Interestaduais Serviços e Comércio S.A., Salvador	September	112 million BRL	5 years
Volkswagen Financial Services Japan Ltd., Tokyo	October	2.5 billion JPY	1 years
Volkswagen Financial Services Japan Ltd., Tokyo	October	1.5 billion JPY	3 years
Volkswagen Financial Services Australia Pty. Ltd., Chullora	October	300 million AUD	5 years
Banco Volkswagen S.A., São Paulo	December	250 million BRL	2 years
Banco Volkswagen S.A., São Paulo	December	650 million BRL	3 years
Banco Volkswagen S.A., São Paulo	December	99.9 million BRL	10 years
Banco Volkswagen S.A., São Paulo (private placement)	Total	3.2 billion BRL	2–10 years

In addition, asset-backed securities (ABSs) were issued. Through its subsidiaries, Volkswagen Financial Services Overseas AG was active with various ABS transactions in global markets, including Australia, China and Japan.

ABS TRANSACTIONS IN FISCAL YEAR 2025

Originator	Transaction name	Month	Country	Volume and currency
Volkswagen Financial Services Japan Ltd.; Tokyo	Driver Japan 14	February	Japan	53.5 billion JPY
Volkswagen Finance China Co., Ltd., Beijing	Driver China 16	May	China	4.0 billion CNY
Volkswagen Financial Services Australia Pty. Ltd., Chullora	Driver Australia 11	July	Australia	600 million AUD

Ratings

Volkswagen Financial Services Overseas AG are wholly owned subsidiaries of Volkswagen AG and as such, their ratings with Standard & Poor's (S&P), Moody's Investors Service (Moody's) and Fitch Ratings Limited (Fitch) are closely associated with those of the Volkswagen Group.

In December 2025, S&P affirmed its A-2 (short-term) and BBB+ (long-term) ratings for Volkswagen AG and Volkswagen Financial Services Overseas AG. The outlook for both ratings was downgraded to negative following the change at Volkswagen AG.

On March 18, 2025, Moody's downgraded the ratings of Volkswagen Financial Services Overseas AG to a long-term rating of Baa1 following the downgrade of Volkswagen AG on March 17, 2025, confirmed the short-term rating at P-2, and reset the outlook back to "stable".

In September 2025, Fitch affirmed its F1 (short-term) and A- (long-term) ratings for Volkswagen AG and Volkswagen Financial Services Overseas AG. The outlook was changed from "stable" to "negative" on April 10, 2025, following the change to Volkswagen AG on April 7, 2025.

Volkswagen Financial Services Overseas AG

(Condensed, in accordance with the HGB)

2025 BUSINESS PERFORMANCE

Volkswagen Financial Services Overseas AG reported a result from ordinary activities after tax amounting to a profit of €401 (208) million for fiscal year 2025.

Sales revenue amounted to €3 (2) million, with cost of sales coming to €3 (2) million. These items primarily include the income from cost allocations to Group companies and the expenses related to personnel.

Other operating income came to €2 (17) million, with other operating expenses amounting to €10 (3) million. Other operating income mainly comprised income from the reversal of provisions.

Mainly due to the dividend income of €268 million from the equity investment in Volkswagen Finance (China) Co., Ltd., net income from long-term equity investments improved to €276 (258) million.

Taking account of an amount of €154 thousand that is blocked for distribution within the meaning of section 268(8) of the HGB, €401 million will be transferred pursuant to the existing control and profit-and-loss transfer agreement.

Total assets declined by 16.8%, from €3,058 million to €2,545 million.

Receivables from affiliated companies fell by €611 million to €482 million. They largely consist of loan receivables, time deposits and current account balances.

The company's liabilities declined by 20.2% to €2,034 million. These are mainly accounted for by liabilities to affiliated companies of €2,007 (2,100) million and other liabilities of €27 (448) million.

The Company's equity is almost unchanged at €489 million. The equity ratio was 19.2% (16.0%) as of the reporting date.

MANAGEMENT, AND OPPORTUNITIES AND RISKS RELATING TO THE BUSINESS PERFORMANCE OF VOLKSWAGEN FINANCIAL SERVICES OVERSEAS AG

Volkswagen Financial Services Overseas AG operates exclusively as a holding company and is integrated into the internal management concept of the Volkswagen Financial Services Overseas AG Group. It is thus subject to the same key performance indicators and the same opportunities and risks as the Volkswagen Financial Services Overseas Group. The legal requirements governing the management of Volkswagen Financial Services Overseas AG as a legal entity are observed using key performance indicators such as net assets, net income and liquidity. This internal management concept and these opportunities and risks are described in the section on the fundamental information about the Volkswagen Financial Services Overseas AG Group as well as in the report on opportunities and risks in this management report.

INCOME STATEMENT OF VOLKSWAGEN FINANCIAL SERVICES OVERSEAS AG, BRAUNSCHWEIG, FOR FISCAL YEAR 2025

€ million	2025	2024
Sales	3	2
Cost of sales	3	2
Gross profit on sales	0	0
General and administrative expenses	28	27
Other operating income	2	17
Other operating expenses	10	3
Net income from long-term equity investments	276	259
of which income from affiliated companies	268	249
Financial result	-17	-40
of which income from affiliated companies	74	66
of which expenses from affiliated companies	56	60
Income tax expense	-178	-2
Profit after tax	401	208
Profits transferred under a profit-and-loss transfer agreement	401	207
Losses absorbed under a profit-and-loss transfer agreement	-	-
Net income	0	1
Profit brought forward	-	2
Asset reductions due to division	-	-6,589
Equity shares released to cover the reduction in assets	-	6,589
Transfer to other profit reserves	0	3
Net retained profits	-	-

BALANCE SHEET OF VOLKSWAGEN FINANCIAL SERVICES OVERSEAS AG, BRAUNSCHWEIG, AS OF DECEMBER 31, 2025

€ million	Dec. 31, 2025	31.12.2024
Assets		
A. Fixed assets		
I. Financial assets	2,054	1,942
	2,054	1,942
B. Current assets		
I. Receivables and other assets	489	1,109
II. Cash-in-hand and bank balances	0	–
	489	1,109
C. Prepaid expenses	2	7
Total assets	2,545	3,058
Equity and liabilities		
A. Equity		
I. Subscribed capital	441	441
II. Capital reserves	0	0
III. Retained earnings	48	47
IV. Net retained profits	–	–
	489	488
B. Provisions	22	21
C. Liabilities	2,034	2,549
D. Deferred income	–	–
Total equity and liabilities	2,545	3,058

Report on Opportunities and Risks

The active management of opportunities and risks is a fundamental element of the successful business model used by Volkswagen Financial Services Overseas AG.

OPPORTUNITIES AND RISKS

In this section, the opportunities and risks that arise in connection with business activities are presented. 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, their success 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, both fundamental opportunities that could lead to a positive deviation from the forecast and detailed description of relevant risks are reported.

MACROECONOMIC OPPORTUNITIES AND RISKS

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

Declining inflation in major economic regions and the resulting easing of monetary policy are expected to boost consumer demand. We continue to believe that risks will arise from increasing fragmentation of the global economy and protectionist tendencies, turbulence in the financial markets and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are weighing on growth prospects; risks are associated in particular with the Russia-Ukraine conflict and the confrontations in the Middle East, and the increasing uncertainties regarding the political orientation of the USA. We assume that both the advanced economies and the emerging markets will show a somewhat weaker momentum compared to the reporting period on average.

We also foresee the global economy continuing on a path of steady growth through 2030. The macroeconomic environment could, however, also create opportunities for Volkswagen Financial Services Overseas AG if inflation takes a more positive path than anticipated, for example, or if geopolitical tensions ease and economic growth proves stronger as a result.

Strategic opportunities and risks

In addition to maintaining its international focus by tapping into new markets, the Volkswagen Financial Services Overseas AG 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. Further opportunities may be created by launching established products in new markets.

The Volkswagen Financial Services Overseas AG 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 Financial Services Overseas AG reinforced.

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 due to macroeconomic volatility in individual countries, the realized losses may be lower than the expected losses if the economic situation stabilizes and borrowers' credit ratings improve as a result.

Opportunities from residual value risk

When vehicles are remarketed, the Volkswagen Financial Services Overseas AG Group may be presented with the opportunity to achieve a price that is higher than the calculated residual value if prices actually achieved from remarketing rise more than anticipated because of an increase in demand for used vehicles or other factors causing supply bottlenecks for new vehicles.

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 Financial Services Overseas AG 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 for the accounting process used for the consolidated and annual financial statements and management report of Volkswagen Financial Services Overseas AG.

- > The Board of Management of Volkswagen Financial Services Overseas AG, in its capacity as the governing body responsible for the executive management of the business, has concluded a service agreement with the Accounting division of Volkswagen Financial Services AG (service provider) as of July 1, 2024, to ensure that the accounting and financial reporting processes of the individual entity Volkswagen Financial Services Overseas AG and of the Volkswagen Financial Services Overseas AG Group are carried out properly. This agreement describes the services performed by the service provider, including the type of services and the manner in which they are provided, the documentation of the relevant processes and the obligations of Volkswagen Financial Services Overseas AG as the principal to provide assistance. In the context of outsourcing, the services provided by the principal are monitored using the controls implemented.

- > The Board of Management of Volkswagen Financial Services Overseas AG has also integrated an accounting function into its own organization to ensure consultation in respect of the requirements and schedules for the services to be performed by the service provider, the coordination of the service provider and the performance of quality assurance by Volkswagen Financial Services Overseas AG.
- > 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 Financial Services Overseas AG are governed by the accounting and financial reporting requirements of the IFRS Accounting Standards (IFRSs). The accounting policies for the single-entity financial statements of Volkswagen Financial Services Overseas AG are governed by the accounting and financial reporting requirements of the German Commercial Code (HGB).
- > The accounting requirements also govern specific formal requirements for the consolidated financial statements. In addition to defining the basis of consolidation, the components of the IFRS reporting packages to be prepared 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 the Group level, specific control activities by the service provider aimed at ensuring that the consolidated financial reporting provides a true and fair view include the analysis and possible correction of the IFRS reporting packages prepared by the consolidated entities, taking account of the reports submitted by the auditor or of the audit meetings held in this connection.
- > The service provider's 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 four-eyes-principle.
- > Internal auditing of Volkswagen Financial Services Overseas AG is a key component of the monitoring and control system. It carries out regular audits of accounting-related processes as part of its risk-oriented auditing activities and reports on these audits directly to the Board of Management of Volkswagen Financial Services Overseas AG. In addition, as part of its risk-oriented auditing activities, the Internal Audit department of Volkswagen Financial Services AG carries out regular audits of accounting-relevant processes performed by the service provider.

In summary, the existing ICS and IRMS of the Volkswagen Financial Services Overseas AG are intended to ensure that the financial position of the individual entity Volkswagen Financial Services Overseas AG and of the Volkswagen Financial Services Overseas AG 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 Financial Services Overseas AG after the reporting date.

ORGANIZATIONAL STRUCTURE OF THE RISK MANAGEMENT SYSTEM

At Volkswagen Financial Services Overseas AG, risk is defined as the danger of loss or damage that could occur if an expected future development turns out to be less favorable than planned. Volkswagen Financial Services Overseas AG, including its subsidiaries and equity investments, is exposed to a large number of risks typical for the financial services sector within the scope of its primary operating activities. It consciously accepts these risks to ensure that it can exploit any resulting market opportunities.

The organizational structure of the Volkswagen Group's Risk Management System/Internal Control System is based on the internationally recognized COSO Enterprise Risk Management Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management (COSO-ERM). The structure of the Risk Management System/Internal Control System in accordance with the COSO ERM Integrated Framework also ensures that potential areas of risk in the Volkswagen Financial Services Overseas AG Group are comprehensively covered by the risk management processes. Risk is managed using a risk management system based on a three-lines model. This structure functions as a monitoring and control system for risk. This comprises a framework of risk principles, organizational structures, and processes for assessing, monitoring and communicating risks. The individual elements are tightly focused on the activities of the individual divisions. This structure makes it possible to identify at an early stage any trends that could represent a risk to the business as a going concern so that appropriate corrective action can then be initiated.

One of the functions of the Risk Management division is to provide frameworks (second line) for the organization of the Risk Management System and report directly to the Board of Management. This function includes drawing up and coordinating risk policy guidelines (to be carried out by the risk owner) and developing and maintaining methodologies and processes relevant to risk management, as well as issuing internal framework standards for the procedures to be used around the world.

Local risk management (first line) ensures that the requirements applicable to the international subsidiaries are implemented and complied with. On-site local risk management is responsible for the detailed design of models and procedures for measuring and managing risks, and carries out local implementation of processes and technical features.

Appropriate procedures are in place to ensure that risk management is adequate. The relevant risk owner for individual risk types continuously monitors and manages risks, which are pooled and reported to the Board of Management by Risk Management. The individual elements in the system are regularly verified on a risk-oriented basis by Internal Audit (third line).

The Chief Financial Officer is responsible within Volkswagen Financial Services Overseas AG for overall risk monitoring. In this role, he submits regular reports to the Audit Committee, Supervisory Board and Board of Management on the overall risk position of Volkswagen Financial Services Overseas AG.

An important feature of the risk management system at Volkswagen Financial Services Overseas AG is the clear, unequivocal separation of tasks and areas of responsibility, both organizationally and in terms of personnel, between the holding company (Risk Management division) and the markets (local risk management) to ensure that the system is fully functioning at all times and regardless of the personnel involved.

BUSINESS STRATEGY AND RISK MANAGEMENT

Fundamental decisions relating to strategy and the instruments of risk management are the responsibility of the Board of Management. As part of this overall responsibility, the Board of Management has introduced a strategy process and drawn up a business strategy.

The MOBILITY2030 business strategy sets out the fundamental views of the Board of Management of Volkswagen Financial Services Overseas AG on fundamental matters relating to business policy. It includes the objectives for each key business activity and the strategic areas for action to achieve the relevant objectives.

The main risk management goals and measures for each category of risk provide direction for the business policy and risk appetite.

The focus of the strategy, which is adopted and communicated by the Board of Management and applies throughout the Group, is based on risk appetite and the steering approach for each risk category. Risk appetite and the steering approach are defined on a regular basis for all types of risk that have been deemed material by the Board of Management. They have an impact on the extent to which risk management measures are implemented by the risk owner for the individual risk types. Further details and specifics of the individual risk types are set out in operational requirements as part of the planning round in accordance with management requirements. The attainment of goals is reviewed on a regular basis and any variances are analyzed to establish the causes.

RISK-BEARING CAPACITY

Volkswagen Financial Services Overseas AG has established a system for determining risk-bearing capacity, in which risk is compared with the risk-taking potential. The outcome of an analysis of substantial risks that could jeopardize the continued existence of the business as a going concern forms the basis for inclusion in the calculation of risk-bearing capacity. The Company is deemed to have maintained its risk-bearing capacity if, as a minimum, the substantial risk types are covered by the risk-taking potential. Risks are quantified using methodologies that reflect an unexpected loss within a certain period of time.

In accordance with the risk tolerance level laid down by the Board of Management of Volkswagen Financial Services Overseas AG, only a portion of the risk-taking potential is specified as the maximum risk that can be assumed (overall risk limit).

RISK CONCENTRATIONS

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

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

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

- > Volkswagen Financial Services Overseas AG's income is generated from just a few sources (income concentrations).

One of the objectives of Volkswagen Financial Services Overseas AG's risk policy is to reduce such concentrations by means of broad diversification.

Counterparty concentrations from customer financing are only of minor significance because of the large proportion of business accounted for by retail lending. In terms of regional distribution, the Company aims for broadly based diversification of business across regions.

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. A broad vehicle diversification means that there is no residual value concentration. 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.

SUBSTANTIAL RISK TYPES AND RISK REPORTING

Based on the annual validation of the risk inventory, the following risk types were assessed as substantial to Volkswagen Financial Services Overseas AG: credit risk, residual value risk, shareholder risk, liquidity risk, interest rate risk, operational risk, strategic risk and reputational risk. Country risk is essentially covered by shareholder risk. Cross-border finance and intercompany loans are of only minor significance for affiliated companies of Volkswagen Financial Services Overseas AG. The currency risk is also not substantial. Hedging transactions are used to mitigate any risks that arise in this respect.

Risks are regularly reported to the Board of Management in the form of a management report. This includes key financial performance indicators and key risk data for selected substantial risk types. The presentation of aggregated quantitative data for the Volkswagen Financial Services Overseas AG Group is accompanied by a presentation of the changes by markets.

Ad hoc reports at risk-type level are generated as needed to supplement the system of regular reporting. These reports are used to ensure that the Board of Management is informed of any impending negative trends.

Credit risk

Credit risk describes the risk of losses due to defaults in customer transactions, specifically by 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.

The aim of systematic credit risk monitoring by the international subsidiaries is to identify potential borrower or lessee insolvencies at an early stage, initiate any corrective action to prevent a potential default in good time and anticipate possible losses by recognizing appropriate write-downs or provisions. Significant borrowers or borrower units are also monitored by Risk Management.

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.

Lending or credit decisions at Volkswagen Financial Services Overseas AG are made primarily on the basis of the borrower credit check. In the local entities, 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 guidelines outlines the requirements for developing and maintaining the rating models. Another set of guidelines specifies the parameters for developing, using and validating the scoring systems in the retail business.

Rating systems for corporate customers

Volkswagen Financial Services Overseas AG Group uses rating systems to assess the creditworthiness of corporate customers if a defined threshold value for the limit/credit amount is exceeded or if a customer belongs to a risk-based group. 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, market and industry environment, 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. The models in use are largely centrally validated and monitored on a regular basis, and are adjusted if required. The scoring systems described in the following section are used for customers below the aforementioned threshold value.

Scoring systems in the retail business

Scoring systems are used in the processes for credit approval and for evaluating the existing portfolio to determine the creditworthiness of the retail customers. 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. The models and systems in use are regularly monitored, validated, adjusted (where required) and refined at local level.

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. Local collateral guidelines with specific values take these rules into account. The values in the collateral policies are based on historical data and experience accumulated by experts over many years. As the operating activities of Volkswagen Financial Services Overseas AG Group are focused on retail financing, dealer financing and the leasing of vehicles, the vehicles themselves are hugely important as collateral assets. For this reason, trends in the market values of vehicles are locally monitored and analyzed; the collateral values based on this data are adjusted, where required.

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.

Risk Management sets fundamental parameters in the form of golden rules and guidelines 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). Credit risk is also managed using reporting limits determined by Volkswagen Financial Services Overseas AG and specified separately for each individual company. Regular reporting and the yearly planning process are used to monitor credit risk at portfolio level.

CHANGES IN CREDIT RISK

Credit risk ¹	Dec. 31, 2025	Dec. 31, 2024
Amount utilized (€ million)	29,674	29,428
Default rate in %	4.0	3.1
Impairment ratio in %	3.6	3.5

¹ Including joint ventures (full inclusion) and subsidiaries recognized at cost.

The rating and scoring processes on which the impairment ratio is based include default probabilities of future events.

Residual value risk

Residual value risk arises from the fact that the actual market value for a lease asset at the time of remarketing could be lower than the residual value calculated at the inception of the lease. On the other hand, there is an opportunity in that the remarketing could generate proceeds greater than the calculated residual value.

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 Financial Services Overseas AG Group (contractually determined). An indirect residual value risk arises if the residual value risk has been transferred to a third party (such as a dealer) on the basis of a residual value guarantee. In such cases, the initial risk is a counterparty default risk in respect of the residual value guarantor. If the residual value guarantor defaults, the residual value risk reverts to the Volkswagen Financial Services Overseas AG Group.

If a residual value risk materializes, it may be necessary to recognize an impairment loss or a loss on disposal of the asset concerned. This could have a negative impact on financial performance. As stated in the accounting policies for leases described in the notes to the consolidated financial statements, the impairment losses generally lead to a subsequent adjustment of future depreciation rates.

Direct residual value risk is quantified using expected loss, which equates to the difference between the latest forecast as per the remeasurement date of the remarketing proceeds on expiry of the contract and the contractual residual value specified for each vehicle. Other parameters such as remarketing costs are also taken into account in the calculation. The expected loss for the portfolio is determined by

aggregating the individual expected losses for all vehicles. The expected losses arising from contracts subject to risk relate to the losses expected at the end of the term of the contracts concerned. These losses are recognized in profit or loss in the consolidated financial statements for the current period or in prior periods. The ratio of the expected losses from contracts subject to risk to the contractually fixed residual values in the overall portfolio is expressed as risk exposure. The results from the quantification of the expected loss and risk exposure are considered in the assessment of the risk situation.

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).

CHANGES IN DIRECT RESIDUAL VALUE RISK

Direct residual value risk ¹	Dec. 31, 2025	Dec. 31, 2024
Number of contracts	207,952	168,939
Guaranteed residual values (€ million)	3,246	2,981
Risk exposure in %	2.1	3.4

¹ Including joint ventures (full inclusion) and subsidiaries recognized at cost

As part of the management of residual value risk, Volkswagen Financial Services Overseas AG has firstly specified rules for managing residual value. The processes for this include the calculation of the risk exposures of forward-looking residual value forecasts. Secondly, it has established uniform requirements for the Group, which reflect the accounting standards governing the recognition of provisions. On the basis of this mandatory outer framework, the divisions/markets monitor and control their business policy activities, planning and decisions in compliance with their assigned authority. Residual value risk is monitored at portfolio level by means of regular reporting and the annual planning process.

SHAREHOLDER RISK

Shareholder risk refers to the risk that equity investments made by Volkswagen Financial Services Overseas AG could potentially lead to losses in connection with capital provided (as a result of lack of dividends, write-downs to going-concern value, losses on disposal or decrease in hidden reserves) or liability risks (for example, in the case of letters of comfort).

In principle, Volkswagen Financial Services Overseas AG only makes such equity investments to help it achieve its corporate objectives. The investments must therefore support its own operating activities and are intended to be held on a long-term basis.

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 of Volkswagen Financial Services Overseas AG would be adversely affected by write-downs recognized in profit or loss.

Equity investments are integrated into the annual strategy and planning process of Volkswagen Financial Services Overseas AG. 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 business units themselves.

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. If liquidity risk were to materialize, higher costs and lower selling prices for assets could lead to a negative impact on financial performance. The consequence of liquidity risk in the worst-case scenario is insolvency caused by illiquidity. Liquidity risk management ensures that this situation does not arise. The analysis and management of liquidity risk at the entities belonging to Volkswagen Financial Services Overseas AG are outsourced to the Treasury division of Volkswagen Bank GmbH.

The primary objective of liquidity management is to safeguard the ability of the Company to meet its payment obligations at all times. This can be guaranteed through the use of drawdowns under credit facilities available with third-party banks and with Volkswagen AG. To measure liquidity risk, Volkswagen Financial Services Overseas AG has set up a system of limits throughout the Group. This system restricts funding-related cash outflows over a time horizon of 12 months. A broad diversification of funding maturities is therefore necessary to ensure compliance with the limits. To manage liquidity, the Operational Liquidity Committee (OLC) meets at least every six weeks to monitor the current liquidity situation and the range of liquidity coverage. It decides on funding measures and prepares any necessary decisions for the decision-makers. Risk Management communicates the main risk management information and relevant early warning indicators relating to liquidity risk. As of December 31, 2025, 59% of the limit was utilized.

Interest rate risk

Interest rate risk refers to potential losses that could arise as a result of changes in market interest rates. It occurs because of interest rate mismatches between asset and liability items in a portfolio or on the balance sheet. Volkswagen Financial Services Overseas AG is exposed to interest rate risk in its banking book. Changes in interest rates that cause interest rate risk to materialize can have a negative impact on financial performance. Interest rate risk is managed with an interest rate gap analysis based on limits using interest rate derivatives as part of the risk strategy defined by the Board of Management of Volkswagen Financial Services Overseas AG. Monitoring is performed by Treasury on the basis of a service agreement with Volkswagen Bank GmbH. A report on interest rate risk at Volkswagen Financial Services Overseas AG is submitted to the Board of Management each quarter. As of December 31, 2025, 64% of the limit was utilized.

Operational risk

Operational risk (OpR) is defined as the risk of loss that could result from inadequate or failed internal processes (process risk), people (HR risk), systems (technological risk), legal positions or contracts (legal risk), or from external events (catastrophe risk).

The objective of operational risk management is to present operational risks transparently and initiate precautionary and corrective measures with a view to preventing or, when this is not possible, mitigating the risks or losses. If an operational risk materializes, this represents an operational loss with the resulting loss of a business asset, which has a negative impact on net assets, financial position or financial performance, depending on the amount of the loss. Processes and responsibilities are set out in the operational risk manual.

The annual risk self-assessment is used to determine a forward-looking monetary assessment of potential risks. A standardized risk questionnaire is provided for this purpose. The local experts use these questionnaires to determine and record the potential level of risk and the probability that a risk could materialize. The central loss database is used to ensure that information about monetary operational losses is collected in-house on an ongoing basis and the relevant data is stored. A standardized loss form is made available to the local experts to aid this process. The experts use this form to determine and record the relevant data, including the amount and cause of the loss.

Operational risk is managed by the companies/divisions (operational risk units) on the basis of the guidelines in force. To this end, 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).

Risk Management checks the plausibility of the information provided by the companies/divisions in the risk self-assessments, reviews the reported loss events and then initiates any necessary corrective action, reviews the operational risk system to ensure it is fully functioning and instigates appropriate modifications as required. This includes the integration of all relevant operational risk units.

Details of operational risk are reported regularly to the Board of Management. Ad hoc reports are issued in addition to the ongoing reports if the criteria specified for these are met.

Actual losses from operational risk amounted to €13.7 million in the year under review.

Strategic risk

Strategic risk (also referred to as the risk from general business activities) is the risk of a direct or indirect loss arising from strategic decisions that are flawed or based on false assumptions. Strategic risk also includes all risks that result from the integration/reorganization of technical systems, personnel or corporate culture (integration/reorganization risk). These risks may be caused by fundamental decisions about the structure of the business made by the management in relation to the positioning of the Company in the market.

The objective of Volkswagen Financial Services Overseas AG is to manage its acceptance of strategic risk enabling it to systematically leverage earnings potential. In the worst-case scenario, a materialization of strategic risk could jeopardize the continued existence of the Company as a going concern.

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

SELECTED OTHER RISKS AND RISK PROCESSES

Compliance and integrity risks

At Volkswagen Financial Services Overseas AG, compliance risk encompasses all risks that could arise from non-compliance with statutory rules and regulations or official requirements, or that could be caused by a breach of internal company regulations.

The separate category of integrity risk encompasses all risks that arise from ethically improper conduct or actions that do not comply with the principles and values of Volkswagen Financial Services Overseas AG, thereby presenting an obstacle to the long-term success of the business.

To manage these risk types, Volkswagen Financial Services Overseas AG has established a decentralized Integrity and Compliance function, which serves as a governance function that defines and implements risk-mitigating measures. The Integrity and Compliance function fosters compliance with statutory requirements, internal rules and the organization's own stated values and contributes to establishing an appropriate corporate culture. Integrity risk and compliance risk are not treated as separate risk types, but as integral aspects of an overarching risk process that impacts all risk types.

The Chief Integrity & Compliance Officer is a core part of this function. Their role is to implement effective processes for complying with statutory requirements and the corresponding control mechanisms. This is achieved primarily by defining binding requirements at Group level to serve as the framework for the local implementation of the stipulations by the integrity and compliance officers of the individual companies. Local companies are independently responsible for implementing these requirements. The individual companies are responsible for additional requirements and ethical principles. Deviations from the minimum requirements are only permitted if accompanied by the disclosure of plausible reasons (such as local statutory requirements) and in consultation with the Chief Integrity & Compliance Officer.

The development of a compliance culture is fostered by the continuous communication of the Volkswagen Group's Code of Conduct and by risk-oriented awareness measures such as tone-from-the-top, face-to-face training and e-learning programs. This culture is further reinforced by communication measures including guidelines, information materials and participation in the respective compliance and integrity programs.

The Chief Integrity & Compliance Officer supports the Board of Management in matters relating to the avoidance of integrity and compliance risks and reports to the Board at regular intervals. For its part, the Board of Management has entered into its own voluntary undertaking regarding compliance and integrity. This ensures that compliance and integrity aspects will also be discussed and taken into account in all decisions made by the Board of Management.

The areas of antitrust compliance and prevention of money laundering and funding of terrorism have been outsourced to Volkswagen Financial Services AG.

Environmental, social and governance (ESG) risks

The Volkswagen Financial Services Overseas AG Group regards ESG matters as a business responsibility and critical strategic success factor for a captive such as itself operating in the automotive and personal mobility spheres. It actively chooses not to assess ESG risks as a separate category of significant risk in the risk inventory process, however, because their highly heterogeneous nature means they have potential impacts across a large number of risk types.

The Volkswagen Financial Services Overseas AG Group continues to work intensively on ESG matters, the various aspects of which affect all areas of our business model and have been included as a separate element (governance) in the MOBILITY2030 strategy.

In terms of the environmental dimension, the Volkswagen Financial Services Overseas AG Group is committed to a Group-wide reduction in CO₂ emissions, for example, by using renewable energy sources at the various sites.

In terms of the social dimension, the Volkswagen Financial Services Overseas AG Group has established standards to safeguard occupational health and safety, diversity, equal opportunities, training and professional development. In addition, the subsidiaries are involved in a large number of local social projects. For example, Banco Volkswagen S.A., a subsidiary of Volkswagen Financial Services Overseas AG, supports a range of projects to help socially vulnerable population groups and improve socially marginalized communities.

SUMMARY

Fiscal year 2025 was characterized by increasing competitive pressure coupled with new opportunities (e.g. portfolio growth in the Brazilian market). The more volatile macroeconomic environment in the markets of Volkswagen Financial Services Overseas AG resulted in an anticipated increase in the risk situation.

Interest rate and liquidity risk remain stable.

The residual value risk is still of minor significance because of the currently low penetration of residual value products in the portfolio.

Forecast for credit and residual value risk

The risk situation will remain challenging given the very pronounced economic risks and global political tensions anticipated for 2026. The specific risk situation of Volkswagen Financial Services Overseas AG's portfolios will depend strongly on how inflation and purchasing power develop in the various markets (especially Brazil).

The Company continues to monitor the risk situation closely so that it can respond proactively to any potential developments by initiating targeted corrective measures.

In the residual value portfolio in particular, a further continuous increase in contract volumes is expected for fiscal year 2026, driven by a growing trend from financing to leasing products. This development is expected to have a positive impact on the residual value portfolio.

Forecast for liquidity risk

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

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 Financial Services Overseas AG 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 Financial Services Overseas AG can exploit them as soon as possible.

Our assumptions are based on current estimates by third-party institutions. These include 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.

North America

We anticipate continued stable economic growth in the USA in 2026 and expect that, on average, inflation will remain at a similar level to the previous year. The US Federal Reserve is likely to implement further key rate cuts in the course of 2026. For Canada we expect a somewhat slower growth rate than in the previous year, while economic growth in Mexico will probably be somewhat higher than in the reporting year.

South America

The Brazilian economy will most likely record a positive rate of growth in 2026, although it will be somewhat lower than that of the reporting year. Argentina is expected to continue to show positive growth, probably also at a somewhat lower level.

Asia-Pacific

Chinese GDP is projected to grow at a relatively high level in 2026, albeit at a somewhat lower rate than in the previous year. India's economic growth will likely see slightly lower momentum than in the reporting year. Japan's economic output is also expected to grow compared with 2025, but at a somewhat slower pace.

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 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.

In the mid-sized and heavy commercial vehicles category, we are seeing robust demand for financial services products in the emerging markets. In these countries in particular, financing solutions support vehicle sales and are thus an essential component of the sales process. In the developed markets, we expect to see increased demand for telematics services and services aimed at reducing total cost of ownership in 2026. This trend is also expected to persist in the period 2027 to 2030.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

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

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

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

North America

The sales volume in the markets for passenger cars and light commercial vehicles (up to 6.35 tonnes) in North America overall and in the United States in 2026 is forecast to be slightly lower than the level seen in the previous year. Demand will probably remain highest predominantly for models in the SUV and

pickup segments. We expect to see a strong decline in new registrations of all-electric vehicles due to a realignment of BEV subsidies at the federal level. In Canada, the number of vehicles sold is likely to be slightly lower than in the previous year. We also expect the volume of new registrations in Mexico to be slightly under the prior-year level.

South America

Owing to their dependence on demand for raw materials worldwide, the South American markets for passenger cars and light commercial vehicles are heavily influenced by developments in the global economy. We anticipate a slight increase overall in new registrations in the South American markets in 2026 compared with the previous year. The market volume in Brazil is expected to be noticeably higher than in 2025, while in Argentina it is projected to be slightly up on the prior year.

Asia-Pacific

The volume of new passenger car registrations in the Asia-Pacific region in 2026 will probably be in the range of the previous year. We estimate that the market volume in China will likewise be in the range of the 2025 figure. Plug-in hybrid models with long ranges are likely to be increasingly in demand. A weaker-than-expected economic recovery or intensifying geopolitical tensions may have adverse effects. In particular, the volatile trade dispute between China and the United States is likely to continue to weigh on business and consumer confidence, as long as there is no resolution in sight. We expect the Indian passenger car market to be at the same level as the previous year, while demand in Japan will probably slightly exceed the prior-year volume.

The volume of new registrations for light commercial vehicles in the Asia-Pacific region in 2026 will probably be on a level with the previous year's figure. We are expecting demand in the Chinese market to be in the range of the prior year. For India, we project that the volume in 2026 will be slightly higher than in the reporting year. In the Japanese market, we estimate that volumes will also be slightly higher year-on-year.

TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

For 2026, we expect that new registrations for mid-sized and heavy trucks with a gross weight of more than six tonnes will be on a level with the previous year in the markets that are relevant for the Volkswagen Group, with regional variations.

The truck market in North America is divided into weight classes 1 to 8. In the segments relevant for Volkswagen – Class 6 to 8 (8.85 tonnes or heavier) – we expect new registrations to be slightly above the level of the previous year. We anticipate a noticeable dip in demand in South America in 2026.

On average, we anticipate that demand in the relevant truck markets will remain at a steady level for the years 2027 to 2030.

A slight year-on-year decrease in demand is anticipated for 2026 in the bus markets relevant for the Volkswagen Group, whereby this will vary depending on the region. We forecast noticeable growth for the bus markets in North America for 2026. New registrations in South America are expected to be significantly lower than the prior-year figure in 2026.

Overall, we predict demand for buses to be steady on average across the relevant markets for the period from 2027 to 2030.

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.

Volkswagen Financial Services Overseas AG closely monitors developments in the mobility market and is 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, Volkswagen Financial Services Overseas AG aims 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.

From traditional financing and leasing to long-term rental business and subscription services, Volkswagen Financial Services Overseas AG is already able to meet a large proportion of customer mobility needs.

As is the case with vehicles powered by combustion engines, Volkswagen Financial Services Overseas AG are close partners of the Volkswagen Group brands in the marketing of electric vehicles. Attractive leasing products, complemented by maintenance and wear-and-tear packages, play an important role in the marketing of the Volkswagen Group's electric vehicles.

In this context, Volkswagen Financial Services Overseas AG intends to continue offering its customers a one-stop shop, remaining true to the essence of its brand slogan "The Key to Mobility" in the future.

NEW MARKETS/INTERNATIONALIZATION/NEW SEGMENTS

The finance, leasing, insurance and mobility services segments are essential for acquiring customers and developing loyal, long-term customer relationships worldwide. The Volkswagen Financial Services Overseas AG Group evaluates market-entry concepts to systematically drive the roll-out of these business activities in additional non-European markets in its role as financial services provider and strategic partner for the Volkswagen Group brands. The objective of these efforts is to establish a solid foundation for profitable growth of the business volume.

SUMMARY OF EXPECTED DEVELOPMENTS

Increasing fragmentation of the global economy combined with growing protectionist tendencies in the USA are raising uncertainty as to future development. In addition, growth prospects will be impacted by ongoing geopolitical tensions and conflicts, especially the Russia-Ukraine conflict and confrontations in the Middle East. Moreover, there is a significant challenge in China due to the persistently tough vehicle sales situation coupled with fierce competition in the finance business.

The business performance of Volkswagen Financial Services Overseas AG will again remain essentially dependent on the unit sales of the Volkswagen Group in 2026. The intention is to step up sales efforts with the brands of the Volkswagen Group, in particular via joint strategic projects. Volkswagen Financial Services Overseas AG also plans to continue its efforts to make optimal use of the potential available along the automotive value chain.

Volkswagen Financial Services Overseas AG aims to meet the requirements and desires of its customers as effectively as possible working together with the Group brands. It is providing the type of flexible mobility services that customers expect through products such as its leasing service. The ongoing spread of digitalization should deliver a boost to this area of business.

The product bundles and mobility offerings of recent years that have already been successful from the perspective of Volkswagen Financial Services Overseas AG are to be refined in line with customer needs. Volkswagen Financial Services Overseas AG's position in the global competitive environment will continue to be strengthened not only through efforts targeting the market, but also through strategic investments in IT projects and continuous process optimization.

OUTLOOK FOR 2026

The Board of Management of Volkswagen Financial Services Overseas AG expects that global economic output will grow at a similar pace in 2026 to that of 2025. Risks will continue to arise from the increasing fragmentation of the global economy, protectionist tendencies, turbulence in the financial markets and structural deficits in individual countries.

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

The operating result for fiscal year 2026 is expected to be noticeably below the level recorded in the previous year.

Compared with the previous year, new contracts are forecast to be on the same level and penetration significantly lower.

It is assumed that current contracts in 2026 will be significantly above fiscal year 2025, and business volume will be slightly lower than in fiscal year 2025.

Return on equity is expected to be strongly down year-on-year in 2026 as a result of the forecast earnings performance and stable capital adequacy situation.

We anticipate that the overhead ratio will be significantly higher than the previous year.

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

	Actual 2025	Forecast for 2026	
Nonfinancial performance indicators			
Penetration (percent)	17.8	< 17.8	significantly below previous year
Current contracts (thousands)	5,061	> 5,061	significantly up on previous year
New contracts (thousands)	2,367	= 2,367	same level as previous year
Financial performance indicators			
Volume of business (€ million)	27,174	< 27,174	slightly below the previous year
Operating result (€ million)	528	< 528	noticeably below previous year
Return on equity (percent)	15.0	< 15.0	stronger below previous year
Overhead ratio (percent)	1.17	> 1.17	significantly up on previous year

Braunschweig, March 2, 2026

Volkswagen Financial Services Overseas AG
The Board of Management



Dr. Wolf-Stefan Specht



Patrick Welter

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

Balance Sheet

of Volkswagen Financial Services Overseas AG, Braunschweig,
as of December 31, 2025

€ thousand	Dec. 31, 2025	Dec. 31, 2024
Assets		
A. Fixed Assets		
I. Financial Assets	2,053,408	1,941,864
	2,053,408	1,941,864
B. Current Assets		
I. Receivables and other assets	489,351	1,109,796
II. Cash-in-hand and bank balances	6	1
	489,357	1,109,797
C. Prepaid expenses	2,416	6,702
Total Assets	2,545,181	3,058,363
Equity and liabilities		
A. Equity		
I. Subscribed capital	441,280	441,280
II. Capital reserves	167	167
III. Retained earnings	47,230	47,076
IV. Net retained profits	–	–
	488,677	488,523
B. Provisions	22,296	21,029
C. Liabilities	2,034,208	2,548,811
D. Net retained profits	–	–
Total equity and liabilities	2,545,181	3,058,363

Income Statement

of Volkswagen Financial Services Overseas AG, Braunschweig, for the period
January 1 to December 31, 2025

€ thousand	Jan. 1 – Dec. 31, 2025	Jan. 1 – Dec. 31, 2024
Sales	3,039	1,841
Cost of sales	3,348	1,837
Gross profit on sales	-309	4
General and administrative expenses	27,982	26,645
Other operating income	2,254	17,331
Other operating expenses	9,689	3,505
Net income from long-term equity investments	276,058	258,499
of which income from affiliated companies	267,968	249,024
Financial result	-17,503	-40,249
of which income from affiliated companies	74,083	65,550
of which expenses from affiliated companies	55,809	60,186
Taxes on income (received from parent € 192.353 thousand; previous year received: € 15,117 thousand)	-178,345	-2,310
Result after tax	401,174	207,745
Other taxes	-	1
Profits transferred under a profit and loss transfer agreement	401,020	206,501
Losses absorbed under a profit and loss transfer agreement	-	-
Net income	154	1,243
Profit brought forward	-	1,705
Asset reductions due to division	-	-6,589,173
Equity shares released to cover the reduction in assets	-	6,589,173
Transfer to other profit reserves	154	2,948
Net retained profits	-	-

Notes to the Annual Financial Statements

of Volkswagen Financial Services Overseas AG,
Braunschweig, as of December 31, 2025

1. General Information on the Annual Financial Statements

The Company is classified as a large corporation as defined by section 267(3) sentences 1 and 2 of the *Handelsgesetzbuch* (HGB – German Commercial Code). The annual financial statements have therefore been prepared in accordance with the financial reporting framework specified for large corporations by the HGB.

The headquarters of Volkswagen Financial Services Overseas Aktiengesellschaft is in Braunschweig. The Company is registered in the commercial register at the Local Court of Braunschweig (commercial register number HRB 3790).

The object of the Company is the development, sale and processing of its own and third-party financial services that have a focus outside Europe and are designed to promote the business of Volkswagen AG and its affiliated companies.

For a fee, Volkswagen Financial Services Overseas AG provides support to Group companies in selling financial services and in refinancing, primarily in countries outside Europe. The internal and external expenses incurred in this connection are passed on to the corresponding Group companies.

Individual line items have been aggregated in the balance sheet and income statement to improve the clarity of presentation. These items are presented separately in the notes.

The income statement has been prepared using the cost of sales format – the standard method used in the Volkswagen Group – to facilitate better international comparability.

2. Accounting Policies

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

Shares in affiliated companies and other equity investments are measured at the lower of cost and fair value. Fair value is primarily determined using the discounted cash flow method on the basis of existing corporate plans or, if they are not available, on the basis of observable market prices. Under the discounted cash flow method, fair value is determined on the basis of management's current planning, which is based on expectations regarding future economic trends. The planning period generally covers five years. The discount rate used for the expected cash flows is the WACC (weighted average cost of capital).

Receivables and other assets are reported at their nominal amounts. Cash-in-hand and bank balances are recognized at their nominal values.

Prepaid expenses contain payments incurred before the reporting date if they represent expenses relating to a specified period after that date.

The Company has various pension commitments, which differ in terms of their structure. Some of these pension commitments are not externally funded, while others are funded through Volkswagen Pension Trust e.V.

The commitments funded through Volkswagen Pension Trust e.V. are measured at the fair value of the securities in the fund in accordance with section 253(1) sentence 3 of the HGB because the amount of the pension scheme obligations is determined exclusively by this value. The fair value of the securities is offset against the funded provisions in accordance with section 246(2) of the HGB.

Any other pension obligations are also linked to securities funds. The securities measured at fair value are offset as plan assets against the corresponding provisions.

The pension provision that is not externally funded is recognized at present value. The Heubeck 2018 G mortality tables (latest version) are used as the basis for the calculations.

The pension obligations are determined annually by an independent actuary using the projected unit credit method.

Pension obligations are discounted using the discount rate based on the past ten years determined in accordance with section 253(2) of the HGB.

In the reporting period, in accordance with section 253(6) of the HGB, the difference for the pension provision that is not externally funded is €233 (83) thousand and the difference for the commitments financed through Volkswagen Pension Trust e.V. is €480 (168) thousand. There is no restriction on distribution due to the profit or loss transfer agreement with Volkswagen AG.

The main measurement assumptions and actuarial parameters applied in the calculation of the pension provisions were as follows:

Discount rate:	2.06%
Expected rate of salary increases:	2.15%
Expected rate of pension increases:	2.00%
Staff turnover rate:	1.69%

The share-based payment recorded in provisions relates to performance shares granted on the basis of preferred shares of Volkswagen AG. The obligations from share-based payments are accounted for as a cash-settled plan. These types of remuneration plans are measured at fair value during the plan term. Fair value is determined using recognized valuation techniques. The remuneration expense is part of the personnel expenses recorded under general and administrative expenses and is allocated over the vesting period.

Adequate provisions in the amount required to settle the estimated obligation are recognized to cover contingent liabilities and existing risks. Other long-term provisions were discounted using a discount rate determined on the basis of the average market interest rates of the past seven years published by Deutsche Bundesbank.

Liabilities are recognized at the settlement amount.

Foreign currency assets and liabilities are translated at the middle spot rate on the reporting date in accordance with section 256a sentence 1 of the HGB and in compliance with the historical cost convention and the principle of imparity (under which unrealized losses are recognized but unrealized gains are not). For items with a residual maturity of one year or less, the net gains or losses from translation are recognized in full in the income statement in accordance with section 256a sentence 2 of the HGB. The hedge rate is used in the case of hedges.

Derivative financial instruments are used exclusively for hedging purposes. Derivative financial instruments (interest rate swaps) are measured in accordance with general HGB measurement requirements and hedge accounting is applied to the extent permissible.

Volkswagen Financial Services Overseas AG will not be subject to any effects from the introduction of the global minimum level of taxation (Pillar 2). As a result, there is no current tax expense in connection with Pillar 2 income taxes. Volkswagen Financial Services Overseas AG has applied the exemption from the recognition and disclosure of deferred taxes in connection with Pillar 2 income taxes.

3. Balance Sheet Disclosures

The breakdown of the fixed assets aggregated in the balance sheet and the changes in these assets in the reporting period are shown in the statement of changes in fixed assets. The Company's list of shareholdings can be found in the Shareholdings section.

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

Statement of changes in fixed assets of Volkswagen Financial Services Overseas AG, Braunschweig, for 2025

€ thousand	Shares in affiliated companies	Other long-term equity investments	Total Financial Assets	Total fixed assets
Gross carrying amount				
Balance brought forward as of Jan. 1, 2025	2,324,157	104,057	2,428,214	2,428,214
Additions	102,916	21,428	124,344	124,344
Disposals	-	-	-	-
Transfers	-	-	-	-
Balance as of Dec. 31, 2025	2,427,073	125,485	2,552,558	2,552,558
Write-Downs Balance brought forward as of Jan. 1, 2025	466,050	20,300	486,350	486,350
Additions	12,800	-	12,800	12,800
Disposals	-	-	-	-
Transfers	-	-	-	-
Write-ups	-	-	-	-
Balance as of Dec. 31, 2025	478,850	20,300	499,150	499,150
Net carrying amount as of Dec. 31, 2025	1,948,223	105,185	2,053,408	2,053,408
Net carrying amount as of Jan. 01, 2025	1,858,107	83,757	1,941,864	1,941,864

Mainly because of a contribution of €95,000 thousand to the capital reserves of Volkswagen Finance Overseas B.V., Amsterdam, shares in affiliated companies increased from €1,858,107 thousand to €1,948,223 thousand. As a result of a new long-term investment in Beijing Cardif Airstar Property & Casualty Insurance Co., Ltd., Beijing, there was an addition of €21,428 thousand to long-term investments, which rose to €105,185 thousand. An impairment loss of €12,800 thousand was recognized on the investment carrying amount of Volkswagen New Mobility Services Consulting (Beijing) Co., Beijing, in the fiscal year under review.

RECEIVABLES AND OTHER ASSETS

The breakdown of receivables and other assets is as follows:

€ thousand	Dec. 31, 2025	Dec. 31, 2024
Receivables from affiliated companies	481,504	1,092,522
of which from the shareholder	5,176	15,123
of which due in more than 1 year	–	183,000
Receivables from other long-term investees and investors	–	29
of which due in more than 1 year	–	–
Other assets	7,847	17,245
of which due in more than 1 year	–	–
Total	489,351	1,109,796

Receivables from affiliated companies include, among other items, loan and interest receivables of €183,242 (305,381) thousand, dividend receivables of €231,006 (–) thousand as well as receivables from current account deposits of €60,349 (515,950) thousand. Other assets relate to items such as receivables from interest rate and cross currency swap contracts in an amount of €3,784 (6,487) thousand.

PREPAID EXPENSES

Prepaid expenses include prepayments of guarantee insurance of €2,416 (2,453) thousand relating to the subsequent year.

EQUITY

Equity is unchanged at €441,280 thousand. Capital reserves (section 272(2) no. 4 of the HGB) were also unchanged, at €167 thousand. In addition to legal reserves, which were unchanged at €47,229 thousand, revenue reserves include other revenue reserves amounting to €3,101 (2,947) thousand following the addition of an amount of €154 thousand, which is barred from distribution pursuant to section 268(8) of the HGB.

PROVISIONS

The provisions comprise the following items:

€ thousand	Dec. 31, 2025	Dec. 31, 2024
Provisions for pensions and similar obligations	15,082	13,872
including the offsetting of the unit-linked pension obligation:	–	–
Provisions for pensions, funded	13,376	11,599
Fund assets as plan assets (cost € 6,868 thousand)	–7,656	–6,035
Other provisions	7,214	7,158
including the offsetting of the employee time asset bond:	–	–
Provision for time asset bond	8,515	8,649
Fund assets as plan assets (cost € 6,035 thousand)	–8,515	–8,649
Total	22,296	21,029

1. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Pension provisions were measured according to the prudence principle pursuant to section 253(1) of the HGB and recognized at the required settlement amount on the basis of prudent business judgment.

2. OTHER PROVISIONS

The main items recognized within other provisions are provisions for personnel expenses amounting to €5,102 (6,309) thousand, provisions for expected losses amounting to €608 (-) thousand and provisions for outstanding invoices of €1,503 (839) thousand.

LIABILITIES

The breakdown of liabilities is as follows:

€ thousand	Dec. 31, 2025	Dec. 31, 2024
Bonds	-	-
of which due within 1 year	-	-
of which due in more than 1 year	-	-
of which due in more than 5 year	-	-
Liabilities to banks	211	385
of which due within 1 year	211	385
of which due in more than 1 year	-	-
of which due in more than 5 year	-	-
Trade payables (due within 1 year)	168	12
Liabilities to affiliated companies	2,007,100	2,100,052
of which to the shareholder	857,783	732,973
of which due within 1 year	697,773	1,111,590
of which due in more than 1 year	1,309,327	988,462
of which due in more than 5 year	374,883	468,779
Liabilities to other long-term investees and investors (due within 1 year)	-	-
Other liabilities	26,729	448,362
of which taxes	483	143
of which relating to social security and similar obligations	55	32
of which due within 1 year	26,729	448,362
of which due in more than 1 year	-	-
of which due in more than 5 year	-	-
Total	2,034,208	2,548,811

The liabilities to the shareholder relate mainly to liabilities arising from tax allocations in an amount of €235,500 (422,730) thousand and liabilities in connection with the transfer of profits in amount of €401,020 (206,501) thousand.

4. Income Statement Disclosures

The Company concluded the reporting year with net income of €154 (1,243) thousand on the basis of section 268(8) in conjunction with section 246(2) sentence 2 of the HGB, which is barred from distribution and not transferred to Volkswagen AG in accordance with the profit-and-loss transfer agreement. The net income is added to the other revenue reserves so that there is no net retained profit.

SALES

Volkswagen Financial Services Overseas AG reports sales of €3,039 thousand (previous year: €1,841 thousand) in accordance with section 277(1) of the HGB. As in the previous year, they were generated entirely abroad.

COST OF SALES

An amount of €3,348 thousand is reported under cost of sales (previous year: €1,837 thousand). Cost of materials within the meaning of section 275(2) no. 5 of the HGB was incurred for purchased services in an amount of €422 thousand (previous year: €231 thousand).

PERSONNEL EXPENSES

The breakdown of personnel expenses is as follows:

€ thousand	2025	2024
Salaries	11,072	11,099
Social security, post-employment and other employee benefit costs	5,800	5,705
of which for post-employment benefits	4,883	5,216
Total	16,872	16,804

OTHER OPERATING INCOME

Other operating income includes income from the reversal of provisions of €1,392 thousand (previous year: €16,790 thousand). In addition, other operating income includes €271 thousand (previous year: €481 thousand) from currency translation.

The total income not relating to the reporting period is included in other operating income and amounts to €1,927 thousand (previous year: €16,796 thousand).

OTHER OPERATING EXPENSES

Other operating expenses mainly include expenses for government guarantees to hedge direct overseas investments of €6,522 thousand (previous year: €3,134 thousand). Expenses from currency translation amount to €164 thousand (previous year: €10 thousand).

The total expenses not relating to the reporting period are included in other operating expenses and amount to €225 (98) thousand.

NET INCOME FROM LONG-TERM EQUITY INVESTMENTS

The breakdown of net income from long-term equity investments is as follows:

€ thousand	2025	2024
Income from other long-term equity investments	276,058	258,499
of which from affiliated companies	267,968	249,024
of which from investments in joint ventures	8,090	9,475
Total	276,058	258,499

Due to the dividend income from equity investments in Volkswagen Finance (China) Co., Ltd. (€267,968 thousand) and in the South African companies Volkswagen Financial Services South Africa

(Pty) Ltd. (€7,718 thousand) and Lenkrad Invest (Pty) Ltd. (€372 thousand), income from other long-term equity investments amounted to €276,058 (€258,499) thousand.

FINANCIAL RESULT

The following table shows the breakdown of the financial result:

€ thousand	2025	2024
Income from other securities and long-term loans	–	–
of which from affiliated companies	–	–
Other interest and similar income	75,522	65,901
of which from affiliated companies	74,083	65,550
of which interest income from discounting	–	–
Interest and similar expenses	80,225	106,150
of which to affiliated companies	43,007	60,186
of which from unwinding discount on provisions	32	19
Write-downs of financial assets (write-downs for permanent impairment at affiliated companies)	12,800	–
Write-ups of financial assets (from affiliated companies)	–	–
Total	–17,503	–40,249

Interest expenses for funded pension provisions amounting to €856 thousand (previous year: €270 thousand) were offset against income of the same amount arising from the associated plan assets. The interest expense from unwinding discount on the provision for time asset bonds in the amount of €236 thousand (previous year: €1,617 thousand) was offset against income of the same amount from the scheme fund assets. The interest expense from unwinding discount on the provision for time asset bonds in the amount of €305 thousand (previous year: €– thousand) was offset against income of the same amount from the scheme fund assets.

5. Other Disclosures

HEDGING INSTRUMENTS

Volkswagen Financial Services AG has entered into derivative contracts to mitigate interest rate risk and currency risk. These derivatives are used solely for hedging purposes. The fair values are determined using market information as of the reporting date and with the help of suitable IT-based valuation techniques.

The breakdown of nominal values and market values is as follows:

€ thousand	NOMINAL VALUES		MARKET VALUES			
	Dec. 31, 2025	31.12.2024	Dec. 31, 2025		Dec. 31, 2024	
			positive	negative	positive	negative
Interest rate swaps	–	–	–	–	–	–
Cross-currency/currency swaps	183,000	305,000	19,792	–	20,512	–
Currency forward contracts	230,465	258,397	–	608	–	3,109

The following table shows the figures for hedged items as of December 31, 2025 to which hedge accounting has been applied, together with the level of risk mitigated by this hedge accounting:

T. €		Assets	Liabilities	Total	Amount of hedged risks
Interest rate risks	Micro hedge	–	–	–	–
Currency risks	Micro hedge	183,000	–	183,000	15,086
Currency risks	Macro hedge	–	–	–	–
Total		183,000	–	183,000	15,086

The Company has been applying hedge accounting in accordance with the *Bilanzrechtsmodernisierungsgesetz* (BilMoG – German Accounting Law Modernization Act). The net hedge presentation method is used for hedge accounting.

The interest rate risk arising from issuing loans to Group companies is mitigated by micro hedges based on receiver swaps, whereby the changes in the value of the hedged item are offset by the changes in the value of the swap. Currency risk that arises from issuing foreign currency loans to FS companies outside the eurozone is generally hedged with currency forwards, cross-currency swaps, or cross-currency interest rate swaps in micro and macro hedges. Hedge accounting is generally applied over the entire duration of the hedge. The Company therefore always satisfies the hedge accounting criterion, which requires an intention to maintain hedge accounting until the final maturity date. The prospective effectiveness test is performed using the critical term match method. Retrospective effectiveness tests are based on the cumulative dollar offset method.

For a derivative with a negative fair value, a provision of €608 thousand was recognized for expected losses pursuant to section 249(1) sentence 1 of the HGB.

CONTINGENT LIABILITIES

Volkswagen Financial Services Overseas AG, as a legal entity participating in the spin-off of the European operation to Volkswagen Financial Services Overseas AG (operating at that time under the name

Volkswagen Financial Services AG), is liable as a joint and several debtor in accordance with section 133 (1) sentence 1 of the *Umwandlungsgesetz* (German Transformation Act – UmwG) for the liabilities incurred by the transferring legal entity, Volkswagen Financial Services Overseas AG, up to the effective date of the spin-off on July 1, 2024. The liabilities incurred by Volkswagen Financial Services Overseas AG prior to July 1, 2024 and not transferred to Volkswagen Financial Services AG with the European operation are recognized in the balance sheet of the Volkswagen Financial Services Overseas AG Group and are not included for the purposes of determining contingent liabilities. The liabilities incurred by Volkswagen Financial Services Overseas AG prior to July 1, 2024 that were transferred with the spin-off of the European operation and remained within Volkswagen Financial Services AG as of the reporting date are included for the purposes of determining contingent liabilities. In accordance with section 133 (3) sentence 2 of the UmwG, the joint and several liability of Volkswagen Financial Services Overseas AG is restricted to the fair value of the net assets (Overseas operation) assigned to Volkswagen Financial Services Overseas AG following the spin-off of the shares in Volkswagen Leasing GmbH and the spin-off of the European operation as the liability cap. This resulted in contingent liabilities of €3,942.3 million for the Volkswagen Financial Services Overseas Group. In the unlikely event of a claim on the joint and several liability, it is possible that claims for reimbursement in the same amount will be made against Volkswagen Financial Services AG.

The contingent liabilities under guarantees amount to €2,858,312 (2,340,546) thousand and are attributable to guarantees to creditors of affiliated companies and investees relating to short- and medium-term bonds (money and capital market) issued by these companies. The probability of these guarantees being called upon is generally low because the companies involved form part of the Group.

Other financial obligations (purchase order obligations) as specified in section 285 no. 3a of the HGB amount to €428 (281) thousand.

OTHER DISCLOSURES

The share capital of €441,280 thousand is divided into 441,280,000 no-par-value shares. All the shares are held by Volkswagen AG, Wolfsburg.

A control and profit and loss transfer agreement is in place between Volkswagen AG and Volkswagen Financial Services Overseas AG.

The annual financial statements of Volkswagen Financial Services Overseas AG are published in the German Federal Gazette.

The fee paid to the auditor is disclosed in the notes to the consolidated financial statements of Volkswagen AG, Wolfsburg, and in the consolidated financial statements of Volkswagen Financial Services Overseas AG, Braunschweig.

The annual financial statements of Volkswagen Financial Services Overseas AG are included in the consolidated financial statements of Volkswagen AG, Wolfsburg (largest consolidation group), and Volkswagen Financial Services Overseas AG, Braunschweig (smallest consolidation group), and published in the Federal Gazette.

Volkswagen Financial Services Overseas AG had 47 employees, including two senior executives (previous year: 2,666, including nine senior executives) on average in the reporting period. The 47 employees comprised 39 full-time and 8 part-time employees.

In line with section 286(4) of the HGB, there is no disclosure of the remuneration granted to the members of the Board of Management in the reporting year.

As in the previous fiscal year, the Company did not pay allowances to the members of the Supervisory Board.

6. Report on Post-Balance Sheet Date Events

There were no significant events in the period between December 31, 2025 and March 2, 2026.

7. Governing Bodies of Volkswagen Financial Services Overseas AG

The members of the Board of Management are as follows:

KAI VOGLER

Chair of the Board of Management
Front Office and Corporate Management
Region China, South America, Mexico, International

PATRICK WELTER

Back Office and Finance
Risk Management

Mr. Kai Vogler resigned from his position on the Board of Management of Volkswagen Financial Services Overseas AG, effective January 31, 2026. Dr. Wolf-Stefan Specht was appointed Chair of the Board of Management, effective March 1, 2026.

The members of the Supervisory Board are as follows:

ANTHONY BANDMANN (AS OF JANUARY 1, 2026)

Chair (as of January 6, 2026)
Chair of the Management Board of
Volkswagen Financial Services AG

DR. CHRISTIAN DAHLHEIM (UNTIL DECEMBER 31, 2025)

Chair
Chair of the Board of Management of Volkswagen Financial Services AG

DR. WOLF-STEFAN SPECHT

Head of Wholesale Steering & Transition of Volkswagen AG

TORSTEN BECHSTÄDT

Head of Supervisory Board Matters for the Chair of the Group Works
Council of Volkswagen AG

ULRICH FEUEREIS (AS OF SEPTEMBER 1, 2025)

Head of Group Controlling of Volkswagen AG

RAINER SEIDL (UNTIL AUGUST 31, 2025)

Head of Group Controlling of Volkswagen AG

Dr. Specht resigned from his position on the Supervisory Board of Volkswagen Financial Services Overseas AG, effective February 28, 2026.

The members of the Supervisory Board committees are as follows:

MEMBERS OF THE AUDIT COMMITTEE

Ulrich Feuereis (Chair) (as of September 1, 2025)
Rainer Seidl (Chair) (until August 31, 2025)
Anthony Bandmann (as of January 1, 2026)
Torsten Bechstädt
Dr. Christian Dahlheim (until December 31, 2025)

MEMBERS OF THE CREDIT COMMITTEE

Dr. Christian Dahlheim (Chair) (until December 31, 2025)
Ulrich Feuereis (as of September 1, 2025)
Rainer Seidl (until August 31, 2025)
Dr. Wolf-Stefan Specht
Torsten Bechstädt (Deputy Member)

Upon resigning from the Supervisory Board, Dr. Specht also left the Credit Committee as of February 28, 2026.

As the successor to Dr. Dahlheim, Mr. Bandmann was elected as a member and Chair of the Credit Committee with effect from March 5, 2026.

Shareholdings

Shareholdings of VW FS Overseas AG and the VW FS Overseas AG Group in accordance with sections 285 and 313 of the HGB and presentation of the companies included in the consolidated financial statements of the VW FS Overseas AG Group in accordance with IFRS 12 as of December 31, 2025.

Name and registered office of company	Currency	EXCHANGE RATE	VW FS AG'S INTEREST IN CAPITAL			EQUITY	PROFIT/	Footnote	Year
		(1 EURO =)	IN %	IN %	Total	IN THOU-SANDS	LOSS IN THOU-SANDS		
		Dec. 31, 2025	Direct	Indirect	Total	local currency	local currency		
I. PARENT COMPANY									
Volkswagen Financial Services Overseas AG									
II. SUBSIDIARIES									
A. Consolidated companies									
1. Germany									
2. International									
Banco Volkswagen S.A., São Paulo	BRL	6.4350	–	100.00	100.00	5,103,176	310,483		2024
Consórcio Nacional Volkswagen - Administradora de Consórcio Ltda., Santana de Parnaíba	BRL	6.4350	–	100.00	100.00	622,457	50,072		2024
Driver Australia eight Trust, Chullora	AUD	1.7572	–	–	–	11,864	15,593	1)	2024
Driver Australia eleven Trust, Chullora	AUD	1.7572	–	–	–	–	–	1), 2), 3)	2025
Driver Australia Master Trust, Chullora	AUD	1.7572	–	–	–	–12,708	–52,224	1)	2024
Driver Australia Master Trust 2, Sydney	AUD	1.7572	–	–	–	–	–	1), 2)	2024
Driver Australia nine Trust, Chullora	AUD	1.7572	–	–	–	–	–	1), 2)	2024
Driver Australia ten Trust, Chullora	AUD	1.7572	–	–	–	2,983	2,983	1), 2)	2024
Driver Brasil Six Banco Volkswagen Fundo de Investimento em Direitos Creditórios Financiamento de Veículos, Osasco	BRL	6.4350	–	–	–	151,049	48,820	1)	2024
Driver China Fifteen Auto Loan Securitisation Trust, Beijing	CNY	8.2249	–	–	–	–3,844,125	8,992	1), 2)	2024
Driver China Sixteen Auto Loan Securitisation Trust, Beijing	CNY	8.2249	–	–	–	–	–	1), 2), 3)	2025
FUNDO DE INVESTIMENTO EM DIREITOS CREDITÓRIOS DRIVER MASTER BRASIL I – Responsabilidade Limitada, Osasco	BRL	6.4350	–	–	–	–	–	2), 3)	2025
LM Transportes Interestaduais Serviços e Comércio S.A., Salvador	BRL	6.4350	–	60.00	60.00	2,445,613	200,184		2024
Private Driver Australia 2023-1 Trust, Chullora	AUD	1.7572	–	–	–	–8,446	–3,915	1)	2024
Simple Way Locações e Serviços S.A., São Paulo	BRL	6.4350	–	100.00	100.00	1,198,763	29,604		2024
Volkswagen Bank S.A., Institución de Banca Múltiple, Puebla	MXN	21.1008	100.00	–	100.00	3,389,000	317,000		2024
Volkswagen Corretora de Seguros Ltda., São Paulo	BRL	6.4350	–	100.00	100.00	30,334	89,479		2024
Volkswagen Finance (China) Co., Ltd., Beijing	CNY	8.2249	100.00	–	100.00	17,884,863	731,862		2024
Volkswagen Finance Overseas B.V., Amsterdam	EUR	–	100.00	–	100.00	1,005,423	123,276	5)	2024
Volkswagen Financial Leasing (Tianjin) Co., Ltd., Tianjin	CNY	8.2249	–	98.22	98.22	1,856,262	27,854		2024
Volkswagen Financial Services Australia Pty. Ltd., Chullora	AUD	1.7572	100.00	–	100.00	493,731	95,179		2024
Volkswagen Financial Services Japan Ltd., Tokio	JPY	183.9750	–	100.00	100.00	31,361,154	3,154,110		2024
Volkswagen Financial Services Korea Co., Ltd., Seoul	KRW	1,695.3050	100.00	–	100.00	438,106,000	47,273,000		2024
Volkswagen Financial Services Taiwan Ltd., Taipei City	TWD	36.7850	–	100.00	100.00	1,745,083	141,008		2024
Volkswagen Leasing S.A. de C.V., Puebla	MXN	21.1008	100.00	–	100.00	10,566,164	1,028,756		2024
Volkswagen New Mobility Services Investment Co., Ltd., Beijing	CNY	8.2249	100.00	–	100.00	2,561,073	–101,265		2024
Volkswagen Participações Ltda., São Paulo	BRL	6.4350	–	100.00	100.00	5,189,641	490,947		2024
Volkswagen Serviços Ltda., São Paulo	BRL	6.4350	–	100.00	100.00	16,963	6,151		2024

Name and registered office of company	Currency	EXCHANGE RATE	VW FS OVERSEAS AG'S INTEREST IN CAPITAL			EQUITY IN THOU-SANDS	PROFIT/LOSS IN THOU-SANDS	Footnote	Year
		(1 EURO =) Dec. 31, 2025	Direct	Indirect	Total	local currency	local currency		
B. Unconsolidated companies									
1. Germany									
2. International									
Kuwy Technology Service Pvt. Ltd., Chennai	INR	105.5645	–	84.02	84.02	354,800	–265,900	6)	2025
LM Comércio de Veículos Seminovos Ltda., Salvador	BRL	6.4350	–	100.00	100.00	–	–	4)	2024
Porsche Movilidad Colombia S.A.S., Bogotá	COP	4,429.3000	–	60.00	60.00	30,221,301	–13,644,243		2024
Porsche Volkswagen Corredores de Seguros Chile S.p.A., Santiago de Chile	CLP	1,057.7150	–	100.00	100.00	1,701,927	621,762		2024
Porsche Volkswagen Servicios Financieros Chile S.p.A., Santiago de Chile	CLP	1,057.7150	–	60.00	60.00	14,464,462	3,064,218		2024
São Bernardo Administração de Créditos Ltda., São Bernardo do Campo	BRL	6.4350	–	100.00	100.00	3,405	777		2024
VAREC Ltd., Tokyo	JPY	183.9750	–	100.00	100.00	1,097,460	113,545		2024
Volkswagen Administradora de Negócios Ltda., São Paulo	BRL	6.4350	–	100.00	100.00	14,713	5,653		2024
Volkswagen Brokers Argentina S.A., Buenos Aires	ARS	1,705.1497	–	96.00	96.00	4,853,348	–309,807		2024
Volkswagen Fiduciary Services Private Limited, Mumbai	INR	105.5645	91.00	9.00	100.00	4,406,037	32,132	6)	2025
Volkswagen Financial Services Holding Argentina S.R.L., Buenos Aires	ARS	1,705.1497	99.99	0.01	100.00	32,833,379	3,583,478		2024
Volkswagen Insurance Brokers Taiwan Co., Ltd., Taipei City	TWD	36.7850	–	100.00	100.00	–	–	2), 3)	2025
Volkswagen International Insurance Agency Co., Ltd., Taipei City	TWD	36.7850	–	100.00	100.00	158,434	72,923		2024
Volkswagen Leasing (Beijing) Co., Ltd., Beijing	CNY	8.2249	–	100.00	100.00	21,086	5,931		2024
Volkswagen Leasing (Guangzhou) Co., Ltd., Guangzhou	CNY	8.2249	–	100.00	100.00	1,746	–551		2024
Volkswagen Leasing (Shanghai) Co., Ltd., Shanghai	CNY	8.2249	–	100.00	100.00	–40,843	–15,821		2024
Volkswagen New Mobility Services Consulting (Beijing) Co., Ltd., Beijing	CNY	8.2249	–	100.00	100.00	32,123	906		2024
Volkswagen Servicios, S.A. de C.V., Puebla	MXN	21.1008	–	100.00	100.00	62,078	13,409		2024
III. JOINT VENTURES									
A. Equity-accounted companies									
1. Germany									
2. International									
VDF Servis ve Ticaret A.S., Istanbul	TRY	50.4574	51.00	–	51.00	11,345,278	–3,097,467	7)	2024
Volkswagen Financial Services South Africa (Pty) Ltd., Sandton	ZAR	19.4404	51.00	–	51.00	2,519,808	426,782		2024
B. Companies accounted for at cost									
1. Germany									
2. International									
Lenrad Invest (Pty) Ltd., Sandton	ZAR	19.4404	51.00	–	51.00	17,893	16,304		2024
Volkswagen Financial Services Compañía Financiera S.A., Buenos Aires	ARS	1,705.1497	–	49.00	49.00	57,661,545	8,343,623		2024
IV. ASSOCIATED COMPANIES									
A. Equity-accounted associates									
1. Germany									
2. International									
B. Associates accounted for at cost									
1. Germany									
2. International									
Beijing Cardif Airstar Property & Casualty Insurance Co., Ltd., Beijing	CNY	8.2249	18.00	–	18.00	–	–	2), 3)	2025
V. EQUITY INVESTMENTS									
1. Germany									
2. International									

1) Structured company in accordance with IFRS 10 and IFRS 12

2) Short fiscal year

3) Newly established company/Spin-off

4) Values are included in the consolidated financial statement of the parent company

5) Matter within the meaning of section 1 UmwG

6) Different fiscal year

7) Consolidated financial statements

Braunschweig, March 2, 2026

Volkswagen Financial Services Overseas AG
The Board of Management



Dr. Wolf-Stefan Specht



Patrick Welter

Responsibility Statement

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

Braunschweig, March 2, 2026

Volkswagen Financial Services Overseas AG
The Board of Management



Dr. Wolf-Stefan Specht



Patrick Welter

Independent Auditor's Report¹

To Volkswagen Financial Services Overseas AG, Braunschweig

OPINIONS

We have audited the annual financial statements of Volkswagen Financial Services Overseas AG, Braunschweig, which comprise the balance sheet as at 31 December 2025, and the income statement for the fiscal year from 1 January to 31 December 2025, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Volkswagen Financial Services Overseas AG, Braunschweig, which is combined with the group management report, for the fiscal year from 1 January to 31 December 2025.

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

- > the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its financial performance for the fiscal year from 1 January to 31 December 2025 in compliance with German legally required accounting principles, and
- > the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Sec. 322 (3) Sentence 1 HGB ["Handelsgesetzbuch": German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

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

BASIS FOR THE OPINIONS

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s responsibilities for the audit of the annual financial statements and of the management report” section of our auditor’s report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

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 “Responsibility Statement,” “Human Resources Report” and “Report of the Supervisory Board” sections to be included in the annual report, of which we obtained a copy prior to issuing this auditor’s report, but not the annual financial statements, not the management report disclosures whose content is audited and not our auditor’s report thereon.

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

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

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

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

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

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

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

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

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

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

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

- > Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the Company's internal control and of such arrangements and measures.

- > Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- > Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- > Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- > Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- > Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Eschborn/Frankfurt am Main, 3 March 2026

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Koch
Wirtschaftsprüfer
[German Public Auditor]

Hölscher
Wirtschaftsprüfer
[German Public Auditor]

Human Resources Report

Our people are key.

EMPLOYEES

The Volkswagen Financial Services Overseas AG Group had a total workforce of 2,940 (2,930) employees as of December 31, 2025. Of these, 48 (48) were employed in Germany and 2,892 (2,882) at international sites. Owing to economic considerations, 247 (245) employees of Volkswagen Servicios, S.A. de C.V., Puebla, Mexico, which is an unconsolidated company, are included in the overall workforce figures.

HUMAN RESOURCES STRATEGY

The MOBILITY2030 corporate strategy reinforces the objective of leveraging a mobility platform to establish Volkswagen Financial Services Overseas AG as a provider of a wide range of mobility services and thereby enable it to play a central role in the Volkswagen Group as the “Key to Mobility”. 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 Financial Services Overseas AG 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, HR developed or refined ten initiatives as part of the “Hello.PEOPLE” framework to place even greater focus on employees 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 Financial Services Overseas AG 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 Financial Services Overseas AG 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 mood and satisfaction of their staff and therefor 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 VW FS Values Index was conducted to enable differentiated statements on how the FS values are perceived in the teams and to identify potential action areas and strategic value initiatives. The VW FS Values Awards were also presented for the second time. The VW FS Values Awards recognize projects and initiatives that make our values visible and tangible in our daily lives.

WORK-LIFE BALANCE

Volkswagen Financial Services Overseas AG 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 Financial Services Overseas AG

In the year under review, the Supervisory Board gave regular and thorough consideration to the position and development of Volkswagen Financial Services Overseas AG and the Volkswagen Financial Services Overseas AG Group.

During the reporting period, the Board of Management informed the Supervisory Board promptly and comprehensively at all times, in writing or verbally, regarding material aspects of the Company's planning and position, including the risk situation and the risk management system, and also regarding business development and any deviations from planning and targets. Based on these reports of the Board of Management, the Supervisory Board constantly monitored the management of the Company's and the Group's business and was thus able to carry out without limitation the functions assigned to it by law and under the articles of association. All decisions of fundamental importance for the Company and other transactions requiring the approval of the Supervisory Board under the rules of procedure were reviewed and discussed with the Board of Management before the relevant resolution was adopted.

The Supervisory Board consisted of four members. Personnel changes in the reporting period are disclosed in the information on governing bodies.

The Supervisory Board held four regular meetings in the reporting year. The average attendance rate was 100%. The Supervisory Board adopted one resolution in writing by circulating written documents.

The focuses of the meetings of the Supervisory Board and its committees are presented below.

COMMITTEE ACTIVITIES

To ensure the efficient execution of its duties, the Supervisory Board of Volkswagen Financial Services Overseas AG has established committees. The duties and responsibilities of the individual committees are governed in their respective rules of procedure.

Audit Committee

The Audit Committee held three regular meetings in the reporting year. The attendance rate was 100%. There were no urgent matters in the reporting year that required decisions to be made by circulation of written resolutions. In this regard, the Audit Committee held detailed discussions in the reporting period, addressing the annual financial statements, the supervision of the internal control, risk management and internal audit systems as well as the monitoring of the financial reporting and auditing process.

Credit Committee

The Credit Committee is responsible for approving issues that the Supervisory Board has to deal with by law and under the Articles of Association and rules of procedure relating to loan commitments, the assumption of sureties, guarantees and similar liabilities, Bank borrowings, the purchasing of receivables (factoring) 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.

The activities of the committees were reported at the plenary meetings of the Supervisory Board.

MATTERS DISCUSSED BY THE SUPERVISORY BOARD

At its meeting on March 7, 2025, following reports submitted by the auditor, the Supervisory Board examined in detail and then approved the annual financial statements and management report of Volkswagen Financial Services Overseas AG for 2024 prepared by the Board of Management. At its meeting on March 31, 2025, following reports submitted by the auditor, the Supervisory Board examined in detail and then approved the consolidated financial statements in accordance with IFRSs as well as the combined management report of Volkswagen Financial Services Overseas AG for 2024 prepared by the Board of Management.

The Supervisory Board also issued a recommendation regarding the appointment of the auditor for 2025.

Moreover, the Board of Management informed the Supervisory Board about the successful completion of the Volkswagen Group Mobility restructuring program. As part of this program, the European financial services activities were separated from the non-European financial services activities. In addition, the Supervisory Board was informed about the key topics for 2025 and the implementation of the corporate strategy. The Board of Management informed the Supervisory Board about the objectives and latest implementation status regarding diversity at the meeting on March 31, 2025.

At the meetings on July 18, 2025, and December 10, 2025, the Board of Management presented the Supervisory Board with comprehensive reports about the economic and financial position of the Company and the Volkswagen Financial Services Overseas AG subgroup and the Company's latest position. At the meeting on July 18, 2025, the Board of Management also presented the sustainability strategy, including target values, to the Supervisory Board. At the meeting on December 10, 2025, the Board of Management informed the Supervisory Board about the funding structure of the Volkswagen Financial Services Overseas AG subgroup.

At the meetings on March 7, 2025, March 31, 2025 and December 10, 2025, the Audit Committee reported to the Supervisory Board on the contents of its committee meetings. At the meeting on December 10, 2025, the Audit Committee informed the Supervisory Board about matters including the quality of the audit of the annual financial statements for 2024 and the preparation of the audit of the annual financial statements for 2025 (key audit matters). Internal Audit, Risk Management, and the Compliance function also presented reports. Focuses included composition and methodology, and regular and ad hoc reporting.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft was appointed to audit both the consolidated financial statements of the Volkswagen Financial Services Overseas AG Group in accordance with the IFRSs and the annual financial statements of Volkswagen Financial Services Overseas AG 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 Financial Services Overseas AG Group completed in accordance with the IFRSs and the annual financial statements of Volkswagen Financial Services Overseas AG completed in accordance with HGB for the year ended December 31, 2025 were submitted to the Audit Committee and the Supervisory Board together with the management reports. The auditor, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, audited these financial statements, including the bookkeeping system and the management reports, and issued an unqualified auditor's opinion in each case.

The Audit Committee and Supervisory Board had no reservations after their reviews of the consolidated financial statements and the annual financial statements, including the management

reports. The auditors were present when this agenda item was addressed at the Supervisory Board meeting and they reported on the main findings of their audit and were available for questions.

At its meeting on March 5, 2026, the Audit Committee commented on the consolidated financial statements and annual financial statements of Volkswagen Financial Services Overseas AG prepared by the Board of Management and, following a detailed examination, recommended to Supervisory Board to approve the annual financial statements for 2025 and to approve the consolidated financial statements. At its meeting on March 5, 2026, the Supervisory Board approved both the consolidated financial statements prepared by the Board of Management as well as the annual financial statements of Volkswagen Financial Services Overseas AG. The consolidated financial statements and annual financial statements have thus been adopted.

On the basis of the current control and profit-and-loss transfer agreement, the profit reported by Volkswagen Financial Services Overseas AG in accordance with the HGB for fiscal year 2025 was transferred to Volkswagen AG.

The Supervisory Board would like to take this opportunity to express its gratitude and appreciation for the work of the members of the Board of Management, the Works Council, the managerial staff and all employees of Volkswagen Financial Services Overseas AG and its affiliated companies. The high level of commitment from all of you has helped to sustain the ongoing growth of Volkswagen Financial Services Overseas AG.

Braunschweig, March 5, 2026

A handwritten signature in black ink, appearing to read 'Anthony Bandmann', written in a cursive style.

Anthony Bandmann
Chair of the Supervisory Board

PUBLISHED BY

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This annual report is also available in German at <https://www.vwfs-overseas.com/gbvwfso25>.