VOLKSWAGEN BANK

GMBH

PILLAR 3 DISCLOSURE REPORT
IN ACCORDANCE WITH THE CAPITAL REQUIREMENTS REGULATION
AS OF JUNE 30

2026

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In the absence of any indication to the contrary, all figures shown in the tables have been rounded in accordance with standard commercial practice. Accordingly, minor discrepancies may arise if they are aggregated. A hyphen "-" in the table denotes the absence of any figure for the item in question. If the figure is less than €1 million after rounding, a zero is inserted.

Foreword

The Pillar 3 Disclosure Report for the period ended March 31, 2026 is published in accordance with the supervisory law requirements of the Basel III framework (Regulation (EU) No. 2024/1623 – the Capital Requirements Regulation or "CRR III" – of the European Parliament and the Council of May 31, 2024 to amend Regulation (EU) 2024/1623 (CRR)).

As Regulation (EU) 2019/876 is an amendment to Regulation (EU) 575/2013, this document uniformly uses the term CRR. Unless otherwise specified, the term CRR always refers to the current version that was amended by the above-mentioned regulation and has been in force since January 1, 2025.

The regulation is supplemented by the implementing technical standards of the European Banking Authority (EBA), which were put into practice by Commission Implementing Regulation (EU) 2024/3172 of November 29, 2024, and most recently amended by Commission Implementing Regulation (EU) 2026/722 of March 26, 2026. This Report is based on the legal requirements in force as of the reporting date.

The entry into force of the CRR provided in large measure a uniform legal basis for European banking supervisory law. The requirements of the CRR largely replaced the disclosure obligations regulated at national level.

Volkswagen Bank GmbH acts as the parent of the institution group for supervisory law purposes and is responsible for implementing the requirements of supervisory law within the Group. This also includes the obligation to make regular disclosures in accordance with Article 433 of the CRR. Volkswagen Bank GmbH is classed as a large institution in accordance with Article 4 (1) 146 of the CRR and therefore observes the frequency requirements stipulated in Art. 433a of the CRR.

In accordance with Article 433 of the CRR, the Pillar 3 Disclosure Report is updated regularly to meet the requirements and published shortly thereafter as a separate report on Volkswagen Bank GmbH's website in the Investor Relations section. All requisite disclosures are made solely in this report.

Where available, the format templates stipulated by the EBA guidelines as well as the implementation and regulation standards for the disclosure of the information in accordance with Section 8 of the CRR have been utilized.

The Pillar 3 report complies with applicable legal and regulatory requirements and has been prepared in accordance with the internal policies, procedures, systems and checks.

The Board of Management has approved this report for publication and confirmed that Volkswagen Bank GmbH has complied with the requirements of Article 431 (3) of the CRR.

Braunschweig, October 2026

The Management Board

Disclosure of Key Metrics

The necessity of regulating the banking sector is derived from the objectives of banking supervision. The main objective of government regulation by supervisory authorities is to ensure the proper functioning of the financial system. In particular, minimum capital and liquidity requirements for banks have been defined in an EU regulation (CRR). In addition, this regulation defines maximum leverage levels.

To monitor its equity ratios, Volkswagen Bank GmbH has a capital planning process which ensures compliance with the minimum regulatory ratios including in the event of increasing business volumes. Monitoring of the leverage ratio is also embedded in this capital planning process. Observance of the liquidity ratios is safeguarded through liquidity management.

The relevant key parameters for determining the minimum ratios for equity, liquidity and leverage as well as other relevant information are summarized in the table below. This table sets out information from the COREP report on regulatory own funds, total risk exposure and the capital ratios as well as the combined capital buffer and total capital requirements. In addition, it shows the leverage ratio, the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR).

Volkswagen Bank GmbH is required to publish a quarterly Pillar 3 report. Accordingly, the key metrics presented in the table relate to the current reporting period ending Juni 30, 2026 (Column A) and the previous quarters.

TABLE 1: EU KM1 – KEY METRICS TEMPLATE

	in € millions	Jun 30, 2026	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	23,515.4	23,513.0	22,767.7	21,182.7	20,899.1
2	Tier 1 capital	23,515.4	23,513.0	22,767.7	21,182.7	20,899.1
3	Total capital	23,515.4	23,513.0	22,767.7	21,182.7	20,899.1
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	145,695.8	139,922.5	139,847.2	136,651.0	131,692.3
4a	Total risk exposure pre-floor	145,695.8	139,922.5	139,847.2	136,651.0	131,692.3
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	16.14%	16.80%	16.28%	15.50%	15.87%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	16.14%	16.80%	16.28%	15.50%	15.87%
6	Tier 1 ratio (%)	16.14%	16.80%	16.28%	15.50%	15.87%
6b	Tier 1 ratio considering unfloored TREA (%)	16.14%	16.80%	16.28%	15.50%	15.87%
7	Total capital ratio (%)	16.14%	16.80%	16.28%	15.50%	15.87%
7b	Total capital ratio considering unfloored TREA (%)	16.14%	16.80%	16.28%	15.50%	15.87%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.25%	2.25%	2.25%	2.25%	2.25%
EU 7e	of which: to be made up of CET1 capital (percentage points)	1.27%	1.27%	1.27%	1.27%	1.27%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	1.69%	1.69%	1.69%	1.69%	1.69%
EU 7g	Total SREP own funds requirements (%)	10.25%	10.25%	10.25%	10.25%	10.25%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.86%	0.86%	0.85%	0.82%	0.77%
EU 9a	Systemic risk buffer (%)	0.02%	0.02%	0.02%	0.02%	0.02%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer	0.00%	0.00%	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	3.39%	3.38%	3.38%	3.34%	3.29%
EU 11a	Overall capital requirements (%)	13.64%	13.63%	13.63%	13.59%	13.54%
12	CET1 available after meeting the total SREP own funds requirements (%)	5.89%	6.55%	6.03%	5.25%	5.62%
	Leverage ratio					
13	Total exposure measure	182,210.3	180,852.9	169,642.4	166,075.6	164,423.7
14	Leverage ratio (%)	12.91%	13.00%	13.42%	12.75%	12.71%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	0.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	14,470.1	12,890.6	11,180.9	13,801.7	17,595.4
EU 16a	Cash outflows - Total weighted value	13,748.1	13,355.4	13,229.1	12,981.4	12,690.3
EU 16b	Cash inflows - Total weighted value	8,116.4	8,249.9	8,201.6	7,599.6	7,085.9

	in € millions	Jun 30, 2026	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025
16	Total net cash outflows (adjusted value)	5,631.7	5,105.4	5,027.4	5,381.8	5,604.4
17	Liquidity coverage ratio (%)	259.5%	258.6%	228.5%	258.0%	311.65%
	Net Stable Funding Ratio					
18	Total available stable funding	147,318.0	126,178.9	114,435.0	102,717.9	102,208.7
19	Total required stable funding	122,807.0	88,072.4	86,350.5	84,177.7	85,140.5
20	NSFR ratio (%)	120.0%	143.3%	132.5%	122.0%	120.05%

The total capital of the Volkswagen Bank GmbH institution group at the subconsolidated level consists solely of Common Equity Tier 1 (CET1) capital totaling €23,515.4 million.

The total risk exposure amount of €145,695.8 million increased by €5,773.3 million compared to March 31, 2026 for volume-related reasons in connection with ordinary business operations.

The leverage ratio fell by 0.09 percentage points compared to March 31, 2026 to 12.91%, primarily due to the increase in the total risk exposure amount.

The liquidity coverage ratio (LCR) reflects the ratio between existing highly liquid assets and Volkswagen Bank GmbH's net liquidity outflows (difference between cash outflow and cash inflow) over a 30-day horizon. The liquidity coverage ratio must not be any less than 100%. The data contained in the table above shows the amounts applicable on the respective reference dates.

The net stable funding ratio (NSFR) indicates Volkswagen Bank GmbH's funding over a horizon of more than one year. NSFR is the ratio of the available amount of stable funding to the required amount of stable funding. It must not be any less than 100%. The data contained in the table above shows the amounts applicable on the respective reference dates.

SEPARATE CONSIDERATION FOR EXCLUSION DUE TO MATERIALITY – REGULATORY VIEW

Contrary to the requirements of Art. 433a of the CRR in connection with Art. 434a of the CRR, the following information is not disclosed:

The capital ratios are not calculated with the assistance of own funds components in any other way than on the basis of the CRR. Accordingly, disclosure in accordance with Art. 437 (f) of the CRR can be dispensed with.

As the institution group is not subject to the requirements of Art. 92 or 92b of the CRR, no information is disclosed in accordance with Art. 437a of the CRR.

As there is no specialized lending as defined in Art. 438 (e) of the CRR, no information is disclosed on this (EU CR10).

The information referred to in Art. 438 (f) and (g) of the CRR is not relevant for the institution group. Accordingly, this information is not disclosed (EU INS1, EU INS2).

As no internal models are used for risk-weighted exposure amounts, disclosure in accordance with Art. 438 (h) is dispensed with (EU CR8, EU CCR7, EU MR2-B, EU CCR6).

The Volkswagen Bank GmbH Group institution group does not conduct transactions in credit derivatives. It has not made use of the option to conclude netting agreements for derivatives. Accordingly, disclosure in accordance with Art. 439 (j) of the CRR is dispensed with.

The requirements with respect to the disclosure of information in accordance with Art. 439 (k) of the CRR do not apply. Accordingly, no information is disclosed (EU CCR1).

No information in accordance with Art. 439 (l) of the CRR in connection with Art. 452 of the CRR is disclosed as the institution group does not apply the IRB approach to calculate risk-weighted exposure amounts (EU CCR4, EU CR6, EU CR6-A, EU CR9, EU CR9.1). Accordingly, disclosure in accordance with Art. 453 (j) of the CRR (EU CR7) and Art. 453 (g) of the CRR (CR7-A) is dispensed with.

As Volkswagen Bank GmbH is not a globally system-relevant institution (G-SRI), disclosure in accordance with Art. 441 of the CRR is omitted.

With an NPL ratio of 2.56% (FINREP), Volkswagen Bank GmbH is below the 5% threshold. Accordingly, the quantitative information required under Art. 442 of the CRR is only disclosed in accordance with the disclosure requirements (templates EU CQ7, EU CR2a, EU CQ2, EU CQ6, EU CQ8 not used).

The quantitative data on the remuneration policy in accordance with Art. 450 of the CRR will be published as soon as this data is available (EU REM1, EU REM2, EU REM3, EU REM4, EU REM5).

Disclosure in accordance with Art. 451 (2) of the CRR is not necessary (EU LR2).

Disclosure in accordance with Art. 455 of the CRR can be dispensed with as no internal models for market risk are used (EU MR2-A, EU MR3, EU MR4).

Volkswagen Bank GmbH does not provide information on the energy efficiency of the real estate assets pledged as collateral due to the immaterial proportion of real-estate-backed collateral in Volkswagen Bank GmbH's overall portfolio of collateral (Art. 432 (1) of the CRR - template 2 of EBA/ITS/2022/01).

As of June 30, 2026, Volkswagen Bank GmbH waives disclosure of the following tables defined in Commission Implementing Regulation (EU 2024/3172): 6 – Overview of key performance indicators (KPIs) for taxonomy-aligned exposures, 7 – Risk-mitigating actions: Assets for the calculation of GAR, 8 – GAR (%), 9 – Risk-mitigating actions: BTAR, and 10 – Other climate protection actions not covered by Regulation (EU) 2020/852, as well as the disclosure of column c, specifically environmentally sustainable (CCM), in Table 1 – Non-trading book – Indicators of potential transition risks from climate change: Credit quality of exposures by sector, emissions and residual maturity, and in Table 4 – Non-trading book – Indicators of potential transition risks from climate change: Exposures to the 20 most CO_2-intensive companies.

This is done by reference to the no-action letter (EBA/DC/498) with regard to the application of the disclosure requirements under ESG Pillar 3 in connection with the EBA implementation standards issued by the EBA on August 5, 2025.

Own Funds

PILLAR 1 REQUIREMENTS

The own funds of an institution or an institution group are measured by reference to the prudential capital ratios. In this connection, Volkswagen Bank GmbH must observe the minimum capital ratios defined in Article 92 of the CRR at the sub-consolidated level of the institution group. According to this, a Common Equity Tier 1 capital ratio of at least 4.5%, a Tier 1 capital ratio of at least 6% and a total capital ratio of at least 8% are required.

Volkswagen Bank GmbH must observe these minimum capital ratios at the sub-consolidated level. As Volkswagen Bank GmbH has applied the waiver from July 1, 2024, it is not necessary for the minimum ratios to be observed at the level of the individual institution. Moreover, Volkswagen Bank GmbH must also meet the regulatory capital buffer requirements. These provide for a capital conservation buffer of 2.5% and the institution-specific, countercyclical capital buffer. The countercyclical capital buffer is normally between 0% and 2.5%. It is calculated as a weighted average of the countercyclical buffer rates determined in the individual countries in which the relevant exposures are located.

The capital buffer for other systemically important institutions has been applied at Volkswagen Financial Services AG since January 1, 2026. BaFin has set a capital buffer of 0.25%, which applies solely to the Volkswagen Financial Services AG financial holding group on a consolidated basis. The capital buffer does not apply to the Volkswagen Bank GmbH group of institutions on a sub-consolidated level. The capital buffer for globally systemically important institutions does not apply to Volkswagen Financial Services AG.

PILLAR 2 REQUIREMENTS

In its capacity as the competent supervisory authority for Volkswagen Bank GmbH, the European Central Bank (ECB) can decide in the Supervisory Review and Evaluation Process (SREP) to impose a capital add-on that must be satisfied in addition to the statutory minimum capital ratios and the capital buffer requirements. The legal basis for this capital add-on, or Pillar 2 requirement (P2R), is Art. 16 of Council Regulation (EU) 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions. The decision of the ECB requires Volkswagen Bank GmbH to satisfy, at a sub-consolidated level, a total SREP capital requirement (TSCR) of at least 10.25% and a Pillar 2 requirement of 2.25%. The Pillar 2 requirement calls for the provision of CET1 of at least 56.25%. The remainder of the Pillar 2 requirement can be met with Additional Tier 1 (AT1) capital and Tier 2 (T2) capital.

As a result, the Pillar 2 requirements of 2.25% in the form of CET1 of 1.27% and/or in the form of T1 of 1.69% must be observed.

All minimum requirements were observed on the sub-consolidated level of Volkswagen Bank GmbH at all times during the reporting period.

Structure of Own Funds

DISCLOSURE OF OWN FUNDS

The obligation to disclose own funds with the aim of increasing market discipline is derived from the CRR disclosure requirements. Disclosure of own funds and own funds requirements allows market participants to gain an insight into Volkswagen Bank GmbH's risk profile and capital adequacy.

The own funds in accordance with Article 72 of the CRR consist of Common Equity Tier 1 capital and Tier 2 capital. No additional Tier 1 capital has been issued by Volkswagen Bank GmbH or any of the group entities included in the prudential scope of consolidation.

COMPOSITION OF OWN FUNDS

The individual own funds components as well as the regulatory adjustments as of the latest reporting date are shown in the table.

The information in the table refers to Volkswagen Bank GmbH's institution group and is based on IFRS accounting.

TABLE 2: EU CC1 – COMPOSITION OF REGULATORY OWN FUNDS

		A	B
in € millions		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	318.3	a)
	of which: Instrument type 1	0.0	n/a
	of which: Instrument type 2	0.0	n/a
	of which: Instrument type 3	0.0	n/a
2	Retained earnings	9,370.3	b)
3	Accumulated other comprehensive income (and other reserves)	14,135.5	c)
EU-3a	Funds for general banking risk	0.0	n/a
4	Amount of qualifying items referred to in Art. 484 (3) and the related share premium accounts subject to phase out from CET1	0.0	n/a
5	Minority interests (amount allowed in consolidated CET1)	0.0	n/a
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0.0	n/a
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	23,824.1	n/a
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	–10.7	n/a
8	Intangible assets (net of related tax liability) (negative amount)	–4.0	d)
9	Not applicable		X
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Art. 38 (3) are met) (negative amount)	0.0	e)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	–8.8	n/a
12	Negative amounts resulting from the calculation of expected loss amounts	0.0	n/a

in € millions		A Amounts	B Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
13	Any increase in equity that results from securitised assets (negative amount)	0.0	n/a
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0.0	n/a
15	Defined-benefit pension fund assets (negative amount)	–0.3	n/a
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	0.0	n/a
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0.0	n/a
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0.0	n/a
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0.0	n/a
20	Not applicable		X
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0.0	n/a
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	0.0	n/a
EU-20c	of which: securitisation positions (negative amount)	0.0	n/a
EU-20d	of which: free deliveries (negative amount)	0.0	n/a
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Art. 38 (3) are met) (negative amount)	0.0	f)
22	Amount exceeding the 17,65% threshold (negative amount)	0.0	n/a
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0.0	n/a
24	Not applicable		X
25	of which: deferred tax assets arising from temporary differences	0.0	n/a
EU-25a	Losses for the current financial year (negative amount)	0.0	n/a
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	0.0	n/a
26	Not applicable		X
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	0.0	n/a
27a	Other regulatory adjusments	–284.9	n/a
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	–308.7	n/a
29	Common Equity Tier 1 (CET1) capital	23,515.4	n/a
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	0.0	n/a
31	of which: classified as equity under applicable accounting standards	0.0	n/a
32	of which: classified as liabilities under applicable accounting standards	0.0	n/a
33	Amount of qualifying items referred to in Art. 484 (4) and the related share premium accounts subject to phase out from AT1	0.0	n/a
EU-33a	Amount of qualifying items referred to in Art. 494a(1) subject to phase out from AT1	0.0	n/a
EU-33b	Amount of qualifying items referred to in Art. 494b(1) subject to phase out from AT1	0.0	n/a
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0.0	n/a
35	of which: instruments issued by subsidiaries subject to phase out	0.0	n/a

in € millions		A Amounts	B Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
36	Additional Tier 1 (AT1) capital before regulatory adjustments	0.0	n/a
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	0.0	n/a
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0.0	n/a
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0.0	n/a
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0.0	n/a
41	Not applicable		X
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	0.0	n/a
42a	Other regulatory adjustments to AT1 capital	0.0	n/a
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0.0	n/a
44	Additional Tier 1 (AT1) capital	0.0	n/a
45	Tier 1 capital (T1 = CET1 + AT1)	23,515.4	n/a
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	0.0	g)
47	Amount of qualifying items referred to in Art. 484 (5) and the related share premium accounts subject to phase out from T2 as described in Art. 486 (4) CRR	0.0	n/a
EU-47a	Amount of qualifying items referred to in Art. 494a (2) subject to phase out from T2	0.0	n/a
EU-47b	Amount of qualifying items referred to in Art. 494b (2) subject to phase out from T2	0.0	n/a
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	0.0	n/a
49	of which: instruments issued by subsidiaries subject to phase out	0.0	n/a
50	Credit risk adjustments	0.0	n/a
51	Tier 2 (T2) capital before regulatory adjustments	0.0	n/a
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	0.0	n/a
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0.0	n/a
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0.0	n/a
54a	Not applicable		X
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0.0	n/a
56	Not applicable		X
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	0.0	n/a
EU-56b	Other regulatory adjsuments to T2 capital	0.0	n/a
57	Total regulatory adjustments to Tier 2 (T2) capital	0.0	n/a

in € millions		A Amounts	B Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
58	Tier 2 (T2) capital	0.0	n/a
59	Total capital (TC = T1 + T2)	23,515.4	n/a
60	Total risk exposure amount	145,695.8	n/a
Capital ratios and requirements including buffers			
61	Common Equity Tier 1	16.14%	n/a
62	Tier 1	16.14%	n/a
63	Total capital	16.14%	n/a
64	Institution CET1 overall capital requirements	9.16%	n/a
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.86%	n/a
67	of which: systemic risk buffer requirement	0.02%	n/a
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.00%	n/a
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.27%	n/a
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	5.89%	n/a
69	Not applicable		X
70	Not applicable		X
71	Not applicable		X
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	57.7	n/a
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	0.0	n/a
74	Not applicable		X
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Art. 38 (3) are met)	292.9	n/a
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	0.0	n/a
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	1,668.3	n/a
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	0.0	n/a
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	0.0	n/a
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	0.0	n/a
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0.0	n/a
82	Current cap on AT1 instruments subject to phase out arrangements	0.0	n/a

in € millions		A Amounts	B Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0.0	n/a
84	Current cap on T2 instruments subject to phase out arrangements	0.0	n/a
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0.0	n/a

COMMON EQUITY TIER 1 CAPITAL

Common Equity Tier 1 capital primarily consists of equity reported in the balance sheet as defined in IFRS. In turn, the equity reported in the balance sheet is composed of ordinary share capital and disclosed reserves. Volkswagen Bank GmbH's share capital is fully paid up and unrestricted.

The disclosed reserves consist of the capital reserves and retained earnings. Moreover, Common Equity Tier 1 capital includes retained profits which have not yet been approved and are not tied to planned dividend payouts or foreseeable expenses (e.g. tax expenses). A special reserve for general banking risks recognized by Volkswagen Bank GmbH in accordance with section 340g of the *Handelsgesetzbuch* (HGB – German Commercial Code) is reported in the eligible disclosed reserves.

The increase of €747.7 million in Common Equity Tier 1 capital over December 31, 2025 is primarily due to the updated static component in the accrued profits after the approval of the consolidated financial statements.

MAIN CHARACTERISTICS OF OWN FUNDS INSTRUMENTS

The conditions set out in Art. 28 of the CRR must be satisfied for Common Equity Tier 1 instruments to be included. At the sub-consolidated level, Volkswagen Bank GmbH currently only includes its ordinary share capital in its own funds instruments. There are no Tier 2 instruments as defined in Article 63 of the CRR.

Own Funds Requirements

DISCLOSURE OF OWN FUNDS REQUIREMENTS AND RISK-WEIGHTED EXPOSURE AMOUNTS

The basis for the provisions concerning own funds requirements is formed by the regulatory provisions contained in Article 92 of the CRR. In this connection, it is necessary to calculate total risk exposure, which is derived from the calculation of the risk-weighted assets (RWA) for the credit risk including the counterparty credit risk as well as operational risk, market risk and for the credit valuation adjustments (CVA). The credit risk excluding the counterparty credit risk accounts for 91.3% of the total risk exposure amount, thus constituting the largest risk type.

The following table provides an overview of the breakdown of the total risk exposure amount and the own funds requirements. As Volkswagen Bank GmbH is subject to a quarterly disclosure duty, the figures in the table refer to the current reporting period ending June 30, 2026 as well as the previous quarter ending March 31, 2026.

TABLE 3: EU OV1 – OVERVIEW OF RISK-WEIGHTED EXPOSURE AMOUNTS

		RISK WEIGHTED EXPOSURE AMOUNTS (RWEAS)		TOTAL OWN FUNDS REQUIREMENTS
		a	b	c
	in € millions	Jun 30, 2026	Mar 31, 2026	Jun 30, 2026
1	Credit risk (excluding CCR)	133,091.4	126,911.1	10,647.3
2	Of which the standardised approach	133,091.4	126,911.1	10,647.3
3	Of which the Foundation IRB (F-IRB) approach	0.0	0.0	0.0
4	Of which: slotting approach	0.0	0.0	0.0
EU 4a	Of which: equities under the simple riskweighted approach	0.0	0.0	0.0
5	Of which the Advanced IRB (A-IRB) approach	0.0	0.0	0.0
6	Counterparty credit risk - CCR	371.8	496.2	29.7
7	Of which the standardised approach	371.1	495.4	29.7
8	Of which internal model method (IMM)	0.0	0.0	0.0
EU 8a	Of which exposures to a CCP	0.7	0.8	0.1
9	Of which other CCR	0.0	0.0	0.0
10	Credit valuation adjustments risk - CVA risk	1,210.5	1,278.3	96.8
EU 10a	Of which the standardised approach (SA)	0.0	0.0	0.0
EU 10b	Of which the basic approach (F-BA and R-BA)	1,210.5	1,278.3	96.8
EU 10c	Of which the simplified approach	0.0	0.0	0.0
11	Not applicable	X	X	X
12	Not applicable	X	X	X
13	Not applicable	X	X	X
14	Not applicable	X	X	X
15	Settlement risk	0.0	0.0	0.0
16	Securitisation exposures in the non-trading book (after the cap)	0.0	0.0	0.0
17	Of which SEC-IRBA approach	0.0	0.0	0.0
18	Of which SEC-ERBA (including IAA)	0.0	0.0	0.0
19	Of which SEC-SA approach	0.0	0.0	0.0
EU 19a	Of which 1250%	0.0	0.0	0.0
20	Position, foreign exchange and commodities risks (Market risk)	614.3	521.9	49.1
21	Of which the Alternative standardised approach (A-SA)	0.0	0.0	0.0
EU 21a	Of which the Simplified standardised approach (S-SA)	0.0	0.0	0.0
22	Of which the Alternative Internal Models Approach (A-IMA)	0.0	0.0	0.0
EU 22a	Large exposures	0.0	0.0	0.0
23	Reclassifications between trading and non-trading books	0.0	0.0	0.0
24	Operational risk	10,407.7	10,715.0	832.6
EU 24a	Exposures to crypto-assets	0.0	0.0	0.0
25	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	732.3	732.3	58.6
26	Output floor applied (%)	0.00%	0.00%	X
27	Floor adjustment (before application of transitional cap)	0.0	0.0	X
28	Floor adjustment (after application of transitional cap)	0.0	0.0	X
29	**Total**	**145,695.8**	**139,922.5**	**11,655.7**

The credit risk excluding the counterparty credit risk stood at €133,091.4 million as of June 30, 2026 and was therefore up by €6,180.3 million over the previous quarter. Volkswagen Bank GmbH uses the Credit Risk Standardized Approach (CRSA) to quantify credit risks. Further information on the composition of credit risk excluding counterparty credit risk can be seen in tables 13 and 14.

The decrease in counterparty credit risk from €496.2 million to €371.8 million is primarily attributable to the credit valuation adjustment (CVA) as well as lower SA-CCR replacement costs resulting from changed market values. Further information on the composition of counterparty credit risk can be found in Tables 16 through 19.

At €10,407.7 million, operational risk decreased slightly over the previous quarter's figure of €10,715.0 million. Volkswagen Bank GmbH applies the Standardized Approach in this connection.

Further information on market risk is provided in a separate chapter. A breakdown by approach is dispensed with until the new market risk standardized approach takes effect in connection with the fundamental review of the trading book.

DISCLOSURE OF COUNTERCYCLICAL CAPITAL BUFFERS

The countercyclical capital buffer (CCyB) has been introduced as a macro-prudential instrument for banking supervision. Its purpose is to increase credit institutions' resilience by stipulating additional capital requirements. To this end, banks are to accumulate an additional capital buffer in times of excessive lending growth which may be used to cover losses arising in a crisis. The accumulation of a capital buffer is intended to slow excessive credit growth and to avert a credit crunch, which would further aggravate a crisis, during a downswing. Accordingly, the capital buffer is determined on a countercyclical basis.

The capital buffer requirements are based on the provisions of CRD IV, which have been transposed into German law in Section 10d of the German Banking Act (KWG). The competent authority sets the capital buffer at between 0% and 2.5%. However, it is calculated separately for each individual credit institution. This means that each credit institution calculates the percentage of the institution-specific countercyclical capital buffer as the weighted average of the capital buffer rates for the countries in which the relevant credit risk exposures are located. This is based on the borrower's domicile and not the credit institution's domicile.

The following table shows the geographical distribution of the credit exposures relevant for the calculation of the countercyclical capital buffer.

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TABLE 4: EU CCYB1 – GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL CAPITAL BUFFER

		A	B	C	D	E	F	G	H	I	J	K	L	M
	in € millions	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
010	Breakdown by country:	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Securitisation exposures Exposure value for non-trading book	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	BE	2,544.5	0.0	0.0	0.0	0.0	2,544.5	203.5	0.0	0.0	203.5	2,544.2	1.9%	1.00%
	CZ	1,251.3	0.0	0.0	0.0	0.0	1,251.3	100.1	0.0	0.0	100.1	1,251.3	1.0%	1.25%
	DE	98,583.4	0.0	0.0	0.0	0.0	98,583.4	6,053.2	0.0	0.0	6,053.2	75,665.6	57.8%	0.75%
	DK	2,276.2	0.0	0.0	0.0	0.0	2,276.2	182.1	0.0	0.0	182.1	2,276.0	1.7%	2.50%
	ES	8,731.0	0.0	0.0	0.0	0.0	8,731.0	591.9	0.0	0.0	591.9	7,398.7	5.7%	0.50%
	FR	15,317.8	0.0	0.0	0.0	0.0	15,317.8	1,002.4	0.0	0.0	1,002.4	12,529.5	9.6%	1.00%
	GB	2,960.6	0.0	0.0	0.0	0.0	2,960.6	236.8	0.0	0.0	236.8	2,960.2	2.3%	2.00%
	IE	1,651.7	0.0	0.0	0.0	0.0	1,651.7	132.1	0.0	0.0	132.1	1,651.7	1.3%	1.50%
	IT	14,857.8	0.0	0.0	0.0	0.0	14,857.8	915.8	0.0	0.0	915.8	11,446.9	8.7%	0.00%
	NL	6,174.6	0.0	0.0	0.0	0.0	6,174.6	493.9	0.0	0.0	493.9	6,174.1	4.7%	2.00%
	NO	783.3	0.0	0.0	0.0	0.0	783.3	62.7	0.0	0.0	62.7	783.3	0.6%	2.50%
	PL	3,035.0	0.0	0.0	0.0	0.0	3,035.0	227.6	0.0	0.0	227.6	2,844.7	2.2%	1.00%
	PT	1,037.4	0.0	0.0	0.0	0.0	1,037.4	74.2	0.0	0.0	74.2	928.1	0.7%	0.75%
	SE	1,868.4	0.0	0.0	0.0	0.0	1,868.4	149.5	0.0	0.0	149.5	1,868.3	1.4%	2.00%
	Others	670.6	0.0	0.0	0.0	0.0	670.6	47.1	0.0	0.0	47.1	589.1	0.4%	0.28%
020	**Total**	**161,743.7**	**0.0**	**0.0**	**0.0**	**0.0**	**161,743.7**	**10,472.9**	**0.0**	**0.0**	**10,472.9**	**130,911.8**	**100.0%**	

At 57.8%, the own funds requirements for Germany of €6,053.2 million constitute the greatest proportion in the calculation of the countercyclical capital buffer. The countries listed cover more than 99% of Volkswagen Bank GmbH's own funds requirements. A further disaggregation of the countries listed under "Other" has been dispensed with for materiality reasons.

TABLE 5: EU CCYB2 – AMOUNT OF THE INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER

	in € millions	a
1	Total risk exposure amount	145,695.8
2	Institution specific countercyclical capital buffer rate	0.8626%
3	Institution specific countercyclical capital buffer requirement	1,256.8

Volkswagen Bank GmbH's institution specific countercyclical capital buffer rose only marginally from 0.8539% as of December 31, 2025 to 0.8626% as of June 30, 2026 at the sub-consolidated level.

Credit Risk and Credit Risk Mitigation

QUANTITATIVE DISCLOSURE OF CREDIT AND DILUTION RISK

Table EU CR1-A shows the net credit exposure for loans and advances as well as bonds by maturity as of June 30, 2026.

TABLE 6: EU CR1-A – MATURITY OF EXPOSURES

		A	B	C	D	E	F
		Net exposure value					
	in € millions	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	7,936.1	32,594.3	59,374.7	7,322.6	–	107,227.7
2	Debt securities	0.0	704.5	2,351.9	3,602.2	–	6,658.6
3	Total	7,936.1	33,298.8	61,726.6	10,924.8	–	113,886.3

NONPERFORMING AND FORBORNE EXPOSURES

At 2.56%, Volkswagen Bank GmbH's NPL ratio (FINREP) is below the 5% threshold.

TABLE 7: EU CQ1 – CREDIT QUALITY OF FORBORNE EXPOSURES

		A	B	C	D	E	F	G	H
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
	in € millions	Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
005	**Cash balances at central banks and other demand deposits**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**193.0**	**126.0**	**124,8**	**124,8**	**–1.0**	**-30,4**	**218,1**	**66,6**
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
060	Non-financial corporations	190,9	91,9	91,1	91,1	-0,9	-21,2	203,9	53,5
070	Households	2.0	34,1	33,7	33,7	-0,1	-9,2	14,2	13,1
080	**Debt Securities**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
090	**Loan commitments given**	**0.0**	**51,6**	**51,6**	**51,6**	**0.0**	**10,3**	**0,3**	**0,3**
100	**Total**	**193.0**	**177,6**	**176,5**	**176,5**	**–1.0**	**-40,7**	**218,4**	**67.0**

The table provides an overview of the credit quality of the forborne exposures of Volkswagen Bank GmbH. It shows the gross carrying amounts of the exposures as well as the related credit risk adjustments, provisions and collateral received.

TABLE 8: EU CQ3 – CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS

		A	B	C	D	E	F	G	H	I	J	K	L
		Gross carrying amount / Nominal amount											
		Performing exposures			Non-performing exposures								
	in € millions		Not past due or Past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past-due or past-due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 year ≤ 5 years	Past due > 5 year ≤ 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**12.705,90**	**12.705,90**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
010	**Loans and advances**	**106.218,40**	**105.300,60**	**917,8**	**2.794,30**	**1.330,70**	**383,7**	**561,9**	**295,3**	**201,4**	**13,2**	**8,2**	**2.752,70**
020	Central banks	4,3	2,9	1,4	0	0	0	0	0	0	0	0	0
030	General governments	165,6	165,6	0	1,9	1,6	0,1	0	0,1	0	0	0	1,6
040	Credit institutions	1507,8	1507,7	0	0	0	0	0	0	0	0	0	0
050	Other financial corporations	23.546,50	23.525,70	20,8	18,4	11,4	3,2	1,7	1,5	0,5	0	0	17,8
060	Non-financial corporations	38.347,60	37.948,70	398,8	1.592,40	843,90	157	362,7	124,4	92,8	6,8	4,7	1.557,60
070	Of which SMEs	8.088,00	7.986,70	101,3	213,1	154,1	25,3	17	15,7	1	0	0	197,3
080	Households	42.646,60	42.149,90	496,8	1.181,60	473,7	223,4	197,5	169,3	108	6,4	3,4	1.175,70
090	**Debt Securities**	**5.166,70**	**5.166,70**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
100	Central banks	0	0	0	0	0	0	0	0	0	0	0	0
110	General governments	2.269,00	2.269,00	0	0	0	0	0	0	0	0	0	0
120	Credit institutions	1359,4	1359,4	0	0	0	0	0	0	0	0	0	0
130	Other financial corporations	1538,3	1538,3	0	0	0	0	0	0	0	0	0	0
140	Non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
150	**Off-balance sheet exposures**	**21.153,60**	**X**	**X**	**270,3**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**227**
160	Central banks	0	X	X	-	X	X	X	X	X	X	X	0
170	General governments	1,5	X	X	0,4	X	X	X	X	X	X	X	0,4
180	Credit institutions	1,4	X	X	-	X	X	X	X	X	X	X	0
190	Other financial corporations	728,2	X	X	1,6	X	X	X	X	X	X	X	1
200	Non-financial corporations	16.932,70	X	X	251,8	X	X	X	X	X	X	X	214
210	Households	3.489,80	X	X	16,5	X	X	X	X	X	X	X	11,6
220	**Total**	**145.244,60**	**123.173,20**	**917,8**	**3.064,60**	**1.330,70**	**383,7**	**561,9**	**295,3**	**201,4**	**13,2**	**8,2**	**2.979,70**

The table provides an overview of the gross carrying amounts of performing and non-performing risk exposure of Volkswagen Bank GmbH broken down by past due days.

TABLE 9: EU CQ4 – QUALITY OF NON-PERFORMING RISK EXPOSURES BY GEOGRAPHY

		A	B	C	D	E	F	G
				Gross carrying/Nominal amount		Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing					
	in € millions			of which: defaulted	of which: subject to impairment			
010	**On balance sheet exposures**	**115,899.3**	**2,824.5**	**2,758.3**	**107,727.4**	**–1,689.5**	**X**	**0.0**
020	Germany	53,105.0	2,226.1	2,206.8	53,104.6	–1,146.3	**X**	0.0
030	Italy	11,123.2	109.9	81.1	10,993.7	–79.7	**X**	0.0
040	Spain	10,272.9	109.0	109.0	8,728.3	–116.9	**X**	0.0
050	France	8,860.9	294.1	283.2	8,860.9	–239.2	**X**	0.0
060	Netherlands	6,549.7	0.1	0.1	6,549.7	–4.2	**X**	0.0
070	Others	25,987.6	85.2	78.0	19,490.2	–103.3	**X**	0.0
080	**Off balance sheet exposures**	**21,423.9**	**270.3**	**227.0**	**X**	**X**	**66.6**	**X**
090	Germany	14,217.4	213.4	195.1	X	X	57.3	X
100	Italy	2,257.2	13.8	8.0	X	X	3.0	X
110	France	2,145.0	35.9	18.7	X	X	1.9	X
120	United Kingdom	1,543.6	1.0	1.0	X	X	3.0	X
130	Poland	482.4	2.1	2.1	X	X	0.4	X
140	Others	778.3	4.1	2.1	X	X	1.0	X
150	**Total**	**137,323.2**	**3,094.8**	**2,985.3**	**107,727.4**	**–1,689.5**	**66.6**	**0.0**

The table sets out non-performing risk exposures by geographical regions. Most of these exposures are related to the Germany region.

TABLE 10: EUR CQ5 – CREDIT QUALITY OF LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY INDUSTRY

		A	B	C	D	E	F
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: loans and advances subject to impairment		
	in € millions						
010	Agriculture, forestry and fishing	113,7	5,7	5,4	113,7	-3,1	0
020	Mining and quarrying	27,3	0,3	0,3	27,3	-0,2	0
030	Manufacturing	3.732,80	80,9	80,1	3.732,80	-58,4	0
040	Electricity, gas, steam and air conditioning supply	162,2	2,4	2,4	162,2	-2	0
050	Water supply	196,1	5,7	5,7	196,1	-3,4	0
060	Construction	2.486,50	103,8	101,1	2.486,50	-65,7	0
070	Wholesale and retail trade	20.252,50	605,7	583,1	20.252,50	-366,8	0
080	Transport and storage	1.503,60	171,7	167,4	1.503,60	-73,1	0
090	Accommodation and food service activities	329	16,2	15,9	329	-10,6	0
100	Information and communication	836,8	15,1	14,8	836,8	-11,8	0
110	Real estate activities	0	0	0	0	0	0
120	Financial and insurance actvities	913,6	41,8	41,5	913,6	-28,9	0
130	Professional, scientific and technical activities	3.022,70	90,9	90,3	3.022,70	-115,3	0
140	Administrative and support service activities	4.307,20	380,1	378,7	4.307,20	-162,5	0
150	Public administration and defense, compulsory social security	0	0	0	0	0	0
160	Education	252	9,6	9,4	252	-5,6	0
170	Human health services and social work activities	873,7	24,4	24	873,7	-14,4	0
180	Arts, entertainment and recreation	142,7	3,3	3,3	142,7	-3,1	0
190	Other services	787,8	34,8	34,2	787,8	-17,6	0
200	**Total**	**39.940,00**	**1.592,40**	**1.557,60**	**39.940,00**	**-942,4**	**0**

With respect to non-financial corporations, the table sets out the proportion of non-performing exposures and corresponding credit risk adjustments by industry. Most of these are attributable to wholesale and retail trade.

The change in the stock of non-performing loans and advances are as follows:

TABLE 11: EU CR2 – CHANGE IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES

		A
	in € millions	Gross carrying amount
010	Initial stock of non-performing loans and advances	2,714.5
020	Inflows to non-performing portfolios	310,94
030	Outflows from non-performing portfolios	-231,16
040	Outflows due to write-offs	-
050	Outflow due to other situations	-231,16
060	Final stock of non-performing loans and advances	2,794.3

Volkswagen Bank GmbH's performing and non-performing exposures and related provisions break down as follows:

TABLE 12: EU CR1 – PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
		Gross carrying amount / nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - Accumulated impair-ment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
in € millions			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		On perform-ing expo-sures	On non-performing exposures
005	**Cash balances at central banks and other demand deposits**	**12.705,90**	**12.262,90**	**443**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
010	**Loans and advances**	**106.218,40**	**54.070,60**	**46.817,50**	**2.794,30**	**238,7**	**2.377,00**	**-769,8**	**-146,4**	**-630,2**	**-920,9**	**-21,4**	**-863,2**	**-23,3**	**44.708,90**	**1395,9**
020	Central banks	4,3	0	4,3	0	0	0	0	0	0	0	0	0	0	0	0
030	General governments	165,6	1,3	164	1,9	0,4	0,8	-1,1	0	-1,2	-0,4	0	-0,3	0	99,2	1,1
040	Credit institutions	1507,8	1437,7	70	0	0	0	-2,2	-1,7	-0,4	0	0	0	0	39,5	0
050	Other financial corporations	23.546,50	16.888,60	1478,8	18,4	2,1	14,6	-22,4	-15,1	-7,4	-6	-0,2	-5,6	0	326	8,8
060	Non-financial corporations	38.347,60	10.875,40	27.331,00	1.592,40	127,4	1308,9	-440,4	-73,1	-370,4	-502,1	-10	-457,2	-9,9	22.768,90	874,2
070	Of which: SMEs	8.088,00	2.846,90	5.226,30	213,1	35,9	153,5	-91,6	-21,1	-71,9	-63,9	-2,2	-54,7	-0,1	5.039,80	116,8
080	Households	42.646,60	24.867,50	17.769,40	1.181,60	108,8	1.052,70	-303,7	-56,6	-250,7	-412,4	-11,2	-400,1	-13,4	21.475,40	511,8
090	**Debt Securities**	**5.166,70**	**3.807,00**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
100	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110	General governments	2.269,00	2.269,00	0	0	0	0	0	0	0	0	0	0	0	0	0
120	Credit institutions	1359,4	1359,4	0	0	0	0	0	0	0	0	0	0	0	0	0
130	Other financial corporations	1538,3	178,7	0	0	0	0	0	0	0	0	0	0	0	0	0
140	Non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
150	**Off-balance sheet exposures**	**21.153,60**	**14.736,10**	**6.417,50**	**270,3**	**42**	**221,2**	**30,8**	**14**	**16,8**	**35,8**	**0,1**	**35,6**	**0**	**1400,9**	**3,4**
160	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
170	General governments	1,5	0	1,5	0,4	0,2	0,2	0	0	0	0	0	0	0	0,1	0
180	Credit institutions	1,4	0	1,4	0	0	0	0	0	0	0	0	0	0	0	0

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
		Gross carrying amount / nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - Accumulated impair-ment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
in € millions			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		On perform-ing expo-sures	On non-performing exposures
190	Other financial corporations	728,2	591,1	137,1	1,6	1,6	0	0,1	0,1	0	0	0	0	0	1,1	0
200	Non-financial corporations	16.932,70	12.195,90	4.736,80	251,8	32,6	215,1	23,6	8,3	15,3	35,2	0	35,2	0	1341,8	3
210	Households	3.489,80	1.949,10	1.540,70	16,5	7,6	5,9	7,2	5,7	1,5	0,6	0,1	0,5	0	57,8	0,3
220	**Total**	**145.244,60**	**84.876,60**	**53.678,00**	**3.064,60**	**280,7**	**2.598,20**	**-800,6**	**-160,4**	**-647**	**-956,7**	**-21,4**	**-898,9**	**-23,3**	**46.109,90**	**1399,3**

QUANTITATIVE DISCLOSURE OF THE USE OF THE STANDARDIZED APPROACH

The following table provides quantitative information on the use of the Credit Risk Standardized Approach.

For the purpose of determining the risk-weighted assets for quantifying counterparty credit risk, the risk exposures are weighted with a flat-rate risk weight depending on the respective exposure classes in accordance with Article 112 of the CRR. In the “Other items” exposure class, residual lease values are reported at their individual risk weight depending on the remaining duration of the lease in accordance with Art. 134 (7) of the CRR. The following table sets out credit exposures by exposure class and risk weight.

TABLE 13: EU CR5 – STANDARDIZED APPROACH

		RISIKOGEWICHT													
	in Mio. €	0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	Zwischen-summe
	Risikopositionsklassen	a	b	c	d	e	f	g	h	i	j	k	l	m	z
1	Central governments or central banks	4.024,2	,0	,0	,0	6,3	,0	,0	,0	,0	,0	,0	,0	,0	4.090,5
EU 2a	Non-central government public sector entities	625,4	0,0	0,0	0,0	408,0	0,0	0,0	0,0	0,0	2,8	0,0	0,0	0,0	1.036,2
EU 2b	Regional governments or local authorities	625,4	0,0	0,0	0,0	61,5	0,0	0,0	0,0	0,0	2,6	0,0	0,0	0,0	689,4
EU 2b	Public sector entities	0,0	0,0	0,0	0,0	346,6	0,0	0,0	0,0	0,0	0,3	0,0	0,0	0,0	346,8
3	Multilateral development banks	91,7	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	91,7
EU 3a	International organisations	214,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	214,2
4	Institutions	0,0	0,0	0,0	0,0	151,5	1.715,8	0,0	0,0	0,0	345,8	0,0	0,0	0,0	2.213,1
5	Covered bonds	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
6	Corporates	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
6.1	Of which: Specialised Lending	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
7	Subordinated debt exposures and equity	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EU 7a	Subordinated debt exposures	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EU 7b	Equity	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
8	Retail exposure	0,0	0,0	0,0	0,0	0,0	0,0	47,4	0,0	0,0	0,0	0,0	0,0	39.720,8	39.768,2
9	Secured by mortgages on immovable property and ADC exposures	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	10,3	10,3
9.1	Secured by mortgages on residential immovable property - non IPRE	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	4,3	4,3
9.1.1	1. No loan splitting applied	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	4,3	4,3
9.1.2	2. loan splitting applied (secured)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
9.1.3	3. loan splitting applied (unsecured)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
9.2	Secured by mortgages on residential immovable property - IPRE	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
9.3	Secured by mortgages on commercial immovable property - non IPRE	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	6,1	6,1
9.3.1	4. No loan splitting applied	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	6,1	6,1
9.3.2	5. Mit Kreditsplitting (besichert)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0

		RISIKOGEWICHT													
	in Mio. €	0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	Zwischen-summe
	Risikopositionsklassen	a	b	c	d	e	f	g	h	i	j	k	l	m	z
9.3.3	6. loan splitting applied (secured)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
9.4	loan splitting applied (unsecured)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
9.5	Secured by mortgages on commercial immovable property - IPRE	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
10	Acquisition, Development and Construction (ADC)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EU 10a	Exposures in default	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EU 10b	Claims on institutions and corporates with a short-term credit assess-ment	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EU 10c	Collective investment undertakings (CIU)	5.365,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	5.365,8
11	Other items	x	x	x	x	x	x	x	x	x	x	x	x	x	x
11 c	not applicable	**20.321,3**	**0,0**	**0,0**	**0,0**	**625,9**	**1.715,8**	**47,4**	**0,0**	**0,0**	**348,6**	**0,0**	**0,0**	**39.731,1**	**62.790,2**
	TOTAL														

		RISIKOGEWICHT												
	in Mio. €	80%	90%	100%	105%	110%	130%	150%	250%	370%	400%	1.250%	Sonstige	Summe	Ohne Rating
	Risikopositionsklassen	n	o	p	q	r	s	t	u	v	w	x	y	z	aa
	Central governments or central banks														
•		,0	,0	,0	,0	,0	,0	,0	92,9	,0	,0	,0	,0	4.383,4	,0
EU 2a	Non-central government public sector entities	0,0	0,0	1,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1.037,5	1,2
EU 2b	Regional governments or local authorities	0,0	0,0	1,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	690,6	1,2
EU 2b	Public sector entities	0,0	0,0	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	346,9	0,1
3	Multilateral development banks	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	91,7	91,7
EU 3a	International organisations	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	214,2	214,2
4	Institutions	0,0	0,0	0,0	0,0	0,0	0,0	421,2	0,0	0,0	0,0	0,0	0,0	2.634,4	421,2
5	Covered bonds	0,0	0,0	65,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	170,6	236,0	65,4
6	Corporates	0,0	0,0	54.203,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	54.203,0	54.203,0
6.1	Of which: Specialised Lending	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
7	Subordinated debt exposures and equity	0,0	0,0	59,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	59,0	59,0
EU 7a	Subordinated debt exposures	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EU 7b	Equity	0,0	0,0	59,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	59,0	59,0
8	Retail exposure	0,0	0,0	123,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	39.892,0	39.892,0
9	Secured by mortgages on immovable property and ADC exposures	0,0	0,0	2.806,5	0,0	0,0	0,0	3,1	0,0	0,0	0,0	0,0	0,0	2.819,9	2.819,9
9.1	Secured by mortgages on residential immovable property - non IPRE	0,0	0,0	7,7	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	12,0	12,0
9.1.1	7. No loan splitting applied	0,0	0,0	7,7	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	12,0	12,0
9.1.2	8. loan splitting applied (secured)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
9.1.3	9. loan splitting applied (unsecured)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
9.2	Secured by mortgages on residential immovable property - IPRE	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
9.3	Secured by mortgages on commercial immovable property - non IPRE	0,0	0,0	2.798,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2.804,8	2.804,8
9.3.1	10. No loan splitting applied	0,0	0,0	2.798,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2.804,8	2.804,8
9.3.2	11. loan splitting applied (secured)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
9.3.3	12. loan splitting applied (unsecured)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
9.4	Durch Grundpfandrechte auf Gewerbeimmobilien besichert – IPRE	0,0	0,0	0,0	0,0	0,0	0,0	3,1	0,0	0,0	0,0	0,0	0,0	3,1	3,1

		RISIKOGEWICHT													
	in Mio. €	80%	90%	100%	105%	110%	130%	150%	250%	370%	400%	1.250%	Sonstige	Summe	Ohne Rating
	Risikopositionsklassen	n	o	p	q	r	s	t	u	v	w	x	y	z	aa
9.5	Secured by mortgages on commercial immovable property - IPRE	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
10	Acquisition, Development and Construction (ADC)	0,0	0,0	632,4	0,0	0,0	0,0	817,1	0,0	0,0	0,0	0,0	0,0	1.449,5	1.449,5
EU 10a	Exposures in default	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EU 10b	Claims on institutions and corporates with a short-term credit assessment	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EU 10c	Collective investment undertakings (CIU)	0,0	0,0	2.691,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	55.027,4	63.084,4	63.084,4
11	Other items	x	x	x	x	x	x	x	x	x	x	x	x	x	x
11 c	not applicable	**0,0**	**0,0**	**60.582,5**	**0,0**	**0,0**	**0,0**	**1.241,4**	**292,9**	**0,0**	**0,0**	**0,0**	**55.198,0**	**180.105,0**	**162.301,6**

The following table presents the credit risk and the effect of credit mitigation techniques. To this end, on- and off-balance sheet exposures before credit conversion factors and credit risk mitigation are compared with the corresponding figures after credit conversion factors and credit risk mitigation. This information is supplemented with figures on risk-weighted assets (RWA) and RWA density. RWA density refers to the average risk weight of an exposure per exposure class.

TABLE 14: EU CR4 – STANDARDIZED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS

		EXPOSURES BEFORE CCF AND BEFORE CRM		EXPOSURES POST CCF AND POST CRM		RWAS AND RWAS DENSITY	
	Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		a	b	c	d	e	f
1	Central governments or central banks	14,382.7	1.9	14,382.7	0.8	745.6	5.2%
2	Non-central government public sector entities	995.7	104.4	995.7	41.7	84.2	8.1%
EU 2a	Regional government or local authorities	671.2	48.6	671.2	19.4	14.7	2.1%
EU 2b	Public sector entities	324.6	55.8	324.6	22.3	69.5	20.0%
3	Multilateral development banks	91.7	0.0	91.7	0.0	0.0	0.0%
EU 3a	International organisations	214.2	0.0	214.2	0.0	0.0	0.0%
4	Institutions	2,616.4	45.3	2,616.4	18.0	1,349.8	51.2%
5	Covered bonds	236.0	–	236.0	–	95.5	40.5%
6	Corporates	47,634.6	21,820.9	42,270.5	11,932.5	53,918.0	99.5%
6.1	Of which: Specialised Lending	–	–	–	–	–	0.0%
7	Subordinated debt exposures and equity	59.0	0.0	59.0	0.0	59.0	100.0%
EU 7a	Subordinated debt exposures	–	–	–	–	–	0.0%
EU 7b	Equity	59.0	0.0	59.0	0.0	59.0	100.0%
8	Retail	38,062.4	6,839.0	38,062.4	1,829.6	29,341.0	73.6%
9	Secured by mortgages on immovable property and ADC exposures	2,816.8	927.5	2,816.8	3.0	2,796.1	99.2%
9.1	Secured by mortgages on residential immovable property - non IPRE	12.0	1.4	12.0	–	10.3	86.3%
9.2	Secured by mortgages on residential immovable property - IPRE	0.0	0.0	0.0	0.0	0.0	0.0%
9.3	Secured by mortgages on commercial immovable property - non IPRE	2,801.8	926.1	2,801.8	3.0	2,781.1	99.2%
9.4	Secured by mortgages on commercial	3.1	0.0	3.1	0.0	4.6	150.0%

		EXPOSURES BEFORE CCF AND BEFORE CRM		EXPOSURES POST CCF AND POST CRM		RWAS AND RWAS DENSITY	
	Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		a	b	c	d	e	f
	immovable property - IPRE						
9.5	Acquisition, Development and Construction (ADC)	–	–	–	–	–	0.0%
10	Exposures in default	1,409.1	240.6	1,409.1	40.4	1,858.1	128.2%
EU 10a	Claims on institutions and corporates with a short-term credit assessment	–	–	–	–	–	0.0%
EU 10b	Collective investment undertakings	0.0	0.0	0.0	0.0	0.0	0.0%
EU 10c	Other items	57,720.3	0.0	63,084.4	0.0	42,844.1	67.9%
11	Not applicable	x	x	x	x	x	x
12	**TOTAL**	**166,239.0**	**29,979.6**	**166,239.0**	**13,866.0**	**133,091.4**	**73.9%**

Credit risk mitigation techniques are only used in specific cases for capital backing purposes. Compliance with the minimum requirements for recognizing this credit risk mitigation technique in accordance with the CRR is ensured in such cases.

At present, credit risk mitigation within the meaning of Article 192ff. of the CRR is applied in the following cases:

- Bareinlagen bei Kreditengagements der Volkswagen Bank GmbH im Sinne des Art. 197 Abs. 1 Bst. a) CRR
- Sicherheiten beziehungsweise Haftungsanteile der KfW im Rahmen der Kreditvergabe von Corona-Schnellkrediten

Limited use is made of the option to enter into netting agreements within the meaning of Article 205 ff. of the CRR for mitigating credit risk in the calculation of own funds.

USE OF CREDIT RISK MITIGATION TECHNIQUES

The following table EU CR3 shows the level of collateralization according to the type of exposure. There is a breakdown by type of collateral.

TABLE 15: EU CR3 – CRM TECHNIQUES OVERVIEW: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES

		UNSECURED CARRYING AMOUNT	SECURED CARRYING AMOUNT			
				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
	in € millions	a	b	c	d	e
1	Loans and advances	73,923.1	46,104.8	45,811.0	293.8	0.0
2	Debt securities	5,166.7	0.0	0.0	0.0	0.0
3	Total	79,089.8	46,107.8	45,811.0	293.8	0.0
4	Of which non-performing exposures	477.5	1,395.9	1,380.8	15.1	0.0
EU-5	Of which defaulted	X	X	X	X	X

Counterparty Credit Risk (CCR)

QUANTITATIVE DISCLOSURE OF COUNTERPARTY CREDIT RISK

Counterparty credit risk is the risk of a business partner being unable to repay amounts of principal or interest owed in accordance with the contract. This risk forms part of credit risk and must be backed by own funds under the CRR requirements.

Volkswagen Bank GmbH hedges its counterparty credit risk from derivative transactions by entering into margin agreements with its business partners. The amount of the initial margins and variation margins are calculated on a daily basis. The necessary cash collateral is made available to or by the business partners on this basis.

The following table shows the composition of the collateral provided or deposited to cover or reduce the counterparty credit risk in connection with derivative transactions.

TABLE 16: EU CCR5 – COMPOSITION OF COLLATERAL FOR CCR EXPOSURES

		A	B	C	D	E	F	G	H
		Collateral used in derivative transactions				Collateral used in SFTs			
	in € millions	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Collateral type	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	0.0	178.6	0.0	344.1	0.0	0.0	0.0	0.0
2	Cash – other currencies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	Domestic sovereign debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Other sovereign debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	Government agency debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Corporate bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	Equity securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	Other collateral	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	**Total**	**0.0**	**178.6**	**0.0**	**344.1**	**0.0**	**0.0**	**0.0**	**0.0**

Volkswagen Leasing GmbH, which has been a subsidiary and therefore part of the Volkswagen Bank GmbH institution group since July 1, 2024, engages in derivatives transactions without margin agreements.

Under the revised Capital Requirements Regulation (CRR II), the methodology for calculating the risk exposure amount for counterparty credit risk for derivative transactions was applied in accordance with the new Standardized Approach (SA-CCR) among other things. SA-CCR still entails replacement expense and the potential future replacement value as well as a multiplier. In addition, a distinction is drawn between margin and non-margin transactions as well recognized netting, hedging and collateralization. As

of June 30, 2021, Volkswagen Bank GmbH applies solely SA-CCR for calculating risk exposure for derivatives. The following table shows the composition of the risk exposure determined in accordance with SA-CCR.

Risk exposures that are cleared via central counterparties (CCP) are presented separately in Table 18.

TABLE 17: EU CCR1 – ANALYSIS OF CCR EXPOSURE BY APPROACH

		A	B	C	D	E	F	G	H
	in € millions	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	EU - Original Exposure Method (for derivatives)	0.0	0.0	X	1.4	0.0	0.0	0.0	0.0
EU2	EU - Simplified SA-CCR (for derivatives)	0.0	0.0	X	1.4	0.0	0.0	0.0	0.0
1	SA-CCR (for derivatives)	205.8	679.6	X	1.4	1,239.6	1,239.6	1,238.1	371.1
2	IMM (for derivatives and SFTs)	X	X	0.0	0.0	0.0	0.0	0.0	0.0
2a	Of which securities financing transactions netting sets	X	X	0.0	X	0.0	0.0	0.0	0.0
2b	Of which derivatives and long settlement transactions netting sets	X	X	0.0	X	0.0	0.0	0.0	0.0
2c	Of which from contractual cross-product netting sets	X	X	0.0	X	0.0	0.0	0.0	0.0
3	Financial collateral simple method (for SFTs)	X	X	X	X	0.0	0.0	0.0	0.0
4	Financial collateral comprehensive method (for SFTs)	X	X	X	X	0.0	0.0	0.0	0.0
5	VaR for SFTs	X	X	X	X	0.0	0.0	0.0	0.0
6	**Total**	**X**	**X**	**X**	**X**	**1,239.6**	**1,239.6**	**1,238.1**	**371.1**

TABLE 18: EU CCR2 – TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK

		A	B
	in Mio. €	Risikopositionswert	RWEA
1	Gesamtgeschäfte nach der fortgeschrittenen Methode	0,0	0,0
2	(i) VaR-Komponente (einschließlich Dreifach-Multiplikator)	X	0,0
3	(ii) VaR-Komponente unter Stressbedingungen (sVaR) (einschließlich Dreifach-Multiplikator)	X	0,0
4	Geschäfte nach der Standardmethode	126,8	233,1
EU4	Geschäfte nach dem alternativen Ansatz (auf Grundlage der Ursprungsrisikomethode)	0,0	0,0
5	Gesamtgeschäfte mit Eigenmittelanforderungen für das CVA-Risiko	126,8	233,1

Volkswagen Bank GmbH handles part of its interest rate derivatives indirectly via clearing members or via EUREX. EUREX is recognized as a qualifying central counterparty in accordance with Article 4 (88) of the CRR. The scope of these transactions breaks down as follows as of the reporting date:

TABLE 19: EUR CCR8 – EXPOSURES TO CCPS

		A	B
	in € millions	Exposure value	RWEA
1	**Exposures to QCCPs (total)**	**X**	**0.7**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	36.0	0.7
3	(i) OTC derivatives	36.0	0.7
4	(ii) Exchange-traded derivatives	0.0	0.0
5	(iii) SFTs	0.0	0.0
6	(iv) Netting sets where cross-product netting has been approved	0.0	0.0
7	Segregated initial margin	0.0	X
8	Non-segregated initial margin	0.0	0.0
9	Prefunded default fund contributions	0.0	0.0
10	Unfunded default fund contributions	0.0	0.0
11	**Exposures to non-QCCPs (total)**	**X**	**0.0**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	0.0	0.0
13	(i) OTC derivatives	0.0	0.0
14	(ii) Exchange-traded derivatives	0.0	0.0
15	(iii) SFTs	0.0	0.0
16	(iv) Netting sets where cross-product netting has been approved	0.0	0.0
17	Segregated initial margin	0.0	X
18	Non-segregated initial margin	0.0	0.0
19	Prefunded default fund contributions	0.0	0.0
20	Unfunded default fund contributions	0.0	0.0

All counterparties with which the companies of the Volkswagen Bank GmbH institution group have transacted derivatives are assigned to the regulatory exposure class “Institutions”. The following table

shows risk exposure by credit risk mitigation, broken down by risk weight and regulatory exposure class.

TABLE 20: EU CCR3 – STANDARDIZED APPROACH – CRR RISK EXPOSURES BY REGULATION RISK EXPOSURE CLASS AND RISK WEIGHTS

		RISK WEIGHT											
	in € millions	a	b	c	d	e	f	g	h	i	j	k	l
	Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	Regional government or local authorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	Public sector entities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Multilateral development banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	International organisations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Institutions	0.0	36.0	0.0	0.0	211.3	67.2	0.0	0.0	0.0	6.1	953.4	1,274.1
7	Corporates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	Retail	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Institutions and corporates with a short-term credit assessment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Other items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	**Total exposure value**	**0.0**	**36.0**	**0.0**	**0.0**	**211.3**	**67.2**	**0.0**	**0.0**	**0.0**	**6.1**	**953.4**	**1,274.1**

Market Risk

All companies in the Volkswagen Bank GmbH institution group are classified as non-trading book institutions. The institution group does not run a trading book. In the area of market risk, the institution group currently enters into currency risk. Own funds requirements stand at €49.1 million. Own risk models are not in use at this time. As the introduction of the new market risk standardized approach has been postponed until 2027 after the fundamental review of the trading book has been completed, the existing market risk standardized approach will continue to be used to calculate own funds requirements.

Market risk as part of total risk exposure must be quantified in accordance with Article 92 (3) (c) of the CRR and backed by own funds. With respect to the calculation of own funds requirements for market risk, Volkswagen Bank GmbH is only required to provide backing for foreign-currency risks. As a non-trading book institution, Volkswagen Bank GmbH does not have any trading book transactions that require own-funds backing.

The own funds required for foreign-currency risks multiplied by a factor of 12.5 equal €614.3 million as of June 30, 2026, equivalent to 0.4% of total risk exposure.

TABLE 21: EU MR1 – MARKET RISK UNDER THE STANDARDIZED APPROACH

		A
	in € millions	RWEAs
	Outright products	**X**
1	Interest rate risk (general and specific)	0.0
2	Equity risk (general and specific)	0.0
3	Foreign exchange risk	614.3
4	Commodity risk	0.0
	Options	**X**
5	Simplified approach	0.0
6	Delta-plus approach	0.0
7	Scenario approach	0.0
8	Securitisation (specific risk)	0.0
9	**Total**	**614.3**

Foreign-currency risks primarily arise from the translation of the capital resources held by the two bank branches in Poland and the United Kingdom from a foreign currency into euros. The increase of €92.4 million in foreign-currency risks from €521.9 million to €614.3 million is chiefly due to the transaction and maturity of foreign-currency loans and derivatives, changes in the amount of the capital resources and fluctuations in exchange rates.

Liquidity Risk

QUALITATIVE DISCLOSURE OF LIQUIDITY REQUIREMENTS

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

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

The primary objective of liquidity management at the Volkswagen Bank GmbH Group is to safeguard the ability of the Company to meet its payment obligations at all times. To this end, the Volkswagen Bank GmbH Group holds liquidity reserves in the form of securities deposited in its operational safe custody account with Deutsche Bundesbank. It also has at its disposal standby lines of credit at other banks to protect against unexpected fluctuations in cash flows. There are no plans to make use of these standby lines of credit; their sole purpose is to serve as backup to safeguard liquidity.

When funding the Group companies, the Volkswagen Bank GmbH Group aims to diversify the funding sources. In addition to direct bank deposits at Volkswagen Bank GmbH, these mostly comprise money and capital market programs as well as asset-backed security transactions. This diversification of funding instruments helps to improve the structure of the balance sheet and reduce dependence on individual markets and products.

To reduce the funding risk, the capital that the companies need is largely raised by matching maturities.

If liquidity risk were to materialize, funding risk would result in higher costs and market liquidity risk would result in lower selling prices for assets, both of which would have a negative impact on results of operations. The consequence of illiquidity risk in the worst-case scenario is insolvency caused by illiquidity. Liquidity risk management at the Volkswagen Bank GmbH Group ensures that this situation does not arise.

Composition of the liquidity buffer

The normative liquidity buffer (HQLA) of the Volkswagen Bank GmbH Group is composed of LCR Level 1 securities and central bank balances. The economic view includes the unencumbered part of the ECB safe custody account in the liquidity buffer.

Concentration of liquidity and funding sources

The Volkswagen Bank GmbH Group is funded largely through direct banking deposits and by capital market and asset-backed security programs. Volkswagen Bank GmbH also participates opportunistically in the ECB's open market transactions.

In addition to a broadly diversified range of funding sources, the Volkswagen Bank GmbH Group has a funding concentration towards the Volkswagen Group (cash collateral and deposits from subsidiaries, in its function as house bank).

In addition to funding as such, the Volkswagen Bank GmbH Group pursues a central approach for creating liquidity reserves to ensure daily solvency and the observance of liquidity risk indicators and regulatory ratios (including LCR, NSFR) at all times.

Derivative exposures and potential collateral calls

Interest-rate and currency swaps are traded within the Volkswagen Bank GmbH Group and included in the calculation of the LCR. OTC derivative contracts are hedged via collateral for each individual counterparty. Derivatives handled by a central counterparty (CCP) are collateralized in the form of variation and initial margins.

Derivatives are expected to generate only minor liquidity effects.

Currency mismatch in the LCR

In accordance with the Commission Delegated Regulation (EU) 2015/61 of October 10, 2014, the Volkswagen Bank GmbH Group is required to hold sufficient high-quality liquid assets (HQLA) in the corresponding currency within the following 30 calendar days to cover the net liquidity outflows calculated for the LCR report. A perfect match between the currency of the HQLAs and the denomination of the net liquidity outflows is not sought. Corresponding fluctuations and currencies that are not identified as currencies to be bought are compensated for in euros via HQLAs.

Description of the degree of centralization of liquidity management and the interaction between the individual Group institutions

Within the Volkswagen Bank GmbH Group, the LCR is managed centrally by Group Treasury Volkswagen Bank GmbH. The HQLAs for the prudential scope of consolidation of the Volkswagen Bank GmbH Group are held centrally and also managed by Group Treasury.

Other items in the LCR calculation which are not included in the LCR disclosure template but which are considered to be relevant in view of the liquidity profile are planned liquidity inflows (e.g. ABSs or capital market issues) which are not classed as legal cash flows for LCR purposes.

Quantitative disclosure of liquidity requirements

The calculation of the liquidity coverage ratio (LCR), for quantitative information on the LCR, is based on simple averages of the end-of-month reports over the twelve months prior to the end of each quarter.

TABLE 22: EU LIQ1 – QUANTITATIVE DISCLOSURES ON LCR

		A	B	C	D	E	F	G	H
	in € millions	Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	Jun 30, 2026	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025	Jun 30, 2026	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025
EU 1b	Number of data points used in the calculation of averages	120	120	120	120	120	120	120	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61	X	X	X	X	14,470.1	12,890.6	11,180.9	13,801.7
CASH - OUTFLOWS									
2	retail deposits and deposits from small business customers, of which:	66,528.9	61,011.2	55,033.9	52,456.2	3,790.3	3,266.6	2,718.3	2,437.1
3	*Stable deposits*	19,619.5	19,661.9	18,520.2	17,296.3	981.0	983.1	926.0	864.8
4	*Less stable deposits*	22,617.8	19,176.8	15,460.9	14,224.0	2,481.2	2,107.3	1,686.3	1,519.4
5	Unsecured wholesale funding	8,836.8	9,316.3	10,045.5	10,525.6	5,426.0	5,372.2	5,658.0	5,835.5
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	*Non-operational deposits (all counterparties)*	8,349.6	8,971.2	9,767.9	10,351.4	4,938.8	5,027.1	5,380.4	5,661.2
8	*Unsecured debt*	487.2	345.1	277.6	174.3	487.2	345.1	277.6	174.3
9	*Secured wholesale funding*	X	X	X	X	0.0	0.0	0.0	0.0
10	Additional requirements	13,379.8	12,821.2	12,131.5	11,430.3	1,954.2	1,860.6	1,751.4	1,625.1
11	*Outflows related to derivative exposures and other collateral requirements*	224.1	214.7	205.6	208.2	224.1	214.7	205.6	208.2
12	*Outflows related to loss of funding on debt products*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	*Credit and liquidity facilities*	13,155.8	12,606.6	11,925.9	11,222.1	1,730.1	1,645.9	1,545.8	1,417.0
14	*Other contractual funding obligations*	2,014.7	2,420.5	2,753.9	2,743.2	1,722.0	1,907.8	2,090.4	2,016.6
15	Other contingent funding obligations	8,835.3	9,728.8	10,347.6	10,922.2	855.5	948.3	1,011.0	1,067.1
16	TOTAL CASH OUTFLOWS	X	X	X	X	13,748.1	13,355.4	13,229.1	12,981.4
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Inflows from fully performing exposures	9,273.3	9,201.4	9,268.6	8,931.4	6,380.7	6,359.2	6,350.3	6,062.5
19	Other cash inflows	3,384.5	3,640.2	3,627.4	3,206.3	1,735.7	1,890.7	1,851.3	1,537.2

		A	B	C	D	E	F	G	H
	in € millions	Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	Jun 30, 2026	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025	Jun 30, 2026	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	X	X	X	X	0.0	0.0	0.0	0.0
EU-19b	(Excess inflows from a related specialised credit institution)	X	X	X	X	0.0	0.0	0.0	0.0
20	TOTAL CASH INFLOWS	12,657.8	12,841.6	12,896.0	12,137.7	8,116.4	8,249.9	8,201.6	7,599.6
EU-20a	*Fully exempt inflows*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EU-20b	*Inflows subject to 90% cap*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EU-20c	*Inflows subject to 75% cap*	12,657.8	12,841.6	12,896.0	12,137.7	8,116.4	8,249.9	8,201.6	7,599.6
TOTAL ADJUSTED VALUE									
21	LIQUIDITY BUFFER	X	X	X	X	14,470.1	12,890.6	11,180.9	13,801.7
22	TOTAL NET CASH OUTFLOWS	X	X	X	X	5,631.7	5,105.4	5,027.4	5,381.8
23	LIQUIDITY COVERAGE RATIO	X	X	X	X	259.5%	258.6%	228.5%	258.0%

Changes in LCR over time

The quarterly averages for LCR are at a high level and significantly exceed the required minimum ratio of 100% on every reference date.

TABLE 23: EU LIQ2 – NET STABLE FUNDING RATIO

		A	B	C	D	E
		Unweighted value by residual maturity				Weighted value
	in € millions	No maturity[1]	< 6 months	6 months to < 1yr	≥ 1yr	
	Available stable funding (ASF) Items					
1	**Capital items and instruments**	**23,824.1**	**0.0**	**0.0**	**0.0**	**23,824.1**
2	*Own funds*	**23,824.1**	0.0	0.0	0.0	23,824.1
3	*Other capital instruments*	X	0.0	0.0	0.0	0.0
4	**Retail deposits**	**X**	**59,361.7**	**8,143.9**	**6,663.0**	**69,102.4**
5	*Stable deposits*	X	27,481.6	6,206.7	4,882.3	36,886.2
6	*Less stable deposits*	X	31,880.1	1,937.2	1,780.7	32,216.3
7	**Wholesale funding:**	**X**	**16,958.0**	**1,815.7**	**25,120.9**	**29,817.3**
8	*Operational deposits*	X	0.0	0.0	0.0	0.0
9	*Other wholesale funding*	X	16,958.0	1,815.7	25,120.9	29,817.3
10	**Interdependent liabilities**	**X**	**0.0**	**0.0**	**0.0**	**0.0**
11	**Other liabilities:**	**0.0**	**1,315.4**	**–**	**24,574.1**	**24,574.1**
12	*NSFR derivative liabilities*	**0.0**	X	X	X	X
13	*All other liabilities and capital instruments not included in the above categories*		1,315.4	0.0	24,574.1	24,574.1
14	**Total available stable funding (ASF)**	X	X	X	X	147,318.0
	Required stable funding (RSF) Items					
15	**Total high-quality liquid assets (HQLA)**	**X**	**X**	**X**	**X**	**74.4**
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**	**X**	**774.6**	**0.0**	**0.0**	**0.0**
16	**Deposits held at other financial institutions for operational purposes**	**X**	**0.0**	**0.0**	**0.0**	**0.0**
17	**Performing loans and securities:**	**X**	**33,565.2**	**19,474.3**	**83,489.3**	**96,109.6**
18	*Performing securities financing transactions with financial customerscollateralised by Level 1 HQLA subject to 0% haircut*	X	**0.0**	**0.0**	**0.0**	**0.0**
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*	X	**8,766.4**	**3,551.8**	**14,489.3**	**17,141.8**
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*	X	**24,685.6**	**15,675.4**	**54,859.3**	**66,855.7**

		A	B	C	D	E
		Unweighted value by residual maturity				Weighted value
	in € millions	No maturity[1]	< 6 months	6 months to < 1yr	≥ 1yr	
	Available stable funding (ASF) Items					
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	X	**81.2**	**79.8**	**214.8**	**220.1**
22	*Performing residential mortgages, of which:*	X	**46.4**	**16.4**	**66.3**	**0.0**
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	X	**0.0**	**0.0**	**0.0**	**0.0**
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*	X	**66.8**	**230.9**	**14,074.4**	**12,112.1**
25	**Interdependent assets**	**X**	**0.0**	**0.0**	**0.0**	**0.0**
26	**Other assets:**	**X**	**10,432.2**	**4,806.7**	**17,054.3**	**25,039.4**
27	*Physical traded commodities*	X	**X**	**X**	**0.0**	**0.0**
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*	X	**0.0**	**0.0**	**0.0**	**0.0**
29	*NSFR derivative assets*	X	**41.0**	**X**	**X**	**41.0**
30	*NSFR derivative liabilities before deduction of variation margin posted*	X	**267.9**	**X**	**X**	**13.4**
31	*All other assets not included in the above categories*	X	**10,123.2**	**4,806.7**	**17,054.3**	**24,985.0**
32	**Off-balance sheet items**	**X**	**18,826.5**	**565.0**	**1,627.5**	**1,583.6**
33	**Total RSF**	**X**	**X**	**X**	**X**	**122,807.0**
34	**Net Stable Funding Ratio (%)**	**X**	**X**	**X**	**X**	**120.0%**

Exposures to Interest Rate Risk on Positions Not Held in the Trading Book

DISCLOSURE OF INTEREST RATE RISK ON POSITIONS NOT HELD IN THE TRADING BOOK

The impact of interest rate shocks on the economic value of the Group's banking books is calculated on a monthly basis and their impact on the periodic value on a quarterly basis in accordance with regulatory requirements. In accordance with the Banking Directive, BaFin and the ECB have, among other things, defined six scenarios for uniform, sudden and unexpected interest rate changes for all institutions (parallel and turnaround scenarios subject to an interest floor) and request quarterly reports on the results.

TABLE 24: EU IRRBB1 – INTEREST RATE RISKS ON BANKING BOOK ACTIVITIES

		A	B	C	D
Supervisory shock scenarios		Changes of the economic value of equity		Changes of the net interest income	
	in € millions	Current period	Last period	Current period	Last period
1	Parallel up	–235.9	–529.7	–92.9	–63.6
2	Parallel down	66.2	443.2	45.1	25.5
3	Steepener	641.7	387.4	X	X
4	Flattener	–687.4	–482.9	X	X
5	Short rates up	–700.7	–600.3	X	X
6	Short rates down	732.5	623.5	X	X

The "Last period" presented corresponds to the figures as of December 31, 2025.

Exposure to Securitization Positions

QUALITATIVE DISCLOSURE OF THE RISK FROM SECURITIZATION POSITIONS

Volkswagen Bank GmbH's securitization activities in accordance with Article 242ff. of the CRR are limited to the use of asset-backed securities transactions (ABS). Investments in securitizations of Volkswagen Bank GmbH Group are carried out solely via the banking book. The investment policy of the Volkswagen Bank GmbH and members of the institution group precludes taking over or retaining resecuritization positions.

The Volkswagen Bank GmbH Group assumes clearly defined roles in the securitization process in the light of the legal framework for securitization transactions. Thus, it originates receivables in the form of finance contracts and leases as well as expectant rights. The structuring and selling process entails selecting and separating the portfolio and contacting external partners as well as the overall coordination of the transaction (attorneys, investment banks, rating agencies, swap partners, auditors, regulatory authorities). The entity also manages the contract pool that has been sold (collection and dunning procedures) and forwards the resulting payments to the special purpose vehicle (SPV, i.e. the servicer). Finally, responsibility is assumed for reporting to investors, banks and credit rating agencies as well as for the regulatory disclosure requirements. The Volkswagen Bank GmbH Group also invests in securitization positions related to its own ABS transactions as well as those of the Volkswagen Financial Services AG subgroup, primarily so as to be able to use the securities thus created as collateral for funding from the ECB.

All securitization transactions in which the Volkswagen Bank GmbH Group is the originator or the investor are traditional securitizations.

Environmental, Social and Governance Risks (ESG Risks)

QUALITATIVE REPORTING

TABLE 25: QUALITATIVE INFORMATION ON ENVIRONMENTAL RISKS (IN ACCORDANCE WITH ARTICLE 449A OF THE CRR)

Row number		Qualitative information - Free format
1 (a)	Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning	Both the financial industry and the automotive industry are key sectors in the sustainability-driven transformation of society and the economy. We as Volkswagen Bank GmbH play a major role in the sustainable transformation of mobility. With the Volkswagen Group's ambition to actively shape the transformation of the automotive industry, the Group pursues "The Group Strategy – Mobility for Generations" and the sustainability strategy "regenerate+". The aim is to be a leading global provider of sustainable mobility and a role model in environmental protection. Sustainability means striving to achieve economic, social and ecological goals at the same time and with the same priority. We want to create lasting value, offer good working conditions and treat the environment and natural resources with care. In addition, the Volkswagen Group's[1] environmental policy provides the framework for the brands' environmental activities. For Volkswagen Bank, this joint environmental policy means that we align our core business in particular with these principles and thus support the Group in implementing its environmental goals. We understand sustainability as a holistic concept. For us, sustainability is not a single goal or a one-time measure. It is a comprehensive strategy that permeates all aspects of our actions and decisions. That is how we ensure the long-term success and value creation of our company. We view sustainability as an ongoing process. We do not act statically but adapt our path continuously and consistently. This is done not in isolation but based on internal and external assessments and validations – always in close coordination with the Volkswagen Group. Our sustainability strategy represents our response to the transformation to emission-free mobility: the goals we have set ourselves and the key performance indicators (KPIs) we use to measure the degree to which we achieve them. It describes our path to actively meet upcoming challenges, to proactively shape the changes ahead of us and to successfully take advantage of the opportunities opened up by the transformation. Our mission is to meet our customers' mobility requirements by offering them sustainable solutions throughout the entire vehicle life cycle. Sustainability is therefore a core component of the way we do business. We are convinced that we can only successfully implement our business model in the future through responsible and forward-thinking actions. **Our four sustainability dimensions** Our sustainability strategy is structured into the following four dimensions › Nature › Employees › Society › Business This is how we translate the classic ESG areas (Environmental, Social, and Governance) into concrete fields of action that reflect our corporate strategy. This section 1 (a) explains the dimensions Nature and Business. Further explanations of the dimensions Employees and Society are provided in section 2 (a). Nature: As Volkswagen Bank's parent company, Volkswagen Financial Services AG has been supporting Naturschutzbund Deutschland e.V. (NABU) for more than 15 years. So far, Volkswagen Financial Services has invested around seven million euros in peatland protection projects. **We are supporting our customers as they undergo sustainable transformation** All dealer customers classified as risk-relevant are assigned an ESG score with a target value of 100%. In addition, starting in 2027, implementation of a lighthouse project will be mandatory for each market.. This includes supporting charging infrastructure, photovoltaic systems, and similar sustainable actions. **Our business operations will be net carbon-neutral by no later than 2050** We have it in our hands to make our business operations as climate-friendly as possible. By 2050, our business operations are to become net carbon neutral[1]. To achieve this, we want to reduce our gross emissions by 50% by 2025 and by 70% by 2035 compared to the base year 2021 through CO_2 avoidance and reduction. Since the largest CO_2 emissions are caused by electricity consumption and company cars with combustion engines, the following levers are available for achieving the reduction targets set: › Switching to electricity from renewable energy › Converting the company car fleet to BEVs Comprehensive reporting enables transparency about the main emission drivers per country. Based on this analysis, the most effective measures are implemented locally. We will compensate for unavoidable residual emissions by offsetting. (For details, see 1 (c)) In addition, an ISO 14001-certified environmental management system has been implemented to record, evaluate and minimize the environmental impact of Volkswagen Financial Services AG's business operations at the Braunschweig site, our largest facility. **Business** **We drive our business towards sustainability and actively promote the decarbonization of mobility** Shaping our business with a future-oriented approach and promoting the shift to sustainable mobility is complex – and at the same time, a unique opportunity. As a sales promoter of the Volkswagen Group and a partner of its brands, we have the opportunity – and thus a decisive lever – to actively help advance the sustainable transformation of mobility. Our products connect people as well as helping to spare resources and making processes simple and efficient. We create mobility concepts, develop fleet management solutions, and offer attractive financing options and services. As part of its sustainability strategy, Volkswagen Financial Services AG has set clear goals for sustainably operating its business model: **We are driving the shift towards sustainable mobility** The future viability of environmentally friendly individual mobility depends decisively on the rapid market ramp-up of electric vehicles. Intelligent mobility solutions and financing concepts are an important building block in achieving this goal. In order to drive the transition to sustainable mobility, 70% of the electric vehicles produced by the Volkswagen Group brands in Europe are to be leased or financed by Volkswagen Financial Services AG and Volkswagen Bank GmbH by 2030 (in comparison: target for ICE vehicles: 55%).

In addition to enabling electric mobility for private customers through attractive leasing offers, the future-oriented and sustainable orientation of vehicle fleets plays a central role. For this reason, we develop corresponding fleet concepts for our business customers and support them intensively in building their e-fleet in close cooperation with the brands of the Volkswagen Group.

We are increasing the share of sustainable refinancing in the capital market
By 2030, we want to increase the share of sustainable refinancing in the capital market to 40%. In 2040, the share of green bonds is expected to be 60%.
The Green Finance Framework[2], which is intended to support customers in their transition, is the basis for our sustainable refinancing activities. It supports the current sustainability strategy and facilitates the development of a new investor base. The Green Finance Framework[7] covers all refinancing products, from classical bonds to ABS (asset-backed securities), credit lines, commercial papers, and promissory notes. The funds generated under the framework are exclusively used for refinancing credit and leasing contracts for BEVs (battery electric vehicles). An internal committee of specialists oversees compliance with the rules and regulations set out in the Green Finance Framework[7].
By contrast, the "Purpose Loan Framework" – a framework for loans designed to support customers in their transition – has been developed while at the same time creating the basis for classifying the loan portfolio on the basis of specific sustainability criteria. Sustainable financing includes, for example, the energy-efficient renovation of buildings, the installation of solar systems or the construction of a charging park at our dealer partners. But it also includes the financing of our customers' electric vehicles.
Volkswagen Financial Services AG is mindful of its responsibility as a lender. As a subsidiary of Volkswagen Financial Services AG, Volkswagen Bank GmbH is fully aware of its responsibility as a lender and has therefore been a signatory of the Responsible Consumer Lending voluntary code of conduct since 2010. This code sets standards for the granting of loans and applies to all instalment loans and lines of credit.

The sustainability strategy of Volkswagen Bank GmbH is managed on the basis of concrete KPIs and target values for the year 2030. This control was integrated into the established strategy cycle and planning process. Detailing is given under 1 (e).

1 (b)	Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information about the design of business strategy and processes	Volkswagen Bank GmbH's sustainability goals (KPIs) including decarbonization targets are described in 1(a). Table 46 (see below) provides a compact overview. The risk strategy derived from the ESG business strategy defines the basic understanding and lays the framework for ESG activities for the future by defining the main elements of the risk management framework. At the same time, the focus area of sustainability has become a further component of the risk culture principles as sustainability risks are handled with greater awareness and employees become actively involved at an early stage in related risk management processes and awareness-raising measures. The ECB's supervisory expectations published in the EBA Guidelines on climate-related and environmental risks are incorporated into Volkswagen Bank's methodologies. To ensure a holistic view of its transition, Volkswagen Financial Services AG (Group) has developed a transition plan based on its current business and risk strategy, including its current sustainability strategy. Among other things, this details the key implementation and engagement measures for managing the transition. The transition plan is regularly reviewed, updated and incorporated in the ongoing development of the business and risk strategy. VW Bank GmbH (Group) has defined key risk indicators (KRIs) including limits in order to appropriately assess and manage sustainability risks. The ESG Key Risk Indicators (KRIs) shown in Table 47 are implemented as part of the risk strategy. The limits for ESG KRIs are reviewed at least once a year as part of the review and adjustment process of the business and risk strategy. The review starting in the third quarter is based on insights gained from the risk inventory of ESG risk drivers and analyses of the ESG-KRIs limits adequacy. In the fourth quarter, ESG-KRIs and their limits are adjusted and adopted as part of the resolution on the business and risk strategy at the beginning of the year. As part of the monitoring process, VW Bank has included ESG-Key Risk Indicators (KRIs) in its quarterly risk management reporting. This includes assessing the intensity of carbon emissions per vehicle on average, the carbon footprint on own business operations, customers ESG-Scores for the finance and leasing business, as well as the expectation of our customers regarding sustainability activity of VW Bank GmbH related to their current perception, as an indicator of ESG-reputation risk. Risk management reports are prepared on a quarterly basis and communicated to the Supervisory Board, management and other internal recipients. This ensures transparency and supports Volkswagen Bank GmbH in managing ESG-related risks effectively. For further information on the management of ESG-KRIs see section 1 (g).
1 (c)	Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities	As part of supporting international nature and climate protection projects, we work closely with Volkswagen Climate Partner. The aim of the joint venture between Volkswagen Kraftwerk GmbH and Climate Partner is to develop high-quality projects with a focus on efficiently reducing greenhouse gas emissions. But the focus is also on the positive impact on biodiversity as well as on local communities and their livelihoods. A comprehensive due diligence process ensures the high quality and concrete implementation of the projects. For example, we are investing in two lighthouse projects in the field of agroforestry and reforestation in Brazil (Biriba) and South Africa (Eastern Cape). To achieve our goal of making our business operations net carbon neutral by no later than 2050, we aim to reduce our gross emissions by 70% by 2035 compared to the base year 2021 through CO_2 avoidance and reduction, and to compensate for unavoidable residual emissions through carbon offsets from 2050. For this reason, Volkswagen Financial Services AG has been working with Naturschutzbund Deutschland e.V. (NABU) for more than 15 years to protect and restore peatlands, as they play a vital role in both climate protection and biodiversity. So far, Volkswagen Financial Services has invested around €7 million in peatland protection projects.

[2] The **Green Finance Framework** defines the conditions under which the funds raised under this Framework can be allocated to finance and refinance vehicles with zero tailpipe emissions. These vehicles do not emit either CO_2 or any other pollutants from the tailpipe during use. This statement refers exclusively to the use phase and should not be understood as an evaluation of emissions or other environmental impacts over the vehicle's entire life cycle.
Among other things, eligible financing instruments include unsecured and secured debt instruments (including covered bonds and asset-backed securities), commercial paper, borrower's note loans, bilateral and syndicated bank loans, and deposits. These instruments may be issued regardless of their ranking or structure, provided that they have the same status and subordination as comparable conventional instruments and do not confer preferential access to the financed assets.

1 (d)	Policies and procedures relating to direct and indirect cooperation with new or existing business partners on their strategies to mitigate and reduce environmental risks.	In the Volkswagen Bank GmbH Group, ESG criteria have been assessed as part of the lending and credit monitoring processes since 2022 and are therefore an integral part of identifying ESG risks for all corporate customers in risk-relevant business. The implemented ESG instruments follow international standards, e.g. set by the UN Sustainable Development Goals (UN SDG's). For financing business within Volkswagen Bank GmbH and its branches an ESG questionnaire entitled "ESG-Scoring light" is used. For leasing business within the Volkswagen Leasing GmbH an external ESG-Score is used. The two scoring-instruments cover the three ESG pillars: > Climate protection (emission reduction and energy supplies) and environmental protection as well as the sparing use of raw materials and energy in the "Climate and Environment" segment. > Within "Social", it takes account of occupational health and safety as well as employee co-determination. > The "Governance" pillar covers aspects related to good corporate governance and compliance as well as controversial business activities. The "ESG-Scoring light" serves as a source of information and is intended to prompt in-depth discussions with corporate clients on ESG-related topics and their alignment with a valid sustainability strategy. The insights and content of the sustainability discussions are used as the basis for calculating an ESG score. Potential findings from these conversations may find their way into corporate customers' transformation processes. The sustainability discussion with the "ESG-Scoring light" is carried out on an annual basis or when changes during the year become known. Most corporate customers achieve an overall "green" or "amber" rating in the traffic-light system within the "ESG-Scoring light". The external ESG score delivers sub-scores for the pillars "Environmental", "Social" and "Governance" along with an overall score. Most lessees within the Volkswagen Leasing GmbH are ranked with a total score result of "3", which can be assessed as a medium risk. The external ESG score is a mandatory component of the loan approval process. The review is conducted annually and on an ad hoc basis whenever changes come to light at Volkswagen Leasing GmbH. In addition, back office credit analysts at Volkswagen Bank GmbH and Volkswagen Leasing GmbH conduct an additional ESG-related analysis using the "ESG key questions". The aim of the "ESG key questions" is to shed light on potential impacts, i.e., how ESG risks affect corporate customers. The insights gained from this are then incorporated into the corporate customer's transformation process. The "ESG key questions" must be incorporated into the loan documentation, the approval process, and the lending decision. In addition, credit departments review sustainability strategies or sustainability reports for clients subject to ESG disclosure requirements to assess further ESG-related information and incorporate it into the lending assessment. The ESG-related due diligence process encompasses a discussion of critical issues with clients, the identification of recommendations for action, and the development of investment measures. The Volkswagen Bank Group aims to support corporate customers in their sustainability efforts through in-depth involvement in their transformation process in the coming years. The monitoring of customer's progress towards agreed mitigation actions is also one of the main key activities within the ESG due diligence process. An appropriate lending policy that has been drawn up in connection with the ESG instruments forms a basis for the lending departments and has been included in the German and European organization manuals. As part of the integration process, Volkswagen Bank Group conducted targeted training and internal conferences for users in the Market, Back Office, and Internal Audit departments. The Volkswagen Bank Group follows high ethical principles in its business activities and complies with applicable German and European laws and regulations, for example on conflict management, anti-money laundering, anti-corruption and conflicts of interest, and observes other regulatory requirements. In 2024, sector-specific criteria to exclude controversial and contentious industries and business areas were introduced as the basis for lending decisions in new business within the Volkswagen GmbH Group. The Volkswagen Bank Group commits not to provide new loans outside the defined intended uses in controversial industries and business areas. Financing provided to corporate customers that meet the defined intended uses below will not be restricted by the exclusion list, despite belonging to a controversial industry and business area: > Vehicle-based financing and vehicle-based leasing, including vehicle financing, leasing, and dealer purchase lines > Dealer financing, including working capital loans, spare parts financing, and investment loans for dealers, which will be assessed for suitability under the Green Loan Framework in the future > Real estate financing, including new construction financing, energy-efficient construction and modernization > Financing without a specific intended use ("Other") in line with the Green Loan Framework Volkswagen Financial Services AG classifies the following industries/businesses as controversial: > Coal-fired power production and mining > Invasive intervention in ecology and biodiversity to extract oil and natural gas (fracking, oil, sand, etc.) > Trawler fishing or other harmful fishing methods > Non-sustainable palm oil production > Deforestation and uncertified logging > Embryo research, animal testing > Pornography, brothels > Gambling, including related development and marketing activities > Addictive substances: drugs, alcohol, tobacco products and e-cigarettes The industries / business areas classified as controversial are evaluated annually or on an ad-hoc basis to reflect their dynamic development. Within the Volkswagen Bank Group, the avoidance of controversial business and economic activities is firmly integrated into the compliance frameworks. A binding code of conduct forms an integral part of the contracts between dealers and the Volkswagen Group. In addition, a supplementary compliance policy supports compliance with the sustainability requirements of the Volkswagen Group in business relationships. A binding code of conduct is also part of the Volkswagen Bank Group for business relationships with customers, business partners, and suppliers. Requirements regarding national and international regulations and conventions, internal norms, and values, such as human rights, labor rights, and compliance aspects, are ensured. Applicable laws and regulations, such as anti-corruption, money laundering, fraud prevention, and cybercrime, are considered and implemented within the Volkswagen Bank GmbH Group through work instructions and processes. Monitoring and reporting obligations, as well as communication channels and training, are also integrated for employees. This ensures the following areas: > Compliance & Integrity, including the protection of economic and human rights > Prevention of money laundering, terrorism financing, and criminal activities > Anti-corruption and fraud prevention.

1(e)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels	The Volkswagen Bank GmbH Group is a direct and wholly owned subsidiary of Volkswagen Financial Services AG. Ultimate responsibility for all sustainability matters lies with the Board of Management of Volkswagen Financial Services AG and is delegated to the Management Board of VW Bank GmbH. Accordingly, Volkswagen Bank GmbH's sustainability strategy was derived from and adopted on the basis of Volkswagen Financial Services AG's sustainability strategy. The Chief Sustainability Officer (CSO) is responsible for the overarching coordination of sustainability activities within the Volkswagen Financial Services Group and serves as a liaison between the Board of Management and the departments as well as between VWFS AG and VW Bank GmbH. The "Sustainability" organizational unit reports to the CSO to ensure the holistic integration of all relevant ESG aspects. To further embed the strategic sustainability objectives, each objective has been assigned a responsible member of the Board of Management of VWFS AG as a sponsor. This principle ensures that sustainability objectives and related KPIs (Key Performance Indicators), including defined intermediate targets, are actively managed and factored into all decisions taken by the Board of Management. Sustainability topics are regularly integrated into the Management Board's reporting by the departments and the "Sustainability" organizational unit. Volkswagen Bank GmbH's sustainability strategy is managed using clearly defined KPIs with a target horizon of 2030 and is fully integrated into the established strategy and planning process. As part of the annual strategy cycle, progress is systematically reported and discussed with relevant stakeholders, and appropriate management measures are decided if necessary. Key sustainability metrics – particularly in the area of environment (e.g. operational emissions) – are integrated into the planning process as key performance indicators. They are defined as part of the multiyear planning cycle and regularly monitored in the forecasting process. In addition, target achievement and progress are reported in depth during the regular Strategy Status Updates and in the annual Strategy Review. To manage ESG risks, the Volkswagen Bank Group is establishing a consistent risk culture and a clearly defined risk appetite derived from the sustainability strategy. ESG risks are an integral part of the risk management system and are incorporated into existing risk categories and governance structures. These risks are considered by established bodies and control mechanisms within the Company, ensuring comprehensive management and oversight. Regular training sessions for management support the continuous development of relevant ESG skills.
1 (f)	Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organizational structure both within business lines and internal control functions	As described in 1(e), ultimate responsibility for all sustainability matters lies with the Board of Management of Volkswagen GmbH (Group) the Managing Directors of its subsidiaries/branches. The governance structure and the responsibilities of the relevant committees and risk owners have been clearly defined. The management body ensures that the short-, medium- and long-term impacts of environmental factors and risks are systematically incorporated into strategy, planning and decision-making processes. This is done by integrating management of sustainability, business and risk strategies, as well as by incorporating relevant analyses into established management processes. The organizational structure ensures that environmental factors and ESG risks are incorporated into both the business lines and the internal control functions (in particular, risk management, compliance and internal audit). ESG risks are integrated into the existing risk categories and management mechanisms and are continuously monitored.
1 (g)	Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels	Volkswagen Bank GmbH has incorporated ESG risks as an integral part of its risk management governance framework and integrates them into its risk management processes, for example, through its risk strategy and the measurement, mitigation and monitoring of risks. As a major part of the governance arrangements, the Sustainability department draws up Group policies for corporate sustainability and designs the institution's ESG strategy. The Risk Management department draws up the ESG risk strategy together with the Corporate Strategy department. The risk strategy sets a focus on addressing key risk drivers with the greatest impact on the portfolio, describing objectives, targets and management measures implemented. Methods for measuring ESG-risks are integrated into the existing framework across various risk types within risk management. On the one hand, ESG risks are analyzed yearly in form of an ESG-materiality assessment as part of the regular risk inventory process. The materiality assessment comprises comprehensive portfolio assessments, as well as qualitative and quantitative assessments of all known environmental (including physical and transition risk), social and governance risk drivers based on defined transmission channels. For most relevant ESG risk drivers, key risk indicators including targets and limits will be defined and integrated in risk strategy and reporting. Regular reporting to the management body within risk management report ensures timely communication and monitoring of significant ESG-risks. Based on regular monitoring and to ensure that timely management actions are taken to adhere to the targets set in the business and risk strategy, also related to ESG risks, Volkswagen Bank GmbH Group has established major committees, that involve related governance functions and business lines: > Equity and risk committee > Stress Test committee > Asset Liability management committee > Green finance committee. For the committees shown above Volkswagen Bank GmbH Group has defined separate rules and allocated tasks and responsibilities to participants. In particular, the "equity and risk committee", that is composed of decision-makers from finance-, risk-, treasury-, credit department and internal audit, coordinates equity and risk-related issues, discusses the current situation and the development of large volumes, including financing and leasing of battery-electric-vehicles. The stress test committee, involving decision-makers from risk, finance and strategy functions, facilitates information exchange between front and back offices, identifies, discusses current developments and formulates recommendations to the management board regarding scenarios analyzed, including climate-related scenarios. The Asset Liability Management (ALM) Commit-tee, gathering decision makers from finance, treasury, controlling and risk management, discusses the liquidity risk indicators with regard to ESG aspects. The green finance committee is established to monitor compliance with the green finance framework[3] that provides the framework for green refinancing activities such as green bonds issued to the capital market. This committee includes decision-makers and specialists from various business areas, including treasury, sustainability, legal, reporting & controlling. The committees play a key role in managing various risk aspects within the organization by including members of the Management Board of the Volkswagen Bank GmbH Group according to their functional responsibilities as well as decision-makers from the responsible business lines, ensuring that both financial and ESG considerations are integrated in relevant processes.
1 (h)	Lines of reporting and frequency of reporting relating to environmental risk	The expansion of risk reporting to include information on the treatment of climate and environmental risks is a major topic in the ESG environment and was integrated into the existing risk reporting framework in 2024. The Management Board of the Volkswagen Bank GmbH Group and the Supervisory Board are informed about climate and environmental risks as part of the quarterly risk management report. Even though the focus in the reporting is on climate and environmental risks, aspects of social and governance risks are also addressed selectively. On the basis of this reporting, the management body can assess the impact of ESG risks on the bank's risk profile on the basis of the aggregated and up-to-date data.
1 (i)	Alignment of the remuneration policy with institution's environmental risk-related objectives	The ESG factor as a multiplier for the annual bonus is composed in equal parts of the components of the decarbonization index (DKI) at Volkswagen Group level for the Environment (E) topic and the proportion of women in management at brand level for the social topic (S). The DKI serves as a measuring instrument for the CO_2 emissions of brands producing passenger cars and light commercial vehicles throughout their entire life cycle. The aim is to sustainably reduce carbon and to offset carbon dioxide (CO_2) emissions in order to create a CO_2-free global economy in the long term. The product life cycle analysis (ecological balance sheet) analyzes the environmental impact of a product throughout its entire life cycle and is included in the DKI. This involves a holistic approach: from vehicle development via the required raw materials and logistics to production, from the first to the last kilometer on the road and from deregistration to recycling.

[3] The **Green Finance Framework** defines the conditions under which the funds raised under this Framework can be allocated to finance and refinance vehicles with zero tailpipe emissions. These vehicles do not emit either CO_2 or any other pollutants from the tailpipe during use. This statement refers exclusively to the use phase and should not be understood as an evaluation of emissions or other environmental impacts over the vehicle's entire life cycle.
Among other things, eligible financing instruments include unsecured and secured debt instruments (including covered bonds and asset-backed securities), commercial paper, borrower's note loans, bilateral and syndicated bank loans, and deposits. These instruments may be issued regardless of their ranking or structure, provided that they have the same status and subordination as comparable conventional instruments and do not confer preferential access to the financed assets.

1 (j)	Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework	ESG risks are not treated as a separate risk type within the Volkswagen Bank GmbH Group. Rather, they are assigned to various risk types with their specific risk drivers. Sustainability risks are primarily determined by climate and environmental risks. However, social risks and governance risks are also considered in the identification, evaluation and management of ESG risks. In the case of climate and environmental risks, a difference is drawn between physical and transitional risks. Physical risks entail the direct impact of environmental changes on companies and their activities. They are linked to physical changes in the environment, such as climate change. Examples include natural disasters and environmental change. Transitional risks are related to the transition to a more sustainable economy and arise from changes in underlying political, technological, legal or economic conditions. They tend to reflect the ways in which companies respond to change and adapt. For example, new laws and regulatory requirements related to environmental and climate protection may influence a company's business operations. In addition, companies that are unable to respond with lasting effect are liable to lose market share as consumers increasingly turn to sustainable products and services. Resulting from that, it is the task of each risk type owner to annually identify ESG risk drivers which, if they materialize, are expected to have short-, medium- and long-term effects on Volkswagen Bank GmbH's net assets, financial condition and result of operations as well as its reputation. To gain a full and well-documented overview of the impact of these risk drivers, the associated transmission channels are reconciled with the risk types in existence and their potential financial impact. (Further details see 1 (l)) This materiality analysis is part of the annual risk inventory used to identify the material risks within the Volkswagen Bank GmbH Group. It includes the results of the previous climate stress test, which enables a quantitative assessment of the relevant ESG risk drivers to be performed over the medium and long term. In order to take sustainability risks into account within the short term risk appetite, KRIs have also been defined in Volkswagen Bank GmbH Group with reference to various types of risk. These indicators are incorporated in the risk appetite framework. ESG-specific risk appetite is expressed in the form of specific KRIs including thresholds or targets, similar to the limits in the individual risk types. ESG-KRIs are reviewed and adjusted as part of the annual business and risk strategy control process (Illustration 1). The Volkswagen Bank Group has a climate stress-testing framework to ensure the standardized integration of climate and environmental risks in the stress testing program in order to gain a better understanding about the medium and long-term effects of environmental factors and risks. The risk drivers and risk transmission channels to be considered are identified and evaluated as part of the risk inventory. Climate scenarios and climate sensitivity analyses are defined on the basis of this analysis. The results are in turn incorporated in the risk inventory. The framework has been applied since 2023 and thus supporting the systematic analysis of the risk profile including an assessment of the potential impact via a feedback process. The latest institution-wide internal climate stress test was carried out in 2025 on this basis. It identified possible effects on Volkswagen Financial Services AG's capital and liquidity resources on the basis of various NGFS scenarios, combined with individual short-term effects of varying degrees of severity. The findings were consistent with the previously analyzed scenarios and risk volatilities. In preparation for the climate stress test, ESG-related sensitivity analyses are also conducted within credit risk, liquidity risk, operational risk, and residual value risk, with the results incorporated into the ICAAP. These were found to remain within the scope that had previously been identified in standard sensitivity analyses already being performed on a regular basis.
1 (k)	Definitions, methodologies and international standards on which the environmental risk management framework is based	ESG risks are not treated as a separate risk type but are assigned to various risk types with specific risk drivers (1 (j)). Two different perspectives are taken to determine the financed and leased emissions of the portfolio and to monitor them as part of the business and risk strategy – see Section 1 a. One describes the asset view procedure according to the PCAF standard and the other describes the counterparty view analogous to the ECB climate stress test. The distinction between these views is based on the different requirements of the addressees, such as disclosure or risk management. To achieve net carbon neutrality in our business operations by no later than 2050, we have implemented an environmental compliance management system (ECMS) in accordance with DIN EN ISO 14001 and the auditing standard for compliance management systems IDW PS 980. The main focus of our efforts to reduce carbon emissions in operations is explained in 1 (a) and 1 (c). Methodologies in the lending and decision-making processes, also in terms of international standards are described within 1 (d).
1 (l)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels	Instruments included in the lending and decision-making processes are described within 1 (d). The current portfolio structure is analyzed to identify the main portfolios in the light of Volkswagen Bank GmbH Group's business model and strategy as well the emissions financed. Geographical risks for the individual portfolios are also examined. This information is used to perform a relevance analysis of all ESG risk drivers in the relevant risk types in the light of the transmission channels on the basis of qualitative expert opinions and quantitative information. Finally, the materiality of the risk drivers is assessed in the short term (< 1 year), medium term (1 5 years) and long term (> 5 years). The materiality assessment for these risk drivers is performed as part of the annual inventory process approved by the Management Board. The Volkswagen Bank GmbH Group has identified a few key transmission channels for physical and transitory risk drivers for the various risk types. These are shown in Figure 1 and listed in Table 31. From the perspective of Volkswagen Bank GmbH, automotive financing entails mobile assets, for which physical hazards are not a dominant risk driver. Physical risks therefore play only a subsidiary role in the Group's business strategy. An overall assessment indicates that Volkswagen Bank GmbH Group is primarily exposed to transitory climate and environmental risk drivers with respect to credit, residual value and business risk in the medium and long term. The following risk drivers in particular are of relevance: carbon transition/costs, technological change, and legislation and regulatory requirements. Transitional risks relating to operational risk may likewise have a material impact. Social and governance risks are not considered to be material for the risk types (see also 2 (m)). Regarding the measurement and monitoring of environmental risks we refer to the stress testing framework and conduct-ed sensitivity analyses as described within section 1 (j) as well as the defined KRIs, their limits (section 1 (b)) and the integration of ESG into Volkswagen Bank GmbH's reporting (section 1 (h)).
1 (m)	Activities, commitments and exposures contributing to mitigate environmental risks	A risk for Volkswagen Bank GmbH arises from the transformation of the automotive sector and the impact on both vehicle dealers and the residual values of the vehicles. Therefore, on the one hand, supporting an environmentally friendly transformation process of dealers is the declared goal of Volkswagen Bank GmbH. Financing of charging infrastructure and e-bicycles as well as energy-efficient construction and renovation will also be consistently expanded. On the other, the Volkswagen Group's mobility transition towards e-mobility will be supported to the best possible extent through attractive leasing products for Battery Electric Vehicles (BEVs) offered to retail and corporate customers. On the funding side, the mobility transition is being supported by the issuance of green bonds. The objective is to align funding to a greater extent with sustainability criteria overall in the future. Volkswagen Bank GmbH is also making great efforts in its own operations to achieve extensive net carbon neutrality and to avert the physical danger of acute environmental damage. For example, environmental protection measures such as reducing energy, water and paper consumption, CO_2 emissions and waste are being pursued as a high priority. In addition, potential hazards for employees, buildings or technology and their safeguarding, in particular from environmental influences, are continuously examined and included in impact analyses in order to define potential counter-measures and implement them if necessary. Instruments included in the lending and decision-making processes which also include activities to mitigate environmental risks are described within 1 (d). Additionally Volkswagen Bank GmbH is part of the Volkswagen Group Environmental Compliance Management System (ECMS). The Volkswagen Group's ECMS is described in Group Guideline 17 and is based primarily on the environmental management standard ISO 14001 and the auditing standard for compliance management systems IDW PS 980. This includes our own environmental policy statement. Initiatives to achieve strategic sustainability goals and commitments are stated within 1 (a).
1 (n)	Implementation of tools for identification, measurement and management of environmental risks	Instruments included in the lending and decision-making processes are described within 1 (d). Further tools for identification, measurement and management of environmental risks are described within 1 (j) and 1 (l). The identified ESG risks impact capital primarily through higher expected and unexpected losses in residual value risk. However, the implemented sensitivity and stress tests reveal that debt servicing capacity and regulatory capital ratios are maintained even under the scenarios considered. Liquidity is not adversely impacted by increased cash outflows, more unfavorable refinancing conditions or reductions in the liquidity buffer.
1 (o)	Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile	Results and outcome of the risk tools implemented are described within 1 (j) and 1 (l).
1 (p)	Data availability, quality and accuracy, and efforts to improve these aspects	The reporting of climate and environmental risks primarily uses data from the central data warehouse, which is also the central data source for the preparation of reports in risk management and regulatory reporting. To this end, the necessary information on climate and environmental risks was integrated into the existing delivery routes. In addition, methods and processes were implemented to derive relevant data points (e.g. labeling of assets to indicate whether they are affected by physical risks).This information will also be integrated into the central data warehouse in the future. The necessary interfaces are currently being created for this. This allows data delivery processes to be optimized and the central availability of the relevant data to be further improved. The Volkswagen Group Sustainability Report sets out further Group-wide regulations on environmental, social and governance issues and specifies additional specific requirements for dealing with these issues within the Group.

1 (q)	Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits	KRI limits are shown in Table 33. Escalation processes as part of governance are described in 1 (g). In addition, exclusion criteria are listed within 1 (d).
1 (r)	Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	Transmission channels for material risk types within Volkswagen Bank GmbH are described within 1 (l). Environmental risks affect the risk types through physical and transitory transmission channels. Extreme weather events can cause financial losses, operational and supply chain disruptions, as well as asset impairment. Carbon costs, environmental regulations, resource depletion, technological changes and evolving market preferences can adversely affect costs, earnings performance and customer credit quality, thereby increasing credit risk. At the same time, this can lead to lower cash inflows, increased liquidity needs and less favorable refinancing terms. Changes in prices, interest rates and spreads impact market risk; additional adjustment, process, and compliance effort, as well as business interruptions, impact operational risk. Inadequate management or communication of these impacts could also adversely affect trust in VW FS and its reputation. The impacts are mainly indirect and may intensify over the long term. The assessment of the materiality of environmental risks for the risk types is reviewed in the second half of the year as part of the risk inventory.

TABLE 26: QUALITATIVE INFORMATION ON SOCIAL RISKS (IN ACCORDANCE WITH ARTICLE 449A OF THE CRR)

Row number		Qualitative information - Free format
2 (a)	Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning	As an outcome of the double materiality assessment, social risks include our own staff and our related parts of society. **Employees** **We are committed to an excellent employee experience and promote a culture of appreciation, trust, and continuous development.** Our employees are the heart of our company and crucial to our long-term success. That is why we are committed to providing them with an excellent work environment and fully supporting their personal and professional development. As part of our sustainability strategy, we have set ourselves clear goals in the areas of employee development, diversity, inclusion, and equality. **We are committed to diversity and inclusion** We are committed to a work environment characterized by openness, a sense of community, respect and appreciation. Volkswagen Financial Services AG was one of the first companies to sign the Diversity Charter back in 2007. We reject discrimination in any form, promote cooperative behavior in the workplace and are committed to inclusion. We are convinced that integrity and compliance can only be lived in a culture free of fear, and we create the conditions for this. We are particularly concerned about increasing the proportion of women at all levels of the workforce. As a concrete goal, we want to increase female representation in management at Volkswagen Financial Services AG to at least 28% by 2028. **We strive for an excellent employee experience and high-performing teams** The transformation to sustainable mobility makes our work more colorful, multifaceted and interesting. We want to leverage these advantages to provide a unique work experience for all employees. It is important to us that everyone can keep up with the change. This involves significant investment in training and continuing education, with the goal of ensuring that 100% of employees will have completed basic ESG training by 2030. In addition, the central principles of the management and corporate culture: courage, trust, and customer focus promote cooperation among all employees. Furthermore, employees are offered various communication platforms for interaction within Volkswagen Bank GmbH: management conferences, dialogue events and direct exchange between employees and the board or management are firmly established. Also, the Opinion Survey makes it possible to record the mood across the entire Volkswagen Group and is intended to increase employee satisfaction through subsequent processes, particularly the discussions of results and the measures derived and implemented from them. **Society** **We assume social responsibility and advocate for a just, social, and safe society**. As a company, we see it as our responsibility to create added value not only for our employees, customers, and partners but also for society as a whole. **We make a sustainable contribution to society.** As a socially responsible company, we want to make a positive contribution to society. That is why we are particularly committed to the areas of education, sustainability and social inclusion. A key focus of our sustainability strategy is promoting basic economic and environmental literacy among young people. Starting in 2027, two CSR projects are to be implemented annually in each market. At least one of these projects should be geared toward teaching financial and sustainability literacy. To this end, Volkswagen Financial Services AG is developing the international educational program “GROW”, which supports young people in building financial and sustainability-related skills and making informed decisions for their future. **Protecting our data is our top priority** Protecting sensitive data and defending against cyber threats are essential in an increasingly digitalized world to ensure the trust of our stakeholders. A robust cyber security strategy not only secures our own systems but also contributes to the stability and security of the entire economic environment. As a part of Volkswagen Financial Services AG, Volkswagen Bank GmbH aims to remain a leader in cyber security: 100% of our IT systems are already ISO 27001 certified and thus state-of-the-art.

2 (b)	Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	The Volkswagen Bank Group's sustainability goals (incl. KPIs) related to the social dimension are described in Section 2 (a) and listed in 1 (b). Volkswagen Bank GmbH has been subject to reporting obligations under the German Supply Chain Due Diligence Act (LkSG) since January 1, 2024. It therefore publishes a policy statement with the most important content on risk management relating to human rights in its own business area and in the supply chain. Respect for hu-man rights is a central concern for Volkswagen Bank GmbH and its employees. We are convinced that sustainable business is only possible through ethical action and integrity. Volkswagen Bank GmbH stands for individual freedom, fair working condition, open world trade, economic development and peaceful coexistence. Volkswagen Bank GmbH has anchored these expectations in all our relevant business processes as well as in internal and external regulations, such as > our Code of Conduct, > the Social Charta, > the Volkswagen Group Environmental Policy that also applies to Volkswagen Bank GmbH, > our Group guidelines, > our Code of Conduct for Business Partners, > in employee training on the Supply Chain Due Diligence Act (LkSG), > in contractual provisions with our business partners and > in our policy statement on human rights (German "Grundsatzerklärung"). Both the policy statement against the background of the Supply Chain Due Diligence Act and the Volkswagen Group's Social Charter, which was adopted a few years ago and also applies to Volkswagen Bank GmbH, are based on an international framework: > The Universal Declaration of Human Rights, codified in particular in the International Covenant on Civil and Political Rights and in the International Covenant on Economic, Social and Cultural Rights (in addition to other applicable human rights treaties under international law, for example the UN Convention on the Rights of the Child) > The ILO core labor standards > Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the ILO > The ten principles of the UN Global Compact > The UN Guiding Principles on Business and Human Rights, > The OECD Guidelines for Multinational Enterprises Risk management plays an overarching role within the Supply Chain Due Diligence Act, because the implementation of the obligations resulting from the Act is based on the results of this risk management (see table 2 (h)). The general business strategy is in line with the requirements of the law.
2 (c)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities	The policies and procedures described within 1 (d) apply also in context of the strategy of Volkswagen Financial Services AG to mitigate and reduce socially harmful activities. The strategy of Volkswagen Financial Services AG also applies to Volkswagen Bank Group.
2 (d)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:	Social risk management is embedded within the Governance structure as described within 1 (e) - (i) whose content applies to environmental, social and governance aspects. Responsibilities of management body are described especially within 1 (e) and (f). For the Sustainability Goals described under 1 (b) within Board of Management of Volkswagen Financial Services AG sponsors have been defined (section 1 (e)). The position of Volkswagen Bank GmbH's Chief Sustainability Officer connects the management of Volkswagen Bank GmbH and the management board of Volkswagen Financial Services AG. The success of Volkswagen Bank GmbH depends crucially on everyone behaving honestly, with integrity and ethically correctly. This also means that Volkswagen Bank GmbH reports and communicates truthfully, comprehensively and in a timely manner, both internally and externally. The common goal is to assume responsibility and protect the reputation of Volkswagen Bank GmbH. In line with the principle of sustainability, Volkswagen Bank GmbH is aware of its responsibility for the economic, social and ecological impact of its actions. Acting responsibly and with integrity also means ensuring that the rules applicable within the company are observed and complied with by all employees at all times and everywhere. Board members and managers have a special and responsible role to play here: they act as role models and must prevent irregular behavior within the company, protect their employees and represent Volkswagen Bank GmbH with integrity both internally and externally. Together with its parent company Volkswagen Financial Services, Volkswagen Bank is fully committed to support society, culture, education and sport. In addition to social and educational projects, an internal focus is on a comprehensive cyber security strategy to ensure the trust of all stakeholders and the stability of the economic system. As part of this, 100% of the processes and measures required by ISO 27001 certification to ensure information security/IT security in IT systems are established. In terms of culture, the company supports the Braunschweig International Film Festival, the "ART MOBIL" for schoolchildren and senior citizens and the "GroßerHausBesuch" concert series, among others. In terms of sport, it supports Eintracht Braunschweig, the Basketball Lions and young sports talents. It also cooperates with universities, such as the TU Braunschweig and the University of Hildesheim on the subject of artificial intelligence. The "Our Children in Braunschweig" foundation, established in 2008, supports disadvantaged children in education, music, exercise and nutrition. Other projects are implemented directly by the local national companies in the respective markets.
(i)	Activities towards the community and society	
(ii)	Employee relationships and labor standards	
(iii)	Customer protection and product responsibility	

(iV)	Human rights	**Human Rights Organization** By signing Volkswagen's Social Charter, Volkswagen Bank GmbH undertakes to continuously monitor compliance with it and to assess its application. With the entry into force of the German Supply Chain Due Diligence Act (LkSG), the monitoring of compliance with human rights obligations was implemented with a legally compliant risk management approach. This includes, among other things, the appointment of a Human Rights Officer who monitors this risk management and reports regularly (at least annually) to the Board of Management. For the anonymous reporting of suspicions and indications of violations, the whistleblower system has been expanded with regard to human rights. The whistleblower system serves to investigate and sanction as well as to remedy misconduct as well as to analyze the causes and prevent future incidents. The violations of the rules recorded in the whistleblower system are reported to the Board of Management responsible for Compliance and to the Chief Compliance Officer of the Volkswagen Group. This ensures continuous follow-up and evaluation of the effectiveness of the implemented measures. Volkswagen Bank GmbH uses the Volkswagen Group's responsible supply chain system to systematically carry out risk analyses and identify human rights and social risks in its value chain. On the basis of the analysis results, necessary and appropriate measures are derived. These aim to minimize possible or actual negative impacts on workers in the value chain. As part of its sustainability strategy, Volkswagen Bank GmbH will integrate the issue of human rights even more transparently into procurement and thus into the value chain. A description of the responsible supply chain system can be found on the Volkswagen Group's website in the section "Sustainability in the Supply Chain". In addition, the monitoring of compliance with and assessment of the application of the Social Charter takes place at least once a year within the framework of the meeting of the European/World Group Works Council. Volkswagen Bank GmbH has filled the position of Human Rights Officer at the beginning of 2024. The Human Rights Officer is the contact person for all stakeholders of the company and acts in personal union for both the parent company Volkswagen Financial Services AG and the subsidiary Volkswagen Leasing GmbH, which is subject to reporting obligations. He coordinates on human rights-related issues from authorities, politics and society via a dotted reporting line to the Human Rights Officer of the Volkswagen Group. His main tasks also include monitoring the appropriateness and effectiveness of risk management for compliance with the due diligence obligations of the LkSG and carrying out risk-based control measures. When it comes to human rights, various second-line functions are also involved, including: > Compliance department (especially for the whistleblower system) > HR Compliance > Occupational Health and Safety > Environmental Management (especially for the establishment of an Environmental Compliance Management System (ECMS)) and social concerns > Procurement (e.g. regarding the agreement of the Code of Conduct (CoC) for business partners with suppliers and the granting of the obligation to cooperate in investigations of possible violations in the supply chain by direct suppliers). In addition to the resources used by Volkswagen Bank GmbH itself for the topic of human rights, there are the following resources at Group level that are also used for Volkswagen Bank GmbH: > Central Investigation Office of the Volkswagen Group, > Human Rights Officer of the Volkswagen Group and > Second line functions of the Volkswagen Group (including HR Compliance, Group Security, Occupational Health and Safety, Group Environmental Compliance, Procurement Sustainability). The measures to ensure compliance with human rights apply both to direct and indirect suppliers as well as to Volkswagen Bank GmbH's own business units within the scope of the LkSG. The responsibility for the implementation and monitoring of these obligations lies with the management. **Goals and parameters on the subject of human rights** Volkswagen Bank GmbH has introduced preventive measures to avoid possible human rights violations within its own business unit and in the value chain. In addition, Volkswagen Bank GmbH also wants to establish swift conclusion of investigations in the event of suspicions of human rights violations or environmental violations in its own business unit and supply chain. To date, no specific, measurable and results-orientated targets have been set outside the implementation of the requirements of the Supply Chain Due Diligence Act in connection with human rights. **Grievance mechanism** With its independent, impartial and confidential whistleblower system of Volkswagen AG, the Volkswagen Group has established a Group-wide and cross-thematic reporting system for internal and external complaints with various contact channels. Volkswagen Bank GmbH uses this whistleblower system. Information to the whistleblower system can be submitted at any time and in principle in any region. Anyone can report or complain about potential grievances in the company and along the supply chain, including workers in their own workforce, workers in the value chain and affect-ed communities. Volkswagen Bank GmbH takes every incoming complaint seriously and treats it with the utmost care. The whistleblower system also provides an independent complaint procedure for information on potential violations of the Supply Chain Due Diligence Act. The system (and with it the Volkswagen Group's Central Investigation Office) is available around the clock. It is accessible internally and externally and allows information to be transmitted (anonymously if desired) by telephone and e-mail, via an Internet-based communication platform, by post or in person. In addition, reports can be submitted to independent external lawyers (ombudsmen) while maintaining the anonymity of the whistleblower. As part of this, potential violations of the Code of Conduct for Business Partners, including serious risks and human rights and environmental violations by direct and indirect suppliers, can be reported. This also applies to other reports that require immediate action by the company. The Central Investigation Office in the Volkswagen Group informs the responsible departments, which are processing the matter accordingly. This includes, in particular, necessary measures to minimize risks and/or put an end to violations. Possible reporting channels and further information on the existing complaint procedures are made available to the public, for example, on the website of Volkswagen Financial Services AG (as the parent company of Volkswagen Bank GmbH) and the Volkswagen Group and in the Code of Conduct. In addition, the information about suppliers is provided by the Code of Conduct for Business Partners, and employees can access the necessary information on the intranet. Availability and input channels are continuously checked for technical functionality. The whistleblower system guarantees the greatest possible protection for whistleblowers and those affected. This also includes the possibility of anonymous reporting and communication. Volkswagen Bank GmbH assures that it will not take any action to identify anonymous whistleblowers who do not abuse the whistleblower system. Incoming reports will be treated confidentially. The whistleblower system is designed to ensure that complainants are not disadvantaged as a result of their reports. The persons entrusted with processing the information and discussing a matter are obliged to act impartially and to maintain confidentiality. They perform these tasks independently and without being bound by instructions. The process for dealing with human rights-related complaints is described in the Volkswagen Group's Rules of Procedure. If a suspicion is assumed, it is examined which investigative or clarification measures (so-called follow-up measures) are necessary in the individual case. This includes, for example, conducting a formal internal investigation. If necessary, interim measures may be taken or ordered. In addition, it is examined to what extent the company may or should take further legal and factual measures on the basis of the complaint at this stage. Depending on the outcome of the follow-up measures, business decisions are made to adequately counter any violation or risk that may have been identified, e.g. through personnel measures or adjustments to processes. This can lead to the dismissal of employees and the termination of business relationships. If, in the case of complaints relevant to the Supply Chain Due Diligence Act, a grievance has been found in the company's own business area in Germany, countermeasures are taken and monitored in order to immediately end the risk or violation and avoid recurrence. This principle also applies to the company's own business abroad – subject to conflicting national regulations. In order to ensure that the principle of equal treatment is also adhered to when follow-up measures are taken, both the works council and the equal opportunities officer act as a possible contact point for their own workforce to address suspicions of unequal treatment or similar concerns.

2(e)	Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body	Social risk management is embedded within the Governance structure as described within 1 (e) - (i) whose content applies to environmental, social and governance aspects. The integration of measures to manage social factors and risks is described especially within 1 (g). Measures to manage human rights and related social risks are described in section 2(d).
2 (f)	Lines of reporting and frequency of reporting relating to social risk	Social risk management is embedded within the Governance structure as described within 1 (e) - (i) whose content applies to environmental, social and governance aspects. Lines of reporting as well as reporting frequency are described especially within 1 (h). An internal reporting, reflecting ESG-aspects, has been structured within Volkswagen Bank GmbH. Among others the “ESG-Scoring light” is part of the internal reporting. The sub-score results of the “ESG-Scoring light” in the pillars "Environmental", "Social" and "Governance" as well as the “Overall” score are reported transparently. The sub-score social covers occupational health, safety and employee co-determination. Lines of reporting and frequency regarding human rights and related risks are described in section 2(d).
2 (g)	Alignment of the remuneration policy in line with institution's social risk-related objectives	The ESG factor as a multiplier for the annual bonus is composed in equal parts of the components of the decarbonization index (DKI) at Volkswagen Group level for the Environment (E) and the proportion of women in management at brand level for the Social area (S). The Governance (G) criterion is already taken into account by the culture and integrity component. The proportion of women in management measures the proportion of women in management in relation to management as a whole. Companies with diverse teams are more successful and generally generate higher returns. VW Bank GmbH Group is therefore striving to increase the proportion of women in management. The ESG factor ranges between 0.7 and 1.3. The target achievement for criterion S is determined by the management / the supervisory board on the basis of the previously defined target values.
2 (h)	Definitions, methodologies and international standards on which the social risk management framework is based	Social risk management is embedded within the risk management framework above whose content applies for many aspects to environmental, social and governance aspects. Definitions, methodologies and international standards on which the social risk management framework is based are described especially within 2 (b). Monitoring risk management for human rights is one of the core functions of the Human Rights Officer. The risk management approach comprises recurring steps for the following areas > Own business area >direct suppliers and > indirect suppliers. For all areas, the underlying risks are analyzed in a fundamentally abstract manner. The business areas and the countries in which either subsidiaries or suppliers are located are analyzed. With the help of international studies, internationally applicable indices and expert knowledge from our own employee network, a good abstract view of possible risks in our own area of activity and in the supply chain is created in the first step. The abstract risks can already be used to derive focus areas for specific risks. Concrete risks can be easily identified internally through interviews with various parties and hints from company's own whistleblower system. With regard to direct suppliers, specific risks can be provided on the basis of information from the company's own whistleblower system or from specific press reports. International press reports are checked annually by an external specialized service provider for possible indications of human rights or environmental violations. If the analysis reveals a suspected risk as a violation, the German law (LkSG) only recognizes these possible scenarios > breaches in the own business area must be remedied (immediately) > in the case of suppliers, breaches must also either be remedied directly, a plan with a short time horizon must be drawn up in which the breaches are remedied or, if this does not help, the supply relationship must be terminated. The only difference between direct and indirect suppliers is the type of risk analysis. In the case of direct suppliers, risks must be analyzed on an ongoing or recurring basis, whereas in the case of indirect suppliers, an event-driven risk analysis must be carried out. These occasions can relate to a report from the direct supplier as well as information from the whistleblower system or the press that the company becomes aware of. Volkswagen Bank GmbH is often not directly aware of the indirect suppliers and is therefore dependent on the assistance of the direct suppliers and on information from whistleblowers or the press.
2 (i)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels	Social risk management is embedded within the risk management framework as described within 1 (j, k, l, n) whose content applies to environmental, social and governance aspects. Processes to identify, measure and monitor activities and exposures sensitive to social risk are described especially within 1 (l). The policies and procedures described within 1 (d) apply also in context of social risks. In order to ensure sufficiently ESG-risks related to counterparties Volkswagen Bank GmbH Group has incorporated “ESG key questions” within the back office departments covering the three pillars “Environmental”, “Social” and “Governance”. The purpose of the “ESG key questions” is to identify possible impacts, i.e. how is a counterparty exposed to ESG-risks. Social risks are therefore considered within the back offices and documented within the credit application process. An evaluation whether the counterparty is exposed to social risks is done and has been a common practice for years. The “ESG key question” for the pillar “Social” includes human rights, social and working standards. The back offices analyzes the extent to which the counterparty takes social actions and contributes to workplace safety, e.g. through health protection and compliance with accident prevention regulations. Processes to identify measure and monitor human rights and related social risks are described in section 2(d).

2 (j)	Activities, commitments and assets contributing to mitigate social risk	Volkswagen Bank GmbH has integrated a set of measures into its risk policy to prevent and mitigate social risks. Exclusions of controversial business and economic practices are therefore integrated into the compliance frameworks and in the lending policies (1 (d)). A binding code of conduct is an integral part of the contracts between dealers and brands. A supplementary compliance policy supports compliance with the Volkswagen Group's sustainability requirements in relationships with business partners. This ensures that requirements for national and international requirements and conventions, internal standards and values, such as human rights, labor rights, occupational health and safety and compliance aspects, are met. Moreover, sufficient monitoring, reporting obligations and mandatory trainings of the employees are incorporated. The behavior and consideration in order to ensure "Social" aspects are also considered. **Activities towards the community and society** Together with its parent company Volkswagen Financial Services, Volkswagen Bank is fully committed to support society, culture, education and sport. In addition to social and educational projects, an internal focus is on a comprehensive cyber security strategy to ensure the trust of all stakeholders and the stability of the economic system - 100% of the IT systems are ISO 27001 certified. In terms of culture, the company supports the Braunschweig International Film Festival, the "ART MOBIL" for schoolchildren and senior citizens and the "GroßerHausBesuch" concert series, among others. In terms of sport, it supports Eintracht Braunschweig, the Basketball Lions and young sports talents. It also cooperates with universities, such as the TU Braunschweig and the University of Hildesheim on the subject of artificial intelligence. The "Our Children in Braunschweig" foundation, established in 2008, supports disadvantaged children in education, music, exercise and nutrition. Other projects are implemented directly by the local national companies in the respective markets. Employees are guided in their daily work by a generally applicable organizational handbook (OHB). This organizational handbook serves as a guide for employees and creates a uniform basis at both national and international level. The organizational handbook covers various areas, such as structural and procedural organization as well as department-specific guidelines. It is accessible via an internal platform. An international version in English serves as a guide for the subsidiaries when implementing processes in accordance with the specifications of the headquarters. The Code of Conduct (CoC) lays the foundation for integrity and compliant behavior within the Volkswagen Group. It acts as a central element to raise awareness of responsible behavior and decision-making, provides assistance and provides contact persons. In addition to the International Bill of Human Rights and the core labor standards of the International Labor Organization (ILO), the United Nations Convention against Corruption is also anchored in the CoC. Non-compliance with the Code of Conduct can lead to considerable damage, not only for Volkswagen Bank GmbH, but also for employees, business partners and other stakeholders. The Code of Conduct is supplemented by internal guidelines and regulations as well as contractual employment agreements. In addition, national and international legal regulations are observed, which generally also means that Volkswagen Bank GmbH does not participate in activities that are based on fraud, embezzlement, blackmail, theft, embezzlement or other deliberate damage to the assets of customers or third parties. To anchor the national and international legal regulations in the company, the "Anti-Corruption" guidelines for employees are available at all times in the digital organization manual. In addition, the guideline on avoiding conflicts of interest and corruption in the OHB can be accessed. These internal guidelines apply uniformly to all employees within the companies of Volkswagen Bank GmbH. The compliance function has implemented control measures to monitor compliance with the requirements within the companies (see section 2 (k)). <u>Compliance trainings</u> The contents of the CoC and other internal organizational topics related to governance are communicated to employees in various training sessions. Compliance training at Volkswagen Bank GmbH is based on statutory requirements and the Volkswagen Group's specifications. The Volkswagen Group defines minimum requirements for the essential content and process-related design of training formats. Preventive compliance work is fundamentally based on employee training measures. This is based on a risk-oriented and target group-specific training concept, which was updated in the reporting year. Volkswagen Bank GmbH thereby pursues the goal of preventing general compliance risks as well as risks of money laundering and fraud. Knowledge of the obligation to report serious breaches of regulations and the disclosure of any conflicts of interest are also part of the certification. Business partners from sales and procurement are also trained on a risk-based basis. The Code of Conduct for Business Partners forms the basis for this. <u>Communication for preventative compliance</u> Communication is a key component of awareness work. Preventive compliance work is fundamentally based on communication and awareness-raising measures for employees. As part of the existing communication and awareness-raising measures, the Board of Management ("Tone from the Top") and middle management ("Tone from the Middle") communicate the central importance of Integrity & Compliance (I&C) for the company and its employees to employees of Volkswagen Bank GmbH companies. The contents of the Code of Conduct were communicated to employees via the intranet and to the public via the Internet. The Compliance Helpdesk has also established itself as a central advice center. The Compliance Helpdesk ensures that employees receive appropriate advice on the Code of Conduct and all compliance-relevant topics. It can be contacted both personally and digitally (e.g. by email). The team answers specific compliance questions - for example regarding invitations and gifts as well as sponsoring and general questions from employees and provides support in the implementation of internal company requirements and guidelines. Tasks and case studies from consulting practice are addressed as part of compliance communication. The aim is to provide employees with specific recommendations for future, similar issues and to improve the internal control system. The internal responsibilities relating to the Compliance Helpdesk are anchored in the written rules. <u>Investigation of complaints or incidents</u> Compliance with laws, rules and internal regulations is a priority for the Volkswagen Group. Only if rules and standards are complied with can damage to the Volkswagen Group and Volkswagen Bank GmbH, employees and business partners be averted. Misconduct must therefore be uncovered at an early stage, dealt with and combated immediately. For this reason, the Central Investigation Office (ZAO) of Volkswagen AG has been commissioned to operate an independent, impartial and confidential whistleblower system. In addition to the whistleblower system and the Central Investigation Office, violations of the CoC, including cases of corruption and bribery, can be investigated decentrally and by Internal Audit, Corporate Security or HR. The Compliance unit is generally involved in the processing of all cases relating to corruption and bribery and calls in other units for case processing if necessary. The compliance unit acts independently of the management, so that independent case processing is guaranteed. The Responsible Supply Chain System (ReSC system) is in place for violations of company principles within the supply chain. An additional option for reporting violations of the CoC, for example, is the Group-wide "Hot Topic" reporting. Hot topic reporting plays an important role in compliance work. It helps to pass on information on compliance-relevant, systemic incidents and escalate them throughout the organization. The involvement of the Legal department at Volkswagen Bank GmbH is governed by specific regulations at OHB based on the Volkswagen Group's specifications. In accordance with these regulations, the Legal department must be consulted in the event of legal issues affecting one of the aforementioned companies as well as in the event of criminal matters that could result in reputational damage. Internal reports are submitted to the Board of Management of Volkswagen Financial Services AG and the Group Chief Compliance Officer of Volkswagen AG at least once a year. In addition, the results of the annual compliance report of are passed on to the Supervisory Board. Commitments and activities to mitigate human rights and related social risks are described in section 2(d).

2 (k)	Implementation of tools for identification and management of social risk	Social and corporate governance risks are explicitly considered as part of an ESG materiality assessment (see 1(j) and 1(l)). In the case of social risks, identification is performed on portfolio level regarding their specific impact on country risk based on internationally accepted data and information sources such as data from Transparency International's Human Freedom Index and Corruption Perception Index or European standards. At a portfolio level, social risks are also part of a sector-specific risk driver assessment. At the level of individual exposures, we use ESG scores that assess social and governance aspects at our clients or draw on publicly available sources. These parameters are factored into the assessment of the client's credit quality. **Measures relating to compliance** Risk assessment in accordance with the internal compliance risk assessment Volkswagen Financial Services AG companies have implemented an internal compliance risk assessment (ICRA). It determines the compliance risks in the Group. As part of the ICRA assessment process, risk positions in connection with money laundering, fraud and general compliance risks are identified and aggregated into a risk at company level. The ICRA risk assessment is fully updated every three years. In the event of material changes in business operations (e.g. new companies or business areas), the risk assessment for the companies concerned is updated annually. Each controlled company must implement appropriate measures based on its risk profile. In addition, it defines ICRA standards in areas such as the Code of Conduct, whistleblower system, compliance training and communication. The Group Chief Integrity & Compliance Officer of Volkswagen AG reports on the implementation status to the "Group Board of Management Committee on Integrity and Compliance" on an ad hoc basis or at least once a year. The reporting also includes Volkswagen Bank GmbH. Measures to identify and manage human rights and related social risks are described in section 2(d). Further tools for identification, measurement and management of social risks are described within 2 (h) and 2 (i). On an exposure level, instruments included in the lending and decision-making processes are described within 1 (d).

TABLE 27: QUALITATIVE INFORMATION ON BUSINESS RISKS (IN ACCORDANCE WITH ARTICLE 449A OF THE CRR)

Row number		Qualitative information - Free format
3 (a)	Institution's integration in their governance arrangements of the governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics	Volkswagen Bank GmbH offers a wide range of direct banking products, including financing and leasing vehicles from all brands of the Volkswagen Group, as well as savings and investment products, credit cards, and current accounts. However, most of Volkswagen Bank GmbH's portfolio consists of vehicle financing and vehicle leasing. The remaining financing categories include dealer and real estate financing, as well as financing without a specific intended use. Volkswagen Bank GmbH recognizes its economic and social responsibility as a financial institution and has incorporated the "Purpose Loan Framework" to promote and define sustainable financing. The strategic goal of Volkswagen Bank GmbH is to drive the transition to emission-free mobility. The "Purpose Loan Framework" assesses whether the generated funds are used for sustainable purposes, such as refinancing credit and leasing contracts for more environmentally friendly electric and hybrid vehicles. Moreover, Volkswagen Bank GmbH has implemented the "ESG-Scoring light" for financing business and an external ESG-Scores for leasing business as well as corresponding "ESG key questions" within the credit process to assess the sustainability of risk relevant customers. This enables Volkswagen Bank GmbH to support customers who adhere to sustainable practices and standards. Governance criteria like: › Precautions regarding data protection and defense cyber criminality › Reporting and persecuting compliance violations (money laundering etc.) › Equal rights (inclusion, development of gender neutral renumeration) › Corporate principles considering ESG aspects (environmental and climate improvement, social engagement, compliance, development of a sustainability strategy and their organizational incorporation) are checked and assessed by credit departments and any relevancies are considered within the credit documentation. Checking counterparties' governance aspects became a mandatory part of the credit documentation which is carried out on an annual basis or when changes during the year become known. Within Volkswagen Bank GmbH, the avoidance of controversial business and economic activities is firmly integrated into the compliance frameworks. A binding code of conduct is already an integral part of the contracts between dealers and the Volkswagen Group. In addition, a supplementary compliance policy supports compliance with the sustainability requirements of the Volkswagen Group in business relationships. A binding code of conduct is also part of Volkswagen Bank GmbH for business relationships with customers, business partners, and suppliers. Requirements regarding national and international regulations and conventions, internal norms, and values, such as human rights, labor rights, and compliance aspects, are ensured. Applicable laws and regulations, such as anti-corruption, money laundering, fraud prevention, and cybercrime, are considered and implemented within Volkswagen Bank GmbH through work instructions and processes. Monitoring and reporting obligations, as well as communication channels and training, are also integrated for employees. This ensures the following areas: > Compliance & Integrity including the protection of economic and human rights > Prevention of money laundering, terrorism financing, and criminal activities > Anti-corruption and fraud prevention Against this background, the Volkswagen Bank GmbH Group has implemented an exclusion list for credit approvals, which excludes financing to high-risk customers in controversial industries / business areas outside of the defined intended uses. The policies and procedures described within 1 (d) apply also in context of governance risks.
3 (b)	Institution's accounting of the counterparty's highest governance body's role in non-financial reporting	The procedures described within 3 (a) also ensure the assessment of counterparties governance body's role.
3 (c)	Institution's integration in governance arrangements of the governance performance of their counterparties including:	. (ii) Volkswagen Bank GmbH has incorporated ESG risks step by step as an integral part of its risk management framework as described in 1 (j). (ii, iii – vi) Volkswagen Bank GmbH follows high ethical principles in its business activities and complies with applicable German and European laws and regulations. Aspects like conflict management, inclusiveness, anti-corruption, anti-money laundering and conflict of inter-est are strictly observed, also on counterparty level. Therefore, the checking and assessment of ESG aspects have been integrated into the lending procedures, for entire corporate customers. Observing governance aspects plays a significant role in "ESG Scoring light", both within the external ESG Score results and in the assessment of the "ESG key questions". Governance criteria like: > Precautions regarding data protection and defense cyber criminality

(i)	Ethical considerations	> Reporting and persecuting compliance violations (money laundering etc.) > Equal rights (inclusion, development of gender neutral renumeration) > Corporate principles considering ESG aspects (environmental and climate improvement, social engagement, compliance, development of a sustainability strategy and their organizational incorporation) are checked and assessed by credit departments and any relevancies are considered within the credit documentation. Checking counterparties' governance aspects became a mandatory part of the credit documentation which is carried out on an annual basis or when changes during the year become known. Furthermore, governance risks aspects like management quality, i.e. skills, qualification, reliability of the management and succession planning, are an immanent part of the corporate rating model. In addition, there are several override reasons of the calculated rating results, also for governance aspects, like legal breaches or acute successor problems.
(ii)	Strategy and risk management	
(iii)	Inclusiveness	
(iV)	Transparency	
(v)	Management of conflict of interest	
(vi)	Internal communication on critical concerns	
3 (d)	Institution's integration in risk management arrangements the governance performance of their counterparties considering:	The procedures described within 3 (c) are also part of various guidelines.
(i)	Ethical considerations	
(ii)	Strategy and risk management	
(iii)	Inclusiveness	
(iV)	Transparency	
(v)	Management of conflict of interest	
(vi)	Internal communication on critical concerns	

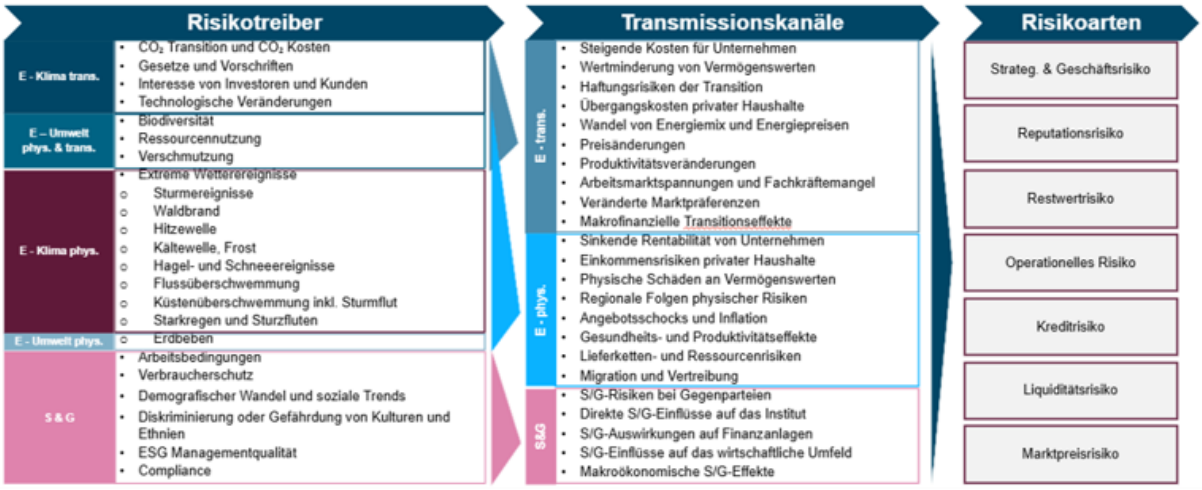


Figure 1: Risk drivers, transmission channels and financial impact

TABLE 28: RISK TYPES A

Risk type	Transmission channel of physical risks (based on climate-related and environmental risks)	Transmission channel of transitional risks (based on climate-related and environmental risks)
Credit risk	Natural disasters such as droughts, floods or storms are increasing in frequency under various climate scenarios and cause significant economic damage to homes and automobiles, which would lead to rising repair costs or total loss of assets. The solvency of counterparties would be impaired, particularly those operating in sectors highly dependent on natural resources or in particularly vulnerable locations. The risk of rising passenger car claims could be mitigated by (passenger car) insurance. Environmental changes and resource scarcity can lead to rising costs for repairing cars and have a negative impact on supply chains.	The solvency and asset value of counterparties could be affected by changes in regulation and by the implementation of measures to reduce greenhouse gas emissions. For example, stricter standards for CO_2 emissions or higher CO_2 prices could lead to rising purchase and maintenance costs for cars or lead to rising fuel costs. The EU regulation to allow only CO_2-free new cars from 2035 may result in a possible decline in the collateral values of used cars.
Residual value risk		Prices for used cars with internal combustion engine technology could be impacted by the transition to a zero-emission economy, for example, through increases in the CO_2 tax and additional costs for emissions allowances. Differences across European markets help to mitigate or offset any potential impacts. The discussion and potential implementation of bans on ICE vehicles entering or driving in the centers of major European cities undermines the appeal of these vehicles, which tends to have a negative impact on the residual values of ICEs (while having the opposite effect on the residual values of BEVs).
Interest rate risk/ other market risk	Extreme events and long-term climate trends such as desertification and sea-level rise could trigger instabilities that affect supply chains and commodity prices and induce volatility in market variables.	Expectations regarding new regulatory frameworks, stricter CO_2 guidelines or newly developed green technologies could influence the volatility of market variables such as interest rates.
Liquidity risk		The development of consumer preferences could have a negative impact on the deposit portfolio and lead to higher funding costs for the Group. The enforcement of new regulatory frameworks and strict CO_2 guidelines could have an impact on the value of securities, which could lead to the deposit of additional collateral.
Operational risk	Severe weather events could affect the Bank's ability to continue as a going concern and its outsourced operations. The well-being of employees and their ability to work and access premises could be affected.	Legal risks can result in liability claims in the event of noncompliance with climate laws and regulations.

Risk type	Transmission channel of physical risks (based on climate-related and environmental risks)	Transmission channel of transitional risks (based on climate-related and environmental risks)
Business risk		Customer demand could change due to future regulations. This could lead to higher demand for electric cars coupled with lower demand for used cars with internal combustion engines.

TABLE 29: OBJECTIVES OF THE NH STRATEGY AND KPIS

Ziel	KPI	Zielwert KPI 2030
Wir reduzieren die CO_2-Emissionen unseres **Geschäftsbetriebes** (100% bilanziell CO_2-neutral in 2050)	Reduktion CO2 -Emissionen im Vergleich zum Basisjahr 2021	50% Reduktion im Jahr 2025 70% Reduktion im Jahr **2035** 90% Reduktion im Jahr 2050
Wir begleiten unsere Kunden in ihrer nachhaltigen **Transformation**	100% der risikorelevanten Händlerkunden haben ein ESG- Scoring Umsetzung eines Leuchtturm-Projektes pro Markt pro Jahr ab 2027	100%
Wir setzen uns für Vielfalt und Inklusion ein	Anteil der Frauen im Management	27 % in 2028
Wir streben ein hervorragende Mitarbeitererfahrung und leistungsstarke Teams an	100 % der Mitarbeitenden absolvieren eine ESG-Basisschulung	100 %
Wir leisten einen nachhaltigen gesellschaftlichen Beitrag	Jährliche Umsetzung von 2 CSR-Projekten pro Markt ab 2027	100 %
Der Schutz unserer Daten hat für uns höchste Priorität	100 % der notwendigen Prozesse und Maßnahmen sind etabliert, die lt. ISO-Zertifizierung 27001 zur Sicherstellung der IT-Sicherheit in IT-Systemen benötigt werden	100 %
Wir treiben den Wandel zur nachhaltigen Mobilität	BEV-Neuwagen Penetration CO_2-Intensität* des finanzierten und verleasten Portfolios	70 % 2030: 103,7* I 2040: 20,2* I 2050: 0,7* *CO_2-Intensität (gCO_2/km)
Wir steigern unseren Anteil an nachhaltiger Refinanzierung am Kapitalmarkt	Anteil Green Bonds	40 %

TABLE 30: KEY RISK INDICATORS

KRI	Ziel / Weitere Erläuterung	Limite
Intensity of CO2 emissions from financed/leased vehicles	Monitoring the reduction of average vehicle emissions.	Intensity does not increase compared to previous quarter.
CO2 footprint of business operations and IT	Identification of activities with the highest CO2 emissions and derivation of possible savings and efficiency measures.	70% reduction by 2035 compared to the 2021 base year.
ESG-Scoring light and external ESG-Scores	A limit has been defined for each market for the maximum share of the overall red ESG score. Compliance with this requirement is reviewed on a quarterly basis.	Limits have been set on market level.
Sustainability Index (SI)	Reputational risk indicator, which reflects the relationship between customer expectations and the respective status quo based on surveys of our customers - it is not intended to decrease.	SI does not increase compared to previous year.

Implementation plans for statements on future environmental performance

Volkswagen Bank publishes implementation plans corresponding to its statements on future environmental performance. The current implementation plans are available to the public on the website of the parent company, Volkswagen Financial Services, at: https://www.vwfs.com/sustainability.html

Specifically, these are the following statements

- 100% CO_2-neutral business operations by 2050 on a net basis
- Reduction of Scope 1 and Scope 2 emissions by 70 percent by 2035 and by 90 percent by 2050 compared with 2021
- 100 percent of risk-relevant dealer customers receive an ESG score.
- From 2027, two CSR projects annually per market, including at least one project entailing basic economic and environmental education for young people.
- Implementation of a program (GROW) to teach financial and environmental skills in schools.
- Development of a scalable educational offering that can be rolled out across Europe
- Reduction of emissions by transforming the portfolio in favor of electrified powertrains and widening the share of BEVs.
- By 2030, 80 percent of electric vehicles produced in Europe by Volkswagen Group brands are to be leased or financed through VWFS.
- Carbon intensity of the financed and leased portfolio: 103.7 g CO_2/km by 2030, 20.2 g CO_2/km by 2040, and 0.7 g CO_2/km by 2050.
- Biriba project: sequestration of up to 150,000 tons of CO_2
- Spekboom project: target volume of approximately 902,000 tons of CO_2
- Green Bond share of 40 percent in 2030 and 60 percent in 2040

QUANTITATIVE REPORTING

TABLE 31: BANKING BOOK – INDICATORS OF POTENTIAL TRANSITORY RISKS RELATING TO CLIMATE CHANGE: CREDIT QUALITY OF THE EXPOSURES BY SECTOR, EMISSIONS AND REMAINING TERM

	SECTOR/SUBSECTOR	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
		Of which non-performing exposures					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counter-party) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					
	in € millions		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
1	**Exposures towards sectors that highly contribute to climate change***	**29,605.8**	**1,065.2**	**N/A**	**19,333.1**	**1,054.0**	**–610.7**	**–254.2**	**–308.8**	**45,242,169.5**	**41,899,388.2**		**28,486.5**	**294.2**	**425.6**	**399.6**	**2**
2	A - Agriculture, forestry and fishing	113.7		N/A	82.6	5.7	–3.1	–1.1	–1.9	67,971.8	38,067.6		111.9	1.8		0.0	4
3	B - Mining and quarrying	27.3	7.8	N/A	24.8	0.3	–0.2	–0.2	–0.1	9,820.5	4,696.0		27.2	0.1			4
4	B.05 - Mining of coal and lignite	0.8	0.8	N/A	0.4		–0.0	–0.0		363.7	260.4		0.8				4
5	B.06 - Extraction of crude petroleum and natural gas	2.9	2.9	N/A	2.7	0.0	–0.0	–0.0	–0.0	1,080.2	380.4		2.9				2
6	B.07 - Mining of metal ores	0.2		N/A	0.1		–0.0	–0.0		125.0	70.4		0.2				4
7	B.08 - Other mining and quarrying	19.3		N/A	17.8	0.1	–0.1	–0.1	–0.0	6,686.1	3,336.0		19.2	0.1			4
8	B.09 - Mining support service activities	4.1	4.1	N/A	3.8	0.2	–0.1	–0.0	–0.1	1,565.6	648.8		4.1				4
9	C - Manufacturing	3,732.8	19.1	N/A	3,434.8	80.9	–58.4	–40.8	–17.7	3,883,410.9	2,901,951.6		3,716.4	16.1	0.3	0.0	2
10	C.10 - Manufacture of food products	196.3		N/A	170.0	6.2	–3.6	–1.7	–1.9	124,307.5	59,894.7		195.3	1.0		0.0	4
11	C.11 - Manufacture of beverages	34.0		N/A	30.6	1.1	–0.7	–0.3	–0.4	25,173.4	12,476.4		33.9	0.1		0.0	4
12	C.12 - Manufacture of tobacco products	0.9		N/A	0.8		–0.0	–0.0		1,296.4	475.6		0.9				2
13	C.13 - Manufacture of textiles	47.7		N/A	42.0	1.2	–0.8	–0.3	–0.4	24,233.6	11,009.2		47.5	0.2			4
14	C.14 - Manufacture of wearing apparel	37.6		N/A	34.2	0.8	–0.6	–0.3	–0.3	20,238.2	10,172.4		37.5	0.1			4
15	C.15 - Manufacture of leather and related products	15.6		N/A	13.1	0.8	–0.4	–0.1	–0.2	9,466.0	4,350.7		15.4	0.2			4
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	88.3		N/A	74.0	2.8	–1.4	–0.7	–0.6	42,397.7	21,485.1		88.0	0.3		0.0	4
17	C.17 - Manufacture of pulp, paper and paperboard	47.9		N/A	45.6	0.2	–0.5	–0.5	–0.0	21,716.6	10,519.8		47.9				4
18	C.18 - Printing and service activities related to printing	52.0		N/A	43.4	1.4	–0.9	–0.4	–0.4	25,105.5	15,089.6		51.8	0.3		0.0	4
19	C.19 - Manufacture of coke oven products	12.9	12.9	N/A	12.8	0.1	–0.1	–0.1	–0.0	7,542.1	3,733.3		12.9				2
20	C.20 - Production of chemicals	120.5		N/A	113.0	2.2	–1.6	–0.9	–0.7	85,046.6	41,237.8		120.2	0.3		0.0	4
21	C.21 - Manufacture of pharmaceutical preparations	79.0		N/A	77.8	0.4	–0.4	–0.3	–0.1	47,825.0	23,774.4		78.9	0.0			2
22	C.22 - Manufacture of rubber products	176.4		N/A	166.4	3.1	–1.8	–1.2	–0.7	89,362.5	44,480.2		176.3	0.2			4
23	C.23 - Manufacture of other non-metallic mineral products	95.3		N/A	86.6	1.9	–1.4	–0.7	–0.6	60,870.1	27,294.6		94.8	0.4			4
24	C.24 - Manufacture of basic metals	87.9	6.2	N/A	56.3	21.9	–1.1	–0.6	–0.5	91,438.5	53,700.9		87.7	0.2		0.0	2
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	520.0		N/A	465.3	10.0	–7.1	–3.9	–3.1	228,931.2	112,945.7		515.4	4.3	0.3	0.0	4
26	C.26 - Manufacture of computer, electronic and optical products	245.2		N/A	235.7	1.8	–2.0	–1.6	–0.5	163,172.9	91,316.8		245.0	0.2		0.0	2
27	C.27 - Manufacture of electrical equipment	200.6		N/A	187.1	3.9	–2.7	–1.6	–1.1	115,552.0	60,332.8		200.3	0.4		0.0	4
28	C.28 - Manufacture of machinery and equipment n.e.c.	575.7		N/A	539.7	9.3	–6.9	–4.4	–2.6	323,993.4	148,608.5		569.5	6.2		0.0	4
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	636.2		N/A	632.4	1.5	–17.7	–17.4	–0.4	2,126,278.7	2,023,521.3		635.8	0.5		0.0	0
30	C.30 - Manufacture of other transport equipment	40.2		N/A	36.4	1.7	–0.9	–0.4	–0.4	30,783.9	16,160.2		40.2	0.0		0.0	4
31	C.31 - Manufacture of furniture	54.8		N/A	48.8	1.6	–1.2	–0.5	–0.7	28,120.7	12,752.7		54.5	0.3		0.0	4

	SECTOR/SUBSECTOR	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
		Of which non-performing exposures					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counter-party) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					
	in € millions		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
32	C.32 - Other manufacturing	165.0		N/A	148.1	2.2	–1.6	–1.0	–0.6	86,176.5	44,512.6		164.9	0.1			4
33	C.33 - Repair and installation of machinery and equipment	202.7		N/A	174.7	4.7	–3.2	–1.9	–1.2	104,381.8	52,106.2		201.8	0.8		0.0	4
34	D - Electricity, gas, steam and air conditioning supply	143.5	143.4	N/A	134.9	2.4	–1.8	–1.3	–0.6	87,784.1	65,927.8		142.5	0.9		0.0	4
35	D35.1 - Electric power generation, transmission and distribution	122.2	122.2	N/A	114.9	2.0	–1.6	–1.1	–0.4	76,929.7	59,005.4		121.5	0.7		0.0	4
36	D35.11 - Production of electricity	66.5	66.5	N/A	61.2	1.6	–1.0	–0.6	–0.4	46,258.1	34,941.4		66.3	0.2			4
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	13.0	13.0	N/A	12.0	0.3	–0.2	–0.1	–0.1	6,758.2	4,358.0		12.7	0.2			4
38	D35.3 - Steam and air conditioning supply	8.3	8.3	N/A	8.1	0.0	–0.1	–0.1	–0.0	4,096.1	2,564.4		8.3				4
39	E - Water supply; sewerage, waste management and remediation activities	196.1		N/A	179.8	5.7	–3.4	–2.1	–1.4	79,519.6	41,183.2		189.4	6.6		0.0	4
40	F - Construction	2,486.5		N/A	1,945.0	103.8	–65.7	–25.1	–31.6	1,065,318.9	536,385.3		2,424.1	18.1	32.0	12.3	4
41	F.41 - Construction of buildings	388.7		N/A	288.7	16.5	–16.2	–3.4	–5.2	182,008.8	84,253.7		342.1	2.4	32.0	12.3	8
42	F.42 - Civil engineering	233.6		N/A	197.3	6.6	–4.6	–2.2	–2.2	94,447.3	38,595.5		232.2	1.4		0.0	4
43	F.43 - Specialised construction activities	1,864.1		N/A	1,459.0	80.7	–44.8	–19.5	–24.2	788,862.8	413,536.2		1,849.8	14.3		0.0	4
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	20,160.0	842.4	N/A	11,662.4	625.4	–365.5	–145.6	–181.1	39,013,342.9	37,719,695.3		19,536.1	154.2	86.7	383.0	2
45	H - Transportation and storage	1,503.6	52.5	N/A	1,175.1	171.7	–73.1	–23.5	–50.3	590,173.0	330,500.8		1,462.7	40.2	0.0	0.7	4
46	H.49 - Land transport and transport via pipelines	859.8	26.2	N/A	645.7	105.9	–44.8	–13.9	–30.8	287,455.9	135,195.3		831.5	28.3		0.0	4
47	H.50 - Water transport	53.8	24.8	N/A	47.1	0.1	–0.4	–0.3	–0.0	87,275.7	83,774.5		48.2	5.6		0.0	2
48	H.51 - Air transport	37.6		N/A	34.8	1.0	–0.7	–0.4	–0.3	17,778.2	11,061.3		37.6	0.1			4
49	H.52 - Warehousing and support activities for transportation	479.7	1.5	N/A	403.4	46.7	–20.5	–7.2	–13.8	155,879.8	85,723.3		473.9	5.7	0.0	0.0	4
50	H.53 - Postal and courier activities	72.7		N/A	44.0	18.0	–6.9	–1.6	–5.4	41,783.4	14,746.4		71.5	0.6		0.6	4
51	I - Accommodation and food service activities	329.0		N/A	249.3	16.2	–10.6	–5.3	–5.0	207,040.9	121,424.7		325.3	3.7		0.0	4
52	L - Real estate activities	913.6	0.0	N/A	444.5	41.8	–28.9	–9.2	–19.0	237,787.1	139,556.0		550.8	52.4	306.7	3.6	14
53	**Exposures towards sectors other than those that highly contribute to climate change***	**11,438.2**		**N/A**	**9,174.3**	**558.1**	**–331.0**	**–126.6**	**–192.7**				**11,259.4**	**54.5**	**20.6**	**103.6**	**0**
54	K - Financial and insurance activities			N/A													0
55	Exposures to other sectors (NACE codes J, M - U)	11,438.2		N/A	9,174.3	558.1	–331.0	–126.6	–192.7				11,259.4	54.5	20.6	103.6	0
56	**TOTAL**	**41,044.0**	**1,065.2**	**N/A**	**28,507.5**	**1,612.1**	**–941.7**	**–380.8**	**–501.4**	**45,242,169.5**	**41,899,388.2**		**39,745.9**	**348.7**	**446.2**	**503.2**	**2**

* In accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks - Regulation on climate benchmark standards - Recital 6: Sectors listed in Sections A to H and Section L of Annex 1 to Regulation (EC) No. 1893/2006

Table 29 is required to show those assets that are exposed to ESG risks as a result of the transition to a carbon-neutral economy. Here, the focus is particularly on exposures to non-financial corporates operating in carbon-intensive sectors. The volume that is not in line with the goals and agreements of the Paris Climate Agreement of the European Union must also be presented transparently.

To identify relevant corporates, the Volkswagen Bank GmbH's entire portfolio of financial and non-financial corporates was analyzed at the customer level. Classification based on NACE codes[4] was used to determine the corporates affected by exclusions in connection with the Paris-aligned EU benchmarks in points d) to g) and Art. 12.2. An analysis was performed to determine whether a corporate whose main activities corresponded to this NACE code came within one of the four categories. Where this was the case, the customer with the corresponding NACE code was classified as affected. Where such an evaluation was not possible, an expert opinion concerning the customer impact was derived from external data.

On balance, only a very small proportion of Volkswagen Bank GmbH's business involves sectors that are affected by the exclusion of the Paris-aligned EU benchmarks. The proportion stands at 1.65% in the case of nonfinancial corporates, with the total coming to only 1.29%.

As real estate accounts for only a minor part of Volkswagen Bank GmbH's portfolio of collateral, the disclosure of data on the energy classes for this collateral has been dispensed with.

[4]Nomenclature statistique des activités économiques dans la Communauté européenne (NACE) is the system for the statistical classification of economic activities in the European Union. It is a four-digit classification system that provides the framework for the collection and presentation of a wide range of statistical data broken down by economic activity in the economy (e.g. production, employment, national accounts) and from other domains within the European Statistical System (ESS) This was primarily done on the basis of the two-digit NACE codes, with the four-digit NACE codes applied where necessary.

TABLE 32: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE RISKS: EXPOSURES TO THE 20 MOST CARBON-INTENSIVE CORPORATES

	A	B	C	D	E
in € millions	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	8.7	0.00%	N/A	4	6

* For counterparties that are among the world's 20 largest carbon-emitting corporates.

Table 30 discloses the Volkswagen Bank GmbH Group's banking book exposure to the world's largest greenhouse gas emitters. The aim is to provide transparency regarding a possible deterioration in the credit quality of exposures to the largest greenhouse gas emitters due to transition risks as well as possible concentration risks in this context.

To identify such counterparties, a list from "InfluenceMAP" based on the ongoing work of the Carbon Disclosure Project in collaboration with the Climate Accountability Institute was used. On balance, the Volkswagen Bank GmbH Group has almost no exposure at all to these corporates in its banking book. The exposures that were identified entail finance or leases for vehicles.

TABLE 33: NON-TRADING BOOK - INDICATORS OF POTENTIAL CLIMATE RISKS: ALIGNMENT METRIC

	A	B	C	D	E	F	G	
	Sector	NACE Sectors	Portfolio gross carrying amount (Mn EUR)	Alignment metric	Year of reference	Distance to IEA NZE2050 in % *	Target (year of reference + 3 years)	
1	Automotive	All	*79,888*	*Durchschnittlicher CO2 Ausstoß in Gramm pro km: 122.42*	*00-30-26*	*15.5*	*Not reported due to VW FS AG restructuring.*	
2	Automotive		*6,858*	*Durchschnittlicher Anteil von low carbon Technologien: 41.2%*	*00-30-26*	*-35.7*	*Not reported due to VW FS AG restructuring.*	

* Point in Time (PiT) distance to 2030 NZE2050 scenario in % (for each metric)

General information

The Table 31 metrics aim to assess the extent to which the financing activities are aligned with the goals of the Paris Climate Agreement. They are targeted at carbon-intensive sectors. For this purpose, the table and the EBA's accompanying guidance are based on the counterparty's IEA or NACE sector. As the Volkswagen Bank GmbH Group offers vehicle finance and leasing for customers in all sectors and does not grant any corporate loans in the classic sense for companies in the coal or cement sector, for example, all finance relevant for the metrics presented are assigned to the IEA "Automotive" sector regardless of the sector of the borrower/lessee. Two metrics that can be considered to be central management parameters and targets for the transformation of the automotive sector have been selected. On the one hand, the average carbon intensity of the vehicles financed and leased is assessed. On the other, the proportion of low carbon technologies (particularly electric-only or hybrid vehicles) in new business. The metrics are explained below in greater detail.

Alignment metric 1 – average carbon intensity

The average carbon intensity of the vehicles financed and leased comprises the Volkswagen Bank GmbH Group's entire vehicle-based portfolio as of June 30, 2024. Only the vehicle-related credit facilities for automotive dealers are excluded as these vehicles are still held in the inventory as of the reporting date. The average WLTP figure for the vehicles is used to calculate carbon intensity, applying a figure of 0 gCO_2/km for electric-only vehicles. The reason for this is that the IEA scenario targets are based on the vehicles' average direct emissions. Consequently, the emissions indirectly caused by the electricity consumption of electric vehicles are not included. In accordance with "IEA Net Zero by 2050", a target of 106 gCO_2/km was applied to calculate the distance for 2030. The carbon intensity of the vehicles financed and leased currently exceeds this target by just under 34%.

Alignment metric 2 – average share of low carbon technologies

The share of low carbon technologies refers to the share of PHEVs, BEVs and FCEVs in new contracts over the twelve months preceding the reporting date. The reason for taking the number of new contracts is that the IEA scenario metric is aligned to the proportion of these drive-train types in new registrations. The target defined in the "IEA NET Zero by 2050" scenario is for low carbon technologies to account for 64% of new registrations by 2030. Accordingly, the share of the Volkswagen Bank GmbH Group's new contracts is 86% below this target.

TABLE 34: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
		Gross carrying amount (Mln EUR)													
		of which exposures sensitive to impact from climate change physical events													
			Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	Europe		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	97.6	34.1	1.2	0.0	0.0		14.0	25.1	5.9	23.5	1.5	–1.0	–0.4	–0.6
2	B - Mining and quarrying	25.1	6.8	0.1	0.0	0.0		0.6	4.4	0.1	6.3	0.0	–0.1	–0.0	–0.0
3	C - Manufacturing	3,687.6	616.6	9.2	0.3	0.0		277.2	589.4	97.3	540.1	13.5	–9.5	–5.2	–4.2
4	D - Electricity, gas, steam and air conditioning supply	160.3	38.6	0.5	0.0	0.0		15.8	29.0	1.3	36.9	1.0	–0.6	–0.5	–0.2
5	E - Water supply; sewerage, waste management and remediation activities	163.1	41.4	0.3	0.0	0.0		9.2	37.6	3.4	37.5	1.7	–0.6	–0.4	–0.3
6	F - Construction	2,423.5	608.8	6.4	32.0	12.3		229.3	602.0	106.2	467.3	36.3	–27.6	–7.0	–12.6
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	17,205.8	2,531.8	35.0	12.8	254.3		1,190.4	3,516.2	386.9	1,678.2	192.2	–90.8	–24.6	–57.9
8	H - Transportation and storage	1,011.8	324.3	7.6	0.0	0.0		103.7	245.1	36.9	239.8	48.8	–19.2	–6.0	–13.2
9	L - Real estate activities	883.1	137.7	23.9	276.2	2.5		52.0	182.5	16.1	102.3	11.6	–5.3	–2.5	–2.6
10	Loans collateralised by residential immovable property	9.5	0.3	0.5	1.0	0.0					0.0	0.3	–0.0	0.0	–0.0
11	Loans collateralised by commercial immovable property	2,087.3	369.7	43.6	25.5	3.5					209.8	52.6	–23.7	–9.7	–11.3
12	Repossessed colalterals	0.0	0.0	0.0	0.0	0.0					0.0	0.0	0.0	0.0	0.0
13	Other relevant sectors (breakdown below where relevant)	7,873.5	2,052.5	24.8	0.6	0.0		549.4	1,759.7		1,661.9	57.9	–92.8	–66.6	–25.1

Table 32 requires the disclosure of information on banking book positions (including loans and advances, debt securities, and equity instruments not held for trading or sale) with nonfinancial corporates, loans secured by real estate, and repossessed real estate collateral that are particularly exposed to the physical risks of climate change and related chronic and acute climate-related hazards. The exposures identified are allocated to those economic sectors (NACE sectors) and geographic areas in which the counterparty operates or the asset underlying the collateral is located that are subject to acute and chronic climate change events.

Volkswagen Bank GmbH's activities are confined to the countries of the European Union as well as the United Kingdom. Although the physical risks differ in the way they impact different locations, they are still similar in the individual countries from a portfolio perspective. Hazards caused by flood, heavy rain, water shortages, heat and fire are generally relevant in all European countries, although fire and heat are assumed to pose somewhat greater hazards in southern regions. On the other hand, the exposure of the Volkswagen Bank GmbH Group's portfolio to tsunamis, hurricanes and earthquakes is considered to be generally low. Accordingly, no distinction is made in the disclosures in table 32 between the individual countries in which the Volkswagen Bank GmbH Group operates.

A methodology for analyzing physical risks has been developed, making it possible to assess the exposure of non-financial corporations and real-estate assets to these risks and the impact that this has on the Volkswagen Bank GmbH Group's portfolio. Exposures are evaluated at the postcode level. To ensure the widest possible coverage of the risks, data from various portals or providers was used (particularly GFDRR – ThinkHazard!).

It initially examined the exposure of the various portfolios of the Volkswagen Bank GmbH Group to the individual risks. The situation prevailing at the various locations was assessed on the basis of hazard maps and defined thresholds. The hazardous situations are broken down into different levels subject to prior consideration of the assumed probabilities.

As well as this, a distinction is drawn between chronic and acute physical risks with respect to exposure to physical risks. Chronic risks are those that develop over time and may gradually worsen. We assign the hazards of "heat" and "water scarcity" to these. All other hazards are classified as acute physical risks as they may occur suddenly and have immediate effects.

The analysis shows that, although the exposures in Volkswagen Bank GmbH's banking book are subject to acute and chronic risks, the proportion of such risks can be assumed to be moderate. This is due to the fact that exposure to physical risks tends to be lower in the case of vehicle-related financing or leasing business, as vehicles are mobile and are initially not exposed to certain hazards (e.g. heat, water shortages, heavy rain).

Overall, no mitigating effects (e.g. insurance) were taken into account in the assessment of exposure to individual hazards.

TABLE 35: SUMMARY OF THE KEY PERFORMANCE INDICATORS (KPI) FOR TAXONOMY-ALIGNED ASSETS

	KPI			
	Klimaschutz	Anpassung an den Klimawandel	Gesamt (Klimaschutz + Anpassung an den Klimawandel)	% Anteil (an den gesamten Vermögensgegenständen)*
GAR-Bestand	0,12%	0,0	0,12%	21,02%
GAR-Bewegung	0,23%	0,0	0,23%	25,67%

*% Anteil der durch die KPI abgedeckten Gesamtaktiva der Bank

TABLE 36:ASSETS INCLUDED IN THE CALCULATION OF GAR

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
		Offenlegungsstichtag T															
			Klimaschutz (CCM)					Anpassung an den Klimawandel (CCA)					GESAMT (CCM + CCA)				
			Davon in taxonomierelevanten Sektoren (taxonomiefähig)					Davon in taxonomierelevanten Sektoren (taxonomiefähig)					Davon in taxonomierelevanten Sektoren (taxonomiefähig)				
				Davon ökologisch nachhaltig (taxonomiekonform)					Davon ökologisch nachhaltig (taxonomiekonform)					Davon ökologisch nachhaltig (taxonomiekonform)			
	in Mio. €	Gesamtbruttobuchwert			Davon Spezialkredite	Davon Übergangstätigkeiten	Davon ermöglichende Tätigkeiten			Davon Spezialkredite	Davon Übergangstätigkeiten	Davon ermöglichende Tätigkeiten			Davon Spezialkredite	Davon Übergangs-/Anpassungstätigkeiten	Davon ermöglichende Tätigkeiten
	GAR - im Zähler und im Nenner erfasste Vermögenswerte																
1	Nicht zu Handelszwecken gehaltene Forderungen, Schuldverschreibungen und Eigenkapitalinstrumente, die für die GAR-Berechnung anrechenbar sind	15.816,5	15.254,4	70,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	15.254,4	70,9	0,0	0,0	0,0
2	**Finanzunternehmen**	647,5	85,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	85,4	0,0	0,0	0,0	0,0
3	Kreditinstitute	647,5	85,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	85,4	0,0	0,0	0,0	0,0
4	Forderungen	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
5	Schuldverschreibungen	647,5	85,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	85,4	0,0	0,0	0,0	0,0
6	Eigenkapitalinstrumente	0,0	0,0	0,0	X	0,0	0,0	0,0	0,0	X	0,0	0,0	0,0	0,0	X	0,0	0,0
7	Sonstige finanzielle Kapitalgesellschaften	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
8	davon Wertpapierfirmen	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
9	Forderungen	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
10	Schuldverschreibungen	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
11	Eigenkapitalinstrumente	0,0	0,0	0,0	X	0,0	0,0	0,0	0,0	X	0,0	0,0	0,0	0,0	X	0,0	0,0
12	davon Verwaltungsgesellschaften	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
13	Forderungen	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
14	Schuldverschreibungen	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
15	Eigenkapitalinstrumente	0,0	0,0	0,0	X	0,0	0,0	0,0	0,0	X	0,0	0,0	0,0	0,0	X	0,0	0,0
16	davon Versicherungsunternehmen	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
17	Forderungen	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
18	Schuldverschreibungen	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
		Offenlegungsstichtag T															
			Klimaschutz (CCM)					Anpassung an den Klimawandel (CCA)					GESAMT (CCM + CCA)				
			Davon in taxonomierelevanten Sektoren (taxonomiefähig)					Davon in taxonomierelevanten Sektoren (taxonomiefähig)					Davon in taxonomierelevanten Sektoren (taxonomiefähig)				
				Davon ökologisch nachhaltig (taxonomiekonform)					Davon ökologisch nachhaltig (taxonomiekonform)					Davon ökologisch nachhaltig (taxonomiekonform)			
	in Mio. €	Gesamtbruttobuchwert			Davon Spezialkredite	Davon Übergangstätigkeiten	Davon ermöglichende Tätigkeiten			Davon Spezialkredite	Davon Übergangstätigkeiten	Davon ermöglichende Tätigkeiten			Davon Spezialkredite	Davon Übergangs-/Anpassungstätigkeiten	Davon ermöglichende Tätigkeiten
19	Eigenkapitalinstrumente	0,0	0,0	0,0	X	0,0	0,0	0,0	0,0	X	0,0	0,0	0,0	0,0	X	0,0	0,0
20	**Nichtfinanzielle Kapitalgesellschaften (die Gegenstand der NFRD-Offenlegungsverpflichtungen sind)**	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
21	Forderungen	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
22	Schuldverschreibungen	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
23	Eigenkapitalinstrumente	0,0	0,0	0,0	X	0,0	0,0	0,0	0,0	X	0,0	0,0	0,0	0,0	X	0,0	0,0
24	**Private Haushalte**	15.169,0	15.169,0	70,9	0,0	0,0	0,0	0,0	0,0	X	X	0,0	15.169,0	70,9	0,0	0,0	0,0
25	davon durch Wohnimmobilien besicherte Kredite	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	X	X	0,0	0,0	0,0	0,0	0,0	0,0
26	davon Gebäudesanierungskredite	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	X	X	0,0	0,0	0,0	0,0	0,0	0,0
27	davon Kfz-Kredite	15.169,0	15.169,0	70,9	0,0	0,0	0,0	0,0	0,0	X	X	0,0	15.169,0	70,9	0,0	0,0	0,0
28	**Finanzierungen lokaler Gebietskörperschaften**	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
29	Hausfinanzierungen	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
30	Sonstige Finanzierungen lokaler Gebietskörperschaften	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
31	Durch Inbesitznahme erlangte Sicherheiten: Wohn- und Gewerbeimmobilien	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
32	**AKTIVA IM ZÄHLER DER GAR**	15.816,5	15.254,4	70,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	15.254,4	70,9	0,0	0,0	0,0
	Sonstige Vermögenswerte, die nicht im Zähler für die GAR-Berechnung erfasst sind (im Nenner enthalten)																
33	**Nichtfinanzielle Kapitalgesellschaften in der EU (die nicht Gegenstand der NFRD-Offenlegungsverpflichtungen sind)**	22.831,8	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
34	Forderungen	22.824,5	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
35	Schuldverschreibungen	0,0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
36	Eigenkapitalinstrumente	7,3	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
		Offenlegungsstichtag T															
			Klimaschutz (CCM)					Anpassung an den Klimawandel (CCA)					GESAMT (CCM + CCA)				
			Davon in taxonomierelevanten Sektoren (taxonomiefähig)					Davon in taxonomierelevanten Sektoren (taxonomiefähig)					Davon in taxonomierelevanten Sektoren (taxonomiefähig)				
				Davon ökologisch nachhaltig (taxonomiekonform)					Davon ökologisch nachhaltig (taxonomiekonform)					Davon ökologisch nachhaltig (taxonomiekonform)			
	in Mio. €	Gesamtbruttobuchwert			Davon Spezialkredite	Davon Übergangstätigkeiten	Davon ermöglichende Tätigkeiten			Davon Spezialkredite	Davon Übergangstätigkeiten	Davon ermöglichende Tätigkeiten			Davon Spezialkredite	Davon Übergangs-/Anpassungstätigkeiten	Davon ermöglichende Tätigkeiten
37	**Nichtfinanzielle Kapitalgesellschaften außerhalb der EU (die nicht Gegenstand der NFRD-Offenlegungsverpflichtungen sind)**	2.383,9	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
38	Forderungen	2.383,9	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
39	Schuldverschreibungen	0,0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
40	Eigenkapitalinstrumente	0,0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
41	Derivate	21,1	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
42	kurzfristige Interbankenkredite	243,7	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
43	Zahlungsmittel und zahlungsmittelverwandte Vermögenswerte	1,4	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
44	Sonstige Vermögenswerte (wie Unternehmenswert, Waren etc.)	19.343,9	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
45	**AKTIVA IM NENNER DER GAR**	60.642,3	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
	Sonstige nicht für die GAR-Berechnung erfasste Vermögenswerte																
46	Staaten	2.613,2	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
47	Risikopositionen gegenüber Zentralbanken	11.972,5	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
48	Handelsbuch	0,0	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
49	**AKTIVA, DIE VON ZÄHLER UND NENNER AUSGENOMMEN SIND**	14.585,6	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
50	**GESAMTAKTIVA**	75.227,9	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Leverage

QUALITATIVE DISCLOSURE OF THE LEVERAGE RATIO

Reporting on changes in the leverage ratio is included in Volkswagen Bank GmbH's capital planning process. The leverage ratio is regularly monitored as part of capital planning.

Reference should be made to the separate chapter for details of the changes in Common Equity Tier 1 capital and Tier 1 capital.

QUANTITATIVE DISCLOSURE OF THE LEVERAGE RATIO

The following table reconciles the assets shown in the annual report published by Volkswagen Bank GmbH on an IFRS basis with the total exposure measure used to calculate the regulatory leverage ratio.

TABLE 37: EU LR1 – LRSUM – SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES

		A
	in € millions	Applicable amount
1	Total assets as per published financial statements	176,733.4
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	–1,563.4
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	0.0
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	0.0
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from total exposure measure in accordance with point (i) of Article 429a(1) CRR)	0.0
6	Adjustment for regularway purchases and sales of financial assets subject to trade date accounting	0.0
7	Adjustment for eligible cash pooling transactions	0.0
8	Adjustments for derivative financial instruments	1,107.6
9	Adjustment for securities financing transactions (SFTs)	0.0
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	14,777.5
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	–10.7
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	0.0
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	0.0
12	Other adjustments	–8,834.0
13	**Total exposure measure**	**182,210.3**

The following table provides an overview of the individual components of the total exposure measure and compares the current reporting period with December 31, 2025.

TABLE 38: EU LR2 – LRCOM – LEVERAGE RATIO COMMON DISCLOSURE

		CRR LEVERAGE RATIO EXPOSURES	
		a	b
	in € millions	Jun 30, 2026	Dec 31, 2025
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	166,239.0	153,928.0
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	0.0	0.0
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.0	0.0
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	0.0	0.0
5	(General credit risk adjustments to on-balance sheet items)	0.0	0.0
6	(Asset amounts deducted in determining Tier 1 capital)	–221.9	–197.9
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**166,017.1**	**153,730.1**
Risikopositionen aus Derivaten			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	289.1	417.4
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	0.0	0.0
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	1,126.6	1,082.6
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	0.0	0.0
EU-9b	Exposure determined under Original Exposure Method	0.0	0.0
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	0.0	0.0
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	0.0	0.0
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)	0.0	0.0
11	Adjusted effective notional amount of written credit derivatives	0.0	0.0
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.0	0.0
13	**Total derivatives exposures**	**1,415.7**	**1,500.0**
Risikopositionen aus Wertpapierfinanzierungsgeschäften (SFTs)			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	0.0	0.0
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0.0	0.0
16	Counterparty credit risk exposure for SFT assets	0.0	0.0
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	0.0	0.0
17	Agent transaction exposures	0.0	0.0
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	0.0	0.0
18	**Total securities financing transaction exposures**	**0.0**	**0.0**
Securities financing transaction (SFT) exposures			
19	Off-balance sheet exposures at gross notional amount	21,045.3	21,119.1
20	(Adjustments for conversion to credit equivalent amounts)	–6,267.8	–6,706.8
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	0.0	0.0
22	Off-balance sheet exposures	14,777.5	14,412.4
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	0.0	0.0
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	0.0	0.0
EU-22c	(-) (Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	0.0	0.0
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	0.0	0.0
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	0.0	0.0
EU-22g	(Excluded excess collateral deposited at triparty agents)	0.0	0.0
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	0.0	0.0
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	0.0	0.0
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	0.0	0.0
EU-22k	(Excluded exposures to shareholders according to Article 429a (1), point (da) CRR)	0.0	0.0

		CRR LEVERAGE RATIO EXPOSURES	
		a	b
	in € millions	Jun 30, 2026	Dec 31, 2025
EU-22l	(Exposures deducted in accordance with point (q) of Article 429a(1) CRR)	0.0	0.0
EU-22m	**(Total exempted exposures)**	**0.0**	**0.0**
Capital and total exposure measure			
23	Tier 1 capital	23,515.4	22,767.7
24	**Total exposure measure**	**182,210.3**	**169,642.4**
Leverage ratio			
25	Leverage ratio (%)	12.91%	13.42%
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans) (%)	12.91%	13.42%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	12.91%	13.42%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	**Overall leverage ratio requirement (%)**	**3.00%**	**3.00%**
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	n/a	n/a
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	0.0	0.0
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	0.0	0.0
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	182,210.3	169,642.4
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	182,210.3	169,642.4
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	12.91%	13.42%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	12.91%	13.42%

The leverage ratio excluding the impact of any temporary exclusions for central bank reserves stands at 12.91% in the current reporting period. This ratio corresponds to the leverage ratio including the impact of any temporary exclusions for central bank reserves. This is due to the fact that Volkswagen Bank GmbH does not make use of the option to temporarily apply the exemption for central bank reserves.

TABLE 39: EU LR3 – LRSPL – SPLIT-UP OF ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES)

		A
	in € millions	CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	166,239.0
EU-2	Trading book exposures	0.0
EU-3	Banking book exposures, of which:	166,239.0
EU-4	Covered bonds	236.0
EU-5	Exposures treated as sovereigns	15,282.9
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	401.4
EU-7	Institutions	2,616.4
EU-8	Secured by mortgages of immovable properties	2,816.8
EU-9	Retail exposures	38,062.4
EU-10	Corporates	42,270.5
EU-11	Exposures in default	1,409.1
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	63,143.4

As a non-trading book institution, Volkswagen Bank GmbH has on-balance-sheet exposures of €166.2 billion that are held solely in the banking book. Accounting for a share of 38.0%, the other risk exposures of €63.1 billion constitute the largest item. Other risk exposures consist primarily of residual lease values under the “Other items” risk exposure class.

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