VOLKSWAGEN BANK

GMBH

PILLAR 3 DISCLOSURE REPORT

IN ACCORDANCE WITH THE CAPITAL REQUIREMENTS REGULATION

AS OF JUNE 30

2025

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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 June 30, 2025 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) 575/2013 (CRR)).

As Regulation (EU) 2024/1623 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 with the Implementing Technical Standards issued by the European Banking Authority (EBA) EBA/ITS/2021/637 of June 28, 2021 and the corresponding Commission Implementing Regulation (EU) 2024/3172 of November 29, 2024, which provides further information on the tables included in the report. 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, September 2025

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 June 30, 2025 (Column A) and the previous quarters (Columns B to E).

TABLE 1: EU KM1 – KEY METRICS TEMPLATE

	in € millions	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	20,899.1	20,942.7	18,350.2	18,332.3	10,618.5
2	Tier 1 capital	20,899.1	20,942.7	18,350.2	18,332.3	10,618.5
3	Total capital	20,899.1	20,942.7	18,350.2	18,332.3	10,618.5
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	131,692.3	129,126.2	114,216.0	115,706.9	55,358.8
4a	Total risk exposure pre-floor	131,692.3	129,126.2	114,216.0	115,706.9	55,358.8
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	15.87%	16.22%	16.07%	15.84%	19.18%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	15.87%	16.22%	16.07%	15.84%	19.18%
6	Tier 1 ratio (%)	15.87%	16.22%	16.07%	15.84%	19.18%
6b	Tier 1 ratio considering unfloored TREA (%)	15.87%	16.22%	16.07%	15.84%	19.18%
7	Total capital ratio (%)	15.87%	16.22%	16.07%	15.84%	19.18%
7b	Total capital ratio considering unfloored TREA (%)	15.87%	16.22%	16.07%	15.84%	19.18%
	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 (%)	0.77%	0.79%	0.74%	0.72%	0.76%
EU 9a	Systemic risk buffer (%)	0.02%	0.02%	0.00%	0.00%	0.00%
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 (%)	3.29%	3.31%	3.24%	3.22%	3.26%
EU 11a	Overall capital requirements (%)	13.54%	13.56%	13.49%	13.47%	13.51%
12	CET1 available after meeting the total SREP own funds requirements (%)	5.62%	5.97%	5.82%	5.59%	8.93%
	Leverage ratio					
13	Total exposure measure	164,423.7	153,780.0	153,572.2	158,795.9	90,794.5
14	Leverage ratio (%)	12.71%	13.62%	11.95%	11.54%	11.70%
	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)	17,609.6	19,778.4	23,306.6	26,354.8	
EU 16a	Cash outflows - Total weighted value	12,663.8	12,552.8	12,127.2	11,890.3	
EU 16b	Cash inflows - Total weighted value	7,085.9	6,367.4	5,597.5	5,680.3	

	in € millions	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024
16	Total net cash outflows (adjusted value)	5,577.9	6,185.4	6,529.7	6,210.0	
17	Liquidity coverage ratio (%)	313.9%	320.0%	363.6%	428.8%	
	Net Stable Funding Ratio					
18	Total available stable funding	102,208.7	99,303.9	96,301.8	97,844.5	
19	Total required stable funding	85,140.5	85,482.3	75,078.4	87,344.3	
20	NSFR ratio (%)	120.0%	116.2%	128.3%	112.0%	

The total capital of the Volkswagen Bank GmbH institution group at the consolidated level consists solely of Common Equity Tier 1 (CET1) capital totaling €20,899.1 million. The increase in own funds compared with December 31, 2024 is described in a separate chapter.

The total risk exposure amount of €131,692.3 million increased by €2,566.1 million compared to March 31, 2025 for volume-related reasons in connection with ordinary business operations.

The leverage ratio fell by 0.91 percentage points compared to March 31, 2025 to 12.71%, primarily due to the increase in the total risk exposure amount. This is primarily due to an increase in central bank balances.

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 2.50% (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).

No advanced measurement approach is used; nor is it used in part for operational risks. Accordingly, no information is disclosed in accordance with Art. 446 (b) and (c) of the CRR.

Disclosure in accordance with Art. 449 (k) and (i) of the CRR is omitted for materiality reasons in accordance with Art. 432(1) of the CRR (EU SEC2).

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).

As an advanced measurement approach is not used for operational risk, no disclosure in accordance with Art. 454 of the CRR is required (EU OR1). Similarly, 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, 2025, 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 CO2-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 buffers for globally or otherwise systemically important institutions do not apply to Volkswagen Bank GmbH.

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) No. 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions. The decision of the ECB requires Volkswagen Bank GmbH to satisfy, at a sub-consolidated level, a total SREP capital requirement (TSCR) of at least 10.25% and a Pillar II 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.

Volkswagen Bank GmbH is currently not utilizing the "quick fix" regulatory transitional provisions governing the initial effects from first-time application of IFRS 9 under Article 473a of the CRR. The disclosures on own funds and the capital and leverage ratios take account of the full impact of the introduction of IFRS 9.

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	8,905.9	b)
3	Accumulated other comprehensive income (and other reserves)	11,914.6	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	21,138.8	n/a
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	–7.3	n/a
8	Intangible assets (net of related tax liability) (negative amount)	–2.6	d)
9	Not applicable		X

		A	B
in € millions		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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	–15.2	n/a
12	Negative amounts resulting from the calculation of expected loss amounts	0.0	n/a
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)	0.0	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	–214.5	n/a
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	–239.7	n/a
29	Common Equity Tier 1 (CET1) capital	20,899.1	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

in € millions		A Amounts	B Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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
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)	20,899.1	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

in € millions		A Amounts	B Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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 adjusments to T2 capital	0.0	n/a
57	Total regulatory adjustments to Tier 2 (T2) capital	0.0	n/a
58	Tier 2 (T2) capital	0.0	n/a
59	Total capital (TC = T1 + T2)	20,899.1	n/a
60	Total risk exposure amount	131,692.3	n/a
Capital ratios and requirements including buffers			
61	Common Equity Tier 1	15.87%	n/a
62	Tier 1	15.87%	n/a
63	Total capital	15.87%	n/a
64	Institution CET1 overall capital requirements	9.06%	n/a
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.77%	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	5.62%	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)	54.3	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)	817.6	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	1,498.7	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

in € millions		A Amounts	B Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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
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 €2,592.5 million in Common Equity Tier 1 capital over December 31, 2024 is primarily due to the updated static component in the accrued profits of €2,468.9 million after the approval of the consolidated financial statements.

In addition, the ordinary share capital of €318.0 million was included again, resulting in an increase in Common Equity Tier 1 capital by this amount.

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.

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 90.6% 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, 2025 as well as the previous quarter ending March 31, 2025.

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, 2025	Mar 31, 2025	Jun 30, 2025
1	Credit risk (excluding CCR)	119,344.5	116,781.1	9,547.6
2	Of which the standardised approach	119,344.5	116,781.1	9,547.6
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	551.7	525.8	44.1
7	Of which the standardised approach	542.7	522.3	43.4
8	Of which internal model method (IMM)	0.0	0.0	0.0
EU 8a	Of which exposures to a CCP	9.0	3.5	0.7
9	Of which other CCR	0.0	0.0	0.0
10	Credit valuation adjustments risk - CVA risk	1,237.2	1,253.1	99.0
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)	1,237.2	1,253.1	99.0
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)	187.5	191.7	15.0
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)	428.2	431.4	34.3
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	9,943.2	9,943.2	795.5
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)	2,044.0	2,044.0	163.5
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	131,692.3	129,126.2	10,535.4

The credit risk excluding the counterparty credit risk stood at €119,344.5 million as of June 30, 2025 and was therefore up by €2,563.4 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 increase in the counterparty credit risk from €525.8 million to €551.7 million is primarily attributable to the credit valuation adjustment (CVA) as well as the increased SA-CCR replacement costs due to changed market values. Further information on the composition of counterparty credit risk can be found in Tables 16 through 19.

At €9,943.2 million, operational risk was unchanged over the previous quarter due to the application of the static principle. Volkswagen Bank GmbH applies the Standardized Approach in this connection.

Further information on market risk and the securitization positions 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.

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	1,931.0	0.0	0.0	0.0	0.0	1,931.0	154.5	0.0	0.0	154.5	1,930.8	1.7%	1.00%
	CZ	970.4	0.0	0.0	0.0	0.0	970.4	77.6	0.0	0.0	77.6	970.3	0.8%	1.25%
	DE	94,458.0	0.0	0.0	0.0	0.0	94,458.0	5,683.4	0.0	0.0	5,683.4	71,042.0	61.0%	0.75%
	DK	1,712.8	0.0	0.0	0.0	0.0	1,712.8	137.0	0.0	0.0	137.0	1,712.7	1.5%	2.50%
	ES	6,507.8	0.0	0.0	0.0	0.0	6,507.8	432.6	0.0	0.0	432.6	5,406.9	4.6%	0.00%
	FR	14,537.4	0.0	0.0	0.0	0.0	14,537.4	995.9	0.0	0.0	995.9	12,448.2	10.7%	1.00%
	GB	2,840.8	0.0	0.0	0.0	533.3	3,374.2	227.8	0.0	15.0	242.8	3,035.3	2.6%	2.00%
	IE	1,313.8	0.0	0.0	0.0	0.0	1,313.8	105.1	0.0	0.0	105.1	1,313.8	1.1%	1.50%
	IT	13,713.2	0.0	0.0	0.0	0.0	13,713.2	867.8	0.0	0.0	867.8	10,848.1	9.3%	0.00%
	NL	2,744.6	0.0	0.0	0.0	0.0	2,744.6	219.5	0.0	0.0	219.5	2,744.0	2.4%	2.00%
	NO	601.4	0.0	0.0	0.0	0.0	601.4	48.1	0.0	0.0	48.1	601.4	0.5%	2.50%
	PL	2,728.1	0.0	0.0	0.0	0.0	2,728.1	204.7	0.0	0.0	204.7	2,558.8	2.2%	0.00%
	Others	1,799.5	0.0	0.0	0.0	0.0	1,799.5	154.6	0.0	0.0	154.6	1,932.6	1.7%	0.23%
020	**Total**	**145,858.8**	**0.0**	**0.0**	**0.0**	**533.3**	**146,392.1**	**9,308.6**	**0.0**	**15.0**	**9,323.6**	**116,545.1**	**100.0%**	

At 61.0%, the own funds requirements for Germany of €5,683.4 million constitute the greatest proportion in the calculation of the countercyclical capital buffer. The countries listed cover more than 98% 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	131,692.3
2	Institution specific countercyclical capital buffer rate	0.7719%
3	Institution specific countercyclical capital buffer requirement	1,016.5

Volkswagen Bank GmbH’s institution specific countercyclical capital buffer rose only marginally from 0.7352% as of December 31, 2024 to 0.7719% as of June 30, 2025 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, 2025.

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	4,576.5	19,741.7	49,611.0	4,022.0	14,483.9	92,435.0
2	Debt securities	0.0	484.6	2,054.5	771.9	610.7	3,921.7
3	Total	4,576.5	20,226.4	51,665.4	4,794.0	15,094.6	96,356.8

Nonperforming and forborne exposures

At 2.50%, 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**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
010	**Loans and advances**	**323.1**	**130.5**	**130.3**	**130.3**	**–1.3**	**–51.1**	**217.6**	**61.3**
020	Central banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
030	General governments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
040	Credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
050	Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
060	Non-financial corporations	284.6	94.2	94.2	94.2	–1.1	–29.1	205.1	49.9
070	Households	38.5	36.4	36.1	36.1	–0.2	–22.0	12.4	11.4
080	**Debt Securities**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
090	**Loan commitments given**	**49.1**	**49.1**	**49.1**	**49.1**	**0.0**	**4.1**	**6.1**	**6.1**
100	**Total**	**372.3**	**179.7**	**179.4**	**179.4**	**–1.3**	**–47.0**	**223.7**	**67.4**

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.

T

		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**	**10,202.5**	**10,200.8**	**1.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
010	**Loans and advances**	**92,643.8**	**91,883.1**	**760.7**	**2,376.9**	**1,362.8**	**319.0**	**286.8**	**238.9**	**153.1**	**8.9**	**7.6**	**2,356.3**
020	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
030	General governments	156.4	155.7	0.7	2.3	2.2	0.0	0.0	0.0	0.0	0.0	0.0	2.0
040	Credit institutions	347.6	347.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
050	Other financial corporations	17,351.8	17,348.8	3.0	13.3	9.4	1.9	0.8	0.6	0.4	0.2	0.0	13.0
060	Non-financial corporations	36,148.1	35,602.9	545.2	1,222.9	817.2	117.8	123.4	109.4	48.8	1.7	4.6	1,206.6
070	Of which SMEs	4,917.0	4,863.4	53.6	184.4	105.6	26.2	14.7	15.9	21.8	0.1	0.0	184.2
080	Households	38,639.9	38,428.2	211.7	1,138.5	534.0	199.2	162.5	129.0	103.8	6.9	3.0	1,134.6
090	**Debt Securities**	**3,921.7**	**3,921.7**	**0.0**	**0.0**	**0.0**	**0.0**	**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	0.0	0.0	0.0	0.0	0.0
110	General governments	2,440.0	2,440.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
120	Credit institutions	541.6	541.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
130	Other financial corporations	545.7	545.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
140	Non-financial corporations	394.4	394.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
150	**Off-balance sheet exposures**	**23,488.0**	**X**	**X**	**275.5**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**205.6**
160	Central banks	0.0	X	X	-	X	X	X	X	X	X	X	0.0
170	General governments	2.5	X	X	0.5	X	X	X	X	X	X	X	0.5
180	Credit institutions	1	X	X	-	X	X	X	X	X	X	X	–
190	Other financial corporations	645.7	X	X	1.2	X	X	X	X	X	X	X	0.8
200	Non-financial corporations	19,326.7	X	X	255.7	X	X	X	X	X	X	X	190.6
210	Households	3,512.3	X	X	18.2	X	X	X	X	X	X	X	13.8
220	**Total**	**130,256.0**	**106,005.7**	**762.4**	**2,652.4**	**1,362.8**	**319.0**	**286.8**	**238.9**	**153.1**	**8.9**	**7.6**	**2,561.9**

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

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**	**109,145.0**	**2,376.9**	**2,356.3**	**109,145.0**	**–2,585.8**	**X**	**0.0**
020	Germany	60,760.7	1,751.0	1,745.8	60,760.7	–1,658.6	X	0.0
030	Italy	9,505.1	49.8	39.3	9,505.1	–82.4	X	0.0
040	France	9,088.6	397.0	394.2	9,088.6	–547.9	X	0.0
050	Spain	6,746.0	97.8	97.7	6,746.0	–175.0	X	0.0
060	Netherlands	5,384.6	0.1	0.1	5,384.6	–4.8	X	0.0
070	Others	17,660.0	81.3	79.1	17,660.0	–117.1	X	0.0
080	**Off balance sheet exposures**	**23,763.5**	**275.5**	**205.6**	**X**	**X**	**47.0**	**X**
090	Germany	15,824.7	187.9	142.3	X	X	38.6	X
100	France	2,557.7	48.0	38.0	X	X	0.8	X
110	Italy	2,099.7	32.6	20.6	X	X	2.5	X
120	United Kingdom	2,044.4	1.9	1.9	X	X	2.1	X
130	Spain	414.8	2.7	0.4	X	X	0.7	X
140	Others	822.3	2.5	2.5	X	X	2.3	X
150	**Total**	**132,908.5**	**2,652.4**	**2,561.9**	**109,145.0**	**–2,585.8**	**47.0**	**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	111.3	4.3	4.3	111.3	–5.2	0.0
020	Mining and quarrying	28.6	0.4	0.4	28.6	–0.8	0.0
030	Manufacturing	3,346.7	69.6	68.4	3,346.7	–96.1	0.0
040	Electricity, gas, steam and air conditioning supply	150.2	6.5	6.4	150.2	–4.4	0.0
050	Water supply	180.6	2.8	2.8	180.6	–4.8	0.0
060	Construction	2,392.0	113.3	112.3	2,392.0	–120.3	0.0
070	Wholesale and retail trade	19,642.8	560.4	549.6	19,642.8	–443.3	0.0
080	Transport and storage	1,481.7	152.4	151.4	1,481.7	–134.3	0.0
090	Accommodation and food service activities	303.9	15.0	14.9	303.9	–18.5	0.0
100	Information and communication	781.5	18.8	18.3	781.5	–22.9	0.0
110	Real estate activities	0.0	0.0	0.0	0.0	0.0	0.0
120	Financial and insurance actvities	866.4	34.7	34.6	866.4	–95.6	0.0
130	Professional, scientific and technical activities	2,760.9	54.6	54.0	2,760.9	–160.8	0.0
140	Administrative and support service activities	3,574.8	141.8	141.6	3,574.8	–147.3	0.0
150	Public administration and defense, compulsory social security	0.0	0.0	0.0	0.0	0.0	0.0
160	Education	248.6	9.7	9.7	248.6	–8.9	0.0
170	Human health services and social work activities	817.3	24.0	23.7	817.3	–25.4	0.0
180	Arts, entertainment and recreation	129.5	3.6	3.6	129.5	–5.2	0.0
190	Other services	554.3	11.0	10.9	554.3	–14.8	0.0
200	**Total**	**37,371.0**	**1,222.9**	**1,206.6**	**37,371.0**	**–1,308.4**	**0.0**

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	2,349.2
020	Inflows to non-performing portfolios	228.3
030	Outflows from non-performing portfolios	–200.6
040	Outflows due to write-offs	-
050	Outflow due to other situations	–200.6
060	Final stock of non-performing loans and advances	2,376.9

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 im-pair-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**	**10,202.5**	**9,932.7**	**269.9**	**0.0**	**0.0**	**0.0**	**–0.1**	**0.0**	**–0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**–0.0**	**0.0**
010	**Loans and advances**	**92,643.8**	**47,358.0**	**42,406.0**	**2,376.9**	**247.6**	**1,954.8**	**–1,324.6**	**–282.1**	**–1,046.4**	**–1,261.1**	**–35.6**	**–1,167.8**	**–18.0**	**39,129.4**	**913.0**
020	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	0.0	0.0	0.0
030	General governments	156.4	1.4	154.8	2.3	0.7	1.5	–3.0	–0.0	–3.0	–0.3	–0.0	–0.2	0.0	93.5	0.6
040	Credit institutions	347.6	286.4	61.1	0.1	0.0	0.1	–1.2	–0.4	–0.8	–0.0	0.0	–0.0	0.0	34.1	0.0
050	Other financial corporations	17,351.8	13,983.8	625.1	13.3	2.6	9.9	–29.8	–14.0	–15.8	–6.8	–0.4	–6.0	–0.0	326.0	4.6
060	Non-financial corporations	36,148.1	11,004.3	25,022.2	1,222.9	142.1	935.8	–758.0	–163.3	–594.1	–550.4	–15.6	–490.5	–7.7	20,981.2	534.3
070	Of which: SMEs	4,917.0	1,351.0	3,562.0	184.4	20.3	149.5	–103.3	–19.5	–83.7	–89.2	–3.3	–76.4	–0.4	2,943.6	76.9
080	Households	38,639.9	22,082.1	16,542.8	1,138.5	102.2	1,007.6	–532.8	–104.4	–432.7	–703.6	–19.6	–671.0	–10.3	17,694.7	373.5
090	**Debt Securities**	**3,921.7**	**3,062.0**	**314.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
100	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	0.0	0.0	0.0
110	General governments	2,440.0	2,125.9	314.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
120	Credit institutions	541.6	541.6	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
130	Other financial corporations	545.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
140	Non-financial corporations	394.4	394.4	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
150	**Off-balance sheet exposures**	**23,488.0**	**15,608.5**	**7,879.5**	**275.5**	**58.0**	**213.0**	**25.0**	**12.2**	**12.8**	**22.0**	**0.2**	**21.7**	**0.0**	**753.1**	**18.5**
160	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	0.0	0.0	0.0
170	General governments	2.5	0.1	2.5	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
180	Credit institutions	0.8	0.1	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
190	Other financial corporations	645.7	335.4	310.3	1.2	1.2	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	16.1	0.1
200	Non-financial corporations	19,326.7	13,407.6	5,919.1	255.7	48.5	206.0	17.8	6.7	11.1	21.3	0.2	21.1	0.0	680.7	18.0
210	Households	3,512.3	1,865.4	1,646.9	18.2	7.9	7.0	7.1	5.5	1.7	0.7	0.1	0.6	0.0	56.1	0.5

		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 im-pair-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
220	**Total**	**130,256.0**	**75,961.2**	**50,869.4**	**2,652.4**	**305.6**	**2,167.8**	**–1,299.7**	**–269.8**	**–1,033.7**	**–1,239.1**	**–35.4**	**–1,146.1**	**–18.0**	**39,882.5**	**931.6**

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

	in Mio. €	RISIKOGEWICHT													
		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	11.285,9	0,0	0,0	0,0	260,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	11.546,1
EU 2a	Non-central government public sector entities	1.226,9	0,0	0,0	0,0	100,3	0,0	0,0	0,0	0,0	2,5	0,0	0,0	0,0	1.329,6
EU 2b	Regional governments or local authorities	770,0	0,0	0,0	0,0	31,2	0,0	0,0	0,0	0,0	2,4	0,0	0,0	0,0	803,5
EU 2b	Public sector entities	456,9	0,0	0,0	0,0	69,1	0,0	0,0	0,0	0,0	0,1	0,0	0,0	0,0	526,1
3	Multilateral development banks	142,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	142,9
EU 3a	International organisations	167,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	167,8
4	Institutions	0,0	0,0	0,0	0,0	63,8	84,2	0,0	109,4	0,0	250,1	0,0	0,0	0,0	507,6
5	Covered bonds	0,0	0,0	0,0	0,0	86,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	86,8
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 7 a	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 7 b	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	44,7	0,0	0,0	0,0	0,0	0,0	45.036,7	45.081,3
9	Secured by mortgages on immovable property and ADC exposures	0,0	0,0	0,0	0,0	0,3	0,0	0,0	0,0	0,0	0,0	13,1	0,0	9,1	22,5
9.1	Secured by mortgages on residential immovable property - non IPRE	0,0	0,0	0,0	0,0	0,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	4,6	4,8
9.1.1	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	4,6	4,6
9.1.2	loan splitting applied (secured)	0,0	0,0	0,0	0,0	0,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,3
9.1.3	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	13,1	0,0	4,6	17,7
9.3.1	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	4,6	4,6
9.3.2	loan splitting applied (secured)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	13,1	0,0	0,0	13,1
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	0,0	0,0
EU 2a	Non-central government 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	0,0	0,0
9.5	Grunderwerb, Erschließung und Bau (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

		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
10	Ausgefallene Risikopositionen	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	Risikopositionen gegenüber Instituten und Unternehmen mit kurzfristiger Bonitätsbeurteilung	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	Organismen für Gemeinsame Anlagen (OGA)	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	Sonstige Positionen	5.928,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	5.928,8
11	Entfällt	x	x	x	x	x	x	x	x	x	x	x	x	x	x
11 c	**INSGESAMT**	**18.752,2**	**0,0**	**0,0**	**0,0**	**511,3**	**84,2**	**44,7**	**109,4**	**0,0**	**252,6**	**13,1**	**0,0**	**45.045,8**	**64.813,3**

		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
1	Central governments or central banks	0,0	0,0	0,0	0,0	0,0	0,0	0,0	812,7	0,0	0,0	0,0	0,0	12.358,8	0,0
EU 2a	Non-central government public sector entities	0,0	0,0	0,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1.329,9	0,3
EU 2b	Regional governments or local authorities	0,0	0,0	0,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	803,8	0,3
EU 2b	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	526,1	0,0
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	142,9	142,9
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	167,8	167,8
4	Institutions	0,0	0,0	0,0	0,0	0,0	0,0	449,8	0,0	0,0	0,0	0,0	0,0	957,4	449,8
5	Covered bonds	0,0	0,0	105,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	28,3	220,9	105,9
6	Corporates	0,0	0,0	53.735,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	53.735,8	53.735,8
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	54,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	54,3	54,3
EU 7 a	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 7 b	Equity	0,0	0,0	54,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	54,3	54,3
8	Retail exposure	0,0	0,0	213,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	45.294,8	45.294,8
9	Secured by mortgages on immovable property and ADC exposures	0,0	0,0	2.933,9	0,0	0,0	0,0	3,8	0,0	0,0	0,0	0,0	0,0	2.960,3	2.960,3
9.1	Secured by mortgages on residential immovable property - non IPRE	0,0	0,0	7,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	12,3	12,3
9.1.1	No loan splitting applied	0,0	0,0	7,5	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	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	0,3	0,3
9.1.3	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	2.926,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2.944,1	2.944,1
9.3.1	No loan splitting applied	0,0	0,0	2.926,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2.930,6	2.930,6
9.3.2	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	13,1	13,1
9.3.3	loan splitting applied (unsecured)	0,0	0,0	0,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,4	0,4
9.4	Secured by mortgages on commercial immovable property - IPRE	0,0	0,0	0,0	0,0	0,0	0,0	3,8	0,0	0,0	0,0	0,0	0,0	3,8	3,8
9.5	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
10	Exposures in default	0,0	0,0	640,4	0,0	0,0	0,0	1.695,2	0,0	0,0	0,0	0,0	0,0	2.335,6	2.335,6

		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
EU 10a	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 10b	Collective investment undertakings (CIU)	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	Other items	0,0	0,0	1.912,8	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	33.415,7	41.257,2	41.257,2
11	not applicable	x	x	x	x	x	x	x	x	x	x	x	x	x	x
11 c	**TOTAL**	**0,0**	**0,0**	**59.596,8**	**0,0**	**0,0**	**0,0**	**2.148,9**	**812,7**	**0,0**	**0,0**	**0,0**	**33.443,9**	**160.815,6**	**146.504,6**

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	12,358.0	1.9	12,358.0	0.7	2,083.7	16.9%
2	Non-central government public sector entities	1,327.5	3.2	1,328.7	1.2	21.6	1.6%
EU 2a	Regional government or local authorities	802.7	2.8	802.7	1.1	7.7	1.0%
EU 2b	Public sector entities	524.8	0.4	525.9	0.2	13.9	2.6%
3	Multilateral development banks	142.9	0.0	142.9	0.0	–0.0	0.0%
EU 3a	International organisations	167.8	0.0	167.8	0.0	0.0	0.0%
4	Institutions	953.7	32.9	953.7	3.7	881.6	92.1%
5	Covered bonds	220.9	–	220.9	–	127.4	57.7%
6	Corporates	49,645.1	18,191.5	43,740.7	9,995.1	53,485.7	99.5%
6.1	Of which: Specialised Lending	–	–	–	–	–	0.0%
7	Subordinated debt exposures and equity	54.3	0.0	54.3	0.0	54.3	100.0%
EU 7a	Subordinated debt exposures	–	–	–	–	–	0.0%
EU 7b	Equity	54.3	0.0	54.3	0.0	54.3	100.0%
8	Retail	44,702.7	3,575.8	44,702.7	592.1	33,275.8	73.5%
9	Secured by mortgages on immovable property and ADC exposures	2,950.1	1,664.3	2,950.1	10.1	2,953.7	99.8%
9.1	Secured by mortgages on residential immovable property - non IPRE	12.3	0.2	12.3	0.0	10.9	89.0%
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	2,934.0	1,664.1	2,934.0	10.1	2,937.0	99.8%
9.4	Secured by mortgages on commercial immovable property - IPRE	3.8	0.0	3.8	0.0	5.7	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
9.5	Acquisition, Development and Construction (ADC)	–	–	–	–	–	0.0%
10	Exposures in default	2,308.3	212.8	2,308.3	27.3	3,183.2	136.3%
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	35,354.0	0.0	41,257.2	0.0	23,277.4	56.4%
11	Not applicable	x	x	x	x	x	x
12	**TOTAL**	**150,185.2**	**23,682.3**	**150,185.2**	**10,630.3**	**119,344.5**	**74.2%**

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	52,823.9	40,042.4	39,896.2	146.3	0.0
2	Debt securities	3,921.7	0.0	0.0	0.0	0.0
3	Total	56,745.6	40,042.4	39,896.2	146.3	0.0
4	Of which non-performing exposures	202.8	913.0	906.9	6.1	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	808.2	0.0	697.4	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**	**808.2**	**0.0**	**697.4**	**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)	530.8	601.9	X	1.4	1,586.2	1,586.2	1,574.1	542.7
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**	**1,586.2**	**1,586.2**	**1,574.1**	**542.7**

TABLE 18: EUR CCR8 – EXPOSURES TO CCPS

		A	B
	in € millions	Exposure value	RWEA
1	**Exposures to QCCPs (total)**	**X**	**9.0**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	450.0	9.0
3	(i) OTC derivatives	450.0	9.0
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 19: 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	450.0	0.0	0.0	27.2	294.2	0.0	0.0	0.0	3.7	1,248.9	2,024.1
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**	**450.0**	**0.0**	**0.0**	**27.2**	**294.2**	**0.0**	**0.0**	**0.0**	**3.7**	**1,248.9**	**2,024.1**

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 €34.3 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 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 €428.2 million as of June 30, 2025, equivalent to 0.3% of total risk exposure.

TABLE 20: 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	428.2
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**	**428.2**

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 decrease of €3.2 million in foreign-currency risks from €431.4 million to €428.2 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 balances held with Deutsche Bundesbank. 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. Rather, HQLAs are held in the main currency as well as the regulatory currencies for strategic purposes. 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 21: 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, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
EU 1b	Number of data points used in the calculation of averages	12	9	6	3	12	9	6	3
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	17,609.6	19,778.4	23,307.0	26,355.0
CASH - OUTFLOWS									
2	retail deposits and deposits from small business customers, of which:	50,637.7	49,586.0	49,238.9	48,977.2	2,183.7	2,050.7	2,003.8	2,030.0
3	*Stable deposits*	14,213.4	12,834.0	11,978.5	9,064.3	710.7	641.7	598.9	453.2
4	*Less stable deposits*	13,944.8	13,628.2	13,762.9	15,488.4	1,446.6	1,387.0	1,384.2	1,556.1
5	Unsecured wholesale funding	10,643.4	10,690.0	10,619.4	10,381.9	5,718.2	5,822.5	5,684.3	5,087.9
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)*	10,533.3	10,550.3	10,424.7	10,348.5	5,608.2	5,682.8	5,489.6	5,054.6
8	*Unsecured debt*	110.0	139.7	194.7	33.4	110.0	139.7	194.7	33.4
9	*Secured wholesale funding*	X	X	X	X	0.0	0.0	0.0	0.0
10	Additional requirements	10,665.6	10,358.1	10,264.7	10,238.8	1,467.6	1,418.5	1,384.2	1,293.7
11	*Outflows related to derivative exposures and other collateral requirements*	190.8	184.1	173.6	168.4	190.8	184.1	173.6	168.4
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*	10,474.8	10,174.1	10,091.1	10,070.4	1,276.7	1,234.4	1,210.6	1,125.2
14	*Other contractual funding obligations*	2,797.3	2,633.6	2,325.3	2,782.0	2,203.6	2,168.2	1,978.4	2,443.0
15	Other contingent funding obligations	11,350.8	11,434.1	11,391.2	11,345.2	1,090.8	1,092.9	1,076.6	1,035.7
16	TOTAL CASH OUTFLOWS	X	X	X	X	12,663.8	12,552.8	12,127.2	11,890.3
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	8,451.5	7,961.5	6,968.9	6,649.3	5,668.1	5,201.9	4,563.7	4,402.2
19	Other cash inflows	3,020.8	2,718.0	2,545.4	2,802.4	1,417.8	1,165.5	1,033.8	1,278.1

		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, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
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	11,472.2	10,679.5	9,514.4	9,451.7	7,085.9	6,367.4	5,597.5	5,680.3
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*	11,472.2	10,679.5	9,514.4	9,451.7	7,085.9	6,367.4	5,597.5	5,680.3
TOTAL ADJUSTED VALUE									
21	LIQUIDITY BUFFER	X	X	X	X	17,609.6	19,778.4	23,306.6	26,354.8
22	TOTAL NET CASH OUTFLOWS	X	X	X	X	5,577.9	6,185.4	6,529.7	6,210.0
23	LIQUIDITY COVERAGE RATIO	X	X	X	X	313.9%	320.0%	363.6%	428.8%

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. HQLAs decreased during the reporting period in the form of central bank balances and of LCR Level -1 securities. At the same time, there was an increase in inflows, while there were virtually no changes in outflows.

TABLE 22: 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**	**21,138.8**	**0.0**	**0.0**	**0.0**	**21,138.8**
2	*Own funds*	**21,138.8**	0.0	0.0	0.0	21,138.8
3	*Other capital instruments*	X	0.0	0.0	0.0	0.0
4	**Retail deposits**	**X**	**46,051.8**	**3,743.1**	**2,277.0**	**48,624.6**
5	*Stable deposits*	X	27,697.9	2,946.2	1,798.0	30,909.8
6	*Less stable deposits*	X	18,354.0	796.9	479.0	17,714.8
7	**Wholesale funding:**	**X**	**20,305.4**	**5,043.7**	**18,032.3**	**27,601.7**
8	*Operational deposits*	X	0.0	0.0	0.0	0.0
9	*Other wholesale funding*	X	20,305.4	5,043.7	18,032.3	27,601.7
10	**Interdependent liabilities**	**X**	**0.0**	**0.0**	**0.0**	**0.0**
11	**Other liabilities:**	**0.0**	**3,657.1**	**89**	**4,799.4**	**4,843.6**
12	*NSFR derivative liabilities*	**0.0**	X	X	X	X
13	*All other liabilities and capital instruments not included in the above categories*		3,657.1	88.5	4,799.4	4,843.6
14	**Total available stable funding (ASF)**	X	X	X	X	102,208.7
	Required stable funding (RSF) Items					
15	**Total high-quality liquid assets (HQLA)**	**X**	**X**	**X**	**X**	**0.0**
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**	**X**	**960.3**	**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**	**25,954.2**	**10,902.7**	**42,798.8**	**52,414.1**
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	**8,639.9**	**2,516.2**	**7,161.1**	**9,283.2**
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sov-ereigns, and PSEs, of which:*	X	**15,152.9**	**6,735.1**	**28,555.5**	**35,206.9**

		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	**34.4**	**32.9**	**58.0**	**71.4**
22	*Performing residential mortgages, of which:*	X	**0.2**	**0.2**	**2.6**	**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	**2,161.3**	**1,651.2**	**7,079.7**	**7,924.0**
25	**Interdependent assets**	**X**	**0.0**	**0.0**	**0.0**	**0.0**
26	**Other assets:**	**X**	**10,623.3**	**6,301.2**	**22,492.6**	**30,905.5**
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	**112.5**	**X**	**X**	**112.5**
30	*NSFR derivative liabilities before deduction of variation margin posted*	X	**301.4**	**X**	**X**	**15.1**
31	*All other assets not included in the above categories*	X	**10,209.4**	**6,301.2**	**22,492.6**	**30,778.0**
32	**Off-balance sheet items**	**X**	**20,492.0**	**432.0**	**1,621.5**	**1,820.9**
33	**Total RSF**	**X**	**X**	**X**	**X**	**85,140.5**
34	**Net Stable Funding Ratio (%)**	**X**	**X**	**X**	**X**	**120.1%**

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 23: 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	–529.7	–692.6	–63.6	223.8
2	Parallel down	443.2	608.3	25.5	–224.7
3	Steepener	387.4	421.3	X	X
4	Flattener	–482.9	–543.4	X	X
5	Short rates up	–600.3	–706.7	X	X
6	Short rates down	623.5	730.5	X	X

The “Last period” presented corresponds to the figures as of December 31, 2024.

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. 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.

QUANTITATIVE DISCLOSURE OF THE RISK FROM SECURITIZATION POSITIONS

The following table shows the securitization positions held. The columns for the originator and sponsor roles (a – k) also include amounts from retained exposures for securitizations for which no significant risk transfer (SRT) was achieved. These amounts represent the regulatory retention of our share in the volumes securitized as an originator or sponsor. The amounts shown are nominal amounts where no SRT was achieved and otherwise the regulatory exposure amounts.

TABLE 24: EU SEC1 – SECURITIZATION POSITIONS IN THE NON-TRADING BOOK

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS					STS	Non-STS			STS	Non-STS		
	in € millions		of which SRT		of which SRT		of which SRT									
1	**Total exposures**	**4,833.1**	**0.0**	**541.0**	**0.0**	**0.0**	**0.0**	**5,374.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**533.3**	**0.0**	**533.3**
2	Retail (total)	545.6	0.0	541.0	0.0	0.0	0.0	1,086.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	residential mortgage	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
4	credit card	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	other retail exposures	545.6	0.0	541.0	0.0	0.0	0.0	1,086.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	re-securitisation	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
7	Wholesale (total)	4,287.5	0.0	0.0	0.0	0.0	0.0	4,287.5	0.0	0.0	0.0	0.0	0.0	533.3	0.0	533.3
8	loans to 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	0.0
9	commercial mortgage	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	lease and receivables	4,287.5	0.0	0.0	0.0	0.0	0.0	4,287.5	0.0	0.0	0.0	0.0	0.0	533.3	0.0	533.3
11	other wholesale	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
12	re-securitisation	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

The following two tables show the securitization positions which have been retained (originator positions) or acquired (investor positions) broken down by risk weighting bands and regulatory approaches.

TABLE 25: EU SEC3 – SECURITIZATION POSITIONS IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY OWN FUNDS REQUIREMENTS – INSTITUTION ACTING AS AN ORIGINATOR OR SPONSOR

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
	in € millions	≤20% RW	>20 % to 50 % RW	>50 % to 100 % RW	>100 % to <1250 % RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250 % RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250 % RW
1	**Total 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**	**0.0**	**0.0**	**0.0**
2	Traditional transactions	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	0.0
3	Securitisation	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	0.0
4	Retail underlying	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	0.0
5	Of which STS	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	0.0
6	Wholesale	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	0.0
7	Of which STS	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	0.0
8	Re-securitisation	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	0.0
9	Synthetic transactions	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	0.0
10	Securitisation	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	0.0
11	Retail underlying	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	0.0
12	Wholesale	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	0.0
13	Re-securitisation	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	0.0

TABLE 26: EU SEC4 – SECURITIZATION POSITIONS IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY OWN FUNDS REQUIREMENTS – INSTITUTION ACTING AS AN INVESTOR

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
	in € millions	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100 % bis <1250 % RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250 % RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250 % RW
1	**Total exposures**	**0.0**	**533.3**	**0.0**	**0.0**	**0.0**	**0.0**	**533.3**	**0.0**	**0.0**	**0.0**	**187.5**	**0.0**	**0.0**	**0.0**	**15.0**	**0.0**	**0.0**
2	Traditional securitisation	0.0	533.3	0.0	0.0	0.0	0.0	533.3	0.0	0.0	0.0	187.5	0.0	0.0	0.0	15.0	0.0	0.0
3	Securitisation	0.0	533.3	0.0	0.0	0.0	0.0	533.3	0.0	0.0	0.0	187.5	0.0	0.0	0.0	15.0	0.0	0.0
4	Retail underlying	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	0.0
5	Of which STS	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	0.0
6	Wholesale	0.0	533.3	0.0	0.0	0.0	0.0	533.3	0.0	0.0	0.0	187.5	0.0	0.0	0.0	15.0	0.0	0.0
7	Of which STS	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	0.0
8	Resecuritisation	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	0.0
9	Synthetic securitisation	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	0.0
10	Securitisation	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	0.0
11	Retail underlying	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	0.0
12	Wholesale	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	0.0
13	Re-securitisation	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	0.0

The following table sets out all outstanding nominal amounts for which the Volkswagen Bank GmbH Group acts as an originator together with the risk exposures classified as in default in accordance with Article 178 of the CRR and the associated specific credit risk adjustments in accordance with Article 110 of the CRR.

TABLE 27: EU SEC5 – EXPOSURES SECURITIZED BY THE INSTITUTION – EXPOSURES IN DEFAULT AND SPECIFIC CREDIT RISK ADJUSTMENTS

		A	B	C
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
	in € millions	Total outstanding nominal amount		
			Of which exposures in default	Total amount of specific credit risk adjustments made during the period
1	**Total exposures**	**29,202.4**	**155.2**	**253.2**
2	Retail (total)	10,195.8	105.0	127.5
3	residential mortgage	0.0	0.0	0.0
4	credit card	0.0	0.0	0.0
5	other retail exposures	10,195.8	105.0	127.5
6	re-securitisation	0.0	0.0	0.0
7	Wholesale (total)	19,006.6	50.1	125.7
8	loans to corporates	0.0	0.0	0.0
9	commercial mortgage	0.0	0.0	0.0
10	lease and receivables	19,006.6	50.1	125.7
11	other wholesale	0.0	0.0	0.0
12	re-securitisation	0.0	0.0	0.0

The outstanding total nominal amount for securitized exposures in the role as originator stands at €29.2 billion as of June 30, 2025. Of this, €155.2 million or 0.5% is classified as in default.

Environmental, social and governance risks (ESG risks)

QUALITATIVE REPORTING

TABLE 28: QUALITATIVE INFORMATION ON ENVIRONMENTAL RISKS (IN ACCORDANCE WITH ARTICLE 449A OF THE CRR)

Zeilennummer		Qualitative Angaben – Freitext
1 (a)	Geschäftsstrategie des Instituts zur Einbeziehung von Umweltfaktoren und -risiken unter Berücksichtigung der Auswirkungen von Umweltfaktoren und -risiken auf das Geschäftsumfeld, das Geschäftsmodell, die Strategie und die Finanzplanung des Instituts	Sowohl die Finanzindustrie als auch die Automobilindustrie sind zentrale Sektoren der Transformation von Gesellschaft und Wirtschaft zu mehr Nachhaltigkeit. Wir, die Volkswagen Bank GmbH, spielen eine wichtige Rolle bei der nachhaltigen Transformation im Bereich der Mobilität. Mit dem Anspruch des Volkswagen Konzerns den Wandel der Automobilindustrie aktiv mitzugestalten, verfolgt der Konzern „The Group Strategy – Mobility for Generations" und die Nachhaltigkeitsstrategie „regenerate+" . Ziel ist es, ein weltweit führender Anbieter nachhaltiger Mobilität und Vorbild beim Umweltschutz zu sein. Nachhaltigkeit bedeutet, ökonomische, soziale und ökologische Ziele gleichrangig und gleichzeitig anzustreben. Wir wollen dauerhafte Werte schaffen, gute Arbeitsbedingungen bieten und sorgsam mit Umwelt und Ressourcen umgehen. Darüber hinaus gibt die Umweltpolitik des Volkswagen Konzerns[1] den Rahmen für die Umweltaktivitäten der Marken vor. Für die Volkswagen Bank bedeutet diese gemeinsame Umweltpolitik, dass wir insbesondere unser Kerngeschäft an diesen Grundsätzen ausrichten und damit den Konzern bei der Umsetzung seiner Umweltziele unterstützen. Wir begreifen Nachhaltigkeit als ganzheitliches Konzept. Nachhaltigkeit ist für uns kein einzelnes Ziel oder eine einmalige Maßnahme. Sie ist eine umfassende Strategie, die alle Aspekte unseres Handelns und unserer Entscheidungen durchdringt. So sichern wir langfristig den Erfolg und die Wertschöpfung unseres Unternehmens. Nachhaltigkeit wird von uns als ein fortwährender Prozess verstanden. Wir handeln nicht statisch, sondern passen unseren Weg kontinuierlich und konsequent an. Dies geschieht nicht isoliert, sondern basierend auf internen und externen Beurteilungen und Validierungen – stets in enger Abstimmung mit dem Volkswagen Konzern. Unsere Nachhaltigkeitsstrategie stellt unsere Antwort auf die Transformation zu emissionsfreier Mobilität dar: die Ziele, die wir uns gesetzt haben, und die Steuergrößen (Key Performance Indicator; KPI), mit denen wir den Grad der Zielerreichung messen. Sie beschreibt unseren Weg, den anstehenden Herausforderungen aktiv zu begegnen, die vor uns liegenden Veränderungen proaktiv mitzugestalten und sich eröffnende Chancen der Transformation erfolgreich zu nutzen. Unsere Mission ist es, die Mobilitätsbedarfe unserer Kunden mit nachhaltigen Lösungen entlang des gesamten Fahrzeuglebenszyklus zu erfüllen. Somit ist Nachhaltigkeit ein Kernbestandteil unseres unternehmerischen Handelns. Wir sind davon überzeugt, dass wir unser Geschäftsmodell auch in Zukunft nur durch verantwortungsvolles und vorausschauendes Handeln erfolgreich umsetzen können. Als Basis für ein solches Handeln und Wirtschaften, werden unsere Geschäftsaktivitäten und unser Engagement in allen Bereichen von klaren und unverrückbaren Grundsätzen geleitet: > Wir schützen und stärken unsere Umwelt. > Wir begegnen Menschen mit Würde und Respekt. > Wir handeln integer und regelkonform. > Wir nehmen unsere Verantwortung in der Gesellschaft wahr. > Wir ermöglichen nachhaltige Mobilität und Geschäftsmodelle.
		Unsere vier Nachhaltigkeitsdimensionen Unsere Nachhaltigkeitsstrategie gliedert sich in folgende vier Dimensionen: > Natur > Mitarbeitende > Gesellschaft > Business Damit übersetzen wir die klassischen ESG-Bereiche (Environmental, Social und Governance) in konkrete Handlungsfelder, die unsere Unternehmensstrategie widerspiegeln. In diesem Abschnitt 1 (a) werden die Dimensionen „Natur" und „Business" erläutert. Weitere Erläuterungen zu den Dimensionen „Mitarbeitende" und „Gesellschaft" finden Sie in Abschnitt 2 (a).

[1] Konzern Umwelt- und Energiepolitik: Wir stellen uns den Herausforderungen des Klimawandels. Wir bekennen uns zum Pariser Klimaabkommen und richten unsere Aktivitäten am 1,5-Grad-Ziel aus. Wir sind uns unserer globalen Verantwortung und der Auswirkungen auf Umwelt und Gesellschaft bewusst, die mit unseren Handlungen und mit unseren Produkten verbunden sind. Wir nutzen unsere Innovationskraft, um unseren ökologischen Fußabdruck zu verringern. Wir begegnen den damit einhergehenden Herausforderungen über den gesamten Lebenszyklus unserer Mobilitätsangebote. Unsere Innovationen unterstützen gleichzeitig unsere Kunden, ihren eigenen ökologischen Fußabdruck in Bezug auf Mobilität zu verringern, und tragen maßgeblich zum Erhalt unserer Wettbewerbsfähigkeit und zur Beschäftigungssicherung bei. (Anlage 01 zur Konzernrichtlinie 17, Stand Februar 2025)

Natur

Wir übernehmen ökologische Verantwortung und leisten einen Beitrag zum Erhalt und Schutz der Natur.

Die Natur ist nicht nur unser aller Lebensraum, sondern auch die Grundlage unseres Wirtschaftens und Handelns. Gesunde Ökosysteme liefern essentielle Ressourcen wie sauberes Wasser, fruchtbaren Böden und frische Luft – und erfordern daher unseren besonderen Schutz.

Wir, bei der Volkswagen Bank GmbH, übernehmen ökologische Verantwortung und leisten einen Beitrag zum Erhalt und Schutz der Natur. Wir sind überzeugt: Der Schutz der Natur ist nicht nur unsere Verantwortung, sondern auch eine Chance. Denn durch den bewussten Umgang mit natürlichen Ressourcen kann nachhaltige Wertschöpfung langfristig gesichert werden. Der Erhalt der Natur schützt Lieferketten, fördert Innovationen und stärkt die Resilienz gegenüber globalen Herausforderungen. Bei der Betrachtung der Emissionen innerhalb der automobilen Wertschöpfungskette sind für uns Emissionen des eigenen Geschäftsbetriebs und der Nutzungsphase der von uns finanzierten und verleasten Fahrzeuge relevant. Die CO_2-Emissionen der Fahrzeugproduktion sind in der Konzernstrategie und im Aufgabenbereich der produzierenden Einheiten verankert und daher nicht Bestandteil der Betrachtung unserer CO_2-Emissionen.

Konkret heißt das, dass wir als Volkswagen Bank GmbH CO_2-Reduktionsziele sowohl am Geschäftsbetrieb als auch an dem von uns finanzierten oder verleasten Fahrzeugportfolio messen.

Die direkten Emissionen unseres Portfolios sind spätestens 2030 bilanziell CO_2-neutral

Der Bezug auf die direkten Emissionen unseres Portfolios bedeutet, dass wir unseren Fokus auf die Emissionen von Fahrzeugen mit Verbrennermotoren (ICE-Fahrzeuge) in unserem Portfolio richten. [2]

Als Captive haben wir die Aufgabe, die Marken des Konzerns bei der Markterschließung und der Transformation hin zu Elektromobilität zu unterstützen. Somit sind die direkten Brutto-Emissionen unseres Portfolios abhängig vom Konzernabsatz.

Elementarer Bestandteil der Dekarbonisierung unseres Portfolios ist daher die Entwicklung der Neuwagenflottenemissionen des Volkswagen Konzerns.

Spätestens 2050 wollen wir 0t CO_2 Bruttoemissionen bei den direkten Emissionen unseres Portfolios erreichen.

Die bilanzielle CO_2-Neutralität bedeutet, dass wir nach Netto-Emissionen inklusive Emissionskompensation steuern[3] . Dafür werden ab dem Jahr 2027 die CO_2-Emissionen jedes neuen Fahrzeugfinanzierungs- und Leasingvertrags des Neu- und Gebrauchtwagengeschäfts[4] kompensiert. (Einzelheiten siehe 1 (c))

Unser Geschäftsbetrieb ist bis spätestens 2030 bilanziell CO_2-neutral

Wir haben es in der Hand, unseren Geschäftsbetrieb so klimafreundlich wie nur möglich zu gestalten. Bis 2030 soll unser Geschäftsbetrieb bilanziell CO_2-neutral werden[5]. Dafür wollen wir unsere Brutto-Emissionen durch CO_2-Vermeidung und -Verminderung um 50 % bis 2025 und um 70 % bis 2030 gegenüber dem Basisjahr 2021 reduzieren.

Da die größten CO_2-Emissionen durch den Stromverbrauch, Dienstwagen mit Verbrennermotoren und Dienstreisen verursacht werden, ergeben sich folgende Hebel für die Erreichung der gesetzten Reduktionsziele:

> Umstellung auf Strom aus erneuerbaren Energien
> Umstellung der Dienstwagenflotte auf BEV
> Reduzierung von Flugreisen

Ein umfassendes Reporting ermöglicht Transparenz über die Haupt-Emissionstreiber pro Land. Basierend auf dieser Analyse werden die wirkungsvollsten Maßnahmen lokal umgesetzt. Nicht vermeidbare Restemissionen werden wir durch Kompensationen ausgleichen. (Einzelheiten siehe 1 c))

Zusätzlich wurde für die Erfassung, Bewertung und Minimierung der Umweltauswirkungen des Geschäftsbetriebs der Volkswagen Bank GmbH am Standort Braunschweig, unserer größten Liegenschaft, ein nach ISO 14001 zertifiziertes Umweltmanagementsystem implementiert.

Business

Wir richten unser Geschäft nachhaltig aus und treiben die nachhaltige Transformation der Mobilität aktiv voran.

Unser Geschäft zukunftsorientiert zu gestalten und den Wandel hin zu einer nachhaltigen Mobilität zu fördern ist komplex – und gleichzeitig eine einzigartige Chance. Als Absatzförderer des Volkswagen Konzerns und Partner seiner Marken haben wir die Möglichkeit – und damit einen entscheidenden Hebel – die nachhaltige Transformation der Mobilität aktiv mit voranzutreiben.

Unsere Produkte verbinden Menschen und helfen, Ressourcen zu schonen sowie Prozesse einfach und effizient zu gestalten. Wir erstellen Mobilitätskonzepte, erarbeiten Lösungen fürs Flottenmanagement und bieten attraktive Finanzangebote und Serviceleistungen an.

Im Rahmen der Nachhaltigkeitsstrategie hat die Volkswagen Bank GmbH klare Ziele für das nachhaltige Betreiben ihres Geschäftsmodells gesetzt.

Wir treiben den Wandel zur nachhaltigen Mobilität

Bis 2030 will der Volkswagen Konzern seine gesamte Modellpalette elektrifizieren. Dabei hängt die Zukunftsfähigkeit umweltfreundlicher Individualmobilität entscheidend vom schnellen Markthochlauf der Elektrofahrzeuge ab. Intelligente Finanzierungskonzepte der Volkswagen Bank GmbH bilden dabei einen wichtigen Baustein, um dieses Ziel zu erreichen.

Um den Wandel zur nachhaltigen Mobilität zu treiben, sollen in Europa bis 2030 80 % der von den Marken des Volkswagen Konzerns produzierten E-Fahrzeuge über die Volkswagen Financial Services AG verleast oder finanziert werden (im Vergleich: Ziel für ICE-Fahrzeuge: 50%) .

Neben der Ermöglichung von Elektromobilität für Privatkunden durch attraktive Finanzierungsangebote spielt die zukunftsorientierte und nachhaltige Ausrichtung von Fuhrparks eine zentrale Rolle. Aus diesem Grund erarbeiten wir für unsere Geschäftskunden entsprechende Fuhrparkkonzepte und begleiten sie intensiv beim Aufbau ihrer E-Flotte - in enger Zusammenarbeit mit den Marken des Volkswagen Konzerns.

Wir steigern unseren Anteil an nachhaltiger Refinanzierung am Kapitalmarkt

Bis 2030 wollen wir den Anteil der nachhaltigen Refinanzierung am Kapitalmarkt auf 40 % erhöhen. In 2040 soll der Anteil an Green Bonds bei 60 % liegen.

Das Green Finance Framework der Volkswagen Bank GmbH ist dabei die Grundlage für unsere nachhaltigen Refinanzierungsaktivitäten. Sie flankiert die aktuelle Nachhaltigkeitsstrategie und ermöglicht damit das Erschließen einer neuen Investorenbasis. Das Green Finance Framework deckt alle Refinanzierungsprodukte der Volkswagen Bank GmbH ab, von klassischen Anleihen über ABS (Asset Backed Securities) und Kreditlinien bis hin zu Commercial Papers oder Schuldscheindarlehen. Die im Rahmen des Frameworks generierten Mittel werden ausschließlich zur Refinanzierung von Kredit- und Leasingverträgen von BEVs (Battery Electric Vehicle) verwendet. Ein mit Spezialisten besetztes internes Gremium, das Green Finance Committee, überwacht die Einhaltung der im Green Finance Framework vorgegebenen Regeln und Auflagen.

Demgegenüber hat die Volkswagen Bank GmbH mit ihrem Green Loan Framework ein Rahmenwerk für grüne Kredite entwickelt und gleichzeitig die Grundlage für die Klassifizierung des Kreditportfolios auf Basis konkreter Nachhaltigkeitskriterien geschaffen. Zu den nachhaltigen Finanzierungen zählen dabei beispielsweise die energetische Gebäudesanierung, die Installation von Solaranlagen oder der Aufbau eines Ladeparks bei unseren Händlerpartnern. Aber auch die Finanzierung von Elektrofahrzeugen unserer Kunden gehört dazu.

Dabei ist sich die Volkswagen Bank GmbH ihrer Verantwortung als Kreditgeber bewusst und gehört daher seit 2010 zu den Unterzeichnern des freiwilligen Verhaltenskodex „Verantwortungsvolle Kreditvergabe für Verbraucher“. Dieser Kodex schreibt Standards bei der Kreditvergabe fest, gilt für alle Raten- und Rahmenkredite und enthält eine Reihe verbraucherfreundlicher Regelungen, die über die bestehenden gesetzlichen Forderungen hinausgehen.

Die Nachhaltigkeitsstrategie der Volkswagen Bank GmbH wird anhand konkreter KPIs und Zielwerte für das Jahr 2030 gesteuert. Diese Steuerung wurde in den etablierten Strategiezyklus und Planungsprozess integriert. Einzelheiten sind unter 1 (e) aufgeführt.

[2] Die BEVs unseres Portfolios stoßen während der Nutzung keine Treibhausgase aus. Entsprechend sind die spezifischen CO_2-Emissionen null.(Vgl. Anlage 1 A. Abschnitt 1 Nr. 4 Satz 5 Pkw-Energieverbrauchskennzeichnungsverordnung Pkw-EnVKV). Deshalb bezeichnen wir diese Fahrzeuge im Hinblick auf die von ihnen ausgestoßenen CO_2-Emissionen als Null-Emissionsfahrzeuge bzw. emissionsfrei. ICE Fahrzeuge haben im Gegensatz zu BEVs direkte Emissionen (Scope 1) im Sinne des GHG.

[3] KPI: Netto-Emissionen in t CO_2 (= Brutto-Emissionen – Kompensation)

[4] Die Emissionen der finanzierten Fahrzeuge werden nicht vollständig kompensiert, sondern gem. Attributionsfaktor, also anteilig in dem Umfang, in dem wir das Fahrzeug finanzieren.

[5] KPI: Netto-Emissionen in t CO_2 (= Brutto-Emissionen – Kompensation)

1 (b)	Ziele, Vorgaben und Obergrenzen für die kurz-, mittel- und langfristige Bewertung und Bewältigung von Umweltrisiken sowie Leistungsbewertung anhand dieser Ziele, Vorgaben und Obergrenzen, einschließlich Einbeziehung zukunftsbezogener Informationen über die Gestaltung der Geschäftsstrategie und Verfahren	Die Nachhaltigkeitsziele (KPIs) der Volkswagen Bank GmbH einschließlich der Dekarbonisierungsziele sind in 1(a) beschrieben. Ein kompakter Überblick ist in Tabelle 32 (siehe unten) dargestellt. Im Rahmen der aus der ESG-Geschäftsstrategie abgeleiteten Risikostrategie ist das Grundverständnis definiert und der Ordnungsrahmen für die ESG-Aktivitäten in der Zukunft festgelegt. Dabei werden die Hauptelemente des Risikomanagement-Rahmenwerk definiert. Gleichzeitig ist das Themenfeld Nachhaltigkeit zu einem weiteren Bestandteil der Grundprinzipien unserer Risikokultur geworden, da mit Nachhaltigkeitsrisiken bewusster umgegangen wird und die Beschäftigten frühzeitig aktiv in den Prozess eingebunden werden. Die von der EZB in ihrem Leitfaden zu Klima- und Umweltrisiken veröffentlichten aufsichtsrechtlichen Erwartungen fließen in die Methodik der Volkswagen Bank GmbH ein. Um Nachhaltigkeitsrisiken angemessen zu bewerten und zu steuern, hat die Volkswagen Bank GmbH (Konzern) Key Risk Indicators (KRI) einschließlich Obergrenzen definiert. Die in Tabelle 33 dargestellten ESG-Key Risk Indicators (KRIs) werden als Bestandteil der Risikostrategie umgesetzt. Die Obergrenzen der ESG-KRIs werden mindestens einmal jährlich im Rahmen des Überprüfungs- und Anpassungsprozesses der Geschäfts- und Risikostrategie überprüft. Die im dritten Quartal beginnende Überprüfung basiert auf den Erkenntnissen aus der Risikoinventur der ESG-Risikotreiber und der Analyse der Angemessenheit der Obergrenzen, die für die ESG-KRIs festgesetzt wurden. Im vierten Quartal werden die ESG-KRIs und ihre Obergrenzen angepasst und als Teil des Berichts über die Geschäfts- und Risikostrategie zu Beginn des Jahres verabschiedet. Als Teil des Überwachungsprozesses hat die Volkswagen Bank GmbH ESG-Key Risk Indicators (KRIs) in ihre vierteljährliche Berichterstattung zum Risikomanagement aufgenommen. Dazu gehört die Bewertung der Intensität der CO_2-Emissionen pro Fahrzeug im Durchschnitt, der Fußabdruck der eigenen Geschäftstätigkeiten, die ESG-Scores der Kunden für das Finanzierungs- und Leasinggeschäft sowie die Erwartung unserer Kunden an die Nachhaltigkeitsaktivitäten der Volkswagen Bank GmbH in Bezug auf ihre aktuelle Wahrnehmung als Indikator für das ESG-Reputationsrisiko. Risikomanagementberichte werden vierteljährlich erstellt und an den Aufsichtsrat und die Geschäftsleitungen sowie weitere interne Adressaten verteilt. Damit soll Transparenz sichergestellt und die Volkswagen Bank GmbH bei der effektiven Steuerung ESG-bezogener Risiken unterstützt werden. Weitere Informationen über die Steuerung von ESG-KRIs finden Sie in Abschnitt 1 (g).
1 (c)	Derzeitige Investitionstätigkeiten und (künftige) Investitionsvorgaben für Umweltziele und EU-taxonomiekonforme Tätigkeiten	Wir haben das Ziel, dass die direkten Emissionen unseres Portfolios spätestens 2030 bilanziell CO_2-neutral sind. Durch attraktive Produktangebote für Privat- und Geschäftskunden treiben wir diese Transformation zu nachhaltiger Elektromobilität aktiv an (Details siehe 1 (a)). Darüber hinaus kompensieren wir ab dem Jahr 2027 die CO_2-Emissionen jedes neuen Fahrzeugfinanzierungs- und Leasingvertrags[6]. Hierfür arbeiten wir im Rahmen der Unterstützung internationaler Natur- und Klimaschutzprojekte eng mit Volkswagen Climate Partner zusammen. Ziel des Joint Ventures zwischen der Volkswagen AG und Climate Partner ist die Entwicklung hochwertiger Projekte mit dem Fokus auf der effizienten Senkung von Treibhausgasemissionen. Auch die positive Wirkung auf die biologische Vielfalt sowie auf die lokalen Gemeinschaften und deren Lebensgrundlagen stehen im Mittelpunkt. Ein umfassendes Due-Diligence-Verfahren stellt die hohe Qualität und konkrete Umsetzung der Projekte sicher. Unser Kompensationsportfolio schließt dabei REDD+ Projekte[7] aus. Vielmehr investieren wir z.B. in zwei Leuchtturmprojekte im Bereich Agro Forestry und Aufforstung in Brasilien (Biriba) und Südafrika (Eastern Cape). Für das Ziel unseren Geschäftsbetrieb bis spätestens 2030 bilanziell CO_2-neutral zu gestalten, wollen wir unsere Brutto-Emissionen durch CO_2-Vermeidung und -Verminderung um 70% bis 2030 gegenüber dem Basisjahr 2021 reduzieren und nicht vermeidbare Restemissionen durch Kompensationen ausgleichen. Daher setzen sich die Volkswagen Bank GmbH als Teil der Volkswagen Financial Services AG seit mehr als 15 Jahren gemeinsam mit dem Naturschutzbund Deutschland e.V. (NABU) für den Schutz und die Renaturierung von Mooren ein, denn Moore spielen sowohl für den Klimaschutz als auch für die Biodiversität eine herausragende Rolle. Bisher haben die Volkswagen Bank GmbH als Teil der Volkswagen Financial Services AG rund 7 Mio € in Moorschutzprojekte investiert. Darüber hinaus engagieren wir uns für die Renaturierung von Flüssen – zum Beispiel im Bereich der Schunteraue in Braunschweig, der Aller bei Verden oder der Dosse und Temnitz in Brandenburg. Ziel ist es, die häufig begradigten Flüsse wieder in ihren ursprünglichen Verlauf zurückzuführen. Dadurch kann sich die typische Arten- und Biotopvielfalt wiedereinstellen.
1 (d)	Richtlinien und Verfahren im Zusammenhang mit der direkten und indirekten Zusammenarbeit mit neuen oder bestehenden Geschäftspartnern zu deren Strategien zur Minderung und Reduzierung von Umweltrisiken.	In der Volkswagen Bank Gruppe werden ESG-Kriterien seit dem Jahr 2022, initial beginnend mit der Händlerfinanzierung, innerhalb der Kreditvergabe und Kreditüberwachung geprüft. Seit 2023 sind sie integraler Bestandteil der Identifikation von ESG-Risiken für alle Firmenkunden im risikorelevanten Geschäft. Innerhalb der Kreditvergabe- und Entscheidungsprozesse wurden mehrere ESG-Instrumente zur Beurteilung des ESG-Risikos eingezogen. Die gesamten implementierten ESG-Instrumente folgen internationalen Standards, z. B. den UN-Zielen für nachhaltige Entwicklung (Sustainable Development Goals, SDG) und der EU-Taxonomieverordnung. Für das Finanzierungsgeschäft der Volkswagen Bank GmbH und ihrer Zweigniederlassungen wurde im Jahr 2022 ein ESG-Fragebogen mit dem Titel „ESG-Scoring light“ eingeführt. Für das Leasinggeschäft innerhalb der Volkswagen Leasing GmbH wurde im Jahr 2024 ein externer ESG-Score implementiert. Dabei werden bei beiden Scoring-Instrumenten die drei ESG-Säulen abgedeckt: > Klimaschutz (Emissionsminderung und Energieversorgung) und Umweltschutz sowie der sparsame Umgang mit Rohstoffen und Energie im Segment „Klima und Umwelt“. > Im Bereich „Soziales“ werden Arbeits- und Gesundheitsschutz sowie Mitbestimmungsrechte der Arbeitnehmer berücksichtigt. > Die Säule „Governance“ umfasst Aspekte der guten Unternehmensführung und Compliance sowie umstrittene Geschäftstätigkeiten. Das „ESG-Scoring light“ dient als Informationsquelle und soll Anlass für vertiefende Gespräche mit dem Firmenkunden zu ESG-bezogenen Themen und deren Ausrichtigung hin zu einer validen Nachhaltigkeitsstrategie sein. Die Erkenntnisse und Inhalte der Nachhaltigkeitsgespräche werden als Grundlage für die Berechnung eines ESG-Scores verwendet. Potenzielle Erkenntnisse aus diesen Gesprächen fließen gegebenenfalls in die Transformationsprozesse der Firmenkunden ein. Das Nachhaltigkeitsgespräch mit dem „ESG-Scoring light“ wird jährlich oder bei Bekanntwerden von Veränderungen auch unterjährig durchgeführt. Die meisten Firmenkunden erreichen im Ampelsystem der „ESG-Scoring-Ampel“ insgesamt eine „grüne“ oder „gelbe“ Bewertung. Der externe ESG-Score liefert Teil-Scoring-Ergebnisse für die Säulen „Klima und Umwelt“, „Soziales“ und „Governance“ sowie ein Gesamt-Score-Ergebnis. Die meisten Leasingnehmer innerhalb der Volkswagen Leasing GmbH werden mit einem Gesamtscore von „3“ eingestuft, was als mittleres Risiko gewertet werden kann. Der externe ESG-Score ist dabei ein verpflichtender Bestandteil in der Kreditbearbeitung. Die Prüfung erfolgt in einem jährlichen Turnus sowie unterjährig, bei Bekanntwerden von Engagementsveränderung innerhalb der Volkswagen Leasing GmbH. Darüber hinaus führen die Kreditanalysten der Marktfolgen in der Volkswagen Bank GmbH sowie der Volkswagen Leasing GmbH eine zusätzliche ESG-bezogene Analyse mittels der „ESG-Leitfragen“ durch. Ziel der „ESG-Leitfragen“ ist es, mögliche Auswirkungen zu beleuchten, d.h. wie wirken sich ESG-Risiken auf den Firmenkunden aus. Erkenntnisse daraus fließen wiederum in den Transformationsprozess des Firmenkunden. Die „ESG-Leitfragen“ sind in der Kreditdokumentation, in der Votierung sowie der Kreditentscheidung mit einzubeziehen Darüber hinaus werden in den Kreditabteilungen Nachhaltigkeitsstrategien oder Nachhaltigkeitsberichte für Kunden mit ESG-Offenlegungspflichten geprüft, um weitere ESG-bezogene Informationen zu würdigen und in die Kreditbeurteilung mit einfließen zu lassen. Der ESG-bezogene Due-Diligence-Prozess umfasst eine Diskussion kritischer Themen mit den Kunden, die Identifizierung von Handlungsempfehlungen bis hin zur Ableitung von Investitionsmaßnahmen. Das Ziel der Volkswagen Bank Gruppe besteht darin, die Firmenkunden in ihren Nachhaltigkeitsbemühungen zu begleiten, indem die Volkswagen Bank Gruppe in den kommenden Jahren intensiv in die Transformation eingebunden wird. Die Überwachung des Fortschritts des Kunden bei der Umsetzung der vereinbarten Klimaschutzmaßnahmen ist ebenfalls eine der wichtigsten Aktivitäten im Rahmen der ESG-Due-Diligence-Prozesse.

[6] Die Emissionen der finanzierten Fahrzeuge werden nicht vollständig kompensiert, sondern gem. Attributionsfaktor, also anteilig in dem Umfang, in dem wir das Fahrzeug finanzieren.

[7] **REDD+:** Reducing Emissions from Deforestation and Degradation (Waldschutz); Waldschutzprojekte stehen aufgrund der Gefahr von Greenwashing stark in der Kritik.

Eine adäquate Kreditvergabepolitik, die im Zusammenhang mit den ESG-Instrumenten erarbeitet wurde, bildet die Grundlage für die Kreditbereiche und wurde in die deutschen und europäischen Organisationshandbücher aufgenommen. Im Rahmen des Integrationsprozesses führte die Volkswagen Bank Gruppe gezielt Schulung und interne Konferenzen für die Anwender der Bereiche Markt, Marktfolge sowie der Internen Revision durch.
Die Volkswagen Bank Gruppe orientiert sich in der Geschäftstätigkeit an hohen ethischen Grundsätzen und hält sich an geltende deutsche und europäische Gesetze und Verordnungen, zum Beispiel zu Konfliktmanagement, zur Bekämpfung von Geldwäsche und Korruption sowie Interessenkonflikten und beachtet weitere regulatorische Vorgaben.
Im Jahr 2024 wurden sektorale Ausschlusskriterien als Grundlage für Kreditentscheidungen im Neugeschäft innerhalb der Volkswagen Bank Gruppe eingeführt, die kontroverse und umstrittene Branchen und Geschäftsfelder ausschließen. Die Volkswagen Bank Gruppe verpflichtet sich, keine neuen Kredite außerhalb definierter Verwendungszwecke in kontroversen und umstrittenen Branchen und Geschäftsfeldern zu vergeben. Finanzierungen für Firmenkunden, die den nachstehend genannten definierten Verwendungszweck entsprechen, werden trotz ihrer Zugehörigkeit zu einem kontroversen und umstrittenen Geschäftsfeld nicht durch die Ausschlussliste eingeschränkt:

> Fahrzeugbasierte Finanzierung und fahrzeugbasiertes Leasing, einschließlich Fahrzeugfinanzierung, Leasing und Kreditlinien für den Händlereinkauf
> Händlerfinanzierung, einschließlich Betriebsmittelkredite, Ersatzteilfinanzierung und Investitionskredite für Händler, die in Zukunft auf ihre Eignung im Rahmen des Green Loan Framework geprüft werden
> Immobilienfinanzierung, einschließlich Neubaufinanzierung, energieeffizientes Bauen und Modernisieren
> Finanzierungen ohne spezifischen Verwendungszweck („Sonstige") gemäß dem Green Loan Framework

Die Volkswagen Bank Gruppe stuft die folgenden Branchen und Geschäftsfelder als kontrovers ein:

> Kohleverstromung und Bergbau
> Invasive Eingriffe in Ökologie und biologische Vielfalt zur Förderung von Erdöl und Erdgas (Fracking, Öl, Sand etc.)
> Schleppnetzfischerei oder andere schädliche Fischereimethoden
> Nicht nachhaltige Palmölproduktion
> Entwaldung und nicht zertifizierte Abholzung
> Stammzellenforschung, Tierversuche
> Pornografie, Bordelle
> Glücksspiele, einschließlich der damit verbundenen Erschließungs- und Marketingaktivitäten
> Tabakerzeugnisse und E-Zigaretten

Die als kontrovers und umstritten eingestufte Branchen und Geschäftsfelder werden jährlich oder anlassbezogen bewertet, um der dynamischen Entwicklung Rechnung zu tragen.
Innerhalb der Volkswagen Bank Gruppe ist die Vermeidung von kontroversen und umstrittenen Geschäfts- und Wirtschaftstätigkeiten fest in die Compliance-Rahmenwerke integriert. Ein verbindlicher Verhaltenskodex (Code of Conduct) ist dabei Bestandteil der Verträge zwischen Händlern und dem Volkswagen Konzern. Darüber hinaus unterstützt eine ergänzende Compliance-Richtlinie die Einhaltung der Nachhaltigkeitsanforderungen des Volkswagen Konzerns in den Geschäftsbeziehungen.
Auch für die Geschäftsbeziehungen zu Kunden, Geschäftspartnern und Lieferanten gibt es in der Volkswagen Bank Gruppe einen verbindlichen Verhaltenskodex. Die Einhaltung der Anforderungen in Bezug auf nationale und internationale Rechtsvorschriften und Konventionen, interne Normen und Werte, wie z. B. Menschenrechte, Arbeitnehmerrechte und Compliance-Aspekte, wird sichergestellt. Geltende Gesetze und Vorschriften, wie z. B. bezogen auf Bekämpfung von Korruption, Geldwäsche, Betrugsprävention und Cybercrime, werden in der Volkswagen Bank Gruppe durch Arbeitsanweisungen und Prozesse berücksichtigt und umgesetzt. Überwachungs- und Berichtspflichten sowie Kommunikationskanäle und Schulungen für die Mitarbeiter sind ebenfalls integriert. Dadurch werden die folgenden Aspekte sichergestellt:

> Compliance & Integrität, einschließlich des Schutzes der wirtschaftlichen Rechte und der Menschenrechte
> Geldwäscheprävention, Terrorismusfinanzierung und kriminelle Aktivitäten
> Bekämpfung von Korruption und Betrugsprävention.

1 (e)	Zuständigkeiten des Leitungsorgans im Hinblick auf die Festlegung des Risiko-Rahmenkonzepts, die Überwachung und Steuerung der Umsetzung der Ziele, Strategien und Maßnahmen im Zusammenhang mit dem Umweltrisikomanagement in Bezug auf relevante Übertragungswege	Der Konzern der Volkswagen Bank GmbH Gruppe ist eine direkte und 100-prozentige Tochtergesellschaft der Volkswagen Financial Services AG. Die oberste Verantwortung für alle Fragen der Nachhaltigkeit liegt beim Vorstand der Volkswagen Financial Services AG und, daraus abgeleitet, für die Volkswagen Bank GmbH bei ihrer Geschäftsführung. Dementsprechend wurde die Nachhaltigkeitsstrategie der Volkswagen Bank GmbH von der Nachhaltigkeitsstrategie der Volkswagen Financial Services AG abgeleitet und verabschiedet. Um die Vorstände bei der Ausrichtung des Konzerns und der Entscheidungsfindung in Nachhaltigkeitsaspekten zu beraten, setzt die Volkswagen Financial Services AG auf eine aktive Einbeziehung verschiedener Fachfunktionen und Managementlevel. Der Vorstand sowie der Generalbevollmächtigte für Personal und Organisation der Volkswagen Financial Services AG sind ihrerseits eine Selbstverpflichtung zur Verankerung der strategischen Nachhaltigkeitsziele eingegangen, indem jedes Nachhaltigkeitsziel einem Vorstand als Paten zugeordnet wurde. Dies stellt sicher, dass bei allen Vorstandsentscheidungen die wesentlichen Aspekte der Nachhaltigkeitsstrategie berücksichtigt werden. Der Vorstandspate hat die Nachhaltigkeitsziele und KPIs (Key Performance Indicators, dt. Schlüsselkennzahlens) inkl. Zwischenzielen angenommen. Die von den Fachfunktionen und der Organisationseinheit „Strategie & Nachhaltigkeit" beim Vorstand eingebrachten Nachhaltigkeitsthemen sind in die Berichterstattung des Vorstands an den Aufsichtsrat integriert. Zusätzlich verbindet die Position des Chief Sustainability Officer der Volkswagen Bank GmbH die Geschäftsführung der Volkswagen Bank GmbH und den Vorstand der Volkswagen Financial Services AG. Damit wird die Relevanz von Nachhaltigkeit für die Geschäftsleitung auf der höchsten Entscheidungsebene der Volkswagen Bank GmbH verankert und gleichzeitig die Basis geschaffen, um ESG-Initiativen konzernweit und bereichsübergreifend voranzutreiben. Der Chief Sustainability Officer verantwortet zum Beispiel für Aspekte der ESG-Taxonomie, entsprechende Definitionen und die ESG-Gesamtstrategie des Konzerns der Volkswagen Bank GmbH. Darüber hinaus legt er den Ordnungsrahmen für eine konsistente und umfassende Berichterstattung fest und stellt sicher, dass regulatorische und marktbezogene Entwicklungen, die ESG-Themen berühren, überwacht und gegebenenfalls vorläufige Folgen- und Lückenanalysen eingeleitet werden. Die Nachhaltigkeitsstrategie der Volkswagen Bank GmbH wird anhand konkreter KPIs und Zielwerte für das Jahr 2030 gesteuert (siehe obige Ziffer 1 (b)). Diese Steuerung wurde in den etablierten Strategiezyklus und Planungsprozess integriert. Im Rahmen des jährlichen Strategiekalenders werden die strategischen Ziele und KPIs berichtet, mit relevanten Stakeholdern diskutiert und bei Bedarf Korrekturmaßnahmen beschlossen. Seit 2024 sind die KPIs der Dimension „Natur", also die CO_2-Emissionsziele (Portfolio- und Operations-Emissionen) als Top-KPIs in unseren Planungsrundenprozess integriert. Damit werden sie in den jeweiligen Planungsrunden (Planning Round) für die kommenden 5 Geschäftsjahre mit Jahreszielen geplant und quartalsweise im Rahmen des Prognoseprozesses (Forecast) berichtet. In den mehrmals jährlich stattfindenden Strategy Status Updates wird detailliert über die Entwicklung der jeweiligen strategischen Jahresziele sowie über die strategischen Top-KPIs berichtet. Innerhalb des jährlichen Strategy Reviews gilt es, mithilfe von Umfeldanalysen relevante Einflüsse auf die Strategie zu besprechen und ggf. entsprechende Gegenmaßnahmen zu definieren. Zur Steuerung der Umweltrisikofaktoren innerhalb der Volkswagen Bank GmbH etabliert das Leitungsorgan eine Risikokultur, legt eine angemessene Risikobereitschaft fest, die sich aus der Geschäftsstrategie für Nachhaltigkeit ableitet, und implementiert einen starken internen Kontrollrahmen, in dem auch ESG-Risiken berücksichtigt werden. Durch das Risikoappetitrahmenwerk werden ESG-Ziele, die auf den ESG-Risikotreibern und ihren jeweiligen Transmissionskanälen basieren, wie in Abschnitt 1 (j) beschrieben in das Risikomanagementsystem integriert. ESG-Risiken werden in die bestehenden Risikokategorien und die bestehenden Zuständigkeiten des Leitungsorgans und seiner Ausschüsse einbezogen (siehe Abschnitt 1 (f)). Die Sachkenntnis der Geschäftsleitung bezogen auf diese Risiken wird bewertet; es finden regelmäßige Schulungen der Geschäftsleitung hierzu statt.

1 (f)	Einbeziehung der kurz-, mittel- und langfristigen Auswirkungen von Umweltfaktoren und -risiken durch das Leitungsorgan, Organisationsstruktur sowohl innerhalb der Geschäftsbereiche als auch innerhalb der internen Kontrollfunktionen	Wie in 1 (e) beschrieben liegt die oberste Verantwortung für alle Fragen der Nachhaltigkeit bei der Geschäftsführung der Volkswagen Bank GmbH (Gruppe) und den Geschäftsführern ihrer Tochtergesellschaften / Filialen. Sie entscheidet über die Geschäfts und Risikostrategie sowie über die Ergebnisse der Planungsrunde und ist damit maßgeblicher Bestandteil des Strategiezyklus und Planungsprozesses. Der Konzerns der Volkswagen Bank GmbH hat die Position des Sustainability Officer als Schnittstelle zur Geschäftsleitung etabliert und ESG-Risiken schrittweise als integralen Bestandteil in sein Risikomanagement aufgenommen. Angesichts der wechselseitigen Abhängigkeiten mit allen anderen Risikoarten wurden die ESG-Risiken auch in die aktuelle Governance-Struktur und in die Ausschuss-/Linienverantwortung integriert. Weitere Einzelheiten sind den Abschnitten 1 (e) und 1 (g) zu entnehmen.
1 (g)	Einbeziehung von Maßnahmen zur Steuerung von Umweltfaktoren und -risiken in die interne Regelung für die Unternehmensführung, einschließlich der Rolle der Ausschüsse, der Zuweisung von Aufgaben und Zuständigkeiten und der Feedbackschleife vom Risikomanagement zum Leitungsorgan, die die relevanten Übertragungswege abdeckt	Die Volkswagen Bank GmbH hat ESG-Risiken als integralen Bestandteil der internen Governance-Regelungen im Risikomanagement verankert, beispielsweise in der Risikostrategie sowie der Messung, Begrenzung, Überwachung und Steuerung von Risiken. Angesichts der wechselseitigen Abhängigkeiten mit allen anderen Risikoarten wurden die ESG-Risiken in die aktuelle Governance-Struktur und in die Ausschuss-/Linienverantwortung integriert. Dies vermeidet eine Dopplung von Strukturen und bindet alle Mitarbeiter in ihren bestehenden Rollen in ESG-Angelegenheiten ein. Als wichtiger Teil der internen Governance-Regelungen erarbeitet die Unternehmenssteuerung die Konzernrichtlinien für unternehmerische Nachhaltigkeit und entwickelt die ESG-Strategie des Instituts. Das Risikomanagement entwickelt die ESG-Risikostrategie gemeinsam mit der Strategieabteilung des Unternehmens. Die Risikostrategie konzentriert sich auf die wichtigsten Risikofaktoren, die sich am stärksten auf das Portfolio auswirken, und beschreibt die Ziele, Vorgaben und durchgeführten Maßnahmen der Geschäftsleitung. Methoden zur Messung von ESG-Risiken werden implementiert und in den bestehenden Ordnungsrahmen für verschiedene Risikoarten innerhalb des Risikomanagements integriert. Zum einen werden ESG-Risiken im Rahmen der regelmäßigen Risikoinventur jährlich in Form einer ESG-spezifischen Wesentlichkeitsanalyse untersucht. Die Wesentlichkeitsanalyse beinhaltet umfassende Portfoliobewertungen sowie qualitative und quantitative Bewertungen aller bekannten Risikotreiber in den Bereichen Umwelt (einschließlich physischer und Transitionsrisiken), Soziales und Governance auf der Grundlage definierter Übertragungswege. Für die meisten relevanten Treiber von ESG-Risiken werden zentrale Risikoindikatoren einschließlich Zielvorgaben und Obergrenzen definiert und in die Risikostrategie und die Risikoberichterstattung integriert. Durch die regelmäßige Berichterstattung an das Leitungsorgan im Rahmen des Risikomanagementberichts wird eine rechtzeitige Kommunikation und Überwachung der wesentlichen ESG-Risiken sichergestellt. Auf Grundlage einer regelmäßigen Überwachung und um sicherzustellen, dass Maßnahmen der Geschäftsleitung rechtzeitig ergriffen werden, damit die in der Geschäfts- und Risikostrategie festgelegten Ziele, auch in Bezug auf ESG-Risiken, realisiert werden können, hat der Konzern der Volkswagen Bank GmbH wichtige Ausschüsse eingerichtet, in die die entsprechenden Governance-Funktionen und Geschäftsbereiche eingebunden sind: > Equity and Risk Committee > Stress Test Committee > Asset Liability Management Committee > Green Finance Committee Für die oben genannten Ausschüsse hat der Konzern der Volkswagen Bank GmbH gesonderte Regeln festgelegt und den Teilnehmern entsprechende Aufgaben und Verantwortlichkeiten zugewiesen. Insbesondere das „Equity and Risk Committee", das sich aus Entscheidungsträgern der Finanz-, Risiko-, Treasury- und Kreditabteilungen sowie der Internen Revision zusammensetzt, koordiniert Themen bezogen auf Eigenkapital und Risiken, erörtert die aktuelle Situation und die Entwicklung großer Geschäftsvolumina, einschließlich der Finanzierung und des Leasings von batterieelektrischen Fahrzeugen. Das Stress Test Committee, dem Entscheidungsträger aus den Bereichen Risiko, Finanzen und Strategie angehören, erleichtert den Informationsaustausch zwischen Markt- und Marktfolgebereichen, identifiziert und diskutiert aktuelle Entwicklungen und formuliert Empfehlungen an den Vorstand zu den analysierten Szenarien, einschließlich klimabezogener Szenarien. Das Asset Liability Management (ALM) Committee, in dem Entscheidungsträger aus den Bereichen Finanzen, Treasury, Controlling und Risikomanagement vertreten sind, erörtert die Indikatoren für Liquiditätsrisiken unter Berücksichtigung von ESG-Aspekten. Aufgabe des Green Finance Committee ist es, die Einhaltung des Green Finance Framework zu überwachen, der den Ordnungsrahmen für grüne Refinanzierungsaktivitäten wie die Emission von grünen Anleihen auf dem Kapitalmarkt bildet. Diesem Ausschuss gehören Entscheidungsträger und Fachleute aus verschiedenen Geschäftsbereichen an, darunter Treasury, Nachhaltigkeit, Recht, Berichterstattung und Controlling. Die Ausschüsse spielen eine wesentliche Rolle bei der Steuerung verschiedener Risikoaspekte innerhalb der Organisation. Sie beziehen Mitglieder der Geschäftsführung der Volkswagen Bank GmbH entsprechend ihren funktionalen Zuständigkeiten sowie Entscheidungsträger aus den verantwortlichen Geschäftsbereichen ein und stellen sicher, dass sowohl finanzielle als auch ESG-Überlegungen in die relevanten Prozesse einfließen.
1 (h)	Berichtslinien und Häufigkeit der Berichterstattung in Verbindung mit Umweltrisiken	Die Erweiterung der Risikoberichterstattung um Informationen über den Umgang mit Klima- und Umweltrisiken ist ein wichtiges Thema im ESG-Umfeld, das im Jahr 2024 in den bestehenden Ordnungsrahmen für die Risikoberichterstattung aufgenommen wurde. Die Geschäftsleitung des Konzerns der Volkswagen Bank GmbH und der Aufsichtsrat werden im Rahmen des vierteljährlichen Risikomanagementberichts über Klima- und Umweltrisiken informiert. Wenngleich der Schwerpunkt der Berichterstattung auf Klima- und Umweltrisiken liegt, werden selektiv auch Aspekte von Risiken in den Bereichen Soziales und Governance berücksichtigt. Auf Grundlage dieser Berichterstattung kann das Leitungsorgan die Auswirkungen von ESG-Risiken auf das Risikoprofil der Bank anhand der aggregierten und aktuellen Daten beurteilen.
1 (i)	Anpassung der Vergütungspolitik an die Ziele des Instituts im Zusammenhang mit Umweltrisiken	Der im Geschäftsjahr 2023 eingeführte ESG-Faktor als Multiplikator für den Jahresbonus setzt sich zu gleichen Teilen aus den Bestandteilen des Dekarbonisierungsindex (DKI) auf Ebene des Volkswagen Konzerns für das Thema Umwelt (U) und dem Anteil von Frauen im Management auf Markenebene für das Thema Soziales (S) zusammen. Der DKI dient als Messinstrument für die CO_2-Emissionen der Hersteller von Pkw und leichten Nutzfahrzeugen über deren gesamten Lebenszyklus. Ziel ist es, den Kohlenstoff nachhaltig zu reduzieren und den Ausstoß von Kohlendioxid (CO_2) auszugleichen, um langfristig eine CO_2-freie Weltwirtschaft zu schaffen. Mit der Analyse des Produktlebenszyklus (Ökobilanz) analysieren wir die Umweltauswirkungen eines Produkts während seines gesamten Lebenszyklus und ist Bestandteil des DKI. Verfolgt wird dabei ein ganzheitlicher Ansatz: angefangen bei der Fahrzeugentwicklung über die benötigten Rohstoffe und die Logistik bis hin zur Produktion, vom ersten bis zum letzten Kilometer auf der Straße und von der Abmeldung bis zum Recycling.
1 (j)	Einbeziehung der kurz-, mittel- und langfristigen Auswirkungen von Umweltfaktoren und -risiken in das Risiko-Rahmenkonzept	ESG-Risiken werden innerhalb des Konzerns der Volkswagen Bank GmbH nicht als separate Risikoart behandelt. Vielmehr werden sie verschiedenen Risikoarten mit ihren spezifischen Risikotreibern zugeordnet. Nachhaltigkeitsrisiken werden vor allem von Klima- und Umweltrisiken bestimmt. Bei der Ermittlung, Bewertung und Steuerung von ESG-Risiken werden aber auch soziale Risiken und Governance-Risiken berücksichtigt. Bei den Klima- und Umweltrisiken wird zwischen physischen Risiken und Transitionsrisiken unterschieden. Bei physischen Risiken geht es um die direkten Auswirkungen von Umweltveränderungen auf Unternehmen und ihre Geschäftstätigkeiten. Sie stehen im Zusammenhang mit physischen Veränderungen in der Umwelt, wie dem Klimawandel. Beispiele hierfür sind Naturkatastrophen und Umweltveränderungen. Transitionsrisiken stehen im Zusammenhang mit dem Übergang zu einer nachhaltigeren Wirtschaft und ergeben sich aus Veränderungen der zugrunde liegenden politischen, technologischen, rechtlichen oder wirtschaftlichen Rahmenbedingungen. Sie spiegeln meist die Art und Weise wider, in der Unternehmen auf Veränderungen reagieren und sich anpassen. So können beispielsweise neue Gesetze und behördliche Auflagen zum Umwelt- und Klimaschutz die Geschäftstätigkeit von Unternehmen beeinflussen. Außerdem könnten Unternehmen, die nicht in der Lage sind, nachhaltig zu reagieren, Marktanteile verlieren, wenn Verbraucher sich immer stärker auf nachhaltige Produkte und Dienstleistungen konzentrieren. Infolgedessen ist es die Aufgabe jedes Verantwortlichen einer Risikoart, jährlich die ESG-Risikotreiber zu identifizieren, die sich voraussichtlich kurz-, mittel- und langfristig auf die Vermögens-, Finanz- und Ertragslage sowie auf die Reputation der Volkswagen Bank GmbH auswirken, wenn diese Risiken eintreten. Um ein vollständiges und gut dokumentiertes Bild über die Auswirkungen dieser Risikotreiber zu erhalten, werden die damit verbundenen Übertragungswege mit den vorhandenen Risikoarten und ihren potenziellen finanziellen Auswirkungen abgeglichen. (Weitere Einzelheiten siehe 1 (l)). Diese Wesentlichkeitsanalyse ist Teil der jährlichen Risikoinventur, mit der die wesentlichen Risiken im Konzern der Volkswagen Bank GmbH definiert werden. Darin werden die Ergebnisse des vorangegangenen Klimastresstests berücksichtigt, der eine quantitative Bewertung der relevanten ESG-Risikotreiber im mittel- und langfristigen Bereich ermöglicht. Um Nachhaltigkeitsrisiken im Rahmen der kurzfristigen Risikobereitschaft zu berücksichtigen, wurden im Konzern der Volkswagen Bank GmbH ebenfalls KRIs mit Bezug auf verschiedene Risikoarten definiert. Diese Indikatoren fließen in den Risk Appetite Framework ein. Dabei wird die ESG-spezifische Risikobereitschaft in Form von spezifischen KRIs inklusive Schwellenwerten oder Zielen ausgedrückt, ähnlich wie die Limite in den einzelnen Risikoarten. ESG-KRIs werden im Rahmen des jährlichen Steuerungsprozesses für die Geschäfts- und Risikostrategie überprüft und angepasst (Abbildung 1). Es wurde ein Ordnungsrahmen für Klimastresstests entwickelt, der die standardisierte Integration von Klima- und Umweltrisiken in das Stresstestprogramm vorsieht, um ein besseres Verständnis der mittel- und langfristigen Auswirkungen von Umweltfaktoren und -risiken zu erhalten. Die zu berücksichtigenden Risikotreiber und Risikoübertragungswege werden daher im Rahmen der Risikoinventur ermittelt und bewertet. Auf Grundlage dieser Analyse werden Klimaszenarien und Analysen der Klimasensitivität definiert. Die Ergebnisse fließen wiederum in die Risikoinventur ein. Dieser Ordnungsrahmen wird seit 2023 angewandt und unterstützt damit die systematische Analyse des Risikoprofils, einschließlich einer Bewertung der potenziellen Auswirkungen durch einen Feedback-Prozess. Auf dieser Grundlage wurde der letzte institutsweite interne Klimastresstest in 2024 durchgeführt. Darin wurden mögliche Auswirkungen auf die Kapital- und Liquiditätsausstattung des Konzerns der Volkswagen Bank GmbH auf Basis verschiedener NGFS-Szenarien sowie ergänzend einzelne kurzfristige Auswirkungen unterschiedlichen Schweregrads identifiziert. Die Ergebnisse stimmten mit den zuvor analysierten Szenarien und Risikovolatilitäten überein. Darüber hinaus wurden im Rahmen einer Sensitivitätsanalyse die hypothetischen, nachteiligen Auswirkungen von Überschwemmungen als physisches Risiko auf das Kreditportfolio berücksichtigt. Es wurde festgestellt, dass diese innerhalb des Toleranzbereichs bleiben, der zuvor in den bereits regelmäßig durchgeführten standardmäßigen Sensitivitätsanalysen ermittelt worden war. Regelmäßige ESG-bezogene Sensitivitätsanalysen wurden auch im Bereich der operationellen Risiken und der Finanzierungsrisiken durchgeführt, wobei die Ergebnisse in den ICAAP eingeflossen sind.

1 (k)	Definitionen, Methoden und internationale Standards, auf denen das Rahmenkonzept für das Umweltrisikomanagement beruht	ESG Risiken werden nicht als eigene Risikoart behandelt, sondern verschiedenen Risikoarten mit spezifischen Risikotreibern zugeordnet (1 (j)). Zur Ermittlung der finanzierten und verleasten Emissionen des Portfolios und der Überwachung im Rahmen der Geschäfts- und Risikostrategie – siehe Abschnitt 1 a „die direkten Emissionen unseres Portfolios sind spätestens 2030 bilanziell CO_2-neutral" - werden zwei unterschiedliche Sichtweisen eingenommen. Zum einen wird das Vorgehen für die Objektsicht nach dem PCAF-Standard und zum anderen die Gegenparteisicht analog zum EZB-Klimastresstest beschrieben. Die Unterscheidung zwischen diesen Sichten basiert auf den unterschiedlichen Anforderungen der Adressaten, wie z.B. der Offenlegung oder dem Risikomanagement. Um bis spätestens 2030 einen bilanziell CO_2-neutralen Geschäftsbetrieb zu erreichen, haben wir ein Umwelt-Compliance-Managementsystem (UCMS) nach der DIN EN ISO 14001 und den Grundsätzen für die ordnungsgemäße Prüfung von Compliance-Managementsystemen nach IDW PS 980 eingeführt. Die Hauptschwerpunkte unserer Bemühungen zur Verringerung der CO_2-Emissionen im Betrieb werden in 1 (a) und 1 (c) erläutert. Die Methoden bei der Kreditvergabe und den Entscheidungsprozessen, auch im Hinblick auf internationale Standards, werden unter 1 (d) beschrieben.
1 (l)	Verfahren zur Ermittlung, Messung und Überwachung von Tätigkeiten und Risikopositionen (und gegebenenfalls Sicherheiten), die gegenüber Umweltrisiken anfällig sind, einschließlich relevanter Übertragungswege	Die in die Kreditvergabe- und Entscheidungsprozesse einbezogenen Instrumente werden unter 1 (d) beschrieben. Zur Identifizierung der wichtigsten Portfolios im Hinblick auf das Geschäftsmodell und die Strategie des Konzerns der Volkswagen Bank GmbH sowie auf die finanzierten Emissionen wird die aktuelle Portfoliostruktur einer Analyse unterzogen. Dabei werden auch geografische Risiken der einzelnen Portfolios untersucht. Anhand dieser Informationen wird eine Relevanzanalyse aller ESG-Risikotreiber in den maßgeblichen Risikoarten unter Berücksichtigung der Übertragungswege auf Grundlage von qualitativen Expertenmeinungen und quantitativen Informationen durchgeführt (Wesentlichkeitsanalyse). Für weniger relevante Risikotreiber wird eine allgemeine Risikobewertung durchgeführt. Abschließend wird die Wesentlichkeit der Risikotreiber kurzfristig (< 1 Jahr), mittelfristig (1 bis 5 Jahre) und langfristig (> 5 Jahre) analysiert. Die Wesentlichkeitsanalyse bezüglich dieser Risikofaktoren wird im Rahmen der jährlichen, von der Geschäftsleitung genehmigten Risikoinventur vorgenommen. Der Konzern der Volkswagen Bank GmbH hat für die verschiedenen Risikoarten einige wesentliche Übertragungswege für die Treiber von physischen und Übergangsrisiken identifiziert. Diese sind in Abbildung 1 aufgezeigt und in Tabelle 48 aufgeführt. Aus Sicht der Volkswagen Bank GmbH handelt es sich bei den Automobilfinanzierungen um mobile Vermögenswerte, bei denen physische Gefahren kein dominanter Risikotreiber sind und daher in der geschäftspolitischen Ausrichtung des Konzerns nur eine untergeordnete Rolle spielen. Dennoch werden im Risikomanagement auch physische Risiken berücksichtigt. In der Gesamtbetrachtung ist der Konzern der Volkswagen Bank GmbH mittel- und langfristig vor allem transitorischen Klima- und Umweltrisikotreibern in Bezug auf das Kredit-, Restwert- und Geschäftsrisiko ausgesetzt. Die folgenden Risikofaktoren sind von besonderer Bedeutung: Übergang auf eine kohlenstoffarme Wirtschaft und damit verbundene Kosten, technologischer Wandel sowie Gesetze und regulatorische Anforderungen. Transitionsrisiken in Bezug auf das Liquiditätsrisiko und operationelle Risiken können jedoch ebenfalls wesentliche Auswirkungen haben. Risiken in den Bereichen Soziales und Governance werden für die meisten Risikoarten als nicht wesentlich angesehen (siehe auch 2 (m)). Hinsichtlich der Messung und Überwachung von Umweltrisiken verweisen wir auf den Ordnungsrahmen für Klimastresstests und die durchgeführten Sensitivitätsanalysen (wie in Abschnitt 1 (j) beschrieben) sowie auf die definierten KRIs und deren Obergrenzen (Abschnitt 1 (b)) sowie die Integration von ESG in die Berichterstattung der Volkswagen Bank GmbH (Abschnitt 1 (h)).
1 (m)	Tätigkeiten, Verpflichtungen und Risikopositionen, die zur Minderung von Umweltrisiken beitragen	Ein Risiko für die Volkswagen Bank GmbH ergibt sich daher aus der Transformation des Automobilsektors und den Auswirkungen sowohl auf die Fahrzeughändler sowie die Restwerte der Fahrzeuge. Daher ist zum einen die Unterstützung eines umweltfreundlichen Transformationsprozesses der Händler das erklärte Ziel der Volkswagen Bank GmbH. Ebenso werden Finanzierungen von Ladeinfrastruktur und E-Fahrrädern wie auch energetisches Bauen und Sanieren konsequent ausgeweitet. Zum anderen soll darüber hinaus die Mobilitätswende des Volkswagen Konzerns hin zur E-Mobilität durch attraktive Leasingangebote für Battery Electric Vehicles (BEVs)an Retail- und Corporate-Kunden bestmöglich unterstützt werden. Auf der Refinanzierungsseite wird die Mobilitätswende durch die Begebung von Green Bonds unterstützt. Ziel ist es, die Refinanzierung insgesamt perspektivisch in stärkerem Maße an Nachhaltigkeitskriterien zu orientieren. Die Volkswagen Bank GmbH unternimmt in ihrem eigenen Betrieb ebenfalls große Anstrengungen zur Erreichung einer weitgehenden bilanziellen CO_2-Neutralität und der physischen Gefahrenabwehr durch akute Umweltschäden. So werden Umweltschutzmaßnahmen wie die Senkung von Energie-, Wasser- und Papierverbrauch, CO_2-Emissionen und des Müllaufkommens mit hoher Priorität verfolgt. Zusätzlich werden Gefährdungspotenziale für Mitarbeiter, Gebäude oder Technologie und deren Absicherungen insbesondere durch Umwelteinflüsse laufend untersucht und in Auswirkungsanalysen einbezogen, um etwaige Gegenmaßnahmen zu definieren und bei Notwendigkeit umzusetzen. Die in die Kreditvergabe- und Entscheidungsprozesse einbezogenen Instrumente werden unter 1 (d) beschrieben; dazu gehören auch Maßnahmen zur Minderung von Umweltrisiken. Darüber hinaus ist die Volkswagen Bank GmbH Teil des Umwelt-Compliance-Managementsystems (UCMS) des Volkswagen Konzerns. Das UCMS des Volkswagen Konzerns ist in der Konzernrichtlinie 17 beschrieben und basiert im Wesentlichen auf der Umweltmanagementnorm ISO 14001 und dem Standard für Grundsätze ordnungsmäßiger Prüfung von Compliance-Managementsystemen IDW PS 980. Dazu gehört auch unsere eigene Umwelterklärung. Initiativen zur Erreichung strategischer Nachhaltigkeitsziele und -verpflichtungen sind unter 1 (a) aufgeführt.
1 (n)	Einführung von Instrumenten zur Ermittlung, Messung und Steuerung von Umweltrisiken	Die in die Kreditvergabe- und Entscheidungsprozesse einbezogenen Instrumente werden unter 1 (d) beschrieben. Weitere Instrumente zur Identifizierung, Messung und zum Management von Umweltrisiken werden unter 1 (j) und 1 (l) beschrieben.
1 (o)	Ergebnisse der eingesetzten Risikoinstrumente und geschätzte Auswirkungen des Umweltrisikos auf das Risikoprofil hinsichtlich Kapital und Liquidität	Die Ergebnisse und Feststellungen der eingesetzten Risikoinstrumente werden unter 1 (j) und 1 (l) beschrieben.
1 (p)	Verfügbarkeit, Qualität und Genauigkeit der Daten und Bemühungen zur Verbesserung dieser Aspekte	Für die Berichterstattung über Klima- und Umweltrisiken werden in erster Linie Daten aus dem zentralen Data Warehouse verwendet, das auch die zentrale Datenquelle für die Erstellung von Berichten im Risikomanagement und der aufsichtsrechtlichen Berichterstattung ist. Zu diesem Zweck wurden die notwendigen Informationen über Klima- und Umweltrisiken in die bestehenden Lieferwege integriert. Darüber hinaus wurden Methoden und Prozesse implementiert, um relevante Datenpunkte abzuleiten (z. B. Kennzeichnung von Kunden, die zu den 20 CO_2-intensivsten Unternehmen gehören oder die sich nicht an den Anforderungen des Pariser Klimaabkommens orientieren). Diese Informationen werden in Zukunft auch in das zentrale Data Warehouse integriert. Die dafür notwendigen Schnittstellen werden derzeit geschaffen. Dadurch können die Prozesse der Datenlieferung optimiert und die zentrale Verfügbarkeit der relevanten Daten weiter verbessert werden. Der Nachhaltigkeitsbericht des Volkswagen Konzerns erläutert weitere konzernweite Regelungen zu Umwelt-, Sozial- und Governance-Themen und spezifiziert zusätzliche konkrete Anforderungen für den Umgang mit diesen Themen im Konzern.
1 (q)	Beschreibung der Obergrenzen für Umweltrisiken (als Treiber aufsichtsrelevanter Risiken), die festgesetzt werden und deren Überschreitung Eskalationen und Ausschlüsse auslöst	Obergrenzen sowie Eskalationsprozesse sind in 1 (b) und 1 (g) beschrieben. Darüber hinaus sind Ausschlusskriterien unter 1 (d) aufgeführt.

1 (r)	Beschreibung der Verbindung (Übertragungswege) zwischen Umweltrisiken und Kreditrisiko, Liquiditäts- und Finanzierungsrisiko, Marktrisiko, operationellem Risiko und Reputationsrisiko im Rahmenkonzept für das Risikomanagement	Die Übertragungswege für wesentliche Risikoarten innerhalb der Volkswagen Bank GmbH sind unter 1 (l) beschrieben.

TABLE 29: QUALITATIVE INFORMATION ON SOCIAL RISKS (IN ACCORDANCE WITH ARTICLE 449A OF THE CRR)

Row number		Qualitative information - Free format
(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 central sectors of the transformation of society and the econ-omy towards greater sustainability. 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 pur-sues "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 for economic, social and ecological goals at the same time. We want to create lasting val-ue, offer good working conditions and treat the environment and resources with care. In addition, the Volkswagen Group's environmental policy provides the framework for the brands' environmental activi-ties. 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, ensuring 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 coordina-tion 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 performing indicators (KPIs) we use to measure the degree to which we achieve our goals. It de-scribes our path to actively meet upcomming challenges, to proactively shape the changes ahead of us and to success-fully take advantage of the opportunities that arise in the transformation. Our mission is to meet our customers' mobility needs with sustainable solutions throughout the entire vehicle lifecycle. Sustainability is thus an important element of our business activity. We are convinced that we can only successfully im-plement our business model in the future through responsible and forward-thinking actions. As a basis, our business activities and our commitment in all areas are guided by clear and immutable principles: > We protect and strengthen our environment. > We treat people with dignity and respect. > We act with integrity and in compliance with regulations. > We recognize our responsibility in society. > We enable sustainable mobility and business models.
		Our four sustainability dimensions Our sustainability strategy is structured into four dimensions > Nature > Employees > Society > Business This translates 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 **We take ecological responsibility and contribute to the preservation and protection of nature.** Nature is not only our shared living space but also the foundation of our economy and actions. Healthy ecosystems pro-vide essential resources such as clean water, fertile soil, and fresh air – and therefore require our special protection. At Volkswagen Bank, we have committed ourselves to actively contribute to the protection of nature. We are convinced that protecting nature is not only our responsibility but also an opportunity. By consciously managing natural resources, sustainable value creation can be secured in the long term. Preserving nature protects supply chains, fosters innovation, and strengthens resilience to global challenges. When looking at emissions within the automotive value chain, emissions from our own business operations and from the use phase of the vehicles we finance and lease are relevant for us. The CO2 emissions from vehicle production are an-chored in the Group strategy and are the responsibility of the manufacturing units. Therefore production emissions are not considered in VWB`s CO2 emissions. In concrete terms, this means that we at Volkswagen Bank measure CO2 reduction targets both in terms of business op-erations and the vehicle portfolio we finance or lease. **Achieve net-carbon neutral direct emissions in our portfolio by 2030** Referring to the direct emissions of our portfolio means that we are focusing on the emissions of internal combustion engine (ICE) vehicles in our portfolio . As a captive, we have the task of supporting the Group's brands in opening up market and the transformation to electric mobility. The direct gross emissions of our portfolio are therefore dependent on Group sales. A fundamental component of the decarbonization of our portfolio is therefore the development of the Volkswagen Group's new car fleet emissions. By 2050 at the latest, we want to achieve 0t CO2 gross emissions in the direct emissions of our portfolio. The balance sheet CO2 neutrality means that we control according to net emissions, including emissions compensation . To this end, the CO2 emissions of every new vehicle financing and leasing contract in the new and used car business will be offset from 2027 onwards. (For details, see 1 (c)) **Design business operations net-carbon-neutral by 2030** We have it in our hands to make our business operations as climate-friendly as possible. By 2030, our business opera-tions are to become CO2-neutral in terms of balance . To this end, we want to reduce our gross emissions by 50% by 2025 and by 70% by 2030 compared to the base year 2021 through CO2 avoidance and reduction. Since the largest CO2 emissions are caused by electricity consumption, company cars with combustion engines and business trips, the following levers are available for achieving the reduction targets set: > Switching to electricity from renewable energies > Conversion of the company car fleet to BEV > Reduction of air travel 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 Bank GmbH's business operations at the Braunschweig site, our larg-est property.

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 advance the sustainable transformation of mobility.
Our products connect people, help spare resources, and make processes simple and efficient. We create mobility con-cepts, develop fleet management solutions, and offer attractive financing and service options.
As part of our sustainability strategy, we have set clear goals for sustainably operating our business model:

We are driving the shift towards sustainable mobility
By 2030, the Volkswagen Group wants to electrify its entire model range. The future viability of environmentally friendly individual mobility depends decisively on the rapid market ramp-up of electric vehicles. Intelligent financing concepts from Volkswagen Bank are an important building block in achieving this goal.
In order to drive the transition to sustainable mobility, 80% of the electric vehicles produced by the Volkswagen Group brands in Europe are to be leased or financed by Volkswagen Financial Services AG by 2030 (in comparison: target for ICE vehicles: 50%).
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 fleet concepts for our 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 of Volkswagen Bank GmbH is the foundation for the sustainable refinancing activities of Volkswagen Financial Services AG, supporting the current sustainability strategy and facilitating the development of a new investor base. The Green Finance Framework covers all refinancing products of Volkswagen Bank GmbH, from clas-sical 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, the Green Finance Committee, oversees compliance with the rules and regulations set out in the Green Finance Framework.
Furthermore, Volkswagen Bank GmbH has developed a framework for green loans with its Green Loan Framework and at the same time created the basis for classifying the loan portfolio on the basis of specific sustainability criteria. Sustaina-ble 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 this also includes the financing of our customers' electric ve-hicles.
Volkswagen Bank GmbH is mindful of its responsibility as a lender and has been a signatory of the voluntary code of conduct "Responsible Lending for Consumers" since 2010. This code sets standards for the granting of loans and ap-plies to all instalment loans and lines of credit. Volkswagen Bank GmbH has a fundamental interest in granting loans responsibly. Therefore, high standards apply to the granting of consumer loans. The code provides an overview of these standards and includes a series of consumer-friendly regulations that go beyond existing legal requirements.
VWB's sustainability strategy 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).

(b)	Objectives, targets and limits to assess and ad-dress environmental risk in short-, medium-, and long-term, and per-formance assessment against these objectives, targets and limits, in-cluding forward-looking information about the design of business strat-egy 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 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 sus-tainability risks are handled with greater awareness and employees become actively involved in the process at an early stage. The ECB's supervisory expectations published in its guide on climate-related and environmental risks are incorpo-rated into the VW Bank's methodologies. VW Bank GmbH (Group) has defined key risk indicators (KRIs) including limits in order to appropriately assess and man-age 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 Q3 is based on insights gained from the risk inventory of ESG risk drivers and analyses of the ESG-KRIs limits adequacy. In Q4 ESG-KRIs and their limits are adjusted and adopted as part of the reso-lution on the business and risk strategy at the beginning of the year. As part of the monitoring process, VW Bank has in-cluded 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 cre-ated and distributed quarterly to supervisory and management boards as well as further internal addresses, to ensure transparency, and support VW Bank GmbH in managing ESG-related risks effectively. For further information on the management of ESG-KRIs see section 1 (g).
(c)	Current investment ac-tivities and (future) in-vestment targets to-wards environmental objectives and EU Tax-onomy-aligned activi-ties	Our goal is for the direct emissions of our portfolio to be CO2-neutral by 2030 at the latest. We are actively driving this transformation to sustainable e-mobility through attractive product offerings for private and business customers (see 1 (a) for details). In addition, from 2027 onwards, we will offset the CO2 emissions of every new vehicle financing and leas-ing contract . As part of supporting international nature and climate protection projects, we work closely with Volkswagen Climate Partner. The joint venture between VW Kraftwerk AG GmbH and Climate Partner aims to develop high-quality projects focused on efficiently reducing greenhouse gas emissions. Additionally, the positive impact on biodiversity and local communities and their livelihoods is central. A comprehensive due diligence process ensures the high quality and con-crete implementation of the projects Our compensation portfolio excludes REDD+ projects. Rather, we are investing, for example, in two lighthouse projects in the field of agroforestry and reforestation in Brazil (Biriba) and South Africa (East-ern Cape). In order to achieve the goal of making our business operations CO2-neutral by 2030 at the latest, we want to reduce our gross emissions by 70% by 2030 compared to the base year 2021 through CO2 avoidance and reduction, and offset una-voidable residual emissions through offsets. For more than 15 years, Volkswagen Financial Services has been working together with Naturschutzbund Deutschland e.V. (NABU) to protect and restore peatlands. Peatlands play a crucial role in both climate protection and biodiversity. So far, Volkswagen Financial Services has invested around seven million euros in peatland protection projects. Additionally, Volkswagen Financial Services is involved in the restoration of rivers – for example, in the Schunteraue in Braunschweig, the Aller near Verden, and the Dosse and Temnitz in Brandenburg. The goal is to restore the original course of the rivers that have often been straightened, allowing typical species and habitat diversity to return.

(d)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks	Volkswagen Bank GmbH Group only grants financing for corporate customers after an accompanying ESG risk assessment. ESG risks are assessed in the Front Office and Back Office departments. The integration of ESG aspects in lending procedures started initially in 2022 in dealer business and became an integral part of the identification of ESG risks for all corporate customers in risk-relevant business in 2023. Several ESG instruments were included in the lending and decision-making processes. The entire implemented ESG instruments follow international standards, e.g. set by the UN Sustainable Development Goals (UN SDG's) and EU Taxonomy Regulation.

For financing business within the Volkswagen Bank and its branches an ESG questionnaire entitled "ESG-Scoring light" was introduced in 2022.
For leasing business within the Volkswagen Leasing GmbH, an sub-ordinated daughter of VW Bank GmbH an external ESG-Score was introduced in 2024.
Following perspectives are covered in both ESG scoring-instruments:

> 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" for financing business is not a self-evaluation performed only by the corporate customer. In accordance with our commitment to supporting corporate customers on their transformation journeys, the Front Office staff use the questionnaire as an opportunity for initiating close sustainability talks with corporate customers on ESG matters and on their future orientation and transformation towards a sustainability strategy. This is used as a basis for calculating an ESG score. Potential findings and insights from these sustainability talks may find their way into corporate customers' transformation processes. The "ESG-Scoring light" is carried out on an annual basis or when changes during the year become known and became an integral part of the credit documentation. 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 total scores, and score results for the pillars "Environmental", "Social" and "Governance". 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 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 the Volkswagen Leasing GmbH.

Additionally, as part of the corporate analysis performed by the Back Office departments, the credit analysts comment on the "ESG key questions" in the form of a further standardized questionnaire, which is included in the credit documentation, voting as a key assumption and finally in the decision. The "ESG key questions" have the aim to identify potential impacts, i.e. to present the impact on corporate customers ESG risks. There are various questions on different pillars regarding "Environmental" (divided into physical and transition), "Social" and "Governance" must be commented on individually in case a significant impact has been identified. Moreover, results of the "ESG-Scoring light" or external ESG Score results are to be considered in the assessment of the "ESG key questions".

In addition, for large corporate customers related to ESG disclosure sustainability strategies or sustainability reports are considered within the credit departments to ensure further ESG related information.

Overall, the ESG due diligence process, which has been incorporated in the form of "ESG-Scoring light" and the external ESG-Score as well as the "ESG key questions", includes a discussion of critical issues with corporate customers, definition on remediation actions and the identification of supporting opportunities. The approach is to navigate corporate customers on their sustainability journey by being deeply embedded in the transformation over the next coming years. The monitoring of corporate customer's progress towards agreed mitigation actions is also one of the main key activities within the ESG due diligence process of Volkswagen Bank GmbH Group.

A sufficient ESG-lending policy that has been drawn up in connection with these ESG-instruments. They form a basis for employees' work and have been included in the German and European organization manuals. As part of the integration process, the Volkswagen Bank GmbH Group holds several internal conferences and training sessions for target groups for the three lines of defense, including Front Office, financial risk (Back Office) and internal audit. Environmental, Social and Governance Risks (ESG risks) The Volkswagen Bank GmbH 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 the year 2023 Volkswagen Bank GmbH Group incorporated the sectoral exclusion on controversial industries and business areas aside from predefined uses as the basis for new business decisions within corporate customer segment.

The entire Volkswagen Bank GmbH Group commits not to provide new loans outside the defined intended uses in the specified controversial industries and business areas. Financing provided to corporate customers that meet the defined intended uses 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 renovation, primarily for dealers
> Financing without a specific intended use ("Other") in line with the "Green Loan Framework" of Volkswagen Bank GmbH Group

The Volkswagen Bank GmbH Group classifies the following industries and 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
> Stem cell research, animal testing
> Pornography, brothels
> Gambling, including related development and marketing activities
> Tobacco products and e-cigarettes

The industries and business areas classified as controversial are evaluated annually or on an ad-hoc basis to reflect their dynamic development.

Within the Volkswagen Bank GmbH Group, 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 VW Group. In addition, a supplementary compliance policy supports compliance with the sustainability requirements of the VW Group in business relationships.
A binding code of conduct is also part of the Volkswagen Bank GmbH 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, anti-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.

(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	Volkswagen Bank GmbH Group is a direct and 100% subsidiary of Volkswagen Financial Services AG. The primary responsibility for all sustainability issues lies with the Board of Management of Volkswagen Financial Services AG and, derived from this, the Management Board of VW Bank GmbH. Accordingly, VW Bank's sustainability strategy was derived and adopted from VWFS's sustainability strategy. In order to advise on the Group's orientation and decision-making on sustainability aspects, Volkswagen Financial Services AG relies on the active involvement of various management levels. For their part, the Board of Management and the Chief Representative for Human Resources and Organization of Volkswagen Financial Services AG have made a voluntary commitment to anchor the strategic sustainability goals, in which each sustainability goal is assigned to a board of directors as godparents. This ensures that the material aspects of the sustainability strategy are taken into account in all board decisions. The board sponsor has accepted the sustainability goals and KPIs (Key Performance Indicators) including interim targets. These goals and KPIs are monitored in an ongoing process, whereby they are constantly readjusted in cooperation with the corporate strategy and board sponsors and the associated initiatives are examined. The sustainability issues introduced by the specialist functions and the "Strategy & Sustainability" organizational unit to the Executive Board are integrated into the reporting of the Executive Board to the Supervisory Board. Additionally the position of VW Bank's Chief Sustainability Officer connects the management of VW Bank GmbH and the management board of Volkswagen Financial Services AG. This entrenches the management relevance of sustainability at the highest decision-making level of Volkswagen Bank GmbH and simultaneously creates the basis for driving forward ESG initiatives on a Group-wide basis and across individual business units. The Chief Sustainability Officer is, for example, responsible for aspects of the ESG taxonomy, corresponding definitions and Volkswagen Bank GmbH Group`s overall ESG strategy. In addition, he sets the framework for consistent and comprehensive reporting and ensures that regulatory and market developments touching on ESG matters are monitored and that, where necessary, preliminary impact and gap analyses are initiated. The sustainability strategy of the Volkswagen Bank GmbH is managed on the basis of concrete KPIs and target values for the year 2030 (see 1 (b) above). This control was integrated into the established strategy cycle and planning process. As part of the annual strategy calendar, the strategic goals and KPIs are reported, discussed with relevant stakeholders and corrective measures are decided if necessary. Since 2024, the KPIs of the "nature" dimension, i.e. the CO2 emission targets (portfolio and operational emissions), have been integrated into our planning round process as top KPIs. This means that they are planned with annual targets in the respective planning rounds for the next 5 financial years and reported quarterly as part of the forecasting process. The Strategy Jour Fixes, which take place several times a year, report in detail on the development of the respective strategic annual goals as well as on the strategic top KPIs. Within the annual strategy review, it is important to discuss relevant influences on the strategy with the help of environmental analyses and, if necessary, to define appropriate countermeasures. To steer environmental risk factors within VW Bank GmbH, its management body establishes a risk culture, sets an appropriate risk appetite, derived from the sustainability business strategy, and implements a strong internal control framework, considering also ESG risks. The risk appetite framework integrates ESG goals into the risk management system, which are based on the ESG-risk drivers and their respective transmission channels identified as described in section 1 (j). ESG risks are incorporated into existing risk categories and existing responsibilities of the management body and its committees (see section 1 (f)). The management's knowledge of these risks is assessed and regularly trained.
(f)	Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions	As described in 1(e), the ultimate responsibility for all sustainability issues lies with the management board of Volkswagen Bank GmbH (Group) and the managing directors of its subsidiaries/branches. It decides on the business and risk strategy as well as on the results of the planning round and is therefore a major component of the strategy cycle and planning process. The Volkswagen Bank GmbH Group has established the position of Sustainability Officer as connection to the manage-ment and incorporated ESG risks step by step as an integral part of its risk management framework. Given the interde-pendencies with all other types of risk, ESG risks have also been included in the current governance structure and in committee/line responsibility. For further details see 1 (e) and 1 (g).
(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	The Volkswagen Bank GmbH Group has incorporated ESG risks as an integral part of internal governance arrangements in risk management, such as the risk strategy, risk measurement, limitation, monitoring and management. Given the interdependencies with all other types of risk, ESG risks have been included in the current governance structure and in committee/line responsibility. This avoids a duplication of structures and also involves all employees in ESG matters in their existing roles. As a major part of internal governance arrangement, corporate steering department draws up group policies for corporate sustainability and designs the institution's ESG strategy. Risk management department draws up the ESG risk strategy together with corporate sustainability 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 implemented and 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 are 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, VW 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 VW 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) Committee, 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 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 an essential role in managing various aspects of risk within the organization by including members of the board of management of VW Bank GmbH Group according to their functional responsibilities as well as decision-makers from responsible business lines, ensuring that both financial and ESG considerations are integrated into relevant processes.

(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.
(i)	Alignment of the remuneration policy with insti-tution's environmental risk-related objectives	The ESG factor introduced in the 2023 financial year as a multiplier for the annual bonus is composed in equal parts of the components of the decarbonisation 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 CO2 emis-sions 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 (CO2) emissions in order to create a CO2-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 kilometre on the road and from deregistration to recycling.
(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. Climate and environmental risks in particular dominate sustainability risks, but social risks and governance risks are also considered when ESG risks are identified, evaluated and managed. 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 polit-ical, technological, legal or economic conditions. They tend to reflect the ways in which companies respond to change and adapt. For example, new legislation and regulatory requirements pertaining to environmental and climate protection may influence companies' operations or, if consumers increasingly seek sustainable products and services, companies that are unable to respond sustainably may lose market share. 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 the Bank'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 assessment is part of the annual risk inventory in order to define material risks within Volkswagen Bank GmbH Group and takes the results of the previous climate stress test into account, which enables a quantitative assessment of relevant ESG risk drivers in the medium- and the 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 rooted within the Risk Appe-tite Framework and the ESG-specific risk appetite is expressed in thresholds or targets depending on the specific KRIs, 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). A climate stress-testing framework has been developed and provides for the standardized integration of climate and envi-ronmental risks in the stress testing program in order to get 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 therefore 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 the first half of 2024 on this basis. It identified possible effects on the Volkswagen Bank GmbH Group'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 addition, the hypothetical, adverse effects of flooding as a phys-ical risk on the loan portfolio were considered in a sensitivity analysis. These were found to remain within the scope that had previously been identified in standard sensitivity analyses already being performed on a regular basis. Regular ESG related sensitivity analyses were also conducted within operational and funding risks, with the results incorporated in the current risk inventory and capital resources.
(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 "the direct emissions of our portfolio will be climate-neutral on the balance sheet by 2030 at the latest". On the one hand, the procedure for the object view according to the PCAF standard and on the other hand the counterparty view analogous to the ECB climate stress test is described. The distinc-tion between these views is based on the different requirements of the addressees, such as disclosure or risk manage-ment. To achieve carbon-neutral business operations by 2030 at the latest, we have implemented an environmental compliance management system (ECMS) in accordance with the DIN EN ISO 14001 and the auditing standard for compliance man-agement 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).
(l)	Processes to identify, measure and monitor activities and exposures (and collateral where ap-plicable) sensitive to envi-ronmental 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 (materiality assessment). A general risk assessment is performed for less relevant risk types. 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 Management Board's existing annual inventory process. 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 Table 48. From the perspective of Volkswagen Bank GmbH Group, automotive financing Group entails mobile assets, for which physical hazards are not a dominant risk driver and therefore play only a subordinate role in the alignment of its business policy. Even so, physical risks are included in risk management. 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. Social and governance risks are not considered to be material for most of 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 in-tegration of ESG into bank`s reporting (section 1 (h)).
(m)	Activities, commitments and exposures contributing to mitigate en-viron-mental 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 hand, the Volkswagen Group's mobility transition towards e-mobility is to be supported in the best possible way by attractive leasing offers for battery electric vehicles (BEVs) to retail and corporate customers. On the refinancing side, the mobility turnaround is supported by the issuance of green bonds. The aim here is to align refinancing as a whole more closely with sustainability criteria in the future. Volkswagen Bank GmbH is also making great efforts in its own operations to achieve extensive CO2 neutrality on the balance sheet and to avert physical hazards from acute environmental damage. Environmental protection measures such as reducing energy, water and paper consumption, CO2 emissions and waste generation are pursued with high priority. In addition, potential hazards for employees, buildings or technology and their safeguards, especially from environmental influences, are continuously examined and included in impact analyses in order to define any countermeasures and, if necessary, implement them. 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).
(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).

(o)	Results and outcome of the risk tools imple-ment-ed and the esti-mated im-pact of en-vironmental risk on ca-pital and liquidity risk profile	Results and outcome of the risk tools implemented are described within 1 (j) and 1 (l).
(p)	Data availability, quality and accuracy, and ef-forts 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 have been implemented to derive relevant data points (e.g. labelling of customers who are assigned to the top 20 polluters or who are not aligned with the requirements of the Paris Climate Agreement). 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 govern-ance issues and specifies additional specific requirements for dealing with these issues within the Group.
(q)	Description of limits to environmental risks (as drivers of prudential risks) that are set, and trigger-ing escalation and exclu-sion in the case of breaching these limits	Limits as well as escalation processes are described within 1 (b) and 1 (g). In addition, exclusion criteria are listed within 1 (d).
(r)	Description of the link (transmission channels) between environmental risks with credit risk, li-quidity and funding risk, market risk, operational risk and reputational risk in the risk manage-ment framework	Transmission channels for material risk types within VW FS AG are described within 1 (l).

TABLE 30: QUALITATIVE INFORMATION ON BUSINESS RISKS (IN ACCORDANCE WITH ARTICLE 449A OF THE CRR)

Row number		Qualitative information - Free format
(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	The Volkswagen Bank GmbH Group offers a wide range of direct banking products, including financing and leasing vehicles from all brands of the VW Group, as well as savings and investment products, credit cards, and current accounts. However, most of the Volkswagen Bank GmbH Group'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. The Volkswagen Bank GmbH Group recognizes its economic and social responsibility as a financial institution and has incorporated the "Green Loan Framework" to promote and define sustainable financing. The strategic goal of the Volkswagen Bank GmbH Group is to drive the transition to emission-free mobility. The "Green 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, the Volkswagen Bank GmbH Group has implemented the "ESG-Scoring light" for financing business and external ESG-Scores for leasing business as well as corresponding "ESG key questions" within the credit process to assess the sustainability of corporate customers. This enables the Volkswagen Bank GmbH Group to support corporate 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 the Volkswagen Bank GmbH Group, 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 VW Group. In addition, a supplementary compliance policy supports compliance with the sustainability requirements of the VW 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, anti-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 Against this background, the Volkswagen Bank GmbH Group has implemented a sectoral exclusion list for credit approvals, which excludes financing to high-risk corporate 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.
(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.
(c)	Institution's integration in governance arrangements of the governance performance of their counterparties including:	(i) Criteria to exclude harmful and controversial industries / business area are defined in 1 (d). (ii) The Volkswagen Bank GmbH Group has incorporated ESG risks step by step as an integral part of its risk management framework as described in 1 (j). (ii, iii – vi) The Volkswagen Bank Group 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 interest 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 play a significant role in the "ESG-Scoring light", within the external ESG Score results as well as in the assessment of the "ESG key questions" . 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. 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.
(i)	Ethical considerations	
(ii)	Strategy and risk management	
(iii)	Inclusiveness	
(iv)	Transparency	
(v)	Management of conflict of interest	
(vi)	Internal communication on critical concerns	
(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

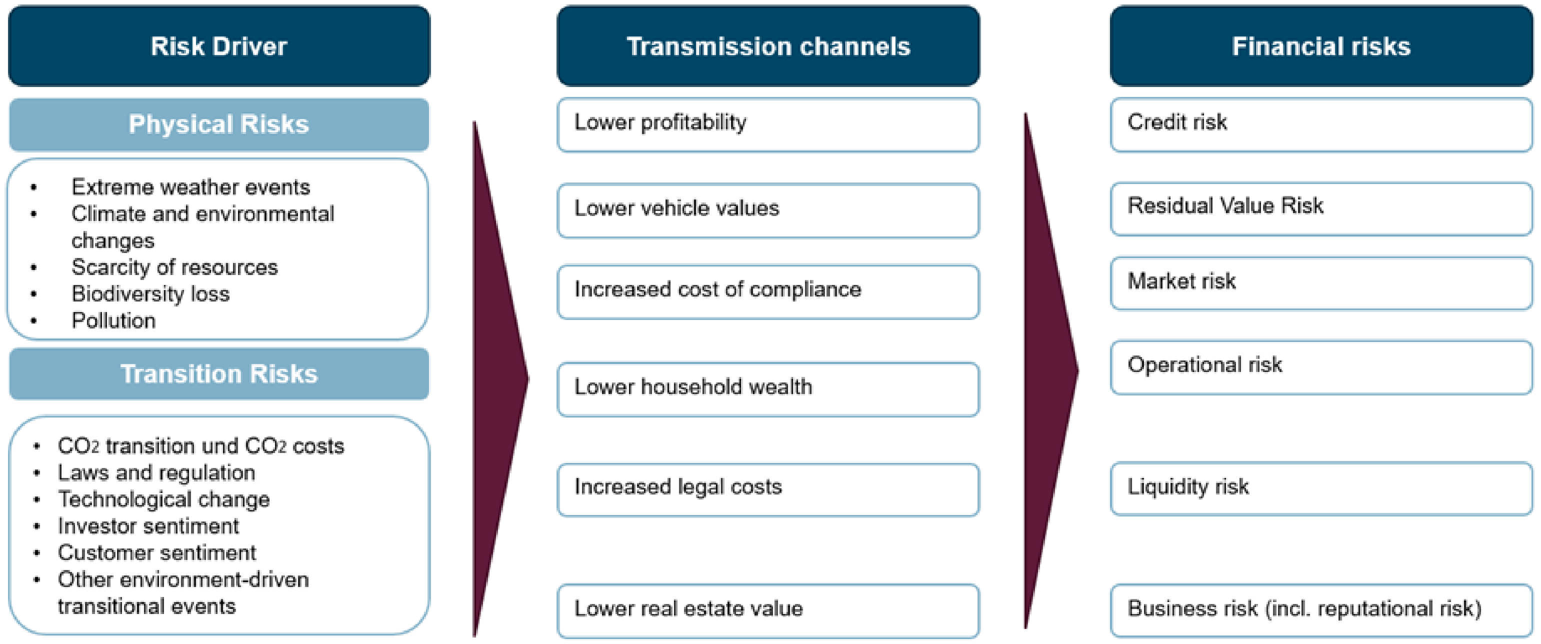

Figure 1: Risk drivers, transmission channels and financial impact

TABLE 31: RISK TYPES

Risk type	Transmission channel for physical risks (based on climate and environmental risks)	Transmission channel for transitory risks (based on climate and environmental risks)
credit risk risk	Natural disasters such as droughts, floods or storms are increasing in frequency under different climate scenarios, causing significant economic damage to homes and cars, which would result in rising repair costs or total loss of assets. The solvency of counterparties would be adversely affected, particularly those operating in sectors heavily dependent on natural resources or in particularly vulnerable locations. The risk of increasing car damage could be mitigated by (car) insurance. Environmental changes and resource scarcity can lead to rising costs for car repairs and negatively impact supply chains.	The solvency and the assets of counterparties could be adversely 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 mean rising fuel costs. The EU regulation to only allow CO_2-free new cars from 2035 can result in a possible decrease in the collateral values of used cars.
residual value risk		The prices of used cars with combustion engine technologies could be affected by the transition to a zero-emission economy, e.g. by increasing the CO2 tax and additional costs for emission certificates. Differences in European markets help to mitigate/compensate for any impact. The discussion and a possible introduction of driving bans of ICEs in inner cities of major European cities impairs the attractiveness of these vehicles with a tendency to have rather negative effects on the residual values of ICEs (opposite effects on the residual values of BEVs).
interest rate risk/other market price 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		Evolving consumer preferences could negatively impact deposits and result in higher funding costs for the Group. The enforcement of new regulatory frameworks and stricter CO_2 guidelines could affect the value of securities, which could lead to the posting of additional collateral.
operational risk	Severe weather events could affect the business continuity ability of the bank and its outsourcing. The well-being of employees and their ability to work and enter premises could be affected.	Legal risks can result in liability claims in the event of non-compliance with laws and regulations in the climate context.
business risk		Customer demand may change due to future regulations. This could lead to higher demand for electric cars with lower demand for used combustion cars.

TABLE 32: OBJECTIVES OF THE NH STRATEGY AND KPIS

Ziel	KPI	Zielwert KPI 2030
The direct emissions of our portfolio are net CO2-neutral by 2030 at the latest	Net-emissions in t CO2	0t
Our business operations are net CO2-neutral by 2030 at the latest	Net-emissions in t CO2	0t
We are committed to diversity and inclusion	Women in Management	0t
We strive for an excellent employee experience and high-performing teams	Ø training hours per employee	32%
We make a sustainable contribution to society	TBD 2025	30h
The protection of our data is our highest priority	100% of ISO 27001 requirements are certified	
We are driving the change to sustainable mobility	BEV New-Car-Business Penetration	100%
We are increasing our share of sustainable funding on the capital market	Share of Green Bonds	80%

TABLE 33: KEY RISK INDICATORS

KRI	Objective / Further Explanation	Limits
Intensity of CO_2 emissions from financed/leased vehicles	Monitoring the reduction of average vehicle emissions.	Intensity does not increase compared to previous year.
CO_2 footprint of business operations and IT	Identification of activities with the highest CO_2 emissions and derivation of possible savings and efficiency measures.	Net CO2-neutral by 2030
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.

QUANTITATIVE REPORTING

TABLE 34: 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 counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
	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						
1	**Exposures towards sectors that highly contribute to climate change***	**28.504,10**	**796.5**	**N/A**	**17.651,23**	**959,48**	**-923,14**	**-385,61**	**-401,44**	**42,603,588.2**	**38,677,307.0**	**0.0**	**26.737,32**	**304,42**	**420,95**	**1.041,41**	**1**
2	A - Agriculture, forestry and fishing	111,34	0.0	N/A	81,30	4,31	-5,18	-2,29	-2,68	38,108.1	12,242.7	0.0	107,61	3,73	,00	,00	2
3	B - Mining and quarrying	28,59	7.1	N/A	25,94	,39	-,76	-,41	-,26	13,297.6	4,068.8	0.0	28,38	,21	,00	,00	2
4	B.05 - Mining of coal and lignite	,99	1.0	N/A	,48	,00	-,01	,00	,00	390.3	260.4	0.0	,99	,00	,00	,00	2
5	B.06 - Extraction of crude petroleum and natural gas	2,99	3.0	N/A	2,83	,02	-,09	-,08	,00	1,061.8	264.4	0.0	2,99	,00	,00	,00	2
6	B.07 - Mining of metal ores	,25	0.0	N/A	,18	,00	,00	,00	,00	166.5	126.4	0.0	,25	,00	,00	,00	1
7	B.08 - Other mining and quarrying	20,40	0.0	N/A	18,79	,16	-,51	-,25	-,17	10,163.5	3,022.8	0.0	20,19	,21	,00	,00	2
8	B.09 - Mining support service activities	3,96	4.0	N/A	3,65	,21	-,15	-,08	-,08	1,515.5	394.8	0.0	3,96	,00	,00	,00	2
9	C - Manufacturing	3.346,69	15.6	N/A	3.059,96	69,61	-96,14	-63,87	-31,38	1,724,530.8	701,763.2	0.0	3.338,51	7,88	,29	,00	1
10	C.10 - Manufacture of food products	172,80	0.0	N/A	149,98	4,04	-5,69	-3,29	-2,15	104,849.8	37,879.4	0.0	172,04	,76	,00	,00	2
11	C.11 - Manufacture of beverages	31,95	0.0	N/A	29,34	,39	-,61	-,46	-,13	23,824.8	7,988.0	0.0	31,35	,60	,00	,00	2
12	C.12 - Manufacture of tobacco products	,81	0.0	N/A	,76	,00	-,02	-,02	,00	1,713.8	293.6	0.0	,81	,00	,00	,00	1
13	C.13 - Manufacture of textiles	40,86	0.0	N/A	35,42	1,21	-1,51	-,89	-,63	20,403.6	7,167.2	0.0	40,79	,06	,00	,00	2
14	C.14 - Manufacture of wearing apparel	34,98	0.0	N/A	29,46	1,15	-1,38	-,44	-,89	20,479.3	9,248.4	0.0	34,41	,57	,00	,00	2
15	C.15 - Manufacture of leather and related products	9,34	0.0	N/A	7,32	,89	-,42	-,13	-,29	5,254.8	2,095.2	0.0	9,34	,00	,00	,00	2
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	82,57	0.0	N/A	69,32	1,66	-2,29	-1,55	-,75	32,147.1	10,504.4	0.0	82,00	,57	,00	,00	2
17	C.17 - Manufacture of pulp, paper and paperboard	42,94	0.0	N/A	40,48	,32	-,95	-,71	-,15	21,940.1	7,512.8	0.0	42,94	,00	,00	,00	2
18	C.18 - Printing and service activities related to printing	49,82	0.0	N/A	41,76	1,57	-1,53	-,82	-,66	18,990.9	8,664.0	0.0	49,72	,11	,00	,00	2
19	C.19 - Manufacture of coke oven products	12,59	12.2	N/A	12,55	,00	-,07	-,07	,00	7,335.8	3,004.6	0.0	12,39	,20	,00	,00	1
20	C.20 - Production of chemicals	107,75	0.0	N/A	101,05	2,18	-3,15	-2,13	-,98	85,522.1	32,463.5	0.0	107,57	,18	,00	,00	2
21	C.21 - Manufacture of pharmaceutical preparations	86,70	0.0	N/A	85,73	,33	-1,15	-1,03	-,13	52,557.6	22,612.4	0.0	86,70	,00	,00	,00	1
22	C.22 - Manufacture of rubber products	162,21	0.0	N/A	150,93	4,45	-4,26	-2,11	-2,18	87,319.8	33,285.7	0.0	161,76	,44	,00	,00	2
23	C.23 - Manufacture of other non-metallic mineral products	84,70	0.0	N/A	76,59	1,88	-1,94	-1,18	-,75	55,749.7	18,129.2	0.0	84,40	,30	,00	,00	2
24	C.24 - Manufacture of basic metals	71,35	3.3	N/A	59,65	2,73	-2,34	-1,12	-1,18	52,053.8	30,864.1	0.0	71,08	,27	,00	,00	1
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	474,83	0.0	N/A	424,27	9,88	-11,54	-6,92	-4,41	202,818.6	75,536.5	0.0	473,21	1,32	,29	,00	2
26	C.26 - Manufacture of computer, electronic and optical products	240,89	0.0	N/A	230,69	3,19	-5,18	-3,30	-1,79	165,322.0	75,500.4	0.0	240,70	,19	,00	,00	1
27	C.27 - Manufacture of electrical equipment	198,24	0.0	N/A	183,11	8,22	-5,70	-3,22	-2,56	111,091.1	45,575.0	0.0	198,16	,08	,00	,00	2
28	C.28 - Manufacture of machinery and equipment n.e.c.	562,96	0.0	N/A	530,11	14,20	-14,08	-8,76	-5,47	308,025.7	107,610.5	0.0	562,62	,34	,00	,00	2
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	473,46	0.0	N/A	450,35	2,37	-19,95	-18,39	-1,29	137,498.1	86,187.0	0.0	473,25	,21	,00	,00	
30	C.30 - Manufacture of other transport equipment	37,83	0.0	N/A	34,75	1,70	-1,48	-1,03	-,64	27,405.3	11,421.6	0.0	37,75	,08	,00	,00	1

	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 counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
	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						
31	C.31 - Manufacture of furniture	50,85	0.0	N/A	44,63	1,22	-1,77	-,93	-,88	28,247.3	8,338.0	0.0	50,15	,69	,00	,00	2
32	C.32 - Other manufacturing	155,67	0.0	N/A	138,97	2,64	-3,69	-2,16	-1,42	72,559.1	26,818.0	0.0	155,37	,30	,00	,00	2
33	C.33 - Repair and installation of machinery and equipment	160,61	0.0	N/A	132,74	3,38	-5,43	-3,21	-2,04	81,420.6	33,063.6	0.0	159,99	,62	,00	,00	2
34	D - Electricity, gas, steam and air conditioning supply	150,15	150.2	N/A	122,00	6,47	-4,44	-2,28	-1,66	77,563.8	47,505.2	0.0	149,15	1,01	,00	,00	2
35	D35.1 - Electric power generation, transmission and distribution	130,97	131.0	N/A	103,69	6,35	-3,98	-1,91	-1,59	30,025.1	20,497.6	0.0	130,26	,71	,00	,00	2
36	D35.11 - Production of electricity	68,22	68.2	N/A	59,12	4,81	-2,66	-1,16	-1,52	36,335.4	21,267.6	0.0	67,52	,71	,00	,00	2
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	12,15	12.2	N/A	11,61	,09	-,33	-,26	-,05	7,085.1	3,546.8	0.0	11,99	,15	,00	,00	2
38	D35.3 - Steam and air conditioning supply	7,03	7.0	N/A	6,69	,02	-,12	-,11	-,01	4,118.2	2,193.2	0.0	6,89	,15	,00	,00	2
39	E - Water supply; sewerage, waste management and remediation activities	180,62	0.0	N/A	166,67	2,82	-4,78	-3,54	-1,13	81,290.4	28,506.4	0.0	173,94	6,68	,00	,00	2
40	F - Construction	2.392,04	0.0	N/A	1.852,39	113,34	-120,27	-47,18	-70,00	818,850.8	330,056.7	0.0	2.367,22	20,91	3,08	,84	2
41	F.41 - Construction of buildings	389,78	0.0	N/A	298,82	22,13	-20,59	-7,61	-12,45	195,756.5	101,358.8	0.0	383,71	2,16	3,08	,84	2
42	F.42 - Civil engineering	231,91	0.0	N/A	192,97	9,01	-9,26	-3,65	-5,33	89,014.3	26,959.4	0.0	228,94	2,97	,00	,00	2
43	F.43 - Specialised construction activities	1.770,35	0.0	N/A	1.360,60	82,21	-90,42	-35,92	-52,22	534,080.0	201,738.6	0.0	1.754,57	15,78	,00	,00	2
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	19.642,76	581.0	N/A	10.624,73	560,41	-443,25	-194,59	-171,20	38,530,694.4	37,185,646.9	0.0	18.347,37	156,31	102,34	1.036,74	1
45	H - Transportation and storage	1.481,68	42.7	N/A	1.145,27	152,44	-134,31	-49,65	-84,45	975,844.2	176,637.3	0.0	1.428,71	52,46	,00	,51	2
46	H.49 - Land transport and transport via pipelines	833,79	28.6	N/A	620,78	94,42	-79,49	-25,29	-53,47	420,255.2	62,417.3	0.0	787,32	46,47	,00	,00	3
47	H.50 - Water transport	23,80	14.3	N/A	11,00	,05	-,32	-,26	-,02	38,086.8	34,433.5	0.0	23,71	,08	,00	,00	1
48	H.51 - Air transport	42,20	0.0	N/A	38,63	1,28	-1,60	-,94	-,64	16,567.7	7,447.2	0.0	42,19	,02	,00	,00	1
49	H.52 - Warehousing and support activities for transportation	497,14	1.4	N/A	422,94	37,61	-38,66	-19,69	-19,20	458,390.3	64,630.0	0.0	491,50	5,61	,00	,03	2
50	H.53 - Postal and courier activities	84,75	0.0	N/A	51,92	19,08	-14,23	-3,47	-11,11	42,544.2	7,709.2	0.0	84,00	,28	,00	,47	2
51	I - Accommodation and food service activities	303,86	0.0	N/A	210,51	15,03	-18,46	-9,19	-8,23	95,803.2	47,478.9	0.0	300,33	3,53	,00	,00	2
52	L - Real estate activities	866,36	0.0	N/A	362,46	34,66	-95,57	-12,60	-30,45	247,604.9	143,401.0	0.0	496,10	51,69	315,24	3,32	8
53	**Exposures towards sectors other than those that highly contribute to climate change***	**8.866,84**	**0,000**	**N/A**	**7.108,03**	**263,38**	**-385,26**	**-213,18**	**-143,93**	**X**	**X**	**X**	**8.712,93**	**47,63**	**12,35**	**93,93**	**2**
54	K - Financial and insurance activities	,00	0,000	N/A	,00	,00	,00	,00	,00	X	X	X	,00	,00	,00	,00	
55	Exposures to other sectors (NACE codes J, M - U)	8.866,84	0,000	N/A	7.108,03	263,38	-385,26	-213,18	-143,93	X	X	X	8.712,93	47,63	12,35	93,93	2
56	**TOTAL**	**37.370,95**	**796.5**	**N/A**	**24.759,26**	**1.222,86**	**-1.308,39**	**-598,78**	**-545,36**	**42,603,588.2**	**38,677,307.0**	**0.0**	**35.450,25**	**352,05**	**433,31**	**1.135,34**	**1**

* 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 33 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[8] 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 2.80% in the case of nonfinancial corporates, with the total coming to only 2.14%.

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.

[8]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 35: 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	5.5	0.00%	N/A	4	7

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

Table 34 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 36: 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	*96,737*	*Average grams of CO2 per km: 129.41*	*30/06/2025*	*22.1*	*Not reported due to VW FS AG restructuring.*	
2	Automotive		*8,579*	*Average share of low carbon technologies: 22.7%*	*30/06/2025*	*-64,5%*	*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 35 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 37: 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	111,3	107,6	3,7	0,0	0,0	2	14.3	26.6	5.3	81,3	4,3	-5,2	-2,3	-2,7
2	B - Mining and quarrying	28,6	28,4	0,2	0,0	0,0	2	1.0	5.7	0.3	25,9	0,4	-0,8	-0,4	-0,3
3	C - Manufacturing	3346,7	3338,5	7,9	0,3	0,0	1	265.0	566.1	91.4	3,060.0	69,6	-96,1	-63,9	-31,3
4	D - Electricity, gas, steam and air conditioning supply	150,1	149,1	1.0	0,0	0,0	2	16.0	27.4	0.9	122.0	2,8	-4,4	-2,3	-1,7
5	E - Water supply; sewerage, waste management and remediation activities	180,6	173,9	6,7	0,0	0,0	3	11.1	40.8	4.4	166,7	2,8	-4,8	-3,5	-1,1
6	F - Construction	2392,0	2367,2	20,9	3.0	0,8	2	186.4	543.6	71.5	1852,4	113,3	-120,3	-47,2	–70.0
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	19642,8	18347,4	156,3	102,3	1036,7	1	1,241.7	4,056.7	432.8	10624,7	560,4	-443,2	-194,6	-171,2
8	H - Transportation and storage	1481,7	1428,7	52,5	0,0	0,5	2	148.0	366.4	54.8	1145,3	152,4	-134,3	-49,6	-84,5
9	L - Real estate activities	866,4	496,1	51,7	315,2	3,3	8	61.9	183.2	17.5	362,4	34,7	–95.6	-12,6	-30,4
10	Loans collateralised by residential immovable property	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	Loans collateralised by commercial immovable property	0,0	0,0	0,0	0,0	0,0	0	17,3	186,2	13,7	0,0	0,0	0,0	0,0	0,0
12	Repossessed colalterals	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	Other relevant sectors (breakdown below where relevant)	8866,8	8712,9	47,6	12,3	93,9	2	666.9	1,972.6	193.5	7108,0	263,4	-385,3	-213,2	-143,9

Table 36 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.

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 38: 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	151,507.1
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	–427.1
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)	–1.2
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	1,964.2
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)	11,704.6
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	–7.3
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	–316.6
13	**Total exposure measure**	**164,423.7**

The following table provides an overview of the individual components of the total exposure measure and compares the current reporting period with December 31, 2024.

TABLE 39: EU LR2 – LRCOM – LEVERAGE RATIO COMMON DISCLOSURE

		CRR LEVERAGE RATIO EXPOSURES	
		a	b
	in € millions	Jun 30, 2025	Dec 31, 2024
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	150,718.6	138,893.8
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)	–165.4	–152.8
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**150,553.2**	**138,741.0**
Risikopositionen aus Derivaten			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	1,174.6	700.7
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	991.3	966.6
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**	**2,165.9**	**1,667.3**
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	14,737.4	21,243.0
20	(Adjustments for conversion to credit equivalent amounts)	–3,032.8	–8,079.0
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	11,704.6	13,163.9
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, 2025	Dec 31, 2024
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	20,899.1	18,350.2
24	**Total exposure measure**	**164,423.7**	**153,572.2**
Leverage ratio			
25	Leverage ratio (%)	12.71%	11.95%
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans) (%)	12.71%	11.95%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	12.71%	11.95%
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-27	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)	164,423.7	153,572.2
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)	164,423.7	153,572.2
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)	12.71%	11.95%
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)	12.71%	11.95%

The leverage ratio excluding the impact of any temporary exclusions for central bank reserves stands at 12.71% 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 40: 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:	150,718.6
EU-2	Trading book exposures	0.0
EU-3	Banking book exposures, of which:	150,718.6
EU-4	Covered bonds	220.9
EU-5	Exposures treated as sovereigns	13,895.6
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	101.8
EU-7	Institutions	953.7
EU-8	Secured by mortgages of immovable properties	2,950.1
EU-9	Retail exposures	44,702.7
EU-10	Corporates	44,217.8
EU-11	Exposures in default	2,308.3
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	41,367.7

2 As a non-trading book institution, Volkswagen Bank GmbH has on-balance-sheet exposures of €150.7 billion that are held solely in the banking book. At 29.7%, retail risk exposures of €44.7 billion constitute the largest item.

Contact Information

Published by
Volkswagen Bank GmbH
Gifhorner Straße 57
38112 Braunschweig
Telephone + 49 (0) 531 212-0
info@Volkswagenfs.com
www.Volkswagenfs.de

Investor Relations
Telephone + 49 (0) 531 212-30 71
ir@Volkswagenfs.com

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