



Announcement of Periodic Review: Moody's Ratings announces completion of a periodic review of ratings of Volkswagen Bank GmbH

16 Oct 2025

Frankfurt am Main, October 16, 2025 -- Moody's Ratings (Moody's) has completed a periodic review of the ratings of Volkswagen Bank GmbH (VW Bank) and other ratings that are associated with this issuer.

The review was conducted through a rating committee held on 10 October 2025 in which we reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), and recent developments.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Please see the Issuer page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Key Rating considerations and rationale are summarized below.

VW Bank's ratings reflect its baa3 Baseline Credit Assessment (BCA), two notches of uplift from affiliate support by its ultimate parent Volkswagen Aktiengesellschaft (Volkswagen, Baa1 stable) resulting in a baa1 Adjusted BCA, and the results of our Advanced Loss-Given-Failure (LGF) analysis, which provide three notches of uplift to the bank's deposit and senior unsecured debt ratings.

We consider VW Bank an affiliate-backed entity, reflecting its strong operational and brand linkage to its ultimate parent Volkswagen, its strategic importance for the distribution of Volkswagen vehicles, and the formal commitment of Volkswagen through an indirect control and profit and loss transfer agreement via Volkswagen Financial Services AG. This results in an Adjusted BCA of baa1, aligned with Volkswagen's long-term issuer rating.

VW Bank's baa3 BCA reflects the execution of its reorganization strategy in line with expectations, including an increased focus on leasing operations and the continued build-up of its online deposit franchise. The bank's profitability is solid, but tightly linked to the sales performance of its carmaker parent in the face of a negative outlook for the global automotive industry. The bank's sound capitalization is a key mitigant against growing credit and residual value risks stemming from increasing volumes in both financing and leasing. The baa3 BCA also captures the bank's solid liquidity buffers and expanding online deposit franchise, which mitigates risks associated with the bank's more confidence-sensitive market funding.

The outlook on VW Bank's long-term deposit and issuer ratings and VW Leasing's senior unsecured debt rating remains negative. It reflects the remaining uncertainty regarding the future resolution perimeter and the respective issuance of MREL-eligible liabilities, which will only become final as and when the authorities have carried out the first regular Public Interest Assessment (PIA) for the new structure of VW's EU financial services captives.

This document summarizes our view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Banks published in November 2024. Please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

VW Bank's Assigned BCA of baa3 is set three notches below its Financial Profile initial score of a3 to reflect the

challenges the bank faces in executing its strategic targets amid an uncertain macroeconomic environment. These challenges exert downward pressure on asset risk and capital in the combined solvency and on the funding structure score. Additionally, the Assigned BCA of baa3 reflects a one-notch downward adjustment to capture VW Bank's undiversified business model, which stems from its captive finance origin and classification as a monoline bank focused on automotive financing.

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