

Volkswagen Bank GmbH

October 16, 2025

Ratings Score Snapshot

SACP: bbb+			Support: 0		Additional factors: 0	
Anchor	bbb+		ALAC support	0	Holding company ICR BBB+/Stable/A-2	
Business position	Moderate	-1	GRE support	0		
Capital and earnings	Very Strong	2	Group support	0		
Risk position	Adequate	0	Sovereign support	0		
Funding	Moderate	-1				
Liquidity	Adequate					
CRA adjustment		0				

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Core subsidiary of Volkswagen Financial Services AG with integral integration into Volkswagen AG's (VW's) captive finance value chain, with clear strategic objectives.	Monoline business model with dependence on VW AG's franchise, reputation, and credit profile.
Very strong capitalization and sound earnings base.	Business and earnings concentration on car financing, leasing, and related mobility services.
Broad business diversification across European markets with 65% dominance in Germany.	Increased dependence on wholesale funding markets following integrating leasing business.

Volkswagen Bank GmbH's (VW Bank's) integral role in and business support for VW's "MOBILITY2030" captive finance strategy are reinforced by VW's reorganizations in mid-2024.

VW completed the reorganization of its captive finance entities on July 1, 2024, aligning its newly created Volkswagen Financial Services AG (VWFS Europe) with its core subsidiary, VW Bank GmbH, for its European regulated captive finance business. VW also renamed its international non-European businesses Volkswagen Financial Services Overseas AG (VWFS Overseas; known as

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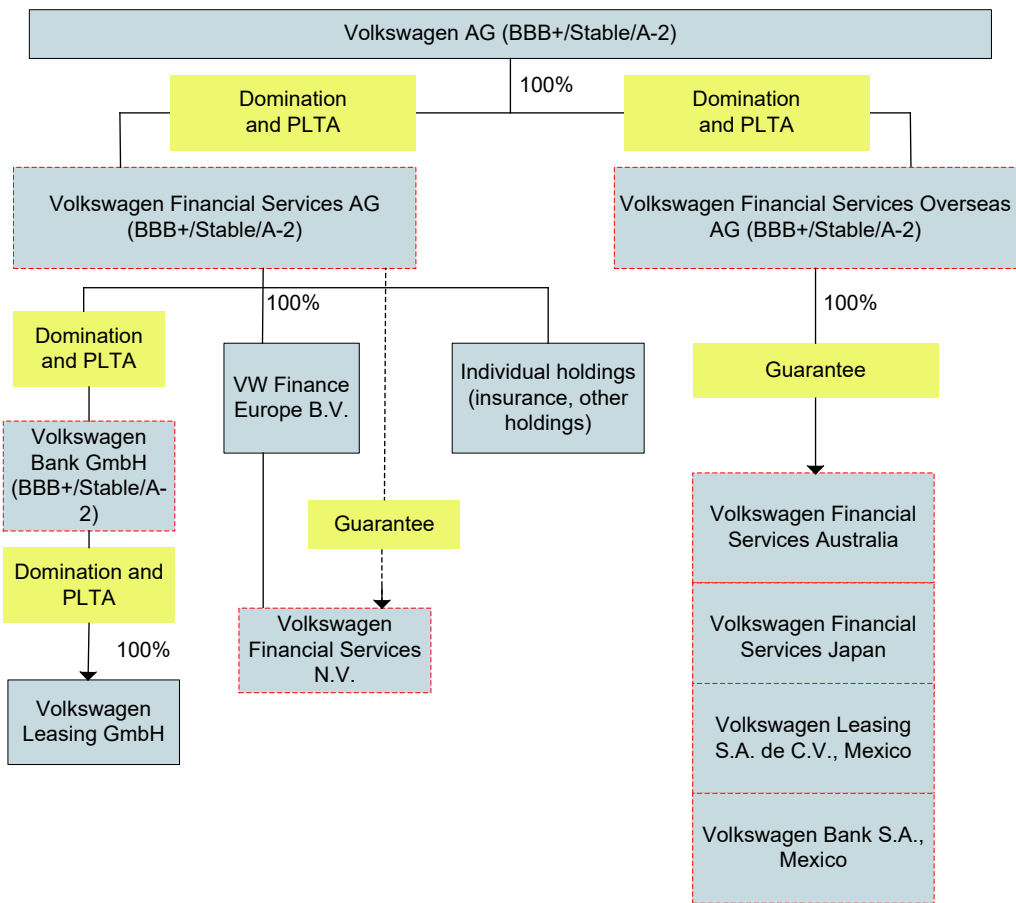
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Volkswagen Financial Services AG before July 1, 2024). Existing profit-and-loss transfer agreements and guarantees affecting the various entities in VW's captive finance business were grandfathered and legally adjusted to VW's organizational setup since mid-2024 and are ultimately directed toward VW as the most-senior parent company. We expect VW, one of the world's largest auto manufacturers, would support its fully owned VWFS Europe, including VW Bank, as well as VWFS Overseas under any foreseeable circumstances, if needed, considering their very high strategic importance.

VW’s reorganized captive finance entities



PLTA--Profit and loss transfer agreement. Source: S&P Global Ratings.
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Under its "MOBILITY2030" captive finance strategy, we anticipate VWFS Europe, its core subsidiary VW Bank, and VWFS Overseas to further strengthen their key role as mobility service provider within the long-term "Volkswagen New Auto Strategy." We consider VW Bank and its financial services affiliates integral to VW group's refreshed strategy, which is to further develop a comprehensive platform for optimized VW AG group customer access to mobility along

all vehicle cycles, from car sharing to car subscriptions, leasing, and European vehicle-on-demand offerings. This further expands VW's captive finance entities' role to provide financial services, lending, and generate increasing income through related services to promote the sale of VW's products, support VW dealers, and strengthen customer relationships. The financed portfolio not only includes new cars from VW brands but also foreign brands and used cars. To promote sales of battery electric vehicles (BEV), which are essential for the auto maker (26% European market share mid-year 2025, up from about 20% in 2024), further increases in the importance of the captive finance business and new business growth in leasing business funded by VW Bank's customer deposits are needed. We anticipate increasing earnings contributions from other mobility services, including car sharing, parking, refueling, and charging, over time.

We expect VW Bank to further expand its leading captive finance and leasing business position in European markets.

Considering VW Bank's sound franchises and European geographical diversification, we anticipate generally relatively stable and sound earnings contribution to VWFS Europe through the automotive cycles. We expect VW Bank's leasing business, particularly related to BEVs, will be the main driver for future business growth. However, VW Bank's business position is constrained by its auto captive concentrations, and its income, credit risk, and residual values will remain structurally highly dependent on VW's reputation, creditworthiness, and auto sales, which are currently lackluster (see "Global Carmaker Volkswagen AG 'BBB+' Rating Affirmed As Strategic Actions Offset Short-Term Financial Pressure," published March 27, 2025). Moreover, we note the reduced cyclical support from the interest rate environment and high geopolitical uncertainties, potentially directly or indirectly pressuring economic conditions, particularly from intensifying trade tensions and policy uncertainties (see "[Industry Credit Outlook Update Europe: Autos](#)," published July 16, 2025).

Based on our forecast, VW Bank maintains very strong capitalization. We expect the bank to maintain adequate earnings, reflecting VW Bank's and its owner's commitment to sustain high capital ratios in the regulated EU banking business. In our view, VW Bank and VWFS Europe benefit from strict regulatory supervision and oversight; both are supervised by the European Central Bank (ECB) and are subject to consolidated regulatory capital requirements. We project VW Bank to maintain very high 18-19% risk-adjusted capital (RAC) ratio over our forecast period 2025-2027, after 20.2% at year-end 2024. That compares favorably to European banks' median RAC ratio of 12.6%. We also note that VW Bank's capitalization is protected against unexpected full-year losses by its groupwide dominance and profit-and-loss share agreements. Moreover, we believe ultimately VW (acting through VWFS Europe) will support VW Bank's business growth in its groupwide capital allocation. We also understand VW Bank, VWFS Europe, and the Single Resolution Board continue to be in discussions regarding the group's resolution strategy and perimeter, including the minimum requirement for both entities' own funds and eligible liabilities.

We expect VW Bank's asset quality to remain relatively resilient, balancing its auto sector concentration in difficult markets.

In our view, VW Bank's high concentrations in domestic and European auto financings and residual value risk in its leasing business are well managed and adequately captured in our RAC ratio. We also consider VW Bank's granular auto exposures are highly collateralized, well managed with groupwide efficient re-marketing skills, history of limited and manageable credit losses in line with peers', and low complexity in its businesses.

VW Bank's combined funding and liquidity is a somewhat negative in our rating assessment.

Specifically, we assess the bank's funding profile as slightly negative and its liquidity position as in line with peers. VW Bank continues to manage well its funding and liquidity position. However, integration of largely wholesale-funded VW Leasing has almost doubled VW Bank's balance sheet and weakened its funding profile by making it more dependent on wholesale markets.

Outlook

The stable outlook indicates that we expect the bank to remain key to VW's value proposition. In addition, we expect VW Bank to smoothly integrate VW Leasing and maintain sound financial and funding profiles, supported by very strong capitalization, over the next two years.

Downside scenario

We view a downgrade of VW Bank as unlikely as long as VW maintains its credit strength. We would only consider downgrading VW Bank if its strategic relevance to the group had weakened so that we no longer considered it a core part of VWFS Europe, and we also revised down its stand-alone credit profile (SACP). Because we classify the bank as an insulated entity, we would not downgrade it solely because we had taken a similar rating action on the parent.

Upside scenario

We would consider an upgrade to VW Bank if VW's credit profile improved, increasing its capacity to provide extraordinary support to VWFS Europe--and, therefore, to VW Bank. Although we consider such a scenario unlikely, we could also upgrade the bank if more efficient operations significantly strengthened its risk-adjusted profitability and it increased the proportion of stable relationship deposits in its overall funding profile.

Key Metrics

Volkswagen Bank GmbH--Key ratios and forecasts

	--Fiscal year ended Dec. 31--				
(%)	2023a	2024a	2025f	2026f	2027f
Growth in operating revenue	3.1	44.3	34.3-42.0	3.4-4.2	2.6-3.2
Growth in customer loans	6.0	121.6	2.7-3.3	2.7-3.3	2.7-3.3
Growth in total assets	17.7	95.0	2.3-2.8	2.2-2.7	2.2-2.7
Net interest income/average earning assets (NIM)	2.8	2.6	2.4-2.6	2.4-2.7	2.4-2.7
Cost-to-income ratio	45.9	42.1	40.1-42.1	39.4-41.4	39.0-41.0
Return on average common equity	5.8	3.7	5.1-5.7	5.3-5.9	5.6-6.1
Return on assets	1.0	0.6	0.7-0.9	0.7-0.9	0.7-0.9
New loan loss provisions/average customer loans	0.3	0.4	0.3-0.3	0.3-0.4	0.3-0.4
Gross nonperforming assets/customer loans	2.4	1.8	1.7-1.9	1.7-1.9	1.7-1.9
Net charge-offs/average customer loans	0.1	0.1	0.1-0.2	0.1-0.3	0.1-0.3
Risk-adjusted capital ratio	21.8	19.6	18.1-19.0	17.6-18.5	17.2-18.1

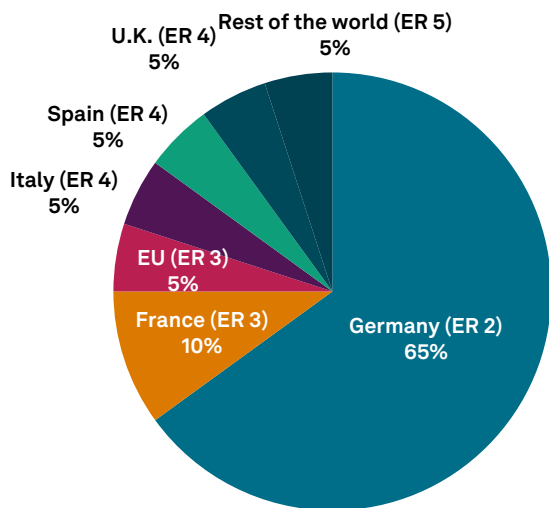
All figures include S&P Global Ratings' adjustments. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: 'bbb+' For A German Bank With European Diversification

Our anchor, the starting point in assigning an issuer credit rating, for a bank operating mainly in Germany is 'bbb+', based on an economic risk score of '2' and an industry risk score of '4'. We view the economic risk and the industry risk trends as stable.

Chart 1

VW Bank's loan and leasing portfolio is dominantly in Germany, but also to higher risk countries which results in its weighted ER of '3'



ER--Economic Risk. Source: S&P Global Ratings.

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Our economic risk assessment for Germany takes a positive view of the country's competitiveness, wealth, and resilience in the face of economic and financial shocks. However, the economic outlook remains modest, and there are structural risks associated with Germany's economic model, particularly from its heavy dependence on open trade. The German economy remains vulnerable to geopolitical risks, such as those arising from the imposition of global tariffs. Nevertheless, we expect German households and corporations will continue to exhibit resilience, bolstered by a robust labor market and corporate insolvencies that remain close to historical averages. A significant worsening of these factors could indicate a sharper rise in credit losses. In our base case, we project domestic credit losses will remain at moderate levels, ranging 25-30 basis points (bps) annually through 2026.

Our industry risk assessment for Germany highlights the banking sector's structurally modest profitability compared to its peers. This is largely attributed to inefficient cost structures, overcapacity, and intense competition. German banks have experienced substantial support from the higher interest rates, and we anticipate that contributions from net interest income will remain relatively stable until 2026. This reflects a balance between the positive effects of favorable refinancing on longer-maturity assets and the decline in short-term rates. We factor in positively the banking sector's access to a very stable and broad domestic funding market. The funding profile of German banks largely includes sticky retail deposits, which benefit from a comprehensive deposit protection scheme, as well as covered bonds, which represent a very reliable and cost-efficient funding source.

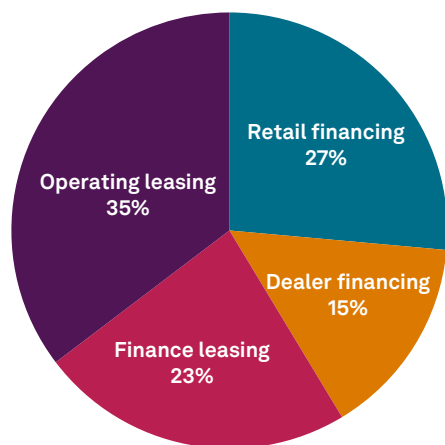
Business Position: Constraints From Being A Monoline European Auto Finance Provider

We expect VW Bank to further build up its strong pan-European captive auto franchise and geographic diversification, in line with its "MOBILITY2030" captive finance strategy. In our view, VW Bank's narrow business profile will remain a rating constraint. Its financing and leasing businesses and related earnings will remain highly dependent on cyclical car sectors and on VW AG's reputation, and related brands production and vehicle launch strategies. We recognize, however, VW Bank's materially strengthened franchise as Europe's leading captive finance bank operating in 10 EU countries, boosting its economies of scale and revenue diversification. As a result, we view VW Bank's business position assessment similar to RCI Banque, but better than other peer captive finance subsidiaries in Europe, such as French Banque Stellantis France or FCE Bank PLC (UK) and Ford Bank GmbH (Germany).

VW Bank holds a solid market position, represented by a portfolio of 8.4 million current contracts amounting to €113 billion in leasing and financing assets (68% retail and 32% corporate customer) as of mid-2025. In Germany, 69% of VW Group vehicles delivered were financed via VW Bank, and penetration rates were at a strong 60% in Italy and France, and 49% groupwide. VW Bank also successfully increased its vehicle-related service business; for example, it had 3.9 million service and insurance contracts.

Chart 2

Retail and leasing customers dominate VW Bank's business



Data as of mid-year 2025. Source: S&P Global Ratings.

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Capital And Earnings: Very High Capitalization A Main Rating Strength

We expect VW Bank will maintain very strong capitalization and stable earnings generation, supported by its commitment and that of its owner to sustain high capital ratios in its EU banking business. We project VW Bank to maintain very high 18-19% RAC ratio over our forecast period 2025-2027, after 20.2% at year-end 2024. That compares favorably to European banks' median RAC ratio of 12.6%. Similarly, VW Bank reported a high 16.2% regulatory common equity

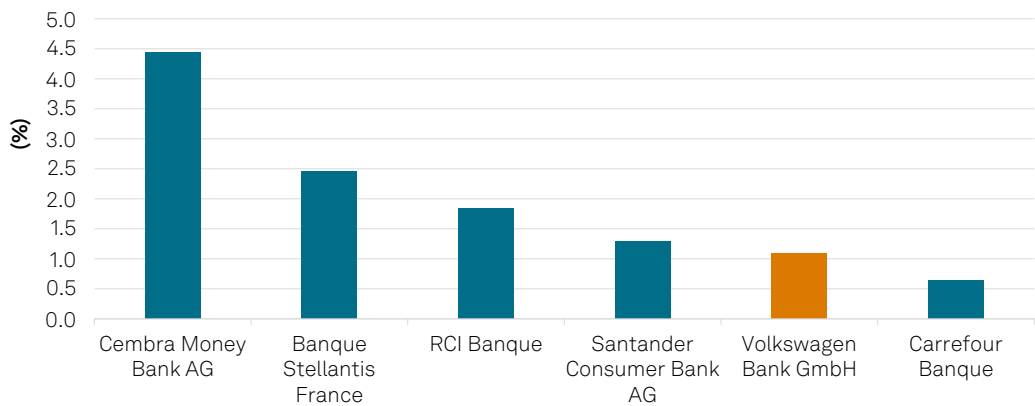
Tier-1 (CET 1) ratio at half-year 2025, well above minimum regulatory total capital requirements. Additionally, VW Bank's quality of total adjusted capital is very high, in the absence of hybrid Tier-1 capital.

Our projections include annual moderate 3% loan growth and 3%-4% revenue growth (note: VWFS Leasing revenues are only consolidated proportionally from half year 2024 onwards) at about 2.5% stable net interest margins, benefitting from enlarged--albeit more volatile--leasing business opportunities. We also anticipate moderate annual 2% cost inflation supporting VW Bank's solid efficiency, indicated by its business model driven 40%-45% cost-to-income ratio, compared to 50%-55% European banks' median between 2025-2027. Apart from very strong capital ratios, stable pre-provision operating income provides a sufficient buffer to cover normalized losses. We project the three-year average earnings buffer will remain sound, at 110 bps to 120 bps, indicating that VW Bank's annual earnings, after deducting our assumed annual €850 million normalized losses, provide a good buffer for even higher losses. VW Bank's three-year average earnings buffer compares slightly favorably with that of many domestic banks, but weaker than that of most rated captive and consumer-finance focused peers.

Considering that local GAAP results under Handelsgesetzbuch (HGB; the German commercial code) will be distributed to VWFS Europe based on the dominance and profit-and-loss transfer agreement, we expect distribution amounts keeping relatively stable equity under International Financial Reporting Standards, and note VW Bank's capital protection in the unlikely event of unexpected losses. We also believe, in case of additional capital needs, ultimately VW, via VWFS Europe, will support VW Bank's business growth in its groupwide capital allocation.

Chart 3

VW Bank's risk-adjusted profitability is below that of consumer-finance-focused peers



Three-year average earnings buffer as of 2024, 2025e (estimated), and 2026e (estimated). Source: S&P Global Ratings.
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Risk Position: Prudent Risk Management And High Collateralization Balance Concentrations In Auto Sector And VW Brands'

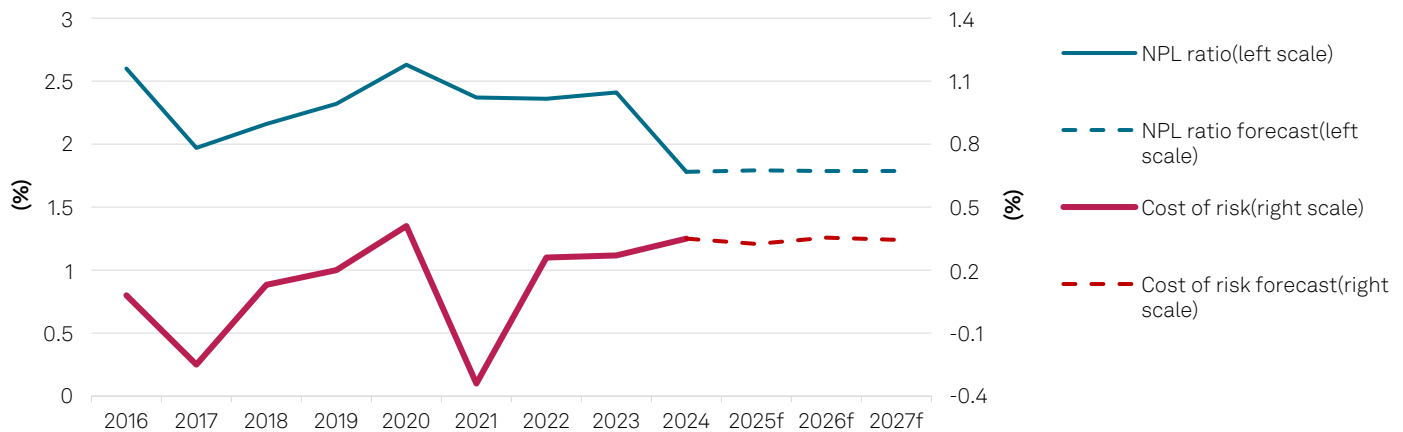
We expect VW Bank's asset quality to remain relatively resilient, and its risk position to remain a neutral rating factor. We take into account that the bank's high concentrations in domestic and European auto loans, dealer financings, and enlarged residual value risk from leasing business are well managed and adequately captured in our RAC ratio. We also consider VW Bank's granular auto exposures are highly collateralized, well managed with groupwide efficient re-marketing skills, history of limited and manageable credit losses in line with peers', and low complexity in its businesses.

About 68% of VW Bank's €113 billion financing portfolio are retail related as of mid-year 2025, benefitting from particularly high granularity, very high collateralization, and generally sound creditworthiness and robust employment in most European countries. About 32% are corporate-related assets, also benefitting from prudent underwriting and very high collateralization, but inherently are more exposed to single-name concentration, rising insolvencies, increased pressures in the auto industry on car sales and inventory management, and dealer consolidation. We forecast further pronounced increases in VW Bank's 58% share in leasing business, considering VW AG's much increased 26% BEV market share in Europe mid-year 2025, up from about 20% in 2024. Assessing the residual value and related provisioning of BEVs remain challenging due to limited historical data, the potential impact of rapidly evolving technologies, and the lower residual values of first-generation electric vehicles.

In addition, we recognize VW Bank's adequate market risk management with hedging for its interest-rate risk business. A regulatory 200 bp rate rise in its banking book could negatively affect its Tier-1 capital by 4%. Moreover, all group members of VW Bank are classified as non-trading book institutions. Accordingly, we forecast VW Bank's cost of risk to stabilize around 0.3%-0.4% over 2025-2027, which is about in line with its captive finance peers RCI and Banque Stellantis France, but weaker than FCE Bank PLC or our European banks' 0.2%-0.3% median risk cost forecast. Similarly, we anticipate a 1.8% gross nonperforming loans over customer loans (NPA ratio) over 2025-2027, compared to European banks' median 2.0% NPA ratio.

Chart 4

We expect VW Bank's credit quality will normalize over 2025-2027



Source: S&P Global Ratings.

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Funding And Liquidity: Increased Leasing-Related Market-Sensitive Wholesale Funding Needs To Be Better Balanced By Customer Deposits

VW Bank's combined funding and liquidity is a somewhat negative in our rating assessment, which is in line with our captive finance peers' assessment of slightly negative funding but adequate liquidity position. VW Bank continues to manage well its funding and liquidity position, and we believe VW entities may serve as a lender of last resort in the unlikely event of financial distress. Consolidation of primarily wholesale funded VW Leasing almost doubled VW Bank's balance sheet and skewed VW Bank's toward weaker, more market-sensitive, and costly wholesale funding. This is indicated by customer loans over customer deposits rising to 146% at year-end 2024, after 117% in 2023, which compares with European Banks' 98% median loan-to-deposit ratio. We also note that customer deposits are almost exclusively generated digitally via VW Bank's direct bank, and customer deposits are generally more price-sensitive and less stable than those of larger branch-based retail banks. However, in our view, VW Bank has a proven robust deposit franchise, which benefits from its share of about 50% in medium- to longer-term deposits, 80% in private customer related. Most deposits are largely covered by the German statutory deposit protection scheme (for individual deposits of up to €100,000). We will monitor VW Bank's plans to substantially expand its deposit business to fund its expected strong growth in the leasing business, driven by customer trend away from vehicle financing and toward leasing.

We anticipate VW Bank's 100% stable funding ratio as of mid-2025, down from 102% year-end 2024, to remain relatively broadly stable over the next two years, but comparing weaker to the European banks' 112% median.

In our assessment, VW Bank's liquidity remains solid. While wholesale funding exposes VW Bank to some refinancing risk, the bank has access to uncommitted lines and assets eligible for refinancing at the ECB. Its limited reliance on short-term wholesale funding resulted in a comfortable 2.1x broad liquid assets to short-term wholesale funding ratio as of year-end 2024, which is in line with European banks' median. Furthermore, VW Bank's regulatory liquidity coverage ratio stood at 364% as of year-end 2024, significantly exceeding the minimum

regulatory requirement, and well above European banks' 189% median. Furthermore, we expect VW Bank would have access to funding from its parent in the event of financial distress.

Support: Credit Strength Is In Line With The Parent's

We expect VW Bank to remain a significant earnings contributor to its direct parent VWFS Europe, and its captive finance operations are integral to VW's sales strategy. We therefore view VW Bank as having a core strategic importance to VW's business model, indicating our expectation of likely group support from the ultimate parent under any foreseeable circumstances. We see the rating on VW as a floor for our rating on VW Bank as long as the bank remains a core subsidiary.

At the same time, we consider VW Bank somewhat insulated from its corporate parent, making it potentially eligible for a rating above that on the parent if its SACP justifies this, which is currently not the case. This reflects VW Bank's regulatory status as a bank, and its independent operational setup. Regulatory restrictions regarding liquidity, capital, and funding could prevent VW Bank from supporting the group to an extent that would jeopardize the bank's creditworthiness.

Environmental, Social, And Governance

Overall, environmental, social, and governance factors have a neutral influence on our credit rating analysis of VW Bank. In our view, the bank's concentrated activities in car financing expose it to environmental risks to a somewhat larger extent than other banking peers. We see VW Bank as more exposed to carbon dioxide regulations for automakers in the EU and the secular shift to BEV. Nevertheless, the bank plays a key role in promoting the sales of electric vehicles and, through this, reduces the negative environmental impact of VW's fleet.

Key Statistics

Volkswagen Bank GmbH--Key figures

Mil. EUR	2025*	2024	2023	2022	2021
Adjusted assets	148,722	140,585	72,077	61,221	67,247
Customer loans (gross)	131,760	121,366	54,756	51,678	49,119
Adjusted common equity	21,794	21,411	10,463	9,425	9,925
Operating revenues	2,245	2,485	1,722	1,670	1,737
Noninterest expenses	1,005	1,045	791	785	808
Core earnings	654	598	640	462	779

*2025 data is for the 6 months to end-June. EUR--euro.

Volkswagen Bank GmbH--Business position

(%)	2025*	2024	2023	2022	2021
Loan market share in country of domicile	-	-	-	-	-
Deposit market share in country of domicile	-	-	-	-	-
Total revenues from business line (currency in millions)	2,245	2,485	1,722	1,670	1,737
Commercial & retail banking/total revenues from business line	79.4	94.9	92.2	87.0	87.1
Trading and sales income/total revenues from business line	-	-	-	-	-
Corporate finance/total revenues from business line	-	-	-	-	-

Volkswagen Bank GmbH--Business position

(%)	2025*	2024	2023	2022	2021
Brokerage/total revenues from business line	-	-	-	-	-
Insurance activities/total revenues from business line	-	3.7	4.1	5.0	5.7
Agency services/total revenues from business line	-	-	-	-	-
Payments and settlements/total revenues from business line	-	-	-	-	-
Asset management/total revenues from business line	-	-	-	-	-
Other revenues/total revenues from business line	20.6	1.5	3.7	8.0	7.3
Investment banking/total revenues from business line	-	-	-	-	-
Return on average common equity	6.1	3.7	5.8	4.2	7.4

*2025 data is for the 6 months to end-June.

Volkswagen Bank GmbH--Capital and earnings

(%)	2025*	2024	2023	2022	2021
Tier 1 capital ratio	16.2	16.1	17.5	18.3	19.0
S&P Global Ratings' RAC ratio before diversification	N/A	20.2	21.8	21.4	22.5
S&P Global Ratings' RAC ratio after diversification	N/A	11.3	20.7	20.3	22.6
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Double leverage	N.M.	N.M.	N.M.	N.M.	N.M.
Net interest income/operating revenues	79.4	94.9	92.1	87.0	87.1
Fee income/operating revenues	(0.6)	1.7	3.7	6.2	6.7
Market-sensitive income/operating revenues	(2.5)	(3.9)	(0.1)	(0.1)	(1.2)
Cost to income ratio	44.8	42.1	45.9	47.0	46.5
Preprovision operating income/average assets	1.7	1.4	1.4	1.4	1.4
Core earnings/average managed assets	0.9	0.6	1.0	0.7	1.2

*2025 data is for the 6 months to end-June. N.M.--Not meaningful.

Volkswagen Bank GmbH--Risk-adjusted capital framework data

(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW (%)	S&P Global Ratings' RWA	Average S&P Global Ratings' RW (%)
Credit risk					
Government & central banks	16,644	2,588	16	695	4
Of which regional governments and local authorities	1,018	25	2	37	4
Institutions and CCPs	5,608	1,400	25	1,445	26
Corporate	51,682	42,775	83	32,096	62
Retail	44,531	32,425	73	25,091	56
Of which mortgage	0	0	0	0	0
Securitization§	550	188	34	275	50
Other assets†	34,484	28,015	81	39,342	114
Total credit risk	153,499	107,390	70	98,945	64
Credit valuation adjustment					
Total credit valuation adjustment	'--	1,163	'--	0	'--

Volkswagen Bank GmbH--Risk-adjusted capital framework data

(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW (%)	S&P Global Ratings' RWA	Average S&P Global Ratings' RW (%)
Market Risk					
Equity in the banking book	39	38	96	333	853
Trading book market risk	'--	352	'--	528	'--
Total market risk	'--	390	'--	861	'--
Operational risk					
Total operational risk	'--	5,250	'--	6,076	'--
(Mil. €)	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings' RWA	% of S&P Global Ratings' RWA
Diversification adjustments					
RWA before diversification	'--	114,192	'--	105,882	100
Total Diversification/ Concentration Adjustments	'--	'--	'--	83,338	79
RWA after diversification	'--	114,192	'--	189,220	179
(Mil. €)		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings' RAC ratio (%)
Capital ratio					
Capital ratio before adjustments		18,350	16.1	21,411	20.2
Capital ratio after adjustments‡		18,350	16.1	21,411	11.3

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2024, S&P Global Ratings.

Volkswagen Bank GmbH--Risk position

(%)	2025*	2024	2023	2022	2021
Growth in customer loans	17.1	121.7	6.0	5.2	(9.3)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	78.7	5.4	5.3	(0.5)
Total managed assets/adjusted common equity (x)	6.8	6.6	6.9	6.5	6.8
New loan loss provisions/average customer loans	0.4	0.4	0.3	0.3	(0.3)
Net charge-offs/average customer loans	N.M.	0.1	0.1	0.1	0.3
Gross nonperforming assets/customer loans + other real estate owned	1.6	1.8	2.4	2.4	2.4
Loan loss reserves/gross nonperforming assets	69.7	69.7	65.8	66.9	69.5

*2025 data is for the 6 months to end-June. N.M.--Not meaningful.

Volkswagen Bank GmbH--Funding and liquidity

(%)	2025*	2024	2023	2022	2021
Core deposits/funding base	74.4	73.0	78.50	67.8	64.5
Customer loans (net)/customer deposits	143.1	143.8	116.6	157.2	140.7
Long-term funding ratio	94.8	94.5	86.1	95.0	97.2
Stable funding ratio	100.4	101.8	105.1	101.8	118.8
Short-term wholesale funding/funding base	6.2	6.5	16.6	6.2	3.4
Regulatory net stable funding ratio	--	139.1	118.7	137.5	137.5

Volkswagen Bank GmbH--Funding and liquidity

Broad liquid assets/short-term wholesale funding (x)	1.7	2.1	1.6	2.4	8.4
Broad liquid assets/total assets	8.7	10.9	21.2	11.6	22.6
Broad liquid assets/customer deposits	14.1	18.4	33.1	21.9	44.2
Net broad liquid assets/short-term customer deposits	7.2	11.7	12.7	14.0	42.2
Regulatory liquidity coverage ratio (LCR) (x)	--	363.6	236.5	213.8	213.8
Short-term wholesale funding/total wholesale funding	24.1	24.0	77.0	19.1	9.5
Narrow liquid assets/3-month wholesale funding (x)	5.6	6.8	10.2	14.4	89.2

*2025 data is for the 6 months to end-June.

Rating Component Scores

Rating Component Scores

Issuer Credit Rating	BBB+/Stable/A-2
SACP	bbb+
Anchor	bbb+
Business position	Moderate (-1)
Capital and earnings	Very Strong (2)
Risk position	Adequate (0)
Funding and liquidity	Moderate and Adequate (-1)
Comparable ratings analysis	0
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [General Criteria: National And Regional Scale Credit Ratings Methodology](#), June 8, 2023
- [ARCHIVE | General Criteria: Hybrid Capital: Methodology And Assumptions](#), March 2, 2022
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019

- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Guarantee Criteria](#), Oct. 21, 2016
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- Banking Industry Country Risk Assessment: Germany; Sept.19, 2025
- [Volkswagen AG](#), Sept. 1, 2025
- Banking Industry Country Risk Assessment Update: August 2025, August 27, 2025
- [Industry Credit Outlook Update Europe: Autos](#), July 16, 2025
- Global Banks Midyear Outlook 2025: Tariffs And Geopolitics Could Bite, July 10, 2025
- [Stress Test Highlights European Banks' Resilience To Potential Trade Escalations](#), June 24, 2025
- [Four Ratings On Volkswagen Captive Finance Entities Debt Withdrawn At Issuer's Request](#), April 25, 2025

Ratings Detail (as of October 15, 2025)*

[Volkswagen Bank GmbH](#)

Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Local Currency	A-2
Senior Subordinated	BBB

Issuer Credit Ratings History

24-Jun-2021	BBB+/Stable/A-2
12-Oct-2015	A-/Negative/A-2
24-Sep-2015	A/Watch Neg/A-1

Sovereign Rating

Germany	AAA/Stable/A-1+
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Related Entities

[Scania AB \(publ.\)](#)

Issuer Credit Rating	BBB/Stable/A-2
Nordic Regional Scale	--/--/K-2
South Africa National Scale	zaAAA/--/zaA-1+

[Skofin s.r.o.](#)

Commercial Paper	
Local Currency	A-2

[TRATON Finance Luxembourg S.A.](#)

Senior Unsecured	BBB
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[TRATON SE](#)

Issuer Credit Rating	BBB/Stable/A-2
South Africa National Scale	zaAAA/--/zaA-1+

[Volkswagen AG](#)

Ratings Detail (as of October 15, 2025)*

Issuer Credit Rating	BBB+/Stable/A-2
<u>Volkswagen Finance Overseas B.V.</u>	
Commercial Paper	
Local Currency	A-2
<u>Volkswagen Financial Services AG</u>	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Local Currency	A-2
Senior Unsecured	BBB+
Short-Term Debt	A-2
<u>Volkswagen Financial Services N.V.</u>	
Commercial Paper	
Local Currency	A-2
<u>Volkswagen Financial Services Overseas AG</u>	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Local Currency	A-2
Senior Unsecured	BBB+
<u>Volkswagen Financial Services Polska SP. Z O.O.</u>	
Senior Unsecured	BBB+
<u>Volkswagen Finans Sverige AB</u>	
Issuer Credit Rating	
Nordic Regional Scale	--/--/K-1
Commercial Paper	
Local Currency	A-2
<u>Volkswagen International Belgium S.A.</u>	
Issuer Credit Rating	BBB+/Stable/A-2

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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