Volkswagen Bank GmbH

November 5, 2026

Ratings Score Snapshot

SACP: bbb+

Anchor	bbb+	
Business position	Moderate	-1
Capital and earnings	Very strong	2
Risk position	Adequate	0
Funding	Moderate	-1
Liquidity	Adequate	
CRA adjustment		0

Support: 0

ALAC support	0
GRE support	0
Group support	0
Sovereign support	0

Additional factors: 0

Issuer credit rating
BBB+/Positive/A-2

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

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Credit Highlights

Overview

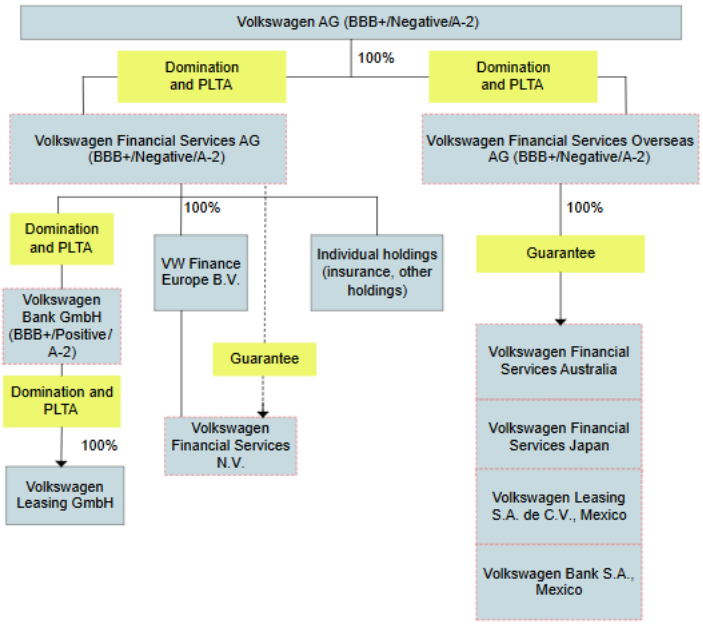
Key strengths	Key risks
Integral strategic and operational integration into Volkswagen AG's (VW's) captive finance value chain.	Monoline business model with dependence on VW's franchise, brands, and reputation.
Very strong capitalization and predictable earnings base.	Business, asset quality, and earnings concentration on car financing, leasing, and related mobility services.
Broad business diversification across European markets with 65% dominance in Germany.	Higher dependence on wholesale funding markets following integrating leasing business.

Volkswagen Bank GmbH (VW Bank) is essential for VW's "MOBILITY2030" captive finance strategy. VW completed the reorganization of its captive finance entities on July 1, 2024, aligning its then newly created Volkswagen Financial Services AG (VWFS Europe) with its core subsidiary, VW Bank, for its European regulated captive finance business. This is essential for VW's 2030 strategy to grow and diversify business, earnings, and efficiency in its captives, which expand into providing holistic, digital and artificial intelligence (AI) driven broad range of mobility services.

Thus, VW aims to strengthen customer loyalty and vehicle-related businesses along the automotive value chain together with the Volkswagen Group brands. We expect VW, one of the world's largest auto manufacturers, to 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.

Chart 1

VW's reorganized captive finance entities



PLTA--Profit and loss transfer agreement. Source: S&P Global Ratings.
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We anticipate that under VW's "Future Plan 2030" strategy VW Bank, its parent VWFS Europe, and VWFS Overseas will continue to expand their crucial role as efficient vehicle lifetime and mobility service provider across VW's brands. We consider VW Bank and its financial services affiliates integral to VW group's key strategic priorities, which is to further optimize under a comprehensive platform VW 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. Further expansion of its battery electric vehicles (BEV) portfolio in all European markets, and accelerated transition to and promotion of sales of BEV are essential for the auto maker (22% European market share in mid-year 2026) strategy. In turn this emphasizes the importance of the captive finance business and accelerated new business growth in VW Bank's leasing business funded by accelerated customer deposit growth remains essential. In addition, VW Bank continues to further leverage its franchise by increasing fee earnings from other mobility services, including car sharing, parking, refueling, and charging, over time.

We expect VW Bank to efficiently manage its leading captive finance and leasing business position in European markets. Based on VW Bank's dominant domestic and European

geographical diversification, we forecast relatively lower but predictable 6.0%-7.0% return on average common equity (ROE) between 2026-2028 compared with peers. We anticipate sound 3.0%-3.5% business growth, with BEV related leasing the key driver, margin improvements from policy rate increases, and contained credit cost.

We take into account that auto original equipment manufacturers (OEMs) in Europe generally record stronger than expected auto sales, but Chinese export markets are much weaker than anticipated and see intensifying pressure of Chinese competition (see also, Europe is a sweet spot for light vehicle sales, but for how long? 16th July 2026). In addition, VW remains pressured by large scale restructuring needs (see also, Bulletin: Volkswagen's Profit Warning Signals A More Difficult Path To Recovery, published Sept. 22, 2026). We note, however, that European captive finance banks, like VW Bank, currently remain somewhat more resilient, but not immune, to OEMs economic and structural challenges thanks to their more stable earnings (European Auto Captives Might Hold Up Better Than Carmakers October 5, 2026).

VW Bank's high capitalization remains supported by adequate risk adjusted profitability. We expect VW Bank will remain highly capitalized, as indicated by our forecast 16.0%-17.0% S&P Global Ratings risk-adjusted capitalization (RAC) ratio (before diversification) by 2028, which compares favorably to European banks' median 13.0% RAC ratio at year-end 2025. We also note that VW Bank's capitalization is protected against unexpected full-year losses by its groupwide PLTA architecture. Moreover, we believe ultimately VW (acting through VWFS Europe) will support VW Bank's business growth in its groupwide capital allocation.

We forecast that VW Bank will continue to issue sizable senior non-preferred debt instruments that generally qualify as additional loss-absorbing capacity (ALAC) and could protect senior creditors in the event of a resolution. However, the Single Resolution Board (SRB) classified VW Bank under "bankruptcy proceeding" earlier this year and as a result VW Bank's issuer credit rating does not benefit from ALAC support.

We anticipate VW Bank to maintain robust asset quality and prudent risk management balancing their auto sector concentration. In our view, VW Bank's high concentration in domestic and European auto financing and increasing 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 highly collateralized, well managed with efficient groupwide re-marketing skills, history of limited and manageable credit losses in line with peers', and low complexity in VW Bank's businesses.

VW Bank's combined funding and liquidity is 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 captive peers. Following the consolidation of primarily wholesale funded VW Leasing, it significantly increased VW Bank's reliance toward weaker, more market-sensitive, and costly wholesale funding. VW Bank continues to materially increase its direct bank customer deposits funding, but strong new leasing business inflow does so as well resulting in a weakening of its customer loans over customer deposits ratio to 150% in 2025 after 144% in 2024, which is materially weaker than at European Banks'.

Outlook

The positive outlook on VW Bank reflects our view that its systemic importance as a German bank will further increase considering its planned high balance sheet and retail deposit growth in the next two years. As a result, we believe the SRB could consider VW Bank as a single point of entry

bail-in resolution entity in the next two years. At the same time, we forecast that VW Bank has capacity to maintain its ALAC buffer above our 3% threshold over the next two years.

We also expect that VW Bank will maintain sound financial and funding profiles while finalizing an efficient integration of its core subsidiary, Volkswagen Leasing GmbH, over the next two years, and that its capitalization will remain very strong. Because we classify VW Bank as an insulated entity, we would not downgrade it solely because we may have taken a similar rating action on VW AG.

Downside scenario

We could revise the outlook to stable if we think that the SRB is likely to maintain an insolvency-led resolution strategy for VW Bank, or if its ALAC buffer fell below our 3% threshold, reducing the protection that this buffer could provide to senior unsecured creditors. A downgrade of VW Bank is unlikely over the next two years, because it would require that we both lower our long-term rating on VW AG and that we revise downward our view of VW Bank's stand-alone credit profile (SACP). The latter could arise, if, for example, VW Bank's RAC ratio deteriorates below 15% due to unexpected material losses from asset quality problems, or the bank's franchise is damaged by business pressures on VW AG.

Upside scenario

We could raise the ratings over the next two years if the SRB reclassifies VW Bank as a bail-in resolution entity, and at the same time the bank maintains a sizable ALAC buffer. We could also consider an upgrade of VW Bank if VW AG's credit profile stabilizes and we improve our assessment of the bank's SACP, which is less likely considering its concentrated business model.

Key Metrics

Volkswagen Bank GmbH--Key ratios and forecasts

	--Fiscal year ended Dec. 31 --				
(%)	2024a	2025a	2026f	2027f	2028f
Growth in operating revenue	44.3	69.1	6.0-7.0	3.0-3.5	3.0-3.5
Growth in customer loans	121.6	17.1	4.5-5.5	3-3.5	3-3.5
Growth in total assets	95.0	11.4	4.0-5.0	2.5-3.0	2.5-3.0
Net interest income/average earning assets (NIM)	2.6	2.81	2.5-2.7	2.5-2.7	2.5-2.7
Cost-to-income ratio	42.1	32.2	30.0-32.0	29.0-31.0	29.0-31.0
Return on average common equity	3.7	6.1	6.0-6.5	6.1-6.6	6.3-6.8
Return on assets	0.6	0.9	0.9-1.0	0.9-1.0	0.9-1.0
New loan loss provisions/average customer loans	0.4	0.5	0.5-0.6	0.5-0.6	0.5-0.6
Gross nonperforming assets/customer loans	1.8	2.1	2.0-2.1	2.1-2.2	2.1-2.2
Net charge-offs/average customer loans	0.1	0.2	0.1-0.2	0.1-0.2	0.1-0.2
Risk-adjusted capital ratio	19.6	17.7	17.0-18.0	16.0-17.0	16-17.0

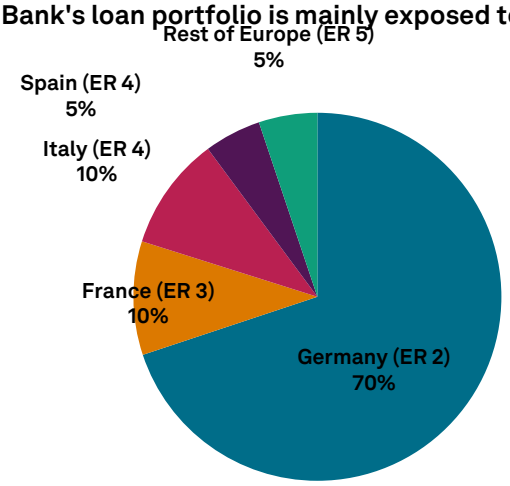
All figures include S&P Global Ratings' adjustments. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

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

Our anchor 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 and industry risk trends as stable.

Chart 2

VW Bank's loan portfolio is mainly exposed to Germany, but also higher risk countries



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

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Our economic risk assessment for Germany reflects a positive view of its robust profile, characterized by significant wealth, diversification, moderate debt, and the strongest external balance sheet among major economies. However, structural challenges to its export-oriented model--exacerbated by geopolitical and trade sensitivities--weigh on economic performance. Our stable trend assumes that large-scale fiscal spending will bolster activity and credit demand starting in the second half of 2026. Supported by a resilient labor market and historically average corporate insolvencies, we forecast that domestic credit losses peaked at 30 basis points (bps) in 2025 due to stagnation, before declining to below 25 bps in 2026 and 2027 as fiscal stimulus takes effect.

Our industry risk assessment for Germany reflects that intense competition structurally constrains long-term banking profitability, a gap that is expected to persist relative to peer countries. This is driven by the German banking system's structure, characterized by limited market consolidation and the significant market share of savings and cooperative institutions, which generally prioritize stability over profit maximization. Conversely, we view the sector's access to a stable, broad domestic funding market as a positive factor. This profile is supported by a substantial base of sticky retail deposits--bolstered by a comprehensive deposit-protection scheme--and reliable, cost-efficient access to covered bonds.

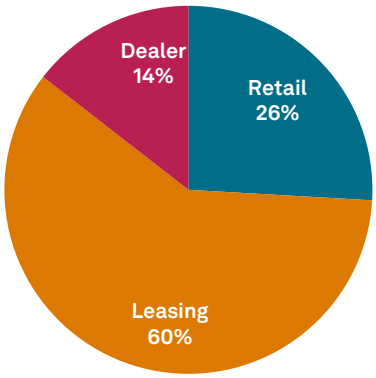
Business Position: Constraints From Being A Monoline European Auto Finance Provider

Fully integrated into VW AG's "MOBILITY2030" captive finance strategy we anticipate VW Bank' further leverages its strong pan-European captive auto franchise. We consider VW Bank's narrow business profile will remain a rating constraint since its financing and leasing businesses and related earnings will remain highly dependent on the cyclical car sector, VW AG's reputation, and related brands production and vehicle launch strategies. We recognize, however, VW Bank's strong franchise as Europe's leading captive finance bank operating in 10 EU countries, which benefits its economies of scale and revenue diversification. We also believe VW Bank increasingly benefits from its sound governance and efficiency efforts in digitalization and AI and optimization of all processes, systems and products, with the aim, for example, to offer all key products online. As a result, we view VW Bank's business position assessment like 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, demonstrated by a portfolio of 9.3 million current contracts amounting to €125.2 billion in leasing and financing assets (69% retail and 31% corporate customer) as of mid-2026. The bank experienced especially high demand for retail financing and leasing in Germany, Itay, Spain, and France until mid-year 2026. In Germany, 66% of VW Group vehicles delivered were financed through VW Bank, and penetration rates were at a strong 60% in Italy and 63% in France, and 46% groupwide. Germany continues to be the major market for leasing and forms over 78% of total leasing business and 92% of its operating income as of mid-year 2026. We also note that VW Bank successfully increased fee generation from its vehicle-related service business. For example, it had 4.5 million service and insurance contracts mid-year 2026, up from 3.9 million a year earlier. VW Bank reported solid €1.4 billion International Financial Reporting Standards (IFRS) after tax profit, 32% cost-to-income ratio, and 6.1% ROE at year-end 2025.

Chart 3

Retail & Leasing customers dominate VW Bank's loan portfolio post restructuring



Source: S&P Global Ratings.

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Capital And Earnings: Very High Capitalization Is A Main Rating Strength

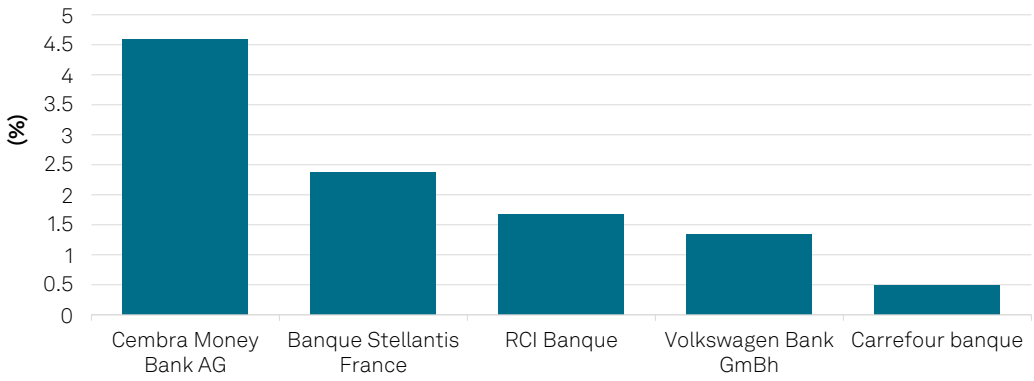
We expect VW Bank will maintain very strong capitalization and relatively stable earnings generation. We project VW Bank to maintain a very high RAC ratio of 16%-17% over our forecast period 2026-2028, after 17.7% at year-end 2025. That compares favorably to European banks' median RAC ratio of 13%-14% for 2025-2028. Similarly, VW Bank reported a high 16.8% regulatory common equity Tier 1 ratio as of March 2026, 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 loan growth of 5% this year given strong growth in the first half of 2026, but this will ease to 3.0%-3.5% in 2027-2028, with 2.7% net interest margins 2026-2028. We also anticipate moderate annual 2% cost inflation supporting VW Bank's solid efficiency forecast to remain in the range of 30%-35%. Apart from very strong capital ratios, relatively stable and predictable pre-provision operating income provides a sufficient buffer to cover normalized losses. We project the three-year average earnings buffer will remain sound, at 130 bps to 140 bps, indicating that VW Bank's annual earnings, after deducting our assumed annual €1.2 billion in normalized losses, provide a good buffer for even higher losses.

Considering that local GAAP results under the 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 IFRS, 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 4

VW Bank's Risk-adjusted profitability is below that of peers



Source: S&P Global Ratings.

Three year average earnings buffer 2025 2026e and 2027e

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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 consider that the bank's high concentration 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 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.

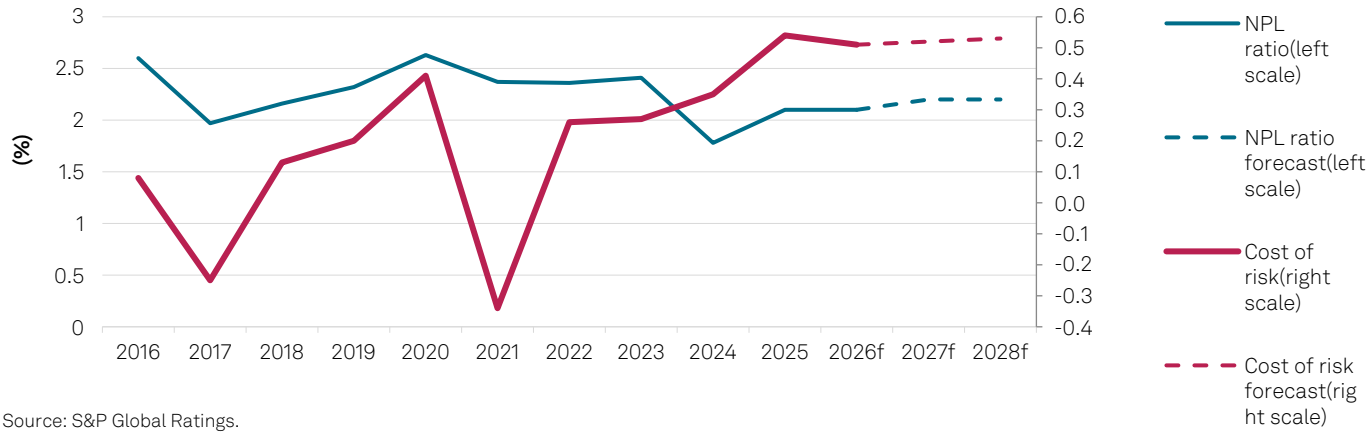
About 69% of VW Bank's €125.2 billion financing portfolio was retail related as of mid-year 2026, benefiting from particularly high granularity, very high collateralization, and generally sound creditworthiness and robust employment in most European countries. About 31% was corporate-related assets, 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 about 55% share in leasing business, but VW AG's BEV Market share in Europe declined to 21.7% in mid-year 2026 compared with 27.1% a year prior. Assessing the residual value and related provisioning of BEVs remain challenging due to limited historical data, the potential impact of rapidly evolving technologies, the lower residual values of first-generation electric vehicles, higher fuel prices impacting demand for vehicles with internal combustion engines, and increasing competition from international competitors.

Accordingly, VW Bank posted an annualized 0.3% risk cost at mid-year 2026 above European banks' 0.2% median risk cost at year-end 2025. VW Bank's gross nonperforming loans over customer loans (NPA) ratio was 2.0% at mid-year 2026, the same as European banks' median at year-end 2025, and we expect the NPA ratio to remain in the range of 2.0%-2.2% in 2026-2028.

In addition, we recognize VW Bank's adequate market risk management with hedging for its interest-rate risk business. A regulatory 200 bps 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.

Chart 5

We expect VW Bank's credit losses will stabilize over 2026-2028



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 negative factor in our rating assessment. VW Bank continues to manage well its funding and liquidity position, and in our view, VW entities may serve as a lender of last resort in the unlikely event of financial distress. The consolidation of primarily wholesale funded VW Leasing almost doubled VW Bank's balance sheet and skewed VW Bank toward weaker, more market-sensitive, and costly wholesale funding. This is demonstrated by customer loans over customer deposits that continued to increase to 150% in 2025 after 144% in 2024, which compares with European Banks' 101% 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. Most deposits are covered by the German statutory deposit protection scheme (for individual deposits of up to €100,000). We will monitor VW Bank's progress to substantially expand its deposit business to fund its expected strong growth in the leasing business and its financial implications given strong competitive pricing pressure in the German market.

We anticipate VW Bank's 100% stable funding ratio as of mid-2026--down from 102% year-end 2024--to remain broadly stable over the next two years but weaker to the European banks' 114% median.

We expect VW Bank's liquidity to remain 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 1.3x broad liquid assets to short-term wholesale funding ratio as of mid-year 2026. which indicates solid coverage. Furthermore, VW Bank's regulatory liquidity coverage ratio stood at 229% at year-end 2025, significantly exceeding the minimum regulatory requirement, and well above European banks' 186% median. Furthermore, we expect VW Bank will have access to liquidity from its parent in the event of financial distress.

Support: Credit Strength May Become Better Than The Parent

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 our rating on VW as a floor for our rating on VW Bank if the bank remains a core subsidiary.

At the same time, we consider VW Bank somewhat insulated from its ultimate corporate parent, making it 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.

VW Bank does not benefit from ALAC support because SRB considers the bank under bankruptcy proceeding. However, we expect that VW Bank's systemic importance to increase due to planned high balance sheet and retail deposit growth. As a result, our positive outlook reflects the increasing likelihood that the SRB in its annual reviews will revise its resolution strategy on VW Bank, classifying the bank as a single point of entry resolution entity alongside requiring minimum requirement for its own funds and eligible liabilities. We expect that VW Bank will continue to issue sizable senior non-preferred debt instruments to protect senior creditors in the event of a resolution, which are eligible as ALAC, for which we expect that VW Bank maintains its ALAC ratio comfortably above our 3.0% threshold for a one-notch ALAC rating uplift over the next two years.

Climate And Other Evolving Factors

Environmental and social credit factors are neutral for VW Bank's creditworthiness. 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. In September 2026, VW Bank issued three bonds with a combined value of € 2.5 billion, which will be used for EV financing after the green finance framework was updated in August 2026. In total VWFS Europe and VW Bank has issued €22.6 billion 'green' bonds, with 54% of its bond portfolio classed as 'green' as of year-end 2025.

Key Statistics

Volkswagen Bank GmbH Key Figures

Mil. EUR	2026*	2025	2024	2023	2022
Adjusted assets	169,072	156,538	140,585	72,077	61,221
Customer loans (gross)	148,607	142,084	121,366	54,756	51,678
Adjusted common equity	24,906	23,810	21,271	10,463	9,425
Operating revenues	2,382	4,203	2,485	1,722	1,670
Noninterest expenses	1,198	1,352	1,045	791	785
Core earnings	699	1,397	598	640	462

*2026 data is for the 6 months to end-June. EUR--euro.

Volkswagen Bank GmbH Business Position

(%)	2026*	2025	2024	2023	2022
Loan market share in country of domicile	-	-	-	-	-
Deposit market share in country of domicile	-	-	-	-	-
Total revenues from business line (currency in millions)	2,382	4,791	2,485	1,722	1,670
Commercial & retail banking/total revenues from business line	69.7	78.5	94.9	92.2	87.0
Trading and sales income/total revenues from business line	-	-	-	-	-
Corporate finance/total revenues from business line	-	-	-	-	-
Brokerage/total revenues from business line	-	-	-	-	-
Insurance activities/total revenues from business line	-	2.9	3.7	4.1	5.0
Agency services/total revenues from business line	-	-	-	-	-
Payments and settlements/total revenues from business line	-	-	-	-	-

Volkswagen Bank GmbH Business Position

(%)	2026*	2025	2024	2023	2022
Asset management/total revenues from business line	-	-	-	-	-
Other revenues/total revenues from business line	30.3	18.6	1.5	3.7	8.0
Investment banking/total revenues from business line	-	-	-	-	-
Return on average common equity	5.7	6.1	3.7	5.8	4.2

*2026 data is for the 6 months to end-June.

Volkswagen Bank GmbH Capital And Earnings

(%)	2026*	2025	2024	2023	2022
Tier 1 capital ratio	16.8	16.3	16.1	17.5	18.3
S&P Global Ratings' RAC ratio before diversification	N/A	17.7	20.1	21.8	21.4
S&P Global Ratings' RAC ratio after diversification	N/A	9.5	11.2	20.7	20.3
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	69.7	89.5	94.9	92.1	87.0
Fee income/operating revenues	0.2	(1.0)	1.7	3.7	6.2
Market-sensitive income/operating revenues	0.9	(0.6)	(3.9)	(0.1)	(0.1)
Cost to income ratio	50.3	32.2	42.1	45.9	47.0
Preprovision operating income/average assets	1.5	1.9	1.4	1.4	1.4
Core earnings/average managed assets	0.9	0.9	0.6	1.0	0.7

*2026 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(%)	Standard & Poor's RWA	Average Standard & Poor's RW (%)
Credit risk					
Government & central banks	11,852	2,125	18	481	4
Of which regional governments and local authorities	713	9	1	26	4
Institutions and CCPs	2,183	720	33	489	22
Corporate	58,617	52,217	89	41,187	70
Retail	38,798	28,483	73	21,595	56
Of which mortgage	0	0	0	0	0
Securitization§	0	0	0	0	0
Other assets†	57,729	43,706	76	61,809	107
Total credit risk	169,179	127,251	75	125,560	74
Credit valuation adjustment					
Total credit valuation adjustment	'--	1,280	'--	0	'--
Market Risk					
Equity in the banking book	57	57	101	479	840
Trading book market risk	'--	555	'--	833	'--
Total market risk	'--	612	'--	1,311	'--

Volkswagen Bank GmbH Risk-Adjusted Capital Framework Data

(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW(%)	Standard & Poor's RWA	Average Standard & Poor's RW (%)
Operational risk					
Total operational risk	'--	10,715	'--	7,881	'--
(Mil. €)	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global RWA	% of S&P Global RWA
Diversification adjustments					
RWA before diversification	'--	139,858	'--	134,752	100
Total Diversification/ Concentration Adjustments	'--	'--	'--	115,306	86
RWA after diversification	'--	139,858	'--	250,058	186
(Mil. €)		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global RAC ratio (%)
Capital ratio					
Capital ratio before adjustments		22,768	16.3	23,810	17.7
Capital ratio after adjustments‡		22,768	16.3	23,810	9.5

*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 2025', S&P Global Ratings.

Volkswagen Bank GmbH Risk Position

(%)	2026*	2025	2024	2023	2022
Growth in customer loans	9.2	17.1	121.7	6.0	5.2
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	85.6	78.7	5.4	5.3
Total managed assets/adjusted common equity (x)	6.8	6.6	6.6	6.9	6.5
New loan loss provisions/average customer loans	0.3	0.5	0.4	0.3	0.3
Net charge-offs/average customer loans	N.M.	0.2	0.1	0.1	0.1
Gross nonperforming assets/customer loans + other real estate owned	2.0	2.1	1.8	2.4	2.4
Loan loss reserves/gross nonperforming assets	66.4	66.4	69.7	65.8	66.9
*2026 data is for the 6 months to end-June. N.M.--Not meaningful.					

Volkswagen Bank GmbH Funding And Liquidity

(%)	2026*	2025	2024	2023	2022
Core deposits/funding base	75.0	73.0	72.99	78.5	67.8
Customer loans (net)/customer deposits	139.8	150.1	143.8	116.6	157.2
Long-term funding ratio	92.5	92.0	94.5	86.1	95.0
Stable funding ratio	99.6	95.6	101.8	105.1	101.8
Short-term wholesale funding/funding base	8.8	9.5	6.5	16.6	6.2
Regulatory net stable funding ratio	--	132.5	139.1	118.7	137.5
Broad liquid assets/short-term wholesale funding (x)	1.4	0.9	2.1	1.6	2.4
Broad liquid assets/total assets	10.0	7.0	10.9	21.2	11.6
Broad liquid assets/customer deposits	16.1	11.8	18.4	33.1	21.9
Net broad liquid assets/short-term customer deposits	5.3	(1.7)	11.7	12.7	14.0
Regulatory liquidity coverage ratio (LCR) (x)	--	228.5	363.6	236.5	213.8
Short-term wholesale funding/total wholesale funding	35.3	35.3	24.0	77.0	19.1

Volkswagen Bank GmbH Funding And Liquidity

Narrow liquid assets/3-month wholesale funding (x)	4.2	2.8	6.8	10.2	14.4

*2026 data is for the 6 months to end-June.

Rating Component Scores

Issuer Credit Rating	BBB+/Positive/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, May 5, 2026
- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- General Criteria: National And Regional Scale Credit Ratings Methodology, June 8, 2023
- 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 Brief: European Auto Captives Might Hold Up Better Than Carmakers, Oct. 5, 2026
- Bulletin: Volkswagen's Profit Warning Signals A More Difficult Path To Recovery, Sept. 22, 2026
- VW's Captive Finance Entities Affirmed At 'BBB+/A-2'; VW Bank Outlook Revised To Positive On Potential Resolution, Sept. 10, 2026
- Commentary: Industry Report Card Global Autos And Trucks Original Equipment Makers Report Card, Sept. 30, 2026
- Banking Industry Country Risk Assessment: Germany, Sept. 1, 2026
- Banking Industry Country Risk Assessment Update: August 2026, Aug. 27, 2026
- Europe is a sweet spot for light vehicle sales, but for how long? July 16, 2026
- Inflation Could Stall VW's Cost-Cutting Drive, March 26, 2026
- Industry Credit Outlook 2026, Jan. 30, 2026
- Industry Credit Outlook 2026: Autos, Jan. 14, 2026
- Volkswagen Outlook Revised To Negative On Slower-Than-Anticipated Recovery In Credit Metrics; Affirmed At 'BBB+/A-2', Dec. 17, 2025
- Volkswagen AG, Sept. 1, 2025

Ratings Detail (as of November 05, 2026)*	
Volkswagen Bank GmbH	
Issuer Credit Rating	BBB+/Positive/A-2
Commercial Paper	
Local Currency	A-2
Senior Subordinated	BBB
Senior Unsecured	BBB+
Issuer Credit Ratings History	
10-Sep-2026	BBB+/Positive/A-2
24-Jun-2021	BBB+/Stable/A-2
12-Oct-2015	A-/Negative/A-2
Sovereign Rating	
Germany	AAA/Stable/A-1+
Related Entities	
Skofin s.r.o.	
Commercial Paper	
Local Currency	A-2
TRATON Finance Luxembourg S.A.	
Senior Unsecured	BBB
Traton SE	
Issuer Credit Rating	BBB/Negative/A-2
South Africa National Scale	zaAAA/--/zaA-1+
Volkswagen AG	
Issuer Credit Rating	BBB+/Negative/A-2
Volkswagen Finance Overseas B.V.	

Ratings Detail (as of November 05, 2026)*	
Commercial Paper	
Local Currency	A-2
Volkswagen Financial Services AG	
Issuer Credit Rating	BBB+/Negative/A-2
Commercial Paper	
Local Currency	A-2
Senior Unsecured	BBB+
Short-Term Debt	A-2
Volkswagen Financial Services Australia Pty Ltd.	
Senior Unsecured	BBB+
Volkswagen Financial Services N.V.	
Commercial Paper	
Local Currency	A-2
Volkswagen Financial Services Overseas AG	
Issuer Credit Rating	BBB+/Negative/A-2
Commercial Paper	
Local Currency	A-2
Senior Unsecured	BBB+
Volkswagen Finans Sverige AB	
Issuer Credit Rating	
Nordic Regional Scale	--/--/K-1
Commercial Paper	
Local Currency	A-2
Volkswagen International Belgium S.A.	
Issuer Credit Rating	BBB+/Negative/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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