S&P Global Ratings

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Volkswagen Bank GmbH

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Volkswagen Bank GmbH

SACP	a-
Anchor	a-	
Business Position	Weak	-2
Capital and Earnings	Very Strong	+2
Risk Position	Adequate	0
Funding	Average	0
Liquidity	Adequate	

\+

Support	0
ALAC Support	0
GRE Support	0
Group Support	0
Sovereign Support	0

\+

Additional Factors	0

Issuer Credit Rating
A-/Negative/A-2

Major Rating Factors

Strengths:	Weaknesses:
• Regulated bank status, hosting Volkswagen's European banking activities. • Very strong capitalization and solid revenue generation. • A stable retail deposit base.	• New business dependence on the parent's auto sales. • Concentrated exposure and volatility in the car finance business. • Potential rating constraints from the relatively weaker parent group.

Outlook: Negative

The negative outlook on Volkswagen Bank GmbH (VW Bank) reflects the possibility of a downgrade over the next two years, mirroring S&P Global Ratings' negative trends for economic and industry risk in its Banking Industry Country Risk Assessment on Germany. It also reflects our negative outlook on Volkswagen AG (VW; BBB+/Negative/A-2), and additional pressures from COVID-19 on VW Bank's risk exposures and risk-adjusted profitability. Moreover, VW Bank has not fully finalized its strategic reorganization within the VW group, and changes to the geographic loan book distribution could lead to greater exposure and economic risks outside the German market.

Downside scenario

We could lower our 'A-' long-term issuer credit rating on VW Bank, as well as our issue ratings on the bank's senior preferred debt, senior subordinated debt, and regulatory capital instruments if VW Bank's anchor were to deteriorate to 'bbb+' from 'a-', if we were to downgrade VW, or we saw idiosyncratic risk from COVID-19 stress that weakened VW Bank's stand-alone creditworthiness.

Upside scenario

We could revise our outlook to stable over the next 24 months if economic and industry risk trends for the German banking industry stabilize. This would at least require successful regulatory and government action to stabilize borrowers and the domestic economy against COVID-19's effects. At the same time, any rating upside would require VW Bank demonstrating the strength of its restructured European business model and maintaining superior capitalization to buffer risks.

Rationale

As a fully owned captive finance subsidiary of German car producer VW, VW Bank has a core strategic business purpose of promoting the sale of products of the group, including support to VW dealers and stronger customer relationships. VW Bank hosts almost all European banking activities for VW Group that are under the authority of the European Central Bank (ECB), while unregulated and non-EU business is executed under Volkswagen Financial Services AG.

Our ratings on VW Bank recognize the bank's regional diversity, though still dominated by German operations, and its stable revenue. This is balanced by VW Bank's concentrated business operations as VW's captive finance company and its dependence on the fortunes of the parent and auto cycles.

Solid earnings and VW's commitment to maintain high capital ratios in its EU banking business continues to indicate that VW Bank will sustain its capital and earnings position, which we view as a particular rating strength. This is also supported by our projected risk-adjusted capital (RAC) ratio of 17%-18% over the coming two years.

In our view, VW Bank depends less than its captive finance peers on confidence-sensitive wholesale funding markets, because it strongly benefits from the bank's substantial access to granular and quite stable customer deposits sourced online. Moreover, we believe the strengthened regulatory ring-fencing as VW's EU banking group further improved the independence of its funding from the group. Although we generally view VW Bank's default risk as closely tied to that of its parent, we believe its reorganizations has strengthened regulatory restrictions regarding liquidity, capital, and funding that could prevent the subsidiary from supporting the group. Therefore, we believe that it would stand on its own, operationally, in times of stress.

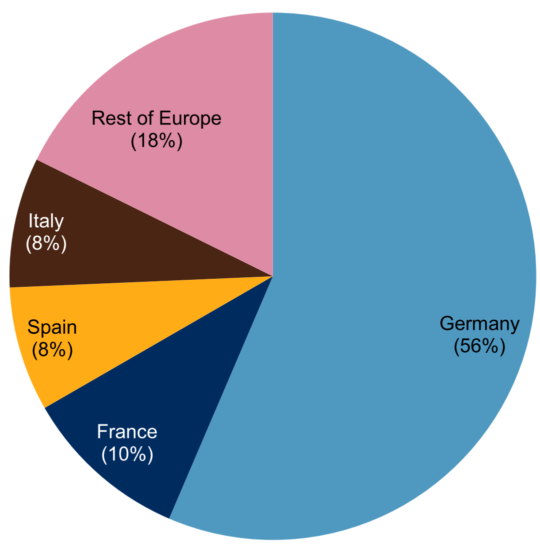
Although COVID-19 will affect VW Bank's 2020 financials, especially on new sales and loan loss provisions, we expect the bank to post a solid return on equity of about 7%. While risks continue into 2021, we expect the bank's strong earnings to buffer additional loan loss provisions over 2021 and 2022.

Anchor:'a-', reflecting blended German economic risk

The 'a-' anchor draws on our BICRA methodology. It takes into account the German industry risk and our view of the weighted-average economic risk across countries where VW Bank operates, which is dominated by Germany (see chart 1). The weighted-average economic risk score rounds to '2' on a scale of '1' to '10' ('1' representing the lowest risk), which compares to '1' for a bank operating solely in Germany.

Chart 1

VW Bank's Loan Portfolio Contains A Majority Of German Clients
But also a large share of higher-risk countries



Source: S&P Global Ratings.

Our assessment of economic risk considers the strengths from Germany's highly diverse and competitive economy, with a demonstrated ability to absorb economic and financial shocks. Due to the COVID-19 pandemic, we expect Germany's GDP to contract by a sharp 5.6% in 2020, followed by a strong rebound with 3.7% expansion in 2021 and 3.2% in 2022. We see the pandemic damaging the economy, household wealth, and various corporate sectors, but anticipate that Germany's ample fiscal and monetary measures will mitigate the cyclical shock to the economy, the banking system, retail, and corporate customers, as well as limit German banks' credit losses. Still, the high degree of openness, with exports accounting for 50% of GDP, makes the trajectory of recovery subject to broad-based international developments. Reviving housing demand and sector-specific challenges, for example in the auto industry, will continue to pressure growth after the pandemic. Our negative trend on economic risk signals that there is some risk a weaker recovery could move credit losses higher than we expect.

Our assessment of industry risk considers the material progress to improve transparency and harmonize banking supervision and regulation. However, the German banks entered the pandemic suffering from pressure on profitability due to intense competition, low interest rates, and a relatively high cost base. Challenges to profitability could intensify further because of COVID-19 pressures, as reflected in our negative trend on industry risk. In addition to expected increasing, albeit manageable cost, we see cost pressures from the imperative for the German banking industry to significantly invest in core banking systems and digital customer services that are essential to avoid the risks of tech disruption and franchise damage from cyberattacks and customer data mismanagement.

Table 1

Volkswagen Bank GmbH--Key Figures

	--Year ended Dec. 31--				
(Mil. €)	**2020***	**2019**	**2018**	**2017**	**2016**
Adjusted assets	68,795	68,406	83,002	78,699	56,295
Customer loans (gross)	55,034	58,038	71,816	71,424	47,684
Adjusted common equity	9,939	8,976	11,580	11,232	7,077
Operating revenues	973	1,710	2,081	2,228	1,721
Non-interest expenses	422	793	932	1,363	1,015
Core earnings	358	555	758	671	482

*Data as of June 30.

Business position: Constrained by the bank's role as a monoline European auto finance provider

We continue to regard VW Bank's business position as a major ratings constraint due to the bank's focus on one activity--car financing--and its business model as a captive finance company. This approach is in line with our assessment of peer captive finance subsidiaries of European auto groups. We note, however, the business opportunities stemming from VW Bank's increased European business diversity (with operations in nine countries), its sharpened focus and efficiency measures from its reorganization as the VW group's EU bank, and a groupwide growth strategy bolstered by VW's commitment to good capitalization.

VW Bank's strategy remains fully aligned with that of its parent, by providing banking services and supporting vehicle sales across Europe and promoting customer loyalty. This means the bank relies on the fortunes of its parent in terms of sales and brand recognition. For VW, we observed a revenue drop of about 15% over 2020, affecting VW Bank's new car financing business in a similar scale, and expect a strong recovery in 2021. The inherently volatile nature of the auto business constrains our assessment of the bank's business position. The client base is diverse--consisting of individuals, corporations, and group dealers--but they all follow the same business cycle.

VW Bank's direct banking activities in Germany, with customer deposits of €31.8 billion as of midyear 2020, in our view provide stability to the bank's business model, notably in terms of funding. Although we generally consider direct bank customer deposits more price sensitive and therefore less stable than those of large retail banks, VW Bank's deposit and customer base have, in our view, proven robust. The bank provides retail customers with the product offering of a direct bank, and business customers with account and payment transaction services. It arranges mortgage loans and other long-term financing, as well as investments in funds and stock markets, in cooperation with partners. In our opinion, these complementary services provide no significant near-term diversification benefit, and we expect the bank will continue relying on interest income, which generates about 85% of operating revenue.

Table 2

Volkswagen Bank GmbH--Business Position

	--Year ended Dec. 31--				
(%)	**2020***	**2019**	**2018**	**2017**	**2016**
Total revenue from business line (mil. €)	973.0	1,713.0	2,380.0	2,312.0	1,721.0
Commercial banking/total revenue from business line	12.6	15.8	53.0	24.3	9.9
Retail banking/total revenue from business line	66.8	75.3	42.3	51.7	65.6
Commercial and retail banking/total revenue from business line	79.4	91.1	95.3	76.0	75.5
Insurance activities/total revenue from business line	N/A	7.8	5.9	9.0	13.9
Other revenue/total revenue from business line	20.6	1.1	(1.2)	15.1	10.6
Return on average common equity	7.1	5.0	6.1	7.1	7.9

*Data as of June 30. N/A--Not applicable.

Capital and earnings: Solid capitalization, supported by strong earnings capacity

We believe VW Bank will maintain its rating strength of very strong capital and earnings, reflecting its good earnings generation and VW's commitment to maintain high capital ratios at its EU banking business. We project that the bank's RAC ratio (before diversification) will be flat in the next few years, around the 17.5% of Dec. 31, 2019.

We believe that, despite the challenging economy due to the pandemic and continuing strong competition and margin pressure in many European countries, especially in Germany, VW Bank's 2020-2022 earnings retention under IFRS will maintain largely stable capitalization. For 2020, we expect a net profit of €550 million-€650 million. VW Bank has a profit and loss transfer agreement with its parent VW, which triggers the annual transfer of VW Bank's local GAAP result.

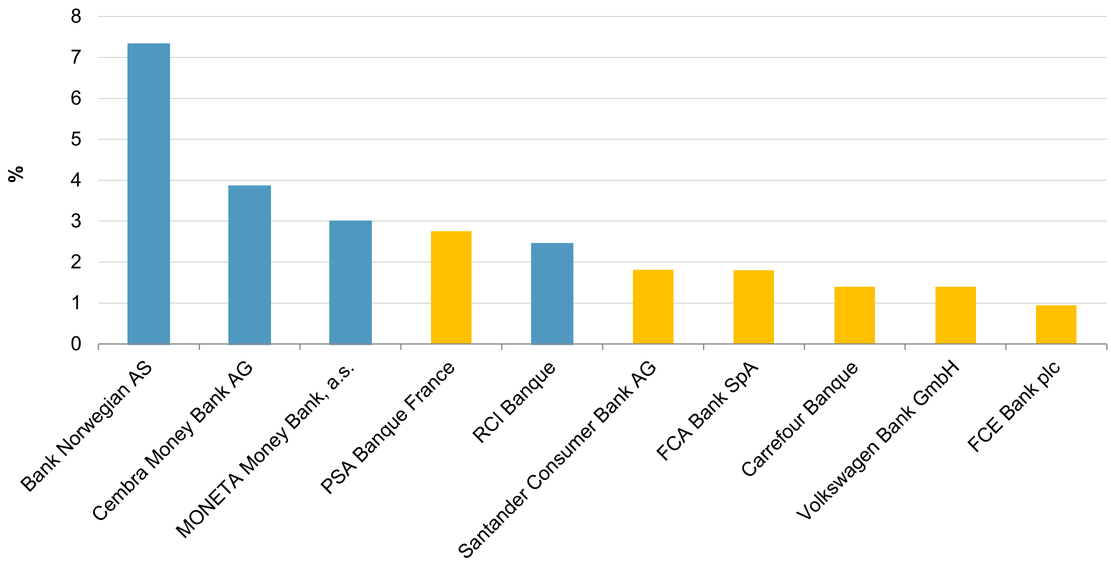
We expect that the bank's cost-to-income ratio will improve slightly from 46% in 2019. This reflects the transfer of higher margin businesses in the U.K. to Volkswagen Financial Services AG during 2020, which we expect strict cost control in coming years will compensate for.

In our view, the high pre-provision operating income provides a sufficient buffer to cover potential increases in loan loss provisions over 2021 and 2022, reflecting high uncertainty about the pandemic. We project the three-year average earnings buffer will remain strong, at about 140 basis points (bps), indicating that VW Bank has adequate earnings to cover more than our assumed normalized losses of about €290 million in 2021. This level compares favorably with that of many domestic and international universal banks but is weaker than that of most rated captives and consumer finance focused peers (see chart 2).

Chart 2

VW Bank's Risk-Adjusted Profitability Is Slightly Below That Of Consumer Finance Focused Peers

But still strong compared with universal peers



Three-year average earnings buffer as of (2018, 2019 and 2020e). For the indicated entities, the issuer credit ratings include one notch of uplift for additional factors, including profitability. Source: S&P Global Ratings.

We anticipate that the bank will maintain its conservative capital management and its asset mix and growth are unlikely to change materially in the near-to-medium term. Furthermore, we expect that VW will remain committed to maintaining sound capitalization at VW Bank, supporting the bank's business growth through capital injections, if necessary.

Table 3

Volkswagen Bank GmbH--Capital And Earnings					
	--Year ended Dec. 31--				
(%)	**2020***	**2019**	**2018**	**2017**	**2016**
Tier 1 capital ratio	16.3	15.6	15.5	15.6	14.3
S&P Global Ratings' RAC ratio before diversification	N/A	17.5	20.1	21.4	20.7
S&P Global Ratings' RAC ratio after diversification	N/A	17.7	20.1	21.2	20.6
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	79.4	91.3	108.9	98.2	86.3
Fee income/operating revenues	1.6	0.0	(8.5)	(1.7)	(1.7)
Market-sensitive income/operating revenues	(0.5)	(0.2)	4.1	(2.2)	(0.5)
Cost-to-income ratio	43.4	46.4	44.8	61.2	59.0
Preprovision operating income/average assets	1.6	1.2	1.4	1.3	1.3

Table 3

Volkswagen Bank GmbH--Capital And Earnings (cont.)					
	--Year ended Dec. 31--				
(%)	**2020***	**2019**	**2018**	**2017**	**2016**
Core earnings/average managed assets	1.0	0.7	0.9	1.0	0.9

*Data as of June 30. N/A--Not applicable.

Table 4

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 and central banks	8,328	2,363	28	181	2
Of which regional governments and local authorities	2,313	0	0	85	4
Institutions and CCPs	1,704	413	24	271	16
Corporate	24,376	16,663	68	17,060	70
Retail	41,147	29,625	72	22,272	54
Of which mortgage	0	0	0	0	0
Securitization§	664	175	26	174	26
Other assets†	3,806	3,025	79	6,563	172
Total credit risk	80,025	52,263	65	46,521	58
Credit valuation adjustment					
Total credit valuation adjustment	--	13	--	0	--
Market risk					
Equity in the banking book	0	0	0	0	0
Trading book market risk	--	375	--	563	--
Total market risk	--	375	--	563	--
Operational risk					
Total operational risk	--	3,488	--	4,178	--
(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	--	56,138	--	51,261	100
Total diversification/ concentration adjustments	--	--	--	(505)	(1)
RWA after diversification	--	56,138	--	50,756	99
(Mil. €)		**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		8,697	15.5	8,969	17.5
Capital ratio after adjustments‡		8,697	15.5	8,969	17.7

Table 4

Volkswagen Bank GmbH--Risk-Adjusted Capital Framework Data (cont.)

*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, 2019; S&P Global Ratings.

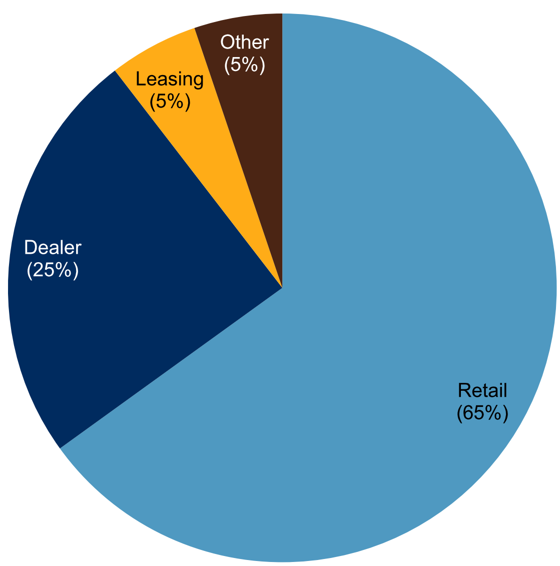
Risk position: Sound asset quality and prudent risk management balance concentration in the auto sector

We assess VW Bank's risk position as a neutral rating factor, because we adequately capture VW Bank's domestic and European auto loans and dealer financings in our RAC ratio, VW Bank's auto loans are highly collateralized, and its loss experience is in line with that of its peers.

Retail auto loan exposure (€34 billion as of midyear 2020; see chart 3) are granular, highly collateralized, and principally in European countries with relatively low risk. Although dealer and corporate exposures (€13 billion as of midyear 2020) inherently feature single-name concentration, the 20 largest exposures represent a low proportion of the bank's total adjusted capital. VW Bank's leasing exposure fell drastically in 2019 from the transfer of leasing subsidiaries to Volkswagen Financial Services AG, to €2.7 billion as of June 2020 from €18.8 billion in 2018.

Chart 3

VW Bank's Loan Portfolio Is Dominated By Retail Customers

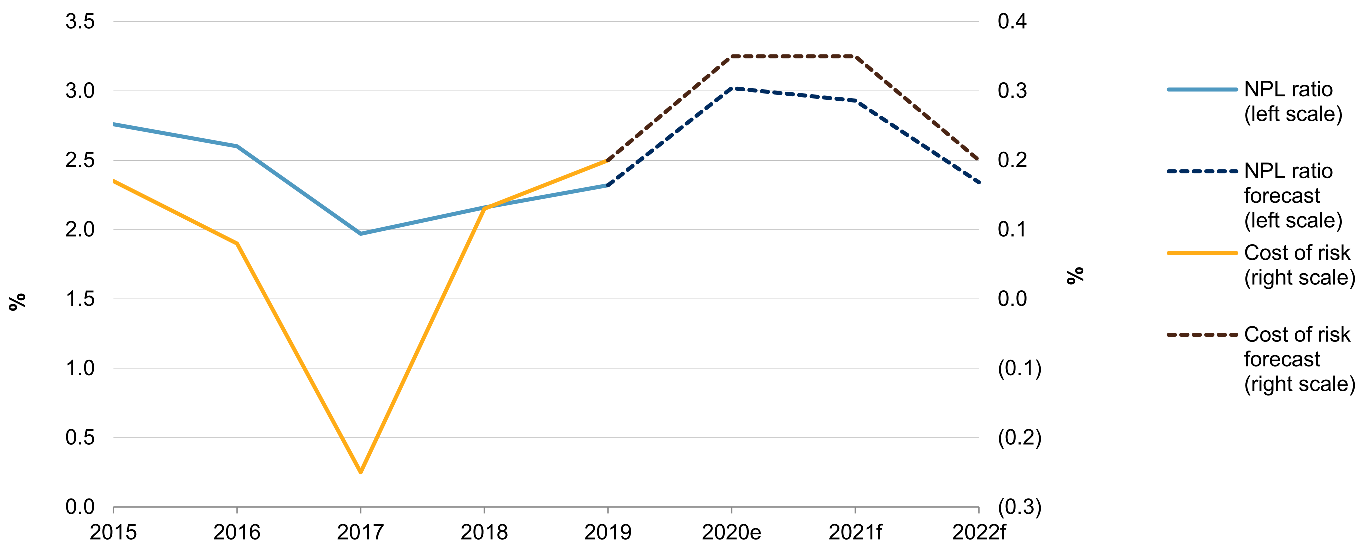


Source: S&P Global Ratings.

We recognize that VW Bank has limited interest-rate risk from a largely matched funding structure and low residual-value risk because leasing business is mainly executed at VW Financial Services. Generally, we believe the risks the bank assumes show low complexity. VW Bank's asset quality is adequate and in line with that of peer captive financing subsidiaries, with nonperforming loans (NPLs) equaling 2.3% of total loans in 2019. For 2020, we expect NPLs to have increased to about 3% (see chart 4).

Chart 4

VW Bank's Credit Quality Is Likely To Deteriorate Slightly Amid COVID-19



NPL--Nonperforming loans. e--Estimate. f--Forecast. Source: S&P Global Ratings.

For 2020 and 2021, we assume a loss rate of about 35 bps or Eur 200 million annually compared to 20 bps in 2019, but remain cautious on further risks over 2021, when government support programs will run off, payment moratoria have ended and requirements around insolvency filings fully resume in Germany.

In general, we believe that the bank's reserving policy is more conservative than that of captive peers, as illustrated by VW Bank's strong coverage of its NPL portfolio, with provisions of 82% in 2019 despite strong collateralization.

Table 5

Volkswagen Bank GmbH--Risk Position					
	--Year ended Dec. 31--				
(%)	**2020***	**2019**	**2018**	**2017**	**2016**
Growth in customer loans	(10.4)	(19.2)	0.5	49.8	11.6
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	(1.0)	0.3	1.1	0.5
Total managed assets/adjusted common equity (x)	6.9	7.6	7.2	7.0	8.0
New loan loss provisions/average customer loans	0.2	0.2	0.1	(0.3)	0.1
Net charge-offs/average customer loans	N.M.	0.1	0.1	0.0	0.1
Gross nonperforming assets/customer loans + other real estate owned	N/A	2.3	2.2	2.0	2.6

Table 5

Volkswagen Bank GmbH--Risk Position (cont.)					
	--Year ended Dec. 31--				
(%)	2020*	2019	2018	2017	2016
Loan loss reserves/gross nonperforming assets	N/A	81.6	76.3	77.2	91.9

*Data as of June 30. N/A--Not applicable.

Funding and liquidity: An adequate funding profile, owing to granular customer deposits

We consider VW Bank's funding and liquidity position a neutral rating factor. The bank's access to a large core deposit base, which accounted for about 72% of its funding at midyear 2020, differentiates it from its captive finance peer group. VW Bank's granular retail deposits make it less sensitive to volatile wholesale funding sources, as demonstrated by the bank's stable funding ratio (about 108% as of midyear 2020). The bank's customer deposits are protected under the Deposit Protection Fund of the Association of German Banks.

We generally consider direct bank customer deposits more price sensitive and less stable than those of large retail banking networks, such as the German savings banks or the cooperative sector. However, we expect VW Bank's deposit and customer bases will remain robust, as illustrated by stability in 2020. The bank's loan-to-deposit ratio was about 116% at midyear 2020, and wholesale funds cover funding gaps.

This exposes VW Bank to some refinancing risk, but the bank has access to some uncommitted lines and assets eligible for refinancing at the ECB. The bank regularly conducts liquidity stress tests to identify any shortcomings in stressed environments. We also expect VW Bank to scale up its deposit funding by offering slightly more attractive terms if needed. In our view, these supplementary liquidity buffers add to the bank's 3.1x liquidity ratio (broad liquid assets to short-term wholesale funding) as of midyear 2020. Furthermore, we expect VW Bank will have access to funding from its parent in the event of financial distress.

Table 6

Volkswagen Bank GmbH--Funding And Liquidity					
	--Year ended Dec. 31--				
(%)	2020*	2019	2018	2017	2016
Core deposits/funding base	71.9	69.0	58.7	63.9	80.1
Customer loans (net)/customer deposits	134.4	148.9	178.4	171.3	122.7
Long-term funding ratio	94.6	93.9	90.2	90.8	96.4
Stable funding ratio	107.6	99.4	92.6	92.4	104.0
Short-term wholesale funding/funding base	6.4	7.2	11.5	10.9	4.1
Broad liquid assets/short-term wholesale funding (x)	3.1	1.7	0.8	0.6	2.9
Net broad liquid assets/short-term customer deposits	19.6	7.5	(5.6)	(7.4)	10.8
Short-term wholesale funding/total wholesale funding	22.7	23.2	27.8	30.1	20.6
Narrow liquid assets/ three-month wholesale funding (x)	10.2	5.4	1.3	1.3	13.5

*Data as of June 30.

Environmental, social, and governance (ESG) factors

We do not see ESG credit factors influencing the bank's credit quality materially different from peers. In our view, VW

Bank's concentrated activities in car financing exposes it to environmental risks to a somewhat larger extent than other banking peers. In particular, we see VW Bank as more exposed than its industry due to carbon dioxide regulations for automakers in the EU and the secular shift to electrified vehicles. Nevertheless, VW Bank plays a key role to promote the sales of electrified vehicles and, through this, reduce the environmental impact of its fleet. We consider VW Bank's exposure to governance and social risks not materially different from those of industry peers.

Support: Insulation enables a rating above the VW group

VW Bank remains a significant earnings contributor to its parent, and its captive finance operations are integral to the group's sales strategy. We therefore view VW Bank as having a core group status in VW's business model, indicating our expectation of group support 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.

However, the stand-alone credit profile is one notch higher than VW's group credit profile and we assess VW Bank as an insulated subsidiary, so we rate VW Bank one notch above its parent. The insulation status reflects VW Bank's regulatory status as a bank, operational independence, and independent funding prospects from the group. Although we generally view the bank's default risk as indistinguishable from that of its parent, regulatory restrictions regarding liquidity, capital, and funding could prevent it from supporting the group. Therefore, we believe that it would be able to stand on its own, operationally, in times of stress.

Although VW Bank is subject to requirements for own funds and eligible liabilities that it already meets, we believe it would not be targeted for meaningful recapitalization. Should the bank fail, we doubt a bail-in-led resolution that protects full and timely payment to all senior preferred creditors would happen. This makes the ratings on the bank ineligible for uplift for additional loss absorbing capacity.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Volkswagen AG, Dec. 2, 2020
- Negative Rating Actions Taken On Multiple German Banks On Deepening COVID-19 Downside Risks, April 23, 2020
- Research Update: VW Bank GmbH 'A-/A-2' Ratings Affirmed Following Parent Volkswagen's Outlook Revision To Negative On COVID-19 Effects, March 26, 2020
- Research Update: Automaker Volkswagen Outlook Revised To Negative On Weaker Revenue Prospects Due To COVID-19; Affirmed At 'BBB+/A-2', March 26, 2020
- Outlooks On Various German Banks Revised To Negative On Rising Banking Sector Risks; Ratings Affirmed, Sept. 18, 2019

Anchor Matrix

Industry Risk	Economic Risk									
	1	**2**	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	**a-**	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of January 27, 2021)*

Volkswagen Bank GmbH	
Issuer Credit Rating	A-/Negative/A-2
Commercial Paper	
Local Currency	A-2
Senior Subordinated	BBB+
Senior Unsecured	A-
Short-Term Debt	A-2
Issuer Credit Ratings History	
12-Oct-2015	A-/Negative/A-2
24-Sep-2015	A/Watch Neg/A-1
22-Sep-2014	A/Stable/A-1
Sovereign Rating	
Germany	AAA/Stable/A-1+

Ratings Detail (As Of January 27, 2021)*(cont.)	
Related Entities	
Banco Volkswagen S.A.	
Issuer Credit Rating	
Brazil National Scale	brAAA/Stable/--
Scania AB (publ.)	
Issuer Credit Rating	BBB/Negative/A-2
Nordic Regional Scale	--/--/K-2
South Africa National Scale	zaAAA/--/zaA-1+
TRATON SE	
Issuer Credit Rating	BBB/Negative/--
Volkswagen AG	
Issuer Credit Rating	BBB+/Negative/A-2
Volkswagen Financial Services AG	
Issuer Credit Rating	BBB+/Negative/A-2
Volkswagen Finans Sverige AB	
Issuer Credit Rating	
Nordic Regional Scale	--/--/K-1
Volkswagen International Belgium S.A.	
Issuer Credit Rating	BBB+/Negative/A-2
Commercial Paper	
Local Currency	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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