MOODY'S RATINGS

CREDIT OPINION
30 October 2024

Update

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RATINGS

Volkswagen Bank GmbH

Domicile	Brunswick, Germany
Long Term CRR	Aa3
Type	LT Counterparty Risk Rating - Fgn Curr
Long Term Debt	(P)A1
Type	Senior Unsecured MTN - Fgn Curr
Long Term Deposit	A1
Type	LT Bank Deposits - Fgn Curr
Outlook	Negative

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Volkswagen Bank GmbH

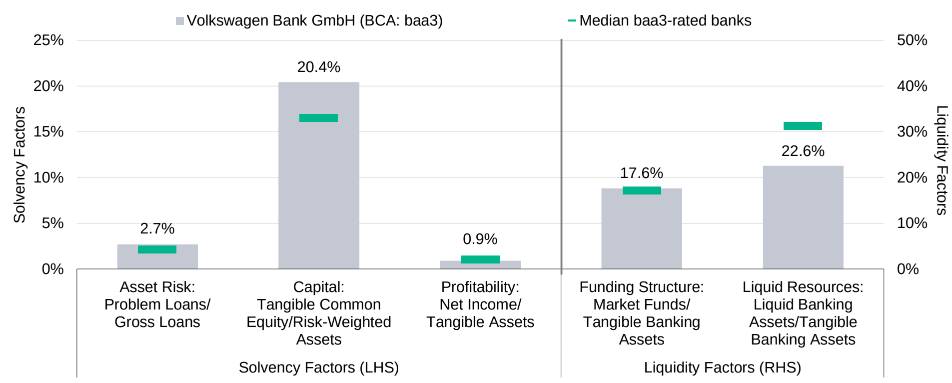
Update following rating affirmation and outlook change to negative

Summary

Volkswagen Bank GmbH's (VW Bank) A1(negative) deposit and issuer ratings reflect the bank's baa3 Baseline Credit Assessment (BCA); a three-notch rating uplift from affiliate support from the bank's ultimate parent Volkswagen Aktiengesellschaft's (Volkswagen, A3 negative[1]); and two notches of rating uplift from our Advanced Loss Given Failure (LGF) analysis, which incorporates the relative loss severity of a liability class. VW Bank's ratings do not benefit from any government support uplift due to its insignificant size in the context of the German banking sector.

Following the larger-scale restructuring of Volkswagen captive finance operations, VW Bank's baa3 BCA reflects its generally sound asset quality, solid regulatory capital levels and continued satisfactory profitability. It now also reflects additional direct residual value risks at the level of Volkswagen Bank Group resulting from the consolidation of Volkswagen Leasing GmbH (VW Leasing, A1 negative[2]). The broad range of the bank's proven and diversified funding channels, including its stable and granular deposit funding franchise, displays good access to capital markets even in volatile market environments, mitigating risks from its now higher dependence on wholesale capital market funding. The BCA remains constrained by the bank's undiversified business mix, resulting from its captive finance origin and resulting classification as a monoline business.

Exhibit 1
Rating Scorecard - Key financial ratios
Volkswagen Bank GmbH



Sources: Moody's Ratings and company filings

Credit strengths

» Implicit and explicit support from the parent protects creditors

» Solid through-the-cycle asset quality which reflects the bank's prudent risk management

» Strong capitalisation and conservative leverage

» Granular, retail-oriented and fairly stable deposit base reduces the bank's reliance on more confidence-sensitive wholesale funding

Credit challenges

» Because of VW Bank's position as the carmaker's captive auto loan provider, the bank's lending portfolio is entirely concentrated in the automobile industry, which links its asset quality as well as its profitability prospects closely to the strength of its parent

» The continued reshaping of the automobile industry towards low-emission, alternative-fuel vehicles could eventually hurt VW Bank's sound asset quality and profitability in the current volatile economic and geopolitical environment

» In particular, elevated residual value risk due to a large lease portfolio may impact earnings or lead to heightened volatility

» Moderate reliance on confidence-sensitive wholesale funding carries refinancing risks

Outlook

» Owing to the intrinsic interlinkages of VW Bank with its automotive parent through Volkswagen Financial Services AG, its ratings are highly dependent on the creditworthiness of Volkswagen. Therefore, the negative outlook on the long-term deposit, issuer and senior unsecured debt ratings, where applicable, reflects the negative outlook on Volkswagen.

Factors that could lead to an upgrade

» VW Bank's ratings could be upgraded in case of an upgrade of Volkswagen, or in case significant volumes of minimum requirements for own funds and eligible liabilities (MREL)-eligible bonds get issued, such that it reduces the loss severity of their various respective rating classes.

» VW Bank's BCA could be upgraded if it manages to sustain asset risks and keep contained loan loss charges or residual value impairments through the cycle, or if the bank improves its capitalisation to levels above our current expectations.

Factors that could lead to a downgrade

» VW Bank's ratings could be downgraded in case of a downgrade of Volkswagen, or in case the liability structure shifts towards non-bail-able liabilities, such that it increases the loss severity of respective rating classes.

» A downgrade could also be triggered if Volkswagen were to loosen its ties with its bank subsidiary, leading to a lowering of our support assumption for VW Bank and a downgrade of the bank's Adjusted BCA to a level below the parent's issuer rating.

» The bank's BCA could be downgraded if VW Bank's asset quality or capital metrics deteriorate to levels below our current expectations or if the bank becomes meaningfully more reliant on market funding in conjunction with a significantly lower liquidity buffer.

Key indicators

Exhibit 2
Volkswagen Bank GmbH (Consolidated Financials) [1]

	12-23[2]	12-22[2]	12-21[2]	12-20[2]	12-19[2]	CAGR/Avg.[3]
Total Assets (EUR Billion)	72.1	61.2	67.3	66.9	68.4	1.3[4]
Total Assets (USD Billion)	79.6	65.3	76.2	81.9	76.8	0.9[4]
Tangible Common Equity (EUR Billion)	11.2	10.7	9.8	9.4	9.0	5.6[4]
Tangible Common Equity (USD Billion)	12.4	11.4	11.1	11.5	10.1	5.2[4]
Problem Loans / Gross Loans (%)	2.7	2.6	2.6	2.8	2.5	2.6[5]
Tangible Common Equity / Risk Weighted Assets (%)	20.4	21.1	19.7	18.6	16.1	19.2[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	11.1	10.7	11.1	13.7	13.5	12.0[5]
Net Interest Margin (%)	2.5	2.4	2.4	2.4	2.3	2.4[5]
PPI / Average RWA (%)	1.7	1.4	1.5	1.6	1.4	1.5[6]
Net Income / Tangible Assets (%)	0.9	0.8	1.2	0.9	0.8	0.9[5]
Cost / Income Ratio (%)	51.5	55.8	54.3	51.0	49.8	52.5[5]
Market Funds / Tangible Banking Assets (%)	17.6	25.0	28.2	27.6	25.0	24.7[5]
Liquid Banking Assets / Tangible Banking Assets (%)	22.6	12.9	23.9	16.8	10.9	17.4[5]
Gross Loans / Due to Customers (%)	106.0	184.2	178.3	182.0	170.2	164.2[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Ratings and company filings

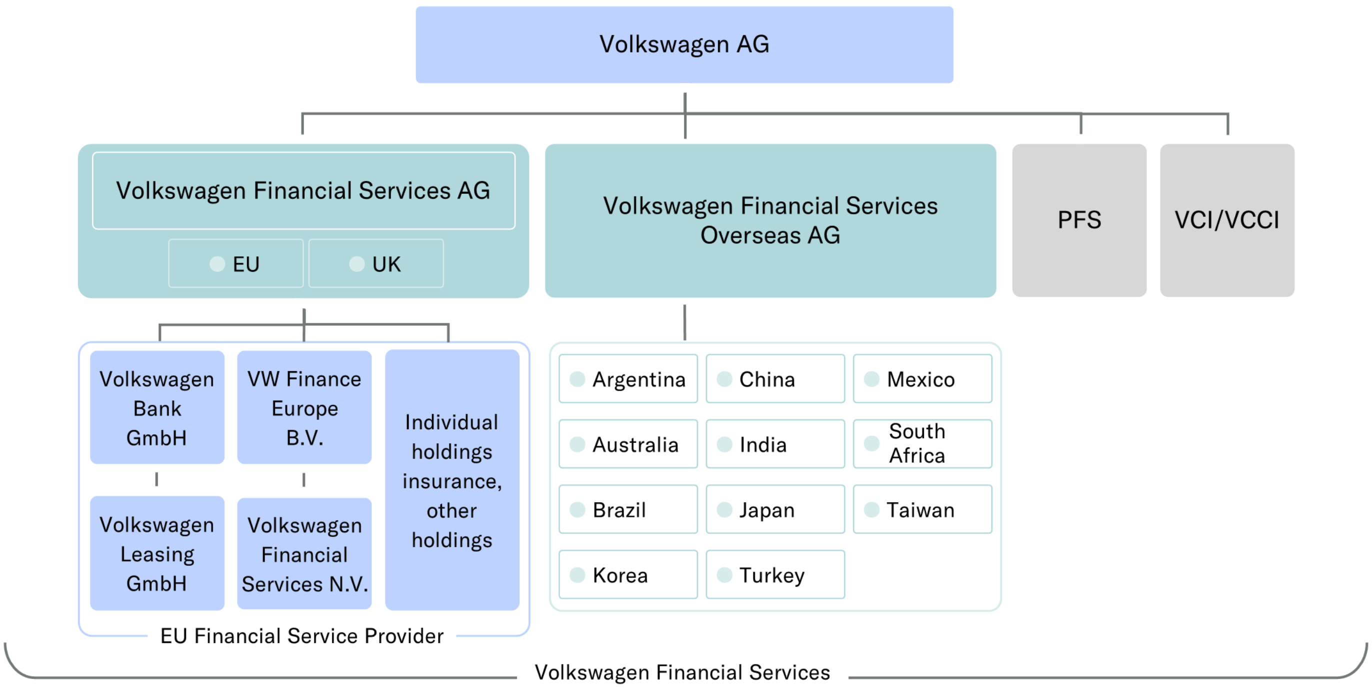
Profile

Volkswagen Bank GmbH (VW Bank) is a German limited liability company that was wholly owned by Volkswagen, a major global automotive manufacturer and provider of associated financial services, until 30 June 2024.

Effective 1 July 2024, Volkswagen has reorganised its financial services operations. Its European banking and leasing operations, including VW Bank and VW Leasing (which became a subsidiary of VW Bank) and its insurance and mobility services are now consolidated under the umbrella of new Volkswagen Financial Services AG (VW FS AG, A3 negative[3]). This new EU parent financial holding company holds total assets of approximately €180 billion.

Under this new structure, VW Bank provides a wide range of banking services to private and business customers. Moreover, VW Bank is a significant provider of internet-based banking services in Germany: VW Bank's direct banking unit (VW Direct) was the largest direct bank in the European automotive financial services market based on its total customer deposits of €38.2 billion as of year-end 2023 (2022: €26.3 billion). This significant deposit increase is due to VW Bank's strategic plan to accumulate deposits as its main refinancing source under the new operational setup.

Exhibit 3
New organisational structure of Volkswagen's financial services operations



Abbreviations: PFS = Porsche Financial Services GmbH; VCI = VW Credit Inc.; VCCI = VW Credit Canada Inc.
Sources: Moody's Ratings and company filings

VW Bank's Macro Profile is Strong+

Because of its clear focus on the German, French and Italian car lending and leasing markets, the bank's assigned Strong + Macro Profile reflects the weighted exposures to these key markets, in addition to its operations in smaller markets such as Spain, UK and Poland. For more information, please see VW Bank's Issuer Profile and our German Banking System Profile.

Detailed credit considerations

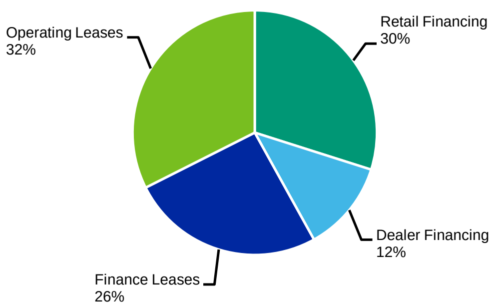
Sound asset quality, but higher residual value (RV) risks need monitoring

VW Bank's baa3 Asset Risk score captures asset-quality risks resulting from the highly uncertain macroeconomic environment and anticipated heightened volatility of used car prices following a period of unusually high residual values (RV) for used cars.

VW Bank's asset quality is influenced by its significant car lending and leasing concentrations, dealers' inventories of cars produced by Volkswagen, and retail loan and lease residual exposures. The company's risk profile is, therefore, impacted by trends in new and used-car values and macroeconomic conditions in the markets in which the carmaker and its captive operate. Moreover, the future sales performance of cars in general appears significantly less certain and predictable as a result of shifting consumer preferences, higher inflation tightening disposable incomes and the effects of carbon transition on the captive's stock of leased vehicles. Regarding the latter, the EU's zero emission targets and volatile policy response add to RV risks because of the unpredictable speed and magnitude of vehicle depreciation in light of the uncertainty surrounding future technology development and related government policies.

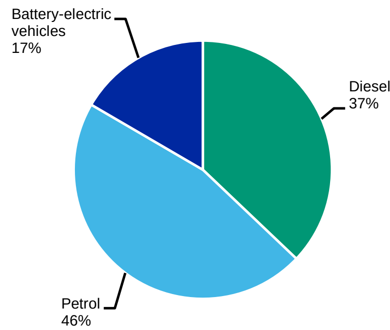
In addition, recently receding demand for battery-electric vehicles (BEVs), which commanded a higher share of leased cars over the past two to three years, may result in residual value losses that could affect the profitability of VW Bank's now significantly larger leasing operations or lead to financial strain at financed dealerships. Regarding the latter, and given the importance of the dealer network to the value chain of Volkswagen, the carmaker has supported car dealers in the past and will likely continue to provide support in case of need. Such support would help alleviate asset-quality risks at the level of VW Bank.

Exhibit 4
VW Bank's business model split Q1 2024E
Based on pro-forma Moody's Ratings' estimates including VW Leasing



Based on data after reorganisation for year-end 2023.
Sources: Moody's Ratings estimates and company filings

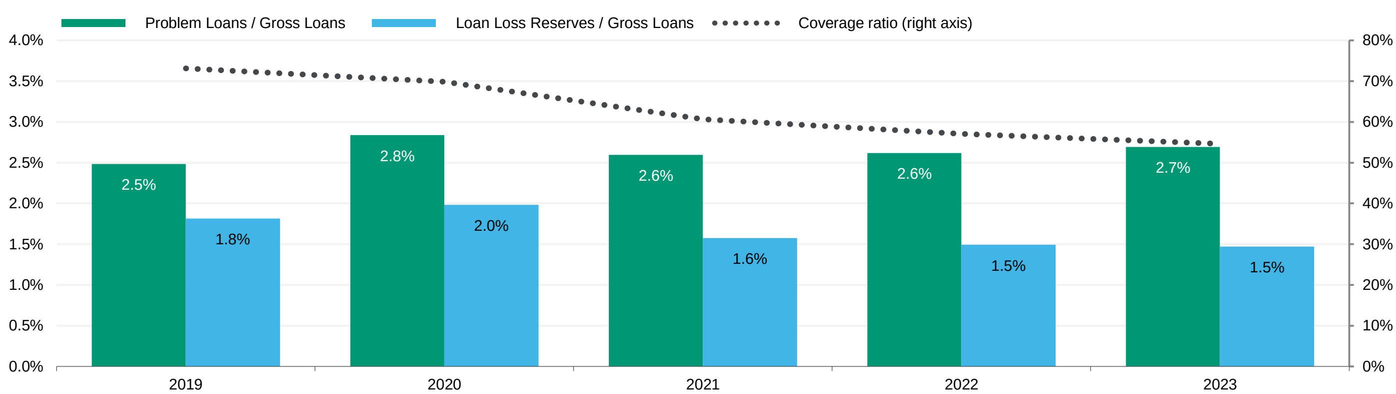
Exhibit 5
VW Bank's portfolio overview by engine type as of Q1 2024E
BEVs' larger share of overall financed stock under new setup bears RV risks



Based on data after reorganisation.
Sources: Moody's Ratings estimates

Despite the aforementioned risks, VW Bank exhibits strong risk management practices, highly granular credit exposures and still moderate residual value risks. This will help maintain strong asset quality with relatively low problem loans of around 3% anticipated under the new setup (2023 pro-forma: 2.6%). Overall, we expect VW Bank's nonperforming loan (NPL) ratio to reside within a range of 3%-4% over the next two to three years. At the same time, changes in the assessment of residual values for used cars will likely add to earnings volatility.

Exhibit 6
VW Bank's problem loans remained stable in 2023; loan loss coverage remains solid
VW Bank standalone, prior to reorganisation



Problem loans displayed in accordance with Moody's definition.
Sources: Moody's Ratings and company filings

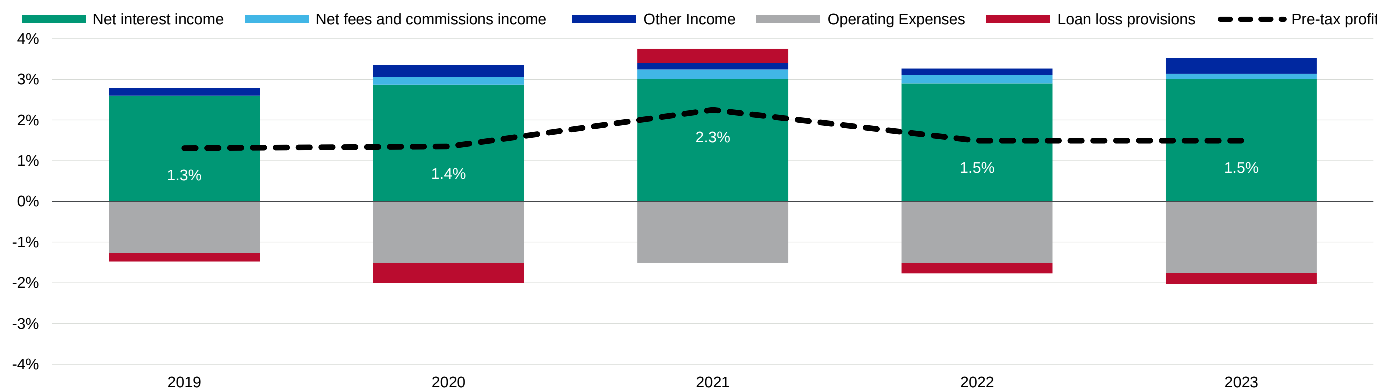
Profitability expected to remain broadly stable

VW Bank's baa2 Profitability score is supported by the carmaker's sales and cost efficiency strategy, which targets to grow car sales in combination with the bank's lending, service and insurance products and which provides specific subsidies targeted at offering attractively priced financial services packages for both new and used cars.

As a result, VW Bank's profitability depends on the sales success of its carmaking parent supporting its new contract volumes in customer and dealer financing as well as leasing agreements. It will also be somewhat driven by additional revenue from adjacent servicing or insurance contracts, gradually diversifying VW Bank's income streams away from net interest income. The bank's profitability is, however, likely to become more volatile owing to fluctuating residual values from the sale of used cars.

Going forward, we expect the enlarged VW Bank to report stable profitability around prior years' levels, that is, a net income in % of tangible banking assets of between 0.75%-1.00%.

Exhibit 7
VW Bank's profitability is set to remain stable under the new setup



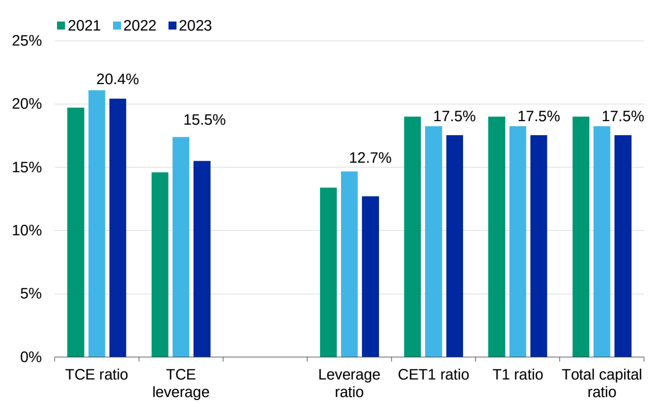
P&L components are shown in % of average RWAs.
Sources: Moody's Ratings and company filings

Good capitalisation despite marginal decline in capital metrics post reorganisation

VW Bank's a2 Capital score captures our expectation that VW Bank will display a tangible common equity/risk-weighted assets of around 15% going forward and taking into account the bank's low on balance-sheet leverage as well as some uncertainty regarding the medium-term development of the bank's capitalisation. Considering VW Bank's asset composition, with approximately half of its assets in leases, we believe the company's current capitalisation is well aligned with its peers, although its sizeable lease portfolio makes it vulnerable to variations in new and used car prices and resulting RV risk. However, the profit and loss transfer agreement with Volkswagen[4] serves as a mitigating factor to its overall sound capitalisation while at the same time limiting the bank's potential to retain earnings.

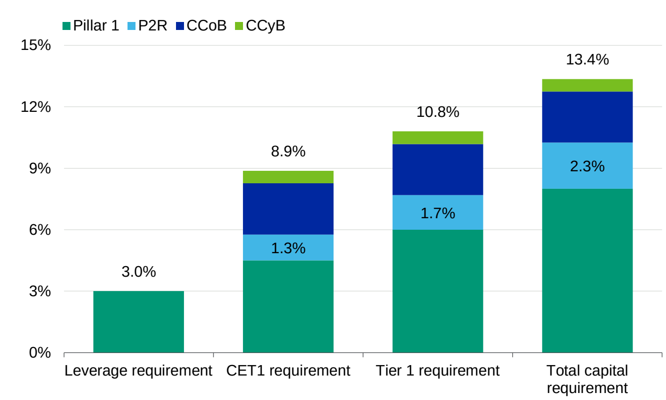
Prior to the reorganisation, and as shown below, VW Bank comfortably complied with all regulatory requirements as of the end of 2023.

Exhibit 8
VW Bank has maintained solid capital and leverage ratio levels



TCE = Tangible common equity (our calculation); CET1 = Common Equity Tier 1 capital; T1 = Tier 1 capital.
Sources: Moody's Ratings and company filings

Exhibit 9
VW Bank's capital requirements in detail



P2R = Pillar 2 requirement; CCoB = Capital conservation buffer; CCyB = Countercyclical capital buffer; SIIB = Systemically important institutions buffer.
Sources: Moody's Ratings and company filings

Access to a granular retail-oriented deposit base supports the bank's funding mix

VW Bank's ba3 Funding Structure score reflects the meaningful dependence on more confidence-sensitive market funding to refinance VW Bank's growing lending and leasing books. The assigned score also takes account of the bank's sustainable access to a variety of shorter- and longer-term funding sources.

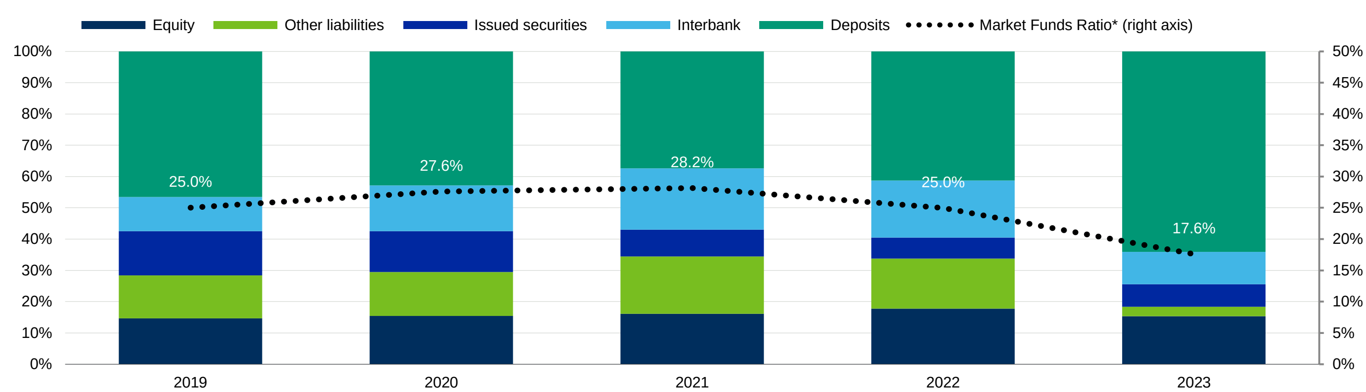
Under the new setup, client deposits will gain an important role for the refinancing of VW Bank well as the entire financial services group, under which the enlarged bank is now consolidated. Preparing for the anticipated more major change in overall funding mix under new VW FS AG, client deposits at VW Bank rose significantly to €38.2 billion in 2023 (2022: €26.2 billion). Even prior to the reorganisation, VW Bank's deposit base was of particular importance especially during periods of more volatile capital markets: It has repeatedly demonstrated stability – for example, during the 2008-09 financial crisis, following the parent's diesel emissions issue, as well as during the coronavirus pandemic – and proved to be a reliable and sufficiently flexible funding source. Further, the bank's access to longer-term funding sources further mitigates risks arising from the frequent refinancing of relatively short-term funding, which generally matches the bank's auto loan and leasing assets (with a customary initial tenor of around two to three years).

Going forward, we expect deposits to constitute around 50% of VW Bank's refinancing base, complemented for by senior bond issuances, committed intercompany lines and interbank funding as well as secured funding through asset-backed securities. We, therefore, anticipate the bank's market funding ratio to arrive at around 40% under the new organisational setup, up from around 25% prior.

Exhibit 10

Market funds ratio will rise owing to higher share of secured debt issuance from leasing operations

Strong access to retail deposits mitigates refinancing risks



*Market funds ratio = Market funds/tangible banking assets.

Sources: Moody's Ratings and company filings

Liquidity benefits from recent strong deposit gathering and is expected to normalize over time

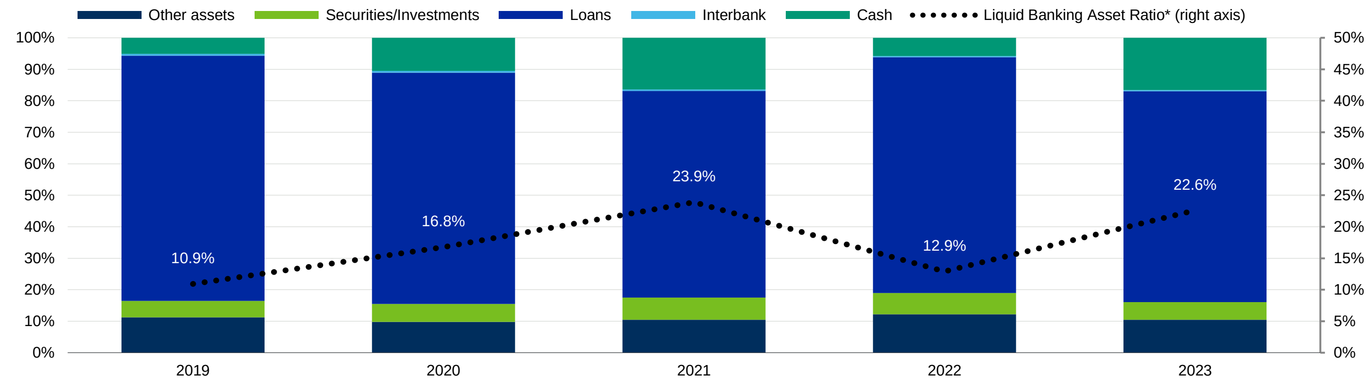
VW Bank's Liquid Resources score of baa2 takes account of our expectation of a smaller liquidity buffer going forward as and when excess liquidity gets reinvested into new loan and leasing assets and following the consolidation of VW Leasing.

The score further reflects VW Bank's access to additional liquidity resources from its carmaker parent in case of need. Furthermore, the bank can rely on access to additional liquidity resources through committed liquidity lines from its carmaker parent and unencumbered assets available for securitisations and immediate placement at the ECB Pledge Account. The inclusion of VW Leasing into VW Bank's consolidation perimeter does not meaningfully add to the overall liquid resources under the new setup.

Exhibit 11

VW Bank's liquid reserves increased in 2023 owing to strong deposit gathering

Composition of liquid assets



*Liquid banking asset ratio = Liquid assets/tangible banking assets.

Sources: Moody's Ratings and company filings

Qualitative adjustment captures the bank's narrow business model and lack of business diversification

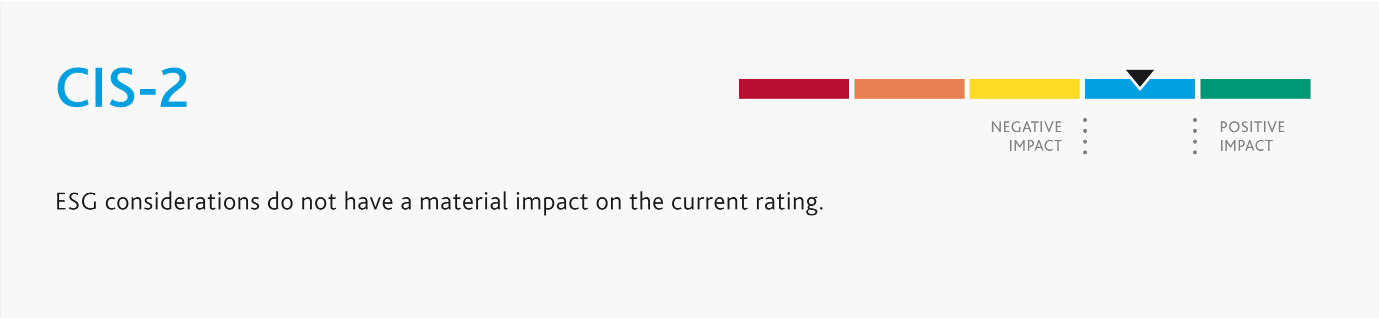
We reduce VW Bank's weighted average outcome of the Financial Profile factor score by one full notch to baa3. This adjustment reflects the bank's strongly focused business profile and sector concentration risks arising from its position as Volkswagen's captive finance company. The resulting high reliance on car-finance-related earnings streams limits its potential for earnings diversification and exposes it to unexpected shocks outside its direct control.

Business diversification is an important gauge of a bank's sensitivity to stress in a single business line. Business diversification is related to earnings stability in the sense that earnings diversification across distinct and relatively uncorrelated lines of business increases the reliability of a bank's earnings stream and its potential to absorb shocks affecting a business line.

ESG considerations

Volkswagen Bank GmbH's ESG credit impact score is CIS-2

Exhibit 12
ESG credit impact score



Source: Moody's Ratings

VW Bank's **CIS-2** indicates that ESG considerations do not have a material impact on the current ratings. VW Bank is exposed to material environmental and social risks, reflecting the high risk exposure of its automotive parent and the bank's role as facilitator of sales. The bank's governance risks are low.

Exhibit 13
ESG issuer profile scores

Source: Moody's Ratings

Environmental

VW Bank faces high environmental risks, primarily related to carbon transition. As a facilitator of sales for its automotive parent, the bank's exposure to carbon transition risk is consistent with that of Volkswagen AG and the global auto manufacturing sector because of stricter environmental regulation and the trend towards low and zero emission vehicles. In response, VW Bank, together with VW Financial Services AG and VW Financial Services Overseas AG, supports Volkswagen AG's electric mobility strategy targeting to provide financing solutions for 80% of Volkswagen AG's electric vehicles in the medium term. VW Bank's exposure to other environmental risks is low.

Social

VW Bank faces high social risks from societal trends. VW Bank's key product is auto financing, the demand for which is subject to societal trends like higher adoption of mass transportation and heightened environmental awareness and is highly correlated to the ability of its parent to meet consumers' demand. In line with other retail consumer-focused banks, the bank is also exposed to fines and reputational damage due to product mis-selling or other types of misconduct. High cyber and personal data risks are also key considerations as more applications are submitted online.

Governance

VW Bank's governance risks are low. The bank has well-developed risk management and governance practices in place, in line with industry practices. VW Bank's score for board structure, policies and procedures is aligned with that of its parent, given VW Bank's strategic importance to its parent and brand sharing. The bank is a regulated and supervised entity, which mitigates risks from limited board independence.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support
Based on the control and profit-and-loss transfer agreement of VW Bank with its parent, Volkswagen, and based on the bank's important strategic role within the Volkswagen group, we consider VW Bank an affiliate-backed entity. This results in an Adjusted BCA of a3, aligned with Volkswagen's current long-term issuer rating.

Loss Given Failure (LGF) analysis
VW Bank is subject to the EU Bank Recovery and Resolution Directive (BRRD), which we consider an operational resolution regime. Therefore, we apply our Advanced LGF analysis. We assume the proportion of deposits considered junior at 10%, below our standard assumption of 26%, because of the bank's largely retail-oriented depositor base. All other assumptions are in line with our standard ones.

For VW Bank's deposits and senior unsecured debt, our LGF analysis indicates a very low loss given failure, leading to two notches of rating uplift from the bank's a3 Adjusted BCA.

Government support considerations
We assign a low government support probability assumption for VW Bank, which does not result in any rating uplift from government support. This assumption reflects VW Bank's relatively small size compared with the German banking system, small market share in the domestic deposit market and limited degree of systemic interconnectedness.

Methodology and scorecard

Methodology
The principal methodology used in rating VW Bank is our Banks Methodology, published in March 2024.

About Moody's Bank Scorecard
Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in Rating Committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 14
Rating Factors

Macro Factors							
Weighted Macro Profile	**Strong +**	**100%**					
Factor		**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency							
Asset Risk							
Problem Loans / Gross Loans		2.7%	a2	↓	baa3	Unseasoned risk	Non lending credit risk
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)		20.4%	aa1	↓↓	a2	Capital retention	Expected trend
Profitability							
Net Income / Tangible Assets		0.9%	baa1	↔	baa2	Expected trend	
Combined Solvency Score			a1		baa1		
Liquidity							
Funding Structure							
Market Funds / Tangible Banking Assets		17.6%	a3	↓↓	ba3	Extent of market funding reliance	Expected trend
Liquid Resources							
Liquid Banking Assets / Tangible Banking Assets		22.6%	baa1	↓	baa2	Asset encumbrance	Additional liquidity resources
Combined Liquidity Score			a3		ba1		
Financial Profile					baa2		
Qualitative Adjustments					Adjustment		
Business Diversification					-1		
Opacity and Complexity					0		
Corporate Behavior					0		
Total Qualitative Adjustments					-1		
Sovereign or Affiliate constraint					Aaa		
BCA Scorecard-indicated Outcome - Range					baa2 - ba1		
Assigned BCA					baa3		
Affiliate Support notching					-		
Adjusted BCA					a3		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	98,642	67.5%	75,805	51.8%
Deposits	38,178	26.1%	48,526	33.2%
Preferred deposits	34,360	23.5%	44,612	30.5%
Junior deposits	3,818	2.6%	3,913	2.7%
Senior unsecured bank debt			8,650	5.9%
Junior senior unsecured bank debt	5,000	3.4%	8,850	6.1%
Dated subordinated bank debt	10	0.0%		
Equity	4,387	3.0%	4,387	3.0%
Total Tangible Banking Assets	146,217	100.0%	146,217	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	17.6%	17.6%	17.6%	17.6%	3	3	3	3	0	aa3
Counterparty Risk Assessment	17.6%	17.6%	17.6%	17.6%	3	3	3	3	0	aa3 (cr)
Deposits	17.6%	9.1%	17.6%	15.0%	3	3	3	2	0	a1
Senior unsecured bank debt	17.6%	9.1%	15.0%	9.1%	3	2	3	2	0	a1
Junior senior unsecured bank debt	9.1%	3.0%	9.1%	3.0%	0	0	0	0	0	a3

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	aa3	0	Aa3	Aa3
Counterparty Risk Assessment	3	0	aa3 (cr)	0	Aa3(cr)	
Deposits	2	0	a1	0	A1	A1
Senior unsecured bank debt	2	0	a1	0	A1	A1
Junior senior unsecured bank debt	0	0	a3	0	A3	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 15

Category	Moody's Rating
VOLKSWAGEN BANK GMBH	
Outlook	Negative
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	A1
Senior Unsecured MTN	(P)A1
Junior Senior Unsecured -Dom Curr	A3
Junior Senior Unsecured MTN	(P)A3
Subordinate MTN	(P)Baa1
Commercial Paper -Dom Curr	P-1
Other Short Term -Dom Curr	(P)P-1
PARENT: VOLKSWAGEN FINANCIAL SERVICES AG	
Outlook	Negative
Issuer Rating	A3
Senior Unsecured -Dom Curr	A3
Commercial Paper	P-2
Other Short Term	(P)P-2
ULT PARENT: VOLKSWAGEN AKTIENGESELLSCHAFT	
Outlook	Negative
Issuer Rating	A3
Sr Unsec Bank Credit Facility -Dom Curr	A3
Senior Unsecured MTN -Dom Curr	(P)A3
Commercial Paper -Dom Curr	P-2
VOLKSWAGEN LEASING GMBH	
Outlook	Negative
Bkd Senior Unsecured -Dom Curr	A1

Source: Moody's Ratings

Endnotes

1 The rating shown is Volkswagen's long-term issuer rating and outlook.

2 The rating shown is VW Leasing's backed senior unsecured debt rating and outlook

3 The rating shown is VW FS AG's long-term issuer rating and outlook.

4 Historically, Volkswagen and VW FS AG have injected capital into VW Bank, which, in turn, has upstreamed its net income under the existing profit-and-loss transfer agreement. As a result, VW Bank's capital ratios benefited from capital increases in 2016 and 2017. In 2020 and again in 2021, the bank benefited from the ECB's recommendation to refrain from dividend payments and dividends to the parent were re-injected into the bank

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