S&P Global Ratings

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Volkswagen Bank GmbH

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Volkswagen Bank GmbH

Ratings Score Snapshot

Issuer Credit Rating
BBB+/Stable/A-2

SACP: bbb+ → **Support: 0** → **Additional factors: 0**

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

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

Issuer credit rating
BBB+/Stable/A-2

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

Credit Highlights

Key strengths	Key risks
Very strong capitalization and stable revenue base.	Monoline business model with some new business dependence on the parent's auto sales and brand reputation.
Deep integration into the captive finance value chain of VW Group with clear strategic objectives.	Concentrated exposure and volatility in the car finance business.
A stable retail deposit base.	About 50% of loans in countries with higher economic risks than Germany.

Volkswagen Bank GmbH's (VW Bank's) strong earnings and product offering is supporting VW Group's electrification strategy. As a fully owned captive finance subsidiary of German car producer Volkswagen AG (VW; BBB+/Stable/A-2), 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. S&P Global Ratings does not expect this role to change in the foreseeable future, but rather be strengthened by the important role of promoting the sale of electric vehicles, a clear focus for the group. The expected annual transfer of local GAAP profits of about €400 million-€500 million will help support the industrial transformation.

VW Bank's very strong capitalization will remain its main rating strength. We project the bank's capitalization to remain very strong, with an expected S&P Global Ratings risk-adjusted capital (RAC) ratio of 21%-22% over 2023-2024, somewhat below the 22.5% as of end-2022. We see good growth prospects in new lending in the coming years, also supported by an increasing share of used car lending. As the annual local GAAP result is transferred to

Volkswagen AG, we expect RWA growth to outpace capital built up, absent any capital injections.

The bank's financial performance will prove resilient to the economic downturn in 2023. We expect some catch-up demand effects in the lending business and higher volumes from rising car prices over 2023. On top of these rising lending volumes we expect a moderate expansion of net interest margin and only a moderate increase in credit losses. Overall, this should result in solid profitability with an return on equity of about 5% factoring in extraordinarily strong capitalization.

VW Bank's asset quality will also be relatively resilient to the expected recession. We anticipate that the bank will maintain its sound asset quality over 2023 and 2024, after normalizing in 2022. We expect cost of risk of 20-30 basis points (bps), below the 41 bps in the pandemic year 2020. We expect elevated collateral values will continue to support VW Bank's asset quality over 2023.

Outlook

The stable outlook reflects our view that VW Bank will maintain fairly steady financial performance over the next two years and very strong capitalization, while continuing to play an important role in VW's value proposition.

Downside scenario

We view a downgrade a remote scenario as long as parent VW maintains its credit strengths. We would only consider downgrading VW Bank if we observed that its strategic relevance to the group, expressed in its core group status, had weakened along with its stand-alone creditworthiness. A negative rating action on the parent alone would likely not lead us to downgrade the bank, reflecting our assessment of it as an insulated entity.

Upside scenario

We would consider an upgrade if an improving credit profile for the parent indicated a stronger capacity to provide extraordinary support to VW Bank if needed. While more unlikely, we could also consider an upgrade if the bank manages to improve its business stability through further diversification or if it can materially boost its risk-adjusted profitability through more efficient operations.

Key Metrics

Volkswagen Bank GmbH--Key Ratios And Forecasts

	--Fiscal year ended Dec. 31--				
(%)	**2020a**	**2021a**	**2022f**	**2023f**	**2024f**
Growth in operating revenue	2.2	(0.6)	(4.0-5.0)	5.0-8.0	4.5-6.5
Growth in customer loans	(6.7)	(9.3)	2.0-4.0	4.0-6.0	3.0-5.0
Net interest income/average earning assets (NIM)	2.5	2.7	2.7-2.8	2.8-2.9	2.8-3.0
Cost to income ratio	43.7	46.5	48.0-52.0	48.0-52.0	47.0-51.0
Return on average common equity	6.6	7.4	4.0-5.5	4.0-5.5	4.5-6.5

Volkswagen Bank GmbH--Key Ratios And Forecasts (cont.)

	--Fiscal year ended Dec. 31--				
(%)	**2020a**	**2021a**	**2022f**	**2023f**	**2024f**
New loan loss provisions/average customer loans	0.4	(0.3)	0.2-0.3	0.2-0.4	0.1-0.3
Gross nonperforming assets/customer loans	2.6	2.4	2.6-2.9	2.9-3.2	2.3-2.6
Risk-adjusted capital ratio	17.3	22.8	21.5-22.5	21.0-22.0	20.5-21.5

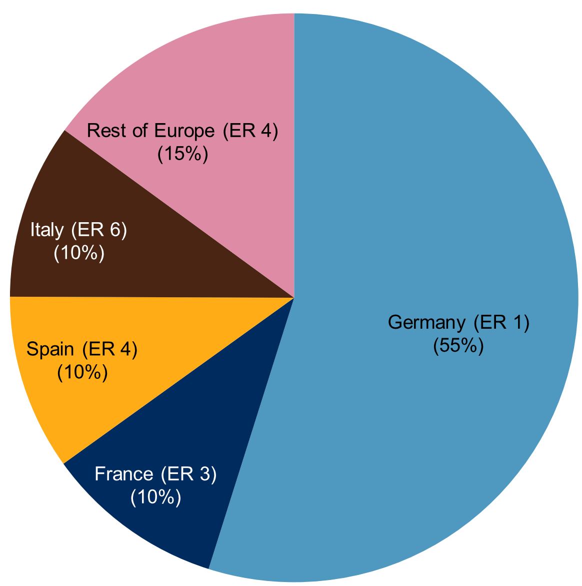
All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast. NIM--Net interest margin.

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

Our anchor for VW Bank is 'bbb+' and is in line with German domestic banks, despite VW Bank's international exposure. It takes into account the German industry risk score of '4' and our view of the weighted-average economic risk across countries where VW Bank operates rounding to '2'. In July 2022 we assigned a negative trend to our economic risk score and our industry risk score remains stable.

Chart 1

VW Bank's Loan Portfolio Contains A Majority Of German Exposure...
..But also has large shares of higher risk countries



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

Our economic risk assessment considers that the German economy has a demonstrated ability to absorb large economic and financial shocks based on its wealth and the government's ample flexibility for countercyclical measures, including substantial fiscal stimulus and wide-ranging support, as we saw during the pandemic. Accordingly, our base-case scenario considers that the German economy, households, corporates, and public finances will cushion German banks from the potential economic fallout of the Russia-Ukraine conflict. Our negative economic risk trend signals our view that economic risks for the German economy are increasing because of its substantial exposure to energy sourcing from Russia, which makes it vulnerable to a potential gas shutdown. Should this adverse scenario occur, the resulting economic shock and implications for the country's growth potential over the medium term could impair asset quality for corporate and consumer loans made by German banks, given the country's export dependence and the longer-than-expected disruptions to global supply chains.

Our industry risk assessment considers pressures on German banks' balance sheets arising from difficult operating conditions, as well as the sector's structural longer term profitability challenges due to poor cost efficiency and rising risks from technology disruption. As a long-term offset to a potentially more difficult economic environment, we believe that German banks might see industry risk benefit, more so than some peers, from net interest margin expansion owing to rising rates. This is because banks in Germany tend to depend more on interest income than some European peers. We also think that disruption risks remain from German banks' comparatively slow adaptation to digital banking given changing customer demands, with systems that are less advanced than other international banking systems. Comparably low profitability in the German banking sector constrains incumbent banks' capacity to invest in developing sustainable business models supported by new technology, and reduces their capacity to absorb higher credit, market, or operational losses.

Business Position: Constrained By Being A Monoline European Auto Finance Provider

We consider VW Bank's narrow business profile a main ratings constraint. As the group' domestic captive finance bank it has one focus--car financing. This approach is in line with our assessment of most peer captive finance subsidiaries in Europe such as FCA Bank, FCE Bank, or PSA Banque France. We note, however, the sound financial prospects of VW Bank's strong regional European business diversity (with material operations in nine EU countries) and a groupwide growth strategy that is bolstered by VW's commitment to good capitalization.

VW Bank's strategy remains aligned with that of its parent, by providing banking services and supporting vehicle sales across Europe and promoting customer loyalty. This also means the bank relies on the fortunes of its parent in terms of new car sales and brand recognition.

The lending business comprises vehicle-related loans to retail customers, business customers, and dealers; and auto loans on its HeyCar platform (a joint venture with Daimler, Allianz, and Renault Group and RCI Bank and Services) that include those for non-VW related brands. We expect this online channel to also support an increasing share of used car and non-VW brand financing, providing good growth prospects.

VW Bank's direct banking activities in Germany, with customer deposits of €26.9 billion as of first-half 2022, in our view provide stability to the bank's business model, notably in terms of funding but also additional fee income from brokered banking products. In cooperation with partners, the bank provides mortgage loans and investment products for retail customers among other products.

Capital And Earnings: Very Strong Capitalization Supported By Stable Earnings

We believe VW Bank will maintain its key rating strength of very strong capital and earnings, reflecting its good earnings generation and VW's commitment to maintaining high capital ratios at its EU banking business. We project that the bank's RAC ratio (before diversification) will remain comfortably above 20% over 2023-2024. The increase over last year was driven by improved disclosure for our risk-adjusted capital model.

In our base-case scenario for the coming two years, we expect:

- A gradual normalization of supply bottlenecks and increasing financing volumes of new and used cars.
- Loan growth of about 4% annually.
- A moderately increasing net interest margin of about 2.7%-2.9%.
- Some cost inflation and cost of risk normalizing at about 25 bps.
- Annual net income under IFRS of €500 million-€600 million over 2023 and 2024.

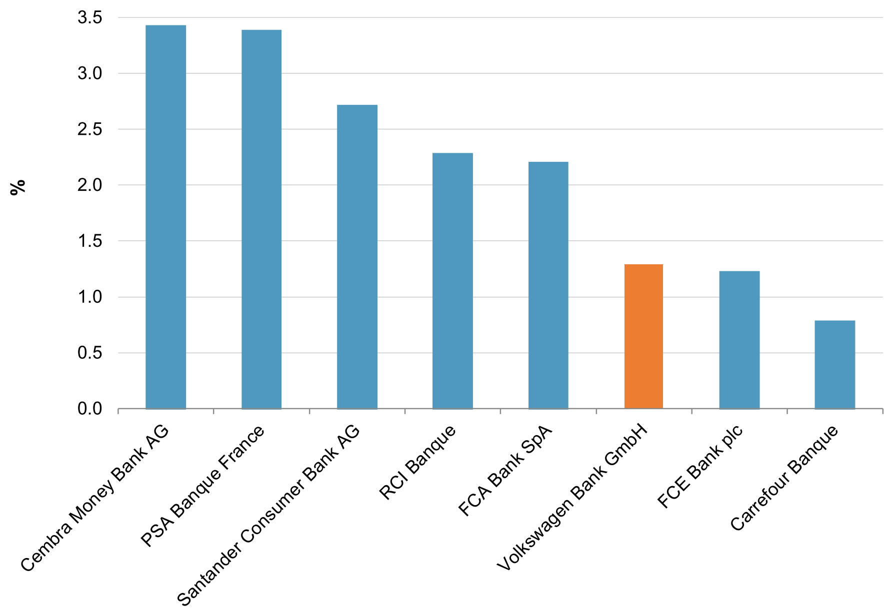
However, local GAAP results under HGB will be distributed to the parent based on the profit and loss transfer agreement, constraining the bank's earnings retention under IFRS.

Next to very strong capital ratios, relatively high pre-provision operating income provides a sufficient buffer to cover normalized losses. We project the three-year average earnings buffer will remain solid, at 120-130 bps, indicating that VW Bank has adequate earnings to cover more than our assumed annual normalized losses. This compares favorably with many domestic and international universal banks but is weaker than most rated captives and consumer-finance-focused peers.

Chart 2

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

…but still strong compared with universal peers



Three-year average earnings buffer as of (2021, 2022e, and 2023e). Source: S&P Global Ratings.

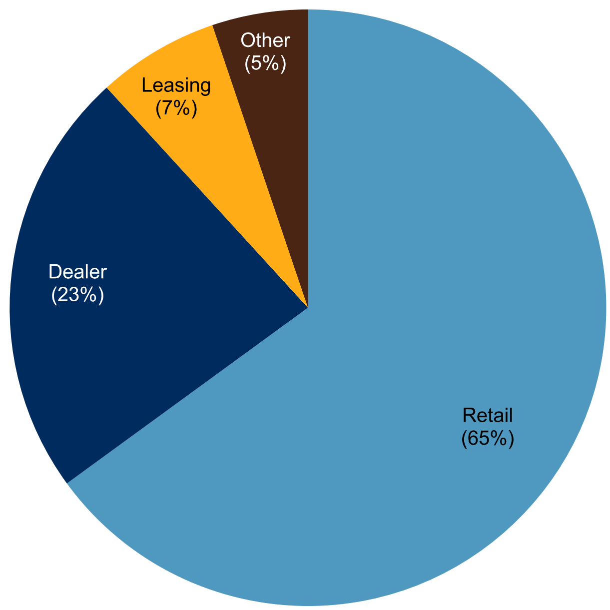
Risk Position: Sound Asset Quality And Prudent Risk Management Balance Concentration In The Auto Sector

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

The bank's retail auto loan exposure (€29 billion as of mid-year 2022) are granular, highly collateralized, and principally to customers in European countries with relatively lower risk. Although dealer and corporate exposure (€11 billion as of mid-year 2022) inherently features single-name concentration, the 20 largest exposures represent a small proportion of the bank's total adjusted capital.

Chart 3

VW Bank's Loan Portfolio Is Dominated By Retail Customers

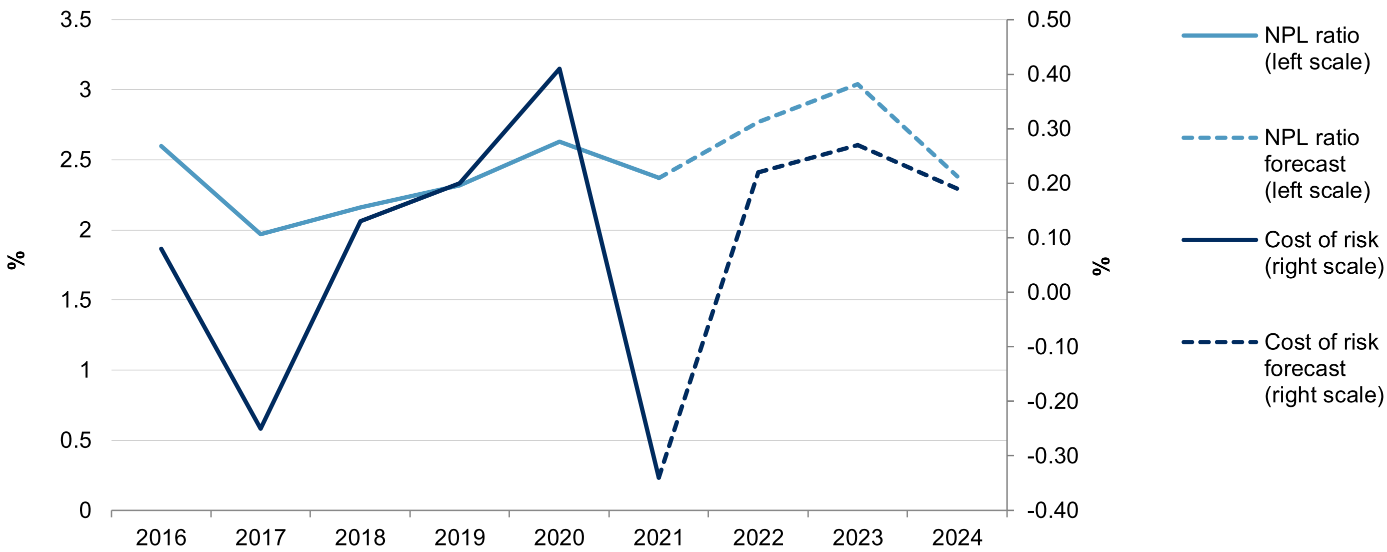


Taken the figures from pg 7/35, H1 Report, 2022. H1--First half. Source: S&P Global Ratings.

We recognize that VW Bank largely hedges its interest-rate risk. It also has low residual-value risk because the 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) expected to peak at about 2.8% of total loans in 2023 compared with 2.34% of total loans in 2021. We also expect cost of risk to normalize at 20-30 bps in 2023 and 2024. Nevertheless, the current economic uncertainty and inflationary environment pose a threat for consumer sentiment, asset quality, and car demand in 2023.

Chart 4

VW Bank's Credit Quality Is Expected To Normalize Over 2022



NPL--Nonperforming loan. Source: S&P Global Ratings. Own Assumption And Forecasts.

Funding And Liquidity: An Adequate Funding Profile, Owing To Granular Customer Deposits

We consider VW Bank's funding and liquidity position as in line with peers'.

The bank's access to a large deposit base, which accounted for about 67% of its funding at mid-year 2022, differentiates it from its captive finance peer group. The large majority of customer deposits consists of granular retail deposits, with the rest consisting of intercompany funding. Although we generally consider direct bank customer deposits to be more price sensitive and less stable than those of large retail banks, VW Bank's deposit and customer base has, in our view, proven robust, underlining its deposit franchise. This makes it less sensitive to volatile wholesale funding sources, as demonstrated by the bank's stable funding ratio of 111% as of mid-2022. Nevertheless, deposit costs will gradually increase once competition in the German deposit market picks up in the rising interest rate environment. As of mid-2022, the bank's loan-to-deposit ratio was about 109%, with wholesale funds covering the gap.

This exposes VW Bank to some refinancing risk, but the bank has access to uncommitted lines and assets eligible for refinancing at the ECB. The bank regularly conducts liquidity stress tests to identify shortcomings in stressed environments. A limited reliance on short-term wholesale funding results in a comfortable BLAST ratio (broad liquid assets to short-term wholesale funding) of 6.7x as of mid-2022. Its net broad liquid assets cover 31% of short-term customer deposits as of the same date, indicating a somewhat stronger liquidity profile than peers. Furthermore, we expect VW Bank would have access to funding from its parent in the event of financial distress.

Support: A Credit Strength, In Line With The Parent's

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.

At the same time, we consider VW Bank somewhat insulated from its corporate parent, making it potentially eligible for a rating above that on the parent if its stand-alone credit profile would justify this, which currently is not the case. This reflects VW Bank's regulatory status as a bank, its independent operational setup, and largely no funding dependence on the parent despite some intercompany funding. Regulatory restrictions regarding liquidity, capital, and funding could prevent VW Bank from supporting the group to the extent it would jeopardize the bank's own creditworthiness.

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, but rather put into modified insolvency if it were to fail. This makes the ratings on the bank ineligible for uplift for additional loss absorbing capacity.

Environmental, Social, And Governance

ESG Credit Indicators

E-1	**E-2**	E-3	E-4	E-5	S-1	**S-2**	S-3	S-4	S-5	G-1	**G-2**	G-3	G-4	G-5

ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

We do not see ESG credit factors influencing VW Bank's credit quality in any way that materially differs from peers and we view these factors as neutral to the rating. In our view, the 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 peers to carbon dioxide regulations for automakers in the EU and the secular shift to electrified vehicles. Nevertheless, the bank plays a key role in promoting the sales of electrified vehicles and, through this, reduces the environmental impact of its fleet. We consider VW Bank's exposure to governance and social risks to be not materially different from those of industry peers.

Key Statistics

Table 1

Volkswagen Bank GmbH--Key Figures

		--Year ended Dec. 31--			
(Mil. €)	**H1 2022**	**2021**	**2020**	**2019**	**2018**
Adjusted assets	64,054.0	67,247.0	66,908.0	68,406.0	83,002.0
Customer loans (gross)	49,765.0	49,119.0	54,154.0	58,038.0	71,816.0
Adjusted common equity	11,047.0	10,052.5	9,116.2	8,976.0	11,580.0
Operating revenues	789.0	1,737.0	1,747.4	1,710.0	2,081.0
Noninterest expenses	438.0	808.0	763.0	793.0	932.0
Core earnings	236.0	779.0	603.2	555.0	757.6

H1--First half.

Table 2

Volkswagen Bank GmbH--Business Position

		--Year ended Dec. 31--			
(%)	**H1 2022**	**2021**	**2020**	**2019**	**2018**
Total revenues from business line (currency in millions)	789.0	1,737.0	1,844.0	1,713.0	2,380.0
Commercial banking/total revenues from business line	19.1	15.5	13.1	15.8	53.0
Retail banking/total revenues from business line	73.6	71.6	69.6	75.3	42.3
Commercial and retail banking/total revenues from business line	92.8	87.0	82.7	91.1	95.3
Insurance activities/total revenues from business line	N/A	5.7	6.5	7.8	5.9
Other revenues/total revenues from business line	7.2	7.3	10.8	1.1	(1.2)
Return on average common equity	4.3	7.4	6.6	5.0	6.1

H1--First half. N/A--Not applicable.

Table 3

Volkswagen Bank GmbH--Capital And Earnings

		--Year ended Dec. 31--			
(%)	**H1 2022**	**2021**	**2020**	**2019**	**2018**
Tier 1 capital ratio	17.8	19.0	18.1	15.6	15.5
S&P Global Ratings' RAC ratio before diversification	N/A	22.5	17.3	17.5	20.1
S&P Global Ratings' RAC ratio after diversification	N/A	22.6	17.5	17.7	20.1
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	92.8	87.0	87.3	91.3	108.9
Fee income/operating revenues	6.6	6.7	6.0	0.0	(8.5)
Market-sensitive income/operating revenues	0.5	(1.2)	0.3	(0.2)	4.1
Cost to income ratio	55.5	46.5	43.7	46.4	44.8
Preprovision operating income/average assets	1.1	1.4	1.5	1.2	1.4
Core earnings/average managed assets	0.7	1.2	0.9	0.7	0.9

H1--First half. N/A--Not applicable. RAC--Risk-adjusted capital.

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	15,055.0	3,025.0	20.1	671.4	4.5
Of which regional governments and local authorities	1,252.0	0.0	0.0	45.1	3.6
Institutions and CCPs	1,353.7	237.5	17.5	329.4	24.3
Corporate	14,855.0	12,975.0	87.3	9,673.7	65.1
Retail	34,180.0	25,575.0	74.8	19,484.4	57.0
Of which mortgage	0.0	0.0	0.0	0.0	0.0
Securitization§	548.0	200.0	36.5	1,370.0	250.0
Other assets†	4,846.2	3,164.0	65.3	7,994.5	165.0
Total credit risk	70,837.8	45,176.5	63.8	39,523.5	55.8
Credit valuation adjustment					
Total credit valuation adjustment	--	75.0	--	0.0	--
Market risk					
Equity in the banking book	13.0	13.0	100.0	113.8	875.0
Trading book market risk	--	212.5	--	318.8	--
Total market risk	--	225.5	--	432.5	--
Operational risk					
Total operational risk	--	3,800.0	--	4,190.5	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	49,277.0	--	44,146.5	100.0
Total diversification/ concentration adjustments	--	--	--	(216.8)	(0.5)
RWA after diversification	--	49,277.0	--	43,929.7	99.5
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		9,461.0	19.2	9,924.6	22.5
Capital ratio after adjustments‡		9,461.0	19.0	9,924.6	22.6

*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, 2021, S&P Global Ratings.

Table 5

Volkswagen Bank GmbH--Risk Position

		--Year ended Dec. 31--			
(%)	H1 2022	2021	2020	2019	2018
Growth in customer loans	2.6	(9.3)	(6.7)	(19.2)	0.5

Table 5

Volkswagen Bank GmbH--Risk Position (cont.)

		--Year ended Dec. 31--			
(%)	**H1 2022**	**2021**	**2020**	**2019**	**2018**
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	(0.5)	(1.2)	(1.0)	0.3
Total managed assets/adjusted common equity (x)	6.2	6.7	7.3	7.6	7.2
New loan loss provisions/average customer loans	0.2	(0.3)	0.4	0.2	0.1
Net charge-offs/average customer loans	N.M.	0.3	0.4	0.1	0.1
Gross nonperforming assets/customer loans + other real estate owned	2.3	2.4	2.6	2.3	2.2
Loan loss reserves/gross nonperforming assets	69.5	69.5	78.4	81.6	76.3

H1--First half. N/A--Not applicable. N.M.--Not meaningful. RWA--Risk-weighted asset(s).

Table 6

Volkswagen Bank GmbH--Funding And Liquidity

		--Year ended Dec. 31--			
(%)	**H1 2022**	**2021**	**2020**	**2019**	**2018**
Core deposits/funding base	67.1	64.5	65.7	69.0	58.7
Customer loans (net)/customer deposits	145.6	140.7	149.8	148.9	178.4
Long-term funding ratio	97.3	97.2	92.3	93.9	90.2
Stable funding ratio	111.0	118.8	105.1	99.4	92.6
Short-term wholesale funding/funding base	3.3	3.4	9.2	7.2	11.5
Broad liquid assets/short-term wholesale funding (x)	6.7	8.4	2.1	1.7	0.8
Broad liquid assets/total assets	17.4	22.5	15.9	9.7	7.0
Broad liquid assets/customer deposits	33.1	44.2	30.0	17.4	14.8
Net broad liquid assets/short-term customer deposits	30.5	42.2	17.2	7.5	(5.6)
Short-term wholesale funding/total wholesale funding	10.1	9.5	26.9	23.2	27.8
Narrow liquid assets/3-month wholesale funding (x)	71.8	89.2	4.4	5.4	1.3

Related Criteria

- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- 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
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Research Update: Volkswagen AG 'BBB+/A-2' Ratings Affirmed On Balance Sheet's Strength Against Operating Headwinds; Outlook Stable, Oct. 12, 2022
- Geopolitical Risks Add Headwinds For German Banks, Despite Robust Capitalization, July 19, 2022
- Volkswagen AG, Feb. 2, 2022
- Banking Industry Country Risk Assessment: Germany, Oct. 5, 2021
- Various German Banks Downgraded On Persistent Profitability Challenges And Slow Digitalization Progress, June 24, 2021

Ratings Detail (As Of November 23, 2022)*	
Volkswagen Bank GmbH	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Local Currency	A-2
Senior Subordinated	BBB
Senior Unsecured	BBB+
Short-Term Debt	A-2
Issuer Credit Ratings History	
24-Jun-2021	BBB+/Stable/A-2
12-Oct-2015	A-/Negative/A-2
24-Sep-2015	A/Watch Neg/A-1
Sovereign Rating	
Germany	AAA/Stable/A-1+
Related Entities	
Banco Volkswagen S.A.	
Issuer Credit Rating	
Brazil National Scale	brAAA/Stable/--
Navistar Financial, S.A. de C.V. SOFOM, E.R.	
Issuer Credit Rating	
CaVal (Mexico) National Scale	mxAA+/Stable/mxA-1+
Senior Unsecured *CaVal (Mexico) National Scale*	mxAA+
Short-Term Debt *CaVal (Mexico) National Scale*	mxA-1+
Scania AB (publ.)	
Issuer Credit Rating	BBB/Stable/A-2
Nordic Regional Scale	--/--/K-2
South Africa National Scale	zaAAA/--/zaA-1+
TRATON SE	
Issuer Credit Rating	BBB/Stable/--

Ratings Detail (As Of November 23, 2022)*(cont.)	
Volkswagen AG	
Issuer Credit Rating	BBB+/Stable/A-2
Volkswagen Financial Services AG	
Issuer Credit Rating	BBB+/Stable/A-2
Volkswagen Finans Sverige AB	
Issuer Credit Rating	
Nordic Regional Scale	--/--/K-1
Volkswagen International Belgium S.A.	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Local Currency	A-2
Volkswagen Leasing S.A. de C.V.	
Senior Secured	
CaVal (Mexico) National Scale	mxAAA

*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.