

# MOODY'S

## RATINGS

### **Rating Action: Moody's Ratings affirms Volkswagen Financial Services AG's A3 long-term issuer ratings and changes outlook to negative from stable**

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11 Oct 2024

Frankfurt am Main, October 11, 2024 -- Moody's Ratings (Moody's) has today affirmed the A3 long-term issuer and senior unsecured debt ratings of Volkswagen Financial Services AG (VW FS AG). Concurrently, we affirmed its (P)A3 senior unsecured medium term note (MTN) program ratings and its (P)P-2 other short term ratings as well as its P-2 commercial paper ratings. We further affirmed Volkswagen Financial Services N.V. (VW FS N.V.)'s A3 backed senior unsecured debt ratings, its (P)A3 backed senior unsecured MTN program ratings and its (P)P-2 backed other short term ratings as well as its P-2 backed commercial paper ratings. For SkoFIN s.r.o., we affirmed the issuer's P-2 backed commercial paper ratings.

Moreover, we affirmed the A3 long-term issuer ratings of Volkswagen Financial Services Overseas AG (VW FS Overseas). Concurrently, we affirmed its (P)A3 senior unsecured MTN program ratings and its (P)P-2 other short term ratings as well as its P-2 commercial paper ratings. We further affirmed Volkswagen Financial Services Japan Ltd. (VW FS Japan)'s A3 backed senior unsecured debt ratings, its (P)A3 backed senior unsecured MTN program ratings and its (P)P-2 backed other short term ratings as well as its P-2 backed commercial paper ratings. Similarly, we affirmed Volkswagen Financial Services Australia Pty Limited (VW FS Australia)'s A3 backed senior unsecured debt ratings, its (P)A3 backed senior unsecured MTN program ratings and its (P)P-2 backed other short term ratings.

The outlooks on VW FS AG, VW FS N.V., VW FS Overseas, VW FS Japan and VW FS Australia were changed to negative from stable.

For a full list of affected ratings please see the end of this press release.

The rating actions follow the affirmation of Volkswagen Aktiengesellschaft's (Volkswagen; the ultimate parent company of VW Bank) A3 issuer rating and an outlook change to negative from stable. For further details, please refer to the following press release: "Moody's Ratings changes Volkswagen's outlook to negative"

<https://ratings.moodys.com/ratings-news/430424>).

## RATINGS RATIONALE

### --RATIONALE FOR THE AFFIRMATION AND CHANGE IN OUTLOOK TO NEGATIVE

The affirmation of VW FS AG's and VW FS Overseas' as well as its subsidiaries' long-term ratings and the negative outlook on the entities follows the affirmation of Volkswagen's A3 long-term issuer rating and change in outlook to negative on 11 October 2024 and reflects our assessment of the very strong contractual and economic rationale for Volkswagen to support its financial services entities.

The strategic importance of VW FS AG and VW FS Overseas for the distribution of Volkswagen vehicles and the formal commitment of Volkswagen through a long-term control and profit-and-loss transfer agreement effectively leads to an alignment of the issuers' long-term ratings and outlook with that of Volkswagen.

### FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

VW FS AG's or VW FS Overseas' and their guaranteed subsidiaries' ratings could be upgraded following an upgrade of Volkswagen's rating.

VW FS AG's or VW FS Overseas' and their guaranteed subsidiaries' ratings could be downgraded if Volkswagen's ratings were downgraded. A downgrade of VW FS AG's or VW FS Overseas' and their guaranteed subsidiaries' ratings could also be triggered if Volkswagen were to loosen its ties with its financial services subsidiaries. This loosening could lead to a lowering of our support assumption for VW FS AG or VW FS Overseas and a downgrade of the associated ratings to a level below the parent's issuer ratings.

### LIST OF AFFECTED RATINGS

Issuer: Volkswagen Financial Services Overseas AG

..Affirmations:

.... LT Issuer Rating (Foreign Currency), Affirmed A3

.... LT Issuer Rating (Local Currency), Affirmed A3

.... Senior Unsecured Medium-Term Note Program (Foreign Currency), Affirmed (P)A3

.... Senior Unsecured Medium-Term Note Program (Local Currency), Affirmed (P)A3

... Commercial Paper (Foreign Currency), Affirmed P-2

... Commercial Paper (Local Currency), Affirmed P-2

... Other Short Term (Foreign Currency), Affirmed (P)P-2

... Other Short Term (Local Currency), Affirmed (P)P-2

..Outlook Actions:

...Outlook, Changed To Negative From Stable

Issuer: Volkswagen Financial Services Japan Ltd.

..Affirmations:

... Backed Senior Unsecured (Local Currency), Affirmed A3

... Backed Senior Unsecured Medium-Term Note Program (Foreign Currency),  
Affirmed (P)A3

... Backed Senior Unsecured Medium-Term Note Program (Local Currency), Affirmed  
(P)A3

... Backed Commercial Paper (Local Currency), Affirmed P-2

... Backed Other Short Term (Foreign Currency), Affirmed (P)P-2

... Backed Other Short Term (Local Currency), Affirmed (P)P-2

..Outlook Actions:

...Outlook, Changed To Negative From Stable

Issuer: Volkswagen Finan. Services Australia Pty Ltd

..Affirmations:

... Backed Senior Unsecured (Local Currency), Affirmed A3

... Backed Senior Unsecured Medium-Term Note Program (Local Currency), Affirmed  
(P)A3

... Backed Other Short Term (Local Currency), Affirmed (P)P-2

..Outlook Actions:

...Outlook, Changed To Negative From Stable

Issuer: Volkswagen Financial Services AG

..Affirmations:

... LT Issuer Rating (Foreign Currency), Affirmed A3

... LT Issuer Rating (Local Currency), Affirmed A3

... Senior Unsecured (Local Currency), Affirmed A3

... Senior Unsecured Medium-Term Note Program (Foreign Currency), Affirmed (P)A3

... Senior Unsecured Medium-Term Note Program (Local Currency), Affirmed (P)A3

... Commercial Paper (Foreign Currency), Affirmed P-2

... Commercial Paper (Local Currency), Affirmed P-2

... Other Short Term (Foreign Currency), Affirmed (P)P-2

... Other Short Term (Local Currency), Affirmed (P)P-2

..Outlook Actions:

...Outlook, Changed To Negative From Stable

Issuer: SkoFIN s.r.o.

..Affirmations:

... Backed Commercial Paper (Foreign Currency), Affirmed P-2

... Backed Commercial Paper (Local Currency), Affirmed P-2

..Outlook: NOO

Issuer: Volkswagen Financial Services N.V.

..Affirmations:

... Backed Senior Unsecured (Foreign Currency), Affirmed A3

... Backed Senior Unsecured (Local Currency), Affirmed A3

... Backed Senior Unsecured Medium-Term Note Program (Foreign Currency), Affirmed (P)A3

... Backed Senior Unsecured Medium-Term Note Program (Local Currency), Affirmed

(P)A3

... Backed Commercial Paper (Foreign Currency), Affirmed P-2

... Backed Commercial Paper (Local Currency), Affirmed P-2

... Backed Other Short Term (Foreign Currency), Affirmed (P)P-2

... Backed Other Short Term (Local Currency), Affirmed (P)P-2

..Outlook Actions:

...Outlook, Changed To Negative From Stable

#### PRINCIPAL METHODOLOGY

The methodologies used in these ratings were Finance Companies published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425167>, and Captive Finance Subsidiaries of Nonfinancial Corporations published in August 2024 and available at <https://ratings.moodys.com/rmc-documents/426430>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of these methodologies.

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For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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