S&P Global Ratings

RatingsDirect®

Ayvens

July 21, 2025

Ratings Score Snapshot

SACP: bbb

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

Support: +2

ALAC support	0
GRE support	0
Group support	2
Sovereign support	0

Additional factors: 0

Issuer credit rating
A-/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.

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Credit Highlights

Overview

Key strengths	Key risks
Leading multi-brand fleet leasing franchise in Europe, with high geographical diversification.	Residual value risk linked to the normalization of used car prices and uncertainties regarding future electric vehicle (EV) valuations.
Stable and predictable revenue with relatively low credit risk.	Business concentration in leasing financing and services.
Integral to Société Générale’s resolution strategy.	Some lingering integration risks post-acquisition of LeasePlan.

S&P Global Ratings expects that Ayvens will continue to be a strategically important subgroup of Société Générale (SG) and integral to its resolution strategy. We see SG's support for Ayvens as important for the achievement of the parent group's strategic objectives. However, we do not yet view Ayvens’ leasing activity as central to SG's identity as a French banking group, especially in comparison to the group’s retail and corporate investment banking businesses. Ayvens is fully integrated into the parent group's processes and organizational structure, but SG owns only 53% of the leasing company. Ayvens' leasing activities enhance SG's diversification beyond its retail and corporate investment banking segments, providing a solid income source from a growing and profitable business area. Ayvens is part of the group's single point of entry resolution strategy, with prepositioned bail-in-able debt at its level which will be complemented by subordinated minimum requirement for own funds and eligible liabilities (MREL) requirements for year-end 2026.

We forecast Ayvens' profitability will improve due to post-acquisition synergies. Ayvens is making progress on integrating LeasePlan, which will yield higher revenue and cost savings. Ayvens aims to achieve total recurring synergies of approximately €350 million in 2025, following €61 million in the first quarter of 2025 and €121 million in 2024. These synergies will enhance efficiency and profitability over the next 12 months. We also anticipate that Ayvens will resume expanding its fleet. As of the first quarter of 2025, Ayvens' funded fleet was 3.2 million vehicles, a decrease of 3.8% year-on-year. The company paused fleet growth after the acquisition of LeasePlan to consolidate its existing operations. Expanding the fleet will support growth in leasing and service margins. At the same time, the negative impact of fleet revaluations is reducing and the normalization of used car prices is slowing, which should support used car sales results through 2025-2026.

We expect Ayvens to maintain adequate capitalization by prudently balancing strong earnings with its capital return policy. We anticipate that Ayvens will consistently keep its risk-adjusted capital (RAC) ratio above 7%, and that the RAC ratio will remain about 9%-9.5% over 2025-2026, based on a payout ratio of 50%. Ayvens' capital ratios exceed both regulatory requirements and its own targets, reinforcing our view of adequate capitalization and supporting the rating. Like its peers, Ayvens generates solid earnings despite a relatively high reported cost-to-income ratio, which was 58% at the end of the first quarter of 2025. We expect this ratio to improve toward 52% in 2026, in line with the group's target.

We anticipate that Ayvens will continue to benefit from SG's ongoing support, despite a less favorable funding mix. Ayvens has a structural dependence on wholesale funding even after benefiting from the deposit base at LeasePlan, which represents 28% of Ayvens' total funding. In our opinion, Ayvens' funding is well diversified and it continues to receive support from SG.

Outlook

The stable outlook reflects our belief that the subgroup's leading position in leasing and fleet management globally will allow it, over the next two years, to successfully navigate challenges in the mobility sector, in particular those posed by increased competition, electrification, and digitization. Furthermore, our stable outlook incorporates our expectation that the subgroup will remain material and strategically important within the SG banking group, thus benefitting from both ongoing and extraordinary parental support. In this regard, we expect that the subgroup would be able to benefit from SG's additional loss-absorbing capacity (ALAC) in a resolution scenario.

Downside scenario

We could lower our ratings on Ayvens if we were to consider that its importance for SG had diminished, or following a similar action on SG. We could also lower our ratings on Ayvens if the integration of LeasePlan proves challenging, or if our current view of combined capitalization and balance-sheet risk weakens materially, compromising the company's creditworthiness.

Upside scenario

An upgrade of Ayvens is a remote prospect because we expect full integration of LeasePlan to take some time, and it would depend on our opinion that Ayvens had become a core subgroup of SG (from a material strategic subgroup currently).

Key Metrics

Ayvens--Key ratios and forecasts

	--Fiscal year ended Dec. 31 --				
(%)	2023a*	2024a	2025f	2026f	2027f
Growth in operating revenue	12.9	1.8	7.6-9.3	5.7-7.0	4.4-5.4
Growth in customer loans	115.5	2.6	2.7-3.3	2.7-3.3	2.7-3.3
Growth in total assets	124.1	6.9	1.9-2.3	1.9-2.3	1.9-2.3
Net interest income/average earning assets (NIM)	3.0	1.8	1.7-1.9	1.7-1.9	1.7-1.9
Cost-to-income ratio	54.0	62.9	53.6-56.3	50.9-53.5	49.5-52.0
Return on average common equity	9.6	6.7	8.7-9.7	9.8-10.8	10.2-11.3
Return on assets	1.7	1.0	1.2-1.5	1.3-1.6	1.4-1.7
New loan loss provisions/average customer loans	0.2	0.2	0.2-0.2	0.2-0.2	0.2-0.2
Gross nonperforming assets/customer loans	0.5	0.9	0.8-0.9	0.8-0.9	0.8-0.9
Risk-adjusted capital ratio	9.5	8.9	9.0-9.5	9.2-9.6	9.1-9.6

* The acquisition of LeasePlan took place in 2023, with a significant impact on our metrics for that year. All figures include S&P Global Ratings' adjustments. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin

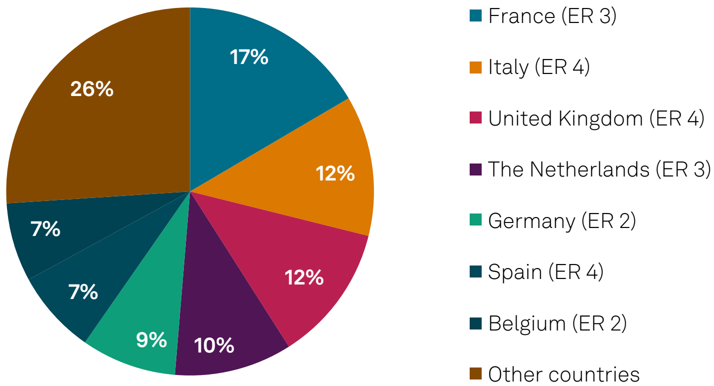
Anchor: 'bbb+' for a France-based multi-brand fleet leasing company with a geographically diversified profile

We use our banking industry country risk assessment methodology and our economic risk and industry scores to determine a bank's anchor, the starting point in assigning an issuer credit rating. We assess economic risk for Ayvens based on our calculation of the bank's weighted-average credit exposures in the countries and regions in which it operates. We weigh each jurisdiction according to the geographic distribution of its credit exposures (see chart 1). The weighted-average economic risk score for these geographies is at ‘3.4’ on a scale of '1' to '10' ('1' representing the lowest risk and '10' the highest). Although the weighted average indicates Ayvens being potentially exposed to countries with higher credit risk than in France, the company usually serves international blue-chip corporates and it has little to no exposure to private individuals or small and midsize enterprises in these higher risk geographies.

Chart 1

Ayvens' funded fleet to remain primarily concentrated in Western Europe

Breakdown of funded fleet per country as of year-end 2024.



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

Banks in France benefit from the country's open and diversified economy. We expect GDP growth in France of 0.6% in 2025 and 1.0% in 2026, and unemployment to increase moderately to 7.7% by 2026. We project that inflation will decline to 1.1% in 2025, before trending toward 2.0% in the following years. After a low point in 2024, growth in French banks' loans will rebound to 2.5%-3.0% annually from 2025, while the French housing market stabilizes. While some problem loans could emerge by 2026, asset quality deterioration will likely stay contained, supported by low-risk, fixed-rate mortgage loans. We project an increase in domestic nonperforming assets to 2.8% of domestic loans by year-end 2025, with cost of risk at nearly 30 basis points (bps). Political challenges and geopolitical risks could create headwinds for the French banking sector if these cause risks to economic outlook growth and uncertainty in addressing budgetary imbalances.

Regarding industry risk, the increase in interest rates in 2022-2023 was supportive of French banks' net interest income, but this has been materializing more gradually than in some other European banking markets due to the pace of repricing in fixed-rate mortgage loans portfolios. Cost efficiency is a weakness for French banks compared with their European peers because of still-dense branch networks. The somewhat inflationary environment will not help management teams to contain operational expenses, while banks also face the challenge of streamlining their operations via digitization efforts. Additionally, the banking models of most French banks imply some reliance on wholesale resources, exposing the sector to market shocks.

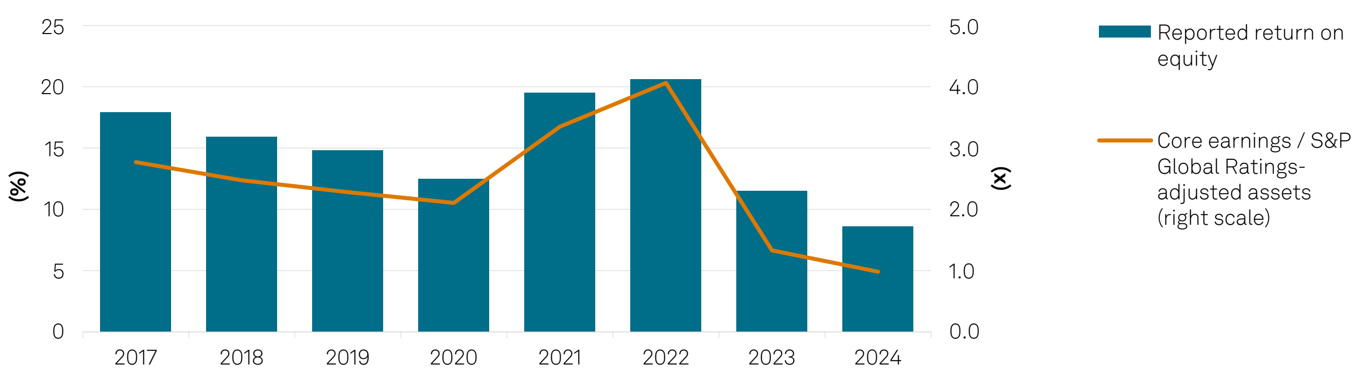
Business Position: Leading multi-brand fleet leasing franchise in Europe

We expect Ayvens to continue developing its business model as the largest multi-brand fleet leasing company globally (excluding auto manufacturer captives), with its total fleet exceeding 3.2 million vehicles. Ayvens operates in over 41 countries, primarily in Western Europe and the Nordic countries, which together account for 87% of earning assets. It ranks as the number one fleet leasing company in 23 countries, including in key European markets. Ayvens benefits from a diversified customer base, which was enhanced by the acquisition of LeasePlan. Its customers include large corporations and blue-chip companies, which represent approximately 65% of customers as of the end of 2024, along with small and medium-sized enterprises (SMEs) and private individuals, which make up the remaining 35%. Ayvens benefits from a high degree of granularity in its exposures due to its scale. The largest 10 customers represent less than 4.8% of the fleet, and the company covers a wide range of auto brands. This diversity allows Ayvens to offer a variety of vehicle models to customers at competitive price points, thereby mitigating its exposure to risks associated with specific auto brands. We anticipate that Ayvens will maintain strong earnings capacity, supported by its robust position as a leader in the European car fleet leasing market.

We anticipate that Ayvens is well positioned to meet its profitability guidance for 2025-2026. The company has high lease margins and a relatively low-cost structure, although profitability may be volatile due to residual value risk. Consequently, we expect core earnings over adjusted assets to rebound to 1.5% after hitting a low of 1% in 2024.

Chart 2

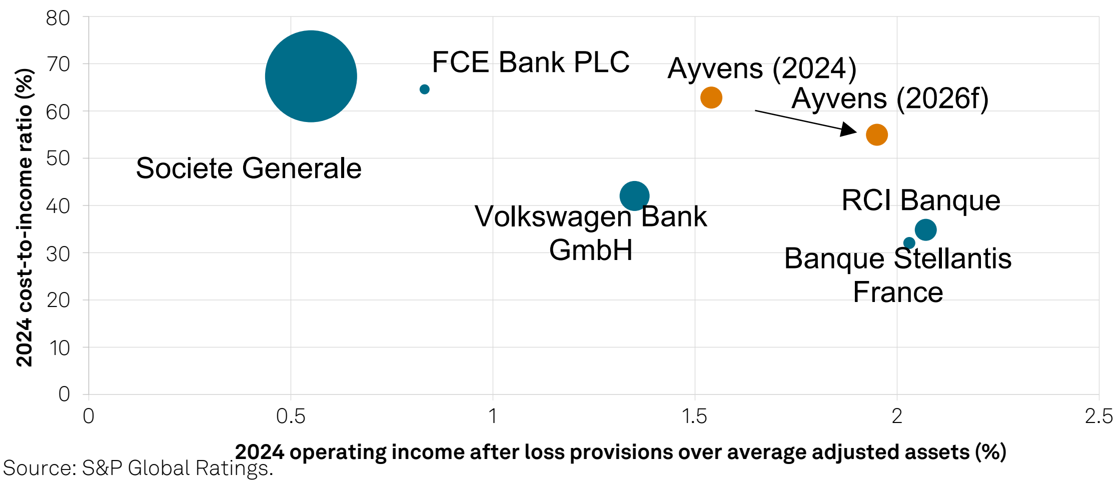
Ayvens' profitability has reduced following its acquisition of LeasePlan



Source: S&P Global Ratings.

Chart 3

S&P Global Ratings expects Ayvens to narrow its efficiency gap with peers



Source: S&P Global Ratings.

Capital And Earnings: Adequate Capitalization With Strong Profitability

The RAC ratio for Ayvens decreased to 8.8% in 2024 from 9.5% in 2023, primarily due to a 3% decline in tangible asset capital and a 5% increase in S&P risk-weighted assets. As of the first quarter in 2025, the regulatory common equity tier 1 (CET1) ratio stands at 13.2%, an increase from 12.6% in 2024 and comfortably exceeding the minimum requirement of 9.34%. Additionally, as of the first quarter in 2025, the tier 1 ratio and the total capital ratio are 14.5% and 17.2%, respectively, compared to 13.8% and 16.4% in 2024.

We include in our 2025-2026 forecasts positive fleet growth and 3%-4% annual growth in earnings assets, as Ayvens aims to resume fleet expansion and continue electrifying its fleet. We anticipate revenue growth will outpace fleet growth due to higher average unit prices and decreasing costs over the next two years, driven by cost savings. We expect used car results and depreciation adjustments to improve over 2025-2026. Our projections include continued strong profitability with annual net income projected to be above €1 billion at end 2026, reflecting a return on tangible equity of 12%-15%. We assume a dividend payout ratio of 50%, consistent with Ayvens' guidance.

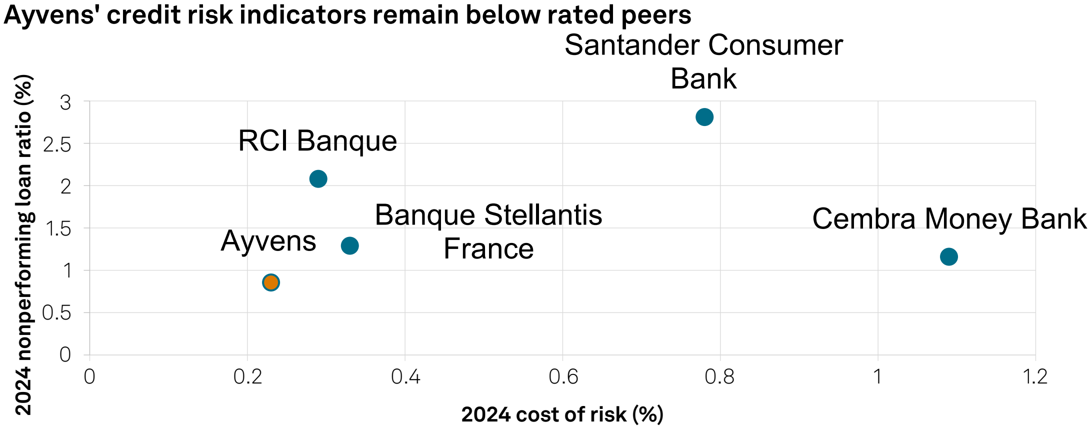
We consider the quality of Ayvens' capital to be adequate, with hybrid instruments expected to remain below 10% of its tangible asset capital throughout the forecast period. Ayvens' quality of earnings remains strong, with good predictability in earnings. The earnings buffer stood at 31 bps in 2024, which is higher than that of larger financial institutions but lower than that of pure auto captives. We anticipate the earnings buffer will gradually improve to 81 bps by 2026.

Risk Position: Strong Asset Quality and Well Managed Residual Value Risk

Ayvens' asset quality is strong, leading to only modest costs of risk. This strength is underpinned by Ayvens retaining ownership of the leased vehicles, allowing it to retrieve them in the event of a customer default. While Ayvens benefits from a diversified client base, predominantly composed of large corporate clients across various industries and geographies, primarily in Europe. We anticipate that Ayvens' reported cost of risk, which was a moderate 24 bps in 2024 and remain stable in the first quarter of 2025, may modestly increase if the challenging operating conditions in Europe persist. Additionally, Ayvens' exposure to the retail sector, which includes SMEs and private individuals, could further affect the cost of risk. As of December 2024, Ayvens' non-performing loan ratio was only 0.9% of its gross loans outstanding.

Chart 4

Ayvens' credit risk indicators remain below rated peers



Source: S&P Global Ratings.

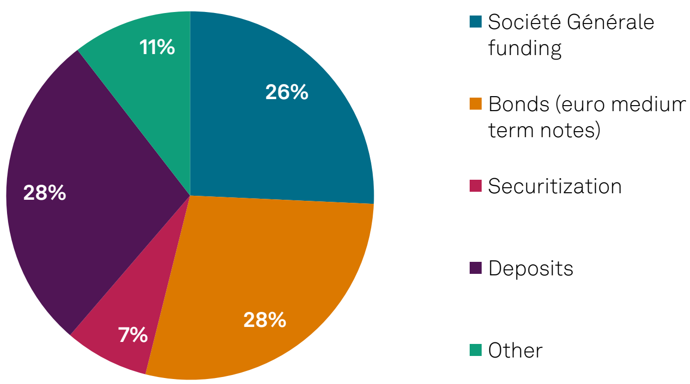
We view Ayvens' effective control of residual value risk as neutral in our credit rating assessment. As the owner of vehicles during the term of lease contracts, Ayvens is exposed to car price volatility in the second-hand market at resale. This concern is particularly relevant given the current uncertainty of prices in the second-hand car market, notably for EVs, and it poses a significant risk when pricing new leases, especially in the event of substantial price drops over the next three to four years. Nevertheless, Ayvens’ conservative pricing policies and strong track record in fleet valuations help mitigate this risk. We believe Ayvens has a robust toolkit for managing residual value risk through fleet diversification, pricing strategies, contractual features, and incentives to price this risk accurately.

Funding And Liquidity: A Diversified Funding Mix With Ongoing Support From SG

Ayvens has a diversified funding profile, benefitting from the ongoing support from SG. LeasePlan’s deposit activity collected by Ayvens Bank N.V. enhances the funding mix of the enlarged subgroup through the collection of online savings deposits in the Netherlands and Germany, which accounted for 28% of Ayvens’ total funding in 2024. Additionally, Ayvens sources 26% of its funding from SG, which includes senior bank lending and Tier 2 subordinated debt--28% from euro medium-term notes, 11% from bank loans, and 7% from securitization. The ongoing support from SG provides a stable funding source for Ayvens. Driven by this diversified funding mix and the absence of significant maturity mismatches, Ayvens' stable funding ratio improved to 93% at the end of 2024, and we expect it to remain broadly stable over the next two years.

Chart 5

Ayvens diversified its funding mix and minimized reliance on parent's funding



Note: Data as of year-end 2024. Source: S&P Global Ratings.

We consider Ayvens’ liquidity as adequate. As a nonbank entity, Ayvens does not have direct access to the central bank. However, this weakness is mitigated by the structural funding provided by SG and our expectation that the large banking parent would offer a liquidity backstop. Ayvens is part of SG 's internal liquidity adequacy assessment process, meaning that regulators expect SG management to oversee Ayvens' liquidity during market stress. This is further supported by Ayvens’ access to committed credit lines from SG.

Support: 2 Notches Of Uplift For Group Support

The long-term rating on Ayvens is two notches higher than the stand-alone credit profile (SACP), reflecting our view that Ayvens is a strategically important subgroup of SG.

Ayvens is regulated by the European Central Bank as a financial holding company and is included in SG's resolution perimeter and single point of entry bail-in-led resolution strategy due to its regulatory status, material size within the SG group, and funding linkages with the parent company. This is further supported by SG's pre-positioning of bail-in-able instruments in Ayvens as well as future MREL requirements. As a result, we believe that this additional loss-absorbing capacity provides better protection for Ayvens' senior preferred creditors in the event of non-viability. Consequently, we rate Ayvens by notching down from SG's 'a' group credit profile, which includes an uplift for ALAC, rather than from its 'bbb+' group SACP.

Finally, in a scenario where we would lower Ayvens' SACP, we would include one-notch of group support from SG, provided that SG's group credit profile remains at its current level, all else being equal.

Environmental, Social, And Governance

Environmental, social, and governance factors are neutral in our credit rating analysis of Ayvens. The company is primarily exposed to environmental risks, particularly the need to transition its fleet to battery electric vehicles (BEVs) over time, due to stricter environmental regulations and the shift toward environmentally friendly vehicles. Additionally, the residual values of BEVs may fluctuate more as battery technology continues to evolve rapidly. Nonetheless, Ayvens' multi-brand strategy mitigates this risk by providing the flexibility to adjust to evolving client needs.

Key Statistics

Ayvens--Key Figures

Mil. EUR	2024*	2023	2022**	2021	2020
Adjusted assets	72,274	67,513	30,606	26,327	24,414
Customer loans (gross)	56,005	54,593	25,335	23,514	21,817
Adjusted common equity	7,197	7,412	5,452	3,755	3,315
Operating revenue	3,024	2,972	2,632	1,821	1,318
Noninterest expenses	1,902	1,606	884	675	634
Core earnings	710	898	1,244	882	514

* The acquisition of LeasePlan took place in 2023, with a significant impact on our metrics for that year. ** Restated figures. EUR—euro.

Ayvens--Business Position

Mil. EUR	2024*	2023	2022**	2021	2020
Total revenue from business line	3,024	2,972	2,581	1,821	1,318
Commercial & retail banking/total revenue from business line (%)	100.00	100.00	100.00	100.00	100.00
Return on average common equity (%)	6.68	9.64	20.62	19.45	12.50

* The acquisition of LeasePlan took place in 2023, with a significant impact on our metrics for that year. ** Restated figures.

Ayvens--Capital And Earnings

(%)	2024*	2023	2022**	2021	2020
Tier 1 capital ratio	13.80	13.80	--	--	--
S&P Global Ratings-adjusted RAC ratio before diversification	8.78	9.51	--	--	--
Adjusted common equity/total adjusted capital	90.56	90.81	100	100	100
Net interest income/operating revenue	35.40	42.46	44.88	40.25	45.87
Fee income/operating revenue	53.78	45.57	26.72	35.70	49.49
Cost to income ratio	62.87	54.02	33.60	37.08	48.10
Pre-provision operating income/average assets	1.54	2.69	5.99	4.40	2.70
Core earnings/average managed assets	0.98	1.77	4.26	3.39	2.03

* The acquisition of LeasePlan took place in 2023, with a significant impact on our metrics for that year. ** Restated figures.

Ayvens--Risk Position

(%)	2024*	2023	2022**	2021	2020
Growth in customer loans	2.59	115.49	7.74	7.78	(1.67)
Total managed assets/adjusted common equity (x)	10.44	9.48	5.75	7.19	7.56
New loan loss provisions/average customer loans	0.23	0.18	0.19	0.11	0.32
Gross nonperforming assets/customer loans + other real estate owned	0.86	0.53	0.82	0.92	0.91
Loan loss reserves/gross nonperforming assets	77.56	97.72	99.09	99.22	106.40

* The acquisition of LeasePlan took place in 2023, with a significant impact on our metrics for that year. ** Restated figures.

Ayvens--Funding And Liquidity

(%)	2024*	2023	2022**	2021	2020
Core deposits/funding base	24.23	22.55	N/A	N/A	N/A
Long-term funding ratio	87.88	91.73	92.49	92.67	91.83
Stable funding ratio	92.85	92.52	89.47	82.92	82.43
Short-term wholesale funding/funding base	13.89	9.64	9.17	8.97	9.80
Regulatory net stable funding ratio	>100	>100	N/A	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	1.29	1.43	0.91	0.47	0.34
Broad liquid assets/total assets	13.70	10.28	5.70	2.91	2.40
Broad liquid assets/customer deposits	74.11	61.26	N/A	N/A	N/A
Regulatory liquidity coverage ratio (LCR)	>100	>100	N/A	N/A	N/A
Short-term wholesale funding/total wholesale funding	18.02	12.22	9.17	8.97	9.80

* The acquisition of LeasePlan took place in 2023, with a significant impact on our metrics for that year. ** Restated figures.

Rating Component Scores

Rating Component Scores

Issuer Credit Rating	A-/Stable/A-2
SACP	bbb
Anchor	bbb+
Business position	Moderate (-1)
Capital and earnings	Adequate (0)
Risk position	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	0
Support	2
ALAC support	0
GRE support	0
Group support	2
Sovereign support	0
Additional factors	0

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Feb. 10, 2025
- 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: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- 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

- Societe Generale 'A/A-1' Ratings Affirmed On Strategic Roadmap Execution; Outlook Stable, June 24, 2025
- Economic Outlook Eurozone Q3 2025: Strength From Within, June 24, 2025
- Banking Industry Country Risk Assessment Update: June 2025, June 24, 2025
- French Banking Outlook 2025: Political Uncertainty Clouds The Business Climate, Jan. 21, 2025
- Banking Industry Country Risk Assessment: France, July 10, 2024
- ALD S.A. And LeasePlan Corp. N.V. Upgraded To 'A-' On Deal Closing; Lincoln Financial Holdings Ratings Withdrawn, May 26, 2023
- ALD S.A., Oct. 20, 2022

Ratings Detail (as of May 30, 2025)*	
Ayvens	
Issuer Credit Rating	A-/Stable/A-2
Senior Unsecured	A-
Short-Term Debt	A-2
Issuer Credit Ratings History	
26-May-2023	A-/Stable/A-2
10-Jan-2022	BBB/Watch Pos/A-2
04-Jun-2020	BBB/Stable/A-2
Sovereign Rating	
France	AA-/Negative/A-1+
Related Entities	
Societe Generale	

Ratings Detail (as of May 30, 2025)*	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Commercial Paper	
Foreign Currency	A/A-1
Local Currency	A-1
Junior Subordinated	BB
Junior Subordinated	BB+
Senior Subordinated	BBB
Senior Unsecured	A
Senior Unsecured	A-1
Subordinated	BBB-

*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.