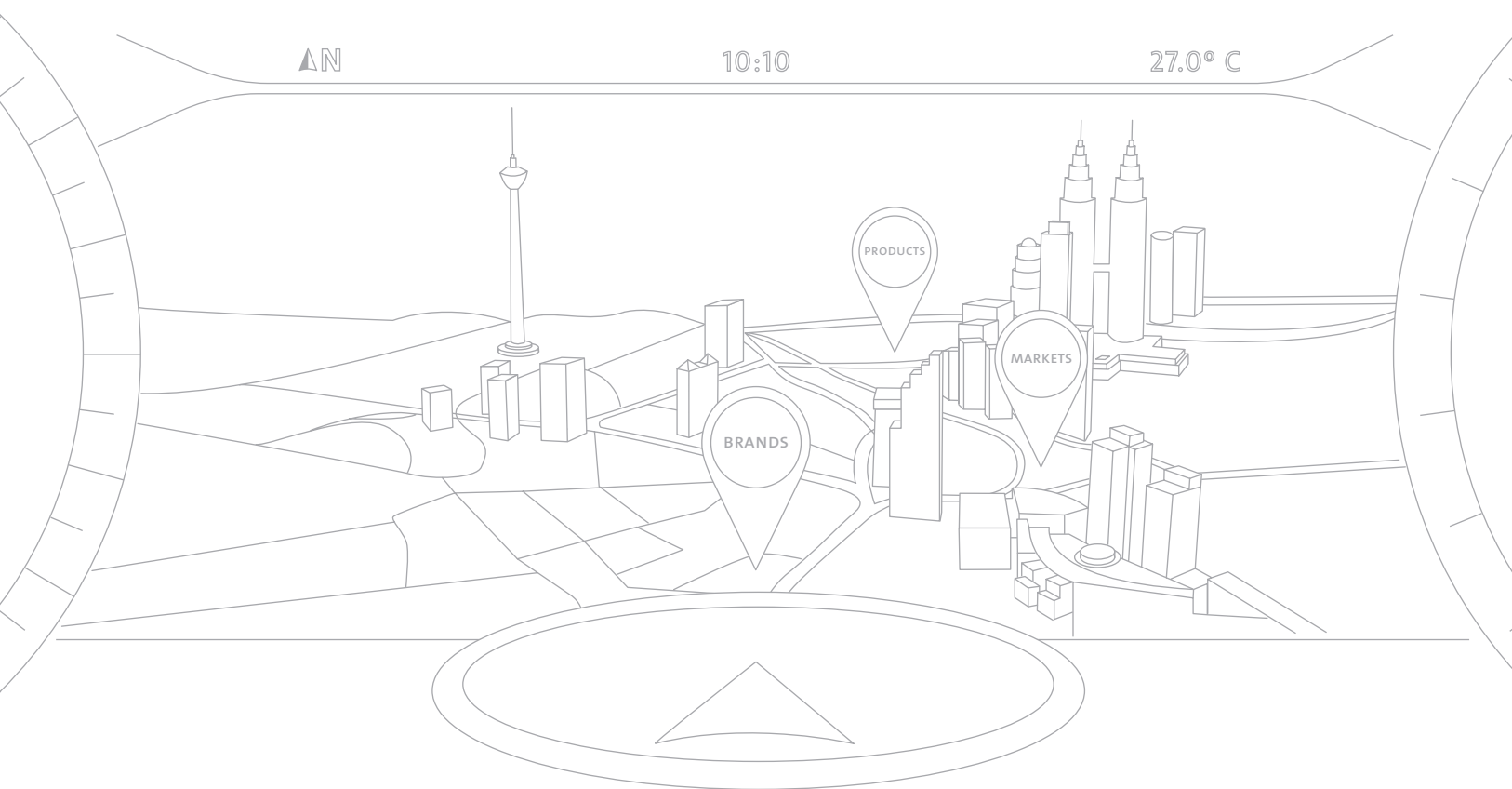


VOLKSWAGEN FINANCIAL SERVICES

THE KEY TO MOBILITY



ANNUAL FINANCIAL STATEMENTS (HGB)
OF VOLKSWAGEN BANK GMBH

2014

Balance sheet

OF VOLKSWAGEN BANK GMBH, BRAUNSCHWEIG, AS OF DECEMBER 31, 2014

€ thousand		December 31, 2014	December 31, 2013
Assets			
1. Cash reserve			
a) Cash in hand		1,658	849
b) Deposits with central banks		374,056	204,392
of which:			
at the Deutsche Bundesbank €368,204 thousand			(199,123)
c) Deposits with post giro offices		83	21
		375,797	205,262
2. Receivables from financial institutions			
a) Payable on demand		674,455	370,567
b) Other receivables		274,746	88,592
		949,201	459,159
3. Receivables from customers		34,034,026	31,482,150
4. Debentures and other fixed-income securities			
a) Bonds and debentures			
aa) By public-sector issuers		1,398,034	1,455,782
of which:			
eligible as collateral at the Deutsche Bundesbank €1,333,207 thousand			(1,394,561)
ab) By other issuers		5,336,853	5,460,039
of which:			
eligible as collateral at the Deutsche Bundesbank €5,336,853 thousand			(5,460,039)
		6,734,887	6,915,821
5. Shares and other non-fixed-income securities		503	503
6. Equity investments		270	59
of which:			
in financial institutions €0 thousand			29
7. Investments in affiliated companies		53,079	52,824
of which:			
in financial institutions €53,079 thousand			(52,824)
8. Intangible assets			
b) Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets		7,642	8,187
c) Goodwill		667	833
d) Down payments made		0	0
		8,309	9,020
9. Property, plant and equipment		10,962	12,291
10. Leased assets		666,029	548,282
11. Other assets		228,609	235,696
12. Prepaid expenses		10,129	11,426
13. Excess of plan assets over pension liability		488	68
Total assets		43,072,289	39,932,561

ANNUAL FINANCIAL STATEMENTS
Balance sheet

€ thousand		December 31, 2014	December 31, 2013
Equity and liabilities			
1. Liabilities to banks			
a) Payable on demand	89,758		49,393
b) With agreed repayment period or period of notice	1,666,338		1,998,310
		1,756,096	2,047,703
2. Liabilities to customers			
a) Other liabilities			
aa) Payable on demand	21,258,087		19,312,166
ab) With agreed repayment period or period of notice	5,086,047		5,258,797
		26,344,134	24,570,963
3. Securitized liabilities			
a) Debentures issued	4,292,006		2,991,727
b) Other securitized liabilities	204,896		314,533
of which:			
Money market papers €204,897 thousand			(314,533)
		4,496,902	3,306,260
4. Other liabilities		4,858,154	4,460,212
5. Deferred income		506,784	486,728
6. Provisions			
a) Provisions for pensions and similar obligations	41,690		58,443
b) Tax provisions	34,402		42,754
c) Other provisions	407,579		313,907
		483,671	415,104
7. Special tax-allowable reserve		1,300	1,343
8. Subordinated liabilities		310,000	479,000
9. Fund for general banking risks		25,565	25,565
10. Equity			
a) Subscribed capital	318,279		318,279
b) Capital reserves	3,945,800		3,795,800
c) Accumulated comprehensive income			
ca) Other revenue reserves	25,604		25,604
		4,289,683	4,139,683
Total equity and liabilities		43,072,289	39,932,561
1. Contingent liabilities			
a) Liabilities from surety and warranty agreements		68,373	109,552
of which:			
to affiliated companies		30,766	86,485
2. Other obligations			
a) Irrevocable credit commitments		1,292,811	1,367,158
of which:			
to affiliated companies		176,107	189,664

Income statement

OF VOLKSWAGEN BANK GMBH, BRAUNSCHWEIG
FROM JANUARY 1 TO DECEMBER 31, 2014

€ thousand			2014	2013
1. Interest income from				
a) Lending and money market transactions	1,292,233			1,342,062
b) Fixed-income securities and book-entry securities	82,812			95,241
		1,375,045		1,437,303
2. Interest expense		211,146		253,366
			1,163,899	1,183,937
3. Current income from				
a) Shares and other non-fixed-income securities		24		20
b) Equity investments		1		1
			25	21
4. Income from leasing transactions		362,889		307,731
5. Expenses from leasing transactions		128,763		113,562
			234,126	194,169
6. Commission income		353,244		327,413
7. Commission expenses		395,685		357,969
			-42,441	-30,556
8. Other operating income			314,129	261,874
9. Income from reversal of the special tax-allowable reserve			43	70
10. General administration expenses				
a) Personnel expenses				
aa) Wages and salaries	60,675			82,000
ab) Social security costs and expenses for pensions and support	21,129			18,748
of which:		81,804		100,748
for pension schemes €9,476 thousand				(6,155)
b) Other administration expenses		606,142		601,933
			687,946	702,681
11. Depreciation, amortization and valuation allowances on intangible assets and property, plant and equipment and leased assets				
a) Depreciation, amortisation and valuation allowances on intangible assets and property, plant and equipment		6,936		6,711
b) Depreciation on leased assets		203,513		170,537
			210,449	177,248
12. Other operating expenses			197,257	61,185
13. Amortization and valuation allowances on receivables and certain securities, as well as transfers to provisions for lending business			104,707	249,880
14. Income from reversals of write-downs of equity investments, shares in affiliated companies and securities classified as fixed assets			0	614,720
15. Result from ordinary business activities			469,422	1,033,241
16. Taxes on income and earnings			165,559	182,423
of which:				
Expenditure from the change in deferred taxes €0 thousand			0	0
17. Other taxes, unless shown under Item 12			1,158	1,342
18. Profit transferred on the basis of a profit and loss transfer agreement			302,705	849,476
19. Net income			0	0
20. Net retained profits			0	0

Notes

OF VOLKSWAGEN BANK GMBH, BRAUNSCHWEIG, AS OF DECEMBER 31, 2014

I. General comments regarding the annual financial statements

The annual financial statements were drawn up according to the stipulations of the German Commercial Code HGB and the Ordinance on Accounting for Banks (RechKredV).

A profit transfer agreement concluded with Volkswagen Financial Services AG came into effect on January 1, 2002.

Under section 285 no. 21 HGB (German Commercial Code), Volkswagen Bank GmbH must disclose material transactions with related parties that are not conducted at prevailing market terms. All transactions with related parties were conducted at prevailing market terms.

II. Accounting policies

Assets and liabilities are measured in accordance with the provisions of sections 252 ff. HGB, supplemented by the provisions of sections 340 ff. HGB. Unless indicated otherwise, accounting methods and measurement are based on the same principles as in the previous year.

This year we our balance sheet items receivables from and liabilities to banks and receivables from and liabilities to customers do not include a detailed breakdown between joint ventures and affiliated companies. We have thus combined the previous year's figures.

Foreign currency transactions within the non-trading portfolio are measured in accordance with section 340h in conjunction with section 256a HGB. In accordance with the risk strategy of Volkswagen Bank GmbH, the portfolio of assets, liabilities or forward transactions that is hedged in accordance with section 340h HGB comprises all material foreign currency transactions. They are measured at the reporting date middle spot rate. Income and expenses from the translation of foreign currency items hedged through foreign currency items in the same currency are accounted for in the income statement.

Pursuant to section 256a sentence 1 HGB, foreign currency assets and liabilities not subject to special hedge accounting in the same currency are translated at the reporting date middle spot rate, taking the cost and imparity principle into account. If the residual term is one year or less, the gains and losses from currency translation are fully recognized through profit or loss in accordance with section 256a sentence 2 HGB.

Unsettled forward exchange transactions within the non-trading portfolio that serve to hedge interest-bearing balance sheet items are measured by applying the split forward rate method. This involves splitting up the forward transaction into its components, spot rate and swap rate (premium/discount). Premium and discount are accrued pro rata temporis like interest over the term of the forward transaction. The transaction is accounted for by contrasting its spot basis with the reporting date middle spot rate. Positive and negative spot rate differences within the same currency are offset. The net amount is shown as an adjustment item under "Other assets" or "Other liabilities".

The interest rate and currency derivatives concluded by Volkswagen Bank GmbH are part of general economic hedging relationships. Use is not made of the explicit option to perform hedge accounting.

Volkswagen Bank GmbH repurchased all or some of the securities from its own ABS securitization transactions Private Driver 2011-3, Private Driver 2012-1, Private Driver 2012-2, Private-Driver 2012-3, Private Driver 2013-1, Private Driver 2013-2, Private Driver 2014-1, Private Driver 2014-2 and Private Driver 2014-3. Based on the principles of IDW RS HFA 8, key credit risks thus remain with Volkswagen Bank GmbH. The economic ownership of the receivables underlying the ABS transactions is therefore not transferred and they are still reported under the receivables from customers. They are balanced by other liabilities in the amount of the purchase price received. These liabilities are reduced proportionately through the transfer of the cash receipts from the underlying receivables. The difference between these and the payments received is recognized as interest expense. The securities purchased from own securitization transactions are not meas-

ured because they securitize own receivables and counterparty credit risk is already taken into account in the receivables' measurement.

Tangible fixed assets and intangible assets with a limited period of use are depreciated using the straight-line method based on the useful lives defined in the tax depreciation tables.

The vehicles shown under "Leased assets" are depreciated using the straight-line method. Write-downs to the lower fair value are recognized in cases of a likely permanent impairment for the balance sheet items, property, plant and equipment, intangible assets and leased assets. Upon disposal of vehicles classified as leased assets, the proceeds are recognized under income from leasing transactions, while the residual carrying amounts of the disposals are reported under expenses from leasing transactions.

Equity investments are recognized at cost and receivables at their nominal value less risk provision. In dealer financing, specific valuation allowances were determined on a contract-by-contract basis. Risks associated with non-impaired dealer receivables are addressed by recognizing global valuation allowances. In customer financing, collective specific valuation allowances are applied. The model we used for determining these allowances was derived from the regulatory risk quantification method. Liabilities are recognized at their settlement amount. Differences between net loan proceeds and nominal value are transferred to prepaid expenses/deferred income and reversed according to schedule. Stock and shares in affiliated companies are measured at the lower of fair value or cost. The cash reserve is shown at nominal value.

The measurement of provisions is based on the best estimate of the necessary settlement value.

Dr. Klaus Heubeck 's current mortality tables from 2005 were used in the measurement of the pension obligations. The provisions for pension obligations are discounted using the average market interest rate for the last seven years. The residual term of the obligations is generally assumed to be 15 years. The pension provisions comprise the sum of the pension liabilities and the attendant plan assets recognized at fair value. If plan assets exceed pension provisions, the difference is shown as excess of plan assets over pension liability.

Pursuant to section 253 Para. 2 HGB, other provisions with a residual term of more than one year were discounted based on their residual term. The discount rates published by Deutsche Bundesbank for the residual terms were applied, and the mark-up contains the expected inflation rate for the corresponding terms.

Volkswagen Bank GmbH's banking book was examined in accordance with IDW RS BFA 3 to determine whether it was necessary to recognize provisions for anticipated losses. The net present value method was applied for this purpose. Risk costs still expected to arise plus a risk cost premium and administrative expenses were recognized by way of inclusion in the rate used to discount cash flows, and the present value calculated in this way was compared to the carrying amount of the assets in the banking book in accordance with the German Commercial Code. There were no grounds for recognizing a provision for anticipated losses.

Loans involving securities are measured based on the securities' fair value at the transaction date. For securities in the liquidity reserves, which are measured based on market-related parameters, the strict lower-of-cost-or-market principle is applied.

For all discernible risks, adequate precautions have been taken in the annual financial statements by means of specific valuation allowances and by recognizing provisions. The deferred risk in the lending business is covered by global valuation allowances.

III. Notes to the balance sheet

RECEIVABLES FROM FINANCIAL INSTITUTIONS

Receivables from financial institutions include receivables from affiliated companies amounting to €287,846 thousand (previous year: €96,447 thousand).

Of the receivables from financial institutions, maturity breaks down as follows:

- > Payable on demand €674,455 thousand (previous year: €370,567 thousand)
- > Up to three months €228,435 thousand (previous year: €1,443 thousand)
- > More than three months and up to one year €13,824 thousand (previous year: €4,413 thousand)
- > More than one year and up to five years €32,487 thousand (previous year: €82,736 thousand)
- > More than five years €0 thousand (previous year: €0 thousand).

All receivables from financial institutions are unsecuritized.

RECEIVABLES FROM CUSTOMERS

This item includes receivables from affiliated companies amounting to €3,284,855 thousand (previous year: €2,675,104 thousand).

The maturity of the total receivables from customers, all of which are unsecuritized, breaks down as follows:

- > Up to three months €7,124,931 thousand (previous year: €6,264,293 thousand)
- > More than three months and up to one year €6,401,741 thousand (previous year: €6,322,983 thousand)
- > More than one year and up to five years €17,026,975 thousand (previous year: €16,126,509 thousand)
- > More than five years €577,694 thousand (previous year: €413,127 thousand).

The item "Receivables from customers" contains receivables with an indefinite maturity (under section 9 Para. 3 No.1 Ordinance on Accounting for Banks) amounting to €2,902.685 thousand (previous year: €2,355,238 thousand).

The balance sheet item "Receivables from customers" includes subordinated receivables of €881,322 thousand (previous year: €673,372 thousand), of which €229,280 thousand (previous year: €183,910 thousand) are attributable to subordinated receivables from the ABS transactions executed by Volkswagen Bank GmbH.

Receivables from the leasing business amount to €1,880,876 thousand (previous year: €1,569,587 thousand), of which €1,191,031 thousand (previous year: €940,570 thousand) are attributable to the French bank branch and €586,365 thousand (previous year: €580,289 thousand) are attributable to the Italian bank branch.

The French bank branch accounts for receivables from retail financing amounting to €918,631 thousand (previous year: €800,296 thousand).

RECEIVABLES FROM SHAREHOLDERS

Receivables from our sole shareholder, Volkswagen Financial Services AG, Braunschweig, as of the balance sheet date amounted to €4,601 thousand (previous year: €4,864 thousand).

DEBENTURES AND OTHER FIXED-INCOME SECURITIES

To ensure the supply of liquidity, Volkswagen Leasing GmbH and Volkswagen Finance S.A., Madrid, executed ABS transactions. Not all of the securities issued by the acquiring special purpose entities were sold to investors. Instead, some were purchased by Volkswagen Bank GmbH and pledged as collateral for its participation in the open market operations of Deutsche Bundesbank. The overall portfolio of these securities amounts to €851,240 thousand (previous year: €1,367,891 thousand). These securities are fully allocated to the liquidity reserve. They are measured according to the strict lower-of-cost-or-market principle. Given the lack of a market, we used our own measurement model to determine the value of these securities, which are marketable and listed. The cash flows were discounted in that connection using a uniform interest rate swap curve of the Volkswagen Group plus a credit spread. The credit spread was validated by indirect means based on various banks' indicative prices.

This item also contains the securities that Volkswagen Bank GmbH acquired from 2010 to 2013 as part of ABS transactions. These securities worth €4,485,613 thousand (previous year: €4,092,147 thousand) securitize the company's own receivables and are not measured because the counterparty credit risk is already taken into account in the receivables' measurement. The debentures are recognized at cost less repayments received during the term of the transactions.

The Bank repeatedly purchased highly rated European government bonds in the amount of €1,398,034 thousand (previous year: €1,455,782 thousand) in order to create collateral for participating in the open market operations and to meet future requirements in accordance with the liquidity coverage ratio. These securities have been allocated to current assets and are measured at the strict lower-of-cost-or-market principle.

The securities and debentures shown in this balance sheet item concern €6,734,887 thousand (previous year: €6,915,821 thousand) in marketable and listed securities.

The securities in the portfolio in the amount of €5,529,090 thousand (previous year: €5,766,779 thousand) were deposited with Deutsche Bundesbank. They serve as collateral for funding transactions. There were open market loans amounting to €1,529,860 thousand (previous year: €1,750,000 thousand).

A nominal amount of €2,902,322 thousand (previous year: €2,925,486 thousand) of these debentures and other fixed-income securities will be due in the fiscal year following the balance sheet date.

The debentures and other fixed-income securities include securities amounting to €376,122 thousand (previous year: €659,625 thousand) concerning affiliated companies and €5,225,530 thousand (previous year: €3,997,328 thousand) concerning investors or investees.

SHARES AND OTHER NON-FIXED-INCOME SECURITIES

A total of €503 thousand in marketable and listed shares in VISA Inc., USA (previous year: €503 thousand) were recognized by applying the strict lower-of-cost-or-market principle.

EQUITY INVESTMENTS AND SHARES IN AFFILIATED COMPANIES

A list of equity investments and information on shares in affiliated companies can be found in the "Shareholdings" section under "Other notes".

Volkswagen Bank GmbH's shares in the equity investments and shares in affiliated companies are neither marketable nor listed.

INTANGIBLE ASSETS

Intangible assets decreased by €711 thousand to €8,309 thousand (previous year: €9,020 thousand).

PROPERTY, PLANT AND EQUIPMENT

The total value of the buildings and land used for our own activities is €4,495 thousand (previous year: €3,516 thousand). The share of operating and office equipment in property, plant and equipment is €5,281 thousand (previous year: €6,324 thousand).

LEASED ASSETS

This item comprises €666,029 thousand (previous year: €548,282 thousand) in leased vehicles related to the operating leasing business of Volkswagen Bank GmbH's French branch.

OTHER ASSETS

The item contains receivables from interest rate hedging transactions amounting to €20,814 thousand (previous year: €40,553 thousand), commissions due from insurance agency services amounting to €5,074 thousand (previous year: €8,975 thousand) and tax receivables amounting to €54,237 thousand (previous year: €82,827 thousand), of which €32,208 thousand arise from the Italian bank branch's input tax credit. It also mainly contains €20,458 thousand (previous year: €27,546 thousand) in claims against the special purpose ABS entities related to returns of collateral provided that are not yet due and fees for services and interest.

Currency forwards executed to hedge currency translation risks resulted in an equalization item under other assets amounting to €18,571 thousand (previous year: €9,770 thousand).

DEFERRED INCOME

The item includes accrued discounts amounting to €5,699 thousand (previous year: €3,856 thousand) and insurance premiums paid in advance amounting to €240 thousand (previous year: €334 thousand) as well as prepaid commission due to the growth in new business at the Italian bank branch amounting to €2,412 thousand (previous year: €6,106 thousand).

LIABILITIES TO BANKS

The maturity of the total liabilities to banks, all of which are unsecured, breaks down as follows:

- > Payable on demand €89,758 thousand (previous year: €49,393 thousand)
- > Up to three months €52,708 thousand (previous year: €1,912,823 thousand)
- > More than three months and up to one year €11,811 thousand (previous year: €24,050 thousand)
- > More than one year and up to five years €40,658 thousand (previous year: €41,174 thousand)
- > More than five years €1,561,161 thousand (previous year: €20,263 thousand).

The liabilities to banks contain liabilities to affiliated companies in the amount of €498 thousand (previous year: €219 thousand).

To collateralize liabilities vis-à-vis Deutsche Bundesbank in the amount of €1,529,860 thousand (previous year: €1,750,000 thousand), securities in the same amount were deposited as collateral.

LIABILITIES TO CUSTOMERS

The item includes unsecured liabilities to affiliated companies amounting to €2,280,042 thousand (previous year: €3,162,242 thousand).

Customer deposits (including direct bank deposits) amount to €24,926,403 thousand (previous year: €22,817,659 thousand).

In addition to this, there are liabilities still to be settled vis-à-vis dealers, customers and other creditors.

The maturity of sub-item "ab) with agreed repayment period or period of notice", is as follows:

- > Up to three months €3,204,573 thousand (previous year: €3,354,847 thousand)
- > More than three months and up to one year €1,235,014 thousand (previous year: €1,340,873 thousand)
- > More than one year and up to five years €473,833 thousand (previous year: €397,624 thousand)
- > More than five years €172,627 thousand (previous year: €165,453 thousand).

LIABILITIES TO SHAREHOLDERS

Liabilities to our sole shareholder, Volkswagen Financial Services AG, Braunschweig, as of the balance sheet date amount to €508,587 thousand (previous year: €1,130,694 thousand).

SECURITIZED LIABILITIES

The securitized liabilities comprise commercial paper and debentures.

The item, "a) Debentures issued", comprises the following: Debentures: €4,292,006 thousand (previous year: €2,991,727 thousand).

Remaining maturity:

- > Up to three months €117,006 thousand (previous year: €16,727 thousand)
- > More than three months and up to one year €525,000 thousand (previous year: €1,275,000 thousand)
- > More than one year and up to five years €3,650,000 thousand (previous year: €1,700,000 thousand)

The item, "b) other securitized liabilities", comprises the following: Commercial paper: €204,896 thousand (previous year: €314,533 thousand).

Remaining maturity:

- > Up to three months €126,031 thousand (previous year: €85,120 thousand)
- > More than three months and up to one year €78,865 thousand (previous year: €229,413 thousand).

The securitized liabilities do not contain any liabilities to affiliated companies or investors and investees.

Of the debentures issued, €625,000 thousand becomes due in the following year.

OTHER LIABILITIES

Of the liabilities, €4,504,507 thousand (previous year: €4,168,169 thousand) is collateralized. These liabilities stem from ABS transactions where Volkswagen Bank GmbH retains economic ownership of the receivables sold.

This item also includes interest and principal payable under ABS transactions amounting to €293,850 thousand (previous year: €227,260 thousand), liabilities from interest rate hedging transactions amounting to €18,288 thousand (previous year: €18,767 thousand), liabilities to the German Tax Office amounting to €18,028 thousand (previous year: €22,410 thousand) and liabilities from accrued interest for subordinated bonds and for participation right liabilities amounting to €597 thousand (previous year: €3,767 thousand).

DEFERRED INCOME

This item essentially comprises accrued amounts from manufacturer and partner participation in sales promotion campaigns in the amount of €435,096 thousand (previous year: €432,016 thousand), which are recognized over the term of the respective contracts.

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

The pension obligations are determined annually by an independent actuary according to the projected unit credit method.

The material actuarial principles and measurement assumptions applied by Volkswagen Bank GmbH are:

	Germany	Abroad
Discount rate	4.54%	3.50%–4.58%
Expected rate of salary increases	3.30%	2.00%
Expected rate of pension increases	1.80%	2.00%–3.20%
Employee turnover rate	0.75%	1.70%

In Germany the discount rate of 4.58% published by Deutsche Bundesbank as of November 2014 in accordance with section 253 Para. 2 HGB (average market interest rate of the past seven years) was used less a discount of 4 basis points due to the expectation of a further decline in rates at the end of the year. The discount rate used is thus 4.54%.

For reasons of materiality, actuarial assumptions made for countries outside Germany are shown in ranges.

Securities-based investment funds amounting to a settlement amount of €3,218 thousand were offset against pension obligations and comparable obligations. These securities were purchased at a cost of €3,236 thousand, and their fair value as of the balance sheet date was €3,218 thousand. The securities were measured at their balance sheet date closing price.

A total of €346 thousand in expenses from the fair value obligation of the securities-based investment fund were offset against €346 thousand in interest income related to provisions in connection with the netting of the fair value obligation and the respective securities-based investment funds.

OTHER PROVISIONS

A total of €139,436 thousand (previous year: €44,154 thousand) were recognized in other provisions during the reporting year in connection with risks from a change in court rulings. In addition, provisions of €24,207 thousand were recognized for indirect residual value risks and the lending business (previous year: €22,020 thousand).

SPECIAL TAX-ALLOWABLE RESERVE

The special tax-allowable reserve was recognized on the basis of section 3 of the Law for the Promotion of the Economy of the Border Regions (RFG). The reversal of this reserve in the reporting period increased net income for the year by €43 thousand (previous year: €70 thousand).

SUBORDINATED LIABILITIES

The total portfolio of subordinated liabilities amounts to €310,000 thousand (previous year: €479,000 thousand).

Subordinated liabilities amounting to €58,272 thousand (previous year: €208,825 thousand) are a component of liable capital under the stipulations of the CRR (Art. 62(a) CRR) (previous year: stipulations of section 10(5a) of the German Banking Act (KWG).

The total amount includes subordinated bonds placed on the public capital market amounting to €30,000 thousand (previous year: €50,000 thousand) and subordinated borrower's note loans amounting to €0 thousand (previous year: €134,000 thousand).

There are no early repayment obligations for the subordinated liabilities.

A conversion into capital or other form of debt has not been agreed, nor is it planned. Derivative transactions were undertaken in order to hedge interest rate risks. The expenses in connection with the raising of subordinated loans and bonds amounted to €9,115 thousand (previous year: €12,216 thousand).

The expenses in connection with the raising of subordinated borrower's note loans amounted to €4,145 thousand (previous year: €6,947 thousand).

The subordinated liabilities to affiliated companies amounted to €280,000 thousand (previous year: €295,000 thousand). This item includes €110,000 thousand in liabilities to our sole shareholder (previous year: €125,000 thousand) and €170,000 thousand in liabilities to other affiliated companies (previous year: €170,000 thousand). There are no subordinated liabilities to other investees or investors.

SUBORDINATED BONDS

AS AT:	DECEMBER 31, 2014		LISTED		
	€ million	Interest rate	Valid until	New interest rate agreement based on	Due date
Beginning of term					
26.09.2003	20.0	5.40000%	26.09.2023	Fixed interest rate	26.09.2023
07.06.2004	10.0	5.50000%	07.06.2024	Fixed interest rate	07.06.2024

No subordinated bond exceeds 10% of the total amount of subordinated liabilities. In the event of the issuer's dissolution, liquidation or insolvency, obligations under these bonds will be subordinated to the claims of all unsubordinated creditors of the issuer so that in any such event no amounts shall be payable under such obligations until the claims of all unsubordinated creditors of the issuer shall have been satisfied in full. No subsequent agreement may limit the subordination or shorten the term of these bonds. Early redemption of the bonds shall be possible no earlier than five years after their issue and shall require the redemption of the respective bond by the issuer. A redemption is conditional upon a replacement of the early redemption amount by paying in other liable capital of at least equivalent status within the meaning of the German Banking Act and the Capital Requirements Regulation (CRR) or prior approval of the Federal Financial Supervisory Authority and the European Banking Authority to such redemption. Furthermore, the issuer may redeem the bonds due to changes in the tax laws or regulations of the Federal Republic of Germany or any change in the official interpretation of such laws and regulations.

SUBORDINATED LOANS

AS AT:	DECEMBER 31, 2014			New interest rate agreement based on	Due date
	€ million	Interest rate	Valid until		
Beginning of term					
22.12.2009	90.0	1.77500%	22.01.2015	3-month Euribor plus 175 basis points	22.01.2015
01.07.2010	20.0	2.58200%	05.01.2015	3-month Euribor plus 250 basis points	06.07.2015
28.09.2010	170.0	2.08100%	04.01.2015	3-month Euribor plus 200 basis points	05.10.2015

The subordinated loans in the amount of €90,000 thousand and €170,000 thousand exceed 10% of the total amount of subordinated liabilities. In the event of the debtor's dissolution, liquidation or insolvency, the obligations will be subordinated to the claims of all unsubordinated creditors of the issuer so that in any such event no amounts shall be payable under such liabilities until the claims of all unsubordinated creditors of the debtor shall have been satisfied in full. No subsequent agreement may limit the subordination or shorten the term of these loans. Early repayment of the loans shall be possible and shall require the termination of the respective loan by the debtor. A redemption is conditional upon a replacement of the early redemption amount by paying in other liable capital of at least equivalent status within the meaning of the German Banking Act and the Capital Requirements Regulation (CRR) or prior approval of the Federal Financial Supervisory Authority and the European Banking Authority to such redemption. Furthermore, the debtor may redeem the bonds due to changes in the tax laws or regulations of the Federal Republic of Germany or any change in the official interpretation of such laws and regulations.

Notwithstanding section 11 Ordinance on Accounting for Banks, the deferred interest for subordinated liabilities is shown in the balance sheet item "Other liabilities", since interest is not offset in regulatory liable capital.

EQUITY

In fiscal year 2014, Volkswagen Financial Services AG paid €150,000 thousand into the capital reserves of Volkswagen Bank GmbH. This lifted the capital reserves of Volkswagen Bank GmbH to €3.9 billion as of December 31, 2014 (previous year: €3.8 billion).

ANNUAL FINANCIAL STATEMENTS

Notes

DEVELOPMENT OF NONCURRENT ASSETS OF VOLKSWAGEN BANK GMBH, BRAUNSCHWEIG,
FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2014

€ thousand	GROSS CARRYING AMOUNT					Balance December 31, 2014
	Brought forward January 1, 2014	Additions	Disposals	Reclassification	Foreign currency translation	
Debentures and other fixed- income securities	0	0	0	0	0	0
Equity investments	59	211	0	0	0	270
Investments in affiliated companies	52,824	255	0	0	0	53,079
Concessions and similar rights acquired free of charge	38,524	3,921	0	0	314	42,759
Goodwill	144,482	0	0	0	0	144,482
Land, similar rights and buildings on land owned by others	24,483	648	2,596	772	0	23,307
Other plant, operational and office equipment	16,874	1,863	1,817	0	0	16,920
Down payments made and assets under construction	832	0	2	-772	0	58
Leased assets	799,710	404,803	219,412	0	0	985,101
Total fixed assets	1,077,788	411,701	223,827	0	314	1,265,976

€ thousand	PROVISION ADJUSTMENTS					NET CARRYING AMOUNTS		
	Brought forward January 1, 2014	Additions	Disposals	Write-ups	Foreign currency translation	Balance December 31, 2014	Balance December 31, 2014	Balance December 31, 2013
Debentures and other fixed- income securities	0	0	0	0	0	0	0	0
Equity investments	0	0	0	0	0	0	270	59
Investments in affiliated companies	0	0	0	0	0	0	53,079	52,824
Concessions and similar rights acquired free of charge	30,337	4,466	0	0	314	35,117	7,642	8,187
Goodwill	143,649	166	0	0	0	143,815	667	833
Land, similar rights and buildings on land owned by others	19,348	506	2,170	0	0	17,684	5,623	5,135
Other plant, operational and office equipment	10,550	1,797	708	0	0	11,639	5,281	6,324
Advance payments made and assets under construction	0	0	0	0	0	0	58	832
Leased assets	251,428	203,513	135,869	0	0	319,072	666,029	548,282
Total fixed assets	455,312	210,448	138,747	0	314	527,327	738,649	622,476

IV. Notes to the income statement

INTEREST INCOME FROM LENDING AND MONEY MARKET TRANSACTIONS

The proportion of interest income generated at the foreign branches is 37.1% (previous year: 34.3%). The branches in Italy and France account for the largest share of this amount.

The interest income from lending and money market transactions contains €115,178 thousand in income from finance leasing (previous year: €103,323 thousand).

INCOME FROM LEASES

The income from leasing transactions comprises earnings from operating leasing that are generated by the bank's branch in France. The total amount was €362,889 thousand (previous year: €307,731 thousand).

EXPENSES FROM LEASES

Expenses from leases amounted to €128,763 thousand (previous year: €113,562 thousand).

NET COMMISSION INCOME

The proportion of interest income generated at the foreign branches is 3.6% (previous year: 3.7%). The branch in Greece accounts for the largest share of this amount.

Commission income essentially results from selling insurance, especially residual debt insurance, from the administration and collection of receivables sold through the ABS transactions, and from other fees earned in the private customer business.

Commission income includes an income of €1,118 thousand (previous year: €620 thousand) which is not related to the accounting period and which essentially results from special compensation for residual debt insurance, Euro-Cash as well as from the credit card business.

Commission expenses essentially comprise dealer commissions in the consumer lending business.

OTHER OPERATING INCOME

The proportion of other operating income generated at the foreign branches is 24.9% (previous year: 14.2%). The branches in Italy and France account for the largest share of this amount.

The item contains €67,735 thousand (previous year: €99,969 thousand) in income not related to the accounting period, of which €0 thousand (previous year: €7,538 thousand) is in connection with the internal cost apportionment of the Volkswagen Financial Services AG Subgroup and €55,294 thousand (previous year: €80,821 thousand) is income from the reversal of provisions. The other operating income also contains €19,057 thousand in income from currency translation (previous year: €2,389 thousand) and €798 thousand in effects from the discounting of provisions (previous year: €143 thousand).

GENERAL ADMINISTRATION EXPENSES

The general administration expenses amounted to €687,946 thousand (previous year: €702,681 thousand). Aside from the personnel expenses of €81,804 thousand (previous year: €100,748 thousand), allocated Group company costs of €292,930 thousand (previous year: €291,496 thousand) accounted for a substantial portion of these expenses. These essentially concerned personnel leases.

DEPRECIATION, AMORTIZATION AND VALUATION ALLOWANCES ON INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND LEASED ASSETS

Depreciation on leased assets amounting to €203,513 thousand (previous year: €170,537 thousand) is shown as a separate sub-item of this item.

The depreciation of the leased assets recognizes the decline in the value of the leased vehicles belonging to the French branch. The straight-line method is used in that connection.

OTHER OPERATING EXPENSES

This item essentially results from a large number of individual items. It includes an amount of €5,750 thousand (previous year: €5,804 thousand) in expenses not related to the accounting period, of which €5,274 thousand (previous year: €4,034 thousand) concern the Italian branch and €475 thousand (previous year: €1,079 thousand) concern the French branch. The other operating expenses also contain €8,297 thousand in expenses from currency translation (previous year: €3,814 thousand) and €4,854 thousand in effects from the discounting of provisions (previous year: €4,963 thousand).

TAXES ON INCOME AND EARNINGS

This item comprises domestic and foreign taxes on income. Volkswagen Financial Services AG, as the parent company, debited the domestic income tax of €128,209 thousand (previous year: €130,862 thousand) for the current year to Volkswagen Bank GmbH within the framework of the consolidated tax group.

This item contains expenses of €1,403 thousand (previous year: €19 thousand) not related to the accounting period and tax refunds received for previous years amounting to €4,743 thousand (previous year: €1,098 thousand).

Solely €143,080 thousand (previous year: €116,682 thousand) in the branches' deferred tax assets and €2,089 thousand (previous year: €2,537 thousand) in their deferred tax liabilities were offset under the deferred taxes.

Offsetting tax assets and tax liabilities yields an excess of €140,991 thousand in tax assets (previous year: €114,145 thousand), which will not be capitalized, given the option under section 274 HGB.

The determination was made individually at the tax rates applicable in the given countries. The deferred tax liabilities arise only in the French branch in the amount of €2,089 thousand (previous year: €2,537 thousand) and result almost exclusively from the differences in the leased assets' useful lives.

For the most part, deferred tax assets arise in the company's Greek, Italian and Spanish branches, basically due to variations in the recognition of intangible assets as well as to the valuation allowances.

V. Other notes**CONSOLIDATION ACCOUNTING**

The annual financial statements of Volkswagen Bank GmbH are included in the consolidated financial statements of Volkswagen Bank GmbH, Braunschweig, which are drawn up according to the International Financial Reporting Standards. The consolidated financial statements of Volkswagen Bank GmbH, in turn, are included in the consolidated financial statements of Volkswagen AG, Wolfsburg. Both the annual financial statements of Volkswagen Bank GmbH and the consolidated financial statements of Volkswagen Bank GmbH and Volkswagen AG are published in the Federal Gazette.

SHAREHOLDINGS

As of December 31, 2014, Volkswagen Bank GmbH held a 100% stake in Volkswagen Bank Polska S.A., Warsaw. The profit of Volkswagen Bank Polska S. A. for fiscal year 2013 amounts to PLN33,854 thousand after PLN19,101 thousand in 2012. The company's equity as of December 31, 2013 was PLN292,926 thousand. This information is taken from the IFRS financial statements. The company holds a Polish banking license.

As of the balance sheet date, Volkswagen Bank GmbH held a 0.01% stake in Society for Worldwide Interbank Financial Telecommunication SCRL (S.W.I.F.T. SCRL), La Hulpe, Belgium. The company's nominal capital pursuant to the SWIFT Group's IFRS consolidated financial statements as of December 31, 2013 was €13,849 thousand; the company's equity as of December 31, 2013 was €325,216 thousand. No obligations arise from this equity investment.

Volkswagen Bank GmbH holds a share of €40 thousand (0.02%) in Liquiditäts-Konsortialbank GmbH, Frankfurt am Main. The company's equity as of December 31, 2013 was €229,595 thousand. Its net income for fiscal year 2013 was €1,091 thousand. Liquiditäts-Konsortialbank GmbH was dissolved with effect from July 31, 2014 in accordance with a shareholder resolution dated April 4, 2014. The company's bank license became invalid as a result. The shareholders' obligation to make further contributions also ends at the same time.

Volkswagen Bank GmbH has an equity investment of €10 in the €1,054 nominal capital of VISA Europe Limited, London. This equity investment was bestowed upon Volkswagen Bank GmbH on July 1, 2004 at no charge. No obligations arise from this equity investment. The equity of VISA Europe Limited as of September 30, 2013 was €315,123 thousand. According to its consolidated financial statements, VISA Europe Limited posted profits of €172,414 thousand in fiscal year 2012/2013.

Furthermore, Volkswagen Bank GmbH holds a 1% stake in its affiliate, OOO Volkswagen Bank RUS. The entity is domiciled in Moscow, Russian Federation. The company's equity as of December 31, 2013 was RUB9,036,325 thousand. Its loss in fiscal year 2013 amounted to RUB47,950 thousand (previous year: RUB272,494 thousand). The company holds a Russian banking license.

Since April 2014, Volkswagen Bank GmbH has held shares in BV-BGPB Beteiligungsgesellschaft privater Banken für Internet- und mobile Bezahlungen mbH which is headquartered in Berlin. The company was newly founded. The company's equity is €83 thousand. The stake of Volkswagen Bank GmbH in the company is 2.53%. The final financial statements for the abbreviated fiscal year ending on December 31, 2014 are not yet available.

CONTINGENT LIABILITIES AND OTHER OBLIGATIONS

Aside from one individual credit commitment in the amount of €150 million to a subsidiary, all irrevocable credit commitments are related to the regular banking business. They can be utilized at any time. These loans are subject to general credit monitoring rules and regulations if they are used.

The contingent liabilities in the amount of €68,373 thousand (previous year: €109,552 thousand) solely comprise guarantees. These guarantees concern international third-party customers in the amount of €49,438 thousand (previous year: €94,543 thousand) and €29,531 thousand (previous year: €85,575 thousand) of this amount is hedged through contributions of Volkswagen Financial Services AG so that Volkswagen Bank GmbH does not incur a loss risk if they are utilized. All other guarantees essentially concern the hedging of risk from liabilities in connection with domestic dealer financing. The probability that guarantees which are not rehedged will be utilized is currently deemed low.

The previous year's figures for liabilities from surety and warranty agreements to affiliated companies was adjusted due to improper calculation.

OFF-BALANCE SHEET TRANSACTIONS AND OTHER FINANCIAL OBLIGATIONS**Derivative financial instruments**

Derivative transactions were undertaken in order to hedge interest rate and currency risks. This involved interest rate swaps, currency swaps, cross-currency interest rate swaps and forward exchange transactions purely for hedging purposes. Based on the market swap rates, the market values of the interest rate swaps, currency swaps and foreign exchange transactions were determined using suitable IT-based valuation methods (discounted cash flow method). They are not shown in the balance sheet. Interest on interest rate swaps is accrued according to their maturity.

Pursuant to section 285 No. 19 HGB, the derivative financial instruments break down as follows:

€ million	NOMINAL	NOMINAL	MARKET	MARKET	MARKET	MARKET
	VALUE	VALUE	VALUES ¹	VALUES ¹	VALUES ¹	VALUES ¹
	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014
Interest rate risks						
Interest rate swaps	11,430.4	8,095.9	55.3	55.0	60.7	46.0
Currency risks						
Currency forwards	176.4	340.0	4.4	19.4	0.0	0.3
Spot exchange transactions	12.0	0.0	0.0	0.0	0.0	0.0
Currency swaps	483.6	2,211.6	43.4	54.9	7.9	57.8
Cross-currency interest rate risks						
Cross-currency interest rate swap	1,326.9	0.0	0.0	0.0	28.6	0.0
Derivative transactions total	13,429.3	10,647.5	103.1	129.3	97.2	104.1

1 The market value including accrued interest is shown for all contracts.

The maturity of the derivatives breaks down as follows:

NOMINAL VALUES

€ million	INTEREST RATE	INTEREST RATE	CURRENCY	CURRENCY	CROSS-	CROSS-
	RISKS	RISKS	RISKS	RISKS	CURRENCY	CURRENCY
	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	INTEREST RATE	INTEREST RATE
					RISKS	RISKS
					December 31, 2013	December 31, 2014
Residual terms						
<= 3 months	1,145.8	576.0	222.8	346.1	0.0	0.0
<= 1 year	4,798.0	1,450.0	205.4	2,039.0	1,326.9	0.0
<= 5 years	5,486.5	3,967.2	243.8	166.5	0.0	0.0
> 5 years	0.1	2,102.7	0.0	0.0	0.0	0.0

OTHER FINANCIAL OBLIGATIONS

The purchase commitment stood at €19,663 thousand as of December 31, 2014. There are also other financial obligations in the form of sponsorship agreements in an amount that is non-material for the assessment of the company's financial position.

FOREIGN CURRENCIES

The total of assets in foreign currency on the balance sheet date amounted to €2,896,193 thousand (previous year: €2,377,079 thousand). Foreign currency liabilities amounted to €133,214 thousand (previous year: €227,815 thousand). The volume of open forward exchange transactions in foreign currencies as of the reporting date was €340,000 thousand (previous year: €176,382 thousand). The nominal value of the currency swaps was €2,211,587 thousand (previous year: €483,587 thousand).

INFORMATION ON CORPORATE BODIES

No members of the Board of Management were paid by Volkswagen Bank GmbH (previous year: €1,155 thousand). The total compensation paid to the members of the Board of Management was borne by Volkswagen Financial Services AG.

The Board of Management is comprised as follows:

ANTHONY BANDMANN

Spokesman of the Board of Management
Strategy & Marketing (until December 31, 2013)
Sales & Marketing (from January 1, 2014)
Sales Individual Customers & Corporate Customers (until December 31, 2013)
Customer Service & Process Management Individual Customers (until December 31, 2013)
Customer Service Individual Customers (from January 1, 2014)
International

TORSTEN ZIBELL

Direct bank
Treasury (until December 31, 2013)
Corporate Development (from January 1, 2014)

DR. HEIDRUN ZIRFAS

Finance / Risk Management (until December 31, 2013)
Finance / Corporate Steering (from January 1, 2014)
Market Support / Dealer Restructuring (until December 31, 2013)
Market Support / Dealer Restructuring / Risk Management (from January 1, 2014)
Human Resources / Organization (until December 31, 2013)
Human Resources (from January 1, 2014)

On May 15, 2012, the shareholders' meeting resolved to establish an Audit Committee in accordance with section 324 HGB for Volkswagen Bank GmbH in its capacity as a corporation as defined by section 264d HGB. The Audit Committee has the following members:

DR. JÖRG BOCHE

Chairman (from April 24, 2014)
Executive Vice President of Volkswagen AG
Group Treasurer

WALDEMAR DROSDZIOK

Deputy Chairman
Chairman of the Joint Works Council of Volkswagen Financial Services AG,
Volkswagen Bank GmbH and Euromobil Autovermietung GmbH

DR. ARNO ANTLITZ

Chairman (until April 23, 2014)
Member of the Board of Management Volkswagen Brand
Controlling and Accounting

GABOR POLONYI (FROM MAY 1, 2014)

Head of Major Client Management for Volkswagen Leasing GmbH

JÖRG THIELEMANN (UNTIL APRIL 30, 2014)

Head of Customer Service Retail North/East of Volkswagen Bank GmbH

A total of €3,825 thousand (previous year: €3,753 thousand) was recognized as provisions for pensions and similar obligations to former members of the Board of Management or their surviving dependants. In fiscal year 2014, payments to these individuals amounted to €327 thousand (previous year: €324 thousand).

The assets include receivables amounting to €23 thousand (previous year: €2 thousand) from loans falling under section 15 Para. 1 Nos. 1 and 3 of the German Banking Act. This includes €22 thousand (previous year: €2 thousand) in receivables from members of the Audit Committee and €1 thousand (previous year: €0 thousand) in receivables from members of the Board of Management.

Average number of employees during the fiscal year:

	2014	2013
Salaried employees	851	909
of which senior management	35	61
of which part-time staff	50	50
Trainees	13	8

BRANCHES AND BRANCH OFFICES

Branches

Audi Bank, Braunschweig
SEAT Bank, Braunschweig
ŠKODA Bank, Braunschweig
AutoEuropa Bank, Braunschweig
ADAC FinanzService, Braunschweig
Ducati Bank, Braunschweig

Branch offices

Volkswagen Bank, Berlin
Volkswagen Bank, Braunschweig
Volkswagen Bank, Emden
Volkswagen Bank, Hanover
Volkswagen Bank, Kassel
Volkswagen Bank, Salzgitter
Volkswagen Bank, Wolfsburg
Volkswagen Bank, Zwickau
Audi Bank, Ingolstadt
Audi Bank, Neckarsulm

Branches outside Germany

Volkswagen Bank GmbH, St. Denis-Paris, France
Volkswagen Bank GmbH, Glyfada-Athen, Greece
Volkswagen Bank GmbH, Milton Keynes, United Kingdom
Volkswagen Bank GmbH, Dublin, Ireland
Volkswagen Bank GmbH, Mailand, Italy
Volkswagen Bank GmbH, Verona, Italy
Volkswagen Bank GmbH, Amersfoort, the Netherlands
Volkswagen Bank GmbH, Lissabon, Portugal
Volkswagen Bank GmbH, Alcobendas-Madrid, Spain

Seats on supervisory bodies - information disclosed in accordance with section 340a (4) HGB

TORSTEN ZIBELL

- > Volkswagen Bank S.A., Institución de Banca Múltiple, Puebla/Pue., Mexico
- > Deputy Member of the Consejo de Administración
- > Volkswagen Bank Polska S.A., Warsaw, Poland
- > Member of the Supervisory Board
- > Volkswagen Group Partner Services GmbH of the Volkswagen Group, Wolfsburg, Germany
- > Member of the Advisory Board

PEDRO CATENA

- > Volkswagen Renting S.A., Madrid, Spain
- > Chairman of the Consejo de Administración
- > Volkswagen Finance, S.A. – Establecimiento Financiero de Crédito, Madrid, Spain
- > Member of the Consejo de Administración

FERNANDO ORTIZ-CAÑAVATE

- > Volkswagen Renting S.A., Madrid, Spain
- > Volkswagen Finance, S.A. – Establecimiento Financiero de Crédito, Madrid, Spain
- > Member of the Consejo de Administración of each

Responsibility statement of the Board of Management

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Volkswagen Bank GmbH, and the management report includes a fair review of the development and performance of the business and the position of Volkswagen Bank GmbH, together with a description of the material opportunities and risks associated with the expected development of Volkswagen Bank GmbH.

Braunschweig, February 9, 2015
The Board of Management



Anthony Bandmann



Torsten Zibell



Dr. Heidrun Zirfas

Independent auditor's report

We have audited the annual financial statements - comprising the balance sheet, the income statement and the notes - including the accounting, and the management report of Volkswagen Bank Gesellschaft mit beschränkter Haftung, Braunschweig, for the fiscal year from January 1 to December 31, 2014. The accounting and preparation of the annual financial statements and management report according to German commercial law and the supplementary provisions of the Articles of Association are the responsibility of the Company's Managing Directors. Our responsibility is to express an opinion on the annual financial statements, including the accounting, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the accounting, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Board of Management, as well as evaluating the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and the supplementary provisions of the Articles of Association, and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with the principles of proper accounting. The management report is consistent with the annual financial statements, provides a suitable understanding of the company's situation and suitably presents the risks of future development.

Hanover, February 10, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Ralf Schmitz
Auditor

ppa. Christian Bertram
Auditor

Report of the Audit Committee

OF VOLKSWAGEN BANK GMBH

Volkswagen Bank GmbH is a publicly traded company within the meaning of section 264d of the HGB. The company established an Audit Committee pursuant to the provisions of section 324 HGB whose principal tasks are described in section 107 Para. 3 sentence 2 German Stock Corporation Act (AktG). The Audit Committee consists of four members. Compared to the previous year, the changes made to personnel are described in the information on corporate bodies.

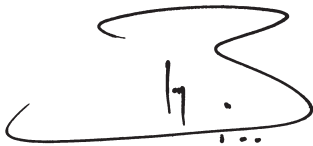
The Audit Committee convened for two regular meetings in the fiscal year. There were no extraordinary meetings. In the reporting period there were no urgent matters to be resolved in writing by means of a circular memorandum. All members of the Audit Committee attended the meetings.

At its meeting on February 26, 2014, the Audit Committee examined the annual financial statements and the management report, the consolidated financial statements and the Group management report of Volkswagen Bank GmbH for fiscal year 2014 as well as the proposal on the appropriation of profit. At the same time, the reports on the audit of the annual financial statements and the management report, the consolidated financial statements and the Group management report of Volkswagen Bank GmbH as well as important matters and issues concerning the accounting were discussed with the auditors. The Audit Committee reported on the audit to the sole shareholder. Furthermore, the Committee requested explanations of the extent to which relationships of a professional, financial or other nature exist between the auditor of the financial statements and the company or its corporate bodies in order to assess the independence of the auditor. In this context, the Audit Committee obtained information about the services performed for the company by the auditor in addition to auditing activities and about grounds for exclusion or indications of bias. After extensive review of the auditor's independence, the Audit Committee of the sole shareholder issued a recommendation on appointment of the auditor and prepared the resolution of the shareholders' meeting on issuing the audit engagement.

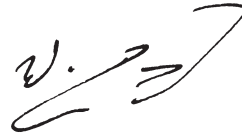
At its meeting on November 25, 2014, the Audit Committee addressed the issue of risk management and the comprehensive assessment by the ECB. The head of Internal Audit also reported to the Audit Committee on the audit system and monitoring of the elimination of any non-conformances found. In addition, audit planning, the content of the audit and the auditor's information requirements were discussed with the auditor.

Braunschweig, February 17, 2015

The Audit Committee



Dr. Jörg Boche
Chairman



Waldemar Drosdziok
Deputy Chairman



Dr. Arno Antlitz
Member



Gabor Polonyi
Member

VOLKSWAGEN BANK GMBH

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