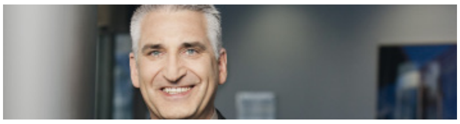
VOLKSWAGEN FINANCIAL SERVICES

AKTIENGESELLSCHAFT






The key to mobility.

CONSOLIDATED INTERIM REPORT JANUARY – JUNE 2013





Volkswagen Financial Services AG at a glance

€ million	30.06.2013	31.12.2012[1]	31.12.2011	31.12.2010	31.12.2009
Total assets	87,619	87,378	76,946	65,332	60,286
Receivables arising from					
Retail financing	39,146	38,127	33,261	30,505	26,603
Wholesale financing	11,139	10,781	10,412	8,828	8,391
Leasing business	15,951	15,312	14,252	13,643	13,935
Leased assets	7,742	7,474	6,382	4,974	3,666
Customer deposits[2]	25,584	24,889	23,795	20,129	19,532
Equity	8,494	8,802	7,704	6,975	6,311

€ million	1st half-year 2013	1st half-year 2012[1]	1st half-year 2011	1st half-year 2010	1st half-year 2009
Operating result	484	412	344	264	298
Pre-tax result	551	477	418	363	297
Income after taxes	405	365	321	283	207

%	30.06.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009
Equity ratio[3]	9.7	10.1	10.0	10.7	10.5
Core capital ratio[4]	8.9	9.2	9.8	10.5	11.2
Overall ratio[5]	10.2	9.8	10.1	10.5	11.4

Number	30.06.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009
Employees	9,147	8,770	7,322	6,797	6,775
In Germany	5,136	4,971	4,599	4,297	4,290
Abroad	4,011	3,799	2,723	2,500	2,485

RATING (AS AT 30 JUNE 2013)	STANDARD & POOR´S			MOODY´S INVESTORS SERVICE		
	short-term	long-term	outlook	short-term	long-term	outlook
Volkswagen Financial Services AG	A–2	A–	positive	Prime–2	A3	positive
Volkswagen Bank GmbH	A–2	A–	positive	Prime–2	A3	positive

1 The previous year's figure was adjusted due to the amendment of IAS 19.
2 The year-end customer deposit figure for 2009 was adjusted to the customer deposit definition applicable from 2010 onwards.
3 Equity divided by total assets
4 Core capital ratio = Core capital/ ((Capital requirement for credit risks + operational risks + market risks) x 12.5) x 100
5 Overall ratio = Own funds/ ((Capital requirement for credit risks + operational risks + market risks) x 12.5) x 100

Key facts

- **Volkswagen Financial Services AG increased its total assets as at 30 June 2013 by 0.3% to € 87.6 billion compared with 31 December 2012. The net income from lending, leasing and insurance transactions before risk provisions in the reporting period was approximately € 1.6 billion, which is an increase compared to the same period the previous year.**
- **At € 551 million, pre-tax profit surpassed the previous year's level.**
- **The contract portfolio amounts to 8,331,000 contracts, with receivables from customers up by € 2.0 billion. This is essentially due to the expansion of the business volume in the customer financing segment.**
- **With customer deposits of € 25.6 billion, the direct banking activities continued to make an important contribution to our refinancing.**
- **In January, the 50% equity investment by Volkswagen Bank GmbH in Global Mobility Holding B.V., which holds 100% of LeasePlan Corporation N.V., was sold to Volkswagen AG as part of internal restructuring of the Group.**
- **Since February, Volkswagen Financial Services Italy has also offered financial services for the Ducati brand.**
- **Euromobil Autovermietung GmbH opened its first rental desk at Hanover Airport in March. This was followed by three more branches at Volkswagen Group dealerships by June 2013.**
- **Volkswagen Autoversicherung AG commenced operations as a primary insurer in the motor insurance business in April.**
- **The "Operational Leasing and Fleet Management" product was introduced in Brazil in April. As the captive of a leading automaker, Banco Volkswagen Brazil is therefore a pioneer in the market.**
- **In May, Volkswagen Financial Services AG together with Pon Holdings B.V. acquired a stake in Dutch car sharing provider Collect Car B.V., better known as "Greenwheels". The objectives are to expand activities in the area of new mobility followed by a roll-out in other countries.**
- **Volkswagen Bank GmbH received the readers' choice awards in the "Automobile Banks" category from AUTOBILD and "auto motor und sport". This is the seventh time that "auto motor und sport" has named Volkswagen Bank the best bank, awarding it the "Best Brand" title.**
- **In 2013, Volkswagen Leasing GmbH was named "Best Leasing Company" in connection with the fleet award sponsored by the German trade magazine "Autoflotte" for the eighth time running.**

Development of business

GLOBAL ECONOMY

The development of the global economy in the first six months of 2013 was still marked by uncertainty and disparate growth rates across regions. While structural obstacles clouded the economic situation in the industrialised countries, the economies of the emerging markets developed robustly on the whole.

The repercussions of the debt crisis continued to impact economic activity in Western Europe in the first six months of 2013. Southern Europe remained in recession, and few countries in Northern Europe showed growth rates in positive territory.

The German economy, which had proved comparatively resistant to the crisis in 2012, failed to generate growth in the reporting period. However, consumer sentiment and labour market conditions remained positive.

Although the crisis in the euro zone had a severe effect on the economic development of Central and Eastern Europe, the overwhelming majority of the countries in this region achieved positive growth rates. Russia, however, grew at a slower pace than in the preceding years.

Compared with the prior-year period, South Africa's economic output grew less vigorously in the first half of 2013, continuing to feel the effects of structural deficits and restrained demand worldwide for raw materials.

Moderate growth was achieved in the USA on the back of rising consumer confidence and the increasing availability of cheap energy – despite cutbacks in government spending. The unemployment rate fell slightly. The Mexican economy, which is heavily dependent on the US economy, performed well but less dynamic than in the previous year.

In Brazil and Argentina, the modest recovery that began in 2012 continued in the period under review. However, political uncertainty and the very high inflation left their mark on the Argentine economy in particular.

In spite of slightly reduced momentum, China once again accounted for a large share of the global economic growth. By contrast, the Indian economy's development was muted due to unrelenting high price increases. The Japanese economy received a boost from the economic stimulus measures implemented at the beginning of the year and the weaker yen.

FINANCIAL MARKETS

The global financial markets developed at different rates in the first half of 2013. In the industrialised countries, investments moved away from the bond markets towards the equity markets in varying degrees. This was motivated by the persistent low return on bonds as opposed to the attractive valuation of shares. Particularly strong growth was recorded by the US stock indices, fuelled by moderate economic growth as a consequence of strong consumer demand driven by the Federal Reserve Board's policy of low interest rates.

Markets in Europe were calmed by the extensive aid measures taken to finance national budgets in the southern EU countries, though they essentially remained nervous. The banking and sovereign debt crisis in Cyprus in particular generated debate in March about fundamental aspects of the security of deposits in the euro zone as well as investors' participation in losses.

There were clear signs of weakness in the financial markets of the newly industrialised countries. In China, interest rates in the interbank market squeezed the economy's liquidity levels, giving rise to concerns in June about lending and the further development of the Chinese economy. Brazil's financial markets also developed quite poorly as the country continued to suffer the consequences of high inflation rates and slow economic growth during the first half of 2013.

Consistently low interest rates in the industrialised countries in the first half of the year provided further stimulus for corporate bond issues. According to Standard & Poor's, corporate bonds totalling US$ 1.2 trillion (around € 900 billion) were issued worldwide in this period, 36% of which by European companies, 32% by US companies, 22% by companies in the emerging markets and 10% by companies in other industrialised nations. In the United States, the volume of new issues of corporate bonds actually reached a record level.

The issue volume in Germany also continued to rise. Since repayments increased at the same time, companies' capital market debt rose only slightly. The increase is solely attributable to non-financial companies because the banks repaid their net debt in the first half of 2013.

Europe's banking sector continued to benefit from the extremely low interest rates, underpinned by the European Central Bank's cutting of its key rate in May to the historically low level of 0.5%.

AUTOMOBILE MARKETS

Demand for passenger cars around the world between January and June 2013 was higher than in the prior-year period. The individual markets continued to develop unevenly, however. New passenger car registrations in Western Europe fell below the previous year's level, as expected. A decrease in volume was also registered in the markets in Central and Eastern Europe in the reporting period. By contrast, the positive growth trajectory in the Asia-Pacific and North American regions continued. Demand for passenger cars in South America in the first half of 2013 also surpassed the high prior-year figure.

The passenger car market in Western Europe recorded substantial losses in the first six months of 2013. The last time a weaker overall market volume for the first half of a year was registered was in the 1980s. The unfavourable general conditions caused by the debt crisis in several euro zone countries led to double-digit decreases in unit sales in some of the large markets. In contrast, new passenger car registrations in the United Kingdom rose substantially on the strength of high private sector demand.

The uncertainty among consumers caused by the weak economy in Western Europe also had a negative impact on Germany's passenger car market. New registrations fell to the second-lowest level in a first half-year since German reunification in 1990.

The overall passenger car market in Central and Eastern Europe also declined. Above all, the higher-than-average decrease in sales in Russia in the second quarter of 2013 dragged down the passenger car market volume in the reporting period to below the strong prior-year figure. This was primarily a consequence of the slowdown in economic activity.

The upswing in passenger vehicle sales in South Africa was sustained in the first six months of 2013, with demand continuing to be supported by attractive lending rates in particular.

In the North American vehicle market, new car registrations rose from January to June for the fourth consecutive year. Demand in the United States reached the highest half-year figure since 2007. This was mainly due to a rise in consumer confidence, favourable financing terms plus higher demand in connection with vehicle replacements. While only a comparatively minor year-on-year improvement was reported for the Canadian market, sales in Mexico continued their dynamic growth course, falling just short of the level in 2008, the year prior to the crisis.

New passenger car registrations in South America recorded a slightly positive trend in the first half of 2013 and surpassed their previous record high from 2012. The region's main growth driver was the passenger car market in Brazil, where the extension of tax incentives in particular provided a boost to demand. In Argentina, a major recovery in the second quarter of 2013 pushed up the passenger car market volume after the first six months to marginally above the prior-year figure.

The largest increase in new passenger car registrations in absolute terms was registered in the Asia-Pacific region. This is almost exclusively attributable to the Chinese passenger car market, which witnessed double-digit growth between January and June 2013. It stands in stark contrast to India, where demand for passenger cars fell sharply in the same period, due in particular to high financing and fuel costs. New passenger car registrations in the first half of 2013 also declined year-on-year in Japan, where government incentives were still supporting the market for fuel-efficient vehicles.

OVERALL APPRAISAL OF THE DEVELOPMENT OF BUSINESS

In the view of the Board of Management of Volkswagen Financial Services AG, business has shown a positive development so far in 2013. The pre-tax result for the first six months is higher than in 2012.

Globally, new business has developed positively in the year’s first half.

In the first half of 2013, Volkswagen Financial Services AG boosted its business volume year on year – especially in Germany, the United Kingdom and China.

The proportion of the total number of vehicles delivered by the Volkswagen Group worldwide accounted for by leased or financed vehicles (penetration) rose to 24.3% (23.7%) with unchanged credit eligibility criteria. In Western and Southern Europe, the new passenger car business is declining due to the difficult macroeconomic situation. In this challenging market environment, the company nonetheless managed to improve its penetration in some countries.

In spite of the higher business volume, refinancing costs are down compared with the first half of 2012 due, among other things, to sustained low interest rates.

Although macroeconomic conditions in Europe remain difficult, the (credit) risk exposure increased moderately on the whole in the first six months of 2013. The ongoing crisis in Southern Europe led to further credit losses and rising risk costs as expected, even though countermeasures were initiated at an early stage. Most of the other European markets managed to avoid this negative trend, however, showing stable growth.

Vehicle residual values under leasing contracts remained stable on the whole in the first half of the year. In the majority of European markets, the downtrend seen in the previous year did not continue as an adjustment of the residual value setting and intensified marketing activities essentially counteracted a further increase in the residual value risk. The situation in Southern Europe nevertheless remains strained and is leading to a higher risk in individual countries due to the lack of positive impetus for the automobile market.

The areas of cooperation between Volkswagen Financial Services AG and the Allianz Group in the field of motor vehicle insurance were largely consolidated in a separate company, Volkswagen Autoversicherung AG, whose shares are held by Volkswagen Financial Services AG and Allianz Versicherungs-AG through an intermediate holding company. Volkswagen Autoversicherung AG, which will be headquartered in Braunschweig, commenced operations in Germany in April 2013.

Volkswagen Financial Services AG together with its partner Pon Holdings B.V. acquired a stake in the Dutch car sharing market leader Collect Car B.V., better known as "Greenwheels". With a fleet of approximately 2,000 vehicles, "Greenwheels" is the leading car sharing provider in the Netherlands.

The 50% equity investment by Volkswagen Bank GmbH in Global Mobility Holding B.V., which holds 100% of LeasePlan Corporation N.V., was sold to Volkswagen AG effective 22 January 2013 as part of internal restructuring of the Group. Fifty percent of this equity investment was previously deducted from core and supplementary capital in accordance with § 10 Para. 6 Sentence 1 No. 1 German Banking Act. The elimination of this deductible item results in a positive effect of € 1 billion on liable capital.

The purchase of a second leasing company in China in March 2013 expanded the offering for fleet customers in the capital Beijing.

With the aim of strengthening the companies' equity base, Volkswagen Financial Services AG implemented capital increases in the first six months of 2013 at Volkswagen Bank GmbH, Braunschweig, Germany, OOO Volkswagen Bank RUS, Moscow, Russia, Volkswagen Financial Services Korea Co., Ltd, Seoul, South Korea, and VOLKSWAGEN MØLLER BILFINANS AS, Oslo, Norway. These measures serve to expand our business and support the growth strategy we are pursuing together with the brands of the Volkswagen Group.

Analysis of the Group's business development and position

RESULTS OF OPERATIONS

The notes on the results of operations concern changes relative to the same period the previous year.

The first six months of 2013 were positive for the companies of Volkswagen Financial Services AG. At € 551 million, pre-tax profit surpassed the previous year's level (+15.5%). At € 1,601 million (+15.5%), the net income from lending, leasing and insurance transactions before risk provisions was up year on year.

Provisions for risks amounted to € 226 million, which is more than in the previous year. Default risks arising for the Volkswagen Financial Services AG Group as a result of the crisis situation in a number of euro zone countries were accounted for by recognising valuation allowances, which increased by € 53 million year on year to € 260 million.

At € 888 million, general administration expenses were higher year on year. Volume effects arising from the expansion of business as well as the implementation of strategic projects and compliance with stricter regulatory requirements are the main drivers in this connection.

Commission income – essentially from insurance agency services – was up from the previous year.

At € 52 million, the net income from equity investments accounted for using the equity method was below the previous year's level (–37.3%). The decline is primarily due to an intra-Group restructuring of the 50% equity investment by Volkswagen Bank GmbH in Global Mobility Holding B.V., which holds 100% of LeasePlan Corporation N.V.; the equity investment was sold to Volkswagen AG effective 22 January 2013.

Taking into account the result from the measurement of derivative financial instruments in the amount of € +7 million (previous year: € –52 million) and the remaining earnings components, income after taxes of the Volkswagen Financial Services AG Group was € 405 million, an increase of 11.0% over the previous year.

The German Volkswagen Financial Services AG Group companies succeeded in a saturated market environment and made a substantial contribution to the results of Volkswagen Financial Services AG. With about 51.6% of the contract portfolio, they remain the companies with the highest business volume.

All of the foreign financial services companies included as fully consolidated entities in the consolidated financial statements of Volkswagen Financial Services AG generated positive income after taxes at market level.

ASSETS AND FINANCIAL POSITION

The notes on the assets and financial position concern changes relative to the balance sheet date 31 December 2012.

LENDING BUSINESS

Receivables from customers – which represent the core business of the Volkswagen Financial Services AG Group – plus leased assets amounted to € 79.5 billion, and thus accounted for approximately 90.7% of the consolidated total assets. The positive development is reflected in the expansion of business, particularly in Germany, the United Kingdom and China.

The loan volume from retail financing increased by € 1.0 billion or 2.7% to € 39.1 billion. The number of new contracts was 752,000 (+8.4% compared to the first half of 2012). This means that the number of current contracts rose to 3,735,000 (+4.7%). With a volume of 2,023,000 contracts (previous year: 1,974,000), Volkswagen Bank GmbH remained the Group company with the highest business volume.

The loan volume in the wholesale financing business – which consists of receivables from Group dealers in connection with the financing of vehicles in stock plus equipment and investment loans – rose to € 11.1 billion (+3.3%).

Receivables from leasing transactions amounted to € 16.0 billion, which is an increase compared to the previous year (+4.2%). Leased assets saw growth of € 0.3 billion, rising to € 7.7 billion (+3.6%).

In the period under review, a total of 289,000 new leasing contracts were signed, which is above the level of the first half of 2012 (+1.0%). As at 30 June 2013, there were 1,347,000 leased vehicles in stock, which is an increase of 1.8% compared to the previous year. As in previous years, Volkswagen Leasing GmbH once again made the largest contribution to the Group, with a current contract level of 976,000 leased vehicles (previous year: 956,000).

Compared to the previous year, the total assets of Volkswagen Financial Services AG rose to € 87.6 billion (+0.3%). This increase results from the rise in receivables from customers and in leased assets, reflecting the expanded business in the period just ended.

As at 30 June 2013, there were 3,249,000 service and insurance contracts on the books (previous year: 3,089,000). At 564,000 contracts, the volume of new business was 10.4% above the level of the first half of 2012.

CONTRACT VOLUME, CURRENT CONTRACTS AND NEW CONTRACTS AS WELL AS PENETRATION RATES AS AT 30 JUNE 2013[1]

in thousands	VW FS AG	Europe	of which Germany	of which Italy	of which United Kingdom	of which France	Asia Pacific	North America/ South America
Current contracts	8,331	6,812	4,296	424	892	321	517	1,002
Retail financing	3,735	2,542	1,508	203	418	178	410	783
Leasing	1,347	1,277	954	54	77	78	4	66
Service/insurance	3,249	2,993	1,834	167	397	65	103	153
New contracts	1,605	1,280	732	83	217	85	108	217
Retail financing	752	488	262	38	113	29	96	168
Leasing	289	277	209	8	15	19	1	11
Service/insurance	564	515	261	37	89	37	11	38
in € million								
Receivables from customers arising from								
Retail financing	39,146	26,999	15,907	1,761	5,860	1,206	4,966	7,181
Wholesale financing	11,139	8,808	3,670	515	1,578	1,124	995	1,336
Leasing business	15,951	15,270	12,079	641	172	1,027	180	501
Leased assets	7,742	7,739	5,648	359	1,014	303	0	3
in %								
Penetration rates[2]	24.3	43.1	53.6	42.7	39.8	36.1	5.7	37.8

1 The individual figures are rounded, which may result in small deviations when they are added.
2 Ratio of new contracts for new Group vehicles to deliveries of Group vehicles based on the fully consolidated entities of Volkswagen Financial Services AG

DEPOSIT BUSINESS AND BORROWINGS

Significant items in liabilities and equity include liabilities to financial institutions in the amount of € 10.8 billion (– 7.4%), liabilities to customers in the amount of € 33.1 billion (+6.4%), as well as securitised liabilities in the amount of € 28.6 billion (– 1.9%).

Customer deposits, specifically those of Volkswagen Bank GmbH, reported as part of the liabilities to customers amounted to € 25.6 billion as at 30 June 2013, thus making a significant contribution to refinancing.

Aside from offering statutory deposit insurance, Volkswagen Bank GmbH is also a member of the Deposit Insurance Fund of the Association of German Banks (Bundesverband deutscher Banken e.V.).

EQUITY

The subscribed capital of € 441 million again remained unchanged in the period under review. IFRS equity was € 8.5 billion (previous year: € 8.8 billion). The decrease can be attributed to the first-time preparation of the half-yearly financial statements following an assumed profit transfer to the parent company. This yields an equity ratio of 9.7% relative to the total equity and liabilities of € 87.6 billion, which is above average in comparison to international banks.

Opportunity and risk report

OPPORTUNITY REPORT

Macroeconomic opportunities

The management of Volkswagen Financial Services AG assumes that the automotive market on the whole will grow and the market share of the Volkswagen Group will remain stable in the second half of 2013, with regional markets showing disparate performances. Volkswagen Financial Services AG supports this positive development through financial services products designed to boost sales.

Strategic opportunities

In addition to entering new markets, Volkswagen Financial Services AG sees further opportunities in all markets in the development of innovative products that are aligned with customers' changed mobility requirements. The Group's targeted rates of return as well as the sales promotion potential are relevant for making decisions in this connection. Activities along the automotive value chain will be expanded and intensified further.

RISK REPORT

Shareholder risk

The 50% equity investment by Volkswagen Bank GmbH in Global Mobility Holding B.V., which holds 100% of LeasePlan Corporation N.V., was sold effective 22 January 2013 as part of internal restructuring of the Group.

Summary

There were no material changes regarding the other risk types and our risk management methods in the past few months. Insofar, see the disclosures in the “Opportunity and risk report” chapter of the 2012 annual report.

EVENTS AFTER THE BALANCE SHEET DATE

Dr. Mario Daberkow was appointed as a member of the Board of Management of Volkswagen Financial Services AG with responsibility for the Information Technology and Processes department effective 1 July 2013.

Aside from the events described above, no events of substantial significance occurred after completion of the consolidated interim report as at 30 June 2013.

Personnel report

At 30 June 2013, Volkswagen Financial Services AG had 8,954 active employees. Besides active staff, in the first six months of this year Volkswagen Financial Services AG also had 90 employees who were in the passive phase of partial retirement, as well as 103 trainees. Hence the total number of employees of Volkswagen Financial Services AG on 30 June 2013 was 9,147, an increase of about 4.3% compared to the year-end figure for 2012 (8,770 employees). This increase is mainly attributable to new hires for expanding the product range in the international markets of Volkswagen Financial Services AG as well as to volume increases in the financing, leasing and insurance product segments. In the German market, the increase in the headcount by 165 people stems from the hiring of risk management, finance, IT and audit specialists, as well as from the continued expansion of our business activities, especially in leasing. An additional 40 positions were created for employing previously temporary personnel on a permanent basis. The total number of employees in Germany at this time is 5,136.

In accordance with the substance-over-form principle, 285 employees of VOLKSWAGEN SERVICIOS SA DE CV, Puebla, Mexico, an unconsolidated company, are included in the overall personnel numbers.

Anticipated developments

GLOBAL ECONOMY

The global economy developed sluggishly in the first half of 2013. We expect the growth around the world to be sustained as the year progresses, though the uncertainty about the economy will not go away. The industrialised countries will probably achieve only low growth rates. We assume that the recession in Southern Europe will continue for the rest of the year. The greatest impetus for global economic growth is likely to come from China and the ASEAN nations.

FINANCIAL MARKETS

Developments in the global financial markets around the middle of the year were uneven. In the euro zone, following years of attempts by policy-makers to stabilise the banking system and solve the sovereign debt crisis, we are seeing signs of consolidation that help calm the markets. While a slight slowdown in Europe's economic performance is expected for 2013, economic output is projected to increase as early as 2014, largely driven by the growth of the German economy.

However, a possible decline in economic growth in China, coupled with an imminent credit crunch in this country, is being closely monitored in the financial markets. The markets are also feeling the effects of the Federal Reserve Board's publicly discussed abandonment of its expansionary monetary policy in the USA with the prospect of future interest rate hikes.

The prospect of higher interest rates may push up the volume of corporate bond issues in the second half of the year as well.

AUTOMOBILE MARKETS

Demand for passenger cars around the world in the reporting period increased at a slower rate than in the prior-year period. In 2013 overall, the global passenger car markets will probably also witness weaker growth than in 2012. We estimate that the negative trend in the entire Western European market will continue and that even the German market will fall short of 2012 levels. The automotive markets of Central and Eastern Europe are likely to decline on the whole. The Asia-Pacific region will probably grow by a higher-than-average rate again in 2013. We believe that the North American markets will develop positively, while demand in South America will stagnate.

DEVELOPMENT OF VOLKSWAGEN FINANCIAL SERVICES AG

The stabilisation of the global economy that was seen in 2012 slowed down in the first half of 2013. The volatile market notwithstanding, we expect the transaction volume in our financial services business to be at the previous year’s level.

We continuously analyse existing markets and new market potential. Expanding our product range will support a positive business performance.

We are further pushing the expansion of our national and international activities in line with the WIR2018 strategy. Besides expanding internationally, in the second half of 2013 our main focus will be on intensifying our sales activities jointly with the Volkswagen Group brands, launching new products in existing markets, developing new products especially as part of the New Mobility strategy and ensuring consistent risk management.

Given the difficult market conditions for the 2013 financial year, the Board of Management of Volkswagen Financial Services AG anticipates a pre-tax result below last year's level, but with earnings potential close to 2012.

Income statement
of the Volkswagen Financial Services AG Group

€ million	Note	01.01. – 30.06.2013	01.01. – 30.06.2012[1]	Change in %
Interest income from lending transactions		1,734	1,820	– 4.7
Net income from leasing transactions before provisions for risks		675	621	8.7
Interest expense		– 821	– 1,064	– 22.8
Net income from insurance business		13	9	44.4
Net income from lending, leasing and insurance transactions before provisions for risks	1	1,601	1,386	15.5
Provisions for risks arising from lending and leasing business		– 226	– 193	17.1
Net income from lending, leasing and insurance transactions after provisions for risks		1,375	1,193	15.3
Commission income		253	234	8.1
Commission expenses		– 171	– 149	14.8
Net commission income		82	85	– 3.5
Result from financial instruments		7	– 52	X
Result from available-for-sale assets		– 1	0	X
Result from joint ventures accounted for using the equity method		52	83	– 37.3
Result from other financial assets		4	33	– 87.9
General administration expenses	2	– 888	– 786	13.0
Other operating result		– 80	– 79	1.3
Pre-tax result		**551**	**477**	**15.5**
Taxes on income and earnings		– 146	– 112	30.4
Income after taxes		405	365	11.0
Income after taxes attributable to Volkswagen AG		**405**	**365**	**11.0**
The proportion of income attributable to Volkswagen AG in case of a profit transfer		627	112	X

1 The previous year's figure was adjusted due to the amendment of IAS 19.

Statement of comprehensive income[1]

of the Volkswagen Financial Services AG Group

€ million	Note	01.01.– 30.06.2013	01.01. – 30.06.2012[2]
Income after taxes		**405**	**365**
Actuarial gains and losses		28	–30
deferred taxes thereon		–8	9
Income/loss not reclassifiable		**20**	**–21**
Available-for-sale financial assets (securities):			
Fair value changes recognised in equity		14	–11
Recognised in the income statement		22	0
deferred taxes thereon		–11	3
Cash flow hedges:			
Fair value changes recognised in equity		–19	5
Recognised in the income statement		12	2
deferred taxes thereon		2	–1
Currency translation differences		–128	11
Reclassifiable income and expense of shares measured using the equity method, recognised in equity, after taxes		2	9
Reclassifiable income/loss		**–106**	**18**
Income and expense recognised directly in equity		**–86**	**–3**
Comprehensive income		**319**	**362**
Comprehensive income attributable to Volkswagen AG		319	362

1 The presentation was adjusted due to the amendment of IAS 1.
2 The previous year's figure was adjusted due to the amendment of IAS 19.

Balance sheet
of the Volkswagen Financial Services AG Group

€ million	Note	30.06.2013	31.12.2012[1]	Change in %
Assets				
Cash reserve		429	355	20.8
Receivables from financial institutions		1,757	2,215	–20.7
Receivables from customers arising from				
Retail financing		39,146	38,127	2.7
Wholesale financing		11,139	10,781	3.3
Leasing business		15,951	15,312	4.2
Other receivables		5,529	5,497	0.6
Receivables from customers in total		71,765	69,717	2.9
Derivative financial instruments		569	754	–24.5
Securities		1,972	1,718	14.8
Joint ventures accounted for using the equity method		295	1,932	–84.7
Other financial assets		694	540	28.5
Intangible assets	3	154	155	–0.6
Property, plant and equipment	3	248	250	–0.8
Leased assets	3	7,742	7,474	3.6
Investment property		8	10	–20.0
Deferred tax assets		832	676	23.1
Income tax assets		115	157	–26.8
Other assets		1,039	1,425	–27.1
Total		**87,619**	**87,378**	**0.3**

1 The previous year's figure was adjusted due to the amendment of IAS 19.

€ million	Note	30.06.2013	31.12.2012[1]	Change in %
Liabilities				
Liabilities to financial institutions		10,836	11,696	–7.4
Liabilities to customers		33,114	31,128	6.4
Securitised liabilities		28,624	29,180	–1.9
Derivative financial instruments		267	416	–35.8
Provisions		1,549	1,508	2.7
Deferred tax liabilities		513	493	4.1
Income tax obligations		291	323	–9.9
Other liabilities		1,300	1,141	13.9
Subordinated capital		2,631	2,691	–2.2
Equity		8,494	8,802	–3.5
Subscribed capital		441	441	–
Capital reserve		4,709	4,709	–
Retained earnings		3,457	3,659	–5.5
Other reserves		–113	–7	X
Total		**87,619**	**87,378**	**0.3**

1 The previous year's figure was adjusted due to the amendment of IAS 19.

Statement of changes in equity
of the Volkswagen Financial Services AG Group

€ million	Sub scribed capital	Capital reserves	Retained earnings	OTHER RESERVES Currency translation	Cash flow hedges	Market valuation securities	Equity-accounted invest-ments	Total equity
Balance prior to adjustment on 01.01.2012	**441**	**4,059**	**3,155**	**59**	**8**	**–5**	**–13**	**7,704**
Change in accounting due to IAS 19 R	–	–	3	–	–	–	–	3
Balance after adjustment on 01.01.2012	441	4,059	3,158	59	8	–5	–13	7,707
Income after taxes[1]	–	–	365	–	–	–	–	365
Income and expense recognised directly in equity	–	–	–21	11	6	–8	9	–3
Comprehensive income[1]	–	–	344	11	6	–8	9	362
Payments into the capital reserve	–	650	–	–	–	–	–	650
Other changes[2]	–	–	–112	–	–	–	–	–112
Balance as at 30.06.2012[1,3]	**441**	**4,709**	**3,390**	**70**	**14**	**–13**	**–4**	**8,607**
Balance prior to adjustment on 01.01.2013	**441**	**4,709**	**3,657**	**9**	**6**	**–18**	**–4**	**8,800**
Change in accounting due to IAS 19 R	–	–	2	–	–	–	–	2
Balance after adjustment on 01.01.2013	441	4,709	3,659	9	6	–18	–4	8,802
Income after taxes	–	–	405	–	–	–	–	405
Income and expense recognised directly in equity	–	–	20	–128	–5	25	2	–86
Comprehensive income	–	–	425	–128	–5	25	2	319
Payments into the capital reserve	–	–	–	–	–	–	–	–
Other changes[2]	–	–	–627	–	–	–	–	–627
Balance as at 30.06.2013	**441**	**4,709**	**3,457**	**–119**	**1**	**7**	**–2**	**8,494**

1 The figures were adjusted due to the amendment of IAS 19.
2 The previous year's figure was adjusted. The figures represent the proportion of income attributable to Volkswagen AG according to HGB in case of a profit transfer.
3 The previous year's period was adjusted.

Cash flow statement
of the Volkswagen Financial Services AG Group

€ million	01.01.–30.06.2013	01.01.–30.06.2012[1]
Income after taxes	**405**	**365**
Depreciation, amortisation, value adjustments and write-ups	994	947
Change in provisions	64	179
Change in other non-cash items	388	–61
Result from the sale of financial assets and property, plant and equipment	0	–27
Interest result and dividend income	–1,354	–1,217
Other adjustments	4	0
Change in receivables from financial institutions	415	1,128
Change in receivables from customers	–3,587	–4,635
Change in leased assets	–1,104	–1,341
Change in other assets from operating activities	364	–82
Change in liabilities to financial institutions	–421	2,880
Change in liabilities to customers	2,128	867
Change in securitised liabilities	–148	505
Change in other liabilities from operating activities	177	114
Interest received	2,158	2,274
Dividends received	16	7
Interest paid	–821	–1,064
Income tax payments	–295	–245
Cash flow from operating activities	**–617**	**594**
Cash inflows from the sale of investment property	2	–
Cash outflows from the purchase of investment property	–	0
Cash inflows from the sale of subsidiaries and joint ventures	1,678	27
Cash outflows from the purchase of subsidiaries and joint ventures	–154	–220
Cash inflows from the sale of other assets	5	3
Cash outflows from the purchase of other assets	–36	–29
Change in investments in securities	–248	–332
Cash flow from investing activities	**1,247**	**–551**
Cash inflows from changes in capital	–	650
Distribution/profit transfer to Volkswagen AG	–570	–512
Loss absorption by Volkswagen AG	–	–
Change in funds resulting from subordinated capital	15	–110
Cash flow from financing activities	**–555**	**28**
Cash and cash equivalents at the end of the previous period	**355**	**352**
Cash flow from operating activities	–617	594
Cash flow from investing activities	1,247	–551
Cash flow from financing activities	–555	28
Effects from exchange rate changes	–1	1
Cash and cash equivalents at the end of the period	**429**	**424**

1 The previous year's figure was adjusted due to the amendment of IAS 19.

Notes

to the consolidated financial statements of the Volkswagen Financial Services AG Group as at 30 June 2013

General comments

Volkswagen Financial Services Aktiengesellschaft (VW FS AG) has its head office in Gifhorner Strasse, Braunschweig, and is registered in the Braunschweig Register of Companies (under file number HRB 3790).

Volkswagen AG, Wolfsburg, is the sole shareholder in the parent company, VW FS AG. A control and profit transfer agreement exists between Volkswagen AG and VW FS AG.

Group accounting principles

VW FS AG prepared its consolidated financial statements for the 2012 financial year in accordance with the International Financial Reporting Standards (IFRS), as applicable in the European Union, and the interpretations of the International Financial Reporting Standards Interpretation Committee (IFRS IC), as well as supplementary provisions that are applicable under § 315a Para. 1 German Commercial Code (HGB). Therefore, this consolidated interim report as at 30 June 2013 was also prepared in accordance with IAS 34. This interim report has not been reviewed by an auditor.

Accounting policies

VW FS AG has implemented all accounting standards that were adopted by the EU and had to be applied from 1 January 2013. The changes essentially concern IAS 1 with respect to the presentation of financial statements and IAS 19 with respect to the accounting for employee benefits.

IAS 1 (amended) leads to a revised presentation of the statement of comprehensive income. The amended standard sets out that items of other comprehensive income must be presented separately. A distinction must be made between line items that will not be reclassified subsequently to profit or loss and line items that will be reclassified subsequently to profit or loss when specific conditions are met. The related tax effects must also be allocated to these two groups. VW FS AG has accordingly revised the statement of comprehensive income in the consolidated interim report. The other amendments to IAS 1 have no effect on the presentation of the assets, financial position and results of operations of the VW FS AG Group.

In this connection, the statement of changes in equity has also been amended. The retained earnings reported in the consolidated interim report comprise the accumulated profits and the reserve from actuarial gains and losses. The remaining items have been recognised as other reserves.

The amendments to IAS 19 have changed the accounting for employee benefits. This has the following effects in particular on the consolidated interim report of VW FS AG:

> Step-up amounts for partial retirement agreements must be accrued for the block model used in the VW FS AG Group.
> Past service cost for pension commitments must be immediately recognised in profit or loss.
> A standard rate of interest must be charged on the pension commitment and plan assets (net interest approach).

The following table shows the main effects from the changed guidance of IAS 19 on the balance sheet of the VW FS AG Group. There are no noteworthy effects on the income statement.

€ MILLION	31.12.2012 Before adjustment	Adjustment	After adjustment	01.01.2012 Before adjustment	Adjustment	After adjustment
Total assets	87,379	–1	87,378	76,946	–1	76,945
of which deferred tax assets	677	–1	676	302	–1	301
Total liabilities and provisions	78,579	–3	78,576	69,242	–4	69,238
of which other provisions	969	–3	966	736	–4	732
Total equity	8,800	2	8,802	7,704	3	7,707
of which retained earnings	3,657	2	3,659	3,155	3	3,158

The other amendments to IAS 19 have no material effects on the presentation of the assets, financial position and results of operations in the consolidated interim report of VW FS AG.

IFRS 13 provides general guidance on the calculation of fair value in a separate standard. VW FS AG implements the guidance in IFRS 13 when calculating fair value. This did not have a material effect on the assets, financial position and results of operations presented in the consolidated interim report of VW FS AG.

All other accounting standards to be applied for the first time in the 2013 financial year do not have a significant impact on the assets, financial position and results of operations of the VW FS AG Group. A detailed listing of these accounting standards is contained in the notes to the consolidated financial statements of the 2012 annual report.

A discounting rate of 3.6 % (31 December 2012: 3.2 %) was applied to domestic provisions for pensions in the current interim financial statements. The increase in the interest rate triggered a decrease in the actuarial losses related to pension provisions recognised directly in retained earnings under equity.

The income tax expense for the interim reporting period is determined in accordance with IAS 34, Interim Financial Reporting, using the average tax rate expected for the financial year on the whole.

In view of the profit transfer agreement between VW FS AG and VW AG, the current interim report has been prepared for the first time after the appropriation of profit, following the approach taken in the annual financial statements. This provides additional information for the readers of the financial statements. As a consequence, the items in the prior-year statement of changes in equity were restated accordingly. This has no effects for the results of operations of the periods presented and the carrying amounts at 31 December 2012.

In contrast to the previous year, receivables from the leasing business that include repurchase agreements are no longer shown under other receivables from customers but under receivables from the leasing business.

Other than that, the same consolidation principles and accounting policies that were used in the consolidated financial statements for 2012 were applied to the preparation of the interim consolidated financial statements and the determination of the corresponding amounts for the previous year. A detailed description of these methods is contained in the notes to the consolidated financial statements of the 2012 annual report. It may be downloaded from our website at www.vwfs.com.

Basis of consolidation

In addition to VW FS AG, the consolidated financial statements include all Group companies whose financial and business policies VW FS AG can control, directly or indirectly, such that the Group companies benefit from the activities of these companies (subsidiaries).

Global Mobility Holding B.V., Amsterdam was accounted for in the consolidated financial statements using the equity method. The 50 % equity investment by Volkswagen Bank GmbH in Global Mobility Holding B.V., which holds 100 % of LeasePlan Corporation N.V., was sold to Volkswagen AG effective 22 January 2013 as part of internal restructuring of the Group.

Notes to the consolidated financial statements

1 | Net income from lending, leasing and insurance transactions before provisions for risks

€ million	01.01. – 30.06.2013	01.01. – 30.06.2012
Interest income from lending and money market transactions	1,734	1,820
Income from leasing transactions and service contracts	4,958	4,313
Expenses from leasing business and service contracts	– 3,505	– 2,999
Depreciation and impairment losses on leased assets and investment property	– 778	– 693
Interest expense	– 821	– 1,064
Net income from insurance business	13	9
Total	**1,601**	**1,386**

2 | General administration expenses

€ million	01.01. – 30.6.2013	01.01. – 30.6.2012[1]
Staff costs	– 360	– 357
Non-staff costs	– 477	– 364
Costs of advertising, PR work and sales promotion	– 17	– 21
Depreciation of property, plant and equipment and amortisation of and impairment losses on intangible assets	– 25	– 25
Other taxes	– 9	– 19
Total	**– 888**	**– 786**

1 The previous year’s figure was adjusted due to the amendment of IAS 19.

3 | Development of selected assets

€ million	Net carrying amount 01.01.2013	Additions	Disposals/Other changes	Depreciation/amortisation	Net carrying amount 30.06.2013
Intangible assets	155	16	–7	10	154
Property, plant and equipment	250	20	–7	15	248
Leased assets	7,474	3,690	–2,644	778	7,742

4 | Fair value disclosures

The principles and methods used for the fair value measurement are essentially the same as those used in the previous year. Detailed explanations on the measurement principles and methods can be found in the 2012 Annual Report.

The fair value generally corresponds to the market value or quoted market price (level 1). If no active market exists, the fair value is calculated using actuarial methods. Fair values in level 2, e.g. for derivatives, are determined based on market data such as foreign exchange rates or yield curves using market-based valuation techniques. Level 3 fair values are calculated using valuation techniques that do not take directly observable factors in the active market into account.

The following table shows how the financial instruments measured at fair value are categorised in this three level class hierarchy.

	LEVEL 1		LEVEL 2		LEVEL 3	
€ million	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Assets						
Measured at fair value						
Derivative financial instruments	–	–	110	129	–	–
Securities	1,972	1,715	–	3	–	–
Hedge accounting						
Derivative financial instruments	–	–	459	625	–	–
Total	**1,972**	**1,715**	**569**	**757**	**–**	**–**
Liabilities						
Measured at fair value						
Derivative financial instruments	–	–	81	138	–	–
Hedge accounting						
Derivative financial instruments	–	–	186	278	–	–
Total	**–**	**–**	**267**	**416**	**–**	**–**

Any reconciliation of the balance sheet items with the aforementioned classes follows from the following description:

€ million	BALANCE SHEET ITEM		MEASURED AT FAIR VALUE		MEASURED AT AMORTISED COST		HEDGE ACCOUNTING		OTHER FINANCIAL ASSETS		NOT SUBJECT TO IFRS 7	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Assets												
Cash reserve	429	355	–	–	429	355	–	–	–	–	–	–
Receivables from financial institutions	1,757	2,215	–	–	1,757	2,215	–	–	–	–	–	–
Receivables from customers	71,765	69,717	–	–	53,640	53,603	18,125	16,114	–	–	–	–
Derivative financial instruments	569	754	110	129	–	–	459	625	–	–	–	–
Securities	1,972	1,718	1,972	1,718	–	–	–	–	–	–	–	–
Joint ventures accounted for using the equity method	295	1,932	–	–	–	–	–	–	–	–	295	1,932
Other financial assets	694	540	–	–	–	–	–	–	694	540	–	–
Other assets	1,039	1,425	–	–	212	268	–	–	–	–	827	1,157
Total	**78,520**	**78,656**	**2,082**	**1,847**	**56,038**	**56,441**	**18,584**	**16,739**	**694**	**540**	**1,122**	**3,089**
Liabilities												
Liabilities to financial institutions	10,836	11,696	–	–	10,836	11,696	–	–	–	–	–	–
Liabilities to customers	33,114	31,128	–	–	32,049	29,190	1,065	1,938	–	–	–	–
Securitised liabilities	28,624	29,180	–	–	28,624	29,180	–	–	–	–	–	–
Derivative financial instruments	267	416	81	138	–	–	186	278	–	–	–	–
Other liabilities	1,300	1,141	–	–	330	307	–	–	–	–	970	834
Subordinated capital	2,631	2,691	–	–	2,631	2,691	–	–	–	–	–	–
Total	**76,772**	**76,252**	**81**	**138**	**74,470**	**73,064**	**1,251**	**2,216**	**–**	**–**	**970**	**834**

The following table contains an overview of the fair values of the financial instruments:

	FAIR VALUE		CARRYING AMOUNT		DIFFERENCE	
€ million	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Assets						
Measured at fair value						
Derivative financial instruments	110	129	110	129	–	–
Securities	1,972	1,718	1,972	1,718	–	–
Measured at amortised cost						
Cash reserve	429	355	429	355	–	–
Receivables from financial institutions	1,757	2,215	1,757	2,215	–	–
Receivables from customers	54,473	53,692	53,640	53,603	833	89
Other assets	212	268	212	268	–	–
Hedge accounting						
Receivables from customers	18,125	16,114	18,125	16,114	–	–
Derivative financial instruments	459	625	459	625	–	–
Other financial assets	694	540	694	540	–	–
Liabilities						
Measured at fair value						
Derivative financial instruments	81	138	81	138	–	–
Measured at amortised cost						
Liabilities to financial institutions	10,898	11,694	10,836	11,696	62	–2
Liabilities to customers	32,249	29,256	32,049	29,190	200	66
Securitised liabilities	28,778	29,621	28,624	29,180	154	441
Other liabilities	332	307	330	307	2	0
Subordinated capital	2,779	2,795	2,631	2,691	148	104
Hedge accounting						
Liabilities to customers	1,065	1,938	1,065	1,938	–	–
Derivative financial instruments	186	278	186	278	–	–

Segment reporting

5 | Division by geographical markets

Division by geographical markets, first six months of 2012:

€ million	01.01.2012 – 30.06.2012[1] Germany	Europe	North and South America	Asia Pacific	Total segments	Recon-ciliation	Group
Revenue from lending transactions with third parties	601	400	597	180	1,778	29	1,807
Revenue from intersegment lending transactions	70	0	–	0	70	–70	–
Segment revenue from lending transactions	671	400	597	180	1,848	–41	1,807
Revenue from leasing and service transactions	2,632	1,627	54	5	4,318	–5	4,313
Premiums earned from insurance business	30	1	–	–	31	–	31
Commission income	148	50	34	2	234	–	234
Revenue	**3,481**	**2,078**	**685**	**187**	**6,431**	**–46**	**6,385**
Cost of sales from lending, leasing and service transactions	–1,698	–1,297	–3	–1	–2,999	–	–2,999
Write-ups on leased assets and investment property	0	0	–	–	0	–	0
Depreciation and impairment losses on leased assets and investment property	–494	–199	0	0	–693	–	–693
of which impairment losses pursuant to IAS 36	–32	–8	–	–	–40	–	–40
Expenses from insurance business	–22	0	–	–	–22	–	–22
Interest expense (part of the operating result)	–498	–176	–335	–93	–1,102	38	–1,064
Provisions for risks arising from lending and leasing business	–21	–47	–115	–10	–193	0	–193
Commission expenses	–63	–60	–21	–5	–149	0	–149
Result from financial instruments (part of the operating result)	–	–	–	–	–	0	0
General administration expenses (part of the operating result)	–416	–159	–92	–54	–721	–61	–782
Other operating result (part of the operating result)	–88	23	–6	2	–69	–2	–71
Segment result (operating result)	**181**	**163**	**113**	**26**	**483**	**–71**	**412**
Interest income not classified as revenue	12	2	0	0	14	–1	13
Interest expense (not part of the operating result)	0	0	0	0	0	0	0
Result from financial instruments (not part of the operating result)	–40	–2	–7	1	–48	–4	–52
Result from available-for-sale assets	0	–	–	–	0	–	0
Result from joint ventures accounted for using the equity method	–	–	–	–	–	83	83
Result from other financial assets	29	4	–	–	33	–	33
General administration expenses (not part of the operating result)	–1	0	0	0	–1	–3	–4
Other operating result (not part of the operating result)	–1	0	–7	–	–8	–	–8
Pre-tax result	**180**	**167**	**99**	**27**	**473**	**4**	**477**
Taxes on income and earnings	–54	–46	–38	–5	–143	31	–112
Income after taxes	**126**	**121**	**61**	**22**	**330**	**35**	**365**
Segment assets	**35,626**	**19,311**	**8,935**	**5,576**	**69,448**	**606**	**70,054**
of which non-current	**21,509**	**10,302**	**4,358**	**3,355**	**39,524**	**–**	**39,524**
Segment liabilities	**45,395**	**17,110**	**8,043**	**5,262**	**75,810**	**–6,625**	**69,185**

1 The previous year's figure was adjusted due to the amendment of IAS 19.

Division by geographical markets, first six months of 2013:

€ million	01.01.2013 – 30.06.2013 Germany	Europe	North and South America	Asia Pacific	Total segments	Recon-ciliation	Group
Revenue from lending transactions with third parties	517	396	556	220	1,689	36	1,725
Revenue from intersegment lending transactions	44	0	–	–	44	–44	–
Segment revenue from lending transactions	561	396	556	220	1,733	–8	1,725
Revenue from leasing and service transactions	3,194	1,712	50	5	4,961	–4	4,957
Premiums earned from insurance business	40	2	–	–	42	–	42
Commission income	146	62	43	2	253	0	253
Revenue	**3,941**	**2,172**	**649**	**227**	**6,989**	**–12**	**6,977**
Cost of sales from lending, leasing and service transactions	–2,169	–1,333	–2	–1	–3,505	–	–3,505
Write-ups on leased assets and investment property	0	1	–	–	1	–	1
Depreciation and impairment losses on leased assets and investment property	–551	–227	0	0	–778	–	–778
of which impairment losses pursuant to IAS 36	–52	–5	–	–	–57	–	–57
Expenses from insurance business	–28	–1	–	–	–29	–	–29
Interest expense (part of the operating result)	–333	–135	–259	–104	–831	11	–820
Provisions for risks arising from lending and leasing business	–93	–56	–69	–8	–226	0	–226
Commission expenses	–59	–72	–25	–15	–171	0	–171
Result from financial instruments (part of the operating result)	–6	–	–	–	–6	–1	–7
General administration expenses (part of the operating result)	–475	–172	–90	–69	–806	–78	–884
Other operating result (part of the operating result)	–43	10	–47	4	–76	2	–74
Segment result (operating result)	**184**	**187**	**157**	**34**	**562**	**–78**	**484**
Interest income not classified as revenue	9	1	0	0	10	–1	9
Interest expense (not part of the operating result)	–1	0	–	–	–1	0	–1
Result from financial instruments (not part of the operating result)	–4	2	3	–2	–1	15	14
Result from available-for-sale assets	0	–1	–	–	–1	–	–1
Result from joint ventures accounted for using the equity method	–	–	–	–	–	52	52
Result from other financial assets	0	4	–	–	4	0	4
General administration expenses (not part of the operating result)	–1	0	0	0	–1	–3	–4
Other operating result (not part of the operating result)	–1	0	–5	–	–6	–	–6
Pre-tax result	**186**	**193**	**155**	**32**	**566**	**–15**	**551**
Taxes on income and earnings	–119	–54	–34	–9	–216	70	–146
Income after taxes	**67**	**139**	**121**	**23**	**350**	**55**	**405**
Segment assets	**37,395**	**20,963**	**9,021**	**6,140**	**73,519**	**637**	**74,156**
of which non-current	**22,901**	**11,413**	**4,547**	**3,697**	**42,558**	**–**	**42,558**
Segment liabilities	**45,478**	**18,418**	**8,279**	**5,536**	**77,711**	**–4,977**	**72,734**

Reconciliation:

€ million	30.06.2013	30.06.2012[1]
Total segment result (operating result)	**562**	**483**
Not allocated	– 82	– 80
Consolidation	4	9
Consolidated operating result	**484**	**412**
Total segment result before taxes	**566**	**473**
Not allocated	810	286
Consolidation	– 825	– 282
Consolidated profit/loss before tax	**551**	**477**

1 The previous year's figure was adjusted due to the amendment of IAS 19.

Other notes

6 | Cash flow statement

The cash flow statement of the VW FS AG Group documents the change in funds available due to the cash flows resulting from operating activities, investing activities and financing activities. Cash and cash equivalents, narrowly defined, comprises only the cash reserve, which is made up of the cash in hand and deposits at central banks.

7 | Off-balance sheet obligations

€ million	30.06.2013	31.12.2012
Contingent liabilities		
Liabilities from surety and warranty agreements	187	200
Other contingent liabilities	105	66
Other financial obligations		
Purchase obligations	53	64
Other	23	7
Other obligations		
Irrevocable credit commitments	3,554	3,201

A total of € 566 million (31.12.2012: € 511 million) in fiduciary assets and liabilities of the savings and trust company belonging to the South American subsidiaries were not included in these consolidated financial statements.

8 | Corporate bodies of Volkswagen Financial Services AG

Dr. Mario Daberkow was appointed as a member of the Board of Management of Volkswagen Financial Services AG with responsibility for the Information Technology and Processes department effective 1 July 2013.

9 | Events after the balance sheet date

There were no significant events up to 18 July 2013.

10 | Responsibility statement of the Board of Management

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Braunschweig, 18 July 2013
The Board of Management

Frank Witter

Dr. Mario Daberkow

Frank Fiedler

Christiane Hesse

Dr. Michael Reinhart

Lars-Henner Santelmann

Note regarding forward-looking statements

This report contains statements concerning the future business development of Volkswagen Financial Services AG. These statements include, among others, assumptions about the development of the global economy, as well as the financial and automobile markets. Volkswagen Financial Services AG has made these assumptions on the basis of available information and believes that they can be currently said to offer a realistic picture. These estimates necessarily include certain risks, and actual development may differ from these expectations.

Should actual development therefore deviate from these expectations and assumptions, or should unforeseen events occur that impact the business of Volkswagen Financial Services AG, then the business development will be accordingly affected.

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We apologise to our readers for using the masculine grammatical form solely for purposes of linguistic convenience.

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