VOLKSWAGEN BANK

GMBH

Consolidated Interim Report

JANUARY – JUNE 2009

Table of contents

The Volkswagen Bank GmbH Group at a glance

€ million	30.6.2009	31.12.2008	31.12.2007
Total assets	36,223	33,497	26,539
Receivables from customers arising from			
Retail financing	16,490	15,481	14,078
Dealer financing	6,967	7,653	7,465
Leasing business	1,157	1,136	292
Customer deposits	19,065	12,829	9,620
Equity	3,761	3,318	3,379
€ million	**1st half-year 2009**	**1st half-year 2008**	**1st half-year 2007**
Pre-tax result	144	216	224
Net income	119	166	159
%	**30.6.2009**	**31.12.2008**	**31.12.2007**
Equity ratio	10.4	9.9	12.7
%	**31.3.2009**	**31.12.2008**	**31.12.2007**
Core capital ratio[1]	12.7	12.8	14.2
Overall ratio[1]	18.6	18.8	20.8
Number	**30.6.2009**	**31.12.2008**	**31.12.2007**
Employees	651	669	585

	Standard & Poor's			Moody's Investors Service		
Rating as at 30.6.2009[2]	short-term	long-term	outlook	short-term	long-term	outlook
Volkswagen Bank GmbH	A–1	A	negative	Prime-1	A2	stable
Volkswagen Financial Services AG	A–2	A–	stable	Prime-2	A3	stable

1 The regulatory core capital ratio/overall ratio of Volkswagen Bank GmbH is calculated in accordance with the standardised approach to credit and operational risks based on the Solvency Regulations that took effect on 1 January 2007.

2 Ratings currently under review for possible downgrade pending final details around a combination with Porsche

Group interim management report

ECONOMIC ENVIRONMENT

Global economy

The global economic recession continued in the first six months of 2009. Very few countries managed to grow, indeed, both the major industrialised countries and most emerging countries recorded substantial declines in their gross domestic product (GDP). Inflation rates in most countries continued to fall during the reporting period – despite the fact that monetary policies remained expansive and oil prices began to rise again.

The recessionary development continued in Western Europe in the first six months of 2009. In May, the unemployment rate in the euro zone reached its highest level for the past ten years. Conditions in both Central and Eastern Europe also deteriorated further.

In Germany, the downturn in overall economic output intensified during the reporting period. Current leading indicators point to a continued decline in production and an increase in unemployment figures.

Financial markets

The distortions in the international financial markets continued in the year's first six months. At the same time, the recessionary development of the global economy has deepened, especially in those industrialised countries that are dependent on exports.

The international money and capital markets have been driven by the attempts in the leading economies to prevent the banking system from collapsing. These efforts entail measures by individual governments to help the banks deal with toxic assets as well as by central banks to help ease the credit crunch in the banking system.

The massive state interventions have slightly eased conditions in the financing sector since mid-March 2009. In turn, this has relieved some of the downward pressure on bank securities on the global stock and bond markets. The mood in the international stock markets improved by the end of the second quarter against the backdrop that the economy is expected to bottom out.

The liquidity policies of the European Central Bank (ECB) in the first six months of 2009 also helped to improve matters for European automobile banks in regards to refinancing. Given their direct banking approach, automobile banks engaged in the deposit business are among the banks that can potentially offer higher interest rates than commercial banks that operate branches while providing comparable levels of deposit security. In an environment of declining interest rates, both aspects have proved favourable to the deposit business, boosting the automobile banks' liquidity as a result.

In Germany, the scrapping bonus that has been paid for old passenger cars since the German government enacted its second stimulus package has led to new contracts in the first six months of 2009, particularly for financing small- and medium-size vehicles. The current depth of the recession is not yet fully reflected in the automobile banks' economic development due to the extraordinary economic boost provided by this measure and given the attendant financing terms, which usually run for four years.

Automobile markets

Worldwide registrations of new cars were substantially lower year on year in the reporting period. With the exception of the Region Asia Pacific, all sales regions posted declines. Particularly North America and both Central and Eastern Europe have seen demand collapse. While sales of passenger cars were lower year on year in Western Europe too, the decline was not as extreme overall given the positive effects of governmental actions aimed at supporting the economy. The Region Asia Pacific recorded slight growth due to the substantial increase in the number of newly registered cars in China in the second quarter of 2009.

In Western Europe as a whole, the number of newly registered cars in the first six months of 2009 was substantially lower year on year. However, the downturn slowed noticeably in the second quarter. By now, Spain, the United Kingdom, the Netherlands, Austria and Greece have followed the example of Germany, France, Italy and Portugal in enacting stimulus packages aimed at spurring growth in the automobile markets through buyer incentives. Yet only the German and the French markets succeeded in surpassing the level of new registrations year on year during the reporting period.

Demand for passenger cars has plummeted in Central and Eastern Europe. Especially the Russian market is suffering from difficult macroeconomic conditions and high interest rates on new car loans.

In Germany, the positive demand levels that were triggered by the scrapping bonus sparked very strong growth in passenger car sales in the year's first six months.

THE VOLKSWAGEN BANK GMBH GROUP

Volkswagen Bank GmbH is a wholly-owned subsidiary of Volkswagen Financial Services AG, Brunswick, which in turn is a wholly-owned subsidiary of Volkswagen AG, Wolfsburg.

As a general principle, all companies and branches are fully consolidated in which Volkswagen Bank GmbH has the possibility, directly or indirectly, to determine the financial and business policy in such a way that the Volkswagen Bank GmbH Group benefits from the activities of these companies (subsidiaries).

Volkswagen Bank GmbH has an indirect stake in LeasePlan Corporation N.V., Amsterdam – Europe's largest provider of multi-brand fleet management – via its 50 % interest in Global Mobility Holding B.V., Amsterdam. The bank also holds 60 % of the shares of VOLKSWAGEN BANK POLSKA S.A., Warsaw. VOLKSWAGEN BANK POLSKA S.A. provides automotive financial services in Poland. Both companies are included at equity in the consolidated financial statements of Volkswagen Bank GmbH. The result from this equity investment as at 30 June 2009 was € 25 million (previous year: € 55 million).

The ABS transactions of Volkswagen Bank GmbH are handled by special purpose entities that are fully consolidated in the interim consolidated financial statements of Volkswagen Bank GmbH. These entities are: Driver One GmbH, Driver Two GmbH, Driver Three GmbH, Driver Four GmbH, Driver Five GmbH, Driver Six GmbH as well as Private Driver 2007 GmbH, Private Driver 2008-1 GmbH, Private Driver 2008-2 GmbH, Private Driver 2008-3 GmbH and Private Driver 2008-4 GmbH (all with registered offices in Frankfurt/Main).

No other substantial changes occurred in the first half of 2009 relative to the description in the 2008 annual report.

ANALYSIS OF THE BUSINESS PERFORMANCE AND POSITION OF THE VOLKSWAGEN BANK GMBH GROUP

The Volkswagen Bank Group succeeded in fortifying its market position in the first half of 2009 and further increasing the volume of both its receivables and contracts.

In the retail financing segment, the bank continued its close collaboration with the brands of the Volkswagen Group. The close cooperation with Volkswagen Group dealers helped to lift the number of current contracts above the level recorded in the previous year.

The retail financing volume rose by 6.5 % to € 16.5 billion compared to 31 December 2008 while receivables from dealer financing fell by 9.0 % to € 7.0 billion compared to the close of the previous financial year.

The refinancing expense of the Volkswagen Bank Group was managed in line with the capital markets in the first half of 2009 through the ongoing expansion of the deposit business and the continued rating differentiation relative to both Volkswagen AG and Volkswagen Financial Services AG. The deposit volume, which had been built up continually in previous years, once again rose considerably despite intensified competition in the direct banking business and lower interest rates.

Results of operations

The notes on the results of operations concern changes relative to the same period the previous year (1.1. – 30.6.2008).

The ramifications of the financial market crisis for the money and capital markets are also affecting the Volkswagen Bank GmbH Group. Especially the deterioration in the economic situation as a result of the financial crisis has had a substantial impact on the allocation of risk provisions. Rising spreads have also caused an increase in funding costs compared to the period before the crisis. In contrast, the increase in financing volumes triggered by the scrapping bonus had a positive effect.

The result before taxes in the first half of 2009 was € 144 million, compared to € 216 million the same period the previous year. Foreign branches contributed € 49 million (previous year: € 52 million) to consolidated earnings. The change in earnings is essentially due to increased refinancing expenses and a decrease in the result from joint ventures accounted for at equity.

The net income from lending and lasing transactions before risk provisions earned by the Volkswagen Bank GmbH Group was € 337 million compared to € 369 million in the same period the previous year, against a backdrop of increased pressures on margins from both the competition and the capital markets.

Interest income from lending and money market transactions in the amount of € 839 million (previous year: € 842 million) continues to stem primarily from consumer financing, as well as from vehicle and investment financing for the dealers of the Volkswagen Group. The substantial decline in net interest income from retail and dealer financing was offset by interest income from debentures (€ 12.5 million) that were acquired from VCL 2008-1 GmbH, VCL 2009-1 GmbH and VCL 2009-2 GmbH. These debentures serve to securitise receivables of Volkswagen Leasing GmbH.

Finance and operating leases contributed € 48 million (previous year: € 41 million) to net interest income.

Yet the interest expense of the Volkswagen Bank Group rose to a total of € 550 million (previous year: € 514 million) in connection with both the volume growth and the current development on the capital market.

The allowances and provisions recognised in connection with the lending business take into account all impairments existing as at the balance sheet date. Continual risk analysis plus the balanced management of receivables and collection are designed to minimise the default rate to the extent possible. At € 88 million, the risk provision required for write-downs and bad debt allowances was below the level of the same period of the previous year.

The net commission income of € 40 million remained virtually unchanged year on year.

Summary
In the wake of the financial crisis, the pre-tax result in the first half of 2009 decreased substantially compared to the same period the previous year. The Volkswagen Bank GmbH Group addressed this development by deploying a balanced refinancing and hedging strategy as well as targeted measures designed to secure the Group's liquidity. The Group responded to additional impacts from fiercer competition in particular by launching sales campaigns and financing promotions jointly with the manufacturers and dealers, and by expanding its commission and direct banking businesses.

Assets and financial position
The notes on the assets and financial position concern changes relative to the balance sheet date 31 December 2008.

Lending business
The lending business of the Volkswagen Bank Group focuses on the provision of loans to private and commercial customers. The receivables shown in the balance sheet total € 28.6 billion (previous year: € 28.4 billion). The retail lending volume of the foreign branches decreased from € 6.9 billion to € 6.4 billion.

Retail financing
As at 30 June 2009, the company had 1,732,000 retail financing contracts under management. This translates into a year-on-year increase of 5.7 %.

Receivables rose by 6.5 % to € 16.5 billion during the same period. The increase was almost exclusively attributable to business in Germany.

Dealer financing
While the dealer financing volume in Germany declined by 4.4 % compared to the high level as at 31 December 2008, particularly due to the positive effects of the scrapping bonus for the dealers of the Volkswagen Group, the dealer financing volume in foreign markets dropped by 15.6 %.

Receivables as at the end of the half-year totalled € 7.0 billion compared to € 7.7 billion as at 31 December 2008. Value adjustments increased by 4.0 % year on year due to the effects of worsening economic conditions on dealer financing in the wake of the financial crisis, among other factors.

Leasing business
Volkswagen Bank GmbH offers finance leasing and operating leasing through its foreign branches. The French branch of Volkswagen Bank GmbH engages in both finance and operating leasing; the Italian branch, on the other hand, continues to offer only finance leasing. At € 1.2 billion (previous year: € 1.1 billion), receivables as at the end of the first six months of 2009 remained almost unchanged. This figure is to a large extend made up of receivables from finance leasing.

Companies included at equity
In the reporting period, Volkswagen Bank GmbH continued to hold its shares in Global Mobility Holding B.V., Amsterdam, and VOLKSWAGEN BANK POLSKA S.A., Warsaw.

Deposit business and borrowings
Besides equity, the main liability items are € 20.8 billion in liabilities to customers including the direct banking business (previous year: € 14.9 billion) as well as € 8.1 billion in securitised liabilities (previous year: € 9.6 billion. €).

Direct banking business
The deposit-taking business of Volkswagen Bank GmbH showed a positive development. At mid-year, the customer deposit volume reached € 19.1 billion, up 48.6 % compared to 31 December 2008 (€ 12.8 billion). Volkswagen Bank *direct* thus makes a significant contribution to strengthening customer loyalty to the Volkswagen Group. The share of direct banking in the refinancing mix of Volkswagen Bank GmbH was 52.6 % (previous year: 38.2 %). The number of customers rose by 15.3 %.

Equity
The subscribed capital of Volkswagen Bank GmbH remained unchanged at € 0.3 billion in the first half of 2009. Equity increased by € 300.0 million in the first half of the year through a payment into capital reserves made by Volkswagen Financial Services AG.

The determination of the regulatory equity ratios has been made in accordance with the standardised approach to credit and operational risks.

Financial key performance indicators

The financial key performance indicators of the Volkswagen Bank Group are as follows:

%	30.6.2009	31.12.2008	31.12.2007
Equity ratio[1]	10.4	9.9	12.7

%	31.3.2009	31.12.2008	31.12.2007
Core capital ratio[2]	12.7	12.8	14.2
Overall ratio (regulatory)[3]	18.6	18.8	20.8

1 Equity ratio: ratio between equity and total capital

2 Core capital ratio = Core capital / (Capital requirement for (credit risks + operational risks + market risks) * 12.5) * 100

3 Overall ratio (regulatory) = Own funds / (Capital requirement for (credit risks + operational risks + market risks) * 12.5) * 100

For non-financial key performance indicators, please see the 2008 personnel report.

RISK REPORT

There have been no significant changes relative to the disclosures in the "Risk report" of the 2008 annual report, which described all potential risks as well as the risk management methods employed.

Risks at the refinancing level

The ability of Volkswagen Bank GmbH to refinance itself via the international money and capital markets continues to be limited due to the financial market crisis.

In contrast, the importance of the company's deposit-taking business has increased significantly.

Given the short-term nature of direct banking deposits, any withdrawal of customer deposits or a further deterioration of the situation on the money and capital markets would undermine the company's ability to refinance itself.

Yet this potential loss of liquidity could be counteracted if Volkswagen Bank GmbH is given permission to avail itself of the framework guarantee of up to € 2.0 billion for the purpose of refinancing automobile loans that was granted to Volkswagen Bank by the statutory financial market stabilisation fund in February 2009.

As an additional means to secure its liquidity, Volkswagen Bank GmbH has deposited the Group's own ABS securities with the European Central Bank for refinancing purposes.

OPPORTUNITIES

Relative to the chapter entitled "Opportunities for Volkswagen Bank GmbH" in the 2008 annual report, no major changes are expected for the second half of 2009 in terms of opportunities.

PERSONNEL REPORT

Given the structure of the German legal entities of the Volkswagen Financial Services AG Group, the employees of Volkswagen Financial Services AG work in the respective subsidiaries, among others.

As a result of this structure, 811 employees of Volkswagen Financial Services AG were working in Volkswagen Bank GmbH's business units at 30 June 2009.

Volkswagen Bank GmbH continues to employ certain staff directly due to regulatory requirements. At 30 June 2009, this staff numbered 651 (31.12.2008: 669), 135 of which are employed in Germany.

REPORT ON THE BRANCHES AND BRANCH OFFICES

No changes occurred in the first half of 2009 relative to the description in the 2008 annual report. The branches of Volkswagen Bank GmbH had 516 employees as at 30 June 2009 (31.12.2008: 523).

EVENTS AFTER THE BALANCE SHEET DATE

Aside from the events described above, no events of substantial significance occurred after completion of the consolidated interim report as at 30 June 2009.

ANTICIPATED DEVELOPMENTS

Global economy

The economic climate remains difficult worldwide, given the ongoing financial and economic crisis. Further deterioration of the situation still cannot be ruled out. Global economic growth in 2009 will be negative. China and India are likely to be the only major economies that will post positive growth in 2009. Although slight indications of recovery can be expected in many industrialised countries in the second half of the year, unemployment figures will continue to rise considerably. The ongoing uncertainty among market participants will have a negative impact, especially on consumer demand and capital spending.

Financial markets

The gradual easing of conditions in the international financial markets that began to make itself felt in the first six months of 2009 will likely continue in the year's second half provided that the intended state measures aimed at establishing "bad banks", which serve to settle the banks' toxic assets, will be implemented elsewhere as in Germany. In Germany, the "Act to Support the Continued Stabilization of the Financial Markets", which was passed in July 2009, created tools that enable banks to escape from the spiral of write-downs on their assets and preserve their equity base. According to the Association of German Banks, the reorganisation expected to result from this will go hand in hand with measures aimed at restructuring, redimensioning, merging and liquidating individual banks. Automobile banks however are not affected by said spiral of write-downs because their business models focus mainly on selling cars.

The establishment of a European banking regulatory authority is being discussed in this context because the national regulatory authorities do not possess an overview of banks' multinational ties, and this shortcoming is considered one of the factors that led to the crisis in the financial markets. In the final analysis, intense consolidation pressures in the banking system will likely intensify competition.

Automobile markets

Since automobile markets worldwide are being impacted heavily by the ongoing financial and economic crisis, they will develop along a substantially negative trajectory compared to the previous year. We expect the markets in North America, South America and Europe to register strong declines, with demand in Central and Eastern European countries weakening to a much greater extent than in Western Europe.

Development of Volkswagen Bank GmbH

The forecasts in the 2008 annual report regarding our expectations as to car sales, refinancing options as well as macroeconomic conditions with the relevant effects on risk premiums have basically remained unchanged.

We are consistently pursuing our close cooperation with the Group brands in view of exploiting sales potentials.

Securing our liquidity against the backdrop of the ongoing financial market crisis will remain a high priority in the second half of the year as well.

The Board of Management of Volkswagen Bank GmbH expects positive earnings for the full 2009 financial year.

INCOME STATEMENT OF THE VOLKSWAGEN BANK GMBH GROUP

	Notes	1.1. – 30.6.2009 € million		1.1. – 30.6.2008 € million		Change %
Interest income from lending transactions before provisions for risks		839		842		– 0.4
Net income from leasing transactions before provisions for risks		48		41		17.1
Interest expense		– 550		– 514		7.0
Net income from lending and leasing transactions before provisions for risks	(1)		337		369	– 8.7
Provisions for risks arising from lending and leasing business			– 88		– 93	– 5.4
Net income from lending and leasing transactions after provisions for risks			249		276	– 9.8
Commission income		88		90		– 2.2
Commission expenses		– 48		– 49		– 2.0
Net commission income			40		41	– 2.4
Result from derivative financial instruments			– 7		3	X
Result from joint ventures accounted for at equity			25		55	– 54.5
Result from other financial assets			0		0	0.0
General administration expenses	(2)		– 210		– 205	2.4
Other operating result			47		46	2.2
Pre-tax result			**144**		**216**	**– 33.3**
Taxes on income and earnings			– 25		– 50	– 50.0
Net income			**119**		**166**	**– 28.3**
Net income attributable to Volkswagen Financial Services AG			119		166	– 28.3

STATEMENT OF RECOGNISED INCOME AND EXPENSE OF THE VOLKSWAGEN BANK GMBH GROUP

€ million	1.1. – 30.6.2009	1.1. – 30.6.2008
Net income	**119**	**166**
Actuarial gains and losses	0	5
Available-for-sale financial assets (securities):		
– Fair value changes recognised in equity	7	0
– Recognised in the income statement	–	–
Cash flow hedges:		
– Fair value changes recognised in equity	– 6	28
– Recognised in the income statement	– 5	–6
Currency translation differences	14	–10
Deferred taxes on retained earnings	1	–8
Income and expense of shares measured at equity, recognised directly in equity, after taxes	13	11
Income and expense recognised directly in equity	**24**	**20**
Recognised income and expense	**143**	**186**
Recognised income and expense attributable to Volkswagen Financial Services AG	143	186

BALANCE SHEET OF THE VOLKSWAGEN BANK GMBH GROUP

Assets	Notes	30.6.2009 € million		31.12.2008 € million		Change %
Cash reserve			563		694	– 18.9
Receivables from financial institutions			3,352		1,432	X
Receivables from customers arising from						
Retail financing		16,490		15,481		6.5
Dealer financing		6,967		7,653		– 9.0
Leasing business		1,157		1,136		1.8
Other receivables		3,975		4,087		– 2.7
Receivables from customers in total			28,589		28,357	0.8
Derivative financial instruments			213		190	12.1
Securities			1,311		542	X
Joint ventures accounted for at equity			1,284		1,248	2.9
Other financial assets			0		0	0.0
Intangible assets	(3)		5		5	0.0
Property, plant and equipment	(3)		12		13	– 7.7
Leased assets	(3)		168		169	– 0.6
Investment property			2		2	0.0
Deferred tax assets			605		701	– 13.7
Income tax assets			43		60	– 28.3
Other assets			76		84	– 9.5
Total			**36,223**		**33,497**	**8.1**

Liabilities	Notes	30.6.2009 € million		31.12.2008 € million		Change %
Liabilities to financial institutions			852		2,975	– 71.4
Liabilities to customers			20,760		14,880	39.5
Securitised liabilities			8,131		9,595	– 15.3
Derivative financial instruments			348		226	54.0
Provisions			71		74	– 4.1
Deferred tax liabilities			557		658	– 15.3
Income tax obligations			17		26	– 34.6
Other liabilities			43		54	– 20.4
Subordinated capital			1,683		1,691	– 0.5
Equity			3,761		3,318	13.4
Subscribed capital		318		318		0.0
Capital reserve		2,896		2,596		11.6
Retained earnings		547		404		35.4
Total			**36,223**		**33,497**	**8.1**

STATEMENT OF CHANGES IN EQUITY

€ million	Subscribed capital	Capital reserve	Retained earnings including consolidated net retained profits					Shares measured at equity	Total equity
			Accumulated profits	Currency translation reserve	Reserve for cash flow hedges	Reserve for actuarial gains and losses	Market valuation of securities		
Balance as at 31.12.2007/1.1.2008	**318**	**2,596**	**456**	**– 17**	**21**	**– 7**	**–**	**12**	**3,379**
Payment into the capital reserve	–	–	–	–	–	–	–	–	–
Dividends paid/profit transferred to Volkswagen Financial Services AG	–	–	– 134	–	–	–	–	–	– 134
Actuarial gains and losses	–	–	–	–	–	3	–	–	3
Available-for-sale financial assets (securities)	–	–	–	–	–	–	0	–	0
Cash flow hedges:									
Fair value changes recognised in equity	–	–	–	–	– 55	–	–	– 101	– 156
Recognised in the income statement	–	–	–	–	– 9	–	–	–	–9
Currency translation differences	–	–	–	– 34	–	0	–	– 29	– 63
Deferred taxes on retained earnings	–	–	–	–	19	– 1	–	13	31
Result after taxes	–	–	291	–	–	–	–	–	291
Other changes	–	–	– 23	–	– 1	–	–	–	– 24
Balance as at 31.12.2008/1.1.2009	**318**	**2,596**	**590**	**– 51**	**– 25**	**– 5**	**0**	**– 105**	**3,318**
Payment into the capital reserve	–	300	–	–	–	–	–	–	300
Dividends paid/profit transferred to Volkswagen Financial Services AG	–	–	–	–	–	–	–	–	–
Actuarial gains and losses	–	–	–	–	–	0	–	–	0
Available-for-sale financial assets (securities)	–	–	–	–	–	–	7	0	7
Cash flow hedges:									
Fair value changes recognised in equity	–	–	–	–	– 6	–	–	4	– 2
Recognised in the income statement	–	–	–	–	– 5	–	–	–	– 5
Currency translation differences	–	–	–	14	–	0	–	10	24
Deferred taxes on retained earnings	–	–	–	–	3	0	– 2	– 1	0
Net income	–	–	119	–	–	–	–	–	119
Other changes	–	–	0	–	–	–	–	–	0
Balance as at 30.6.2009	**318**	**2,896**	**709**	**– 37**	**– 33**	**– 5**	**5**	**– 92**	**3,761**

CASH FLOW STATEMENT OF THE VOLKSWAGEN BANK GMBH GROUP

€ million	1.1. – 30.6.2009	1.1. – 30.6.2008
Net income	119	166
Depreciation, value adjustments and write-ups	119	133
Change in provisions	– 4	– 8
Change in other non-cash items	19	– 12
Result from the sale of financial assets and property, plant and equipment	1	–
Interest result and dividend income	– 333	– 392
Other adjustments	–	42
Change in receivables from financial institutions	– 1,920	78
Change in receivables from customers	– 232	– 1,899
Change in other assets from operating activities	8	– 6
Change in liabilities to financial institutions	– 2,124	– 224
Change in liabilities to customers	6,014	1,695
Change in securitised liabilities	– 1,464	565
Change in other liabilities from operating activities	– 11	– 12
Interest received	881	876
Dividends received	2	30
Interest paid	– 550	– 514
Income tax payments	– 22	– 66
Cash flow from operating activities	**503**	**452**
Cash inflows from the sale of leased assets and investment property	19	20
Cash outflows from the purchase of leased assets and investment property	– 42	– 42
Cash inflows from the sale of subsidiaries and joint ventures	–	–
Cash outflows from the purchase of subsidiaries and joint ventures	0	– 177
Cash inflows from the sale of other assets	1	11
Cash outflows from the purchase of other assets	– 2	– 3
Change in investments in securities	– 768	–
Cash flow from investing activities	**– 792**	**– 191**
Cash inflows from changes in capital	300	–
Profit transfer to Volkswagen Financial Services AG	– 134	– 224
Change in funds resulting from subordinated capital	– 8	25
Cash flow from financing activities	**158**	**– 199**
Cash and cash equivalents at the end of the previous period	**694**	**435**
Cash flow from operating activities	503	452
Cash flow from investing activities	– 792	– 191
Cash flow from financing activities	158	– 199
Effects from exchange rate changes	–	–
Cash and cash equivalents at the end of the period	**563**	**497**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VOLKSWAGEN BANK GMBH GROUP AS AT 30.6.2009

General comments

Volkswagen Bank GmbH (VW Bank GmbH) is a limited liability company under German law. It has its head office in Gifhorner Strasse, Brunswick, and is registered in the Brunswick Register of Companies (under file number HRB 3790).

Volkswagen Financial Services AG, Brunswick, is the sole shareholder of Volkswagen Bank GmbH. A control and profit transfer agreement between these two companies is in place.

Group accounting principles

Volkswagen Bank GmbH prepared its consolidated financial statements for the 2008 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 Interpretation Committee (IFRIC), 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 2009 was also prepared in accordance with IAS 34.

This interim report has not been reviewed by an auditor.

Accounting policies

Volkswagen Bank GmbH has implemented all accounting standards that had to be applied starting in the 2009 financial year. Essentially, this concerns IAS 1 with respect to the presentation of financial statements; IAS 23 with respect to the capitalisation of borrowing costs and IFRS 8 with respect to segment reporting.

Revised IAS 1 leads to a restructuring of the elements of the financial statements. Revised IAS 23 requires that borrowing costs attributable to qualifying assets be capitalised if the purchase or production of the respective asset began on or after 1 January 2009. An asset is considered qualified if a period of at least one year is required for the asset to get ready for its intended use or sale. Revised IAS 23 and revised IFRS 8 do not affect the presentation of the net assets, financial position and results of operations of Volkswagen Bank GmbH.

Other than that, the same consolidation principles and accounting policies that were used in the consolidated financial statements for 2008 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 2008 annual report. It may be downloaded from our website at www.vwfs.com.

Basis of consolidation

As a general principle, all companies and branches are fully consolidated in which Volkswagen Bank GmbH has the possibility, directly or indirectly, to determine the financial and business policy in such a way that the Volkswagen Bank GmbH Group benefits from the activities of these companies (subsidiaries).

Notes to the consolidated financial statements

(1) Net income from lending and leasing transactions before provisions for risks

€ million	1.1. – 30.6.2009	1.1. – 30.6.2008
Interest income from lending and money market transactions	839	842
Income from leasing transactions	106	95
Expenses from leasing business	– 35	– 31
Depreciation and impairment losses on leased assets and investment property	– 23	– 23
Interest expense	– 550	– 514
Total	**337**	**369**

(2) General administration expenses

€ million	1.1. – 30.6.2009	1.1. – 30.6.2008
Staff costs	– 31	– 34
Non-staff costs	– 164	– 158
Costs of advertising, PR work and sales promotion	– 12	– 10
Depreciation of property, plant and equipment and amortisation of intangible assets	– 2	– 2
Other taxes	– 1	– 1
Total	**– 210**	**– 205**

(3) Development of selected assets

€ million	Net carrying amount 1.1.2009	Additions	Disposals/ other changes	Write-ups	Net carrying amount 30.6.2009
Intangible assets	5	1	–	1	5
Property, plant and equipment	13	0	0	1	12
Leased assets	169	42	– 20	23	168

Segment reporting

(4) Division by geographical markets

€ million	Germany	Italy	France	United Kingdom	Other branches	Consoli-dation	**Total**
	1.1. – 30.6.2009						
Interest income from lending transactions with third parties	687	62	29	19	42	–	839
Interest income from intersegment lending transactions	91	0	0	–	0	– 91	–
Segment interest income from lending transactions	778	62	29	19	42	– 91	839
Net income from leasing transactions	–	14	34	–	–	–	48
Interest expense	– 538	– 44	– 32	– 5	– 22	91	– 550
Net income from lending and leasing transactions before provisions for risks	240	32	31	14	20	–	337
Provisions for risks arising from lending and leasing business	– 72	– 4	– 6	– 3	– 3	–	– 88
Net income from lending and leasing transactions after provisions for risks	168	28	25	11	17	–	249
Net commission income	28	10	1	–	1	–	40
Result from financial instruments	– 7	–	–	–	–	–	–7
Result from joint ventures accounted for at equity	25	–	–	–	–	–	25
Result from other financial assets	0	–	–	–	–	–	0
General administration expenses	– 163	– 19	– 13	– 4	– 11	0	– 210
Other operating result	44	0	2	1	0	0	47
Pre-tax result	**95**	**19**	**15**	**8**	**7**	**–**	**144**
Taxes on income and earnings	– 16	– 8	–	0	– 1	–	**– 25**
Net income	**79**	**11**	**15**	**8**	**6**	**–**	**119**
Net income attributable to Volkswagen Financial Services AG	79	11	15	8	6	–	119
Segment assets	**32,053**	**2,345**	**2,073**	**806**	**1,469**	**– 5,111**	**33,635**
Segment liabilities	**30,839**	**2,187**	**1,827**	**678**	**1,354**	**– 5,111**	**31,774**

The presentation for the previous year is as follows:

€ million	1.1. – 30.6.2008 Germany	Italy	France	United Kingdom	Other branches	Consoli-dation	Total
Interest income from lending transactions with third parties	635	70	35	52	50	–	842
Interest income from intersegment lending transactions	132	0	–	–	–	– 132	–
Segment interest income from lending transactions	767	70	35	52	50	– 132	842
Net income from leasing transactions	–	10	31	–	–	–	41
Interest expense	– 497	– 48	– 35	– 35	– 31	132	– 514
Net income from lending and leasing transactions before provisions for risks	270	32	31	17	19	–	369
Provisions for risks arising from lending and leasing business	– 82	– 3	– 3	0	– 5	–	– 93
Net income from lending and leasing transactions after provisions for risks	188	29	28	17	14	–	276
Net commission income	30	11	– 1	–	1	–	41
Result from financial instruments	3	–	–	–	–	–	3
Result from joint ventures accounted for at equity	55	–	–	–	–	–	55
Result from other financial assets	0	–	–	–	–	–	0
General administration expenses	– 157	– 18	– 14	– 4	– 12	0	– 205
Other operating result	45	– 1	1	1	0	0	46
Pre-tax result	**164**	**21**	**14**	**14**	**3**	**–**	**216**
Taxes on income and earnings	– 35	– 8	– 1	– 4	– 2	–	– 50
Net income	**129**	**13**	**13**	**10**	**1**	**–**	**166**
Net income attributable to Volkswagen Financial Services AG	129	13	13	10	1	–	166
Segment assets	**25,694**	**2,531**	**2,015**	**1,272**	**1,590**	**– 5,855**	**27,247**
Segment liabilities	**24,626**	**2,364**	**1,776**	**1,146**	**1,511**	**– 5,855**	**25,568**

Other notes

(5) Cash flow statement

The cash flow statement of the Volkswagen Bank GmbH 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.

(6) Off-balance sheet obligations

€ million	30.6.2009	31.12.2008
Contingent liabilities		
Liabilities from surety and warranty agreements	72	65
Other obligations		
Irrevocable credit commitments	945	798

(7) Corporate bodies of Volkswagen Bank GmbH
Mr. Klaus-Dieter Schürmann left the Board of Management of Volkswagen Bank GmbH effective 30 June 2009.

Mr. Torsten Zibell was appointed to the Board of Management of Volkswagen Bank GmbH effective 1 July 2009.

Ms. Sabine Ferken resigned from the Supervisory Board effective 20 March 2009.

Ms. Simone Mahler was appointed to the Supervisory Board of Volkswagen Bank GmbH effective 9 June 2009.

(8) Events after the balance sheet date
There were no significant events up to 11 July 2009.

(9) 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 principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Brunswick, 11 July 2009
The Board of Management

Reinhart

Rainer Blank

Dr. Michael Reinhart

Torsten Zibell

Note regarding forward-looking statements

This report contains statements concerning the future business development of Volkswagen Bank GmbH. These statements include, among others, assumptions about the development of the global economy, as well as the financial and automobile markets. Volkswagen Bank GmbH 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 Bank GmbH, then the business development will be accordingly affected.

Published by
Volkswagen Bank GmbH
Gifhorner Strasse 57
38112 Braunschweig
Germany
Phone +49-531-212 38 88
Fax +49-531-212 35 31
info@vwfs.com
www.vwfs.com

Investor Relations
Phone +49-531-212 30 71

Concept and design
CAT Consultants, Hamburg

You will find the consolidated interim report 2009 at www.vwfs.com/hy09

This consolidated interim report is also available in German.