

Siemens Financieringsmaatschappij N.V.

Annual Report 2013

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Siemens Financieringsmaatschappij N.V.

Annual Report 2013

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Siemens Financieringsmaatschappij N.V.

Report of the Board of Directors

Herewith we present the Financial Statements of Siemens Financieringsmaatschappij N.V. as of September 30, 2013. These Financial Statements are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

General

Siemens Financieringsmaatschappij N.V. (the Company) is registered in The Hague, Prinses Beatrixlaan 800, a public company, founded on September 14, 1977 under the laws of the Netherlands and acts under its legal and commercial name Siemens Financieringsmaatschappij N.V.

The Company acts as a finance company for the benefit of Siemens AG and Siemens AG Group companies (Associated Companies). The Company is a 100% subsidiary of Siemens AG Berlin / Munich.

The Company forms part of the capital markets section of the Siemens' cross sector business Financial Services (SFS) which is responsible for safeguarding the Siemens Group's liquidity by establishing the necessary capital market instruments such as commercial paper, medium-term notes and long-term bonds.

Objectives

The objectives of the Company, in accordance to article 2 of the Articles of Association, are participating in, financing and managing companies, enterprises and other business undertakings, withdrawing and lending money and, in general conducting financial transactions, issuing securities and doing all such further actions and taking measures as are consequential or may be conducive thereto in the broadest sense.

Strategy

The Company is a funding party of the Associated Companies. Interest risks and foreign exchange risks are covered by mirror deals or hedging instruments. Credit risks are covered in principle by agreements with Siemens AG. The needed funding is managed by borrowing from the money and capital markets by issuing loans, bonds, notes and commercial paper. The Company has no participations.

The Company will continue its activities as financing company for Associated Companies. The Company acts as part of SFS. Given its interrelatedness with Siemens AG, management refrains from commenting on the activity level and expected results for the near future.

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Risk management

Under responsibility of the Board of Directors, systems for internal control and for the management of risks within the Company were set up, in cooperation with Siemens AG, to identify and subsequently manage the credit, interest and foreign exchange rate risks which could endanger the realization of the objectives of the Company. Interest rate risks and exchange rate risks related to loans and receivables are covered by mirror deals or hedging instruments. When the Company lends to Associated Companies, the credit risk of these loans is in principle covered by a guarantee of Siemens AG. For this reason, a limited capital at risk agreement was entered into between the Company and Siemens AG.

Liquidity risk

Liquidity risk results from the Company's potential inability to meet its financial liabilities when they become due, at reasonable costs and in a timely manner. Due to the high amount of liquid assets this risk is considered to be low. For further information see also Note 18.

Business Review

The Company participates as issuer in a EUR 15.0 billion Programme for the issuance of debt instruments (DIP) and in a USD 9.0 billion Global Commercial Paper Program, both established by Siemens AG. Siemens AG unconditionally and irrevocably guarantees all debt securities of the Company.

In February 2013, bonds matured in an aggregate volume of EUR 2.0 billion. In March 2013, the Company issued bonds in an aggregate volume of EUR 2.25 billion. Furthermore, the Company issued bonds in an aggregate volume of USD 600 million and raised term loan facilities in an aggregate volume of USD 1.0 billion in March 2013.

In June 2013, assignable loans matured in an aggregate volume of USD 113.5 million. In the same month, the Company issued bonds in an aggregate volume USD 400 million.

The total nominal amount outstanding under the DIP was EUR 10.9 billion as of September 30, 2013.

As of September 30, 2013, the Company participates in three credit facility programs of Siemens AG. For further information see Notes to the Financial Statements.

Tax

In fiscal year 2013 a joint German Dutch tax audit was held with the German and Dutch authorities in order to discuss the remuneration to be earned by the Company. As a result the tax payable in the Netherlands was lowered with EUR 8.2. The Statement of Comprehensive Income reflects the tax result of this adjustment of the period 2002-2012.

Other items

All personnel are employed by the regional company Siemens Nederland N.V.

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Management representation

Management declares that, to the best of its knowledge, the Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and results of the Company. The report of the Board of Directors includes a fair review of the development and performance of the business and the position of the Company.

The Hague, November 6, 2013

On behalf of the Board of Directors

G.J.J. van der Lubbe
CEO

Siemens Financieringsmaatschappij N.V.

Corporate Governance Statement

The Board of Directors is responsible for establishing and maintaining an adequate risk and internal control system for the Company. The risk and internal control systems are designed to manage rather than eliminate risks and to provide a degree of assurance, although not absolute assurance, that the organization's business objectives are being met and key risks are being adequately managed – for example that the organization's assets are safeguarded, financial reporting is reliable and laws and regulations are complied with. The risk and internal control system is based on an ongoing process designed to:

- identify and prioritize risks to achievement of business objectives;
- manage these risks efficiently and effectively, including the issuance of guidance and associated control requirements; and
- regularly review the risks being managed, including evaluating the achievement of control requirements and the effectiveness of key controls designed to mitigate these risks.

The core elements on which our internal control system is based include, but are not limited to:

- Policy and Control Master book (PCMB): The Policy and Control Master book is a central reference point for all globally applicable Control Requirements mandated in Corporate Circulars and other existing Corporate policies and guidance. It provides a clear and consistent set of Control Requirements which assist management and staff to appropriately control areas for which they are responsible. Control Requirements are structured into the four categories strategic, operational, financial and compliance on the basis of the established COSO II framework to allow the organization to break down its control environment into manageable aspects and to work towards achieving its overall control objectives.
- Internal Control (IC) Process: An integrated IC Process is in place to review the effectiveness of internal controls over strategic, operational, financial and compliance Control Requirements. The Control Requirements included in the PCMB form the basis for the annual assessment. Any internal control deficiencies identified through this process are evaluated and respective remediation activities are initiated by management.
- Processes to meet the requirements of the Sarbanes-Oxley Act (SOA): Pursuant to Sections 302 and 906 of the SOA, procedures have been instituted requiring management to internally certify various matters, providing the basis for the Siemens AG CEO and CFO certification of the Financial Statements to the Securities and Exchange Commission (SEC). The requirements of Section 404 of the SOA to annually evaluate and assess the effectiveness of Internal Control over Financial Reporting and to disclose the result in the Siemens AG form 20F are met with the aforementioned IC Process.

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Assurance efforts have primarily been focused on safeguarding of assets, reliability of financial reporting and compliance with laws and regulations. In order to effectively manage assurance efforts, different assessment approaches and therefore levels of assurance have been applied. No critical internal control weaknesses were identified as part of the review of effectiveness process.

The risk and internal control systems were set up in cooperation with Siemens AG and are applied to the processes. Some processes or parts of processes are outsourced or managed by other organisational units within Siemens' cross sector business Financial Services (SFS) as well.

The Hague, November 6, 2013

On behalf of the Board of Directors

G.J.J. van der Lubbe
CEO

Siemens Financieringsmaatschappij N.V.

Report of the Supervisory Board

I. Submission

We hereby submit the Report of the Supervisory Board for 2012/2013.

The annual accounts have been audited by Ernst & Young Accountants LLP and were provided with an unqualified auditor's opinion on November 6, 2013. The Independent Auditors' Report can be found on page 48 of the Annual Report.

The Supervisory Board agrees with the proposal by the Board of Directors to distribute dividends from the result for 2012/2013 of EUR 0.5 million. We recommend the General Meeting of Shareholders to adopt the annual accounts and to ratify the actions of the members of the Board of Directors.

II. Position of Siemens Financieringsmaatschappij N.V. and significant developments

General, targets and strategy

Siemens Financieringsmaatschappij N.V. is one of the top players in the Siemens Group in the field of funding and financing of group companies. The activities not forming part of the core business have been outsourced to specialist parts of the Siemens Group in Germany and The Netherlands. This outsourcing has no effect on the responsibilities of the Board of Directors. During 2013 the strategy of outsourcing and checks thereon were discussed with the Board of Directors.

Likewise the Supervisory Board discussed with the Board of Directors the risk management strategy, as well as the monitoring and the reporting of risk management to the Supervisory Board. Unambiguous agreements have been reached in this respect. The Supervisory Board has been assisted in this by Siemens Group experts.

Based on reports submitted by the Board of Directors, we discussed in detail the business transactions of major significance to the Company.

In order to examine independently the situation in the various parts of the Siemens Group that are involved in the Company's business processes, the Supervisory Board has been informed by these parts of the Siemens Group.

The Supervisory Board was able to use the information obtained when assessing the way in which internal control has been implemented by the Board of Directors.

Special developments

The Company participates as issuer in a EUR 15.0 billion Programme for the issuance of debt instruments (DIP) and in a USD 9.0 billion Global Commercial Paper Program, both established by Siemens AG. Siemens AG unconditionally and irrevocably guarantees all debt securities of the Company.

In February 2013, bonds matured in an aggregate volume of EUR 2.0 billion. In March 2013, the Company issued bonds in an aggregate volume of EUR 2.25 billion. Furthermore, the Company issued bonds in an aggregate volume of USD 600 million and raised term loan facilities in an aggregate volume of USD 1.0 billion in March 2013.

In June 2013, assignable loans matured in an aggregate volume of USD 113.5 million. In the same month, the Company issued bonds in an aggregate volume USD 400 million.

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Financing and tax planning

As a group financing company the planning of the Company's financing has been fully integrated with that of the parent company. The planning adhered to by the parent company is accepted as binding and followed by the Company.

In fiscal year 2013 a joint German Dutch tax audit was held with the German and Dutch authorities in order to discuss the remuneration to be earned by the Company. As a result the tax payable in the Netherlands was lowered. The Statement of Comprehensive Income reflects the tax result of this adjustment of the period 2002-2012.

The Board of Directors gave a presentation on the current tax risks and the Company's tax control framework in cooperation with the tax manager of the Dutch Siemens Group. The general conclusion is that the tax risk profile is low: the tax policy in the Group can be considered as conservative. The existing arrangements with the tax authorities provide sufficient facilities. The Supervisory Board has approved the Company's tax policy.

Compliance with legislation and regulations

Relevant legislation for the Company can be found in the Dutch Financial Markets Supervisory Act (WFT), and applicable laws in Luxembourg concerning stock market listing and prospectus guidelines. The Board of Directors explained the Supervisory Board how compliance with the principal legislation and regulations is ensured. The Supervisory Board did not note any shortcomings in this respect.

III. Corporate governance

In connection with the listing of bonds at the Luxembourg Stock Exchange the Company is regarded as a "Public Interest Entity (Organisatie van Openbaar Belang (OOB))". The Board of Directors and Supervisory Board consider themselves jointly responsible for compliance with the Dutch Corporate Governance Code (Code). In view of the size of the Company parts III.5.4 and III.5.7 of the Code concerning the audit committee and principles V2 and V4 concerning the external auditor are applicable. It was agreed that the Board of Directors is primarily responsible for compliance with the best practice provisions in the Code. The Supervisory Board supervises fulfillment of these provisions. Annually compliance with the best practice provisions is discussed with the Board of Directors. The Corporate Governance statement is included on page 5 of the Annual Report. The Supervisory Board approves the contents of this statement.

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IV. Composition of Supervisory Board

The current composition of the Supervisory Board with personal details, primary and secondary functions:

H.-P. Rupprecht (1954, German nationality)

Member of the Supervisory Board since: 24-11-2000

Chairman of the Supervisory Board

Primary function: Chief Executive Officer of Siemens Treasury GmbH and Corporate Treasurer Siemens AG

Secondary functions: Supervisory director of Siemens Bank GmbH

Supervisory director of Siemens Finance B.V.

Supervisory Board - Vice - Chairman of UBS Real Estate Kapitalanlagegesellschaft mbH

Board of Directors - Chairman of Siemens Capital Company LLC

Board of Directors - Vice-Chairman of Siemens Financial Services Ltd

Dr. H. Bernhöft (1958, German nationality)

Member of the Supervisory Board since: 14-01-2011

Primary function: Chief Financial Officer of Siemens Treasury GmbH

Secondary function: Supervisory director of Siemens Finance B.V.

B.G. Trompert (1948, Dutch nationality)

Member of the Supervisory Board since: 01-07-2009

Function: Supervisory director of Siemens Finance B.V.

The members of the Supervisory Board are appointed by the General Meeting of Shareholders, who also fixes their number.

V. Meetings and other sessions

The Supervisory Board met once in the fiscal year. A delegation of the Supervisory Board attended the quarterly meeting of the Board of Directors with the external auditor. There are ongoing contacts between the Supervisory Board and the Board of Directors.

Self-assessment by the Supervisory Board

In 2012/2013 the performance of the Supervisory Board as a whole has been assessed in presence of the Board of Directors. The Supervisory Board aims for an appropriate combination of knowledge and experience among its members in relation to the character of the business of the Company.

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VI. Committees

The size of the Company enables the Supervisory Board to operate without separate committees. A supervisory director has been appointed to supervise the day-to-day situation.

Due to the size of the Company the Supervisory Board as a whole acts as Audit Committee and deals with the Company's risk management system including legal and regulatory risks.

The Audit Committee met twice in the fiscal year. Furthermore the delegated supervisory director attended the quarterly closing meetings with the external auditor and met the Board of Directors on a regular basis for advice and information.

Remuneration policy

When reviewing the Board of Directors' remuneration policy the standards that apply in the Siemens Group for comparable functions are applicable. The performance targets for the members of the Board of Directors are determined annually at the beginning of the year. The Supervisory Board determines whether performance conditions have been met and can adjust the pay-out of the annual cash incentive and the long-term incentive if the predetermined performance criteria were to produce an unfair result.

The Supervisory Board is of the opinion that the criteria emphasize short-term performance, as well as long-term performance, and are in line with the targets formulated.

Risks and internal risk management systems

The Siemens risk management system is laid down in the Siemens Policy and Control Master Book. This is regarded as the single source for globally relevant control requirements at Siemens and is the cornerstone of the Companies' integrated and Siemens Group wide risk system.

In 2012/2013 the delegated supervisory director and the Board of Directors met several times to discuss the risks associated with the strategy and the nature of the business, as well as the effectiveness of the internal risk management systems. The operational and strategic risks relating to the business are described in the Report of the Board of Directors (page 2 in the Annual Report). The Board of Directors discussed the structure and operation as well as the results of the internal risk management systems with the Supervisory Board the results.

Financial reporting

The CFO clarified the reporting processes to the Supervisory Board. The Board of Directors informed the Supervisory Board how it monitors the quality of financial reporting. On the basis of this presentation and the reports from the external auditor, the Supervisory Board is of the opinion that the Board of Directors sufficiently meets its responsibilities in respect of the quality of financial information provided.

Consultation with the external auditor

Prior to the accounting audit the audit approach for 2012/2013 was discussed with the external auditor, including the materiality used for preparing and auditing the annual Financial Statements and the boundary above which the auditor's findings are to be reported to the Supervisory Board.

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The Supervisory Board discussed the annual Financial Statements, the Annual Report, the audit findings and the risk management policy with the Board of Directors and the auditor. The way in which the Board of Directors handles recommendations and the 'tone from the top' within the business were discussed with the auditor. No aspects arose which could lead to further actions in this area.

The independence of the auditor was assessed by the Supervisory Board in 2012/2013. It was concluded that, partly in view of the absence of non-audit services, there is no question of threats to independence. The Supervisory Board is of the opinion that the external auditor has provided the board with all relevant information to enable it to exercise its supervisory role. The auditor reported no irregularities in the reporting.

VII. Relationship to the Shareholders

Since Siemens AG owns all shares and 2 of the 3 members of the Supervisory Board are employed by Siemens sufficient safeguards are in place.

VIII. Personnel / works council

All personnel are employed by Siemens Nederland N.V. and deployed to the Company. Partly in view of the size of the business, the Company does not have an own works council.

IX. Diversity

To foster diversity throughout the Siemens organization, Siemens AG launched a Diversity Initiative, which bundles targeted measures and projects for ensuring and further enhancing diversity at all levels of Siemens. Examples include the global network of about 160 Siemens Diversity Ambassadors, who identify diversity issues Company-wide.

The Global Diversity Office coordinates strategies, measures and programs across Siemens following these Diversity-principles:

- we want to have the best person for every position;
- we want to provide opportunities for diversity of experience and interaction; and
- we want to achieve diversity of thinking across our Company.

Siemens Global networks promote and discuss diversity topics across the Company, such as the Global Leadership Organization of Women (GLOW), Diversity Ambassador and Generations Networks. In addition, Siemens has over 100 local employee networks worldwide with employees actively engaged in diversity-related programs and activities. The Board of Directors and the Supervisory Board of the Company fully support the Diversity Initiative and the Diversity-principles.

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In preparing recommendations on the appointment of members of the Board of Directors, the Supervisory Board takes into account a candidate's professional qualifications, international experience and leadership qualities, the Board's plans for succession as well as the Board's diversity and, in particular, the appropriate consideration of women.

The size of the Company, with a Board of Directors consisting of two persons, and a Supervisory Board consisting of three persons, limits opportunities for diversity on the short term. Since 2012 no Board positions are held by women.

X. Special matters

No special matters arose for which approval by the Supervisory Board is required by law, the articles of association or the Corporate Governance Code.

No transactions occurred which resulted in conflicting interests of directors, supervisory directors, shareholders and/or external auditor and which were of material importance for the Company and/or the relevant directors, supervisory directors, shareholders and/or external auditor.

Our Board would like to thank the Board of Directors as well as the employees of the Company for their efforts and commitment to the success of Siemens Financieringsmaatschappij N.V.

The Hague, November 6, 2013

On behalf of the Supervisory Board

H.-P. Rupprecht
Chairman

Siemens Financieringsmaatschappij N.V.

FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

Statement of Comprehensive Income

	Fiscal year ended September 30,		
	Notes	2013	2012
Interest income	4	325.5	363.7 ¹⁾
Interest expenses	4	(305.3)	(321.9) ¹⁾
Net interest income		20.2	41.8
Fair value changes of financial instruments	5	122.8	(170.3)
Non-trading foreign exchange results	6	(152.8)	141.0
Net operating income		(9.8)	12.5
Other general expenses	7	(0.5)	(0.4)
Profit (loss) before tax		(10.3)	12.1
Income tax revenues (expenses)	8	10.8	(2.9)
Profit after tax		0.5	9.2
Other comprehensive income		-	-
Income tax relating to components of other comprehensive income		-	-
Total other comprehensive income after tax		-	-
Total comprehensive income for the period attributable to equity holders		0.5	9.2

¹⁾ In previous years the interest income and interest expenses on interest rate swaps were displayed as separate values and included in respectively 'interest income' and 'interest expenses'. As the interest rate swaps are used as interest hedging instruments for issued debt they are displayed as a net value within 'interest expenses' as from the current fiscal year. The comparative figures from previous fiscal year are adjusted accordingly.

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Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

Statement of Financial Position

ASSETS	Notes	September 30,	
		2013	2012
Cash and cash equivalents	9	3,607.9	64.7
Receivables from Associated Companies	10	14,864.9	17,289.8
Derivative financial instruments	11	1,282.1	1,870.9
Other financial assets	12	161.7	198.2
Total assets		19,916.6	19,423.6

LIABILITIES AND EQUITY	Notes	September 30,	
		2013	2012
Liabilities			
Debt issued	13	19,569.2	18,923.2
Derivative financial instruments	11	22.1	148.3
Tax liabilities	8	0.2	0.1
Deferred tax liabilities	8	14.8	19.4
Other liabilities	14	218.7	236.1
Total liabilities		19,825.0	19,327.1
Equity attributable to equity holders			
Issued and paid in share capital	15	10.3	10.3
Share premium reserve	15	1.5	1.5
Retained earnings	15	79.3	75.5
Undistributed profit	15	0.5	9.2
Total equity attributable to equity holders		91.6	96.5
Total liabilities and equity		19,916.6	19,423.6

Siemens Financieringsmaatschappij N.V.

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Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

Statement of Cash Flows

	Fiscal year ended September 30,		
	Notes	2013	2012
Cash flows from operating activities:			
Profit (loss) before tax		(10.3)	12.1
<i>Adjustments for non-cash income/ expenses:</i>			
Amortization (dis)agio	4	26.4	15.6
Amortization transaction cost	4	7.0	8.7
Non-trading foreign exchange results	6	152.8	(141.0)
Fair value change of debt in a hedging relationship	5	(606.0)	244.7
Change in derivative financial instruments	11/ 12	499.1	(239.5)
Change in interest accrual receivables		(24.8)	(4.2)
<i>Other movements from operations</i>			
Change in other liabilities		(17.4)	(61.9)
Net cash flows from receivables		1,887.9	(1,654.8)
Transaction cost paid		(7.2)	(13.1)
Income taxes received (paid)	8	6.3	(1.5)
Net cash (used in) provided by operating activities		1,913.8	(1,835.0)
Net cash provided by investing activities		-	-
Cash flows from financing activities:			
Proceeds from issuance of debt		4,186.4	5,100.3
Redemption of debt		(2,551.0)	(3,209.6)
Proceeds from issuance of commercial paper		1,500.4	495.9
Repayment of commercial paper		(1,501.0)	(495.9)
Dividends paid		(5.4)	-
Net cash (used in) provided by financing activities		1,629.4	1,890.7
Net change in cash and cash equivalents		3,543.2	55.7
Cash and cash equivalents at beginning of fiscal year		64.7	9.0
Cash and cash equivalents at end of fiscal year	9	3,607.9	64.7

The presentation of the Statement of Cash Flows has been adjusted. The comparative figures from previous fiscal year are adjusted accordingly.

Siemens Financieringsmaatschappij N.V.

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Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

Interest paid and received	Fiscal year ended September 30,	
	2013	2012
Interest paid ¹⁾	(348.4)	(309.8)
Interest received ¹⁾	171.2	127.4
Interest related income received	129.4	232.0

¹⁾ In previous years the receiving legs of the interest rate swaps were accounted for as 'interest received' and the paying legs as 'interest paid'. As from the current fiscal year they are displayed within the 'interest paid'. The comparative figures from previous fiscal year are adjusted accordingly.

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Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

Statement of Changes in Equity

	Issued and paid- in capital	Share premium reserve	Retained earnings	Undis- tributed profit	Total
Balance as at October 1, 2011	10.3	1.5	78.0	(2.5)	87.3
Appropriation of undistributed profit	-	-	(2.5)	2.5	-
Dividends	-	-	-	-	-
Total comprehensive income for the fiscal year ended September 30, 2012	-	-	-	9.2	9.2
Balance as at September 30, 2012	10.3	1.5	75.5	9.2	96.5
Balance as at October 1, 2012	10.3	1.5	75.5	9.2	96.5
Appropriation of undistributed profit	-	-	3.8	(3.8)	-
Dividends	-	-	-	(5.4)	(5.4)
Total comprehensive income for the fiscal year ended September 30, 2013	-	-	-	0.5	0.5
Balance as at September 30, 2013	10.3	1.5	79.3	0.5	91.6

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

Notes to the Financial Statements

1. Basis of presentation

Reporting entity

Siemens Financieringsmaatschappij N.V. (the Company) is a company domiciled in the Netherlands. The address of the Company's registered office is Prinses Beatrixlaan 800, 2595 BN, The Hague, Netherlands. The Company is registered in the Commercial Register at September 14, 1977, number 27092998. The Company has chosen Luxembourg as its home member state, pursuant to the law on transparency requirements for issuers of securities. The Company acts as a finance company for the benefit of Siemens AG and Siemens AG Group companies (Associated Companies). Since September 28, 1992, the Company is a 100% subsidiary of Siemens AG Berlin / Munich. The Company's financial statements are included in the Siemens AG consolidated financial statements.

The Company is primarily involved in the financing of Associated Companies.

The Financial Statements were authorised for issue by the Board of Directors on November 6, 2013.

Reporting standard

The accompanying Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations, as adopted by the European Union (EU). The Company applied all standards and interpretations that were effective as of October 1, 2012. The following standards and interpretations are mandatory and/or implemented for the first time:

- IAS 1 'Statement of comprehensive income', effective for years beginning on or after July 1, 2012. The impact of this standard is none, as the Company does not have other comprehensive income.
- IAS 12 'Deferred Tax: Recovery of Underlying Assets', effective for years beginning on or after January 1, 2012. This amendment introduces a presumption that recovery of the carrying amount will normally be through sale. The impact of the amendment is none, as the Company does not have investment property.
- Amendment to IFRS 7 'Financial instruments: disclosures'. This amendment regards to disclosures relating to offsetting financial assets and liabilities. The impact for the Company is none, as the Company did and does not have the intention to offset financial assets.

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(in millions of EUR, except where otherwise stated)

A number of standards, amendments to standards and interpretations is not effective for the fiscal year beginning October 1, 2012 and has not been early adopted. The relevant (amendments to) standards and interpretations not adopted are:

- IFRS 9 'Financial Instruments: classification and measurement', effective for years beginning on or after January 1, 2015. This standard amends the classification and measurement requirements for financial assets. The impact of this standard for the Company is expected to be minor, as it will not change the classification and/or measurement of the actual financial assets of the Company. Implementation is planned for the fiscal year, starting October 1, 2015.
- IFRS 13 'Fair Value Measurement', effective for years beginning on or after January 1, 2013. The impact of this standard for the Company is expected to be minor or none. Implementation is planned for the fiscal year, starting October 1, 2013. The requirement to address counterparty credit risk, by means of a Credit Valuation Adjustment (CVA) in the fair value measurement of financial assets, was already a requirement in IAS 39. The Company determined the CVA for third party counterparties at reporting date at EUR 2.2, and fully included this amount in the balance sheet item Derivative financial instruments. See also Note 11. The Company determined the CVA for Associated Companies, in particular Siemens AG, at reporting date at EUR 0.8, which is not included in this balance sheet item. See also Note 3.
- IFRS 10, 11 and 12 and IAS 27 and 28 are not relevant for the Company. The topics do not apply, as the Company does not have subsidiaries, joint arrangements or interests in other entities.
- IAS 19 'Employee benefits', effective for years beginning on or after January 1, 2013. The impact of this standard is none, as the Company does not have any employees.
- Improvements to International Financial Reporting Standards - 2009-2011 cycle, as effective for years beginning on or after January 1, 2013.
- Amendments to IAS 32 'Presentation – Offsetting Financial Assets and Financial Liabilities', effective for years beginning on or after January 1, 2014. This standard amends the disclosure requirements for offsetting. The impact of this measurement is none, as the Company did and does not have the intention to offset financial assets.
- Amendments to IAS 39 'Financial Instruments: Recognition and Measurement': Novation of Derivatives and Continuation of hedge Accounting, effective for years beginning on or after January 1, 2014. The impact is expected to be minor.
- IFRIC 21 'Levies', as effective for years beginning on or after January 1, 2014. The impact is under investigation.

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NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

2. Summary of significant accounting policies

Valuation principles

The Financial Statements have been prepared on the historical cost basis unless indicated otherwise below.

Associated Companies

Associated Companies are Siemens AG and its subsidiaries which are directly or indirectly controlled by Siemens AG or companies in which Siemens AG has the ability to exercise significant influence over operating and financial policies (generally through direct or indirect ownership of 20% to 50% of the voting rights).

Functional and presentational currency

These Financial Statements are presented in euro, which is the Company's functional and presentational currency. All financial information presented in euro has been rounded to the nearest million, unless otherwise stated.

Transactions in foreign currencies are initially recorded at the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated using period-end exchange rates. All differences are taken to the Statement of Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The exchange rates of the significant currencies were as follows:

Currency	ISO Code	Year-end exchange rate		Annual average rate	
		2013	2012	2013	2012
U.S. Dollar.....	USD	1.351	1.293	1.288	1.298
British Pound.....	GBP	0.836	0.798	0.841	0.824

Impairment of financial assets

The carrying amounts of the Company's financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ('loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment of debt instruments may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default

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or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows. Impairment losses are recognized using separate allowance accounts.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows using the original effective interest rate. Impairment losses are recognized in the Statement of Comprehensive Income.

Since the Company's (current and non-current) receivables mainly consist of balances due from the Associated Companies, valuation and collectability of these receivables depends upon the financial position and creditworthiness of the involved companies and of the Siemens AG Group as a whole.

Income Taxes

The Company applies IAS 12, Income Taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the statement of financial position carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in the Statement of Comprehensive Income unless related to items directly recognized in equity in the period the new laws are substantively enacted. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another entity. Financial assets mainly include cash and cash equivalents, receivables from Associated Companies and derivative financial instruments with a positive fair value. Financial liabilities mainly comprise issued notes and bonds, loans from banks, commercial paper and derivative financial instruments with a negative fair value.

Financial instruments are recognized on the Statement of Financial Position when the Company becomes a party to the contractual obligations of the instrument.

Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are only recognized in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss. Subsequently, financial instruments are measured according to the category to which they are assigned.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired, or if the Company has transferred its rights to receive cash flows from the asset. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled, settled or expired.

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Cash and cash equivalents

The Company considers the current account with Siemens AG to be cash equivalents. Cash and cash equivalents are measured at historical cost.

Receivables

Financial assets classified as receivables are measured after initial measurement at amortized cost using the effective interest method. The amortization is included in "Interest income" in the Statement of Comprehensive Income. Impairment losses are recognized using separate allowance accounts.

A receivable is derecognized when the rights to receive cash flows from the receivable have expired, or if the Company has transferred its rights to receive cash flows from the receivable.

Financial liabilities

The Company measures financial liabilities, except for derivative financial instruments and debt designated in a fair value hedge relationship, at amortized cost using the effective interest method. The amortization is included in "Interest expenses" in the Statement of Comprehensive Income.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled, settled or expired.

Derivative instruments

Derivative financial instruments, such as foreign currency exchange contracts and interest rate swap contracts, are measured at fair value. The fair value of interest rate swap contracts is estimated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument. The fair value of forward foreign exchange contracts is based on forward exchange rates.

Derivative financial instruments are classified as held-for-trading unless they are designated as hedging instruments in a fair value hedge relationship, for which hedge accounting is applied. Changes in the fair value of derivative financial instruments are recognized periodically in net income, net of applicable deferred income taxes.

The Company does not hold or issue derivative financial instruments for speculative purposes.

Hedge accounting

The Company uses derivative instruments to mitigate risks related to interest rates and foreign currency translations. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for speculative purposes.

In order to manage risks related to foreign currency translations, the Company uses cross currency swaps. The Company does not apply hedge accounting for these transactions.

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In order to manage interest rate risks, all fixed rated notes and bonds are either swapped to floating or on lent with the same structure to Associated Companies. To minimize the exposure of the Company to fair value changes of the swaps resulting from changes in market interest rates, the Company applies hedge accounting for transactions which meet the specified criteria.

At inception of the hedge relationship, the Company formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship. Also at the inception of the hedge relationship, a formal assessment is undertaken to ensure the hedging instrument is expected to be highly effective in offsetting the designated risk in the hedged item. Hedges are formally assessed quarterly. A hedge is expected to be highly effective if the changes in fair value attributable to the hedged risk during the period for which the hedge is designated are expected to offset in a range of 80%-125%.

Fair value hedges

The carrying amount of the hedged item is adjusted by the gain or loss attributable to the hedged risk. For designated and qualifying fair value hedges, the changes in the fair values of the hedging derivatives and the hedged items are recognized in the Statement of Comprehensive Income in 'fair value changes of financial instruments'.

For hedged items carried at amortized cost, the base adjustment is amortized such that it is fully amortized by maturity of the hedged item. The amortization is recognized in the Statement of Comprehensive Income in 'interest expenses'.

If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is terminated. For hedged items recorded at amortized cost, the difference between the carrying value of the hedged item on termination and the face value is amortized over the remaining term of the original hedge using the effective interest method. If the hedged item is derecognized, the unamortized fair value adjustment is recognized immediately in the Statement of Comprehensive Income.

Related party transactions

The transactions of the Company mainly comprise transactions with Associated Companies and are executed on an "at arm's length" basis, unless indicated otherwise.

The Company did not enter into any transactions with members of the Board of Directors nor with members of the Supervisory Board.

Revenue recognition

Interest revenues are recognized and accounted for in the period to which they relate.

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Cost recognition

Expenses are recognized and accounted for in the period to which they relate.

Dividends

Dividends proposed by the Board of Directors are not recorded in the Financial Statements until the dividends are declared.

Cash Pool

The form of the cash pools is zero-balancing where all account balances are automatically transferred to one control account held by Siemens AG. Funds moving into these accounts create intercompany balances between the Company and Siemens AG. In the Financial Statements, these intercompany balances are included in Cash and cash equivalents under the title of 'current account'.

Cash Flows

The Statement of Cash Flows shows how the cash and cash equivalents of the Company have changed during the course of the fiscal year as a result of cash inflows and cash outflows. Cash flows are classified into cash flows from operating, investing and financing activities.

The Company's purpose is to assist the financing of the activities conducted by the Associated Companies. The assistance is considered to be an operating activity of the Company. The cash flows from operating activities are computed using the indirect method, starting from the profit before tax of the Company. Under this method, changes in assets and liabilities relating to operating activities are adjusted for currency translation effects. The cash flows from investing and financing activities are based on actual payments and receipts.

Changes in accounting policies and disclosures

Statement of Cash Flows

The presentation of the Statement of Cash Flows has been adjusted. The comparative figures from previous fiscal year are adjusted accordingly.

Interest rate derivatives

In previous years the interest income and interest expenses on interest rate swaps were displayed as separate values. As the interest rate swaps are used as interest hedging instruments for issued debt they are displayed as a net value in the position 'interest expenses' in the Statement of Comprehensive Income as from the current fiscal year.

The accounting policies set out above have been applied consistently to all periods presented in these Financial Statements.

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3. Management estimates and judgments

Certain accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on financial condition or results of operations. Critical accounting estimates could also involve estimates where management reasonably could have used a different estimate in the current accounting period. Although the number and complexity of management estimates and judgments are limited in these accounts, management cautions that future events often vary from forecasts and that estimates routinely require adjustment.

Fair value of financial instruments

There are three levels of fair value:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Where the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position can not be derived from quoted prices in active markets (level 2 and 3), they are determined using valuation techniques including the discounted cash flows model. The fair values of derivative interest rate contracts (e.g. interest rate swap agreements) are estimated by discounting expected future cash flows using current market interest rates (Reuters) and yield curve over the remaining term of the instrument. The fair value of forward foreign exchange contracts is based on forward exchange rates.

The inputs to these models are taken from observable markets where possible (level 2), but where this is not feasible, a degree of judgment is required in establishing fair values (level 3). The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Company's derivative financial instruments consist, with one exception, exclusively of contracts with the shareholder, Siemens AG. These derivatives are accounted for at fair value, in conformance with IAS 39. Credit risks of counterparties are accounted for using a Credit Valuation Adjustment (CVA), determined by a Collective Impairment Model. Management has decided to disregard of the CVA calculated for Siemens AG as of reporting date, due to materiality reasons. Management will continue to monitor this item closely, and will include it as soon as it considers it of material significance.

See Note 16 for further information.

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Impairment of financial assets

The carrying amounts of the Company's financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. Since the Company's (current and non-current) receivables mainly consist of balances due from the Associated Companies, valuation and collectability of these receivables depends upon the financial position and creditworthiness of the involved companies and of the Siemens AG Group as a whole.

4. Interest income and expenses

Details of interest income and expenses	Fiscal year ended September 30,	
	2013	2012
Interest income on receivables from Associated Companies	196.1	131.7
Interest related income ¹⁾	129.4	232.0
Interest expenses on financial debt	(749.4)	(730.6)
<i>Therein:</i>		
<i>Amortization of transaction costs</i>	(7.0)	(8.7)
<i>Amortization of (dis)agio</i>	(26.4)	(17.2)
<i>Amortization of market value of debt at inception</i>	-	1.6
Interest expenses on liabilities to Associated Companies	-	(0.2)
Interest result on interest rate swaps ²⁾	444.1	408.9
Interest margin	20.2	41.8

¹⁾ The Company applies the Siemens AG world wide policy for fixing interest rates for receivables from and liabilities to Associated Companies at arms' length prices. The Company entered into an agreement with Siemens AG limiting the capital at risk for the Company and determining the interest result for the Company. When the total actual interest result differs from the total agreed interest result the difference is settled following this agreement and stated as Interest related income.

²⁾ In previous years the interest income and interest expenses on interest rate swaps were displayed as separate values. As the interest rate swaps are used as interest hedging instruments for issued debt they are displayed as a net value in the position 'interest expenses' in the Statement of Comprehensive Income as from the current fiscal year. The comparative figures from previous fiscal year are adjusted accordingly.

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5. Fair value changes of financial Instruments

Derivatives	Fiscal year ended September 30,	
	2013	2012
<i>Change in fair value of interest rate swaps</i>	(623.6)	249.2
<i>Change in fair value of debt</i>	606.0	(244.7)
Ineffective portion of fair value hedges	(17.6)	4.5
Fair value changes of cross currency swaps	140.4	(171.7)
Result forward rate currency contracts	0.9	(3.1)
Total of changes in derivatives	122.8	(170.3)

The ineffective portion of fair value hedges consists of the change in the fair values of the hedging instruments (interest rate swaps) and the change in the fair values of the hedged items (notes and bonds and loans from banks). For additional disclosures on derivative financial instruments see also Note 11.

6. Non-trading foreign exchange results

Currency results	Fiscal year ended September 30,	
	2013	2012
Currency result on assets	(561.8)	417.9
Currency result on debt	409.2	(276.9)
Currency result other	(0.2)	0.0
Total currency results	(152.8)	141.0

The total currency results must be considered in conjunction with 'Fair value changes of cross currency swaps' as mentioned in Note 5.

7. Other general expenses

The other general expenses mainly relate to cost from the regional company Siemens Nederland N.V. for staff, working for the Company.

The other general expenses include the costs for Ernst & Young Accountants LLP of EUR 28,539 (2012: EUR 32,025). These costs regard to audit costs.

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8. Income tax expenses

Taxes are based on the applicable tax laws and rates, taking into account any fiscal facilities. Insofar as valuations for tax purposes differ from the principles as applied in these Financial Statements, and these result in deferred tax liabilities, a provision is formed for these liabilities, calculated according to the statutory tax rate applicable as at reporting date. The taxation on result comprises both taxes payable in the short term and deferred taxes, taking account of tax facilities and non-deductible costs.

Income tax expenses	Fiscal year ended September 30,	
	2013	2012
Current tax expenses	6.2	(1.7)
Deferred tax expenses	4.6	(1.2)
Total income tax revenues (expenses)	10.8	(2.9)

For fiscal years ended September 30, 2013 and 2012, the Company is subject to Dutch corporate income tax. The statutory tax rate is 25.0% (2012: 25.0%).

Income tax expenses differs from the amounts computed by applying statutory Dutch income tax rates as follows:

Reconciliation of the income tax expenses	Fiscal year ended September 30,	
	2013	2012
Profit (loss) before tax	(10.3)	12.1
Income tax using corporate tax rate of 25.0% (2012: 25.0%)	2.6	(3.0)
Discount for tax payment in advance	0.0	0.0
Adjustments related to tax assessments previous years ¹⁾	8.2	-
Adjustment deferred tax due to change in tax rate	-	0.1
Total income tax revenues (expenses)	10.8	(2.9)

1) In fiscal year 2013 a joint German Dutch tax audit was held with the German and Dutch authorities in order to discuss the remuneration to be earned by the Company. As a result the tax payable in the Netherlands was lowered. The Statement of Comprehensive Income reflects the tax result of this adjustment of the period 2002-2012.

The effective tax rate is 104.9%. Before adjustment of the period 2002-2012 this is 25.1% (2012: 23.7%).

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The change in the income tax receivable consists of the following:

Tax receivable (accrual)	September 30,	
	2013	2012
Balance at beginning of the fiscal year	(0.1)	0.1
Current income tax	6.2	(1.7)
Payments to tax authorities, net	(6.3)	1.5
Balance at the end of the fiscal year	(0.2)	(0.1)

The deferred tax liability regards to the temporary difference in valuation of financial instruments for tax purposes.

The Company applies Hedge Accounting for financial instruments designated as hedging instruments in a fair value hedge relationship. For tax purposes this result is not considered. The change in the deferred tax liability consists of the following:

Deferred tax liability	September 30,	
	2013	2012
Balance at beginning of the fiscal year	(19.4)	(18.2)
Change of tax rate	-	0.1
Deferred tax liability for fiscal year	4.6	(1.2)
Balance at the end of the fiscal year	(14.8)	(19.4)¹⁾

¹⁾ Due to rounding numbers presented may not add up precisely to totals provided.

Deferred tax has been computed at the statutory tax rate of 25.0% (2012: 25.0%).

The deferred tax liability is a result of temporary differences between IFRS and tax result, due to the different treatment of hedges.

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9. Cash and cash equivalents

Cash and cash equivalents relate completely to the current account with Siemens AG. As the Company participates in the Siemens cash pool, the bank balances which remain at the disposal of the Company are transferred to the Siemens cash pool on a daily basis.

Cash and cash equivalents	September 30,	
	2013	2012
Current account	3,607.9	64.7
Total cash and cash equivalents	3,607.9	64.7

10. Receivables from Associated Companies

Receivables from Associated Companies	September 30,	
	2013	2012
Interest receivables	31.3	6.5
Loans < 1 year	5,711.4	11,478.6
Loans > 1 year	9,122.2	5,804.7
Total receivables from Associated Companies	14,864.9	17,289.8

In fiscal years ended September 2013 and 2012 there was no impairment of receivables.

For additional disclosures on receivables see also Note 16.

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11. Derivative financial instruments

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts.

	September 30, 2013			September 30, 2012		
	Assets	Liabilities	Notional Amount	Assets	Liabilities	Notional Amount
Derivatives not designated in a fair value hedge relationship						
Currency swaps < 1 yr	-	(22.0)	740.5	8.7	(96.3)	3,480.3
Currency swaps > 1 yr	61.3	(0.1)	1,631.6	18.3	(52.0)	1,742.8
	61.3	(22.1)	2,372.1	27.0	(148.3)	5,223.1
Derivatives used as fair value hedges						
Interest rate swaps < 1 yr	30.3	-	1,000.0	21.0	-	2,113.5
Interest rate swaps > 1 yr	1,190.5	-	9,691.9	1,822.9	-	10,866.4
	1,220.8	-	10,691.9	1,843.9	-	12,979.9
Total derivatives	1,282.1	(22.1)	13,064.0	1,870.9	(148.3)	18,203.0

As per September 30, 2013, all interest rate swaps are designated as hedging instruments in a fair value hedge relationship. In most interest rate swap contracts Siemens AG is the counterparty. The arrangements have been entered into to swap the fixed interest on long term debt into floating interest on short term base.

For additional disclosures on financial instruments see also Note 16.

12. Other financial assets

The other financial assets comprise the net interest accrual of interest rate swap contracts with a positive fair value. The total amount is due within one year.

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13. Debt issued

Debt issued	September 30,	
	2013	2012
Instruments < 1 year	(1,429.8)	(2,017.8)
Loans from banks < 1 year	(33.3)	(155.7)
Instruments > 1 year	(17,005.9)	(16,342.2)
Loans from banks > 1 year	(1,100.2)	(407.5)
Commercial paper	-	-
Total debt issued	(19,569.2)	(18,923.2)

Commercial paper

On April 4, 2007 Siemens AG, Siemens Capital Company LLC and Siemens Financieringsmaatschappij N.V. established an USD 9.0 billion Global Commercial Paper Program for the issuance of commercial paper. In the fiscal year the Company issued 32 commercial papers (2012: 16) under this Program. All commercial papers matured within the fiscal year.

As of September 30, 2013, the weighted average interest rate for loans from banks was 2.4% (2012: 4.6%) and the average weighted interest rate for notes and bonds was 3.9% (2012: 4.2%).

Debt carrying amount	September 30,	
	2013	2012
Instruments and loans from banks	(18,573.5)	(17,339.7)
Adjustment of carrying amount due to fair value hedge accounting	(1,165.3)	(1,771.3)
Other financial indebtedness	169.6	187.8
<i>Therein:</i>		
<i>Unamortized portion of (dis-)agio</i>	134.5	153.0
<i>Unamortized portion of transaction costs</i>	35.1	34.8
Commercial paper	-	-
Total debt	(19,569.2)	(18,923.2)

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Debt Issuance Program

Together with Siemens AG and Siemens Capital Company LLC, the Company has agreements with financial institutions under which it may issue instruments up to EUR 15.0 billion. As of September 30, 2013 EUR 10.9 billion (2012: EUR 9.9 billion) in notional amounts were issued and outstanding. The outstanding amounts as of September 30, 2013 comprise USD 0.5 billion 5.625% fixed-rate notes due March 16, 2016; EUR 1.0 billion 5.375% fixed-rate instruments due June 11, 2014; EUR 1.6 billion 5.625% fixed-rate instruments due June 11, 2018; EUR 2.0 billion 5.125% fixed-rate instruments due February 20, 2017; USD 0.4 billion floating rate notes due in February 2019, bearing interest of 1.4% above the 3 month USD London Inter Bank Offered Rate; EUR 400 million 0.375% fixed-rate instruments due September 10, 2014; EUR 1.0 billion 1.5% fixed-rate instruments due March 10, 2020; GBP 350 million 2.75% fixed-rate instruments due September 10, 2025 and GBP 650 million 3.75% fixed-rate instruments due September 10, 2042. In March 2013, the Company issued EUR 2.25 billion and USD 500 million in fixed-rate instruments in three tranches, comprising: EUR 1.25 billion in 1.75% instruments due March 12, 2021, EUR 1.0 in 2.875% instruments due March 10, 2028 and USD 500 million 1.5% fixed-rate instruments due March 12, 2018. Furthermore, the Company issued two privately placed instruments of USD 100 million in 3.5% fixed-rate instruments due March 20, 2028 and USD 400 million in floating-rate instruments due June 5, 2020.

USD Medium Term Notes

In August 2006, the Company issued USD 5.0 billion of notes. These notes were issued in various tranches of which the following are outstanding as of September 30, 2013: USD 1.750 billion 5.75% notes due October 17, 2016 and USD 1.750 billion 6.125% notes due August 17, 2026.

Hybrid Capital Bond

In September 2006, the Company issued a subordinated Hybrid Capital Bond, which is on a subordinated basis guaranteed by Siemens AG. The subordinated bond was issued in a tranche of EUR 900 million and a tranche of GBP 750 million (EUR 897 million), both with a legal final maturity on September 14, 2066 and with a call option for Siemens in 2016 or thereafter. The bonds bear fixed rate interests until September 14, 2016, thereafter, floating rate interest according to the conditions of the bond. Due to its characteristics such as long maturity date and subordination this instrument bears the character of both debt and equity, hence the term "Hybrid". This term is also used in the prospectus of the instruments. In accordance to the accounting policies of the Company, these bonds are fully classified as financial liabilities.

USD bonds complemented with warrants issued by Siemens AG

In February 2012, Siemens issued USD bonds with warrant units in an aggregate principal amount of USD 3 billion in two tranches. The bonds issued by the Company are guaranteed by Siemens AG and complemented with warrants issued by Siemens AG. The bonds due in August 2017 have a volume of USD 1.5 billion and a coupon of notional 1.05 % per annum; the bonds due in August 2019 have a volume of USD 1.5 billion and a coupon of notional 1.65% per annum.

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Details of the Company's instruments			September 30,			
			2013		2012	
			notional amount	carrying amount	notional amount	carrying amount
			EUR		EUR	
5.625% 2006/2016 USD fixed-rate instruments	2)	USD	500.0	412.0	500.0	450.0
5.375% 2008/2014 EUR fixed-rate instruments	2)	EUR	1,000.0	1,030.0	1,000.0	1,070.8
5.625% 2008/2018 EUR fixed-rate instruments	2)	EUR	1,600.0	1,848.9	1,600.0	1,912.3
4.125% 2009/2013 EUR fixed-rate instruments	2)	EUR	-	-	2,000.0	2,017.8
5.125% 2009/2017 EUR fixed-rate instruments	2)	EUR	2,000.0	2,123.0	2,000.0	2,168.5
USD 3m Libor + 1.4% 2012/2019 USD floating-rate instruments ¹⁾		USD	400.0	295.9	400.0	309.0
3.75% 2012/2042 GBP fixed-rate instruments	1)	GBP	650.0	763.2	650.0	799.1
2.75% 2012/2025 GBP fixed-rate instruments	1)	GBP	350.0	416.7	350.0	436.4
1.5% 2012/2020 EUR fixed-rate instruments	2)	EUR	1,000.0	992.1	1,000.0	1,003.2
0.375% 2012/2014 EUR fixed-rate instruments	1)	EUR	400.0	399.8	400.0	399.6
1.75% 2013/2021 EUR fixed-rate instruments	1)	EUR	1,250.0	1,242.0	-	-
2.875% 2013/2028 EUR fixed-rate instruments	1)	EUR	1,000.0	995.5	-	-
1.50% 2013/2018 USD fixed-rate instruments	1)	USD	500.0	368.2	-	-
3.50% 2013/2028 USD fixed-rate instruments	1)	USD	100.0	71.8	-	-
2013/2020 USD floating-rate instruments ¹⁾		USD	400.0	295.4	-	-
<i>Total Debt Issuance Program</i>				<i>11,254.5</i>		<i>10,566.7</i>
5.75% 2006/2016 USD fixed-rate instruments	2)	USD	1,750.0	1,473.6	1,750.0	1,612.2
6.125% 2006/2026 USD fixed-rate instruments	2)	USD	1,750.0	1,626.2	1,750.0	1,908.5
<i>Total USD Medium Notes</i>				<i>3,099.8</i>		<i>3,520.7</i>
5.25% 2006/2066 EUR fixed-rate instruments	2)	EUR	900.0	975.6	900.0	1,004.5
6.125% 2006/2066 GBP fixed-rate instruments	2)	GBP	750.0	985.9	750.0	1,074.9
<i>Total Hybrid Capital Bond</i>				<i>1,961.5</i>		<i>2,079.4</i>
1.05% 2012/2017 USD fixed-rate instruments	1)	USD	1,500.0	1,068.0	1,500.0	1,104.5
1.65% 2012/2019 USD fixed-rate instruments	1)	USD	1,500.0	1,051.9	1,500.0	1,088.7
<i>Total USD Bonds complemented with warrants issued by SAG</i>				<i>2,119.9</i>		<i>2,193.2</i>
Total instruments			18,435.7		18,360.0	

¹⁾ instruments not designated in a hedge accounting relationship measured at amortized cost

²⁾ instruments designated in a hedge accounting relationship measured at fair value

All instruments are guaranteed by Siemens AG.

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

Assignable and term loans

In fiscal year 2008, the Company raised assignable loans. These loans were issued in four tranches of which the following is outstanding as of September 30, 2013: EUR 333, 5.435% notes due June 12, 2015. In March 2013 the Company signed two bilateral USD 500 million floating-rate term loan facilities (in aggregate EUR 740 as of September 30). The facilities have a term of five years expiring March 28, 2018 with two one-year extension options. Both facilities bear interest of 0.79% above the 3 month USD London Inter Bank Offered Rate.

Details of assignable loans		September 30,			
		2013		2012	
		notional amount	carrying amount	notional amount	carrying amount
		EUR		EUR	
5.283% 2008/2013 EUR instruments	EUR	-	-	113.5	117.0
5.435% 2008/2015 EUR instruments	EUR	333.0	356.1	333.0	368.8
USD LIBOR 3M + 0.79% 2013/2018 USD term loan	USD	500.0	370.2	-	-
USD LIBOR 3M + 0.79% 2013/2018 USD term loan	USD	500.0	370.2	-	-
Total assignable loans		1,096.5		485.8	

Credit facilities

As of September 30, 2013, the Company participates in three credit facility programs of Siemens AG.

In February 2013, the Company extended the EUR 4.0 billion syndicated multi-currency revolving credit facility with one year until April 5, 2018, with a remaining one-year extension option.

In August 2013, a syndicated multi-currency credit facility expired under which the Company could draw up to USD 3.0 billion. In September 2013, the Company signed a USD 3.0 billion multi-currency credit facility with a tenor of five years with two one-year extension options.

Furthermore, the Company's EUR 450 million credit facility was extended with one year in September 2013.

The Company did not use these facilities so far.

For additional disclosures on Debt see also Note 16.

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

14. Other liabilities

The total amount of other financial liabilities is due within one year.

Other liabilities	September 30,	
	2013	2012
Other financial liabilities	(218.7)	(234.8)
Current liabilities	-	(1.3)
Total other liabilities	(218.7)	(236.1)

Other financial liabilities refer completely to the accrued interest on notes, bonds and loans from banks.

15. Equity

The Company's authorized share capital is divided in 50,000 shares with a nominal value of EUR 1 thousand each, of which 10,256 shares have been issued and fully paid in. All shares are held by Siemens AG. During the fiscal year, there were no movements in the number of shares. The share premium reserve comprises additional paid-in capital on the issue of the shares.

Retained earnings are available for distribution upon decision of the general meeting of shareholders. The holders of the shares are entitled to execute the rights under the Netherlands Civil Code without any restrictions.

Undistributed profit comprises the profit for the actual period.

For fiscal year 2012-2013 the Board of Directors proposes to pay a dividend of EUR 0.5, which is EUR 49 per share. Payment of any dividend is contingent upon approval by the shareholders at the Annual Shareholders' Meeting. In fiscal year 2012 - 2013 a dividend of EUR 5.4 was paid as profit distribution for the fiscal year ended September 30, 2012.

Solvency

Given the objectives of the Company, the Company is economically interrelated with the parent company, Siemens AG, Germany. In assessing the solvency and general risk profile of the Company also the solvency of Siemens AG as a whole needs to be considered. The structure and organisation of the Company are such that interest, foreign exchange, market, credit and operational risks to the Company are strictly limited in design. Receivables from Associated Companies are priced on an "at arm's length" basis. All issued shares – fully held by the parent company – are part of the Company's capital management objectives.

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

Capital Management

The Company's capital consists of: issued and paid in share capital, share premium reserves and retained earnings as stated as Equity in the Statement of Financial position and the Statement of changes in Equity. The Company is set up to serve funding needs of Associated Companies following the strategy of the parent company, Siemens AG. The return on equity held by the Company is a key objective of neither the Company nor Siemens AG as the sole shareholder, as this results from the strategic decisions at group level relating funding of local activities. The Company is not subject to externally imposed capital requirements.

The Company did not change its objectives, policies and processes for capital management during the fiscal year.

16. Additional disclosures on financial instruments

This section gives a comprehensive overview of the significance of financial instruments for the Company and provides additional information on Statement of Financial Position items that contain financial instruments.

The following table presents the carrying amounts of each category of financial assets and liabilities:

Financial assets	September 30, 2013		September 30, 2012	
	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents ¹⁾	3,607.9	3,607.9	64.7	64.7
Receivables from Associated Companies ¹⁾	15,083.8	14,864.9	17,731.9	17,289.8
Derivatives without a hedging relationship ²⁾	61.3	61.3	27.0	27.0
Derivatives with a hedging relationship ²⁾	1,220.8	1,220.8	1,843.9	1,843.9
Other financial assets ¹⁾	161.7	161.7	198.2	198.2
Total financial assets	20,135.5	19,916.6	19,865.7	19,423.6
Financial liabilities	September 30, 2013		September 30, 2012	
	Fair value	Carrying amount	Fair value	Carrying amount
Notes and bonds ^{1/2)}	(18,547.0)	(18,435.7)	(18,726.2)	(18,360.0)
Loans from banks ^{1/2)}	(1,160.1)	(1,133.5)	(564.3)	(563.2)
Commercial paper ¹⁾	-	-	-	-
Derivatives without a hedging relationship ²⁾	(22.1)	(22.1)	(148.3)	(148.3)
Other financial liabilities ¹⁾	(218.7)	(218.7)	(234.8)	(234.8)
Total financial liabilities	(19,947.9)	(19,810.0)	(19,673.6)	(19,306.3)

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

¹⁾ Carrying amount measured at amortized cost

The fair values of cash and cash equivalents, other financial assets and other financial liabilities approximate their carrying amount largely due to the short-term maturities of these instruments. All new issued bonds, notes and loans from banks are measured at amortized cost. Due to their long maturity the carrying amounts of these instruments do not approximate their fair values. The Company lends the amounts of these instruments to an Associated Company. Due to their long maturity the fair values of these receivables do not approximate their carrying amount. The fair value of these receivables is estimated by discounting future cash flows using rates currently available for instruments with similar terms and remaining maturities. The carrying amounts for notes and bonds and loans from banks also contains transaction costs, which are measured at amortized cost.

²⁾ Carrying amount measured at fair value

The fair value of quoted notes and bonds is based on price quotations at the balance sheet date. The fair value of unquoted notes and bonds and of loans from banks is estimated by discounting future cash flows using rates currently available for debt of similar terms and remaining maturities.

The calculation of fair values for derivative financial instruments depends on the type of instruments:

Derivative interest rate contracts

The fair values of derivative interest rate contracts (e.g. interest rate swap agreements) are calculated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument.

Derivative currency contracts

The fair value of forward foreign exchange contracts is based on forward exchange rates.

The following tables allocate the financial assets and liabilities measured at fair value to the three levels of the fair value hierarchy as per September 30, 2013 and 2012.

September 30, 2013	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial instruments	-	1,282.1	-	1,282.1
Financial liabilities measured at fair value				
Derivative financial instruments	-	(22.1)	-	(22.1)

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

September 30, 2012	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial instruments	-	1,870.9	-	1,870.9
Financial liabilities measured at fair value				
Derivative financial instruments	-	(148.3)	-	(148.3)

The levels of the fair value hierarchy and its application to our financial assets and liabilities are described below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the fiscal year, no transfers between Level 1 and Level 2 occurred.

As per September 30, 2013, no Level 3 investments are held, the movement analysis and sensitivity analyses on Level 3 investments are not applicable.

Net gains (losses) of financial instruments	September 30,	
	2013	2012
Derivative financial instruments in connection with fair value hedges	(623.6)	249.2
Notes, bonds and loans from banks	606.0	(244.7)
Derivative financial instruments not designated in a hedge accounting relationship	140.4	(174.8)
Total net gains (losses) of financial instruments	122.8	(170.3)

Net gains (losses) on derivative financial instruments in connection with fair value hedges and net losses/gains on notes, bonds and loans from banks together present the ineffective portion of fair value hedges.

Net gains (losses) on derivative financial instruments not designated in a hedge accounting relationship consist of changes in the fair value of derivative financial instruments, for which hedge accounting is not applied.

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

17. Derivative financial instruments and hedging activities

As part of the Company's risk management program, a variety of derivative financial instruments are used to reduce risks resulting primarily from fluctuations in foreign currency exchange rates and interest rates. For additional information on the Company's risk management strategies, including the use of derivative financial instruments to mitigate or eliminate certain of these risks, see also Note 18.

The fair values of each type of derivative financial instruments are as follows:

Fair values of derivative financial instruments	September 30, 2013		September 30, 2012	
	Assets	Liabilities	Assets	Liabilities
Currency swaps	61.3	(22.1)	27.0	(148.3)
Interest rate swaps	1,220.8	-	1,843.9	-

Foreign currency exchange risk management

The Company manages its risks associated with fluctuations in foreign-currency denominated receivables and debt through cross currency swaps. The table below shows the foreign-currency positions of the Company before and after currency swaps:

Currency	30 September 2013 before	Currency swaps	30 September 2013 net position ¹⁾	Effects of 10% rise in EUR	Effects of 10% decline in EUR	30 September 2012 net position ¹⁾
GBP	13.7	-	13.7	(1.5)	1.8	(27.0)
USD	3,221.8	(3,203.5)	18.3	(1.2)	1.5	41.6

¹⁾ A negative amount is a liability: when euro gains in value: the effect is positive on net income.

As the Company did not designate the cross currency swaps for cash flow hedges, the Company is not allowed to apply cash flow hedge accounting under IAS 39. All such derivative financial instruments are recorded at fair value and changes in fair values are charged to net income.

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

Interest rate risk management

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company seeks to mitigate such a risk either by lending onwards with the same structure to Associated Companies or by entering into interest rate derivative financial instruments such as interest rate swaps.

Under the interest rate swap agreements outstanding during the fiscal year ended September 30, 2013, the Company agrees to pay a variable rate of interest multiplied by a notional principle amount, and receive in return an amount equal to a specified fixed rate of interest multiplied by the same notional principal amount. These interest rate swap agreements offset an impact of future changes in interest rates on the fair value of the underlying fixed-rate debt obligations. The interest rate swap contracts are reflected at fair value in the Company's Statement of Financial Position and the related portion of fixed-rate debt being hedged is reflected at an amount equal to the sum of its carrying amount plus an adjustment representing the change in fair value of the debt obligations attributable to the interest rate risk being hedged. Changes in the fair value of interest rate swap contracts and the offsetting changes in the adjusted carrying amount of the related portion of fixed-rate debt being hedged, are recognized as adjustments to the line item *'fair value changes of financial instruments'* in the Statement of Comprehensive Income. The net effect recognized in *'fair value changes of financial instruments'*, representing the ineffective portion of the hedging relationship, amounted to EUR (17.6) in the fiscal year ended September 30, 2013. Net cash receipts and payments relating to such interest rate swap agreements are recorded as interest expenses in the Statement of Comprehensive Income.

The Company had interest rate swap contracts to pay variable rates of interest (average rate of 1.19% and 1.50% as of September 30, 2013 and 2012 respectively) and received fixed rates of interest (average rate of 5.19% and 5.04% as of September 30, 2013 and 2012 respectively). The notional amount of indebtedness hedged as of September 30, 2013 EUR 10.7 billion (2012: EUR 13.0). The notional amounts of these interest rate swap contracts mature at varying dates based on the maturity of the underlying hedged items.

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

18. Financial risk management

Foreign currency exchange rate risk

Foreign exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. In order to minimize exchange rate risks the Company seeks to lend and borrow in the same functional currency. Furthermore the Company uses cross currency swaps to limit foreign exchange risks. All such derivative financial instruments are recorded at fair value on the Statement of Financial Position and changes in fair values are charged to net income. The USD position is caused by loans to Associated Companies in the United States, in particular Siemens Capital Company LLC. Some loans are financed by borrowings in EUR. For the loans financed by EUR debt, the Company entered into cross currency swaps, with Siemens AG as counterparty. The swaps match the maturity and nominal values of the respective loans. The remaining exposure is therefore relatively low. The GBP position is caused by several bonds that serve to finance several loans in GBP to Associated Companies that totals to approximately the full value of the bond. Therefore the remaining GBP exposure is low. As a result of the low currency positions, the foreign currency exchange risk is considered low. See also the table included under Note 17, paragraph "foreign currency exchange risk management".

As the Company entered into an agreement with Siemens AG limiting the capital at risk for the Company and ruling the interest result (including the result out of currency exchange rates) for the Company, the sensitivity of the Company's results to changes in currency exchange rates is mitigated. For more information on the settlements for the capital at risk agreement see also Note 4.

Interest rate risk

The Company's interest rate risk exposure is mainly related to fixed-rated notes and bonds. The Company limits this risk through the use of derivative instruments which allow it to hedge fair value changes by swapping the fixed interest rates into variable rates of interest. In cases where the Company is lending to Associated Companies with a duration that differs from the duration of the notes and bonds including the swap a mismatch could lead to an interest rate risk. The average interest rate on receivables in the fiscal year ended September 30, 2013 was 1.13% (2012: 0.88%).

As the Company entered into an agreement with Siemens AG limiting the capital at risk for the Company and ruling the interest result (including the result out of currency exchange rates) for the Company, the sensitivity of the Company's results to changes in market interest rates is mitigated. For more information on the settlements for the capital at risk agreement see also Note 4.

Assuming historical volatilities and correlations, a ten day holding period and a confidence level of 99.5% the interest rate VaR was EUR 2.8 as of September 30, 2013 (2012: EUR 3.6). The interest rate risk results from the unrealized gains and losses out of hedge packages, which is not covered by the limited capital at risk agreement with Siemens AG. As of fiscal year 2013 the VaR has been calculated using the financial debt instruments that are designated in a fair value hedging relationship.

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

Although VaR is an important tool for measuring risk, the assumptions on which the model is based give rise to some limitations including the following. A ten day holding period assumes that it is possible to dispose of the underlying positions within this period. While this is considered to be a realistic assumption in almost all cases, it may not be valid during prolonged periods of severe market illiquidity. A 99.5% confidence level does not reflect losses that may occur beyond this level. There is a 0.5% statistical probability that losses could exceed the calculated VaR. The use of historical data as a basis for estimating the statistic behavior of the relevant markets and finally determining the possible range of the future outcomes on the basis of this statistic behavior may not always cover all possible scenarios, especially those of an exceptional nature.

Liquidity risk

Liquidity risk results from the Company's potential inability to meet its financial liabilities when they become due, at reasonable costs and in a timely manner. The Company participates as issuer in a EUR 15.0 billion Debt Issuance Program for the issuance of debt instruments (EMTN) and in a USD 9.0 billion global Commercial Paper Program, both established by Siemens AG. Siemens AG unconditionally and irrevocably guarantees all debt securities of the Company.

The tables below summarize the maturity profile of the Company's financial assets and liabilities, including derivative financial instruments as of September 30, 2013 and 2012 respectively, based on undiscounted cash flows for the respective upcoming fiscal years. The amounts include interest.

September 30, 2013	Receivables from Associated Companies	Bonds & notes	Bank loans	Interest Rate Swaps
Maturing during:				
On demand	-	-	-	-
2013 – 2014	5,941.3	(2,284.2)	(26.2)	518.2
2014 – 2015	559.4	(621.7)	(353.9)	469.7
2015 – 2016	224.4	(2,775.0)	(45.1)	388.4
2016 – 2017	1,386.3	(4,771.1)	(7.7)	156.3
2017 – 2018	1,595.9	(2,250.7)	(744.3)	105.1
Thereafter	7,311.2	(9,342.9)	-	542.5
Total	17,018.5	(22,045.6)	(1,177.2)	2,180.2

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

September 30, 2012	Receivables from Associated			Interest
	Companies	Bonds & notes	Bank loans	Rate Swaps
Maturing during:				
On demand	-	-	-	-
2012 – 2013	11,219.6	(2,713.5)	(137.7)	576.5
2013 – 2014	1,378.6	(2,013.7)	(18.1)	495.5
2014 – 2015	121.0	(574.4)	(345.9)	457.8
2015 – 2016	198.3	(2,786.4)	(77.4)	355.3
2016 – 2017	1,372.3	(4,824.1)	-	104.4
Thereafter	4,620.8	(8,438.1)	-	616.7
Total	18,910.6	(21,350.1)	(579.1)	2,606.2

Credit risk

The Company is exposed to credit risk in connection with its significant size of loans granted to the Associated Companies and its derivative instruments. Credit risk is defined as an unexpected loss in cash and earnings if the ultimate counterparty is unable to pay its obligations in due time. Valuation and collectability of these receivables and instruments depend upon the financial position and creditworthiness of the companies involved and of Siemens AG as a whole. Receivables from Associated Companies are covered by a limited capital at risk agreement between Siemens AG and the Company mitigating the credit risk for the Company. The limited capital at risk agreement between the Company and Siemens AG reduces the risk of the Company to a maximum of EUR 2 million.

The effective monitoring and controlling of credit risk is a core competency of Siemens AG's risk management system. Siemens AG has implemented a credit policy. Hence, credit evaluations and ratings are performed on all counterparties with an exposure or requiring credit beyond a centrally defined limit. Counterparty ratings, analyzed and defined by a designated Siemens AG department, and individual counterparty limits are based on generally accepted rating methodologies, the input from external rating agencies and Siemens AG's default experiences.

19. Events after reporting date

As per and since reporting date there are no events to report.

Siemens Financieringsmaatschappij N.V.

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Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

20. Claims and litigations

As per and since reporting date, the Company is not involved in any litigation matters.

21. Segment information

The Company has only a single reportable segment. The Company provides funding to Associated Companies. The main funding partners are USA treasury company and Dutch treasury company. The USA treasury company represents approximately 70% (2012: 70%) of the Company's loans to and receivables from Associated Companies at year end and approximately 77% (2012: 70%) of the Company's interest income from Associated Companies. The Dutch treasury company represents approximately 20% (2012: 21%) of the Company's loans to and receivables from Associated Companies at year end and approximately 18% (2012: 20%) of the Company's interest income from Associated Companies.

22. Related parties

The Company is the main funding party of the Associated Companies and offers finance solutions mainly for general purposes of the borrower. No amount is paid by the Company or any of the Associated Companies other than in the line of business. The Company lends the proceeds of issuances of bonds, notes and loans from banks to related parties only and are executed on an "at arm's length" basis. Receivables from Associated Companies are covered by a limited capital at risk agreement between Siemens AG and the Company mitigating the credit risk for the Company. The limited capital at risk agreement reduces the credit risk of the Company to a maximum of EUR 2 million and determines the interest result for the Company. When the total actual result differs from the agreed result the difference is settled following this agreement and stated as Interest related income. See also Note 4.

The following table provides information regarding loans to, deposits from, interest related income and derivatives with related parties for the fiscal year ending September 30, 2013.

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

Receivables from Associated Companies (in millions of EUR)		Interest income	Loans on September 30
Dutch holding companies	2013	4.1	831.9
	2012	9.3	734.1
Dutch treasury company	2013	35.3	2,902.8
	2012	26.7	3,572.8
Siemens AG	2013	2.2	400.0
	2012	-	400.0
UK treasury / holding companies	2013	3.6	266.5
	2012	3.4	434.0
USA treasury companies	2013	150.9	10,432.4
	2012	92.2	12,142.4
Liabilities to Associated Companies (in millions of EUR)		Interest expenses	Deposits on September 30
Dutch treasury company	2013	-	-
	2012	0.1	-
Siemens AG	2013	-	-
	2012	0.1	-
Interest related income (in millions of EUR)		Interest related income	
Siemens AG	2013	129.4	
	2012	232.0	
Interest rate swaps with Associated Companies (in millions of EUR)		Net interest	Fair value on September 30
Siemens AG	2013	395.3	972.1
	2012	358.2	1,426.5

Siemens Financieringsmaatschappij N.V.

NOTES to the FINANCIAL STATEMENTS

Year ended September 30, 2013

(in millions of EUR, except where otherwise stated)

Currency swaps with Associated Companies (in millions of EUR)		Fair value changes	Fair value on September 30
Siemens AG	2013	140.4	(22.1)
	2012	(171.7)	(148.3)

The Company did not enter into any transactions with members of the Board of Directors nor with members of the Supervisory Board.

23. Remuneration Board of Directors and Supervisory Board

The members of the Supervisory Board, received a remuneration of in total EUR 20,000 (2012: EUR 20,000) for account of the Company during the fiscal year. The members of the Board of Directors received no remuneration for account of the Company during the fiscal year.

The Hague, November 6, 2013

The Hague, November 6, 2013

The Supervisory Board

The Board of Directors

H.-P. Rupprecht

G.J.J. van der Lubbe

H. Bernhöft

M.L.M. van de Weijer

B.G. Trompert

Siemens Financieringsmaatschappij N.V.

Independent Auditors' report

To: the Shareholders of Siemens Financieringsmaatschappij N.V.

Report on the financial statements

We have audited the accompanying financial statements for the year ended September 30, 2013 of Siemens Financieringsmaatschappij N.V., The Hague, which comprise the statement of financial position as at September 30, 2013, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the report of the Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

Siemens Financieringsmaatschappij N.V.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Siemens Financieringsmaatschappij N.V. as at September 30, 2013, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 part e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the report of the Management Board, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 393 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, November 6, 2013

Ernst & Young Accountants LLP

Signed by O.E.D. Jonker

Siemens Financieringsmaatschappij N.V.

Profit appropriation according to the Articles of Association

Article 19 of the articles of association reads as follows:

1. Any reserves determined by the Supervisory Board shall be made out of the profit less the annual depreciation. The remaining profit after such amounts have been reserved shall be at the disposal of the General Meeting of Shareholders to pay out dividends or for other purposes to be determined by the meeting.
2. The Company may make payments, out of the distributable profit, to shareholders and other persons entitled to such payment, only if and to the extent that the Company's authorised capital is in excess of the paid-up share of the capital plus the reserves that must be maintained by virtue of the law and these Articles of Association.
3. Payments of profit shall be made after confirmation of the annual accounts showing that such payment is permissible.
4. Upon prior approval of the Supervisory Board, the Board of Directors may resolve, prior to the confirmation of the annual accounts in any fiscal year, upon payment of one or more interim-dividend(s) based on the dividend to be expected, always provided that the provision laid down in paragraph 2 with regard to the Company's authorised capital has been satisfied, which shall appear from an interim capital report signed by the Board of Directors.

Proposal for appropriation of the result

Pursuant to article 19 of the Articles of Association, it is proposed to appropriate the results of the fiscal year 2012 - 2013 as follows:

Distribution of dividends	EUR	506,265.16
adding to (extracting from) retained earnings	EUR	-

