NORD/LB

Die norddeutsche Art.

Interim Report as at 30 June 2013

OUR PROXIMITY / YOUR STRENGTH

Finanzgruppe

KEY FIGURES

Total differences are rounding differences and may cause minor deviations in the calculation of percentages.

	1 Jan.–30 Jun. 2013	1 Jan.–30 Jun. 2012 [1)]	Change (in %)
Income statement – in € million			
Net interest income	974	972	–
Loan loss provisions	– 432	– 146	> 100
Net commission income	77	83	– 7
Profit/loss from financial instruments at fair value through profit or loss including hedge accounting	102	– 168	> 100
Profit/loss from financial assets	– 4	12	> 100
Profit/loss from investments accounted for using the equity method	18	– 8	> 100
Administrative expenses	575	554	4
Other operating profit/loss	– 24	– 35	31
Earnings before reorganisation and taxes	136	156	– 13
Reorganisation expenses	– 18	– 25	28
Expenses for Public Guarantees related to Reorganisation	– 22	–	–
Earnings before taxes	**96**	**131**	**– 27**
Income taxes	9	64	– 86
Consolidated profit	**87**	**67**	**30**
Key figures in %			
Cost-Income-Ratio (CIR)	50.2	65.6	
Return-on-Equity (RoE)	2.5	3.9	

	30 Jun. 2013	31 Dec. 2012 [1)]	Change (in %)
Balance sheet – in € million			
Total assets	208 242	225 550	– 8
Customer deposits	56 893	55 951	2
Customer loans	110 742	114 577	– 3
Equity	7 876	7 700	2
Regulatory key figures			
Core capital for solvency reasons in € million	8 088	8 451	– 4
Regulatory equity in € million	10 096	10 776	– 6
Risk-weighted assets in € million	72 646	77 863	– 7
Total capital ratio in %	13.90	13.84	
Core capital ratio in %	11.13	10.85	

[1)] Some previous year's figures were adjusted as you can see at note (3) adjustment of figures for the previous year.

NORD/LB ratings
(long-term/short-term/individual)

Rating agency	Rating	Date of rating
Moody's	A3/P–2/D	30 July 2013
Fitch Ratings	A/F1/bbb–	30 July 2013

More Ratings can be found here: https://www.nordlb.com/investor-relations/

INTERIM REPORT AS AT 30 JUNE 2013

INTERIM GROUP MANAGEMENT REPORT AS AT 30 JUNE 2013

BUSINESS ACTIVITIES AND THE GENERAL ENVIRONMENT

NORD/LB Norddeutsche Landesbank Girozentrale

NORD/LB Norddeutsche Landesbank Girozentrale (hereafter NORD/LB or the bank) is a registered public institute with registered offices in Hanover, Braunschweig and Magdeburg. Its head office is in Hanover. Under the name of Braunschweigische Landessparkasse, Braunschweig, NORD/LB performs the function of a savings bank in the Braunschweig region and maintains a close network of branches in this region. NORD/LB also has branches in Hamburg, Düsseldorf, Schwerin, London, New York, Shanghai and Singapore. The bank also has a representative office in Moscow.

The owners of the bank are the federal states of Lower Saxony and Saxony-Anhalt, the Association of the Savings Banks of Lower Saxony (Sparkassenverband Niedersachsen, SVN) in Hanover, the Holding Association of the Savings Banks of Saxony-Anhalt (Sparkassenbeteiligungsverband Sachsen-Anhalt) and the Special Purpose Holding Association of the Savings Banks of Mecklenburg-Western Pomerania (Sparkassenbeteiligungszweckverband Mecklenburg-Vorpommern).

The issued capital amounts to € 1,607,257,810, with the federal state of Lower Saxony holding 59.13 per cent (of which 33.44 per cent is held in trust for the state-owned Hannoversche Beteiligungsgesellschaft mbH, Hanover), the federal state of Saxony-Anhalt 5.57 per cent, the Lower Saxony Association of Savings Banks and Girobanks 26.36 per cent, the Holding Association of the Savings Banks of Saxony-Anhalt 5.28 per cent and the Special Purpose Holding Association of the Savings Banks of Mecklenburg-Western Pomerania 3.66 per cent.

The executive bodies of the bank are the Owners' Meeting, the Supervisory Board and the Managing Board.

NORD/LB is the state bank (Landesbank) for the federal states of Lower Saxony and Saxony-Anhalt. In these two federal states and in Mecklenburg-Western Pomerania the bank performs the functions of a central and clearing bank for the savings banks (Girozentrale). NORD/LB focuses its business strategy on north-east Germany and also serves customers from all the areas of banking business.

NORD/LB operates in the following segments:
- Private and Commercial Customers
- Corporate Customers&Markets
- Energy and Infrastructure Customers
- Ship and Aircraft Customers
- Real Estate Banking Customers

The bank also handles promotional loans on behalf of the federal states through Investitionsbank Sachsen-Anhalt, an institute of Norddeutsche Landesbank Girozentrale, and through Landesförderinstitut Mecklenburg-Vorpommern (LFI), a division of Norddeutsche Landesbank Girozentrale.

Die NORD/LB is the parent company of a group of companies (NORD/LB Group), which includes the Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale, in Bremen (Bremer Landesbank), Norddeutsche Landesbank Luxembourg S. A., Luxemburg (NORD/LB Luxembourg), Deutsche Hypothekenbank (Actien-Gesellschaft) in Hanover (Deutsche Hypo), LBS Norddeutsche Landesbausparkasse in Berlin and Hanover (LBS), Öffentliche Lebensversicherung Braunschweig in Braunschweig, and Öffentliche Sachversicherung Braunschweig in Braunschweig (the latter two together being the Öffentliche Versicherungen Braunschweig or ÖVBS). The bank also holds other investments as shown in the disclosures of the notes to the consolidated financial statements.

Control Systems

The control of profitability, productivity and the NORD/LB Group's risk profile is the responsibility of the Managing Board. The aim of this system of control is to optimise short and medium-term profitability and efficiency while at the same time maintaining the best possible degree of transparency in terms of earnings and cost. Regulating earnings and productivity at the NORD/LB Group is primarily focussed on the key figures of Return-on-Equity (RoE), Cost-Income Ratio (CIR) and the risk rate, on operating profit (contribution margin V) and on commercial profit / loss. The significance of key indicators is aligned towards the targets, depending on the respective banking division or the type of product. The CIR is defined as the ratio between administrative expenses and the sum total of the following income items: net interest income, net commission income, profit / loss from financial instruments at fair value through profit or loss, profit / loss from hedge accounting, profit / loss from investments accounted for using the equity method and other operating profit / loss. The RoE refers to earnings before taxes and long-term equity under commercial law (reported equity capital less revaluation reserve less earnings after taxes).

Based on a central, medium-term forecast of the operating result, in the third and fourth quarters the bank prepares the target operating result for the coming reporting period in a decentralised planning process. The aim of medium-term planning within the planning process is for the respective profit centres to obtain estimates concerning the medium-term development of customer potential, the market situation, products, risks, resources and measures.

Global Economic Environment

The global economy performed only moderately in the first half of the current year. Global trade has also not yet returned to higher growth. Again the weak overall economic performance in the eurozone remained a substantial burden, despite the eurozone coming out of recession in the second quarter. The general sentiment among companies and consumers improved in the first half year. The effects of the consolidation measures and structural reforms persistently kept Southern Europe in recession.

There was a cautious start to the year in the USA. Real GDP expanded with an annualised quarterly growth rate of 1.1 per cent in the first quarter, followed by an expansion of 1.7 per cent in the spring. In view of the stop of tax reliefs at the start of the year and state spending cuts, it can be said that the US economy has nonetheless exhibited a certain level of robustness. The US economy was once again underpinned in particular by private consumption.

Germany

After a poor closing quarter of 2012, the German economy turned around in the first half year as expected. Whilst real growth in the real economy stagnated at the previous year's level in the first quarter, there was seasonally-adjusted GDP growth of 0.7 per cent in the second quarter of 2013.

Eurozone

As expected, the eurozone came out of the 18-month recession in the second quarter. In the first three months of the current year price and seasonally-adjusted GDP in the eurozone fell by a further – 0.3 per cent compared to the previous quarter. A rise of 0.3 per cent in the spring represented the strongest GDP growth since the start of 2011. Above average growth rates exhibited by the two heavyweights Germany and France were the key factors in pulling the eurozone out of recession. In both countries private and public consumption grew substantially and contributed significantly to growth.

German economy turned around.

Even if the end of the recession has been now reached, the end of the crisis is still a long way off.

In most countries there is still a – sometimes substantial – need for consolidation. Although economic recovery is an essential condition for overcoming the crisis in the long term, it is not enough on its own. However, the continuing improvement of the early indicators points to gradual economic recovery, albeit at a slow pace.

Eurozone came out of the recession.

Financial Markets and Interest Rates

The recovery in the financial markets has continued since the start of the year. However, there has been a series of upsets for the market players on the capital markets, triggered by the parliamentary elections in Italy, the Cyprus bail-out and the governmental crisis in Portugal.

Recovery in the financial markets has continued.

The rate of inflation has now fallen well below 2.0 per cent in both the eurozone and in Germany. Therefore after a sustained period of slightly higher levels of inflation, inflation rates have this year returned to just under 2 per cent, a medium-term objective pursued by the European Central Bank (ECB). The slowdown in price rises and the poor economic performance of the eurozone have forced the ECB to reduce the base rate once again. In May the ECB Governing Council reduced the tender rate to a new record low of 0.50 per cent. The monetary authorities did not set a negative interest rate for the deposit facility, but they did leave the back door open for further measures.

All of the measures taken by the ECB and the latest statements indicate one message: interest rates will remain at an extremely low level for some time.

Since the start of the year, yields of German government bonds with a remaining maturity of ten-years have fluctuated between 1.15 per cent achieved at the start of May and the current high for the year of 1.85 per cent, which was recorded for a brief period at the end of June. The fear of an end to high liquidity put selling pressure on German government bonds in the wake of the development of US Treasuries. After an intermediate quiet spell, the return on ten-year German government bonds rose to just under the year's peak. This extended the spread of US and German ten-year government bonds to around 100 base points. Conversely, money market rates remained largely stable in the first half-year. Since mid-January the three-month Euribor has been only slightly above 0.2 per cent.

Aircraft

In the first half of 2013 passenger numbers around the world increased. According to the International Air Transportation Organisation (IATA) passenger kilometres grew by 4.6 per cent on domestic flights and 4.8 per cent on international flights. The total growth of passenger kilometres was 4.8 per cent worldwide. The main growth drivers were the Middle East, Africa and Latin America regions, which exhibited above-average growth in traffic volumes in the first half of 2013. In line with the development of business climate indicators in the most important Asian economies, the Asia-Pacific region has been experiencing weak growth of late. In the first half of 2013 markets in Europa and North America performed below average.

Passenger traffic growing.

The airlines are expanding their capacity restrictively for reasons of utilisation and as a result operational performance. Compared to the previous year's figures, utilisation rates improved in the first half of 2013 to a global average of 79.0 per cent (1st half of 2012: 77.8 per cent).

The global air freight markets largely stagnated in the first half of 2013 with growth of 0.1 per cent. In the Europe and North America regions the general weak demand for air freight continued in particular due to the poor economic situation in most industrial countries. North American airlines suffered due to the weakness of the international market, especially to and from Europe. Recessionary developments across Europe acted as a further brake on European airlines. China's worse-than-expected growth had a dampening effect in the Asia-Pacific region, whilst Japan's export volumes have risen in recent months. Airlines from the Middle East experienced positive growth in freight volumes. Average global freight utilisation remained low at 45.2 per cent.

Air freight is largely stagnant.

Order activity and deliveries remain at a high level.

The two large aircraft manufacturers Boeing and Airbus were satisfied with the level of orders in the first half year. By the end of June Airbus had received 758 gross orders (722 net orders). In the first half of 2013 Boeing received 790 orders for new aircraft. Airbus delivered 295 new aircraft in the first half-year; Boeing, 306. Airbus expects to deliver between 600 and 610 aircraft in 2013 (2012: 588); Boeing, 635 to 645 (2012: 601).

Ships

Little momentum so far for the peak season.

Over the course of the year the global economy again appeared weak. One consequence of the deteriorating economic indicators in China was a subdued sentiment in the shipping sector in the period from April to June. The momentum of what is known as the peak season,1 which traditionally creates movement in the rate levels in the second quarter, was only partially visible in the container sector. The development of the crucial Far East-Europe route performed poorly in terms of cargo rates, and charter rates also only increased for a short period in the second quarter. The Shanghai Containerized Freight Index (SCFI) achieved a new annual nadir in mid-June with 514 USD/TEU. The development of the time charter rates for nine segments between 700 Twenty-foot Equivalent Unit (TEU) and 8,500 TEU reported by Harper Petersen was disappointing. Whilst the charter rates in the larger classes barely changed, the lower segments up to 3,500 TEU nonetheless exhibited slight two-figure growth in the first six months of 2013. Merely a single figure increase was possible in the second quarter.. However, the three market-leading liners Maersk, MSC and CMA CGM announced a new alliance. Although this coalition, dubbed “P3”, only comes into effect from 2014, the market drew its own conclusions. Clearly the fall in rates had crossed a line, leading to this step with the aim of avoiding a repeat of 2011’s price war. Initial success was seen in the implementation of the General Rate Increases (GRI) at the end of the half-year, which was reflected in the level of the SCFI (1,409 USD/TEU as at 28 June 2013). In contrast, deliveries of new vessels remained unchanged, particularly in terms of container ships with loading capacities in excess of 7,500 TEU. In June alone seven of these giant container vessels with more than 77,000 TEU were delivered. Accordingly, the available TEU capacity in the market continues to increase.

Capesize development bolsters bulker index in the second quarter.

In contrast, the situation in the bulker sector relaxed in the first half-year. After a difficult start the Baltic Dry Index, driven in particular by the developments in the capesize segment, achieved considerable rate increases and ended the second quarter on an annual high of 1,171 points. This development was again attributable to the increased import of iron ore to China. After a slow start to the year, there was a clear recovery in the second quarter. In contrast, the lower classes such as the Panamax segment benefited in the first half-year from the record harvest in South America transported by ship as well as increased coal exports from Australia in the Pacific region.

The tanker sector exhibited pronounced weakness in the crude segment in the second quarter of 2013. The Baltic Dirty Tanker Index fell by around 20 per cent and at the end of the quarter was at an all-year low of 577 points. As a consequence of the continued over-supply of tonnage on the market, adequate rate levels were again not achieved in the second quarter. The geopolitical uncertainty in North Africa also had a negative effect on the segment. The OPEX levels specified by the leading market participants could not be reduced at all, or only to a limited extent. Although the Baltic Clean Tanker Index performed similarly poorly in the second quarter of 2013, seasonal developments in the refineries and weaker import activities in Europe had an effect here. In the niches the cruises market remained a safe harbour, reflected both in the rising number of calls at the North Sea and Baltic Sea terminals as well as growing passenger numbers. The successful stock market launch of the Norwegian Cruise Line in the first half-year is a further indicator of the stability of this segment. Offshore business was also driven by basic energy issues in the summer months. The seasonally improved operating conditions increased rates in the operating area (e.g. Atlantic/North Sea).

Multiple negative influences on the tanker market.

Real Estate

The global real estate market remained dynamic in the second quarter of 2013. The investment volume in commercial real estate rose by a total of 11 per cent year-on-year in the first six months. As in previous quarters, there were significant regional variations due in particular to the fact that economic development is advancing at different rates as regards the NORD/LB Group's core business regions.

Upward movement in commercial property investment worldwide.

In the first half of 2013 some € 12.6 billion was invested in commercial real estate across Germany – around 34 per cent more than the same period in the previous year. Consequently, the highest half-year result since the boom year of 2007 was achieved. The German investment market remains one of the most important and dynamic investment havens for investors around the world thanks to the stability of real estate values and good fundamentals. New foreign investors, including equity-rich investors from Asia, are flooding into the German market. Office real estate was the dominant use type with a share of 44 per cent of the transaction volume, followed by retail real estate, which contributed some 33 per cent to total income. Logistics and hotel real estate substantially increased their share of the transaction volume with a value of 8 per cent. As a consequence of the high demand for core properties the peak yields in all asset classes remained stable at a low level.

Strong investment dynamics in Germany.

The office rental market appeared to be somewhat more dynamic in the second quarter, following a cautious start to the year. Alongside the weak but stable economic development, this is attributable to an increased proportion of transactions with office properties for own use. By the end of the first half of 2013 around 1.14 million m² of office space was let in the leading real estate strongholds. Compared to the same period in the previous year, this corresponds to a slight fall of 4 per cent. The reduction of the vacancy volume continued as a result of the only marginal increase in construction activity and the continuing trend for reallocation of use of office space that is no longer marketable. The average peak rent in the leading office strongholds increased slightly year-on-year.

In the retail sector, too, the rental year started somewhat more cautiously. Over the further course of the year, however, a reasonable demand for space is anticipated, and luxury locations are in particularly high demand. Peak rents in the leading German retail locations have continued to rise since the start of the year.

The German residential real estate market remains attractive. In the first half of 2013 residential real estate portfolios (> 10 residential units) in the order of around € 7.05 billion were traded. This is roughly equivalent to the same period of the previous year. More than 100,000 residential units have changed owner. With a share of 90 per cent of the transaction volumes, domestic investors dominated the market as a whole. The proportion of foreign investors fell again due to the price rise over the last year. Further, increased national demand is attributable to institutional investors who are currently increasing their real estate ratios due to the low interest rate.

European property markets affected by varying economic conditions.

Great Britain again asserted its position as Europe's commercial real estate investment market with the greatest liquidity. Despite the weak economic development, an increase in the transaction volume was apparent in the first five months of the current year. Conversely, the French commercial real estate market suffered a substantial fall in investment volume in the first half of 2013. This is in part to do with the scarcity of core properties in prime locations as these are considered to be highly stable in view of the weak economic framework conditions. Poor, and to an extent recessionary, development in the economy as a whole also meant less activity on the property investment markets in the Benelux countries. In Poland, on the other hand, the investment volume on the commercial real estate market in the first half-year was higher than the same period in the previous year. Poland thus maintained its leading position in Central and Eastern Europe.

REPORT ON THE EARNINGS, ASSETS AND FINANCIAL POSITION

(In the following text the previous year's figures for the first six months of 2012 or as at 31 December 2012 are shown in brackets.)

Earnings Position

NORD/LB closes first half of 2013 with earnings before taxes of € 96 million.

Earnings before taxes for the six months of the financial year 2013 totalled € 96 million.

The figures for the income statement are summarised as follows:

(in € million)	1 Jan.–30 Jun. 2013	1 Jan.–30 Jun. 2012[1]	Change[2]
Net interest income	974	972	2
Loan loss provisions	– 432	– 146	– 286
Net commission income	77	83	– 6
Profit/loss from financial instruments at fair value through profit or loss including hedge accounting	102	– 168	270
Profit/loss from financial assets	– 4	12	– 16
Profit/loss from investments accounted for using the equity method	18	– 8	26
Administrative expenses	575	554	– 21
Other operating profit/loss	– 24	– 35	11
Earnings before reorganisation and taxes	**136**	**156**	**– 20**
Reorganisation expenses	– 18	– 25	7
Expenses for public guarantees related to reorganisation	– 22	–	– 22
Earnings before income taxes	**96**	**131**	**– 35**
Income taxes	9	64	55
Consolidated profit	**87**	**67**	**20**

[1] Previos year's adjustments are taken into account according to IAS 8 (please refer to Note (3) Adjustment of the previous year's figures of the interim consolidated financial statements).
[2] The preceding sign in the change column indicates the effect on profits or losses.

The **net interest income** remains almost the same as the previous year's figure. The fall in interest income from lending and money market transactions is largely due to the low interest rate and declining loans and advances to customers, the reduction of the average portfolio of loans and advances to banks and the reduction of the bank's security portfolios. Interest expense from lending and money market transactions also fell on account of the low interest rate and the reduction in lending and money market transactions. Interest expenses from securitised liabilities also fell. Interest income and interest expenses from financial instruments at fair value through profit or loss also declined.

Loan loss provisions heavily affected by ship financing.

Expenses related to loan loss provisions increased by € 286 million compared to the same period of the previous year. This is primarily due to the net allocation to specific valuation allowances in the amount of € 293 million (€ 222 million) and the net allocation to general loan loss provisions in the amount of € 127 million. Compared to the reference period a net reversal in the amount of € 96 million is shown. The increase in both is mainly attributable to ship financing.

Net commission income fell to € 77 million, a fall of € 6 million compared to the same period of the previous year. The € 15 million reduction in commission income is seen alongside a € 9 million reduction in commission expenses. Commission income from banking transactions fell by 10 per cent, which is primarily attributable to the fall in other standard bank commission income in the amount of € 16 million and commission income from trust activities in the amount of € 9 million. The fall could not be compensated for by the increase in income from security transactions and custody activities in the amount of € 3 million and the lending and guarantee business in the amount of € 9 million).

Profit/loss from financial instruments at fair value through profit/loss including hedge accounting affected by positive development from the use of the fair value option.

The **profit/loss from financial instruments at fair value through profit or loss including hedge accounting** was € 102 million and therefore improved by € 270 million as compared to the reference period. Interest rate rises and the increase of NORD/LB's credit spread as compared to the same period of the previous year affected the valuation of structured liabilities through profit or loss. Conversely, rising interest rates as well as the greater credit spreads of issuers of bonds held and promissory notes resulted in valuation losses. Profit/loss from interest derivatives was also negatively affected by interest rate trends. Positive effects were noted in terms of currency derivatives on account of a slight narrowing of the EUR/USD base spread which is determinative for the valuation.

The **profit/loss from financial assets** is € –4 million and is therefore € 16 million lower than the previous year's figure. This is attributable in particular to an increased loan loss provisions requirement, which could not be fully compensated for by income from the disposal of debt securities and fixed-interest securities and income from the sale of investment fund shares.

The **profit/loss from investments accounted for using the equity method** in the period under review totalled € 18 million and is € 26 million above the previous year's figure. The reference period's figure was affected by a write-down in the amount of € 26 million. The positive proportionate profit/loss from investments accounted for using the equity method totalled € 19 million and was therefore slightly above the previous year's figure.

Administrative expenses rose by € 21 million compared to the comparable period of the previous year. The increase in other administrative expenses as well as increased personnel expenditure due to collective bargaining agreements was partly compensated for by a reduction in write-downs of property, plant and equipment as well as lower legal, consultancy and auditing costs.

Increased income in the insurance business and falls in issued bonds improved other operating profit/loss.

With a net expenditure of € 24 million the **other operating profit/loss** rose by € 11 million year-on-year. This is largely attributable to increased yields of € 62 million in the insurance business. Higher expenditure from the allocation to provisions had a compensatory effect. This primarily related to net allocations to insurance coverage of an extra € 46 million in the insurance business. The bank levy resulted in an expense of € 37 million, which has already been fully included for 2013.

The **reorganisation expenses** of € –18 million are attributable in the amount of € 17 million to allocations made to reorganisation provisions as part of the efficiency improvement programme for contractual agreements already concluded as at the balance sheet date concerning the termination of contracts of employment. Further, € 1 million is attributable to projects with the aim of leveraging significant cost synergies.

Expenses for public guarantees related to reorganisation relate entirely to premiums for the guarantee measures of the federal states of Lower Saxony and Saxony-Anhalt as part of the capital-boosting programme.

Income taxes in the interim financial statements are calculated based on the anticipated income tax rate for the individual companies for the whole year.

Assets and Financial Position

(in € million)	30 Jun. 2013	31 Dec. 2012	Change
Loans and advances to banks	28 424	34 378	– 5 954
Loans and advances to customers	110 742	114 577	– 3 835
Loan loss provisions	– 2 164	– 1 949	– 215
Financial assets at fair value through profit or loss	14 925	17 920	– 2 995
Positive fair values from hedge accounting derivatives	3 871	4 924	– 1 053
Financial assets	49 263	52 423	– 3 160
Investments accounted for using the equity method	293	318	– 25
Other assets	2 888	2 959	– 71
Total assets	**208 242**	**225 550**	**– 17 308**
Liabilities to banks	58 769	65 079	– 6 310
Liabilities to customers	56 893	55 951	942
Securitised liabilities	52 609	60 619	– 8 010
Financial liabilities at fair value through profit or loss	17 650	20 724	– 3 074
Negative fair values from hedge accounting derivatives	3 788	4 908	– 1 120
Provisions	4 319	4 137	182
Other liabilities	1 598	1 599	– 1
Subordinated capital	4 740	4 833	– 93
Reported equity including minority interests	7 876	7 700	176
Total liabilities and equity	**208 242**	**225 550**	**– 17 308**

The **balance sheet total** fell by € 17.3 billion compared to 31 December 2012. On the assets side this was due in particular to a reduction in loans and advances to banks and customers, financial assets and financial assets at fair value through profit or loss and financial assets. On the liabilities side the fall in the balance sheet total is reflected in a fall in securitised liabilities, liabilities to banks and financial liabilities measured at fair value through profit or loss.

Total assets fell by € 17.3 billion due inter alia to the fall in receivables from money market transactions and the reduction of the RWA.

The item **Loans and advances to banks** fell by € 5,954 million year-on-year. This change is mainly due to the reduction in receivables from repo transactions to banks in Germany and other loans and advances to banks in Germany.

Loans and advances to customers are still the largest balance sheet item at 53 per cent (51 per cent). Compared to the previous year, this item has reduced by € 3,835 million. This reduction is primarily due to the reduction in receivables from repo transactions to banks in Germany and reduced receivables from time money. The other receivables are falling on account of portfolio reduction and low new business.

Loan loss provisions increased compared to the previous year by € 215 million to € 2,164 million. This was mainly attributable to the increase in loan loss provisions in ship financing.

Loan loss provisions heavily affected by loan loss provisions in the area of ship financing.

Financial assets at fair value through profit or loss comprise trading assets and financial assets designated at fair value and are € 2,995 million below the previous year's level. This change is also reflected in the liabilities side.

Financial assets have reduced compared to the previous period by € 3,160 million and now total € 49,263 million. This is mainly attributable to the reduction of AfS financial assets in the context of the reduction of risk-weighted assets (RWA).

Liabilities to banks have fallen by € 6,310 million compared to the previous year. The fall is primarily due to the reduction in liabilities from repo transactions and other liabilities to banks in Germany.

Liabilities to customers are at around the previous year's level at € 56,893. An increase of € 562 million in savings deposits was recorded in private customer business.

The reduction in **securitised liabilities** of € 8,010 million to € 52,609 million is attributable to the maturity of Pfandbriefe (covered bonds) and other debt securities. New issues were not made at a comparable level.

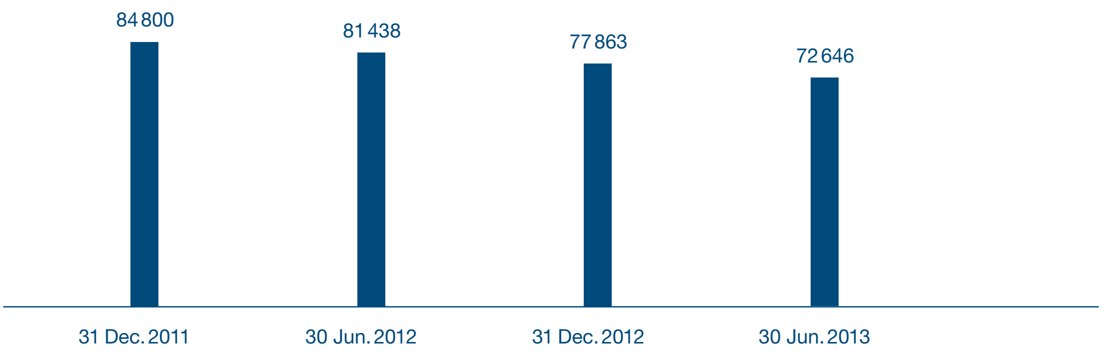
Liabilities at fair value through profit or loss comprise trading liabilities and financial liabilities designated at fair value. These fell by € 3,074 million year-on-year.

Over the reporting period **subordinated capital** fell by € 93 million. The fall is largely to with the repayment of silent partnership contributions.

The increase in the **reported equity capital** is principally attributable to the development of the revaluation reserve, which is affected by the development of spreads relevant to valuation.

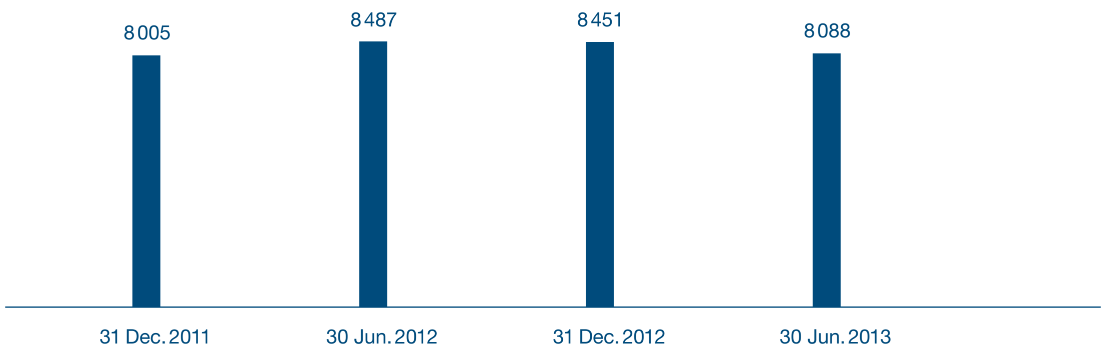
Total risk-weighted assets, the total capital requirements for market price risks and operational risks, are broken down as follows:

RISK-WEIGHTED ASSETS (in € million)



The core capital for solvency reasons has changed as follows:

CORE CAPITAL FOR SOLVENCY PURPOSES (in € million)



NORD/LB determined the regulatory IRB shortfall in accordance with the provisions of the German solvency regulation (Solvabilitätsverordnung, SolvV, IRB-Foundation). In the first half of 2013 the shortfall rose from € 1,565 million as at 31 December 2012 to € 2,270 million as at 30 June 2013.

This was primarily due to the increase in the regulatory deficits in valuation allowances (shortfall) pursuant to SolvV for NORD/LB Group's ship portfolios.

SUMMARY

Profit/loss has improved compared with the first quarter of 2013, but is still severely affected by the shipping crisis as compared to the previous year.

SUPPLEMENTARY REPORT

No events that are of relevance for the period under review from 1 January to 30 June 2013 have taken place after the reporting date of 30 June 2013.

FORECASTS AND OTHER INFORMATION ON ANTICIPATED DEVELOPMENTS

General Economic Development

Global Economic Outlook

Incremental increase in growth strength in the later course of the year.

An only gradual improvement in growth is anticipated for the global economy for the rest of the year and the coming year. The development of the early indicators and in particular the outlook that the eurozone will soon have put at least the recession behind it suggests that the global economic slump will soon be overcome. Solid GDP growth of 1.5 per cent is expected for the USA in 2013 in advance of a significant upswing in economic output next year. Conversely, China's economy is looking less dynamic. Further, risks remain in many industrial countries due to the financial and debt crisis. The capital markets will continue to focus in particular on the progress of the structural adjustments in the eurozone countries.

Economic Forecast for Germany and the Eurozone

Moderate GDP growth for Germany of 0.6 per cent expected compared to the previous year.

The outlook for the German economy has barely changed since the forecast from six months ago. The assessment that the economic downturn in the winter half-year was the low-point turned out to be correct and growth in the spring was boosted by recovery effects. Furthermore sentiment has improved continiously. Overall moderate GDP growth for 2013 in Germany of 0.6 per cent compared to the previous year is expected.Conversely, growth of around 2 per cent should be achievable for the following year given a more favourable global economic situation – provided there are no new shocks as a consequence of the debt crisis.

The outlook for economic development in the eurozone countries has improved of late. The most important sentiment indicators rose gradually, although from a very low level. The debt crisis remains the greatest economic risk for the eurozone countries, despite the recent stabilisation of the markets. A number of countries in the eurozone therefore did not achieve their original consolidation targets, which is why adjustment measures to meet the Commission's requirements in relation to the excessive deficit procedure have been taken. In this respect the additional discretionary fiscal burdens will be less in 2013 than previously expected. In the context of the debt crisis, the focus will remain above all on the two major economies of Spain and Italy, despite the improved sentiment in the financial markets. The contraction eased substantially in both countries in the spring. For 2013 the low consumption and investment levels will result in an expected fall in economic output of 0.5 per cent in the eurozone. Nonetheless, this forecast is still based on the expectation of a moderate, sustained recovery, even if the downwards risks are still high. The eurozone's deficit ratio will hit the mark of 3 per cent of GDP (Maastricht criterion) for the first time in 2013 despite the poor economic situation.

Inflationary pressure will be low both in the eurozone and in Germany this and next year. The rate of inflation for consumer prices in Germany and the eurozone will again be below 2.0 per cent compared to the previous year.

Development of International Financial Markets

The slowdown in the financial markets seen for just under a year will continue for the rest of the year and also next year. Although new areas of conflict in the eurozone, such as the discussion surrounding a new haircut for Greece, are foreseeable, the financial markets may have developed a certain resilience to new conflicts in the interim. What is more likely is that markets will be stimulated by the question as to the start of the turning point in the US Federal Reserve's monetary policy orientation and the associated implications for interest rates in the USA and on this side of the Atlantic. The reactions in June were definitely a taste of things to come in this regard.

However, at least the European Central Bank (ECB) will stick to its extremely expansive monetary policy for a long time to come. An initial interest rate increase is not expected until 2015, and this will only occur provided the economic situation demonstrates lasting stability by then. A massive hike in interest rates is therefore unlikely in the eurozone, even if a normalisation of German Federal bonds gradually sets in on account of the lower risk of uncontrollable negative developments in the context of the debt crisis. With an increase in yields at the long end, this should result in a somewhat steeper structural yield curve.

Regarding the trends in the EUR/USD basis swap market we expect slightly higher EUR/USD basis swap rates in the short term (to the end of the year), although we anticipate the development of the longer-term EUR/USD basis swap rates to remain unchanged. The key driver for the development of the spreads will continue to be the sovereign debt crisis in the eurozone.

Banking Market Development

The European banking market continues to face challenges five years after the financial market crisis started. A sustained stabilisation of the market is still a long way off. The cautious economic outlook for 2013 in the majority of European countries implies that there will continue to be difficulties concerning the credit quality, capital adequacy and earnings potential of banks. Further efforts will be necessary to improve the stability of financial markets. These mainly involve the further reduction of balance sheet risks, the boosting of equity, the maintenance of capital market capability and the increasing of earnings potential. This process will be accompanied in future by a tighter regulatory environment. This applies equally for the German banking market.

Asian banks have largely emerged unscathed from the current financial crisis. This is primarily attributable to the fact that Asian banks on the whole have relatively low exposure to borrowers in the European crisis countries and sound capital resources. It is also the case for US banks that their exposure to the European crisis countries poses no threat to their own stability. Additionally, an ongoing recovery of the US banking sector is apparent. US banks were able to substantially improve their profitability in the first half of 2013. A key influencing factor here was the improved economic environment in the USA, which has recently accelerated the reduction of balance sheet risks. Further, the US banks benefited from adequate capitalisation that enables more stringent regulatory requirements to be satisfied in future.

Ships

The newly revised assumptions (from the beginning of July 2013) of the International Monetary Fund (IMF) regarding the development of the global economy, tellingly dubbed “growing pains”, suppressed the hope for a short-term turnaround in the shipping industry.

Containers

A key feature of the container sector will continue to be the delivery of more large container ships in the second half of 2013. The leading players in particular will take delivery of 40 more large container ships (approximately 45 per cent of deliveries in 2013) of the classes above 7,500 TEU in the coming months. Given the ships’ size, the areas of deployment will be restricted to long-distance routes. A positive aspect is that the shipyards can reduce the costs/TEU. The negative consequence, however, is the continuing cascade effect, which can ultimately trickle down to the feeder segments. At the mid-point of the year three quarters of undeployed ships are in the classes up to 3,000 TEU. Total fleet growth for 2013 is estimated at 6.7 per cent. At the end of the year the available TEU worldwide will have increased to 17.4 million. As the peak season again seems to be faring poorly, no significant gains are anticipated especially in charter rates in this and the final quarter of the year. However, relief is to be had on the cost side. Drastic increases in bunker prices are not evident for the time being.

Giant container vessels reduce costs.

Tankers

The International Energy Agency (IEA) reacted to the IMF's revised global growth forecasts with an adjustment of oil consumption data in the current year. An oil consumption of 90.6 million barrels/day is assumed for 2013, which is slightly higher than the previous year's value of 89.8 million barrels/day. The Organization of the Petroleum Exporting Countries (OPEC) also revised its forecast for global oil demand slightly downwards to 89.6 million barrels/day at the mid-point of the year. Parallel to this almost unchanged level of demand is a considerable expansion in tonnage especially in the VLCC (very large crude carrier) segment in the current year. Because there are next to no incentives to take more capacity out of the market due to lower scrap prices and the almost complete phase-out of single hull tankers, the pressure on rates will continue throughout the second half of 2013. Although the order book-to-fleet ratio is now falling, in 2013 and 2014 a large number of deliveries will still flood the over-supplied overall market.

Product tankers benefit from new production locations.

The imbalance in the crude oil segment is countered by a relaxation in the framework conditions for product tankers. This market is starting to take off. Expanding refining industries in the Middle East and developments in US exploration are reorganising goods flows. The shipping sector is already reacting with increasing orders for new ships. The narrowing of the spread between the supply and demand side suggests that the fundamentals remains more positive than in the crude market.

Bulkers

The market for bulk shipping remains dependent on the Chinese market. Demand will continue to influence development in the remaining quarters, especially in the key capesize segment. However, there will be little change in the existing over-capacities in the sector. Whilst sea trade in bulk goods is anticipated to rise by some 5 per cent, the fleet tonnage is expected to increase by 7 per cent in the current year. The effects of the latest bumper harvest season in Latin America will not last into the fourth quarter, meaning that at best a sideways movement in the rates of Panamax ships in particular can be expected. The extent to which China's steel production will exceed the previous year's values given current scenario of economic growth being towards the lower end of the forecasts will have corresponding effects on the capesize segment. A similarly volatile development of rates as in the previous year is not unlikely.

Cruise Ships

The growth of the cruises segment continues. International organisations and associations forecast further growth in passenger numbers. There is good reason why the order books are so full. 22 new cruise ships with a capacity of 66,917 passengers will be delivered between 2013 and 2016. The response in German ports – increased calls, expansion of investors – also shows the positive momentum in this niche.

Others

The offshore market in Latin America in particular is benefiting from state programmes and the emerging markets' hunger for energy. However, as demands on the vessels used increase with the opening up of new operating areas, there is a need for renovating and upgrading the different fleet segments already in use. In terms of oil and energy prices, which appear to be subject to an upward trend in the long term, investment in the offshore industry is certainly worthwhile. Whilst main potential of wind energy is in the developed countries, offshore oil and gas production remains a key issue around the world, whereby the prospects for the future vary as illustrated by the decreasing production volumes in the North Atlantic, for example.

Aircraft

According to the International Air Transport Association (IATA), passenger growth will increase by 5.3 per cent in 2013 (revenue passenger kilometres (RPK)) with a capacity growth of 4.3 per cent (average seat kilomedters (ASK)). As the forecast capacity expansion of the airlines is below the level of expected passenger growth, the utilisation and thus the operative development of the airlines should improve. For global airfreight the IATA is forecasting growth of 1.5 per cent (freight tonnage kilometres (FTK)). These forecasts are based on an anticipated global economic growth of 2.2 per cent. Between 2012 and 2016 IATA is expecting an average growth rate per year of 5.0 per cent (RPK) for global passenger traffic and 4.2 per cent (FTK) for air freight. From 2012 to 2016 the IATA is expecting an average annual growth rate of 5.8 per cent (RPK) for international passenger traffic and 4.7 per cent (FTK) for airfreight. Given the restricted capacity expansion IATA is expecting a higher average global utilisation of 80.3 per cent in 2013 than in the previous year (79.2 per cent). The operative business development of the airlines should improve in 2013 as compared with the previous year despite the continued economic difficulties. For 2013 IATA is currently expecting a net profit of airlines worldwide of $ 12.7 billion with a net margin of around 1.8 per cent. The development in the passenger business is expected to be slightly higher (0.3 per cent), whilst a fall in air freight is anticipated (2.0 per cent).

Passenger growth expected in 2013.

NORD/LB assumes that in 2013 the orders from Boeing and Airbus will be quieter than in the previous year and will therefore fall overall. The background to this is that in 2012 orders from Boeing in particular were stimulated by the introduction of the 737MAX. As both Boeing and Airbus expanded their production capacity in 2012, the number of new aircraft deliveries will continue to rise in 2013.

Increase in the number of new aircraft deliveries in 2013.

Real Estate

Similar to the previous years, a further increase in global investments in commercial real estate is expected for the whole of 2013. An increase in the global investment volume of 10 to 15 per cent to around $ 450 to 500 billion is expected in particular due to the positive start to the current year. This would mark the highest point since the onset of the financial and economic crisis. On a regional level developments will continue to vary greatly given the divergent economic forecasts.

Further rise in investment volume expected.

The German investment market for commercial real estate should remain strong in the second half-year. This will be facilitated by the stable economic framework conditions as well as low interest rates. Core properties remain in short supply. Investors' readiness to take risks should increase further in the second half-year. Only the limited financing options could put a brake on a further significant increase in the investment volume. Overall it is expected that the investment volume in commercial real estate will reach at least the previous year's level (around € 25 billion). The ongoing trend towards office real estate should result in a further fall in initial rates of return given the limited supply of prime properties in some office strongholds.

The German residential market remains attractive from an investor's perspective given the still modest completion figures alongside a sustained high demand, in particular in the large cities. For the year as a whole the transaction volume should reach the previous year's level.

A turnaround is expected in Great Britain. Given the low level of new builds, an increasing scarcity of prime real estate is evident. Severe value corrections in the secondary markets in the previous year mean that real estate prices will reach a level that is once again attractive to investors. In France the investment volume in 2013 is expected to fall year-on-year. This is due a negative economic development and continuing high levels of state debt. No appreciable recovery of the French economy is expected before 2014. In the Benelux states, too, the poor prospects for the economy and the labour market mean that no significant recovery of the real estate markets is foreseeable for the rest of the year. Despite the fact that economic growth is expected to be somewhat lower year-on-year, the Polish real estate market should achieve around the same level in 2013 as the previous year.

Strategic Development of the NORD/LB Group

Based on the conditions of the national economy, the NORD/LB Group will continue to pursue its proven customer-oriented business model and its risk-conscious business policy. The essence of NORD/LB's business model is to focus business activities closely on customer needs and to continually improve its risk-adjusted profitability. In the process the focus is increasingly on separating earnings growth from RWA growth and to secure its funding. NORD/LB will continue to focus on its core business and reduce its non-strategic portfolios.

NORD/LB is concentrating increasingly on its regional activities and target customers.

NORD/LB expects that it will continue to benefit from the high level of diversification in its business portfolio, which is characterised by the financing of various asset classes with opposing cycles. The savings bank network business in the owners' region, which is important for NORD/LB as a state bank, the retail banking and the very granular and profitable corporate banking business will be reinforced in the business model. Renewable energies business will also play an important role in the business model. Here NORD/LB can point, not least of all due to its regional location in Northern Germany, to many more years of success and experience than its competitors. The importance of the overall portfolios for shipping and real estate will on the whole be re-scaled with an eye to the future in order to obtain an even more balanced risk structure. However, these areas will remain supporting pillars of the business model in future. In summary, NORD/LB will in future concentrate even more on its (extended) regional activities and focus on its target customers. The strategic focus emphasises the aspiration stated in NORD/LB's vision, i.e. of being a leader in its target markets.

NORD/LB is seeking, by pushing RWA-friendly transactions, to improve the earnings structure in its core business with a view to increasing net commission income. This should be achieved by NORD/LB being perceived in its markets as a competent partner for its customers and by the many years of know-how in its business segments.

As part of the approval process for the capital-boosting programme, NORD/LB and the EU Commission agreed a catalogue of commitments for the development of the NORD/LB Group in the next few years. The commitments endorse the path that the NORD/LB Group has already taken.

Outlook for the NORD/LB Group

NORD/LB Groups first half of the financial year 2013 has been satisfactory with regard to income and administrative expenses. However, it is evident that the challenges to the shipping business presented in previous years have not yet been overcome. For example, the result for the first half-year includes significant loan loss provisions made in particular in the shipping portfolio. Whole-year values such as the bank levy are also included in full.

NORD/LB expects increase in income as compared to the previous year.

Based on the stable business model, the NORD/LB Group expects improved earnings year-on-year with a corresponding development of RoE and CIR. However, this assessment entails risks due to the current conditions, the burdens resulting of the shipping crisis and the background of the debt crisis.

In addition, the NORD/LB Group faces strong competition from banks for certain customer groups with the resulting pressure on margins, but there are also opportunities for new business due to the bank's good reputation. Overall, NORD/LB will remain on its cautious development path; however, a significant rise in earnings is only expected in the medium term after the national debt crisis in the eurozone has been overcome and the shipping markets have recovered.

The EU Capital Requirements Regulation (CRR), which should transpose the so-called “Basel III” regulations into EU law, is come into effect in 2014. Thanks also to the extensive capital measures successfully implemented in 2011 and 2012, the NORD/LB Group will according to the actual evaluation by its management meet the increased requirements for minimum capital, even taking into account the current development in deficits in valuation allowances (shortfall) to be allowed for. The bank will continue to respond appropriately to such developments in the scope of its management of the RWA and/or further capital measures.

In its estimation of its medium-term development, the NORD/LB Group assumes that there will be a positive economic climate and that the economy will continue on a sustainable path of growth. The planned increase in earnings in the medium term will focus on growth in all earnings components and at the same time improving the earnings structure, the return to normal loan loss provisions and a restriction of administrative expenses. In the medium term the issue of refinancing will continue to be of key importance to NORD/LB in particular in longer maturity periods.

Given the planned development of earnings and expenditure, with loan loss provisions at the level of the required imputed covering, the bank expects earnings before taxes to increase significantly in the period of 2014 to 2016, accompanied by a corresponding improvement in key figures.

RISK REPORT

The risk management of the NORD/LB Group, the corresponding structures and procedures, the processes and methods implemented for measuring and monitoring risk and the risks to the Group's development were described in detail in the Annual Report 2012. Only significant developments in the period under review are addressed in this interim report.

Risk-Bearing Capacity

The utilisation rate for risk capital in the going-concern scenario is 44 per cent as at 30 June 2013 and therefore slightly above the utilisation rate as at 31 December 2012. The rise in utilisation is attributable to a reduction in risk capital and an increase in risk potential. The worsening situation in the shipping portfolio is resulting in an increase in regulatory deficits in valuation allowances (shortfall), which reduce risk capital.

Risk-bearing capability remains strong as at 30 June 2013.

Risk-bearing capacity is given up to a utilisation rate of 100 per cent. Utilisation is again significantly lower as at the reporting date. The buffer of 20 per cent (maximum utilisation of 80 per cent) set in the risk strategy is also not required. The risk-bearing capacity is also given in the gone-concern scenario of the risk-bearing capacity model.

The utilisation rate for risk capital in the going-concern scenario can be seen in the following table which shows risk-bearing capacity for the NORD/LB Group:

(in € million) [1]	Risk-bearing capacity 30 Jun. 2013		Risk-bearing capacity 31 Dec. 2012	
Risk capital	**3 205**	**100 %**	**3 388**	**100 %**
Credit risk	949	30 %	890	26 %
Investment risk	47	1 %	44	1 %
Market-price risk	452	14 %	354	10 %
Liquidity risk	99	3 %	114	3 %
Operational risk	78	2 %	72	2 %
Other [2]	– 212	– 7 %	– 98	– 3 %
Total risk potential	**1 413**		**1 376**	
Risk capital utilisation		**44 %**		**41 %**

[1] Total differences are rounding differences.
[2] Includes adjustment items for the comparison between the regulatory and economic loss expectations.

The specifications of the Group risk strategy concerning the allocation of risk capital to risk types continue to be complied with. Of the significant risk types included in the model, namely credit, investment, market price, liquidity and operational risk, credit risk is by far the most significant.

Credit Risk

The maximum default risk amount for on-balance-sheet and off-balance-sheet financial instruments fell further in the first six months of 2013. This fall is attributable to all on-balance-sheet items and in particular to the reduction in loans and advances to banks.

Risk-bearing financial instruments (in € million)	**Maximum default risk 30 Jun. 2013**	**Maximum default risk 31 Dec. 2012[1)]**
Loans and advances to banks	28 421	34 375
Loans and advances to customers	108 581	112 631
Adjustment item for financial instruments hedged in the fair value hedge portfolio	– 135	– 3
Financial assets at fair value through profit or loss	14 925	17 920
Positive fair values from hedge accounting derivatives	3 871	4 924
Financial assets	49 263	52 423
Sub-total	**204 926**	**222 270**
Liabilities from guarantees, other indemnity agreements and irrevocable credit commitments	15 592	14 559
Total	**220 518**	**236 829**

[1)] The previous year's figures were adjusted accordingly.

The total exposure used for internal control also fell in the period under review from € 232 billion to € 223 billion. The fall is primarily the result of the reduced exposures to financing institutes, insurance companies and public authorities.

Slight fall in credit exposure.

The quality of the NORD/LB Group's credit portfolio deteriorated slightly in the first half of 2013 due to continual rating migrations in the ship business segment. In the classes with a very good to satisfactory rating there was a slight fall, while the exposure in the rating classes with a high to very high risk rose slightly. The share of non-performing loans also rose from 2.7 to 3.7 per cent, in particular of the continuing downgrading in the shipping portfolio.

Further rating downgrades in the shipping portfolio.

The Rating Structure table shows the breakdown of the total exposure in the NORD/LB Group (existing and new business) by rating class and product type. The share of items in the rating category "Very good to good" remains at a high level at 73 per cent (74 per cent) as at 30 June 2013. This is explained in particular by the significance of business conducted with financing institutions and public authorities and is at the same time a reflection of the risk policy of the NORD/LB Group.

Rating structure [1] [2] (in € million)	Loans [3] 30 Jun. 2013	Securities [4] 30 Jun. 2013	Derivates [5] 30 Jun. 2013	Other [6] 30 Jun. 2013	Total exposure 30 Jun. 2013	Total exposure 31 Dec. 2012
Very good to good	96 479	43 866	10 295	12 976	163 616	171 867
Good / satisfactory	13 682	2 894	1 306	1 312	19 194	19 934
Reasonable / satisfactory	9 352	1 396	236	1 226	12 210	14 315
Increased risk	9 507	484	483	343	10 817	10 210
High risk	3 097	474	98	101	3 770	4 465
Very high risk	4 958	124	64	43	5 189	5 127
Default (=NPL)	8 019	60	58	25	8 161	6 337
Total	**145 094**	**49 298**	**12 540**	**16 026**	**222 957**	**232 257**

[1] The allocation is made based on the IFD rating classes.
[2] Total differences are rounding differences.
[3] Includes utilised and committed loans, sureties, guarantees and other non-derivative off balance sheet assets, whereby, as in the internal reporting, the irrevocable credit commitments are generally included at 45 per cent (45 per cent) and revocable credit commitments at 25 per cent (25 per cent). The conversion factors are validated annually.
[4] Includes the own stocks of securities issued by third parties (banking book only).
[5] Includes derivative financial instruments such as financial swaps, options, futures, forward rate agreements and currency transactions.
[6] Includes other products such as transmitted loans and loans administered for third-party account.

The breakdown of total exposure by industry group shows that business conducted with financing institutions and with public authorities accounts for 59 per cent (60 per cent) and still constitutes a significant share of the total exposure.

Industries [1) 2)] (in € million)	Loans [3)] 30 Jun. 2013	Securities [4)] 30 Jun. 2013	Derivates [5)] 30 Jun. 2013	Other [6)] 30 Jun. 2013	Total exposure 30 Jun. 2013	Total exposure 31 Dec. 2012
Financing institutes/ insurance companies	39 112	27 394	8 109	8 132	82 747	86 630
Service industries/other	59 332	19 531	2 437	1 997	83 297	87 379
– Of which: Land, housing	19 207	–	435	465	20 107	20 584
– Of which: Public administration	28 234	19 213	1 697	165	49 308	52 620
Transport/communications	27 496	844	668	251	29 259	30 566
– Of which: Shipping	17 194	0	261	59	17 513	18 316
– Of which: Aviation	7 010	–	117	0	7 127	7 853
Manufacturing industry	5 057	594	521	216	6 388	6 980
Energy, water and mining	7 907	783	520	4 104	13 315	12 768
Trade, maintenance and repairs	3 280	78	157	320	3 835	3 924
Agriculture, forestry and fishing	758	28	6	931	1 722	1 684
Construction	2 152	47	123	74	2 395	2 325
Total	**145 094**	**49 298**	**12 540**	**16 026**	**222 957**	**232 257**

1) Allocated in alignment with the risk-bearing capacity report in accordance with economic criteria.
2) to 6) See the previous chart on the rating structure.

Germany and the eurozone remain the most important business region.

The breakdown of the entire credit exposure by region shows that the eurozone accounts for a high share of 83 per cent (84 per cent) of total exposure and remains by far the most important business region of the NORD/LB Group. Germany's share is 68 per cent (69 per cent).

Regions [1) 2)] (in € million)	Loans [3)] 30 Jun. 2013	Securities [4)] 30 Jun. 2013	Derivates [5)] 30 Jun. 2013	Other [6)] 30 Jun. 2013	Total exposure 30 Jun. 2013	Total exposure 31 Dec. 2012
Euro countries	119 350	41 849	8 031	15 937	185 168	194 389
– Of which: Germany	104 998	27 190	4 664	15 353	152 206	160 553
Other Europe	10 876	2 811	2 907	63	16 657	15 208
North America	6 524	3 174	1 394	14	11 106	12 987
Middle and South America	2 589	212	14	0	2 815	3 046
Middle East/Africa	1 530	21	1	0	1 552	1 167
Asia/Australia	4 224	1 232	193	11	5 660	5 460
Total	**145 094**	**49 298**	**12 540**	**16 026**	**222 957**	**232 257**

1) Allocated in alignment with the risk-bearing capacity report in accordance with economic criteria.
2) to 6) See the previous chart on the rating structure.

The exposure in Greece, Ireland, Italy, Portugal and Spain, and in particular to financing institutes and insurance companies, reduced further in the first half of 2013 and is now € 10.8 billion (€ 11.6 billion). Their share in the total exposure is only 5 per cent. The share of receivables owed by the respective countries, regional governments and municipalities is € 2.9 billion (€ 2.9 billion) and still 1 per cent of the total exposure.

Exposure in selected European countries [1) 2)] **(in € million)**	Greece		Ireland		Italy		Portugal		Spain		**Total**	
	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012
Sovereign Exposure	0	0	293	294	1 871	1 894	350	350	372	394	2 887	2 932
– Of which: CDS	–	–	190	189	76	76	194	194	–	–	460	459
Financing institutes/insurance companies	–	–	644	845	1 418	1 784	292	305	2 270	2 408	4 624	5 342
Corporates/Other	234	243	2 191	2 185	142	150	184	192	540	575	3 291	3 345
Total	**235**	**243**	**3 128**	**3 324**	**3 431**	**3 828**	**826**	**847**	**3 182**	**3 377**	**10 801**	**11 619**

1) The figures are reported, as in the internal reporting, by the country in which the borrower is legally domiciled.
2) Total differences are rounding differences.

The NORD/LB Group has an exposure of € 1,150 million in Cyprus in the Corporates category. This primarily concerns a shipping exposure whose economic risk lies outside of Cyprus. The NORD/LB Group does not have any sovereign exposure or exposure to financing institutes and insurance companies in Cyprus.

In Hungary the NORD/LB Group has an exposure of € 457 million (€ 321 million sovereign exposure, € 93 million financing institutes and insurance companies, € 43 million Corporates/others), in Slovenia € 55 million (€ 30 million sovereign exposure, € 25 million financing institutes and insurance companies). The exposure in Egypt is of minor significance.

The NORD/LB Group is also closely monitoring and analysing developments in the other countries mentioned. However, the Group does not consider it necessary to make any further provisions at this stage. Further details can be found in the Notes to the Interim Report in Note (35) Disclosures relating to selected European countries.

Sovereign Exposure in selected European countries by maturity [1) 2)] **(in € million)**	Greece	Ireland	Italy	Portugal	Spain	**Total**
	30 Jun. 2013	30 Jun. 2013	30 Jun. 2013	30 Jun. 2013	30 Jun. 2013	**30 Jun. 2013**
Up to 1 year	–	–	57	–	25	**82**
More than 1 up to 5 years	–	85	509	136	316	**1 046**
More than 5 years	0	208	1 305	214	31	**1 759**
Total	**0**	**293**	**1 871**	**350**	**372**	**2 887**

1) The figures are allocated by residual term of the contract and, as in the internal reporting, by the country in which the borrower is legally domiciled.

In addition to direct exposure, the reported exposure also comprises indirect exposure (primarily credit default swaps). The calculation is based on utilisation (in the case of guarantees the nominal value and in the case of securities the carrying amount) in accordance with German Commercial Code (HGB) and the credit equivalents resulting from derivatives (including add-ons and in consideration of netting). Irrevocable and revocable credit commitments are included proportionally in the total exposure, while securities against the NORD/LB Group are ignored.

Sovereign exposure also comprises exposures to regional governments, municipalities and state-related public-sector companies enjoying government guarantees.

Investment Risk

Further optimisation for the NORD/LB Group's investment portfolio.

As part of its ongoing measures to optimise the investment portfolio, NORD/LB ceased further non-core activities in the first six months of 2013.

In order to ensure the greater integration of Deutsche Hypo in NORD/LB, a control and profit and loss transfer agreement has been concluded between the two companies, which came into force on 1 January 2013 with a retrospective effect. Concurrently the exception provision (waiver) defined in § 2a paragraph 1 of the German Banking Act is used since 30 June 2013, which allows exceptions with regulatory requirements. The waiver was notified by Deutsche Hypo on 7 June 2013.

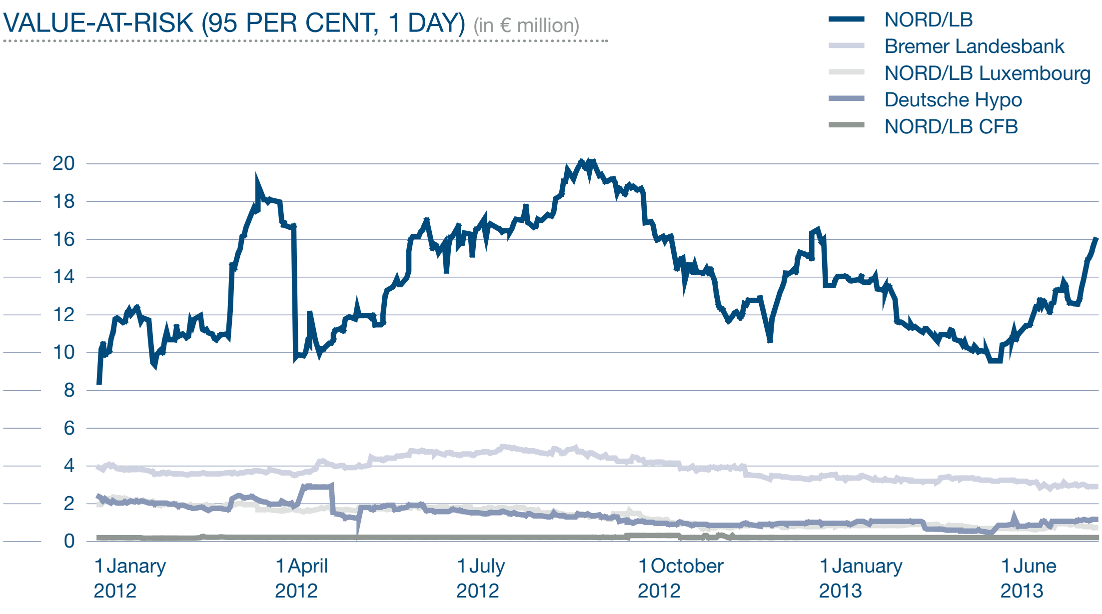
During the course of 2013 the focus will be on continuing to improve the control of investments in respect of the risk-return ratio. In addition to this, the process reliability and efficiency of the reporting on investments was improved by the implementation of a new IT application in the second quarter of 2013.

Market Price Risk

Market price risk is on the rise.

The market price risk of the NORD/LB Group (confidence level 95 per cent, holding period 250 days) rose in the first six months of 2013 from € 354 million to € 452 million. This increase is largely due to the expansion of interest rate measures in NORD/LB's investment portfolio. The increase is also noticeable in the Value-at-Risk (VaR) (confidence level 95 per cent, holding period one day) which is used for operational control.

VALUE-AT-RISK (95 PER CENT, 1 DAY) (in € million)



Between early January and late June, the daily total Value-at-Risk (VaR) calculated for the significant Group companies from a risk point of view (confidence level of 95 per cent, holding period of one day) fluctuated between € 14 million and € 22 million, with an average Value-at-Risk of € 18 million.

As at 30 June 2013, based on the development described above, an increase in the VaR (confidence level 95 per cent, holding period one day) of € 20 million compared to 31 December 2012 was calculated for the NORD/LB Group. The historical simulation method was used throughout the Group.

Market-price risks [1] (in € 000)	Maximum 1 Jan.– 30 Jun. 2013	Maximum 1 Jan.– 31 Dec. 2012	Average 1 Jan.– 30 Jun. 2013	Average 1 Jan.– 31 Dec. 2012	Minimum 1 Jan.– 30 Jun. 2013	Minimum 1 Jan.– 31 Dec. 2012	End-of year risk 30 Jun. 2013	End-of year risk 31 Dec. 2012
Interest-rate risk (VaR 95 %, 1 day)	20 644	27 198	16 867	22 253	13 410	16 492	19 345	15 878
Currency risk (VaR 95 %, 1 day)	850	2 154	637	1 209	387	703	635	419
Share-price and fund-price risk (VaR 95 %, 1 day)	1 224	1 197	933	715	270	153	891	922
Volatility risk (VaR 95 %, 1 day)	1 361	912	870	432	603	142	573	617
Other add-ons	104	171	60	73	27	19	48	42
Total	**21 835**	**28 068**	**17 586**	**22 217**	**13 786**	**16 652**	**19 837**	**16 463**

[1] Maximum, average and minimum risks are calculated on the basis of the VaR totals for the significant subsidiaries; end-of-year risks are consolidated figures.

The VaR in the NORD/LB Group calculated on the basis of regulatory parameters (confidence level 99 per cent, holding period of ten days) is € 128 million (€ 84 million) as at 30 June 2013. These figures also include, unlike the regulatory reporting, the interest rate and share price risks in the banking book.

The validation of the VaR model shows an improvement in the number of backtesting exceptions in NORD/LB's banking book in the period under review, which is based on technical developments. The remaining exceptions result primarily from fundamental risks, i.e. differences in the scope of movements in the various swap curves within the same currency leading to higher daily fluctuations in the cash value in the Treasury Division. The VaR model is still valid as the material risks for the banking books in the longer term due to general changes in interest rate or credit spread levels are considered fully in the VaR model. In addition to this, as part of the operational risk control, conservative mark-ups are added to the VaR values calculated on a daily basis.

Unlike the credit-spread risks for the liquidity reserve, the credit-spread risks of credit investments in the going-concern scenario are not included in the VaR for market price risks. They are measured and limited separately within the scope of internal control from a gone-concern perspective. In the first half of 2013, the credit investment items concerned were also further reduced by means of slimming down and targeted sales.

Liquidity Risk

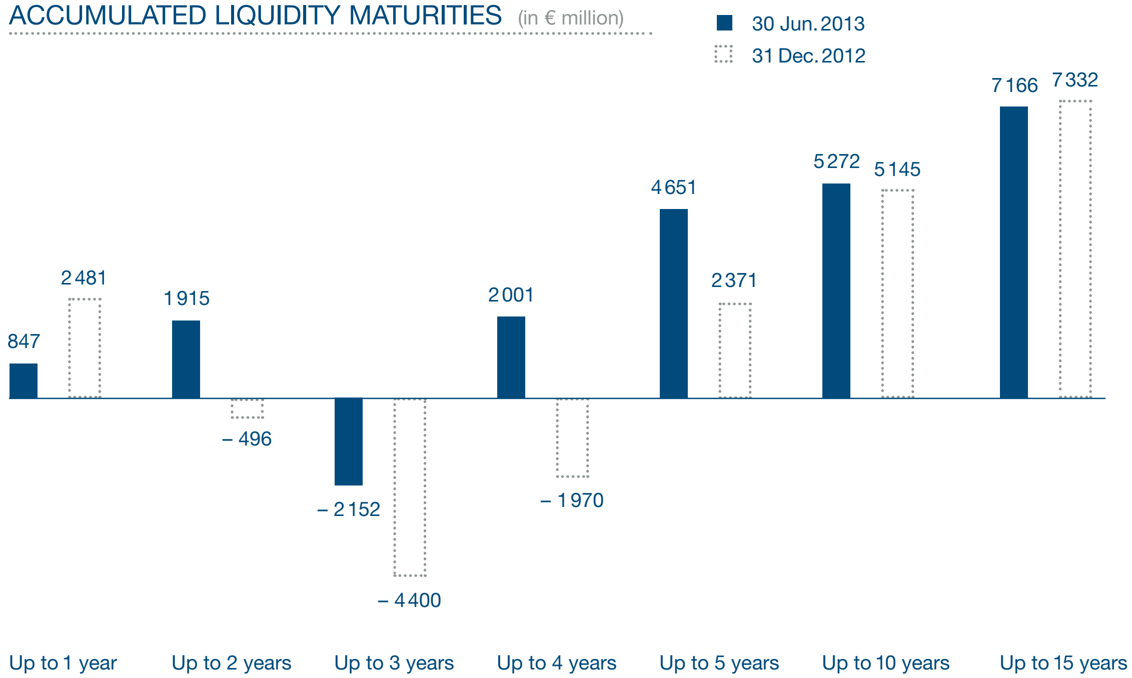
The liquidity situation in the markets stabilised in the first half of 2013 due to the measures taken by the states of the European Union (EU) and the European Central Bank (ECB), but continues to be characterised by uncertainty with regard to the possible medium to long-term impact of the national debt crisis on the EU periphery countries.

The cumulative liquidity maturity balance sheet as at 30 June 2013 exhibits an improved liquidity situation across almost all terms. The surplus liquidity has fallen in the maturity range up to 1 year. The NORD/LB Group had sufficient liquidity at all times during the first half of 2013. The liquidity risk limits derived from the risk-bearing capacity were complied with at all times at NORD/LB Group level; this applies for all currencies together and the principal individual currencies.

Improved liquidity situation over almost all terms.

The NORD/LB Group also operates in markets with the highest possible level of liquidity and maintains a portfolio of high-quality securities. As at the reporting date, significant companies from a risk point of view hold securities in the amount of € 57 billion (€ 58 billion), 90 per cent (85 per cent) of which are suitable for repo transactions with the European Central Bank or the US Federal Reserve.

ACCUMULATED LIQUIDITY MATURITIES (in € million)



In the period under review, the liquidity ratio in accordance with the German Liquidity Regulation (LiqV) was always well over the minimum of 1.00 required by regulatory provisions. The dynamic stress tests used for internal control showed a very good liquidity situation for the NORD/LB Group as at the reporting date. The liquidity buffers for one week and one month in accordance with the Minimum Requirements for Risk Management (MaRisk) are also complied with.

Liquidity ratio in accordance with the LiqV [1]	**30 Jun. 2013**	**31 Dec. 2012**
NORD/LB	1.76	1.52
Bremer Landesbank	1.91	2.01
Deutsche Hypo	1.66	1.49

[1] NORD/LB Luxembourg and NORD/LB CFB are not required to determine a comparable ratio by law.

Operational Risk

The set up of an integrated OpRisk management was continued in the first six months of 2013. At the moment a prototype uniform risk report is being developed, which shall combine the reports on the topics of internal monitoring system, compliance and security.

There are no significant legal risks as at the reporting date that would put the existence of the bank at risk.

Summary

The NORD/LB Group's development currently depends above all on the ongoing uncertainty developments in the shipping markets and the development of the euro countries. In addition, the ongoing discussion about the EU periphery countries will have an impact on the future situation. Similarly, the development of the US dollar exchange will have an influence on the capital ratios via the effects on the RWA and the transition to IFRS-based regulatory capital due to the implementation of Basel III in the EU. However, the NORD/LB Group considers these effects to be manageable and will continue closely to monitor and analyse developments.

NORD/LB Groups considers itself to be well prepared for coming challenges.

Beyond the above-mentioned risks, no new material risks can currently be identified. The NORD/LB Group has taken precautions to adequately account for all of the risks known to the bank and considers itself to be well prepared for the upcoming challenges.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2013

INCOME STATEMENT

	Notes	1 Jan.– 30 Jun. 2013 (in € million)	1 Jan.– 30 Jun. 2012[1] (in € million)	Change (in %)
Interest income		5 055	6 521	– 22
Interest expense		4 081	5 549	– 26
Net interest income	6	**974**	**972**	**–**
Loan loss provisions	7	– 432	– 146	> 100
Commission income		131	146	– 10
Commission expense		54	63	– 14
Net commission income	8	**77**	**83**	**– 7**
Trading profit/loss		– 134	164	> 100
Profit/loss from the use of the fair value option		235	– 343	> 100
Profit/loss from financial instruments at fair value through profit or loss	9	**101**	**– 179**	**> 100**
Profit/loss from hedge accounting	10	1	11	– 91
Profit/loss from financial assets	11	– 4	12	> 100
Profit/loss from investments accounted for using the equity method		18	– 8	> 100
Administrative expenses	12	575	554	4
Other operating profit/loss	13	– 24	– 35	31
Earnings before reorganisation and taxes		**136**	**156**	**– 13**
Reorganisation expenses	14	– 18	– 25	28
Expenses for public guarantees related to reorganisation	15	– 22	–	–
Earnings before taxes		**96**	**131**	**– 27**
Income taxes	16	9	64	– 86
Consolidated profit		**87**	**67**	**30**
of which: attributable to the owners of NORD/LB		69	64	
of which: attributable to non-controlling interests		18	3	

[1] Some previous year's figures were adjusted as you can see at note (3) adjustment of figures for the previous year.

INCOME STATEMENT – SUMMARY BY QUARTER

	2013 Q2	2013 Q1	2012 Q2[1)]	2012 Q1[1)]
Interest income	2 458	2 597	3 318	3 204
Interest expense	1 982	2 099	2 839	2 710
Net interest income	**476**	**498**	**479**	**494**
Loan loss provisions	– 191	– 241	– 113	– 33
Commission income	64	67	71	75
Commission expense	23	31	30	33
Net commission income	**41**	**36**	**41**	**42**
Trading profit/loss	– 51	– 83	42	122
Profit/loss from the use of the fair value option	149	86	– 238	– 105
Profit/loss from financial instruments at fair value through profit or loss	**98**	**3**	**– 196**	**17**
Profit/loss from hedge accounting	16	– 15	23	– 12
Profit/loss from financial assets	– 44	40	6	5
Profit/loss from investments accounted for using the equity method	8	10	8	– 16
Administrative expenses	281	294	273	281
Other operating profit/loss	43	– 67	– 8	– 27
Earnings before reorganisation and taxes	**166**	**– 30**	**– 33**	**189**
Reorganisation expenses	– 13	– 5	– 25	–
Expenses for public guarantees related to reorganisation	– 11	– 11	–	–
Earnings before taxes	**142**	**– 46**	**– 58**	**189**
Income taxes	23	– 14	– 7	71
Consolidated profit for the period	**119**	**– 32**	**– 51**	**118**
of which: attributable to the owners of NORD/LB	97	– 28	– 50	114
of which: attributable to non-controlling interests	22	– 4	– 1	4

[1)] Previous year's figures were adjusted as you can see at note (3) adjustment of figures for the previous year.

STATEMENT OF COMPREHENSIVE INCOME

The comprehensive income of the NORD/LB Group comprises the income and expense recognised in the income statement and in other comprehensive income (OCI). The classification of the statement of comprehensive income has been changed due to the amendment to IAS 1; for further information see Note (2) Accounting policies. The previous year's figures were adjusted accordingly.

	1 Jan.– 30 Jun. 2013 (in € million)	1 Jan.– 30 Jun. 2012[1] (in € million)	Change (in %)
Consolidated profit	**87**	**67**	**30**
Other comprehensive income that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit liability	10	– 174	> 100
Changes in value investments accounted for using the equity method recognised directly in equit	– 2	30	> 100
Deferred taxes	– 5	– 1	> 100
	3	**– 145**	**> 100**
Other comprehensive income that will be reclassified subsequently to profit or loss			
Increase / decrease from available for sale (AfS) financial instruments			
Unrealised profit / losses	148	226	– 35
Transfer due to realisation profit / loss	9	– 46	> 100
Translation differences of foreign business units			
Unrealised profit / losses	2	1	100
Changes in value investments accounted for using the equity method recognised	– 24	– 6	> 100
Deferred taxes	– 49	– 14	> 100
	86	161	– 47
Other profit / loss	**89**	**16**	**> 100**
Comprehensive income for the period under review	**176**	**83**	**> 100**
of which: attributable to the owners of NORD/LB	163	78	
of which: attributable to non-controlling interests	13	5	

[1] Some previous year's figures were adjusted as you can see at note (3) adjustment of figures for the previous year.

STATEMENT OF COMPREHENSIVE INCOME – SUMMARY BY QUARTER

	2013 Q2	2013 Q1	2012 Q2[1)]	2012 Q1[1)]
Consolidated profit	**119**	**– 32**	**– 51**	**118**
Other comprehensive income that will not be reclassified subsequently to profit or loss				
Remeasurements of the net defined benefit liability	8	2	– 56	– 118
Changes in value investments accounted for using the equity method recognised directly in equit	– 1	– 1	34	– 4
Deferred taxes	– 5	–	– 38	37
	2	**1**	**– 60**	**– 85**
Other comprehensive income that will be reclassified subsequently to profit or loss				
Increase / decrease from available for sale (AfS) financial instruments				
Unrealised profit / losses	– 16	164	– 246	472
Transfer due to realisation profit / loss	6	3	– 66	20
Translation differences of foreign business units				
Unrealised profit / losses	– 13	15	– 1	2
Changes in value investments accounted for using the equity method recognised	– 19	– 5	– 29	23
Deferred taxes	3	– 52	139	– 153
	– 39	125	– 203	364
Other profit / loss	**– 37**	**126**	**– 263**	**279**
Comprehensive income for the period under review	**82**	**94**	**– 314**	**397**
of which: attributable to the owners of NORD/LB	69	94	– 309	387
of which: attributable to non-controlling interests	13	–	– 5	10

[1)] Previous year's figures were adjusted as you can see at note (3) adjustment of figures for the previous year.

BALANCE SHEET

Assets	Notes	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Cash reserve		713	665	7
Loans and advances to banks	17	28 424	34 378	– 17
Loans and advances to customers	18	110 742	114 577	– 3
Loan loss provisions	19	– 2 164	– 1 949	11
Adjustment item for financial instruments hedged in the fair value hedge portfolio		– 135	– 3	> 100
Financial assets at fair value through profit or loss	20	14 925	17 920	– 17
Positive fair values from hedge accounting derivatives		3 871	4 924	– 21
Financial assets	21	49 263	52 423	– 6
Investments accounted for using the equity method	22	293	318	– 8
Property and equipment	23	624	635	– 2
Investment property		93	94	– 1
Intangible assets	24	130	142	– 8
Current income tax assets		39	50	– 22
Deferred income taxes		756	727	4
Other assets	25	668	649	3
Total assets		**208 242**	**225 550**	– 8

Liabilities and equity	Notes	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Liabilities to banks	26	58 769	65 079	– 10
Liabilties to customers	27	56 893	55 951	2
Securitised liabilities	28	52 609	60 619	– 13
Adjustment item for financial instruments hedged in the fair value hedge portfolio		501	895	– 44
Financial liabilities at fair value through profit or loss	29	17 650	20 724	– 15
Negative fair values from hedge accounting derivatives		3 788	4 908	– 23
Provisions	30	4 319	4 137	4
Current income tax liabilities		179	162	10
Deferred income taxes		40	34	18
Other liabilities	31	878	508	73
Subordinated capital	32	4 740	4 833	– 2
Equity				
Issued capital		1 607	1 607	–
Capital reserves		3 332	3 332	–
Retained earnings		2 244	2 192	2
Revaluation reserve		99	– 13	> 100
Currency translation reserve		– 4	– 3	– 33
Equity capital attributable to the owners of NORD/LB		**7 278**	**7 115**	**2**
Equity capital attributable to non-controlling interests		598	585	2
		7 876	**7 700**	**2**
Total liabilities and equity		**208 242**	**225 550**	**– 8**

CONDENSED STATEMENT OF CHANGES IN EQUITY

(in € million)	Issued capital	Capital reserve	Retained earnings	Revaluation reserve	Currency translation reserve	Equity attributable to the owners of NORD/LB	Equity attributable to non-controlling interests	Consolidated equity
Equity as at 1 Jan. 2013	**1 607**	**3 332**	**2 192**	**– 13**	**– 3**	**7 115**	**585**	**7 700**
Comprehensive income for the period under preview	–	–	52	112	– 1	163	13	176
Equity as at 30 June 2013	**1 607**	**3 332**	**2 244**	**99**	**– 4**	**7 278**	**598**	**7 876**

(in € million)	Issued capital	Capital reserve	Retained earnings	Revaluation reserve	Currency translation reserve	Equity attributable to the owners of NORD/LB	Equity attributable to non-controlling interests	Consolidated equity
Equity as at 1 Jan. 2012	**1 494**	**3 175**	**2 480**	**– 543**	**– 3**	**6 603**	**– 57**	**6 543**
Comprehensive income for the period under preview	–	–	– 30	108	–	78	5	83
Distribution	–	–	– 53	–	–	– 53	– 4	– 57
Capital payments	–	– 128	–	–	–	– 128	1	– 127
Changes in the basis of consolidation	–	–	47	– 2	–	45	6	51
Consolidation effects and other changes in capital	–	–	–	–	–	–	3	3
Equity as at 30 June 2012	**1 494**	**3 047**	**2 444**	**– 437**	**– 3**	**6 545**	**– 46**	**6 499**

The consolidation effects and other changes in equity mainly comprise transactions which result in changes in shareholdings without changing the consolidation method.

CONDENSED CASH FLOW STATEMENT

	1 Jan.– 30 Jun. 2013 (in € million)	1 Jan.– 30 Jun. 2012 (in € million)	Change (in %)
Cash and cash equivalents as at 1 January	**665**	**796**	**– 16**
Cash flow from operating activities	249	397	– 37
Cash flow from investing activities	– 4	7	> 100
Cash flow from financing activities	– 198	– 497	– 60
Total cash flow	**47**	**– 93**	**> 100**
Effects of changes in exchange rates	1	10	– 90
Cash and cash equivalents as at 30 June	**713**	**713**	**–**

SELECTED NOTES

General disclosures

(1) Principles for preparing the interim consolidated financial statements

The interim consolidated financial statements of Norddeutsche Landesbank Girozentrale, Hanover, Braunschweig, Magdeburg (NORD/LB) as at 30 June 2013 were prepared on the basis of Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002 (IAS Regulation) in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB). For requirements relating to interim financial statements in particular IAS 34 is applied. National regulations contained in the German Commercial Code (HGB) under § 315a of the HGB were also observed insofar as these regulations are to be applied as at the reporting date for the interim financial statements. The interim consolidated financial statements are part of the interim financial report in accordance with §37w of the German Securities Trading Act (WpHG) and are to be read in conjunction with information contained in the certified, published consolidated financial statements of NORD/LB as at 31 December 2012.

The interim consolidated financial statements as at 30 June 2013 comprise the income statement, the statement of comprehensive income, the balance sheet, the condensed statement of changes in equity, the condensed cash flow statement and selected notes. The segment reporting takes place in the notes.

The reporting currency for the interim consolidated financial statements is the euro. All amounts are reported rounded in euro millions (€ million), unless otherwise is indicated. The previous year's figures are shown afterwards in brackets.

These interim consolidated financial statements were signed by the Managing Board on 19 August 2013 and approved for publication.

(2) Accounting policies

The accounting policies for the interim financial statements are based on those of the consolidated financial statements as at 31 December 2012 unless specified otherwise.

With regard to accounting and measurement in the NORD/LB Group, the following significant discretionary management decisions need to be mentioned: The use of the fair value option for financial instruments, the non-use of the categorisation of financial instruments as Held to Maturity (HtM) and the non-use of the reclassification provisions of IAS 39.

Since the first quarter of 2013 general loan loss provisions have been made at specific customer level. As a result the reporting is adjusted to reflect the actual circumstances and developments in the specific industry. Using the old calculation method, general loan loss provisions would have totalled € 652 million as at 30 June 2013. The calculation at specific customer level produces a figure of € 558 million (cf. Note (19) Loan Loss Provisions).

In the period under review consideration has been given to the following amendments to the standards which were first applied as at 1 January 2013 for the NORD/LB Group:

- **IAS 19 (rev. 2011) – Employee Benefits**

In June 2011 the IASB published the amended IAS 19 – Employee Benefits. The resulting changes to the accounting policies for the NORD/LB Group compared to the balance sheet date 31 December 2012 primarily concern the reporting of costs and taxes relating to benefit plans. The expected income from plan assets is calculated for the first time with a standard interest rate, which is the same as the discount rate for the obligation. In addition, the top-up amounts promised in partial retirement agreements are reported and measured for the first time in accordance with the regulations for other long-term employee benefits.

The impact of the retrospective first application of the amended IAS 19 is of minor significance. As the NORD/LB Group already reported actuarial gains and losses under other comprehensive income in accordance with the previous regulations of IAS 19, this change has not had any effect.

- **IFRS 13 – Fair Value Measurement**

The IASB published IFRS 13 – Fair value measurement in May 2011. It is to be applied prospectively for financial years commencing on or after 1 January 2013. In IFRS 13 the different regulations for establishing fair value in the individual standards were consolidated for the first time in a single framework and at the same time modified and expanded in some areas; only IAS 17 and IFRS 2 will continue to have separate regulations.

The specifications of the new standard concern among other things the definition of fair value, the implementation of the change in approach particularly in the context of determining relevant markets (main market or most beneficial market), the allocation of levels, the reporting of a day one profit/loss and the use of a bid-ask spread in the measurement of assets and liabilities.

The implementation of IFRS 13 does not have a significant effect on the measurement of the NORD/LB Group's assets and liabilities. In accordance with the standard's extended disclosure requirements, a description of the process for measuring fair value has been included in the notes. In addition, the changes in financial assets and liabilities in Level 3 of the fair value hierarchy and the sensitivity analyses of significant unmonitorable input parameters in the fair value measurement broken down into groups of financial instruments were reported in the interim consolidated financial statements.

- **Amendments to IAS 1 – Presentation of Other Comprehensive Income**

The amendments to IAS 1 published in June 2011 by the IASB within the scope of the Financial Statement Presentation Project have changed the breakdown of the statement of comprehensive income. The items of other comprehensive income (OCI) are to be broken down by whether they can be recycled in the income statement or not. If OCI is reported before tax, deferred taxes are to be treated similarly and broken down into recyclable and non-recyclable items.

The amendments to IAS 1 result in a change in presentation in the NORD/LB Group's statement of comprehensive income.

- **Amendments to IAS 12 – Deferred taxes: Recovery of underlying assets**

The amendments to IAS 12 – Deferred Tax: Recovery of Underlying Assets, which were adopted in European law in December 2012, make clear that the deferred tax for investment property, which is measured using the fair value model in IAS 40, is measured on the basis of the rebuttable presumption that the carrying amount will be recovered through sale.

The application of this new rule had no effect on NORD/LB's interim consolidated financial statements as at 30 June 2013.

- **Improvements to IFRS (2009 - 2011 Cycle) Within the Scope of the IASB's Annual Improvements Process**

The amendments published in May 2012 within the scope of the improvement project for the cycle 2009–2011 comprise clarifications concerning IFRS 1 First-time Adoption of International Financial Reporting Standards, IAS 1 Presentation of Financial Statements, IAS 16 Property, Plant and Equipment, IAS 32 Financial Instruments: Presentation and IAS 34 Interim Financial Reporting.

The annual improvements to IFRSs (cycle 2009–2011) do not have a significant effect on the interim consolidated financial statements of NORD/LB.

The NORD/LB Group has not applied early other standards, interpretations or amendments that have been published but whose application is not yet mandatory.

The facts stated in in Note (3) Adjustment of figures for the previous year result in additional changes.

(3) Adjustment of figures for the previous year

The figures for the previous year were adjusted in these interim consolidated financial statements on the basis of IAS 8.14 in the following areas:

Due to a change in the interpretation of the criteria for allocation to the category Loans and Receivables (LaR), silent participations and participatory capital with loss sharing are, since the consolidated financial statements as at 31 December 2012, no longer allocated to the category LaR, but to the category Available for Sale (AfS). This change in accounting method has resulted in the following adjustments to the reference figures in the income statement: An amount of € 1 million was taken from net interest income and reported under net valuation allowances of other financial assets classified as AfS.

The respective adjustments were taken into account in the notes for the following items: (6) Net Interest Income and (11) Profit/Loss from Financial Assets.

(4) Basis of consolidation

In addition to NORD/LB as the parent company, the consolidated financial statements include 49 (31 December 2012: 49) subsidiaries (including special purpose entities in accordance with SIC-12) in which NORD/LB directly or indirectly holds more than 50 per cent of the voting rights or over which NORD/LB is in a position to exercise a controlling influence in another manner. In addition 1 (31 December 2012: 1) joint venture and 10 (31 December 2012: 10) associated companies are accounted for using the equity method.

Compared to 31 December 2012 the basis of consolidation has not changed.

Subsidiaries, joint ventures and associated companies included in the consolidated financial statements are shown in Note (40) Companies and investment funds included in the basis of consolidation.

Segment reporting

(5) Segment reporting by business segment

The segment reporting provides information on the operational business areas of the Group. The segment reporting below is based on IFRS 8 "operating segments", which follows the "management approach". The segment information is presented on the basis of internal reporting in the same way that it is reported internally on a regular basis for assessing performance and making decisions on the allocation of resources to the segments. In the segment reporting adjustments of figures for the previous year are taken into account (cf. Note (2) Adjustment of figures for the previous year). In addition to this, previous year's figures have been reallocated due to overhead costs and the income from financing from tied-up equity being distributed to the business segments from 2013 (see below). The allocation of overheads and the income from financing from tied-up equity increases the focus on the actual income and cost performance of the business model, as the income from the business segments is compared with the operational costs of the bank. At the same time the burden on Group Controlling/Others segment is eased and results transparency is improved.

Segment Reporting by Business Segment

The segments are defined as customer or product groups which reflect the organisational structures and therefore the internal control of the Group. Calculations are based on the internal data of Group member companies. The internal control focuses on the operational units earnings before tax.

An important criterion for the formation of segments is the greatest possible homogeneity of the customers aggregated in the segment in relation to financing and investment requirements and the products demanded. It is not possible to recognise dependencies on individual customers. The product ranges offered in the segments are described below and the earnings generated are shown in the overview. The product range offered comprises traditional lending business and syndicate business, savings and giro products, securities, currency and derivative transactions, complex structured financing solutions, private banking products, liquidity and risk management, mergers and acquisitions, services such as accounting management, payment transactions, securities business, brokering, documentary business, credit processing, sureties, guarantees and advisory services for asset management.

Net interest income generated by the individual segments is calculated on the basis of the market interest rate method. In the process the contribution from the interest rate conditions for each customer transaction is calculated by comparing the customer conditions with the structure-congruent market interest rate for a fictitious counter transaction applicable at the time the transaction is completed. This market interest rate is at the same time the cost value for the Treasury divisions balancing provision. Therefore interest income and interest expenses are not reported gross. From 2013 the income from financing from tied-up equity is allocated to the market segments (the previous year's figures were adjusted).

In the bank every interest-bearing customer transaction is allocated to the balancing provision of the Treasury division as the central planning division. There are no direct business relations between the market divisions in the bank. Therefore inter-segment income is not included in the internal reporting.

Segment expenses comprise primary expenses, expenses allocated on the basis of cost and service allocations and the overhead costs allocated from 2013 (previous year adjusted). Loan loss provisions are allocated to segments on the basis of actual costs incurred. Overall bank revenue, such as general loan loss provisions and profit/loss from hedge accounting and overhead costs, is not allocated to the operational profit centres of the bank but to the segment "Group Controlling/Others".

In addition to figures relating to the statement of comprehensive income, the segment report also shows risk-weighted assets to be allocated on the basis of the regulatory provisions of Basel II including shortfall, segment assets and liabilities, committed capital, the cost income ratio (CIR) and return on equity (RoE). The CIR is defined as the ratio between administrative expenses and the sum total of the following income items: net interest income, net commission income, profit/loss from financial instruments at fair value through profit or loss, profit/loss from hedge accounting, profit/loss from investments accounted for using the equity method and other operating profit/loss.

RoRaC (Return on Risk adjusted Capital) calculations in the segments include the contribution to income after risk provisions and valuation on committed capital (here 8 per cent of the higher value of the RWA limits and the amount called on).
In order to consider the increased equity requirements, since 2013 a capital securitisation level of 8 per cent (previous year: 7 per cent) of risk-weighted assets applies for calculating committed capital in the segments. These are based on the provisions of the German Solvency Regulation. Capital tied up in the segments is calculated on the basis of average annual figures. The reconciliation figure for the tied-up capital reported in the segments and the long-term equity in the Group in accordance with commercial law is included in the segment reconciliation. A transfer from long-term equity under commercial law to equity reported in the balance sheet is shown separately at the end of the segment overview.

The following segments are reported by business segment in the segment reporting:

Private and Commercial Customers

As well as business with private, individual, commercial and small-business customers, this business segment includes middle-market corporate customer business in the Braunschweig region. This segment also includes the business conducted by Öffentliche Lebensversicherung Braunschweig and Öffentliche Sachversicherung Braunschweig.

The product range for the segment private and commercial customers is based on the savings bank finance concept and comprises all of the usual banking services and products for account and lending business, savings and investment business and the provision of internet banking and direct brokerage. Extended services for wealthy private customers range from the integrated advisory approach of asset structure analysis, financial planning, asset succession and inheritance and foundation management. The product range also includes investment loans and start-up advice for the middle-market company business.

Corporate Customers&Markets

The segment includes, for the Corporate Customers division, all of the NORD/LB business conducted with corporate customers in the core regions (excluding the Altes Braunschweiger Land region) and in neighbouring regions, and in particular Agricultural Banking and Residential Housing. The Markets division covers the Financial Markets activities performed in Germany, the foreign branches and in the Group companies on behalf of customers. The Savings Bank Network division covers transactions with the public sector; institutional business with associated savings banks and syndicated business transacted with associated savings banks are reported.

As a full-service provider, banking products and banking services are offered. The services include traditional transaction management, tailored business financing, management of interest and currency risk and solutions for company pension schemes. In the segment comprehensive solutions are developed for complex business financing and for the strategic positioning of corporate customers. This division also provides its customers with a professional, conceptual liquidity and risk management, measures for the structuring of equity and innovative financing instruments.

Alternative products which are detached from retail banking including derivatives are also offered, e.g. special kinds of debt securities which are not standardised in respect of their interest and repayment, but instead offer alternatives in respect of returns and the type or time of repayment (structured securities). In the secondary business all kinds of securities are sold and traded. Tailored solutions for institutional customers such as for example the structuring of special funds, pool funds solutions, portfolio management mandates and institutional public funds are also offered.

The product range also includes Private Banking products for the savings banks, such as investment products in the form of for example open or closed funds with assets in German or foreign real estate, ships or aircraft, products for individual asset management or inheritance or foundation management, which the savings banks require as direct customers for their own trading business or to complete their product range in their own business with private or corporate customers.

In the **Energy and Infrastructure Customers, Ship and Aircraft Customers** and Real Estate Banking Customers segments traditional lending products and innovative products are generally offered irrespective of the respective industry. This primarily concerns financing for specific purposes.

Energy and Infrastructure Customers

This segment summarises the global business relations of the Group companies NORD/LB AöR and Bremer Landesbank in the Infrastructure, Energy (in particular renewable energy) and Leasing divisions. Primarily project financing which is related to a specific project or asset is offered and accordingly tailored to meet the respective individual need. The structure of this financing is developed taking into account the respective political and economic risks, legal and task factors, social determinants and optimal equity structures. The aim is to tailor project requirements and cash flows to the respective customers.

Ship and Aircraft Customers

In this segment the national and international activities of NORD/LB AöR and Bremer Landesbank in ship and aircraft financing are reported. The customers of the Ship and Aircraft Customers segment are offered short to long-term financing for their projects, such as equity pre-financing, interim finance, construction period finance (short and medium term) and financing to completion (long term). Ships or aircraft are financed by the provision of loans or guarantees on a property-related and normally property-secured basis. Products such as for example swap, option, future or forward transactions complete the product range.

Real Estate Banking Customers

Here NORD/LB AöR and Deutsche Hypo’s national and international financing of commercial real estate and Bremer Landesbank’s financing of community interest properties are aggregated. This normally concerns structured financing for large-volume commercial real estate projects and portfolios in Germany and abroad. Both interim finance for new construction projects and long-term loans for existing properties are offered.

Group Controlling / Others

This segment covers all other performance data directly related to the business activity such as Group companies not included in the segments: components of comprehensive income at Group level which are not allocated to the segments; general loan loss provisions; the profit/loss from other financial instruments (in particular from central valuation effects), financial assets and hedge accounting; projects covering the entire bank; consolidation items; earnings from interest rate change risk control, balancing provision, liquidity management and self-induced assets (especially Treasury and Bank Assets Allocation). Other operating profit/loss includes the bank levy.

Earnings after taxes in Group Controlling / Others is negative in the second quarter at € – 204 million.

Positive contributions were made by net interest income in the amount of € 120 million, and in particular approx. € 102 million from Financial Markets activities recorded here, € 37 million from interest income not allocated to the segments, € 15 million from other Group companies and € –34 million from consolidations. Also reported in this segment in loan loss provisions are allocations to general loan loss provisions in the amount of approx. € 117 million and the consolidation of valuation allowances in the amount of € 16 million; specific valuation allowances made in Treasury and Bank Asset Allocation had a negative effect.

Net commission income, in particular from other Group companies and consolidation effects, had a negative effect in the amount of € –13 million. Further negative effects result from the profit/loss from financial instruments at fair value in the amount of € –3 million.

Also reported in this segment are the effects from hedge accounting (€ 1 million), the profit/loss from financial assets (€ 19 million, in particular from the sale of AfS items) and the profit/loss from investments accounted for using the equity method (€ 18 million). Regarding other operating profit/loss (€ –37 million) the contributions from other Group companies (€ 28 million) and the profits from the redemption of the bank's own issues (€ 20 million) cannot compensate for the losses from the redemption of the bank's own issues, consolidation items and the bank levy (total of € –84 million).

Administrative expenses in this segment total € 128 million. Administrative expenses in this segment result in the amount of € 50 million from the Financial Markets activities reported here and € 23 million from other Group companies. Further administrative expenses (€ 97 million) in this segment are for projects covering the entire bank and non-allocated service centre costs. This was offset in part by consolidations in the amount of approx. € –42 million.

Furthermore, in 2013 reorganisation expenses (€ 17 million) and expenses related to public guarantees for reorganisation (€ 22 million) were incurred.

Reconciliations

Here the reconciliation items from internal accounting for the consolidated figures in the income statement are shown as well as reclassifications of profit and loss items that are reported differently in the internal reporting to in the external reporting. The shortfall in the regulatory capital requirement is converted into risk-weighted assets within internal reporting and assigned to the operational units; the adjustment item resulting from the regulatory risk-weighted assets report flows into the reconciliation.

30 Jun. 2013 (in € million)	Private and Commercial Customers	Corporate Customers & Markets	Energy and Infrastructure Customers	Ship and Aircraft Customers	Real Estate Banking Customers	Group Management/ Others	Reconciliations	NORD/LB Group
Net interest income before loan loss provisions	144	245	79	257	128	120	–	974
Loan loss provisions	– 2	12	4	259	37	142	– 20	432
Net interest income after loan loss provisions	**146**	**233**	**76**	**– 2**	**91**	**– 21**	**20**	**542**
Net commission income	18	45	25	17	2	– 13	– 18	77
Profit/loss from financial instruments at fair value through profit or loss	2	61	9	8	14	– 3	11	101
Profit/loss from hedge accounting	–	–	–	–	–	1	– 1	1
Profit/loss from financial assets	12	–	–	–	–	19	– 34	– 4
Profit/loss from investments accounted for using equity method	–	–	–	–	–	18	–	18
Administrative expenses	163	143	40	57	35	128	9	575
Other operating profit/loss	31	4	2	–	–	– 37	– 23	– 24
Profit/loss before reorganisation and taxes	**46**	**200**	**71**	**– 35**	**72**	**– 164**	**– 54**	**135**
Reorganisation expenses	–	–	–	–	–	– 17	–	– 18
Expenses for public guarantees related to reorganisation	–	–	–	–	–	– 22	–	– 22
Earnings before taxes (EBT)	**46**	**200**	**71**	**– 35**	**71**	**– 204**	**– 54**	**96**
Taxes	–	–	–	–	–	–	8	8
Consolidated profit	**46**	**200**	**71**	**– 35**	**71**	**– 204**	**– 63**	**87**
Segment assets	10 929	61 657	14 191	27 501	17 157	78 074	– 1 268	208 242
of which: investments at equity	–	–	–	–	–	293	–	293
Segment liabilities	11 084	44 792	3 128	4 938	758	143 251	290	208 242
Risk-weighted assets	5 709	15 339	7 226	42 490	14 288	14 329	– 26 734	72 646
Capital employed[1)]	479	1 231	578	3 399	1 143	1 120	– 348	7 602
CIR	83.5 %	40.3 %	34.6 %	20.4 %	24.5 %			50.2 %
RoRaC/RoE[2)]	19.1 %	23.8 %	18.9 %	– 2.0 %	11.3 %			2.5 %

30 Jun. 2012 (in € million)	Private and Commercial Customers	Corporate Customers & Markets	Energy and Infrastructure Customers	Ship and Aircraft Customers	Real Estate Banking Customers	Group Management/ Others	Reconciliations	NORD/LB Group
Net interest income before loan loss provisions	149	256	85	258	136	60	28	973
Loan loss provisions	2	15	–	123	90	– 85	1	146
Net interest income after loan loss provisions	**148**	**242**	**84**	**135**	**46**	**145**	**27**	**827**
Net commission income	16	41	23	32	7	– 16	– 20	83
Profit/loss from financial instruments at fair value through profit or loss	6	80	1	5	1	– 273	–	– 179
Profit/loss from hedge accounting	–	–	–	–	–	10	1	11
Profit/loss from financial assets	8	–	–	–	–	10	– 6	11
Profit/loss from investments accounted for using equity method	–	–	–	–	–	– 8	–	– 8
Administrative expenses	163	128	38	50	41	126	7	554
Other operating profit/loss	19	3	2	–	1	– 43	– 17	– 35
Profit/loss before reorganisation and taxes	**35**	**238**	**73**	**121**	**14**	**– 301**	**– 24**	**156**
Reorganisation expenses	–	–	–	–	–	– 25	–	– 25
Expenses for public guarantees related to reorganisation	–	–	–	–	–	–	–	–
Earnings before taxes (EBT)	**35**	**238**	**73**	**121**	**14**	**– 326**	**– 24**	**131**
Taxes	–	–	–	–	–	–	64	64
Consolidated profit	**35**	**238**	**73**	**121**	**14**	**– 326**	**– 88**	**67**
Segment assets	11 798	65 459	14 745	27 780	18 308	84 838	2 622	225 550
of which: investments at equity	–	–	–	–	–	318	–	318
Segment liabilities	10 917	48 175	3 098	4 261	905	155 114	3 080	225 550
Risk-weighted assets	5 623	15 715	8 303	37 097	17 340	16 877	– 19 518	81 438
Capital employed [1]	409	1 100	581	2 597	1 214	1 166	– 265	6 802
CIR	84.9 %	33.6 %	34.2 %	17.1 %	28.6 %			65.6 %
RoRaC/RoE [2]	17.0 %	34.9 %	22.5 %	9.3 %	2.3 %			3.9 %

[1] Reconciliation of long-term equity under commercial law to reported equity:

(in € million)	30 Jun. 2013	30 Jun. 2012
Long-term equity under commercial law	7 602	6 802
Revaluation reserve	99	– 437
Silent participations in reported equity	175	134
Reported equity	**7 876**	**6 499**

The tables may include minor differences that occur in the reproduction of mathematical operations.

[2] Business segment RoRaC:
(earnings before taxes*2) / committed core capital
(8 per cent (previous year: 7 per cent) of the higher value of the RWA limit and the amount called on)

Group RoE:
(earnings before taxes*2) / long-term equity under commercial law
(= reported equity – revaluation reserve – earnings after taxes)

Notes to the income statement

(6) Net interest income

The items interest income and interest expense comprise interest received and paid, deferred interest and pro rata reductions in premiums and discounts relating to financial instruments. Due to the fact that under certain circumstances silent participations are to be classified as liabilities under IAS 32, payments to silent partners are reported as interest expense.

	1 Jan.– 30 Jun. 2013 (in € million)	1 Jan.– 30 Jun. 2012[1)] (in € million)	Change (in %)
Interest income			
Interest income from lending and money market transactions	2 140	2 476	– 14
Interest income from fixed-income and book entry securities	493	695	– 29
Interest income from financial instruments at fair value			
Interest income from trading profit/loss and hedge accounting derivatives	2 114	3 150	– 33
Interest income from fair value option	27	33	– 18
Current income			
from shares and other variable-yield securities	7	6	17
profit/loss from shares in companies	6	25	– 76
Interest income from other amortisations	267	133	> 100
Other interest income and similar income	1	3	– 67
	5 055	**6 521**	**– 22**
Interest expense			
Interest expense from lending and money market transactions	1 084	1 346	– 19
Interest expense from securitised liabilities	599	855	– 30
Interest expense from financial instruments at fair value			
Interest expense from trading profit/loss and hedge accounting derivatives	1 901	2 923	– 35
Interest expense from fair value option	158	151	5
Interest expense from subordinated capital	119	150	– 21
Interest expense from other amortisations	181	83	> 100
Interest expense from provisions and liabilities	35	39	– 10
Other interest expenses and similar expenses	4	2	100
	4 081	**5 549**	**– 26**
Total	**974**	**972**	**–**

[1)] Some previous year's figures were adjusted as you can see at note (3) adjustment of figures for the previous year.

(7) Loan loss provisions

	1 Jan.– 30 Jun. 2013 (in € million)	1 Jan.– 30 Jun. 2012 (in € million)	Change (in %)
Income from provisions for lending business			
Reversal of specific valuation allowance	233	199	17
Reversal of lumpsum specific loan loss provisions	6	8	– 25
Reversal of general loan loss provisions	29	130	– 78
Reversal of provisions for lending business	36	40	– 10
Additions to receivables written off	15	10	50
	319	**387**	**– 18**
Expenses for provisions for lending business			
Allocation to specific valuation allowance	526	421	25
Allocation to lumpsum specific loan loss provisions	4	3	33
Allocation to general loan loss provisions	156	34	> 100
Allocation to provisions for lending business	27	58	– 53
Direct write-offs of bad debts	38	15	> 100
Premium payments for credit insurance	–	2	– 100
	751	**533**	**41**
Total	**– 432**	**– 146**	**> 100**

(8) Net commission income

	1 Jan.– 30 Jun. 2013 (in € million)	1 Jan.– 30 Jun. 2012 (in € million)	Change (in %)
Commission income			
Commission income from banking transactions	121	135	– 10
Commission income from non-banking transactions	10	11	– 9
	131	**146**	**– 10**
Commission expense			
Commission expense from banking transactions	37	47	– 21
Commission expense from non-banking transactions	17	16	6
	54	**63**	**– 14**
Total	**77**	**83**	**– 7**

Commission income and commission expense from non-banking transactions relate in particular to insurance contracts.

(9) Profit/loss from financial instruments at fair value through profit or loss

	1 Jan.– 30 Jun. 2013 (in € million)	1 Jan.– 30 Jun. 2012 (in € million)	Change (in %)
Trading profit/loss			
Profit/loss from debt securities and other fixed-interest securities	– 62	59	> 100
Profit/loss from shares and other variable-yield securities	–	1	– 100
Profit/loss from derivatives	– 65	40	> 100
Profit/loss from receivables held for trading	– 24	46	> 100
Profit/loss from other trading transactions	2	–	–
	– 149	**146**	**> 100**
Foreign exchange gains	13	18	– 28
Other income	2	–	–
	– 134	**164**	**> 100**
Profit/loss from the use of fair value option			
Profit/loss from receivables to customers and banks	– 10	8	> 100
Profit/loss from debt securities and other fixed-interest securities	– 28	– 18	– 56
Profit/loss from liabilties to banks and customers	308	– 123	> 100
Profit/loss from securitised liabilties	– 36	– 210	83
Profit/loss from subordinated capital	1	–	–
	235	**– 343**	**> 100**
Total	**101**	**– 179**	**> 100**

(10) Profit/loss from hedge accounting

The profit/loss from hedge accounting includes fair value adjustments relating to the hedged risk of an underlying transaction and offset fair value adjustments to hedge instruments in effective fair value hedge relationships.

	1 Jan.– 30 Jun. 2013 (in € million)	1 Jan.– 30 Jun. 2012 (in € million)	Change (in %)
Profit/loss from micro fair value hedges			
from hedged underlying transactions	– 237	105	> 100
from derivatives employed as hedging instruments	231	– 120	> 100
	– 6	**– 15**	**60**
Profit/loss from portfolio fair value hedges			
from hedged underlying transactions	126	– 184	> 100
from derivatives employed as hedging instruments	– 119	210	> 100
	7	**26**	**– 73**
Total	**1**	**11**	**– 91**

(11) Profit/loss from financial assets

Shown in the profit/loss from financial assets are profits/losses from disposals and estimated profits/losses relating to securities and company shares in the financial asset portfolio.

	1 Jan.– 30 Jun. 2013 (in € million)	1 Jan.– 30 Jun. 2012 [1] (in € million)	Change (in %)
Profit/loss from financial assets classified as LaR	**– 34**	**– 3**	**> 100**
Profit/loss from financial assets classified as AfS (excluding investments)			
Profit/loss from the disposal of			
debt securities and other fixed-interest securities	37	13	> 100
shares and other variable-yield securities	14	9	56
Other financial assets classified as AfS	– 2	– 1	– 100
Profit/loss from allowances for losses on			
debt securities and other fixed-interest securities	1	– 2	> 100
shares and other variable-yield securities	– 11	– 4	> 100
Other financial assets classified as AfS	3	1	> 100
	42	**16**	**> 100**
Profit/loss from shares in companies (not consolidated)	**– 12**	**– 1**	**> 100**
Total	**– 4**	**12**	**> 100**

[1] Some previous year's figures were adjusted as you can see at note (3) adjustment of figures for the previous year.

(12) Administrative expenses

Administrative expenses comprise staff expenses, other administrative expenses and depreciation of property and equipment, intangible assets and investment property.

	1 Jan.– 30 Jun. 2013 (in € million)	1 Jan.– 30 Jun. 2012 (in € million)	Change (in %)
Staff expenses	311	297	5
Other administrative expenses	223	211	6
Amortisation and depreciation	41	46	– 11
Total	**575**	**554**	**4**

(13) Other operating profit / loss

	1 Jan.– 30 Jun. 2013 (in € million)	1 Jan.– 30 Jun. 2012 (in € million)	Change (in %)
Other operating income			
from the reversal of provisions	273	257	6
from insurance contracts	333	274	22
from other business	83	69	20
	689	**600**	**15**
Other operating expenses			
from allocation to provisions	455	393	16
from insurance contracts	154	156	– 1
from other business	104	86	21
	713	**635**	**12**
Total	**– 24**	**– 35**	**31**

Income from the reversal of provisions and expense from allocation to provisions primarily concern provisions relating to insurance contracts. The expense from allocation to provisions also includes an amount of € 37 million (€ 37 million) provided for the bank levy set in accordance with the Restructuring Fund Regulation.

Other operating income from insurance contracts is primarily the result of premium income (€ 295 million (€ 230 million)) and income from insurance contracts (€ 15 million (€ 20 million)).

Income from other business includes income from the disposal of loans (€ 36 million (€ 25 million)), income from the chartering of ships relating to restructuring commitments in lending business (€ 19 million (€ 21 million)), rental income from investment property (€ 5 million (€ 5 million)), reimbursements of costs (€ 3 million (€ 7 million)) and income from IT services (€ 1 million (€ 1 million)).

Other operating expenses from insurance contracts mainly comprise indemnity expenses (€ 121 million (€ 124 million)) and expenses from deferred reinsurance contracts (€ 24 million (€ 24 million)).

Expenses from other business essentially comprise expenses from the redemption of the bank's own debt securities (€ 29 million (€ 11 million)), expenses from the disposal of loans (€ 18 million (€ 59 million)), expenses to generate charter income from ships (€ 13 million (€ 12 million)) and expenses from investment property (€ 1 million (€ 1 million)).

(14) Reorganisation Expenses

Reorganisation expenses relate to measures aimed at securing the long-term future and maintaining the competitiveness of the NORD/LB Group, with its material costs and staff expenses being reported separately due to their importance. The need for reorganisation is related to the efficiency improvement programme launched in 2011 and a capital-boosting programme which is the result of EU requirements. The reorganisation expenses include in the amount of € 17 million (€ 25 million) expenses from the allocation made to reorganisation provisions for contracted agreements already concluded concerning the termination of contracts of employment. They also include in the amount of € 1 million (€ 0 million) expenses from projects that aim to achieve significant cost synergies.

(15) Expenses for Public Guarantees related to Reorganisation

Expenses for public guarantees related to reorganisation concern the NORD/LB Group's capital-boosting programme. The reported amount of € 22 million (€ 0 million) is entirely attributable to the payment of a premium for a guarantee provided by the states of Lower Saxony and Saxony-Anhalt. This guarantee may be used by the NORD/LB Group up until 31 December 2014 if the ratios for regulatory capital or parts of the regulatory capital are not met.

(16) Income Taxes

Income taxes in the interim financial statements are calculated based on the anticipated income tax rate for the whole year. The tax rate used in the calculations is based on legal provisions which are valid or have been passed on the reporting date.

Notes to the balance sheet

(17) Loans and advances to banks

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Loans and advances resulting from money market transactions			
German banks	3 309	5 804	– 43
Foreign banks	1 892	2 606	– 27
	5 201	**8 410**	**– 38**
Other loans and advances			
German banks			
Due on demand	1 594	1 621	– 2
With a fixed term or period of notice	17 681	19 850	– 11
Foreign Banks			
Due on demand	1 995	2 488	– 20
With a fixed term or period of notice	1 953	2 009	– 3
	23 223	**25 968**	**– 11**
Total	**28 424**	**34 378**	**– 17**

(18) Loans and advances to customers

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Loans and advances to customers			
Domestic customers	1 638	2 822	– 42
Customers abroad	39	28	39
	1 677	**2 850**	**– 41**
Other loans and advances			
Domestic customers			
Due on demand	3 183	3 168	–
With a fixed term or period of notice	78 121	79 050	– 1
Customers abroad			
Due on demand	455	359	27
With a fixed term or period of notice	27 306	29 150	– 6
	109 065	**111 727**	**– 2**
Total	**110 742**	**114 577**	**– 3**

(19) Loan loss provisions

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Specific valuation allowance	1 589	1 493	6
Lumpsum specific loan loss provisions	17	19	– 11
General loan loss provisions	558	437	28
Total	**2 164**	**1 949**	**11**

Risk provisions recognised on the asset side and provisions in lending business developed as follows:

	Specific valuation allowance		Lumpsum specific loan loss provisions		General loan loss provisions		Provisions in lending business		Total	
(in € million)	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
1 January	**1 493**	**1 177**	**19**	**28**	**437**	**580**	**136**	**113**	**2 085**	**1 898**
Allocations	526	421	4	3	156	34	27	58	713	516
Reversals	233	199	6	8	29	130	36	40	304	377
Utilisation	163	136	–	–	–	–	–	–	163	136
Unwinding	35	30	–	–	–	–	–	1	35	31
Effects from currency translation and other changes	1	10	–	–	– 6	– 5	–	–	– 5	5
30 June	**1 589**	**1 243**	**17**	**23**	**558**	**479**	**127**	**130**	**2 291**	**1 875**

(20) Financial assets at fair value through profit or loss

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Trading assets			
Debt securities and other fixed-interest securities	3 133	2 820	11
Shares and other variable-yield securities	29	27	7
Positive fair values from derivatives	8 534	11 803	– 28
Trading portfolio claims	1 973	1 783	11
Other trading assets	–	– 1	– 100
	13 669	**16 432**	**– 17**
Financial assets as at fair value through profit or loss			
Loans and advances to banks and customers	260	365	– 29
Debt securities and other fixed-interest securities	986	1 112	– 11
Shares and other variable-yield securities	10	11	– 9
	1 256	**1 488**	**– 16**
Total	**14 925**	**17 920**	**– 17**

(21) Financial assets

The balance sheet item financial assets includes all the debt securities and other fixed-interest securities classified as available for sale (AfS), shares and other variable-yield securities, shares in companies which are not measured in accordance with IAS 27, IAS 28 or IAS 31 and financial assets classified as loans and receivables (LaR).

Holdings in the equity of other companies and silent participations and participatory capital with loss sharing are allocated to the category AfS.

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Financial assets classified as LaR	**3 424**	**3 830**	**– 11**
Financial assets classified as AfS			
Debt securities and other fixed-interest securities	44 837	47 608	– 6
Shares and other variable-yield securities	492	454	8
Shares in companies	380	384	– 1
Other financial assets classified as AfS	130	147	– 12
	45 839	**48 593**	**– 6**
Total	**49 263**	**52 423**	**– 6**

(22) Investments accounted for using the equity method

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Joint ventures	22	27	– 19
Associated companies	271	291	– 7
Total	**293**	**318**	**– 8**

(23) Property and equipment

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Land and buildings	347	353	– 2
Operating and office equipment	69	74	– 7
Ships	196	200	– 2
Other property and equipment	12	8	50
Total	**624**	**635**	**– 2**

(24) Intangible assets

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Software			
Purchased	19	21	– 10
Internally generated	77	91	– 15
	96	**112**	**– 14**
Intangible assets under development	22	18	22
Other intangible assets	12	12	–
Total	**130**	**142**	**– 8**

(25) Other assets

The balance sheet item other assets includes assets relating to insurance contracts in the amount of € 156 million (€ 157 million). These concern solely assets from outwards reinsurance.

(26) Liabilities to banks

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Deposits from other banks			
German banks	717	737	– 3
Foreign banks	192	38	> 100
	909	**775**	**17**
Liabilities resulting from money market transactions			
German banks	16 193	20 739	– 22
Foreign banks	10 556	9 715	9
	26 749	**30 454**	**– 12**
Other liabilities			
German banks			
Due on demand	2 842	5 084	– 44
With a fixed term or period of notice	22 594	22 938	– 1
Foreign banks			
Due on demand	1 186	1 200	– 1
With a fixed term or period of notice	4 489	4 628	– 3
	31 111	**33 850**	**– 8**
Total	**58 769**	**65 079**	**– 10**

(27) Liabilities to customers

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Savings deposits			
With an agreed notice period of three months			
Domestic customers	1 524	911	67
Customers abroad	18	16	13
With an agreed notice period of more than three months			
Domestic customers	354	407	– 13
Customers abroad	2	2	–
	1 898	**1 336**	**42**
Liabilities resulting from money market transactions			
Domestic customers	9 488	7 275	30
Customers abroad	2 139	1 860	15
	11 627	**9 135**	**27**
Other liabilities			
Domestic costumers			
Due on demand	11 264	11 708	– 4
With a fixed term or period of notice	30 519	31 844	– 4
Customers abroad			
Due on demand	700	1 018	– 31
With a fixed term or period of notice	885	910	– 3
	43 368	**45 480**	**– 5**
Total	**56 893**	**55 951**	**2**

(28) Securitised liabilities

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Issued debt securities			
Mortgage bonds	10 095	9 732	4
Municipal debentures	10 911	13 345	– 18
Other debt securities	29 750	35 249	– 16
	50 756	**58 326**	**– 13**
Money market instruments			
Commercial paper	1 686	1 651	2
Certificates of deposit	167	240	– 30
Other money market instruments	–	402	– 100
	1 853	**2 293**	**– 19**
Total	**52 609**	**60 619**	**– 13**

Repurchased debt securities issued by the bank itself have been directly deducted from securitised liabilities in the amount of € 7,410 million (€ 7,962 million).

(29) Financial liabilities at fair value through profit or loss

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Trading liabilities			
Negative fair values from derivatives	8 223	11 121	– 26
Delivery obligations from short-sales	302	214	41
	8 525	**11 335**	**– 25**
Financial liabilities designated at fair value			
Liabilities to banks and customers	5 883	5 920	– 1
Securitised liabilities	3 216	3 443	– 7
Subordinated capital	26	26	–
	9 125	**9 389**	**– 3**
Total	**17 650**	**20 724**	**– 15**

(30) Provisions

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Provisions for pensions and other obligations	1 991	1 975	1
Other provisions	2 328	2 162	8
Total	**4 319**	**4 137**	**4**

Other provisions include provisions for insurance contracts in the amount of € 1,942 million (€ 1,822 million) and provisions for reorganisation measures in the amount of € 15 million (€ 18 million).

(31) Other liabilities

The balance sheet item other liabilities includes liabilities from insurance contracts in the amount of € 46 million (€ 46 million). These contain liabilities from direct insurance and reinsurance contracts to the amount of € 7 million (€ 8 million).

(32) Subordinated capital

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Subordinated liabilities	3 451	3 452	–
Participatory capital	224	224	–
Silent participations	1 065	1 157	– 8
Total	**4 740**	**4 833**	**– 2**

Other disclosures

(33) Fair values of financial instruments

In the NORD/LB Group the three-tier fair value hierarchy is applied with Level 1, Level 2 and Level 3 terminology provided for in IFRS 13. The respective level is determined by the input data used in the measurement and reflects the market proximity of the parameters included in establishing the fair value. If input data from various levels is used in the calculation of the fair value, the resulting fair value is assigned to the lowest level for which the input parameters have a significant influence on the fair value measurement. In the measurement appropriate consideration is given to all relevant input data such as counterparty risk.

Under the fair value hierarchy, a financial instrument is categorised in Level 1 if it is traded on an active market and is used to establish the fair value of publicly listed market prices or prices actually traded. If no market prices or prices actually traded are available, in the Level 1 measurement the prices quoted by dealers are used for measurement purposes, with prices quoted by other banks or market makers being applied when price sources other than stock exchange quoted prices are used.

A financial instrument is categorised in Level 2 of the fair value hierarchy in case it is not possible to use prices listed on active markets to determine the fair value. In this event, the fair value is calculated using measurement methods or models that are recognised or customary in the market as well as by external pricing services, providing the measurement in this case is made in full or in part with spread curves. Measurement models with a range of input data are used in particular for over-the-counter derivatives (OTC derivatives) and for securities listed on inactive markets (e.g. discounted cash flow method). If an estimation is required in a given case, a standard market method is always used. For discounted cash flow methods, all payments are discounted for example by an interest rate curve adjusted for counterparty risk. Counterparty risk and the spreads are determined on the basis of comparable financial instruments (for example on consideration of the respective market segment and the issuer's credit rating). The financial instruments classified as Level 2 in the fair value hierarchy are primarily allocated to the following balance sheet items: trading assets and liabilities, positive and negative fair values from hedge accounting derivatives, financial assets and liabilities designated at fair value and financial assets recognised at fair value. The measurement models include a range of input data such as for example market prices and other market quotations, risk-free interest curves, risk premiums, exchange rates and volatilities.

The fair values of financial instruments without an active market and for which no on observable input data is available for measurement, are allocated to Level 3. In the Level 3 measurement, models specific to the bank and data which is not observable on the market are used. The Level 3 method is essentially used to measure certain credit default swaps (CDS), equity swaps, interest-bearing securities and asset-backed securities (ABS)/mortgage-backed securities (MBS), the bank's structured issues and some tranches of collateralised debt obligations (CDO) of the Group. The financial instruments classified as Level 3 in the fair value hierarchy are primarily allocated to the following balance sheet items: trading assets and liabilities, financial assets and liabilities designated at fair value and financial assets recognised at fair value. The measurement models include a range of input data such as for example term-specific interest rates, the credit rating of the respective issuer, historic volatility and an appropriate interest rate for the equity tied up. Revised assessments of market activity are continually considered in the measurement.

As part of the illiquidity assessment, relevant products are initially allocated to levels in the Group's individual trading divisions. The trading divisions' assessments are reviewed by the Risk Control Division, ensuring that the assessment of the level allocation of the financial instruments and corresponding measurement is as objective as possible. The measurement takes place based on complex measurement techniques (for example discounted cash flow models which consider interest, credit, liquidity and other risks). All measurement models applied in the Group are reviewed periodically. The review is conducted independently of the trading divisions and includes for example the calibration of the measurement models and an assessment of the measurement within the scope of the new products new markets process.

No significant change has been made to the measurement process since the previous period.

The fair values of financial instruments are compared with their carrying amounts in the following table.

(in € million)	30 Jun. 2013 Fair Value	Carrying amount	Difference	31 Dec. 2012 Fair Value	Carrying amount	Difference
Assets						
Cash reserve	713	713	–	665	665	–
Loans and advances to banks	29 188	28 424	764	35 744	34 378	1 366
Loans and advances to customers	110 793	110 742	51	115 611	114 577	1 034
Loan loss provisions	[1]	– 2 164		[1]	– 1 949	
Sub-total of loans and advances to banks/customers (net after loan loss provisions)	**139 981**	**137 002**	**2 979**	**151 355**	**147 006**	**4 349**
Adjustment item for financial instruments hedged in the fair value hedge portfolio	[2]	– 135		[2]	– 3	
Financial assets at fair value through profit or loss	14 925	14 925	–	17 920	17 920	–
Positive fair values from hedge accounting derivatives	3 871	3 871	–	4 924	4 924	–
Financial assets not reported at fair value	3 123	3 506	– 383	3 496	3 910	– 414
Financial assets reported at fair value	45 757	45 757	–	48 513	48 513	–
Other assets not reported at fair value	20	20	–	–	–	–
Other assets reported at fair value	24	24	–	16	16	–
Total	**208 414**	**205 683**	**2 731**	**226 889**	**222 951**	**3 938**
Liabilities						
Liabilities to banks	59 796	58 769	1 027	66 429	65 079	1 350
Liabilties to customers	59 405	56 893	2 512	59 355	55 951	3 404
Securitsed liabilities	52 887	52 609	278	61 476	60 619	857
Adjustment item for financial instruments hedged in the fair value hedge portfolio	[2]	501		[2]	895	
Financial liabilities at fair value through profit or loss	17 650	17 650	–	20 724	20 724	–
Negative fair values from hedge accounting derivatives	3 788	3 788	–	4 908	4 908	–
Other liabilities not reported at fair value	61	61	–	1	1	–
Subordinated capital	5 119	4 740	379	5 043	4 833	210
Total	**198 706**	**195 011**	**3 695**	**217 936**	**213 010**	**4 926**

[1] Amounts relating to loan loss provisions are shown in the corresponding fair values of loans and advances to banks and loans and advances to customers.
[2] Amounts relating to the assets and liabilities item "Adjustment item for financial instruments hedged in the fair value hedge portfolio" are shown in the fair values of the respective items of hedged financial instruments.

It was not possible to reliably determine a fair value for € 82 million (€ 80 million) of financial instruments. These are mainly investments. There is no intention to sell these investments.

For some of the NORD/LB Group's liabilities recognised at fair value the guarantor liability of the state of Lower Saxony, the state of Saxony-Anhalt and the state of Mecklenburg-Western Pomerania apply. The effect of the guarantee is considered in the fair value measurement of the liabilities.

In addition, the option to calculate the counterparty risk (credit value adjustment (CVA)/debit value adjustment (DVA) on the basis of the net risk position in accordance with IFRS 13.48 was exercised. The CVA/DVA is allocated to individual transactions in the balance sheet using the relative credit adjustment approach.

The table below shows the distribution of financial assets and liabilities recognised at fair value based on the fair value hierarchy:

	Level 1		Level 2		Level 3		Summe	
(in € million)	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012	30 Jun. 2013	31 Dec. 2012
Assets held for trading	3 092	2 852	10 576	13 580	1	–	13 669	16 432
Designated financial assets reported at fair value	754	871	502	617	–	–	1 256	1 488
Positive fair values from hedge accounting derivatives	–	–	3 871	4 924	–	–	3 871	4 924
Financial assets at fair value	38 225	43 183	7 128	4 907	404	423	45 757	48 513
Other assets reported at fair value	24	–	–	–	–	–	24	–
Assets	**42 095**	**46 906**	**22 077**	**24 028**	**405**	**423**	**64 577**	**71 357**
Liabilities held for trading	257	215	8 264	11 116	4	4	8 525	11 335
Designated financial liabilities reported at fair value	150	222	8 969	9 167	6	–	9 125	9 389
Negative fair values from hedge accounting derivatives	–	–	3 788	4 908	–	–	3 788	4 908
Liabilities	**407**	**437**	**21 021**	**25 191**	**10**	**4**	**21 438**	**25 632**

The transfers within the fair value hierarchy are summarised as follows:

1 Jan. – 30 Jun. 2013 (in € million)	from Level 1 to Level 2	from Level 1 to Level 3	from Level 2 to Level 1	from Level 2 to Level 3	from Level 3 to Level 1	from Level 3 to Level 2
Assets held for trading	–	–	–	1	–	–
Financial assets at fair value	3 561	1	918	–	2	–
Liabilities held for trading	–	–	–	1	–	–
Designated financial liabilities reported at fair value	136	–	75	5	–	–

The transfers within the fair value hierarchy are summarised as follows:

Transfers mainly took place between Levels 1 and 2 in the first half-year. The lion's share of transfers between the levels of the financial assets recognised at fair value relates to some issues whose whole portfolio is held. These are re-allocated to Level 2 as the market prices listed are not entirely valid. Transfers from Level 2 to Level 1 are mainly due to a further revival of the market, and as a result primarily market prices can be used in determining the fair value.

With liabilities designated at fair value, the trading activity and in particular the trading volume are considered. Here there is regular movement between Level 1 and Level 2.

The transfer date for the transfers between the individual levels is the end of the reporting period.

Financial assets and liabilities in Level 3 of the fair value hierarchy developed as follows:

(in € million)	Trading assets	Designated financial assets report at fair value	Total
Assets			
1 January	**–**	**423**	**423**
Effect on the income statement[1)]	–	– 7	– 7
Effect on the equity capital	–	– 5	– 5
Addition from purchase	–	11	11
Redemption / Liquidation	–	17	17
Addition from Level 1 and 2	1	1	2
Disposal to Level 1 and 2	–	2	2
30 June 2013	**1**	**404**	**405**
For information purposes: Effect in the income statement for financial instruments still in the portfolio[1)]	–	1	1

[1)] The effects reported include valuation gains / losses, realised profit / loss and deferred interest; these are reported under the relevant items in the income statement.

(in € million)	Trading assets	Designated financial assets report at fair value	Total
Liabilities			
1 January	**4**	**–**	**4**
Effect on the income statement[1)]	– 1	–	– 1
Addition from purchase or issuance	–	1	1
Addition to Level 1 and 2	1	5	6
30 June 2013	**4**	**6**	**10**

[1)] The effects reported include valuation gains / losses, realised profit / loss and deferred interest; these are reported under the relevant items in the income statement.

Significant unobservable data in the fair value measurement of ABS securities are the ABS intensity spread, which is derived from the rating and associated probability of default, and the weighted average life (WAL). The fair value of the ABS securities in Level 3 is € 6 million. Significant changes in the input data result in a significantly higher or lower fair value. As part of the sensitivity analysis, the ABS intensity spread and the WAL shift factor were stressed, with the rating being moved up and down a class and the WAL increased or reduced by one year. Accordingly an imputed change in the ABS intensity spread would result in a change in the fair values of ABS securities in Level 3 of € 0.5 million. The imputed change in the WAL shift factor would result in a change in the fair values of ABS securities in Level 3 of € 1 million.

Significant unobservable data in the fair value measurement of interest-bearing securities is the intensity spread, which is derived from the rating and associated probability of default. The fair value of the interest-bearing securities in Level 3 is € 50 million. Significant changes in this input parameter result in a significantly higher or lower fair value. As part of the sensitivity analysis, the intensity spread was stressed in the measurement, with the rating being moved up and down a class. Accordingly an imputed change in the parameter would result in a change in the fair value of the interest-bearing securities in Level 3 of € 1 million.

Significant unobservable input data in the fair value measurement of derivates are the CDS rating shift factor and historic volatilities. Details concerning the sensitivity of historic volatilities are permissibly not given, as the historic volatilities are not calculated by the company itself, but are based on original market transactions. Significant changes in the CDS rating shift factor result in a significantly higher or lower fair value. The fair value of the CDS in Level 3 is € –3 million. As part of the sensitivity analysis, the CDS rating shift factor was stressed by being moved up and down a level. In the current market situation the model values show no sensitivity in terms of a change to the rating.

For the fair value measurement of Level 3 financial instruments, there are no relevant correlations between significant Level 3 input parameters and as a result there is no impact on the fair value.

(34) Derivative financial instruments

(in € million)	Nominal values 30 Jun. 2013	Nominal values 31 Dec. 2012	Fair value positive 30 Jun. 2013	Fair value positive 31 Dec. 2012	Fair value positive 30 Jun. 2013	Fair value positive 31 Dec. 2012
Interest-rate risk	264 018	287 245	11 528	15 446	10 780	14 535
Currency risk	60 435	60 793	790	1 202	1 069	1 298
Share price and other price risks	809	764	68	61	21	27
Credit risk	5 578	5 713	19	18	141	169
Total	**330 840**	**354 515**	**12 405**	**16 727**	**12 011**	**16 029**

(35) Disclosures relating to selected european countries

The tables below show, in contrast to the exposure in the risk report, the reported values of transactions relating to selected European countries (including credit derivatives). The disclosures by country include regional governments, municipalities and state-related public-sector companies.

(in € million)	Financial Instruments Held for Trading 30 Jun. 2013	Financial Instruments Held for Trading 31 Dec. 2012	Financial Instruments designated at Fair Value through Profit or Loss 30 Jun. 2013	Financial Instruments designated at Fair Value through Profit or Loss 31 Dec. 2012	Available for Sale Assets 30 Jun. 2013	Available for Sale Assets 31 Dec. 2012
Greece						
Country	–	–	–	–	–	–
Financing institutes/ insurance companies	–	–	–	–	–	–
Companies/other	–	2	–	–	–	–
	–	**2**	**–**	**–**	**–**	**–**
Ireland						
Country	–	– 16	94	98	25	24
Financing institutes/ insurance companies	– 14	– 19	5	11	274	378
Companies/other	15	28	–	–	2	2
	1	**– 7**	**99**	**109**	**301**	**404**
Italy						
Country	14	4	243	251	1 338	1 335
Financing institutes/ insurance companies	– 33	– 41	–	–	967	1 327
Companies/other	2	3	–	–	43	45
	– 17	**– 34**	**243**	**251**	**2 348**	**2 707**
Portugal						
Country	– 26	– 31	–	–	160	159
Financing institutes/ insurance companies	1	– 1	–	–	125	136
Companies/other	–	–	–	–	20	20
	– 25	**– 32**	**–**	**–**	**305**	**315**
Slovenia						
Country	–	–	–	–	31	31
Financing institutes/ insurance companies	–	–	–	–	–	–
Companies/other	–	–	–	–	–	–
	–	**–**	**–**	**–**	**31**	**31**
Spain						
Country	15	4	–	–	345	343
Financing institutes/ insurance companies	41	7	–	–	1 562	1 631
Companies/other	7	9	–	–	27	36
	63	**20**	**–**	**–**	**1 934**	**2 010**
Hungary						
Country	– 2	– 2	–	–	177	203
Financing institutes/ insurance companies	–	–	–	–	68	66
Companies/other	–	–	–	–	–	–
	– 2	**– 2**	**–**	**–**	**245**	**269**
Cyprys						
Country	–	–	–	–	–	–
Financing institutes/ insurance companies	–	–	–	–	–	–
Companies/other	17	23	–	–	–	–
	17	**23**	**–**	**–**	**–**	**–**
Total	**37**	**– 30**	**342**	**360**	**5 164**	**5 736**

(in € million)	Loans and Receivables Gross carrying amount 30 Jun. 2013	Loans and Receivables Gross carrying amount 31 Dec. 2012	Loans and Receivables Specific loan loss provisions 30 Jun. 2013	Loans and Receivables Specific loan loss provisions 31 Dec. 2012	Loans and Receivables General loan loss provisions 30 Jun. 2013	Loans and Receivables General loan loss provisions 31 Dec. 2012	Loans and Receivables Fair Value 30 Jun. 2013	Loans and Receivables Fair Value 31 Dec. 2012
Greece								
Country	–	–	–	–	–	–	–	–
Financing institutes / insurance companies	–	–	–	–	–	–	–	–
Companies / other	208	244	13	15	5	1	142	168
	208	**244**	**13**	**15**	**5**	**1**	**142**	**168**
Ireland								
Country	–	–	–	–	–	–	–	–
Financing institutes / insurance companies	340	427	–	–	3	3	324	410
Companies / other	1 728	1 696	2	2	5	3	1 773	1 675
	2 068	**2 123**	**2**	**2**	**8**	**6**	**2 097**	**2 085**
Italy								
Country	19	18	–	–	–	–	18	18
Financing institutes / insurance companies	116	123	–	–	–	–	87	91
Companies / other	47	52	–	–	–	–	49	53
	182	**193**	**–**	**–**	**–**	**–**	**154**	**162**
Portugal								
Country	–	–	–	–	–	–	–	–
Financing institutes / insurance companies	12	12	–	–	1	1	12	12
Companies / other	72	78	–	–	–	–	73	78
	84	**90**	**–**	**–**	**1**	**1**	**85**	**90**
Slovenia								
Country	–	–	–	–	–	–	24	24
Financing institutes / insurance companies	25	25	–	–	–	–	–	–
Companies / other	–	–	–	–	–	–	–	–
	25	**25**	**–**	**–**	**–**	**–**	**24**	**24**
Spain								
Country	53	52	–	–	–	–	45	40
Financing institutes / insurance companies	127	135	–	–	–		124	131
Companies / other	477	459	34	34	1	–	470	462
	657	**646**	**34**	**34**	**1**	**–**	**639**	**633**
Hungary								
Country	–	–	–	–	–	–	–	–
Financing institutes / insurance companies	5	3	–	–	–	–	5	3
Companies / other	39	10	–	–	–	–	39	10
	44	**13**	**–**	**–**	**–**	**–**	**44**	**13**
Cyprys								
Country	–	–	–	–	–	–	–	–
Financing institutes / insurance companies	–	–	–	–	–	–	–	–
Companies / other	1 126	1 146	6	7	23	6	890	1 000
	1 126	**1 146**	**6**	**7**	**23**	**6**	**890**	**1 000**
Total	**4 394**	**4 480**	**55**	**58**	**38**	**14**	**4 075**	**4 175**

For financial instruments categorised as available for sale with acquisition costs totalling € 5,274 million (€ 5,678 million), the cumulative valuation of the selected countries reported in equity totals € 96 million (€ 53 million). In addition to this, depreciation of € 0 million (€ 2 million) was recognised in the income statement for the period.

The nominal value of credit derivatives relating to the selected European countries in the NORD/LB Group's portfolio is € 1,557 million (1,531 million). Of this, states account for € 506 million (€ 479 million), financing institutions/insurance companies for € 1,050 million (€ 1,051 million) and companies/others for € 1 million (€ 1 million). This includes both nominal values where the Group acts as the provider of security and nominal values where the Group acts as the recipient of security. The netted fair value of these credit derivatives is € – 94 million (€ – 118 million). The business in with egypt is minor significance.

(36) Regulatory data

The following consolidated regulatory data was calculated in accordance with the regulations of the German Solvency Regulation.

(in € million)	30 Jun. 2013	31 Dec. 2012
Risk-weighted assets	**72 646**	**77 863**
Capital requirements for credit risk	5 242	5 693
Capital requirements for market risks	178	149
Capital requirements for operational risks	392	387
Capital requirements according to the SolvV	**5 812**	**6 229**

The following schedule shows the composition of regulatory equity for the group of institutes in accordance with § 10 in conjunction with § 10 a of the German Banking Act.

(in € million)	30 Jun. 2013	31 Dec. 2012
Paid-in capital	1 662	1 666
Further capital	10	10
Other reserves	5 354	5 356
Special item for general banking risks in accordance with § 340g of the German Commercial Code	1 466	1 466
Other capital with § 10 2a Nr. 10 KWG	942	954
Other components	– 94	– 92
Core capital	**9 340**	**9 360**
Deductions from core capital	– 1 252	– 909
Core capital for solvency reasons	**8 088**	**8 451**
Non-current subordinated liabilities	3 181	3 051
Participatory capital liabilities	60	193
Other components	19	– 10
Supplementary capital	**3 260**	**3 234**
Deductions from supplementary capital	– 1 252	– 909
Supplementary capital for solvency reasons	**2 008**	**2 325**
Modified available equity	**10 096**	**10 776**
Tier three capital	–	–
Eligible capital in accordance with § 10 of the German Banking Act	**10 096**	**10 776**

(in %)	30 Jun. 2013	31 Dec. 2012
Overall ratio according to § 2 Paragraph 6 of the German Solvency Regulation (SolvV)	13.90	13.84
Core capital ratio	11.13	10.85

(37) Contingent liabilities and other obligations

	30 Jun. 2013 (in € million)	31 Dec. 2012 (in € million)	Change (in %)
Contingent liabilities			
Liabilities from guarantees and other indemnity agreements	5 208	5 170	1
Other obligations			
Irrevocable credit commitments	10 511	9 525	10
Total	**15 719**	**14 695**	**7**

(38) Related parties

The scope of transactions with related parties (not including those to be eliminated under consolidation) can be seen in the following:

30 Jun. 2013 (in € 000)	Companies with a significant influence	Subsidaries	Joint Ventures	Associated companies	Persons in key positions	Other related parties
Outstanding loans and advances						
to banks	–	–	–	644 163	–	254 249
to customers	3 249 060	52 701	15 487	350 888	1 194	419 793
Other unsettled assets	2 520 213	–	–	53 605	–	3 493
Total assets	**5 769 273**	**52 701**	**15 487**	**1 048 656**	**1 194**	**677 535**
Unsettled liabilities						
to banks	–	–	–	453 747	–	111 353
to customers	339 093	38 597	88 971	277 211	3 021	307 110
Other unsettled liabilities	39 057	519 921	–	–	25	149 801
Total liabilities	**378 150**	**558 518**	**88 971**	**730 958**	**3 046**	**568 264**
Guarantees/sureties received	2 631 529	27	50	–	–	12
Guarantees/sureties granted	3 000 647	700	1 056	11 348	–	8 414

1 Jan.–30 Jun. 2013 (in € 000)	Companies with a significant influence	Subsidaries	Joint Ventures	Associated companies	Persons in key positions	Other related parties
Interest expense	18 546	25 648	49	17 783	15	8 110
Interest income	87 615	1 339	288	20 598	21	12 181
Commission expense	10 686	1	–	6	–	24
Commission income	9	4	12	284	–	16
Other income and expenses	– 85 739	27	1	– 7 552	– 2 317	9 419
Total contributions to income	**– 27 347**	**– 24 279**	**252**	**– 4 459**	**– 2 311**	**13 482**

31 Dec. 2012 (in € 000)	Companies with a significant influence	Subsidaries	Joint Ventures	Associated companies	Persons in key positions	Other related parties
Outstanding loans and advances						
to banks	–	–	–	936 116	–	255 795
to customers	2 778 248	54 095	34 053	235 077	1 505	402 899
Other unsettled assets	2 629 046	1	–	62 939	–	12 290
Total assets	**5 407 294**	**54 096**	**34 053**	**1 234 132**	**1 505**	**670 984**
Unsettled liabilities						
to banks	–	–	–	471 754	–	128 013
to customers	259 863	32 817	119 803	100 887	2 501	296 098
Other unsettled liabilities	51 091	512 517	–	–	50	165 352
Total liabilities	**310 954**	**545 334**	**119 803**	**572 641**	**2 551**	**589 463**
Guarantees / sureties received	4 193 947	27	50	5 000	–	20
Guarantees / sureties granted	5 250 662	700	1 056	12 130	–	11 354

1 Jan. – 30 Jun. 2012 (in € 000)	Companies with a significant influence	Subsidaries	Joint Ventures	Associated companies	Persons in key positions	Other related parties
Interest expense	21 326	51 616	86	14 732	16	8 618
Interest income	93 550	1 748	328	24 212	55	11 636
Commission expense	11 986	–	–	37	–	43
Commission income	9	41	15	86	–	195
Other income and expenses	43 729	28	–	– 3 191	– 3 114	– 5 138
Total contributions to income	**103 976**	**– 49 799**	**257**	**6 338**	**– 3 075**	**– 1 968**

As at the balance sheet date there are allowances for loans and advances to affiliated companies in the amount of € 2 million (€ 2 million). Expenses for loan loss provisions in the period under review total € 0 million (€ 1 million).

In the item guarantees/sureties received from companies with a significant influence, guarantees in the amount of € 2,000 million (€ 3,500 million) are reported; these relate to an issue programme (G-MTN) guaranteed by the states of Lower Saxony and Saxony-Anhalt which serves for the refinancing of the NORD/LB Group. In the item guarantees/ sureties granted to companies with a significant influence, guarantees in the amount of € 3,000 million (€ 5,250 million) are reported; these relate to a security pool of loans and advances with which the aforementioned guarantees received from the states of Lower Saxony and Saxony-Anhalt are secured. The maximum term of the guarantees is 5 years.

(39) Members of governing bodies

1. Members of the Managing Board

Dr. Gunter Dunkel
(Chairman)

Dr. Johannes-Jörg Riegler
(Deputy Chairman)

Ulrike Brouzi

Eckhard Forst

Dr. Hinrich Holm

Christoph Schulz

2. Members of the Supervisory Board

Peter-Jürgen Schneider (Chairman)
Minister of Finance, State of Lower Saxony
(since 19 February 2013)

Hartmut Möllring (Chairman)
(until 19 February 2013)

Thomas Mang (First Deputy Chairman)
President, Association of Savings Bank in Lower Saxony

Jens Bullerjahn (Second Deputy Chairman)
Minister of Finance, State of Saxony-Anhalt

Frank Berg
Chairman of the Managing Board
OstseeSparkasse Rostock

Norbert Dierkes
Chairman of the Managing Board
Sparkasse Jerichower Land

Edda Döpke
Bank employee
NORD/LB Hannover

Ralf Dörries
Senior Vice President
NORD/LB Hannover

Hans-Heinrich Hahne
Chairman of the Managing Board
Sparkasse Schaumburg

Frank Hildebrandt
Bank employee
NORD/LB Braunschweig

Martin Kind
Managing Director
KIND Hörgeräte GmbH & Co. KG

Frank Klingebiel
Mayor, City of Salzgitter

Prof. Dr.
Susanne Knorre
Management consultant
(since 1 May 2013)

Ulrich Mädge
Mayor, City of Hansestadt Lüneburg

Antje Niewisch-Lennartz
Minister of Justice, State of Lower Saxony
(since 1 July 2013)

Heinrich von Nathusius
Consultant

Freddy Pedersen
ver.di Vereinte Dienstleistungsgewerkschaft

Jörg Reinbrecht
ver.di Vereinte Dienstleistungsgewerkschaft

Ilse Thonagel
Bank employee, Landesförderinstitut
Mecklenburg-Western Pomerania

Mirja Viertelhaus-Koschig
Deputy Chairman of the Managing Board, VIEROL AG
(until 26 April 2013)

Klaus-Peter Wennemann
Management consultant
(until 30 June 2013)

(40) Companies and investment funds included in the basis of consolidation

Company name and registered office	Shares (%) indirect	Shares (%) direct
Subsidiaries included in the consolidated financial statements		
BLB Immobilien GmbH, Bremen	100.00	–
BLB Leasing GmbH, Oldenburg	100.00	–
Braunschweig-Informationstechnologie-GmbH, Braunschweig	100.00	–
Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen	–	54.83
Bremische Grundstücks-GmbH, Bremen	100.00	–
Deutsche Hypothekenbank (Actien-Gesellschaft), Hanover	–	100.00
KreditServices Nord GmbH, Braunschweig	–	100.00
MALIBO GmbH & Co. Unternehmensbeteiligungs KG, Pullach im Isartal	–	77.81
Nieba GmbH, Hanover	–	100.00
Norddeutsche Landesbank Luxembourg S.A., Luxembourg-Findel / Luxembourg	–	100.00
NORD/FM Norddeutsche Facility Management GmbH, Hanover	–	100.00
NORD/LB Asset Management Holding GmbH, Hanover	–	100.00
NORD/LB Capital Management GmbH, Hanover	100.00	–
NORD/LB COVERED FINANCE BANK S. A., Luxembourg-Findel / Luxembourg	100.00	–
NORD/LB G-MTN S.A., Luxembourg-Findel / Luxembourg	–	100.00
NORD/LB Kapitalanlagegesellschaft AG, Hanover	100.00	–
Nord-Ostdeutsche Bankbeteiligungs GmbH, Hanover	–	100.00
NORDWEST VERMÖGEN Bremische Grundstücks-GmbH & Co. KG, Bremen	100.00	–
NORDWEST VERMÖGEN Vermietungs-GmbH & Co. KG, Bremen	100.00	–
Öffentliche Facility Management GmbH, Braunschweig	100.00	–
Öffentliche Facility Management Leben GmbH & Co. KG, Braunschweig	100.00	–
Öffentliche Facility Management Sach GmbH & Co. KG, Braunschweig	100.00	–
Öffentliche Lebensversicherung Braunschweig, Braunschweig	–	75.00
Öffentliche Sachversicherung Braunschweig, Braunschweig	–	75.00
Skandifinanz AG, Zurich / Switzerland	100.00	–

Company name and registered office	Shares (%) indirect	Shares (%) direct
Special Purpose Entities included in the consolidated financial statements		
Beteiligungs-Kommanditgesellschaft MS „Buxmelody“ Verwaltungs- und Bereederungs GmbH & Co., Buxtehude	–	–
DEMURO Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Pullach im Isartal	–	–
Fürstenberg Capital Erste GmbH, Fürstenberg	–	–
Fürstenberg Capital II. GmbH, Fürstenberg	–	–
GEBAB Ocean Shipping II GmbH & Co. KG, Hamburg	–	–
GEBAB Ocean Shipping III GmbH & Co. KG, Hamburg	–	–
Hannover Funding Company LLC, Dover (Delaware) / USA	–	–
KMU Shipping Invest GmbH, Hamburg	–	–
MT „BALTIC CHAMPION“ Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT „BALTIC COMMODORE“ Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT „NORDIC SCORPIUS“ Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT „NORDIC SOLAR“ Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT „NORDIC STAR“ Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
NORD/LB Immobilien-Holding GmbH & Co. Objekt Magdeburg KG, Pullach im Isartal	–	–
„OLIVIA“ Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
„OLYMPIA“ Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
„PANDORA“ Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
„PRIMAVERA“ Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
„QUADRIGA“ Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
Investment funds included in the consolidated financial statements		
NORD/LB AM 56	–	100.00
NORD/LB AM 65	–	100.00
NORD/LB AM ALCO	–	100.00
NORD/LB AM OELB	100.00	–
NORD/LB AM OESB	100.00	–
Companies / investment funds accounted for in the consolidated financial statements using the equity method		
Joint ventures		
LHI Leasing GmbH, Pullach im Isartal [1]	43.00	6.00
Associated companies		
Ammerländer Wohnungsbau-Gesellschaft mbH, Westerstede	32.26	–
BREBAU GmbH, Bremen	48.84	–
Deutsche Factoring Bank Deutsche Factoring GmbH & Co., Bremen	27.50	–
GSG Oldenburg Bau- und Wohngesellschaft mit beschränkter Haftung, Oldenburg	22.22	–
LBS Norddeutsche Landesbausparkasse Berlin-Hannover, Hanover	44.00	–
LINOVO Productions GmbH & Co. KG, Pöcking	–	45.17
NORD KB Beteiligungsgesellschaft mit beschränkter Haftung, Hanover	–	28.66
SALEG Sachsen-Anhaltinische-Landesentwicklungsgesellschaft mbH, Magdeburg [2]	–	56.61
Toto-Lotto Niedersachsen GmbH, Hanover	–	49.85
Investment funds		
Lazard-Sparkassen Rendite-Plus-Fonds	49.18	–

[1] Due to the joint management, this company is classified as a joint venture.
[2] Due to the “potential voting rights” of third parties, this company is classified as an associated company.

STATEMENTS RELATING TO THE FUTURE

This report contains statements relating to the future. They can be recognised in terms such as “expect”, “intend”, “plan”, “endeavour” and “estimate” and are based on our current plans and estimations. These statements contain uncertainties since a number of factors which affect our business are beyond the sphere of influence of NORD/LB. These factors notably include developments in the financial markets and changes in interest rates and market prices. Actual results and developments may deviate considerably from current assumptions. NORD/LB does not assume any responsibility and nor does it intend to update these statements relating to the future or to adjust them in the event of developments which deviate from those that had been anticipated.

OTHER INFORMATION

RESPONSIBILITY STATEMENT

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

Hanover / Braunschweig / Magdeburg, 19 August 2013

Norddeutsche Landesbank Girozentrale

The Managing Board

Dr. Dunkel	Dr. Riegler	Brouzi
Forst	Dr. Holm	Schulz

REVIEW REPORT

To NORD/LB Norddeutsche Landesbank – Girozentrale-, Hannover, Braunschweig und Magdeburg

We have reviewed the condensed interim consolidated financial statements of NORD/LB Norddeutsche Landesbank – Girozentrale –, Hannover, Braunschweig und Magdeburg – comprising the income statement, the statement of comprehensive income, the balance sheet, the condensed statement of changes in equity, the condensed cash flow statement and selected notes – together with the interim group management report of NORD/LB Norddeutsche Landesbank – Girozentrale-, Hannover, Braunschweig und Magdeburg, for the period from 1 January to 30 June 2013 that are part of the semi annual report according to § 37 w German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hannover, 21 August 2013

KPMG AG
Wirtschaftsprüfungsgesellschaft

Ufer
Wirtschaftsprüfer
(German Public Auditor)

Leitz
Wirtschaftsprüfer
(German Public Auditor)

Financial calendar 2013
28 November 2013 Release of results as at 30 September 2013

Please download our annual and interim reports at
geschaeftsbericht@nordlb.de.

Our Investor Relations team will be glad to give assistance in case of any questions.
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Branches (including Braunschweigische Landessparkasse)

Braunschweig	Bad Harzburg	Duesseldorf
Hamburg	Helmstedt	Holzminden
Magdeburg	Salzgitter	Schwerin
Seesen	Vorsfelde	Wolfenbüttel

In addition there are more than 100 Branches and self-services in the Braunschweig area. For more details, please follow this link: https://www.blsk.de

International branches
London, New York, Singapore, Shanghai

Representative offices
Moscow

Major holdings (alphabetical)
Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale, Bremen und Oldenburg
Deutsche Hypothekenbank (Actien-Gesellschaft), Hannover (Amsterdam, Berlin, Düsseldorf, Frankfurt, Hannover, Hamburg, London, Madrid, München, Nürnberg, Paris)
Norddeutsche Landesbank Luxembourg S.A., Luxemburg

Die norddeutsche Art.

OUR PROXIMITY/YOUR STRENGTH

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Finanzgruppe