

Norddeutsche Landesbank Luxembourg S.A.



Consolidated Interim Report
as at 30 June 2013 (unaudited)

Summary of Key Data

Performance	30.06.2013 EUR Million	31.12.2012 EUR Million	Increase/Decrease EUR Million (%)	
Loans and Advances to Banks	2,155.7	1,693.9	461.9	27
Loans and Advances to Customers	4,881.2	5,115.0	-233.8	-5
Risk Provisions	-38.7	-36.5	-2.2	6
Financial Assets	9,020.0	9,332.0	-312.0	-3
Other Assets	647.7	889.7	-242.0	-27
Balance Sheet Total – Assets	16,665.9	16,994.0	-328.1	-2
Liabilities to Banks	8,959.0	9,749.6	-790.6	-8
Liabilities to Customers	3,460.4	2,283.3	1,177.1	52
Securitised Liabilities	2,415.7	2,810.8	-395.1	-14
Other Liabilities	1,141.3	1,473.5	-332.2	-23
Reported Equity	689.4	676.8	12.6	2
Balance Sheet Total – Liabilities	16,665.9	16,994.0	-328.1	-2
Profit/Loss Performance	1st Half- year 2013 (KEUR)	1st Half- year 2012 (KEUR)	Increase/Decrease (KEUR) (%)	
Net Interest Income	47,835	59,127	-11,292	-19
Net Commission Income	-664	-2,220	1,555	-70
Profit/Loss from Financial Assets	-17,047	-3,858	-13,189	> 100
Other Profit/Loss	-583	-1,634	1,051	-64
Earnings before Costs	29,541	51,414	-21,874	-43
Administrative Expenses	-21,133	-19,987	-1,146	6
Profit/Loss from Changes in Valuation and Risk Provision	-5,793	-683	-5,109	> 100
Taxes	521	-5,521	6,042	< -100
Earnings after Taxes	3,135	25,222	-22,087	-88
Key Economic Data	1st Half- year 2013	1st Half- year 2012	Increase/Decrease Absolute Relative (%)	
Cost-Income-Ratio in % *)	71.5 %	38.9 %	32.7 %	84
RoRaC in % **)	1.3 %	14.9 %	-13.6 %	-91

*) The Cost-Income Ratio (CIR) is equal to the quotients from administrative expenses and the earnings before costs.

***) The RoRaC is equal to the quotients from the earnings before taxes and the maximum value from limit for tied-up capital or tied-up capital.

Regulatory Law Key Figures	30.06.2013 EUR Million	31.12.2013 EUR Million	Increase/Decrease EUR Million (%)	
Risk-weighted Asset Values	4,402.4	4,520.2	-117.8	-3
Core Capital	689.8	673.7	16.1	2
Equity Capital	747.1	740.4	6.7	1
Core Capital Ratio	15.7 %	14.9 %	0.8 %	5
Overall Coefficient	17.0 %	16.4 %	0.6 %	4
Change in Number of Employees	30.06.2013	31.12.2012	Increase/Decrease (%)	
Number of Employees	195	185	10	5



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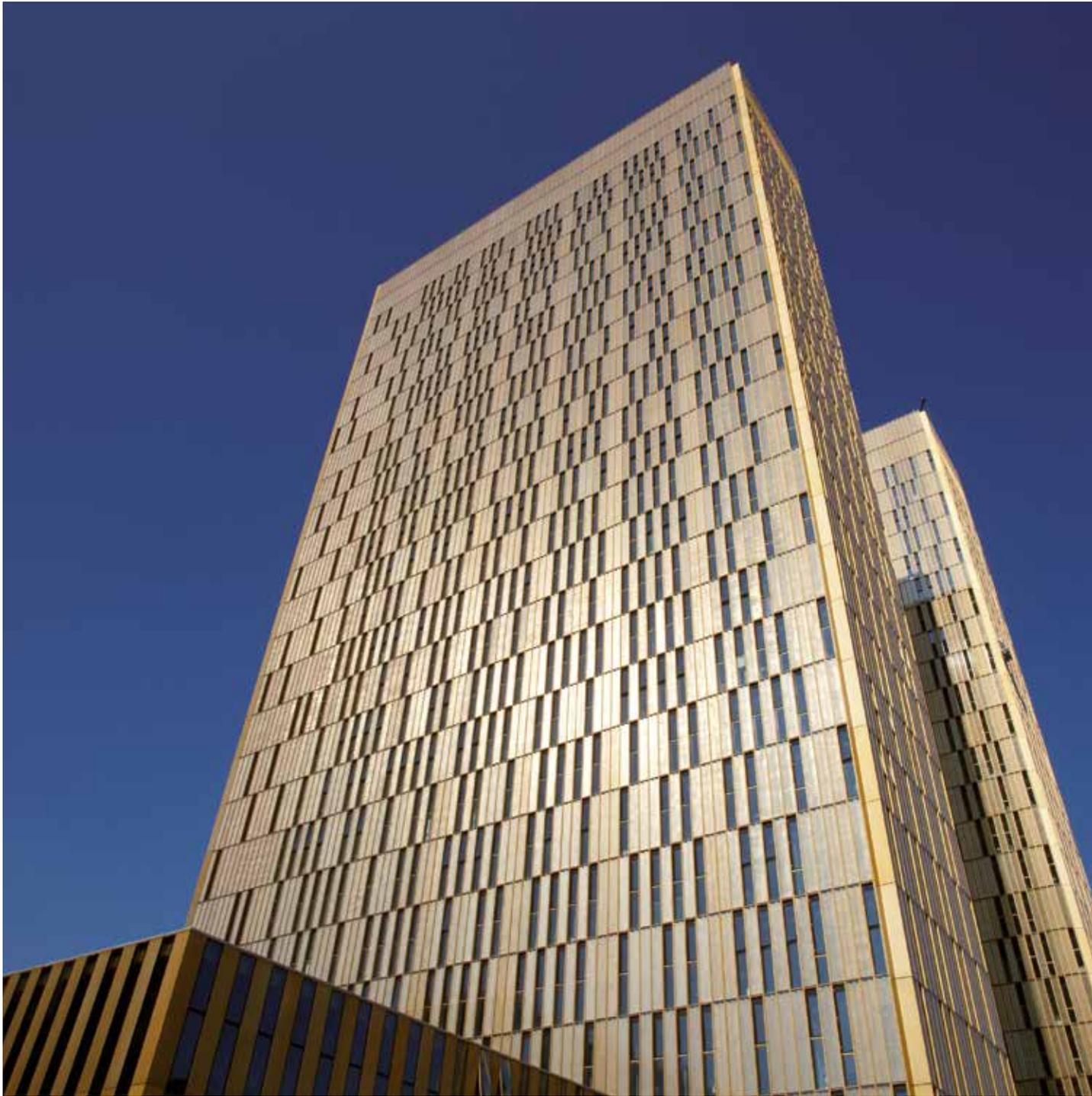
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Norddeutsche Landesbank Luxembourg S.A.
7, rue Lou Hemmer
L-1748 Luxembourg-Findel
R.C.S. Luxembourg B 10405

Consolidated Interim Report as at 30 June 2013 (unaudited)



NORD/LB Luxembourg

Members of the Supervisory Board

Dr. Gunter Dunkel

Chairman of the Board of Directors
NORD/LB Norddeutsche Landesbank Girozentrale
(Chairman)

Christoph Schulz

Member of the Board of Directors
NORD/LB Norddeutsche Landesbank Girozentrale
(Deputy Chairman)

Ulrike Brouzi

Member of the Board of Directors
NORD/LB Norddeutsche Landesbank Girozentrale

Dr. Johannes-Jörg Riegler

Deputy Chairman of the Board of Directors
NORD/LB Norddeutsche Landesbank Girozentrale

Walter Kleine

Chairman of the Board of Directors
Sparkasse Hannover

Board of Directors

**Chairman of the Board of Directors/
Chief Executive Officer**

Harry Rosenbaum

Member of the Board of Directors

Thorsten Schmidt

**Deputy Chairman of the Board of Directors/
Chief Financial-/Risk-/Operations Officer**

Christian Veit

Organisation

Financial Markets

Thomas Keith

Business Development

Olaf-Alexander Priess

Credit Management

Maik Mittelberg

Private Banking

Markus Linnert

Finance

Peter Heumüller

Credit Risk Management

Jörn Janisch

ORG/IT

Frank Seeberger

Romain Wantz

Operation Services

Rita Kranz

Administration

David Gunson

Human Resources

Christian Ehrismann

Internal Audit

Frank Steingrube

Legal/Compliance

Dr. Ursula Hohenadel

Security

Jürgen We



**Chairman of the Board
of Directors/
Chief Executive Officer**
Harry Rosenbaum



**Deputy Chairman of the Board
of Directors/
Chief Financial-/Risk-/Operations
Officer**
Christian Veit



Member of the Board of Directors
Thorsten Schmidt



The Group

Norddeutsche Landesbank Luxembourg S.A. (hereinafter referred to as "NORD/LB Luxembourg" or "the Bank" or "the Group" for short) is the parent company of a group of companies that includes NORD/LB Covered Finance Bank S.A., Luxembourg, (referred to hereafter as NORD/LB CFB) and Skandifinanz AG, Zürich, Switzerland, (hereinafter referred to as Skandifinanz). NORD/LB Luxembourg holds 100% of the shares of each of the two companies.

NORD/LB Luxembourg has issued a letter of comfort for NORD/LB CFB (see Annual Report 2012).

NORD/LB Luxembourg itself is a wholly-owned subsidiary of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover, (referred to hereinafter as NORD/LB), and its consolidated financial statements are included in the consolidated financial statement of NORD/LB. The consolidated financial statements of NORD/LB can be viewed on the Internet at www.nordlb.de.

The range of activities of NORD/LB Luxembourg lies in the business financial markets, credit management and private banking business segments. The corporate purpose of NORD/LB Covered Finance Bank S.A. is to conduct any transactions which are permissible for a covered finance bank according to the laws of the Grand Duchy of Luxembourg.

The business activities of Skandifinanz AG had already been totally reduced or transferred to the parent company in the 2011 reporting year. The intention is to sell the shares in Skandifinanz AG during financial year 2013.

This report relates to the consolidated interim accounts of NORD/LB Luxembourg in compliance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as implemented by the EU.

International Economic Development

First Half-year of 2013

Global Economic Environment

The global economy only grew at a moderate level in the first half of the current year. Even world trade was not yet able to return to stronger growth. Weak overall economic development in the Eurozone continues to remain a significant burden. On the whole, the mood among companies and consumers tended to brighten in the first half of the year. The effects of the consolidation measures and structural reforms kept Southern Europe firmly in the grip of the recession.

In the USA, on the other hand, the year began cautiously at first. The real gross domestic product (GDP) expanded by 1.1% with an annualised quarterly growth rate in the first quarter, followed by an expansion in spring-time by 1.7%. In view of the discontinuation of the tax incentives at the beginning of the year and the cuts in government expenditure, the US economy can still be described as remarkably robust. Once again, it was private consumption that propped up the US economy.

Germany

The German economy returned to growth as expected in the first half of the year, following the weak final quarter of 2012. While the real economic performance remained on the weak level of the previous quarter for the first three months in 2013, the GDP rose by 0.7% seasonally adjusted in the second quarter. However, special factors that had a negative impact at the beginning of the year. For example, the extraordinarily bad winter weather in February and March greatly slowed down the recovery. In March especially, there were significantly more days of frost than the long-term average, which, above all, temporarily put construction activities under pressure. However, there were catch-up effects in the spring, which were reflected most notably in a stronger expansion of construction production in April.

Private consumer spending propped up growth in the first half-year. Employment continued to grow robustly, which,

in combination with appreciable collective bargaining wage increases and much lower inflationary pressure, improved real disposable income. The seasonally adjusted unemployment rate was 6.8% in July. Investment activity remained weak in the beginning of the year and hindered economic development once again whereas the growth proceeded much more positively second quarter not only because of special factors in investments in the construction industry. Even net exports could hardly contribute to growth. Exports were constrained by the weak general economic development in the Eurozone, which could no longer be compensated by demand from outside of Europe.

Euroland

As expected, the Eurozone was able to leave the recession that has lasted for one and a half years behind in the second quarter. The GDP increase of 0.3% in spring-time was the biggest plus since the beginning of 2011. Particularly the heavy weights Germany and France with their above-average growth rate were mainly responsible for dragging the Eurozone out of recession. Private and public consumption increased firmly in both countries and added noteworthy growth shares.

However, the positive overall development resulted also from surprisingly robust figures from the so called crisis states. The speed of contraction decreased significantly in Spain and Italy (-0.1 and -0.2% resp. compared to the previous quarter). Portugal surprised with a GDP increase for the first time after 10 quarters of declining economic output. In addition, the growth of 1.1% turned out to be extremely strong compared to the previous quarter. Even if the end of recession is now reached, the end of the crisis is still far away. Most of the countries are still facing significant needs for consolidation. Economic recovery is an essential but not a sufficient condition for a sustainable exit from the crisis. But the ongoing improvements of early indicators speak in favour of a gradual economic recovery albeit less dynamically.

Financial Markets and Movements in Interest Rates

The recovery on the financial markets has continued since the beginning of the year. Nevertheless, for a short time there were also a few repeated irritations for capital market players. The triggers worth mentioning here were the

parliamentary elections in Italy, the rather clumsy bail-out action for Cyprus, and the government crisis in Portugal. In Italy, the unclear majorities made for a tricky formation of a government. Despite the ensuing political impasse that actually lasted for months, investors soon began to show trust again, especially in Italian government bonds. What is striking, however, is that in the meantime, the markets only appear to react sensitively to political risks and less to weak economic data.

Meanwhile, the inflation rate has fallen quite considerably below the 2.0% mark both in the Eurozone and in Germany. Following a longer phase of slightly increased inflation rates, the rise in prices this year is therefore once again in the range of below but close to 2%, exactly what the European Central Bank (ECB) has been striving for in the medium term. The lower price trends and weak economic data from the Eurozone caused the ECB to make another cut in the key interest rate. In May, the ECB's Governing Council cut the tender rate to a new record low of 0.5%. The Central Bank did abstain from introducing a negative interest rate for the deposit facility, but they kept the back door open for further action. Moreover, the ECB announced in May that the main refinancing operations would continue to be carried out at least until 8 July 2014 as fixed rate tenders with full allotment at a fixed interest rate. There will be no changes with respect to the longer refinancing operations with a term of up to three months either, at least until mid-2014. Furthermore, the ECB changed its communication instrument in July with the first publication of a "Forward Guidance" with regard to the level of the key interest rates. According to this, the ECB Governing Council is assuming that the key interest rates will remain persistently at the current or a lower level for a long time.

The measures taken by the ECB and the latest statements all clearly point in one direction: the key interest rates will remain at an extremely low level for a long time. Nevertheless, the recourse to the Forward Guidance instrument is certainly to be seen in connection with the comments made previously by Ben Bernanke when in June, for the first time, he named very specific possible dates for a repayment of the monthly bond purchases by the US Federal Reserve Bank. This had led to considerable uncertainty on the markets. Many share indexes fell significantly in June, but have since recovered, partly because Ben Bernanke put his comments somewhat into perspective in July. The German DAX stock index even climbed above the level of 8,530 points (closing price basis) in mid-May and was thereby a good 900 points above the level recorded at the beginning



of the year. In mid-July, the DAX was quoted at a level of around 8,300 points. Since the beginning of the year, the yields of German federal bonds with a remaining term of ten years have ranged between 1.2% at the beginning of May and the current year's high of 1.9%, which was recorded briefly at the end of June. Fear of an end to the high level of liquidity had put German federal bonds under selling pressure, following on from the US treasuries. Following an easing of the situation, the yield of ten-year federal bonds climbed close to its year-high. The spread of ten-year government bonds from the USA and Germany has since extended to about 100 basis points. In contrast, the money market rates remained largely stable in the first half-year. Since mid-January, the 3-month Euribor has only been slightly above 0.2%.

Covered Bond Markets and Lettres de Gage Publiques

The first half-year of 2013 was characterised by a strong dynamic in the first quarter as well as a large volume of new issue business in the covered bond markets. As a consequence of strong demand from investors, driven among other things by the long-term refinancing operation (LTRO) launched by the European Central Bank, cheaper refinancing conditions and a subdued development of the unsecured senior market, many banks are deciding to issue covered bonds. This was supported by a trend towards a decline in new issue premiums. On the basis of this positive development, it was also possible for issuers from periphery states to place new issues.

In addition to this, covered bonds in foreign currencies, especially US dollars and GBP, enjoyed increasing demand after a long time, which made it possible to sell significantly higher volumes in this segment than in previous years.

After a spectacular start to 2013, new issue activities slowed down significantly in the second quarter, which was predominantly due to tensions in connection with the debt situation in some EU periphery states. As a result of several ratings downgrades of various central governments, a number of covered bond products were subsequently downgraded in those countries. This led to further uncertainty on the part of investors and to high spread volatilities in these products. The competition situation between government bonds and covered bonds continued to lead to tough competition for the attention of the investors, which the *lettres de gage* were also exposed to.

Even if the volume of new issues was significantly down in the first half-year of 2013 overall, covered bonds were able to strengthen their status as a long-term, high-quality capital market product. This results from the regulatory advantages of covered bonds under Basel III and Solvency II. The increasing importance of covered bonds as a refinancing instrument in the global market is reflected in the structure and expansion of corresponding legislation. Accordingly, legislative initiatives were observed in the first half-year in Belgium and Canada, among other countries.

Forecasts and Other Statements on Anticipated Developments

For the global economy, a gradual increase in the forces of economic growth in the latter part of the year and in the coming year can be anticipated. The development of the early indicators and in particular the fact that the Eurozone left the recession behind it indicates an early triumph over the global economic downturn. For the USA, a solid GDP growth rate of 2 % is being forecast for 2013, before a considerable growth in economic output in the coming year. On the other hand, growth in China has slowed down. Moreover, risks of financial and debt crises in many industrialised countries still exist. In particular, the continuation of the structural adjustments in the euro states will remain in the focus of the capital markets.

The outlook for the German economy has barely changed in comparison to the forecast of six months ago. The assessment that the lowest point of the economic slowdown would occur during the winter half of the year did indeed turn out to be correct. The improved sentiment has continued until recently so that a persistent upswing is visible for the further course of the year. As expected, the growth benefitted from catch-up effects in spring-time. Overall, a

moderate growth in GDP of 0.6 % as compared to the previous year is anticipated in Germany in 2013. In contrast, a growth of about 2 % may be achievable again in the following year if the global economic situation improves – provided there are no new shocks with regard to the debt crisis.

In the euro states, the prospects of economic development have improved recently. The most important sentiment indicators improved slightly – albeit from a very low level. Despite the most recent stabilisation of the markets, the debt crisis remains the biggest economic risk for the euro states. For a number of countries in the Eurozone, the original consolidation objectives could no longer be achieved, and thus adjustments were made to the instructions from the Commission with respect to the current deficit procedures. To this extent, the additional discretionary fiscal burdens will prove to be lower in 2013 than previously expected. In the context of the debt crisis, the two large national economies, Spain and Italy, will particularly remain in focus despite the improved climate on the financial markets. . Already in spring-time the contraction diminished considerably in both countries. It is anticipated that the persistently weak propensity to consume and invest will cause a 0.5 % decrease in economic output in 2013. Nonetheless, this forecast continues to be based on a gradual recovery starting over the course of the year, even if the downside risks are still high. The deficit ratio of the Eurozone will probably reach the level of 3 % of GDP (Maastricht criteria) for the first time again in 2013, despite the weak economy.

Inflationary pressure will be moderate in both the Eurozone and Germany this year and next year. Both in Germany and the Eurozone, consumer price inflation is once again below the 2.0 % level as compared to the previous year.

The stabilisation of the financial markets, which has lasted for nearly a year, will continue for the rest of this year and next year. While new areas of conflict in the Eurozone are foreseeable, such as the question of another haircut for Greece, the financial markets may have developed a certain resistance to new conflicts by now. On the contrary, the new problems affecting the markets in the Eurozone may well be a reversal of the US Federal Reserve Bank's monetary policy instead and the resultant implications for interest rate levels in the USA and on this side of the Atlantic. The reactions in June were a "preview" in this respect.

Nevertheless, at least the ECB will still stick to its extremely expansive monetary policy for a long time. An initial increase in interest rates is anticipated in 2015 at the earliest,

and will only occur if the economic situation has been able to stabilise on a sustained basis by then. A huge rise in interest rates is therefore not to be expected for the Eurozone, even though there may be an acceleration of normalisation in the case of federal bonds due to the lower risk of uncontrollable negative developments related to the debt crisis. Against this background, this should give rise to a slightly steeper yield structure, with an increase in yields at the long end.

Development of Business Segments

NORD/LB Luxembourg

Financial Markets

Sales, funding and bank controlling continued to be the core elements of Financial Markets at NORD/LB Luxembourg in 2013. The focus is still on the development of sales, especially the pooling of the sales capacities of the NORD/LB for Europe (Germany excluded).

The internal service functions related to trading are undertaken by "ALM/Treasury", supplemented since 2012 by Cover Pool Management, which is responsible for the new issue business of Luxembourg covered bonds ("lettres de gage") via NORD/LB CFB. Lettres de gage represent an additional covered refinancing source for the NORD/LB Group.

Financial Markets actively approaches internal and external customers and delivers a valuable contribution to the bank's management at both NORD/LB Luxembourg and NORD/LB.

ALM/Treasury

ALM/Treasury is a service provider for the Group and offers solutions for all matters regarding the supply of liquidity and interest rate and currency management. The business unit is responsible for the management of the balance sheet, purchases and sells securities for the purpose of managing liquidity and interest rate risks, and generates an additional contribution to the results within the framework of risk limits set by the Board of Directors through active management of the client flows. Securing the liquidity supply of the group is at the forefront at all times.

ALM/Treasury is an integral component of the funding activities of the NORD/LB Group and is involved in committees and coordination processes across the whole institution. ALM/Treasury is characterised by a broad diversification of the refinancing sources for the lending business and a high degree of flexibility with regard to currencies, maturities and redemption structures. Deposits by banks and institutional investors, the ECP programme, open market transactions and internal group funding for long-term maturity brackets over 24 months are used for this purpose.

Exclusive added value exists via the network developed in Switzerland. In addition, NORD/LB Luxembourg is the only

member of the NORD/LB Group to participate in the open market business of the Swiss National Bank via the Eurex Repo platform.

The Bank actively operates as a lender in repo transactions in order to increase its share in the collateralised lending business.

To support the control and management of the liquidity ratios and interest rate risks, the Bank also uses the trading book, primarily through derivatives. In the case of derivatives, there is a concentration on interest rate swaps and currency futures, including currency swaps and futures. The Bank does not enter into any risks pertaining to complex derivative products.

Cover Pool Management (via NORD/LB CFB)

The strategic approach taken for the business with "lettres de gage" is aimed at utilising the regulatory advantages of the Luxembourg Pfandbrief (covered bond) Act. In particular, these advantages are leveraged with the municipal undertakings, savings banks and institutional investors customer groups.

The covered bond business is being further strengthened from Luxembourg as a complementary component of the funding of the NORD/LB Group. The investor base is being expanded beyond this business segment.

Cover Pool Management (CPM) is responsible for the management of the cover pool and the issue of covered bonds in NORD/LB CFB. The issue of such covered bonds in accordance with Luxembourg law is carried out in cooperation with ALM/Treasury and in line with the funding requirements of the Bank and Group.

In the first half-year, the Bank's new issue business in lettres de gage publiques concentrated predominantly in the mid to long-term maturity segment. Lettres de gage publiques were issued in USD and EUR.

The ongoing exchange of information with investors and the expansion of investor relations activities is a central issue of the Bank's communication strategy. Requests for one-on-one meetings from interested investors are always gladly met. General information is made available on a regular and timely basis on the www.nordlbcfb.lu website. In addition, current issue prices and yields are available to the public on the Banks Reuters and Bloomberg ("NCFB") information systems in real time.

Corporate Sales

Corporate Sales works in close cooperation with NORD/LB.

Corporate Sales is a product specialist for interest rate and currency management. It identifies potential and develops proposals for individual solutions for corporate customers. Along with the acquisition of new customers, the use of cross-selling potentials within existing customer relationships in the corporate customer segment are a focus at NORD/LB. Products from both the Group and NORD/LB Luxembourg are offered.

Fixed Income/Structured Products Sales Europe

Fixed Income/Structured Product Sales Europe also operates in close cooperation with the Group and sells standardised and structured financial products to European institutional customers and banks.

The objectives in the standardised product segment (“flow products”) are to support primary market activities and increase the turnover ratio in the Group’s trading book. The geographical diversification of the sources of refinancing through recruiting European investors via NORD/LB Luxembourg is also intended.

Structured products (“non-flow products”) are developed on the basis of the business activities of the various market units of the Group. The aim here is to actively use the customer relations of the NORD/LB lending divisions in order to satisfy customer requirements for “alternative investments”.

The Bank does not enter into its own risks in the process.

Performance

Despite the abatement of the sovereign debt crisis, framework conditions on the financial markets continue to be challenging for Financial Markets. The early economic indicators for the Eurozone were recently rather disappointing; the interest rate is still extremely low and the interest curves very flat. On the other hand, the US economy recovered again, even though the speed of growth remains moderate and a sustainable effect on the interest curves cannot be observed. Financial Markets met the challenging market environment in the first half-year of 2013 with effective interest rate management and achieved a satisfactory result overall.

The momentum triggered by the central banks in the form of a more than adequate liquidity supply to the bond mar-

kets also had a positive effect on the securities portfolios used for liquidity management and led to a significant improvement in the revaluation reserve.

Fixed Income/Structured Products Sales started the year successfully as concerns the sale of standardised financial products. In cooperation with NORD/LB in primary market transactions, NORD/LB Luxembourg was able to further sharpen its profile in this still rather new initiative. The growth in the secondary market business was also pleasing. The sale of structured products is directly dependent on the available supply from the Group and started the financial year on a restrained note.

Corporate Sales was expanded to include another regional responsibility and now serves customers from southern Germany as well as western Germany. Business development is still on a sideways course as a result of the low interest rate level.

Private Banking

The Private Banking activities within the NORD/LB Group are coordinated from Luxembourg. The Private Banking Board was established as the control body (steering committee), which comprises representatives from the relevant group units.

At NORD/LB Luxembourg, customer relationships are always based on close, cooperative partnerships with a focus on the different needs of customers.

The Private Banking division offers customers interested in international investment a comprehensive consulting service. In addition to traditional consulting services geared to the customers’ needs and requirements (with regard to investment style, risk preferences and timeframes), there is also the option of using various asset management concepts.

In terms of asset management, which has a successful 10-year track record, investors can choose between a range of individual asset management concepts, which are tailored to different customer preferences.

In addition, the Bank is also active as an approved insurance broker in Luxembourg. In this context, Private Banking arranges insurance contracts which accommodate the investment and risk mentality of the customers with regard

to the cover values. The Bank also acts as the asset manager for the insurance company.

Moreover, the range of services offered by the Bank also includes the design, launch and management of public funds both for the Bank's own private banking clientele as well as for the clientele of other private banking units within the Group and for external parties, if appropriate. The activities of the Bank are limited to fund management and to the role of initiator; the custodian bank and consolidated fund administration activities are outsourced to service providers. The Group-wide marketing of the fund is achieved by including representatives from NORD/LB and Bremer Landesbank in the launch of the fund via an investment committee, which can make recommendations, and a Group-wide steering committee for Private Banking for products sold jointly.

As far as customers were concerned, the first half-year of 2013 was characterised by a search for investments that hold the prospect of a yield above the current moderate inflation rates. At the same time, the customers continued to focus more on bond and fund investments rather than direct investments in the equity sector. Record values of some individual share indices largely deterred investors from making new commitments in stocks and shares. Seen in the overall context, the profit/loss attributed to services increased as compared to the previous year. In the lending business, loans to customers could also be increased in comparison to the same period in the previous year, which led to a rise in the interest contribution. The liabilities side closed significantly below the previous year's results, due to the erosion of the valuation rates in the short-term maturity sector. In contrast, the volumes have remained largely constant on the liabilities side.

On the whole, income in Private Banking decreased as compared to the corresponding period in the previous year, while managed customer assets rose.

Credit Management

The lending business is an important source of income for the Bank. As an experienced and efficient quality service provider in financing for corporate customers and structured transactions, the Bank delivers added value for the NORD/LB Group.

The lending business in Luxembourg comprises the Allied Lending Business unit along with other Group units and

Savings Banks guaranteed lending business. The services provided by the lending business of NORD/LB Luxembourg and NORD/LB CFB within the NORD/LB Group have a complementary character and therefore add to the range of services offered by the Group.

Allied Lending Business

The allied lending business is the heart of the lending business at NORD/LB Luxembourg. The most important cooperation partners are the Corporate Customers and Structured Finance units of NORD/LB.

At the centre of business activities are variable interest loans and short-term fixed rate loans in particular, coupled with currency drawdown where applicable. The lending service is also provided within the scope of more complex consortium financing with the assumption of the role of consortium leader. Accounts receivable purchases (single and pool purchases) in NORD/LB are operated exclusively from NORD/LB Luxembourg.

The personnel and technical infrastructure of NORD/LB Luxembourg is geared to the administration of these types of loans. NORD/LB provides a loan administration process across the locations, with specialised division of tasks and clear responsibilities.

Lending Business with Near-municipal Customers (primarily via NORD/LB CFB)

Within the allied lending business, there is a particular focus on the lending business with near-municipal customers in Germany.

NORD/LB Luxembourg is actively involved in the organisation of customer relations and respective transactions. At the same time, there is close cooperation with the respective corporate account managers in the Group. The aim is to use the loans thus created as cover volume for the issue of covered bonds in accordance with Luxembourg law. These loans are therefore refinanced on favourable terms and enable competitive conditions for these target customers of the NORD/LB group. The business with near-municipal undertakings is set to be further advanced.

Allied Business with Savings Banks

The allied business with savings banks is a classic niche product. The range comprises loans granted in foreign currencies to savings bank customers. In the context of the loan transactions arranged and guaranteed by the savings bank, loans are available to customers in the short-term segment starting from a minimum amount of EUR 100,000

(or equivalent value) and in the long-term segment starting from a minimum amount of EUR 250,000 (or equivalent value). Loans are granted with an interest term of one month to ten years. Direct access to the customers remains fully with the savings bank in these transactions.

Performance

The first half-year of 2013 built positively on the trend reversal in financial year 2012. The growth in new business and thus the volume continues to be positive. The excellent cooperation with the allied partners of NORD/LB on the basis of allocation criteria clearly agreed on with the Corporate Customer unit is progressing successfully. Accounts receivable purchases, where NORD/LB Luxembourg offers individually tailored processing to customers, is demonstrating pleasing growth. The Bank succeeded in achieving the goals it has set for itself. In this segment, the focus is on optimising the support for the business on the system level as well as the further expansion of the business.

The savings bank allied business started the year cautiously and continues its lateral development.

The operating result before risk provisioning in the lending business can be described as satisfactory.

Skandifinanz

The business activities of Skandifinanz AG were reduced or transferred to the parent company in the 2011 reporting year. It is anticipated that the process of selling Skandifinanz AG will be concluded during the the current financial year.

Business Outlook

The uncertainty on the markets and the permanent low-interest-rate phase including very flat yield curves still represent major challenges for Financial Markets. With regard to the further course of the current year this picture probably will not change. This situation also affects the sales activities. Corporate Sales expects a sideways trend of the business. With focus on acquisition of new customers and customer care Fixed Income Structured Product Sales Europe will promote the expansion of the investor base.

Investor behaviour in private banking is ambivalent. The still very low interest rate level is almost leading to a refusal to invest in the bond sector on the one hand, but leading to risk-cushioned investments in the share sector on the other. The political environment led to (loan-financed) commitments in the property sector.

A requirement with regard to optimisation possibilities in existing real estate portfolios is also discernible here.

The Bank finds itself well-positioned in the lending business for the second half of the year. New business opportunities will be reviewed and pursued after analysing their potential. The cooperation model with NORD/LB is set to be expanded to include other customer segments.

Under the motto "The bank for municipal undertakings", NORD/LB CFB will continue to focus on operating public finance business in the future to complement the other units in the Group and align its refinancing with the issue of *lettres de gages publiques* (covered bonds).

Earnings

The interim consolidated financial statements of the group as of 30 June 2013 were prepared in compliance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as implemented by the EU.

The profit/loss before tax was down on the previous year by KEUR 28,129 to KEUR 2,615. The change in the profit/loss from financial assets is largely responsible for the decline.

For computational reasons, the following tables may contain rounding differences.

Items on the income statement changed as follows for the period under report:

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/Decrease ^{*)} (KEUR)
Net interest income	47,835	59,127	–11,292
Risk provision in lending business	–6,194	–5,285	–908
Commission expenses/net income	–664	–2,220	1,555
Profit/loss from financial instruments stated at fair value through profit or loss, including hedge accounting	401	4,602	–4,201
Other operating profit/loss	–583	–1,634	1,051
Administrative expenses	–21,133	–19,987	–1,146
Profit/loss from financial assets	–17,047	–3,858	–13,189
Group profit/loss before income taxes	2,615	30,743	–28,129
Income taxes	521	–5,521	6,042
Group profit/loss for the year	3,135	25,222	–22,087

^{*)} The prefix in the Increase/decrease column indicates the effects on the results.

Net interest income fell as compared to the previous year by KEUR 11,292 to KEUR 47,835.

The expenses for risk provisions increased by KEUR 908 versus the previous year, to KEUR 6,194.

Commission income was up on the comparative period by KEUR 1,555 to KEUR –664. This was largely due to the reduction in expenses from the loans and guarantees business, as well as to higher income in the securities and custodian business.

Profit/loss from financial instruments stated at fair value through profit or loss shows both trading profit/loss in the true sense and profit/loss from financial instruments that are voluntarily designated under the fair value option. Profits/losses from hedge accounting are also shown here.

The other operating profit/loss is above the comparative value due to a tax assessment.

Administrative expenses are up on the previous year's level as a result of higher expenses for operating and office equipment.

The profit/loss from financial assets mainly results from valuation adjustments on two LaR securities as well as disposals of financial instruments.

Before taxes, the Group posted a profit in the reporting period in the sum of KEUR 2,615; after taxes, there remains a net profit for the year in the amount of KEUR 3,135.

The individual items comprising the result are as follows:

Net Interest Income

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/Decrease ^{*)} (KEUR)
Interest income	298,801	452,181	-153,380
Interest expense	-250,966	-393,055	142,088
Net interest income	47,835	59,127	-11,292

^{*)} The prefix in the Increase/decrease column indicates the effects on the results.

The profit/loss from interest in the reporting year decreased as compared to the previous year. This is attributable both to changes in the balance sheet structure between the reporting dates and to changes in the market interest rates.

Risk Provision in Lending Business

The increase in off-balance sheet provisions in the lending business as well as the rise in individual loan loss provisions were the main negative effects on risk provision in the lending business.

Net Commission Income

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/Decrease ^{*)} (KEUR)
Commission income	13,515	12,447	1,068
Commission expense	-14,179	-14,667	488
Net commission income	-664	-2,220	1,555

^{*)} The prefix in the Increase/decrease column indicates the effects on the results.

Net commission income only includes income and expense from banking.

Profit/Loss from Financial Instruments Stated at Fair Value through Profit or Loss and Hedge Accounting

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/Decrease*) (KEUR)
Trading profit/loss	–4,587	9,261	–13,848
Profit/loss from initial recording of financial instruments designated at fair value through profit or loss	0	–98	98
Profit/loss from hedge accounting	4,988	–4,562	9,550
Profit/loss from financial instruments stated at fair value through profit or loss, including hedge accounting	401	4,602	–4,201

*) The prefix in the Increase/decrease column indicates the effects on the results.

The trading profit/loss mainly comprises the profit/loss from derivative transactions, which do not satisfy the restrictive criteria of hedge accounting. Opposing valuation changes in underlying transactions can therefore not be offset.

The changes in profit/loss from hedge accounting in the individual financial statements result from shifts in market interest rates as well as from OIS und CVA/DVA effects. Furthermore, the consolidated financial statements include effects due to the consolidation of intercompany transactions.

Other Operating Profit/Loss

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/Decrease*) (KEUR)
Other operating income	1,852	636	1,217
Other operating expenses	–2,435	–2,270	–165
Other operating profit/loss	–583	–1,634	1,051

*) The prefix in the Increase/decrease column indicates the effects on the results.

The other profit/loss mainly results from the accounting of services with NORD/LB and a value-added tax assessment for previous years.

Administrative Expenses

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/Decrease ^{*)} (KEUR)
Wages and salaries	10,377	10,025	–352
Other staff expenses	1,443	1,641	198
Staff expenses	11,819	11,666	–153
Other administrative expenses	7,676	6,861	–815
Depreciation and value adjustments	1,638	1,460	–178
Administrative expenses	21,133	19,987	–1,146

^{*)} The prefix in the Increase/decrease column indicates the effects on the results.

Administrative expenses including depreciation rose by KEUR 1,146 to a total of KEUR 21,133.

Profit/Loss from Financial Assets

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/Decrease ^{*)} (KEUR)
Profit/loss from financial assets classified as LaR	–20,060	–4,878	–15,182
Profit/loss from financial assets classified as AfS (without participating interests)	3,012	1,019	1,993
Profit/loss from affiliated companies	0	0	0
Profit/loss from joint ventures and associated companies	0	0	0
Profit/loss from other participating interests	0	0	0
Profit/loss from financial assets	–17,047	–3,858	–13,189

^{*)} The prefix in the Increase/decrease column indicates the effects on the results.

At KEUR –13,189, the negative change in the profit/loss from financial assets is largely attributable to the value adjustment of two LaR securities. The disposal of financial instruments had a compensatory effect.

Income Taxes

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/Decrease ^{*)} (KEUR)
Current taxes	-1,683	-4,664	2,981
Deferred taxes	2,204	-857	3,061
Income taxes	521	-5,521	6,042

^{*)} The prefix in the Increase/decrease column indicates the effects on the results.

NORD/LB Luxembourg and NORD/LB CFB form a tax group in accordance with article 164bis of the Luxembourg income tax law.

Schedule of Assets and Financial Data

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/Decrease (EUR million)
Loans and advances to banks	2,155.7	1,693.9	461.9
Loans and advances to customers	4,881.2	5,115.0	-233.8
Risk provisions	-38.7	-36.5	-2.2
Financial assets at fair value through profit or loss	186.1	264.0	-77.9
Financial assets	9,020.0	9,332.0	-312.0
Other assets	461.6	625.7	-164.1
Total assets	16,665.9	16,994.0	-328.1
Liabilities to banks	8,959.0	9,749.6	-790.6
Liabilities to customers	3,460.4	2,283.3	1,177.1
Securitised liabilities	2,415.7	2,810.8	-395.1
Financial liabilities at fair value through profit or loss	112.4	116.7	-4.3
Provisions	12.6	10.6	2.0
Other liabilities	1,016.3	1,346.2	-329.9
Reported equity	689.4	676.8	12.6
Total equity and liabilities	16,665.9	16,994.0	-328.1

The balance sheet total decreased as compared to the reporting date on 31 December 2012 by EUR 328.1 million to EUR 16,665.9 million.

In the balance sheet structure, a decline in loans and advances to customers and the financial assets is posted on the assets side. On the liabilities side, the liabilities to banks fell by EUR 790.6 million to EUR 8,959.0 million. Securitized liabilities also show a decrease of EUR 395.1 million.

The decrease in financial assets by EUR 312.0 million results from the end maturity of some securities as well as targeted risk management.

Financial assets and liabilities at fair value through profit or loss include only trading assets and liabilities at EUR 186.1 million and EUR 112.4 million respectively.

As at 30 June 2013, the reported equity of the banking group was EUR 689.4 million (previous year EUR 676.8 million).

The Group does not have any branches and does not hold any of its own shares.

Risk Report

The risk report of the NORD/LB Luxembourg Group to 30 June 2013 was prepared on the basis of IFRS 7. The Bank does not enter into any noteworthy risks from complex structured derivatives.

NORD/LB Luxembourg Group's risk management policy, the relevant organisational structure and operational procedures, implemented procedures and methods for risk measurement and monitoring were presented in detail in the 2012 financial statement and annual report. Therefore, only significant developments in the period under report will be addressed in this interim report.

Risk Management

Changed requirements pertaining to risk management emerged from the fourth amendment to the MaRisk published in December 2012, which came into force on 1 January

The utilisation of risk capital in the going concern scenario for the NORD/LB Luxembourg Group is shown in the following table:

EUR million	Risk-bearing Capacity 30.06.2013		Risk-bearing Capacity 31.12.2012 ¹	
Risk capital	309	100 %	288	100 %
Credit risks	55	18 %	48	17 %
Investment risks	0	0 %	0	0 %
Market price risks	9	3 %	11	4 %
Liquidity risks	10	3 %	10	3 %
Operational risks	3	1 %	2	1 %
Total risk potential	77		71	
Utilisation		25 %		25 %

¹⁾ The previous year's figures were recalculated to take account of changes in methods.

The NORD/LB Luxembourg Group has not entered into any significant new risk positions over the course of the year so far. The rise in credit risks, which predominantly results from the rating downgrade of Spanish banks, is counteracted by lower market price risks, so that the risk potential has only risen slightly overall as compared to 31 December 2012. A higher level of core capital and slightly lower amounts taken into account by regulatory authorities cause the risk capital to increase as well, and thus coverage has remained unchanged from the comparative reporting date.

2013. The analysis of the new requirements showed that the NORD/LB Luxembourg Group already met a large number of them on 31 December 2012. The outstanding points were worked on during the first half-year in coordination with NORD/LB.

In addition, a gap analysis was conducted with regard to Circular 12/552 ("Central Administration, Internal Governance and Risk Management") published by the Luxembourg regulatory authority CSSF, also in December 2012. The necessary measures were implemented during the reporting period to the greatest extent possible. A few points are still in the progress of being implemented.

Risk-bearing Capacity

For the NORD/LB Luxembourg Group, the level of utilisation in the going concern scenario was always considerably below the maximum utilisation of 80% during the half-year. The risk-bearing capacity was therefore met.

The requirements specified by the risk strategy with regard to allocating the risk capital to the individual types of risk were also met during the reporting period. Of the primary risk categories, credit, market price, liquidity and operational risk, the greatest importance by far is still attached to the credit risk.

Credit Risk

The maximum credit default risk amount for reported and off-balance sheet financial instruments is EUR 17.7 billion as at the reporting date, which is equivalent to a reduction of 2.9% since 31 December 2012.

Risk-bearing Financial Instruments EUR million	Maximum Default Risk Amount	
	30.06.2013	31.12.2012 ¹⁾
Loans and advances to banks	2,156	1,694
Loans and advances to customers	4,881	5,115
Financial assets stated at fair value through profit or loss	186	264
Fair values from hedge accounting	334	433
Financial assets	9,020	9,332
Sub-total	16,577	16,838
Liabilities from guarantees and guarantee agreements plus irrevocable loan commitments	1,120	1,384
Total	17,697	18,222

¹⁾ The previous year's figures have been adjusted.

In comparison to the following tables on overall exposure, which are based on the data provided internally to management, the maximum credit default risk amount in the above table is shown at book value.

The differences between the total of the overall exposure according to internal reporting and the maximum credit default risk amount result from the different areas of application, from the definition of the overall exposure for internal purposes and from different accounting and valuation methods.

The basis for the calculation of the credit exposure is the drawdown (in the case of guarantees, the nominal value; in the case of securities, the book value) and the credit equivalents from derivatives (including add-on and taking netting into account). Irrevocable lending commitments are included in the credit exposure at 45% and revocable lending commitments at 25%, while securities are not taken into account.

Analysis of Credit Exposure

The credit exposure as at 30 June 2013 is EUR 21.3 billion and is therefore almost unchanged as compared to the figure posted on 31 December 2012 (EUR 21.2 billion).

The following table shows the rating structure of the entire credit exposure – divided into product categories and the totals compared with the structure of the previous year:

Rating Structure ^{1) 2)} EUR million	Loans ³⁾	Securities ⁴⁾ 30.06.2013	Derivatives ⁵⁾	Other ⁶⁾	Total	
					30.06.2013	31.12.2012
Very good to good	9,074	8,113	387	0	17,573	17,821
Good/satisfactory	1,188	932	6	0	2,127	1,457
Still good/adequate	181	254	0	0	435	976
Increased risk	402	118	5	0	525	571
High risk	115	199	0	0	314	123
Very high risk	81	0	0	0	81	83
Default (= NPL)	167	54	2	0	222	185
Total	11,208	9,670	399	0	21,277	21,216

1) Allocation is in accordance with IFD rating categories

2) Differences in amount are rounding differences

3) Includes loans taken up or loan commitments, guarantees and other non-derivative off-balance sheet assets; as in the internal reporting, the irrevocable credit commitments are included at 45 % and the revocable ones at 25 %

4) Includes the Bank's own stocks of securities issued by external issuers (investment 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 (pass-through) loans and administrative loans

The majority of total exposure (82.6%) is in the “very good to good” rating category. The proportion of this rating, the best rating category, in the total exposure continues to be very high due to the large volume of business conducted with financing institutions and public administrative offices. As a result of rating migrations, especially in the Spanish financial sector, the exposure in the “high risk” rating category has risen proportionally to 1.5%. The share of non-performing loans has increased slightly from 0.8% to 1.0%.

The classification of total credit exposure into sectors is as follows:

Sectors ^{1) 2)} EUR million	Loans ³⁾	Securities ⁴⁾ 30.06.2013	Derivatives ⁵⁾	Other ⁶⁾	Total	
					30.06.2013	31.12.2012
Financing institutes/insurers	6,920	5,570	376	0	12,866	12,811
Service industry/other	1,370	3,622	6	0	4,999	5,048
of which land, real estate and housing	321	0	0	0	321	425
of which public administration	7	3,616	0	0	3,623	3,655
Transport/news broadcasting	588	136	0	0	724	618
of which shipping	14	0	0	0	14	14
of which aviation	28	0	0	0	28	30
Manufacturing/processing industry	1,200	0	6	0	1,206	1,421
Energy, water supply, mining	807	341	5	0	1,153	985
Trade, maintenance, repair	268	0	5	0	274	290
Agriculture, forestry and fishing	4	0	0	0	4	4
Construction industry	51	0	0	0	51	40
Other	0	0	0	0	0	0
Total	11,208	9,670	399	0	21,277	21,216

1) Allocation aligned with the internal reporting in accordance with economic criteria

2) to 6) See previous table on the rating structure

The table shows that the business with financial institutions / insurance companies, at an overall proportion of 60.5%, continues to make up a significant share of the overall exposure. Including public administration, the proportion of the overall exposure amounts to 77.5%.

A breakdown of the total credit exposure by region is as follows:

Regions ^{1) 2)} EUR million	Loans ³⁾	Securities ⁴⁾	Derivatives ⁵⁾	Other ⁶⁾	Total	
					30.06.2013	31.12.2012
Euro states	8,142	6,618	239	0	14,999	15,981
of which Germany	6,779	2,876	206	0	9,862	11,147
Other Europe	2,150	1,074	97	0	3,321	2,170
North America	867	1,648	63	0	2,578	2,712
Central and South America	7	13	0	0	20	68
Middle East/Africa	8	0	0	0	8	9
Asia/Australia	33	318	0	0	351	276
Other	0	0	0	0	0	0
Total	11,208	9,670	399	0	21,277	21,216

1) Allocation aligned with the internal reporting in accordance with economic criteria

2) to 6) See previous table on the rating structure

The Group invests almost exclusively in economically strong regions. The country risk tends to be of low importance due to the good country ratings. The Eurozone, with a high proportion (70.5 %) of loans, continues to be the most important business region by far.

Non-Performing Loans (NPL)

The risk provision of the Group was EUR 38.7 million on the reporting date and along with a portfolio-based loan loss provision in the sum of EUR 5.6 million, contains individual portfolio loss provisions totalling EUR 33.1 million. EUR 17.1 million of this is attributable to two borrowers from the service industry, and EUR 12.4 million to two borrowers from the processing industry. The remaining individual loan loss provisions in the sum of EUR 3.6 million are spread over several borrowers from various sectors.

In addition, provisions for off-balance sheet risks exist in the amount of EUR 7.2 million.

The portfolio loss provision for financial assets amounts to EUR 22.4 million on the reporting date.

Participation Risk

The composition of the participation portfolio remained unchanged in the first six months of the reporting year.

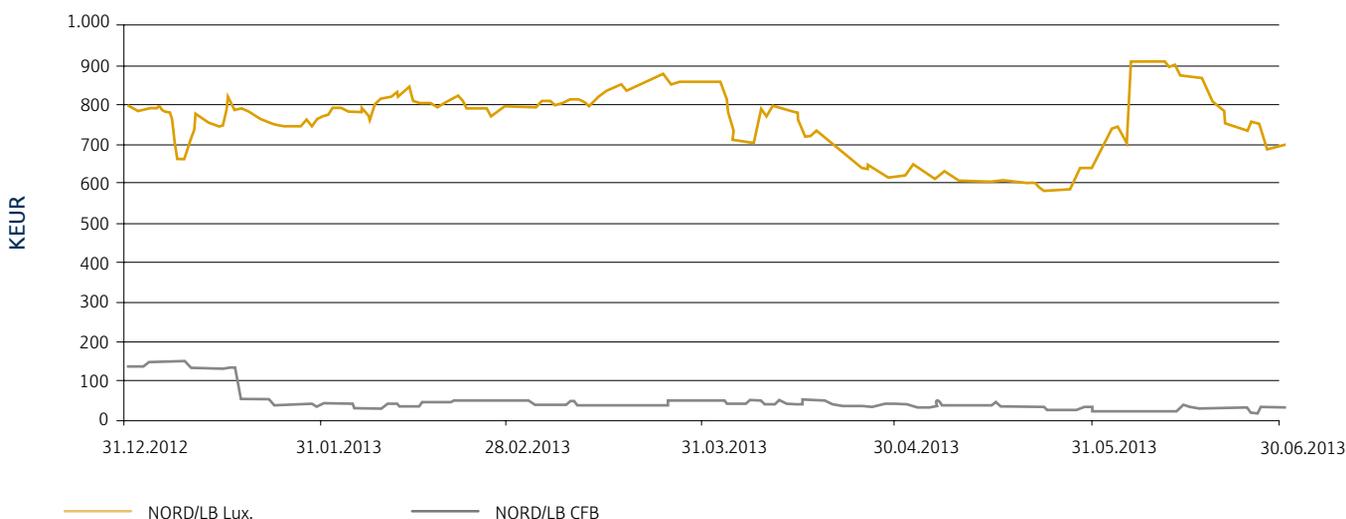
Market Price Risk

The market price risk potentials calculated within the scope of monitoring the risk-bearing capacity (going concern, confidence level 95 %, holding period 250 days) have decreased in the first half-year from EUR 11.1 million to EUR 8.7 million. This is partly due to a calm market environment. In addition, the Group deliberately did not build up any new risk positions in the first half-year and replaced maturing credit spread bearing business with low risk covered bonds.

The graph below shows the development of the value-at-risk used at the individual bank level for operations management (confidence level 95 %, holding period 1 day) over the course of the first half-year:



Value-at-Risk (95 %, 1 day)



The value-at-risk, which is calculated on a daily basis for NORD/LB Luxembourg, was EUR 0.7 million as at 30 June 2013, which is equivalent to a minor reduction from the VaR figure on 31 December 2012 (EUR 0.8 million). The focus of the risk continues to be the credit spread risks of the liquidity reserve as well as interest rate risks in EUR. No larger risk positions have been built up over the course of the year so far. The value-at-risk limit at NORD/LB Luxembourg was reduced in the first half year from EUR 6.1 million to EUR 4.3 million. The utilisation of the limit was an average of 15.3 % in the first half year (previous year 23.2 %), the maximum utilisation was 21.1 % (34.2 %) and the minimum utilisation 10.9 % (9.1 %).

At NORD/LB CFB, the value-at-risk was EUR 0.03 million on the reporting date. In line with its strategy, the Bank deliberately did not build up any significant positions in interest rate or foreign currency risks or any credit spread risks in the liquidity reserve. The value-at-risk limit was reduced during the first quarter from EUR 0.35 million to EUR 0.2 million. The average utilisation of the limit at NORD/LB CFB in the first half year was 16.5 % (previous year 43.2 %), the maximum utilisation was 40.1 % (57.2 %) and the minimum utilisation 9.3 % (21.8 %).

With respect to interest rate risks in the investment book, the effects of a standardised interest rate shock of

+200 and –200 basis points respectively is analysed on a monthly basis in addition. The result continues to be far below the regulatory threshold, which provides for a maximum proportion of 20% of authorised equity capital.

The credit spread risk using the standard group scenario analysis (holding period ten days) is limited in the NORD/LB Luxembourg Group to EUR 120 million. The average utilisation in the first half year of 2013 was 46.3%, the maximum utilisation was 51.1% and the minimum utilisation 42.2%. As at 30 June 2013, the credit spread risk using the standard group scenario was EUR 51.6 million (EUR 62.3 million as at 31 December 2012).

The credit-spread value-at-risk used in the NORD/LB Luxembourg Group for the purpose of internal control (confidence level 95%, holding period 250 days) for the investment assets is limited to EUR 130.0 million. The average utilisation in the first half year of 2013 was 78.6%, the maximum utilisation was 98.5% and the minimum utilisation 61.5%. As at 30 June 2013, the credit spread value at risk for the investment assets was EUR 94.3 million (EUR 84.4 million as at 31 December 2012).

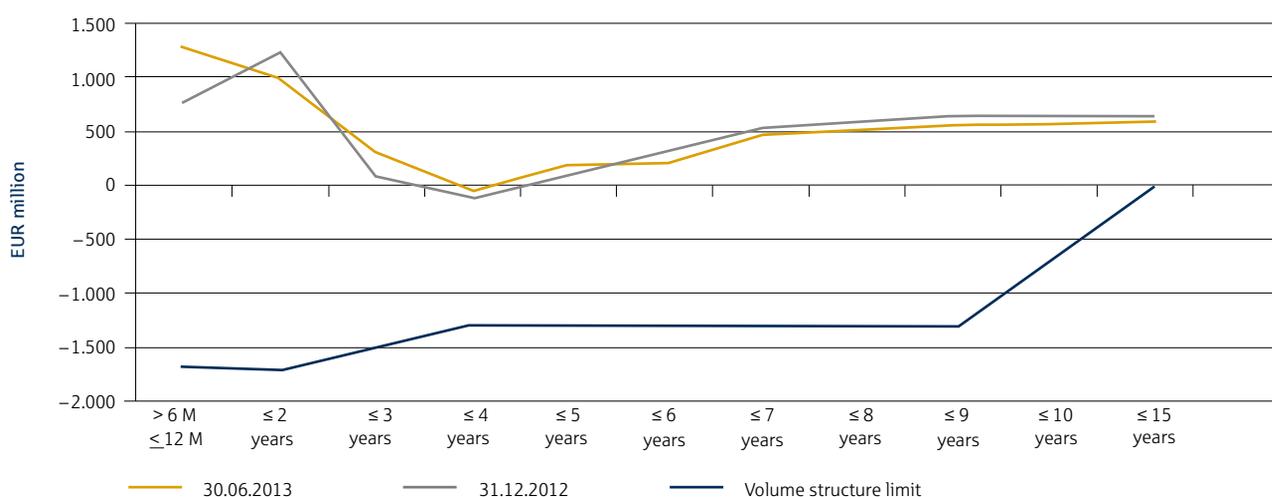
The aggregated liquidity progress review used for the internal control and monitoring of the refinancing risk was as follows on the reporting date:

A significant increase in the market price risks and in particular the credit spread risks from new business during the rest of the year is not expected, since against the background of the optimisation of risk potentials from the investment assets in the credit investment book, no new business is set to be conducted and the majority of maturing investments are being replaced by covered bonds.

Liquidity Risk

Over the course of the first half-year, the financial market continued to find itself in a slightly tense mood. Maturities are tending to shorten and the volume of uncovered money market transactions is decreasing, so that this is increasingly shifting towards the covered market. The liquidity resources of the NORD/LB Luxembourg Group were guaranteed at all times. The Group continues to have a balanced funding mix. Due to the business strategy and the local characteristics of the Luxembourg banking centre, there are concentrations with regard to refinancing via banks. In addition, the coverage of the refinancing requirement in the “more than two years” segment is predominantly carried out via NORD/LB (uncovered funding).

Cumulative Schedule of Liquidity Flows NORD/LB Luxembourg Group as at 30.06.2013



The regulatory requirements were complied with at all times in the reporting period.

Based on the regulatory requirements and the “Liquidity Management” project of the NORD/LB Group, the NORD/LB securities liquidity class concept was implemented in the NORD/LB Luxembourg Group as of 31 January 2013 for the liquidity refinancing risk. The introduction of the securities liquidity class concept created a solid basis for ensuring compliance with future requirements. The liquidity refinancing risk processes were revised in the course of this.

Operational Risk

The establishment of an integrated OpRisk management system was continued at NORD/LB in the first six months of 2013.

As per 30 June 2013, the risk potential for the operational risk according to the internal model (confidence level 95 %, holding period one year) was EUR 2.6 million in the NORD/LB Luxembourg Group.

There are no risks that jeopardise the Bank’s existence as of the reporting date.

Summary

The NORD/LB Luxembourg Group has taken reasonable account of all known risks by employing precautionary measures. The appropriate tools have been implemented in order to identify risks at an early stage.

Apart from the credit, market price, liquidity and operational risks already described, there are no risks identified as significant. The relevant risks of the Group that were identified as insignificant, are, however, integrated via a risk buffer in the management of the risk bearing capacity.

The levels of utilisation calculated during the period under report within the scope of the risk-bearing capacity model show that the risk-bearing capacity was met at all times.

According to the estimation of the NORD/LB Luxembourg Group, there are no risks that jeopardize its existence. In the first half-year, the Group fulfilled the applicable regulatory requirements on equity and liquidity at all times. Likewise, the Group has complied with the regulations on large credit limits in accordance with Luxembourg and German law in the current reporting year. The methods and processes that are currently used to control significant risks are subject to ongoing verification and are refined as necessary.

Personnel Report

Number of Employees

The number of employees in the Group (only including employees with permanent employment contracts) has developed as follows in comparison to 30 June and 31 December 2012 respectively:

Reporting Date	30.06.2013	31.12.2012	Absolute Change	Increase/ Decrease (%)	30.06.2012	Absolute Change	Increase/ Decrease (%)
NORD/LB Luxembourg	195	185	10	5	189	6	3
Skandifinanz	0	0	0	0	0	0	0
NORD/LB CFB	0	0	0	0	0	0	0
Total number of employees	195	185	10	5	189	6	3

Supplementary Report

The fully consolidated subsidiary Skandifinanz AG is expected to be sold and deconsolidated during the current financial year. Upon decision of the General Assembly of Skandifinanz AG on 29 July 2013 a partial distribution of the reserves was resolved and already distributed to the parent company NORD/LB Luxembourg.

Future-related Statements

This report contains future-related statements. They can be recognised through terms such as “expect”, “intend”, “plan”, “seek”, and “estimate”, and relate to current plans and estimates. The statements contain uncertainties, since a large number of factors that have an effect on the business lie outside the Group’s sphere of influence. These primarily include the development of the financial markets and the changes in interest rates and market prices. The actual results and developments can differ considerably from the statements made today. The Group assumes no responsibility and does not intend to update the future-related statements or to correct them if developments are other than expected.

The Board of Directors

30 August 2013

Consolidated Interim Report as at 30 June 2013 (unaudited)



NORD/LB Luxembourg

Interim Financial Statements

For computational reasons, the following tables may contain rounding differences. The Notes that follow are an integral component of the interim financial statement.

Consolidated Profit and Loss Account

Consolidated Norddeutsche Landesbank Luxembourg S.A. for the reporting period from 1 January to 30 June 2013.

	Notes	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)
Net interest income and current income	(6)	47,835	59,127
Net interest income and current income		298,801	452,181
Interest expense		-250,966	-393,055
Risk provision in lending business	(7)	-6,194	-5,285
Net commission income	(8)	-664	-2,220
Commission income		13,515	12,447
Commission expense		-14,179	-14,667
Profit/loss from financial instruments at fair value through profit or loss	(9)	-4,587	9,164
Trading profit/loss		-4,587	9,261
Profit/loss from the fair value option		0	-98
Profit/loss from hedge accounting	(10)	4,988	-4,562
Profit/loss from financial assets	(11)	-17,047	-3,858
Administrative expenses	(12)	-21,133	-19,987
Staff expenses		-11,819	-11,666
Other administrative expenses		-7,676	-6,861
Depreciation of property, plant and equipment		-995	-1,163
Depreciation on intangible assets		-643	-297
Other operating profit/loss	(13)	-583	-1,634
Earnings before taxes (EBT)		2,615	30,743
Income taxes	(14)	521	-5,521
Consolidated net income for the year		3,135	25,222
of which due to the shareholders		3,135	25,222
of which not attributable to controlling shares		0	0

The following consolidated Notes constitute an integral part of the consolidated interim financial statements.

Overall Profit and Loss Account

The total income of the Group for the period under report and the comparative period comprises income and expense recognised in the income statement and directly in equity.

Consolidated Norddeutsche Landesbank Luxembourg S.A. for the reporting period from 1 January to 30 June 2013:

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)
Consolidated net income for the year	3,135	25,222
Other profit/loss, which will not be reclassified to the P&L account in subsequent years	0	0
Actuarial gains/losses for defined benefit provisions for pensions	0	0
Deferred taxes	0	0
Other profit/loss, which will be recycled in the P&L account in subsequent years	24,480	8,980
Increase/decrease from available for sale (AFS) financial instruments	35,407	12,218
of which unrealised profit/losses	37,447	12,418
of which reclassifications due to realisation of profit/loss	-2,040	-200
Deferred taxes	-10,346	-3,519
Translation differences of foreign business units	-581	280
Profit/loss recognised directly in equity	24,480	8,980
Total income for the period under report	27,615	34,202
of which due to the shareholders	27,615	34,202
of which not attributable to controlling shares	0	0

The following consolidated Notes constitute an integral part of the Consolidated Financial Statements.

Consolidated Balance Sheet

Consolidated Norddeutsche Landesbank Luxembourg S.A., for the reporting date 30 June 2013:

Assets	Notes	30.06.2013 (EUR million)	31.12.2012 (EUR million)
Cash reserve	(15)	23.6	75.1
Loans and advances to banks	(16)	2,155.7	1,693.9
Loans and advances to customers	(17)	4,881.2	5,115.0
Risk provisions	(18)	-38.7	-36.5
Financial assets at fair value through profit or loss	(19)	186.1	264.0
Derivatives – fair values from hedge accounting	(20)	333.5	433.4
Financial assets	(21)	9,020.0	9,332.0
Property, plant and equipment	(22)	71.3	72.2
Intangible assets	(23)	11.2	11.6
Income tax assets		16.6	28.0
Other assets		5.3	5.3
Total assets		16,665.9	16,994.0
Liabilities	Notes	30.06.2013 (EUR million)	31.12.2012 (EUR million)
Liabilities to banks	(24)	8,959.0	9,749.6
Liabilities to customers	(25)	3,460.4	2,283.3
Securitised liabilities	(26)	2,415.7	2,810.8
Financial liabilities at fair value through profit or loss	(27)	112.4	116.7
Derivatives – fair values from hedge accounting	(28)	892.4	1,206.7
Provisions	(29)	12.6	10.6
Income tax liabilities		10.7	15.2
Other liabilities	(30)	17.6	29.6
Subordinated capital	(31)	95.6	94.8
Equity	(32)	689.4	676.8
Issued capital		205.0	205.0
Capital reserves		0.0	0.0
Revenue reserves		507.9	519.8
Revaluation reserve		-29.7	-54.8
Currency translation reserve		6.2	6.8
Equity attributable to shareholders		689.4	676.8
Shares without controlling influence		0.0	0.0
Total equity		689.4	676.8
Total equity and liabilities		16,665.9	16,994.0

The following consolidated Notes constitute an integral part of the Consolidated Financial Statements.

Abridged Consolidated Cash Flow Statement

Consolidated Norddeutsche Landesbank Luxembourg S.A. for the reporting period from 1 January to 30 June 2013 (comparative period 1 January to 30 June 2012):

	2013 (EUR million)	2012 (EUR million)
Cash and cash equivalents at 1 January	75.1	138.9
Cash flow from operating activities	-187.7	-1,037.6
Cash flow from investment activity	151.5	959.0
Cash flow from financing activities	-15.3	-41.4
Cash flow total	-51.6	-120.0
Effects of exchange rate differences and valuation changes and changes in the basis of consolidation	0.0	0.0
Cash and cash equivalents at 30 June	23.6	18.9

The following consolidated Notes constitute an integral part of the Consolidated Interim Financial Statements.

Consolidated Statement of Changes in Equity

Consolidated Norddeutsche Landesbank Luxembourg S.A. for the reporting period from 1 January to 30 June 2013 (comparative period 1 January to 30 June 2012):

EUR million	Issued Capital	Capital Reserves	Revenue Reserves	Revaluation Reserve	Currency Translation Reserve	Equity before Shares without Controlling Influence	Shares without Controlling Influence	Equity
Equity on 01.01.2012	205.0	0.0	514.7	-133.4	6.6	592.9	0.0	592.9
Distribution	0.0	0.0	-40.0	0.0	0.0	-40.0	0.0	-40.0
Net income for the year	0.0	0.0	25.2	0.0	0.0	25.2	0.0	25.2
Profit/loss recognised directly in equity	0.0	0.0	0.0	8.7	0.0	8.7	0.0	8.7
Increase/decrease from capital receipts and payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation	0.0	0.0	0.0	0.0	0.3	0.3	0.0	0.3
Consolidation effects and other capital changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity on 30.06.2012	205.0	0.0	499.9	-124.7	6.9	587.1	0.0	587.1
Equity on 01.01.2013	205.0	0.0	519.8	-54.8	6.8	676.8	0.0	676.8
Distribution	0.0	0.0	-15.0	0.0	0.0	-15.0	0.0	-15.0
Net income for the year	0.0	0.0	3.1	0.0	0.0	3.1	0.0	3.1
Profit/loss recognised directly in equity	0.0	0.0	0.0	25.1	0.0	25.1	0.0	25.1
Increase/decrease from capital receipts and payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation	0.0	0.0	0.0	0.0	-0.6	-0.6	0.0	-0.6
Consolidation effects and other capital changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity on 30.06.2013	205.0	0.0	507.9	-29.7	6.2	689.4	0.0	689.4

The following consolidated Notes constitute an integral part of the Consolidated Interim Financial Statements.

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Consolidated Interim Report as at 30 June 2013 (unaudited)



NORD/LB Luxembourg

Accounting Policies

(1) Principles for the Preparation of the Financial Statements

The interim financial statements of the Group as at 30 June 2013 were prepared on the basis of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (IAS-Regulation) in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) applicable in the EU. In particular, the updated version of IAS 34 was applied in order to meet the requirements for an interim financial statement. Furthermore, the national provisions of the Law of 17 June 1992 in the version dated March 2009 were taken into account, provided they were applicable on the interim financial statement reporting date. The consolidated interim financial statements are an integral part of the semi-annual financial report as defined by the Grand Duchy Regulation of 11 January 2008 on the transparency requirements of security issuers and are to be read in conjunction with the information in the published and attested consolidated annual statements of NORD/LB Luxembourg as of 31 December 2012.

The interim financial statements as of 30 June 2013 comprise the overall profit and loss account, the consolidated income statement, consolidated balance sheet, abridged consolidated cash flow statement, consolidated statement of changes in equity and selected explanatory notes. The segment reporting is included in the notes. Risk reporting in accordance with IFRS 7 is essentially carried out in the separate report on the risks and rewards of future development (risk report) as part of the management report.

The reporting currency used in the financial statements is the euro. Unless stated otherwise, all amounts are shown in millions of euros (EUR million) rounded to one decimal place.

(2) Applied Accounting and Valuation Policies

The accounting policies for the interim financial statements are based on those of the consolidated annual financial statements as at 31 December 2012. The financial assets and liabilities at fair value in the consolidated interim state-

ments are also calculated in accordance with the fair value hierarchy as at 31 December 2012. In the year under report no conversions or reallocations were made.

The estimates and assessments necessary within the scope of the balance sheet preparation by management are made in accordance with the respective IFRS standard and are reviewed on a continuous basis. Accordingly, all adjustments are made which are necessary to ensure an accurate and fair presentation of the assets, financial and income position within the scope of the interim reporting. This essentially relates to the calculation of the fair value of financial assets and liabilities of Level 3, the risk provision, the provisions and the deferred taxes.

In the period under report, the following changes to standards to be applied for the first time as of 01 January 2013 were taken into account:

IAS 19 (rev. 2011) – Employee Benefits

In June 2011, the IASB published the amended IAS 19 – Employee Benefits. The resultant changes to the accounting and valuation methods for the Group in comparison to the reporting date on 31 December 2012 mainly relate to the recording of costs and taxes from benefit plans. The first-time application effects resulting from the retrospective application of the amended IAS 19 are of minor importance. Since the Group already records actuarial gains and losses in Other Comprehensive Income (OCI) under the former IAS 19 rules, there are no effects emerging from this amendment.

IFRS 13 – Fair Value Measurement

The IASB published IFRS 13 – Fair Value Measurement – in May 2011, which is to be applied prospectively to financial years beginning on or after 1 January 2013. In IFRS 13, the various regulations on fair value measurement in the individual standards have been consolidated into one standard framework for the first time and simultaneously, some sections have been modified or broadened; there will only continue to be individual regulations for IAS 17 and IFRS 2.

The specific rules introduced within the framework of the new standard relate among other things to the definition of fair value, the introduction of amended approaches, particularly in the context of defining the relevant markets (principal or most advantageous market), the level allocation, as well as the reporting of a day-one profit/loss and the application of a bid/ask spread when valuing assets and liabilities.

There are no major effects on the valuation of the Group's assets and liabilities resulting from the introduction of IFRS 13. In connection with the extended disclosure requirements of the standard, an explanation of the process of fair value measurement was included in the Notes.

Amendments to IAS 1 – Presentation of Items 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, rearrange the statement of comprehensive income. Accordingly, the items in other comprehensive income (OCI) are to be sub-divided depending on whether or not they can be recycled in the profit and loss account. In the case of pre-tax presentation of OCI, the procedure should be the same as regards the deferred tax amounts and a division into reclassifiable and non-reclassifiable items should be undertaken.

The adjustments to IAS 1 will lead to a corresponding change in the presentation in the statement of comprehensive income at NORD/LB Luxembourg.

Amendments to IAS 12 – Deferred Taxes: Recovery of Underlying Assets

The amendments to IAS 12 – Deferred Taxes: Recovery of Underlying Assets, adopted into European law in December 2012, clarify that the valuation of deferred taxes for property held as a financial investment, which are valued using the model of the fair value in IAS 40, shall be undertaken on the basis of the rebuttable presumption of the realisation of the book value by sale.

This new regulation does not give rise to any effects on the Group's interim financial statements as at 30 June 2013.

Improvements of the IFRS (2009 – 2011 cycle) within the Scope of the Annual Improvement Process of the IASB

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

There are no major effects on the interim statements of NORD/LB Luxembourg resulting from the annual improvements of the IFRS (2009 – 2011 cycle).

The Bank will not be prematurely applying any other published standards, interpretations or changes that are not yet obligatory to apply.

(3) Basis of Consolidation

As well as NORD/LB Luxembourg as the parent company, two subsidiaries are included in the consolidated financial statements, in which NORD/LB Luxembourg directly or indirectly holds more than 50% of the voting rights or can otherwise exercise a controlling influence.

Subsidiaries included:

- Skandifinanz AG, Zürich, 100 % of the voting rights
- NORD/LB Covered Finance Bank S.A., Luxembourg, 100 % of the voting rights

Segment Reporting

Classification by Business Segment

Segment reporting is carried out in accordance with IFRS 8. It is designed to provide information about the Group's business segments and is carried out in compliance with the Group's business model and on the basis of the internal reporting system. The segments are defined as customer or product groups that are aligned with the Group's organisational structures.

Net interest income for the individual segments is determined in accordance with the market interest rate method. Segment expenditure comprises original expenses as well as expenses allocated on the basis of cost and accounting for services. Risk provisions were assigned to the segments on the basis of actual cost.

Affiliated Savings Banks

The institutional business with affiliated savings banks is recorded here along with syndicated affiliated savings bank business with the attributable contributions to profit/loss (interest rate conditions and net income from commission).

Private Banking

Business with wealthy private customers is shown under this item. The main contributors to the profit/loss in this segment result from the securities and custodian business segments, the lending and deposit business, fund and asset management and the profit/loss from services to private customers.

Financial Markets

The segments that have the responsibility for bank controlling are recorded here in particular (liquidity supply, interest rate and currency management).

Group Cooperation

This segment primarily shows the lending business transferred by the Group with the attributable contributions to profit/loss.

Shareholdings/Other

This segment includes other items and reconciliation items as well as non-attributable consolidation effects.



Segmentation by Region

Segmentation by geographical characteristics focuses on the counterparty's home country. Expenses and income are determined in relation to the segment's assets and liabilities.

(4) Segmentation of the NORD/LB Luxembourg Group by Business Segments

EUR million	Segments					Total
	Affiliated Savings Banks	Private Banking	Financial Markets	Group Cooperation	Shareholdings/ Other, incl. Transition	
Net interest income before risk provisions	1.1	0.8	18.0	26.5	1.4	47.8
do. previous year	1.1	1.5	29.5	25.4	1.6	59.1
Risk provision in lending business	0.0	0.0	0.0	-4.9	-1.3	-6.2
do. previous year	0.0	0.0	-7.3	2.0	0.0	-5.3
Net interest income after loan loss provisions	1.1	0.8	18.0	21.6	0.1	41.6
do. previous year	1.1	1.5	22.2	27.4	1.6	53.8
Net commission income	-0.5	4.4	-0.5	-4.1	0.0	-0.7
do. previous year	-0.5	3.5	-1.2	-4.5	0.5	-2.2
Profit/loss from financial instruments at fair value through profit or loss	0.0	0.0	1.2	0.0	-5.8	-4.6
do. previous year	0.0	0.0	2.2	0.0	7.0	9.2
Profit/loss from hedge accounting	0.0	0.0	3.2	0.0	1.8	5.0
do. previous year	0.0	0.0	-0.9	0.0	-3.7	-4.6
Profit/loss from financial assets	0.0	0.0	1.2	0.0	-18.3	-17.0
do. previous year	0.0	0.0	0.0	0.0	-3.9	-3.9
Administrative expenses	0.2	4.5	4.8	4.0	7.7	21.1
do. previous year	0.1	4.4	4.4	2.9	8.2	20.0
Other operating profit/loss	0.0	0.0	-1.6	-1.0	2.0	-0.6
do. previous year	0.0	0.0	-1.0	-0.6	0.0	-1.6
Earnings before taxes (EBT)	0.4	0.7	16.8	12.6	-27.9	2.6
do. previous year	0.5	0.6	17.0	19.4	-6.9	30.7
Segment assets	230.7	139.3	16,371.0	4,429.0	-4,504.0	16,665.9
do. previous year	209.0	97.0	17,851.2	4,632.1	-5,795.3	16,994.0
Segment liabilities (incl. equity)	0.0	201.7	17,820.6	2,640.2	-3,996.5	16,665.9
do. previous year	0.0	66.6	22,437.9	0.0	-5,510.6	16,994.0
Risk assets	381.0	142.4	1,837.7	1,663.0	373.3	4,402.4
do. previous year	260.2	139.4	1,852.8	1,415.8	851.7	4,520.0
Equity commitment	30.5	11.4	147.0	133.0	40.1	362.0
do. previous year	13.0	7.0	92.6	70.8	23.3	207.1
CIR	26.6 %	86.9 %	28.1 %	18.5 %	-51.7 %	71.5 %
do. previous year	13.4 %	87.8 %	16.0 %	14.5 %	-429.8 %	38.9 %
RoRaC	2.3 %	10.8 %	19.5 %	18.9 %	-99.0 %	1.3 %
do. previous year	0.2 %	0.3 %	8.2 %	9.4 %	-3.3 %	14.9 %

EUR million	Segments					Total
	Affiliated Savings Banks	Private Banking	Financial Markets	Group Cooperation	Shareholdings/ Other, incl. Transition	
Property, plant and equipment, net	0.3	12.2	24.8	6.0	28.1	71.3
do. previous year	0.3	12.3	25.1	6.0	28.4	72.2
Depreciation of property, plant and equipment, current year	0.0	0.2	0.4	0.1	0.4	1.0
do. previous year	0.0	0.2	0.4	0.1	0.6	1.2
Intangible assets, net	0.0	1.9	3.9	0.9	4.4	11.2
do. previous year	0.0	2.0	4.0	1.0	4.6	11.6
Depreciation of intangible assets, current year	0.0	0.1	0.2	0.1	0.3	0.6
do. previous year	0.0	0.1	0.1	0.0	0.1	0.3
Value adjustments on financial assets	0.0	0.0	0.0	0.0	0.0	0.0
do. previous year	0.0	0.0	2.9	0.0	0.0	2.9

There are no reconciliation effects on the result for the period in accordance with IAS 34.16(g)(vi).

(5) Segmentation of the NORD/LB LUXEMBOURG Group by Geographical Characteristics

EUR million	Segments							Total
	Germany	Luxembourg	Switzerland	Rest of Europe	USA	Rest of America	Other Countries, incl. Transition	
Earnings before taxes (EBT)	3.6	2.9	2.6	0.0	0.1	0.1	-6.8	2.6
do. previous year	14.0	10.2	0.2	10.4	2.7	0.4	-7.3	30.7
Segment assets	7,070.8	3,368.4	5,628.7	56.3	376.4	451.9	-286.5	16,665.9
do. previous year	7,031.7	1,017.8	68.1	5,720.6	2,274.8	496.8	384.3	16,994.0
Segment liabilities (incl. equity)	8,134.9	10,098.7	1,475.8	1,510.9	130.4	29.8	-4,714.5	16,665.9
do. previous year	9,622.1	11,313.4	809.3	1,357.8	9.6	40.6	-6,158.8	16,994.0
Further segment information								
Property, plant and equipment, net	0.0	71.3	0.0	0.0	0.0	0.0	0.0	71.3
do. previous year	0.0	72.2	0.0	0.0	0.0	0.0	0.0	72.2
Intangible assets, net	0.0	11.2	0.0	0.0	0.0	0.0	0.0	11.2
do. previous year	0.0	11.6	0.0	0.0	0.0	0.0	0.0	11.6

There are no reconciliation effects on the result for the period in accordance with IAS 34.16(g)(vi).

Notes to the Consolidated Profit and Loss Account

Seasonal and economic influences on the profit/loss of the period under report were insignificant.

(6) Net Interest Income and Current Income

The Interest income and Income expense items include amortisation of premiums and discounts at effective interest rates as well as income and expense from interest and dividend income.

Interest profit/loss and dividends from items on the trading book allocated to the Held for Trading (HfT) category and financial instruments voluntarily allocated to the designated at Fair Value through Profit or Loss (dFV) category are excluded from this since they are reported in the trading profit/loss or the profit/loss from the fair value option.

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/ Decrease (%)
Interest income	298,801	452,181	-34
Interest income from lending and money market transactions	84,926	125,577	-32
Interest income from fixed income and book entry securities	108,292	140,942	-23
Current income	0	0	-
from shares and other variable yield securities	0	0	-
from participating interests	0	0	-
Interest income from hedge derivatives	105,267	185,229	-43
Other interest income and similar income	317	433	-27
Interest expense	-250,966	-393,055	-36
Interest expense from lending and money market transactions	-59,658	-103,201	-42
Interest expense from securitised liabilities	-21,784	-52,714	-59
Interest expense from subordinated capital	-289	-1,416	-80
Interest expense from hedge derivatives	-169,216	-235,595	-28
Interest expense for provisions and liabilities	0	0	-
Other interest expense and similar expense	-18	-128	-86
Total	47,835	59,127	-19

(7) Loan Loss Provisions

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/ Decrease (%)
Income from loan loss provisions	434	8,985	-95
Reduction in provisions for claims	308	1,369	-78
Reductions in portfolio-based provisions for receivables	103	7,616	-99
Reversal of provisions in lending business	24	0	> 100
Additions to receivables written off	0	0	-
Loan loss provision expense	-6,628	-14,271	-54
Allocations to provisions for claims	-3,236	-7,225	-55
Allocation to portfolio-based provisions for claims	-23	-117	-81
Allocation to provisions for lending business	-3,370	-6,928	-51
Direct write-offs of claims	0	0	-
Total	-6,194	-5,285	17

The allocation to the loan loss provisions for receivables relates to both the increase and the new formation of loan loss provisions for loans and securities at risk from default.

(8) Net Commission Income

The Group reports commission expense and commission income in its profit/loss.

The Group makes a distinction in commission income between transaction-dependent commissions, which are due and entered when the transaction is concluded, and maturity-related commissions, which are allotted to a specific period and entered on a straight-line basis over this period. There is no effective interest spread for term-related commission.

Most of the commission income relates to commission for loans and guarantees received on a pro rata basis in non-banking business, while the smaller part relates to transaction-related commission in brokerage transactions for customers.

The pro rata commission expenses arise primarily as a result of the brokerage business with NORD/LB. Transaction-related commissions are predominantly due to payments and securities transactions carried out by the Group.

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/ Decrease (%)
Commission income	13,515	12,447	9
from security and custody transactions	2,593	1,934	34
from the brokerage business	997	876	14
from lending and guarantee transactions	8,587	8,683	-1
Other commission income	1,339	954	40
Commission expense	-14,179	-14,667	-3
from the brokerage business	-9,856	-8,359	18
from lending and guarantee transactions	-3,459	-5,579	-38
Other commission expense	-865	-729	19
Total	-664	-2,220	-70

The rise in the net commission income is mainly due to the decrease in expenses from the lending and guarantee business as well as higher income in the securities and custodian business.

(9) Profit/Loss from Financial Instruments at Fair Value through Profit or Loss

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/ Decrease (%)
Trading profit/loss	-4,587	9,261	< -100
Realised profit/loss	-1,794	-4,529	-60
from debt securities and other fixed interest securities	1,690	0	> 100
from shares and other variable yield securities	-5	0	> 100
from derivatives	-3,478	-4,529	-23
from receivables held for trading	0	0	-
Measurement gains/losses	58	12,776	-100
from debt securities and other fixed interest securities	-2,016	4,544	< -100
from shares and other variable yield securities	0	0	-
from derivatives	2,074	8,232	-75
from other receivables held for trading	0	0	-
Foreign exchange profit/loss	-840	-65	> 100
Other profit/loss	-2,011	1,079	< -100
Profit/loss from fair value option	0	-98	-100
Realised profit/loss	0	0	-
from debt securities and other fixed interest securities	0	0	-
from shares and other variable yield securities	0	0	-
from other business	0	0	-
Measurement gains/losses	0	-98	-100
from debt securities and other fixed interest securities	0	-98	-100
from shares and other variable yield securities	0	0	-
from other business	0	0	-
Other profit/loss	0	0	-
Total	-4,587	9,164	< -100

Trading profit/loss includes the measurement gains/losses from trading activities (defined as unrealised expense and income from fair value measurement) as well as the realised profit/loss (defined as the difference between disposal proceeds and carrying amount at the last reporting date). The interest rate profit/loss from trading activities is shown in the "Other profit/loss" sub-item.

The profit/loss from the fair value option in the previous year mainly includes the profit/loss from debt securities designated at fair value, which reached final maturity in the first half of 2012. There are currently no other debt securities designated at fair value in the portfolio.

(10) Profit/Loss from Hedge Accounting

Profit/loss from hedge accounting includes offset fair value adjustments related to the hedged risk of an underlying transaction and offset fair value adjustments to hedging instruments in effective micro fair value hedging relationships.

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/ Decrease (%)
Profit/loss from micro fair value hedge transactions	4,988	–4,562	< –100
from hedged underlying transactions	–176,716	85,823	< –100
from derivatives used as hedging instruments	181,704	–90,385	< –100
Total	4,988	–4,562	< –100

(11) Profit/Loss from Financial Assets

Profit/loss from financial assets includes gains/losses from disposals and measurement gains/losses through profit or loss from securities in the financial asset portfolio and participating interests.

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/ Decrease (%)
Profit/loss from financial assets classified as LaR	–20,060	–4,878	> 100
Profit/loss from financial assets classified as AfS (no joint ownership)	3,012	1,019	> 100
Profit/loss from disposal	3,012	1,019	> 100
from debt securities and other fixed interest securities	3,012	–4,826	< –100
from repurchases of own bonds	0	5,845	–100
from shares and other variable yield securities	0	0	–
from other financial assets	0	0	–
Profit/loss from affiliated companies	0	0	–
Profit/loss from joint ventures and associated companies	0	0	–
Profit/loss from other participating interests	0	0	–
Total	–17,047	–3,858	> 100

No realisation profit/loss relating to reclassified financial instruments is included in the profit/loss from financial assets in the LaR category.

(12) Administrative Expenses

The administrative expenses comprise personnel expenses, other administrative expenses as well as depreciation and valuation adjustments (impairments) on tangible assets and intangible assets.

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/ Decrease (%)
Staff expenses	11,819	11,666	1
Wages and salaries	10,377	10,025	4
Social security contributions	795	834	-5
Expenses for pension provision	515	776	-34
Other staff expenses	133	31	> 100
Other administrative expenses	7,676	6,861	12
Expense for operating and office equipment and IT	5,190	3,713	40
Legal, audit, survey and professional fees	914	1,672	-45
Other administrative expenses	1,572	1,476	6
Depreciation and impairments	1,638	1,460	12
Depreciation	1,638	1,460	12
Property, plant and equipment	995	1,163	-14
Intangible assets	643	297	> 100
Impairments	0	0	-
Total	21,133	19,987	6

(13) Other Operating Profit/Loss

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/ Decrease (%)
Other operating income	1,852	636	> 100
From the reversal of provisions	0	0	-
Other income	1,852	636	> 100
Other operating expenses	-2,435	-2,270	7
From the allocation of provisions	0	0	-
Other expenses	-2,435	-2,270	7
Total	-583	-1,634	-64

The "Other expenses" item is dominated by the expenses for the accounting for services with NORD/LB.

(14) Income Taxes

	01.01.–30.06.2013 (KEUR)	01.01.–30.06.2012 (KEUR)	Increase/ Decrease (%)
Current income taxes	-1,683	-4,664	-64
Deferred taxes	2,204	-857	< -100
Total	521	-5,521	< -100

The income taxes in the interim financial statements are calculated on the basis of anticipated tax rates for the whole year. The underlying tax rate is based on the corporate and trade tax burden applicable in 2012/2013 in Luxembourg on the reporting date in the amount of 29.22%.

Notes to the Consolidated Balance Sheet

(15) Cash Reserve

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Cash	1.7	1.1	59
Balances with central banks	21.9	74.1	-70
Total	23.6	75.1	-69

In order to comply with the minimum reserve regulations, EUR 21.9 million (previous year EUR 61.0 million) was deposited with the Luxembourg central bank.

(16) Loans and Advances to Banks

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Receivables from money market transactions	1,660.6	1,171.6	42
Luxembourg banks	0.0	0.0	-
Foreign banks	1,660.6	1,171.6	42
Other receivables	495.1	522.2	-5
Luxembourg banks	10.5	27.5	-62
due on demand	10.5	27.5	-62
deferred	0.0	0.0	-
Foreign banks	484.6	494.8	-2
due on demand	88.4	64.8	36
deferred	396.3	429.9	-8
Total	2,155.7	1,693.9	27

(17) Loans and Advances to Customers

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Receivables from money market transactions	7.1	0.0	> 100
Luxembourg customers	0.0	0.0	–
Foreign customers	7.1	0.0	> 100
Other receivables	4,874.1	5,115.0	–5
Luxembourg customers	1,380.0	157.2	> 100
due on demand	1,296.5	95.0	> 100
deferred	83.5	62.3	34
Foreign customers	3,494.1	4,957.8	–30
due on demand	2,540.1	6.3	> 100
deferred	954.0	4,951.5	–81
Total	4,881.2	5,115.0	–5

(18) Risk Provisions

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Individual value adjustments for receivables	–33.1	–30.9	7
Foreign banks	0.0	0.0	–
Luxembourg customers	0.0	0.0	–
Foreign customers	–33.1	–30.9	7
Portfolio-based provisions for receivables	–5.6	–5.7	–1
Total	–38.7	–36.5	6

On the assets side, risk provisions and provisions in the lending business have changed as follows:

EUR million	Specific Value Adjustments	Portfolio-based Provisions	Provisions in Lending Business	Total
01.01.2012	16.4	13.5	7.7	37.8
Allocations	17.5	0.0	0.0	17.6
Reductions	-1.6	-7.9	-3.8	-13.3
Utilisation	-0.8	0.0	0.0	-0.8
Effects from currency translation, unwinding and other changes	-0.7	0.0	0.0	-0.7
31.12.2012	30.9	5.7	3.8	40.5
Allocations	3.2	0.0	3.4	6.6
Reductions	-0.3	-0.1	0.0	-0.4
Utilisation	-0.2	0.0	0.0	-0.2
Effects from currency translation, unwinding and other changes	-0.5	0.0	0.0	-0.5
30.06.2013	33.1	5.6	7.2	46.0

(19) Financial Assets at Fair Value through Profit or Loss

This item contains trading assets (HfT) and financial assets designated at fair value (dFV). Trading activities comprise trading in debt securities and other fixed interest securities, shares, and other variable yield securities, as well as derivatives that are not used in hedge accounting.

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Trading assets	186.1	264.0	-30
Debt securities and other fixed interest securities	49.7	41.5	20
Shares and other variable yield securities	0.0	0.0	-
Positive fair values from derivatives in connection with:	136.4	222.5	-39
Interest rate risks	64.7	79.4	-19
Currency risks	71.7	143.1	-50
Share and other price risks	0.0	0.0	-
Trading portfolio claims	0.0	0.0	-
Financial assets designated at fair value	0.0	0.0	-
Total	186.1	264.0	-30

(20) Fair Values from Hedge Accounting

This item comprises positive fair values from hedging instruments in effective micro and portfolio fair value hedging relationships.

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Positive fair values from allocated micro fair value hedge derivatives	333.5	433.4	-23
Fair values from derivatives in portfolio fair value hedge accounting	0.0	0.0	-
Total	333.5	433.4	-23

(21) Financial Assets

The “financial assets” balance sheet item essentially includes all debt securities and other fixed-interest securities and shares and other variable-yield securities that are classified as Available for Sale (AfS) and are not held for trading.

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Financial assets in the LaR category	2,987.3	3,274.0	-9
Financial assets classified as AfS	6,032.7	6,058.1	0
Debt securities and other fixed interest securities	5,996.7	6,048.2	-1
Money market securities	50.0	150.1	-67
from public issuers	0.0	100.0	-100
from other issuers	50.0	50.1	0
Bonds and debt securities	5,946.7	5,898.1	1
from public issuers	1,731.5	1,540.4	12
from other issuers	4,215.1	4,357.7	-3
Shares and other variable yield securities	36.0	9.8	> 100
Shares	0.0	0.0	-
Investment shares	35.9	9.8	> 100
Profit participation certificates	0.1	0.1	52
Shares in companies	0.0	0.0	-
Total	9,020.0	9,332.0	-3

The volume of financial assets issued by the central governments of certain euro countries (Portugal, Italy, Ireland, Greece, Spain, Hungary) amounted to a nominal EUR 202.5 million (previous year EUR 203.1 million). This concerns two bonds from the Republic of Italy with terms to 2018 and 2033 respectively, a bond from the Republic of Hungary with a term to 2018, and a debtor warrant from the Republic of Greece with a term to 2043. The book value of this debtor warrant was KEUR 84 on the reporting date.

The Group utilised the options under IAS 39.50E and reclassified 18 securities designated as AfS (bonds and debt securities) as LaR in 2008. At the same time, bonds and debt securities that were clearly not intended to be sold or traded in the short-term as at 1 July 2008, and which were intended to be kept in the inventory for the foreseeable future instead, were re-categorised. In accordance with the amended IAS 39, the re-categorisation took place with effect from 1 July 2008 at the fair value calculated on this reporting date. Between 2009 to 2013, no further reclassifications were undertaken.

In conjunction with the re-categorisation, the balance sheet presentation was also changed (reclassification). The table below shows the book values and fair value of the re-categorised assets.

EUR million	30.06.2013			31.12.2012			31.12.2011		
	Book Value on Transfer	Book Value	Fair Value	Book Value on Transfer	Book Value	Fair Value	Book Value on Transfer	Book Value	Fair Value
Reclassified financial assets	645.6	611.1	505.0	645.6	644.5	510.3	645.6	698.4	569.7

EUR million	31.12.2010			31.12.2009			31.12.2008		
	Book Value on Transfer	Book Value	Fair Value	Book Value on Transfer	Book Value	Fair Value	Book Value on Transfer	Book Value	Fair Value
Reclassified financial assets	645.6	660.3	627.9	645.6	731.4	712.1	645.6	746.7	719.5

The reclassification was based on the book value with anticipated achievable cash flows of EUR 1,038.5 million.

The results not affecting profit/loss recorded in the equity from the reclassified securities amounted to EUR –13.2 million at the time of the reclassification.

The pro rata resolution of this item is in accordance with IAS 39.54 in relation to net interest income. The effective interest rates for each security was determined for this purpose. These range from 2.53 % to 6.46 %.

KEUR	30.06.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008	01.07.2008
Unrealised profit/loss before taxes at time of conversion							–13,193.6
Pro rata reductions in accordance with IAS 39.54	192	433	610	703	676	316	

In the 2013 reporting year, the pro rata reduction amounted to KEUR 192 (previous year KEUR 433) charged to the tax profit/loss.

Without reclassification, the following additional effects in equity would have occurred (cumulative as at the reporting date in each case):

EUR million	30.06.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008	01.07.2008
Unrealised profit/loss before taxes	–106.1	–134.2	–128.7	–32.4	–19.3	–27.1	–13.2
Deferred taxes	31.0	39.2	37.1	9.3	5.5	8.0	3.9
Net effect in equity from reclassified financial assets available for sale	–75.1	–95.0	–91.6	–23.1	–13.8	–19.1	–9.3

(22) Property, Plant and Equipment

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Land and buildings	64.7	65.0	0
Operating and office equipment	6.6	7.1	-8
Investments under construction	0.0	0.0	-
Other property, plant and equipment	0.0	0.0	-
Total	71.3	72.2	-1

The acquisition and manufacturing costs and the cumulative depreciation for property, plant and equipment and investment properties changed as follows:

EUR million	Land and Buildings	Opera- ting and Office Equip- ment	Invest- ments under Construc- tion	Other Property, Plant and Equip- ment	Total
Acquisition and manufacturing costs at 01.01.2012	69.7	19.4	0.0	0.0	89.1
Accruals	0.2	0.2	0.0	0.0	0.4
Disposals	-3.4	-6.3	0.0	0.0	-9.7
Transfers	0.0	0.1	0.0	0.0	0.1
Changes from currency translations	0.0	0.0	0.0	0.0	0.0
Total 31.12.2012	66.5	13.4	0.0	0.0	79.9
Cumulative depreciation at 01.01.2012	-0.9	-11.2	0.0	0.0	-12.1
Scheduled depreciation	-0.6	-1.3	0.0	0.0	-1.9
Impairments (write-downs)	0.0	0.0	0.0	0.0	0.0
Transfers	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	6.3	0.0	0.0	6.3
Changes from currency translations	0.0	0.0	0.0	0.0	0.0
Total 31.12.12	-1.5	-6.3	0.0	0.0	-7.8
Closing balance at 31.12.2012	65.0	7.1	0.0	0.0	72.2

EUR million	Land and Buildings	Operating and Office Equipment	Investments under Construction	Other Property, Plant and Equipment	Total
Acquisition and manufacturing costs at 01.01.2013	66.5	13.4	0.0	0.0	79.9
Accruals	0.0	0.1	0.0	0.0	0.1
Disposals	0.0	0.0	0.0	0.0	0.0
Transfers	0.0	0.0	0.0	0.0	0.0
Changes from currency translations	0.0	0.0	0.0	0.0	0.0
Total 30.06.2013	66.5	13.5	0.0	0.0	80.1
Cumulative depreciation at 01.01.2013	-1.5	-6.3	0.0	0.0	-7.8
Scheduled depreciation	-0.3	-0.7	0.0	0.0	-1.0
Impairments (write-downs)	0.0	0.0	0.0	0.0	0.0
Transfers	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0
Changes from currency translations	0.0	0.0	0.0	0.0	0.0
Total 30.06.2013	-1.8	-7.0	0.0	0.0	-8.8
Closing balance at 30.06.2013	64.7	6.6	0.0	0.0	71.3

(23) Intangible Assets

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Software	9.2	9.7	-5
Acquired for consideration	9.2	9.7	-5
Proprietary	0.0	0.0	-
Intangible assets under development	2.0	1.9	7
Other	0.0	0.0	-
Total	11.2	11.6	-3

Fully depreciated software continues to be used in the Group.

The acquisition and manufacturing costs and the cumulative depreciation for property, plant and equipment changed as follows:

EUR million	Software		Intangible Assets under Development	Other	Total
	Acquired for Consideration	Proprietary			
Acquisition and manufacturing costs at 01.01.2012	17.4	0.0	16.1	0.0	33.4
Accruals	1.2	0.0	6.9	0.0	8.1
Disposals	0.0	0.0	0.0	0.0	0.0
Transfers	11.0	0.0	-11.0	0.0	0.0
Total 31.12.2012	29.6	0.0	12.0	0.0	41.6
Cumulative depreciation at 01.01.2012	-16.8	0.0	-10.0	0.0	-26.8
Scheduled depreciation	-0.6	0.0	0.0	0.0	-0.6
Impairments (write-downs)	-2.5	0.0	0.0	0.0	-2.5
Disposals	0.0	0.0	0.0	0.0	0.0
Total 31.12.2012	-19.9	0.0	-10.0	0.0	-30.0
Closing balance at 31.12.2012	9.7	0.0	1.9	0.0	11.6
Acquisition and manufacturing costs at 01.01.2013	29.6	0.0	12.0	0.0	41.6
Accruals	0.1	0.0	0.2	0.0	0.3
Disposals	0.0	0.0	0.0	0.0	0.0
Transfers	0.1	0.0	-0.1	0.0	0.0
Total 30.06.2013	29.8	0.0	12.1	0.0	41.8
Cumulative depreciation at 01.01.2013	-19.9	0.0	-10.0	0.0	-30.0
Scheduled depreciation	-0.6	0.0	0.0	0.0	-0.6
Disposals	0.0	0.0	0.0	0.0	0.0
Total 30.06.2013	-20.6	0.0	-10.0	0.0	-30.6
Closing balance at 30.06.2013	9.2	0.0	2.0	0.0	11.2

(24) Liabilities to Banks

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Deposits from other banks	2,562.0	2,472.8	4
Luxembourg banks	2,344.8	401.7	> 100
Foreign banks	217.2	2,071.1	-90
Liabilities arising from money market transactions	6,331.0	7,259.5	-13
Luxembourg banks	297.5	871.6	-66
Foreign banks	6,033.5	6,387.9	-6
Other liabilities	66.0	17.2	> 100
Luxembourg banks	2.9	5.9	-51
due on demand	2.9	5.9	-51
deferred	0.0	0.0	-
Foreign banks	63.1	11.3	> 100
due on demand	63.1	11.3	> 100
deferred	0.0	0.0	-
Total	8,959.0	9,749.6	-8

(25) Liabilities to Customers

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Savings deposits	0.0	0.0	-
Liabilities arising from money market transactions	2,537.8	1,322.4	92
Luxembourg customers	795.0	145.4	> 100
Foreign customers	1,742.8	1,177.0	48
Other liabilities	922.6	961.0	-4
Luxembourg customers	36.7	37.8	-3
due on demand	36.7	37.8	-3
deferred	0.0	0.0	-
Foreign customers	885.9	923.2	-4
due on demand	153.9	166.4	-7
deferred	732.0	756.9	-3
Total	3,460.4	2,283.3	52

(26) Securitised Liabilities

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Issued debt securities	2,415.7	2,810.8	-14
Money market securities	0.0	0.0	-
Other securitised liabilities	0.0	0.0	-
Total	2,415.7	2,810.8	-14

(27) Financial Liabilities at Fair Value through Profit or Loss

This item contains trading liabilities (HfT) and financial liabilities designated at fair value (dFV).

The trading liabilities item comprises negative fair values from derivative financial instruments that are not used within the scope of hedge accounting and delivery obligations from the short selling of securities.

The category comprising financial liabilities designated at fair value is not currently used.

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Trading liabilities	112.4	116.7	-4
Negative fair values from derivatives in connection with:	112.4	116.7	-4
Interest rate risks	84.6	98.4	-14
Currency risks	27.8	18.3	52
Share and other price risks	0.0	0.0	-
Credit derivatives	0.0	0.0	-
Short sale delivery obligations	0.0	0.0	-
Financial liabilities designated at fair value	0.0	0.0	-
Liabilities to banks and customers	0.0	0.0	-
Securitised liabilities	0.0	0.0	-
Total	112.4	116.7	-4

(28) Fair Values from Hedge Accounting

This item comprises negative fair values from hedging instruments from effective micro fair value hedging relationships.

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Fair values from allocated micro fair value hedge derivatives	892.4	1,206.7	-26
Fair values in terms of portfolio fair value hedge accounting	0.0	0.0	-
Total	892.4	1,206.7	-26

(29) Provisions

Provisions are broken down as follows:

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Provisions for pensions and similar obligations	2.0	2.0	0
Other provisions	10.6	8.6	24
Provisions in lending business	7.2	3.8	87
Restructuring provisions	0.0	0.0	-
Provisions for impending losses	0.0	0.0	-
Provisions for uncertain liabilities	3.5	4.8	-27
Insurance business provisions	0.0	0.0	-
Total	12.6	10.6	19

(30) Other Liabilities

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Liabilities from outstanding invoices	5.7	10.4	-45
Liabilities from short term remuneration of workers	3.4	4.9	-30
Accruals and deferred income	3.1	3.4	-7
Liabilities from taxes and social security contributions not yet deducted	3.9	9.0	-57
Other liabilities	1.4	2.0	-29
Total	17.6	29.6	-41

(31) Subordinated Capital

Subordinated liabilities are only repaid after the claims of all senior lenders have been settled. They fully meet the conditions of Circular CSSF 06/273 in its amended version in relation to the offsetting as regulatory supplementary capital. Offsetting takes place depending on the remaining term.

	30.06.2013 (EUR million)	31.12.2012 (EUR million)	Increase/ Decrease (%)
Subordinated liabilities	95.6	94.8	1
Profit participation capital	0.0	0.0	–
Contributions from silent partners	0.0	0.0	–
Total	95.6	94.8	1

Other Disclosures

(32) Notes to the Statement of Changes in Equity

The subscribed capital of NORD/LB Luxembourg on 30 June 2013 was EUR 205 million. It is divided into 820,000 registered shares without nominal value. The subscribed capital is fully paid up. There were no changes to date in the year under report.

The individual components of the equity and its development in the first half-year of 2012 and the first half-year of 2013 can be seen in the statement of changes in equity.

The revenue reserves comprise the amounts accumulated in previous reporting years as well as allocations to reserves and profit/loss carried forward from the profit for the year. The negative differences (badwill) determined as part of the first-time consolidation are deducted from the revenue reserves.

The effects of measuring available-for-sale (AFS) financial instruments are shown under the "Revaluation reserve" item.

Notes to Financial Instruments

(33) Fair Value of Financial Instruments

The three-tier fair value hierarchy with the Level 1, Level 2 and Level 3 terminology stipulated in IFRS 13 is used at the Bank. The respective level is determined in accordance with the input data, which is used for the measurement, and reflects the market proximity of the parameters used in the determination of the fair value. If input data from various levels is used in the measurement of the fair value, the resulting fair value is assigned to the lowest level whose input parameters have a major influence on the measurement of the fair value. All relevant input data, such as counterparty default risks, is taken into account in an appropriate manner when determining the value.

Within the scope of the fair value hierarchy, the fair value of a financial instrument is classified as Level 1 if it is traded on an active market and publicly quoted exchange prices or

actual traded prices on the over-the-counter market (OTC market) are used to determine the fair value. At the same time, quotations may be used that are set by other banks or market makers if recourse is made to observable price sources other than exchanges.

The fair value of a financial instrument is classified as Level 2 of the fair value hierarchy if no reference can be made to valid price quotations on active markets at the time it is determined. In this case, the fair value is determined via recognised valuation methods or models that are established or commonly used on the markets, as well as via external pricing services, provided the valuation there is undertaken entirely or partially via spread curves. Valuation models with various input data are especially used for OTC derivatives and securities listed on inactive markets (e.g. discounted cash flow method). If it is necessary to make estimates in individual cases, then standard market methods or market soundings are always applied. In the case of the discounted cash flow method, for example, all payments are discounted with an interest curve adjusted to the risks associated with counterparties. The risk associated with counterparties and the spread are determined on the basis of comparable financial instruments (for example taking into consideration the respective market segment and the creditworthiness of the issuer). Stocks of financial instruments whose fair values have been classified as Level 2 of the fair value hierarchy are mainly assigned to the following balance sheet entries: trading assets and liabilities, positive and negative fair values from hedge accounting derivatives, and financial assets stated at fair value through profit or loss. Various input data are incorporated into the valuation models, such as market prices and other market listings, no-risk interest rate curves, risk premiums, exchange rates and volatilities.

Fair values of financial instruments for which there is no active market and for whose determination recourse cannot be made to market prices or entirely to observable input data are assigned to Level 3. In the case of the Level 3 valuation, in principle bank-specific models are used and data that cannot be observed on the market is also included. Various input data is incorporated into the valuation model, such as maturity-specific interest rates, the creditworthiness of the respective issuer, historical volatilities and a reasonable interest rate on the tied-up equity. An amended estimation of the market activity is continuously taken into account in the valuation. As at the valuation date, the Bank does not have any Level 3 stocks.

There has been no major change in the valuation process in comparison to the previous reporting period.

Please refer to the annual statements as at 31 December 2012 for a detailed presentation.

In addition, the option to determine the counterparty default risk (CVA/DVA) on the basis of the net risk position pursuant to IFRS 13.48 was also used.

The fair values of financial instruments, which are shown on the balance sheet at amortised cost (LaR) or with the hedge (LaR) or full fair value (AfS) are compared to the book values in the following table.

EUR million	Fair Value 30.06.2013	Book Value 30.06.2013	Difference 30.06.2013	Fair Value 31.12.2012	Book Value 31.12.2012	Difference 31.12.2012
Assets	15,873.5	16,041.8	-168.3	15,991.0	16,179.5	-188.5
Cash reserve	23.6	23.6	0.0	75.1	75.1	0.0
Loans and advances to banks	2,159.4	2,155.7	3.6	1,698.4	1,693.9	4.5
Loans and advances to customers	5,084.0	4,881.2	202.8	5,365.9	5,115.0	250.9
Financial assets	8,645.2	9,020.0	-374.8	8,888.1	9,332.0	-444.0
Risk provisions	-38.7	-38.7	0.0	-36.5	-36.5	0.0
Loans and advances after risk provisions	15,849.9	16,018.2	-168.3	15,915.8	16,104.3	-188.5
Liabilities	15,162.0	14,930.8	231.2	15,247.8	14,938.5	309.3
Liabilities to banks	9,171.3	8,959.0	212.3	10,032.9	9,749.6	283.3
Liabilities to customers	3,462.7	3,460.4	2.2	2,285.9	2,283.3	2.5
Securitised liabilities	2,432.4	2,415.7	16.7	2,834.3	2,810.8	23.5
Subordinated capital	95.6	95.6	0.0	94.8	94.8	0.0

The amounts listed in the “Book value” column include the assets and liabilities reported on the balance sheet at amortised cost or with the hedge or full fair value. If a hedge or full fair value is shown as a book value, the value is also shown in the “Fair Value” column.

The decline in hidden liabilities (before risk provisions) in the financial assets totalling EUR 374.8 million (previous year EUR 444.0 million) is mainly due to a lower credit spread. The proportion of Level 3 assets in the overall portfolio was 5.66 % on 31 December 2012; there are no Level 3 assets in the portfolio as at 30 June 2013.

(34) Fair Value Hierarchy

The following tables show the application of the fair value hierarchy of the financial assets and liabilities at fair value through profit or loss on the reporting date and on 31.12.2012:

30.06.2013 EUR million	Level 1 (Mark-to-Market)	Level 2 (Mark-to-Matrix)	Level 3 (Mark-to-Model)	Total
Trading assets	49.7	136.4	0.0	186.1
Financial assets designated at fair value	0.0	0.0	0.0	0.0
Positive fair values hedge accounting derivatives	0.0	333.5	0.0	333.5
Financial assets (measured at fair value)	5,658.0	374.7	0.0	6,032.7
Assets	5,707.7	844.6	0.0	6,552.3
Trading liabilities	0.0	112.4	0.0	112.4
Financial liabilities designated at fair value	0.0	0.0	0.0	0.0
Negative fair values from hedge accounting derivatives	0.0	892.4	0.0	892.4
Liabilities	0.0	1,004.8	0.0	1,004.8

31.12.2013 EUR million	Level 1 (Mark-to-Market)	Level 2 (Mark-to-Matrix)	Level 3 (Mark-to-Model)	Total
Trading assets	41.5	222.5	0.0	264.0
Financial assets designated at fair value	0.0	0.0	0.0	0.0
Positive fair values hedge accounting derivatives	0.0	433.4	0.0	433.4
Financial assets (measured at fair value)	5,658.1	400.0	0.0	6,058.1
Assets	5,699.6	1,055.9	0.0	6,755.5
Trading liabilities	0.0	116.7	0.0	116.7
Financial liabilities designated at fair value	0.0	0.0	0.0	0.0
Negative fair values from hedge accounting derivatives	0.0	1,206.7	0.0	1,206.7
Liabilities	0.0	1,323.3	0.0	1,323.3

The transfers within the fair value hierarchy are as follows:

01.01. – 30.06.2013 EUR 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
Trading assets	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets designated at fair value	0.0	0.0	0.0	0.0	0.0	0.0
Positive fair values hedge accounting derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets (measured at fair value)	50.9	0.0	74.1	0.0	0.0	0.0
Assets	50.9	0.0	74.1	0.0	0.0	0.0
Trading liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities designated at fair value	0.0	0.0	0.0	0.0	0.0	0.0
Negative fair values from hedge accounting derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	0.0	0.0	0.0	0.0	0.0	0.0

The level transfers from Level 1 into Level 2 concern eight securities which returned to the mark-to-matrix valuation on the reporting date. One security moved from a mark-to-matrix valuation to the market valuation.

(35) Derivative Financial Instruments

The Group uses derivative financial instruments for hedging purposes as part of asset/liability management. In addition, it undertakes derivative financial transactions.

Derivative financial instruments denominated in foreign currencies are mainly negotiated in the form of forward exchange transactions, currency swaps, and interest rate/currency swaps. Interest rate derivatives are primarily interest rate swaps.

The nominal values are the gross volume of all purchases and sales. This value is a reference amount used to determine mutually agreed-on adjustment payments, but does not include receivables or liabilities that are eligible for recognition on the balance sheet.

The composition of the derivative portfolio is as follows:

EUR million	Nominal Values 30.06.2013	Nominal Values 31.12.2012	Market Values Positive 30.06.2013	Market Values Positive 31.12.2012	Market Values Negative 30.06.2013	Market Values Negative 31.12.2012
Interest rate risks	10,898.8	10,002.1	299.1	366.1	875.0	1,158.5
Currency risks	4,713.3	4,248.1	170.8	289.8	129.8	164.8
Share and other price risks	0.0	0.0	0.0	0.0	0.0	0.0
Credit derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Total	15,612.1	14,250.2	469.9	655.9	1,004.8	1,323.3

(36) Information Relating to Selected Countries

The following table shows the reported values of the transactions in relation to selected countries. The information regarding the country also includes regional governments, local municipal governments and firms with government links.

At 30 June 2013:

30.06.2013 EUR million	Financial Instruments Held for Trading	Financial Instruments Designated at Fair Value through Profit or Loss	Available for Sale Assets	Loans and Receivables
Portugal				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	0.0	0.0	69.7	0.0
Corporates/Other	0.0	0.0	0.0	36.9
Total	0.0	0.0	69.7	36.9
Ireland				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	0.0	0.0	0.0	89.8
Corporates/Other	0.0	0.0	0.0	10.3
Total	0.0	0.0	0.0	100.1
Italy				
Sovereign Exposure	0.0	0.0	78.7	82.9
Financial Institutions/Insurance Companies	0.0	0.0	287.5	57.3
Corporates/Other	0.0	0.0	0.0	2.5
Total	0.0	0.0	366.3	142.7
Greece				
Sovereign Exposure	0.0	0.0	0.1	0.0
Financial Institutions/Insurance Companies	0.0	0.0	0.0	0.0
Corporates/Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.1	0.0
Hungary				
Sovereign Exposure	0.0	0.0	0.0	118.0
Financial Institutions/Insurance Companies	0.0	0.0	0.0	26.0
Corporates/Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	143.9
Spain				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	0.0	0.0	300.5	275.0
Corporates/Other	0.0	0.0	0.0	5.0
Total	0.0	0.0	300.5	280.1

At 31 December 2012:

31.12.2012 EUR million	Financial Instruments Held for Trading	Financial Instruments designated at Fair Value through Profit or Loss	Available for Sale Assets	Loans and Receivables
Portugal				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	0.0	0.0	67.9	0.0
Corporates/Other	0.0	0.0	0.0	39.0
Total	0.0	0.0	67.9	39.0
Ireland				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	0.0	0.0	0.0	99.0
Corporates/Other	0.0	0.0	0.0	10.1
Total	0.0	0.0	0.0	109.1
Italy				
Sovereign Exposure	0.0	0.0	77.8	86.7
Financial Institutions/Insurance Companies	0.0	0.0	333.5	60.6
Corporates/Other	0.0	0.0	0.0	2.7
Total	0.0	0.0	411.3	150.0
Greece				
Sovereign Exposure	0.0	0.0	0.1	0.0
Financial Institutions/Insurance Companies	0.0	0.0	0.0	0.0
Corporates/Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.1	0.0
Hungary				
Sovereign Exposure	0.0	0.0	0.0	124.4
Financial Institutions/Insurance Companies	0.0	0.0	0.0	25.8
Corporates/Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	150.3
Spain				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	0.0	0.0	325.1	280.9
Corporates/Other	0.0	0.0	0.0	21.0
Total	0.0	0.0	325.1	301.9

The Bank does not have any exposure in Cyprus, Slovenia or Egypt. Credit derivatives are not included in the above figures.

For the financial instruments in the Available for Sale category with acquisition costs in the total sum of EUR 726.4 million (previous year EUR 842.2 million), the cumulative valuation result in the equity totals EUR –59.9 million (previous year EUR –71.2 million). No depreciation was recorded in the profit and loss account for the periods (previous year EUR 0.0 million). There are no Greek government bonds in the portfolio of the consolidated group.

For the receivables in the Loans and Receivables category from the aforementioned selected countries, there are no individual loan loss provisions (previous year EUR 0.0 million), but there is a portfolio loss provision in the sum of EUR 4.9 million (previous year EUR 6.9 million). The fair value of these receivables in the Loans and Receivables category totals EUR 598.0 million (previous year EUR 611.6 million).

The following tables show the application of the fair value hierarchy of the financial assets and liabilities shown at fair value affecting profit/loss and not affecting profit/loss for selected countries in 2012 and 2013:

At 30 June 2013:

30.06.2013 EUR million	Level 1	Level 2	Level 3	Total
Portugal				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	53.9	15.8	0.0	69.7
Corporates/Other	0.0	0.0	0.0	0.0
Total	53.9	15.8	0.0	69.7
Ireland				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	0.0	0.0	0.0	0.0
Corporates/Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0
Italy				
Sovereign Exposure	0.0	78.7	0.0	78.7
Financial Institutions/Insurance Companies	275.8	11.8	0.0	287.5
Corporates/Other	0.0	0.0	0.0	0.0
Total	275.8	90.5	0.0	366.3
Greece				
Sovereign Exposure	0.1	0.0	0.0	0.1
Financial Institutions/Insurance Companies	0.0	0.0	0.0	0.0
Corporates/Other	0.0	0.0	0.0	0.0
Total	0.1	0.0	0.0	0.1

30.06.2013 EUR million	Level 1	Level 2	Level 3	Total
Hungary				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	0.0	0.0	0.0	0.0
Corporates/Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0
Spain				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	300.5	0.0	0.0	300.5
Corporates/Other	0.0	0.0	0.0	0.0
Total	300.5	0.0	0.0	300.5

At 31 December 2012:

31.12.2012 EUR million	Level 1	Level 2	Level 3	Total
Portugal				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	52.7	15.2	0.0	67.9
Corporates/Other	0.0	0.0	0.0	0.0
Total	52.7	15.2	0.0	67.9
Ireland				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	0.0	0.0	0.0	0.0
Corporates/Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0
Italy				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	322.1	89.2	0.0	411.3
Corporates/Other	0.0	0.0	0.0	0.0
Total	322.1	89.2	0.0	411.3
Greece				
Sovereign Exposure	0.1	0.0	0.0	0.1
Financial Institutions/Insurance Companies	0.0	0.0	0.0	0.0
Corporates/Other	0.0	0.0	0.0	0.0
Total	0.1	0.0	0.0	0.1

31.12.2012 in EUR Mio.	Level 1	Level 2	Level 3	Total
Hungary				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	0.0	0.0	0.0	0.0
Corporates/Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0
Spain				
Sovereign Exposure	0.0	0.0	0.0	0.0
Financial Institutions/Insurance Companies	325.1	0.0	0.0	325.1
Corporates/Other	0.0	0.0	0.0	0.0
Total	325.1	0.0	0.0	325.1

(37) Transfer and Derecognition of Financial Assets

The risks and opportunities arising from transferred financial assets or associated liabilities and remaining at NORD/LB Luxembourg are shown below. There are no transferred financial assets which are only partially shown on the Bank's balance sheet. Likewise, there are no transferred assets with right of recourse.

EUR million	30.06.2013		31.12.2012	
	Book Value of the Assets	Book Value of the Associated Liabilities	Book Value of the Assets	Book Value of the Associated Liabilities
Loans and advances to banks	0.0	0.0	0.0	0.0
Loans and advances to customers	0.0	0.0	0.0	0.0
Assets at fair value through profit or loss	0.0	0.0	0.0	0.0
Financial assets not posted at fair value	0.0	0.0	113.3	114.5
Financial assets posted at fair value	4,179.7	4,056.1	3,083.1	2,823.5
Assets for sale not posted at fair value	0.0	0.0	0.0	0.0
Assets for sale posted at fair value	0.0	0.0	0.0	0.0
Other assets not posted at fair value	0.0	0.0	0.0	0.0
Other assets posted at fair value	0.0	0.0	0.0	0.0
Total	4,179.7	4,056.1	3,196.5	2,938.0

The transferred financial assets are genuine repurchase agreements.

Other Notes

(38) Regulatory Information

The risk-weighted asset values and the regulatory equity are based on the regulations pursuant to the Solvency Regulation and the IFRS.

Risk-weighted Asset Values

	30.06.2013 (EUR million)	31.12.2012 (EUR million)
Risk assets	4,092.0	4,159.6
Weighted operational risks	252.6	293.0
Market risk positions	57.8	67.6
Total	4,402.4	4,520.2

Regulatory Equity

	30.06.2013 (EUR million)	31.12.2012 (EUR million)
Contributed capital	205.0	205.0
Other reserves	496.0	480.3
Remaining components	-11.2	-11.6
Core capital	689.8	673.7
Asset deposits of silent shareholders	0.0	0.0
Subordinated debt securities (part that can be offset)	58.1	66.7
Supplementary capital	58.1	66.7
Items deductible from core and supplementary capital	-0.8	0.0
Liable equity	747.1	740.4
Tier three funds	0.0	0.0
Equity capital	747.1	740.4

Revaluation reserves are not taken into account in the regulatory equity. The Group exercised a corresponding option.

Minimum Capital Ratios

The Bank complied at all times with the regulatory minimum capital ratios in 2012 and the first half of 2013 at the Group level. At the respective balance sheet dates, the Group had the following ratios:

	30.06.2013 (EUR million)	31.12.2012 (EUR million)
Overall coefficient	17.0 %	16.4 %
Core capital ratio	15.7 %	14.9 %

(39) Contingent Liabilities and Other Obligations

	30.06.2013 (EUR million)	31.12.2012 (EUR million)
Contingent liabilities	188.3	301.3
Contingent liabilities under rediscounted bills of exchange	–	–
Liabilities from guarantees and other indemnity agreements	188.3	301.3
Irrevocable credit commitments	931.7	1,082.4
Total	1,120.0	1,383.7

(40) Events after the Balance Sheet Date

The fully consolidated subsidiary Skandifinanz AG is expected to be sold and deconsolidated during the current financial year. Upon decision of the General Assembly of Skandifinanz AG on 29 July 2013 a partial distribution of the reserves was resolved and already distributed to the parent company NORD/LB Luxembourg.

(41) Related Party Disclosures

All consolidated subsidiaries qualify as related parties. In addition, NORD/LB (parent company of NORD/LB Luxembourg) and entities pursuant to IAS 24.9 (b) are deemed to be related parties.

Natural persons who are regarded as related parties in accordance with IAS 24 are members of the Board of Directors and the Supervisory Board of NORD/LB Luxembourg, the members of the Board of Directors of NORD/LB as the group's parent company and their close family members.

Within the scope of ordinary business activities, transactions and security agreements with related parties are concluded under normal market terms and conditions. These transactions are subject to the market conformity monitoring used in the Group.

The full extent of the transactions with related parties and entities is detailed below.

At 30 June 2013:

KEUR	Shareholders	Persons in Key Functions	Other Related Parties
Outstanding loans and advances	89,600	0	222,575
to banks	89,600	0	222,575
to customers	0	0	0
Trading derivatives on assets side	169,718	0	0
Other assets	5,152	0	35,437
Total assets	264,470	0	258,012
Outstanding liabilities	2,284,472	0	3
to banks	2,284,472	0	3
to customers	0	0	0
Securitised liabilities	57,133	0	0
Trading derivatives on liabilities side	189,189	0	8,989
Subordinated capital	95,598	0	0
Other liabilities	3,550	2,310	0
Total equity and liabilities	2,629,942	2,310	8,992
Guarantees/sureties granted	0	0	0

1 January – 30 June 2013:

KEUR	Shareholders	Persons in Key Functions	Other Related Parties
Interest expense	-63,816	0	-1,293
Interest income	26,961	0	391
Commission expense	-12,522	0	0
Commission income	0	0	157
Other income and expense	-2,544	-2,368	1,547
Total contributions to income	-51,921	-2,368	801

As at 31 December 2012:

KEUR	Shareholders	Persons in Key Functions	Other Related Parties
Outstanding loans and advances	94,285	0	204,283
to banks	94,285	0	204,283
to customers	0	8	0
Trading derivatives on assets side	213,911	0	0
Other assets	13,363	0	0
Total assets	321,559	8	204,283
Outstanding liabilities	4,400,098	0	40,546
to banks	4,400,098	0	40,546
to customers	0	0	0
Securitised liabilities	57,164	0	0
Trading derivatives on liabilities side	231,279	0	11,571
Subordinated capital	94,773	0	0
Other liabilities	1,206	2,501	0
Total equity and liabilities	4,784,520	2,501	52,117
Guarantees/sureties granted	0	0	0

1 January – 30 June 2012:

KEUR	Shareholders	Persons in Key Functions	Other Related Parties
Interest expense	-54,940	0	-2
Interest income	10,346	0	537
Commission expense	-11,985	0	0
Commission income	0	0	176
Other income and expense	-3,091	-1,929	-1
Total contributions to income	-59,670	-1,929	710

(42) Members of Executive Bodies and their Positions

Members of the Board of Directors

- Harry Rosenbaum, Luxembourg (Chairman)
- Christian Veit, Luxembourg (Deputy Chairman)
- Thorsten Schmidt, Gilzem

Supervisory Board

- Dr. Gunter Dunkel, Chairman of the Board of Directors of Norddeutsche Landesbank Girozentrale, Hanover (Chairman)
- Ulrike Brouzi, Member of the Board of Directors of Norddeutsche Landesbank Girozentrale, Hanover
- Walter Kleine, Chairman of the Board of Directors of Sparkasse Hannover, Hanover
- Dr. Johannes-Jörg Riegler, Deputy Chairman of the Board of Directors of Norddeutsche Landesbank Girozentrale, Hanover
- Christoph Schulz, Member of the Board of Directors of Norddeutsche Landesbank Girozentrale, Hanover

Positions

As at 30 June 2013, the following positions were held by the members of the board of Norddeutsche Landesbank Luxembourg S.A.:

Harry Rosenbaum

- Merido Immobilien AG, Zurich, President of the Administrative Board
- Jutzi AG, Oberburg, Member of the Administrative Board

Christian Veit

- NORD/LB Covered Finance Bank S.A., Luxembourg, Chairman of the Board of Directors
- L'Institut de Formation Bancaire (IFBL), Luxembourg, Member of the Administrative Board

Thorsten Schmidt

- NORD/LB Covered Finance Bank S.A., Luxembourg, Deputy Chairman of the Board of Directors
- NORD/LB G-MTN S.A., Luxembourg, Chairman of the Administrative Board



Responsibility Statement

We give our assurance to the best of our knowledge that the consolidated interim financial statements as at 30 June 2013, in accordance with the applicable accounting principles, convey an accurate and fair view of the asset, financial and earnings position of the Group that reflects the true circumstances and that the management report conveys an accurate and fair picture of the business performance, including the business profit/loss and the position of the Group, that reflects the true circumstances and describes the significant opportunities and risks of the anticipated development of the Group.

Luxembourg, 30 August 2013
Norddeutsche Landesbank Luxembourg S.A.

Harry Rosenbaum

Chairman of the Board of
Directors
Norddeutsche Landesbank
Luxembourg S.A.

Christian Veit

Deputy Chairman of the
Board of Directors
Norddeutschen Landesbank
Luxembourg S.A.

Thorsten Schmidt

Member of the Board of
Directors
Norddeutschen Landesbank
Luxembourg S.A.

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