Interim Financial Report
of Bremer Landesbank
as of 30 June 2013 in accordance with IFRS

The Bremer Landesbank Group at a glance

Income statement	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 (in EUR m)	Change (in EUR m)	(in %)
Net interest income	219	192	27	14
Loan loss provisions	-131	-104	27	26
Net interest income after loan loss provisions	88	88	0	0
Net commission income	18	12	6	50
Profit/loss from financial instruments at fair value through profit or loss including hedge accounting	18	30	-12	-40
Profit/loss from financial assets	-3	-1	-2	>100
Profit/loss from investments accounted for using the equity method	4	4	0	0
Administrative expenses	89	85	4	5
Other operating profit/loss	-7	2	-9	<-100
Earnings before taxes	**29**	**50**	**-21**	**-42**
Income taxes	6	15	-9	-60
Consolidated profit/loss	**23**	**35**	**-12**	**-34**
Balance sheet figures	**30 Jun 2013**	**31 Dec 2012**		
Total assets	34,356	35,584	-1,228	-3
Customer deposits	10,288	10,436	-148	-1
Customer loans	23,340	23,687	-347	-1
Risk provisions	-606	-522	-84	16
Equity	1,705	1,675	30	2
Key ratios	**30 Jun 2013**	**30 Jun 2012**		
Return on equity (ROE)[1]	3.5%	4.8%		-27
Cost-income ratio (CIR)[2]	35.7%	36.0%		-1
BIS capital ratios	**30 Jun 2013**	**31 Dec 2012**		
Core capital (before deductions)	1,769	1,776	-7	0
Risk assets	17,675	17,588	87	0
Core capital ratio (before appropriation of profit)	7.73%	8.79%		-12
Number of employees	**30 Jun 2013**	**30 Jun 2012**		
Total	1,128	1,114	14	1
Current ratings (long-term rating)	**30 Jun 2013**	**31 Dec 2012**		
Moody's	A3	A3		
Fitch Ratings	A	A		

[1] Group operating result after loan loss provisions/sustainable capital (comprising: share capital; capital reserves; retained earnings, adjustment item for shares from other shareholders).

[2] Administrative expenses/Total income (before loan loss provisions) + other profit/loss

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1. Interim group management report

In the following text the terms “Bank” and “Bremer Landesbank” are used. In all cases they refer to the Bremer Landesbank Group. The development of the Group is determined almost exclusively by the parent company. The companies of the Bremer Landesbank Group are included and consolidated in the consolidated financial statements of the NORD/LB Group and are a significant part of the latter.

This report should be read in conjunction with the group management report as of 31 December 2012.

A. Business and general conditions

Economic situation

The performance of the global economy did not meet the positive expectations in the first half of 2013. As a result, growth forecasts for the global economy in 2013 fell from 3.5% at the beginning of the year to the current level of 3.1% (based on IMF estimates).

Both political and economic aspects were responsible for the disappointing global performance, and they were not limited to a single continent.

The economic developments in emerging economies, above all China, the world’s second-largest economy, were regarded and assessed increasingly critically over the course of the first half of the year. China’s economic development fell slightly short of the positive expectations in the first half of 2013. That led to intense media attention with a detrimental impact on Chinese financial markets and global economic performance. The fight against corruption, the shadow banking system, overcapacity and the reorientation of the economy towards a stronger domestic economy slowed China’s economic development. This resulted in less demand for raw materials from China, which had a negative impact on emerging economies based on raw materials. Accordingly, the IMF’s growth forecasts for emerging economies in 2013 were adjusted from the original figure of 5.5% to 5.0%.

The situation in the US was largely stable in the first half of the year. Concerns about the automatic budget cuts proved to be unfounded. The debate about whether the US Federal Reserve was going to reduce its monthly bond buying (USD 85 billion per month) put a temporary brake on economic progress and resulted in increased risk aversion in financial markets. The uncertain global economic picture had a somewhat negative impact in the US.

Japan, however, stood out as a positive. The government’s aggressive subsidy policies had an immediate impact.

The eurozone’s deficit crisis, which on the whole is starting to improve, was briefly affected by the the parliamentary elections in Italy, which resulted in a government coalition with limited focus on reform policies, and the resolution of the Cyprus crisis, which increased risk aversion globally due to the participation of bank customers with deposits over EUR 100,000. Furthermore, critical domestic political issues in reform countries within the eurozone, whether it was Spain, Portugal or Greece, also briefly shook global and regional confidence in the economy. As a result, the economic recovery process was largely delayed from the spring of 2013 to the summer of 2013.

The German economy disappointed markedly at the start of the year. After a very weak 4th quarter in 2012 in which economic output contracted by 0.7%, there economic output increased slightly by 0.1% in the first quarter of 2013. Besides the problems connected with the debt crisis in the eurozone and the nascent China debate, the cold weather had a negative impact on the economy. According to the June 2013 Bundesbank report, economic prospects will brighten, starting in the second quarter of 2013.

The shipping markets were stable in the first half of the year, albeit at a low level.

Financial markets

Decreasing risk aversion with high volatility was observed in the financial markets, though with fluctuations over the course of the year. In the spring the ECB lowered its base interest rate to a new record low of 0.50%.

The DAX rose from 7,612 at the end of 2012 to 8,557 on 22 May 2013, and closed the first half of 2013 at 7,959.

The yields on 10-year German government bonds suggest they have bottomed out. Starting with a yield of 1.40% and reaching an interim low of 1.17% at the beginning of May, German government bonds returned 1.71% at the end of June 2013.

The euro rose against the Japanese Yen, the British Pound and the Swiss Franc. The EUR-USD exchange rate fluctuated between 1.27 and 1.37 in the first half of the year.

The region

Bremen and the surrounding region are defined by differing economic structures. These differences result in different assessments and considerations for the individual sectors in the regions of Bremen, Oldenburg and East Frisia/Papenburg.

According to the latest summer survey in the three chamber of commerce areas, there is a fundamental convergence in the overall economic situation.

The Bremen economy has enjoyed a slight improvement in industry, construction, trade and large parts of the service sector.

The outlook for the future is characterized by an increase in exports, a stable labour market and continued wait-and-see approach to investment plans. Expectations in industry, construction, lending and the transport and logistics industry are very positive, while business service providers, hospitality and specialist retailers are more sceptical.

The trend of falling incoming orders for industrial companies in the Oldenburg region has stopped. Construction is picking up after the cold start to the year and is enjoying a solid range of orders. Retail has seen an increase in sales due to the improvement in consumer sentiment. The service sector has experienced a slight increase in sales, but the transport sector on the other hand has stagnated. Both domestic and export business have picked up.

The regional economy in East Frisia and Papenburg held its ground in the first half of the year according to a report by the Chamber of Industry and Commerce. Cautious optimism spread through many companies in the region. The economic index rose from 107.5 in the first quarter to 113.1 in the second.

Optimism dominated in the retail and service industries, and to some extent in industry and transport. The export sector was defined by subdued expectations. The willingness to invest was limited. Only wholesale experienced high investment activity. The labour market was characterized by a greater willingness to hire personnel.

Business performance

Sustainable operating income[1] in the Bremer Landesbank Group developed very well in the first half of the year. This is primarily due to continued growth in net interest income, on the whole stable net commission income, combined with robust customer-driven trading business, achieved despite the persistence of adverse market conditions.

Loan loss provisions in the first half of 2013 were significantly higher than the level budgeted by the Bank. This is due to the continuing weakness in the shipping markets.

The situation in the capital markets continues to be characterized by a degree of nervousness. The medium-term and long-term refinancing of the so-called PIIGS countries – and recently Cyprus as well – still does not appear to be assured yet for the long term despite significant reform efforts and financial support from the EU, the IMF and the ECB. This continues to be reflected by high volatility in the valuation of financial instruments.

A security of an Irish bank received from a credit event was sold at the beginning of the year at a loss. Once again, no impairments had to be recognized on the Bank’s own securities in the first half of the year.

As expected, the Bank’s administrative expenses rose again. The budgeted increase in headcount and slightly higher expenses for pensions and other benefits had an effect on personnel expenses. The increase in other administrative expenses was mainly due to higher project costs for both IT and consulting.

Other operating profit/loss is defined by one-off effects from the bank’s internal cost management project.

There have been no changes in the basis of consolidation in 2013 to date. The results of the subsidiaries were in line with expectations.

At the end of the first six months of 2013, the Bremer Landesbank Group reported yet another pre-tax profit and a consolidated profit.

Below, we report in greater detail on the business performance of the Bremer Landesbank Group in the first half of 2013.

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[1] Sustainable operating income is defined as the total of net interest income, net commission, profit/loss from customer-driven trading operations.

B. Results of operations

In the year 2013 to date, the Bank's results of operations have developed on the whole satisfactorily.

Income statement

	Notes	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 Adjusted (in EUR m)	Change (in %)
Interest income		860	1,080	-20
Interest expenses		641	888	-28
Net interest income *	6	**219**	**192**	**14**
Loan loss provisions	7	-131	-104	26
Net interest income after loan loss provisions		**88**	**88**	**0**
Commission income		22	18	22
Commission expenses		4	6	-33
Net commission income *	8	**18**	**12**	**50**
Trading profit/loss		19	24	-21
Profit/loss from designated financial instruments		-1	0	<-100
Profit/loss from financial instruments at fair value through profit or loss	9	**18**	**24**	**-25**
Profit/loss from hedge accounting	10	0	6	-100
Profit/loss from financial assets	11	-3	-1	>100
Profit/loss from investments accounted for using the equity method	12	4	4	0
Administrative expenses	13	89	85	5
Other operating profit/loss	14	-7	2	<-100
Earnings before taxes		**29**	**50**	**-42**
Income taxes	15	6	15	-60
Consolidated profit/loss		**23**	**35**	**-34**
of which: attributable to shareholders of the parent company		23	35	-34
of which: attributable to non-controlling interests		—	—	—

* See Notes (6) and (8) regarding the reclassification of loan commissions in accordance with IAS 1.41 and 1.42

Net interest income

Net interest income increased by 14% from EUR 192m to EUR 219m.

Net interest income from business with customers stabilized at a high level. The Special Finance segment was once again one of the main drivers of customer business, but business transacted with regional corporate customers and the Financial Markets segment also made significant contributions to earnings.

A number of special factors had a noticeable impact on net interest income in the first half of the year. Due to the conversion of silent participations into hard core capital in the financial year 2012, there were no more interest expenses for silent participations in 2013 (prior year: EUR 16m). Additionally, the receipt of prepayment penalties of roughly EUR 4m had a positive impact on net interest income.

We maintain our forecast from the last published financial statements of stable net interest income.

Loan loss provisions

Loan loss provisions rose significantly in the first half of 2013, from EUR 104m to EUR 131m. While specific valuation allowances remain slightly below the reference figure, the general loan loss provisions rose significantly due to the worse ratings in the shipping portfolio.

Since 2010 the Bremer Landesbank Group's loan loss provisions have been impacted in particular by the developments in merchant shipping. The improvement in the markets that all sides are looking for also did not take place in the first months of 2013, but is expected – depending on the ship type – in 2014 or later. Charter rates and ship values were therefore not able to recover and will continue to have a negative impact, in part due to overcapacity.

As a result of the developments described above, in the first half of the year the Bremer Landesbank Group had to increase its loan loss provisions in the area of ship finance significantly above the budgeted level.

Therefore, loan loss provisions in 2013 will be at around the high level of the prior year as a result of developments in merchant shipping and it will only be possible to reduce them significantly after a sustainable recovery in charter rates and ship values.

Net commission income

Net commission income was EUR 18m and therefore higher than in the first half of 2012 (EUR 12m).

While the guarantee business for new ship building declined slightly in line with expectations, the remaining operational business with customers developed positively. Furthermore, a more differentiated consideration of loan fees in the first half of 2013 ensured a strengthening of the net commission income, which amounted to EUR 7m (see Note 8 in the Notes to the consolidated financial statements).

The forecast for steady net commission income in the financial year is maintained.

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

Within the scope of its customer-driven trading operations, the Bremer Landesbank Group again performed successfully in the financial markets in the first half of 2013.

The situation in the capital markets continues to be characterized by a high degree of nervousness. The medium-term and long-term refinancing of the so-called PIIGS countries – and recently Cyprus as well – still does not appear to be assured yet for the long term despite significant reform efforts and financial support from the EU, the IMF and the ECB. This continues to be reflected in high volatility in the valuation of financial instruments.

Credit default swaps and their valuation affected the fair value result of the Bank in the first half of the year by the significant amount of EUR 13m (mid-year 2012: EUR 22m). The positive result from the credit default swaps in the first half of 2013 mainly results from valuation effects.

The Group's fair value loss in the first half of the year was, once again, impacted in the amount of EUR -3m (mid-year 2012: EUR -11m) by the so-called basis spread effect in the valuation of cross-currency swaps. While the conclusion of these contracts means that the Group's foreign currency economic exposure is fully hedged, nevertheless, there is a net valuation effect on the reporting date that will be offset over the course of the transactions.

The realized profit from fair value financial instruments came to EUR 16m, compared with EUR 3m in the same period of the prior year, while the net valuation effect overall hardly had an effect on the profit in the first half of the year (prior year: EUR 14m). Positive valuation effects from credit default swaps were compensated by negative net valuation effects from other derivatives. The foreign exchange profit was insignificant at the middle of the year (mid-year 2012: EUR 4m), while other profit – mainly from the receipt of CDS premiums – was unchanged at EUR 3m (mid-year 2012: EUR 3m). The loss from the voluntary valuation of exposures at fair value was EUR 1m in the first half of the year (mid-year 2012: EUR 0m).

Overall, due to the circumstances described above, the profit from financial instruments at fair value through profit or loss came to EUR 18m, compared with EUR 24m in the same period of the prior year.

It is still difficult to predict how the international financial markets will develop. The nervousness caused by the uncertainty about the financial situation of certain countries continues. For this reason, it is not possible to completely rule out further fluctuations in the net valuation effects of the Bremer Landesbank Group. However, the Bank is still confident that, in the future, it will be able to operate its customer-driven trading business successfully on the financial markets.

Profit/loss from investments accounted for using the equity method

The proportionate income from associates accounted for using the equity method again totalled EUR 4m. The Bremer Landesbank Group's share in the profits from these investments has continued to develop positively.

Administrative expenses

In the period under review, the Bremer Landesbank Group's administrative expenses increased in line with expectations by 5% to EUR 89m.

The budgeted increase in headcount and slightly higher expenses for pensions and other benefits had an effect on personnel expenses. They therefore rose by around 1% to EUR 49m.

The EUR 3m increase in other administrative expenses, to EUR 36m, was mainly due to higher project costs for both IT and consulting.

The forecast of gradually stabilizing administrative expenses is maintained.

Other operating profit/loss

Other operating losses amounted to EUR 7m, compared with a profit of EUR 2m in the prior year period.

The bank levy due for the full calendar year is considered in the amount of EUR 4m in other operating expenses, as in the prior year. Rental and lease income, included in other operating income, remained stable while cost reimbursements and the reversal of provisions were higher than in the previous year period. One-off expenses for personnel-related long-term cost savings measures in the amount of EUR 9m were also reported.

Earnings before taxes

The Bremer Landesbank Group's earnings before taxes for the first half of 2013 amounted to EUR 29m compared with EUR 50m for the same period of the prior year, and was thus EUR 21m below the prior year's level. The increase in loan loss provisions had a significant effect on the level of earnings.

Income taxes

The Bremer Landesbank Group's current income taxes increased by EUR 16m to EUR 18m, compared with same period of the prior year. The reason for this was the rise in the parent company's taxable income.

Deferred taxes, which were reported as an expense of EUR 13m in the first half of 2012, have to date amounted to an income of EUR 12m in 2013. The pre-tax profit was below the actual taxable income.

Overall income taxes have fallen by EUR 9m to EUR 6m.

Consolidated profit/loss

At mid-year 2013, the Group had a consolidated profit of EUR 23m after earning EUR 35m in the first half of 2012. The positive development of sustainable operating income components was supported by an ongoing noticeably lower negative effect from the credit default swaps measured at fair value. However, these factors did not more than make up for the negative impact from the significant increase in loan loss provisions and the planned increase in administrative expenses and, thus, resulted in a lower overall consolidated profit for the period as compared to the prior year.

The difficulties in the shipping markets and the nervousness on international financial and capital markets also had an impact on the Bremer Landesbank Group's consolidated profit in the first half of 2013. However, the Bank was able absorb this due its good results of operations. The Bremer Landesbank Group continues to expect that the good results of operations will remain so in future.

C. Net assets and financial position

Total assets

The Bremer Landesbank Group continued to concentrate on the high-income customer business.

The portfolio of financial assets, the scope of financial instruments at fair value and loans and advances to customers declined slightly. Overall, total assets fell by EUR 1.2b to EUR 34.4b (year-end 2012: EUR 35.6b).

Loans and advances to banks

Loans and advances to banks in the first half of 2013 remained at the prior year's level of EUR 3.8b. There was no notable change.

Loans and advances to customers

In the first six months of 2013, loans and advances to customers fell by EUR 0.4b to EUR 23.3b (year-end 2012: EUR 23.7b). The decline is primarily observed in limited-term loans and advances to foreign customers, which fell by EUR 0.3b to EUR 19.5b. In this respect, the planned repayments from the loan portfolio also played a part.

Loans and advances to customers account for 67.7% of total assets (year-end 2012: 66.6%).

Please see the notes on the development of the business segments for a more detailed analysis of this item.

Loan loss provisions

The loan loss provisions of the Bremer Landesbank Group, deducted from the asset side on the face of the balance sheet in accordance with international accounting standards, increased significantly by EUR 84m to EUR 606m. Thus they now represent 2.2% of total loans and advances (year-end 2012: 1.9%).

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

This item comprises the fair values of held-for-trading financial instruments. Instruments with a positive fair value are reported in assets and those with negative fair values in liabilities. In the first half-year of 2013, total financial instruments with a positive fair value fell by EUR 240m, or 14%, to EUR 1,467m, while total financial instruments with a negative fair value rose by EUR 317m, or 20%, to EUR 1,256m.

The Bremer Landesbank Group enters into derivative transactions mainly for the purpose of managing and hedging interest rate and foreign currency risks. The Bremer Landesbank Group also utilized available equity to conclude credit derivative transactions to generate commission income reported in trading profit/loss and to diversify its loan portfolio, notably with regard to regions/countries and rating categories. The nominal volume at mid-year was EUR 57b, compared with EUR 57b at the end of 2012, and hence accounted for approximately 1.7 times (year-end 2012: 1.6 times) total assets. Compared with other institutions in the sector, the Bremer Landesbank Group only enters into such transactions to a relatively minor extent. Almost all counterparties are banks located in OECD member countries. Please see the discussion in the condensed notes to the interim consolidated financial statements of Bremer Landesbank for more details on volumes.

Financial assets

Total financial assets fell by EUR 376m to EUR 5.4b, mainly due to maturities. This item particularly comprises available-for-sale securities and investments in non-consolidated entities at fair value.

Securities are either allocated to the Managing Board's strategic position or the Financial Markets segment's credit investment portfolio. In 2013 to date, there have been changes due to disposals and additions of financial assets as well as changes in the fair value of securities held. These changes are reflected in the revaluation reserve, shown under equity.

Liabilities to banks

The Bremer Landesbank Group's refinancing by way of liabilities to banks fell by 5%, or EUR 623m, to EUR 11.2b from the end of 2012. While liabilities from money market transactions – especially with domestic banks – fell significantly by 47% to EUR 0.7b, other liabilities fell only slightly, by 1%, to EUR 10.5b as compared to the end of 2012.

Liabilities to customers

Liabilities to customers decreased by 1.4%, or EUR 148m, to EUR 10.3b. While the liabilities from money market transactions rose by 1.8% or EUR 27m to EUR 1.5b, other liabilities fell by EUR 184m to EUR 8.6b. Savings deposits only play a minor role in the refinancing of the Bremer Landesbank Group at EUR 203m (year-end 2012: EUR 194m).

Securitized liabilities

The Bremer Landesbank Group's securitized liabilities include covered bonds, municipal debt securities and other debt securities as well as money market instruments such as commercial papers. Their value remained at a steady level in the year to date despite a not inconsiderable level of repayments of around EUR 8.4b.

A more detailed presentation of the Bremer Landesbank Group's refinancing via the various issuing programmes is provided in the notes on the Financial Markets segment in the segment report of the Notes and in the section on financing.

Provisions

At the Bremer Landesbank Group, provisions totalled EUR 441m at mid-year 2013, rising significantly by 5.5% or EUR 23m.

Provisions for pensions and similar obligations account for the largest share, amounting to EUR 389m for the Group, compared with EUR 374m at the prior year-end. The present value of defined benefit obligations is calculated actuarially by using specific parameters, such as, for example, a Group-wide discount rate (of 3.5%, year-end 2012: 3.6%) based on the yield of senior corporate bonds of the same maturity. Other standard Group parameters are salary, career and pension trends and employee turnover rates (please also see the following overview).

Parameter	30 Jun 2013	31 Dec 2012
Employee turnover (excluding retirement/early retirement)	1.5%	1.5%
Discount rate	3.5%	3.6%
Pension trend:		
Managing Board/permanent employees p.a.	2.5%	2.5%
Total benefits p.a.	3.5%	3.5%
Add-on benefits p.a.	2.0%	2.0%
New pension scheme	1.0%	1.0%
Calculated on the basis of:		
Collective wage increases p.a.	2.0%	2.0%
Premiums based on years of service	—.— *	—.— *
Individual salary increases (pensionable) p.a.	0.4%	0.4%
Increases in statutory pensions	0.5%	0.5%
Increases in ÖLV pensions	1.0%	1.0%
BVV	—	—

* Not relevant as final salaries were used in the calculations.

Other provisions increased by EUR 8m from the end of 2012 to EUR 52m. Other provisions were the main reason for the increase.

Equity

The equity of the Bremer Landesbank Group totalled EUR 1,705m at the end of the first half of 2013, compared with EUR 1,675m at the prior year-end. The profit from the first half of the year nearly overcompensated for the decrease in actuarial gains. The increase in the revaluation reserve was due to the rise in value of the AFS financial instruments.

Since converting to international accounting standards at the beginning of 2006, the Group's equity has increased by 63% or EUR 658m.

Contingent liabilities and other obligations

The volume of Bremer Landesbank Group's traditional off-balance sheet business, reported as guarantees, totalled a slightly lower EUR 0.9b at the end of the first half of the year (year-end 2012: EUR 1.1b).

The irrevocable loan commitments not used increased by 28.9% to EUR 2.3b on the balance sheet date. The increase is primarily due to the sub-segment of renewable energies.

There are also other financial obligations of the Bremer Landesbank Group resulting from the facts and circumstances described in the Notes to the consolidated financial statements.

Financing

In the first half of 2013, bearer and registered debt securities were once again the most important source of medium to long-term refinancing for the Bremer Landesbank Group. In this period the Bremer Landesbank Group controlled the amount of deducted refinancing volumes on account of a comfortable amount of liquidity below the level of the same period in the prior year.

The gross volume of issues transacted by the Bremer Landesbank Group, including borrower's note loans, amounted to EUR 0.8b (not including the European Commercial Paper Programme and European Investment Bank loans), compared with EUR 1.8b in the first half of 2012.

The volume of debt securities outstanding on 30 June 2013 was EUR 16.7b (year-end 2012: EUR 17.0b).

The total outstanding volume of refinancing loans raised from the European Investment Bank (EIB) was around EUR 0.7b as of 30 June 2013 (year-end 2013: EUR 0.8b).

As part of refinancing and liquidity management during the year, in 2013 the Bremer Landesbank Group has also continually made use of the various instruments of the European Central Bank, in addition to the interbank and repo markets.

The ECP Programme was used in the first half of 2013 for the currencies EUR and USD. As of 30 June 2013, the outstanding volume had an equivalent value of EUR 0.193b (year-end 2012: EUR 0.181b).

Key ratios

As of the reporting date, the return on equity (ROE) stood at 3.5%, compared with 4.8% at mid-year 2012.

The cost-income ratio (CIR) was unchanged at 35.7%, compared with 35.7% at mid-year 2012.

The risk ratio as of 30 June 2013 came to 0.74%, after being 0.57% at mid-year 2012.

Investing activities

The Bremer Landesbank Group still intends to invest substantially in modernizing and redesigning its buildings. The Bremen office continues to be in the logistical preparation phase for reconstruction; the demolition of the old parts of the building commenced on schedule in the spring.

Other non-financial performance indicators

For the Bremer Landesbank Group, being close to the markets and to the people who live and work in the region is both a privilege and an obligation. This is reflected, for example, in its public and social engagement initiatives as well as the fact that the Bremer Landesbank Group employs an average of 1,128 employees (corrected mid-year 2012: 1,114[2]), and is thus a major economic factor in the State of Bremen and the North-West region. The Bank offers attractive jobs and this is

reflected in the employee turnover rate of 1.1% (mid-year 2012: 1.6%), which is low for the

[2] Employees in training were incorrectly included in the total as of 30 June 2012.

industry, and a relatively high average length of service of 16.0 years (mid-year 2012: 16.5 years).

As a leading regional bank in the North-West, the Bremer Landesbank Group is committed to setting a good example, not least as a family-friendly employer, enabling a better work-family balance for its employees. Its efforts were rewarded with the “berufundfamilie” (work and family) audit certificate issued by berufundfamilie gGmbH in Frankfurt/Main.

These are just some of the Bremer Landesbank Group’s efforts to make its activities economically, socially and ecologically sustainable. In 2011, it published its first separate sustainability report. In 2012, the Bank decided to actively integrate sustainability management into its corporate strategy and is now developing goals and measures for fields of action that have already been identified and where implementation has begun.

Conclusion

The satisfactory result at mid-year 2013, in spite of the difficult position in the shipping markets, endorses the Bremer Landesbank Group’s strategic focus on regional banking – with a national Special Finance segment – in the North-West and for the North-West. In close cooperation with the savings banks and its association partners, Bremer Landesbank has firmly positioned and established itself as a leading bank in the region. The Bank is still by far the most significant partner for small and medium-sized businesses. Having clearly focused on its business model at the right time, the Bremer Landesbank Group is well positioned to remain profitable and drive forward its business development even in a difficult economic environment.

D. Development of the business segments

Information on the business segments

A differentiated analysis of the individual business segments in the commercial lending business shows mixed developments.

Corporate Customers

The Corporate Customers segment mainly comprises business conducted by the Bank with larger SMEs in the North-West of Germany.

Earnings in the first half of the year were on the whole satisfactory and met expectations. The main source remains lending business. The loan volume was increased again in particular by including subsidies and was significantly above the prior year.

In borrowing business, declines in volume due to the extremely low interest rates were seen in the area of call money and time deposits and could not be compensated in full despite the pleasing increase in business checking accounts.

We will continue to build on our position as a successful regional bank and a leader in corporate customer business in the region in the future to expand our position as principal banker for the larger SMEs. We still assume that we will be able to achieve the overall goal for 2013.

Special Finance

The Special Finance business at the Bremer Landesbank Group covers ship finance, refinancing for vehicle and equipment leasing and factoring companies as well as for social welfare facilities and renewable energies, with the sub-segments wind, biogas and photovoltaics.

The Special Finance business at the Bremer Landesbank Group developed positively overall in the first half of 2013, with the exception of the ongoing shipping crisis. Since the financial and economic crisis, the rate of growth in Special Finance has been mixed. While the portfolio of ship financing largely stagnated and should be reduced over the medium term, it was possible to continue the expansion of renewable energies.

In ship finance, the Bremer Landesbank Group did not observe a noticeable recovery in the various market segments in the first six months of 2013. Charter rates and ship values are still at crisis levels and a sustainable recovery is yet to take place. The excess supply of tonnage will only be reduced in the medium term. Therefore, loan loss provisions will remain at an ongoing high level with income virtually stable.

In the refinancing of vehicle and equipment leasing companies, the Bremer Landesbank Group maintained its position as a leading financier of medium-sized leasing companies in the first half of the year. The Bank acts as a competence centre for the NORD/LB Group in this segment and is a reliable partner for leasing companies with banking related functions. The refinancing of factoring companies is still in the moderate implementation phase and rounds off the portfolio.

In the social welfare facilities segment, new business was muted in the first half of the year. In nursing home finance – a key focus and a field for which the Bremer Landesbank Group is also a competence centre in the NORD/LB Group – an upturn is expected in the second half of the year.

The Bremer Landesbank Group's new business in renewable energies developed favourably in the first half of the year. In the main segment of onshore wind energy in Germany, in particular, the strong market position was consolidated. This was due to the pulling forward of business before an anticipated amendment to the EEG ("Erneuerbare-Energien-Gesetz": German Renewable Energy Act) in 2014. The sub-segment of photovoltaics has performed well to date and exceeded expectations since projects could be implemented on account of a sharp fall in module prices. In the NORD/LB Group the Bremer Landesbank Group is the competence centre for biogas and photovoltaics in Germany. It also supports experienced customers in selected ventures in other European countries.

With its various sub-segments and its consistent focus on long-term, reliable customer relationships, the Bremer Landesbank Group's Special Finance segment considers itself to be well positioned with a clientele dominated by mid-cap companies and enables moderate growth. The portfolio will increasingly shift towards renewable energies and away from shipping.

Private Customers

The Private Customers segment covers all of the Bremer Landesbank Group's business transacted with private customers. The segment comprises the business units private customer service and private banking (including asset and portfolio management).

The development of the SIP®Dachfonds (fund of funds)[3] managed by the asset and portfolio management division as well as individual asset management continues to be good. The volume as well as the number of units saw significant increases.

This development led to an increase in the income from securities business as compared to the prior year, although the market situation overall is still defined by a high level of customer reluctance. The income in the deposit business stabilized, while the strong competition in the credit business continues to be felt. Service business rose, particularly the one-time premium business in the life insurance area as an alternative financial investment.

Financial Markets

The Bremer Landesbank Group continued its successful business with associated banks in 2013. The Financial Markets segment handles this business, which includes comprehensive support services for the affiliated savings banks. Despite the tough economic environment with strong competitive pressure, it again succeeded in producing a positive result.

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3 The SIP®Dachfonds (fund of funds) is an investment fund that has been developed by Bremer Landesbank and mainly reflects Bremer Landesbank's asset management and offers customers below the entry threshold for individual asset management the opportunity to participate in the success of asset management with small amounts. The four different strategies of the SIP®-Dachfonds represent the entire spectrum of possible investments in securities – from pure fixed income funds to stock funds – depending on the customer's wish and individual appetite for risk.

In syndicate business with corporate customers of the associated savings banks, sales activities again focused on traditional financing as well as interest and currency management and international documentary business.

Further, the Bremer Landesbank Group enabled the associated savings banks to participate in its special/project financing business through syndications. Another focus of business with associated banks is public-sector refinancing. In addition to the direct finance offers for regional authorities, sales activities also included support for the affiliated savings banks with regard to their public sector finance activities.

The Financial Markets segment at the Bremer Landesbank Group provides access to the national and international financial markets for private and institutional customer groups as well as the Bank's own business. Refinancing measures carried out by the Bremer Landesbank Group both during the year and for a period longer than one year are also conducted by the Financial Markets segment.

With the volume of business generated in the customer and counterparty portfolio, the Financial Markets segment contributes significantly to positions relevant to the Group's balance sheet.

As part of refinancing and liquidity management during the year, in 2013 the Bremer Landesbank Group has also continually made use of the various instruments of the European Central Bank, in addition to the interbank and repo markets.

The operating capital market business was performed in a market environment that was characterized by increasing calm in May and June after the renewed turbulence in connection with the euro crisis at the beginning of the year and is showing positive real economic signals for the medium and long term.

The treasury, trading and sales activities of the Bremer Landesbank Group's Financial Markets units developed relatively favourably despite the difficult market environment. The management of liquidity risks and interest rate risks, ensuring that the bank has continuous liquidity and providing the above-mentioned customer groups with money market and capital market products are the focus of the trading unit.

In the first half of 2013, the segment's sales units recorded sustained intensive demand for consulting and support services for money, currency and derivative products in the face of a moderate volume of sales caused by wider economic factors.

E. Subsequent events

There were no events of special significance for the economic situation of the Bank in the period between the end of the first half of the year and the preparation of the interim consolidated financial statements, or they have been addressed accordingly.

As in the prior year, there are no risks to the Bank's ability to continue as a going concern.

F. Outlook

Economic situation and financial markets

In the second half of 2013, there are better economic growth prospects for the global economy, but particularly for the eurozone and Germany.

The OECD early indicator is a reliable yardstick. The index has improved continuously since September 2012, from 99.8 to 100.6, is currently in the upper 20% of the range over the last 20 years and at the highest level since the middle of 2011, when global growth of 3.9% was achieved. This trend on the basis of the OECD indicator is confirmed by the purchasing manager indeces in the eurozone and Germany as of the middle of 2013.

There are a range of catalysts for this positive view of future development. The intensity of the deficit crisis in the eurozone is on the decline. It is increasingly consisting of a mix between reform policies on the one hand and economic stimulus on the other within the framework of the eurozone's crisis management. Western central banks continue to provide ample liquidity. Interest rates will remain low in significant industrial nations until 2014/2015. After the slowdown of the economy since March 2012 on account of the sovereign debt crisis in the eurozone, a recovery should result from the global inventory and capital goods cycle.

A more dynamic economic position in the second half of 2013 in the US and Japan as well as an anticipated improvement in eurozone growth mean that China as the workbench of the world and consequently the emerging economies with their raw material bases will enjoy increased growth.

The June 2013 Bundesbank report sees Germany benefiting from catch-up effects, among others in the construction and capital expenditure sectors. Germany's major position in the capital goods sector holds potential for positive surprise in 2013/2014. The employment situation and thus private consumption are and remain positive.

The region

In comparison to the first quarter of 2013, the current and future economic position is viewed positively according to the latest regional economic climate indices from the Chambers of Industry and Commerce in all three local areas.

Business expectations in the Bremen economy are moderately positive.

The companies in the Oldenburg region view the current situation as clearly positive after the poor start to the year and assume a slow economic recovery in the second half of 2013.

Cautious optimism has spread among many companies in East Frisia and Papenburg.

Bremer Landesbank

Having focused on its business model in a sustainable and systematic way, the Bremer Landesbank Group is well positioned to remain profitable and drive forward its business development even in a difficult economic environment, particularly in shipping.

The economic developments in the first half of the year did not result in a reduction in risks in the different merchant shipping market segments. Charter rates and ship values are still at crisis level and a sustainable recovery is yet to take place.

The continued nervousness in the capital markets could have an impact on the Bank’s net valuation result; however, in the past any such effects have been absorbed by the robust performance of the core business areas. The Bank remains confident that it will be able to stay on the course it has taken in these troubled waters.

The Bank’s subsidiaries operating in the real estate business are still planning stable income, in the medium to long term, with a gradual increase in income over the long term.

In the first half of 2013, the leasing subsidiary generated new business volume that was clearly above the prior year’s level. Despite a muted start to the second half of the year, the company is confident that for the full year 2013 it will achieve its new business targets as well as its forecast for stable profits.

The associates accounted for using the equity method performed well in the first half of the year and, thus, the Bank expects them to make a healthy contribution to profit by the end of 2013.

Results of operations, net assets and financial position

We maintain our forecast from the last published consolidated financial statements for steady net interest income.

It is expected that loan loss provisions in 2013 will be at the high level of the prior year as a result of developments in merchant shipping and will only be possible to reduce them significantly again after a sustainable recovery in charter rates and ship values.

We maintain our forecast for steady net commission income for the financial year.

It is still difficult to predict how the international financial markets will develop. The nervousness caused by the uncertainty about the financial situation of certain countries continues. For this reason, it is not possible to completely rule out further fluctuations in the net valuation effects of the Bremer Landesbank Group. However, the Bank is still confident that it will be able to operate its customer-driven trading business successfully on the financial markets.

The forecast of gradually stabilizing administrative expenses is maintained.

Conclusion

The difficulties in the shipping markets and the nervousness on international financial and capital markets also had an impact on the Bremer Landesbank Group’s consolidated profit in the first half of 2013. However, the Bank was able absorb this due its good results of operations. The Bremer Landesbank Group continues to expect that the good results of operations will remain so in future.

G. Opportunities and risks

Scope

The risk management system of the Bremer Landesbank Group, the relevant organizational structures and operational procedures, the processes and methods implemented to measure and monitor risk, as well as the risks relating to the Group's development were described in detail in the 2012 annual report. This interim report, therefore, only describes significant developments in the first half of 2013.

Risk-bearing capacity

The risk-bearing capacity model is based on a uniform group standard and was fundamentally refined in 2012. The focus of the RBC concept is the going concern scenario, where the aim is to maintain solvency if a risk materializes. The gone-concern scenario is included as a secondary requirement. In addition, there is also a consideration of the risk-bearing capacity from a regulatory point of view by means of an overall ratio.

The risk capital utilization rate in the going concern scenario is 57% as of 30 June 2013 and thus above the rate reported on 31 December 2012. The increase in the utilization rate resulted from a decrease in risk capital and an increase in risk potential. The deterioration in ratings in the ship portfolio increases the risk potential and results in a rise in regulatory losses on allowances that reduce risk capital.

The risk-bearing capacity is also provided from a gone-concern perspective with a utilization of 72% of the risk-bearing capacity model. The costs are somewhat less there than in prior years.

Utilization of risk capital in the going concern scenario

(in EUR m)	30 Jun 2013		31 Dec 2012	
Risk capital	**316**	**100%**	**553**	**100%**
Credit risk	182	58%	148	27%
Investment risk	4	1%	4	1%
Market price risk	47	15%	55	10%
Liquidity risk	15	5%	17	3%
Operational risk	9	3%	8	1%
Others	-78	-25%	-127	-23%
Total risk potential	**179**		**104**	
Risk coverage ratio		**57%**		**19%**

[1] Based on average of the regulatory and economic LGD.

The internally used target ratio of 10% for the regulatory overall ratio has not been reached. As of 30 June 2013, it is 9.54% and will continue to increase to the end of the year according to the forecast calculation.

With regard to the future course of 2013, pressure on the risk-bearing capacity and capital ratio will continue. In 2014, costs resulting from Basel III are also anticipated. The utilization in the risk-bearing capacity calculation is largely within the scope of the Bank's expectations and is handled by taking extensive relief measures so the risk-bearing capacity will also be met after the forecast calculations in 2013 and 2014.

Within the scope of the Group requirements in NORD/LB, there will be a refinement of the stress test concept at BLB in the second half of the year due to the MaSan requirements (Management of Restructuring Plans).

Credit risk

The Bank's credit exposure came to approximately EUR 38,143m as of 30 June 2013, a decrease of some 1.5% as compared with the end of the prior year.

Significant for the credit risk of the Bremer Landesbank Group are the developments in merchant shipping and in the bank portfolio.

The consequences of the crisis in merchant shipping continued to be noticed in the first half of 2013. Due to the ongoing constant flow of tonnage, charter rates and market values in almost all shipping segments remained under pressure and stagnated at a low level. For smaller container ships, slight increases in charter income and shipping prices were observed. The decline in the rating of this loan portfolio in the past also continued in the first half of 2013.

The individual shipping segments will perform moderately well in part, but heterogeneously overall, according to the Bremer Landesbank Group. The charter rates have been moving basically sideways on a low level, but are slightly positive in individual shipping classes: like small container ships, heavy cargo ships and product tankers.

In the industry group of financial institutions/insurance (volume: EUR 11.9b), the focus is on credit investment portfolio (credit derivatives, securities and loans). In the first half of 2013, the credit investment portfolio was reduced as planned by roughly EUR 342m to around EUR 5.7b through maturities. In this sub-portfolio, no new business has been concluded since the outbreak of the banking crisis. The European sovereign debt and banking crisis continues, but the stabilization that began in the last quarter of 2012 has continued this year. The European banks have significantly improved their capital ratios, but particularly the banks in the peripheral countries of the eurozone are suffering from high loan losses due to the ongoing recession. The banks' liquidity situation remains good due to the supportive measures of the ECB. A significant improvement in the market environment in 2013 is not expected. The remaining bank portfolio has only limited risk potential.

Since 27 May 2013, a new release of the internal rating system for banks has been implemented at the Bremer Landesbank Group. A re-rating was conducted for the bank portfolio as a result of which risk-weighted assets rose by roughly 38% (around EUR 0.5b). The credit investment portfolio will fall below EUR 1b, however, due to extensive repayment maturities up to the end of 2015.

Lending business by rating structure

The rise in the default (NPL) category is due to ship finance. A significant reason for this is the newly declared postponement of redemptions.

Rating structure[1) 2)] (in EUR m)	Loans [3)]	Securities [4)]	Derivatives [5)]	Other [6)]	Total	
	30 Jun 2013				30 Jun 2013	31 Dec 2012
Very good to good	12,056	4,939	2,190	5,235	**24,420**	**24,883**
Good/satisfactory	2,393	192	585	691	**3,861**	**4,495**
Still good/adequate	2,829	151	73	718	**3,771**	**3,979**
Increased risk	949	81	248	67	**1,345**	**1,409**
High risk	591	35	49	75	**750**	**748**
Very high risk	1,460	—	13	9	**1,482**	**1,367**
Default (= NPL)	2,486	0	14	13	**2,513**	**1,827**
Total	**22,764**	**5,398**	**3,172**	**6,808**	**38,143**	**38,708**

1) Classification is based on the IFD rating categories.
2) Differences between totals are due to rounding.
3) Includes loans taken up, loan commitments, guarantees and other non-derivative off-balance sheet assets; as the irrevocable loan commitments and the revocable loan commitments are included on a pro rata basis for internal reporting.
4) Includes the Bank's own portfolio of securities issued by third parties (banking book only).
5) Includes derivative financial instruments such as financial swaps, options, futures, forward rate agreements and currency transactions.
6) Includes other products such as transmitted loans and administrative loans.

The Bank's credit exposure by region is very similar when compared with 31 December 2012. The euro countries and Germany in particular continue to be by far the most important business area for the Bank.

Lending business by region

Regions [1)] (in EUR m)	Loans	Securities	Derivatives	Others	Total	
	30 Jun 2013				30 Jun 2013	31 Dec 2012[*)]
Euro countries	21,516	5,053	2,377	6,805	**35,752**	**36,255**
- of which Germany	20,088	4,008	950	6,595	**31,641**	**31,819**
Rest of Europe	298	246	667	3	**1,215**	**1,229**
North America	58	99	126	—	**283**	**302**
Latin America	92	—	—	—	**92**	**102**
Middle East/Africa	124	—	0	0	**124**	**126**
Asia	674	—	2	0	**676**	**694**
Other	—	—	—	—	—	—
Total	**22,764**	**5,398**	**3,172**	**6,808**	**38,143**	**38,708**

1) Differences between totals are due to rounding.

*) The region Other Europe includes the item Other EU for EUR 1,049m.

The Bank's credit exposure by industry group compared with 31 December 2012 shows an unchanged focus on business with financial institutions, shipping as well as public administration institutions. The percentage of financial institutions and insurance companies contains institutions with very good to good ratings. Bank exposure fell, as planned; noticeable growth in the area of renewable energies has been achieved.

Lending business by industry group

Industry groups (in EUR m)	Loans	Securities	Derivatives	Others	Total	
	30 Jun 2013				30 Jun 2013	31 Dec 2012
Financial institutions/insurance	3,394	3,274	2,839	2,405	**11,912**	**12,505**
Service industries/other	7,572	2,115	137	668	**10,492**	**10,856**
- of which real estate and housing	1,319	—	22	155	**1,495**	**1,529**
- of which public administration	3,719	2,098	93	50	**5,960**	**6,058**
Transport/ communications	7,321	9	78	152	**7,560**	**7,637**
- of which shipping	6,758	0	72	48	**6,877**	**6,966**
Manufacturing	681	—	23	87	**792**	**801**
Energy, water and mining	2,206	—	47	3,058	**5,311**	**4,821**
Trade, maintenance and repairs	1,095	—	42	200	**1,337**	**1,402**
Agriculture, forestry and fishing	135	—	4	179	**318**	**298**
Construction	361	—	1	59	**420**	**387**
Other	—	—	—	—	—	—
Total	**22,764**	**5,398**	**3,172**	**6,808**	**38,143**	**38,708**

[1)] Differences between totals are due to rounding.

Investment risk

The materiality analysis of the investments, conducted in the first half of 2013 in accordance with the MaRisk, showed that the Bank has no equity investments of material importance for the risk situation of the Bremer Landesbank Group.

Market price risk

The VaR indicator is calculated daily by using the method of historical simulation. As part of the value-at-risk process, correlations between the sub-portfolios and between the various risk categories are taken into consideration.

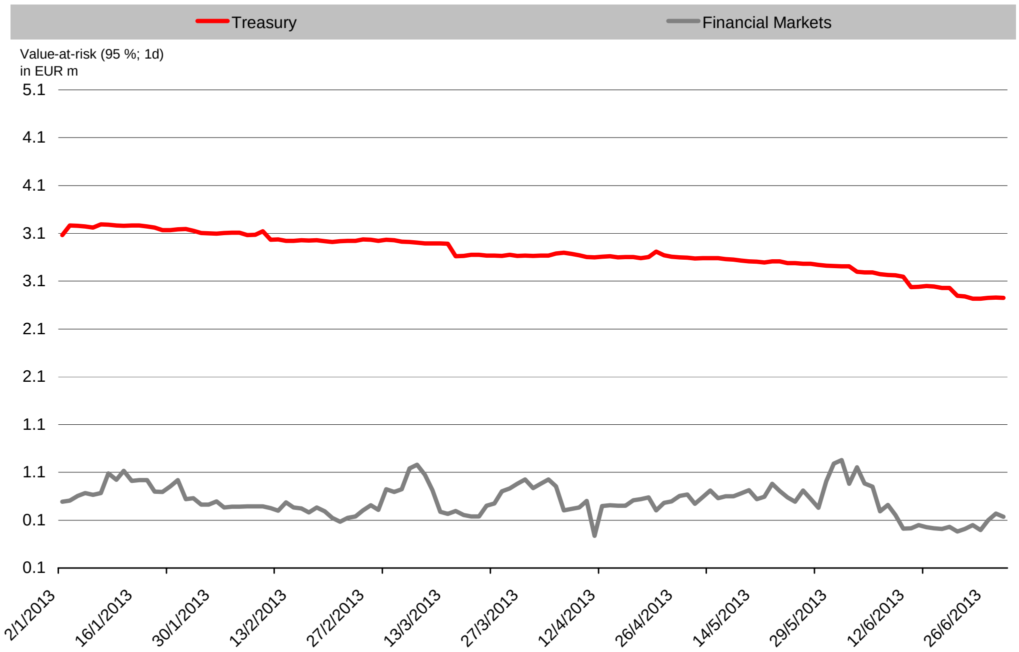
In the following, the credit spread risks in the banking book are reported separately.

An overview of market price risks: (without credit spread risks in the banking book)

(in EUR k)	Maximum		Average		Minimum		End value	
	1 Jan – 30 Jun 2013	1 Jan – 31 Dec 2012	1 Jan – 30 Jun 2013	1 Jan – 31 Dec 2012	1 Jan – 30 Jun 2013	1 Jan – 31 Dec 2012	30 Jun 2013	30 Jun 2013
Interest rate risk (VaR)	3,531	5,223	3,201	4,433	2,735	3,498	2,904	3,498
Currency risk (VaR)	102	303	33	117	1	3	65	28
Share price and fund price risk (VaR)	212	374	94	177	27	28	198	32
Volatility risk	35	26	18	19	12	15	21	19
Correlation effect	-354	-794	-138	-568	-54	-114	-365	-146
Total	**3,527**	**5,131**	**3,208**	**4,178**	**2,722**	**3,431**	**2,824**	**3,431**

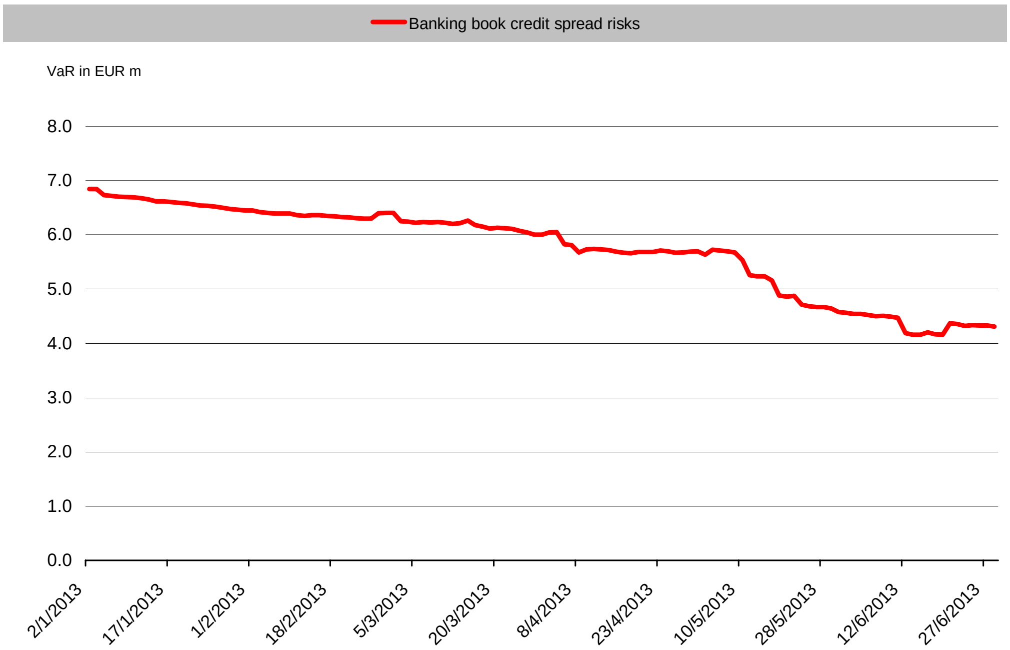
The Bank's value-at-risk fell in the first half of 2013. As of 28 June 2013, the Bank's value-at-risk (confidence level of 95% and holding period of 1 day) totalled EUR 2.82m as compared to EUR 3.43m as of 31 December 2012. The average utilization of the market price risk limit for the Bank overall was 49% in the first half of 2013, while the utilization at the end of 2012 was 51%.

Change in the value-at-risk for market price risks (not including credit spread risks in the banking book)



The decrease in the credit spread risks in the first half of 2013 as compared to the end of the prior year resulted from the reduction of the credit investment portfolio and the general stabilisation of the market. As of 28 June 2013, the value-at-risk with regard to the credit spread risks in the banking book totalled EUR 4.30m (as of 31 December 2012: EUR 6.83m).

Change in credit spread risks of the banking book



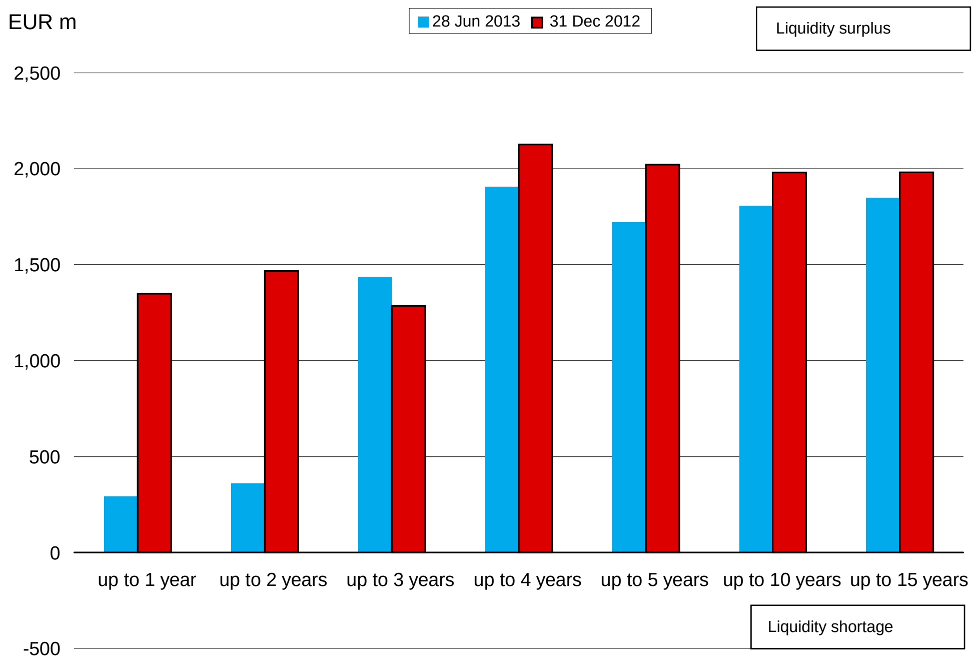
In the first half of 2013, the average interest rate risk in relation to liable equity was 8.58%. The Bank is far away from being classified as a "bank with heightened interest rate risk" (above a rate of 20%).

The complete integration of the credit spread risks into the internal market price risk management via the VaR approach takes place in August 2013. In the second half of 2013, the market risk management was refined by adding consideration of basic risks.

Liquidity risk

In the first half of 2013, the Bank had sufficient liquidity at all times. In the first half-year, the dynamic liquidity stress test, a classic liquidity risk management instrument, showed that even under severe stress conditions the amount of liquidity was sufficient.

Liquidity maturity balance sheet



The Bank's forward liquidity exposure as of 28 June 2013 shows that its overall liquidity situation has not changed significantly; the accumulated liquidity surplus was only lower than at year-end 2012 in the maturity bands of "up to one year" and "up to two years" as a result of the refined liquidity management.

The utilization of the liquidity buffer both for one week and for one month, according to the Minimum Requirements for Risk Management (MaRisk), was 44% on the reporting date (as of 31 December 2012: 50%).

Liquidity limits employed for control purposes were maintained at all times in the first half of 2013. During the reporting period, the liquidity ratio in accordance with the German Liquidity Regulation exceeded the minimum of 1.00 required by regulatory law at all times; on 28 June 2013 it was 1.91 and on 31 December 2012 it was 2.01.

In the second half of 2013, standard group solutions for the regulatory requirements, in particular, in the context of Basel III/CRDIV, will continue to be developed.

Operational risk

The loss events that occurred in the first half of 2013 were immaterial from an overall Bank point of view. The gross amount of all the reported loss events (including cases that affect the credit risk) totalled EUR 1.2m. To minimize losses, a net amount of EUR 0.21m was produced. As of

31 December 2012, the loss events (including cases that relate to the credit risk) totalled EUR 2.4m.

Based on the risk assessment results and entries in the loss event database, the Bank considers it highly unlikely that operational risks could cause losses that would jeopardize the Bank's ability to exist as a going concern.

Other risks

Other risks not included in credit, investment, market price, liquidity and operational risk are of secondary importance for the Bank.

Summary and outlook

The risk situation at the Bremer Landesbank Group currently depends primarily on the development of the shipping market and the eurozone. However, the Bremer Landesbank Group believes that these influences can be controlled.

The Bremer Landesbank Group's risk policy and the effectiveness of its risk control systems ensured that, in the first half of 2013, the utilization of risk-bearing capacity was acceptable. The loss potential is in reasonable proportion to the risk-bearing capacity of the Bank.

There are no new significant risks besides the aforementioned ones, whereby the ongoing shipping crisis will continue to have a negative impact on the Bank's risk situation. The Bremer Landesbank Group has accounted adequately for all known risks with precautionary measures. The Bremer Landesbank Group does not believe that there are any risks to its ability to continue as a going concern.

Disclaimer – forward-looking statements

This report contains forward-looking statements concerning the development of business and earnings at the Bremer Landesbank Group which are based on current plans, estimations, forecasts and expectations. The forward-looking statements contain risks and uncertainties. These statements entail risks and uncertainties since there are numerous factors which influence the Bremer Landesbank Group's business, many of which are beyond its control. These notably include economic developments, the state of financial markets worldwide and potential loan losses. Actual results and developments may therefore differ considerably from the assumptions made in the report. They are thus only valid at the time of publication. The Bremer Landesbank Group assumes no obligation to update forward-looking statements in the light of more recent information or unexpected events.

2. Consolidated Income Statement

Income statement

	Notes	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 Adjusted (in EUR m)	Change (in %)
Interest income		860	1,080	-20
Interest expenses		641	888	-28
Net interest income *	6	**219**	**192**	**14**
Loan loss provisions	7	-131	-104	26
Net interest income after loan loss provisions		**88**	**88**	**0**
Commission income		22	18	22
Commission expenses		4	6	-33
Net commission income *	8	**18**	**12**	**50**
Trading profit/loss		19	24	-21
Profit/loss from designated financial instruments		-1	0	<-100
Profit/loss from financial instruments at fair value through profit or loss	9	**18**	**24**	**-25**
Profit/loss from hedge accounting	10	0	6	-100
Profit/loss from financial assets	11	-3	-1	>100
Profit/loss from investments accounted for using the equity method	12	4	4	0
Administrative expenses	13	89	85	5
Other operating profit/loss	14	-7	2	<-100
Earnings before taxes		**29**	**50**	**-42**
Income taxes	15	6	15	-60
Consolidated profit/loss		**23**	**35**	**-34**
of which: attributable to shareholders of the parent company		23	35	-34
of which: attributable to non-controlling interests		—	—	—

* See Notes (6) and (8) regarding the reclassification of loan commissions in accordance with IAS 1.41 and 1.42

The prior-year figures have been adjusted for some items; see note (3).

3. Consolidated statement of comprehensive income

Bremer Landesbank's total comprehensive income comprises income and expenses reported in other income as well as income and expenses reported in the income statement.

	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 Adjusted (in EUR m)	Change (in %)
Consolidated profit/loss	**23**	**35**	**-34**
Other comprehensive income that is not reclassified to the income statement in subsequent periods			
Actuarial gains/losses on defined benefit obligation	-7	-22	-68
Changes in value of investments accounted for using the equity method	0	0	0
Deferred taxes	2	7	-71
Other comprehensive income that is reclassified to the income statement in subsequent periods			
Change in available for sale financial instruments			
Unrealized gains/losses	17	24	-29
Reclassifications due to realized gains/losses	0	-4	>100
Deferred taxes	-5	-3	67
Total other comprehensive income	**7**	**2**	**>100**
Total comprehensive income	**30**	**37**	**-19**
of which: attributable to shareholders of the parent company	30	37	-19
of which: attributable to non-controlling interests	—	—	—

The prior-year figures have been adjusted for some items; see note (3). Due to the first-time application of the amendment to IAS 1, the breakdown of the Group's statement of comprehensive income for the prior year was also adjusted. See Note (2) for more on this.

4. Consolidated balance sheet

Assets

	Notes	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Cash reserve		54	76	-29
Loans and advances to banks	16	3,846	3,803	1
Loans and advances to customers	17	23,340	23,687	-1
Loan loss provisions	18	-606	-522	16
Financial assets at fair value through profit or loss	19	1,467	1,707	-14
Positive fair values from hedge accounting derivatives	20	392	602	-35
Financial assets	21	5,442	5,818	-6
Investments accounted for using the equity method	22	88	87	1
Property and equipment	23	69	66	5
Investment property	24	69	69	—
Intangible assets	25	9	10	-10
Current income tax assets	26	9	9	—
Deferred income taxes	26	131	122	7
Other assets	27	46	50	-8
Total assets		**34,356**	**35,584**	**-3**

Liabilities

	Notes	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Liabilities to banks	28	11,192	11,815	-5
Liabilities to customers	29	10,288	10,436	-1
Securitized liabilities	30	8,411	8,446	-0
Adjustment item for financial instruments included in the portfolio fair value hedge	31	162	241	-33
Financial liabilities at fair value through profit or loss	32	1,256	1,573	-20
Negative fair values from hedge accounting derivatives	33	102	149	-32
Provisions	34	441	418	6
Current income tax liabilities	35	19	16	19
Deferred income taxes	35	2	2	0
Other liabilities	36	67	82	-18
Subordinated capital	37	711	731	-3
Equity		1,705	1,675	2
Issued capital		265	265	—
Capital reserves		478	478	—
Retained earnings		918	900	2
Revaluation reserve		44	32	38
Equity attributable to BLB shareholders		1,705	1,675	2
Non-controlling interests		—	—	—
Total liabilities		**34,356**	**35,584**	**-3**

5. Consolidated statement of changes in equity

Changes in equity:

(in EUR m)	Notes	Issued capital	Capital reserves	Retained earnings	Revaluation reserve	Equity before minority interests	Consolidated equity
Equity as of 1 Jan 2013		**265**	**478**	**900**	**32**	**1,675**	**1,675**
Change from AFS financial instruments		—	—	—	17	17	17
Changes in value of investments accounted for using the equity method	12	—	—	0	—	—	—
Actuarial gains/losses on defined benefit obligation		—	—	-7	—	-7	-7
Deferred taxes		—	—	2	-5	-3	-3
Other comprehensive income		**—**	**—**	**-5**	**12**	**7**	**7**
Consolidated profit/loss		—	—	23	—	23	23
Total comprehensive income		**—**	**—**	**18**	**12**	**30**	**30**
Distributions		—	—	—	—	0	0
Equity as of 30 Jun 2013		**265**	**478**	**918**	**44**	**1,705**	**1,705**
Equity as of 1 Jan 2012		**140**	**40**	**865**	**2**	**1,047**	**1,047**
Change from AFS financial instruments		—	—	—	20	20	20
Changes in value of investments accounted for using the equity method	12	—	—	0	—	0	0
Actuarial gains/losses on defined benefit obligation		—	—	-22	—	-22	-22
Deferred taxes		—	—	7	-3	4	4
Other comprehensive income		**—**	**—**	**-15**	**17**	**2**	**2**
Consolidated profit/loss		—	—	35	—	35	35
Total comprehensive income		**—**	**—**	**20**	**17**	**37**	**37**
Distributions		—	—	-28	—	-28	-28
Equity as of 30 June 2012		**140**	**40**	**857**	**19**	**1,056**	**1,056**

The prior-year figures have been adjusted for some items; see note (3).

6. Condensed consolidated cash flow statement

(in EUR m)	Notes	1 Jan – 30 Jun 2013	1 Jan – 30 Jun 2012
Cash and cash equivalents as at the beginning of the period		**76**	**214**
Cash flow from operating activities		-334	645
Cash flow from investing activities		339	-748
Cash flow from financing activities		-27	-64
Total cash flow		**-22**	**-167**
Cash and cash equivalents at the end of the period		**54**	**47**

7. Condensed consolidated notes

Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen, Oldenburg (Bremer Landesbank) (Domshof 26, 28195 Bremen) has its registered office in Bremen (local court of Bremen; HRA no. 22159), Germany, and has branches in Bremen and Oldenburg. NORD/LB Norddeutsche Landesbank – Girozentrale – holds 54.8343% of the share capital, the state of Bremen holds 41.2000% and the Savings Banks Association of Lower Saxony holds 3.9657%. NORD/LB is the direct and ultimate parent company of the Bremer Landesbank Group.

Accounting policies

(1) Principles for the preparation of the interim financial report

The interim consolidated financial statements of Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – as of 30 June 2013 were prepared on the basis of Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002 (IAS Regulation) in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) as adopted by the EU. Specifically, IAS 34 is applied for requirements relating to interim financial statements. The national regulations in Section 315a of the German Commercial Code (HGB) were also observed where they applied as of the interim reporting date. The interim report constitutes a half-year report in accordance with Section 37w of the German Securities Trading Act (WpHG). The interim financial report should be read in conjunction with information contained in the published and attested consolidated financial statements of Bremer Landesbank as of 31 December 2012.

The interim consolidated financial statements as of 30 June 2013 comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the condensed consolidated cash flow statement and selected explanatory notes in the condensed notes to the consolidated financial statements. The segment report is contained in the Notes.

The reporting currency for the interim financial statements is the euro. Amounts are all stated rounded in millions of euros (EUR m), unless otherwise indicated. The previous year’s figures are shown in brackets.

(2) Accounting policies

The accounting policies used for the interim financial statements are based on those applied to the consolidated financial statements as of 31 December 2012.

The following significant discretionary decisions were made by management with regard to the accounting and valuation principles in the Bremer Landesbank Group: use of the fair value option for financial instruments, the omission of categorization for financial instruments as held to maturity (HtM) and the omission of the application of the reclassification rules under IAS 39.

The following amendments to standards, effective from 1 January 2013, were applied in the reporting period for the first time:

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

In June 2011 the IASB published the amended IAS 19 Employee Benefits. The change in the accounting and valuation methods mainly relates to the recognition of costs and taxes from benefit plans for the Bremer Landesbank Group as compared to the reporting date of 31 December 2012. The anticipated income from plan assets is calculated at a standardized interest rate that corresponds to the discount interest rate of the obligation. Furthermore, the accounting and valuation of the top-up amounts committed for early retirement takes place for the first time in accordance with the requirements for other long-term employee benefits.

The first-time application effects resulting from the retrospective application of the amended IAS 19 are not significant. Since the Bremer Landesbank Group already reported actuarial profits and losses in other comprehensive income (OCI) under the previous rules of IAS 19, there was also no impact from this amendment.

- **IFRS 13 Fair Value Measurement**

In May 2011 the IASB published IFRS 13 Fair Value Measurement which is effective for fiscal years beginning on or after 1 January 2013. In IFRS 13 the different requirements for the fair value calculation in the individual standards are combined into a uniform framework and simultaneously modified or expanded in sub-areas; only for IAS 17 and IFRS 2 will there continue to be individual rules.

The specifications as a result of the new standard relate, among others, to the definition of the fair value, the introduction of changes in approach, particularly in the context of the determination of the relevant markets (main market or most advantageous market), the level classification and the accounting for a one-day profit/loss and the application of a bid-ask spread in the valuation of assets and liabilities.

The introduction of IFRS 13 means that the valuation of financial instruments will be changed from valuation at bid/ask price to a uniform valuation at the average price in the Bremer Landesbank Group. The conversion had a major impact on the portfolio of fixed-income securities in the category of available-for-sale (AfS) and led to an increase of EUR 8.9m in the balance sheet disclosure of financial assets and the revaluation reserve upon first-time application as of 1 January 2013. Besides this matter, there was no significant impact on the valuation of assets and liabilities in the sub-group. In connection with the expanded publication requirements of the standard, a description of the process of fair value measurement was included in the notes to the financial statements. Furthermore, the consolidated interim financial report describes the development of financial assets and liabilities in level 3 of the fair value hierarchy and the sensitivity analyses with regard to the significant unobserved input parameters in the fair value measurement, broken down according to groups of financial instruments.

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

The amendments to IAS 1 were published in June 2011 by the IASB as part of the financial statement presentation project and recategorize the statement of comprehensive income. The items in other comprehensive income (OCI) are divided according to whether or not they can be recycled to the income statement. If other comprehensive income items are reported before taxes, the deferred taxes related to both groups must also be shown separately as items that might be reclassified and those that cannot be reclassified.

The amendments to IAS 1 result in a corresponding change in the consolidated statement of comprehensive income.

- **Amendments to IAS 12 Deferred Taxes: Recovery of Underlying Assets**

The amendments to IAS 12 Deferred Taxes: Recovery of Underlying Assets were adopted into European law in December 2012. They make it clear that deferred taxes for property held as an investment and measured by using the fair value model in IAS 40 are valued on the basis of the refutable assumption of the realization of the book value through sale.

This new rule had no effect on the consolidated interim financial report as of 30 June 2013.

- **Improvements in IFRS (cycle 2009 – 2011) as part of the annual improvement process of IASB**

The amendments published in May 2012 as part of the annual improvement project for the cycle 2009 – 2011 include clarification with regard to IFRS 1 First-time Application of International Financial Reporting Standards, IAS 1 Presentation of Financial Statements and IAS 16 Property, Plant and Equipment and IAS 32 Financial Instruments: Presentation and IAS 34 Interim Financial Reporting.

There was no significant effect on the interim financial report as a result of the annual improvements to IFRS (cycle 2009 – 2011).

The Bremer Landesbank Group did not opt for early adoption of any other standards, interpretations or amendments which have been published but are not yet mandatory.

There have been further changes due to the matters presented in Note (3).

(3) Adjustment of prior-year figures

As described in the financial report on 31 December 2012, silent participations with involvement in the losses under application of IAS 8.14ff. are no longer classified retroactively under the category of LaR, but under the category of AfS. An adjustment was made for this in the consolidated balance sheet as of 31 December 2012. The adjustment of the prior year amounts in the consolidated income statement can be seen in the following table:

	30 Jun 2012		
(in EUR m)	**Before adjustment**	**Adjustment**	**After adjustment**
Total interest income	1,080	0	1,080
Profit/loss from financial assets	-2	1	-1
Earnings before taxes	**49**	**1**	**50**
Income taxes	14	1	15
Consolidated profit/loss	**35**	**0**	**35**

The adjustments to the prior year's figures in the consolidated statement of comprehensive income can be seen in the table below:

	30 Jun 2012		
(in EUR m)	**Before adjustment**	**Adjustment**	**After adjustment**
Consolidated profit/loss	**35**	**0**	**35**
Other comprehensive income that is reclassified to the income statement in subsequent periods			
Change in available for sale financial instruments			
Unrealized gains/losses	23	1	24
Other comprehensive income	**1**	**1**	**2**
Total comprehensive income	**36**	**1**	**37**

The above-mentioned adjustments are also relevant for Notes (5), (6), (11) and (15).

(4) Basis of consolidation

In addition to the Bremer Landesbank Group as the parent company, the following subsidiaries in which the Bremer Landesbank Group directly or indirectly holds more than 50% of the voting rights or may otherwise exercise control are consolidated:

- BLB Immobilien GmbH, Bremen
- BLB Leasing GmbH, Oldenburg
- Bremische Grundstücks-GmbH, Bremen
- Nordwest Vermögen Bremische Grundstücks-GmbH & Co. KG, Bremen
- Nordwest Vermögen Vermietungs-GmbH & Co. KG, Bremen

The following associates are accounted for using the equity method:

- Deutsche Factoring Bank Deutsche Factoring GmbH & Co. KG, Bremen
- BREBAU GmbH, Bremen
- Ammerländer Wohnungsbau-Gesellschaft mbH, Westerstede
- GSG Oldenburg Bau- und Wohngesellschaft mbH, Oldenburg
- Lazard-Sparkassen Rendite-Plus-Fonds

Subsidiaries and associates as well as equity investments are shown in the list of shareholdings (Note (46)).

Segment report

(5) Classification by business segment (primary reporting format)

(in EUR m)[1]	Corporte customers	Special finance	Private customers	Financial markets	Group manage-ment/ other[5]	Recon-ciliation	Group Total
30 Jun 2013							
Net interest income	31	108	14	31	12	23	**219**
Loan loss provisions	3	76	-1	0	52	1	**131**
Net interest income after loan loss provisions	**29**	**32**	**15**	**31**	**-41**	**22**	**88**
Net commission income	6	9	4	2	1	-4	**18**
Profit/loss from financial instruments at fair value through profit or loss	1	1	0	19	-4	1	**18**
Profit/loss from hedge accounting	0	0	0	0	0	0	**0**
Profit/loss from financial assets	0	0	0	-3	0	0	**-3**
Profit/loss from investments accounted for using the equity method	0	0	0	0	4	0	**4**
Total income	**35**	**42**	**19**	**49**	**-39**	**19**	**125**
Administrative expenses	14	16	13	8	39	-1	**89**
Other operating profit/loss	0	0	0	0	-6	-1	**-7**
Earnings before taxes	**21**	**26**	**5**	**40**	**-85**	**22**	**29**
Segment assets	4,464	14,747	1,598	11,667	2,324	-444	**34,356**
Segment liabilities	2,131	5,851	1,273	14,166	191	9,038	**32,651**
Committed capital / Sustainable capital	211	1,539	85	194	135	-504	**1,661**
CIR[2]	37.2%	13.6%	73.3%	17.0%	—	—	**35.7%**
RoRaC[3] ROE[4]	17.9%	3.4%	11.2%	30.8%	—	—	**3.5%**
30 Jun 2012							
Net interest income	30	111	14	33	-7	11	**192**
Loan loss provisions	3	79	0	-2	23	0	**104**
Net interest income after loan loss provisions	**27**	**32**	**14**	**35**	**-30**	**11**	**88**
Net commission income	6	12	4	3	1	-14	**12**
Profit/loss from financial instruments at fair value through profit or loss	2	2	0	37	-1	-16	**24**
Profit/loss from hedge accounting	0	0	0	0	0	6	**6**
Profit/loss from financial assets	0	0	0	0	-1	0	**-1**
Profit/loss from investments accounted for using the equity method	0	0	0	0	4	0	**4**
Total income	**35**	**46**	**18**	**74**	**-26**	**-13**	**133**
Administrative expenses	14	15	14	8	35	0	**85**
Other operating profit/loss	0	0	0	0	3	-1	**2**
Earnings before taxes	**21**	**31**	**4**	**66**	**-59**	**-13**	**50**
Segment assets	4,075	13,829	1,616	13,135	1,147	1,911	**35,713**
Segment liabilities	2,027	4,764	1,185	14,939	-573	12,315	**34,658**
CIR[2]	36.0%	12.0%	77.0%	35.0%	—	—	**36.0%**
RoRaC[3] ROE[4]	19.0%	5,0%	9,0%	68.0%	—	—	**4.8%**

[1] Differences between totals are due to rounding.
[2] Administrative expenses / Total income (before risk provisions) + other profit/loss
[3] Earnings from business segment before taxes / Committed core capital (5% of the RWA limit or outstanding, whichever is higher).
[4] Group operating result after risk provisions / sustainable capital (comprising: share capital; capital reserves; retained earnings, adjustment item for shares from other shareholders).
[5] Including consolidation effects

Information on the business segments

Classification by business segment

The group has five segments that make up its strategic structures and are subject to reporting requirements as described below. The definitive criterion for the segmenting is the specific focus of the business or income, a largely uniform structure for the customers collected there in terms of finance and investment needs, product usage and customer support. As Bremer Landesbank AöR is based in the Federal Republic of Germany in Bremen and Oldenburg and does not have any foreign branches, the Group did not prepare segment reports by region or sales channels.

Corporate Customers

The Corporate Customers segment handles the uniform customer group of companies in the North-West business region and sales of over EUR 10m p.a. Customer-specific products range from individual corporate finance, transaction management, the hedging of risk, to company pension plans.

Special Finance

The segmenting criterion for special finance is the customer sector and thus particularly the object of finance as the core business in customer relations. The products are geared on an industry-specific basis towards the projects that customers are focusing on and their financing. These include in particular: shipping companies, domestic leasing companies, electricity producers from the area of renewable energies and owners and operators of nursing homes.

Private Customers

The Private Customers segment includes the uniform customer group of private customers, including freelancers and also institutional customers whose investment behaviour is equivalent to a private person (e.g. smaller foundations). Fundamentally, the activity in the business segment is focused on the area of business. The product range is based on the finance concept of comprehensive consulting and includes all the usual bank services in the areas of construction finance, capital formation, pension plans, insurance and payment transactions as well as innovative special products (e.g. equity investments, bonds). In the business with high wealth private customers (Private Banking), an integrated consulting approach focusing on the following eight points is being offered: financial planning, portfolio management, investment management, real estate management, risk management, generation management as well as family office and financing management.

Financial Markets

The primary function of the Financial Markets segment is to provide access to the national and international financial markets for private and institutional customer groups as well as for the Bremer Landesbank Group’s own business (refinancing and banking book management). Along with standard products, alternative individual financial products not connected with standardized financial market transactions are also offered. The activity extends beyond the area of business to the Federal Republic of Germany.

Group management / Other

Group management / Other includes all the other results that are directly connected with the operating activities. They include the results of all staff departments (including net interest income from sales of equity investments and administrative expenses of segments not directly allocated to sales), strategic measures (primarily net interest income from investments and the cost of liquidity maintenance), investment and financing results which are not directly allocated to the segments, the consolidation of subsidiaries in the sub-group and loan loss provisions other than specific valuation allowances. Information about additions to non-current assets other than financial instruments: The additions of furniture, fixtures and office equipment (property and equipment) are mainly attributable to IT equipment primarily acquired for regulatory purposes. Intangible assets relate to system and application software. Disclosure is made under Group management / Other.

Reconciliation of the segment results to the consolidated financial statements

Net interest income: The net interest income of the individual segments is determined using the market interest rate method. This includes, amongst others, interest income from the lending and deposit business as well as from the investment and financing business. Directly attributable investment and financing income is allocated to the business segments while other elements of investment and financing income are stated under “Group management/Other”. The Group’s net interest income is calculated as actual interest income less interest expenses.

Loan loss provisions: In this item, specific valuation allowances are allocated to the business segments; other loan loss provisions are allocated to “Group management / Other”.

Net commission income: Net commission income is allocated for the purpose of marketing control in full to the divisions.

Profit/loss from financial instruments at fair value through profit or loss: The reconciliation result from this item arises from various effects, in particular, from payments and the net valuation effect from derivatives not allocated to other areas.

Profit/loss from hedge accounting: The profit/loss from hedge accounting is not assigned to any business segment and is shown in the reconciliation.

Administrative expenses: Directly attributable administrative expenses and the results from internal service allocations are allocated to the business segments.

Other operating profit/loss: This item is not allocated to the segments.

Segment assets/segment liabilities: The difference between the sum of segment assets/liabilities and the consolidated assets/liabilities is mainly due to the fact that averages are used for the segments whereas the group figures are based on figures as of the balance sheet date. Refinancing funds are not presented for the business segments; they are included in segment liabilities in the reconciliation column.

Segment profitability ratios: In line with the management accounts and group reporting, RoRaC is also stated in the external reporting. This is an internal control parameter.

Bank ROE: This ratio is calculated identically throughout the Group for comparison purposes. This too is an internal control parameter.

Reconciliation: The items reconciling the management accounts to the overall Group figures in the consolidated income statement are shown in the reconciliation column.

Notes to the consolidated income statement

(6) Net interest income

In addition to interest income and interest expenses, the interest income and expenses items include pro rata amortization of premiums and discounts resulting from financial instruments.

Payments to silent partners are reported as interest expenses due to the fact that, under certain circumstances, silent participations are classified as liabilities under IAS 32. No more interest expenses should be incurred in 2013 for the conversion of all silent partnerships to hard core capital in August 2012 (1 Jan – 30 June 2012: EUR 16m).

	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 (in EUR m)	Change (in %)
Interest income			
Interest income from lending and money market business	447	503	-11
Interest income from fixed-income securities and registered debt	40	62	-35
Interest income from financial instruments at fair value through profit or loss			
Trading book positions and hedge accounting derivatives	335	482	-30
Interest income from the use of the fair value option	1	2	-50
Current income			
from shares and other variable-yield securities	0	—	>100
from equity investments	2	7	-71
Interest income from other amortization			
from the adjustment item for the portfolio fair value hedge	22	14	57
from hedge accounting derivatives	13	9	44
Expected return on plan assets	—	1	-100
Total interest income	**860**	**1,080**	**-20**
Interest expenses			
Interest expenses from lending and money market business	249	291	-14
Interest expenses from securitized liabilities	79	108	-27
Interest expenses from financial instruments at fair value through profit or loss			
Interest expenses from trading book positions and hedge accounting	276	432	-36
Interest expenses from subordinated capital	9	24	-63
Interest expenses from other amortisation			
Interest expenses from the adjustment item for the portfolio fair value hedge	5	3	67
Interest expenses from hedge accounting derivatives	16	22	-27
Interest expenses for provisions and liabilities	7	8	-13
Other interest expenses and interest-like expenses	0	—	>100
Total interest expenses	**641**	**888**	**-28**
Total	**219**	**192**	**14**

Interest income from the lending and money market businesses contains interest income from the unwinding of the discount related to impaired assets in the amount of EUR 9.0m (1 Jan – 30 June 2012: EUR 8m).

Interest income from lending and money market business includes income of EUR 9m from loan commissions in the same period in the prior year (1 Jan – 30 Jun 2012). In terms of a standardized procedure within the Nord/LB Group, these loan commissions (1 Jan – 30 Jun 2013: EUR 7m) are now reported in commission income. If a similar procedure had been applied in the prior year, the net interest income as of 30 June 2012 would have fallen to EUR 183m.
In the prior year, current income from equity investments included EUR 5m of valuation gains from the sale of directly held shares in DekaBank Deutsche Girozentral; similar income was not generated in the current financial year.

(7) Loan loss provisions

	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 (in EUR m)	Change (in %)
Income from provisions for lending business			
Reversal of specific valuation allowances for loans and advances	30	22	36
Reversal of general loan loss provisions on loans and advances	—	—	—
Reversal of loan loss provisions	3	4	-25
Recoveries on loans and advances previously written off	1	1	0
Income from provisions for lending business	**34**	**27**	**26**
Expenses for provisions for lending business			
Allocation to specific valuation allowances for loans and advances	101	84	20
Allocation to general loan loss provisions	55	23	>100
Allocation to loan loss provisions	1	22	-95
Direct write-offs of loans and advances	8	1	>100
Premium payments for loan loss insurance	0	1	-100
Expenses for provisions for lending business	**165**	**131**	**26**
Total	**-131**	**-104**	**26**

(8) Net commission income

	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 (in EUR m)	Change (in %)
Commission income			
Commission income from banking business			
Lending and guarantee business	5	4	25
Security and custodian business	4	4	0
Account management and payment transactions	4	5	-20
Trust business	0	2	-100
Brokerage business	1	1	0
Other standard bank commission income	8	2	>100
Commission income from non-banking business			
Real estate business	0	0	0
Total commission income	**22**	**18**	**22**
Commission expenses			
Commission expenses from banking business			
Security and custodian business	2	1	100
Trust business	0	2	-100
Brokerage business	0	1	-100
Account management and payment transactions	—	—	—
Lending and guarantee business	2	2	0
Other standard bank commission expenses	0	0	>100
Total commission expenses	**4**	**6**	**-33**
Total	**18**	**12**	**50**

Commission income includes EUR 7m from loan commissions. In the prior year (1 Jan – 30 Jun 2012: EUR 9m), these commissions were assigned to interest income. In terms of a standardized procedure within the Nord/LB Group, these loan commissions are now reported in commission income. If a similar procedure had been applied in the prior year, the net commission income as of 30 June 2012 would have increased to EUR 21m.

All commission income/expenses represent income/expenses from financial instruments not measured at fair value.

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

	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 (in EUR m)	Change (in %)
Trading profit/loss			
Realized profit/loss			
Profit/loss from shares and other variable-yield securities	0	—	—
Profit/loss from debt securities and other fixed-income securities	1	1	0
From derivatives	15	2	>100
Total realized profit/loss	**16**	**3**	**>100**
Net valuation effect			
From derivatives	—	14	-100
Total net valuation effect	**—**	**14**	**-100**
Foreign exchange profit/loss	0	4	-100
Other comprehensive income	3	3	0
Total trading profit/loss	**19**	**24**	**-21**
Profit/loss from the fair value option			
Net valuation effect			
Debt securities and other fixed-income securities	-1	—	<-100
Total profit/loss from designated financial instruments (fair value option)	**-1**	**—**	**<-100**
Total	**18**	**24**	**-25**

(10) Profit/loss from hedge accounting

Profit/loss from hedge accounting includes the changes in value due to interest rate fluctuations of underlying and hedging transactions in effective fair value hedges.

	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 (in EUR m)	Change (in %)
Profit/loss from micro fair value hedges			
From hedged underlying transactions	54	-38	>100
From derivative hedging instruments	-53	38	<-100
Total micro fair value hedges	**1**	**0**	**<-100**
Profit/loss from portfolio fair value hedges			
From hedged underlying transactions	47	-56	>100
From derivative hedging instruments	-48	62	<-100
Total portfolio fair value hedge	**-1**	**6**	**<-100**
Total	**0**	**6**	**-100**

(11) Profit/loss from financial assets

Profit/loss from financial assets reports profits/losses on disposal and the net valuation effects from securities and company shares in the financial asset portfolio.

	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 (in EUR m)	Change (in %)
Profit/loss from the disposal of			
Debt securities and other fixed-income securities	-3	1	<-100
shares and other variable-yield securities	0	-1	>100
Net impairment of debt securities	0	-1	>100
Total	**-3**	**-1**	**>100**

(12) Profit/loss from investments accounted for using the equity method

As of 30 June 2013, the income from the associates accounted for using the equity method came to EUR 4m (1 Jan – 30 Jun 2012: EUR 4m).

(13) Administrative expenses

The Group's administrative expenses comprise personnel expenses, material expenses (other administrative expenses) and amortisation, depreciation and impairment of property and equipment, investment property and intangible assets.

The expenses break down as follows:

	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 (in EUR m)	Change (in %)
Personnel expenses	49	48	2
Other administrative expenses	36	33	9
Depreciation and amortization	4	4	0
Total	**89**	**85**	**5**

(14) Other operating profit/loss

	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 (in EUR m)	Change (in %)
Other operating income			
From rental and lease income	3	3	0
From cost reimbursements	1	—	>100
From reversal of provisions	4	1	>100
Other income	1	3	-67
Total other operating income	**9**	**7**	**29**
Other operating expenses			
From rental and lease expenses	1	1	0
From allocations to provisions	4	—	>100
Other expenses	11	4	>100
Total other operating expenses	**16**	**5**	**>100**
Total	**-7**	**2**	**<-100**

Other operating expenses include EUR 4m for the bank levy in 2013 (same period in the prior year: EUR 4m). Furthermore, other operating expenses contain one-off expenses for personnel-related long-term cost savings measures in the amount of EUR 9m (same period in the prior year: EUR 0m).

(15) Income taxes

The Group's income taxes break down as follows:

	1 Jan – 30 Jun 2013 (in EUR m)	1 Jan – 30 Jun 2012 (in EUR m)	Change (in %)
Current income taxes	18	2	>100
Deferred taxes	-12	13	<-100
Total income tax expense	**6**	**15**	**-60**

Income tax expense is calculated on the basis of the income tax rate expected for the year as a whole. The underlying tax rate is based on the legal provisions in force or adopted as of the reporting date.

Notes to the consolidated balance sheet

(16) Loans and advances to banks

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Loans and advances from money market business			
German banks	264	121	>100
Foreign banks	—	117	-100
Total loans and advances from money market business	**264**	**238**	**11**
Other loans and advances			
German banks			
Payable on demand	228	145	57
Limited term	3,261	3,301	-1
Foreign banks			
Payable on demand	93	119	-22
Limited term	—	0	-100
Total other loans and advances	**3,582**	**3,565**	**0**
Total	**3,846**	**3,803**	**1**

(17) Loans and advances to customers

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Loans and advances from money market business			
German customers	136	126	8
Foreign customers	3	2	50
Total loans and advances from money market business	**139**	**128**	**9**
Other loans and advances			
German customers			
Payable on demand	1,352	1,426	-5
Limited term	19,194	19,505	-2
Foreign customers			
Payable on demand	172	142	21
Limited term	2,483	2,486	-0
Total other loans and advances	**23,201**	**23,559**	**-2**
Total	**23,340**	**23,687**	**-1**

(18) Loan loss provisions

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Risk provisions for loans and advances to banks			
German banks	—	0	-100
General loan loss provisions on loans and advances	—	1	-100
Total risk provisions for loans and advances to banks	**—**	**1**	**-100**
Risk provisions for loans and advances to customers			
German customers	413	388	6
Foreign customers	51	41	>100
General loan loss provisions on loans and advances	142	92	54
Total risk provisions for loans and advances to customers	**606**	**521**	**16**
Total	**606**	**522**	**16**

The loan loss provisions recognized are primarily for German banks or German customers.

Loan loss provisions recognized under assets and loss provisions developed as follows:

(in EUR m)	Specific valuation allowances		General loan loss provisions (on balance sheet)		Total		Loan loss provisions	
	2013	2012	2013	2012	2013	2012	2013	2012
As of 1 Jan	**429**	**300**	**93**	**70**	**522**	**370**	**22**	**21**
Changes through profit or loss								
Allocations	101	245	55	33	**156**	**278**	1	23
Reversals	-30	-54	—	—	**-30**	**-54**	-3	-22
Unwinding	-9	-17	—	—	**-9**	**-17**	0	—
Changes recognized in equity								
Utilizations	-33	55	—	—	**-33**	**55**	0	—
Reclassifications	6	10	-6	-10	**0**	**—**	—	—
As of 30 Jun/31 Dec	**464**	**429**	**142**	**93**	**606**	**522**	**20**	**22**

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

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Trading assets			
Debt securities and other fixed-income securities			
Bonds and debt securities			
Issued by the public sector	5	15	-67
Issued by other borrowers	52	20	>100
Positive fair values from derivatives in connection with:			
Interest rate risk	1,203	1,430	-16
Currency risk	119	149	-20
Credit derivatives	9	12	-25
Total trading assets	**1,388**	**1,626**	**-15**
Financial assets designated at fair value			
Debt securities and other fixed-income securities	79	81	-2
shares and other variable-yield securities	—	—	—
Total financial assets designated at fair value	**79**	**81**	**-2**
Total	**1,467**	**1,707**	**-14**

(20) Positive fair values from hedge accounting derivatives

This item comprises the positive fair values of hedging instruments in effective fair value hedges.

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Derivatives from micro fair value hedges	271	351	-23
Derivatives from portfolio fair value hedges	121	251	-52
Total	**392**	**602**	**-35**

(21) Financial assets

The financial assets balance sheet item includes all the debt securities and other fixed-income securities which are classified as available for sale (AFS), shares and other variable-yield securities, investments in entities which are not accounted for in accordance with IAS 27, IAS 28 or IAS 31 and financial assets classified as loans and receivables (LAR).

Equity investments are allocated to the AFS category.

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Available-for-sale financial assets (AFS)			
Debt securities and other fixed-income Securities			
Issued by the public sector	2,156	2,253	-4
Issued by other borrowers	3,205	3,478	-8
shares and other variable-yield securities	12	1	>100
Investments in non-consolidated entities	55	54	2
Other financial assets in the AFS category	14	32	-56
Total	**5,442**	**5,818**	**-6**

(22) Investments accounted for using the equity method

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Associates			
Banks	17	17	—
Other companies	71	70	1
Total	**88**	**87**	**1**

(23) Property and equipment

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Land and buildings	48	49	-2
Furniture, fixtures and office equipment	7	8	-13
Other property and equipment	14	9	56
Total	**69**	**66**	**5**

(24) Investment property

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Investment property	69	69	0
Total	**69**	**69**	**—**

(25) Intangible assets

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Software			
Purchased	2	2	0
Internally developed	7	8	-13
Other internally developed intangible assets	—	—	—
Total	**9**	**10**	**-10**

(26) Current income tax assets and deferred income taxes

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Current income tax assets	9	9	0
Deferred tax assets	131	122	7
Total	**140**	**131**	**7**

(27) Other assets

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Inventories	2	2	0
Tax refund claims resulting from other taxes	0	1	-100
Other assets	44	47	-6
Total	**46**	**50**	**-8**

Other assets primarily include receivables from non-consolidated subsidiaries of EUR 16m (prior year end: EUR 15m) and claims against Icelandic banks for EUR 8m (prior year end: EUR 8m).

(28) Liabilities to banks

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Deposits from other banks			
German banks	5	5	0
Foreign banks	—	—	—
Total deposits from other banks	**5**	**5**	0
Liabilities from money market business			
German banks	626	1,121	-44
Foreign banks	96	123	-22
Total liabilities from money market business	**722**	**1,244**	**-42**
Other liabilities			
German banks			
Payable on demand	510	557	-8
Limited term	8,948	8,887	1
Foreign banks			
Payable on demand	258	273	-5
Limited term	749	849	-12
Total other liabilities	**10,465**	**10,566**	**-1**
Total	**11,192**	**11,815**	**-5**

(29) Liabilities to customers

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Savings deposits			
With an agreed period of notice of three months			
German customers	188	175	7
Foreign customers	10	11	-9
With an agreed period of notice of more than three months			
German customers	4	7	-43
Foreign customers	1	1	0
Total savings deposits	**203**	**194**	**5**
Liabilities from money market business			
German customers	1,482	1,423	4
Foreign customers	51	83	-39
Total liabilities from money market business	**1,533**	**1,506**	**2**
Other liabilities			
German customers			
Payable on demand	2,546	2,721	-6
Limited term	5,885	5,923	-1
Foreign customers			
Payable on demand	120	91	32
Limited term	1	1	0
Total other liabilities	**8,552**	**8,736**	**-2**
Total	**10,288**	**10,436**	**-1**

(30) Securitized liabilities

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Issued debt securities			
Covered bonds	583	502	16
Municipal debt securities	2,203	1,882	17
Other debt securities	5,432	5,881	-8
Total issued debt securities	**8,218**	**8,265**	**-1**
Money market securities			
Commercial papers	193	181	7
Total money market securities	**193**	**181**	**7**
Total	**8,411**	**8,446**	**0**

In the first half of 2013, initial sales of EUR 3.1b (prior year-end: EUR 4.0b) and repayments of EUR 3.1b (prior year-end: EUR 4.3b) were made.

(31) Adjustment item for financial instruments included in the portfolio fair value hedge

This item comprises the changes in value due to interest rate fluctuations of designated other liabilities (OL) in the portfolio fair value hedge.

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Adjustment item for financial instruments included in the portfolio fair value hedge	162	241	-33
Interest rate risk	**162**	**241**	**-33**

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

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Trading liabilities			
Negative fair values from derivatives			
Interest rate risk	1,033	1,323	-22
Currency risk	150	162	-7
Share price and other price risks	—	—	—
Credit derivatives	73	88	-17
Total trading liabilities	**1,256**	**1,573**	**-20**
Financial liabilities designated at fair value (DFV)			
Securitized liabilities	—	—	—
Total	**1,256**	**1,573**	**-20**

(33) Negative fair values from hedge accounting derivatives

This item comprises the negative fair values of hedging instruments in effective fair value hedges.

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Derivatives from micro fair value hedges	55	76	-28
Derivatives from portfolio fair value hedges	47	73	-36
Total	**102**	**149**	**-32**

(34) Provisions

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Provisions for pensions and similar obligations	389	374	4
Other provisions	52	44	18
Total	**441**	**418**	**6**

Other provisions include EUR 20m (prior year-end: EUR 22m) of loan loss provisions.

(35) Current income tax liabilities and deferred income taxes

Income tax liabilities break down as follows:

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Current income tax liabilities	19	16	19
Deferred tax liabilities	2	2	0
Total	**21**	**18**	17

(36) Other liabilities

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Liabilities from outstanding invoices	4	5	-20
Liabilities from short-term employee remuneration	5	10	-50
Liabilities from payable taxes and social security contributions	3	2	50
Other liabilities	55	65	-15
Total	**67**	**82**	**-18**

Of other liabilities, EUR 35m are attributable to monetary payment claims of shareholders, and EUR 13m (end of 2012: EUR 10m) to liabilities for IT services received.

(37) Subordinated capital

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Subordinated liabilities	711	710	0
Silent participations	—	21	-100
Total	**711**	**731**	**-3**

Notes on financial instruments

(38) Fair values of financial instruments

The Bremer Landesbank Group uses the three level fair value hierarchy and the terminology (Level 1, Level 2 and Level 3) stipulated in IFRS 13. The level is determined by the inputs used for measurement and reflects the significance of the parameters used in the measurement of the fair value. If the input data for the determination of the fair value comes from various levels, the resulting fair value is assigned to the lowest level where the input parameters have a significant impact on the fair value calculation. In the determination of value, all the relevant input data like counterparty default risks are appropriately considered.

Under the fair value hierarchy, a financial instrument is categorized as Level 1 if it is traded on an active market and publicly quoted market prices or prices effectively traded are employed to measure its fair value. If no market prices or prices effectively traded are available, prices quoted by dealers are fundamentally used for Level 1 measurement. If price sources other than stock exchange prices are used, such sources are quotes by banks or other market makers to the extent that there is an identical item in the portfolio as a result of these prices for market transactions.

A financial instrument is classified in Level 2 of the fair value hierarchy if listed prices on active markets cannot be used for the determination of the fair value. In this case, the fair value is measured using standard valuation methods or models or external pricing services that are established and recognized on the market, provided that valuation is carried out either fully or in part by using observable parameters such as spread curves. Valuation models with different inputs are used in particular for over-the-counter derivatives (OTC derivatives) and for securities listed on inactive markets (e.g. discounted cash flow methods). For the discounted cash flow methods, all payments are discounted by using a yield curve adjusted to the counterparty risk. The counterparty risks or spreads are determined on the basis of comparable financial instruments (e.g. comparable in terms of the respective market segment and the issuer's credit rating). The portfolios of financial instruments that were classified in Level 2 of the fair value hierarchy are mainly assigned to the following balance sheet items: trading assets and liabilities, positive and negative fair values from hedge accounting derivatives and financial assets measured at fair value. Various inputs such as market prices and other market listings, risk-free yield curves, risk surcharges, exchange rates and volatilities flow into the valuation models. If estimates are required in individual cases for significant inputs, a standard method is always applied for the estimate.

Financial instruments for which there is no active market and for which the fair value cannot be determined by using market prices or for which there are not completely observable inputs are assigned to Level 3. In Level 3 measurement, bank-specific models are fundamentally used and data is included which is not observable in the markets. Primarily, certain portfolios of credit default swaps (CDS), interest-bearing securities and equity investments of the sub-group are measured by using the Level 3 procedure. The portfolios of financial instruments that were classified in Level 3 of the fair value hierarchy are mainly assigned to the balance sheet items of trading assets and liabilities as well as financial assets measured at fair value. Various inputs such as term-specific interest rates, the credit rating of the respective issuer, historical volatilities and an adequate return on committed equity are used in the valuation models.

An initial classification of the level of pertinent products in the individual trading areas of the group takes place as part of the illiquidity assessment. Risk Control reviews the assessment of the trading areas, which ensures the most objective assessment of the level classification for financial instruments and thus the valuation. The valuation is based on complex valuation techniques (e.g. discounted cash flow models, interest rate risks, credit risks, liquidity risks and other risks). All the valuation models used in the sub-group are checked periodically. The review takes place independently of the trading areas and includes e.g. the calibration of the valuation models and an assessment of the valuation as part of the new product-new markets process.

There was no significant change in the valuation process as compared to the previous reporting period.

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

(in EUR m)	Basis of measurement	30 Jun 2013 Fair value	30 Jun 2013 Carrying amount	31 Dec 2012 Fair value	31 Dec 2012 Carrying amount
Assets					
Cash reserve	Amortized cost	54	54	76	76
Loans and advances to banks	Amortized cost	3,885	3,846	4,017	3,803
Loans and advances to customers	Amortized cost	22,329	23,340	21,957	23,687
Receivables from finance leases	Amortized cost	15	15	17	17
Loan loss provisions		—	-606	—	-522
Financial assets at fair value through profit or loss					
Trading assets	Fair value	1,388	1,388	1,626	1,626
Financial assets designated at fair value	Fair value	79	79	81	81
Financial assets					
Financial assets in the AFS category	Fair value	5,425	5,425	5,801	5,801
Financial assets in the AFS category (at cost)	at cost	17	17	17	17
Positive fair values from hedge accounting derivatives	Fair value	392	392	602	602
Other assets					
in the LAR category	Amortized cost	38	38	18	18
in the AFS category	Fair value	8	8	7	7
Total		**33,630**	**33,996**	**34,219**	**35,213**
Liabilities					
Liabilities to banks	Amortized cost	11,232	11,192	12,100	11,815
Liabilities to customers	Amortized cost	10,746	10,288	11,047	10,436
Liabilities from finance leases	Amortized cost	—	—	—	—
Securitized liabilities	Amortized cost	8,522	8,411	8,519	8,446
Adjustment item for financial instruments included in the portfolio fair value hedge	Fair value	—	162	—	241
Financial liabilities at fair value through profit or loss					
Trading liabilities	Fair value	1,256	1,256	1,573	1,573
Negative fair values from hedge accounting derivatives	Fair value	102	102	149	149
Subordinated capital					
Silent participations	Amortized cost	0	0	21	21
Subordinated liabilities	Amortized cost	671	711	716	710
Other liabilities					
in the other liabilities (OL) category	Amortized cost	66	67	1	1
Total		**32,595**	**32,189**	**34,126**	**33,392**
Additional classes					
Irrevocable loan commitments		0	2,329	79	1,804
Financial guarantees		0	502	0	617

The fair values of loans and advances to banks and customers include risk provisions.

Use was made of the option to determine the counterparty default risk (credit value adjustment (CVA)/Debit value adjustment (DVA)) on the basis of the net risk position in accordance with IFRS 13.48. An allocation of the CVA/DVA to individual segments on the balance sheet takes place on the basis of the so-called relative credit adjustment approach.

The fair value of the adjustment item for financial instruments included in the portfolio fair value hedge is stated under the balance sheet items of the designated underlying transactions.

Investments in entities of EUR 17m (prior year: EUR 17m) were recognized at amortized cost. These shares are not listed on an active market. In the absence of current forecast figures, it was not possible to reliably value these investments in entities. The sub-group does not plan any sale of these shares.

The following table shows the application of the fair value hierarchy of the financial assets and liabilities recognized at fair value through profit or loss or directly in equity:

(in EUR m)	Level 1 (Mark-to-market)	Level 2 (Mark-to-matrix)	Level 3 (Mark-to-model)
30 Jun 2013			
Trading assets	57	1,331	—
Financial assets designated at fair value	79	—	—
Positive fair values from hedge accounting derivatives	—	392	—
Financial assets at fair value	4,347	977	101
Other assets	8	—	—
Assets	**4,491**	**2,700**	**101**
Trading liabilities	0	1,253	3
Negative fair values from hedge accounting derivatives	—	102	—
Liabilities	**0**	**1,355**	**3**
31 Dec 2012			
Trading assets	21	1,605	0
Financial assets designated at fair value	81	—	0
Positive fair values from hedge accounting derivatives	—	602	0
Financial assets at fair value	3,826	1,859	116
Other assets	8	—	—
Assets	**3,936**	**4,066**	**116**
Trading liabilities	0	1,569	4
Negative fair values from hedge accounting derivatives	—	149	0
Liabilities	**0**	**1,718**	**4**

Transfers within the fair value hierarchy break down as follows:

(in EUR m)	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
30 Jun 2013						
Trading assets	—	—	—	—	—	—
Financial assets designated at fair value	—	—	—	—	—	—
Positive fair values from hedge accounting derivatives	—	—	—	—	—	—
Financial assets at fair value	122	—	21	—	—	—
Other assets	—	—	—	—	—	—
Assets	**122**	**—**	**21**	**—**	**—**	**—**
Trading liabilities	—	—	—	—	—	—
Negative fair values from hedge accounting	—	—	—	—	—	—
Liabilities	**—**	**—**	**—**	**—**	**—**	**—**
31 Dec 2012						
Trading assets	—	—	—	—	—	7
Financial assets designated at fair value	—	—	—	—	—	—
Positive fair values from hedge accounting derivatives	—	—	—	—	—	—
Financial assets at fair value	243	—	—	—	166	741
Other assets	—	—	—	—	—	—
Assets	**243**	**—**	**—**	**—**	**166**	**748**
Trading liabilities	—	—	—	—	—	97
Negative fair values from hedge accounting	—	—	—	—	—	—
Liabilities	**—**	**—**	**—**	**—**	**—**	**97**

Transfers primarily result from financial assets measured at fair value and moved from Level 1 to Level 2. The instrument-specific price information, in particular for two fixed income securities of an issuer, was classified as less reliable as of the reporting date 30 June 2013 than it was as of the previous reporting date.

The time of the transfer between levels is the end of the reporting period.

The development of financial assets and liabilities on Level 3 of the fair value hierarchy is as follows:

(in EUR m)	Trading assets	Financial assets at fair value	Total	Trading liabilities
Opening balance as of 1 Jan 2012	**7**	**1,110**	**1,117**	**-105**
P&L effect	0	—	**0**	2
Effect of revaluation reserve	—	-10	**-10**	—
Purchases	—	—	**—**	—
Sales	—	—	**—**	—
Redemptions	—	-77	**-77**	2
Shift up from Levels 1 and 2	0	0	**0**	0
Shift down to Levels 1 and 2	-7	-907	**-914**	97
Closing balance as of 31 Dec 2012	**—**	**116**	**116**	**-4**
Opening balance as of 1 Jan 2013	**—**	**116**	**116**	**-4**
P&L effect	—	0	**0**	1
Effect of revaluation reserve	—	2	**2**	—
Purchases	—	—	**0**	—
Sales	—	—	**0**	—
Redemptions	—	-17	**-17**	—
Shift up from Levels 1 and 2	—	—	**0**	—
Shift down to Levels 1 and 2	—	—	**0**	—
Closing balance as of 30 Jun 2013	**—**	**101**	**101**	**-3**

The P&L effects presented include valuation and realization results as well as accrued interest. The P&L effect of trading liabilities are attributable in the prior year in full to the financial instruments in the portfolio and are reflected in trading profit/loss.

A significant unobservable input parameter for the fair value measurement of interest-bearing securities is the intensity spread, which is derived from the rating and the related likelihood of default. The fair values of interest-bearing securities classified in Level 3 totalled EUR 49m (31 Dec 2012: EUR 48m). Significant changes in this input parameter result in a higher or lower fair value. For the sensitivity analysis, the intensity spread for the valuation was stressed by raising and lowering the rating (range: classes 1 to 18) by one class respectively. Accordingly, an assumed change in the underlying parameters resulted in a change in the fair values of interest-bearing securities in Level 3 by EUR 0.3m (31 Dec 2012: EUR 1.9m).

A significant unobservable input parameter for the fair value measurement of the equity investments is the adjusted beta. The fair value of equity investments classified in Level 3 totalled EUR 52m (31 Dec 2012: EUR 68m). Significant changes in the input parameter result in a higher or lower fair value. In the sensitivity analysis, the adjusted beta was stressed in the valuation by raising and lowering this by 0.1 in each case. Accordingly, an assumed change in the underlying parameters resulted in a change in the fair values of equity investments in Level 3 by EUR 3.7m (31 Dec 2012: EUR 3.5m).

Significant unobservable inputs for the fair value measurement of derivatives consist of CDS rating shift factors and historical volatilities. The descriptive information regarding the sensitivity of historical volatilities is permissibly omitted since the historical volatilities are not determined by the company itself, but rather by market transactions. Significant changes in the CDS rating shift input parameter result in a significantly higher or lower fair value. The fair value of CDS classified in Level 3 totals EUR -2.9m (31 Dec 2012: EUR -3.8m). For the sensitivity analysis, the CDS rating shift factor was stressed by raising or lowering the rating by one level. Accordingly, an assumed change in the underlying CDS rating shift factor resulted in a change in the fair value of CDS in Level 3 by EUR 0.0m (31 Dec 2012: EUR 0.1m).

For the fair value measurement of Level 3 financial instruments, there are no relevant correlations between significant Level 3 input parameters. Consequently, there was no impact on the fair value.

(39) Derivative financial instruments

	Nominal values		Positive fair values		Negative fair values	
(in EUR m)	**30 Jun 2013**	**31 Dec 2012**	**30 Jun 2013**	**31 Dec 2012**	**30 Jun 2013**	**31 Dec 2012**
Interest rate risk	45,915	44,920	1,595	2,032	1,135	1,473
Currency risk	8,571	9,495	119	149	150	162
Share price and other price risks	—	—	—	—	—	—
Credit derivatives	2,535	2,600	9	12	73	88
Total	**57,021**	**57,015**	**1,723**	**2,193**	**1,358**	**1,723**

(40) Disclosures on selected countries

The following table shows the reported values of financial assets with counterparties in selected countries. The sovereign exposure figures refer to transactions with sovereigns, regional governments, local authorities and government-related entities.

	Held-for-trading financial instruments		Available-for-sale assets		Loans and receivables	
(in EUR m)	30 Jun 2013	31 Dec 2012	30 Jun 2013	31 Dec 2012	30 Jun 2013	31 Dec 2012
Portugal						
Sovereign exposure	—	—	—	—	—	—
Financial institutions/ insurance companies	—	—	—	—	—	—
Corporates/other	—	—	—	—	—	—
Total Portugal	**—**	**—**	**—**	**—**	**—**	**—**
Italy						
Sovereign exposure	—	—	—	—	—	—
Financial institutions/ insurance companies	—	—	143	260	1	1
Corporates/other	—	—	—	—	—	—
Total Italy	**—**	**—**	**143**	**260**	**1**	**1**
Ireland						
Sovereign exposure	—	—	—	—	—	—
Financial institutions/ insurance companies	—	—	148	151	9	22
Corporates/other	—	—	—	—	23	23
Total Ireland	**—**	**—**	**148**	**151**	**32**	**45**
Greece						
Sovereign exposure	—	—	—	—	—	—
Financial institutions/ insurance companies	—	—	—	—	—	—
Corporates/other	—	—	—	—	—	—
Total Greece	**—**	**—**	**—**	**—**	**—**	**—**
Spain						
Sovereign exposure	—	—	—	—	—	—
Financial institutions/ insurance companies	9	4	91	110	7	12
Corporates/other	—	—	—	—	—	—
Total Spain	**9**	**4**	**91**	**110**	**7**	**12**
Cyprus						
Sovereign exposure	—	—	—	—	—	—
Financial institutions/insurance	—	—	—	—	—	—
Corporates/other	—	—	—	—	343	352
Total Cyprus	**—**	**—**	**—**	**—**	**343**	**352**
Hungary						
Sovereign exposure	—	—	—	—	—	—
Financial institutions/ insurance companies	—	—	—	—	5	3
Corporates/other	—	—	—	—	20	10
Total Hungary	**—**	**—**	**—**	**—**	**25**	**13**
Total	**9**	**4**	**382**	**521**	**408**	**423**

For available-for-sale financial instruments with a total cost of EUR 387 (year-end 2012: EUR 527m), the net valuation effect in other comprehensive income relating to the above countries totals EUR 2m (year-end 2012: EUR 6m). In the income statement, amortization of EUR 0m (mid-year 2012: EUR 2m) in this respect was recognized for this period.

As in the prior year, no notable specific valuation allowances or general loan loss provisions were made for loans and receivables in relation to the above countries, with the exception of Cyprus (general loan loss provision of EUR 10m as of 30 June 2013). The fair value of these loans and receivables came to a total of EUR 347m (year-end 2012: EUR 378m).

Credit derivatives on counterparties in selected countries break down as follows:

	Nominal values – protection buyer		Market values – protection buyer		Nominal values – protection seller		Market values – protection seller	
(in EUR m)	30 Jun 2013	31 Dec 2012	30 Jun 2013	31 Dec 2012	30 Jun 2013	31 Dec 2012	30 Jun 2013	31 Dec 2012
Portugal								
Sovereign exposure	—	—	—	—	—	—	—	—
Financial institutions/ insurance companies	—	—	—	—	140	140	-14	-15
Corporates/other	—	—	—	—	—	—	—	—
Total Portugal	**—**	**—**	**—**	**—**	**140**	**140**	**-14**	**-15**
Italy								
Sovereign exposure	—	—	—	—	78	76	-1	-2
Financial institutions/ insurance companies	60	60	5	6	485	485	-19	-24
Corporates/other	—	—	—	—	—	—	—	—
Total Italy	**60**	**60**	**5**	**6**	**563**	**561**	**-20**	**-26**
Ireland								
Sovereign exposure	—	—	—	—	—	—	—	—
Financial institutions/ insurance companies	—	—	—	—	45	45	-2	-3
Corporates/other	—	—	—	—	—	—	—	—
Total Ireland	**—**	**—**	**—**	**—**	**45**	**45**	**-2**	**-3**
Spain								
Sovereign exposure	—	—	—	—	—	—	—	—
Financial institutions/ insurance companies	20	20	2	2	380	380	-20	-27
Corporates/other	—	—	—	—	—	—	—	—
Total Spain	**20**	**20**	**2**	**2**	**380**	**380**	**-20**	**-27**
Total	**80**	**80**	**7**	**8**	**1,128**	**1,126**	**-56**	**-71**

The following table shows the application of the fair value hierarchy of the financial assets and liabilities as well as credit derivatives, for the selected countries, recognized at fair value through profit or loss or directly in equity:

	Level 1		Level 2		Level 3		Total	
(in EUR m)	**30 Jun 2013**	**31 Dec 2012**	**30 Jun 2013**	**31 Dec 2012**	**30 Jun 2013**	**31 Dec 2012**	**30 Jun 2013**	**31 Dec 2012**
Portugal								
Sovereign exposure	—	—	—	—	—	—	**—**	**—**
Financial institutions/ insurance companies	—	—	-14	-15	—	—	**-14**	**-15**
Corporates/other	—	—	—	—	—	—	**—**	**—**
Total Portugal	**—**	**—**	**-14**	**-15**	**—**	**—**	**-14**	**-15**
Italy								
Sovereign exposure	—	—	-1	-2	—	—	**-1**	**-2**
Financial institutions/ insurance companies	74	260	50	-18	—	—	**124**	**242**
Corporates/other	—	—	—	—	—	—	**—**	**—**
Total Italy	**74**	**260**	**49**	**-20**	**—**	**—**	**123**	**240**
Ireland								
Sovereign exposure	—	—	—	—	—	—	**—**	**—**
Financial institutions/ insurance companies	111	121	35	27	—	—	**146**	**148**
Corporates/other	—	—	—	—	—	—	**—**	**—**
Total Ireland	**111**	**121**	**35**	**27**	**0**	**0**	**146**	**148**
Spain								
Sovereign exposure	—	—	—	—	—	—	**—**	**—**
Financial institutions/ insurance companies	59	110	24	-17	-3	-4	**80**	**89**
Corporates/other	—	—	—	—	—	—	**—**	**—**
Total Spain	**59**	**110**	**24**	**-17**	**-3**	**-4**	**80**	**89**
Total	**244**	**491**	**94**	**-25**	**-3**	**-4**	**335**	**462**

The Bremer Landesbank Group does not have any exposure to the countries of Greece, Slovenia or Egypt, as in the prior year. In Cyprus and Hungary, there were no financial assets or credit derivatives measured at fair value.

Other notes

(41) Regulatory data

The following regulatory data for the Group was calculated in accordance with the German Solvency Regulation (SolvV).

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Risk-weighted assets	**17,675**	**17,588**	**0**

Capital requirements for counterparty default risk	1,286	1,293	-1
Capital requirements for market risk	57	47	21
Capital requirements for operational risk	71	67	6
Capital requirements in accordance with the German Solvency Regulation	**1,414**	**1,407**	**0**

No condensed report in accordance with Sec. 10a of the German Banking Act (KWG) is required due to the exemption granted under Sec. 10a (10) of the German Banking Act.

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Paid-in capital	265	265	0
Contributions from silent partners	—	—	-100
Other reserves	1,011	1,020	-1
Special item for general banking risks in accordance with Section 340g German Commercial Code	495	494	0
Other components (intangible assets)	-2	-3	-33
Core capital	**1,769**	**1,776**	**0**
Deduction from core capital	403	236	71
Core capital for solvency purposes	**1,366**	**1,540**	**-11**
Non-current subordinated liabilities	700	700	0
Liabilities from profit participations	—	—	—
Other components	24	—	>100
Supplementary capital	**724**	**700**	**3**
Deduction from supplementary capital	403	236	71
Supplementary capital for solvency purposes	**321**	**464**	**-31**
Modified available equity	**1,687**	**2,004**	**-16**
Tier three capital	—	—	—
Eligible capital in accordance with Section 10 of the German Banking Act	**1,687**	**2,004**	**-16**

	30 Jun 2013 (in %)	31 Dec 2012 (in %)	Change (in %)
Overall ratio in accordance with Sec. 2 (6) of the German Solvency Regulation	9.54	11.40	-16
Core capital ratio (before appropriation of profit)	7.73	8.76	-12

(42) Contingent liabilities and other obligations

	30 Jun 2013 (in EUR m)	31 Dec 2012 (in EUR m)	Change (in %)
Contingent liabilities			
Contingent liabilities on bills rediscounted and settled	—	—	—
Guarantees	433	617	-30
Liability from the provision of collateral for third-party liabilities	—	—	—
Other contingent liabilities	—	—	—
Other obligations			
Placement and underwriting commitments	—	—	—
Irrevocable loan commitments	2,329	1,804	29
Financial guarantees	502	468	7
Credit guarantees	288	296	**-3**
Trading-related guarantees (letters of credit)	214	172	24
Total	**3,264**	**2,889**	**13**

Of the total amount, EUR 2m (year-end 2012: EUR 3m) relates to associates.

(43) Other financial obligations

The following significant other financial obligations exist:

- As guarantors, the Bremer Landesbank Group and the other owners of DekaBank Deutsche Girozentrale, Frankfurt/Main, are jointly liable for the latter.
- An obligation to contribute to M CAP Finance Deutsche Mezzanine Fonds Zweite GmbH & Co. KG, Leipzig, amounts to EUR 4m (year-end 2012: EUR 4m).
- Another obligation to make additional contributions and additional joint liability for other shareholders relating to Liquiditäts-Konsortialbank GmbH, Frankfurt/Main, amounts to EUR 3m (year-end 2012: EUR 3m).
- Contributions to the security reserve of the Landesbanken and girobanks were re-calculated on the basis of risk principles. This resulted in an obligation to make additional contributions of EUR 59m (year-end 2012: EUR 59m). These additional contributions can be called in when support is required.
- In connection with the redemption of shares in FinanzIT GmbH, Frankfurt/Main, the withdrawing shareholders NORD/LB, Bremer Landesbank and Landesbank Saar have undertaken to cover the company’s risks from the period up to their withdrawal jointly with the remaining FinanzIT shareholders provided these risks actually occur and are not covered by provisions already established.
- No securities were deposited as collateral for transactions on forward markets, as at year-end 2012. Instead, a cash security of EUR 15m was deposited at Eurex Deutschland, Frankfurt/Main (year-end 2012: EUR 15m).

Companies and individuals linked to the Group

(44) Related Parties

Related party transactions are concluded at arm's length terms in the ordinary course of business. NORD/LB is the direct and ultimate parent company of the Bremer Landesbank Group.

The volume of such transactions is shown below:

(in EUR m)	Owners companies	Subsidiaries	Associates	Key management personnel	Others related parties
30 Jun 2013					
Outstanding loans and advances					
to banks	291	—	42	—	10
to customers	—	—	125	32	142
Other outstanding assets	—	—	—		—
Total assets	**291**	**—**	**167**	**32**	**152**
Outstanding liabilities					
to banks	374	—	132	—	76
to customers	—	3	27	3	14
Other outstanding liabilities	—	—	—		—
Total liabilities	**374**	**3**	**159**	**3**	**90**
Guarantees received	1	0	—	—	—
Guarantees granted	3	—	8	—	0

(in EUR m)	Owners companies	Subsidiaries	Associates	Key management personnel	Others related parties
31 Dec 2012					
Outstanding loans and advances					
to banks	375	—	17	—	10
to customers	—	—	125	34	145
Other outstanding assets	—	—	—	—	—
Total assets	**375**	**—**	**142**	**34**	**155**
Outstanding liabilities					
to banks	544	—	158	—	39
to customers	—	2	21	3	16
Other outstanding liabilities	—	—	—	—	—
Total liabilities	**544**	**2**	**179**	**3**	**55**
Guarantees received	3	0	5	—	—
Guarantees granted	1	—	9	—	0

(in EUR m)	Owners companies	Subsidiaries	Associates	Key management personnel	Others related parties
1 Jan – 30 Jun 2013					
Interest expenses	5	0	3	0	1
Interest income	2	—	3	0	3
Commission expenses	—	0	0	0	0
Commission income	0	—	0	0	0
Other expenses and income	—	—	—	0	—
Total contributions to profit and loss	**-3**	**0**	**0**	**0**	**2**
1 Jan – 30 Jun 2012					
Interest expenses	2	0	2	0	1
Interest income	6	—	3	0	3
Commission expenses	—	—	0	0	0
Commission income	0	—	0	0	0
Other expenses and income	—	—	—	0	—
Total contributions to profit and loss	**4**	**0**	**1**	**0**	**2**

(45) Members of governing bodies as of 30 June 2013

1. Members of the Managing Board

Dr. Stephan-Andreas Kaulvers
Chairman

Heinrich Engelken
Deputy Chairman

Dr. Guido Brune

2. Members of the Supervisory Board

Karoline Linnert
(Chairwoman)
Mayoress
Finance Senator of the
Free Hanseatic City of Bremen

Thomas Mang
(Deputy Chairman)
President of the Savings Banks Association
of Lower Saxony

Ursula Carl
Managing Director
ATLANTIC Grand Hotel,
Bremen

Prof. Dr. Wolfgang Däubler, retired professor
German and European labour law,
civil law and commercial law
Bremen University

Frank Doods (from 19 Feb 2013)
State Secretary of the
Lower Saxony Ministry of Finance

Dr. Gunter Dunkel
Chairman of the Managing Board of NORD/LB
Norddeutsche Landesbank – Girozentrale –

Martin Grapentin
Chairman of the Managing Board of
Landessparkasse zu Oldenburg

Martin Günthner
Senator for Economics, Labour and Ports
of the Free Hanseatic City of Bremen

Cora Hermenau (until 18 Feb 2013)
State Secretary of the Lower Saxony
Ministry of Finance

Dr. Olaf Joachim
State Councillor of Senate Chancellery
of the Free Hanseatic City of Bremen

Andreas Klarmann
Qualified banker
Bremer Landesbank

Hartmut Möllring (until 18 Feb 2013)
Lower Saxony Minister of Finance

Bernhard Reuter
District Administrator in Göttingen

Dr. Johannes-Jörg Riegler
Member of the Managing Board of NORD/LB
Norddeutsche Landesbank – Girozentrale –

Michael Schlüter
Qualified banker
Bremer Landesbank

Peter-Jürgen Schneider (from 19 Feb 2013)
Lower Saxony Minister of Finance

Jörg Walde
Qualified banker
Bremer Landesbank

Doris Wesjohann
Member of the Managing Board of
Lohmann & Co. AG, Visbek

Eike Westermann
Fully qualified lawyer
Bremer Landesbank

Markus Westermann
Vereinte Dienstleistungsgesellschaft
ver.di (services industry union)

(46) List of shareholdings as of 30 June 2013

The following list names the shareholdings held by the Bremer Landesbank Group in accordance with Sec. 285 No. 11 and Sec. 340a (4) No. 2 of the German Commercial Code (HGB). The most recently approved financial statements of each company were used.

Company name and registered office	Shares (%) indirect	Shares (%) direct	Equity[1] (in EUR t)	Earnings[6] (in EUR t)
Companies included in the consolidated financial statements				
Subsidiaries				
BLB Immobilien GmbH, Bremen	—	100.00	—	[2]
BLB Leasing GmbH, Oldenburg	—	100.00	—	[2]
Bremische Grundstücks-GmbH, Bremen	—	100.00	—	—
NORDWEST VERMÖGEN Bremische Grundstücks-GmbH & Co. KG, Bremen	100.00	—	—	—
NORDWEST VERMÖGEN Vermietungs-GmbH & Co. KG, Bremen	90.00	10.00	—	—
Investments included in the consolidated financial statements using the equity method				
Associates				
Ammerländer Wohnungsbau-Gesellschaft mbH, Westerstede	32.26	—	—	—
BREBAU GmbH, Bremen	48.84	—	—	—
DEUTSCHE FACTORING BANK Deutsche Factoring GmbH & Co. KG, Bremen	—	16.50	—	—
GSG Oldenburg Bau- und Wohngesellschaft, Oldenburg	—	22.22	—	—
Investment funds				
Lazard-Sparkassen Rendite-Plus-Fonds, Frankfurt/Main	—	49.18	—	—
Companies not included in the consolidated financial statements				
BGG Bremen GmbH & Co. KG, Bremen	100.00	—	150[4]	-272[4]
BGG Oldenburg GmbH & Co. KG, Bremen	100.00	—	8,115[4]	911[4]
BLB I Beteiligungs-GmbH, Bremen	100.00	—	59[4]	7[4]
Bremer Spielcasino GmbH & Co. Kommanditgesellschaft, Bremen	—	49.00	[3]	[3]
Bremer Toto und Lotto GmbH, Bremen	—	33.33	4,283	3
Bremische Grundstücks-GmbH & Co. KG Präsident-Kennedy-Platz, Bremen	100.00	—	3400[4]	787[4]
Bremische Grundstücks-GmbH & Co., Wohnanlagen Gross-Bonn, Bremen	100.00	—	150[4]	73[4]
BREMER LAGERHAUS-GESELLSCHAFT – Aktiengesellschaft von 1877 –, Bremen	—	12.61	18,237	2,666
Deutsch-Indonesische Tabak Handelsgesellschaft mit beschränkter Haftung, Bremen, in liquidation	—	24.53	319[5]	-116[5]
GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen	7.75	—	345,165	33,924
Gewobau Gesellschaft für Wohnungsbau Vechta mbH, Vechta	—	20.46	10,237[5]	705[5]
Grundstücksgemeinschaft Escherweg 5 GbR, Bremen	50.00	—	-1,941	-377
Grundstücksgemeinschaft Escherweg 8 GbR, Bremen	50.00	—	-475	-278
Interessengemeinschaft KATHARINENKLOSTERHOF GbR, Bremen	30.70	—	641[4]	-64[5]
Öffentliche Versicherung Bremen, Bremen	—	20.00	6,020	60
Schiffsbetriebs-Gesellschaft Bremen mbH, Bremen	—	100.00	1,095[5]	13[5]
Unterstützungseinrichtung der Bremer Landesbank Kreditanstalt Oldenburg GmbH, Bremen	—	100.00	32,603	2,215
WLO Wirtschaftsförderungsgesellschaft für den Landkreis Oldenburg mbH, Wildeshausen	—	23.84	41	—
Wohnungsbaugesellschaft Wesermarsch mbH, Brake	—	21.71	18,523[5]	376[5]

Notes:
[1] Equity as defined in Sec. 266 and 272 of the German Commercial Code; there are no unpaid contributions.
[2] Control and profit and loss transfer agreement concluded with the company.
[3] No information provided in accordance with Sec. 313 (2) No. 4 Sentence 3 of the German Commercial Code.
[4] Figures are from the most recent, but as yet unapproved, financial statements for 2012.
[5] Figures are from the most recent approved, financial statements for 2011.
[6] Not stated for companies and investment funds included in the consolidated financial statements.

Bremer Landesbank exercises a significant influence under IAS 28.37(c) over DEUTSCHE FACTORING BANK Deutsche Factoring GmbH & Co. KG, Bremen, although the Bremer Landesbank sub-group holds less than 20% of the voting rights. Bremer Landesbank appoints one or more Supervisory Board members of the aforementioned company and, together with NORD/LB, safeguards its interests in the supervisory bodies for the group as a whole.

Bremen, 20 August 2013

Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – The Managing Board

Dr. Stephan-Andreas Kaulvers

Heinrich Engelken

Dr. Guido Brune

8. Responsibility statement

We confirm that, to the best of our knowledge and in accordance with the applicable accounting framework for interim reporting, the interim consolidated financial statements provide a true and fair view of the net assets, financial position and results of operations of the group and that the interim group management report gives a true and fair view of the development of business including the operating result and the state of the group, and also describes the principal opportunities and risks relating to the expected future development of the group in the remainder of the fiscal year.

Bremen, 20 August 2013

Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – The Managing Board

Dr. Stephan-Andreas Kaulvers

Heinrich Engelken

Dr. Guido Brune

9. Review report

To Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen:

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the condensed consolidated cash flow statement and condensed consolidated notes, and the interim group management report of Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen, for the period from 1 January to 30 June 2013, which are part of the half-year financial report in accordance with Section 37w of the German Securities Trading Act (WpHG). The preparation of the interim condensed consolidated financial statements in accordance with IFRSs (International Financial Reporting Standards) as adopted by the EU and of the interim group management report in accordance with the provisions of the WpHG applicable to interim group management reports is the responsibility of the Company’s management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with the generally accepted German principles for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to ensure that the interim condensed consolidated financial statements are prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is primarily limited to questioning company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our assignment, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRS on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Hanover, 22 August 2013

KPMG AG
Wirtschaftsprüfungsgesellschaft

Leitz
Wirtschaftsprüfer
[German Public Auditor]

Nienhaus
Wirtschaftsprüfer
[German Public Auditor]