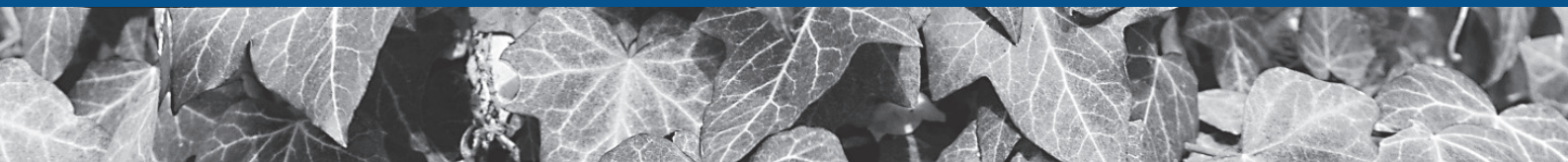


# Interim Report 2009.



 Baden-Württemberg  
L-Finance N.V.

A subsidiary of Landesbank Baden-Württemberg

# Six Months` Report 2009.

## **Legal form**

Baden-Württemberg L-Finance N.V. was established on 12 April 1988. On 1 January 1999 it became a full subsidiary of Landesbank Baden-Württemberg.

The authorised capital of the Company is EUR 100,000. Of the authorised share capital EUR 50,000 is issued and fully paid up. The share premium is EUR 50,000.

## **Activities**

Since its incorporation the Company has been active as a finance company. In accordance with the Dutch regulations for finance companies, at least 95 % of the proceeds of its bond issues are on-lent to the parent company. As a finance Company it has issued mainly larger volume bonds in a range of currencies which are listed and traded on various stock exchanges.

## **Overview**

In the year under review the Company undertook no new transactions. All outstanding issues are guaranteed by the parent company and rated AAA, Aaa, AAA by Standard & Poor's, Moody's and Fitch/IBCA respectively.

During 2009 the Company repaid one issue, with original nominal value of FRF 1 bn. At the end of June 2009 the Company managed three bonds.

This six months' report is prepared in line with and according to the accounting policies as described in the Company's Annual Report for 2008.

## **Total assets**

In February of this year the Company repaid one issue with an aggregate nominal value of FRF 1 bn (EUR: 457,3 mn).

Two issues have been reclassified from long-term liabilities to short term liabilities with a total value EUR 968,6 mn.

As a result of the repayment of one bond and the reclassification of two bonds the loans to group Company have been amended too.

## **Capital**

During this financial year the shareholder decided to distribute a dividend of EUR 2.6 mn out of the profit of the year 2008. The capital position of the Company rose in 2009 to EUR 3,8 mn (2008: EUR 3,3 mn).

In order to cover all liabilities the parent company has issued a Letter of Comfort in favour of the Company in 2001, which was amended in 2004.

## **Earnings**

The balance sheet of the Company decreased with EUR 496 mn or 26.1 % to EUR 1,4 bn (2008: EUR 1,9 bn). During 2008 and the first six months of 2009 three issues and loans have been repaid, therefore Profit before Taxation decreased by EUR 1,6 mn or 64,2 % to EUR 919 thousand.

**Currency risk**

The Company operates only in EUR and therefore does not carry any currency risk.

**Interest rate risk**

The Company does run an interest risk on the short-term deposits with a maximum tenor of three months.

**Credit risk**

The loans are given to Landesbank Baden-Württemberg, our 100 % parent company. This financial institute with business with savings banks and other financial institutes for around one third of there portfolio.

The portfolio of corporate customers shows a good diversification of industries. Their business with the public sector and private individuals completes their portfolio mix.

It is the Managements opinion that no provision for risks is necessary.

**Directors' statement**

In our opinion, the financial statements give a true and fair view of the assets and liabilities and the financial position of the Company as of June 30, 2009.

These financial statements also represent the usual course of transactions during the first six months of 2009.

**Future outlook**

The Company is continuing looking for windows of opportunity in the capital markets.

Hoofddorp, August 7, 2009

C.A. Rosekrans    M.U. Reiser

# Balance Sheet. Not audited.

(Expressed in EUR)

## Assets.

	June 30, 2009	December 31, 2008
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Office equipment	496	661
<b>Financial fixed assets</b>		
Loans to group Company	404 525 309	1 357 561 321
<b>Current Assets</b>		
Short-term loans to group Company	968 638 933	457 347 052
Interest receivable from group Company	21 762 831	74 584 689
Other assets	835 507	1 212 226
Cash at bank and in hand	8 973 364	10 181 057
	1 000 210 635	543 325 024
<b>Total Assets</b>	<b>1 404 736 440</b>	<b>1 900 887 006</b>

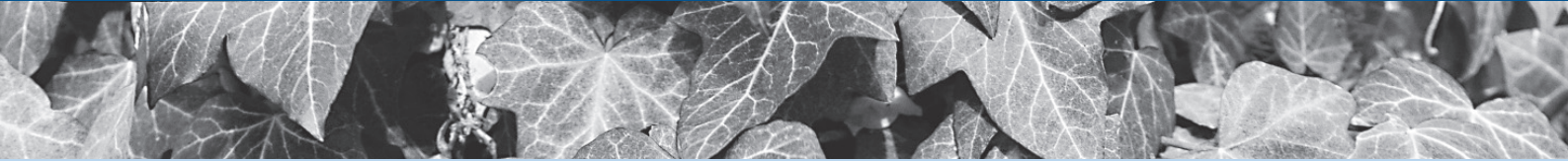
## Shareholder's equity and liabilities.

	June 30, 2009	December 31, 2008
<b>Shareholder's equity</b>		
Share capital	50 000	50 000
Share premium	50 000	50 000
Retained earnings	3 690 207	3 176 442
Result for the year	695 799	3 113 765
	4 486 006	6 390 207
<b>Long-term liabilities</b>		
Bonds payable	409 074 836	1 362 690 342
Other payables and accrued expenses	541 827	525 849
	409 616 663	1 363 216 191
<b>Current liabilities</b>		
Bonds payable in one year	968 638 933	457 347 052
Interest payable on bonds	21 114 984	72 436 223
Other payables and accrued expenses	879 854	1 497 333
	990 633 771	531 280 608
<b>Total Shareholder's equity and liabilities</b>	<b>1 404 736 440</b>	<b>1 900 887 006</b>

# Profit and Loss Account.

(Expressed in EUR)

	January 1 to June 30, 2009	January 1 to June 30, 2008
<b>Financial income and (-) expenses</b>		
<b>Interest income from group Company:</b>		
EUR	45 547 382	113 675 661
USD	0	5 908 243
	45 547 382	119 583 904
<b>Interest expense on bonds issued:</b>		
EUR	- 44 166 835	- 110 359 496
USD	0	- 5 737 611
	- 44 166 835	- 116 097 107
<b>Interest income from third parties:</b>	82 993	207 568
Total financial income and expenses	1 463 540	3 694 365
<b>Commission and Guarantee expenses</b>		
<b>Guarantee expenses</b>		
EUR	- 392 215	- 930 254
USD	0	- 49 892
	- 392 215	- 980 146
Exchange differences	0	29
<b>Result in financial income and charges</b>	<b>1 071 325</b>	<b>2 714 248</b>
Sundry bond issue expenses	- 21 739	- 22 655
General expenses	- 130 361	- 127 093
<b>Result from ordinary activities before taxation</b>	<b>919 225</b>	<b>2 564 500</b>
Taxation	- 223 426	- 647 748
<b>Result after taxation</b>	<b>692 799</b>	<b>1 916 752</b>



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08/09

 **Baden-Württemberg  
L-Finance N.V.**

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