

Norddeutsche Landesbank Girozentrale

Hanover, Brunswick, Magdeburg

Interim Report

as at 30 June 2024

NORD/LB at a Glance

	1 Jan. - 30. Jun. 2024 (in € million)	1 Jan. - 30. Jun. 2023 (in € million)	Change (in %)
Income Statement			
Net interest income	602	517	16
Net commission income	118	97	22
Profit/loss from fair value measurement	9	- 0	> 100
Risk provisioning	- 61	23	> 100
Disposal Profit/loss from financial instruments not measured at fair value through profit or loss ²⁾	1	7	- 91
Profit/loss from hedge accounting	15	19	- 22
Profit/loss from shares in companies	6	10	- 39
Profit/loss from investments accounted for using the equity method	3	3	- 2
Administrative expenses	- 415	- 443	- 7
Other operating profit/loss	- 30	- 69	- 57
Earnings before restructuring, transformation and taxes	247	162	52
Profit/loss from restructuring and transformation	- 23	- 19	21
Earnings before taxes	224	143	56
Income taxes	- 29	- 35	- 16
Consolidated profit	195	109	79
Key figures			
Cost-Income-Ratio (CIR)	57.9%	77.5%	- 25
Return-on-Equity (RoE)	6.3%	4.2%	50
Balance sheet figures			
Total assets	113 289	111 981	1
Financial liabilities at amortised costs	87 005	87 697	- 1
Financial assets at amortised costs	96 993	96 125	1
Equity	6 928	6 815	2
Regulatory key figures			
Common equity tier 1 capital (in € million)	6 435	6 147	5
Tier 1 capital (in € million)	6 485	6 198	5
Tier 2 capital (in € million)	1 210	803	51
Own funds (in € million)	7 695	7 000	10
Total risk exposure amount (in € million)	41 677	40 572	3
Common equity tier 1 capital ratio (in %)	15.44%	15.15%	2
Total capital ratio (in %)	18.46%	17.25%	7
Leverage Ratio (transitional)	5.54%	5.52%	0

Due to rounding, minor discrepancies may arise in the calculation of totals and percentages.

Gender-sensitive Language

NORD/LB is committed to diversity and tolerance. This should also be expressed in the language we use. Where possible, we therefore do not use the generic masculine, where other genders are "meant". Instead, we prefer to use neutral wording or double mentions. If this was not possible in certain places, we would like to point out that the corresponding wording explicitly covers all genders.

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Interim Group Management Report as at 30 June 2024

Introductory Notes

The reporting currency of this Interim Group Management Report is the euro. All amounts in the Interim Group Management Report are stated as rounded figures in millions of euro (€ million) according to standard commercial practice, unless explicitly indicated. This may result in minor differences in the formation of totals and the calculation of percentages, which do not represent any restrictions on the report quality. The figures for the previous year are in each case stated afterwards in brackets. The percentage changes are presented in absolute numbers.

The Group – Basic Information

Business Model and Control System

NORD/LB's business model and management systems were described in the Management Report for the 2023 financial year in the section "The Group – Basic Information". Changes were made at the end of the first half of 2024 to the statements in the report relating to the Special Financing business segment, as NORD/LB has decided to withdraw from the aircraft financing business and sell the majority of its aircraft portfolio. In this regard, reference is made to the "Sale of the Aviation sub-portfolio" section in the main section on "Business Performance and Significant Events in the Financial Year" as well as to the assets position.

Economic Report

Economic and Industry-specific Environment

Global Economic Environment

The global macroeconomic situation most recently characterised by increasing growth divergence between the US and eurozone currencies. In the first quarter of 2024, real German gross domestic product adjusted for seasonal and calendar effects increased by 0.2 per cent compared with the previous quarter, but this slight increase followed a weakening of 0.5 per cent (Q/Q) in the fourth quarter of 2023 - and can also be seen therefore as a countermovement of sorts after weak growth figures at the end of 2023. In addition, the preliminary figures for the second quarter of 2024, with a change rate of just -0.1 per cent (Q/Q), do not paint a positive picture of the economic situation. In fact, the mood in the German economy seemed to have improved somewhat before the announcement of these figures, but companies continued to face greater challenges. The ifo business climate index fell to 88.6 points in June 2024. The companies surveyed were mostly more sceptical about the business outlook.

In the eurozone, the change rate of seasonally adjusted real gross domestic product in the first and second quarters of 2024 showed an increase of 0.3 per cent compared with the previous quarter. The figures for the second quarter are still preliminary. ZEW economic expectations for the eurozone in July 2024 were 43.7 points weaker than in the previous month, but stayed above the psychologically important mark of 0.

With regard to the performance of the economy in the United States of America, it should be noted that real economic growth increased by 1.4 per cent on an annualised basis in the first quarter of 2024. This led to the expected slight slowdown in growth in economic activity in the USA at the start of the new year. In the second quarter, the economic situation was starting to look more promising again; according to preliminary data, the annualised rate of growth was 2.8 per cent. Sentiment in the US economy seems nevertheless to have deteriorated somewhat. In June 2024, the important US purchasing managers' index ISM Manufacturing PMI stood at 48.5 points – and thus remained below the 50-point mark, which is considered the growth threshold. The situation on the US labour market also started to deteriorate somewhat. For example, the unemployment rate rose slightly to 4.1 per cent in June 2024; however, it is certainly too early to speak of a truly sustainable weakness.

High inflation observed in the recent past forced central banks in many currency areas to raise key interest rates. In the eurozone, the ECB initiated a cautious change in strategy in the first half of 2024 and lowered the key interest rate level slightly. The US Federal Reserve is likely to come under similar pressure to act over the course of the second half of the year; significantly more favourable inflation data will probably allow for key interest rate cuts to be made over the coming months. The changes being made to the monetary policy environment globally are also likely to have implications for capital market yields in many different currency areas. The first signs are already emerging. For example, the yield on German government bonds with a remaining term of 10 years in June 2024 was in the region of 2.50 per cent (compared with almost 3.00% in October 2023). In the USA, yields on US government bonds in the 10-year maturity range was around 4.40 per cent until the end of the first half of 2024. In both currency areas, long-term yields were therefore below the key interest rate level. Consequently, market participants expect short-term yields to generally fall over time. Regarding the foreign exchange market, the ECB's "jumping the gun" on cutting key interest rates has put a little bit of pressure on the euro in the meantime. Compared with the single European currency, the US dollar was trading at around 1.07 USD per EUR at the end of the first half of the year. Similar to the ECB, the US Federal Reserve is likely to follow with interest rate hikes over the course of the year; this would have to reduce the Fed Funds Target Rate, which should have a slightly positive effect on the euro. In the German equity index, the DAX, the 18,400-point mark came into focus in June 2024 - investors seem to be hoping for interest rate cuts in Washington, which seems to

be helping equities. The most recent EUR/USD basis swap spreads were most recently within very narrow ranges again.

The key sectors for NORD/LB are explained below.

Finance Sector

The European financial sector is largely stable, as measured by the regulatory indicators of solvency, asset quality, profitability and liquidity. The significant increase in interest rates, the ongoing macroeconomic uncertainties and the tightening of lending standards by the banks have all contributed to a slowdown in the demand for credit and thus also in the credit growth of European banks. Credit risk has increased since the outbreak of the COVID-19 pandemic, which is already reflected in the risk provisioning. At the beginning of 2024, there was also a slight increase in the average NPL rate in the finance sector, after it had previously remained stable. As a result, the "Commercial Real Estate" and "Small and Medium-Sized Enterprises" (SME) segments proved to be comparatively more vulnerable to the current economic and monetary policy conditions. The first banks are thus starting to use their overlays and management adjustments in risk provisions set aside during the crisis years.

On the other hand, thanks to customer deposits in particular, the higher interest rate level has led to a significant improvement in the net interest margin and thus profitability. Higher profits have enabled banks to increase dividends and strengthen their capital positions through retention of profits. As a result, capital ratios were kept at a stable level despite a moderate increase in risk assets and occasional share buyback programmes. The default of several US banks last year has driven market participants to sharpen their focus once again on the banks' liquidity and funding situation. Accordingly, many banks' key figures, such as the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR), remain above the regulatory requirements. Thanks to the monetary policy measures of the central banks, in particular the deduction of excess liquidity, the LCR has indeed fallen; however, it remains at a high level.

Renewable Energies

There is a strong push to expand renewable energies both nationally and internationally as part of energy and industrial policy and in order to achieve the climate goals pursued by politicians and business. Political support for the energy transition continues, but the results to date of major elections in 2024 (including the European Parliament election, US presidential election, Indian parliamentary election, British parliamentary election and French National Assembly election) may also lead to uncertainties and changes in climate and energy policy. In Germany, the first solar package I, aimed at reducing bureaucratic hurdles and further accelerating the expansion of photovoltaics, was thus adopted in the first half of 2024.

According to statistics from the Federal Network Agency, German expansion figures in the renewable energy sector was once again positive for photovoltaics at almost 7.6 GW in the first half of 2024 (first half of 2023: 6.9 GW). For onshore wind power, expansion was 1.3 GW (first half of 2023: 1.6 GW) and so was lower than in the same period of the previous year and did not meet the requirements of the expansion target. However, the high number of permits for onshore wind turbines of almost 5.6 GW, equivalent to an increase of almost 53 per cent compared with the first half of last year, is a positive development in this segment.

Real Estate

The German construction industry continues to struggle with high material and interest costs. In the period from January to May 2024, real sales in the main construction sector fell by -1.3 per cent compared with the same period last year. Real incoming orders increased only slightly by 1.6 per cent. The construction economy continues to be split into two: growth in civil engineering and public buildings is being offset by a significant decline in residential construction. In housing construction, the decline in real order intake continued in the first five months of 2024 (real order intake -4.0 per cent). Developments in the project development market underline just how challenging the situation is. Although the downturn flattened out towards the middle of 2024, project delays, a low number of construction starts and project developer insolvencies persist. According to bulwiengesa's "Development Monitor" tool, the entire project area fell by -6.8 per cent throughout Germany compared with 31 December 2023; the office segment dropped the most (-9.7 per cent) and the logistics areas the least (-3.3 per cent). The decline was -9.2 per cent in the residential segment, -3.6 per cent in the retail segment and -8.2 per cent in the hotel segment. Global construction continued to gain momentum in the second quarter of 2024, supported, among other things, by improved market activity in Europe. The boost has come in particular from infrastructure construction.

In the global transaction market for commercial real estate, the investment volume in the first half of 2024 fell by 4 per cent compared with the same period last year to around \$ 287 billion. The European commercial transaction volume improved by around 10 per cent compared with the first half of 2023 to around € 86.5 billion. In the German investment market, the transaction volume in the first half of 2024 increased by 15 per cent compared with the first half of the previous year to around € 14.2 billion. Retail real estate was the most dynamically traded asset class with a transaction volume of around € 3.6 billion (first half of the 2023: € 1.7 billion). This was due in particular to three major individual transactions. Industrial and logistics real estate came in second with around € 2.9 billion (first half of 2023: € 2.4 billion), followed by residential real estate with € 2.8 billion (first half of 2023: € 3.1 billion). Office real estate came in fourth with a volume of € 2.6 billion (first half of 2023: € 2.9 billion). Peak yields increased compared with the first half of 2023, but remained largely stable over the year to date in 2024. The share of international investors in the total transaction volume increased slightly to around 39 per cent (first half of 2023: 37 per cent). The share of transactions in the top seven markets increased from 42 per cent to 54 per cent compared with the same period in the previous year. According to the Association of German Pfandbrief Banks (vdp), a slight increase in commercial (0.4 per cent) and residential property prices (0.5 per cent) was recorded for the first time in the second quarter of 2024 compared with the previous quarter after a two-year downward trend in property prices. However, compared with the previous year's quarter, commercial real estate prices fell by -7.4 per cent in the second quarter of 2024. The price decline in office real estate (-7.9 per cent) was higher than in retail real estate (-5.9 per cent). Residential property prices fell by -2.9 per cent compared with the previous year's quarter.

Business Performance and Significant Events in the Financial Year

Business Performance

NORD/LB can look back on a successful first half of the 2024 financial year, in which earnings were significantly increased despite the overall economic environment, which continues to be very challenging. Business performance was mainly affected by the Bank continuing to move along its chosen growth path, which is reflected in both an increased volume of new business and significantly higher interest and commission income. Interest income increased by 16 per cent and commission income by 22 per cent year on year. The implementation of cost measures from the transformation programme resulted in declining administrative expenses (-7 per cent year on year), which more than offset the effects of inflation.

Capital markets proved to be stable in the first half year, which also contributed to a stabilisation of measurement effects. Global economic growth continues to be slowed down by both the ongoing geopolitical uncertainties in Europe with the continuation of the war in Ukraine as well as tensions outside Europe and supply chains that continue to be disrupted. Despite declining inflation rates, the high inflation phase is still having an impact. Whilst NORD/LB's portfolio has not been directly affected by the various conflicts, NORD/LB reacted cautiously to the economic and interest-rate environment and set aside risk provisions for individual cases, in particular in the segments of Private & Business Customers, Corporate Customers, Real Estate Customers, and Energy & Infrastructure. The portfolio of defaulted financing remains at a low level. NORD/LB is addressing future uncertainties by increasing the management adjustment (MA) by € 10 million compared with 31 December 2023, to € 299 million as at 30 June 2024. With regard to risk provisioning, it was once again confirmed over the course of the year that the uncertainties were only reflected in justified individual exposures and not in significantly increased risk provisioning requirements for the overall portfolio. In the real estate sector in particular, changes in the interest rate level gave rise to valuation uncertainties in market values, which is why a high proportion of management adjustments are allocated to the real estate customers segment.

The continued high level of interest rates for short maturities is having a positive effect on margins in the deposit business. In the first half of the year, a slight increase in interest rates in the relevant maturity bands led to a stable fair value and hedge accounting result despite the effects of changes in credit ratings from fair value loans since the start of the year.

Despite the challenging market environment, NORD/LB was able to confirm and to some extent improve its position in its core segments of Corporate Customers, Energy and Infrastructure Customers and Real Estate Customers (Deutsche Hypo). This was particularly evident in the positive performance of operating interest income and commission income. NORD/LB also benefited from rating increases from the rating agencies Moody's and Fitch in the first half of the year. The resulting benefits of refinancing had a positive impact on the profitability of the new business.

Earnings before taxes increased by 56 per cent to € 224 million (€ 143 million) compared with the same period in the previous year. Similarly, the return on equity improved from 4.21 to 6.34 per cent.

In addition to the overall increase in income, administrative expenses were lower than in the previous year, which caused the cost/income ratio to improve significantly in the first half of the year from 77.5 per cent to 57.9 per cent. For other notes, please refer to the income statement.

Sale of the Aviation sub-portfolio

In the first half of the year, NORD/LB decided to withdraw from the aircraft financing business as part of a strategic review of the Aviation Finance & Investment Solutions (AFIS) business area. A contract was con-

cluded with Deutsche Bank for the sale of the majority of the portfolio with a total financing volume of € 1.67 billion and a carrying amount of € 1.46 billion as at 30 June 2024. Deutsche Bank prevailed over a large number of national and international interested parties in a bidding process. The remaining part of the portfolio will remain in the NORD/LB Group and will gradually be phased out. New business activities in the Aircraft Finance business segment are being discontinued. NORD/LB has been active in the aircraft financing business worldwide for over forty years. Legal implementation of the sales contract will be completed in the second half of 2024. The first loan transfers will take place from August 2024 and are expected to be completed by December 2024 at the latest. The effects on earnings resulting from the sale of the portfolio consist of the difference between the purchase price and carrying amount (including risk provisioning, transaction costs and fees, and will only be realised in the second half of 2024 in a range that is expected to be between € -30 and € -35 million. The aim is to increase profitability by reinvesting the freed-up resources in other segments, which will more than offset the effect in 2024.

NORD/LB 2024 Transformation Programme

At the end of 2019, NORD/LB agreed the basic principles of a new business model with its owners, the Sparkassen finance group (SFG) and the Banking supervisory authorities. In order to implement the associated objectives, the “NORD/LB 2024” transformation programme was set up at the beginning of 2020 with a term running up until the end of 2024. The aim is to implement the planned earnings and cost measures by the end of 2023 in order to achieve the full effect on earnings in 2024. The transformation programme on schedule for 2024. Earnings and cost measures are closely monitored until the end of the programme in 2024.

ESG (Environment, Social, Governance) / Sustainability

Following the scheduled completion of the CARE sustainability project, the BLUE ESG programme was launched in the first quarter of 2024. The BLUE programme aims to implement the ESG-specific regulatory requirements from the CSRD at NORD/LB, but also to highlight the issue of ESG from an opportunity-oriented and market-oriented perspective. To this end, the following objectives have been defined for the BLUE programme:

- Ensure implementation of regulatory requirements in the context of ESG or climate and environmental risks
- Implement the Corporate Sustainability Reporting Directive (CSRD) as a new regulatory requirement for NORD/LB's sustainability reporting at the first reporting date as at 31 December 2024
- Implement various ESG anchoring activities, e.g. complete the introduction of CO2 accounting and implement ESG key performance indicators (KPIs)
- Identify ESG market opportunities by developing ESG business cases that are ready for implementation, especially in the areas of energy supply and the circular economy
- Ensure that ESG implementations are mapped in accordance with architecture and data governance, including deriving (integration) target visions that are ready to implement
- Analyse the legal framework and assess greenwashing risks and develop a vision for their prevention that includes taking anti-greenwashing measures

In its financing portfolio, the NORD/LB Group is developing sector-specific decarbonisation paths for its emission-intensive sectors. These are based on the International Energy Agency's (IEA - reference path) Net Zero 2050 Climate Pathways. NORD/LB is developing its own sector-specific decarbonisation targets in order to be able to show the measures it is using to achieve the target of net zero emissions in the financing

portfolio. In this way, NORD/LB aims to play its part in complying with the 1.5-degree target as set out in the Paris Agreement and enable itself to channel financing specifically into sustainable financing activities and reduced CO2 emissions.

In 2023, ESG sector strategies were developed for the emissions-intensive aviation, real estate, energy (power) and agriculture sectors, and in the first half of 2024 for the oil & gas, steel and automotive sectors. In the course of the second half of 2024, further ESG sector strategies for the cement, shipping and chemical sectors will be modelled in order to obtain the most accurate overall picture possible of NORD/LB's net zero transition.

In 2023, internal sustainability management reporting (KPI/KRI dashboard) was established to determine ESG key performance indicators/KPIs and key risk indicators/KRIs. This reporting is continually being refined, including in relation to social and governance. From this year, this report will be made available to the Bank's Managing Board on a quarterly basis.

The established Sustainability Board will be the decision-making body for ESG issues in the future. A new Sustainability Forum is currently being developed for the Bank's internal cross-departmental ESG exchange, aimed at expanding its internal ESG network and further promote awareness of these issues.

Report on current "fitt" Programme Status

Phase I of the "fitt - future investment in technology and transformation" programme for the introduction of a new bank management system is proceeding according to plan and has the overall programme status of green. The fourth programme milestone - "Conclusion of concept phase, test preparations completed" - was also achieved as planned. The execution of the system tests has started. The planning for a go-live process in 2026 is in progress.

Guarantees of the State of Lower Saxony

Exposures from the portfolio in both "Special Credit & Valuation" segments, which is also hedged via guarantees from the State of Lower Saxony, and which primarily includes non-performing ship financing that is currently being reduced, as well as "aircraft customers", also fell as planned over the course of the reporting period as a result of regular repayment periods. Compared with the previous year, the planned lower guarantee fees boosted net commission income. At the same time, measurement effects resulted from the term reductions and repayments, which are reflected in the fair value result.

Regulatory Aspects

Regulatory Requirements for Minimum Capital – Current Developments

According to the current version of the Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (CRR) at Group level and based on the annual supervisory review and evaluation process (SREP), NORD/LB must comply with the minimum capital ratios and capital buffers specified by law and individually specified by the banking supervisory authorities with regard to the regulatory capital ratios of Common Equity Tier 1 capital, Tier 1 capital and total capital. The numerator for these minimum ratios is the relevant equity amount and the denominator is the relevant total risk exposure amount according to Art. 92 (3) CRR.

As a result of last year's SREP dialogue, the additional requirement included in these minimum equity ratios in accordance with SREP (Pillar 2 Requirement, P2R) increased by 0.25 per cent to a total of 2.75 per cent from the beginning of the reporting period.

The following table provides an overview of the regulatory minimum capital requirements for the NORD/LB Group valid at the reporting date:

(in per cent)	Common equity tier 1 capital ratio	Tier 1 capital ratio	Total capital ratio
Regulatory requirement (in accordance with Article 92 (1) CRR)	4.50%	6.00%	8.00%
Additional requirement according to SREP (P2R in accordance to Article 16 (2) litera a regulation (EU) nr. 1024/2013)	1.55%	2.06%	2.75%
Subtotal	6.05%	8.06%	10.75%
Capital conservation buffer (§ 10c KWG)	2.50%	2.50%	2.50%
Countercyclical capital buffer (§ 10d KWG)	0.73%	0.73%	0.73%
Capital buffer for systemic risk (§ 10e KWG)	0.06%	0.06%	0.06%
Capital buffer for otherwise system relevance (§ 10g KWG)	0.25%	0.25%	0.25%
Total requirement	9.59%	11.60%	14.29%

Furthermore, the responsible EU authorities also specify a minimum "MREL" ratio for NORD/LB at Group level for the resolution of credit institutions and investment firms (SRB). MREL stands for minimum requirement for own funds and eligible liabilities which banks in the EU are obliged under Directive 2014/59/EU on establishing a framework for the recovery and resolution of credit institutions and investment firms (BRRD) to hold as a buffer for losses and recapitalisation for a potential resolution event. In accordance with BRRD, several different combined MREL minimum sizes must be observed in parallel. Specifically, NORD/LB's SRB stipulated in the reporting period changed minimum MREL ratios for the sum of own funds and total MREL-eligible liabilities on the basis of the total risk exposure amount of 20.77 per cent and on the basis of the leverage ratio exposure (LRE) of 7.95 per cent and for the sum of own funds and legally, structurally and/or contractually subordinated liabilities based on total risk amount of 19.33 per cent and based on the LRE also of 7.95 per cent.

Regulatory Capital Ratios and MREL Ratios

NORD/LB met the minimum regulatory capital ratios and the different "MREL" minimum ratios at Group level in the reporting period.

Based on the regulatory equity ratios reported in the Annual Report as at 31 December 2023, all ratios increased in the reporting period primarily due to the inclusion of positive effects from the 2023 annual financial statements (particularly positive net profit after taxes and an improvement in accumulated other comprehensive income). In addition, subordinated bonds eligible for supplementary capital of nominally € 500 million were issued in the reporting period to strengthen the total capital ratio. These capital improvements more than offset an increase in the total risk amount in the reporting period, resulting primarily from higher RWA from counterparty risks due to new business.

Regulatory capital ratios as at the reporting date (compared with 31 December 2023):

- Common Equity Tier 1 ratio 15.44 per cent (15.15 per cent);
- Common Equity Tier 1 ratio 15.56 per cent (15.28 per cent);
- Total capital ratio 18.46 per cent (17.25 per cent).

The leverage ratio and the various MREL ratios also increased slightly in the reporting period. The leverage ratio increased to 5.54 per cent as at the reporting date (compared with the value as at 31 December

2023 of 5.52 per cent). In the reporting period, a boost provided by parts of the aforementioned capital improvements was dampened by an increase in the LRE.

MREL ratios as at the reporting date (compared with 31 December 2023):

- MREL ratio based on the total risk exposure amount: 45.72 per cent (45.06 per cent);
- MREL ratio based on the leverage ratio exposure (LRE): 16.29 per cent (16.28 per cent);
- Subordinated MREL ratio based on the total risk exposure amount: 41.13 per cent (40.40 per cent);
- Subordinated MREL rate based on the LRE: 14.65 per cent (14.59 per cent).

A change made in the reporting period to the terms of issue ("consent solicitation") of supplementary capital instruments issued by NORD/LB in the past under English law on the basis of a procedure under English law had no effect on the regulatory equity ratios and the various MREL ratios in the reporting period, but impacted them from 2025. Without countermeasures, these instruments would have stopped being recognised as supplementary capital and MREL-eligible capital from 2025 due to the impact of "Brexit". By adding "bail-in clauses", the majority of these instruments will continue to qualify as both supplementary capital and MREL-eligible capital until the contractual maturity.

External Ratings

Moody's Investors Service

On 15 March 2024, Moody's raised NORD/LB's "standalone rating" ("baseline credit assessment") by one level from "ba3" to "ba2" due to the Bank's increased resilience, which is expressed in particular in the quality of assets, capitalisation ratios and profitability. In its justification, Moody's also referred to the Bank's improved result before risk provisions. Due to the increased mutual liability within the Savings Banks Finance Group via the Institutional Protection Scheme, the long-term rating was also increased by a further three notches. Overall, the Bank's long-term rating improved by four notches from "A3" to "Aa2". The rating outlook is "stable".

Fitch Ratings

On 2 February 2024, Fitch increased NORD/LB's "viability rating" a notch to "bb+" due to the Bank's improved performance, profitable new business and sustainable growth. On 8 July 2024, Fitch also raised NORD/LB's long-term rating by two levels from "A-" to "A+". As a result, the ratings for "senior preferred debt" and "senior non-preferred debt" improved by two levels each. The rating for subordinated instruments (Tier 2) was increased by a total of six levels. The upgrade is largely due to NORD/LB's affiliation with the Savings Banks Finance Group and the Institutional Protection Scheme. The rating outlook is "stable".

DBRS Morningstar

On 1 December 2023, DBRS Morningstar confirmed NORD/LB's long-term rating of "A (high)" with a stable outlook. The long-term rating of the Savings Banks Finance Group is key to NORD/LB's long-term rating. At the same time, DBRS Morningstar increased NORD/LB's "intrinsic assessment" by one level to "BBB". This upgrade was due to the significant progress made by NORD/LB in the restructuring, the return to profitability, the reduction of risk since recapitalisation, the further strengthening of the regulatory capital ratios and the maintenance of the customer business throughout the entire restructuring phase.

Report on the Earnings, Assets and Financial Position

The previous year's figures for the period 1 January to 30 June 2023 or as at 31 December 2023 are given in brackets below.

Earnings Position

Earnings before taxes in the NORD/LB Group were € 224 million (€ 143 million) in the first half of 2024.

Compared with the previous year, the higher result was due in particular to a growth in net interest income, net commission income and other operating profit/loss. This was partially offset by the risk provisioning result, which was positively influenced by non-recurring effects in the previous year.

The income statement figures can be summarised as follows:

	1 Jan. - 30. Jun. 2024 (in € million)	1 Jan. - 30. Jun. 2023 (in € million)	Change (in %)
Net interest income	602	517	16
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Profit/loss from hedge accounting	15	19	- 22
Profit/loss from shares in companies	6	10	- 39
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Key figures			
Cost-Income-Ratio (CIR)	57.9%	77.5%	- 25
Return-on-Equity (RoE) before taxes	6.34%	4.21%	51

Interest income increased by € 85 million to € 602 million (€ 517 million). The active interest margin contribution as at 30 June 2024 was € 398 million, slightly above the previous year's level for the same period (€ 393 million). A slight decline in volumes in the lending business, due exclusively to reclassifying the aircraft portfolio intended for sale, was offset by higher margins. The deposit business achieved a positive contribution to earnings of € 135 million (€ 175 million), which was buoyed by last year's interest rates in line with developments at other banks. Interest income from bonds and receivables from the trading portfolio also improved by € 26 million compared with the previous year. Furthermore, interest income from financial assets at fair value through other comprehensive income increased by € 20 million. This can be explained by the portfolio of floating-rate securities, which benefits from the general rise in interest rates compared with prior year end. In addition to this, sales and maturities over the past 12 months were replaced by securities with higher fixed interest coupons. Dividend income also included a 5 million higher distribution from a participation. In addition, income from the amortisation of hedge accounting derivatives increased by € 22 million to € 67 million (€ 44 million) due to the higher interest rate level in the short-term maturity bands of the yield curve compared to 30 June of the previous year. This trend was amplified by the optimisation of portfolio fair value hedge (PFVH) accounting. Interest income

from the amortisation of the PFVH adjustment items also had a positive effect with a decrease in expenses of € 12 million to € -67 million (€ -79 million). This resulted from lower net inventories of separate line items (SLI) due to amortisation that has already been made and the declining interest rates in the past calendar year.

Net commission income increased by € 21 million to € 118 million (€ 97 million) year on year. This resulted, on the one hand, from a rise in commission income to € 148 million (€ 139 million) and from a reduction in commission expenses to € 31 million (€ 43 million). The decline in commission income in the brokerage business was easily more than offset by higher commission income in the lending and guarantee business. In addition, commission income in the securities and custody account business increased slightly compared with the previous year. The decline in commission expenses resulted in particular from guarantee commissions. The reasons for this are, firstly, the lower fees for the financial guarantees of the State of Lower Saxony, which decreased to € 7 million (€ 16 million) in the reporting period. Secondly, commission expenses for the NorthVest II hedging transaction of € 9 million from the previous year were completely eliminated. Slight increases in commission expenses in the other lending business and in other commission expenses offset this.

At € 9 million, the **profit/loss from fair value measurement** improved slightly compared with the same period in the previous year (€ 0 million). Here, the result from financial instruments designated at fair value through profit or loss was very positive at € 110 million (€ -61 million). Furthermore, in the first half of the year, positive measurement effects of € 1 million (€ -46 million) were recognised in connection with the guarantees of the State of Lower Saxony. In addition, the trading result from interest rate derivatives was also increased with a profit contribution of € 12 million (€ -7 million), which mainly resulted from realisation and valuation gains from swaptions and futures transactions on fixed-income securities, which more than offset the higher expenses from a receiver surplus in interest rate swaps. This was mitigated by a drop in trading income in the area of interest-bearing securities and receivables of € -213 million to € -111 million (€ 102 million). The decline was mainly due to a higher EUR interest rate level in the short and medium-term maturity bands compared to the same period of the previous year. The slightly negative foreign exchange result of € -1 million (€ 7 million) was mainly influenced by exchange rate fluctuations and changes in inventories. Furthermore, the item includes sales margins from securities as well as interest rate and currency derivatives of € 25 million (€ 51 million).

Risk provisioning in the amount of € -61 million fell sharply compared with the same period of the previous year (€ 23 million). This was due, on the one hand, to the negative risk result in stages 1 and 2 in the amount of € 31 million, which was largely due to additions to new loans. Additional expenses were also incurred in stage 3 totalling around € 29 million. In addition, the risk provision result in the previous year was positively influenced by high additions to written-off receivables in excess of € 35 million and only low direct write-offs amounting to € 3 million. In the first half of 2024, on the other hand, direct write-offs and recoveries on receivables already written off offset each other by around € 9 million each. In addition, approximately € 10 million was allocated to the management adjustment to adequately take into account the continuing challenging macroeconomic environment in the first half of 2024.

In the **disposal profit/loss from financial instruments not measured at fair value through profit or loss** of around € 1 million (€ 7 million), higher profit contributions from the disposal of receivables measured at amortised cost were almost completely offset by lower profit contributions from deposits.

The **profit/loss from hedge accounting** amounting to € 15 million (€ 19 million) was due to € 8 million from the profit/loss of the PFVH and € 6 million from the profit/loss of the micro-fair value hedge relationships. Both profit contributions largely arose from multi-curve effects - i.e. the change in the different valuation curves (basic risks) relative to each other.

The **profit/loss from shares in companies** amounted to € 6 million (€ 10 million). This effect was mainly due to lower earnings from write-ups of three affiliated companies.

Profit/loss from investments accounted for using the equity method remained unchanged at € 3 million compared with the previous year (€ 3 million).

Administrative expenses fell significantly year on year by € 28 million to € -415 million (€ -443 million). In particular, € 16 million lower audit and consulting costs (€ 21 million (€ 36 million)), € 8 million lower IT and communication expenses (€ 100 million (€ 109 million)) and around 2 million lower service costs (€ 9 million (€ 12 million)) had a positive effect here.

The significant improvement in **other operating profit/loss** to € -30 million (€ -69 million) was mainly due to the elimination of allocations to bank levies in the first half of 2024.

At € -23 million (€ -19 million), **profit/loss from restructuring and transformation** was slightly lower than in the previous year. This reflects, among other things, expenses for completing the NORD/LB 2024 transformation programme.

The **tax expense** of € 29 million (€ 35 million) was mainly due to the current tax burden in Germany and, in the case of foreign branches, owing to positive earnings before taxes in the first half of the year.

The **cost/income ratio (CIR)** of 57.9 per cent improved significantly compared with the previous year (77.5 per cent) as a result of higher earnings.

At 6.34 per cent, the **return on equity (RoE)** was well above the previous year's level (4.21 per cent), in particular due to the positive earnings before taxes.

Assets and Financial Position

Balance Sheet

Total assets went up from € 1,308 million to € 113,289 million, which was due in particular to an increase in trading assets.

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)	Change (in %)
Trading assets	8 682	7 442	17
Financial assets mandatorily at fair value through profit or loss	473	604	- 22
Financial assets at fair value through other comprehensive income	10 642	10 708	- 1
Financial assets at amortised costs	87 005	87 697	- 1
Shares in companies	580	574	1
Investments accounted for using the equity method	58	57	2
Other assets	5 849	4 898	19
Total assets	113 289	111 981	1
Trading liabilities	2 720	2 333	17
Financial liabilities designated at fair value through profit or loss	4 358	4 139	5
Financial liabilities at amortised costs	96 993	96 125	1
Provisions	2 526	2 641	- 4
Other liabilities	- 285	- 122	> 100
Equity	6 977	6 865	2
Total liabilities	113 289	111 981	1

Assets

At € 87,005 million (€ 87,697 million), **financial assets at amortised cost** was the largest balance sheet item on the assets side by amount. The principal parts of the traditional credit and lending business are reported in this category. The decline of € 692 million is mainly due to the reclassification of the Aviation receivables portfolio to the balance sheet item assets held for sale.

Trading assets of € 8,682 million (€ 7,442 million) increased by € 1,240 million, mainly in the area of portfolios of debt securities and fixed-income securities held for trading purposes in the amount of € 1,989 million to € 3,437 million (€ 1,448 million). This was offset by the decline in receivables held for trading purposes of € -650 million to € 2,961 million (€ 3,611 million), which was mainly influenced by the reclassification of the portfolio of receivables from aircraft financing to assets held for sale. In addition, the positive fair values of derivative financial instruments of € -99 million decreased to € 2,284 million (€ 2,383 million) due in particular to lower positive fair values from currency derivatives of € -145 million resulting from currency and base spread-induced effects. This was offset by the positive fair values from interest rate derivatives, which recorded an increase of € 45 million due to the higher interest rate level.

Financial assets mandatorily at fair value through profit or loss primarily comprise debt securities and receivables. The change in the portfolio of € -131 million to € 473 million resulted mainly from the maturing of a public debt certificate in the amount of around € -100 million as well as from a maturing of a security of € -27 million (nominal).

Financial assets at fair value through other comprehensive income in the amount of € 10,642 million (€ 10,708 million) included securities of € 10,340 million (€ 10,308 million) that are used for short and medium-term liquidity management or that are not generally intended to be held. In the first half of the year, purchases of securities exceeded sales and maturities and thus contributed significantly to the increase of € 32 million. On the other hand, there were negative measurement effects not carried through profit or loss due to the generally rising interest rate level compared with the previous year, in particular on the short and medium-term maturity bands. In addition, there was a fall in receivables of € -99 million

to € 302 million (€ 401 million), mainly due to a portfolio reduction in promissory notes and promissory note loans.

The € 6 million increase in **shares in companies** to € 580 million (€ 574 million) was mainly due to write-ups of three investments that increased the carrying amount.

At € 5,849 million (€ 4,898 million), **other assets** comprised the cash reserve, hedge accounting asset balances, property and equipment, investment property, intangible assets, assets held for sale, income tax assets and other assets. Compared with the end of the previous year, the establishment of the item assets held for sale in the amount of € 1,458 million due to the reclassification of receivables from the aircraft portfolio from assets held at amortised cost and trading assets was the largest contribution to the change in other assets.

Liabilities

At € 96,933 million (€ 96,125 million), **financial liabilities at amortised costs** was the largest category on the liabilities side by amount. It consisted of deposits in the amount of € 74,706 million (€ 74,239 million) and securitised liabilities in the amount of € 22,287 million (€ 21,886 million). The increase resulted from the rise in securitised liabilities by € 402 million, in particular due to significantly higher new issues compared with total maturities and an increase in deposits of € 467 million.

Trading liabilities of € 2,720 million (€ 2,333 million) mainly included derivative financial instruments with negative fair values of € 2,507 million (€ 2,319 million). The change in this position was mainly due to the € 141 million increase in negative fair values from interest rate swaps due to the increased interest rate level compared with the previous year, in particular in the short and medium-term maturity bands. Fair values of currency derivatives were also up in the amount of € 50 million due to exchange rate fluctuations and changes in basis spreads. In addition, reflecting market conditions the inventory of short sales increased by € 199 million to € 213 million (€ 14 million) compared with the previous year's financial statements. All of these transactions are hedged via repurchase agreements, so that no real short positions arose.

For **financial liabilities designated at fair value through profit or loss**, the NORD/LB Group uses the fair value option to reduce or avoid accounting mismatches. The increase in the portfolio of € 219 million was mainly due to new issues more than offsetting repayments in the first half of the year. As a result, the nominal amount of own issues increased by € 187 million.

The total amount of **provisions** fell compared with the previous year by € -116 million to € 2,526 million. This was due mainly to a decrease in provisions for pensions and state aid obligations of € 2,006 million (€ 2,091 million) owing to the higher actuarial interest rate of 3.60 per cent as at 31 December 2023 increasing to 3.85 per cent as at 30 June 2024. Due to the implementation of the personnel measures as part of the NORD/LB 2024 transformation process, the existing restructuring provisions were transferred to the provision for the personnel department item. As a result, long-term employee benefits increased to € 347 million (€ 33 million) while restructuring provisions decreased to € 22 million (€ 356 million).

Other liabilities in the amount of € -285 million (€ -122 million) consisted of negative fair values from hedge accounting derivatives, the balancing item for financial instruments hedged in the fair value hedge portfolio, from Liabilities held for sale, income tax liabilities and Other liabilities. Liabilities held for sale were recognised from the Aviation portfolio transaction in the amount of € 24 million.

Balance sheet equity increased to € 6,977 million (€ 6,865 million). This development was caused by the positive overall result for the period (OCI) in the amount of € 119 million. This resulted mainly from the

positive half-year result as well as a positive effect from the revaluation of pension and benefit obligations, as the interest rate used to calculate pension obligations increased (31 December 2023: 3.60 per cent; 30 June 2024: 3.85 per cent). The change in the fair value of financial instruments had an offsetting effect. Please refer in this regard to the condensed statement of changes in equity in the consolidated interim financial statements.

The total **contingent liabilities and other liabilities** fell by € 231 million to € 15,059 million (€ 15,290 million) as at the reporting date, in particular due to a decline in loan commitments.

Liquid Assets

NORD/LB's liquidity situation was adequate in the first half of 2024. In the first half of 2024, the internal liquidity stress scenario relevant for management purposes was managed for NORD/LB entirely in the green phase, both at Group level and in AöR, and indicated an adequate liquidity situation as at the reporting date.

As at 30 June 2024, the liquidity coverage ratio (LCR) stood at 138.2 per cent (136.6 per cent).

Detailed descriptions and explanations of liquidity risk management, liquidity procedures and the change in the liquidity risk over the reporting period can be found in the extended risk report.

Overall Assessment

The NORD/LB Group reported positive earnings before taxes of € 224 million (€ 143 million) for the first half of 2024, which were significantly higher than in the same period in the previous year. The higher result was due in particular to a growth in net interest income and net commission income. In addition, a moderately positive measurement result was achieved in the fair value result. This was offset by a negative risk provisions result, which was largely made up of allocations to risk provisions due to higher new loans. In addition, the management adjustment was increased slightly to adequately take into account the continuing challenging macroeconomic environment in the first half of 2024.

Total assets increased slightly to € 113.3 billion (€ 112.0 billion). On the asset side, this was mainly due to the build-up of the portfolio of bearer securities held for trading. On the liabilities side, liabilities measured at amortised cost increased due to a higher volume of new issues as well as trading liabilities from the increase in negative fair values of interest rate swaps, which was attributed to the increased interest rate level, in particular in the short and medium-term maturity bands.

NORD/LB met the minimum regulatory capital ratios at Group level at all times in the reporting period.

Forecast, Opportunities and Risk Report

General Economic Development

Global Economic Outlook

In many currency areas, following the key interest rate hikes by the central banks, monetary policy is a key factor that can have an impact on economic growth and general economic stability. From a global perspective, the inflation environment is now significantly less challenging; in NORD/LB's opinion, the issue of key interest rate cuts to support economic activity should therefore remain on the agenda of many central banks - or become increasingly important to them. The ECB, which already slightly reduced the key interest rate level in the eurozone in the first half of 2024, will feel some further pressure to act over the coming quarters. The US Federal Reserve is also likely to see its way to slowly cutting key interest rates over the course of 2024. This should also tend to lead to lower capital market yields in the United States, which should help the North American real estate market, among other things. However, both central banks will only want to act very cautiously in order not to trigger increased fears of inflation on the financial markets. Theoretically, lower yields in the US should also favour the euro, although no excessively dramatic movements in the foreign exchange markets should be expected.

The prospect of a looser monetary policy in many currency areas should boost the global economy. As a result, various countries are unlikely to experience at least sustained weak GDP growth rates. For example, we expect economic growth to stagnate in Germany throughout 2024 and real economic activity to increase by 2.4 per cent in the US. However, geopolitical risks remain a problem for the global economy. In addition to the Russia/Ukraine war, reference should also be made in this context to the phenomenon of de-globalisation and the presidential election in the United States. The latter may also have important implications for the EU. Even greater protectionism in the USA, for example, would be a particular problem for export-oriented Germany.

Key sectors for NORD/LB are explained below.

Finance Sector

The main challenges facing the banking market are likely to lie in the current economic and political developments as well as the monetary policy decisions made by the central banks. It can be assumed that the currently weak economic environment will continue to have an impact on the asset quality of banks. However, banks have already set aside risk provisions, particularly for the segments that are more affected by economic and monetary developments. The key rate cut decided by the European Central Bank in June 2024 could have the effect of mitigating the current credit risk trend through economic recovery. On the other hand, lower interest income is also expected due to the reduction in the key interest rate, which will have a corresponding impact on profitability.

Furthermore, it can be assumed that the strategic focus on core business segments already initiated by many banks will continue. This includes, among other things, the sale of non-strategic assets/equity investments and the expansion of their core business segments, some of which supported by strategic acquisitions. In addition, the existing cost and earnings pressure as well as strong competition will continue to keep the pressure high on the banking market to consolidate. In this context, we can also see the high investment costs in the course of digitalisation, due to the increasing importance of artificial intelligence, among other things, as well as the constantly increasing requirements for IT security due to growing cyber risks. Another focus will remain on the gradual implementation of regulatory requirements, e.g. in connection with Basel IV and ESG. The implementation of ESG standards should place greater focus on sustainability, thereby promoting the transformation of the economy. It is also important to observe further developments in the area of digital currencies.

Renewable Energies

The expansion of renewable energies is of central importance for securing future energy supply and achieving climate targets. Legislators around the world have therefore taken various measures and set up support programmes to promote the expansion of renewable energies, improve investment conditions and reduce bureaucratic hurdles.

Despite possible political instability and uncertainties as a result of various important national elections, which may also result in price changes in climate and energy policy, the expansion of renewable energies is forecast to accelerate again in 2024 based on the given framework conditions. Forecasts show that newly installed renewable energy capacity is expected to break through 700 GW in 2024. This increase is again being driven by a significant increase in photovoltaics, which is expected to bring about an increase of almost 32 per cent to around 590 GW. However, another record is also expected for the global expansion of wind power capacities in 2024. In this segment, an increase of almost six per cent to a total of 124 GW is forecast.

Real Estate

The construction and real estate sector is likely to be heavily impacted by economic and structural challenges as well as geopolitical uncertainties in the second half of 2024. The outlook for the German construction industry remains gloomy due to ongoing high material and interest costs and the resulting weak order situation (real sales forecast for 2024: -4.0 per cent). In view of the ongoing challenges in housing construction, a positive trend reversal is also not expected in Europe until next year (sales forecast for Euroconstruct-19 countries in 2024: -2.7 per cent, 2025: +1.3 per cent). Overall, the real estate investment market should gradually recover in the second half of 2024. The global transaction volume is likely to increase by up to 7 per cent and the European transaction volume by around 10 per cent in 2024 as a whole compared with the previous year. For the German investment market, a slight recovery at a comparatively low price level is expected for 2024 as a whole. The total transaction volume for residential and commercial real estate is estimated at around € 30.0 billion (2023: € 28.6 billion).

Group Forecast with Opportunities and Risk Report

The following statements refer to the statements on the forecast and opportunities and risks presented in the combined management report as at 31 December 2023 and should be read together. In particular, new findings or deviations from the forecast presented there will be discussed below.

Forecast

The updated company forecast reflects the very positive course of the financial year so far and the continued positive outlook that the Bank has created with its successful transformation, high level of cost discipline and impetus from measures to strengthen profitability. Compared with the original forecast based on the Bank's planning, a higher Group result is expected, which would still be in the low three-digit million range. A linear continuation of the good half-year result is probably not possible in light of expected special effects, economic growth and its effect on risk provisions, and based on the anticipated falling interest rate level in the second half of the year. The forecast for the cost-to-income ratio (CIR) and return on equity (RoE) is being raised.

	Updated forecast for 2024	Initial forecast for 2024	01 Jan. - 31 Dec. 2023
Earnings before taxes (in Mio €)	low triple digit million amount	low triple digit million amount	271
Cost-Income-Ratio (CIR)	slightly improved level in comparison to the previous year	slightly higher level in comparison to the previous year	73.5%
Return on Equity (RoE) before taxes	At or slightly above previous year's level	positive, slightly lower in comparison to the previous year	4.0%

The Bank's positive earnings trend is a major driver of this improved outlook. The upgrading of the Bank's rating has had a positive effect on refinancing expenses, which benefited the strong operating income in the core segments. The Bank also benefited from higher margin and investment results in conjunction with the longer-lasting high interest rate level, in particular in the money market sector.

In terms of the risk result, the forecast is based on a higher impairment requirement compared with the previous year, which will be covered in part by the reversal of management adjustments formed. Overall, a slightly better risk result is expected compared with the previous year.

As a visible consequence of the successful transformation on the one hand and a high level of cost discipline on the other, the forecast of a slight decline in administrative expenses still stands.

Opportunities and Risks

In the combined management report as at 31 December 2023, the Bank did not make any significant changes to its assessment of opportunities and risks for business performance in 2024. In particular, global economic uncertainties will persist as a result of the many geopolitical tensions such as the war in Ukraine, the conflict in the Middle East and the political tensions between China and the West. The weak economic situation in Germany carries the risk of it negatively impacting firstly the scope of planned business activities and associated earnings and secondly the scope of impairment loss allowances. Risks on the commercial real estate markets are also being closely monitored. At the same time, a more-favourable-than-expected economic situation offers the opportunity for a better earnings growth and a lower risk provisioning requirement. This may also have a positive effect on profit before taxes as well as on the CIR and RoE key figures.

The future interest rate level also presents both opportunities - especially if the high interest rate levels of the money market last much longer - and risks. Fluctuations in other parameters relevant to the fair value measurement, such as interest rates and credit spreads, is potentially associated with earnings risks or opportunities.

Opportunities and risks in relation to the Bank's result also exist in the implementation of its various projects and measures, which are aimed at completing the NORD/LB 2024 transformation process as well as strengthening the Bank's profitability and further developing its technical infrastructure.

Furthermore, an earnings risk is attributed to the competitive labour market conditions in terms of recruiting and retaining talent. In the course of economic stabilisation, NORD/LB has become a much more attractive employer. A cost risk is to be assigned to the current collective bargaining round at public banks.

The forecast at the end of the financial year takes into account all known regulatory requirements and expenses for deposit guarantee schemes. Potential new requirements or reliefs carry risk, but also provide opportunities for results, regulatory capital ratios, the leverage ratio and subsequently also for NORD/LB's MREL ratio.

Extended Risk Report

Risk Management

The NORD/LB Group's risk management and the corresponding structural and process organisation, the procedures implemented, methods of risk measurement and monitoring, and the risks to the Group's development were presented in detail in the Annual Report 2023. Consequently, this interim report only describes significant developments in the reporting period.

Risk-Bearing Capacity

The risk strategic and regulatoric requirements (CET1, T1 and total capital) were consistently complied with in the first half of 2024. The risk-bearing capacity is met as at 30 June 2024.

The economic perspective of risk-bearing capacity defines the CET1 capital as the maximum value for risk capital and considers deductions from economic points of view, e.g. hidden losses and anticipated losses. Compared with the end of the previous year, risk capital increases by € 86 million. The € 288 million increase in the Common Equity Tier 1, in particular due to the inclusion of the annual result, can overcompensate the significant increase in hidden losses by € 202 million to € 473 million. The increase in hidden losses compared with the end of the previous year results in particular from the reduction in the eligible OCI result by € 185 million to the current level of € 0 million. The risk potentials are at the same level as at the last reporting date (€ -8 million), resulting in internal risk capital of € 6.0 billion being offset by an aggregated risk position of € 2.4 billion (relating to a confidence level of 99.9 per cent) as at 30 June 2024. The utilisation of the risk-bearing capacity is 40 per cent.

Economic risk limits were monitored based on an approved operating limit in the amount of € 4.3 billion. As at 30 June 2024, the operating limit was utilised at 55 per cent and fully covered the risk positions. The requirements in relation to the maximum permitted limit utilisation rate and allocation at material risk type level defined in the Group risk strategy are met as at the current reporting date.

The total economic risk potential as at the reporting date is at the same level as at the end of 2023. In the case of counterparty risk potential, the unexpected loss increases slightly over the course of the year (+ € 35 million). Looking at the pillars of the business model, the risk (expected loss and unexpected loss) continued to increase in the first half of the year in particular for real estate customers, which was largely determined by the increase in expected loss. In the case of operational risk, the risk potential decreases as expected by around €60 million over the course of the six-month period, mainly due to a change in methodology to avoid double counting. The Group's liquidity risk remains almost constant at a relatively low level due to the continued high levels of free surplus cover in the cover registers. The Bank's available covered issue potential can be used to close almost all refinancing gaps within the liquidity maturity balance sheet. Market-price risk potential is at the level of the year-end.

The still ongoing transformation of the Bank to a lower-risk and more streamlined business model has a significant influence on the earnings power and profitability of the Bank. NORD/LB therefore decided in 2020 to count business and strategic risk as another material risk type in addition to the previously as material defined risk types (counterparty, market price, liquidity and operational risk), although the risk value does not exceed the materiality threshold. The risk is included in the risk-bearing capacity calculation as part of the "reserve for other risks", which is part of the risk strategy. € 860 million are allocated for the "reserve for other risks" as part of the limitation, of which € 498 million is currently claimed (thereof € 143 million is for business and strategic risks). Furthermore, the business and strategic

risk is monitored on a quarterly basis using defined profit & loss positions. The threshold values defined for monitoring were consistently complied with in the reporting period.

Since the reporting date of 30 September 2023, an amount of € 150 million is allocated to other risks as a temporary buffer for ESG risks in order to take into account possible ESG risks that have not yet been fully mapped by the risk models. The previous qualitative and quantitative analyses do not show any immediate need for action to adjust the risk models, but new findings may arise from the planned further analyses (e.g. geographical analyses and stress tests).

In the normative perspective (scenario-based consideration), limits have been set on the basis of adverse planning scenarios. These limits were likewise adhered to in the reporting period.

Risk-bearing capacity¹⁾	30 Jun. 2024	31 Dec. 2023
Normative perspective		
Common equity tier 1 capital (in € million)	6 435	6 147
Regulatory risk potentials (in € million)	3 334	3 246
Common equity tier 1 capital ratio (in %)	15.44%	15.15%
Tier 1 capital ratio (in %)	15.56%	15.28%
Total capital ratio (in %)	18.46%	17.25%
Economic perspective		
Total risk potential (in € million)	2 365	2 374
Counterparty risk	991	956
Market-price risk	636	625
Liquidity risk	26	20
Operational risk	215	275
Reserve for other risks (incl. Business and strategic risk)	498	498
Risk capital (in € million)	5 963	5 877
Risk capital utilisation (in %)	39.7%	40.4%

¹⁾ Differences in totals are rounding differences.

Counterparty Risk

Counterparty risk comprises credit risk and investment risk. The changes in the credit risk are shown below.

Analysis of the total exposure

As at 30 June 2024, the NORD/LB Group's total exposure was € 120.2 billion (€ 119.0 billion) and therefore higher compared with the comparison date. The focus of the total exposure continued to be on the very good to good rating categories. The classification is based on the standard IFD rating scale, which has been agreed by the banks, savings banks and associations that belong to the "Initiative Finanzstandort Deutschland" (Initiative for Germany as a Financial Centre - IFD). This rating scale is intended to make it easier to compare the rating categories of the individual credit institutions. NORD/LB uses the 27 rating categories of the DSGV rating master scale aligned with the IFD categories.

The Rating Structure table shows the breakdown of the total exposure of the NORD/LB Group by IFD rating category, subdivided into product types and risk provision stages.

Rating Structure¹⁾²⁾	Loans	Securities³⁾	Derivatives⁴⁾	Other⁵⁾	Total exposure	Total exposure
(in € million)	30 Jun.2024	30 Jun.2024	30 Jun.2024	30 Jun.2024	30 Jun.2024	31 Dec. 2023
very good to good	62 178	13 131	1 723	18 104	95 136	94 824
stage 1 ⁶⁾	55 777	2 824	–	17 886	76 487	75 604
stage 2	5 672	39	–	75	5 787	6 137
fair value	729	10 267	1 723	143	12 862	13 084
good / satisfactory	11 051	321	201	1 522	13 096	12 926
stage 1	8 805	78	–	1 463	10 346	9 775
stage 2	1 897	108	–	59	2 064	2 510
fair value	350	135	201	0	686	641
reasonable / satisfactory	4 888	50	21	546	5 504	5 223
stage 1	3 259	–	–	528	3 787	3 520
stage 2	1 471	–	–	18	1 489	1 470
fair value	157	50	21	–	228	232
increased risk	2 731	16	29	394	3 170	3 107
stage 1	1 190	–	–	215	1 405	1 564
stage 2	1 494	4	–	174	1 672	1 401
fair value	47	12	29	5	93	142
high risk	1 257	–	4	63	1 323	908
stage 1	135	–	–	9	144	172
stage 2	1 098	–	–	54	1 152	733
fair value	23	–	4	–	27	3
very high risk	557	–	3	46	606	650
stage 1	19	–	–	1	20	53
stage 2	535	–	–	45	579	595
fair value	3	–	3	–	6	2
default (=NPL)	1 273	–	1	85	1 358	1 363
stage 3	1 211	–	–	85	1 296	1 269
POCI ⁷⁾	2	–	–	–	2	1
fair value	60	–	1	–	61	92
Total	83 934	13 517	1 982	20 761	120 194	119 000
stage 1	69 185	2 902	–	20 102	92 190	90 688
stage 2	12 167	151	–	426	12 744	12 846
stage 3	1 211	–	–	85	1 296	1 269
POCI	2	–	–	–	2	1
fair value	1 369	10 464	1 982	148	13 963	14 196

¹⁾ The ratings are assigned on the basis of the initiative for Germany as a financial centre (IFD) rating categories.

²⁾ Differences in totals are rounding differences.

³⁾ Includes the securities holdings of third-party issues (only banking book).

⁴⁾ Includes derivative financial instruments such as finance swaps, options, futures, forward rate agreements and currency transactions.

⁵⁾ Includes other products such as pass-through and administered loans.

⁶⁾ The risk provisioning stages of the impairment model are shown (net after fair value deduction).

⁷⁾ Purchased or originated credit impaired assets.

The items rated in the “very good to good” rating category fell over the reporting period by € 0.3 billion. The very high share of the best rating category (very good to good) in the total exposure was 79 per cent (80 per cent). This can be explained by the fact that business with financing institutions with good credit ratings as well as with service industries (including public authorities) has always been very important, and it is therefore also a reflection of the NORD/LB Group’s risk policy. Together, this business continues to account for a significant share of the total exposure at 68 per cent (68 per cent).

Industries by risk provisioning stages ¹⁾²⁾ (in € million)	stage 1 ³⁾ 30 Jun.2024	stage 2 30 Jun.2024	stage 3 30 Jun.2024	POCI ⁴⁾ 30 Jun.2024	Fair Value 30 Jun.2024	Total exposure 30 Jun.2024	Total exposure 31 Dec. 2023
Financing institutes / insurance companies	26 315	133	25	–	5 061	31 535	30 462
Service industries / other	33 640	10 148	771	–	5 716	50 275	50 627
Transport / communications	5 955	526	64	–	951	7 496	6 887
Manufacturing industry	4 450	784	140	2	1 106	6 482	6 339
Energy, water and mining	15 309	428	164	–	905	16 807	17 059
Trade, maintenance and repairs	3 893	190	73	–	156	4 311	4 287
Agriculture, forestry and fishing	2 022	66	38	–	1	2 126	2 148
Construction	599	468	17	–	67	1 151	1 179
Other	6	–	4	–	0	10	12
Total	92 190	12 744	1 296	2	13 963	120 194	119 000

¹⁾ The data is allocated according to the “industry” criterion.

²⁾ Differences in totals are rounding differences.

³⁾ The risk provisioning stages of the impairment model are shown (net after fair value deduction).

Industries ¹⁾²⁾ (in € million)	Loans 30 Jun.2024	Securities ³⁾ 30 Jun.2024	Derivatives ⁴⁾ 30 Jun.2024	Other ⁵⁾ 30 Jun.2024	Total exposure 30 Jun.2024	Total exposure 31 Dec. 2023
Financing institutes / insurance companies	15 386	5 555	462	10 132	31 535	30 462
Service industries / other	42 001	6 487	349	1 438	50 275	50 627
Transport / communications	6 432	271	234	559	7 496	6 887
Manufacturing industry	4 741	676	370	696	6 482	6 339
Energy, water and mining	9 842	450	421	6 095	16 807	17 059
Trade, maintenance and repairs	3 895	57	99	261	4 311	4 287
Agriculture, forestry and fishing	617	–	1	1 509	2 126	2 148
Construction	1 012	21	46	72	1 151	1 179
Other	10	–	–	0	10	12
Total	83 934	13 517	1 982	20 761	120 194	119 000

¹⁾ The data is allocated according to the “industry” criterion.

²⁾ to ⁵⁾ See the preceding Rating structure table.

As a result of collateral offsetting, the risk-weighted assets of material Group companies as at 30 June 2024 fell by € 4.5 billion (€ 6.0 billion), which corresponds to a share of 11 per cent (15 per cent) of the total risk exposure amount before risk reduction. This mainly involved financial collateral as well as sureties and guarantees from countries, banks, companies and mortgages to be used for netting.

Collaterals ¹⁾²⁾ (in € million)	Loans 30 Jun.2024	Securities ³⁾ 30 Jun.2024	Derivatives ⁴⁾ 30 Jun.2024	Other ⁵⁾ 30 Jun.2024	Total exposure 30 Jun.2024	Total exposure 31 Dec. 2023
Mortgages	19 152	–	–	1 408	20 560	19 987
Financial collaterals	306	–	–	28	334	416
Sureties and guarantees	2 398	12	12	358	2 779	3 602
Others	1 271	–	–	29	1 300	667

Up to ⁵⁾ See the preceding Rating structure table.

As part of the annual stress test programme for 2024, NORD/LB’s resilience in the event of a possible crisis in the real estate market was also examined. Three different scenario sequences with different severity levels were analysed over a medium-term capital planning horizon. Overall, a simultaneous crisis had a significantly negative impact in both the Commercial Real Estate and Residential Real Estate segments. An

early warning threshold was exceeded in both ICAAP and ILAAP, while the other limits and early warning thresholds were complied with.

The breakdown of total exposure by region shows that the eurozone accounts for a hefty 85 per cent (85 per cent) of the total exposure and remains by far the most important business region for the NORD/LB Group. Germany's share was 69 per cent (69 per cent) of the total exposure.

Regions ¹⁾²⁾	Loans	Securities ³⁾	Derivatives ⁴⁾	Other ⁵⁾	Total exposure	Total exposure
(in € million)	30 Jun.2024	30 Jun.2024	30 Jun.2024	30 Jun.2024	30 Jun.2024	31 Dec. 2023
Euro countries	70 497	10 506	859	20 571	102 434	101 191
Of which: Germany	56 313	6 640	423	19 434	82 810	82 527
Other Europe	7 331	923	493	149	8 896	8 443
North America	4 138	1 516	75	2	5 731	6 201
Middle and South America	649	–	8	39	696	728
Middle East / Africa	109	–	–	–	109	104
Asia / Australia	1 209	572	546	0	2 328	2 332
Total	83 934	13 517	1 982	20 761	120 194	119 000

¹⁾ The figures are reported by the country in which the borrower is legally domiciled.

²⁾ to ⁵⁾ See the preceding Rating structure table.

The other countries below were selected on the basis of the rating-dependent limit utilisation and a country-specific risk assessment, e.g. current natural disasters, current political developments and the specific composition of portfolios. The focus was then refined further based on the criterion of credit risk exposure.

The holdings in the United Kingdom amounted to € 4.7 billion (€ 4.5 billion), which was primarily divided into € 3.8 billion (€ 3.5 billion) Corporates & Others and € 0.9 billion (€ 1 billion) Financial Institutions & Insurance Companies as well as € 0 million (€ 66 million) Sovereign Exposure. In Poland, the NORD/LB Group had an exposure of € 1.1 billion (€ 1 billion); divided into € 888 million (€ 808 million) Corporates & Others and € 108 million (€ 128 million) Financial Institutions & Insurance Companies as well as € 72 million (€ 81 million) Sovereign Exposure. In China, NORD/LB had an exposure of € 131 million (€ 109 million), which consisted exclusively of Corporates & Others. NORD/LB currently holds portfolios of € 193 million (€ 187 million) in Mexico and €36 million (€39 million) in Israel.

In addition to direct exposure, the reported exposure also comprises indirect exposure (primarily credit default swaps). The calculation is based on utilisation (in the case of guarantees, the nominal value, and in the case of securities, the carrying amount pursuant to the German Commercial Code (HGB)), and the credit equivalent resulting from derivatives (including add-ons and with due consideration of netting). Irrevocable and revocable credit commitments are included proportionally in the total exposure, while collateral provided to the NORD/LB Group is not taken into account.

The sovereign exposure also includes exposure to regions, municipalities and state-related companies for which the respective central government has a guarantee.

Credit risk plays a central role in the context of ESG risks. These risks are taken into account using the various instruments shown below, which must be continuously developed in line with developments in the environment and society.

ESG scores are used to classify ESG risk in the credit decision on an aggregated basis. At the risk classification level, these ESG scores supplement the proven IRBA rating procedures as an additional element by taking ESG-specific risk factors into account and systematically consolidating them in a combined ESG rating.

NORD/LB indirectly takes into account credit rating-related ESG risks in risk provisioning via credit risk parameters such as PD, ratings and LGD by taking into account qualitative aspects such as the corporate

strategy, the quality and the location of a property, as well as by overwriting in the respective rating and LGD procedures or incorporates them via real estate and collateral securities.

The significance of these risk factors or their transmission channels will be further analysed at various points in relation to the types of risk. In terms of credit risk, this issue is taken into account in the further development of both the ESG scores and the rating procedures. In 2023, NORD/LB participated in joint projects of the Landesbanks and savings banks to develop such ESG scores for the wholesale and retail business. Following the introduction of an ESG score for the retail business in 2022, an ESG score for the wholesale business was also established in the second half of 2023. In the second half of 2024, an expansion to the Financials and Project/Project Financing segment is planned. The ESG scores represent a structured ESG risk assessment at individual client level. In the event of an increased ESG score, increased ESG risks are assumed for the client, after which a more in-depth analysis must be carried out with the ESG risk drivers. In addition, NORD/LB is continuously working on gradually expanding to include other asset classes.

Finally at the end of the year, based on the recognition that ESG risks can have a significant impact on NORD/LB's risk potential, an additional amount was allocated in the risk inventory to the reserve for other risks. This buffer is intended to take into account possible ESG risks that have not yet been fully mapped by the risk models.

The Bank is constantly developing the methodology for key risk indicators introduced for the proportion of high-risk sectors or areas with regard to physical and transitory risks. In the first half of 2024, based on more granular data, among other things, a change in methodology was made to the assessment of physical climate and environmental risks to also now include mitigating measures such as flood protection. NORD/LB defines high-risk sectors as sectors that are characterised by increased climate and environmental risks in the form of physical and transitory risks and in which the Bank holds a significant share in the portfolio. High-risk sectors currently include agriculture, food, real estate, aviation and non-renewable energy. The identification of high-risk sectors is updated annually. For financing in high-risk sectors, additional sector analyses are carried out with the aim of analysing the effects of climate and environmental risks on the borrower. On this basis, suitable management impulses should be derived for monitoring and controlling the portfolio in the future.

Equity Investment Risk

To reduce complexity in the Group and lower capital commitment and potential risks from investments, NORD/LB has in recent years, based on a critical assessment of its equity investment portfolio, divested itself of numerous investments that were neither strategically significant nor met the return expectations. This long-term strategy, which has since been implemented to a large extent, will be continued during the reporting year. In 2024, one holding has been liquidated so far. There were no new additions.

The equity investment risk was calculated for the reporting period by using the model for counterparty risks, which views credit and equity investment risks on a consolidated basis. The integration approach is designed so that equity investment and credit risks are simulated together to provide an integrated view.

The risk calculated for the equity investment portfolio for the reporting half-year totalled € 375 million (€ 357 million for unexpected loss and € 18 million for expected loss). This was a slight increase of € 16.3 million compared with the last reporting date. This increase was mainly a result of the rise in unexpected loss (+ € 16 million). The reason for this was the € 13.7 million increase in the investment exposure compared with the previous year due to the increase in the value of individual investments.

The adequacy of the parameters used for the equity investment analysis concept of NORD/LB were reviewed regularly. No anomalies were identified in the result. The only remaining significant investment, NORD/LB Luxembourg, is being looked at in view of the existing risks. As at 30 June 2024, there were again twelve significant equity investments that were relevant for the risk-bearing capacity of NORD/LB.

Market-price Risk

In the first half of 2024, interest rates increased slightly in both the eurozone and the US dollar. Credit spreads narrowed slightly in the first quarter compared with the end of the previous year, but widened again at the end of the second quarter. As measured by cross-currency basis spreads between US dollar and euro interest rates, the yield differential expanded slightly since the beginning of the year.

In accordance with ICAAP, management of the market-price risks comprises the economic and the normative perspectives. The limits in the economic and normative perspectives were complied with as at the reporting date.

In the economic perspective, the process of historic simulation is applied uniformly across the entire Group. The value-at-risk (VaR) is calculated in the analyses of risk-bearing capacity at a confidence level of 99.9 per cent and a holding period of 250 trading days.

As at 30 June 2024, the VaR calculated for NORD/LB in the economic perspective amounted to € 636 million. This corresponded to a rise of € 11 million compared with the end of the prior year (€ 625 million). The limit utilisation was 45 per cent (44 per cent) as at the reporting date.

In the correlated total risk exposure in the economic perspective, interest-rate risks and credit-spread risks dominated. The widening of the credit spread was due in particular to the purchase of securities to hedge pension obligations. All other sub-risks were of minor significance. The correlated total risk exposure for NORD/LB breaks down into the following individual partial risks:

Market-Price Risks ¹⁾ in € million	Economic perspective				
	30. Jun 2024	31. Mar 2024	31. Dec 2023	30. Sep 2023	30. Jun 2023
Interest rate risk	307	305	313	325	377
Credit-spread-risk	535	510	493	477	469
Currency risk	20	19	32	36	41
Stock price and fund price risk	1	1	1	1	1
Volatility risk	3	5	9	5	9
Other add-ons	6	3	3	1	3
Total risk²⁾	636	594	625	561	677

¹⁾ Value at Risk (99.9 per cent; 250 days holding period)

²⁾ Due to diversification effects, the overall risk is smaller than the sum of the individual risks.

The operational limiting of the individual sub-portfolios in the trade and treasury section of the relevant units of NORD/LB is implemented by way of corresponding sub-limits, which are derived from the total limit for market-price risks for NORD/LB. The operational limiting of the corresponding VaR ratios is implemented with different parameters (confidence level, holding period) than in the risk-bearing capacity model. The present-value risk indicators of the material sub-portfolios are determined at NORD/LB on a daily basis. The sub-limits of all sub-portfolios were complied with as at the reporting date of 30 June 2024.

Both of the tables below show the change in the correlated VaR, as calculated each day, in the present value perspective (economic perspective) since 30 June 2023 for the key sub-portfolios of the relevant units of the NORD/LB Group. For NORD/LB AöR, a confidence level of 95 per cent and holding period of one trading day is applied for operational limiting. At NORD/LB AöR, operations are managed at a 95-per cent

confidence level, as this is more sensitive to market movements than a confidence level of 99 per cent and management inputs can therefore be triggered earlier.

Over the course of 2023 and 2024, risks decreased due to the less volatile market environment compared with previous periods.

Value-at-Risk of NORD/LB AöR (99 %, 1 day)					
Subportfolios in € million	30. Jun 2024	31. Mar 2024	31. Dec 2023	30. Sep 2023	30. Jun 2023
Markets	2.45	2.14	1.40	1.53	2.67
Credit Investments	1.90	1.63	1.51	1.55	1.57
Interest book management	13.87	15.11	17.71	20.71	22.27
Aviation Finance & Investment Solutions	0.52	0.68	0.71	0.64	0.76

The Group subsidiary NORD/LB Luxembourg uses a confidence level of 99 per cent and a holding period of one trading day. NORD/LB Luxembourg operates at a 99-per-cent confidence level in order to achieve greater comparability and consistency with the ICAAP view at Group level. The representation of the change in the VaR in the following table thus refers to the confidence level, at which the subsidiary institution is being managed. The greater reduction in risk from 30 June 2023 to 30 September 2023 was the result of a call bond that was terminated in October 2023. Over the further course of 2023 and 2024, risks have further reduced due to the Bank's strategic orientation and several maturities.

Value-at-Risk of NORD/LB Luxembourg (99 %, 1 day)					
Subportfolios in € million	30. Jun 2024	31. Mar 2024	31. Dec 2023	30. Sep 2023	30. Jun 2023
Interest book management	3.33	3.56	3.79	3.70	4.67

According to the risk inventory valid as at the reporting date, the impact of ESG risks on market-price risk is rated as relevant, but low. In the current investment guidelines, ESG aspects are taken into account when making investment decisions and set out in writing. For monitoring and controlling purposes, a stress test for climate and environmental risks in market-price risk is carried out on a quarterly basis and the result reported to the whole Managing Board. The scenario for the climate and environmental stress test was adapted by the ECB climate stress test ("Short-term disorderly 2022"). This is a credit spread scenario based on the statistical classification of economic activities in the European Community (NACE). A strong expansion of credit spreads for the mining, energy supply and manufacturing sectors in the context of coal and oil products and mineral products is assumed, as well as small to moderate credit spread movements in other sectors.

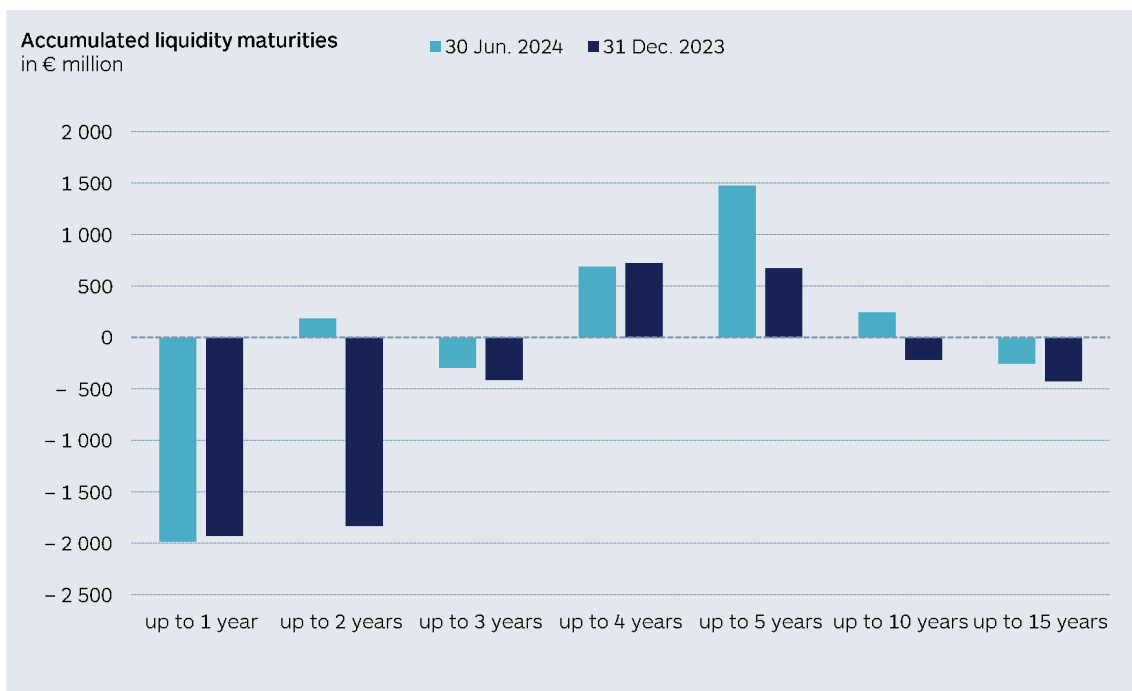
Liquidity Risk

There was sufficient liquidity on the money and capital markets throughout the reporting period despite persistent inflation and resulting interest rate cuts that initially lagged behind expectations. The European Central Bank then cut interest rates for the first time towards the end of the first half of the year. The required funding was raised in the desired amount and volume.

NORD/LB's liquidity situation was adequate in the first half of 2024. The risk of market-wide negative developments and the resulting risks for the NORD/LB Group's overall credit portfolio were taken into account in the liquidity stress tests and consequently in the management of liquidity. Developments were closely monitored on an ongoing basis and regularly reassessed. Rating agency Moody's rating upgrade in April 2024 (and rating agency Fitch in July 2024) and therefore their positive impact has not yet been taken into account in the liquidity stress tests. This is not planned until later this year.

In the first half of 2024, the internal liquidity stress scenario relevant for management purposes was managed for NORD/LB entirely in the green phase, both at Group level and in AöR, and indicated an adequate liquidity situation as at the reporting date. Liquidity buffers of at least one week and at least one month were complied with at all times according to BTR 3.2 para. 2 of MaRisk. As at the reporting date, NORD/LB's cumulative liquidity maturity balance sheet showed liquidity gaps in the broadly defined maturity bands "up to 1 year", "up to 3 years" and "up to 15 years", which are low in the bands "up to 3 years" and "up to 15 years". Excess liquidity could be seen in the other maturity bands. Compared with the end of the year, the liquidity maturity balance sheet was slightly worse in the maturities "up to 1 year" and "up to 4 years" - and improved significantly in all other maturities. This graph shows the accumulated liquidity maturity balance sheet on the last day of the respective maturity band. There is a liquidity surplus in the first ten months, after which the displayed liquidity gap occurs, which is offset in the maturity band up to two years. After the sale of the aircraft portfolio (see Aviation sub-portfolio sale), the associated repayments are carried forward to 2024 or replaced by the transaction proceeds. As at the end of 2024 June a larger proportion of highly liquid securities are reserved as a liquidity buffer in the LAB compared with the end of 2023, providing a 2-year refinancing impulse. Cash inflows from the aircraft transaction are offset in the first year and in the band up to two years, the securities held for the buffer will become available again. The changes in the 5-year maturity band resulted mainly from the maturing of new lending business. In part, this new business is covered by a benchmark issue from 2024 maturing in 2029. The liquidity gaps in the Group were within the limit derived from the risk-bearing capacity model. At NORD/LB Group level, the limits were respected in the reporting period, both when taking all currencies into account and when individually regarding the major currencies.

The negative balances shown in the liquidity development report - particularly in the maturity range up to 1 year - are acceptable for NORD/LB within the framework of the ILAAP and are within the allocated limits. All Pillar 1 and 2 liquidity management instruments used during the year are within the defined thresholds.



The refinancing of the NORD/LB Group is mainly made up of liabilities to banks at 26 per cent (24 per cent), liabilities to customers at 43 per cent (45 per cent) and securitised liabilities at 21 per cent (20 per cent).

NORD/LB is active in highly liquid markets and maintains a portfolio of high-quality securities and promissory note loans. As at the reporting date, the material companies of the NORD/LB Group held securities, promissory notes and borrowed securities worth € 19 billion (€ 19 billion), of which 81 per cent (80 per cent) were suitable for repo transactions with the European Central Bank (ECB). As at 30 June 2024, the liquidity coverage ratio (LCR) stood at 138.2 per cent (165.4 per cent).

Operational Risk

The basis of OpRisk management at NORD/LB is to create a high level of transparency on operational risks, thus making targeted management possible. The early detection of risks is supported by a comprehensive indicator system. NORD/LB uses the standard approach of CRD IV (Pillar I) to calculate the capital adequacy requirements. At Group level, this requirement as at 30 June 2024 amounted to € 149 million (€ 168 million).

Loss events from operational risks that occurred in the first half of 2024 are significantly low compared with the previous year. As at the reporting date, the losses of NORD/LB stood at € 1.06 million (€ 3.98 million). The losses consist mainly of the increase in one loss event (EUR 964 thousand) in the project environment, which was due to the failure of an external service provider. The number of loss events fell to six (23) compared with the previous year (reporting date as at 30 June of each year).

OpRisk continues to focus on the forward-looking management of IT risks, which include, for example, information security risks and IT failure risks; no losses were recorded in this context in 2024. Against the backdrop of constantly increasing IT requirements and increasing IT outsourcing, the cyberstress test was also carried out at the beginning of the year by the supervisory authorities in which NORD/LB participated. The financial effects from the cyberstress test scenario were within an expected framework and did not trigger any need for adjustment to the OpRisk scenario analyses.

The revision of the OpRisk instruments, including greater integration of ESG topics, has been successfully implemented and will form an integral part of the OpRisk management process in the future.

ESG Risks

Environmental, social and governance (ESG) risks are climate/environmental, social or governance events or conditions that may occur or have a potentially significant negative impact on the Bank's net assets, financial position or results of operations and reputation.

NORD/LB is initially focusing on climate change as a significant macroeconomic risk factor and considers itself exposed to short, medium and long-term risks in this regard. For the purposes of the "ECB Guide on Climate and Environmental Risks", the relevance of environmental and climate risks in particular was recognised and these were defined as drivers of the risk types – which materialise primarily in counterparty risks. ESG risks are taken into account in all relevant risk types in the risk inventory. The qualitative materiality assessment of the risk drivers was differentiated over various time horizons according to physical and transitory climate and environmental risks. Risk driver analysis also includes social and governance aspects as well as biodiversity. Further development of the quantification of the individual drivers in the risk inventory is planned for the 2024 financial year.

As a risk driver, ESG risks are implicitly incorporated into the risk models of the material risk types. For example historically observed events, such as operational losses arising from physical climate risks, could have an impact on the results of the risk models. In addition, the rating procedure includes an assessment of the borrowers' business model with regard to transitory risks. In addition to creating a climate stress test framework, the Bank also carried out an internal climate stress test in 2023 and participated in the ECB's "Fit for 55" climate risk stress test, which extends into the current year of 2024.

The previous qualitative and quantitative analyses do not show any immediate need for action to adjust the risk models, but new findings may arise from the planned further analyses (e.g. geographical analyses and stress tests). For this reason, a temporary buffer for ESG risks has been included in the ICAAP since 30 September 2023 in order to take into account possible ESG risks that have not yet been fully mapped by the risk models.

In its guidelines, NORD/LB has excluded certain business activities, e.g. pornography or controversial weapons, as well as the construction of new nuclear and coal-fired power plants and the construction of dams and hydroelectric power plants in areas that are particularly vulnerable. There are also other sector-specific regulations to take ESG and reputation aspects into account in business activities.

The Bank-wide project to integrate ESG aspects was successfully completed at the end of 2023. The milestones developed in this project (e.g. the development of decarbonisation strategies for emission-intensive sectors such as real estate, energy and agriculture) were transferred to regulatory processes and to the Bank's existing ESG centres of expertise. These special organisational units bundle topic-specific central tasks in the ESG context, perform interface functions and are in regular communication with each other. To deal with further overarching ESG issues, a follow-up project was initiated this year focusing on CSRD implementation, among other things.

Condensed Interim Consolidated Financial Statements as at 30 June 2024

Income Statement

Statement of Comprehensive Income

Balance Sheet

Condensed Statement of Changes in Equity

Condensed Cash Flow Statement

Selected Notes

Income Statement

	Notes	1 Jan. - 30 Jun. 2024 (in € million)	1 Jan. - 30 Jun. 2023 (in € million)	Change (in %)
Interest income from assets		3 633	2 924	24
<i>of which: interest income calculated using the effective interest method</i>		1 728	1 408	23
Interest expenses from assets		- 0	- 1	- 70
Interest expenses from liabilities		- 3 031	- 2 407	26
Interest income from liabilities		1	1	- 23
<i>of which: interest income calculated using the effective interest method</i>		1	1	- 23
Net interest income	8	602	517	16
Commission income		148	139	6
Commission expenses		- 31	- 43	- 28
Net commission income	9	118	97	22
Profit/loss from fair value measurement	10	9	- 0	> 100
Risk provisions	11	- 61	23	> 100
Disposal profit/loss from financial instruments not measured at fair value through profit or loss ¹⁾	12	1	7	- 91
Profit/loss from hedge accounting	13	15	19	- 22
Profit/loss from shares in companies		6	10	- 39
Profit/loss from investments accounted for using the equity method ²⁾		3	3	- 2
Administrative expenses	14	- 415	- 443	- 7
Other operating profit/loss	15	- 30	- 69	- 57
Earnings before restructuring, transformation and taxes		247	162	52
Profit/loss from restructuring and transformation	16	- 23	- 19	21
Earnings before taxes		224	143	56
Income taxes	17	- 29	- 35	- 16
Consolidated profit/loss		195	109	79
<i>of which: attributable to the owners of NORD/LB</i>		195	109	

¹⁾ From the sale of financial assets measured at amortised cost, there were gains of 3 Mio € (2 Mio €) and losses of 0 Mio € (2 Mio €).

²⁾ The share of the profit and loss of companies accounted for using the equity method was € 0 million (€ 3 million).

Statement of Comprehensive Income

The statement of comprehensive income for the NORD/LB Group is comprised of the income and expenses recognised in the income statement and in other comprehensive income (OCI).

	1 Jan. - 30 Jun. 2024 (in € million)	1 Jan. - 30 Jun. 2023 (in € million)	Change (in %)
Consolidated profit/loss	195	109	79
Other comprehensive income which is not reclassified to the income statement in subsequent periods			
Changes in financial liabilities designated at fair value through profit or loss due to changes in own credit risk	- 140	100	> 100
Revaluation of the net liability from defined benefit pension plans	91	- 15	> 100
Deferred taxes	15	- 25	> 100
	- 34	60	> 100
Other comprehensive income which is reclassified to the income statement in subsequent periods			
Changes in financial assets at fair value through other comprehensive income			
Unrealised profit/loss	- 85	33	> 100
Reclassification due to profit/loss realisation	56	26	> 100
Translation differences of foreign business units			
Unrealised profit/loss	2	3	- 39
Deferred taxes	- 16	22	> 100
	- 42	84	> 100
Other comprehensive income	- 76	144	> 100
Comprehensive income for the period under review	119	253	- 53
of which:			
attributable to the owners of NORD/LB	119	253	

Balance Sheet

Assets	Notes	30 Jun. 2024	31 Dec. 2023	Change
		(in € million)	(in € million)	(in %)
Cash reserve		2 908	3 435	- 15
Trading assets	18	8 682	7 442	17
<i>of which: Loans and advances to customers</i>		1 070	1 224	- 13
Financial assets mandatorily at fair value through profit or loss	18	473	604	- 22
<i>of which: Loans and advances to banks</i>		45	46	- 1
<i>of which: Loans and advances to customers</i>		48	157	- 69
Financial assets at fair value through other comprehensive income	19	10 642	10 708	- 1
<i>of which: Loans and advances to banks</i>		92	130	- 29
<i>of which: Loans and advances to customers</i>		210	271	- 23
Financial assets at amortised costs	20	87 005	87 697	- 1
<i>of which: Loans and advances to banks</i>		13 273	13 228	0
<i>of which: Loans and advances to customers</i>		70 896	71 543	- 1
Positive fair values from hedge accounting derivatives		114	146	- 22
Balancing item for financial instruments hedged in the portfolio fair value hedge		- 170	- 149	14
Shares in companies	21	580	574	1
Investments accounted for using the equity method		58	57	2
Property, plant and equipment	22	205	212	- 3
Investment properties		180	179	1
Intangible assets	23	103	84	23
Assets held for sale	24	1 458	-	-
Current income tax assets		6	13	- 57
Deferred income taxes		441	439	1
Other assets		605	541	12
Total assets		113 289	111 981	1

Liabilities and equity	Notes	30 Jun. 2024 (in € million)	31 Dec.2023 (in € million)	Change (in %)
Trading liabilities	25	2 720	2 333	17
Financial liabilities designated at fair value through profit or loss	25	4 358	4 139	5
of which: Liabilities to banks		234	259	- 10
of which: Liabilities to customers		3 172	2 925	8
of which: Securitised liabilities		952	955	- 0
Financial liabilities at amortised costs	26	96 993	96 125	1
of which: Liabilities to banks		29 140	27 141	7
of which: Liabilities to customers		45 474	47 006	- 3
of which: Securitised liabilities		22 287	21 886	2
of which: Subordinated liabilities		1 704	1 657	3
Negative fair values from hedge accounting derivatives		307	385	- 20
Balancing item for financial instruments hedged in the portfolio fair value hedge		- 937	- 848	10
Provisions	27	2 526	2 641	- 4
Liabilities held for sale	28	24	-	-
Current income tax liabilities		58	44	32
Deferred income taxes		8	11	- 26
Other liabilities		255	287	- 11
Equity				
Issued capital		3 168	3 168	-
Capital reserve		2 579	2 579	-
Retained earnings		1 455	1 266	15
Accumulated other comprehensive income (OCI)		- 263	- 188	40
Currency translation reserve		- 11	- 10	10
Equity capital attributable to the owners of NORD/LB		6 928	6 815	2
Additional equity		49	49	-
		6 977	6 865	2
Total liabilities and equity		113 289	111 981	1

Condensed Statement of Changes in Equity

	Issued capital	Capital reserve	Retained earnings	Accumulated OCI	Currency translation reserve	Other equity	Equity capital attributable to the owners of NORD/LB	Additional equity	Equity capital attributable to non-controlling interests	Consolidated equity
(in € million)										
Equity as at 1 Jan. 2024	3 168	2 579	1 266	- 188	- 10	-	6 815	49	0	6 865
Comprehensive income for the period under review	-	-	195	- 78	2	-	119	-	0	119
Changes in the basis of consolidation	-	-	- 3	-	- 3	-	- 6	-	-	- 6
Other changes in capital	-	-	- 2	2	-	-	-	-	-	-
Equity as at 30 Jun. 2024	3 168	2 579	1 455	- 263	- 11	-	6 928	49	0	6 977
(in € million)										
	Issued capital	Capital reserve	Retained earnings	Accumulated OCI	Currency translation reserve	Other equity	Equity capital attributable to the owners of NORD/LB	Additional equity	Equity capital attributable to non-controlling interests	Consolidated equity
Equity as at 1 Jan. 2023	3 137	2 579	1 060	- 519	- 9	-	6 248	50	2	6 300
Comprehensive income for the period under review	-	-	109	141	3	-	253	-	0	253
Changes in the basis of consolidation	-	-	- 2	-	-	-	- 2	-	- 2	- 4
Other changes in capital	-	-	- 9	3	-	-	- 6	-	-	- 6
Equity as at 30 Jun. 2023	3 137	2 579	1 158	- 373	- 7	-	6 494	49	0	6 543

Condensed Cash Flow Statement

	1 Jan. - 30 Jun. 2024 (in € million)	1 Jan. - 30 Jun. 2023 (in € million)	Change (in %)
Cash and cash equivalents as at 1 January	3 435	2 464	39
Cash flow from operating activities	- 495	- 132	> 100
Cash flow from investment activities	- 31	2	> 100
Cash flow from financing activities	- 8	- 255	- 97
Total cash flow	- 534	- 385	39
Effects of changes in exchange rates	6	- 3	> 100
Cash and cash equivalents as at 30 June	2 908	2 076	40

The cash flow statement is not a substitute for liquidity or financial planning in the NORD/LB Group, nor is it used as a control tool. With regard to the management of the liquidity risk within the NORD/LB Group, refer to the information in the risk report.

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General Disclosures

(1) Principles for the Preparation of the Interim Consolidated Financial Statements

Norddeutsche Landesbank Girozentrale Hanover, Braunschweig, Magdeburg (NORD/LB) is registered with the Hanover (HRA 26247), Braunschweig (HRA 10261) and Stendal (HRA 22150) local courts. The interim consolidated financial statements of NORD/LB as at 30 June 2024 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 (IFRS) of the International Accounting Standards Board (IASB) as applicable within the European Union. The interim financial statements meet the requirements of IAS 34 for condensed interim financial reporting. The national provisions of the German Commercial Code (HGB) under § 315e HGB were also observed, to the extent applicable as at the interim financial statements' reporting date. The interim consolidated financial statements are to be read in conjunction with the information contained in the certified, published consolidated financial statements of NORD/LB as at 31 December 2023.

The interim consolidated financial statements as at 30 June 2024 comprise the income statement, the statement of comprehensive income, the balance sheet, the condensed statement of changes in equity, the condensed cash flow statement and selected notes. Segment reporting takes place within the Notes in Note (7) Segment reporting by business segment. Reporting on the nature and scope of risks relating to financial instruments in accordance with IFRS 7 is provided mainly in a risk report within the Interim Group Management Report.

The reporting currency for the interim consolidated financial statements is the euro. All amounts in the interim consolidated financial statements are stated as rounded figures in millions of euro (€ million) according to standard commercial practice, unless otherwise indicated. This may result in minor differences in the formation of totals and the calculation of percentages, which do not represent any restrictions on the report quality. The figures for the previous year are in each case stated afterwards in brackets. The percentage changes are presented in absolute numbers.

These interim consolidated financial statements were prepared by the Managing Board on 20 August 2024 and approved for publication.

(2) Management Adjustment

The management adjustment (MA) will be increased as of the 2024 half-year financial statement compared with the 2023 annual financial statement due to the continued severe economic situation resulting from pressures and adjustment requirements in other parts of the European industry (including the production of energy-intensive industries), current weaknesses in world trade due to continued high inflation, a very steep rise in interest rates and a high uncertainty about future macroeconomic developments. It is currently difficult to estimate the future economic development and the associated probability of default of customers, which is why it is not possible to fully reflect this in the ratings. The MA is used as an additional portfolio hedge for corporate customers and property customers due to the high forecasting uncertainty. From the current perspective, we expect the time horizon for the MA to be until 31 December 2026. Within this time horizon, the level of the MA is subject to a high degree of uncertainty and is therefore monitored on a quarterly basis.

Overall, the amount of the management adjustment for the NORD/LB Group as at 30 June 2024 totalled around € 299 million. The projected impact of € 170 million was mainly seen in the Real Estate Customers segment, most of which was in the real estate industry (€ 159 million). In addition, € 129 million was allo-

cated to the Corporate Customers segment, of which € 22 million was attributable to the consumer goods industry, € 19 million to chemicals and € 18 million to construction. The municipal utilities included to date were removed from the management adjustment portfolio as of the half-year financial statement. This was due to the fact that, since the outbreak of the war in Ukraine, energy markets have continued to calm down and no outages in public utilities have been observable.

The starting point is internal credit risk simulations, which examine the deterioration in credit quality and the loss ratio due to market value discounts in industries particularly severely affected by the crisis. The relevant portfolio is subjected to a stress scenario in which the ratings valid on the reporting date perform negatively based on economic forecasts. A distinction is made between three scenarios of different severity levels: scenario 1 (mild scenario), 2 (moderate scenario) and 3 (severe scenario). The economic forecasts are made available in the standard format of the stress test analyser of the rating service providers, subsequently transformed into PD and LGD shifts and validated based on experts. The management adjustment was determined as at 30 June 2024, as previously at the reporting date of 30 June 2023, for all industries affected using the shift factors resulting in scenario 3 on the PD and LGD risk parameters. In addition to the global Brent oil price in USD, the economic forecasts include country-specific variables for the unemployment rate, real gross domestic product, the consumer price index and real share price index, the 3-month interest rate, the yield on 10-year government bonds and the exchange rate with the USD.

Germany	Scenario 3 (Q2 2024)		Scenario 3 (Q2 2023)	
	2024	2025	2023	2024
Unemployment rate (in %)	6,7	8,0	6,7	7,6
GDP (real; Y/Y ¹ in %)	-1,1	-3,9	-2,3	-6,4
CPI ² (in % Y/Y)	2,0	0,5	4,2	1,4
Leading index shares (% p.a. real)	-28,4	-10,0	-30,0	5,0
Short-term interest rate (3M Money market rate, in %)	3,2	0,4	2,8	0,4
Long-term interest rate (10Y Government, in %)	1,8	1,0	1,8	0,5
Rate of change exchange rate to USD (in % Y/Y)	-2,7	-4,5	-0,8	-3,4

¹⁾ Y/Y = year to year

²⁾ Konsumentenpreisindex

Great Britain and Northern Ireland	Scenario 3 (Q2 2024)		Scenario 3 (Q2 2023)	
	2024	2025	2023	2024
Unemployment rate (in %)	6,0	5,4	5,3	6,0
GDP (real; Y/Y ¹ in %)	-0,5	0,5	-1,1	-0,5
CPI ² (in % Y/Y)	3,8	3,2	6,8	1,4
Leading index shares (% p.a. real)	-2,0	3,0	-5,0	-3,0
Short-term interest rate (3M Money market rate, in %)	4,2	3,9	4,4	3,4
Long-term interest rate (10Y Government, in %)	3,7	3,6	3,4	2,5
Long-term interest rate (10Y Government, in %)	-1,9	1,6	-2,2	0,8

¹⁾ Y/Y = year to year

²⁾ Consumer Price Index

USA	Scenario 3 (Q2 2024)		Scenario 3 (Q2 2023)	
	2024	2025	2023	2024
Unemployment rate (in %)	6,4	7,4	4,6	6,2
GDP (real; Y/Y ¹ in %)	1,4	-3,9	0,5	-0,9
CPI ² (in % Y/Y)	1,5	1,5	4,4	1,5
Leading index shares (% p.a. real)	-2,0	-11,5	-3,0	-5,0
Short-term interest rate (3M Money market rate, in %)	3,6	1,0	5,0	3,6
Long-term interest rate (10Y Government, in %)	2,4	1,5	3,0	2,4
Rate of change exchange rate to USD (in % Y/Y)	-2,7	-4,5	-0,8	-3,4

¹⁾ Y/Y = year to year

²⁾ Consumer Price Index

Euroland	Scenario 3 (Q2 2024)		Scenario 3 (Q2 2023)	
	2024	2025	2023	2024
Unemployment rate (in %)	7,5	9,0	8,5	10,0
GDP (real; Y/Y ¹ in %)	-1,0	-3,4	-1,2	-6,7
CPI ² (in % Y/Y)	1,9	0,6	4,0	1,1
Leading index shares (% p.a. real)	-24,8	-8,0	-25,0	5,0
Short-term interest rate (3M Money market rate, in %)	3,2	0,4	2,8	0,4
Long-term interest rate (10Y Government, in %)	1,8	1,0	1,8	0,5
Rate of change exchange rate to USD (in % Y/Y)	-2,7	-4,5	-0,8	-3,4

¹⁾ Y/Y = year to year

²⁾ Consumer Price Index

The forecasts for the eurozone serve as an approximation for France, Ireland, Luxembourg, the Netherlands and Austria. The assumed trend of the global variable oil price and EUR/USD exchange rate can be found in the table below.

Oil price	Scenario 3 (Q2 2024)		Scenario 3 (Q2 2023)	
	2024	2025	2023	2024
Oil price - Brent (in USD per barrel)	69,0	67,5	67,5	69,9
Exchange rate (EUR/USD)	1,05	1,01	1,05	1,01

The simulated results for increased risk provisioning based on the increase in the probability of default along with, if applicable, the transfer to impairment stages 2 or 3 and the deterioration of the loss ratio form the basis for the management adjustments as the difference to the risk provisioning balance of impairment stages 1 and 2 as at 30 June 2024. The focus of the management adjustments is on the non-defaulted transactions of the relevant segment portfolios. The corresponding amount is reduced if a transaction expires or migrates to impairment Stage 3.

(3) IFRS to be applied

The accounting policies of the interim consolidated financial statements in accordance with IFRS are based on those of the consolidated financial statements as at 31 December 2023. In the reporting period, account was taken of the following amendments to standards applicable to the NORD/LB Group for the first time as at 1 January 2024:

Amendments to IFRS 16 – Lease liabilities in a sale and leaseback transaction

In September 2022, the IASB published amendments to IFRS 16. The amendments substantiate the subsequent measurement of lease liabilities arising from sale-and-leaseback transactions with the aim of ensuring that a seller-lessee does not receive any profits or losses from the retained right of use in the disposed asset. There is a mandatory initial application for financial years beginning on or after 1 January 2024. This had no effect on NORD/LB's interim consolidated financial statements, as there are no cases of application.

Amendments to IAS 1 – Classification of liabilities by maturity

In January 2020 and July 2020, the IASB issued amendments to IAS 1 regarding criteria for classifying debt and other financial liabilities as current or non-current. Further amendments to IAS 1 regarding debts with covenants were published in October 2022. Only covenants that a company must fulfil on or before the reporting date affect the classification of a liability by maturity. There is a mandatory first-time application for financial years beginning on or after 1 January 2024. The amendments to IAS 1 did not have an impact on NORD/LB's interim consolidated financial statements.

Amendments to IAS 7 and IFRS 7 – Supplier financing agreements

The IASB has made changes to IAS 7 and IFRS 7, which add new qualitative and quantitative information to the existing disclosure requirements for supplier financing agreements. The amendments to IAS 7 are to be applied together with the amendments to IFRS 7 for reporting periods beginning on or after 1 January 2024. The NORD/LB Group does not use supplier financing agreements for its liabilities arising from supply and leasing relationships. There are therefore no effects on the NORD/LB Group from the aforementioned standard changes.

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

Estimates and discretionary decisions

The estimates and assessments required to carry out the accounting according to IFRS are based on assumptions and parameters that were made with the proper exercise of discretion by management. These affect assets and liabilities, contingent assets and liabilities as at the reporting date and income and expenses for the reporting period. Actual events may deviate from the estimates made by management.

(4) Development in the guarantee portfolios in connection with the guarantee contracts of the state of Lower Saxony

The performance in the reporting period of the hedged assets and liabilities and of the guarantee amount formed as a hedging derivative is presented below. The fair values of the derivatives listed form the anticipated and realised guarantee payments of the guarantor that had not yet been invoiced as at the reporting date, as well as future guarantee fee payments. The fair value of the derivatives contains all measurement-relevant changes that refer back to the hedged risks, such as, in particular, credit default risks. The extension option with regard to the contract term was utilised again, so that the guarantee contracts now have a term until 31 December 2029.

The portfolio in the Special Credit & Valuation segment was hedged at a gross carrying amount of € 68 million (€ 83 million) as at 30 June 2024. The hedged gross carrying amount of the receivables measured at amortised cost included in the portfolio was offset against a risk provision in stage 3 in the amount of € 2 million (€ 2 million).

The positive fair value of the derivative of € 1 million (€ -6 million) was largely influenced by the outstanding premium payments made as at the reporting date.

The Aircraft Financing sub-portfolio from the Special Financing segment was hedged as at 30 June 2024 at a gross carrying amount of € 120 million (€ 198 million) (of which € 20 million (€ 20 million) was measured at fair value). The hedged gross carrying amount of the receivables valued at amortised cost included in the sub-portfolio is offset, in particular, against a risk provision in stage 2 in the amount of € 3 million (€ 4 million).

The positive fair value of the derivative of € 28 million (€ 31 million) was primarily determined by the long remaining terms of the customer receivables of the reference portfolio and the resulting high insurance value.

(5) Implementation of the Interest Rate Benchmark Reform

The NORD/LB Group completed the project to implement the global reform of benchmark interest rates ("IBOR reform") as at 31 December 2022. The remaining work, which is almost exclusively related to the conversion of the transactions based on USD LIBOR, is carried out by the customer support departments of the respective responsible market areas. Significant USD LIBOR interest rates are expected to be published by 30 September 2024.

The challenges in the final implementation of the IBOR reform continue to be essentially operational in nature.

Product-related implementation

Derivatives business

The transformation of the cleared derivatives has been completed in the NORD/LB Group.

For USD LIBOR-based client contracts, as at 30 June 2024 there was a nominal volume of € 8 million for conversion in the further course of the financial year 2024. The transformation of the transactions was value-neutral at the first interest rate fixing date and is generally carried out by means of a change to the respective compounded overnight rate of the same currency plus of the ISDA IBOR fallback spread. Until the conversion, the synthetic Libor of the respective currency will apply, which will be published until 30 September 2024 according to the current status. The interest rate derivatives economically linked to loan agreements will be transferred to the new benchmark interest rate in parallel with the adjustment of the loan agreements.

Hedge accounting

The transformation of portfolio hedge accounting and for micro-hedge positions has been completed.

Securities, loans and account products

The transformation of issued variable-interest securities has been completed. New issues with a variable benchmark rate are currently only issued in EUR based on the EURIBOR.

Of the purchased securities based on GBP LIBOR, the transformation for three transactions is still pending. As the publication of the GBP LIBOR benchmark interest rates has already been discontinued, interest on these securities has been calculated based on SONIA since June 2024.

With the exception of the USD LIBOR-based transaction, the individual contractual conversion in the lending business and account products was fully completed. This conversion generally included the replacement of the previous benchmark interest rates in the respective contract with an alternative benchmark

interest rate and the updating of fallback agreements. As at the reporting date 30 June 2024, 22 (i.e. 6 per cent) of the USD LIBOR-based credit transactions with a gross carrying amount of € 194 million were not yet converted. The full conversion to USD SOFR will take place no later than the expected end of the publication of the USD LIBOR (30 September 2024).

(6) Basis of Consolidation

Compared with 31 December 2023, these interim consolidated financial statements include not only NORD/LB as parent, but also 18 (19) subsidiaries in which NORD/LB directly or indirectly holds more than 50 per cent of the voting rights or over which NORD/LB can exercise a controlling influence in another manner. In addition, four (four) associates are recognised.

Compared with 31 December 2023, the following changes were made to the basis of consolidation:

In connection with a sale of receivables, NORD/LB has repurchased aircraft financing included in the special fund

- CAPLANTIC SICAV-RAIF S.C.Sp. - NORD/LB Aviation 1, Luxembourg (formerly: NORDLB SICAV-RAIF S.C.Sp. Aviation 1)

With the redemption of the majority of the fund shares, the fund will no longer be included in the scope of consolidation for materiality reasons and will be deconsolidated as at 30 June 2024.

The change in the scope of consolidation did not have any significant effects on the financial position and financial performance of the NORD/LB Group.

Information on the subsidiaries and associates included in the interim consolidated financial statements can be found in Note (36) Overview of companies in the scope of consolidation.

Segment Reporting

Segment reporting provides information on the Group's operational business segments. The segment reporting below is based on IFRS 8 Operating Segments in accordance with the management approach. The segment information is presented in accordance with IFRS 8 on the basis of internal reporting the way it is regularly reported internally for performance assessment and for decisions on the allocation of resources to the segments. The total risk exposure amount was recognised uniformly for the business segments and the Group, shown pursuant to Article 92 (3) of Regulation (EU) No. 575/2013 as at the reporting date. In October 2023, a total of € 0.2 billion was transferred from the Corporate Customers business segment to the Special credit & valuation business segment.

Segment reporting by business segment

The segments are defined as customer or product groups which reflect the organisational structures and thus the internal control of the Group. The calculation is based on the internal assessments of the Group companies. Internal control focuses on the earnings before taxes of the operational units.

The product ranges offered in the segments are described in the following notes. The income generated from them is presented in the following overview table. The product range of the NORD/LB Group offered comprises traditional credit business and syndicate business, savings and giro products, securities, foreign exchange and derivative transactions, complex structured finance solutions, private banking products, liquidity and risk management, as well as services such as account management, payment transactions, securities trading, brokerage activities, documentary business, credit processing, sureties, guarantees and advisory services for asset management.

Performance indicators and key figures

Net interest income generated by the individual segments is calculated based on the market interest rate method. In doing so, the contribution from interest terms for each transaction is determined by comparing the terms with the structurally congruent market rate for a notional offsetting transaction applicable at the time they were concluded. This market interest rate is also used as the cost rate for the balancing provision in Treasury. As a result, there is no gross recognition of interest income and interest expenses. The financing income from committed equity is distributed across market segments.

Every interest-bearing customer transaction is applied to the balancing provision held by Treasury as the central cash management unit. As there are no direct business relationships between the market areas, no intersegment earnings are recognised in internal reporting.

Segment expenses comprise primary expenses, expenses allocated on the basis of cost and service charging, and distributed overhead costs. Risk provisioning is allocated to the segments according to actual costs incurred.

The Bank's overall earnings, such as the profit/loss from hedge accounting and the disposal profit/loss from financial instruments not measured at fair value through profit or loss, are not allocated to the operational business segments, but rather to the "Treasury / Consolidation / Other" segment.

In addition to the profit and loss account figures, the attributable total risk exposure amount, segment assets and liabilities, committed capital and the key figures of cost-income ratio (CIR), return on risk adjusted capital (RoRaC) and return-on-equity (RoE) are also presented in the segment report. The total risk exposure amounts pursuant to CRR/CRD will be reported as at the reporting date. The cost-income ratio is defined as the ratio of administrative expenses to the sum of the following types of income: Net interest income, net commission income, profit/loss from fair value measurement, disposal profit/loss from financial instruments that are not measured at fair value through profit or loss, profit/loss from

hedge accounting, profit/loss from investments accounted for using the equity method and other operating profit/loss.

Employed capital in the segments is calculated on the basis of average annual values. The amount of the reconciliation between the employed capital recognised in the segments and the long-term equity under commercial law at company level is included in the reconciliation segment. A transfer from long-term equity under commercial law to balance sheet equity is presented separately at the end of the segment reporting.

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

Private & commercial customers business segment

In addition to the Private and Corporate Customers business area, it includes a holding in the Öffentliche Versicherung Braunschweig.

Private & commercial customers

The private & commercial customers segment includes private banking and commercial customers, corporate retail customers, branch advisory customers and service customers in the business area of Braunschweigische Landessparkasse (BLSK) and the locations in Hanover, Hamburg and Oldenburg (private investors). BLSK's business area comprises Brunswick and the parts of the former Duchy of Braunschweig, which are now part of the federal State of Lower Saxony. As an institution with partial legal capacity within NORD/LB, BLSK is a savings bank established on the market with a high degree of business independence ("BLSK 2.0"). BLSK's range of products and services is based on the financial concepts of the customer-segment-specific savings banks, including the range of products offered by the savings banks network partners, including the Öffentliche Versicherung Braunschweig.

Corporate customers & savings bank network

The corporate customers & savings banks network business segment comprises NORD/LB's medium-sized and high-end corporate customer business, its business with savings banks in the states of Lower Saxony, Saxony-Anhalt and Mecklenburg-Western Pomerania (Associated Territory), as well as business with savings banks in Brandenburg and Schleswig-Holstein (Extended Associated Territory) and municipal business. The corporate customer business operates throughout Germany - in close cooperation and coordination with the savings banks in the network area - with the aim of being the core bank for the majority of our customers. This means being seen as a reliable partner in Germany and its neighbouring countries, for medium-sized and high-end corporate customers with a focus on three core regions: north, middle and south. Financing for energy and infrastructure projects is supported in the Germany, Austria and Switzerland region in close cooperation with the Structured Finance division, which is responsible for project-related financing structures. Furthermore, the corporate customers business segment also includes the financing of corporate acquisitions by private equity companies and the refinancing of leasing companies. From the perspective of the Landesbank, the savings banks of the states of Lower Saxony, Saxony-Anhalt and Mecklenburg-Western Pomerania as well as Schleswig-Holstein and Brandenburg have three roles: They are owners, customers and a point of access to a broad market of customers. The central giro function for network savings banks forms the basis of the business relationship with the owners of the savings banks and in Schleswig-Holstein. It includes payment transactions, foreign payment transactions, promotional business (mainly KfW pass-through loans) as well as liquidity provision and refinancing of savings banks. In addition, there are services for savings banks for will enforcement and asset management. The aforementioned business activities are offered to savings banks in the extended network on an opportunistic basis. In the municipal business, there is a regionally operated municipal loan business and a nationwide range of capital market products. In

addition, the Structured Solutions and Products division is responsible for product sales (including financial market products) for the corporate customer and savings bank network business, and depending on the products involved, the special finance business (energy and infrastructure and commercial real estate financing).

Markets

The core competence of the Markets business segment is the trading of capital market products and capital market-related products with institutional customers. Markets also acts as a centre of expertise/producer for capital market products. In terms of the capital market business, the focus is on interest, credit, money market and foreign currency products as well as structured products. Business activities in this area concentrate primarily on the interest segment. Furthermore, capital-market-related products, such as corporate promissory note loans or alternative investment products are also sold to institutional customers as required. The Markets business segment is the operator of NORD/LB's Financial Markets platform. This includes, in particular, the DCM platform, which brings together issuers and investors, and the ABF platform, which offers capital-market-related and low-risk credit products to the Bank's customers. The customer groups start with German and European institutional investors (insurance companies, asset managers, pension plans, public authorities and corporate customers) and extend to (mainly) European public sector issuers and financial institutions. The regional focus of business activities is on Germany and the German-speaking region, supplemented by the international sales approach for Europe taken by NORD/LB Luxembourg S.A. Covered Bond Bank. In addition to the sales business, the Markets segment also offers traditional trading services (market access for customers in the product groups of interest, foreign currency and their derivatives). In the trading business, the focus is on strengthening customer-generated income across all customer groups. An expansion in the product range geared towards the needs of customers and an increase in cross-selling activities should support the customer areas with increased customer penetration and further exploit existing earnings potential.

Special finance

The special finance segment consists of the energy and infrastructure customers and aviation finance & investment solutions (AFIS) business areas.

Energy and infrastructure customers

The central locations of the energy and infrastructure customers business area are Hanover, Oldenburg, London and New York. Customers are also managed at the Singapore office. At the heart of this is the development of customer relationships with sustainable earning structures. The focus is on structuring and arranging individual and sustainable financing solutions for predominantly project-related transactions in the areas of energy and infrastructure. In the Germany, Austria and Switzerland region, this takes place in close cooperation with the Corporate Clients division, which is responsible for corporate financing structures. In the Energy sub-area, the focus is on predominantly project-related transactions in the renewable energy sectors, in particular wind and solar/photovoltaics in Europe. Individual gas projects and high-voltage grids as well as other neighbouring sectors (e.g. electricity storage) are also financed. The focus of the infrastructure sub-division is on the "public buildings", "economic and digital infrastructure" and "rail-based transportation" sectors.

Aviation finance & investment solutions (AFIS)

The aviation finance & investment solutions (AFIS) business area has bundled the Aircraft Customers business segment on the one hand and credit placement activities using the networks with banks and institutional investors for alternative investments (individual and portfolio transactions) across all NORD/LB asset classes on the other. For the aircraft customers business segment, various options for further alignment were examined in the first half of 2024. Together with the owners, the sales contract for

the majority of the aviation portfolio was signed in the first half of the year. The remaining part will be transferred to the SCV segment over the course of the second half of 2024, where it will gradually be phased out as a reduction portfolio (see Note (24) Assets held for sale). The "Sustainable Transportation" business case also supports customers in the transport sector in their transition to greater sustainability. NORD/LB finances the increasing decarbonisation of the transport sector and actively supports their customers in their transformation. With Syndications & Investment Solutions, the Bank is pursuing the goal to push the development of an enhanced originate-to-distribute business model. This is intended to relieve the burden on the Bank's own balance sheet and generate commission income that is largely free of credit risk. To this end, capital market customers should benefit from NORD/LB's asset and structuring expertise by either making co-investments or sole investments in business originating from NORD/LB as part of placements of individual transactions or customised transaction packages. Here, the focus is on the energy and infrastructure, real estate and corporate customers asset classes.

Commercial real estate business segment

Deutsche Hypo's definition of real estate finance relates mainly to financing regardless of the collateral for customers who generate the majority of their cash flow from real estate or who regularly make major real estate investments. These customers include, in particular, institutional investors, open and closed real estate funds, real estate companies/REITs, asset managers, leasing companies, financial investors, professional private investors, developers, and affiliated companies. In the area of commercial real estate financing, the business focus is on financing residential buildings for rental purposes and offices or retail units. These are regarded as fungible investment properties as they can normally be rented or can be rented on a long-term basis. The Bank also finances commercial properties in the hotel, logistics and other segments as well as combinations of the aforementioned asset classes with different focal points (mixed-use properties).

Special credit & valuation overall bank management function

The special credit & valuation (SCV) business area does not represent a strategic business segment, but serves as, among other things, an area with an overall bank management function for the winding down of non-strategic customer relationships and asset classes, which was defined as part of the EUC business plan. This includes ship finance and the "supra-regional municipal financing" reduction portfolio as well as the "corporate customers", "agricultural customers" and "housing industry" reduction sub-portfolios. The ship portfolio has been largely wound down. The remaining exposure is still largely subject to risk shielding through the financial guarantee of the State of Lower Saxony. The remaining reduction or partial reduction portfolios will be reduced primarily as part of the regular repayment process.

Treasury/consolidation/others overall bank management function

This overall bank management function covers all other performance indicators directly related to business activities, such as Group companies not recognised in the segments, earnings components not allocated to the segments at overall institution level, profit or loss from financial instruments not recognised in the economic performance of the business segment (in particular from central measurement effects), from financial investments and from hedge accounting, as well as overall bank projects and consolidation items. Other operating profit/loss also includes bank levies. The segment also includes the Treasury division. Treasury makes a significant contribution to NORD/LB's sustainable business development by managing liquidity, funding, interest rate, interest rate option and currency risks in the operating banking book. In addition, Treasury provides the market areas with cost rates, particularly for credit transactions, as part of the preliminary calculation and advises them at an early stage on complex transactions in the new business process so that viable refinancing solutions can be achieved for customers and the Bank. In addition, Treasury has direct market access to the international

money and repo markets. Treasury also uses direct access to the credit markets to invest RWAs and actively manage credit risks. As an integral part of liquidity and funding management, Treasury is responsible for NORD/LB's issuance activities. These activities mainly involve issuing covered and uncovered issues via private placements and large-volume benchmark issues on the capital market. As part of the implementation of the Bank-wide ESG approach, Treasury is responsible for establishing the issuability of green bonds. This makes Treasury a significant component in presenting a green value chain in full, starting with green assets (green buildings) through to the issue of green bonds. Corresponding assets from the Renewable Energies industry, further possible business areas are expected to follow with the aim of establishing NORD/LB as a broad-based issuer of ESG bonds on the market. On this basis, it should continuously expand the existing investor base for sustainable emissions.

Reconciliation

The reconciliation items from internal accounting to the consolidated overall figures for the income statement are recognised here. It also includes reclassifications of profit and loss items that are shown differently in the internal management system compared with the external reporting.

(7) Segment Reporting by Business Segment

1 Jan. - 30 Jun. 2024	Private and commercial customers	Corporate customers & savings bank network	Markets	Special-finance	Commercial real estate	Special credit & valuation	Treasury / consolidation / others	Reconciliation	NORD/LB Group
(in € million)									
Net interest income	109	175	7	129	121	13	12	36	602
Net commission income	37	36	21	49	12	- 9	- 6	- 23	118
Profit/loss from financial instruments at fair value	0	7	62	- 8	- 18	6	15	- 55	9
Risk provisions	2	- 25	0	- 5	- 37	8	3	- 7	- 61
Disposal profit/loss from financial instruments not measured at fair value through profit or loss	-	-	-	-	-	-	- 0	1	1
Profit/loss from hedge accounting	-	-	-	-	-	-	15	-	15
Profit/loss from shares in companies	-	-	-	-	-	-	6	-	6
Profit/loss from investments accounted for using the equity method	2	-	-	-	-	-	1	-	3
Administrative expenses	- 105	- 85	- 51	- 88	- 46	- 6	- 30	- 5	- 415
Other operating profit/loss	- 1	- 0	0	0	- 0	0	- 32	2	- 30
Earnings before restructuring and transformation	45	107	40	78	32	12	- 15	- 52	247
Profit/loss from restructuring and transformation	-	-	-	-	-	-	- 23	-	- 23
Earnings before taxes	45	107	40	78	32	12	- 38	- 52	224
Income taxes	-	-	-	-	-	-	-	- 29	- 29
Consolidated profit/loss	45	107	40	78	32	12	- 38	- 81	195
Segment assets	6 993	34 747	10 557	17 428	17 955	3 129	22 435	45	113 289
of which: investments accounted for using the equity method	40	-	-	-	-	-	18	-	58
Segment liabilities	8 618	8 686	34 673	3 386	409	1 118	56 828	- 429	113 289
Total risk exposure amount	3 475	11 541	3 304	9 173	8 040	472	4 203	1 469	41 677
Capital employed ¹⁾	255	821	245	629	567	37	485	4 018	7 057
CIR	70.8%	39.2%	56.2%	51.3%	39.9%	57.7%			57.9%
RoRaC/RoE ²⁾	17.7%	13.0%	16.3%	12.5%	5.6%	32.1%			6.3%

1 Jan. - 30 Jun. 2023	Private and commercial customers	Corporate customers & savings bank network	Markets	Special-finance	Commercial real estate	Special credit & valuation	Treasury / consolidation / others	Reconciliation	NORD/LB Group
(in € million)									
Net interest income	119	187	22	136	96	18	- 63	2	517
Net commission income	37	38	19	38	12	- 15	- 12	- 19	97
Profit/loss from financial instruments at fair value	1	8	43	- 24	2	- 11	12	- 31	- 0
Risk provisions	5	- 26	0	25	- 20	35	3	2	23
Disposal profit/loss from financial instruments not measured at fair value through profit or loss	-	-	-	-	-	-	7	-	7
Profit/loss from hedge accounting	-	-	-	-	-	-	19	-	19
Profit/loss from shares in companies	-	-	-	-	-	-	10	-	10
Profit/loss from investments accounted for using the equity method	2	-	-	-	-	-	1	-	3
Administrative expenses	- 122	- 85	- 60	- 83	- 41	- 10	- 36	- 7	- 443
Other operating profit/loss	- 1	- 0	0	0	- 1	- 0	- 66	- 1	- 69
Earnings before restructuring and transformation	40	121	24	93	47	18	- 126	- 54	162
Profit/loss from restructuring and transformation	-	-	-	-	-	-	- 19	-	- 19
Earnings before taxes	40	121	24	93	47	18	- 145	- 54	143
Income taxes	-	-	-	-	-	-	-	- 35	- 35
Consolidated profit/loss	40	121	24	93	47	18	- 145	- 89	109
Segment assets	7 140	34 966	9 269	866	16 372	3 538	21 138	149	438
of which: investments accounted for using the equity method	40	-	-	-	-	-	16	-	56
Segment liabilities	9 006	8 765	30 689	4 453	586	1 604	55 099	- 765	109 438
Total risk exposure amount	4 003	11 364	3 226	8 156	7 900	593	2 842	2 300	40 385
Capital employed ¹⁾	286	862	233	603	516	46	454	3 815	6 815
CIR	77.3%	36.6%	71.6%	55.1%	37.7%	128.2%	-	-	77.5%
RoRaC/RoE ²⁾	14.1%	14.0%	10.4%	15.4%	9.1%	38.4%	-	-	4.2%

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

(in € million)	30 Jun.2024	31 Dec. 2023	30 Jun.2023
Long-term equity under commercial law	7 057	6 838	6 815
Other comprehensive income	- 274	- 198	- 380
Earnings after taxes	195	224	109
Reported equity	6 977	6 865	6 543

²⁾ RoRaC at business level:

Earnings before taxes/committed Tier 1 capital

RoE at company level:

Earnings before taxes/long-term equity under commercial law (see table above).

Notes to the Income Statement

(8) Net Interest Income

The interest income and interest expenses items include paid and received interest, accrued interest and pro rata reversals of premiums and discounts on financial instruments.

	1 Jan. - 30. Jun. 2024 (in € million)	1 Jan. - 30. Jun. 2023 (in € million)	Change (in %)
Interest income from assets			
Interest income from financial assets at fair value through profit or loss			
Interest income from trading assets	1 669	1 270	31
Interest income from trading and hedge accounting derivatives	1 550	1 177	32
Interest income from debt securities and other fixed interest securities	39	19	99
Interest income from loans and advances	80	74	8
Interest income from financial instruments mandatorily at fair value through profit or loss	8	8	- 4
Interest income from debt securities and other fixed interest securities	3	3	4
Interest income from loans and advances	4	5	- 9
	1 677	1 278	31
Interest income from financial assets at fair value through other comprehensive income			
Interest income from debt securities and other fixed interest securities	98	77	27
Interest income from loans and advances	2	3	- 28
	100	80	25
Interest income from financial assets at amortised cost			
Interest income from debt securities and other fixed interest securities	57	52	8
Interest income from loans and advances	1 555	1 272	22
Interest income from impaired debt securities and other fixed interest securities as well as loans and advances	16	4	> 100
	1 628	1 328	23
Dividend income	17	11	50
Other interest income and similar income			
Interest income from hedge accounting amortisations	148	164	- 10
Other interest income and similar income	63	63	0
	211	227	- 7
	3 633	2 924	24

	1 Jan. - 30. Jun. 2024 (in € million)	1 Jan. - 30. Jun. 2023 (in € million)	Change (in %)
Interest expenses from assets	- 0	- 1	- 70
Interest expenses from liabilities			
Interest expenses from financial liabilities at fair value through profit or loss			
Interest expenses from trading liabilities	- 1 689	- 1 306	29
Interest expenses from trading and hedge accounting derivatives	- 1 688	- 1 306	29
Interest expenses from deposits	- 1	-	-
Interest expenses from financial liabilities designated at fair value through profit or loss	- 55	- 54	2
Interest expenses from deposits	- 44	- 42	6
Interest expenses from securitised liabilities	- 11	- 12	- 13
	- 1 744	- 1 360	28
Interest expenses from financial liabilities at amortised cost			
Interest expenses from deposits	- 873	- 648	35
Interest expenses from securitised liabilities	- 224	- 151	49
	- 1 097	- 799	37
Other interest expenses and similar expenses			
Interest expenses from hedge accounting amortisations	- 148	- 199	- 26
Other interest expenses and similar expenses	- 42	- 50	- 16
	- 190	- 249	- 24
	- 3 031	- 2 407	26
Interest income from liabilities	1	1	- 23
Total	602	517	16

The interest expenses from assets and the interest income from liabilities mainly relate to the Group's lending and money market transactions.

(9) Net Commission Income

	1 Jan. - 30. Jun. 2024 (in € million)	1 Jan. - 30. Jun. 2023 (in € million)	Change (in %)
Commission income			
Lending and guarantee business	86	74	16
Account management and payment transactions	23	22	2
Securities and custody business	21	19	7
Brokerage business	14	20	- 29
Other commission income	5	4	20
	148	139	6
Commission expenses			
Lending and guarantee business	- 21	- 35	- 40
Account management and payment transactions	- 1	- 1	- 2
Securities and custody business	- 5	- 4	7
Brokerage business	- 1	- 1	4
Other commission expenses	- 4	- 2	90
	- 31	- 43	- 28
Total	118	97	22

The commission expenses included commissions in the amount of € 7 million (€ 16 million) for the guarantees granted by the state of Lower Saxony to hedge the loss risks of certain credit portfolios (see Note (3) Development in the guarantee portfolios in connection with the guarantee contracts of the state of Lower Saxony).

(10) Profit/Loss from Fair Value Measurement

	1 Jan. - 30 Jun. 2024 (in € million)	1 Jan. - 30 Jun. 2023 (in € million)	Change (in %)
Trading result			
Profit/loss from derivatives			
Interest-rate risks	12	- 7	> 100
Currency risks	- 8	- 9	- 4
Share-price and other price risks	- 2	1	> 100
Credit derivatives	4	- 40	> 100
	5	- 55	> 100
Profit/loss from debt securities and other fixed interest securities	- 31	0	> 100
Profit/loss from receivables held for trading	- 81	101	> 100
Profit/loss from short sales	1	0	> 100
Other trading result	- 1	- 4	- 80
	- 107	43	> 100
Profit/loss from financial assets at fair value through profit or loss			
Profit/loss from equity instruments	4	1	> 100
Profit/loss from debt securities and other fixed interest securities	7	- 2	> 100
Profit/loss from receivables	- 4	12	> 100
	7	11	- 38
Profit/loss from designated financial instruments at fair value through profit or loss			
Profit/loss from deposits	98	- 47	> 100
Profit/loss from securitised liabilities	12	- 14	> 100
	110	- 61	> 100
Foreign exchange result	- 1	7	> 100
Total	9	- 0	> 100

(11) Risk Provisions

	1 Jan. - 30 Jun. 2024 (in € million)	1 Jan. - 30 Jun. 2023 (in € million)	Change (in %)
Risk provisions of financial assets at fair value through other comprehensive income			
Income from the reversal of risk provisions for			
Debt securities and other fixed interest securities	1	1	- 25
	1	1	- 25
Expenses from allocations to risk provisions for			
Debt securities and other fixed interest securities	- 0	- 1	- 54
	- 0	- 1	- 54
	0	0	> 100
Risk provisions of financial assets at amortised cost			
Income from the reversal of risk provisions for			
Loans and advances	245	231	6
	245	231	6
Expenses from allocations to risk provisions for			
Loans and advances	- 311	- 239	30
	- 311	- 239	30
	- 67	- 8	> 100
Provisions in lending business			
Income from the reversal	20	14	49
Expenses from allocation	- 14	- 19	- 24
	6	- 5	> 100
Recoveries of receivables written off	9	35	- 74
Direct write-offs	- 9	- 3	> 100
Premium payments for credit insurance	- 1	- 1	> 100
Modification results	0	5	- 94
Total	- 61	23	> 100

(12) Disposal Profit/Loss from Financial Instruments not measured at Fair Value through Profit or Loss

	1 Jan. - 30 Jun. 2024 (in € million)	1 Jan. - 30 Jun. 2023 (in € million)	Change (in %)
Disposal profit/loss from financial assets at fair value through other comprehensive income			
Disposal profit/loss from			
Debt securities and other fixed interest securities	0	- 4	> 100
	0	- 4	> 100
Disposal profit/loss from financial assets at amortised cost			
Disposal profit/loss from			
Loans and advances	3	- 0	> 100
	3	- 0	> 100
Disposal profit/loss from financial liabilities at amortised cost			
Disposal profit/loss from			
Deposits	- 2	0	> 100
Securitised liabilities	- 0	11	> 100
	- 3	11	> 100
Total	1	7	- 91

(13) Profit/Loss from Hedge Accounting

The profit/loss from hedge accounting includes netted changes in fair value relating to the hedged risk on the underlying transactions and netted changes in fair value to hedging instruments in effective fair value hedges.

	1 Jan. - 30 Jun. 2024 (in € million)	1 Jan. - 30 Jun. 2023 (in € million)	Change (in %)
Profit/loss from micro fair value hedges			
from hedged items	- 8	- 8	1
from derivatives designated as hedging instruments	15	22	- 31
	7	14	- 51
Profit/loss from portfolio fair value hedges			
from hedged items	104	- 25	> 100
from derivatives designated as hedging instruments	- 96	30	> 100
	8	6	49
Total	15	19	- 22

(14) Administrative Expenses

	1 Jan. - 30 Jun. 2024 (in € million)	1 Jan. - 30 Jun. 2023 (in € million)	Change (in %)
Staff expenses	- 218	- 219	- 0
Other administrative expenses	- 177	- 203	- 13
Current depreciation	- 20	- 21	- 6
Total	- 415	- 443	- 7

(15) Other Operating Profit/Loss

	1 Jan. - 30 Jun. 2024 (in € million)	1 Jan. - 30 Jun. 2023 (in € million)	Change (in %)
Other operating income			
Income from the reversal of provisions	0	1	
Income from the reversal of impairment on non-financial assets	4	-	-
Rental income from investment property	6	6	- 5
Income from the disposal of non-financial assets	-	1	- 100
Reimbursements	1	3	- 81
Other operating income	7	14	- 48
	17	26	- 32
Other operating expenses			
Expenses from bank levy	- 6	- 58	- 90
Expenses from allocation to provisions	-	- 1	
Expenses from impairment losses on non-financial assets	-	- 5	
Expenses from investment property	- 2	- 2	43
Expenses from the disposal of non-financial assets	-	- 1	- 100
Other taxes	- 3	- 13	- 78
Other operating expenses	- 36	- 15	> 100
	- 48	- 95	- 50
Total	- 30	- 69	- 57

(16) Profit/Loss from Restructuring and Transformation

The result from restructuring and transformation totalling € -23 million (€ -19 million) resulted from expenses as part of the NORD/LB 2024 transformation programme. NORD/LB 2024's measures have led to a fundamental restructuring of the Group. The associated expenses are not assigned to the operating business activities of the NORD/LB Group, but shown separately due to their significance and their extraordinary non-recurring nature. These are both personnel costs and expenses for consultancy services incurred during the Group's transformation for strategy, implementation, IT and legal consultancy.

(17) Income Taxes

Income taxes reported in the interim financial statements are calculated based on the anticipated income tax rate for the full year. The underlying tax rate is based on the legal regulations applicable or enacted as at the reporting date.

The NORD/LB Group generally falls within the scope of application of the OECD Pillar 2 Model Rules. Pillar 2 legislation was enacted in Germany in 2023 and is to be applied for the first time for the current financial year 2024. The Group makes use of the exemption with regard to accounting for deferred taxes in connection with Pillar 2 income taxes, which was the subject of the amendment to IAS 12 published in May 2023.

In accordance with the minimum tax legislation, the NORD/LB Group must pay an additional tax per country in the amount of the difference between the GloBE effective tax rate and the minimum tax rate of 15 per cent. Therefore, the NORD/LB Group has analysed the effects of Pillar 2 after the legislation came into force. According to this analysis, the Group would not have been subject to the minimum tax if the minimum tax had already applied in previous financial years, as all Group companies are generally subject to a nominal and effective tax rate of more than 15 per cent. An indicative calculation of the GloBE effective tax rate based on the current interim financial statements also does not result in the need to determine a minimum tax.

Notes to the Balance Sheet

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

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)	Change (in %)
Trading assets			
Positive fair values from derivatives			
Interest-rate risks	2 066	2 021	2
Currency risks	164	308	- 47
Share and other price risks	1	1	9
Credit derivatives	53	52	1
	2 284	2 383	- 4
Debt-securities and other fixed-interest securities	3 437	1 448	> 100
Loans and advances to customers	1 070	1 224	- 13
Registered securities	1 892	2 388	- 21
	8 682	7 442	17
Financial assets mandatorily at fair value through profit or loss			
Equity instruments	21	21	- 0
Debt-securities and other fixed-interest securities	358	380	- 6
Loans and advances to banks	45	46	- 1
Loans and advances to customers	48	157	- 69
	473	604	- 22
Total	9 155	8 046	14

The credit derivatives reported under trading assets include the guarantees received from the state of Lower Saxony as part of NORD/LB's capital strengthening on a portfolio of the special credit & valuation segment and on an aircraft customer portfolio of the special finance segment. These guarantees must be recognised as credit derivatives according to the IFRS and had a carrying amount as at the reporting date of € 1 million (€-6 million) from the special credit & valuation segment and € 28 million (€ 31 million) from the special finance segment.

(19) Financial Assets at Fair Value through other Comprehensive Income

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)	Change (in %)
Debt-securities and other fixed-interest securities	10 340	10 308	0
Loans and advances to banks	92	130	- 29
Loans and advances to customers	210	271	- 23
Total	10 642	10 708	- 1

The changes in the risk provisions recognised in other comprehensive income (OCI) related to this item is presented under Note (31) Risk provisioning and gross carrying amount.

(20) Financial Assets at Amortised Cost

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)	Change (in %)
Debt securities and other fixed interest securities	2 836	2 926	- 3
Loans and advances to banks	13 273	13 228	0
Loans and advances to customers	70 896	71 543	- 1
Total	87 005	87 697	- 1

The change in the risk provisions contained in the item is presented under Note (31) Risk provisioning and gross carrying amount.

(21) Shares in Companies

The balance sheet item Shares in companies includes all shares in NORD/LB Group companies which are not accounted for in accordance with IFRS 10, IFRS 11 or IAS 28 but measured in accordance with IFRS 9.

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)	Change (in %)
Subsidiaries	18	18	- 1
Joint Ventures	9	9	- 1
Associated companies	44	43	3
Other shares in companies	509	504	1
Total	580	574	1

(22) Property and Equipment

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)	Change (in %)
Land and buildings	113	116	- 3
Operating and office equipment	28	29	- 2
Other property and equipment	8	8	10
Right-of-use assets from leasing	56	60	- 6
Total	205	212	- 3

(23) Intangible Assets

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)	Change (in %)
Software			
Purchased	38	32	20
Internally developed	14	16	- 13
	52	48	9
Prepayments and intangible assets under development and preparation	50	34	45
Leased Software	1	1	- 15
Total	103	84	23

For internally generated software in the area of bank management with a total carrying amount of € 20 million, the amortisation periods were adjusted to a longer expected useful life in line with the rescheduling of the launch of the new bank management. The adjustment led to an increase of around € 3 million lower amortisation for 2024. For the following years 2025 to 2028, the amortisation amounts increased by between € 4 million and around € 2 million.

Intangible assets under development refer primarily to internally generated software.

(24) Assets Held for Sale

Assets held for sale in accordance with IFRS 5 break down as follows:

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)	Change (in %)
Financial assets at fair value through profit or loss	47	-	-
Financial assets at amortised costs	1 411	-	-
Total	1 458	-	-

As at 30 June 2024, a portfolio of aircraft financing from the Special Financing segment is reported under Assets held for sale - in accordance with its measurement category.

The decision was made to withdraw from the aircraft financing business as part of a strategic review of the Aviation Finance & Investment Solutions (AFIS) business area. The majority of the portfolio was sold with a total financing volume of € 1.67 billion and a carrying amount as at 30 June 2024 of €1.46 billion from loans (as well as associated derivatives with negative market values, see Note (28)). The first loan transfers will take place from August 2024 and should be completed by December 2024 at the latest. The resulting effects on earnings from the sale of the portfolio will not be realised until the second half of 2024 at the time of the transfer. The remaining part of the portfolio will remain in the NORD/LB Group and will gradually be phased out.

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

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)	Change (in %)
Trading liabilities			
Negative fair values from derivatives			
Interest-rate risks	2 186	2 045	7
Currency risks	301	251	20
Share-price and other price risks	5	3	> 100
Credit derivatives	14	20	- 30
	2 507	2 319	8
Delivery obligations from short-sales	213	14	> 100
	2 720	2 333	17
Financial liabilities designated at fair value through profit or loss			
Deposits			
Liabilities to banks	234	259	- 10
Liabilities to customers	3 172	2 925	8
	3 406	3 185	7
Securitised liabilities			
Securitised liabilities	952	955	- 0
	952	955	- 0
	4 358	4 139	5
Total	7 078	6 472	9

(26) Financial Liabilities at Amortised Cost

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)	Change (in %)
Deposits			
Deposits from banks	3 166	3 024	5
Saving deposits from customers	1 005	1 006	- 0
Other liabilities	70 442	70 118	0
Subordinated liabilities	92	92	- 0
	74 706	74 239	1
Securitised Liabilities			
Covered bonds	8 305	8 719	- 5
Municipal debentures	3 466	2 638	31
Other securitised liabilities	8 904	8 964	- 1
Subordinated securitised liabilities	1 612	1 565	3
	22 287	21 886	2
Total	96 993	96 125	1

Repurchased debt securities issued by the Bank itself in the amount of € 1,677 million (€ 1,891 million) were deducted directly from securitised liabilities.

The notional volume of issues in the NORDBANK Group totalled € 4,250 million (€ 4,027 million) in the first six months of financial year 2024. Repurchases totalled € 753 million (€ 763 million), while repayments amounted to € 3,051 million (€ 2,436 million). In addition to original issues, the amount of the issues also includes securities sold again following repurchases. The disclosures reported under securitised liabilities related to money market instruments and debt securities, and included not only financial liabilities at amortised cost, but also designated financial liabilities at fair value through profit and loss (see Note (25)).

(27) Provisions

The provisions are broken down as follows:

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)	Change (in %)
Provisions for pensions and other obligations	2 006	2 091	- 4
Other provisions			
Provisions for personnel	347	33	> 100
Provisions in lending business	45	56	- 20
Provisions for litigation and recourse risks	41	41	- 0
Provisions for restructuring measures	22	356	- 94
Other provisions	65	65	0
	520	551	- 6
Total	2 526	2 641	- 4

Due to the implementation of personnel measures as part of the NORD/LB 2024 transformation programme and the previous One Bank programme, the existing provisions for early retirement related measures were transferred from the provisions for restructuring measures to the provisions for personnel.

(28) Liabilities Held for Sale

As at 30 June 2024, derivatives in the amount of € 24 million from the Special Financing segment in connection with the aircraft financing to be sold were reported under Liabilities held for sale. These derivatives are part of a disposal group. Note (24) Assets held for sale provides more detailed explanations.

Notes to the condensed Cash Flow Statement

Transactions that led to the loss of control of subsidiaries and other business units in the reporting period mainly involved the disposal of cash reserves. Fees of € 0 million were received for this.

In transactions that led to the acquisition or loss of control of subsidiaries and other business units in the reporting period, remuneration of € 0 million (€ 0 million) was paid or € 0 million (€ 0 million) was received in cash and cash equivalents.

The assets and liabilities of the subsidiaries over which control was gained or lost during the reporting period are as follows:

Assets (in € million)	Acquisition of control		Loss of control	
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2024	31 Dec. 2023
Cash reserve	-	-	7	-
Other assets	-	-	-	17
Total assets	-	-	7	17
Liabilities and equity (in € million)	Acquisition of control		Loss of control	
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2024	31 Dec. 2023
Deferred income taxes	-	-	-	15
Equity	-	-	7	2
Total liabilities and equity	-	-	7	17

Other Disclosures

(29) Fair Value Hierarchy

The NORD/LB Group applies the three-level fair value hierarchy using the Level 1, Level 2 and Level 3 terminology set out in IFRS 13. Alongside IFRS 13, the specific regulations of IDW RS HFA 47 are taken into account for the allocation of the financial instruments at the various levels.

The respective level is determined by the input data used in the measurement and reflects the market proximity of the variables included in the determination of fair value. If input data from multiple levels of the fair value hierarchy are used in the determination of fair value, the resultant fair value of the respective financial instrument is assigned to the lowest level at which the input data has a significant influence on the fair value measurement.

Level 1

Within the fair value hierarchy, a financial instrument is categorised in Level 1 if it is traded on an active market and if publicly listed market prices or prices actually traded on the over-the-counter market (OTC market) are used to determine the instrument's fair value. If publicly listed market prices or prices actually traded on the OTC market are not available, executable prices from traders and brokers without a transaction as a reference will be used to determine the value used for the measurement. Instruments are allocated in this case to Level 1 if there is an active market for these broker quotes, i.e. the bid-ask spread is low and there are multiple price suppliers with very little difference in their prices. Level 1 input factors are not regularly corrected.

Level 2

If no price quotes on an active market are available, the fair value is calculated using recognised measurement methods or models or through external pricing services, provided that the measurement in such cases makes either full or significant use of observable input data such as spread curves (Level 2). To measure financial instruments in these situations, measurement methods are used that are widely recognised in the market under normal market conditions (e.g. the discounted cash flow method and the Hull & White model for options) and the calculations of which are fundamentally based on inputs available on an active market. One requirement here is that variables which market participants would have taken into account in the pricing are included in the measurement process. Wherever possible, the respective inputs are taken from the markets on which the instruments are issued or acquired.

Measurement models are used primarily for OTC derivatives and securities listed on inactive markets. The models include a range of inputs such as market prices and other market quotations, risk-free yield curves, risk premiums, exchange rates and volatilities. A standard market approach is always selected for necessary model parameterisations.

In the case of asset-side securities for which there is no active market and for which market prices can not be used for measurement, the fair value for measurement purposes is determined on the basis of discounted cash flows. With the discounted cash flow method, all payments are discounted using the risk-free yield curve adjusted by the credit spread. Spreads are determined based on comparable financial instruments (for example, taking account of the respective market segment and the issuer's credit rating).

The financial instruments at the NORD/LB Group to be measured in this way are identified on the basis of individual securities and a subsequent separation into active and inactive markets. Changes in market

assessments are consistently included in the measurement. Several divisions within the Group identify, analyse and value financial instruments in inactive markets. This approach makes it possible to assess inactivity in the most objective manner possible. The measurement model for financial instruments assigned to Level 2 is based on term-specific interest rates, the credit rating of the respective issuer and, where applicable, other components, such as foreign currency premiums.

Level 3

Financial instruments for which there is no active market, which cannot be measured on the basis of market prices and cannot be fully measured on the basis of observable market parameters, are allocated to Level 3. In differentiation to Level 2 measurement, Level 3 measurement generally uses both institution-specific models and market-based discounted-cash-flow models as well as significant volumes of data which are not observable on the market. The inputs used in these methods include, among other things, assumptions about cash flows, loss estimates and the discount rate, and are determined, as far as possible, on a near-market basis.

Level 3 procedures are used for portfolios of interest-bearing securities and derivatives for which the market has been classified as inactive or for which significant valuation parameters are not observable on the market. These include:

- Equity-linked structures measured using historical volatilities,
- CMS spread options, since the ingoing correlation is not directly observable
- Own and third-party issues as well as futures on such issues if the credit/funding spread is not observable on the market.

Furthermore, all loans measured at fair value and loan commitments intended for syndication that are presented as derivatives, are regularly assigned to Level 3. The portfolio guarantees of the state of Lower Saxony which are accounted for as credit derivatives are also assigned to Level 3.

Fair value calculation

The valuation models used in the NORD/LB Group and the data included are reviewed periodically. The resulting fair values are subject to internal controls and monitoring procedures. These controls and processes are carried out in and coordinated by the Bank Control/Finance and Risk Control divisions.

All relevant factors, such as bid-ask spread, counterparty default risk or business-typical discount rates, are appropriately taken into account when determining fair value. In the context of the bid-ask spread, a valuation is generally made at the average rate or average notation. The financial instruments particularly impacted by this include securities or liabilities whose fair values are based on prices listed on active markets, as well as financial instruments, such as OTC derivatives, whose fair values are determined using a measurement method and for which the average quote is an observable input in the measurement method.

No listed prices are generally available for OTC market derivatives; their fair values are therefore determined using other measurement methods. The measurement is first carried out using cash flow models without taking account of the credit default risk. The measurement adjustment on the basis of the counterparty default risk (credit value adjustment (CVA)/debit value adjustment (DVA)) is calculated on the

basis of the net risk position pursuant to IFRS 13.48. The calculation is based on simulated future market values and, if available, market-implied input data.

The NORD/LB Group measures secured OTC derivatives primarily in accordance with the current market standard of overnight index swap discounting (OIS discounting). This means that secured derivatives are now discounted using the OIS interest-rate curve rather than the term-specific interest rate. Unsecured derivatives are discounted using the tenor-specific interest rate to establish their fair value. The measurement of unsecured derivative positions also takes account of a funding valuation adjustment (FVA), which represents the market-implied funding costs.

The fair values of financial assets and their classification in the fair value hierarchy are compared with their carrying amounts in the following table.

(in € million)	30 Jun. 2024				Carrying amount	Difference
	Level 1	Level 2	Level 3	Total fair values		
Assets						
Cash reserve	2 908	–	–	2 908	2 908	–
Trading assets	1 565	5 785	1 331	8 682	8 682	– 0
Positive fair values from derivatives	–	2 245	39	2 284	2 284	–
Interest-rate risks	–	2 056	10	2 066	2 066	–
Currency risks	–	164	–	164	164	–
Share-price and other price risks	–	1	–	1	1	–
Credit derivatives	–	24	28	53	53	–
Debt securities and other fixed interest securities	1 565	1 872	–	3 437	3 437	–
Loans and advances	0	1 668	1 293	2 961	2 961	– 0
Financial assets mandatorily at fair value through profit or loss	246	133	93	473	473	–
Equity instruments	21	–	–	21	21	–
Debt securities and other fixed interest securities	225	133	–	358	358	–
Loans and advances	–	–	93	93	93	–
Financial assets at fair value through other comprehensive income	4 235	6 101	306	10 642	10 642	– 0
Debt securities and other fixed interest securities	4 235	6 101	4	10 340	10 340	– 0
Loans and advances	–	–	302	302	302	–
Financial assets at amortised costs	410	2 437	80 520	83 367	87 005	– 3 638
Debt securities and other fixed interest securities	328	2 437	–	2 766	2 836	– 70
Loans and advances	81	–	80 520	80 601	84 169	– 3 568
Positive fair values from hedge accounting derivatives	–	113	0	114	114	–
Positive fair values from allocated micro fair value hedge derivatives	–	113	0	114	114	–
Interest-rate risks	–	113	0	113	113	–
Currency risks	–	1	–	1	1	–
Balancing item for financial instruments hedged in the portfolio fair value hedge	–	–	–	– ¹⁾	– 170	170
Shares in companies	14	–	566	580	580	–
Financial assets held for sale measured at fair value	–	–	47	47	47	–
Financial assets held for sale not recognised at fair value	–	–	1 395	1 395	1 411	– 17
Other assets (only financial instruments) measured at fair value	46	3	–	49	49	–
Total	9 423	14 573	84 258	108 255	111 739	– 3 484

¹⁾ Contributions relating to the assets item balancing items for financial instruments hedged in the portfolio fair value hedge are shown in the fair values of the hedged financial instruments.

(in € million)	31 Dec. 2023					
	Level 1	Level 2	Level 3	Total fair values	Carrying amount	Difference
Assets						
Cash reserve	3 435	-	-	3 435	3 435	-
Trading assets	0	5 923	1 519	7 442	7 442	-
Positive fair values from derivatives	-	2 338	45	2 383	2 383	-
Interest-rate risks	-	2 008	13	2 021	2 021	-
Currency risks	-	308	-	308	308	-
Share-price and other price risks	-	1	-	1	1	-
Credit derivatives	-	21	31	52	52	-
Debt securities and other fixed interest securities	-	1 448	-	1 448	1 448	-
Loans and advances	0	2 136	1 475	3 611	3 611	-
Financial assets mandatorily at fair value through profit or loss	264	137	202	604	604	-
Equity instruments	20	1	-	21	21	-
Debt securities and other fixed interest securities	244	136	-	380	380	-
Loans and advances	-	-	202	202	202	-
Financial assets at fair value through other comprehensive income	1 117	9 187	405	10 708	10 708	-
Debt securities and other fixed interest securities	1 117	9 187	4	10 308	10 308	-
Loans and advances	-	-	401	401	401	-
Financial assets at amortised costs	111	2 679	81 698	84 488	87 697	- 3 209
Debt securities and other fixed interest securities	33	2 679	146	2 858	2 926	- 67
Loans and advances	77	-	81 552	81 630	84 771	- 3 141
Positive fair values from hedge accounting derivatives	-	144	2	146	146	-
Positive fair values from allocated micro fair value hedge derivatives	-	142	2	144	144	-
Interest-rate risks	-	139	2	141	141	-
Currency risks	-	3	-	3	3	-
Positive fair values from allocated portfolio fair value hedge derivatives	-	2	-	2	2	-
Interest-rate risks	-	2	-	2	2	-
Balancing item for financial instruments hedged in the portfolio fair value hedge	-	-	-	- ¹⁾	- 149	149
Shares in companies	14	-	560	574	574	-
Total	4 941	18 070	84 387	107 398	110 457	- 3 059

¹⁾ Contributions relating to the assets item balancing items for financial instruments hedged in the portfolio fair value hedge are shown in the fair values of the hedged financial instruments.

The fair values of financial liabilities and their classification in the fair value hierarchy are compared with their carrying amounts in the following table.

(in € million)	30 Jun. 2024				Carrying amount	Difference
	Level 1	Level 2	Level 3	Total fair values		
Liabilities						
Trading liabilities	116	2 592	12	2 720	2 720	–
Negative fair values from derivatives	–	2 494	12	2 507	2 507	–
Interest-rate risks	–	2 175	11	2 186	2 186	– 0
Currency risks	–	301	–	301	301	–
Share-price and other price risks	–	5	–	5	5	–
Credit derivatives	–	13	1	14	14	– 0
Delivery obligations from short-sales	116	97	–	213	213	–
Financial liabilities designated at fair value through profit or loss	–	1 957	2 332	4 289	4 358	– 69
Deposits	–	1 542	1 815	3 357	3 406	– 49
Securitised liabilities	–	415	517	932	952	– 20
Financial liabilities at amortised costs	882	29 253	63 648	93 782	96 993	– 3 211
Deposits	222	12 617	59 168	72 007	74 706	– 2 699
Securitised liabilities	659	16 636	4 480	21 775	22 287	– 512
Negative fair values from hedge accounting derivatives	–	301	6	307	307	–
Negative fair values from allocated micro fair value hedge derivatives	–	301	6	307	307	–
Interest-rate risks	–	209	6	215	215	–
Currency risks	–	92	–	92	92	–
Balancing item for financial instruments hedged in the portfolio fair value hedge	–	–	–	– ¹⁾	– 937	937
Financial liabilities held for sale measured at fair value	–	24	–	24	24	–
Other liabilities (only financial instruments) measured at fair value	1	–	–	1	1	–
Total	998	34 126	65 998	101 122	103 466	– 2 344

¹⁾ Contributions relating to the liabilities item Balancing items for financial instruments hedged in the portfolio fair value hedge are shown in the fair values of the hedged financial instruments.

(in € million)	31 Dec. 2023					
	Level 1	Level 2	Level 3	Total fair values	Carrying amount	Difference
Liabilities						
Trading liabilities	-	2 317	16	2 333	2 333	-
Negative fair values from derivatives	-	2 303	16	2 319	2 319	-
Interest-rate risks	-	2 035	9	2 045	2 045	-
Currency risks	-	251	-	251	251	-
Share-price and other price risks	-	3	-	3	3	-
Credit derivatives	-	14	7	20	20	-
Delivery obligations from short-sales	-	14	-	14	14	-
Financial liabilities designated at fair value through profit or loss	-	1 855	2 219	4 074	4 139	- 65
Deposits	-	1 452	1 686	3 138	3 185	- 47
Securitised liabilities	-	403	533	936	955	- 18
Financial liabilities at amortised costs	1 166	28 668	63 039	92 873	96 125	- 3 252
Deposits	-	13 250	58 378	71 628	74 239	- 2 611
Securitised liabilities	1 166	15 418	4 661	21 245	21 886	- 641
Negative fair values from hedge accounting derivatives	-	382	2	385	385	-
Negative fair values from allocated micro fair value hedge derivatives	-	382	2	385	385	-
Interest-rate risks	-	286	2	289	289	-
Currency risks	-	96	-	96	96	-
Balancing item for financial instruments hedged in the portfolio fair value hedge	-	-	-	- ¹⁾	- 848	848
Other liabilities (only financial instruments) measured at fair value	1	-	-	1	1	-
Total	1 166	33 223	65 276	99 665	102 134	- 2 469

¹⁾ Contributions relating to the liabilities item Balancing items for financial instruments hedged in the portfolio fair value hedge are shown in the fair values of the hedged financial instruments.

Assets held for sale at fair value and liabilities held for sale at fair value are non-recurring fair value measurements (see Note (24) Assets held for sale and Note (28) Liabilities held for sale).

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

1 Jan. - 30 Jun. 2024 (in € million)	From level 1 to level 2	From level 2 to level 1	From level 3 to level 2
Trading assets	8	108	58
Debt securities and other fixed interest securities	8	108	-
Loans and advances	-	-	58
Financial assets at fair value through other comprehensive income	40	3 065	-
Debt securities and other fixed interest securities	40	3 065	-
Financial liabilities designated at fair value through profit or loss	-	-	9
Deposits	-	-	2
Securitised liabilities	-	-	6

Most level transfers as at the reporting date compared with 31 December 2023 took place between Level 2 and Level 1. These transfers were due to changes in trading activity. The number of prices listed on the market has increased and the bid-ask margin has decreased for the bonds concerned.

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

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

(in € million)	Positive fair values from derivatives interest-rate risks		Trading assets Positive fair values from derivatives credit derivatives		Loans and advances to trading and other trading assets	
	2024	2023	2024	2023	2024	2023
1 Jan.	13	44	31	76	1 475	1 599
Effect on the income statement ¹⁾	- 8	- 44	- 3	- 32	- 40	19
Addition from purchase or issue	5	35	-	-	485	553
Disposal from sale	-	-	-	-	495	639
Repayment/exercise	-	-	-	-	29	24
Addition from level 1 and 2	-	-	-	-	0	-
Disposal to level 1 and 2	-	-	-	-	58	2
Change from currency translation	-	-	-	-	- 45	20
30 Jun.	10	35	28	44	1 293	1 527
For information: Effect on income statement for financial instruments still held ¹⁾	1	- 0	- 3	- 32	- 37	27

¹⁾ The effects reported include net interest income and deferrals, measurement gains/losses, and realised profit/loss; these are reported in the income statement under the items net interest income and profit/loss from financial assets at fair value.

(in € million)	Financial assets mandatorily at fair value through profit or loss Loans and advances	
	2024	2023
1 Jan.	202	253
Effect on the income statement ¹⁾	- 1	20
Addition from purchase or issue	-	60
Repayment/exercise	108	96
30 Jun.	93	237
For information: Effect on income statement for financial instruments still held ¹⁾	- 5	- 1

¹⁾ The effects reported include net interest income and deferrals, measurement gains/losses, and realised profit/loss; these are reported in the income statement under the items net interest income and profit/loss from financial assets at fair value.

(in € million)	Financial assets at fair value through other comprehensive income			
	Debt securities and other fixed interest securities		Loans and advances	
	2024	2023	2024	2023
1 Jan.	4	37	401	441
Effect on the income statement ¹⁾	- 0	0	- 8	- 7
Effect on other comprehensive income (OCI)	- 0	0	-	-
Repayment/exercise	-	2	91	11
Addition from level 1 and 2	-	-	-	-
Disposal to level 1 and 2	-	30	-	-
30 Jun.	4	5	302	423
For information: Effect on income statement for financial instruments still held ¹⁾	- 0	0	- 5	- 7

¹⁾ The effects reported include net interest income and deferrals, measurement gains/losses and realised profit/loss; these are reported in the income statement under the items net interest income, profit/loss from risk provisioning, and disposal profit/loss from financial instruments not measured at fair value through profit and loss.

(in € million)	Positive fair values from hedge accounting derivatives	
	2024	2023
1 Jan.	2	2
Effect on the income statement ¹⁾	- 2	- 2
30 Jun.	0	1
For information: Effect on income statement for financial instruments still held ¹⁾	- 2	- 2

¹⁾ The effects reported include net interest income and deferrals, measurement gains/losses and realised profit/loss; these are reported in the income statement under the items net interest income and profit/loss from hedge accounting.

(in € million)	Shares in companies		Financial assets held for sale measured at fair value	
	2024	2023	2024	2023
1 Jan.	560	331	-	-
Effect on the income statement ¹⁾	6	8	-	-
Addition from purchase or issue	0	0	47	-
30 Jun.	566	339	47	-
For information: Effect on income statement for financial instruments still held ¹⁾	6	8	-	-

¹⁾ The effects reported include net interest income, measurement gains/losses and realised profit/loss; these are reported in the income statement under the items net interest income and profit/loss from fair value measurement and profit/loss from shares in companies.

(in € million)	Trading liabilities			
	Negative fair values from derivatives interest-rate risks		Negative fair values from derivatives credit derivatives	
	2024	2023	2024	2023
1 Jan.	9	13	7	6
Effect on the income statement ¹⁾	1	- 3	- 7	5
Addition from purchase or issue	1	1	1	6
30 Jun.	11	10	1	17
For information: Effect on income statement for financial instruments still held ¹⁾	1	- 2	- 6	11

¹⁾ The effects reported include net interest income and deferrals, measurement gains/losses and realised profit/loss; these are reported in the income statement under the items net interest income and profit/loss from financial assets at fair value.

(in € million)	Financial liabilities designated at fair value through profit or loss			
	2024	Deposits 2023	Securitised liabilities 2024	2023
1 Jan.	1 686	1 609	533	593
Effect on the income statement ¹⁾	- 47	46	- 15	2
Effect on other comprehensive income (OCI)	92	- 87	9	- 1
Addition from purchase or issue	107	26	63	32
Repayment/exercise	21	3	68	60
Disposal to level 1 and 2	2	-	6	-
30 Jun.	1 815	1 591	517	567
For information: Effect on income statement for financial instruments still held ¹⁾	- 47	46	- 16	2

¹⁾ The effects reported include net interest income and deferrals, measurement gains/losses, and realised profit/loss; these are reported in the income statement under the items net interest income and profit/loss from financial assets at fair value.

(in € million)	Negative fair values from hedge accounting derivatives	
	2024	2023
1 Jan.	2	2
Effect on the income statement ¹⁾	4	3
30 Jun.	6	6
For information:		
Effect on income statement for financial instruments still held ¹⁾	4	3

¹⁾ The effects reported include net interest income and deferrals, measurement gains/losses and realised profit/loss; these are reported in the income statement under the items net interest income and profit/loss from hedge accounting.

The following significant non-observable input data were used for the fair value measurement of financial instruments classified in Level 3.

Product	Fair value 30 Jun. 2024	Significant non-observable input data in the fair value measurement	Spread of the used input data	Weighted average
Interest-bearing bonds (assets)	226	Discount rate	0,1 % - 2,4 %	0,7 %
Interest-bearing bond (liabilities)	513	Discount rate	3,6 % - 5,5 %	3,8 %
Participations	566	Discount rate	9,2 % - 11,0 %	9,5 %
Loans (assets)	1 427	Rating	Rating Class (27er DSGV-Skala) 0-21	Averaged Rating 9
	42	Cashflow	-	-
Loans (liabilities)	1 795	Discount rate	3,1 % - 4,6 %	4 %
	12	Historical volatilities	10 %	10 %
Derivatives (assets)	27	Rating	Rating Class (27er DSGV-Skala) 1-22	Averaged Rating 18
	10	Underlying	77-103	89
	3	Correlation	0,8 - 1	-
Derivatives (liabilities)	1	Rating	Rating Class (27er DSGV-Skala) 7-15	Averaged Rating 13
Assets held for sale at fair value	46	Rating	Rating Class (27er DSGV-Skala) 8-14	11

Changes to the material input that cannot be observed on the market may result in a significantly higher or lower fair value. As part of the sensitivity analysis, the relevant input was improved and/or downgraded by the factor specified in the table. The potential change in the fair value of Level 3 from the suggested change to the parameter is specified below.

Product	Significant non-observable input data in the fair value measurement	Changes in sensitivity analysis	Potential changes in fair value 30 Jun. 2024 (in € million)	Potential changes in fair value 31 Dec.2023 (in € million)
Interest-bearing bond (liabilities)	Discount rate	+/- 10 basis points	-/+2	-/+2
Participations	Discount rate	+/- 50 basis points	-35;40	-32;37
Loans and Interest-bearing bond (assets)	Rating	+/- 1 rating grade	-1;2	-3;2
	Discount rate	+/- 10 basis points	-/+0,8	-/+1
	Cashflow	+/- 1 per cent	+/-0,4	+/-0,6
Loans (liabilities)	Discount rate	+/- 10 basis points	-/+27	-/+26
Derivatives (assets)	Rating	+/- 1 rating grade	1;8	9;12
	Underlying	+/- 1 per cent	+/-0,1	+/-0,2
	Correlation	+/- 5 per cent	-/+0,1	-0,2;0,3
Derivatives (liabilities)	Rating	+/- 1 rating grade	-0,2/0,4	-0,5;0,4
Assets held for sale at fair value	Rating	+/- 1 rating grade	+/-0	-

There are no relevant correlations between significant Level 3 input for the fair value measurement of Level 3 financial instruments. This therefore did not have any impact on fair value.

(30) Day-one Profits or Losses

Day-one profits or losses arising in the NORD/LB Group and their changes are presented below.

(in € million)	Financial liabilities designated at fair value through profit or loss	
	2024	2023
1 Jan.	65	67
New transactions Day-One Profits	7	2
Effect on the income statement	- 3	- 3
30 Jun.	69	66

The NORD/LB Group's day-one profits or losses relate to long-term structured issues.

(31) Risk Provisions and Cross Carrying Amount

The following overview presents the change, during the reporting period, in the risk provisioning for financial assets not measured at fair value through profit and loss and for off-balance-sheet items.

(in € million)	Transfer			Addition loss allowances		Reversal/utilisation loss allowances			Other changes			Change from the basis of consolidation	Closing balance 30 Jun. 2024	
	Opening balance 1 Jan. 2024	to Stage 1	to Stage 2	to Stage 3	Credit-related additions	Addition of assets	Credit-related reversals	Utilisation	Disposal of assets	Modification of assets	Unwinding			Currency translation
Financial assets at fair value through other comprehensive income														
Stage 1														
Debt securities	- 1	- 0	-	-	- 0	- 1	0	-	0	-	-	- 0	-	- 1
	- 1	- 0	-	-	- 0	- 1	0	-	0	-	-	- 0	-	- 1
Stage 2														
Debt securities	- 3	0	-	-	- 0	-	0	-	0	-	-	-	-	- 2
	- 3	0	-	-	- 0	-	0	-	0	-	-	-	-	- 2
	- 4	-	-	-	- 0	- 1	0	-	0	-	-	- 0	-	- 4
Financial assets at amortised costs														
Stage 1														
Debt securities	- 0	-	-	-	- 0	- 0	0	-	0	-	-	- 0	-	- 0
Loans and advances	- 181	- 28	16	0	- 57	- 31	125	-	6	0	-	- 0	-	- 150
	- 181	- 28	16	0	- 57	- 31	125	-	6	0	-	- 0	-	- 150
Stage 2														
Debt securities	- 1	-	-	-	-	-	0	-	0	-	-	- 0	-	- 1
Loans and advances	- 253	28	- 16	4	- 131	- 24	52	1	27	0	-	- 1	-	- 313
	- 254	28	- 16	4	- 131	- 24	52	1	27	0	-	- 1	-	- 313
Stage 3														
Loans and advances	- 295	-	0	- 4	- 101	- 35	49	17	52	1	16	- 1	-	- 303
	- 295	-	0	- 4	- 101	- 35	49	17	52	1	16	- 1	-	- 303
POCI														
Loans and advances	- 0	-	-	-	-	-	0	-	1	-	0	- 0	-	0
	- 0	-	-	-	-	-	0	-	1	-	0	- 0	-	0
	- 731	-	- 0	- 0	- 289	- 90	226	18	86	1	16	- 2	-	- 766
Total	- 735	-	- 0	- 0	- 289	- 91	227	18	86	1	16	- 2	-	- 769

(in € million)	Opening balance 1 Jan. 2024	Transfer			Addition loss allowances		Reversal/utilisation loss allowances			Other changes			Change from the basis of consolidation	Closing balance 30 Jun. 2024
		to Stage 1	to Stage 2	to Stage 3	Credit-related additions	Addition of assets	Credit-related reversals	Utilisation	Disposal of assets	Modification of assets	Unwinding	Currency translation		
Off-balance sheet liabilities														
Stage 1														
Loan commitments	- 3	- 0	0	0	- 0	- 4	3	-	2	-	-	0	-	- 3
Financial guarantees	- 1	- 0	0	-	- 0	- 1	1	-	0	-	-	0	-	- 1
Off-balance sheet liabilities	- 3	- 0	0	0	- 0	- 2	2	-	1	-	-	- 0	-	- 3
	- 8	- 0	0	0	- 1	- 7	6	-	3	-	-	0	-	- 8
Stage 2														
Loan commitments	- 7	0	- 0	0	- 1	- 3	1	-	5	-	-	1	-	- 5
Financial guarantees	- 2	0	- 0	-	- 0	- 0	0	-	0	-	-	0	-	- 2
Off-balance sheet liabilities	- 4	0	- 0	0	- 2	- 1	1	-	2	-	-	- 1	-	- 5
	- 13	0	- 0	0	- 4	- 4	1	-	7	-	-	- 0	-	- 12
Stage 3														
Loan commitments	- 0	-	-	- 0	- 2	- 0	0	-	1	-	1	0	-	- 1
Financial guarantees	- 14	-	-	-	- 4	- 0	0	-	9	-	0	- 0	-	- 8
Off-balance sheet liabilities	- 8	-	0	- 0	- 2	- 2	4	-	0	-	0	- 2	-	- 8
	- 22	-	0	- 0	- 7	- 2	4	-	10	-	1	- 2	-	- 18
Total	- 42	-	0	-	- 12	- 13	11	-	20	-	1	- 2	-	- 37

The increase in the risk provision portfolio in the reporting period resulted primarily from additions in the segments of commercial real estate financing, BLSK corporate customers & private banking, structured finance and corporate customers, which exceeded the reversals in the area of aircraft financing.

From the total portfolio of risk provisions as at 30 June 2024, € 299 million (€ 289 million) overall was attributable to the management adjustment.

The closing balance of risk provisions as at 30 June 2024 included the risk provision formed for the assets and liabilities held for sale of the Aviation sub-portfolio sale in the amount of € 7 million.

The following overview presents the change during the period of the previous year in the risk provisioning for financial assets not measured at fair value through profit and loss and for off-balance-sheet items.

(in € million)	Opening balance 1 Jan. 2023	Transfer			Addition loss allowances		Reversal/utilisation loss allowances			Other changes			Change from the basis of consolidation	Closing balance 30 Jun. 2023
		to Stage 1	to Stage 2	to Stage 3	Credit-related additions	Addition of assets	Credit-related reversals	Utilisation	Disposal of assets	Modification of assets	Unwinding	Currency translation		
Financial assets at fair value through other comprehensive income														
Stage 1														
Debt securities	- 1	- 0	0	-	- 0	- 1	0	-	0	-	-	- 0	-	- 1
	- 1	- 0	0	-	- 0	- 1	0	-	0	-	-	- 0	-	- 1
Stage 2														
Debt securities	- 3	0	- 0	-	- 1	-	0	-	1	-	-	-	-	- 3
	- 3	0	- 0	-	- 1	-	0	-	1	-	-	-	-	- 3
	- 5	-	-	-	- 1	- 1	0	-	1	-	-	- 0	-	- 5
Financial assets at amortised costs														
Stage 1														
Debt securities	- 1	- 0	-	-	- 0	- 0	0	-	0	-	-	0	-	- 1
Loans and advances	- 210	- 19	13	1	- 88	- 21	94	-	8	- 0	-	- 0	- 0	- 224
	- 211	- 19	13	1	- 88	- 21	94	-	8	- 0	-	- 0	- 0	- 224
Stage 2														
Debt securities	- 2	0	-	-	-	-	0	-	0	-	-	0	-	- 1
Loans and advances	- 203	19	- 13	1	- 63	- 14	51	-	35	0	-	0	- 0	- 188
	- 205	19	- 13	1	- 63	- 14	51	-	35	0	-	0	- 0	- 189
Stage 3														
Loans and advances	- 293	-	-	- 2	- 58	- 23	33	49	39	-	4	1	12	- 236
	- 293	-	-	- 2	- 58	- 23	33	49	39	-	4	1	12	- 236
	- 708	-	-	-	- 209	- 58	178	49	81	0	4	2	12	- 649
Total	- 713	-	-	-	- 210	- 59	179	49	82	0	4	2	12	- 654

(in € million)	Opening balance 1 Jan. 2023	Transfer			Addition loss allowances		Reversal/utilisation loss allowances			Other changes			Change from the basis of consolidation	Closing balance 30 Jun. 2023
		to Stage 1	to Stage 2	to Stage 3	Credit-related additions	Addition of assets	Credit-related reversals	Utilisation	Disposal of assets	Modification of assets	Unwinding	Currency translation		
Off-balance sheet liabilities														
Stage 1														
Loan commitments	- 5	- 0	0	0	- 0	- 2	2	-	2	-	-	2	- 0	- 3
Financial guarantees	- 1	- 0	0	-	- 1	- 0	1	-	0	-	-	0	-	- 2
Off-balance-sheet liabilities	- 2	- 0	0	0	- 0	- 10	1	-	1	-	-	- 1	-	- 11
	- 9	- 1	0	0	- 2	- 12	4	-	3	-	-	1	- 0	- 16
Stage 2														
Loan commitments	- 5	1	- 0	0	- 1	- 3	1	-	3	-	-	- 0	-	- 5
Financial guarantees	- 3	0	- 0	-	- 1	- 0	0	-	0	-	-	0	-	- 4
Off-balance-sheet liabilities	- 5	0	- 0	-	- 1	- 2	0	-	2	-	-	0	-	- 5
	- 14	1	- 0	0	- 2	- 5	1	-	6	-	-	0	-	- 13
Stage 3														
Loan commitments	- 1	-	-	- 0	- 0	- 2	2	-	1	-	0	0	-	- 0
Financial guarantees	- 13	-	-	-	- 1	- 7	7	-	1	-	0	0	-	- 13
Off-balance-sheet liabilities	- 4	-	-	- 0	- 2	- 0	1	-	2	-	- 0	- 0	-	- 4
	- 19	-	-	- 0	- 3	- 9	10	-	4	-	0	0	-	- 16
Total	- 42	-	-	-	- 7	- 25	14	-	12	-	0	1	- 0	- 46

The change in the gross carrying amounts during the reporting period for the financial assets at fair value through profit or loss is shown in the following overview.

(in € million)	Opening balance 1 Jan. 2024	Transfer			Addition of assets	Disposal of assets	Direct write- offs of assets	Modifi- cation of assets	Other changes			Closing balance 31 Dec. 2024
		to Stage 1	to Stage 2	to Stage 3					Currency trans- lation	Change from the basis of consoli- dation	Other Changes	
Financial assets at fair value through other com- prehensive income												
Stage 1												
Debt securities	10 386	6	–	–	1 816	– 1 705	–	–	18	–	–	10 522
Loans and advances	419	–	–	–	2	– 100	–	–	–	–	–	321
	10 806	6	–	–	1 818	– 1 805	–	–	18	–	–	10 843
Stage 2												
Debt securities	76	– 6	–	–	0	– 9	–	–	–	–	–	60
Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–
	76	– 6	–	–	0	– 9	–	–	–	–	–	60
	10 882	–	–	–	1 818	– 1 814	–	–	18	–	–	10 903
Financial assets at amortised costs												
Stage 1												
Debt securities	2 809	–	–	–	3	– 111	–	–	24	–	–	2 725
Loans and advances	72 290	768	– 1 203	– 11	10 195	– 9 222	– 0	0	160	–	10	72 988
Cash reserve	3 429	6	–	–	598	– 1 127	–	–	8	– 7	2	2 908
	78 528	774	– 1 203	– 11	10 795	– 10 460	– 0	0	192	– 7	12	78 621
Stage 2												
Debt securities	118	–	–	–	0	– 10	–	–	4	–	–	112
Loans and advances	12 038	– 768	1 203	– 129	1 582	– 1 826	– 0	– 0	44	–	–	12 143
Cash reserve	6	– 6	–	–	–	–	–	–	0	–	–	–
	12 161	– 774	1 203	– 129	1 582	– 1 836	– 0	– 0	48	–	–	12 255
Stage 3												
Loans and advances	1 172	0	– 0	140	144	– 210	– 35	1	1	–	– 0	1 213
	1 172	0	– 0	140	144	– 210	– 35	1	1	–	– 0	1 213
POCI Loans and advances	1	–	–	–	0	–	–	–	–	–	–	1
	1	–	–	–	0	–	–	–	–	–	–	1
	91 863	0	–	–	12 521	– 12 506	– 35	0	242	– 7	12	92 089
Total	102 744	0	–	–	14 339	– 14 320	– 35	0	260	– 7	12	102 993

The following overview presents the change over the previous year in the gross carrying amounts of financial assets not measured at fair value through profit or loss.

(in € million)	Opening balance 1 Jan. 2023	Transfer			Addition of assets	Disposal of assets	Direct write- offs of assets	Modifi- cation of assets	Other changes			Closing balance 31 Dec. 2023
		to Stage 1	to Stage 2	to Stage 3					Currency trans- lation	Change from the basis of consoli- dation	Other Changes	
Financial assets at fair value through other comprehensive income												
Stage 1												
Debt securities	10 610	9	- 16	-	1 251	- 1 333	-	-	- 7	-	-	10 515
Loans and advances	473	-	-	-	2	- 19	-	-	-	-	-	456
	11 083	9	- 16	-	1 253	- 1 352	-	-	- 7	-	-	10 971
Stage 2												
Debt securities	96	- 9	16	-	0	- 21	-	-	-	-	-	82
	96	- 9	16	-	0	- 21	-	-	-	-	-	82
	11 180	-	-	-	1 254	- 1 373	-	-	- 7	-	-	11 053
Financial assets at amortised costs												
Stage 1												
Debt securities	3 006	43	-	-	13	- 173	-	-	- 27	-	-	2 863
Loans and advances	79 465	381	- 1 076	- 78	11 246	- 9 864	- 1	3	43	15	14	80 147
Cash reserve	2 464	-	-	-	715	- 1 108	-	-	6	-	- 5	2 073
	84 935	424	- 1 076	- 78	11 974	- 11 144	- 1	3	22	15	9	85 083
Stage 2												
Debt securities	171	- 43	-	-	0	- 9	-	-	- 2	-	-	117
Loans and advances	3 285	- 381	1 076	- 12	463	- 753	- 0	2	- 10	-	-	3 670
Cash reserve	-	-	-	-	3	-	-	-	- 0	-	-	3
	3 456	- 424	1 076	- 12	466	- 762	- 0	2	- 13	-	-	3 790
Stage 3												
Loans and advances	814	0	- 0	90	35	- 176	- 42	0	- 2	-	- 12	707
	814	0	- 0	90	35	- 176	- 42	0	- 2	-	- 12	707
POCI												
Loans and advances	1	-	-	-	0	- 0	-	-	-	-	-	1
	1	-	-	-	0	- 0	-	-	-	-	-	1
	89 206	0	-	-	12 476	- 12 082	- 44	5	8	15	- 3	89 581
Total	100 385	0	-	-	13 729	- 13 455	- 44	5	1	15	- 3	100 634

(32) Derivative Financial Instruments

The composition of the portfolio of derivative financial instruments is as follows:

(in € million)	Nominal values		Positive fair value		Negative fair value	
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2024	31 Dec. 2023	30 Jun. 2024	31 Dec. 2023
Interest-rate risk	309 779	266 323	2 179	2 164	2 401	2 333
Currency risk	20 209	18 597	164	311	393	347
Credit derivatives risks	28	26	1	1	5	3
Share price and other price risks	1 987	1 377	53	52	14	20
Total	332 003	286 322	2 397	2 529	2 814	2 704

(33) Regulatory Data

The following consolidated regulatory data for the Group were determined as at the reporting date in accordance with the provisions of Regulation (EU) No. 575/2013 on prudential requirements for banks and investment firms (CRR).

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)
Total risk exposure amount	41 677	40 572
Capital requirements for credit risks	3 018	2 928
Capital requirements for operational risks	149	168
Capital requirements for market risks	123	95
Capital requirements for loan amount adjustments	42	48
Other or transitional capital requirements	2	6
Capital requirements	3 334	3 246

The following overview shows the composition of regulatory capital for the Group in accordance with Article 25 et. seq. of the CRR:

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)
Paid-up capital including premium	5 747	5 747
Retained profits	1 476	1 364
Accumulated OCI	- 300	- 410
Regulatory adjustments	- 172	- 269
- Deductible items (from CET 1 capital)	- 315	- 284
Common Equity Tier 1 capital	6 435	6 147
Paid-in instruments of Additional Tier 1 capital	50	50
Additional Tier 1 capital	50	50
Tier 1 capital	6 485	6 198
Paid-up instruments of Tier 2 capital	1 215	813
- Deductible items (from Tier 2 capital)	- 5	- 10
Tier 2 capital	1 210	803
Own funds	7 695	7 000

	30 Jun. 2024 (in %)	31 Dec. 2023 (in %)
Common Equity Tier 1 capital ratio	15.44%	15.15%
Tier 1 capital ratio	15.56%	15.28%
Total capital ratio	18.46%	17.25%

(34) Contingent Liabilities and Other Obligations

	30 Jun. 2024 (in € million)	31 Dec. 2023 (in € million)	Change (in %)
Contingent liabilities			
Liabilities from guarantees and other indemnity agreements	4 396	4 324	2
Other contingent liabilities	118	118	-
	4 514	4 442	2
Other obligations			
Irrevocable credit commitments	10 545	10 848	- 3
	10 545	10 848	- 3
Total	15 059	15 290	- 2

(35) Related Parties

The scope of relations (excluding transactions to be eliminated in the consolidation) with related companies and persons is shown in the following tables:

30 Jun. 2024	Compa- nies with signifi- cant influence	Subsi- diaries	Associa- ted compa- nies	Persons in key positions	Other related parties
(in € million)					
Assets					
Trading assets	457	0	30	-	0
Derivatives	132	0	30	-	-
Debt securities and other fixed interest securities	138	-	-	-	-
Loans and advances	186	-	-	-	0
Financial assets mandatorily at fair value through profit or loss	-	1	-	-	-
Equity instruments	-	1	-	-	-
Financial assets at fair value through other comprehensive income	655	-	-	-	-
Debt securities and other fixed interest securities	629	-	-	-	-
Loans and advances	26	-	-	-	-
Financial assets measured at amortised cost	940	0	210	3	151
Loans and advances	940	0	210	3	151
Other assets	98	-	0	-	-
Total	2 150	1	241	3	151

30 Jun. 2024	Compa- nies with signifi- cant influence	Subsi- diaries	Associa- ted compa- nies	Persons in key positions	Other related parties
(in € million)					
Liabilities					
Trading liabilities	11	-	3	-	-
Derivatives	3	-	3	-	-
Delivery obligations from short-sales	9	-	-	-	-
Financial liabilities designated at fair value through profit or loss	52	-	-	-	75
Deposits	52	-	-	-	75
Financial liabilities at amortised costs	440	22	234	1	306
Deposits	440	21	234	1	306
Other financial liabilities	-	0	-	-	-
Total	502	22	237	1	381
Guarantees and securities granted	0	-	0	-	20

1 Jan. - 30 Jun. 2024	Compa- nies with signifi- cant influence	Subsi- diaries	Associa- ted compa- nies	Persons in key positions	Other related parties
(in € million)					
Interest income	55	0	4	0	3
Interest expense	- 13	- 0	- 4	- 0	- 5
Commission income	4	0	0	0	0
Commission expense	- 7	- 0	-	-	-
Other income/expense	- 30	0	- 4	- 3	2
Total	9	0	- 3	- 3	- 0

31 Dec. 2023	Compa- nies with signifi- cant influence	Subsi- diaries	Associa- ted compa- nies	Persons in key positions	Other related parties
(in € million)					
Assets					
Trading assets	315	0	36	-	11
Derivatives	142	0	36	-	-
Debt securities and other fixed interest securities	12	-	-	-	-
Loans and advances	161	-	-	-	11
Financial assets mandatorily at fair value through profit or loss	-	1	-	-	-
Equity instruments	-	1	-	-	-
Financial assets at fair value through other comprehensive income	657	-	-	-	-
Debt securities and other fixed interest securities	632	-	-	-	-
Loans and advances	25	-	-	-	-
Financial assets measured at amortised cost	1 051	-	211	2	154
Loans and advances	1 051	-	211	2	154
Other assets	90	-	-	-	-
Total	2 113	1	247	2	165

31 Dec. 2023	Compa- nies with signifi- cant influence	Subsi- diaries	Associa- ted compa- nies	Persons in key positions	Other related parties
(in € million)					
Liabilities					
Trading liabilities	8	-	2	-	-
Derivatives	8	-	2	-	-
Financial liabilities designated at fair value through profit or loss	38	-	-	-	58
Deposits	38	-	-	-	58
Financial liabilities at amortised costs	596	23	230	1	290
Deposits	596	23	230	1	290
Total	642	23	232	1	348
Guarantees and securities granted	0	-	1	-	19

1 Jan. - 30 Jun. 2023	Compa- nies with signifi- cant influence	Subsi- diaries	Associa- ted compa- nies	Persons in key positions	Other related parties
(in € million)					
Interest income	37	0	11	0	1
Interest expense	- 8	- 7	- 4	- 0	- 3
Commission income	3	0	0	0	0
Commission expense	- 16	-	-	-	-
Other income/expense	- 38	- 0	- 11	- 3	- 1
Total	- 21	- 6	- 4	- 3	- 3

(36) Overview of Companies in the consolidated Group

Company name and registered office	Shares (%) indirect	Shares (%) direct
Subsidiaries included in the consolidated financial statements		
BGG Bruchtorwall GmbH & Co. KG, Bremen	-	100.00
BGG Domshof 26 GmbH & Co. KG, Bremen	-	100.00
BGG Hansa-Haus GmbH & Co. KG, Bremen	-	100.00
BGG Katharina GmbH & Co. KG, Bremen	-	100.00
BGG Rathausmarkt GmbH & Co. KG, Bremen	-	100.00
BLB Immobilien GmbH, Bremen	-	100.00
caplantic GmbH, Hannover	-	100.00
KreditServices Nord GmbH, Braunschweig	-	100.00
Nieba GmbH, Hannover	-	100.00
NORD/FM Norddeutsche Facility Management GmbH, Hannover	-	100.00
NORD/LB Leasing GmbH, Oldenburg	-	100.00
NORD/LB Luxembourg S.A. Covered Bond Bank, Luxemburg-Findel / Luxemburg	-	100.00
NORDWEST VERMÖGEN Bremische Grundstücks-GmbH & Co. KG, Bremen	100.00	-
NORDWEST VERMÖGEN Vermietungs-GmbH & Co. KG, Bremen	91.00	9.00

Company name and registered office	Shares (%) indirect	Shares (%) direct
Special Purpose Entities included in the consolidated financial statements		
DEMURO Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Pullach im Isartal	-	-
Hannover Funding Company LLC, Dover / USA	-	-
NORD/LB Objekt Magdeburg GmbH & Co. KG, Pullach im Isartal	-	-
Unterstützungskasse Norddeutsche Landesbank Girozentrale Hannover/Braunschweig e.V., Hannover	-	-
Companies accounted for in the consolidated financial statements using the equity method		
Associated companies		
Ammerländer Wohnungsbau-Gesellschaft mbH, Westerstede	-	32.26
GSG Oldenburg Bau- und Wohngesellschaft mit beschränkter Haftung, Oldenburg	-	22.22
Öffentliche Lebensversicherung Braunschweig, Braunschweig ¹⁾	-	75.00
Öffentliche Sachversicherung Braunschweig, Braunschweig ¹⁾	-	75.00

¹⁾ This company is classified as an associate due to its structure under company law.

(37) Events after Reporting Date

At the reporting date-assets and liabilities held for sale include a portfolio of aircraft financing from the special financing segment and the derivatives associated with the aircraft financing were to be sold. The divestment of these businesses is planned for the second half of 2024.

A significant part of the portfolio to be sold, amounting to € 0.69 billion in total financing volume, was transferred in the first half of August 2024. The resulting effects on earnings amounted to about € -14 million.

Hanover / Braunschweig / Magdeburg, 20. August 2024

Norddeutsche Landesbank Girozentrale

The Managing Board

Frischholz

Dieng

Hanebuth

Spletter-Weiß

Review and Preparation

Review Report

Responsibility Statement

Review Report

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

We have reviewed the condensed consolidated interim financial statements - comprising the income statement, statement of comprehensive income, statement of financial position, condensed statement of changes in equity, condensed statement of cash flows and selected explanatory notes - and the interim group management report of Norddeutsche Landesbank - Girozentrale -, Hannover, Braunschweig, Magdeburg, for the period from 1 January 2024 to 30 June 2024 which are part of the half-year financial report pursuant to § (Article) 115 WpHG (“Wertpapierhandels-gesetz”: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards 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 so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Hannover, 21 August 2024
PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Anne Witt
Wirtschaftsprüferin
[German Public Auditor]

ppa. Mirko Braun
Wirtschaftsprüfer
[German Public Auditor]

Responsibility Statement by the Legal Representatives

We declare that to the best of our knowledge and in accordance with applicable accounting principles for semi-annual financial reporting, the consolidated semi-annual financial statements provide a true and fair view of the NORD/LB Group's financial position and financial performance and that the Interim Group Management Report presents a true and fair view of the development of business, including the operating results and the position of the Group, and also describes the significant opportunities and risks relating to the probable development of the Group in the remainder of the financial year.

Hanover / Braunschweig / Magdeburg, 20. August 2024

Norddeutsche Landesbank Girozentrale

The Managing Board

Frischholz

Dieng

Hanebuth

Spletter-Weiß

Further Information

Board Members

Forward-looking Statements

Board Members

(As at 30. June 2024)

1. Members of the Managing Board

Jörg Frischholz (Chairman)
(Chief Executive Officer)

Ingrid Spletter-Weiß
(Chief Clients / Products Officer)

Christoph Dieng
(Chief Risk Officer)

2. Members of the Supervisory Board

(The current status of the members of the Supervisory Board is provided on the homepage of the NORDB/LB: www.nordlb.com/nordlb/investor-relations/committees-and-executive-bodies/)

Chairman

Gerald Heere
Minister
Ministry of Finance of Lower Saxony

Nana Geisler
Bank Employee
NORD/LB Norddeutsche Landesbank Girozentrale

1st Deputy Chairman

Herbert Hans Grüntker
FIDES Delta GmbH

Dr Stefan Große
Bank Employee
NORD/LB Norddeutsche Landesbank Girozentrale

2nd Deputy Chairman

Thomas Mang
President
Sparkassenverband Niedersachsen

Cornelia Günther
Trade Union Secretary
ver.di Hanover district

Prof Dr Susanne Knorre
Management Consultant

Members

Bernd Brummermann
CEO
OstseeSparkasse Rostock

Dr Thorsten Kornblum
Mayor city of
Brunswick

Dr Jürgen Fox
CEO
Saalesparkasse

Christina Lang
CEO
DigitalService GmbH

Christian Lange
Bank Employee
NORD/LB Norddeutsche Landesbank Girozentrale

Karin Lichtenstein
Bank Employee
NORD/LB Norddeutsche Landesbank Girozentrale

Walter Petry

Michael Richter
Minister
Ministry of Finance Lower Saxony-Anhalt

René Rudolf-Baumgartner
Trade Union Secretary
ver.di Hanover-Heide-Weser district

Silke Stremlau

Matthias Wargers
FIDES Gamma GmbH

Forward-looking Statements

This report contains forward-looking statements. They can be recognised in terms such as "expect", "intend", "plan", "endeavour" and "estimate" and are based on our current plans and estimations. These statements include uncertainties since there are numerous factors which influence our business and are beyond our control. These include, in particular, the performance of financial markets and changes in interest rates and market prices. Actual results and developments may therefore differ considerably from the assumptions made in the report. NORD/LB accepts no responsibility for the forward-looking statements and nor does it intend to update or correct them if developments materialise that are different than those expected.



Our annual and interim reports are available for download at www.nordlb.com/reports/.

For questions about the reports, please contact our Investor Relations department.

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NORD/LB

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Branches (including Braunschweigische Landessparkasse)

Bad Harzburg	Braunschweig	Bremen
Düsseldorf	Hamburg	Helmstedt
Holzminden	Magdeburg	Munich
Oldenburg	Salzgitter	Schwerin
Seesen	Wolfenbüttel	

In total, there are over 100 branches and self-service centres in the business territory covered by Braunschweigische Landessparkasse.

Details can be found at <https://www.blsk.de>

Foreign branches

London, New York and Singapore