Interim Financial Statement
as of 30 June 2009

(unaudited)

NORD/LB
Norddeutsche Landesbank Luxembourg S.A.

Contents

Core Data at a Glance

Business Development	30.06.2009 EUR Million	31.12.2008 EUR Million	Increase/Decrease EUR Million	Percentage
Loans and Advances to Banks	6,272.6	6,505.1	– 232.4	– 4
Loans and Advances to Customers	6,592.8	7,260.8	– 668.0	– 9
Risk Provisions	–158.8	– 93.5	– 65.3	70
Financial Assets	9,821.6	9,458.7	362.9	4
Sundry Assets	719.5	923.2	– 203.7	– 22
Balance Sheet Total Assets	**23,247.8**	**24,054.3**	**– 806.5**	**– 3**
Liabilities to Banks	12,728.9	14,433.3	– 1,704.3	– 12
Liabilities to Customers	4,302.9	1,888.4	2,414.5	> 100
Securitised Liabilities	4,532.8	5,535.3	– 1,011.6	– 18
Sundry Liabilities	975.5	1,505.1	– 529.6	– 35
Reported Equity	716.6	692.2	24.5	4
Balance Sheet Total Liabilities	**23,247.8**	**24,054.3**	**– 806.5**	**– 3**
Profit Development	**1. Half-Year of 2009 KEUR**	**1. Half-Year of 2008 KEUR**	**Increase/Decrease KEUR**	**Percentage**
Net Interest Income	91,478	55,627	35,851	64
Net Commission Income	7,256	4,563	2,693	59
Profit/Loss from Financial Assets	1,241	– 4,912	6,153	> 100
Other Profit/Loss	– 1,654	2,372	– 4,026	> 100
Profit/Loss before Tax	**98,321**	**57,650**	**40,671**	**71**
Administrative Expenses	– 15,286	– 13,220	– 2,066	16
Cost-Income-Ratio Percentage Change *)	15.5 %	22.9 %	– 7.4 %	– 32
Profit/Loss from Valuation Changes and Risk Provisions	– 59,020	– 11,863	– 47,157	> 100
Taxes	– 4,827	– 6,199	1,371	– 22
Profit/Loss after Tax	**19,188**	**26,368**	**– 7,180**	**– 27**
Regulatory Key Data	**30.06.2009 EUR Million**	**31.12.2008 EUR Million**	**Increase/Decrease EUR Million**	**Percentage**
Risk-Weighted Asset Values	5,909.4	6,735.3	– 825.9	– 12
Core Capital	760.7	739.8	20.9	3
Equity	899.1	981.9	– 82.8	– 8
Core Capital Ratio	12.9 %	11 %	1.9 %	17
Overall Coefficient	15.2 %	14.6 %	0.6 %	4
Number of Employees	**30.06.2009**	**31.12.2008**	**Increase/Decrease Total**	**Percentage**
	144	132	12	9

*) Cost Income Ratio (CIR) is equivalent to the quotient of administrative expenses and earnings before tax.


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Interim Financial Statement
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Interim Management Report June 2009

NORD/LB Luxembourg

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Chairman of the Board of Management
NORD/LB Norddeutsche Landesbank Girozentrale

Martin Halblaub
Member of the Board of Management
NORD/LB Norddeutsche Landesbank Girozentrale

Dr. Stephan-Andreas Kaulvers
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Deputy Chairman of the Board of Management/CFO/CRO
Christian Veit

Norddeutsche Landesbank Luxembourg S.A.

Interim Management Report June 2009

NORD/LB Luxembourg

The Group

Norddeutsche Landesbank Luxembourg S.A., Luxembourg, (hereinafter referred to as "NORD/LB Luxembourg" or, for short, "the Bank" or "the Group") is the parent company of a group of companies that includes NORD/LB COVERED FINANCE BANK S.A., Luxembourg (referred to hereafter as NORD/LB CFB) and SKANDIFINANZ BANK AG, Zurich/Switzerland (hereinafter referred to as Skandifinanz). NORD/LB Luxembourg holds 100 % of the shares in both of these banks.

NORD/LB Luxembourg itself is a wholly-owned subsidiary of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover (referred to hereafter as NORD/LB for short), and its consolidated financial statement is included in the consolidated financial statement of NORD/LB.

NORD/LB Luxembourg is active in the trading, private banking, and lending business sectors. The corporate purpose of NORD/LB CFB is to conduct the business of a mortgage bank (Pfandbriefbank) in accordance with and as permitted under the law of the Grand Duchy of Luxembourg. The core activities of Skandifinanz are forfaiting, other trade-related financial transactions, and international private banking.

In accordance with SIC 12, special purpose entities can also be included in the Group's consolidated financial accounts. At year-end, the LUX Cofonds, an investment fund that is wholly owned by NORD/LB Luxembourg, was consolidated by the NORD/LB Luxembourg Group. The receivables and liabilities of this fund were transferred to NORD/LB Luxembourg on 1st April 2009, and the fund was dissolved.

This report refers to the consolidated annual interim financial statement of NORD/LB Luxembourg.

International
Economic Development

First Half-year of 2009

Germany is currently suffering its worst economic recession since World War II. Following three quarters of negative economic growth, Germany's gross domestic product once again rose considerably during the first three months of the year. At -3.8 %, the GDP's rate of contraction exceeded the previous quarter's negative growth, and was the worst since the Group published its first official quarterly results in 1970. The general slowdown in the world's economic growth that was observed throughout 2008 was further exacerbated by the financial crisis that started more than two years ago with the bursting of the US housing market bubble. However, this general slowdown is also due to a range of other factors, such as, e.g. exploding raw material prices. Following a phase of high global economic growth and robust expansion of global trade lasting several years, the current economic slump has furthermore been typical of a common cyclical pattern, although the bankruptcy of US investment bank Lehman Brothers in September of the previous year dramatically intensified the current crisis.

Compared to the same period in the previous year – which marked the peak of the previous economic boom – overall economic performance has dropped by 6.9 %. The drop in the gross domestic product observed during this current economic and financial crises in the first quarter of 2009 is therefore already three times more than that of the 1992/1993 recession. The economic development during the winter half-year can thus be described as no less than catastrophic. The German federal government has enacted two economic stimulus packages aimed at mitigating the effects of the current crisis through the use of fiscal means. Germany is one of the countries most seriously affected by the world economic collapse, due in particular to the German economy's high dependence on exports. Compared to the previous quarter, Germany's exports in goods and services, for example, dropped in real terms by 9.7 % during the first quarter of 2009. Furthermore, there has also been an unprecedented drop in investments for plant and machinery, which dropped by – 16.2 % as compared to the previous quarter. As anticipated, government and private consumer spending have slightly helped to stabilise the situation during the first quarter, the latter primarily due to the car scrappage rebate scheme or green car incentive, and more favourable price developments.

It is currently expected that the recession will slow down significantly during the second quarter as net exports are anticipated to pick up and the environment for private consumer spending is likely to turn more favourable. The rise in the critical economic indicators of orders received and industrial production during the second quarter present legitimate grounds for hope that the current economic crisis will be bottoming out by the middle of the year.

However, the crisis has not yet taken its full toll on the labour market, although employment figures have risen in recent months. The seasonally adjusted rate of unemployment rose to 8.3 % in June 2009 and, at mid-year, is therefore approx. 250,000 higher than the level of the previous year. This data, however, has limited comparability due to the changes in the statistic recording of unemployment rates that were implemented as part of the new labour market policy measures. Moreover, companies also made use of the option to avoid redundancies by reducing working hours, which was introduced as part of the economic stimulus packages. The crude oil price, which continued to rise significantly until the middle of last year, temporarily dropped to below the 40 USD/barrel mark during the first half-year, but is now climbing towards 60 USD/barrel. Similar price decreases have also affected other raw materials and food, and these fluctuations have caused inflation rates to drop considerably. In June, the annual rate of the Harmonised Index of Consumer Prices (HICP) in the eurozone fell to – 0.1 %, and therefore to a negative value for the very first time. However, we anticipate that once these basic effects have phased out, inflation will actually return to solid positive levels later this year.

The first half-year of 2009 saw the financial markets marked by the impact of the global financial market crisis, which has persisted since mid-2007 and originated from the bursting of the US housing market bubble. The bankruptcy of US investment bank Lehman Brothers and the near national bankruptcy of Iceland furthermore severely eroded trust in the financial and capital markets. As a consequence, the financial market became unable to fulfil its function of exchanging liquid funds between financial institutions, prompting the European Central Bank, together with other Federal Reserve Banks, to flood the markets with liquidity and lower interest rates to an unprecedented low rate of 1.0 %. In addition, the ECB has decided to purchase covered bonds to a value of up to EUR 60 billion in order to further ease the financial climate.

Following the initially positive reports for the first quarter of 2009 from US banks and the noticeable upturn in the survey-based economic indicators, stock markets recovered during the period from March to the beginning of June, while, at the same time, government bonds that had previously been in great demand as safe-haven bonds, came increasingly under pressure. This recovery was also aided by growing economic optimism and the associated decrease in risk aversion, as well as the easing of concerns about inflation as a result of the expansive monetary policy and less alarm over the high increase in the states' budget deficits created by the economic and bank rescue packages. In the USA, the ten-year treasury yield peaked at over 3.9 %, while the yields from ten-year federal bonds rose from approx. 3.0 % to more than 3.7 %. This extreme steep slope of the yield curve, which is due to massive interest rate reductions by the federal reserve banks, continued to grow as time went on. The spread between ten-year and two-year bonds temporarily rose to over 275 basis points in the USA, and to over 225 basis points in Germany. A less euphoric interpretation of the economic indicators for future economic development in conjunction with fewer concerns regarding inflation rates gave rise to a noticeable change on the bond markets. At the end of June, yields from ten-year government bonds dropped to below 3.4 % in Germany and to approx. 3.5 % in the USA.

Forecast

Current indications suggest that the German economic situation will bottom out by the middle of the year. In the second half of 2009, the economy will recover slightly from its previous very low level of growth. Germany's gross domestic product, however, is still expected to shrink by around 6.0 % in 2009. Net exports are anticipated to contribute positively to growth, thanks to a slight upturn in exports, and the economic stimulus packages and extremely low inflation rate, which is not forecast to change for the next several months, will continue to facilitate consumer spending for a little while longer. However, this trend is forecast to change in the coming year, when private consumer spending is anticipated to come under severe pressure due to the significant downturn that is expected to hit the labour market starting in autumn. Investments for plants and machinery are furthermore expected to continue to develop weakly due to low capacity utilisation and the high level of uncertainty concerning the further development of the global economy over the course of the year. Parallel to this, the eurozone is also expected to slightly recover, even though individual states such as Spain and Ireland are still set to continue experiencing severely restrained economic growth. Overall, GDP will shrink by about 4.2 % this year in the eurozone.

Following the previous two extremely weak quarters and thanks to its expansive monetary and fiscal policy, the US economy should experience a noticeable recovery during the second half of 2009. The significant increase in confidence associated with this is yet another optimistic sign, although the ongoing housing market and banking sector crisis continue to repress economic growth. Due to the rise in the inflation rate at the end of the year and the emerging recovery of the economy, the Fed will be raising the interest rate in the coming year. The financial markets will remain volatile for the rest of the year, since the financial market crisis is not yet over and there may still be further negative reports from the banking sector due to the recession. The risks associated with the macroeconomic development continue to remain high, and new setbacks may still transpire at any time. Government bond yields on both this and the other side of the Atlantic will successively increase due to the debt-related rise in the demand for capital and the end of the peak of the recession. If the global economy makes a strong recovery, inflation rate expectations might temporarily rise due to the extremely expansive monetary policy.

Development of Business Sectors

Trade Banking (NORD/LB Luxembourg)

Treasury

The responsibilities of the Treasury Unit include liquidity management within the scope of refinancing reported business transactions and for the purpose of fulfilling minimum reserve requirements, as well as the control of interest rate risks and the Bank's supply of capital. The Bank's Treasury Unit is an integral component of the Group's funding and uses its international connections for this purpose, particularly its connections to Switzerland. Business transactions reflected in the balance sheet mainly comprise transactions with commercial papers, call money and term deposits, as well as securities and open-market credits with first order issuers. When trading in off-balance sheet business, the Treasury Unit concentrates on interest rate swaps and forward exchange contracts, including currency swaps and futures. The Bank does not enter into any appreciable risks pertaining to complex derivative products.

Refinancing in lending business is diversified. Refinancing sources include deposits from banks and institutional investors, commercial papers issued (ECP and USCP), and open market deals on the money market transacted with the European Central Bank and the Swiss National Bank. The Bank utilises its EMTN program for long-term refinancing. Under this program, benchmark bonds and private placements had been issued as of the balance sheet date. In the current market situation, NORD/LB guarantees the required additional long-term funding.

The use of genuine repurchase transactions in securities was once again actively expanded during the first half-year of 2009 in order to further diversify funding sources.

The ongoing market crisis, which started in mid-2007, finally bottomed out slightly during the first half-year of 2009 as a result of the massive support provided by the international community of states and the individual central banks. The Bank's supply of capital was guaranteed at all times. The active pursuit of maturity transformation and retention of adequate liquid capital have enabled the Treasury Unit to contribute to the operating income far in excess of its planned contributions.

Credit Investments & Solutions

The Bank aims to build a well-diversified, dynamic credit portfolio in its credit investment segment, which emerged from its strategic investments segment. To date, these efforts have been particularly focused on the historically less volatile banking and financials/financing institution sector.

In the future, the Bank intends to successively broaden this portfolio – without expanding its volume – to include all sectors, in order to reduce systematic risk. The Bank pursues a highly conservative investment policy and does not enter into any appreciable risks pertaining to complex derivative products. It primarily concentrates on the criteria of safety, liquidity, and earnings, and therefore only allows the purchase of securities that have an investment grade rating and are from issuers domiciled in OECD countries. In regional terms, the selection of securities focuses on Europe. The Bank regularly reviews and adapts its investment strategy to changed requirements.

The turmoil experienced by the markets in the wake of the sub-prime and liquidity crisis has currently put a stop to all investment activities. The Bank has not, however, been able to avoid the increase in the credit spread associated with the crisis. This has had a negative impact on the valuation of its portfolio, which nonetheless continues to be of very high quality. The negative valuation peaks were primarily of a temporary nature, as is shown by the current reversals of impairment losses.

Nevertheless, the Bank was also affected to a manageable extent by both rating migrations and the collapse of the Icelandic Glitnir Bank. The relevant risks are taken into account in the current value adjustments. It remains to be seen with regard to the further developments related to the servicing of these bonds. The Bank is an active participant in the efforts being made by German banks to restructure Iceland's bank debts and is also collaborating closely in this respect with NORD/LB and various interest groups.

During the first half of the year, the Bank expanded its business segments further by establishing the ‘Solutions’ segment in order to meet the demands of the Group’s new strategic alignment. In the future, this segment will support any measures aimed at maximising returns on capital and income, as well as initiate such measures itself. The most decisive factors here are the special economic advantages associated with Luxembourg as a financial and business centre. The Solutions segment will initially focus primarily on cooperating with the parent company’s corresponding segment, but also plans to offer its services to external clients at a later date.

Private Banking (NORD/LB Luxembourg)

NORD/LB Luxembourg’s customer relationships are always based on close and fair cooperation, and are focused on the different needs of the Bank’s customers.

The objective of the private banking segment, and its products and services, is to be a trusting, reliable and long-term contact partner for customers pursuing international investment strategies. In doing so, the Bank’s efforts always centre on its customers, who – apart from simply being provided with advice tailored to their respective investment mentality, risk propensity, and availability of funds – may also avail themselves of different individual and fund asset management services.

The Bank was approved as an insurance broker in Luxembourg in mid-2009 and can now offer its private banking customers life and pension insurance funds as investment alternatives.

The Bank is planning to launch NORD/LB Group’s first public fund – which is to be offered for investment in Luxembourg and Germany – during the 2nd half-year of 2009.

The Bank’s conservative approach to consulting and advising, along with its customers’ safety-oriented investment mentality, have greatly contributed to protecting it from sustaining any permanent losses during the current financial crisis.

Corporate Banking (NORD/LB Luxembourg)

The Bank is available to internationally operating borrowers who have a first-class credit rating, both bilaterally and within the scope of syndicated loan agreements for all of the standard Euromarket lending business activities. This business is conducted in close cooperation with various parts of the Group. The assessment of credit risks in the Bank is carried out in close cooperation with NORD/LB and in accordance with common principles.

Loans in foreign currencies account for approximately 40.6 % (cp 42 %) of all of the loans taken out. There is a strong regional focus on Europe and on other OECD countries.

The risk strategy of the Bank remains unchanged, with the focus being on a first-class credit rating for borrowers and for trading counterparties. Due to the latest developments in Iceland, the Bank increased its existing individual value adjustments for loans to Icelandic banks during the first half-year.

These individual value adjustments have enabled the Bank to successfully address the issue of the further intensification of the financial crisis and the associated economic problems faced by many of its borrowers. In the first quarter of 2009, the Bank subjected its credit portfolio to a separate risk bearing capacity analysis and backed certain holdings with a parent company guarantee.

The Bank’s credit volume (comprising loan availments, guarantees, and open commitments) at the balance sheet date totals a nominal EUR 9.8 billion (EUR 11.4 billion on 31.12.2008). Of this figure, loan availments amount to EUR 7.3 billion and open commitments to EUR 1.7 billion (EUR 2.1 billion on 31.12.2008).

Apart from the lending business conducted in cooperation with other Group companies, the Bank also cooperates with other parties. In particular, NORD/LB Luxembourg provides loans in foreign currencies to customers of savings banks and to third party banks outside the network with the backing of the respective financial institution.

In the course of the changes made to the Bank's organisational structure, the bank's operations were divided into the Corporate Banking (market segment) and Credit Risk Management/Loan Administration (transaction management) divisions.

Treasury (NORD/LB CFB)

Liquidity Management and Issuing Activities
The responsibilities of the Bank's Treasury Unit include liquidity management within the scope of refinancing reported business transactions and issuing activities, particularly in the form of Lettres de Gage Publiques (Luxembourg covered bonds).

Refinancing in the lending business deals with short-term maturities involving securities repurchase agreements and money market transactions, whereas long-term refinancing is dominated by Lettres de Gage Publiques in various maturity bands (up to 30 years) and currencies (EUR, CHF, JPY, NOK, USD). In general, NORD/LB CFB always cooperates closely with other Group companies in its refinancing activities. The Lettres de Gage Publiques, which are well established, particularly with international investors, were given the best credit rating, "AAA", by the Standard & Poor's rating agency.

The Bank actively maintains communication with investors by providing information on its www.nordlbcfb.lu website about developments concerning its cover funds and the Bank itself, as well as by making itself available to potential investors in one-on-one meetings.

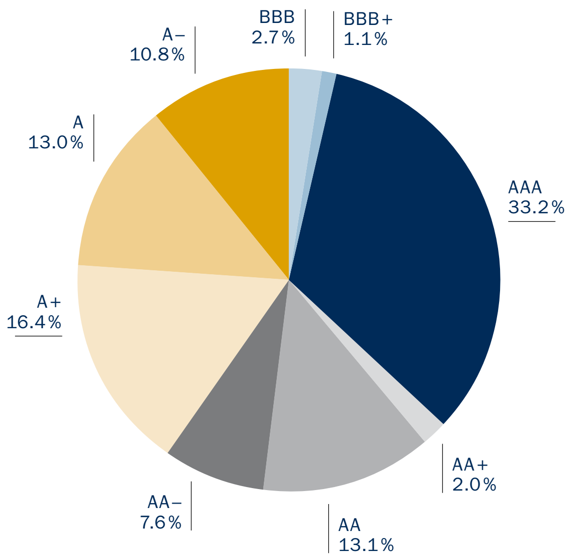
Control of Interest Rate Risks
Taking interest rate risks is not a core business objective of NORD/LB CFB. The Bank therefore uses a micro-hedge approach to hedging interest rate risks, aided by interest rate/currency swaps. The purpose of this hedging strategy, which has been used since the Bank was founded, is to establish effective hedging relationships that also meet the strict criteria laid down by the International Financial Reporting Standards (IFRS).

Public Finance (NORD/LB CFB)

The first half of financial year 2009 was characterised by a strengthening of the cooperation with the other Group companies. The subject of this cooperation is the lending business conducted with German municipal companies. NORD/LB CFB therefore supplemented its staff with an experienced consultant for this customer segment.

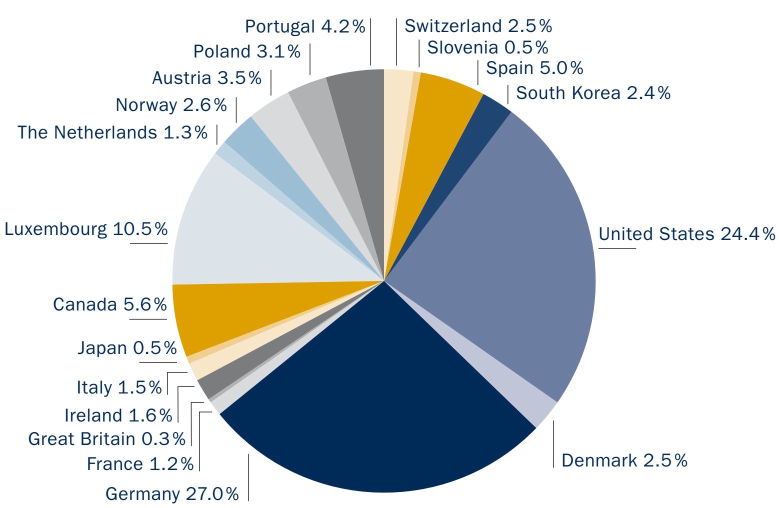
Cover Pool
NORD/LB CFB continues to hold a high-quality, first-rate cover pool as security for the issued Lettres de Gage. The maxim for the management of this portfolio is to gain and retain investors' trust in the Lettre de Gage Publique. NORD/LB CFB announces changes in the portfolio by publishing the cover pool according to credit rating class and geographical distribution on a monthly basis on the www.nordlbcfb.lu website.

At the reporting date on 30.06.09, the cover pool's credit rating structure was as follows:



Rating	%	%	%
AAA	33.2		55.9
AA Rating	22.7	96.1	
A Rating	40.2		
BBB Rating	3.8		

Geographically, NORD/LB CFB's cover pool, which has borrowers from 19 different countries, is one of the most best-diversified portfolios in the European covered bond market:



Region	%
Europe	67.1
North America	30.0
Asia	2.9
Other	0

In the cover calculation, the cover ratios are as follows:

Cover Calculation	Cover Pool (EUR Million)		Issues (EUR Million)		Deficit (-)/Surplus (+) (EUR Million)	
	30.06.2009	31.12.2008	30.06.2009	31.12.2008	30.06.2009	31.12.2008
Total	**3,945.1**	**3,845.1**	**3,512.2**	**3,338.1**	**+ 432.9**	**+ 507.0**

Rating

Based on this cover pool, the Standard & Poor's rating agency once again awarded the Lettres de Gage Publique issued by NORD/LB CFB with "AAA", its highest rating.

Skandifinanz

In the first half of 2009, SKANDIFINANZ BANK AG once again generated new high-level increases in its results. As a result of new customer acquisitions, the volume of its core business, i.e. trade financing, grew despite the global economic crisis, both in comparison to the previous year as well as since the start of the current year. The prudent risk policy adopted by the Bank has paid off once again, and has prevented the Bank from having to adjust individual values. Even though it is difficult to make any predictions for the second half of 2009, it is anticipated that the Bank will continue its strong performance.

Due to the reduction in the volume of customer trade, the Bank's earnings from commissions in the private banking segment dropped. In contrast, the volume of customer funds under management returned to the same level it was in mid-2008, thanks to the rise in share prices during the course of the first half-year and as a result of new funds.

Outlook

In line with its strategy, the Bank will also be leveraging opportunities presented by the financial centres of Luxembourg and Switzerland and the Bank's reputation amongst international business and trade partners, and will continue to successively develop its business segments.

Earnings

The Group's interim financial statement as of 30.06.2009 was prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as implemented by the EU.

Considering the continuing financial market crisis, which affected the Bank indirectly, the Group was able to achieve a satisfactory operating result for the first half of 2009. Compared to the previous year, earnings before taxes fell by EUR 7.8 million to EUR 18.6 million.

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

Items on the Income Statement changed as follows for the period under report:

	01.01. – 30.06.2009 (KEUR)	01.01. – 30.06.2008 (KEUR)	Increase/ Decrease*) (KEUR)
Net interest income	91,478	55,627	35,851
Loan Loss Provisions	– 69,783	– 4,484	– 65,299
Net Commission Income	7,256	4,563	2,693
Profit/Loss from Financial Instruments stated at fair value through Profit or Loss, including Hedge Accounting	10,763	– 7,379	18,142
Other operating Profit/Loss	– 1,654	2,372	– 4,026
Administrative Expenses	– 15,286	– 13,220	– 2,066
Profit/Loss from Financial Assets	1,241	– 4,912	6,153
Earnings before Income Taxes	**24,015**	**32,567**	**– 8,551**
Income Taxes	– 4,827	-6,199	1,371
Profit for the year	**19.188**	**26.368**	**– 7.180**

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

Compared to the previous year, net interest income increased by EUR 35.9 million to EUR 91.5 million.

Due to the tense economic climate, the provision for risks had to be further increased during the 2009 financial year, and, compared to the previous year, risk provision expenditures rose from EUR 65.3 million to EUR 69.8 million due to the increase in individual value adjustments.

The net commission income rose year-on-year by EUR 2.8 million to EUR 7.3 million.

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

Other operating profit/loss and administrative expenses increased as compared to the previous year. The income from financial assets was due to the sale of securities.

In the for the period under report, the Group recorded earnings of EUR 24.0 million before taxes and an annual net income of EUR 19.2 million after taxes.

The individual items comprising the result are as follows:

Net Interest Income

	01.01. – 30.06.2009 (KEUR)	01.01. – 30.06.2008 (KEUR)	Increase/Decrease *) (KEUR)
Interest Income	647,756	895,221	– 247,465
Interest Expense	– 556,277	– 839,593	283,316
Net Interest Income	**91,478**	**55,627**	**35,851**

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

The net interest income increased considerably, which was primarily due to the active utilisation of deviations in market interest rates at different maturity terms.

Loan Loss Provisions

The tense economic climate is increasing the need to establish risk provisions for individual borrowers.

Net Commission Income

	01.01. – 30.06.2009 (KEUR)	01.01. – 30.06.2008 (KEUR)	Increase/Decrease *) (KEUR)
Commission Income	21,496	14,789	6,707
Commission Expense	– 14,241	– 10,226	– 4,014
Net Commission Income	**7,256**	**4,563**	**2,693**

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

Net commission income only includes income and expense from the banking business.

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

	01.01. – 30.06.2009 (KEUR)	01.01. – 30.06.2008 (KEUR)	Increase/Decrease *) (KEUR)
Trading Profit/Loss	8,359	– 6,472	14,831
Profit/Loss from designated financial instruments	1,695	– 1,403	3,098
Ergebnis aus Hedge Accounting	708	495	213
Profit/Loss from Financial Instruments stated at fair Value through Profit or Loss, including Hedge Accounting	**10,763**	**– 7,379**	**18,142**

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

Trading profit/loss mainly includes the profit/loss from derivative business that does not meet the restrictive criteria for hedge accounting. Opposing valuation changes relating to underlying transactions therefore cannot be offset.

Other Operating Profit/Loss

	01.01. – 30.06.2009 (KEUR)	01.01. – 30.06.2008 (KEUR)	Increase/Decrease *) (KEUR)
Other operating Income	355	5,992	– 5,636
Other operating Expenses	– 2,010	– 3,620	1,611
Other operating Profit/Loss	**– 1,654**	**2,372**	**– 4,026**

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

The other operating loss is predominantly related to the internal cost allocation to NORD/LB.

Administrative Expenses

	01.01. – 30.06.2009 (KEUR)	01.01. – 30.06.2008 (KEUR)	Increase/Decrease *) (KEUR)
Wages and Salaries	6,724	6,053	671
Social Security Contributions and Expenses for Pension Provision	1,437	872	566
Staff Expenses	**8,162**	**6,925**	**1,237**
Other Administrative Expenses	**6,311**	**5,563**	**748**
Depreciation and Value Adjustments	**814**	**732**	**81**
Administrative Expenses	**15,286**	**13,220**	**2,066**

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

Administrative expenses, including depreciation, increased by a total of EUR 2.1 million to EUR 15.3. In comparison to the previous year, staff expenses rose by EUR 1.2 million due to a higher number of employees.

Profit/Loss from Financial Assets

The profit/loss from financial assets during the past two financial years was derived from the disposal of financial instruments.

Income Taxes

	01.01. – 30.06.2009 (KEUR)	01.01. – 30.06.2008 (KEUR)	Increase/Decrease *) (KEUR)
Current Taxes	5,019	7,874	– 2,855
Deferred Taxes	– 192	– 1,675	1,484
Income Taxes	**4,827**	**6,199**	**– 1,371**

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

Schedule of Assets and Financial Data

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/Decrease (EUR Million)
Loans and Advances to Banks	6,273	6,505	– 232
Loans and Advances to Customers	6,593	7,261	– 668
Risk Provisions	– 159	– 93	– 65
Financial Assets at Fair Value through Profit or Loss	271	498	– 227
Financial Assets	9,822	9,459	363
Equity-accounted Investments	0	0	0
Other Assets	448	426	23
Total Assets	**23,248**	**24,054**	**– 807**
Liabilities to Banks	12,729	14,433	– 1,704
Liabilities to Customers	4,303	1,888	2,414
Securitised Liabilities	4,524	5,535	– 1,012
Financial Liabilities at Fair Value through Profit or Loss	240	397	– 157
Provisions	10	8	2
Other Liabilities	725	1,100	– 374
Equity Balance including Minority Interest	717	692	24
Total Equity and Liabilities	**23,248**	**24,054**	**– 807**

The balance sheet total decreased by EUR 0.8 billion to EUR 23.2 billion as compared to the 31 December 2008 reporting date.

At the reporting date, interbank business showed decreases on both the asset and liabilities side. Customer receivables (loans and advances to customers) decreased by EUR 0.7 billion to EUR 6.6 billion, and customer liabilities increased by EUR 2.4 billion to EUR 4.3 billion. Securitised liabilities posted a decrease in the amount of EUR 1.0 billion.

Financial assets and liabilities valued at fair value through profit or loss only include derivative hedging transactions that do not meet the restrictive conditions of hedge accounting.

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

Risk Report

The Group's risk report was prepared in accordance with IFRS 7. The Group does not enter into any risks pertaining to complex structured derivatives.

Scope

The Group's risk report includes all of the Group's companies that are consolidated under commercial law (IFRS). In addition to NORD/LB Luxembourg S.A. (parent company of the NORD/LB Luxembourg Group), this includes its subsidiaries NORD/LB COVERED FINANCE BANK S.A. (NORD/LB CFB), which is also located in Luxembourg, and SKANDIFINANZBANK AG, which is based in Switzerland (Skandifinanz).

Any special risks will be described in detail in a qualitative report and independent of the materiality analysis results pertaining to the quantitative risk analysis report.

Overall Bank Management

Fundamentals of Capital Control and Risk Control

The business activities of a bank are inevitably associated with taking risks. From a business point of view, the Group defines risk as being potential direct or indirect financial losses due to unexpected negative deviations between the actual and the projected results of business activity. Identifying, analysing, measuring, controlling, and monitoring these risks are basic requirements for the success of any enterprise. The framework conditions for structuring this risk management process by financial institutions, banks, or groups of institutions and the minimum risk management requirements (MaRisk) are governed by national requirements and Section 25a of the German Banking Act (KWG), and are also mandatory for NORD/LB through its German parent company. In accordance with these requirements, proper business organisation includes the specification of strategies on the basis of procedures for ascertaining and securing risk-bearing capacity, which comprises both risks and the capital available for covering these risks.

Risk Strategies

The Group's risk policy is characterised by responsible and proactive handling of risks. Accordingly, NORD/LB Luxembourg and NORD/LB CFB adopted a risk strategy in 2007 that is subject to annual review and discussion with its supervisory bodies. The core element of this strategy is the risk-bearing capacity model, which is used as a basis to specify risk propensity and allocate risk capital. The risk-bearing capacity model therefore defines the limits within which risks may be taken. The risk-bearing capacity analysis covers all of the Group's companies.

Risk strategies always aim at achieving an optimal method of controlling and monitoring all the relevant types of risk and achieving a transparent presentation of these risks to the Board of Directors, the supervisory bodies, and other third parties with a justified interest. They are specifically integrated into the general risk management system and roughly comprise the measures and tools described in more detail in the risk manual.

The Group's risk strategies, which are part of a uniform risk bearing capacity model used across the entire Group, are aimed at ensuring the future risk bearing capacity of the Group and its individual companies on the basis of actual situations and by taking into account all planned business activities.

In this context, the Group, at the operational level, has the tools needed to control, monitor, and communicate risks. These fundamentally standardized tools are described in detail in the Group's working guidelines and in the risk manual.

Risk-bearing Capacity

Description of the risk-bearing capacity model (RBC model)

The NORD/LB Group employs a scenario-based RBC model, which also fulfils the requirements of the Internal Capital Adequacy Assessment Process (ICAAP) in accordance with Basel. Besides providing the required proof that an adequate amount of capital is available, the model also serves to verify consistency between risk strategies and specific business activities.

The RBC model was designed by the Group's parent company, NORD/LB, in close consultation with Bremer Landesbank and NORD/LB Luxembourg S.A. The use of identical basic methods and risk reporting within all Group companies enables these risks to be aggregated into a Group value, which is arrived at by conservatively adding together all potential risks and consolidating the Group's risk capital. The quotients arising from the capital and risk potential, the levels of risk coverage, subsequently serve as a benchmark for determining the risk-bearing capacity. In order to ensure an adequate supply of capital at the Group level, the ICAAP was first used to specify that the level of risk coverage at the individual institution level was not to fall below the 125 % mark. This figure ensures that the regulatory requirement of an adequate supply of equity capital is met and that capital distribution is optimised with regard to generating the target yields.

The RBC model compares, in an aggregated form and on a quarterly basis, the risks (potential risks) and the defined risk capital for the individual institutions and/or the Group. In the model, risk capital and risk potential are determined for four different risk scenarios with varying degrees of probability of occurrence. In compliance with the going concern premise, the first three internally defined stages are based on the consideration that risk capital and risk potential always grow from one step to the next. Regulatory requirements in accordance with ICAAP are implemented in the fourth step.

Within this framework, each main group company sets out its capital allocation for the five fundamental risk types on an individual basis, and informs its supervisory body accordingly and/or discusses the respective risk strategy with that supervisory body.

Implementation within the Group

The RBC model described above constitutes the methodological basis for monitoring adherence to the risk strategy within the NORD/LB Group. Adherence is monitored by the Controlling division of NORD/LB Luxembourg at both the Group level and the level of the individual institutions. The Controlling division of NORD/LB Luxembourg furthermore monitors the risk-bearing capacity analysis that is conducted by Skandifinanz and which is subsequently included in the Group's reporting as part of the Group's controlling system.

The objective of the model is the aggregated presentation of risk-bearing capacity (RBC) at both the level of the individual institutions and the group as a whole. Undertaking the monitoring and reporting process on a regular basis ensures that the bodies of the Group's companies are promptly informed of the risk-bearing capacity situation. This model serves to further improve risk-oriented corporate management.

The presentation of risk capital was previously based on CAD II or Principle I values. In financial year 2008, the method of calculation was converted to values in accordance with the Solvency Regulation (SolvV). To calculate risk potential, risks are divided into credit, investment, market price, liquidity, and operational risks, with credit risk being by far the most significant.

Risk-bearing Capacity as of 30.06.09

The quarterly reports prepared by Controlling on the risk-bearing capacity (RBC reports) constitute the main tool for risk reporting to the Board and the supervisory bodies at the overall bank level. Furthermore, the RBC analysis is always assessed during the regular supervisory board meetings held at the individual institutions.

The following table shows how the Group's risk capital with risk potential has been utilised with reference to the ICAAP:

EUR Million		Risk-bearing Capacity 30.06.2009		Risk-bearing Capacity 31.12.2008
Risk Capital	899.2	100.0 %	982.1	100.0 %
Credit Risks	532.6	59.2 %	613.7	62.5 %
Investment Risks	0.0	0.0 %	0.0	0.0 %
Market Price Risks	34.6	3.8 %	25.0	2.5 %
Liquidity Risks	36.5	4.1 %	30.2	3.1 %
Operational Risks	10.4	1.2 %	10.4	1.1 %
Total Risk Potential	614.1	68.3 %	679.3	69.2 %
Excess Cover	285.1	31.7 %	302.8	30.8 %
Risk Cover Level		146.4 %		144.6 %

To supplement the risk-bearing capacity report, the NORD/LB CFB supervisory board will also issue a separate quarterly report on the risks associated with the bond business.

Structure and Organisation of Risk Control

The responsibility for risk control lies with NORD/LB Luxembourg's Supervisory Board, which also specifies the Group's risk strategy.

The Bank's risk control policy is subject to continuous review and improvement. This involves the use of methods that are standardised for the entire Group at both the individual company and Group level. Adjustments which may become necessary include organisational measures, revising procedures for quantifying risk, and the continuous updating of relevant parameters. A risk-related examination of the effectiveness and adequacy of the risk management system is carried out independently of the processes by internal auditors. The aims of internal auditing also include contributing towards securing the effectiveness, economic viability, and the orderliness of business activities. It also facilitates the optimisation of business processes as well as the controlling and monitoring of procedures.

As part of the ongoing further development of groupwide monitoring tools, the internal auditors at NORD/LB and NORD/LB Luxembourg work closely together using a standardised Group audit policy and an evaluation matrix for the audit findings. Cross-institutional competence centres were also set up in this regard, in order to develop complex specialised subjects and conduct audits in the banks.

All of the procedures and responsibilities relevant to the Group's risk control process are documented in the NORD/LB risk manual and in NORD/LB Luxembourg's working guidelines. The risk manual serves as a guideline for the entire NORD/LB Group.

Credit Risk

Credit risk is an element of borrower's default risk. It defines the risk of loss involved when a borrower defaults or when the credit rating of such a borrower deteriorates. Counterparty risk is included under the heading of credit risks and constitutes the risk that arises when default on the part of a contracting party means that an unrealised profit from a pending trade transaction can no longer be earned (replacement risk) or if the default of a counterparty within the framework of a step-by-step transaction means that the return service for an advance payment already made will not be received (fulfilment risk).

In addition to borrower-related credit risks, a national risk occurs in the case of cross-border capital transfer services, involving the risk that, despite the ability and willingness of individual borrowers to make payment, a loss will occur as a result of overriding government hindrances (transfer risk).

Credit Risk – Control

Early identification and recognition of critical situations forms the basis for the effective management of credit risks. For this reason, a number of processes, systems, and instructions are in place for portfolios and for individual borrowers, and these correlate to form a system for the early recognition and effective management of risks or the initiation of measures to limit those risks. In particular, this system comprises the Corporate Banking, Controlling, Treasury, and Credit Investments & Solutions organisational units.

New products, markets, or distribution channels in the Bank's lending business are introduced within the scope of a new product process (NPP).

A risk-related organisational structure, as well as the functions, responsibilities, and authorisation of the divisions that deal with risk processes are clearly defined at the employee level. In accordance with the requirements of the Luxembourg bank supervisory authority and the German minimum requirements for risk management (MaRisk), lending business processes are characterised by a clear organisational separation of the front and back office, right up to the management board level.

The Group's risk management system is based on the principles used by NORD/LB and is continuously improved in accordance with commercial and regulatory criteria. The portfolio is independently monitored by NORD/LB Luxembourg's Controlling division.

The Bank's Controlling division prepares a quarterly credit risk report for the Board of Directors and the Bank's relevant division managers as part of the management information system. The purpose of this report is to make existing risks or concentrations of risk transparent at an early stage and to initiate any necessary measures. The report sets out the significant structural features (e.g. branch structure, country, and term structure) and the parameters that are needed to control the loan portfolio. The information from those Group subsidiaries that are included in the consolidation and which is required for this report are summarised on the basis of the data provided by the Credit Risk Management/Loan Administration organisational unit, and by Skandifinanz.

Borrower's Default Risks – Measurement

The borrower's default risk (credit risk and investment risk) is quantified using the key risk indicators of expected loss and unexpected loss. The expected loss is calculated on the basis of one-year default probabilities and anticipated recovery rates.

Unexpected loss is quantified on a Group-wide basis using a credit risk model for four different confidence levels and a timeframe of one year. The calculation is based on the Gordy model, which is applied by the Basel Bank Supervisory Committee for aligning equity requirements within the framework of Basel II.

The model determines the contributions made by individual borrowers and investment companies towards unexpected loss at the portfolio level, which together add up to unexpected loss for the full portfolio. The probabilities of default (PDs) resulting from the internal rating procedure and the loss given default (LGD) relating to specific transactions are applied here. Standard instructions under Basel II are generally applied for the remaining model parameters.

The methods and procedures for quantifying risk are coordinated within the Group's companies, in order to ensure a standardised approach within the Group. The risks for NORD/LB Luxembourg and NORD/LB CFB are managed and controlled on an ongoing basis by NORD/LB Luxembourg's Controlling division. Skandifinanz's risks are managed and controlled separately. Skandifinanz provides NORD/LB Luxembourg's Controlling division with its reporting documents for both monitoring purposes and integration into the Group's reports.

Credit Risk – Development in 2009

The Group uses a management approach for reporting its risks, which means that its internal and external risk reports are always based on the same terms, methods, and data. The classes that must be set up under IFRS 7.6 for the presentation of credit risk are therefore defined in line with those in the risk-bearing capacity report that is submitted to the NORD/LB Board and supervisory bodies on a quarterly basis.

The credit exposure dimension plays a significant role in the context of credit risk control. This figure shows all of the transactions bearing credit risks concluded with counterparties. Credit exposure is calculated on the basis of credit utilisation (in the case of guarantees, the nominal value, and in the case of securities, the carrying amount) and the credit equivalent resulting from derivatives (including add-ons and on consideration of netting). Of the irrevocable credit commitments, 75 % are included in the credit exposure, while revocable credit commitments and securities are not taken into account.

Analysis of Credit Exposure

The Group's credit exposure amounted to EUR 24.7 billion (previous year EUR 26.2 billion) as of 30.06.09. Classification is equivalent to the standard IFD rating scale agreed upon by the banks, savings banks, and associations included in the Initiative Finanzstandort Deutschland (IFD, initiative to promote Germany as a financial and business centre). This has been designed to improve the comparability of the various rating levels of the individual financial institutions. The rating categories of the standardised 18-step DSGV rating master scale used by NORD/LB on a Group-wide basis can be transposed directly to the IFD categories.

The following table shows the rating structure of the Group's overall credit exposure (existing and new business), divided into product types and comparing the total to the structure for the previous year.

Rating Structure 1) 2) EUR Million	Loans 3) 30.06.09	Loans 3) 31.12.08	Securities 4) 30.06.09	Securities 4) 31.12.08	Derivatives 5) 30.06.09	Derivatives 5) 31.12.08	Other 6) 30.06.09	Other 6) 31.12.08	Total 30.06.09	Total 31.12.08
Very good to good	9,799	10,527	10,107	9,859	360	238	139	2,068	**20,404**	**22,693**
Good/Satisfactory	1,414	1,699	285	256	–	–	2	198	**1,701**	**2,153**
Still good/Adequate	993	634	–	–	0	1	184	11	**1,178**	**646**
Bad Risk	611	332	–	–	–	–	0	0	**612**	**332**
High Risk	401	125	–	–	–	–	0	–	**401**	**125**
Very high Risk	219	94	–	–	–	–	0	–	**220**	**94**
Default (=NPL)	142	131	36	36	–	–	0	0	**179**	**167**
Total	**13,581**	**13,542**	**10,428**	**10,151**	**361**	**239**	**325**	**2,277**	**24,694**	**26,210**

1) Classification in accordance with IFD rating categories
2) Differences in amount are rounding differences
3) Includes loans taken up or loan commitments, securities, guarantees and other non-derivative off-balance-sheet assets, whereby in compliance with the RBC report, the irrevocable loan commitments are included at 75 % and the revocable ones at 0 %
4) Includes the Bank's own stock of securities of external issuers (investment book only)
5) Includes derivative financial instruments such as financial swaps, options, futures, forward rate agreements and currency transactions
6) Includes other products such as transmitted loans and administration loans

The majority of total exposure (82.6 %) is in the "very good to good" rating category. The proportion of this rating, the best rating category, in the total exposure continues to be very high due to the large volume of business conducted with financing institutions and public administrative offices.

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

Sectors 1) 2) EUR Million	Loans 3) 30.06.09	Loans 3) 31.12.08	Securities 4) 30.06.09	Securities 4) 31.12.08	Derivatives 5) 30.06.09	Derivatives 5) 31.12.08	Other 6) 30.06.09	Other 6) 31.12.08	Total 30.06.09	Total 31.12.08
Financing Institutions/ Insurance Companies	7,442	6,845	7,541	7,543	360	238	292	2,242	**15,635**	**16,869**
Service Industries/Others	1,977	2,514	2,588	2,426	0	1	1	10	**4,567**	**4,950**
Of which: Real Estate and Housing	1	938	0	0	0	0	0	0	**1**	**938**
Of which: Public Administration	212	272	2,283	1,996	0	0	0	0	**2,496**	**2,268**
Transport/Communication	479	482	75	61	0	0	1	0	**555**	**543**
Of which: Shipping	71	8	24	0	0	0	0	0	**95**	**8**
Of which: Aviation	27	3	17	0	0	0	0	0	**44**	**3**
Manufacturing Industry	2,084	2,148	0	0	0	0	0	2	**2,084**	**2,150**
Energy- and Water Supplies and Mining	543	724	73	122	0	0	26	2	**642**	**849**
Trade, Maintenance and Repairs	353	718	0	0	0	0	5	21	**357**	**739**
Agriculture, Forestry and Fishing	37	42	0	0	0	0	0	0	**37**	**42**
Construction Industry	216	43	0	0	0	0	1	0	**217**	**43**
Other	449	25	151	0	0	0	0	0	**600**	**26**
Total	**13,581**	**13,542**	**10,428**	**10,151**	**361**	**239**	**325**	**2,277**	**24,694**	**26,210**

1) Allocation in alignment with that of the RBC report in accordance with economic criteria
2) to 6) see previous table on the rating structure

The table shows that business with financing institutions and insurance companies, which to date has always been relatively low risk, accounts for 63.3 % and thus still constitutes a considerable share of the total exposure. If service industries are included, the proportion of total exposure is approx. 81.8 %. The Group's credit risk is primarily associated with its commercial credit transactions, which comprise special financing and other corporate clients.

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

Regions 1) 2) EUR Million	Loans 3)		Securities 4)		Derivatives 5)		Other 6)		Total	
	30.06.09	31.12.08	30.06.09	31.12.08	30.06.09	31.12.08	30.06.09	31.12.08	30.06.09	31.12.08
Euro Countries	9,111	8,325	6,975	6,438	238	66	190	1,997	**16,513**	**16,827**
Remaining Western Europe	1,278	1,483	902	942	117	153	33	166	**2,329**	**2,744**
Eastern Europe	695	901	493	579	–	–	0	0	**1,188**	**1,480**
North America	1,911	2,571	1,775	1,887	5	20	65	27	**3,757**	**4,505**
Latin America	48	48	113	114	–	–	0	0	**161**	**163**
Middle East/Africa	26	30	–	–	–	–	0	0	**26**	**30**
Asia	444	102	160	179	–	–	37	87	**641**	**369**
Other	69	82	10	11	0	0	0	0	**79**	**93**
Total	**13,581**	**13,542**	**10,428**	**10,151**	**361**	**239**	**325**	**2,277**	**24,694**	**26,210**

1) Allocation in alignment with that of the RBC report in accordance with economic criteria
2) to 6) see previous table on the rating structure

This shows that the Group's country risk also tends to be of low significance. The eurozone accounts for a high (81.1 %) proportion of loans, and continues to be the Group's most important business area by far.

Non-performing Loans (NPL)

In accordance with the impairment policy, specific value adjustments are established within the Group for acute borrower's default risks in the event of the presence of objective indications. Loan loss provision requirements are based on a cash equivalent consideration of anticipated interest and redemption payments as well as on earnings from the realisation of collateral.

Latent borrower's default risk for the total amount of reported and off-balance-sheet transactions for which no specific value adjustments are established is accounted for within the Group by means of portfolio-based provisions for impairments which have already occurred, but were not known at the reporting date.

At the reporting date, the Group's risk provision amounted to EUR 157.6 million and, in addition to the portfolio value adjustments to the amount of EUR 17.9 million, also includes individual value adjustments totalling EUR 139.7 million. The aforementioned value adjustments also include, amongst others, the financial institution (Iceland commitments) sector with EUR 78.3 million, as well as the energy sector, the services sector and the building industry with all in all EUR 61.4 million.

Furthermore, the Group established reserves of more than EUR 4.2 million in its credit segment for borrowers from the construction industry.

Credit Risk – Outlook

With the exception of Skandifinanz, the Group principally applies the IRB foundation approach (IRBA) when calculating the equity requirements for borrowers' default risks.

In 2009, the NORD/LB Group will implement a newly designed credit risk model for quantifying and controlling credit and investment risk, which will replace the current model. In addition, the collection of loss data is being gradually expanded in order to optimise the validity of the credit conversion factor (CCF) and LGD components.

Various projects have also been launched to refine the methods of credit risk management (e.g. to implement the newly developed borrower-related limit system and improve strategic limitation).

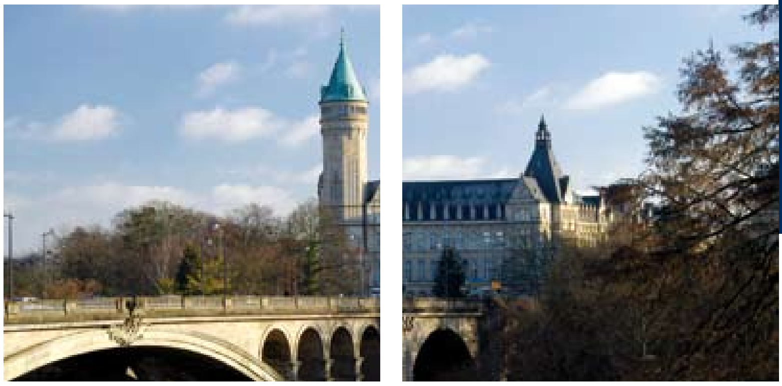
Investment Risk

Investment risk is an additional component of the borrower's default risk. It defines the risk of incurring losses when making equity available to third parties.

Investment Risk – Control

Strategy
The Group's investment strategy is primarily aimed at securing and improving its own market position. The acquisition of participating interests is thus also a part of NORD/LB Luxembourg's business policy. These interests are generally acquired to consolidate the Bank's universal activities.

In 2008, the Group formed an investment committee in order to meet the need for separate controlling of investment risks at the Group's different levels. This involved the organisational handover of investment control to the Controlling division which, in cooperation with other divisions, and the Finance division in particular, is now responsible for monitoring investment risk and providing the necessary information to the control units.



Participating interests are regularly monitored by analysing reports prepared during the year, interim and annual reports, and audit reports drawn up by the auditors. Investments are controlled by representatives of NORD/LB Luxembourg on the basis of operative mandates in the companies or by undertaking supervisory board functions.

Investment Risk – Measurement

Investment risks are integrated into the Group's risk management system based on quantified risk potential in accordance with the type of risk. In this case, risk potential is quantified on the basis of the respective carrying amount of participating interests and the respective apportioned probability of default.

Investment Risk – Development in 2009

There were no noteworthy changes in the Group's investment portfolio or its contribution to the Group's investment risks in financial year 2009.

Market Price Risk

Market price risks are potential losses which may be incurred as a result of changes in market parameters. The Group has further divided market price risk into interest rate risk, currency risk, and volatility risk.

Interest rate risks will always occur when the value of a position or portfolio reacts sensitively to changes in one or more interest rates or to changes in complete interest rate curves, and these changes may result in an impairment of the position. Credit spread risk constitutes part of interest rate risk, and arises from changes to the interest charge for the relevant issuers (for securities) or reference entities (for credit derivatives), which is added to the risk-free interest rate within the scope of the market evaluation of a position.

Currency risks (or exchange rate risks) arise when the value of a position or portfolio reacts sensitively to changes in one or several currency exchange rates and if changes to the exchange rates could impair the position.

Volatility risks result from option positions and refer to potential changes in the value of the derivative portfolios in question as a result of market fluctuations in the volatilities applied when valuating the option.

Market Price Risk – Control

Strategy
With regard to the control of market price risks, the Group concentrates its activities on selected markets, customers, and product segments. Their position on the money, currency, and capital markets should comply with the significance and size of the Bank.

In terms of interest rate risk, the objective is to undertake maturity transformations and to participate in general market trends within the framework of the risk limits. Significant credit spread risks also result from strategic investments in maturity-congruent refinanced securities and credit derivatives. A buy and hold strategy is generally pursued for these items. Therefore, these transactions are always shown in the investment book.

Organisational Units
The control process for market price risks involves all divisions that manage risk-bearing market price risks and which account for profits and losses resulting from shifts in the markets. Risk monitoring is carried out by the Bank's Controlling division.

In accordance with national requirements and the German MaRisk, the Controlling division operates independently of the divisions responsible for market price risk management, in terms of both function and organisation. It performs various monitoring, limiting, and reporting activities for the Group.

Market Price Risk – Management and Monitoring

Value-at-risk (VaR) methods are employed for managing and monitoring the interest rate risks of NORD/LB Luxembourg and NORD/LB CFB (except for credit spread). Skandifinanz analyses its interest rate risk on the basis of a scenario approach.

The historical simulation method is used to determine VaR indicators. A unilateral confidence level of 95 % and a holding period of one trading day are applied throughout the Group. The analysis is based on historical changes to risk factors over the last twelve months. The models take account of direct and indirect correlation effects between risk factors, types of risk, currencies, and subportfolios.

A limit is set for the value-at-risk value. Any losses incurred in the trading book and bank book are immediately added to the loss limits, resulting in a reduction in value-at-risk limits in accordance with the principle of self-absorption.

Investment book credit spread risks are not currently regulated with a value-at-risk method; instead they are ascertained in a scenario analysis and limited separately.

The prediction quality of the value-at-risk model is verified with comprehensive backtesting analyses. This involves the comparison of the daily change in value of the respective portfolios with the value-at-risk of the previous day. A backtesting outlier occurs if the negative change in value observed exceeds the value-at-risk. The number of outliers in the trading and investment books was within the green range of the Basel traffic light approach for the Bank as a whole but, due to the financial market crisis, was in the amber to red range with respect to sub-portfolios. Daily stress test analyses are used in addition to value-at-risk analyses in order to examine the effects that extreme market changes are having on the Group's risk position. Various stress scenarios were defined for each type of risk – interest rate, currency and volatility, and also for credit spread risk – and these approximately reflect the most significant changes in the respective risk factors observed for periods of ten trading days over the past five to ten years.

The value-at-risk of NORD/LB Luxembourg and NORD/LB CFB is also calculated on the basis of the respective regulatory parameters (confidence level of 99 % and a holding period of 10 days).

Market Price Risks – Reporting

In compliance with MaRisk requirements, the Controlling division, which is independent of the divisions responsible for the positions, reports the market price risks to the Board of Directors on a daily basis.

Market Price Risks – Development in 2009

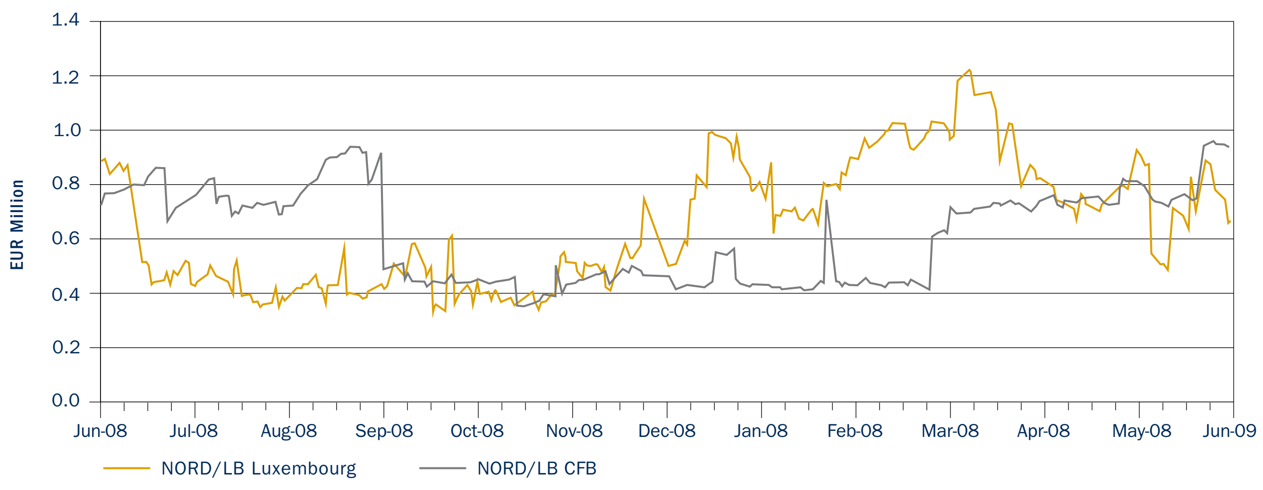
As can be seen in the table shown below, the Group's market price risks are moderately exposed to interest rate risk.

NORD/LB Luxembourg's average utilisation of the market price risk limit (value-at-risk limit) for the year was 16.9 % (previous year 18.4 %), maximum utilisation was 24.5 % (71.3 %), and minimum utilisation was 9.8 % (4.2 %). NORD/LB CFB's average utilisation amounted to 61.3 % (previous year 25 %). At the 30.06.09 reporting date, the total VaR at the Group level of increased as compared to the last day of the past fiscal year. This is due to the moderate rise in business activities during the first half-year, which in turn resulted from slightly relaxed financial markets.

This figure does not include the credit spread risks in the investment book, as previously explained.

With regard to interest rate risks in the investment book, the effects of a standardised interest rate shock of +130 basis points are also analysed in accordance with the requirements of the German Solvency Regulations (SolvV). The result is far below the regulatory threshold, which provides for a maximum proportion of 20 % of authorised equity capital.

Value at Risk (95 %; 1 Day holding)



Market Price Risks – Outlook

The Group does not anticipate entering into any high interest and FX risks during the second half of the year. Its positioning will continue to be affected by the developments on the international financial markets.

Liquidity Risk

Liquidity risks are risks which may result from malfunctions in the liquidity of individual market segments, unexpected events in lending or investment business, or deteriorations in the Bank's own refinancing conditions. Liquidity risks are classified as classical liquidity risks, refinancing risks and market liquidity risks.

A classical liquidity risk refers to the risk that the Group needs to raise capital due to unexpected events in the lending or investment business, or that the Bank potentially suffers losses resulting from disruptions in money market liquidity induced by external parties. The focus of the relatively short-term observation is on the next few weeks or months.

Refinancing risk constitutes potential declines in earnings for the Group as a result of the deterioration of its own refinancing conditions on the money market or capital market. The most significant cause of this is a change in the estimation of the Bank's credit rating by the other market participants. The focus of this assessment is the entire maturity range.

Market liquidity risk defines the potential losses that the Group will have to bear if it needs to conclude transactions under conditions which are not in line with the fair market value due to a lack of liquidity in individual market segments. Market liquidity risks may primarily result from the securities positions in the trading and investment books (see comments on market liquidity in the section on market price risk).

Liquidity Risk – Control

Strategy
Securing perpetual liquidity for the Group is strategically essential. While classical liquidity risk is principally to be avoided by maintaining a sufficient supply of liquid assets (in particular central bank eligible securities), a structural transformation of liquidity terms is undertaken for the refinancing risk. In both cases, the risks are mitigated by means of suitable limits. When measuring the amount of liquidity risk limits, the factors of securing sufficient liquidity, the risk-bearing capacity, and utilisation of the opportunity to contribute to earnings from the "liquidity spread" profit source that is typical of banking business are all taken into account. Liquidity risk limits provide the Bank's divisions with the operational framework essential for reaching targets.

Organisational Units
The liquidity risk management process is the responsibility of the Treasury Unit.

The Controlling division plays a key role in the implementation and development of internal procedures for measuring, limiting, and monitoring liquidity risks, and assumes a control function in the calculation of the refinancing risk as well as in ascertaining and monitoring classical liquidity risk.

Liquidity Risk – Management

The refinancing risk is regulated by means of restricting the risk with volume structure limits for various maturity bands which cover the entire range of maturities and are derived from the limits in accordance with the RTF model.

The classical liquidity risk is limited during the first month by a dynamic group level stress test scenario. The total of the cumulative inflows and outflows from the different business categories must be positive on each individual day during the first 30 days. The scenario specifies the most likely crisis situation in the current market environment. The analysis is based on liquidity cash flows and is conducted on a daily basis for the first three months and on a monthly basis for months four to twelve. There is a traffic light system for internal control.

The dynamic stress scenario is supplemented by other statistical stress tests on a monthly basis. These tests cover a scenario specific to NORD/LB as well as the scenario of a comprehensive liquidity crisis, along with a short-term scenario for a market-wide liquidity problem.

Market liquidity risks are accounted for implicitly by means of distinguishing securities in the liquidity progress review in accordance with their market liquidity.

Liquidity Risk – Measurement

The Group calculates the utilisation of volume structure limits for the various maturity bands on the basis of a liquidity progress review of the entire position, which essentially reflects the standard case. The liquidity risk is quantified in a risk-bearing capacity concept for the entire Bank resulting from the cash-equivalent consideration of the refinancing risk.

Calculation of the dynamic and static stress scenarios for modelling classical liquidity risk is based on the Group's liquidity progress reviews, which reflect a crisis. Therefore, e.g., the assumption would be that the Group's ability to dispose of positions has become limited and there is an increase in the number of borrowers drawing on loans. The stress scenarios can be used to show the effects of unexpected events on the liquidity situation of the Group. This offers the opportunity to plan for the future and be well prepared for emergencies.

Liquidity Risk – Reporting

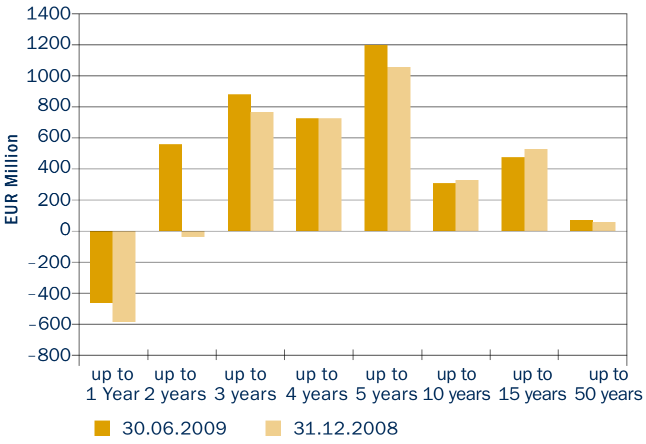
The respective Board of Directors is informed daily about the liquidity risk situation of the individual institutions. A comprehensive daily report concerning the classical liquidity risk at the Group level is also prepared.

Liquidity Risk – Development in 2009

The Group continued to enjoy adequate access to the financial and capital market during the first half of 2009.

At the balance sheet date, the aggregated liquidity progress review used for the internal control of refinancing risks was as follows:

Cumulative Liquidity Progress (NORD/LB Luxembourg subgroup in EUR Million dated 30.6.2009)



As of the balance sheet date, the liquidity progress at the Group level was more relaxed than those recorded on the last day of the 2008 financial year.

During the first half of the year, a definite easing up could also be seen in the liquidity stress tests (which comprise a total of four different versions) that are performed on a daily basis at the Group level.

In the dynamic case test, which is limited to the Group, the Group met the requirement for a positive result during the first 90 days of the entire first half of the year.

Liquidity Risk – Outlook

By managing its liquidity risk to an extent beyond that required by regulatory provisions, the Group ensures that it is at all times in a position to meet its payment obligations in due time and that it is able to raise refinancing funds at adequate conditions on the market.

The Group is primarily active on liquid markets and maintains a portfolio of high quality securities. There are no concentrations of liquidity risk.

Close observation of the markets and active liquidity management has thus far ensured that the Group had a sufficient supply of liquidity during the course of the current 2009 financial year. We do not expect any further increases in liquidity risk during the second half of 2009.

Operational Risk

Operational risks are defined as the risk of incurring losses as a result of the inadequacy or the failure of internal procedures, employees, and technology, or losses which occur as a result of external influences. Besides covering legal risks, this definition implicitly includes reputation risks as consequential or secondary risks. Strategic risks and business risks have not been included.

Operational Risk – Control

Strategy
The main objective is to avoid operational risks to the extent that it is economically feasible. The Group understands this to mean that it should protect itself against operational risks, provided that the cost of the protection does not exceed the cost of the risks that may occur.

Organisational Units
The Board of Directors, Controlling, Internal Audit, and all other divisions are involved in the process of controlling operational risks. The Board stipulates the basic method of handling operational risks, taking into consideration the risk situation for the Bank as a whole. Within the defined framework conditions, the responsibility for controlling operational risks is decentralised and is borne by the individual divisions. Controlling is responsible for the central monitoring of operational risks and the independent reporting of these risks. This division is also responsible, in cooperation with the Group's parent company, for specifying the methods to be applied, for properly implementing centralised methods, and for coordinating the implementation of decentralised methods. The Internal Audit division is in charge of independently auditing the proper and correct implementation and execution of methods and procedures.

Operational Risk – Management

Safety concepts and contingency concepts have been put in place for the purpose of protecting persons and tangible assets; among other things they regulate the use of buildings, the procurement of replacement operating and office equipment, and the supply of energy. The top priority is maintaining the health of employees. Therefore, the safety officer is responsible for promoting and enforcing health protection and occupational safety.

In the IT division, instructions on procedures, alternative capacities, and backups ensure that the IT infrastructure is adequately stable. Safety concepts and contingency plans supplement the pre-emptive measures in order to prevent loss or damage resulting from the failure, tampering, or manipulation of systems and information.

Process-related and structural organisational risks are countered with well-organised structures and procedures. Regular interaction between all of the divisions involved in the process of controlling operational risks is continuously guaranteed.

The Group is sufficiently insured. The legal department is to be consulted with regard to hedging securing legal risks, for example when legal steps are to be initiated and when contracts are concluded.

Natural disasters and terrorist attacks are defined as force majeure. These risks are handled with contingency concepts and a disaster recovery centre.

Operational Risk – Measurement

The Group has been collecting data on loss events arising from operational risks since the start of 2005, and has classified these events according to cause and effect. There is no "insignificant" level, although a simplified reporting process is applied for gross losses of less than EUR 1,000. Data in the loss databank provides the basis for analyses in support of risk management and in the future, will be an important foundation for creating a statistical-mathematical risk model.

The collection of loss events is entered into the DakOR data consortium initiated by the German Federal Association of Public Sector Banks (Bundesverband Öffentlicher Banken Deutschlands e. V., or VÖB). NORD/LB GZ uses the loss events reported by the consortium to improve the database of the advanced measurement model for operational risks which is still in the development stage (advanced measurement approach, or AMA). In addition, they are also used in scenario analyses and for regular benchmarking.

Using the information obtained from the self-assessment methods performed within the Group on an annual basis, future elements can be added to information on past losses. Expert appraisals provide detailed insight into the risk situation of the Bank's individual divisions, so that relevant measures can be derived if necessary. The self-assessment is conducted using a list of generic questions concerning both qualitative and quantitative issues and individual scenarios.

Operational Risk – Reporting

Within the scope of a continuous risk management process, the results from the collection of loss events and self-assessment are analysed and communicated to the Board and the relevant divisions.

Operational Risk – Development and Outlook

Amounts qualifying for recognition in terms of operational risk were ascertained using the standard SolvV approach. The CSSF and BaFin were notified accordingly. The value-at-risk calculation, which was shown for the first time in 2007 as a control dimension for operational risks in the internal risk-bearing capacity concept, was considerably improved in 2008. External data from the DakOR consortium is now included in the internal model, alongside internal data and scenario analyses. Correlation effects were also considered for the first time. This is achieved by using a loss distribution approach that utilises the elements of the extreme value theory, and by using a Gaussian Copula to model dependencies at the level of frequencies. The granularity of the model was also increased. In making improvements that are very closely aligned with the requirements of SolvV, the fundamental prerequisites for introducing an advanced measurement approach (AMA) are fulfilled.

The Group, in close cooperation with NORD/LB, is endeavouring to apply an advanced measurement approach (AMA) for operational risk. In addition, the internal model is to be made more complete in order to meet AMA requirements in accordance with SolvV. Steps being taken include further refinement of the management of operational risk on the basis of the internal model and the further expansion of the control of OpRisk management measures. In order to improve the internal control system, the operational risk control methods have to be more process-oriented. To this end, the already implemented methods and processes will be further developed in 2009.

The following table shows the distribution of loss events among the risk categories in relation to the total loss amount.

Loss Event Databank Net loss as a percentage of the Total Amount of Loss		
Category	**30.06.2009**	**30.06.2008**
External Influences	**0.0**	22.9
Internal Procedures	**9.6**	0.0
Staff	**90.4**	77.1
Technology	**0.0**	0.0

There were essentially no legal risks worthy of reporting at the reporting date.

Other Risks

Apart from the credit, investment, market price, liquidity, and operational risks that have already been discussed, there are no other risks relevant to the Group.

Risks Resulting from the Financial Market Crisis

The effects of the financial market crisis are still being felt strongly in 2009.

The market liquidity problem caused by the financial market crisis affirms the need for rigorous liquidity management. All of the information required in this respect is provided by the Group's liquidity control tools, which have proven themselves once again during the course of 2009.

The Group pursues an active but conservative portfolio strategy. It mainly concentrates on the criteria of safety, liquidity, and earnings, and therefore only allows the purchase of securities with an investment grade rating and with issuers domiciled in OECD countries. In regional terms, the selection of securities focuses on Europe. The Bank regularly reviews and adapts its investment strategy to changed requirements. The market-wide turbulence resulting from the sub-prime and liquidity crisis has reduced investment activities to a minimum.

However, the Bank was not able to escape the increase in credit spread associated with the crisis, which consequently had a significant impact on the valuation of portfolios at market prices. Fundamentally, the portfolio is still of high quality, so the current dips in value are largely temporary in nature, and it is highly probable that the value will recover in time. At present, there are no securities with sub-investment grade ratings in the portfolio, although the Bank had to absorb the collapse of the Icelandic Glitnir Bank, and this is taken into account in current value adjustments.

The risk-bearing capacity of the Group has only been marginally affected by the aforementioned measures.

Summary and Outlook

The Group has accounted for all known risks by employing precautionary measures. The appropriate tools have been implemented in order to promptly identify risks.

The core element of the risk strategy is the risk-bearing capacity model (RBC model), which is used as the basis to determine the willingness to accept risk. In the RBC model, credit risks, investment risks, market price risks, liquidity risks, and operational risks are combined on a quarterly basis and compared with the available risk potential. The volume of risk capital involved is defined in three stages, to be utilised successively to cover unforeseen losses which may arise in the event of an (unforeseen) occurrence of risk.

The quotients determined in the RBC model show that the risks were covered at all times during the period under report. The Group does not estimate that there is any risk to its continued existence as a going concern.

During the first half of 2009, NORD/LB Luxembourg, as well as those subsidiaries that are required to independently report their earnings, have complied at all times with the applicable regulatory requirements regarding equity and liquidity. At the same time, the Group also took account of the regulations on large credit limits under Luxembourg and German law.

The methods and processes that are currently used to control significant risks are subject to ongoing verification and are refined as necessary.

Over the next years, the Bank as a whole intends to pay special attention to considering consolidation effects when it comes to potential risks at the group level and on correlations that span different types of risk. Moreover, the Group plans to further standardise the methods and processes used by the main companies of the Group.

Personnel Report

Number of Employees

The number of personnel at the Bank has changed as follows as compared to the last day of the previous fiscal year:

Reporting Date	30.06.2009	31.12.2008	Absolute Change	Increase/Decrease (%)
NORD/LB Luxembourg	128	118	10	8.5
Skandifinanz	9	9	0	0.0
NORD/LB CFB	7	5	2	40.0
Total number of employees	**144**	**132**	**12**	**9.1**

Personnel Changes

The general meeting of shareholders appointed the following persons to the Bank's Supervisory Board with effect from 1 January 2009:

Dr. Gunter Dunkel
Chairman of the Supervisory Board of
Norddeutsche Landesbank Luxembourg S.A.
Chairman of the Board of Directors of
NORD/LB Norddeutsche Landesbank Girozentrale

Martin Halblaub
Member of the Supervisory Board of
Norddeutsche Landesbank Luxembourg S.A.
Member of the Board of Directors of
NORD/LB Norddeutsche Landesbank Girozentrale

Dr. Stephan-Andreas Kaulvers
Member of the Supervisory Board of
Norddeutsche Landesbank Luxembourg S.A.
Chairman of the Board of Directors of Bremer Landesbank

Walter Kleine
Member of the Supervisory Board of
Norddeutsche Landesbank Luxembourg S.A.
Chairman of the Board of Directors of
Sparkasse Hannover

Christoph Schulz
Member of the Supervisory Board of
Norddeutsche Landesbank Luxembourg S.A.
Deputy Chairman of the Board of Directors of
NORD/LB Norddeutsche Landesbank Girozentrale

The Supervisory Board elected Mr Harry Rosenbaum (Chairman of the Board of Directors) and Mr Christian Veit (Deputy Chairman of the Board of Directors) to the Board of Directors of NORD/LB Luxembourg with effect from 1 January 2009.

Interim Financial Statement

Norddeutsche Landesbank Luxembourg S.A.

Interim Management Report June 2009

NORD/LB Luxembourg

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

NORD/LB Group
Consolidated Income Statement

For the period under report from 1 January to 30 June 2009:

	Notes	01.01. – 30.06.09 (KEUR)	01.01. – 30.06.08 (KEUR)
Net interest income	**6**	**91,478**	**55,627**
Interest Income		647,756	895,221
Interest Expense		556,277	839,593
Loan Loss Provisions	**7**	**– 69,783**	**– 4,484**
Net Commission Income	**8**	**7,256**	**4,563**
Commission Income		21,496	14,789
Commission Expense		14,241	10,226
Profit/Loss from Financial Instruments at Fair Value through Profit or Loss	**9**	**10,055**	**– 7,874**
Trading Profit/Loss		8,359	– 6,472
Profit/Loss from the Fair Value Option		1,695	– 1,403
Profit/Loss from Hedge Accounting	**10**	**708**	**495**
Profit/Loss from Financial Assets	**11**	**1,241**	**– 4,912**
Administrative Expenses	**12**	**15,286**	**13,220**
Staff Expenses		8,162	6,925
Other Administrative Expenses		6,311	5,563
Depreciation of Property, Plant and Equipment		167	689
Depreciation on Intangible Assets		646	43
Other operating Profit/Loss	**13**	**– 1,654**	**2.372**
Earnings Before Taxes (EBT)		**24,015**	**32,567**
Income Taxes	**14**	**4,827**	**6,199**
Profit for the Year		**19,188**	**26,368**
Of which: attributable to Shareholders		19,188	26,368
Of which: attributable to Minority Interests		0	0

Statement of Income and Expense
Recognised within the Group

Total income for the period under report comprises income and expense recognised in the income statement and directly in equity.

	01.01. – 30.06.09 (KEUR)	01.01. – 30.06.08 (KEUR)
Profit for the Year	**19,188**	**26,368**
Increase/Decrease from Available for Sale (AfS) Financial Instruments*	13,984	– 51,598
Exchange Rate differences of Foreign Business Units	1,522	– 25
Insurance math. Actuarial Gains and Losses for defined Benefit Provisions for Pensions	–	–
Profit/Loss recognised directly in Equity	**15,506**	**– 51,623**
Total Income for the Period	**34,694**	**– 25,255**
Of which: attributable to Shareholders	34,694	– 25,255
Of which: attributable to Minority Interests	0	0

*) These changes include the effects due on these from deferred taxes.

Consolidated
Balance Sheet

Assets	Notes	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)
Cash Reserve	15	143.5	96.2
Loans and Advances to Banks	16	6,272.6	6,505.1
Loans and Advances to Customers	17	6,592.8	7,260.8
Risk Provisions	18	– 158.8	– 93.5
Financial Assets at Fair Value through Profit or Loss	19	271.0	497.7
Derivatives – Fair Values from Hedge Accounting	20	225.1	259.8
Financial Assets	21	9,821.6	9,458.7
Property, Plant and Equipment	22	24.2	1.0
Intangible Assets	23	3.9	4.2
Income Tax Assets		41.0	45.0
Other Assets		10.8	19.3
Total Assets		**23,247.8**	**24,054.3**

Equity and Liabilities	Notes	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)
Liabilities to Banks	24	12,728.9	14,433.3
Liabilities to Customers	25	4,302.9	1,888.4
Securitised Liabilities	26	4,523.8	5,535.3
Financial Liabilities at Fair Value through Profit or Loss	27	240.3	397.2
Fair Values from Hedge Accounting	28	557.8	812.4
Provisions	29	9.9	8.3
Income Tax Liabilities		10.9	21.2
Other Liabilities	30	16.8	21.4
Subordinated Capital	31	139.8	244.7
Equity		716.6	692.2
Issued Capital		205.0	205.0
Capital Reserves		0.0	0.0
Revenue Reserves		579.0	567.0
Revaluation Reserve		– 67.0	– 81.0
Currency Translation Reserve		– 0.4	1.2
Total Equity and Liabilities		**23,247.8**	**24,054.3**

Abridged Consolidated Cash Flow Statement

	2009 (EUR Million)	2008 (EUR Million)
Cash and Cash Equivalents as of 1 January	**96.2**	**432.8**
Cash Flow from Operating Activities	446.7	– 205.3
Cash Flow from Investing Activities	– 385.8	–261.7
Cash Flow from Financing Activities	– 13.6	57.0
Cash Flow Total	**47.3**	**– 410.0**
Effects of Exchange Rate Differences and Valuation Changes and Changes in the Basis of Consolidation	0.0	0.0
Cash and Cash Equivalents as of 30 June	**143.5**	**22.8**

Statement of Changes in Equity

EUR Million	Issued Capital	Capital Reserves	Revenue Reserves	Revaluation Reserve	Currency Translation Reserve	Equity
Equity as of 01.01.08	**205.0**	**0.0**	**539.6**	**– 51.0**	**– 2.3**	**691.3**
Profit for the Year – Distribution	–	–	–	–	–	0.0
Profit for the Year – Carried forward	–	–	28.2	–	–	28.2
Increase/Decrease from AfS Financial Instruments	–	–	–	– 30.0	–	– 30.0
Currency Translation	–	–	–	–	1.9	1.9
Consolidation Effects and other Capital Changes	–	–	– 0.9	–	1.6	0.7
Equity as of 31.12.08	**205.0**	**0.0**	**567.0**	**– 81.0**	**1.2**	**692.2**
Distribution	–	–	–	–	–	0.0
Transfer to Reserves	–	–	–	–	–	0.0
Increase/Decrease from AfS Financial Instruments	–	–	–	14.0	–	14.0
Currency Translation	–	–	–	–	– 1.4	– 1.4
Consolidation Effects and other Capital Changes	–	–	–	–	– 0.2	– 0.2
Profit for the Year	–	–	12.0	–	–	12.0
Equity at 30.06.09	**205.0**	**0.0**	**12.0**	**– 67.0**	**– 0.4**	**716.6**

NORD/LB
Norddeutsche Landesbank Luxembourg S.A.

Interim Management Report June 2009

NORD/LB Luxembourg

Accounting Policies

(1) Principles for the Preparation of the Financial Statements

The Group's interim financial statement at 30 June 2009 was prepared on the basis of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (the IAS Regulation) in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). In particular, IAS 34 was applied in order to meet the requirements for interim financial statements.

The interim financial statement comprises the Group's profit and loss account, the income and expenses recognised within the Group, the consolidated balance sheet, the abridged Group cash flow statement, the statement of changes in equity, and selected explanatory information provided in the notes. Segment reporting is carried out within the scope of the notes. Risk reporting in accordance with IFRS 7 is essentially carried out in the separate report on the risks and rewards of future development (risk report) as part of the management report.

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

(2) Applied Accounting Policies

The accounting policies applied to the interim financial statement are based on those used for the Group's consolidated annual accounts as of 31 December 2008. The fair value of balanced non-derivative financial assets has been calculated in accordance with the fair value hierarchy for this consolidated interim financial statement. There were no significant changes concerning the volume or number of units of the corresponding mark-to-market, matrix-to-matrix, and mark-to-model valuated financial assets at the time this interim financial statement was prepared.

IFRS 8, Operating Segments, was applied for the first time on 30 June 2009. This interim statement also takes into account the changes from the First Annual Improvements Project 2008 and changes to the following standards:

- **IAS 1 Presentation of Financial Statements (rev. 2007)**
- **IAS 23 Borrowing Costs (rev. 2007)**
- **IFRS 1 and IAS 27 (amended 2008)**
- **IAS 32 and IAS 1 (amended 2008)**

With respect to IFRS 8, the segment information is, as in the previous year, provided within the scope of internal reporting (management approach).

In line with IAS 1, the income and expense recorded directly as part of net equity are presented in the statement of income and expenses recorded within the Group.

Furthermore, the aforementioned changes to standards do not have any significant effects on the accounting, valuation, and presentation of the Group's interim financial statement.

(3) Basis of Consolidation

The consolidated financial statements include NORD/LB Luxembourg, as the parent company of two (previous year, three) subsidiaries (including special purpose entities in accordance with SIC-12), in which NORD/LB Luxembourg directly or indirectly holds more than 50 % of voting rights or over which NORD/LB is in a position to exert a controlling influence in other ways.

Subsidiaries included:
- SKANDIFINANZ BANK AG, Zürich, 100 % of voting rights
- NORD/LB COVERED FINANCE BANK S.A., Luxemburg, 100 % of voting rights

The previously fully consolidated LUX-Cofonds fund has been deconsolidated. The effects resulting from the deconsolidation do not have any significant impact on the Group's assets, financial situation, and results.

Segment Reporting

Classification by Business Segment

Segment reporting serves to provide information on business segments and is carried out in accordance with the Bank's business model. The segments are defined as customer or product groups that are aligned with the Bank's organisational structures.

Net interest income for the individual segments is determined in accordance with the market interest rate method. Segment expenditure comprises original expenses as well as expenses allocated on the basis of cost and accounting for services. Risk provisions were assigned to the segments on the basis of actual cost. Classification of the use of interest from equity investments underwent a systematic change. Due to a lack of controllability by the market divisions, both performance indicators are now assigned to the Shareholdings/Other segment rather than to the Bank's operative profit centres.

Savings Bank Network
This includes institutional business with affiliated savings banks and syndicated business conducted with savings banks in the network.

Private Banking
This segment comprises business with important private customers.

Financial Markets
This includes NORD/LB Luxembourg's Treasury and Credit Investments & Solutions divisions, which are active in investment banking.

Group Cooperation
This segment covers the lending business transferred by the Group.

Shareholdings/Other
This segment includes other items and reconciliatory items.

Segmentation by Region

Segmentation by geographical region focuses on the counterparty's home country.

(4) Classification by Business Segment

EUR Million	Savings Bank Network	Private Banking	Financial Markets	Structured Finance	Group Cooperation	Share-holdings/ Other	Total
Net Interest Income	**0.9**	**0.9**	**40.0**	**2.4**	**39.1**	**8.3**	**91.5**
do. 30 June 2008	1.2	1.6	31.8	2.7	20.7	– 2.5	55.6
Loan Loss Provisions	**0.0**	**0.0**	**– 2.7**	**0.0**	**– 67.1**	**0.0**	**– 69.8**
do. 30 June 2008	0.0	0.0	0.0	0.2	– 4.7	0.0	– 4.5
Net Interest Income after Loan Loss Provisions	**0.9**	**0.9**	**37.3**	**2.4**	**– 28.0**	**8.3**	**21.8**
do. 30 June 2008	1.2	1.6	31.8	2.9	16.0	– 2.5	51.1
Net Commission Income	**– 0.7**	**3.5**	**– 0.8**	**0.4**	**4.9**	**0.0**	**7.3**
do. 30 June 2008	– 1.1	4.0	– 1.1	0.5	2.5	– 0.2	4.6
Profit/Loss from Financial Instruments at Fair Value through Profit or Loss	**0.0**	**0.0**	**10.0**	**0.1**	**0.0**	**0.0**	**10.1**
do. 30 June 2008	0.0	0.0	– 6.0	0.1	0.0	– 2.0	– 7.9
Profit/Loss from Hedge Accounting	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.7**	**0.7**
do. 30 June 2008	0.0	0.0	0.0	0.0	0.0	0.5	0.5
Profit/Loss from Financial Assets	**0.0**	**0.0**	**1.2**	**0.0**	**0.0**	**0.0**	**1.2**
do. 30 June 2008	0.0	0.0	– 4.9	0.0	0.0	0.0	– 4.9
Total Revenue	**0.2**	**4.4**	**47.7**	**2.8**	**– 23.1**	**9.0**	**41.0**
do. 30 June 2008	0.2	5.6	19.7	3.5	18.5	– 4.1	43.4
Administrative Expenses	**0.1**	**3.8**	**5.6**	**1.0**	**1.5**	**3.3**	**15.3**
do. 30 June 2008	0.0	3.1	4.7	1.1	2.8	1.6	13.2
Operating Profit/Loss	**0.1**	**0.5**	**42.2**	**1.8**	**– 24.6**	**5.7**	**25.7**
do. 30 June 2008	0.1	2.6	15.0	2.4	15.7	– 5.7	30.2
Other Income/Expenses	**0.0**	**0.0**	**0.3**	**0.0**	**0.0**	**– 2.0**	**– 1.7**
do. 30 June 2008	0.0	0.0	3.2	0.0	0.0	– 0.8	2.4
Operating Profit/Loss before Taxes	**0.1**	**0.5**	**42.4**	**1.8**	**– 24.6**	**3.7**	**24.0**
do. 30 June 2008	0.1	2.6	18,2	2.4	15.7	– 6.5	32.6
Segment Assets	**373.0**	**56.0**	**14,902.8**	**244.5**	**6,819.5**	**851.9**	**23,247.8**
do. 31 December 2008	237.7	49.2	14,251.9	258.7	8,340.3	916.5	24,054.3
Segment Liabilities	**0.0**	**305.0**	**22,225.8**	**290.2**	**0.0**	**426.8**	**23,247.8**
do. 31 December 2008	3.1	313.9	21,773.3	254.8	585.6	1,123.6	24,054.3

EUR Million	Savings Bank Network	Private Banking	Financial Markets	Structured Finance	Group Cooperation	Share-holdings/ Other	Total
Further Segment Information:							
Property, Plant and Equipment, net	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**24.2**	**24.2**
do. 31 December 2008	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Depreciation of Property, Plant and Equipment, current Year	**0.0**	**0.0**	**– 0.1**	**0.0**	**0.0**	**0.0**	**– 0.2**
do. 30 June 2008	0.0	– 0.3	– 0.4	0.0	0.0	0.0	– 0.7
Intangible Assets, net	**0.0**	**0.6**	**0.8**	**0.0**	**2.5**	**0.0**	**3.9**
do. 31 December 2008	0.0	0.6	1.0	0.0	2.6	0.0	4.2
Depreciation on Intangible Assets, current Year	**0.0**	**– 0.1**	**– 0.1**	**0.0**	**– 0.4**	**0.0**	**– 0.6**
do. 30 June 2008	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Value adjustments on Financial Assets	**0.0**	**0.0**	**– 2.6**	**0.0**	**0.0**	**0.0**	**– 2.6**
do. 30 June 2008	0.0	0.0	0.0	0.0	0.0	0.0	0.0

(5) Segmentation by Geographical Region

EUR Million	Germany	Luxem-bourg	Switzer-land	Rest of Europe	USA	Rest of America	Other Countries	Total
Operating Profit/Loss before Taxes	**8,7**	**3,0**	**0.8**	**7.2**	**2.4**	**0.4**	**1.5**	**24.0**
do. previous Year	10.8	2.7	1.1	11.5	3.6	0.4	2.4	32.6
Segment Assets	**7,755.3**	**3,162.4**	**742.5**	**6,988.4**	**2,649.3**	**441.0**	**1,508.9**	**23,247.8**
do. previous Year	8,127.7	300.1	851.0	10,033.6	3,761.2	626.6	354.1	24,054.3
Segment Liabilities	**7,439.7**	**7,750.4**	**4,071.5**	**2,907.4**	**423.9**	**20.4**	**634.5**	**23,247.8**
do. previous Year	9,424.4	9,636.4	1,736.0	2,382.3	436.8	92.9	345.5	24,054.3
Further Segment Information								
Property, Plant and Equipment, net	**0.0**	**24.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**24.2**
do. previous Year	0.0	1.0	0.0	0.0	0.0	0.0	0.0	1.0
Intangible Assets, net	**0.0**	**3.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**3.9**
do. previous Year	0.0	4.2	0.0	0.0	0.0	0.0	0.0	4.2

Notes to the Income Statement

(6) Net Interest Income

As well as interest income and interest expense, the interest income and interest expense items include pro rata reductions in premiums and discounts arising from financial instruments, and dividend income.

Interest income and dividends from positions in the trading book allocated to the held-for-trading (HfT) category and financial instruments that are voluntarily allocated to the designated at fair value through profit or loss (dFV) category are excluded in this case since they are reported in trading profit/loss or in the profit/loss from the fair value option.

Due to the fact that under certain circumstances, silent partners are to be classified as liabilities under IAS 32, payments to silent partners are reported as interest expense.

	01.01. – 30.06.09 (KEUR)	01.01. – 30.06.08 (KEUR)	Increase/ Decrease %
Interest Income	**647,756**	**895,221**	**– 28**
Interest Income from Lending Business and Money Market Transactions	230,033	333,232	– 31
Interest Income from Fixed Income and Book Entry Securities	203,021	227,531	– 11
Current Income	9,370	5,743	63
From Shares and other variable Yield Securities	0	0	–
From participating Interests	9,370	5,743	63
Interest Income from Hedge Derivatives	205,331	328,715	– 38
Other Interest Income and similar Income	0	0	–
Interest Expense	**– 556,277**	**– 839,593**	**– 34**
Interest Expense from Lending Business and Money Market Transactions	– 179,055	– 338,392	– 47
Interest Expense from securitised Liabilities	– 104,897	– 108,184	– 3
Interest Expense from subordinated Capital	– 4,931	– 11,160	– 56
Interest Expense from Hedge Derivatives	– 267,394	– 381,858	– 30
Interest Expense for Provisions and Liabilities	0	0	–
Other Interest Expense and similar Expense	0	0	–
Total	**91,478**	**55,627**	**64**

(7) Loan Loss Provisions

	01.01. – 30.06.09 (KEUR)	01.01. – 30.06.08 (KEUR)	Increase/ Decrease %
Income from Loan Loss Provisions	**0**	**228**	**– 100**
Reduction in Provisions for Claims	0	0	–
Reductions in Portfolio-based Provisions for Receivables	0	228	– 100
Reversal of Provisions in Lending Business	0	0	–
Additions to Receivables written off	0	0	–
Loan Loss Provision Expense	**69,783**	**4,712**	**> 100**
Allocations to Provisions for Claims	63,707	4,699	> 100
Allocation to Portfolio-based Provisions for Claims	1,866	13	> 100
Allocation to Provisions for Lending Business	4,210	0	–
Direct Write-Offs of Claims	0	0	–
Total	**– 69,783**	**– 4,484**	**> 100**

Allocations to provisions for claims primarily relate to the new individual value adjustments for impaired loans.

(8) Net Commission Income

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

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

The main portion of commission income relates to commissions for loans and guarantees received on a pro rata basis in non-banking transactions, and the smaller share is attributed to transaction-related broker commissions from customers.

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

	01.01. – 30.06.09 (KEUR)	01.01. – 30.06.08 (KEUR)	Increase/ Decrease %
Commission Income	**21,496**	**14,789**	**45**
From Security and Custody Transactions	2,387	3,957	– 40
From Brokerage Transactions	918	26	> 100
From Lending Business and Guarantee Transactions	17,635	10,361	70
Other Commission Income	557	445	25
Commission Expense	**14,241**	**10,226**	**39**
From Brokerage Transactions	11,819	8,529	39
From Lending Business and Guarantee Transactions	1,187	548	> 100
Other Commission Expense	1,234	1,149	7
Total	**7,256**	**4,563**	**59**

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

	01.01. – 30.06.09 (KEUR)	01.01. – 30.06.08 (KEUR)	Increase/ Decrease %
Trading Profit/Loss	**8,359**	**– 6,472**	**> 100**
Realised Profit/Loss	1,719	– 5,005	> 100
From Debt Securities and other fixed Interest Securities	0	0	–
From Shares and other variable Yield Securities	0	0	–
From Derivatives	1,719	– 5,005	> 100
From other Trading Transactions	0	0	–
Measurement Gains/Losses	3,952	– 9,684	> 100
From Debt Securities and other fixed Interest Securities	0	0	–
From Shares and other variable Yield Securities	0	0	–
From Derivatives	3,952	– 9,684	> 100
From other Trading Transactions	0	0	–
Foreign Exchange Profit/Loss	2,544	2,493	2
Other Profit/Loss	145	5,725	– 97
Profit/Loss from the Fair Value Option	**1,695**	**– 1,403**	**> 100**
Realised Profit/Loss from	0	0	–
Debt Securities and other fixed Interest Securities	0	0	–
From Shares and other variable Yield Securities	0	0	–
Other Transactions	0	0	–
Measurement Gains/Losses from	1,695	– 1,403	> 100
Debt Securities and other fixed Interest Securities	1,695	– 1,403	> 100
From Shares and other variable Yield Securities	0	0	–
Other Transactions	0	0	–
Other Profit/Loss	0	0	–
Total	**10,055**	**– 7,874**	**> 100**

Trading profit/loss includes the measurement gains/losses from trading activities (defined as unrealised expense and income from fair value measurement) as well as the realised profit/loss (defined as the difference between disposal proceeds and carrying amount at the last reporting date).

Profit/loss from the fair value option essentially comprises profit/loss from debt securities designated at fair value.

(10) Profit/Loss from hedge accounting

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

	01.01. – 30.06.09 (KEUR)	01.01. – 30.06.08 (KEUR)	Increase/ Decrease %
Profit/Loss from micro Fair Value Hedge Transactions	**708**	**495**	**43**
From hedged underlying Transactions	– 177,476	40,302	> 100
From Derivatives used as hedging Instruments	178,184	– 39,807	> 100
Profit/Loss from Portfolio Fair Value Hedge Transactions	**0**	**0**	**–**
From hedged underlying Transactions	0	0	–
From Derivatives used as hedging Instruments	0	0	–
Total	**708**	**495**	**43**

(11) Profit/Loss from Financial Assets

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

	01.01. – 30.06.09 (KEUR)	01.01. – 30.06.08 (KEUR)	Increase/ Decrease %
Profit/Loss from Financial Assets classified as LaR	**– 588**	**0**	**> 100**
Profit/Loss from Financial Assets classified as AfS (no Joint Ownership)	**1,829**	**– 4,912**	**> 100**
Profit/Loss from the Disposal	1,829	– 4,912	> 100
Of Debt Securities and other fixed Interest Securities	1,829	– 4,912	> 100
Of Shares and other variable Yield Securities	0	0	–
Of other Financial Assets	0	0	–
Profit/Loss from Value Adjustments for	0	0	–
Debt Securities and other fixed Interest Securities	0	0	–
Variable Yield Securities	0	0	–
Profit/Loss from affiliated Companies	**0**	**0**	**–**
Profit/Loss from Joint Ventures and Associated Companies	**0**	**0**	**–**
Profit/Loss from other participating Interests	**0**	**0**	**–**
Total	**1,241**	**– 4,912**	**> 100**

(12) Administrative Expenses

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

	01.01. – 30.06.09 (KEUR)	01.01. – 30.06.08 (KEUR)	Increase/ Decrease %
Staff Expenses	**8,162**	**6,925**	**18**
Wages and Salaries	6,724	6,053	11
Social Security Contributions	686	490	40
Expenses for Pension Provision	751	382	97
Other Staff Expenses	0	0	–
Other administrative Expenses	**6,311**	**5,563**	**13**
Expense for Operating and Office Equipment, and IT	2,166	2,652	– 18
Legal, Audit, Survey, and professional Fees	822	1,122	– 27
Other Administrative Expenses	3,323	1,789	86
Depreciation and Impairments	**814**	**732**	**11**
Depreciation of Property, Plant and Equipment	167	689	– 76
Depreciation on Intangible Assets	646	43	> 100
Impairments	0	0	–
Total	**15,286**	**13,220**	**16**

(13) Other operating Profit/Loss

	01.01. – 30.06.09 (KEUR)	01.01. – 30.06.08 (KEUR)	Increase/ Decrease %
Other operating Income	**355**	**5,992**	– 94
From the Reversal of Provisions	0	0	–
Other Income	355	5,992	– 94
Other operating Expenses	**2,010**	**3,620**	– 44
From the Allocation of Provisions	0	0	–
Other Expenses	2,010	3,620	– 44
Total	**– 1,654**	**2,372**	**> 100**

(14) Income Taxes

	01.01. – 30.06.09 (KEUR)	01.01. – 30.06.08 (KEUR)	Increase/ Decrease %
Current Income Taxes	5,019	7,874	– 36
Deferred Taxes	– 192	– 1,675	– 89
Total	**4,827**	**6,199**	**– 22**

The income tax for the interim financial statement was calculated on the basis of the income tax rate anticipated to apply for the entire year. The rate of taxation here is calculated on the basis of the corporate and trade tax rate of 28.59 % (previous year: 29.63 %), which is applicable in Luxembourg on the balance sheet day.

Notes to the Balance Sheet

(15) Cash Reserve

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Cash	1.1	0.7	53
Balances with Central Banks	142.4	95.5	49
Total	**143.5**	**96.2**	**49**

(16) Loans and Advances to Banks

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Receivables from Money Market Transactions	**3,142.4**	**2,905.1**	**8**
Luxembourg Banks	327.3	268.1	22
Foreign Banks	2,815.1	2,637.1	7
Other Receivables	**3,130.3**	**3,599.9**	**– 13**
Luxembourg Banks	78.5	12.2	> 100
Due on Demand	3.3	3.8	1
Deferred	75.2	8.4	> 100
Foreign Banks	3,051.7	3,587.7	– 15
Due on Demand	0.8	18.9	– 98
Deferred	3,050.9	3,568.8	– 15
Total	**6,272.6**	**6,505.1**	**– 4**

(17) Loans and Advances to Customers

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Receivables from Money Market Transactions	**0.0**	**0.0**	**–**
Luxembourg Customers	0.0	0.0	–
Foreign Customers	0.0	0.0	–
Other Receivables	**6,592.8**	**7,260.8**	**– 9**
Luxembourg Customers	85.1	40.4	> 100
Due on Demand	0.0	0.1	> 100
Deferred	85.1	40.3	> 100
Foreign Customers	6,507.7	7,220.4	– 10
Due on Demand	22.2	21,0	– 60
Deferred	6,485.5	7,199.4	– 10
Total	**6,592.8**	**7,260.8**	**– 9**

(18) Risk Provisions

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Individual Value Adjustments for Receivables	**– 141.0**	**– 77.5**	**82**
Foreign Banks	– 71.9	– 59.6	21
Luxembourg Customers	– 3.1	0.0	–
Foreign Customers	– 66.0	– 17.9	> 100
Portfolio-based Provisions for Receivables	**– 17.8**	**– 16.0**	**12**
Total	**– 158.8**	**– 93.5**	**70**

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

	Specific Value Adjustments (EUR Million)	Portfolio-based Provisions (EUR Million)	Provisions in Lending Business (EUR Million)	Total (EUR Million)
31.12.2008	**77.5**	**16.0**	**0.0**	**93.5**
Allocations	63.7	1.9	4.2	
Reductions	–	–	–	–
Utilisation	–	–	–	–
Effects from Currency Translations, Unwinding, and other Changes	– 0.2	0.0	–	– 0.2
30.06.2009	**141.0**	**17.8**	**4.2**	**93.3**

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

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

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Trading Assets	**198.1**	**423.7**	**– 53**
Debt Securities and other fixed Interest Securities	**0,0**	**0.0**	**–**
Shares and other variable Yield Securities	**0.0**	**0.0**	**–**
Positive Fair Values from Derivatives in connection with:	**198.1**	**423.7**	**– 53**
Interest Rate Risks	54.8	141.2	– 61
Currency Risks	143.3	282.5	– 49
Share and other Price Risks	0.0	0.0	–
Trading Portfolio Claims	0.0	0.0	–
Financial Assets designated at Fair Value	**72.9**	**74.0**	**– 1**
Loans and advances to Banks and Customers	**0.0**	**0.0**	**–**
Debt Securities and other fixed Interest Securities	**72.9**	**74.0**	**– 1**
Shares and other variable Yield Securities	**0.0**	**0.0**	**–**
Total	**271.0**	**497.7**	**– 46**

(20) Fair Values from Hedge Accounting

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

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Positive Fair Values from allocated micro Fair Value Hedge Derivatives	225.1	259.8	– 13
Fair Values from Derivatives in Portfolio Fair Value Hedge Accounting	0.0	0.0	–
Total	**225.1**	**259.8**	**– 13**

(21) Financial Assets

The financial assets balance sheet item essentially includes all the debt securities and other fixed interest securities, shares, and other variable yield securities that are classified as available for sale and are not for trading.

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Financial Assets classified as LaR	**3,427.3**	**3,472.5**	**– 1**
Financial Assets classified as AfS	**6,394.4**	**5,986.2**	**7**
Debt Securities and other fixed Interest Securities	**6,394.4**	**5,986.2**	**7**
Money Market Papers	122.7	627.1	– 80
From public Issuers	0	0,0	–
From other Issuers	122.7	627.1	– 80
Bonds and Debt Securities	6,271.7	5,359.1	17
From public Issuers	82.9	156.0	– 47
From other Issuers	6,188.8	5,203.1	19
Shares and other variable Yield Securities	**0.0**	**0.0**	**–**
Shares in Companies	**0.0**	**0.0**	**–**
Total	**9,821.6**	**9,458.7**	**4**

The LaR category includes securities in the amount of EUR 620.3 million (EUR 620.3 million), which were reclassified from the AfS category in 2008. Without reclassification, the profits/losses from these securities, shown in equity as not affecting profit or loss, would have dropped to EUR –47.9 million at 30.06.09.

(22) Property, Plant and Equipment

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Land and Buildings	23.0	0.0	–
Operating and Office Equipment	1.2	1.0	20
Other Property, Plant and Equipment	0.0	0.0	–
Total	**24.2**	**1.0**	**> 100**

(23) Intangible Assets

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Software	3.9	4.2	– 7
Acquired for Consideration	3.9	4.2	– 7
Self-produced	0.0	0.0	–
Intangible Assets under Development	0.0	0.0	–
Other	0.0	0.0	–
Total	**3.9**	**4.2**	**– 7**

The Group continues to use fully depreciated software.

(24) Liabilities to Banks

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Deposits from other Banks	**4,120.8**	**3,654.1**	**13**
Luxembourg Banks	495.1	-1.1	> 100
Foreign Banks	3,625.6	3,655.2	– 1
Liabilities arising from Money Market Transactions	**8,608.0**	**10,777.3**	**– 20**
Luxembourg Banks	963.0	4,317.6	– 78
Foreign Banks	7,644.9	6,459.7	18
Other Liabilities	**0.2**	**1.9**	**– 90**
Luxembourg Banks	0.0	1.8	– 99
Due on Demand	0.0	1.1	– 99
Deferred	0.0	0.7	– 100
Foreign Banks	0.2	0.1	68
Due on Demand	0.2	0.1	68
Deferred	0.0	0.0	–
Total	**12,728.9**	**14,433.3**	**– 12**

(25) Liabilities to Customers

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Savings Deposits	**0.0**	**0.0**	**–**
Liabilities arising from Money Market Transactions	**3,988.9**	**1,607.3**	**> 100**
Luxembourg Customers	16.6	13.4	24
Foreign Customers	3,972.4	1,593.9	> 100
Other Liabilities	**313.9**	**281.1**	**12**
Luxembourg Customers	6.6	14.4	– 54
Due on Demand	6.6	14.4	– 54
Deferred	0.0	0.0	–
Foreign Customers	307.3	266.7	15
Due on Demand	116.7	47.1	> 100
Deferred	190.6	219.6	– 13
Total	**4,302.9**	**1,888.4**	**> 100**

(26) Securitised Liabilities

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Issued Debt Securities	4,194.6	4,249.0	– 1
Money Market Papers/Commercial Papers	329.2	1,286.4	– 74
Other Securitised Liabilities	0.0	0.0	–
Total	**4,523.8**	**5,535.3**	**– 18**

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

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

Trading liabilities comprise negative fair values from derivatives that are not used in hedge accounting as well as short sale delivery obligations.

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

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Trading Liabilities	**240.3**	**397.2**	**– 40**
Negative Fair Values from Derivatives in connection with:	240.3	397.2	– 40
Interest Rate Risks	59.3	129.7	– 54
Currency Risks	181.0	267.4	– 32
Share and other Price Risks	0.0	0.0	–
Credit Derivatives	0.0	0.0	–
Short Sale Delivery Obligations	0.0	0.0	–
Financial Liabilities designated at Fair Value	**0.0**	**0.0**	**–**
Liabilities to Banks and Customers	0.0	0.0	-
Securitised Liabilities	0.0	0.0	-
Total	**240.3**	**397.2**	**– 40**

(28) Fair Values from Hedge Accounting

This item comprises negative fair values from hedging instruments arising from hedging relationships.

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Negative Fair Values from allocated micro Fair Value Hedge Derivatives	557.8	812.4	– 31
Fair Values in Portfolio Fair Value Hedge Accounting	0.0	0.0	–
Fair Values in Cash Flow Hedge Accounting	0.0	0.0	–
Total	**557.8**	**812.4**	**– 31**

(29) Provisions

Provisions are broken down as follows:

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Provisions for Pensions and similar Obligations	**0.9**	**0.9**	**0**
Other Provisions	9.0	7.4	21
Provisions in the Lending Business	4.2	0.0	–
Restructuring Provisions	0.5	0.5	0
Provisions for threatened Losses	0.0	0.0	–
Provisions for uncertain Liabilities	4.3	7.0	– 38
Insurance Business Provisions	0.0	0.0	–
Total	**9.9**	**8.3**	**19**

(30) Other Liabilities

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Liabilities from outstanding Invoices	3.5	4.4	– 20
Liabilities from Contributions	0.0	0.0	–
Liabilities from short-term Remuneration of Workers	2.7	2.0	35
Accruals and deferred Income	1.9	2.4	– 19
Liabilities from payable Taxes and Social Security Contributions	1.6	2.5	– 37
Other Liabilities	7.0	10.0	– 30
Total	**16.8**	**21.4**	**– 22**

(31) Subordinated Capital

Subordinated liabilities are only repaid after the claims of all senior lenders have been settled. They fully meet the conditions set out in CSSF Circular 06/273 in relation to consideration as regulatory supplementary capital.

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)	Increase/ Decrease %
Subordinated Liabilities	88.5	90.0	– 2
Profit Participation Capital	0.0	0.0	–
Contributions from silent Partners	51.3	154.7	– 67
Total	**139.8**	**244.7**	**– 43**

(32) Notes to the Statement of Changes in Equity

The subscribed capital of NORD/LB Luxembourg amounted to EUR 205 million at the balance sheet date and comprises 820,000 registered no-par value shares. The subscribed capital is fully paid up. No changes occurred over the course of the first-half of the financial year, and no changes to the subscribed capital are planned for the remainder of financial year 2009.

The individual components of equity and changes to those components in 2008 and the first half of 2009 arise from the statement of changes in equity.

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

The effects of measuring available-for-sale (AfS) financial instruments are shown under the revaluation reserve item.

Other
Disclosures

(33) Derivative Financial Instruments

The Group uses derivative financial instruments for hedging purposes as part of asset/liability management.

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

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

The composition of the derivative portfolio is as follows:

EUR Million	Nominal Values 30.06.2009	Nominal Values 31.12.2008	Market Values positive 30.06.2009	Market Values positive 31.12.2008	Market Values negative 30.06.2009	Market Values negative 31.12.2008
Interest Rate Risks	12,712.7	19,086.3	209.4	343.8	578.1	869.5
Currency Risks	12,175.6	10,492.4	1,171.2	340.3	1,177.4	393.0
Share and other Price Risks	0.0	0.0	0.0	0.0	0.0	0.0
Credit Derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Total	**24,888.3**	**29,578.7**	**1,380.6**	**684.1**	**1,755.5**	**1,262.5**

(34) Basic Regulatory Data

The risk-weighted asset values and the regulatory equity are based on the rules and requirements set out in the German Solvency Regulation and IFRS.

Risk-weighted Asset Values

	31.06.2009 (EUR Million)	31.12.2008 (EUR Million)
Risk Assets	5,833.7	6,546.8
Market Risk Positions	75.7	188.5
Total	**5,909.4**	**6,735.3**

The IRB approach used by the Bank leads to a lower equity cost as compared to the previous regulation. In this case, the Solvency Regulation provides for the equity cost to be gradually reduced to the lower value during a transitional period. A floor in the risk assets is taken into consideration for this purpose.

Regulatory Equity

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)
Contributed Capital	205.0	205.0
Other Reserves	541.6	539.0
Special item for general Banking Risks (in Accordance with Section 63 of the Law dated 17 June 1992)	0.0	0.0
Remaining Components	14.1	-4.2
Core Capital	**760.7**	**739.8**
Capital Contributions from silent Partners (upper tier 2 Capital)	50.0	152.3
Subordinated Debt Securities (recognisable Part, upper tier 2 Capital)	88.4	89.8
Supplementary Capital	**138.4**	**242.1**
Items deductible from Core (tier 1) and supplementary (tier 2) Capital	0.0	0.0
Liable Equity	**899.1**	**981.9**
Tier three Funds	0.0	0.0
Equity Capital	**899.1**	**981.9**

Revaluation reserves are not taken into account in regulatory equity. The Bank exercised its right to choose accordingly.

Minimum Capital Ratios

The Bank complied at all times with the regulatory minimum capital ratios in 2008 and the first half of 2009. At the respective balance sheet dates, the Bank had the following ratios:

	31.06.2009	31.12.2008
Overall coefficient	15.2 %	12.7 %

(35) Contingent Liabilities and Other Obligations

	30.06.2009 (EUR Million)	31.12.2008 (EUR Million)
Contingent Liabilities	799.5	904.7
Contingent Liabilities under rediscounted Bills of Exchange	–	–
Liabilities from Guarantees and other Indemnity Agreements	799.5	904.7
Irrevocable Credit Commitments	1,801.4	2,109.6
Total	**2,601.0**	**3,014.3**

(36) Events after the Balance Sheet Date

At the time of publication, there were no events after the balance sheet date that are noteworthy of reporting.

(37) Related Party Disclosures

Within the scope of ordinary business activities, transactions with related parties are concluded under normal market terms and conditions.

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

As of 30.06.09:

Disclosures (KEUR)	Shareholders	Persons in Key Positions	Other related Parties
Outstanding Loans and Advances			
To Banks	1,247,407	0	0
To Customers	0	440	0
Other unsettled Assets	120,964	0	0
Total Assets	**1,368,372**	**440**	**0**
Outstanding Liabilities			
To Banks	4,585,669	0	1
To Customers	0	0	0
Other unsettled Liabilities	194,107	195	0
Total Equity and Liabilities	**4,779,776**	**195**	**1**
Guarantees/Sureties granted	**0**	**0**	**0**

01 January – 30 June 2009:

Disclosures (KEUR)	Shareholders	Persons in Key Positions	Other related Parties
Interest Expense	99,927	0	1,543
Interest Income	15,537	47	65
Commission Expense	0	0	0
Commission Income	0	0	0
Other Income and Expense	8,730	– 1,067	0
Total Contributions to Income	**– 75,659**	**– 1,020**	**– 1,477**

As of 31 December 2008:

Disclosures (KEUR)	Shareholders	Persons in Key Roles	Other related Parties
Outstanding Loans and Advances			
To Banks	2,142,0130	0	0
To Customers		0	440
Other Assets	112,811	0	0
Total Assets	**2,254,824**	**0**	**440**
Outstanding Liabilities			
To Banks	5,698,842	0	0
To Customers	0	0	0
Other Liabilities	311,181	0	195
Total Liabilities	**6,010,023**	**0**	**195**
Guarantees/Sureties granted	**0**	**0**	**0**

01 January – 30 June 2008:

Disclosures (KEUR)	Shareholders	Persons in Key Positions	Other related Parties
Interest Expense	131,950	0	5,828
Interest Income	36,535	58	5,410
Commission Expense	0	0	0
Commission Income	0	0	0
Other Income and Expense	– 10,222	– 1,109	0
Total Contributions to Income	**– 105,637**	**– 1,051**	**– 419**

(38) Members of Executive Bodies

Supervisory Board

- Dr. Gunter Dunkel, Chairman of the Supervisory Board of Norddeutsche Landesbank Luxembourg S.A. Luxembourg; Chairman of the Board of Directors of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover

- Martin Halblaub, member of the Board of Directors of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover

- Dr. Stephan-Andreas Kaulvers, Chairman of the Board of Directors of Bremer Landesbank, Bremen

- Walter Kleine, Chairman of the Board of Directors of Sparkasse Hannover, Hanover

- Christoph Schulz, Deputy Chairman of the Board of Directors of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover

Members of Board of Directors

- Harry Rosenbaum, Luxembourg (Chairman)
- Christian Veit, Luxembourg (Deputy Chairman)

Responsibility Statement

We confirm to the best of our knowledge that the interim financial statement dated 30 June 2009, prepared in accordance with the applicable accounting standards, gives a true and fair view of the assets, liabilities, financial position, and profit/loss of the Bank, and that the management report includes a fair review of the development and performance of the business and the position together, as well as a description of the main opportunities and risks associated with the expected development of the Bank.

Luxembourg, 30 August 2009
Norddeutsche Landesbank Luxembourg S.A.

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