NORD/LB

Die norddeutsche Art.

Disclosure Report in accordance with the EU Capital Requirements Regulation (CRR)

as at 31 December 2014

Finanzgruppe

The rounding of figures may result in minor differences in the totals and percentages calculated in this report.

1 Preamble

Regular disclosure of qualitative and quantitative information to enhance market discipline is a requirement of Basel II, pillar 3. The aim is to create transparency with regard to the risks entered into by banks. Pillar 3 thus supplements the minimum capital requirements of pillar I and the supervisory review process of pillar 2. Since 2014, EU Regulation No. 575/2013, the Capital Requirements Regulation (CRR) is the legal basis for disclosure.

This report as at 31 December 2014 constitutes the disclosure of qualitative and quantitative information of the NORD/LB Group required in accordance with the CRR by Norddeutsche Landesbank Girozentrale, Hanover, (NORD/LB) as the superordinate institute of the NORD/LB Group. This report does not include disclosures concerning the remuneration policy in accordance with Art. 450 CRR in conjunction with the Institute Remuneration Act (Institutsvergütungsverordnung); these disclosures are made in a separate Remuneration Report. The additional disclosure requirements defined in § 26a of the German Banking Act (country-by-country reporting, return on investment) are also published in a separate document.

The need to meet the requirements of the CRR has resulted in a number of changes compared to the previous reporting format, in particular extended disclosures concerning capital and first-time disclosures concerning asset encumbrance. In addition certain information on significant subsidiaries pursuant to Art. 13 (1) CRR has to be disclosed on an individual or partly consolidated basis. Therefore this report includes disclosure for Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen (Bremer Landesbank), Norddeutsche Landesbank Luxembourg S. A., Luxembourg (NORD/LB Luxembourg) and NORD/LB Covered Finance Bank S.A., Luxembourg (NORD/LB CFB). For Deutsche Hypothekenbank (Actien-Gesellschaft), Hanover (Deutsche Hypo), NORD/LB, uses the waiver option of Art. 7 (1) CRR, which allows the parent institute to exempt subsidiary institutes from some requirements at individual institute level in accordance with Art. 6 (1) CRR. Hence, no disclosure is made at individual institute level for Deutsche Hypo.

The Disclosure Report is an additional document supplementing the Annual Report of the NORD/LB Group and the individual annual reports of the institutes that belong to the Group. These are prepared on the basis of International Financial Reporting Standards (IFRS). An exception is Bremer Landesbank, whose annual reports are prepared on the basis of the German Commercial Code (HGB).

The report mainly provides information concerning capital and the risk types specified by the CRR. These comprise credit risk, counterparty default risk, market risk, liquidity risk, operational risk, investment risk and interest rate risk in the banking book.

Quantitative disclosures contained in this report are based on IFRSs, which constitute the basis for preparing regulatory reports in accordance with the CRR in the NORD/LB Group. Bremer Landesbank, whose quantitative disclosures are based on the German Commercial Code, is an exception here too.

After the closing date, the Austrian Financial Market Authority took over control of Heta Asset Resolution AG (wind-down company for Hypo Alpe Adria Bank) on the 1 March 2015 and imposed a payment standstill for all liabilities to the 31 May 2016. The effects on the NORD/LB Group known at the time the Disclosure Report was prepared are considered below.

For further information about risk, and in particular about the organisation of risk management including the risk control models used, we refer to the Management Report of the NORD/LB Group. The chapters Basic Information about the NORD/LB Group and the Forecast, Risk and Opportunities Report include a detailed account on risk developments for each significant type of risk in the period under review and an outlook for developments anticipated in future.

Due to the fully dynamic approach in the Disclosure Report, there are differences compared to the data published in the Annual Report. The dynamic approach requires the risk provisioning to be updated at the end of the financial year. In this connection, a comparison of loan loss provisions is to be made for exposures in the IRBA exposure classes corporates, institutions, central governments and retail clients under the IRB approach in accordance with Art. 159 CRR. Risk provisioning in the form of specific credit-risk adjustments in the provisioning comparison may only be considered if these credit-risk adjustments were considered in the Common Equity Tier 1. This is the case if the impairments were either included in the audited annual or interim financial statements, or if the Common Equity Tier 1 was directly reduced by the relevant amounts of the specific credit-risk adjustments. Any recognition of interim profits is only allowed with the prior permission of the regulatory authority in accordance with Art. 26 (2) CRR. However, the consideration of interim losses is obligatory in accordance with Art. 36 (1a) CRR.

NORD/LB's regulatory CoRep Report as at 31 December 2014, which also forms the basis of the Annual Report, therefore includes the corresponding risk provisioning for the most recently approved interim profit as at 30 September 2014. By contrast, the risk provisioning was adjusted in preparing the Disclosure Report to the values as at 31 December 2014, as the Disclosure Report is published shortly after the annual financial statements, when the annual financial statements were audited. As a result there are differences compared to the Risk Report in the equity ratios (Chapter 3) and risk provisioning (Chapter 4.1.3).

The Disclosure Report is published in accordance with Art. 434 CRR in the Investor Relations/ Reports section of the NORD/LB website. The publication of the report is announced in the electronic German Federal Register (www.ebundesanzeiger.de).

2 Scope

Norddeutsche Landesbank Girozentrale Anstalt öffentlichen Rechts based in Hannover, Braunschweig and Magdeburg is the parent institute of the NORD/LB Group and as such meets the requirements of the CRR at consolidated level. The basis for this is the regulatory basis of consolidation in accordance with § 10a para. 1 of the German Banking Act in conjunction with Art. 18 CRR.

For accounting purposes, however, the IFRS basis of consolidation applies. Due to the different requirements of regulatory law and accounting standards concerning the companies to be included in the basis of consolidation, the two bases of consolidation differ.

The scope of the regulatory basis of consolidation includes, besides NORD/LB, 49 other corperatescorporates in which NORD/LB holds a direct or indirect interest. These include four institutions, 37 financial corperatescorporates, four financial services institutes, three providers of support services and one investment corperatecorporate. In terms of regulatory law, 13 of these companies are fully consolidated and one is partially consolidated. 35 corperatecorporates are exempted in accordance with Art. 19 CRR from inclusion in the basis of consolidation under regulatory law.

In the basis of consolidation under commercial law, 49 subsidiaries are fully consolidated alongside the parent company NORD/LB. One joint venture, eleven affiliated companies and one investment fund are accounted for using the equity method.

Table 1 provides an overview of the companies included in the basis of consolidation under regulatory law and the companies classified as significant or key investments from a risk point of view in NORD/LB's regular analysis of investments. The table also shows how the shares in these companies are treated for the purposes of Group accounting in accordance with IFRSs and for regulatory law in accordance with the CRR. With regard to the materiality concept for investments, we refer to section 4.2.2 in this report. A comprehensive list of shareholdings including a full overview of the companies included in the IFRS basis of consolidation can be found in the notes to the consolidated financial statements (see Note 86).

Table 1: Consolidation matrix for the NORD/LB Group

Classification	Name	Regulatory treatment						IFRS consolidation	
		Consolidation		Exemption in accordance with Art. 19 CRR	Considered in the threshold method	Deducted from CET1 in accordance with Art. 32 German Solvency Regulation	Risk-weighted investments	Full	Measured using equity method
		Full	Proportional						
Credit institution (parent company)	Norddeutsche Landesbank Girozentrale	•						•	
Credit institution	Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –	•						•	
Credit institution	Norddeutsche Landesbank Luxembourg S. A.	•						•	
Credit institution	Deutsche Hypothekenbank (Actien-Gesellschaft)	•						•	
Credit institution	NORD/LB COVERED FINANCE BANK S. A.	•						•	
Finance company	Nieba GmbH	•						•	
Finance company	Nord-Ostdeutsche Bankbeteiligungs GmbH	•						•	
Finance company	NORD/LB Asset Management Holding GmbH	•						•	
Finance company	MALIBO GmbH & Co. Unternehmensbeteiligungs KG	•						•	
Provider of support services	KreditServices Nord GmbH	•						•	
Financial services institute	LHI Leasing GmbH		•						
Finance company	NOB Beteiligungs GmbH & Co. KG	•						•	
Finance company	NORD/LB Asset Management AG	•						•	
Financial services institute	BLB Leasing GmbH	•						•	
Finance company	BLB Grundbesitz KG	•						•	
Insurance company	Öffentliche Lebensversicherung Braunschweig				•				•
Insurance company	Öffentliche Sachversicherung Braunschweig				•				•
Credit institution	LBS Norddeutsche Landesbausparkasse Berlin-Hannover					•			•
Credit institution	Deutsche Factoring Bank Deutsche Factoring GmbH & Co.					•			•
Credit institution	DekaBank Deutsche Girozentrale				•				
Other company	Toto-Lotto Niedersachsen GmbH						•		•

The significant companies of the NORD/LB Group from a risk point of view are NORD/LB, Bremer Landesbank, NORD/LB Luxembourg, NORD/LB CFB and Deutsche Hypo.

The independent market presence of the five significant Group institutes highlights the focus on their own products and regions while, at the same time, the close ties within the Group represent a significant factor for success. Below is a description of each institute.

NORD/LB is a registered public institute based in Hanover, Braunschweig and Magdeburg. Its head office is in Hanover. NORD/LB is the state bank (Landesbank) for the federal states of Lower Saxony and Saxony-Anhalt. In these two federal states and in Mecklenburg-Western Pomerania the Bank performs the functions of a central and clearing bank for the savings banks (Girozentrale). NORD/LB operates in the segments of Private and Commercial Customers, Corporate Customers and Markets, Energy and Infrastructure Customers, Ship and Aircraft Customers and Real Estate Banking Customers.

Bremer Landesbank sees itself as a universal bank acting as a regional business bank with specialist international business while at the same time performing its role as a state bank and a central bank for the savings banks. Its core business region is North West Germany, from where the bank supports its regional and international customers in Europe. The owners of Bremer Landesbank are NORD/LB, which holds 54.8 per cent of the share capital, the federal state of Bremen with a 41.2 per cent shareholding and Association of the Savings Banks of Lower Saxony with 4.0 per cent.

NORD/LB Luxembourg was founded in 1972 as an independent public limited enterprise under Luxembourg law. Since 1975 the bank has been a full subsidiary of NORD/LB. NORD/LB Luxembourg's activities are in the business segments of Private Banking, Corporate Banking and Financial Markets.

NORD/LB CFB was established as a full subsidiary of NORD/LB Luxembourg. It is a specialised bank with a licence to issue lettres de gage publiques (covered bonds in Luxembourg law). NORD/LB CFB acts as a centre of competence for the NORD/LB Group's OECD-wide international public finance business. NORD/LB CFB's issues concentrate on medium and long-term covered issues outside the eurozone.

Deutsche Hypo, which was established in 1872, is a mortgage bank with a increasing volume of commercial real-estate business. The pooling of know-how raises the significance, image and acquisition power of the NORD/LB Group among customers, partners and investors in the market for providing finance for commercial real estate. NORD/LB holds all the share capital and the voting rights of Deutsche Hypo.

With regard to this Disclosure Report, in accordance with the principle of materiality, only the Group's significant companies from a risk point of view are included as the basis for disclosure. The companies are chosen based on the materiality concept to establish the overall risk profile, which is reviewed and adjusted regularly and as and when required. With regard to the rules of corporate governance concerning the selection of members of the governing bodies and with regard to the capital, the disclosures are made on the basis of the full regulatory basis of consolidation.

The Managing Boards of NORD/LB and Deutsche Hypo decided on 30 June 2013 to announce the use of the waiver option by Deutsche Hypothekenbank in accordance with Article 7 (1) CRR in the version of the German Banking Act applicable at this time. The profit and loss transfer agreement concluded for an indefinite period of time by Deutsche Hypo and NORD/LB constitutes the basic prerequisite for this. At the individual-institute level of Deutsche Hypo, following the announcement of the regulatory banking regulations concerning capital adequacy requirements at institute level, the requirements concerning the reporting of large exposures, the calculation and ensuring of risk-bearing capacity, the formulation of strategies and the establishment of processes to identify, assess, control, monitor and communicate risks no longer apply. The aforementioned requirements are, against the background of the regulatory management of Deutsche Hypo by NORD/LB, transferred to NORD/LB as the parent company.

As part of the realignment of the sub-group NORD/LB Luxembourg, in 2012 all of the market and back-office activities of NORD/LB CFB were integrated into NORD/LB Luxembourg. With the approval of the CSSF as the regulatory authority responsible for Luxembourg, NORD/LB CFB's business activities are conducted by NORD/LB Luxembourg's market divisions. It is also fully integrated into the risk control of NORD/LB Luxembourg, which for its part is responsible for the implementation of the relevant risk control mechanisms in both companies. Capital adequacy is consequently reported on in a report for the NORD/LB Luxembourg Group.

Further utilisation of exception provisions relating to the fulfilment of individual CRR requirements relating to subsidiary Group member institutes as defined as a waiver provision do not exist at NORD/LB.

As at the reporting date there were no subsidiaries in accordance with Art. 436 (d) CRR that were not consolidated and whose capital was less than the required amount.

Regarding existing or foreseeable material factual or legal restrictions for the immediate transfer of capital or the repayment of liabilities within the NORD/LB Group in accordance with Article 436 (c) CRR, we refer to the disclosures relating to IFRS 12.13 in the notes to the consolidated financial statements (Note 81).

3 Capital Structure and Adequacy

3.1 Method used for Balance-Sheet Reconciliation

Below a reconciliation of the equity items – including adjustment items and deductions – with the audited balance sheet is performed in accordance with Art. 437 (1a) CRR.

The total assets in the IFRS consolidated financial statements are € 2,558 billion less than in the FinRep consolidated financial statements. The lower figure is mainly due to the different bases of consolidation under commercial and regulatory law.

The difference in securitised liabilities between IFRS and FinRep is also mainly due to the different bases of consolidation.

Deferred income tax assets are netted with deferred income tax liabilities in IFRS. The netting in the amount of € 3,715 billion is the main reason for the difference between the IFRS and FinRep figures.

The FinRep equity totals € 8.1 billion as at 31 Dec. 2014 and is € 237 million more than the IFRS equity. In particular the special purpose entities that are not consolidated under regulatory law and the other companies that are not to be consolidated result in a positive effect in the FinRep consolidated financial statements.

Table 2: Reconciliation statement

Assets	IFRS 31 Dec. 2014 (in € million)	FinRep 31 Dec. 2014 (in € million)	Ref.
Cash reserve	1 064	1 033	
Loans and advances to institutions	23 565	30 766	
Loans and advances to customers	108 254	100 315	
Risk provisioning	– 2 747	– 2 951	
Financial assets at fair value through profit or loss	16 306	16 322	
of which: non-significant investments in Common Equity Tier 1		11[1]	12
Positive fair values from hedge accounting derivatives	3 596	3 596	
Financial assets	45 120	45 423	
of which: significant investments in Common Equity Tier 1		115	13
of which: non-significant investments in Common Equity Tier 1		201	12
of which: non-significant investments in Additional Tier 1 capital		134	12
of which: non-significant investments in Tier 2 capital		45	12
Investments accounted for using the equity method	318	284	
of which: Goodwill		13	7
of which: Investments in the finance sector accounted for using the equity method included based on the equivalence method		143	11
Property and equipment	568	202	
Investment property	80	5	
Intangible assets	139	139	7
Assets held for sale	56	83	
Current income tax assets	58	48	
Deferred income taxes	785	4 523	
of which: deferred tax assets not due to temp. differences (losses c/f)		64	8
of which: deferred tax assets due to temp. differences		4 469	10
Other assets	445	377	
Total assets	**197 607**	**200 165**	

Liabilities	IFRS 31 Dec. 2014 (in € million)	FinRep 31 Dec. 2014 (in € million)	Ref.
Liabilities to customers and institutions	116 981	117 099	
Securitised liabilities	40 714	39 163	
Adjustment items for financial instruments hedged in the portfolio fair value hedge	1 176	1 176	
Financial liabilities at fair value through profit or loss	18 169	18 172[1]	
of which: Debit value adjustment (DVA)		114[2]	9
Negative fair values from hedge accounting derivatives	3 926	3 926	
Provisions	2 846	2 850	
Liabilities held for sale	6	43	
Current income tax liabilities	73	72	
Deferred income taxes	100	3 835	
of which: deferred tax liabilities relating to intangible assets		24	7
of which: deferred tax liabilities not due to temp. differences		47	8
of which: deferred tax liabilities due to temp. differences		3 667	10
of which: Other deferred tax liabilities		96	
Other liabilities	867	831	
Subordinated capital	4 846	4 859	
Equity			
Subscribed capital	1 607	1 607	1
Capital reserves	3 332	3 332	2
Retained earnings	1 958	2 048	3
Revaluation reserve	420	368	4
Currency translation reserve	– 10	– 10	5
Equity attributable to the owners of NORD/LB	7 307	7 346	
Non-controlling interests	596	793	6
	7 902	**8 139**	
Total liabilities	**197 607**	**200 165**	

[1] The financial assets at fair value through profit or loss include issued credit derivatives for finance companies with a nominal value of € 250 million.
[2] The debit value adjustments (DVA) result from original and derivative liabilities.

The NORD/LB Group's **capital** as at 31 December 2014 totals € 9,737 billion. It comprises of Tier 1 capital in the amount of € 7,752 billion and Tier 2 capital in the amount of € 1,985 billion. The Tier 2 capital comprises of Common Equity Tier 1 instruments (€ 7,659 billion) and Additional Tier 1 instruments (€ 93 million).

The **Common Equity Tier 1** consists of paid-in capital instruments (€ 1,638 billion), premiums (€ 3,322 billion), retained earnings (€ 2,258 billion), cumulative other comprehensive income (€ –64 million) and eligible instruments of Common Equity Tier 1 of subsidiaries (€ 786 million). In addition, as at the reporting date grandfathered instruments in the amount of € 8 million were considered in Common Equity Tier 1.

Regulatory adjustment items (prudential filters) for the reversal of accounting-specific matters that had previously increased or reduced the Common Equity Tier 1, but could not be recognised under regulatory law, result in an increase in Common Equity Tier 1 in the total amount of € 85 million. Deductions reduce the Common Equity Tier 1 by the total amount of € 1,582 billion. Due to transitional provisions, the Common Equity Tier 1 is increased by € 1,208 billion. The Common Equity Tier 1 is therefore reduced in total by € 289 million.

The **Additional Tier 1 capital** only contains effects from the Transitional CRR rules. The effects of the transitional provisions result in a positive balance in Additional Tier 1 capital of € 93 million.

The **Tier 2 capital** consists of paid-in capital instruments (€ 2,788 billion) and eligible instruments of Tier 2 capital of subsidiaries (€ 387 million).

Deductions reduce the Tier 2 capital by € 1 million. The transitional provisions result in a reduction in Tier 2 capital of € 1.190 billion.

Table 3 provides a breakdown of the own funds during the transitional period and has been developed on the basis of Commission Implementing Regulation (EU) No. 1423/2013 of the European Commission.

Table 3: Transitional own funds disclosure template

	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
Common Equity Tier 1: Instruments and reserves				
Capital instruments and the related share premium accounts	4 960	Art. 26 (1), 27, 28, 29 CRR in conjunction with EBA breakdown in accordance with Art. 26 (3) CRR		
of which: Subscribed capital	1 638[1)]	EBA breakdown in accordance with Art. 26 (3) CRR		1
of which: Capital reserves	3 322	EBA breakdown in accordance with Art. 26 (3) CRR		2
Retained earnings	2 000	Art. 26 (1) (c) CRR		3
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	– 64	Art. 26 (1) CRR		
of which: Revaluation reserve	– 74			4
of which: Currency translation reserve	10			5
Amount of qualifying items referred to in Art. 484 (3) CRR and the related share premium accounts subject to phase out from CET 1	8	Art. 486 (2) CRR		
Public sector capital injections grandfathered until 1 January 2018	–	Art. 483 (2) CRR		
Minority Interests (amount allowed in consolidated CET1)	786	Art. 84, 479, 480 CRR	0	6
Independently reviewed interim profits net of any foreseeable charge or dividend	258	Art. 26 (2) CRR		
Common Equity Tier 1 (CET1) capital before regulatory adjustments	7 948			
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
Additional valuation adjustments (negative amount)	– 29	Art. 34, 105 CRR		
Intangible assets (net of related tax liability) (negative amount)	– 26	Art. 36 (1) (b), 37, 472 (4) CRR	103	7
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liabilitiy where the conditions in Art. 38 (3) are met) (negative amount)	– 3	Art. 36 (1) (c), 38, 472 (5) CRR	14	8
Fair value reserves related to gains or losses on cash flow hedges	0	Art. 33 (a) CRR		
Negative amounts resulting from the calculation of expected loss amounts	– 257	Art. 36 (1) (d), 40, 159, 472 (6) CRR	1 026	
Any increase in equity that results from securitised assets (negative amount)	0	Art. 32 (1) CRR		

	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	106	Art. 33 (b) CRR		9
Gains or losses on derivative liabilities valued at fair value resulting from the Institution's own credit risk	2	Art. 33 (c) CRR	– 6	9
Defined-benefit pension fund assets (negative amount)	0	Art. 36 (1) (e), 41, 472 (7) CRR		
Direct and indirect holdings by an institution of own CET1 (negative amount)	0	Art. 36 (1) (f), 42, 472 (8) CRR	0	
Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	Art. 36 (1) (g), 44, 472 (9) CRR	0	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount below the 10 % threshold and net of eligible short positions) (negative amount)	0	Art. 36 (1) (h), 43, 45, 46, 49 (2) (3), 79,472 (10) CRR	0	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	0	Art. 36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1 to 3), 79, 470, 472 (11) CRR	0	
Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative	0	Art. 36 (1) (k) CRR		
of which: qualifying holdings outside the financial sector (negative amount)	0	Art. 36 (1) (k) (i), 89, 90, 91 CRR		
of which: securitisation positions (negative amount)	0	Art. 36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258 CRR		
of which: free deliveries (negative amount)	0	Art. 36 (1) (k) (iii), 379 (3) CRR		
Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liability where the conditions in Art. 38 (3) CRR are met) (negative amount)	– 2	Art. 36 (1) (c), 38, 48 (1) (a), 470, 472 (5) CRR	8	10
Amount exceeding the 15 % threshold (negative amount)	0	Art. 48 (1) CRR		
of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0	Art. 36 (1) (i), 48 (1) (b), 470, 472 (11) CRR		

	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
of which: deferred tax assets arising from temporary differences	0	Art. 36 (1) (c), 38,48 (1) (a), 470, 472 (5) CRR		
Losses for the current financial year (negative amount)	0	Art. 36 (1) (a), 472 (3) CRR		
Foreseeable tax charges relating to CET1 items (negative amount)	0	Art. 36 (1) (l) CRR		
Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment				
Regulatory adjustments relating to unrealised gains and losses pursuant to Art. 467 and 468 CRR	64	Art. 467, 468 CRR		
of which: unrealised gains	– 104			
of which: unrealised losses from government bonds	168			
Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre-CRR	– 143	Art. 481 CRR		
of which: Other deductions from Common Equity Tier 1 capital	– 143	Art. 481 CRR		11
Qualifying AT1 deductions that exceed the AT 1 capital of the institution (negative amount)	0	Art. 36 (1) (j) CRR		
Total regulatory adjustments to Common Equity Tier 1 (CET1)	– 289			
Common Equity Tier 1 (CET1) capital	7 659			
Additional Tier 1 (AT1) capital: instruments				
Capital instruments and the related share premium accounts	0	Art. 51, 52 CRR		
of which: classified as equity under applicable accounting standards	–			
of which: classified as liabilities under applicable accounting standards	–			
Amount of qualifying items referred to in Art. 484 (4) CRR and the related share premium accounts subject to phase out from AT1	709	Art. 486 (3) CRR		
Public sector capital injections grandfathered until 1 January 2018	–	Art. 483 (3) CRR		
Qualifying Tier 1 capital included in consolidated AT 1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0	Art. 85, 86, 480 CRR	0	
of which: instruments issued by subsidiaries subject to phase out	–	Art. 486 (3) CRR		
Additional Tier 1 capital (AT1) before regulatory adjustments	709			

	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
Additional Tier 1 (AT1) capital before regulatory adjustments				
Direct and indirect holdings by an institution of own AT 1 instruments (negative amount)	0	Art. 52 (1) (b), 56 (a), 57, 475 (2) CRR	0	
Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross-holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	Art. 56 (b), 58, 475 (3) CRR	0	
Direct and indirect holdings of the AT 1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount below the 10 % threshold net of eligible short positions) (negative amount)	0	Art.56 (c), 59, 60, 79, 475 (4) CRR	0	
Direct and indirect holdings of the AT 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % threshold net of eligible short positions) (negative amount)	0	Art. 56 (d), 59, 79, 475 (4) CRR	0	
Regulatory adjustments applied to Additional Tier 1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No. 575/2013 (i. e. CRR residual amounts)				
Residual amounts deducted from Additional Tier 1 capital with regard to deductions from Common Equity Tier 1 capital during the transitional period pursuant to Art. 472 of Regulation (EU) No. 575/2013	– 616	Art. 472, 472 Abs. 3 (a), 4, 6, 8 (a) , 9, 10 (a) and 11 (a) CRR		
of which: Intangibles	– 103			
of which: shortfall of provisions to expected losses	– 513			
Residual amounts deducted from Additional Tier 1 capital with regard to deductions from Tier 2 capital during the transitional period pursuant to Art. 475 of Regulation (EU) No. 575/2013.	0	Art. 477, 477 Abs. 3 and 4a CRR		
Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR	0	Art. 467, 468, 481 CRR		
Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	0	Art. 56 (e) CRR		
Total regulatory adjustments to Additional Tier 1 (AT1) capital	– 616			
Additional Tier 1 (AT1) capital	93			
Tier 1 capital (T1 = CET1 + AT1)	7 752			

	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
Tier 2 capital (T2): Instruments and reserves				
Capital instruments and the related share premium accounts	2 788	Art. 62, 63 CRR		
Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	0	Art. 486 (4) CRR		
Public sector capital injections grandfathered until 1 January 2018	–	Art. 483 (4) CRR		
Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	387	Art. 87, 88, 480 CRR	0	
of which: instruments issued by subsidiaries subject to phase out	0	Art. 486 (4) CRR		
Credit risk adjustments	0	Art. 62 (c) and (d) CRR		
Tier 2 capital (T2) before regulatory adjustments	3 176			
Tier 2 (T2) capital: regulatory adjustments				
Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	– 1	Art. 63 (b) (i), 66 (a), 67, 477 (2) CRR	0	
Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	Art. 66 (b), 68, 477 (3) CRR	0	
Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	0	Art. 66 (c), 69, 70, 79, 477 (4) CRR	0	
of which: new positions not subject to transitional provisions	–			
of which: positions existent prior to 1 January 2013 and subject to transitional provisions	–			
Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	Art. 66 (d), 69, 79, 477 (4) CRR	0	

	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
Regulatory adjustments applied to Tier 2 capital subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No. 575/2013 (i. e. CRR residual amounts)				
Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Art. 472 of Regulation (EU) No. 575/2013	– 513	Art. 472 (a), 472 (3) (a), (4), (6), (8), (9), (10) (a) and (11) (a) CRR		
of which: shortfall of provisions to expected losses	– 513			
Residual amounts deductied from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to Art. 475 of Regulation (EU) No. 575/2013	0	Art. 475, 475 (2) (a), (3), (4) (a) CRR		
Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	– 677	Art. 467, 468, 481 CRR		
of which: adjustments due to grandfathering provisions	– 677			
Total regulatory adjustments to Tier 2 (T2) capital	– 1 191			
Tier 2 (T2) capital	1 985			
Total capital (TC = T1 + T2)	9 737			
Risk-weighted assets				
Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No. 575/2013 apply (i. e. CRR resisual amounts)	0			
of which: items not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts)	–	Art. 472, 472 (5), (8) (b), (10) (b) and (11) (b) CRR		
of which: items not deducted from AT 1 items (Regulation (EU) No. 575/2013 residual amounts)	–	Art. 475, 475 (2) (b), (2) (c) and (4) (b) CRR		
of which: items not deducted from the Tier 2 items (Regulation (EU) No. 575/2013 residual amounts)	–	Art. 477, 477 (2) (b), (2) (c), (4) (b) CRR		
Total risk-weighted assets	69 263			
of which: credit risk	60 500			
of which: credit-risk-related valuation adjustment (CVA)	1 234			
of which: market price risk	2 750			
of which: operational risk	4 780			

	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
Capital ratios and buffers				
Common Equity Tier 1 (as a percentage of risk exposure amount)	11.1 %	Art. 92 (2) (a), 465 CRR		
Tier 1 (as a percentage of risk exposure amount)	11.2 %	Art. 92 (2) (b), 465 CRR		
Total capital (as a percentage of risk exposure amount)	14.1 %	Art. 92 (2) (c) CRR		
Institution specific buffer requirement (CET 1 requirement in accordance with Art. 92 (1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	4.0 %	Art. 128, 129, 130 CRD IV		
of which: capital conservation buffer requirement	0			
of which: countercyclical buffer requirement	–			
of which: systemic risk buffer requirement	0			
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0	Art. 131 CRD IV		
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	7.1	Art. 128 CRD IV		
Amounts below the thresholds for deduction (before risk-weighting)				
Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	462	Art. 36 (1) (h), 45, 46, 472 (10) , 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4) CRR		12
Direct and indirect holdings by the institution in of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions)	115	Art. 36 (1) (i), 45, 48, 470, 472 (11) CRR		13
Deferred tax assets arising from temporary differences (amount below 10 % threshold, net of related tax liability where the conditions in Art. 38 (3) are met)	780	Art. 36 (1) (c), 38, 48, 470, 472 (5) CRR		10
Applicable caps on the inclusion of provisions in Tier 2 capital				
Credit-risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	0	Art. 62 CRR		
Cap on inclusion of credit risk adjustments in T2 under standardized approach	78	Art. 62 CRR		
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	0	Art. 62 CRR		
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	322	Art. 62 CRR		

	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 and 1 January 2022)				
Current cap on CET 1 instruments subject to phase out arrangements	8	Art. 484 (3), 486 (2), (5) CRR		
Amount excluded from CET 1 due to cap (excess over cap after redemptions and maturities)	2	Art. 484 (3), 486 (2), (5) CRR		
Current cap on AT 1 instruments subject to phase-out arrangements	709	Art. 484 (4), 486 (3), (5) CRR		
Amount excluded from AT 1 due to cap (excess over cap after redemptions and maturities)	154	Art. 484 (4), 486 (3), (5) CRR		
Current cap on T2 instruments subject to phase out arrangements	0	Art. 484 (5), 486 (4), (5) CRR		
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	Art. 484 (5), 486 (4), (5) CRR		

[1] The difference between the subscribed capital in the regulatory reconciliation statement and the reported capital instruments in Table 3 is the result of the subsequent aggregation of the IB LSA.

3.2 Main Features of the Capital Instruments

Table 4: Main features of the capital instruments

No.	Main features of the capital instruments	CET1 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	Paid-up capital instruments	Share premium	–
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	CET1	CET1	CET1
5	Post-transitional CRR rules	CET1	CET1	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Share capital	Premium	Silent participations
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	1 607.26	3 322.23	10.00 of which 80 % CET1 20 % T2
9	Nominal value of the instrument (in € million)	1 607.26	3 322.23	10.00
9a	Issue price	1 607.26	3 322.23	–
9b	Redemption price	–	–	Book or nominal value
10	Accounting classification	Subscribed capital	Capital reserves	Capital reserves
11	Original issue date	Various	Various	3 Jan. 2011
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	–	–	Perpetual
14	Issuer call subject to prior supervisory approval	No	No	Yes
15	Optional call date, contingent call dates and redemption amount	–	–	6-month notice period, not before 31 Dec. 2016
16	Subsequent call dates, if applicable	–	–	–
Coupons/dividends				
17	Fixed or floating dividend/coupon	Floating	–	Fixed, floating from 1 Jan. 2022
18	Coupon rate and any related index	–	–	Fixed 10.5 %, from 1 Jan. 2022 12-month Euribor +7.1 %
19	Existence of a dividend stopper	Yes	–	Yes

No.	Main features of the capital instruments	CET1 instruments		
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Fully discretionary	–	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Fully discretionary	–	Partially discretionary
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	–	–	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	Yes
31	If write-down, write-down trigger(s)	–	–	Balance sheet loss
32	If write-down, full or partial	–	–	full or partial
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to silent participations	Subordinate to silent participations	Subordinate to silent participations
36	Non-compliant transitioned features	No	No	Yes
37	If yes, specify non-compliant features	N/A	N/A	Servicing not fully discretionary

No.	Main features of the capital instruments	AT1 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	Fürstenberg Capital Erste	Fürstenberg Capital II	Fürstenberg Capital Dritte
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	AT1	AT1	AT1
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Silent participations	Silent participations	Silent participations
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	61.20 of which 80 % AT1 20 % T2	289.59 of which 80 % AT1 20 % T2	50.00 of which 80 % AT1 20 % T2
9	Nominal value of the instrument (in € million)	61.20	289.59	50.00
9a	Issue price	–	–	–
9b	Redemption price	Book or nominal value	Book or nominal value	Book or nominal value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	4 Apr. 2005	24 May 2005	3 Jun. 2005
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	Perpetual	Perpetual	Perpetual
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	2-year notice period to the 31 Dec. of any given year	2-year notice period to the 31 Dec. of any given year	2-year notice period to the 31 Dec. of any given year
16	Subsequent call dates, if applicable	–	–	–
Coupons / dividends				
17	Fixed or floating dividend / coupon	Fixed, floating from 1 Jan. 2015	Fixed	Fixed, floating from 1 Jan. 2020
18	Coupon rate and any related index	Fixed 5.654 %, from 1 Jan. 2015 12-month Euribor + 1.81 %	5.95 %	Fixed 5.68 %, floating from 1 Jan. 2020 EUR-ISDA Euribor swap rate + 1.87 %
19	Existence of a dividend stopper	Yes	Yes	Yes
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Partially discretionary	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–

No.	Main features of the capital instruments	AT1 instruments		
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	Balance sheet loss	Balance sheet loss	Balance sheet loss
32	If write-down, full or partial	full or partial	full or partial	full or partial
33	If write-down, permanent or temporary	Temporary	Temporary	Temporary
34	If temporary write-down, description of write-up mechanism	Re-allocation, unless a balance sheet loss occurs	Re-allocation, unless a balance sheet loss occurs	Re-allocation, unless a balance sheet loss occurs
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to Tier 2 capital	Subordinate to Tier 2 capital	Subordinate to Tier 2 capital
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No automatic write-down	No automatic write-down	No automatic write-down

No.	Main features of the capital instruments	AT1 instruments	
1	Issuer	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	Fürstenberg Capital International	–
3	Governing law of the instrument	German law	No agreement
Regulatory treatment			
4	Transitional CRR rules	AT1	AT1
5	Post-transitional CRR rules	Not eligible	Not eligible
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Silent participations	Silent participations
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	336.27	40.00
9	Nominal value of the instrument (in € million)	411.83 (USD 500 million)	50.00
9a	Issue price	–	–
9b	Redemption price	Book or nominal value	Book or nominal value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost
11	Original issue date	20 Oct. 2009	14 Dec. 2001

No.	Main features of the capital instruments	AT1 instruments	
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	Perpetual	Perpetual
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	30–60 days to the 31 Dec. of any given year, not before 31 Dec. 2019	2-year notice period to the 31 Dec. of any given year
16	Subsequent call dates, if applicable	–	–
Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed, floating from 1 Jan. 2020	Floating
18	Coupon rate and any related index	Fixed 10.48 %, from 1 Jan. 2020 gross redemption yield for US government bonds with a term of 5 years + 9.19 %	4.1 % 10-year DGZF +1.55 %
19	Existence of a dividend stopper	Yes	Yes
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	Yes	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–
25	If convertible, fully or partially	–	–
26	If convertible, conversion rate	–	–
27	If convertible, mandatory or optional conversion	–	–
28	If convertible, specify instrument type convertible into	–	–
29	If convertible, specify issuer of instrument it converts into	–	–
30	Write-down features	Yes	Yes
31	If write-down, write-down trigger(s)	Balance sheet loss	Balance sheet loss
32	If write-down, full or partial	full or partial	full or partial
33	If write-down, permanent or temporary	Temporary	Temporary
34	If temporary write-down, description of write-up mechanism	Re-allocation, unless a balance sheet loss occurs	Re-allocation, unless a balance sheet loss occurs
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to Tier 2 capital	Subordinate to Tier 2 capital
36	Non-compliant transitioned features	Yes	Yes
37	If yes, specify non-compliant features	Redemption incentive	Cancellation right of the creditor

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XFNB00N49890	XFNB00N58396	XFNB00N58412
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Participatory capital	Participatory capital	Participatory capital
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	0.00	8.00	4.00
9	Nominal value of the instrument (in € million)	35.00	40.00	20.00
9a	Issue price	100.00 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	18 Mar. 2004	25 May 2000	26 May 2000
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	31 Dec. 2014	31 Dec. 2015	31 Dec. 2015
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates, if applicable	–	–	–
Coupons/dividends				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.80	7.27	7.11
19	Existence of a dividend stopper	Yes	Yes	Yes
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Partially discretionary	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	Yes	Yes	Yes

No.	Main features of the capital instruments	T2 instruments		
31	If write-down, write-down trigger(s)	Balance sheet loss	Balance sheet loss	Balance sheet loss
32	If write-down, full or partial	full or partial	full or partial	full or partial
33	If write-down, permanent or temporary	Temporary	Temporary	Temporary
34	If temporary write-down, description of write-up mechanism	Re-allocation, unless a balance sheet loss occurs	Re-allocation, unless a balance sheet loss occurs	Re-allocation, unless a balance sheet loss occurs
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	DE0001065472	DE0001065522	DE000NLB1DG6
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinate bearer bond	Subordinate bearer bond	Subordinate bearer bond
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	9.95	17.00	11.62
9	Nominal value of the instrument (in € million)	10.00	17.00	23.37
9a	Issue price	100.00 %	100.00 %	99.50 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	23 Dec. 1999	25 Jan. 2000	29 Jun. 2010
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	23 Dec. 2019	25 Jan. 2020	29 Jun. 2017
14	Issuer call subject to prior supervisory approval	No	No	Yes
15	Optional call date, contingent call dates and redemption amount	–	–	Complete termination, min. 30 days max. 60 days after publication

No.	Main features of the capital instruments	T2 instruments		
16	Subsequent call dates, if applicable	–	–	–
Coupons / dividends				
17	Fixed or floating dividend / coupon	Fixed	Floating	Fixed
18	Coupon rate and any related index	6.34	6-month EURIBOR + 0.29 %	4.50
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N / A	N / A	N / A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	DE000NLB1ES9	DE000NLB2HC4	DE000NLB2HD2
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinate bearer bond	Subordinate bearer bond	Subordinate bearer bond
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	7.52	213.44	36.39
9	Nominal value of the instrument (in € million)	10.00	218.00	37.50
9a	Issue price	100.92 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	28 Sep. 2010	2 Oct. 2013	2 Oct. 2013
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	28 Sep. 2018	2 Oct. 2023	2 Oct. 2023
14	Issuer call subject to prior supervisory approval	Yes	No	Yes
15	Optional call date, contingent call dates and redemption amount	Complete termination, min. 30 days max. 60 days after publication	–	Complete termination, min. 30 days max. 60 days after publication
16	Subsequent call dates, if applicable	–	–	–
Coupons/dividends				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	4.50	4.75	4.75
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–

No.	Main features of the capital instruments	T2 instruments		
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	DE000NLB68Y0	XS0105720964	XS0105776081
3	Governing law of the instrument	German law	English law	English law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinate bearer bond	Subordinate bearer bond	Subordinate bearer bond
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	5.00	85.04	6.06
9	Nominal value of the instrument (in € million)	5.00	85.00	10.00
9a	Issue price	100.14 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	11 Sep. 2013	17 Jan. 2000	10 Jan. 2000
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	11 Sep. 2023	17 Jan. 2030	10 Jan. 2018
14	Issuer call subject to prior supervisory approval	Yes	No	No

No.	Main features of the capital instruments	T2 instruments		
15	Optional call date, contingent call dates and redemption amount	Complete termination, min. 30 days max. 60 days after publication	–	–
16	Subsequent call dates, if applicable	–	–	–
	Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed	Floating	Fixed
18	Coupon rate and any related index	5.25	6-month EURIBOR + 0.36 %	4.04
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS0109136241	XS0119421211	XS0143475936
3	Governing law of the instrument	English law	English law	English law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo / group / solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinate bearer bond	Subordinate bearer bond	Subordinate bearer bond
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	0.49	62.14	3.93
9	Nominal value of the instrument (in € million)	12.00	62.00	20.59 (USD 25 million)
9a	Issue price	100.00 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	16 Mar. 2000	20 Oct. 2000	21 Feb. 2002
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	16 Mar. 2015	21 Oct. 2030	30 Nov. 2015
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates, if applicable	–	–	–
Coupons / dividends				
17	Fixed or floating dividend / coupon	Fixed	Floating	Fixed
18	Coupon rate and any related index	6.34	6-month EURIBOR + 0.35 %	6.29
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–

No.	Main features of the capital instruments	T2 instruments		
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS0147457260	XS0148511784	XS0155423907
3	Governing law of the instrument	English law	German law	English law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinate bearer bond	Subordinate bearer bond	Subordinate bearer bond
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	110.50	5.73	3.41
9	Nominal value of the instrument (in € million)	580.00	30.00	41.58 (CHF 50 million)
9a	Issue price	100.44 %	100.25 %	100.20 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	10 May 2002	30 May 2002	30 Sep. 2002
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	1 Dec. 2015	15 Dec. 2015	30 Apr. 2015
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–

No.	Main features of the capital instruments	T2 instruments		
16	Subsequent call dates, if applicable	–	–	–
Coupons / dividends				
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.75	1% from 30 May 2002 to 14 Dec. 2004, 7.5 % from 15 Dec. 2004 to 14 Dec. 2015	3.5
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS0161524987	XS0170117666	XS0520938647
3	Governing law of the instrument	English law	English law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinate bearer bond	Subordinate bearer bond	Subordinate bearer bond
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	9.55	9.28	353.87
9	Nominal value of the instrument (in € million)	50.00	50.00	350.00
9a	Issue price	99.98 %	100.00 %	99.71 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	28 Jan. 2003	6 Jun. 2003	29 Jun. 2010
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	15 Dec. 2015	7 Dec. 2015	29 Jun. 2020
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates, if applicable	–	–	–
Coupons/dividends				
17	Fixed or floating dividend/coupon	Fixed	Floating	Fixed
18	Coupon rate and any related index	5.00	6-month EURIBOR + 0.33 %	6.00
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–

No.	Main features of the capital instruments	T2 instruments		
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS1055787680	2933330339	2931320269, 2964400042, 2967820089, 2983290030, 2984210041
3	Governing law of the instrument	German law	German law	German law
	Regulatory treatment			
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinate bearer bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	410.29	20.00	8.00
9	Nominal value of the instrument (in € million)	411.83 (USD 500 million)	20.00	8.00
9a	Issue price	100.00 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	10 Apr. 2014	30 Nov. 2009	5 Aug. 2013 to 9 Aug. 2013
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	10 Apr. 2024	30 Nov. 2022	16 Oct. 2028
14	Issuer call subject to prior supervisory approval	Yes	No	Yes

No.	Main features of the capital instruments	T2 instruments		
15	Optional call date, contingent call dates and redemption amount	Complete termination, min. 30 days max. 60 days after publication	–	16 Oct. 2023
16	Subsequent call dates, if applicable	–	–	–
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	6.25	6.02	5.70
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	2970550046, 2973570048	2930170279	2930260765, 2971050077
3	Governing law of the instrument	German law	German law	German law
	Regulatory treatment			
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo / group / solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated registered bond	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	9.00	1.73	24.51
9	Nominal value of the instrument (in € million)	9.00	3.00	25.00
9a	Issue price	100.00 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	9 Aug. 2013 to 13 Aug. 2013	21 Nov. 2007	25 Nov. 2009
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	16 Oct. 2028	21 Nov. 2017	25 Nov. 2019
14	Issuer call subject to prior supervisory approval	Yes	No	No
15	Optional call date, contingent call dates and redemption amount	16 Oct. 2023	–	–
16	Subsequent call dates, if applicable	–	–	–
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.71	5.48	5.80
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–

No.	Main features of the capital instruments	T2 instruments		
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	2930260771	2930280268	2930280192, 2967810033, 2968770038, 2971550017, 2930321489
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	15.00	0.10	6.51
9	Nominal value of the instrument (in € million)	15.00	0.10	32.10
9a	Issue price	100.00 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	2 Mar. 2010	9 Nov. 2009	22 Mar. 2004
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	1 Mar. 2020	11 Nov. 2019	30 Dec. 2015
14	Issuer call subject to prior supervisory approval	No	No	No

No.	Main features of the capital instruments	T2 instruments		
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates, if applicable	–	–	–
	Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.34	5.90	5.03
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	2930321549, 2930333015, 2931320152, 2931530651, 2931940125, 2972410025, 2973220070	2930910563	2930990423, 2983800026, 2963590135, 2965400199
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo / group / solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	182.70	5.00	20.37
9	Nominal value of the instrument (in € million)	188.50	5.00	22.00
9a	Issue price	100.00 %	99.59 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	4 Nov. 2009 to 19 Nov. 2009	21 May 2010	6 Nov. 2009 to 11 Nov. 2009
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	4 Nov. 2019 to 19 Nov. 2019	22 May 2020	6 Nov. 2019 to 11 Nov. 2019
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates, if applicable	–	–	–
Coupons / dividends				
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.82	5.34	5.88
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–

No.	Main features of the capital instruments	T2 instruments		
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	2932210425, 2962020122, 2931180220	2931410470, 2970630029	2931700155, 2932110133, 2962200083, 2964400036, 2983800010, 2983290024
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	42.50	20.00	3.82
9	Nominal value of the instrument (in € million)	42.50	20.00	20.00
9a	Issue price	100.00 %	99.93 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	11 Feb. 2010	22 Jan. 2010	30 Sep. 2002
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	11 Feb. 2020	22 Jan. 2020	15 Dec. 2015

No.	Main features of the capital instruments	T2 instruments		
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates, if applicable	–	–	–
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.64	5.75	5.15
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP. ISIN or Bloomberg identifier for private placement)	2931810333. 2931130272. 2932220191	2932010972, 2932290534	2932011344, 2932290765
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	44.25	4.41	11.80
9	Nominal value of the instrument (in € million)	45.50	25.00	20.00
9a	Issue price	100.00 %	100.00 %	99.85 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	10 Nov. 2009	18 Nov. 2002	12 Dec. 2007
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	11 Nov. 2019	18 Nov. 2015	12 Dec. 2017
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates. if applicable	–	–	–
Coupons/dividends				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.91	5.16	5.61
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary. partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible. specify instrument type convertible into	–	–	–

No.	Main features of the capital instruments	T2 instruments		
29	If convertible. specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down. description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	2933320113	2933330351	2933330364
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	5.00	1.91	1.91
9	Nominal value of the instrument (in € million)	5.00	10.00	10.00
9a	Issue price	100.00 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	30 Mar. 2010	10 Dec. 2002	10 Dec. 2002
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	30 Mar. 2020	15 Dec. 2015	10 Dec. 2002
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–

No.	Main features of the capital instruments	T2 instruments		
16	Subsequent call dates, if applicable	–	–	–
Coupons / dividends				
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.60	5.21	5.21
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	2962890139	2962890145	2962890151
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	10.00	10.00	5.00
9	Nominal value of the instrument (in € million)	10.00	10.00	5.00
9a	Issue price	99.43 %	99.37 %	99.46 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	28 Apr. 2010	20 May 2010	25 May 2010
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	28 Apr. 2020	20 May 2020	25 May 2020
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates, if applicable	–	–	–
Coupons/dividends				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.44	5.32	5.29
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–

No.	Main features of the capital instruments	T2 instruments		
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	2962890227	2963060042	2963120226
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	5.00	0.34	9.82
9	Nominal value of the instrument (in € million)	5.00	6.00	10.00
9a	Issue price	99.92 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	6 May 2010	13 Apr. 2004	30 Nov. 2009
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	6 May 2020	13 Apr. 2015	29 Nov. 2019
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–

No.	Main features of the capital instruments	T2 instruments		
16	Subsequent call dates, if applicable	–	–	–
Coupons / dividends				
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.48	5.67	5.77
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	2965400161	2965610181	2930340567, 2964790131, 2967820026, 2972410019
3	Governing law of the instrument	German law	German law	German law
	Regulatory treatment			
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo / group / solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	10.00	6.00	47.13
9	Nominal value of the instrument (in € million)	10.00	6.00	81.50
9a	Issue price	100.00 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	8 Aug. 2013	19 Feb. 2010	21 Nov. 2007 to 3 Dec. 2007
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	15 Aug. 2013	19 Feb. 2020	21 Nov. 2017
14	Issuer call subject to prior supervisory approval	Yes	No	No
15	Optional call date, contingent call dates and redemption amount	30 days after notification of termination	–	–
16	Subsequent call dates, if applicable	–	–	–
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.02	5.70	5.47
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–

No.	Main features of the capital instruments	T2 instruments		
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	2968240180	2968540188	2968660033
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	9.73	1.00	9.73
9	Nominal value of the instrument (in € million)	10.00	1.00	10.00
9a	Issue price	100.00 %	98.90 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	9 Nov. 2009	14 May 2010	11 Nov. 2009
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	11 Nov. 2019	14 May 2020	11 Nov. 2019
14	Issuer call subject to prior supervisory approval	No	No	No

No.	Main features of the capital instruments	T2 instruments		
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates, if applicable	–	–	–
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.87	5.35	5.92
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	2969850015, 2969860014	2970950031	2971460032
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	1.04	2.00	1.00
9	Nominal value of the instrument (in € million)	5.00	2.00	1.00
9a	Issue price	100.00 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	23 Mar. 2004	13 Aug. 2013	6 Aug. 2013
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	30 Dec. 2015	15 Aug. 2013	15 Aug. 2023
14	Issuer call subject to prior supervisory approval	No	Yes	No
15	Optional call date, contingent call dates and redemption amount	–	30 days after notification of terminaten	–
16	Subsequent call dates, if applicable	–	–	–
Coupons/dividends				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.04	5.04	5.05
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–

No.	Main features of the capital instruments	T2 instruments		
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	2971550023	2971570037	2971590112, 2979240045
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	3.99	2.89	1.00
9	Nominal value of the instrument (in € million)	20.00	5.00	1.00
9a	Issue price	100.00 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	1 Apr. 2004	30 Nov. 2007	5 Aug. 2013
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	30 Dec. 2015	21 Nov. 2017	15 Aug. 2023
14	Issuer call subject to prior supervisory approval	No	No	Yes

No.	Main features of the capital instruments	T2 instruments		
15	Optional call date, contingent call dates and redemption amount	–	–	30 days after notification of termination
16	Subsequent call dates, if applicable	–	–	–
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.00	5.46	5.00
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	2971610020	2971760037	2972550027, 2984550017
3	Governing law of the instrument	German law	German law	German law
	Regulatory treatment			
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	1.00	3.92	2.08
9	Nominal value of the instrument (in € million)	1.00	4.00	5.00
9a	Issue price	99.10 %	99.90 %	99.80 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	3 Mar. 2010	25 Nov. 2009	27 Jan. 2010
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	3 Mar. 2020	25 Nov. 2019	27 Jan. 2017
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates, if applicable	–	–	–
	Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.52	5.78	5.30
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–

No.	Main features of the capital instruments	T2 instruments		
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	2973050025	2973270069	2979800014
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	2.50	1.91	4.86
9	Nominal value of the instrument (in € million)	2.50	10.00	5.00
9a	Issue price	100.00 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	9 Sep. 2013	30 Sep. 2002	11 Nov. 2009
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	2 Aug. 2023	30 Dec. 2015	11 Nov. 2019
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates, if applicable	–	–	–

No.	Main features of the capital instruments	T2 instruments		
	Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.35	5.15	5.91
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	NORD/LB AöR	NORD/LB AöR
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	2979940016	2983090013	2984260030
3	Governing law of the instrument	German law	German law	German law
Regulatory treatment				
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo / group / solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated bonded loan	Subordinated bonded loan
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	1.00	5.00	1.00
9	Nominal value of the instrument (in € million)	1.00	5.00	1.00
9a	Issue price	98.12 %	99.34 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	17 May 2010	21 May 2010	5 Aug. 2013
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	18 May 2020	22 May 2020	15 Aug. 2023
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates, if applicable	–	–	–
Coupons / dividends				
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.25	5.27	5.00
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–

No.	Main features of the capital instruments	T2 instruments		
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	NORD/LB AöR	Bremer Landesbank	Bremer Landesbank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	2984580014	XFBL00NZ2087	XS0113243397
3	Governing law of the instrument	German law	German law	English law (Nachrang – deutsch)
	Regulatory treatment			
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo/group/solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinated bonded loan	Subordinated registered bond	Subordinate bearer bond
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	5.00	45.17	180.69
9	Nominal value of the instrument (in € million)	5.00	50.00	200.00
9a	Issue price	100.00 %	100.00 %	100.00 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	7 Oct. 2013	6 Dec. 2012	9 Oct. 2000
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	9 Oct. 2013	6 Dec. 2027	28 Jun. 2030
14	Issuer call subject to prior supervisory approval	No	Yes	Yes

No.	Main features of the capital instruments	T2 instruments		
15	Optional call date, contingent call dates and redemption amount	–	6 Dec. 2022	–
16	Subsequent call dates, if applicable	–	–	–
Coupons / dividends				
17	Fixed or floating dividend / coupon	Fixed	Floating	Floating
18	Coupon rate and any related index	5.08	6-month-Euribor + 3.50 %	6-month-Euribor + 0.375 %
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N / A	N / A	N / A

No.	Main features of the capital instruments	T2 instruments		
1	Issuer	Bremer Landesbank	Bremer Landesbank	Bremer Landesbank
2	Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS0126529337	XS0127597036	XS0181921361
3	Governing law of the instrument	English law (subordinate – German)	English law (subordinate – German)	German law
	Regulatory treatment			
4	Transitional CRR rules	T2	T2	T2
5	Post-transitional CRR rules	T2	T2	T2
6	Eligible at solo / group / solo and group level	Solo and group level	Solo and group level	Solo and group level
7	Instrument type (types to be specified by each country)	Subordinate bearer bonden	Subordinate bearer bonden	Subordinate bearer bonden
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	76.79	58.73	25.90
9	Nominal value of the instrument (in € million)	85.00	65.00	150.00
9a	Issue price	100.50 %	100.00 %	99.22 %
9b	Redemption price	100.00 %	100.00 %	100.00 %
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	21 Mar. 2001	5 Apr. 2001	15 Dec. 2003
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	21 Mar. 2031	5 Apr. 2041	15 Dec. 2015
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	–	–	–
16	Subsequent call dates, if applicable	–	–	–
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Floating	Floating	Fixed
18	Coupon rate and any related index	6-month-Euribor + 0.350 %	6-month-Euribor + 0.380 %	4.88
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (regarding time)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, trigger for conversion	–	–	–
25	If convertible, fully or partially	–	–	–
26	If convertible, conversion rate	–	–	–

No.	Main features of the capital instruments	T2 instruments		
27	If convertible, mandatory or optional conversion	–	–	–
28	If convertible, specify instrument type convertible into	–	–	–
29	If convertible, specify issuer of instrument it converts into	–	–	–
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	–	–	–
32	If write-down, full or partial	–	–	–
33	If write-down, permanent or temporary	–	–	–
34	If temporary write-down, description of write-up mechanism	–	–	–
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to insolvency creditors	Subordinate to insolvency creditors	Subordinate to insolvency creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

3.3 Capital Adequacy

3.3.1 Capital Requirements by Risk Type

Table 5 shows the regulatory capital requirements in accordance with Art. 438 and CRR for the NORD/LB Group, broken down by significant risk types and the methods employed. As a result of a reduction in volume with counterparty risks, the decline in risk-weighted assets (RWA) is primarily attributable to a reduction in exposures at default (EAD). The decline of RWA in the IRB portfolio is primarily due to defaults in the ship portfolio and the associated transfer of RWA to Expected Loss (EL)/regulatory IRB provisioning deficits. With the implementation of the CRR,a CVA charge has been added, which accounts for a capital requirement of € 99 million. Market price risks have on the whole increased significantly. The reduced risk in NORD/LB’s internal model is attributable to several components, in particular the reduced risk in the trading book, which is mainly due to the decline of exposures.

Table 5: Capital requirements

Credit risk (in € million)	Capital requirements
1 Credit risks	
1.1 Credit risk – standard approach	
Central governments	21
Regional governments and local authorities	27
Other public entities	5
Multilateral development banks	–
International organisations	–
Institutions	13
Corporates	295
Retail clients	23
Positions collateralised with real estate	14
Past-due positions	6
Very high-risk connected exposures	5
Mortgage bonds issued by banks	1
Risk positions with banks and companies with a short-term credit rating	–
Collective investment undertakings (CIU)	–
Other positions	11
Total for credit risk – standard approach	**420**
1.2 IRB approaches	
Central governments	206
Institutions	435
Corporates – SMEs	372
Corporates – special finance	1 726
Corporates – other	1 205
Retail clients – of which collateralised with mortgages, SMEs	–
Retail clients – of which collateralised with mortgages, not SMEs	15
Retail clients – of which qualified, revolving	1
Retail clients – of which other, SMEs	–
Retail clients – of which other, not SMEs	28
Other non-loan-dependent assets	66
Total for IRB approaches	**4 053**
1.3 Securitisations	
Securitisations under the SACR approach	–
of which: re-securitisations	–
Securitisations under the IRB approach	256
of which: re-securitisations	–
Total securitisations	**256**

Credit risk (in € million)	Capital requirements
1.4 Investments	
Investments under the IRB approach	18
of which internal model approach	–
of which PD/LGD approach	–
of which simple risk-weighting approach	18
of which exchange-traded investments	–
of which investments which are not exchange-traded but belong to a diversified investment portfolio	–
of which other investments	18
Investments under the SACR approach	47
of which investment values in the case of continued use of the old methodology/grandfathering	35
Total investments	**65**
1.5 Risk-position amount for contributions to the default fund of a central counterparty	**11**
Total credit risks	**4 805**
2. Clearing risks	
Clearing risks in the banking book	–
Clearing risks in the trading book	–
Total clearing risks	**–**
3. Market price risks	
Standard approach	71
of which: Interest rate risks	61
of which: general and specific interest rate risk (net interest position)	61
of which: specific interest rate risk for securitisation exposures in the trading book	–
of which: specific interest rate risk in the correlation trading portfolio	–
of which: share price risks	–
of which: currency risks	10
of which: risks from commodity positions	–
Internal model approach	**159**
Total market price risks	**230**
4. Operational risks	
Basic-indicator approach	–
Standard approach	343
Advanced measurement approach	–
Total operational risks	**343**
5. Total amount of risk positions for credit value adjustment	**99**
6. Total amount of risk positions relating to large loans in the trading book	**–**
7. Other	
Other exposures	–
Total amount of capital requirements	**5 477**

3.3.2 Security Mechanisms in the Savings Bank Network

In addition to its sound capital ratios, other mechanisms within the Savings Bank Network are in place to support NORD/LB Group.

NORD/LB is a member of the extended Guarantee Funds of Landesbanks and Savings Banks, and is therefore covered by the protection system of the Savings Bank Network (Sparkassen-Finanzgruppe). In addition to the security reserve of the Landesbanks, this protection system comprises twelve other protection schemes on regional level. All schemes have been consolidated in accordance with their statutes under the umbrella of the Deutscher Sparkassen- und Giroverband (DSGV) e.V. (German Association of Savings Banks and Girobanks).

The joint liability scheme combines the individual protection schemes into one. The Savings Bank Network thus assumes responsibility for the portfolio of its institutes and completely covers customers' deposits from its own resources (§ 12 of the German Deposit Guarantee and Investor Compensation Act). This makes the joint liability scheme a symbol of cooperation and internal stability of the Savings Bank Network.

The aim of the protection scheme of the Savings Bank Network is to recognise risks and critical situations among the member banks as early as possible, and to initiate counter-measures. In this respect, the joint liability scheme operates a risk monitoring system to supervise the risk positions of participating institutes for each protection scheme. The monitoring is performed by a committee, which reports to a central transparency committee which oversees the general risk situation of the joint liability scheme.

As a member of the security reserve for Landesbanks, Bremer Landesbank is also covered by the joint liability scheme of the Savings Bank Network. NORD/LB Luxembourg and NORD/LB CFB are also secured as subsidiaries via the parent company NORD/LB. Deutsche Hypo is a member of the security reserve as an affiliated institute.

4 Disclosures Concerning the Risk Types

4.1 Credit Risk

4.1.1 Credit Risks

In order to calculate the capital adequacy requirement for credit risks, the NORD/LB Group uses the Internal Ratings Based Approach (IRBA).

Permanent exemptions from the IRBA include claims against the savings banks, national public entities and the retail business of Deutsche Hypo and Bremer Landesbank. Exposures excluded from the IRBA for an indefinite period are shown in the Standardised Approach to Credit Risk (SACR).

For the segment of retail customers without a current account the so-called partial use is still applied. Transfer to IRBA is scheduled for 2015.

Exposures for which no internal rating procedure is available due to a gap in methodology are also treated as partial use. A regular system of rating controls ensures that the target level of rating cover of 92 per cent is met.

The SACR is used for individual business segments at NORD/LB Luxembourg and NORD/LB CFB, i.e. for savings bank guaranteed lending business, current account overdrafts and Lombard loans. Permanent partial use was authorised by the Luxembourg Financial Supervisory Authority CSSF (Commission de Surveillance du Secteur Financier).

For securitisation transactions, the choice of method at NORD/LB, NORD/LB Luxembourg and Deutsche Hypo for calculating capital requirements, SACR or IRBA, also depends on the underlying pool of receivables. For more information please refer to section 4.1.8.2. Securitisation transactions have so far not been relevant for NORD/LB CFB. Since the second quarter of 2013, Bremer Landesbank has also no longer had any securitisation transactions in its portfolio.

4.1.2 Structure of the Credit Portfolio

Tables 6 to 13 show the total amount of risk positions broken down by the respective risk position class. The risk positions are broken down by industry, region and residual contractual maturity.

In order to compare the individual risk positions under the respective credit-risk approaches, i.e. the Credit Risk Standard Approach (SACR) and the Internal Ratings Based Approach (IRBA), the SACR positions are reported gross, i.e. before the deduction of any specific credit-risk adjustments made for the respective risk position.

The risk positions were calculated before taking into account credit risk mitigation methods and before use of the relevant credit conversion factor (CCF). Derivative risk positions are recorded with their credit equivalents (including add-ons and taking into account netting).

The averages for the financial year 2014 were calculated using the respective end-of-quarter figures as at 31 March, 30 June, 30 September and 31 December.

Table 6: Total amount of risk positions in SACR

(in € million)	Total amount of risk positions	Average total amount of risk positions
Central governments	5 001	5 875
Regional governments and local authorities	35 849	35 228
Other public entities	10 400	11 428
Multilateral development banks	886	876
International organisations	901	678
Institutions	22 368	23 499
Corporates not including SMEs	11 047	13 156
Corporates – SMEs	118	152
Retail clients not including SMEs	631	658
Retail clients – SMEs	–	–
Positions collateralised with real estate not including SMEs	441	444
Positions collateralised with real estate – SMEs	52	52
Past-due positions	175	261
Very high-risk connected exposures	43	60
Mortgage bonds issued by banks	96	106
Risk positions with banks and companies with a short-term credit rating	–	–
Collective investment undertakings (CIU)	–	–
Other positions	92	93
Investments	526	500
Securitisations	–	–
Total	**88 627**	**93 065**

Table 7: Total amount of risk positions in IRBA

(in € million)	Total amount of risk positions	Average total amount of risk positions
Central governments	7 588	5 996
Institutions	26 207	31 631
Corporates – SMEs	12 724	12 376
of which SME supporting factor (in accordance with Art. 501 CRR)	954	938
Corporates – special finance	34 520	32 548
Corporates – other	40 112	38 113
Retail clients, collateralised with mortgages, SMEs	–	–
of which SME supporting factor (in accordance with Art. 501 CRR)	–	–
Retail clients, collateralised with mortgages not including SMEs	929	866
Retail clients – qualified, revolving	453	453
Retail clients – other, SMEs	–	–
of which SME supporting factor (in accordance with Art. 501 CRR)	–	–
Retail clients – other, not including SMEs	1 369	1 482
Other non-loan-dependent assets	1 961	1 747
Investments	27	37
Securitisations	15 651	15 703
Total	**141 542**	**140 953**

Table 8: Total amount of risk positions by industry in SARC

(in € million)	Manufacturing	Energy, water and mining	Construction	Trade, maintenance and repairs	Agriculture, forestry and fishing	Transport and communications	Financial institutions/insurance companies	Service industries/other	Total
Central governments	–	–	–	–	–	–	763	4 237	5 001
Regional governments and local authorities	–	–	–	–	–	–	–	35 849	35 849
Other public entities	–	53	4	–	–	36	8 291	2 016	10 400
Multilateral development banks	–	–	–	–	–	–	–	886	886
International organisations	–	–	–	–	–	–	224	677	901
Institutions	–	–	–	–	–	–	22 368	–	22 368
Corporates, not including SMEs	320	189	34	278	16	711	7 268	2 232	11 047
Corporates – SMEs	3	1	10	8	27	3	4	61	118
Retail clients, not including SMEs	5	1	7	8	7	3	6	594	631
Retail clients – SMEs	–	–	–	–	–	–	–	–	–
Positions collateralised with real estate not including SMEs	3	1	3	4	4	3	3	420	441
Positions collateralised with real estate – SMEs	2	1	7	7	4	2	3	27	52
Past-due positions	21	0	12	4	1	15	50	72	175
Very high-risk connected exposures	–	–	–	0	–	–	–	43	43
Mortgage bonds issued by banks	–	–	–	–	–	–	71	26	96
Risk positions with banks and companies with a short-term credit rating	–	–	–	–	–	–	–	–	–
Collective investment undertakings (CIU)	–	–	–	–	–	–	–	–	–
Other positions	–	–	–	–	–	–	77	14	92
Investments	–	–	0	–	–	40	404	83	526
Securitisations	–	–	–	–	–	–	–	–	–
Total	**354**	**245**	**77**	**309**	**59**	**814**	**39 532**	**47 237**	**88 627**

Table 9: Total amount of risk positions by industry in IRBA

(in € million)	Manufacturing	Energy, water and mining	Construction	Trade, maintenance and repairs	Agriculture, forestry and fishing	Transport and communications	Financial institutions/insurance companies	Service industries/other	Total
Central governments	–	23	–	186	–	–	2 122	5 257	7 588
Institutions	–	145	–	–	–	72	24 079	1 911	26 207
Corporates – SMEs	416	322	476	349	392	448	2 017	8 304	12 724
of which SME supporting factor (in accordance with Art. 501 CRR)	204	39	106	154	121	68	26	237	954
Corporates – special finance	118	8 999	374	7	42	19 138	313	5 529	34 520
Corporates – other	6 704	4 839	1 427	3 454	857	4 008	7 208	11 616	40 112
Retail clients, collateralised with mortgages, SMEs	–	–	–	–	–	–	–	–	–
of which SME supporting factor (in accordance with Art. 501 CRR)	–	–	–	–	–	–	–	–	–
Retail clients, collateralised with mortgages not including SMEs	–	–	–	–	–	–	–	929	929
Retail clients – qualified, revolving	–	–	–	–	–	–	–	453	453
Retail clients – other, SMEs	–	–	–	–	–	–	–	–	–
of which SME supporting factor (in accordance with Art. 501 CRR)	–	–	–	–	–	–	–	–	–
Retail clients – other not including SMEs	–	–	–	–	–	–	–	1 369	1 369
Other non-loan-dependent assets	–	–	–	–	–	–	1	1 959	1 961
Investments	–	–	–	–	–	–	27	–	27
Securitisations	40	–	74	17	–	126	13 797	1 597	15 651
Total	**7 278**	**14 328**	**2 350**	**4 013**	**1 292**	**23 793**	**49 563**	**38 924**	**141 542**

Table 10: Total amount of risk positions by region in SACR

(in € million)	Germany	Other Euro countries	Rest of Europe	North America	Central and South America	Middle East / Africa	Asia / Australia	Other	Total
Central governments	1 690	242	3 045	23	0	–	–	–	5 001
Regional governments and local authorities	33 607	19	802	1 257	–	–	163	–	35 849
Other public entities	10 346	–	–	–	–	–	54	–	10 400
Multilateral development banks	–	–	–	–	–	–	–	886	886
International organisations	–	54	–	–	–	–	–	847	901
Institutions	22 263	52	43	1	–	1	9	–	22 368
Corporates, not including SMEs	7 920	1 399	853	699	63	7	55	52	11 047
Corporates – SMEs	108	10	0	–	–	–	–	–	118
Retail clients, not including SMEs	628	1	1	0	0	0	0	–	631
Retail clients – SMEs	–	–	–	–	–	–	–	–	–
Positions collateralised with real estate not including SMEs	433	2	5	1	–	0	1	–	441
Positions collateralised with real estate – SMEs	52	0	–	–	–	–	–	–	52
Past-due positions	125	8	42	–	0	0	0	–	175
Very high-risk connected exposures	31	–	13	–	–	–	–	–	43
Mortgage bonds issued by banks	46	50	–	–	–	–	–	–	96
Risk positions with banks and companies with a short-term credit rating	–	–	–	–	–	–	–	–	–
Collective investment undertakings (CIU)	–	–	–	–	–	–	–	–	–
Other positions	5	87	–	–	–	–	–	–	92
Investments	483	22	13	8	–	–	–	–	526
Securitisations	–	–	–	–	–	–	–	–	–
Total	**77 738**	**1 946**	**4 816**	**1 989**	**63**	**8**	**282**	**1 785**	**88 627**

Table 11: Total amount of risk positions by region in IRBA

(in € million)	Germany	Other Euro countries	Rest of Europe	North America	Central and South America	Middle East / Africa	Asia / Australia	Other	Total
Central governments	3 475	2 173	682	211	68	8	94	879	7 588
Institutions	8 762	9 504	4 452	1 792	15	4	1 662	17	26 207
Corporates – SMEs	9 183	2 224	1 035	279	–	–	2	–	12 724
of which SME supporting factor (in accordance with Art. 501 CRR)	954	–	–	–	–	–	–	–	954
Corporates – special finance	18 012	5 498	3 031	3 337	1 590	639	2 413	–	34 520
Corporates – other	29 659	4 251	2 979	824	510	88	1 801	–	40 112
Retail clients, collateralised with mortgages, SMEs	–	–	–	–	–	–	–	–	–
of which SME supporting factor (in accordance with Art. 501 CRR)	–	–	–	–	–	–	–	–	–
retail clients, collateralised with mortgages not including SMEs	929	–	–	–	–	–	–	–	929
Retail clients – qualified, revolving	453	–	–	–	–	–	–	–	453
Retail clients – other, SMEs	–	–	–	–	–	–	–	–	–
of which SME supporting factor (in accordance with Art. 501 CRR)	–	–	–	–	–	–	–	–	–
Retail clients – other not including SMEs	1 369	–	–	–	–	–	–	–	1 369
Other non-loan-dependent assets	1 961	–	–	–	–	–	–	–	1 961
Investments	–	27	–	–	–	–	–	–	27
Securitisations	12 355	1 443	410	689	749	–	5	–	15 651
Total	**86 159**	**25 121**	**12 587**	**7 131**	**2 931**	**740**	**5 977**	**896**	**141 542**

Table 12: Residual contract maturities in SACR

(in € million)	less than 1 year	1 year to 5 years	more than 5 years up to indefinite	Total
Central governments	433	982	3 585	5 001
Regional governments and local authorities	5 132	9 482	21 235	35 849
Other public entities	763	4 029	5 608	10 400
Multilateral development banks	81	287	518	886
International organisations	–	74	827	901
Institutions	8 808	2 610	10 950	22 368
Corporates not including SMEs	3 150	1 737	6 160	11 047
Corporates – SMEs	15	34	68	118
Retail clients, not including SMEs	6	29	597	631
Retail clients – SMEs	–	–	–	–
Positions collateralised with real estate not including SMEs	6	56	379	441
Positions collateralised with real estate – SMEs	0	5	47	52
Past-due positions	2	40	133	175
Very high-risk connected exposures	13	30	0	43
Mortgage bonds issued by banks	50	–	46	96
Risk positions with banks and companies with a short-term credit rating	–	–	–	–
Collective investment undertakings (CIU)	–	–	–	–
Other positions	87	–	5	92
Investments	–	137	390	526
Securitisations	–	–	–	–
Total	**18 546**	**19 532**	**50 550**	**88 627**

Table 13: Residual contract maturities in IRBA

(in € million)	less than 1 year	1 year to 5 years	more than 5 years up to indefinite	Total
Central governments	1 416	2 234	3 939	7 588
Institutions	11 787	5 790	8 630	26 207
Corporates – SMEs	2 165	3 844	6 715	12 724
of which SME supporting factor (in accordance with Art. 501 CRR)	40	94	821	954
Corporates – special finance	1 984	6 308	26 227	34 520
Corporates – other	6 825	12 410	20 877	40 112
Retail clients, collateralised with mortgages – SMEs	–	–	–	–
of which SME supporting factor (in accordance with Art. 501 CRR)	–	–	–	–
Retail clients, collateralised with mortgages not including SMEs	2	35	892	929
Retail clients – qualified, revolving	–	–	453	453
Retail clients – other, SMEs	–	–	–	–
of which SME supporting factor (in accordance with Art. 501 CRR)	–	–	–	–
Retail clients – other not including SMEs	9	138	1 222	1 369
Other non-loan-dependent assets	59	–	1 902	1 961
Investments	–	–	27	27
Securitisations	2 092	1 357	12 203	15 651
Total	**26 340**	**32 115**	**83 087**	**141 542**

4.1.3 Risk Provisioning

Exposures are reviewed at regular intervals, i. e. in a system of scheduled loan monitoring, in order to confirm whether the claims of the NORD/LB Group are recoverable or to which extent interest and principal repayments are at risk. A review is also carried out when negative information is received (early warning indicators) about a borrower, for example information relating to the borrower’s financial situation, collateral value and industry environment as well as when establishing the reason for default (and issuing a default rating). Objective indications which may result in a loan loss provision are for example the default on interest and capital payments or a delay in such payments of more than 90 days and considerable financial difficulties on the part of the debtor.

For acute counterparty risks relating to lending business reported in the balance sheet, if there are objective indications of a permanent loss in value NORD/LB Group makes specific loan loss provisions and lumpsum loan loss provisions. A provisioning requirement is based on a present value consideration of anticipated future cash flow from interest and redemption payments and on proceeds from the realisation of collateral.

To cover impairments which have occurred but have not yet been identified, a general loan loss provision is made. The calculation is made on the basis of historical probabilities of default and loss rates, and the portfolio-specific LIP factor (loss identification period factor).

Irrecoverable loans of up to € 10,000 are not covered by specific loan loss provision but instead are written off immediately. Payments received for written-off loans and advances are recognised through profit or loss.

For information on the accounting policies for risk provisioning in accordance with IFRSs, please refer to the notes to the consolidated financial statements (Note 8) in the Annual Report.

All risk provisioning in the framework of the incurred loss model of IAS 39 is classified as specific credit-risk adjustments according to the current regulatory provisions of the CRR. These include specific loan loss provisions, lumpsum loan loss provisions, general loan loss provisions and provisions for credit risks of off-balance-sheet risk positions. There are no general credit-risk adjustments under the current accounting requirements for financial instruments of IAS 39.

Tables 14 to 16 show the impaired and past-due risk positions according to Art. 442 (g) and (h), CRR separately. Impaired risk positions are reported net, i. e. after specific loan loss provisions and and lumpsum loan loss provisions have been taken into account. Past-due risk positions are not identical to risk positions that have had provisions deducted with a default of one day or more. They are broken down by industry and region.

Table 16 shows the development of specific credit-risk adjustments in the period under review.

The lumpsum loan loss provisions are reported together with the specific loan loss provisions that have been made. General loan loss provisions, direct write-offs and additions to receivables written off are reported as a total amount and are not subsequently broken down by industry or region.

Table 14: Impaired and past-due risk positions by industry

(in € million)	Impaired risk positions (net)	SLLP	GLLP	Provisions	Net allocation/ reversal of SLLP/ provisions	Direct write-downs	Additions to written-down loans and advances	Past-due risk positions (without provisioning requirement)
Manufacturing	40	100		18	– 8			21
Energy, water and mining	62	35		15	– 3			165
Construction	17	61		6	– 3			4
Trade, maintenance and repairs	9	12		0	– 2			16
Agriculture, forestry and fishing	3	4		1	– 2			49
Transport and communications	2 819	1 698		26	671			1 322
Financial institutions and insurance companies	221	122		0	– 25			10 976
Service industries/ other	615	443		27	46			1 139
Total	**3 786**	**2 475**	**577**	**94**	**644**[1]	**70**	**38**	**13 691**

[1] Due to a change in the industries reported, “Retail” is no longer shown separately. The related reversal of specific loan loss provisions/ provisions in the amount of € 30 million is included in the total.

Table 15: Impaired and past-due risk positions by region

(in € million)	Impaired risk positions (net)	SLLP	GLLP	Provisions	Past-due risk positions (without provisioning requirement)
Germany	2 666	741		64	8 941
Other Euro countries	747	1 623		10	4 478
Rest of Europe	101	41		19	145
North America	29	1		–	61
Central and South America	0	3		-	0
Middle East / Africa	134	34		0	15
Asia / Australia	109	31		0	51
Other	–	–		–	–
Total	**3 786**	**2 475**	**577**	**94**	**13 691**

Table 16: Development of specific credit-risk adjustments

(in € million)	Opening balance for the period	Adjustments / allocations in the period	Reversal	Utilisation	Exchange-rate related and other changes	Closing balance for the period
SLLP	1 906	1 315	557	224	35	2 475
Provisions	114	45	48	11	– 7	94
GLLP	573	239	237	–	1	577

4.1.4 Disclosures Concerning IRBA Exposures

4.1.4.1 Internal Rating Methods

For each borrower in NORD/LB Group, credit risk is assessed initially and in the framework of a regular (annual) credit rating process. In addition, a rating or credit rating category is also determined on certain occasions.

The classification is based on the standard IFD rating scale which the banks, savings banks and associations in the “Initiative Finanzstandort Deutschland” (IFD, initiative for Germany as a financial location) have agreed on in order to improve comparability between the rating levels of the individual banks. The rating classes of the 24-step DSGV rating master scale used in the NORD/LB Group can be transferred directly into the IFD classes.

NORD/LB uses segment-related rating methods for estimating the probability of default of an external counterparty. The rating modules employed were either developed in various cooperation projects conducted by the Savings Bank Network or the Landesbanks or they were developed internally by NORD/LB.

The methods developed in cooperation projects are standardised to comply with the probabilities of default in the DSGV rating master scale. The master scale shows risks in comparable stages, makes the ratings of various segments comparable and facilitates communication. It is also comparable with external ratings.

At present, 14 internal rating methods developed by NORD/LB in collaboration with its cooperation partners have been authorised by the regulatory authorities for the IRBA system. The rating methods for country and transfer risks as well as for international public entities are generally allocated to the Central Government exposure class, and the rating method for banks to the Institutes exposure class. Other rating methods belong to the Corporate exposure class, i.e. corporates, insurance companies, leasing, DSGV standard rating, DSGV minor customer rating, DSGV real-estate business rating, ship financing, aircraft financing, project financing and international real-estate financing. At the end of 2013, savings bank ClientScoring was added to the exposure class Retail clients.

NORD/LB also employs a rating classification method for securitisation transactions in accordance with the internal assessment approach (IAA), which was developed internally and has also been authorised by the regulatory authorities. In this case a rating grade in accordance with the Standard & Poor's rating scale is ascertained for IAA-eligible securitisation exposures. For detailed information on the internal rating methods for securitisations, please refer to section 4.1.8.2.

The allocation of borrowers to the rating modules is regulated by the scope of application defined in the rating process. The principle of dual control is applied for all ratings. A rating can only be released in this case by the relevant back office unit.

There is no rating procedure for investments. If they are processed in the IRBA system, simple risk weights in accordance with Art. 133 CRR are used.

The rating and scoring modules mentioned above, with the exception of the rating for securitisation transactions, are updated, validated and improved by the maintenance units of the DSGV (Sparkassen Rating und Risikosysteme (SR) GmbH, Berlin) and the Landesbanks (Rating Service Unit (RSU) GmbH & Co. KG, Munich).

Mathematical-statistical methods are used to develop the rating modules. On the one hand scorecard methods are used to assess quantitative and qualitative factors for borrowers. These are converted to point scores and allocated to probabilities of default and rating grades in the form of a total number of points. On the other hand, simulation methods in which forecasted changes in asset values are analysed are also used, and in turn supplemented with qualitative information. A common element of all methods is that they assess a credit rating on the basis of characteristics relevant to creditworthiness. This is condensed to produce a rating grade that is calibrated on the PD master scale. The result is a rating excluding transfer risk (local currency rating), and a rating after offsetting transfer risk (foreign currency rating).

All rating modules are subject to an annual process of validation comprising both quantitative and qualitative analyses. Depending on the module there may be a review of rating factors, the definition and the calibration of methods, data quality and the entire structure of the model. The review is carried out on the basis of statistical and qualitative analyses as well as user feedback. The aim of the calibration is to match the empirical defaults actually observed as closely as possible to the probabilities of default predicted with the help of the rating module.

In NORD/LB, the Risk and Performance Measurement Department in the Finance and Risk Control Division is responsible for monitoring counterparty risk. This includes the following activities:

- Administrating and supervising the rating modules;
- Cooperating in SR/RSU validation activities;
- Assessing the validity of the rating methods based on data pooling;
- Monitoring and reporting rating results and histories;
- Implementing and monitoring the default and recovey concept; and

- Ensuring the correct application of the rating modules and communicating the results of plausibility tests.

For counterparties which cannot be allocated to any of the specified rating methods, a quality-based credit rating method is used, with credit rating categories ranging from A (very good) to F (undergoing liquidation).

Bremer Landesbank and Deutsche Hypo use the same basic rating method as NORD/LB. NORD/LB Luxembourg and NORD/LB CFB assess credit risk in close cooperation with NORD/LB on the basis of the rating methods described above.

4.1.4.2 Using Internal Assessments for Purposes Other than Ascertaining Risk-Weighted Exposure Values in Accordance with the IRBA

Besides determining risk-weighted exposure values, internal estimations of PD and LGD are important control variables for risk management and credit processes.

In NORD/LBs lending business, target margins, i.e. minimum margins and full-cost margins, are calculated. In the credit pricing calculator (CPC) tool for risk-adjusted pricing, the probabilities of default from internal rating procedures. Internally estimated loss rates are included in calculating risk cost as a premium for expected loss and for calculating risk costs as a premium for expected loss. The calculation of equity costs as a premium for unexpected loss is based on the probabilities of default associated with the internal ratings and the regulatory loss rates.

The level of credit authority for decision-makers in the lending business is also contingent on the rating of a borrower. Allocation to the segment for problem loans and the authority of the Special Credit Management Division is undertaken on the basis of rating grades.

The NORD/LB Group manages its risk-bearing capacity along economic lines subject to the proviso that all regulatory requirements are complied with. The results of the internal rating procedures are included in the economic examination of the risk-bearing capacity.

4.1.4.3 Credit Volumes and Losses in the IRBA Portfolio

Table 17 shows the total credit volume included in the IRBA, broken down by PD class, according to Art. 452 (d) CRR. In addition to the exposure at default (EAD), average probabilities of default (average PD) and average risk weights (average RW) are reported. Exposure values after credit risk mitigation are used as a basis.

With regard to Tables 17 and 18, investments only need to be disclosed as a separate portfolio when the PD/LGD approach is used for investment exposures in the banking book. This currently does not apply in the NORD/LB Group. There is no separate presentation of items according to Art. 452 CRR, for which separate LGD and CCF estimations are made, since the advanced IRBA is not relevant for the NORD/LB Group.

Table 17: Total credit volume by PD class (not including retail)

Exposure class	Total amount of outstanding credit commitments (in € million)	Exposure values (in € million)	of which outstanding credit commitments	Ø PD (in %)	Exposure value weighted with PD (in € million)	Ø RW (in %)	Exposure value weighted with RW (in € million)
			PD Class 1: PD 0 % to < 0.5 %				
Central governments	93	9 206	70	0.02	2	27.64	2 544
Institutions	1 278	20 565	488	0.08	16	21.00	4 318
Corporates	7 759	44 526	3 928	0.15	66	32.89	14 647
Investments	–	–	–	–	–	–	–
Total	**9 131**	**74 297**	**4 485**	**0.11**	**84**	**28.95**	**21 509**
			PD Class 2: PD 0.5 % to < 5 %				
Central governments	–	9	–	3.13	0	137.64	12
Institutions	30	1 268	1	1.20	15	85.52	1 085
Corporates	3 510	17 916	1 782	1.50	269	94.65	16 958
Investments	–	–	–	–	–	–	–
Total	**3 541**	**19 193**	**1 783**	**1.48**	**284**	**94.07**	**18 055**
			PD Class 3: PD 5% to < 100 %				
Central governments	–	0	–	20.00	0	252.52	0
Institutions	–	1	–	6.79	0	209.60	2
Corporates	146	4 599	62	13.40	616	209.72	9 645
Investments	–	–	–	–	–	–	–
Total	**146**	**4 600**	**62**	**13.40**	**617**	**209.72**	**9 648**
			PD Class 4: Default – PD 100%				
Central governments	–	–	–		–		–
Institutions	–	10	–	100.00	10	–	–
Corporates	103	7 917	47	100.00	7 917	–	–
Investments	–	–	–	–	–	–	–
Total	**103**	**7 927**	**47**	**100.00**	**7 927**	**–**	**–**
			PD Class 5: Total (excluding default)				
Central governments	93	9 215	70	0.03	3	27.74	2 557
Institutions	1 309	21 834	489	0.14	31	24.75	5 405
Corporates	11 416	67 041	5 772	1.42	951	61.53	41 250
Investments	–	–	–	–	–	–	–
Total	**12 818**	**98 090**	**6 331**	**1.00**	**985**	**50.17**	**49 212**

Table 18: Total credit volume by geographical location of the exposure

Geographical location – FIRB total	Exposure value (in € million)	Ø PD (in %)
Germany	80 886	10.65
Great Britain and Northern Ireland	3 240	4.19
United States	1 940	0.67
Singapore	3 674	0.51
China	186	0.21
Luxembourg	15 458	0.24
Cayman Islands	634	0.65
Total	**106 017**	**8.32**

Geographical location – central governments	Exposure value (in € million)	Ø PD (in %)
Germany	4 883	0.02
Great Britain and Northern Ireland	0	0.07
United States	–	–
Singapore	410	0.07
China	7	0.05
Luxembourg	3 914	0.04
Cayman Islands	1	–
Total	**9 215**	**0.03**

Geographical location – institutions	Exposure value (in € million)	Ø PD (in %)
Germany	14 734	0.21
Great Britain and Northern Ireland	1 043	0.16
United States	20	0.06
Singapore	1 212	0.18
China	125	0.11
Luxembourg	4 705	0.13
Cayman Islands	6	0.04
Total	**21 844**	**0.19**

Geographical location – corporates	Exposure value (in € million)	Ø PD (in %)
Germany	61 269	14.01
Great Britain and Northern Ireland	2 196	6.11
United States	1 920	0.68
Singapore	2 052	0.79
China	54	0.46
Luxembourg	6 840	0.43
Cayman Islands	627	0.66
Total	**74 958**	**11.71**

Table 19 shows the total credit volume included in the retail IRBA, broken down by PD class, in terms of Art. 452 (f) CRR. In addition to the exposure at default (EAD), average loss given defaults (average LGD), average probabilities of default (average PD) and average risk weights (average RW) are reported. Exposure values after credit risk mitigation are used as a basis.

Table 19: Retail credit volume by PD class (retail)

Exposure class	Exposure values (in € million)	of which outstanding credit commitments	Ø exposure value of outstanding credit commitments (in %)	Carrying amount of outstanding credit commitments (in € million)	Ø PD (in %)	Exposure value weighted with PD (in € million)	Ø PD (in %)	Exposure value weighted with PD (in € million)	Ø RW (in %)	Exposure value weighted with RW (in € million)
PD Class 1: PD 0 % to < 0.5 %										
Retail clients: qualified, revolving	360	346	85.43	405	40.91	147	0.06	0	1.55	6
Retail clients: residential real-estate loans	803	2	82.07	2	27.99	225	0.13	1	8.41	68
Retail clients: other	1 095	112	86.45	129	48.12	527	0.15	2	15.36	168
Total	**2 258**	**459**	**85.66**	**536**	**39.81**	**899**	**0.13**	**3**	**10.69**	**241**
PD Class 2: PD 0.5 % to < 5 %										
Retail clients: qualified, revolving	29	17	85.29	20	39.99	12	1.46	0	20.34	6
Retail clients: residential real-estate loans	94	0	79.65	0	28.85	27	1.58	1	47.05	44
Retail clients: other	208	10	86.03	12	48.73	101	1.60	3	54.69	114
Total	**332**	**28**	**85.48**	**33**	**42.31**	**140**	**1.58**	**5**	**49.49**	**164**
PD Class 3: PD 5 % to < 100 %										
Retail clients: qualified, revolving	2	1	88.95	1	39.63	1	14.62	0	84.52	2
Retail clients: residential real-estate loans	21	–	–	–	30.80	6	18.14	4	156.32	33
Retail clients: other	30	0	92.00	0	49.35	15	17.40	5	102.10	31
Total	**53**	**1**	**89.43**	**1**	**41.71**	**22**	**17.59**	**9**	**122.78**	**65**
PD Class 4: Default – PD 100 %										
Retail clients: qualified, revolving	0	0	100.00	0	7.10	0	100.00	0	94.07	0
Retail clients: residential real-estate loans	10	0	100.00	0	12.17	1	100.00	10	161.28	16
Retail clients: other	16	0	100.00	0	8.07	1	100.00	16	106.99	17
Total	**27**	**0**	**100.00**	**0**	**9.64**	**3**	**100.00**	**27**	**127.68**	**34**
PD Class 5: Total (excluding default)										
Retail clients: qualified, revolving	391	364	85.43	426	40.83	160	0.23	1	3.37	13
Retail clients: residential real-estate loans	918	2	81.58	2	28.14	258	0.69	6	15.74	145
Retail clients: other	1 333	122	86.42	141	48.24	643	0.77	10	23.47	313
Total	**2 642**	**488**	**85.66**	**570**	**40.16**	**1 061**	**0.66**	**17**	**17.81**	**471**

Table 20: Total credit volume by geographical location of the exposure

Geographical location – AIRB total	Exposure value (in € million)	Ø LGD (in %)	Ø PD (in %)
Germany	2 669	39.85	1.65
Great Britain and Northern Ireland	0	37.12	0.04
Total	**2 669**	**39.85**	**1.65**

Geographical location – Retail clients, qualified revolving	Exposure value (in € million)	Ø LGD (in %)	Ø PD (in %)
Germany	391	40.82	0.28
Total	**391**	**40.82**	**0.28**

Geographical location – Retail clients, private housing construction	Exposure value (in € million)	Ø LGD (in %)	Ø PD (in %)
Germany	929	27.96	1.78
Total	**929**	**27.96**	**1.78**

Geographic location – Retail clients, other	Exposure value (in € million)	Ø LGD (in %)	Ø PD (in %)
Germany	1 349	47.76	1.96
Great Britain and Northern Ireland	0	37.12	0.04
Total	**1 349**	**47.76**	**1.96**

Table 21 shows a comparison of expected and actual losses incurred in lending business for the current and two previous reporting periods in terms of Art. 452 (g) and (i) CRR. The figures for Retail clients are reported for the first time.

In this case, estimated losses are defined as the expected loss after credit risk mitigation and are based on the assumptions for regulatory loss rates in the event of default in terms of Art. 158 CRR. This includes the expected loss of risk-weighted assets in traditional lending business, i. e. excluding securities in the banking book and excluding derivatives. Traditional off-balance sheet businesses, such as credit commitments, are taken into account.

Actual losses comprise usage of specific loan loss provisions and direct write-offs, less additions to receivables written off. They are only shown as a total amount and are not broken down by portfolio. Compared to the previous reporting period, actual losses have fallen by € 63 million. As for new loan loss provisions, the ship portfolio was also the most affected segment for write-offs. These mainly concerned losses related to the sale of assets or loan restructurings.

Table 21: Expected and actual losses in lending business

Exposure class	Losses 1 Jan. 2014 – 31 Dec. 2014		Losses 1 Jan. 2013 – 31 Dec. 2013		Losses 1 Jan. 2012 – 31 Dec. 2012	
(in € million)	Expected loss	Actual loss	Expected loss	Actual loss	Expected loss	Actual loss
Central governments	1	0	1	0	1	0
Institutions	12	0	23	0	12	1
Investments	0	–	0	–	0	–
Retail clients	20	1	22	1	–	–
of which qualified, revolving	0	0	1	0	–	–
of which residential real-estate loans	5	0	18	1	–	–
of which other	14	1	3	0	–	–
Corporates	3 722	258	3 288	320	2 527	326
Total	**3 754**	**260**	**3 333**	**322**	**2 541**	**327**

4.1.5 Disclosures Concerning SACR and IRBA Exposures with Standard Risk-Weight

For the purpose of risk-weighting SACR exposures and securitisation exposures, the rating agencies Standard & Poor's, Moody's Investor Service Ltd. and Fitch Ratings were named.

External ratings are used for issuer, issue and country credit rating assessments, with the issue rating initially being used as a basis. The issuer rating is only referred to when an issue rating is not available. Issue ratings are not applied to unrated SACR exposures (e. g. loans). Country classifications by export insurance agencies are not taken into account.

Bremer Landesbank does not use any external ratings for SACR exposures. Deutsche Hypo has also chosen the rating agencies Standard & Poor's, Moody's Investors Service Ltd. and Fitch Ratings for the SACR exposure classes central governments, regional governments and local authorities, other public-sector entities, multilateral development banks, corporates and securitisation transactions. NORD/LB Luxembourg and NORD/LB CFB have only named Standard & Poor's and use the ratings for the exposure classes central and regional governments, public entities, covered bonds, securitisation transactions and institutions.

Table 22: Counterparty risk exposures before credit risk mitigation for portfolios in the SACR on application of regulatory risk weights

Exposure classes (in € million)	Exposure values before credit risk mitigation / risk weights (in € million) 0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250 %	Other
Central governments	4 436	–	–	–	210	–	309	–	–	45	–	–	–	–	–
Regional governments and local authorities	33 810	–	–	–	1 259	–	166	–	–	–	–	–	–	–	–
Other public entities	9 853	–	–	–	455	–	54	–	–	–	–	–	–	–	–
Multilateral development banks	886	–	–	–	–	–	–	–	–	–	–	–	–	–	–
International organisations	901	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Institutions	19 095	101	–	–	363	–	63	–	–	35	–	–	–	–	–
Corporates	26	4 257	–	–	0	–	33	–	–	5 795	0	–	–	–	–
Retail clients	–	–	–	–	–	–	–	–	564	–	–	–	–	–	–
Positions collateralised with real estate	–	–	–	–	–	453	41	–	0	–	–	–	–	–	–
Past-due positions	–	–	–	–	–	–	–	–	–	13	40	–	–	–	–
Very high-risk connected exposures	–	–	–	–	–	–	–	–	–	–	43	–	–	–	–
Mortgage bonds issued by banks	–	–	–	96	–	–	–	–	–	–	–	–	–	–	–
Risk positions with banks and companies with a short-term credit rating	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Collective investment undertakings (CIU)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–	586	–	52	–	–	–
Other positions	2	–	–	–	–	–	–	–	–	86	–	–	–	4	–
Total	**69 009**	**4 358**	**–**	**96**	**2 287**	**453**	**666**	**–**	**564**	**6 560**	**83**	**52**	**–**	**4**	**–**

Table 23: Counterparty risk exposures after credit risk mitigation for portfolios in the SACR on application of regulatory risk weights

Exposure classes (in € million)	Exposure values after credit risk mitigation / risk weights (in € million)														
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250 %	Other
Central governments	5 856	–	–	–	210	–	356	–	–	45	–	–	–	–	–
Regional governments and local authorities	36 443	–	–	–	1 259	–	166	–	–	–	–	–	–	–	–
Other public entities	10 040	–	–	–	168	–	54	–	–	–	–	–	–	–	–
Multilateral development banks	909	–	–	–	–	–	–	–	–	–	–	–	–	–	–
International organisations	901	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Institutions	20 722	101	–	–	476	–	63	–	–	35	–	–	–	–	–
Corporates	–	212	–	–	52	–	33	1	–	3 666	0	–	–	–	–
Retail clients	–	–	–	–	–	–	–	–	383	–	–	–	–	–	–
Positions collateralised with real estate	–	–	–	–	–	453	41	–	0	–	–	–	–	–	–
Past-due positions	–	–	–	–	–	–	–	–	–	13	38	–	–	–	–
Very high-risk connected exposures	–	–	–	–	–	–	–	–	–	–	43	–	–	–	–
Mortgage bonds issued by banks	–	–	–	96	–	–	–	–	–	–	–	–	–	–	–
Risk positions with banks and companies with a short-term credit rating	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Collective investment undertakings (CIU)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–	586	–	52	–	–	–
Other positions	2	–	–	–	–	–	–	–	–	86	–	–	–	4	–
Total	**74 873**	**312**	**–**	**96**	**2 164**	**453**	**713**	**1**	**383**	**4 431**	**81**	**52**	**–**	**4**	**–**

4.1.6 Derivative Counterparty Risk Positions and Netting Positions

The NORD/LB Group employs derivative financial instruments for hedging purposes in asset/liability management. In addition, derivative financial instruments are also held for trading purposes. Derivative financial instruments in foreign currencies are mainly concluded as forward-exchange contracts, cross-currency swaps, interest rate/currency swaps and currency options. Interest derivatives primarily comprise interest rate swaps, forward rate agreements, interest rate options and interest rate caps/floors. Futures are also concluded for fixed interest rate securities. Equity derivatives are mainly concluded as stock options and equity swaps. Additionally, credit derivatives in the form of credit default swaps are used.

Trades are only entered into with contractual partners for whom internal limits for replacement risk and advance payment risk have been allocated. All trades concluded with a specific counterparty are counted against these limits. The risk subject is the counterparty/contractual partner for the trade. Replacement risks and settlement risks are taken into account in the assessment of limit utilisation.

To manage risks for each trade, a specific limit is set for each borrower at individual transaction level, which has the character of an upper credit limit. The significant parameters applied for deriving this limit are the borrower's creditworthiness, expressed as a rating, and the free funds available to the borrower to service the debt.

Risk concentrations and correlations at portfolio level are shown by quantifying the credit risk potential in the credit risk model. In addition, risk concentrations are also limited by country and industry limits on a portfolio level as well as by the Large Exposure Management model for borrower entities. The latter defines a loss-at-default limit for every rating on the basis of which a group exposure for the categories Corporates, Institutions, Special Finance and Foreign Regional Authorities is classified as being normal, as having risk concentration or having strong risk concentration. The exposure limits are based on the risk-bearing capacity of the NORD/LB Group.

For information on collateral, please refer to section 4.1.7 on credit risk mitigation techniques.

Provisions / impairments are recognised to account for the risk of losses. For more information please refer to section 4.1.3 on risk provisioning.

The calculation of exposure value for counterparty default risk is based on the Mark-to-Market method in terms of Art. 274 CRR. Netting agreements and cash collateral are recognised as risk-reducing in accordance with Art. 298 CRR. Table 24 shows the positive replacement costs before and after netting and consideration of collateral in terms of Art. 439 (e) CRR. In this context, “positive replacement cost” means the current replacement cost in terms of Art. 274 CRR. This is equivalent to the current positive market value.

Table 24: Positive replacement costs

(in € million)	Positive replacement costs before netting and collateral	Netting options	Eligible collateral	Positive replacement costs after netting and collateral
Interest rate-based contracts	13 256			
Currency-based contracts	749			
Share / index-based contracts	191			
Credit derivatives	56			
Commodity-based contracts	51			
Other contracts	–			
Total	**14 302**	**9 027**	**1 398**	**3 878**

The attributable counterparty risk in terms of Art. 439 (f) CRR can be seen in Table 25. The counterparty risk position is determined here as a positive replacement cost after netting and consideration of collateral, plus an add-on for expected future increases in value.

Table 25: Counterparty risk

(in € million)	Term method	Current exposure method	Standard method	Internal model
Counterparty risk position	–	5 843	–	–

Hedge transactions with credit derivatives in terms of Art. 439 (g) CRR, which are used to mitigate risk as defined by the CRR, are not present in the Nord/LB Group.

Table 26 shows the nominal value of credit derivatives broken down in protection bought and protection sold in terms of article 439 (h) CRR. The NORD/LB Group did not conduct any intermediation business in credit derivatives in the period under review.

Table 26: Credit derivatives – purpose

Nominal value (in € million)	Use for own portfolio		Intermediation
	Protection buyer	Protection seller	
Credit default swaps	176	2 957	–
Total return swaps	–	425	–
Credit linked note	–	–	–
Others	–	–	–
Total	**176**	**3 382**	**–**

4.1.7 Credit Risk Mitigation Techniques

4.1.7.1 Collateral Management

For the assessment of credit risks, in addition to the credit quality of borrowers or counterparties reflected in the rating, the customary bank collateral available and other risk reduction methods are important considerations. The NORD/LB Group therefore accepts domestic and foreign collateral in the form of property and rights to reduce credit risk. When accepting collateral the cost and benefit effects of the security are considered.

The collateral is assessed both at the time the loan is granted and during the subsequent ongoing (normally at least once a year) monitoring as to whether it appears to be disposable at the assumed value based on foreseeable economic developments during the (remaining) term of the loan. They are therefore reviewed on a case-by-case basis as to whether the valuation appears to be justified based on the respective type of security and based on its legal and economic applicability in respect of the person of the borrower and the type of loan. If factors relevant to the assessment have changed, the assessment is adjusted accordingly.

The credit guidelines and lending principles of the NORD/LB Group specify which fundamental types of collateral and the maximum loan which may be lent against it (lending limit). Sureties, credit securities similar to sureties, assignments of receivables and other rights, chattel mortgages, real estate, receivables and other rights and collateral assignment of chattel are accepted as credit collateral. Other collateral can be contracted with the borrower, but this does not reduce the unsecured portion of the exposure.

The legal portfolio of collateral is maintained in the dedicated Collateral Management System which is also used for the inclusion of collateral when calculating the capital adequacy requirement and for regulatory reports.

In order to ensure the legal validity and enforceability of collateral, standard contracts are mainly used. In addition to this, external legal opinions are obtained and the preparation of contracts is assigned to authorised law firms. At the same time the relevant legislation is monitored continually. For foreign collateral, monitoring is performed by international law firms.

The NORD/LB Group has concluded individual framework agreements with its contract partners. Rating-related covenants are occasionally included in the attached collateral appendices which oblige NORD/LB Group, in the event of its own rating being downgraded, to provide additional collateral in favour of its counterparties. Minimum transfer amounts or basic amounts for collateral are agreed depending on the rating.

4.1.7.2 Collateral to Ease Equity Requirements

The NORD/LB Group has been authorised by the German Federal Financial Supervisory Authority (BaFin) to use mortgage collateral, certain other IRBA physical collateral, guarantees and financial collateral as credit risk mitigation techniques to ease capital requirements. Internal processes and systems operated ensure that only collateral which meets all the relevant requirements of banking regulations in terms of credit risk mitigation techniques is employed.

Mortgage liens as collateral relate to commercial and residential real estate. The properties are valued by independent internal appraisers and, if necessary, also by external surveyors appointed by the Valuation Department. The market fluctuation concept of the German Banking Industry Committee (Deutsche Kreditwirtschaft) is used to help continually monitor real-estate values. This method is recognised as a statistical method in accordance with § 20a (6) of the German Banking Act and Art. 208 (3) CRR. For the properties valued using the market fluctuation concept, the values are reviewed every three years by internal appraisers if the mortgage lending value of property and loans secured by the property exceeds specified thresholds. For all other properties, this review takes place annually.

In the category other IRBA physical collateral, certain types of ships (NORD/LB and Bremer Landesbank), aircraft (only NORD/LB) and wind turbines (only Bremer Landesbank) which meet regulatory requirements are used to ease equity requirements.

Ships and aircraft must be recorded in a public register and fulfil certain requirements such as marketability and age. Ships have to be constructed under the supervision of a recognised classification society recognised by the German Banking Industry Committee and possess a valid class certificate . Aircraft must have been awarded internationally-recognised type and air transport approval. The initial valuation and valuation reviews of ships and aircraft are carried out by the

Bank's independent internal appraisers; they have to be carried out at least once a year to meet regulatory requirements.

Currently no engines are recognised as other IRBA physical collateral.

The location of wind energy plants is decisive for their value. Before a plant is constructed, wind power is forecast in external reports and the effective exploitation of wind is compared with these forecasts at least once a year when the plants are in operation. The value of a plant is derived from its energy production in connection with the legally specified compensation for feeding electricity into the grid. The value of a wind energy plant is recalculated and lending values are re-stipulated in the event of significant deviations from forecasts. In order to be in a position to operate a wind energy plant alone if the need arises, the relevant rights resulting from operator and supply contracts are normally assigned.

The guarantees considered in credit risk mitigation techniques are predominantly sureties and guarantees. The carrying amounts are based on the credit rating of the guarantor. The same rating rules apply as for all other borrowers. The main types of guarantors are public institutions and banks with a very good rating.

Risk concentrations from accepting guarantees are monitored in connection with the direct exposure of the guarantor. If a guarantor exhibits a guarantee risk above the materiality threshold of €10m, and the group of connected clients includes at least one borrower with a PD and a LaD > 0, this is reported in the quarterly Counterparty Risk Concentration Report and Country Report of the NORD/LB Group. The guarantee risk is determined on the basis of the guaranteed loan taking into account the twofold probability of default. The current reported guarantor risk is € 201 million.

Financial collateral is primarily cash deposits. In the trading sector repo transactions continue to be effected. Only cash collateral (NORD/LB Group as the transferor) as well as bonds whose issuers have a very good rating (NORD/LB Group as the transferee) is accepted. Transactions are therefore low risk. They are valued automatically every day and the back office of the Trading Division monitors counterparty limits daily on the basis of these valuations so that no concentration of risk arises. Additionally, market price fluctuations in the scope of margin calls are settled daily in the form of bonds and cash deposits.

Tables 27 and 28 contain an overview of collateralised SACR and IRBA exposure values for each exposure class in accordance with Art. 453 CRR. Dderivatives are shown after netting. The exposure values are collateralised by eligible financial collateral in accordance with Art. 197 and where applicable Art.198 CRR. Values are shown after the application of value fluctuation factors, guarantees according to Art. 201 CRR and other IRBA collateral according to Art. 199 (1) (a) and (c) CRR.

SACR loans secured by mortgage liens are mainly reported in the exposure class "Positions collateralised with real estate".

Table 27: Total collateralised SACR exposure values (not including securitisations)

Exposure class (in € million)	Financial collateral	Mortgage liens	Guarantees and credit derivatives
Central governments	–	–	–
Regional governments	69	–	48
Other public entities	2	–	306
Multilateral development banks	–	–	–
International organisations	–	–	–
Institutions	370	–	195
Mortgage bonds issued by banks	–	–	5
Corporates	5 362	–	1 399
Retail clients	0	–	182
Positions collateralised with real estate	–	405	–
Fund shares	–	–	–
Investments	–	–	–
Other positions	–	–	–
Past-due positions	0	5	2
Risk positions with banks and companies with a short-term credit rating	–	–	–
Very high-risk connected exposures	–	–	–
Total	**5 804**	**410**	**2 136**

Table 28: Total collateralised IRBA exposure values (not including securitisations)

Exposure class (in € million)	Financial collateral	Other/physical collateral	Guarantees and Credit derivatives
Central governments	0	–	10
Institutions	7 567	7	850
Other non-loan-dependent assets	–	–	–
Retail clients	0	–	–
Investments	–	–	–
Corporates	2 135	19 746	4 636
Total	**9 702**	**19 753**	**5 496**

4.1.7.3 Netting Agreements

In order to mitigate counterparty risk in trading, the NORD/LB Group uses netting agreements for derivatives.

Netting agreements are always concluded on a bilateral basis. Only standard general agreements are used. New contracts on behalf of NORD/LB, NORD/LB Luxembourg and NORD/LB CFB are concluded by the legal department. Legal enforceability of the netting agreements in the different jurisdictions is regularly monitored by obtaining legal opinions.

Contract data can be stored centrally in the dedicated LeDIS standard application. This system of data management enables an automatic examination of the individual derivative transactions to be carried out by the users of this information, e. g. in regulatory reporting.

Netting agreements on money receivables and cross-product netting agreements are not used.

For information on the volume of netting agreements covering derivatives please refer to Table 24 in section 4.1.6 on derivative counterparty risk positions and netting positions.

Only cash collateral is currently accepted to collateralise derivative transactions. Standard general agreements are also used here.

4.1.8 Securitisations

4.1.8.1 Aims, Functions and Scope of Securitisations

Securitisation is an instrument used by NORD/LB Group to control credit risks. The aim of securitisation activities is to optimise the yield / risk profile of the loan portfolio and to ease regulatory equity requirements.

In order to diversify the loan portfolio, credit risks in the banks own books can transferred to other market participants (NORD/LB as an originator) or additional credit risks are taken (NORD/LB as an investor or sponsor). The NORD/LB Group originated two new securitisation transactions in 2014. As a sponsor, the NORD/LB Group provides liquidity facilities in order to improve the credit quality of the institute's own asset-backed commercial paper conduit programme Hannover Funding. The NORD/LB Group also conducts securitisation activities as an arranger of structured transactions in the interest of customers.

Securitisation transactions are all subject to a strict process of approval and monitoring, so that potential risks before and after the conclusion of a contract can be identified and regulated. The NORD/LB Group uses a risk classification system authorised by the regulatory authorities in accordance with the CRR as well as other approaches to assess the risk of securitisation transactions. The NORD/LB Group pursues a conservative exposure strategy in its role as investor and sponsor.

NORD/LB's exposure strategy focuses on a reduction portfolio and customer-oriented new business. Here the new business concentrates on bigger, selected customers of NORD/LB and offers the financing of receivables with the conduit Hannover Funding. The reduction business concentrates on sales and the reduction of RWA while safeguarding profit interests.

In the year under review NORD/LB structured a securitisation for a credit portfolio with an initial volume of approx. € 11.4 billion consisting of the asset classes of aircraft, renewable energies, commercial real estate, and German Mittelstand, called "NorthVest". In order to hedge the credit risks that this entailed, a guarantee with an initial volume of € 450 million was concluded with a private guarantor with effect of the 17 March 2014. The term of the guarantee is for 10 years. By the 31 October 2014 the volume had been reduced as planned by € 40 million, and as at the reporting date it totals € 410 million. The first-loss tranche held by NORD/LB totals € 80 million; to date it has not been utilised. With this transaction the bank can lower its risk-weighted assets by approx. € 4 billion and release approx. € 320 million of equity.

As in the previous year, NORD/LB Luxembourg is providing as a sponsor a liquidity facility for the conduit Hannover Funding, and as an investor it is purchasing receivables; this purchasing of receivables is fully guaranteed by NORD/LB. To measure these two securitisations the Bank uses the Bank IRB approach.

Bremer Landesbank and Deutsche Hypo have no longer acted as investors in recent years in securitisation transactions. Bremer Landesbank no longer has a securitisation portfolio as at 31 December 2014; there is a strategy to reduce the remaining investor portfolio of Deutsche Hypo. In 2014 the underlying receivables had to be treated in a hedging transaction (Herrenhausen II) as a securitisation (synthetic transaction taking on a finance guarantee). Parts of this securitisation structure are held by Deutsche Hypo as the originator. Securitisation business has so far not been relevant for NORD/LB CFB.

The scope of securitisation activities in the NORD/LB Group can be seen in section 4.1.8.7 on quantitative information.

4.1.8.2 Procedures for Determining Risk-Weighted Exposure Values, Internal Assessment Approaches and Rating Agencies

NORD/LB employs the following IRB methods for determining risk-weighted exposure values:

- In the rating-based approach (RBA), risk weights depend on external ratings, the granularity of the pool of receivables and the seniority of tranches.

- The supervisory formula approach (SFA) is used for external unrated positions for which NORD/LB has sufficient up-to-date information on the composition of the securitised portfolio and is able to determine capital requirements prior to the securitisation transaction.

- Unrated securitisation exposures in the ABCP programme (excluding asset-back money market instruments) are valued with the internal assessment approach (IAA) method. The risk-weighted assets are determined based on the ratings obtained with the IAA, the granularity of the pool of receivables and the seniority of tranches.

- The look-through approach applies for investment funds. With the look-through approach the external credit ratings of the securitisation exposures in the investment fund are considered.

NORD/LB uses a total of five internal assessment approaches which take into account the regulatory requirements to assess certain securitisation exposures. Each specific internal assessment approach relates to one of the following exposure classes: Auto Leases, Auto Loans, Consumer Receivables, Insured Trade Receivables and Trade Receivables. The result of each internal assessment approach is a rating based on the rating scale of Standard & Poor's. The ratings are used to determine the equity requirements and are an important decision-making criterion for credit decisions, pricing and portfolio management.

NORD/LB's Finance and Risk Control Division is responsible for the development and maintenance of the internal assessment approaches, whereby changes to procedures are made on the basis of the four-eyes principle. The market divisions and the Credit Risk Management Department responsible for the transactions are involved if there are any necessary changes in the internal assessment approaches. However, any decision on the nature and scope of the changes is made independently by the Finance and Risk Control Division. An annual validation of the internal assessment approaches is also conducted by Finance and Risk Control, with the key results reported to the Managing Board. In addition to this, a review of the internal assessment approaches is conducted at regular intervals by NORD/LB's Internal Audit. All internal assessment approaches were examined by he German regulatory authoritites prior to approval.

The internal assessment approaches are structured in such a way that both a quantitative and qualitative part of the model affect the rating result. Quantitatively, the stress intensity that the respective transactions can withstand without incurring losses for NORD/LB is examined. For example, stress factors are applied to credit losses assumed in a base case as multipliers in order to simulate economic stress scenarios. Depending on the rating, these stress factors move between specific bands in accordance with the rating criteria of Standard & Poor's.

In the procedures for Auto Leases, Auto Loans and Consumer Receivables, a stress factor between 4.00 and 5.00 is applied for the rating AAA, between 3.00 and 4.00 for AA, between 2.00 and 3.00 for A, between 1.75 and 2.00 for BBB and between 1.50 and 1.75 for BB. For Trade Receivables and Insured Trade Receivables, NORD/LB again bases the stress factors it uses on Standard & Poor's, whereby the transactions involving risks are weighted with a stress factor of between 2.50 and 2.75 (AAA), between 2.25 and 2.50 (AA), between 2.00 and 2.25 (A) and between 1.50 and 2.00 (BBB). In addition to this, NORD/LB uses a range of other stress parameters which are based on the criteria of the rating agencies.

Qualitative components of NORD/LB's internal assessment approaches include valuation aspects such as the management, organisation and receivables administration of the servicer or originator. The result of the qualitative model is a score which is used to determine the precise stress factors which are applied to a transaction for the various ratings.

The individual institutes of the NORD/LB Group use the IRB approaches to calculate the capital adequacy requirement and to measure securitisation exposures, regardless of the role played by an institute in a securitisation exposure. Deutsche Hypo and NORD/LB AöR use the SFA for their own originator transactions. For external unrated sponsor exposures, NORD/LB Luxembourg and NORD/LB AöR use the IAA. At NORD/LB AöR, in addition the RBA is used for external rated sponsor exposures and the look-through method for fund shares. All three aforementioned institutes use the RBA for investor exposures. As securitisation transactions are not relevant for NORD/LB CFB and BLB, no process has been implemented there.

4.1.8.3 Liquidity and Operational Risks with Securitisation Transactions

Securitisation exposures held by the NORD/LB Group are assessed with regard to their degree of liquidity taking into account class and market information and are treated in accordance with their assessment in the liquidity management and control systems. Any use for the liquidity buffer required in accordance with MaRisk is restricted by the liquidity assessment taking into account diversification aspects and only takes place with the countervalue adjusted by haircuts. In addition to this, in stress scenarios the reduced marketability or saleability of the securities held is considered as potential liquidity risk by the application of scenario-specific deduction factors.

The liquidity facilities provided by NORD/LB as the sponsor of the institute's own ABCP conduit programme are considered separately.

Possible reasons for increased use of the facilities may be a significant reduction in value of the deposited assets and a change in the rating of NORD/LB and as a result not all of the commercial papers being placed on the money market. These events are considered appropriately in the stress scenarios to measure and control traditional liquidity risk.

Operational risks in the NORD/LB Group's securitisation transactions are countered by the continuous training of the employees entrusted with these transactions, the legal support for the securitisation process and the intensive analysis of the associated legal and economic conditions. Process risks are analysed within the scope of the New Product Process (NPP), as are potential reputation risks associated with securitisation transactions.

4.1.8.4 Processes for Monitoring Counterparty and Market Price Risks for Securitisations

In order to monitor changes in the counterparty and market price risks of securitisation exposures in accordance with Art. 449 (f) CRR, continuous portfolio screening takes place in NORD/LB. Various monitoring processes were implemented on an individual transaction basis to review changes in the risk situation and the measures to be taken in relation to investor and sponsor exposures. These include the annual loan monitoring presentation, ad-hoc presentations in the event of negative events, the quarterly monitoring and review of the risk classification of risk-relevant exposures on the credit watchlist, the weekly monitoring of securities on the credit investment watchlist and the daily monitoring of rating changes on the ABS watchlist.

In 2014, an internal assessment of expected losses in different stress scenarios took place, which supports the optimisation and validation of necessary risk protection measures. The findings are used as an additional source for identifying potentially risky exposures.

The value of securitisation exposures is primarily determined by the development of the underlying receivables. Structural components also have to be considered. These include in particular the legal protection against direct liability for the underlying receivable in the case of utilisation, the ranking of the securitisation exposures (tranches/seniority) based on the waterfall principle and the credit quality of the parties involved in the securitisation transactions.

In 2014, the NORD/LB Group did not have any re-securitisation exposures in the portfolio.

4.1.8.5 Securitisation Special Purpose Entities

The NORD/LB Group acts as a sponsor for the securitisation special purpose entity Hannover Funding LLC (Hannover Funding).

Hannover Funding is a fully supported ABCP programme which is sponsored and managed by NORD/LB. Hannover Funding is a bankruptcy-remote special purpose entity with limited liability registered in Delaware, USA.

Hannover Funding typically acquires trade receivables, leasing receivables, receivables from car loans and receivables from consumer loans which were generated by customers of NORD/LB (the "transaction") and refinances itself by issuing ABCP in the capital market. Hannover Funding can issue ABCP with a term of up to 270 days for USD commercial papers and up to 183 days for EUR commercial papers. Its income from issues is used to acquire loan receivables or to issue loans secured by receivables and similar assets. The commercial papers issued by Hannover Funding benefit from an extensive credit and liquidity commitment (Liquidity Asset Purchase Agreement – LAPA) granted by NORD/LB. In order to hedge the transaction, NORD/LB provides Hannover Funding with liquidity facilities in the amount of 102 per cent of the transaction volume committed to the customer. The relevant SACR and IRBA exposure values are shown in Table 31.

The credit and liquidity commitments within the scope of the LAPA can be utilised by Hannover Funding at any time. If Hannover Funding utilises a liquidity facility, NORD/LB is obliged either to purchase the assets from Hannover Funding or to issue a short-term loan to Hannover Funding. Within the scope of the annual credit rate assessment process to renew the liquidity facility, NORD/LB assesses the credit quality of the transactions and decides whether to renew or end the liquidity facility.

Neither NORD/LB nor any company affiliated with NORD/LB holds shares in Hannover Funding. As the programme administrator, NORD/LB is responsible for determining and implementing the investment policy of Hannover Funding and decides which assets can be purchased and which transactions can be financed. As a bankruptcy-remote company, Hannover Funding can only incur liabilities by issuing commercial papers, necessary hedging obligations, drawings within the scope of the LAPA and other measures provided for by the articles of association. The financial processing and the generation of daily reports for the activities of Hannover Funding is outsourced to the service provider Global Securitization Services (GSS); its activities are monitored by NORD/LB employees. The administration of the securitisation transactions (including business policy decisions and contracts) is performed by NORD/LB in the Asset Backed Finance unit in New York.

NORD/LB does not transfer its own receivables to Hannover Funding; as a result NORD/LB only has to record off-balance-sheet counterparty risk positions (liquidity facility) with Hannover Funding. NORD/LB's loan receivables from its customers are not financed by Hannover Funding. The marketing of commercial papers issued by Hannover Funding has been performed to date by external processors. NORD/LB does not have any direct contact with investors when commercial papers are issued and does not provide them with any advice.

4.1.8.6 Accounting Policies for Securitisations

For information on the accounting policies for financial instruments in accordance with IFRSs, please refer to the notes to the consolidated financial statements (Note 7) in the Annual Report.

The liquidity facilities granted as a sponsor are reported in the notes as irrevocable credit commitments in accordance with IFRSs.

For the securitisation exposures acquired as an investor, different accounting polices apply depending on their assignment to an IFRS holding category. These are currently assigned in the NORD/LB Group to the holding categories Designated at Fair Value through Profit or Loss (DFV), Loans and Receivables (LaR) and Available for Sale (AfS). DFV exposures are recognised at fair value through profit or loss. The LaR exposures are recognised at amortised cost. AfS exposures are recognised at fair value directly in equity. Impairments to LaR and AfS exposures are recognised through profit or loss. If the fair value cannot be derived primarily from monitorable, contractable prices, the fair value is calculated using a discounted cash flow model using customary and generally accepted input parameters.

Compared to the previous period there has been no change in the IFRS accounting policies described.

4.1.8.7 Quantitative Disclosures Concerning Securitisations

Table 29 shows the securitisation activities of the NORD/LB Group as an originator and as a sponsor according to Art. 449 (i) CRR. Receivable amounts are unweighted exposure values. It should be noted that the NORD/LB Group does not have any securitisation exposures in connection with revolving counterparty risk positions. As a consequence, none are reported according to Art. 449 (n) (iv) CRR. The NORD/LB Group only has securitised receivables and securitisation exposures in the banking book.

The total of outstanding securitised receivables reported in Table 29 has increased due to the new originator transaction. The total for sponsor activities has also increased due to the provision of new liquidity facilities.

NORD/LB originated no traditional securitisation transactions.

Table 29: Total outstanding securitised receivables as originator, and sponsor activities

Receivables type	Originator exposures			Sponsor activities
	Banking book			Banking book
(in € million)	Traditional securitisations	Synthetic securitisations	Total	
Receivables from housing construction loans	–	291	291	–
Receivables from wholly or partly commercial real estate loans	–	4 515	4 515	–
Receivables from credit card business	–	–	–	41
Receivables from leasing business	–	–	–	157
Receivables from corporates and SMEs assigned to the exposure class Corporates	–	7 774	7 774	944
Receivables from consumer loans	–	7	7	118
Trade receivables	–	–	–	679
Other receivables	–	–	–	–
Total	**–**	**12 587**	**12 587**	**1 939**

Regarding the receivables securitised by the institute, the NORD/LB Group has not recognised any impairments or losses. Table 30 shows the unweighted exposure values of the past-due securitised receivables of the NORD/LB Group in accordance with Art. 449 (p) CRR.

Table 30: Impaired / past-due securitised receivables and losses of the originator

Receivables type	Unweighted exposure values	
(in € million)	Impaired / past-due securitised receivables and losses of the originator	Losses
Receivables from housing construction loans	–	–
Receivables from wholly or partly commercial real estate loans	11	–
Receivables from credit card business	–	–
Receivables from leasing business	–	–
Receivables from corporates and SMEs assigned to the exposure class Corporates	23	–
Receivables from consumer loans	–	–
Trade receivables	–	–
Other receivables	–	–
Total	**34**	**–**

Tables 31 and 32 show the securitisation activities of the significant companies of the NORD/LB Group as an originator, investor and sponsor in accordance with the requirements of Art. 449 (n) and (ii) CRR and 449 (i) CRR. Compared to the previous reporting date the unweighted exposure values and equity requirements have increased due to new originator transactions. The new business in sponsor items rose as a result of the volume of off-balance-sheet items.

Table 32 shows that investments are primarily made in tranches with a low risk weight, whereby there has been a slight shift compared to the previous reporting date in the risk weight bands. This is due to the redemptions, repayments and re-rating activities of the external rating agencies.

Table 31: Total retained or purchased securitisation exposures

Receivables type (in € million)	Unweighted exposure values – banking book Credit risk standard approach	 IRB approach
Receivables	–	13 091
from housing construction loans	–	616
wholly or partly from commercial real estate loans	–	1 770
from credit card business	–	–
from leasing business	–	0
from corporates and SMEs assigned to the exposure class Corporates	–	10 276
from consumer loans	–	20
from trade receivables	–	–
other exposures	–	410
Re-securitisation	–	–
Measures to improve the credit quality	–	–
Other on-balance-sheet exposures	–	–
Total on-balance-sheet exposures	**–**	**13 091**
Liquidity facilities	–	1 939
Derivatives	–	–
Off-balance-sheet exposures from synthetic transactions	–	–
Other off-balance-sheet exposures	–	–
Total off-balance-sheet exposures	**–**	**1 939**
Total	**–**	**15 031**

Table 32: Capital requirements for retained or purchased securitisation exposures by risk weight band

	Banking book					
	Securitisations		Re-securitisations		Total	
(in € million)	Exposure value	Capital requirement	Exposure value	Capital requirement	Exposure value	Capital requirement
Standard approach	–	–	–	–	–	–
20 %	–	–	–	–	–	–
40 %	–	–	–	–	–	–
50 %	–	–	–	–	–	–
100 %	–	–	–	–	–	–
225 %	–	–	–	–	–	–
350 %	–	–	–	–	–	–
650 %	–	–	–	–	–	–
1250 %	–	–	–	–	–	–
Look-through approach	1	0	–	–	1	0
≤ 10 %	–	–	–	–	–	–
> 10 % ≤ 20 %	1	0	–	–	1	0
> 20 % ≤ 50 %	–	–	–	–	–	–
> 50 % ≤ 100 %	–	–	–	–	–	–
> 100 % ≤ 250 %	–	–	–	–	–	–
> 250 % ≤ 650 %	–	–	–	–	–	–
> 650 % ≤ 1250 %	–	–	–	–	–	–
Rating-based approach	**1 916**	**70**	**–**	**–**	**1 916**	**70**
≤ 10 %	618	4	–	–	618	4
> 10 % ≤ 20 %	880	11	–	–	880	11
> 20 % ≤ 50 %	248	8	–	–	248	8
> 50 % ≤ 100 %	122	9	–	–	122	9
> 100 % ≤ 250 %	–	–	–	–	–	–
> 250 % ≤ 650 %	18	8	–	–	18	8
> 650 % ≤ 1250 %	29	29	–	–	29	29
Regulatory formula approach	**12 394**	**175**	**–**	**–**	**12 394**	**175**
≤ 10 %	12 288	69	–	–	12 288	69
> 10 % ≤ 20 %	–	–	–	–	–	–
> 20 % ≤ 50 %	–	–	–	–	–	–
> 50 % ≤ 100 %	–	–	–	–	–	–
> 100 % ≤ 250 %	–	–	–	–	–	–
> 250 % ≤ 650 %	–	–	–	–	–	–
> 650 % ≤ 1250 %	106	106	–	–	106	106
Internal assessment approach	**720**	**11**	**–**	**–**	**720**	**11**
≤ 10 %	174	1	–	–	174	1
> 10 % ≤ 20 %	315	3	–	–	315	3
> 20 % ≤ 50 %	231	7	–	–	231	7
> 50 % ≤ 100 %	–	–	–	–	–	–
> 100 % ≤ 250 %	–	–	–	–	–	–
> 250 % ≤ 650 %	–	–	–	–	–	–
> 650 % ≤ 1250 %	–	–	–	–	–	–
Total	**15 031**	**256**	**–**	**–**	**15 031**	**256**

In Table 33 below the unweighted exposure values of the securitisation exposures are broken down by type of receivables in accordance with the requirements of Art. 449 (n) (v) CRR; they are to be considered with a risk weight of 1,250 per cent or a capital deduction. For securitisations the NORD/LB Group applies a risk weight of 1,250 per cent. The retained first-loss tranches from own synthetic securitisation transactions resulted in an increase in securitisation exposures with the risk weight of 1,250 per cent.

Table 33: Securitisation exposures with a risk weight of 1,250 per cent

Receivables type (in € million)	Securitisation exposures to be deducted or considered with a securitisation risk weight of 1250 per cent when calculating the modified available equity according to KWG § 10 para. 1d (German Banking Act) Unweighted exposure values
Receivables	135
from housing construction loans	9
wholly or partly from commercial real estate loans	42
from credit card business	–
from leasing business	–
from corporates and SMEs assigned to the exposure class Corporates	84
from consumer loans	–
from trade receivables	–
other receivables	0
Re-securitisation	–
Measures to improve the credit quality	–
Other on-balance-sheet exposures	–
Total	**135**

Table 34 shows information concerning receivables of the NORD/LB Group securitised in the period according to Art. 449 (n) (vi) CRR. The amounts reported are unweighted exposure values; these have risen sharply in the reporting period due to two new synthetic securitisation transactions. The NORD/LB Group has not sold any receivables via traditional securitisation transactions and as a result not realised any profits or losses.

Table 34: Securitisation transactions in the reporting period

Receivables type	Banking book			
	Amount of effectively securitised receivables			Profits / losses from the transactions
(in € million)	Traditional securitisations	Synthetic securitisations	Total	
Receivables from housing construction loans	–	129	129	–
Receivables from wholly or partly commercial real estate loans	–	4 143	4 143	–
Receivables from credit card business	–	–	–	–
Receivables from leasing business	–	–	–	–
Receivables from corporates and SMEs assigned to the exposure class Corporates	–	8 208	8 208	–
Receivables from consumer loans	–	6	6	–
Trade receivables	–	–	–	–
Other receivables	–	–	–	–
Total	**–**	**12 485**	**12 485**	**–**

The NORD/LB Group is not planning any further securitisation transactions. Accordingly, the disclosure of receivables awaiting securitisation required in accordance with Art. 449 (n) (iii) CRR is not reported. In accordance with the requirements of Art. 449 (o) CRR, the retained and purchased re-securitisation exposures are to be reported. The NORD/LB Group does not have any re-securitisation exposures in the portfolio.

4.2 Investment Risk

4.2.1 Investment Risk and Investment Funds

Of NORD/LB's investments, only eight companies (7 per cent) directly serve strategic objectives. However, these companies make up approx. 77 per cent of the carrying amount of the investment portfolio.

A far higher number of investments (35 per cent) are structurally motivated or act as internal holdings or shelf companies (2 per cent of the carrying amount). These are often written off completely due to their permanent unprofitability.

22 per cent of the investments (16 per cent of the carrying amount) act as product suppliers or service providers. In so doing they support the primary banking business. This does not mean that profits cannot be generated or that dividends cannot be distributed.

Only investments gaining a return, private equity investments and credit-substituting investments (36 per cent of investments by number or 5 per cent by carrying amount) serve profit-making purposes.

Investments are measured at fair value through profit or loss upon subsequent measurement. Here the value of an investment is calculated in NORD/LB using the income-value method in accordance with the Principles for the Performance of Business Valuations.

The recoverability of the investment values is reviewed regularly for accounting purposes. At the end of each quarter the investment values are reviewed for impairment based on trigger events. If an impairment has taken place, the value of the impairment is to be measured using the income-value method. If the investment is not fully consolidated or accounted for using the equity method, an impairment test is always carried out if the value of the investment is higher than € 20 million as at the reporting date. If there is a list or market price, this is used for the measurement.

On reporting dates upon which NORD/LB prepares HGB financial statements, an impairment test is also conducted for investments whose leverage risk value (an internal value to measure the worst-case scenario for investment risk) is higher than € 15 million.

Investments that were held in the portfolio prior to 1 January 2008 are treated based on the SACR grandfathering rule in accordance with Art. 495 CRR. Investments that are not covered by grandfathering rule are for the time being indefinitely exempted from the IRBA in accordance with Art. 150 (1) CRR and are also backed by equity in accordance with SACR regulations. Compliance with the materiality threshold is monitored constantly in accordance with Art. 150 (2) CRR. The same applies for Bremer Landesbank.

NORD/LB Luxembourg uses the grandfathering rule and the indefinite exemptions from the IRBA. For NORD/LB CFB and for Deutsche Hypo investments are not or are no longer relevant.

Investment funds in the banking book are always treated using the look-through approach. If the look-through approach is not possible, investment shares are allocated to the fund shares IRBA exposure class. These exposures are then included in the calculation of capital with a risk weight of 370 per cent in accordance with Art. 155 CRR. Investment funds are not relevant for NORD/LB CFB.

4.2.2 Quantitative Disclosures Concerning Investment Risk

Table 35 shows an overview of the carrying amounts of investment exposures in the banking book which are not consolidated for regulatory purposes and not deducted from equity according to Art. 447 (b) and (c) CRR. Such investments are currently not relevant for NORD/LB Luxembourg and NORD/LB CFB.

Since the reports required in accordance with the German Solvency Regulation are prepared on the basis of accounts prepared in accordance with the German Commercial Code in the NORD/LB Group by the reporting date, information is also provided here on valuations of investments in accordance with the German Commercial Code. For information on the accounting policies in accordance with IFRSs, please refer to the notes to the consolidated financial statements (Note 7) in the Annual Report Participating interests are reported at acquisition cost or at the lower fair value in the case of permanent impairment. The fair value is usually determined (unless in exceptional cases a listed price or current market value is known) from the present value of the future net earnings for the owners (income value) associated with the ownership of the company.

NORD/LB distinguishes in its materiality concept between three risk categories: material, important and other investments. The materiality thresholds are based on the values derived in the overall risk profile and are therefore consistent with and intertwined with the risk-bearing capacity. The carrying amounts of investment exposures are reported based on this materiality concept. As the aforementioned investment categories are monitored by Investment Management in Board Staff/Legal/Investments and the funds category is monitored by the respective market divisions, funds are reported separately.

For the sake of clarity, four investment groups are reported in Table 35, each broken down by listed and other investments.

Regarding the values reported in Table 35, the following applies: when a listed value is ascertained, this is normally the fair value, for funds which are not listed the repurchase value is used. In cases in which a current value is ascertained for internal or external purposes, this is the fair value, otherwise the carrying amount is used. For investments measured using the equity method, the fair value in the disclosure reported is defined as the value of the proportionate equity.

Table 35: Carrying amounts of investment exposures

Groups of investment instruments (in € million)	Carrying amount	Fair value	Market value
Material investments	24	45	0
of which: listed	0	0	0
of which: other	24	45	–
Significant investments	133	241	0
of which: listed	0	0	0
of which: other	133	241	–
Other investments	178	247	7
of which: listed	4	4	7
of which: other	175	243	–
Funds	1 279	1 306	13
of which: listed	13	13	13
of which: other	1 266	1 293	–
Total	**1 615**	**1 839**	**20**

In accordance with Art. 447 (d) and (e) CRR, Table 36 contains an overview of the realised and unrealised gains or losses in the investment book which are not consolidated for regulatory purposes and not deducted from equity. Such investments are currently not relevant for NORD/LB CFB.

As in the previous reporting period, a realised profit is reported. There are also deferred revaluation profits as at the reporting date.

Table 36: Realised profits / losses and unrealised revaluation profits / losses from investment instruments

	Realised profit / loss from sale / liquidation	Unrealised revaluation profits / loss		
		Total	of which amounts considered in	
(in € million)			Tier 1 capital	Tier 2 capital
Total	**56**	**83**	**34**	**0**

4.3 Market price Risk

4.3.1 Market price Risks

With regard to market price risk, NORD/LB has employed an internal risk model for general interest rate risk, for general and special share price risks and for currency risk in order to ascertain the regulatory capital requirements. The standard approach is used for special interest rate risks.

Bremer Landesbank, Deutsche Hypo, NORD/LB Luxembourg and NORD/LB CFB use the standard approach. Capital requirements result in Bremer Landesbank and Nord/LB Luxembourg due to interest rate risk. For general interest rate risk the duration method is used here. Taking into account the regulatory threshold in accordance with Art. 351 CRR, capital requirements due to currency risk result for Deutsche Hypo, but not for Bremer Landesbank, NORD/LB Luxembourg and NORD/LB CFB. Share price risks are not relevant in Bremer Landesbank, Deutsche Hypo, NORD/LB Luxembourg and NORD/LB CFB.

4.3.2 Quantitative Disclosures Concerning Market price Risk

In accordance with Art. 455 CRR, for institutes with internal models first of all an overview of the VaR values of the relevant market price risk exposures in the trading book and banking book is to be reported, and secondly, in accordance with Art. 366 (3) clause 2 CRR, the daily VaR is to be compared with the daily changes in the value of the portfolio and significant VaR transgressions are to be disclosed.

VaR data relating to general interest rate risks and general and specific share price risks and currency risk in the trading and banking book determined in the internal model are shown in Table 37.

The schedule contains the VaR on the balance sheet date, the highest and lowest VaR during the reporting period and the annual average.

The VaR for Table 37 has been calculated with a confidence level of 99 per cent and a holding period of one trading day.

Table 37: Overview of the VaR of portfolios in the trading book and currency risk in the banking book (internal model)

Value at Risk scenarios (in € million)	Value at Risk at the end of the reporting period	Value at Risk in the reporting period: Highest VaR in the reporting period	Lowest VaR in the reporting period	Average VaR in the reporting period
Aggregate VaR under normal conditions	4	4	1	2
General interest rate risk	2	2	1	1
Share price risk	0	0	0	0
Volatility risk	2	2	0	1
Currency risk	2	2	1	1
Aggregate stressed VaR	12	12	5	8
General interest rate risk	6	7	4	6
Share price risk	2	2	2	2
Volatility risk	3	4	1	2
Currency risk	5	6	1	3

The diagram in Figure 1 shows the VaR values of the categories in Table 37 calculated daily at the close of business using the internal model with a confidence level of 99 per cent and a holding period of one trading day. In order to make it easier to identify any backtesting exceptions, i.e. negative changes in value in accordance with Art. 366 (3) clause 2 CRR which exceed the previous day's VaR value, the following presentation method was chosen: The VaR value is reported as a potential loss with a negative sign, and the change in value in accordance with Art. 366 (3) clause 2 CRR at the close of business on this date and the VaR value at the close of business of the previous day are assigned to the respective date. This is not the backtesting of the VaR value for internal control purposes, but the relevant value in terms of regulatory requirements.

In the financial year 2014 no exceptions were identified.

Figure 1: Value at Risk and hypothetical change in the value of the portfolio

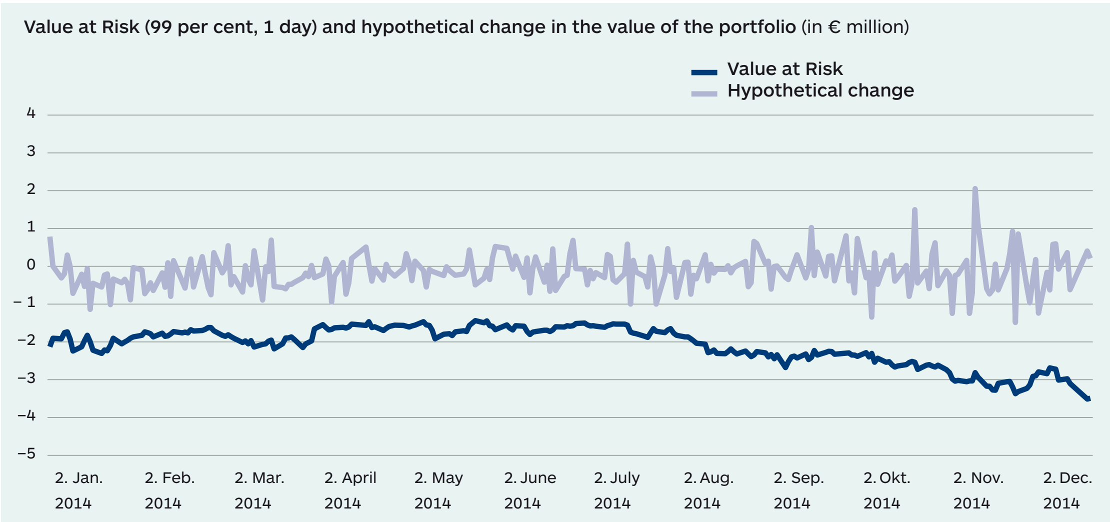

Table 38 shows the capital requirement components in accordance with Art. 364 CRR.

Table 38: Capital requirement components in accordance with Art. 364 CRR

VaR		Stressed VaR		VaR multiplier (mc)	SVaR multiplier (ms)	Capital requirement
Multiplier (mc) x VaR 60-day average (VaRavg) (in € million)	Previous day's value (VaRt-1) (in € million)	Multiplier (ms) x SVaR 60-day average (SVaRavg) (in € million)	Last available (SVaRt-1) (in € million)			(in € million)
35	12	124	37	3.60	3.60	159

For disclosures concerning the capital adequacy requirement for market price risks, reported separately by the standard approach and the internal model approach, please refer to Table 5 in section 3.3.1 on capital requirements.

4.3.3 Special Disclosures Concerning Interest Rate Risk in the Banking Book

Interest rate risks in the banking book mainly arise from liquidity and interest rate management. In order to quantify the risk content of these positions at individual institute level on a daily basis, the VaR model, which is also used for the trading book, is applied. The quarterly calculation of the interest rate shock in the banking book is based on the regulatory stress test involving a parallel shift in the interest rate curve by + 200 basis points or – 200 basis points. Table 39 shows the changes in present value taking into account this interest rate shock according to Art. 448 (b) CRR. Increases in present values are shown as positive figures while decreases in present values are preceded by a negative sign.

In accordance with the Federal Financial Supervisory Authority (BaFin) Circular 11/2011 (BA), a shorter interval between these internal calculations was set as appropriate in each individual institute. In addition, in accordance with the BaFin circular, the same procedure is used to calculate the change in the present value of every foreign currency as the procedure for positions in Euros. For foreign currencies the least favourable changes in present values are added up and this total is then added to the change in the present value in the respective Euro scenario.

The models used in daily control measures are also used for interest rate shocks. This involves projection of stochastic products onto the fixed interest period for products with fixed terms and various models. The majority of open-end investments are shown in moving average models. Unlimited equity and unlimited investments are not considered in accordance with regulatory requirements.

Table 39: Interest rate risks in the banking book

Currency	Change in present value in the event of interest rate shock	
(in € million)	positive interest rate shock (+200 BP)	negative interest rate shock (–200 BP)
AUD	0	0
CAD	–1	0
CHF	–2	0
CNH	0	0
CNY	0	0
CZK	0	0
DKK	0	0
EUR	–621	262
GBP	–79	61
HKD	0	0
JPY	2	0
MXN	0	0
NOK	0	0
NZD	0	0
PLN	0	0
SEK	0	0
SGD	0	0
TRY	0	0
USD	–39	7
ZAR	0	0
Total	**–740**	**330**

4.4 Operational Risk

4.4.1 Operational Risks

The standard approach is used in the NORD/LB Group to calculate the capital adequacy requirement for operational risk.

4.4.2 Quantitative Disclosures Concerning Operational Risk

For disclosures concerning the capital adequacy requirement for operational risks, please refer to Table 5 in section Capital Requirements by Risk Type on capital requirements.

5 Asset Encumbrance

5.1 Quantitative Disclosures Concerning Asset Encumbrance

The amounts in the tables below are based on the values as at 31 December 2014. Regulatory approval was obtained for this.

Table 40: Encumbered and unencumbered assets (Template A – Assets)

(in € million)	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Assets of the institute	107 834		91 646	
Equity instruments	–	–	225	225
Debt securities	28 009	27 935	20 255	21 031
Other assets	7 762		11 968	

Table 41: Collateral received (Template B – Collateral received)

(in € million)	Fair value of encumbered collateral or debt securities received	Fair value of collateral received available for an encumbrance
Collateral received by the institute	2 126	4 931
Equity instruments	–	–
Debt securities	2 126	1 909
Other collateral received	–	–
Own debt instruments excluding Pfandbriefe and securitisations	–	45

Table 42: Liabilities (Template C – Encumbered assets / collateral received and associated liabilities)

(in € million)	Related liabilities, contingent liabilities or lent securities	Assets, collateral received and own securities
Carrying amount of selected financial liabilities	66 341	107 534

5.2 Explanation of the Meaning of “Encumbrance” (Template D)

“Encumbrance” mainly results from the issuance of Pfandbriefe that are secured with assets. Other significant forms of encumbrance are repo and security lending transactions, secured deposits, derivative transactions and central bank funding.

NORD/LB AöR accounts for the most significant share of the Group’s assets measured by total assets and collateral received. The remaining assets are spread mainly between Deutsche Hypothekenbank, Bremer Landesbank and Norddeutsche Landesbank Luxembourg S.A.

The NORD/LB Group has an encumbrance ratio of 53.2 per cent.

There is significant over-collateralisation in the cover pool for issued Pfandbriefe and a further over-collateralisation for ECB tenders.

The diversification of refinancing sources by investors and products plays an important role in the NORD/LB Group. In addition to uncovered securities and retail deposits, the NORD/LB Group uses in particular covered securities, including Öffentliche Pfandbriefe in Euros and US dollars and Immobilienpfandbriefe, Schiffspfandbriefe and Flugzeugpfandbriefe, as well as lettres de gage issued under Luxembourgish law. The assets placed in the cover pool for and reported as encumbered under asset encumbrance are significantly above the legal requirements and therefore raise the reported encumbrance ratio.

According to the Covered Bond Act (Pfandbriefgesetz, PfandBG), Pfandbriefe have to be covered at all times by cover assets at least in the amount of the nominal value of all issues in circulation. Ship mortgages, aircraft mortgages, mortgage loans and public-sector loans refinanced by Pfandbriefe make up separate cover pools. The cover assets included primarily serve to satisfy Pfandbrief creditors and in the event of the insolvency of a Pfandbrief bank are not subject to the insolvency proceedings. The claims of Pfandbrief investors are satisfied in accordance with the conditions of the respective issue from the cover fund. In addition, Pfandbrief banks are required by the Present Value Regulation (Barwertverordnung) to hold a present value cover of at least 2 per cent above the Pfandbriefe in circulation in the cover pools.

The ABS transactions originated by NORD/LB are synthetic transactions. The credit risks from the portfolios are only transferred to a degree. The risks are generally transferred by a guarantee to a special purpose entity, and from here to investors through the issue of credit-linked notes.

Repos are concluded with the respective counterparty under a master agreement for repos or a global master repurchase agreement (the same applies for repos with the ECB). These master agreements require, taking into account certain parameters, that if a party has a shortfall, the other party has to provide security. Security can be provided in the form of the provision of securities or cash collateral.

The off-market OTC derivatives that are not subject to clearing are concluded with the respective counterparty under a master agreement for financial futures. The master agreement results in the market values of the individual derivatives concluded under this master agreement (positive and negative) being lumped together in a single equalisation payment (netting). Regarding the exposures remaining after this netting, depending on the counterparty status, there may be a collateral obligation. In such a case, in addition to the master agreement, a Collateral Support Annex, (CSA) requiring cash collateral in Euros for the remaining exposures is concluded.

Derivatives that are subject to clearing are automatically transferred to a central counterparty immediately upon being concluded. The exposure remaining with a counterparty after netting of all existing derivatives is also deposited with the central counterparty with collateral (cash collateral) in accordance with the statutory and contractual provisions.

The item unencumbered other assets in Template A mainly includes futures, swaps (asset side) and cash on hand.

List of Tables (Consolidated Annual Report)

The tables are based on the Examples of Use of the Disclosure Requirements Committee of the Deutsche Bundesbank (Anwendungsbeispiele des Fachgremiums Offenlegungsanforderungen der Deutschen Bundesbank) of November 2006.

Disclosure Reports of Important Subsidiaries

Appendix 1: Disclosure Report of Bremer Landesbank
Appendix 2: Disclosure Report of Norddeutsche Landesbank Luxembourg S. A.

Disclosure Report of Bremer Landesbank in Accordance with Art. 13 Para. 1 of the CRR and the German Commercial Code as at 31 December 2014

Contents

Disclosure Report of Bremer Landesbank in Accordance with Art. 13 Para. 1 of the CRR and the German Commercial Code as at 31 December 2014

Rounding may produce slight deviations in the totals presented and percentages calculated in this report.

Preamble

Requirements relating to the regular disclosure of qualitative and quantitative information to enhance market discipline are defined in Pillar 3 of Basel II. The aim is to create transparency with regard to the risks entered into by the institutes. Pillar 3 thus supplements the minimum capital requirements of Pillar I and the regulatory review process of Pillar 2. Since 2014 the basis for disclosure has been EU Regulation No. 575/2013 Capital Requirements Regulation (CRR).

As a significant subsidiary of the Nord/LB Group, Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – has a duty of disclosure in accordance with art. 13 para. 1 of the CRR.

In this report Bremer Landesbank discloses all qualitative and quantitative information required in accordance with the CRR as at 31 December 2014. This excludes disclosures relating to the remuneration policy in accordance with art. 450 CRR in conjunction with the Institute Remuneration Act (*Institutsvergütungsverordnung*). These disclosures are made in a separate Remuneration Report as previously.

The Disclosure Report is an additional document alongside the Annual Report of Bremer Landesbank. Quantitative disclosures contained in this report are based on the German Commercial Code which constitutes the basis for preparing regulatory reports in accordance with the CRR in Bremer Landesbank on the reporting date. The report discloses information about equity on the one hand and material risks on the other.

For further information relating to the risk environment, in particular the presentation on the organisation of the risk management, including the risk-control model used, please refer to the Management Report of Bremer Landesbank. That report also includes detailed notes on the risk development during the reporting period for each material risk type as well as an outlook on developments expected in future.

The Disclosure Report is published in accordance with art. 434 of the CRR both on the NORD/LB website at www.nordlb.de/investor-relations/berichte as well as the Bremer Landesbank website at https://www.bremerlandesbank.de/investor-relations/geschaeftsberichte/.

Structure and Capital Adequacy

The Common Equity Tier 1 at Bremer Landesbank before regulatory adjustments totals € 1.882 billion as at 31 December 2014.

The Bank includes the subscribed capital of € 265 million, capital reserves of € 478 million in the form of the discounts associated with the subscribed capital in accordance with art. 26 para. 1 clause 1 letter b of the CRR, retained earnings of € 600 million in accordance with art. 26 para. 1 clause 1 letter c of the CRR as well as the fund for general banking risks of € 539 million in accordance with § 340g of the German Commercial Code incl. § 340e of the German Commercial Code in accordance with art. 26 para. 1 clause 1 letter f of the CRR as items of Common Equity Tier 1.

The Bank includes regulatory adjustment items (prudential filters) of € 2.32 million in the Common Equity Tier 1. The adjustment items are made up of the profits and losses from derivative liabilities reported at fair value arising from the Bank's own credit risk of € 0.32 million (20 per cent of € 1.59 million) (art. 33 para. 1 letter c of the CRR) as well as the additional valuation adjustments of € 2 million due to the requirements for a cautious valuation in accordance with art. 34 in conjunction with art. 105 of the CRR.

As at 31 December 2014 intangible assets of € 5 million in accordance with art. 36 letter b of the CRR are reported as deductions in Common Equity Tier 1. Taking into account the transitional provisions in accordance with art. 469 para. 1 letter a, 478 of the CRR in conjunction with § 26 para. 1 of the German Solvency Regulation, the remaining amount of 80 per cent (€ 4 million) is deducted from the additional Common Equity Tier 1 in accordance with art. 472 para. 4 of the CRR.

As at 31 December 2014, the Bank further recorded a valuation allowance shortfall of € 946 million for IRBA risk positions in accordance with art. 36 para. 1 letter d. 20 per cent of this (€189 million) is deducted directly in accordance with art. 469 para. 1 letter a, 478 of the CRR in conjunction with § 26 para. 1 of the German Solvency Regulation. In accordance with art. 472 para. 6 of the CRR, half (€ 379 million) of the remaining amount of € 757 million is deducted from the additional Common Equity Tier 1 and half from the supplementary capital.

In the reporting year the Bank has no additional Common Equity Tier 1 in accordance with art. 61 of the CRR. As a consequence, the remaining amounts for intangible assets to be deducted from the additional Common Equity Tier 1 in accordance with the transitional provisions and the valuation allowance shortfall for IRBA risk positions are accounted for as deductions from the Common Equity Tier 1 in accordance with art. 36 para. 1 letter j of the CRR. €4 million of the deductible amount of € 383 million is attributable to intangible assets and € 379 million to the valuation allowance shortfall for IRBA risk positions.

Supplementary capital as defined in art. 71 of the CRR was reported on the reporting date 31 December 2014 after deduction of the pro-rata valuation allowance shortfall in the amount of € 251 million. The supplementary capital positions developed as follows:

longer-term subordinated liabilities are recorded under the item capital instruments and subordinated loans in accordance with art. 62 letter a of the CRR, and were included in the amount of € 629 million as at 31 December 2014. The capital instruments are made up of four longer-term subordinated bearer debt securities in the nominal amount of € 500 million and three longer-term subordinated registered debt securities in the nominal amount of € 250 million (see chapter 2 “Main Features of Capital Instruments”).

1. Method used for Balance-Sheet Reconciliation (Art. 437 of the CRR)

Below a reconciliation of the equity items – including adjustment items and deductions – with the audited balance sheet is performed in accordance with art. 437 para. 1 letter a) of the CRR.

There is no difference in the basis of consolidation at individual institute level under commercial and regulatory law.

Table 1: Reconciliation statement: Balance sheet

Assets		German Commercial Code (in million €)	Reference
1.	Cash reserve	211	
2.	Public-sector debt instruments and bills of exchange eligible for refinancing with central banks:	0	
3.	Loans and advances to banks	3,651	
4.	Loans and advances to customers	22,346	
5.	Debt securities and other fixed-interest securities	4,100	
6.	Shares and other non-fixed-interest securities	28	
	of which: Non-significant investments in Common Equity Tier 1	11	1a
6a.	Trading portfolio	292	
7.	Investments	15	
	of which: Significant investments in Common Equity Tier 1	3	2
	of which: Non-significant investments in Common Equity Tier 1	0	1b
8.	Shares in affiliates	162	
9.	Trust assets	128	
10.	Equalisation claims against the public sector including bonds from their exchange	0	
11.	Intangible assets	4	3
12.	Tangible assets	36	
13.	Other assets	263	
	of which: Non-significant investments in additional Common Equity Tier 1	14	4
14.	Deferred items	9	
15.	Deferred tax assets	0	
Total assets		**31,244**	

Liabilities		German Commercial Code (in million €)	Reference
1.	Liabilities to banks	11,172	
2.	Liabilities to customers	8,899	
3.	Securitised liabilities	7,349	
3a.	Trading portfolio	244	
	of which: Debit value adjustment (DVA)	1	5
4.	Trust liabilities	128	
5.	Other liabilities	442	
6.	Deferred items	16	
6a.	Deferred tax liabilities	0	
7.	Provisions	310	
8.	Subordinated liabilities	750	6
9.	Participatory capital	0	
10.	Fund for general banking risks	594	7.8
11.	Equity	1,343	
	a) Subscribed capital	0	
	aa) Share capital	265	9
	ac) Other capital contribution	0	
	b) Capital reserves	478	10
	c) Retained earnings	600	11
	ca) Statutory reserves	0	
	cb) Reserves required by the statutes	229	
	cc) Other retained earnings	371	
	d) Profit	0	
Total liabilities		**31,244**	

Table 2: Reconciliation statement: Regulatory capital

Reference	Basis as at 31 December 2014	Capital on the basis of EU Regulation No. 575/2013 (CRR) Amount on disclosure date (in million €)	Reference to art. in (EU) Regulation No. 575/2013	Amounts subject to treatment under (EU) Regulation No. 575/2013 or prescribed remaining amount in accordance with (EU) Regulation 575/2013 (in million €)	Reference
Common Equity Tier 1 (CET1): Instruments and reserves					
1	Capital instruments and the associated premium	743	Art. 26 (1), 27, 28, 29 of the CRR in conjunction with EBA breakdown in accordance with art. 26 (3) of the CRR	-	
1	of which: subscribed capital	265	EBA breakdown in accordance with art. 26 (3) of the CRR	-	9
1	of which: Capital reserves	478	EBA breakdown in accordance with art. 26 (3) of the CRR	-	10
2	Retained earnings	600	Art. 26 (1) (c) of the CRR	-	11
3	Accumulated other comprehensive income (and other reserves, to take account of non-realised profits and losses in accordance with the applicable accounting standards)	-	Art. 26 (1) of the CRR	-	
3a	Fund for general banking risks	536	Art. 26(1)(f)	-	7
4	Amount of the items as defined by art. 484 para. 3 CRR plus the associated premiums, whose mandatory inclusion in the CET 1 will expire.	3	Art. 486 (2) of the CRR	-	8
	State capital allocations with grandfathering rights to 1 January 2018	-	Art. 483 (2) of the CRR	-	
5	Minority interest	-	Art. 84, 479, 480 of the CRR	-	
5a	Interim profit independently audited, less all foreseeable levies or dividends	0	Art. 26 (2) of the CRR	-	
6	Common Equity Tier 1 (CET 1) before regulatory adjustments	1,882		-	
Common Equity Tier 1 (CET 1): regulatory adjustments					
7	Additional valuation adjustments (negative amount)	-2	Art. 34, 105 of the CRR	-	
8	Intangible assets (less corresponding tax liabilities) (negative amount)	-1	Art. 36 (1) (b), 37, 472 (4) of the CRR	-4	3
10	Latent tax exposures dependent on future profitability, less claims resulting from temporary differences (less corresponding tax liabilities if the conditions of art. 38 para. 3 are satisfied) (negative amount)	-	Art. 36 (1) (c), 38, 472 (5) of the CRR	-	
11	Reserves from profits or losses from transactions for hedging payment flows accounted for at fair value	-	Art. 33 (a) of the CRR	-	
12	Negative amounts from the calculation of anticipated losses	-189	Art. 36 (1) (d), 40, 159, 472 (6) of the CRR	-757	

13	Increase in capital resulting from securitised assets (negative amount)	-	Art. 32 (1) of the CRR	-	
14 (1)	Profits dependent on changes to the Bank's credit rating or losses from the Bank's liabilities at fair value through profit or loss	-	Art. 33 (b) of the CRR	-	
14 (2)	Profits and losses from derivative liabilities at fair value resulting from the Bank's own credit risk	0	Art. 33 (c) of the CRR	-1	5
15	Assets from pension funds with defined benefit (negative amount)	-	Art. 36 (1) (e), 41, 472 (7) of the CRR	-	
16	Direct and indirect positions of a bank in its own instruments of Common Equity Tier 1s (negative amount)	-	Art. 36 (1) (f), 42, 472 (8) of the CRR	-	
17	Direct, indirect and synthetic positions of the Bank in instruments of Common Equity Tier 1 of companies in the financial sector that have entered into a cross-investment with the bank with the aim of artificially increasing the Bank's capital (negative amount)	-	Art. 36 (1) (g), 44, 472 (9) of the CRR	-	
18	Direct, indirect and synthetic positions of the Bank in instruments of Common Equity Tier 1 of companies in the financial sector in which the institute holds no significant investment (less than 10 per cent and less eligible sales positions) (negative amount)	-	Art. 36 (1) (h), 43, 45, 46, 49 (2) (3), 79,472 (10) of the CRR	-	1a/b
19	Direct, indirect and synthetic positions of the Bank in instruments of Common Equity Tier 1 of companies in the financial sector in which the Bank holds a significant investment (more than 10 per cent and less eligible sales positions) (negative amount)	-	Art. 36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1 to 3), 79, 470, 472 (11) of the CRR	-	2
20a	Exposure from the following items allocated a risk weighting of 1.250 per cent if the Bank alternatively deducts this exposure from the amount of the items of the Common Equity Tier 1	-	Art. 36 (1) (k) of the CRR	-	
20b	of which: qualified investments outside the financial sector (negative amount)	-	Art. 36 (1) (k) (i), 89, 90, 91 of the CRR	-	
20c	of which: Securitisation positions (negative amount)	-	Art. 36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258 of the CRR	-	
20d	of which: Advance payments (negative amount)	-	Art. 36 (1) (k) (iii), 379 (3) of the CRR	-	
21	Latent tax claims dependent on future profitability resulting from temporary differences (above the threshold of 10 per cent, less corresponding tax liabilities if the conditions of art. 38 para. 3 are satisfied) (negative amount)	-	Art. 36 (1) (c), 38, 48 (1) (a), 470, 472 (5) of the CRR	-	
22	Amount above the 15 per cent threshold (negative amount)	-	Art. 48 (1) of the CRR	-	

23	of which: direct and indirect positions of the Bank in instruments of Common Equity Tier 1 of companies in the financial sector in which the Bank holds a significant investment	-	Art. 36 (1) (i), 48 (1) (b), 470, 472 (11) of the CRR	-	
25	of which: latent tax liabilities dependent on future liabilities resulting from temporary differences	-	Art. 36 (1) (c), 38,48 (1) (a), 470, 472 (5) of the CRR	-	
25a	Losses from the current financial year (negative amount)	-	Art. 36 (1) (a), 472 (3) of the CRR	-	
25b	Foreseeable tax burden on items of Common Equity Tier 1 (negative amount)	-	Art. 36 (1) (l) of the CRR	-	
26	Regulatory adjustments of Common Equity Tier 1 relating to amounts subject to the pre-CRR treatment	-		-	
26a	Regulatory adjustments in connection with non-realised profits and losses in accordance with art. 467 and 468 of the CRR	-	Art. 467, 468 of the CRR	-	
	of which: non-realised profits	-		-	
	of which: non-realised losses from government bonds	-		-	
26b	Amount to be deducted from or added to the Common Equity Tier 1 relating to additional deductions and adjustment items in accordance with the pre-CRR treatment	-	Art. 481 of the CRR	-	
	of which: Other deductions from Common Equity Tier 1	-	Art. 481 of the CRR	-	
27	Amount of the items deductible from the items of the additional Common Equity Tier 1 that exceed the Bank's additional Common Equity Tier 1 (negative amount)	-383	Art. 36 (1) (j) of the CRR	-	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-576		-	
29	Common Equity Tier 1 (CET1)	1,306		-	
Additional Common Equity Tier 1 (AT1): Instruments					
30	Capital instruments and the associated premium	-	Art. 51, 52 of the CRR	-	
31	of which: classed as capital in accordance with applicable accounting standards	-		-	
32	of which: classed as liabilities in accordance with applicable accounting standards	-		-	
33	Amount of the items as defined by art. 484 para. 4 plus the associated premium whose mandatory inclusion in AT1 will expire	-	Art. 486 (3) of the CRR	-	
	State capital allocations with grandfathering rights to 1 January 2018	-	Art. 483 (3) of the CRR	-	

34	Instruments of the qualified Common Equity Tier 1 included in the additional consolidated Common Equity Tier 1 (including majority shareholdings not included in Common Equity Tier 1) issued by subsidiaries and held by third parties	-	Art. 85, 86, 480 of the CRR	-	
35	of which: instruments issued by subsidiaries whose mandatory inclusion will expire	-	Art. 486 (3) of the CRR	-	
36	Additional Common Equity Tier 1 (AT1) before regulatory adjustments	-		-	
Additional Common Equity Tier 1 (AT1): regulatory adjustments					
37	Direct and indirect positions of a bank in its own instruments of additional Common Equity Tier 1 (negative amount)	-	Art. 52 (1) (b), 56 (a), 57, 475 (2) of the CRR	-	
38	Direct, indirect and synthetic positions of the Bank in instruments of additional Common Equity Tier 1 of companies in the financial sector that have entered into a cross-investment with the bank with the aim of artificially increasing the Bank's capital (negative amount)	-	Art. 56 (b), 58, 475 (3) of the CRR	-	
39	Direct and indirect positions of the Bank in instruments of Common Equity Tier 1 of companies in the financial sector in which the institute holds no significant investment (less than 10 per cent and less eligible sales positions) (negative amount)	-	Art.56 (c), 59, 60, 79, 475 (4) of the CRR	-	4
40	Direct, indirect and synthetic positions of the Bank in instruments of additional Common Equity Tier 1 of companies in the financial sector in which the Bank holds a significant investment (more than 10 per cent and less eligible sales positions) (negative amount)	-	Art. 56 (d), 59, 79, 475 (4) of the CRR	-	
41	Regulatory adjustments of additional Common Equity Tier 1 relating to amounts subject to pre-CRR treatment and treatment during the transitional period to which transitional provisions in accordance with Regulation (EU) No. 575/2013 apply (CRR remaining amounts)	-		-	
41a	Remaining amounts deductible from the additional Common Equity Tier 1 relating to items deductible from the Common Equity Tier 1 during the transitional phase in accordance with art. 472 of Regulation (EU) No. 575/2013	-383	Art. 472, 472 para. 3a, 4, 6, 8 (a) , 9, 10a and 11a of the CRR	-	
	of which: intangible assets	-4		-	
	of which: shortfall between value adjustments and expected loss	-379		-	

41b	Remaining amounts deductible from the additional Common Equity Tier 1 relating to items deductible from the supplementary capital during the transitional phase in accordance with art. 475 of Regulation (EU) No. 575/2013	-	Art. 477, 477 para. 3 and 4a of the CRR	-	
	of which: …	-		-	
41c	Amount to be deducted from or added to the additional Common Equity Tier 1 relating to additional deductions and adjustment items in accordance with the pre-CRR treatment	-	Art. 467, 468, 481 of the CRR	-	
	of which: Amount of the items deductible from the items of additional Common Equity Tier 1 that exceed the Bank's additional Common Equity Tier 1 and accounted for in the Common Equity Tier	-		-	
42	Amount of the items deductible from the items of supplementary capital that exceed the Bank's supplementary capital (negative amount)	383	Art. 56 (e) of the CRR	-	
43	Total regulatory adjustments to the additional Common Equity Tier 1 (AT1)	0		-	
44	Additional Common Equity Tier 1 (AT1)	0		-	
45	Common Equity Tier 1 (T1 = CET1 + AT1)	1,306		-	
Supplementary capital (T2): Instruments and reserves					
46	Capital instruments and the associated premium	629	Art. 62, 63 of the CRR	-	6
47	Amount of the items as defined by art. 484 para. 5 plus the associated premium whose mandatory inclusion in T2 will expire	1	Art. 486 (4) of the CRR	-	
	State capital allocations with grandfathering rights to 1 January 2018	-	Art. 483 (4) of the CRR	-	
48	Qualifying capital instruments included in the consolidated supplementary capital (including as yet unrecorded minority shareholdings and AT1 instruments) issued by third subsidiaries and held by third parties.	-	Art. 87, 88, 480 of the CRR	-	
49	of which: instruments issued by subsidiaries whose mandatory inclusion will expire	-	Art. 486 (4) of the CRR	-	
50	Credit-risk adjustments	-	Art. 62 (c) and (d) of the CRR	-	
51	Supplementary capital (T2) before regulatory adjustments	629		-	

Supplementary capital (T2): regulatory adjustments					
52	Direct and indirect positions of a bank in its own instruments of supplementary capital and subordinated loans (negative amount)	-	Art. 63 (b) (i), 66 (a), 67, 477 (2) of the CRR	-	
53	Direct, indirect and synthetic positions of the Bank in supplementary capital or subordinated loans of companies in the financial sector that have entered into a cross-investment with the bank with the aim of artificially increasing the Bank's capital (negative amount)	-	Art. 66 (b), 68, 477 (3) of the CRR	-	
54	Direct and indirect positions of the Bank in instruments of supplementary capital or subordinated loans of companies in the financial sector in which the institute holds no significant investment (less than 10 per cent and less eligible sales positions) (negative amount)	-	Art. 66 (c), 69, 70, 79, 477 (4) of the CRR	-	
54a	of which: new positions not subject to transitional provisions	-		-	
54b	of which: positions existent prior to 1 January 2013 and subject to transitional provisions	-		-	
55	Direct, indirect and synthetic positions of the Bank in instruments of supplementary capital or subordinated loans of companies in the financial sector in which the institute holds a significant investment (more than 10 per cent and less eligible sales positions) (negative amount)	-	Art. 66 (d), 69, 79, 477 (4) of the CRR	-	
56	Regulatory adjustments of supplementary capital relating to amounts subject to pre-CRR treatment and treatment during the transitional period to which transitional provisions in accordance with Regulation (EU) No. 575/2013 apply (CRR remaining amounts)	-		-	
56a	Remaining amounts deductible from supplementary capital relating to items deductible from the Common Equity Tier 1 during the transitional phase in accordance with art. 472 of Regulation (EU) No. 575/2013	-379	Art. 472 (a), 472 (3) (a), (4), (6), (8), (9), (10) (a) and (11) (a) of the CRR	-	
	of which: shortfall between value adjustments and expected loss	-379		-	
56b	Remaining amounts deductible from supplementary capital relating to items deductible from the additional Common Equity Tier 1 during the transitional phase in accordance with art. 475 of Regulation (EU) No. 575/2013	-	Art. 475, 475 (2) (a), (3), (4) (a) of the CRR	-	
	of which:	-		-	

56c	Amount to be deducted from or added to the supplementary capital relating to additional deductions and adjustment items in accordance with the pre-CRR treatment	-	Art. 467, 468, 481 of the CRR	-
	of which: adjustments due to grandfathering provisions	-		-
57	Total regulatory adjustments to supplementary capital (T2)	-379		-
58	Supplementary capital (T2)	251		-
59	Total equity (TC = T1 + T2)	1,557		-
Risk-weighted assets				
59a	Risk-weighted assets relating to amounts subject to pre-CRR treatment and treatment during the transitional period to which transitional provisions in accordance with Regulation (EU) No. 575/2013 apply (CRR remaining amounts)	-		-
	of which: items not deductible from the Common Equity Tier 1 (Regulation (EU) No. 575/2013, remaining amounts)	-	Art. 472, 472 (5), (8) (b), (10) (b) and (11) (b) of the CRR	-
	of which: items not deductible from the additional Common Equity Tier 1 (Regulation (EU) No. 575/2013, remaining amounts)	-	Art. 475, 475 (2) (b), (2) (c) and (4) (b) of the CRR	-
	of which: items not deductible from the supplementary capital (Regulation (EU) No. 575/2013, remaining amounts)	-	Art. 477, 477 (2) (b), (2) (c), (4) (b) of the CRR	-
60	Total risk-weighted assets	16,287		-
	of which: credit risk	15,077		-
	of which: credit-risk-related valuation adjustment (CVA)	161		-
	of which: market-price risk	172		-
	of which: operational risk	879		-
Equity ratios and buffers				
61	Common Equity Tier 1 ratio (expressed as percentage of the total exposure)	8.02	Art. 92 (2) (a), 465 of the CRR	-
62	Common Equity Tier 1 ratio (expressed as percentage of the total exposure)	8.02	Art. 92 (2) (b), 465 of the CRR	-
63	Regulatory capital ratio (expressed as percentage of the total exposure)	9.56	Art. 92 (2) (c) of the CRR	-
64	Bank-specific requirements relating to the capital buffer (minimum requirement regarding Common Equity Tier 1 ratio in accordance with art. 92 para. 1 letter a, plus the requirements regarding the capital-maintenance buffer and counter-cyclical capital buffer, systemic-risk buffer and buffer for systemically important institutions (G-SIIs or O-SIIs), expressed as a percentage of the total exposure)	4.50	Art. 128, 129, 130 of the CRD IV	-
65	of which: capital-maintenance buffer	-		-
66	of which: counter-cyclical capital buffer	-		-
67	of which: systemic-risk buffer	-		-

67a	of which: buffer for global systemically important institutions (G-SIIs) or other systemically important institutions (O-SIIS)	-	Art. 131 of the CRD IV	-	
68	Available Common Equity Tier 1 for the buffers (expressed as percentage of the total exposure)	3.52	Art. 128 of the CRD IV	-	
Amounts under the deduction thresholds (before risk-weighting)					
72	Direct and indirect positions of the Bank in capital instruments of companies in the financial sector in which the institute holds no significant investment (less than 10 per cent and less eligible sales positions)	25	Art. 36 (1) (h), 45, 46, 472 (10) , 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4) of the CRR	-	1a+1b+4
73	Direct and indirect positions of the Bank in instruments of Common Equity Tier 1 of companies in the financial sector in which the Bank holds a significant investment (more than 10 per cent and less eligible sales positions)	3	Art. 36 (1) (i), 45, 48, 470, 472 (11) of the CRR	-	2
75	Latent tax claims dependent on future profitability resulting from temporary differences (below the threshold of 10 per cent, less corresponding tax liabilities if the conditions of art. 38 para. 3 are satisfied)	-	Art. 36 (1) (c), 38, 48 470, 472 (5) of the CRR	-	
Applicable caps for the inclusion of valuation allowances in the supplementary capital					
76	Credit-risk adjustments relating to supplementary capital relating to liabilities subject to the standard approach (before application of the cap)	-	Art. 62 of the CRR	-	
77	Cap for inclusion of credit-risk adjustments in the supplementary capital within the standard approach	12	Art. 62 of the CRR	-	
78	Credit-risk adjustments relating to supplementary capital relating to liabilities subject to the approach based on internal assessments (before application of the cap)	-	Art. 62 of the CRR	-	
79	Cap for the inclusion of credit-risk adjustments in the supplementary capital within the approach based on internal assessments	85	Art. 62 of the CRR	-	

Equity instruments subject to the transitional provisions (only applicable from 1 January 2013 to 1 January 2022)				
80	Current cap for CET 1 instruments subject to the transitional provisions	3	Art. 484 (3), 486 (2), (5) of the CRR	-
81	Amount excluded from CET 1 due to the cap (amount above cap after reconciliations and maturities)	-3	Art. 484 (3), 486 (2), (5) of the CRR	-
82	Current cap for AT 1 instruments subject to the transitional provisions	-	Art. 484 (4), 486 (3), (5) of the CRR	-
83	Amount excluded from AT 1 due to the cap (amount above cap after reconciliations and maturities)	-	Art. 484 (4), 486 (3), (5) of the CRR	-
84	Current cap for T 2 instruments subject to the transitional provisions	1	Art. 484 (5), 486 (4), (5) of the CRR	-
85	Amount excluded from T 2 due to the cap (amount above cap after reconciliations and maturities)	-1	Art. 484 (5), 486 (4), (5) of the CRR	-

Remarks on the reconciliation statement

1a-1b: The non-significant investments in the Common Equity Tier 1 do not result in a deduction from the Common Equity Tier 1 as they are below the threshold.

2 The significant investments in the Common Equity Tier 1 do not result in a deduction from the Common Equity Tier 1 as they are below the threshold.

3 The difference in amounts as compared to the balance sheet is explained in that no depreciations may be accounted for prior to attestation under regulatory law.

4 The non-significant investments in the additional Common Equity Tier 1 do not result in a deduction from the additional Common Equity Tier 1 as they are below the threshold.

5 In accordance with the transitional provisions, just 20 per cent of the regulatory adjustment item debit value adjustment (DVA) is deducted from the Common Equity Tier 1.

6 The subordinated liabilities of € 750 million are only set at € 629 million under regulatory law as a subordinated liability is treated in accordance with Art. 64 of the CRR.

7-8 The deviation from the balance-sheet value results from the € 50 million increase of § 340g of the German Commercial Code which as at 31.12. may not be included under regulatory law, and from the 80 per cent- inclusion of the special item for general banking risks of € 5 million in accordance with § 340e of the German Commercial Code.

9-11 There is no difference in treatment between commercial and regulatory law for the positions subscribed capital, capital reserves and retained earnings.

2. Key Features of the Capital Instruments (Art. 437 of the CRR)

Table 3: Key features of the capital instruments

No.	Key features of the capital instruments	Share capital	Capital reserves
1	Issuer	Bremer Landesbank (AöR)	Bremer Landesbank (AöR)
2	Standard identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Paid-up capital instruments	Additional paid-in capital
3	Law governing the instrument	German law	German law
	Regulatory treatment		
4	CRR transitional provisions	Common Equity Tier 1	Common Equity Tier 1
5	CRR provisions after the transitional period	Common Equity Tier 1	Common Equity Tier 1
6	Eligible at solo/Group/solo and Group level	Solo	Solo
7	Instrument type (types to be specified by each country)	Share capital/nominal capital	Capital reserves
8	Amount eligible for regulatory capital (currency in millions, as at last reporting date)	265	478
9	Nominal value of the instrument (in million €)	265	478
9a	Issue price	-	-
9b	Redemption price	-	-
10	Accounting classification	Subscribed capital	Capital reserves
11	Original issue date	1983 and 2012	2004 and 2012
12	Indefinite or with expiry date	Indefinite	Indefinite
13	Original due date	No due date	No due date
14	May be terminated by issuer with prior consent of the supervisory body	No	No
15	Termination date may be selected, conditional termination dates and redemption amount	No	No
16	Later termination dates, if applicable	No	No
	Coupons / dividends		
17	Fixed or variable dividends/coupon payments	Variable interest rates	No interest
18	Nominal coupon and reference index as relevant	-	-
19	Dividend stop in place	-	-
20a	Fully discretionary, partially discretionary or mandatory (temporally)	Fully discretionary	-
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Fully discretionary	-
21	Cost-increase clause or another redemption incentive in place	No	No
22	Non-cumulative or cumulative	-	-
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible: trigger for conversion	-	-
25	If convertible: fully or partially	-	-
26	If convertible: conversion rate	-	-
27	If convertible: conversion obligatory or optional	-	-
28	If convertible: type of instrument to be converted to	-	-
29	If convertible: issuer of instrument to be converted to	-	-
30	Write-down features	No	No
31	In case of write-down: trigger for write-down	-	-
32	In case of write-down: fully or in part	-	-
33	In case of write-down: permanent or temporary	-	-
34	In case of temporary write-down: mechanism for re-allocation	-	-
35	Priority position in case of liquidation (always specify the next instrument up)	Last priority	Last priority
36	Incorrect features of the converted instrument	-	-
37	Specify any incorrect features	-	-

No.	Key features of the capital instruments	Subordinated registered debt security		
1	Issuer	Bremer Landesbank (AöR)	Bremer Landesbank (AöR)	Bremer Landesbank (AöR)
2	Standard identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XFBL00NZ2087	XFBL00NZ2046	XFBL00NZ5353
3	Law governing the instrument	German law	German law	German law
	Regulatory treatment			
4	CRR transitional provisions	Supplementary capital	Supplementary capital	Supplementary capital
5	CRR provisions after the transitional period	Supplementary capital	Supplementary capital	Supplementary capital
6	Eligible at solo/Group/solo and Group level	Solo and (partially) consolidated	Solo and (partially) consolidated	Solo and (partially) consolidated
7	Instrument type (types to be specified by each country)	Subordinated registered debt security	Subordinated registered debt security	Subordinated registered debt security
8	Amount eligible for regulatory capital (currency in millions, as at last reporting date)	50	150	50
9	Nominal value of the instrument (in million €)	50	150	50
9a	Issue price	100.00%	100.00%	100.00%
9b	Redemption price	100.00%	100.00%	100.00%
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	6 Nov 2012	16 Nov 2012	11 Sep 2013
12	Indefinite or with expiry date	With expiry date	With expiry date	With expiry date
13	Original due date	6 Dec 2027	16 Nov 2027	11 Sep 2028
14	May be terminated by issuer with prior consent of the supervisory body	Yes	Yes	Yes
15	Termination date may be selected, conditional termination dates and redemption amount	Premature repayment at issuer's request: no earlier than 6 December 2022 and then on each interest due date subject to a notice period of no less than five business days in accordance with § 5 (3) of the loan conditions; in full, not in part and with the consent of the supervisory authority. Early repayment right for the issuer on regulatory grounds: subject to a notice period of no less than 30 and no more than 60 days in accordance with § 5 (2) of the loan conditions; in full, not in part and with the consent of the supervisory authority.	Premature repayment at issuer's request: no earlier than 16 November 2022 and then on each interest due date subject to a notice period of no less than five business days in accordance with § 5 (3) of the loan conditions; in full, not in part and with the consent of the supervisory authority. Early repayment right for the issuer on regulatory grounds: subject to a notice period of no less than 30 and no more than 60 days in accordance with § 5 (2) of the loan conditions; in full, not in part and with the consent of the supervisory authority.	Premature repayment at issuer's request: no earlier than 11 September 2023 and then on each interest due date subject to a notice period of no less than five business days in accordance with § 5 (3) of the loan conditions; in full, not in part and with the consent of the supervisory authority. Early repayment right for the issuer on regulatory grounds: subject to a notice period of no less than 30 and no more than 60 days in accordance with § 5 (2) of the loan conditions; in full, not in part and with the consent of the supervisory authority.
16	Later termination dates, if applicable	-	-	-

	Coupons / dividends			
17	Fixed or variable dividends/ coupon payments	Variable interest rates	Variable interest rates	Variable interest rates
18	Nominal coupon and reference index as relevant	6-month Euribor +3.50%	6-month Euribor +3.50%	6-month Euribor +3.40%
19	Dividend stop in place	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (temporally)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory
21	Cost-increase clause or another redemption incentive in place	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible: trigger for conversion	-	-	-
25	If convertible: fully or partially	-	-	-
26	If convertible: conversion rate	-	-	-
27	If convertible: conversion obligatory or optional	-	-	-
28	If convertible: type of instrument to be converted to	-	-	-
29	If convertible: issuer of the instrument to be converted to	-	-	-
30	Write-down features	No	No	No
31	In case of write-down: trigger forwrite-down	-	-	-
32	In case of write-down: fully or partially	-	-	-
33	In case of write-down: permanent or temporary	-	-	-
34	In case of temporary write-down: mechanism for re-allocation	-	-	-
35	Priority position in case of liquidation (always specify the next instrument up)	Non-subordinated liabilities take precedence	Non-subordinated liabilities take precedence	Non-subordinated liabilities take precedence
36	Incorrect features of the converted instrument	No	No	No
37	Specify any incorrect features	-	-	-

No.	Key features of the capital instruments	Subordinated bearer debt securities			
1	Issuer	Bremer Landesbank (AöR)	Bremer Landesbank (AöR)	Bremer Landesbank (AöR)	Bremer Landesbank (AöR)
2	Standard identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS0113243397	XS0126529337	XS0127597036	XS0181921361
3	Law governing the instrument	English law	English law	English law	German law
	Regulatory treatment				
4	CRR transitional provisions	Supplementary capital	Supplementary capital	Supplementary capital	Supplementary capital
5	CRR provisions after the transitional period	Supplementary capital	Supplementary capital	Supplementary capital	Supplementary capital
6	Eligible at solo/Group/solo and Group level	Solo and (partially) consolidated	Solo and (partially) consolidated	Solo and (partially) consolidated	Solo and (partially) consolidated
7	Instrument type (types to be specified by each country)	Subordinated bearer debt security	Subordinated bearer debt security	Subordinated bearer debt security	Subordinated bearer debt security
8	Amount eligible for regulatory capital (currency in millions, as at last reporting date)	200	85	65	29
9	Nominal value of the instrument (in million €)	200	85	65	150
9a	Issue price	100.00%	100.50%	100.00%	99.215%
9b	Redemption price	100.00%	100.00%	100.00%	100.00%
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original issue date	28 Jun 2000	21 Mar 2001	05 Apr 2001	15 Dec 2003
12	Indefinite or with expiry date	With expiry date	With expiry date	With expiry date	With expiry date
13	Original due date	28 Jun 2030	21 Mar 2031	5 Apr 2041	15 Dec 2015
14	May be terminated by issuer with prior consent of the supervisory body	Yes	Yes	Yes	Yes
15	Termination date may be selected, conditional termination dates and redemption amount	Early repayment right for the issuer in the event of tax changes in accordance with § 6.01 of the loan conditions under German law.	Early repayment right for the issuer in the event of tax changes in accordance with § 6.01 of the loan conditions under German law.	Early repayment right for the issuer in the event of tax changes in accordance with § 6.01 of the loan conditions under German law.	Early repayment right for the issuer in the event of tax changes in accordance with § 7 of the loan conditions.
16	Later termination dates, if applicable	-	-	-	-

	Coupons / dividends				
17	Fixed or variable dividends/ coupon payments	Variable interest rates	Variable interest rates	Variable interest rates	Fixed-interest rate
18	Nominal coupon and reference index as relevant	6-month Euribor +0.375%	6-month Euribor +0.350%	6-month Euribor +0.380%	4.875%
19	Dividend stop in place	No	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (temporally)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (regarding the amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Cost-increase clause or another redemption incentive in place	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible: trigger for conversion	-	-	-	-
25	If convertible: fully or partially	-	-	-	-
26	If convertible: conversion rate	-	-	-	-
27	If convertible: conversion obligatory or optional	-	-	-	-
28	If convertible: type of instrument to be converted to	-	-	-	-
29	If convertible: issuer of the instrument to be converted to	-	-	-	-
30	Write-down features	No	No	No	No
31	In case of write-down: trigger for write-down	-	-	-	-
32	In case of write-down: fully or partially	-	-	-	-
33	In case of write-down: permanent or temporary	-	-	-	-
34	In case of temporary write-down: mechanism for re-allocation	-	-	-	-
35	Priority position in case of liquidation (always specify the next instrument up)	Non-subordinated liabilities take precedence	Non-subordinated liabilities take precedence	Non-subordinated liabilities take precedence	Non-subordinated liabilities take precedence
36	Incorrect features of the converted instrument	No	No	No	No
37	Specify any incorrect features	-	-	-	-

3. Capital Requirements by Risk Type (Art. 438 of the CRR)

Table 4 lists the regulatory capital requirements for Bremer Landesbank, broken down by the significant risk types and approaches used.

Table 4: Capital requirements

Credit risk (in million €)	Capital requirements
1 Credit risks	
1.1 Credit risk – standard approach	
Central governments	-
Regional governments and local authorities	0
Other public institutions	2
Multilateral development banks	-
International organisations	-
Banks	5
Companies	13
Volume business	16
Positions collateralised with real estate	11
Overdue positions	1
Very high-risk positions	0
Mortgage bonds issued by banks	-
Risk positions with banks and companies with a short-term credit rating	-
Collective investment undertakings (CIU)	-
Other positions	-
Total for credit risk – standard approach	**47**
1.2 IRB approaches	
Central governments	0
Banks	94
Companies – SMEs	40
Companies – special finance	714
Companies – other	277
Volume business – of which collateralised with mortgages, SMEs	-
Volume business – of which collateralised with mortgages, not SMEs	-
Volume business – of which qualified, revolving	-
Volume business – of which other, SMEs	-
Volume business – of which other, not SMEs	-
Other non-loan-dependent assets	6
Total for IRB approaches	**1,131**
1.3 Securitisations	
Securitisations under the CRSA approach	-
of which: Re-securitisations	-
Securitisations under the IRB approach	-
of which: Re-securitisations	-
Total securitisations	

1.4 Investments	
Investments under the IRB approach	1
of which internal model approach	-
of which PD/LGD approach	-
of which simple risk-weighting approach	1
of which exchange-traded investments	-
of which investments which are not exchange-traded but belong to a diversified investment portfolio	-
of which other investments	1
Investments under the CRSA approach	27
of which investment values in the case of continued use of the old methodology/grandfathering	7
Total investments	**28**
1.5 Risk-position amount for contributions to the default fund of a central counterparty	**0**
Total credit risks	**1,206**
2. Clearing risks	
Clearing risks in the banking book	-
Clearing risks in the trading book	-
Total clearing risks	
3. Market-price risk	
Standard approach	14
of which: interest-rate risks	14
of which: general and specific interest-rate risk (net interest position)	14
of which: specific interest-rate risk for securitisation positions in the trading book	-
of which: specific interest-rate risk in the correlation trading portfolio	-
of which: share-price risks	-
of which: currency risks	-
of which: risks from commodity positions	-
Internal model approach	-
Total market-price risks	**14**
4. Operational risks	
Basic-indicator approach	-
Standard approach	70
Advanced measurement approach	-
Total operational risks	**70**
5. Total amount of risk positions for credit value adjustment	**13**
6. Total amount of risk positions relating to large loans in the trading book	**-**
7. Other	
Other exposures	-
Total amount of capital requirements	**1,303**

4. Security Mechanisms at Bank Level

Bremer Landesbank has adequate capital resources, is part of the joint liability scheme of the savings bank financial group and is a member of the security reserve of landesbanks and giro banks.

5. Credit Risks (Art. 438 of the CRR)

Bremer Landesbank uses the basic approach based on internal ratings (IRBA) for calculating capital charges.

In partial use the claims for which no internal rating process is available due to a gap in the methods are looked at, and Bremer Landesbank's volume business is excluded from the IRBA. Regular rating controls ensure that the specified rating coverage level of 92 per cent is maintained.

Bremer Landesbank has not had any securitisations in its portfolio since the second quarter of 2013.

6. Structure of the Credit Portfolio (Art. 442 of the CRR)

Tables 5 and 6 show the total amount of position values by instruments bearing credit risks. Differentiations are made by industry group, region and contract residual term.

Table 5: Gross credit volume in CRSA

(in million €)	Total gross credit volume	Average amount of the total gross credit volume in the reporting period
Central governments	236	122
Regional governments and local authorities	5,573	5,311
Other public institutions	1,207	1,094
Multilateral development banks	40	40
International organisations	-	-
Banks	5,275	5,367
Companies	339	371
Companies – SMEs	2	2
Volume business*	333	342
Volume business – SMEs	-	-
Positions collateralised with real estate	391	399
Positions collateralised with real estate – SMEs	1	1
Overdue positions	9	17
Very high-risk positions	0	1
Mortgage bonds issued by banks	-	-
Risk positions with banks and companies with a short-term credit rating	-	-
Collective investment undertakings (CIU)	-	-
Other positions	-	-
Investments	202	162
Securitisations	-	-

Table 6: Gross credit volume in the IRBA

(in million €)	Total gross credit volume	Average amount of the total gross credit volume in the reporting period
Central governments	52	42
Banks	3,357	4,127
Companies – SMEs	1,176	1,195
Companies – SMEs, SF	323	330
Companies – special finance	11,955	11,699
Companies – other	7,945	7,919
Volume business – of which collateralised with mortgages, SMEs	0	0
Volume business – of which collateralised with mortgages, SMEs SF	0	0
Volume business – of which collateralised with mortgages, not SMEs	0	0
Volume business – of which qualified, revolving	0	0
Volume business – of which other, SMEs	0	0
Volume business – of which other, SMEs, SF	0	0
Volume business – of which other, not SMEs	0	0
Other non-loan-dependent assets	84	117
Investments	2	7
Securitisations	0	0

Table 7: Gross loan volumes by industry group in the CRSA

(in million €)	Manu-facturing	Energy, water supply, mining	Con-struction	Trade, mainte-nance, repair	Agricul-ture, forestry and fishing	Transport and commu-nications	Financial institu-tions and insurance compa-nies	Service indus-tries/ other	Total
Central governments	-	-	-	-	-	-	0	235	**236**
Regional governments and local authorities	-	-	-	-	-	-	-	5,573	**5,573**
Other public institutions	-	53	4	-	-	36	281	833	**1,207**
Multilateral development banks	-	-	-	-	-	-	-	40	**40**
International organisations	-	-	-	-	-	-	-	-	**-**
Banks	-	-	-	-	-	-	5,275	-	**5,275**
Companies	2	18	3	21	4	104	68	118	**339**
Companies – SMEs	0	0	0	0	0	0	0	1	**2**
Volume business	2	0	1	2	6	1	2	318	**333**
Volume business – SMEs	-	-	-	-	-	-	-	-	**-**
Positions collateralised with real estate	2	1	2	4	4	3	3	373	**391**
Positions collateralised with real estate – SMEs	0	0	-	0	0	-	-	0	**1**
Overdue positions	0	-	-	0	0	1	0	7	**9**
Very high-risk positions	-	-	-	0	-	-	-	0	**0**
Mortgage bonds issued by banks	-	-	-	-	-	-	-	-	**-**
Risk positions with banks and companies with a short-term credit rating	-	-	-	-	-	-	-	-	**-**
Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	**-**
Other positions	-	-	-	-	-	-	-	-	**-**
Investments	-	-	-	-	-	0	177	25	**202**
Securi-tisations	-	-	-	-	-	-	-	-	**-**

Table 8: Gross loan volumes by industry group in the IRBA

(in million €)	Manu-facturing	Energy, water supply, mining	Con-struction	Trade, mainte-nance, repair	Agricul-ture, forestry and fishing	Transport and commu-nications	Financial institu-tions and insurance compa-nies	Service indus-tries/ other	Total
Central governments	-	-	-	-	-	-	8	44	**52**
Banks	-	31	-	-	-	-	3,318	8	**3,357**
Companies – SMEs	189	71	63	183	69	204	126	271	**1,176**
Companies – SMEs, SF	63	19	56	65	14	23	9	75	**323**
Companies – special finance	-	4,908	36	7	36	6,376	110	482	**11,955**
Companies – other	959	599	462	1,494	204	650	889	2,688	**7,945**
Volume business – of which collateralised with mortgages, SMEs	-	-	-	-	-	-	-	-	**-**
Volume business – of which collateralised with mortgages, SMEs SF	-	-	-	-	-	-	-	-	**-**
Volume business – of which collateralised with mortgages, not SMEs	-	-	-	-	-	-	-	-	**-**
Volume business – of which qualified, revolving	-	-	-	-	-	-	-	-	**-**
Volume business – of which other, SMEs	-	-	-	-	-	-	-	-	**-**
Volume business – of which other, SMEs, SF	-	-	-	-	-	-	-	-	**-**
Volume business – of which other, not SMEs	-	-	-	-	-	-	-	-	**-**
Other non-loan-dependent assets	-	-	-	-	-	0	0	84	**84**
Investments	-	-	-	-	-	-	2	-	**2**
Securi-tisations	-	-	-	-	-	-	-	-	**-**

Table 9: Gross credit volume by region in the CRSA

(in million €)	Germany	Other euro countries	Rest of Europe	North America	Central and South America	Middle East/ Africa	Asia/ Australia	Other	Total
Central governments	236	-	-	-	-	-	-	-	**236**
Regional governments and local authorities	5,549	17	7	-	-	-	-	-	**5,573**
Other public institutions	1,192	15	0	-	-	-	-	-	**1,207**
Multilateral development banks	-	-	-	-	-	-	-	40	**40**
International organisations	-	-	-	-	-	-	-	-	**-**
Banks	5,233	23	13	2	0	1	2	-	**5,275**
Companies	332	1	1	-	-	0	4	-	**339**
Companies – SMEs	2	-	-	-	-	-	-	-	**2**
Volume business	328	3	2	0	0	0	0	-	**333**
Volume business – SMEs	-	-	-	-	-	-	-	-	**-**
Positions collateralised with real estate	386	2	3	0	0	0	0	-	**391**
Positions collateralised with real estate – SMEs	1	-	-	-	-	-	-	-	**1**
Overdue positions	9	0	0	-	-	-	-	-	**9**
Very high-risk positions	0	-	-	-	-	-	-	-	**0**
Mortgage bonds issued by banks	-	-	-	-	-	-	-	-	**-**
Risk positions with banks and companies with a short-term credit rating	-	-	-	-	-	-	-	-	**-**
Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	**-**
Other positions	-	-	-	-	-	-	-	-	**-**
Investments	202	-	-	-	-	-	-	-	**202**
Securitisations	-	-	-	-	-	-	-	-	**-**

Table 10: Gross credit volume by region in the IRBA

(in million €)	Germany	Other euro countries	Rest of Europe	North America	Central and South America	Middle East/ Africa	Asia/ Australia	Other	Total
Central governments	52	-	-	-	-	-	-	-	**52**
Banks	3,134	178	41	4	-	-	0	-	**3,357**
Companies – SMEs	1,161	5	2	5	-	0	3	-	**1,176**
Companies – SMEs, SF	318	2	2	0	-	0	1	-	**323**
Companies – special finance	11,262	418	68	16	11	43	137	-	**11,955**
Companies – other	7,719	116	78	24	1	1	7	-	**7,945**
Volume business – of which collateralised with mortgages, SMEs	-	-	-	-	-	-	-	-	**-**
Volume business – of which collateralised with mortgages, SMEs SF	-	-	-	-	-	-	-	-	**-**
Volume business – of which collateralised with mortgages, not SMEs	-	-	-	-	-	-	-	-	**-**
Volume business – of which qualified, revolving	-	-	-	-	-	-	-	-	**-**
Volume business – of which other, SMEs	-	-	-	-	-	-	-	-	**-**
Volume business – of which other, SMEs, SF	-	-	-	-	-	-	-	-	**-**
Volume business – of which other, not SMEs	-	-	-	-	-	-	-	-	**-**
Other non-loan-dependent assets	84	-	-	-	-	-	-	-	**84**
Investments	2	-	-	-	-	-	-	-	**2**
Securitisations	-	-	-	-	-	-	-	-	**-**

Table 11: Contract residual term in the CRSA

(in million €)	less than 1 year	1 year to 5 years	more than 5 years up to indefinite	Total
Central governments	-	3	233	**236**
Regional governments and local authorities	856	1,786	2,930	**5,573**
Other public institutions	50	117	1,040	**1,207**
Multilateral development banks	-	40	-	**40**
International organisations	-	-	-	**-**
Banks	1,156	835	3,284	**5,275**
Companies	22	61	256	**339**
Companies – SMEs	0	1	1	**2**
Volume business	6	24	304	**333**
Volume business – SMEs	-	-	-	**-**
Positions collateralised with real estate	5	34	352	**391**
Positions collateralised with real estate – SMEs	-	1	0	**1**
Overdue positions	0	0	8	**9**
Very high-risk positions	0	0	0	**0**
Mortgage bonds issued by banks	-	-	-	**-**
Risk positions with banks and companies with a short-term credit rating	-	-	-	**-**
Collective investment undertakings (CIU)	-	-	-	**-**
Other positions	-	-	-	**-**
Investments	-	-	202	**202**
Securitisations	-	-	-	**-**

Table 12: Contract residual term in the IRBA

(in million €)	less than 1 year	1 year to 5 years	more than 5 years up to indefinite	Total
Central governments	-	-	52	**52**
Banks	854	1,112	1,390	**3,357**
Companies – SMEs	100	147	928	**1,176**
Companies – SMEs, SF	16	31	277	**323**
Companies – special finance	966	1,516	9,473	**11,955**
Companies – other	934	1,536	5,475	**7,945**
Volume business – of which collateralised with mortgages, SMEs	-	-	-	**-**
Volume business – of which collateralised with mortgages, SMEs SF	-	-	-	**-**
Volume business – of which collateralised with mortgages, not SMEs	-	-	-	**-**
Volume business – of which qualified, revolving	-	-	-	**-**
Volume business – of which other, SMEs	-	-	-	**-**
Volume business – of which other, SMEs, SF	-	-	-	**-**
Volume business – of which other, not SMEs	-	-	-	**-**
Other non-loan-dependent assets	-	-	84	**84**
Investments	-	-	2	**2**
Securitisations	-	-	-	**-**

7. Risk Provisioning (Art. 442 and Art. 439 of the CRR)

At regular intervals, that is, as part of the regular credit control procedure, the exposures are inspected to ascertain the recoverability of Bremer Landesbank's claims or whether the repayment or return is fully or partially at risk. Further, a review is conducted on an ad-hoc basis when negative information about the borrower comes to light (early-warning indicators), e.g. the economic situation, the collateral values or the industry group environment as well when a reason for default (and connected to that the assignment of a default rating) is identified. Objective indicators that may result in a valuation allowance being needed include for example default or delay of more than 90 days in interest or redemption payments as well as significant financial difficulties on the part of the debtor.

For acute default risks relating to lending business reported in the balance sheet, when there are objective indications of a permanent loss in value, Bremer Landesbank makes specific valuation allowances. The valuation allowance is based on a present value analysis of expected interest and redemption payments as well as on proceeds from the realisation of collateral.

Bremer Landesbank addresses the latent counterparty risk of the unprovisioned balance-sheet business with non-banks by making lumpsum loan loss provisions. Risks relating to off-balance-sheet transactions (guarantees, endorsement liabilities and loan commitments) are accounted for by a loan loss provision.

Irrecoverable loans and advances of up to € 10,000 for which there is no specific valuation allowance are written off immediately. Payments received for written-off loans and advances are recognised in profit or loss.

Tables 13 to 15 show the non-performing and in-default loans and advances without investment instruments and securitisations by industry group and region as well as the development of risk provisioning in the reporting period.

Three default-rating classes 16 to 18 taking into account the default criteria in accordance with art. 178 of the CRR are used to distinguish between past-due and impaired loans and advances. Rating grade 16 covers the default reasons payment default/past-due of more than 90 days and improbable repayment. Rating grade 17 comprises the default reasons restructuring/refinancing/debt rescheduling and valuation allowance/partial write-down. Rating grade 18 includes default reasons rating-induced termination/repayment (German Savings Banks Association procedures only), full write-down/derecognition, sale of loans and advances with significant rating-induced loss and insolvency (application)/coercive measures.

In the rated CRSA and IRBA positions, all non-performing loans and advances fall under rating grades 17 and 18. All other loans and advances in default are accounted for under rating grade 16. Unrated CRSA positions of the exposure class overdue positions are allocated to the correct category using specific features. The position values are reported.

Table 13: Non-performing and in-default loans and advances by industry group

(in million €)	Total amount from impaired positions	Specific valuation allowances	Lumpsum loan loss provisions	Loan loss provisions	Net allocation/ reversal of specific valuation allowances/ loan loss provisions	Direct write-down	Additions to written-down loans and advances	Total amount of past-due positions (not needing valuation allowances)
Manufacturing	6	30	-	0	4	0	0	3
Energy, water and mining	9	20	-	4	-4	0	0	108
Construction	15	18	-	2	-2	0	0	1
Trade, maintenance and repairs	5	7	-	0	-3	0	0	1
Agriculture, forestry and fishing	1	1	-	0	-1	0	0	15
Transport, communications	1,336	543	-	0	201	9	2	777
Financial institutions/insurance companies	13	7	-	-	5	1	1	47
Service industries/ other	22	31	-	1	4	1	1	183
Total	**1,407**	**657**	**33**	**8**	**205**	**12**	**5**	**1,134**

Table 14: Non-performing and in-default loans and advances by region

(in million €)	Total amount from impaired positions	Specific valuation allowances	Specific loan loss provisions	Specific loan loss provisions	Total amount of past-due positions (not needing valuation allowances)
Germany	1,010	533	-	7	875
Other euro countries	295	92	-	1	194
Rest of Europe	6	1	-	0	-
North America	-	-	-	-	-
Central and South America	0	1	-	-	0
Middle East / Africa	-	-	-	-	15
Asia / Australia	96	30	-	0	51
Other	-	-	-	-	-
Total	**1,407**	**657**	**33**	**8**	**1,134**

Table 15: Development of risk provisioning

(in million €)	Starting balance in the period	Development in the period	Reversal	Utilisation	Exchange-rate-induced and other changes	Closing balance in the period
Specific valuation allowances	522	403	195	77	3	657
Loan loss provisions	20	1	3	2	-8	8
Lumpsum loan loss provisions	26	7	-	-	-	33

8. Use of Credit-risk Mitigation Techniques (Art. 453 of the CRR)

8.1 Equity-relieving Collateral

As regards the consideration of equity-relieving credit-risk mitigation techniques, Bremer Landesbank is authorised by the Federal Financial Supervisory Authority (BaFin) to hold mortgage-based collateral, other IRBA physical collateral, guarantees and financial collateral in the form of cash deposits in accounts managed by Bremer Landesbank. The internal processes and the systems deployed guarantee that only collateral that satisfies all requirements under CRR relating to credit-risk-mitigation techniques is included.

Mortgage-based collateral comprises commercial and residential real estate. The valuation is usually performed by independent internal appraisers, and as and when required by external experts instructed by the Valuation Department. The market volatility concept of the German Banking Industry Committee is used for continuous monitoring of real-estate values. This is recognised as a statistical method in accordance with art. 208 para. 3 of the CRR. At three-yearly intervals, the value of properties included in the market volatility concept is materially reviewed by internal appraisers if the loan-to-value ratio of the property and the loans secured against the property exceed specified thresholds.

The category of other IRBA physical collateral includes ships and wind turbines for equity-relief purposes.

Ships need to be registered in a public register and meet certain requirements, e.g. marketability and age. For ships there is the additional requirement that they must have been built under the supervision of a recognised classification society and have a class certificate from a classification society recognised by the German Banking Industry Committee. The initial valuation and value review of ships is performed by independent internal appraisers of the Bank on the basis of external expert reports and has to be conducted at least once a year for recognition under regulatory law.

The location of a wind turbine is of key importance for its valuation. Before a wind turbine is built, the wind level is forecasted on the basis of external reports and monitored at least once a year in live operation by a comparison with the actual wind produced. The value of a wind turbine is calculated based on its earnings in conjunction with the statutory compensation for feeding electricity into the grid. In the case of significant deviations from forecast values, the value of a wind turbine is reassessed and the loan-to-value recalculated. In order for the Bank to be in a position to operate a wind turbine itself, the operator’s principal rights at the location and from the feed-in contracts are usually assigned.

Indemnity agreements taken into account in the credit-risk-mitigation techniques are primarily sureties and guarantees The valuation is performed on the basis of the guarantor's credit rating. In this case the same rating rules apply as for all other borrowers. The main types of guarantors are public institutions and banks with excellent credit standing.

Risk concentrations from accepting guarantees are monitored in connection with the direct exposure of the guarantor. Guarantors with indirect commitments of € 1 million and more are listed in the quarterly Bremer Landesbank report "Concentration risks from guarantees". At the present time there is no risk concentration in this respect.

The financial collateral comprises cash deposits from customers which are held in accounts at Bremer Landesbank.

In accordance with art. 453 of the CRR, tables 16 and 17 contain an overview of the collateralised CRSA and IRBA position values for each exposure class. The specified position values are collateralised with reportable financial securities, guarantees and IRBA securities in accordance with art. 192 ff. of the CRR.

CRSA loans and advances collateralised with mortgages are recorded in the exposure class "Positions collateralised with real estate".

Table 16: Total amount of collateralised CRSA position values (not including securitisations)

Exposure class (in million €)	Financial collateral	Mortgages	Guarantees and credit derivatives
Central governments	-	-	-
Regional governments	-	-	-
Other public institutions	-	-	287
Multilateral development banks	-	-	-
International organisations	-	-	-
Banks	-	-	-
Mortgage bonds issued by banks	-	-	-
Companies	0	-	127
Volume business	0	-	1
Positions collateralised with real estate	-	304	-
Fund shares	-	-	-
Investments	-	-	-
Other positions	-	-	-
Overdue positions	-	3	0
Risk positions with banks and companies with a short-term credit rating	-	-	-
Very high-risk positions	-	-	-
Total	**0**	**306**	**416**

Table 17: Total amount of collateralised IRBA position values (not including securitisations)

Exposure class (in million €)	Financial collateral	Other/ physical collateral	Guarantees and credit derivatives
Central governments	-	-	-
Banks	-	1	176
Other non-loan-dependent assets	-	-	-
Volume business	-	-	-
Investments	-	-	-
Companies	46	4,275	832
Total	**46**	**4,276**	**1,009**

8.2 Offsetting Agreements

In order to reduce the counterparty risk within trading business, offsetting agreements for derivatives are used at Bremer Landesbank.

The offsetting agreements are bilateral offsetting agreements. Only standard master agreements (ISDA Master Agreement and German Master Agreement for Financial Forward Contracts (DRV)) are used. New ISDA Master Agreements and DRVs with foreign counterparties are entered into by the Legal Department for Bremer Landesbank. DRVs with German counterparties are entered into by the relevant division subject to guidelines from the Legal Department. The legal enforceability of the offsetting agreements in the different legal systems is reviewed by regularly obtaining legal opinions.

The contractual details and the configurations of the aforementioned legal opinions can be recorded in the special LeDIS standard application. This data management enables an automatic review of the individual derivative transactions for the recipients of this information, such as reports processing.

Offsetting agreements on monetary claims and non-product-specific offsetting agreements are not used.

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NORD/LB Luxembourg

Disclosure Report in accordance with the EU Capital Requirements Regulation (CRR)

as at 31 December 2014

Finanzgruppe

The rounding of figures may result in minor differences in the totals and percentages calculated in this report.

1 Preamble

Requirements relating to the regular disclosure of qualitative and quantitative information to enhance market discipline are defined in Pillar 3 of Basel II. The aim is to create transparency with regard to the risks entered into by institutions. Pillar 3 thus supplements the minimum capital requirements of Pillar 1 and the supervisory review process of Pillar 2. The basis for disclosure has been provided since the 1 January 2014 by EU Regulation No. 575/2013, the Capital Requirements Regulation (CRR).

Accordingly, Norddeutsche Landesbank Luxembourg S.A., Luxembourg (hereafter “NORD/LB Luxembourg”), as a significant subsidiary of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover (hereafter “NORD/LB”) has a duty of disclosure in accordance with Art. 13 (1) CRR.

NORD/LB Luxembourg is the parent company of a group (hereafter the “NORD/LB Luxembourg Group” or “the bank” for short) which includes NORD/LB Covered Finance Bank S.A. (hereafter “NORD/LB CFB”), galimondo S.à.r.l., Luxembourg and Skandifinanz AG, Zurich. NORD/LB Luxembourg holds 100 per cent of the shares in each of these entities.

In this report as at 31 December 2014, the bank discloses the qualitative and quantitative information required in accordance with Art. 13 (1) CRR on a consolidated basis for the NORD/LB Luxembourg Group. This report does not include disclosures concerning the remuneration policy in accordance with Art. 450 CRR; these disclosures are made in a separate Remuneration Report.

The Disclosure Report is an additional document supplementing the Annual Report of the NORD/LB Luxembourg Group and the individual annual reports of the two individual entities. These are prepared on the basis of International Financial Reporting Standards (IFRS).

Information about equity, capital requirements and credit risks are disclosed in accordance with Art. 13 (1) CRR.

Quantitative disclosures contained in this report are based on IFRS which, at the time of reporting, constituted the basis for preparing regulatory reports in accordance with the CRR in the NORD/LB Luxembourg Group.

For further information about risk and in particular about the organisation of risk management including the risk control models used we refer to the Risk Report in the Annual Report of the NORD/LB Luxembourg Group where a detailed account is given on risk developments for each significant type of risk in the period under review and an outlook for developments anticipated in future.

The Disclosure Report is published in accordance with Art. 434 CRR both on the website of NORD/LB at https://www.nordlb.com/nordlb/investor-relations/reports/
and the website of NORD/LB Luxembourg at http://www.nordlb.lu/en-us/Pages/other/downloads/geschaeftsberichte.html.

2 Capital Structure and Adequacy

2.1 Capital Structure

The capital components of the NORD/LB Luxembourg Group in accordance with the CRR regulations and the national regulatory authority are the Tier 1 and Tier 2 capital allocated to the consolidated entities (NORD/LB Luxembourg and NORD/LB CFB) and certain deductions.

The Common Equity Tier 1 before regulatory adjustments of the NORD/LB Luxembourg Group as at 31 December 2014 totals € 675 million and comprises the paid-in capital and retained earnings.

The paid-in capital totalling € 205 million comprises the share capital of NORD/LB Luxembourg as the superordinate entity.

As at 31 December 2014 retained earnings total € 470 million. In the year under review retained earnings were reduced by € 30 million by distributions to NORD/LB and by € 3 million by the separation of private banking activities into NORD/LB Vermögensmanagement Luxembourg S. A.

The deductions in Common Equity Tier 1 items total € 17 million as at 31 December 2014. A large share of this is accounted for by deductions of € 11 million from intangible assets. A further € 6 million is accounted for by valuation adjustments due to the requirement of a prudent valuation.

The NORD/LB Luxembourg Group does not have any Additional Tier 1 (AT1) instruments. Accordingly, the bank's Tier 1 capital only comprises Common Equity Tier 1. As at 31 December 2014 this totals € 658 million after the aforementioned regulatory adjustments.

The NORD/LB Luxembourg Group's Tier 2 capital (T2) before regulatory adjustments totalled € 65 million as at 31 December 2014 and comprised the following components:

- Two subordinated liabilities (nominal volume of $ 125 million), $ 60 million of which is due in June 2016 and $ 65 million in December 2017. Due to the residual-term-related deductions, as at 31 December 2014 eligible Tier 2 capital totalled € 46 million. The amount of interest for all subordinated liabilities is calculated based on the capital market yield on the date of issue plus a standard market risk premium. The requirements for inclusion in Tier 2 capital in accordance with Art. 62 et seq. CRR have been met.

- Positive amounts (totalling € 19 million) in accordance with Art. 62 (d) CRR.

Table 2 shows the components of capital in the regulatory capital structure in accordance with Art. 25 - 91 CRR.

As at 31 December 2014 the Common Equity Tier 1 capital ratio of the NORD/LB Luxembourg Group was at 14.11 per cent well above the regulatory requirement of 7 per cent. The regulatory capital ratio is also comfortable at 15.51 per cent.

2.2 Method used for Balance-Sheet Reconciliation

Below a reconciliation of the equity items – including adjustment items and deductions – with the audited balance sheet is performed in accordance with Art. 437 1 (a) CRR.

There is no difference in the basis of consolidation in the NORD/LB Luxembourg Group under commercial and regulatory law.

Table 1: Reconciliation statement: Balance sheet

Assets	IFRS (in € million)	Reference
Cash reserve	2	
Loans and advances to institutions	1 399	
Loans and advances to customers	6 199	
Risk provisioning	– 37	
Financial assets at fair value through profit or loss	1 336	
Profit/loss from hedge accounting	360	
Financial assets	7 313	
Property and equipment	69	
Intangible assets	11	3
Financial assets available for sale	12	
Current tax assets	–	
Deferred tax assets	15	
Other assets	3	
Total assets	**16 684**	

Liabilities	IFRS (in € million)	Reference
Liabilities to institutions	8 908	
Liabilities to customers	3 139	
Securitised liabilities	2 651	
Financial liabilities at fair value through profit or loss	178	
Profit/loss from hedge accounting	916	
Provisions	10	
Current income tax liabilities	0	
Deferred income tax liabilities	28	
Other liabilities	19	
Subordinated capital	103	2
Equity	730	
Subscribed capital	205	1a
Capital reserves	–	1b
Retained earnings	508	1c
Revaluation reserve	17	
Currency translation reserve	–	
Total equity	730	
Equity attributable to the shareholders	730	
Non-controlling interests	–	
Total liabilities	**16 684**	

Table 2: Reconciliation statement for regulatory capital

Reference	Basis as at 31 December 2014	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
	Common Equity Tier 1: Instruments and reserves				
1	Capital instruments and the associated premium	205	Art. 26 (1), 27, 28, 29 CRR in conjunction with EBA breakdown in accordance with Art. 26 (3) CRR	–	
1	of which: subscribed capital	205	EBA breakdown in accordance with Art. 26 (3) CRR	–	1a
1	of which: capital reserves	–	EBA breakdown in accordance with Art. 26 (3) CRR	–	1b
2	Retained earnings	470	Art. 26 (1) (c) CRR	–	1c
3	Accumulated other comprehensive income (and other reserves, to take account of non-realised profits and losses in accordance with the applicable accounting standards)	–	Art. 26 (1) CRR	–	
3a	Fund for general banking risks	–	Art. 26(1)(f)	–	
4	Amount of the items as defined by Art. 484 para. 3 CRR plus the associated premium, whose mandatory inclusion in the CET 1 will expire.	–	Art. 486 (2) CRR	–	
	State capital allocations with grandfathering rights to 1 January 2018	–	Art. 483 (2) CRR	–	
5	Minority interest	–	Art. 84, 479, 480 CRR	–	
5a	Interim profit independently audited, less all foreseeable levies or dividends	–	Art. 26 (2) CRR	–	
6	Common Equity Tier 1 before regulatory adjustments	675		–	
	Common Equity Tier 1: regulatory adjustments				
7	Additional valuation adjustments (negative amount)	– 6	Art. 34, 105 CRR	–	
8	Intangible assets (less corresponding tax liabilities) (negative amount)	– 11	Art. 36 (1) (b), 37, 472 (4) CRR	–	3
10	Deferred tax assets dependent on future profitability, less claims resulting from temporary differences (less corresponding tax liabilities if the conditions of Art. 38 para. 3 are satisfied) (negative amount)	–	Art. 36 (1) (c), 38, 472 (5) CRR	–	
11	Reserves from profits or losses from transactions for hedging payment flows accounted for at fair value	–	Art. 33 (a) CRR	–	
12	Negative amounts from the calculation of anticipated losses	0	Art. 36 (1) (d), 40, 159, 472 (6) CRR	–	
13	Increase in capital resulting from securitised assets (negative amount)	–	Art. 32 (1) CRR	–	
14 (1)	Profits dependent on changes to the bank's credit rating or losses from the bank's liabilities at fair value through profit or loss	–	Art. 33 (b) CRR	–	

Reference	Basis as at 31 December 2014	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
14 (2)	Profits and losses from derivative liabilities at fair value resulting from the bank's own credit risk	–	Art. 33 (c) CRR	–	
15	Assets from pension funds with defined benefit (negative amount)	–	Art. 36 (1) (e), 41, 472 (7) CRR	–	
16	Direct and indirect positions of a bank in its own instruments of Common Equity Tier 1 (negative amount)	–	Art. 36 (1) (f), 42, 472 (8) CRR	–	
17	Direct, indirect and synthetic positions of the bank in instruments of Common Equity Tier 1 of companies in the financial sector that have entered into a cross-investment with the bank with the aim of artificially increasing the bank's capital (negative amount)	–	Art. 36 (1) (g), 44, 472 (9) CRR	–	
18	Direct, indirect and synthetic positions of the bank in instruments of Common Equity Tier 1 of companies in the financial sector in which the institute holds no significant investment (less than 10 per cent and less eligible sales positions) (negative amount)	–	Art. 36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10) CRR	–	
19	Direct, indirect and synthetic positions of the bank in instruments of Common Equity Tier 1 of companies in the financial sector in which the bank holds a significant investment (more than 10 per cent and less eligible sales positions) (negative amount)	–	Art. 36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1 bis 3), 79, 470, 472 (11) CRR	–	
20a	Exposure from the following items allocated a risk weighting of 1.250 per cent if the bank alternatively deducts this exposure from the amount of the items of the Common Equity Tier 1	–	Art. 36 (1) (k) CRR	–	
20b	of which: qualified investments outside the financial sector (negative amount)	–	Art. 36 (1) (k) (i), 89, 90, 91 CRR	–	
20c	of which: securitisation exposures (negative amount)	–	Art. 36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258 CRR	–	
20d	of which: Advance payments (negative amount)	–	Art. 36 (1) (k) (iii), 379 (3) CRR	–	
21	Deferred tax assets dependent on future profitability resulting from temporary differences (above the threshold of 10 per cent, less corresponding tax liabilities if the conditions of Art. 38 para. 3 are satisfied) (negative amount)	–	Art. 36 (1) (c), 38, 48 (1) (a), 470, 472 (5) CRR	–	
22	Amount above the 15 per cent threshold (negative amount)	–	Art. 48 (1) CRR	–	
23	of which: direct and indirect positions of the bank in instruments of Common Equity Tier 1 of companies in the financial sector in which the bank holds a significant investment	–	Art. 36 (1) (i), 48 (1) (b), 470, 472 (11) CRR	–	

Reference	Basis as at 31 December 2014	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
25	of which: deferred tax assets dependent on future profitability resulting from temporary differences	–	Art. 36 (1) (c), 38, 48 (1) (a), 470, 472 (5) CRR	–	
25a	Losses from the current financial year (negative amount)	–	Art. 36 (1) (a), 472 (3) CRR	–	
25b	Foreseeable tax burden on items of Common Equity Tier 1 (negative amount)	–	Art. 36 (1) (l) CRR	–	
26	Regulatory adjustments of Common Equity Tier 1 relating to amounts subject to the pre-CRR treatment	–		–	
26a	Regulatory adjustments in connection with non-realised profits and losses in accordance with Art. 467 and 468 CRR	–	Art. 467, 468 CRR	–	
	of which: non-realised profits	–		–	
	of which: non-realised losses from government bonds	–		–	
26b	Amount to be deducted from or added to the Common Equity Tier 1 relating to additional deductions and adjustment items in accordance with the pre-CRR treatment	–	Art. 481 CRR	–	
	of which: Other deductions from	–	Art. 481 CRR	–	
27	Amount of the items deductible from the items of Additional Tier 1 capital that exceed the bank's Additional Tier 1 capital (negative amount)	–	Art. 36 (1) (j) CRR	–	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	– 17		–	
29	Common Equity Tier 1	658		–	
Additional Tier 1 capital (AT1): Instruments					
30	Capital instruments and the associated premium	–	Art. 51, 52 CRR	–	
31	of which: classed as capital in accordance with applicable accounting standards	–		–	
32	of which: classed as liabilities in accordance with applicable accounting standards	–		–	
33	Amount of the items as defined by Art. 484 para. 4 CRR plus the associated premium, whose mandatory inclusion in the CET 1 will expire	–	Art. 486 (3) CRR	–	
	State capital allocations with grandfathering rights to 1 January 2018	–	Art. 483 (3) CRR	–	
34	Instruments of the qualified Tier 1 capital included in the consolidated Additional Tier 1 capital (including majority shareholdings not included in Common Equity Tier 1) issued by subsidiaries and held by third parties	–	Art. 85, 86, 480 CRR	–	
35	of which: instruments issued by subsidiaries whose mandatory inclusion will expire	–	Art. 486 (3) CRR	–	
36	Additional Tier 1 capital (AT1) before regulatory adjustments	–		–	

Reference	Basis as at 31 December 2014	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
	Additional Tier 1 capital (AT1): regulatory adjustments				
37	Direct and indirect positions of a bank in its own instruments of Additional Tier 1 capital (negative amount)	–	Art. 52 (1) (b), 56 (a), 57, 475 (2) CRR	–	
38	Direct, indirect and synthetic positions of the bank in instruments of Additional Tier 1 of companies in the financial sector that have entered into a cross-investment with the bank with the aim of artificially increasing the bank's capital (negative amount)	–	Art. 56 (b), 58, 475 (3) CRR	–	
39	Direct and indirect positions of the bank in Additional Tier 1 instruments of companies in the financial sector in which the institute holds no significant investment (less than 10 per cent and less eligible sales positions) (negative amount)	–	Art.56 (c), 59, 60, 79, 475 (4) CRR	–	
40	Direct, indirect and synthetic positions of the bank in Additional Tier 1 instruments of companies in the financial sector in which the bank holds a significant investment (more than 10 per cent and less eligible sales positions) (negative amount)	–	Art. 56 (d), 59, 79, 475 (4) CRR	–	
41	Regulatory adjustments of Additional Tier 1 capital relating to amounts subject to pre-CRR treatment and treatment during the transitional period to which transitional provisions in accordance with Regulation (EU) No. 575/2013 apply (CRR remaining amounts)	–		–	
41a	Remaining amounts deductible from the Additional Tier 1 capital relating to items deductible from the Common Equity Tier 1 during the transitional phase in accordance with Art. 472 of Regulation (EU) No. 575/2013	–	Art. 472, 472 Abs. 3a, 4, 6, 8 (a) , 9, 10a and 11a CRR	–	
	of which: Intangible assets	–		–	
	of which: shortfall between value adjustments and expected loss	–		–	
41b	Remaining amounts deductible from the Additional Tier 1 capital relating to items deductible from the Tier 2 capital during the transitional phase in accordance with Art. 475 of Regulation (EU) No. 575/2013	–	Art. 477, 477 Abs. 3 and 4a CRR	–	
	of which:	–		–	
41c	Amount to be deducted from or added to the Additional Tier 1 capital relating to additional deductions and adjustment items in accordance with the pre-CRR treatment	–	Art. 467, 468, 481 CRR	–	
	of which: Amount of the items deductible from the items of Additional Tier 1 capital that exceed the bank's Additional Tier 1 capital and accounted for in the Common Equity Tier 1	–		–	

Reference	Basis as at 31 December 2014	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
42	Amount of the items deductible from the items of Tier 2 capital that exceed the bank's Tier 2 capital (negative amount)	–	Art. 56 (e) CRR	–	
43	Total regulatory adjustments to the Additional Tier 1 capital (AT1)	–		–	
44	Additional Tier 1 capital (AT1):	–		–	
45	Tier 1 capital (T1 = CET1 + AT1)	658		–	
Tier 2 capital (T2): Instruments and reserves					
46	Capital instruments and the associated premium	46	Art. 62, 63 CRR	–	2
47	Amount of the items as defined by Art. 484 para. 5 plus the associated premium whose mandatory inclusion in T2 will expire	–	Art. 486 (4) CRR	–	
	State capital allocations with grandfathering rights to 1 January 2018	–	Art. 483 (4) CRR	–	
48	Qualifying capital instruments included in the consolidated Tier 2 capital (including as yet unrecorded minority shareholdings and AT1 instruments) issued by subsidiaries and held by third parties	–	Art. 87, 88, 480 CRR	–	
49	of which: instruments issued by subsidiaries whose mandatory inclusion will expire	–	Art. 486 (4) CRR	–	
50	Credit-risk adjustments	19	Art. 62 (c) and (d) CRR	–	
51	Tier 2 capital (T2) before regulatory adjustments	65		–	
Tier 2 capital (T2): regulatory adjustments					
52	Direct and indirect positions of a bank in its own instruments of Tier 2 capital and subordinated loans (negative amount)	–	Art. 63 (b) (i), 66 (a), 67, 477 (2) CRR	–	
53	Direct, indirect and synthetic positions of the bank in Tier 2 capital or subordinated loans of companies in the financial sector that have entered into a cross-investment with the bank with the aim of artificially increasing the bank's capital (negative amount)	–	Art. 66 (b), 68, 477 (3) CRR	–	
54	Direct and indirect positions of the bank in instruments of Tier 2 capital or subordinated loans of companies in the financial sector in which the institute holds no significant investment (less than 10 per cent and less eligible sales positions) (negative amount)	–	Art. 66 (c), 69, 70, 79, 477 (4) CRR	–	
54a	of which: new positions not subject to transitional provisions	–		–	
54b	of which: positions existent prior to 1 January 2013 and subject to transitional provisions	–		–	

Reference	Basis as at 31 December 2014	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
55	Direct, indirect and synthetic positions of the bank in instruments of Tier 2 capital or subordinated loans of companies in the financial sector in which the institute holds a significant investment (more than 10 per cent and less eligible sales positions) (negative amount)	–	Art. 66 (d), 69, 79, 477 (4) CRR	–	
56	Regulatory adjustments of Tier 2 capital relating to amounts subject to pre-CRR treatment and treatment during the transitional period to which transitional provisions in accordance with Regulation (EU) No. 575/2013 apply (CRR remaining amounts)	–		–	
56a	Remaining amounts deductible from Tier 2 capital relating to items deductible from the Common Equity Tier 1 during the transitional phase in accordance with Art. 472 of Regulation (EU) No. 575/2013	–	Art. 472 (a), 472 (3) (a), (4), (6), (8), (9), (10) (a) and (11) (a) CRR	–	
	of which: shortfall between value adjustments and expected loss	–		–	
56b	Remaining amounts deductible from Tier 2 capital relating to items deductible from the Additional Tier 1 capital during the transitional phase in accordance with Art. 475 of Regulation (EU) No. 575/2013	–	Art. 475, 475 (2) (a), (3), (4) (a) CRR	–	
	of which:	–		–	
56c	Amount to be deducted from or added to the Tier 2 capital relating to additional deductions and adjustment items in accordance with the pre-CRR treatment	–	Art. 467, 468, 481 CRR	–	
	of which: adjustments due to grandfathering provisions	–		–	
57	Total regulatory adjustments to Tier 2 capital (T2)	–		–	
58	Tier 2 capital (T2)	65		–	
59	Total capital (TC = T1 + T2)	723		–	
Risk-weighted assets					
59a	Risk-weighted assets relating to amounts subject to pre-CRR treatment and treatment during the transitional period to which transitional provisions in accordance with Regulation (EU) No. 575/2013 apply (CRR remaining amounts)	–		–	
	of which: items not deductible from the Common Equity Tier 1 (Regulation (EU) No. 575/2013, remaining amounts)	–	Art. 472, 472 (5), (8) (b), (10) (b) and (11) (b) CRR	–	
	of which: items not deductible from the Additional Tier 1 capital (Regulation (EU) No. 575/2013, remaining amounts)	–	Art. 475, 475 (2) (b), (2) (c) and (4) (b) CRR	–	
	of which: items not deductible from the Tier 2 capital (Regulation (EU) No. 575/2013, remaining amounts)	–	Art. 477, 477 (2) (b), (2) (c), (4) (b) CRR	–	

Reference	Basis as at 31 December 2014	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
60	Total risk-weighted assets	4662		–	
	of which: credit risk	4333		–	
	of which: credit-risk-related valuation adjustment (CVA)	41		–	
	of which: market-price risk	64		–	
	of which: operational risk	224		–	
	Equity ratios and buffers				
61	Common Equity Tier 1 capital ratio (expressed as a percentage of the total exposure)	14.11	Art. 92 (2) (a), 465 CRR	–	
62	Tier 1 capital ratio (expressed as a percentage of the total exposure)	14.11	Art. 92 (2) (b), 465 CRR	–	
63	Regulatory capital ratio (expressed as a percentage of the total exposure)	15.51	Art. 92 (2) (c) CRR	–	
64	bank-specific requirements relating to the capital buffer (minimum requirement regarding Common Equity Tier 1 capital ratio in accordance with Art. 92 para. 1 letter a, plus the requirements regarding the capital-maintenance buffer and counter-cyclical capital buffer, systemic-risk buffer and buffer for systemically important institutions (G-SIIs or O-SIIs), expressed as a percentage of the total exposure)	7	Art. 128, 129, 130 of the CRD IV	–	
65	of which: capital-maintenance buffer	2.5		–	
66	of which: counter-cyclical capital buffer	–		–	
67	of which: systemic-risk buffer	–		–	
67a	of which: buffer for global systemically important institutions (G-SIIs) or other systemically important institutions (O-SIIS)	–	Art. 131 of the CRD IV	–	
68	Available Common Equity Tier 1 for the buffers (expressed as percentage of the total exposure)	7.11	Art. 128 of the CRD IV	–	
	Amounts under the deduction thresholds (before risk-weighting)				
72	Direct and indirect positions of the bank in capital instruments of companies in the financial sector in which the institute holds no significant investment (less than 10 per cent and less eligible sales positions)	–	Art. 36 (1) (h), 45, 46, 472 (10) , 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4) CRR	–	
73	Direct and indirect positions of the bank in instruments of Common Equity Tier 1 of companies in the financial sector in which the bank holds a significant investment (more than 10 per cent and less eligible sales positions)	–	Art. 36 (1) (i), 45, 48, 470, 472 (11) CRR	–	
75	Deferred tax assets dependent on future profitability resulting from temporary differences (below the threshold of 10 per cent, less corresponding tax liabilities if the conditions of Art. 38 para. 3 are satisfied)	–	Art. 36 (1) (c), 38, 48 470, 472 (5) CRR	–	

Reference	Basis as at 31 December 2014	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	Article referred to in (EU) Regulation No. 575/2013	Amounts subject to treatment before (EU) Regulation No. 575/2013 or required remainder in accordance with (EU) Regulation 575/2013	Reference
	Applicable caps for the inclusion of valuation allowances in the Tier 2 capital				
76	Credit-risk adjustments relating to Tier 2 capital relating to liabilities subject to the standard approach (before application of the cap)	–	Art. 62 CRR	–	
77	Cap for inclusion of credit-risk adjustments in the Tier 2 capital within the standard approach	15	Art. 62 CRR	–	
78	Credit-risk adjustments relating to Tier 2 capital relating to liabilities subject to the approach based on internal assessments (before application of the cap)	19	Art. 62 CRR	–	
79	Cap for the inclusion of credit-risk adjustments in the Tier 2 capital within the approach based on internal assessments	19	Art. 62 CRR	–	
	Equity instruments subject to the transitional provisions (only applicable from 1 January 2013 to 1 January 2022)				
80	Current cap for CET 1 instruments subject to the transitional provisions	–	Art. 484 (3), 486 (2), (5) CRR	–	
81	Amount excluded from CET 1 due to the cap (amount above cap after reconciliations and maturities)	–	Art. 484 (3), 486 (2), (5) CRR	–	
82	Current cap for AT 1 instruments subject to the transitional provisions	–	Art. 484 (4), 486 (3), (5) CRR	–	
83	Amount excluded from AT 1 due to the cap (amount above cap after reconciliations and maturities)	–	Art. 484 (4), 486 (3), (5) CRR	–	
84	Current cap for T2 instruments subject to the transitional provisions	–	Art. 484 (5), 486 (4), (5) CRR	–	
85	Amount excluded from T2 due to the cap (amount above cap after reconciliations and maturities)	–	Art. 484 (5), 486 (4), (5) CRR	–	

Remarks on the reconciliation statement

1a–1b There is no difference in treatment between commercial and regulatory law for the positions subscribed capital and capital reserves.

1c The difference of € 38 million as compared to the balance sheet is explained in that no depreciation may be accounted for prior to attestation under regulatory law.

2 The subordinated liabilities of € 103 million are only set at € 46 million under regulatory law as a subordinated liability is treated in accordance with Art. 64 CRR.

3 There is no difference in treatment between commercial and regulatory law for the position intangible assets.

2.3 Key Features of the Capital Instruments

The table below shows the features of the capital instruments of the NORD/LB Luxembourg Group. The bank only has CET1 and T2 instruments.

Table 3: Key features of the capital instruments, figures in € million

Key features of the capital instruments	1	2	3
Issuer	NORD/LB Luxembourg	NORD/LB Luxembourg	NORD/LB Luxembourg
Standard identifier	no data	80048	80091
Law governing the instrument	Luxembourgish law	Luxembourgish law	Luxembourgish law
Regulatory treatment			
CRR transitional provisions	CET1	T2	T2
CRR provisions after the transitional period	CET1	T2	T2
Instrument type	Share capital	Subordinated loan	Subordinated loan
Amount eligible for regulatory capital	205	22	24
Nominal value of the instrument	205	49	53
		(USD 60 million)	(USD 65 million)
Minimum tradable quantity	–	–	–
Issue price	100.00 %	100.00 %	100.00 %
Redemption price	–	100.00 %	100.00 %
Accounting classification	Subscribed capital	Liability – amortised cost	Liability – amortised cost
Original issue date	Various	8 Jun. 2001	27 Dec. 2002
Indefinite or with expiry date	Indefinite	Expiry date	Expiry date
Original due date	–	8 Jun. 2016	31 Dec. 2017
May be terminated by issuer with prior consent of the supervisory body	No	Yes	Yes
Termination date may be selected, conditional termination dates and redemption amount	–	With the consent of the CSSF: three-month notice period to the end of the interest period	With the consent of the CSSF: three-month notice period to the end of the interest period
Later termination dates, if applicable	–	–	–
Coupons / dividends			
Fixed or variable dividends / coupon payments	Variable	Variable	Variable
Nominal coupon and reference index as relevant	–	3-month USD LIBOR + 0.17 %	3-month USD LIBOR + 0.44 %
Dividend stop in place	Yes	No	No
Fully discretionary, partially discretionary or mandatory (regarding time)	Fully discretionary	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (regarding the amount)	Fully discretionary	Mandatory	Mandatory
Interest increase clause or another redemption incentive in place	No	No	No
Non-cumulative or cumulative	–	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible: trigger for conversion	–	–	–
If convertible: fully or partially	–	–	–
If convertible: conversion rate	–	–	–
If convertible: conversion obligatory or optional	–	–	–

Key features of the capital instruments	1	2	3
If convertible: type of instrument to be converted to	–	–	–
If convertible: issuer of instrument to be converted to	–	–	–
Write-down features	No	No	No
In case of write-down: trigger for write-down	–	–	–
In case of write-down: fully or in part	–	–	–
In case of write-down: permanent or temporary (in case of temporary write-down: mechanism for re-allocation)	–	–	–
In case of temporary write-down: mechanism for re-allocation	–	–	–
Priority position in case of liquidation (always specify the next instrument up)	Subordinate to subordinated loans	Subordinate to insolvency creditors	Subordinate to insolvency creditors
Incorrect features of the converted instruments	No	No	No
Specify any incorrect features	no data	no data	no data

2.4 Capital Adequacy

2.4.1 Capital Requirements by Risk Type

Table 4 lists the regulatory capital requirements in accordance with Art. 438 CRR for the NORD/LB Luxembourg Group, broken down by the significant risk types and approaches used.

Credit risks account for 92.94 per cent of the total risk-weighted assets (RWA). For most of the portfolio the bank uses the Internal Ratings Based Approach (IRBA) in order to calculate capital adequacy requirements. The Standardised Approach for Credit Risk (SACR) is only used for some business segments.

Market-price risks, which are calculated in the NORD/LB Luxembourg Group using the standard approach, only account for 1.37 per cent of the RWA as at the reporting date. Interest-rate risk and currency risk account for these in roughly equal measure. Share-price and commodity risks are not relevant.

Operational risks are also quantified in the bank using the standard approach. As at 31 December 2014 they account for 4.80 per cent of total RWA.

In the period under review capital requirements were calculated for the first time for credit-value-adjustment risk (CVA risk) in accordance with Art. 381 CRR. The bank uses the standard approach for this purpose. It accounts for only 0.88 per cent of total RWA.

Table 4: Capital requirements, in € million

	Capital requirements (in € million)
1 Credit risks	
1.1 Credit risk – standard approach	
Central governments	–
Regional governments and local authorities	13
Other public entities	1
Multilateral development institutions	–
International organisations	–
Institutions	24
Corporates	50
Retail	–
Positions collateralised with real estate	–
Past-due positions	–
Very high-risk connected exposures	–
Mortgage bonds issued by institutions	1
Risk positions with institutions and corporates with a short-term credit rating	–
Collective investment undertakings (CIU)	–
Other positions	7
Total for credit risk – standard approach	**96**
1.2 IRB approaches	
Central governments	18
Institutions	106
Corporates – SMEs	–
Corporates – special finance	4
Corporates – other	123
Retail – of which collateralised with mortgages, SMEs	–
Retail – of which collateralised with mortgages, not SMEs	–
Retail – of which qualified, revolving	–
Retail – of which other, SMEs	–
Retail – of which other, not SMEs	–
Other non-loan-dependent assets	–
Total for IRB approaches	**250**
1.3 Securitisations	
Securitisations under the SACR approach	–
of which: re-securitisations	–
Securitisations under the IRB approach	0
of which: re-securitisations	–
Total securitisations	**0**

	Capital requirements (in € million)
1.4 Investments	
Investments under the IRB approach	0
of which internal model approach	–
of which PD/LGD approach	–
of which simple risk-weighting approach	0
of which exchange-traded investments	–
of which investments which are not exchange-traded but belong to a diversified investment portfolio	–
of which other investments	0
Investments under the SACR approach	–
of which investment values in the case of continued use of the old methodology/grandfathering	–
Total investments	**0**
1.5 Risk-position amount for contributions to the default fund of a central counterparty	–
Total investments	**347**
2. Clearing risks	
Clearing risks in the banking book	–
Clearing risks in the trading book	–
Total clearing risks	**–**
3. Market-price risks	
Standard approach	5
of which: interest-rate risks	3
of which: general and specific interest-rate risk (net interest position)	3
of which: specific interest-rate risk for securitisation exposures in the trading book	–
of which: specific interest-rate risk in the correlation trading portfolio	–
of which: share-price risks	–
of which: currency risks	3
of which: risks from commodity positions	–
Internal model approach	–
Total market-price risks	**5**
4. Operational risks	
Basic-indicator approach	–
Standard approach	18
Advanced measurement approach	–
Total operational risks	**18**
5. Total amount of risk positions for credit value adjustment	**3**
6. Total amount of risk positions relating to large loans in the trading book	**–**
7. Other	
Other exposures	–
Total amount of capital requirements	**373**

2.4.2 Instruments Protecting the Bank

Besides the NORD/LB Luxembourg Group's adequate capital resources, there are further instruments that serve to protect that bank.

NORD/LB, as the parent company, has issued a letter of comfort for NORD/LB Luxembourg and NORD/LB CFB.

As a subsidiary of NORD/LB the bank is also covered by the protection system of the Savings Bank Financial Group (Sparkassen-Finanzgruppe).

3 Disclosures Concerning the Risk Types

3.1 Credit Risk

3.1.1 Credit Risks

In order to calculate the capital adequacy requirement for credit risks the NORD/LB Luxembourg Group essentially uses the Internal Ratings Based Approach (IRBA).

For some business segments, i. e. for savings bank guaranteed lending business, current account overdrafts and Lombard loans, the standardised approach for credit risk (SACR) is used. Permanent partial use was authorised by the Luxembourg Financial Supervisory Authority CSSF (Commission de Surveillance du Secteur Financier).

The bank uses the IRB approaches to calculate the capital adequacy requirement and to measure securitisation exposures, depending on the role played by the bank in a securitisation exposure. For external unrated sponsor exposures the bank uses the IAA. For investor exposures the bank uses the RBA.

3.1.2 Structure of the Credit Portfolio

Tables 5 to 12 show the total amount of risk positions broken down by risk position class. They are broken down by industry, region and residual contractual maturity.

The bank does not have any risk positions with SMEs.

In order to compare the risk positions under SACR and IRBA the SACR positions are reported gross before the deduction of valuation allowances.

The risk positions were calculated before taking into account credit-risk-mitigation methods and before use of the credit conversion factor (CCF). Derivative risk positions are recorded with their credit equivalents (including add-ons and taking into account netting).

Table 5: Total amount of risk positions in SACR, in € million

(in € million)	Total amount of risk positions	Average of total risk positions in the reporting period
Central governments	268	294
Regional governments and local authorities	942	971
Other public entities	144	145
International organisations	472	347
Institutions	82	287
Corporates	1 652	1 348
Mortgage bonds issued by institutions	71	60
Other positions	87	88
Total	**3 717**	**3 541**

Table 6: Total amount of risk positions in IRB, in € million

(in € million)	Total amount of risk positions	Average of total risk positions in the reporting period
Central governments	2 832	2 191
Institutions	7 982	9 440
Corporates – special finance	313	348
Corporates – other	6 718	5 756
Securitisations	41	38
Investments	0	29
Total	**17 887**	**17 802**

Table 7: Total amount of risk positions by industry in SACR, in € million

(in € million)	Manufacturing	Energy, water and mining	Construction	Trade, maintenance and repairs	Agriculture, forestry and fishing	Transport, communications	Financial institutions / insurance corporates	Service industries / other	Total
Central governments	–	–	–	–	–	–	0	267	268
Regional governments and local authorities	–	–	–	–	–	–	–	942	942
Other public entities	–	–	–	–	–	–	144	0	144
International organisations	–	–	–	–	–	–	–	472	472
Institutions	–	–	–	–	–	–	82	–	82
Corporates	82	3	1	93	1	42	653	777	1 652
Mortgage bonds issued by institutions	–	–	–	–	–	–	71	–	71
Other positions	–	–	–	–	–	–	69	18	87

Table 8: Total amount of risk positions by industry in IRBA, in € million

(in € million)	Manufacturing	Energy, water and mining	Construction	Trade, maintenance and repairs	Agriculture, forestry and fishing	Transport, communications	Financial institutions/insurance corporates	Service industries/other	Total
Central governments	–	–	–	–	–	–	1 075	1 757	2 832
Institutions	–	–	–	–	–	–	7 788	194	7 982
Corporates – special finance	–	9	–	–	–	40	74	190	313
Corporates – other	1 522	1 402	126	360	22	328	933	2 026	6 718
Securitisations	–	–	–	–	–	–	41	–	41
Investments	–	–	–	–	–	–	–	0	0

Table 9: Total amount of risk positions by region in SACR, in € million

(in € million)	Germany	Other euro countries	Rest of Europe	North America	Central and South America	Middle East/Africa	Asia/Australia	Other	Total
Central governments	244	0	–	23	–	–	–	–	268
Regional governments and local authorities	110	–	–	832	–	–	–	–	942
Other public entities	123	0	0	0	–	–	21	–	144
International organisations	–	–	–	–	–	–	–	472	473
Institutions	25	52	5	–	–	–	–	–	82
Corporates	749	392	52	421	–	0	38	0	1 652
Mortgage bonds issued by institutions	21	50	–	–	–	–	–	–	71
Other positions	–	87	–	–	–	–	–	–	87

Table 10: Total amount of risk positions by region in IRBA, in € million

Total gross credit volume (in € million)	Germany	Other euro countries	Rest of Europe	North America	Central and South America	Middle East / Africa	Asia / Australia	Other	Total
Central governments	1 026	1 210	355	123	–	–	–	118	2 832
Institutions	3 513	2095	1 676	531	–	3	164		7 982
Corporates – special finance	58	141	40	74	–	–	–	–	313
Corporates – other	5 104	302	376	753	–	–	183	–	6 718
Securitisations	–	41	–	–	–	–	–	–	41
Investments	–	0	–	–	–	–	–	–	0

Table 11: Residual contract maturities in SACR, in € million

(in € million)	less than 1 year	1 year to 5 years	more than 5 years up to indefinite	Total
Central governments	0	–	267	268
Regional governments and local authorities	129	121	692	942
Other public entities	0	121	22	144
International organisations	–	59	413	472
Institutions	6	52	25	82
Corporates	482	415	755	1 652
Mortgage bonds issued by institutions	50	–	21	71
Other positions	87	–	–	87

Table 12: Residual contract maturities in IRBA, in € million

(in € million)	less than 1 year	1 year to 5 years	more than 5 years up to indefinite	Total
Central governments	1 101	872	860	2 832
Institutions	5 081	1 941	960	7 982
Corporates – special finance	26	90	197	313
Corporates – other	1 805	2 776	2 137	6 718
Securitisations	–	41	–	41
Investments	0	–	–	0

3.1.3 Risk Provisioning

Exposures are inspected at regular intervals, i.e. in a system of scheduled loan monitoring, in order to ascertain whether the claims of the bank are recoverable or whether interest and principal payments appear to be totally or partly at risk. A review is also carried out when negative information is received (early warning indicators) about a borrower, for example information relating to the borrower's financial situation, collateral value and industry environment as well as when establishing the reason for default (and issuing a default rating). Objective indications which might result in the need for a valuation allowance are for example the default on interest and capital payments or a delay in such payments of more than 90 days and considerable financial difficulties on the part of the debtor.

A receivable on the other hand is past due from the first day of default. For acute counterparty risks if there are objective indications of a permanent loss in value the bank makes specific valuation allowances. A valuation allowance requirement is based on a present value consideration of anticipated interest and redemption payments which are still expected as well as on profits from the realisation of collateral.

To cover impairments which have occurred but have not yet been identified a general loan loss provision is made. The calculation is made on the basis of historical probabilities of default and loss rates. The portfolio-specific LIP factor (loss identification period factor) is also considered. Risks relating to off-balance sheet transactions (guarantees, endorsement liabilities and loan commitments) are accounted for by a loan loss provision.

Irrecoverable loans of up to € 10,000 for which there is no specific valuation allowance are written off immediately. Payments received for written-off loans and advances are recognised through profit or loss.

For information on the accounting policies for risk provisioning in accordance with IFRS the notes to the consolidated financial statements (Note 8) in the Annual Report are referred to. Under the current incurred loss model of IAS 39, the risk provisioning in its entirety is classified under the current regulatory provisions CRR as specific credit-risk adjustments. These include specific valuation allowances, general loan loss provisions and provisions for credit risks of off-balance-sheet risk positions. There are no general credit-risk adjustments under the current accounting requirements for financial instruments of IAS 39.

In accordance to Art. 442 CRR, Tables 13 to 15 CRR show the impaired and past-due risk positions separately. Impaired positions are reported net, i.e. after specific valuation allowances have been taken into account. Past-due risk positions do not correspond with risk positions for which specific valuation allowances have been taken into account with a default of one day or more. They are broken down by industry and region. General loan loss provisions are reported as a total and are not broken down by industry and region.

Table 15 shows the development of specific credit-risk adjustments in the period under review.

Table 13: Impaired and past-due risk positions by industry, in € million

(in € million)	Impaired risk positions	SVA	GLLP	Provisions	Net allocation / reversal of specific valuation allo- wances / pro visions	Direct write- down	Additions to written- down loans and advances	Past-due risk positions (not including valuation allowance require- ment)
Manufacturing	1	18		1	– 1	–	–	–
Energy, water and mining	–	–		–	– 3	–	–	–
Construction	0	0		0	0	–	–	–
Trade, maintenance and repairs	–	–		–	–	–	–	1
Agriculture, forestry and fishing	–	–		–	–	–	–	–
Transport, communica- tions	–	–		–	–	–	–	–
Financial institutions/ insurance companies	–	–		–	–	–	–	–
Service industries/ other	12	16		–	– 14	–	0	1
Total	**12**	**34**	**25**	**1**	**– 18**	**–**	**0**	**1**

Table 14: Impaired and past-due risk positions by region, in € million

(in € million)	Impaired risk positions	SVA	GLLP	Provisions	Past-due risk positions (not including valuation allowance require- ment)
Germany	12	34		1	1
Other euro countries	–	–		–	0
Rest of Europe	–	–		–	–
North America	–	–		–	–
Central and South America	–	–		–	–
Middle East / Africa	–	–		–	–
Asia / Australia	–	–		–	–
Other	–	–		–	–
Total	**12**	**34**	**25**	**1**	**1**

Table 15: Development of specific credit-risk adjustments, in € million

(in € million)	Opening balance for the period	Adjustments in the period	Reversal	Utilisation	Exchange-rate related and other changes	Closing balance for the period
SVA	37	7	– 5	– 5	0	34
Provisions	16	2	– 9	– 8	0	1
GLLP	25	1	– 2	0	1	25

As at the reporting date, the risk provisioning of the NORD/LB Luxembourg Group totals € 59 million. This is € 19 less than in the previous year.

3.1.4 Credit Risk Mitigation Techniques

3.1.4.1 Collateral Management

For the assessment of credit risks, in addition to the credit rating of borrowers or counterparties reflected in the rating, the customary bank securities available and other risk reduction methods are of importance. When accepting securities the cost-benefit relationship of the security is considered.

The collateral is assessed both at the time the loan is granted and during the subsequent ongoing (normally at least once a year) monitoring as to whether it appears to be disposable at the assumed value based on foreseeable economic developments during the (remaining) term of the loan. They are therefore reviewed on a case-by-case basis as to whether the valuation appears to be justified based on the respective type of security and based on its legal and economic applicability in respect of the person of the borrower and the type of loan. If factors relevant to the assessment have changed the assessment is adjusted accordingly.

The credit guidelines and lending principles of the NORD/LB Group specify which fundamental types of security and the maximum loan which may be lent against the collateral (lending limit). Sureties, credit securities similar to sureties, assignments of receivables and other rights, chattel mortgages, real estate, receivables and other rights and collateral assignment of chattel are accepted as credit security. Other collateral can be contracted with the borrower but this does not reduce the unsecured portion of the exposure.

In the NORD/LB Luxembourg Group only guarantees, sureties and financial collateral are used to mitigate risk.

The collateral defined as relevant for the NORD/LB Luxembourg Group is recorded and presented in the bank's core banking system which is also used for the inclusion of collateral when ascertaining minimum capital requirements and for regulatory reports.

In cooperation lending collateral is managed and held by NORD/LB.

In order to ensure the legal validity and enforceability of collateral standard contracts are mainly used. In addition to this, internal or external legal opinions are obtained where necessary and the preparation of contracts is assigned to authorised law firms.

3.1.4.2 Equity-relieving Collateral

Indemnity agreements taken into account in the credit-risk-mitigation techniques are primarily sureties and guarantees. The valuation is performed on the basis of the guarantor’s credit rating. The same rating rules apply as for all other borrowers. The main types of guarantors are public entities and institutions with a very good rating. The biggest guarantor is NORD/LB with a collateralised exposure of € 2 billion as at 31 December 2014.

Risk concentrations from accepting guarantees are monitored in connection with the direct exposure of the guarantor. They are reported in the quarterly Credit Portfolio Report.

Financial collateral is primarily cash deposits. In the trading sector repo transactions continue to be effected. Where the bank is the transferor only cash collateral is considered. The bank only concludes transferee transactions secured by bonds with counterparties with first-class credit ratings. Transactions are therefore low risk. Counterparty lines are automatically valued and monitored daily so that no concentration of risk arises. Additionally, market-price fluctuations in the scope of margin calls are settled daily in the form of bonds and cash deposits.

The tables below contain in accordance with Art. 453 CRR an overview of the collateralised SACR and IRBA exposure values for each exposure class. With derivatives netting agreements are considered.

The exposure values reported are collateralised by eligible financial collateral in accordance with Art. 197 (1) CRR after the application of value fluctuation factors and guarantees in accordance with Art. 201 CRR.

Table 16: Total amount of collateralised SACR exposure values, in € million

Exposure class	Financial collateral	Life insurance policies	Guarantees and credit derivatives
Central governments	–	–	–
Regional governments	–	–	
Other public entities	0	–	19
Multilateral development institutions	–	–	–
International organisations	–	–	–
Institutions	–	–	–
Mortgage bonds issued by institutions	–	–	–
Corporates	191	–	781
Retail	–	–	–
Positions collateralised with real estate	–	–	–
Fund shares	–	–	–
Investments	–	–	–
Other positions	–	–	–
Past-due positions	–	–	–
Risk positions with institutions and corporates with a short-term credit rating	–	–	–
Very high-risk connected exposures	–	–	–
Total	**191**	**–**	**800**

Table 17: Total amount of collateralised IRBA exposure values, in € million

Exposure class	Financial collateral	Other / physical collateral	Life insurance policies	Guarantees and credit derivatives
Central governments	–	–	–	–
Institutions	3 055	–	–	185
Other non-loan-dependent assets	–	–	–	–
Retail	–	–	–	–
of which qualified, revolving	–	–	–	–
of which residential real-estate loans	–	–	–	–
of which other	–	–	–	–
Investments	–	–	–	–
of which simple risk-weighting approach	–	–	–	–
of which internal model approach	–	–	–	–
of which PD/LGD approach	–	–	–	–
Corporates	93	–	–	2 265
of which SMEs	–	–	–	–
of which SMEs SF	–	–	–	–
Total	**3 148**	**–**	**–**	**2 450**

3.1.4.3 Netting Agreements

In order to mitigate counterparty risk in trading the bank employs netting agreements covering derivatives.

Netting agreements are always multilateral. Only standard general agreements are used. New agreements are concluded on behalf of the bank by NORD/LB's Legal Department. The legal enforceability of the netting agreements in the different jurisdictions is monitored by regularly obtaining legal opinions.

Contractual netting takes place. The Luxembourg Financial Supervisory Authority CSSF regularly asks for legal opinions on the jurisdictions in which the bank's counterparties are based. These legal opinions are delivered to the CSSF.

Netting agreements on money receivables and cross-product netting agreements are not used.

Only cash collateral is currently accepted for securitising derivative transactions. Standard general agreements are also used here.

4 List of Tables

5 List of Abbreviations

AT1	Additional Tier 1 capital
CCF	Credit Conversion Factor
CET1	Common Equity Tier 1
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CSSF	Commission de Surveillance du Secteur Financier (Luxembourg Financial Supervisory Authority)
EBA	European Banking Authority
EU	European Union
GLLP	General loan loss provisions
IAA	Internal Assessment Approach
IFRS	International Financial Reporting Standards
IRBA	Internal Ratings Based Approach
LGD	Loss Given Default
NORD/LB	Norddeutsche Landesbank Girozentrale, Hanover
PD	Probability of Default
RBA	Rating Based Approach
Repo	Repurchase Agreement
RW	Risk Weight
RWA	Risk-weighted assets
SACR	Standardised Approach for Credit Risk
SME	Small and medium-sized enterprises
SVA	Specific valuation allowance
T2	Tier 2 capital

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