

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

as at 30 September 2015

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1 Preamble

This report as at 30 September 2015 constitutes the disclosure of the qualitative and quantitative information of the NORD/LB Group required on this date in accordance with the CRR by Norddeutsche Landesbank Girozentrale, Hanover, (NORD/LB) as the superordinate institute of the NORD/LB Group.

The Disclosure Report is an additional document supplementing the Annual Report of the NORD/LB Group on the basis of International Financial Reporting Standards (IFRS).

Information about own funds during the transitional period, the capital requirements and the leverage ratio is disclosed.

Quantitative disclosures contained in this report are based on IFRSs, which constituted the basis for preparing regulatory reports in accordance with the CRR in the NORD/LB 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 Management Report of the NORD/LB Group, Basic Information about the NORD/LB Group and the Forecast, Risk and Opportunities Report. Here 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 of the CRR in the Investor Relations/ Reports section of the NORD/LB website.

2 Own Funds during the Transitional Period

The NORD/LB Group's own funds as at 30 September 2015 totals € 9,940 million. It comprises Tier 1 capital in the amount of € 7,928 million and Tier 2 capital in the amount of € 2,012 million. The Tier 1 capital comprises Common Equity Tier 1 capital instruments (€ 7,770 million) and Additional Tier 1 capital instruments (€ 158 million).

The Common Equity Tier 1 capital consists of paid-in capital instruments (€ 1,541 million), premiums (€ 3,322 million), retained earnings (€ 2,508 million), cumulative other comprehensive income (€ 84 million) and eligible instruments of Common Equity Tier 1 capital of subsidiaries (€ 842 million). In addition, as at the reporting date grandfathered instruments in the amount of € 39 million were considered in Common Equity Tier 1 capital. However, regulatory adjustments in the amount of € 567 million reduce the Common Equity Tier 1 capital.

The Additional Tier 1 capital only contains effects from the CRR transitional provisions. The effects of the transitional provisions result in a positive balance in Additional Tier 1 capital of € 158 million.

The Tier 2 capital consists of paid-in capital instruments (€ 2,683 million) and eligible instruments of Tier 2 capital of subsidiaries (€ 330 million). The codified transitional provisions or deductions result however in a reduction in Tier 2 capital of € 1,001 million.

Table 1 below shows the breakdown of regulatory own funds during the transitional period and was prepared in accordance with the Commission Implementing Regulation (EU) No. 1423/2013.

Table 1: Structure of own funds during the transitional period

	Capital based on EU Regulation No. 575/2013 (CRR) – amount on the date of disclosure (in € million)	
	30 Sep. 2015	30 Jun. 2015
Common Equity Tier 1 capital (CET1): Instruments and reserves		
Common Equity Tier 1 capital (CET1) before regulatory adjustments	8 337	8 127
Total regulatory adjustments to Common Equity Tier 1 capital (CET1)	– 567	– 380
Common Equity Tier 1 capital (CET1)	7 770	7 747
Additional Tier 1 capital (AT1): Instruments		
Additional Tier 1 capital (AT1) before regulatory adjustments	620	620
Total regulatory adjustments to Additional Tier 1 capital (AT1)	– 462	– 469
Additional Tier 1 capital (AT1)	158	151
Tier 1 capital (T1 = CET1 + AT1)	7 928	7 898
Tier 2 capital (T2): Instruments and reserves		
Tier 2 capital (T2) before regulatory adjustments	3 012	3 122
Total regulatory adjustments to Tier 2 capital (T2)	– 1 001	– 989
Tier 2 capital (T2)	2 012	2 133
Total capital (TC = T1 + T2)	9 940	10 032
Capital ratios (in accordance with art. 92 (2) (b), 465 of the CRR)		
Common Equity Tier 1 capital ratio (expressed as a percentage of the total risk exposure)	11.9 %	11.2 %
Tier 1 capital ratio (expressed as a percentage of the total risk exposure)	12.1 %	11.5 %
Regulatory capital ratio (expressed as a percentage of the total risk exposure)	15.2 %	14.6 %

3 Capital Requirements

Table 2 shows the regulatory capital requirements in accordance with article 438 and article 445 of the CRR for the NORD/LB Group, broken down by significant risk types and, for credit risks, the methods employed. The requirements due to credit risks reduced mainly as a result of the

top-up of the NORTHVEST securitisation transaction. The requirements due to other risk types have on balance increased marginally. On the whole, the regulatory requirements have fallen since the last reporting date.

Table 2: Capital requirements

(in € million)	30 Sep. 2015		30 Jun. 2015	
	Capital requirement	Risk-weighted assets	Capital requirement	Risk-weighted assets
1. Credit risks	4 408	55 096	4 692	58 654
1.1 Credit risk – standard approach	351	4 384	380	4 753
1.2 IRB approaches	3 658	45 723	3 966	49 580
1.3 Securitisations	272	3 398	222	2 780
1.4 Investments	120	1 497	114	1 425
1.5 Risk-position amount for contributions to the default fund of a central counterparty	8	94	9	116
2. Clearing risks	0	0	0	0
3. Market-price risks	309	3 863	291	3 639
4. Operational risks	419	5 238	419	5 238
5. Total amount of risk positions for credit value adjustment	98	1 228	102	1 275
6. Total amount of risk positions relating to large loans in the trading book	–	–	–	–
7. Other	–	–	–	–
Total amount of capital requirements	5 234	65 425	5 504	68 806

4 Leverage Ratio

From 1 January 2015 the leverage ratio calculated in accordance with article 429 of the CRR has to be disclosed. The leverage ratio is calculated in NORD/LB as at the reference date at the end of the quarter based on the original version of article 429 of the CRR taking into consideration the option of article 499 (2) of the CRR. The total risk position is calculated without any credit risk mitigation techniques based on the carrying amounts.

Table 3: Leverage ratio

Leverage ratio (in € million)	30 Sep.2015	30 Jun.2015
Tier 1 capital	7 928	7 898
Total risk position	201 890	204 649
Leverage ratio (in %)	3.93	3.86

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Die norddeutsche Art.

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