30 November 2016

NORD/LB

Norddeutsche Landesbank Girozentrale

Fifth supplement to the published Registration Document dated 14 April 2016 of Norddeutsche Landesbank – Girozentrale – as supplemented by Supplement No. 1 of 31 May 2016, Supplement No. 2 of 6 September 2016, Supplement No. 3 of 16 September 2016 and Supplement No. 4 of 21 September 2016 in accordance with § 16 (1) German Securities Prospectus Act (*Wertpapierprospektgesetz,* "WpPG"),

hereafter referred to as "**Supplement No. 5**".

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I. RIGHT OF WITHDRAWAL AND CHANGES

In accordance with § 16 (3) sentence 1 WpPG, investors who have already agreed to purchase or subscribe any Instrument before Supplement No. 5 is published shall have the right, exercisable within two working days after the publication of this Supplement No. 5, to withdraw their acceptances, provided that the new factor, mistake or inaccuracy which is the subject of this Supplement No. 5 arose prior to the final closing of the offer to the public and the delivery of the Instruments, § 16 (1) WpPG.

The relevant new factor that leads to Supplement No. 5 is the publication of the interim consolidated financial statements of NORD/LB Group as of 30 September 2016 (the "**Interim Consolidated Financial Statements 30 September 2016**") on 24 November 2016.

Pursuant to this event the following changes were made.

The withdrawal is to be addressed to Norddeutsche Landesbank – Girozentrale –, Friedrichswall 10, 30159 Hanover.

II. CHANGES RELATING TO SECTION 1.1. RISK FACTORS

1.) In section 1. "**Description of Norddeutsche Landesbank – Girozentrale –"** section 1.1 "**Risk factors**" section 1.1.1 "**Risk factors relating to the Issuer**" subsection 1.1.1.2. "**Specification of risks with regard to the Issuer**" the sub-paragraph "**NORD/LB and its Subsidiaries are subject to significant counterparty and market price risks and such risks are exacerbated by periods of financial crisis and recession**" shall be deleted and replaced by the following:

"***NORD/LB and its Subsidiaries are subject to significant counterparty and market price risks and such risks are exacerbated by periods of financial crisis and recession.***

NORD/LB and its Subsidiaries are exposed to counterparty risk, *inter alia* to credit risk of third parties, primarily with regard to the traditional lending and deposit-taking business, but also, to a lesser extent, to non-traditional businesses such as derivative transactions, securities, owning securities of third parties, and other credit arrangements. This exposes them to the risk of counterparty defaults. Recently, one particular counterparty risk evolved and is described under ""*NORD/LB and its Subsidiaries may be forced to revaluate and significantly reduce the book value of their respective HETA assets*" below.

Furthermore, there is a risk for NORD/LB and its Subsidiaries that contractors fail to pay their contractual payment obligations. Even if customers are responsible for losses incurred by the acquisition of items on their own account, NORD/LB and its Subsidiaries may be exposed to other credit risks in order to protect themselves against these losses. It may also have a negative impact on the business of NORD/LB and its Subsidiaries, if customers suffer losses and lose confidence in the products and services of NORD/LB and its Subsidiaries.

Another form of credit risk is country credit risk in cross-border financial services and business activities. This risk is manifested when political difficulties and political instability in a country endanger or diminish the value of assets. Country credit risk applies to both the country concerned, if it is a contractual partner and contractual partners in general.

The ongoing economic and financial debt crisis in the European Union comprises a country credit risk for NORD/LB and its Subsidiaries, since it entails market uncertainty in several countries of the European Union.

The credit risk may also be manifested as settlement risk, which involves the possibility of a bank paying funds to its counterparty but failing to receive the corresponding settlement in return. NORD/LB and its Subsidiaries are exposed to many different industries and counterparties in the normal course of their business, but the exposure to counterparties in the financial services industry is particularly significant. This exposure can arise through trading, lending, deposit-taking, clearance and settlement and many other activities and relationships. These counterparties include municipal savings banks, financial services firms, commercial banks, investment banks, mutual funds and other institutional clients. Many of these relationships expose NORD/LB and its Subsidiaries to credit risk in the event of default of a counterparty and to systemic risk affecting its counterparty. Where NORD/LB and its Subsidiaries hold collateral against counterparty exposures, they may not be able to realise it or liquidate it at prices sufficient to cover the full exposures. Moreover, when purchasing receivables NORD/LB is exposed to transaction-specific risks such as commingling risks (transfer risk, which NORD/LB as creditor of purchased receivables might be exposed to through commingling of collected receivables with own funds of the vendor of the receivables) and dilution risks. Many of the hedging and other risk management strategies utilised by NORD/LB also involve transactions with financial service counterparties. The failure of these counterparties to settle or the perceived weakness of these counterparties may impair the effectiveness of NORD/LB's hedging and other risk management strategies.

NORD/LB and its Subsidiaries also establish provisions for loan losses, which are reflected in the consolidated income statement as loan loss provisions, in order to maintain appropriate allowances for loan losses based upon an assessment of prior loan loss experience, the volume and type of lending being conducted by each bank, industry standards, past due loans, economic conditions and other factors related to the collectability of each entity's loan portfolio.

This determination is based primarily on NORD/LB's and its Subsidiaries' historical experience and judgment, and they may have to increase or decrease their provisions for loan losses in the future as a result of increases or decreases in non-performing assets or for other reasons. Any increase in the provision for loan losses, any loan losses in excess of the previously determined provisions with respect thereto or changes in the estimate of the risk of loss inherent in the portfolio of non-impaired loans could have a material adverse effect on the Issuer's business or on the Issuer's results of operations or financial condition.

Since the beginning of the crisis on the shipping markets in 2008, in particular in terms of low capacity utilization and charter rates coming under pressure (specifically with regard to the container and bulker segments), the quality of the credit portfolio of NORD/LB and its subsidiary Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – has deteriorated. In 2015, the on-going crisis led to a notable increase in expected losses in the entire credit portfolio and therefore in loan loss provisions. Due to the high share of US-Dollar denominated assets in the shipping portfolio, the strong appreciation of the US Dollar against the Euro added to this development. The ongoing challenging situation in the shipping markets has led to a further deterioration of the value of its shipping portfolio. In the light of this, NORD/LB aims to reduce its shipping portfolio. These circumstances have led and are still leading to an additional considerable increase in loan loss provisions beyond the previous planning. In connection with this, NORD/LB expects that the volume of loan loss provisions to be made, in particular for the shipping portfolio, will not be compensated by earnings in other business segments in the financial year 2016. Moreover, the volume of loan loss provisions will further increase considerably until the end of the year, notably beyond the development in the first three quarters of 2016. However, NORD/LB still expects to fulfill all regulatory requirements.

If a reduction of the shipping portfolio does not succeed or if the challenging situation in the shipping markets is aggravating , this may also continue to have a further negative impact on the Issuer's and its subsidiaries' profit situation and results.

The markets in which NORD/LB and its Subsidiaries are active, particularly the German banking sector, are characterized by strong competition which often results in margins that are economically unattractive lending margins and income are subject to pressures that may intensify in the future. In cannot be excluded that this development will have a negative effect on the Issuer's business.

NORD/LB and its Subsidiaries have made and may continue to make further equity investments in companies to secure or improve their market position. This exposes them to investment risk. Generally, there is no guarantee that investments will actually fulfil their strategic objective. In particular, losses in the value of an investment may occur, due to unforeseen developments in the market or in the investment target. Furthermore, NORD/LB and its Subsidiaries may have to bear losses generated by an affiliate or other investment target and these losses could exceed the book value of the investment itself.

NORD/LB and its Subsidiaries are also exposed to market price risk as a result of open positions in the foreign exchange markets, the capital markets and fluctuations in interest rates. The risk is linked to variations in financial results due to fluctuations in market prices or exchange rates.

A market price risk in the trading portfolio arises from trading activities in the interest rate, foreign exchange and equity markets. A market price risk in the banking portfolio arises from differences in interest periods. In periods of volatility, significant profits on trading can be followed by periods of losses on trading. NORD/LB and its Subsidiaries may suffer material losses if they cannot exclude deteriorating positions in a timely manner, in particular with respect to illiquid assets such as assets not traded on stock exchanges or other public trading markets such as derivatives contracts between banks.

NORD/LB and its Subsidiaries conduct substantial amounts of their business in currencies other than the Euro, most importantly in US Dollars. This exposes NORD/LB and its

Subsidiaries to foreign currency translation risks and foreign currency transaction risks. In addition, US Dollars are the predominant currency used in the ship and aircraft financing business, which are among NORD/LB's and its Subsidiaries' main business segments. A relative depreciation of the US Dollar against the Euro would result in lower income from these transactions. On the other hand, a relative appreciation of the US Dollar against the Euro would lead to an increase in US Dollar risk positions and an increase in risk-weighted assets ("**RWA**"), which would have a negative influence on capital ratios. Furthermore, to the extent the Issuer recognises operating income in currencies other than the Euro, it will encounter foreign exchange risk, which could have a material adverse effect on its business results of operations or financial condition.

If any of the Issuer's instruments and strategies to hedge or manage credit, counterparty or market price risk is not effective, the Issuer may not be able to effectively mitigate its risk exposures. The Issuer's financial results also depend on the effectiveness of its cost and credit management in regard to credit, counterparty and market price risk.

To the extent the Issuer's estimates towards changes in credit quality and risk concentrations or towards changes in determining its valuation models for fair value of asset and valuation liability values, or the determination of the appropriate level of provisions for loan losses or other risks, prove to be inaccurate or unpredictable for actual results, the Issuer could suffer higher than expected credit, trade or investment losses. The aforementioned issues could have a material adverse effect on NORD/LB and its Subsidiaries and the results of operations or the financial condition for business of NORD/LB and its Subsidiaries."

2.) In section 1. "**Description of Norddeutsche Landesbank – Girozentrale –"** section 1.1 "**Risk factors**" section 1.1.1 "**Risk factors relating to the Issuer**" subsection 1.1.1.2. "**Specification of risks with regard to the Issuer**" the sub-paragraph "**NORD/LB and its Subsidiaries may be forced to revaluate and significantly reduce the book value of their respective HETA assets**" shall be deleted without replacement:

"***NORD/LB and its Subsidiaries may be forced to revaluate and significantly reduce the book value of their respective HETA assets.***

NORD/LB and some of its Subsidiaries currently hold debt instruments and other liabilities qualifying as eligible liabilities within the meaning of the Austrian Act on the Recovery and Resolution of Credit Institutions ("**BaSAG**") – which implements the EU directive for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU, (Bank Recovery and Resolution Directive) the "**BRRD**") into Austrian law – issued by HETA ASSET RESOLUTION AG (formerly Hypo Alpe-Adria-Bank International AG and hereinafter referred to as "**HETA**") in the aggregate principal amount of EUR 380 million (of which EUR 110 million are directly held by NORD/LB) and in relation to which the Austrian province of Carinthia ("**Carinthia**") shall be liable as deficiency guarantor (*Ausfallbürge*) – pursuant to Section 5 of the Kärntner Landesholding-Gesetz – in case of HETA's inability to pay (*Zahlungsunfähigkeit*). On 1 March 2015, the Austrian Financial Market Authority in its capacity as resolution authority under the BaSAG published an administrative ruling (*Bescheid*) and declared a deferral of the maturities of all debt instruments issued by HETA, its other eligible liabilities as well as the maturity dates for interest payments under such instruments with immediate effect to 31 May 2016, except for liabilities which are non-eligible pursuant to Section 86 para 2 BaSAG (the "**Moratorium**"). The Austrian Financial Market Authority has issued a notice (*Mandatsbescheid*) by means of an edict on 10 April 2016 which enacted a bail-in for claims of creditors of HETA under its debt securities and other eligible liabilities. Such bail-in comprises the following measures: (i) The principal amount of such eligible senior liabilities of HETA will be reduced by 53.98 per cent. to 46.02 per cent. of its nominal amount; (ii) the maturity of all eligible liabilities will be postponed until 31 December 2023; (iii) interest accrued from 1 March 2015 has been written off entirely; and (iv) the Austrian Financial Market Authority has assumed full control over HETA. Such a bail-in is unprecedented in Austria and it needs to be seen how it will affect Carinthia's liabilities as deficiency guarantor under the Austrian law governed deficiency guarantee. In the Austrian legal market it is disputed whether a bail-in in relation to HETA's liabilities would result in a *pro* *rata* reduction of the liabilities of the surety (i.e. Carinthia) under the deficiency guarantee in relation to the liabilities of the principal debtor (i.e. HETA) pursuant to the principle of accessoriness (*Akzessorietät*), or whether such a bail-in would not affect the legal soundness and validity of the deficiency guarantee. As a consequence of the above development and as a matter of precaution, NORD/LB and its Subsidiaries have revaluated their respective claims against HETA based on a fair value assessment and it cannot be excluded that further revaluation will result in a further reduction of the book value of the relevant assets. Moreover, it cannot be excluded that the European Central Bank ("**ECB**") or any other relevant supervisory authority will require NORD/LB and its Subsidiaries to further reduce the book value of such assets. NORD/LB and its Subsidiaries have taken legal actions and are considering further legal actions.

It cannot be excluded that the Moratorium and any further regulatory measures following the Moratorium will adversely affect NORD/LB and its Subsidiaries as creditors of HETA and as beneficiaries under Carinthia's deficiency guarantee. Also, it cannot be foreseen whether or not Carinthia will be able to pay its creditors in full in case claims under its deficiency guarantee were successfully invoked. Note that the Republic of Austria is not obliged to settle Carinthia's liabilities.

Furthermore, it cannot be excluded that similar situations will arise in the future (in or outside Austria) which could adversely affect NORD/LB and its Subsidiaries."

III. CHANGES RELATING TO SECTION 1.2. DESCRIPTION OF NORDDEUTSCHE LANDESBANK – GIROZENTRALE –

1.) In section 1. "**Description of Norddeutsche Landesbank – Girozentrale –**" section 1.2. "**Description of Norddeutsche Landesbank – Girozentrale –**" subsection 1.2.1. "**Auditors**" shall be deleted after its heading and replaced by the following:

"The unaudited interim consolidated financial statements of NORD/LB and its consolidated subsidiaries (the "**NORD/LB Group**") for the period from 1 January 2016 to 30 September 2016 (the "**Interim Consolidated Financial Statements 30 September 2016**") were prepared in accordance with IFRS on interim financial reporting (IAS 34), as adopted by the EU, and the interim group management report in accordance with the requirements of the German Securities Trading Act (*Wertpapierhandelsgesetz or WpHG*).

The consolidated financial statements of NORD/LB Group for the financial year 2015 (the "**Consolidated Financial Statements 2015**") and the group management report (*Konzernlagebericht*) were audited in accordance with Section 317 German Commercial Code (*Handelsgesetzbuch,* the "**HGB**") and the German generally accepted auditing standards (the "**German GAAS**") by KPMG AG Wirtschaftsprüfungsgesellschaft, Osterstraße 40, 30159 Hanover ("**KPMG**"). KPMG has issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) on the Consolidated Financial Statements 2015 and the group management report of NORD/LB Group for the financial year 2015.

The unconsolidated financial statements of Norddeutsche Landesbank – Girozentrale – for the financial year 2015 (the "**Annual Accounts 2015**") were prepared in accordance with German generally accepted accounting principles (the "**German GAAP**") and have been audited, together with the management report (*Lagebericht*), in accordance with Section 317 HGB and German GAAS by KMPG. KPMG has issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) on the Annual Accounts 2015 and the management report of Norddeutsche Landesbank – Girozentrale – for the financial year 2015.

The consolidated financial statements of NORD/LB Group for the financial year 2014 (the "**Consolidated Financial Statements 2014**") and the management report (*Konzernlagebericht*) were audited in accordance with Section 317 HGB and German GAAS by KPMG. KPMG has issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) on the Consolidated Financial Statements 2014 and the group management report of NORD/LB Group for the financial year 2014.

The Consolidated Financial Statements 2014 and the Consolidated Financial Statements 2015 were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (1) HGB.

KPMG is a member of the German Chamber of Auditors (*Deutsche Wirtschaftsprüferkammer*)."

2.) In section 1. "Description of Norddeutsche Landesbank – Girozentrale –" section 1.2. "**Description of Norddeutsche Landesbank – Girozentrale –**" subsection 1.2.3. "**Issuer's ratings and ratings for debt instruments of Norddeutsche Landesbank – Girozentrale –** " the following tables shall be deleted and replaced by the following:

"**Ratings for senior unsecured long-term NORD/LB liabilities**

	Non-guaranteed	**guaranteed**[1]
Moody's	Baa1*	Aa1
Fitch	A -	AAA

* In principle Moody's rates NORD/LBs senior unsecured long-term liabilities Baa1. On 21 November 2016 Moody's published a report, in which a better rating was assigned to some of the relevant liabilities."

and

"Ratings for NORD/LB covered bonds (Pfandbriefe)

	NORD/LB Public Sector Pfandbriefe (*Öffentliche Pfandbriefe*)	**NORD/LB Mortgage Pfandbriefe (*Hypotheken-pfandbriefe*)**	**NORD/LB Aircraft Pfandbriefe (*Flugzeug-pfandbriefe*)**
Moody's	Aaa	Aaa	A1
Fitch*	AAA*	none	none

*NORD/LB has terminated the rating agreement for NORD/LB Public Sector Pfandbriefe (*Öffentliche Pfandbriefe*) effective 31 December 2016, i.e. until further notice as of 1 January 2017 NORD/LB Public Sector Pfandbriefe (*Öffentliche Pfandbriefe*) will not have a Fitch-rating instructed by NORD/LB any longer."

3.) In section 1. "**Description of Norddeutsche Landesbank – Girozentrale –"** section 1.2. "**Description of Norddeutsche Landesbank – Girozentrale –**" subsection 1.2.4. "**Recent events in the business activities of Norddeutsche Landesbank – Girozentrale** -" the sub-paragraph "**Revaluation and reduction of the book value of HETA assets due to measures under the Austrian act implementing the BRRD into Austrian law**" shall be deleted and replaced by the following:

"**Termination of HETA-Proceedings**

NORD/LB and some of its Subsidiaries currently hold debt instruments and other liabilities qualifying as eligible liabilities within the meaning of the Austrian Act on the Recovery and Resolution of Credit Institutions ("**BaSAG**") – which implements the BRRD into Austrian law – issued by HETA ASSET RESOLUTION AG (formerly Hypo Alpe-Adria-Bank International AG and hereinafter referred to as "**HETA**") in the aggregate principal amount of EUR 380 million (of which EUR 110 million are directly held by NORD/LB) and in relation to which the Austrian province of Carinthia ("**Carinthia**") shall be liable as deficiency guarantor (*Ausfallbürge*) – pursuant to Section 5 of the Kärntner Landesholding-Gesetz – in case of HETA's inability to pay (*Zahlungsunfähigkeit*). On 1 March 2015, the Austrian Financial Market Authority in its capacity as resolution authority under the BaSAG published an administrative ruling

[1] The ratings for guaranteed liabilities apply to all guaranteed liabilities entered into no later than 18 July 2001 and transactions concluded in the transition period from 19 July 2001 to 18 July 2005 with a maximum term to 31 December 2015.

(*Bescheid*) and declared a deferral of the maturities of all debt instruments issued by HETA, its other eligible liabilities as well as the maturity dates for interest payments under such instruments with immediate effect to 31 May 2016, except for liabilities which are non-eligible pursuant to Section 86 para 2 BaSAG (the "**Moratorium**"). The Austrian Financial Market Authority has issued a notice (*Mandatsbescheid*) by means of an edict on 10 April 2016 which enacted a bail-in for claims of creditors of HETA under its debt securities and other eligible liabilities. Such bail-in comprises the following measures: (i) The principal amount of such eligible senior liabilities of HETA will be reduced by 53.98 per cent. to 46.02 per cent. of its nominal amount; (ii) the maturity of all eligible liabilities will be postponed until 31 December 2023; (iii) interest accrued from 1 March 2015 has been written off entirely; and (iv) the Austrian Financial Market Authority has assumed full control over HETA.
In summer 2016, in the course of negotiations with its creditors, the Republic of Austria and the Austrian province of Carinthia have made an exchange offer to such creditors. NORD/LB and its Subsidiaries have accepted this exchange offer in September 2016. All debt instruments held by NORD/LB and its Subsidiaries have been exchanged into zero-coupon debt instruments and all legal actions, including the lawsuit that had been filed in Frankfurt am Main in the meantime, have been withdrawn."

4.) In section 1. "**Description of Norddeutsche Landesbank – Girozentrale –"** section 1.2. "**Description of Norddeutsche Landesbank – Girozentrale –**" subsection 1.2.4. "**Recent events in the business activities of Norddeutsche Landesbank – Girozentrale** -" the sub-paragraph "***Loan Loss Provisions with regard to the Shipping Portfolio***" shall be deleted and replaced by the following:

"Loan Loss Provisions with regard to the Shipping Portfolio

In 2015 as well as in the first three quarters of 2016, the on-going crisis on the shipping market led to a notable increase in expected losses in the entire credit portfolio and therefore in the loan loss provisions. Due to the high share of US-Dollar denominated assets in the shipping portfolio, the strong appreciation of the US Dollar against the Euro added to this development.The ongoing challenging situation in the shipping markets has led to a further deterioration of the value of its shipping portfolio. In the light of this, NORD/LB aims to reduce its shipping portfolio. These circumstances have led and are still leading to an additional considerable increase in loan loss provisions beyond the previous planning. In connection with this, NORD/LB expects that the volume of loan loss provisions to be made, in particular for the shipping portfolio, will not be compensated by earnings in other business segments in the financial year 2016. Moreover, the volume of loan loss provisions will further increase considerably until the end of the year, notably beyond the development in the first three quarters of 2016. However, NORD/LB still expects to fulfill all regulatory requirements."

5.) In section 1. "**Description of Norddeutsche Landesbank – Girozentrale –"** section 1.2. "**Description of Norddeutsche Landesbank – Girozentrale –**" subsection 1.2.4. "**Recent events in the business activities of Norddeutsche Landesbank – Girozentrale** -" the sub-paragraph "**Developments with regard to the subsidiary Bremer Landesbank**" shall be deleted and replaced by the following:

"Developments with regard to the subsidiary Bremer Landesbank

The ongoing crisis in the shipping sector as well as increased regulatory requirements have led to a loss at the subsidiary Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – ("**BLB**") and necessitate measures to strengthen its own funds. As a result of intensive

negotiations between the owners of BLB (NORD/LB, Free Hanseatic City of Bremen (*Freie Hansestadt Bremen*) and Lower Saxony Savings Banks and Giro Association (*Niedersächsischer Sparkassen- und Giroverband*)) the owners of BLB have published a joint declaration on 1 September 2016 stating that Free Hanseatic City of Bremen (*Freie Hansestadt Bremen*) and Lower Saxony Savings Banks and Giro Association (*Niedersächsischer Sparkassen- und Giroverband*) will sell their respective participation in BLB to NORD/LB and BLB will become a wholly owned subsidiary of NORD/LB.
Relevant company acquisition agreements were signed between the owners on 7 November 2016 to take effect from 1 January 2017. These are subject to conditions precedent, including the approval of the German Federal Cartel Office and the revision of the state treaty.
The total purchase price amounting to EUR 302 million will partly be settled by transferring ownership of the shares in Bremer Lagerhaus-Gesellschaft – Aktiengesellschaft von 1877 –, BREBAU GmbH and GEWOBA AG Wohnen und Bauen.
After the transaction, Bremer Landesbank will remain a fully-consolidated subsidiary in the consolidated financial statements of NORD/LB."

6.) In section 1. “**Description of Norddeutsche Landesbank – Girozentrale** –“ section 1.2. “**Description of Norddeutsche Landesbank – Girozentrale –**“subsection 1.2.7. “**Information on trends**“shall be deleted and replaced by the following:

“***Information on trends***

Since the date of its last published audited annual financial statements of 31 December 2015, the following material adverse changes in the prospects of Norddeutsche Landesbank – Girozentrale – occurred: The ongoing challenging situation in the shipping markets has led to a further deterioration of the value of its shipping portfolio. In the light of this, NORD/LB aims to reduce its shipping portfolio. These circumstances have led and are still leading to an additional considerable increase in loan loss provisions beyond the previous planning. In connection with this, NORD/LB expects that the volume of loan loss provisions to be made, in particular for the shipping portfolio, will not be compensated by earnings in other business segments in the financial year 2016. Moreover, the volume of loan loss provisions will further increase considerably until the end of the year, notably beyond the development in the first three quarters of 2016. However, NORD/LB still expects to fulfill all regulatory requirements.”

7.) In section 1. “**Description of Norddeutsche Landesbank – Girozentrale** –“ section 1.2. “**Description of Norddeutsche Landesbank – Girozentrale –**“subsection 1.2.8. “**Governing bodies of the Issuer**“ in the table of “**The Managing Board**” the following amendments shall be made:

a.) Following the name of the chairman Dr. Gunter Dunkel the following shall be inserted: ”(resign as Member of the Managing Board of NORD/LB from 31 December 2016)”;

b.) Member of the Managing Board Eckhard Forst shall be deleted;

c.) Following the name of Thomas S. Bürkle the following shall be inserted: ”(From 1 January 2017 Chairman)”;

d.) At the end of the table the new Members of the Managing Board shall be inserted: “Christoph Dieng (appointed with effect from 1 January 2017)” and “Günter Tallner (appointed with effect from 1 January 2017)”.

IV. CHANGES RELATING TO SECTION 1.3. FINANCIAL INFORMATION ON THE ASSET, FINANCIAL AND EARNINGS POSITION

1.) In section 1. "**Description of Norddeutsche Landesbank – Girozentrale** –" section 1.3. "**Financial information on the asset, financial and earnings position**" subsection 1.3.1. "**Historical financial Information**" shall be deleted after its heading and be replaced by the following:

"The Consolidated Financial Statements 2014 and the respective auditor's report (*Bestätigungsvermerk*) are included on pages F-1 to F-146, the Consolidated Financial Statements 2015 and the respective auditor's report (*Bestätigungsvermerk*) are included on pages F-147 to F-286, the Annual Accounts 2015 and the respective auditor's report (*Bestätigungsvermerk*) are included on pages F-287 to F-349 and the Interim Consolidated Financial Statements 30 September 2016 are included on pages F-350 to F-407, in each case within section 3 "*Financials*" of this registration document.

The financial information contained in this Registration Document provides a true and fair view of the financial position of NORD/LB Group in accordance with the applicable accounting policies.

The Consolidated Financial Statements 2014 and the Consolidated Financial Statements 2015 were prepared in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (1) HGB. The Annual Accounts 2015 were prepared in accordance with German GAAP. The Interim Consolidated Financial Statements 30 June 2016 were prepared in accordance with IFRS and IAS 34, as adopted by the EU.

The Consolidated Financial Statements 2014 and the Consolidated Financial Statements 2015 and the respective auditor's reports (*Bestätigungsvermerke*) contained in this Registration Document have been taken from the annual report (*Geschäftsbericht)* of NORD/LB Group for the financial year 2014 and the financial year 2015 (see section *2.* "Important Information 2.4. Availability of documents").

The Annual Accounts 2015 and the auditor's report (*Bestätigungsvermerk*) have been taken from the annual report (*Geschäftsbericht*) of Norddeutsche Landesbank – Girozentrale – for the financial year 2015 (see section *2.* "Important Information 2.4. Availability of documents").

The Interim Consolidated Financial Statements 30 September 2016 have been taken from the Interim Report (*Konzernzwischenbericht*) of NORD/LB Group as of 30 September 2016 (see section *2. "Important Information 2.4. Availability of documents"*).

The auditor's reports (*Bestätigungsvermerke*) with respect to the Consolidated Financial Statements 2014 and the Consolidated Financial Statements 2015 were issued in accordance with Section 322 HGB on the audited consolidated financial statements and the group management reports (*Konzernlageberichte*) each as a whole, respectively. The respective group management reports *(Konzernlageberichte)* for 2014 and 2015 are neither included nor incorporated by reference in this Registration Document.

The auditor's report (*Bestätigungsvermerk*) with respect to the Annual Accounts 2015 of Norddeutsche Landesbank – Girozentrale – was issued in accordance with Section 322 HGB on the unconsolidated financial statements and the management report (*Lagebericht*) as a whole. The management report is neither included nor incorporated by reference in this Registration Document."

2.) In section 1. "**Description of Norddeutsche Landesbank – Girozentrale** –" section 1.3. "**Financial information on the asset, financial and earnings position**" subsection 1.3.3. "**Significant changes in the financial positions**" shall be deleted after its heading and and be replaced by the following:

"**1.3.3. significant changes in the financial positions**

Since the date of its last published unaudited interim financial statements of 30 September 2016, the following significant changes in the financial position of the Issuer and of NORD/LB Group occurred: The ongoing challenging situation in the shipping markets has led to a further deterioration of the value of the shipping portfolio of NORD/LB and its subsidiary Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –. In the light of this, NORD/LB aims to reduce its shipping portfolio. These circumstances have led and are still leading to an additional considerable increase in loan loss provisions beyond the previous planning. In connection with this, NORD/LB expects that the volume of loan loss provisions to be made, in particular for the shipping portfolio, will not be compensated by earnings in other business segments in the financial year 2016. Moreover, the volume of loan loss provisions will further increase considerably until the end of the year, notably beyond the development in the first three quarters of 2016. However, NORD/LB still expects to fulfill all regulatory requirements."

3.) In section 1. "**Description of Norddeutsche Landesbank – Girozentrale** –" section 1.3. "**Financial information on the asset, financial and earnings position**" subsection 1.3.5. "**Regulatory key figures**" at the end of the sub-paragraph "**Requirements concerning minimum capital**" the following sentence shall be inserted:

"In addition, in 2017 NORD/LB must also maintain a capital buffer for other institutions of systemic importance of 0.33 per cent. "

V. CHANGES RELATING TO SECTION 2. IMPORTANT INFORMATION

In section 2. "**Important Information**" subsection 2.4. "**Availability of documents**" shall be deleted and replaced by the following:

"**2.4. Availability of documents**

As long as this registration document is valid, Norddeutsche Landesbank – Girozentrale – will provide copies of the following documents to be viewed upon request at the registered office at Norddeutsche Landesbank – Girozentrale -, Friedrichswall 10, 30159 Hanover during opening hours:

- the annual report (*Geschäftsbericht*) of NORD/LB Group for the financial years 2014 and 2015; each containing the consolidated financial statements for the corresponding financial years 2014 and 2015;

- the annual report (*Geschäftsbericht*) of Norddeutsche Landesbank – Girozentrale – for the financial year 2015; containing the Annual Accounts 2015;

- the interim report (*Konzernzwischenbericht*) of NORD/LB Group as of 30 September 2016;

- the Articles of Association (*Satzung*) of Norddeutsche Landesbank – Girozentrale – as amended on 2 December 2015 and 23 December 2015;

- the State Treaty between the German Federal States of Lower Saxony (*Niedersachsen*), Saxony-Anhalt (*Sachsen-Anhalt*) and Mecklenburg-Western Pomerania (*Mecklenburg-Vorpommern*) dated 22 August 2007, as amended on 12 July 2011.

The Articles of Association (*Satzung*) of Norddeutsche Landesbank – Girozentrale –, the State Treaty, the Consolidated Financial Statements 2014 and the Consolidated Financial Statements 2015, the annual report (*Geschäftsbericht*) of Norddeutsche Landesbank – Girozentrale – for the financial year 2015 such as the interim report as of 30 September 2016 are available on request in printed form at the above mentioned address or in electronic form on http://www.nordlb.de."

VI. CHANGES RELATING TO SECTION 3. FINANCIALS

The pages F-350 to F-411 of section 3. "**Financials**" shall be deleted and replaced by:

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Interim Consolidated Financial Statements as at 30 September 2016

Income Statement

	Notes	1 Jan. - 30 Sep. 2016 (in € million)	1 Jan. - 30 Sep. 2015 (in € million)	Change (in %)
Interest income		5 472	6 276	– 13
Interest expenses		4 115	4 782	– 14
Net interest income	**6**	**1 357**	**1 494**	**– 9**
Loan loss provisions	7	1 651	367	> 100
Commission income		259	237	9
Commission expenses		95	74	28
Net commission income	**8**	**164**	**163**	**1**
Trading profit / loss		636	– 98	> 100
Profit / loss from the fair value option		– 302	166	> 100
Profit / loss from financial instruments at fair value through profit or loss	**9**	**334**	**68**	**> 100**
Profit / loss from hedge accounting	10	20	107	– 81
Profit / loss from financial assets	11	61	56	9
Profit / loss from investments accounted for using the equity method		– 18	6	> 100
Administrative expenses	12	835	815	2
Other operating profit / loss	13	– 47	– 77	– 39
Earnings before reorganisation and taxes		**– 615**	**635**	**> 100**
Reorganisation expenses	14	– 9	– 5	80
Earnings before taxes		**– 624**	**630**	**> 100**
Income taxes	15	112	91	23
Consolidated profit		**– 736**	**539**	**> 100**
of which: attributable to the owners of NORD/LB		– 471	524	
of which: attributable to non-controlling interests		– 265	15	

Income Statement - Quarterly Overview

(in € million)	2016 3rd Quarter	2016 2nd Quarter	2016 1st Quarter[1]	2015 3rd Quarter	2015 2nd Quarter	2015 1st Quarter
Interest income	1 796	1 751	1 925	1 999	2 108	2 169
Interest expenses	1 368	1 281	1 466	1 505	1 609	1 668
Interest expenses	**428**	**470**	**459**	**494**	**499**	**501**
Loan loss provisions	648	568	435	157	106	104
Commission income	81	93	85	77	81	79
Commission expenses	34	30	31	25	25	24
Net commission income	**47**	**63**	**54**	**52**	**56**	**55**
Trading profit / loss	99	150	387	36	– 519	385
Profit / loss from the fair value option	– 54	– 115	– 133	27	441	– 302
Profit / loss from financial instruments at fair value through profit or loss	**45**	**35**	**254**	**63**	**– 78**	**83**
Profit / loss from hedge accounting	32	– 13	1	17	31	59
Profit / loss from financial assets	– 10	64	7	30	24	2
Profit / loss from investments accounted for using the equity method	– 11	–	– 7	65	– 59	–
Administrative expenses	263	275	297	253	278	284
Other operating profit / loss	121	– 32	– 136	3	– 3	– 77
Earnings before reorganisation and taxes	**– 259**	**– 256**	**– 100**	**314**	**86**	**235**
Reorganisation expenses	– 1	– 1	– 7	2	– 1	– 6
Earnings before taxes	**– 260**	**– 257**	**– 107**	**316**	**85**	**229**
Income taxes	70	56	– 14	67	– 49	73
Consolidated profit	**– 330**	**– 313**	**– 93**	**249**	**134**	**156**
of which: attributable to the owners of NORD/LB	– 208	– 188	– 75	237	128	159
of which: attributable to non-controlling interests	– 122	– 125	– 18	12	6	– 3

[1] Restatement of the reporting (see Note (3) Change in Estimates and Accounting Policies).

Statement of Comprehensive Income

The total comprehensive income of the NORD/LB Group consists of the income and expense recognised in both the income statement (IS) and in other comprehensive income (OCI).

	1 Jan. - 30 Sep. 2016 (in € million)	1 Jan. - 30 Sep. 2015 (in € million)	Change (in %)
Consolidated profit	**– 736**	**539**	**> 100**
Other comprehensive income which is not recycled in the income statement in subsequent periods			
Revaluation of the net liability from defined benefit pension plans	– 481	203	> 100
Investments accounted for using the equity method – Share of other operating profit / loss	– 5	6	> 100
Deferred taxes	154	– 65	> 100
	– 332	**144**	**> 100**
Other comprehensive income which is recycled in the income statement in subsequent periods on certain conditions			
Increase / decrease from available for sale (AfS) financial instruments			
Unrealised profit / losses	148	– 52	> 100
Transfer due to realisation profit / loss	36	33	9
Translation differences of foreign business units			
Unrealised profit / losses	– 95	24	> 100
Investments accounted for using the equity method – Share of other operating profit / loss	42	– 35	> 100
Deferred taxes	– 20	– 1	> 100
	111	**– 31**	**> 100**
Other profit / loss	**– 221**	**113**	**> 100**
Comprehensive income for the period under review	**– 957**	**652**	**> 100**
of which: attributable to the owners of NORD/LB	– 675	628	
of which: attributable to non-controlling interests	– 282	24	

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Statement of Comprehensive Income - Quarterly Overview

	2016			2015		
(in € million)	3rd quarter	2nd Quarter	1st Quarter [1]	3nd Quarter	2nd Quarter	1st Quarter
Consolidated profit	**– 330**	**– 313**	**– 93**	**249**	**134**	**156**
Other comprehensive income which is not recycled in the income statement in subsequent periods						
Revaluation of the net liability from defined benefit pension plans	– 30	– 274	– 177	44	511	– 352
Investments accounted for using the equity method – Share of other operating profit / loss	6	– 6	– 5	11	5	– 10
Deferred taxes	9	88	57	– 15	– 162	112
	– 15	**– 192**	**– 125**	**40**	**354**	**– 250**
Other comprehensive income which is recycled in the income statement in subsequent periods on certain conditions						
Increase / decrease from available for sale (AfS) financial instruments						
Unrealised profit / losses	228	– 69	– 11	– 53	– 143	144
Transfer due to realisation profit / loss	24	7	5	4	11	18
Translation differences of foreign business units						
Unrealised profit / losses	– 90	9	– 14	– 1	– 14	39
Investments accounted for using the equity method – Share of other operating profit / loss	10	16	16	– 71	22	14
Deferred taxes	– 44	20	4	– 96	45	– 50
	128	**– 17**	**–**	**– 217**	**– 79**	**165**
Other profit / loss	**113**	**– 209**	**– 125**	**– 177**	**275**	**– 85**
Comprehensive income for the period under review	**– 217**	**– 522**	**– 218**	**72**	**409**	**71**
of which: attributable to the owners of NORD/LB	– 97	– 382	– 196	164	370	94
of which: attributable to non-controlling interests	– 120	– 140	– 22	8	39	– 23

[1] Restatement of the reporting (see Note (3) Change in estimates and accounting policies).

Balance Sheet

	Notes	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Cash reserve		1 073	872	23
Loans and advances to banks	16	22 208	21 194	5
Loans and advances to customers	17	106 081	107 878	– 2
Risk provisioning	18	– 3 748	– 2 919	28
Balancing items for financial instruments hedged in the fair value hedge portfolio		326	91	>100
Financial assets at fair value through profit or loss	19	12 747	14 035	– 9
Positive fair values from hedge accounting derivatives		2 880	2 507	15
Financial assets	20	33 185	34 515	– 4
Investments accounted for using the equity method		291	290	–
Property and equipment	21	571	573	–
Investment property		74	77	– 4
Intangible assets	22	145	149	– 3
Assets held for sale	23	32	58	– 45
Current income tax assets		32	37	– 14
Deferred income taxes		774	663	17
Other assets		1 035	978	6
Total assets		**177 706**	**180 998**	**– 2**

	Notes	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Liabilities to banks	24	49 161	48 810	1
Liabilities to customers	25	57 136	60 597	– 6
Securitised liabilities	26	35 154	35 877	– 2
Balancing items for financial instruments		1 375	753	83
Financial liabilities at fair value through profit or loss	27	15 846	16 057	– 1
Negative fair values from hedge accounting derivatives		3 824	3 148	21
Provisions	28	2 931	2 428	21
Liabilities held for sale		10	7	43
Current income tax liabilities		109	116	– 6
Deferred income taxes		124	87	43
Other liabilities		623	306	> 100
Subordinated capital	29	3 865	4 299	– 10
Equity				
Issued capital		1 607	1 607	–
Capital reserves		3 332	3 332	–
Retained earnings		1 752	2 493	– 30
Revaluation reserve		519	454	14
Currency translation reserve		– 10	– 9	11
Equity capital attributable to the owners of NORD/LB		**7 200**	**7 877**	**– 9**
Additional equity		50	50	–
Equity capital attributable to non-controlling interests		298	586	– 49
		7 548	**8 513**	**– 11**
Total liabilities and equity		**177 706**	**180 998**	**– 2**

Condensed Statement of Changes in Equity

(in € million)	Issued capital	Capital reserve	Retained earnings	Revaluation reserve	Currency translation reserve	Equity attributable to the owners of NORD/LB	Additional equity components	Equity attributable to non-controlling interests	Consolidated equity
Equity as at 1 Jan.2016	**1 607**	**3 332**	**2 493**	**454**	**– 9**	**7 877**	**50**	**586**	**8 513**
Comprehensive income for the period under preview	–	–	– 739	65	– 1	– 675	–	– 282	– 957
Changes in the basis of consolidation	–	–	–	–	–	–	–	3	3
Other changes in capital	–	–	– 2	–	–	– 2	–	– 9	– 11
Equity as at 30 Sep.2016	**1 607**	**3 332**	**1 752**	**519**	**– 10**	**7 200**	**50**	**298**	**7 548**

(in € million)	Issued capital	Capital reserve	Retained earnings	Revaluation reserve	Currency translation reserve	Equity attributable to the owners of NORD/LB	Additional equity components	Equity attributable to non-controlling interests	Consolidated equity
Equity as at 1 Jan.2015	**1 607**	**3 332**	**1 957**	**420**	**– 10**	**7 306**	**–**	**596**	**7 902**
comprehensive income for the period under preview	–	–	624	5	– 1	628	–	24	652
Transactions with the owners	–	–	– 131	–	–	– 131	–	–	– 131
Changes in the basis of consolidation	–	–	– 4	–	–	– 4	–	–	– 4
Other changes in capital	–	–	–	–	–	–	50	–	50
Equity as at 30 Sep.2015	**1 607**	**3 332**	**2 446**	**425**	**– 11**	**7 799**	**50**	**620**	**8 469**

The other changes in capital include reclassifications of reserves into loans and interest payments on issued additional Tier-1 bonds.

Condensed Cash Flow Statement

	1 Jan. - 30 Sep. 2016 (in € million)	1 Jan. - 30 Sep. 2015 (in € million)	Change (in %)
Cash and cash equivalents as at 1 January	**872**	**1 064**	**– 18**
Cash flow from operating activities	784	144	> 100
Cash flow from investing activities	– 8	208	> 100
Cash flow from financing activities	– 568	– 243	> 100
Total cash flow	**208**	**109**	**91**
Effects of changes in exchange rates	– 7	10	> 100
Cash and cash equivalents as at 30.9.	**1 073**	**1 183**	**– 9**

Please refer to the explanations in the Risk Report for further information regarding the management of liquidity risk in the NORD/LB Group.

The loss realised by one subsidiary during the reporting period includes the disposal of property and equipment in the amount of € 4 million. No consideration was obtained from the transaction.

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Selected Notes

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General Disclosures

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

The interim consolidated financial statements of Norddeutsche Landesbank Girozentrale, Hanover, Braunschweig, Magdeburg (NORD/LB) as at 30 September 2016 were prepared based on Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002 (IAS Regulation) in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) as applicable in the EU. The interim financial statements meet the requirements of IAS 34 for condensed interim financial reporting. National requirements contained in the German Commercial Code (HGB) under § 315a of the HGB were also observed insofar as these regulations are to be applied as at the reporting date for the interim financial statements. The interim consolidated financial statements are to be read in conjunction with the information contained in the certified, published consolidated financial statements of NORD/LB as at 31 December 2015.

NORD/LB as a group under commercial law is referred to hereinafter as the NORD/LB Group. The interim consolidated financial statements as at 30 September 2016 comprise the income statement, the statement of comprehensive income, the balance sheet, the condensed statement of changes in equity, the condensed cash flow statement and selected notes. The segment reporting is included in the notes. The reporting on the nature and scope of risks relating to financial instruments in accordance with IFRS 7 is provided mainly in a Risk Report within the Group Management Report.
The reporting currency for the interim financial statements is the euro. All amounts are reported rounded in euro millions (€ million) unless indicated otherwise. The previous year's figures are shown hereafter in brackets.
These interim consolidated financial statements were signed by the Managing Board on 15 November 2016 and approved for publication.

(2) Accounting Policies

The accounting policies of the interim consolidated financial statements are based on those applied in the consolidated financial statements as at 31 December 2015 unless described otherwise in Note (3) Adjustment of Estimates and Accounting Methods.

The following standards and amendments to the standards requiring mandatory application as at 1 January 2016 were applied by the NORD/LB Group for the first time during the reporting period:

Amendments to IFRS 11 – Accounting for the Acquisition of an Interest in a Joint Operation

The amendments to IFRS 11 published in May 2014 set out how to account for the acquisition of an interest in a joint operation that is a business in the sense of IFRS 3. All of the principles defined in IFRS 3 or in other standards for the accounting of business combinations are to be applied to the acquired interest, and the corresponding disclosure requirements must be observed as well.

There are currently no circumstances in the NORD/LB Group to which the amendments to IFRS 11 apply.

Amendments to IAS 1 – Presentation of Financial Statements

The amended standard published on 18 December 2014 implemented the initial proposals under the IASB's initiative to improve disclosures in the notes. The amendments emphasise the concept of materiality to facilitate the communication of relevant information in IFRS-based financial statements. This will be achieved by waiving the requirement to disclose immaterial information, by allowing for the possibility of supplementary subtotals and by enabling greater flexibility in the structure of the notes. Furthermore, the breakdown of other comprehensive income (OCI) in the statement of comprehensive income has been clarified.

The amendments to IAS 1 do not have an effect on the interim consolidated financial statements of NORD/LB.

Amendments to IAS 16 and IAS 38 – Clarification of acceptable Methods of Depreciation and Amortisation

On 12 May 2014, the IASB published amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These amendments concern the acceptable methods of presenting appropriately the consumption of an asset's future economic benefit. It was clarified that for property, plant and equipment, depreciation based on the revenue of the goods generated by these assets is not appropriate, and that in the case of intangible assets with a limited useful life it is permitted only in explicitly specified exceptional cases.

As this depreciation method is not used in the NORD/LB Group, the amendments to IAS 16 and IAS 38 do not have any effects.

Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions

The amendment to IAS 19 Employee Benefits that was published in November 2013 specifies the requirements associated with the allocation of employee contributions or third-party contributions to the periods of service if the contributions are linked to the period of service. Additionally, reliefs are created if the contributions are independent of the number of years of service.

The amendments to IAS 19 do not require an adjustment of NORD/LB's interim consolidated financial statements.

Improvements from the IFRS 2010 – 2012 Cycle and 2012 – 2014 Cycle under the IASB's annual Improvements Process

The IASB's Annual Improvements Process involves changes to the wording in individual IFRSs to clarify or improve existing regulations. The 2010 – 2012 cycle included amendments to the standards IFRS 2, IFRS 3, IFRS 8 and IFRS 13 as well as to IAS 16, IAS 24 and IAS 38. The 2012 – 2014 cycle included amendments to the standards IFRS 5 and IFRS 7 as well as to IAS 19 and IAS 34.

These annual improvements to IFRSs do not have an effect on NORD/LB's consolidated interim financial statements.

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

(3) Adjustment of Estimates and Accounting Methods

The interim financial statements as at 30 June 2016 included for the first time a measurement of silent participations reported in the subordinated capital of the NORD/LB Group in accordance with IAS 39.AG8. This accounting standard requires that the carrying amount of financial instruments that are not to be measured at fair value must be adjusted through profit or loss if there are changes in the estimates of the cash flows associated with the financial instrument. To determine the new carrying amount, the future interest and principle payments must be reassessed and discounted at the original effective interest rate.

The NORD/LB Group's silent participations that are subject to revaluation are measured at amortised cost. They feature a rate of return that is dependent on profit and participate in any loss for the financial year or accumulated net loss. The current profit forecasts for the NORD/LB Group indicate the estimated future cash flows of the silent participations deviate from their contractual cash flows. The change in estimate resulting from the application of IAS 39.AG8 has led to an adjustment in the value of the silent participations, which is reported in the income statement in the Group's net interest income (see Note (6) Net interest income).

When measuring the silent participations, estimates must be made based on assumptions that are regularly subject to estimation uncertainties. These uncertainties result from the profit forecast for the NORD/LB Group, which is necessary for the measurement. This forecast is significantly affected by economic trends. When new knowledge becomes known about previous assumptions underlying the profit forecast, this can lead in subsequent periods to adjustments in the value of the silent participations.

When modernising the subsidiary accounting used to account for financial instruments in accordance with IFRS, the following changes were made to accounting estimates in several Group companies for the first time as at 30 June 2016:

The change in value for hedging transactions in portfolio-fair-value hedges that results from the reduction in the residual duration and is not related to the hedged risk (hedge amortised cost) has been determined using the method applied to measure the hedge amortised cost of the underlying transaction. This measurement methodology is in contrast to the previous practice, which was based on the effective interest method. When determining the corresponding hedge amortised cost for underlying transactions in portfolio-fair-value hedges, the interest rate curve is rolled forward from the start of the period in a risk-free and arbitrage-free manner to the end of the period. This approach replaces the method until now of rolling forward the value in a straight-line manner from the start of the period until the end of the period. The change in the estimate of the interest distribution will avoid in the future a mismatch in the profit/loss from hedge accounting resulting from the use of different methods of computations for the hedge amortised cost for hedges and underlying transactions. Besides a shift between net interest income and profit/loss from hedge accounting, this new method of computation will affect the reconciling items for the financial instruments hedged in the portfolio-fair-value hedge, the revaluation reserve and the profit/loss from hedge accounting, and consequently the consolidated profit and total comprehensive income of the period.

Furthermore, the results in foreign currency for the interim consolidated financial statements are set in euros on a daily basis, instead of once a month at month-end as has been the method until now. The change in the estimate towards a daily setting of the rate will lead to a more precise fulfilment of the standard requirements regarding foreign currency translation. It will result in a shift between the foreign exchange result as reported in the trading profit/loss and other items of the income statement. Consolidated profit, however, will not be affected.

The effects of the above-mentioned changes in estimates on the current period can be determined to only a limited extent because the new subsidiary accounting has used the revised estimates regarding the distribution of interest and the setting of rates only since 1 January 2016, whereas the old subsidiary accounting with the previously applicable estimates was used only until 31 March 2016. The effects on future periods are not disclosed because it is impracticable to estimate these effects.

The following restatements in the income statement and the statement of comprehensive income resulted for the period from 1 January until 31 March 2016 from the changes in estimates:

1 Jan. - 31 Mar. 2016 (in € million)	Prior to adjustment	Adjustment Hegde Amortised Cost	Adjustment results from currency translation	After Adjustment
Interest income	1 911	10	4	1 925
Interest expenses	1 454	12	–	1 466
Net interest income	**457**	**– 2**	**4**	**459**
Trading profit/loss	391	–	– 4	387
Profit/loss from financial instruments at fair vlaue throug profit or loss	**258**	**–**	**– 4**	**254**
Profit / loss from hedge accounting	8	– 7	–	1
Consolidated profit	**– 84**	**– 9**	**–**	**– 93**
of which: attributable to the owners of NORD/LB	– 66	– 9	–	– 75
of which: attributable to non-controlling interests	– 18	–	–	– 18
Other comprehensive income	**– 110**	**– 15**		**– 125**
Comprehensive income for the period under review	**– 194**	**– 24**	**–**	**– 218**
of which: attributable to the owners of NORD/LB	– 172	– 24	–	– 196
of which: attributable to non-controlling interests	– 22	–	–	– 22

The following changes occurred in the balance sheet as at 31 March 2016:

31 Mar. 2016 (in € million)	Prior to adjustment	Adjustment Hegde Amortised Cost	After Adjustment
Balancing items for financial instruments hedged in the fair value hedge portfolio	253	3	256
Total assets	**181 904**	**3**	**181 907**
Balancing items for financial instruments hedged in the fair value hedge portfolio	1 142	27	1 169
Equity	**7 706**		
Retained earnings	2 325	– 9	2 316
Revaluation reserve	452	– 15	437
Total liabilities and equity	**181 904**	**3**	**181 907**

When modernising the subsidiary accounting used to account for financial instruments in accordance with IFRS, changes were made to the accounting policies in several Group companies as at 30 June 2016.

Structured derivatives are accounted for in the new subsidiary accounting on a unit basis instead of by component, as has been the case until now. As the components of structured derivatives are parts of a single legal transaction, the combined figure provides more relevant information. This change results in a decrease in total assets. There is no effect on consolidated profit, although there are reclassifications between individual line items in the income statement.

The effects from non-recurring payments related primarily to interest rate swaps and cross-currency swaps as well as non-recurring payments in connection with paid or received option premiums on caps and floors are subdivided in the new subsidiary accounting into an effect from amortisation and an effect from the change in fair value. This is a change on the previous practice of recognising the two together as a change in fair value. As the non-recurring payments are economically a correction to the profit/loss from current payments reported for these products, amortisation provides more relevant information. There are no effects on the balance sheet or consolidated profit. However, the reporting in the income statement is more precise between interest income, interest expenses and trading profit/loss.

Current interest payments from the legs of a swap are now netted in the new subsidiary accounting for reporting in the income statement, instead of the previous practice of reporting them on a gross basis. The net-based reporting of interest payments by derivative provides a better reflection of economic circumstances because for a single derivative no interest income is realised on the assets or no interest expenses are realised on liabilities. Instead, only interest payments related to the notional value of the derivative are exchanged. There is no effect on consolidated profit, although the reporting in the income statement is more precise between interest income and interest expenses.

When the purchase and/or sale of securities is not settled and the number of days between the trade date and the value date of the transaction is more than usual for the respective type of trading (such items are called false forward transactions in securities), the securities are reported in the balance sheet by class on a net basis. The receivables and liabilities from the securities transactions will continue to be reported on a gross basis if the requirements for netting in the balance sheet are not fulfilled. Net-based reporting provides a better reflection of economic conditions because in addition to the legal possibility of offsetting the two items, the actual intention to offset them now also exists as a result of the new technical capabilities. As there were no balances to report, no reclassifications were undertaken in the balance sheet as at 31 December 2015.

A retrospective determination of the above-mentioned effects on the income statement resulting from the change in accounting policies is not possible for the period from 1 January until 30 September 2015 because the new subsidiary accounting has processed transactions only since 1 January 2016.

The effects resulting from the change in accounting policies for the period from 1 January until 30 September 2016 are included in the following table. They affect solely the reporting.

1 Jan. - 30 Sep.2016 (in € million)	Prior to adjustment	Adjustment structured derivatives	Adjustment upfronts	Adjustment interest from swap	After Adjustment
Interest income	5 695	– 1	– 14	– 208	5 472
Interest expenses	4 325	– 1	– 1	– 208	4 115
Net interest income	**1 370**	**–**	**– 13**	**–**	**1 357**
Trading profit / loss	623	–	13	–	636
Profit / loss from financial instruments at fair value through profit or loss	**321**	**–**	**13**	**–**	**334**
Consolidated profit	**– 736**	**–**	**–**	**–**	**– 736**

The following reclassifications were made in the balance sheet as at 30 September 2016:

30 Sep.2016 (in € million)	Prior to adjustment	Adjustment structured derivatives	Adjustment unnatutal forward transaction in securities	After Adjustment
Financial assets at fair value through profit or loss	15 491	– 2 733	– 11	12 747
Financial liabilities at fair value through profit or loss	18 590	– 2 733	– 11	15 846

The respective restatements were also taken into account in the following notes: (6) Net Interest Income, (9) Profit/Loss from Financial Instruments at Fair Value through Profit or Loss, (19) Financial Assets at Fair Value through Profit or Loss, (27) Financial Liabilities at Fair Value through Profit or Loss, (30) Fair Value Hierarchy and (31) Derivative Financial Instruments.

(4) Basis of Consolidation

The interim consolidated financial statements include not only NORD/LB as the parent company but also 42 (31 December 2015: 42) subsidiaries in which NORD/LB directly or indirectly holds more than 50 per cent of the voting rights or over which NORD/LB can exercise a controlling influence in another manner. In addition, 2 (31 December 2015: 2) joint ventures and 11 (31 December 2015: 12) associated companies have been recognised. 1 (31 December 2015: 1) associated company is designated as held for sale and is measured in accordance with IFRS 5.15 at the lower of the carrying amount and fair value less costs to sell. The joint ventures and the additional associated companies are accounted for using the equity method.

The basis of consolidation compared with 31 December 2015 has changed as follows:

The NORD/LB AM ARB EUROPE special fund that was newly founded in May 2016 has been fully consolidated as at 30 June 2016.

Happy Auntie S.A., which was previously a fully consolidated entity, and Deutsche Faktoring Bank GmbH & Co., which was accounted for as an associated company in accordance with IFRS 5, have been deconsolidated with effect as at 30 September 2016.

The effects resulting from the change in the basis of consolidation did not have a material influence on the net assets, financial position and results of operations of the NORD/LB Group.

Information on the subsidiaries, joint ventures and associated companies included in the interim consolidated financial statements can be found in Note (36) Basis of Consolidation.

Segment Reporting

The segment reporting provides information on the operational business segments of the Group. The segment reporting below is based on IFRS 8 Operating Segments, which follows the management approach. The segment information under IFRS is presented on the basis of internal reporting in the same way that it is regularly reported internally to assess performance and make decisions on the allocation of resources to the segments. The segment reporting includes a restatement of the prior-year's figures to reflect the new allocation key for general loan loss provisions that has been applied to the operating segments starting from 2016. The allocation of general loan loss provisions strengthens the holistic view of the risk provisioning of the business model. At the same time, this change in the methodology has decreased the costs in the Group Controlling / Others segment and thus increased the transparency of the results.

Segment Reporting by Business Segment

The segments are defined as the customer or product groups which reflect the organisational structures and therefore the internal management of the Group. The calculations are based on the internal data of Group companies. The internal management focuses on the operational units' earnings before taxes (EBT).

An important criteria for the formation of segments is the greatest possible homogeneity of the customers aggregated in the segment in relation to financing and investment requirements and the products demanded. There are no dependencies on individual customers. The product ranges offered in the segments are described in the disclosures below, and the earnings generated with these products are shown in the overview. The product range offered comprises classical lending business and syndicate business, savings and giro products, securities, currency and derivative transactions, complex structured financing solutions, private banking products, liquidity and risk management, as well as services such as account management, payment transactions, securities business, brokering, documentary business, loan processing, sureties, guarantees and advisory services for asset management.

Net interest income generated by the individual segments is calculated based on the market-interest-rate method. This process involves calculating the contribution from the interest rate conditions for each customer transaction by comparing the customer conditions with the maturity-congruent market interest rate for a fictitious comparable transaction applicable at the time the transaction is completed. This market interest rate is at the same time the cost rate for the Treasury Division's offsetting positions. As a result, interest income and interest expenses are not reported on a gross basis. The financing result from committed equity is allocated to the market segments.

The Bank allocates every interest-bearing customer transaction to the offsetting positions of the Treasury Division as the central planning division. There are no direct business relations between the market divisions in the Bank. Inter-segment earnings are therefore not included in the internal reporting.

Segment expenses comprise primary expenses, expenses allocated on the basis of cost and service charging, and allocated overhead costs. Risk provisioning is allocated to the segments based on actual costs incurred. In addition to specific valuation allowances, general loan loss provisions have also been reported here since 1 January 2016. The previous year's figures were restated accordingly.

Income related to the overall bank, such as profit/loss from hedge accounting and financial assets, is not allocated to the Bank's operational business segments. Instead, it is reported in the Group Controlling / Others segment.

The segment report includes not only figures from the income statement but also the total risk exposures to be allocated, segment assets and liabilities, committed capital as well as the metrics Cost-Income Ratio (CIR), Return on Risk-adjusted Capital (RoRaC) and the Return on Equity (RoE). The total risk exposures of the business segments show the risk-weighted assets (RWA) to be allocated in accordance with the European Capital Requirements Regulation (CRR) and the European Capital Requirements Directive IV (CRD IV), including shortfall equivalents, as averages in the reporting period. The total risk exposure amount for the Group shows the RWA in accordance with CRR / CRD IV as at the reporting date. The CIR is defined as the ratio between administrative expenses and the sum total of the following income items: net interest income, net commission income, profit/loss from financial instruments at fair value through profit or loss, profit/ loss from hedge accounting, profit/loss from investments accounted for using the equity method and other operating profit/loss.

The calculation of RoRaC in the segments concerns the contribution to income after risk provisioning and the valuation on committed capital (here 9 per cent of the higher value of the RWA limits and the amount called on).

The committed capital in the segments is determined based on the average annual values. The reconciling amount between the committed capital reported in the business segments and the long-term equity in the Group in accordance with commercial law is included in the Reconciliations segment. A reconciliation of long-term equity under commercial law to equity reported in the balance sheet is shown separately at the end of the segment overview.

The following business segments are separately reported in the segment reporting:

Private and Commercial Customers

This segment includes business with private, individual, commercial and small-business customers as well as business with middle-market corporate customers in the Braunschweig region. The product range for the Private and Commercial Customers segment is based on the savings bank finance concept and comprises all of the usual banking services and products for account and lending business, savings and investment business, and the provision of internet banking and direct brokerage. Expanded services for wealthy private customers range from the integrated advisory approach of asset structure analysis, financial planning, asset succession to inheritance and foundation management. The product range also includes investment loans and start-up advice for the middle-market company business.

Corporate Customers

The Corporate Customers segment includes not only the entire NORD/LB business with corporate customers in the core regions (without the old Braunschweig region) and in the neighbouring regions but also in particular the Agricultural Banking and Housing Divisions.

The Bank is a full-service provider that offers banking products and services. Its services include traditional transaction management, tailored corporate financing, management of interest and currency risk, and solutions for company pension schemes. In addition, comprehensive solutions are developed in the segment for complex corporate financing needs and for the strategic positioning of corporate customers. Professional liquidity and risk management, the structuring of equity measures and innovative financing instruments supplement the product range.

Markets

The Markets segment covers the financial-market activities performed in Germany, the foreign branches and in the Group companies on behalf of customers. The Savings Bank Network Division covers transactions with the public sector, institutional business with associated savings banks and syndicated business transacted with associated savings banks.

The segment's offerings comprise alternative products detached from retail banking including derivatives, e.g. special kinds of debt securities which are not standardised in respect of their interest and repayment, but instead offer alternatives in respect of returns and the type or timing of repayment (structured securities). The secondary business includes sales and trading with all kinds of securities. Tailored solutions for institutional customers, such as the structuring of special funds, pool funds solutions, portfolio management mandates and institutional public funds, are likewise offered.

The product range also includes offerings which the savings banks request as direct customers for their own trading business or to complete their product range in their own business with private or corporate customers. Examples include private banking products, investment products such as open or closed funds (real estate, aircraft), and products for individual asset management or inheritance/foundation management.

The segments Energy and Infrastructure Customers, Ship Customers, Aircraft Customers and Real Estate Banking Customers offer – usually irrespective of the specific industry – traditional lending products, innovative products and financial engineering. This primarily concerns financing for specific purposes.

Energy and Infrastructure Customers

This business segment summarises the global business relations of the Group companies NORD/LB and Bremer Landesbank in the Infrastructure, Energy (in particular renewable energy) and Leasing Divisions. The product offering includes primarily project financing, which is related to a specific project or asset and is accordingly tailored to meet the respective individual need. The structure of this financing is developed taking into account the respective political and economic risks, legal and tax factors, social determinants and optimal equity structures. The aim is to tailor project requirements and cash flows to the respective customers.

Ship Customers

The national and international activities of NORD/LB and Bremer Landesbank in ship finance are reported in this segment. The project needs of the customers reported in the Ship Customers segment are met with short to long-term financing, such as equity pre-financing, interim finance, construction period finance (short and medium term) and financing to completion (long term). Ships are financed through the provision of loans or guarantees on a property-related and normally property-secured basis. Products such as swaps, options, futures or forward transactions complete the product range.

Aircraft Customers

NORD/LB'S national and international activities in aircraft finance are reported in this segment. The focus in aircraft finance is on the object-based financing of passenger aircraft produced by well-known manufacturers. The target customers – airlines and leasing companies – are offered not only NORD/LB Group's high expertise with core products but also tailored financing solutions. The segment also finances covered export business.

Real Estate Banking Customers

NORD/LB's and Deutsche Hypo's national and international financing of commercial real estate and Bremer Landesbank's financing of community-interest properties are aggregated in this segment. This normally involves structured financing for large-volume commercial real estate projects and portfolios in Germany and abroad. Both interim finance for new construction projects and long-term loans for existing properties are offered.

Group Controlling / Others

This segment covers all other performance data directly related to business activity, such as Group companies not included in the segments, components of income at the Group level which are not allocated to the segments, the profit/loss from financial instruments (in particular from central valuation effects) that is not reported in the business segments, profit/loss from financial assets and hedge accounting, projects covering the entire bank, consolidation items, profit/ loss from the management of interest rate exposure, disposition of balancing items, liquidity management and self-induced assets (in particular Treasury and Bank Asset Allocation), and alternative investment products (Credit Asset Management). Other operating profit/loss includes the bank levy.

Reconciliations

This section shows two types of activity: the reconciling items between internal accounting and the consolidated figures in the income statement, and the reclassifications of profit and loss items that are reported differently in the internal reporting compared with the external reporting. The shortfall determined in the calculation of the regulatory capital requirement is converted into risk-weighted assets within internal reporting and assigned to the operational units; the resulting reconciling item versus the regulatory risk-weighted assets report flows into the reconciliation.

(5) Segment Reporting by Business Segment

30 Sep.2016 (in € million)	Private and Commercial Customers	Corporate Customers	Markets	Energy and Infrastructure Customers	Ship Customers	Aircraft Customers	Real Estate Banking Customers	Group Management/ Others	Reconciliations	NORD/LB Group
Net interest income before loan loss provisions	138	261	137	146	284	77	165	160	– 12	1 357
Loan loss provisions	–	82	–	29	1 590	1	– 7	– 40	– 4	1 651
Net interest income after loan loss provisions	**138**	**179**	**137**	**118**	**– 1 306**	**76**	**172**	**200**	**– 8**	**– 294**
Net commission income	43	49	63	68	19	13	3	– 49	– 44	165
Profit / loss from financial instruments at fair value through profit or loss	–	5	57	– 23	– 7	–	5	274	23	334
Profit / loss from hedge accounting	–	–	–	–	–	–	–	20	–	20
Profit / loss from financial assets	–	–	–	–	–	–	–	61	–	61
Profit / loss from invest ments accounted for using the equity method	2	–	–	–	–	–	–	– 19	– 1	– 18
Administrative expenses	135	107	101	72	80	20	47	273	–	835
Other operating profit / loss	– 8	1	2	1	1	–	–	– 20	– 25	– 47
Profit / Loss before reorganisation and taxes	**40**	**126**	**158**	**92**	**– 1 372**	**70**	**132**	**195**	**– 56**	**– 614**
Reorganisation expenses	–	–	–	–	–	–	–	– 9	–	– 9
Earnings before taxes (EBT)	**40**	**126**	**158**	**92**	**– 1 372**	**70**	**132**	**185**	**– 56**	**– 624**
Taxes	–	–	–	–	–	–	–	–	112	112
Consolidated profit	**40**	**126**	**158**	**92**	**– 1 372**	**70**	**132**	**185**	**– 167**	**– 735**
Segment assets	7 265	22 876	38 005	16 619	18 546	7 721	14 695	54 719	– 2 740	177 706
of which: from investments accounted for using the equity method	44	–	–	–	–	–	–	247	–	291
Segment liabilities	7 138	8 224	46 619	3 411	3 207	695	460	107 760	191	177 706
Total risk exposure amount	4 219	12 759	4 466	7 842	22 585	4 887	5 768	6 591	– 5 260	63 857
Capital employed[1]	380	1 148	399	706	2 029	440	519	1 275	1 114	8 010
CIR	77,0%	33,9%	38,8%	37,2%	27,0%	21,9%	27,5%	0,0%	0,0%	46,1%
RoRaC / RoE[2]	13,7%	13,5%	45,9%	15,3%	-78,8%	21,1%	23,9%	0,0%	0,0%	-10,4%

30 Sep.2015 (in € million)	Private and Commercial Customers	Corporate Customers	Markets	Energy and Infrastructure Customers	Ship Customers	Aircraft Customers	Real Estate Banking Customers	Group Management/ Others	Reconciliations	NORD/LB Group
Net interest income before loan loss provisions	155	250	159	145	315	86	176	151	57	1 494
Loan loss provisions	2	–	–	21	357	– 1	– 6	2	– 8	367
Net interest income after loan loss provisions	**153**	**250**	**159**	**124**	**– 43**	**87**	**182**	**150**	**65**	**1 127**
Net commission income	45	45	47	47	28	13	1	– 38	– 23	164
Profit / loss from financial instruments at fair value through profit or loss	–	11	22	3	2	2	3	67	– 42	69
Profit / loss from hedge accounting	–	–	–	–	–	–	–	107	–	107
Profit / loss from financial assets	–	–	–	–	–	–	–	60	– 5	56
Profit / loss from investments accounted for using the equity method	2	–	–	–	–	–	–	3	1	6
Administrative expenses	141	111	106	72	86	18	49	222	9	815
Other operating profit / loss	– 8	1	4	3	– 1	– 1	1	– 50	– 26	– 77
Profit / Loss before reorganisation and taxes	**52**	**195**	**125**	**104**	**– 100**	**83**	**138**	**76**	**– 39**	**635**
Reorganisation expenses	–	–	–	–	–	–	–	– 5	–	– 5
Earnings before taxes (EBT)	**52**	**195**	**125**	**104**	**– 100**	**83**	**138**	**71**	**– 39**	**630**
Taxes	–	–	–	–	–	–	–	–	91	91
Consolidated profit	**52**	**195**	**125**	**104**	**– 100**	**83**	**138**	**71**	**– 130**	**539**
Segment assets	7 343	22 407	38 472	16 772	21 273	8 260	15 193	51 716	– 439	180 998
of which: from investments accounted for using the equity method	45	–	–	–	–	–	–	245	–	290
Segment liabilities	7 457	9 003	48 100	3 599	4 585	763	469	103 588	3 434	180 998
Total risk exposure amount	4 223	12 196	5 068	8 029	31 761	5 123	6 927	14 190	– 22 094	65 425
Capital employed[1]	380	1 098	448	723	2 859	461	623	1 815	– 1 081	7 325
CIR	72,4%	36,3%	45,9%	36,5%	25,0%	18,2%	27,1%			46,3%
RoRaC / RoE[2]	16,4%	20,8%	37,0%	17,9%	-4,6%	23,9%	20,5%			11,5%

(in € million)	30 Sep.2016	30 Sep.2015
Sustainable relating to german local GAAP equity	8 010	7 325
Revaluation reserve	519	425
Consolidated profit	– 981	719
Financial equity	**7 548**	**8 469**

[1] Reconciliation of long-term equity under commercial law to reported equity.
[2] RoRaC at the business level:
(earnings before taxes * 4) / committed core capital
(9 per cent (9 per cent) of the higher value of the limit and the utilisation of the total risk exposure amount)
RoE at the company level:
(earnings before taxes * 4) / long-term equity under commercial law (= reported equity – revaluation reserve – earnings after taxes).

The tables may include minor differences that occur in the reproduction of mathematical operations.

Notes to the Income Statement

(6) Net Interest Income

Interest income and interest expenses comprise interest received and paid, deferred interest and pro-rata reversals of premiums and discounts relating to financial instruments. Due to the fact that under certain circumstances silent participations are to be classified as debt under IAS 32, payments to silent partners are recognised in interest expenses.

	1 Jan. - 30 Sep. 2016 (in € million)	1 Jan. - 30 Sep. 2015 (in € million)	Change (in %)
Interest income			
Interest income from lending and money market transactions	2 485	2 770	– 10
Interest income from debt securities and other fixed-interest securities	406	501	– 19
Interest income from financial instruments at fair value			
Interest income from trading profit / loss and hedge accounting derivatives	1 967	2 474	– 20
Interest income from fair value option	26	40	– 35
Current income			
from shares and other non fixed-interest securities	3	3	–
from investments	8	17	– 53
	21	–	> 100
Interest income from other amortisations	546	471	16
Other interest income and similar income	10	–	> 100
	5 472	**6 276**	**– 13**
Interest expense			
Interest expenses from lending and money market transactions	1 045	1 253	– 17
Interest expenses from securitised liabilities	352	448	– 21
Interest expenses from financial instruments at fair value			
Interest expenses from trading profit / loss and hedge accounting derivatives	1 895	2 270	– 17
Interest expenses from fair value option	171	185	– 8
Interest expenses from subordinated capital	128	186	– 31
Interest expenses from other amortisations	477	397	20
Interest expenses from provisions and liabilities	42	41	2
Other interest expenses and similar expenses	5	2	> 100
	4 115	**4 782**	**– 14**
Total	**1 357**	**1 494**	**– 9**

Interest income from lending and money market transactions includes negative interest in the amount of € 16 million. This negative interest is attributable to both loans and advances to banks and loans and advances to customers.

Interest expenses from lending and money market transactions include positive interest in the amount of € 33 million. This positive interest is attributable to liabilities to banks and liabilities to customers.

The income from silent participations includes the valuation effect resulting from the application of IAS 39.AG 8, which arises due to the reassessment of the cash flows associated with the silent participations (see Note (2) Accounting Policies).

(7) Loan Loss Provisions

	1 Jan. - 30 Sep. 2016 (in € million)	1 Jan. - 30 Sep. 2015 (in € million)	Change (in %)
Income from provisions for lending business			
Reversal of specific valuation allowance	319	377	– 15
Reversal of lumpsum specific loan loss provisions	3	2	50
Reversal of general loan loss provisions	238	122	95
Reversal of provisions for lending business	26	33	– 21
Additions to receivables written off	17	25	– 32
	603	**559**	**8**
Expenses for provisions for lending business			
Allocation to specific valuation allowance	1 943	728	> 100
Allocation to lumpsum specific loan loss provisions	2	2	–
Allocation to general loan loss provisions	93	157	– 41
Allocation to provisions for lending business	15	10	50
Direct write-offs of bad debts	201	28	> 100
Premium payments for credit insurance	–	1	– 100
	2 254	**926**	**> 100**
Total	**1 651**	**367**	**> 100**

(8) Net Commission Income

	1 Jan. - 30 Sep. 2016 (in € million)	1 Jan. - 30 Sep. 2015 (in € million)	Change (in %)
Commission income			
Commission income from banking transactions	249	226	10
Commission income from non-banking transactions	10	11	– 9
	259	**237**	**9**
Commission expense			
Commission expense from banking transactions	94	74	27
Commission expense from non-banking transactions	1	–	–
	95	**74**	**28**
Total	**164**	**163**	**1**

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

	1 Jan. - 30 Sep. 2016 (in € million)	1 Jan. - 30 Sep. 2015 (in € million)	Change (in %)
Trading profit / loss			
Profit / loss from debt securities and other fixed-interest securities	103	– 32	> 100
Profit / loss from shares and other non fixed-interest securities	– 4	– 3	33
Profit / loss from derivatives	362	15	> 100
Interest-rate risks	260	– 121	> 100
Currency risks	85	158	– 46
Share-price and other price risks	– 8	– 29	– 72
Credit derivatives	25	7	> 100
Profit / loss from receivables held for trading	149	– 55	> 100
Profit / loss from other trading activities	–	12	– 100
	610	**– 63**	**> 100**
Foreign exchange result	28	– 36	> 100
Other income	– 2	1	> 100
	636	**– 98**	**> 100**
Profit / loss from the fair value option			
Profit / loss from receivables to customers and banks	11	– 5	> 100
Profit / loss from debt securities and other fixed-interest securities	47	– 8	> 100
Profit / loss from liabilties to banks and customers	– 347	134	> 100
Profit / loss from securitised liabilties	– 13	44	> 100
Profit / loss from other activities	–	1	– 100
	– 302	**166**	**> 100**
Total	**334**	**68**	**> 100**

(10) Profit/loss from Hedge Accounting

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

	1 Jan. - 30 Sep. 2016 (in € million)	1 Jan. - 30 Sep. 2015 (in € million)	Change (in %)
Profit / loss from micro fair value hedges			
from hedged underlying transactions	278	249	12
from derivatives employed as hedging instruments	– 268	– 218	23
	10	**31**	**– 68**
Profit / loss from portfolio fair value hedges			
from hedged underlying transactions	– 134	99	> 100
from derivatives employed as hedging instruments	144	– 23	> 100
	10	**76**	**– 87**
Total	**20**	**107**	**– 81**

(11) Profit/loss from Financial Assets

Profit/loss from financial assets shows the profits/losses from disposals and the valuation results recognised in profit and loss relating to securities and shares in companies in the financial asset portfolio.

	1 Jan. - 30 Sep. 2016 (in € million)	1 Jan. - 30 Sep. 2015 (in € million)	Change (in %)
Profit / loss from financial assets classified as LaR	**6**	**– 4**	**> 100**
Profit / loss from financial assets classified as AfS (excluding investments)			
Profit/ loss from the disposal of			
Debt securities and other fixed-interest securities	– 6	68	> 100
Shares and other non fixed-interest securities	1	17	– 94
Other financial assets classified as AfS	–	– 8	– 100
Profit / loss from allowances for losses on			
Debt securities and other fixed-interest securities	61	– 19	> 100
Shares and other non fixed-interest securities	– 4	– 11	– 64
Other financial assets classified as AfS	–	– 6	– 100
	52	**41**	**27**
Profit / loss from shares in companies (not consolidated)	**3**	**19**	**– 84**
Total	**61**	**56**	**9**

(12) Administrative Expenses

Administrative expenses comprise staff expenses, other administrative expenses and depreciation/amortisation of property and equipment, intangible assets and investment property.

	1 Jan. - 30 Sep. 2016 (in € million)	1 Jan. - 30 Sep. 2015 (in € million)	Change (in %)
Staff expenses	419	437	– 4
Other administrative expenses	366	327	12
Amortisation and depreciation	50	51	– 2
Total	**835**	**815**	**2**

(13) Other Operating Profit/loss

	1 Jan. - 30 Sep. 2016 (in € million)	1 Jan. - 30 Sep. 2015 (in € million)	Change (in %)
Other operating income			
from the reversal of provisions	2	6	– 67
from other business	254	155	64
	256	**161**	**59**
Other operating expenses			
from allocation to provisions	2	70	– 97
from other business	301	168	79
	303	**238**	**27**
Total	**– 47**	**– 77**	**– 39**

Income from other business includes income from the reversal of derecognised receivables totalling (147 Mio € (49 Mio €)), income from the chartering of ships relating to restructuring commitments in lending business (31 Mio € (49 Mio €)), rental income from investment property at 8 Mio € (7 Mio €) and cost reimbursements of 7 Mio € (7 Mio €).

In the previous year the expenses from new allocations to provisions in the amount of € 70 million resulted from the expenses for the expected annual contribution to the Single European Bank Resolution Fund.

The expenses from other business include primarily expenses associated with the derecognition of liabilities to banks and customers totalling 117 Mio € (65 Mio €), the bank levy amounting to € 55 million M (€ 66 million), expenses from the redemption of own bonds at € 36 million (€13 million) as well as expenses to realise charter proceeds from ships 25 Mio € (28 Mio €) and impairment losses in the amount of € 25 million (€ 5 million). The latter are predominantly due to the lower market values of ships as a result of the ongoing crisis in the ship market.

The expenses associated with the write-off of loans and advances amount to 5 Mio € (6 Mio €).

(14) Restructuring Expenses

Reorganisation expenses relate to measures aimed at securing the long-term future and maintaining the competitiveness of the NORD/LB Group. The material and staff costs included in these expenses are reported separately due to their importance. The need for reorganisation is related to the efficiency improvement programme launched in 2011 and a capital-boosting programme initiated to meet EU requirements. Earnings include expenses in the amount of € 9 million (€ 5 million) from new allocations to reorganisation provisions for agreements already concluded concerning the termination of employment contracts.

The items recognised under reorganisation expenses are non-recurring in nature and are not part of the ordinary business activities of the NORD/LB Group.

(15) Income Taxes

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

Notes on the Balance Sheet

(16) Loans and Advances to Banks

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Loans and advances resulting from money market transactions			
German banks	3 498	2 509	39
Foreign banks	3 571	2 873	24
	7 069	**5 382**	**31**
Other loans and advances			
German banks			
Due on demand	1 125	856	31
With a fixed term or period of notice	11 368	11 957	– 5
Foreign Banks			
Due on demand	2 053	1 857	11
With a fixed term or period of notice	593	1 142	– 48
	15 139	**15 812**	**– 4**
Total	**22 208**	**21 194**	**5**

(17) Loans and Advances to Customers

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Loans and advances resulting from money market transactions			
Domestic customers	1 649	1 207	37
Customers abroad	494	310	59
	2 143	**1 517**	**41**
Other loans and advances			
Domestic customers			
Due on demand	1 816	3 233	– 44
With a fixed term or period of notice	71 069	71 836	– 1
Customers abroad			
Due on demand	678	730	– 7
With a fixed term or period of notice	30 375	30 562	– 1
	103 938	**106 361**	**– 2**
Total	**106 081**	**107 878**	**– 2**

(18) Risk Provisioning

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Specific valuation allowance	3 456	2 482	**39**
Lumpsum specific loan loss provisions	6	7	**– 14**
General loan loss provisions	286	430	**– 33**
Total	**3 748**	**2 919**	**28**

The risk provisioning reported under assets and loan loss provisions changed as follows:

	Specific valuation allowances		Lumpsum specific loan loss provisions		General loan loss provisions		Loan loss provisions		Total	
(in € million)	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
1 January	**2 522**	**2 243**	**7**	**7**	**430**	**497**	**55**	**74**	**3 014**	**2 821**
Allocations	1 943	728	2	2	93	157	15	10	2 053	897
Reversals	319	377	3	2	238	122	26	33	586	534
Utilisation	619	278	–	–	–	–	–	–	619	278
Unwinding	– 53	– 58	–	–	–	–	–	–	– 53	– 58
Effects of changes of foreign exchange rates and other changes	– 18	65	–	–	1	1	–	1	– 17	67
30 Sep.	**3 456**	**2 323**	**6**	**7**	**286**	**533**	**44**	**52**	**3 792**	**2 915**

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

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Trading assets			
Debt securities and other fixed-interest securities	1 559	1 815	– 14
Shares and other non fixed-interest securities	47	63	– 25
Positive fair values from derivatives	6 924	7 646	– 9
Trading portfolio claims	2 528	2 729	– 7
	11 058	**12 253**	**– 10**
Financial assets as at fair value through profit or loss			
Loans and advances to banks and customers	209	200	4
Debt securities and other fixed-interest securities	1 480	1 582	– 6
	1 689	**1 782**	**– 5**
Total	**12 747**	**14 035**	**– 9**

(20) Financial Assets

Financial assets include all debt securities and other fixed-interest securities classified as available for sale (AfS), shares and other non-fixed-interest securities, shares in companies which are not measured in accordance with IFRS 10, IFRS 11 or IAS 28 as well as financial assets classified as loans and receivables (LaR).

Investments in the equity of other companies as well as silent participations and participatory capital with loss sharing are allocated to the AfS category.

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Financial assets classified as LaR	**2 965**	**3 423**	**– 13**
Financial assets classified as AfS			
Debt securities and other fixed-interest securities	29 588	30 493	– 3
Shares and other non fixed-interest securities	177	161	10
Shares in companies (not consolidated)	327	301	9
Other financial assets classified as AfS	128	137	– 7
	30 220	**31 092**	**– 3**
Total	**33 185**	**34 515**	**– 4**

(21) Property and Equipment

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Land and buildings	344	283	22
Operating and office equipment	56	45	24
Ships	165	200	– 18
Other property and equipment	6	45	– 87
Total	**571**	**573**	–

(22) Intangible Assets

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Software			
Purchased	57	25	> 100
Internally developed	23	19	21
	80	**44**	**82**
Other intangible assets			
Other intangible assets - purchased	36	85	– 58
Other intangible assets - internally developed	29	20	45
Total	**145**	**149**	**– 3**

Intangible assets under development refer primarily to internally generated software. The increase in purchased software is mainly due to the reclassification of intangible assets under development.

(23) Assets held for sale

Designated assets held for sale in accordance with IFRS 5 with a carrying amount totalling € 32 million (€ 58 million) include property and equipment in the amount of € 17 million (€ 18 million), financial assets totalling € 11 million (€ 36 million) and other assets in the amount of € 4 million (€2 million).

Property and equipment designated as held for sale include three ships from the Ship Customers segment, which were initially consolidated and reported at fair value as at 31 December 2014 and 31 December 2015. An impairment of € 9 million (€ 4 million) was recognised under other operating profit/loss in accordance with IFRS 5.20. A ship allocated to the Group Controlling/Others segment, which was previously designated held for sale, was sold on 14 September 2016. A loss of € 3 million was incurred. The Group aims to dispose of the other ships in the current financial year.

The financial assets held for sale in the amount of € 11 million are an investment in two associates, which were classified on 2 September 2016 and 16 September 2016 for the first time as held for sale. One of them is included as an associated company in the consolidated financial statements The financial assets designated held for sale are allocated to the Group Controlling / Others segment. The sale of these shares is expected to take place in 2017.

An associate previously recognised as a financial asset held for sale was sold on 18 August 2016. It belongs to the Group Controlling/Others segment and the resultant profit totalling € 36 million was reported under Other operating profit.

(24) Liabilities to Banks

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Deposits from other banks			
German banks	2 566	2 169	18
Foreign banks	1 542	1 236	25
	4 108	**3 405**	**21**
Liabilities resulting from money market transactions			
German banks	9 359	9 971	– 6
Foreign banks	10 219	10 150	1
	19 578	**20 121**	**– 3**
Other liabilities			
German banks			
Due on demand	589	2 751	– 79
With a fixed term or period of notice	23 384	21 062	11
Foreign banks			
Due on demand	815	759	7
With a fixed term or period of notice	687	712	– 4
	25 475	**25 284**	**1**
Total	**49 161**	**48 810**	**1**

(25) Liabilities to Customers

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Savings deposits			
With an agreed notice period of three months			
Domestic customers	1 206	1 293	– 7
Customers abroad	12	13	– 8
With an agreed notice period of more than three months			
Domestic customers	26	34	– 24
Customers abroad	1	1	–
	1 245	**1 341**	**– 7**
Liabilities resulting from money market transactions			
Domestic customers	11 586	12 254	– 5
Customers abroad	1 970	3 141	– 37
	13 556	**15 395**	**– 12**
Other liabilities			
Domestic costumers			
Due on demand	14 299	16 519	– 13
With a fixed term or period of notice	24 539	24 496	–
Customers abroad			
Due on demand	1 617	713	> 100
With a fixed term or period of notice	1 880	2 133	– 12
	42 335	**43 861**	**– 3**
Total	**57 136**	**60 597**	**– 6**

(26) Securitised Liabilities

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Issued debt securities			
Covered bonds	11 004	10 968	–
Municipal debentures	8 592	10 472	– 18
Other debt securities	14 272	12 618	13
	33 868	**34 058**	**– 1**
Money market instruments			
Commercial paper	949	1 452	– 35
Certificates of deposit	337	367	– 8
	1 286	**1 819**	**– 29**
Total	**35 154**	**35 877**	**– 2**

Repurchased debt securities issued by the Bank itself in the amount of € 6.080 billion (€ 4.720 billion) have been deducted directly from securitised liabilities.

The notional volume of issues in the NORD/LB Group totalled € 9.924 billion in the first nine months of financial year 2016. Repurchases totalled € 3.633 billion, while repayments amounted to € 7.700 billion. The amount for issues includes both original issues and securities resold as a result of repurchases. The figures include money market securities, issued debt securities for securitised liabilities (see Notes (26) and (27), Financial liabilities at fair value through profit or loss (see Note (27) and subordinated capital (see Note (29)).

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

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Trading liabilities			
Negative fair values from derivatives	6 143	7 742	– 21
Delivery obligations from short-sales	30	12	> 100
	6 173	**7 754**	**– 20**
Financial liabilities designated at fair value			
Liabilities to banks and customers	6 659	6 098	9
Securitised liabilities	3 014	2 205	37
	9 673	**8 303**	**17**
Total	**15 846**	**16 057**	**– 1**

(28) Provisions

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Provisions for pensions and other obligations	2 646	2 122	25
Other provisions	285	306	– 7
Total	**2 931**	**2 428**	**21**

The increase in provisions for pensions and similar liabilities amounting to € 524 million is derived from the drop in the actuarial interest rate of 2.65% as of 31 December 2015 to 1.55% and the lower discounting effect as a result.

In other provisions there is no provision (€ 70 million) for the contribution to the European bank levy. This item also includes provisions for reorganisation measures in the amount of € 5 million (€ 5 million).

(29) Subordinated capital

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Subordinated liabilities	3 288	3 101	6
Participatory capital	63	152	– 59
Silent participations	514	1 046	– 51
Total	**3 865**	**4 299**	**– 10**

As of 30 September 2016, silent participations were revalued in accordance with IAS 39. AG 8 (see Note (2) Accounting Policies).

Other Disclosures

(30) Fair Value Hierarchy

The NORD/LB Group applies the three-stage fair value hierarchy using the Level 1, Level 2 and Level 3 terminology set out in IFRS 13.

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

Level 1

The fair value hierarchy sets out that a financial instrument is categorised in Level 1 if it is traded on an active market and if publicly listed market prices or prices actually traded on the over-the-counter market (OTC market) are used to determine the instrument's fair value. If no market prices or prices actually traded on the OTC market are available, executable prices quoted by dealers or brokers are used in the measurement to determine fair value. Quotes from other banks or market makers are applied whenever observable sources of prices other than exchanges are used. The instruments in these circumstances are then assigned to Level 1 if there is an active market for these broker quotations, i.e. if only minor bid-ask spreads exist and there are several price suppliers with only marginally differing prices. If the broker quotations are for (mixed) prices or if the price is set on an inactive market, the instruments are not assigned to Level 1, rather to Level 2 of the measurement hierarchy, if the quotations relate to binding offers, observable prices or market transactions.

The Level 1 values are used without any adjustment. Level 1 financial instruments include trading assets and liabilities, financial instruments designated at fair value, financial assets recognised at fair value, other assets and other liabilities.

Level 2

If no price quotes on an active market are available, the fair value is calculated using recognised valuation methods or models as well as by means of external pricing services if the measurement in this case is carried out either fully or to a significant degree using observable input data such as spread curves (Level 2). To measure financial instruments in these situations, valuation methods are used that are widely recognised on the market under normal market conditions (e.g. discounted cash flow methods and the Hull & White model for options) and whose calculations are fundamentally based on inputs available on an active market. A requirement here is that variables which market participants would have taken into account in the pricing are included in the measurement process. Wherever possible, the respective inputs are taken from the markets on which the instruments are issued or acquired.

Measurement models are used primarily for OTC derivatives and securities listed on inactive markets. The models include a range of inputs such as market prices and other market quotations, risk-free interest rate curves, risk premiums, exchange rates and volatilities. The inputs for the models are always chosen using prevailing market methods.

In the case of securities on the assets side of the balance sheet for which there is no active market and for which market prices cannot be used, fair value is determined for measurement purposes using discounted cash flows. All payments are discounted in these discounted cash flow methods using the risk-free interest rate curve adjusted for the credit spread. Spreads are determined based on comparable financial instruments (for example, taking account of the respective market segment and the issuer's credit rating).

The financial instruments in the NORD/LB Group to be measured in this manner are identified on the basis of individual securities and a subsequent separation into active and inactive markets. Changes in market assessments are consistently included in the measurement. Several divisions in the Group identify, analyse and value financial instruments in inactive markets. This approach makes it possible to assess inactivity in the most objective manner possible. The measurement model for financial instruments for which listed prices in active markets cannot be used is based on term-specific interest rates, the credit rating of the respective issuer and, where applicable, further components such as foreign currency surcharges.

Level 2 financial instruments include trading assets and liabilities, hedge accounting derivatives, financial instruments designated at fair value, financial assets recognised at fair value, designated assets held for sale at fair value.

Level 3

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

Level-3 procedures are sometimes used for portfolios of interest-bearing securities and derivatives for which the market has been classified as inactive. In addition, loans designated for syndication and the associated derivatives are assigned to Level 3. Level 3 financial instruments include trading assets and liabilities, financial instruments designated at fair value and financial assets recognised at fair value.

Establishing Fair Values

All measurement models applied in the Group are reviewed periodically. The fair values are subject to internal controls and processes in the NORD/LB Group. These controls and procedures are carried out and coordinated in the Finance and Risk Control Divisions. The models, the data used in them and the resulting fair values are regularly reviewed.

All relevant factors are taken into account appropriately when determining fair value. These factors include the bid-ask spread, counterparty risk and business-typical discounting factors. The mid-market price in the bid-ask spread is always used for the measurement. The financial instruments that are particularly impacted by this include securities or liabilities whose fair values are based on prices listed on active markets and financial instruments, such as OTC derivatives, whose fair values are determined using a valuation method and for which the mid-market price is an observable input in the valuation method.

In addition, the Bank exercises its option to calculate the counterparty risk (credit value adjustment (CVA)/debit value adjustment (DVA)) based on the net risk position in accordance with IFRS 13.48. The CVA/DVA is allocated to individual transactions in the balance sheet using the relative credit adjustment approach.

There are generally no listed prices available for derivatives of OTC markets; their fair values are therefore determined using other valuation methods. The fair values are initially measured using cash flow models without taking account of the credit default risk. The credit default risk of the counterparty (CVA) and the Bank's own credit default risk (DVA) are incorporated into the fair value calculation using an add-on process in the fair value calculation.

The NORD/LB Group measures secured OTC derivatives primarily in accordance with the current market standard of overnight index swap discounting (OIS discounting). This means that secured derivatives are no longer discounted using the term-specific interest rate, rather with the OIS interest rate curve. Unsecured derivatives continue to be discounted with the term-specific interest rate to establish their fair value. In addition, the NORD/LB Group applied a funding valuation adjustment (FVA) for the first time in the first quarter of 2016. This adjustment represents the market-implied refinancing costs for unsecured derivative positions. This new approach resulted in an effect of € -29 million on the trading profit/loss for the reporting period.

The fair values of financial instruments are compared with their carrying amounts in the following table.

	30 Sep.2016			31 Dec.2015		
(in € million)	Fair Value	Carrying amount	Difference	Fair Value	Carrying amount	Difference
Assets						
Cash reserve	1 073	1 073	–	872	872	–
Loans and advances to banks	22 693	22 208	485	21 842	21 194	648
Loans and advances to customers	110 622	106 081	4 541	108 607	107 878	729
Risk provisioning	[1]	– 3 748	3 748	[1]	– 2 919	2 919
Sub-total of loans and advances to banks / customers (net after loan loss provisions)	**133 315**	**124 541**	**8 774**	**130 449**	**126 153**	**4 296**
Balancing items for financial instruments hedged in the fair value hedge portfolio	[2]	326	– 326	[2]	91	– 91
Financial assets at fair value through profit or loss	12 747	12 747	–	14 035	14 035	–
Positive fair values from hedge accounting derivatives	2 880	2 880	–	2 507	2 507	–
Financial assets not reported at fair value	2 779	3 017	– 238	3 205	3 471	– 266
Financial assets reported at fair value	30 168	30 168	–	31 044	31 044	–
Financial assets held for sale not reported at fair value	–	–	–	74	38	36
Financial assets held for sale reported at fair value	32	32	–	20	20	–
Other assets not reported at fair value	42	42	–	35	35	–
Other assets reported at fair value	14	14	–	36	36	–
Total	**183 050**	**174 840**	**8 536**	**182 277**	**178 302**	**3 975**
Liabilities						
Liabilities to banks	50 055	49 161	894	49 439	48 810	629
Liabilities to customers	59 783	57 136	2 647	63 622	60 597	3 025
Securitised liabilities	35 870	35 154	716	36 330	35 877	453
Balancing items for financial instruments hedged in the fair value hedge portfolio	[2]	1 375	– 1 375	[2]	753	– 753
Financial liabilities at fair value through profit or loss	15 846	15 846	–	16 057	16 057	–
Negative fair values from hedge accounting derivatives	3 824	3 824	–	3 148	3 148	–
Financial liabilities held for sale not reported at fair value	10	10	–	7	7	–
Other liabilities not reported at fair value	47	47	–	29	29	–
Other liabilities reported at fair value	2	2	–	1	1	–
Subordinated capital	4 180	3 865	315	4 726	4 299	427
Total	**169 617**	**166 420**	**3 197**	**173 359**	**169 578**	**3 781**

[1] Amounts relating to risk provisioning are shown in the corresponding fair values of loans and advances to banks and loans and advances to customers.
[2] Amounts relating to the assets and liabilities item "Adjustment item for financial instruments hedged in the fair value hedge portfolio" are shown in the fair values of the respective items of hedged financial instruments.

It was not possible to reliably determine a fair value for € 52 million (€ 48 million) of financial instruments because there is no active market for these financial instruments and the necessary estimates are not possible within reasonable fluctuation ranges and suitable probabilities of occurrence.

These are mainly investments. The Group intends to retain ownership of these financial instruments.

The following table shows the breakdown of assets and liabilities recognised at fair value based on the fair value hierarchy:

	Level 1		Level 2		Level 3		Total	
(in € million)	30 Sep. 2016	31 Dec. 2015	30 Sep. 2016	31 Dec. 2015	30 Sep. 2016	31 Dec. 2015	30 Sep. 2016	31 Dec. 2015
Assets								
Assets held for trading	995	725	9 894	11 463	169	65	11 058	12 253
Debt securities and other fixed-interest securities	948	662	611	1 153	–	–	1 559	1 815
Shares and other non fixed-interest securities	47	63	–	–	–	–	47	63
Positive fair values from derivatives	–	–	6 923	7 645	1	1	6 924	7 646
Interest-rate risks	–	–	6 273	7 035	–	–	6 273	7 035
Currency risks	–	–	618	576	1	1	619	577
Share-price and other price risks	–	–	2	10	–	–	2	10
Credit derivatives	–	–	30	24	–	–	30	24
Trading portfolio claims	–	–	2 360	2 665	168	64	2 528	2 729
Financial assets as at fair value through profit or loss	932	946	757	836	–	–	1 689	1 782
Loans and advances to customers	–	–	209	200	–	–	209	200
Financial assets	932	946	548	636	–	–	1 480	1 582
Debt securities and other fixed-interest securities	932	946	548	636	–	–	1 480	1 582
Positive fair values from hedge accounting derivatives	–	–	2 880	2 507	–	–	2 880	2 507
Positive fair values from employed micro fair value hedge derivatives	–	–	1 941	1 882	–	–	1 941	1 882
Interest-rate risks	–	–	1 870	1 836	–	–	1 870	1 836
Currency risks	–	–	71	46	–	–	71	46
Positive fair values from employed portfolio fair value hedge derivatives	–	–	939	625	–	–	939	625
Interest-rate risks	–	–	939	625	–	–	939	625
Financial assets at fair value	16 847	11 234	12 939	19 437	382	373	30 168	31 044
Debt securities and other fixed-interest securities	16 653	11 059	12 932	19 430	3	4	29 588	30 493
Shares and other non fixed-interest securities	177	161	–	–	–	–	177	161
Shares in companies (not consolidated)	16	14	7	7	252	232	275	253
Other financial assets classified as AfS	1	–	–	–	127	137	128	137
Financial assets held for sale reported at fair value	–	–	28	20	4	–	32	20
Other financial assets reported at fair value	14	16	–	20	–	–	14	36
Total assets	**18 788**	**12 921**	**26 498**	**34 283**	**555**	**438**	**45 841**	**47 642**

(in € million)	Level 1 30 Sep. 2016	Level 1 31.12. 2015	Level 2 30 Sep. 2016	Level 2 31.12. 2015	Level 3 30 Sep. 2016	Level 3 31.12. 2015	Total 30 Sep. 2016	Total 31.12. 2015
Liabilities								
Trading liabilities	26	11	6 146	7 742	1	1	6 173	7 754
Negative fair values from derivatives relating to	3	3	6 139	7 738	1	1	6 143	7 742
interest-rate risks	–	–	4 953	5 915	1	–	4 954	5 915
currency risks	–	–	1 176	1 807	–	1	1 176	1 808
share-price and other price risks	3	3	5	5	–	–	8	8
credit derivatives	–	–	5	11	–	–	5	11
Delivery obligations from short-sales and other trading assets	23	8	7	4	–	–	30	12
Financial liabilities reported at fair value	765	22	8 888	8 277	20	4	9 673	8 303
Liabilities to banks	–	–	449	442	–	–	449	442
Liabilities to customers	–	–	6 210	5 656	–	–	6 210	5 656
Securitised liabilities	765	22	2 229	2 179	20	4	3 014	2 205
Negative fair values from hedge accounting derivatives	–	–	3 824	3 148	–	–	3 824	3 148
Negative fair values from employed micro fair value hedge derivatives	–	–	3 258	2 871	–	–	3 258	2 871
interest-rate risks	–	–	2 925	2 497	–	–	2 925	2 497
currency risks	–	–	333	374	–	–	333	374
Negative fair values from employed portfolio fair value hedge derivatives	–	–	566	277	–	–	566	277
interest-rate risks	–	–	566	277	–	–	566	277
Other financial liabilities reported at fair value	2	1	–	–	–	–	2	1
Total liabilities and equity	**793**	**34**	**18 858**	**19 167**	**21**	**5**	**19 672**	**19 206**

The Level 3 financial assets currently recognised at fair value are measured using the counterparty price.

The designated assets held for sale at fair value are non-recurring fair value measurements (see Note (23) Assets held for sale).

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

1 Jan. - 30 Sep.2016 (in € million)	From Level 1 to Level 2	From Level 1 to Level 3	From Level 2 to Level 1	From Level 2 to Level 3	From Level 3 to Level 1	From Level 3 to Level 2
Assets						
Assets held for trading	8	–	150	–	–	–
Debt securities and other fixed-interest securities	8	–	150	–	–	–
Financial assets as at fair value through profit or loss	16	–	105	–	–	–
Financial assets	16	–	105	–	–	–
Debt securities and other fixed-interest securities	16	–	105	–	–	–
Financial assets at fair value	728	–	6 611	–	–	–
Debt securities and other fixed-interest securities	728	–	6 611	–	–	–
Liabilities						
Financial liabilities reported at fair value	13	–	–	16	–	–
Securitised liabilities	13	–	–	16	–	–

An initial assessment of asset-side financial instruments takes place on an individual transaction basis in accordance with IDW RS HFA 47, This regulation specifies how financial instruments are to be classified in the various levels and stipulates, for example, that (mixed) prices calculated by price service agencies on the basis of reported prices are to be allocated to Level 2. Broker quotations must originate from an active market in order to be allocated to Level 1. If there are only a few broker quotations or if these have large bid-ask spreads or major price differences between them, it is assumed that the market is inactive. Based on the above table, most transfers between levels as at the reporting date compared to the end of the previous year have taken place between Level 1 and Level 2.

When measuring the securitised liabilities in the fair value option, the use of market prices is reviewed as at the reporting date. Following this review, some issues generally move between Level 1 and 2 due to changes in trading activity.

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

Assets and liabilities in Level 3 of the fair value hierarchy trended as follows:

	Trading assets			
	Positive fair values from derivatives Currency risks		Trading portfolio claims and other trading assets	
(in € million)	2016	2015	2016	2015
1 Jan.	**1**	**–**	**64**	**197**
Effect on the income statement[1]	–	1	7	– 35
Addition from purchase or issuance	–	–	160	40
Disposal from sale	–	–	57	86
Repayment / exercise	–	–	6	69
30 Sep.	**1**	**1**	**168**	**47**
Profit / losses result from measurement effects, realisation and deferred interest and are shown in the respective items in the income statement[1]	–	–	8	– 14

[1] The effects reported include valuation gains/losses, realised profit/loss and deferred interest; these are reported in the income statement under the items (6) Net interest income and (9)**Fehler! Verweisquelle konnte nicht gefunden werden.** Profit/loss from financial instruments at fair value through profit or loss.

	Financial assets at fair value					
	Debt securities and other fixed-interest securities		Shares in companies (not consolidated)		Other financial assets classified as AfS	
(in € million)	2016	2015	2016	2015	2016	2015
1 Jan.	**4**	**5**	**232**	**231**	**138**	**129**
Effect on the income statement[1]	–	–	–	15	– 2	–
Effect on the equity capital	–	–	21	32	–	–
Addition from purchase or issuance	–	–	15	15	–	–
Disposal from sale	–	1	16	34	7	–
Repayment / exercise	1	–	–	–	2	–
Disposal to Level 1 and 2	–	–	–	–	–	77
30 Sep.	**3**	**4**	**252**	**259**	**127**	**52**
Profit / losses result from measurement effects, realisation and deferred interest and are shown in the respective items in the income statement[1]	–	–	–	–	– 1	–

[1] The effects reported include valuation gains/losses, realised profit/loss and deferred interest; these are reported in the income statement under the items (6) Net interest income, (11) Profit/loss from financial assets.

(in € million)	Financial assets held for sale reported at fair value 2016	2015
1 Jan.	–	–
Reclassification	4	–
30 Sep.	**4**	–

	Trading liabilities			
	Trading liabilities Interest-rate risk		Trading liabilities Currency risks	
(in € million)	2016	2015	2016	2015
1 Jan.	–	**16**	**1**	**1**
Effect on the income statement [1)]	–	–	– 1	–
Addition from purchase or issuance	1	–	–	–
Disposal from sale	–	16	–	–
30 Sep.	**1**	–	–	**1**

[2)] The effects reported include valuation gains/losses, realised profit/loss and deferred interest; these are reported in the income statement under the items (6) Net interest income and (9) Profit/loss from financial instruments at fair value through profit or loss.

(in € million)	Financial liabilities at fair value through profit or loss – Securitised liabilities 2016	2015
1 Jan.	**4**	**9**
Addition from Level 2	16	–
30 Sep.	**20**	**9**

The fair values of the financial instruments in Level 3 were determined using the following significant, unobservable input data.

Product	Fair Value 30 Sep.2016 (in € million)	Significant non-observable input data in the fair value measurement	Spread of the used input data	Weighted average
Interest-bearing bonds (assets)	3	Fair Value	-	-
Interest-bearing bond (liabilities)	– 20	historical volatilities	8-53 %	29%
Participations	252	Discount rate	5-9 %	8 %
Silent participations	127	Discount rate	4-9 %	7 %
Loans	168	Rating	Rating Class (25er DSGV-Skala) 3-11	Averaged Rating 10
Derivatives (assets)	1	historical volatilities	9%	9%
Derivatives (liabilities)	– 1	Rating	Rating Class (25er DSGV-Skala) 14	Averaged Rating 14
Financial assets held for sale reported at fair value	4	Fair Value	-	-

A significant input that cannot be observed in the market used in the Level 3 fair value measurement of interest-bearing securities is the fair value itself. Due to a lack of market data the measurement uses counterparty prices that qualify as Level 3 inputs. The sensitivity of the fair value measurement is approximated via a price change of 10 per cent and totals € 0.3 million (€ 0.4 million). The above-mentioned amount would have a corresponding effect on other comprehensive income (OCI).

A significant input that cannot be observed in the market used in the fair value measurement of investments is the discount rate. Major changes in this input result in a significantly higher or lower fair value. The sensitivity of the fair value measurement was analysed by increasing and decreasing the discount rate by 50 basis points. This analysis showed that an imputed change in the assumed parameter would result in a change of € 8.7 million (€ 7.8 million) in the fair value of the investments in Level 3, with a corresponding effect on other comprehensive income (OCI).

A significant input that cannot be observed in the market used in the fair value measurement of silent participations is the discount rate. Major changes in this input result in a significantly higher or lower fair value. The sensitivity of the fair value measurement was analysed by increasing and decreasing the discount rate by 100 basis points. This analysis showed that an imputed change in the assumed parameter would result in a change of € 3.5 million (€ 3.5 million) in the fair value of the silent participations in Level 3, with a corresponding effect on other comprehensive income (OCI).

A significant input that cannot be observed in the market used in the fair value measurement of loans is the internal rating. Major changes in this input result in a significantly higher or lower fair value. The sensitivity of the fair value measurement was analysed by increasing and decreasing the rating by one rating class. This analysis showed that an imputed change in the assumed parameter would result in a change of € 0.8 million (€ 0.1 million) in the fair value of the loans in Level 3, with a corresponding effect on the income statement.

There are currently no derivatives that have been measured as part of syndicated loans and allocated to Level 3. These are forward loans. There are also derivatives that have been allocated to Level 3 based on historic volatility.

Significant inputs that cannot be observed in the market used in the fair value measurement of these derivatives are rating and historical volatility. As permitted under accounting regulations, disclosures describing the sensitivity of historical volatility are not provided because historical volatility is based not on the company itself, rather on the original market transactions. Major changes in the rating result in a significantly higher or lower fair value. As part of the sensitivity analysis, the rating was stressed by one level with an improvement and a deterioration of the rating. This analysis showed that an imputed change in the rating would result in a change of € 0.1 million (€ 0 million) in the fair value of the derivatives in Level 3, with a corresponding effect on the income statement.

Interest-bearing securities, investments and silent participations are mainly reported under financial assets, while derivatives and loans are reported under financial assets and liabilities at fair value through profit or loss.

There are no relevant correlations between significant Level 3 inputs used in the fair value measurement of Level 3 financial instruments. As a result, there is no impact on the fair value.

(31) Derivative Financial Instruments

Unlike their presentation in the balance sheet, the market values are stated prior to offsetting in the balance sheet in accordance with IAS 32.42.

	Nominal values		Fair value positive		Fair value negative	
(in € million)	30 Sep.2016	31 Dec.2015	30 Sep.2016	31 Dec.2015	30 Sep.2016	31 Dec.2015
Interest-rate risk	287 679	287 093	16 190	13 331	15 494	12 590
Currency risk	58 129	50 469	998	624	1 819	2 180
Share price and other price risks	184	200	2	10	7	8
Credit risk	2 744	2 894	30	24	5	11
Total	**348 736**	**340 656**	**17 220**	**13 989**	**17 325**	**14 789**

(32) Disclosures concerning Selected Countries

The following table shows, in contrast to the exposures in the risk report (see the interim management report), the values recognised in the balance sheet for transactions relating to selected countries (including credit derivatives). The disclosures by country include regional governments, municipalities and state-related companies.

	Financial Instruments Held for Trading		Financial Instruments designated at Fair Value through Profit or Loss		Available for Sale Assets	
(in € million)	30 Sep. 2016	31 Dec. 2015	30 Sep. 2016	31 Dec. 2015	30 Sep. 2016	31 Dec. 2015
Ireland						
Country	–	9	–	–	23	22
Financing institutes / insurance companies	– 14	13	–	–	28	24
Companies / other	79	37	–	–	1	–
	65	**59**	**–**	**–**	**52**	**46**
Italy						
Country	–	–	86	84	1 006	1 071
Financing institutes / insurance companies	7	1	–	–	113	124
Companies / other	9	4	–	–	85	90
	16	**5**	**86**	**84**	**1 204**	**1 285**
Portugal						
Country	– 2	– 2	–	–	49	51
Financing institutes / insurance companies	– 1	– 1	–	–	1	1
Companies / other	–	–	–	–	13	–
	– 3	**– 3**	**–**	**–**	**63**	**52**

(in € million)	Financial Instruments Held for Trading 30 Sep. 2016	Financial Instruments Held for Trading 31 Dec. 2015	Financial Instruments designated at Fair Value through Profit or Loss 30 Sep. 2016	Financial Instruments designated at Fair Value through Profit or Loss 31 Dec. 2015	Available for Sale Assets 30 Sep. 2016	Available for Sale Assets 31 Dec. 2015
Slowenia						
Country	–	4	–	–	2	–
	–	**4**	**–**	**–**	**2**	**–**
Spain						
Country	38	1	–	–	158	138
Financing institutes / insurance companies	– 1	17	–	–	1 038	1 239
Companies / other	11	9	–	–	41	28
	48	**27**	**–**	**–**	**1 237**	**1 405**
Hungary						
Country	–	–	–	–	115	113
	–	**–**	**–**	**–**	**115**	**113**
Cyprus						
Companies / other	16	1	–	–	–	–
	16	**1**	**–**	**–**	**–**	**–**
Total	**142**	**93**	**86**	**84**	**2 673**	**2 901**

For financial instruments categorised as available for sale with a cost of acquisition totalling € 2.346 billion (€ 2.582 billion), the cumulative valuation result reported in equity for the selected countries totals € 69 million (€ 118 million). In addition to this, write-downs of € 1 million (€ 1 million) were recognised in the income statement for the period.

	Loans and Receivables							
	Gross book value		Specific valuation allowances		General loan loss provisions		Fair Value	
(in € million)	30 Sep. 2016	31 Dec. 2015	30 Sep. 2016	31 Dec. 2015	30 Sep. 2016	31 Dec. 2015	30 Sep. 2016	31 Dec. 2015
Egypt								
Companies / other	40	–	–	–	2	–	40	–
	40	**–**	**–**	**–**	**2**	**–**	**40**	**–**
Greece								
Companies / other	6	21	–	–	–	– 1	6	19
	6	**21**	**–**	**–**	**–**	**– 1**	**6**	**19**
Ireland								
Financing institutes / insurance companies	170	193	–	–	–	–	171	198
Companies / other	2 260	2 332	–	–	2	– 2	2 297	2 148
	2 430	**2 525**	**–**	**–**	**2**	**– 2**	**2 468**	**2 346**
Italy								
Financing institutes / insurance companies	80	83	–	–	–	–	64	69
Companies / other	280	213	–	–	–	–	284	216
	360	**296**	**–**	**–**	**–**	**–**	**348**	**285**
Portugal								
Companies / other	22	25	–	–	–	–	22	25
	22	**25**	**–**	**–**	**–**	**–**	**22**	**25**
Russia								
Financing institutes / insurance companies	143	148	–	–	–	–	143	148
Companies / other	60	43	–	–	–	–	62	41
	203	**191**	**–**	**–**	**–**	**–**	**205**	**189**

	Loans and Receivables							
	Gross book value		Specific valuation allowances		General loan loss provisions		Fair Value	
(in € million)	30 Sep. 2016	31 Dec. 2015	30 Sep. 2016	31 Dec. 2015	30 Sep. 2016	31 Dec. 2015	30 Sep. 2016	31 Dec. 2015
Spain								
Country	51	52	–	– 4	–	–	55	54
Financing institutes / insurance companies	67	84	–	–	–	–	67	84
Companies / other	201	249	28	24	–	–	202	254
	319	**385**	**28**	**20**	**–**	**–**	**324**	**392**
Hungary								
Financing institutes / insurance companies	5	1	–	–	–	–	5	1
Companies / other	27	33	–	–	–	–	25	32
	32	**34**	**–**	**–**	**–**	**–**	**30**	**33**
Cyprus								
Companies / other	1 015	1 072	12	– 49	22	6	801	779
	1 015	**1 072**	**12**	**– 49**	**22**	**6**	**801**	**779**
Total	**4 427**	**4 549**	**40**	**– 29**	**26**	**3**	**4 244**	**4 068**

The nominal value of credit derivatives relating to the selected countries in the NORD/LB Group's portfolio is € 505 million (€ 567 million). Of this amount, sovereigns account for € 378 million (€ 378 million), financing institutions/insurance companies for € 45 million (€ 125 million) and companies/others for € 82 million (€ 64 million). The Group acts as both a provider and recipient of collateral. The netted fair value of the credit derivatives is € -2 million (€ -4 million).

Other Information

(33) Regulatory Data

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

(in € million)	30 Sep.2016	31 Dec.2015
Total risk exposure amount	**63 857**	**63 675**
Capital requirements for credit risk	4 426	4 352
Capital requirements for operational risks	409	419
Capital requirements for market risks	203	251
Capital requirements for loan amount adjustments	71	73
Capital requirements	**5 109**	**5 095**

The following schedule shows the composition of regulatory equity for the Group in accordance with art. 25 et. seq. of the CRR:

(in € million)	30 Sep.2016	31 Dec.2015
Paid-up capital including premium	4 930	4 930
Reserves	2 266	2 908
Eligible components of CET 1 capital at subsidiaries	585	837
Other components of CET 1 capital	– 82	36
– Deductible items (from CET 1 capital)	– 353	– 964
Adjustments due to transition rules	437	573
Common Equity Tier 1 capital	**7 783**	**8 320**
Grandfathered AT1 instruments	429	451
Adjustments due to transition rules	– 82	– 331
Additional Tier 1 capital	347	120
Tier 1 capital	**8 130**	**8 440**
Paid-up instruments of Tier 2 capital	2 582	2 616
Eligible components of Tier 2 capital at subsidiaries	273	270
Other components of Tier 2 capital	23	–
– Deductible items (from Tier 2 capital)	– 10	– 25
Adjustments due to transition rules	– 413	– 654
Tier 2 capital	**2 455**	**2 207**
Own funds	**10 585**	**10 647**

(in %)	30 Sep.2016	31 Dec.2015
Common equity tier 1 capital ratio	12,19%	13,07%
Tier 1 capital ratio	12,73%	13,25%
Total capital ratio	16,58%	16,72%

The tables may include minor differences that occur in the reproduction of mathematical operations.

(34) Contingent Liabilities and other Obligations

	30 Sep.2016 (in € million)	31 Dec.2015 (in € million)	Change (in %)
Contingent liabilities			
Liabilities from guarantees and other indemnity agreements	4 070	4 271	– 5
Other obligations			
Irrevocable credit commitments	9 494	9 409	1
Total	**13 564**	**13 680**	**– 1**

(35) Related Parties

The volume of transactions with related parties (not including those to be eliminated under con solidation) can be seen in the following schedules:

30 Sep.2016 (in € million)	Companies with significant influence	Subsidaries	Associated companies	Persons in key positions	Other related parties
Assets					
Loans and advances to banks	**–**	**–**	**273**	**–**	**91**
of which: money market transcations	–	–	101	–	–
of which: loans	–	–	155	–	91
other loans	–	–	155	–	91
Loans and advances to customers	**2 413**	**6**	**277**	**1**	**539**
of which: money market transcations	–	–	14	–	–
of which: loans	2 406	6	263	1	539
public-sector loans	2 288	–	14	–	525
mortage-backed loans	–	5	91	1	3
other loans	118	1	158	–	11
Financial assets at fair value through profit or loss	**360**	**–**	**45**	**–**	**43**
of which: Debt securities and other fixed-interest securities	141	–	–	–	–
of which: Positive fair values from derivatives	116	–	45	–	2
of which: Trading portfolio claims	103	–	–	–	41
Positive fair values from hedge accounting derivatives	**98**	**–**	**–**	**–**	**–**
Financial assets	**1 662**	**–**	**17**	**–**	**–**
of which: Debt securities and other fixed-interest securities	1 662	–	–	–	–
of which: Shares and other non fixed-interest securities	–	–	17	–	–
Total	**4 533**	**6**	**612**	**1**	**673**

30 Sep. 2016 (in € million)	Companies with significant influence	Subsidiaries	Joint Ventures	Associated companies	Persons in key positions	Other related parties
Liabilities						
Liabilities to banks	**–**	**–**	**–**	**341**	**–**	**92**
Liabilities to customers	**1 135**	**46**	**2**	**283**	**4**	**807**
of which: money market transactions	–	–	–	–	1	–
of which: saving deposits	´751	1	–	31	–	111
Securitised liabilities	**–**	**–**	**–**	**–**	**–**	**1**
Financial liabilities at fair value through profit or loss	**114**	**–**	**–**	**18**	**–**	**259**
of which: negative fair values from derivatives	87	–	–	18	–	–
Negative fair values from hedge accounting derivatives	**18**	**–**	**–**	**–**	**–**	**–**
Subordinated capital	**1**	**127**	**–**	**–**	**–**	**16**
Total	**1 268**	**173**	**2**	**642**	**4**	**1 175**
Guarantees / sureties received	309	–	–	–	–	–
Guarantees / sureties granted	–	–	–	16	–	–

1 Jan. - 30 Sep.2016 (in € million)	Companies with significant influence	Subsidaries	Associated companies	Persons in key positions	Other related parties
Interest expenses	28	6	15	–	11
Interest income	94	–	9	–	18
Other income and expenses	– 27	–	– 9	– 5	– 8
Total contributions to income	**39**	**– 6**	**– 15**	**– 5**	**– 1**

31 Dec. 2015 (in € million)	Companies with significant influence	Subsidaries	Associated companies	Persons in key positions	Other related parties
Assets					
Loans and advances to banks	**–**	**–**	**276**	**–**	**247**
of which: money market transcations	–	–	116	–	20
of which: loans	–	–	160	–	227
of which: public-sector loans	–	–	–	–	13
other loans	–	–	160	–	214
Loans and advances to customers	**2 575**	**6**	**314**	**1**	**655**
of which: money market transcations	177	–	13	–	–
of which: loans	2 352	6	300	1	655
public-sector loans	2 270	–	15	–	643
mortage-backed loans	–	5	89	1	4
other loans	82	1	196	–	8
Financial assets at fair value through profit or loss	**343**	**–**	**74**	**–**	**27**
of which: Debt securities and other fixed-interest securities	62	–	–	–	–
of which: Positive fair values from derivatives	115	–	74	–	2
of which: Trading portfolio claims	166	–	–	–	25
Positive fair values from hedge accounting derivatives	**97**	**–**	**–**	**–**	**–**
Financial assets	**1 892**	**–**	**16**	**–**	**–**
of which: Debt securities and other fixed-interest securities	1 892	–	–	–	–
of which: Shares and other non fixed-interest securities	–	–	16	–	–
Total	**4 907**	**6**	**680**	**1**	**929**

31 Dec. 2015 (in € million)	Companies with significant influence	Subsidaries	Joint Ventures	Associated companies	Persons in key positions	Other related parties
Liabilities						
Liabilities to banks	**–**	**17**	**–**	**346**	**–**	**113**
Liabilities to customers	**1 397**	**32**	**–**	**368**	**5**	**863**
of which: money market transcations	–	–	–	–	1	–
of which: saving deposits	893	1	–	44	–	159
Securitised liabilities	**–**	**–**	**–**	**–**	**–**	**2**
Financial liabilities at fair value through profit or loss	**47**	**–**	**–**	**1**	**–**	**156**
of which: negative fair values from derivatives	22	–	–	1	–	28
Negative fair values from hedge accounting derivatives	**8**	**–**	**–**	**–**	**–**	**–**
Subordinated capital	**1**	**588**	**–**	**–**	**–**	**15**
Total	**1 453**	**637**	**–**	**715**	**5**	**1 149**
Guarantees / sureties received	371	–	–	–	–	–
Guarantees / sureties granted	–	–	–	14	–	11

1 Jan. - 30 Sep.2015 (in € million)	Companies with significant influence	Subsidaries	Associated companies	Persons in key positions	Other related parties
Interest expenses	28	44	27	–	7
Interest income	98	–	25	–	27
Commission income	–	–	1	–	–
Other income and expenses	5	–	–	– 4	3
Total contributions to income	**75**	**– 44**	**– 1**	**– 4**	**23**

As at the balance sheet date there are valuation allowances for loans and advances to affiliated companies in the amount of € 2 million (€ 2 million).

(36) Basis of Consolidation

Company name and registered office	Shares (%) indirect	Shares (%) direct
Subsidiaries included in the consolidated financial statements		
BLB Immobilien GmbH, Bremen	100.00	–
BLB Leasing GmbH, Oldenburg	100.00	–
Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale -, Bremen	–	54.83
Bremische Grundstücks-GmbH, Bremen	100.00	–
Deutsche Hypothekenbank (Actien-Gesellschaft), Hannover	–	100.00
KreditServices Nord GmbH, Braunschweig	–	100.00
Nieba GmbH, Hannover	–	100.00
NOB Beteiligungs GmbH & Co. KG, Hannover	100.00	–
NORD/FM Norddeutsche Facility Management GmbH, Hannover	–	100.00
NORD/LB Asset Management AG, Hannover	100.00	–
NORD/LB Asset Management Holding GmbH, Hannover	–	100.00
NORD/LB Luxembourg S.A. Covered Bond Bank, Luxemburg-Findel / Luxemburg	–	100.00
Nord-Ostdeutsche Bankbeteiligungs GmbH, Hannover	–	100.00
NORDWEST VERMÖGEN Bremische Grundstücks-GmbH & Co. KG, Bremen	100.00	–
NORDWEST VERMÖGEN Vermietungs-GmbH & Co. KG, Bremen	100.00	–
TLN-Beteiligung Anstalt öffentlichen Rechts & Co. KG, Hannover	–	100.00

Company name and registered office	Shares (%) indirect	Shares (%) direct
Special Purpose Entities included in the consolidated financial statements		
DEMURO Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Pullach im Isartal	–	–
Fürstenberg Capital Erste GmbH, Fürstenberg	–	–
Fürstenberg Capital II GmbH, Fürstenberg	–	–
Hannover Funding Company LLC, Dover (Delaware) / USA	–	–
KMU Gruppe	–	–
Beteiligungs- Kommanditgesellschaft MS "Buxmelody" Verwaltungs- und Bereederungs GmbH & Co., Buxtehude	–	–
KMU Shipping Invest GmbH, Hamburg	–	–
GEBAB Ocean Shipping II GmbH & Co. KG, Hamburg	–	–
GEBAB Ocean Shipping III GmbH & Co. KG, Hamburg	–	–
MT "BALTIC CHAMPION" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT "BALTIC COMMODORE" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT "NORDIC SCORPIUS" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT "NORDIC SOLAR" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT "NORDIC STAR" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
"OLIVIA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
"OLYMPIA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
"PANDORA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
"PRIMAVERA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
"QUADRIGA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
MS "HEDDA SCHULTE" Shipping GmbH & Co. KG, Hamburg	–	–
NORD/LB Objekt Magdeburg GmbH & Co. KG, Pullach im Isartal	–	–
Investment funds included in the consolidated financial statements		
NORD/LB AM ARB EUROPE	100.00	–
NORD/LB AM ALCO	–	100.00

Company name and registered office	Shares (%) indirect	Shares (%) direct
Companies / investment funds accounted for in the consolidated financial statements using the equity method		
Joint ventures		
Bremische Wohnungsbaubeteiligungsgesellschaft mbH	50.00	–
caplantic GmbH, Hannover	–	45.00
Associated companies		
Ammerländer Wohnungsbau-Gesellschaft mbH, Westerstede	32.26	–
BREBAU GmbH, Bremen	48.84	–
GSG OLDENBURG Bau- und Wohngesellschaft mit beschränkter Haftung, Oldenburg	22.22	–
LBS Norddeutsche Landesbausparkasse Berlin-Hannover, Hannover	44.00	–
LINOVO Productions GmbH & Co. KG, Pöcking	–	45.17
NORD KB Beteiligungsgesellschaft mit beschränkter Haftung, Hannover	–	28.66
Toto-Lotto Niedersachsen GmbH, Hannover	49.85	–
Öffentliche Lebensversicherung Braunschweig, Braunschweig [2]	–	75.00
Öffentliche Sachversicherung Braunschweig, Braunschweig [2]	–	75.00
Investment funds		
Lazard-Sparkassen Rendite-Plus-Fonds	49.18	–
After IFRS 5 valuated companies		
Subsidiaries		
Nordic Buxtehude Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
Nordic Stade Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
NORD/LB Vermögensmanagement Luxembourg S.A., Luxemburg-Findel / Luxemburg	–	100.00
Proud Parents Investment Co., Majuro / Marshallinseln	–	–
Associated companies		
SALEG Sachsen-Anhaltinische-Landesentwicklungsgesellschaft mbH, Magdeburg [1]	–	56,61

[1] This company is classified as an affiliated company due to the potential voting rights of third parties.
[2] This company is classified as an affiliated company due to its structure under company law.

(37) Events after the reporting date

In September 2016 a joint declaration was published by the owners on securing the future of Bremer Landesbank. The owners of Bremer Landesbank, Norddeutsche Landesbank (54.8 percent), Free Hanseatic City of Bremen (41.2 percent) and Lower Saxony Association of Savings Banks (4.0 percent) agreed that Bremer Landesbank would become a wholly-owned subsidiary of NORD/LB. To this end, the Free Hanseatic City of Bremen and the Lower Saxony Association of Savings Banks will sell all their shares to NORD/LB.

Relevant company acquisition agreements were signed between the owners on 7 November 2016 to take effect from 1 January 2017. These are subject to conditions precedent, including the approval of the German Federal Cartel Office, the revision of the state treaty and the approval of the Supervisory Board and Owners' Meeting.

The total purchase price amounting to EUR 302 million will partly be settled by transferring ownership of the shares in Bremer Lagerhaus-Gesellschaft – Aktiengesellschaft von 1877 –, BREBAU GmbH and GEWOBA AG Wohnen und Bauen.

After the transaction, Bremer Landesbank will remain a fully-consolidated subsidiary in the consolidated financial statements of NORD/LB.

VII. RESPONSIBILITY

Norddeutsche Landesbank – Girozentrale – with its registered Office at 30159 Hanover, Friedrichswall 10, accepts responsibility for the information contained in this Supplement No. 5.

To the best knowledge and belief of Norddeutsche Landesbank – Girozentrale – which has taken all reasonable care to ensure that such is the case, the information contained in this Supplement No. 5 is in accordance with the facts and does not omit anything likely to affect the import of such information.

Hanover, 30 November 2016

NORDDEUTSCHE LANDESBANK – GIROZENTRALE –

signed Dr. Lotze signed Hoepfner