



Norddeutsche Landesbank Girozentrale

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

hereafter referred to as "**Supplement No. 2**".

TABLE OF CONTENTS

	Page
I. RIGHT OF WITHDRAWAL AND CHANGES	3
II. CHANGES RELATING TO SECTION 1.1. RISK FACTORS	4
III. CHANGES RELATING TO SECTION 1.2. DESCRIPTION OF NORDDEUTSCHE LANDESBANK – GIROZENTRALE –	6
IV. CHANGES RELATING TO SECTION 1.3. FINANCIAL INFORMATION ON THE ASSET, FINANCIAL AND EARNINGS POSITION	10
V. CHANGES RELATING TO SECTION 2. IMPORTANT INFORMATION	11
VI. CHANGES RELATING TO SECTION 3. FINANCIALS.....	12
VII. RESPONSIBILITY	S-1

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. 1 is published shall have the right, exercisable within two working days after the publication of this Supplement No. 2, to withdraw their acceptances, provided that the new factor, mistake or inaccuracy which is the subject of this Supplement No. 2 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. 2 is the publication of the interim consolidated financial statements of NORD/LB Group as of 30 June 2016 (the “**Interim Consolidated Financial Statements 30 June 2016**”) on 25 August 2016.

A further relevant new factor that leads to Supplement No. 2 is that the owners of Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – (“**BLB**”) have published a joint declaration on 1 September 2016 stating that BLB will become a wholly owned subsidiary of NORD/LB.

Pursuant to these events 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 1.1. „**Risk factors**” subsection 1.1.2. „**Risk factors relating to regulatory aspects concerning credit institutions in general**“ the Risk factor “***Stress tests and similar exercises may adversely affect the business of NORD/LB and its Subsidiaries***” shall be deleted after its heading and replaced by the following:

“NORD/LB and its Subsidiaries have been and, in the future, may be subject to stress tests and similar exercises that have been and, in the future, may be initiated by the German financial regulatory authorities *Bundesanstalt für Finanzdienstleistungsaufsicht* (“**BaFin**”) and Deutsche Bundesbank (the “**German Central Bank**”), the European Banking Authority (“**EBA**”) and/or the European Central Bank (“**ECB**”).

ECB has conducted comprehensive assessments comprising an asset quality review (the “**AQR**”) and a stress test which is performed in cooperation with the EBA and carried out based on the EBA methodology. By the end of 2014 NORD/LB Group has passed the requirements of the comprehensive assessment of the ECB including the EBA stress test. Such kind of stress tests and similar exercises can be reintroduced any time in the future again. EBA has also conduct an EU wide stress test exercise in 2016 in which NORD/LB Group was one of the 51 banking groups that were subject to such stress test exercise. The stress test exercise has commenced at the end of the first quarter of 2016. Different from previous stress tests, no capital thresholds have been defined. The final results of the 2016 EU-wide stress test have been published by EBA on July, 29th, 2016.

Such stress test exercises and comparable regulatory measures may be conducted at any time in the future. Meeting these or similar future requirements imposes significant costs on NORD/LB Group.

If the Issuer was to fall below certain minimum amounts determined by the regulators in the context of a given stress test, remedial action may be required to be taken by the Issuer, including potentially requirements to strengthen the capital situation of the Issuer and/or other supervisory interventions. Investors should note, however, that the powers of the competent supervisory authorities are not limited to actions in response to specific breaches of stress test requirements but that they may also take action against NORD/LB Group irrespective of such breaches on the basis of their general authority and, can form the basis of additional prudential requirements applicable to the Issuer in connection with the Supervisory Review and Evaluation Process (“**SREP**”).

Further, the exercise of such general authority as well as publication of stress test results and their findings could have a negative impact on the Issuer’s reputation or its ability to refinance itself as well as increase its costs of funding or require other remedial actions. The same applies to related additional prudential requirements set by a competent authority in connection with a stress test or a similar exercise, their evaluation by financial market participants, but also the market’s impression that stress tests or related prudential requirements are not sufficient in order to judge or reinstate a solid financial standing of a bank.

Also, negative stress test results of and/or additional prudential requirements for financial institutions with which NORD/LB does business may adversely affect its business activities. In addition, the risks arising from the aforementioned aspects could have further material adverse effects on NORD/LB’s business, results of operations or financial condition and thereby or otherwise have an impact on its creditors.”

- 2.) In section 1.1. „**Risk factors**” subsection 1.1.2. „**Risk factors relating to regulatory aspects concerning credit institutions in general**“ the Risk factor “***Risks in relation to the impacts of the European sovereign debt crisis***” shall be deleted and replaced by the following:

“Risks in relation to the impacts of current European economic and political developments

Even though the burdens arising from the debt crisis are lower than in the past, the progress of structural adjustments in the Euro area will remain in the focus of the capital markets. The debt crisis still remains one of the greatest economic risks for the Euro area since for many member states the reduction of financial deficits and the government debt ratio remain challenging tasks.

A referendum on the United Kingdom's membership in the European Union (“EU”) held on 23 June 2016 resulted in a majority vote to leave the EU. The UK government expressed its intent to respect the vote but has not yet filed the official application with the EU.

Should Greece, the United Kingdom or any other Euro area country exit the monetary union or the EU, the resulting need to reintroduce a national currency or substitute the Euro with another supranational currency and restate existing contractual obligations could have unpredictable financial, legal, political and social consequences. Given the highly interconnected nature of the financial system within the Euro area and the levels of exposure, NORD/LB and its Subsidiaries have to public and private counterparties around Europe, NORD/LB's and its Subsidiaries' ability to plan for such a contingency in a manner that would reduce NORD/LB's and its Subsidiaries' exposure to non-material levels is likely to be limited. If the overall economic climate deteriorates as a result of one or more departures from the Euro area, nearly all of NORD/LB and its Subsidiaries' business segments, including its more stable flow businesses, could be adversely affected, and if NORD/LB and its Subsidiaries is forced to write down additional exposures, NORD/LB and its Subsidiaries could incur substantial losses.”

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

- 1.) In 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 June 2016 (the “**Interim Consolidated Financial Statements 30 June 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 KPMG. 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 –**“ subsection 1.2.4. **“Recent events in the business activities of Norddeutsche Landesbank – Girozentrale –”** shall be deleted and replaced by the following:

“1.2.4. Recent events in the business activities of Norddeutsche Landesbank – Girozentrale –

EU Commission’s approval of capital boosting measures and related commitments

In July 2012, the EU Commission gave its final approval in the course of state aid proceedings for all capital measures which NORD/LB has implemented in the course of its capital boosting programme. Because of the nature of NORD/LB’s ownership structure, which renders any capital measures taken by NORD/LB’s current owners as state aid, these measures were subject to approval by the EU Commission in a proceeding applied for by the Federal Republic of Germany. The capital boosting measures approved by the EU Commission included (i) the retention of dividends, (ii) equity investments of certain of NORD/LB’s owners by way of cash contributions, (iii) the conversion into equity of silent participations in NORD/LB and its subsidiary Bremer Landesbank and other subordinated securities held by certain of NORD/LB’s owners and their subsidiaries, and (iv) a guarantee for contingent claims by two owners for a certain part of a pre-defined credit portfolio which could have been drawn by NORD/LB until the end of 2014. Meanwhile all of these capital-boosting measures have been implemented. This guarantee was terminated without being used in the meantime. The Bank has agreed on a new guarantee (“**Northvest**”) with an external party in March 2014. In September 2015 the bank agreed on an increase of Northvest. As a result the common equity (CET1) was increased by currently 1.0%

The EU Commission’s approval was based on a catalogue of commitments that NORD/LB and the EU Commission agreed upon for the period until the end of 2016 in a so-called restructuring plan. The objectives of this restructuring plan are a moderate adjustment of NORD/LB Group’s size in terms of total assets and risk-weighted assets, a stronger concentration on NORD/LB’s core clients and regions, the sale of certain participations, a cost-optimization program and, with regard to NORD/LB and Bremer Landesbank, retention of dividends for at least the financial years 2012 and 2013.

In August 2013, NORD/LB also obtained approval from the EU Commission to amend the terms of certain of its silent participations. In line with market expectations, such terms allow NORD/LB to pay interest on these silent participations when the Issuer is profitable, irrespective of whether or not a dividend is paid to NORD/LB’s owners. The EU Commission’s approval was granted in return for certain additional commitments, including an extension of the time for which NORD/LB will refrain from larger acquisitions until year-end 2016, which originally was for three years until July 2015, an undertaking to dispose of further non-core subsidiaries and participations, and a further reduction of total assets in the event NORD/LB would have chosen to draw under the guarantee referred to above.

EU-wide stress tests

ECB has conducted comprehensive assessments comprising an asset quality review (the “**AQR**”) and a stress test which is performed in cooperation with the EBA and carried out based on the EBA methodology. By the end of 2014 NORD/LB Group has passed the requirements of the comprehensive assessment of the ECB including the EBA stress test. Such kind of stress tests and similar exercises can be reintroduced any time in the future again. Further to a comprehensive assessment and a first stress test exercise in 2014, the European Banking Authority EBA has also conducted an EU-wide stress test exercise in 2016

in which NORD/LB Group was one of the 51 banking groups that were subject to such stress test exercise. The stress test exercise has commenced at the end of the first quarter of 2016. Different from previous stress tests, no capital thresholds have been defined. However, respective competent authorities may use the stress test results as an input to the Supervisory Review and Evaluation Process ("SREP") and require the related bank to comply with additional prudential requirements on such basis. The final results of the 2016 EU-wide stress test have been published by EBA on July, 29th, 2016.

Revaluation and reduction of the book value of HETA assets due to measures under the Austrian act implementing the BRRD into Austrian law

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 (*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 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.

Loan Loss Provisions with regard to the Shipping Portfolio

In 2015 as well as in the first two 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. NORD/LB expects that the challenging situation in the shipping markets resulting from the

ongoing crisis in the shipping sector will result in 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 lead to a further 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, but expects to fulfill all regulatory requirements.

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.”

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

- 1.) In 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 June 2016 are included on pages F-350 to F-411, 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 June 2016 have been taken from the Interim Report (*Konzernzwischenbericht*) of NORD/LB Group as of 30 June 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 1.3. **“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:

“Since the date of its last published unaudited interim consolidated financial statements of 30 June 2016, there have been no significant changes in the financial position of the Issuer and NORD/LB Group.”

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:

“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 June 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 June 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-399 of section 3. "Financials" shall be deleted and replaced by:

This page has been intentionally left blank

Interim Consolidated Financial Statements as at 30 June 2016

F-352	Income Statement
F-353	Income Statement – Quarterly Overview
F-354	Statement of Comprehensive Income
F-355	Statement of Comprehensive Income - Quarterly Overview
F-356	Balance Sheet
F-358	Condensed Statement of Changes in Equity
F-359	Condensed Cash Flow Statement

Income Statement

		1 Jan. – 30 Jun. 2016 (in € million)	1 Jan. – 30 Jun. 2015 (in € million)	Change (in %)
Interest income		3 676	4 277	- 14
Interest expenses		2 747	3 277	- 16
Net interest income	6	929	1 000	- 7
Loan loss provisions	7	1 003	210	> 100
Commission income		178	160	11
Commission expenses		61	49	24
Net commission income	8	117	111	5
Trading profit / loss		537	- 134	> 100
Profit / loss from the fair value option		- 248	139	> 100
Profit / loss from financial instruments at fair value through profit or loss	9	289	5	> 100
Profit / loss from hedge accounting	10	- 12	90	> 100
Profit / loss from financial assets	11	71	26	> 100
Profit / loss from investments accounted for using the equity method		- 7	- 59	- 88
Administrative expenses	12	572	562	2
Other operating profit / loss	13	- 168	- 80	> 100
Earnings before reorganisation and taxes		- 356	321	> 100
Reorganisation expenses	14	- 8	- 7	14
Earnings before taxes		- 364	314	> 100
Income taxes	15	42	24	75
Consolidated profit		- 406	290	> 100
of which: attributable to the owners of NORD/LB		- 263	287	
of which: attributable to non-controlling interests		- 143	3	

Income Statement - Quarterly Overview

(in € million)	2016		2015	
	2nd Quarter	1st Quarter ¹⁾	2nd Quarter	1st Quarter
Interest income	1 751	1 925	2 108	2 169
Interest expenses	1 281	1 466	1 609	1 668
Net interest income	470	459	499	501
Loan loss provisions	568	435	106	104
Commission income	93	85	81	79
Commission expenses	30	31	25	24
Net commission income	63	54	56	55
Trading profit / loss	150	387	- 519	385
Profit / loss from the fair value option	- 115	- 133	441	- 302
Profit / loss from financial instruments at fair value through profit or loss	35	254	- 78	83
Profit / loss from hedge accounting	- 13	1	31	59
Profit / loss from financial assets	64	7	24	2
Profit / loss from investments accounted for using the equity method	-	- 7	- 59	-
Administrative expenses	275	297	278	284
Other operating profit / loss	- 32	- 136	- 3	- 77
Earnings before reorganisation and taxes	- 256	- 100	86	235
Reorganisation expenses	- 1	- 7	- 1	- 6
Earnings before taxes	- 257	- 107	85	229
Income taxes	56	- 14	- 49	73
Consolidated profit	- 313	- 93	134	156
of which: attributable to the owners of NORD/LB	- 188	- 75	128	159
of which: attributable to non-controlling interests	- 125	- 18	6	- 3

¹⁾ Adjustment of reporting (see Note (3) Adjustment of estimates and accounting methods).

Statement of Comprehensive Income

The comprehensive income of the NORD/LB Group comprises the income and expenses recognised in the income statement and in other comprehensive income.

	1 Jan. – 30 Jun. 2016 (in € million)	1 Jan. – 30 Jun. 2015 (in € million)	Change (in %)
Consolidated profit	- 406	290	> 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	- 451	159	> 100
Investments accounted for using the equity method – Share of other operating profit / loss	- 11	- 5	> 100
Deferred taxes	145	- 50	> 100
	- 317	104	> 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	- 80	1	> 100
Transfer due to realisation profit / loss	12	29	- 59
Translation differences of foreign business units			
Unrealised profit / losses	- 5	25	> 100
Investments accounted for using the equity method – Share of other operating profit / loss	32	36	- 11
Deferred taxes	24	- 5	> 100
	- 17	86	> 100
Other profit / loss	- 334	190	> 100
Comprehensive income for the period under review	- 740	480	> 100
of which: attributable to the owners of NORD/LB	- 578	464	
of which: attributable to non-controlling interests	- 162	16	

Statement of Comprehensive Income - Quarterly Overview

(in € million)	2016		2015	
	2nd Quarter	1st Quarter ¹⁾	2nd Quarter	1st Quarter
Consolidated profit	- 313	- 93	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	- 274	- 177	511	- 352
Investments accounted for using the equity method – Share of other operating profit / loss	- 6	- 5	5	- 10
Deferred taxes	88	57	- 162	112
	- 192	- 125	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	- 69	- 11	- 143	144
Transfer due to realisation profit / loss	7	5	11	18
Translation differences of foreign business units				
Unrealised profit / losses	9	- 14	- 14	39
Investments accounted for using the equity method – Share of other operating profit / loss	16	16	22	14
Deferred taxes	20	4	45	- 50
	- 17	-	- 79	165
Other profit / loss	- 209	- 125	275	- 85
Comprehensive income for the period under review	- 522	- 218	409	71
of which: attributable to the owners of NORD/LB	- 382	- 196	370	94
of which: attributable to non-controlling interests	- 140	- 22	39	- 23

¹⁾ Adjustment of reporting (see Note (3) Adjustment of estimates and accounting methods).

Balance Sheet

	Notes	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Cash reserve		845	872	- 3
Loans and advances to banks	16	21 137	21 194	-
Loans and advances to customers	17	107 140	107 878	- 1
Risk provisioning	18	- 3 480	- 2 919	19
Balancing items for financial instruments hedged in the fair value hedge portfolio		340	91	>100
Financial assets at fair value through profit or loss	19	12 687	14 035	- 10
Positive fair values from hedge accounting derivatives		3 056	2 507	22
Financial assets	20	34 431	34 515	-
Investments accounted for using the equity method		292	290	1
Property and equipment	21	555	573	- 3
Investment property		75	77	- 3
Intangible assets	22	150	149	1
Assets held for sale	23	60	58	3
Current income tax assets		39	37	5
Deferred income taxes		863	663	30
Other assets		976	978	-
Total assets		179 166	180 998	- 1

	Notes	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Liabilities to banks	24	49 363	48 810	1
Liabilities to customers	25	57 188	60 597	- 6
Securitised liabilities	26	36 208	35 877	1
Balancing items for financial instruments		1 410	753	87
Financial liabilities at fair value through profit or loss	27	16 053	16 057	-
Negative fair values from hedge accounting derivatives		3 821	3 148	21
Provisions	28	2 916	2 428	20
Liabilities held for sale		9	7	29
Current income tax liabilities		114	116	- 2
Deferred income taxes		119	87	37
Other liabilities		364	306	19
Subordinated capital	29	3 839	4 299	- 11
Equity				
Issued capital		1 607	1 607	-
Capital reserves		3 332	3 332	-
Retained earnings		1 961	2 493	- 21
Revaluation reserve		405	454	- 11
Currency translation reserve		- 8	- 9	- 11
Equity capital attributable to the owners of NORD/LB		7 297	7 877	- 7
Additional equity		50	50	-
Equity capital attributable to non-controlling interests		415	586	- 29
		7 762	8 513	- 9
Total liabilities and equity		179 166	180 998	- 1

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	-	-	- 530	- 49	1	- 578	-	- 162	- 740
Other changes in capital	-	-	- 2	-	-	- 2	-	- 9	- 11
Equity as at 30 Jun. 2016	1 607	3 332	1 961	405	- 8	7 297	50	415	7 762

(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	-	-	417	47	-	464	-	16	480
Transactions with the owners	-	-	- 131	-	-	- 131	-	- 1	- 132
Distributions	-	-	- 131	-	-	- 131	-	-	- 131
Capital increases	-	-	-	-	-	-	-	- 1	- 1
Changes in the basis of consolidation	-	-	- 3	-	-	- 3	-	-	- 3
Other changes in capital	-	-	-	-	-	-	50	-	50
Adjusted Equity as at 30 Jun. 2015	1 607	3 332	2 240	467	- 10	7 636	50	611	8 297

Other changes in equity include reclassifications of reserves to loans and interest payments on issued additional tier 1 bonds.

Condensed Cash Flow Statement

	1 Jan. – 30 Jun. 2016 (in € million)	1 Jan. – 30 Jun. 2015 (in € million)	Change (in %)
Cash and cash equivalents as at 1 Jan.	872	1 064	- 18
Cash flow from operating activities	574	- 534	> 100
Cash flow from investing activities	- 46	334	> 100
Cash flow from financing activities	- 554	- 226	> 100
Total cash flow	- 26	- 426	- 94
Effects of changes in exchange rates	- 1	17	> 100
Cash and cash equivalents as at 30 Jun.	845	655	29

Please refer to the risk report for details on the management of liquidity risk in the NORD/LB Group.

This page has been intentionally left blank

Selected Notes

F-364	General Disclosures
F-370	Segment Reporting
F-376	Notes to the Income Statement
F-381	Notes to the Balance Sheet
F-387	Other Disclosures
F-399	Further Information

This page has been intentionally left blank

General Disclosures	F-364	(19) Financial assets at Fair Value through Profit or Loss	F-382
(1) Principles for the Preparation of the Interim Consolidated Financial Statements	F-364	(20) Financial Assets	F-383
(2) Accounting Policies	F-364	(21) Property and Equipment	F-383
(3) Adjustment of Estimates and Accounting Methods	F-366	(22) Intangible Assets	F-383
(4) Basis of Consolidation	F-369	(23) Assets held for sale	F-384
Segment Reporting	F-370	(24) Liabilities to Banks	F-384
(5) Segment Reporting by Business Segment	F-373	(25) Liabilities to Customers	F-385
Notes to the Income Statement	F-376	(26) Securitised Liabilities	F-385
(6) Net Interest Income	F-376	(27) Financial Liabilities at Fair Value through Profit or Loss	F-386
(7) Loan Loss Provisions	F-377	(28) Provisions	F-386
(8) Net Commission Income	F-377	(29) Subordinated Capital	F-386
(9) Profit/loss from Financial Instruments at Fair Value through Profit or Loss	F-378	Other Disclosures	F-387
(10) Profit/loss from Hedge Accounting	F-378	(30) Fair Value Hierarchy	F-387
(11) Profit/loss from Financial Assets	F-379	(31) Derivative Financial Instruments	F-396
(12) Administrative Expenses	F-379	(32) Disclosures concerning Selected Countries	F-397
(13) Other Operating Profit/loss	F-379	(33) Regulatory data	F-399
(14) Restructuring Expenses	F-380	(34) Contingent Liabilities and other Obligations	F-400
(15) Income Taxes	F-380	(35) Related Parties	F-401
Notes on the Balance Sheet	F-381	(36) Basis of Consolidation	F-404
(16) Loans and Advances to Banks	F-381	Preparation and Review	F-407
(17) Loans and Advances to Customers	F-381	Report of the Supervisory Board	F-410
(18) Risk Provisioning	F-381	Review Report	F-411

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 June 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). 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.

(2) Accounting Policies

Unless specified otherwise, the accounting policies for the interim financial statements are based on those of the consolidated financial statements as at 31 December 2015, unless otherwise specified in Note (3) Change in 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 accordance with IFRS 3. All principles defined in IFRS 3 or in other standards for the accounting of business combinations are to be applied to the acquired interest; the corresponding disclosure requirements must also be observed.

NORD/LB as a group under commercial law is hereinafter referred to as the NORD/LB Group. The interim consolidated financial statements as at 30 June 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. Segment reporting is shown 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 16 August 2016 and approved for publication.

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 for appropriately presenting the consumption of an asset's future economic benefit. It was clarified for property, plant and equipment, that 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, which 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,

waivers are created if the contributions are not dependent on the number of years of service.

The amendment to IAS 19 does not require an adjustment of NORD/LB's 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 affect the consolidated interim financial statements of NORD/LB.

The NORD/LB Group has not applied any standards, interpretations or amendments ahead of schedule that have been published but that are not yet mandatory to apply.

(3) Adjustment of Estimates and Accounting Methods

The interim financial statements as at 30 June 2016 include a first time measurement of contributions from silent partners reported in the subordinated capital of the NORD/LB Group in accordance with IAS 39.AG8. This accounting standard stipulates that the carrying amount of financial instruments, which are not to be measured at fair value, must be adjusted through profit or loss if changes have been made to 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 discounting effect decreases in the following years at a constant effective interest rate, which leads to a write-up that is recognised in net interest income.

The NORD/LB Group's contributions from silent partners, which 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 that the estimated future cash flows of the silent partners 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 contributions from silent partners, which is reported in the income statement in the Group's net interest income (see Note (6) Net interest income). Deferred tax is the result of the difference between the tax measurement and the measurement of the contributions from silent partners in the consolidated financial statements.

When measuring the contributions from silent partners, 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 comes to light regarding previous assumptions underlying the profit forecast, this can lead to adjustments in the value of the contri-

butions from silent partners in subsequent periods.

When modernising the subledger used to account for financial instruments in accordance with IFRS in several Group companies, changes were made to accounting estimates

As at 30 June 2016, the calculation of value adjustments for hedging transactions in portfolio-fair-value hedges resulting from the shortening of residual terms is done analog to the determination of the Hedge Amortised Cost of the underlying transactions. It does not refer to the hedged risk. So far the effective interest method in line with the determination of the Hedge Amortised Cost of the underlying transactions was used. To determine the respective hedge amortised cost for underlying transactions in portfolio fair value hedges, the interest rate curve will be 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 previous method of rolling forward the value on a straight-line basis from the start of the period until the end of the period. The change in the estimate of the interest distribution will in future avoid a mismatch in the profit/loss from hedge accounting resulting from the use of different methods of computation for the hedge amortised cost for hedges and underlying transactions. Besides a shift between net interest income and the profit/loss from hedge accounting, this new method of computation will affect the balancing 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 overall profit/loss for the period.

Furthermore, the profit/loss in foreign currency for the interim consolidated financial statements as at 30 June 2016 are rolled forward 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 setting the rate daily will ensure that the standard requirements regarding foreign currency translation will be met more

precisely. It will result in a shift between the foreign exchange profit/loss 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 only be determined to a limited extent, as the new subledger method only uses the revised estimates regarding the distribution of interest and the setting of rates

since 1 January 2016, whereas the old subledger method with the previously applicable estimates was used only until 31 March 2016. The effects on future periods have not yet been specified because it is not feasible to estimate these effects at this point.

The effects of changes in estimates in the income statement and the statement of comprehensive income are attributable to the period from 1 January until 31 March 2016:

1 Jan. -31 Mar. 2016	Prior to adjustment	Adjustment Hedge Amortised Cost	Adjustment results from currency translation	After Adjustment
(in € million)				
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 value through 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	Prior to adjustment	Adjustment Hedge Amortised Cost	After Adjustment
(in € million)			
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	181 904	3	181 907

When modernising the subledger used to account for financial instruments in accordance with IFRS,

changes were made to the accounting methods in several Group companies. The new subledger was

used for the first time to prepare these interim consolidated financial statements. This resulted in the following changes to the accounting policies:

Structured derivatives are accounted for in the new subledger method on a combined basis instead of by component, as has been the case until now. As the components of structured derivatives form part of a single legal transaction, the combined figure provides more relevant information. This change results in a decrease in total assets. It does not affect consolidated profit, although there are reclassifications between individual line items in the income statement.

The effects from non-recurring payments on interest rate swaps, cross-currency swaps and credit default swaps as well as non-recurring payments or receipts of option premiums on caps and floors are all subdivided with the new subledger method into an effect from amortisation and an effect from the change in fair value. This change differs from the previous method when the two were recognised together as a change in fair value. As the non-recurring payments are economically a correction to the result from current payments reported for these products, amortisation based on 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 the interest income, interest expenses and trading profit/loss items.

Current interest payments from the legs of a swap are now netted in new subledger for reporting in the income statement, instead of reporting them on a gross basis as was the case previously. 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 nominal value of the derivative are exchanged. There is no effect on consolidated profit, although reporting in the income statement is more precise between the interest income and interest expenses items.

Purchases and sales in inauthentic forward transactions in securities are reported on a net basis in new subledger, instead of the previous practice when they were reported separately with offsetting items in other assets and other liabilities. Net-based reporting provides a better reflection of economic conditions because, in addition to the legal option of offsetting the two items, they can now actually be netted off intentionally due to the new technical conditions. As there were no balances to report, no reclassifications were undertaken in the balance sheet as at 31 December 2015 and 30 June 2016.

It is not possible to determine the above-mentioned effects of changing the accounting methods on the income statement retrospectively for the period from 1 January until 30 June 2015 because new subledger has only processed transactions since 1 January 2016.

The effects of changing the accounting methods resulted in the following reclassifications in the income statement for the period from 1 January until 30 June 2016. The changes concern exclusively the way of representing.

1 Jan. – 30 Jun. 2016 (in € million)	Prior to adjustment	Adjustment structured derivatives	Adjustment upfronts	Adjustment interest from swap	After Adjustment
Interest income	3 818	- 1	- 16	- 125	3 676
Interest expenses	2 879	- 1	- 6	- 125	2 747
Net interest income	939	-	- 10	-	929
Trading profit / loss	527	-	10	-	537
Profit / loss from financial instruments at fair value through profit or loss	279	-	10	-	289
Consolidated profit	- 406	-	-	-	- 406

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

30 Jun. 2016 (in € million)	Prior to adjustment	Adjustment structured derivatives	After Adjustment
Financial assets at fair value through profit or loss	15 542	- 2 855	12 687
Financial liabilities at fair value through profit or loss	18 908	- 2 855	16 053

The respective adjustments 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 not only include NORD/LB as the parent company but also 43 (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 otherwise exercise a controlling influence. In addition, 2 (31 December 2015: 2) joint ventures and 12 (31 December 2015: 12) affiliated companies have been recognised. 1 (31 December 2015: 1) affiliated 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 the costs to sell. The joint ventures and additional affiliated companies are accounted for using the equity method.

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

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

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

Information on the subsidiaries, joint ventures and affiliated companies included in the consolidated financial statements can be found in the 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. Segment reporting includes a reclassification of the prior-year's figures to reflect the new allocation of the portfolio-based loan loss allowances that has been applied to the operating segments starting from 2016. The allocation of portfolio-based valuation allowances strengthens the holistic view of the risk provisioning of the business model. At the same time, this change in the methodology has reduced 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 that reflect the organisational structures and therefore the internal management of the Group. The calculations are based on the internal data of Group companies. Internal management focuses on the operational units' earnings before tax (EBT).

An important criterion 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 range of 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 services, 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 reconciling the customer conditions with the similarly structured market interest rate for a fictitious counter transaction applicable at the time of completion. This market interest rate is also the cost rate for the balancing provision in the Treasury Division. As a result, interest income and interest expenses are not reported on a gross basis. The financing profit/loss from committed equity is allocated to the market segments.

The Bank allocates every interest-bearing customer transaction to the balancing provision of the Treasury Division as the central planning office. There are no direct business relations between the market divisions in the Bank. Inter-segment earnings are therefore not included in 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, portfolio-based valuation allowances have also been reported here since 1 January 2016. The previous year's figures have been adjusted accordingly.

Income relating to the overall bank, such as profit/losses 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 not only includes 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 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 limit and utilisation).

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 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 and asset succession to inheritance and foundation management. The product range also includes investment loans and start-up advice for mid-size corporate customers.

Corporate Customers

The Corporate Customers segment not only includes 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 carried out 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 that are not standardised in respect of their interest and repayment, but instead offer alternatives in relation to 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 fund solutions, portfolio management mandates and institutional public funds, are also available.

The product range also includes offerings that the savings banks, as direct customers, request for their own trading business or to complete their product range in their own business with private or corporate customers. Examples include private banking prod-

ucts, investment products such as open or closed funds (real estate, aircraft), and products for individual asset management or inheritance/foundation management.

The Energy and Infrastructure Customers, Shipping Customers, Aircraft Customers and Real Estate Banking Customers segments offer traditional lending products, innovative products and financial engineering, usually irrespective of the specific industry. 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 primarily includes project financing, which is related to a specific project or asset and is tailored accordingly to meet the relevant individual need. The structure of this financing is developed on account of the relevant political and economic risks, legal and tax factors, social determinants and optimum 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 shipping 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 within aircraft financing is on the property-related financing of passenger aircraft produced

by well-known manufacturers. The target customers – airlines and leasing companies – are not only offered NORD/LB Group's outstanding expertise in 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 Group level that are not allocated to the segments, profit/loss from financial instruments (in particular from key valuation effects) that is not reported in the economic profit/loss of the business segments, profit/loss from financial assets and hedge accounting, Bank-wide projects, consolidation items, profit/loss from the management of interest rate exposure, balancing provision, 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 internal reporting compared to external reporting. The shortfall determined in the calculation of the regulatory capital backing is converted into risk-weighted assets within internal reporting and assigned to the operational units; the adjustment item resulting from the regulatory risk-weighted assets report flows into the reconciliation.

(5) Segment Reporting by Business Segment

30 Jun. 2016 (in € million)	Private and Com- mercial Cus- tomers	Corporate Cus- tomers	Markets	Energy and Infrastruc- ture Cus- tomers	Ship Cus- tomers	Aircraft Cus- tomers	Real Estate Banking Cus- tomers	Group Manage- ment/ Others	Recon- ciliations	NORD/LB Group
Net interest income before loan loss provisions	93	176	94	99	199	52	113	101	2	929
Loan loss provisions	- 2	87	-	-	954	- 1	- 4	- 31	-	1 003
Net interest income after loan loss provisions	95	90	94	99	- 755	53	117	132	2	- 74
Net commis- sion income	31	33	44	51	16	7	2	- 32	- 34	117
Profit / loss from financial instruments at fair value through profit or loss	- 1	- 2	35	- 15	- 9	- 1	2	245	34	289
Profit / loss from hedge account- ing	-	-	-	-	-	-	-	- 12	-	- 12
Profit / loss from financial assets	-	-	-	-	-	-	-	71	-	71
Profit / loss from invest ments ac- counted for using the equity method	2	-	-	-	-	-	-	- 9	- 1	- 7
Administrative expenses	92	72	67	48	57	13	32	184	7	572
Other operat- ing profit / loss	- 6	1	2	1	-	-	-	- 143	- 23	- 168
Profit / Loss before reor- ganisation and taxes	30	49	108	87	- 805	46	88	69	- 29	- 356
Reorganisation expenses	-	-	-	-	-	-	-	- 8	-	- 8
Earnings before taxes (EBT)	30	49	108	87	- 805	46	88	61	- 29	- 364
Taxes	-	-	-	-	-	-	-	-	42	42
Consolidated profit	30	49	108	87	- 805	46	88	61	- 71	- 406
Segment assets	7 330	22 710	37 625	16 587	19 421	7 664	14 813	54 796	- 1 778	179 166
of which: from invest-ments accounted for using the equity method	44	-	-	-	-	-	-	248	-	292
Segment liabilities	7 334	8 810	46 273	3 358	3 320	689	371	108 493	517	179 166
Total risk exposure amount	4 190	12 774	4 405	7 668	24 217	4 850	5 891	7 045	- 6 802	64 237
Capital em- ployed ¹⁾	377	1 150	395	690	2 180	436	530	1 243	1 167	8 169
CIR	76,9%	34,8%	38,3%	35,7%	27,6%	21,6%	27,7%			49,8%
RoRaC / RoE ²⁾	15,2%	7,9%	47,0%	21,8%	-69,3%	20,9%	24,0%			-8,9%

30 Jun. 2015 ¹⁾ (in € million)	Private and Com- mercial Cus- tomers	Corporate Cus- tomers	Markets	Energy and Infrastruc- ture Cus- tomers	Ship Cus- tomers	Aircraft Cus- tomers	Real Estate Banking Cus- tomers	Group Manage- ment/ Others	Recon- ciliations	NORD/LB Group
Net interest income before loan loss provi- sions	105	165	101	97	217	56	118	127	13	1 000
Loan loss provisions	3	1	1	15	210	- 1	5	- 16	- 8	210
Net interest income after loan loss provisions	102	164	100	82	7	57	113	143	21	789
Net commis- sion income	33	29	36	32	19	9	1	- 26	- 22	112
Profit / loss from financial instruments at fair value through profit or loss	-	10	33	6	2	2	1	- 3	- 46	6
Profit / loss from hedge account- ing	-	-	-	-	-	-	-	90	-	90
Profit / loss from financial assets	-	-	-	-	-	-	-	30	- 4	26
Profit / loss from invest- ments account- ed for using the equity method	2	-	-	-	-	-	-	- 62	1	- 59
Administrative expenses	99	75	72	48	58	12	33	158	10	563
Other operating profit / loss	- 6	-	2	2	-	- 1	-	- 61	- 17	- 80
Profit / Loss before reor- ganisation and taxes	34	129	99	74	- 31	56	84	- 46	- 77	321
Reorganisation expenses	-	-	-	-	-	-	-	- 7	-	- 7
Earnings before taxes (EBT)	34	129	99	74	- 31	56	84	- 53	- 77	314
Taxes	-	-	-	-	-	-	-	-	24	24
Consolidated profit	34	129	99	74	- 31	56	84	- 53	- 101	290
Segment assets	7 343	22 407	38 472	16 772	21 273	8 260	15 193	51 716	- 439	180 998
of which: from invest-ments accounted for using the equity method	45	-	-	-	-	-	-	245	-	290
Segment liabili- ties	7 457	9 003	48 100	3 599	4 585	763	469	103 588	3 434	180 998
Total risk exposure amount	4 233	12 134	5 032	8 081	33 534	5 111	7 235	15 130	- 21 558	68 931
Capital em- ployed ¹⁾	381	1 092	444	727	3 018	460	651	1 908	- 1 432	7 249
CIR	72,9%	36,4%	41,5%	35,0%	24,3%	18,0%	26,9%			52,7%
RoRaC / RoE ²⁾	15,9%	20,6%	44,0%	19,0%	- 2,0%	24,2%	18,6%			8,7%

¹⁾ The allocation of some previous year's figures was adjusted as described at the beginning of this section.

(in € million)	30 Jun. 2016	30 Jun. 2015
Sustainable relating to german local GAAP equity	8 169	7 249
Revaluation reserve	406	467
Consolidated profit	– 813	580
Financial equity	7 762	8 297

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

²⁾ RoRaC at business level:

(earnings before taxes * 2) / committed core capital

(9% of the higher value of the limit and the utilisation of the total risk exposure amount)

RoE at company level:

(earnings before taxes * 2) / long-term equity under commercial law (= reported equity – revaluation reserve – earnings after taxes * 2)

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 contributions from silent partners are to be classified as debt capital under IAS 32, payments to silent partners are recognised in interest expenses.

	1 Jan. – 30 Jun. 2016 (in € million)	1 Jan. – 30 Jun. 2015 (in € million)	Change (in %)
Interest income			
Interest income from lending and money market transactions	1 684	1 877	- 10
Interest income from debt securities and other fixed-interest securities	276	343	- 20
Interest income from financial instruments at fair value			
Interest income from trading profit / loss and hedge accounting derivatives	1 306	1 674	- 22
Interest income from fair value option	18	27	- 33
Current income			
from shares and other non fixed-interest securities	2	2	-
from investments	6	12	- 50
Income from silent participations	21	-	-
Interest income from other amortisations	356	341	4
Other interest income and similar income	7	1	> 100
	3 676	4 277	- 14
Interest expense			
Interest expenses from lending and money market transactions	709	848	- 16
Interest expenses from securitised liabilities	246	307	- 20
Interest expenses from financial instruments at fair value			
Interest expenses from trading profit / loss and hedge accounting derivatives	1 254	1 540	- 19
Interest expenses from fair value option	116	121	- 4
Interest expenses from subordinated capital	87	124	- 30
Interest expenses from other amortisations	304	309	- 2
Interest expenses from provisions and liabilities	28	27	4
Other interest expenses and similar expenses	3	1	> 100
	2 747	3 277	- 16
Total	929	1 000	- 7

Interest income from lending and money market transactions includes negative interest amounting to € 11 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 amounting to € 19 million. This is attributable to the balance sheet items liabilities to banks and liabilities to customers.

The income from silent participations contains the valuation effect resulting from the application of IAS 39.AG8. This effect is caused by the reassessment of the cash flows associated with the contributions from silent participations (see Note (2) Accounting policies). The difference between the tax measurement of the contributions from silent participations and the measurement under IAS 39.AG8 results a decrease of a deferred tax asset amounting to € 7 million.

(7) Loan Loss Provisions

	1 Jan. – 30 Jun. 2016 (in € million)	1 Jan. – 30 Jun. 2015 (in € million)	Change (in %)
Income from provisions for lending business			
Reversal of specific valuation allowance	266	343	- 22
Reversal of lumpsum specific loan loss provisions	2	2	-
Reversal of general loan loss provisions	119	95	25
Reversal of provisions for lending business	25	27	- 7
Additions to receivables written off	13	22	- 41
	425	489	- 13
Expenses for provisions for lending business			
Allocation to specific valuation allowance	1 211	581	> 100
Allocation to lumpsum specific loan loss provisions	1	2	- 50
Allocation to general loan loss provisions	126	86	47
Allocation to provisions for lending business	14	8	75
Direct write-offs of bad debts	76	21	> 100
Premium payments for credit insurance	-	1	- 100
	1 428	699	> 100
Total	1 003	210	> 100

(8) Net Commission Income

	1 Jan. – 30 Jun. 2016 (in € million)	1 Jan. – 30 Jun. 2015 (in € million)	Change (in %)
Commission income			
Commission income from banking transactions	172	153	12
Commission income from non-banking transactions	6	7	- 14
	178	160	11
Commission expense			
Commission expense from banking transactions	61	49	24
	61	49	24
Total	117	111	5

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

	1 Jan. – 30 Jun. 2016 (in € million)	1 Jan. – 30 Jun. 2015 (in € million)	Change (in %)
Trading profit / loss			
Profit / loss from debt securities and other fixed-interest securities	82	- 57	> 100
Profit / loss from shares and other non fixed-interest securities	- 4	4	> 100
Profit / loss from derivatives	286	38	> 100
Interest-rate risks	251	- 150	> 100
Currency risks	39	152	- 74
Share-price and other price risks	- 12	29	> 100
Credit derivatives	8	7	14
Profit / loss from receivables held for trading	130	- 79	> 100
	494	- 94	> 100
Foreign exchange profit/loss	43	- 41	> 100
Other income	-	1	- 100
	537	- 134	> 100
Profit / loss from the fair value option			
Profit / loss from receivables to customers and banks	11	- 6	> 100
Profit / loss from debt securities and other fixed-interest securities	43	- 19	> 100
Profit / loss from liabilities to banks and customers	- 299	191	> 100
Profit / loss from securitised liabilities	- 3	- 28	- 89
Profit / loss from other activities	-	1	- 100
	- 248	139	> 100
Total	289	5	> 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 Jun. 2016 (in € million)	1 Jan. – 30 Jun. 2015 (in € million)	Change (in %)
Profit / loss from micro fair value hedges			
from hedged underlying transactions	302	127	> 100
from derivatives employed as hedging instruments	- 300	- 99	> 100
	2	28	- 93
Profit / loss from portfolio fair value hedges			
from hedged underlying transactions	- 127	170	> 100
from derivatives employed as hedging instruments	113	- 108	> 100
	- 14	62	> 100
Total	- 12	90	> 100

(11) Profit/loss from Financial Assets

Profit/loss from financial assets shows the profit/loss from disposals and the valuation profit/loss recognised in

profit and loss relating to securities and shares in companies in the financial asset portfolio.

	1 Jan. – 30 Jun. 2016 (in € million)	1 Jan. – 30 Jun. 2015 (in € million)	Change (in %)
Profit / loss from financial assets classified as LaR	5	- 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	10	64	- 84
Shares and other non fixed-interest securities	1	18	- 94
Other financial assets classified as AfS	-	- 7	- 100
Profit / loss from allowances for losses on			
Debt securities and other fixed-interest securities	53	- 18	> 100
Shares and other non fixed-interest securities	- 2	- 3	- 33
Other financial assets classified as AfS	2	- 23	> 100
	64	31	> 100
Profit / loss from shares in companies (not consolidated)	2	- 1	> 100
Total	71	26	> 100

(12) Administrative Expenses

Administrative expenses comprise staff expenses, other administrative expenses and deprecia-

tion/amortisation of property and equipment, intangible assets and investment property.

	1 Jan. – 30 Jun. 2016 (in € million)	1 Jan. – 30 Jun. 2015 (in € million)	Change (in %)
Staff expenses	287	297	- 3
Other administrative expenses	253	231	10
Amortisation and depreciation	32	34	- 6
Total	572	562	2

(13) Other Operating Profit/loss

	1.1. – 30.6. 2016 (in € million)	1.1. – 30.6. 2015 (in € million)	Change (in %)
Other operating income			
from the reversal of provisions	2	7	- 71
from other business	82	105	- 22
	84	112	- 25
Other operating expenses			
from allocation to provisions	3	70	- 96
from other business	249	122	> 100
	252	192	31
Total	- 168	- 80	> 100

Income from other business includes income from the disposal of receivables (€ 34 million (€ 27 million)), income from the chartering of ships relating to restructuring commitments in lending business (€ 19 million (€ 34 million)), and income from the repurchase of own debt securities (€ 1 million (€ 7 million)).

Expenses from other business primarily include expenses from the disposal of liabilities to banks and customers (€ 104 million (€ 36 million)), the

bank levy in the sum of € 55 million (€ 70 million), and unbudgeted depreciation totalling € 23 million (€ 5 million). This is primarily due to the lower market values of ships resulting from the ongoing crisis in the shipping market.

Furthermore, this also contain expenses to generate charter income from ships (€ 15 million (€ 20 million)) and in particular expenses from other business associated with the disposition of receivables (€ 3 million (€ 12 million)).

(14) Restructuring Expenses

Restructuring 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 a restructure is related to the efficiency improvement programme launched in 2011 and a capital-boosting programme initiated to meet EU requirements. The restructuring ex-

penses include expenses in the sum of € 8 million (€ 7 million) from new allocations to restructuring provisions for agreements concerning the termination of employment contracts already concluded. The items recognised under restructuring 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 whole year. The under-

lying 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 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Loans and advances resulting from money market transactions			
German banks	2 693	2 509	7
Foreign banks	3 111	2 873	8
	5 804	5 382	8
Other loans and advances			
German banks			
Due on demand	1 196	856	40
With a fixed term or period of notice	11 397	11 957	- 5
Foreign Banks			
Due on demand	1 842	1 857	- 1
With a fixed term or period of notice	898	1 142	- 21
	15 333	15 812	- 3
Total	21 137	21 194	-

(17) Loans and Advances to Customers

	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Loans and advances resulting from money market transactions			
Domestic customers	1 941	1 207	61
Customers abroad	479	310	55
	2 420	1 517	60
Other loans and advances			
Domestic customers			
Due on demand	3 186	3 233	- 1
With a fixed term or period of notice	70 519	71 836	- 2
Customers abroad			
Due on demand	705	730	- 3
With a fixed term or period of notice	30 310	30 562	- 1
	104 720	106 361	- 2
Total	107 140	107 878	- 1

(18) Risk Provisioning

	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Specific valuation allowance	3 037	2 482	22
Lumpsum specific loan loss provisions	6	7	- 14
General loan loss provisions	437	430	2
Total	3 480	2 919	19

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

(in € million)	Specific valuation allowances		Lumpsum specific loan loss provisions		General loan loss provisions		Loan loss provisions		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
1 January	2 482	2 243	7	7	430	497	55	74	2 974	2 821
Allocations	1 211	581	1	2	126	86	14	8	1 352	677
Reversals	266	343	2	2	119	95	25	27	412	467
Utilisation	348	222	–	–	–	–	–	–	348	222
Unwinding	– 35	– 38	–	–	–	–	–	– 1	– 35	– 39
Effects of changes of foreign exchange rates and other changes	– 7	71	–	–	–	–	–	1	– 7	72
30 June	3 037	2 292	6	7	437	488	44	55	3 524	2 842

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

	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Trading assets			
Debt securities and other fixed-interest securities	1 437	1 815	– 21
Shares and other non fixed-interest securities	50	63	– 21
Positive fair values from derivatives	6 979	7 646	– 9
Trading portfolio claims	2 520	2 729	– 8
	10 986	12 253	– 10
Financial assets as at fair value through profit or loss			
Loans and advances to banks and customers	212	200	6
Debt securities and other fixed-interest securities	1 489	1 582	– 6
	1 701	1 782	– 5
Total	12 687	14 035	– 10

(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 that 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 assigned to the AFS category.

	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Financial assets classified as LaR	3 231	3 423	- 6
Financial assets classified as AFS			
Debt securities and other fixed-interest securities	30 584	30 493	-
Shares and other non fixed-interest securities	169	161	5
Shares in companies (not consolidated)	313	301	4
Other financial assets classified as AFS	134	137	- 2
	31 200	31 092	-
Total	34 431	34 515	-

(21) Property and Equipment

	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Land and buildings	278	283	- 2
Operating and office equipment	52	45	16
Ships	167	200	- 17
Other property and equipment	58	45	29
Total	555	573	- 3

(22) Intangible Assets

	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Software			
Purchased	63	25	> 100
Internally developed	9	19	- 53
	72	44	64
Other intangible assets			
Intangible assets - under development	50	85	- 41
Other intangible assets	28	20	40
Total	150	149	1

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

Assets held for sale in accordance with IFRS 5 with a carrying amount totalling € 60 million (€ 58 million) as at 30 June 2016 include property and equipment in the sum of € 21 million (€ 18 million), financial assets totalling € 36 million (€ 36 million) and other assets amounting to € 3 million (€ 2 million).

Property and equipment held for sale include four ships from the shipping customers segment, which were initially consolidated and reported at fair value as at 31 December 2014 and 3 December 2015. Two of these ships were reported as assets held for sale for the first time as at the financial reporting date. An impairment of € 9 million

(€ 4 million) was recognised under the other operating profit/loss in the first half of 2016 in accordance with IFRS 5.20. The Group aims to dispose of the ships in the current financial year.

The financial assets held for sale in the amount of € 36 million are an investment in an associated company, which was classified as held for sale for the first time on 28 May 2015. Until then it was accounted for using the equity method. The financial assets held for sale are allocated to the Group Controlling / Others segment. The sale of these shares is expected to take place in the third quarter of 2016.

(24) Liabilities to Banks

	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Deposits from other banks			
German banks	2 294	2 169	6
Foreign banks	1 324	1 236	7
	3 618	3 405	6
Liabilities resulting from money market transactions			
German banks	9 632	9 971	- 3
Foreign banks	11 407	10 150	12
	21 039	20 121	5
Other liabilities			
German banks			
Due on demand	1 698	2 751	- 38
With a fixed term or period of notice	21 860	21 062	4
Foreign banks			
Due on demand	523	759	- 31
With a fixed term or period of notice	625	712	- 12
	24 706	25 284	- 2
Total	49 363	48 810	1

(25) Liabilities to Customers

	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Savings deposits			
With an agreed notice period of three months			
Domestic customers	1 212	1 293	- 6
Customers abroad	12	13	- 8
With an agreed notice period of more than three months			
Domestic customers	28	34	- 18
Customers abroad	1	1	-
	1 253	1 341	- 7
Liabilities resulting from money market transactions			
Domestic customers	11 383	12 254	- 7
Customers abroad	2 223	3 141	- 29
	13 606	15 395	- 12
Other liabilities			
Domestic costumers			
Due on demand	16 181	16 519	- 2
With a fixed term or period of notice	23 068	24 496	- 6
Customers abroad			
Due on demand	1 261	713	77
With a fixed term or period of notice	1 819	2 133	- 15
	42 329	43 861	- 3
Total	57 188	60 597	- 6

(26) Securitised Liabilities

	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Issued debt securities			
Covered bonds	10 477	10 968	- 4
Municipal debentures	9 744	10 472	- 7
Other debt securities	14 500	12 618	15
	34 721	34 058	2
Money market instruments			
Commercial paper	1 078	1 452	- 26
Certificates of deposit	409	367	11
	1 487	1 819	- 18
Total	36 208	35 877	1

Repurchased debt securities issued by the Bank itself in the amount of € 5 440 million (€ 4 720 million) have been deducted directly from securitised liabilities.

The nominal volume of issues in the NORD/LB Group amounted to € 7 706 million in the first six months of the 2016 financial year. Repurchases totalled € 3 146 million, while repayments

amounted to € 5 311 million. The amount for issues includes both original issues and securities resold as a profit/loss of repurchases. The figures include money market securities, issued debt securities for securitised liabilities, 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 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Trading liabilities			
Negative fair values from derivatives	6 637	7 742	- 14
Delivery obligations from short-sales	88	12	> 100
	6 725	7 754	- 13
Financial liabilities designated at fair value			
Liabilities to banks and customers	6 610	6 098	8
Securitised liabilities	2 718	2 205	23
	9 328	8 303	12
Total	16 053	16 057	-

(28) Provisions

	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Provisions for pensions and other obligations	2 605	2 122	23
Other provisions	311	306	2
Total	2 916	2 428	20

The increase of the provisions for pensions and other obligations in the amount of € 483 million is mainly due to a decrease of the discount rate from 2.65 per cent to 1.80 per cent.

Other provisions include a provision of € 2 million

(€ 70 million) for the contribution to the European bank levy. This item also includes provisions for restructuring measures amounting to € 5 million (€ 5 million).

(29) Subordinated Capital

	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Subordinated liabilities	3 262	3 101	5
Participatory capital	64	152	- 58
Silent participations	513	1 046	- 51
Total	3 839	4 299	- 11

Contributions from silent partners were revalued as at 30 June 2016 in accordance with IAS 39.AG8 (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 calculation of the fair value. If input data from multiple levels of the fair value hierarchy are used to calculate the fair value, the resulting fair value of the respective financial instrument is assigned to the lowest level – the input data of which has a significant influence on the fair value measurement.

Level 1

The fair value hierarchy stipulates 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 to calculate the fair value. Quotes from other banks or market makers are applied whenever observable price sources 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 prices that only deviate marginally. 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, but 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 recog-

nised at fair value, other assets and other liabilities.

Level 2

If no price quotes are available on an active market, 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 that are calculated fundamentally on the basis of inputs available on an active market. Variables that market participants would consider in the pricing must be included in the measurement process. Wherever possible, the relevant inputs are taken from the markets on which the instruments are issued or acquired.

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

In the case of securities on the asset side of the balance sheet for which there is no active market and for which market prices cannot be used, for measurement purposes fair value must be determined 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 on the basis of comparable financial instruments (for example, taking account of the

relevant 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 used consistently in the measurement. Several divisions in the Group identify, analyse and evaluate financial instruments in inactive markets. This approach makes it possible to assess inactivity in the most objective manner. 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 relevant 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, and other assets.

Level 3

Financial instruments for which there is no active market and which cannot be measured completely on the basis of observable market parameters are allocated to Level 3. Unlike the 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 that cannot be observed on the market. The input parameters used in these methods include assumptions regarding cash flows, loss estimates and the discount interest rate, and are compiled as close to the market as possible.

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 derivatives associated with these are assigned to Level 3. Individual tranches of collateralised debt obligations (CDO) and equity vehicles are

likewise included in Level 3 measurements. 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 checks and procedures in the NORD/LB Group. These checks 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 risks and business-specific discounting factors. In terms of the bid-ask spread, the average exchange rate / mid-market price is always used for the measurement. The financial instruments that are particularly impacted by this include securities or liabilities with fair values based on prices listed on active markets and financial instruments, such as OTC derivatives with fair values that are determined using a valuation method and for which the mid-market price is an observable input parameter 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 method.

The NORD/LB Group primarily measures secured OTC derivatives 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, but instead using 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 items. This new approach resulted in an effect of € -26 million on the trading result for the reporting period.

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

(in € million)	30 Jun. 2016			31 Dec. 2015		
	Fair Value	Carrying amount	Difference	Fair Value	Carrying amount	Difference
Assets						
Cash reserve	845	845	–	872	872	–
Loans and advances to banks	20 815	21 137	– 322	21 842	21 194	648
Loans and advances to customers	109 451	107 140	2 311	108 607	107 878	729
Risk provisioning	¹⁾	– 3 480	3 480	– ¹⁾	– 2 919	2 919
Sub-total of loans and advances to banks / customers (net after loan loss provisions)	130 266	124 797	5 469	130 449	126 153	4 296
Balancing items for financial instruments hedged in the fair value hedge portfolio	²⁾	340	– 340	²⁾	91	– 91
Financial assets at fair value through profit or loss	12 687	12 687	–	14 035	14 035	–
Positive fair values from hedge accounting derivatives	3 056	3 056	–	2 507	2 507	–
Financial assets not reported at fair value	3 017	3 281	– 264	3 205	3 471	– 266
Financial assets reported at fair value	31 150	31 150	–	31 044	31 044	–
Financial assets held for sale not reported at fair value	73	37	36	74	38	36
Financial assets held for sale reported at fair value	23	23	–	20	20	–
Other assets not reported at fair value	50	50	–	35	35	–
Other assets reported at fair value	15	15	–	36	36	–
Total	181 182	176 281	4 901	182 277	178 302	3 975
Liabilities						
Liabilities to banks	50 153	49 363	790	49 439	48 810	629
Liabilities to customers	60 486	57 188	3 298	63 622	60 597	3 025
Securitised liabilities	37 558	36 208	1 350	36 330	35 877	453
Balancing items for financial instruments hedged in the fair value hedge portfolio	²⁾	1 410	– 1 410	²⁾	753	– 753
Financial liabilities at fair value through profit or loss	16 053	16 053	–	16 057	16 057	–
Negative fair values from hedge accounting derivatives	3 821	3 821	–	3 148	3 148	–
Financial liabilities held for sale not reported at fair value	9	9	–	7	7	–
Other liabilities not reported at fair value	67	67	–	29	29	–
Other liabilities reported at fair value	2	2	–	1	1	–
Subordinated capital	3 807	3 839	– 32	4 726	4 299	427
Total	171 956	167 960	3 996	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 "Balancing items 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 € 50 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 margins and appropriate probabilities of occurrence. This mainly concerns investments. The Group intends to retain ownership of these financial instruments.

It was not possible to reliably determine a fair value for € 50 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 margins and appropriate probabilities of occurrence. This mainly concerns 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:

(in € million)	Level 1		Level 2		Level 3		Total	
	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015
Assets								
Assets held for trading	532	725	10 381	11 463	73	65	10 986	12 253
Debt securities and other fixed-interest securities	482	662	955	1 153	–	–	1 437	1 815
Shares and other non fixed-interest securities	50	63	–	–	–	–	50	63
Positive fair values from derivatives	–	–	6 978	7 645	1	1	6 979	7 646
Interest-rate risks	–	–	6 164	7 035	–	–	6 164	7 035
Currency risks	–	–	787	576	1	1	788	577
Share-price and other price risks	–	–	3	10	–	–	3	10
Credit derivatives	–	–	24	24	–	–	24	24
Trading portfolio claims	–	–	2 448	2 665	72	64	2 520	2 729
Financial assets as at fair value through profit or loss	829	946	872	836	–	–	1 701	1 782
Loans and advances to customers	–	–	212	200	–	–	212	200
Financial assets	829	946	660	636	–	–	1 489	1 582
Debt securities and other fixed-interest securities	829	946	660	636	–	–	1 489	1 582
Positive fair values from hedge accounting derivatives	–	–	3 056	2 507	–	–	3 056	2 507
Positive fair values from employed micro fair value hedge derivatives	–	–	1 959	1 882	–	–	1 959	1 882
Interest-rate risks	–	–	1 900	1 836	–	–	1 900	1 836
Currency risks	–	–	59	46	–	–	59	46
Positive fair values from employed portfolio fair value hedge derivatives	–	–	1 097	625	–	–	1 097	625
Interest-rate risks	–	–	1 097	625	–	–	1 097	625
Financial assets at fair value	9 634	11 234	21 137	19 437	379	373	31 150	31 044
Debt securities and other fixed-interest securities	9 450	11 059	21 130	19 430	4	4	30 584	30 493
Shares and other non fixed-interest securities	168	161	–	–	–	–	168	161
Shares in companies (not consolidated)	16	14	7	7	241	232	264	253
Other financial assets classified as AfS	–	–	–	–	134	137	134	137
Financial assets held for sale reported at fair value	–	–	23	20	–	–	23	20
Other financial assets reported at fair value	15	16	–	20	–	–	15	36
Total assets	11 010	12 921	35 469	34 283	452	438	46 931	47 642

(in € million)	Level 1		Level 2		Level 3		Total	
	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015
Liabilities								
Trading liabilities	58	11	6 666	7 742	1	1	6 725	7 754
Negative fair values from derivatives relating to	6	3	6 630	7 738	1	1	6 637	7 742
interest-rate risks	1	–	5 146	5 915	–	–	5 147	5 915
currency risks	–	–	1 465	1 807	1	1	1 466	1 808
share-price and other price risks	5	3	8	5	–	–	13	8
credit derivatives	–	–	11	11	–	–	11	11
Delivery obligations from short-sales and other trading assets	52	8	36	4	–	–	88	12
Financial liabilities reported at fair value	475	22	8 849	8 277	4	4	9 328	8 303
Liabilities to banks	–	–	423	442	–	–	423	442
Liabilities to customers	–	–	6 187	5 656	–	–	6 187	5 656
Securitised liabilities	475	22	2 239	2 179	4	4	2 718	2 205
Negative fair values from hedge accounting derivatives	–	–	3 821	3 148	–	–	3 821	3 148
Negative fair values from employed micro fair value hedge derivatives	–	–	3 345	2 871	–	–	3 345	2 871
interest-rate risks	–	–	2 989	2 497	–	–	2 989	2 497
currency risks	–	–	356	374	–	–	356	374
Negative fair values from employed portfolio fair value hedge derivatives	–	–	476	277	–	–	476	277
interest-rate risks	–	–	476	277	–	–	476	277
Other financial liabilities reported at fair value	2	1	–	–	–	–	2	1
Total liabilities and equity	535	34	19 336	19 167	5	5	19 876	19 206

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

The 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 Jun. 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 held for trading	6	–	1	–	–	–
Debt securities and other fixed-interest securities	6	–	1	–	–	–
Financial assets as at fair value through profit or loss	14	–	–	–	–	–
Financial assets	14	–	–	–	–	–
Debt securities and other fixed-interest securities	14	–	–	–	–	–
Financial assets at fair value	1 928	–	844	–	–	–
Debt securities and other fixed-interest securities	1 928	–	844	–	–	–
Trading liabilities	– 2	–	–	–	–	–
Delivery obligations from short- sales and other trading assets	– 2	–	–	–	–	–
Financial liabilities reported at fair value	– 13	–	–	–	–	–
Securitised liabilities	– 13	–	–	–	–	–

A level assessment of asset-side financial instruments takes place on an individual transaction basis in accordance with 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, 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 Group's own structured issues 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.

Financial assets and liabilities in Level 3 of the fair value hierarchy developed as follows:

(in € million)	Trading assets			
	Positive fair values from derivatives Currency risks		Trading portfolio claims and other trading assets	
	2016	2015	2016	2015
1 Jan.	1	–	64	197
Effect on the income statement ¹⁾	–	–	–	– 45
Addition from purchase or issuance	–	–	71	54
Disposal from sale	–	–	58	–
Repayment / exercise	–	–	5	62
30 Jun.	1	–	72	144
Profit / losses result from measurement effects, realisation and deferred interest and are shown in the respective items in the income statement ¹⁾	–	–	–	– 23

¹⁾ The effects reported include the valuation result, realised profit/losses 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 assets at fair value					
	Debt securities and other fixed-interest securities		Shares in companies (not consolidated)		Other financial assets classified as AfS	
	2016	2015	2016	2015	2016	2015
1 Jan.	4	5	232	231	137	129
Effect on the income statement ¹⁾	–	–	–	–	6	–
Effect on the equity capital	–	–	9	53	– 1	– 1
Addition from purchase or issuance	–	–	14	15	–	–
Disposal from sale	–	1	14	–	7	–
Repayment / exercise	–	–	–	–	1	–
Disposal to Level 1 and 2	–	–	–	–	–	77
30 Jun.	4	4	241	299	134	51
Profit / losses result from measurement effects, realisation and deferred interest and are shown in the respective items in the income statement ¹⁾	–	–	–	–	5	–

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 (11) Profit/loss from financial assets.

(in € million)	Financial assets held for sale reported at fair value	
	2016	2015
1 Jan.	–	–
Addition from purchase or issuance	16	–
Disposal from sale	16	–
30 Jun.	–	–

(in € million)	Trading liabilities			
	Trading liabilities Interest-rate risk		Trading liabilities Currency risks	
	2016	2015	2016	2015
1 Jan.	-	16	1	1
Addition from purchase or issuance	-	1	-	-
Disposal from sale	-	16	-	-
30 Jun.	-	1	1	1

(in € million)	Financial liabilities at fair value through profit or loss	
	Securitised liabilities	
	2016	2015
1 Jan.	4	9
Disposal to Level 1 and 2	-	4
30 Jun.	4	5

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

Product	Fair Value 30 Jun. 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)	4	Fair Value	-	-
Interest-bearing bond (liabilities)	- 4	historical volatilities	15 - 89 %	34%
Participations	241	Discount rate	5 - 9 %	8%
Silent participations	129	Discount rate	4 - 10 %	8%
Other financial assets	5	Fair Value	-	-
Loans	72	Rating	Rating Class (25er DSGV- Skala) 3 - 12	Averaged Rating 7
Derivatives (assets)	1	historical volatilities	11 - 89 %	21%
Derivatives (liabilities)	- 1	historical volatilities	11 - 36 %	12%

A significant input parameter 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 input parameters. The sensitivity of the fair value measurement is approximated via a price change of 10 per cent and amounts to € 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 parameter 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 € 8.1 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 parameter that cannot be observed in the market used in the fair value meas-

urement of contributions from silent participations is the discount rate. Major changes in this input parameter 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 € 3.2 million (€ 3.5 million) in the fair value of the contributions from 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 other financial assets in Level 3 is the fair value. This is a claim from a purchase price component. As permitted under accounting regulations, disclosures describing the sensitivity of this item are not provided because the claim is based on the original sales transaction.

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 parameter 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 € 0.1 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.

There are also derivatives that have been allocated to Level 3 based on historic volatility.

A significant input that cannot be observed in the market used in the fair value measurement of these derivatives is historical volatility. As permitted under accounting regulations, disclosures describing the sensitivity of historical volatility are not provided because historical volatility is not based on the company itself, but on the original market transactions.

Interest-bearing securities, investments and contributions from 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 input parameters 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 specified prior to offsetting in the balance sheet in accordance with IAS 32.42.

(in € million)	Nominal values		Fair value positive		Fair value negative	
	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016 ^{b)}	31 Dec. 2015
Interest-rate risk	287 668	287 093	16 027	13 331	15 426	12 590
Currency risk	53 513	50 469	1 141	624	2 127	2 180
Share price and other price risks	163	200	3	10	13	8
Credit risk	2 918	2 894	24	24	11	11
Total	344 262	340 656	17 195	13 989	17 577	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 companies associated with the state.

(in € million)	Financial Instruments Held for Trading		Financial Instruments designated at Fair Value through Profit or Loss		Available for Sale Assets	
	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015
Ireland						
Country	–	9	–	–	23	22
Financing institutes / insurance companies	– 14	13	–	–	25	24
Companies / other	77	37	–	–	1	–
	63	59	–	–	49	46
Italy						
Country	–	–	88	84	1 126	1 071
Financing institutes / insurance companies	– 5	1	–	–	113	124
Companies / other	9	4	–	–	90	90
	4	5	88	84	1 329	1 285
Portugal						
Country	– 4	– 2	–	–	48	51
Financing institutes / insurance companies	– 1	– 1	–	–	1	1
Companies / other	–	–	–	–	13	–
	– 5	– 3	–	–	62	52
(in € million)	Financial Instruments Held for Trading		Financial Instruments designated at Fair Value through Profit or Loss		Available for Sale Assets	
	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015
Slowenia						
Country	–	4	–	–	2	–
	–	4	–	–	2	–
Spain						
Country	–	1	–	–	170	138
Financing institutes / insurance companies	–	17	–	–	1 055	1 239
Companies / other	10	9	–	–	42	28
	10	27	–	–	1 267	1 405
Hungary						
Country	–	–	–	–	114	113
	–	–	–	–	114	113
Cyprus						
Companies / other	18	1	–	–	–	–
	18	1	–	–	–	–
Total	90	93	88	84	2 823	2 901

For financial instruments categorised as available for sale with acquisition costs amounting to € 1 702 million (€ 2 582 million), the cumulative valuation profit/loss reported in equity for the select-

ed countries amounts to € 129 million (€ 118 million). In addition to this, depreciation (€ 1 million) was not recognised in the income statement for the period.

(in € million)	Loans and Receivables							Fair Value	
	Gross book value		Specific valuation allowances		General loan loss provisions		30 Jun. 2016	31 Dec. 2015	
	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015			
Greece									
Companies / other	6	21	-	-	-	- 1	7	19	
	6	21	-	-	-	- 1	7	19	
Ireland									
Financing institutes / insurance companies	170	193	-	-	-	-	170	198	
Companies / other	2 252	2 332	-	-	2	- 2	2 294	2 148	
	2 422	2 525	-	-	2	- 2	2 464	2 346	
Italy									
Financing institutes / insurance companies	81	83	-	-	-	-	65	69	
Companies / other	264	213	-	-	-	-	269	216	
	345	296	-	-	-	-	334	285	
Portugal									
Companies / other	23	25	-	-	-	-	23	25	
	23	25	-	-	-	-	23	25	
Russia									
Financing institutes / insurance companies	145	148	-	-	-	-	146	148	
Companies / other	49	43	-	-	-	-	48	41	
	194	191	-	-	-	-	194	189	

(in € million)	Loans and Receivables							Fair Value	
	Gross book value		Specific valuation allowances		General loan loss provisions		30 Jun. 2016	31 Dec. 2015	
	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015	30 Jun. 2016	31 Dec. 2015			
Spain									
Country	53	52	-	- 4	-	-	55	54	
Financing institutes / insurance companies	72	84	-	-	-	-	69	84	
Companies / other	205	249	19	24	-	-	214	254	
	330	385	19	20	-	-	338	392	
Hungary									
Financing institutes / insurance companies	1	1	-	-	-	-	1	1	
Companies / other	29	33	-	-	-	-	27	32	
	30	34	-	-	-	-	28	33	
Cyprus									
Companies / other	1 066	1 072	14	- 49	21	6	833	779	
	1 066	1 072	14	- 49	21	6	833	779	
Total	4 416	4 549	33	- 29	23	3	4 221	4 068	

The nominal value of credit derivatives relating to the selected countries in the NORD/LB Group's portfolio is € 562 million (€ 567 million). Of this amount, sovereigns account for € 378 million (€ 378 million), financing institutions/insurance companies for

€ 105 million (€ 125 million) and companies/others for € 79 million (€ 64 million). The Group acts as both a provider and recipient of collateral. The netted fair value of the credit derivatives is € -6 million (€ -4 million).

Further information

(33) Regulatory data

The following consolidated regulatory capital data for the Group was 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 Jun. 2016	31 Dec. 2015
Total risk exposure amount	64 237	63 675
Capital requirements for credit risk	4 412	4 352
Capital requirements for operational risks	409	419
Capital requirements for market risks	239	251
Capital requirements for loan amount adjustments	80	73
Capital requirements	5 139	5 095

The following overview shows the composition of regulatory equity for the group of institutions in accordance with art. 25 et. seq. of the CRR:

(in € million)	30 Jun. 2016	31 Dec. 2015
Paid-up capital including premium	4 930	4 930
Reserves	2 386	2 908
Eligible components of CET 1 capital at subsidiaries	705	837
Other components of CET 1 capital	- 111	36
- Deductible items (from CET 1 capital)	- 735	- 964
Adjustments due to transition rules	525	573
Common Equity Tier 1 capital	7 700	8 320
Grandfathered AT1 instruments	429	451
Adjustments due to transition rules	- 142	- 331
Additional Tier 1 capital	287	120
Tier 1 capital	7 897	8 440
Paid-up instruments of Tier 2 capital	2 657	2 616
Eligible components of Tier 2 capital at subsidiaries	205	270
- Deductible items (from Tier 2 capital)	- 25	- 25
Adjustments due to transition rules	- 471	- 654
Tier 2 capital	2 367	2 207
Own funds	10 353	10 647
(in %)	30 Jun. 2016	31 Dec. 2015
Common equity tier 1 capital ratio	11,99%	13,07%
Tier 1 capital ratio	12,43%	13,25%
Total capital ratio	16,12%	16,72%

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

(34) Contingent Liabilities and other Obligations

	30 Jun. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Contingent liabilities			
Liabilities from guarantees and other indemnity agreements	4 206	4 271	- 2
Other obligations			
Irrevocable credit commitments	9 441	9 409	-
Total	13 647	13 680	-

(35) Related Parties

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

30 Jun. 2016	Companies with significant influence	Subsidiaries	Associated companies	Persons in key positions	Other related parties
(in € million)					
Assets					
Loans and advances to banks	-	-	332	-	89
of which: money market transactions	-	-	158	-	-
of which: loans	-	-	163	-	89
other loans	-	-	163	-	89
Loans and advances to customers	2 431	7	384	1	539
of which: money market transactions	-	-	12	-	-
of which: loans	2 424	7	293	1	538
public-sector loans	2 306	-	14	-	519
mortgage-backed loans	-	6	90	1	11
other loans	118	1	189	-	8
Financial assets at fair value through profit or loss	319	-	46	-	23
of which: Debt securities and other fixed-interest securities	113	-	-	-	-
of which: Positive fair values from derivatives	113	-	46	-	2
of which: Trading portfolio claims	93	-	-	-	21
Positive fair values from hedge accounting derivatives	107	-	-	-	-
Financial assets	1 686	-	17	-	-
of which: Debt securities and other fixed-interest securities	1 686	-	-	-	-
of which: Shares and other non fixed-interest securities	-	-	17	-	-
Total	4 543	7	779	1	651

30 Jun. 2016	Companies with significant influence	Subsidiaries	Joint Ventures	Associated companies	Persons in key positions	Other related parties
(in € million)						
Liabilities						
Liabilities to banks	-	-	-	359	-	98
Liabilities to customers	939	49	2	321	4	725
of which: money market transactions	-	-	-	-	1	-
of which: saving deposits	572	1	-	32	-	109
Securitised liabilities	-	-	-	-	-	1
Financial liabilities at fair value through profit or loss	96	-	-	15	-	255
of which: negative fair values from derivatives	70	-	-	15	-	-
Negative fair values from hedge accounting derivatives	20	-	-	-	-	-
Subordinated capital	1	125	-	-	-	16
Total	1 056	174	2	695	4	1 095
Guarantees / sureties received	309	-	-	-	-	-
Guarantees / sureties granted	-	-	-	16	-	16
1 Jan. – 30 Jun. 2016						
(in € million)						
Interest expenses		19	6	10	-	8
Interest income		62	-	5	-	12
Other income and expenses		- 24	-	- 10	- 3	- 6
Total contributions to income		19	- 6	- 15	- 3	- 2

31 Dec. 2015	Companies with significant influence	Subsidiaries	Associated companies	Persons in key positions	Other related parties
(in € million)					
Assets					
Loans and advances to banks	-	-	276	-	247
of which: money market transactions	-	-	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 transactions	177	-	13	-	-
of which: loans	2 352	6	300	1	655
public-sector loans	2 270	-	15	-	643
mortgage-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
Liabilities					
Liabilities to banks	-	17	346	-	113
Liabilities to customers	1 397	32	368	5	863
of which: money market transactions	-	-	-	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 Jun. 2015	Companies with significant influence	Subsidiaries	Associated companies	Persons in key positions	Other related parties
(in € million)					
Interest expenses	27	29	17	–	5
Interest income	68	–	12	–	19
Commission income	–	–	1	–	–
Other income and expenses	2	–	3	– 3	7
Total contributions to income	43	– 29	– 1	– 3	21

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
SALEG Sachsen-Anhaltinische-Landesentwicklungsgesellschaft mbH, Magdeburg ¹⁾	–	56.61
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		
Happy Auntie S.A., Majuro / Marshallinseln		
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		
Deutsche Factoring Bank Deutsche Factoring GmbH & Co., Bremen	27.50	–

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.

This page has been intentionally left blank

Preparation and Review

F-410	Responsibility Statement
F-411	Review Report

This page has been intentionally left blank

Report of the Supervisory Board

We declare to the best of our knowledge and in accordance with applicable accounting principles, that the interim consolidated financial statements provide a true and fair view of the Group's net assets, financial position and results of operations and that the Group management report presents a true and fair view of the development of business, including the operating profit/losses and the position of the Group, and also describes the significant opportunities and risks relating to the probable development of the Group over the remainder of the financial year.

Hanover / Braunschweig / Magdeburg, 16 August 2016

Norddeutsche Landesbank Girozentrale

The Managing Board

Dr. Dunkel

Brouzi

Bürkle

Forst

Dr. Holm

Schulz

Review Report

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

We have reviewed the condensed interim consolidated financial statements of Norddeutsche Landesbank - Girozentrale – comprising 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 – together with the interim group management report of Norddeutsche Landesbank - Girozentrale – for the period from 1 January to 30 June 2016, which form part of the interim financial report in accordance with § 37w of the German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRSs) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's legal representatives. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance

with the German standards for the review of financial statements set out by the Institute of Public Auditors in Germany (IDW). These standards require us to plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is primarily limited to surveys of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. As we were not required to perform an audit, we cannot issue an audit opinion. Based on our review, no matters have come to our attention that lead us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hanover, 19 August 2016

KPMG AG

Wirtschaftsprüfungsgesellschaft

Ufer

Leitz

Auditor

Auditor

VII. RESPONSIBILITY

Norddeutsche Landesbank – Girozentrale – with its registered Office at 30159 Hanover, Friedrichswall 10, accepts responsibility for the information contained in this Supplement No. 2.

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. 2 is in accordance with the facts and does not omit anything likely to affect the import of such information.

Hanover, 6 September 2016

NORDDEUTSCHE LANDESBANK – GIROZENTRALE –

signed Hoepfner

signed Zachlod