NORD/LB

Die norddeutsche Art.

Navigating NORTH

Interim report as at 30 September 2011

Finanzgruppe

NORD/LB Group at a glance

	1 Jan. – 30 Sep. 2011	1 Jan. – 30 Sep. 2010*)	Change (in %)
In € million			
Net interest income	1 311	1 222	7
Loan loss provisions	– 111	– 443	– 75
Net commission income	123	152	– 19
Profit / loss from financial instruments at fair value through profit or loss including hedge accounting	– 109	61	> 100
Profit / loss from financial assets	– 16	29	> 100
Profit / loss from investments accounted for using the equity method	– 6	– 123	95
Administrative expenses	792	761	4
Other operating profit / loss	– 15	9	> 100
Earnings before taxes	385	146	> 100
Income taxes	123	67	84
Consolidated profit	262	79	> 100
Key figures in %			
Cost-Income-Ratio (CIR)	60,8	57,6	
Return-on-Equity (RoE)	9,7	2,9	

	30 Sep. 2011	31 Dec. 2010*)	Change (in %)
Balance sheet figures in € million			
Total assets	228 638	228 590	–
Customer deposits	65 377	60 742	8
Customer loans	113 671	113 605	–
Equity	5 394	5 884	– 8
Regulatory key figures			
Core capital for solvency reasons in € million	7 510	6 829	10
Regulatory equity in € million	10 424	9 599	9
Risk-weighted assets in € million	82 000	86 850	– 6
Total captial ratio in %	12,7	11,1	
Core capital ratio in %	9,2	7,9	

NORD/LB ratings (long-term / short-term / individual)
Moody's A2 / P-1 / D+ Fitch Ratings A / F1 / C / D

*) The consolidated profit reported for the previous year was adjusted; see Note 3 Adjustment of figures for the previous year.

Total differences are rounding differences and may cause minor deviations in the calculation of percentages.

Interim report as at 30 September 2011

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Hannover

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NORD/LB Norddeutsche Landesbank Girozentrale

NORD/LB Norddeutsche Landesbank Girozentrale (hereafter NORD/LB or the bank) is a registered public institution (AöR) in Germany, with registered offices in Hanover, Braunschweig and Magdeburg. Its head office is in Hanover. Under the name of Braunschweigische Landessparkasse, Braunschweig (hereafter BLSK), NORD/LB performs the function of a savings bank in the Braunschweig region and maintains a close network of branches in this region. NORD/LB also operates branches in Hamburg, Düsseldorf and Schwerin as well as in London, New York, Shanghai and Singapore. The bank also has representative offices in Beijing, Moscow and Mumbai.

The owners of the bank are the German federal states of Lower Saxony and Saxony-Anhalt, the Association of the Savings Banks of Lower Saxony (Sparkassenverband) in Hanover (hereafter SVN), the Holding Association of the Savings Banks of Saxony-Anhalt and the Special Purpose Holding Association of the Savings Banks of Mecklenburg-Western Pomerania.

The share capital amounts to € 1 085 483 130, with the federal state of Lower Saxony holding 41.75 per cent (of which 32.79 per cent is held in trust for the state-owned Hannoversche Beteiligungsgesellschaft mbH), the federal state of Saxony-Anhalt 8.25 per cent, the Lower Saxony Association of Savings Banks and Girobanks 37.25 per cent, the Holding Association of the Savings Banks of Saxony-Anhalt 7.53 per cent and the Special Purpose Holding Association of the Savings Banks of Mecklenburg-Western Pomerania 5.22 per cent.

The executive bodies of the bank are the Owners' Meeting, the Supervisory Board and the Managing Board.

NORD/LB is the state bank for the federal states of Lower Saxony and Saxony-Anhalt. In these two federal states and in Mecklenburg-Western Pomerania the bank performs the functions of a central and clearing bank for the savings banks (Girozentrale). NORD/LB focuses its business strategy on north-east Germany and also serves customers from all the areas of banking business.

NORD/LB operates in the following segments:
- Private and Commercial Customers
- Savings Bank Network
- Financial Markets / Institutional Customers
- Corporate Customers
- Energy and Infrastructure Customers
- Ship and Aircraft Customers
- Real Estate Banking Customers

The bank also handles promotional loans on behalf of the federal states through Investitionsbank Sachsen-Anhalt, an institute of Norddeutsche Landesbank Girozentrale, and through Landesförderinstitut Mecklenburg-Vorpommern (LFI), a division of Norddeutsche Landesbank Girozentrale.

NORD/LB is the parent company of a group which also includes Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale, Bremen (hereafter Bremer Landesbank), Norddeutsche Landesbank Luxembourg S.A., Luxembourg (hereafter NORD/LB Luxembourg), Deutsche Hypothekenbank (Actien-Gesellschaft), Hanover (hereafter Deutsche Hypo), LBS Norddeutsche Landesbausparkasse, Berlin, Hanover (hereafter LBS), Öffentliche Lebensversicherung Braunschweig, Braunschweig and Öffentliche Sachversicherung Braunschweig, Braunschweig, (hereafter ÖVBS). The bank also holds other investments as shown in the disclosures of the Notes.

Control Systems

The control of profitability, productivity and the Group's risk profile are the responsibility of the Managing Board. The aim of this system of control is to optimise short and medium-term profitability and efficiency while at the same time maintaining the best possible degree of transparency in terms of earnings and cost. Regulating earnings and productivity at NORD/LB is primarily focussed on the key figures of return on equity (RoE), cost-income ratio (CIR) and the risk rate, on operating profit (contribution margin V) and on commercial profit/loss. The significance of key indicators is aligned towards the targets, depending on the respective banking division or the type of product. The cost-income ratio is defined as the ratio between administrative expenses and the sum total of the following income items: net interest income, net commission income, profit/loss from financial instruments at fair value, profit/loss from hedge accounting, profit/loss from companies accounted for using the equity method and other operating profit/loss. The calculation of the return-on-equity in the Group complies with the standard international definitions of key indicators and refers to earnings before taxes (less interest expenses for silent participations in reported equity) and long-term equity under commercial law (issued capital and capital reserves and retained earnings and non-controlling interests less silent participations in reported equity.

Based on a central, medium-term forecast of the operating result, in the third and fourth quarters the bank prepares the target operating result for the coming reporting period in a decentralised planning process. The aim of medium-term planning within the planning process is for the respective profit centres to obtain estimates concerning the medium-term development of customer potential, the market situation, products, risks, resources and measures.

Report on Income, Assets and Financial Position

(In the following text the previous year's figures for the first nine months of 2010 or the 31 December 2010 are shown in brackets.

Income

The first nine months of the financial year 2011 closed with satisfactory earnings before taxes of € 385 million.

The figures for the income statement are summarised as follows:

(in € million)	1 Jan.–30 Sep. 2011	1 Jan.–30 Sep. 2010*)	Change**)
Net interest income	1 311	1 222	89
Loan loss provisions	– 111	– 443	332
Net commission income	123	152	– 29
Profit/loss from financial instruments at fair value through profit or loss including hedge accounting	– 109	61	– 170
Other operating profit/loss	– 15	9	– 24
Administrative expenses	792	761	– 31
Profit/loss from financial assets	– 16	29	– 45
Profit/loss from investments accounted for using the equity method	– 6	– 123	117
Earnings before taxes	**385**	**146**	**239**
Income taxes	123	67	– 56
Consolidated profit	**262**	**79**	**183**

*) Previous year's adjustments are taken into account according to IAS 8 (please refer to note (3) Adjustment of the previous year's figures of the interim consolidated financial statements).
**) The sign of the "change" column figures reflects the impact on the result.

Net interest income rose slightly compared to the same period of the previous year by € 89 million to € 1,311 million. The reduced level of interest expenses and interest income is the result of continued low interest rates. Interest income was also affected by the sale of the indirect holdings in DekaBank Deutsche Girozentrale in the amount of € 64 million.

Loan loss provisions fell compared to the previous year by € 332 million. This is primarily due to the net reversal of general loan loss provisions in the amount of € 8 million (in the same period of the previous year the net allocation was € 178 million) and the net allocation to specific valuation allowances of € 108 million (in the same period of the previous year the net allocation was € 253 million). Moreover, a net amount of € 38 million was reversed in the lending business. Of this, € 15 million relates to the reversal of general loan loss provisions in the lending business. A net amount of € 19 million had been added in the previous year.

Net commission income is, at € 123 million, around € 29 million lower than in the same period of the previous year. This can essentially be ascribed to lower commission income in the non-banking business. Commission income and commission expense from banking transactions fell in equal measure.

The profit/loss from financial instruments at fair value through profit or loss including hedge accounting has been influenced by several factors. On the one hand interest derivatives generated lower valuation gains as interest rates did not fall by as much in the reference period. In addition to this, changes in exchange rates had a significant impact on the foreign exchange result and an exchange rate loss was generated instead of an exchange rate gain in the previous period. On the other hand the increase in credit spreads resulted in valuation losses in credit derivatives.

The increase in administrative expenses of € 31 million to € 792 million is primarily the result of increased staff expenses as well as higher IT and communication costs.

The profit/loss from financial assets is € –16 million and is therefore € 45 million below the figure for the reference period. The result was affected significantly by the impairment of Greek government bonds. The sale of the shares directly held in DekaBank Deutsche Girozentrale had a positive impact on the result.

At € –6 million, the profit/loss from investments accounted for using the equity method was € 117 million above the value recorded in the same period of the previous year. The improvement is due to the deconsolidation of Bank DnB NORD A/S as at 31 December 2010, which had negatively impacted the previous year's figure to the tune of € 142 million. The profit/loss from investments accounted for using the equity method has also been negatively impacted by a write-off in the amount of € 35 million.

The fall in other operating profit/loss of € 24 million to € –15 million is primarily attributable to the full provision made for the bank levy in the amount of € 43 million and the full depreciation of the goodwill of Deutsche Hypothekenbank in the amount of € 11 million. The opposite effect resulted from the positive balance of charter income and the expenses involved in generating that income.

Income taxes in the interim financial statements are calculated based on the anticipated income tax rate for the individual companies for the whole year.

Assets and Financial Position

(in € million)	30 Sep. 2011	31 Dec. 2010*)	Change
Loans and advances to banks	34 422	36 734	– 2 312
Loans and advances to customers	113 671	113 605	66
Loan loss provisions	– 1 783	– 2 018	235
Financial assets at fair value through profit or loss	19 089	15 103	3 986
Financial assets	54 651	58 666	– 4 015
Investments accounted for using the equity method	387	402	– 15
Other assets	8 201	6 098	2 103
Total assets	**228 638**	**228 590**	**48**
Liabilities to banks	55 782	60 962	– 5 180
Liabilities to customers	65 377	60 742	4 635
Securitised liabilities	66 220	71 061	– 4 841
Financial liabilities at fair value through profit or loss	19 606	16 596	3 010
Provisions	3 522	3 357	165
Other liabilities	12 737	9 988	2 749
Reported equity including non-controlling interests	5 394	5 884	– 490
Total liabilities and equity	**228 638**	**228 590**	**48**

*) Previous year's adjustments are taken into account according to IAS 8 (please refer to note (3) Adjustment of the previous year's figures of the interim consolidated financial statements).

Total assets rose compared to 31 December 2010 by € 48 million to € 228.6 billion. The fall in loans and advances to banks and financial assets is compensated by the rise in financial assets at fair value through profit or loss and other assets. On the liabilities side in particular liabilities to banks and securitised liabilities fell while liabilities to customers and financial liabilities at fair value through profit or loss increased. Reported equity fell by € 490 million. In addition to profit distributions, this was due primarily to the period's negative overall of € 338 million, which was affected in particular by the fall in the fair values of financial instruments in the Available for Sale (AfS) category.

Loans and advances to customers are still the largest balance sheet item at 50 per cent, followed by financial assets at 24 per cent (26 per cent).

Financial assets at fair value through profit or loss comprise trading assets and financial assets designated at fair value. While the latter fell slightly compared to the previous year, a nominal increase in debt securities and other fixed-interest securities resulted in an increase in trading assets. The overall increase as at the balance sheet date of 30 September 2011 was € 4 billion.

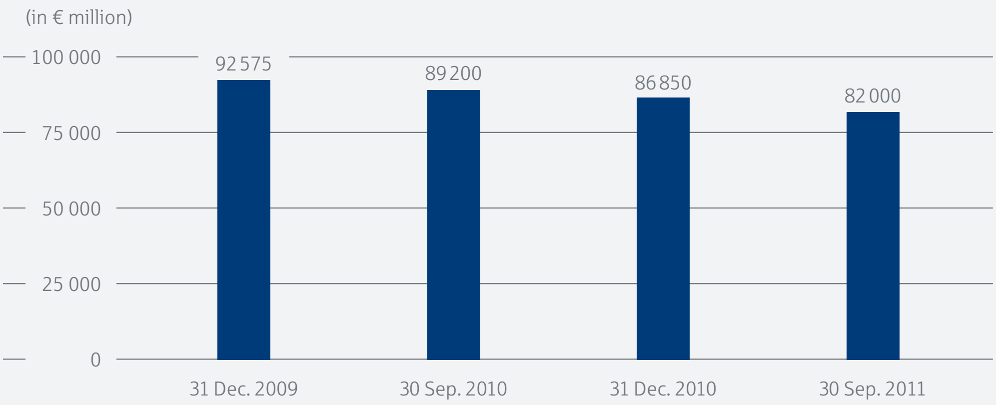
The increase in other assets and other liabilities is due to balance-sheet-date effects.

The rise in liabilities to customers is seen in particular in liabilities resulting from money market transactions. The fall in securitised liabilities is primarily the result of the redemption of existing issues in connection with lower new issues of securitisations.

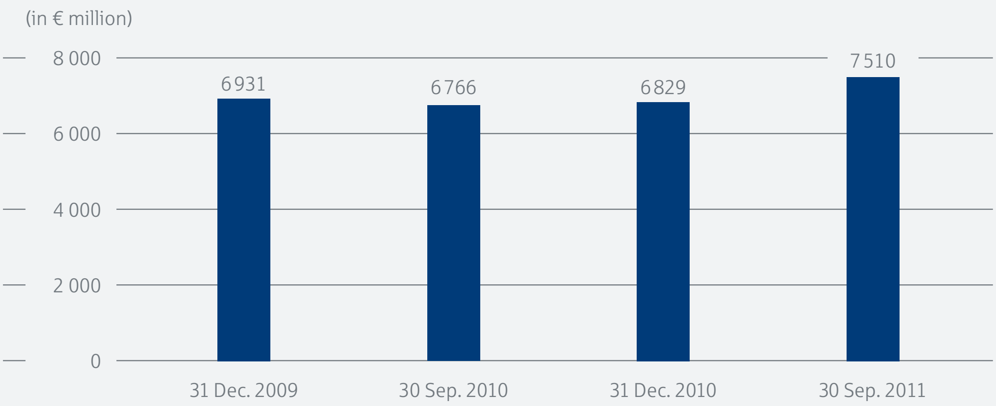
Liabilities at fair value through profit or loss comprise trading liabilities and financial liabilities designated at fair value. A rise of € 3 billion was recorded compared to the previous year. This is primarily attributable to the development of negative fair values from derivatives in trading liabilities.

Regulatory capital was € 10.4 billion as at the reporting date, of which € 7.5 billion related to core capital. The own funds ratio (= total ratio) rose from 11.05 per cent as at 31 December 2010 to 12.71 per cent as at 30 September 2011. The core capital ratio (cf. Note 35) rose from 7.86 per cent to 9.16 per cent.

Risk-weighted assets as at the balance sheet date of 30 September 2011 and three comparison balance sheet dates are illustrated as follows:



The core capital for solvency purposes has changed as follows:



Economic development

The economy continued to develop positively in Germany in the third quarter of 2011. According to an initial quick estimate by the Federal Statistical Office, between July and September real GDP grew as a result by 0.5 per cent compared to the previous quarter. This results in real GDP growth of 2.5 per cent for the year. Significant drivers of growth in the third quarter were private consumer expenditure and corporate investment in plant and equipment. The pleasing development for exports was balanced by an increase in imports; the trade balance has therefore remained stable and only made a limited contribution to growth. The construction sector provided little momentum, with in particular the end of economic stimulus packages having a significant impact.

Economic sentiment indicators have deteriorated considerably since August and Germany's economic activity is expected to slow down in winter. In particular the uncertainty with regard to the development of the debt crisis is depressing the mood among companies. The real-economic effects of the debt crisis can no longer be avoided, and companies are feeling these more and more. GDP is expected to fall slightly in the fourth quarter for the first time since the start of 2009.

In the slipstream of the economy's robust development, the situation in the German job market has continued to stabilise. Even though the seasonally-adjusted unemployment rate rose slightly to 7.0 per cent, it is not possible to talk of a turnaround in the German job market. The non-seasonally-adjusted unemployment rate, which receives much more public attention, fell to 6.5 per cent. In October there were therefore 2.737 million people registered as unemployed, 204 thousand less than in the same month of the previous year.

Due to price developments in the area of energy and raw materials, inflation has risen in recent months both in Germany and in the eurozone. In October the annual rate for the Harmonised Index of Consumer Prices (HICP) was 2.9 per cent in Germany, while the inflation rate in the eurozone was slightly higher at 3.0 per cent. The recent rise in inflation is primarily attributable though to a change in the seasonal adjustment method and does not mean that companies have had greater scope to push up prices. Due to noticeable base effects, inflation rates should fall significantly in the next few months.

In reaction to the sharp rise in the rate of inflation since the turn of the year, the European Central Bank (ECB) raised the base rate twice in April and July, and for a period it was 1.5 per cent. After almost two years of historically low base rates, the monetary watchdogs therefore changed the course of interest rates. The inflation rate (annual rate for HICP) will be well above the ECB's target for 2011 (just below 2 per cent year on year), however; expectations with regard to inflation remain firmly entrenched. The rate of growth of monetary aggregates also remains moderate and is not expected to rise significantly in the next few months. The ECB, in view of the unstable macroeconomic environment, did a U-turn in November and lowered the tender rate by 25 basis points. We expect the rate will soon be lowered again to 1.0 per cent.

Since the spring of 2010 the debt situation in some countries in the eurozone has kept capital markets and European politicians in suspense. Having started with the massive budget problems in Greece, in recent months the debt crisis has threatened to spread to other countries in the eurozone such as Spain and in particular Italy. The fall in government bond yields underlines the change in how the risk attached to the credit ratings of these countries is being assessed, but at the same time there was some kind of panic. This is now threatening the financial stability of the whole of Europe and global economic development. Spain and Italy will have a substantial refinancing requirement in the next few years; it is very important for both countries to refinance at acceptable prices in the capital market.

Differences in capital market yields have widened greatly due to the national debt crisis in the eurozone. The pressures on Italy and Spain are increasing in view of risk premiums of over 500 and 400 basis points respectively for ten-year German government bonds. German government bonds (bunds) were sought throughout the crisis as a safe haven, and as a result ten-year bund yields reached new historic lows of well below 2 per cent. The impending economic dip, entrenched expectations with regard to inflation and the prospect of a further lowering of the base rate argue against a jump in bund yields.

Forecasts and other Information on Anticipated Developments

In spite of the expected economic slowdown to the end of the year, this year GDP growth of almost 3 per cent should be achieved again in Germany. For 2012 we expect growth to be much lower at less than one per cent. With the national debt crisis, nervousness in financial markets, the continuing instability in the Arab world and the consequences of the disaster in Japan, there are considerable economic risks. Investment in plant and equipment has increased again this year, but investment activity will slow down in 2012. Construction investment will be supported in particular by investment in housing construction. Private consumption will increase in 2011 compared to the previous year. Although German exports remain highly price competitive, a slowdown in the global economy will put a brake on foreign trade. However, exports will still reach a new record level this year with growth of 8.5 per cent.

Due to the necessary steps to consolidate public finance in many countries in the eurozone and the gloomy outlook for the global economy, the outlook for the economy in Europe is bleak. With the collapse of equity markets at the start of August and the drastic fall in the most important sentiment indicators, the signs are that the economy will dip in the winter and that economic output should at best stagnate. While gross domestic product will grow in the current year in the eurozone by ca. 1.6 per cent, this growth will slow down significantly in 2012. For the coming year we expect weak GDP growth of ca. 0.4 per cent. For this forecast there are also considerable downside risks due to the fragile situation in the financial and capital markets.

In the USA the economic data has recently been more positive. Negative exceptional factors such as supply bottlenecks for cars and the extreme weather at the start of the year have subsided as expected, and this has resulted in a more optimistic mood among market participants. As in the third quarter of 2011, economic growth should be steady in the next few quarters. The Federal Reserve will, as previously stated, keep to its policy of extremely low interest rates until mid-2013. Longer-term interest rates should gradually rise due to the state of the economy. The greatest risks are presented by the European debt crisis and the forthcoming decisions with regard to US fiscal policy.

The financial market is expected to remain volatile in the near future. First of all, there may be further tension in the market due to mistrust about the ability of heavily indebted countries to sustain their debts. This risk is not necessarily restricted to countries in the eurozone. There are also risks to general economic development, for example in the form of rising raw materials and energy prices. Yields from ten-year German government bonds should only increase slightly to the end of the year.

Following the satisfactory result as at 30 September 2011, and given all necessary caution and a conservative attitude, the NORD/LB Group expects to be able to achieve its operational goals planned for 2011. However, it will be necessary to keep an eye on the macroeconomic challenges of the national debt crises in Europe, the turmoil in the financial markets and the trends in loan loss provisions.

Interest earnings to the end of September 2011 are on target in the lending business, and slightly above expectations in the deposit business. The focus of new customer business is on resource-friendly potential business with manageable risk. The result of the interest rate change risk control initiative is showing satisfactory results given the current levels of interest rates. The interest rate surplus was also positively affected by the sale of our holdings in DekaBank Deutsche Girozentrale. Commission income, on the other hand, is below target. The contributions to earnings from hedge accounting and financial assets (sale of Deka Bank shares) are positive; the fair value result on the other hand was well below expectations due to valuation effects. As a result of this, it will be increasingly more difficult to achieve the earnings targets despite the satisfactory operational business.

Administrative expenses are developing overall in line with budget. A slight increase in staff expenses is expected compared to the previous year due to rises in pay scales and changes in the basis of consolidation. Moderate investment and changes in the basis of consolidation will result in a slight increase in cost of materials, while write-downs will increase in connection with project costs.

Due to the increasingly more difficult market environment, the situation in the lending business is becoming increasingly tense. In addition to the manageable specific valuation allowances in particular in the Real Estate Customers and Ship and Aircraft Customers segments, it was possible to reverse provisions in other segments. After general loan loss provisions were reversed in the first half of the year, in the third quarter general loan loss provisions were allocated again due to the effects of rating migrations in the credit portfolio as a result of the economic slowdown in credit markets. NORD/LB remains cautious with regard to loan loss provisions and has provided a sufficient risk buffer for 2011.

Following the successful performance in the year to date, the NORD/LB Group expects that earnings before taxes in 2011 will be above the previous year's level and that the operational targets for 2011 will be met. The negative impact of the planned bank levy is considered in other operating profit/loss. Accordingly the CIR and RoE should develop positively.

In its assessment of its medium-term development, NORD/LB assumes that there will be a positive economic climate and that the economy will continue on a sustainable path of growth. Given the overall development of earnings and expenditure, with loan loss provisions at the level of the required imputed covering, the bank expects earnings before taxes to increase significantly in the period up to 2015, accompanied by a corresponding improvement in key figures. The negative impact of the bank levy is included in this.

Risk Report

The risk management of the NORD/LB Group, the corresponding structures and procedures, the processes and methods implemented for measuring and monitoring risk and the risks to the Group's development were described in detail in the Annual Report 2010. Only significant developments in the period under review are addressed in this interim report.

Risk-Bearing Capacity

The risk coverage ratio in the economic capital adequacy (status quo) is, at 248 per cent as at 30 September 2011, well above the level of 31 December 2010. The rise in the coverage ratio is attributable both to an increase in risk capital and to a fall in risk potential, particularly in the risk types of credit risk and market price risk.

Risk-bearing capacity is given from a risk coverage level of 100 per cent. This is clearly exceeded as at the reporting date. The conservative buffer of 25 per cent (coverage of 125 per cent) set in the risk strategy is also clearly exceeded. The risk-bearing capacity is also given under stress.

The specifications of the Group risk strategy concerning the allocation of risk capital to risk types were also complied with. Of the material risk types, namely credit, investment, market price, liquidity and operational risk, credit risk is by far the most significant.

The utilisation of risk capital in the economic capital adequacy (status quo) can be seen in the following table, which shows risk-bearing capacity for the NORD/LB Group:.

(in € million)	Risk-bearing capacity 30 Sep. 2011		Risk-bearing capacity 31 Dec. 2010	
Risk capital	**10 370**	**100 %**	**9 561**	**100 %**
Credit risk	3 395	33 %	3 509	37 %
Investment risk	100	1 %	118	1 %
Market price risk	285	3 %	382	4 %
Liquidity risk	139	1 %	150	2 %
Operational risk	264	3 %	240	3 %
Total risk potential	**4 183**	**40 %**	**4 398**	**46 %**
Excess cover	**6 188**	**60 %**	**5 163**	**54 %**
Risk coverage ratio		**248 %**		**217 %**

Among other things due to the industry-wide discussion with the German banking supervision on the assessment of internal bank risk-bearing-capacity concepts and requirements relating to this formulated by the supervisory authority, the current risk-bearing-capacity model is the subject of a critical review so that the Minimum Requirements for Risk Management (MaRisk) will continue to be met in future.

The NORD/LB Group has taken further measures to strengthen risk ratios in 2011. Among other things, the owners of NORD/LB decided in April to strengthen the bank's capital stock by around € 1.7 billion, and this will take place around the turn of the year 2011/2012. NORD/LB passed the EU-wide bank stress test published in July with a core capital ratio of 5.6 per cent.

In October of this year the European Banking Authority (EBA) published new requirements. According to these, various European financial institutions must have a hard core capital ratio of at least 9 per cent by 30 June 2012. The calculation considers an additional buffer for market value losses for commitments to countries in the European Economic Area. Based on these specifications which are well above regulatory requirements, the EBA has calculated an anticipated capital requirement for NORD/LB on the basis of the data as at 30 June 2011. This is currently being re-calculated based on the data of 30 September 2011. Specific measures are currently being developed which will allow us to increase the core capital by our own means.

Credit Risk

The maximum default risk for on-balance-sheet and off-balance-sheet financial instruments fell in the first three quarters of 2011 by 2 per cent. This is due in particular to a fall in loans and advances to banks and financial assets.

Risk-bearing financial instruments (in € million)	Maximum default risk 30 Sep. 2011	Maximum default risk 31 Dec. 2010
Loans and advances to banks	34 422	36 734
Loans and advances to customers	113 671	113 605
Financial assets at fair value through profit or loss	19 089	15 103
Positive Fair Values from Hedge Accounting Derivates	3 275	2 938
Financial assets	54 651	58 666
Sub-total	**225 108**	**227 046**
Liabilities from guarantees and other indemnity agreements	6 173	7 026
Irrevocable credit commitments	11 519	12 978
Total	**242 800**	**247 050**

There was a similar development in the figures used for internal control. The total exposure fell from € 245 billion to € 241 billion in the first nine months. The fall is primarily the result of the reduced exposures to foreign banks. At the same time, the risk potential from credit risks has also fallen slightly.

The current slowdown in the global economy has so far not affected the NORD/LB Group's credit portfolio. The exposure in rating categories with a high to very high risk decreased by more than the overall exposure. More particularly, exposure in the default categories fell by 10 per cent; the share of non-performing loans fell from 2.6 per cent to 2.4 per cent.

The Rating Structure table shows the breakdown of the total exposure in the NORD/LB Group (existing and new business) by rating class and product type. The share of items in the rating category “Very good to good” remains at a high level at 75 per cent (76 per cent) as at 30 September 2011. This is explained in particular by the significance of business conducted with financial institutions and public authorities and is at the same time a reflection of the conservative risk policy of the NORD/LB Group.

Rating structure [1] (in € million)	Loans [2] 30 Sep. 2011	Securities [3] 30 Sep. 2011	Derivatives [4] 30 Sep. 2011	Other [5] 30 Sep. 2011	Total exposure 30 Sep. 2011	Total exposure 31 Dec. 2010
Very good to good	104 089	53 193	13 318	11 317	181 916	185 605
Good/satisfactory	16 741	1 682	626	1 916	20 966	20 513
Reasonable/satisfactory	14 112	360	296	828	15 595	12 546
Increased risk	7 153	161	146	334	7 793	9 624
High risk	4 234	232	43	67	4 576	4 456
Very high risk	4 302	202	103	45	4 652	5 826
Default (=NPL)	5 468	139	180	35	5 822	6 465
Total	**156 098**	**55 968**	**14 712**	**14 541**	**241 320**	**245 036**

[1] Allocated in accordance with IFD rating categories.
[2] Includes loans taken up or loan commitments, guarantees and other non-derivative, off-balance sheet assets. As in the risk-bearing capacity report, irrevocable loan commitments are normally included at 61 per cent and revocable loan commitments at 5 per cent.
[3] Includes the own stocks of securities issued by third parties (banking book only).
[4] Includes derivative financial instruments such as financial swaps, options, futures, forward rate agreements and currency transactions.
[5] Includes other products such as transmitted loans and loans administered for third-party account.

The breakdown of total exposure by industry group shows that business conducted with financing institutes and with public authorities accounts for 61 per cent (62 per cent) and still constitutes a considerable share of the total exposure.

Industries[1] (in € million)	Loans[2] 30 Sep. 2011	Securities[3] 30 Sep. 2011	Derivatives[4] 30 Sep. 2011	Other[5] 30 Sep. 2011	Total exposure 30 Sep. 2011	Total exposure 31 Dec. 2010
Financing institutes/ insurance companies	46 194	35 271	10 101	8 248	99 813	103 714
Service industries/other	61 138	18 074	1 465	1 903	82 580	83 585
– of which: Land, housing	18 933	32	415	485	19 865	19 741
– of which: Public administration	30 119	17 564	750	85	48 517	48 210
Transport/ communications	29 352	768	1 072	325	31 517	31 395
– of which: Shipping	18 589	0	527	59	19 175	19 961
– of which: Aviation	7 525	6	136	164	7 831	7 334
Manufacturing industry	5 690	631	1 045	273	7 639	7 645
Energy, water and mining	6 733	1 085	668	2 703	11 189	9 689
Trade, maintenance and repairs	3 218	47	215	203	3 683	3 757
Agriculture, forestry and fishing	849	27	23	756	1 655	1 549
Construction	2 289	30	123	87	2 529	2 761
Other	635	36	0	43	714	940
Total	**156 098**	**55 968**	**14 712**	**14 541**	**241 320**	**245 036**

[1] Allocated in alignment with the risk-bearing capacity report in accordance with economic criteria.
[2] to [5] See the previous chart on the rating structure.

The breakdown of the total credit exposure by region shows that the eurozone accounts for a high share of 80 per cent (80 per cent) of total exposure and remains by far the most important business area of the NORD/LB Group. Germany's share rose from 64 per cent to 66 per cent.

Regions[1] (in € million)	Loans[2] 30 Sep. 2011	Securities[3] 30 Sep. 2011	Derivatives[4] 30 Sep. 2011	Other[5] 30 Sep. 2011	Total exposure 30 Sep. 2011	Total exposure 31 Dec. 2010
Euro countries	125 010	44 764	9 612	14 348	193 734	196 549
– of which: Germany	111 465	27 447	6 031	14 043	158 986	157 747
Other Europe	11 890	3 735	3 304	68	18 997	18 553
North America	9 735	4 196	1 341	69	15 342	16 627
Latin America	2 764	323	17	0	3 104	2 229
Middle East/Africa	1 197	108	2	1	1 308	1 078
Asia	5 346	1 509	436	13	7 304	6 807
Other countries	156	1 332	–	43	1 531	3 192
Total	**156 098**	**55 968**	**14 712**	**14 541**	**241 320**	**245 036**

[1] Allocated in alignment with the risk-bearing capacity report in accordance with economic criteria.
[2] to [5] See the previous chart on the rating structure.

The exposure in Portugal, Ireland, Italy, Greece and Spain fell by a total of 14 per cent to € 13.9 billion, primarily due to maturities. Its share in the overall exposure is only 6 per cent. The share of receivables owed by the respective countries, regional governments and municipalities also fell to 1 per cent of the total exposure or € 3.3 billion, also due to maturities and an active portfolio reduction.

Exposure in selected countries[1] (in € million)	Portugal		Ireland		Italy		Greece		Spain		Total	
	30 Sep. 2011	31 Dec. 2010	30 Sep. 2011	31 Dec. 2010	30 Sep. 2011	31 Dec. 2010	30 Sep. 2011	31 Dec. 2010	30 Sep. 2011	31 Dec. 2010	30 Sep. 2011	31 Dec. 2010
Sovereign Exposure	383	435	325	285	1 840	2 018	222	275	497	666	3 268	3 679
– of which CDS	194	n/a	186	n/a	99	n/a	92	n/a	–	n/a	571	n/a
Financing institutions/insurance companies	505	871	1 354	1 843	2 388	2 796	100	101	3 255	4 102	7 601	9 713
Corporates/Other	215	136	1 576	1 415	182	178	343	237	747	886	3 064	2 852
Total	**1 104**	1 442	**3 255**	3 543	**4 410**	4 992	**665**	612	**4 498**	5 654	**13 933**	16 243

[1] Allocated in alignment with the risk-bearing capacity report in accordance with economic criteria.

The NORD/LB Group made further loan loss provisions for Greek government bonds in the third quarter. Details can be found in Note 34 of the Interim Report.

The NORD/LB Group is also closely monitoring and analysing developments in those countries specified above. However, the Group does not consider it necessary to make any further provisions at this stage. The majority of the exposures in the five countries are in the rating class Very good to good.

Sovereign Exposure in selected countries by maturity[1] (in € million)	Portugal 30 Sep. 2011	Ireland 30 Sep. 2011	Italy 30 Sep. 2011	Greece 30 Sep. 2011	Spain 30 Sep. 2011	Total 30 Sep. 2011
Up to 1 year	33	35	–	10	81	159
More than 1 year up to 5 years	91	–	389	131	296	907
Over 5 years	259	290	1 451	81	120	2 201
Total	**383**	**325**	**1 840**	**222**	**497**	**3 268**

[1] Allocated by the contractual period to maturity.

The reported exposure comprises direct exposure as well as indirect exposure (primarily credit default swaps). The calculation is based on utilisation according to the German Commercial Code (in the case of guarantees the nominal value and in the case of securities the carrying amount) and the credit equivalents resulting from derivatives (including add-ons and in consideration of netting). Irrevocable and revocable credit commitments are included in the total exposure on a prorated basis, while securities against the NORD/LB Group are ignored.

Sovereign exposure also comprises exposure to regional governments, municipalities and state-related public-sector companies enjoying government guarantees.

Investment Risk

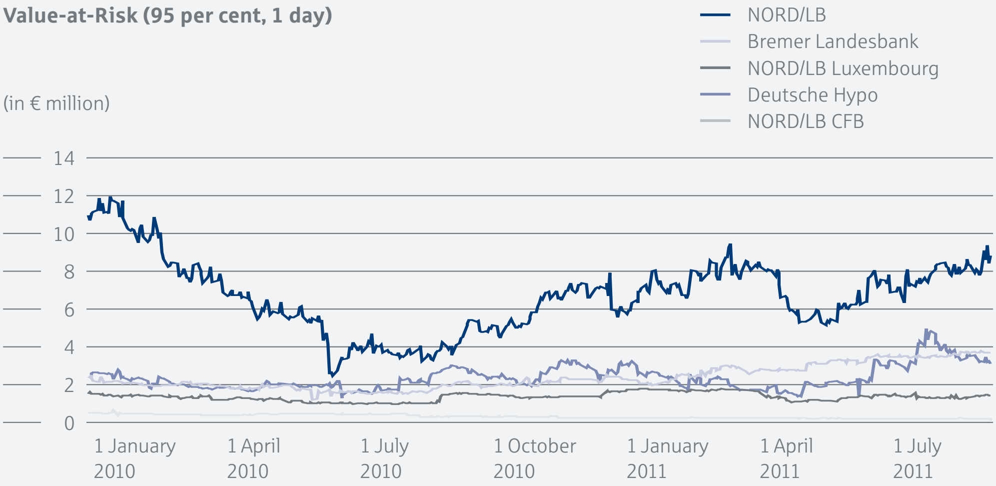
The optimisation of the investment portfolio will continue in 2011. The sale of holdings in DekaBank Deutsche Girozentrale, Frankfurt, was completed in the second quarter.

Market Price Risk

The NORD/LB Group's market price risk (confidence level 99.9 per cent, holding period 130 days) reduced in the period under review from € 382 million to € 285 million; this was primarily due to the changes in the interest items in the banking book. At a confidence level of 95 per cent, holding period of one day, the Value-at-Risk (VaR) has returned to a level similar to that at the start of the period under review after falling at the mid-year point.

Value-at-Risk (95 per cent, 1 day)

(in € million)



Between early January and late September, the daily total Value-at-Risk (VaR) calculated as the sum of the significant Group companies (confidence level of 95 per cent, holding period of one day) fluctuated between € 10 million and € 17 million, with an average Value-at-Risk of € 14 million.

As at 30 September 2011 a slight rise in the VAR (confidence level 95 per cent, holding period one day) of € 13 million compared to 31 December 2010 was calculated for the NORD/LB Group due to volatile markets. The historical simulation method was used throughout the Group.

Market price risks (in € 000) 1) 2) 3)	Maximum 1 Jan.– 30 Sep. 2011	Maximum 1 Jan.– 31 Dec. 2010	Average 1 Jan.– 30 Sep. 2011	Average 1 Jan.– 31 Dec. 2010	Minimum 1 Jan.– 30 Sep. 2011	Minimum 1 Jan.– 31 Dec. 2010	End-of-period risk 30 Sep. 2011	End-of-period risk 31 Dec. 2010
Interest rate risk (VaR 95 %, 1 day)	17 678	9 631	14 417	5 418	10 588	3 399	11 692	12 248
Currency risk (VaR 95 %, 1 day)	1 662	2 869	1 287	1 272	912	967	1 196	735
Share price and fund price risk (VaR 95 %, 1 day)	2 366	2 576	1 279	1 325	668	741	489	1 610
Volatility risk (VaR 95 %, 1 day)	521	488	295	290	131	188	147	361
Other add-ons	127	202	58	46	10	3	21	54
Total	**17 481**	**18 215**	**14 041**	**11 626**	**10 267**	**6 907**	**12 956**	**12 349**

1) Maximum, average and minimum risks are calculated on the basis of the VaR totals of the significant Group companies for risk reporting, end-of-period risks are consolidated figures.
2) Maximum, average and minimum sub-risks are calculated for 2010 on the basis of the maturity of equity capital.
3) Credit-spread risks of the liquidity reserve are not shown in the figures of 2010.

The VaR in the NORD/LB Group calculated on the basis of regulatory parameters (confidence level 99 per cent, holding period of ten days) is € 66 million as at 30 September 2011. These figures also include the interest rate, share price and currency risks in the banking book.

The validation of the VaR model shows a distinct increase in the number of backtesting exceptions in NORD/LB's banking book in the period under review. These exceptions result primarily from fundamental risks, i.e. differences in the scope of movements in the various interest rate markets leading to higher intraday fluctuations in the present value recorded in the Treasury Division. The VaR model is still valid as the significant risks for the banking books in the longer term due to general changes in interest rate or credit spread levels are considered fully in the VaR model. In addition to this, as part of the operational risk control, conservative mark-ups are added to the VaR values calculated on a daily basis.

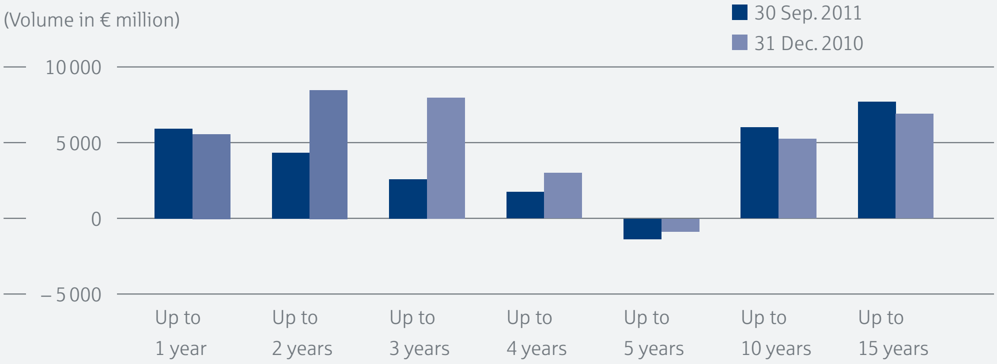
Unlike the credit-spread risks for the liquidity reserve, the credit-spread risks for credit investments recognised as fixed assets are not included in the VaR for market price risks, but are measured for operational control with scenario analyses and limited separately. In the first three quarters of 2011, the credit investment items were also further reduced by means of slimming down and targeted sales.

Liquidity Risk

The liquidity situation in the markets continues to be characterised by uncertainty with regard to the possible impact of the national debt crisis on the EU periphery countries. In spite of this, the NORD/LB Group had sufficient liquidity at all times during the first three quarters of 2011. The liquidity maturity balance sheet shows liquidity surpluses in almost all maturity bands. The liquidity risk limits derived from the risk-bearing capacity and updated in the period under review were always complied with both as concerns all currencies taken together and as concerns the significant individual currencies.

The NORD/LB Group also operates in markets with the highest possible level of liquidity and maintains a portfolio of high-quality securities. As of the reporting date, the companies significant for risk reporting hold securities in the amount of € 61 billion (€ 65 billion), 82 per cent (83 per cent) of which are suitable for repo transactions with the European Central Bank or the US Federal Reserve.

Accumulated liquidity maturities



In the period under review, the liquidity ratio in accordance with the liquidity regulation (LiqV) was always well over the minimum of 1.00 required by regulatory provisions. The dynamic stress tests used for internal control showed a satisfactory liquidity situation for all units of the NORD/LB Group as at the reporting date. The liquidity buffers for one week and one month in accordance with MaRisk are also complied with.

Liquidity ratio in accordance with the LiqV[1]	30 Sep. 2011	31 Dec. 2010
NORD/LB	1,42	1,39
Bremer Landesbank	1,56	1,52
Deutsche Hypo	1,61	1,45

[1] NORD/LB Luxembourg and NORD/LB CFB are not required to determine a comparable ratio by law.

Operational Risk

In the first six months of 2011, the method for collecting risk indicators was established in all the significant companies of the NORD/LB Group. Within the scope of standardisation of the risk management processes, the NORD/LB Asset Management Group also switched to the internal model used by the NORD/LB Group to measure operational risk.

The total of all losses from operational risks (not including credit-related losses) increased to € 12 million during the period under review.

There were no significant legal risks as at the reporting date.

Summary

The NORD/LB Group's development currently depends above all on the economic situation in Germany and the development of the euro countries. In addition to this, the high degree of market volatility, in particular for interest rates and credit spreads, against the joint background of the continuing discussions concerning the EU periphery countries, also affects future developments. However, the NORD/LB Group considers these effects to be manageable and will continue closely to monitor and analyse developments.

Beyond the above-mentioned risks, no significant new risks can currently be identified. The NORD/LB Group has taken precautions to adequately account for all of the risks known to the bank and considers itself to be well prepared for the upcoming challenges.

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Bremen

Consolidated Interim Report as at 30 September 2011

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Consolidated Financial Statements

Income Statement

	Notes	1 Jan.– 30 Sep. 2011 (in € million)	1 Jan.– 30 Sep. 2010 *) (in € million)	Change (in %)
Interest income		9 706	9 691	–
Interest expense		8 395	8 469	– 1
Net interest income	6	**1 311**	**1 222**	**7**
Loan loss provisions	7	– 111	– 443	– 75
Commission income		223	260	– 14
Commission expense		100	108	– 7
Net commission income	8	**123**	**152**	**– 19**
Trading profit/loss		31	342	– 91
Profit/loss from the use of the fair value option		– 233	– 384	39
Profit/loss from financial instruments at fair value through profit or loss	9	**– 202**	**– 42**	**> 100**
Profit/loss from hedge accounting	10	93	103	– 10
Profit/loss from financial assets	11	– 16	29	> 100
Profit/loss from investments accounted for using the equity method		– 6	– 123	95
Administrative expenses	12	792	761	4
Other operating profit/loss	13	– 15	9	> 100
Earnings before taxes		**385**	**146**	**> 100**
Income taxes	14	123	67	84
Consolidated profit		**262**	**79**	**> 100**
of which: attributable to the owners of NORD/LB		246	66	
of which: attributable to non-controlling interests		16	13	

*) The consolidated profit reported for the previous year was adjusted; see Note 3 Adjustment of figures for the previous year.

Income Statement – Summary by Quarter

	2011 Q 3	2011 Q 2	2011 Q 1	2010 Q 3*)	2010 Q 2*)	2010 Q 1*)
Interest income	3 557	3 147	3 002	3 209	3 242	3 240
Interest expense	3 101	2 676	2 618	2 753	2 834	2 882
Net interest income	**456**	**471**	**384**	**456**	**408**	**358**
Loan loss provisions	– 77	– 45	11	– 147	– 147	– 149
Commission income	66	70	87	87	88	85
Commission expense	27	31	42	39	34	35
Net commission income	**39**	**39**	**45**	**48**	**54**	**50**
Trading profit / loss	259	– 40	– 188	101	52	189
Profit / loss from the use of the fair value option	– 341	– 104	212	– 132	– 88	– 164
Profit / loss from financial instruments at fair value through profit or loss	**– 82**	**– 144**	**24**	**– 31**	**– 36**	**25**
Profit / loss from hedge accounting	44	37	12	10	51	42
Profit / loss from financial assets	– 34	46	– 28	37	2	– 10
Profit / loss from investments accounted for using the equity method	– 22	11	5	– 56	– 48	– 19
Administrative expenses	239	271	282	271	241	249
Other operating profit / loss	9	10	– 34	7	– 3	5
Earnings before taxes	**94**	**154**	**137**	**53**	**40**	**53**
Income taxes	47	26	50	37	7	23
Consolidated profit	**47**	**128**	**87**	**16**	**33**	**30**
of which: attributable to the owners of NORD/LB	45	120	81	5	32	29
of which: attributable to non-controlling interests	2	8	6	11	1	1

*) The consolidated profit reported for the previous year was adjusted.

Statement of Comprehensive Income

The consolidated statement of comprehensive income for the first nine months comprises the income and expense from the income statement and the income and expense recognised directly in equity.

	1 Jan.– 30 Sep. 2011 (in € million)	1 Jan.– 30 Sep. 2010 (in € million)	Change (in %)
Consolidated profit	**262**	**79**	**> 100**
Increase/decrease from available for sale (AfS) financial instruments			
Unrealised profit/losses	– 724	384	> 100
Transfer due to realisation profit/loss	– 51	13	> 100
Changes in value investments accounted for using the equity method recognised directly in equity	19	2	> 100
Translation differences of foreign business units			
Unrealised profit/loss	12	4	> 100
Actuarial gains and losses for pensions for defined benefit obligations	– 63	– 210	70
Deferred taxes	207	– 58	> 100
Other profit/loss	**– 600**	**135**	**> 100**
Comprehensive income for the period under review	**– 338**	**214**	**> 100**
of which: attributable to the owners of NORD/LB	– 342	193	
of which: attributable to non-controlling interests	4	21	

Statement of Comprehensive Income – Summary by Quarter

	2011 Q 3	2011 Q 2	2011 Q 1	2010 Q 3	2010 Q 2	2010 Q 1
Consolidated profit	**47**	**128**	**87**	**16**	**33**	**30**
Increase/decrease from available for sale (AfS) financial instruments						
Unrealised profit/losses	– 237	– 92	– 395	74	40	270
Transfer due to realisation profit/loss	13	– 98	34	– 8	– 8	29
Changes in value investments accounted for using the equity method recognised directly in equity	26	4	– 11	1	6	– 5
Currency translation differences of foreign business units						
Unrealised profit/losses	14	3	– 5	– 9	9	4
Actuarial gains and losses for defined benefit obligations	– 91	– 26	54	– 98	– 71	– 41
Deferred taxes	80	39	88	– 9	28	– 77
Other comprehensive income	**– 195**	**– 170**	**– 235**	**– 49**	**4**	**180**
Comprehensive income	**– 148**	**– 42**	**– 148**	**– 33**	**37**	**210**
of which: attributable to the owners of NORD/LB	– 142	– 45	– 155	– 48	37	204
of which: attributable to non-controlling interests	– 6	3	7	15	–	6

Balance Sheet

Assets	Notes	30 Sep. 2011 (in € million)	31 Jan. 2010*) (in € million)	Change (in %)
Cash reserve		1 234	1 069	15
Loans and advances to banks	15	34 422	36 734	– 6
Loans and advances to customers	16	113 671	113 605	–
Loan loss provisions	17	– 1 783	– 2 018	– 12
Financial assets at fair value through profit or loss	18	19 089	15 103	26
Positive fair values from hedge accounting derivatives		3 275	2 938	11
Financial assets	19	54 651	58 666	– 7
Investments accounted for using the equity method	20	387	402	– 4
Property and equipment	21	686	702	– 2
Investment property		95	96	– 1
Intangible assets	22	156	161	– 3
Assets held for sale	23	1	1	–
Current income tax assets		56	70	– 20
Deferred income taxes		609	484	26
Other assets	24	2 089	577	> 100
Total assets		**228 638**	**228 590**	**–**

*) The consolidated profit reported for the previous year was adjusted; see Note 3 Adjustment of figures for the previous year.

Liabilities and equity	Notes	30 Sep. 2011 (in € million)	31 Jan. 2010*) (in € million)	Change (in %)
Liabilities to banks	25	55 782	60 962	– 8
Liabilities to customers	26	65 377	60 742	8
Securitised liabilities	27	66 220	71 061	– 7
Adjustment item for financial instruments hedged in the fair value hedge portfolio		719	390	84
Financial liabilities at fair value through profit or loss	28	19 606	16 596	18
Negative fair values from hedge accounting derivatives		3 122	2 269	38
Provisions	29	3 522	3 357	5
Current income taxes liabilities		143	182	– 21
Deferred income tax		5	6	– 17
Other liabilities	30	2 477	568	> 100
Subordinated capital	31	6 271	6 573	– 5
Equity				
Issued capital		1 085	1 085	–
Capital reserves		2 618	2 597	1
Retained earnings		2 263	2 167	4
Revaluation reserve		– 501	66	> 100
Currency translation reserve		– 35	– 37	5
Equity capital attributable to the owners of NORD/LB		**5 430**	**5 878**	**– 8**
Equity capital attributable to non-controlling interests		– 36	6	> 100
		5 394	5 884	– 8
Total liabilities and equity		**228 638**	**228 590**	**–**

*) The consolidated profit reported for the previous year was adjusted; see Note 3 Adjustment of figures for the previous year.

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	Equity attributable to noncon-trolling interests	Consol-idated equity
Equity as at 1 Jan. 2011	**1 085**	**2 597**	**2 167**	**66**	**– 37**	**5 878**	**6**	**5 884**
Comprehensive income for the period under review	–	–	223	– 567	2	– 342	4	– 338
Distribution	–	–	– 127	–	–	– 127	– 3	– 130
Capital contributions	–	21	–	–	–	21	2	23
Capital payments	–	–	–	–	–	–	– 4	– 4
Changes in the basis of consolidation	–	–	– 1	–	–	– 1	– 25	– 26
Consolidation effects and other changes in capital	–	–	1	–	–	1	– 16	– 15
Equity as at 30 Sep. 2011	**1 085**	**2 618**	**2 263**	**– 501**	**– 35**	**5 430**	**– 36**	**5 394**

(in € million)	Issued capital	Capital reserve	Retained earnings	Revaluation reserve	Currency translation reserve	Equity attributable to the owners of NORD/LB	Equity attributable to noncon-trolling interests	Consol-idated equity
Equity as at 1 Jan. 2010	1 085	2 597	2 021	29	– 49	5 683	104	5 787
Adjustments according to IAS 8	–	–	– 9	–	–	– 9	–	– 9
Adjusted equity as at 1 Jan. 2010	1 085	2 597	2 012	29	– 49	5 674	104	5 778
Comprehensive income for the period under preview	–	–	– 72	261	4	193	21	214
Distribution	–	–	– 47	–	–	– 47	– 4	– 51
Capital contributions	–	–	–	–	–	–	32	32
Changes in the basis of consolidation	–	–	2	–	–	2	–	2
Consolidation effects and other changes in capital	–	–	– 16	–	–	– 16	–	– 16
Equity as at 30 Sep. 2010	1 085	2 597	1 879	290	– 45	5 806	153	5 959

Condensed Cash Flow Statement

	1 Jan.– 30 Sep. 2011 (in € million)	1 Jan.– 30 Sep. 2010 (in € million)	Change (in %)
Cash and cash equivalents as at 1 Jan.	**1 069**	**1 844**	**– 42**
Cash flow from operating activities	320	– 1 091	> 100
Cash flow from investing activities	360	– 37	> 100
Cash flow from financing activities	– 508	– 114	> 100
Total cash flow	**172**	**– 1 242**	**> 100**
Effects of changes in exchange rates and in the basis of consolidation	– 7	13	> 100
Cash and cash equivalents as at 30 Sep.	**1 234**	**615**	**> 100**

Selected Notes

General information

(1) Principles for the preparation of the interim consolidated financial statements

The interim consolidated financial statements of Norddeutsche Landesbank Girozentrale, Hanover, Braunschweig, Magdeburg (NORD/LB) as at 30 September 2011 were prepared on the basis of 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 (IFRS) of the International Accounting Standards Board (IASB). For requirements relating to interim financial statements in particular IAS 34 is applied. National regulations 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 consolidated financial statements are to be read in conjunction with information contained in the certified, published consolidated financial statements of NORD/LB as at 31 December 2010.

The interim consolidated financial statements as at 30 September 2011 comprise the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the condensed cash flow statement and selected notes. The segment reporting takes place in the notes.

The reporting currency for the interim consolidated financial statements is the euro. All amounts are reported rounded in euro millions (€ million), unless otherwise indicated. The previous year's figures are shown afterwards in brackets.

(2) Accounting policies

The accounting policies for the interim financial statements are based on those of the consolidated financial statements as at 31 December 2010. The fair value of financial assets and liabilities is also calculated in the interim consolidated financial statements in accordance with the fair value hierarchy as at 31 December 2010.

Estimations and assessments required by management are made in compliance with the respective IFRS standard and are reviewed regularly. All of the adjustments which are required for a fair presentation of the net assets, financial position and results of operations in the interim financial reporting were made accordingly. This refers primarily to the calculation of the fair value of financial assets and liabilities of Level 3, the loan loss provisions, the provisions and deferred taxes.

In the fair value hedge portfolio, for the retrospective effectivity test disposals from the hedged portfolio were previously dealt with using the percentage method. From the second quarter of 2011 the bottom-layer method has been used to calculate the notional disposal figure. The resulting impact as at 30 September 2011 is that if disposals continued to be valued in accordance with the percentage method, reported earnings would have been € 22 million higher as at 30 September 2011 due to the closing of separate line items. As the impact on subsequent periods will depend on future transactions, it is therefore not possible to calculate or disclose these.

In the period under review consideration has been given to the following amendments to the standards which were first applied as at 1 January:

In November 2009 the IASB published a revised version of IAS 24 – Related party disclosures. The revision essentially defined more precisely and supplemented the definition of related parties and to implement an exemption clause with regard to disclosures which have to be published by government-related entities.

In May 2010 the IASB published within the scope of its annual improvements project further amendments to existing IFRSs. These comprise both amendments to various IFRSs with effects on the approach, valuation and reporting of transactions and terminological or editorial adjustments. Most of the amendments come into effect in financial years starting on or after 1 January 2011.

The application of aforementioned amendments to the standards has the following effects on the NORD/LB Group:

Due to the initial application of IAS 24 (rev. 2009), the related parties have been extended to include the subsidiaries and joint ventures of the state of Lower Saxony and the Sparkassenverband Niedersachsen, SVN (Savings Banks Association in Lower Saxony), and the subsidiaries of joint ventures and associated companies of the NORD/LB Group. As a result the volume of transactions to be disclosed in the notes is increased. The previous year's figures have been adjusted accordingly (cf. Note (37) Related party disclosures). The NORD/LB Group has not made use of the exemption clause included in the revised standard concerning disclosures for government-related entities.

Within the scope of the modification made to IAS 34 by the annual improvements project, the Level disclosures of IFRS 7 are added to the notes.

The application of the aforementioned amendments to the standards has no further significant effect on the accounting policies and reporting in the interim consolidated financial statements. The NORD/LB Group has not applied early other standards, interpretations or amendments that have been published but whose application is not yet mandatory.

The facts stated in Note (3) Adjustment of figures for the previous year result in additional changes.

(3) Adjustment of figures for the previous year

In the quarterly financial report as at 30 September 2010 the profit/loss from financial assets reported for a bond sold in the first half of 2010 was too high by € 9 million and interest income from amortisation was too low by € 2 million.

1 Jan.–30 Sep. 2010 (in € million)	Prior to adjustment	Adjustment	After adjustment
Interest income from fixed-income and book entry securities	1 127	2	1 129
Profit/loss from the disposal of debt securities and other fixed-interest securities	33	– 9	24
…	…		…
Earnings before taxes*)	**154**	**– 7**	**147**
Income taxes*)	70	– 2	68
Consolidated profit for the period*)	**84**	**– 5**	**79**

*) Terminal value prior to further adjustments.

In addition to this, loan processing fees for new loans and restructurings totalling EUR 9 million were not reported under interest income, but under commission income.

1 Jan.–30 Sep. 2010 (in € million)	Prior to adjustment	Adjustment	After adjustment
Interest income from lending and money market transactions	3 896	9	3 905
Commission income from banking transactions	239	– 9	230

During a portfolio migration, in October 2011 twelve transactions were identified as having been classified incorrectly with regard to security status in the financial year 2009. These are own issues which were classified as "unsecured" but should have been classified as "secured" issues. The incorrect classification resulted in an incorrect fair value being calculated for the assets and liabilities resulting from these transactions with a corresponding impact on earnings since 2009.

We did not show a corrected figure for the previous year's opening balance as this would not have a significant impact on the reference period.

31 Dec. 2010 (in € million)	Prior to adjustment	Adjustment	After adjustment
Assets			
Deferred income taxes	480	4	484
Liabilities			
Financial liabilities at fair value through profit or loss			
Assets held for trading			
Negative fair values from derivatives	7 719	1	7 720
Designated financial liabilities reported at fair value			
Liabilities to banks and customers	4 970	8	4 978
Deferred income taxes	5	1	6
Retained earnings	2 173	– 6	2 167

1 Jan.–30 Sep. 2010 (in € million)	Prior to adjustment	Adjustment	After adjustment
Trading profit/loss			
Realised profit/loss			
Profit/loss from derivatives	33	– 2	31
Profit/loss from the use of the fair value option			
Realised profit/loss			
Profit/loss from liabilities to banks and customers	– 490	1	– 489
Earnings before taxes[**)]	**147**	**– 1**	**146**
Income taxes[**)]	68	– 1	67
Consolidated profit[**)]	**79**	**–**	**79**

[**)] Initial value after adjustment of sold bonds.

The respective adjustments were also taken into account in the notes for the following items: (6) Net interest income, (8) Net commission income, (9) Profit/loss from financial instruments at fair value, (11) Profit/loss from financial assets and (28) Financial liabilities at fair value through profit or loss.

(4) Basis of consolidation

In addition to NORD/LB as the parent company, the consolidated financial statements include 51 (31 December 2010: 51) subsidiaries (including special purpose entities in accordance with SIC-12) in which NORD/LB directly or indirectly holds more than 50 per cent of the voting rights or over which NORD/LB is in a position to exercise control in another manner. In addition 1 (31 December 2010: 2) joint ventures and 13 (31 December 2010: 13) associated companies are accounted for using the equity method.

The basis of consolidation has changed as follows compared to 31 December 2010:

NORD/LB and Sparkasse Hannover have decided to end their joint venture KreditServices Nord GmbH, Hanover. On the basis of a separation process, NORD/LB has a controlling interest with effect of 1 January 2011. KreditServices Nord GmbH, which was previously accounted for using the equity method, is therefore categorised as a subsidiary which is to be fully consolidated and the transitional consolidation took place with effect of 1 January 2011.

The previously fully consolidated fund NORD/LB AM VT Renten Classic was deconsolidated in the second quarter of 2011.

The effects resulting from the changes to the basis of consolidation have no significant impact on the Group's income, assets and financial position.

Subsidiaries, joint ventures and associated companies included in the consolidated financial statements are shown in Note (39) Companies and investment funds included in the basis of consolidation.

Segment Reporting

The segment reporting provides information on the business areas of the Group. The segment reporting below is based on IFRS 8 "Operating segments", which follows the "management approach". The segment information is presented on the basis of internal reporting in the same way that it is reported internally on a regular basis for assessing performance and making decisions on the allocation of resources to the segments. In the segment reporting adjustments of figures for the previous year are taken into account (cf. Note (3) Adjustment of figures for the previous year).

Segment reporting by business segment

The segments are defined as customer or product groups which reflect the organisational structures and therefore the internal control of the Group. Calculations are based on the internal data of Group member companies. The internal control focuses on the operational units' earnings before tax.

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 products demanded. There are no dependencies on individual customers. The product ranges offered in the segments are described below and the earnings generated are shown in the overview. Aggregation currently does not take place at product level in the Group due to the different product definitions in the Group. 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, mergers and acquisitions, services such as accounting management, payment transactions, securities business, brokering, documentary business, credit processing, sureties, guarantees and advisory services for asset management.

Net interest income generated by the individual segments is calculated on the basis of the market interest rate method. In the process the contribution from the interest rate conditions for each customer transaction is calculated by comparing the customer conditions with the structure-congruent market interest rate for a fictitious counter transaction applicable at the time the transaction is completed. This market interest rate is at the same time the cost value for the Treasury division's balancing provision.

Segment expenditure comprises primary expenses plus expenses allocated on the basis of cost and service allocations. Loan loss provisions are allocated to segments on the basis of actual costs incurred. Overall bank revenue, such as net interest received from equity employed, general loan loss provisions, profit/loss from hedge accounting and overhead costs, is not allocated to the operational profit centres of the bank but to the segment "Group controlling/others".

In addition to figures relating to the statement of comprehensive income, the segment report also shows risk-weighted assets to be allocated on the basis of regulatory provisions, segment assets and liabilities, committed capital, the cost income ratio (CIR) and return on equity (RoE). The cost-income ratio is defined as the ratio between administrative expenses and the sum total of the following income items: net interest income, net commission income, profit/loss from financial instruments at fair value, profit/loss from hedge accounting, profit/loss from investments accounted for using the equity method and other operating profit/loss.

RoRaC calculations in the segments include the contribution to income after risk provisions and valuation on committed capital (here 5 per cent of the higher value of the RWA limits and the amount called on). Calculation of the return on equity at Group level complies with the standard international definitions of financial ratios and refers to earnings before taxes (less interest expenses for silent investments in reported equity) on long-term equity under commercial law (issued capital plus capital reserves, retained earnings and minority interests less silent investments in reported equity).

A capital charge of 5 per cent of risk-weighted asset values is used to calculate the capital employed in the segments. These are based on regulations pertaining to German solvency regulations. Capital tied up in the segments is calculated on the basis of average annual figures. The reconciliation figure for the tied-up capital reported in the segments and the long-term equity in the Group in accordance with commercial law is included in the segment reconciliation. A transfer from long-term equity under commercial law to equity reported in the statement of financial position is shown separately at the end of the segment overview.

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

Private and Commercial Customers

As well as business with private, individual, commercial and small-business customers, this business segment includes middle-market corporate customer business in the Braunschweig region. It also includes the business conducted by Öffentliche Lebensversicherung Braunschweig and Öffentliche Sachversicherung Braunschweig, including restricted funds, and the share of the profit/loss from Bank DnB NORD A/S accounted for using the equity method for the last time in 2010.

The product range for the segment private and commercial customers 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. Extended services for wealthy private customers range from the integrated advisory approach of asset structure analysis, financial planning, asset succession and inheritance and foundation management. The product range also includes investment loans and start-up advice for the middle-market company business.

Savings Bank Network

In the business segment Savings bank network transactions with the public sector, institutional business with associated savings banks and syndicated business transacted with associated savings banks are reported. Products and services are offered which the savings banks require as direct customers for their own trading business or to complete their product range in their own business with private or corporate customers. This includes the offer of all kinds of securities, currencies and derivatives as well as special kinds of debt securities which are not standardised in respect of their interest and repayment, but instead offer alternatives in respect of returns and the type or time of repayment (structured securities). These may also be designed in accordance with the savings banks' specifications. The product range also includes private banking products for the savings banks, such as investment products in the form of for example open or closed funds with assets in German or foreign real estate, ships or aircraft, products for individual asset management or inheritance or foundation management.

Financial Markets/Institutional Customers
This segment mainly includes the following divisions of the bank in Germany, in the foreign branches and in the Group companies: Markets, Corporate Sales, Portfolio Investments and Treasury. The Financial Markets business segment also includes NORD/LB COVERED FINANCE BANK S. A., Luxembourg, and NORD/LB Asset Management Holding GmbH, Hanover, including investments and allocated special funds and public funds.

In addition to standard products alternative products which are detached from retail banking including derivatives are offered. For example structured debt securities which offer various alternatives in respect of returns or type of repayment are included. The Financial Markets segment gears its product range and its sales towards demand and the needs of its customers. In the secondary business all kinds of securities are sold and traded. Tailored solutions for institutional customers such as for example the structuring of special funds, pool funds solutions, portfolio management mandates and institutional public funds are also offered.

Corporate Customers
The Corporate Customers segment includes all of the NORD/LB business conducted with corporate customers in the core regions (excluding the Altes Braunschweiger Land region) and in neighbouring regions, and in particular Agricultural Banking, Housing and the business of Skandifinanz Bank AG, Zurich. As a full-service provider, banking products and banking services are offered. The services include classical transaction management, tailored business financing, management of interest and currency risk and solutions for company pension schemes. In the Corporate Customers segment comprehensive solutions are developed for complex business financing and for the strategic positioning of corporate customers. This division also provides its customers with a professional, conceptual liquidity and risk management, measures for the structuring of equity and innovative financing instruments.

In the **Energy and Infrastructure Customers, Ship and Aircraft Customers** and **Real Estate Banking Customers** segments traditional lending products and innovative products are generally offered irrespective of the respective industry. This primarily concerns financing for specific purposes.

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

Ship and Aircraft Customers

In this segment the national and international activities of NORD/LB AöR and Bremer Landesbank in ship and aircraft financing are reported. The customers of the segment ships and aircraft are offered if needed 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 or aircraft are financed by the provision of loans or guarantees on a property-related and normally property-secured basis. Products such as for example swap, option, future or forward transactions complete the product range.

Real Estate Banking Customers

Here NORD/LB AöR and Deutsche Hypo's national and international financing of commercial real estate and Bremer Landesbank's financing of community interest properties are aggregated. This normally concerns 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 the business activity, Group companies not included in the segments, performance elements at group level which are not allocated to the segments, costs of the corporate and service centres which have not been allocated and consolidations.

Reconciliations

Here the reconciliation items from internal accounting for the consolidated figures in the income statement are shown. The shortfall in the regulatory capital requirement 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 Sep. 2011 (in € million)	Private and Commercial Customers	Savings Bank Network	Financial Markets / Institutional Customers ***)	Corporate Customers	Energy and Infrastructure Customers	Ships and Aircraft Customers	Real Estate Banking Customers	Group Management/ Others	Reconciliations	NORD/LB Group
Net interest income before loan loss provisions	209	47	356	178	115	286	179	27	– 87	1 311
Loan loss provisions	3	– 10	16	3	2	52	63	– 22	4	111
Net interest income after loan loss provisions	206	57	341	175	113	235	116	49	– 91	1 200
Net commission income	31	16	22	24	29	40	12	– 17	– 33	123
Profit/loss from financial instruments at fair value	7	8	– 134	9	2	10	3	– 120	14	– 202
Profit/loss from hedge accounting	–	–	–	–	–	–	–	93	–	93
Profit/loss from financial assets	–	–	– 61	1	–	–	–	46	– 1	– 16
Profit/loss from investments accounted for using the equity method	–	–	2	–	–	–	–	– 8	–	– 6
Administrative expenses	240	40	114	55	36	39	45	215	8	792
Other operating profit/loss	56	1	53	– 1	– 2	1	1	– 63	– 62	– 15
Earnings before taxes (EBT)	62	41	107	152	107	247	87	– 237	– 182	385
Taxes	–	–	–	–	–	–	–	–	123	123
Consolidated profit	62	41	107	152	107	247	87	– 237	– 305	262
Segment assets	11 669	26 045	146 904	14 304	14 069	26 188	20 373	– 27 418	– 3 497	228 638
of which: investments at equity	–	–	33	–	–	–	–	351	–	384
Segment liabilities	9 822	5 733	198 922	8 804	4 213	3 521	12 640	– 21 624	6 607	228 638
Risk-weighted assets	5 006	1 569	18 268	9 926	7 984	33 613	19 927	651	– 14 943	82 000
Capital employed*)	265	78	914	496	399	1 681	996	17	– 105	4 742
CIR	78.7 %	56.4 %	38.3 %	26.1 %	24.7 %	11.5 %	23.1 %			60.8 %
RoRaC/RoE**)	30.6 %	58.3 %	10.8 %	34.1 %	26.6 %	19.6 %	10.9 %			9.7 %

30 Sep. 2010 (in € million)	Private and Commercial Customers	Savings Bank Network	Financial Markets / Institutional Customers ***)	Corporate Customers	Energy and Infrastructure Customers	Ship and Aircraft Customers	Real Estate Banking Customers	Group Management/ Others	Reconciliations	NORD/LB Group
Net interest income before loan loss provisions	204	46	455	168	119	272	181	– 76	– 147	1 222
Loan loss provisions	8	14	18	34	32	80	73	180	4	443
Net interest income after loan loss provisions	**196**	**32**	**436**	**134**	**87**	**192**	**109**	**– 256**	**– 151**	**779**
Net commission income	31	12	40	21	34	47	22	– 44	– 11	152
Profit/loss from financial instruments at fair value	18	5	– 96	6	2	14	– 3	– 10	22	– 42
Profit/loss from hedge accounting	–	–	–	–	–	–	–	103	–	103
Profit/loss from financial assets	– 1	–	– 39	–	–	–	–	69	–	29
Profit/loss from investments accounted for using the equity method	– 141	–	2	–	–	–	–	16	–	– 123
Administrative expenses	238	39	109	54	31	34	49	200	7	761
Other operating profit/loss	39	1	15	–	1	2	1	– 15	– 35	9
Earnings before taxes (EBT)	– 96	11	249	108	93	221	79	– 337	– 182	146
Taxes	–	–	–	–	–	–	–	–	67	67
Consolidated profit	– 96	11	249	108	93	221	79	– 337	– 249	79
Segment assets (31 Dec. 2010)	11 954	27 447	141 361	14 172	14 168	26 662	21 961	– 25 782	– 3 354	228 590
of which: investments at equity	–	–	32	–	–	–	–	369	–	402
Segment liabilities (31 Dec. 2010)	10 048	5 627	198 415	7 921	4 159	3 924	12 586	– 26 048	11 957	228 590
Risk-weighted assets	5 259	1 784	22 413	10 937	9 103	34 598	21 152	5 406	– 21 452	89 200
Capital employed*)	462	89	1 124	547	455	1 729	1 058	69	– 673	4 860
CIR	158.0 %	61.1%	26.3 %	27.7 %	19.7 %	10.1 %	24.5 %	–	–	57.6 %
RoRaC/RoE**)	– 23.5 %	15.1 %	24.7 %	22.0 %	25.3 %	17.1 %	10.0 %	–	–	2.9 %

*) Reconciliation of long-term equity under commercial law to reported equity:

(in € million)	30 Sep. 2011	30 Sep. 2010
Long-term equity under commercial law	4 742	4 860
Revaluation reserve	– 501	290
Currency translation reserve	– 35	– 45
Accumulated profits	350	36
Silent participations in reported equity	839	818
Reported equity	5 394	5 959

**) By business segment RoRaC:
(Earnings before taxes/3*4) / core capital employed

For the Group RoE:
((Earnings before taxes – interest expenses for silent participations in reported equity)/3*4) / longterm equity under commercial law
= share capital + capital reserves + retained earnings + non-controlling interests – silent participations in reported equity)

***) Sales income 2011 not related to Financial Markets = € 33.7 million (€ 35.7 million)

Notes to the income statement

(6) Net interest income

The items interest income and interest expense comprise interest received and paid, deferred interest and pro rata reductions in premiums and discounts relating to financial instruments. Due to the fact that under certain circumstances silent participations are to be classified as liabilities under IAS 32, payments to silent partners are reported as interest expense.

	1 Jan.– 30 Sep. 2011 (in € million)	1 Jan.– 30 Sep. 2010*) (in € million)	Change (in %)
Interest income			
Interest income from lending and money market transactions	3 770	3 905	– 3
Interest income from fixed-income and book entry securities	1 062	1 129	– 6
Interest income from financial instruments at fair value			
Interest income from trading profit/loss and hedge accounting derivatives	4 622	4 312	7
Interest income from fair value option	59	73	– 19
Current income			
from shares and other variable-yield securities	7	6	17
from investments	70	11	> 100
Interest income from other amortisations	111	245	– 55
Other interest income and similar income	5	10	– 50
	9 706	**9 691**	**–**
Interest expense			
Interest expense from lending and money market transactions	2 199	2 178	1
Interest expense from securitised liabilities	1 382	1 609	– 14
Interest expense from financial instruments at fair value			
Interest expense from trading profit/loss and hedge accounting derivatives	4 123	3 833	8
Interest expense from fair value option	227	243	– 7
Interest expense from subordinated capital	246	236	4
Interest expense from other amortisations	152	311	– 51
Interest expense from provisions and liabilities	55	52	6
Other interest expenses and similar expenses	11	7	57
	8 395	**8 469**	**– 1**
Total	**1 311**	**1 222**	**7**

*) The disclosure of the amortisation amounts deriving from hedge accounting derivatives has changed as at the balance sheet day, 31 December 2010; the figures as at 30 September 2010 were adjusted accordingly.

(7) Loan loss provisions

	1 Jan.– 30 Sep. 2011 (in € million)	1 Jan.– 30 Sep. 2010 (in € million)	Change (in %)
Income from loan loss provisions			
Reversal of specific valuation allowance	286	118	> 100
Reversal of lumpsum specific loan loss provisions	13	15	– 13
Reversal of general loan loss provisions	69	78	– 12
Reversal of provisions for lending business	80	38	> 100
Additions to receivables written off	16	17	– 6
	464	**266**	**74**
Expenses for loan loss provisions			
Allocation to specific valuation allowance	394	371	6
Allocation to lumpsum specific loan loss provisions	7	11	– 36
Allocation to general loan loss provisions	61	256	– 76
Allocation to provisions for lending business	42	57	– 26
Direct write-offs of bad debts	71	14	> 100
	575	**709**	**– 19**
Total	**– 111**	**– 443**	**– 75**

The reversal of general loan loss provisions totals € 101 million. This includes an amount of € 32 million for off-balance-sheet transactions, which are reported under the item reversal of provisions for lending business.

The allocation to general loan loss provisions accounts totals € 79 million, € 18 million of which relates to off-balance-sheet transactions.

(8) Net commission income

	1 Jan.–30 Sep. 2011 (in € million)	1 Jan.–30 Sep. 2010 (in € million)	Change (in %)
Commission income			
Commission income from banking transactions	208	230	– 10
Commission income from non-banking transactions	15	30	– 50
	223	**260**	**– 14**
Commission expense			
Commission expense from banking transactions	80	88	– 9
Commission expense from non-banking transactions	20	20	–
	100	**108**	**– 7**
Total	**123**	**152**	**– 19**

Commission income and commission expense from non-banking transactions relate in particular to insurance contracts.

(9) Profit/loss from financial instruments at fair value through profit or loss

	1 Jan.– 30 Sep. 2011 (in € million)	1 Jan.– 30 Sep. 2010 (in € million)	Change (in %)
Trading profit/loss			
Realised profit/loss			
Profit/loss from debt securities and other fixed-interest securities	8	41	– 80
Profit/loss from shares and other variable-yield securities	– 4	2	> 100
Profit/loss from derivatives	56	74	– 24
Profit/loss from receivables held for trading	1	61	– 98
	61	**178**	**– 66**
Profit/loss from valuation			
Profit/loss from debt securities and other fixed-interest securities	83	20	> 100
Profit/loss from shares and other variable-yield securities	– 18	– 2	> 100
Profit/loss from derivatives	– 155	31	> 100
Profit/loss from receivables held for trading	87	34	> 100
	– 3	**83**	**> 100**
Foreign exchange gains	– 30	79	> 100
Other income	3	2	50
	31	**342**	**– 91**
Profit/loss from the use of the fair value option			
Realised profit/loss			
Profit/loss from debt securities and other fixed-interest securities	– 47	1	> 100
Profit/loss from liabilities to banks and customers	117	78	50
Profit/loss from securised liabilities	61	– 72	> 100
	131	**7**	**> 100**
Profit/loss from valuation			
Profit/loss from loans to banks and customers	12	18	– 33
Profit/loss from debt securities and other fixed-interest securities	134	71	89
Profit/loss from shares and other variable-yield securities	– 2	–	–
Profit / loss from liabilities to banks and customers	– 392	– 489	20
Profit/loss from securitised liabilities	– 116	10	> 100
Profit/loss from other activities	–	– 1	– 100
	– 364	**– 391**	**7**
	– 233	**– 384**	**39**
Total	**– 202**	**– 42**	**> 100**

(10) Profit/loss from hedge accounting

The profit/loss from hedge accounting includes fair value adjustments relating to the hedged risk of an underlying transaction and offset fair value adjustments to hedge instruments in effective fair value hedge relationships.

	1 Jan.– 30 Sep. 2011 (in € million)	1 Jan.– 30 Sep. 2010 (in € million)	Change (in %)
Profit/loss from micro fair value hedges			
from hedged underlying transactions	252	62	> 100
from derivatives employed as hedging instruments	– 248	– 57	> 100
	4	**5**	**– 20**
Profit/loss from portfolio fair value hedges			
from hedged underlying transactions	– 393	– 568	31
from derivatives employed as hedging instruments	482	666	– 28
	89	**98**	**– 9**
Total	**93**	**103**	**– 10**

(11) Profit/loss from financial assets

Shown in the profit/loss from financial assets are profits/losses from disposals and estimated profits/losses relating to securities and company shares in the financial asset portfolio.

	1 Jan.– 30 Sep. 2011 (in € million)	1 Jan.– 30 Sep. 2010 (in € million)	Change (in %)
Profit/loss from financial assets classified as LaR	**– 25**	**– 10**	**> 100**
Profit/loss from financial assets classified as AfS (excluding investments)			
Profit/loss from the disposal of			
Debt securities and other fixed-interest securities	30	24	25
Shares and other variable-yield securities	4	3	33
Other financial assets classified as AfS	– 10	1	> 100
Profit/loss from allowances for losses on			
Debt securities and other fixed-interest securities	– 38	– 27	– 41
Shares and other variable-yield securities	– 7	– 10	30
	– 21	**– 9**	**> 100**
Profit/loss from shares in companies (not consolidated)	**30**	**48**	**– 38**
Total	**– 16**	**29**	**> 100**

(12) Administrative expenses

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

	1 Jan.– 30 Sep. 2011 (in € million)	1 Jan.– 30 Sep. 2010 (in € million)	Change (in %)
Staff expenses	419	396	6
Other administrative expenses	309	320	– 3
Amortisation and depreciation	64	45	42
Total	**792**	**761**	**4**

(13) Other operating profit/loss

	1 Jan.– 30 Sep. 2011 (in € million)	1 Jan.– 30 Sep. 2010 (in € million)	Change (in %)
Other operating income			
from the reversal of provisions	262	278	– 6
from insurance contracts	360	349	3
from other business	157	76	> 100
	779	**703**	**11**
Other operating expenses			
from allocation to provisions	404	392	3
from insurance contracts	241	222	9
from other business	149	80	86
	794	**694**	**14**
Total	**– 15**	**9**	**> 100**

Income from the reversal of provisions and expense from allocation to provisions primarily concern provisions relating to insurance contracts. The expense from allocation to provisions also includes an amount of € 42 million (€ 0 million) provided for the bank levy in accordance with the Restructuring Fund Act. This was estimated based on the Restructuring Fund Regulation that was subsequently passed.

Other operating income from insurance contracts is primarily the result of premium income (€ 306 million (€ 298 million)) and income from insurance contracts (€ 27 million (€ 24 million)).

Income from other business includes income from the disposal of receivables (€ 47 million (€ 3 million)), income from the redemption of the bank's own issues (€ 16 million (€ 6 million)), reimbursements of costs (€ 10 million (€ 8 million)), rental income from investment property (€ 7 million (€ 8 million)) and income from data processing services (€ 2 million (€ 2 million)).

Other operating expenses from insurance contracts mainly comprise indemnity expenses (€ 193 million (€ 174 million)) and expenses from deferred reinsurance contracts (€ 36 million (€ 39 million)).

Expenses from other business essentially comprise expenses from the disposal of receivables (€ 47 million (€ 23 million)), expenses from the redemption of debt securities (€ 24 million (€ 26 million)), expenses to generate charter income from ships (€ 16 million (€ 0 million)) and expenses from investment property (€ 2 million (€ 1 million)).

(14) Income taxes

Income tax expenditure in the interim consolidated financial statements is calculated based on the anticipated income tax rate for the whole year. The tax rate used in the calculations is based on legal provisions which are valid or have been passed on the reporting date.

Notes to the balance sheet

(15) Loans and advances to banks

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Loans and advances resulting from money market transactions			
German banks	4 547	5 415	– 16
Foreign banks	2 163	2 822	– 23
	6 710	**8 237**	**– 19**
Other loans and advances			
German banks			
Due on demand	1 043	584	79
With a fixed term or period of notice	20 981	22 465	– 7
Foreign banks			
Due on demand	1 042	298	> 100
With a fixed term or period of notice	4 646	5 150	– 10
	27 712	**28 497**	**– 3**
Total	**34 422**	**36 734**	**– 6**

(16) Loans and advances to customers

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Loans and advances to customers			
Domestic customers	2 829	2 049	38
Customers abroad	102	26	> 100
	2 931	**2 075**	**41**
Other loans and advances			
Domestic customers			
Due on demand	2 061	1 804	14
With a fixed term or period of notice	78 778	79 072	–
Customers abroad			
Due on demand	264	260	2
With a fixed term or period of notice	29 637	30 394	– 2
	110 740	**111 530**	**– 1**
Total	**113 671**	**113 605**	**–**

(17) Loan loss provisions

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Specific valuation allowance	1 095	1 312	– 17
Lumpsum specific loan loss provisions	28	35	– 20
General loan loss provisions	660	671	– 2
Total	**1 783**	**2 018**	**– 12**

Loan loss provisions recognised on the asset side and provisions in lending business developed as follows:

	Specific valuation allowance		Lumpsum specific loan loss provisons		General loan loss provisions		Provisions in lending business		Total	
(in € million)	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
1 Jan.	**1 312**	**1 276**	**35**	**44**	**671**	**472**	**172**	**135**	**2 190**	**1 927**
Allocations	394	371	7	11	61	256	42	57	504	695
Reversals	286	118	13	15	69	78	80	38	448	249
Utilisation	285	265	1	1	–	–	1	4	287	270
Unwinding	43	35	–	–	–	–	–	1	43	36
Effects from currency translation and other changes	3	19	–	–	– 3	–	– 2	2	– 2	21
30 Sep.	**1 095**	**1 248**	**28**	**39**	**660**	**650**	**131**	**151**	**1 914**	**2 088**

(18) Financial assets at fair value through profit or loss

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Trading assets			
Bonds and debt securities	3 893	3 054	27
Shares and other variable-yield securities	87	112	– 22
Positive fair values from derivatives	10 508	7 051	49
Trading portfolio claims	2 601	2 501	4
	17 089	**12 718**	**34**
Financial assets as at fair value through profit or loss			
Loans and advances to banks and customers	303	242	25
Debt securities and other fixed-interest securities	1 687	2 132	– 21
Shares and other variable-yield securities	10	11	– 9
	2 000	**2 385**	**– 16**
Total	**19 089**	**15 103**	**26**

(19) Financial assets

The item financial assets in the statement of financial position includes all the debt securities and other fixed-interest securities classified as available for sale (AfS), shares and other variable-yield securities, shares in companies which are not measured in accordance with IAS 27, IAS 28 or IAS 31 and financial assets classified as loans and receivables (LaR).

Investments in the equity of other companies are allocated to the category (AfS). In addition to the AfS category, some of the silent investments classified as debt are also allocated to the LaR category.

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Financial assets classified as LaR	**4 804**	**4 910**	**– 2**
Financial assets classified as AfS			
Debt securities and other fixed-interest securities	49 252	52 651	– 6
Shares and other variable-yield securities	341	388	– 12
Shares in companies	252	717	– 65
Other financial assets classified as AfS	2	–	–
	49 847	**53 756**	**– 7**
Total	**54 651**	**58 666**	**– 7**

(20) Investments accounted for using the equity method

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Joint ventures	21	27	– 22
Associated companies	366	375	– 2
Total	**387**	**402**	**– 4**

(21) Property and equipment

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Land and buildings	347	310	12
Operating and office equipment	75	71	6
Ships	257	281	– 9
Other property and equipment	7	40	– 83
Total	**686**	**702**	**– 2**

(22) Intangible assets

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Software			
Purchased	15	15	–
Internally generated	42	45	– 7
	57	**60**	**– 5**
Intangible assets under development	86	77	12
Goodwill	–	11	– 100
Other intangible assets	13	13	–
Total	**156**	**161**	**– 3**

The write-down of goodwill relates entirely to the goodwill generated in the acquisition of Deutsche Hypothekenbank.

(23) Assets held for sale

The carrying amount of assets held for sale is € 1 million (€ 1 million). This relates entirely to property and equipment (buildings).

(24) Other assets

The item other assets in the statement of financial position includes assets relating to insurance contracts to the amount of € 150 million (€ 150 million). These concern solely assets from outwards reinsurance (€ 150 million (€ 150 million)).

(25) Liabilities to banks

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Deposits from other banks			
German banks	524	229	>100
Foreign banks	43	50	– 14
	567	**279**	**> 100**
Liabilities resulting from money market transactions			
German banks	15 298	17 269	– 11
Foreign banks	8 999	12 592	– 29
	24 297	**29 861**	**– 19**
Other liabilities			
German banks			
Due on demand	1 420	2 015	– 30
With a fixed term or period of notice	23 368	23 325	–
Foreign banks			
Due on demand	722	323	> 100
With a fixed term or period of notice	5 408	5 159	5
	30 918	30 822	–
Total	**55 782**	**60 962**	**– 8**

(26) Liabilities to customers

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Savings deposits			
With an agreed notice period of three months			
Domestic customers	916	985	– 7
Customers abroad	21	21	–
With an agreed notice period of more than three months			
Domestic customers	540	455	19
Customers abroad	3	3	–
	1 480	**1 464**	**1**
Liabilities resulting from money market transactions			
Domestic customers	17 051	11 466	49
Customers abroad	2 853	3 062	– 7
	19 904	**14 528**	**37**
Other liabilities			
Domestic customers			
Due on demand	8 705	9 530	– 9
With a fixed term or period of notice	33 665	33 541	–
Customers abroad			
Due on demand	517	494	5
With a fixed term or period of notice	1 106	1 185	– 7
	43 993	**44 750**	**– 2**
Total	**65 377**	**60 742**	**8**

(27) Securitised liabilities

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Issued debt securities			
Mortgage bonds	8 240	8 060	2
Municipal bonds	17 490	19 347	– 10
Other debt securities	35 355	36 314	– 3
	61 085	**63 721**	**– 4**
Money market instruments			
Commercial papers	3 569	4 691	– 24
Certificates of deposit	572	768	– 26
Other money market instruments	994	1 089	– 9
	5 135	**6 548**	**– 22**
Other securitised liabilities	**–**	**792**	**– 100**
Total	**66 220**	**71 061**	**– 7**

Repurchased debt securities issued by the bank itself have been directly deducted from securitised liabilities to the amount of € 8,077 million (€ 8,398 million).

(28) Financial liabilities at fair value through profit or loss

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Trading liabilities			
Negative fair values from derivatives	10 724	7 720	39
Delivery obligations from short-sales	651	235	> 100
	11 375	**7 955**	**43**
Financial liabilities designated at fair value			
Liabilities to banks and customers	4 941	4 978	– 1
Securitised liabilities	3 265	3 638	– 10
Subordinated capital	25	25	–
	8 231	**8 641**	**– 5**
Total	**19 606**	**16 596**	**18**

The change in the fair value of liabilities designated at fair value is the result of changes in the credit risk and amounts to € 75 million (€ 5 million) in the period under review; the cumulative change is € 104 million (€ 19 million).

(29) Provisions

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Provisions for pensions and other obligations	1 456	1 355	7
Other provisions	2 066	2 002	3
Total	**3 522**	**3 357**	**5**

Other provisions include provisions from insurance contracts in the amount of € 1 741 million (€ 1 681 million).

(30) Other liabilities

The balance sheet item other liabilities includes liabilities from insurance contracts to the amount of € 47 million (€ 47 million). These contain liabilities from direct insurance and reinsurance contracts in the amount of € 7 million (€ 3 million).

(31) Subordinated capital

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Subordinated liabilities	3 637	3 622	–
Participatory capital	309	530	– 42
Silent participations	2 325	2 421	– 4
Total	**6 271**	**6 573**	**– 5**

Other disclosures

(32) Fair value hierarchy

The table below shows the application of the fair value hierarchy for financial assets and liabilities at fair value recognised through profit or loss and directly in equity:

	Level 1		Level 2		Level 3		Total	
(in € million)	30 Sep. 2011	31 Dec. 2010	30 Sep. 2011	31 Dec. 2010	30 Sep. 2011	31 Dec. 2010	30 Sep. 2011	31 Dec. 2010
Assets held for trading	6 552	5 373	10 520	7 129	17	216	**17 089**	12 718
Designated financial assets reported at fair value	836	1 258	469	419	695	708	**2 000**	2 385
Positive fair values from hedge accounting derivatives	–	–	3 275	2 938	–	–	**3 275**	2 938
Financial assets at fair value	38 054	38 602	8 405	6 994	3 247	7 921	**49 706**	53 517
Assets	**45 442**	**45 233**	**22 669**	**17 480**	**3 959**	**8 845**	**72 070**	**71 558**
Liabilities held for trading	635	214	10 597	7 462	143	279	**11 375**	7 955
Designated financial liabilities reported at fair value	2 412	3 161	5 819	5 480	–	–	**8 231**	8 641
Negative fair values from hedge accounting derivatives	–	–	3 122	2 269	–	–	**3 122**	2 269
Liabilities	**3 047**	**3 375**	**19 538**	**15 211**	**143**	**279**	**22 728**	**18 865**

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

1 Jan.–30 Sep. 2011 (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	–	–	403	4	137	2
Designated financial assets reported at fair value	–	46	–	–	35	–
Financial assets reported at fair value	359	245	239	344	2 660	1 840
Liabilities held for trading	–	–	–	25	–	100
Designated financial liabilities reported at fair value	–	–	–	–	–	6

For the financial instruments the activity status of the parameters used for the measurement is reviewed on an individual transaction basis. The review as at the balance sheet date showed that there were hardly transfers between the levels in all categories in the last quarter. The comparison with the figures as at 31 December 2010 shows that the market has since picked up. This has resulted in a shift in value towards near-market categories, with Level 1 values clearly dominating. The drawback of the model can also be clearly seen in a fall in the number of transfers to Level 3.

(33) Derivative financial instruments

(in € million)	Nominal values		Fair values			
	30 Sep. 2011	31 Dec. 2010	positive 30 Sep. 2011	positive 31 Dec. 2010	negative 30 Sep. 2011	negative 31 Dec. 2010
Interest rate risks	312 466	323 414	11 940	8 184	11 443	7 771
Currency risk	73 768	73 103	1 743	1 692	1 774	1 639
Share price and other price risks	1 137	3 111	53	83	86	59
Credit risk	9 296	9 763	47	30	543	520
Total	**396 667**	**409 391**	**13 783**	**9 989**	**13 846**	**9 989**

(34) Disclosures concerning selected countries

The table below shows the reported values of transactions with selected countries. The transactions shown include transactions with states, regional governments, municipalities and state-related public-sector companies:

(in € million)	Financial Instruments Held for Trading		Financial Instruments designated at Fair Value through Profit or Loss		Available for Sale Assets		Loans and Receivables	
	30 Sep. 2011	31 Dec. 2010	30 Sep. 2011	31 Dec. 2010	30 Sep. 2011	31 Dec. 2010	30 Sep. 2011	31 Dec. 2010
Portugal								
Country	– 76	– 20	–	–	186	261	15	15
Financing institutes/ insurance companies	– 36	– 42	–	–	191	308	42	254
Companies/ other	–	9	–	–	16	20	107	69
	– 112	**– 53**	**–**	**–**	**393**	**589**	**164**	**338**
Ireland								
Country	– 55	– 54	93	83	22	25	–	–
Financing institutes/ insurance companies	– 23	– 48	5	5	436	405	797	1 064
Companies/ other	13	4	–	20	84	99	1 443	1 291
	– 65	**– 98**	**98**	**108**	**542**	**528**	**2 240**	**2 355**
Italy								
Country	– 12	– 14	291	218	1 443	1 573	19	19
Financing institutes/ insurance companies	– 39	– 21	–	72	1 647	1 966	156	225
Companies/ other	34	36	17	–	115	152	112	40
	– 16	**1**	**308**	**290**	**3 205**	**3 691**	**288**	**284**
Greece								
Country	– 43	– 30	–	–	60	101	–	51
Financing institutes/ insurance companies	–	–	–	–	–	–	50	50
Companies/ other	4	5	–	–	–	–	318	387
	– 39	**– 25**	**–**	**–**	**60**	**101**	**368**	**488**
Spain								
Country	– 1	25	–	–	412	568	82	158
Financing institutes/ insurance companies	13	155	–	–	2 363	3 121	217	382
Companies/ other	94	10	–	–	159	132	508	608
	106	**190**	**–**	**–**	**2 934**	**3 821**	**808**	**1 147**
Total	**– 127**	**15**	**406**	**397**	**7 134**	**8 731**	**3 866**	**4 613**

The nominal value of the credit default swaps in the selected countries of the NORD/LB Group portfolio is € 1 898 million (31 December 2010: € 2 621 million). This includes nominal values whereas the NORD/LB Group is whether the guarantor or the guarantee. The net fair value of these credit default swaps amounts € – 337 million (31 December 2010: € –352 million).

For financial instruments categorised as available for sale with acquisition costs totalling € 7 598 million (31 December 2010: € 8 721 million), the cumulative valuation reported in equity totals € 943 million (31 December 2010: € 374 million). In addition to this, a write-off of € 75 million (31 December 2010: € 1 million) was recognised in the income statement for the period. Of this, Greek bonds with acquisition costs of € 124 million (31 December 2010: € 123 million) account for a write-off recognised through profit or loss of € 70 million (31 December 2010: € 0 million); the fair value of these securities is € 50 million (31 December 2010: € 87 million) and is assigned to level 1 of the fair-value-hierarchy.

For receivables categorised as loans and receivables, specific valuation allowances totalling € 36 million (31 December 2010: € 3 million) and general loan loss provisions totalling € 12 million (31 December 2010: € 18 million) were made. The fair value of receivables categorised as loans and receivables is € 1 591 million (31 December 2010: € 1 868 million).

For further information concerning the haircut on Greece's national debt, see Note (40) Subsequent events.

(35) Regulatory capital

The following consolidated regulatory data was calculated in accordance with the regulations of the German Solvency Regulation (SolvV).

(in € million)	30 Sep. 2011	31 Dec. 2010
Risk-weighted assets	**82 000**	**86 850**
Capital requirements for credit risks	5 990	6 468
Capital requirements for market risks	233	183
Capital requirements for operational risks	337	297
Capital requirements according to the SolvV	**6 560**	**6 948**

The following overview shows the composition of regulatory equity for the group of institutes in accordance with § 10 in conjunction with §10a of the German Banking Act (KWG).

(in € million)	30 Sep. 2011	31 Dec. 2010*)
Paid-in capital	1 235	1 213
Further capital	21	–
Other reserves	2 936	2 823
Special item for general banking risks in accordance with § 340g of the German Commercial Code	1 425	1 082
Other capital in accordance with § 10 2a Nr. 10 KWG	2 755	2 855
Other components	– 80	– 28
Core capital	8 292	7 945
Deductions from core capital	– 782	– 1 116
Core capital for solvency reasons	**7 510**	**6 829**
Non-current subordinated liabilities	3 384	3 437
Participatory capital liabilities	297	297
Other components	15	152
Supplementary capital	3 696	3 886
Deductions from supplementary capital	– 782	– 1 116
Supplementary capital for solvency reasons	**2 914**	**2 770**
Modified available equity	**10 424**	**9 599**
Eligible capital in accordance with §10 of the German Banking Act	**10 424**	**9 599**

*) Previous year's figures were adjusted.

(in %)	30 Sep. 2011	31 Dec. 2010
Overall ratio according to §2 Paragraph 6 of the German Solvency Regulation (SolvV) *)	12.71	11.05
Core capital ratio **)	9.16	7.86

*) The previous year's figure was adjusted.
**) Since 30 June 2011 the core capital ratio is calculated as follows:
Core capital for solvency reasons/risk weighted assets.
The previous year's figure was adjusted accordingly.

(36) Contingent liabilities and other obligations

	30 Sep. 2011 (in € million)	31 Dec. 2010 (in € million)	Change (in %)
Contingent liabilities			
Liabilities from guarantees and other indemnity agreements	6 173	7 026	– 12
Other obligations			
Irrevocable credit commitments	11 519	12 978	– 11
Total	**17 692**	**20 004**	**– 12**

(37) Related parties

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

30 Sep. 2011 (in € 000)	Shareholders	Subsidiaries	Joint ventures	Affiliated companies	Persons in key positions	Other related parties
Outstanding loans and advances						
to banks	–	–	–	1 032 071	–	126 731
to customers	2 807 468	59 124	10 248	288 626	2 681	387 839
Other unsettled assets	2 345 292	–	–	71 967	–	13
Total assets	**5 152 760**	**59 124**	**10 248**	**1 392 664**	**2 681**	**514 583**
Unsettled liabilities						
to banks	–	–	–	354 628	–	93 547
to customers	1 123 121	35 014	26 204	97 699	2 684	320 843
Other unsettled liabilities	348 290	1 313 411	–	78	38	141 566
Total liabilities	**1 471 411**	**1 348 425**	**26 204**	**452 405**	**2 722**	**555 956**
Guarantees/ sureties received	4 210 347	27	–	5 000	–	20
Guarantees/ sureties granted	5 325 031	450	1 704	9 569	–	1 042

1 Jan.–30 Sep. 2011 (in € 000)	Shareholders	Subsidiaries	Joint ventures	Affiliated companies	Persons in key positions	Other related parties
Interest expense	47 339	70 623	233	15 768	37	13 044
Interest income	132 236	1 805	225	39 999	77	16 674
Commission expense	18 058	–	–	–	–	648
Commission income	52	7	21	202	–	18
Other income and expenses	49 868	44	3	24 162	– 42	– 18 028
Total contributions to income	**116 759**	**– 68 767**	**16**	**48 595**	**– 2**	**– 15 028**

31 Dec. 2010*) (in € 000)	Shareholders	Subsidiaries	Joint ventures	Affiliated companies	Persons in key positions	Other related parties
Outstanding loans and advances						
to banks	–	–	–	1 030 614	–	152 063
to customers	3 000 218	68 529	17 313	246 061	2 077	399 577
Other unsettled assets	1 762 628	160	–	47 504	–	2 467
Total assets	**4 762 846**	**68 689**	**17 313**	**1 324 179**	**2 077**	**554 107**
Unsettled liabilities						
to banks	–	–	–	359 818	–	141 996
to customers	998 384	52 974	133 410	159 074	2 809	313 541
Other unsettled liabilities	46 634	1 313 410	–	477	–	125 355
Total liabilities	**1 045 018**	**1 366 384**	**133 410**	**519 369**	**2 809**	**580 892**
Guarantees/ sureties received	4 247 347	27	–	5 000	–	–
Guarantees/ sureties granted	5 325 031	750	2 196	7 995	–	2 199

1 Jan.–30 Sep. 2010 (in € 000)	Shareholders	Subsidiaries	Joint ventures	Affiliated companies	Persons in key positions	Other related parties
Interest expense	13 746	68 092	1 794	10 291	34	2 335
Interest income	96 047	3 558	31 617	36 549	69	16 532
Commission expense	18 134	–	–	–	–	–
Commission income	132	159	121	225	–	35
Other income and expenses	– 46 709	79	11 605	– 4 212	– 48	1 414
Total contributions to income	**17 590**	**– 64 296**	**41 549**	**22 271**	**– 13**	**15 646**

*) The previous year's figures were adjusted according to the change in IAS 24.

In the item guarantees/sureties received from shareholders, guarantees in the amount of € 3 550 million (€ 3 550 million) are reported; these relate to an issue programme (G-MTN) guaranteed by the states of Lower Saxony and Saxony-Anhalt which serves for the refinancing of the NORD/LB Group. In the item guarantees/sureties granted to shareholders, guarantees in the amount of € 5 325 million (€ 5 325 million) are reported; these relate to a security pool of loans and advances with which the aforementioned guarantees received from the states of Lower Saxony and Saxony-Anhalt are secured. The maximum term of the guarantees is 5 years.

(38) Members of governing bodies

1. Members of the Managing Board

Dr. Gunter Dunkel
(Chairman of the Managing Board)

Eckhard Forst

Dr. Hinrich Holm

Dr. Johannes-Jörg Riegler

Christoph Schulz

2. Members of the Supervisory Board

Hartmut Möllring
(Chairman)
Minister of Finance, State of Lower Saxony

Thomas Mang
(First Deputy Chairman)
President, Association of
Savings Bank in Lower Saxony

Jens Bullerjahn
(Second Deputy Chairman)
Minister of Finance, State of Saxony-Anhalt

Frank Berg
Chairman of the Managing Board
OstseeSparkasse Rostock

Hermann Bröring
County Officer
Emsland District

Edda Döpke
Bank employee
NORD/LB Hannover

Ralf Dörries
Senior Vice President
NORD/LB Hannover

Dr. Josef Bernhard Hentschel
Chairman of the Managing Board
Sparkasse Osnabrück

Frank Hildebrandt
Bank employee
NORD/LB Braunschweig

Dr. Gert Hoffmann
Mayor, City of Braunschweig

Martin Kind
Managing Director
KIND Hörgeräte GmbH & Co. KG

Walter Kleine
Chairman of the Managing Board
Sparkasse Hannover

Manfred Köhler
former Member of the Managing Board

Heinrich v. Nathusius
Managing Director
IFA Gruppe

August Nöltker
Union Secretary
ver.di Vereinte Dienstleistungsgewerkschaft
District administration

Freddy Pedersen
Deputy District Manager
United Services Union
ver.di Vereinte Dienstleistungsgewerkschaft

Ilse Thonagel
Bank employee
Landesförderinstitut
Mecklenburg-Western Pomerania

Mirja Viertelhaus-Koschig
Deputy Chairman of the Managing Board
VIEROL AG

(39) Companies and investment funds included in the basis of consolidation

Company name and registered office	Shares (%) direct	Shares (%) indirect
Subsidiaries included in the consolidated financial statements		
Beteiligungs-Kommanditgesellschaft MS „Buxmelody“ Verwaltungs- und Bereedungs GmbH & Co., Buxtehude	–	–
BLB Immobilien GmbH, Bremen	100.00	–
BLB Leasing GmbH, Oldenburg	100.00	–
Braunschweig-Informationstechnologie-GmbH, Braunschweig	100.00	–
Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen	–	92.50
Bremische Grundstücks-GmbH, Bremen	100.00	–
DEMURO Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Pöcking	–	–
Deutsche Hypothekenbank (Actien-Gesellschaft), Berlin and Hanover	–	100.00
GEBAG Ocean Shipping II GmbH & Co. KG, Hamburg	–	–
GEBAG Ocean Shipping III GmbH & Co. KG, Hamburg	–	–
Hannover Funding Company LLC, Delaware/USA	–	–
KMU Shipping Invest GmbH, Hamburg	–	–
KreditServices Nord GmbH, Hanover	–	100.00
MALIBO GmbH & Co. Unternehmensbeteiligungs KG, Pullach im Isartal	–	77.81
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	–	–
Nieba GmbH, Hanover	–	100.00
Norddeutsche Landesbank Luxembourg S.A., Luxembourg/Luxembourg	–	100.00
NORD/FM Norddeutsche Facility Management GmbH, Hanover	–	100.00
NORD/LB Asset Management Holding GmbH, Hanover	–	100.00
NORD/LB Capital Management GmbH, Hanover	100.00	–
NORD/LB COVERED FINANCE BANK S.A., Luxembourg/Luxembourg	100.00	–
NORD/LB G-MTN S.A., Luxembourg/Luxembourg	–	100.00
NORD/LB Immobilien-Holding GmbH & Co. Objekt Magdeburg KG, Magdeburg	–	–
NORD/LB Kapitalanlagegesellschaft AG, Hanover	100.00	–
Nord-Ostdeutsche Bankbeteiligungs GmbH, Hanover	–	100.00
NORDWEST VERMÖGEN Bremische Grundstücks-GmbH & Co. KG, Bremen	100.00	–
Öffentliche Facility Management GmbH, Braunschweig	100.00	–
Öffentliche Facility Management Leben GmbH & Co. KG, Braunschweig	100.00	–
Öffentliche Facility Management Sach GmbH & Co. KG, Braunschweig	100.00	–
Öffentliche Lebensversicherung Braunschweig, Braunschweig	–	75.00
Öffentliche Sachversicherung Braunschweig, Braunschweig	–	75.00
„OLIVIA“ Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
„OLYMPIA“ Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–

Company name and registered office	Shares (%) direct	Shares (%) indirect
„PANDORA“ Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
PANIMA GmbH & Co. Objekte Braunschweig KG, Pullach im Isartal	–	94.00
PANIMA GmbH & Co. Objekt Hannover KG, Pullach im Isartal	–	94.00
„PRIMAVERA“ Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
„QUADRIGA“ Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
Skandifinanz AG, Zurich/Switzerland	100.00	–
Investment funds included in the consolidated financial statements		
NORD/LB AM 118 NLB	–	100.00
NORD/LB AM High-Yield	–	94.13
NORD/LB AM 9	100.00	–
NORD/LB AM 52	–	100.00
NORD/LB AM 56	–	100.00
NORD/LB AM 65	–	100.00
NORD/LB AM OELB	100.00	–
NORD/LB AM OESB	100.00	–
Companies/investment funds accounted for in the consolidated financial statements using the equity method		
Joint Ventures		
LHI Leasing GmbH, Pullach im Isartal	43.00	6.00
Associated companies		
Ammerländer Wohnungsbau-Gesellschaft mbH, Westerstede	32.26	–
BREBAU GmbH, Bremen	48.84	–
DEUTSCHE FACTORING BANK Deutsche Factoring GmbH & Co. KG, Bremen	27.50	–
GSG OLDENBURG Bau- und Wohngesellschaft mit beschränkter Haftung, Oldenburg	22.22	–
LBS Norddeutsche Landesbausparkasse Berlin-Hannover, Hanover	44.00	–
LINOVO Productions GmbH & Co. KG, Munich	–	45.17
NORD Holding Unternehmensbeteiligungsgesellschaft mit beschränkter Haftung, Hanover	–	40.00
NORD KB Beteiligungsgesellschaft mit beschränkter Haftung, Hanover	–	28.66
SALEG Sachsen-Anhaltinische Landesentwicklungsgesellschaft mbH, Magdeburg	–	56.61
Toto-Lotto Niedersachsen GmbH, Hanover	–	49.85
Investmentfonds		
Lazard-Sparkassen Rendite-Plus-Fonds	49.18	–
NORD/LB AM Emerging Market Bonds	–	32.13
NORD/LB AM Global Challenges Index-Fonds	–	29.40

(40) Subsequent events

On 27 October 2011 a voluntary haircut of 50 per cent on Greece's national debt was agreed with Greece's private creditors at the EU summit. The NORD/LB Group would therefore be waiving € 58 million of the nominally € 117 million of its receivables owed by Greece. In consideration of this haircut and in deviation to the figures reported in Note (34) Disclosures concerning selected countries, in the period under review the write-offs of Greek government bonds through profit or loss would total € 62 million.

At the end of October 2011 the EU heads of state and government also decided that system-relevant banks in the EU have to report a hard core capital ratio of at least nine per cent from 30 June 2012. NORD/LB is among this group of system-relevant banks. The figure of nine per cent is based on the EBA's definition of hard core capital, which was applied identically within the scope of the EU-wide bank stress test in 2011. According to this, the silent participations in NORD/LB are not recognised as hard core capital. On this basis, NORD/LB currently falls below the minimum required level of hard core capital, the specific amount of which will have to be checked and confirmed by the EBA. A sufficiently reliable estimation cannot currently be made. NORD/LB is currently looking in consultation with its guarantors at measures to close this capital gap by 30 June 2012.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the income, assets and financial position of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Hanover / Braunschweig / Magdeburg, 22 November 2011

Norddeutsche Landesbank Girozentrale

The Managing Board

Dr. Dunkel Dr. Riegler

Forst Dr. Holm Schulz

Statements Relating to the Future

This report contains statements relating to the future. They can be recognised in terms such as "expect", "intend", "plan", "endeavour" and "estimate" and are based on our current plans and estimations. These statements contain uncertainties since a number of factors which affect our business are beyond the sphere of influence of NORD/LB. These factors notably include developments in the financial markets and changes in interest rates and market prices. Actual results and developments may deviate considerably from current assumptions. NORD/LB does not assume any responsibility and nor does it intend to update these statements relating to the future or to adjust them in the event of developments which deviate from those that had been anticipated.

Financial calendar 2011/2012

19 April 2012	Release of results as at 31 December 2011
31 May 2012	Release of results as at 31 March 2012
29 August 2012	Release of results as at 30 June 2012
29 November 2012	Release of results as at 30 September 2012

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Please download our annual and interim reports at www.nordlb.de.
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Email: ir@nordlb.de

Branches (including Braunschweigische Landessparkasse)

Braunschweig	Bad Harzburg	Duesseldorf
Hamburg	Helmstedt	Holzminden
Magdeburg	Salzgitter	Schwerin
Seesen	Vorsfelde	Wolfenbüttel

In addition there are more than 100 Branches and self-services in the Braunschweig area. For more details, please follow this link: https://www.blsk.de

International branches
London, New York, Singapore, Shanghai

Representative offices
Beijing, Moscow, Mumbai

Major holdings (alphabetical)
Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale, Bremen and Oldenburg
Deutsche Hypothekenbank (Actien-Gesellschaft), Hanover (Amsterdam, Berlin, Duesseldorf, Frankfurt, Hanover, Hamburg, London, Madrid, Munich, Nuremberg, Paris)
Norddeutschen Landesbank Luxembourg S.A., Luxembourg
(with the subsidiary: NORD/LB COVERED FINANCE BANK S.A., Luxembourg)
NORD/LB Asset Management Holding AG, Hanover

NORD/LB

Die norddeutsche Art.

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