NORD/LB
Die norddeutsche Art.

Experts in success

Interim Report as at 30 June 2015

Finanzgruppe

NORD/LB Group at a glance

(in € million)	1 Jan. – 30 Jun. 2015	1 Jan. – 30 Jun. 2014	Change (in %)
Net interest income	1 000	995	1
Loan loss provisions	210	224	– 6
Net commission income	111	84	32
Profit/loss from financial instruments at fair value through profit or loss including hedge accounting	95	105	– 10
Profit/loss from financial assets	26	50	– 48
Profit/loss from investments accounted for using the equity method	– 59	– 8	> 100
Administrative expenses	562	557	1
Other operating profit/loss	– 80	– 84	– 5
Earnings before reorganisation and taxes	**321**	**361**	**– 11**
Reorganisation expenses	– 7	– 12	– 42
Expenses for Public Guarantees related to Reorganisation	–	1	– 100
Earnings before taxes	**314**	**348**	**– 10**
Income taxes	24	105	– 77
Consolidated profit	**290**	**243**	**19**

Key figures (in %)	1 Jan. – 30 Jun. 2015	1 Jan. – 30 Jun. 2014	Change (in %)
Cost-Income-Ratio (CIR)	52.7%	51.0%	3
Return-on-Equity (RoE)	8.7%	9.1%	– 4

Balance figures (in € million)	30 Jun. 2015	31 Dec. 2014	Change (in %)
Total assets	190 802	197 607	– 3
Customer deposits	58 489	57 996	1
Customer loans	107 512	108 255	– 1
Equity	8 297	7 902	5

Regulatory key figures	30 Jun. 2015	31 Dec. 2014	Change (in %)
Common equity tier 1 capital (in € million)	7 747	7 381	5
Tier 1 capital (in € million)	7 898	7 381	7
Tier 2 capital (in € million)	2 134	1 742	23
Own funds (in € million)	10 032	9 123	10
Total risk exposure amount (in € million)	68 931	69 231	–
Total capital ratio (in %)	14.55%	13.18%	10
Tier 1 capital ratio (in %)	11.46%	10.66%	8
Common equity tier 1 capital ratio (in %)	11.24%	10.66%	5

NORD/LB ratings (long-term / short-term / individual)
Moody's A3 / P-2 / ba2 (Date of rating: 19 June 2015)
Fitch Ratings A- / F1 / bb+ (Date of rating: 2 June 2015)

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

Interim Group Management Report as at 30 June 2015

The Group - Basic Information

The Group - Basic Information

Business Model

NORD/LB Norddeutsche Landesbank Girozentrale (hereafter NORD/LB or the Bank) is a registered public institute with registered offices in Hanover, Braunschweig and Magdeburg. Its head office is in Hanover. The owners of the Bank are the federal states of Lower Saxony and Saxony-Anhalt, the Association of the Savings Banks of Lower Saxony (Sparkassenverband Niedersachsen, SVN) in Hanover, the Holding Association of the Savings Banks of Saxony-Anhalt (Sparkassenbeteiligungsverband Sachsen-Anhalt) and the Special Purpose Holding Association of the Savings Banks of Mecklenburg-Western Pomerania (Sparkassenbeteiligungszweckverband Mecklenburg-Vorpommern).

The issued capital amounts to € 1,607,257,810, with the federal state of Lower Saxony holding 59.13 per cent (of which 33.44 per cent is held in trust for the state-owned Hannoversche Beteiligungsgesellschaft mbH, Hanover), the federal state of Saxony-Anhalt 5.57 per cent, the Lower Saxony Association of Savings Banks and Girobanks 26.36 per cent, the Holding Association of the Savings Banks of Saxony-Anhalt 5.28 per cent and the Special Purpose Holding Association of the Savings Banks of Mecklenburg-Western Pomerania 3.66 per cent.
NORD/LB is a business bank, state bank (Landesbank) and a central bank for the savings banks operating in Northern Germany and beyond the core region with branches in Hamburg, Munich, Düsseldorf, Schwerin, Stuttgart, London, New York, Shanghai and Singapore.

- As a landesbank for the states of Lower Saxony and Saxony-Anhalt, it performs the functions of a central and clearing bank for the savings banks (Girozentrale). 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 acts as a central bank for the savings banks in Mecklenburg-Western Pomerania, Saxony-Anhalt and Lower Saxony and is the partner for all of the savings banks in these states. It also acts as a service provider for savings banks in other German states such as Schleswig-Holstein. NORD/LB provides all of the services which the savings banks require for their activities.
- In the NORD/LB Group, NORD/LB acts as the parent company, controlling all of the business activities in line with the strategic objectives, creating synergy effects, reinforcing customer divisions and bundling service offerings. The NORD/LB Group comprises among others
- Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen (hereafter Bremer Landesbank),
- Norddeutsche Landesbank Luxembourg S. A., Covered Bond Bank, Luxemburg-Findel (hereafter NORD/LB Luxembourg)
- Deutsche Hypothekenbank (Actien-Gesellschaft), Hanover (hereafter Deutsche Hypo) and
- LBS Norddeutsche Landesbausparkasse, Berlin, Hanover (hereafter LBS).

The Bank also holds other investments as shown in the disclosures of the notes.

Strategic Development of NORD/LB

In the annual strategy process NORD/LB as the parent company develops and reviews together with its significant subsidiaries the strategic direction for the next five years.

Based on the economic conditions, NORD/LB Group will continue to pursue its proven customer-oriented business model and its risk-conscious business policy.

The essence of the business model is to focus business activities closely on customer needs and to continually improve its risk-adjusted profitability. In the process the focus is increasingly on separating earnings growth from total risk exposure growth and to secure its funding. NORD/LB continues to focus on its customer business.

Further information on the strategy can be found in the Group management report as at 31 December 2014.

Control Systems

NORD/LB Group's control system is based on an annual process in which the strategic objectives are confirmed or revised in the spring by the Managing Board, based upon which the targets for the plan for the following year are set in autumn. In a two-way process, the top-down/bottom-up planning is synchronised and completed by the year-end.

The key control indicators here are return on equity (RoE) and at business segment level the return on risk-adjusted capital (RoRaC), the cost-income ratio (CIR) and earnings before taxes.

Return on equity (RoE)	Earnings before taxes / Long-term equity under commercial law Long-term equity under commercial law = reported equity – revaluation reserve – earnings after taxes
Return on risk- adjusted capital at segment level (RoRaC)	Earnings before taxes / committed capital of the higher of the total risk exposure amount limits and the amount called on
Cost-income ratio (CIR)	Administrative expenses / Total earnings including balance of other income and expenses

Risk Management

The risk management of 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 2014. Only significant developments in the period under review are addressed in this interim report.

The structure of the Finance and Risk Control Division is function-oriented.

The operational tasks are the responsibility of the Operational Control and Risk Control departments. These are flanked by the departments Strategic Control (responsible for fundamental issues and determining the methods and key performance indicators) and Risk/Performance Measurement (responsible for data management, instruments and models).

The Supervisory Board is supported by the Risk Committee in matters concerning risk-taking and risk strategy as well as the implementation of the strategy.

The Risk Committee also performs tasks in the area of lending and the acquisition of investments.

Economic Report

General Economic and Industry-specific Environment

Global Economic Environment

Global economic growth was moderate in the first half of 2015. The US economy had to contend with the negative impact of special factors in the first quarter and is now starting in the second quarter, to recover more strongly. This was underpinned once again by private consumption. In China general economic development was on the whole robust at the start of the year. China's soft landing is revealed by among other things its gross domestic product (GDP) growth in the first two quarters. Peking's extensive intervention in reaction to the turbulence in the share market is viewed critically because it has slowed down the pace of reform.

Eurozone

In the eurozone the economic situation further improved in the first half of 2015. Real gross domestic product increased by 0.4 per cent compared to the previous quarter.

Economic developments suggest that a similar rate of growth was experienced in the second quarter. The economic outlook for the near future is also promising. The uncertainty concerning the resolution of situation in Greece had a negative impact on sentiment indicators. However, the compromise agreed between Greece and its international creditors and the subsequent commencement of negotiations concerning a further bailout package have helped to ease the situation. In terms of the real economy, the eurozone is still very mixed.

The German economy, the biggest in the eurozone, continues to expand strongly. A slight increase in economic growth is expected in the second quarter. In addition, Spain continues to recover strongly. It is estimated that real GDP grew in the second quarter by a good 1.0 per cent compared to the previous quarter. In France and Italy the challenges remain high, in particular against the background of the necessary reform measures, some of which have already been taken. Nevertheless, economic growth improved again in both countries in the second quarter.

Economic conditions remain difficult for Greece. The lengthy negotiations concerning the future course of the reform process have had a dampening effect on the real economy. Although the subsequent commencement of negotiations concerning a further bailout packaging have significantly reduced the probability of a messy Greek exit from the euro ("Grexit"), the country's long-term debt sustainability has still not been secured.

Germany

Although the German economy started 2015 with slow growth, there are strong signs that it experienced robust economic growth in the second quarter. The indicators currently available for industrial production, incoming orders, foreign trade and retail sales reveal that economic growth between April and June were stronger than in the first three months of the year. In the first quarter real gross domestic product grew by 0.3 per cent compared to the previous quarter. In addition to the expansive boost provided by foreign trade, the German economy is also being underpinned in particular by domestic demand. Consumer expenditure by private households has been boosted for some time from the excellent state of the job market. Although the rise in employment has slowed, the conditions are very favourable in light of the significant wage increases and low inflation rates.

Financial Markets and Interest Rates

In the first half of 2015 developments in the capital markets were influenced significantly by the European Central Bank's (ECB) bond purchase programme. Since March 2015 the ECB has been purchasing bonds, primarily government bonds and securities issued by state-related issuers, in the amount of € 60 billion per month. At the start of the second quarter yields initially continued to fall, as they had throughout virtually the whole of the first quarter, due to the purchases. Yields on bonds reached a low in mid-April, with yields for ten-year government bonds falling below 0.10 per cent. In the shorter and medium-term categories, yields were negative for a period up to terms of nine years. In mid-April yields noticeably started to improve strongly. There were several reasons for this, and these took effect at more or less the same time. Profit taking contributed to the trend due to the price level reached. The improvement in the fundamental data from the eurozone, such as the growth in lending, the significant growth in money supply and return to positive interests rates also contributed to the increase in yields. At the same time the prospect of an increase in interest rates, at least in the medium term, initially in the USA and later in United Kingdom, is also likely to have contributed to the increase in yields. By the end of the quarter yields fell again slightly; this may be interpreted primarily as a counter-reaction to the earlier increase. Against the background of the ECB's very expansive monetary policy, the yield potential should remain limited in the coming months.

The yields of ten-year US government bonds are currently fluctuating above the psychologically important level of 2.00 per cent. After the third round of quantitative easing (QE3), the expectations are that the Federal Reserve will increase the base rate during 2015 and that interest rates will rise in the capital market. Although growth in the US economy decreased significantly at the start of the year, the tendency was temporary and probably due in large part to special effects (e.g. the port strike). The recently published figures indicate a recovery in the second quarter. This positive trend should continue in the second half of the year and provide the Federal Reserve with scope to change the Fed Funds Target Rate. The problems in Greece and the Chinese stock market crash have had a dampening effect on US interest rates.

The german stock index (DAX) initially developed positively, but then suffered somewhat from the national debt crisis in Athens and the turbulence in the Chinese stock market. German equity securities continued to benefit from the ECB's very expansive monetary policy, which not only triggered low interest rates and an investment crisis among investors, but has also had a significant impact on activities in the foreign current market in recent months. The euro therefore fell sharply against the US dollar in the first quarter. The EUR/USD exchange rate is currently around the psychologically important level of USD 1.10 per EUR.

After the EUR/USD basis swap spreads had expanded in March for ten-year terms to close to -40 basis points, they have recently stabilised in a flat maturity structure between -25 and -30 basis points. This market development was consistent with the strong rise in the euro against the US dollar.

Aircraft

According to the International Air Transportation Organisation (IATA), global revenue passenger kilometres (RPK) increased in the first five months of 2015 in the global market by 6.3 per cent compared to the same period of the previous year. The growth rates were 6.5 per cent for international traffic and 6.1 per cent for domestic traffic. Significant geographical differences were behind these developments. There were above-average growth rates in global passenger transport in the Asia/Pacific (9.3 per cent) and Middle East (11.5 per cent) regions.

In the air freight market, the number of freight tonne kilometres (FTK) sold increased in the first five months of 2015 by 4.0 per cent. Freight carriers in the Middle East reported the highest growth compared to the same period of the previous year (13.7 per cent) followed by carriers from the Asia/Pacific region (6.4 per cent).

Shipping

After a patchy first quarter, the situation in the core sectors was again mixed in the second quarter. The situation in the bulk goods sector got worse at the beginning of the year. Neither the demand for iron ore nor the demand for coal in Asia, and in particular China, was able to provide any impetus. The market only picked up towards the end of the second quarter. The Baltic Dry Index, which had only moved sideways since an all-time low, was reached in February, increased by more than one third in June and closed the second quarter with 800 points. The moderate building up of stock levels in China and the lack of ships in the South Atlantic resulted in a recovery in the market. Meanwhile, the price war among shipping lines in the container sector escalated. In particular freight rates on the Asia-North Europe route fell sharply despite the attempts of the shipping line alliances to stabilise them. Although some crossings on the routes have been dropped, the continuing deliveries of large container ships for long-distance routes are a burden. On top of this, the peak season has to date been sluggish. In contrast to this, the charter market was stable and only dipped slightly towards the end of the quarter. The tanker sector continues to be characterised by optimism, which was reflected in a slight increase in charter rates in the second quarter. It was no surprise when OPEC decided not to change its production rates in early June 2015. Although the break-even point for US onshore oil production is approx. USD 60/barrel, US production continued to rise in the second quarter. The global surplus supply of oil is having a negative impact on the offshore industry though, with investment falling.

In the tourism industry the cruise ship sector continues to boom, and this is reflected by the rising number of calls in German ports and new orders for cruise ships.

Real Estate

Global investment in commercial real estate continued the positive trend of the previous year at a slightly slower rate. In particular Europe was able to benefit from this in the first two quarters of this year. In Germany the commercial transaction volume increased compared to the previous year by almost 50 per cent, with office properties accounting for over 40 per cent of this. The market is characterised by high liquidity and a shortage of investment alternatives.

Business involving German residential portfolios increased greatly in the first six months of 2015, with the turnover volume more than doubling.

Finance Sector

The whole European banking market continues to experience market adjustment. This is accompanied by measures to reduce risk and strengthen capital as well as tighter regulation of the financial market. In particular the implementation of the Capital Requirements Regulation (CRR) and the Captital Requirements Directive (CRD IV) are expected to have a dampening effect on banks' capital ratios and earnings potential. The growth in credit volume remained weak despite the increase in demand for credit. Competition is intense. European banks will only have limited potential for growth so long as the historically low interest rates are putting pressure on interest margins. The associated drop in earnings potential mean at the same time a reduced ability to absorb risks and build capital reserves. On the other hand there has also been a drop in funding costs, from which in particular banks in the under-pressure banking markets in the peripheral countries of the eurozone are benefiting. A stronger economic environment in some of these markets has been accompanied by a reduction in loan losses. As a result, the earnings potential has improved.

This trend continued in the first half of 2015. The transfer of financial supervision to the ECB presented the European banks with great challenges in the financial years 2013 and 2014. The results of the Asset Quality Review and stress test also showed that the European banks have already made a major contribution towards the stabilisation of the banking system.

Significant Events in the Financial Year

EU Process: Restructuring Plan and Commitments made by NORD/LB

In order for the capital measures implemented in 2011 and 2012, the measures needed to be reviewed and approved by the EU Commission. The capital measures were approved on the basis of a restructuring plan agreed in 2012 by the bank, its owners, the German Government and the EU Commission. It included the presentation of the business strategy and the business model, a medium-term business plan and a detailed explanation of all of the relevant measures and commitments made to the EU Commission.

The commitments in the plan defined in this respect the general conditions and restrictions that NORD/LB needed to comply with in order for the aims of the restructuring plan to be met. NORD/LB, the German Government and the EU Commission agreed on significant points such as the future focus of the Group's business segments, a reduction in the Group's total assets and the optimisation of cost levels.

An independent trustee will monitor whether the commitments that have been made are being kept and reported to the EU Commission on the progress made in half-yearly reports. In all reports provided to date, the trustee has confirmed that the commitments are being kept as planned.

Based on the commitments that apply at most to the end of 2016, NORD/LB can continue to focus on its proven business model. By the end of the first half year of 2015 some of the commitments had already been successfully implemented.

Efficiency Improvement Programme

NORD/LB decided at the start of 2011, with the agreement of its owners, to stabilise the administrative expenses of NORD/LB Group at € 1.1 billion. NORD/LB has made a commitment to the EU Commission to reduce its Group's operating costs (before special effects) to € 1.07 billion by the end of 2016. NORD/LB must make a significant contribution to this.

In order to achieve this goal, NORD/LB launched an efficiency improvement programme in March 2011 to reduce both the cost of materials and staff expenses.

In 2014 further concrete measures were developed to improve NORD/LB's structures, processes were developed and instructions were given for their implementation.

In 2014 provisions for contractual agreements concerning the termination of contracts of employment including severance payments were made for NORD/LB in the amount of € 45.5 million. In the first half of 2015 further provisions in the amount of € 7 million were made.

Business Model

Concerning the 31 May 2015, two consolidated subsidiaries coalesced with retroactive effect from the 1 January 2015. NORD/LB COVERED FINANCE BANK S.A. Luxemburg-Findel and Norddeutsche Landesbank Luxembourg S.A. were rebranded to NORD/LB Luxembourg S.A. Covered Bond Bank, Luxemburg-Findel.

Issue of an AT1 Bearer Bond

In June of this year bearer bonds of Additional Tier 1 capital (AT1) were issued by Bremer Landesbank Kreditanstalt Oldenburg, Bremen with a nominal value of € 50 million.

Report on the Earnings, Assets and Financial Position

(In the following text the previous year's figures for the first six months of 2014 or as at 31 December 2014 are shown in brackets.)

Earnings Position

NORD/LB Group generated earnings before taxes of € 314 million in the first six months. The figures for the income statement are summarised as follows:

	1 Jan. – 30 Jun. 2015 (in € million)	1 Jan. – 30 Jun. 2014 (in € million)	Change (in %)
Net interest income	1 000	995	1
Loan loss provisions	210	224	– 6
Net commission income	111	84	32
Profit/loss from financial instruments at fair value through profit or loss including Hedge Accounting	95	105	– 10
Profit/loss from financial assets	26	50	– 48
Profit/loss from investments accounted for using the equity method	– 59	– 8	> 100
Administrative expenses	562	557	1
Other operating profit/loss	– 80	– 84	– 5
Earnings before reorganisation and taxes	**321**	**361**	**– 11**
Reorganisation expenses	– 7	– 12	– 42
Expenses for public guarantees related to reorganisation	–	1	– 100
Earnings before taxes	**314**	**348**	**– 10**
Income taxes	24	105	– 77
Consolidated profit	**290**	**243**	**19**

Net interest income has increased compared to the previous year by € 5 million to € 1,000 million. Due to the continuing low level of interest rates in the money and capital market, interest expenses were significantly reduced and compensated for the reduction in interest income. Interest income reduced in particular due to the planned reduction in financial investments and the reduction in the volume of derivatives. The reduction in assets resulted in a reduced refinancing requirement, with interest expenses for securitised liabilities falling as a result. Due to the reduced volume of derivatives, interest expenses from financial instruments at fair value through profit or loss fell.

Expenses related to **loan loss provisions** decreased by € 14 million compared to the same period of the previous year to € 210 million. This is primarily due to the € 64 million reduction in specific valuation allowances and the € 6 million increase in the net reversal of loan loss provisions. However, the € 49 million reduction in the net reversal of general loan loss provisions had a negative effect. The net effect of additions to receivables written off, direct write-offs and lump-sum specific loan loss provisions was at the same level as the previous year. These aforementioned effects are mainly attributable to ship finance.

Net commission income has risen significantly compared to the same period of the previous year by € 27 million to € 111 million. The increase is mainly, next to the increase in current business, due to commission expenses from insurance business no longer being incurred due to the deconsolidation of Öffentliche Lebensversicherung

Braunschweig and Öffentliche Sachversicherung Braunschweig in the second half of 2014. Additional commission income was achieved by the sale of the guarantee business.

Profit/loss from financial instruments at fair value through profit or loss including hedge accounting totals € 95 million and has fallen by € 10 million compared to the same period of the previous year. This effect is mainly attributable to drop in trading profit compared to the same period of the previous year (€ – 515 million), which was more than compensated for by the positive contribution to earnings from the fair-value-option and from hedge accounting. The trading profit/loss was affected by the negative development in valuation gains/losses and realised profits/losses for debt securities and bonded loans as well as interest derivatives due to the increase in EUR interest rates compared to the previous year. Due to the reduced portfolio and the increase in valuation-relevant credit spreads, the valuation result for credit derivatives is down compared to the same period of the previous year. The income from currency derivatives has increased primarily due to the widening of the EUR/USD basis spread. The profit/loss from the use of the fair value option is affected significantly by interest-induced effects inverse to the trading profit/loss and increased by € 450 million compared to the previous year.

The **profit/loss from financial assets** is € 26 million and therefore € 24 million below the previous year's figure. This is mainly due to a € 18 million drop in the profit/loss from Available for Sale (AfS) financial assets. The main driver here was the € 43 million increase in valuation allowances. This was seen alongside a € 25 million increase in the result of disposals.

The **profit/loss from investments accounted for using the equity method** was € 51 million below the previous year's figure. The positive proportionate profit/loss from investments accounted for using the equity method was unable to compensate for the unscheduled write-down of an affiliated company.

Administrative expenses increased by € 5 million compared to the comparable period of the previous year.

This development is mainly due to cost allocations and contributions resulting from NORD/LB's obligation from 2015 to contribute to the security reserve for landesbanks. This was compensated for by the reduction in staff expenses due to the deconsolidation of Öffentliche Lebensversicherung Braunschweig and Öffentliche Sachversicherung Braunschweig in the second half of 2014.

Other operating profit/loss was around the same level as the previous year and totalled € -80 million (€ -84 million). This includes allocations to provisions related to the EU bank levy of € 70 million (€ 17 million). The lower negative net effect of the repurchase of registered bonds, promissory notes and issued debt securities had a positive effect. In the same period of the previous year there was also a negative net effect from the insurance business of Öffentliche Lebensversicherung Braunschweig and Öffentliche Sachversicherung Braunschweig, which is no longer included in the period under review due to the deconsolidation in the third quarter of 2014.

The **reorganisation expenses** of € -7 million primarily comprise allocations made to reorganisation provisions as part of the efficiency improvement programme for contractual agreements already concluded as at the balance sheet date concerning the termination of contracts of employment.

In the period under review no more **expenses for public guarantees related to restructuring** were incurred as the guarantees received from the states of Lower Saxony and Saxony-Anhalt were terminated in the second quarter of 2014.

The **income taxes** include in the reporting period a one-time positive effect from a tax audit.

Assets and Financial Position

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Loans and advances to banks	22 681	23 565	– 4
Loans and advances to customers	107 512	108 255	– 1
Risk provisioning	– 2 787	– 2 747	1
Financial assets at fair value through profit or loss	15 958	16 306	– 2
Positive fair values from hedge accounting derivatives	2 902	3 483	– 17
Financial assets	41 361	45 120	– 8
Investments accounted for using the equity method	241	318	– 24
Other assets	2 934	3 307	– 11
Total assets	**190 802**	**197 607**	– 3
Liabilities to banks	54 820	58 986	– 7
Liabilities to customers	58 489	57 996	1
Securitised liabilities	39 701	40 714	– 2
Financial liabilities at fair value through profit or loss	17 410	18 169	– 4
Negative fair values from hedge accounting derivatives	3 267	3 926	– 17
Provisions	2 776	2 846	– 2
Other liabilities	1 229	2 222	– 45
Subordinated capital	4 813	4 846	– 1
Reported equity including non-controlling interests	8 297	7 902	5
Total liabilities and equity	**190 802**	**197 607**	**– 3**

Total assets fell compared to 31 December 2014 by € 6.8 billion. The reduction in total assets is reflected in all items on the assets side, with the biggest reduction in financial assets due to the planned reduction. The liabilities side is also affected by the reduction in total assets. Here the biggest reduction is in liabilities to banks.

Loans and advances to banks fell by € 884 million compared to the previous year to €22,681 million. This change is mainly due to the reduction in time deposits in the area of other loans and advances. By contrast, loans and advances resul-ting from money market transactions increased.

Loans and advances to customers are still the largest balance sheet item at 56 per cent (55 per cent). Compared to the previous year, this item has reduced by € 743 million, which is mainly due to the reduction in mortgage and municipal loans in the area of other loans and advances. This development is due to ordinary and extraordinary repayments. This is slightly compensated for by the increase in loans and advances resulting from money market transactions.

Risk provisioning increased compared to the reference date by € 40 million to € 2,787 million. The increase is mainly attributable to the increase in specific valuation allowances in ship finance.

Financial assets at fair value through profit or loss comprise trading assets and financial assets designated at fair value and are € 348 million below the level of the reference date. The reduction is due in particular to positive valuation and volume effects, which are also reflected on the liabilities side.

Due to the reduction in AfS financial assets as a result of the reduction in the total risk exposure, the balance of **financial assets** compared to the previous year has reduced by € 3,759 million and now totals € 41,361 million.

Other assets include assets held for sale in the amount of € 66 million.

Liabilities to banks have reduced by € 4,166 million to € 54,820 million compared to the reference date. The reduction is due mainly to the reduction in liabilities from money market transactions.

Liabilities to customers have increased by € 493 million compared to the reference date to € 58,489 million. The increase is due in particular to the increase in the sum of money market transactions. By contrast, a reduction in the sum of savings deposits has been recorded.

The reduction in **securitised liabilities** of € 1,013 million to € 39,701 million is mainly attributable to the maturity or redemption of bonds, other debt securities and money market instruments. There has also been a reduction in municipal bonds.

Liabilities at fair value through profit or loss comprise trading liabilities and financial liabilities designated at fair value. Compared to the previous year there is a reduction of € 759 million, mirroring valuation and volume effects on the assets side.

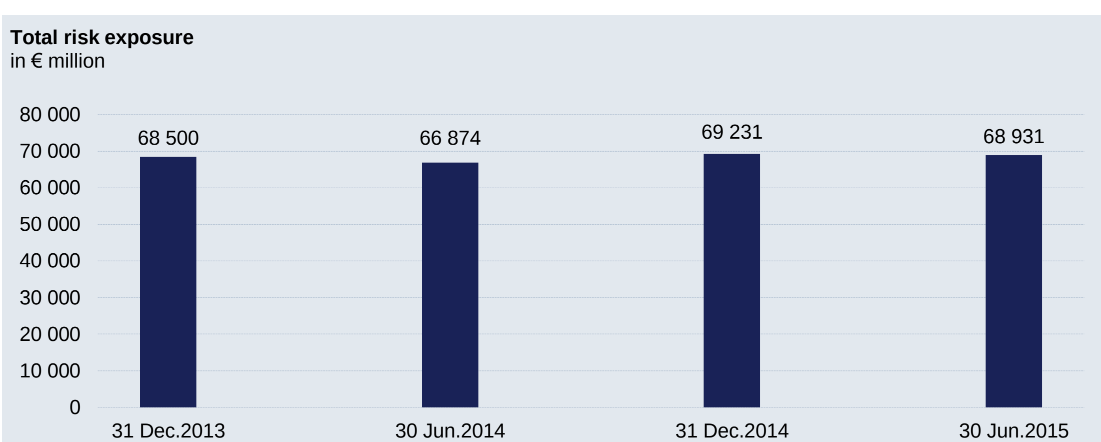
The main reason for the € 70 million reduction in **provisions** to € 2,776 million is the reduction in net liabilities from defined benefit pension plans. This is due mainly to the raising of the calculation interest rate.

Other liabilities have reduced compared to the previous year by € 993 million. This change is primarily due to the valuation-related reduction in the adjustment item for financial instruments hedged in the fair value hedge portfolio compared to the previous year. Other liabilities include liabilities held for sale in the amount of € 2 million.

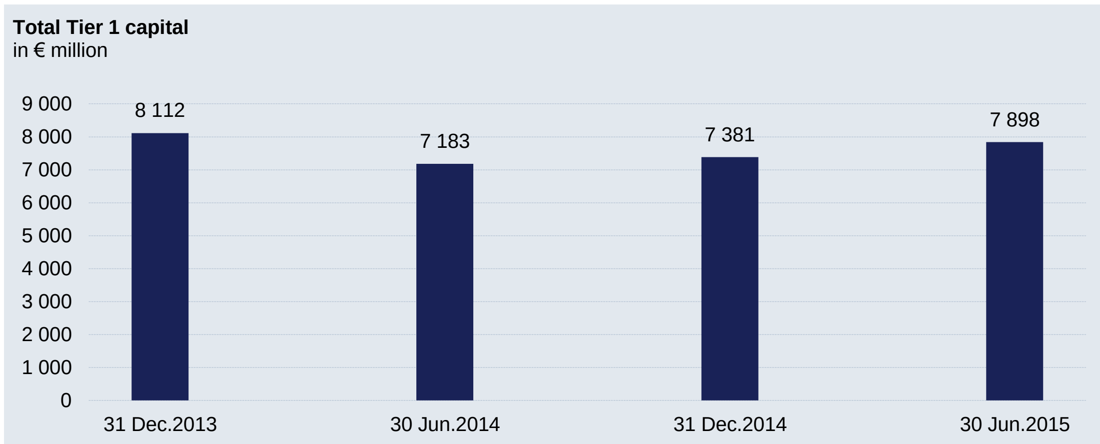
Due to maturities and exchange rate effects in capital funded in USD, **subordinated capital** has reduced by € 33 million to € 4,813 million.

The increase in **reported equity** by € 395 million to € 8,297 million is primarily due to the consolidated profit and the revaluation of net liabilities from defined benefit pension plans. In addition, a bearer bond for € 50 million issued by Bremer Landesbank is reported under other equity components as this is to be classified as equity according to the International Financial Reporting Standards (IFRS).

The total risk exposure has changed as follows:



Total Tier 1 capital has changed as follows:



The regulatory capital above was calculated as at the reporting date in accordance with the EU Capital Requirements Regulation (CRR) applicable from 1 January 2014. The reference figures as at 31 December 2013 are still essentially based on the regulations of the German Banking Act that were applicable to the end of 2013, but have been adjusted based on the CRR regulations.

Overall Assessment

In the first half of 2015 the business performance is considered to be on the whole satisfactory.

Supplementary Report

No events that are of relevance for the period under review from 1 January to 30 June 2015 have taken place after the reporting date of 30 June 2015.

Forecast, Risk and Opportunities Report

Forecast, Risk and Opportunities Report

General Economic Development

Global Economic Outlook

The US economy is starting to experience dynamic growth. Following a more robust second quarter, NORD/LB is also expecting relatively pleasing growth rates in the second half of the year. In this environment the Federal Reserve should be in a position to raise the base rate in September. The Chinese economy remains on course for further respectable growth, due in part to significant support measures in its fiscal and monetary policy. For the eurozone a moderate economic recovery is expected. Business confidence is good in the euro member states. However, there is still a wide growth gap between the individual countries in the eurozone.

Economic Forecast for Germany and the Eurozone

Sentiment indicators in Germany and the eurozone are high. Economic expectations had suffered for a period due to the possibility of Greece defaulting on its debt and its possible exit from the eurozone ("Grexit"). Following the agreement of a compromise, optimism has now gained the upper hand. For example, the Ifo Business Climate Index improved in July after having fallen for two months in a row. The index probably benefited from attention turning to the real economy after the commencement of negotiations concerning a further bailout package for Greece. Economic conditions remain very favourable in Germany. Domestic demand should remain the main driver for real GDP growth. This is suggested by the healthy state of the German job market and low interest rates. Private consumption should continue to benefit from the continuing growth in employment and steady rise in nominal wages. In addition to private consumption, investment activity should also pick up. On the whole the German economy is in the midst of a strong recovery. NORD/LB is expecting economic output to increase by almost 2 per cent in 2015.

The economic recovery is also continuing in the eurozone in 2015. The main reasons for this development remain the historically low price of oil, the devaluation of the euro (trade-weighted) and the extremely expansive monetary policy of the ECB for some time to come. NORD/LB is expecting real GDP growth of around 1.5 per cent in the current year, providing the Greek debt crisis does not escalate again. Although negotiations concerning a further bailout package have commenced, currently political support, particularly in Greece itself, is not very strong. Domestic demand, and here in particular private consumption, should provide impetus for growth in 2015. Although investment activity appears to be improving slightly, only a gradual recovery can be expected here. The growth gap is expected to remain wide. The very high level of unemployment in large parts of the eurozone is also acting as a brake on even more dynamic growth.

Financial Market Development and Interest Rate Forecast

In view of the sustained improvement in the job market, it is expected that the Federal Reserve will want to slowly normalise its monetary policy when the QE3 programme has been completed. A rise in the base rate is therefore on the agenda of its decision makers. With the strong revival in the US economy, the central bankers in Washington should now have scope to adjust the Fed Funds Target Rate, whereby great caution will need to be exercised.

The ECB's monetary policy will remain very expansive. Neither price trends nor the overall economic situation in the eurozone will require a departure in the short term from the path that has been taken. The Federal Reserve will therefore stick for the time being to its € 60 billion per month purchase programme for public and private assets launched in March 2015 . In the bond market the purchase programme had resulted in a significant fall in yields, before a significant reversal in the trend took place. A sharp fall back to the level recorded in mid-April is not expected, although increased volatility is expected to be a feature of developments in the coming months. NORD/LB is of the view that the purchases by the ECB limit the yield potential of German government bonds. However, the continued economic recovery suggests there will be a moderate increase in yields. Even after the agreement between Greece and its creditors and with a third bailout package on the horizon, the Greek debt crisis will remain, at least in the short term, a factor of uncertainty.

The devaluation of the euro should end with a shift in US monetary policy. Accordingly, NORD/LB is expecting a countermovement in the medium term. The interest-rate difference should be priced in for the interim and the impending improvement in the general economic situation in the eurozone suggest there will again be a stronger euro. In the next twelve months it should approach 1.17 USD/EUR. The developments in the foreign currency market are a major driver for the progress of the EUR/USD basis swap spreads. The calculations with NORD/LB's econometric forecast models indicate that the spreads should, with a somewhat stronger euro against the US dollar in the medium term, fluctuate around -30 basis points in the short term segment and around -25 basis points in the ten-year segment.

Banking Market Development

The continuing, albeit reducing credit risks in the European banking market will require further capital measures or financial adjustments in order to achieve a sustainably stronger banking market. The regulatory requirements will continue to increase. These will include in particular the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), the requirements for holding receivables that are available to be bailed in and other related capital ratios (including Total Loss Absorbing Capacity (TLAC)). Increased capital requirements may result from the future supervisory review and evaluation process as well as from the cross-guarantee system (SREP). The ECB is also intent on performing its financial supervision role vigorously and strictly. The European banks will have to continue to review their business models thoroughly in 2015 and show high cost discipline.

Shipping

In its July update the International Monetary Fund (IMF) slightly adjusted its forecast for global economic growth in 2015 from 3.5 per cent to 3.3 per cent. However, the outlook for 2016 remained unchanged with an increase of 3.8 per cent. The conditions for shipping have therefore not improved. The sustained low level of oil prices and associated low fuel costs remain a compensating factor though. This is particularly the case for the container sector, which continues to suffer from the intense level of competition and low freight rates. The entry into service of the large container ships ordered in recent years together with a struggle between the shipping line alliances for market share are putting a strain on the sector. Special factors such as the completion delays on the US west coast have now disappeared. Since mid-June the number of laid-up ships has increased slightly and charter rates in some segments dropped. The end of the peak season, the slowdown in economic growth in China and the completion of the new expanded locks of the Panama Canal in 2016 should be reflected in the rates towards the end of the year.

In the bulk goods market the focus will also be China's economic development. Among the countermeasures for the latest distortions in the Chinese stock market was a new economic growth package. A continuation of the scrapping programme for Chinese ships, which ends in 2015, would be another option to support the bulker market and remove tonnage from the market. The recent trend reversal in the Baltic Dry Index is though no cause for euphoria in the bulk goods sector. This applies in particular for China's iron ore imports from Brazil, for which a new scenario is emerging. Due to China progressively opening its ports for mega-bulkers (so-called Valemaxe ships), the competitive situation for standard iron ore transporters (Capesize), which have a major influence on the index, will intensify further.

Sentiment in the crude oil tanker segments on the other hand remains positive. Until the next OPEC meeting in December, production volumes of the member states should remain high. The end of the Iran embargo may result in a further increase in the supply of oil, which will have an impact on oil prices and the tanker sector. However, it should also be borne in mind that Iran has a fleet of around 50 tankers which are primarily in the biggest subsegment, the Very Large Crude Carrier (VLCC) segment. Hereby, they should not have a major impact on the tanker sector in the current year.

In offshore business the rate of investment has already slowed. Production growth for 2015 is currently 2.6 per cent (oil) and 3.9 per cent (gas).

The recent orders for new cruise ships are evidence that the positive growth trend in this niche will continue. Statements made by cruise companies concerning first bookings for the new season in 2016 also indicate this.

Aircraft

The IATA is expecting for 2015 growth of 6.7 per cent for global passenger transport (RPK), which is well above the average growth for the last 20 years of 5.5 per cent. The IATA is forecasting the demand for airfreight volume (FTK) to increase by 5.5 per cent. As in previous years, significant geographical differences are expected.

The IATA is expecting the net profit for global airlines to increase to USD 29.3 billion in 2015. This equates to a net margin of approx. 4.0 per cent (2014: 2.2 per cent).

Real Estate

We expect global real estate investment to continue to grow at a good level in the second half of the year. We also expect operation volume to increase by almost 10 per cent.

In the European real estate markets we expect the situation to improve further by the end of 2015. Core properties in cities such as London and Paris remain the focus of attention, although speculative investments with high initial rates of return are on the rise.

In Germany we are expecting lower vacancy rates and an increase in newbuild activity. Major sums will be invested in the A cities Frankfurt, Munich and Berlin.

Extended Risk Report

Risk-Bearing Capacity

The utilisation rate for risk capital in the going-concern scenario is 43 per cent as at 30 June 2015 and therefore below the utilisation rate as at 31 December 2014. The reason for this is a marked increase in risk capital while the risk potential increased only slightly.

Regarding the external requirements, the risk-bearing capacity is given up to an utilisation rate of 100 per cent. In line with the NORD/LB Group's internal requirements, in the context of the risk-bearing capacity model a capital buffer of 20 per cent is consciously kept. Risk is therefore controlled, taking into account the internal maximum utilisation rate of 80 per cent for the going concern. As at the current reporting date the utilisation rate is well below the internal maximum.

In addition to the going-concern approach, in the internal calculation of risk-bearing capacity the gone-concern and regulatory scenarios are also considered. The utilisation of risk capital in the going-concern scenario can be found in the NORD/LB Group's quarterly report on its risk-bearing capacity calculation.

Risk-bearing capacity (in € million)	30 Jun. 2015		31 Dec. 2014	
Risk capital	**3 544**	**100%**	**2 915**	**100%**
Credit risk	933	26%	981	34%
Investment risk	124	4%	62	2%
Market-price risk	355	10%	306	10%
Liquidity risk	148	4%	159	5%
Operational risk	89	3%	94	3%
Other	– 142	– 4%	– 196	– 7%
Total risk potential	**1 508**	**–**	**1 404**	**–**
Risk capital utilisation	**–**	**43%**	**–**	**48%**

The requirements of the Group risk strategy concerning the utilisation of risk capital at the level of the material risk types are also met as at 30 June 2015. Of the material risk types (credit, investment, market-price, liquidity and operational risks), credit risks again account for the largest share of the total risk potential.

Credit Risk

The maximum default risk amount for on-balance-sheet and off-balance-sheet financial instruments fell in the first six months of 2015. This is due in particular to loans and advances to banks and customers and financial assets at fair value through profit or loss and financial assets.

Risk-bearing financial instruments (in € million)	Maximum default risk 30 Jun. 2015	Maximum default risk 31 Dec. 2014[1)]
Loans and advances to banks	22 678	23 563
Loans and advances to customers	104 728	105 510
Adjustment item for financial instruments hedged in the fair value hedge portfolio	63	114
Financial assets at fair value through profit or loss	15 958	16 306
Positive fair values from hedge accounting derivatives	2 902	3 483
Financial assets	41 361	45 120
Sub-total	**187 690**	**194 096**
Liabilities from guarantees, other indemnity agreements and irrevocable credit commitments	13 460	14 726
Total	**201 150**	**208 822**

1) The previous year's figures were corrected.

The total exposure used for internal control fell slightly from € 211 billion to € 210 billion. The previous year's figures were adjusted due to the merger of NORD/LB Luxembourg and NORD/LB CFB with NORD/LB Luxembourg S.A. Covered Bond Bank.

The quality of the NORD/LB Group's credit portfolio remained unchanged in the first months of 2015. The share of non-performing loans on the reporting date is 4.3 per cent (4.2 per cent).

The Rating Structure table shows the breakdown of the total exposure in the NORD/LB Group by rating class and product type. The share of items in the rating category "Very good to good" remains at a high level at 77 per cent (76 per cent) as at 30 June 2015. This is explained in particular by the significance of business conducted with financing institutions and public authorities and is at the same time a reflection of the risk policy of NORD/LB Group.

Rating structure [1)2)] (in € million)	Loans[3)] 30 Jun. 2015	Securities[4)] 30 Jun. 2015	Derivates[5)] 30 Jun. 2015	Other[6)] 30 Jun. 2015	Total exposure 30 Jun. 2015	Total exposure[7)] 31 Dec. 2014
very good to good	99 752	39 061	8 621	13 965	161 400	160 880
good / satisfactory	12 156	1 310	362	1 194	15 023	15 372
reasonable / satisfactory	7 885	584	143	786	9 399	9 916
increased risk	7 396	710	250	544	8 901	8 641
high risk	2 938	3	37	122	3 101	3 288
very high risk	3 519	3	86	32	3 640	4 099
default (= NPL)	8 630	235	16	64	8 946	8 778
Total	**142 278**	**41 908**	**9 515**	**16 709**	**210 410**	**210 975**

1) The allocation is made based on the IFD rating classes.
2) Differences in totals are rounding differences.
3) Includes utilised and committed loans, sureties, guarantees and other non-derivative off-balance-sheet assets, whereby, as in the internal reports, the irrevocable commitments are included at 41.3 per cent (43 per cent) and revocable commitments at 41.3 per cent (38 per cent). The conversion factors are validated annually.
4) Includes the securities holdings of third-party issues (only banking book).
5) Includes derivative financial instruments such as finance swaps, options, futures, forward rate agreements and currency transactions.
6) Includes other products such as pass-through and administered loans.
7) The previous year's figures were adjusted.

The breakdown of total exposure by industry shows that business conducted with financing institutions and with public authorities accounts for 54 per cent (56 per cent) and still constitutes a significant share of the total exposure.

Industries [1)2)] (in € million)	Loans[3)] 30 Jun. 2015	Securities[4)] 30 Jun. 2015	Derivatives[5)] 30 Jun. 2015	Other[6)] 30 Jun. 2015	Total exposure 30 Jun. 2015	Total exposure[7)] 31 Dec. 2014
Financing institutes / insurance companies	37 771	22 231	4 381	8 169	72 552	72 976
Service industries / other	57 815	17 817	2 391	1 712	79 735	81 951
– Of which: Land, housing	18 692	–	487	353	19 532	20 139
– Of which: Public administration	23 079	17 445	1 396	183	42 104	44 293
Transport / communications	25 200	459	603	263	26 525	26 100
– Of which: Shipping	18 346	–	131	90	18 567	17 691
– Of which: Aviation	3 783	–	18	–	3 801	4 017
Manufacturing industry	5 440	529	811	243	7 024	6 600
Energy, water and mining	9 585	771	843	4 839	16 038	14 927
Trade, maintenance and repairs	3 918	70	352	241	4 581	4 494
Agriculture, forestry and fishing	785	–	5	1 167	1 956	1 912
Construction	1 764	30	129	76	1 999	2 014
Total	**142 278**	**41 908**	**9 515**	**16 709**	**210 410**	**210 975**

1) The figures are reported, as in the internal reports, by economic criteria.
2) To 7) please see the preceding Rating Structure table.

The breakdown of the entire credit exposure by region shows that the eurozone accounts for a high share of 83 per cent (84 per cent) of total exposure and remains by far the most important business region of the NORD/LB Group. Germany's share is 69 per cent (68 per cent).

Regions [1)2)] (in € million)	Loans[3)] 30 Jun. 2015	Securities[4)] 30 Jun. 2015	Derivatives[5)] 30 Jun. 2015	Other[6)] 30 Jun. 2015	Total exposure 30 Jun. 2015	Total exposure[7)] 31 Dec. 2014
Euro countries	117 658	34 283	5 932	16 644	174 517	176 660
– Of which: Germany	101 263	23 827	3 870	16 113	145 073	143 757
Other Europe	9 401	2 918	2 168	28	14 514	13 915
North America	6 422	2 839	932	11	10 205	9 512
Middle and South America	2 804	782	24	–	3 610	3 121
Middle East / Africa	1 160	–	9	16	1 185	1 112
Asia / Australia	4 832	1 086	450	9	6 378	6 654
Total	**142 278**	**41 908**	**9 515**	**16 709**	**210 410**	**210 975**

1) The figures are reported, as in the internal reports, by the country in which the borrower is legally domiciled.
2) To 7) please see the preceding Rating Structure table

The exposure in Greece, Ireland, Italy, Portugal and Spain, and in particular to financing institutes and insurance companies, was reduced further in the period under review and is now € 7.8 billion (€ 8.8 billion). Their share in the total exposure is 4 per cent (4 per cent). The share of receivables owed by the respective countries, regional governments and municipalities is € 2.2 billion (€ 2.5 billion) and still 1 per cent of the total exposure.

Exposure in selected European countries [1)2)] (in € million)	Greece 30 Jun. 2015	Ireland 30 Jun. 2015	Italy 30 Jun. 2015	Portugal 30 Jun. 2015	Spain 30 Jun. 2015	Total 30 Jun. 2015
Sovereign exposure	–	227	1 488	268	202	2 185
– Of which: CDS	–	209	–	197	–	406
Financing institutes / insurance companies	–	442	230	105	1 372	2 150
Corporates / other	70	2 647	269	103	336	3 426
Total	**70**	**3 316**	**1 988**	**476**	**1 910**	**7 761**

1) The figures are reported, as in the internal reports, by the country in which the borrower is legally domiciled.
2) Differences in totals are rounding differences.

Exposure in selected European countries [1)2)3)]	Greece 30 Jun. 2014	Ireland 30 Jun. 2014	Italy 30 Jun. 2014	Portugal 30 Jun. 2014	Spain 30 Jun. 2014	Total 30 Jun. 2014
Sovereign exposure	–	217	1 660	342	252	2 471
– Of which: CDS	–	198	–	196	–	394
Financing institutes / insurance companies	–	473	537	113	1 548	2 672
Corporates / other	251	2 658	218	130	391	3 649
Total	**251**	**3 348**	**2 416**	**585**	**2 191**	**8 791**

1) The figures are reported, as in the internal reports, by the country in which the borrower is legally domiciled.
2) Differences in totals are rounding differences.
3) Previous year's figures adjusted.

NORD/LB Group has an exposure of € 1,3 billion in Cyprus in the Corporates category. This primarily concerns ship exposures whose economic risk lies outside of Cyprus. NORD/LB Group does not have any sovereign exposure or exposure to financing institutes and insurance companies in Cyprus.

In Hungary, NORD/LB Group has an exposure of € 176 million (€ 139 million sovereign exposure, € 37 million corporates / others), and in Russia it has an exposure of € 248 million (€ 168 million financing institutions and insurance companies, € 80 million corporates / others). The exposure in Egypt, Argentina and Ukraine is of minor significance.

NORD/LB is also closely monitoring and analysing developments in the countries mentioned. However, the Group does not consider it necessary to make any further provisions at this stage. Further details can be found in the Notes to the Interim Report in Note (32) Disclosures relating to selected European Countries.

Sovereign Exposure in selected European countries by maturity [1)2)] (in € million)	Ireland 30 Jun. 2015	Italy 30 Jun. 2015	Portugal 30 Jun. 2015	Spain 30 Jun. 2015	**Total** 30 Jun. 2015
up to 1 year	–	70	25	32	**127**
more than 1 up to 5 years	227	368	242	139	**977**
more than 5 years	–	1 050	–	32	**1 081**
Total	**227**	**1 488**	**268**	**202**	**2 185**

1) The figures are allocated by residual term of the contract and, as in the internal reporting, by the country in which the borrower is legally domiciled.
2) Differences in totals are rounding differences.

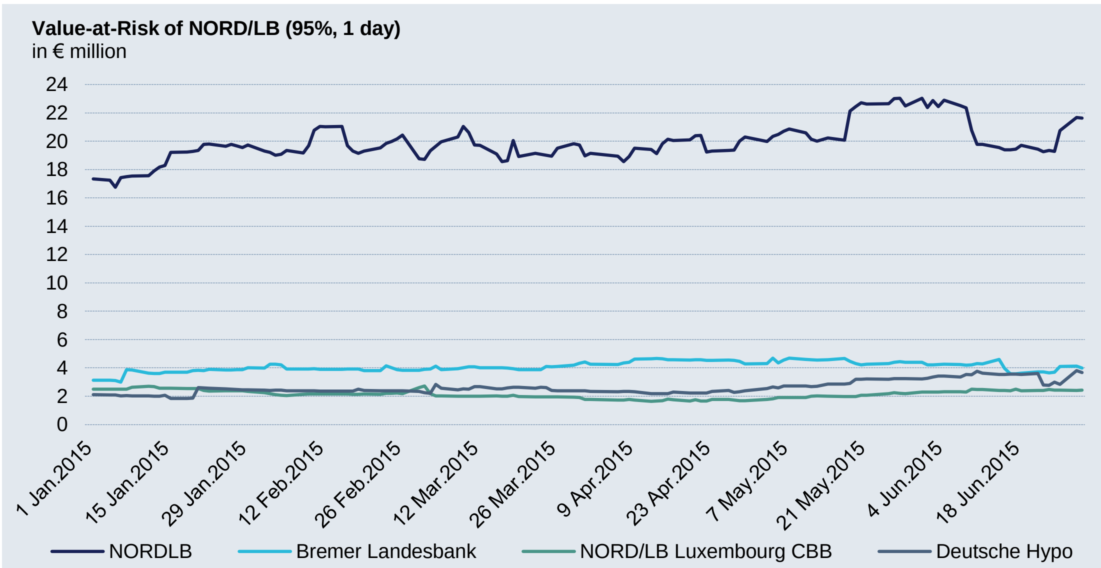
In addition to direct exposure, the reported exposure also comprises indirect exposure (primarily credit default swaps). The calculation is based on utilisation (in the case of guarantees the nominal value and in the case of securities the carrying amount according to German Commercial Code (Handelsgesetzbuch (HGB)) 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, while collateral received by NORD/LB Group is ignored.

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

Market-price Risk

As at 30 June 2015 the Value-at-Risk (VaR) for NORD/LB Group has risen to € 16 million (€ 12 million). The final figures are reported taking into account correlation effects. The historical simulation method was used throughout the Group. The VaR calculated on the basis of regulatory parameters (confidence level of 99 per cent and holding period of ten days) amounted to € 104 million in the NORD/LB Group on 30 June 2015 (€ 63 million).

The market-price risks are calculated at the level of the significant Group companies from a risk point of view taking into account in each case the local accounting regulations, i.e. for the Group companies reporting in accordance with the German Commercial Code (Handelsgesetzbuch, HGB), the credit-spread risks of the trading portfolio and the liquidity reserve are included in the going-concern scenario. In the gone-concern scenario, credit-spread risks are still included regardless of the accounting method.



Between early January and late June, the daily total Value-at-Risk (VaR) calculated for the significant Group companies from a risk point of view (confidence level of 95 per cent, holding period of one day) fluctuated between € 24 million and € 33 million, with an average Value-at-Risk of € 29 million. The portfolios of NORD/LB clearly dominate the risk position in the period under review. The correlation effects within interest-rate risk that have a risk-reducing effect at Group level do not occur at individual institute level. In the table below the previous year's figures are reported taking into account NORD/LB Luxembourg and NORD/LB CFB as individual institutes.

Market-price risks[1)]	Maximum		Average		Maximum		End-of year risk	
	1 Jan.– 30 Jun. 2015	31 Jan.– 31 Dec. 2014	1 Jan. – 30 Jun. 2015	31 Jan.– 31 Dec. 2014	1 Jan. – 30 Jun. 2015	31 Jan.– 31 Dec. 2014	1 Jan.– 30 Jun. 2015	31 Jan. – 31 Dec. 2014
Interest-rate risk (VaR 95 %, 1 day)	34 716	30 572	29 862	25 537	24 022	19 809	14 097	12 000
Currency risk (VaR 95 %, 1 day)	2 552	1 654	1 733	899	1 177	523	1 468	932
Share-price and fund-price risk (VaR 95 %, 1 day)	2 794	2 030	2 055	1 583	1 346	933	1 838	1 276
Volatility risk (VaR 95 %, 1 day)	2 297	1 235	1 436	665	385	342	1 393	666
Other add-ons	73	115	36	48	–	–	35	35
Total	**32 968**	**31 394**	**28 766**	**26 238**	**24 436**	**20 005**	**15 963**	**12 084**

1) Maximum, average and minimum are calculated based on the VaR totals of the significant subsidiaries from a risk point of view; The final figures are calculated on a consolidated basis.

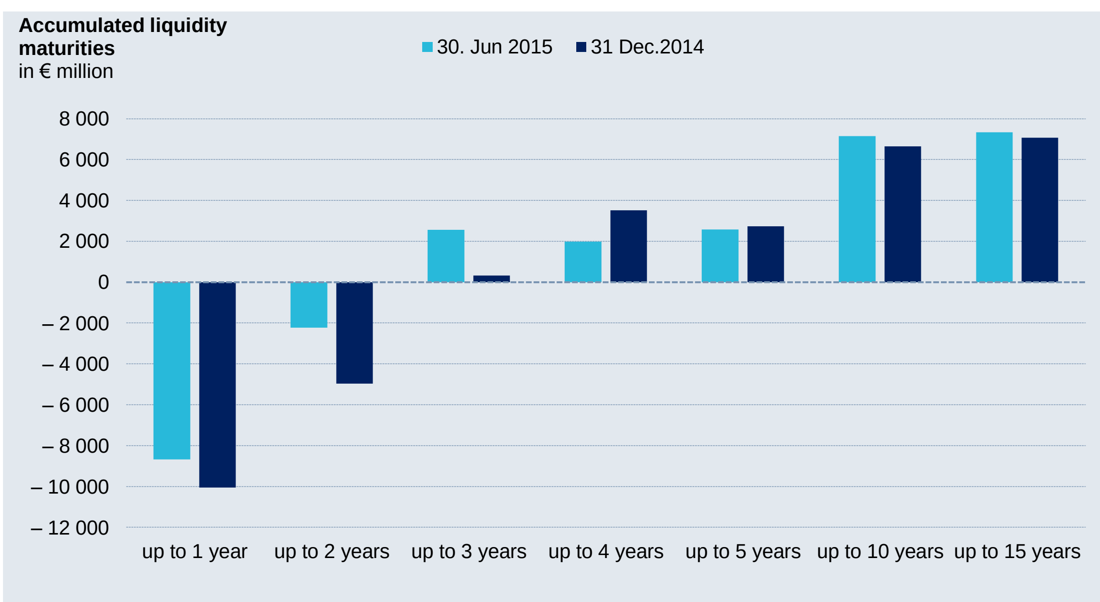
The validation of the VaR model shows an increase in the number of backtesting exceptions in NORD/LB's banking book in the period under review. The increase in backtesting exceptions is due to the increased volatility in the European interest markets in the second quarter of 2015. The remaining exceptions result primarily from fundamental risks, i.e. differences in the scope of movements in the various swap curves within the same currency leading to higher daily fluctuations in the cash value in the Treasury Division. Until the planned inclusion of these risks in the VaR model, a reserve item will be considered in the RBC model.

Liquidity Risk

The liquidity situation in the markets stabilised in the period under review due to the measures taken by the European Central Bank. However, the current global trouble spots, in particular in Ukraine and in the Middle East, and the high national debts of some EU countries continue to present risks.

As at 30 June the cumulative liquidity maturity balance sheet shows improvements in liquidity gaps in maturity ranges up to three years compared to the previous quarter, all are within the liquidity risk limits derived from the risk-bearing capacity model. NORD/LB Group had sufficient liquidity at all times during the first half of 2015. The liquidity risk limits were complied with at NORD/LB Group level as at 30 June 2015; this applies for all currencies together and the principal individual currencies.

NORD/LB Group also operates in markets with the highest possible level of liquidity and maintains a portfolio of high-quality securities. As at the reporting date, significant companies from a risk point of view hold securities in the amount of € 49 billion (€ 52 billion), 83 per cent (85 per cent) of which are suitable for repo transactions with the European Central Bank or the US Federal Reserve.



In the period under review the liquidity ratio in accordance with the German Liquidity Regulation (LiqV) was always well above the minimum of 1.00 required by regulatory provisions. The dynamic stress tests used for internal control showed a good liquidity situation for NORD/LB Group as at the reporting date. The liquidity buffers for one week and one month in accordance with the Minimum Requirements for Risk Management, MaRisk (Mindestanforderungen an das Risikomanagement), are also complied with.

Liquidity ratio in accordance with the LiqV[1]	30 Jun. 2015	31 Dec. 2014
NORD/LB	1.66	1.33
Bremer Landesbank	2.30	1.74
Deutsche Hypo	1.52	1.58

[1] NORD/LB CBB does not have to report these figures on account of legal requirements.

Operational Risk

The setup of an integrated OpRisk management was continued in the period under review. There are no significant legal risks as at the reporting date that would put the existence of the bank at risk.

Overall Assessment

NORD/LB Group has made a successful start to 2015. However, the first half-year cannot be projected forward for the whole year as the economic environment will remain challenging in view of the continuing phase of low interest rates, the exchange rate developments and the situation in the shipping markets. It is forecasted that risk provisioning due to the crisis in the shipping sector will remain comparatively high, however it is also expected that this will be partly compensated by an improvement in the risk situation in other business segments of the bank. NORD/LB Group expects that it will again be able to improve on the previous year's earnings in 2015 and achieve the Group's target for earnings before taxes. The ratios will improve accordingly. Earnings after taxes are well above both the previous year's figure and the target due to a special tax effect.

Stable income based on the proven customer-oriented business model with very diversified sources of income, which is expected to be slightly below the previous year but above target, will contribute to this. This assessment is due on the one hand to the positive impact of the market divisions and profits in the management of interest-rate risk. This expectation is, due to developments in the capital markets, the result of better central valuation than forecasted in the plan for currency derivatives as well as the profit/loss from hedge accounting. The profit/loss from investments accounted for using the equity method is below target due to the write-down of an investment.

NORD/LB Group is forecasting that risk provisioning/valuation will be higher than in the plan for 2015. Risk provisioning will once again be primarily influenced by the shipping portfolio, however the NORD/LB Group is expecting a moderate reduction compared to 2014. The forecast for profit/loss from financial assets in 2015 is better than in the plan.

Administrative expenses are moderately above budget. The reason for this is a probable increase in material costs due to an increase in expenses for regulatory requirements and an increase in contributions to the protection system of the Savings Bank Financial Group (Sparkassen-Finanzgruppe). However, the budget for reorganisation expenses in the current forecast will be only partly required.

In the current forecast the total risk exposure is slightly below the level planned due in particular to a further planned securitisation transaction. The planning of NORD/LB's total risk-weighted exposure (total risk exposure) and regulatory capital for 2015 considers all requirements derived from EU Regulation No. 575/2013 on prudential requirements for credit institutions and investment firms (CRR) including relevant requirements for regulatory capital adequacy derived from transitional arrangements. In NORD/LB Group's plan, these legal regulations and other existing regulatory requirements concerning the required level of regulatory capital are met in full and continually.

Besides risks from the continuing phase of low interest rates for income and from the crisis in the shipping sector for risk provisioning, NORD/LB Group faces strong competition from other banks for certain customer groups, with the resulting pressure and margins and new business. However, this is an opportunity to extend the position of the bank in competition with other banks and as a provider of alternative investments. For example, there are opportunities for new business and increased margins due to the withdrawal of competitors and due to the good reputation of the bank. There are also risks to the earnings position with the possible worsening of the euro debt crisis, geopolitical tensions and exchange rate developments. It is expected that any improvement in the situation of these would have a positive effect on earnings. NORD/LB Group believes that it will continue on a cautious path of upward development.

Interim Consolidated Financial Statements as at 30 June 2015

Income Statement

	Notes	1 Jan. – 30 Jun. 2015 (in € million)	1 Jan. – 30 Jun. 2014 (in € million)	Change (in %)
Interest income		4 277	4545	– 6
Interest expenses		3 277	3 550	– 8
Net Interest income	**5**	**1 000**	**995**	**1**
Loan loss provisions	6	210	224	– 6
Commission income		160	147	9
Commission expenses		49	63	– 22
Net commission income	**7**	**111**	**84**	**32**
Trading profit / loss		– 134	381	> 100
Profit / loss from the fair value option		139	– 311	> 100
Profit / loss from financial instruments at fair value through profit or loss	**8**	**5**	**70**	**– 93**
Profit / loss from hedge accounting	9	90	35	> 100
Profit/loss from financial assets	10	26	50	– 48
Profit/loss from investments accounted for using the equity method		– 59	– 8	> 100
Administrative expenses	11	562	557	1
Other operating profit/loss	12	– 80	– 84	– 5
Earnings before reorganisation and taxes		**321**	**361**	**– 11**
Reorganisation expenses	13	– 7	– 12	– 42
Expenses for public guarantees related to reorganisation	14	–	1	– 100
Earnings before taxes		**314**	**348**	**– 10**
Income taxes	15	24	105	– 77
Consolidated profit		**290**	**243**	**19**
of which: attributable to the owners of NORD/LB		287	279	
of which: attributable to non-controlling interests		3	– 36	

Income Statement - Summary by Quarter

	2015		2014	
(in € million)	2nd Quarter	1st Quarter	2nd Quarter	1st Quarter[1]
Interest income	2 108	2 169	2 270	2 275
Interest expenses	1 609	1 668	1 767	1 783
Net Interest income	**499**	**501**	**503**	**492**
Loan loss provisions	106	104	124	100
Commission income	81	79	77	70
Commission expenses	25	24	33	30
Net commission income	**56**	**55**	**44**	**40**
Trading profit / loss	– 519	385	213	168
Profit / loss from the fair value option	441	– 302	– 135	– 176
Profit / loss from financial instruments at fair value through profit or loss	**– 78**	**83**	**78**	**– 8**
Profit / loss from hedge accounting	31	59	22	13
Profit/loss from financial assets	24	2	15	35
Profit/loss from investments accounted for using the equity method	– 59	–	– 4	– 4
Administrative expenses	278	284	266	291
Other operating profit/loss	– 3	– 77	– 60	– 24
Earnings before reorganisation and taxes	**86**	**235**	**208**	**153**
Reorganisation expenses	– 1	– 6	– 2	– 10
Expenses for public guarantees related to reorganisation	–	–	– 9	10
Earnings before taxes	**85**	**229**	**215**	**133**
Income taxes	– 49	73	64	41
Consolidated profit	**134**	**156**	**151**	**92**
of which: attributable to the owners of NORD/LB	128	159	166	113
of which: attributable to non-controlling interests	6	– 3	– 15	– 21

[1] For some items the previous year's figures have been adjusted; see the Interim Consolidated Financial Statements as at 31 March 2015.

Statement of Comprehensive Income

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

	1 Jan. – 30 Jun. 2015 (in € million)	1 Jan. – 30 Jun. 2014 (in € million)	Change (in %)
Consolidated profit	**290**	**243**	**19**
Other comprehensive income which is not recycled in the income statement in subsequent periods			
Revaluation of the net liability from defined benefit pension plans	159	– 358	> 100
Investments accounted for using the equity method – Share of other operating profit / loss	– 5	– 11	– 55
Deferred taxes	– 50	113	> 100
	104	**– 256**	**> 100**
Other comprehensive income which is recycled in the income statement in subsequent periods on certain conditions			
Increase / decrease from available for sale (AfS) financial instruments			
Unrealised profit / losses	1	364	– 100
Transfer due to realisation profit / loss	29	7	> 100
Translation differences of foreign business units			
Unrealised profit / losses	25	11	> 100
Investments accounted for using the equity method – Share of other operating profit / loss	36	28	29
Deferred taxes	– 5	– 118	– 96
	86	**292**	**– 71**
Other profit / loss	**190**	**36**	**> 100**
Comprehensive income for the period	**480**	**279**	**72**
of which: attributable to the owners of NORD/LB	464	295	
of which: attributable to non-controlling interests	16	– 16	

Statement of Comprehensive Income - Summary by Quarter

	2015		2014	
(in € million)	2nd quarter	1st quarter	2nd quarter	1st quarter[1]
Consolidated profit	**134**	**156**	**151**	**92**
Other comprehensive income which is not recycled in the income statement in subsequent periods				
Revaluation of the net liability from defined benefit pension plans	511	– 352	– 156	– 202
Investments accounted for using the equity method – Share of other operating profit / loss	5	– 10	– 6	– 5
Deferred taxes	– 162	112	49	64
	354	**– 250**	**– 113**	**– 143**
Other comprehensive income which is recycled in the income statement in subsequent periods on certain conditions				
Increase / decrease from available for sale (AfS) financial instruments				
Unrealised profit / losses	– 143	144	133	231
Transfer due to realisation profit / loss	11	18	5	2
Translation differences of foreign business units				
Unrealised profit / losses	– 14	39	9	2
Investments accounted for using the equity method – Share of other operating profit / loss	22	14	13	15
Deferred taxes	45	– 50	– 42	– 76
	– 79	**165**	**118**	**174**
Other profit / loss	**275**	**– 85**	**5**	**31**
Comprehensive income for the period	**409**	**71**	**156**	**123**
of which: attributable to the owners of NORD/LB	370	94	150	145
of which: attributable to non-controlling interests	39	– 23	6	– 22

[1] For some items the previous year's figures have been adjusted; see the Interim Consolidated Financial Statements as at 31 March 2015.

Balance Sheet

Assets	Notes	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Cash reserve		655	1 064	– 38
Loans and advances to banks	16	22 681	23 565	– 4
Loans and advances to customers	17	107 512	108 255	– 1
Risk provisioning	18	– 2 787	– 2 747	1
Balancing items for financial instruments hedged in the fair value hedge portfolio		63	114	– 45
Financial assets at fair value through profit or loss	19	15 958	16 306	– 2
Positive fair values from hedge accounting derivatives		2 902	3 483	– 17
Financial assets	20	41 361	45 120	– 8
Investments accounted for using the equity method		241	318	– 24
Property and equipment	21	566	568	–
Investment property		79	80	– 1
Intangible assets	22	139	139	–
Assets held for sale	23	66	56	18
Current income tax assets		58	57	2
Deferred income taxes		716	784	– 9
Other assets		592	445	33
Total assets		**190 802**	**197 607**	**– 3**

Liabilites	Notes	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Liabilities to banks	24	54 820	58 986	– 7
Liabilities to customers	25	58 489	57 996	1
Securitised liabilities	26	39 701	40 714	– 2
Balancing items for financial instruments		681	1 176	– 42
Financial liabilities at fair value through profit or loss	27	17 410	18 169	– 4
Negative fair values from hedge accounting derivatives		3 267	3 926	– 17
Provisions	28	2 776	2 846	– 2
Liabilities held for sale		2	6	– 67
Current income tax liabilities		113	73	55
Deferred income taxes		50	100	– 50
Other liabilities		383	867	– 56
Subordinated capital	29	4 813	4 846	– 1
Equity				
Issued capital		1 607	1 607	–
Capital reserves		3 332	3 332	–
Retained earnings		2 240	1 957	14
Revaluation reserve		467	420	11
Currency translation reserve		– 10	– 10	–
Equity capital attributable to the owners of NORD/LB		**7 636**	**7 306**	**5**
Additional equity[1)]		50	–	–
Equity capital attributable to non-controlling interests		611	596	3
		8 297	**7 902**	**5**
Total liabilities and equity		**190 802**	**197 607**	**– 3**

1) Further information on “Additional capital” can be found in the Condensed Statement of Changes in Equity.

Condensed Statement of Changes in Equity

(in € million)	Issued capital	Capital reserve	Retained earnings	Revaluation reserve	Currency translation reserve	Equity attributable to the owners of NORD/LB	Additional equity components	Equity attributable to non-controlling interests	Consolidated equity
Equity as at 1 Jan. 2015	**1 607**	**3 332**	**1 957**	**420**	**– 10**	**7 306**	**–**	**596**	**7 902**
Comprehensive income for the period	–	–	417	47	–	464	–	16	480
Transactions with the owners	–	–	– 131	–	–	– 131	–	– 1	– 132
Distributions	–	–	– 131	–	–	– 131	–	–	– 131
Capital decreases	–	–	–	–	–	–	–	– 1	– 1
Changes in the basis of consolidation	–	–	– 3	–	–	– 3	–	–	– 3
Consolidation effects and other changes in capital	–	–	–	–	–	–	50	–	50
Equity as at 30 Jun. 2015	**1 607**	**3 332**	**2 240**	467	**– 10**	**7 636**	**50**	**611**	**8 297**

[1] Includes bearer bonds classified as equity under IFRS.

(in € million)	Issued capital	Capital reserve	Retained earnings	Revaluation reserve	Currency translation reserve	Equity attributable to the owners of NORD/LB	Additional equity components	Equity attributable to non-controlling interests	Consolidated equity
Equity as at 1 Jan. 2014	**1 607**	**3 332**	**2 052**	**122**	**– 6**	**7 107**	–	**1 062**	**8 169**
Adjusted comprehensive income for the period	–	–	87	208	–	295	–	– 16	279
Transactions with the owners	–	–	– 1	–	–	– 1	–	– 1	– 2
Distributions	–	–	– 1	–	–	– 1	–	– 1	– 2
Adjusted Equity as at 30 Jun. 2014	**1 607**	**3 332**	**2 138**	**330**	**– 6**	**7 401**	–	**1 045**	**8 446**

The consolidation effects and other changes in capital are presented separately in the Notes to the Condensed Statement of Changes in Equity.

Condensed Cash Flow Statement

	1 Jan. – 30 Jun. 2015 (in € million)	1 Jan. – 30 Jun. 2014 (in € million)	Change (in %)
Cash and cash equivalents as at 1 January	**1 064**	**1 311**	**– 19**
Cash flow from operating activities	– 534	– 31	> 100
Cash flow from investment activities	334	– 132	> 100
Cash flow from financing activities[1)]	– 226	– 242	– 7
Total cash flow	**– 426**	**– 405**	**5**
Effects of changes in exchange rates	17	–	–
Cash and cash equivalents as at 30 June	655	**906**	**– 28**

[1)] The cashflow from financing activities includes a capital payment from June 30, 2015 in the amount of € million 50 out of the emission of an AT1 bearer bond from the Bremer Landesbank.

We refer to information contained in the risk report concerning the management of liquidity risk within NORD/LB Group.

Selected Notes

General Disclosures

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

The interim consolidated financial statements of Norddeutsche Landesbank Girozentrale, Hanover, Braunschweig, Magdeburg (NORD/LB) as at 30. June 2015 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 (IFRSs) of the International Accounting Standards Board (IASB). The interim financial statements meet the requirements of IAS 34 for condensed interim financial reporting. National regulations contained in the German Commercial Code (HGB) under § 315a HGB were also observed insofar as these regulations are to be applied as at the reporting date for the interim financial statements. The interim consolidated financial statements are to be read in conjunction with information contained in the certified, published consolidated financial statements of NORD/LB as at 31 December 2014.

NORD/LB as a group in terms of commercial law is referred to in the following as NORD/LB Group. The interim consolidated financial statements as at 30 June 2015 comprise the income statement, the statement of comprehensive income, the balance sheet, the condensed statement of changes in equity, the condensed cash flow statement and selected notes. The segment reporting is shown 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 is indicated. The previous year's figures are shown afterwards in brackets.

These interim consolidated financial statements were signed by the Managing Board on 18 August 2015 and approved for publication.

(2) Accounting Policies

The accounting policies for the interim financial statements are based on those of the consolidated financial statements as at 31 December 2014 unless specified otherwise.

In the period under review consideration has been given to the following standards and amendments to the standards which were first applied as at 1 January 2015 for the NORD/LB Group:

IFRIC 21 – Levies

In May 2013 the IASB issued IFRIC 21 as an interpretation of IAS 37 concerning levies. A liability for levies needs to be recognised when the obligating event that triggers the payment of the levy occurs. The occurrence of the event has to be defined by the wording of the respective legislation. According to the amendment to the Restructuring Fund Regulation (Restrukturierungsfondsverordnung) that took effect on 1 January 2015, the annual contribution for the EU's Single Resolution Fund has to be paid at the start of each and every year. From 2015 the provision for the expected annual contribution will therefore be recognised in full at the start of the year, while formerly the provisions for the German bank levy were allocated on a pro-rata basis. See Note (12) Other operating profit/loss for the details. In the same way as for the bank levy, and in accordance with the provisions of the Deposit Guarantee Act (Einlagensicherungsgesetz), the provision for the contribution for the EU deposit guarantee scheme is no longer to be made on a pro-rata basis, but the provision for the full amount is to be made at the start of the accounting period and reported in the administrative expenses.

Improvements to IFRS (2011 - 2013 Cycle) Within the Scope of the IASB's Annual Improvements Process

As part of the annual improvement process, amendments to four standards IFRS 1, IFRS 3, IFRS

13 and IAS 40 were made. With the change in the wording, the individual IFRSs should be clarified.

The annual improvements to IFRS do not have a significant impact on NORD/LB's consolidated interim financial statements.

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

(3) Basis of Consolidation

In addition to NORD/LB as the parent company, the interim consolidated financial statements include 47 (31 December 2014: 50) subsidiaries 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 a controlling influence in another manner. In addition, 1 (31 December 2014: 1) joint venture and 11 (31 December 2014: 12) associated companies are accounted for using the equity method.

Compared to 31 December 2014 the basis of consolidation has changed as follows:

On 31 May 2015, with retrospective effect of 1 January 2015, the fully-consolidated NORD/LB COVERED FINANCE BANK S.A., Luxemburg-Findel, was merged with the fully-consolidated Norddeutsche Landesbank Luxembourg S.A., Luxemburg-Findel and renamed NORD/LB Luxembourg S.A. Covered Bond Bank, Luxemburg-Findel. The renamed company is fully consolidated.

On 30 June 2015 the previously fully-consolidated BLB Grundbesitz KG, Bremen, merged with Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale- , Bremen.

Following the sale of the shares in the joint venture LHI Leasing GmbH, Pullach im Isartal, that was previously accounted for using the equity method, is with effect of 30 June 2015 no longer included in the consolidated financial statements.

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

Information on the subsidiaries, joint ventures and associated companies included in the consolidated financial statements can be found in Note (37) Basis of consolidation.

Segment Reporting

The segment reporting provides information on the operational 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 in the IFRSs 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.

Segment Reporting by Business Segment

The business 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 business segments is the greatest possible homogeneity of the customers aggregated in the segment in relation to financing and investment requirements and the products demanded. It is not possible to recognise dependencies on individual customers. The product ranges offered in the segments are described below and the earnings generated are shown in the overview. The product range offered comprises classical lending business and syndicate business, savings and giro products, securities, currency and derivative transactions, complex structured financing solutions, private banking products, liquidity and risk management, 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. Therefore interest income and interest expenses are not reported gross. The income from financing from tied-up equity is allocated to the market segments.

In the Bank every interest-bearing customer transaction is allocated to the balancing provision of the Treasury Division as the central planning division. There are no direct business relations between the market divisions in the Bank. Therefore inter-segment income is not included in the internal reporting.

Segment expenses comprise primary expenses, expenses allocated on the basis of cost and service allocations and allocated overhead costs. Risk provisionings are allocated to segments on the basis of actual costs incurred. Overall bank revenue, such as general loan loss provisions and profit/loss from hedge accounting and overhead costs, is not allocated to the operational business segments 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 the total risk exposure to be allocated on the basis of CRR / CRD IV including risk weighted assets shortfall, segment assets and liabilities, committed capital, the cost-income ratio (CIR) and return on equity (RoE). The CIR is defined as the ratio between administrative expenses and the sum total of the following income items: net interest income, net commission income, profit/loss from financial instruments at fair value through profit or loss, profit/loss from hedge accounting, profit/loss from investments accounted for using the equity method and other operating profit/loss.

RoRaC (Return on Risk-adjusted Capital) calculations in the segments include the contribution to income after risk provisioning and valuation on committed capital (here 9 per cent of the higher value of the limits and the amount called on to cover the total risk exposure).

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 business 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 balance sheet is shown separately at the end of the segment overview.

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

Since 1 January 2015 the Corporate Customers & Markets and Ship and Aircraft Customers segments have been reported separately in internal and external reporting. This step will optimise capital market communication and further improve transparency. The previous year's figures were adjusted accordingly. A small portion of the earnings has been allocated to Financial Markets activities under Group Controlling/Others.

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. Up until 30 September 2014 the current results of Öffentliche Lebensversicherung Braunschweig and Öffentliche Sachversicherung Braunschweig are also recognised here. Following the deconsolidation of ÖVB, its profit/loss accounted for using the equity method is reported in the Private and Commercial Customers segment.

The product range for the segment Private and Commercial Customers is based on the savings bank finance concept (S-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.

Corporate Customers

This segment includes all of the NORD/LB business conducted with corporate customers in the core regions (excluding the Altes Braunschweiger Land region) and other selected locations in Germany, and in particular Agricultural Banking and Residential Housing.

As a full-service provider, banking products and banking services are offered. The services include traditional transaction management, tailored business financing, management of interest and currency risk and solutions for company pension schemes. In the segment comprehensive solutions are developed for complex business financing and for the strategic positioning of corporate customers. Professional liquidity and risk management, the structuring of equity and innovative financing instruments supplement the product range.

Markets

The Markets segment covers the Financial Markets activities performed in Germany, the foreign branches and in the Group companies on behalf of customers. The Savings Bank Network division covers transactions with the public sector; institutional business with associated savings banks and syndicated business transacted with associated savings banks are reported.

Alternative products which are detached from retail banking including derivatives are offered, e.g. special kinds of debt securities which are not

standardised in respect of their interest and repayment, but instead offer alternatives in respect of returns and the type or time of repayment (structured securities). 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.
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 (real estate, aircraft), products for individual asset management or inheritance or foundation management, 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.

In the **Energy and Infrastructure Customers, Ship Customers, 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 business segment summarises the global business relations of the Group companies NORD/LB and Bremer Landesbank in the Infrastructure, Energy (in particular renewable energy) and Leasing divisions. 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 Customers

In this business segment the national and international activities of NORD/LB and Bremer Landesbank in ship financing are reported. The customers of the Ship Customers segment are offered short to long-term financing, such as equity prefinancing, interim finance, construction period finance (short and medium term) and financing to completion (long term). Ships 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.

Aircraft Customers

In this business segment the national and international activities of NORD/LB and Bremer Landesbank in aircraft financing are reported. In Aircraft Finance, the focus is on the object-based financing of passenger aircraft produced by well-known manufacturers. The target customers are airlines and leasing companies who are offered tailored financing solutions in addition to the NORD/LB Group’s high expertise with core productions. The segment also finances covered export business.

Real Estate Banking Customers

Here NORD/LB’s and Deutsche Hypo's national and international financing of commercial real estate and Bremer Landesbank's financing of community interest properties are aggregated. 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. In particular office and retail properties, multi-storey residential properties, hotels, logistics properties and nursing homes are financed.

Group Controlling / Others

This business segment covers all other performance data directly related to the business activity such as Group companies not included in the segments, components of comprehensive income at Group level which are not allocated to the segments, general loan loss provisions, the profit/loss from other financial instruments (in particular from central valuation effects), financial assets and hedge accounting, projects covering the entire bank; consolidation items; profit/loss from interest rate change risk control, balancing provision, liquidity management and self-induced assets (in particular Treasury and Bank Asset Allocation). Other operating profit/loss includes the bank levy.

Earnings after taxes in Group Controlling/Others totalled € -41 million in the second quarter.

Positive contributions were made by net interest income in the amount of € 127 million, and in particular from the Bank Controlling activities recorded here. The profit/loss from financial instruments at fair value is negative in the amount of € -2 million due in particular to the central valuation effects reported here; key variables are valuation results from the counterparty-specific default risk with derivatives and US-$ / € base spread changes for currency derivatives and valuation results due to fair value option.
Net commission income had a negative effect in the amount of € -26 million, due in particular to guarantees relating to securitisation transactions and consolidations. Also recognised in this segment under risk provisioning are new allocations, primarily for general loan loss provisions for the ship portfolio in the amount of approx. € 28 million.
The profit/loss from hedge accounting had a positive effect in the amount of approx. € 90 million. Also reported in this segment are the effects from the profit/loss from financial assets of € 30 million, due in particular to impairments of assets classi fied as AfS. The profit/loss from investments accounted for using the equity method created a negative effect of € -61 million.

Administrative expenses in this business segment total € 158 million. Administrative expenses result in the amount of € 49 million from the Bank Controlling activities reported here and € 24 million from other Group companies. Further administrative expenses (€ 37 million) in this segment are for projects, IT modernisation and non-allocated service centre costs (€ 91 million). This was offset in part by consolidations in the amount of € - 44 million.

In addition, in the second quarter of 2015 reorganisation expenses in the amount of € 7 million were incurred.

Reconciliations

Here the reconciliation items from internal accounting for the consolidated figures in the income statement are shown as well as reclassifications of profit and loss items that are reported differently in the internal reporting to in the external reporting. The shortfall in the regulatory capital requirement is converted into total risk exposure amount within internal reporting and assigned to the operational units; the adjustment item resulting from the regulatory risk-weighted assets report flows into the reconciliation.

(4) Segment Reporting by Business Segment

30 Jun. 2015 (in € million)	Private and Commercial Customers	Corporate Customers	Markets	Energy and Infrastructure Customers	Ship Customers	Aircraft Customers	Real Estate Banking Customers	Group Management/ Others	Reconciliations	NORD/LB Group
Net interest income before loan loss provisions	105	165	101	97	217	56	118	127	13	1 000
Loan loss provisions	7	– 1	–	15	221	– 1	6	– 28	– 8	210
Net interest income after loan loss provisions	**99**	**166**	**102**	**82**	**– 4**	**57**	**112**	**155**	**21**	**789**
Net commission income	33	29	36	32	18	9	1	– 26	– 22	111
Profit / loss from financial instruments at fair value through profit or loss	–	10	33	6	2	2	1	– 2	– 46	6
Profit / loss from hedge accounting	–	–	–	–	–	–	–	90	–	90
Profit/loss from financial assets	–	–	–	–	–	–	–	30	– 4	26
Profit / loss from investments accounted for using the equity method	2	–	–	–	–	–	–	– 61	1	– 59
Administrative expenses	99	74	71	48	58	12	33	158	10	562
Other operating profit/loss	– 6	–	2	2	–	– 1	–	– 61	– 17	– 80
Profit / loss before reorganisation and taxes	**30**	**131**	**101**	**74**	**– 41**	**55**	**82**	**– 34**	**– 77**	**321**
Reorganisation expenses	–	–	–	–	–	–	–	– 7	–	– 7
Expenses for public guarantees related to reorganisation	–	–	–	–	–	–	–	–	–	–
Earnings before taxes (EBT)	**30**	**131**	**101**	**74**	**– 41**	**55**	**82**	**– 41**	**– 77**	**314**
Taxes	–	–	–	–	–	–	–	–	24	24
Consolidated profit	**30**	**131**	**101**	**74**	**– 41**	**55**	**82**	**– 41**	**– 101**	**290**
Segment assets	7 524	20 560	41 213	16 329	21 132	8 798	15 261	59 036	949	190 802
of which: from investments accounted for using the equity method	45	–	–	–	–	–	–	196	–	241
Segment liabilities	7 400	8 645	43 843	3 653	4 911	830	577	119 104	1 840	190 802
Total risk exposure amount	4 451	12 702	5 058	8 276	38 928	5 205	7 530	8 339	– 21 558	68 931
Capital employed[1]	401	1 143	447	745	3 504	468	678	1 297	– 1 432	7 249
CIR	72.9%	36.4%	41.5%	35.0%	24.3%	18.0%	26.9%	0.0%	0.0%	52.7%
RoRaC / RoE[2]	14.1%	20.8%	44.5%	19.1%	-2.4%	23.7%	18.3%	0.0%	0.0%	8.7%

30 Jun. 2014 (in € million)	Private and Commercial Customers	Corporate Customers	Markets	Energy and Infrastructure Customers	Ship Customers	Aircraft Customers	Real Estate Banking Customers	Group Management/ Others	Reconciliations	NORD/LB Group
Net interest income before loan loss provisions	151	151	113	84	181	45	121	127	21	995
Loan loss provisions	–	– 1	–	– 7	288	–	34	– 88	– 2	224
Net interest income after loan loss provisions	**152**	**153**	**113**	**91**	**– 107**	**45**	**87**	**215**	**24**	**771**
Net commission income	17	28	22	29	12	8	5	– 23	– 13	84
Profit / loss from financial instruments at fair value through profit or loss	2	– 2	– 1	– 2	1	–	5	27	40	71
Profit / loss from hedge accounting	–	–	–	–	–	–	–	36	– 1	35
Profit/loss from financial assets	10	–	–	–	–	–	–	40	–	50
Profit / loss from investments accounted for using the equity method	–	–	–	–	–	–	–	– 8	–	– 8
Administrative expenses	162	68	73	42	52	11	35	112	3	557
Other operating profit/loss	– 30	1	3	1	–	–	–	– 47	– 11	– 84
Profit / loss before reorganisation and taxes	**– 11**	**111**	**64**	**77**	**– 147**	**43**	**62**	**128**	**35**	**362**
Reorganisation expenses	–	–	–	–	–	–	–	– 12	–	– 12
Expenses for public guarantees related to reorganisation	–	–	–	–	–	–	–	– 1	–	– 1
Earnings before taxes (EBT)	**– 11**	**111**	**64**	**77**	**– 147**	**43**	**62**	**114**	**35**	**348**
Taxes	–	–	–	–	–	–	–	–	105	105
Consolidated profit	**– 11**	**111**	**64**	**77**	**– 147**	**43**	**62**	**114**	**– 70**	**243**
Segment assets	7 729	20 460	42 309	15 535	20 116	8 122	16 487	65 740	1 107	197 607
of which: from investments accounted for using the equity method	45	–	–	–	–	–	–	273	–	318
Segment liabilities	7 270	6 216	45 699	3 152	4 548	677	667	125 799	3 579	197 607
Total risk exposure amount	4 805	11 685	5 344	7 110	36 267	4 534	10 142	13 619	– 26 632	66 874
Capital employed[1]	385	937	409	569	2 901	364	797	1 039	228	7 630
CIR	115.6%	38.2%	52.9%	37.4%	26.9%	20.2%	26.6%	0.0%	0.0%	51.0%
RoRaC / RoE[2]	-4.7%	21.7%	27.9%	23.5%	-10.1%	20.9%	13.2%	0.0%	0.0%	9.1%

(in € million)	30 Jun. 2015	30 Jun. 2014
Sustainable relating to german local GAAP equity	7 249	7 630
Revaluation reserve	467	330
Consolidated profit	580	487
Financial equity	**8 297**	**8 446**

[1] Transfer of long-term equity under german local GAAP to reported equity capital
[2] RoRaC at business level:
(Earnings before taxes*2) / committed Tier 1 capital
(9 per cent (previous year: 8 per cent) of the higher value of the RWA limit and the amount called on)
RoE at company level:
(Earnings before taxes*2) / long-term equity under german local GAAP (= reported equity capital - revaluation reserve - earnings after taxes)
[3] The previous year's figures have been adjusted due to a new segment structure.

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

Notes to the Income Statement

(5) Net Interest Income

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

	1 Jan. – 30 Jun. 2015 (in € million)	1 Jan. – 30 Jun. 2014 (in € million)	Change (in %)
Interest income			
Interest income from lending and money market transactions	1 877	1 950	– 4
Interest income from debt securities and other fixed-interest securities	343	433	– 21
Interest income from financial instruments at fair value			
Interest income from trading profit / loss and hedge accounting derivatives	1 674	1 848	– 9
Interest income from fair value option	27	23	17
Current income			
from shares and other non fixed-interest securities	2	13	– 85
from investments	12	10	20
Interest income from other amortisations	341	267	28
Other interest income and similar income	1	1	–
	4 277	**4 545**	**– 6**
Interest expenses			
Interest expenses from lending and money market transactions	848	993	– 15
Interest expenses from securitised liabilities	307	410	– 25
Interest expenses from financial instruments at fair value			
Interest expenses from trading profit / loss and hedge accounting derivatives	1 540	1 655	– 7
Interest expenses from fair value option	121	140	– 14
Interest expenses from subordinated capital	124	114	9
Interest expenses from other amortisations	309	194	59
Interest expenses from provisions and liabilities	27	37	– 27
Other interest expenses and similar expenses	1	7	– 86
	3 277	**3 550**	**– 8**
Total	**1 000**	**995**	**1**

(6) Loan Loss Provisions

	1 Jan. – 30 Jun. 2015 (in € million)	1 Jan. – 30 Jun. 2014 (in € million)	Change (in %)
Income from provisions for lending business			
Reversal of specific valuation allowance	343	460	– 25
Reversal of lumpsum specific loan loss provisions	2	4	– 50
Reversal of general loan loss provisions	95	76	25
Reversal of provisions for lending business	27	43	– 37
Additions to receivables written off	22	14	57
	489	**597**	**– 18**
Expenses for provisions for lending business			
Allocation to specific valuation allowance	581	762	– 24
Allocation to lumpsum specific loan loss provisions	2	2	–
Allocation to general loan loss provisions	86	18	> 100
Allocation to provisions for lending business	8	30	– 73
Direct write-offs of bad debts	21	8	> 100
Premium payments for credit insurance	1	1	–
	699	**821**	**– 15**
Total	**210**	**224**	**– 6**

(7) Net Commission Income

	1 Jan. – 30 Jun. 2015 (in € million)	1 Jan. – 30 Jun. 2014 (in € million)	Change (in %)
Commission income			
Commission income from banking transactions	153	135	13
Commission income from non-banking transactions	7	12	– 42
	160	**147**	**9**
Commission expense			
Commission expense from banking transactions	49	45	9
Commission expense from non-banking transactions	–	18	– 100
	49	**63**	**– 22**
Total	**111**	**84**	**32**

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

	1 Jan. – 30 Jun. 2015 (in € million)	1 Jan. – 30 Jun. 2014 (in € million)	Change (in %)
Trading profit / loss			
Profit / loss from debt securities and other fixed-interest securities	– 57	83	> 100
Profit / loss from shares and other non fixed-interest securities	4	–	–
Profit / loss from derivatives	38	211	– 82
Interest-rate risks	– 150	176	> 100
Currency risks	152	– 13	> 100
Share-price and other price risks	29	8	> 100
Credit derivatives	7	40	– 83
Profit / loss from receivables held for trading	– 79	89	> 100
	– 94	**383**	**> 100**
Foreign exchange result	– 41	– 5	> 100
Other income	1	3	– 67
	– 134	**381**	**> 100**
Profit / loss from the fair value option			
Profit / loss from receivables to customers and banks	– 6	9	> 100
Profit / loss from debt securities and other fixed-interest securities	– 19	53	> 100
Profit / loss from liabilities to banks and customers	191	– 323	> 100
Profit / loss from securitised liabilities	– 28	– 50	– 44
Profit / loss from other activities	1	–	–
	139	**– 311**	**> 100**
Total	**5**	**70**	**– 93**

(9) 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 hedging instruments in effecttive fair value hedge relationships.

	1 Jan. – 30 Jun. 2015 (in € million)	1 Jan. – 30 Jun. 2014 (in € million)	Change (in %)
Profit / loss from micro fair value hedges			
from hedged underlying transactions	127	236	– 46
from derivatives employed as hedging instruments	– 99	– 245	– 60
	28	**– 9**	**> 100**
Profit / loss from portfolio fair value hedges			
from hedged underlying transactions	170	– 245	> 100
from derivatives employed as hedging instruments	– 108	289	> 100
	62	**44**	**41**
Total	**90**	**35**	**> 100**

(10) 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 Jun. 2015 (in € million)	1 Jan. – 30 Jun. 2014 (in € million)	Change (in %)
Profit / loss from financial assets classified as LaR	**– 4**	**1**	**> 100**
Profit / loss from financial assets classified as AfS (excluding investments)			
Profit/ loss from the disposal of			
Debt securities and other fixed-interest securities	64	48	33
Shares and other non fixed-interest securities	18	1	> 100
Other financial assets classified as AfS	– 7	–	–
Profit / loss from allowances for losses on			
Debt securities and other fixed-interest securities	– 18	1	> 100
Shares and other non fixed-interest securities	– 3	– 3	–
Other financial assets classified as AfS	– 23	2	> 100
	31	**49**	**– 37**
Profit / loss from shares in companies (not consolidated)	**– 1**	**–**	**–**
Total	**26**	**50**	**– 48**

(11) Administrative Expenses

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

	1 Jan. – 30 Jun. 2015 (in € million)	1 Jan. – 30 Jun. 2014 (in € million)	Change (in %)
Staff expenses	297	310	– 4
Other administrative expenses	231	210	10
Amortisation and depreciation	34	37	– 8
Total	**562**	**557**	**1**

(12) Other Operating Profit/Loss

	1 Jan. – 30 Jun. 2015 (in € million)	1 Jan. – 30 Jun. 2014 (in € million)	Change (in %)
Other operating income			
from the reversal of provisions	7	309	-98
from insurance business	–	343	- 100
from other business	105	55	91
	112	**707**	**– 84**
Other operating expenses			
from allocation to provisions	70	515	– 86
from insurance business	–	181	- 100
from other business	122	95	28
	192	**791**	**– 76**
Total	**– 80**	**– 84**	**– 5**

Insurance business results in other operating income of € 0 million (€ 343 million) and other operating expenses of € 0 million (€ 181 million). The changes to the reference period of the previous year are due to the deconsolidation of the insurance companies of Öffentliche Versicherung Braunschweig, Braunschweig, and the associated subsidiaries with effect of 30 September 2014.

Income from other business includes income from the chartering of ships relating to restructuring commitments in lending business (€ 34 million (€ 15 million)), income from the disposal of receivables (€ 27 million (€ 15 million)), income from the redemption of own debt securities (€ 7 million (€ 1 million)) and rental income from investment property (€ 5 million (€ 6 million)).

Expenses from the allocation of provisions primarily concern in the period under review in the amount of € 70 million (€ 17 million) expenses for the expected annual contribution to the EU's Single Resolution Fund. In the previous year they concerned primarily provisions relating to insurance business.

Expenses from other business essentially comprise expenses from the disposal of promissory notes and registered bonds (€ 36 million (€ 36 million)), expenses to generate charter income from ships (€ 20 million (€ 10 million)), expenses from the disposal of receivables

(€ 12 million (€ 5 million)) and expenses from the redemption of own debt securities (€ 5 million (€ 10 million)).

(13) Reorganisation Expenses

Reorganisation expenses relate to measures aimed at securing the long-term future and maintaining the competitiveness of the NORD/LB Group, with its material costs and staff expenses being reported separately due to their importance. The need for reorganisation is related to the efficiency improvement programme launched in 2011 and a capital-boosting programme which is the result of EU requirements. The reorganisation expenses include in the amount of € 7 million (€ 12 million) expenses from the allocation made to reorganisation provisions for contracted agreements already concluded concerning the termination of contracts of employment.

(14) Expenses for Public Guarantees related to Reorganisation

The previous year's figure of € 1 million is attributable to the guarantee fee for a guarantee provided by the states of Lower Saxony and Saxony-Anhalt, which ended in the second quarter of 2014, and associated expenses for services.

(15) Income Taxes

Income taxes in the interim financial statements are calculated based on the anticipated income tax rate for the whole year. The underlying tax rate is based on the legal regulations that are applicable or have been passed as at the reporting date.

Notes to the Balance Sheet

(16) Loans and Advances to Banks

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Loans and advances resulting from money market transactions			
Domestic banks	2 145	1 991	8
Banks abroad	3 144	2 845	11
	5 289	**4 836**	**9**
Other loans and advances			
Domestic banks			
Due on demand	1 017	1 143	– 11
With a fixed term or period of notice	13 036	13 703	– 5
Banks abroad			
Due on demand	2 052	2 117	– 3
With a fixed term or period of notice	1 287	1 766	– 27
	17 392	**18 729**	**– 7**
Total	**22 681**	**23 565**	**– 4**

(17) Loans and Advances to Customers

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Loans and advances resulting from money market transactions			
Domestic customers	1 616	1 287	26
Customers abroad	296	21	> 100
	1 912	**1 308**	**46**
Other loans and advances			
Domestic customers			
Due on demand	3 173	3 131	1
With a fixed term or period of notice	72 309	74 209	– 3
Customers abroad			
Due on demand	856	667	28
With a fixed term or period of notice	29 262	28 940	1
	105 600	**106 947**	**– 1**
Total	**107 512**	**108 255**	**– 1**

(18) Risk Provisioning

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Specific valuation allowance	2 292	2 243	2
Lumpsum specific loan loss provisions	7	7	–
General loan loss provisions	488	497	– 2
Total	**2 787**	**2 747**	**1**

Risk provisioning recognised on the asset side and loan loss provisions developed as follows:

	Specific valuation allowances		Lumpsum specific loan loss provisions		General loan loss provosions		Loan loss provisions		Total	
(in € million)	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
1 January	**2 243**	**1 754**	**7**	**14**	**497**	**478**	**74**	**124**	**2 821**	**2 370**
Allocations	581	762	2	2	86	18	8	30	677	812
Reversals	343	460	2	4	95	76	27	43	467	583
Utilisation	222	72	–	–	–	–	–	–	222	72
Unwinding	– 38	– 39	–	–	–	–	– 1	–	– 39	– 39
Effects of changes of foreign exchange rates and other changes	71	28	–	–	–	– 15	1	– 7	72	6
30 June	**2 292**	**1 973**	**7**	**12**	**488**	**405**	**55**	**104**	**2 842**	**2 494**

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

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Trading assets			
Debt securities and other fixed-interest securities	2 961	2 951	–
Shares and other non fixed-interest securities	59	55	7
Positive fair values from derivatives	8 068	8 898	– 9
Trading portfolio claims	2 907	2 451	19
	13 995	**14 355**	**– 3**
Financial assets as at fair value through profit or loss			
Loans and advances to banks and customers	202	257	– 21
Debt securities and other fixed-interest securities	1 761	1 694	4
	1 963	**1 951**	**1**
Total	**15 958**	**16 306**	**– 2**

(20) Financial Assets

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

Holdings in the equity of other companies and silent participations and participatory capital with loss sharing are allocated to the category (AfS).

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Financial assets classified as LaR	4 289	3 181	35
Financial assets classified as AfS			
Debt securities and other fixed-interest securities	36 399	41 312	– 12
Shares and other non fixed-interest securities	172	164	5
Shares in companies (not consolidated)	396	334	19
Other financial assets classified as AfS	105	129	– 19
	37 072	**41 939**	**– 12**
Total	**41 361**	**45 120**	**– 8**

(21) Property and Equipment

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Land and buildings	289	295	– 2
Operating and office equipment	49	53	– 8
Ships	200	198	1
Other property and equipment	28	22	27
Total	**566**	**568**	**–**

(22) Intangible Assets

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Software			
Purchased	25	25	–
Internally developed	30	42	– 29
	55	**67**	**– 18**
Intangible assets under development	70	60	17
Other intangible assets	14	12	17
Total	**139**	**139**	**–**

(23) Assets held for Sale

As at 30 June 2015 the designated assets held for sale in accordance with IFRS 5 with a carrying amount totalling € 66 million (€ 56 million) include property and equipment (ships) in the amount of € 28 million (€ 33 million), financial assets in the amount of € 36 million (€ 22 million) and other assets in the amount of € 2 million (€ 1 million).

The ships are reported at fair value as at 31 December 2014 for the first time within the full consolidation. The restructuring or disposal of the ships is planned to take place in the third quarter.

The financial assets held for sale are interests in an affiliated company that were allocated to the segment Group Controlling / Others and was classified for the first time as held for sale with effect of 28 May 2015. It was previously accounted for using the equity method. The disposal of the shares held in the Group is planned to take place in the third quarter.

The previous year's figure for financial assets of € 22 million includes a joint venture that was accounted for using the equity method and was disposed of in the 2nd quarter.

(24) Liabilities to Banks

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Deposits from other banks			
German banks	1 913	1 407	36
Foreign banks	521	887	– 41
	2 434	**2 294**	**6**
Liabilities resulting from money market transactions			
German banks	15 755	20 012	– 21
Foreign banks	8 846	8 389	5
	24 601	**28 401**	**– 13**
Other liabilities			
German banks			
Due on demand	3 942	3 117	26
With a fixed term or period of notice	20 893	21 491	– 3
Foreign banks			
Due on demand	1 010	1 512	– 33
With a fixed term or period of notice	1 940	2 171	– 11
	27 785	**28 291**	**– 2**
Total	**54 820**	**58 986**	**– 7**

(25) Liabilities to Customers

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Savings deposits			
With an agreed notice period of three months			
Domestic customers	1 365	1 650	– 17
Customers abroad	15	15	–
With an agreed notice period of three months			
Domestic customers	37	78	– 53
Customers abroad	1	1	–
	1 418	**1 744**	**– 19**
Liabilities resulting from money market transactions			
Domestic customers	10 260	10 896	– 6
Customers abroad	2 388	1 940	23
	12 648	**12 836**	**– 1**
Other liabilities			
Domestic customers			
Due on demand	15 913	13 719	16
With a fixed term or period of notice	26 092	27 523	– 5
Customers abroad			
Due on demand	1 088	791	38
With a fixed term or period of notice	1 330	1 383	– 4
	44 423	**43 416**	**2**
Total	**58 489**	**57 996**	**1**

(26) Securitised Liabilities

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Issued debt securities			
Covered bonds	10 655	11 190	– 5
Municipal debentures	11 765	10 106	16
Issued debt securities	15 862	17 376	– 9
	38 282	**38 672**	**– 1**
Money market instruments			
Commercial papers	1 190	1 726	– 31
Certificates of deposit	229	316	– 28
	1 419	**2 042**	**– 31**
Total	**39 701**	**40 714**	**– 2**

[1] The previous year's figures were adjusted by € 1,840 million in accordance with IAS 8.42.

Repurchased debt securities issued by the Bank itself have been directly deducted from securitised liabilities in the amount of € 4,912 million (€ 5,140 million).

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

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Trading liabilities			
Negative fair values from derivatives	8 155	8 996	– 9
Delivery obligations from short-sales	229	122	88
	8 384	**9 118**	**– 8**
Financial liabilities designated at fair value			
Liabilities to banks and customers	6 301	6 429	– 2
Securitised liabilities	2 707	2 598	4
Subordinated capital	18	24	– 25
	9 026	**9 051**	**–**
Total	**17 410**	**18 169**	**– 4**

(28) Provisions

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Provisions for pensions and other obligations	2 346	2 478	– 5
Other provisions	430	368	17
Total	**2 776**	**2 846**	**– 2**

Other provisions include provisions for the contribution to the European bank levy in the amount of € 70 million (€ 0 million). This item also includes provisions for reorganisation measures in the amount of € 6 million (€ 9 million).

(29) Subordinated Capital

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Subordinated liabilities	3 662	3 666	–
Participatory capital	149	188	– 21
Silent participations	1 002	992	1
Total	**4 813**	**4 846**	**– 1**

Notes to the Condensed Statement of Changes in Equity

The € 50 million (€ 0 million) reported under equity and in the condensed statement of changes in equity under the item additional equity components relates to a tranche of Additional Tier 1 bonds newly issued in the NORD/LB Group (hereafter referred to as “AT 1 bonds”). These AT1 bonds issued on the 29 June 2015 establish non-collateralised, subordinated liabilities and do not have a maturity date.

The bonds will have a fixed interest rate of 8.5 per cent in the first five years and a variable interest rate thereafter.

The bank has the right, as it sees fit, not to pay the interest in whole or in part, in particular, but not only, if this is necessary to prevent the Common Equity Tier 1 capital of Bremer Landesbank from falling below the minimum Common Equity Tier 1 capital ratio or to meet a condition imposed by the responsible regulatory authority. Any interest payments that are not paid will not be paid at a later date. The non-payment of interest will not entitle the creditors to terminate the debt securities and will not constitute a default for the Bremer Landesbank.

The debt securities may be terminated by the issuer in whole, though not in part, subject to the prior approval of the responsible regulatory authority, for the first time on the 29 June 2020 and thereafter on any interest payment date and paid back in their repayment amount plus interest accrued up to the repayment date. The debt securities may be terminated under certain circumstances at any time due to regulatory or tax reasons.

The repayment and nominal amount of the bonds may be reduced if a triggering event occurs. Such a triggering event occurs if the Common Equity Tier 1 capital ratio of the issuing Group company (the “Common Equity Tier 1 capital ratio”) falls below 5.125 per cent (the minimum CET1 ratio). The triggering event may occur at any time and the relevant Common Equity Tier 1 capital ratio will be calculated not only in relation to specific reference dates. After a write-down has been effected, the nominal amount and the repayment amount of each debt security can be written up again in each of the financial years following the write-down up to the full amount of the original nominal amount (providing it has not previously been paid back or purchased and cancelled), providing there is an appropriate annual profit and therefore an annual loss is not incurred or increased.

The creditors do not have the right to terminate the debt securities.

According to IAS 32, the AT1 bonds are equity instruments, as these financial instruments do not involve any contractual liabilities to provide another company with liquid funds (or another asset). The AT1 bonds do not have a maturity date and early payment is not possible for the bearer. Furthermore, they are interest-bearing debt securities, the issuing Group company has the right not to pay the interest and not to make up the interest not paid at a later date. The AT1 bonds do not document voting rights or any residual claim to the Group’s net assets. The AT1 bonds are a distinct type of financial instrument that have to be reported separately under equity.

The payments for AT1 bonds are accounted for in accordance with the instrument’s classification as an equity instrument. Distributions to bearers of equity instruments are to be deducted directly from equity and not recognised in the income statement. This will therefore also be the case for the interest payments on the AT1 bonds.

Other Disclosures

(30) Fair Value Hierarchy

Within NORD/LB Group the three-stage fair value hierarchy is used with the Level 1, Level 2 and Level 3 terminology of IFRS 13.

Level 1

Under the fair value hierarchy, a financial instrument is categorised in Level 1 if it is traded on an active market and is used to establish the fair value of publicly listed market prices or prices actually traded on the over-the-counter market (OTC market). If no market prices or prices actually traded on the OTC market are available, in the measurement the feasible prices quoted by dealers are used for measurement purposes, with prices quoted by other banks or market makers being applied when price sources other than stock exchange quoted prices are used. These instruments are then assigned to Level 1 if there is an active market for these broker quotations, i.e. if only minor bid-ask spreads exist and there are several price suppliers with only marginally differing prices.

If the broker quotations are for (mixed) prices or if the price is established on a non-active market, these are not assigned to Level 1, but to Level 2 of the measurement hierarchy, if the quotations concern binding offers, observable prices or market transactions.

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

Level 2

In the event that no price quotes are available, the fair value is calculated by means of recognised measurement methods or models as well as by means of external pricing services, if measurement in this case is carried out either fully or to a significant degree using observable input data such as spread curves (Level 2). For the measuring of financial instruments, these methods include measurement methods which are established on the market (e.g. discounted cash flow method and the Hull-White model for options) whose calculations are always based on input parameters available on an active market. A requirement here is that variables which market participants would have taken into account when specifying prices are included in the measurement process. Wherever possible, respective parameters are taken from markets on which the instruments are issued or acquired.

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

For securities on the assets side for which there is no active market and for which measurement can no longer be based on market prices, fair value is determined for measurement purposes in accordance on the basis of discounted cash flows. For discounted cash flow methods, all payments are discounted by the risk-free interest-rate curve adjusted for the credit spread. Spreads are determined on the basis of comparable financial instruments (for example on consideration of the respective market segment and the issuers credit rating).

The financial instruments in NORD/LB Group to be measured in this manner are ascertained on the basis of individual securities and a subsequent separation into active and inactive markets. Changed market assessments are included in measurement. The identification, analysis and valuation of financial instruments in inactive markets take place in several areas of the Group, whereby the inactivity is assessed as objectively as possible. The measurement model for financial instruments for which no prices listed in active markets can be used is based on term-related interest rates, the credit rating of the respective issuer and where applicable further components such as foreign currency premiums.

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

Level 3

Financial instruments for which there is no longer an active market and for which measurement can no longer be based completely on observable market parameters are allocated to Level 3. In comparison and in differentiation to Level 2 measurement, the Level 3 valuation employs models that are specific to the bank as well as data which is not observable on the market. The input parameters used in these methods include among other things assumptions about cash flows, loss estimates and the discount rate and are gathered as far as possible on a near-market basis.

The Level 3 method is partly used to measure interest-bearing securities and derivatives for which the market has been classified as being inactive. Additionally, loans intended for syndication and associated derivatives are allocated to Level 3. Individual tranches of collateralised debt obligations (CDO) and equity structures are also measured in accordance with Level 3. Level 3 financial instruments include trading assets and liabilities, hedge accounting derivatives, financial assets and liabilities designated at fair value and financial assets recognised at fair value.

Establishing fair values

For derivatives of OTC markets there are generally no listed prices available, the fair values are therefore established using other measurement methods. The fair values are initially measured using cash-flow models without taking into account the credit default risk. For the correct measurement of fair values, both the credit default risk of the counterparty (CVA) and the Bank’s own credit default risk (DVA) need to be considered. The credit default risk is considered by way of an add-on.

Secured OTC derivatives are primarily measured by the NORD/LB Group using the current market standard of overnight index swap discounting (OIS discounting).

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

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

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

(in € million)	30 Jun. 2015 Fair Value	Carrying amount	Difference	31 Dec. 2014 Fair Value	Carrying amount	Difference
Assets						
Cash reserve	655	655	–	1 064	1 064	–
Loans and advances to banks	23 378	22 681	697	24 455	23 565	890
Loans and advances to customers	108 538	107 512	1 026	110 532	108 255	2 277
Risk provisioning	[1]	– 2 787	–	[1]	– 2 747	–
Sub-total of loans and advances to banks / customers (net after loan loss provisions)	**131 916**	**127 406**	**4 510**	**134 987**	**129 073**	**5 914**
Balancing items for financial instruments hedged in the fair value hedge portfolio	[2]	63	–	[2]	114	–
Financial assets at fair value through profit or loss	15 958	15 958	–	16 306	16 306	–
Positive fair values from hedge accounting derivatives	2 902	2 902	–	3 483	3 483	–
Financial assets not reported at fair value	4 078	4 330	– 252	2 968	3 220	– 252
Financial assets reported at fair value	37 031	37 031	–	41 901	41 901	–
Assets held for sale not reported at fair value	75	36	39	–	–	–
Assets held for sale reported at fair value	30	30	–	56	56	–
Other assets not reported at fair value	47	47	–	20	20	–
Other assets reported at fair value	38	38	–	25	25	–
Total	**192 730**	**188 496**	**4 297**	**200 810**	**195 262**	**5 662**
Liabilities						
Liabilities to banks	55 689	54 820	869	60 251	58 986	1 265
Liabilities to customers	61 713	58 489	3 224	61 756	57 996	3 760
Securitised liabilities	40 064	39 701	363	41 691	40 714	977
Balancing items for financial instruments hedged in the fair value hedge portfolio	[2]	681	–	[2]	1 176	–
Financial liabilities at fair value through profit or loss	17 410	17 410	–	18 169	18 169	–
Negative fair values from hedge accounting derivatives	3 267	3 267	–	3 926	3 926	–
Liabilities held for sale not reported at fair value	2	2	–	6	6	–
Other assets not reported at fair value	71	71	–	16	16	–
Other assets not reported at fair value	1	1	–	1	1	–
Subordinated capital	5 279	4 813	466	5 360	4 846	514
Total	**183 494**	**179 253**	**4 922**	**191 170**	**185 830**	**6 516**

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

It was not possible to reliably determine a fair value for € 41 million (€ 39 million) of financial instruments because there is no active market for these financial instruments and furthermore no required estimations within sustainable spreads and appropriate probabilities of occurrence are feasible. These are mainly investments.

It is intended that these financial instruments remain fully retained in the company.

For some of NORD/LB Group's liabilities recognised at fair value the guarantor liability of the state of Lower Saxony, the state of Saxony-Anhalt and the state of Mecklenburg-Western Pomerania apply. The effect of the guarantor liability is considered in the fair value measurement of the liabilities.

The table below shows the distribution of financial assets and liabilities recognised at fair value based on the fair value hierarchy:

(in € million)	Level 1 30 Jun. 2015	Level 1 31 Dec. 2014	Level 2 30 Jun. 2015	Level 2 31 Dec. 2014	Level 3 30 Jun. 2015	Level 3 31 Dec. 2014	Total 30 Jun. 2015	Total 31 Dec. 2014
Assets								
Assets held for trading	1 017	847	12 834	13 311	144	197	13 995	14 355
Debt securities and other fixed-interest securities	958	792	2 003	2 159	–	–	2 961	2 951
Shares and other non fixed-interest securities	59	55	–	–	–	–	59	55
Positive fair values from derivatives	–	–	8 068	8 898	–	–	8 068	8 898
Interest-rate risks	–	–	7 060	8 060	–	–	7 060	8 060
Currency risks	–	–	758	639	–	–	758	639
Share-price and other price risks	–	–	221	181	–	–	221	181
Credit derivatives	–	–	29	18	–	–	29	18
Trading portfolio claims	–	–	2 763	2 254	144	197	2 907	2 451
Financial assets as at fair value through profit or loss	848	935	1 115	1 016	–	–	1 963	1 951
Loans and advances to customers	–	–	202	257	–	–	202	257
Financial assets	848	935	913	759	–	–	1 761	1 694
Debt securities and other fixed-interest securities	848	935	913	759	–	–	1 761	1 694
Positive fair values from hedge accounting derivatives	–	–	2 902	3 483	–	–	2 902	3 483
Positive fair values from employed micro fair value hedge derivatives	–	–	2 122	2 498	–	–	2 122	2 498
Interest-rate risks	–	–	1 999	2 383	–	–	1 999	2 383
Currency risks	–	–	123	115	–	–	123	115
Positive fair values from employed portfolio fair value hedge derivatives	–	–	780	985	–	–	780	985
Interest-rate risks	–	–	780	985	–	–	780	985
Financial assets at fair value	10 169	11 124	26 508	30 412	354	365	37 031	41 901
Debt securities and other fixed-interest securities	9 948	10 918	26 447	30 391	4	5	36 399	41 314
Shares and other non fixed-interest securities	172	162	–	2	–	–	172	164
Shares in companies (not consolidated)	49	44	7	19	299	231	355	294
Other financial assets classified as AfS	–	–	54	–	51	129	105	129
Assets held for sale reported at fair value	–	–	30	56	–	–	30	56
Other financial assets reported at fair value	16	17	22	8	–	–	38	25
Total assets	**12 050**	**12 923**	**43 411**	**48 286**	**498**	**562**	**55 959**	**61 771**

(in € million)	Level 1 30 Jun. 2015	Level 1 31 Dec. 2014	Level 2 30 Jun. 2015	Level 2 31 Dec. 2014	Level 3 30 Jun. 2015	Level 3 31 Dec. 2014	Total 30 Jun. 2015	Total 31 Dec. 2014
Liabilities								
Trading liabilities	37	80	8 345	9 021	2	17	8 384	9 118
Negative fair values from derivatives relating to	4	3	8 149	8 976	2	17	8 155	8 996
interest-rate risks	1	2	6 135	7 129	1	16	6 137	7 147
currency risks	–	–	1 988	1 820	1	1	1 989	1 821
share-price and other price risks	3	1	1	1	–	–	4	2
credit derivatives	–	–	25	26	–	–	25	26
Delivery obligations from short-sales and other trading assets	33	77	196	45	–	–	229	122
Financial liabilities reported at fair value	29	26	8 992	9 016	5	9	9 026	9 051
Liabilities to banks	–	–	504	564	–	–	504	564
Liabilities to customers	–	–	5 797	5 865	–	–	5 797	5 865
Securitised liabilities	29	26	2 673	2 563	5	9	2 707	2 598
Subordinated capital	–	–	18	24	–	–	18	24
Negative fair values from hedge accounting derivatives	–	–	3 267	3 926	–	–	3 267	3 926
Negative fair values from employed micro fair value hedge derivatives	–	–	2 924	3 506	–	–	2 924	3 506
interest-rate risks	–	–	2 521	3 123	–	–	2 521	3 123
currency risks	–	–	403	383	–	–	403	383
Negative fair values from employed portfolio fair value hedge derivatives	–	–	343	420	–	–	343	420
interest-rate risks	–	–	343	420	–	–	343	420
Other financial liabilities reported at fair value	1	1	–	–	–	–	1	1
Total liabilities and equity	**67**	**107**	**20 604**	**21 963**	**7**	**26**	**20 678**	**22 096**

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

The designated assets held for sale at fair value are non-recurrent fair value valuations (see Note (23) Assets held for Sale).

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

1 Jan. – 30 Jun. 2015 (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	33	–	194	–	–	–
Debt securities and other fixed-interest securities	33	–	194	–	–	–
Financial assets as at fair value through profit or loss	188	–	8	–	–	–
Financial assets	188	–	8	–	–	–
Debt securities and other fixed-interest securities	188	–	8	–	–	–
Financial assets at fair value	1 560	–	2 021	–	–	77
Debt securities and other fixed-interest securities	1 560	–	2 021	–	–	–
Other financial assets classified as AfS	–	–	–	–	–	–
Trading liabilities	–	–	2	–	–	77
Delivery obligations from short-sales and other trading assets	–	–	2	–	–	–
Financial liabilities reported at fair value	15	–	22	–	4	–
Securitised liabilities	15	–	22	–	4	–

For asset-side financial instruments, a level assessment takes place on an individual transaction basis in accordance with HFA 47. This specifies how financial instruments are to be classified in the various levels. Accordingly, (mixed) prices calculated by price service agencies on the basis of reported prices are to be allocated to Level 2. Broker quotations have to come from an "active market" in order to be allocated to Level 1. If there are only a few broker quotations or if these involve big bid-ask spreads or price differences, it is assumed that there is no active market. As at the balance sheet date, based on the above, the transfers have been mostly between Level 1 and Level 2 compared to the previous end-of-year reporting date.

When measuring the Bank's own structured issues (DFV), the use of market prices is reviewed as at the reporting date. Following this review, some issues generally move between Level 1 and 2 due to a change in trading activity. Transfers from Level 3 to Level 1 have taken place because a market price be used at the year-end.

There were movements in financial assets classified as AfS from Level 3 to Level 2 as monitorable reference prices and transactions were available for identical financial assets.

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

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

	Trading assets	
	Trading portfolio claims and other trading assets	
(in € million)	2015	2014
1 January	**197**	**16**
Effect on the income statement[1]	– 45	13
Addition from purchase or issuance	54	112
Repayment / exercise	62	–
30 June	**144**	**141**
Profit / losses result from measurement effects, realisation and deferred interest and are shown in the respective items in the income statement[1)]	– 23	13

[1)] The effects reported include valuation gains/losses, realised profit/loss and deferred interest; these are reported in the income statement under the items **(5)** Net interest income and **(8)** Profit/loss from financial instruments at fair value through profit or loss.

	Financial assets at fair value					
	Debt securities and other fixed-interest securities		Shares in companies (not consolidated)		Other financial assets classified as AfS	
(in € million)	2015	2014	2015	2014	2015	2014
1 January	**5**	**57**	**231**	**227**	**129**	**123**
Effect on the income statement[1)]	–	–	–	–	–	2
Effect on the equity capital	–	7	53	2	– 1	– 1
Addition from purchase or issuance	–	2	15	40	–	–
Disposal from sale	1	48	–	–	–	–
Addition from Level 1 and 2	–	8	–	34	–	–
Disposal to Level 1 and 2	–	13	–	–	77	–
30 June	**4**	**13**	**299**	**303**	**51**	**124**
Profit / losses result from measurement effects, realisation and deferred interest and are shown in the respective items in the income statement[1)]	–	–	–	–	– 1	2

[1)] The effects reported include valuation gains/losses, realised profit/loss and deferred interest; these are reported in the income statement under the items **(5)** Net interest income and **(10)** Profit/loss from financial assets.

	Trading liabilities					
	Trading Liabilities Interest-rate risk		Trading liabilities Currency risks		Trading liabilities Credit derivatives	
(in € million)	2015	2014	2015	2014	2015	2014
1 January	**16**	–	**1**	–	–	**4**
Effect on the income statement	–	–	–	–	–	– 1
Addition from purchase or issuance	1	10	–	–	–	–
Disposal from sale	16	–	–	–	–	–
Disposal to Level 1 and 2	–	–	–	–	–	3
30 June	**1**	**10**	**1**	–	–	–

[1] The effects reported include valuation gains/losses, realised profit/loss and deferred interest; these are reported in the income statement under the items **(5)** Net interest income and **(8)** Profit/loss from financial instruments at fair value through profit or loss.

	Designated financial liabilities reported at fair value Securitised liabilities	
(in € million)	2015	2014
1.1.	**9**	**8**
Addition from purchase or issuance	–	1
Disposal to Level 1 and 2	4	–
30.6.	**5**	**9**

[1] The effects reported include valuation gains/losses, realised profit/loss and deferred interest; these are reported in the income statement under the items **(5)** Net interest income and **(8)** Profit/loss from financial instruments at fair value through profit or loss.

For the fair value measurement of the financial instruments in Level 3, the following significant unobservable input data were used.

Product	Fair value 30 Jun. 2015 (in € million)	Significant non-observable input data in the fair value measurement	Spread of the used input data	Weighted average
Loans	145	Rating	Rating Class (25er DSGV-Skala) 5-22	Averaged Rating 12,62
Interest-bearing bonds (assets)	4	Fair Value	–	–
Participations	278	Discount rate	1% risk-free base interest rate	+/-50 Basispoints
	21	Adjusted Beta	+/-50 Basispoints	+/-600 Basispoints
Silent participations	51	Credit Spread	+/-100 Basispoints	+/-100 Basispoints
Derivatives (liabilities)	– 1	historical volatilities	8%	8%
Forward transactions (liabilities)	– 1	Rating	Rating Class (25er DSGV-Skala) 12	Averaged Rating 5
Interest-bearing bond (liabilities)	– 5	historical volatilities	17-34%	24%

Significant unobservable data in the fair value measurement of interest-bearing securities is the fair value, because, due to a lack of market data, counterparty prices are used that qualify as Level 3 input parameters. The sensitivity is approximated via a price amendment of 10 per cent and totals € 0.4 million (€ 0.5 million).

Significant unobservable data in the fair value measurement of silent participations is the discount rate or the adjusted beta. Significant changes in this input parameter result in a significantly higher or lower fair value. As part of the sensitivity analysis, the discount rate was stressed in the measurement by increasing or reducing it by 50 basis points. The adjusted beta was stressed in the measurement by increasing or reducing it by 50 basis points. Accordingly an imputed change in the parameter would result in a change in the fair value of investments in Level 3 of € 19.3 million (€ 5 million).

Significant unobservable data in the fair value measurement of silent participations is the credit spread. Significant changes in this input parameter result in a significantly higher or lower fair value. As part of the sensitivity analysis, the credit spread was stressed in the measurement by increasing or reducing it by 100 basis points. Accordingly an imputed change in the parameter would result in a change in the fair value of all silent participations in Level 3 of € 0.8 million (€ 3.8 million).

A significant unobservable input parameter in the fair value measurement of loans is the internal rating. Significant changes in this input parameter result in a significantly higher or lower fair value. As part of the sensitivity analysis, the rating was moved up and down one class. Accordingly an imputed change in the parameter has resulted in a change in the fair value of the loans in Level 3 of € 1.5 million (€ 1 million).

There are derivatives that have been measured as part of syndicated loans and allocated to Level 3. These are forward transactions. There are also derivatives that have been allocated to Level 3 based on historic volatility.

Significant non-observable input data in the fair value measurement of these derivatives are the rating and historic volatilities. Details concerning the sensitivity of historic volatilities are permissibly not given, as the historic volatilities are not calculated by the company itself, but are based on original market transactions. Significant changes in the ratings result in a significantly higher or lower fair value. As part of the sensitivity analysis, the rating was stressed by being moved up and down a level. Accordingly an imputed change would result in a change in the fair value of the derivatives in Level 3 of € 0 million (€ 0.6 million).

The sensitivity of the loans and derivatives described above also takes into account transactions whose performance based on parameters that cannot be observed in the market do not have any effect on the income statement due to economically inseparable relationships between individual underlying and hedging transactions. These concern loans intended for syndication and associated derivatives, which reflect the fixed forward sale. Changes in the value of loans are partly compensated for by changes in the value of derivatives. This compensation results in a net (income-statement-relevant) sensitivity that is reduced by € 0 million.

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

For the fair value measurement of Level 3 financial instruments, there are no relevant correlations between significant Level 3 input parameters and as a result there is no impact on the fair value.

(31) Derivative Financial Instruments

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

	Nominal values		Fair value positive		Fair value negative	
(in € million)	30 Jun. 2015	31 Dec. 2014	30 Jun. 2015	31 Dec. 2014	30 Jun. 2015	31 Dec. 2014
Interest-rate risk	272 793	259 597	9 839	15 272	9 001	14 422
Currency risk	50 150	54 996	882	753	2 391	2 203
Share-price and other price risks	368	332	221	181	4	2
Credit risk	3 677	3 564	28	18	25	26
Total	**326 988**	**318 489**	**10 970**	**16 224**	**11 421**	**16 653**

(32) Disclosures concerning Selected Countries

The table below shows, in contrast to the exposure in the risk report (see the Interim Management Report), the reported values of transactions relating to selected countries (including credit derivatives).

The disclosures by country include regional governments, municipalities and state-related public-sector companies.

	Financial Instruments Held for Trading		Financial Instruments designated at Fair Value through Profit or Loss		Available for Sale Assets	
(in € million)	30 Jun. 2015	31 Dec. 2014	30 Jun. 2015	31 Dec. 2014	30 Jun. 2015	31 Dec. 2014
Ireland						
Country	9	– 1	–	–	21	22
Financing institutes / insurance companies	55	4	–	–	24	169
Companies / other	34	42	–	–	–	–
	98	**45**	**–**	**–**	**45**	**191**
Italy						
Country	25	26	285	269	1 282	1 455
Financing institutes / insurance companies	– 5	14	–	–	133	439
Companies / other	3	4	–	–	90	82
	23	**44**	**285**	**269**	**1 505**	**1 976**
Portugal						
Country	– 4	– 6	–	–	76	157
Financing institutes / insurance companies	– 1	– 3	–	–	–	–
Companies / other	–	–	–	–	–	21
	-5	**-9**			**76**	**178**
Slowenien						
Country	8	–	–	–	–	31
	8	**–**	**–**	**–**	**–**	**31**
Spanien						
Country	11	40	–	–	161	215
Financing institutes / insurance companies	4	72	–	–	1 310	1 528
Companies / other	12	11	–	–	15	14
	27	**123**	**–**	**–**	**1 486**	**1 757**
Ungarn						
Country	–	–	–	–	139	165
	–	**–**	**–**	**–**	**139**	**165**
Zypern						
Companies / other	14	14	–	–	–	–
	14	**14**	**–**	**–**	**–**	**–**
Total	**165**	**217**	**285**	**269**	**3 251**	**4 298**

For financial instruments categorised as available for sale with acquisition costs totalling € 2,952 million (€ 3,914 million), the cumulative valuation result of the selected countries reported in equity totals € 247 million (€ 294 million).

	Loans and receivables							
	Gross book value		Specific valuation allowances		General loan loss provisions		Fair value	
(in € million)	30 Jun. 2015	31 Dec. 2014	30 Jun. 2015	31 Dec. 2014	30 Jun. 2015	31 Dec. 2014	30 Jun. 2015	31 Dec. 2014
Greece								
Companies / other	94	214	54	51	1	1	79	181
	94	**214**	**54**	**51**	**1**	**1**	**79**	**181**
Ireland								
Financing institutes / insurance companies	196	233	–	–	–	–	354	238
Companies / other	2 378	2 217	–	–	1	3	2 195	2 260
	2 574	**2 450**	**–**	**–**	**1**	**3**	**2 549**	**2 498**
Italy								
Financing institutes / insurance companies	84	84	–	–	–	–	73	68
Companies / other	113	47	–	–	–	–	118	49
	197	**131**	**–**	**–**	**–**	**–**	**191**	**117**
Portugal								
Financing institutes / insurance companies	–	8	–	–	–	1	–	8
Companies / other	28	30	–	–	–	–	28	30
	28	**38**	**–**	**–**	**–**	**1**	**28**	**38**
Russia								
Financing institutes / insurance companies	165	158	–	–	–	–	163	157
Companies / other	46	48	–	5	–	–	44	48
	211	**206**	**–**	**5**	**–**	**–**	**207**	**205**
Spain								
Country	53	52	–	–	–	–	55	54
Financing institutes / insurance companies	148	***98***	–	5	–	–	148	99
Companies / other	242	301	33	38	35	–	245	339
	443	**451**	**33**	**43**	**35**	**–**	**448**	**492**
Hungary								
Financing institutes / insurance companies	1	1	–	–	–	–	1	1
Companies / other	36	38	–	–	–	–	36	38
	37	**39**	**–**	**–**	**–**	**–**	**37**	**39**
Cyprus								
Companies / other	1 221	1 216	61	51	11	29	923	935
	1 221	**1 216**	**61**	**51**	**11**	**29**	**923**	**935**
Total	**4 805**	**4 745**	**148**	**150**	**48**	**34**	**4 462**	**4 505**

The nominal value of credit derivatives relating to the selected countries in the NORD/LB Group's portfolio is € 584 million (€ 709 million). Of this, states account for EUR 378 million (€ 423 million), financing institutions/insurance companies for € 145 million (€ 260 million) and companies/others for € 61 million (€ 26 million). The Group acts as both a provider and recipient of collateral. The netted fair value of the credit derivatives is € -7 million (€ -11 million).

Other Notes

(33) Regulatory Data

The following schedule shows the composition of regulatory capital for the group of institutes in accordance with Article 25 et seq. of the CRR:

(in € million)	30 Jun. 2015	31 Dec. 2014
Total risk exposure amount	**68 931**	**69 231**
Capital requirements for credit risk	4 692	4 837
Capital requirements for operational risks	419	382
Capital requirements for market risks	301	220
Capital requirements for loan amount adjustments	102	99
Capital requirements	**5 514**	**5 538**

(in € million)	30 Jun. 2015	31 Dec. 2014
Paid-up capital including premium	4 930	4 960
Reserves	2 326	2 187
Eligible components of CET 1 capital at subsidiaries	838	786
Other components of CET 1 capital	101	85
– Deductible items (from CET 1 capital)	– 1 444	– 2 199
Adjustments due to transition rules	996	1 710
Balancing item to prevent negative AT 1 capital	–	– 148
Common Equity Tier 1 capital	**7 747**	**7 381**
Grandfathered AT1 instruments	620	709
Adjustments due to transition rules	– 469	– 857
Balancing item to prevent negative AT 1 capital	–	148
Additional Tier 1 capital	151	–
Tier 1 capital	**7 898**	**7 381**
Paid-up instruments of Tier 2 capital	2 768	2 788
Eligible components of Tier 2 capital at subsidiaries	354	387
– Deductible items (from Tier 2 capital)	– 5	– 1
Adjustments due to transition rules	– 983	– 1 432
Tier 2 capital	**2 134**	**1 742**
Own funds	**10 032**	**9 123**

(in %)	30 Jun. 2015	31 Dec. 2014
Common equity tier 1 capital ratio	11.24%	10.66%
Tier 1 capital ratio	11.46%	10.66%
Total capital ratio	14.55%	13.18%

(34) Contingent Liabilities and Other Obligations

	30 Jun. 2015 (in € million)	31 Dec. 2014 (in € million)	Change (in %)
Contingent liabilities			
Liabilities from guarantees and other indemnity agreements	3 863	5 315	– 27
	3 863	**5 315**	**– 27**
Other obligations			
Irrevocable credit commitments	9 542	9 337	2
Total	**13 405**	**14 652**	**– 9**

(35) Related Parties

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

30 Jun. 2015 (in € million)	Companies with significant influence	Subsidiaries	Associated companies	Persons in key positions	Other related parties
Assets					
Loans and advances to banks	**–**	**–**	**340**	**–**	**227**
of which: money market transactions	–	–	170	–	–
of which: loans	–	–	170	–	227
of which: public-sector loans	–	–	–	–	13
of which: other loans	–	–	170	–	214
Loans and advances to customers	**3 297**	**11**	**322**	**1**	**704**
of which: money market transactions	447	–	9	–	31
of which: loans	2 843	11	311	1	673
public-sector loans	2 761	–	15	–	639
mortgage-backed loans	–	10	91	1	25
of which: other loans	82	1	205	–	9
Financial assets at fair value through profit or loss	**350**	**–**	**74**	**–**	**3**
of which: Debt securities and other fixed-interest securities	77	–	–	–	–
of which: Positive fair values from derivatives	97	–	74	–	3
of which: Trading portfolio claims	176	–	–	–	–
Positive fair values from hedge accounting derivatives	**109**	**–**	**–**	**–**	**–**
Financial assets	**1 658**	**–**	**16**	**–**	**–**
of which: Debt securities and other fixed-interest securities	1 658	–	–	–	–
of which: Shares and other non fixed-interest securities	–	–	16	–	–
Total	**5 582**	**11**	**752**	**1**	**934**

30 Jun. 2015 (in € million)	Companies with significant influence	Subsidiaries	Joint ventures	Associated companies	Persons in key positions	Other related parties
Liabilities						
Liabilities to banks	**–**	**14**	**–**	**363**	**–**	**129**
Liabilities to customers	**1 018**	**31**	**–**	**339**	**5**	**231**
of which: money market transactions	–	–	–	–	1	–
of which: saving deposits	628	1	–	37	–	–
Securitised liabilities	**–**	**–**	**–**	**–**	**–**	**1**
Financial liabilities at fair value through profit or loss	**217**	**–**	**–**	**–**	**–**	**150**
of which: negative fair values from derivatives	20	–	–	–	–	26
Negative fair values from hedge accounting derivatives	**3**	**–**	**–**	**–**	**–**	**–**
Subordinated capital	**1**	**572**	**–**	**–**	**–**	**16**
Other liabilities	**40**	**–**	**–**	**–**	**–**	**–**
Total	**1 279**	**617**	**–**	**702**	**5**	**527**
Guarantees / sureties received	372	–	–	–	–	–
Guarantees / sureties granted	–	–	–	19	–	12

1 Jan. – 30 Jun. 2015 (in € million)	Companies with significant influence	Subsidiaries	Joint ventures	Associated companies	Persons in key positions	Other related parties
Interest expenses	27	29	–	17	–	5
Interest income	68	–	–	12	–	19
Commission income	–	–	–	1	–	–
Other income and expenses	2	–	–	3	– 3	7
Total contributions to income	**43**	**– 29**	**–**	**– 1**	**– 3**	**21**

31 Dec. 2014 (in € million)	Companies with significant influence	Subsidiaries	Associated companies	Persons in key positions	Other related parties
Assets					
Loans and advances to banks	**–**	**–**	**281**	**–**	**229**
of which: money market transactions	–	–	125	–	–
of which: loans	–	–	155	–	230
of which: public-sector loans	–	–	–	–	13
of which: other loans	–	–	155	–	217
Loans and advances to customers	**2 815**	**11**	**323**	**1**	**766**
of which: money market transactions	24	–	9	–	31
of which: loans	2 771	11	314	1	736
public-sector loans	2 715	–	16	–	696
mortgage-backed loans	–	10	**98**	1	26
of which: other loans	56	1	200	–	14
Financial assets at fair value through profit or loss	**141**	**–**	**73**	**–**	**171**
of which: Debt securities and other fixed-interest securities	4	–	–	–	–
of which: Positive fair values from derivatives	85	–	73	–	3
of which: Trading portfolio claims	52	–	–	–	168
Positive fair values from hedge accounting derivatives	**142**	**–**	**–**	**–**	**–**
Financial assets	**2 011**	**–**	**16**	**–**	**–**
of which: Debt securities and other fixed-interest securities	2 011	–	–	–	–
of which: Shares and other non fixed-interest securities	–	–	16	–	–
Total	**5 109**	**11**	**693**	**1**	**1 166**

31 Dec. 2014 (in € million)	Companies with significant influence	Subsidiaries	Joint Ventures	Associated companies	Persons in key positions	Other related parties
Liabilities						
Liabilities to banks	**–**	**–**	**–**	**386**	**–**	**117**
Liabilities to customers	**610**	**44**	**131**	**359**	**4**	**330**
of which: money market transactions	–	–	–	–	1	–
of which: saving deposits	83	27	–	30	–	125
Securitised liabilities	**–**	**–**	**–**	**–**	**–**	**1**
Financial liabilities at fair value through profit or loss	**60**	**–**	**–**	**1**	**–**	**159**
of which: negative fair values from derivatives	23	–	–	1	–	28
Negative fair values from hedge accounting derivatives	**7**	**–**	**–**	**–**	**–**	**–**
Subordinated capital	**1**	**541**	**3**	**–**	**–**	**15**
Total	**678**	**585**	**134**	**746**	**4**	**621**
Guarantees / sureties received	424	–	–	–	–	–
Guarantees / sureties granted	–	–	–	20	–	8

1 Jan. – 30 Jun. 2014 (in € million)	Companies with significant influence	Subsidiaries	Joint Ventures	Associated companies	Persons in key positions	Other related parties
Interest expenses	22	25	–	18	–	5
Interest income	78	–	–	13	–	21
Commission expenses	1	–	–	–	–	–
Other income and expenses	108	–	–	6	– 3	– 10
Total contributions to income	**163**	**– 25**	**–**	**1**	**– 3**	**6**

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

(36) Members of Governing Bodies and List of Mandates

1. Members of the Managing Board

Dr. Gunter Dunkel
(Chairman)

Ulrike Brouzi

Thomas S. Bürkle

Eckhard Forst

Dr. Hinrich Holm

Christoph Schulz

2. Members of the Supervisory Board

Peter-Jürgen Schneider (Chairman)
Finance Minister of Lower Saxony

Thomas Mang (First Deputy Chairman)
President of Sparkassenverband Niedersachsen

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

Frank Berg
Chairman of the Managing Board,
Ostsee Sparkasse Rostock

Norbert Dierkes
Chairman of the Managing Board,
Sparkasse Jerichower Land

Edda Döpke
Bank employee,
NORD/LB Hanover

Ralf Dörries
Senior Bank Director,
NORD/LB Hanover

Dr. Elke Eller
Personnel Director, VW Commercial Vehicles,
Volkswagen AG

Hans-Heinrich Hahne
Chairman of the Managing Board,
Sparkasse Schaumburg

Frank Hildebrandt
Bank employee,
NORD/LB Braunschweig

Frank Klingebiel
Mayor of Salzgitter

Prof. Dr. Susanne Knorre
Management Consultant

Ulrich Mägde
Mayor of the Hanseatic City of Lüneburg

Antje Niewisch-Lennartz
Justice Minister of Lower Saxony

Heinrich von Nathusius
IFA ROTORION - Holding GmbH

Freddy Pedersen
ver.di Trade Union

Jörg Reinbrecht
ver.di Trade Union

Ilse Thonagel
Bank employee, Landesförderinstitut
Mecklenburg-Vorpommern

(37) Basis of Consolidation

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

Company name and registered office	Shares (%) direct	Shares (%) indirect
Special Purpose Entities included in the consolidated financial statements		
DEMURO Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Pullach im Isartal	–	–
Fürstenberg Capital Erste GmbH, Fürstenberg	–	–
Fürstenberg Capital II GmbH, Fürstenberg	–	–
Hannover Funding Company LLC, Dover (Delaware) / USA	–	–
KMU Group	–	–
Beteiligungs- Kommanditgesellschaft MS "Buxmelody" Verwaltungs- und Bereederungs GmbH & Co., Buxtehude	–	–
KMU Shipping Invest GmbH, Hamburg	–	–
GEBAB Ocean Shipping II GmbH & Co. KG, Hamburg	–	–
GEBAB Ocean Shipping III GmbH & Co. KG, Hamburg	–	–
MT "BALTIC CHAMPION" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT "BALTIC COMMODORE" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT "NORDIC SCORPIUS" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT "NORDIC SOLAR" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT "NORDIC STAR" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
"OLIVIA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
"OLYMPIA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
"PANDORA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
"PRIMAVERA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
"QUADRIGA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
MS "HEDDA SCHULTE" Shipping GmbH & Co. KG, Hamburg	–	–
Niraven Group	–	–
Niraven B.V., Badhoevedorp / Netherlands	–	–
Olympiaweg 4 BV, Rotterdam / Netherlands	–	–
Rochussen CV, Amstelveen / Netherlands	–	–
Rochussenstraat 125 BV, Badehoevedorp / Netherlands	–	–
Zender CV, Amstelveen / Netherlands	–	–
Zenderstraat 27 BV, Amstelveen / Netherlands	–	–
NORD/LB Objekt Magdeburg GmbH & Co. KG, Pullach im Isartal	–	–
Investment funds included in the consolidated financial statements		
NORD/LB AM ALCO	–	100.00

Company name and registered office	Shares (%) direct	Shares (%) indirect
Companies / investment funds accounted for in the consolidated financial statements using the equity method		
Joint ventures		
caplantic GmbH, Hanover	–	50.00
Associated companies		
Ammerländer Wohnungsbau-Gesellschaft mbH, Westerstede	32.26	–
BREBAU GmbH, Bremen	48.84	–
GSG OLDENBURG Bau- und Wohngesellschaft mit beschränkter Haftung, Oldenburg	22.22	–
LBS Norddeutsche Landesbausparkasse Berlin-Hannover, Hanover	44.00	–
LINOVO Productions GmbH & Co. KG, Pöcking	–	45.17
NORD KB Beteiligungsgesellschaft mit beschränkter Haftung, Hanover	–	28.66
Öffentliche Lebensversicherung Braunschweig, Braunschweig [1)]	–	75,00
Öffentliche Sachversicherung Braunschweig, Braunschweig [1)]	–	75,00
SALEG Sachsen-Anhaltinische-Landesentwicklungsgesellschaft mbH, Magdeburg [2)]	–	56.61
Toto-Lotto Niedersachsen GmbH, Hanover	–	49.85
Investment funds		
Lazard-Sparkassen Rendite-Plus-Fonds	49.18	–
Companies measured in accordance with IFRS 5		
Subsidiaries		
KG Schifffahrtsgesellschaft MS Klara mbH & Co, Jork	–	–
Nordic Buxtehude Schifffahrtsgesellschaft mbH & Co. KG	–	–
Nordic Stade Schifffahrtsgesellschaft mbH & Co. KG	–	–
Associated companies		
Deutsche Factoring Bank Deutsche Factoring GmbH & Co., Bremen	27,50	–

1) Due to the structure under company law, this company is classified as an affiliated company.
2) Due to the “potential voting rights” of third parties, this company is classified as an affiliated company.

Forward-looking Statements

This report contains forward-looking statements. 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 include uncertainties since there are numerous factors which influence our business and are beyond our control. These include in particular the development of financial markets and changes in interest rates and market prices. Actual results and developments may therefore differ considerably from the assumptions made in the report. NORD/LB accepts no responsibility for the forward-looking statements and also does not intend to update them or to correct them if developments are other than expected.

Further Information

Responsibility Statement

We declare that to the best of our knowledge and in accordance with applicable accounting principles, the consolidated financial statements provide a true and fair view of the Group's assets, financial and earnings position and that the Group management report presents a true and fair view of the development of business including the operating result and the position of the Group and also describes the significant opportunities and risks relating to the probable development of the Group.

Hanover / Braunschweig / Magdeburg, 18 August 2015

Norddeutsche Landesbank Girozentrale

The Managing Board

Dr. Dunkel	Brouzi	Bürkle
Forst	Dr. Holm	Schulz

Review Report

To Norddeutsche Landesbank – Girozentrale –, Hanover, Braunschweig and Magdeburg

We have reviewed the condensed interim consolidated financial statements of Norddeutsche Landesbank –Girozentrale –, Hanover, Braunschweig and Magdeburg (NORD/LB), comprising the income statement, the statement of comprehensive income, the balance sheet, the condensed statement of changes in equity, the condensed cash flow statement and selected notes – together with the interim group management report of NORD/LB for the period from 1 January to 30 June 2015 that are part of the semi annual report according to § 37 w WpHG (“Wertpapierhandelsgesetz”: “German Securities Trading Act”). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hanover, 25 August 2015
KPMG AG
Wirtschaftsprüfungsgesellschaft

Ufer
Auditor

Leitz
Auditor

Financial calendar 2015

27 August 2015	Release of results as at 30 June 2015
26 November 2015	Release of results as at 30 September 2015
April 2016	Release of results as at 31 December 2015

Please download our annual and interim reports at
geschaeftsbericht@nordlb.de.

Our Investor Relations team will be glad to give assistance
in case of any questions.
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Branches (including Braunschweigische Landessparkasse)

Braunschweig	Bad Harzburg	Düsseldorf
Hamburg	Helmstedt	Holzminden
Magdeburg	München	Salzgitter
Schwerin	Seesen	Stuttgart
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

Representative offices
London, New York, Singapur, Shanghai

Major holdings (alphabetical)
Bremer Landesbank Kreditanstalt Oldenburg –
Girozentrale, Bremen und Oldenburg
Deutsche Hypothekenbank (Actien-Gesellschaft), Hanover
Norddeutsche Landesbank Luxembourg S.A., Luxembourg

Die norddeutsche Art.

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