31 May 2016

NORD/LB
Norddeutsche Landesbank Girozentrale

First supplement to the published Registration Document dated 14 April 2016 of Norddeutsche Landesbank – Girozentrale – in accordance with § 16 (1) German Securities Prospectus Act (*Wertpapierprospektgesetz,* "WpPG"),

hereafter referred to as "**Supplement No. 1**".

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I. RIGHT OF WITHDRAWAL AND CHANGES

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

The relevant new factor that leads to Supplement No. 1 is the publication of the interim consolidated financial statements of NORD/LB Group as of 31 March 2016 on 26 May 2016.

Pursuant to this publication, the following changes were made.

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

II. CHANGES RELATING TO SECTION 1. DESCRIPTION OF NORDDEUTSCHE LANDESBANK – GIROZENTRALE –

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. In section 1. „**Description of Norddeutsche Landesbank – Girozentrale –"** subsection 1.2.1. "**Auditors**" shall be deleted and replaced by the following:

"**1.2.1. Auditors**

The unaudited interim consolidated financial statements of NORD/LB Group for the period from 1 January to 31 March 2016 (the "**Interim Consolidated Financial Statements 31 March 2016**") were prepared in accordance with IFRS on interim financial reporting (IAS 34), as adopted by the EU, and the interim group management report in accordance with the requirements of the German Securities Trading Act (*Wertpapierhandelsgesetz or WpHG*).

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

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

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

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

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

3. In section 1. „**Description of Norddeutsche Landesbank – Girozentrale –“** subsection 1.2.4. “Recent events in the business activities of Norddeutsche Landesbank – Girozentrale -“ shall be deleted and replaced by the following:

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

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

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

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

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

Assumption of supervision by ECB

On 4 November 2014, the ECB has assumed the direct supervision of a number of significant institutions including NORD/LB and its Subsidiaries in the context of the European single supervisory mechanism SSM. The SSM is *inter alia* based on the SSM Regulation according to which the ECB, supported by the participating national competent authorities (NCAs), will be responsible for conducting banking supervision in the Euro area.

Comprehensive Assessment

As part of the implementation of the SSM in November 2014, NORD/LB Group and specific other banks of the Euro area underwent a comprehensive review conducted by the ECB and the NCAs. The comprehensive assessment consisted of two components, the asset quality review (AQR) and a stress test.

One part of the comprehensive assessment referred to the AQR which consists of three phases (i) the portfolio selection, in order to identify the most risky portfolios in bank’s balance sheet and thereby the focus of the exercise (ii) the actual review of the assets, collateral and provisioning in the selected portfolios and level-3 fair-value assets, which was preceded by the collection of data and data integrity validation and (iii) the quality assurance and reporting of results on 26 October 2014.

The AQR was a point-in-time assessment of the accuracy of the carrying value of bank assets as of 31 December 2013 and provided a starting point for the stress test. The stress test was based on a uniform methodology and harmonised definitions. It was based on the applicable accounting rules and further requirements of regulatory authorities. Therefore the published results for financial year 2013 may deviate from the financial statements of NORD/LB Group as well as other banks involved. Overall, the AQR resulted in an adjustment of the common equity tier 1 (CET1) ratio of NORD/LB Group by 49 basis points from 10.62 per cent. to 10.13 per cent. Under the AQR, banks were required to have a minimum CET1 ratio of 8 per cent.

The stress test provided a forward-looking examination of the resilience of banks' solvency to two hypothetical scenarios, also reflecting new information arising from the AQR. The stress test was undertaken by the participating banks, the ECB, and NCAs, in cooperation with the European Banking Authority (EBA), which also designed the methodology along with the ECB and the European Systemic Risk Board (ESRB). Under the baseline scenario, banks were required to maintain a minimum CET1 ratio of 8 per cent.; under the adverse scenario, they were required to maintain a minimum CET1 ratio of 5.5 per cent.

NORD/LB Group has passed the requirements of the AQR stress test.

The required minimum values for the CET1 ratio of 8.0 per cent. (baseline scenario) and 5.5 per cent (adverse scenario) were exceeded in both scenarios by CET1 ratios of 10.93 per cent (baseline scenario) and 8.77 per cent (adverse scenario).

In 2016, NORD/LB will again participate in a stress test conducted by the European Banking Supervisors.

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

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

End of NORD/LB's silent participation concerning Fuerstenberg Capital International S.àr.l. & Cie SEC

NORD/LB's silent participation concerning Fuerstenberg Capital International S.àr.l. & Cie SECS ended on 31 December 2015. That reduced NORD/LB's own funds by USD 500 million due to the Basel III transition rules in 2015.

Loan Loss Provisions with regard to the Shipping Portfolio

In 2015, the on-going crisis on the shipping market led to a notable increase in expected losses in the entire credit portfolio and therefore in the loan loss provisions. Due to the high share of US-Dollar denominated assets in the shipping portfolio, the strong appreciation of the US Dollar against the Euro added to this development. NORD/LB expects that the challenging situation in the shipping markets resulting from the ongoing crisis in the shipping sector will result in a further deterioration of the value of its shipping portfolio. In the light of this, NORD/LB aims to reduce its shipping portfolio. These circumstances lead to a further considerable increase in loan loss provisions beyond the previous planning. In connection with this, NORD/LB expects that the volume of loan loss provisions to be made, in particular for the shipping portfolio, will not be compensated by earnings in other business segments in the financial year 2016, but expects to fulfill all regulatory requirements."

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

"**1.2.7. Information on trends**

Since the date of its last published audited annual financial statements of 31 December 2015, the following material adverse changes in the prospects of Norddeutsche Landesbank – Girozentrale occurred: The ongoing challenging situation in the shipping markets has led to a further deterioration of the value of its shipping portfolio. In the light of this, NORD/LB aims to reduce its shipping portfolio. These circumstances lead to a further considerable increase in loan loss provisions beyond the previous planning. In connection with this, NORD/LB expects that the volume of loan loss provisions to be made, in particular for the shipping portfolio, will not be compensated by earnings in other business segments in the financial year 2016, but expects to fulfill all regulatory requirements."

5. In section 1. „**Description of Norddeutsche Landesbank – Girozentrale –“** subsection 1.3.1. "**Historical financial information** " shall be deleted and replaced by the following:

"**1.3.1. Historical financial information**

The Consolidated Financial Statements 2015 and the respective auditor's report (*Bestätigungsvermerk*) are included on pages F-147 to F-286, the Annual Accounts 2015 and the respective auditor's report (*Bestätigungsvermerk*) are included on pages F-287 to F-349, the Consolidated Financial Statements 2014 and the respective auditor's report (*Bestätigungsvermerk*) are included on pages F-1 to F-146 and the Interim Consolidated Financial Statements 31 March 2016 are included on pages F-350 to F-399, in each case within section 3 "*Financials*" of this registration document.

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

The Consolidated Financial Statements 2014 and the Consolidated Financial Statements 2015 were prepared in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (1) HGB. The Annual Accounts 2014 were prepared in accordance with German GAAP. The Interim Consolidated Financial Statements 31 March 2016 were prepared in accordance with IFRS and IAS 34, as adopted by the EU.

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

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

The Interim Consolidated Financial Statements 31 March 2016 have been taken from the Interim Report (*Konzernzwischenbericht*) of NORD/LB Group as of 31 March 2016 (see section *2. “Important Information 2.4. Availability of documents”*).

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

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

6. In section 1. „**Description of Norddeutsche Landesbank – Girozentrale –“** subsection 1.3.3. “**Significant changes in the financial position**“ shall be deleted and replaced by the following:

“**1.3.3. Significant changes in the financial position**

Since the date of its last published unaudited interim financial statements of 31 March 2016, the following significant changes in the financial position of the Issuer and of NORD/LB Group occurred: The ongoing challenging situation in the shipping markets has led to a further deterioration of the value of the shipping portfolio of NORD/LB and its subsidiary Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –. In the light of this, NORD/LB aims to reduce its shipping portfolio. These circumstances lead to a further considerable increase in loan loss provisions beyond the previous planning. In connection with this, NORD/LB expects that the volume of loan loss provisions to be made, in particular for the shipping portfolio, will not be compensated by earnings in other business segments in the financial year 2016.”

III. CHANGES RELATING TO SECTION 2. IMPORTANT INFORMATION

1. <u>In section 2. „**Important Information“** subsection 2.4. “**Availability of documents**“ shall be deleted and replaced by the following:</u>

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

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

   - the annual report (*Geschäftsbericht*) of NORD/LB Group for the financial years 2014 and 2015; each containing the consolidated financial statements for the corresponding financial years 2014 and 2015;
   - the annual report (*Geschäftsbericht*) of Norddeutsche Landesbank – Girozentrale – for the financial year 2015; containing the Annual Accounts 2015;
   - the interim report (*Konzernzwischenbericht*) of NORD/LB Group as of 31 March 2016
   - the Articles of Association (*Satzung*) of Norddeutsche Landesbank – Girozentrale – as amended on 2 December 2015 and 23 December 2015;
   - the State Treaty between the German Federal States of Lower Saxony (*Niedersachsen*), Saxony-Anhalt (*Sachsen-Anhalt*) and Mecklenburg-Western Pomerania (*Mecklenburg-Vorpommern*) dated 22 August 2007, as amended on 12 July 2011.

   The Articles of Association (*Satzung*) of Norddeutsche Landesbank – Girozentrale –, the State Treaty, the Consolidated Financial Statements 2014 and the Consolidated Financial Statements 2015, the annual report (*Geschäftsbericht*) of Norddeutsche Landesbank – Girozentrale – for the financial year 2015 such as the interim report as of 31 March 2016 are available on request in printed form at the above mentioned address or in electronic form on http://www.nordlb.de.“

IV. CHANGES RELATING TO SECTION 3. FINANCIALS

After page F-349 of section 3. "**Financials**" the following new pages shall be inserted:

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Interim Consolidated Financial Statements as at 31 March 2016

Income Statement

		1 Jan. – 31 Mar. 2016 (in € million)	1 Jan. – 31 Mar. 2015 (in € million)	Change (in %)
Interest income		1 911	2 169	– 12
Interest expenses		1 454	1 668	– 13
Interest expenses	**5**	**457**	**501**	**– 9**
Loan loss provisions	6	435	104	> 100
Commission income		85	79	8
Commission expenses		31	24	29
Net commission income	**7**	**54**	**55**	**– 2**
Trading profit / loss		391	385	2
Profit / loss from the fair value option		– 133	– 302	– 56
Profit / loss from financial instruments at fair value through profit or loss	**8**	**258**	**83**	**> 100**
Profit / loss from hedge accounting	9	8	59	– 86
Profit / loss from financial assets	10	7	2	> 100
Profit / loss from investments accounted for using the equity method		– 7	–	–
Administrative expenses	11	297	284	5
Other operating profit / loss	12	– 136	– 77	77
Earnings before reorganisation and taxes		**– 91**	**235**	**> 100**
Reorganisation expenses	13	– 7	– 6	17
Earnings before taxes		**– 98**	**229**	**> 100**
Income taxes	14	– 14	73	> 100
Consolidated profit		**– 84**	**156**	**> 100**
of which: attributable to the owners of NORD/LB		– 66	159	
of which: attributable to non-controlling interests		– 18	– 3	

Statement of Comprehensive Income

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

	1 Jan. – 31 Mar. 2016 (in € million)	1 Jan. – 31 Mar. 2015 (in € million)	Change (in %)
Consolidated profit	**– 84**	**156**	**> 100**
Other comprehensive income which is not recycled in the income statement in subsequent periods			
Revaluation of the net liability from defined benefit pension plans	– 177	– 352	– 50
Investments accounted for using the equity method – Share of other operating profit / loss	– 5	– 10	– 50
Deferred taxes	57	112	– 49
	– 125	**– 250**	**– 50**
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	4	144	– 97
Transfer due to realisation profit / loss	5	18	– 72
Translation differences of foreign business units			
Unrealised profit / losses	– 14	39	> 100
Investments accounted for using the equity method – Share of other operating profit / loss	16	14	14
Deferred taxes	4	– 50	> 100
	15	**165**	**– 91**
Other profit / loss	**– 110**	**– 85**	**29**
Comprehensive income for the period under review	**– 194**	**71**	**> 100**
of which: attributable to the owners of NORD/LB	– 172	94	
of which: attributable to non-controlling interests	– 22	– 23	

Balance Sheet

	Notes	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Cash reserve		340	872	– 61
Loans and advances to banks	15	22 273	21 194	5
Loans and advances to customers	16	106 287	107 878	– 1
Risk provisioning	17	– 3 163	– 2 919	8
Balancing items for financial instruments hedged in the fair value hedge portfolio		253	91	>100
Financial assets at fair value through profit or loss	18	15 930	14 035	14
Positive fair values from hedge accounting derivatives		3 022	2 507	21
Financial assets	19	34 065	34 515	– 1
Investments accounted for using the equity method		294	290	1
Property and equipment	20	557	573	– 3
Investment property		77	77	–
Intangible assets	21	150	149	1
Assets held for sale	22	67	58	16
Current income tax assets		43	37	16
Deferred income taxes		766	663	16
Other assets		943	978	– 4
Total assets		**181 904**	**180 998**	**1**

	Notes	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Liabilities to banks	23	47 841	48 810	– 2
Liabilities to customers	24	58 178	60 597	– 4
Securitised liabilities	25	37 597	35 877	5
Balancing items for financial instruments		1 142	753	52
Financial liabilities at fair value through profit or loss	26	17 879	16 057	11
Negative fair values from hedge accounting derivatives		3 607	3 148	15
Provisions	27	2 687	2 428	11
Liabilities held for sale	28	12	7	71
Current income tax liabilities		117	116	1
Deferred income taxes		106	87	22
Other liabilities		545	306	78
Subordinated capital	29	3 881	4 299	– 10
Equity				
Issued capital		1 607	1 607	–
Capital reserves		3 332	3 332	–
Retained earnings		2 325	2 493	– 7
Revaluation reserve		452	454	–
Currency translation reserve		– 10	– 9	11
Equity capital attributable to the owners of NORD/LB		**7 706**	**7 877**	**– 2**
Additional equity		50	50	–
Equity capital attributable to non-controlling interests		556	586	– 5
		8 312	**8 513**	**– 2**
Total liabilities and equity		**181 904**	**180 998**	**1**

Condensed Statement of Changes in Equity

(in € million)	Issued capital	Capital reserve	Retained earnings	Revaluation reserve	Currency translation reserve	Equity attributable to the owners of NORD/LB	Additional equity components	Equity attributable to non-controlling interests	Consolidated equity
Equity as at 1 Jan. 2016	**1 607**	**3 332**	**2 493**	**454**	**– 9**	**7 877**	**50**	**586**	**8 513**
Comprehensive income for the period under preview	–	–	– 169	– 2	– 1	– 172	–	– 22	– 194
Consolidation effects and other changes in capital	–	–	1	–	–	1	–	– 8	– 7
Equity as at 31 Mar. 2016	**1 607**	**3 332**	**2 325**	**452**	**– 10**	**7 706**	**50**	**556**	**8 312**

(in € million)	Issued capital	Capital reserve	Retained earnings	Revaluation reserve	Currency translation reserve	Equity attributable to the owners of NORD/LB	Additional equity components	Equity attributable to non-controlling interests	Consolidated equity
Equity as at 1 Jan. 2015	**1 607**	**3 332**	**1 957**	**420**	**– 10**	**7 306**	**–**	**596**	**7 902**
Comprehensive income for the period under preview	–	–	– 55	148	1	94	–	– 23	71
Transactions with the owners	–	–	–	–	–	–	–	– 1	– 1
Equity as at 31 Mar. 2015	**1 607**	**3 332**	**1 902**	**568**	**– 9**	**7 400**	**–**	**572**	**7 972**

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

Condensed Cash Flow Statement

	1 Jan. – 31 Mar. 2016 (in € million)	1 Jan. – 31 Mar. 2015 (in € million)	Change (in %)
Cash and cash equivalents as at 1 January	**872**	**1 064**	**– 18**
Cash flow from operating activities	– 579	17	> 100
Cash flow from investing activities	– 1	– 515	– 97
Cash flow from financing activities	49	– 38	> 100
Total cash flow	**– 531**	**– 536**	**– 1**
Effects of changes in exchange rates	– 1	9	> 100
Cash and cash equivalents as at 31 Mar.	**340**	**537**	**– 37**

The cash flow from financing activities shows the net payments received and made relating to subordinate promissory notes and bonds.

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

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Selected Notes

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General Disclosures

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

The interim consolidated financial statements of Norddeutsche Landesbank Girozentrale, Hanover, Braunschweig, Magdeburg (NORD/LB) as at 31 March 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 of the HGB were also observed insofar as these regulations are to be applied as at the reporting date for the interim financial statements. The interim consolidated financial statements are to be read in conjunction with information contained in the certified, published consolidated financial statements of NORD/LB as at 31 December 2015.

NORD/LB as a group in terms of commercial law is referred to in the following as the NORD/LB Group. The interim consolidated financial statements as at 31 March 2016 comprise the income statement, the statement of comprehensive income, the balance sheet, the condensed statement of changes in equity, the condensed cash-flow statement and selected notes. The segment reporting is shown in the notes. The reporting on the nature and scope of risks relating to financial instruments in accordance with IFRS 7 is provided mainly in a risk report within the Group Management Report.

The reporting currency for the interim 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 17 August 2016 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. Further comments are included in Note (30).

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 2016 for the NORD/LB Group:

Amendments to IFRS 11 – Accounting of the acquisition of an interest in a joint operation

In the amendments to IFRS 11 published in May 2014, it is explained how the acquisition of an interest in a joint operation that is a business in the sense of IFRS 3 is to be accounted for. Within the scope of the acquired interest, all of the principles defined in IFRS 3 or in other standards for the accounting of business combinations are to be applied and the relevant disclosure requirements are to be considered.

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

Amendments to IAS 1 – Presentation of the Financial Statements

The amended standard published on 18 December 2014 implemented the initial proposals within the initiative of the IASB to improve disclosures. The amendments emphasise the concept of materiality to facilitate the communication of relevant information in IFRS financial statements. This will be achieved by information which is not material not needing to be presented, the possibility of supplementary subtotals and greater flexibility in the structure of the notes. Further, the breakdown of other comprehensive income (OCI) will be clarified in the statement of comprehensive income.

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

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

On 12 May 2014 the IASB published amendments to IAS 16 Property, plant and equipment and IAS 38 Intangible assets concerning acceptable methods that enable the appropriate presentation of the use of the future economic benefit. It was clarified that for property, plant and equipment depreciation on the basis of revenue of the goods generated by it is not appropriate and is only allowed for intangible assets with a limited useful life in explicitly specified exceptional cases.

As depreciation methods are not used in the NORD/LB Group, the amendments to IAS 16 and IAS 38 do not have any effect.

Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions

The amendment of IAS 19 – Employee Contributions (published in November 2013) clarifies the stipulations associated with the allocation of employee contributions of third-party contributions to the service periods if the contributions are linked to length of service. Additionally, waivers are available if the contributions are independent of the number of years of service.

The amendments to IAS 19 do not result in any need for adjustments to NORD/LB's consolidated financial statements.

Improvements to IFRS (2010 – 2012 Cycle) Within the Scope of the IASB's Annual Improvements Process

Within the scope of the Annual Improvements Process, changes are made to the wording in individual IFRSs to clarify or improve existing regulations. With the 2010 – 2012 cycle amendments were made to the standards IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38, while in the 2012 – 2014 cycle amendments were made to the standards IFRS 5, IFRS 7, IAS 19 and IAS 34.

The annual improvements to IFRS do not have any effect on NORD/LB's consolidated interim financial statements.

The 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 42 (31 December 2015: 42) subsidiaries in which NORD/LB directly or indirectly holds more than 50 per cent of the voting rights or over which NORD/LB is in a position to exercise a controlling influence in another manner. In addition, 2 (31 December 2015: 2) joint ventures and 11 (31 December 2015: 11) affiliated companies are accounted for using the equity method. Additionally, 2 (2) joint ventures and 12 (12) affiliated companies are recorded. One affiliated company is held for sale and, in accordance with IFRS 5.15, measured at the lower of the carrying amount and fair value less costs of disposal. The joint ventures and affiliated companies are accounted for using the equity method.

Compared to 31 December 2015, the basis of consolidation has changed as follows:

Information on the subsidiaries, joint ventures and associated companies included in the consolidated financial statements can be found in Note (36) 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 segments are defined as customer or product groups which reflect the organisational structures and therefore the internal control of the Group. Calculations are based on the internal data of Group member companies. The internal control focuses on the operational units’ earnings before tax.

An important criterion for the formation of segments is the greatest possible homogeneity of the customers aggregated in the segment in relation to financing and investment requirements and the products demanded. 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, 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 provisioning is allocated to segments on the basis of actual costs incurred. In addition to specific valuation allowances, since 1 January 2016 general loan loss provisions have also been reported here. The previous year's figures were adjusted accordingly.

Overall bank revenue such as profit/loss from hedge accounting and financial assets are 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, segment assets and liabilities, committed capital, the Cost-Income Ratio (CIR), Return on Risk-adjusted Capital (RoRaC) and Return on Equity (RoE). The total risk exposures of the segments show the risk-weighted assets to be allocated in accordance with CRR / CRD IV including shortfall equivalent as averages in the reporting period. The total risk exposure for the Group shows the RWA in accordance with CRR / CRD IV as at the reporting date. The CIR is defined as the ratio between administrative expenses and the sum total of the following income items: net interest income, net commission income, profit/loss from financial instruments at fair value through profit or loss, profit/loss from hedge accounting, profit/loss from investments accounted for using the equity method and other operating profit/loss.

RoRaC 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 RWA limits and the amount called on).

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:

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. 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

The segment includes all of the NORD/LB business conducted with corporate customers in the core regions (excluding the Altes Braunschweiger Land region) and in neighbouring regions, and in particular Agricultural Banking 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 finance are reported. The customers of the Ship Customers segment are offered short to long-term financing, such as equity pre-financing, interim finance, construction period finance (short and medium term) and financing to completion (long term). Ships are financed 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 are offered.

Group Controlling/Others

This 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, 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.

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 risk-weighted assets within internal reporting and assigned to the operational units; the adjustment item resulting from the regulatory risk-weighted assets report flows into the reconciliation.

(4) Segment Reporting by Business Segment

31 Mar. 2016 (in € million)	Private and Commercial Customers	Corporate Customers	Markets	Energy and Infrastructure Customers	Ship Customers	Aircraft Customers	Real Estate Banking Customers	Group Management/ Others	Reconcilations	NORD/LB Group
Net interest income before loan loss provisions	47	86	45	47	109	27	55	52	– 11	457
Loan loss provisions	– 2	69	–	– 1	394	– 1	– 3	– 22	–	435
Net interest income after loan loss provisions	**49**	**17**	**45**	**48**	**– 284**	**28**	**57**	**74**	**– 12**	**22**
Net commission income	16	17	12	28	8	3	2	– 15	– 17	54
Profit / loss from financial instruments at fair value through profit or loss	–	– 2	19	– 6	2	–	1	232	13	258
Profit / loss from hedge accounting	–	–	–	–	–	–	–	8	–	8
Profit / loss from financial assets	–	–	–	–	–	–	–	8	–	7
Profit / loss from invest ments accounted for using the equity method	–	–	–	–	–	–	–	– 7	–	– 7
Administrative expenses	47	36	34	25	28	7	17	99	5	297
Other operating profit / loss	– 1	–	1	1	–	–	–	– 117	– 20	– 136
Profit / Loss before reorganisation and taxes	**16**	**– 3**	**43**	**46**	**– 303**	**24**	**43**	**84**	**– 41**	**– 91**
Reorganisation expenses	–	–	–	–	–	–	–	– 8	–	– 8
Expenses for public guarantees related to reorganisation	–	–	–	–	–	–	–	–	–	–
Earnings before taxes (EBT)	**16**	**– 3**	**43**	**46**	**– 303**	**24**	**43**	**76**	**– 41**	**– 98**
Taxes	–	–	–	–	–	–	–	–	– 14	– 14
Consolidated profit	**16**	**– 3**	**43**	**46**	**– 303**	**24**	**43**	**76**	**– 26**	**– 84**
Segment assets	7 352	23 345	38 160	16 144	19 670	7 569	15 203	54 828	– 366	181 904
of which: from invest-ments accounted for using the equity method	45	–	–	–	–	–	–	249	–	294
Segment liabilities	7 383	8 514	46 176	3 567	3 760	774	368	106 540	4 821	181 904
Total risk exposure amount	4 146	12 434	4 502	7 746	25 961	4 920	5 942	7 328	– 9 231	63 749
Capital employed [1]	386	1 158	399	710	2 629	452	539	952	970	8 195
CIR	76,2%	35,4%	44,2%	36,3%	23,5%	22,2%	28,9%	–	–	46,9%
RoRaC / RoE [2]	16,7%	-1,0%	37,2%	22,9%	-46,0%	21,2%	23,4%	–	–	-4,8%

31 Mar. 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	Reconcilations	NORD/LB Group
Net interest income before loan loss provisions	53	83	48	48	111	29	62	57	9	501
Loan loss provisions	4	– 1	–	4	112	–	– 5	– 10	1	104
Net interest income after loan loss provisions	**50**	**84**	**48**	**44**	**–**	**29**	**66**	**68**	**8**	**397**
Net commission income	16	17	15	14	10	5	1	– 9	– 14	55
Profit / loss from financial instruments at fair value through profit or loss	– 1	4	36	–	–	–	– 4	42	5	83
Profit / loss from hedge accounting	–	–	–	–	–	–	–	59	–	59
Profit / loss from financial assets	–	–	–	–	–	–	–	– 10	13	2
Profit / loss from invest ments accounted for using the equity method	–	–	–	–	–	–	–	–	–	–
Administrative expenses	52	37	37	24	30	6	16	73	9	284
Other operating profit / loss	– 3	–	1	1	–	–	–	– 61	– 16	– 77
Profit / Loss before reorganisation and taxes	**11**	**68**	**64**	**35**	**– 20**	**28**	**47**	**16**	**– 14**	**235**
Reorganisation expenses	–	–	–	–	–	–	–	– 6	–	– 6
Expenses for public guarantees related to reorganisation	–	–	–	–	–	–	–	–	–	–
Earnings before taxes (EBT)	**11**	**68**	**64**	**35**	**– 20**	**28**	**47**	**10**	**– 14**	**229**
Taxes	–	–	–	–	–	–	–	–	73	73
Consolidated profit	**11**	**68**	**64**	**35**	**– 20**	**28**	**47**	**10**	**– 87**	**156**
Segment assets	7 343	22 407	38 472	16 772	21 273	8 260	15 193	51 716	– 439	180 998
of which: from investments accounted for using the equity method	45	–	–	–	–	–	–	245	–	290
Segment liabilities	7 457	9 003	48 100	3 599	4 585	763	469	103 588	3 434	180 998
Total risk exposure amount	4 439	12 691	5 113	8 060	43 650	5 239	7 991	9 898	– 25 172	71 908
Capital employed[1]	399	1 142	452	725	3 928	471	719	1 450	– 2 510	6 778
CIR	78,1%	35,4%	36,6%	37,9%	24,5%	18,0%	27,8%			45,7%
RoRaC / RoE[2]	10,3%	21,8%	56,4%	18,2%	-2,1%	23,8%	21,0%			13,5%

(in € million)	31 Mar. 2016	31 Mar. 2015
Sustainable relating to german local GAAP equity	8 195	6 778
Revaluation reserve	452	568
Consolidated profit	– 336	626
Financial equity	**8 312**	**7 972**

[1] Transfer of long-term equity under commercial law to reported equity capital
[2] RoRaC at business level:
(Earnings before taxes*4) / committed Tier 1 capital
(9 % of the higher value of the limit and the amount called on to cover the total risk exposure)
RoE at company level:
(Earnings before taxes*4) / long-term equity under commercial law (= reported equity capital – revaluation reserve – earnings after taxes*4)

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. – 31 Mar. 2016 (in € million)	1 Jan. – 31 Mar. 2015 (in € million)	Change (in %)
Interest income			
Interest income from lending and money market transactions	846	945	– 10
Interest income from debt securities and other fixed-interest securities	139	185	– 25
Interest income from financial instruments at fair value			
Interest income from trading profit / loss and hedge accounting derivatives	758	851	– 11
Interest income from fair value option	9	14	– 36
Current income			
from shares and other non fixed-interest securities	–	1	– 100
from investments	4	6	– 33
Interest income from other amortisations	152	167	– 9
Other interest income and similar income	3	–	–
	1 911	**2 169**	**– 12**
Interest expense			
Interest expenses from lending and money market transactions	368	446	– 17
Interest expenses from securitised liabilities	125	163	– 23
Interest expenses from financial instruments at fair value			
Interest expenses from trading profit / loss and hedge accounting derivatives	723	800	– 10
Interest expenses from fair value option	51	50	2
Interest expenses from subordinated capital	49	60	– 18
Interest expenses from other amortisations	122	136	– 10
Interest expenses from provisions and liabilities	14	14	–
Other interest expenses and similar expenses	2	– 1	> 100
	1 454	**1 668**	**– 13**
Total	**457**	**501**	**– 9**

(6) Loan Loss Provisions

	1 Jan. – 31 Mar. 2016 (in € million)	1 Jan. – 31 Mar. 2015 (in € million)	Change (in %)
Income from provisions for lending business			
Reversal of specific valuation allowance	131	282	– 54
Reversal of lumpsum specific loan loss provisions	1	1	–
Reversal of general loan loss provisions	61	43	42
Reversal of provisions for lending business	7	14	– 50
Additions to receivables written off	8	13	– 38
	208	**353**	**– 41**
Expenses for provisions for lending business			
Allocation to specific valuation allowance	524	342	53
Allocation to lumpsum specific loan loss provisions	1	1	–
Allocation to general loan loss provisions	109	93	17
Allocation to provisions for lending business	4	8	– 50
Direct write-offs of bad debts	5	12	– 58
Premium payments for credit insurance	–	1	– 100
	643	**457**	**41**
Total	**435**	**104**	**> 100**

(7) Net Commission Income

	1 Jan. – 31 Mar. 2016 (in € million)	1 Jan. – 31 Mar. 2015 (in € million)	Change (in %)
Commission income			
Commission income from banking transactions	81	75	8
Commission income from non-banking transactions	4	4	–
	85	**79**	**8**
Commission expense			
Commission expense from banking transactions	31	24	29
	31	**24**	**29**
Total	**54**	**55**	**– 2**

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

	1 Jan. – 31 Mar. 2016 (in € million)	1 Jan. – 31 Mar. 2015 (in € million)	Change (in %)
Trading profit / loss			
Profit / loss from debt securities and other fixed-interest securities	45	53	– 15
Profit / loss from shares and other non fixed-interest securities	– 2	9	> 100
Profit / loss from derivatives	238	335	– 29
Interest-rate risks	168	131	28
Currency risks	79	131	– 40
Share-price and other price risks	– 10	61	> 100
Credit derivatives	1	12	– 92
Profit / loss from receivables held for trading	91	53	72
	372	**450**	**– 17**
Foreign exchange result	19	– 66	> 100
Other income	–	1	– 100
	391	**385**	**2**
Profit / loss from the fair value option			
Profit / loss from receivables to customers and banks	8	8	–
Profit / loss from debt securities and other fixed-interest securities	23	44	– 48
Profit / loss from liabilties to banks and customers	– 106	– 263	– 60
Profit / loss from securitised liabilties	– 58	– 91	– 36
	– 133	**– 302**	**– 56**
Total	**258**	**83**	**> 100**

(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 effective fair value hedge relationships.

	1 Jan. – 31 Mar. 2016 (in € million)	1 Jan. – 31 Mar. 2015 (in € million)	Change (in %)
Profit / loss from micro fair value hedges			
from hedged underlying transactions	173	443	– 61
from derivatives employed as hedging instruments	– 170	– 409	– 58
	3	**34**	**– 91**
Profit / loss from portfolio fair value hedges			
from hedged underlying transactions	– 61	– 8	> 100
from derivatives employed as hedging instruments	66	33	100
	5	**25**	**– 80**
Total	**8**	**59**	**– 86**

(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. – 31 Mar. 2016 (in € million)	1 Jan. – 31 Mar. 2015 (in € million)	Change (in %)
Profit / loss from financial assets classified as LaR	**– 1**	**9**	**> 100**
Profit / loss from financial assets classified as AfS (excluding investments)			
Profit/ loss from the disposal of			
Debt securities and other fixed-interest securities	1	59	– 98
Shares and other non fixed-interest securities	–	3	– 100
Other financial assets classified as AfS	–	– 3	– 100
Profit / loss from allowances for losses on			
Debt securities and other fixed-interest securities	10	– 67	> 100
Other financial assets classified as AfS	– 3	2	> 100
	8	**– 6**	**> 100**
Profit / loss from shares in companies (not consolidated)	**–**	**– 1**	**– 100**
Total	**7**	**2**	**> 100**

(11) Administrative Expenses

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

	1 Jan. – 31 Mar. 2016 (in € million)	1 Jan. – 31 Mar. 2015 (in € million)	Change (in %)
Staff expenses	149	154	– 3
Other administrative expenses	132	113	17
Amortisation and depreciation	16	17	– 6
Total	**297**	**284**	**5**

(12) Other Operating Profit/loss

	1.1. – 31.3. 2016 (in € million)	1.1. – 31.3. 2015 (in € million)	Change (in %)
Other operating income			
from the reversal of provisions	1	6	– 83
from other business	31	68	– 54
	32	**74**	**– 57**
Other operating expenses			
from allocation to provisions	49	70	– 30
from other business	119	81	47
	168	**151**	**11**
Total	**– 136**	**– 77**	**77**

Income from other business includes income from the chartering of ships relating to restructuring commitments in lending business (€ 17 million (€ 20 million)) and income from the disposal of receivables (€ 2 million (€ 27 million)).

Expenses from the allocation of provisions concern in the amount of € 49 million (€ 70 million) expenses for the expected annual contribution to the EU's Single Resolution Fund.

Expenses from other business primarily include expenses from the derecognition of liabilities to banks and customers (€ 64 million (€ 25 million)). Furthermore, other business includes expenses to generate charter income from ships (€ 14 million (€ 13 million)) and expenses from the disposal of receivables (€ 2 million (€ 8 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 (€ 6 million) expenses from the allocation made to reorganisation provisions for contracted agreements already concluded concerning the termination of contracts of employment.

The issues recognised under reorganisation expenses are of a non-recurring nature and are not to be allocated to the ordinary business activities of the NORD/LB Group.

(14) 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

(15) Loans and Advances to Banks

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Loans and advances resulting from money market transactions			
German banks	3 139	2 509	25
Foreign banks	3 420	2 873	19
	6 559	**5 382**	**22**
Other loans and advances			
German banks			
Due on demand	1 030	856	20
With a fixed term or period of notice	11 714	11 957	– 2
Foreign Banks			
Due on demand	1 851	1 857	–
With a fixed term or period of notice	1 119	1 142	– 2
	15 714	**15 812**	**– 1**
Total	**22 273**	**21 194**	**5**

(16) Loans and Advances to Customers

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Loans and advances resulting from money market transactions			
Domestic customers	1 267	1 207	5
Customers abroad	452	310	46
	1 719	**1 517**	**13**
Other loans and advances			
Domestic customers			
Due on demand	3 096	3 233	– 4
With a fixed term or period of notice	70 899	71 836	– 1
Customers abroad			
Due on demand	692	730	– 5
With a fixed term or period of notice	29 881	30 562	– 2
	104 568	**106 361**	**– 2**
Total	**106 287**	**107 878**	**– 1**

(17) Risk Provisioning

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Specific valuation allowance	2 679	2 482	8
Lumpsum specific loan loss provisions	7	7	–
General loan loss provisions	477	430	11
Total	**3 163**	**2 919**	**8**

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 provisions		Loan loss provisions		Total	
(in € million)	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
1 January	**2 482**	**2 243**	**7**	**7**	**430**	**497**	**55**	**74**	**2 974**	**2 821**
Allocations	524	342	1	1	109	93	4	8	638	444
Reversals	131	282	1	1	61	43	7	14	200	340
Utilisation	113	92	–	–	1	–	–	–	114	92
Unwinding	– 17	– 19	–	–	–	–	–	–	– 17	– 19
Effects of changes of foreign exchange rates and other changes	– 66	127	–	–	–	1	1	2	– 65	130
30 June	**2 679**	**2 319**	**7**	**7**	**477**	**548**	**53**	**70**	**3 216**	**2 944**

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

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Trading assets			
Debt securities and other fixed-interest securities	2 398	1 815	32
Shares and other non fixed-interest securities	49	63	– 22
Positive fair values from derivatives	9 468	7 646	24
Trading portfolio claims	2 230	2 729	– 18
	14 145	**12 253**	**15**
Financial assets as at fair value through profit or loss			
Loans and advances to banks and customers	207	200	3
Debt securities and other fixed-interest securities	1 578	1 582	–
	1 785	**1 782**	**–**
Total	**15 930**	**14 035**	**14**

(19) 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 IAS 10, IAS 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).

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Financial assets classified as LaR	3 210	3 423	– 6
Financial assets classified as AfS			
Debt securities and other fixed-interest securities	30 263	30 493	– 1
Shares and other non fixed-interest securities	166	161	3
Shares in companies (not consolidated)	302	301	–
Other financial assets classified as AfS	124	137	– 9
	30 855	**31 092**	**– 1**
Total	**34 065**	**34 515**	**– 1**

(20) Property and Equipment

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Land and buildings	281	283	– 1
Operating and office equipment	46	45	2
Ships	180	200	– 10
Other property and equipment	50	45	11
Total	**557**	**573**	– 3

(21) Intangible Assets

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Software			
Purchased	64	25	> 100
Internally developed	14	19	– 26
	78	**44**	**77**
Other intangible assets			
Other intangible assets - purchased	46	85	– 46
Other intangible assets - internally developed	26	20	30
	72	**105**	**– 31**
Total	**150**	**149**	**1**

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

(22) Assets Held for Sale

As at 31 March 2016 the designated assets held for sale in accordance with IFRS 5 with a carrying amount totalling € 67 million (€ 58 million) include property and equipment (ships) in the amount of € 12 million (€ 18 million), financial assets in the amount of € 52 million (€ 36 million) and other assets in the amount of € 2 million (€ 2 million).

Property and equipment held for sale include ships from the Ship Customers segment, which were reported at fair value as at 31 December 2014 for the first time within the full consolidation. In accordance with IFRS 5.20, an impairment of € 6 million (€ 11 million) was recognised under other operating expenses in the first quarter of 2016. A disposal of the ships is planned to take place in the current financial year. The financial assets held for sale in the amount of € 36 million are interests in an associated company that are allocated to the segment Group Controlling / Others and was classified for the first time as held for sale with effect of 28 May 2015. They were accounted for at this time using the equity method. The disposal of the shares held in the Group is planned to take place in the second quarter of 2016. Furthermore, the financial assets held for sale in the amount of € 16 million include company shares of the Group Controlling/Others segments, which are reported as assets held for sale. This concerns share certificates and the related economic rights on which a call option was exercised by the counterparty. The sale of these shares is expected to take place in the second quarter of 2016.

(23) Liabilities to Banks

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Deposits from other banks			
German banks	2 048	2 169	– 6
Foreign banks	1 193	1 236	– 3
	3 241	**3 405**	**– 5**
Liabilities resulting from money market transactions			
German banks	9 885	9 971	– 1
Foreign banks	9 423	10 150	– 7
	19 308	**20 121**	**– 4**
Other liabilities			
German banks			
Due on demand	2 434	2 751	– 12
With a fixed term or period of notice	21 595	21 062	3
Foreign banks			
Due on demand	510	759	– 33
With a fixed term or period of notice	753	712	6
	25 292	**25 284**	**–**
Total	**47 841**	**48 810**	**– 2**

(24) Liabilities to Customers

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Savings deposits			
With an agreed notice period of three months			
Domestic customers	1 260	1 293	– 3
Customers abroad	13	13	–
With an agreed notice period of more than three months			
Domestic customers	31	34	– 9
Customers abroad	1	1	–
	1 305	**1 341**	**– 3**
Liabilities resulting from money market transactions			
Domestic customers	10 915	12 254	– 11
Customers abroad	1 879	3 141	– 40
	12 794	**15 395**	**– 17**
Other liabilities			
Domestic costumers			
Due on demand	16 559	16 519	0
With a fixed term or period of notice	23 935	24 496	– 2
Customers abroad			
Due on demand	1 448	713	> 100
With a fixed term or period of notice	2 137	2 133	0
	44 079	**43 861**	**0**
Total	**58 178**	**60 597**	**– 4**

(25) Securitised Liabilities

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Issued debt securities			
Covered bonds	11 194	10 968	2
Municipal debentures	9 881	10 472	– 6
Other debt securities	14 768	12 618	17
	35 843	**34 058**	**5**
Money market instruments			
Commercial paper	1 394	1 452	– 4
Certificates of deposit	360	367	– 2
	1 754	**1 819**	**– 4**
Total	**37 597**	**35 877**	**5**

Repurchased debt securities issued by the bank itself have been directly deducted from securitised liabilities in the amount of € 4.898 billion (€ 4.720 billion).

In the first three months of the financial year 2016 the nominal volume of issues in the NORD/LB Group totalled € -4.499 billion. Repurchases totalled 1 864 Mio €, while repayments totalled 2 162 Mio €. The amount for issues includes, in addition to original issues, papers resold as a result of repurchases. The figures include money market instruments, issued debt securities for securitised liabilities and subordinated capital.

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

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Trading liabilities			
Negative fair values from derivatives	8 815	7 742	14
Delivery obligations from short-sales	295	12	> 100
	9 110	**7 754**	**17**
Financial liabilities designated at fair value			
Liabilities to banks and customers	6 565	6 098	8
Securitised liabilities	2 204	2 205	–
	8 769	**8 303**	**6**
Total	**17 879**	**16 057**	**11**

(27) Provisions

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Provisions for pensions and other obligations	2 316	2 122	9
Other provisions	371	306	21
Total	**2 687**	**2 428**	**11**

Other provisions include provisions for the contribution to the European bank levy in the amount of € 49 million (€ 70 million). This item also includes provisions for reorganisation measures in the amount of € 5 million (€ 5 million).

(28) Liabilities Held for Sale

This position contains liabilities from shares in associated companies held for sale totalling € 12 million (€ 7 million).

(29) Subordinated Capital

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Subordinated liabilities	3 253	3 101	5
Participatory capital	89	152	– 41
Silent participations	539	1 046	– 48
Total	**3 881**	**4 299**	**– 10**

Other Disclosures

(30) Fair Value Hierarchy

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

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

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 the 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 consistently 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 such as market-based discounted cash-flow 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.

Level 3 financial instruments include trading assets and liabilities, financial instruments designated at fair value and financial assets recognised at fair value.

Establishing fair values

All measurement models applied in the Group are reviewed periodically. The fair values are subject to internal controls and processes in the NORD/LB Group. These controls and 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 the measurement appropriate consideration is given to all relevant factors such as the bid-ask spread, counterparty risk and typical discounting factors. In the context of the bid-ask spread, measurement is always based on the average price. The financial instruments concerned are in particular securities or liabilities whose fair values are based on prices listed on active markets and financial instruments such as OTC derivatives whose fair values are established using a measurement method and for which the average price is an observable input parameter in the measurement method.

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.

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. The credit default risk of the counterparty (CVA) and the Bank’s own credit default risk (DVA) are considered by way of an add-on process in the fair value calculation.

Secured OTC derivatives are primarily measured by the NORD/LB Group using the current market standard of overnight index swap discounting (OIS discounting). This means that secured derivatives are no longer discounted with the tenor-specific interest rate, but with the OIS interest rate curve. Unsecured derivatives will continue to be discounted with the tenor-specific interest rate to establish their fair value. In addition a funding valuation adjustment (FVA) was considered in the NORD/LB Group for the first time in the first quarter nof 2016, which represents the market-implied refinancing costs for non-collateralised derivative positions.

This results in an effect of € -20 million on the commercial register.

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

	31 Mar. 2016			31 Dec. 2015		
(in € million)	Fair Value	Carrying amount	Difference	Fair Value	Carrying amount	Difference
Assets						
Cash reserve	340	340	–	872	872	–
Loans and advances to banks	22 868	22 273	595	21 842	21 194	648
Loans and advances to customers	107 980	106 287	1 693	108 607	107 878	729
Risk provisioning	[1]	– 3 163	3163	[1]	– 2 919	2919
Sub-total of loans and advances to banks / customers (net after loan loss provisions)	**130 848**	**125 397**	**5 451**	**130 449**	**126 153**	**4 296**
Balancing items for financial instruments hedged in the fair value hedge portfolio	[2]	253	– 253	[2]	91	– 91
Financial assets at fair value through profit or loss	15 930	15 930	–	14 035	14 035	–
Positive fair values from hedge accounting derivatives	3 022	3 022	–	2 507	2 507	–
Financial assets not reported at fair value	2 985	3 260	– 275	3 205	3 471	– 266
Financial assets reported at fair value	30 805	30 805	–	31 044	31 044	–
Assets held for sale not reported at fair value	74	37	37	74	38	36
Assets held for sale reported at fair value	30	30	–	20	20	–
Other assets not reported at fair value	44	44	–	35	35	–
Other assets reported at fair value	37	37	–	36	36	–
Total	**184 115**	**179 155**	**4 960**	**182 277**	**178 302**	**3 975**
Liabilities						
Liabilities to banks	48 575	47 841	734	49 439	48 810	629
Liabilities to customers	61 516	58 178	3 338	63 622	60 597	3 025
Securitised liabilities	38 307	37 597	710	36 330	35 877	453
Balancing items for financial instruments hedged in the fair value hedge portfolio	[2]	1 142	– 1 142	[2]	753	– 753
Financial liabilities at fair value through profit or loss	17 879	17 879	–	16 057	16 057	–
Negative fair values from hedge accounting derivatives	3 607	3 607	–	3 148	3 148	–
Liabilities held for sale not reported at fair value	12	12	–	7	7	–
Other liabilities not reported at fair value	66	66	–	29	29	–
Other liabilities reported at fair value	1	1	–	1	1	–
Subordinated capital	4 258	3 881	377	4 726	4 299	427
Total	**174 221**	**170 204**	**4 017**	**173 359**	**169 578**	**3 781**

[1] Amounts relating to loan loss provisions 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 € 50 million (€ 48 million) of financial instruments as there is no active market for these financial instruments and necessary estimates are not possible within reasonable fluctuation ranges and suitable probabilities of occurrence. These are mainly investments. It is intended that these financial instruments remain in the company.

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

	Level 1		Level 2		Level 3		Total	
(in € million)	31 Mar. 2016	31 Dec. 2015	31 Mar. 2016	31 Dec. 2015	31 Mar. 2016	31 Dec. 2015	31 Mar. 2016	31 Dec. 2015
Assets								
Assets held for trading	993	725	13 104	11 463	48	65	14 145	12 253
Debt securities and other fixed-interest securities	944	662	1 454	1 153	–	–	2 398	1 815
Shares and other non fixed-interest securities	49	63	–	–	–	–	49	63
Positive fair values from derivatives	–	–	9 467	7 645	1	1	9 468	7 646
Interest-rate risks	–	–	8 365	7 035	–	–	8 365	7 035
Currency risks	–	–	1 076	576	1	1	1 077	577
Share-price and other price risks	–	–	4	10	–	–	4	10
Credit derivatives	–	–	22	24	–	–	22	24
Trading portfolio claims	–	–	2 183	2 665	47	64	2 230	2 729
Financial assets as at fair value through profit or loss	949	946	836	836	–	–	1 785	1 782
Loans and advances to customers	–	–	207	200	–	–	207	200
Financial assets	949	946	629	636	–	–	1 578	1 582
Debt securities and other fixed-interest securities	949	946	629	636	–	–	1 578	1 582
Positive fair values from hedge accounting derivatives	–	–	3 022	2 507	–	–	3 022	2 507
Positive fair values from employed micro fair value hedge derivatives	–	–	2 019	1 882	–	–	2 019	1 882
Interest-rate risks	–	–	1 971	1 836	–	–	1 971	1 836
Currency risks	–	–	48	46	–	–	48	46
Positive fair values from employed portfolio fair value hedge derivatives	–	–	1 003	625	–	–	1 003	625
Interest-rate risks	–	–	1 003	625	–	–	1 003	625
Financial assets at fair value	10 270	11 234	20 176	19 437	359	373	30 805	31 044
Debt securities and other fixed-interest securities	10 090	11 059	20 169	19 430	4	4	30 263	30 493
Shares and other non fixed-interest securities	166	161	–	–	–	–	166	161
Shares in companies (not consolidated)	14	14	7	7	231	232	252	253
Other financial assets classified as AfS	–	–	–	–	124	137	124	137
Financial assets held for sale reported at fair value	–	–	14	20	16	–	30	20
Other financial assets reported at fair value	16	16	21	20	–	–	37	36
Total assets	**12 228**	**12 921**	**37 173**	**34 283**	**423**	**438**	**49 824**	**47 642**

(in € million)	Level 1 31 Mar. 2016	31 Dec. 2015	Level 2 31 Mar. 2016	31 Dec. 2015	Level 3 31 Mar. 2016	31 Dec. 2015	Total 31 Mar. 2016	31 Dec. 2015
Liabilities								
Trading liabilities	214	11	8 895	7 742	1	1	9 110	7 754
Negative fair values from derivatives relating to	4	3	8 810	7 738	1	1	8 815	7 742
interest-rate risks	–	–	7 293	5 915	–	–	7 293	5 915
currency risks	–	–	1 498	1 807	1	1	1 499	1 808
share-price and other price risks	4	3	8	5	–	–	12	8
credit derivatives	–	–	11	11	–	–	11	11
Delivery obligations from short-sales and other trading assets	210	8	85	4	–	–	295	12
Financial liabilities reported at fair value	38	22	8 727	8 277	4	4	8 769	8 303
Liabilities to banks	–	–	437	442	–	–	437	442
Liabilities to customers	–	–	6 128	5 656	–	–	6 128	5 656
Securitised liabilities	38	22	2 162	2 179	4	4	2 204	2 205
Negative fair values from hedge accounting derivatives	–	–	3 607	3 148	–	–	3 607	3 148
Negative fair values from employed micro fair value hedge derivatives	–	–	3 162	2 871	–	–	3 162	2 871
interest-rate risks	–	–	2 830	2 497	–	–	2 830	2 497
currency risks	–	–	332	374	–	–	332	374
Negative fair values from employed portfolio fair value hedge derivatives	–	–	445	277	–	–	445	277
interest-rate risks	–	–	445	277	–	–	445	277
Other financial liabilities reported at fair value	1	1	–	–	–	–	1	1
Total liabilities and equity	**253**	**34**	**21 229**	**19 167**	**5**	**5**	**21 487**	**19 206**

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 (22) Assets Held for Sale).

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

1 Jan. – 31 Mar. 2016 (in € million)	From Level 1 to Level 2	From Level 1 to Level 3	From Level 2 to Level 1	From Level 2 to Level 3	From Level 3 to Level 1	From Level 3 to Level 2
Assets held for trading	14	–	8	–	–	–
Debt securities and other fixed-interest securities	14	–	8	–	–	–
Financial assets at fair value	1 359	–	539	–	–	–
Debt securities and other fixed-interest securities	1 359	–	539	–	–	–
Financial liabilities reported at fair value	– 6	–	– 23	–	–	–
Securitised liabilities	– 6	–	– 23	–	–	–

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

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			
	Positive fair values from derivatives Currency risks		Trading portfolio claims and other trading assets	
(in € million)	2016	2015	2016	2015
1 January	**1**	**–**	**64**	**197**
Effect on the income statement[1]	–	–	– 1	– 34
Addition from purchase or issuance	–	–	41	3
Disposal from sale	–	–	57	–
Repayment / exercise	–	–	–	62
31 Mar.	**1**	**–**	**47**	**104**
Profit / losses result from measurement effects, realisation and deferred interest and are shown in the respective items in the income statement[1]	–	–	–	– 12

[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)	2016	2015	2016	2015	2016	2015
1 January	**4**	**5**	**232**	**231**	**137**	**129**
Effect on the income statement[1]	–	–	–	–	– 4	1
Effect on the equity capital	–	–	– 1	32	– 1	– 1
Addition from purchase or issuance	–	–	–	14	–	–
Disposal from sale	–	–	–	–	6	–
Repayment / exercise	–	–	–	–	2	–
Disposal to Level 1 and 2	–	–	–	–	–	77
31 Mar.	**4**	**5**	**231**	**277**	**124**	**52**

[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.

	Financial assets held for sale reported at fair value	
(in € million)	2016	2015
1 January	–	**–**
Addition	16	–
31 Mar.	**16**	**–**

	Trading liabilities			
	Trading liabilities Interest-rate risk		Trading liabilities Currency risks	
(in € million)	2016	2015	2016	2015
1 January	**–**	**16**	**1**	**1**
Disposal from sale	–	**16**	–	–
31 Mar.	**–**	**–**	**1**	**1**

(in € million)	Financial liabilities at fair value through profit or loss Securitised liabilities 2016	2015
1 January	**4**	**9**
31 Mar.	**4**	**9**

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

Product	Fair Value 31 Mar. 2016 (in € million)	Significant non-observable input data in the fair value measurement	Spread of the used input data	Weighted average
Interest-bearing bonds (assets)	4	Fair Value	-	-
Interest-bearing bond (liabilities)	– 4	historical volatilities	16-88 %	30 %
Participations	231	Discount rate	5-10 %	8 %
Silent participations	124	Discount rate	4-11 %	9 %
Loans	19	Rating	Rating Class (25er DSGV-Skala) 9	Averaged Rating 9
	28	Rating	Rating Class (25er DSGV-Skala) 1 (A)	Averaged Rating 1 (A)
Derivatives (assets)	1	historical volatilities	12-88 %	29 %
Derivatives (liabilities)	– 1	historical volatilities	12-38 %	29 %
Financial assets held for sale reported at fair value	16	Value of shares	-	-

A significant input parameter that cannot be observed in the market used in the Level 3 fair value measurement of interest-bearing securities is the fair value itself, 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 (€ 0.4 million). The aforementioned amount would have a corresponding effect on other comprehensive income (OCI).

A significant input parameter that cannot be observed in the market used in the fair value measurement of silent participations is the discount rate. 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. Accordingly an imputed change in the parameter would result in a change in the fair value of investments in Level 3 of € 7.8 million (€ 7.8 million) with a corresponding effect on other comprehensive income (OCI).

A significant input parameter that cannot be observed in the market used in the fair value measurement of silent participations is the discount rate. 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 100 basis points. Accordingly an imputed change in the parameter would result in a change in the fair value of these silent participations in Level 3 of € 3.5 million (€ 3.5 million) with a corresponding effect on other comprehensive income (OCI).

A significant input parameter that cannot be observed in the market used in the fair value 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 would result in a change in the fair value of the loan in Level 3 of € 0.2 million (€ 0.1 million) with a corresponding effect on the income statement.

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

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)	31 Mar. 2016	31 Dec. 2015	31 Mar. 2016	31 Dec. 2015	31 Mar. 2016	31 Dec. 2015
Interest-rate risk	288 636	287 093	17 187	13 331	16 381	12 590
Currency risk	49 438	50 469	1 404	624	2 090	2 180
Share price and other price risks	171	200	4	10	12	8
Credit risk	2 994	2 894	22	24	11	11
Total	**341 239**	**340 656**	**18 617**	**13 989**	**18 494**	**14 789**

(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 rela-ting 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 Asets	
(in € million)	31 Mar. 2016	31 Dec. 2015	31 Mar. 2016	31 Dec. 2015	31 Mar. 2016	31 Dec. 2015
Ireland						
Country	– 1	9	–	–	22	22
Financing institutes / insurance companies	– 16	13	–	–	23	24
Companies / other	64	37	–	–	–	–
	47	**59**	**–**	**–**	**45**	**46**
Italy						
Country	–	–	82	84	1 073	1 071
Financing institutes / insurance companies	13	1	–	–	53	124
Companies / other	7	4	–	–	88	90
	20	**5**	**82**	**84**	**1 214**	**1 285**
Portugal						
Country	– 3	– 2	–	–	50	51
Financing institutes / insurance companies	– 1	– 1	–	–	–	1
Companies / other	–	–	–	–	13	–
	– 4	**– 3**	**–**	**–**	**63**	**52**

(in € million)	Financial Instruments Held for Trading 31 Mar. 2016	31 Dec. 2015	Financial Instruments designated at Fair Value through Profit or Loss 31 Mar. 2016	31 Dec. 2015	Available for Sale Asets 31 Mar. 2016	31 Dec. 2015
Slowenia						
Country	–	4	–	–	–	–
	–	**4**	**–**	**–**	**–**	**–**
Spain						
Country	–	1	–	–	129	138
Financing institutes / insurance companies	27	17	–	–	1 164	1 239
Companies / other	10	9	–	–	27	28
	37	**27**	**–**	**–**	**1 320**	**1 405**
Hungary						
Country	–	–	–	–	114	113
	–	**–**	**–**	**–**	**114**	**113**
Cyprus						
Companies / other	18	1	–	–	–	–
	18	**1**	**–**	**–**	**–**	**–**
Total	**118**	**93**	**82**	**84**	**2 756**	**2 901**

For financial instruments categorised as available for sale with acquisition costs totalling € 1.952 billion (€ 2.582 billion), the cumulative valuation result of the selected countries reported in equity totals € 119 million (€ 118 million). In addition to this, depreciation of € 0 million (€ 1 million) was recognised in the income statement for the period.

	Loans and Receivables							
	Gross book value		Specific valuation allowances		General loan loss provisions		Fair Value	
(in € million)	31 Mar. 2016	31 Dec. 2015	31 Mar. 2016	31 Dec. 2015	31 Mar. 2016	31 Dec. 2015	31 Mar. 2016	31 Dec. 2015
Greece								
Companies / other	20	21	–	–	1	– 1	20	19
	20	**21**	**–**	**–**	**1**	**– 1**	**20**	**19**
Ireland								
Financing institutes / insurance companies	182	193	–	–	–	–	184	198
Companies / other	2 189	2 332	–	–	2	– 2	2 071	2 148
	2 371	**2 525**	**–**	**–**	**2**	**– 2**	**2 255**	**2 346**
Italy								
Financing institutes / insurance companies	77	83	–	–	–	–	60	69
Companies / other	227	213	–	–	–	–	233	216
	304	**296**	**–**	**–**	**–**	**–**	**293**	**285**
Portugal								
Companies / other	25	25	–	–	–	–	25	25
	25	**25**	**–**	**–**	**–**	**–**	**25**	**25**
Russia								
Financing institutes / insurance companies	151	148	–	–	–	–	150	148
Companies / other	49	43	–	–	–	–	48	41
	200	**191**	**–**	**–**	**–**	**–**	**198**	**189**

(in € million)	Loans and Receivables Gross book value 31 Mar. 2016	Gross book value 31 Dec. 2015	Specific valuation allowances 31 Mar. 2016	Specific valuation allowances 31 Dec. 2015	General loan loss provisions 31 Mar. 2016	General loan loss provisions 31 Dec. 2015	Fair value 31 Mar. 2016	Fair value 31 Dec. 2015
Spain								
Country	52	52	– 4	– 4	–	–	54	54
Financing institutes / insurance companies	100	84	–	–	–	–	100	84
Companies / other	226	249	23	24	–	–	229	254
	378	**385**	**19**	**20**	**–**	**–**	**383**	**392**
Hungary								
Financing institutes / insurance companies	1	1	–	–	–	–	1	1
Companies / other	30	33	–	–	–	–	30	32
	31	**34**	**–**	**–**	**–**	**–**	**31**	**33**
Cyprus								
Companies / other	1 048	1 072	34	– 49	18	6	789	779
	1 048	**1 072**	**34**	**– 49**	**18**	**6**	**789**	**779**
Total	**4 377**	**4 549**	**53**	**– 29**	**21**	**3**	**3 994**	**4 068**

The nominal value of credit derivatives relating to the selected countries in the NORD/LB Group's portfolio is € 551 million (€ 567 million). Of this, states account for € 378 million (€ 378 million), financing institutions/insurance companies for € 107 million (€ 125 million) and companies/others for € 67 million (€ 64 million). The Group acts as both a provider and recipient of collateral. The netted fair value of the credit derivatives is € -6 million (€ -4 million).

Other Notes

(33) Regulatory Data

The consolidated regulatory capital below was calculated as at the reporting date in accordance with provisions of the EU Regulation No. 575/2013 on prudential requirements for banks and investment firms (CRR).

(in € million)	31 Mar. 2016	31 Dec. 2015
Total risk exposure amount	**63 749**	**63 675**
Capital requirements for credit risk	4 365	4 352
Capital requirements for operational risks	409	419
Capital requirements for market risks	235	251
Capital requirements for loan amount adjustments	90	73
Capital requirements	**5 100**	**5 095**

The following schedule shows the composition of regulatory equity for the group of institutes in accordance with art. 25 ff. of the CRR:

(in € million)	31 Mar. 2016	31 Dec. 2015
Paid-up capital including premium	4 930	4 930
Reserves	2 759	2 908
Eligible components of CET 1 capital at subsidiaries	831	837
Other components of CET 1 capital	– 77	36
– Deductible items (from CET 1 capital)	– 828	– 964
Adjustments due to transition rules	406	573
Common Equity Tier 1 capital	**8 020**	**8 320**
Grandfathered AT1 instruments	451	451
Adjustments due to transition rules	– 186	– 331
Additional Tier 1 capital	265	120
Tier 1 capital	**8 285**	**8 440**
Paid-up instruments of Tier 2 capital	2 713	2 616
Eligible components of Tier 2 capital at subsidiaries	191	270
– Deductible items (from Tier 2 capital)	– 25	– 25
Adjustments due to transition rules	– 535	– 654
Tier 2 capital	**2 343**	**2 207**
Own funds	**10 628**	**10 647**

(in %)	31 Mar. 2016	31 Dec. 2015
Common equity tier 1 capital ratio	12,58%	13,07%
Tier 1 capital ratio	13,00%	13,25%
Total capital ratio	16,67%	16,72%

[1)] The tables may include minor differences that occur in the reproduction of mathematical operations.

(34) Contingent Liabilities and Other Obligations

	31 Mar. 2016 (in € million)	31 Dec. 2015 (in € million)	Change (in %)
Contingent liabilities			
Liabilities from guarantees and other indemnity agreements	4 004	4 271	– 6
Other obligations			
Irrevocable credit commitments	6 399	9 409	– 32
Total	**10 403**	**13 680**	**– 24**

(35) Related Parties

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

31 Mar. 2016 (in € million)	Companies with significant influence	Subsidiaries	Joint Ventures	Associated companies	Persons in key positions	Other related parties
Assets						
Loans and advances to banks	**–**	**–**	**–**	**243**	**–**	**214**
of which: money market transcations	–	–	–	72	–	–
of which: loans	–	–	–	163	–	214
other loans	–	–	–	163	–	214
Loans and advances to customers	**2 319**	**6**	**–**	**308**	**1**	**693**
of which: money market transcations	–	–	–	13	–	–
of which: loans	2 311	6	–	295	1	693
public-sector loans	2 228	–	–	14	–	681
mortage-backed loans	–	5	–	92	1	4
other loans	83	1	–	189	–	8
Financial assets at fair value through profit or loss	**226**	**–**	**–**	**73**	**–**	**33**
of which: Debt securities and other fixed-interest securities	51	–	–	–	–	–
of which: Positive fair values from derivatives	81	–	–	73	–	2
of which: Trading portfolio claims	94	–	–	–	–	31
Positive fair values from hedge accounting derivatives	**153**	**–**	**–**	**–**	**–**	**–**
Financial assets	**1 979**	**–**	**–**	**17**	**–**	**–**
of which: Debt securities and other fixed-interest securities	1 979	–	–	–	–	–
of which: Shares and other non fixed-interest securities	–	–	–	17	–	–
Total	**4 677**	**6**	**–**	**641**	**1**	**940**

31 Mar. 2016 (in € million)	Compa-nies with significant influence	Subsi-daries	Joint Ventures	Asso-ciated com-panies	Persons in key positions	Other related parties
Liabilities						
Liabilities to banks	**–**	**14**	**–**	**340**	**–**	**130**
Liabilities to customers	**1 157**	**472**	**1**	**376**	**4**	**822**
of which: money market transcations	–	–	–	–	1	–
of which: saving deposits	781	1	–	54	–	109
Securitised liabilities	**–**	**–**	**–**	**–**	**–**	**1**
Financial liabilities at fair value through profit or loss	**76**	**–**	**–**	**9**	**–**	**226**
of which: negative fair values from derivatives	50	–	–	9	–	13
Negative fair values from hedge accounting derivatives	**21**	**–**	**–**	**–**	**–**	**–**
Subordinated capital	**1**	**131**	**–**	**–**	**–**	**15**
Total	**1 255**	**617**	**1**	**725**	**4**	**1 194**
Guarantees / sureties received	410	–	–	–	–	–
Guarantees / sureties granted	–	–	–	13	–	17

1 Jan. – 31 Mar. 2016 (in € million)	Compa-nies with significant influence	Subsi-daries	Joint Ventures	Asso-ciated com-panies	Persons in key positions	Other related parties
Interest expenses	9	5	–	7	–	3
Interest income	33	–	–	6	–	8
Other income and expenses	– 15	–	–	– 6	– 1	2
Total contributions to income	**9**	**– 5**	**–**	**– 7**	**– 1**	**7**

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

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

1 Jan. – 31 Mar. 2015 (in € million)	Companies with significant influence	Subsidiaries	Joint Ventures	Associated companies	Persons in key positions	Other related parties
Interest expenses	13	15	–	9	–	1
Interest income	35	–	–	6	–	9
Other income and expenses	1	–	–	7	– 1	– 8
Total contributions to income	**23**	**– 15**	**–**	**4**	**– 1**	**–**

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

(36) Basis of Consolidation

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

Name und Sitz des Unternehmens	Shares (%) indirect	Shares (%) direct
In den Konzernabschluss einbezogene Zweckgesellschaften		
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	–	–
Happy Auntie S.A., Majuro / Marshallinseln	–	–
KMU Gruppe		
Beteiligungs- Kommanditgesellschaft MS "Buxmelody" Verwaltungs- und Bereederungs GmbH & Co., Buxtehude	–	–
KMU Shipping Invest GmbH, Hamburg	–	–
GEBAB Ocean Shipping II GmbH & Co. KG, Hamburg	–	–
GEBAB Ocean Shipping III GmbH & Co. KG, Hamburg	–	–
MT "BALTIC CHAMPION" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT "BALTIC COMMODORE" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT "NORDIC SCORPIUS" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT "NORDIC SOLAR" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
MT "NORDIC STAR" Tankschiffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
"OLIVIA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
"OLYMPIA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
"PANDORA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
"PRIMAVERA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
"QUADRIGA" Beteiligungsgesellschaft mbH & Co. KG, Elsfleth	–	–
MS "HEDDA SCHULTE" Shipping GmbH & Co. KG, Hamburg	–	–
NORD/LB Objekt Magdeburg GmbH & Co. KG, Pullach im Isartal	–	–
Proud Parents Investment Co., Majuro / Marshallinseln	–	–
In den Konzernabschluss einbezogene Investmentfonds		
NORD/LB AM ALCO	–	100,00

Company name and registered office	Shares (%) indirect	Shares (%) direct
Companies / investment funds accounted for in the consolidated financial statements using the equity method		
Joint ventures		
Bremische Wohnungsbaubeteiligungsgesellschaft mbH	50.00	–
caplantic GmbH, Hannover	–	45.00
Associated companies		
Ammerländer Wohnungsbau-Gesellschaft mbH, Westerstede	32.26	–
BREBAU GmbH, Bremen	48.84	–
GSG OLDENBURG Bau- und Wohngesellschaft mit beschränkter Haftung, Oldenburg	22.22	–
LBS Norddeutsche Landesbausparkasse Berlin-Hannover, Hannover	44.00	–
LINOVO Productions GmbH & Co. KG, Pöcking	–	45.17
NORD KB Beteiligungsgesellschaft mit beschränkter Haftung, Hannover	–	28.66
SALEG Sachsen-Anhaltinische-Landesentwicklungsgesellschaft mbH, Magdeburg [1]	–	56.61
Toto-Lotto Niedersachsen GmbH, Hannover	49.85	–
Öffentliche Lebensversicherung Braunschweig, Braunschweig [2]	–	75.00
Öffentliche Sachversicherung Braunschweig, Braunschweig [2]	–	75.00
Investment funds		
Lazard-Sparkassen Rendite-Plus-Fonds	49.18	–
After IFRS 5 valuated companies		
Subsidiaries		
Nordic Buxtehude Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
Nordic Stade Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	–	–
NORD/LB Vermögensmanagement Luxembourg S.A., Luxemburg-Findel / Luxemburg	–	100.00
Associated companies		
Deutsche Factoring Bank Deutsche Factoring GmbH & Co., Bremen	27.50	–

[2] Due to the “potential voting rights” of third parties, this company is classified as an associated company.
[3] Due to the structure under company law, this company is classified as an associated company.

V. RESPONSIBILITY

Norddeutsche Landesbank – Girozentrale – with its registered Office at 30159 Hanover, Friedrichswall 10, accepts responsibility for the information contained in this Supplement No. 1.

To the best knowledge and belief of Norddeutsche Landesbank – Girozentrale – which has taken all reasonable care to ensure that such is the case, the information contained in this Supplement No. 1 is in accordance with the facts and does not omit anything likely to affect the import of such information.

Hanover, 31 May 2016

NORDDEUTSCHE LANDESBANK – GIROZENTRALE –

gez.	gez.
Dr. Sascha Lotze	Mark Hoepfner