



# NORD/LB Group Presentation

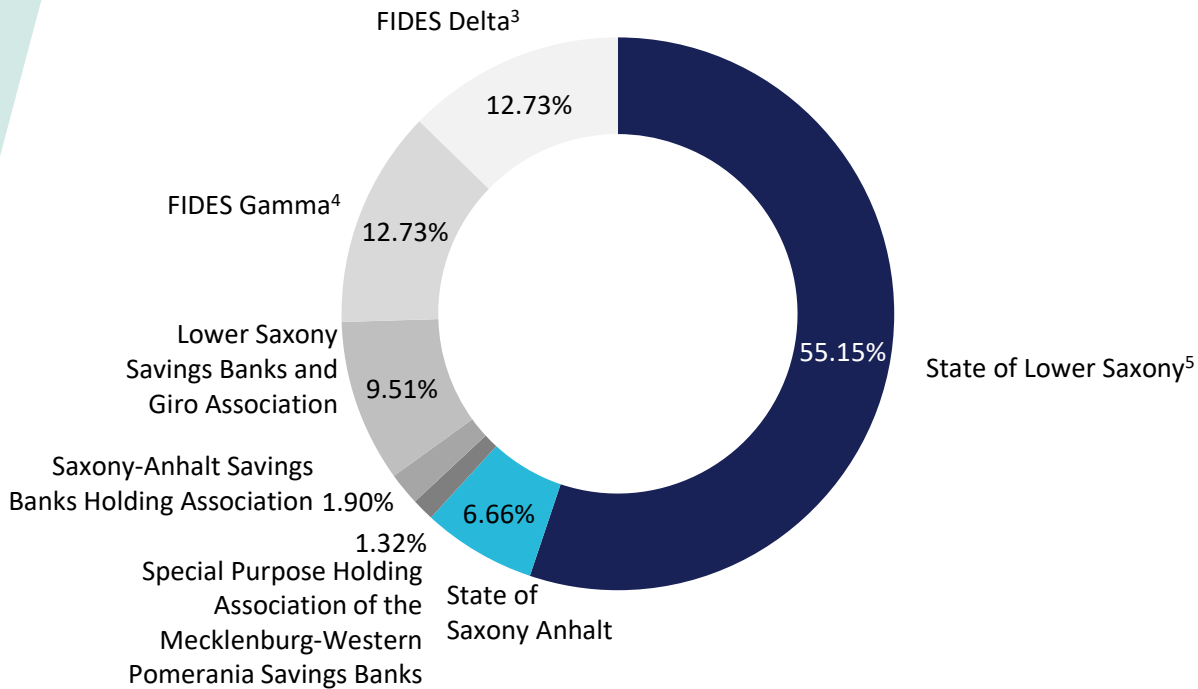
May 2021

# Agenda.

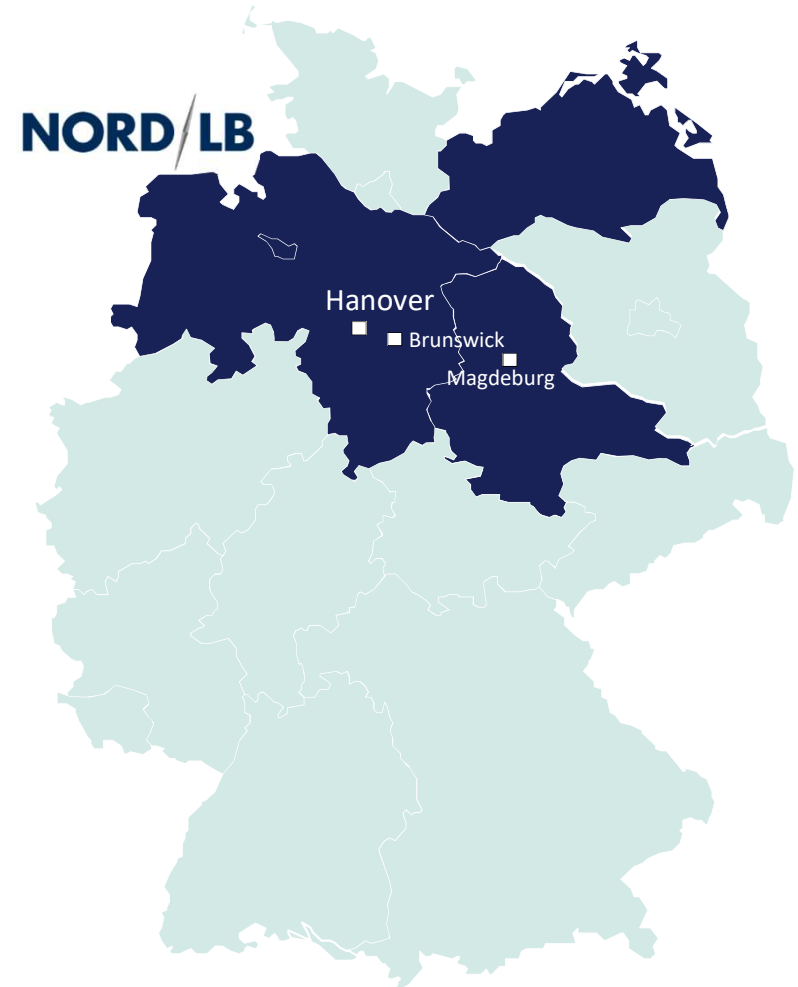
<b>NORD/LB at a glance</b>	<b>2</b>
Financials	13
Segments	19
NORD/LB 2024, Outlook	27
Appendix	36

# Ownership structure and regional network.

## Ownership Structure<sup>1,2</sup>

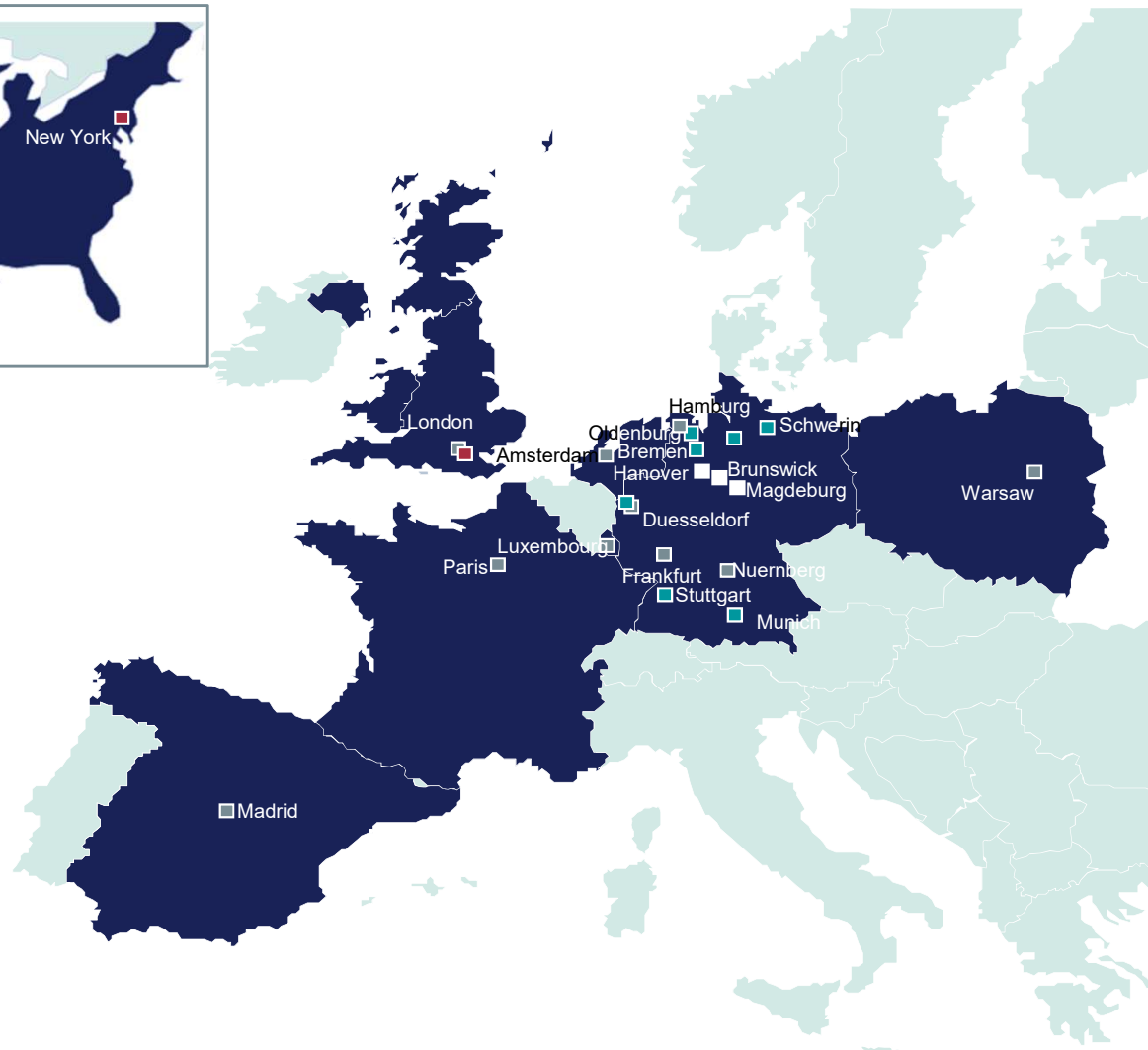


## Headquarters and ownership region



- 1) Total differences are rounding differences
- 2) As at 31 December 2020
- 3) Fides Gamma: Trustee company of DSGV (German Savings Banks Association)/savings banks
- 4) Fides Delta: Trustee company of DSGV (German Savings Banks Association)/landesbanks
- 5) Divided into: State of Lower Saxony € 1,000.59, Niedersachsen Invest GmbH (NIG) 42.92 per cent and Hannoversche Beteiligungsgesellschaft Niedersachsen mbH (HanBG) 12.23 per cent

# Represented in important financial and trade centres worldwide.

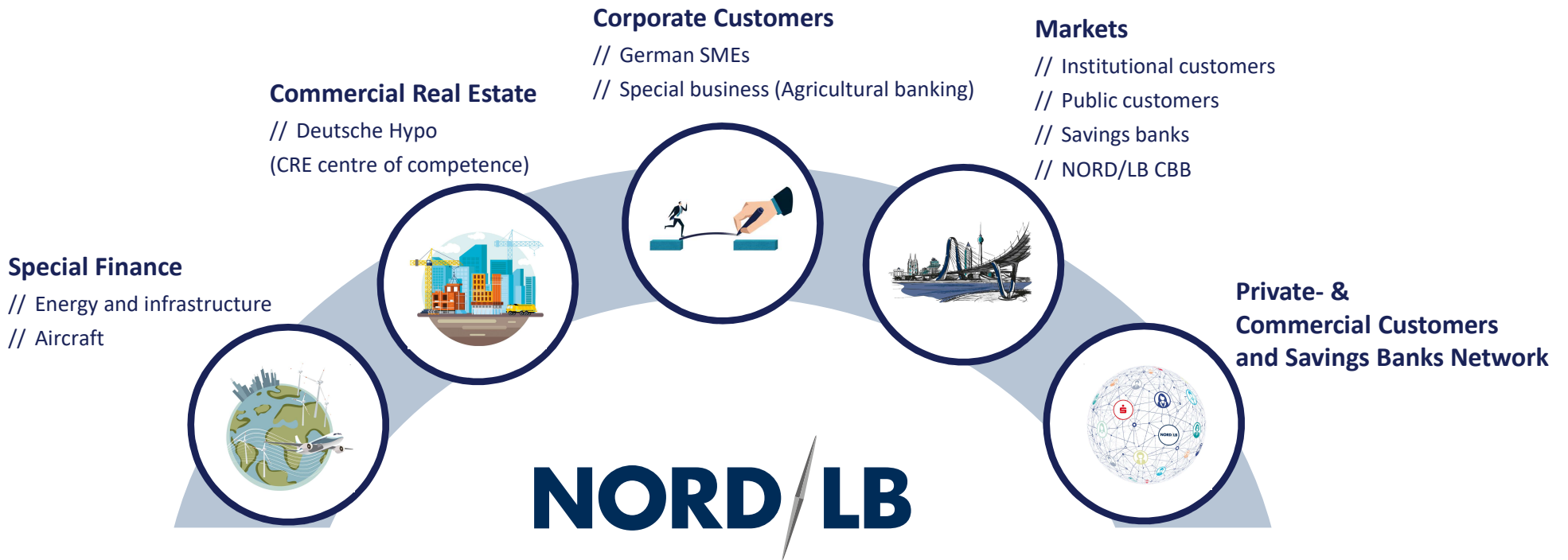


- **Head offices**  
Hannover, Brunswick, Magdeburg
- **Branches worldwide**  
London, New York, Singapore, Shanghai
- **German branches**  
Bremen, Duesseldorf, Hamburg, Munich, Oldenburg, Schwerin, Stuttgart and approx. 100 branches and self-service centres of Braunschweigische Landessparkasse
- **Subsidiaries and bank holdings**  
Deutsche Hypothekbank, NORD/LB Luxembourg Covered Bond Bank



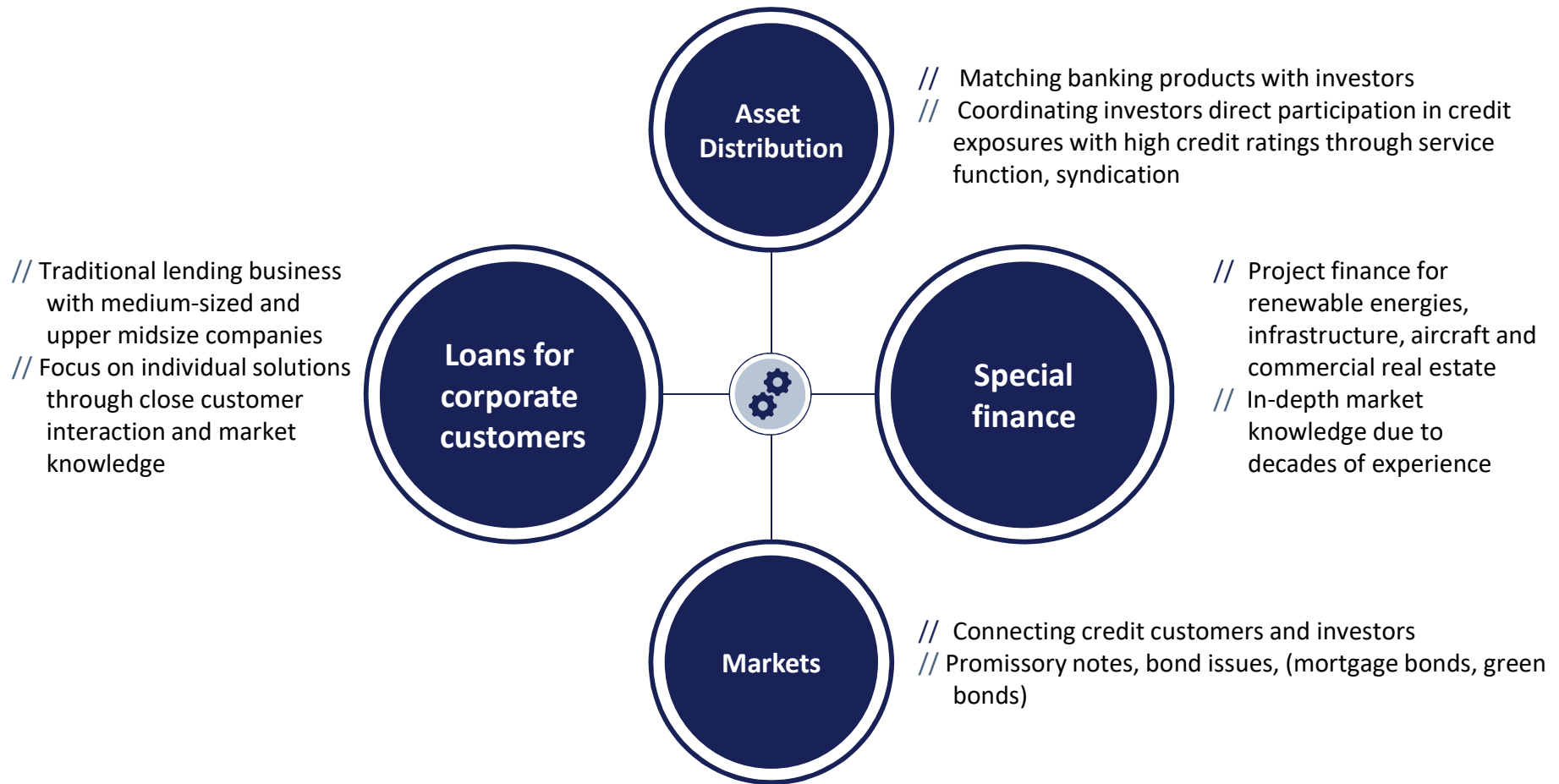
Addresses and more details: <https://www.nordlb.com/nordlb/locations-and-investments>

We rely on strong regional roots and leading positions in attractive niche markets.



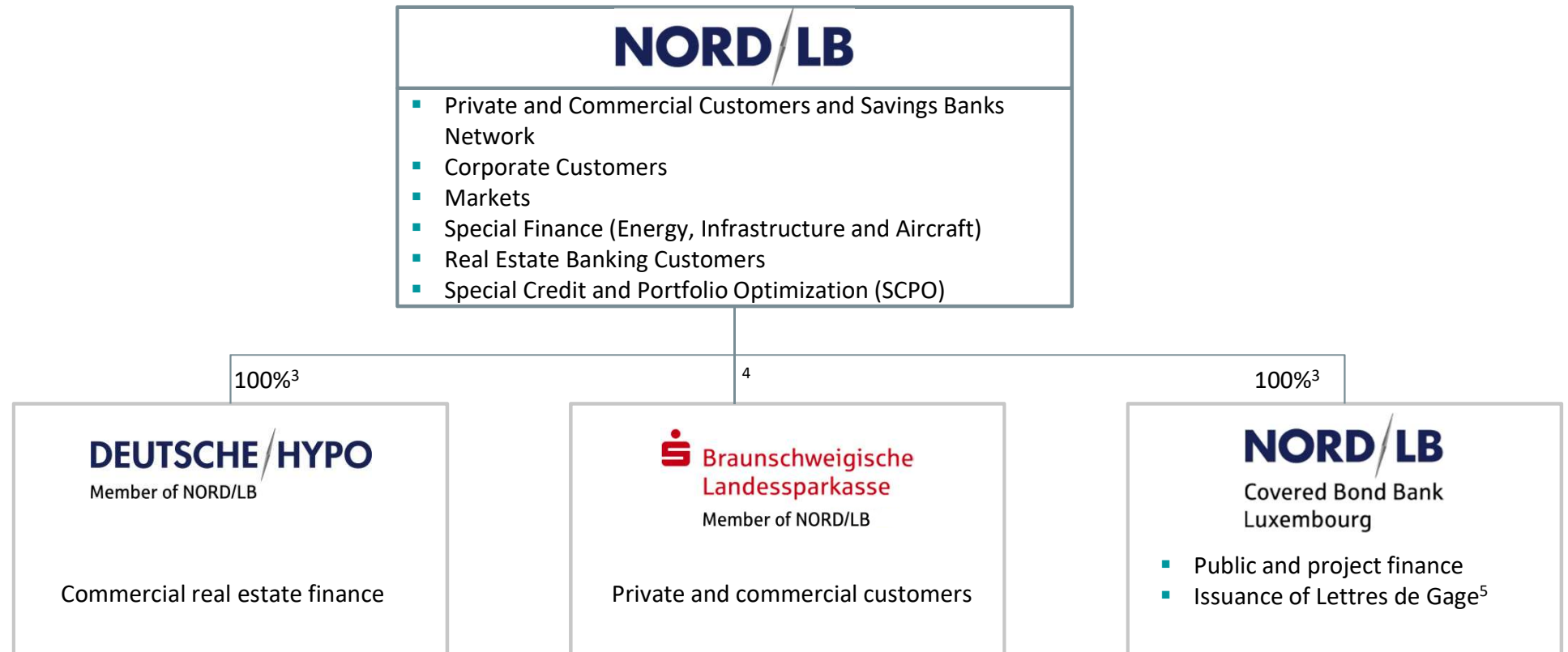
- // Attractive niche player with a holistic and sustainable consultancy approach
- // Excellent know-how in the field of renewable energies and infrastructure projects
- // Outstanding expertise in aircraft and commercial real estate financing
- // Long-standing stable association business with partners of the S-Financing Group

## Stronger interaction between credit customers and investors.



**The interaction between credit customers, investors and NORD/LB creates new product solutions for customers and additional commission income in a capital-friendly manner**

# Holding structure and brands<sup>1,2</sup>.



1) As at 31 December 2019

2) For more information about subsidiaries and affiliated companies please consult <https://www.nordlb.com/nordlb/locations-and-investments> or our Group Annual Reports 2020, Note (75)

3) NORD/LB ensures that the companies mentioned in the Group Annual Report 2020, Note (72) are able to meet their obligations

4) Incorporated under public law with partial legal capacity

5) Further details starting at page 45

# Our ratings.

NORD/LB Credit Ratings	MOODY'S	FitchRatings	DBRS
Issuer Rating (long-term <sup>1</sup> /short-term <sup>2</sup> )	A3 <sup>4</sup> /P-2	A- <sup>8</sup> /F1	A (high) <sup>4</sup> /R-1 (middle) <sup>4</sup>
Deposits (long-term / short-term)	A3 <sup>4</sup> /P-2	A/F1	A (high) <sup>4</sup> /R-1 (middle) <sup>4</sup>
Counterparty Risk Rating / Derivate counterparty rating (long-term / short-term)	A3(cr)/P-2(cr)	A(dcr)/-	-
Senior unsecured liabilities (preferred)	A3 <sup>4</sup>	A	A (high) <sup>4</sup>
Senior unsecured non-preferred debt	Baa2	A	A <sup>4</sup>
Subordinate / Tier 2	Ba2	B+	BBB (high) <sup>4</sup>
Intrinsic financial strength <sup>3</sup>	ba1	bb	BBB (low)
Subordinate / Tier 1	Ca(hyb)	-	-
Public-Sector / Mortgage Pfandbriefe	Aa1/Aa1	-	-

NORD/LB Sustainability Ratings	ekom research <sup>6</sup> <small>AKTIENGESELLSCHAFT</small>	imug <sup>7</sup>	MSCI <sup>9</sup> ESG RATINGS
Corporate Rating / Sustainability Rating	C+ Prime	Positive B	A
Public-Sector Pfandbriefe	-	Positive BBB	-
Mortgage Pfandbriefe	-	Positive BB	-
Ship Pfandbriefe	-	Positive B	-

1) Long-term Issuer Rating / Long-term Issuer Default Rating (IDR) / Long-term Issuer Rating  
 2) Commercial Paper/ Short-Term Issuer Default Rating / Short-Term Issuer Rating  
 3) Adjusted Baseline Credit Assessment / Viability Rating / Intrinsic Assessment

4) Stable outlook  
 5) Positive outlook  
 6) March 2019

7) November 2019  
 8) Negative outlook  
 9) March 2021, for further information see page 51



## Operationally strong and customer-focused in line with the transformation.



- The foundations of our **operational strength** are our close ties to customers and our focus on selected business segments
- Even during the COVID-19 pandemic, we keep our promises: as a **reliable partner**, we stand by our clients and generate **profitable new business**



- **Sustainability** is more than just a trendy topic for us, but follows our conviction
- Establishment of a **Sustainability Board at the** beginning of 2021
- **NORD/LB Green Loan** for customers: We link sustainability with the energy industry



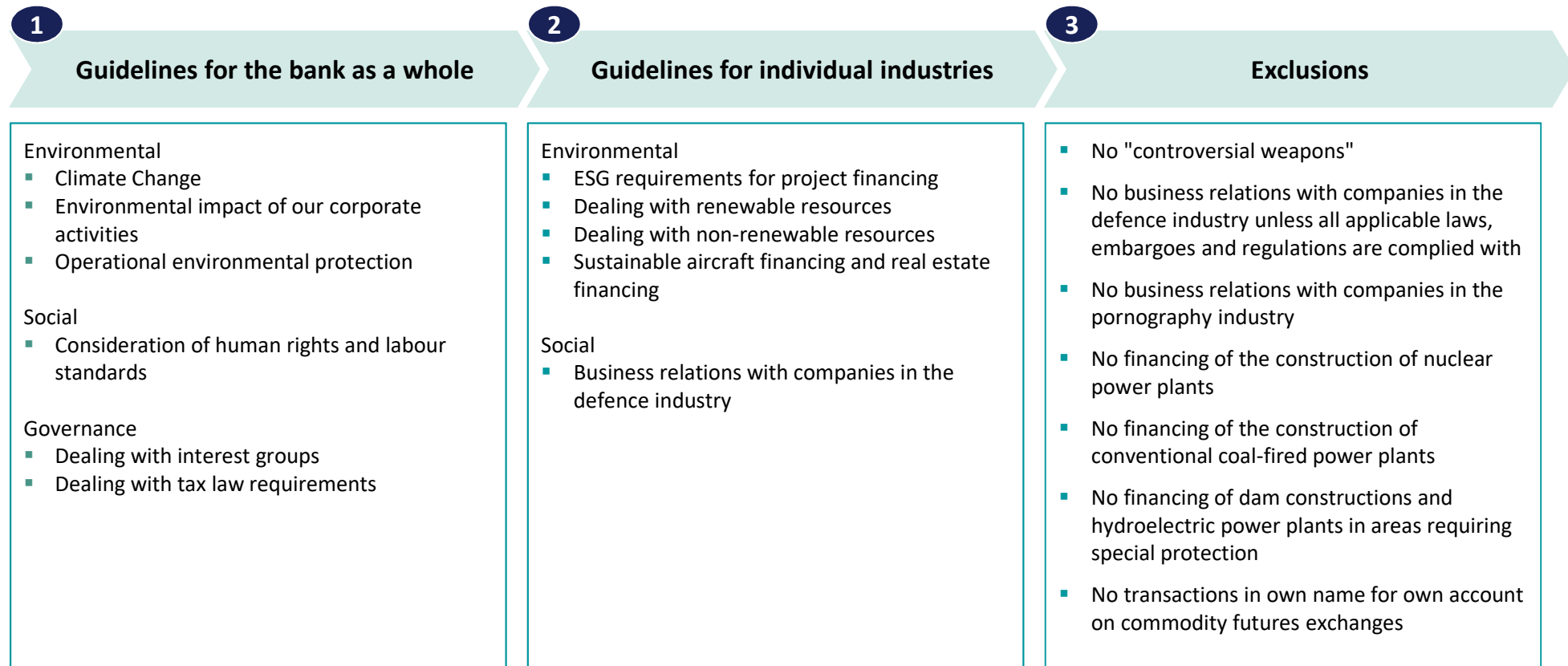
- We understand **digitalisation** as a holistic approach
- The **full integration of Deutsche Hypo** enables us to act even more efficiently and further expand our sustainability portfolio
- **Outsourcing** of IT services streamlines Group IT

# NORD/LB is committed to strategically integrate sustainability into its business model.



# Clear definition of ESG guidelines.

As a Landesbank and a public-law institution, NORD/LB bears a special responsibility for economic development and social cohesion. This social responsibility includes NORD/LB's social commitment and responsible corporate management with clear ethical principles as well as the example of integrity and legally compliant conduct.



# Sustainability is successfully integrated in NORD/LB Group's operative business.

The integration of sustainability into our core business is our main driver to ensure long-term future orientation and competitiveness of the NORD/LB Group, our customers and business partners

<b>2012</b> Implementation of first ESG guidelines for the lending business.	<b>2016</b> Group sustainability report in accordance with GRI G4 guidelines <sup>2</sup>	<b>2018</b> Publication of the Group Sustainability Report in accordance with the GRI standards <sup>3</sup>	<b>2021</b> Implementation of a Sustainability Board to strategically integrate sustainability into the bank's supply chain
<b>2013</b> Signing of the UN Global Compact	<b>2017</b> First Green Pfandbrief issued by Deutsche Hypo	<b>2020</b> Signing of the "Principles for Responsible Banking"	
<b>2013</b> First Group sustainability report in accordance with the GRI guidelines <sup>3</sup>		<b>2020</b> First "Lettre de Gage énergies renouvelables" (Luxemburger Covered Bonds Renewable Energies)	
<b>2013</b> Implementation of further guidelines for the lending business			

- 1) Environmental, Social and Governance
- 2) Guidelines of the Global Reporting Initiative (GRI), standard version G4
- 3) GRI - Global Reporting Initiative

# Agenda.

NORD/LB at a glance	2
<b>Financials</b>	<b>13</b>
Segments	19
NORD/LB 2024, Outlook	27
Appendix	36

## Strong performance in transformation process. Unaffected by COVID-19.

<p><b>Consolidated profit</b></p>	<p>The Group earnings before restructuring, transformation and taxes were € -30 million as at 31 March 2021. Net risk provisioning (with the exception of aircraft financing) continues to be inconspicuous. The model adjustments in risk provisions (to anticipate possible COVID-19 effects) were reduced by € 22 million to € 364 million in the first quarter of 2021 (portfolio)</p>
<p><b>De-risking of loan portfolio</b></p>	<p>The portfolio reduction is progressing. As at 31 March 2021, the total exposure was € 126.4 billion, down 3 per cent compared to year-end 2020 (€ 130.5 billion). The Group NPL ratio remained at 1.3 per cent (compared to year-end 2020). The shipping portfolio was reduced to € 1.8 billion, of which 11 per cent (€ 201 million) is not included in guarantees or securitisations. The aircraft portfolio amounts to € 3.6 billion, of which 55 per cent is covered by guarantees or securitisations</p>
<p><b>Transformation Programme</b></p>	<p>The transformation programme was continued as planned, with personnel expenses falling by € 11 million. Total assets were further reduced to € 119.8 billion, a reduction of 22 per cent or € 34 billion since the end of 2018. The NORD/LB 2024 strategy programme bundles efficiency improvement programmes and implements the business model adjustments<sup>1</sup></p>
<p><b>Common Equity Tier 1 ratio</b></p>	<p>The Common Equity Tier 1 capital ratio (CET1) of 14.9 per cent as at 31 March 2021 was significantly above the regulatory requirements (SREP 8.7 per cent). The total capital ratio was 19.6 per cent as at 31 March 2021. The MREL ratio was 48.1 per cent<sup>2</sup> as at 31 March 2021. The cost/income ratio was 119.3 per cent and the return on equity was -2.9 per cent.</p>

1) Further details starting at page 28

2) Further details on page 18

## First quarter shows slightly negative result.

Income statement (in €m)	1 Jan - 31 Mar 2021	1 Jan - 31 Mar 2020 <sup>1</sup>	Change in %
Net interest income	227	271	-16
Net commission income	5	-19	>100
Profit/loss from financial assets at fair value (incl. Hedge Accounting)	54	-48	>100
Risk provisioning	9	37	-76
Disposal profit/loss from financial assets not measured at fair value	-10	-7	+43
Profit/loss from shares in companies	-	1	-100
Profit/loss from investments accounted for using the equity method	-7	4	>100
Administrative expenses (-)	245	239	+3
Other operating profit/loss	-63	-57	+11
<b>Earnings before restructuring, transformation and taxes</b>	<b>-30</b>	<b>-57</b>	<b>-47</b>
Profit/loss from restructuring and transformation	-18	-8	>100
<b>Earnings before taxes</b>	<b>-48</b>	<b>-65</b>	<b>-26</b>
Income taxes (-)	-7	2	>100
<b>Consolidated profit/loss</b>	<b>-41</b>	<b>-67</b>	<b>-39</b>

- **Net interest income:** Decrease due to the further reduction of the loan portfolio as well as the reduction of the associated refinancing
- **Net commission income:** In particular, the € 27 million decrease in guarantee fees for the guarantees of the State of Lower Saxony had a positive effect on the result.
- **Fair-value result:** Increase mainly due to the result from financial assets measured at fair value (€ 45 million) and default risk on derivatives totalling € 30 million.
- **Risk provisioning:** € -22 million of this change results from the model adjustment reduced to € 364 million in the first quarter of 2021 (€ 386 million as at 31 December 2020) (preventive risk provisioning as a result of the COVID-19 pandemic)
- The **disposal result** is mainly characterised by the repurchase of own receivables as well as own issued liabilities
- **Administrative expenses:** Decrease in personnel expenses (€ -11 million). Increased operating expenses due to investments in IT infrastructure (€ 15 million)
- The change in **other operating result** is mainly due to a higher bank levy and additions to the deposit guarantee fund (€ 5 million).
- **Transformation expenses** (€ -19 million) mainly consist of consulting services for strategy, IT and legal advice.
- The **tax income** comes mainly from the release of deferred tax liabilities of a foreign subsidiary.

1) Previous year's figures were adjusted

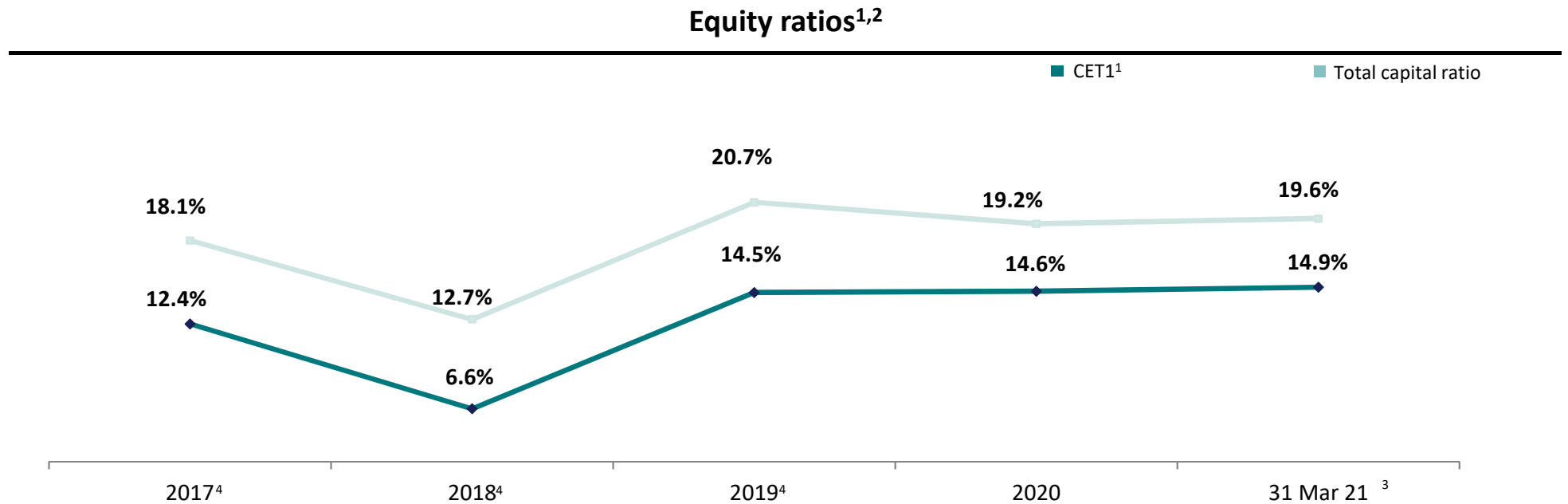
## Total assets further reduced through strict restructuring measures.

Balance sheet (in €m)	31 Mar 2020	31 Dec 2020	Change (in %)
Total assets	119,798	126,491	-5
Financial assets at fair value through other comprehensive income (OCI)	14,037	14,903	-6
Financial assets at amortised costs	87,243	90,745	-4
of which: Loans and advances to banks	13,441	14,418	-7
of which: Loans and advances to customers	70,034	72,502	-3
Financial liabilities at amortised costs	98,804	103,727	-5
of which: Liabilities to banks	29,577	30,195	-2
of which: Liabilities to customers	46,984	48,535	-3
of which: Securitised liabilities	22,089	24,844	-11
Equity (balance sheet)	5,941	5,821	+2

- **Total assets** further reduced, mainly by reducing various loan portfolios. Business with banks was also further reduced
- **Financial assets at fair value through OCI:** As maturing securities were only partially replaced and some securities were sold as part of the reduction of risk assets, the portfolio decreased accordingly
- **Financial assets measured at amortised cost** include the main parts of the traditional lending and borrowing business and parts of the securities portfolio. Decrease in loans and advances to customers of € -2.5 billion, especially in the areas of time deposits, loans to companies and loans to public institutions, on the other hand, from the reduction of loans and advances to credit institutions of € -1 billion
- Decrease in **financial liabilities measured at amortised cost** mainly influenced by the decrease in securitised liabilities (€ -2.8 billion) and time deposits (€ -1.6 billion)
- Increase in **equity** due to higher interest rate in the measurement of pension and benefit obligations



# Solid equity ratios after capital measures in 2019.



- Slight decrease in Common Equity Tier 1 capital (€ -46 million) mainly due to decrease in retained earnings, RWA down by € 1.2 billion to € 38.7 billion due to portfolio reduction
- Increase in total capital ratio mainly due to decrease in RWA, own funds almost unchanged (€ -73 million)
- SREP minimum requirement CET1 ratio (since 12 March 2020): 8.7 per cent, total capital ratio: 13.3 per cent

1) CRR/Basel III (phase-in)

2) The regulatory registration data as of 31 December 2018 was modified as a result of the adjusted regulatory requirements to show the Pillar 2 requirements and due to the corrections (on corrections see Annual Report 2019 Note (5) Adjustments of previous year's figures)

3) Fully-loaded: CET1: 14.9 per cent; Total capital: 19.5 per cent

4) Figures subsequently adjusted

## Key financial ratios are robust.

	<u>31 Mar 2020</u>	<u>31 Dec 2020</u>	<u>Comments/explanations</u>
<b>NPL ratio</b>	1.3 %	1.3 %	The <b>NPL ratio</b> remains at a low level
<b>MREL<sup>1</sup></b>	48.1 % <sup>3</sup>	47.1 % <sup>2</sup>	<b>MREL<sup>1</sup></b> Total amount of MREL funds: € 18.6 billion MREL minimum requirement from 2022: 22.59 per cent TREA (Total Risk Exposure Amount)
<b>LCR</b>	146.7 %	157.8 %	The <b>LCR (Liquidity Coverage Ratio)</b> has decreased slightly (Increase in deposits with central banks and decrease in short-term receivables), but is still well above the required 100 per cent
<b>Leverage Ratio</b>	4.5 %	4.3 %	The <b>LR (Leverage Ratio)</b> has increased due to a significant reduction in total assets and consequently also in the leverage exposure
<b>Total risk exposure amount (RWA)</b>	€38.7bn	€39.7bn	
<b>CIR</b>	119.3 %	64.5 %	The <b>CIR (cost/income ratio)</b> has deteriorated significantly in the meantime (as is usually the case in the first quarter): the reason for the high costs is the bank levy/deposit protection fund
<b>RoE</b>	-2.9 %	-0.2 %	

1) Minimum requirement for own funds and eligible liabilities

2) Calculation acc. to TREA (Total Risk Exposure Amount): € 39.1 billion, previous year's figures were adjusted

3) Calculation acc. to TREA (Total Risk Exposure Amount): € 38.7 billion

# Agenda.

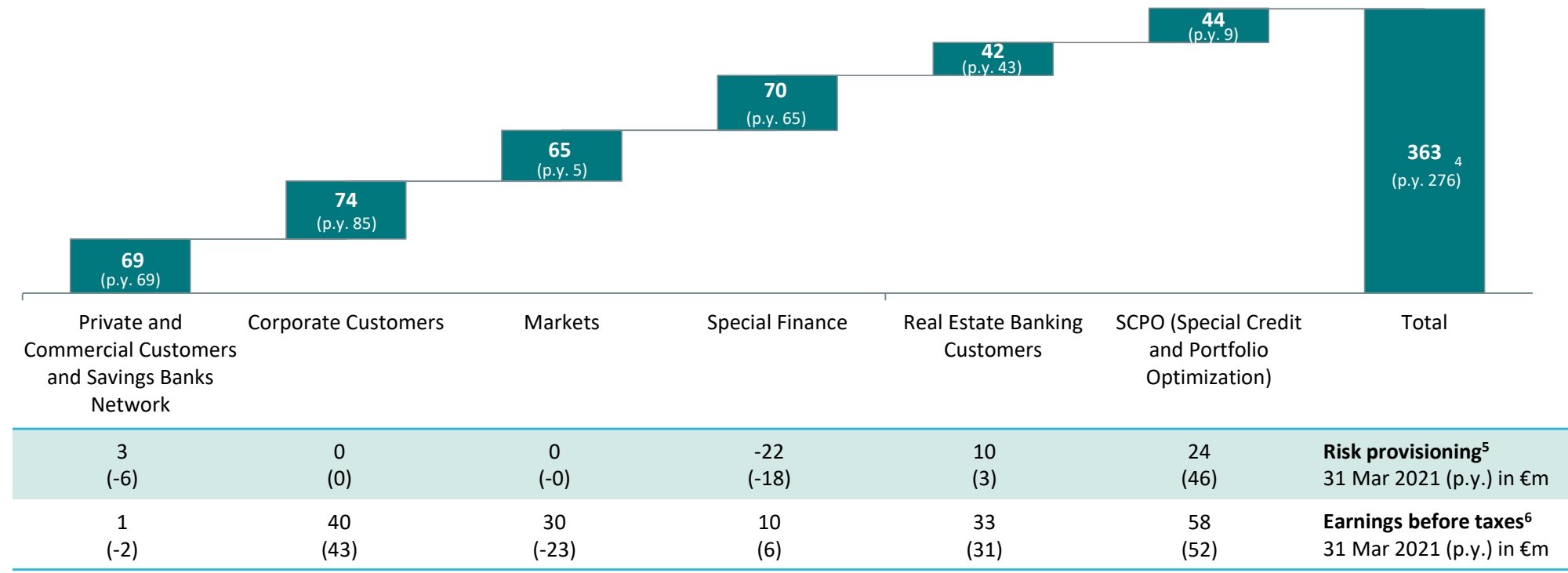
NORD/LB at a glance	2
Financials	13
<b>Segments</b>	<b>19</b>
NORD/LB 2024, Outlook	27
Appendix	36

# Strong operating performance in core segments.

## Operating earnings NORD/LB Group <sup>1,2,3</sup>

1 Jan – 31 Mar 2021

in €m



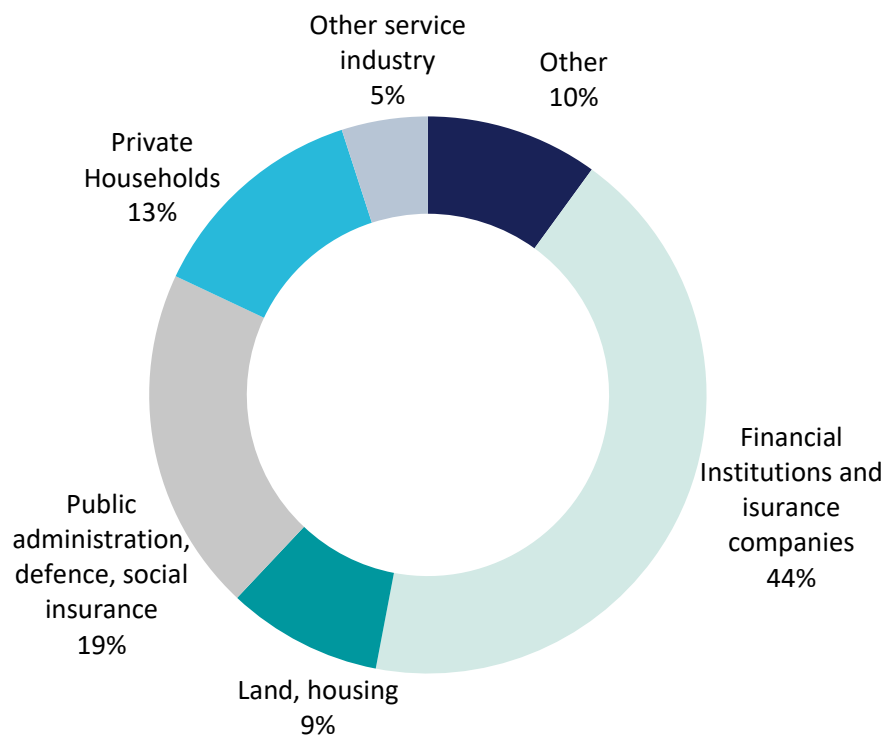
1) Net interest and commission income, trading, valuation and Other operating profit/loss  
 2) Total differences are rounding differences  
 3) The previous year's figures were adjusted for individual items  
 4) Income from treasury/consolidation/other, reconciliation: €206 (31 Mar 202), €143 (31 Mar 2020)  
 5) Excl. treasury/consolidation/other, reconciliation  
 6) Incl. treasury/consolidation/other, reconciliation: €-49m (31 Mar 2021), €-58m (31 Mar 2020)

# Private and Commercial Customers and Savings Banks Network: Deeply rooted in the home region.

## Exposure by industry<sup>1</sup>

as at 31 March 2021

Exposure at default: €25.2bn



- 1) Total differences are rounding differences
- 2) The previous year's figures were adjusted for individual items
- 3) Earnings before restructuring, transformation and taxes

in €m <sup>1,2</sup>	1 Jan - 31 Mar 2021	1 Jan - 31 Mar 2020
Income	69.2	69.1
Expenses	71.3	65.1
<b>Earnings<sup>3</sup></b>	<b>-2.1</b>	<b>4.0</b>
Risk provisioning	2.6	-5.9
<b>Earnings before taxes</b>	<b>0.5</b>	<b>-1.8</b>

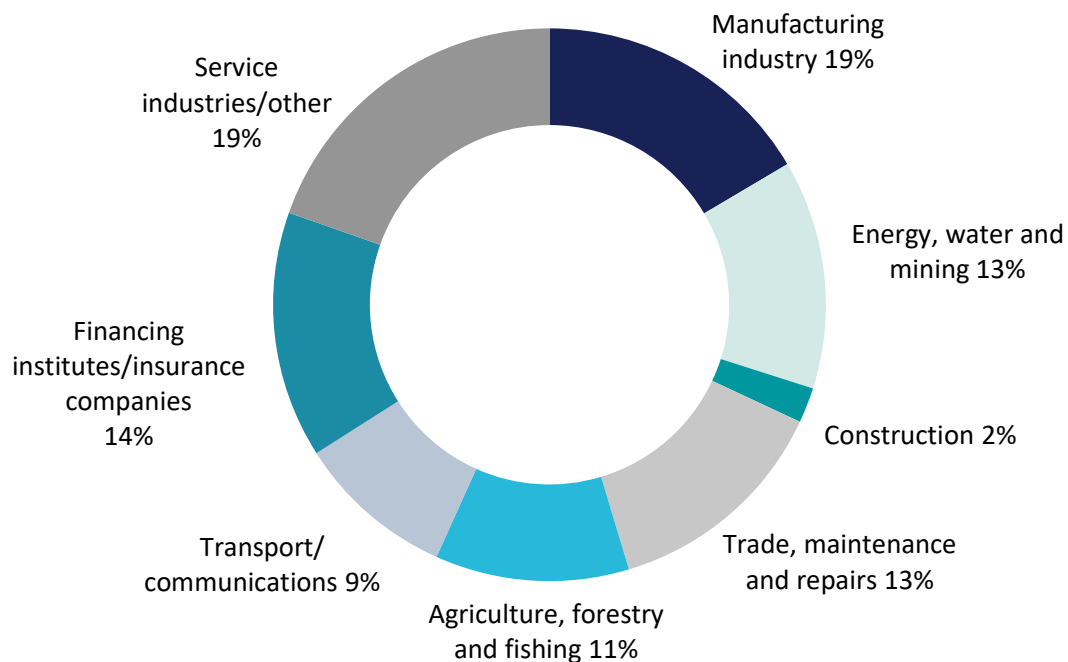
- Offering needs-oriented consulting and sales of selected financial products and services for all private and commercial customers as a savings bank in the business territory of Braunschweigische Landessparkasse (BLSK), as NORD/LB in Hanover and Hamburg as well as Bremen and Oldenburg. In private banking (NORD/LB and BLSK): inheritance and foundation management, portfolio management and individual asset management. High performance through partners such as Öffentliche Versicherung Braunschweig, LBS Nord, Deka, Deutsche Leasing, S-credit partners and the Hanover insurance group as a special service provider
- Serving the savings banks in Lower Saxony, Saxony-Anhalt, Mecklenburg-Western Pomerania and Schleswig-Holstein as part of the giro central function. Syndicated loan business / business with corporate customers conducted in cooperation with savings banks, support for municipalities with a focus on the S-Group region, KfW pass-through function for savings banks, capital market access for savings banks and provision of private banking and other products for the savings banks.

# Corporate Customers: Well diversified portfolio.

## Exposure by industry<sup>1</sup>

as at 31 March 2021

Exposure at default: €16.6bn














in €m <sup>1,2</sup>	1 Jan - 31 Mar 2021	1 Jan - 31 Mar 2020
Income	73.5	84.6
Expenses	33.7	42.1
<b>Earnings<sup>3</sup></b>	<b>39.8</b>	<b>42.5</b>
Risk provisioning	0.4	0.3
<b>Earnings before taxes</b>	<b>40.2</b>	<b>42.8</b>

- In-depth and recognised expertise in agricultural banking, the energy and food industry, leasing companies and acquisition finance, among others, with a strong market position
- Successful strategic positioning with our clients by leveraging our diversified product expertise (including working capital management, factoring, capital market-related financing and risk management)
- Customised financial solutions for our medium-sized corporate customers, e.g. for the management of balance-sheet structures
- Service provider for payment transactions/cash management and trade finance
- As part of the realignment, there is active management of the customer portfolio with the aim of concentrating on customers who fit NORD/LB's new business model

1) Total differences are rounding differences  
 2) The previous year's figures were adjusted for individual items  
 3) Earnings before restructuring, transformation and taxes

# Markets: Frequent issuer and arranger of successful benchmarks.

## Own benchmark issues and syndicated issues (selection) 2021

 <p><b>SR-Boligkredditt</b> Subsidiary of Sparebank 1 SR-Bank</p> <p>€1,000,000,000 0.01% Covered Bond March 2021 – March 2031 Joint Lead</p>	 <p><b>BAWAG PSK</b></p> <p>€500,000,000 0.01% Pfandbrief Nov 2020 – Nov 2035 Joint Lead</p>	 <p><b>OP MORTGAGE BANK</b></p> <p>€750,000,000 0.05% Green Covered Bond March 2021 – March 2031 Joint Lead</p>
 <p><b>Wallonie</b></p> <p>€700,000,000 0.05% Senior Unsecured Dual-Tranche March 2021 – June 2037 Joint Lead</p>	 <p><b>Wallonie</b></p> <p>€500,000,000 1.25% Senior Unsecured Dual-Tranche March 2021 – June 2071 Joint Lead</p>	 <p><b>Lower Saxony</b></p> <p>€1,000,000,000 0.01% State treasury bills January 2021 – January 2031 Joint Lead</p>
 <p><b>Thuringia</b></p> <p>€500,000,000 0.125% State treasury bills January 2021 – January 2051 Joint Lead</p>	 <p><b>Saxony-Anhalt</b></p> <p>€500,000,000 0.5% State treasury bills March 2021 – March 2051 Joint Lead</p>	 <p><b>Lower Saxony</b></p> <p>TAP €1,000,000,000 0.01% State treasury bills Februar 2021 – August 2030 Joint Lead</p>
 <p><b>Lower Saxony</b></p> <p>TAP €500,000,000 0.05% State treasury bills February 2021 – March 2035 Joint Lead</p>	 <p><b>BPCE</b></p> <p>€1,000,000,000 0.01% Covered Bond January 2021 – January 2036 Joint Lead</p>	 <p><b>BPCE</b></p> <p>€1,000,000,000 0.01% Covered Bond January 2021 – January 2029 Joint Lead</p>

in €m <sup>1,2</sup>	1 Jan - 31 Mar 2021	1 Jan - 31 Mar 2020
Income	65.2	4.8
Expenses	35.8	27.8
<b>Earnings<sup>3</sup></b>	<b>29.4</b>	<b>-23.0</b>
Risk provisioning	0.1	-0.1
<b>Earnings before taxes</b>	<b>29.5</b>	<b>-23.1</b>

- Comprehensive, customised range of money and capital market products in private-placement segment
- Issuer of Pfandbriefe including Green Bonds (public-sector, mortgage, ship and aircraft), Lettres de Gage (covered bonds according to Luxemburg law), bearer bonds, promissory notes, money market securities
- Successfully positioned as lead manager/arranger of bond issues, particularly covered bonds
- International funding programmes<sup>4</sup>:  
€ 25 billion EMTN Programme, € 10 billion CP Programme and € 4 billion Negotiable European CP Programme
- As at 31 March 2021: € 19.1 billion ECB eligible securities relating to NORD/LB Group, thereof € 14.8 billion from NORD/LB AöR

1) Total differences are rounding differences  
2) The previous year's figures were adjusted for individual items

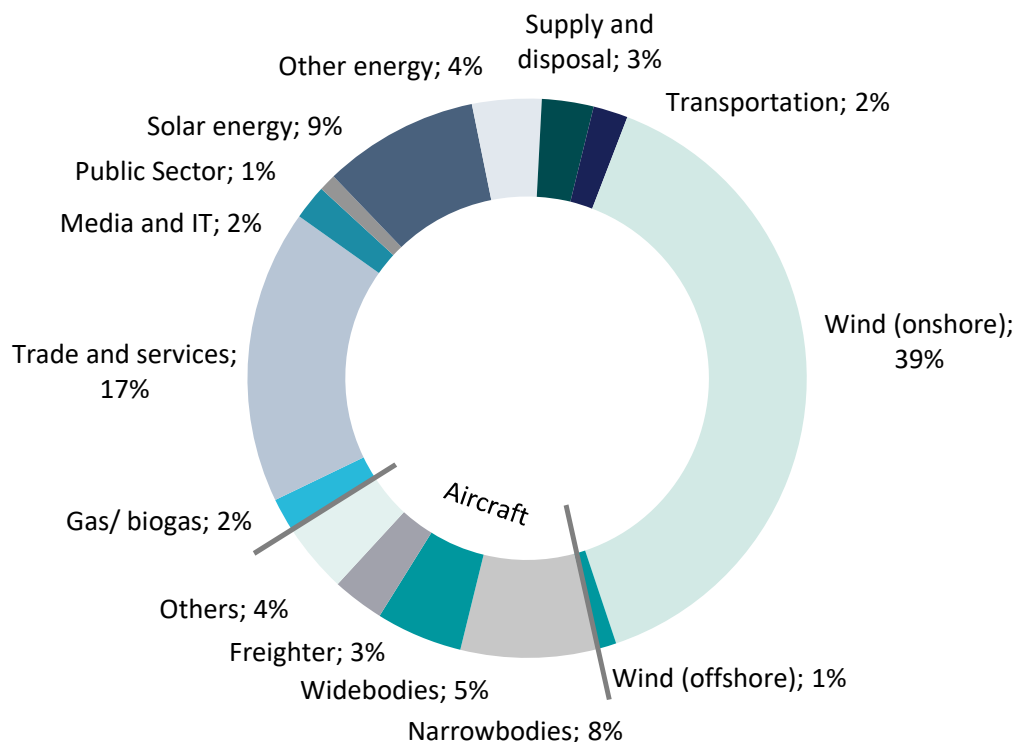
3) Earnings before restructuring, transformation and taxes  
4) NORD/LB AöR (single entity)

# Special Finance: Strong expertise in project and aviation finance. Well diversified.

## Exposure by industry<sup>1,2</sup>

as at 31 March 2021

Exposure at default: €18.6bn<sup>3</sup>



- 1) Total differences are rounding differences
- 2) Further information starting at page 38
- 3) Thereof € 3.6 billion aircraft finance and € 15.0 billion energy and infrastructure
- 4) The previous year's figures were adjusted for individual items
- 5) Earnings before restructuring, transformation and taxes

in €m <sup>1,4</sup>	1 Jan - 31 Mar 2021	1 Jan - 31 Mar 2020
Income	70.2	65.0
Expenses	38.1	40.7
<b>Earnings<sup>5</sup></b>	<b>32.1</b>	<b>24.4</b>
Risk provisioning	-22.2	-18.3
<b>Earnings before taxes</b>	<b>9.9</b>	<b>6.1</b>

- **Energy:** The focus is on financing energy production from wind and solar power in the core European markets of Germany, France, Ireland and the UK. Targeted expansion and cultivation of customer relationships in North America and Asia
- **Infrastructure:** For social infrastructure projects, focus on education, accommodation, blue light and transportation; use of existing structuring expertise in the broadband segment. Active in Public Finance Initiative/Public Private Partnership business
- **Aviation:** The aviation portfolio is very broadly diversified. It consists of 331 aircraft (including warehouse facilities) and 31 (spare) engines.  
Product spectrum: Financing structures with a focus on operating leasing, finance leasing and portfolio transactions. The focus is on long-term valuable and fungible assets (wide- and narrow-bodies, cargo and regional aircraft and (spare) engines from leading manufacturers)

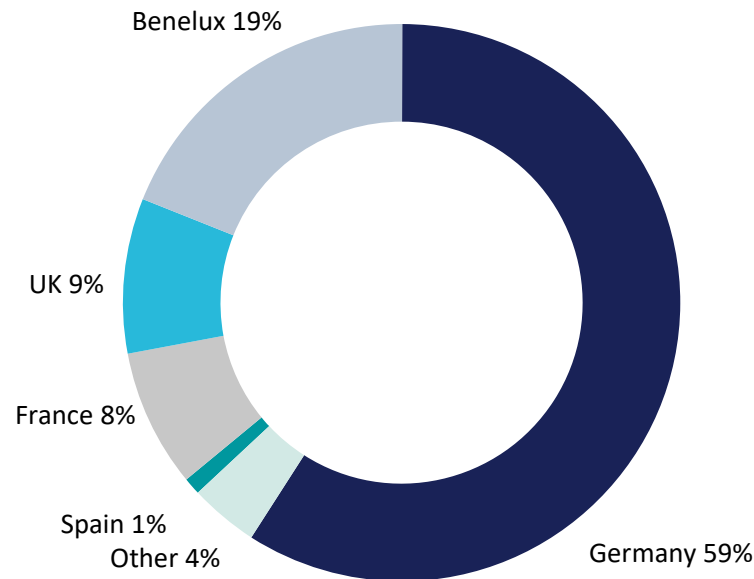


# Real Estate Banking Customers: Focus on commercial real estate in Germany.

**By country<sup>1</sup>**

as at 31 March 2021

Exposure at default: €14.0bn



in €m <sup>1,2</sup>	1 Jan - 31 Mar 2021	1 Jan - 31 Mar 2020
Income	41.6	43.4
Expenses	19.4	15.5
<b>Earnings<sup>3</sup></b>	<b>22.2</b>	<b>27.9</b>
Risk provisioning	10.4	3.0
<b>Earnings before taxes</b>	<b>32.7</b>	<b>30.9</b>

- Deutsche Hypothekenbank is the competence centre for commercial real estate (CRE) within NORD/LB Group
- Tailored financial solutions and individual, high quality customer consultation
- Emphasis is on financing of office buildings, shopping malls, hotels, logistics facilities and multi-story residential properties in preferred urban centres with good tenant structure and above average cash flow
- Activities are focussed on Europe especially on Germany and financings of commercial real estate in France, UK, Benelux, Poland, Spain and Austria
- Successful strategic cooperation with pension funds as financing partners for high-volume projects
- Green Banking: Complementing the product range by granting green loans for green buildings

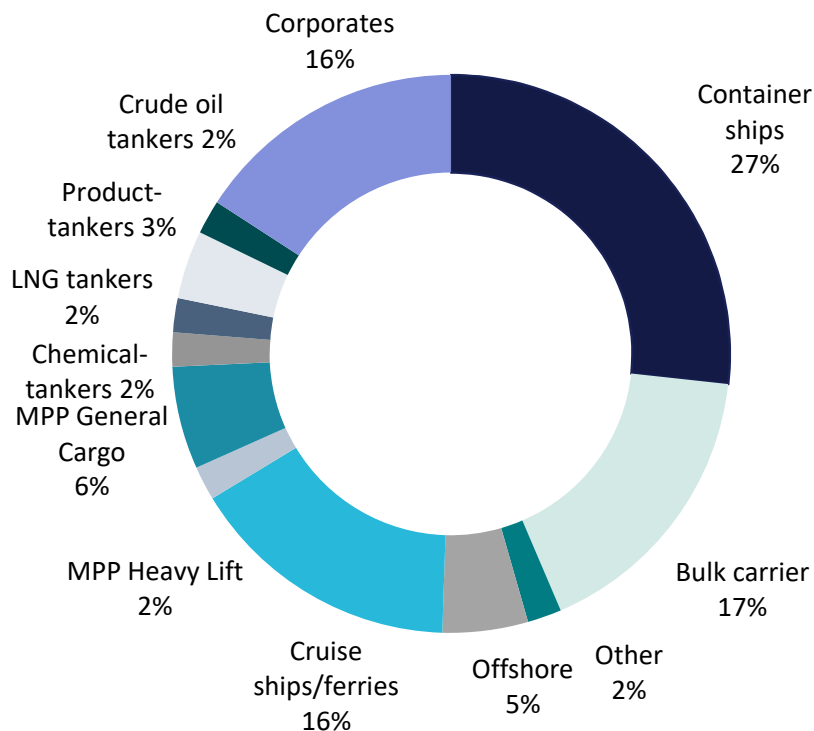
1) Total differences are rounding differences  
 2) The previous year's figures were adjusted for individual items  
 3) Earnings before restructuring, transformation and taxes

# SCPO (Special Credit and Portfolio Optimization): Shipping portfolio further reduced.

## Shipping Portfolio<sup>1,2</sup>

as at 31 March 2021

Exposure at default: €1.8bn



in €m <sup>1,3</sup>	1 Jan - 31 Mar 2021	1 Jan - 31 Mar 2020
Income	43.5	9.4
Expenses	9.6	4.1
<b>Earnings<sup>4</sup></b>	<b>33.9</b>	<b>5.3</b>
Risk provisioning	23.7	46.3
<b>Earnings before taxes</b>	<b>57.6</b>	<b>51.6</b>

- At the end of 2020, the internal wind-down unit SPO (Strategic Portfolio Optimization) and Special Credit Management (SCM) were merged to form the new Special Credit and Portfolio Optimization (SCPO) unit
- After the shipping portfolio was reduced from € 10.3 billion to € 4.6 billion in 2019 through a major portfolio transaction, successful sales activities at the individual financing level and repayments, the reduction was continued in 2020 from € 10.3 billion to € 4.6 billion, the reduction to € 2.1 billion was successfully continued in 2020 through further individual transactions and (special) redemptions. At the end of the first quarter of 2021, the ship portfolio still amounts to € 1.8 billion
- Other portfolios that are no longer strategic were also transferred to SCPO as wind-down portfolios in 2020 and will be successively wound down there. These include housing (€ 2.5 billion as at 31 March 2021) and supra-regional municipal financing (€ 2.5 billion) as well as non-strategic parts of corporate and agricultural customers (€ 1.95 billion)





1) Total differences are rounding differences  
 2) Further information starting at page 40  
 3) The previous year's figures were adjusted for individual items  
 4) Earnings before restructuring, transformation and taxes

# Agenda.



NORD/LB at a glance	2
Financials	13
Segments	19
<b>NORD/LB 2024, Outlook</b>	<b>27</b>
Appendix	36

# Transformation programme successfully implemented.

## NORD/LB 2024

 <b>Value contribution</b>	<p>NORD/LB 2024 programme with focus on value contribution of ~€ 600 million (~€ 200 million profit and ~€ 400 million costs)</p>
 <b>Detail concept</b>	<p>As of 4 May 2021, the conception of measures for a value contribution of ~436 million € was completed and confirmed. This means that ~76 per cent of the measures are already being implemented or are ready to start implementation.</p>
 <b>Total bank transformation</b>	<p>The integrated Roadmap is continuously updated across all projects and accompanies the projects during implementation.</p>
 <b>Staff reductions</b>	<p>The target for the reduction of personnel in NORD/LB AÖR Germany was achieved with the conclusion of contracts amounting to 1,100 full-time equivalents</p>

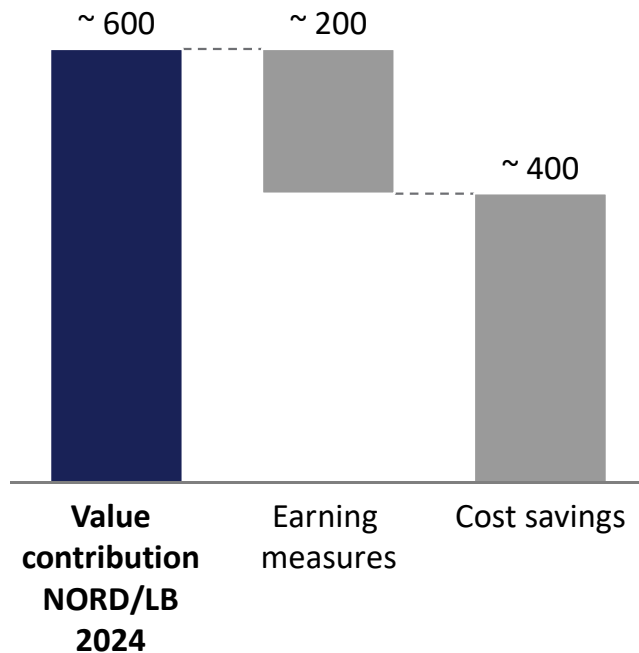
## SCPO (Special Credit and Portfolio Optimization) – disposal unit

 <b>Disposal concentration</b>	<p>Bundling of the shipping division and other portfolios according to the dismantling plan in the bank's internal dismantling unit SCPO. Detailed reduction plans have been drawn up for all portfolios assigned to the non-core area; these are now being successively operationalised</p>
 <b>Portfolio reduction</b>	<p>Shipping portfolio further successful reduced to € 1.8 billion as at 31 March 2021</p>

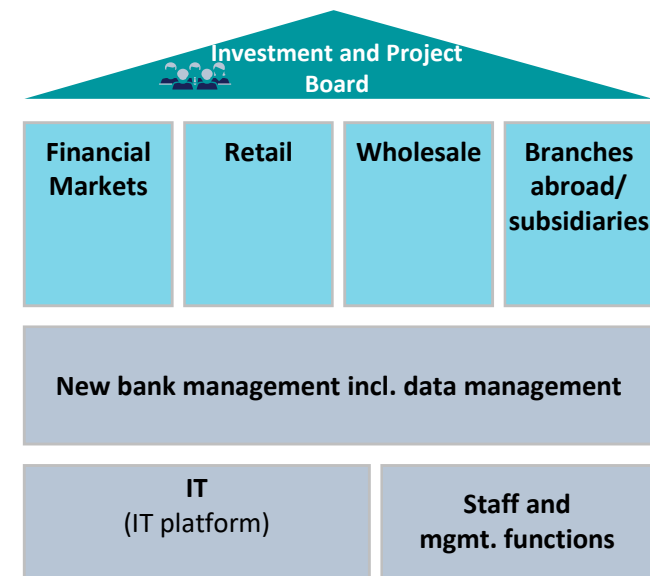
# NORD/LB 2024: Transformation management is essentially handled via platforms.

## Value contribution NORD/LB 2024

in €m



## NORD/LB 2024 platforms



- NORD/LB 2024 transformation programme already launched in parallel with the 2019 recapitalisation
- Focus of the programme: Achieving the 2024 targets

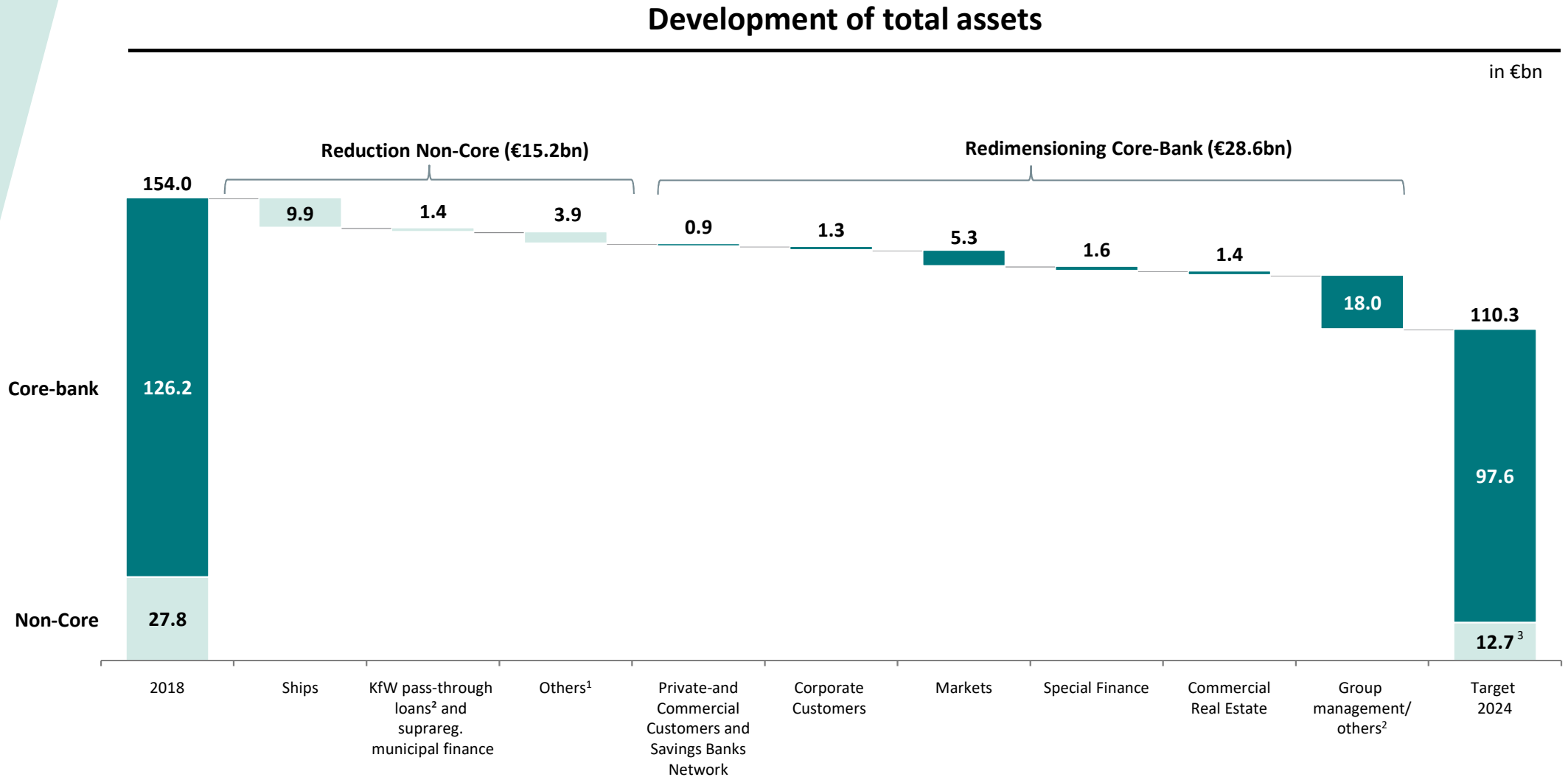
- Focus on e2e optimisation in initiatives by integrating all areas along the value chain
- e2e-orientation ensures close interaction between the business side and IT as well as the market and back office

# Transformation is on schedule.

	<u>31 Dec 2020</u>	<u>31 Mar 2021</u>	<u>Target 2024</u>	<u>Comments/explanations</u>
<b>Total assets<sup>1</sup></b>	€126.5bn	€119.8bn	€110bn	<ul style="list-style-type: none"> <li>Since 2018, total assets have already been reduced by more than € 27 billion. The target balance sheet total is divided into € 98 billion in the core bank and € 12 billion in the non-core areas (mainly KfW Pass-through loans). Further details on page 31</li> <li>The total risk amount in 2024 already takes into account Basel IV effects and the reduction of securitisations</li> <li>The ongoing transformation phase and the COVID-19 pandemic will weigh heavily on both income and expenses in some cases</li> <li>The largest reductions in personnel costs are expected in 2022 and 2023</li> </ul>
<b>Total risk exposure amount (RWA)</b>	€39.7bn	€38.7bn	€44,7bn	
<b>Operative earnings</b>	€1.43bn	€206m (1Q20: €145m)	€1.27bn	
<b>Full-time equivalents</b>	4,446	4,112	2,800 – 3,000	
<b>Administration expenses</b>	€934m	€245m (1Q20: €239m)	€638m	
<b>CIR</b>	64.5 %	119.3 %	50 %	
<b>RoE</b>	-0.2 %	-2.9 %	7.5 %	

1) Total bank data, for details see page 31

# Planned reduction and redimensioning of total assets.

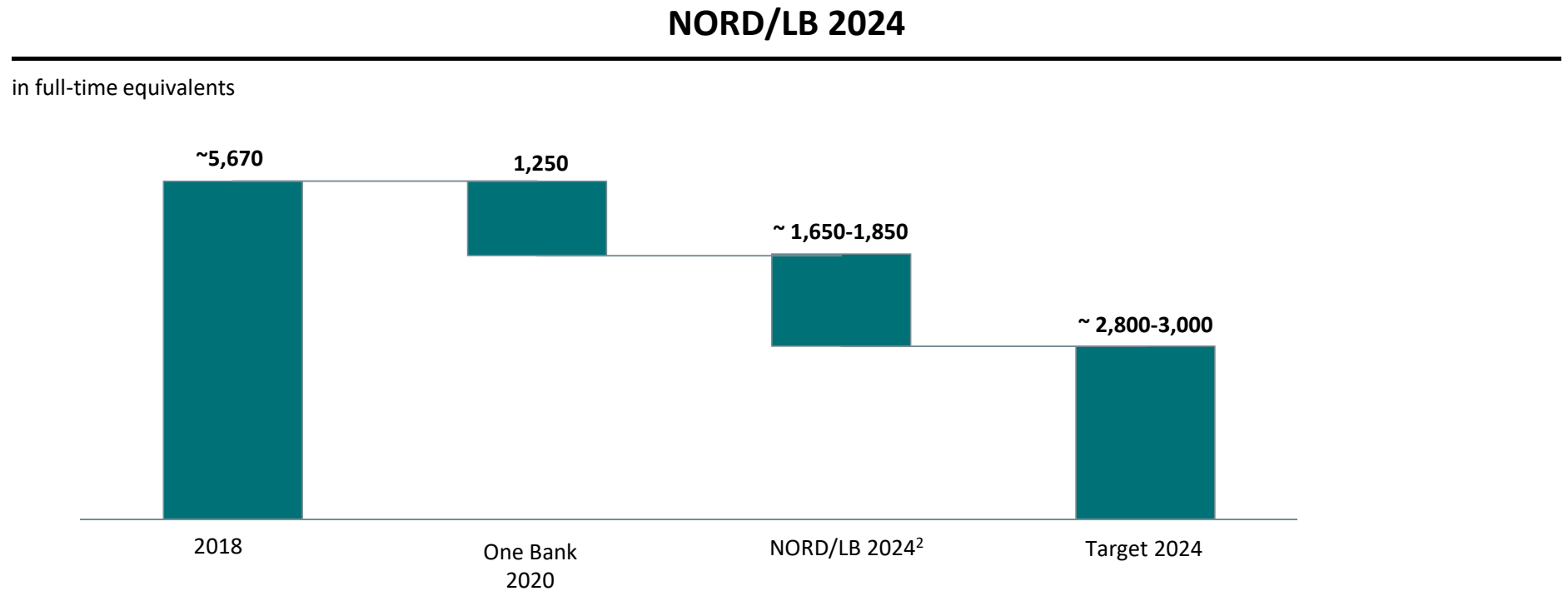


1) Includes Corporate Customers and Private & Business Customers wind-down portfolios as well as Savings Banks Network

2) Includes in particular the redimensioning of treasury activities; incl. effects from reconciliation

3) Thereof € 7.1 bn KfW pass-through loans

# The staff reduction at NORD/LB AöR in Germany is contractually secured.



- One Bank: Staff reductions fully implemented in 2020
- NORD/LB 2024: The target for the reduction of personnel in NORD/LB AöR Germany using products of the NORD/LB 2024 service agreement was achieved with the conclusion of contracts amounting to 1,100 full-time equivalents

1) Including portfolio reduction and reduction of market units due to reduction of the asset class and redimensioning of the Bank and optimisation of processes in all units



With a clear plan and initial successes, we are moving into an economically successful future.

### **Far-reaching restructuring of the Group gains pace**

- // Costs decrease
- // Capital base strengthened

### **Our targets for 2024 are clearly defined**

- // Achieving attractive returns
- // Reduction of total assets
- // Strengthen solid equity base
- // Staff reductions

### **Expansion of the product range already started**

- // Innovative offers, especially in the area of credit asset management
- // Added value for our clients through asset know-how and structuring expertise - without burdening our own balance sheet

### **Business model is precisely defined**

- // Strong focus on German medium-sized companies and the financing of our specialist and project financier in the fields of renewable energies, infrastructure projects, commercial real estate and aircraft
- // 250 years of experience as a universal bank with extensive advisory expertise and tailored customer solutions

### **Position as market leader for medium-sized corporate customers is strengthened**

- // Understand our customers and speak their language

## Positive trend in operating business, burdens from COVID-19 possible.



- Making all employees **home office-ready** by March 2020
- Implementation of the **COVID-19 occupational health and safety standard**
- Development of an **access concept** for branch operations



- After cautious business orientation in the previous year, **positive trend in Q1 2021, new business picks up**
- **Strong demand for financing solutions** in the Special Finance, Corporate Customers and Real Estate Banking Customers segments
- **Reliable partner** for our regional and international customers
- **Targeted investments** in the Bank's IT infrastructure
- Stronger alignment of the business model with **sustainable principles**



- **Reduction of NPL ratio** through SCPO reduction; quality of total exposure increases
- Further **MAC-19 risk provisioning** likely for 2021
- **RWA target** for 2021 at € 41.5 billion
- **Cost reductions** to be expected through staff cuts

# Financial calendar.

Figures as at 31 March 2021

27 May 2021

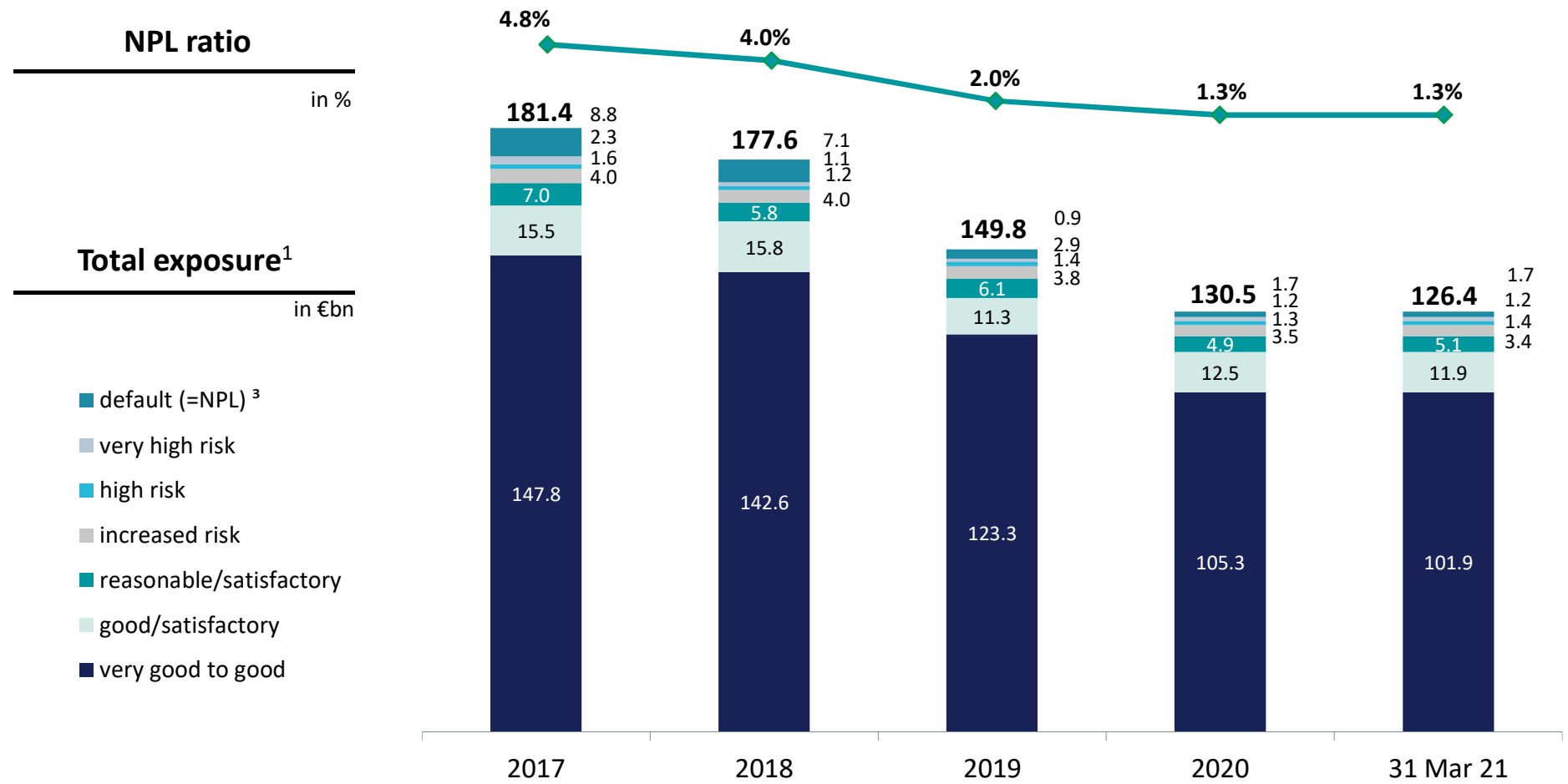
Interim Report (30 June 2021)

End of August 2021

# Agenda.

NORD/LB at a glance	2
Financials	13
Segments	19
NORD/LB 2024, Outlook	27
<b>Appendix</b>	<b>36</b>

# Overall high portfolio quality: 81 per cent in the highest category.



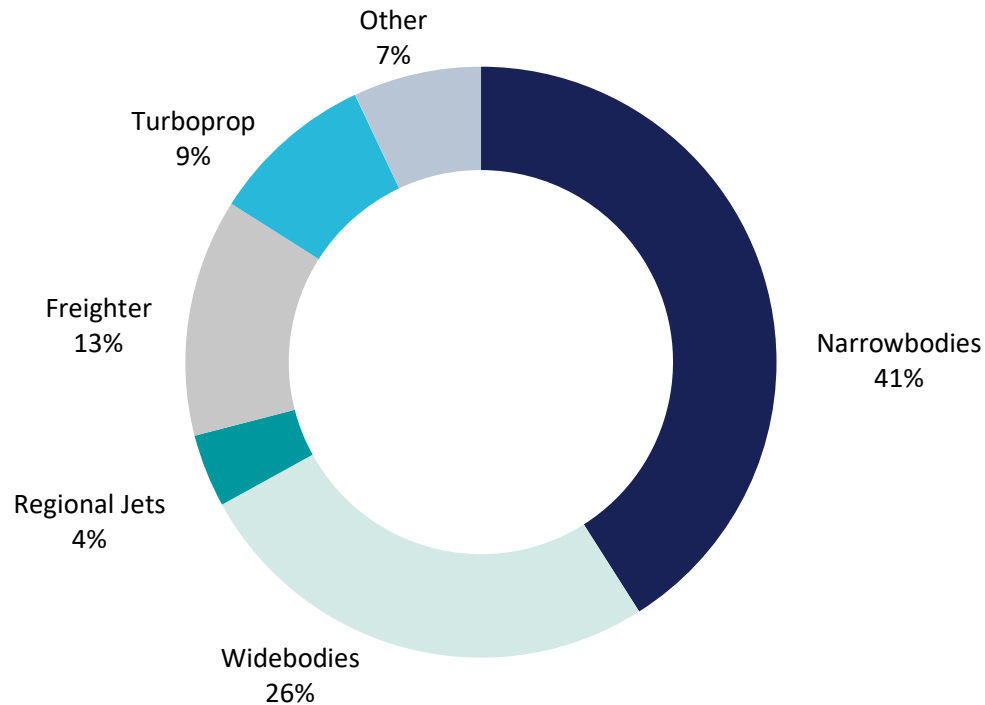
1) Total differences are rounding differences  
 2) Restatement of figures, see Interim Report as at 30 September 2017, page 32  
 3) Net amount after fair-value deduction

# NORD/LB aircraft portfolio (total).

## Sector breakdown of aircraft portfolio incl. guarantees<sup>1</sup>

as at 31 March 2021

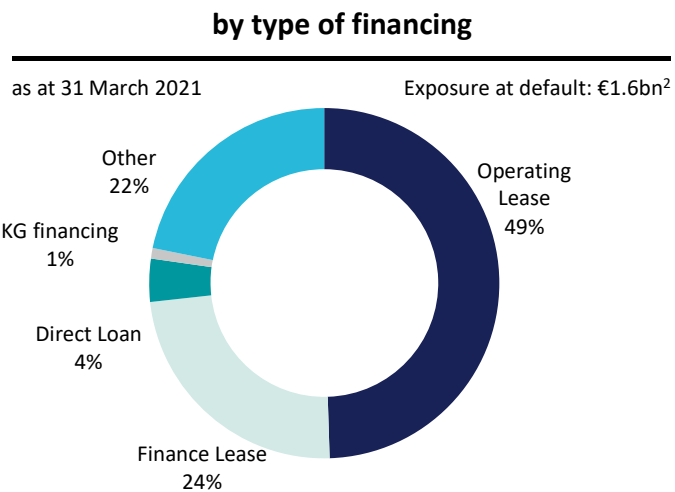
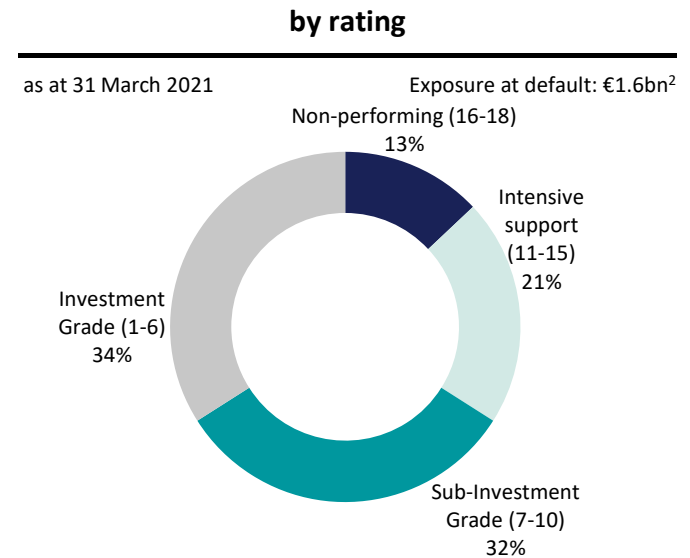
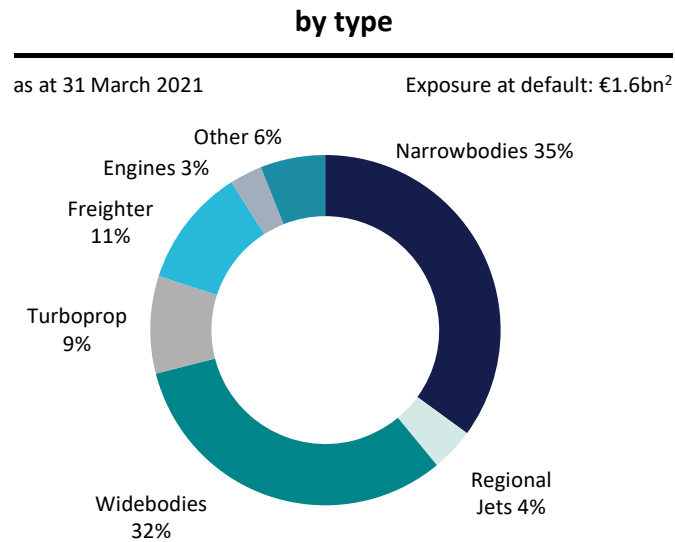
Exposure at default: €3.6bn



- Aircraft: The aircraft portfolio is very broadly diversified. It consists of 331 aircraft (including warehouse facilities) and 31 (spare) engines
- Product range: Financing structures with a focus on operating lease, finance lease and portfolio transactions. The focus is on assets with long-term value and fungibility: Wide- and narrowbodies, cargo and regional aircraft and engines from leading manufacturers
- Guarantee from the State of Lower Saxony and Northvest 2 securitisation transaction account for more than 55 per cent of the portfolio
- Predominantly business with large leasing companies with strong credit ratings
- 13 per cent of the portfolio is cargo aircraft, which are currently well utilised despite COVID-19
- Deferral volume of approximately € 178 million, which corresponds to an exposure at default of € 857 million for the underlying exposures (24 per cent of the total portfolio)
- Net additions to risk provisioning: € 19.7 million (incl. management adjustment). Main driver global travel restrictions due to COVID-19 pandemic

1) Total differences are rounding differences

# NORD/LB aircraft portfolio excluding guarantees and securitisations.

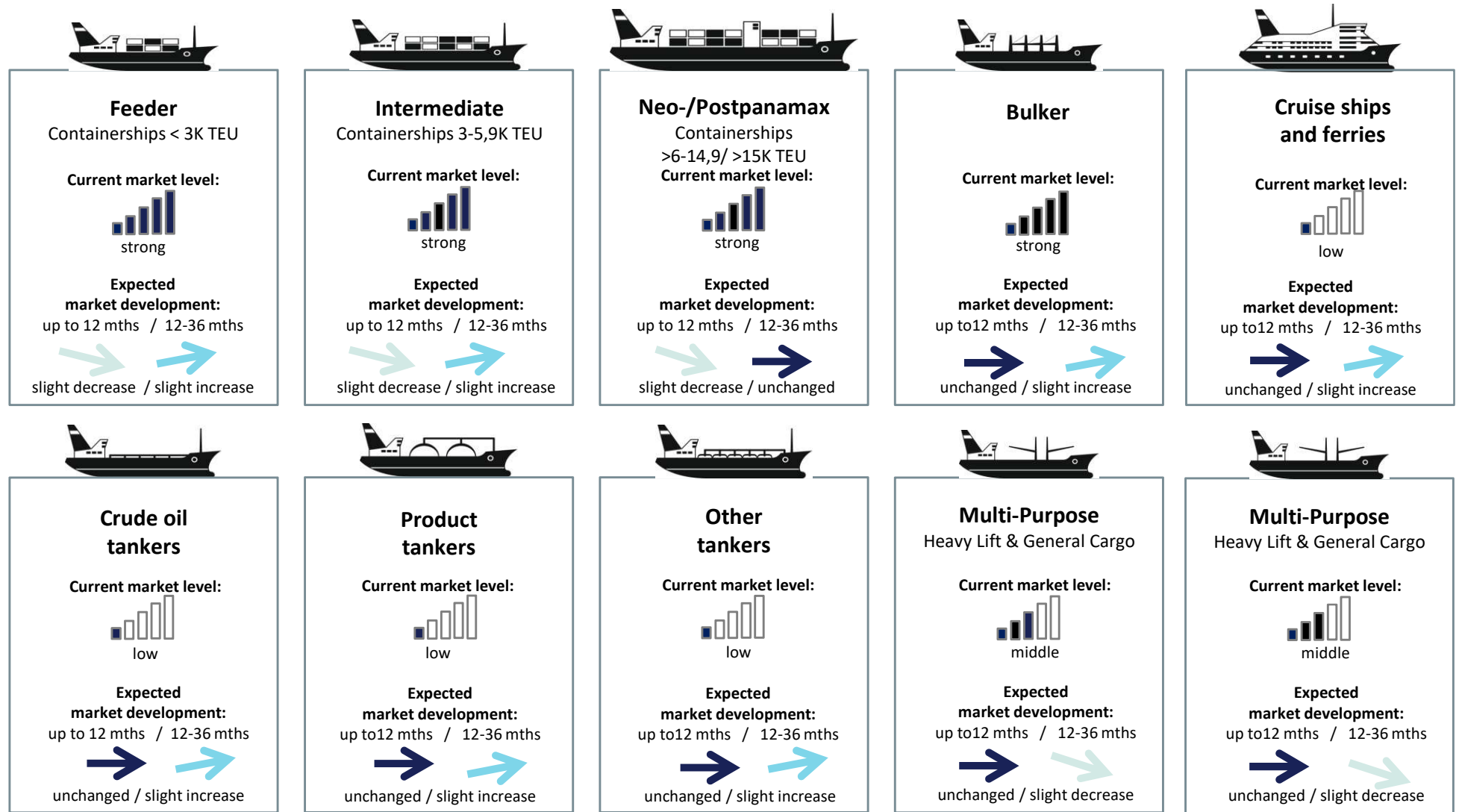


## NORD/LB aircraft portfolio excl. guarantees as at 31 March 2021

- Average term: 6.5 years, average rating: 9,223 airplanes/engines<sup>1</sup>
- The majority of “**Corporates**” are corporate loans for airlines and leasing companies with strong credit ratings and PDPs (advance payment and construction period financing) for fleets of US airlines that also have strong credit ratings
- As a result of the COVID 19 pandemic, the International Air Transport Association calculates that **global passenger traffic** (RPK, revenue passenger kilometres) plummeted **by 67.2 per cent** in Q1 2021 compared to the pre-COVID-19 period Q1 2019. The declines were 87.8 per cent in international traffic and 32.2 per cent in domestic traffic. In the context of global import activities, domestic traffic is already showing noticeable growth again in Asia and North America
- The **cargo tonne kilometres** (CTK) achieved in Q1 2021 increased **by 14.1 per cent** compared to the same period last year. The lack of cargo capacity on passenger aircraft is also leading to a further sharp rise in revenue for cargo airlines

1) An aircraft/engine can be reported in several sub-portfolios, number includes aircraft and engines  
 2) Total differences are rounding differences

# First quarter 2021: container sector still “sold out”.

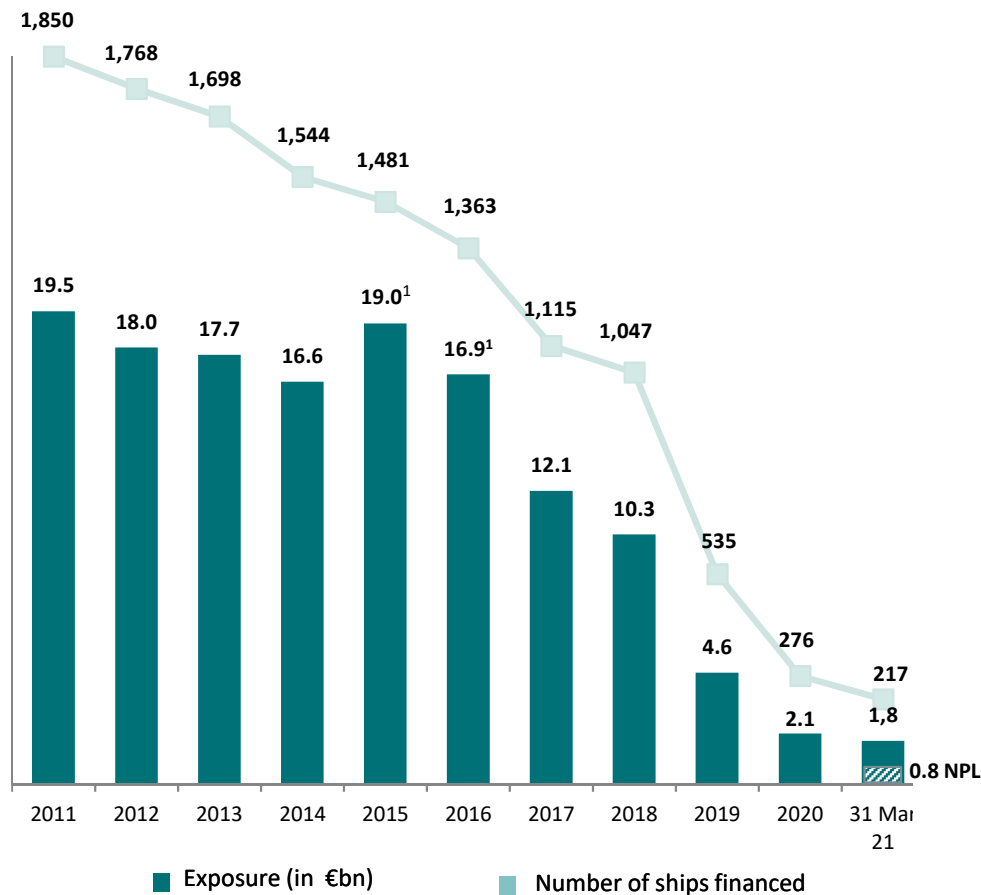


Source: NORD/LB sector research based on charter rates and market values (new constructions and second hand) as at December 2020



# Ship Customers: Portfolio will be continuously reduced.

## Run down of shipping loan portfolio

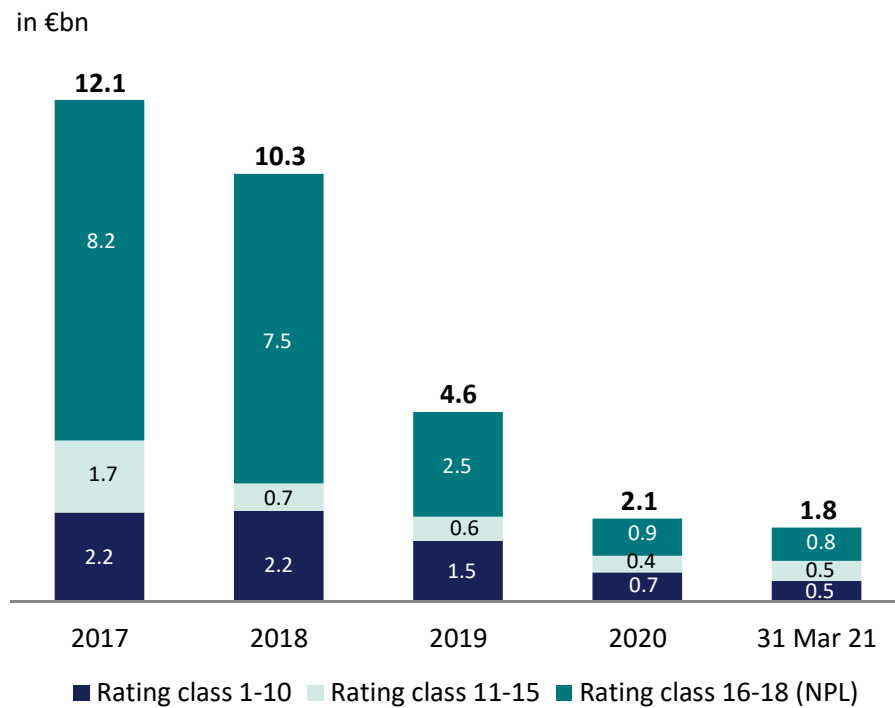


- Since 2011, the shipping loan portfolio has been massively reduced by more than € 17.7 billion in total. This corresponds to a reduction of more than 1,600 financed ships
- In the first quarter of 2021, the NPL ship exposure was reduced from € 928 million to € 806 million. Within the 2 ¼ years since the conversion of risk provisioning to an exit scenario, 90 per cent of the NPL ship exposure at that time (€ 7.5 billion as at 31 December 2018) has already been reduced. The reduction of the remaining portfolio will be consistently continued in the current financial year
- The reduction of the remaining portfolio will be consistently continued in the current financial year
- NORD/LB will withdraw completely from this business segment and reduce its ship portfolio completely
- We have achieved our goal of having NPLs below € 1 billion by the end of 2020. NPL exposure to be almost completely eliminated by the end of 2021

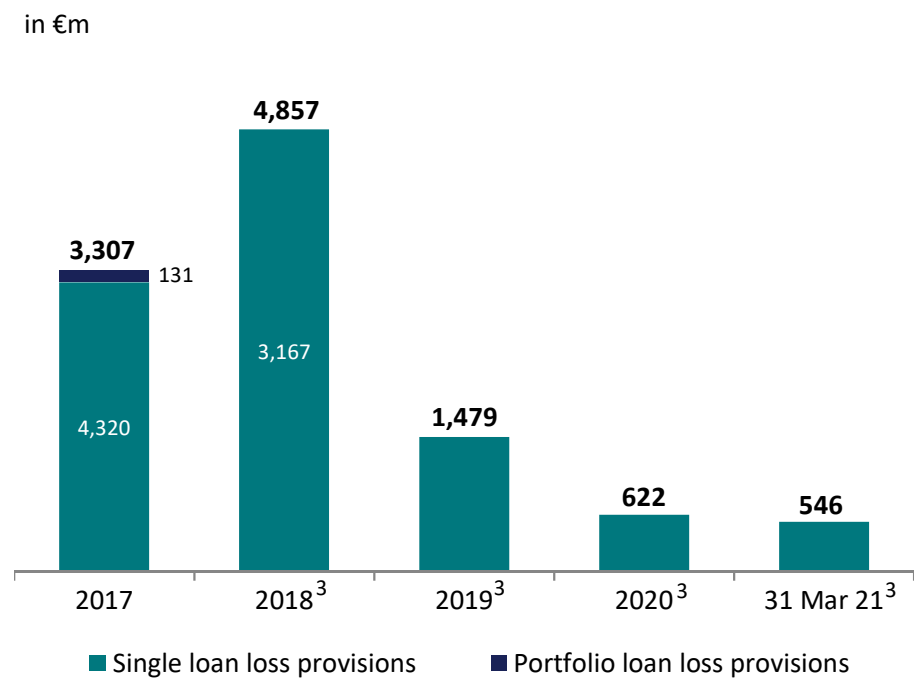
1) The increased exposure values in 2015 and 2016 were attributable to exchange rate effects. The portfolio reduction was continued, as the ongoing decline in the number of financed ships shows

# Shipping portfolio.

### Total shipping portfolio (performing and non-performing) by rating<sup>1</sup>



### Risk provisioning for shipping (balance sheet)



- 68 per cent of the total NPL exposure (€ 806 million) is covered by loan loss provisions (€ 523 million)
- Core Risk Coverage<sup>2</sup> amounts to 110 per cent

1) Total differences are rounding differences

2) Core risk coverage: (market values of ships (€ 361 million) + loan loss provisions NPL (€ 523 million)) / NPL-EaD (€ 806 million)

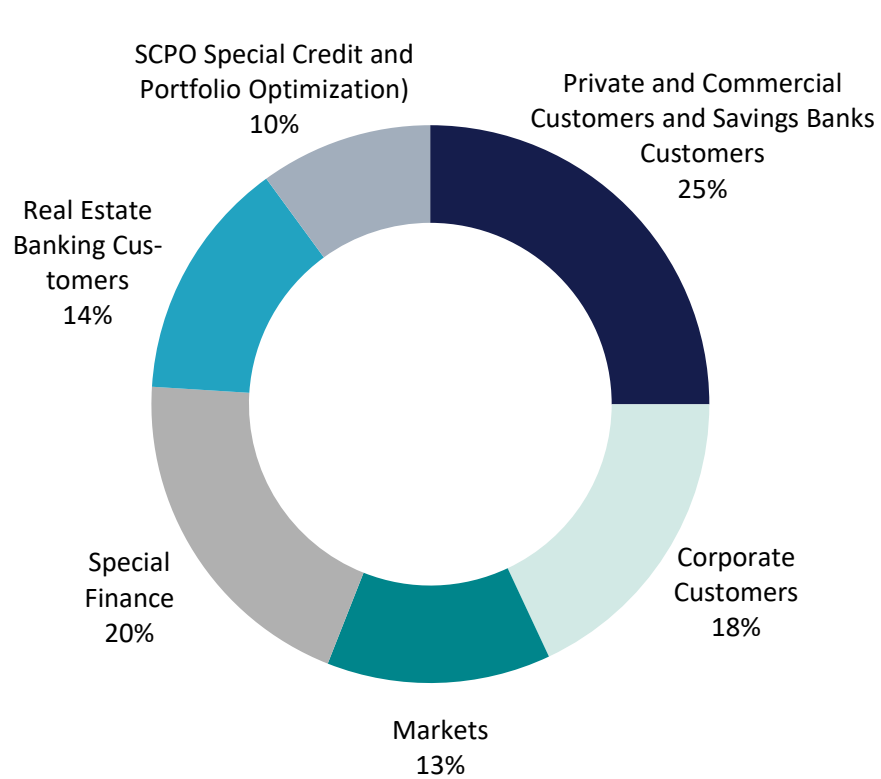
3) Loan loss provisions and fair-value discount for defaulted loans only (IFRS 9)

# NORD/LB exposure by segment and region.

### NORD/LB assets by segment<sup>1,2</sup>

as at 31 December 2020

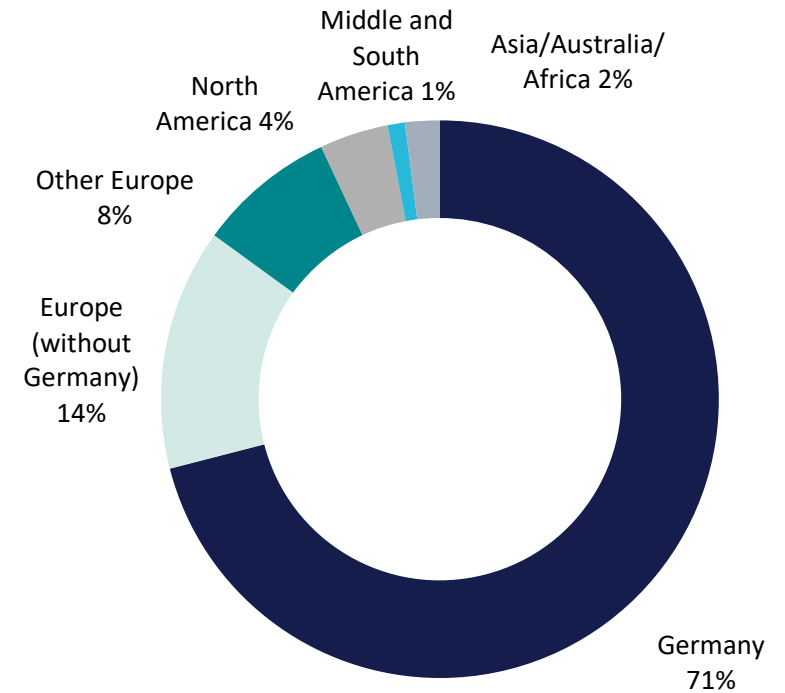
€89.8bn



### NORD/LB exposure by region

as at 31 December 2020

€130.5bn



1) Total differences are rounding differences

2) Excluding Treasury/Consolidation/Other and Reconciliation (with these items, segment assets amount to € 126.5 billion)

## Break down of securitised liabilities.

in €m <sup>1</sup>	31 Mar 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018 <sup>2</sup>	31 Dec 2017 <sup>2</sup>
Securitised liabilities (at amortised cost)	22,089	24,844	26,270	30,379	36,058
Pfandbriefs (covered bonds)	10,497	10,839	10,779	10,573	11,429
Municipal bonds	2,658	3,677	4,026	6,947	8,434
Other securitised liabilities	6,226	7,535	8,246	9,558	13,278
Money market liabilities	621	788	498	587	541
Sub-ordinated securitised liabilities	2,087	2,105	2,721	2,714	2,376
Securitised liabilities (at fair value )	<b>1,798</b>	2,404	3,151	3,438	2,883
<b>Securitised liabilities</b>	<b>23,887</b>	<b>27,248</b>	<b>29,421</b>	<b>33,817</b>	<b>38,941</b>

1) Total differences are rounding differences

2) Some previous year figures were adjusted

## NORD/LB Group - Pfandbriefe at a glance.

Nominal values as at 31 March 2021 (in €m)	Outstandings	Cover pool total	Over- Collateralisation	Over- collateralisation in %	Change of outstandings <sup>1</sup>
NORD/LB AöR Public-Sector Pfandbrief	9,716.7	13,481.6	3,764.9	38.7%	-1,845.6
NORD/LB AöR Mortgage Pfandbrief	1,988.5	4,883.3	2,894.8	145.6%	-690.8
NORD/LB AöR Ship Pfandbrief	30.5	40.0	9.5	31.1%	-2.6
Deutsche Hypo Public-Sector Pfandbrief	2,711.2	3,130.6	419.4	15.5%	-394.0
Deutsche Hypo Mortgage Pfandbrief	8,289.1	8,746.5	457.4	5.5%	-500.5
NORD/LB Luxembourg Lettres de Gage Publique	4,028.6	4,987.4	958.8	23.8%	172.4
NORD/LB Luxembourg Lettres de Gage énergies renouvelables	300.0	364.6	64.6	21.5%	0.0
<b>Total</b>	<b>27,064.6</b>	<b>35,634.0</b>	<b>8,569.4</b>		<b>-3,261.1</b>

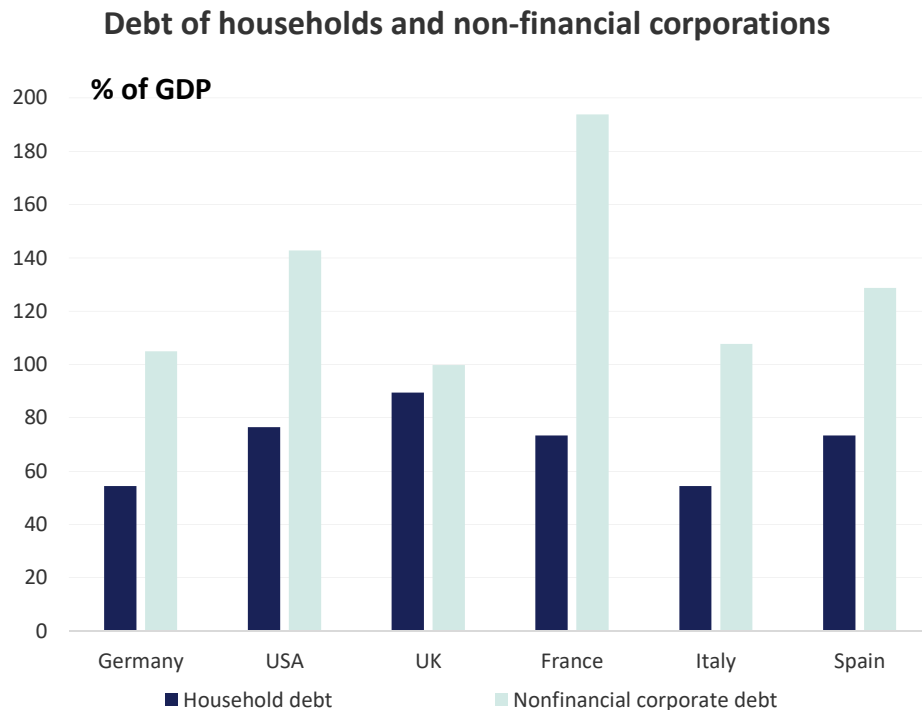
As part of the "NORD/LB 2024" programme, it was decided to discontinue the mortgage bond business from 2022, This refers both to new issues via the existing Lettres de Gage products ("LdG Publiques" and "LdG Renewable") and to the further accounting of new loan transactions in the context of building up the respective cover pools. NORD/LB Covered Bond Bank will continue to be an integral part of the NORD/LB Group including the letter of comfort. In 2021 NORD/LB Covered Bond Bank will continue to be issuable and issues in private placement format are planned. Stable ratings are still being sought. The two existing cover pools are actively controlled and the assets required for controlling the cover pool come from the control portfolios of the bank.

The cover register for aircraft was closed at the end of 2019, as the last aircraft Pfandbrief in the amount of € 5 million matured on 19 February 2019.

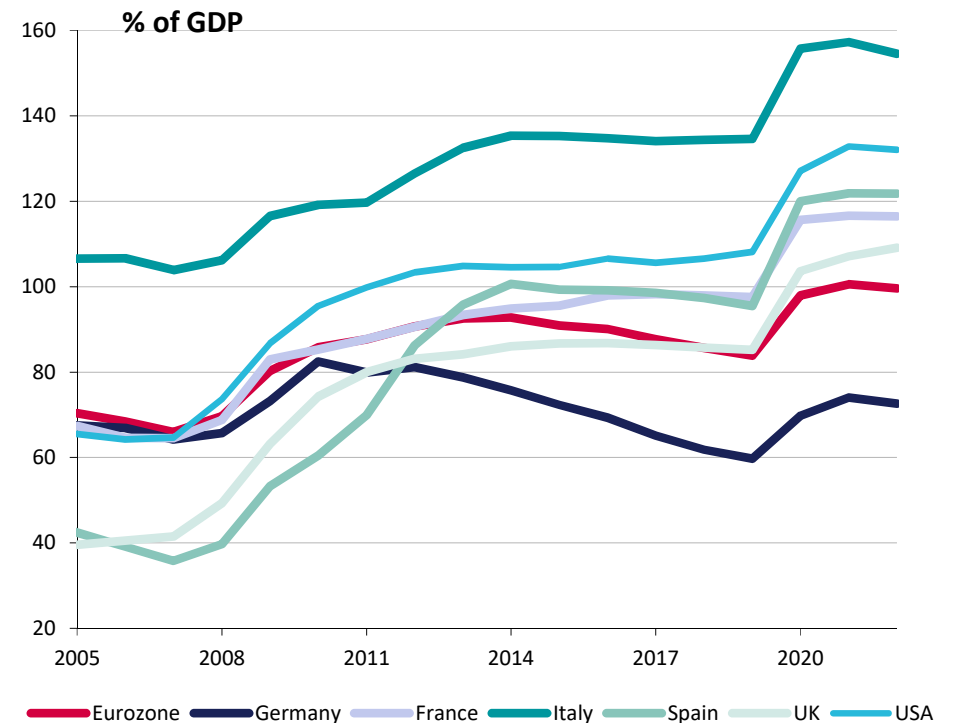
1) Outstandings 31 March 2021 versus 31 March 2020

# Germany: Healthy economic structure as a clear locational advantage in European and international comparison.

## Germany: Solid development of private debt in international comparison



## Solid public finances secure top rating (here: Government debt ratio as % of GDP)

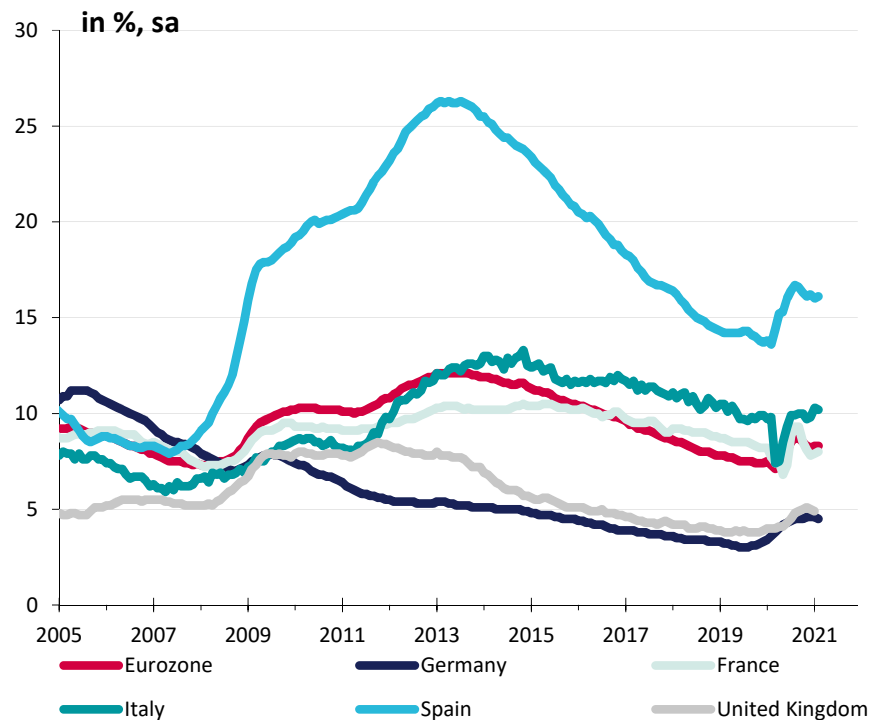


- We are benefiting from Germany's strong economic situation, as Germany has good private debt development and solid public finance with very good ratings
- Solid economic data in Germany confirm NORD/LB's focus

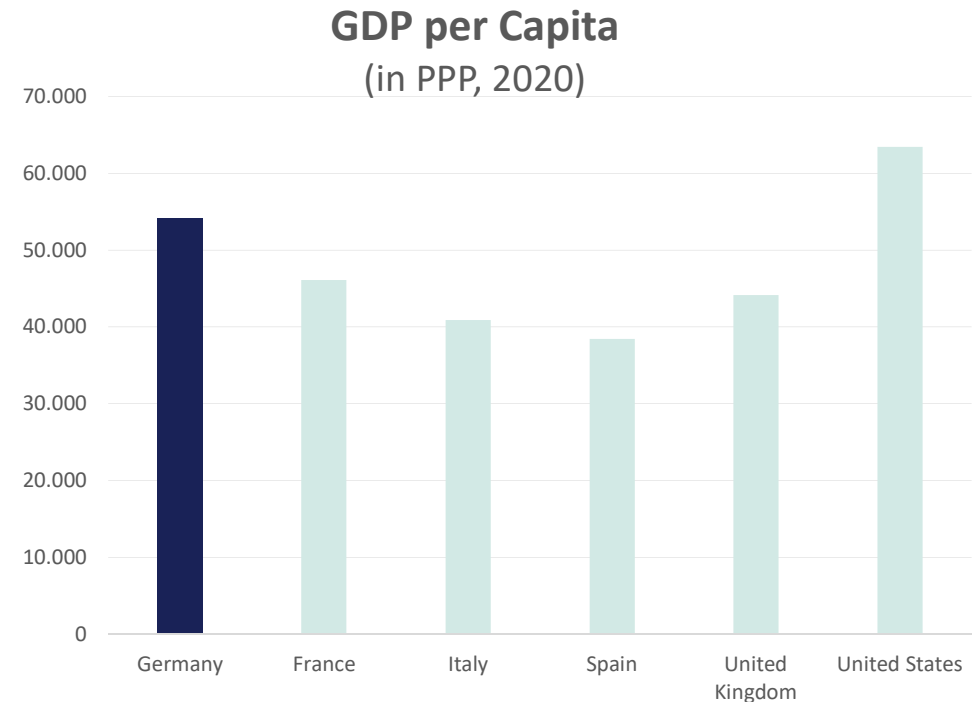
IMF data for the year 2018. Forecasts for the development of government debt ratios: NORD/LB Macro Research.  
Source: IMF, Eurostat, Bloomberg, NORD/LB Macro Research

Location Germany: Very low unemployment for years, labor factor well utilised; relatively high per capita income.

### Germany: Unemployment rate (ILO) well below EU average for years



### High per capita income compared to large developed economies



- With an exposure-at-default of almost 70 per cent, we are benefiting from the healthy economic structure in Germany
- The low unemployment rate, which has been low for years, together with the high per capita income shows a healthy environment in which NORD/LB will continue to focus

Data per capita income for 2019  
Source: Feri, Eurostat, IMF, NORD/LB Macro Research

## Important links.



Declaration of Norddeutsche Landesbank Girozentrale on the German Corporate Governance Codex:

<https://www.nordlb.com/legal-notices/corporate-governance>



NORD/LB protection scheme

<https://www.nordlb.com/legal-notices/security-mechanisms>



Sustainability (report, ratings)

<https://www.nordlb.com/nordlb/sustainability>



NORD/LB managing board and supervisory board

<https://www.nordlb.com/nord/lb/committees-and-executive-bodies>



NORD/LB Annual, Interim Reports and Disclosure Reports and other publications

[www.nordlb.com/reports](http://www.nordlb.com/reports)



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- the impact of regulatory decisions and changes in the regulatory environment;
- the impact of political and economic developments in Germany and other countries in which the Group operates;
- the impact of fluctuations in currency exchange and interest rates; and
- the Group’s ability to achieve the expected return on the investments and capital expenditures it has made in Germany and in foreign countries.

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