

Norddeutsche Landesbank Girozentrale
(Public-law institution)

Annual Report 2021

Gender-sensitive language

NORD/LB is committed to diversity and tolerance. This should also be expressed in the language we use. Where possible, we therefore do not use the generic masculine, where other genders are “meant”. Instead, we prefer to use neutral wording or double mentions. If this was not possible in certain places, we would like to point out that the corresponding wording explicitly covers all genders.

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Combined Management Report

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Reference to combined management report

Reference to combined management report

The management report for NORD/LB Norddeutsche Landesbank Girozentrale (hereinafter referred to as: NORD/LB) has been combined with the Group management report as per § 315 para. 5 of the German Commercial Code (HGB) in conjunction with § 298 para. 2 of the HGB in order to improve clarity and published in the 2021 Annual Report of NORD/LB.

The annual financial statements of NORD/LB and the consolidated financial statements (with the combined management report) for financial year 2021 are filed with the operator of and published in the German Federal Gazette. The annual financial statements for NORD/LB and the consolidated financial statements are also available for download on the internet at www.nordlb.com.

Annual Financial Statements

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Balance sheet as at 31 December 2021

	€	€	€	Assets	
				expanded NORD/LB AöR 31 Dec.2020 (in € 000)	former NORD/LB AöR 31 Dec.2020 (in € 000)
1. Cash reserve					
a) Cash on hand		44 534 575.29		46 383	46 383
b) Balances with central banks		6 779 659 065.66		5 894 544	5 797 039
			6 824 193 640.95	5 940 927	5 843 421
of which: with the "Deutsche Bundesbank" € 6 446 282 905.01				(5733 549)	(5 636 044)
3. Claims on banks					
a) mortgage loans		38 738 008.63		48 326	44 908
b) municipal loans		11 757 311 084.32		11 713 766	11 540 439
c) Other claims		5 597 907 655.11		6 073 919	5 267 055
			17 393 956 748.06	17 836 012	16 852 402
of which: Due on demand € 2 052 316 536.74				(2 870 224)	(1 956 713)
4. Claims on customers					
a) mortgage loans		14 576 610 376.96		17 439 417	5 579 856
b) municipal loans		15 461 711 917.08		17 108 409	14 954 145
c) Other claims		30 597 100 167.42		30 250 893	30 244 890
			60 635 422 461.46	64 798 719	50 778 891
5. Debt securities and other fixed-interest securities					
a) Money-market instruments					
ab) Issued by other borrowers		37 986 426.57		56 086	56 086
			37 986 426.57	56 086	56 086
b) Bonds and debt securities					
ba) Issued by public sector borrowers		6 265 220 186.06		6 610 369	4 894 310
of which: eligible as collateral for "Deutsche Bundesbank" advances € 5 376 630 474.83				(5 663 621)	(4 626 124)
bb) Issued by other borrowers		8 353 975 576.12		9 360 747	8 206 547
			14 619 195 762.18	15 971 116	13 100 856
of which: eligible as collateral for "Deutsche Bundesbank" advances € 7 393 316 722.43				(8 591 294)	(7 345 955)
c) Debt securities, issued by the institution itself		160 966 867.48		436 733	260 658
Nominal amount € 154 787 094.03				(430 353)	(255 353)
			14 818 149 056.23	16 463 936	13 417 601
Amount carried forward			99 671 721 906.70	105 039 593	86 892 315

Assets

Norddeutsche Landesbank Girozentrale

				expanded NORD/LB AöR 31 Dec.2020 (in € 000)	former NORD/LB AöR 31 Dec.2020 (in € 000)
	€	€	€		
Amount carried forward			99 671 721 906.70	105 039 593	86 892 315
6. Shares and other non fixed-interest securities			85 749 877.39	102 519	102 519
6a. Trading portfolio			9 490 185 138.29	14 987 797	15 023 930
7. Participating interests			126 533 731.38	153 257	153 257
of which:					
in banks	€ 40 216 989.49			(44 432)	(44 432)
in financial institutions	€ 347 445.54			(347)	(347)
8. Investments in affiliated companies			365 300 733.39	413 136	1 116 485
of which:					
in banks	€ 178 265 087.77			(222 184)	(925 533)
in financial institutions	€ 511 291.88			(511)	(511)
9. Assets held in trust			3 053 549 441.86	3 149 342	3 149 342
of which:					
loans on a trust basis	€ 3 043 233 398.22			(3 139 026)	(3 139 026)
11. Intangible assets					
a) internally generated industrial property rights and similar rights and values		64 171 116.27		50 849	50 849
b) Concessions, industrial property rights and similar rights and values including its licences against payment		26 164 578.05		39 727	38 952
c) Advance payments made		39 791.37		285	52
d) Finance lease		2 775.53		91	91
			90 378 261.22	90 951	89 944
12. Tangible assets			205 577 442.57	235 961	233 325
14. Other assets			1 204 885 844.67	1 620 049	1 441 040
15. Prepaid expenses					
a) from new issue and lending business		393 009 725.52		493 529	462 135
b) other		556 551 588.50		538 277	534 468
			949 561 314.02	1 031 805	996 602
Total assets			115 243 443 691.49	126 824 411	109 198 761

Balance sheet as at 31 December 2021

	€	€	€	Liabilities	
				expanded NORD/LB AöR 31 Dec.2020 (in € 000)	former NORD/LB AöR 31 Dec.2020 (in € 000)
1. Liabilities to banks					
a) issued registered mortgage Pfandbriefs		126 414 539.74		216 588	48 330
b) issued registered public-sector Pfandbriefs		513 728 738.68		445 427	308 531
c) Other liabilities		28 739 457 426.97		29 657 054	28 577 062
			29 379 600 705.39	30 319 070	28 933 923
of which:					
Due on demand € 3 719 395 478.83				(3 718 494)	(3 541 366)
ensuring loans taken up registered mortgage Pfandbriefs transferred to registered public-sector Pfandbriefs € 15 207 335.46				(19 947)	(19 947)
2. Liabilities to customers					
a) issued registered mortgage Pfandbriefs		1 136 653 560.75		1 181 069	640 798
b) issued registered public-sector Pfandbriefs		9 780 857 293.55		10 193 290	7 502 412
c) Savings deposits					
ca) with an agreed notice period more than three months	1 037 607 486.81			1 044 271	1 044 271
cb) with an agreed notice period more than three months	5 307 441.06			8 286	8 286
		1 042 914 927.87		1 052 558	1 052 558
d) Other liabilities		34 421 063 355.63		36 581 440	32 803 914
			46 381 489 137.80	49 008 357	41 999 682
of which:					
Due on demand € 23 309 916 286.35				(22 513 233)	(22 511 886)
3. Securitised liabilities					
a) Issued debt securities					
aa) mortgage Pfandbriefs	8 325 615 850.57			8 867 903	1 346 278
ab) public-sector Pfandbriefs	2 571 079 133.28			3 805 593	3 754 760
ac) other debentures	7 205 930 551.65			8 901 589	7 879 612
		18 102 625 535.50		21 575 085	12 980 650
b) Other securitised liabilities		57 011 599.58		160 802	160 802
			18 159 637 135.08	21 735 887	13 141 452
of which:					
money-market instruments € 39 748 599.58				(154 866)	(154 866)
3a. Trading portfolio			6 417 706 824.72	11 113 153	11 149 286
4. Liabilities held in trust			3 053 549 441.86	3 149 342	3 149 342
of which:					
loans on a trust basis € 3 043 233 398.22				(3 139 026)	(3 139 026)
5. Other liabilities			1 429 379 365.55	1 074 547	875 335
Amount carried forward			104 821 362 610.40	116 400 356	99 249 020

Liabilities

	Norddeutsche Landesbank Girozentrale				
				expanded NORD/LB AöR 31 Dec.2020 (in € 000)	former NORD/LB AöR 31 Dec.2020 (in € 000)
	€	€	€		
Amount carried forward			104 821 362 610.40	116 400 356	99 249 020
6. Deferred income					
a) from new issue and lending business		529 071 955.99		547 962	505 940
b) other		115 685 336.62		130 469	125 171
			644 757 292.61	678 432	631 111
7. Provisions					
a) Provisions for pensions and similar obligations		788 564 001.55		759 159	691 384
b) Tax provisions		63 171 563.42		51 608	51 573
c) Other provisions		1 069 812 107.98		1 082 465	1 058 502
			1 921 547 672.95	1 893 232	1 801 459
9. Subordinated liabilities			2 077 567 418.24	2 104 706	1 918 706
10a. Instruments of additional regulatory Tier 1 capital			50 200 000.00	50 200	50 200
11. Funds for general banking risks			82 708 221.55	82 708	68 308
of which: special item for general banking risks in accordance with § 340e, para. 4 of the German Commercial Code	€	68 308 221.55		(68 308)	(68 308)
12. Equity					
a) Subscribed capital					
aa) Share capital	3 082 954 379.81			2 972 131	2 972 131
ab) Other Capital contributions	263 608 452.71			209 087	209 087
		3 346 562 832.52		3 181 218	3 181 218
b) Capital reserves		2 581 079 214.67		2 581 079	2 581 079
c) Retained earnings					
ca) Other retained earnings ¹⁾		530 556 494.01		665 379	530 556
d) net accumulated loss		- 812 898 065.46		- 812 898	- 812 898
			5 645 300 475.74	5 614 778	5 479 956
Total liabilities			115 243 443 691.49	126 824 411	109 198 761
1. Contingent liabilities					
a) Liabilities from guarantees and other indemnity agreements		11 334 762 096.90		10 898 870	10 511 582
			11 334 762 096.90	10 898 870	10 511 582
2. Other obligations					
a) Irrevocable credit commitments		9 034 053 948.47		8 448 895	7 523 687
			9 034 053 948.47	8 448 895	7 523 687

¹⁾ The profit of € 134.8 million from the merger with Deutsche Hypothekbank is included in other retained earnings in the comparative column "expanded NORD/LB AöR".

Income statement for the period from 1 January to 31 December 2021

	€	€	€	expanded NORD/LB AöR 2020 (in € 000)	former NORD/LB AöR 2020 (in € 000)
1. Interest income from					
a) Lending and money market transactions	1 636 049 323.54			1 917 654	1 568 076
b) Fixed-income and book entry securities	203 978 723.75			244 471	147 698
c) Current income from trading portfolio	1 164 482 177.89			1 475 569	1 486 540
		3 004 510 225.18		3 637 694	3 202 314
2. Negative Interest income from lending and money market transactions		- 49 569 053.62		- 49 635	- 45 011
3. Interest expenses		- 2 205 312 542.63		- 2 798 201	- 2 523 180
4. Positive interest expenses from lending and money market transactions		60 711 194.90		59 361	54 504
			810 339 823.83	849 219	688 627
5. Current income from					
a) Shares and other non fixed-interest securities		60 590.44		187	187
b) Participating interests		6 803 326.40		5 600	5 600
c) Shares in affiliated companies		14 044.85		997	997
			6 877 961.69	6 785	6 785
6. Earnings from profit pooling, profit transfer or partial profit transfer agreement			14 281 631.27	3 261	50 763
7. Commission income		248 701 787.32		227 716	225 868
8. Commission expenses		- 156 752 299.72		- 225 786	- 226 119
			91 949 487.60	1 930	- 250
9. Net income deriving from trading portfolio			133 594 404.68	42 445	42 445
10. Other operating income			89 346 766.02	196 485	195 816
11. General administrative expenses					
a) Staff expenses					
aa) Wages and salaries		- 329 473 955.08		- 340 625	- 308 915
ab) Social security contributions and expenses for pension provision and other employee benefits		- 195 920 612.90		- 133 644	- 126 427
		- 525 394 567.98		- 474 269	- 435 342
of which: for pensions	€ - 126 424 914.66			(- 53 802)	(- 51 819)
b) Other administrative expenses		- 506 812 299.27		- 486 517	- 450 214
			- 1 032 206 867.25	- 960 786	- 885 555
12. Depreciations and write-downs of intangible assets and of tangible assets			- 44 113 856.66	- 48 218	- 47 203
13. Other operating expenses			- 156 930 997.87	- 208 411	- 199 213
14. Write-downs of and value adjustments to claims and certain securities and allocations to loan loss provisions			-	-	-
15. Earnings from write-ups to claims and certain securities and allocations to loan loss provisions			153 773 667.99	57 804	90 813
Amount carried forward			66 912 021.30	- 59 488	- 56 971

Norddeutsche Landesbank Girozentrale					
				expanded NORD/LB AöR 2020 (in € 000)	former NORD/LB AöR 2020 (in € 000)
	€	€	€		
Amount carried forward			66 912 021.30	- 59 488	- 56 971
16. Write-downs and value adjustments of participating interests, investments in affiliated companies and securities treated as fixed assets			- 43 489 082.11	- 177 514	- 176 026
17. Earnings from write-ups to participating interests, investments in affiliated companies and securities treated as fixed as-sets			-	-	-
18. Expenses on assumption of losses			- 2 432 137.48	- 3 750	- 3 750
19. Transfer to the funds for general banking risks			-	-	-
20. Profit on ordinary activities			20 990 801.71	- 240 752	- 236 747
21. Extraordinary income		162 592 805.49		3 665	-
22. Extraordinary expenses		- 93 325 467.33		- 88 623	- 88 623
23. Extraordinary result			69 267 338.16	- 84 958	- 88 623
24. Refund from income taxes		- 5 961 866.73		6 661	6 276
25. Refund from other taxes not show under item 13		- 8 680 180.52		- 3 537	- 3 491
			- 14 642 047.25	3 124	2 785
26. Income from assumption of losses			0.00	29 747	29 747
27. Annual profit/ Annual loss			75 616 092.62	- 292 838	- 292 838
28. Replenishment of silent participations			- 75 616 092.62	-	-
29. Loss carried forward from the previous year			- 812 898 065.46	- 520 060	- 520 060
30. Net accumulated loss			- 812 898 065.46	- 812 898	- 812 898

Appendix

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I. Disclosures concerning the accounting policies and principles of currency translation

(In the following text the previous year's figures for the reporting year 2021 and those from 31 December 2021 are shown in brackets; they refer to the expanded NORD/LB AöR, i.e. taking into account Deutsche Hypothekenbank)

Principles for the preparation of the annual financial statements

Norddeutsche Landesbank Girozentrale Hanover, Braunschweig, Magdeburg (NORD/LB) is registered with the Hanover (HRA 26247), Braunschweig (HRA 10261) and Stendal (HRA 22150) local courts.

The annual financial statements of NORD/LB as at 31 December 2021 have been prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch (HGB)), the German Ordinance Regulating the Accounting Requirements for Financial Institutions and Financial Service Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute (RechKredV)) and the Pfandbrief Act (Pfandbriefgesetz (PfandBG)).

The balance sheet and income statement are structured according to the RechKredV.

The balance sheet has been prepared in accordance with § 268 para. 1 HGB, taking into account the appropriation of the net profit for the year.

Explanation of the accounting-related impact of the guarantee contracts from the support contract

Through the three guarantee contracts concluded towards the end of the financial year 2019 the State of Lower Saxony has assumed the unconditional, irrevocable and unsubordinated guarantee to protect against the risk of losses for certain ship and aircraft financing portfolios on behalf of Norddeutsche Landesbank Girozentrale and NORD/LB Luxembourg S.A. Covered Bond Bank.

Initially, the guarantee contracts comprised two ship financing reference portfolios from the Special Credit Unit & Portfolio Optimization segment and a reference portfolio of aircraft financing from the Special Financing segment with corresponding loans including the associated customer derivatives and a number of loan commitments, sureties and overdraft facilities. In the case of the loan portfolio from the Special Credit Unit & Portfolio Optimization segment, the guarantees cover the net book value of a portfolio with non-performing loans (NPL) intended for complete reduction as well as the gross book value of another portfolio. The gross book value is also hedged for the loan portfolio from the aircraft customers' portfolio.

The guarantee contract for the NPL portfolio included a unilateral right of termination in favour of NORD/LB linked to the existence of certain economic conditions and to the consent of the DSGV. NORD/LB exercised this right of termination with effect from 30 June 2021. As a result, the liability of the State of Lower Saxony under the guarantee ended on this date.

For the other Ship Customers/Maritime Industries Customers credit portfolio, the guarantee amounts to a portfolio to protect the gross book value with a total guarantee in an amount of around € 0.5 billion (€ 1.0 billion) plus contingent liabilities of € 0.1 billion (€ 0.1 billion). For the Aircraft Customers segment, a portfolio is protected with a total guarantee amount of around € 0.7 billion (€ 1.1 billion).

Based on the guarantee contracts, payment claims in the amount of the anticipated loss vis-à-vis the state of Lower Saxony will arise upon occurrence of one or more guarantee cases. The guarantee cases comprise the following situations:

- shortfall resulting from amounts not being paid either in whole or in part as at the due date,
- contractual reduction of the nominal amount owed without corresponding compensation payment and/or
- loss arising from early repayment of capital amounts and/or a negative market value in the event of the early sale of a customer derivative.

The guarantee transactions comprise pending transactions in the form of derivatives of the banking book, as the guarantee transactions do not have their own inherent value development, but are instead dependent largely on the performance of the relevant underlying loan portfolio. Furthermore, it is typical of derivatives that the time of contract conclusion and the time of fulfilment will differ. The derivatives cannot be assigned to the trading book due to the absence of short-term resale prospects and the unintentional generation of results from price fluctuations. Derivatives of the banking book are not recognised in the balance sheet, because, according to the HGB – in contrast to the IFRS – fair value accounting is in principle not intended for these derivatives and the acquisition costs are generally zero.

Taking into consideration the individual measurement principle, these derivatives cannot be offset in the balance sheet to mitigate risks as securities for the transactions contained in the hedged portfolios. As a result, all transactions in the guarantee portfolio remain subject to loan loss provisions even after conclusion of the guarantee contracts. Due to the specific loan loss provision process that is taking place unchanged, compensation of the valuation result does not take place until the topmost income statement level. Only when a guarantee case is being accounted for is the anticipated guarantee claim recorded in the income statement and, if required, offset against a payment made in advance. An opposite income statement effect for loan loss provisions is thus not effective or visible until later.

In return for granting the guarantees, NORD/LB pays the State of Lower Saxony a commission for each one. For the guarantee for the portfolio with non-performing claims, this is determined variably in the amount of 7.15% of the total guarantee amount which reduces in line with the portfolio reduction and must be calculated monthly. For both of the other guarantees, a fixed guarantee commission rate is contractually agreed and payable in fixed quarterly instalments (cf. Notes on the other financial obligations). For 2021, the commission expense for the ship finance portfolio with non-performing receivables was € 8.2 million (€ 41.5 million); for the other ship finance portfolio € 56.1 million (€ 90.6 million) and for the portfolio in the aircraft segment € 16.3 million (€ 25.9 million).

The guarantee contracts must end at the time when the respective guarantee portfolio is fully wound up and all outstanding payment obligations have been settled (variable maturity date). In the guarantee contracts for the portfolios with the hedged gross book values, the date of 31. Dezember 2024 is set as a fixed maturity date with an extension option. The extension option included in these two contracts was used annually, so that these contracts now have a term until 31. Dezember 2027.

In addition to the three guarantee contracts mentioned, the support contract provides for an exemption of the Bank by the state of Lower Saxony from risks associated with the potentially increased health-care benefits payable by NORD/LB to their retirees and employees up to an amount of € 200.0 million.

Servicing, termination and performance of capital instruments

NORD/LB reported a positive result after taxes (net income for the year) at individual institutional level under HGB (German Commercial Code). At the same time, there was a significant net accumulated loss according to HGB resulting from loss carryforwards from previous periods as at the reporting date. The positive result after taxes and the net accumulated loss according to HGB have an impact on the servicing and valuation of certain capital instruments available at NORD/LB.

Instruments that permanently rank as additional Tier 1 capital (AT1) under the CRR will not be serviced from the results for 2021. This arises contractually from insufficient available distributable items (ADI). This lack of ADI is mainly caused by the net accumulated loss as at the reporting date according to HGB.

The following effects arose for existing contributions of silent partners:

The book values of all silent partner contributions were down as at 31 December 2020 due to the net loss arising in 2020 according to HGB or an existing net accumulated loss at the time according to HGB. In a reduced state, the book values of silent partner contributions are contractually increased again in the event of a positive result after taxes according to HGB in the following period in the amount of this positive result after taxes according to HGB in relation to the book values of all silent partner participations among each other (*pari passu*) - but at most up to the amount of their respective nominal value. The write-up amount resulting from these increases is reported in the income statement as a "Reinstatement of silent contributions" below the item Net income in the reconciliation to net accumulated loss. Even after the increase, the book values of silent partner contributions once again fell short of their respective nominal values as at the reporting date. As a result of this and from the full use of the positive result after taxes according to HGB for the increases, the contractually agreed interest on silent partner contributions will no longer apply for 2021.

In addition to these effects, NORD/LB terminated all silent partner contributions that still existed up to that point in 2020 in accordance with the contract. These terminations also include the silent partner contributions of three special purpose vehicles ("Fürstenberg Capital Erste to Dritte"), which each refinanced the silent partner contributions at NORD/LB through the issue of structure-congruent bonds (capital notes). For some of the existing silent partner contributions, the terminations became effective at the end of the reporting date.

Impact of the COVID 19 pandemic

The measures initiated by crisis prevention management in NORD/LB due to the COVID-19 pandemic are continuously being adapted as the pandemic unfolds. The economic impact continues to be closely monitored; in particular, the adequacy of borrower ratings is regularly reviewed.

A fundamental deterioration in credit quality as a result of the pandemic means that banks are increasingly recognising risk provisions for transactions that have deteriorated significantly in their credit quality or have defaulted. Consequently, the effects of the COVID-19 pandemic can lead to increased volatility in banks' risk provisions. In application of IDW RS BFA 7, risk provisions for expected credit losses must be recognised in the balance sheet. Among other things, the recoverability of loan collateral must be examined. Credit risk models and forecasts for estimating these expected credit losses must be adjusted to current developments.

As at 31 December 2021, NORD/LB took account of the uncertainties surrounding the further direction of the pandemic, in particular the spread of variants, which may lead to extended or new lockdowns, and the resulting potential impact on the credit quality of borrowers by continuing to perform the management adjustment (MAC-19), which was carried out for the first time in financial year 2020. A return to pre-pandemic economic levels is currently expected in 2023, which means that MAC-19 is expected to be maintained until the end of 2022. On the one hand, the extended Government support masks the credit assessment of creditworthiness of the borrowers, while on the other hand the indirect influencing factors such as currently increasing supply chain bottlenecks cannot be conclusively assessed.

The aim of MAC-19 is to take into account the expected future effects for industries severely affected by the pandemic, but not yet visible in the ratings in the form of a deterioration in credit ratings and thus in risk provisioning, which were not mapped via Stage 1 and Stage 2 modelling as at the reporting date of 31 December 2021. As at 31 December 2021, the focus was on the (sub-)segments of aircraft financing, real estate and corporate customers. The basis for this is provided by the updated economic forecasts of NORD/LB Research based on a macroeconomic medium-term forecast as a baseline as well as three adverse scenarios of different severity levels (scenario 1 (mild), 2 (moderately severe) and 3 (severe)), whereby an adjustment was made for the reporting year in the form of a leading scenario per industry. The scenarios were based on two global variables (Brent oil price in USD and EUR/USD exchange rate) and six country-specific variables per economy (such as unemployment rate, real GDP, etc.). Furthermore, the rating and loss ratio shifts were no longer derived purely on the basis of experts, but first using the stress test analyser of the ratings service provider RSU Rating Service Unit and then validated in the second step by experts in the relevant areas. The parameters are shown in the tables below. The performance of the leading equity index in the respective economy was not included in the model due to better legibility and downstream significance. The same applies to the country-specific forecasts for the economies of Canada and the United Kingdom.

Germany	Scenario 1		Scenario 2		Scenario 3	
	2021	2022	2021	2022	2021	2022
Unemployment rate (in %)	6,4	6,7	7,0	7,8	7,5	8,7
GDP (real; Y/Y ¹ in %)	1,3	1,5	1,2	-0,6	-0,6	-3,9
HVPI ² (in % Y/Y)	2,1	0,9	1,8	0,2	1,40	-0,50
Short-term interest rates (3M money market rate, in %)	-0,60	-0,60	-0,60	-0,65	-0,65	-0,80
Long-term interest rates (10Y government, in %)	-0,40	-0,50	-0,60	-0,70	-0,70	-0,90
Exchange rate (EUR/USD)	1,15	1,11	1,14	1,03	1,12	1,00

¹⁾ Y/Y = year to year

²⁾ Consumer price index

USA	Scenario 1		Scenario 2		Scenario 3	
	2021	2022	2021	2022	2021	2022
Unemployment rate (in %)	7,5	8,3	9,0	11,0	13,5	13,0
GDP (real; Y/Y ¹ in %)	1,8	2,1	0,5	-1,2	-1,5	-3,5
CPI ²⁾ (in % Y/Y)	1,8	1,3	1,5	0,2	1,1	-0,7
Short-term interest rates (3M money market rate, in %)	0,20	0,25	0,20	0,20	0,10	0,10
Long-term interest rates (10Y government, in %)	1,10	0,85	1,00	0,70	0,95	0,40
Exchange rate (EUR/USD)	1,15	1,11	1,14	1,03	1,12	1,00

¹⁾ Y/Y = year to year

²⁾ Consumer price index

Eurozone	Scenario 1		Scenario 2		Scenario 3	
	2021	2022	2021	2022	2021	2022
Unemployment rate (in %)	8,7	9,5	9,5	11,0	10,5	12,0
GDP (real; Y/Y ¹ in %)	2,3	1,2	1,8	-1,1	0,4	-4,6
CPI ²⁾ (in % Y/Y)	1,4	0,7	1,1	-0,3	0,7	-0,8
Short-term interest rates (3M Money Market rate, in %)	-0,60	-0,60	-0,60	-0,65	-0,65	-0,80
Long-term interest rates (10Y government, in %)	-0,40	-0,50	-0,60	-0,70	-0,70	-0,90
Exchange rate (EUR/USD)	1,15	1,11	1,14	1,03	1,12	1,00

¹⁾ Y/Y = year to year

²⁾ Consumer price index

The forecasts for the Eurozone serve as an approximation for the countries France, Ireland, Italy, Luxembourg, the Netherlands, Austria and Spain. The expected change in the global variable oil price and EUR/USD exchange rate can be found in the following table.

Oil price	Scenario 1		Scenario 2		Scenario 3	
	2021	2022	2021	2022	2021	2022
Brent (in USD per barrel)	51	50	49	40	40	35
Exchange rate (EUR/USD)	1,15	1,11	1,14	1,03	1,12	1,00

As at 31 December 2021, MAC 19 fell to € 349 million (€ 354 million) due to the repayment or default of the underlying loans. Due to the very negative expectation, the Aircraft Financing subsegment was assigned leading scenario 3, so that € 170 million (€ 166 million) of MAC-19 was allocated to this sub-segment. The other sub-segment Energy and Infrastructure Financing from the Special Finance segment was excluded from the MAC-19 view due to the positive rating change and positive forecasts (sub-segment as 31 December 2020: € 11 million from special financing totalling € 177 million). Scenario 3 was also defined for the Corporate Customers segment at the end of the year due to the increased uncertainties, with an amount of € 91 million (€ 103 million). The MAC-19 focus is on the automotive, construction, consumer goods,

metal and plant engineering, services, travel and leisure industries. Real estate customers (also scenario 3) account for € 88 million (€ 74 million).

In the context of the application of IDW RS BFA 7, the retention of the management adjustment also affected the risk provision in accordance with HGB in the annual financial statements of NORD/LB AöR in the amount of € 349 million (354 Mio €).

Merger with Deutsche Hypothekenbank

Norddeutsche Landesbank (NORD/LB) has been the sole shareholder of Deutsche Hypothekenbank (Actien-Gesellschaft), Hanover, (DHB) since 31 December 2008 and is now fully integrating the previously legally independent DHB by way of a merger with universal succession with effect from 1 January 2021. The owners of NORD/LB and two members of the Managing Board of NORD/LB and DHB with joint powers of representation signed the notarial merger agreement on 12 January 2021. As at 1 July 2021, DHB was legally merged with NORD/LB with retroactive effect from 1 January 2021 in accordance with the merger agreement, taking into account the provisions of the German Transformation Act (UmwG). With the effective date of the merger, all rights and obligations of DHB existing at this time were transferred to NORD/LB by way of universal legal succession. As a result of the merger, the DHB lost its legal autonomy and is now acting as a trademark of NORD/LB. The merger therefore led to a transfer of business in accordance with § 613a BGB, i.e. NORD/LB entered into the rights and obligations arising from the employment relationships existing at the time of the transfer. The complete organisational and procedural integration of DHB into NORD/LB will be gradually implemented through an internal transformation process.

NORD/LB's acquisition costs for the assets and liabilities of DHB corresponded to the value of the investment. The difference between the book value of NORD/LB's declining investment in DHB and DHB's net assets resulted in a merger gain of € 134.8 million, which was recognised in NORD/LB's extraordinary result.

NORD/LB used the option to carry forward book values in accordance with § 24 UmwG (and § 11 para. 2 UmwStG). NORD/LB therefore takes the place of DHB from an accounting perspective and is bound by the accounting decisions previously made by DHB. The transfer of assets and liabilities to NORD/LB takes place through current account business transactions. The book values from the annual financial statements of DHB as at 31 December 2020 are considered acquisition costs for NORD/LB. However, NORD/LB does not have to adopt assets and liabilities which disappeared upon the merger. This concerns receivables and liabilities existing between NORD/LB and DHB, which were extinguished as a result of the merger.

To enable the previous year's figures of NORD/LB to be compared with the figures as at the current reporting date within the meaning of § 265 (2) HGB, in addition to the actual prior-year figures the prior-year figures adjusted for the merger were disclosed in a three-column form in the balance sheet and income statement as well as for additional explanatory information in the notes.

Accounting policies – trading portfolio

Financial instruments of the trading portfolio are valued at fair value less a risk discount in accordance with § 340e para. 3 sentence 1 HGB. The change in fair value as compared with the last reporting date or to the acquisition costs - the valuation result - is recorded under the item Net income deriving from trading business. More information on the calculation of fair values is presented in the section titled “Calculation of fair values”.

Current interest income and expenses from the trading business are shown in Interest income or expenses. Dividend income from the trading business is recorded under the item “Current income from shares and other non fixed-interest securities”.

As there is currently no difference in terms of holdings between the trading portfolio reported in the balance sheet and the regulatory trading book at NORD/LB, the Bank has used the Value-at-Risk (VaR) calculated for regulatory purposes, adjusted by regulatory offsetting using a correlated foreign currency VaR of the banking book in accordance with the internal model, based on Regulation (EU) No. 575/2013 (formerly SolvV), pursuant to § 340e para. 3 sentence 1 HGB, i.e. it deducted the VaR amount calculated from the trading assets. The historical simulation method is used to calculate the VaR.

The VaR parameters used in accordance with banking supervisory regulations, and which are therefore also relevant for reporting in accordance with commercial law, are:

- Use of a correlated VaR for the following risk types:
 - General interest-rate risk,
 - Currency risk,
 - Share-price risk (general and specific risk),
- Confidence level: 99%
- Holding period: 10 days
- Observation period: 1 year.

The mid-market rate is used for the valuation of the trading portfolio. Furthermore the effects of the inclusion of counterparty-specific default risks for OTC derivatives are recorded as a credit value adjustment (CVA) or debit value adjustment (DVA). The CVA/DVA ratios are calculated using exposure simulation and market-implied credit data. The Bank also uses OIS discounting for the valuation of secured OTC derivatives for which OIS discounting has developed into the current market standard.

For unsecured derivative positions, a funding valuation adjustment (FVA), which represented the market-implied refinancing costs, was previously included in the valuation. In December 2021, the discounting of unsecured interest rate derivatives in the Murex front office system was changed to include funding costs. A subsequent adjustment for funding costs (FVA) was therefore no longer necessary.

Accounting policies – non-trading portfolio (banking book)

The cash reserve is recognised at nominal value.

Claims on customers and banks are recognised at nominal value and at amortised cost respectively. If there are differences between the nominal values and the amounts paid out for mortgage loans and other claims - insofar as they incur interest - the items are recognised at nominal value in accordance with § 340e para. 2 HGB. The differences are reported under Deferred income and written back as scheduled.

Low and interest-free receivables are recognised at their present value, and where necessary corrected by specific or general loan loss provisions.

Recognisable risks in the lending business are adequately accounted for through the recognition of specific loan loss provisions and provisions as part of periodic or ad-hoc loan monitoring. Significant loans (volume of receivables per borrower unit in accordance with § 19 (2) KWG from € 1.5 million) are provided for individually, for which objective evidence of impairments has been identified. The amount is estimated as the difference between the book value of the claim and the present value of the anticipated future cash inflows from interest, repayments and the proceeds of realising collateral. The recognition of interest on impaired claims is recorded on the balance sheet by way of a present-value allocation of the book value as interest income from the impaired receivable. Non-significant loans are recognised using a flat-rate single loan loss provision per individual borrower, to which a statistically determined default amount is applied. Based on a credit rating classification system, country risks in the form of sovereign default risks and transfer risks are also taken into account in the evaluation of country-specific constraints and, where appropriate, provisions based on cautious standards are established for cross-border exposures to certain countries. Country risks are reflected with an assessment of compliance with country limits (rating procedure for country and transfer risks). Adequate general loan loss provisions are in place for other general credit risks. The general loan loss provision was calculated in the annual financial statements as of 31. Dezember 2021 using IDW RS BFA 7. Since the 2020 annual financial statements NORD/LB has applied the option of early application of IDW RS BFA 7. This IDW opinion on financial reporting is to be applied for the first time to financial statements for financial years beginning after 31 December 2021, where early application is permitted. NORD/LB has opted for early application, as this will improve the presentation of the true and fair view of its net assets, financial position and results of operations. This is due to factors including the required inclusion of up-to-date information and expectations regarding debtors' risk situation. A parameter-based method based on default probabilities, loss ratios and the possible receivable amount in the event of default is used to determine the general loan loss provisions. Expected creditworthiness-induced losses on the individual receivables are already recognised upon initial measurement after initial recognition on the basis of an expected loss model. The expected losses derive from the present value of the payment defaults expected from potential default events over the next 12 months. If a significant increase in the default risk has been detected since initial recognition on one of the following reporting dates, but there is no objective indication of impairment, a general loan loss provision in the amount of the present value of the expected losses over the remaining term of the receivable (lifetime expected credit loss) is recognised. Quantitative and qualitative criteria are used to determine a significant increase in the probability of default. The quantitative review is performed using the credit-related change in the 12-month probability of default. To do that, the Group compares the forward-12-month probability of default defined upon initial recognition using a default profile and the actual 12-month probability of default as determined at the measurement date. In addition, the credit quality is deemed to have deteriorated significantly if qualitative criteria are met, such as either a payment in arrears of more than 30 days or the exposure is forborne. If a significant increase in the default risk is no longer determined as at the reporting date, only the expected losses for the next 12 months

need to be taken into account again. Provisions are calculated in accordance with the same procedure for non-defaulted off-balance sheet items. Insofar as the credit risk is removed or declines, the stipulated types of loan loss provisions are reversed to the corresponding extent. Here, NORD/LB complies with the requirement to reinstate original values as set down in tax and commercial law. If the Bank determines that a receivable is completely or partially irrecoverable, it must be written off.

Negative interest income as well as positive interest expenses are recognised separately in the income statement. The negative interest income arose on banks and customers (incl. repurchase transactions). The positive interest expenses arose on liabilities to banks and liabilities to customers (incl. repurchase transactions).

Securities in the liquidity reserve included in the items "Debt securities and other fixed-interest securities" and "Shares and other non-fixed-interest securities" are valued according to the strict lower of cost or market principle. Investment securities are treated in accordance with the mitigated lower-of-cost-or-market principle where no foreseeable permanent impairment exists.

Pursuant to IDW RS HFA 22 from the German Institute of Public Auditors, structured products are broken down into their constituent parts (underlying instrument and embedded derivative) and recognised separately. The currently applicable accounting methods are applied to the constituent parts. The separated derivatives are considered in the loss-free valuation of the banking book or included in valuation units. Structured products which are measured at fair value or at the strict lower-of-cost-or-market principle are not recognised separately.

Option premiums and future margin payments for transactions that are not yet due as well as accrued interest income from interest-rate swap transactions are recorded under Other assets or Other liabilities. Amounts not yet amortised from interest-rate cap agreements and up-front payments from interest-rate swaps not yet amortised are included in Deferred income.

Credit Default Swaps (CDS) for which the Bank serves as the collateral provider are treated in a similar manner to the procedure for contingent receivables and contingent liabilities from guarantees and other indemnity agreements. If claims can be expected from the CDS, then provisions should be established. Income components from CDS in the collateral-provider position are stated in Commission income. If CDS have been taken out to hedge securities (with the Bank as collateral taker), the hedging effect of the CDS will be taken into account when the need to write off the securities is assessed. If there is a risk that the creditworthiness of the collateral provider (counterparty to the CDS contract) is questionable, then this risk must be taken into consideration separately. The same procedure should be followed as for a guarantee. Income components from CDS in the collateral-taker position are stated in Interest income.

Interest income and expenses from interest rate swaps in the non-trading portfolio are netted out and reported under interest expenses.

In those instances in which risks from the non-trading portfolio are transferred to the trading portfolio, internal transactions, just as external transactions, must be considered from a German commercial law perspective in line with the deputisation principle.

Participations and investments in affiliated companies are recognised at acquisition cost or at the lower fair value in the case of permanent impairment. If the reasons for an impairment loss no longer exist, then a write-up is made for no more than the acquisition cost.

NORD/LB exercised its option pursuant to § 248 para. 2 HGB and reports internally generated intangible assets. In this connection, the external costs incurred as a result of the development phase and internal development efforts are reported. The useful life of software developed internally is generally set at five years.

Property and equipment are recognised in the balance sheet at acquisition cost and those with finite useful lives are amortised. In so doing, their useful lives are established based on their economic benefit. Insofar as impairments are likely to be permanent, NORD/LB recognises an impairment loss. If the reasons for the recognition of the impairment loss no longer exist, write-ups are made up to a maximum of the amortised costs or amortised production costs. Impairment losses according to § 253 para. 3 sentence 5 HGB of € 0.0 million (€ 0.0 million) were accrued in the reporting year. Assets whose acquisition cost is between € 250 and € 1,000 are recognised as pooled assets and depreciated at a flat rate of 20 percent per year over five years. Low-value assets the acquisition cost of which does not exceed € 250 are fully depreciated according to tax law procedures in the year of their acquisition.

Purchased software is depreciated over three years, unless otherwise specified in the contract.

Insofar as impairments are likely to be permanent, NORD/LB recognises an impairment loss. If the reasons for the recognition of the impairment loss no longer exist, write-ups are made up to a maximum of the amortised costs or amortised production costs.

Liabilities to banks and customers are shown at their settlement values as liabilities. Interest-rate related differences between amounts borrowed and amounts repaid are reported under Deferred income and written back as scheduled.

Zero bonds included in the item "Securitised liabilities" are recognised at their purchase price plus accrued interest in accordance with the yield on purchase.

Provisions are valued at the settlement value required according to sound business judgement. Provisions with a term of more than one year are discounted at the average market interest rate for their corresponding residual terms as published by the German Bundesbank in accordance with the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung; RückAbzinsV). Income and expenses from the discounting respectively compounding of provisions are recorded under Other operating income and expenses. The impact resulting from the change in the underlying discount rates is also shown in Other operating income and expenses.

The Bank exercised the netting option for income and expenses pursuant to § 340 f para. 3 HGB.

Subordinated liabilities are measured at their settlement amount (repayment amount). Differences between the issue and settlement amount are recognised as deferred income, which is released over the term of the subordinated liability.

Instruments of additional regulatory core capital are recognised at the settlement amount according to § 253 (1) sentence 2 HGB.

Calculation of fair values

Fair values must be determined for accounting purposes (valuation of non-derivative and derivative financial instruments held for trading at fair value) and for reporting purposes (designation of fair value for derivative financial instruments not held for trading). For both of these purposes, the fair values are determined in the same manner as described below.

For financial instruments are traded in an active market the fair value corresponds directly to the market/stock exchange price, i.e. in this case no adjustments or present value calculations are made to determine the fair value. Publicly listed stock-market prices or quotations in liquid markets are used if available. Otherwise other sources of prices are used (e.g. quotes from market makers). Examples of financial instruments held by NORD/LB that are traded on an active market are exchange-traded securities and futures.

In all other cases, the fair value is determined using generally recognised valuation methods. Some of the generally recognised valuation methods used by NORD/LB for non-derivative and derivative trading operations include the following:

Valuation method	Application	Significant input parameters
Discounted cash flow method	Illiquid interest-bearing securities	Swap curves, credit-spreads
	Credit default swaps	Swap curves, credit-spreads
	Interest-rate swaps, FRAs	Swap curves
	Securities forward contracts	Specific -securities forward prices, swap curves
	Interest-rate currency swaps, Forward exchange contracts transactions	Swap curves in the currencies traded, basic swap spreads, exchange rate
Hull & White model for options	Bermudan swaptions	Volatility of the underlying market price, risk-free interest rate, swap curves, mean reversion
Black-Scholes model	FX options	Exchange rates, volatility of the underlying exchange rate, risk-free interest rate for both currencies
	OTC share options	Volatility of the underlying, risk-free interest rate, underlying (share), dividends
Barone-Adesi, Whaley-model	OTC FX options (American)	Exchange rates, volatility of the underlying market price, risk-free interest rate
Normal Black model	Caps and floors Swaptions	Volatility of the underlying market price, risk-free interest rate
CVA/DVA (with simulation method or current exposure method)	All derivatives subject to credit risk	Market value, ratings, credit-spreads, swap curves, netting and collateral information

The main factors were reliably determined for all trading operations valued by means of the above-mentioned valuation methods. Consequently, there were no instances in which NORD/LB was not able to determine the fair value.

Accounting of securities lending

In securities lending transactions, NORD/LB allocates the beneficial ownership to the lender. The result is that the lent securities remain on NORD/LB's balance sheet and are measured according to the valuation rules of the respective security category. If NORD/LB borrows securities the securities are not recognised by NORD/LB, because beneficial ownership was not transferred to NORD/LB.

Pension obligations

In 2015 NORD/LB AöR transferred some of its existing pension obligations to the provident fund Norddeutsche Landesbank Girozentrale Hannover/Braunschweig e.V., Hanover (NLB-UK). Bremer Landesbank did the same through the inclusion of the existing provident fund of Bremer Landesbank Kreditanstalt Oldenburg GmbH (BLB-UK).

As the initial endowment was used up through payments to the benefit recipients and contributions to reinsurance for candidates, another endowment was made to the provident funds. The endowment volume totalled € 120.5 million (€ 45.4 million). Taking reimbursements into consideration, the endowment had a negative effect on earnings in the amount of € 115.3 million (€ 42.3 million). These transfers resulted in pension entitlements through direct and indirect commitments. NORD/LB's direct and indirect pension provisions are measured using an accrued benefit calculation known as the Projected Unit Credit

Method. This method measures the current pensions on the reporting date and the share of the pension entitlements earned through years of service. Future increases expected due to associated future expected salary increases or pension adjustments are also taken into account. The actuarial present value of obligations is determined by discounting the expected future pension benefits (settlement value as per § 253 para. 1 sentence 2 HBG) at the average market interest rate for the past ten financial years applicable on the reporting date as per § 253 para. 2 HGB. In determining the actuarial present value of pension obligations, the simplification rule as per § 253 para. 2 sentence 2 HGB is used. Discounting is performed using a general interest rate over a residual period of 15 years. The 2018 G mortality tables from Heubeck AG as at the reporting date were used to determine the pension provisions.

NORD/LB's provisions amounted to 31 December 2021 € 788.6 million (€ 759.0 million). Of the provisions, € 546.1 million (€ 513.6 million) is to direct obligations. The difference in amounts for the Bank in Germany at a pension obligation rate in line with the average market interest rate from the past seven fiscal years is € 65.2 million (€ 86.1 million). The indirect pension liabilities of € 245.5 million (€ 245.5 million) arose from a negative balance (difference between the requisite settlement value for the pension obligations as per § 253 (1) sentence 2, (2) HGB and the assets transferred to the provident fund) at the time the means of implementation was changed, as this does not indicate a discontinuation of the reason for provisioning as per § 249 (2) sentence 2 HGB. Accordingly, the changes to indirect pension provisions can no longer be accounted for through profit and loss; in particular, changes to the discount rate do not affect the balance sheet nor do they result in either profit or loss. The shortfall resulting from unrecognised pension obligations pursuant to Art. 28 (2) of the Introductory Act on the German Commercial Code (EGHGB) amounts to € 1 130.5 million (€ 1 047.2 million).

The following assumptions for the domestic Bank were used to determine the direct and indirect pension obligations:

	31 Dec.2021	former Deutsche Hypothekbank 31 Dec.2020	former NORD/LB AöR 31 Dec.2020
Discount rate (10-year average interest rate)	1.87%	2.31%	2.30%
Discount rate (7-year average interest rate) ¹⁾	1.35%	1.60%	1.60%
Salary increases	2.00%	2.00%	2.00%
Pension increases	2.75%	2,75% / 2,87% / 1,00%	2.75%
Fluctuation	3.00%	3.00%	3.00%

¹⁾ The average market interest rate from the past seven fiscal years was applied until 2015 to measure NORD/LB's pension benefit obligations. Starting in 2016, this rate has been used to calculate the difference in amounts as per § 253 para. 6 HGB.

Based on a service agreement, NORD/LB employees have the option of contributing time credits and deferred compensation to long-term value accounts which are invested in a special fund via a trustee.

This relates to a securities-linked commitment, so that the relevant provisions are recognised at the fair value of the fund's assets and are netted against the pension plan assets as per § 253 para. 1 HGB.

As at 31 December 2021, the fair value of the special funds was € 11.5 million (€ 10.7 million), determined in accordance with the Investment Accounting and Valuation Ordinance (KARBV), at acquisition costs of € 11.4 million (€ 10.7 million). The settlement amount was € 11.4 million (€ 10.5 million).

Income and expenses from the pension plan assets and the corresponding provisions are offset in Other operating profit/loss. The income and expenses offset in the reporting year amounted to € 31 029.94 (€ -33 252.85).

For a small part of the calculated obligation, as at the reporting date there were plans assets from reinsurance contracts with a fair value of € 3.6 million (€ 3.7 million), which are offset against the pension provisions in application of § 246 para. 2 sentence 2 HGB. The fair value within the meaning of § 255 para. 4 sentence 4 HGB corresponds to the amortised cost calculated in accordance with the lower of cost or market principle pursuant to § 253 para. 4 HGB. The actuarial reserve of the insurance contract was calculated using the calculation bases of the premium calculation within the meaning of § 169 para. 3 of the Insurance Contract Act. The settlement amount of the covered obligations amounted to as at the reporting date € 10.7 million (€ 13.0 million). Reinsurance resulted in a contribution to earnings in the amount of the change in the asset value compared with the previous period plus insurance benefits received in the financial year and minus the insurance premiums paid in the financial year. Income from pledged reinsurance cover amounted to € 0.1 million (€ 0.1 million) in the reporting year.

Currency translation

Currency translation in the non-trading portfolio is carried out in accordance with the principles of § 256a in conjunction with § 340h HGB ("special cover") and the statement made by the Bankenfachausschuss (Banking Committee) of the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW RS BFA 4), as the Bank manages currency risk via separate currency positions and carries the individual currency items in the currency positions. The special cover comprises all assets, liabilities and pending transactions which are not allocated to the trading portfolio, are financial instruments and are in a foreign currency.

The assets and liabilities and the valuation of forward currency transactions and outstanding spot currency transactions are translated using the average spot exchange rate (ECB reference exchange rate) or rates from other reliable sources on the reporting date.

For futures transactions in the non-trading portfolio, the pro-rata, swap premiums/discounts which have not yet been amortised are valued at the current swap rates for the remaining term of the transactions (valuation of the remaining positions).

The results from the valuation of the remaining positions are added for each currency; losses are deducted. Any remaining positive results, such as unrealised gains from open items, are not recognised.

As regards financial instruments in the trading portfolio, currencies are translated in accordance with the corresponding valuation and accounting principles. The results of the currency translations are reported under the items Net income deriving from the trading portfolio.

The results of these currency translations for financial instruments in the non-trading portfolio are netted out and recorded under Other operating income.

NORD/LB's total assets and liabilities denominated in foreign currencies amounted to € 16.6 billion (€ 22.6 billion) and € 18.4 billion (€ 20.2 billion).

The base currency used for reporting at the foreign branches in London, Shanghai and Singapore is the euro, while the base currency for the New York branch is the US dollar. All transactions are posted in their

original currency. Assets, liabilities and off-balance-sheet transactions are translated into the base currency using the respective ECB reference rate on the reporting date. Expenses and income in foreign currency are translated daily into the base currency using the ECB reference rate. The balance sheet of the New York branch is converted from the base currency of the US dollar into the reporting currency, the euro, using the ECB reference rate on the reporting date, and the income statement is converted using the ECB average reference rate.

Formation and accounting of valuation units

In the following cases, NORD/LB's economic hedging transactions are also shown in the balance sheet by forming valuation units:

- Individual transaction-specific interest rate hedges of fixed-income securities of the liquidity reserve through interest rate swaps (2021: € 499.8 million; 2020: € 437.6 million);
- Individual transaction-specific hedges of the underlying share price or exchange-rate risks of certain structured issues with share-price or exchange-rate-specific derivatives (2021: € 123.3 million; 2020: € 114.8 million);
- Individual transaction-related transfer of the inflation risk hedged with respect to customers to the market (2021: € 94.3 million; 2020: € 93.4 million).

In addition to the above-mentioned hedging relationships shown as valuation units, there are the following economic hedging transactions which are not shown in the balance sheet by forming valuation units, but by the measures below:

- Currency hedges in the banking book. The economic hedging relationship is presented in the balance sheet by the conversion of the foreign-currency assets, foreign-currency liabilities and pending currency transactions in accordance with § 256a in conjunction with § 340h HGB.
- Hedging of general interest-rate risk in the banking book within the scope of asset/liability management (overall bank management).
The economic control relationship is taken into account when assessing whether the requirements for loss-free valuation in the banking book have been complied with by considering all of the interest-bearing banking book assets and liabilities and all interest derivatives in the banking book.
- Hedging of the default risk relating to the banking book assets with CDS contracts. The economic hedging relationship is presented in the balance sheet by considering the hedge effect of the CDS contracts in the calculation of the loss allowance required for the hedged assets.

NORD/LB uses the freeze method for any valuation units formed.

Loss-free valuation of interest-rate-based transactions in the banking book (interest book)

Interest-rate-based financial instruments in the banking book (interest book) are subject to a loss-free valuation as stipulated by the Institute of Public Auditors in Germany (IDW RS BFA 3 (new version)). If the value of the payment obligation from the interest-bearing transaction is greater than the value of the counterperformance, a provision for anticipated losses in the amount of the excess liability is to be recognised.

In the present value approach, NORD/LB compares the cash flows, discounted as at the reporting date, of all on-balance-sheet and off-balance-sheet interest-rate-based financial instruments outside of the trading portfolio with their book values, also taking into account the expected funding risk expenses, risk expenses and administrative expenses. As at the reporting date there was no excess liability.

II. Disclosures and notes to the balance sheet and income statement

The notes below on the individual items of the balance sheet and income statement appear in the order that the items are reported as per § 284 para. 1 sentence 1 HGB:

Notes to the Balance Sheet		Assets	
(in € 000)	31 Dec.2021	expanded NORD/LB AöR 31 Dec.2020	former NORD/LB AöR 31 Dec.2020
3. Claims on banks			
Balance sheet value	17 393 957	17 836 012	16 852 402
of which			
with a residual term of			
Due on demand	2 129 892	3 299 699	2 386 189
less than 3 months	4 078 553	3 340 144	3 380 157
more than 3 months but less than 1 year	793 284	901 165	901 446
more than 1 year less than 5 years	4 347 084	3 944 722	3 908 534
more than 5 years	6 045 143	6 350 281	6 276 077
of which			
Claims on affiliated companies	655 096	883 908	1 008 962
Claims on companies in which an equity investment exists	118 797	145 863	145 863
Used to cover old stock	27 744	29 682	29 682
The full amount of receivables from banks includes:			
Claims on affiliated savings banks	9 384 135	8 801 760	8 798 301
4. Claims on customers			
Balance sheet value	60 635 422	64 798 719	50 778 891
of which			
with a residual term of			
less than 3 months	4 829 741	8 092 389	7 418 034
more than 3 months but less than 1 year	5 721 406	5 778 899	4 169 858
more than 1 year but less than 5 years	24 288 204	24 033 446	17 694 604
more than 5 years	25 796 071	26 893 986	21 496 396
of which			
Claims on affiliated companies	377 231	411 793	411 793
Claims on companies in which an equity investment exists	161 881	263 119	263 119
Subordinated receivables	17 575	28 406	28 406
Used to cover old stock	715 876	750 804	750 804
With an indefinite term	157 890	2 224 815	2 224 815
5. Debt securities and other fixed-interest securities			
a) Money-market instruments			
aa) Issued by public sector issuers			
Balance sheet value	-	-	-

Notes to the Balance Sheet	Assets		
(in € 000)	31 Dec.2021	expanded NORD/LB AöR 31 Dec.2020	former NORD/LB AöR 31 Dec.2020
ab) Issued by other issuers			
Balance sheet value	37 986	56 086	56 086
of which			
due in the following year	37 986	56 086	56 086
marketable and listed money-market instruments	29 157	35 713	35 713
b) Bonds and debt securities			
ba) Issued by public sector issuers			
Balance sheet value	6 265 220	6 610 369	4 894 310
of which			
due in the following year	550 705	375 186	235 919
marketable and listed money-market instruments	5 755 063	6 197 641	4 651 192
marketable and unlisted money-market instruments	510 157	412 728	243 118
bb) Issued by other issuers			
Balance sheet value	8 353 976	9 360 747	8 206 547
of which			
due in the following year	1 000 743	1 286 403	1 284 811
marketable and listed money-market instruments	7 462 346	8 864 856	7 666 538
marketable and unlisted money-market instruments	891 629	495 891	540 009
Affiliated company securities	1 902 987	2 183 162	2 348 920
Subordinated debt securities	95 525	108 683	183 775
c) Debt securities, issued by the institution itself			
Balance sheet value	160 967	436 733	260 658
of which			
due in the following year	21 357	270 699	169 717
marketable and listed money-market instruments	156 704	358 088	257 105
marketable non listed money-market instruments	4 263	78 645	3 553
Subordinated debt securities	–	75 483	391
6. Shares and other non fixed-interest securities			
Balance sheet value	85 750	102 519	102 519
of which			
marketable non listed shares and other non fixed-interest securities	879	941	941
6a. Trading portfolio			
Balance sheet value	9 490 185	14 987 797	15 023 930
of which			
Derivative financial instruments	6 837 758	10 479 994	10 516 127
Claims	1 845 023	2 205 778	2 205 778
Debt securities and other fixed-interest securities	815 267	2 316 902	2 316 902
Risk discount	– 7 863	– 14 877	– 14 877

Notes to the Balance Sheet

(in € 000)	31 Dec.2021	expanded NORD/LB AöR 31 Dec.2020	Assets former NORD/LB AöR 31 Dec.2020
7. Participations			
Balance sheet value	126 534	153 257	153 257
The equity holding is shown in Paragraph III no. 11			
8. Investments in affiliated companies			
Balance sheet value	365 301	413 136	1 116 485
of which			
Marketable unlisted shares	180 761	224 624	927 973
The equity holding is shown in Paragraph III no. 11			
9. Assets held in trust			
Balance sheet value	3 053 549	3 149 342	3 149 342
of which			
Claims on banks	785 409	816 134	816 134
Claims on customers	2 268 140	2 333 208	2 333 208
11. Intangible assets			
Balance sheet value	90 378	90 951	89 944
of which			
Internally generated software ¹⁾	64 171	50 849	50 849
Finance lease	3	91	91
12. Tangible assets			
Balance sheet value	205 577	235 961	233 325
of which			
Land and buildings	174 883	203 859	203 859
of which: owner-occupied land and buildings	167 777	176 714	176 714
Operating and office equipment	30 696	32 102	29 466
14. Other assets			
Balance sheet value	1 204 886	1 620 049	1 441 040
of which			
The following are reported as significant items:			
Option premiums and margins	611 456	742 664	742 664
Accrued and due interest from interest rate swaps	396 195	473 410	359 725
Balancing item from currency valuation	5 409	184 641	121 865
Reported assets on interim accounts	91 752	95 456	95 456
Irrevocable payment commitments	76 308	72 580	72 580
Rescue acquisitions	13	24 028	24 028
Claims against fiscal authorities	16 564	16 204	13 345
Pro-rated interest claims from flat-traded securities held for trading portfolio	4 209	8 627	8 627
15. Deferred expenses and accrued income			
Balance sheet value	949 561	1 031 805	996 602
of which			
from issuing and lending business	393 010	493 529	462 135
Others	556 552	538 277	534 468

¹⁾ In the 2021 reporting year, development costs of € 4.6 million (€ 10.1 million) were incurred. There were no research costs.

Assets

The table below shows the changes to fixed assets:

	Acquisition/ manufac- turing cost	Additions	Disposals	Reclassi- fications	Accumulative depreciation	Accumulative depreciation Additions	Accumulative depreciation Disposals	Depreciation for the accounting- period	Balance sheet va- lue	extended Balance sheet value	Balance sheet va- lue
(in € 000)					1 Jan. 2021				31 Dec. 2021	31 Dec. 2020	31 Dec. 2020
Intangible assets	330 096	37 322	- 7 411	-	- 240 152	- 6 989	7 318	- 29 806	90 378	90 951	89 944
internally gener- ated industrial property rights and similar rights and values	163 050	26 945	-	-	- 112 201	-	-	- 13 623	64 171	50 849	50 849
Concessions, in- dustrial property rights and simi- lar rights and val- ues including its licences against payment	161 533	10 363	- 7 411	27	- 122 581	- 6 989	7 318	- 16 095	26 165	39 727	38 952
Advance pay- ments made	52	14	-	- 27	-	-	-	-	40	285	52
Finance lease	5 461	-	-	-	- 5 370	-	-	- 88	3	91	91
Tangible assets	571 051	17 162	- 49 910	-	- 337 726	- 3 600	22 906	- 14 308	205 577	235 961	233 325
land and buil- dings	368 507	2 606	- 42 161	-	- 164 648	-	15 874	- 5 295	174 883	203 859	203 859
Operating and office equipment	202 545	14 556	- 7 749	-	- 173 078	- 3 600	7 032	- 9 012	30 694	32 102	29 466
		Change 1)									
Participating inte- rests			- 26 723						126 534	153 257	153 257
Investments in affi- liated companies			- 751 184						365 301	413 136	1 116 485
Securities in fixed assets			2 699 611						4 390 052	1 690 441	1 690 441
of which:											
Bonds and debt securities			2 699 173						4 383 567	1 684 394	1 684 394
Shares			438						6 485	6 047	6 047

¹⁾ The summary provided for under § 34 para. 3 of the German Accounting Regulation for Credit and Financial Services Institutions (RechKredV) was utilised.

Notes to the Balance Sheet

Liabilities

(in € 000)	31 Dec.2021	expanded NORD/LB AöR 31 Dec.2020	former NORD/LB AöR 31 Dec.2020
1. Liabilities to banks			
Balance sheet value	29 379 601	30 319 070	28 933 923
of which			
a) Due on demand	3 733 364	3 799 357	3 562 105
of which			
Liabilities to affiliated companies	7 301	257	3 665
Liabilities to companies in which an equity investment exists	–	7 053	7 053
b) With an agreed term or notice period	25 646 237	26 519 713	25 371 818
of which with a residual term of			
less than 3 months	4 518 703	4 933 719	4 885 827
more than 3 months but less than 1 year	1 686 786	2 078 440	1 991 144
more than 1 year but less than 5 years	8 081 161	8 080 300	7 273 146
more than 5 years	11 359 587	11 427 254	11 221 702
of which			
Liabilities to affiliated companies	–	59	234 018
Liabilities to companies in which an equity investment exists	8 235	54 241	54 241
Assets pledged as collateral ¹⁾	15 824 057	15 257 849	14 970 500
The full amount of bank loans and overdrafts included:			
Liabilities to affiliated savings banks	1 913 253	2 057 616	2 051 158
2. Liabilities to customers			
Balance sheet value	46 381 489	49 008 357	41 999 682
of which			
a) Savings deposits			
aa) with an agreed notice period of three months	1 037 607	1 044 271	1 044 271
ab) Savings deposits with an agreed notice period of more than three months	5 307	8 286	8 286
of which with a residual term of			
less than 3 months	454	1 258	1 258
more than 3 months but less than 1 year	911	1 979	1 979
more than 1 year but less than 5 years	3 633	4 870	4 870
more than 5 years	310	180	180
b) Other liabilities			
ba) Due on demand	23 315 856	22 582 713	22 581 366
of which			
Liabilities to affiliated companies	58 251	78 592	78 592
Liabilities to companies in which an equity investment exists	24 959	34 671	34 671

¹⁾ Collateral has been provided for borrowing undertaken within the scope of genuine repos. Collateral was also provided for refinancing funds for specific purposes and open market transactions to Deutsche Bundesbank.

Notes to the Balance Sheet	Liabilities		
(in € 000)	31 Dec.2021	expanded NORD/LB AöR 31 Dec.2020	former NORD/LB AöR 31 Dec.2020
bb) With an agreed term or notice period	22 022 718	25 373 086	18 365 758
of which with a residual term of			
less than 3 months	1 803 113	2 458 555	1 939 171
more than 3 months but less than 1 year	1 592 763	2 968 728	1 969 010
more than 1 year but less than 5 years	6 574 685	6 244 436	3 723 265
more than 5 years	12 052 157	13 701 366	10 734 311
of which			
Liabilities to companies in which an equity investment exists	209 869	196 699	196 699
Assets assigned as collateral	–	88 293	88 293
3. Securitised liabilities			
a) Issued debt securities			
Balance sheet value	18 102 626	21 575 085	12 980 650
of which			
Due in the following year	2 872 601	4 783 894	3 403 628
Liabilities to affiliated companies	40 124	–	–
b) Other securitised liabilities			
Balance sheet value	57 012	160 802	160 802
of which with a residual term of			
less than 3 months	39 749	154 866	154 866
more than 3 months but less than 1 year	–	–	–
more than 1 year but less than 5 years	824	4 836	4 836
more than 5 years	16 439	1 100	1 100
3a. Trading portfolio			
Balance sheet value	6 417 707	11 113 153	11 149 286
of which			
Derivative financial instruments	6 398 977	11 064 587	11 100 720
Liabilities (for short-term securities)	18 729	48 565	48 565
4. Liabilities held in trust			
Balance sheet value	3 053 549	3 149 342	3 149 342
of which			
Liabilities to banks ¹⁾	1 131 950	1 086 102	1 086 102
Liabilities to customers	1 921 600	2 063 241	2 063 241

¹⁾ This includes the equity of Investitionsbank Sachsen-Anhalt in the amount of € 186.2 million (€ 194.4 million).

Notes to the Balance Sheet

Liabilities

(in € 000)	31 Dec.2021	expanded NORD/LB AöR 31 Dec.2020	former NORD/LB AöR 31 Dec.2020
5. Other liabilities			
Balance sheet value	1 429 379	1 074 547	875 335
of which			
reported as significant items:			
Premiums received for option transactions	562 323	560 549	560 549
Interest payable and accrued interest from swaps	276 182	317 185	174 347
Outstanding items on interim accounts, not classified	140 247	65 021	64 413
Liabilities from restructuring measures	16 514	29 136	29 136
Liabilities from goods and services received	22 693	24 271	23 798
Interest payable from subordinated liabilities and capital contributions	17 817	19 361	16 784
Balancing item from currency valuation	368 794	57 506	4 685
Liabilities to fiscal authorities	20 893	182	37
6. Deferred income			
Balance sheet value	644 757	678 432	631 111
of which			
From issuing and lending business	529 072	547 962	505 940
Others	115 685	130 469	125 171
7. Provisions			
of which			
Other provisions	1 069 812	1 082 465	1 058 502
NORD/LB forms provisions for pensions and similar duties, tax provisions and other provisions for uncertain liabilities.			
Basically the following items are shown under other provisions:			
Staff expenses – other	408 491	366 096	358 305
Restructuring provisions "Transformation Programme"	443 642	466 875	466 875
Legal risks	26 007	16 059	15 711
Staff expenses – reorganisation provisions (efficiency improvement programme)	3 463	16 113	7 808
Risks from lending business	95 508	103 131	99 348
Anticipated losses on pending transactions	2 276	22 997	22 997
9. Subordinated liabilities			
Balance sheet value	2 077 567	2 104 706	1 918 706
of which			
due within five years in accordance with the CRR	1 465 042	1 282 782	1 187 782

In respect of the reported subordinated liabilities, NORD/LB paid interest in the amount of € 88.8 million (€ 103.6 million).

The borrowings, which exceed 10% of the total amount, are structured as follows:

Currency amount	Interest rate	Due on
€ 218 million	4,75 % p.a.	2 October 2023
USD 500 million	6,25 % p.a.	10 April 2024

The conditions for the subordination of these funds comply with applicable statutory provisions. The conversion of these funds into capital or any other form of debt has not been agreed and is not planned.

(in € 000)	31 Dec.2021	expanded NORD/LB AöR 31 Dec.2020	former NORD/LB AöR 31 Dec.2020
10a. Instruments of additional regulatory Tier 1 capital			
Balance sheet value	50 200	50 200	50 200

The Tier-1 bond was issued on the following terms:

(in € 000)	31 Dec.2021	expanded NORD/LB AöR 31 Dec.2020	former NORD/LB AöR 31 Dec.2020
11. Funds for general banking risks			
Balance sheet value	82 708	82 708	68 308

12 Equity

The net accumulated loss for the year 2021 included the loss carried forward from the previous year of € 812 898 065.46.

1 Contingent liabilities

Contingent liabilities as at 31 December 2021 included nine liabilities from guarantees and other indemnity agreements from the lending business of significant importance, the individual amounts of which ranged between € 56.5 million (€ 71.3 million) and € 108.3 million (€ 226.6 million).

NORD/LB had maximum liabilities to customers from guarantees of up to € 8 956.9 million (€ 10 044.6 million) and letters of credit of up to € 143.6 million (€ 24.7 million).

The risk of the contingent liabilities being utilised is considered to be low as the liabilities are ranked and monitored on a credit-related basis. A provision from the lending business was allocated in the amount of € 58.9 million (€ 55.1 million).

2 Other obligations

Irrevocable loan commitments in 2021 can be broken down as follows:

(in € million)	31 Dec.2021	1 Jan.2021	31 Dec.2020
Commercial enterprises	7 458	6 853	5 928
Banks	1 411	1 253	1 253
Public authorities	39	48	48
Private persons	125	295	295
total	9 034	8 449	7 524

As at 31 December 2021, other liabilities included nine significant irrevocable loan commitments, the individual amounts of which ranged between € 49.7 million (€ 66.4 million) and € 89.6 million (€ 124.5 million).

Based on the credit rating analyses, credit-related ranking and monitoring of other liabilities that have been conducted, it is generally anticipated that the borrowers will meet their obligations. Risks may arise from a deterioration in the customers' credit ratings, for which an appropriate provision has been made. The provision for lending business amounted to € 18.7 million (€ 27.4 million).

3 Unrestricted letters of comfort

NORD/LB ensures that the following companies are able to meet their obligations:

- Nieba GmbH, Hanover, Germany
- Norddeutsche Landesbank Luxembourg S.A. Covered Bond Bank, Luxembourg - Findel, Luxembourg
- Skandifinanz AG, Zurich, Switzerland.

On account of the economic situation of these companies, NORD/LB does not expect claims under the aforementioned letters of comfort. Correspondingly, at the present moment, there is no need to determine the extent of possible liability under the letters of comfort.

Notes to the income statement

The total balance of the income statement items 1., 4., 5., 7., 9. and 10. is spread across the following regions:

		Republic of Germany	Europe (excl. of Republic of Germany)	North America	Asia	Total balance
(in € 000)						
1. Net interest income	2021	2 919 633	–	58 993	25 884	3 004 510
	2020 ¹⁾	(3 529 176)	(–)	(67 498)	(41 021)	(3 637 694)
	2020 ²⁾	(3 093 796)	(–)	(67 498)	(41 021)	(3 202 314)
4. Positive interest from lending and money market transactions	2021	60 711	–	–	–	60 711
	2020 ¹⁾	(59 361)	(–)	(–)	(–)	(59 361)
	2020 ²⁾	(54 504)	(–)	(–)	(–)	(54 504)
5. Current income	2021	6 878	–	–	–	6 878
	2020 ¹⁾	(6 785)	(–)	(–)	(–)	(6 785)
	2020 ²⁾	(6 785)	(–)	(–)	(–)	(6 785)
7. Commission income	2021	203 294	8 018	27 624	9 766	248 702
	2020 ¹⁾	(192 658)	(8 077)	(19 542)	(7 439)	(227 716)
	2020 ²⁾	(190 811)	(8 077)	(19 542)	(7 439)	(225 868)
9. Net profit deriving from the trading portfolio	2021	123 364	– 55	7 408	2 878	133 594
	2020 ¹⁾	(47 132)	(– 89)	(– 4 225)	(– 373)	(42 445)
	2020 ²⁾	(47 132)	(– 89)	(– 4 225)	(– 373)	(42 445)
10. Other operating income	2021	88 950	168	–	229	89 347
	2020 ¹⁾	(194 807)	(65)	(1 133)	(480)	(196 485)
	2020 ²⁾	(194 139)	(65)	(1 133)	(480)	(195 816)
Income statement item	2021	3 402 830	8 131	94 024	38 757	3 543 742
	2020 ¹⁾	(4 029 918)	(8 054)	(83 947)	(48 567)	(4 170 485)
	2020 ²⁾	(3 587 165)	(8 054)	(83 947)	(48 567)	(3 727 732)

¹⁾ Expanded NORD/LB AöR

²⁾ Former NORD/LB AöR

(in € 000)	2021	extended NORD/LB AöR 2020	former NORD/LB AöR 2020
9. Net result deriving from trading portfolio			
The following are reported as material items:			
Net income from securities	–	104 741	104 741
Net expenditure from securities	– 60 542	–	–
Net income from claims (registered securities)	–	67 624	67 624
Net expenditure from claims (registered securities)	– 155 452	–	–
Net income from derivatives	321 978	–	–
Net expenditure from derivatives	–	– 142 974	– 142 974
Income from the change in value at risk reduction	7 014	–	–
Expense from the change in the value at risk deduction	–	– 7 154	– 7 154
Foreign exchange result	24 217	17 136	17 136
10. Other operating income			
The following are reported as material items:			
Reversal of provisions	34 707	26 850	26 266
Profit from hedge derivatives of own issues	6 146	70 523	70 523
Land rental income	5 926	6 329	6 329
Interest income from tax refunds	5 759	3 469	3 469
Offsetting of services with promotion institutes	4 577	2 951	2 951
Book profits from disposal of property and equipment	3 235	197	197
Foreign exchange of the banking book	2 809	–	–
Reimbursements from customers	1 785	1 118	1 118
Personnel-related cost reimbursements	1 179	1 359	1 359
IT services for third parties	477	484	484
Income from the resale of hardware, software and services	422	178	178
Income from aid claims under the support agreement of the State of Lower Saxony	–	31 449	31 449
Interest income from the valuation of provisions	–	25 750	25 750
Income from intra-group cost allocation for IT in connection with BilMoG	–	2 370	2 370
Price gains from promissory note loans and registered securities	–	1 396	1 396
Refund of advance payments	–	565	–
13. Other operating expenses			
The following are reported as material items:			
Interest expenses from the valuation of provisions	– 97 303	– 102 345	– 95 019
Expenses for KSN services	– 21 296	– 16 121	– 16 121
Price losses from redemption of promissory notes and registered bonds	– 14 862	– 76 957	– 76 957
Expense from aid claims under the support agreement of the State of Lower Saxony	– 13 730	–	–
Expenses for the resale of hardware, software and services purchased	– 2 492	– 3 094	– 3 094
Book losses from disposal of property and equipment	– 2 279	– 107	– 107
Interest expenses for payments of tax arrears	– 1 508	– 2 009	– 2 009
Concession fee for BLSK	– 500	– 500	– 500
Expenses for losses resulting from operational risks	– 275	– 725	– 725
Allocation to the provision for recourse risks	– 220	– 311	–
Foreign exchange of banking book	–	– 3 802	– 3 802

22. Extraordinary result

The extraordinary result of € 69.3 million (€ -85.0 million) mainly includes the profit of € 134.8 million from the merger with Deutsche Hypothekbank. In addition, income from the reversal of restructuring provisions had a positive effect on earnings compared with the previous year.

The total of € 91.2 million (€ 53.2 million) in reorganisation expenses also contained in extraordinary expenses includes non-recurring expenses which cannot be allocated to the operating business activities of NORD/LB. The items are not of a recurring nature and are not attributable to operating activities. The expenses mainly result from strategy, IT and legal consulting.

Furthermore, the extraordinary result includes expenses of € 2.4 million (€ 35.5 million) from an allocation to the restructuring provision due to shortfall in cover.

Other financial obligations

In accordance with the Restructuring Fund Regulation (RstruktFV), NORD/LB is required to pay a bank levy. On 1 January 2015 the Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 with regard to ex-ante contributions to resolution financing arrangements entered into force. The Regulation supplements the EU Bank Recovery and Resolution Directive (BRRD; Directive 2014/59/EU).

In the current financial year, unlike in previous years, NORD/LB has not opted to apply a portion of the fixed annual contribution as an irrevocable payment commitment. These payment obligations, which remained unchanged € 39.5 million (€ 39.5 million), are covered by cash collateral.

As a member of the institution-specific deposit security reserve of the Landesbanks which belongs to the Savings Banks Finance Group protection scheme and owing to the European bank levy, NORD/LB is obliged to pay annual contributions. Apart from the contributions already made, there were also obligations to make additional payments amounting to an estimated € 109.0 million (€ 63.7 million). If a case arises requiring financial support, these additional payments can be called in immediately.

For the reporting year, an annual contribution of € 8.7 million (€ 11.2 million) was due for the institution-specific deposit security reserve, and was reported in Other administrative expenses.

Part of the fixed annual contribution to the deposit security reserve was provided as an irrevocable payment commitment. These payment commitments, which amounted to € 36.8 million (€ 33.1 million), are covered by cash collateral.

NORD/LB acts as surety for the obligations of the Sparkassenverband Niedersachsen (SVN Lower Saxony Association of Savings Banks) resulting from its membership of the Deutsche Sparkassen- und Giroverband ö.K. (German association of savings banks and Girobanks) and the DekaBank Deutsche Girozentrale. In addition, joint liability has been assumed for DekaBank Deutsche Girozentrale with the other shareholders of this bank for legacy liabilities established prior to 18 July 2005 within the scope of the guarantor function.

Furthermore, NORD/LB together with Sparkassenverband Niedersachsen (SVN) and Landesbank Berlin Holding AG act as guarantor for LBS Norddeutsche Landesbausparkasse Berlin-Hannover.

With regard to NORD KB Dachfonds II Beteiligungsgesellschaft mbH, NORD/LB no longer has an obligation to grant partnership loans due to the payment made in full (€ 1.8 million).

NORD/LB, together with other limited partners, also holds an interest in CG-Terrassen GmbH & Co. KG (formerly: Immobilien Development und Beteiligungsgesellschaft Niedersachsen mbH IDB & Co. - Objekt Zietenterrassen - KG). One limited partner has indemnified the former general partner IDB Niedersachsen mbH from liability. Within this relationship, NORD/LB assumes 50% of the possible obligations from this declaration of liability. The legal secondary liability a possible liability risk for any claims arising up to 2019, which will be asserted by 2024 at the latest. An identical exemption of liability was agreed for the benefit of the new general partner Casa Gutingi Verwaltungs GmbH from 2020.

In accordance with its legal form, NORD/LB is liable without limitation to the creditors of GLB GmbH & Co. OHG. All of the shareholders are either legal entities governed by public law (Landesbanks) or companies governed by private law in which the majority of the shareholding is held directly or indirectly by entities governed by public law. Following the sale and transfer of the previously held direct holding and atypical silent participation in DekaBank in 2011, the company no longer actively pursues any business activity.

There are no significant material risks relating to the final accounting of accessible profit shares due from previous years following the final approval of DekaBank's tax assessments.

NORD/LB has, together with the other limited partner Braunschweig Grund Objektgesellschaft Driebergen mbH & Co. KG, indemnified the general partner from liability.

Payment obligations for shares and other interests amounted to € 5.1 million (€ 6.6 million) [at the end of the year](#).

Over the normal course of business NORD/LB has furnished collateral in the nominal amount of € 41.2 million (€ 10.1 million) in the form of securities.

In 2017, NORD/LB AöR concluded several securitisation transactions to reduce the charge on regulatory capital.

This affected the securitisation of a loan portfolio in the amount of € 4.0 billion as at 31 December 2021. The mezzanine tranche in the amount of € 211.0 million (€ 251.6 million) is hedged against default risks using an external guarantee. NORD/LB will itself bear the losses attributable to the first loss tranche.

As long as and provided that it is not yet possible to use the guarantee to settle losses exceeding the first loss to be borne by NORD/LB, no claim for compensation can be enforced against the guarantors.

The annual premiums for the provision of guarantees are recorded in Commission expenses and amount to € 24.9 million (€ 31.2 million) for the current fiscal year, and provisionally to € 21.2 million for the following year.

On the basis of the measures agreed in the basic agreement to boost capital, NORD/LB concluded three guarantee contracts to secure loss risks and reduce the regulatory equity with the State of Lower Saxony which come into effect with the support contract on 23 December 2019. The guarantee portfolio covers two reference portfolios from the segment Ship Customers/Maritime Industries Customers (hedging the net book value of an NPL portfolio and the gross book value of an additional sub-portfolio) and a reference portfolio of aircraft financing transactions from the Special Finance segment. The guarantee contract for the NPL portfolio includes a unilateral right of termination in favour of NORD/LB linked to the existence of certain economic conditions and to the consent of the DSGV. NORD/LB exercised this right of termination with effect from 30 June 2021. As a result, the liability of the State of Lower Saxony under the guarantee ended on this date. In return for granting the guarantees, NORD/LB pays the State of Lower Saxony a commission for each one. This is determined for the guarantee for the non-performing ship financing portfolio variably totalling 7.15% p.a. of the guarantee amount to be reduced as part of the portfolio reduction (total guarantee fee until termination: € 51.2 million; outstanding guarantee fee as at 31 December 2021 of € 0.0 million). A fixed warranty commission is contractually agreed for each of the two further guarantees, which must be paid in fixed quarterly instalments. The guarantee for the ship financing part of the portfolio with hedged gross book values is subject to a fixed guarantee fee of a total 222.2 Mio € (outstanding guarantee fee as at 31 December 2021 of € 64.7 million) and for the reference portfolio from the Special Finance segment € 59.5 million (guarantee fee of € 14.4 million outstanding as at 31 December 2021), which is payable in fixed quarterly instalments.

NORD/LB concluded a lease with software provider ATOS in 2021. The resulting lease liabilities amounted to € 10.8 million.

NORD/LB has obligations from long-term rental agreements and leases for land and buildings through to 2044 in the nominal amount of € 229.2 million (€ 251.2 million), of which € 151.8 million (€ 169.4 million) is owed to affiliated companies.

Accordingly, NORD/LB recognised a total of € 825.6 million (€ 776.8 million) as Other financial obligations.

III. Other disclosures

1. Members of the managing board

Thomas S. Bürkle (Chairman)
(until 31 December 2021)

Jörg Frischholz (since 16 November 2021)
(Chairman) (since 1 January 2022)

Christoph Dieng

Christoph Schulz

Olof Seidel

Ingrid Spletter-Weiß
(since 1 December 2021)

Günter Tallner
(until 31 December 2021)

2. Members of the supervisory board

(The current make up of the Members of the Supervisory Board can be viewed on NORD/LB's homepage at <https://www.nordlb.com/nord/lb/committees-and-executive-bodies>)

Name	Society
Reinhold Hilbers (Chairman)	State Minister of Finance of Lower Saxony
Herbert Hans Grüntker (First Deputy Chairman)	FIDES Delta GmbH
Thomas Mang (Second Deputy Chairman)	President Sparkassenverband Niedersachsen
Bernd Brummermann	Chairman of the Managing Board OstseeSparkasse Rostock
Edda Döpke	Bank employee NORD/LB Norddeutsche Landesbank Girozentrale
Frank Doods	State secretary Ministry for the Environment, Energy and Climate Protection of Lower Saxony
Jutta Echterhoff-Beeke	Managing Partner Echterhoff Holding GmbH
Dr. Jürgen Fox	Chairman of the Managing Board Saalesparkasse
Nana Geisler	Bank employee NORD/LB Norddeutsche Landesbank Girozentrale
Cornelia Günther	Trade union secretary, ver.di Hanover District
Hermann Kasten	
Prof. Dr. Susanne Knorre	Management consultant
Ulrich Markurth	
Frank Oppermann	Bank employee NORD/LB Norddeutsche Landesbank Girozentrale
Jörg Reinbrecht	
Michael Richter	State Minister of Finance of Saxony-Anhalt
Jörg Walde	Bank employee NORD/LB Norddeutsche Landesbank Girozentrale
Matthias Wargers	FIDES Gamma GmbH

3. Disclosures concerning mandates

As at 31 December 2021, the following mandates were held in accordance with § 340a para. 4 no. 1 HGB by members of NORD/LB:

Name	Company ¹⁾
Thomas Bürkle	Deutsche Hypothekenbank (Actien-Gesellschaft), Hanover (until 30 June 2021) Norddeutsche Landesbank Luxembourg S.A.Covered Bond Bank, Luxembourg-Findel (until 31 December 2021) VHV Holding AG, Hanover (until 31 December 2021) VHV Vereinigte Hannoversche Versicherung a.G., Hanover (until 31 December 2021)
Christoph Dieng	Deutsche Hypothekenbank (Actien-Gesellschaft), Hanover (until 30 June 2021) Norddeutsche Landesbank Luxembourg S.A.Covered Bond Bank, Luxembourg-Findel
Christoph Schulz	LBS Norddeutsche Landesbausparkasse Berlin-Hannover, Berlin and Hanover ÖVB - Öffentliche Lebensversicherung Braunschweig AöR ÖVB - Öffentliche Sachversicherung Braunschweig AöR Deutsche Hypothekenbank (Actien-Gesellschaft), Hannover (until 30 June 2021)
Olof Seidel	caplantic GmbH, Hanover
Günter Tallner	Norddeutsche Landesbank Luxembourg S.A.Covered Bond Bank, Luxembourg-Findel (until 31 December 2021)

¹⁾ Banks are treated as large corporations.

Name	Company ¹⁾
Martin Hartmann	caplantic GmbH, Hanover
Frank Herzberg	Bürgschaftsbank Sachsen-Anhalt GmbH, Magdeburg
Christine Kastning	Deutsche Messe AG, Hanover enercity AG, Hanover Sparkasse Hannover, Hanover
Christoph Kerber	Niedersächsische Bürgschaftsbank (NBB) GmbH, Hanover
Stefan Michalak	Bürgschaftsbank Sachsen-Anhalt GmbH, Magdeburg
Thomas Mühlkamp	LBS Norddeutsche Landesbausparkasse Berlin-Hannover, Hanover GSG OLDENBURG Bau- und Wohngesellschaft mbH, Oldenburg
Olaf Oertzen	Niedersächsische Landgesellschaft mbH, Hanover
Werner Schilli	ÖVB - Öffentliche Sachversicherung Braunschweig, Braunschweig ÖVB - Öffentliche Lebensversicherung Braunschweig, Braunschweig
Marc Schwammbach	GSG OLDENBURG Bau- und Wohngesellschaft mbH, Oldenburg
Axel Seidenschwarz	GSG OLDENBURG Bau- und Wohngesellschaft mbH, Oldenburg
Christian Veit	LBS Norddeutsche Landesbausparkasse Berlin-Hannover, Hanover
Ingo Wünsche	Niedersächsische Bürgschaftsbank (NBB) GmbH, Hanover Bürgschaftsbank Bremen GmbH
Berit Zimmermann	Bürgschaftsbank Mecklenburg-Vorpommern GmbH, Schwerin Bürgschaftsbank Sachsen-Anhalt GmbH, Magdeburg
Jörn Zimmermann	Bürgschaftsbank Mecklenburg-Vorpommern GmbH, Schwerin

¹⁾ Banks are treated as large corporations

4. Remuneration of and loans to governing bodies

(in € 000)	2021	expanded NORD/LB AöR 2020	former NORD/LB AöR 2020
Total remuneration of current board members			
Managing Board	4 131	4 005	3 095
Supervisory Board	314	434	314
total	4 445	4 439	3 409
Total remuneration of former board members and their surviving dependants			
Managing Board	7 362	7 323	6 278
Advances and loans granted			
Managing Board	365	380	380
Supervisory Board	130	170	170
Advances and loans repaid in the reporting year			
Managing Board	20	255	255
Supervisory Board	41	7	7
Advances and loans laid down in the reporting year			
Managing Board	–	–	–
Supervisory Board	–	–	–

The pension obligations for former members of executive bodies and their surviving dependants consist of direct pension commitments of NORD/LB and indirect pension liabilities. € 82.0 million (€ 76.4 million) was set aside for direct pension obligations. The indirect pension liabilities in accordance with Article 28 para. 2 EGHGB to this group of persons amounted to € 48.1 million (€ 50.1 million).

5. Auditor's fees

In accordance with § 285 no. 17 HGB, NORD/LB exercised the option of reporting the auditor's fees in the consolidated financial statements.

In addition to the audit of the consolidated financial statements, the annual financial statements of Norddeutsche Landesbank – Girozentrale – as well as various audits of subsidiaries, including statutory contract expansions and key audit points agreed upon with the Supervisory Board, the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft provided the following significant, permitted services in the 2021 financial year:

- Voluntary annual audits and review of interim financial statements
- Project-accompanying review of the new bank management project and other IT projects
- Assurance services based on statutory or contractual obligations. These include, among other things, confirmation services for savings bank organisations and bank levies
- Confirmation services in connection with the auditing of other reports (e.g. non-financial report, disclosure report)
- Other services in the context of restructuring support
- Other training services.

6. Key events after the reporting date

There were no significant events that occurred after the end of the financial year and were not taken into account in the income statement or balance sheet.

7. Average number of employees

	Male	Female	Total	Male	Female	Total	Male	Female	Total
	31 Dec.2021	31 Dec.2021	31 Dec.2021	1 Jan.2021	1 Jan.2021	1 Jan.2021	31 Dec.2020	31 Dec.2020	31 Dec.2020
Employees	1 976	2 000	3 976	2 235	2 266	4 501	2 023	2 088	4 111

Investitionsbank Sachsen-Anhalt and Landesförderinstitut Mecklenburg-Vorpommern accounted for additional 724 employees (676).

8. Further disclosures

Omitted depreciation to lower fair value

The items "Debt securities and other fixed-interest securities" and "Shares and other non fixed-interest securities" include securities valued as fixed assets, which have not been written down to their lower fair value. This refers to the following securities (disclosures on book values and fair values do not include accumulated interest):

	Book values	Fair values	Omitted depreciation	Book values	Fair values	Omitted depreciation	Book values	Fair values	Omitted depreciation
	31 Dec.2021	31 Dec.2021	31 Dec.2021	1 Jan.2021	1 Jan.2021	1 Jan.2021	31 Dec.2020	31 Dec.2020	31 Dec.2020
(in € 000)									
Bonds and debt securities	192 473	169 970	22 503	295 385	268 575	26 810	110 468	104 475	5 993
Shares	–	–	–	–	–	–	–	–	–

NORD/LB assumes with all bonds and debt securities that the loss of value is not permanent as the instruments are held to final maturity and the issuers are all issuers with first-class credit ratings. If as at the reporting date there are valuation units on the balance sheet consisting of interest-bearing securities and interest-rate swaps, the net fair value of the security and interest-rate swap are entered in the above table as the fair value of the security.

The shares are intended to be held long term. Write-downs are only made if the loss in value is likely to be permanent. There was no reason for a write-down to lower fair value as at the reporting date.

The following securities in fixed assets include hidden reserves, i.e. the fair value is higher than the book value (disclosures on carrying values and fair values do not include accumulated interest):

	Book values	Fair values	Book values	Fair values	Book values	Fair values
	31 Dec.2021	31 Dec.2021	1 Jan.2021	1 Jan.2021	31 Dec.2020	31 Dec.2020
(in € 000)						
Bonds and debt securities	3 957 504	4 639 905	1 535 416	1 686 328	1 535 416	1 686 328
Shares	6 485	6 603	6 047	6 300	6 047	6 300

Marketable securities not valued at lower of cost or market

The items “Debt securities and other fixed-interest securities” and “Shares and other non-fixed-interest securities” include marketable securities not valued at lower of cost or market, i.e. they are treated as fixed assets (carrying values do not include accumulated interest):

(in € 000)	31 Dec.2021	1 Jan.2021	31 Dec.2020
Debt securities and other fixed-interest securities	4 342 631	1 862 018	1 677 101
Shares and other non fixed-interest securities	–	–	–

The marketable securities not valued at lower of cost or market were separated from the marketable securities valued at lower of cost or market on the basis of the asset category in the portfolio and the valuation method chosen.

The tables below also include the disclosures in accordance with § 36 of the German Ordinance Regulating the Accounting Requirements for Financial Institutions and Financial Service Providers (RechKredV) concerning the foreign currency, interest-based and other futures transactions which have not yet been settled as at the reporting date.

Derivatives not measured at fair value in external relationships (derivatives in the non-trading portfolio)

(in € million)	Nominal values 31 Dec.2021	Positive fair values 31 Dec.2021	Negative fair values 31 Dec.2021	Book values 31 Dec.2021	Recorded in bal- ance sheet item 31 Dec.2021
Interest-rate risks					
Interest-rate swaps	28 434	1 748	- 1 464		Assets 15./ Liabilities 6.
FRAs	-	-	-		-
Interest-rate options					
purchases	4 615	1 143	-		Assets 14.
sales	952	-	- 546		Liabilities 5.
Caps, Floors	4 550	52	- 91		Assets 15./ Liabilities 6.
Stock-exchange contracts	-	-	-		-
Other forward interest rate transactions	44	0	-		-
Interest-rate risks – total –	38 594	2 944	- 2 102		
Currency risks					
Forward foreign exchange transactions	372	3	- 2		Assets 14./ Liabilities 5.
Currency swaps / interest-rate currency swaps	1 026	9	- 186		Assets 14./ Liabilities 5.
Currency options					
purchases	-	-	-		-
sales	-	-	-		-
Currency risks – total –	1 398	11	- 187		
Shares and other price risks					
Share futures contracts	-	-	-		-
Share swaps	-	-	-		-
Share options					
purchases	-	-	-		-
sales	-	-	-		-
Stock-exchange contracts	-	-	-		-
Shares and other price risks – total –	-	-	-		
Credit derivatives					
Assignor	1 175	107	- 5		Assets 15./ Liabilities 6.+7.
Assignee	2 230	58	- 1		Assets 15./ Liabilities 6.
Credit derivatives – total –	3 406	165	- 5		
Derivatives not valued at fair value – total	43 397	3 120	- 2 295		

The derivatives primarily relate to transactions which were concluded to cover interest-rate, exchange-rate and other market-price risk positions in the non-trading portfolio.

The nominal values represent the gross volume of all purchases and sales and long and short positions. To calculate the nominal value of the share options, the closing rate of the underlying transaction is multiplied by the number of shares. Fair values and book values excluding accrued interest are shown for all contracts. Positive and negative fair values of contracts with the same counterparty were not offset against each other.

All of the fair values included in the above table were reliably calculated. With regard to the valuation methods used, reference is made to the section “Establishing fair values”.

Derivatives measured at fair value in external relationships (derivatives in the trading portfolio)

Derivatives measured at fair value – broken down by risk type and transaction type:

<u>(in € million)</u>	<u>Nominal values 31 Dec.2021</u>
Interest-rate risks	
Interest-rate swaps	232 188
FRAs	500
Interest-rate options	
purchases	3 621
sales	6 693
Caps, floors	5 514
Stock-exchange contracts	98
Other forward interest-rate transactions	634
Interest-rate risks – total –	249 247
Currency risks	
Forward foreign exchange transactions	8 383
Currency swaps / Interest-rate currency swaps	12 606
Currency options	
purchases	156
sales	136
Currency risks – total –	21 282
Derivatives valued at fair value – total –	270 528

The nominal values represent the gross volume of all purchases and sales and long and short positions. To calculate the nominal value of the share options, the closing rate of the underlying transaction is multiplied by the number of shares.

The amount, timing and reliability of future cash flows from derivatives are fraught with uncertainty. The main factors that materially influence this include the future development of interest rates, exchange rates and share prices. Furthermore, there is a counterparty default risk. The tables below provide an overview of the volumes affected by these factors.

Derivatives measured at fair value – broken down by risk type and residual term to maturity:

(in € million)	Nominal values 31 Dec.2021
Interest-rate risks	
Residual terms to maturity	
up to 3 months	12 139
up to 1 year	20 448
up to 5 years	70 619
more than 5 years	146 041
	249 247
Currency risks	
Residual terms to maturity	
up to 3 months	6 663
up to 1 year	3 514
up to 5 years	4 139
more than 5 years	6 966
	21 282
Derivatives valued at fair value – total –	270 528

Derivatives measured at fair value – broken down by counterparty:

(in € million)	Nominal values 31 Dec.2021
Banks in the OECD	122 124
Banks outside the OECD	–
Public institutions in the OECD	4 471
Other counterparties ¹⁾	143 934
Total	270 528

¹⁾ Including stock exchange contracts

Disclosures concerning valuation units

NORD/LB has included the following assets, liabilities and pending transactions as underlying transactions in valuation units (assets and liabilities disclosed at the book value not including accumulated interest; pending transactions disclosed in nominal volumes):

(in € 000)	2021			
	Underlying transaction hedged against			
	Interest rate risk	Share-price risk	Inflation risk	Currency risk
Assets				
Fixed-interest securities for the liquidity reserve	514 173	-	-	-
Assets – total	514 173	-	-	-
Pending transactions				
Derivatives separated from structured issues				
share-price-related derivatives	-	43 997	-	-
exchange-rate-related derivatives	-	-	-	79 321
Other	-	-	94 267	-
Pending transactions – total	-	43 997	94 267	79 321
Valuation units – total	514 173	43 997	94 267	79 321

The total of all underlying transactions included in valuation units is therefore € 731.8 million (€ 655.4 million).

The prospective and retrospective effectiveness of all valuation units is measured using the Critical Terms Match method. The changes in value resulting from the hedged risk for the corresponding underlying and hedging investments balance due to identical business parameters. In general, the final maturity of the underlying transactions corresponds to the final maturity of the hedging instruments. The underlying transactions will mature between 2022 and 2044.

Deferred taxes

The deferred taxes of NORD/LB in Germany are measured using the tax rate of 32.0 % (32.0 %), which is applicable as at the reporting date as well as in the future. This combined income tax rate comprises corporation tax, trade tax and the solidarity surcharge. Different tax rates apply to the foreign branches.

Deferred tax liabilities arising from the different tax approach used for intangible assets, and other liabilities were netted against deferred tax assets on temporary differences in customers, pension provisions and other provisions.

The recoverable deferred tax assets were offset against deferred tax liabilities. Deferred tax assets exceeding those offset are not capitalised in accordance with the option provided for in § 274 para. 1 sentence 2 HGB.

Distribution blocked amounts

After the deduction of deferred tax liabilities, capitalised internally generated intangible assets in the amount of € 43.6 million (€ 34.6 million). The difference between the recognition of the provisions in accordance with the average market interest rate from the past ten fiscal years and the recognition of the provisions in accordance with the average market interest rate from the past seven years for the provisions for pension obligations was € 63.5 million (€ 74.0 million). The restriction on distributions for such amounts stipulated by § 253 para. 6 sentence 2 and § 268 para. 8 sentence 1 HGB cannot be applied for the 2021 reporting year, because the annual result will be used in full to restock the silent participations.

Repurchase transactions (repos)

Repos are reported in accordance with § 340b HGB. Only genuine repos are executed.

Securities with a book value totalling € 674.1 million (€ 1 141.3 million) were committed from NORD/LB. The counterparty risk is manageable.

Special investment assets

Name of the special asset	NORD/LB RAIF- AVIAT.1 ADLD	NORD/LB SICAV-RAIF- Inf.+R.LS 2
Type of special asset	RAIF ¹⁾	RAIF ¹⁾
Investment objective	Assets of NORD/LB are contributed to these funds with the aim of transferring these assets to sub-funds of in- vestors at a later date.	Assets of NORD/LB are contributed to these funds with the aim of transferring these assets to sub-funds of in- vestors at a later date.
Reporting date	31 Dec.2021	31 Dec.2021
Special assets (in € 000)	32 360	46 490
Shares – total	357 500	391 000
Currency of shares	USD	GBP
Shares of NORD/LB as at the reporting date	357 500	391 000
Values of the shares according to §168 and 278 of the German Investment Act (InvG) as at reporting date	102.52	99.91
Carrying amount (in € 000)	31 565	46 490
Difference between fair value and book value (in € 000)	795	0
Dividends paid out in the final year acc. to shares of NORD/LB (gross in € 000)	-	-
Reporting year of NORD/LB	1 Jan. - 31 Dec.	1 Jan. - 31 Dec.
Reporting year of the special asset	1 Jan. - 31 Dec.	1 Jan. - 31 Dec.
Restrictions in the possibility of daily return	None	None
Reasons for no write-down § 253 para. 3 sentence 4 HGB	-	-
Indications for the loss of value not being permanent	-	-

¹⁾ Reserved alternative investment funds

9. Cover statement

(in € million)		Mortgage Pfandbriefs	Public-sector Pfandbriefs	Ship Pfandbriefs	Old portfolio / issues before 19 July 2005
Liabilities requiring collateralisation					
Bearer bond	(31 Dec.2021)	8 305.5	2 563.0	-	-
	(1 Jan.2021)	(9 345.5)	(3 765.3)	(-)	(-)
	(31 Dec.2020)	(1 338.3)	(3 715.0)	(-)	(-)
Registered bond	(31 Dec.2021)	1 219.1	9 527.9	30.5	600.0
	(1 Jan.2021)	(1 350.2)	(9 831.5)	(33.1)	(604.3)
	(31 Dec.2020)	(650.2)	(7 066.9)	(33.1)	(604.3)
Liabilities requiring collateralisation total	(31 Dec.2021)	9 524.6	12 090.9	30.5	600.0
	(1 Jan.2021)	(10 695.7)	(13 596.8)	(33.1)	(604.3)
	(31 Dec.2020)	(1 988.5)	(10 781.8)	(33.1)	(604.3)
Covering assets					
Claims on banks	(31 Dec.2021)	99.9	412.7	-	27.7
	(1 Jan.2021)	(246.8)	(886.3)	(-)	(29.7)
	(31 Dec.2020)	(71.9)	(716.3)	(-)	(29.7)
Claims on customers	(31 Dec.2021)	11 541.0	14 288.5	-	715.9
	(1 Jan.2021)	(13 417.6)	(15 669.3)	(-)	(750.8)
	(31 Dec.2020)	(5 036.5)	(13 501.0)	(-)	(750.8)
Public issuer securities	(31 Dec.2021)	619.1	601.8	40.0	-
	(1 Jan.2021)	(510.4)	(773.6)	(40.0)	(-)
	(31 Dec.2020)	(25.0)	(190.0)	(40.0)	(-)
Covering assets total	(31 Dec.2021)	12 259.9	15 303.0	40.0	743.6
	(1 Jan.2021)	(14 174.9)	(17 329.2)	(40.0)	(780.5)
	(31 Dec.2020)	(5 133.4)	(14 407.3)	(40.0)	(780.5)
Over-collateralisation total	(31 Dec.2021)	2 735.3	3 212.1	9.5	143.6
	(1 Jan.2021)	(3 479.1)	(3 732.4)	(6.9)	(176.2)
	(31 Dec.2020)	(3 144.9)	(3 625.5)	(6.9)	(176.2)

This previous portfolio (cover and in circulation) was maintained separately in accordance with § 51 of the Pfandbrief Act (PfandBG) and will be maintained separately from the new cover register in accordance with the regulations applicable until the Pfandbrief Act came into effect.

10. Cover statement for NORD/LB in accordance with § 28 of the Pfandbrief Act

The total value of **mortgage Pfandbriefs** in circulation and the cover assets used for this are broken down as follows:

(in € million)		Nominal value	Present value	Risk-adjusted present values ¹⁾ + 250 bp	Risk-adjusted present values ¹⁾ - 250 bp	Risk-adjusted present values ¹⁾ Currency stress
Mortgage Pfandbriefs						
Total	(31 Dec.2021)	9 524.6	9 846.6	9 013.0	10 837.4	9 013.0
Pfandbrief	(1 Jan.2021)	(10 695.7)	(11 248.4)	(10 671.5)	(11 431.7)	(10 612.4)
in circulation	(31 Dec.2020)	(1 988.5)	(2 156.5)	(1 908.2)	(2 473.5)	(1 908.2)
Total	(31 Dec.2021)	12 259.9	13 291.8	12 135.6	14 808.8	12 074.1
cover pool	(1 Jan.2021)	(14 174.8)	(15 605.7)	(14 806.1)	(16 108.1)	(14 660.5)
	(31 Dec.2020)	(5 133.4)	(5 591.0)	(5 176.5)	(6 229.2)	(5 175.4)
Over-collateralisa-	(31 Dec.2021)	2 735.3	3 445.2	3 122.6	3 971.4	3 061.1
tion	(1 Jan.2021)	(3 479.1)	(4 357.4)	(4 134.6)	(4 676.4)	(4 048.1)
	(31 Dec.2020)	(3 144.9)	(3 434.6)	(3 268.3)	(3 755.7)	(3 267.3)
Over-collateralisa-	(31 Dec.2021)	28.7	35.0	34.6	36.6	34.0
tion in %	(1 Jan.2021)	(32.5)	(38.7)	(38.7)	(40.9)	(38.1)
	(31 Dec.2020)	(158.2)	(159.3)	(171.3)	(151.8)	(171.2)
Net present value per foreign currency item						
CHF	(31 Dec.2021)	-	-	-	-	21.7
	(1 Jan.2021)	(-)	(19.5)	(-)	(-)	(11.8)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(11.8)
GBP	(31 Dec.2021)	-	-	-	-	654.7
	(1 Jan.2021)	(-)	(451.5)	(-)	(-)	(-)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
USD	(31 Dec.2021)	-	-	-	-	-
	(1 Jan.2021)	(-)	(27.9)	(-)	(-)	(-)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)

¹⁾ Static approach in accordance with §§ 5, 6 of the Pfandbrief Present Value Regulation (PfandBarwertV)

Disclosures on further cover assets for mortgage Pfandbriefs in accordance with § 28 para. 1, No. 4, 5 and 6 of the Pfandbrief Act (PfandBG):

		Balancing receivables in accordance with § 19 (1) no. 1 PfandBG	Loans and advances to banks in accordance with § 19 (1) no. 2 PfandBG	Loans and advances to banks in accordance with § 19 (1) no. 2 PfandBG of which: covered debt securities ¹⁾	Loans and advances to the public sector in accordance with § 19 (1) no. 3 PfandBG	Total
(in € million)						
Germany	(31 Dec.2021)	-	30.0	-	264.6	294.6
	(1 Jan.2021)	(-)	(46.9)	(-)	(339.4)	(386.3)
	(31 Dec.2020)	(-)	(46.9)	(-)	(25.0)	(71.9)
Belgium	(31 Dec.2021)	-	-	-	10.5	10.5
	(1 Jan.2021)	(-)	(14.0)	(14.0)	(-)	(14.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
France	(31 Dec.2021)	-	-	-	-	-
	(1 Jan.2021)	(-)	(-)	(-)	(48.0)	(48.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Italy	(31 Dec.2021)	-	-	-	15.0	15.0
	(1 Jan.2021)	(-)	(15.0)	(15.0)	(-)	(15.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Japan	(31 Dec.2021)	-	-	-	149.0	149.0
	(1 Jan.2021)	(-)	(-)	(-)	(149.0)	(149.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Luxembourg	(31 Dec.2021)	-	-	-	155.0	155.0
	(1 Jan.2021)	(-)	(24.9)	(24.9)	(-)	(24.9)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Netherlands	(31 Dec.2021)	-	49.9	-	-	49.9
	(1 Jan.2021)	(-)	(75.0)	(50.0)	(-)	(75.0)
	(31 Dec.2020)	(-)	(25.0)	(-)	(-)	(25.0)
USA	(31 Dec.2021)	-	-	-	45.0	45.0
	(1 Jan.2021)	(-)	(45.0)	(45.0)	(-)	(45.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Total	(31 Dec.2021)	-	79.9	-	639.0	718.9
	(1 Jan.2021)	(-)	(220.8)	(148.9)	(536.4)	(757.2)
	(31 Dec.2020)	(-)	(71.9)	(-)	(25.0)	(96.9)

¹⁾ Within the meaning of Article 129 of Regulation (EU) no. 575/2013

Key figures for mortgage Pfandbriefs and their cover assets:

(in € million)	31 Dec.2021	1 Jan.2020	31 Dec.2020
Pfandbriefs in circulation	9 524.6	10 695.7	1 988.5
Share of fixed-interest Pfandbriefs in %	97.52	88.83	87.35
Share of derivatives	-	-	-
Cover pool	12 259.9	14 174.8	5 133.4
Share of fixed-interest cover assets in %	79.05	76.34	76.64
Share of derivatives	-	-	-
Total value of receivables that exceed the limits of § 13 para. 1 PfandBG	-	-	-
Total value of receivables that exceed the limits of § 19 para. 1 no. 2 PfandBG	-	-	-
Total value of receivables that exceed the limits of § 19 para. 1 no. 3 PfandBG	-	-	-
Volume-weighted average of the time passed since loan issue in years	6.2	5.7	7.5
Average weighted loan-to-value ratio in %	max 60.0	max 60.0	max 60.0

Maturity structure of mortgage Pfandbriefs and fixed-interest periods of cover assets:

(in € million)	Pfandbriefs in circulation 31 Dec.2021	Cover pool 31 Dec.2021	Pfandbriefe in circulation 1 Jan.2020	Cover pool 1 Jan.2020	Pfandbriefe in circulation 31 Dec.2020	Cover pool 31 Dec.2020
Less than 6 months	827.5	1 596.7	444.8	1 655.9	-	688.8
More than 6 but less than 12 months	629.0	714.4	687.2	852.9	159.3	215.5
More than 12 but less than 18 months	1 106.0	900.5	827.4	1 088.1	52.5	330.7
More than 18 months but less than 2 years	588.0	490.9	628.9	802.4	49.0	282.6
More than 2 but less than 3 years	1 372.5	1 352.2	1 734.4	1 540.2	426.6	576.3
More than 3 but less than 4 years	895.0	1 395.2	1 872.2	1 510.5	56.0	539.7
More than 4 but less than 5 years	1 395.0	1 516.0	894.9	1 405.1	120.0	531.0
More than 5 but less than 10 years	2 461.5	3 276.5	3 247.6	4 443.3	1 075.0	1 697.1
More than 10 years	250.1	1 017.6	358.3	876.5	50.1	271.8
Total	9 524.6	12 260.0	10 695.7	14 174.8	1 988.5	5 133.4

Breakdown of cover assets for mortgage Pfandbriefs by size category:

(in € million)	31 Dec.2021	1 Jan.2021	31 Dec.2020
Less than € 300 thousand	1 293.7	1 293.0	1 283.0
More than € 300 thousand but less than € 1 million	537.3	591.4	562.8
More than € 1 million but less than € 10 million	3 165.3	3 076.6	2 055.1
More than € 10 million	6 544.7	8 456.6	1 135.6
Total	11 541.0	13 417.6	5 036.5

Breakdown of cover assets for mortgage Pfandbriefs by country and type of use (residential):

(in € million)		Property used for residential purposes					Total
		Owner-occupied apartments	One and two-family houses	Multiple family houses	Unfinished new buildings not yet capable of yielding a return	Construction sites	
Germany	(31 Dec.2021)	261.3	849.8	2 377.5	-	-	3 488.6
	(1 Jan.2021)	(249.8)	(836.0)	(2844.5)	(2.1)	(1.9)	(3934.4)
	(31 Dec.2020)	(248.9)	(833.5)	(2486.8)	(-)	(1.9)	(3571.2)
Belgium	(31 Dec.2021)	-	-	7.5	-	-	7.5
	(1 Jan.2021)	(-)	(-)	(7.5)	(-)	(-)	(7.5)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)
France	(31 Dec.2021)	4.1	13.2	191.3	-	-	208.6
	(1 Jan.2021)	(0.3)	(-)	(210.4)	(-)	(-)	(210.7)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)
Great Britain	(31 Dec.2021)	-	-	26.7	-	-	26.7
	(1 Jan.2021)	(-)	(-)	(78.6)	(56.3)	(-)	(134.9)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)
Netherlands	(31 Dec.2021)	-	44.1	969.1	-	-	1 013.2
	(1 Jan.2021)	(-)	(63.2)	(897.9)	(24.2)	(-)	(985.3)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)
Austria	(31 Dec.2021)	-	-	24.6	-	-	24.6
	(1 Jan.2021)	(-)	(-)	(24.6)	(-)	(-)	(24.6)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)
Total	(31 Dec.2021)	265.4	907.1	3 596.6	-	-	4 769.1
	(1 Jan.2021)	(250.1)	(899.2)	(4063.5)	(82.6)	(1.9)	(5 297.4)
	(31 Dec.2020)	(248.9)	(833.5)	(2486.8)	(-)	(1.9)	(3 571.2)

Breakdown of cover assets for mortgage Pfandbriefs by country and type of use (commercial):

(in € million)		Property used for commercial purposes					Construction sites	Total
		Office buildings	Retail buildings	Industrial buildings	Other buildings used for commercial purposes	Unfinished new buildings not yet capable of yielding a return		
Germany	(31 Dec.2020)	1 806.4	1 698.8	108.5	816.0	-	8.3	4 437.9
	(1 Jan.2021)	(1666.2)	(2091.3)	(89.0)	(942.0)	(346.0)	(40.9)	(5175.4)
	(31 Dec.2020)	(372.4)	(331.7)	(74.2)	(612.0)	(-)	(-)	(1390.3)
Belgium	(31 Dec.2020)	-	25.6	-	-	-	-	25.6
	(1 Jan.2021)	(-)	(25.6)	(-)	(-)	(-)	(-)	(25.6)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
France	(31 Dec.2020)	234.6	206.0	-	40.1	-	-	480.7
	(1 Jan.2021)	(268.7)	(251.7)	(-)	(40.1)	(17.5)	(-)	(578.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Great Britain	(31 Dec.2020)	291.9	312.6	-	11.7	-	3.3	619.4
	(1 Jan.2021)	(385.5)	(396.7)	(-)	(10.8)	(21.0)	(-)	(814.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Ireland	(31 Dec.2020)	24.0	18.4	-	-	-	-	42.4
	(1 Jan.2021)	(82.6)	(49.6)	(-)	(-)	(17.7)	(-)	(149.9)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Luxembourg	(31 Dec.2020)	96.5	-	-	-	-	-	96.5
	(1 Jan.2021)	(109.4)	(-)	(-)	(-)	(-)	(-)	(109.4)
	(31 Dec.2020)	(75.0)	(-)	(-)	(-)	(-)	(-)	(75.0)
Netherlands	(31 Dec.2020)	217.0	213.7	-	118.1	-	-	548.8
	(1 Jan.2021)	(281.1)	(215.6)	(-)	(135.8)	(-)	(-)	(632.5)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Austria	(31 Dec.2020)	80.2	7.9	-	-	-	-	88.1
	(1 Jan.2021)	(80.1)	(7.9)	(-)	(-)	(-)	(-)	(88.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Poland	(31 Dec.2020)	157.1	182.6	-	22.5	-	-	362.2
	(1 Jan.2021)	(222.9)	(174.7)	(-)	(22.5)	(-)	(-)	(420.1)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Spain	(31 Dec.2020)	16.7	47.2	-	6.3	-	-	70.2
	(1 Jan.2021)	(16.7)	(72.2)	(-)	(7.2)	(-)	(-)	(96.1)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
USA	(31 Dec.2020)	-	-	-	-	-	-	-
	(1 Jan.2021)	(31.2)	(-)	(-)	(-)	(-)	(-)	(31.2)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	(31 Dec.2020)	2 924.3	2 712.8	108.5	1 014.6	-	11.6	6 771.8
	(1 Jan.2021)	(3144.4)	(3285.3)	(89.0)	(1158.4)	(402.2)	(40.9)	(8 120.2)
	(31 Dec.2020)	(447.4)	(331.7)	(74.2)	(612.0)	(-)	(-)	(1 465.3)

Breakdown by country of the total amount of mortgage Pfandbriefs cover payments outstanding by at least 90 days:

(in € million)	Total value of payments outstanding by at least 90 days ¹⁾	Total value of covering receivables, where the amount outstanding is at least 5 % of the covering receivable	Total value of payments outstanding by at least 90 days ¹⁾	Total value of covering receivables, where the amount outstanding is at least 5 % of the covering receivable	Total value of payments outstanding by at least 90 days ¹⁾	Total value of covering receivables, where the amount outstanding is at least 5 % of the covering receivable
	31 Dec.2021	31 Dec.2021	1 Jan.2021	1 Jan.2021	31 Dec.2020	31 Dec.2020
Germany	0.1	0.4	0.1	0.1	0.1	0.1
France	-	-	-	-	-	-
Luxembourg	-	-	-	-	-	-
Austria	-	-	-	-	-	-
USA	-	-	-	-	-	-

¹⁾ The above outstanding payments are not included in the reported cover pool.

There were no cases of forced sale, forced receivership or takeovers of properties to prevent losses. The total amount of arrears on the interest payable by mortgage debtors was € 52 thousand (€ 19 thousand) for commercial property and € 85 thousand (€ 65 thousand) for residential property.

The total value of **public-sector Pfandbriefs** in circulation and the cover assets used for this are broken down as follows:

(in € million)		Nominal value	Present value	Risk-adjusted present values ¹⁾ + 250 bp	Risk-adjusted present values ¹⁾ - 250 bp	Risk-adjusted present values ¹⁾ Currency stress
Public-sector Pfandbriefs						
Total	(31 Dec.2021)	12 090.9	14 504.9	12 556.5	17 098.5	12 547.1
Pfandbriefe	(1 Jan.2021)	(13 596.8)	(16 903.5)	(14 893.2)	(19 189.0)	(14 884.3)
in circulation	(31 Dec.2020)	(10 781.8)	(13 198.0)	(11 390.9)	(15 569.2)	(11 390.9)
Total	(31 Dec.2021)	15 303.0	17 941.6	15 593.3	21 304.1	15 518.5
cover pool	(1 Jan.2021)	(17 329.2)	(21 218.6)	(18 615.0)	(24 433.3)	(18 537.0)
	(31 Dec.2020)	(14 407.3)	(17 122.8)	(14 866.2)	(20 386.2)	(14 838.4)
Over-collateralisa-	(31 Dec.2021)	3 212.1	3 436.7	3 036.9	4 205.6	2 971.4
tion	(1 Jan.2021)	(3 732.4)	(4 315.1)	(3 721.8)	(5 244.3)	(3 652.7)
	(31 Dec.2020)	(3 625.5)	(3 924.7)	(3 475.3)	(4 817.0)	(3 447.6)
Over-collateralisa-	(31 Dec.2021)	26.6	23.7	24.2	24.6	23.7
tion in %	(1 Jan.2021)	(27.5)	(25.5)	(25.0)	(27.3)	(24.5)
	(31 Dec.2020)	(33.6)	(29.7)	(30.5)	(30.9)	(30.3)
Net present value per foreign currency item						
CAD	(31 Dec.2021)	-	-	-	-	-
	(1 Jan.2021)	(-)	(-)	(-)	(-)	(12.2)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
CHF	(31 Dec.2021)	-	-	-	-	74.5
	(1 Jan.2021)	(-)	(-)	(-)	(-)	(79.4)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
GBP	(31 Dec.2021)	-	-	-	-	134.1
	(1 Jan.2021)	(-)	(-)	(-)	(-)	(132.9)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
JPY	(31 Dec.2021)	-	-	-	-	59.4
	(1 Jan.2021)	(-)	(-)	(-)	(-)	(46.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(12.8)
USD	(31 Dec.2021)	-	-	-	-	219.8
	(1 Jan.2021)	(-)	(-)	(-)	(-)	(184.6)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(153.9)

¹⁾ Static approach in accordance with §§ 5, 6 of the Pfandbrief Present Value Regulation (PfandBarwertV)

Disclosures on further cover assets for public-sector Pfandbriefs in accordance with § 28 para. 1, No. 4, and 5 Pfandbrief Act (PfandBG):

(in € million)		Balancing receivables in accordance with § 20 (2) no. 1 PfandBG	Loans and advances to banks in accordance with § 20 (2) no. 2 PfandBG	Loans and advances to banks in accordance with § 20 (2) no. 2 PfandBG of which: covered debt securities ¹⁾	Total
Germany	(31 Dec.2021)	-	412.7	165.0	412.7
	(1 Jan.2021)	(-)	(641.3)	(185.0)	(641.3)
	(31 Dec.2020)	(-)	(641.3)	(185.0)	(641.3)
Netherlands	(31 Dec.2021)	-	-	-	-
	(1 Jan.2021)	(-)	(75.0)	(-)	(75.0)
	(31 Dec.2020)	(-)	(75.0)	(-)	(75.0)
Total	(31 Dec.2021)	-	412.7	165.0	412.7
	(1 Jan.2021)	(-)	(716.3)	(185.0)	(716.3)
	(31 Dec.2020)	(-)	(716.3)	(185.0)	(716.3)

¹⁾ Within the meaning of Article 129 of Regulation (EU) no. 575/2013.

Key figures on public-sector Pfandbriefs and their cover assets:

(in € million)	31 Dec.2021	1 Jan.2021	31 Dec.2020
Pfandbriefs in circulation	12 090.9	13 596.8	10 781.8
Share of fixed-interest Pfandbriefs in %	96.94	94.69	96.37
Share of derivatives	-	-	-
Cover pool	15 303.0	17 329.2	14 407.3
Share of fixed-interest cover assets in %	86.99	88.10	89.37
Share of derivatives	-	-	-
Total value of receivables that exceed the limits of § 20 para. 2 no. 2 PfandBG	-	-	-

Maturity structure of public-sector Pfandbriefs and fixed-interest periods of cover assets:

(in € million)	Pfandbriefs in circulation 31 Dec.2021	Cover pool 31 Dec.2021	Pfandbriefs in circulation 1 Jan.2021	Cover pool 1 Jan.2021	Pfandbriefs in circulation 31 Dec.2020	Cover pool 31 Dec.2020
Less than 6 months	457.8	1 067.0	1 507.6	1 177.7	1 324.8	956.7
More than 6 but less than 12 months	517.7	763.4	442.8	906.4	369.0	775.9
More than 12 but less than 18 months	569.8	689.1	314.2	955.6	205.1	902.7
More than 18 months but less than 2 years	432.1	552.1	461.4	711.0	269.5	639.1
More than 2 but less than 3 years	991.8	1 564.1	1 071.7	1 517.6	778.4	1 227.8
More than 3 but less than 4 years	533.6	1 219.8	1 025.7	1 673.9	896.9	1 301.1
More than 4 but less than 5 years	1 734.1	1 940.4	496.7	1 214.3	366.6	1 116.8
More than 5 but less than 10 years	4 620.2	3 760.7	5 616.9	4 987.2	4 514.2	4 263.6
More than 10 years	2 233.8	3 746.2	2 659.9	4 185.6	2 057.4	3 223.7
Total	12 090.9	15 302.8	13 596.8	17 329.2	10 781.8	14 407.3

Breakdown of cover assets for public-sector Pfandbriefs by size category:

(in € million)	31 Dec.2021	1 Jan.2020	31 Dec.2020
Less than € 10 million	2 745.8	3 033.1	2 852.8
More than € 10 million but less than € 100 million	5 431.7	8 020.9	5 279.3
More than € 100 million	6 712.7	5 558.9	5 558.9
Total	14 890.3	16 612.9	13 691.0

Breakdown of cover assets without guarantee for public-sector Pfandbriefs by country and type of debtor (including statutory over-collateralisation in accordance with § 4 (1) PfandBG):

		Country	Regional authority Entity	Local authority Entity	Other debtors	Total
(in € million)						
Germany	(31 Dec.2021)	55.0	3 738.1	5 170.5	2 630.8	11 594.4
	(1 Jan.2021)	(45.0)	(4 529.4)	(6 100.2)	(2 674.0)	(13 348.6)
	(31 Dec.2020)	(45.0)	(3 096.7)	(6 068.1)	(2 390.5)	(11 600.3)
Belgium	(31 Dec.2021)	-	75.0	-	125.0	200.0
	(1 Jan.2021)	(-)	(75.0)	(-)	(135.0)	(210.0)
	(31 Dec.2020)	(-)	(-)	(-)	(10.0)	(10.0)
Finland	(31 Dec.2021)	-	-	8.0	5.0	13.0
	(1 Jan.2021)	(-)	(8.8)	(-)	(5.0)	(13.8)
	(31 Dec.2020)	(-)	(-)	(-)	(5.0)	(5.0)
France	(31 Dec.2021)	-	-	-	11.9	11.9
	(1 Jan.2021)	(-)	(-)	(-)	(11.4)	(11.4)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Great Britain	(31 Dec.2021)	-	-	-	59.6	59.6
	(1 Jan.2021)	(-)	(-)	(-)	(55.4)	(55.4)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Italy	(31 Dec.2021)	23.6	7.0	-	-	30.5
	(1 Jan.2021)	(22.5)	(38.6)	(-)	(-)	(61.1)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Japan	(31 Dec.2021)	-	-	10.0	-	10.0
	(1 Jan.2021)	(-)	(10.0)	(-)	(-)	(10.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Canada	(31 Dec.2021)	-	14.1	-	30.4	44.5
	(1 Jan.2021)	(-)	(13.0)	(-)	(28.0)	(41.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Latvia	(31 Dec.2021)	-	-	27.7	-	27.7
	(1 Jan.2021)	(-)	(10.6)	(22.1)	(-)	(32.7)
	(31 Dec.2020)	(-)	(-)	(22.1)	(-)	(22.1)
Luxembourg	(31 Dec.2021)	-	-	-	128.6	128.6
	(1 Jan.2021)	(-)	(-)	(-)	(103.0)	(103.0)
	(31 Dec.2020)	(-)	(-)	(-)	(10.0)	(10.0)
Netherlands	(31 Dec.2021)	21.1	-	-	-	21.1
	(1 Jan.2021)	(-)	(-)	(-)	(-)	(-)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Austria	(31 Dec.2021)	230.7	-	5.6	-	236.3
	(1 Jan.2021)	(428.2)	(7.2)	(-)	(25.0)	(460.4)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Poland	(31 Dec.2021)	30.7	-	-	-	30.7
	(1 Jan.2021)	(31.6)	(-)	(-)	(-)	(31.6)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Sweden	(31 Dec.2021)	-	-	8.0	-	8.0
	(1 Jan.2021)	(-)	(8.0)	(-)	(-)	(8.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Switzerland	(31 Dec.2021)	-	72.4	-	-	72.4
	(1 Jan.2021)	(-)	(69.1)	(-)	(-)	(69.1)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Spain	(31 Dec.2021)	-	-	-	16.2	16.2
	(1 Jan.2021)	(-)	(15.0)	(-)	(16.2)	(31.2)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
USA	(31 Dec.2021)	-	75.0	-	-	75.0
	(1 Jan.2021)	(-)	(82.0)	(-)	(-)	(82.0)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)
Total	(31 Dec.2021)	361.1	3 981.6	5 229.8	3 007.4	12 579.9
	(1 Jan.2021)	(527.3)	(4 866.7)	(6 122.3)	(3 053.0)	(14 569.2)
	(31 Dec.2020)	(45.0)	(3 096.7)	(6 090.2)	(2 415.5)	(11 647.3)

Breakdown of cover assets with guarantee for public-sector Pfandbriefs by country and type of guarantor (including statutory over-collateralisation in accordance with § 4 (1) PfandBG):

(in € million)		Country	Regional authority Entity	Local authority Entity	Other debtors	Total	of which: by ECA guarantees
Germany	(31 Dec.2021)	314.4	550.3	617.9	169.5	1 652.0	255.0
	(1 Jan.2021)	(312.0)	(413.8)	(584.5)	(174.7)	(1 485.0)	(280.6)
	(31 Dec.2020)	(312.0)	(413.8)	(584.5)	(174.7)	(1 485.0)	(280.6)
Belgium	(31 Dec.2021)	-	-	-	85.5	85.5	85.5
	(1 Jan.2021)	(-)	(-)	(-)	(50.8)	(50.8)	(50.8)
	(31 Dec.2020)	(-)	(-)	(-)	(50.8)	(50.8)	(50.8)
Denmark	(31 Dec.2021)	-	-	-	68.3	68.3	47.9
	(1 Jan.2021)	(-)	(-)	(-)	(71.7)	(71.7)	(51.3)
	(31 Dec.2020)	(-)	(-)	(-)	(71.7)	(71.7)	(51.3)
France	(31 Dec.2021)	246.4	-	0.3	-	246.8	61.4
	(1 Jan.2021)	(254.0)	(-)	(-)	(-)	(254.0)	(63.5)
	(31 Dec.2020)	(254.0)	(-)	(-)	(-)	(254.0)	(63.5)
Great Britain	(31 Dec.2021)	0.7	-	-	-	0.7	0.7
	(1 Jan.2021)	(8.6)	(-)	(-)	(-)	(8.6)	(8.6)
	(31 Dec.2020)	(8.6)	(-)	(-)	(-)	(8.6)	(8.6)
Netherlands	(31 Dec.2021)	29.9	-	-	-	29.9	29.9
	(1 Jan.2021)	(34.1)	(-)	(-)	(-)	(34.1)	(34.1)
	(31 Dec.2020)	(34.1)	(-)	(-)	(-)	(34.1)	(34.1)
Austria	(31 Dec.2021)	8.6	-	-	-	8.6	8.6
	(1 Jan.2021)	(12.8)	(-)	(-)	(-)	(12.8)	(12.8)
	(31 Dec.2020)	(12.8)	(-)	(-)	(-)	(12.8)	(12.8)
Switzerland	(31 Dec.2021)	-	-	-	11.3	11.3	11.3
	(1 Jan.2021)	(-)	(-)	(-)	(12.5)	(12.5)	(12.5)
	(31 Dec.2020)	(-)	(-)	(-)	(12.5)	(12.5)	(12.5)
USA	(31 Dec.2021)	137.5	-	-	-	137.5	137.5
	(1 Jan.2021)	(198.5)	(-)	(-)	(83.0)	(281.5)	(198.5)
	(31 Dec.2020)	(198.5)	(-)	(-)	(83.0)	(281.5)	(198.5)
Total	(31 Dec.2021)	737.5	550.3	618.2	334.6	2 240.5	637.7
	(1 Jan.2021)	(820.0)	(413.8)	(584.5)	(392.7)	(2 211.1)	(712.8)
	(31 Dec.2020)	(820.0)	(413.8)	(584.5)	(392.7)	(2 211.1)	(712.8)

Breakdown by country of the total amount of public-sector Pfandbriefs cover payments outstanding by at least 90 days:

(in € million)		Total value of payments outstanding by at least 90 days ¹⁾				
		Country	Regional authority Entity	Local authority Entity	Other debtors	of which: by ECA guarantees
Germany	(31 Dec.2021)	6.3	-	0.0	-	6.3
	(1 Jan.2021)	(4.5)	(-)	(-)	(-)	(4.5)
	(31 Dec.2020)	(4.5)	(-)	(-)	(-)	(4.5)

¹⁾ The above outstanding payments are not included in the reported cover pool.

(in € million)		Total value of covering receivables, where the amount outstanding is at least 5 % of the covering receivable				
		Country	Regional authority Entity	Local authority Entity	Other debtors	of which: by ECA guarantees
Germany	(31 Dec.2021)	3.5	-	-	-	3.5
	(1 Jan.2021)	(5.3)	(-)	(-)	(-)	(5.3)
	(31 Dec.2020)	(5.3)	(-)	(-)	(-)	(5.3)

The total value of the **ship Pfandbriefs** in circulation and the cover assets used for this are broken down as follows:

(in € million)		Nominal value	Present value	Risk-adjusted present values ¹⁾ + 250 bp	Risk-adjusted present values ¹⁾ - 250 bp	Risk-adjusted present values ¹⁾ Currency stress
Ship Pfandbriefs						
Total	(31 Dec.2021)	30.5	31.2	31.1	31.3	31.1
Pfandbriefs	(1 Jan.2021)	(33.1)	(34.6)	(34.0)	(35.3)	(34.0)
in circulation	(31 Dec.2020)	(33.1)	(34.6)	(34.0)	(35.3)	(34.0)
Total	(31 Dec.2021)	40.0	40.7	38.6	44.2	38.6
cover pool	(1 Jan.2021)	(40.0)	(41.3)	(38.5)	(46.2)	(38.5)
	(31 Dec.2020)	(40.0)	(41.3)	(38.5)	(46.2)	(38.5)
Over-collateralisation	(31 Dec.2021)	9.5	9.5	7.5	13.0	7.5
	(1 Jan.2021)	(6.9)	(6.7)	(4.5)	(10.9)	(4.5)
	(31 Dec.2020)	(6.9)	(6.7)	(4.5)	(10.9)	(4.5)
Over-collateralisation in %	(31 Dec.2021)	31.1	30.5	24.2	41.4	24.2
	(1 Jan.2021)	(20.8)	(19.4)	(13.3)	(30.8)	(13.3)
	(31 Dec.2020)	(20.8)	(19.4)	(13.3)	(30.8)	(13.3)
Net present value per foreign currency item						
USD	(31 Dec.2021)	-	-	-	-	-
	(1 Jan.2021)	(-)	(-)	(-)	(-)	(-)
	(31 Dec.2020)	(-)	(-)	(-)	(-)	(-)

¹⁾ Static approach in accordance with §§ 5, 6 of the Pfandbrief Present Value Regulation (PfandBarwertV)

Disclosures on further cover assets for the ship Pfandbriefs in accordance with § 28 para 1, No. 4, 5 and 6 of the Pfandbrief Act (PfandBG):

(in € million)		Balancing receivables in accordance with § 26 (1) no. 2 PfandBG	Loans and advances to banks in accordance with § 26 (1) no. 3 PfandBG	Loans and advances to banks in accordance with § 26 (1) no. 3 PfandBG of which: covered debt securities ¹⁾	Loans and advances to the public sector in accordance with § 26 (1) no. 4 PfandBG	Total
Germany	(31 Dec.2021)	-	-	-	40.0	40.0
	(1 Jan.2021)	(-)	(-)	(-)	(40.0)	(40.0)
	(31 Dec.2020)	(-)	(-)	(-)	(40.0)	(40.0)

¹⁾ Within the meaning of Article 129 of Regulation (EU) no. 575/2013.

Key figures for the ship Pfandbriefs and their cover assets:

(in € million)	31 Dec.2021	1 Jan.2021	31 Dec.2020
Pfandbriefs in circulation	30.5	33.1	33.1
Share of fixed-interest Pfandbriefs in %	67.21	69.79	69.79
Share of derivatives	-	-	-
Cover pool	40.0	40.0	40.0
Share of fixed-interest cover assets in %	57.50	57.50	57.50
Share of derivatives	-	-	-
Total value of receivables that exceed the limits of § 26 para. 1 no. 3 PfandBG	-	-	-
Total value of receivables that exceed the limits of § 26 para. 1 no. 4 PfandBG	30.4	30.4	30.4

Maturity structure of the ship Pfandbriefs and fixed-interest periods of the cover assets:

(in € million)	Pfandbriefs in circulation 31 Dec.2021	Cover pool 31 Dec.2021	Pfandbriefs in circulation 1 Jan.2021	Cover pool 1 Jan.2021	Pfandbriefs in circulation 31 Dec.2020	Cover pool 31 Dec.2020
Less than 6 months	30.5	-	12.6	-	12.6	-
More than 6 but less than 12 months	-	-	-	-	-	-
More than 12 but less than 18 months	-	-	20.5	-	20.5	-
More than 18 months but less than 2 years	-	-	-	-	-	-
More than 2 but less than 3 years	-	10.0	-	-	-	-
More than 3 but less than 4 years	-	20.0	-	10.0	-	10.0
More than 4 but less than 5 years	-	-	-	20.0	-	20.0
More than 5 but less than 10 years	-	10.0	-	10.0	-	10.0
More than 10 years	-	-	-	-	-	-
Total	30.5	40.0	33.1	40.0	33.1	40.0

Breakdown of cover assets for ship Pfandbriefs by size category:

(in € million)	31 Dec.2021	1 Jan.2021	31 Dec.2020
Less than € 500 thousand	-	-	-
More than € 500 thousand but less than € 5 million	-	-	-
More than € 5 million	-	-	-
Total	-	-	-

Breakdown of cover assets for ship Pfandbriefs by country as well as international maritime and domestic ships:

(in € million)		Ocean-going ships	Inland ships	Total
Germany	(31 Dec.2021)	-	-	-
	(1 Jan.2021)	(-)	(-)	(-)
	(31 Dec.2020)	(-)	(-)	(-)
Antigua and Barbuda	(31 Dec.2021)	-	-	-
	(1 Jan.2021)	(-)	(-)	(-)
	(31 Dec.2020)	(-)	(-)	(-)
Croatia	(31 Dec.2021)	-	-	-
	(1 Jan.2021)	(-)	(-)	(-)
	(31 Dec.2020)	(-)	(-)	(-)
Liberia	(31 Dec.2021)	-	-	-
	(1 Jan.2021)	(-)	(-)	(-)
	(31 Dec.2020)	(-)	(-)	(-)
Malta	(31 Dec.2021)	-	-	-
	(1 Jan.2021)	(-)	(-)	(-)
	(31 Dec.2020)	(-)	(-)	(-)
Marshall Islands	(31 Dec.2021)	-	-	-
	(1 Jan.2021)	(-)	(-)	(-)
	(31 Dec.2020)	(-)	(-)	(-)
Sweden	(31 Dec.2021)	-	-	-
	(1 Jan.2021)	(-)	(-)	(-)
	(31 Dec.2020)	(-)	(-)	(-)
Total	(31 Dec.2021)	-	-	-
	(1 Jan.2021)	(-)	(-)	(-)
	(31 Dec.2020)	(-)	(-)	(-)

Total amount of ship Pfandbrief cover payments outstanding by at least 90 days:

(in € million)	Total value of payments outstanding by at least 90 days ¹⁾	Total value of covering receivables, where the amount outstanding is at least 5 % of the covering receivable
Receivables	(31 Dec.2021)	-
	(1 Jan.2021)	(-)
	(31 Dec.2020)	(-)

¹⁾ The above outstanding payments are not included in the reported cover pool.

11. List of equity holdings

The list below contains equity holdings in accordance with § 285 no. 11 and 11a HGB and investments pursuant to § 340a para. 4 no. 2 HGB. It includes all companies in which there is an equity holding of more than 20 percent, as well as participations in large corporations that exceed 5 percent of the voting rights. Unless otherwise stated, the reported values concerning the companies' equity and results relate to the financial statements prepared for the financial year 2020.

No.	Name / registered office	Share of capital held (in %)	Equity (in € 000)	Profit /Loss (in € 000)
Affiliated companies				
1	BGG Katharina GmbH & Co. KG, Bremen ⁷⁾	100.00	15 788	- 4 212
2	BGG Oldenburg GmbH & Co. KG, Bremen ¹⁾	100.00	11 353	836
3	BGG Rathausmarkt GmbH & Co. KG, Bremen ⁷⁾	100.00	5 197	- 503
4	BLB Immobilien GmbH, Bremen ⁴⁾	100.00	17 180	0
5	BLBI Beteiligungs-GmbH, Bremen ¹⁾	100.00	108	3
6	Braunschweig Grund Objektgesellschaft Driebenbergh mbH & Co. KG, Braunschweig ²⁾	66.67	371	0
7	Bremische Grundstücks-GmbH & Co. Wohnanlagen Groß-Bonn, Bremen ²⁾	100.00	631	- 6
8	City Center Magdeburg Hasselbach-Passage Grundstücksgesellschaft mbH, Hanover ⁷⁾	100.00	357	- 2
9	finpair GmbH, Hanover ⁷⁾	100.00	1 431	269
10	FL FINANZ-LEASING GmbH, Wiesbaden	58.00	- 496	213
11	KreditServices Nord GmbH, Braunschweig ⁴⁾	100.00	581	0
12	LBT Holding Corporation Inc., Wilmington, USA ⁵⁾	100.00	- 314	383
13	NBN Grundstücks- und Verwaltungs-GmbH, Hanover ¹⁾	100.00	1 983	- 40
14	NBN Norddeutsche Beteiligungsgesellschaft für Immobilien in Niedersachsen mbH, Hanover	90.00	2 678	- 4
15	Nieba GmbH, Hanover ³⁾⁴⁾	100.00	162 700	0
16	NORD/Advisors Norddeutsche Financial & Strategic Advisors GmbH, Hanover ⁷⁾	100.00	27	- 1
17	NORD/FM Norddeutsche Facility Management GmbH, Hanover ⁴⁾	100.00	636	0
18	NORD/LB Informationstechnologie GmbH, Hanover ⁴⁾	100.00	25	0
19	NORD/LB Leasing GmbH, Oldenburg ⁴⁾	100.00	511	0
20	NORD/LB Luxembourg S.A. Covered Bond Bank, Luxembourg-Findel, Luxembourg ³⁾	100.00	678 300	- 8 790
21	NORD/LB Project Holding Ltd., London, Great Britain	100.00	437	237
22	NORD/LB, SICAV-RAIF S.C.Sp., Luxembourg, Luxembourg	99.01	k.A.	k.A.
23	NORDWEST VERMÖGEN Bremische Grundstücks-GmbH & Co. KG, Bremen ¹⁾	100.00	3 513	1 546
24	NORDWEST VERMÖGEN Vermietungs-GmbH & Co. KG, Bremen ²⁾	100.00	1 068	142
25	PLM Grundstücksverwaltung Gesellschaft mit beschränkter Haftung, Hanover	100.00	32	- 1
26	Ricklinger Kreisel Beteiligungs GmbH, Hanover ⁷⁾	100.00	320	285
27	SGK Servicegesellschaft Kreditmanagement mbH, Hanover	100.00	2 181	812
28	Skandifinanz AG, Zurich, Switzerland ³⁾	100.00	2 542	- 493
29	Themis 1 Inc., Wilmington, USA ⁷⁾	100.00	45	- 10
30	Unterstützungseinrichtung der Bremer Landesbank Kreditanstalt Oldenburg GmbH i.L., Hanover ⁶⁾	100.00	20	k.A.

No.	Name / registered office	Share of capital held (in %)	Equity (in € 000)	Profit /Loss (in € 000)
Other companies of more than 20 % per cent share				
1	Ammerländer Wohnungsbau-Gesellschaft mbH, Westerstede	32.26	35 040	1 638
2	Braunschweig Grundstücksentwicklungsgesellschaft mbH, Braunschweig ¹⁾	50.00	50	3
3	Brocken Verwaltungs- und Vermietungs-GmbH, Wernigerode	50.00	38	1
4	Brocken Verwaltungs- und Vermietungs-GmbH & Co. KG, Wernigerode	50.00	2 300	373
5	Bürgschaftsbank Mecklenburg-Vorpommern GmbH, Schwerin	20.89	17 161	262
6	Bürgschaftsbank Sachsen-Anhalt GmbH, Magdeburg	20.44	16 577	141
7	caplantic GmbH, Hanover	45.00	6 331	191
8	CG-Terrassen GmbH & Co. KG, Göttingen ²⁾	50.00	4 389	- 148
9	FCC (East Ayrshire) Holdings Limited, Edinburgh, Great Britain ¹⁾	30.00	60	285
10	FinTech Fonds GmbH & Co. KG, Cologne	39.60	5 816	- 148
11	FinTech Fonds Management GmbH, Cologne	40.00	28	1
12	Gewobau Gesellschaft für Wohnungsbau, Vechta, mbH, Vechta	20.46	14 193	457
13	GSG Oldenburg Bau- und Wohnungsgesellschaft mit beschränkter Haftung, Oldenburg	22.22	112 703	5 415
14	Interessengemeinschaft Katharinenklosterhof GbR, Bremen ¹⁾	31.00	115	- 58
15	LBS Norddeutsche Landesbausparkasse Berlin-Hannover, Hanover	44.00	297 458	0
16	LINOVO Productions GmbH & Co. KG i.L., Pöcking	45.17	- 47 219	1 047
17	LUNI Productions GmbH & Co. KG, Pöcking	24.29	- 115 687	- 348
18	Marktcarré Grundbesitz-GmbH, Oldenburg ¹⁾	25.00	3 263	- 653
19	Mittelständische Beteiligungsgesellschaft Mecklenburg-Vorpommern mbH, Schwerin	26.00	17 962	1 344
20	Mittelständische Beteiligungsgesellschaft Niedersachsen (MBG) mit beschränkter Haftung, Hanover	39.82	15 097	366
21	NBV Beteiligungs-GmbH, Hanover	42.66	12 121	439
22	NORD KB Beteiligungsgesellschaft mit beschränkter Haftung, Hanover	28.66	100	62
23	Öffentliche Lebensversicherung Braunschweig, Braunschweig	75.00	48 812	600
24	Öffentliche Sachversicherung Braunschweig, Braunschweig	75.00	293 718	7 823
25	WLO Wirtschaftsförderungsgesellschaft für den Landkreis Oldenburg mbH, Wildeshausen	23.84	41	-
26	Wohnungsbau-Gesellschaft Wesermarsch mit beschränkter Haftung, Brake	21.72	20 645	462

No.	Name / registered office	Share of capital held (in %)	Equity (in € 000)	Profit /Loss (in € 000)
NORD/LB is a partner with unlimited liability in the following company (§ 285 no. 11a of the German Commercial Code)				
	GLB GmbH & Co. OHG, Frankfurt am Main			
Investments in terms of § 340a para. 4 no. 2 of the German Commercial Code, unless reported as an affiliated company or other shareholding				
1	Bürgschaftsbank Bremen GmbH, Bremen	7.35	8 395	136
2	Niedersächsische Bürgschaftsbank (NBB) Gesellschaft mit beschränkter Haftung, Hanover	11.20	30 140	39
3	Niedersächsische Landgesellschaft mit beschränkter Haftung Gemeinnütziges Unternehmen für die Entwicklung des ländlichen Raumes, Hanover ²⁾	8.39	183 759	8.223,08

- 1) Held indirectly.
- 2) Including shares held indirectly .
- 3) A letter of comfort exists.
- 4) A profit/loss transfer agreement exists with company.
- 5) Data is only available as at 31 December 2019.
- 6) Data is only available as at 1 January 2021.
- 7) Data is available as at 31 December 2021.

Hanover/Braunschweig/Magdeburg, 22 March 2022

Norddeutsche Landesbank Girozentrale

The Managing Board

Frischholz

Dieng

Schulz

Seidel

Spletter-Weiß

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Responsibility statement

We declare that to the best of our knowledge and in accordance with the applicable accounting principles, the annual financial statements provide a true and fair representation of the net assets, financial position and results of operations of the Norddeutsche Landesbank Girozentrale and that the Landesbank management report presents a true and fair representation of the development of business, including the operating results and the position of the Landesbank, and also describes the significant opportunities and risks relating to the probable development of the Landesbank.

Hanover/Braunschweig/Magdeburg, 22 March 2022

Norddeutsche Landesbank Girozentrale

The Managing Board

Frischholz

Dieng

Schulz

Seidel

Spletter-Weiß

Independent auditor's opinion

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

Report on the Audit of the Annual Financial Statements and of the Management Report

Audit Opinions

We have audited the annual financial statements of Norddeutsche Landesbank, Hannover, Braunschweig, Magdeburg, which comprise the balance sheet as at 31 December 2021 and the statement of profit and loss for the financial year from 1 January to 31 December 2021, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Norddeutsche Landesbank - Girozentrale -, which is combined with the group management report, for the financial year from 1 January to 31 December 2021.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance for the financial year from 1 January to 31 December 2021 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § Article 322 Abs. paragraph 3 Satz sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2021. These

matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- ① Determination of specific loan loss allowances in the commercial customer lending business
- ② Determination of general loan loss provisions in the customer lending business
- ③ Subsequent valuation of the guarantees agreed with the State of Lower Saxony

Our presentation of these key audit matters has been structured in each case as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matters:

① Determination of specific loan loss allowances in the commercial customer lending business

- ① In the Company's annual financial statements, loans receivables amounting to € 60.6 billion (52.6 % of total assets) are reported under the balance sheet item "Claims on customers". As of the balance sheet date, there is a risk provision for losses on loans and advances in the form of specific loan loss allowances, among other things, which are largely determined by the commercial customer lending business. The measurement of the allowance for losses on loans and advances in the commercial customer lending business is determined in particular by the structure and quality of the loan portfolios, macroeconomic factors, and the estimates of the legal representatives with regard to future cash flows, among other things against the background of the expected impact of the ongoing Corona pandemic on the commercial customer lending business. The amount of specific loan loss allowances for commercial customer loans is the difference between the outstanding loan amount and the lower value to be attributed to it at the reporting date. Existing collateral is taken into account. The allowance for losses on loans and advances to commercial customers is measured on the basis of probability-weighted scenarios, which also take into account the impact of macroeconomic factors on cash flows. The determination of scenarios by number and content, the estimation of probabilities of occurrence, and the derivation of expected cash flows in the respective scenario imply considerable scope for judgement on the part of the legal representatives. In addition, the amount of the allowances for impairment losses in the commercial customer lending business is highly significant for the net assets and the financial performance of the Company. Against this background, this matter was of particular importance in the context of our audit.
- ② As part of our audit, we first assessed the design of the relevant internal control system of the Company. In doing so, we considered the business organization, the IT systems and the relevant valuation models. In addition, we assessed the valuation of commercial customer loans, including the ap-

appropriateness of estimated values, on the basis of samples of credit exposures. In doing so, we assessed, among other things, the available documentation of the Company regarding the economic circumstances as well as the recoverability of the corresponding collateral. In the case of property collateral for which the Company has provided us with valuation reports, we obtained an understanding of the underlying starting data, the valuation parameters applied and the assumptions made, critically evaluated these and assessed whether they were within a reasonable range. Furthermore, in order to assess the specific loan loss allowances made, we evaluated the calculation models used by the Company and the underlying assumptions and parameters. In particular, we also assessed the legal representatives' assessment of the impact of the Corona pandemic on the economic circumstances of the borrowers and the recoverability of the corresponding collateral, and understood how this was taken into account in the measurement of the loans from customers. Based on the audit procedures we performed, we were able to satisfy ourselves overall as to the reasonableness of the assumptions made by the legal representatives in testing the recoverability of the commercial loan portfolio, and the appropriateness and effectiveness of the controls implemented by the Company.

- ③ The Company's disclosures on the allowance for losses on loans and advances to customers are included in the section "Accounting policies - non-trading portfolio (banking book)" of the notes to the financial statements.

② Determination of general loan loss provisions in the customer lending business

- ① General loan loss provisions are recognized for counterparty risks in the customer lending business that are foreseeable but not yet specifically identified for individual borrowers. For this purpose, general loan loss provisions are recognized in the amount of the expected loss for a period of twelve months for loans that are not individually impaired, unless the credit default risk has increased significantly since initial recognition. In this case, general loan loss provisions are recognized for loans that are not individually impaired for the expected losses of the loans concerned over the remaining term. In order to take into account the existing uncertainties as a result of the Corona pandemic and the expectations of the legal representatives in this context that are not yet covered by the models, the Company has recognized a so-called management adjustment in the amount of € 349.1 million in the loan loss provisions for loans and advances for certain sub-segments. The general loan loss provisions in the customer lending business are highly significant for the net assets and the financial performance of the Company in terms of their amount and are also subject to considerable judgement on the part of the legal representatives. In addition, the valuation parameters applied, which are also subject to significant uncertainties due to the effects of the Corona pandemic, have a significant influence on the amount of any general loan loss provisions that may be required. Against this background, this matter was of particular importance in the context of our audit.
- ② As part of our audit, we first assessed the design of the relevant internal control system of the Company with reference to the recognition of general loan loss provisions. In particular, we considered the processes for recording business data, risk classification of borrowers, determination of general loan loss provisions and validation of the valuation models. Furthermore, in order to assess the general loan loss provisions made, we traced and assessed, among other things, the valuation models used by the Company, the underlying input data, macroeconomic assumptions and parameters, as well as the results of the validation actions, also with the involvement of our specialists in the field of financial mathematics. We questioned the necessity of the management adjustment and traced its calculation in terms of its amount. On the basis of our audit procedures, we were able to satisfy

ourselves overall as to the reasonableness of the assumptions made by the legal representatives in determining the general loan loss provisions and the management adjustment, as well as the appropriateness and effectiveness of the controls implemented by the Company.

- ③ The Company's disclosures on general loan loss provisions in the customer lending business and on the management adjustment are included in the sections "Accounting policies - non-trading portfolio (banking book)" and "Impact of the COVID-19 pandemic" of the notes to the financial statements.

③ Subsequent valuation of the guarantees agreed with the State of Lower Saxony

- ① With effect from 23 December 2019, the Company has entered into three guarantee contracts with the State of Lower Saxony under which the State assumes loss risks from two loan portfolios with ship financing and one loan portfolio with aircraft financing. As of 30 June 2021, the Company exercised the contractual option to terminate one of the two guarantee contracts relating to ship financing. The guarantee contracts are credit derivatives of the non-trading portfolio (banking book) for which the Company acts as secured party. As pending transactions, the guarantee agreements will only be recognized in the balance sheet if a provision for contingent losses (onerous contracts) has to be recognized due to negative fair values of the guarantees. The fair values of the two remaining guarantee contracts as of 31 December 2021 are included in the disclosures on credit derivatives in the section "Derivatives not measured at fair value in external relationships (derivatives in the non-trading portfolio)" in the notes to the financial statements. In return for granting the guarantees, the Company pays a commission to the State of Lower Saxony in each case. The commission expense in 2021 amounted to € 80,6 million. The fair value of the guarantee contracts is determined as the present value of the guarantee commissions to be paid in the future and the expected future loss compensation payments by the State of Lower Saxony, which are estimated mainly on the basis of expected losses from underlying loans. The selection of the valuation model and its parameterization are in some cases subject to considerable estimation uncertainties and judgement on the part of the legal representatives. Against this background, this matter was of particular importance in the context of our audit.
- ② As part of our audit, we conducted interviews, inspected the guarantee contracts, the accounting and valuation concept and other relevant documents, and assessed the design of the internal control system with regard to the valuation of the guarantee contracts. Our audit also included an assessment of the valuation model and the underlying assumptions and parameters. In addition, we verified the individual calculation steps on a sample basis with the involvement of our internal valuation specialists. We assessed the fair values determined by the Company for the guarantee contracts to determine whether the recognition of a provision for onerous contracts was necessary. Based on our audit procedures, we concluded that the valuation model used and the assumptions made by the legal representatives are appropriate.
- ③ The Company's disclosures on the guarantee contracts are included in the sections "Explanation of the accounting-related impact of the guarantee contracts from the support contract" and "Derivatives not measured at fair value in external relationships (derivatives in the non-trading portfolio)" of the notes to the financial statements.

Other Information

The executive directors are responsible for the other information.

The other information comprises

- the separate non-financial report pursuant to § 289b Abs. 3 HGB and § 315b Abs. 3 HGB
- the annual report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file nordlb-JA+LB-2021-12-31-de.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2021 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the Supervisory Board on 21 April 2021. We were engaged by the Chairperson of the Supervisory Board on 29 June 2021. We have been the group auditor of the Norddeutsche Landesbank - Girozentrale -, Hannover, Braunschweig, Magdeburg, without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Gero Martens.

Hanover, 28 March 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Wirtschaftsprüfer
German Public Auditor

Wirtschaftsprüfer
German Public Auditor

Report of the Supervisory Board

The Managing Board of the Bank regularly informed the Supervisory Board and the committees set up by the Supervisory Board about business performance and the position of NORD/LB AöR and the Group. The Supervisory Board and its committees adopted resolutions on business matters presented to them and on other issues requiring decisions by these executive bodies in accordance with the statutes and regulations relating to these articles.

The Supervisory Board also looked closely at NORD/LB AöR's business and risk policy. Fundamental issues concerning business policy were discussed in detail at several meetings. The Supervisory Board also dealt with the effects of the Covid-19 pandemic on NORD/LB AöR and the resulting measures. The Supervisory Board, with the approval of the Owners' Meeting, also appointed the new members of NORD/LB's Managing Board.

The annual report and the consolidated financial statements of NORD/LB AöR for the 2021 reporting year were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and provided with an unqualified audit opinion. The auditors also took part in the sitting of the Supervisory Board to discuss the annual report, which was held on 27 April 2022, and reported on the findings of their audit.

At its meeting on 27. April 2022 the Supervisory Board proposed that the annual financial statements of NORD/LB AöR and the consolidated financial statements of NORD/LB for the 2021 reporting year be adopted by the Owner's Meeting. Furthermore, the Supervisory Board proposed to the Owners' Meeting to decide that there were no objections with regard to the combined management report.

The Supervisory Board also recommended to the Owners' Meeting to discharge the Managing Board.

The following persons left the Supervisory Board:

on 31 December 2020 Mr Frank Berg

The following persons were appointed to the Supervisory Board:

on 1 January 2021 Mr Bernd Brummermann

The Supervisory Board would like to thank the Bank's Managing Board for its cooperation based on mutual trust and recognise the work carried out by all the Bank's employees in 2021.

Hanover/Braunschweig/Magdeburg

April 2022

Reinhold Hilbers
Minister of Finance
State of Lower Saxony

Report of the Owners' Meeting

In the year under review the Owners' Meeting took over the tasks imposed on it by the State Treaty and the Articles of Association.

In addition, the Owners' Meeting dealt with the interim goals of the NORD/LB 2024 transformation at its meetings in 2021 and advised on measures in connection with the ongoing Covid-19 pandemic. The Owners' Meeting also gave its approval for the appointment of the new members of the Board of Management by the Supervisory Board.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft audited the annual financial statements of NORD/LB AöR and the consolidated financial statements of NORD/LB for the 2021 reporting year and issued an unqualified audit opinion. The auditors also took part in the sitting of the Owners' Meeting to discuss the annual report, which was held on 27. April 2022 and reported on the findings of their audit.

At the Owners' Meeting on 27. April 2022 the annual financial statements of NORD/LB AöR were adopted and the consolidated financial statements of NORD/LB for the 2021 reporting year approved on a proposal from the Supervisory Board. Furthermore, the owners' meeting decided that there are no objections to the combined management report.

The Owners' Meeting discharged the Managing Board and the Supervisory Board.

The following persons left the Owners' Meeting:

on 31 December 2020	Mr Frank Berg
on 31 December 2021	Mr Ralf Fleischer

The following were appointed to the Owners' Meeting:

zum 1. Januar 2021	Mr Bernd Brummermann
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The Owners' Meeting thanks the Supervisory Board, the Managing Board and the Bank's employees for their work in 2021.

Hanover/Braunschweig/Magdeburg
April 2022

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State of Lower Saxony

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Annex

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Report on Transparency of Pay Structures Act

Report on Transparency of Pay Structures Act

Measures to promote equality and its effects

NORD/LB pursues an overarching, inclusive target approach in order to treat and promote the workforce fairly and correctly – while actively managing the differences, cultural backgrounds and practical experiences for the benefit of the company. It is precisely this diversity of employees that is an important part of the corporate identity. NORD/LB therefore attaches great importance to ensuring that all genders are treated equally (excerpt from Diversity Principles 2019) and offers a working environment of equal appreciation and promotion, regardless of gender and gender identity, age, sexual orientation, ethnic origin and nationality, disability or religion and belief.

Since the beginning of 2021, activities and measures to raise awareness and provide information about diversity management and its aspects have been implemented throughout the Bank by a “Community of Diversity” formed by a group of employees and internal networks in order to establish and expand its economic, social and objective objectives within the company. This includes workshops that provide information and an opportunity to share experiences and ideas on the various aspects of diversity management. The aim is to identify approaches for action areas with diversity issues by providing information and sharing ideas with employees. The “Community of Diversity” represents a cross-section of NORD/LB’s workforce and combines the experience and creativity of participants across age groups, specialist units and hierarchy. Against the backdrop of changes in the world of work, it is important to enable diversity and equal opportunities for all employees and to exploit the potential. The non-professional environment of employees is now inextricably linked to the world of work, which is why the compatibility of professional and private life situations with corresponding offerings, such as flexible working hours, long-term comp time accounts and mobile working, is also an essential part of shaping the work of the future at NORD/LB.

The combination of the measures not only creates an appreciative working climate and environment, but in particular creates good development prospects for the entire workforce.

Measures to ensure equal pay

NORD/LB has a remuneration system that maps uniform, transparent calculation bases and procedures as well as defined remuneration components regardless of gender identity. NORD/LB’s remuneration structure focuses on a job evaluation system – consisting of several career bands and differentiated career levels – as well as its own bonus system. To determine the fixed remuneration, all job evaluations or classifications of employees are carried out on a task-related basis and not on an owner-related basis, and variable remuneration is granted on a performance-related basis. By decoupling the person from the position, NORD/LB ensures a remuneration structure that is non-discriminatory and independent of, for example, gender, ethnic origin, age, disability and sexual orientation and is based on aspects such as qualification, range of tasks and functions as well as professional experience of the employees.

Because of increased regulatory requirements, detailed information regarding compensation is disclosed in separate compensation reports prepared by the individual companies of the NORD/LB Group.

Key figures

Average total number of employees as at 31 December of the year in question, excluding apprentices, students on a dual study programme and trainees and employees on parenting leave, by gender:

Employees (total)	Former NORD/LB AöR plus Deutsche Hypotheken- bank 31 Dec.2020	Former NORD/LB AöR plus Deutsche Hypotheken- bank 31 Dec.2019	Former NORD/LB AöR 31 Dec.2019
Male employees	2 253	2 481	2 255
Female employees	2 286	2 530	2 344
Proportion of men	49.6%	49.5%	49.0%
Proportion of women	50.4%	50.5%	51.0%

Number of full-time and part-time employees as at 31 December of the reporting year in question by gender:

	Former NORD/LB AöR plus Deutsche Hypotheken- bank 31 Dec.2020	Former NORD/LB AöR plus Deutsche Hypotheken- bank 31 Dec.2019	Former NORD/LB AöR 31 Dec.2019
Employees (total)	4 539	5 011	4 599
Permanent employees (total)	4 320	4 761	4 350
male	2 149	2 380	2 154
female	2 171	2 381	2 196
Permanent full-time employees	3 255	3 606	3 285
male	2 067	2 294	2 079
female	1 188	1 312	1 206
Permanent part-time employees	1 065	1 155	1 065
male	82	86	75
female	983	1 069	990
Temporary Employees (total)	219	250	249
male	104	101	101
female	115	149	148
Temporary full-time Employees	212	247	247
male	103	101	101
female	109	146	146
Temporary part-time Employees	7	3	2
male	1	-	-
female	6	3	2
Apprentices, dual students and trainees (total)	158	194	194
male	80	77	77
female	78	117	117
Employees on parental leave (total)	114	118	109
male	9	10	10
female	105	108	99
Calculated shares			
Share of full-time employees	76.4%	76.9%	76.8%
Share of part-time employees	23.6%	23.1%	23.2%
Share of permanent employees	95.2%	95.0%	94.6%
Share of temporary employees	4.8%	5.0%	5.4%
Share of apprentices, dual students and trainees	3.5%	3.9%	4.2%
Share of employees on parental leave	2.5%	2.4%	2.4%

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