

Press Release

16 May 2024

NORD/LB places Tier 2 bond in benchmark format for the first time in 10 years

Yesterday, NORD/LB Norddeutsche Landesbank successfully issued a Tier 2 bond in benchmark format. The EUR 500 million bond has a term of 10.25 years and a baa1 rating from Moody's. The bond coupon is 5.625%, which corresponds to a premium of 295 basis points above the swap centre. This is the Bank's first placement of a Tier 2 benchmark bond in over ten years.

The issue recorded a very strong demand on the capital market. The order book was opened on Wednesday morning and grew to around EUR 1.7 billion at its peak due to a strong investor demand (over 160 individual orders). Therefore, the bond was oversubscribed more than three times.

The great interest in our new Tier 2 bond shows that we have taken the right measures as part of our transformation and are once again an attractive investment for capital investors, said Jörg Frischholz, CEO of NORD/LB. We would like to thank our investors for their trust and are delighted that we have been able to attract many new investors to NORD/LB in addition to long-standing investors, Frischholz continued.

The majority of investors came from the United Kingdom & Ireland (43%), followed by Germany, Austria and Switzerland (23%) and France (14%). In total, investors from over 30 countries subscribed to the NORD/LB bond. Bank of America, Deutsche Bank, Natixis, NatWest Markets, NORD/LB and UBS Investment Bank acted as joint lead managers for the transaction.

The Tier 2 bond is a subordinated bond to strengthen the total capital ratio. With a total capital ratio of 17.3 per cent (as at 31 December 2023), NORD/LB already has adequate capital resources that are comfortably above the regulatory requirements. In April of this year, a corresponding US dollar bond issued by NORD/LB expired. Therefore, NORD/LB would like to further strengthen its capital situation with the current issue.

NORD/LB's positive development was most recently reflected in the business figures for 2023. Due to a positive earnings development, the bank generated earnings before taxes of EUR 271 million in 2023. The rating agencies also honoured the bank's positive trend. Among others, Moody's raised NORD/LB's long-term ratings by up to four notches in March of this year.

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About NORD/LB

NORD/LB Norddeutsche Landesbank is one of Germany's leading commercial banks. As an institute under public law, it is part of the S-Finance Group. Its core business segments include corporate customers, special financing in the energy and infrastructure sectors and for aircraft, financing commercial real estate via Deutsche Hypo, capital market business, association business with the savings banks and private and commercial customers including private banking. The bank is based in Hanover, Braunschweig and Magdeburg and has branches in Oldenburg, Hamburg, Schwerin, Düsseldorf and Munich. Outside Germany NORD/LB is represented by a Pfandbrief bank (NORD/LB Covered Bond Bank) in Luxembourg and by branches in London, New York and Singapore. www.nordlb.de