

1 June 2015

Reorganisation of NORD/LB Luxembourg now complete

On 1 June, Norddeutsche Landesbank Luxembourg S.A. (NORD/LB Luxembourg) and NORD/LB Covered Finance Bank S.A. (NORD/LB CFB) merged to create NORD/LB Luxembourg S.A. Covered Bond Bank (NORD/LB CBB). The new bank has been set up as a special licenced bank and will develop the covered bond activities conducted by NORD/LB Covered Finance Bank. The exposures of NORD/LB Group that are eligible to serve as cover in Luxembourg will be pooled in the bank. NORD/LB Covered Finance Bank was the most active credit institution on the market in the field of covered bond issues (*lettres de gage*) in recent years. Now that the two banks have successfully merged into NORD/LB CBB, the reorganisation of NORD/LB Luxembourg is complete.

According to Christian Veit, CEO of NORD/LB CBB, "With the merger, we have set the course for a united and successful future as a strong mortgage bank. Joining forces is the right strategic response to the challenges of the future". Thorsten Schmidt, Deputy CEO of NORD/LB CBB, adds: "Given the increasing demands, working together will make it easier for us to maintain the factors that already distinguish both subsidiaries today, i.e. winning over our customers with tailored offers and advisory services and implementing technical innovations quickly".

In future, NORD/LB CBB's business areas will be divided into three distinct divisions. In the Loans division, the loan business will be pooled in cooperation with units of the NORD/LB Group. The Financial Markets & Sales division will include covered bond issues, interest rate, liquidity and currency management and the Fixed Income Sales Europe team. The Client Services & B2B division will offer services for external asset managers, e.g. account/securities account management, as well as other B2B services for Group units and third-party customers.

"We will endeavour to present our bank to investors once or twice a year. By doing so, our investors will be able to take advantage of an even larger and more specialised range of advisory services and products. Our aim is to build up a covered bond curve in Luxembourg", explains Mr Veit. "Thanks to our business model, we have laid the foundations for structural growth and higher issue volumes. By merging both banks and creating the associated synergy effects, we are now able to consistently pursue the stringent cost management strategy that we previously adopted", adds Mr Schmidt.

For further information, visit www.nordlb.lu.