

## PROSPECTUS SUPPLEMENT DATED 14 FEBRUARY 2019



*(incorporated as a limited liability company (société anonyme) in Luxembourg under Luxembourg law and registered with the Register of Commerce and Companies of Luxembourg under number B 10405 and having its registered office at 7, rue Lou Hemmer, L-1748 Luxembourg-Findel (the “Issuer” or “NORD/LB CBB”))*

### **EUR 10,000,000,000 Programme for the Issuance of Debt Instruments**

This supplement (the “**Third Supplement**”) dated 14 February 2019 to the prospectus dated 24 April 2018, as supplemented by the First Supplement dated 7 September 2018 (the “**First Supplement**”) and the Second Supplement dated 28 December 2018 (the “**Second Supplement**”) which comprises two base prospectuses within the meaning of Art. 22 (6) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended, (the “**Prospectus**”) constitutes a prospectus supplement for the purposes of Article 13.1 of Chapter 1 of Part II of the Luxembourg law on prospectuses for securities dated 10 July 2005, as amended (the “**Luxembourg Law on Prospectuses**”), and is prepared in connection with the EUR 10,000,000,000 Programme for the Issuance of Debt Instruments (the “**Programme**”) established by the Issuer.

The **Third Supplement** has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority and will be published in electronic form on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>) and on the website of the Issuer (<http://www.nordlb.lu>), respectively. By approving the **Third Supplement**, the CSSF does not give any undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer.

The **Third Supplement** is supplemental to, and should be read in conjunction with, the Prospectus. Terms defined in the Prospectus have the same meaning when used in the **Third Supplement**.

The Issuer accepts responsibility for the information contained in the **Third Supplement** relating to the Programme and declares that the information contained in the **Third Supplement** is, to the best of its knowledge, in accordance with the facts and that no material circumstances have been omitted.

## **PURPOSE OF THE THIRD SUPPLEMENT**

The **Third** Supplement has been prepared due to the publication of insider information pursuant to Article 17 of Regulation (EU) No. 596/2014 (Ad hoc Releases) by NORD/LB Norddeutsche Landesbank – Girozentrale – on 31 January 2019 and on 2 February 2019.

## **OVERALL AMENDMENTS**

*If reference is made in the base prospectus dated 24 April 2018 to "Prospectus", then the respective reference includes all changes made by the First Supplement, the Second Supplement and the Third Supplement.*

## I. SUPPLEMENTAL INFORMATION RELATING TO SECTION

### “I. SUMMARY”

*On page 11 of the Prospectus the information in “Section B – Issuer” under “Element B.13” “Description of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer’s solvency” the sub-chapter with the sub-heading “EU-wide stress tests” shall be replaced by the following information:*

“The European Banking Authority (“**EBA**”) has published on 31 January 2018 the final timetable and the macroeconomic scenarios for a further EU-wide stress test in 2018 following a comprehensive assessment and initial stress tests in 2014 and 2016. The stress test covered all relevant risk areas and, for the first time, incorporated IFRS 9 accounting standards. NORD/LB Girozentrale was one of the 48 credit institutions subject to the 2018 stress test. NORD/LB Girozentrale has concluded the Europe-wide bank stress test with a CET1 ratio of 7.07 percent in the adverse scenario.”

*On pages 11 to 12 of the Prospectus the information in “Section B – Issuer” under “Element B.13” “Description of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer’s solvency” the sub-chapter with the sub-heading “Transformation Programme and Reinforcing Capital Ratio” shall be deleted after its fourth paragraph and shall be replaced by the following information:*

“Since the beginning of 2018 capital requirements have continued to increase. NORD/LB is working together with its owners on a comprehensive concept to reinforce its capital ratios. In this context considerations for the further improvement of the business model and measures for the strategic, corporate and organizational realignment of the entire Group are being examined.”

On 2 February 2019, NORD/LB initiated the following publication of insider information pursuant to Article 17 of Regulation (EU) No. 596/2014 (Ad hoc Release):

**“Norddeutsche Landesbank - Girozentrale - :  
Owners (Träger) of NORD/LB decide to focus on a joint solution with the DSGV in the public sector.**

**Risk provisions in connection with a significant ship financing portfolio transaction lead to an annual loss and a temporary decrease in capital ratios.**

Hannover, 2 February 2019:

At today's meeting of the owners (Trägerversammlung) of Norddeutsche Landesbank – Girozentrale – (“NORD/LB”) - the State of Lower Saxony, the State of Saxony-Anhalt, the Association of the Savings Banks of Lower Saxony (Sparkassenverband Niedersachsen) as well as the Holding Association of the Savings Banks of Saxony-Anhalt (Sparkassenbeteiligungsverband Sachsen-Anhalt) and the Special Purpose Holding Association of the Savings Banks of Mecklenburg-Western Pomerania (Sparkassenbeteiligungszweckverband Mecklenburg-Vorpommern) (together referred to as the “Owners” (Träger)) –, the Owners decided, following a detailed evaluation of a joint bid by two financial investors submitted as part of a

bidding process, to postpone this option for the time being and to focus on a joint solution with the German Savings Banks and Giro Association (Sparkassen- und Giroverband e.V.) ("DSGV") in the public sector.

After representatives of the DSGV and the Owners have discussed the key points of this proposed solution for the capital strengthening and realignment of the bank with the relevant supervisory authorities on 1 February 2019, this solution will be specified in further meetings with the DSGV and must be discussed with the relevant supervisory authorities as well as the EU Commission under aspects of State Aid Law.

In light of these forthcoming measures to strengthen the capital base of the bank, the management board of NORD/LB and its Owners have decided in their today's meetings to transfer a significant part of the ship financing portfolio of NORD/LB in a volume of approximately EUR 2.7 billion to an external investor by way of a portfolio transaction. This portfolio contains approximately 90 % of non-performing loans ("NPL").

In addition, the management board of the bank has decided to create a comprehensive additional risk provision for the entire NPL portfolio for the 2018 financial year, resulting in a total risk provision for the 2018 financial year of up to EUR 2.5 billion.

Based on the currently available figures for the 2018 financial year, this will result in an annual loss for the NORD/LB group of approximately EUR 2.7 billion after tax. The result in accordance with HGB (German Commercial Code (Handelsgesetzbuch)) for the 2018 financial year will show an annual loss of approximately EUR 2.5 billion after tax.

The aforementioned loss for the 2018 financial year will have a corresponding effect on the capital ratios in such a way that the common equity tier 1 capital ratio will decrease to about 6 to 6.5 % and thus the thresholds required by supervisory law will temporarily not be met. The supervisory authority has been informed about this and will request a specific capital plan from NORD/LB in the coming weeks. NORD/LB will draw up such a capital plan on the basis of today's resolution by the Owners with regard to the DSGV's proposed solution and assumes that with the implementation of the measures contained therein for the capital strengthening and realignment of the bank, the capital ratios will again increase significantly and meet all regulatory requirements."

## **II. SUPPLEMENTAL INFORMATION RELATING TO SECTION**

### **"I. ZUSAMMENFASSUNG"**

*On page 31 of the Prospectus the information in "Abschnitt B – Emittentin" under "Element B.13" "Beschreibung aller Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit des Emittenten, die für die Bewertung seiner Zahlungsfähigkeit in hohem Maße relevant sind"" the sub-chapter with the sub-heading "EU-weite Stresstests" shall be replaced by the following information:*

Die Europäische Bankenaufsichtsbehörde („EBA“) hat am 31. Januar 2018 im Anschluss an eine umfassende Überprüfung und erste Stresstests in den Jahren 2014 und 2016 den endgültigen Zeitplan und die makroökonomischen Szenarien für einen weiteren EU-weiten Stresstest im Jahr 2018 veröffentlicht. Der Stresstest deckte alle relevanten Risikobereiche ab und berücksichtigte zum ersten Mal IFRS 9 Rechnungslegungsstandards. Die NORD/LB Girozentrale war eines von 48 Kreditinstituten, die dem Stresstest des Jahres 2018 unterliegen unterlagen. Die NORD/LB

Girozentrale hat den europaweiten Banken-Stresstest mit einer CET1-Quote von 7,07 Prozent im adversen Szenario abgeschlossen.

*On pages 31 to 32 of the Prospectus the information in "Abschnitt B – Emittentin" under "Element B.13 – Beschreibung aller Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit des Emittenten, die für die Bewertung seiner Zahlungsfähigkeit in hohem Maße relevant sind" the sub-chapter with the sub-heading „Transformationsprogramm und Kapitalstärkung“ shall be deleted after its fourth paragraph and shall be replaced by the following information:*

„Seit Jahresbeginn 2018 steigen die Anforderungen an die Kapitalausstattung weiter an. Die NORD/LB arbeitet gemeinsam mit ihren Eigentümern an einem umfassenden Konzept zur Stärkung ihrer Kapitalquoten. Dabei werden u.a. Überlegungen zur Weiterentwicklung des Geschäftsmodells angestellt und Maßnahmen zur strategischen, gesellschaftsrechtlichen und organisatorischen Neuausrichtung des gesamten Konzerns geprüft.“

Am 2. Februar 2019 hat die NORD/LB in diesem Zusammenhang folgende Veröffentlichung von Insiderinformationen nach Artikel 17 der Verordnung (EU) Nr. 596/2014 (Ad-hoc Meldung) veranlasst:

**„Norddeutsche Landesbank – Girozentrale – :  
Träger der NORD/LB beschließen, sich auf eine gemeinsame Lösung mit dem DSGV im öffentlich-rechtlichen Sektor zu fokussieren.**

**Risikovorsorge in Zusammenhang mit dem Abschluss einer maßgeblichen  
Schiffsfinanzierungsportfolio-Transaktion führt zu Jahresverlust und dem zeitweisen  
Unterschreiten von Kapitalquoten.**

Hannover, 02.02.2019:

Die Eigentümer der Norddeutschen Landesbank Girozentrale ("NORD/LB") - das Land Niedersachsen, das Land Sachsen-Anhalt, der Sparkassenverband Niedersachsen sowie der Sparkassenbeteiligungsverband Sachsen-Anhalt und der Sparkassenbeteiligungszweckverband Mecklenburg-Vorpommern (zusammen „Träger“) - haben in ihrer heutigen Sitzung der Trägerversammlung nach eingehender Bewertung eines gemeinsamen Angebots zweier Finanzinvestoren, das im Rahmen eines Bieterverfahrens abgegeben wurde, beschlossen, diese Option zunächst zurückzustellen, und sich auf eine gemeinsame Lösung mit dem Deutschen Sparkassen- und Giroverband e.V. ("DSGV") im öffentlich-rechtlichen Sektor zu fokussieren.

Nachdem am 01.02.2019 Vertreter des DSGV und der Träger die Eckpunkte dieses Lösungsvorschlags zur Kapitalstärkung und Neuausrichtung mit den maßgeblichen Aufsichtsbehörden erörtert haben, wird diese Lösung in weiteren Gesprächen mit dem DSGV konkretisiert werden und muss mit den maßgeblichen Aufsichtsbehörden sowie unter beihilferechtlichen Aspekten mit der EU-Kommission abgestimmt werden.

Auf der Grundlage dieser bevorstehenden Maßnahmen zur Kapitalstärkung haben der Vorstand und die Träger der NORD/LB in ihren heutigen Sitzungen weiterhin beschlossen, im Rahmen einer Portfoliotransaktion mit einem externen Investor einen signifikanten Teil des Schiffsfinanzierungsportfolios der NORD/LB in einem Volumen von ca. EUR 2,7 Mrd. auf diesen zu übertragen. Dieses Portfolio hat einen Anteil an Non Performing Loans ("NPL") von ca. 90%.

Darüber hinaus hat der Vorstand entschieden, für das gesamte NPL-Portfolio für das Geschäftsjahr 2018 eine umfangreiche zusätzliche Risikovorsorge zu bilden, so dass sich eine Gesamtrisikovorsorge für das Geschäftsjahr 2018 in Höhe von bis zu EUR 2,5 Mrd. ergibt.

Dies wird basierend auf den aktuell vorliegenden Zahlen für das Geschäftsjahr 2018 zu einem Jahresverlust in Höhe von ca. EUR 2,7 Mrd. nach Steuern für den Konzern führen. Das HGB-Ergebnis des Geschäftsjahres 2018 wird einen Jahresverlust in Höhe von ca. EUR 2,5 Mrd. nach Steuern aufweisen.

Der o.g. Verlust für das Geschäftsjahr 2018 wird sich dahingehend auf die Kapitalquoten auswirken, dass die harte Kernkapitalquote auf ca. 6 – 6,5% absinken wird und damit aufsichtsrechtlich geforderte Schwellen zeitweise unterschritten werden. Die Aufsicht wurde hierüber informiert und wird in den kommenden Wochen von der NORD/LB einen konkreten Kapitalplan anfordern. Auf der Grundlage des heutigen Beschlusses der Träger in Hinsicht auf den Lösungsvorschlags des DSGV wird die NORD/LB einen solchen Kapitalplan aufstellen und geht davon aus, dass mit Umsetzung der darin enthaltenen Maßnahmen zur Kapitalstärkung und Neuausrichtung die Kapitalquoten wieder deutlich ansteigen und allen aufsichtsrechtlichen Anforderungen entsprechen werden.“

### **III. SUPPLEMENTAL INFORMATION RELATING TO SECTION**

#### **“II. RISK FACTORS”**

*On page 58 of the Prospectus the information in “2. Risk factors relating to regulatory aspects concerning credit institutions in general” the sub-chapter with the sub-heading „Stress tests and similar excercises may adversely affect the business of NORD/LB Girozentrale and its subsidiaries“ the second paragraph shall be deleted and shall be replaced by the following information:*

“On 31 January 2018 EBA launched its 2018 EU-wide stress test exercise and released the macroeconomic scenarios. The stress test covered all relevant risk areas and, for the first time, incorporated IFRS 9 accounting standards. NORD/LB Girozentrale was one of the 48 credit institutions subject to the 2018 stress test. NORD/LB Girozentrale has concluded the Europe-wide bank stress test with a CET1 ratio of 7.07 percent in the adverse scenario.”

## IV. SUPPLEMENTAL INFORMATION RELATING TO SECTION

### “IV. DESCRIPTION OF NORD/LB LUXEMBOURG S.A. COVERED BOND BANK”

*On page 70 of the Prospectus in chapter “4. Recent events in the business activities of NORD/LB CBB” the sub-chapter with the sub-heading “EU-wide stress tests” shall be deleted and shall be replaced by the following information:*

“The European Banking Authority (“EBA”) has published on 31 January 2018 the final timetable and the macroeconomic scenarios for a further EU-wide stress test in 2018 following a comprehensive assessment and initial stress tests in 2014 and 2016. The stress test covered all relevant risk areas and, for the first time, incorporated IFRS 9 accounting standards. NORD/LB Girozentrale was one of the 48 credit institutions subject to the 2018 stress test. NORD/LB Girozentrale has concluded the Europe-wide bank stress test with a CET1 ratio of 7.07 percent in the adverse scenario.”

*On pages 70 to 71 of the Prospectus in chapter “4. Recent events in the business activities of NORD/LB CBB” the sub-chapter with the sub-heading „Transformation Programme and Reinforcing Capital Ratio “ shall be deleted after its fourth paragraph and shall be replaced by the following information:*

“Since the beginning of 2018 capital requirements have continued to increase. NORD/LB is working together with its owners on a comprehensive concept to reinforce its capital ratios. In this context considerations for the further improvement of the business model and measures for the strategic, corporate and organizational realignment of the entire Group are being examined.”

On 2 February 2019, NORD/LB initiated the following publication of insider information pursuant to Article 17 of Regulation (EU) No. 596/2014 (Ad hoc Release):

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Owners (Träger) of NORD/LB decide to focus on a joint solution with the DSGV in the public sector.**

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Hannover, 2 February 2019:

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German Savings Banks and Giro Association (Sparkassen- und Giroverband e.V.) ("DSGV") in the public sector.

After representatives of the DSGV and the Owners have discussed the key points of this proposed solution for the capital strengthening and realignment of the bank with the relevant supervisory authorities on 1 February 2019, this solution will be specified in further meetings with the DSGV and must be discussed with the relevant supervisory authorities as well as the EU Commission under aspects of State Aid Law.

In light of these forthcoming measures to strengthen the capital base of the bank, the management board of NORD/LB and its Owners have decided in their today's meetings to transfer a significant part of the ship financing portfolio of NORD/LB in a volume of approximately EUR 2.7 billion to an external investor by way of a portfolio transaction. This portfolio contains approximately 90 % of non-performing loans ("NPL").

In addition, the management board of the bank has decided to create a comprehensive additional risk provision for the entire NPL portfolio for the 2018 financial year, resulting in a total risk provision for the 2018 financial year of up to EUR 2.5 billion.

Based on the currently available figures for the 2018 financial year, this will result in an annual loss for the NORD/LB group of approximately EUR 2.7 billion after tax. The result in accordance with HGB (German Commercial Code (Handelsgesetzbuch)) for the 2018 financial year will show an annual loss of approximately EUR 2.5 billion after tax.

The aforementioned loss for the 2018 financial year will have a corresponding effect on the capital ratios in such a way that the common equity tier 1 capital ratio will decrease to about 6 to 6.5 % and thus the thresholds required by supervisory law will temporarily not be met. The supervisory authority has been informed about this and will request a specific capital plan from NORD/LB in the coming weeks. NORD/LB will draw up such a capital plan on the basis of today's resolution by the Owners with regard to the DSGV's proposed solution and assumes that with the implementation of the measures contained therein for the capital strengthening and realignment of the bank, the capital ratios will again increase significantly and meet all regulatory requirements."



To the extent that there is any inconsistency between (a) any statement in the Third Supplement and (b) any other statement in the Prospectus as amended by the First Supplement and the Second Supplement, the statements in (a) above will prevail.

Save as disclosed in the First Supplement, Second Supplement and Third Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

**In accordance with Article 13 paragraph 2 of Chapter 1 of Part II of the Luxembourg Law on Prospectuses investors who have already agreed to purchase or subscribe for instruments offered by way of a public offer before the Third Supplement is published shall have the right, exercisable within a time limit of two working days after the publication of the Third Supplement, i.e. until 18 February 2019, to withdraw their acceptances.**

The First Supplement, Second Supplement and Third Supplement as well as the Prospectus are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and the website of the Issuer ([www.nordlb.lu](http://www.nordlb.lu)).