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Covered Bond Bank
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NORD/LB CBB presents the worldwide first green covered bond based on legislation - Lettre de Gage énergies renouvelables

NORD/LB Luxembourg S.A. Covered Bond Bank (NORD/LB CBB) issued on 20 January 2020 a green covered bond Lettre de Gage énergies renouvelables with a maturity of 5 years and a volume of EUR 300 million. Thus NORD/LB CBB makes its debut as green covered bond issuer. By funding renewable energy projects, NORD/LB CBB intends to make its contribution to a more environmentally friendly and sustainable European Economy.

The final order book that closed at 10.45 a.m. was above EUR 1.1 billion with more than 80 investors involved in the new green covered bond, achieving the highest bid-to-cover ratio of any EUR covered bond ever issued by NORD/LB CBB. The majority of investors came from Germany, accounting for 52%, followed by investors from Austria and Switzerland at 11% and buyers from BeNeLux (8%), Nordics (6%), UK (6%), France (5%), CEMEA (5%), Southern Europe (4%) and Asia (3%). In terms of investor type, fund manager took 42% with the remaining going to banks (41%), central banks (14%) and insurance companies (2%).

The bond has a coupon of 0.05% and was issued at 23 basis points above mid-swap rate. The bond, which will be rated by rating agency Moody's at (P)Aa2 is approved for trade at the green stock exchange in Luxembourg.

The Luxembourg financial centre plays an active role in mobilizing capital to mitigate climate change. Looking on one way to do that, Luxembourg became the first country in the world to establish a legal framework for renewable energy covered bonds in 2018, the Lettres de Gage énergies renouvelables.

Press information

Luxembourg's Minister of Finance, Pierre Gramegna, says: "NORD/LB CBB marks an important milestone with this pioneering issue based on Luxembourg's innovative green covered bond law, the first dedicated legal framework of its kind in the world. With a view to encouraging investments in green and climate-mitigating projects, the Luxembourg law introduced a new category of covered bond linked to renewable projects, establishing strict criteria to ensure the "greenness" of the product while benefitting from the security features that are inherent to the covered bond asset class. I am convinced that today's successful issuance of NORD/LB CBB's green covered bond which is listed on the Luxembourg Green Exchange, already home to more than 50% of the world's listed green bonds, will inspire other issuers to follow suit and help to further cement Luxembourg's role as one of the leading green financial centres in the world."

Thorsten Schmidt, Member of the Managing Board of NORD/LB CBB, added: "We very successfully launched our inaugural Lettre de Gage énergies renouvelables to the market with a EUR 300 million issue. The demand was overwhelming, with the order book being almost four times oversubscribed. The interest of investors for our Lettres de Gage Renewable Energy demonstrates the importance of innovations in the green market, which meets the spirit of the time and the increasing demand from investors for green products. This product innovation was made possible by a modern financial centre like Luxembourg."

For further information regarding NORD/LB CBB's Lettres de Gage Renewable Energy please see [www.nordlb.lu/Green Covered Bond](http://www.nordlb.lu/Green%20Covered%20Bond).

NORD/LB Luxembourg S.A. Covered Bond Bank

NORD/LB Luxembourg S.A. Covered Bond Bank is a 100% subsidiary of NORD/LB Norddeutsche Landesbank - Girozentrale - with its head office in Luxembourg and total assets of € 16.5 billion (as of 30 June 2019). Its principal line of business is the issuance of covered bonds according to Luxembourg financial sector law (Lettres de Gage publiques and Lettres de Gage Renewable Energy).