

First Supplement  
Dated **22** September 2020  
to the Debt Issuance Programme dated 8 May 2020

*This document constitutes a supplement within the meaning of Article 23 of Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") to the following base prospectuses of NORD/LB Luxembourg S.A. Covered Bond Bank ("**NORD/LB CBB**" or the "**Issuer**").*

This supplement dated **22** September 2020 (the "**First Supplement**" or "**Supplement**") is the Supplement No. 1 regarding the



**EUR 10,000,000,000**  
**Programme for the Issuance of Debt Instruments**  
(the "**Programme**" or "Prospectus")

This Supplement is supplemental to, and should be read in conjunction with the Prospectus dated 8 May 2020. Therefore, with respect to future issues of Instruments under the Programme of the Issuer, references in the Final Terms to the Prospectus are to be read as references to the Prospectus as supplemented by this Supplement.

The Issuer has requested the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the "**CSSF**") as competent authority under the Prospectus Regulation and the Luxembourg act relating to prospectuses for securities dated 16 July 2019 (Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129, as amended - the "**Luxembourg Law**") to approve this Supplement and to provide the competent authorities in the Federal Republic of Germany with a certificate of approval attesting that the Supplement has been drawn up in accordance with the Prospectus Regulation ("**Notification**"). The Issuer may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area with a Notification.

This Supplement has been approved by the CSSF, has been filed with said authority and will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and the Issuer respectively and on the website of the Issuer ([https://www.nordlb.lu/online/www/menu\\_top/invrel/refinancing/DEU/619.html](https://www.nordlb.lu/online/www/menu_top/invrel/refinancing/DEU/619.html)), respectively.

## **Responsibility**

NORD/LB Luxembourg S.A. Covered Bond Bank, as of L-1748 Luxembourg-Findel, 7, rue Lou Hemmer, is solely responsible for the information given in this Supplement. The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Terms defined or otherwise attributed meanings in the Prospectus have the same meaning in this Supplement.

To the extent that there is any inconsistency between any statement in this Supplement and any other statement in or incorporated by reference into the Prospectus, the statements in this Supplement will prevail.

The Issuer has confirmed to the Dealers that the Prospectus as supplemented by this Supplement contains all information with regard to the Issuer and the Instruments which is material in the context of the Programme and the issue and offering of Instruments thereunder, the information contained therein with respect to the Issuer and the Instruments is accurate in all material respects and is not misleading, the opinions and intentions expressed therein with respect to the Issuer and the Instruments are honestly held, there are no other facts with respect to the Issuer or the Instruments the omission of which would make the Prospectus as supplemented by this Supplement misleading in any material respect, and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

No person has been authorized to give any information which is not contained in or not consistent with the Prospectus as supplemented by this Supplement or any other document entered into in relation to the Programme or any information supplied by any Issuer or such other information as in the public domain and, if given or made, such information must not be relied upon as having been authorized by or on behalf of the Issuer or any of the Dealers.

To the extent permitted by the laws of any relevant jurisdiction, neither the Arranger nor any Dealer nor any other person mentioned in the Prospectus as supplemented by this Supplement, excluding the Issuer, is responsible for the information contained in the Prospectus as supplemented by this Supplement or any Final Terms or any other document incorporated therein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

## **Withdrawal Right**

**In accordance with Article 23 paragraph 2 of the Prospectus Regulation, where the Prospectus relates to an offer of Instruments to the public, investors who have already agreed to purchase or subscribe for the Instruments before this Supplement is published have the right, exercisable within two working days after the publication of this Supplement, until 24 September 2020, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in Article 23 paragraph 1 of the Prospectus Regulation arose or was noted before the closing of the offer period or the delivery of the Instruments, whichever occurs first.**

**Investors wishing to exercise their right of withdrawal may contact NORD/LB Luxembourg S.A. Covered Bond Bank, as of L-1748 Luxembourg-Findel, 7, rue Lou Hemmer.**

## **PURPOSE OF THE FIRST SUPPLEMENT**

The First Supplement has been prepared in the course of the publication of the Condensed Interim Financial Statements ("Verkürzter Zwischenbericht") of the Issuer as of 30 June 2020 on 7 September 2020.

In the light of further developments concerning the coronavirus SARS-CoV-2 ("Coronavirus"), the presentation in the base prospectuses, as recommended by ESMA, will be updated accordingly with regard to possible effects of the coronavirus, in particular as regards risk factors.

## **OVERALL AMENDMENTS**

*If reference is made in the base prospectus dated 8 May 2020 to "Prospectus", then the respective reference includes all changes made by the First Supplement.*

**1. Chapter “II. Risks Factors“ „1.3 Risks related to the Issuer’s business activities“ the subchapter „Risks related to the effects of current political, economic and other developments“ on pages 15-16 will be replaced as follows:**

“In view of uncertain global economic developments such as geopolitical tensions and the unpredictability of market disruptions due to political or economic developments such as U.S. trade policy, the effects of the Brexit, an easing or worsening of the sovereign debt crisis and the ongoing phase of low interest rates, deviations from the planning assumptions of the economic forecast with regard to yield curves, exchange rate forecasts and the economic situation may occur in. Such or similar events could have a negative effect on the net worth, financial position and earnings of NORD/LB and its Subsidiaries. Furthermore, potential new regulatory requirements, the level of the bank levies and expenses for deposit protection systems may pose a risk to the Issuer’s equity ratio. It cannot be ruled out that the further developments regarding the Corona crisis will have a significant negative impact on the earnings figures planned for the Issuer and the Group as a whole for the 2020 financial year and beyond. Negative effects may arise in particular with regard to risk provisions, net interest income and the fair value result, with corresponding consequences for balance sheet and regulatory capital and regulatory ratios. This may also result in considerable liquidity risks. As a result of the decline in income and possible negative effects on the allowance for losses on loans and advances, the NORD/LB Group is expected to show a negative result overall in 2020, despite declining administrative expenses and lower expenses for restructuring. Due to the macroeconomic situation described above and in the context of the COVID 19 pandemic, the statements made above are subject to a high degree of uncertainty and may change in the future. In particular, it cannot be ruled out that the further development of the risk provision until the end of the year will differ from the current estimates. For this reason, it is not possible to make more concrete statements on the results for 2020 at present. “

**2. Chapter “II. Risks Factors“ „1.3 Risks related to the Issuer’s business activities“ in the subchapter „Risks related to Coronavirus Sars-CoV-2 (COVID-19)“ on pages 16-17 the fourth and seventh paragraph will be replaced as follows:**

“Effects from the COVID-19 pandemic are reflected in particular in the net valuation result from financial assets not measured at fair value through profit or loss in the form of increased risk provisioning requirements. Increased risk provisioning requirements were identified in particular for one exposure in the hotel sector and exposures in shipping. A decision was also taken within the NORD/LB Group to establish a management adjustment (MAC-19) for performing loans in accordance with IFRS 9, to anticipate short-term effects on loan loss provisions in accordance with IFRS as early as in the 2020 interim financial statements. The objective of the MAC-19 is to take into account the expected effects of the COVID-19 pandemic in risk provisioning at the end of the year. Here the focus is on effects from expected rating downgrades. For NORD/LB CBB, the amount posted to hedge against the expected effects from the COVID-19 pandemic amounts to € 1.0 million. In the first six months of the year, NORD/LB CBB did not grant any

deferrals of interest and principal payments within the scope of the state-organised moratorium on consumer loan agreements.

...

It cannot be excluded that further developments regarding the corona crisis will have a significant negative impact on the earnings figures planned for the individual segments and the NORD/LB Group as a whole and the NORD/LB CBB for the 2020 financial year and beyond. Negative effects may arise in particular with regard to risk provisioning, net interest income and the fair value result, with corresponding consequences for balance sheet and regulatory capital and regulatory ratios. This may also result in considerable liquidity risks due to restrictions in the money and interbank lending markets and an eventual increase in creditors defaulting on their payment obligations to the Issuer. Due to the described macroeconomic situation and in the context of the COVID 19 pandemic, the statements made above are subject to a high degree of uncertainty and may change in the future. In particular, it cannot be ruled out that the further development of the risk provision until the end of the year will differ from the current estimates. For this reason, it is not possible to make more concrete statements on the results for 2020 at present. “

3. **Chapter “IV. Description of NORD/LB LUXEMBOURG S.A. COVERED BOND BANK.”, “Recent events in the business activities of NORD/LB CBB” on page 33 will be added at the end as follows:**

#### **“COVID-19 Pandemic**

Due to the COVID-19 pandemic, NORD/LB CBB established a crisis prevention management system at the beginning of March 2020, the organisation of which is based on existing emergency and crisis management. It comprises a situation team (“Lageteam”) and a management team (“Krisenstab”). Both committees comprise representatives from the various divisions involved. Their task is to observe the situation on an ongoing basis, to assess it and to develop and implement measures. The objective is firstly to guarantee the protection of employee's health at all times and secondly to ensure the operability of NORD/LB CBB.

The NORD/LB CBB processes were stable at all times; there were no failures.

An end to crisis prevention management is currently not yet scheduled.

#### **Coronavirus guidelines for the lending business**

In order to face the COVID-19 pandemic appropriately, NORD/LB CBB (in line with NORD/LB), taking into consideration the coronavirus-related reliefs approved by BaFin, has adopted special regulations for the lending business, which deviate from the standard loan process. Simplified documentation obligations for coronavirus-determined rating shifts were likewise regulated.

## Consequences of the COVID-19 pandemic

Effects from the COVID-19 pandemic are reflected in particular in the net valuation result from financial assets not measured at fair value through profit or loss in the form of increased risk provisioning requirements. Increased risk provisioning requirements were identified in particular for one exposure in the hotel sector and exposures in shipping. A decision was also taken within the NORD/LB Group to establish a management adjustment (MAC-19) for performing loans in accordance with IFRS 9, to anticipate short-term effects on loan loss provisions in accordance with IFRS as early as in the 2020 interim financial statements. The objective of the MAC-19 is to take into account the expected effects of the COVID-19 pandemic in risk provisioning at the end of the year. Here the focus is on effects from expected rating downgrades. For NORD/LB CBB, the amount posted to hedge against the expected effects from the COVID-19 pandemic amounts to € 1.0 million. In the first six months of the year, NORD/LB CBB did not grant any deferrals of interest and principal payments within the scope of the state-organised moratorium on consumer loan agreements.

It cannot be excluded that further developments regarding the corona crisis will have a significant negative impact on the earnings figures planned for the individual segments and the NORD/LB Group as a whole and the NORD/LB CBB for the 2020 financial year and beyond. Negative effects may arise in particular with regard to risk provisioning, net interest income and the fair value result, with corresponding consequences for balance sheet and regulatory capital and regulatory ratios. This may also result in considerable liquidity risks due to restrictions in the money and interbank lending markets and an eventual increase in creditors defaulting on their payment obligations to the Issuer. Due to the described macroeconomic situation and in the context of the COVID 19 pandemic, the statements made above are subject to a high degree of uncertainty and may change in the future. In particular, it cannot be ruled out that the further development of the risk provision until the end of the year will differ from the current estimates. For this reason, it is not possible to make more concrete statements on the results for 2020 at present. “

4. **Chapter “IV. Description of “NORD/LB LUXEMBOURG S.A. COVERED BOND BANK.“, subchapter “7. Information on trends” the subchapter “Material adverse changes in the issuer's prospects” on pages 38-39 the fifth and eighth paragraph shall be deleted and replaced as follows:**

“Effects from the COVID-19 pandemic are reflected in particular in the net valuation result from financial assets not measured at fair value through profit or loss in the form of increased risk provisioning requirements. Increased risk provisioning requirements were identified in particular for one exposure in the hotel sector and exposures in shipping. A decision was also taken within the NORD/LB Group to establish a management adjustment (MAC-19) for performing loans in accordance with IFRS 9, to anticipate short-term effects on loan loss provisions in accordance with IFRS as early as in the 2020 interim financial statements. The objective of the MAC-19 is to take into account the expected effects of the COVID-19 pandemic in risk provisioning at the

end of the year. Here the focus is on effects from expected rating downgrades. For NORD/LB CBB, the amount posted to hedge against the expected effects from the COVID-19 pandemic amounts to € 1.0 million. In the first six months of the year, NORD/LB CBB did not grant any deferrals of interest and principal payments within the scope of the state-organised moratorium on consumer loan agreements.

...

It cannot be excluded that further developments regarding the corona crisis will have a significant negative impact on the earnings figures planned for the individual segments and the NORD/LB CBB for the 2020 financial year and beyond. Negative effects may arise in particular with regard to risk provisioning, net interest income and the fair value result, with corresponding consequences for balance sheet and regulatory capital and regulatory ratios. This may also result in considerable liquidity risks due to restrictions in the money and interbank lending markets and an eventual increase in creditors defaulting on their payment obligations to the Issuer. Due to the described macroeconomic situation and in the context of the COVID 19 pandemic, the statements made above are subject to a high degree of uncertainty and may change in the future. In particular, it cannot be ruled out that the further development of the risk provision until the end of the year will differ from the current estimates. For this reason, it is not possible to make more concrete statements on the results for 2020 at present. "

5. **Chapter "IV. Description of "NORD/LB LUXEMBOURG S.A. COVERED BOND BANK.", subchapter "7. Information on trends" the subchapter "Significant changes in the financial performance of the group" on page 39 shall be deleted and replaced as follows:**

***"Significant changes in the financial performance of the Issuer***

There has been no significant change in the financial performance of the Issuer since the end of the last financial period for which interim financial information has been published (30 June 2020) to the date of this First Supplement."

6. **Chapter "IV. Description of "NORD/LB LUXEMBOURG S.A. COVERED BOND BANK.", "7. Information on trends" the subchapter "Known trends affecting the Issuer, the NORD/LB Group and the industries in which it operates" on page 39 a new paragraph one shall be added as follows:**

"At the end of June 2020, an amendment to parts of the CRR ("CRR quick fix") entered into force at EU level, which were essentially intended by the EU institutions as ad hoc facilitations for EU credit institutions in the context of the COVID 19 pandemic and were therefore considered to be immediate.

From the point of view of the Issuer, a significant change relates to facilitations in the deduction of intangible assets from core capital. The Issuer implemented this facilitation as of 30 June 2020."

**and the ninth and twelfth paragraph on page 40 will be deleted and replaced as follows:**

“Effects from the COVID-19 pandemic are reflected in particular in the net valuation result from financial assets not measured at fair value through profit or loss in the form of increased risk provisioning requirements. Increased risk provisioning requirements were identified in particular for one exposure in the hotel sector and exposures in shipping. A decision was also taken within the NORD/LB Group to establish a management adjustment (MAC-19) for performing loans in accordance with IFRS 9, to anticipate short-term effects on loan loss provisions in accordance with IFRS as early as in the 2020 interim financial statements. The objective of the MAC-19 is to take into account the expected effects of the COVID-19 pandemic in risk provisioning at the end of the year. Here the focus is on effects from expected rating downgrades. For NORD/LB CBB, the amount posted to hedge against the expected effects from the COVID-19 pandemic amounts to € 1.0 million. In the first six months of the year, NORD/LB CBB did not grant any deferrals of interest and principal payments within the scope of the state-organised moratorium on consumer loan agreements.

...

It cannot be excluded that further developments regarding the corona crisis will have a significant negative impact on the earnings figures planned for the individual segments and the NORD/LB CBB for the 2020 financial year and beyond. Negative effects may arise in particular with regard to risk provisioning, net interest income and the fair value result, with corresponding consequences for balance sheet and regulatory capital and regulatory ratios. This may also result in considerable liquidity risks due to restrictions in the money and interbank lending markets and an eventual increase in creditors defaulting on their payment obligations to the Issuer. Due to the described macroeconomic situation and in the context of the COVID 19 pandemic, the statements made above are subject to a high degree of uncertainty and may change in the future. In particular, it cannot be ruled out that the further development of the risk provision until the end of the year will differ from the current estimates. For this reason, it is not possible to make more concrete statements on the results for 2020 at present. “

**7. Chapter “IV. Description of “NORD/LB LUXEMBOURG S.A. COVERED BOND BANK.”, 10. Financial information on the Issuer” on page 43 the first two paragraphs shall be deleted and replaced as follows:**

“The Financial Statements 2018 and the Financial Statements 2019 as well as the relevant auditor’s reports of the independent auditors, the condensed interim financial statements of the NORD/LB CBB for the period from 1 January 2020 to 30 June 2020 are incorporated by reference into this Prospectus in section “General information”, item 6 “Incorporation by reference”. The financial information contained in this Prospectus provides a true and fair view of the financial position of NORD/LB CBB in accordance with the applicable accounting policies. The Financial Statements 2018 and the Financial Statements 2019 were prepared in accordance with the IFRS, as adopted by the EU. The Financial Statements 2018 and the Financial Statements 2019 and the respective auditor’s reports (Bestätigungsvermerke) contained in this Prospectus have been taken unchanged from the NORD/LB CBB Annual Reports for the financial years 2018 and 2019 (see section “General information”, item 4 “Display documents”). The unaudited, condensed interim financial statements for the period ended 30 June 2020 were



taken unchanged from the interim report of the NORD/LB CBB for the period ended 30 June 2020 (see section "General Information", item 4. "Display Documents").

Prior year adjustments related to the Financial Statements 2018 of NORD/LB CBB have been made in 2019. The adjustments are based on IAS 8.42. The adjusted figures are displayed in the Financial Statements 2019 of NORD/LB CBB.

The reasons for the adjustments are:

1. The disclosures on related parties in the financial statements as at 31 December 2018 showed incorrect guarantees and sureties received in respect of the parent company. This restatement has no impact on the figures in the balance sheet, income statement, cash flow statement or statement of changes in equity as at 31 December 2018.

2. In addition, on 31 December 2019 € 0.3 million of changes in lending provisions was moved from other operating profit/loss as at 31 December 2018 to net valuation allowance from financial instruments not measured at fair value through profit or loss. With the exception of the effects described above, there are no effects on the presentation of the values in the balance sheet, income statement, cash flow statement or statement of changes in equity as at 31 December 2018.

For more information, please refer to "Note (2) Restatement of Previous Year's Figures" (Anpassung der Vorjahreszahlen) of the Financial Statements 2019."

8. **Chapter "IV. Description of "NORD/LB LUXEMBOURG S.A. COVERED BOND BANK.", 10. Financial information on the Issuer" subparagraph "Significant changes in the financial position of NORD/LB CBB" on page 43 shall be deleted after its heading and replaced as follows:**

"Since 30 June 2020, the accounting date for the last published unaudited financial statements, there have been no significant changes in the financial position of the NORD/LB CBB."

9. **In chapter "IV. Description of "NORD/LB LUXEMBOURG S.A. COVERED BOND BANK.", "11. Regulatory key figures" on pages 44-45 shall be deleted and be replaced by the following:**

#### **"Regulatory Requirements regarding Minimum Capital**

According to Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (CRR), NORD/LB CBB must comply with legally prescribed minimum equity ratios for the supervisory capital ratios (Common Equity Tier 1 capital, Tier 1 capital and own funds) and it must have a capital buffer. The numerator for these minimum ratios is the relevant equity amount and the denominator is the relevant total risk exposure amount according to Art. 92 (3) CRR.

In addition to the statutory minimum equity ratios, the European Central Bank (ECB), as the supervisory authority responsible for NORD/LB and its significant subsidiaries, imposes individual minimum equity ratios on NORD/LB at Group level as part of the Supervisory Review and Evaluation Process (SREP). In the reporting period, this requirement applied to the total capital ratio and was 10.5 per cent. This requirement comprises the legal minimum total capital ratio as per CRR of 8.0 per cent and an additional 2.5 per cent ("Pillar 2 Requirement", or P2R).

The ECB may also impose individual minimum equity ratios on single-entity level but since 2018 there has been no Pillar 2 Requirement for NORD/LB CBB on single-entity level. Besides the minimum requirements laid down in Art. 92 CRR, the Issuer was required to maintain a combined capital buffer of around 2.6 per cent comprising the statutory capital conservation buffer of 2,5 per cent and an institution-specific anti-cyclical buffer weighted for all lending of around 0.1 per cent in the reporting period.

Because the combined capital buffer requirement has to be covered by Common Equity Tier 1 capital, in the reporting period the Issuer had to maintain an individual Common Equity Tier 1 capital ratio of around 7.1 per cent. With a view to the impact from the COVID-19 pandemic, the ECB has also permitted temporary shortfalls with respect to the capital buffer and the anti-cyclical buffer requirements; this shall apply as of the reporting period and up to the end of 2022.

NORD/LB CBB has always met the regulatory requirements regarding minimum capital ratios in the reporting period. Since 31 December 2019 the Common Equity Tier 1 capital ratio rose from 18.1 per cent to 23.5 per cent as at 30 June 2020. During the same period the total capital ratio of the Bank also rose from 18.2 percent to 23.7 percent.

The driving forces behind this development were a decline in the total risk exposure amount due to additional credit protection by NORD/LB and an increase in capital because of the retention of retained earnings.

#### **MREL ratio**

The NORD/LB Group complies with the minimum requirements for own funds and eligible liabilities (MREL) set by the supervisory authorities.

As of 30 June 2020 the ratio was 19.11%.

#### **LCR**

The Liquidity Coverage Ratio (LCR) of the Issuer amounted to 166.5 per cent as of 30 June 2020 (243.0 per cent as at 31 December 2019).

#### **Leverage ratio**

The Issuer's leverage ratio as at 30 June 2020 was 4.7 per cent (as at 31 December 2019 4.0 per cent)."

**10. In chapter "XII. GENERAL INFORMATION", subparagraph "5. Display documents" on page 292 shall be deleted and replaced by the following:**

"From the date hereof and at least throughout the life of this Prospectus, copies of the following documents (in the English and the German language as applicable) may be inspected in electronic form on the website (<http://www.nordlb.lu>):

- (i) the coordinated Articles of Association of the Issuer dated as of 30 August 2017;
- (ii) Annual Report of NORD/LB Luxembourg S.A. Covered Bond Bank for the fiscal year ended 31 December 2018;

- (iii) Annual Report of NORD/LB Luxembourg S.A. Covered Bond Bank for the fiscal year ended 31 December 2019;
- (iv) the Condensed Interim Financial Statements (“Verkürzter Zwischenabschluss”) of NORD/LB CBB as of 30 June 2020;
- (v) this Prospectus and any Supplement hereto.

The Final Terms will be published on the Issuer’s website ([https://www.nordlb.lu/online/www/menu\\_top/emissions/28/DEU/2412.html](https://www.nordlb.lu/online/www/menu_top/emissions/28/DEU/2412.html)) with regard to Instruments which are either listed on a regulated market of a stock exchange located in a member state of the European Economic Area or publicly offered in such member state only.”

**11. On page 292 in the chapter “XII. GENERAL INFORMATION“, in the subparagraph “6. Incorporation by reference” the following information shall be added under the title “Documents incorporated by Reference – Page Reference”:**

<b>“Condensed Interim Financial Statements of NORD/LB Luxembourg S.A. Covered Bond Bank as at 30 June 2020 (German language version)</b>	
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<a href="https://www.nordlb.lu/page/docManager/docs/743/Zwischenbericht%20zum%2030.06.2020%20NORDLB%20CBB.pdf">https://www.nordlb.lu/page/docManager/docs/743/Zwischenbericht%20zum%2030.06.2020%20NORDLB%20CBB.pdf</a> ”	