

Second Supplement
Dated 22 December 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 December 2020 (the "Second Supplement" or "Supplement") is the Supplement No. 2 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, as supplemented by the First Supplement dated 22 September 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 the First Supplement dated 22 September 2020 and 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) and the Issuer respectively and on the website of the Issuer (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 the First Supplement dated 22 September 2020 and 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 the First Supplement dated 22 September 2020 and 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 the First Supplement dated 22 September 2020 and 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 the First Supplement dated 22 September 2020 and this Supplement, excluding the Issuer, is responsible for the information contained in the Prospectus as supplemented by the First Supplement dated 22 September 2020 and 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 December 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 SECOND SUPPLEMENT

The new circumstances relevant for this Second Supplement are the following:

On 26 November 2020 NORD/LB CBB published information regarding a strategic realignment of NORD/LB CBB.

The issuer decided to terminate its rating relationship with the rating agency Fitch. Subsequently Fitch withdrew the ratings as of 1st and 17th December 2020 and will no longer provide rating or analytical coverage on NORD/LB CBB.

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.

The following amendments were made as a result of these events.

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 and this Supplement.

1. Chapter "II. Risks Factors" „1.3 Risks related to the Issuer's business activities“ in subchapter „Risks related to the effects of current political, economic and other developments“ on pages 15-16

the last two sentences:

“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. “

shall be replaced as follows:

“NORD/LB once again significantly increased its risk provisions in the third quarter of 2020 and made model adjustments amounting to EUR 180 million in order to anticipate possible corona effects and to be prepared for possible loan defaults in connection with the corona pandemic. However, the actual corona-related defaults are currently manageable. NORD/LB and its Subsidiaries will maintain their defensive risk policy and will further increase risk provisions if necessary. Due to the decline in earnings and the negative effects on loan loss provisions, the NORD/LB Group is expecting a negative result overall in 2020 despite a decline in administrative expenses and lower expenses for restructuring. Due to the overall economic situation and in the context of the COVID-19 pandemic, the statements made above may also be different in future.”

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 last three sentences of the seventh paragraph:

“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.”

shall be replaced as follows:

“NORD/LB has once again significantly increased its risk provisions in the third quarter of 2020 and has made model adjustments amounting to EUR 180 million in order to anticipate possible corona effects and to be prepared for possible loan defaults in connection with the corona pandemic. However, the actual corona-related defaults are currently manageable. NORD/LB and its Subsidiaries will maintain their defensive risk policy and will further increase risk provisions if necessary. Due to the decline in earnings and the negative effects on loan loss provisions, the NORD/LB Group is expecting a negative profit in 2020 despite a decline in administrative expenses and lower expenses for restructuring. Due to the overall economic situation and in the context of the COVID-19 pandemic, the statements made above may also be different in future.”

3. Chapter “II. RISK FACTORS” „1.5 Further risks relating to the Issuer“ the first sentence of the subchapter “Risks arising from rating downgrade” on page 19 will be replaced as follows:

“The Issuer is rated by Moody's Deutschland GmbH, An der Welle 5, 60322 Frankfurt am Main, Federal Republic of Germany (“**Moody's**”).”

4. Chapter “IV. DESCRIPTION OF NORD/LB LUXEMBOURG S.A. COVERED BOND BANK” „ 3. Ratings“ on pages 32 and 33 will be replaced as follows:

“The Issuer has received the following credit ratings from Moody's¹:

Long-Term Issuer Rating	A3
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The rating has the following meaning:

A: Obligations rated A are judged to be upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of the generic rating category.

The Instruments issued by NORD/LB CBB have received the following rating by Moody's:

Senior secured debt (<i>lettres de gage publiques</i>)	Aa2 (only)
Senior secured debt (<i>lettres de gage énergies renouvelables</i>)	Aa2 (only)

The rating has the following meaning:

Aa: Obligations rated 'Aa' are judged to be of high quality and are subject to very low credit risk. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of the generic rating category.

Instruments to be issued under this Prospectus may be rated or unrated. The rating above does not immediately apply to any individual Instrument issued under this Prospectus. Where a Series of Instruments is rated, its rating may not be the same as the rating applicable to the Issuer.

Furthermore, a security rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the assigning rating agency at any time. Ratings are based on current information furnished to the rating agency by the Issuer and information obtained by the rating agency from other sources. Because ratings may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, a prospective purchaser should verify the current long-term and short-term ratings of the Issuer and/or of the Instruments, as the case may be, before purchasing the Instruments. The rating agency may change its methodology at any time. A change in the rating methodology may have an impact on the rating of Instruments issued or to be issued under this Prospectus. For the evaluation and usage of ratings, please

¹ “**Moody's**” means Moody's Deutschland GmbH, which has been established in the European Union and has been registered (pursuant to the current list of registered and certified credit rating agencies dated 1 December 2015, published on the website of the European Securities and Markets Authority (<http://www.esma.europa.eu>)) pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009, as amended, with the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) in Germany.

refer to the Rating Agency's pertinent criteria and explanations, the relevant terms of use are to be considered."

5. In Chapter "IV. DESCRIPTION OF NORD/LB LUXEMBOURG S.A. COVERED BOND BANK" in „ 4. Recent events in the business activities of NORD/LB CBB “ on pages 33 and 34

the subparagraph "Consequences of the COVID-19 pandemic" will be replaced as follows:

"Due to the COVID-19 pandemic, which is a previously unobserved phenomenon and is causing highly dynamic developments worldwide, various measures have been taken within the Bank to minimize or mitigate its economic impact. Among other things, NORD/LB once again significantly increased its risk provisions in the third quarter of 2020 and made model adjustments to the amount of EUR 180 million in order to anticipate possible corona effects and to be prepared for possible loan defaults in connection with the corona pandemic. However, the actual corona-related defaults are currently manageable. NORD/LB and its Subsidiaries will maintain their defensive risk policy and will further increase risk provisions if necessary. Due to the decline in earnings and the negative effects on loan loss provisions, the NORD/LB Group is expecting negative earnings overall in 2020 despite a decline in administrative expenses and lower expenses for restructuring. Due to the overall economic situation and in the context of the COVID-19 pandemic, the statements made above may also be different in future."

And after the last subparagraph the following new subparagraphs shall be added

"On 26 November 2020 NORD/LB CBB has published information regarding a strategic realignment of NORD/LB CBB.

The low level of capital resources, which was accompanied by a reduction in a not inconsiderable proportion of non-performing ship financing and the associated rating, has made it necessary to reinforce capital and realign the NORD/LB business model.

In 2019, the transformation programme "NORD/LB 2024" has been launched in order to implement the contemplated targets and measures. The transformation process will result in the redimensioning and realignment of the NORD/LB Group, which will also affect its subsidiaries.

In this context it was decided by NORD/LB in the scope of the "NORD/LB 2024" programme to discontinue the covered bond business operated by NORD/LB CBB as of 2022. The decision concerns new offerings via the existing *lettre de gage* instruments (*lettres de gage publiques* and *lettres de gage énergies renouvelables*) and the further booking of new lending activities in the frame of the constitution of the cover pools.

NORD/LB CBB remains an integral part of the NORD/LB Group including the letter of comfort ("**Patronatserklärung**").

In 2021, NORD/LB CBB will continue to issue and plans offerings in private placement format. Stable ratings are still being sought.

The two existing cover pools are actively controlled and the assets required for the controlling of the cover pool come from the control portfolios of the bank."

...

Withdrawal of the Fitch Ratings

The issuer decided to terminate its rating relationship with the rating agency Fitch due to commercial reasons. Subsequently Fitch withdrew the ratings as of 1st and 17th December 2020 and will no longer provide rating or analytical coverage on NORD/LB CBB.”

6. In Chapter “IV. DESCRIPTION OF NORD/LB LUXEMBOURG S.A. COVERED BOND BANK”, „ 5. Business overview “ on pages 34 and 35 the following paragraph is added at the end:

“As described in the announcement from 26 November 2020, NORD/LB CBB will discontinue the covered bond business as of 2022 due to a strategic realignment of NORD/LB CBB in the course of a redimensioning and realignment of the whole NORD/LB Group. This concerns new offerings via the existing *lettre de gage* instruments (*lettres de gage publiques* and *lettres de gage énergies renouvelables*) and the further booking of new lending activities in the frame of the constitution of the cover pools.

However, in 2021 NORD/LB CBB will continue to issue *lettres de gage* in private placement format.

Furthermore, the bank will continue to actively control and manage the two existing cover pools, as stable ratings are still being sought.”

7. In Chapter “IV. DESCRIPTION OF NORD/LB LUXEMBOURG S.A. COVERED BOND BANK”, „6. Organisational structure“ under subparagraph “b) Norddeutsche Landesbank – Girozentrale –“ on page 37 the following paragraph is added at the end:

“As agreed in the course of the capital measures implemented in 2019, the State of Lower Saxony has undertaken to return amounts equivalent to the fees paid by NORD/LB for the guarantees provided by the State of Lower Saxony to the share capital of NORD/LB by the state or a state-owned investment company and to take over shares in the share capital of NORD/LB if the share capital is increased accordingly.”

8. Chapter “IV. DESCRIPTION OF NORD/LB LUXEMBOURG S.A. COVERED BOND BANK“, “7. Information on trends” paragraph 8 of the subchapter “Material adverse changes in the issuer’s prospects” on pages 38 and 39 shall be replaced as follows:

“To hedge against expected effects from the COVID-19 pandemic, the amount booked for the NORD/LB Group in risk provisions as at 30 September 2020 due to model adjustments amounts to EUR 180 million.

....

It cannot be ruled out that the further development of the Corona crisis will have a considerable negative impact on the earnings figures planned for the 2020 financial year and beyond for the individual segments and the NORD/LB Group as a whole. Negative effects may arise in particular on loan loss provisions, net interest income and the fair value result, with corresponding consequences for balance sheet and regulatory equity and regulatory indicators. This can also lead to considerable liquidity risks due to restrictions on the money and interbank credit markets and to a possible increase in the number of creditors who fail to meet their payment obligations to NORD/LB and the issuer. NORD/LB again significantly increased its risk provisions in the third quarter of 2020 and made model adjustments to the amount of EUR 180 million in order to anticipate possible corona effects and to be prepared for possible loan defaults in connection with the corona pandemic. However, the actual corona-related defaults are

currently manageable. NORD/LB and its Subsidiaries will maintain their defensive risk policy and will further increase risk provisions if necessary. Due to the decline in earnings and the negative effects on loan loss provisions, the NORD/LB Group is expecting negative earnings overall in 2020 despite a decline in administrative expenses and lower expenses for restructuring. Due to the overall economic situation and in the context of the COVID-19 pandemic, the statements made above may also be different in future.”

9. Chapter “IV. DESCRIPTION OF NORD/LB LUXEMBOURG S.A. COVERED BOND BANK“, “7. Information on trends” in subchapter “Known trends affecting the Issuer, the NORD/LB Group and the industries in which it operates” on page 39

paragraph 12 will be replaced as follows:

“Possible effects of the Corona crisis on individual business segments regarding the NORD/LB Group (Corporates, Aviation, Real Estate, Structured Finance, Financial Institutions, Shipping and Retail) will be monitored further by NORD/LB and the issuer. The effects of the crisis and the effects of the public support programmes differ for individual economic sectors. Consequently, the business segments of the NORD/LB Group are affected to varying degrees. The aviation segment is exposed to an extreme decline in global air traffic; in the real estate segment, the hotel and retail sectors are severely affected, while in the corporate segment the automotive, consumer goods and tourism sectors are affected. The effects of the pandemic are not yet reflected in the risk provisions as of 30 June 2020. NORD/LB's Management Board has therefore decided to create a management adjustment (“MAC-19”) for the performing loans in accordance with IFRS 9 in order to reflect expected short-term effects on loan loss provisions in accordance with IFRS in the consolidated half-year financial statements for 2020. The aim of the MAC-19 is to reflect the effects expected at the end of the year, but not yet realised, in the risk provisioning by Covid-19. The focus here is on effects from expected rating downgrades. The basis is the U scenario, which was transformed into rating and loss ratio shifts by experts in the relevant areas of the Group. The results were then narrowed down for the adjustment to sectors that were particularly hard hit by the pandemic. To hedge against the expected effects of the COVID-19 pandemic, the amount booked for the NORD/LB Group in risk provisions as at 30 September 2020 as a result of model adjustments amounts to EUR 180 million.”

...

“NORD/LB has once again significantly increased its risk provisions in the third quarter of 2020 and has made model adjustments amounting to EUR 180 million in order to anticipate possible corona effects and to be prepared for possible loan defaults in connection with the corona pandemic. However, the actual corona-related defaults are currently manageable. NORD/LB and its Subsidiaries will maintain their defensive risk policy and will further increase risk provisions if necessary. Due to the decline in earnings and the negative effects on loan loss provisions, the NORD/LB Group is expecting negative earnings overall in 2020 despite a decline in administrative expenses and lower expenses for restructuring. Due to the overall economic situation and in the context of the COVID-19 pandemic, the statements made above may also be different in future.”

10. Chapter “IV. DESCRIPTION OF NORD/LB LUXEMBOURG S.A. COVERED BOND BANK“, “11. Regulatory key figures“ the subparagraph “Leverage ratio” on page 45 shall be deleted and be replaced by the following:

“Leverage ratio

The leverage ratio as at 30 September 2020 was 4.9 per cent (as at 31 December 2019 4.0 per cent).”