

**Norddeutsche Landesbank  
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## **NORD/LB places “Northvest 2” credit portfolio with institutional investors**

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- > **Transaction lowers risk-weighted assets by around EUR 3.7 billion and strengthens the Common Equity Tier 1 capital ratio**
- > **Multi-asset reference portfolio of EUR 10.1 billion also comprises EUR 1.0 billion in shipping credits for the first time**

NORD/LB Norddeutsche Landesbank issued a large-volume credit portfolio transaction and thereby placed credit default risks with institutional investors. With this transaction, the bank added a further component to its capital-strengthening strategy. It enables the bank to reduce its risk-weighted assets by around EUR 3.7 billion. This results in a positive effect on the CET 1 ratio, which is expected to rise at the end of the year to around 12 per cent.

The transaction, bearing the title “Northvest 2”, is based on a reference portfolio of around 4,300 high-quality loans with a total volume of EUR 10.1 billion. The portfolio constitutes a cross-section of the business model of NORD/LB and contains credit risks from the asset classes of renewable energies, infrastructure, aircraft and German medium-sized businesses. Likewise, ship financings were securitised for the first time within the scope of the Northvest 2 transaction, at a volume of around EUR 1.0 billion. This is the biggest securitisation of shipping credits placed on the market in the recent past.

Within the scope of the transaction, a tranche of credit default risks was placed with and hence will be covered by the strategic partner and long-term investor fund Christofferson, Robb & Co. The other tranches remain with NORD/LB, which continues to be the contract partner for its borrowers. The parties have agreed to maintain confidentiality about the conditions of the transaction.

“The Northvest 2 platform again enables institutional investors to invest directly in the credit-based business model of NORD/LB. The success of the platform demonstrates that our broadly diversified and highly specialised business model is extraordinarily attractive to investors,” underlined Dr Hinrich Holm, NORD/LB’s board member for Capital Markets. In particular, the securitisation of a shipping portfolio of this

large proportion in such a structure is currently unique and underlines investors' confidence in the financing and structuring expertise of NORD/LB, according to Holm.

In March 2014 the bank had launched the first Northvest transaction with a total volume of around EUR 11.4 billion from four asset classes and increased it in September 2015 by a further EUR 5.1 billion. An additional tranche of the portfolio was placed with investors in May 2017.

NORD/LB itself operates as lead arranger in Northvest transactions. It is supported during structuring and placement by Caplantic Alternative Assets GmbH, which also takes on the reporting and risk management of the transaction. Caplantic GmbH is based in Hanover and is a joint venture between NORD/LB, Talanx AG and Bankhaus Lampe.

**About NORD/LB**

With total assets of EUR 165 billion, NORD/LB Norddeutsche Landesbank is one of Germany's leading merchant banks. Its core business segments include structured finance in the energy and infrastructure sector, ship and aircraft finance, corporate client business, commercial real estate finance, capital market business, and private and commercial client business. The Bank has its head office in Hanover, Braunschweig, and Magdeburg. NORD/LB also has branches in Bremen, Oldenburg, Düsseldorf, Hamburg, Munich, Schwerin, and Stuttgart. Outside Germany, NORD/LB is active in Luxembourg with a covered bond bank (NORD/LB Covered Bond Bank) and also has offices in London, New York, Singapore, and Shanghai. [www.nordlb.de](http://www.nordlb.de)