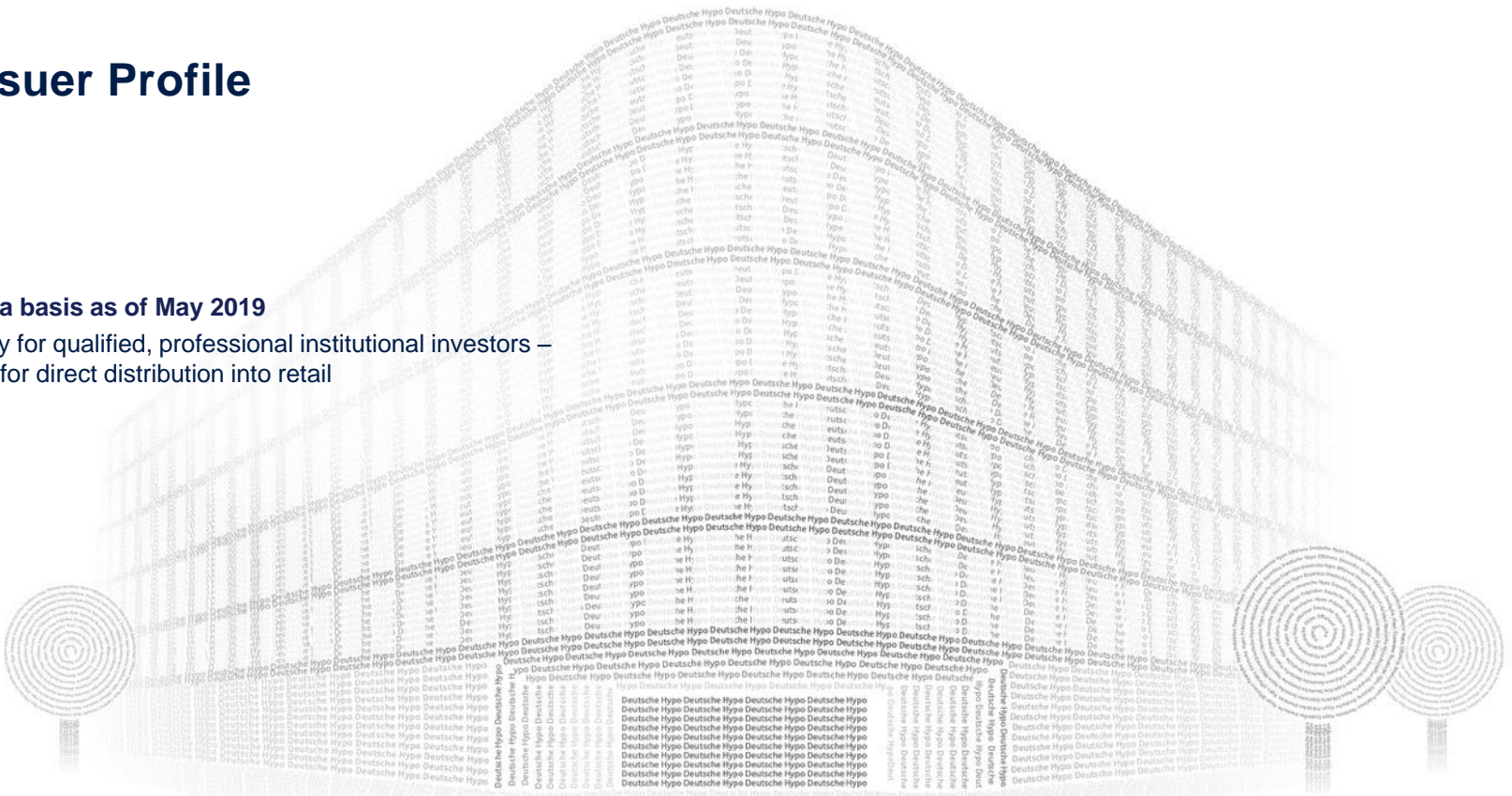


Issuer Profile

Data basis as of May 2019

Only for qualified, professional institutional investors –
not for direct distribution into retail

Your success is : our benchmark



In a nutshell

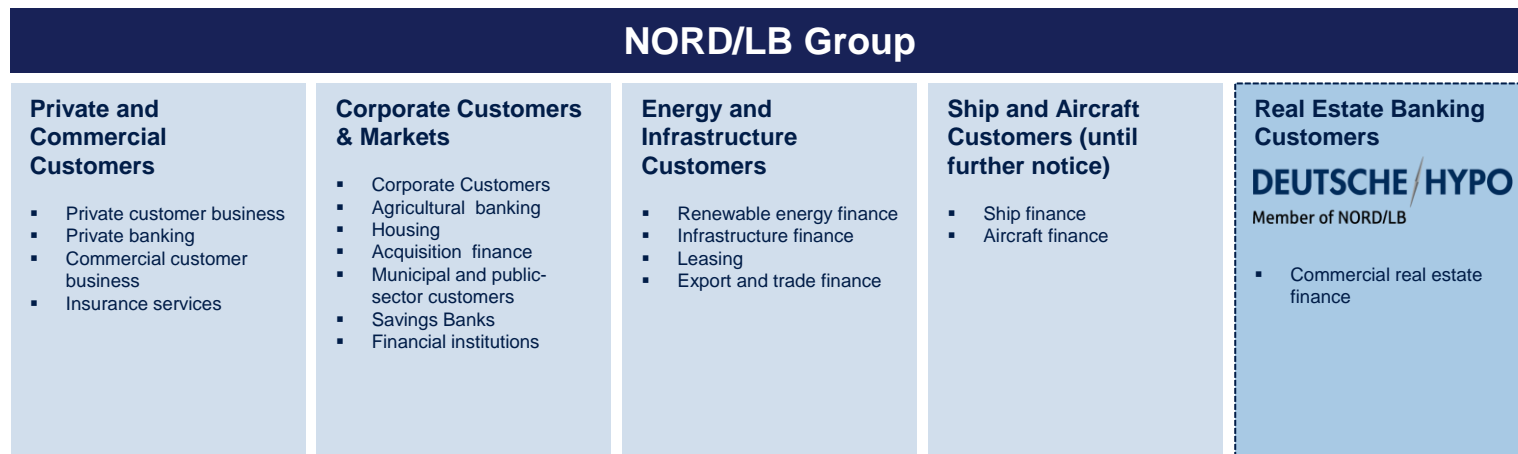
DEUTSCHE HYPO...

- Is one of the oldest and most renowned Pfandbrief banks in Germany
- Is the centre of competence for commercial real estate business in the NORD/LB Group
 - pooling of proven competence in one unit
 - German mortgage bank with European focus
 - presence in important German and foreign locations
- Has a well-established capital market business
- Is a renowned issuance house
 - responsible for the issuance of Mortgage Pfandbriefe in the NORD/LB Group
 - sound funding from many years of experience
- Has its own independent market approach in its business activities
- Has the German Pfandbrief Act as the basis for its business model
- Is part of the Savings Banks' Guarantee System

Owner structure and business segments

DEUTSCHE HYPO is the centre of competence for commercial real estate business in the NORD/LB Group. This makes DEUTSCHE HYPO the major issuer of Mortgage Pfandbriefe and an important value driver of the Group.

A control and profit and loss transfer agreement has been signed to ensure a closer connection of DEUTSCHE HYPO to the NORD/LB Group. Furthermore the “simplification options” in accordance with Section 2a KWG (old version, so-called “waiver rule”) apply. NORD/LB has granted a letter of comfort (Patronatserklärung) in favour of DEUTSCHE HYPO (Cf. pg. 258 of NORD/LB’s Group Annual Report 2018).



Security and credit protection as part of the Savings Banks sector

- Solid integration in the Savings Banks Finance Group (market share in Germany > 35%)
- **Strong Joint Liability Scheme** (Deutscher Sparkassen- und Giroverband / DSGV)
 - Over 400 Savings Banks, 8 Landesbanks, DekaBank, as well as Landesbausparkassen and Pfandbriefbanks
 - **Unlimited deposit protection** – i.e. more than the EU-wide protection amount (€ 100,000)
 - **Protection of affiliated institutions**, i.e. safeguarding of solvency and liquidity
 - **No loss** of any deposit, **no default**, **no insolvency** since the establishment of the Guarantee System in 1975
 - **Ratings DSGV** (www.dsgv.de, English version also available):
 - Moody's: Corporate Family Rating Aa2
 - Fitch: Group Rating A+
 - DBRS: Long-Term Issuer Rating A
- Access to the **Savings Banks Sector liquidity** (high level of customer deposits in Germany)
- Access to **NORD/LB Group liquidity**
- **Risk weighting 0%** within the Saving Banks Sector

The year 2018 in a nutshell

- Result from normal operations at € 74.4 mn (2017: € 62.7 mn) due to stable earnings and the continuous good risk profile in commercial real estate financing
- New business volume at € 2,869.8 mn (2017: € 3,798.3 mn)
- Net interest income slightly reduced at € 177.4 mn (2017: € 193.4 mn)
- Increase of administrative expenses due to investments in further strengthening of the market presence and of the technical infrastructure at € -84.0 mn (2017: € -83,8 mn)
- Risk result of the whole bank improved to € -20.3 mn (2017: € -41.3 mn)
- The real estate finance risk result improved to € +16.3 mn (2017: € -5.7 mn)
- Cost income ratio at 49.5 % (2017: 42.3 %) due to investments in technical infrastructure and because of an increase in the bank levy.

Financial figures

| in € mn | 31.12.2018 | 31.12.2017 |
|---|------------|------------|
| Net interest income | 177.4 | 193.4 |
| Net commission income | -0.1 | 0.3 |
| Administrative expenses | -84.0 | -83.3 |
| Risk result commercial real estate business | 16.3 | -5.7 |
| Risk result for overall bank | -20.3 | -41.3 |
| Result from normal operations | 74.7 | 62.7 |
| Cost-income ratio | 49.5 % | 42.3 % |
| Balance sheet total | 21,072.8 | 23,698.3 |
| Equity | 1,232.1 | 1,252.1 |

Current Ratings

Credit ratings

| | Moody's |
|---|---------|
| Mortgage Pfandbriefe | Aa1* |
| Public Pfandbriefe | Aa2* |
| Senior Unsecured (preferred) | Baa2* |
| Junior Senior Unsecured (non preferred) | Ba1* |
| Short-term Bank Deposits | P-2 |

Sustainability ratings

| | imug | oekom research |
|----------------------|--------------|---------------------------|
| Uncovered Bonds | positive BB | Overall Score C+ |
| Mortgage Pfandbriefe | positive BBB | Investment Status "Prime" |
| Public Pfandbriefe | positive BBB | "Industry Leader" |

Various information about credit ratings and sustainability ratings are available for download on the website www.deutsche-hypo.de.

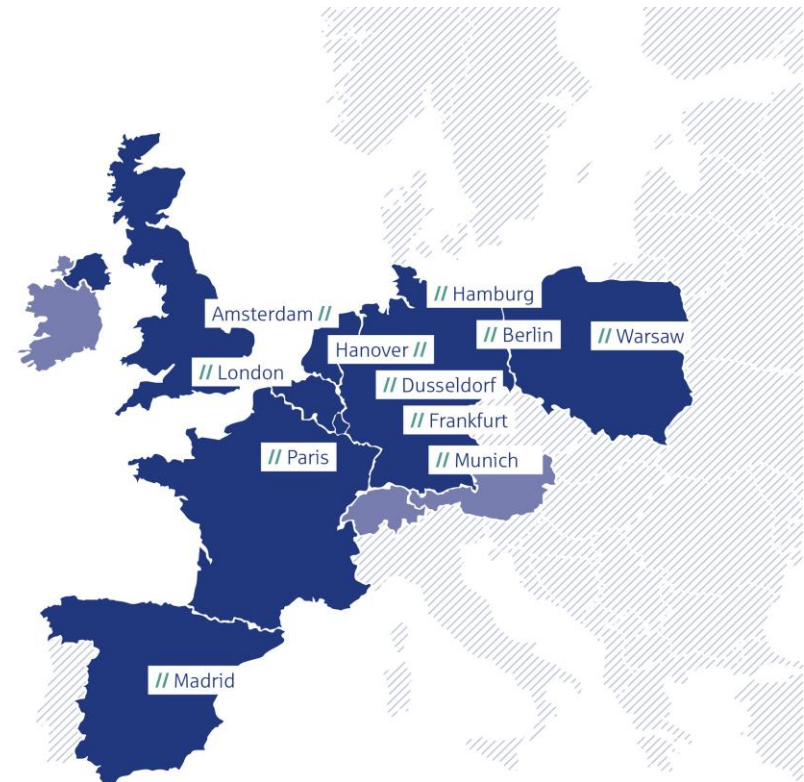
* on review for upgrade

Strategy and targets

- Focus on direct business with professional and financially sound real estate investors
- Tailor-made financing concepts and individual, qualified advice for our customers
- Customers are institutional investors like real estate funds, real estate companies/REITs, leasing companies, financial investors, developers, banks, affiliated companies and institutions and professional private investors
- Asset classes: office and retail properties, apartment buildings, hotels and logistics
- Focus on strategic core markets: Germany, France, Benelux, UK, Poland and Spain
- Products: medium to long-term financing transactions, project financing, leasing finance, portfolio finance, acquisition finance, structuring, syndication, underwriting, guarantees or derivatives

Presence in Europe

- We are where our customers are!
- Focus on core Europe:
 - Domestic locations in Germany
 - Foreign locations in Amsterdam, London, Madrid, Paris and Warsaw
- Target markets offer high transaction volumes, high market maturity and intense concentration on our target customers.
- High market expertise, excellent language skills and a comprehensive know how of the legislative framework of each target country.



References



Logistics portfolio
Seven German locations

Logistics centre
EUR 64 million

Energy performance certificates with high energy efficiency

Green Bond-ability



Galeria Baltycka
Danzig

Shopping centre
EUR 81 million

DGNB Gold certificate
CU Award
„Best Shopping Centre Development“

Green Bond-ability



Marieninsel
Frankfurt

Office building
EUR 133 million

LEED Platin

Green Bond-ability



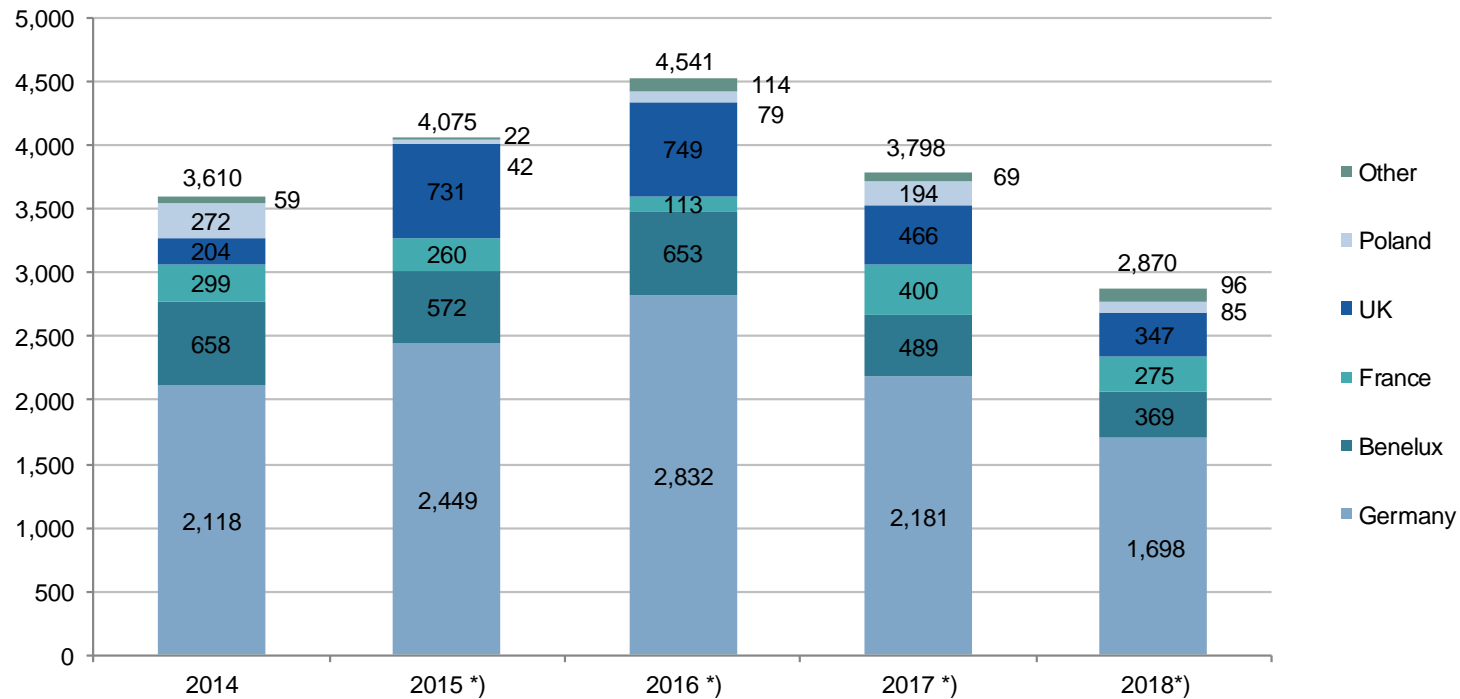
Woodwork
Paris

Office building
EUR 37 million

HQE Très Performant
(expected)

Green Bond-ability

New business by region (in € mn)



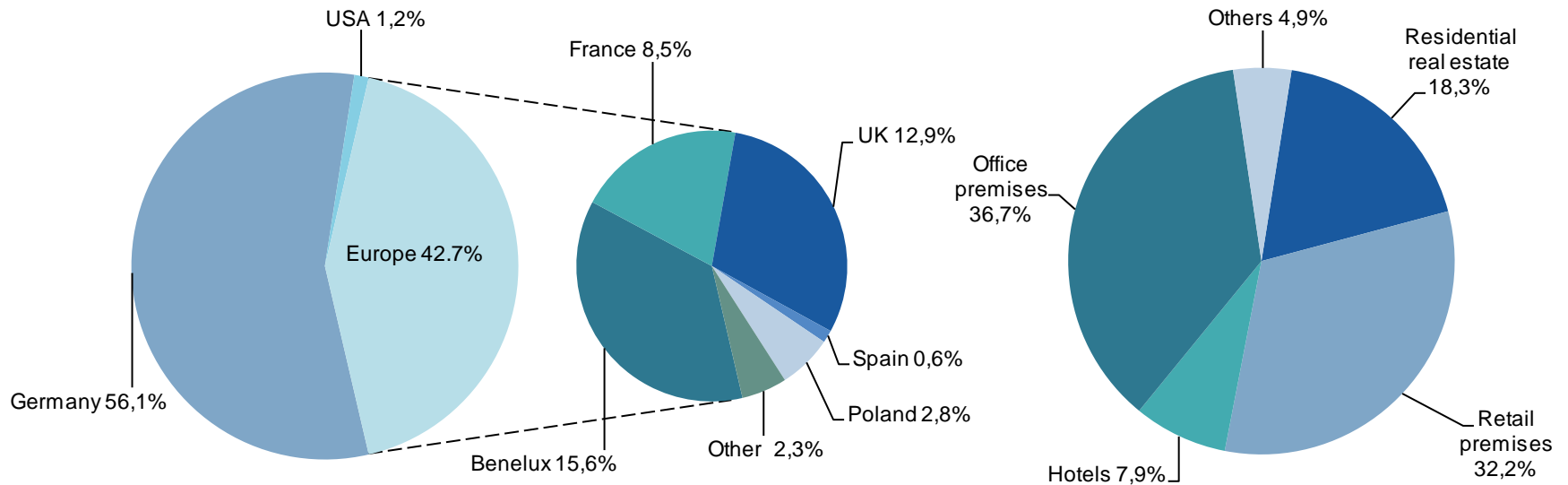
*) The years 2015, 2016 and 2017 have been calculated according to a new methodology. In change to the methodology of the prior years, extensions of existing financing were included if the extension periods were at least one year.

Portfolio

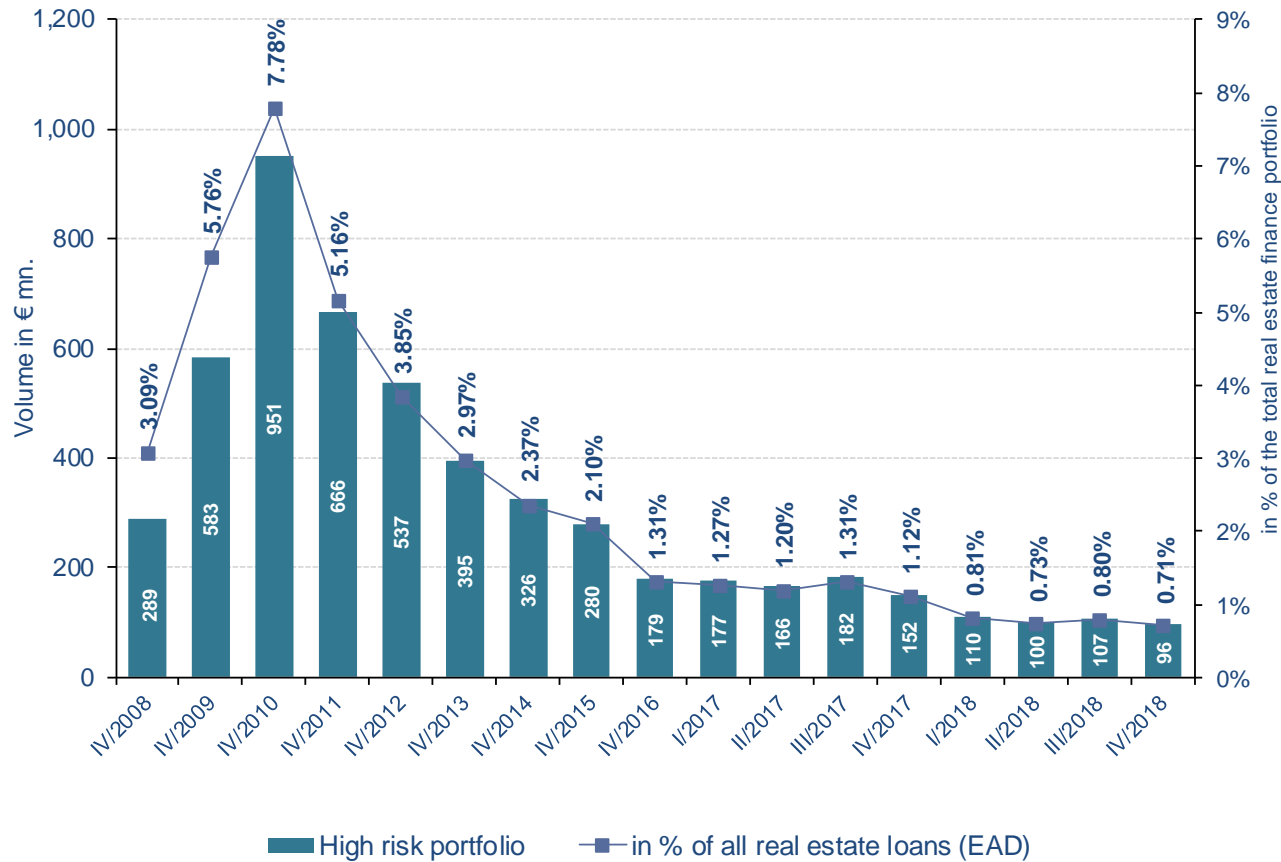
Regional breakdown

Breakdown by property type

Total exposure of € 12,264 mn as at 31.12.2018



Restructuring / unwinding of special loans portfolio (rating categories 16 to 18 according to DSGV)

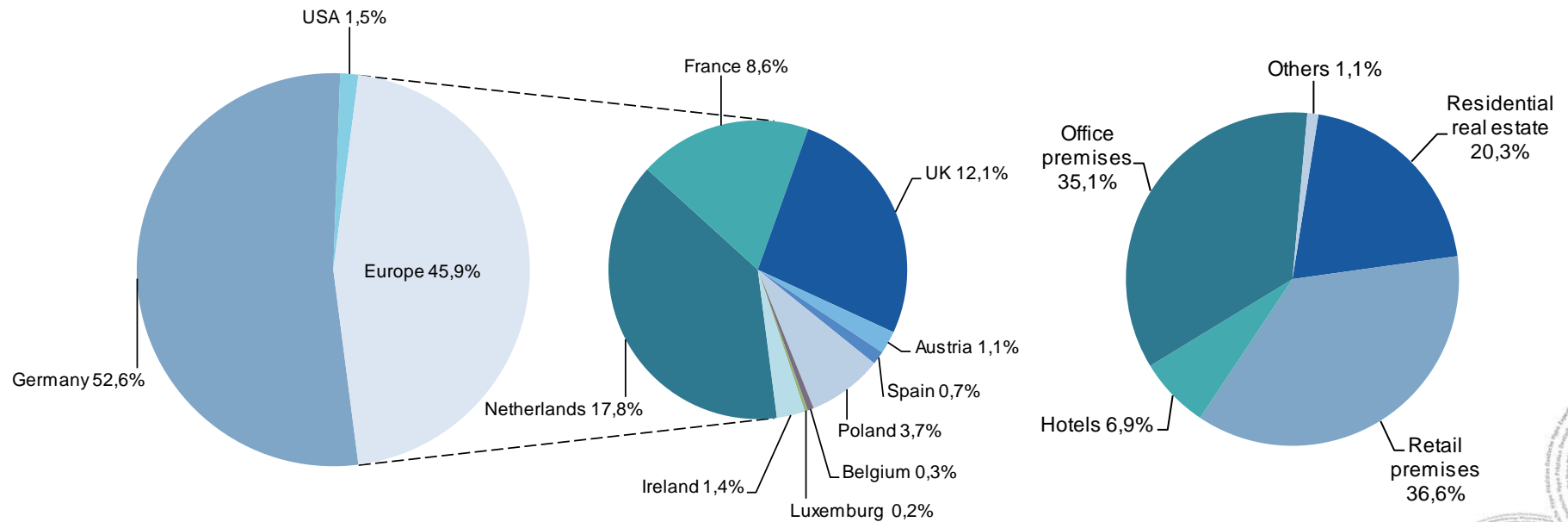


Collateral pool without auxiliary collateral under Section 19 PfandBG

Collateral pool by region

Collateral pool by property type

Total exposure € 8,338 mn as of 31.12.2018



Outlook commercial real estate

- A stable economic situation is expected for the next years. Germany will stay an attractive investment location.
- Excess demand for core-segments: B and C locations are more attractive. Historical low yields of real estates.
- The low-interest-rate policy enhances the rising trend. There is no real estate bubble in spite of excessive prices.
- Deutsche Hypo follows its conservative risk policy. A continuous analysis of its core markets helps to identify turnarounds and overheatings immediately, if any.
- Further positive outlook for the portfolio quality.

Investor participation as a competitive advantage

- Expansion of business activities
- Close cooperation with selected investors
- Deutsche Hypo as originator of commercial real estate loans
- Participation of investors in both risk and return of the (joint) reference portfolio
- Advantages for both sides:

Investor

- Direct credit claim(s)
- Real Estate collateral
- Increase of the portfolio return
- Agreed quality characteristics
- Direct influence on investments

Deutsche Hypo

- Access to new market segments
- Can originally opt for larger bids
- Increase of the market presence
- Splitting of credit risk incl. equity relief
- Investor participation by vertical risk structure

Strategic cooperation: direct investor participation



- Proposal of suitable loans by Deutsche Hypo (following predefined criteria)
- Structuring of the transaction (diversification by product and location)
- Joint due diligence
- Investor access to the origination of Deutsche Hypo
- Joint decision making
- Consensual investment decision
- Shared interest between investor and Deutsche Hypo due to the participation of the bank in each financing
- Attractive and stable return
- Continuous monitoring of the investments
- Servicing

Strategy and targets

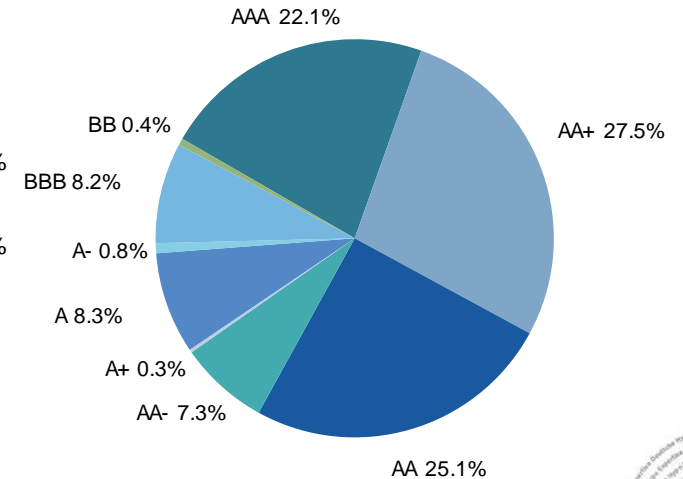
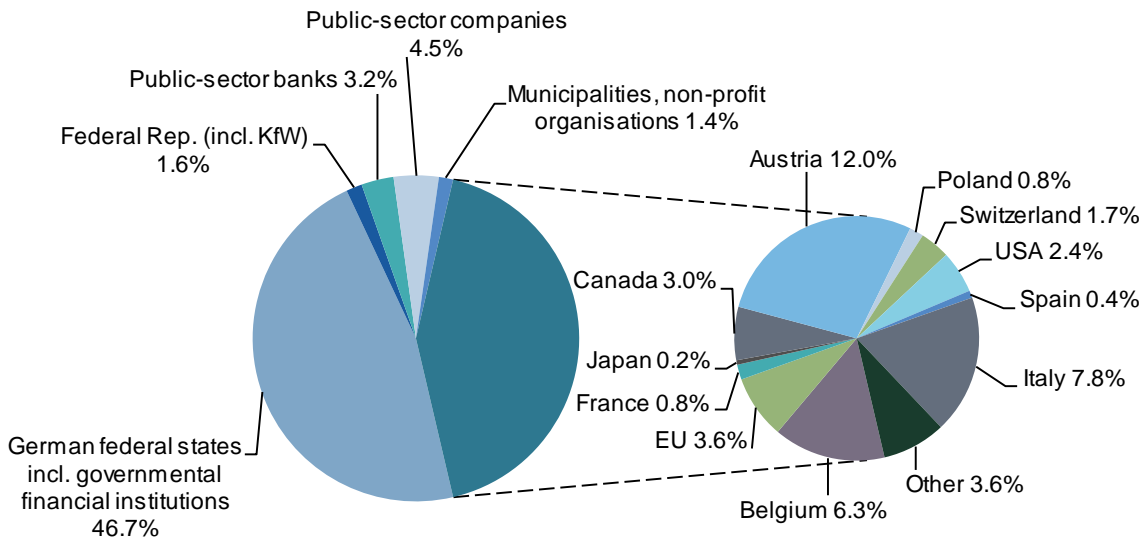
- Consecutive reduction of the Bond- and loan (“Schuldschein”-) portfolio
- Reduction of the public sector portfolio
- Focus on issuing Mortgage Pfandbriefe
- Continuous reduction of TRS portfolio
- Complete reduction of all CDSs done
- **Selective new business for the purpose of liquidity, collateral pool and general bank management**
- **Safeguarding the liquidity by supplying the corresponding liquidity portfolios**

Collateral pool for public sector covered bonds

Collateral pool by borrower

Collateral pool by rating *)

Total exposure € 3.958 mn as of 31.12.2018



Low risk due to horizontal (international/regional) and vertical (State/Region/City) diversification

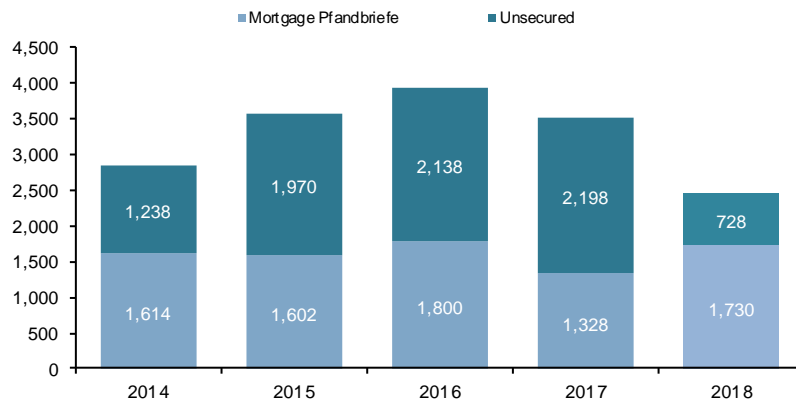
*) partial use of internal ratings

Funding philosophy and structure

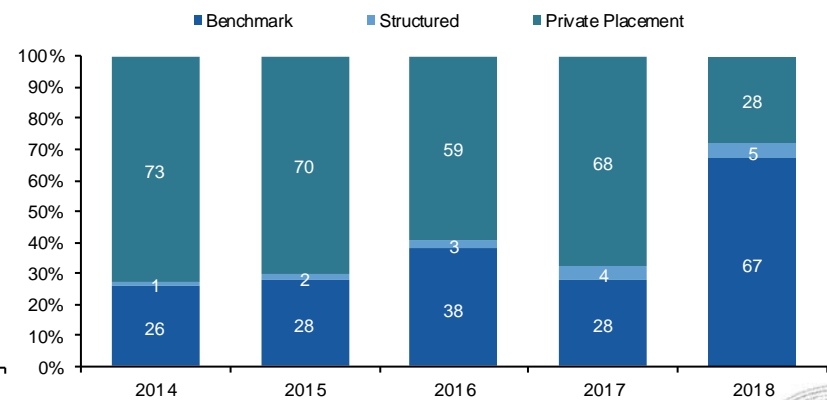
- Issuance business driven by demand
- High reliability, especially for issuing spreads
- Benchmarks are an important part of the product range
- High visibility by continuous market presence as a regular issuer of Pfandbriefe
- Permanent broadening of investor base
- NEW: Green Bond

=> Competitive advantage of DEUTSCHE HYPO in the lending business by cost-effective funding

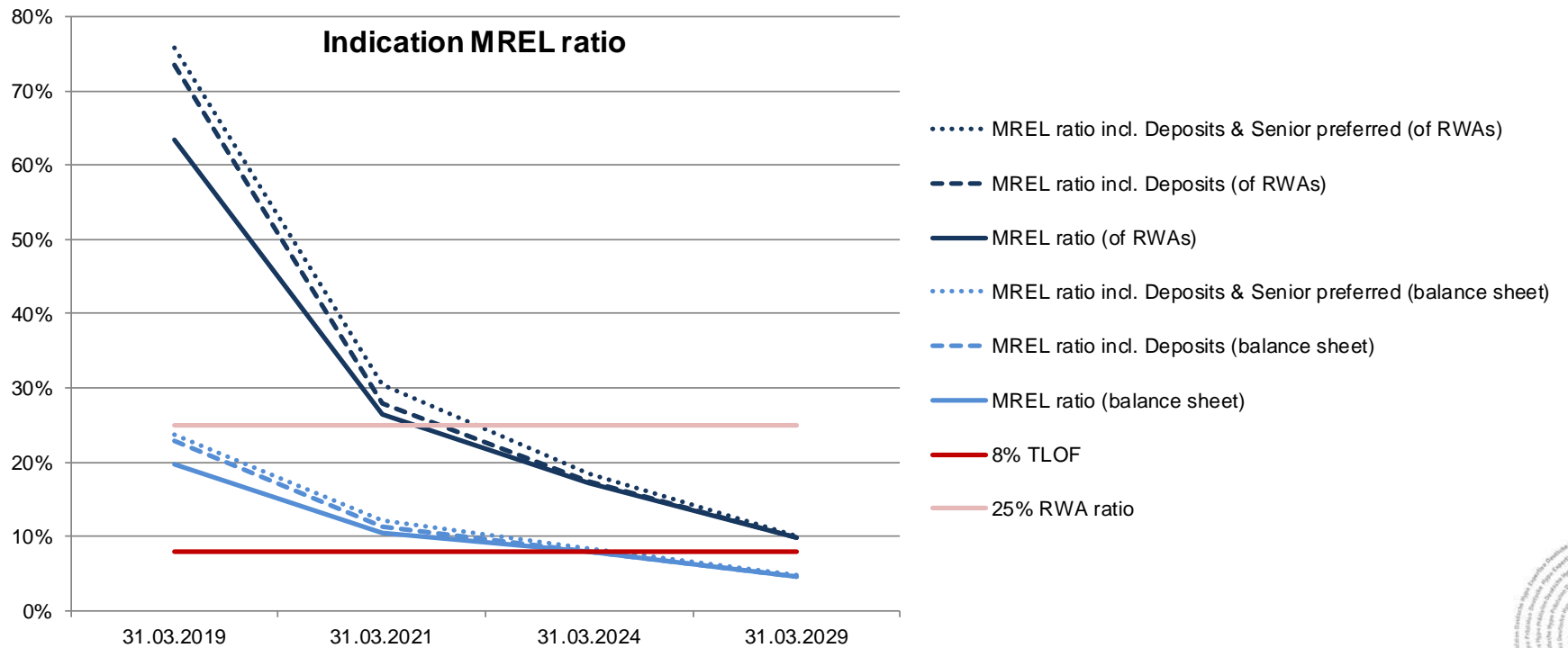
Funding mix (in € mn)



Structure breakdown (in %)

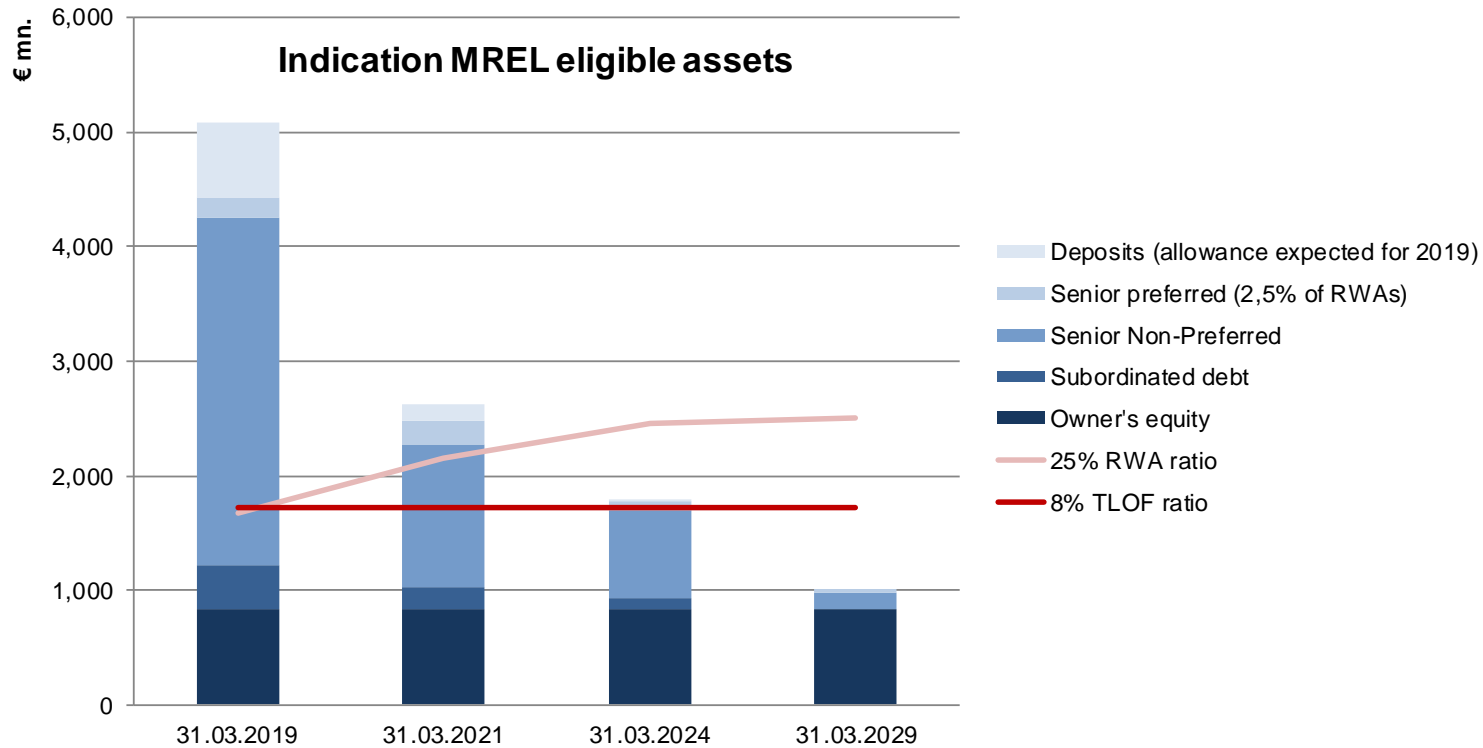


Fulfilment of MREL-Requirements*



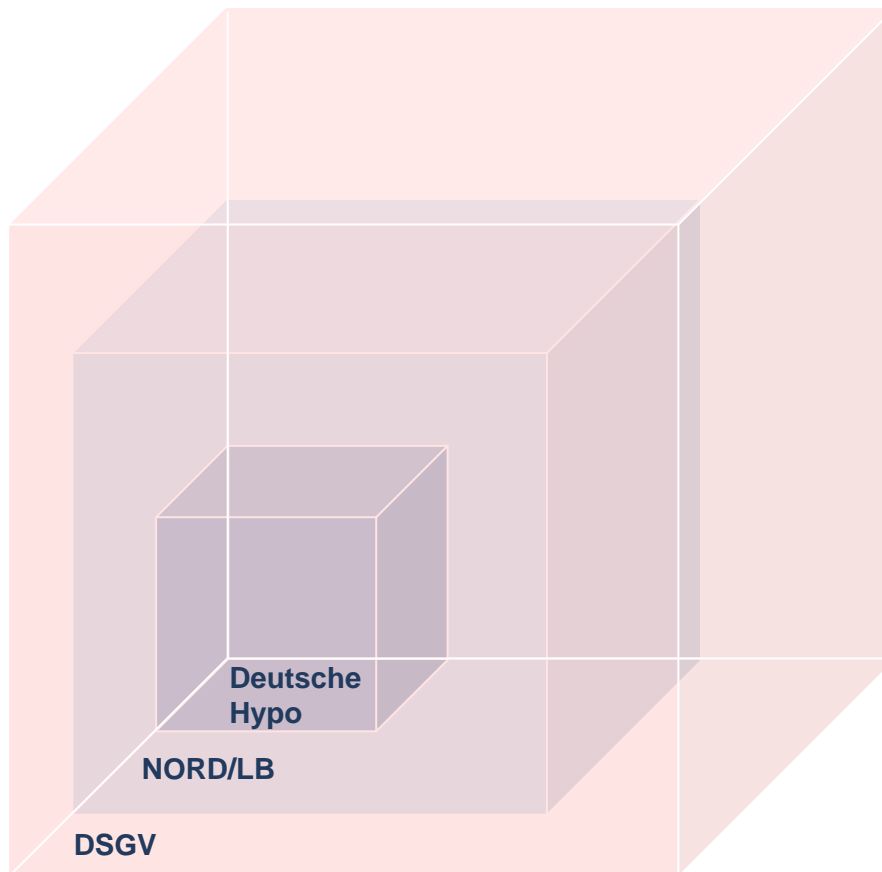
* Calculated on the basis of all currently-known supervisory releases.
As of 31.03.2019

Fulfilment of MREL-Requirements*



* Calculated on the basis of all currently-known supervisory releases.
As of 31.03.2019

Liquidity situation



| | |
|-----------------------------|--------|
| LCR-Ratio as of 31.03.2019: | 389,6% |
| LCR-Requirement NORD/LB: | 115,0% |
| LCR-Requirement DSGV: | 107,5% |

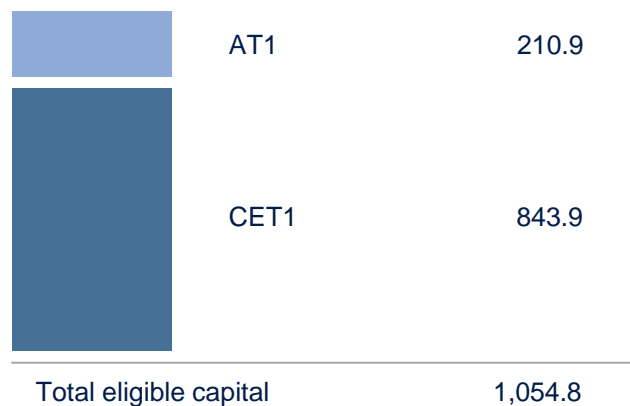
In addition to that it is essential to fulfil other internal liquidity stress tests.

Capitalisation

For Deutsche Hypo as a subsidiary of NORD/LB, use is made of the waiver option of art. 7 para. 1 of the CRR, which allows the parent institute to exempt subsidiary institutes from some requirements at individual institute level in accordance with art. 6 para. 1 of the CRR. There is therefore no disclosure requirement at individual institute level for Deutsche Hypo (Cf. pg. 258 NORD/LB Group Annual Report 2018)

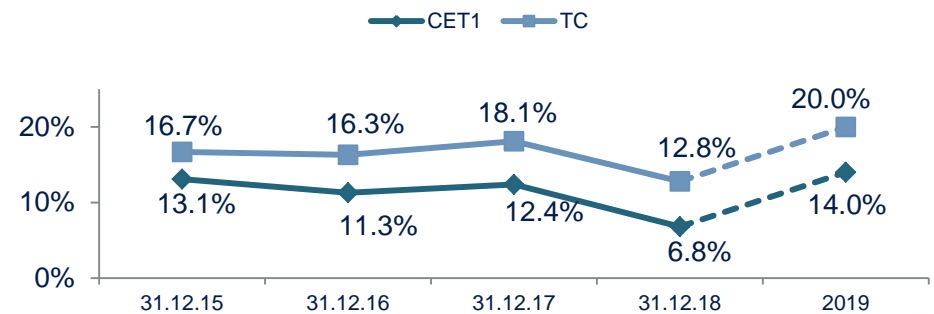
Capitalisation Deutsche Hypo

Capital Ratio Deutsche Hypo 18.54%



Capital Ratios NORD/LB¹

Temporarily decline due to annual loss



1) Cf. NORD/LB Group Presentation April 2019

https://www.nordlb.de/fileadmin/redaktion/branchen/investorrelations/presentationen/NORDLB_Konzernpraesentation.pdf

Benchmark transactions

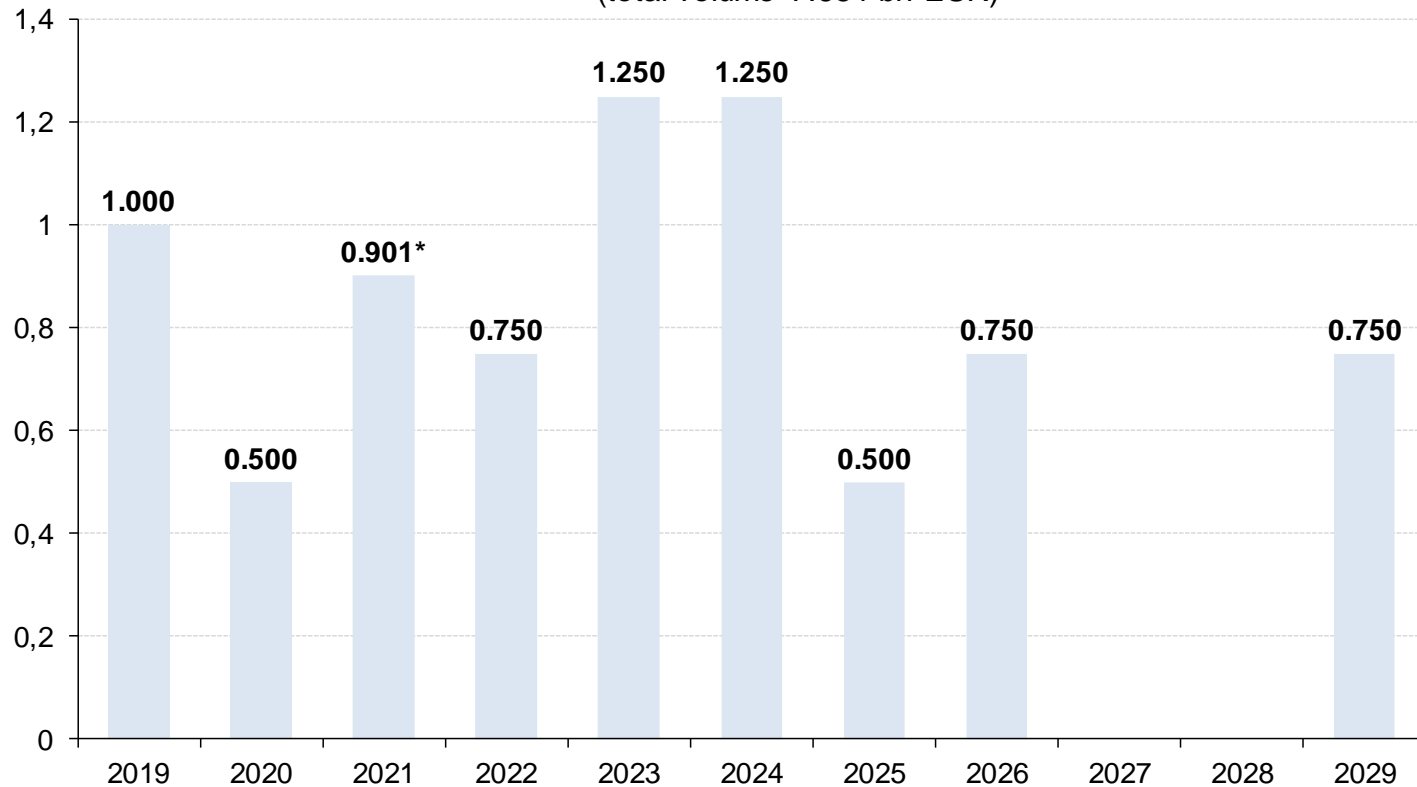


| <p>DEUTSCHE/HYPO Member of NORD/LB</p> <p>EUR 500,000,000 Green Pfandbrief</p> <p>6 years Maturity 23.11.2023 ISIN DE000DHY4887</p> <p>Lead Managers ABN Amro, Crédit Agricole CIB, DZ Bank, NORD/LB, UniCredit</p> <p>2017</p> | <p>DEUTSCHE/HYPO Member of NORD/LB</p> <p>GBP 355,000,000 Mortgage Pfandbrief</p> <p>3 years Maturity 22.03.2021 ISIN DE000DHY4937</p> <p>Lead Managers Deutsche Bank, HSBC, JP Morgan, Toronto Dominion + NORD/LB (Co-Lead)</p> <p>2018</p> | <p>DEUTSCHE/HYPO Member of NORD/LB</p> <p>EUR 500,000,000 Green Pfandbrief</p> <p>6 1/4 years Maturity 10.12.2024 ISIN DE000DHY4994</p> <p>Lead Managers ABN Amro, Bayern LB, NATIXIS, NORD/LB, UniCredit</p> <p>2018</p> | <p>DEUTSCHE/HYPO Member of NORD/LB</p> <p>EUR 750,000,000 Mortgage Pfandbrief</p> <p>10 years Maturity 05.03.2029 ISIN DE000DHY5025</p> <p>Lead Managers DZ Bank, Helaba, NATIXIS, NORD/LB, UniCredit</p> <p>2019</p> | <p>DEUTSCHE/HYPO Member of NORD/LB</p> <p>EUR 500,000,000 Mortgage Pfandbrief (Tap)</p> <p>8 years Maturity 29.06.2026 ISIN DE000DHY4960</p> <p>Lead Managers Commerzbank, Crédit Agricole CIB, Helaba, NORD/LB, UniCredit</p> <p>2018/2019</p> |
|---|--|---|---|---|
| | | | 25 | |



Benchmark maturities

Current Benchmark Volume Hypfe in bn EUR
(total volume 7.651 bn EUR)



* Including one GBP-issuance

Good reasons for buying DEUTSCHE HYPO bonds

- Well-established name “DEUTSCHE HYPO“
- Reliable, stable issue levels + flexible handling of issue platforms and products (i.e. consistent funding strategy)
- “Core“ segment of Covered Bond market
- Relatively low spread volatility
- High issue volume, if needed
 - Benchmark issues
 - Large private placements
- Inherent part of the NORD/LB Group
- Letter of comfort of the NORD/LB
- Control and profit and loss transfer agreement to ensure a closer integration of DEUTSCHE HYPO into the NORD/LB Group
- Part of the Savings Banks’ Guarantee System (“Haftungsverbund der Sparkassen-Finanzgruppe“)
 - Unlimited guarantee volume
 - Liquidity and solvency protection



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The “debt fund“ as a special case of direct investor participation

- Participation in financings of commercial real estate business of Deutsche Hypo
 - Good to very good premium property qualities, generally eligible as cover assets
 - Participation in large transactions
- Proven credit process and due diligence is clearly defined and documented
- Investment company as a platform for investment in
 - good LTVs
 - good ratings and coverage
- Classification as debt security according § 2 (1), no. 8 of the Investment Guidelines possible
- Low work intensity on the investor side
- Attractive returns
- Good rating as main target
 - Regular rating reviews ensure sustainable quality
- Financings must meet specified quality standards defined in advance
 - Audit by an external and independent asset manager
 - Neutral investment decision
 - Direct influence of core investors on all significant investments
 - Independent investment committee
 - Transparent risk assessment and investment decision
 - Clear investment criteria ensure high quality of the introduced financings

DEUTSCHE HYPO's Debt Issuance Programme

- Volume € 15 bn
- Multi-currency DIP (€ and GBP)
- Prominent dealers are involved
- All other banks can take part as “dealer of the day“
- No “covered bond programme“, but designed for issuing Pfandbriefe and senior unsecured notes
- Type of cover pool:
 - Mortgage Pfandbriefe => mortgage collateral pool
 - (Senior unsecured bonds => “the bank itself“, i.e. no explicit cover pool)
 - Pools are not mixed, but strictly separated
- Ratings of the bonds as mentioned in Moody's reports
- For benchmarks as well as for private placements
- Up to date documentation
- Legal framework for international bond placement

NORD/LB – portrait of a leading regional bank with international business approach

- One of the biggest banks in **Germany**
- Business focus on **northern Germany**
- **Landesbank** for Lower-Saxony (Niedersachsen) and Saxony-Anhalt (Sachsen-Anhalt)
- **Savings Banks' central bank** in Lower-Saxony, Saxony-Anhalt and Mecklenburg-Vorpommern (Mecklenburg-Vorpommern)
- One of the **leading German Banks** in national and international Bond Syndication
- **Broad variety of products** for private, business, institutional and public clients
- **Business focus** of NORD/LB:
 - Structured Finance
 - (Ship Financing)
 - (Aircraft Financing)
 - Agricultural Banking
 - Financial Markets
 - Private and Commercial Customers
 - Savings Bank in Brunswick area (Braunschweig)
- **International bank**
- **Presence in all relevant financial and business centres**
- **World-wide network** of branches and service offices
- **Contact** to 1,500 banks world-wide

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