

Press Release

Hanover, 31 May 2023

NORD/LB with significant improvement in earnings

- **Earnings before taxes improve by approx. € 90 million**
- **Continuation of the positive earnings trend**
- **Capital ratios increase**
- **Bank levy and payments into the deposit guarantee fund reduce consolidated result by € 68 million**

Norddeutsche Landesbank
-Girozentrale-

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NORD/LB Norddeutsche Landesbank improved its earnings before taxes in the first three months of 2023 by approx. € 90 million compared to the previous year, continuing its positive earnings trend. As usual, the start to the year was again burdened by payments for the bank levy and the deposit guarantee fund amounting to € 68 million, resulting in a pre-tax result of minus € 8 million. The so-called comprehensive income, which includes not only the items of the income statement but also valuation changes in equity, reached a value of € 59 million.

"NORD/LB is on the right track. The significant improvement in earnings compared to the previous year is proof that the trend is absolutely right. The task now is to continue this positive trend and to develop the bank successfully. In doing so, we are sticking to our chosen course of growth without losing sight of the issue of risk," said Jörg Frischholz, Chairman of the Managing Board of NORD/LB. "At the same time, we are developing more and more into a bank for sustainability. Many of our customers' business models will have to change. We are supporting them in this transformation and, as the bank of the energy transition, we are also making an active contribution to climate protection," Frischholz continued.

Income statement for the first three months 2023

Net interest income was € 229 million in the first quarter (same quarter of the previous year: € 236 million). **Net commission income** amounted to € 46 million and thus increased year-on-year (previous year's quarter: € 36 million).

Risk provisions recorded a value of € 31 million in the first quarter (previous year's quarter: € 45 million). This positive result is primarily based on risk releases in the Bank's wind-down portfolios as well as in the Aircraft Customers segment. Risk provisions were made in the Corporate Customers segment as well as in the Real Estate Banking Customers



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segment. Overall, the high quality of the loan portfolio was confirmed at the beginning of the year. The NPL ratio was just under 0.7 per cent across all segments as at 31 March 2023.

The result from **fair value** measurement reached minus € 35 million in the first three months of the year (same quarter of the previous year: minus € 61 million).

Administrative expenses, at € 225 million euros, were about 3 per cent below the corresponding figure for the previous year (same quarter of the previous year: € 233 million). Thanks to strict cost discipline, administrative expenses were reduced once again, even in an environment of persistently high inflation rates.

The **other operating result** of minus € 63 million is roughly at the previous year's level (previous year's quarter: minus € 67 million) and was mainly influenced by the bank levy and payments into the deposit guarantee scheme. **Expenses for restructuring and transformation** in connection with the ongoing restructuring amounted to minus € 12 million in the first quarter of 2023 (previous year's quarter: minus € 28 million).

The **Common Equity Tier 1 capital ratio** (CET 1) was 15.0 per cent as at the end of March 2023 (31 December 2022: 14.2 per cent), while the total capital ratio was 18.3 per cent (31 December 2022: 17.6 per cent). Both ratios are thus significantly above the regulatory requirements. The increase in the capital ratios in the first quarter is due to the fact that the comprehensive income from the 2022 accounting period has now also been attributed to regulatory equity.

The NORD/LB Group's **total assets** hardly changed in the first quarter of 2023. As at 31 March 2023 it stood at € 110.0 billion (year-end 2022: € 109.3 billion). The **total risk exposure amount** relevant for calculating the capital ratios was € 39.8 billion as at 31 March 2023 (year-end 2022: € 40.1 billion).

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About NORD/LB

NORD/LB Norddeutsche Landesbank is one of the leading German commercial banks. The core business segments include business with corporate customers, private and commercial customers including private banking as well as special finance in the energy and infrastructure sector, aircraft finance and commercial real estate finance. The bank is headquartered in Hanover, Brunswick and Magdeburg and has branches in Bremen, Oldenburg, Hamburg, Schwerin, Düsseldorf and Munich. Outside Germany NORD/LB is represented by a Pfandbrief Bank (NORD/LB Covered Bond Bank) in Luxembourg and branches in London, New York and Singapore.
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IFRS CONSOLIDATED FINANCIAL STATEMENT FOR FINANCIAL YEAR 2022

INCOME STATEMENT (IFRS, in million euros)	1.1.-31.03. 2023	1.1.-31.03. 2022	Change in million euros	Change in %
Net interest income	229	236	-7	-3
Net commission income	46	36	10	28
Profit/loss from fair value measurement	-35	-61	26	-43
Risk provisioning	31	45	-14	-31
Disposal profit/loss from financial instruments not measured at fair value through profit or loss	5	-8	13	> 100
Profit/loss from hedge accounting	16	-17	33	> 100
Profit/loss from shares in companies	-	1	-1	-100
Profit/loss from investments accounted for using the equity method	-	-3	3	-100
Administrative expenses	-225	-233	8	-3
Other operating profit/loss	-63	-67	4	-6
Profit before restructuring, transformation and taxes	4	-71	75	> 100
Result from restructuring and transformation	-12	-28	16	-57
Earnings before taxes	-8	-99	91	-92
Income taxes	-7	21	-28	> 100
Consolidated profit/loss	-15	-78	63	-81
Other comprehensive income (OCI)	74	140	-66	-47
Total comprehensive income for the period	59	62	-3	-5

BALANCE SHEET FIGURES (IFRS, in million euros)	31.03. 2023	31.12. 2022	Change in million euros	Change in %
Total assets	109 975	109 325	650	1
Equity	6 358	6 300	58	1

REGULATORY KEY FIGURES (CRR / CRD IV / IFRS)	31.03. 2023	31.12. 2022	Change in million euros	Change in %
CET1 capital (in € million)	5 971	5 684	287	5
Own funds (in € million)	7 288	7 074	214	3
Total risk exposure amount (in € million)	39 833	40 142	- 309	- 1
CET1 capital ratio ¹ (in %)	15,0	14,2		
Total capital ratio ² (in %)	18,3	17,6		
Leverage ratio (in %)	5,3	5,1		

¹CET1 Capital Ratio; ² Total Regulatory Capital Ratio