

## NORD/LB Group Presentation

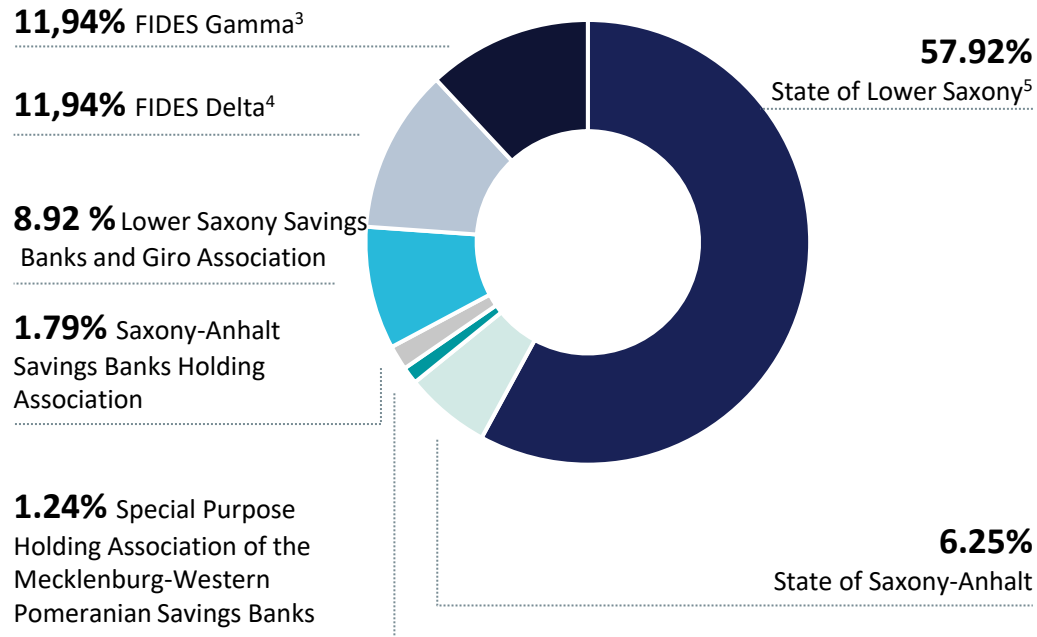
December 2023

# Agenda

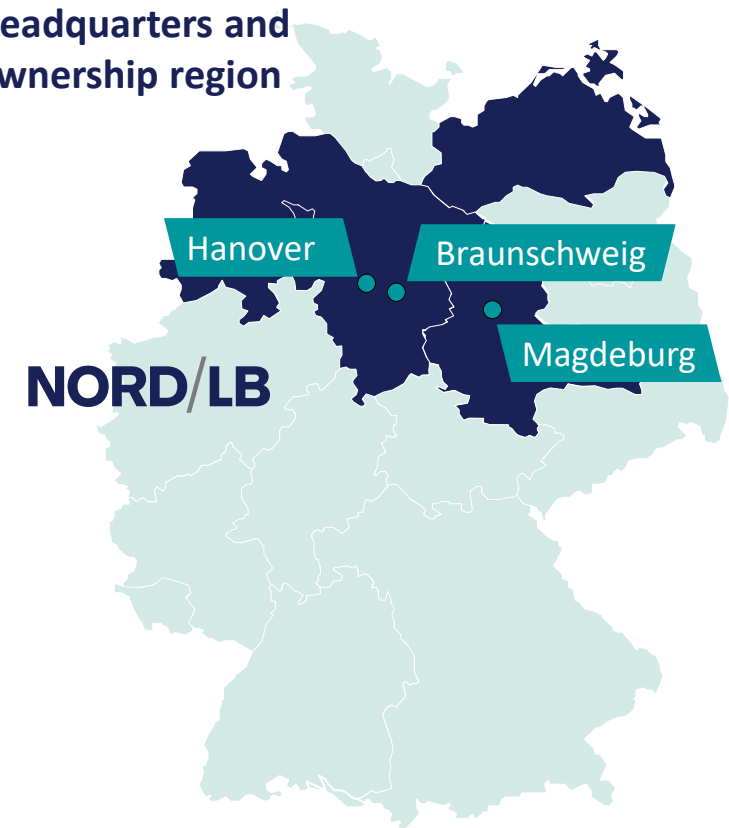


# Ownership structure and ownership region

## Ownership structure<sup>1,2</sup>



## Headquarters and ownership region



1 Slight deviations may occur due to rounding.

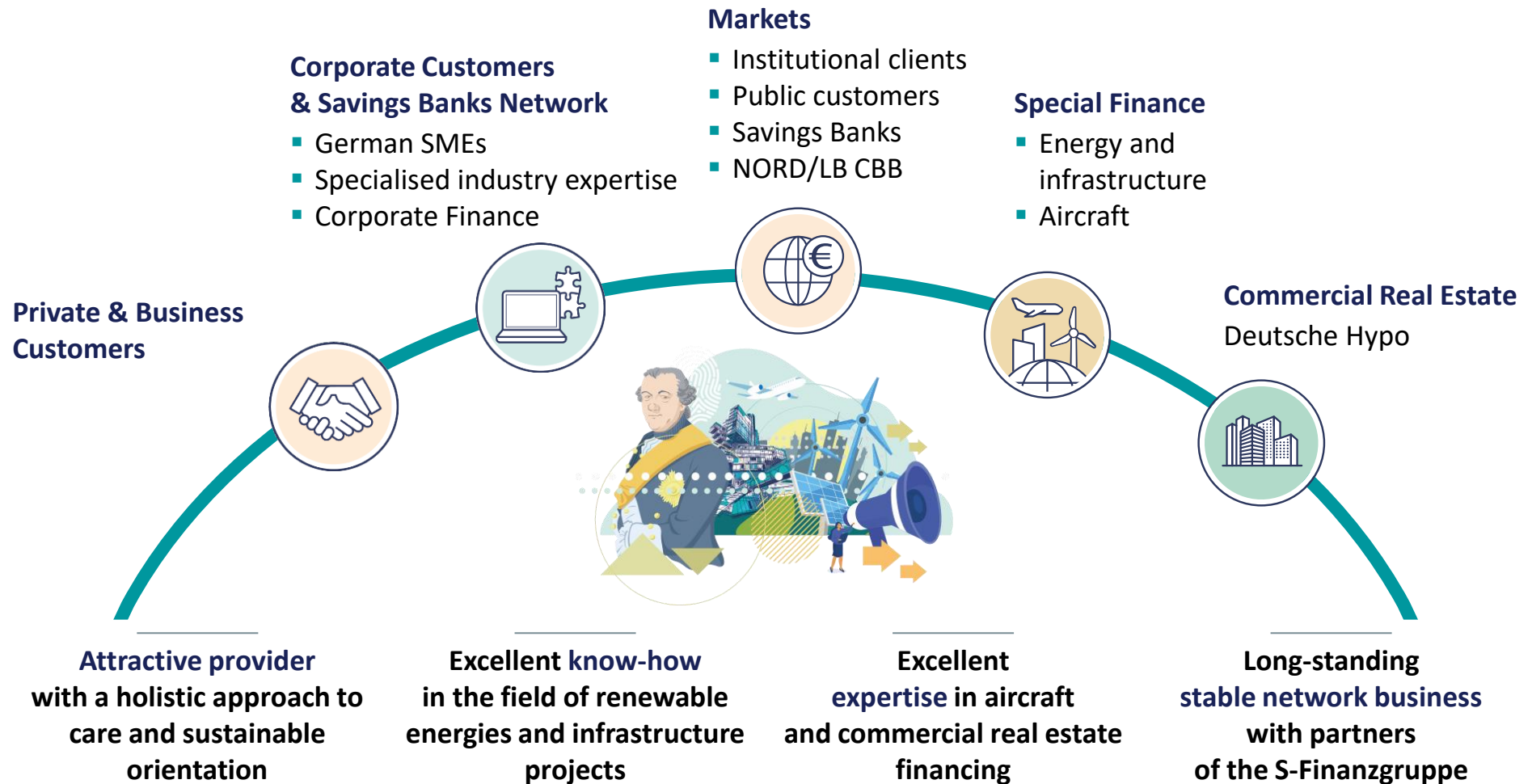
2 Status: 31 December 2023

3 Fides Gamma: trustee company of the DSGV/savings banks

4 Fides Delta: trustee company of the DSGV/Landesbanken

5 Divided into: State of Lower Saxony 2.68 percent, Niedersachsen Invest GmbH (NIG) 40.27 per cent and Hannoversche Beteiligungsgesellschaft Niedersachsen mbH (HanBG) 14.97 per cent

## Strong roots in our region - leading market positions in attractive segments



## Our brands

### NORD/LB

- Private & Commercial Customers
- Corporate Customers & Savings Banks Network
- Markets
- Special Finance (energy, infrastructure and aircraft)
- Real Estate Banking Customers
- Special Credit and Portfolio Optimization (SCPO)

### DEUTSCHE/HYPO

NORD/LB Real Estate Finance

- Commercial real estate financing



Braunschweigische  
Landessparkasse

Ein Unternehmen der NORD/LB

- Private & Commercial Customers

### NORD/LB

Covered Bond Bank Luxembourg

- Fixed Income Relationship  
Management & Sales Europe
- Factoring

# Our Ratings

## Bank Ratings

Issuer Rating

Outlook

Short-term liabilities

MOODY'S

FitchRatings



A3	A-	A (high)
positiv	stable	stable
P-2	F1	R-1 (middle)

## Unsecured Ratings

Senior Preferred

Senior Non-Preferred

Subordinated capital / Tier 2

A3	A	A (high)
Baa2	A-	A
Ba2	B+	A (low)

## Covered Bond Ratings

Mortgage Pfandbriefe

Public Sector Pfandbriefe

Aa1	-	-
Aa1	-	-

## ESG Ratings

Corporate

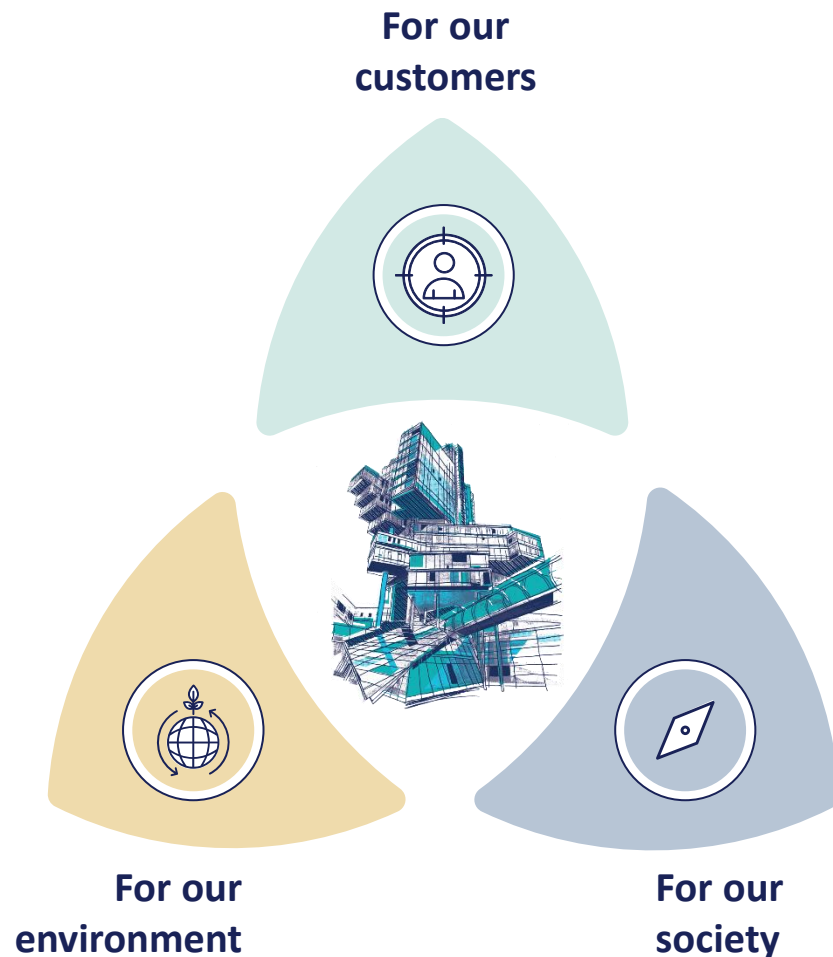
ISS ESG



MSCI

C (Prime)	19.4 (low-risk)	BBB
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## NORD/LB: Creating true value



We support our clients in the **transition to a climate-neutral economy**

We are an **international specialist financier** with decades of tradition, great expertise and numerous awards

We contribute to **achieving climate goals** through financing renewable energy and sustainable real estate. We help communities and cities to **improve the quality of life** by financing schools, hospitals and the expansion of the fibre optic network, among other things

With our financing of small and medium-sized enterprises, we are the **companion of the technology and innovation engine of the German economy**

We have **excellent industry expertise** in energy and food, agricultural banking, construction and project development

## A firm eye on the future



We are a **reliable partner** and offer customised solutions for SMEs



We are an **expert in** future-oriented special financing (renewable energies, infrastructure, mobility)



We are a **client-induced problem solver** and intermediary in capital market products



We consider **sustainability** as part of our DNA, which is part of our business model



We are mastering the **digital transformation with the** help of the new, modern bank IT, thus ensuring innovation and speed



We are returning to **strong earnings performance** after implementing the NORD/LB 2024 Initiative



# Heading towards an economically successful future with a clear plan and significant success



## **NORD/LB Group's transformation is making progress**

- Costs decrease
- Equity base strengthened



## **Our goals by 2024**

- Generate attractive returns
- Staff reduction
- Focus on core business
- Consolidate solid equity base



## **Expansion of the product range has started**

- Innovative offerings, especially in the area of credit asset management
- Added value for our clients through asset know-how and structuring expertise



## **Business model is clearly outlined**

- Clear focus on German SMEs
- Clear focus on international special and project financing
- More than 250 years of experience as a universal bank
- Great advisory competence
- Tailor-made customer solutions



## **Market leader for medium-sized corporate clients**

We understand our customers and speak their language

# Agenda



# Our transformation programme covers a wide range of ESG issues - with a strong focus on strengthening governance

Dimension	Activities of NORD/LB (selection)
<b>E</b>	<ul style="list-style-type: none"> <li>▪ Signatories to the Climate Commitment of the German Financial Sector</li> <li>▪ CO<sub>2</sub> footprint measured: Implementation of CO<sub>2</sub> accounting for transparency measurement of the CO<sub>2</sub> footprint for ~52% of the financing portfolio with a focus on the corporate book and project finance (incl. emissions-intensive sectors)</li> <li>▪ NORD/LB is one of the world's leading financiers of renewable energies (~€ 10.5 billion) and sustainable real estate (~€ 4 billion)</li> <li>▪ NORD/LB's Green Bond Programme complies with the Green Bond Principles. Successful first issue of € 500 million Green Senior Preferred Bonds in benchmark size. This means that the current green funding volume totals around € 2.8 billion (Green Pfandbriefe &amp; Senior Bonds)</li> <li>▪ Analysis of selected parts of the portfolio for EU taxonomy compliance</li> </ul>
<b>S</b>	<ul style="list-style-type: none"> <li>▪ Target: Expansion of the definition of sustainable products to include social suitability criteria</li> <li>▪ Enhancement of the existing ESG guidelines, Human rights officer already started to work</li> </ul>
<b>G</b>	<ul style="list-style-type: none"> <li>▪ Integration of ESG components in target agreements of the board members and leading employees</li> <li>▪ Formalise and strengthen internal governance and organisation on the topic of ESG -&gt; ESG Strategy implemented</li> <li>▪ Definition and collection of key performance indicators (KPI and KRI) for internal sustainability management reporting</li> <li>▪ ESG training for the Managing Board, managers and employees on ESG topic was implemented as part of an ESG Academy</li> <li>▪ Integration of ESG risks in key elements of the risk framework, in particular risk strategy, risk inventory and risk appetite</li> <li>▪ Anchoring ESG aspects in the credit process and credit risk</li> </ul>

# ESG Framework and Sustainable Loan Framework (SLF)

## The ESG Framework of NORD/LB



The ESG framework supports business decision-making at all levels and provides a frame of reference for how NORD/LB intends to deal with business opportunities and risks related to direct and indirect sustainability impacts.

The ESG framework includes explicit provisions on business exclusions. These include pornography, controversial weapons, shipwrecking, the construction of new coal-fired power plants, the construction of new hydroelectric power plants and dams in areas worthy of protection, and online gambling.

In addition, general industry-specific regulations are defined for business activities in order to implement minimum ESG standards in the relevant areas. For implementation, ESG policies exist for the following business areas:

- ESG Policy Agriculture
- ESG Policy Mining, Metals, Oil and Gas
- ESG Policy Fisheries & Farming
- ESG Policy Aircraft Finance and Real Estate
- ESG Policy Timber industry and processing as well as paper production
- ESG Policy Palm oil
- ESG Policy Armament

Note: In the case of business transactions relating to renewable resources which take place outside the high-income OECD states or outside the European Union, NORD/LB takes into account the "Performance Standard 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources" of the International Finance Corporation of the World Bank where necessary. In the case of business transactions relating to non-renewable raw materials which take place outside the high-income OECD states or outside the European Union, NORD/LB also takes into account the "Environmental and Social Risk Briefings" of the UNEP FI Initiative on the relevant sectors, where necessary.

## The SLF of NORD/LB

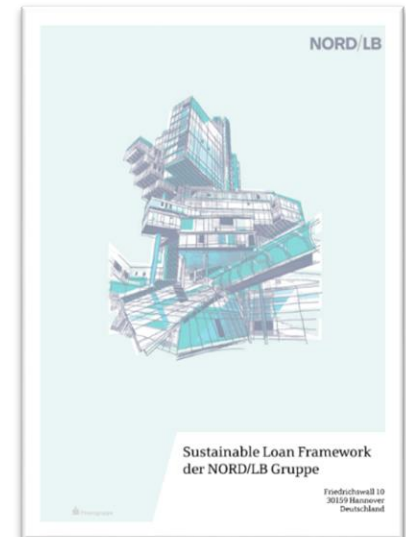


Through the implementation of the Sustainable Loan Framework, NORD/LB has a methodology and associated procedures for the internal classification of financing as "sustainable loans".

The Sustainable Loan Framework was developed on the basis of NORD/LB's existing Green Bond Framework, the EU taxonomy and with the help of NORD/LB expert input and is constantly being further developed.

The classification of "sustainable loans" is carried out through a multi-stage process based on internally defined eligibility criteria.

In a first step, the SLF comprises ecological criteria and will be expanded in further stages to include social and governance criteria.



# Sustainability at NORD/LB

## What we have already achieved

### Strategies

In consultation with our stakeholders, we have drawn up a climate, data and transition strategy in general outlines



### Project

Set up the "CARE" project, among other things to implement the extensive regulatory requirements for sustainability



### Governance

Signing of the German financial sector climate agreement and resolution of the ESG governance model



### Sustainability Board

Establishment of a bank-wide information centre with an expert working group on sustainability topics as well as centres of expertise



### Frameworks

Integration of a Sustainable Loan Framework and a Green Bond Framework into the Bank's processes as well as ESG guidelines



## Our goals and ambitions

### Strategies

Development of the current climate strategy into a bank-wide sustainability strategy



### Employees

Establishment of an ESG Academy with training and qualification offers as well as expansion of the ESG centres of expertise



### Transition paths

Development of transition paths for sector decarbonisation for the most emission-intensive sectors and definition of net zero targets



### Taxonomy

Introduction of the EU Taxonomy: Determination of the Green Asset Ratio and Taxonomy Disclosure



### Control

Regular reporting and transparency creation through a sustainability KPI dashboard



## NORD/LB's commitment to sustainability

With its sustainable financing, NORD/LB is making a **steadily growing contribution to financing the green economy** and is active in the area of social and environmental sustainability. NORD/LB supports in particular customers in the energy and agricultural sectors, from the social and healthcare sectors and commercial real estate finance.

<b>Real estate financing</b>	Under our Deutsche Hypo brand, our <b>commercial real estate financing</b> covers the entire <b>green value chain</b> - in particular through financing by means of green loans, around 1/4 of which are green real estate	€17.4bn <sup>1</sup>
<b>Renewable energies</b>	NORD/LB has been a <b>pioneer in the financing of renewable energies and infrastructure projects</b> for over 30 years, primarily in the areas of wind energy, photovoltaics and battery storage	~€11bn <sup>1</sup>
<b>Infrastructure</b>	In terms of <b>infrastructure projects</b> , we focus on the following areas: Social infrastructure, transport and digital infrastructure	~€6.2bn <sup>1</sup>
<b>Aircraft financing</b>	<b>Founding member</b> and driving force in the <b>Impact on Sustainable Aviation Alliance</b> . Focus on innovations in propulsion technologies and new types of aircraft (e.g. sustainable aviation fuels, electrified aircraft, etc.)	€3.1bn <sup>1</sup>
<b>Agricultural Banking</b>	<b>Value creation potential from the field to the socket</b> . The field of renewable energies enables agricultural entrepreneurs to open up new fields of activity and to reduce <b>CO<sub>2</sub> emissions, e.g. by</b> building a biogas plant, a photovoltaic system or new energy-saving technologies	€2.5bn <sup>1</sup>

### Memberships and commitments



# Sustainability is successfully integrated into the operational business activities of the NORD/LB Group

Integrating sustainability into our core business is our key lever for securing the **future orientation and competitiveness of the NORD/LB Group**, our customers and our business partners in the long term.



1 Environmental, Social and Governance

2 Global Reporting Initiative (GRI) guidelines, standard version G4

# NORD/LB's Green Bond Programme and Green Loan

## The NORD/LB Green Bond Programme



....was **expanded in 2023** to include the market segment **Renewable Energies**

- Already four Green Pfandbriefe issued (2017, 2018, 2021, 2022), each with a volume of € 500 million (benchmark)
  - More than € 880 million in Green Senior Preferred Bonds (benchmark 2023, € 500 million) or green term deposits
  - Establishing and expanding a loyal, sustainable/green investor base
- and complies with the **Green Bond Principles**



...is the platform for the "Green Pfandbrief" product under the brand of the Association of German Pfandbrief Banks (vdp) and has a **high quality of credit and sustainability ratings** ; there active contribution to the content of the brand since 2017

...features a **Second Party Opinion (SPO)** from **ISS ESG**



## The NORD/LB Green Loan



By implementing the Green Loan product, NORD/LB is strengthening its role as a **competent business partner** for **financing energy-efficient buildings**:

- Consideration in margin design
- Incentivising sustainable properties
- Furthermore: Exclusion of controversial tenants
- Classification of the green building based on various criteria, with emphasis on:
  - Energy consumption and demand
  - Year of manufacture
  - Certification
  - Distance to local public transport
  - Soil sealing
  - Building fabric
- Furthermore: Exclusion of controversial tenants

Further information on **sustainability** and the **Green Loan**:

<https://www.nordlb.de/die-nordlb/nachhaltigkeit>








<https://www.nordlb.de/die-nordlb/nachhaltigkeit/green-banking>





# The enhanced Green Bond Framework

The expanded Green Bond Framework now also **includes renewable energies.**

Assets	EU Taxonomy	UN SDG Goals
Solar PV (photovoltaic)	4.1. - Electricity generation using solar photovoltaic technology	 
Wind (on- and offshore)	4.3. - Electricity generation from wind power	 
Battery Storage	4.10. - Storage of electricity	 
Green Buildings	7.7. - Acquisition and ownership of buildings	

- The updated framework continues to comply with the **Green Bond Principles** of the International Capital Markets Association (ICMA)
- **Outlook:** NORD/LB aims to continue to develop its framework in the future by including further asset classes.
- **NORD/LB** took part in the **ECB Climate Stress Test 2022, which was** carried out by 104 institutes, whereby only 41 institutes (including NORD/LB) had to determine the complete stress test projections for the various climate scenarios with a forecast horizon of up to 30 years. **NORD/LB achieved an above-average result [here](#)**

# Agenda

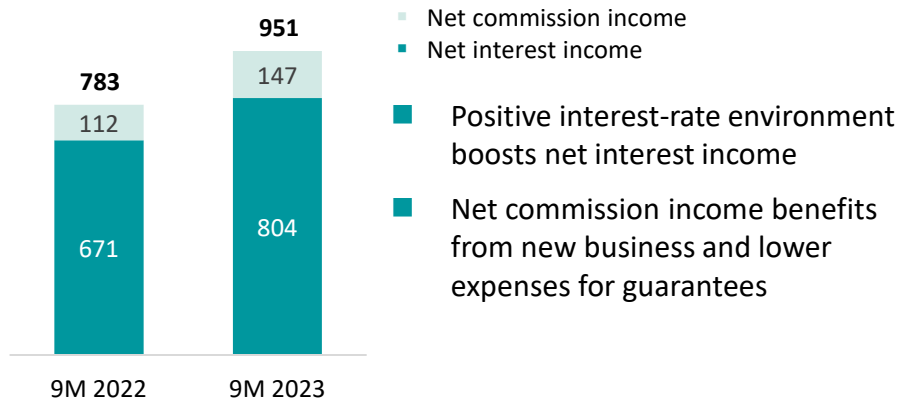


## 9M2023 highlights

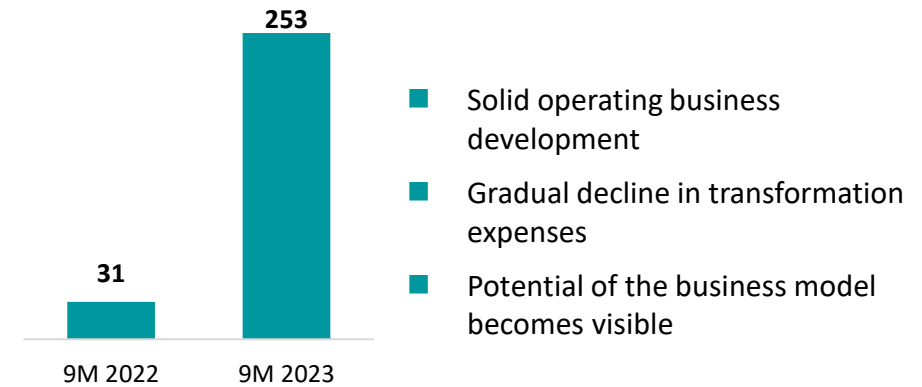
- ▶ **Best Nine-Months-Result since the beginning of the transformation**
- ▶ **Upswing in revenues while maintaining cost discipline**
- ▶ **Additional risk provisions for management adjustment**
- ▶ **Negative impacts from non-operating items decline significantly**
- ▶ **Launch of Project ‚fitt‘ – implementation of the new Bank Steering IT**

# Transformation on track – strength across key financials

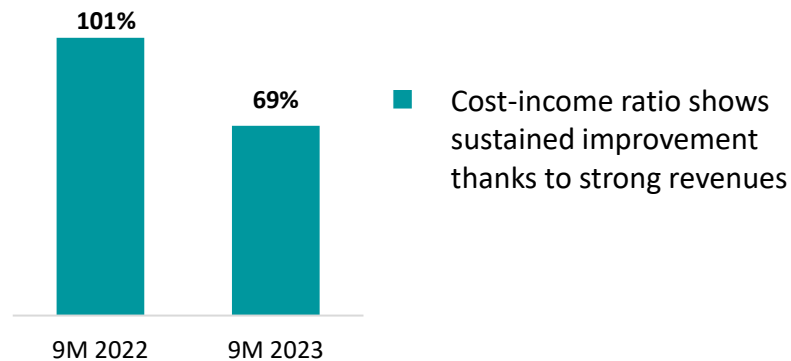
## Revenues, in €m



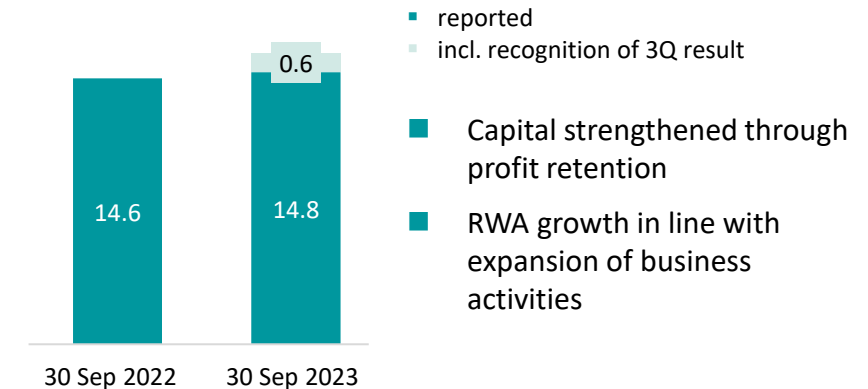
## Earnings before taxes, in €m



## Cost-income ratio, in %

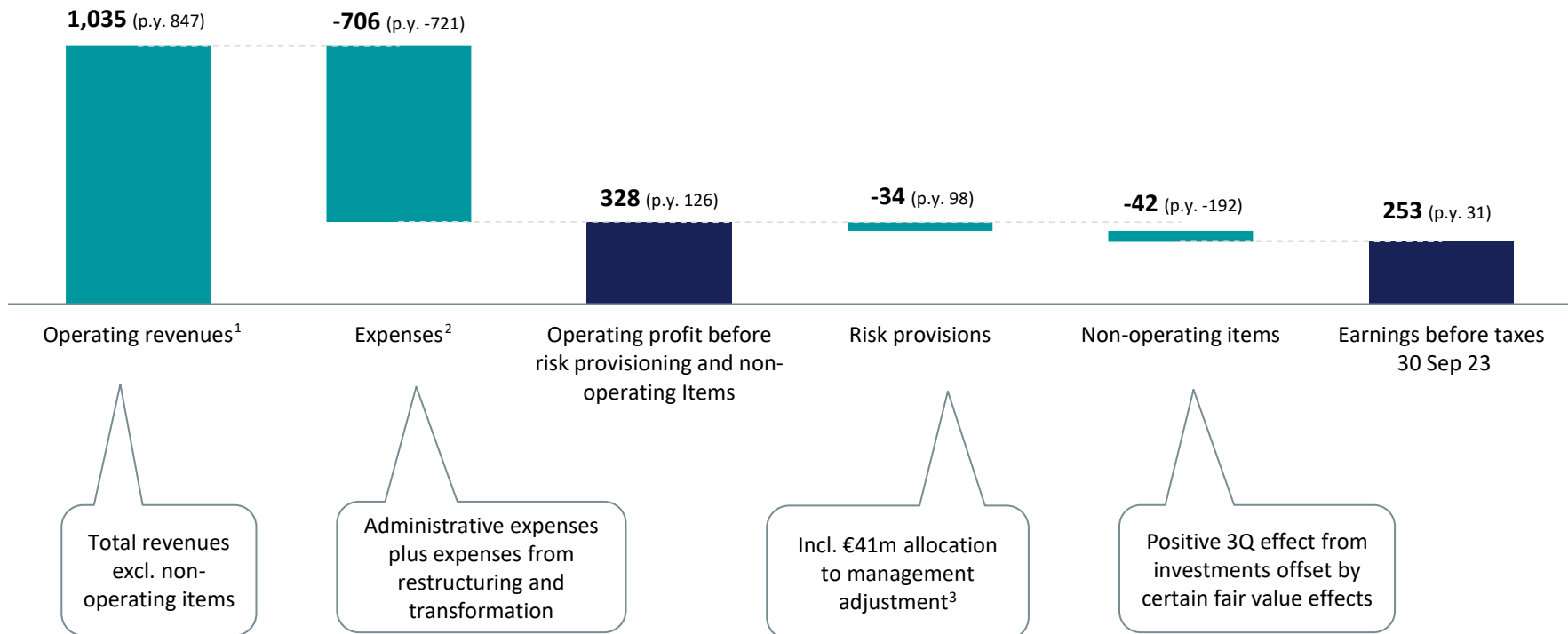


## CET-1 ratio, in %



# Operationally profitable – non-operating items less relevant

## 9M2023, in €m



<sup>1</sup> Income excluding interest rate-related and valuation-related effects as well as one-off and recurring effects that are not related to the original banking business

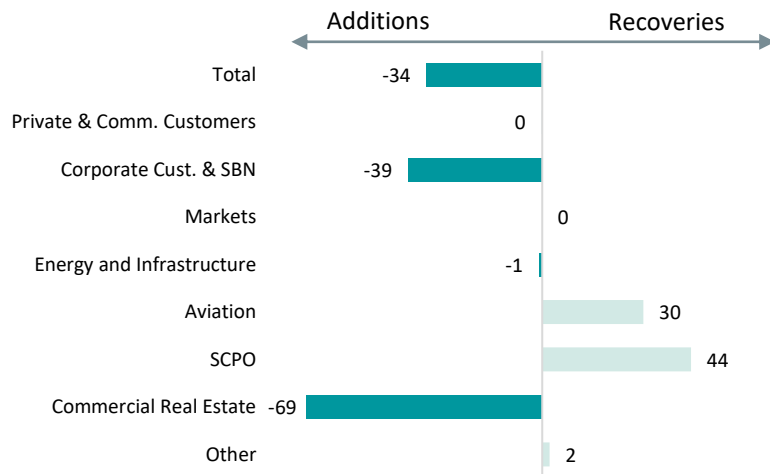
<sup>2</sup> Administrative expenses and result from restructuring and transformation

<sup>3</sup> Additional allocation related to Management Adjustment as of 31 Dec 2022

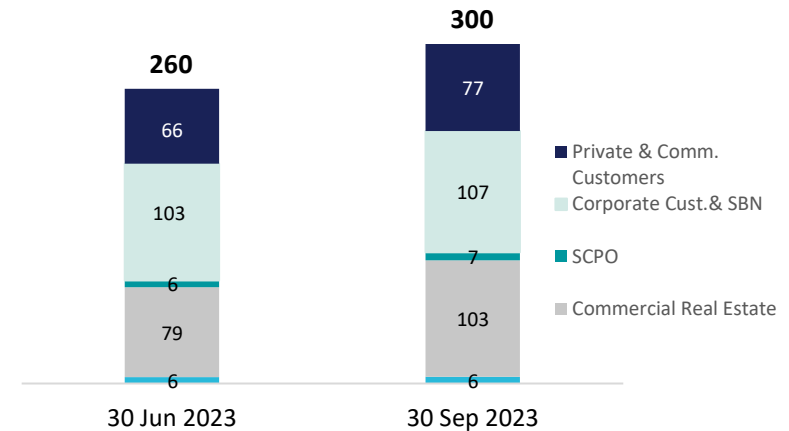
Note: Minor deviations may occur due to roundings

# Portfolio quality remains at a high level - additional buffer reinforced

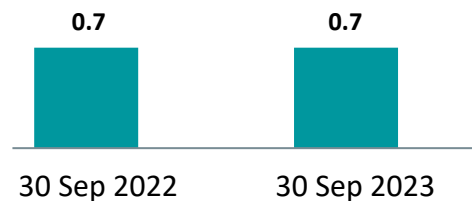
## Development of risk provisions 9M2023, in €m



## Management Adjustment, in €m



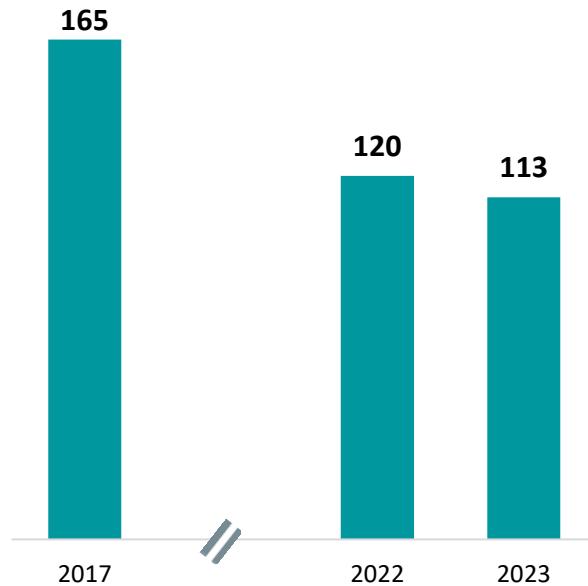
## NPL ratio, in %



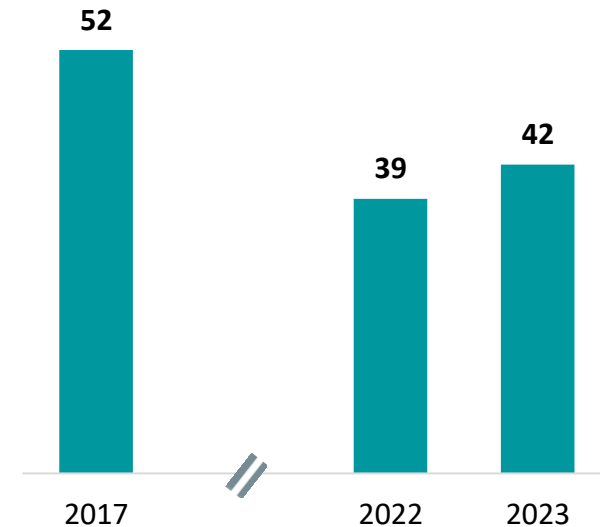
- Risk reduction from transformation is sustainable
- Broad sector diversification while concentration and cluster risks are being avoided
- Stable Non-Performing Loan ratios across all portfolios, moderate increase in real estate

## Successful transformation – risks substantially reduced

**Total assets as of 30 Sep,  
in €bn**



**Total Risk-Weighted Assets as of 30 Sep,  
in €bn**



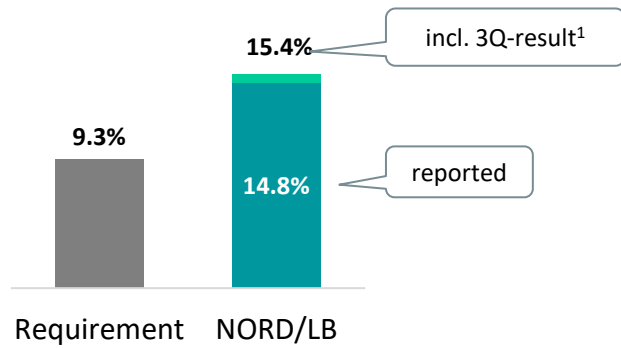
**9M consolidated profit, in €m**



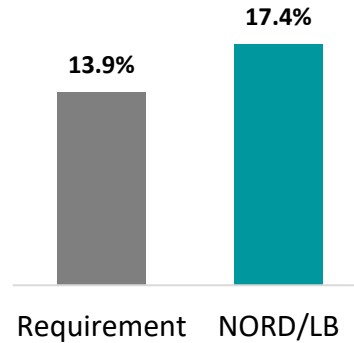
**Similar result with significantly lower risks**

# Strong capital base and liquidity

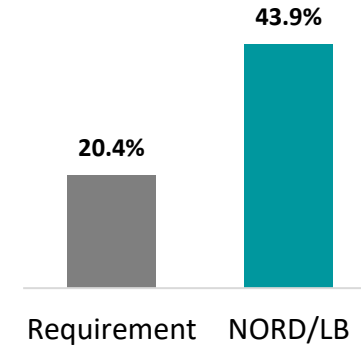
## CET1 ratio



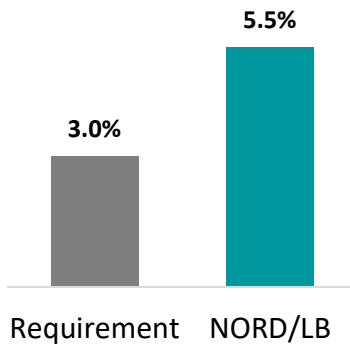
## Total capital ratio



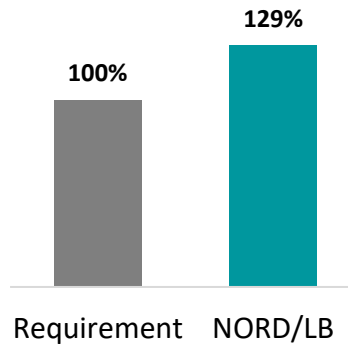
## MREL ratio<sup>2</sup>



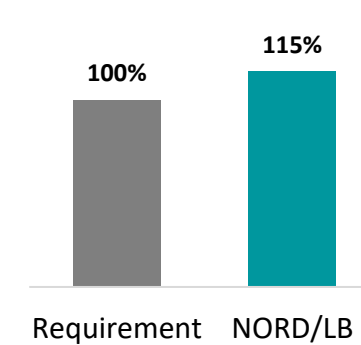
## Leverage ratio



## Liquidity coverage ratio



## Net stable funding ratio



<sup>1</sup> Incl. earnings after taxes and 3Q2023 changes in OCI

<sup>2</sup> based on risk-weighted assets



## Outlook: Significant improvement in full year earnings vs. 2022

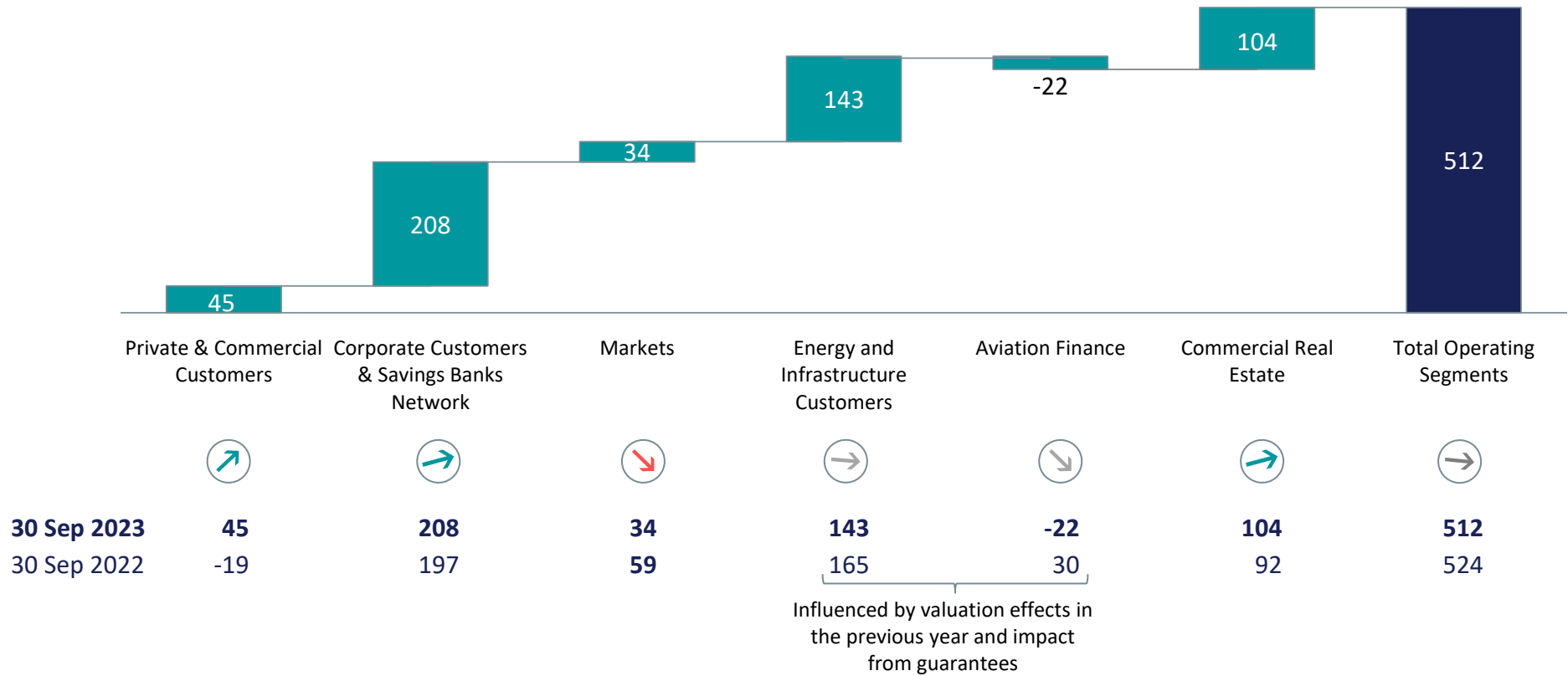
- ▶ **Supporting the economy and society as ‘Bank for the energy transition’**
- ▶ **Managing macroeconomic and cyclical challenges**
- ▶ **Maintaining our defensive risk policy**
- ▶ **Seizing tailwinds - sustainably strengthening profitability**
- ▶ **Switching to semi-annual reporting**

# Agenda



## Positive results in key core segments

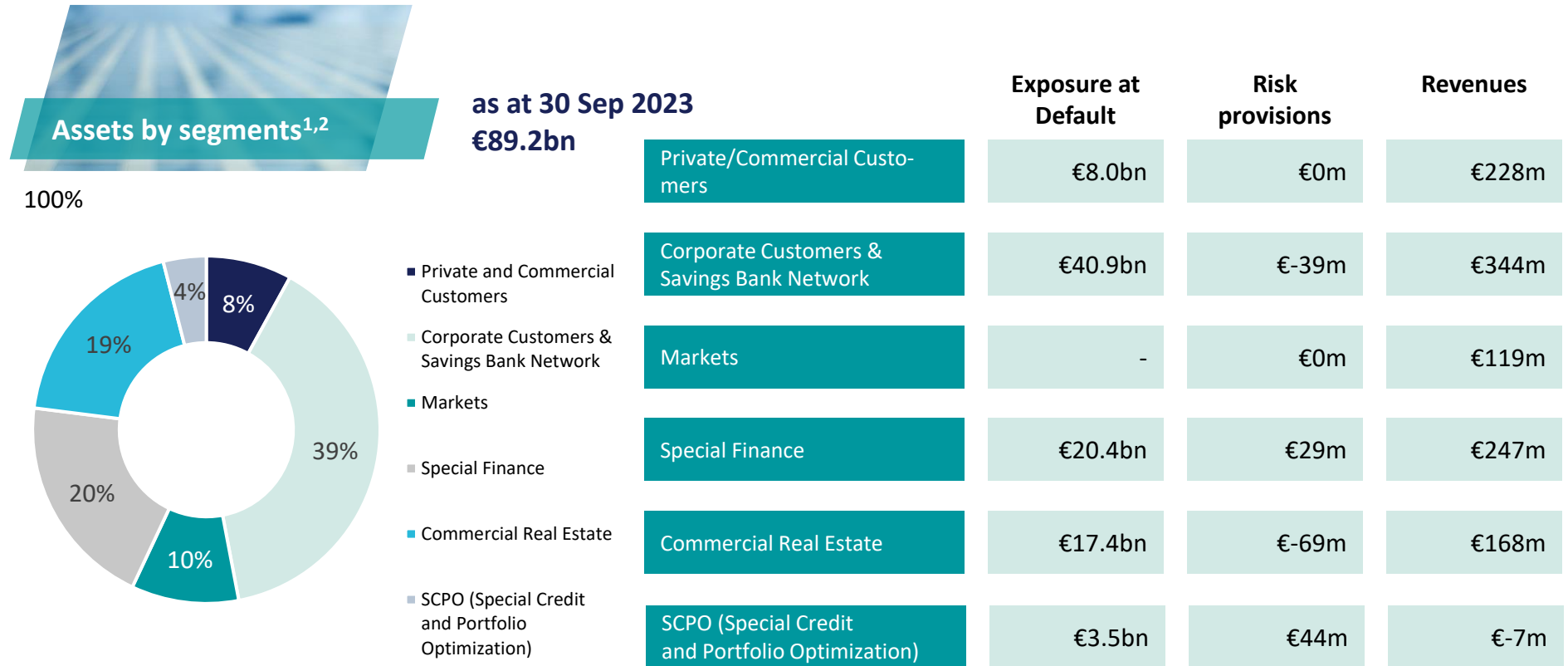
### Operating segment results\*, in €m



\* Profit before risk provisioning and taxes

Note: Minor deviations may occur due to rounding

## Segments at a glance



1 Slight deviations may occur due to rounding

2 Excluding treasury/consolidation/other and reconciliation (with these items the segment assets amount to €112.9bn)

# Positioning as the Bank of the Energy Transition

## Corporate Customers

in €m	9MQ23	9M22
<b>Revenues</b>	<b>344</b>	304
<b>RP<sup>1</sup></b>	<b>-39</b>	5

- Arranging sustainable promissory note mandates for energy suppliers (€ >300 million)
- Support for agricultural entrepreneurs in the expansion of renew. energies Supporting energy suppliers in the expansion of renewable energies (€ 650 million)
- Implementation of flexible financing modules in the value chain of the food industry (>€ 200 million)
- Intensification of syndicated business with savings banks



## Markets

in €m	9M23	9M22
<b>Revenues</b>	<b>119</b>	147
<b>RP<sup>1</sup></b>	<b>0</b>	1

- Positioning as a sustainable product provider
- Mortgage Pfandbrief issue: € 500 million, 3½ years; more than four times oversubscribed at € 2.1 billion
- Green Pfandbrief issue: € 500 million, 5 years, order book more than five times over-subscribed with almost 100 individual orders and over € 2.7 billion



## Special Finance

in €m	9M23	9M22
<b>Revenues</b>	<b>247</b>	87
<b>RP<sup>1</sup></b>	<b>29</b>	41

- 2nd rank in the Inspiratia Infrastructure- as well as in the Energy-Lender League Tables 2022
- Financing of national and international wind-, solar- and battery storage-projects
- Top infrastructure projects especially in digital infrastructure, social housing and primary care
- Active membership as a founding member and driving force in the Impact on Sustainable Aviation Alliance



## Commercial Real Estate

in €m	9M23	9M22
<b>Revenues</b>	<b>168</b>	144
<b>RP<sup>1</sup></b>	<b>-69</b>	16

- Our green banking strategy is showing growing success, especially in the financing of sustainable buildings. We cover the entire green value chain, including financing by green loans
- Satellite Nine 4: Modernisation of a Hamburg office building with almost 13,700 m² of leasable space in St. Georg; BREEAM<sup>2</sup> certification is planned
- Varso Place: Mixed-use ensemble including offices, hotel, retail, gastronomy; BREEAM<sup>2</sup> (outstanding) and WELL<sup>3</sup> (Gold) certified



<sup>1</sup> Risk provisioning

<sup>2</sup> BREEAM is a rating system for ecological and sociocultural aspects of the sustainability of buildings

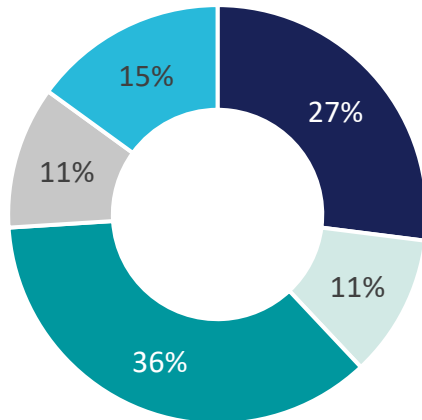
<sup>3</sup> The WELL Building Standard measures, assesses and monitors building characteristics that impact health, well-being and productivity

## Private & Commercial Customers: Firmly rooted in the home region



### Exposure by industry<sup>1</sup>

100%



as at 30 Sep 2023  
Exposure at Default  
**€8.0bn**

- Land, housing
- Public administration
- Private households
- Other service industry
- Other industries

in €m <sup>1</sup>	1 Jan – 30 Sep 2023	1 Jan – 30 Sep 2022
Revenues	228	150
Expenses	– 183	– 169
<b>Result<sup>2</sup></b>	<b>45</b>	<b>– 19</b>
Risk provisions	0	– 2
<b>Earnings before taxes</b>	<b>45</b>	<b>– 22</b>

- We offer all private and commercial customers in the business region of Braunschweigische Landessparkasse (BLSK) and as NORD/LB in Hanover, Hamburg, Bremen and Oldenburg tailor-made advice and sell financial products and services.
- In private banking we are excellent specialists for inheritance and foundation management, portfolio management and individual asset management.
- Our range is supplemented by the services of our partners such as Öffentliche Versicherung Braunschweig and Versicherungsgruppe Hannover as well as all the companies in the strong savings bank network

<sup>1</sup> Slight deviations may occur due to rounding

<sup>2</sup> Result before restructuring, reorganisation and taxes

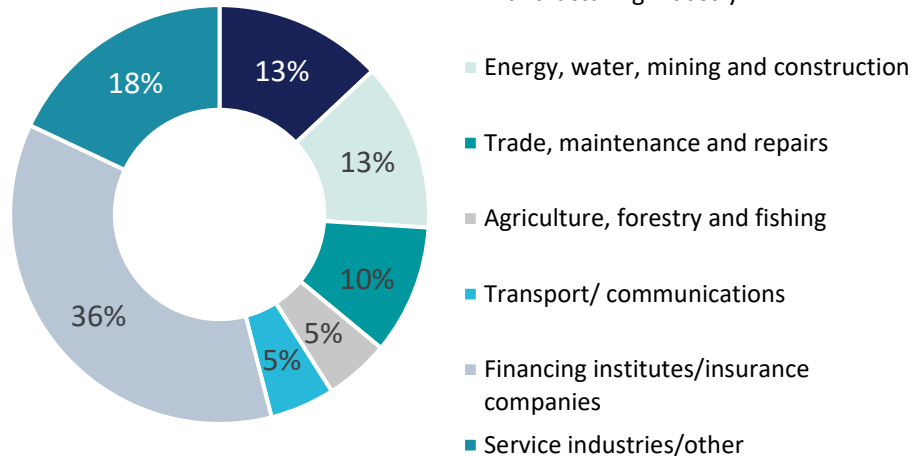
# Corporate Customers & Savings Bank Network: together a strong partner for small and medium-sized enterprises



## Exposure by industry<sup>1</sup>

as at 30 Sep 2023  
Exposure at Default  
**€40.9bn**

100%



in €m <sup>1</sup>	1 Jan – 30 Sep 2023	1 Jan – 30 Sep 2022
Revenues	344	304
Expenses	– 136	– 108
<b>Result<sup>2</sup></b>	<b>208</b>	<b>197</b>
Risk provisions	– 39	5
<b>Earnings before taxes</b>	<b>169</b>	<b>202</b>

- Our customers benefit from our in-depth and recognised expertise in agricultural banking, the energy and food industry, leasing companies, acquisition finance and as a service provider for payment transactions/ cash management and trade finance
- Our broad product expertise (including working capital management, debt purchase, syndicated loans, digital promissory notes and risk management) enables us to react flexibly to volatile developments in the market environment and to support our clients as a financial partner in the best possible way
- With tailor-made ESG-based and green financing solutions for our medium-sized corporate customers in bilateral and syndicated lending business as well as promissory notes, we facilitate sustainable and responsible action
- We provide the giro central function for the savings banks in Lower Saxony, Saxony-Anhalt, Mecklenburg-Western Pomerania and Schleswig-Holstein and are a partner in the syndicated loan business of savings banks for corporate customers
- We support municipalities with a focus on the S-Group region in financing and nationwide in the derivatives business

<sup>1</sup> Slight deviations may occur due to rounding

<sup>2</sup> Result before restructuring, reorganisation and taxes

## Markets: Regular, successful benchmark issues



Accompanied benchmarks

### First nine months of year 2023 (selection)

<b>NORD/LB</b> € 500,000,000 2.875% Pfandbrief Jan 2023 - March 2030 Joint Lead	<b>NORD/LB</b> € 500,000,000 € 3.125% Pfandbrief Feb 2023 - Feb 2026 Joint Lead	<b>NORD/LB</b> € 500,000,000 € 4.875% Green Senior Preferred July 2023 – July 2028 Joint Lead	<b>BANCO BPM</b> € 500,000,000 3,870% Covered Bond Sept 2023 – Sept 2026 Joint Lead
<b>HYPO NOE</b> € 500,000,000 3.625% Covered Bond Aug 2023 – March 2026 Joint Lead	 € 1,000,000,000 3.125% Covered Bond Apr 2023 – Oct 2028 Joint Lead	<b>Nationwide</b> Building Society € 1,000,000,000 3.625% Covered Bond Mar 2023 – Mar 2028 Joint Lead	 € 500,000,000 3.500% Covered Bond July 2023 – July 2028 Joint Lead
<b>Northrhine-Westphalia</b>  € 2,500,000,000 2.75% LSA Jan 2023 – Jan 2032 Joint Lead	<b>Northrhine-Westphalia</b>  € 2,500,000,000 2.9% LSA Jan 2023 – Jan 2053 Joint Lead	<b>rentenbank</b> € 1,500,000,000 3.25% Senior Unsecured March 2023 – Sep 2030 Joint Lead	 € 750,000,000 3.375% Green Covered Bond June 2023 – June 2033 Joint Lead

in €m <sup>1</sup>	1 Jan – 30 Sep 2023	1 Jan – 30 Sep 2022
Revenues	119	147
Expenses	– 85	– 88
<b>Result<sup>2</sup></b>	<b>34</b>	<b>59</b>
Risk provisions	0	1
<b>Earnings before taxes</b>	<b>34</b>	<b>60</b>

- Extensive, customised range of money and capital market products in the private placement segment
- Issuer of covered bonds (public, mortgages), including green bonds and lettres de gage (covered bonds under Luxembourg law) as well as bearer bonds, promissory note loans and money market paper
- Successful positioning as lead manager/arranger in the placement of bond issues, especially in covered bonds
- International refinancing programmes<sup>3</sup>: € 25 billion EMTN, € 10 billion Euro CP programme and € 4 billion Negotiable European CP programme
- As at 30 September 2023: The NORD/LB Group has € 9.5 billion in ECB-eligible unencumbered/free securities and promissory notes, of which € 9.0 billion are held by NORD/LB AöR

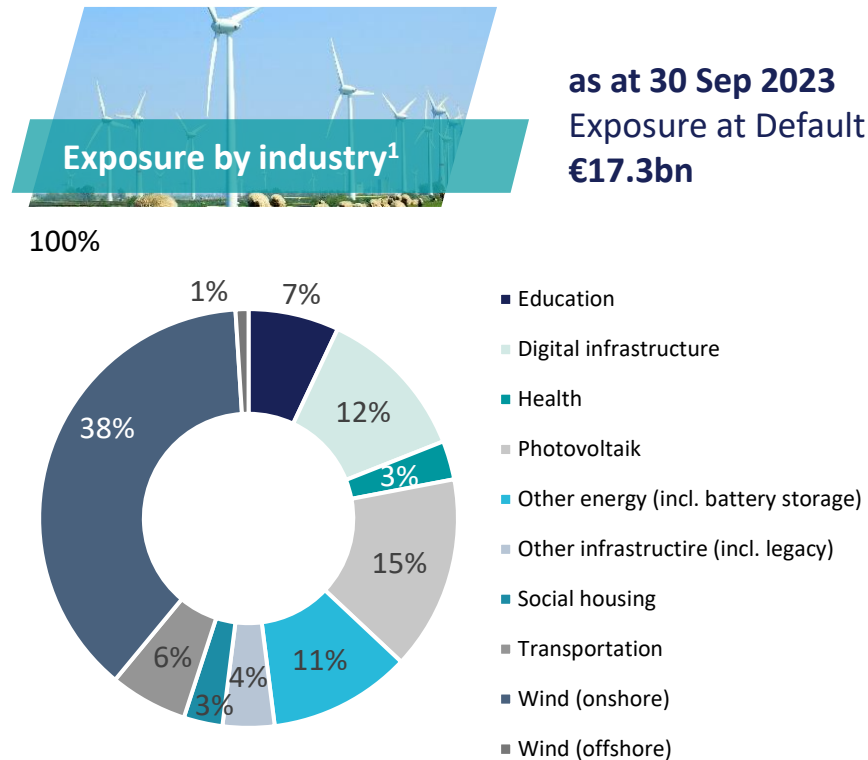
<sup>1</sup> Slight deviations may occur due to rounding

<sup>2</sup> Result before restructuring, reorganisation and taxes

<sup>3</sup> NORD/LB AöR (single entity)



## Special Finance: Energy and infrastructure financing



in €m <sup>1</sup>	1 Jan – 30 Sep 2023	1 Jan – 30 Sep 2022
Revenues	235	242
Expenses	– 91	– 77
<b>Result<sup>2</sup></b>	<b>143</b>	<b>165</b>
Risk provisions	– 1	– 4
<b>Earnings before taxes</b>	<b>142</b>	<b>161</b>

**Energy:** We have been pioneers in financing renewable energy projects since the mid-1990s. We have financed over 1,000 projects (mainly wind and photovoltaic) in Germany as well as numerous European markets, the Americas and Asia-Pacific. In the financing of battery storage, we look back on projects totalling more than 1,000 megawatts, thus providing holistic support for the energy transition

**Infrastructure:** For more than twenty years, we have been one of the leading financiers of infrastructure projects that meet the basic needs of our society. We are active in several sectors, with particular focus and expertise in the areas of: social infrastructure, digital infrastructure as well as transport.

Our competent and dedicated team prides itself on its client-centric and innovative approach to financing and, as a signatory to the UN Principles for Responsible Banking (PRB), ensures that projects deliver long-term social and environmental benefits

<sup>1</sup> Slight deviations may occur due to rounding

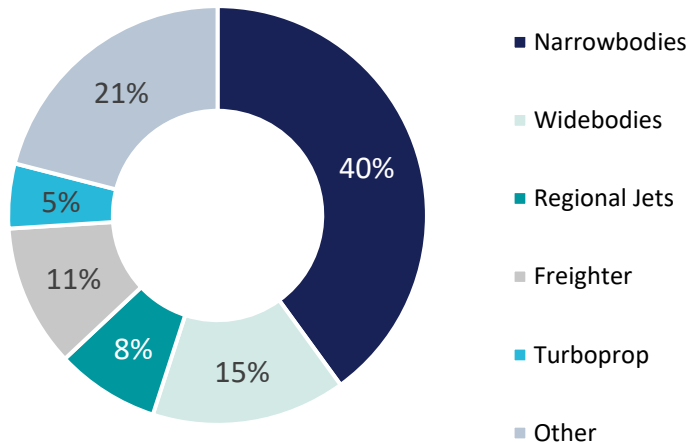
<sup>2</sup> Result before restructuring, reorganisation and taxes

## Special Finance: Aircraft financing



**as at 30 Sep 2023**  
**Exposure at Default**  
**€3.1bn**

100%



1 Slight deviations may occur due to rounding

2 Result before restructuring, reorganisation and taxes

3 Includes negative imputed valuation effects (approx. € -30.1 million) in connection with the guarantee from the state of Lower Saxony and guarantee fees.

4 Includes positive imputed valuation effects (approx. € +38.8 million) as part of the guarantee from the state of Lower Saxony and guarantee fees

in €m <sup>1</sup>	1 Jan – 30 Sep 2023	1 Jan – 30 Sep 2022
Revenues	12	66
Expenses	– 34	– 36
<b>Result<sup>2</sup></b>	<b>– 22</b>	<b>30</b>
Risk provisions	30	46
<b>Earnings before taxes</b>	<b>8<sup>3</sup></b>	<b>76<sup>4</sup></b>

- NORD/LB has been successfully active in the international aircraft financing market for more than 40 years. With our financing, we promote mobility and support global passenger and freight transport
- We have a broadly diversified portfolio with more than 300 aircraft and (spare) engines. In addition, there is a portfolio of corporate loans for airlines and leasing companies, among others
- Within the framework of our extensive structuring and financing expertise, we offer our clients a wide range of products. The focus is on operating leases and finance leases as well as portfolio transactions and direct loans
- Focus on modern and more fuel-efficient aircraft types to enable sustainable and economical concepts in the aviation industry. NORD/LB is a founding member of the “Impact on Sustainable Aviation Alliance”
- Under the guarantee of the State of Lower Saxony, around 10 per cent of the total portfolio is covered

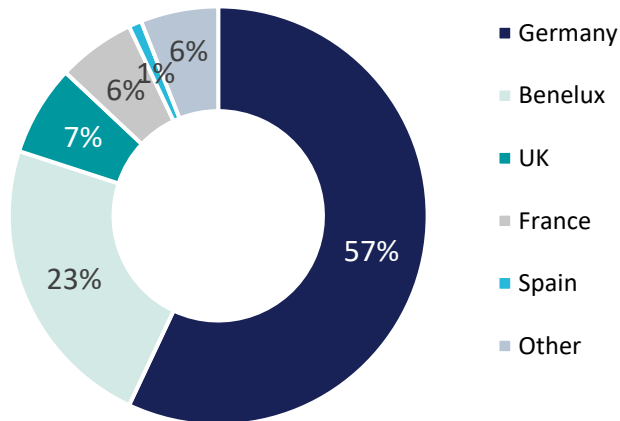
## Commercial Real Estate: Focus on Germany



### Country breakdown<sup>1</sup>

as at 30 June 2023  
Exposure at Default  
**€17.4n**

100%



in €m <sup>1</sup>	1 Jan – 30 Sep 2023	1 Jan – 30 Sep 2022
Revenues	168	144
Expenses	– 65	– 52
<b>Result<sup>2</sup></b>	<b>104</b>	<b>92</b>
Risk provisions	– 69	16
<b>Earnings before taxes</b>	<b>35</b>	<b>108</b>

- The commercial real estate financing business appears on the market under the "Deutsche Hypo" brand, thus representing more than 150 years of history, which is continued from the integrated Deutsche Hypothekbank
- Customer benefits: Tailor-made financing concepts and individual, qualified advice with broad know-how from various segments and the most important real estate markets in Europe
- Financing mainly of office and commercial buildings, shopping centres, hotels, logistics buildings and multi-storey residential buildings in preferred conurbations with a correspondingly good tenant structure and good cash flow
- Financing in Europe with focus on Germany. Furthermore financing of commercial real estate in France, UK, Benelux, Poland, Spain and Austria
- Green Banking: Completion of the product range by financing of green buildings

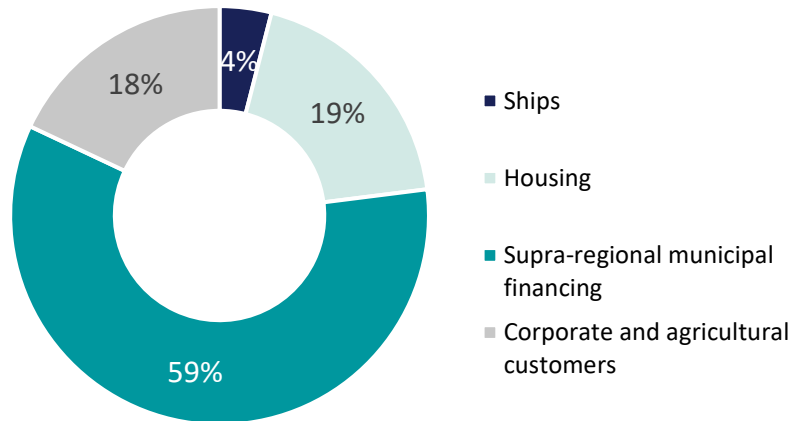
<sup>1</sup> Slight deviations may occur due to rounding

<sup>2</sup> Result before restructuring, reorganisation and taxes

## SCPO (Special Credit and Portfolio Optimization): Portfolios further reduced



100%



in €m <sup>1</sup>	1 Jan – 30 Sep 2023	1 Jan – 30 Sep 2022
Revenues	– 7	– 24
Expenses	– 15	– 31
<b>Result<sup>2</sup></b>	<b>– 22</b>	<b>– 55</b>
Risk provisions	44	29
<b>Earnings before taxes</b>	<b>21<sup>3</sup></b>	<b>– 26<sup>4</sup></b>

- Since the end of 2020, the reduction portfolio has been managed in the Special Credit and Portfolio Optimization (SCPO) unit. Since then, the exposure has been reduced from € 9 billion to around € 3.5 billion as at 30 September 2023
- The shipping portfolio has been almost completely reduced. At the end of September 2023, it totals € 129 million
- In addition non-core loans from housing (€0 .6 billion as at 30 September 2023 / € 2.7 billion as at 31 December 2020) and supra-regional municipal financing (€ 2.1 billion / € 2.5 billion) as well as non-strategic parts of corporate and agricultural customers (€ 0.6 billion / € 2.2 billion) were further reduced as planned

1 Slight deviations may occur due to rounding

2 Result before restructuring, reorganisation and taxes

3 Includes negative imputed valuation effects (approx. € -20.9 million) in connection with the guarantee from the state of Lower Saxony and guarantee fees

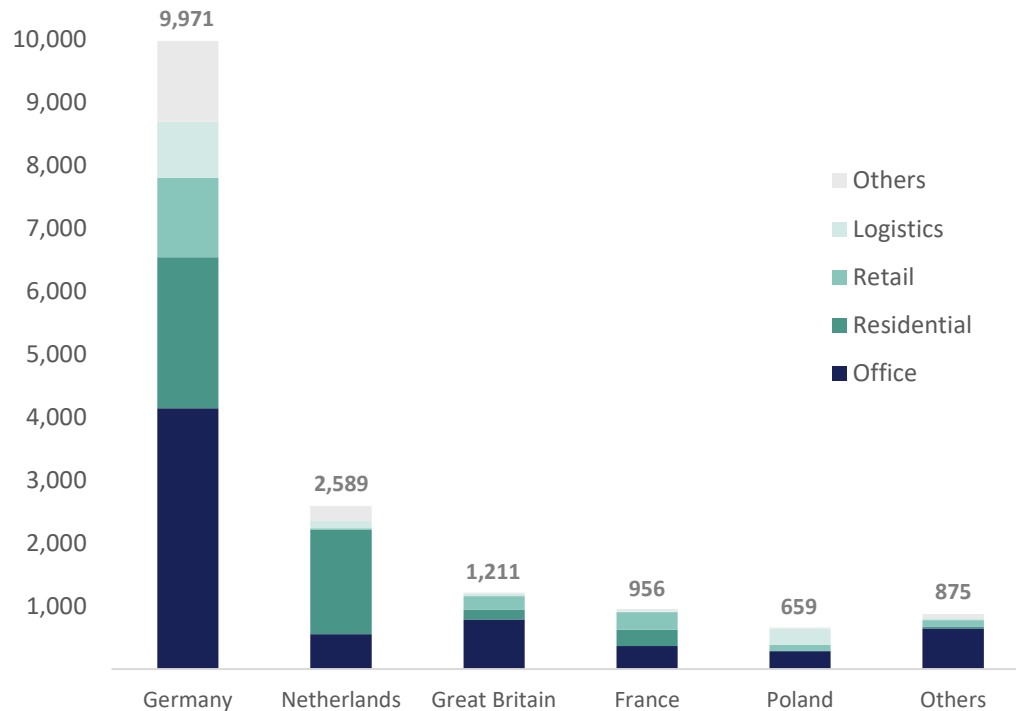
4 Includes negative imputed valuation effects (approx. € -34.9 million) in connection with the guarantee from the state of Lower Saxony and guarantee fees

# Agenda



## Commercial real estate portfolio: 30.09.2023

### Regional and Asset class distribution, in €m



- Average loan duration of 4-5 years with a range of 3-10 years
- Mainly fixed interest rates, loans with floating interest rates require hedging for a substantial part of their value
- No real estate financing in the USA
- With their management adjustment, NORD/LB has made extensive provisions to be able to react to an economic weakness in the real estate sector

Exposure at Default (Mio. €)	17.380
Average LTV (%)	51,24
NPL-Ratio (%)	1,55
Management Adjust. (Mio. €)	102,9

# Income statement of NORD/LB Group (IFRS)

Income statement [in €m]	1 Jan – 30 Sep 2023	1 Jan. - 30 Sep 2022 <sup>1</sup>	Change [in %]
Net interest income	804	671	+20
Net commission income	147	112	+31
Profit/loss from fair value management	-36	-69	-48
Risk provisions	-34	98	>100
Disposal profit/loss from financial instruments not measured at fair value through profit or loss	14	-31	>100
Profit/loss from hedge accounting	20	5	>100
Profit/loss from shares in companies	10	5	+100
Profit/loss from investments accounted for using the equity method	4	37	-89
Administrative expenses	-675	-655	+3
Other operating profit/loss	31	-75	>100
<b>Earnings before restructuring, transformation and taxes</b>	<b>283</b>	<b>97</b>	<b>&gt;100</b>
Profit/loss from restructuring and transformation	-31	-66	-53
<b>Earnings before taxes</b>	<b>253</b>	<b>31</b>	<b>&gt;100</b>
Income taxes	-58	6	>100
<b>Consolidated profit/loss</b>	<b>195</b>	<b>37</b>	<b>&gt;100</b>
Other comprehensive income (OCI)	302	367	-18
<b>Comprehensive income for the period under review</b>	<b>497</b>	<b>404</b>	<b>+23</b>

<sup>1</sup> Previous year's figures adjusted

## Selected balance sheet items of NORD/LB Group (IFRS)

Balance sheet data (in €m)	30 Sep 2023	31 December 2022 <sup>1</sup>	Change (in %)
Total assets	112,878	109,325	+3
Financial assets at fair value through other comprehensive income	10,921	10,633	+3
Financial assets at amortised cost	88,428	86,033	+3
<i>of which: loans and advances to banks</i>	14,078	12,890	+9
<i>of which: loans and advances to customers</i>	71,447	69,968	+2
Other assets	3,538	2,726	+30
Financial liabilities at amortised cost	96,706	93,342	+4
<i>of which: liabilities to banks</i>	30,054	28,403	+6
<i>of which: Liabilities to customers</i>	45,029	45,308	-1
<i>of which: securitised liabilities</i>	21,453	19,423	+10
Provisions	2,269	2,433	-7
Other liabilities	-716	-1,027	-30
Equity (on balance sheet)	6,815	6,300	+8

<sup>1</sup> Previous year's figures adjusted

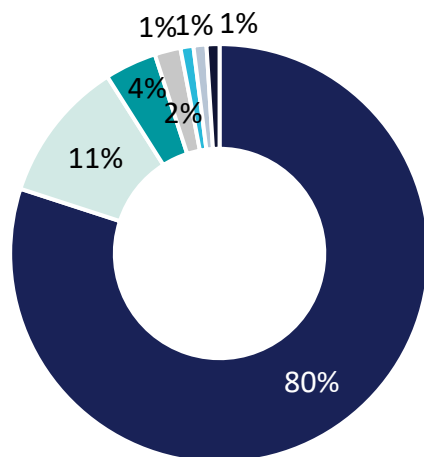


# NORD/LB exposure by business segment and region

## Exposure by rating<sup>1</sup>

as at 30 June 2023  
€116.9bn

100%

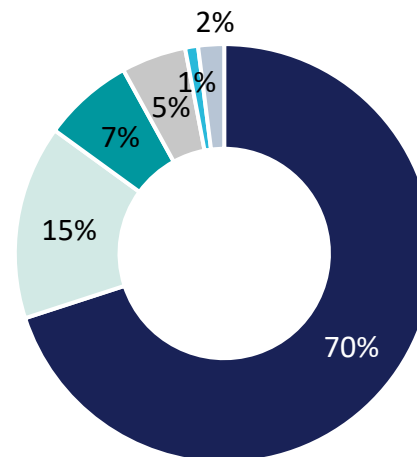


- Very good to good
- Good / satisfactory
- Reasonable / satisfactory
- Increased risk
- High risk
- Very high risk
- Default (NPL)

## Exposure by region<sup>1</sup>

as at 30 June 2023  
€116.9bn

100%



- Germany
- Euro countries (without Germany)
- Other Europe
- North America
- Middle and South America, Middle East/Africa
- Asia/Australia

<sup>1</sup> Slight deviations may occur due to rounding

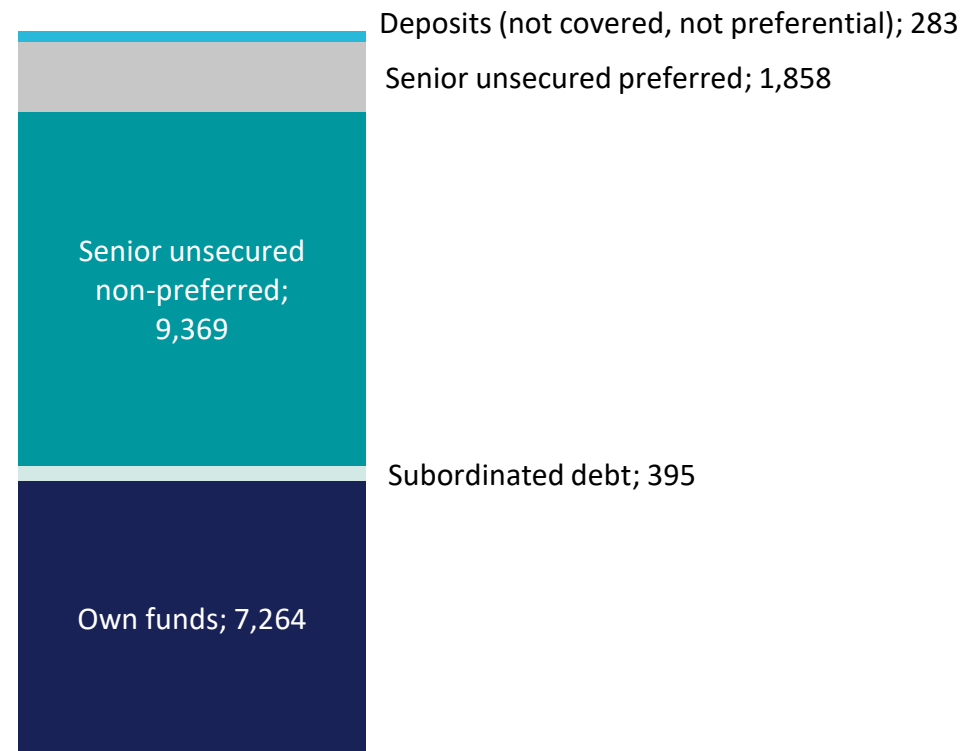
# Composition of the MREL<sup>1</sup> funds


**MREL**

**as at 30 Sep 2023**  
**€19.2bn**

in €m

- **MREL-TREA<sup>2</sup>**: 43.94 per cent  
 (Minimum requirement: 20.35 per cent)
- **MREL-TREA (subordinated)**: 39.45 per cent  
 (Subordinated debt requirement: 20.35 per cent)
- **MREL-LRE<sup>3</sup>**: 16.25 per cent  
 (Minimum requirement: 7.11 per cent)
- **MREL-LRE (subordinated)**: 14.59 per cent  
 (Subordinated debt requirement: 7.11 per cent)



1 Minimum Requirement for own funds and Eligible Liabilities

2 Total Risk Exposure Amount

3 Leverage Ratio Exposure

## Financial calendar



What

When



**Year-end results 2023**

(as at 31 December 2023)



**March 2024**

## Essential links



Declaration on the German Corporate Governance Code:  
<https://www.nordlb.com/legal-notices/corporate-governance>



NORD/LB's protection scheme  
<https://www.nordlb.com/legal-notices/security-mechanisms>



Sustainability (reports, ratings)  
<https://www.nordlb.com/nordlb/sustainability>  
<https://www.nordlb.com/nordlb/sustainability/green-banking>



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<https://www.nordlb.com/nord/lb/committees-and-executive-bodies>



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