

# Press Release

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## NORD/LB – half-year profit before taxes increases to € 264 million

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-Girozentrale-

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- **Profitability improved again**
- **Rating upgrades by Moody's, Fitch and Morningstar DBRS**
- **Full-year guidance confirmed: earnings expected to moderately exceed previous year's level**

NORD/LB Norddeutsche Landesbank generated **earnings before taxes** of €264 million in the first six months of 2025. This marks an increase of 20 per cent compared to the first half of 2024 (€221 million). Earnings after taxes also rose once again: as of 30 June 2025, **consolidated profit** amounted to €212 million, up 11 per cent from the previous year's figure of €191 million.

While costs remained stable, NORD/LB's revenues continued to increase to €781 million as of 30 June 2025 (previous year: €722 million). Higher revenues combined with almost unchanged **administrative expenses** of €421 million (previous year: €417 million) led to a further improvement in the **cost-income ratio**, which stood at 53.8 per cent in the first half of 2025 (30 June 2024: 57.8 per cent). The **return on equity before taxes (RoE)** also increased, reaching 7.0 per cent (30 June 2024: 6.3 per cent).

"The half-year figures clearly show that our new strategy is taking hold," said **Jörg Frischholz, CEO of NORD/LB**. "We have successfully strengthened the bank's profitability, and the growth in earnings in our customer business confirms that our clear focus on core business areas is the right course of action. We will remain committed to this path and continue to drive profitability forward. The objective of our new strategy is to achieve a return on equity of 10 per cent in the medium term. Even in today's uncertain political environment, our customers can rely on NORD/LB as a trusted partner in the sustainable transformation of their business models," Frischholz continued.

Based on its positive performance, NORD/LB received **rating upgrades** in the first half of 2025: Moody's, Fitch, and Morningstar DBRS each raised the bank's stand-alone rating by one notch.



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The results of this year's EBA bank stress test also demonstrate the bank's significantly strengthened crisis resilience. Compared to 2023, NORD/LB is now more robust and financially stronger than two years ago. The continuous improvements in earnings, substantial cost reductions, and overall enhanced profitability are clearly reflected in the capital ratios.

### Income statement for the first half of 2025

**Net interest income** declined slightly to €571 million as expected (previous year: €601 million). This was primarily due to the overall lower interest rate environment, which led to modest reductions in revenues from the deposit business and other interest-sensitive income components. Notably, margins in the lending business could be kept stable.

**Net commission income** increased to €154 million (previous year: €118 million). The main driver was strong new business in the Structured Finance segment, which was associated with substantially higher commission income. In addition, the Securities business within the Markets division continued to perform very dynamically.

The **risk provision result** for the first half of 2025 amounted to minus €73 million (previous year: minus €61 million). This was primarily influenced by an increase in risk provisions in the corporate as well as in the private and commercial customer segments. In contrast, risk provisions were released in the real estate customer segment. Overall, risk provisions remained well within expectations given the currently subdued economic momentum in Germany and ongoing geopolitical tensions. In addition, the bank maintains a Management Adjustment at a nearly unchanged level of €166 million (31 December 2024: €165 million).

NORD/LB's loan portfolio remains of high quality. The NPE ratio stood at 1.6 per cent at mid-2025 (31 December 2024: 1.5 per cent). Considering the full credit cycle, the NPE ratio remains at a comparatively low level. Around 90 per cent of the loan portfolio falls within the investment-grade segment. NORD/LB will continue to adhere to its conservative risk policy in the future.

**Administrative expenses** amounted to €421 million, remaining almost at the previous year's level of €417 million. Personnel expenses increased in the first months of the year due to collective wage agreements, while non-personnel expenses decreased thanks to continued cost discipline. The higher personnel costs were thus largely offset by the reduction in non-personnel expenses.

**Other operating result** improved to €4 million, compared with minus €30 million in the previous year.

The bank's **restructuring and transformation expenses** amounted to €23 million in the first half of 2025, remaining at the previous year's level. Costs recorded under this item continue to result from ongoing measures to modernize the bank's management. The bank continues to invest in optimizing its internal processes.

"The improvement in profitability and return metrics shows that we can look back on a successful first half of the year," said **Jasper Hanebuth, Chief Financial Officer (CFO) of NORD/LB**. Hanebuth added: "The disposal of the aircraft portfolio and the closure of our Singapore branch have now been fully absorbed. This allows us to make forward-looking investments in our core business areas." He continued: "The quality of our loan portfolio remains high, demonstrating that our conservative risk policy is paying off."

The **Common Equity Tier 1 capital ratio (CET1)** stood at 18.0 per cent at the end of June 2025 (31 December 2024: 16.4 per cent). The main driver of this significant increase was the first-time application of the Capital Requirements Regulation III (CRR III), which led to a noticeable reduction in risk-weighted assets (RWA). The inclusion of the half-year profit in the bank's CET1 capital, which is expected to further increase the CET1 ratio by approximately 0.9 percentage points, has not yet been reflected. The **total capital ratio** amounted to 20.7 per cent (31 December 2024: 19.2 per cent) and, like the CET1 ratio, remains well above regulatory requirements. **Total assets** increased during the reporting period, reaching €119.4 billion as of 30 June 2025 (30 June 2024: €113.7 billion).

### Outlook for the full year 2025

"The continuous improvement in our financial indicators during the first six months confirms that our strategic decisions are on the right track. In particular, the improved fee and commission result underlines our earning power. Our goal remains to achieve pre-tax earnings above last year's level for 2025," said **NORD/LB CEO Jörg Frischholz**. He emphasized: "We will continue our mission with entrepreneurial discipline and strategic clarity."

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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 structured finance in the energy and infrastructure sector and commercial real estate finance. The bank is headquartered in Hanover, Brunswick and Magdeburg and has branches in 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 and New York.  
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## IFRS CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2025

INCOME STATEMENT (IFRS, in € million)	1.1.-30.06. 2025	1.1.-30.06. 2024	Change in € million	Change in %
Net interest income	571	601	- 30	- 5
Net commission income	154	118	36	31
Profit/loss from fair value measurement	41	9	32	> 100
Risk provisioning	- 73	- 61	- 12	20
Disposal profit/loss from financial instruments not measured at fair value through profit or loss	12	1	11	> 100
Profit/loss from hedge accounting	- 2	15	- 17	> 100
Profit/loss from shares in companies	0	6	- 6	- 97
Profit/loss from investments accounted for using the equity method	3	3	0	2
Administrative expenses	- 421	- 417	- 4	1
Other operating profit/loss	4	- 30	34	> 100
<b>Profit before restructuring, transformation and taxes</b>	<b>287</b>	<b>244</b>	<b>43</b>	<b>18</b>
Result from restructuring and transformation	- 23	- 23	-	0
<b>Earnings before taxes</b>	<b>264</b>	<b>221</b>	<b>43</b>	<b>20</b>
Income taxes	- 53	- 29	- 24	81
<b>Consolidated profit/loss</b>	<b>212</b>	<b>191</b>	<b>21</b>	<b>11</b>

BALANCE SHEET FIGURES (IFRS, in € million)	30.06. 2025	31.12. 2024	Change in € million	Change in %
Total assets	119 425	113 712	5 713	5
Equity	7 687	7 459	228	3

REGULATORY KEY FIGURES (CRR / CRD IV / IFRS)	30.06. 2025	31.12. 2024	Change in € million	Change in %
CET1 capital (in € million)	6 921	7 017	- 96	- 1
Own funds (in € million)	7 952	8 229	- 277	- 3
Total risk exposure amount (in € million)	38 412	42 836	- 4 424	- 10
CET1 capital ratio <sup>1</sup> (in %)	18,0	16,4		
Total capital ratio <sup>2</sup> (in %)	20,7	19,2		
Leverage ratio (in %)	5,9	6,0		

<sup>1</sup> CET1 Capital Ratio; <sup>2</sup> Total Regulatory Capital Ratio