

Press Release

Hanover, 19 March 2026

NORD/LB reports strong profit growth – Earnings before taxes rise to EUR 475 million

- // Best earnings before taxes in ten years
- // Profitability and return on equity further improved
- // First phase of the “fitt” IT programme successfully completed
- // 2026 Outlook: A further improvement in earnings targeted

NORD/LB Norddeutsche Landesbank generated earnings before taxes of EUR 475 million in the 2025 financial year. This represents an increase of 36 per cent compared with the previous year’s figure of EUR 350 million and marks the Bank’s best result since the 2015 financial year. Net profit for the year amounted to EUR 506 million. The prior-year result of EUR 622 million was largely influenced by a tax effect resulting from the capitalisation of deferred tax assets.

The Bank’s successful development is also reflected in a further improvement in its key financial indicators. The **cost-income-ratio (CIR)** for the 2025 financial year declined to 55.2 per cent (previous year: 60.8 per cent). The **return on equity (RoE)** before taxes increased to 6.2 per cent (2024: 5.0 per cent).

“NORD/LB can look back on a successful financial year” said Jörg Frischholz, CEO of NORD/LB. “Our results clearly show that the strategic repositioning of recent years is taking effect.” Frischholz added: “We have further strengthened our position as a reliable financing partner and are well positioned, even in this challenging economic environment, to support our customers in implementing their investment and transformation projects.”

The repeated improvement in the Bank’s key financial indicators is, on the one hand, based on the further strengthening of NORD/LB’s revenue base. Total revenues of EUR 1.56 billion were ten per cent higher than in 2024 (EUR 1.41 billion). At the same time, NORD/LB maintained its

cost discipline. Administrative expenses amounted to EUR 860 million in 2025 and were therefore almost on a par with 2024 (EUR 858 million).

This development also led to further rating upgrades: Moody's upgraded the Bank's standalone rating twice in 2025, while Fitch and Morningstar DBRS each upgraded the Bank's standalone rating once. In addition, NORD/LB further expanded its access to the capital markets and successfully placed a total of seven benchmark bonds in the past financial year.

"Our good result is based on a broad revenue base in our customer business. We were able to stabilise or further expand revenues across all market areas. I am particularly pleased that we achieved an improvement in net commission income across all segments over the past year, making us overall somewhat less dependent on interest income," said Jasper Hanebuth, CFO of NORD/LB.

In addition, NORD/LB reached important milestones in its strategic IT programme "fitt". The first phase of the modernisation of the Bank's steering systems was successfully implemented at the beginning of 2026 – approximately six months earlier than originally planned.

Income statement for the 2025 financial year

Net interest income declined slightly as expected to EUR 1,103 million in the 2025 financial year (previous year: EUR 1,190 million). This moderate decline was attributable, among other things, to a slight decrease in deposit business income. Net interest income benefited from the continued strong momentum in new business and stable margins in lending activities.

Net commission income developed very positively. In the 2025 financial year, it rose to EUR 312 million, representing an increase of almost 30 per cent compared with the previous year (previous year: EUR 242 million). The increase was driven by significantly higher commission income across all segments, with particularly strong contributions from Structured Finance and Markets.

The **result from fair value measurement** also improved significantly, rising to EUR 63 million in the 2025 financial year (previous year: minus EUR 60 million). This was mainly due to positive

valuation effects from financial instruments measured at fair value. In addition, the result benefited from favourable margin developments in interest rate and currency derivatives in the customer business.

Risk provisions amounted to minus EUR 159 million in the 2025 financial year (previous year: minus EUR 144 million). The slightly higher expense compared with the previous year reflects a prudent risk provisioning policy against the backdrop of a still challenging economic environment. Risk provisions were recognised in the Corporate Customers and Savings Banks Network, Structured Finance and Private and Commercial Customers segments. In Commercial Real Estate, risk provisions were slightly reduced. Overall, risk provisioning remained moderate, despite the currently subdued economic momentum in Germany and ongoing geopolitical tensions. The Management Adjustment, which was established to prudently cover potential future risks, was reduced to EUR 106 million in the past financial year (previous year: EUR 165 million).

NORD/LB's loan portfolio remains of good quality. The NPE ratio stood at 1.5 per cent at year-end 2025 and thus remained at the level of the previous year's end. Around 90 per cent of the loan portfolio relates to investment-grade exposures. NORD/LB will continue to adhere to its defensive risk policy. The results of the EBA bank stress test conducted last year also confirm the Bank's significantly strengthened resilience.

The **result from hedge accounting** amounted to minus EUR 12 million in the 2025 financial year, remaining below the prior-year level (previous year: EUR 18 million). **The result from shares in companies**, at EUR 21 million, also fell short of the previous year's figure (previous year: EUR 32 million). By contrast, the **result from investments accounted** for using the equity method improved to EUR 12 million (previous year: EUR 6 million).

Administrative expenses totaled EUR 860 million and were therefore largely unchanged compared with the previous year (previous year: EUR 858 million). Higher personnel expenses due to collective wage increases and higher social security contributions were offset by savings in other administrative expenses. This development reflects the bank's consistent cost management.

Other operating income amounted to EUR 19 million in the 2025 financial year (previous year: minus EUR 13 million). This positive development was mainly attributable to one-off effects in connection with the sale of several properties. This item also includes expenses of around EUR 35 million for the supplementary fund “Sicherungsreserve der Landesbanken und Girozentralen”.

Expenses for restructuring and transformation increased slightly to EUR 64 million in the 2025 financial year (previous year: EUR 59 million). These expenses are related to measures aimed at further developing and improving the efficiency of the Bank and include, among other things, investments in the ongoing modernisation of the IT architecture. NORD/LB has meanwhile successfully implemented the first phase of its bank steering modernisation project.

The **CET1 capital ratio** stood at 17.6 per cent as at 31 December 2025 (31 December 2024: 16.2 per cent) and thus remained well above the regulatory minimum requirements. The main driver of this increase was the first-time application of Capital Requirements Regulation III (CRR III), which led to a noticeable reduction in risk-weighted assets. The profit generated in the second half of the year has not yet been included in CET1 capital; its inclusion is expected to further increase the CET1 ratio by around 1.0 percentage points to 18.6 per cent. The **total capital ratio** also stood at a very comfortable level of 21.2 per cent (31 December 2024: 19.1 per cent), well above regulatory requirements.

Total assets of the NORD/LB Group amounted to EUR 122.2 billion as at 31 December 2025 (year-end 2024: EUR 113.7 billion). The total risk exposure amount relevant for the calculation of capital ratios stood at EUR 40 billion at year-end 2025 (year-end 2024: EUR 43 billion).

Development of the segments in the 2025 financial year

The **Corporate Customers and Savings Banks Network segment** generated earnings before taxes of EUR 170 million in the 2025 financial year (previous year: EUR 190 million). Revenues increased to EUR 451 million (previous year: EUR 443 million), while administrative expenses rose moderately to EUR 190 million (previous year: EUR 181 million). The result before risk provisions therefore remained largely unchanged at EUR 261 million (previous

year: EUR 262 million). The segment result was affected by higher risk provisions amounting to EUR 91 million (previous year: EUR 72 million). This increase does not represent a structural deterioration of the portfolio but reflects a normalisation following several years of very low risk provisioning against the backdrop of a still challenging macroeconomic environment.

In the Corporate Customers and Savings Banks Network segment, medium-sized companies are supported in close cooperation with the local savings banks. Particular expertise lies in advising companies in the food, agriculture and energy sectors. In addition, NORD/LB is an established specialised financier in the areas of leasing and private equity as well as in municipal lending.

The **Structured Finance** segment generated earnings before taxes of EUR 168 million in the 2025 financial year (previous year: EUR 169 million). Operating business developed very positively. Driven by a significant increase in new business volume, revenues rose to EUR 376 million (previous year: EUR 343 million). Administrative expenses amounted to EUR 155 million (previous year: EUR 147 million). As a result, the result before risk provisions improved to EUR 220 million (previous year: EUR 196 million). Risk provisioning amounted to expenses of EUR 52 million, above the previous year's level of EUR 27 million).

Structured Finance primarily comprises the financing of renewable energy and infrastructure projects. With more than 1,100 financed energy projects and a total capacity of around 108 gigawatts, NORD/LB has been one of the leading financiers in this segment for around three decades. In addition to wind and solar projects, the Bank's portfolio now also includes battery storage projects, the financing of which has been further expanded in recent years. Furthermore, NORD/LB supports projects in digital infrastructure, in particular data centres, which have established themselves as an independent growth field.

In Commercial Real Estate, NORD/LB offers professional real estate investors financing solutions under its well-established Deutsche Hypo brand, based on a broad and differentiated product range. The focus is on the most important European real estate markets, with a particular emphasis on Germany. Financing activities primarily cover office, residential, retail, hotel and logistics properties. In new business, the focus is specifically on financing energy-efficient and ESG-compliant properties in good locations.

Commercial Real Estate significantly increased its earnings before taxes to EUR 156 million (previous year: EUR 68 million). Revenues stabilised at a high level of EUR 246 million (previous year: EUR 251 million), while administrative expenses amounted to EUR 101 million, only slightly above the previous year (previous year: EUR 99 million). The result before risk provisions therefore amounted to EUR 145 million (previous year: EUR 153 million). The positive earnings development was positively influenced by a release from risk provisions of EUR 11 million (previous year: minus EUR 85 million).

The **Markets segment** is characterised by a focused Debt Capital Markets business with associated sales and trading teams. The segment offers capital market products for institutional customers and the Savings Banks Finance Group and structures tailored securitisation transactions.

In the 2025 financial year, the Markets segment generated earnings before taxes of EUR 58 million (previous year: EUR 48 million). Revenues increased to EUR 179 million (previous year: EUR 150 million), fully offsetting the moderate increase in administrative expenses to EUR 111 million (previous year: EUR 101 million). Risk provisions amounted to EUR minus 10 million (previous year: EUR 0 million).

In the **Private and Commercial Customers segment**, NORD/LB offers all the services of a regionally operating savings bank under the Braunschweigische Landessparkasse (BLSK) brand. BLSK is the regional market leader with a market share of over 30 per cent and a comprehensive branch network. The multi-award-winning Private Banking business under the Private Investors brand is also part of this segment.

In the 2025 financial year, revenues in the Private and Commercial Customers segment declined to EUR 277 million (previous year: EUR 293 million), reflecting margin pressure in deposit business. At the same time, administrative expenses increased slightly to EUR 223 million (previous year: EUR 217 million). As a consequence, the result before risk provisions declined to EUR 53 million (previous year: EUR 75 million). Persistently challenging macroeconomic conditions also led to higher risk provisions amounting to minus EUR 30 million (previous year: EUR 6 million), which weighed on the segment's earnings before taxes of EUR 23 million (previous year: EUR 81 million).

To sustainably strengthen profitability and future viability, the Private and Commercial Customers business is being further developed as part of a targeted optimisation programme. The focus is on modernising processes, further developing the sales and operating model and sharpening the focus on the core activities of a regional savings bank. The aim is to secure BLSK's long-term competitiveness, position it as modern and efficient and keep it firmly anchored in the region.

Outlook 2026

Commenting on the outlook for the 2026 financial year, Jörg Frischholz, CEO of NORD/LB, was optimistic: "The economic environment remains challenging. At the same time, we continue to see a persistently high level of investment demand in our core business areas, also as a result of the global digital transformation. Based on our leading expertise in these segments, we also expect strong demand for our financing solutions going forward."

Frischholz added: "From a strategic perspective, we will consistently strengthen NORD/LB's profitability. Accordingly, we will continue to implement the initiatives of our corporate strategy and are also aiming for a moderate improvement in earnings before taxes in the current financial year. This will create the basis for continuing our financial and operational success in the future and for achieving our medium-term targets, to which we remain fully committed."

IFRS CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2025

INCOME STATEMENT (IFRS, in million euros)	2025	2024	Change in million euros	Change in %
Net interest income	1 103	1 190	- 87	- 7
Net commission income	312	242	70	29
Profit/loss from fair value measurement	63	- 60	123	> 100
Risk provisions	- 159	- 144	- 15	11
Disposal profit/loss from financial instruments not measured at fair value through profit or loss	40	- 4	44	> 100
Profit/loss from hedge accounting	- 12	18	- 30	> 100
Profit/loss from shares in companies	21	32	- 11	- 34
Profit/loss from investments accounted for using the equity method	12	6	6	84
Administrative expenses	- 860	- 858	- 2	0
Other operating profit/loss	19	- 13	32	> 100
Profit before restructuring, transformation and taxes	539	409	130	32
Result from restructuring and transformation	- 64	- 59	- 5	10
Earnings before taxes	475	350	125	36
Income taxes	31	271	- 240	- 89
Consolidated profit/loss	506	622	- 116	- 19

Rounding differences

BALANCE SHEET FIGURES (IFRS, in million euros)	31.12. 2025	31.12. 2024	Change in million euros	Change in %
Total assets	122 249	113 712	8 537	8
Equity	8 072	7 459	613	8

Rounding differences

KEY FIGURES (IFRS)	2025	2024	Change in %
Cost-Income-Ratio (CIR) (in %)	55.2	60.8	- 9
Return-on-Equity (RoE) vor Steuern (in %)	6.2	5.0	24

Rounding differences

REGULATORY KEY FIGURES (CRR / CRD IV / IFRS)	31.12. 2025	31.12. 2024	Change in million euros	Change in %
CET1 capital (in € million)	7 012	6 950	62	1
Own funds (in € million)	8 433	8 162	271	3
Total risk exposure amount (in € million)	39 769	42 821	- 3 052	- 7
CET1 capital ratio ¹ (in %)	17.6	16.2		
Total capital ratio ² (in %)	21.2	19.2		
Leverage ratio (in %)	5.7	6.0		

Rounding differences ¹ CET1 Capital Ratio; ² Total Regulatory Capital Ratio

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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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