



Investor Conference 1H2024 Results

29 August 2024

Highlights 1H2024

- / **NORD/LB continues to grow profitably****
- / **CIR improved significantly due to increased revenues and continued cost discipline****
- / **Risk reserves further strengthened****
- / **New CFO and COO on board****
- / **Partial sale of aircraft financing signed – RWA release in 2H2024****
- / **Rating upgrades by Moody's and Fitch underscore positive development****
- / **Successful placement of the first Tier 2 benchmark bond in 10 years****

Highlights 1H2024 – Improvements across all key metrics

Earnings before taxes

€224 m



ΔYOY

+56%

Return on Equity
(pre-tax)

6.3%



+2.1% pts.

Cost Income Ratio

57.9%



-20% pts.

CET1 Ratio

15.4%



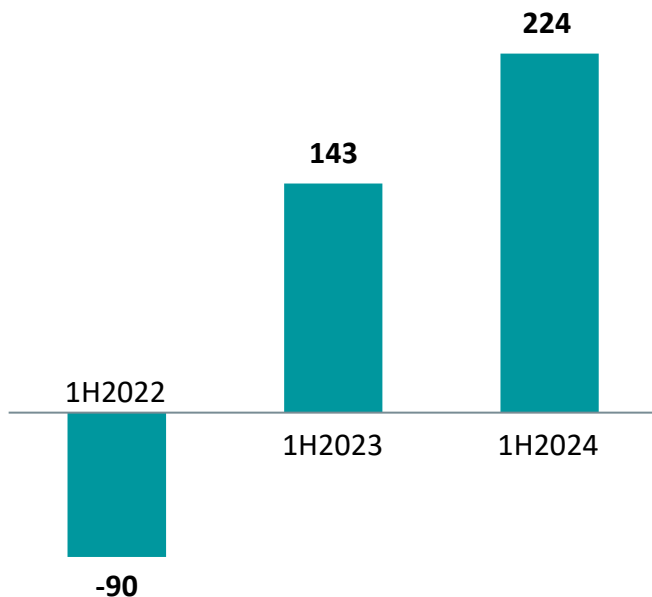
+67 bps

Note: Changes compared to 1H2023

Earnings increased once again – best half-year results since 2017

Earnings before taxes

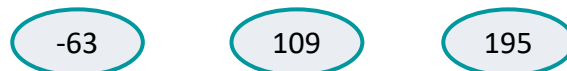
in € m



- / Interest and commission income as key growth drivers
- / Impact from non-operating items further reduced
- / No P&L impact from the partial sale of aircraft financing in 1H2024
- / Well diversified revenue base across all core businesses

Earnings after taxes

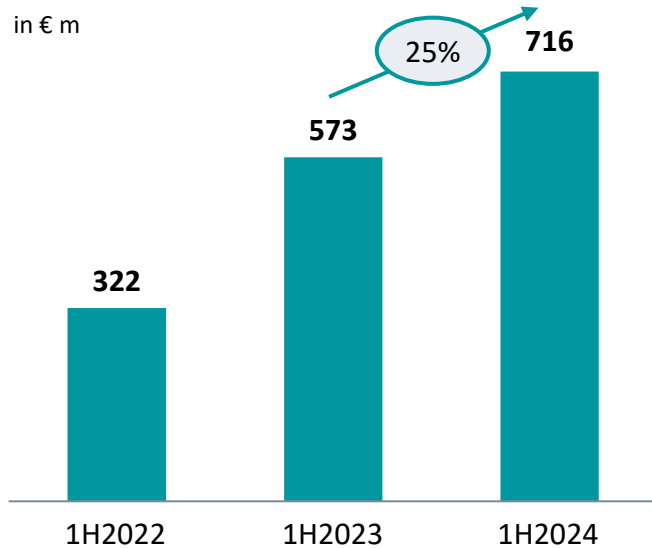
in € m



Significant revenue growth and continued cost discipline

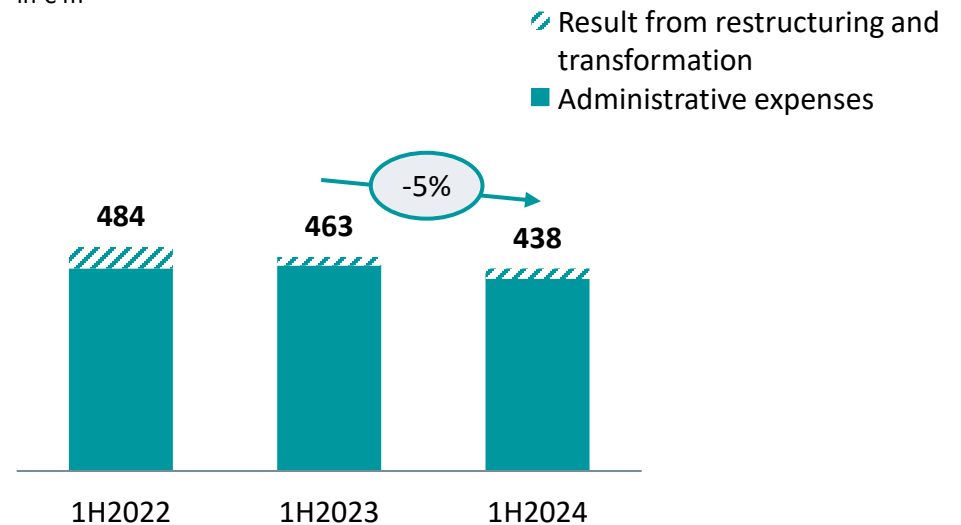
Revenues

in € m

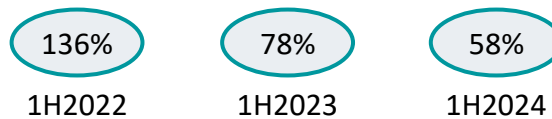


Expenses

in € m



Cost-Income-Ratio⁽¹⁾



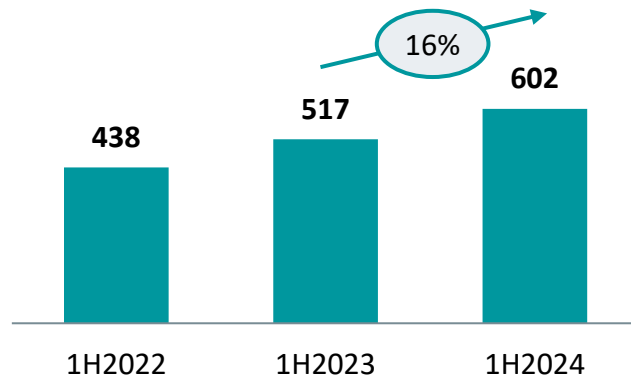
▶ Strategic repositioning supports sustainable growth – success of NORD/LB’s transformation reflected in lower expenses

(1) Excluding result from restructuring and transformation

Revenue growth again outpaces increase in risk assets

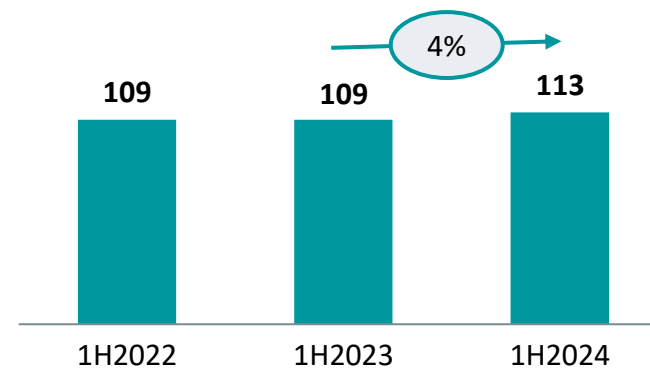
Net interest income

in € m



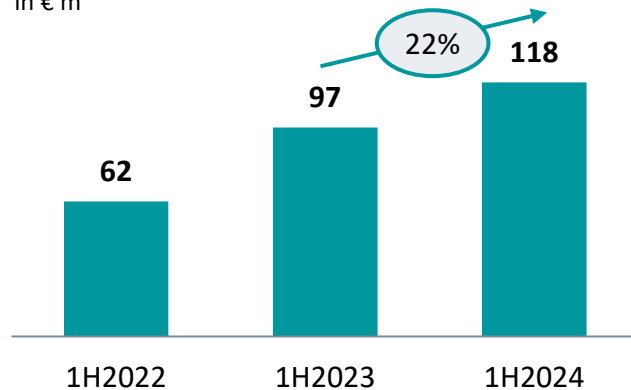
Total assets

in € bn, as of 30 Jun 2024



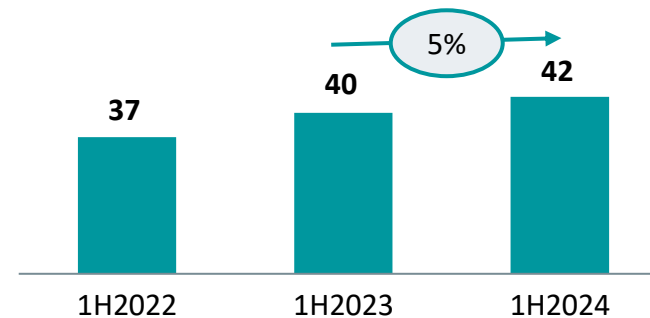
Net commission income

in € m



RWA

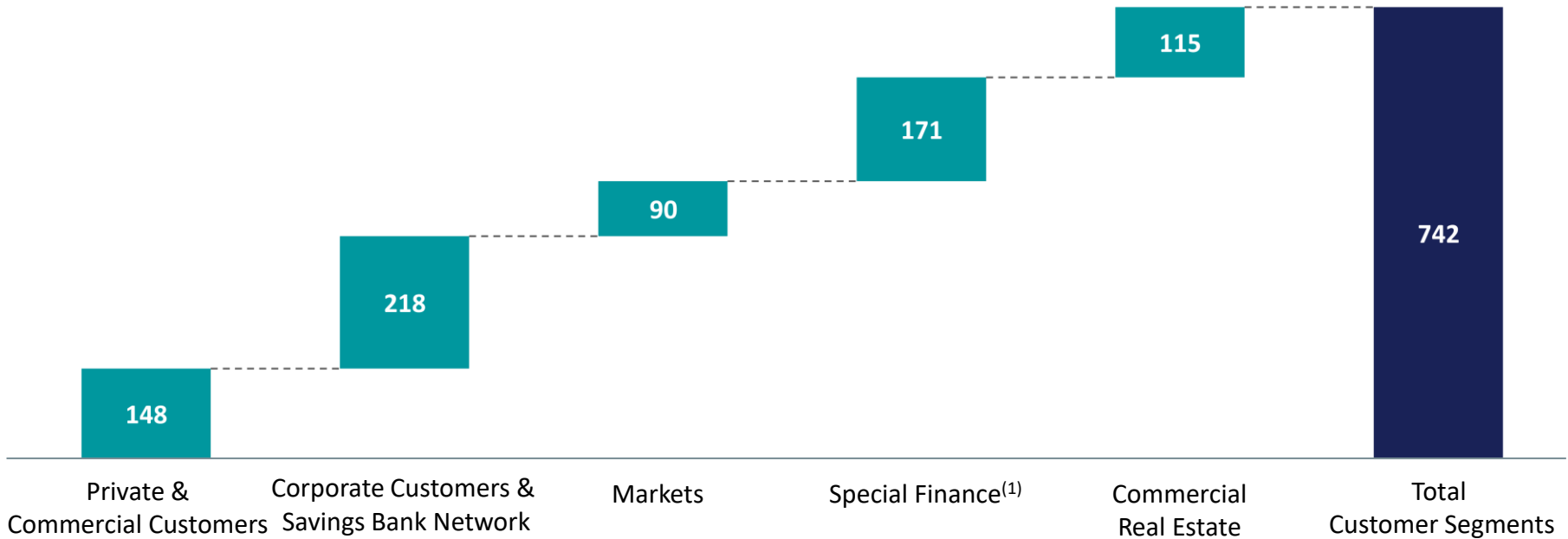
in € bn, as of 30 Jun 2024



Well diversified revenue base across customer segments

Revenues by customer segment 1H2024

in € m



Revenues 1H2023

in € m

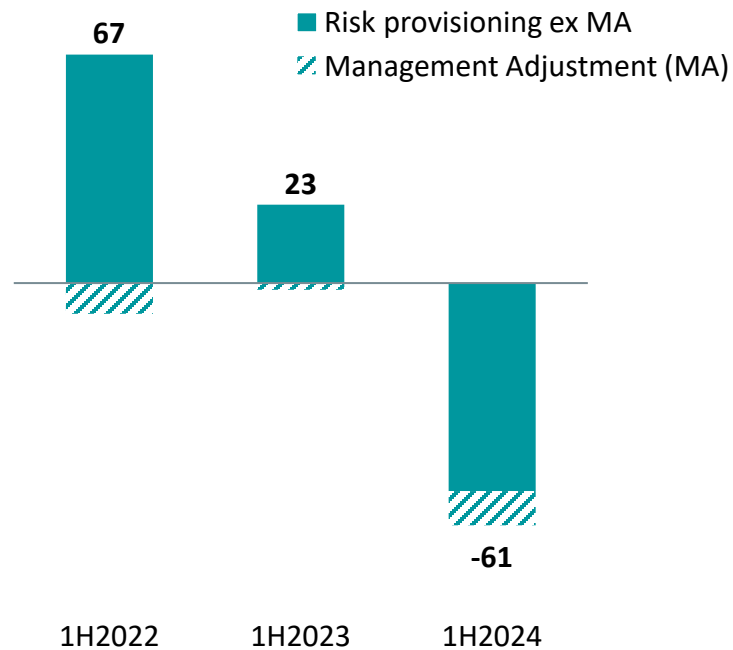


(1) Includes aircraft financing

Risk costs remain moderate

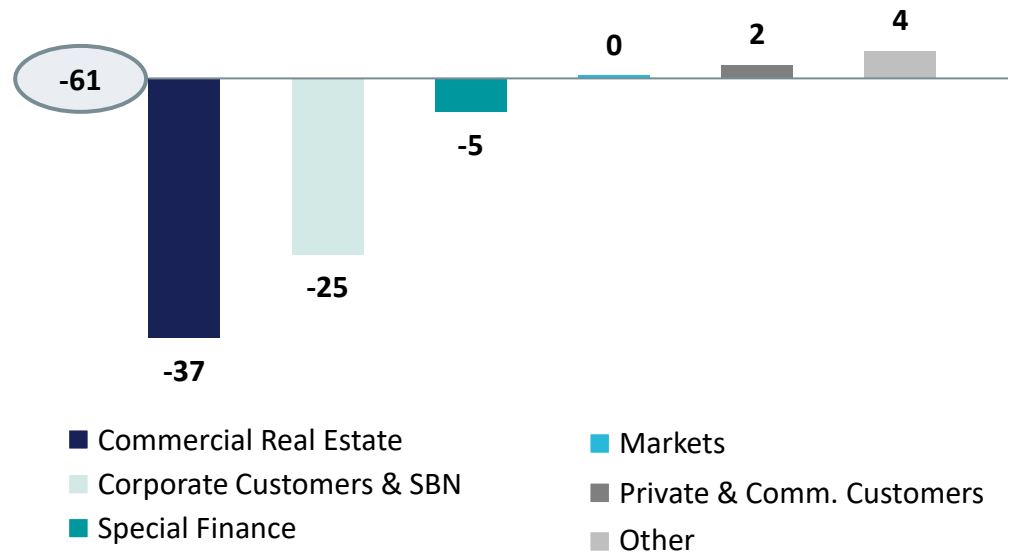
Risk provisioning results – Group

in € m



Risk provisioning results – Customer segments

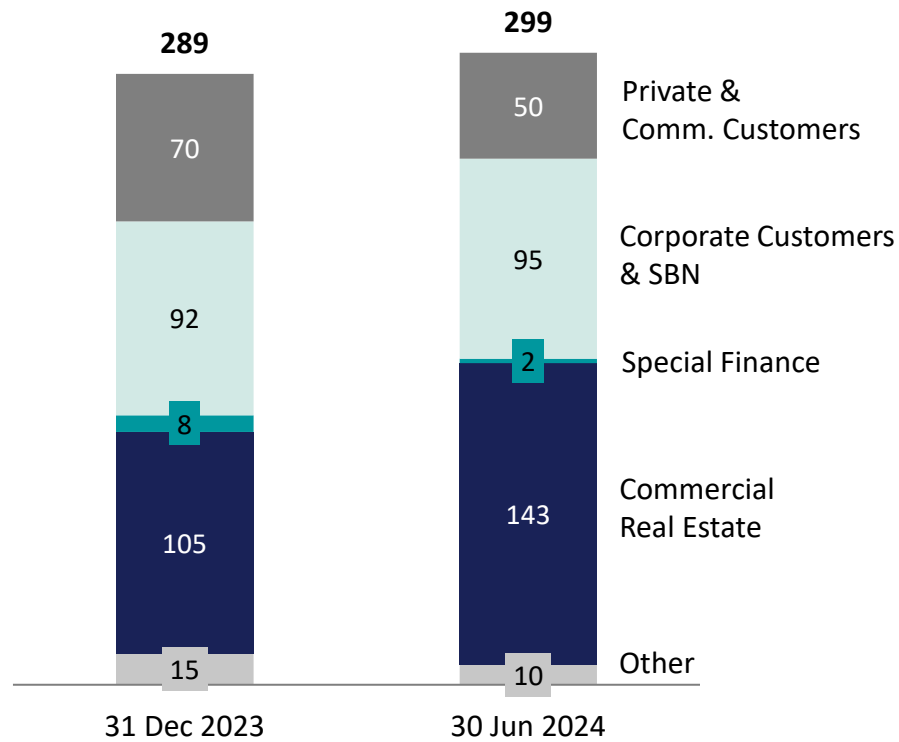
1H2024, in € m



Risk reserves and Management Adjustment further strengthened

Management Adjustment

in € m



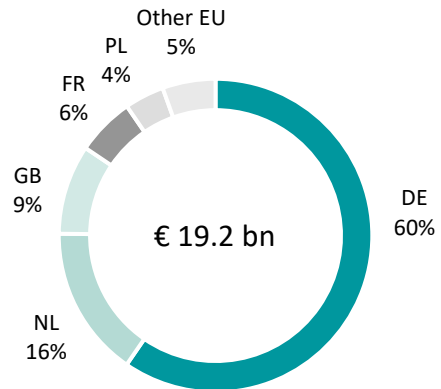
Total risk reserves incl. Management Adjustment at € 800 m

NPE Ratio at 1.1% on 30 June 2024, unchanged vs. 31 December 2023

Deep Dive | Commercial Real Estate

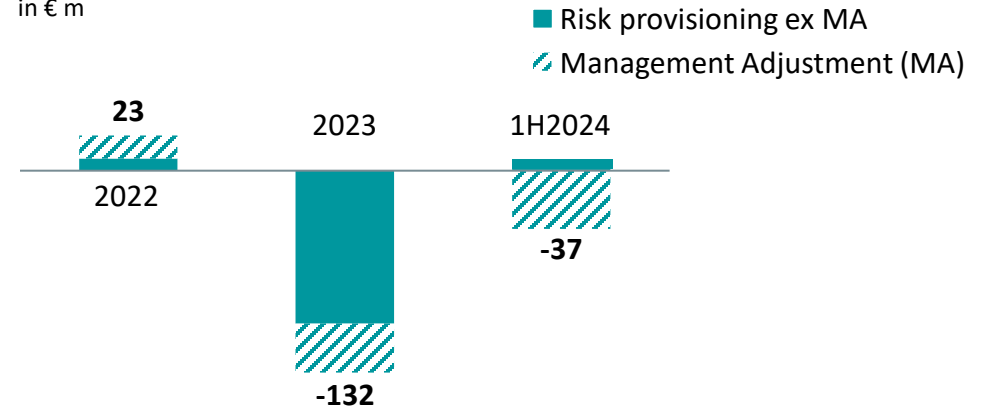
Regional distribution

Financing volume, as of 30 Jun 2024



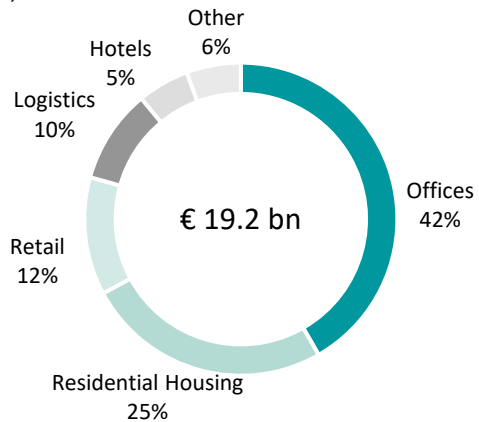
Risk provisioning results

in € m



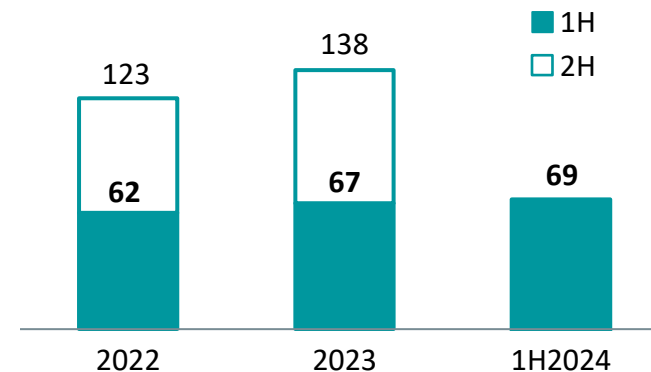
Sector distribution

Financing volume, as of 30 Jun 2024



Earnings before risk provisioning and taxes

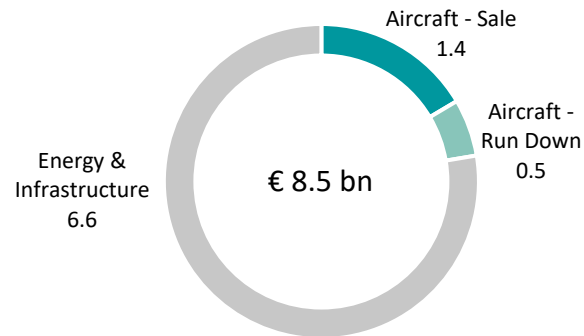
in € m



Deep Dive | Exit from aircraft financing

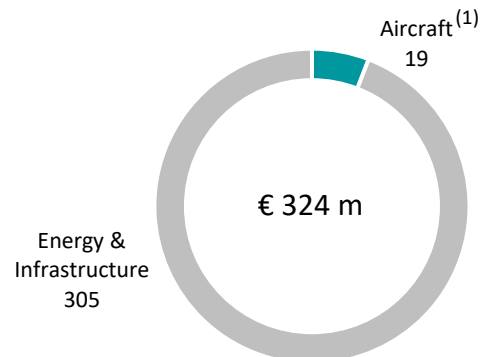
Special Financing - RWA

in € bn, as of 31 Dec 2023



Special Financing - Revenues

in € m, as of 31 Dec 2023



(1) Net revenues after commission expenses for state guarantee and other valuation effects

Decision

- Sale of € 1.67 bn portfolio to Deutsche Bank
- Transfer of assets in 2H2024
- Run-down portfolio of € 1.1 bn remains with NORD/LB
Ø duration: 4 years
- New business discontinued since 1Q2024
- Both parties agreed not to disclose the purchase price

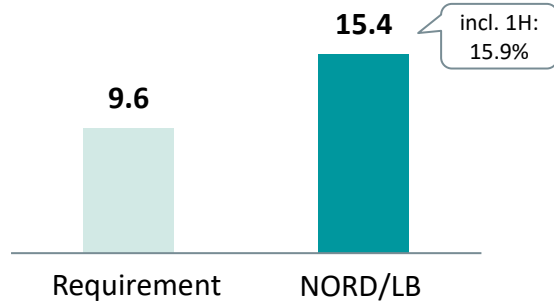
Impact

- Release of € 1.4 bn RWA in 2H2024
- Gradual reinvestment into Energy & Infrastructure, Corporate Customers & SBN, and Commercial Real Estate
- Transfer of the remaining run-down portfolio from Special Finance to Special Credit & Valuation (SCV) by 30 Sep 2024
- Loss on disposal of € 30-35 m in 2H2024

Ratios well above regulatory requirements

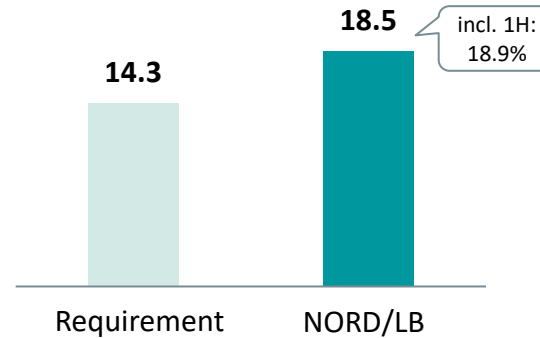
CET1 Ratio

in %



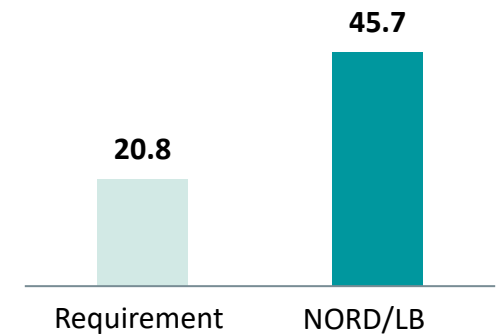
Total Capital Ratio

in %



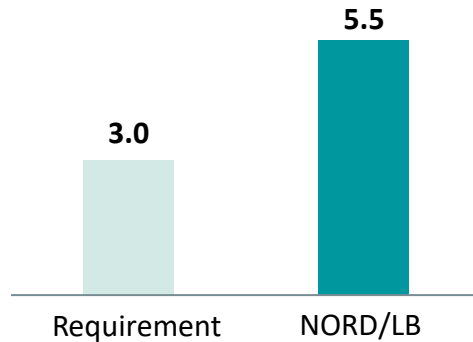
MREL Ratio

in %



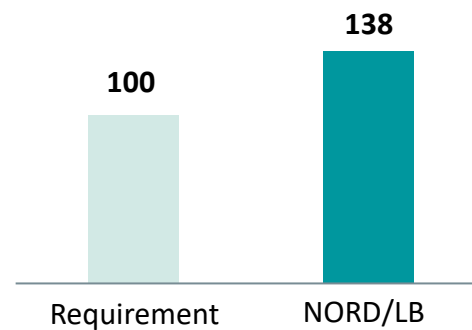
Leverage Ratio

in %



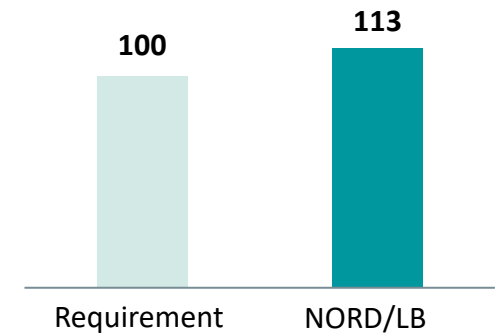
Liquidity Coverage Ratio

in %



Net Stable Funding Ratio

in %



Rating upgrades underscore positive development

	MOODY'S	FitchRatings	DBRS
Credit Ratings			
Issuer Rating	Aa2	A+	A (high)
Outlook	stable	stable	stable
Short-term liabilities	P-1	F1+	R-1 (middle)
Unsecured Ratings			
Senior Preferred	Aa2	AA-	A (high)
Senior Non-Preferred	A1	A+	A
Subordinated capital / Tier 2	Baa1	A-	A (low)
Covered Bond Ratings			
Mortgage-Pfandbriefe	Aaa	-	-
Public Sector Pfandbriefe	Aaa	-	-
Standalone Ratings⁽¹⁾	ba2	bb+	BBB

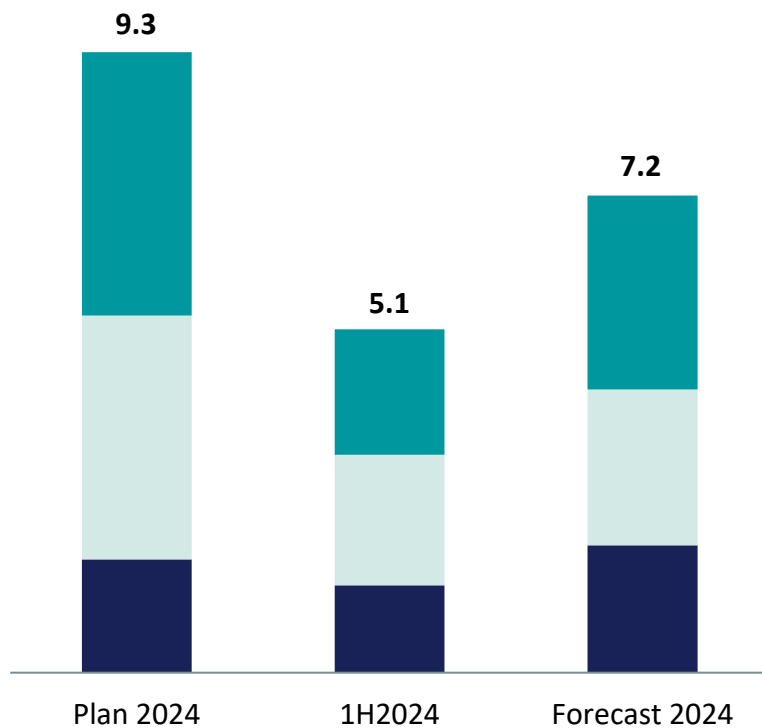
= Rating upgrade between December 2023 and July 2024

(1) Specific term used by the respective rating agency: Moody's - Baseline Credit Assessment, Fitch – Viability Rating; DBRS – Intrinsic Assessment

Funding 2024 – Capital market access expanded

Funding

in € bn



■ Senior Non Pref & Tier 2 ■ Senior Pref ■ Covered Bonds

- 1H2024: Three successful benchmarks – two Pfandbrief & one Tier 2 issuance, the first Tier 2 transaction in 10 years
- 2H2024: Funding plan adjustment due to partial sale of aircraft financing and deposit inflows
- Outlook 2H2024: Benchmark Senior Non-Preferred and Mortgage-Pfandbrief planned

NORD/LB € 500,000,000 2.875% Green Pfandbrief Jan. 2024 – Jan. 2031	NORD/LB € 750,000,000 2.875% Public Sector Pfandbrief Feb. 2024 – May. 2027	NORD/LB € 500,000,000 5.625% Tier 2 10.25NC5.25
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Outlook 2H2024

- / Focus on improving operational profitability
- / Expanding client business with a focus on energy transition
- / Development of the multi-year financial plan
- / Expectation FY2024: Earnings before taxes and RoE to exceed last year's result

Appendix

Income Statement of NORD/LB Group (IFRS)

in € m	1H2024	1H2023
Net interest income	602	517
Net commission income	118	97
Profit/loss from fair value measurement	9	0
Risk provisions	-61	23
Disposal profit/loss from financial instruments not measured at fair value through profit/loss	1	7
Profit/loss from hedge accounting	15	19
Profit/loss from shares in companies	6	10
Profit/loss from investments accounted for using the equity method	3	3
Administrative expenses	-415	-443
Other operating profit/loss	-30	-69
Earnings before restructuring, transformation and taxes	247	162
Profit/loss from restructuring and transformation	-23	-19
Earnings before taxes	224	143
Income taxes	-29	-35
Consolidated profit/loss	195	109

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

Balance sheet items in € m	30 Jun 2024	30 Jun 2023 ⁽¹⁾
Total assets	113,289	109,438
Financial assets at fair value through other comprehensive income	10,642	10,541
Financial assets at amortised cost	87,005	86,855
<i>of which: loans and advances to banks</i>	13,273	13,446
<i>of which: loans and advances to customers</i>	70,896	70,431
Other assets	3,343	2,415
Financial liabilities at amortised cost	96,993	93,785
<i>of which: liabilities to banks</i>	29,140	28,511
<i>of which: liabilities to customers</i>	45,474	44,177
<i>of which: securitised liabilities</i>	22,287	20,914
Provisions	2,526	2,441
Other liabilities	-658	-913
Equity (on balance sheet)	6,977	6,543

(1) In some items previous year's figures were adjusted

Segmental reporting of NORD/LB Group (IFRS)

30 Jun 2024 in € m ⁽¹⁾	Private & Commercial Customers	Corporate Customers & Savings Banks Network	Markets	Special Finance	Special Credit & Valuation (SCV)	Commercial Real Estate	Treasury, Consolidation, Others	Reconciliations	NORD/LB Group
Revenues ⁽²⁾	148	218	90	171	10	115	11	-40	723
Expenses ⁽³⁾	-105	-85	-51	-88	-6	-46	-53	-5	-438
Risk Provisioning	2	-25	0	-5	8	-37	3	-7	-61
Earnings before taxes	45	107	40	78	12	32	-38	-52	224

(1) Minor deviations may occur due to rounding

(2) Net interest income, net fee and commission income, net income from shares in companies, net income from the disposal of financial instruments not recognised at fair value through profit or loss, other net income, net income from fair value measurement (incl. hedge accounting), net income from companies accounted for using the equity method

(3) Administrative expenses (for Treasury, Consolidation, Others and Group incl. restructuring and transformation)

Financial Calendar



What

When



Full Year 2024 Results Publication



March 2025

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Note: Calls are being recorded

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