

Credit Rating Report

Norddeutsche Landesbank Girozentrale

Morningstar DBRS

16 December 2024

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Credit Ratings

Debt	Credit Rating	Credit Rating Action	Trend
Long-Term Issuer Rating	A (high)	Confirmed Nov. '24	Stable
Short-Term Issuer Rating	R-1 (middle)	Confirmed Nov. '24	Stable
Intrinsic Assessment	BBB	Maintained Nov. '24	--

Credit Rating Drivers

Factors with Positive Credit Rating Implications

- NORD/LB's Issuer Ratings benefit from the SFG's IPS. An upgrade of SFG's credit ratings would lead to an upgrade of NORD/LB's credit ratings as well.
- The IA would be upgraded if the Bank is able to improve its profitability and efficiency levels while maintaining solid asset quality and capital metrics. Further progress with the development of its operational infrastructure and systems would also be positive.

Factors with Negative Credit Rating Implications

- NORD/LB's Issuer Ratings benefit from the SFG's IPS. A downgrade of SFG's credit ratings would lead to a downgrade of NORD/LB's credit ratings.
- The IA would be downgraded if the Bank fails to sustain its improvement in profitability over the medium term. A material deterioration in the Bank's asset quality would also lead to a downgrade of the IA. Failure to complete its operational and systems upgrades could also result in downward credit ratings pressure.

Credit Rating Considerations

Franchise Strength (Good/Moderate)

- NORD/LB has a diverse corporate and commercial client base in Northern Germany, as well as revenues from more global business lines.

Earnings Power (Moderate/Weak)

- Modest profitability compared to domestic and international peers. However, the Bank is set to benefit from a more efficient resource allocation into core businesses which should boost revenue growth.

Risk Profile (Good)

- Solid asset quality metrics by German and European comparison despite some asset quality deterioration in H1 2024. Disposal of non-strategic lending portfolios completed.

Funding and Liquidity (Good)

- The predominantly wholesale funding profile is supported by funding relationships within the SFG and access to stable Pfandbrief funding. Adequate liquidity levels.

Capitalisation (Good/Moderate)

- Sound capital cushions, partly offset by still constrained capital generation capacity and limited ability to raise external capital.

Financial Data Through 2024 H1	Scorecard Building Block (BB) Assessment	Grids BB Assessment	Combined BB Assessment
Franchise	G	M	G/M
Earnings	M/W	M/W	M/W
Risk	S/G	G/M	G
Funding & Liquidity	S/G	G/M	G
Capitalisation	G/M	M	G/M
Overall Assessment	Intrinsic Assessment Range (IAR)		Assigned IA
G/M	['A (low)', 'BBB (high)', 'BBB']		BBB

Financial Information

(In EUR million unless otherwise stated)	H1 2024	H1 2023	For the Year Ended December 31 (IFRS)				
			2023	2022	2021	2020	2019
Total Assets	113,289	109,438	111,981	109,325	114,631	126,176	139,594
Gross Loans to Customers	72,012	71,696	72,866	71,318	69,494	74,994	83,605
Income Before Provisions and Taxes (IBPT)	304	144	326	43	101	479	320
Net Attributable Income	195	109	224	89	32	19	(109)
Net Interest Margin (%)	1.10	0.96	0.99	0.82	0.70	0.99	0.70
Cost-Income ratio (%)	60.00	78.78	76.32	95.94	91.09	68.15	76.49
LLP / IBPT (%)	20.07	(15.97)	30.37	(325.58)	(10.89)	87.47	(6.88)
Cost of Risk (%)	0.17	(0.07)	0.14	(0.20)	(0.02)	0.54	(0.03)
CET1 Ratio (%)	15.44	14.77	15.15	15.07	15.42	14.48	14.45

Source: Morningstar, Inc. company documents; Morningstar, Inc. data and Morningstar DBRS calculations based on company disclosure.
 Note: Figures may not tie with reported data given Morningstar DBRS' standardised approach across global banks.

Issuer Description

Norddeutsche Landesbank Girozentrale (NORD/LB) is a member of the Sparkassen-Finanzgruppe. It ranks among the top 10 banks in Germany by assets. The Bank's commercial banking activities span across a diversified range of businesses including retail, corporate, markets, commercial real estate, and specialty finance.

Credit Rating Rationale

NORD/LB's credit ratings reflect its membership in the SFG and the Institutional Protection Scheme (IPS) of the SFG. Each member of the IPS, including NORD/LB, is generally rated at the floor level, which is currently A (high) with a Stable trend.

NORD/LB's IA at BBB reflects its role as a central institution and a clearing bank for the savings banks in the region, as well as its commercial banking franchise in Northern Germany, complemented by an international specialty finance business. In Morningstar DBRS' view, the Bank's liquidity and funding profiles remain well managed and benefit from its membership in the SFG. The Bank maintains solid capital cushions above minimum regulatory requirements.

The Bank's earnings generation has improved in 2024 amid the higher interest rate environment; however, its profitability levels remain at the lower end of its domestic and international peers. Asset quality has deteriorated in 2024, but from a low level. Morningstar DBRS expects some pressure on credit quality, especially for commercial real estate (CRE) lending, and cost of risk to persist into 2025.

Franchise Strength

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Good	Moderate	Good/Moderate

With a total asset size of 113 billion as of end-June, NORD/LB is the fourth largest of Germany’s five Landesbanken and ranks among the country’s 10 largest banking institutions. The Bank operates as a public-sector state bank, primarily serving Northern Germany, with a focus on the regions of Lower Saxony, Saxony-Anhalt and Mecklenburg-Vorpommern. While mainly a commercial bank, NORD/LB also acts as the clearing institution for the savings banks within its operating regions and maintains a global presence through its specialty finance business. As a member of Germany’s largest decentralised banking organisation, Sparkassen-Finanzgruppe (SFG), NORD/LB benefits from the support of its Institutional Protection Scheme (IPS).

NORD/LB remains engaged in the process aimed at strengthening its profitability and further developing its operational and digital infrastructures. Following the disposal of riskier exposures, including its shipping and aircraft loan portfolios, the Bank is now shifting into a more streamlined business model. As part of the management reshuffle, which has already seen the appointment of a new CEO in 2021, the Bank appointed a new CFO and COO this year.

The bank has been focusing on selected businesses, including Private and Corporate customers, energy and infrastructure finance, as well as CRE. NORD/LB is well-positioned in renewable energy finance and stands to gain from the ongoing energy transition.

Exhibit 1 NORD/LB Geographic Focus

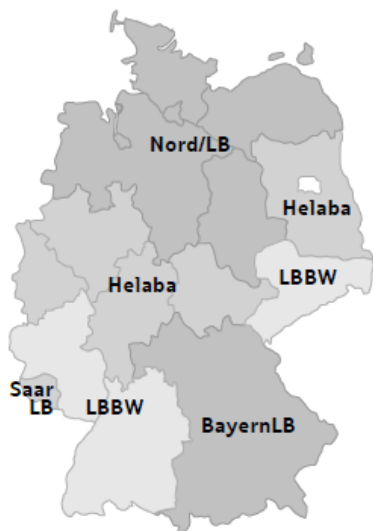
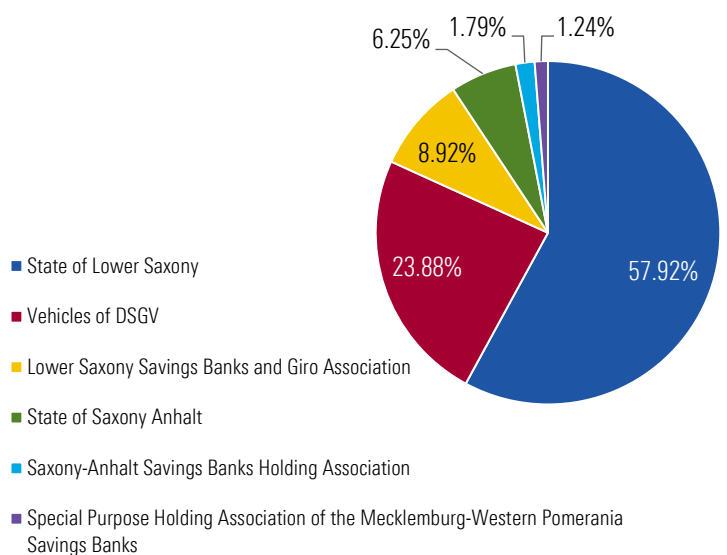
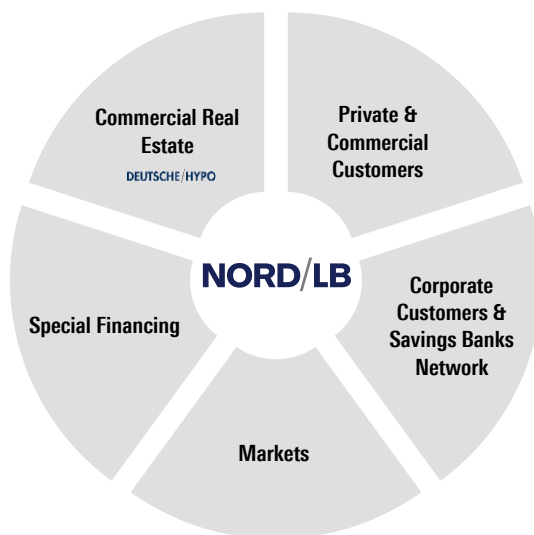


Exhibit 2 NORD/LB Ownership Structure (As of December 2023)



Source: DSGV.

Source: Morningstar DBRS, Company Documents.

Exhibit 3 NORD/LB Business Segments

Source: Morningstar DBRS, Company Documents.

The Bank's business is organised in five segments. Corporate Customers and Special Financing were the main contributors to the Bank's revenues as of June 2024, and they are expected to remain important drivers of future earnings generation.

Business Segments

Private & Commercial Customers (*end-June 2024: 8% of total assets; 20% of total revenues*)

This segment targets private individuals and small businesses, offering them retail and private banking services. NORD/LB retail banking activities are managed through Braunschweigische Landessparkasse (BLSK), a savings bank operating in the Braunschweig region with a regional market share of 30% and a network of 85 branches. However, a potential spin-off of this division has been for some time under consideration, motivated by the desire of the local communities in the Braunschweig region to have more autonomy and influence over BLSK. A final decision is still pending by the Bank's public shareholders.

Corporate Customers & Savings Banks Network (*end-June 2024: 38% of total assets; 29% of total revenues*)

This segment focuses on medium and large companies in Germany, particularly in sectors such as food, agriculture, and energy. In addition, the segment is specialised in lending for leasing and private equity, and municipalities. The segment also supports the local savings banks (around 60 Sparkassen) in complex financing transactions.

Markets (*end-June 2024: 12% of total assets; 12% of total revenues*)

The business line is specialised in debt capital markets for financial institutions including derivatives, asset management, derivatives, and hedging solutions. In addition, it also offers trading and investment services to institutional clients and savings banks, as well as capital market access to NORD/LB's corporate clients. The segment is also in charge of Asset Backed Finance.

Special Financing (Energy & Infrastructure) (end-June 2024: 19% of total assets; 23% of total revenues)

This segment specialises in financing renewable energy projects and infrastructure finance. The segment is also active abroad with a track record in renewable financing in 30 markets and branches in London, New York, and Singapore. The bank plans on increasing its new volumes and improving margins. The Bank is planning on further expanding in strategic green, social, and clean portfolios.

Commercial Real Estate (end-June 2024: 20% of total assets; 15% of total revenues)

Under the brand "Deutsche Hypo", the Bank has a long-standing presence as CRE lender in Germany and Europe, where it focused on prime offices, residential housing, retail, logistics and care facilities.

Special Credit & Valuation (end-June 2024: 3% of total assets; 1% of total revenues)

This segment manages NPLs and distressed assets, particularly in shipping and aviation, with strategies for risk mitigation and portfolio adjustments

Earnings Power

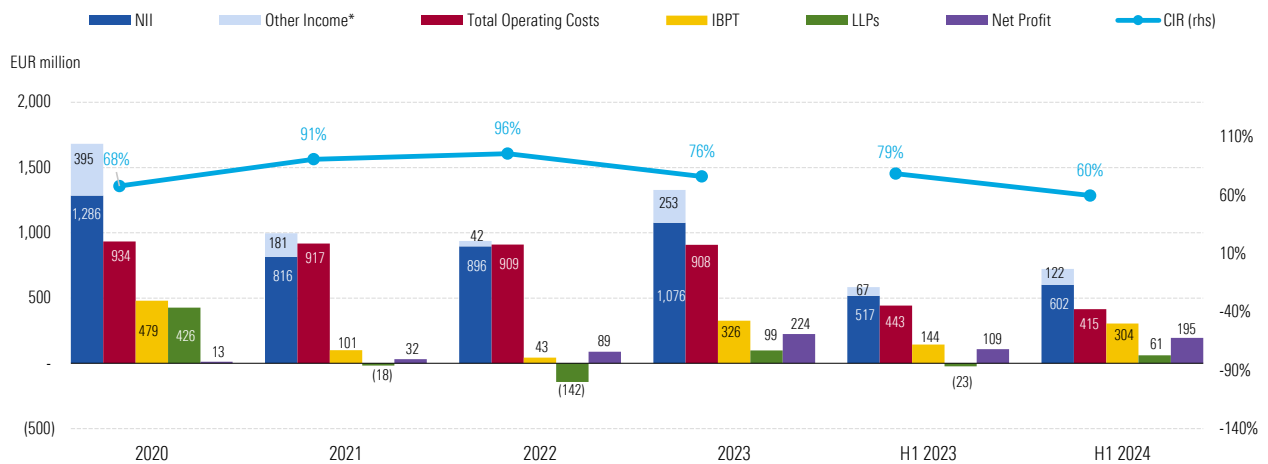
Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Moderate/Weak	Moderate/Weak	Moderate/Weak

Profitability remains an area of potential further improvement for NORD/LB. Historically, its modest profitability levels reflected low margins and a high-cost base. The Bank's past performance was also heavily affected by several restructuring initiatives. Going forward, Morningstar DBRS expects NORD/LB's profitability to improve gradually and to close the gap with its peers. The impact resulting from the disposal of the aviation business in 2024 is expected to be manageable.

In H1 2024, the Bank reported a net profit of EUR 195 million, up from EUR 109 million in H1 2023, driven by an increase in core revenues (+17%) and expense reduction (-7%), partly offset by loan loss provisions (LLPs) of EUR 61 million compared with a release of EUR 23 million in H1 2023. This resulted in the cost-income ratio, as calculated by Morningstar DBRS improving considerably to 60% in H1 2024 down from 79% a year earlier, mainly on the back of higher revenues. Furthermore, the increased profitability got reflected in the return on equity (ROE), improving to 5.64% in H1 2024, compared with 3.40% in H1 2023.

Net interest income (NII) increased 16% year over year (YOY) to EUR 602 million in H1 2024 supported by higher margins, improved contributions from trading portfolios and increased income from securities and dividends. On the other hand, net commission income amounted to EUR 118 million in H1 2024, up 22% YOY, driven by the lending and guarantee business, which more than offset the decline in brokerage commissions, while also supported by lower fees for the financial guarantees of the State of Lower Saxony.

Exhibit 4 Profitability



Source: Morningstar DBRS; Company Documents.
 Notes: Data as reported. Cost-Income ratios and IBPT as calculated by Morningstar DBRS.
 *Operating Income, excl. NII.

The 7% YOY decline in administrative expenses to EUR 415 million in H1 2024 can be attributed to the ongoing cost-cutting measures. Nevertheless, we expect the Bank to continue making investments in its IT transformation programme. Staff costs will also rise due to the German Bank Employees Association’s negotiations for a 13.45% salary increase, affecting those employees that are part of the collecting labour agreements (Tarifverträge).

The increase in loan loss provisions (LLPs) to 61 million in H1 2024 from a release of 23 million was mainly driven by the commercial real estate exposures and some corporate exposures in the context of the deterioration macroeconomic environment in Germany. Given this new challenging environment, the Bank increased its management overlays by EUR 10 million to a total of EUR 299 million in H1 2024. We expect some pressure on credit quality to persist into 2025. We also anticipate earnings volatility to recede going forward. The impact from the disposal of the aircraft portfolio in H2 2024 is expected to be manageable.

Exhibit 5 Revenues by Business Segment

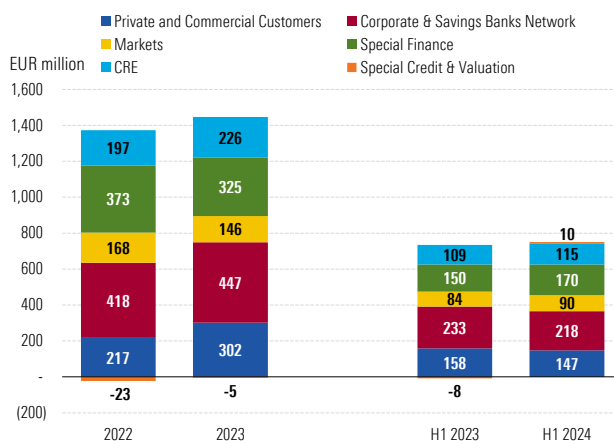
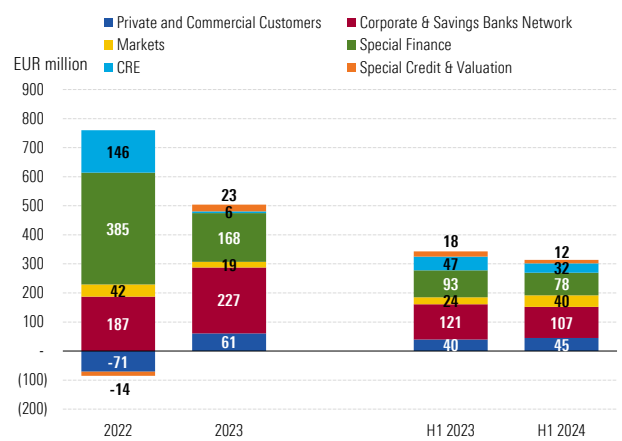


Exhibit 6 Consolidated Profit by Business Segment



Source: Morningstar DBRS, Company Documents.
 Note: Revenues consists of Net interest income before loan loss provisions, Net commission income and Profit/loss from financial instruments at fair value through profit or loss. The chart focuses on business segments and does not include "Treasury / Consolidation / Others/" and "Reconciliations" components.

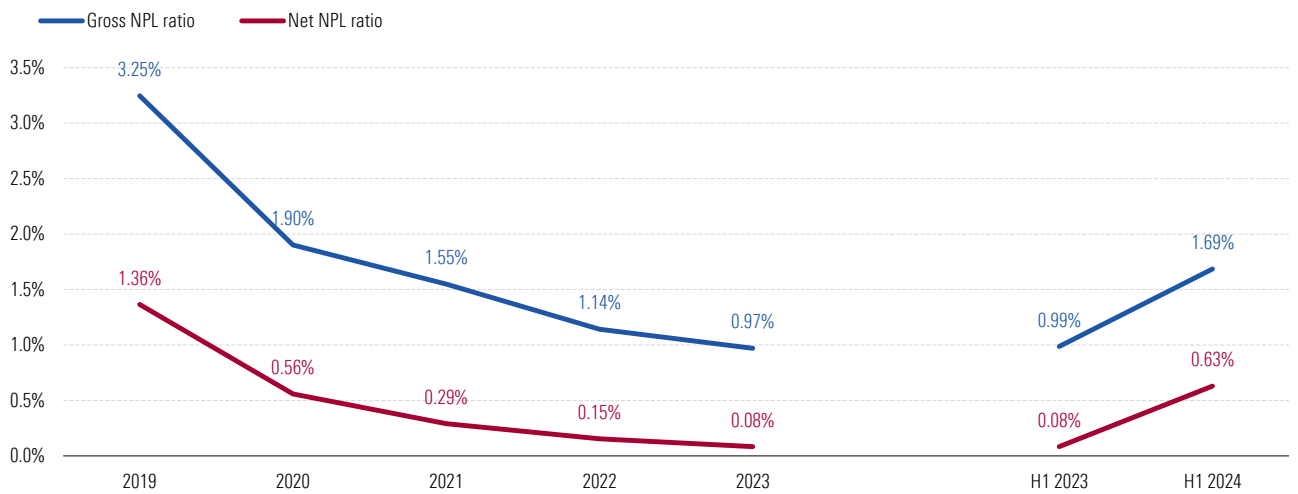
Risk Profile

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Strong/Good	Good/Moderate	Good

In our view, NORD/LB has significantly improved its credit risk profile primarily through the divestment of risky and non-strategic assets, as well as various portfolio guarantees, while improving the diversification of its lending portfolio. However, asset quality deteriorated in H1 2024, particularly across its domestic corporate lending (service industries and manufacturing) and CRE exposures, amidst the worsening economic environment in Germany and turmoil in the commercial property sector.

The NPL ratio as calculated by Morningstar DBRS was 1.69% at end-June 2024, up from a very low level of 0.97% at end-December 2023 and 0.99% at end-June 2023. The stock of non-performing loans increased by 71% during H1 2024 to EUR 1.1 billion at end-June 2024.

Exhibit 7 NPL ratios



Source: Morningstar DBRS, Company Documents.

The Bank’s CRE portfolio amounts to an asset size of around EUR 18 billion, which is around 16% of the total assets. Albeit conservatively managed, the sector has been affected by higher interest rates and structural demand changes. The Bank’s CRE portfolio is concentrated in Germany at 60%, while the remaining 40% is spread across other European countries, such as the Netherlands, the UK, France and other mature economies. The Bank has exposure across all CRE segments, with a tilt toward office, followed by residential housing and retail.

We note that NORD/LB’s exposure to the automotive sector, which is also facing increase pressure, is limited.

Exhibit 8 Asset breakdown by segment, end-June 2024

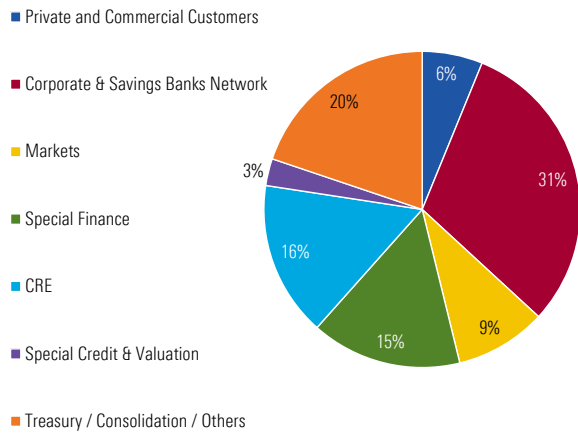
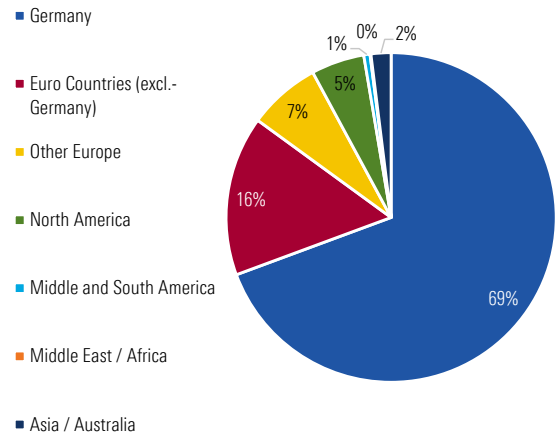


Exhibit 9 Exposure by region, end-June 2024



Source: Morningstar DBRS; Company Documents.

The Bank has fully reduced its exposure to shipping, which caused significant credit losses in the past. Furthermore, most of the Bank’s exposure to aircraft finance, a sector adversely affected by the COVID-19 pandemic, has been also disposed. This strategic move has allowed NORD/LB to further de-risk its balance sheet, while enabling the Bank to reallocate resources to more strategic business areas. The remaining rundown aviation portfolio has an expected duration of four years.

Regarding operational risks associated with the IT transformation plan, we view the Bank’s approach of splitting the CFO and COO function, coupled with its successful onboarding, as positive. This approach is expected to support the effective implementation of its bank steering IT system, enhance operating efficiencies and dedicate a stronger focus to cyber resilience.

Funding and Liquidity

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Strong/Good	Good/Moderate	Good

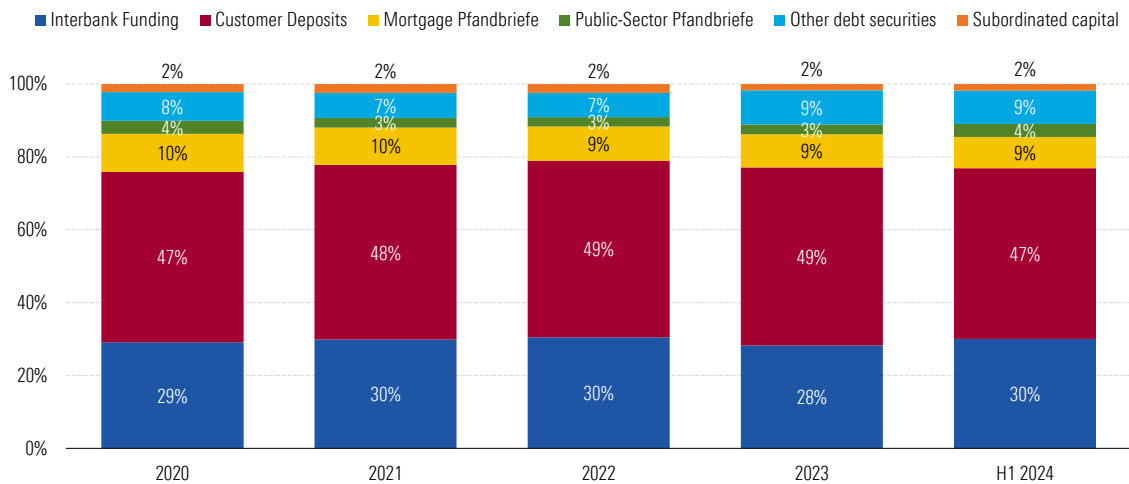
NORD/LB’s liquidity and funding profile remains good, underpinned by its prudent management and diverse funding sources. The funding profile predominantly consists of wholesale funding and corporate deposits. While the Bank lacks a large retail franchise with granular and stable deposits, it effectively manages its corporate deposits, limiting concentration risks and concentration and exposure to less stable deposits.

NORD/LB’s deposit funding is at the lower end of the peer group with customer deposits representing 47% of total funding at end-H1 2024, and the loan-to-deposit ratio as calculated by Morningstar DBRS was 95.4%. In recent times, the Bank has also rebuilt its wholesale franchise with a series of issuances placed with international investors. During H1 2024, the Bank

successfully issued two benchmark Pfandbriefe and its first Tier 2 bond in 10 years. In H2 2024, the Bank issued a second green Pfandbrief, as well as a Senior Non-Preferred bond.

The Bank benefits from its covered bond franchise and access to inter-banking funding through the Sparkasse-Finanzgruppe (SFG). A large part of the Bank’s funding comes from interbank funding from affiliated Sparkassen. This intra-group lending is helped by regulatory zero-risk weighting within the Group and can reduce the dependence on volatile wholesale market funding. In addition, the Bank’s membership in the SFG and its Institutional Protection Scheme (IPS) enhances confidence during periods of stress and provides a stable source of liquidity. At the end of June 2024, NORD/LB reported a liquidity coverage ratio (LCR) of 138% and a net stable funding ratio (NSFR) of 113%, both comfortably exceeding the regulatory minimum of 100%.

Exhibit 10 Funding Mix Evolution



Sources: Morningstar DBRS; Company Documents.

Capitalisation

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Good/Moderate	Moderate	Good/Moderate

In our view, NORD/LB maintains a solid capital cushion, and its capital ratios are at the high end of its peer group. However, this is in part offset by the Bank’s limited capital generation capacity and its constrained ability to raise external capital if necessary.

NORD/LB’s CET1 ratio as of end-June 2024 was 15.4%, slightly up from 15.2% at end-2023, as retained earnings continued to offset the increase in risk weighted assets (RWA) to EUR 42 billion from EUR 41 billion at end-2023 mainly driven by higher counter party risks resulting from business growth. In H2 2024, a RWA release is expected from the partial sale of the aircraft financing portfolio. The CET1 ratio is well above regulatory requirements of 9.64% and positions NORD/LB at the upper end of its peer group.

The total capital ratio (including H1 earnings) was 18.5% at end-H1 2024 up from 17.3% at end-2023, and NORD/LB's MREL ratio was 45.7% at H1 2024, well above the regulatory requirement of 20.8%.

Exhibit 11 Capital Ratios

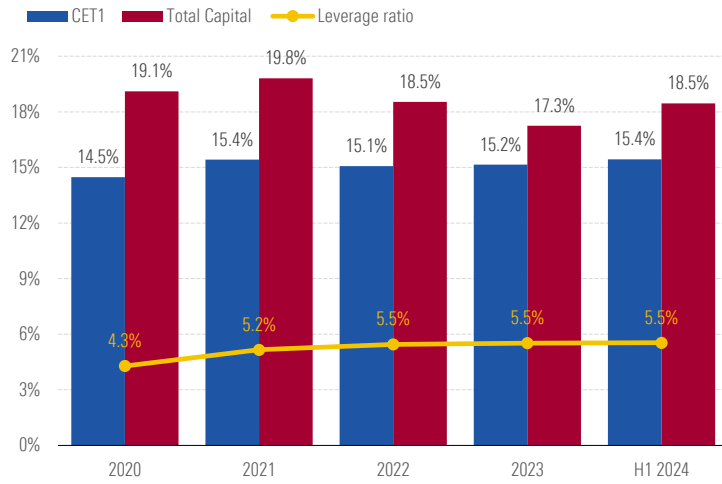
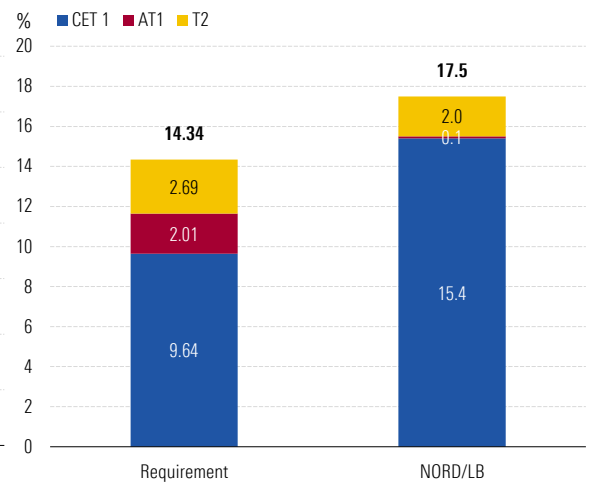


Exhibit 12 Capital Ratios



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Sources: Morningstar DBRS, Company Documents.

Norddeutsche Landesbank Girozentrale

ESG Checklist

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis: Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*		
Environmental		Overall:	N	N
Emissions, Effluents, and Waste	Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuer's financial, operational, and/or reputational standing?	N	N	N
Carbon and GHG Costs	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long-term credit profile?	N	N	N
Land Impact and Biodiversity	Is there a financial risk to the issuer due to the loss of biodiversity and/or the mitigation of such loss, including land conversion and rehabilitation?	N	N	N
Climate and Weather Risks	In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact?	N	N	N
	In the long term, will the issuer's or client's business activities and infrastructure be materially affected financially by physical and/or transition risks under key IPCC climate scenarios?	N	N	N
		Climate and Weather Risks	N	N
Passed-through Environmental credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?	N	N	N
Social		Overall:	N	N
Social Impact of Products and Services	Do we consider that the social impact of the issuer's products and services pose a financial or regulatory risk to the issuer?	N	N	N
	Do changes in consumer behaviour or secular social trends pose a financial or regulatory risk to the issuer?	N	N	N
		Social Impact of Products and Services	N	N
Human Capital and Human Rights	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts, that could result in a material financial or operational impact?	N	N	N
	Do violations of rights create a potential liability that can negatively affect the issuer's financial wellbeing or reputation?	N	N	N
		Human Capital and Human Rights	N	N
Product Governance	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	N	N	N
Data Privacy and Security	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could it result, in financial penalties or client attrition to the issuer?	N	N	N
Community Relations	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	N	N	N
Access to Basic Services	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	N	N	N
Passed-through Social credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such issuer)?	N	N	N
Governance		Overall:	Y	R
Bribery, Corruption, and Political Risks	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	N	N	N
	Are there any political risks that could affect the issuer's financial position or its reputation?	N	N	N
		Bribery, Corruption, and Political Risks	N	N
Business Ethics	Do general professional ethics pose a financial or reputational risk to the issuer?	N	N	N
Corporate / Transaction Governance	Does the issuer's corporate structure allow for appropriate board and audit independence?	N	N	N
	Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	Y	R	R
	Does the board and/or management lack a formal framework to assess climate related financial risks to the issuer?	N	N	N
		Corporate / Transaction Governance	Y	R
Passed-through Governance credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?	Y	R	R
Consolidated ESG Criteria Output:		Y	R	R

* A Relevant Effect means that the impact of the applicable ESG Factors has not changed the rating or rating trend on the issuer.
A Significant Effect means that the impact of the applicable ESG Factors has changed the rating or trend on the issuer.

Environmental

The Environmental factor does not affect the rating or trend assigned to the Bank. The Bank is a signatory of the UNEP Principles for Responsible Banking, the UN Global Compact, and the Climate Commitment of the German Financial Sector. The Bank has an Environmental, Social, and Governance (ESG) framework that stipulates minimum ESG standards and has more specific policies for a number of exposed sectors.

The ECB climate risk stress-test results were published on 8 July 2022. While they did not provide detailed indications for the geographies potentially affected under the selected scenarios, participating European banks were told they needed to enhance their climate risk stress testing framework. In the meantime, Morningstar DBRS notes the results will be integrated into two SREP elements in a qualitative manner: (i) business model assessment, and (ii) internal governance and risk management.

Social

The Social factor does not affect the rating or trend assigned to the Bank. We are not aware of any major product governance issues. NORD/LB is exposed to a certain level of product risk as well as data security risk. No material pending issues are known. However, there is a constant risk of cyber-attacks targeted towards banks, and any significant data breach or cybersecurity attack could have significant reputational and financial consequences.

Governance

The subfactor 'corporate governance' is relevant to the rating of NORD/LB but does not affect the rating or trend assigned to the Bank, and this is reflected in the franchise grid grades for the Bank.

Morningstar DBRS views certain weaknesses in the group structure as relevant from a corporate governance perspective. Notably, the Landesbanken are majority or part-owned by German Federal States. State governments, in our view, have limited capabilities to effectively supervise the banks' activities. In the past, Landesbanken have taken outsized risks, resulting in high costs to taxpayers and the Sparkassen. Sparkassen associations, while part-owners of some Landesbanken, have had only limited influence over the risk taking by the Landesbanken. The ownership mix and the parliamentary process involved in decision making, have also made it difficult at times to swiftly react to challenges. In addition, NORD/LB has started to implement a new in-house bank steering IT system, which entails significant execution risk.

Norddeutsche Landesbank Girozentrale

		1	2	3	4	5
Financial Data Through 2024 H1	Scorecard Indicator	Scorecard Indicator Data	Scorecard Indicator Assessment	Scorecard Building Block (BB) Assessment	Grids BB Assessment	Combined BB Assessment
Franchise	Adjusted Assets	115	G/M			G/M
	Sovereign Rating Category	20	VS	G	M	
Earnings	Return on Equity	3.61%	M/W			M/W
	Return on Assets	0.22%	M/W	M/W	M/W	
	IBPT/Avg. Assets	0.34%	M/W			
Risk	Net NPLs/Net Loans	0.35%	S	S/G	G/M	G
	Provisions/IBPT	20.26%	S/G			
Funding & Liquidity	Sovereign-Adjusted Funding Ratio	98.7%	S/G	S/G	G/M	G
Capitalisation	Sovereign-Adjusted Capital Ratio	15.23%	S			G/M
	NPL/[Equity + Loan Loss Reserves]	13.28%	S/G	G/M	M	
	5-Year Accumulated Net Income/Total Assets	0.67%	M/W			

6	7			8
Overall Assessment	Intrinsic Assessment Range (IAR)			Assigned IA
G/M	A (low)	BBB (high)	BBB	BBB

Notes: (1) based on financial data as of H1 2024. (2) For more information see Global Methodology for Rating Banks and Banking Organizations published on 4 June 2024. (3) IAR and IA refer to bank level rating.

Annual Financial Information

	H1 2024	H1 2023	For the Year Ended December 31 (IFRS)				
			2023	2022	2021	2020	2019
Balance Sheet (EUR million)							
Cash & Cash Equivalents*	16,226	15,565	16,709	15,397	20,581	20,507	23,503
Investments in Financial Assets	22,820	21,344	21,706	21,848	24,026	30,180	32,284
Gross Loans to Customers	72,012	71,696	72,866	71,318	69,494	74,994	83,605
Loan Loss Reserves	(766)	(648)	(729)	(706)	(877)	(1,014)	(1,595)
Net Lending to Customers	71,246	71,048	72,137	70,612	68,617	73,980	82,010
Total Assets	113,289	109,438	111,981	109,325	114,631	126,176	139,594
Deposits from Customers	74,619	72,177	74,049	72,100	73,699	52,414	57,887
Debt & Capital Lease Obligations	23,331	22,066	23,028	21,281	23,071	27,393	29,979
Total Liabilities	106,312	102,895	105,117	103,025	108,783	120,401	133,790
Total Equity	6,977	6,543	6,864	6,300	5,848	5,775	5,804
Income Statement (EUR million)							
Net Interest Income	602	516	1,074	896	816	1,286	1,024
Non Interest Income	159	145	192	121	300	242	300
Equity Method Results	9	13	98	41	17	(24)	37
Total Operating Income	770	674	1,364	1,058	1,133	1,504	1,361
Total Operating Expenses	462	531	1,041	1,015	1,032	1,025	1,041
Income Before Provisions and Taxes (IBPT)	304	144	326	43	101	479	320
Loan Loss Provisions (LLP)	61	(23)	99	(140)	(11)	419	(22)
Irregular Income/Expenses	(19)	(24)	44	(79)	(83)	(87)	(409)
Net Attributable Income	195	109	224	89	32	19	(109)
Growth (%) - YOY Change							
Net Interest Income	16.67	17.81	19.87	9.80	(36.55)	25.59	(16.68)
Total Operating Income	14.24	65.60	28.92	(6.62)	(24.67)	10.51	18.86
Total Operating Expenses	(12.99)	2.51	2.56	(1.65)	0.68	(1.54)	(4.84)
IBPT	111.11	(229.73)	658.14	(57.43)	(78.91)	49.69	527.45
Net Attributable Income	78.90	(273.02)	151.69	178.13	68.42	(117.43)	(95.39)
Gross Loans & Advances	0.44	3.80	2.17	2.62	(7.33)	(10.30)	(10.12)
Deposits from Customers	3.38	(3.57)	2.70	(2.17)	40.61	(9.45)	(7.30)
Earnings (%)							
Net Interest Margin	1.10	0.96	0.99	0.82	0.70	0.99	0.70
Non-Interest Income / Total Revenue	20.65	21.51	14.08	11.44	26.48	16.09	22.04
Cost-Income ratio	60.00	78.78	76.32	95.94	91.09	68.15	76.49
LLP / IBPT	20.07	(15.97)	30.37	(325.58)	(10.89)	87.47	(6.88)
Return on Avg Assets (ROAA)	0.35	0.20	0.20	0.08	0.03	0.01	(0.07)
Return on Avg Equity (ROAE)	5.64	3.40	3.41	1.46	0.55	0.33	(2.59)
IBPT over Avg RWAs	1.48	0.72	0.80	0.11	0.26	1.18	0.74
Internal Capital Generation	5.64	3.40	3.41	1.46	0.55	0.33	(2.59)
Risk Profile (%)							
Cost of Risk	0.17	(0.07)	0.14	(0.20)	(0.02)	0.54	(0.03)
Gross NPLs over Gross Loans	1.69	0.99	0.97	1.14	1.55	1.90	3.25
NPL Coverage Ratio	63.10	91.53	102.97	86.63	81.51	71.06	58.77
Net NPLs over Net Loans	0.63	0.08	0.08	0.15	0.29	0.56	1.36
NPLs to Equity and Loan Loss Reserves Ratio	15.68	9.85	9.32	11.64	16.00	21.03	36.75
Funding & Liquidity (%)							
Net Loan to Deposit Ratio	95.48	98.44	97.42	97.94	93.10	141.15	141.67
Liquidity Coverage Ratio	139.51	151.17	143.16	150.15	139.40	157.80	166.50
Net Stable Funding Ratio	113.17	115.78	117.84	113.33	126.80	NA	NA
Capitalisation (%)							
CET1 Ratio	15.44	14.77	15.15	15.07	15.42	14.48	14.45
Tier1 Ratio	15.56	14.89	15.28	15.20	15.56	14.61	15.25
Total Capital Ratio	18.46	17.85	17.25	18.54	19.81	19.09	20.67
Leverage Ratio	5.54	5.41	5.52	5.45	5.16	4.29	4.11
Dividend Payout Ratio	0.00	0.00	0.00	0.00	0.00	0.00	NA

Source: Morningstar, Inc., company documents, Morningstar, Inc. data and Morningstar DBRS calculations based on company disclosure.

Note: Figures may not tie with reported data given Morningstar DBRS' standardised approach across global banks.

*Includes Loans to Banks

Credit Rating Methodology

The applicable methodologies are the *Global Methodology for Rating Banks and Banking Organisations* (4 June 2024) and *Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings* (13 August 2024), which can be found on our website under Methodologies.

Credit Ratings

Issuer	Debt	Credit Rating Action	Credit Rating	Trend
Norddeutsche Landesbank Girozentrale	Long-Term Issuer Rating	Confirmed	A (high)	Stable
Norddeutsche Landesbank Girozentrale	Short-Term Issuer Rating	Confirmed	R-1 (middle)	Stable
Norddeutsche Landesbank Girozentrale	Long-Term Senior Debt	Confirmed	A (high)	Stable
Norddeutsche Landesbank Girozentrale	Short-Term Debt	Confirmed	R-1 (middle)	Stable
Norddeutsche Landesbank Girozentrale	Long-Term Deposits	Confirmed	A (high)	Stable
Norddeutsche Landesbank Girozentrale	Short-Term Deposits	Confirmed	R-1 (middle)	Stable
Norddeutsche Landesbank Girozentrale	Senior Non-Preferred Debt	Confirmed	A	Stable
Norddeutsche Landesbank Girozentrale	Subordinated Debt	Confirmed	A (low)	Stable
NORD/LB Luxembourg S.A. Covered Bond Bank	Long-Term Issuer Rating	Confirmed	A (high)	Stable
NORD/LB Luxembourg S.A. Covered Bond Bank	Short-Term Issuer Rating	Confirmed	R-1 (middle)	Stable
NORD/LB Luxembourg S.A. Covered Bond Bank	Long-Term Senior Debt	Confirmed	A (high)	Stable
NORD/LB Luxembourg S.A. Covered Bond Bank	Short-Term Debt	Confirmed	R-1 (middle)	Stable
NORD/LB Luxembourg S.A. Covered Bond Bank	Long-Term Deposits	Confirmed	A (high)	Stable
NORD/LB Luxembourg S.A. Covered Bond Bank	Short-Term Deposits	Confirmed	R-1 (middle)	Stable

Credit Ratings History

Issuer	Debt	Current	2023	2022	2021
Norddeutsche Landesbank Girozentrale	Long-Term Issuer Rating	A (high)	A (high)	A (high)	A (high)
Norddeutsche Landesbank Girozentrale	Short-Term Issuer Rating	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Norddeutsche Landesbank Girozentrale	Long-Term Senior Debt	A (high)	A (high)	A (high)	A (high)
Norddeutsche Landesbank Girozentrale	Short-Term Debt	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Norddeutsche Landesbank Girozentrale	Long-Term Deposits	A (high)	A (high)	A (high)	A (high)
Norddeutsche Landesbank Girozentrale	Short-Term Deposits	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Norddeutsche Landesbank Girozentrale	Senior Non-Preferred Debt	A	A	A	A
Norddeutsche Landesbank Girozentrale	Subordinated Debt	A (low)	A (low)	A (low)	A (low)
NORD/LB Luxembourg S.A. Covered Bond Bank	Long-Term Issuer Rating	A (high)	A (high)	A (high)	N/A
NORD/LB Luxembourg S.A. Covered Bond Bank	Short-Term Issuer Rating	R-1 (middle)	R-1 (middle)	R-1 (middle)	N/A
NORD/LB Luxembourg S.A. Covered Bond Bank	Long-Term Senior Debt	A (high)	A (high)	A (high)	N/A
NORD/LB Luxembourg S.A. Covered Bond Bank	Short-Term Debt	R-1 (middle)	R-1 (middle)	R-1 (middle)	N/A
NORD/LB Luxembourg S.A. Covered Bond Bank	Long-Term Deposits	A (high)	A (high)	A (high)	N/A
NORD/LB Luxembourg S.A. Covered Bond Bank	Short-Term Deposits	R-1 (middle)	R-1 (middle)	R-1 (middle)	N/A

Previous Actions

- [Morningstar DBRS Confirms NORD/LB's Long-Term Issuer Rating at A \(high\), Maintains Stable Trend, 29 November 2024.](#)
- [Morningstar DBRS Confirms NORD/LB's LT Issuer Rating at A \(high\), Stable Trend, and Upgrades Intrinsic Assessment to BBB, 1 December 2023.](#)
- [Morningstar DBRS Confirms NORD/LB's Issuer Ratings at A \(high\)/R-1 \(middle\), Stable Trend, 2 December 2022.](#)

Related Research

- [German Banks' Direct Exposure to Struggling Auto Sector is Limited, but Potential Spill-Over Effects Could Bite, 16 December 2024.](#)
- [German Banks: Structural Challenges and Economic Headwinds Could Pave the Way for More Banking Consolidation, 25 November 2024.](#)
- [2025 European Banking Outlook: On Track for Solid Performance Despite Rate Cuts, 13 November 2024](#)
- [German Banks' CRE Lending: U.S. Office Loans Driving Increasing NPLs, 17 April 2024](#)

- [German Landesbanken: Improved Profitability Amidst CRE Challenges](#), 27 March 2024
- [European Banks' Office Loans: More Price Declines are Likely as Office Vacancy Rates Remain High](#), 6 March 2024
- [Banks' CRE Exposures: Steep Rise in Provisions on CRE Loans amid Rising Risks on Property Valuations](#), 14 February 2024
- [Global 2024 FIG Credit Outlook: Mostly Sound With Pockets of Vulnerabilities](#), 6 February 2024

Previous Reports

- [Norddeutsche Landesbank Girozentrale: Rating Report](#), 23 January 2024.
- [Norddeutsche Landesbank Girozentrale: Rating Report](#), 16 December 2022.
- [Norddeutsche Landesbank Girozentrale: Rating Report](#), 15 December 2021.

European Bank Ratios & Definitions

- [Bank Ratio Definitions](#), 14 March 2022.

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