

Credit Rating Report

Norddeutsche Landesbank Girozentrale

Morningstar DBRS

23 June 2026

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Credit Ratings & Intrinsic Assessment

Issuer	Obligation	Credit Rating	Credit Rating Action	Trend
Norddeutsche Landesbank Girozentrale	Long-Term Issuer Rating	A (high)	Confirmed June '26	Stable
Norddeutsche Landesbank Girozentrale	Short-Term Issuer Rating	R-1 (middle)	Confirmed June '26	Stable

Issuer	Intrinsic Assessment
Norddeutsche Landesbank Girozentrale	BBB (high)

Credit Rating Drivers

Factors with Positive Credit Rating Implications

- NORD/LB's Issuer Ratings benefit from SFG's IPS. An upgrade of SFG's credit ratings would lead to an upgrade of NORD/LB's credit ratings.
- Morningstar DBRS would consider raising NORD/LB's IA if the Bank demonstrates a sustained improvement in profitability, together with further improvement in asset quality metrics, whilst maintaining strong capital cushions. Successful completion of the Bank's IT project could also be positive for the IA.

Factors with Negative Credit Rating Implications

- NORD/LB's Issuer Ratings benefit from SFG's IPS. A downgrade of SFG's credit ratings would lead to a downgrade of NORD/LB's credit ratings.
- Morningstar DBRS would consider lowering the IA if there is a significant deterioration in the Bank's risk profile or capitalisation, or if the Bank is unable to sustain its improving profitability trajectory.

Credit Rating Considerations

Franchise Strength (Good/Moderate)

- Public-sector state bank primarily serving Northern Germany, with established specialised finance activities and SFG membership; the franchise has improved following the completion of the transformation programme and the shift towards selective growth.

Earnings Power (Moderate/Weak)

- Improving earnings capacity supported by stronger commission income, stable costs, and better efficiency, although profitability remains moderate relative to peers and sensitive to the operating environment.

Risk Profile (Good/Moderate)

- Asset quality has stabilised after previous deterioration, supported by proactive risk management, portfolio optimisation, and exit from legacy exposures, although the risk profile remains constrained by sizeable CRE exposure and pressure in selected corporate sectors.

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 position, with improved capital ratios and sizeable buffers above regulatory requirements, partly offset by limited flexibility to raise external capital resulting from the Bank's ownership structure.

Financial Data Through 2025	Scorecard Building Block Assessment	Grids Building Block Assessment	Combined Building Block Assessment
Franchise	G	M	G/M
Earnings	M	M/W	M/W
Risk	G	G/M	G/M
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 (high)

Financial Information

(In EUR million unless otherwise stated)	For the Year Ended December 31 (IFRS)				
	2025	2024	2023	2022	2021
Total Assets	122,249	113,712	111,981	109,325	114,631
Gross Loans to Customers	76,000	75,335	72,866	71,318	69,494
Income Before Provisions and Taxes (IBPT)	698	556	435	43	101
Net Attributable Income	506	621	224	89	32
Net Interest Margin (%)	0.95	1.07	0.98	0.81	0.69
Cost-to-Income Ratio (%)	56.94	62.19	70.72	95.94	91.09
LLP / IBPT (%)	22.78	25.90	22.76	(325.58)	(10.89)
Cost of Risk (%)	0.21	0.20	0.14	(0.20)	(0.02)
CET1 Ratio (%)	17.63	16.23	14.96	15.07	15.42

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 or the Bank) is a member of the Sparkassen-Finanzgruppe and ranks among the top 10 banks in Germany by assets. The Bank's commercial banking activities span a range of businesses including retail, corporate, markets, commercial real estate (CRE), and specialty finance.

Credit Rating Rationale

On June 15, 2026, we confirmed our credit ratings on NORD/LB, including the Bank's Long-Term Issuer Rating at A (high) with a Stable trend, reflecting SFG's floor rating and support from its Institutional Protection Scheme (IPS). 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 Intrinsic Assessment (IA) remains BBB (high). This reflects the strengthened position of the Bank's stand-alone credit fundamentals following the successful completion of its transformation programme. We view the Bank as having a more focused and streamlined business model, improved earnings capacity, and a stronger capital position whilst maintaining a solid funding and liquidity profile. The Bank has also made further progress in enhancing its operational and digital infrastructure, including the ongoing implementation of its new internal bank steering framework and continued investment in IT infrastructure and artificial intelligence capabilities, which support operational efficiency and long-term competitiveness.

Whilst NORD/LB's profitability metrics have improved, we consider the Bank's bottom-line performance to remain moderate in a European banking context. In our view, the Bank still needs to demonstrate a longer track record of sustained recurring profitability. Nevertheless, NORD/LB's management team remains focused on several commercial initiatives that, together with continued cost discipline, are expected to support earnings generation over the medium term.

NORD/LB's risk profile remains exposed to ongoing macroeconomic headwinds, particularly within the German corporate sector, although the impact from the conflict in the Middle East is limited. The Bank benefits from a more focused and streamlined business model following its exit from aircraft financing, alongside gradual asset quality normalisation in its CRE portfolio. This is supported by the Bank's broad European diversification, despite continued pressure in the German CRE market. Some segments continue to face challenges, including certain fibre-to-home broadband exposures, notably in Germany and the UK, within Structured Finance. However, overall asset quality remains largely stable, supported by the Bank's diversified portfolio, proactive risk

management, and limited exposure to more vulnerable sectors such as automotive and chemicals, which continue to be affected by elevated energy costs. The Bank maintains a very solid capital position and cushions above capital requirements, supported by retained earnings and lower risk-weighted assets (RWAs) following the implementation of Capital Requirements Regulation (CRR) III.

NORD/LB's IA of BBB (high) is at the midpoint of the Intrinsic Assessment Range, as we view NORD/LB's credit fundamentals and performance as commensurate with those of similarly rated peers.

Franchise Strength

Scorecard Building Block Assessment	Grids Building Block Assessment	Combined Building Block Assessment
Good	Moderate	Good/Moderate

The franchise grid assessment is lower than the scorecard assessment as we factor in the Bank's ownership mix, including state ownership, which adds a degree of governance complexity. In addition, although NORD/LB has made further progress enhancing its operational and digital infrastructure, including with the go-live of Phase I of its new bank-steering system in January 2026 ahead of schedule, we continue to reflect the operational execution risk associated with the broader programme, including the transition to Phase II.

With total assets of EUR 122 billion as of YE2025, NORD/LB ranks as Germany's fourth-largest Landesbank and among the country's 10 largest banking institutions. Operating as a public-sector state bank, it primarily serves Northern Germany, focusing on Lower Saxony, Saxony-Anhalt, and Mecklenburg-Vorpommern (Exhibit 1). The Bank's majority public ownership rests with the federal states of Lower Saxony and Saxony Anhalt, which together hold a combined stake of around 64%, while the remaining shares are held by the respective savings banks associations, which are part of Sparkassen-Finanzgruppe (SFG) (Exhibit 2). While mainly a commercial bank, NORD/LB also acts as the clearing institution for the savings banks in its operating regions and has international presence through its specialised finance operations. As a member of SFG, NORD/LB benefits from the support of its IPS.

Exhibit 1 NORD/LB Geographic Focus

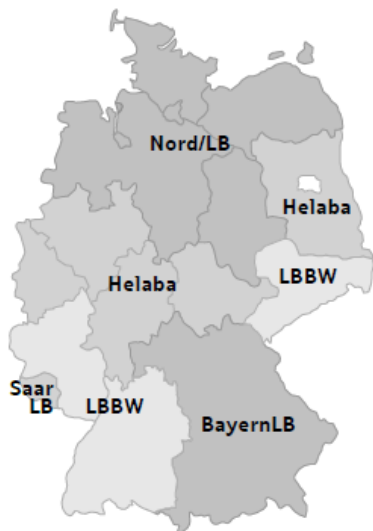
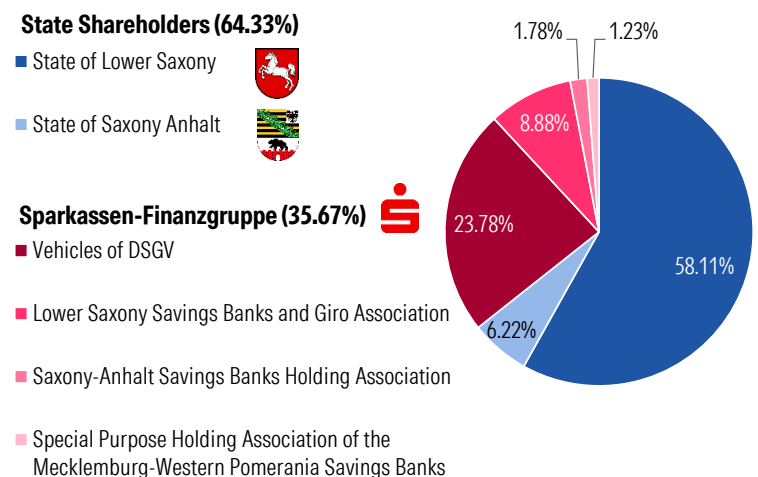


Exhibit 2 NORD/LB Ownership Structure (As of YE2025)



Source: DSGV.

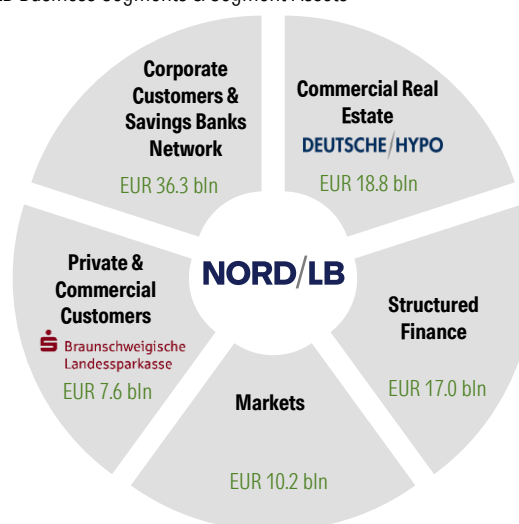
Source: Morningstar Inc., Company Documents.

NORD/LB is a diversified universal bank with extensive expertise in a range of markets. This includes a diversified Corporate segment that benefits from cross-selling opportunities with regional savings banks. Additionally, NORD/LB is a well-established and long-standing player in European CRE through Deutsche Hypo. The Bank's Structured Finance division is a key player in renewable energy finance and project finance, capitalising on the energy transition. The Bank's

offerings are further completed by its Markets division, focused on institutional clients and savings banks, as well as its Private Customers division under Braunschweigische Landessparkasse. The latter grants NORD/LB access to retail deposits and services, including wealth management.

Following the successful completion of its NORD/LB 2024 transformation programme, the Bank has shifted its strategic focus to selective and profitable growth. In 2025, NORD/LB launched its new multiyear strategy “North Star”, with medium-term 2028 financial ambitions of ROE before tax of at least 10%, a cost-to-income ratio of no more than 55%, and a CET1 ratio of at least 14%. In our view, the strategy is consistent with the Bank’s streamlined business model and is focused on strengthening customer business, expanding commission and deposit income, maintaining cost discipline, and further developing IT and digital infrastructure.

Exhibit 3 NORD/LB Business Segments & Segment Assets



Source: Morningstar Inc., company documents.

The Bank’s business is organised in five segments (Exhibit 3). Corporate Customers and Structured Finance continued to be the main contributors to the Bank’s revenues in 2025, and they are expected to remain important drivers of future earnings generation.

Business Segments

Corporate Customers & Savings Banks Network (YE2025: 30% of total assets¹; 29% of total revenues)

This segment focuses on medium and large companies in Germany, particularly in sectors such as food, agriculture and energy, while also supporting municipalities and savings banks in complex financing transactions. In 2025, NORD/LB continued to strengthen its cross-selling capabilities within the Sparkassen network, supporting more integrated client service and contributing to stable revenue generation. In our view, this is a key segment of the Bank’s franchise, benefitting from entrenched regional relationships and recurring business flows.

¹ Denominator includes nonsegment assets.

Structured Finance (YE2025: 14% of total assets; 25% of total revenues)

With a focus on financing renewable energy projects and infrastructure finance globally, the segment has a solid track record across 30 markets and branches in London and New York. In 2025, new business increased by more than 30%, with record project origination and structuring levels supporting commission income growth. In our view, the segment is well positioned to benefit from continued investment in renewable energy, battery storage, digital infrastructure, and broader infrastructure projects, while also supporting revenue diversification through syndication and co-operation with institutional investors.

Private & Commercial Customers (YE2025: 6% of total assets; 18% of total revenues)

This segment serves private individuals and small businesses under its retail bank (BLSK) in the Braunschweig region and its private bank (Private Investors) with locations in Hanover, Hamburg, Bremen, and Oldenburg. BLSK provides NORD/LB with access to retail deposits and supports its funding profile, while maintaining a strong market position with a share of over 30% in its core region.

Commercial Real Estate (YE2025: 15% of total assets; 16% of total revenues)

Under Deutsche Hypo, the Bank remains a well-established CRE lender, with a focus on Germany and select European markets. The segment continues to operate in a challenging environment characterised by higher interest rates and structural changes in demand, particularly in the office sector. However, performance improved in 2025, supported by lower risk costs and releases of management adjustments. New business remains focused on prime assets and energy-efficient buildings. While the segment continues to represent a concentration risk for the Bank, in our view its conservative underwriting and experienced risk management help mitigate downside risks.

Markets (YE2025: 8% of total assets; 12% of total revenues)

The segment provides bond issuance services for financial institutions and offers capital market products tailored to institutional clients and savings banks. Additionally, it specialises in securitisation transactions, including asset-backed securities. In 2025, the segment further strengthened its market position, with NORD/LB ranking among the leading arrangers of euro-denominated syndicated issuances for German federal states and performing strongly in Pfandbrief markets. In our view, this segment supports fee generation and complements the Bank's broader client franchise, although it is more sensitive to market conditions than other segments.

Earnings Power

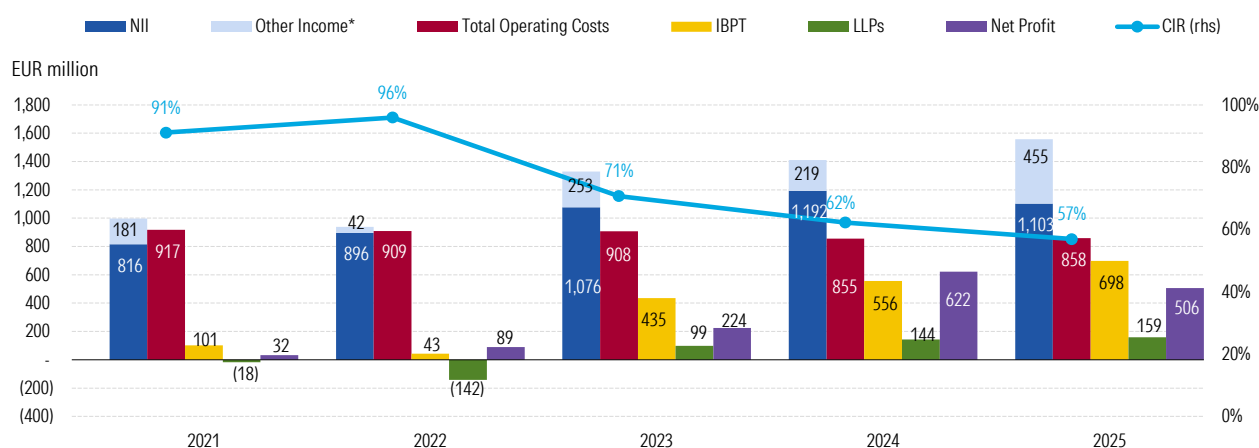
Scorecard Building Block Assessment	Grids Building Block Assessment	Combined Building Block Assessment
Moderate	Moderate/Weak	Moderate/Weak

The earnings power grids assessment is lower than the scorecard assessment. While NORD/LB's profitability and efficiency improved in 2025, earnings generation remains moderate and below many peers in the same credit rating range. We also factor in the impact of nonrecurring or less repeatable items, including deferred tax effects, which supports maintaining a differential between the grids and scorecard assessment.

In our view, following the completion of its transformation phase, NORD/LB has entered a more growth-oriented phase with a strengthened business model and improved earnings capacity. The 2025 results confirm the positive trend in underlying profitability, with higher pre-tax earnings, stable administrative expenses, and a materially improved cost-to-income ratio. Although reported net income declined as the sizeable deferred-tax benefit recognised in 2024 was not repeated, the Bank's preprovision earnings and efficiency metrics continued to improve. We consider this progress as narrowing the gap with the larger Landesbanken and European commercial banks, although profitability remains below stronger European peers.

In 2025, the Bank reported earnings before taxes of EUR 475 million, up 36% from EUR 350 million in 2024. This was driven by stronger revenues, particularly net commission income and the fair value result, while administrative expenses remained broadly stable. Total earnings increased 11% year over year (YOY) to EUR 1.56 billion, from EUR 1.41 billion in 2024, more than offsetting moderately higher risk provisions of EUR 159 million compared with EUR 144 million in 2024. This resulted in the cost-income ratio, as per our calculation, improving to 56.9% in 2025 from 62.2% a year earlier, mainly on the back of higher revenues and stable administrative expenses (Exhibit 4). ROE before taxes also improved to 6.2% in 2025 from 5.0% in 2024.

Consolidated profit declined to EUR 506 million in 2025 from EUR 622 million in 2024 despite the stronger pre-tax result. This was mainly due to the normalisation of tax effects, as the significant deferred tax asset-related gain recorded in 2024 was not repeated to the same extent in 2025. The Bank reported a tax gain of EUR 31 million in 2025 compared with EUR 271 million in 2024, mainly related to the capitalisation of deferred taxes.

Exhibit 4 Profitability Evolution

Source: Morningstar Inc.; company documents.

Notes: Data as reported. Cost-to-income ratios and IBPT as calculated by Morningstar DBRS.

*Operating Income, excl. NII.

Net interest income (NII) decreased 7% YOY to EUR 1,103 million in 2025 from EUR 1,190 million in 2024. The decline was mainly driven by margin pressure in the deposit business stemming from lower interest rates, the sale and runoff of the aircraft finance portfolio, and a lower interest contribution from interest rate derivatives. This was partly offset by higher interest income from the lending business, reflecting higher volumes with largely stable margins, particularly in the Structured Finance and Markets segments.

Net commission income increased 29% YOY to EUR 312 million in 2025 from EUR 242 million in 2024, reflecting NORD/LB's strategic focus on expanding commission income. The increase was mainly driven by lending and guarantee business, as well as higher income from account management, the securities and custody business, and the brokerage business, and was further supported by structuring and syndication fees.

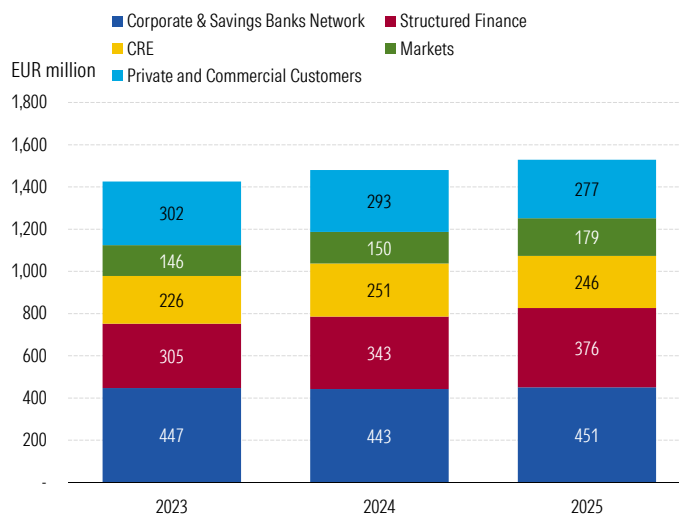
The result from fair value measurement improved to EUR 63 million in 2025 from negative EUR 60 million in 2024. This development was mainly due to positive effects from structured own issues designated at fair value through profit or loss, partly offset by lower trading income from interest rate derivatives and currency derivatives, which economically hedge these positions.

Administrative expenses remained almost unchanged at EUR 860 million in 2025 compared with EUR 858 million in 2024. Higher personnel expenses, mainly reflecting collective bargaining agreements and higher social security contributions, were largely offset by lower other administrative expenses, including lower IT and communication expenses. This demonstrates that cost discipline remains embedded in the Bank following the completion of its transformation programme, despite inflationary pressures and ongoing investments in future business growth.

Loan loss provisions (LLPs) were EUR 159 million in 2025, moderately up from EUR 144 million in 2024. The increase reflected lower releases of management adjustments compared with the prior year, as well as continued provisioning needs in Corporate Customers & Savings Banks Network, Structured Finance, Real Estate Customers, and Private & Commercial Customers. However, LLPs

for Stage 3 loans declined significantly, mainly because of reversals of risk provisions in the Real Estate Customers and Corporate Customers & Savings Banks Network segments.

Exhibit 5 Revenues by Business Segment, 2023–25



Source: Morningstar Inc., company documents.

Note: Revenues consists of NII before LLPs, 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.

In terms of segment performance, Corporate Customers & Savings Banks Network and Structured Finance remained the largest contributors to client-segment revenues in F2025, accounting for EUR 451 million and EUR 376 million, respectively (Exhibit 5).

Both segments also remained key contributors to client-segment pre-tax earnings, with earnings before taxes of EUR 170 million and EUR 168 million, respectively. Commercial Real Estate reported a significant improvement in pre-tax earnings to EUR 156 million from EUR 68 million in 2024, mainly reflecting lower risk costs and releases of management adjustments. Markets also improved to EUR 58 million from EUR 48 million, while Private & Commercial Customers declined to EUR 23 million from EUR 81 million, mainly reflecting lower deposit margins and higher risk provisions.

We expect NORD/LB's earnings for F2026 to remain resilient despite the challenging economic environment.

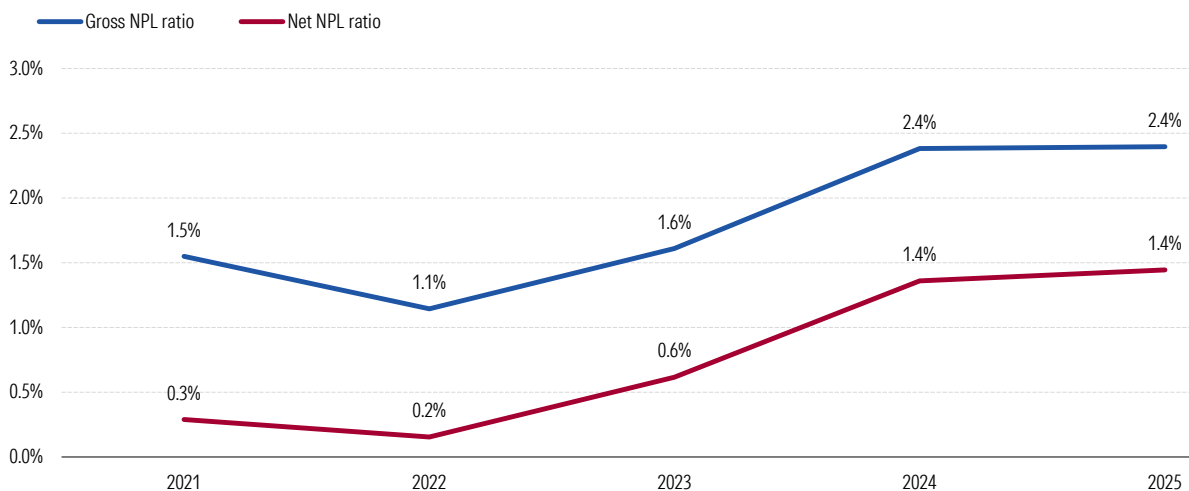
Risk Profile

Scorecard Building Block Assessment	Grids Building Block Assessment	Combined Building Block Assessment
Good	Good/Moderate	Good/Moderate

The risk grid assessment is lower than the scorecard assessment, reflecting the Bank's asset quality profile compared with similarly rated peers, as well as the ongoing challenges in the CRE and the corporate loan books, which in turn reflect the headwinds in the macroeconomic environment. Nevertheless, we note that the Bank has contained asset quality deterioration despite the challenging German operating environment and is well positioned to absorb further moderate pressure, supported by its more focused portfolio, exit from legacy exposures, and disciplined risk management.

In our view, the Bank's asset quality remains manageable despite the persistent pressure from the weak German macroeconomic environment and headwinds in CRE. The CRE portfolio remains sizeable, but the Bank benefits from sector expertise, conservative underwriting, and diversification across property types and European geographies with no exposure to North American properties.

Exhibit 6 Nonperforming Loan Ratios



Source: Morningstar Inc., company documents.

Note: As calculated by Morningstar DBRS, based on customer loans and excluding loans to banks.

The gross nonperforming loan (NPL) ratio, as calculated by Morningstar DBRS, remained stable YOY at 2.4% at YE2025. In our view, this points to a stabilisation in asset quality deterioration following two years of pressure from the difficult operating environment, particularly in the Commercial/Corporate Customers and Real Estate portfolios. While the ratio remains above the low point of 1.1% seen in 2022, the limited increase in NPLs in 2025 suggests that asset quality pressures have been contained, supported by the Bank's proactive risk management, conservative underwriting, and portfolio optimisation. The stock of NPLs increased only moderately to EUR 1.82 billion at YE2025 from EUR 1.79 billion at YE2024, with credit growth helping to keep the NPL ratio broadly unchanged.

NORD/LB set aside risk provisions of EUR 159 million in 2025, up 11% YOY from EUR 144 million in 2024. Provisioning needs were mainly concentrated in Corporate Customers & Savings Banks Network, Structured Finance, and Private & Commercial Customers, while Commercial Real Estate benefitted from a positive risk provisioning result, supported by releases of management adjustments and a reduction in risk costs. Nevertheless, the Bank reduced its management adjustments across all divisions by EUR 59 million YOY to EUR 106 million at YE2025, from EUR 165 million at YE2024, reflecting some positive developments in the corporate and CRE segments, while still acknowledging macroeconomic uncertainties.

Some segments continue to face challenges, including certain fibre-to-home broadband exposures, notably in Germany and the UK, within Structured Finance. However, overall asset quality remains largely stable, supported by the Bank's diversified portfolio and proactive risk management.

NORD/LB's overall portfolio is well diversified in terms of segments and is primarily exposed to Germany, which accounts for 67% of total exposure, followed by other European economies, which represent around 27%, and North America, accounting for 6%. The Bank's CRE portfolio amounts to around EUR 19 billion, representing around 15% of the total assets (Exhibits 7 & 8). Although conservatively managed, the sector has been affected by higher interest rates and structural demand changes. NORD/LB's CRE portfolio is concentrated in Germany at 52%, while the remaining 48% is spread across other European countries, such as the Netherlands, the UK, France, and other mature economies. The Bank does not have any CRE exposure in the U.S. The CRE portfolio is generally diversified with a tilt toward office followed by residential housing and retail.

Exhibit 7 Asset Breakdown by Segment, YE2025

- Corporate Customers & Savings Banks Network
- Commercial Real Estate
- Structured Finance
- Markets
- Private & Commercial Customers
- Treasury / Consolidation / Others

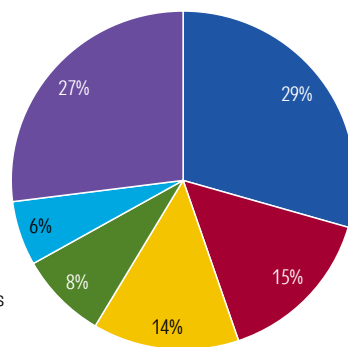
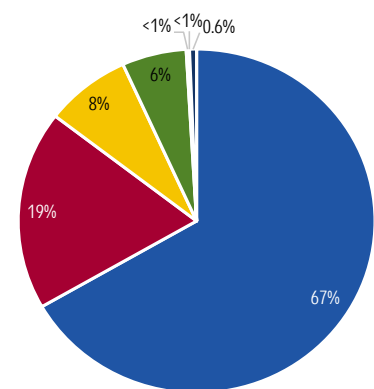


Exhibit 8 Exposure by Region, YE2025

- Germany
- Euro Countries (excl.- Germany)
- Other Europe
- North America
- Middle and South America
- Middle East / Africa
- Asia / Australia



Source: Morningstar Inc.; company documents.

NORD/LB's risk profile continues to benefit from the reduction of legacy and nonstrategic exposures, supporting a more focused portfolio in core markets and strategic business areas. Although the automotive sector has come under increased pressure in recent years, NORD/LB's direct exposure to the sector remains limited. Credit spread risk remains manageable, supported by a securities portfolio largely composed of highly liquid assets.

Operational risks remain an area of monitoring, particularly cybersecurity and the ongoing implementation of the Bank's new internal steering system, "fitt", which is progressing ahead of plan but remains an important execution milestone.

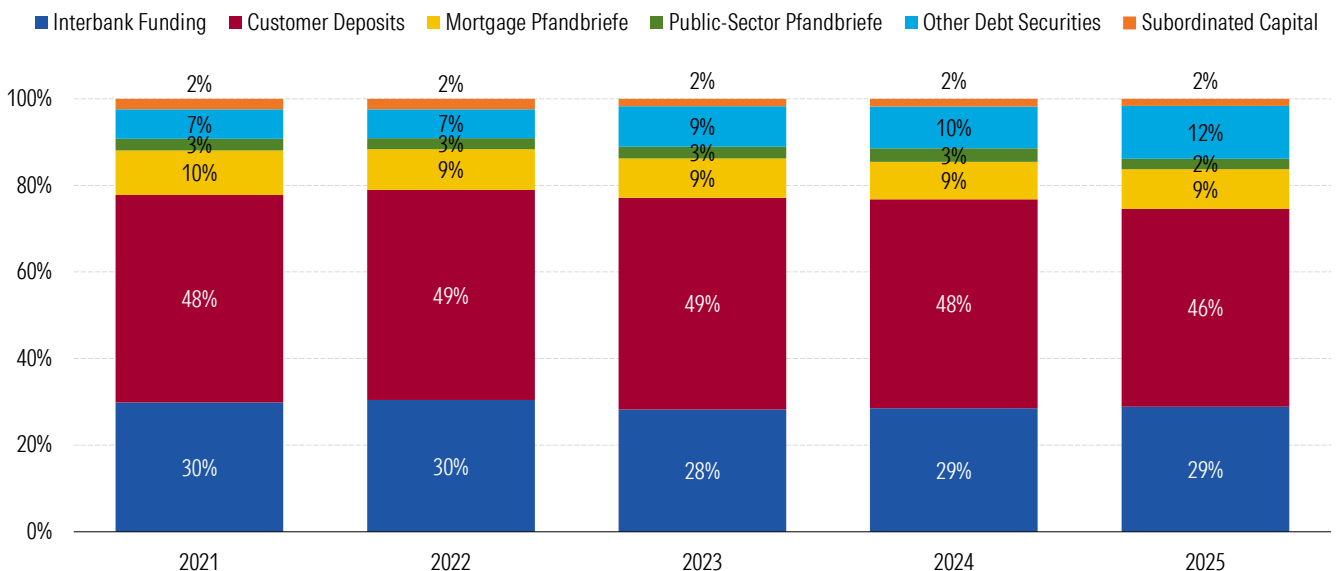
Funding and Liquidity

Scorecard Building Block Assessment	Grids Building Block Assessment	Combined Building Block Assessment
Strong/Good	Good/Moderate	Good

The funding and liquidity grids assessment is lower than the scorecard assessment, reflecting the Bank's wholesale-oriented funding profile and the potential risk of a carve-out of its retail segment, although we view this risk as reduced in the short to medium term.

NORD/LB's liquidity and funding profile remains solid, underpinned by prudent management, diverse funding sources, and access to SFG-related funding and Pfandbrief markets. As a Landesbank, the Bank's funding profile is primarily wholesale-oriented, with customer deposits representing around 46% of total funding at YE2025 (Exhibit 9). While NORD/LB lacks a large granular retail deposit base, BLSK remains a relevant component of the Bank's funding profile given its contribution to retail deposits. A potential spinoff of BLSK has been under consideration for some time, reflecting local stakeholders' interest in strengthening BLSK's regional autonomy. However, we continue to view such a separation as unlikely in the near term given its complexity and the need to preserve NORD/LB's financial profile.

Exhibit 9 Funding Mix Evolution



Sources: Morningstar Inc.; company documents.

In recent years, the Bank has rebuilt its wholesale funding franchise and demonstrated improved capital market access, completing seven benchmark issuances in 2025 across instruments ranging from Tier 2 to covered bonds. The Bank has remained active in 2026, including two EUR 750 million

mortgage Pfandbrief benchmark issuances and a EUR 500 million five-year Green Senior Preferred bond issued in June 2026, all supported by strong investor demand.

NORD/LB benefits from access to intra-group funding within the Sparkassen-Finanzgruppe (SFG), including funding from affiliated savings banks, which supports funding stability and reduces reliance on more volatile wholesale market funding. At YE2025, the Bank reported a liquidity coverage ratio of 165%, up from 132% at YE2024, and a net stable funding ratio of 114%, both comfortably above the regulatory minimum of 100%.

Capitalisation

Scorecard Building Block Assessment	Grids Building Block Assessment	Combined Building Block Assessment
Good/Moderate	Moderate	Good/Moderate

The capitalisation grids assessment is lower than the scorecard assessment. The additional considerations grid is adjusted lower to reflect the Bank's complex ownership structure, including public-sector owners, which may constrain its ability to raise new equity, if needed.

NORD/LB further strengthened its capital position in 2025, supported by retained earnings, lower risk-weighted assets (RWAs), and solid capital cushions above regulatory requirements. The reported CET1 ratio was 17.6% at YE2025, up from 16.2% at YE2024 (Exhibit 10), mainly reflecting a significant reduction in RWAs following the application of CRR III rules, which led to lower risk weights for transactions based on internal ratings. CET1 capital increased slightly to EUR 7.0 billion from EUR 6.95 billion, as creditable earnings after tax and positive other comprehensive income effects more than offset higher regulatory deductions. Including supervisory recognition of the H2 2025 result, NORD/LB reported a CET1 ratio of 18.3% (Exhibit 11), well above its regulatory requirement of 9.4% and its 2028 ambition of at least 14%.

The total capital ratio improved to 21.2% at YE2025 from 19.1% at YE2024, also well above the 14.1% regulatory requirement. The increase was supported by lower RWAs and the issuance of EUR 500 million of subordinated bonds eligible as Tier 2 capital. Including supervisory recognition of the H2 2025 result, the total capital ratio stood at 21.7% (Exhibit 11).

Exhibit 10 Capital Ratios

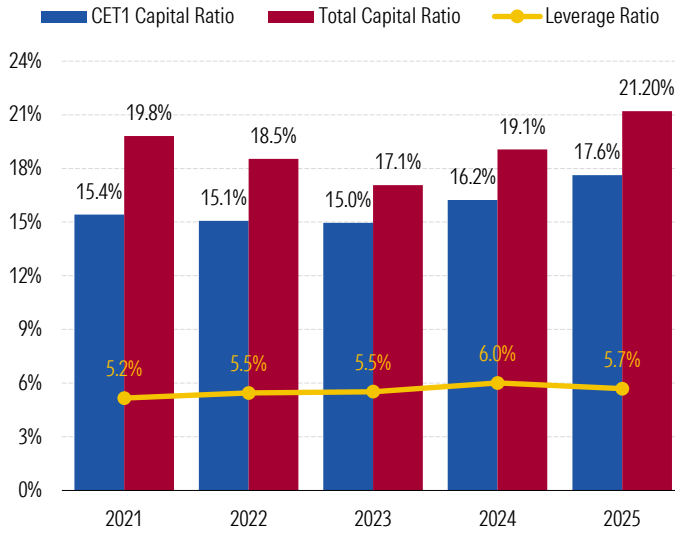
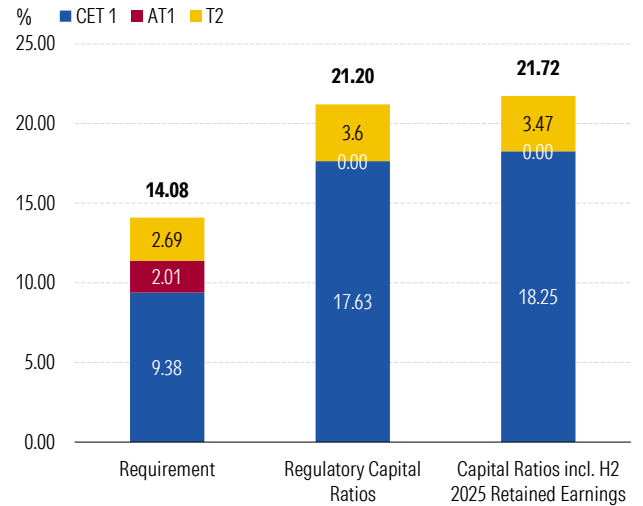


Exhibit 11 Capital Ratios and Capital Requirements at YE2025



Sources: Morningstar Inc., company documents.

NORD/LB's leverage ratio remained solid at 5.7% at YE2025, down from 6.0% at YE2024, mainly reflecting an increase in leverage ratio exposure. The ratio remains comfortably above the regulatory minimum of 3%. The Bank also maintained ample MREL buffers, with an MREL ratio based on RWAs of 54.8% at YE2025, compared with 45.1% at YE2024, well above the minimum requirement.

While NORD/LB's capital ratios strengthened in 2025, we expect some normalisation from current elevated levels over the medium term, reflecting the Bank's growth strategy and the associated development of RWAs. Nevertheless, we expect capitalisation to remain a credit rating strength, with capital ratios comfortably above regulatory requirements and consistent with the Bank's medium-term targets.

ESG Checklist

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	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	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	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	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?	N	N	N
	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:	N	N	N
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 credit ratings or trends 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 ESG framework that sets minimum standards, exclusion criteria, and sector-specific principles, supported by Transformation Guidelines for new business activities. NORD/LB also continues to develop sector-specific decarbonisation strategies for emission-intensive sectors and provides sustainable financing products, including renewable energy, infrastructure, green buildings, and green funding instruments.

Social

The Social factor does not affect the credit ratings or trends 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, but no material pending issues are known. However, there is a constant risk of cyberattacks targeted towards banks, and any significant data breach or cybersecurity attack could have significant reputational and financial consequences.

Governance

The Governance factor affects NORD/LB as the ESG factors for SFG are passed through to NORD/LB.

The subfactor Corporate Governance is relevant to SFG's credit ratings, and this is reflected in the franchise grid grades for the Bank. In our view, the ownership mix and the parliamentary process involved in decision making at the Landesbanken has made it difficult at times for SFG to swiftly react to challenges. In addition, SFG's level of transparency and financial disclosure is limited compared with that of international peers.

At the NORD/LB level, we note continued progress under the new leadership team and the further strengthening of ESG governance. This includes clearer ESG responsibilities and decision-making processes, the establishment of anti-greenwashing governance in 2024, the integration of ESG aspects into annual target agreements, and binding Transformation Guidelines for new business activities.

Annual Financial Information

	For the Year Ended December 31 (IFRS)				
	2025	2024	2023	2022	2021
Balance Sheet (EUR million)					
Cash & Cash Equivalents*	18,403	14,976	16,709	15,397	20,581
Investments in Financial Assets	26,606	22,393	21,706	21,848	24,026
Gross Loans to Customers	76,000	75,335	72,866	71,318	69,494
Loan Loss Reserves	(736)	(783)	(729)	(706)	(877)
Net Lending to Customers	75,264	74,552	72,137	70,612	68,617
Total Assets	122,249	113,712	111,981	109,325	114,631
Deposits from Customers	77,089	74,235	74,049	72,100	73,699
Debt & Capital Lease Obligations	27,749	23,516	23,028	21,281	23,071
Total Liabilities	114,177	106,253	105,117	103,025	108,783
Total Equity	8,072	7,459	6,864	6,300	5,848
Income Statement (EUR million)					
Net Interest Income	1,103	1,190	1,073	896	816
Non Interest Income	485	232	301	121	300
Equity Method Results	33	38	98	41	17
Total Operating Income	1,621	1,460	1,472	1,058	1,133
Total Operating Expenses	923	908	1,041	1,015	1,032
Income Before Provisions and Taxes (IBPT)	698	556	435	43	101
Loan Loss Provisions (LLP)	159	144	99	(140)	(11)
Irregular Income/Expenses	(64)	(62)	(65)	(79)	(83)
Net Attributable Income	506	621	224	89	32
Growth (%) - YOY Change					
Net Interest Income	(7.31)	10.90	19.75	9.80	(36.55)
Total Operating Income	11.03	(0.82)	39.13	(6.62)	(24.67)
Total Operating Expenses	1.65	(12.78)	2.56	(1.65)	0.68
IBPT	25.54	27.82	911.63	(57.43)	(78.91)
Net Attributable Income	(18.52)	177.23	151.69	178.13	68.42
Gross Loans & Advances	0.88	3.39	2.17	2.62	(7.33)
Deposits from Customers	3.84	0.25	2.70	(2.17)	40.61
Earnings (%)					
Net Interest Margin	0.95	1.07	0.98	0.81	0.69
Non-Interest Income / Total Revenue	29.92	15.89	20.45	11.44	26.48
Cost-to-Income Ratio	56.94	62.19	70.72	95.94	91.09
LLP / IBPT	22.78	25.90	22.76	(325.58)	(10.89)
Return on Avg Assets (ROAA)	0.43	0.55	0.20	0.08	0.03
Return on Avg Equity (ROAE)	6.54	8.75	3.41	1.46	0.55
IBPT over Avg RWAs	1.77	1.34	1.07	0.11	0.26
Internal Capital Generation	6.54	8.75	3.41	1.46	0.55
Risk Profile (%)					
Cost of Risk	0.21	0.20	0.14	(0.20)	(0.02)
Gross NPLs over Gross Loans	2.39	2.38	1.61	1.14	1.55
NPL Coverage Ratio	40.44	43.65	62.15	86.63	81.51
Net NPLs over Net Loans	1.44	1.36	0.62	0.15	0.29
NPLs to Equity and Loan Loss Reserves Ratio	20.66	21.77	15.45	11.64	16.00
Funding & Liquidity (%)					
Net Loan-to-Deposit Ratio	97.63	100.43	97.42	97.94	93.10
Liquidity Coverage Ratio	165.34	132.13	143.16	150.15	139.40
Net Stable Funding Ratio	114.00	113.23	117.84	113.33	126.80
Capitalisation (%)					
CET1 Ratio	17.63	16.23	14.96	15.07	15.42
Tier1 Ratio	17.63	16.35	15.08	15.20	15.56
Total Capital Ratio	21.20	19.06	17.06	18.54	19.81
Leverage Ratio	5.69	6.01	5.45	5.45	5.16

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* (23 May 2025) and the *Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings* (16 May 2025), which can be found on our website under Methodologies & Criteria.

Credit Ratings

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

Credit Rating History

Issuer	Obligation	Current	2025	2024	2023
Norddeutsche Landesbank Girozentrale	Long-Term Issuer Rating	A (high)	A (high)	A (high)	A (high)
Norddeutsche Landesbank Girozentrale	Long-Term Senior Debt	A (high)	A (high)	A (high)	A (high)
Norddeutsche Landesbank Girozentrale	Long-Term Deposits	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	Short-Term Debt	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
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)	A (high)
NORD/LB Luxembourg S.A. Covered Bond Bank	Long-Term Senior Debt	A (high)	A (high)	A (high)	A (high)
NORD/LB Luxembourg S.A. Covered Bond Bank	Long-Term Deposits	A (high)	A (high)	A (high)	A (high)
NORD/LB Luxembourg S.A. Covered Bond Bank	Short-Term Issuer Rating	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
NORD/LB Luxembourg S.A. Covered Bond Bank	Short-Term Debt	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
NORD/LB Luxembourg S.A. Covered Bond Bank	Short-Term Deposits	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)

Previous Actions

- [“Morningstar DBRS Confirms Norddeutsche Landesbank Girozentrale's Long-Term Issuer Rating at A \(high\), Stable Trend”, 15 June 2026.](#)
- [“Morningstar DBRS Confirms NORD/LB's Long-Term Issuer Rating at A \(high\), Stable Trend; Intrinsic Assessment Raised to BBB \(high\)”, 17 June 2025.](#)
- [“Morningstar DBRS Confirms NORD/LB's Long-Term Issuer Rating at A \(high\), Maintains Stable Trend”, 29 November 2024.](#)

Related Research

- [Can Europe's Savings and Investments Union Overcome Fragmentation to Reap Potential Credit Benefits?, 15 June 2026.](#)
- [Mythos-Class AI Raises Cyber Stakes for European Banks, 10 June 2026.](#)
- [Middle East Conflict is Leading to Higher Provisions for Some Global Banks, 2 June 2026.](#)
- [Shifting Demographics Create Structural Challenges for European Banks, 2 June 2026.](#)
- [European Banks' Middle East Exposures: Modest Direct Risk, With Potential Stress Via Indirect Macro-Financial Channels, 9 April 2026.](#)
- [Stablecoins and the Digital Euro: The New Frontier for Europe's Payment Landscape, 19 January 2026.](#)

- [European Bank Capital: EU Banks Navigate CRR3 Transition Smoothly \(Part 3 of 3\)](#), 22 October 2025.
- [BBVA's Unsuccessful Takeover Bid for Sabadell Highlights Europe's Bank Merger Hurdles](#), 20 October 2025.
- [German Banks' CRE Exposure: Signs of Stabilisation in H1 2025, Yet Office Sector Remains in the Spotlight](#), 6 October 2025.
- [German Landesbanken H1 2025 Results: Managing through NII Pressure and Asset Quality Risks](#) 25 September 2025.
- [German Landesbanken: Large Capital Depletion Under the Adverse Scenario of EBA's Stress Test](#), 4 August 2025.

Previous Reports

- [Norddeutsche Landesbank Girozentrale: Credit Rating Report](#), 3 July 2025.
- [Norddeutsche Landesbank Girozentrale: Credit Rating Report](#), 16 December 2024.
- [Norddeutsche Landesbank Girozentrale: Rating Report](#), 23 January 2024.

European Bank Ratios & Definitions

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

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