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## **NORD/LB CBB presents annual results for 2019**

NORD/LB Luxembourg S.A. Covered Bond Bank (NORD/LB CBB) finished the financial year 2019 with a profit after taxes of € 18.6 million. „We are very satisfied with our performance in 2019, and we have made a good start this year. Rating improvements by Moody's and Fitch were accompanied by a positive trend in new business“, explains Manfred Borchardt, Member of the Managing Board at NORD/LB CBB.

The development of operating earnings at the end of the year follows a positive trend. Despite low-interest rates and continuing very challenging market conditions, net interest income increased by 6 per cent. **Total assets** decreased to EUR 15.6 billion compared with 31 December 2018 (EUR 17.2 billion).

**Administrative expenses** decreased by 21 per cent compared with the 2018 fiscal year to EUR 30.6 million as a result of the Group-wide cost-cutting program.

**Risk provisioning** developed positively and decreased to EUR 10.7 million from EUR 11.6 million in the previous year.

**Other operating income** increased to EUR -7.5 million (previous year: EUR -3.8 million) and is primarily influenced by the bank levy of EUR -6.1 million.

Thorsten Schmidt, Member of the Managing Board of NORD/LB CBB, added: „Despite falling yields in the covered bond market in 2019, we further expanded our Lettres de Gage publiques benchmark curve with a 500 million issue. The issue enjoyed great interest from investors, which was reflected in an order book volume of almost EUR 1.5 billion from

approximately 90 different investors in about 20 countries. In 2020 we successfully issued our first green covered bond, the Lettres de Gage énergies renouvelables, with an issue volume of EUR 300 million. The steady demand for our Lettres de Gage encourages us on our way as a covered bond issuer in Luxembourg.”

### **Outlook**

As part of the Group-wide transformation programme NORD/LB 2024, the restructuring of NORD/LB will continue to keep us busy this year.

The year 2020 will also be marked by the dealings with climate change and the associated growing importance of green bonds, digitalization and the regulatory requirements for banks.

The impact of the coronavirus on the global economy and the economy in Europe, as well as on the covered bond markets, cannot yet be estimated.

Further information including the full report as at 30 June 2019 can be found at [www.nordlb.lu](http://www.nordlb.lu).

NORD/LB CBB, with its registered office in Luxembourg, is a wholly-owned subsidiary of NORD/LB Norddeutsche Landesbank Girozentrale.

## **NORD/LB Luxembourg S.A. Covered Bond Bank – Summary of key data**

(Data in accordance with IFRS)

<b>Business performance</b>	<b>31/12/19 (in € million)</b>	<b>31/12/18 (in € million)</b>	<b>Change (in € million)</b>	<b>Change (in %)</b>
Cash reserve	11.6	443.4	-431.8	-97
Trading assets	138.2	191.2	-67.9	-36
Financial assets at fair value through profit or loss	822.2	1,042.3	-220.2	-21
Financial assets at fair value directly in equity	1,939.4	2,101.7	-162.3	-8
Financial assets at amortised costs	12,233.1	13,103.0	-869.8	-7
Positive fair values from hedge accounting derivatives	312.9	218.8	94.1	43
Other assets	104.2	98.9	5.2	5
<b>Total assets</b>	<b>15,561.6</b>	<b>17,199.3</b>	<b>-1,637.7</b>	<b>-10</b>
Trading liabilities	121.6	81.1	40.5	50
Financial liabilities at fair value through profit or loss	1,560.1	1,634.1	-74.0	-5
Financial liabilities at amortised cost	12,645.3	14,320.4	-1,675.1	-12
Negative fair values from hedge accounting derivatives	480.2	438.5	41.7	10
Provisions	11.6	9.8	1.9	19
Other liabilities	35.5	34.0	1.5	4
Reported equity	707.2	681.4	25.9	4
<b>Total liabilities and equity</b>	<b>15,561.6</b>	<b>17,199.3</b>	<b>-1,637.7</b>	<b>-10</b>

<b>Earnings performance</b>	<b>2019 (€ thousand)</b>	<b>2018 (€ thousand)</b>	<b>Change (€ thousand)</b>	<b>Change (in %)</b>
Net interest income	120,923	113,904	7,020	6
Net commission income	-53,127	-41,170	-11,957	29
Profit/loss from fair value measurement	-10,010	-25,120	15,110	-60
Impairment loss from financial instruments not recognized in profit or loss	2,627	5,529	-2,903	-52
Modification result	-163	0	-163	-100
Disposal result from financial instruments not measured at fair value through profit or loss	736	0	736	100
Profit/loss from hedge accounting	6,654	-7,628	14,283	< -100
Foreign exchange result	-275	493	-769	< -100
Profit from affiliated undertakings	64	0	64	100
Administrative expenses	-30,535	-38,442	7,906	-21
Depreciation	-4,784	-2,783	-2,001	72
Other operating profit/loss	-7,542	-3,826	-3,715	97
Income taxes	-6,021	136	-6,157	< -100
<b>Earnings after taxes</b>	<b>18,548</b>	<b>1,092</b>	<b>17,455</b>	<b>&gt; 100</b>

<b>Key regulatory indicators</b>	<b>31/12/2019 (in € million)</b>	<b>31/12/2018 (in € million)</b>	<b>Change (in € million)</b>	<b>Change (in %)</b>
Total risk exposure amount	3,567.0	4,443.1	-876.1	-20
Tier 1 capital	646.5	613.1	32.2	5
Own funds	648.7	613.3	32.0	6
Tier 1 capital ratio	18.1%	13.8%	-	31
Total capital ratio	18.2%	13.8%	-	31

# Press information

Key performance indicators	31/12/2019	31/12/2018	Change (in %)
Cost/income ratio in %*	61.6 %	112.5 %	-45
RoRaC in %**	7.2%	0.3%	> 100

\*) For the definition of the cost/income ratio (CIR), see Annual Report 2019 Note (16).

\*\*) For the definition of see Annual Report 2019 Note (16).

Workforce	31/12/2019	31/12/2018	Change (absolute)	Change (in %)
Number of employees	155	173	-18	-10