

Press Release

Düsseldorf/Münster, March 14, 2023

NRW.BANK extends promotional funds of 13.6 billion euros in 2022

- 3.1 billion euros to promote the energy transition and environmental protection
- 1.7 billion euros for swift support in acute special situations
- Expansion of the Bank's role as a partner of the federal state in grant-based promotion continued
- Funding: Two Green Bonds and one Social Bond issued

In 2022, NRW.BANK granted promotional funds in the amount of 13.6 billion euros, up by 13% on the previous year (€ 12.0 billion). The focus was on the promotion of transformation-related issues as well as on supporting the federal state in acute special situations such as coping with the multiple crises.

As much as 3.1 billion euros were invested in the promotional theme "Energy Transition/Environmental Protection". 1.7 billion euros were spent on various special programmes – e.g. to alleviate the effects of the war in Ukraine or the floods in 2021.

To remain well equipped for these important tasks in the future and to support the State of North Rhine-Westphalia in the best possible way, the promotional bank for North Rhine-Westphalia has partly repositioned itself and further expanded its role as NRW's partner in grant-based promotion.

"We live in times of upheaval and multiple crises. The need for transformation is huge and particularly high demands are made on promotional banks right now," said Eckhard Frost, Chairman of the Managing Board of NRW.BANK, at the annual press conference. "We support the federal state in coping with these challenges and provide effective promotional impulses to accelerate the transformation processes – for a sustainable and digital North Rhine-Westphalia."

Besides the financial support, promotional advisory services were again in particularly high demand. 42,100 consultations were held across all target groups, compared to 30,900 in the previous year (+36%).

The individual promotional fields

In the **promotional field "Economy"**, NRW.BANK supported companies and start-ups in North Rhine-Westphalia with a total of 4.7 billion euros (2021: € 4.0 billion, +17%). One of the reasons for this increase was due to the strong demand for promotion programmes for transformation-related issues. The promotion volume in the promotional theme "Energy Transition/Environmental Protection" rose by 88 percent from 475.4 million euros to 892.6 million euros. This was mainly due to higher demand in the programmes "NRW.BANK.Effizienz kredit" (*replacement investments to increase energy or resource efficiency*, € 473.5 million; 2021: € 171.7 million, >+100%) and "NRW.BANK.Elektromobilität (€ 61.9 million; 2021: € 14.3 million, >+100%).

The volume in the promotional theme "Start-ups/Innovation" also rose significantly – up 60 percent from 626.2 million euros to 1 billion euros, with the market showing particularly strong demand for the "NRW.BANK.Digitalisierung und Innovation" programme. Demand amounted to 321.8 million euros, up by more than 100 percent on the previous year (2021: € 152.2 million).

545.2 million euros related to support to mitigate the effects of special situations such as Covid-19, the energy crisis or the severe weather events.

Equity financing commitments increased from 563 million euros to 585 million euros in 2022. Launched during the Covid-19 crisis, the "NRW.Start-up akut" programme was concluded with great success in mid-2022, with a total of 52.1 million euros invested in 270 financings. To allow the Bank to continue satisfying the market's apparent need for such a product, a new convertible loan was established in the form of "NRW.SeedCon". The first financing was granted already in 2022, with close to 40 requests currently being examined.

The volume of new commitments in the **promotional field "Housing"** declined to 2.9 billion euros (2021: € 3.6 billion, -19%). This was due to the reduction in construction activity caused by increasing construction costs, the expiry of federal promotion programmes and rising interest rates. Accordingly, demand under the "NRW.BANK.Wohneigentum" programme declined by 49 percent from 168.3 million euros to 85.8 million euros. To make the programme more attractive in the current environment and allow more households to acquire their own homes, NRW.BANK raised the income limit with effect from March 1, 2023; a

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family of four may now earn a maximum of 140,000 euros (the previous limit was 105,000 euros).

By contrast, the volume of the federal state's public housing promotion showed a positive trend. The volume of new commitments climbed to 1.1 billion euros (2021: € 957 million, +17.5%). The result in the modernisation segment included therein doubled to approx 272.4 million euros (2021: € 137.2 million, +98.5%). This is due to the fact that many housing companies increased their investments in the modernisation of their housing stock in response to the difficult conditions for new housing construction.

In the **promotional field "Infrastructure/Municipalities"**, NRW.BANK extended 6.0 billion euros in 2022, up 35 percent on the previous year (2021: € 4.4 billion). Here too, the focus was on promotional measures in the context of acute special situations and on sustainable transformation. The Bank supported university hospitals in optimising their existing financing structures with 910.0 million euros. An amount of 82.9 million euros was made available to municipalities for refugee accommodation. 60.4 million euros were invested in the liquidity aid for severe weather events (2021: € 148.5 million, -59%). There was also strong demand for the "NRW.BANK.Energieinfrastruktur" programme, where the volume of new commitments amounted to 838.6 million euros (2021: € 672.4 million, +25%), following an increase by 36 percent in the previous year.

Green and Social Bonds

NRW.BANK's funding rests on solid ground and ensures that the Bank is largely budget-independent. 25 percent of the funding is meanwhile provided by Green and Social Bonds. In the promotional year 2022, NRW.BANK issued two Green Bonds and one Social Bond. The promotional bank started issuing the latter in 2020 and has since issued six bonds with a total volume of just under 4 billion euros. The Social Bonds help to create or preserve jobs, to facilitate home ownership for low and medium-income families and to modernise schools in North Rhine-Westphalia.

Green Bonds have been issued by NRW.BANK since 2013, when the Bank was the first promotional bank in Europe to issue such bonds. To date, the Bank has issued 13 Green Bonds with a total volume of around 7 billion

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euros. They are primarily used to fund climate change mitigation and adaptation projects. Each of these bonds allows carbon savings of between 1 and 4 million tons.

In addition, NRW.BANK invests in a separate Sustainable Bond Investment Portfolio with proven, particularly sustainable investments. The focus of this portfolio is on climate protection and climate adaptation projects.

Net assets and result of operations of NRW.BANK

As of December 31, 2022, total assets amounted to 159.9 billion euros (2021: € 153.1 billion), while the operating result stood at 334.0 million euros (2021: € 260.0 million). Equity capital as defined in the German Commercial Code (HGB) remained unchanged at 18 billion euros and the CET-1 capital ratio amounted to 44.0 percent (2021: 44.4%). This means that NRW.BANK was able to continue the stable trend of the past years.

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For more information, visit www.nrwbank.de/jpg

About NRW.BANK

NRW.BANK is the promotional bank of North Rhine-Westphalia (NRW). Its mission is to support its owner – the state of North Rhine-Westphalia – in the completion of its structural and economic policy tasks. In its three promotional fields “Economy”, “Housing” and “Infrastructure/Municipalities”, NRW.BANK uses a wide range of promotion tools – from low-interest promotion loans to equity financing to advisory services. It cooperates with all banks and savings banks based in NRW on a competition-neutral basis. NRW.BANK takes into account the existing offers by the Federal Government, the North Rhine-Westphalian government and the European Union in the arrangement of its promotion.