Next level

OLB AG Annual Report 2023

Key figures

	01/01-12/31/2023	01/01-12/31/2022	01/01-12/31/2021
Statement of profit and loss in EUR m			
Net interest income	509.4	435.8	362.3
Net commission income	120.6	114.8	126.1
Operating income	644.6	577.8	514.9
Personnel expenses	140.1	145.8	168.9
Non-personnel expenses	99.9	73.4	84.7
Operating expenses	262.8	244.3	284.5
Risk provisioning in the lending business	41.0	44.7	11.6
Result before taxes	335.4	277.2	166
Result after taxes (profit)	230.4	197.7	115.3

	12/31/2023	12/31/2022	12/31/2021
Balance sheet EUR m			
Total assets	25,878.6	24,082	23,251
Tier 1 capital	1,533.8	1,416	1,288
Risk assets	9,975.3	9,363	9,539
Ratios in %			
Return on equity after taxes	15.2 (16.2*)	14.7	9.5
Cost-Income Ratio	40.8 (36.9*)	42.3	55.2
Tier 1 capital ratio	15.4	15.1	13.5
Common Equity Tier 1 capital ratio (CET1 ratio)	14.4	13.6	12.0
NPL ratio	1.5	1.5	1.9
Customer business			
Number of customers	≈ 665,000	≈ 612,000	≈ 625,000
Customer credit volume in EUR bn	19.7	18.0	16.9
Total customer deposits in EUR bn	16.9	16.2	14.1

Ratings			
Counterparty rating	A2	Baa1	Baa1
Deposit rating (long-term)	Baa1	Baa2	Baa2
Issuer rating (long-term)	Baa1, stable	Baa2, positive	Baa2, stable
Standalone rating (financial strength)	Baa2	Baa3	Baa3
Mortgage-covered bond	Aa1	Aa1	Aa1

Locations			
Branches	40	40	53
of which competence centres	16	16	16
National offices	5	5	5
Self-service branches	11	16	56
Employees			
Full-time positions	1,217	1,275	1,648
Number	1,380	1,454	1,873

** Excluding EUR 24.8 million of expenses associated with the integration of Degussa Bank*

OLB – next level

03

Strategy

OLB is continuously evolving – powered by a motivated team and steered by an experienced Executive Board.

20

Business activities

OLB serves its customers through its two business segments and is also meeting with great success on the capital market.

34

Sustainability

Sustainability is not a passing fad but a question of attitude: it is firmly enshrined in OLB's guiding principles and has influenced the Bank's activities for some years now.

47

Financial Report 2023

A successful financial year

01.23

Senior preferred bond

OLB issues its first senior preferred bond and attracts considerable interest from German and international institutional investors.

Continuity

CEO Stefan Barth and CFO Rainer Polster both extend their contracts early, for three years until 2026.

04.23

Sustainability

With its special campaign "150 Thousand Good Reasons for the Environment", OLB promotes a wide variety of nature and environmental protection projects.

06.23

OLB Science Award

Seven prize winners are delighted to receive the OLB Science Award, with overall prize money of EUR 24,500.

OLB comes out on top

For its senior preferred bond, OLB receives the Global Capital Bond Award 2023 in the category "Most impressive debut – financial institution unsecured issuer".

08.23

Improved ESG rating

Following its first independent ESG rating in March, in recognition of OLB's further progress S & P Global raises the Bank's rating to 35 points – which places it in the top quartile of the international institutions assessed.

09.23

Summer party

More than 1,000 OLB employees from all over Germany meet up in Oldenburg on the Bank's campus and together celebrate our summer party.

Markus Hibbeler, Oldenburg

Sustainability Action Days

A large number of OLB employees sign up for an in-house campaign inspired by the German Sustainability Action Days and declare their support for the environment by participating in a collective clean-up effort in Oldenburg.

New blood for the Bank

OLB offers its new annual group of trainees a warm welcome with a two-day central introductory event in Oldenburg. These 18 budding bank officers, IT specialists and students enrolled in dual study degree programmes can look forward to strong career prospects.

10.23

Never again is now!

OLB takes a clear stand against antisemitism in Germany and, together with other businesses, joins the "Never again is now" campaign.

11.23

Quick and easy onboarding

With the Bank's new digital onboarding process, new customers can use the OLB Banking app to open an account with just a few clicks and within a very short period of time.

12.23

Continuity

CIO Marc Ampaw and CIO Giacomo Petrobelli extend their contracts early, for three years until 2027.

A successful year for OLB

OLB remains on a profitable growth course. As of December 31, 2023, for the first time the Bank reports a result after taxes of more than EUR 200 million. Overall, in 2023 OLB achieves or even exceeds its medium-term profitability and efficiency goals.

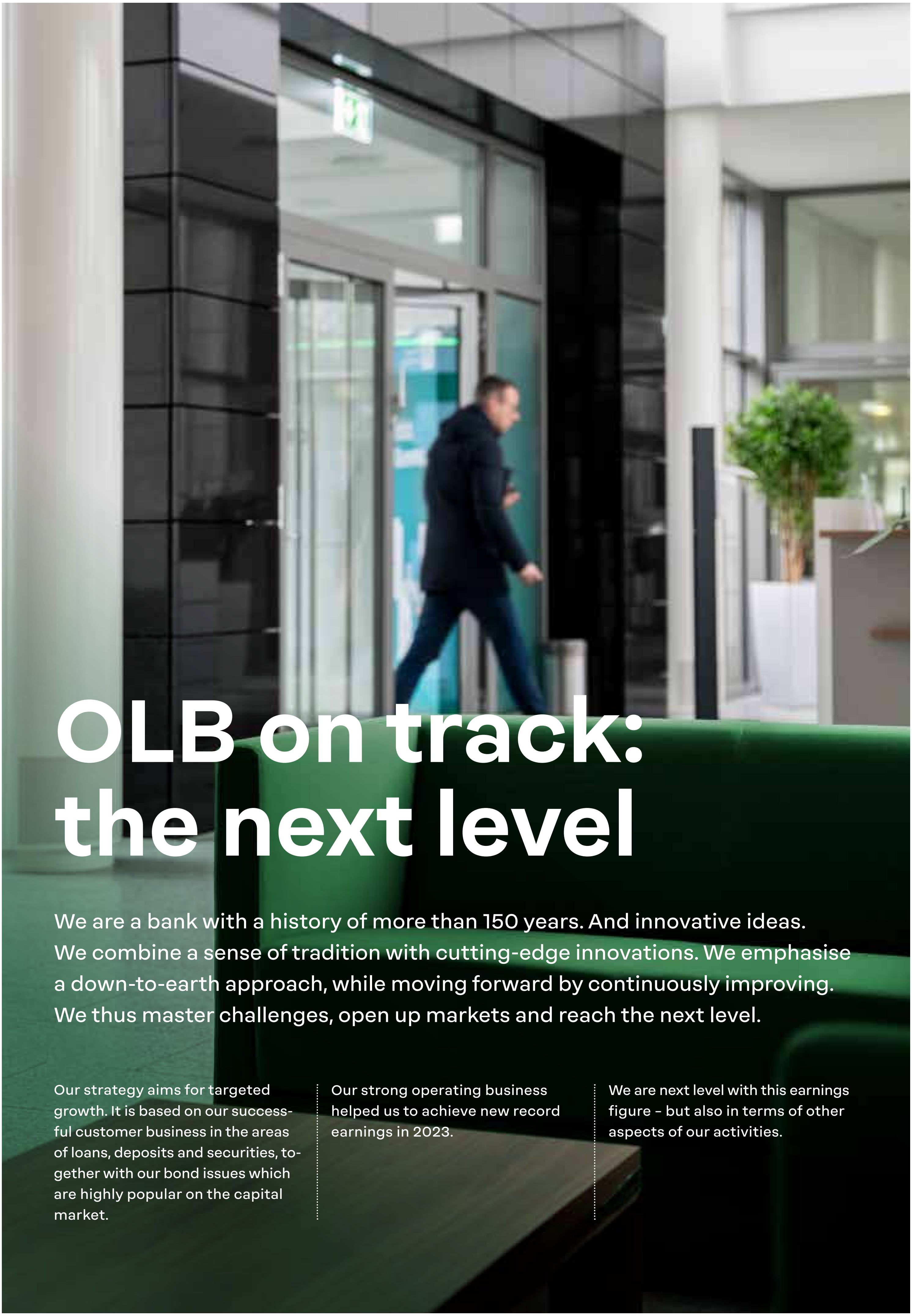
We are OLB.

We are OLB. The bank from north-west Germany which successfully serves its customers online, locally, throughout Germany and even further afield.

With our extensive long-term experience of everyday and extraordinary finance topics, we attend to our customers' needs: such as a fixed-term deposit with an attractive rate of interest or a well-structured mortgage for a private customer; professional asset management or a financing concept for a self-employed client; guaranteed export finance for a regional company; tailored financing of a set of properties for international project developers; advance financing for a football club's transfer activities; and interim financing for an investment company. That is what we stand for with our two brands OLB and Bankhaus Neelmeyer.

We operate competently, transparently and with a sense of responsibility. In our customer advisory services just as much as on the capital market. Our products and services are innovative and meet our customers' needs. And we pursue a highly profitable business approach. We are a reliable partner to our customers, a dependable employer for our workforce and, for society at large, a committed patron of many charitable projects.

We have achieved a new record result with our profit for the year for 2023. And it is not just in terms of our profitability that we have broken through to the next level: we are also continuously introducing improvements in our customer business. This report provides further details of our business figures and our strategy in general, our sustainability approach and our social commitment.



OLB on track: the next level

We are a bank with a history of more than 150 years. And innovative ideas. We combine a sense of tradition with cutting-edge innovations. We emphasise a down-to-earth approach, while moving forward by continuously improving. We thus master challenges, open up markets and reach the next level.

Our strategy aims for targeted growth. It is based on our successful customer business in the areas of loans, deposits and securities, together with our bond issues which are highly popular on the capital market.

Our strong operating business helped us to achieve new record earnings in 2023.

We are next level with this earnings figure – but also in terms of other aspects of our activities.

OLB has been known and respected since 1869 as a universal bank for private, business and corporate customers. We combine our sense of tradition with modern technology. With our hybrid model, we are a reliable partner for our customers at a local level – and also a digital partner with our innovative online offering and comprehensive digital services. The core focus of our Bank is reliable and solution-focused advisory services. Whether by telephone or video or in person at our competence centres and branches – we are there to assist our customers.

We also seek out growth opportunities. We have a sound understanding of the challenges and opportunities which companies are faced with, and this enables us to offer tailored solutions contributing to our corporate customers' success. Whether it's a question of navigating complex financial structures, optimising cash flow or developing a sustainable growth strategy, to take but a few examples: in each case we adopt an individual approach to the support which we provide our customers.

Our customers' satisfaction and our solid results bolster our conviction that we are on the right path.

Even stronger together

We will significantly strengthen our profile in Germany through our planned acquisition of Degussa Bank. We will thus establish further growth opportunities, and we envisage significant cost and capital synergies.

A new look, tried-and-tested products and services

Our brand identity will soon be next level as well. In the near future, we will be presenting our new corporate branding.

We have opted for a fresher, more modern look with a slightly daring touch to visually express the Bank's dynamic development over the past few years.

What do the changes entail? Our logo and details such as the colour schemes and claims we will use in our public messaging.

What will stay the same? We will still be OLB, we are keeping green as our main colour – and we will remain a competent partner to our customers.

As a merged business, we expect to cross the EUR 30 billion total assets threshold. We would then be a "significant institution" according to the criteria of the Single Supervisory Mechanism and in all likelihood subject to direct supervision by the European Central Bank (ECB). This too would be next level.

Joining the group of 100 or so European institutions classified as significant would not only reflect our successful growth course over the past few years, which is a source of great pride to all of us at OLB. We also take the responsibility which goes with this very seriously and are adapting to European standards.

The factors shaping our success

Organic growth

1

For a period of some years now, we have been achieving targeted growth in our credit and deposit volumes. This serves as the basis for the continuous expansion of our volume of business.

Cost management

2

We are continuously investing in the digitalisation of our products and services – while also looking very closely at expenditure in every area of our business.

Profitability

3

Thanks to our strong operating business together with our stringent cost discipline and our performance in 2023, we have joined the leading group of Europe's most profitable banks.

Sound foundations

4

We pursue a balanced and sustainable business model, our balance sheet structure is simple and robust, and our capital base deliberately exceeds what is required of us. With these reliable foundations, we also consider ourselves an attractive investment.

Facts and figures

The financial year 2023 marked another step forward for us on our dynamic development path. We have reached the next level, achieving a new record profit and continuing our profitable growth course. This profit for the year means that we have joined the group of Europe's most profitable and efficient banks. Thanks to our strong operating business and strict cost management, we have achieved, or even exceeded, our medium-term goals ahead of schedule. We have also expanded our presence on the capital market and diversified our funding base through successful issues which were in demand with German and international investors alike.

Result before taxes (previous year: EUR 277.2 million)

A new record profit for the year: thanks to growth in our operating business and our high level of efficiency, our earnings have reached a new top level.

335.4

Return on equity (previous year: 14.7 %)

16.2*

We have achieved a high level of profitability despite significantly increased capital resources ahead of the expected closing of our Degussa Bank transaction.

** Excluding expenses associated with the integration of Degussa Bank*

Customer credit volume (previous year: EUR 18.0 billion)

19.7

Our lending business once again served as a key growth engine. Private customers, companies and businesses rely to a very considerable extent on our tried-and-tested support for their financing activities.

Customer deposit volume (previous year: EUR 16.2 billion)

Partly thanks to attractive call and fixed-term deposit product offerings, our deposits have reached a new high. They are a key component of our funding base.

16.9

Customers (previous year: ~612,000)

~665,000

Our number of customers has continued to rise year-on-year. We are also delighted with the trust which customers all over Germany are placing in us as a bank and, above all, the fact that our customers appreciate our attractive products and our services tailored to their needs.

Regional competence centres

1. Emden
2. Aurich
3. Wilhelmshaven
4. Leer
5. Brake
6. Bad Zwischenahn
7. Oldenburg-Eversten
8. Central Oldenburg
9. Delmenhorst
10. Bremen
11. Cloppenburg
12. Meppen
13. Quakenbrück
14. Lohne
15. Lingen
16. Osnabrück

Competence in north-west Germany – and contact via digital channels far beyond our home region

40 branches in north-west Germany, including 16 competence centres serving as anchor points for personal customer relationship management, are at the heart of our regional advisory services. While we are comfortable with this structure, we are nonetheless constantly evaluating our current needs. We are also continuously developing our relationships with our customers throughout Germany: via advisory services provided over the telephone and by video as well as online offerings. We are investing a significant proportion of our annual IT budget in further improvements to these digital channels, which form the backbone of our multichannel sales approach. We are also expanding our business via digital platforms and partners, above all for our core products such as private mortgage financing in particular, as well as instant loans and additional financing solutions.

Branches in north-west Germany

40

Credit volume: Private & Business Customers (EUR bn)

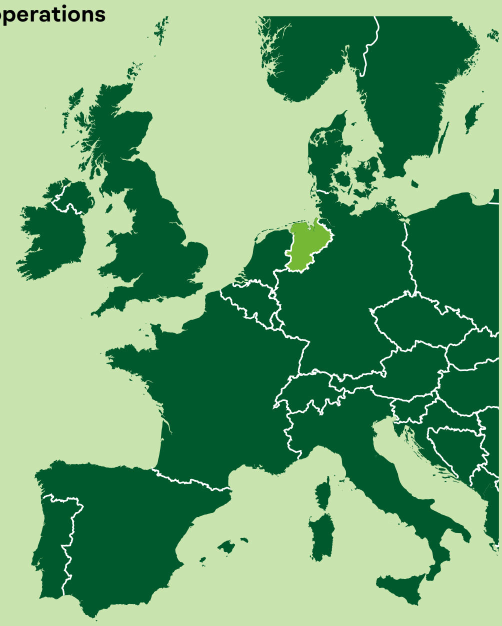
10.3

Mortgage financing *Commercial loans*
Consumer loans *Other*

Market presence in Germany

1. Oldenburg
2. Bremen
3. Hamburg
4. Berlin
5. Düsseldorf
6. Frankfurt
7. Ludwigsburg
8. Munich

Our area of operations



A partner for complex solutions

Oldenburg is the headquarters of OLB, we coordinate our sales partnerships from Ludwigsburg, while Bremen is the original home of Bankhaus Neelmeyer. From our national branch offices, we support major companies and our international business partners. Our expertise is in demand in the fields of acquisition finance and commercial real estate just as much as it is for financing of football transfers, investment funds, wind farms and other international projects.

Regional, international, digital

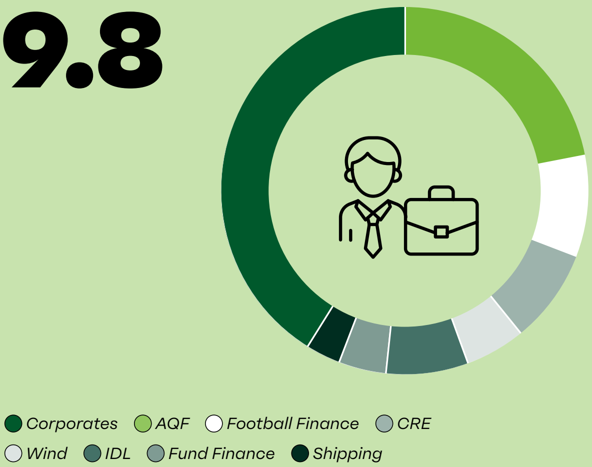
We combine our presence in north-west Germany and in selected cities across Germany with advisory services that can be accessed anywhere via digital channels. Various partners and a sales platform complement our Germany-wide offering for our customers. We also operate at a Europe-wide level when providing services for SMEs, institutional investors and project developers in particular.

National offices

5

Credit volume: Corporates & Diversified Lending (EUR bn)

9.8



As OLB's CEO, Stefan Barth has overseen the Bank's successful development since September 2021.

Here he is shown awaiting the start of the "OLB Townhall", where the members of the Board of Managing Directors engage in dialogue with the employees.

We are committed to being best-in-class

2023 was an important year in which the Bank took some key steps, achieving a record earnings figure while preparing for its expected acquisition of Degussa Bank and possible transition to supervision by the ECB. An interview with OLB's CEO Stefan Barth.

Hi, Stefan Barth. Following 2022, OLB has now reported another record earnings figure for the financial year 2023. Does that reflect a favourable operating environment? How do you account for the Bank's success?

Above all, our earnings reflect the Bank's outstanding development. The interest rate trend provided us with a certain tail wind, of course, but the geopolitical situation in 2023 remained difficult. And even the most opportune conditions won't get you very far without a competent, committed and focused team and, above all, satisfied customers who value our range of products and services. Luckily, we have both of those ingredients.

We further expanded our digital offering in the reporting year, we acquired new customers all over Germany, we remained active in niche markets with great success, and we won a high level of recognition from German and international investors for our capital market activities. We have achieved, or even exceeded, our medium-term goals ahead of schedule. Particularly in terms of our return on equity, we are one of the most profitable and efficient banks in Europe. We are therefore best-in-class in many ways, and we are committed to maintaining that status. But there are some areas where we need to up our game.

> **"That sums up OLB for me: we are solution-focused and we are a strong team."**
>
> **Stefan Barth,**
> CEO

Which areas are you thinking of specifically?

Well, in the foreseeable future, our organic and inorganic growth means that we will be considered a "significant institution" according to the Single Supervisory Mechanism criteria and will come under the direct supervision of the European Central Bank. In other words, we will join the roughly 100-strong group of Europe's biggest banks.

That will entail significantly greater regulatory requirements and a whole new level of responsibility. We are making intensive preparations for this. On the one hand, we have hired additional proven specialists in the field of regulatory issues. On the other, we are taking another very close look at our policies and business procedures as well as our internal compliance and auditing processes to review their compatibility with European standards.

The past financial year was highly eventful. Is there one particular event which was your personal highlight in 2023?
My number one highlight is the trusting, open and constructive relationship we have with one another at OLB. The Bank has developed in a highly dynamic fashion over the past few years. That inevitably also entails a change of culture. We are OLB and we will remain OLB – but as a modern, largely digitalised bank which operates on the market throughout Germany, not just as a branch bank in north-west Germany. The manner in which our strategy and development are supported by virtually our entire workforce is a source of at least as much pride as our earnings figures.

Personally, I was also delighted with the trust which the Supervisory Board placed in me and my Executive Board colleagues with its extensions of our contracts. “Never change a winning team”, as they say. It’s nice that we can continue to work on OLB’s development.

What is special about OLB’s team in your view?
For our customers and for our business in general, it is of course essential that staff at all our offices are proven specialists in terms of their sales or operational roles. I agree with the maxim that a group is only as strong as its weakest member. That means it is important that we continuously maintain a very high standard here – we achieve that through extensive initial and advanced training, among other means. In football or handball, for instance, it’s not necessarily the teams with an outstanding individual player who come out on top. They might win the odd match, certainly, but over the long term it’s the teams which operate, above all, as a unit, with interlocking cogs, where everyone contributes whatever they do best and where everyone is there for one another – it’s those teams which tend to succeed. That sums up OLB for me: a workforce of more than 1,300 employees, with 15 different nationalities, who are loyal to their Bank and highly solution-focused. We are a strong team.

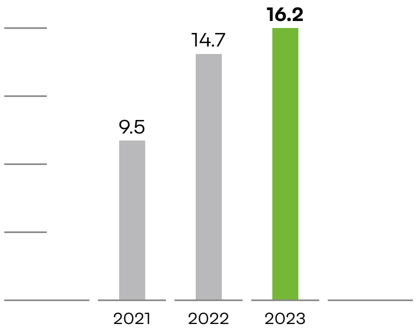
Subject to regulatory approval, OLB is set for further growth with its integration of Degussa Bank and will expand its market presence in Germany. What are your plans for this transaction?
We are making intensive preparations so that, following the closing, we will be able to implement a smooth legal and technical migration of Degussa Bank to OLB’s systems. We are executing a large number of validations, test runs and quality checks to ensure that customers in particularly will hardly notice the changeover to our joint platform.

We do have some experience from previous mergers and therefore know the steps which are required. And we will expand our expertise by taking on Degussa Bank’s employees. Another critical point is that, through Degussa Bank’s customer deposits, we will significantly increase our deposit base and therefore provide further momentum for our growth strategy.

Maintaining a high level of profitability

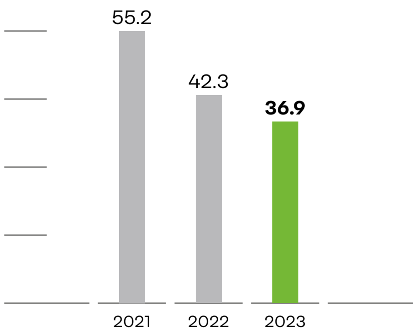
We have achieved, or even exceeded, our medium-term goals ahead of schedule.

Return on equity after taxes in %



Our return on equity is continuously increasing on the basis of our strong business operations.

Cost-income ratio in %



Together with growing operating income, consistent cost management is paying off through a falling cost-income ratio.

Stefan Barth is optimistic and sees 2023's record earnings figure as a benchmark for the future.

Are further acquisitions possible?
We will continue to pursue targeted growth, both organically and, where appropriate, inorganically as well. However, the first issue high up on our agenda is Degussa Bank's smooth migration to OLB following the closing. So we are not actively seeking additional targets at this time.

We will keep an eye on the market for acquisitions of other institutions or individual portfolios – but we will also continue to rely on our own strengths in our business operations.

OLB's possible initial public offering is another story which has frequently made recent headlines. How are you currently placed there?
First of all, it has to be said that, in view of the geopolitical situation and the recent difficulties of Silicon Valley Bank and Credit Suisse, the environment over the past two years has not been all that favourable.

But you still envisage an initial public offering and that remains a realistic prospect?
Our position has not changed: as a bank with a proven business model, profitable figures and a solid asset base, we are ready for an initial public offering. An IPO is our preferred strategy. In the long term, a stock market listing offers more flexibility and strategic options. But a suitable time in a favourable market environment is clearly a prerequisite for that, and then it's up to our shareholders to decide.

We are not dependent on an IPO for our multi-year planning. We are strongly capitalised and can finance further growth organically, with or without an initial public offering.

In general, what can we expect of OLB in the new financial year 2024?
We will continue to develop as a bank, while at the same time staying true to our values: we will remain a solid and reliable partner to our customers which operates in a transparent, pragmatic and dependable way.

We will also be making some changes to our corporate branding. With a new logo and advertising message, we will have a fresher and more modern look, self-confident and a little daring.

We will remain an attractive employer which offers its workforce very attractive conditions and a large number of exciting jobs.

Last but not least, in terms of our business activities, we will take our record earnings in 2023 as a benchmark for the financial year 2024. In the past year, we were faced with stormy weather due to geopolitical crises, accompanied by inflation and recession in Germany – but we still held our course. My colleagues on the Board of Managing Directors and I are absolutely convinced that, in the current year, we will once again be able to report strong business results and successful projects.

In a nutshell, what sort of headline do you hope to be reading about the Bank in a year's time?
In 2024, OLB once again delivered on its promises.

One team, many strengths

This six-strong management team looks after the Bank's business. As well as the team spirit they demonstrate every day, the members of our Executive Board have a high level of expertise, in-depth experience, a long-standing passion for banking and strengths profiles which complement one another highly effectively.

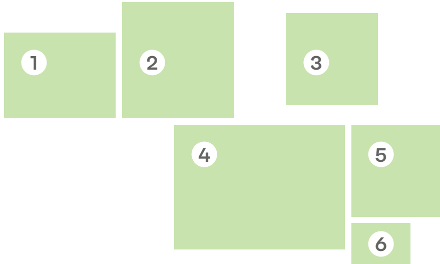
From left to right: Dr Rainer Polster (CFO), Stefan Barth (CEO), Chris Eggert (CRO), Giacomo Petrobelli (CIO), Aytac Aydin (CSO / COO), Marc Ampaw (CIO)

The Executive Board in front of the camera

"OLB Townhall" is the name of our regular internal event whose key focus is a discussion between the members of our Executive Board and the Bank's employees on current topics at OLB. Employees can also actively participate through channels such as online voting and surveys. "OLB Townhall" is very important and highly popular and is firmly established as a fixture in our schedules.

We broadcast the event marking the start of 2024 from a webcast studio in Frankfurt. Shortly beforehand this city had also served, for the first time ever, as the venue for our hybrid balance-sheet press conference. The agenda for the roughly two-hour Townhall event includes a review of the earnings trend in 2023, the outlook in terms of the challenges and goals which lie ahead of us in the new financial year and many other issues great and small on our colleagues' minds.

The setting also provided a perfect backdrop for photos.



1 Stefan Barth and Rainer Polster
2 Giacomo Petrobelli
3 Aytac Aydin
4 The members of the Board of Managing Directors in conversation
5 Marc Ampaw
6 Chris Eggert

Stefan Barth

CEO

Responsibilities:
Stefan Barth has been OLB's CEO since September 2021. He had previously served, since May 2021, as Deputy Chairman of the Executive Board.

His responsibilities include the following units: Compliance, Corporate Communications and Investor Relations, Group Strategy and Mergers and Acquisitions, Human Resources, Legal and Regulatory Affairs.

Joined OLB:
January 2021

Career:
- **Bawag Group AG, Austria: Chief Risk Officer**
- **Hypo Alpe Adria Group AG, Austria: Head of Group Credit Risk Control**
- **Bayerische Landesbank, Germany: First Vice President Risk Models & Methods**

Born 1977

Dr Rainer Polster

CFO

Responsibilities:
Dr Rainer Polster has been OLB's CFO since November 2020 and is also responsible for the Bank's sustainability activities. He had previously, since April 2020, served as the member of the Executive Board responsible for OLB's corporate customers in southern Germany, specialised lending and our Treasury department.

His responsibilities include the following units: Finance, Controlling, Sustainability as well as Treasury and Markets.

Joined OLB:
October 2018

Career:
- **Deutsche Bank AG, Austria: Supervisory Board Chairman, Chief Country Officer**
- **Deutsche Bank AG, Germany: Head of Financial Institutions Group Germany, Austria, Switzerland**
- **Deutsche Bank AG, United Kingdom: Managing Director Financial Institutions Group Europe**

Born 1970

Aytac Aydin

COO / CSO

Responsibilities:
Aytac Aydin has served as OLB's COO and CSO since February 2022.

His responsibilities include the following units: Operations, Central and Digital Sales, Private Customers, Private Banking / Wealth Management, Information Technology and Marketing / Products / Business Intelligence.

Joined OLB:
February 2022

Career:
- **Nova KBM Bank, Slovenia: Chief Operating Officer**
- **CMC, Turkey: Chief Executive Officer**
- **Odeabank, Turkey: Chief Operating Officer**
- **QNB Finansbank, Turkey: Chief Operating Officer**
- **McKinsey & Company: Engagement Manager**

Born 1977

Chris Eggert

CRO

Responsibilities:
Chris Eggert has been OLB's CRO since June 2022. He was previously Head of Credit Risk Management at Bremer Kreditbank AG and, following its merger with OLB in 2018, held the same role at OLB.

His responsibilities include the following units: Credit Risk Management and Risk Control.

Joined OLB:
October 2008 (Bremer Kreditbank AG)

Career:
- **Bremer Kreditbank AG (previously KBC Bank Deutschland AG), Germany: Head of Credit Analysis and Loan Processing**
- **Danske Bank A / S, Germany: Deputy Head of the Loans Department**
- **Berenberg Bank, Germany: Credit Analyst for Corporate Customers**
- **Deutsche Bank AG, Germany: Credit Adviser, Private Banking**

Born 1972

Giacomo Petrobelli

CIO

Responsibilities:
Giacomo Petrobelli has been OLB's CIO since July 2022. He had previously served as the Bank's General Manager.

His responsibilities include the following units: Corporates, Football Finance, Fund Finance and Acquisition Finance.

Joined OLB:
January 2020

Career:
- **Apollo Global Management, United Kingdom: Senior Advisor**
- **Bremer Kreditbank AG, Germany: Senior Advisor**
- **UBS Investment, United Kingdom: Head of Loan Capital Markets / Leveraged Capital Markets Europe**

Born 1975

Marc Ampaw

CIO

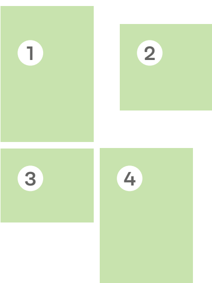
Responsibilities:
Marc Ampaw has served as OLB's CIO since May 2021.

His responsibilities include the following units: Commercial Real Estate, International Diversified Lending as well as Shipping and Wind.

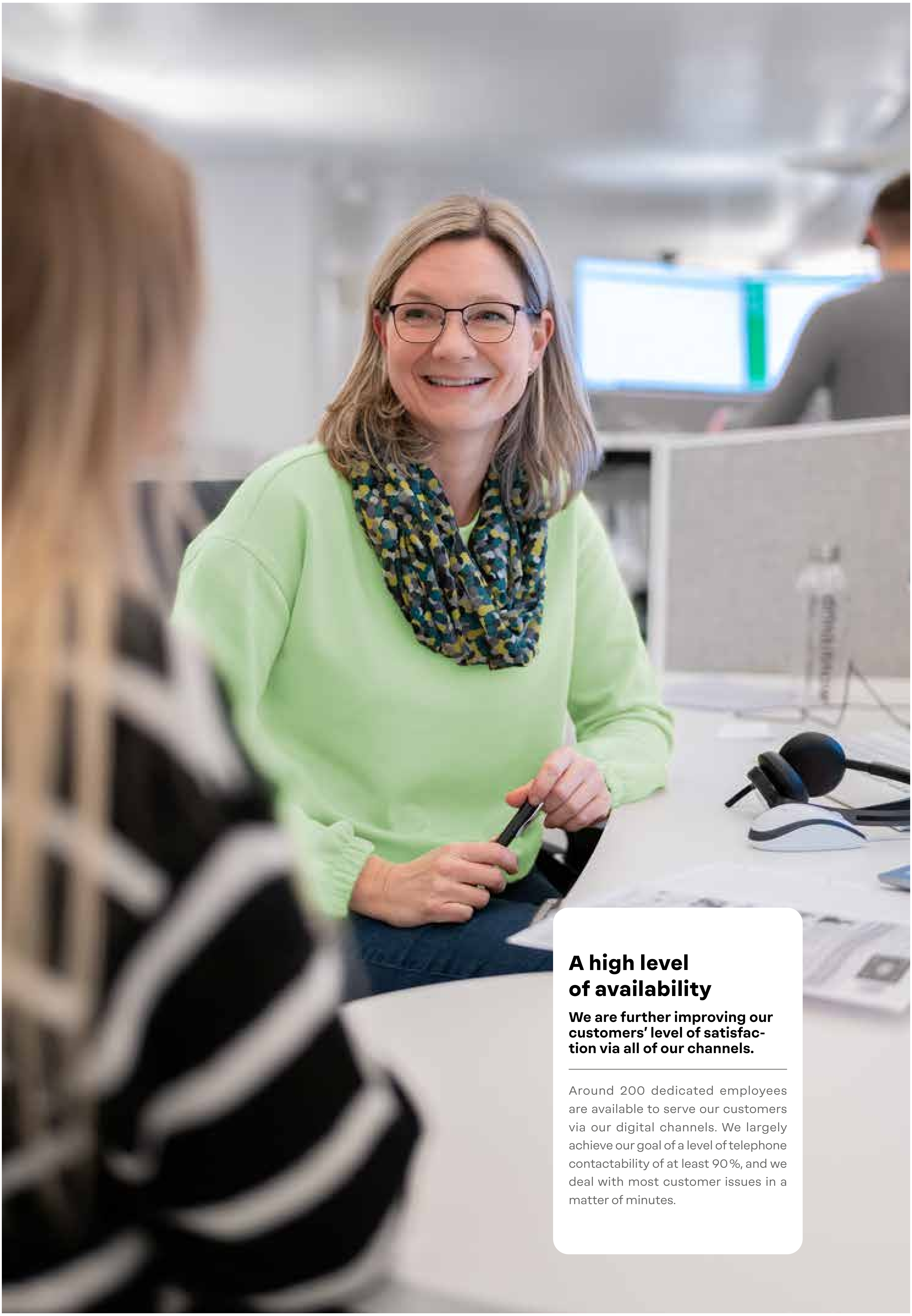
Joined OLB:
May 2021

Career:
- **Bawag P. S. K., Austria: Group Head of Germany, Structured Credit + Special Situations**
- **VTB Bank AG, Austria: Executive Director, Credit + Special Situations**
- **Morgan Stanley, USA: Associate Director M & A**

Born 1979



1 Giacomo Petrobelli
2 Stefan Barth in a live studio interview
3 Rainer Polster
4 Live relay from the studio to OLB's back office



A high level of availability

We are further improving our customers' level of satisfaction via all of our channels.

Around 200 dedicated employees are available to serve our customers via our digital channels. We largely achieve our goal of a level of telephone contactability of at least 90 %, and we deal with most customer issues in a matter of minutes.

For our customers: the diversity of our hybrid model

We are a competent and reliable contact for our roughly 665,000 customers. Our customers can rely on the quality of our advice and products – and they themselves decide how they wish to receive advice from us: over the telephone, by video or in person.

From private households via traders to major companies, from a self-employed person via a start-up to a donor: we are broadly positioned in terms of our advisory services and products and are in demand as a contact, for the support which we provide and as a financial partner for various customer groups. In a nutshell we like to say, a little tongue-in-cheek: we can handle anything – except investment banking. That is why, as a universal bank, we can make many different things possible for our roughly 665,000 customers.

Our approach: on an even footing with our customers

In a great many conversations, customers repeatedly acknowledge our advisory expertise. We operate on an equal footing, reliably and flexibly, rapidly and straightforwardly, and with a high level of trust. As a biogas plant operator from the state of Mecklenburg-Western Pomerania put it following the completion of another successful project: "OLB recognises opportunities where other banks see obstacles."

> **"OLB recognises opportunities where other banks see obstacles."**

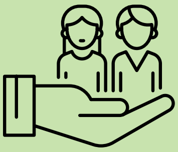
A biogas plant operator from Mecklenburg-Western Pomerania on OLB

And it is not just our customers who confirm the quality of our products and services. This is also attested by various independent assessments and surveys.

100 % IT security in the area of data protection management

For instance, in 2023 on the basis of a consumer survey "Chip" magazine awarded us the accolade of the best online contract sign-up process for current accounts. Following its evaluation of consumer experiences, "Focus Money" magazine found that we have the strongest consumer focus of all of the branch banks it tested. "Focus Money" also awarded us a prize for the best debit card – for the EC card (Debit Mastercard) included in each of our current account models, due to features such as a fair fee structure and outstanding bonus services. The TÜV Saarland certification body has tested our online banking and awarded a maximum rating (100 %) not only for our services, but also for the particularly sensitive areas of data protection management and IT security.

TÜV Saarland has recognised our expert mortgage financing advice above all for our customer-focused advice and market-oriented conditions. In relation to the advice which we provide in the area of complex investments, TÜV Saarland confirms that, besides our competent advisory service, above all we fulfil our notification and documentation obligations outstandingly well.



We make use of technology in line with our strategy

We have introduced a large number of innovations in our customer business – and others are currently in preparation

We have been pursuing the digitalisation of our customer business for some years, with a strong level of commitment and a high volume of investment. A core aspect of our strategy is to understand our customers' requirements and offer uniform solutions across all of our contact channels. Onboarding completed in just a few minutes, online self-service functionalities, paper-free workflows: we have already enabled a large number of positive customer experiences via a digital approach, and many further improvements are planned or already being implemented.

Customer service via every channel

We communicate with our customers via our full range of channels: at our competence centres, branches and branch offices and also digitally over the telephone or in a video chat. Customers can select whatever is the most appropriate and convenient option for them. But whether it's via our digital channels or in person, strong personal relationships remain highly important and greatly in demand. In our private customer business alone, in 2023 at our offices we held around 120,000 in-depth consultations with our customers relating to various products. In addition, at our branches and via our digital channels we handled around 250,000 discussions with customers covering other, specific issues: from minor services-related inquiries to help setting up online banking.

AI as an opportunity

We are currently evaluating our initial experience of using artificial intelligence. For instance, for our customers we are planning to expand and speed up the information and responses provided by a chatbot on our website. We also aim to optimise our internal workflows using appropriate artificial intelligence methods. Our motivation here is clear: technical progress is intended to improve the service we provide to our customers and the positive experience that we offer them in general.

Core aspects of our customer business

A broad customer base: We offer competent advice and needs-driven services for around 665,000 customers.

A confirmed level of quality: We once again picked up multiple awards in 2023, including for the best online contract sign-up process for current accounts ("Chip" magazine), the best debit card ("Focus Money" magazine) and the best financial services provider in the national branch banks category ("Tagesspiegel" newspaper).

Fair fees: In a debit card assessment, our EC card / Debit Mastercard received particular recognition for fair fees and bonus services.

Top data protection and IT security: The TÜV Saarland certification body has awarded our online banking a maximum rating for data protection management, services and IT security, where we meet 100 % of its requirements.

Top advisory services: We offer advisory services reviewed by the TÜV certification organisation, including customer-oriented mortgage financing and high-quality investment advice.

Advanced training: Our employees undergo continuous and ongoing learning – in 2023 we once again received an "eLearning Award" for this.

AI innovation: We intend to integrate artificial intelligence in our customer service, in order to bring further improvements to our customers' experience.

The Bank's faces on social media

Trending on social media for OLB: Marvin, Anne-Mieke, Maren are three of our five content creators.

Instagram, TikTok, LinkedIn, YouTube, Xing, Kununu and Facebook: we have a long-standing presence on some of these digital social networks, and our number of followers is continuously rising. On the younger portals especially, starting from a relatively low baseline we registered growth in the high double-digit to mid three-digit percentage range in 2023 – our social media profile is thus also next level.

In particular, five OLB staff members achieve a strong reach and high levels of interaction. Since the spring of 2023, they have literally taken on a new lead role in addition to their banking duties. They are the Bank's faces on social media, content creators and likeable ambassadors covering the topics they deal with in their daily work: digital banking products, cards and accounts, insurance, investments, loans and real estate as well as tips on how to combat fraud attempts, e.g. via phishing.

Their entertaining and clearly presented content appeals to their communities. Their friendly manner is also a hit with users, with whom they engage on an even footing. Our content creators published more than 200 posts in 2023. And that trend is set to continue.

Growing numbers, strong reach

Our content creators' postings form part of our social media presence.

More than a third of OLB's posts in 2023 consisted of useful information from the areas covered by the Bank's five content creators.

38 %

On average, our posts on social networks reach around two million users per quarter, either directly or indirectly – with further growth in prospect.

~ 2,000,000

Our number of followers across all of our social media presences increased by 18 % in the period from January to December 2023.

18 %

For some postings, we increase awareness with a small amount of advertising: in 2023, this included our video on the art of home staging, which reached around half a million people.

~ 500,000

Successful retail business

Our Private & Business Customers segment focuses on accounts, cards, financing, investments and old-age provision for our private and business clients. Our Bankhaus Neelmeyer attends to the needs of high-net-worth customers in the area of Private Banking & Wealth Management.

Private mortgage financing is a core product in high demand in our Private & Business Customers segment.

Competent and honest advice together with a reliable and transparent approach – those are some of the qualities which our private and business customers appreciate most in their relationship with us. In our Private & Business Customers business segment, we thus combine our accessibility via digital channels and a digital offering which is also available via partners and platforms with a branch presence at 40 locations in north-west Germany.

An issue of particular importance to our customers in 2023 – beyond their standard financing, insurance and old-age provision questions – was the attractive conditions for investments (particularly fixed-term deposits) which we offered at the start of the year, as one of the first banks in Germany to do so. We also provided our customers with a detailed description of the possibilities for use of our Debit Mastercard. This can be used to withdraw cash, free of charge, at any ATM which supports Mastercard.

Expanding our contact with customers, including via platforms

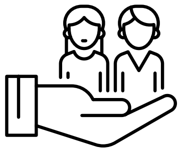
We are continuously making improvements to our range of products and services. Where necessary, we are also working with appropriate partners and sales platforms here, in particular Check 24, Europace as well as Smava / Finanzcheck, Verivox and Raisin. In 2023, we acquired a new deposit volume of more than half a billion euros via Check24 and Raisin, for instance, and we virtually made up for the market-related decline in demand for private mortgage financing in Germany via platform business with Tulp Hypotheken in the Netherlands. Since the start of this partnership in the summer of 2022, our volume of private mortgage financing in the Netherlands has reached around EUR 500 million.

Contactable by telephone throughout Germany

We are also focusing on the continued expansion of our digital contact channels. We received around 600,000 incoming telephone calls alone, from customers all over Germany, in 2023. Conversations most frequently dealt with individual queries relating to current accounts or payment orders as well as online banking services. We were generally able to clarify matters within just a few minutes.

A successful segment

Operating income from our P & BC segment (EUR m)



337.1

In our Private & Business Customers segment, in 2023 we increased our operating income by 17.8 % in comparison with the previous year to over EUR 337 million. This business segment's credit volume grew by 4 % year-on-year and net interest income, as a key revenue driver, by around 37 %.

We expect to achieve further success through customer-friendly Digital Banking upgrades and by expanding our business with partners.

Greater comfort through the use of technology

Further innovative tools went live in the spring of 2024 for simple and convenient digital applications.

We have opened a new digital branch for our customers. They can use this to contact us directly by video for advice, to make an appointment with us at a branch or via our telephone service, to use online processes for products or to receive online banking support: our customers can use our new digital branch to meet all of their needs.

Our OLB Sign function is also new. Customers can now conveniently and securely log in to our web banking, using our banking app, without having to go through the laborious process of entering their login details manually every time.

Private Banking & Wealth Management under the Bankhaus Neelmeyer brand

Bankhaus Neelmeyer, which was founded in Bremen, stands for Hanseatic dependability and a responsible approach to its customers' assets – under OLB's umbrella, now throughout Germany.

Bankhaus Neelmeyer is our brand for competent and professional private banking and wealth management. From our offices in Bremen, Oldenburg, Leer, Osnabrück and Hamburg, with our shrewd financial experts we serve high-net-worth customers all over Germany and together identify optimal solutions which meet the most demanding requirements.

We know all of our Private Banking & Wealth Management customers personally and we know what is important to them. Whether it is a case of asset management, real estate, risk management, financial planning or the transfer of assets, for instance: for us, a successful partnership depends upon our being familiar with and understanding our customers' goals.

This gives rise to a particularly strong relationship which is based upon mutual appreciation and understanding along with openness. In many cases, families have relied on our expertise for generations. We aim to continue to merit this honour in future.

Growing specialist business

In our Corporates & Diversified Lending segment, we assist customers with corporate finance and in the field of specialised lending. With our tailored range of products and services, we are present here throughout Germany and in neighbouring countries.

In our corporate banking activities, we assist German small and medium-sized enterprises with their business operations in Germany and other countries. In the field of Commercial Real Estate, we primarily support property managers and project developers in Germany and increasingly also in other countries, such as Austria and the Netherlands through structured loans for a range of assets, from office via retail and residential / commercial mixed-use properties to hotels and other asset types. For investment companies, we mainly provide start-up and bridging finance to enable the launch of new funds and for their initial phase. In our Corporates & Diversified Lending business segment, our customers can also reach us at our branch offices in five German cities and via digital channels.

Small markets, big opportunities

Apart from our International Diversified Lending unit, where we focus on secured portfolio asset and loan-on-loan finance in Europe, we are also known for our Acquisition Finance and Football Finance expertise. We are furthermore active in Ship Finance with selectively chosen partners and, for many years, have also pursued activities in the area of Wind Finance in northern Germany and beyond.

Focusing on Europe's top five football leagues (England's Premier League, Spain's La Liga, Italy's Serie A, France's Ligue 1 and Germany's Bundesliga), we mainly purchase transfer receivables. Since we first became active in this business four years ago, we have already supported more than 100 player transfers. At the end of 2023, our financing volume in this field amounted to around EUR 850 million. In due course, for this continuously growing, but relatively low-risk business area we also intend to develop opportunities to make increased use of traditional loans as well as prefinancing of television and sponsorship contracts.

A transaction expert

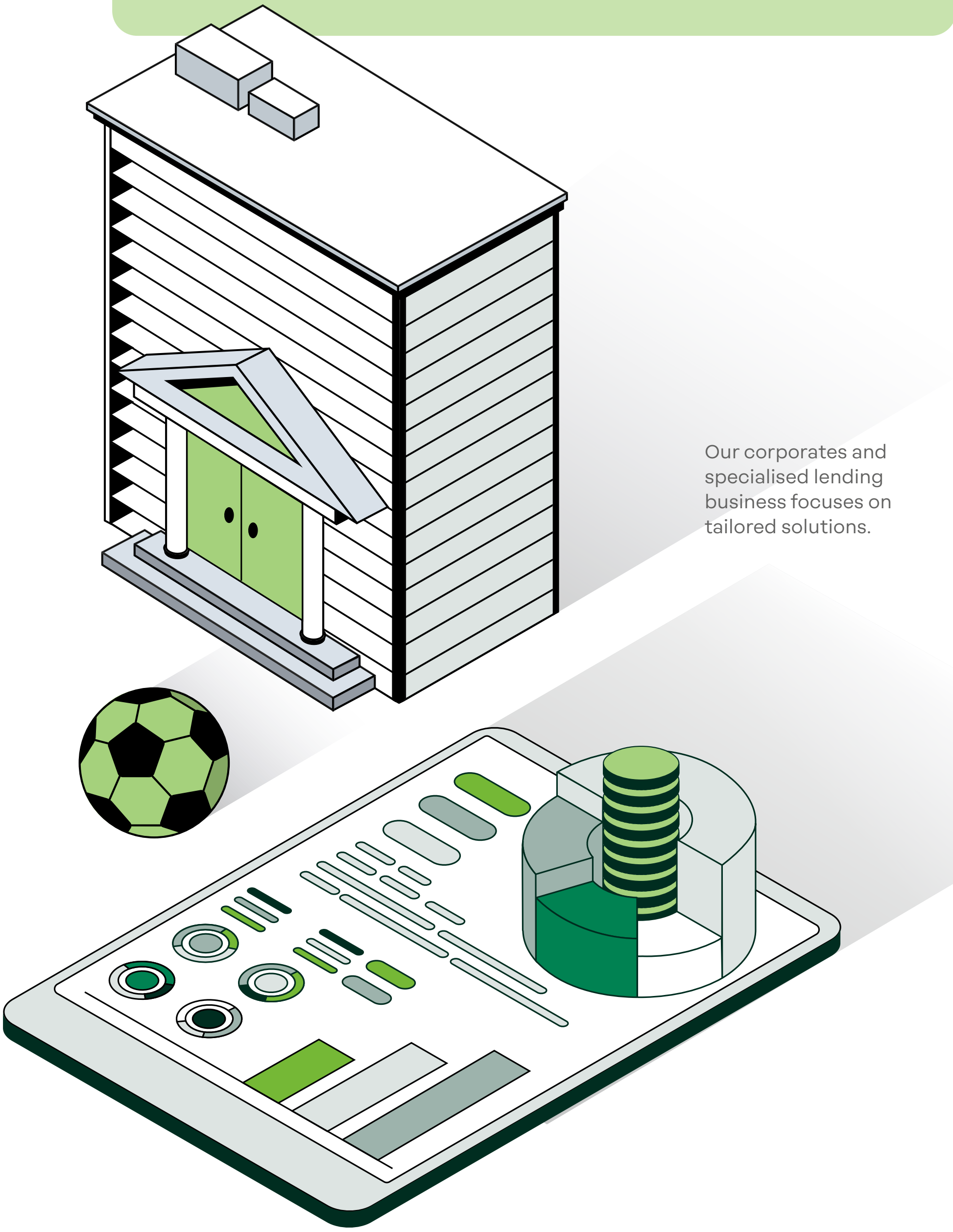
In our Acquisition Finance unit, we committed a financing volume of more than EUR 800 million for a good 60 transactions in 2023. For example, we were the sole finance provider supporting Armira's takeover of the leading manufacturer of specialist bicycles, the Netherlands' Van Raam, as well as the acquisition of the software developer AraCom by funds managed by Maxburg Capital Management in Germany. We also provided intensive support for the takeover of the Dutch firm Wetac Battery Company by the investment company Nordian.

Selective segment growth

Our Corporates & Diversified Lending business segment is developing successfully in an environment which is sometimes challenging. We keep an eye on potential risks.

Whether it is a case of business involving small and medium-sized enterprises, Commercial Real Estate, international project finance, Acquisition Finance and Football Finance (which we have already described above) or, for instance, renewable energy: our commitment in our Corporates & Diversified Lending segment has grown in a targeted fashion over the past few years.

We have made a strategic decision to limit our activities to markets we are familiar with – and where we are able to assess the applicable risks. To take one example, Commercial Real Estate faces a challenging environment, and that is not just a recent phenomenon. We therefore deliberately steer clear of areas such as project development financing and completely avoid any US exposures.



Our corporates and specialised lending business focuses on tailored solutions.

A successful segment

Operating income in our C & DL segment (EUR m)

330.6

In our Corporates & Diversified Lending segment, in 2023 we increased operating income in 17.5 % by comparison with the previous year to around EUR 331 million. This segment's credit volume grew by 13 % year-on-year and net interest income likewise rose by a strong 16 %.

We see further growth potential, in particular, in our Football Finance, Fund Finance and International Diversified Lending units.

Our latest field of business: Fund Finance

We have been active in the field of Fund Finance for around two years – with business partners we are generally familiar with from other activities.

In the area of specialised lending, Fund Finance is a business activity which we only entered into relatively recently – but which was nonetheless already one of this area's growth drivers in 2023. Our business partners are generally familiar to us since we have worked with them on other projects, such as in Acquisition Finance and Commercial Real Estate. In particular, we finance funds at their launch by means of loans which reflect their investors' credit standing, and over the further course of their cycle on the basis of the net asset value of these funds' investments. A low lending value is important to us, so that a transaction can also be considered relatively safe from the point of view of risk.

Baa1

In February 2024, Moody's raised OLB's credit rating to Baa1 with a stable outlook. This rating agency has thus acknowledged our consistent commitment to a solid and robust balance sheet and capital base.

500,000,000

With a covered bond issue with a volume of half a billion euros, we concluded a benchmark-volume transaction for the first time in early 2024.

As the Bank's CFO since November 2020, Rainer Polster is responsible for the positive development of its business figures.

At the "OLB Townhall", he provided the Bank's employees with an explanation of its record earnings in 2023, its current Moody's rating and the status of its ESG activities.

Trump cards and door openers

OLB is winning over the capital market with its ratios, bond issues and ESG activities and receiving acknowledgement from international investors and rating agencies. An interview with OLB's CFO Dr Rainer Polster.

Hi, Rainer Polster. 2023 was an exciting year, even from the point of view of a chief financial officer: following a long drought, there was a further rise in interest rates, and then there were also the turbulent conditions on the banking market in the USA and Europe at the start of the year. To ask a simple question: what was OLB's year like?
Well, to give you a simple answer: our outstanding earnings figure shows that we drew the right conclusions at the right time and largely took the right measures in response.

For example, we passed on part of the rise in interest rates to our customers and made our call deposit and fixed-term deposit products available throughout Germany, including via brokerage platforms. We therefore acquired new customers and their deposits, and this has further strengthened our deposit base. In terms of our net interest income, we have also benefited from the mortgage business, which we are successfully pursuing through our partnership with Tulp in the Netherlands, thus compensating for the market-related decline in private mortgage financing in Germany. On the other hand, we certainly have space for further improvements in our commission business.

We have managed the risks for our operating business in our normal conservative fashion and feel that we have made adequate provisions here, as things currently stand. In general, we are benefiting from our well-balanced business model – that is one of our trump cards and provides the basis for our solid balance sheet structure.

> **“ One of our trump cards is our balanced business model.”**
>
> **Dr Rainer Polster,**
> CFO

The interest rate trend has now clearly levelled off. How is the Bank dealing with that?
We achieved an outstanding net interest income figure in 2023 – and even though the favourable interest rate effects have now significantly weakened, we expect to be able to keep our net interest income at a similar level to 2023. On the one hand, our targeted lending growth will compensate for effects of the lower interest rate environment. On the other, we are deliberately managing our business via hedging so that our net interest income will remain at a high level over an extended period of time.

Particularly in view of the feedback you are getting from the capital market, would it be right to say that institutional investors believe in OLB's strategy?
Judging by everything we hear, that would certainly appear to be the case. We have strong ratios, but what counts for German and international investors even more than our figures alone is our reliable and continuous development. We have a clear road map and we are passing milestones along the way. We are receiving wide acknowledgment for that. Our latest issues were oversubscribed several times over, and Moody's has raised OLB's rating a notch.

Rainer Polster sees Moody's rating upgrades as an acknowledgement of OLB's solid capitalisation and strong profitability.

Let's take a closer look at Moody's rating upgrade from Baa2 to Baa1: what does that tell us about OLB?
Our obvious strengths are our high level of profitability, solid capitalisation and, by market standards, moderate level of troubled loans. We provide regular proof of all that in each earnings release.

In its in-depth analysis, Moody's recognises the diversity of our business model. In our Private & Business Customers segment, we have granular, stable retail business with highly stable deposits. In our Corporates & Diversified Lending segment, on the other hand, we have a highly individualised and specific business with attractive margins. These two segments could scarcely be any different from one another, but they each provide a balanced earnings contribution. We are thereby very robustly positioned in the event of economic fluctuations affecting either of these markets since our diverse business model will generally at least make up for that.

How does the Bank benefit from its rating upgrade?
A higher rating generally means a stronger reputation: it's a fairly simple equation. A further factor is that, over the past few years, we have already established solid and ongoing relationships with many institutional investors. On the other hand, so far we haven't been able to reach investor groups which are highly picky about the companies they invest in. Our improved rating may open a few doors here since an independent rating from Moody's is an important criterion internationally.

Last but not least, this rating upgrade also means that we can raise funds on the capital market on more favourable terms. That is another positive effect, and not just for a chief financial officer.

You have already mentioned the Bank's recent capital market issues: OLB was highly active here in the 2023 reporting period and equally at the start of the new year 2024. Is that set to continue?
Yes, that's the plan. In our interview last year, I said that we are keen to exploit the opportunity to broaden our funding base via capital market transactions where it makes sense to do so, that we aim to establish access to all key capital market segments and that we intend to demonstrate to institutional investors that we are a reliable, regular issuer. All of that remains the case – or rather, we have achieved these points and fulfilled our promises.

To a large extent, we finance loans to customers via down-to-earth funding, i.e. customer deposits. Moreover, our covered bond is an important and attractive refinancing instrument, and particularly for one of our most popular products, private mortgage financing. At the start of 2024, we issued a covered bond

Moody's also raises its rating for OLB's mortgage-covered bonds

Our covered bond rating reaches the next level: Aaa

Following intensive preparations, our covered bond issues began in 2021 with a sub-benchmark debut. Since then, we have continued our capital market activities in a targeted manner: over time further issues have followed, in particular our benchmark debut at the start of 2024, our credit rating upgrade, and then Moody's raising its rating for our mortgage-covered bonds from Aa1 to Aaa in March 2024. Above all, Moody's has recognised our stable overcollateralisation, which justifies its upgrade to Aaa.

This takes our covered bond story to the next level.

at the benchmark volume of EUR 500 million for the first time, which attracted around EUR 1.3 billion of orders. That's a fantastic success for our team. Having celebrated some outstanding achievements in 2023, with our first senior preferred bond and our first synthetic risk transfer transaction, our new financial year has now successfully continued with a further debut, our benchmark covered bond.

We are seen as a player on the capital market. In the first few months of the new year, we have already dealt with many current issues on our agenda on the debt capital side, but we will remain active.

Turning to another rating agency and a topic which falls within your remit: S & P Global has reviewed our sustainability activities and judged them to be above-average for our industry. What were the milestones here in 2023, and what further activities do you have planned?

S & P Global assessed us in terms of ESG criteria for the first time ever in March 2023, and we scored 30 points. We continued to develop our ESG governance independently of this, and in August 2023 we were rewarded with an improved rating of 35 points – in the context of an average ESG industry rating of 29 points at that time. When compared with other banks at an international level, we therefore rank in the upper quartile of the nearly 700 institutions assessed.

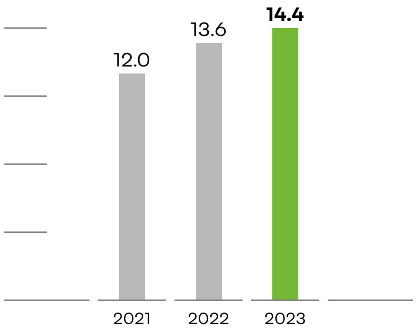
We cover some of the relevant indicators in this report. Here, I would merely like to emphasise that we have significantly reduced our consumption of water, electricity and paper. For instance, we have launched our "OLG goes paperless" initiative. We intend to improve our level of sustainability even further – and not just in customer business, where we have already avoided printing millions of pages of paper for some years now and we deliver information to our customers via their online banking inbox. We are also increasingly going paper-free internally in our daily activities. The same is true of this annual report. We will print only a small number of copies and will mainly promote the digital version.

We have introduced ESG scoring for borrowers and an ESG rating for suppliers; we offer our customers a loan encouraging private housing renovations; our mortgage finance experts will acquire certification as energy advisers; and, in due course, we plan to issue a green bond and provide CSRD-compliant reporting – and much more besides. The ESG topic will continue to shape our activities and is important to us – and not just because we have a green logo.

A robust capital base

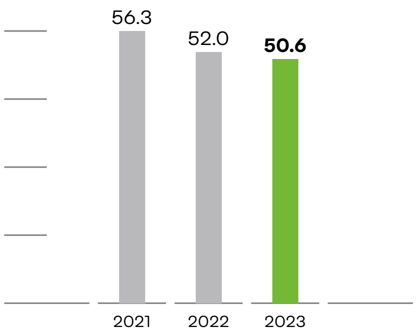
Long-term capital accumulation underpins our successful development.

CET1 ratio in %



Over the past few years, we have increased our CET1 capital and, in particular, improved our CET1 ratio.

RWA density in %



We have continuously optimised our RWA (risk-weighted assets) density in recent years.

A strong balance sheet for a solid basis

The balanced structure of our balance sheet provides the solid basis for our dynamic development and targeted growth. Our customer deposits and customer loans are more or less evenly balanced. On the capital market, we have significantly increased our presence through a broad range of instruments.

The capital market is important to us as a regular issuer.

Around EUR 19.7 billion of loans in our balance sheet contrast with roughly EUR 16.9 billion of deposits. We will further strengthen our deposit base through the planned integration of Degussa Bank with its customer deposits. The fact that our deposits largely derive from our regional private customer business, with a high level of granularity and stability, and that over 90 % of them are protected through Germany's statutory and private guarantee funds, underlines the stability of our liabilities.

High level of demand for covered bond issues

Our capital market activities are another important component of our successful development and diversify our deposit funding base. Since we placed our first covered bond in 2019, the volume of our covered bond issues has grown to in excess of EUR 1.471 billion as of the date of publication of this report – and is set for continued growth.

While our first covered bond was exclusively placed with private investors, we are now active on the capital market with our issues. Over the past few years we had issued two sub-benchmarks, each with a volume of EUR 350 million. In the first quarter of 2024, we then placed a benchmark covered bond issue for the first time, i.e. we raised EUR 500 million from institutional investors. We also deliberately maintain a stable cover pool: this consists of several thousand mortgage loans issued by us, 100 % of which are based in Germany and thus without currency risks. Over 90 % of our cover pool comprises completed residential and residential / commercial units; it does not include any building plots, building sites or loans to developers, for instance.

We further diversified our funding base at the start of 2023 with our first senior preferred bond: the next milestone in our capital market operations. We were able to place this senior unsecured bond with around 70 German and international investors. In the first quarter of 2024, we celebrated our debut on the Tier 2 market and raised Tier 2 capital for the first time (see right-hand infobox).

The high level of demand for our issues reflects investors' confidence in OLB's performance and outlook for the future. It also confirms something which is important to us: recognition and acknowledgment from institutional investors as a reliable and regular issuer.

The Bank's balance sheet management also benefited from the successful completion of our first synthetic risk transfer transaction in March 2023. At the core of this transaction was hedging against potential default risks via investors, while the contractual relationship between OLB and its borrowers remained unaffected. With a reduction in our risk-weighted assets, this risk transfer had a positive impact on our key figures.

> **"The high level of demand for our issues reflects investors' confidence in OLB's performance and outlook for the future."**
>
> **Dr. Rainer Polster, CFO**

A new online channel for corporate customers

A further highlight from a treasury perspective of the ongoing development of our corporate business especially was the introduction of a new online channel for corporate customers, enabling them to hedge currency risks in their international trade activities. This tool was developed in partnership with the Dutch fintech TreasurUp and the OTC trading platform 360T which belongs to Deutsche Börse Group.

Recent successes on the capital market

We aim to be a regular issuer on the capital market – and we deliver reliably.

Before the new year 2024 was even three weeks old, we had already successfully placed our first Tier 2 bond on the capital market. This 10.25NC5.25 bond with a volume of EUR 170 million met with a very strong response from investors. This high level of demand reflects investors' confidence in our performance and our outlook for the future. Such a represents another key milestone in our capital market presence.

We have already mentioned elsewhere in this report another area of success on the capital market: our first benchmark covered bond with a volume of EUR 500 million. We are thus demonstrating to investors that we are reliably living up to our promise to regularly issue securities on the capital market.

A deliberately high liquidity ratio

in %

147

We deliberately maintain a high level of liquidity. With an LCR of 147 %, as of December 31, 2023 we remained at a comfortable level here – and significantly above the regulatory minimum value of 100 %.

Commitment is a question of attitude

For us, commitment to charitable projects in north-west Germany, to sustainability issues and, not least, to the development of our employees, is a question of attitude.

Projects funded

280

In 2023, we supported around 280 projects in north-west Germany, primarily via our OLB Foundation.

Sustainability

17

The United Nations' 17 Sustainable Development Goals serve as a model for our own sustainability activities. We are guided here by the SDGs as well as the needs and objectives defined in the Paris Climate Agreement.

Employees

1,380

Our employees are the Bank's most valuable capital. Without them, we would not have any satisfied customers, and without satisfied customers it would be impossible for OLB to operate successfully. We are therefore continuously investing in our employees' initial, ongoing and advanced training and their development.

Growing sustainably

OLB's 2023 was shaped by sustainability and innovation. A look back at the past year shows our successes and achievements, including new customer offerings, investments in sustainability projects and information events.

As OLB's Head of Sustainability, Holger Sandker (left) is in demand as a contact, and not just in relation to sustainability issues.

Sustainability is among the key topics of our time, and in the financial sector hardly any segment is currently demonstrating such strong momentum as sustainable finance. At a national and European level, a large number of environmental, social and corporate governance (ESG) regulations have been introduced, since banks will play a key role in the implementation of the EU's action plan for funding sustainable growth. We are aware of our responsibility in this area, as a lender, as a financial adviser and as a financial market participant. Through our carefully considered investment and lending decisions, we are in a position to contribute to positive environmental, climate-related and social change by financing and promoting sustainable business and project ideas.

Responsible banking

Our business strategy is guided by a sustainable development model which is based on the United Nations' Principles for Responsible Banking. Our business activities are thus required to contribute to the fulfilment of human needs and social objectives as defined in the United Nations' 17 Sustainable Development Goals (SDGs) and the Paris Climate Agreement. "We made very good progress in the implementation of our sustainability strategy in 2023", reports Holger Sandker, OLB's Head of Sustainability, and continues: "We are naturally starting off with our own activities. For many years now, as part of our environmental management strategy we have been collecting and analysing data on our use of energy and resources as well as the greenhouse gas emissions associated with our business operations. We aim to reduce these emissions to net zero by 2045 and to use resources in an environmentally aware and considerate manner. In the past year, we were able to *reduce virtually all consumption and emissions figures for our business activities.*

See also the numbers, data and facts on page 38.

The digital expansion of our sales channels and services will therefore remain an important lever – including from a sustainability perspective – in order to further reduce our use of paper especially."

Financing of environmentally friendly technologies

We are also serving as a supporter and enabler of our customers' sustainability projects. We thus assisted Kazenmaier Leasing GmbH with the eco-friendly reorganisation of its fleet of vehicles. In the past financial year, this leasing firm chose a financing solution from OLB to drive its future growth via sustainable mobility solutions. At the heart of this was a hydrogen (H_2) fleet consisting of over 100 vehicles. "We are delighted to support Kazenmaier Leasing GmbH's further growth", says Uwe Joachim, a financing solutions specialist at OLB. "Leasing via digital platforms is a growing trend and provides companies with a rapid and convenient means of leasing a vehicle on favourable conditions. They can now do so via an environmentally friendly but nonetheless cost-efficient approach."

A sustainability multiplier

In the past year, together with our technology partner Business Technology Consulting AG we provided information about ESG challenges and opportunities in two symposia for regional firms, tax accountants and auditors and in a workshop for small and medium-sized enterprises. "We intend to report, inform and advise and to bring our customers together with appropriate network partners. In addition to the regulatory requirements, the ESG topic offers a great deal of impetus for intelligent data management as well as attractive financial support for energy efficiency and sustainability measures", says Dennis Rhode, who manages OLB's central sales unit for business and corporate customers. Through these and similar events, we not only act as a competent advisory and financing partner, we also generate special added value for everyone involved through the lively discussions which these events make possible.

In late April 2023, in Frankfurt am Main we received an *"ESG Transformation Award"* in the "Organisational Transformation" category. This prize, which is awarded by an independent jury on the basis of an evaluation process supervised by the University of Kassel, recognised above all OLB's integrated approach in developing its sustainability strategy in a rapidly changing environment. Holger Sandker, OLB's Head of Sustainability, received this prize on behalf of OLB: "This award constitutes recognition of our achievements, while also spurring us on to do even more. It confirms that we are on the right track and provides us with valuable impetus for the further development of our sustainability strategy."

Values and principles

Our sustainable development model is informed by the United Nations' Principles for Responsible Banking. Our business strategy is designed so that it contributes to the fulfilment of human needs and social objectives as defined in the United Nations' 17 Sustainable Development Goals and the Paris Climate Agreement. Our governance framework is based on OLB's code of conduct. As a component of our daily activities, this is a key aspect of our business and compliance culture and thus also of the Bank's sustainability efforts. Among other matters, it emphasises protection of natural resources and applies for all employees, executives and members of our Executive Board.

Sustainable mortgage financing

Customers who already have a mortgage with OLB can benefit from exclusive advantages relating to energy measures, since the Bank offers existing customers with OLB "Green Deal" personal loans a sustainable financing product. This low-interest refurbishment loan enables customers to upgrade their homes' energy efficiency. This includes measures such as the installation of a heat pump, a photovoltaic system, a new roof or new windows. This loan has a term of up to 20 years and does not require an entry in the land register.

www.olb.de/treuevorteil

www.esg-transformation-award.de

Sustainable success at OLB

We are continuously reducing our consumption of energy and resources from the point of view of costs as well as environmental aspects. Thanks to our employees' high level of readiness to implement appropriate measures, in the past financial year we achieved measurable success in our management of resources, as the following overview demonstrates:

Change in our energy requirements (in %)

The 20.7 % decrease in our energy requirements is attributable to the downsizing of our number of branches as well as the energy-saving measures which we introduced in 2022 and which took effect in 2023.

– 20.7

Paper use (in %)

– 10.8

In 2023, at 108.6 t we used 10.8 % less paper than in the previous year, and almost 37 % of this was recycled paper. Since 2016, by changing over to digital processes we have more than halved our paper consumption from 235.9 t to 108.6 t in 2023.

Fuel use (in %)

– 16.4

Through a 19 % reduction in our fleet of company cars, we reduced our fuel use in 2023 by 16.4 % in comparison with 2022. What's more, where possible we use public transport for business trips.

Electricity consumption (in %)

Our locations' electricity requirements decreased by 23.5 % in 2023 by comparison with the previous year. Renewable energy supplies 99 % of our electricity.

– 23.5

Water consumption (in %)

– 39.5

In 2023, our level of water consumption was 39.5 % lower than in 2022. Despite a smaller workforce, our relative water consumption per employee also declined by 26 % in the reference period.

Waste volume (in %)

The overall weight of our volume of waste was reduced by 25.8 % in 2023 by comparison with the previous year. 75 % of our waste was recycled.

– 25.8

As of February 12, 2024

A driving force behind our success

As a responsibly-minded and tolerant employer, we promote equal opportunities, diversity and skill-building measures for all of our employees equally.

We are a responsible employer and are convinced that long-term business success is only possible if we respect all of our employees' personalities and support them all equally. We therefore strongly emphasise our *social responsibility* and resolutely oppose extremist movements which are hostile to democracy. In 2015, we signed Germany's "Diversity Charter" for the first time and since then we have publicly affirmed our commitment to diversity. We are an active supporter of the "Never again is now" campaign against antisemitism in Germany. Employees with 15 different nationalities constructively work together at our Bank. We foster a team spirit characterised by tolerance, openness and appreciation of one another, which is a source of strength for us.

Our corporate philosophy includes offering women equal opportunities to take up management and challenging specialist roles. For this purpose, we have developed human resources support programmes which prepare female employees for potential future tasks with a high level of responsibility. Besides enabling an improved work-life balance and providing guidance on future positions, since 2022 we have operated a special mentoring programme for women, "GROW". The aim here is for the participants to network and encourage one another, as well as benefiting from the many years of experience of their mentors, who are long-established OLB executives and Executive Board members.

Four of our total of twelve "visionaries" who receive targeted support via our talent programme.

See also OLB Foundation, page 42.

Germany's best trainee is from OLB

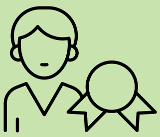
Cedric is currently a trader in OLB's Treasury department. He plays an active role in ensuring that our liquidity is appropriately managed. Even this complex matter is in good hands with him. How can we be so sure? Because Cedric was our trainee from 2019 to 2022 and in May 2023 received an award from Germany's Labour Minister Hubertus Heil and further VIPs at a gala ceremony in Berlin. He was recognised here as the best-performing candidate in the final examinations of the bank officer training programme run by Germany's Chamber of Industry and Commerce (IHK).

Of around 300,000 exam participants in all of the professions covered by the IHK, 200 top trainees were selected in the IHK's various sections. With his score of 1.0, indicating full marks, Cedric was the top-rated banking trainee.

Our bank officer trainees traditionally number among the best in their year at a regional level and in our home state of Lower Saxony. But with the best trainee in all of Germany, we have achieved something new here: next level training.

Trainees as of December 31, 2023

70



Comprehensive expansion of skill-building measures

In 2023, we initiated our "VISION" programme as a new component of our talent management scheme. This is open to both male and female high-potential employees. The programme focuses on intensifying strategic understanding, developing methodological expertise as well as strengthening participants' capacity for self-reflection, with the goal that they will in due course take up executive or specialist positions. Participants devote a period of twelve months to intensive workshops and seminars, discussions with OLB's Executive Board members as well as preparing their own project thesis on strategic issues at the Bank. Individual career discussions and work shadowing round off the programme. The twelve participants are drawn from every area of the Bank, since developing a network is an important aspect of the programme.

We strongly emphasise skill-building and ensure that our employees' knowledge and abilities remain up-to-date in a constantly changing and demanding market environment. For this purpose, we offer a comprehensive initial and advanced training programme. Our learning management system "iQ" includes various digital training courses. Participants can thus complete this initial and advanced training no matter where they are based. Due to the continuing high number of employees working from home, we have integrated special digital courses in iQ in order to meet the challenges associated with a changing work environment. This includes, in particular, e-training courses on issues such as resilience, motivation in turbulent times and teamwork in hybrid teams. For 2023, we have once again been awarded an eLearning Award in the "Learner Journey" category for our current iQ content.

Focus on management culture

We are also investing time and resources in the Bank's current executives. In 2023, more than 50 executives – including the entire Executive Board and all of the Bank's unit heads – underwent a 360-degree feedback process and received subsequent coaching. Readiness to continuously scrutinise ourselves and to improve likewise plays a key role in our success.

We have set down in writing the central principles of our management culture: appreciation for one another, entrepreneurial thinking, support for one another, efficient workflows, open communication and, not least, a shared pride in playing an active part in a successful OLB.

A year full of commitment

Over the course of the year, we have once again supported a large number of charitable projects through our OLB Foundation: these range from events whose profile transcends our home region, via small initiatives generally at a regional or local level, to the Foundation’s own projects which demonstrate OLB’s commitment.

100

The world’s most important photojournalism competition travels to more than 100 cities in 50 countries with award-winning photos. In a stroke of luck, the World Press Photo exhibition also visited Oldenburg and impressed visitors here.

Prof Dr Axel Meyer (jury member), Karin Katerbau (Chairwoman of the OLB Foundation, front left) and Prof Dr Joachim Treusch (jury member, right) congratulate four out of a total seven winners of the OLB Science Award at the prize ceremony which took place in June 2023 at Oldenburg's Theatre Laboratory.

Whether it's a photo show or a film festival, a classical music concert or an art exhibition, an insect hotel or an equestrian tournament, a cultural event set in a public park or a music festival by the North Sea, whether it's a grant or a science award: the projects which we promote or ourselves organise in our local region, via our OLB Foundation, are as diverse as the people and landscapes that make up north-west Germany. Culture, science and environmental protection are the core areas which we support, frequently in connection with activities for children and young people.

Focus on environmental protection

With the OLB Foundation's special campaign "150 Thousand Good Reasons for the Environment", in 2023 we made available a total of EUR 150,000 in aid of environmental protection projects. As well as insect hotels, we thus also supported nesting boxes, energy-saving measures with LED technology, drones to help with efforts to rescue wild animals, reforestation and laying out flower strips and raised beds, environmental protection project weeks in schools, and many other worthwhile activities.

Natural beauty: the forest island of Ippenburg has been left to its own devices.

The beauty and diversity of nature are at the heart of the "Metamorphoses" project, which we funded on the forest island at Ippenburg Castle. Waterworks, grottos and little ponds, stone, metal and wood fragments as well as quotations and aphorisms from literature and philosophy adorn a path leading through the middle of an area which has been left to its own devices: a forest island where planted tree stumps, trunks and branches overgrown with moss, structure-providing shrubs and trees large and small are gradually spreading.

12th OLB Science Award

A nature-related topic – the impact of everyday gardening practices on biological diversity – was among the subjects examined by the seven winners of the OLB Science Award, which our OLB Foundation has bestowed for the twelfth time. The prize-winning projects also addressed topics such as decoding visual attention and artificial intelligence, layer density measurements for manufacturing processes, and Africa and music teaching. In June 2023, the prize-winners came together in Oldenburg for the award ceremony.

A high level of scientific excellence, social relevance, a bold approach and an unusual topic were among the key assessment criteria applied by a prestigious jury. The graduates of officially recognised universities in north-west Germany which are eligible to participate repeatedly achieve results of this quality. Since graduates were first invited to submit entries for the *OLB Science Award* in 2000, the OLB Foundation has already selected 80 award winners who have received prize money of around EUR 300,000 for their degree theses.

www.tinyurl.com/olb-stiftung

The World Press Photo exhibition visited Oldenburg.

World Press Photo exhibition

The impressive and award-winning 150 or so photos shown at the World Press Photo exhibition come from all over the world. The World Press Photo Foundation in Amsterdam has organised this competition for around 70 years; since the early 1960s, the press photo of the year and other outstanding images have gone on tour and today visit more than 100 cities in around 50 countries. Since 2016, Oldenburg has been a fixture on the annual calendar for the World Press Photo exhibition, and the OLB Foundation has been involved right from the start. Since 2020, as a special feature in co-operation with the worldwide initiative "The Everyday Projects" the exhibition hosted in the State Museum at Oldenburg Castle, organised by the Mediavanti agency, has included an exclusive display the focus of which changes every year.

Culture and more

Art brings us together – that was already the philosophy of the merchants in early 19th-century Bremen who founded an art association as one of the first of its kind in Germany. Their aim was to encourage and foster the development of an appreciation of beauty. "Art brings us together! The early years of the collection" was the name of the exhibition at Kunsthalle Bremen co-funded by the OLB Foundation in 2023. It presented the story of the origins and early period of the association and the museum.

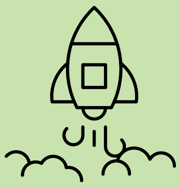
Modern and contemporary art is also on display and disseminated at the Kunsthalle Emden founded by Henri and Eske Nannen, such as through this museum's "Kunst-Stoff" exhibition, sponsored by the OLB Foundation, which focused on the use of textiles as artistic materials.

Beautiful sounds can be heard in East Frisia during the Tide Concerts, a classical music festival founded and organised by the East Frisia Regional Association which features stars of world renown and famous ensembles. Every summer, visitors are enchanted by a large number of performances and stagings at picturesque venues such as churches, fortresses and castles.

On the beach at Varel-Dangast, entire families celebrate the "Watt en Schlick" summer festival. Three exciting days of culture, music, discussions and communal spirit delight people big and small. The perennially sold-out event celebrated its tenth birthday in 2023. Its success means that the town is not just Dangast's rhubarb cake for which it is known throughout Germany.

Projects supported

Since it was founded in 1994, the OLB Foundation has made a dedicated contribution to the promotion of culture, science and environmental protection in north-west Germany.



280

With the OLB Trust Foundation Weser-Ems and the Peter Franz Neelmeyer Foundation, we also offer potential donors the opportunity to support their own causes by contributing resources to these umbrella charitable foundations.

6,000

Every year, the Watt en Schlick Festival, which is funded by our OLB Foundation, draws around 6,000 contented visitors to the natural setting of Dangast beach.

Ulf Duda

About the Company

Oldenburgische Landesbank AG (OLB) is a financial institution is rooted in northern Germany and which serves its customers throughout Germany through its OLB Bank and Bankhaus Neelmeyer (BHN) brands. OLB pursues a multichannel approach in its business with private and business clients – which includes business with small and medium-sized enterprises (SMEs) in its local region – and combines its regional branch association with a nationwide digital presence. OLB operates throughout Germany and, selectively, in other European countries in its larger-volume corporate clients business segment. In the area of export financing, it is also active worldwide. OLB exploits growth opportunities in a targeted fashion in specific areas of finance which the Bank judges to have an attractive risk / return profile, such as Acquisition Finance, Football Finance and International Diversified Lending. The Bank has many long-term customer relationships and a credit portfolio which is diversified in terms of volumes and sectors. Its capital resources comprise in excess of EUR 1.4 billion of Common Equity Tier 1 capital.

The ownership structure of OLB changed only slightly in the financial year 2023. Owing to the conversion of a convertible bond, since June 7, 2023 Catalina General Insurance Ltd. and Catalina Worthing Insurance Ltd. have been shareholders of OLB. Overall, these companies, MPP S. à. r. l. and MPuffer Invest GmbH hold 8.36 % of the share capital. The remaining 91.64 % of OLB's share capital continues to be held by shareholders that are associated with the Teacher Retirement System of Texas (Texas, USA), Apollo Global Management (Delaware, USA) and Grovepoint Investment Management (London, UK). These shareholders are mutually independent and each indirectly holds a stake of under 35 %, so that none of them controls OLB under corporate law. The Bank is the sole shareholder in QuantFS GmbH, Hamburg, a provider of implementation and monitoring services for structured financing, securitisations and factoring programmes. The Bank also holds the shares in OLB Service GmbH, Oldenburg, which is a shelf company that does not have any business operations. By securitising portions of its credit portfolio, the Bank uses what are now four compartments of Weser Funding S. A. in order to improve its opportunities for the procurement of liquidity. A separate asset pool administered by Allianz Pensionsfonds AG is classifiable as another special-purpose vehicle subsidiary under German commercial law. The majority of the Bank's pension obligations, and the cover funds allocated to fulfil these obligations, have been transferred to it. All of the above-mentioned companies are, individually and jointly, of minor significance for the Group's net assets, financial position and results of operations. The preparation of consolidated financial statements under German commercial law is therefore not mandatory.

Since the listing on the regulated market of a covered bond issued in March 2021, OLB has been a capital market-oriented company within the meaning of sec. 264d of the German Commercial Code (Handelsgesetzbuch, HGB). In the context of the growing significance of the capital market for the Bank's funding, on December 31, 2021 OLB prepared voluntary IFRS consolidated financial statements. The compartments of Weser Funding S. A. were incorporated in the basis of consolidation (OLB Group) within the scope of this first-time application of the International Financial Reporting Standards (IFRS). OLB is continuing this voluntary Group reporting as before.

For management purposes, the Bank has divided up its business activities into the following business segments in terms of target customers, products and services as well as from a procedural and settlement point of view.

Business with private customers and regional small and medium-sized enterprises (SMEs) is allocated to the "Private & Business Customers (PBC)" segment. OLB offers these clients competent advisory and support services via its centrally managed network of branches and its Central & Digital Sales (CDS) department. At the same time, customers are also able to directly access products and services via online and mobile banking channels. OLB thus combines a branch presence in its Weser-Ems core business area with the offering of a digital bank active through-out Germany, together with distribution partners and brokerage business. The Bank's offering concentrates on current accounts and credit cards, online banking and mobile banking (via its OLB banking app), instalment loans, private mortgage financing and private investments. In addition, the Bank offers insurance brokering and assistance with private real estate purchases and sales. The Bank operates under the Bankhaus Neelmeyer brand in the area of Private Banking and Wealth Management.

The higher-volume corporate business including Football Finance and the fields of Acquisition Finance including Fund Finance, International Diversified Lending and Commercial Real Estate have been combined in the “Corporates & Diversified Lending (CDL)” segment. This business segment is supplemented by Wind Finance. The Bank’s offering in these segments is characterised by an individually tailored profile, larger individual transactions and an increased volume of resources committed to advisory processes and servicing.

The Bank’s level of success in achieving its strategic objectives is assessed by means of key performance indicators (KPIs) on the basis of a target / actual comparison. The key performance indicators are reported to the Executive Board on a monthly basis; this reporting includes an annotated presentation of the key current developments and areas of action. Early identification of deviations from projected figures at the Whole Bank level and within the Bank’s strategic business segments ensures that the Executive Board can immediately decide on controlling measures within the scope of OLB’s business activities. The choice of KPIs for the Whole Bank level is influenced by the general financial management goal of achieving an appropriate return while managing risk exposure at all times. The KPIs cover all of the necessary perspectives and relevant frameworks and therefore incorporate business and financial indicators as well as regulatory parameters.

The following financial performance indicators are particularly significant, independently of the financial reporting standard: the Tier 1 capital ratio[1], the risk coverage ratio[2] and the liquidity coverage ratio[3] (LCR), as a key figure documenting the Bank’s solvency. Since the introduction of its external IFRS reporting, the Bank has exclusively used performance indicators based on these international financial accounting standards in order to monitor its financial performance indicators, in particular its return on equity post tax[4] and its cost-income ratio[5].

OLB operates with a long-term and sustainable focus. This is true both of its banking business and its view of social and environmental issues. Sustainability is a strategic factor throughout the Bank. In accordance with its business strategy, the Bank is therefore guided in its business activities by, inter alia, the United Nations’ Principles for Responsible Banking. To reflect the growing importance of the field of sustainability, the Bank’s related activities are centrally coordinated and managed by its Head of Sustainability. In the financial year 2023, in particular the methods for the assessment of environmental and climate risks and the effects of financing and investment decisions on sustainability factors were expanded. OLB issues a separate report (non-financial report) in this area. This report will be published at *www.olb.de/nachhaltigkeitsberichte* by April 30, 2024 at the latest.

1 Ratio of Tier 1 capital to risk-weighted assets
2 Ratio of risk coverage equity to risk capital requirement
3 Ratio of holdings of highly liquid assets to expected cash outflows in the next 30 days
4 Ratio of result after taxes to average on-balance-sheet equity
5 Ratio of operating expenses to operating income

Report on economic conditions

Economic conditions and outlook

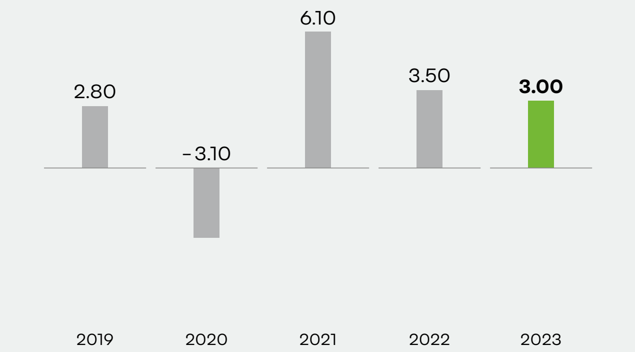
Since the start of 2023, world economic growth 01 has declined by comparison with 2022. The International Monetary Fund indicates a growth rate of 3.0 % for 2023, compared with a prior-year real growth rate of 3.5 %. This economic slowdown is affecting both manufacturing industry and market services, and industrialised nations and emerging markets alike. Nonetheless, growth in emerging markets remains more than twice as strong as in industrialised nations. In the world's two largest economies, the USA and China, growth is likewise weaker than in the past. In 2023, the USA grew by a real rate of 2.1 %, while the Chinese economy registered a real growth rate of 5 %. India is the fast-growing major economy, with a real rate of 6.3 %.

2023 was shaped by a global tightening of monetary policy. The major central banks considered themselves obliged to further raise key interest rates due to the high levels of inflation. This policy delivered the desired impact. Worldwide inflation has declined significantly. Inflation in industrialised nations has decreased from 7.3 % in 2022 to 4.6 % in 2023.

Together with the United Kingdom, the Eurozone is the region characterised by the weakest level of growth. The Eurozone's gross domestic product grew by 0.7 % in real terms, while in the United Kingdom the figure was 0.5 %. The high energy prices in particular are continuing to have a negative impact. The war which Russia began against Ukraine in February 2022 and western sanctions against Russia have likewise reduced the rate of growth, even if crises on the energy markets and related economic pressures were avoided.

Germany is the only G20 state to have contracted in 2023. The German economic model is particularly vulnerable to high gas prices, more so than other economic models. In addition, according to the 2023 / 2024 annual assessment by the German Council of Economic Experts the German economy is suffering from diminishing productivity growth and declining growth in its capital stock. Real gross domestic product 02 contracted by - 0.2 %.

Development of world economy in % 01 | page 50



Gross domestic product trend in germany, adjusted for price changes in % 02 | page 50

Gross domestic product in %

– 0,2

Germany's price-adjusted gross domestic product contracted by – 0.2 % in 2023.

Interest-rate trend

The monetary policy of the European Central Bank (ECB) had a lasting impact. Inflation was curbed through its key interest-rate hikes which began in July 2022, with ten further interest rate moves in the period up to September 2023. The interest rate trend in 2023 was shaped by an inverse yield curve, with short-term interest rates in some cases significantly exceeding the interest rates for long-term maturities.

Banking sector

The significantly higher interest rate level offered German banks improved opportunities to increase their interest rate margins compared to the previous phase of zero or negative interest rates. On the other hand, the higher interest rates in combination with higher prices for the construction of new buildings dampened the level of demand for related financing.

Turbulence on the financial markets at the start of the year – due to concerns over the banking industry's liquidity situation, prompted by individual cases – proved merely short-term in nature.

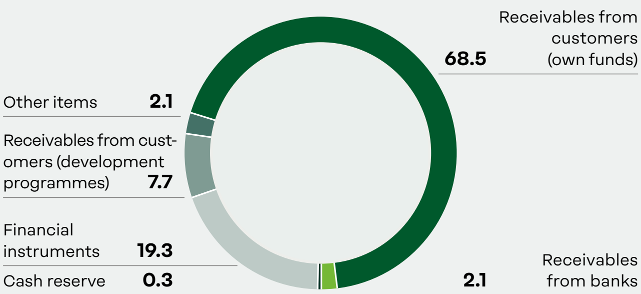
The sluggish economic picture in Germany represented a difficult environment for the development of demand for credit. In conjunction with the growing uncertainty over future economic development due to the geopolitical crises, the Bank expects this to generally have a negative impact on risk provisioning requirements in the industry. This is particularly true of the real estate market in the office and commercial real estate segment.

The future challenges for the banking sector range from demographic change to the ongoing potential disruption of the banking business and the defense against cyber risks. This means that the banks must already make stronger investments in digitalisation, in order to offset the looming loss of employees and offer their customers a competitive proposition.

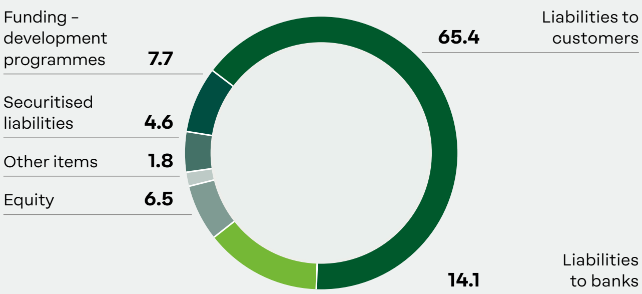
Net assets and financial position

EUR m	12/31/2023	12/31/2022	Changes	Changes in %
Cash reserve	77.7	1,529.8	- 1,452.0	- 94.9
Trading portfolio assets	76.1	108.5	- 32.3	- 29.8
Positive fair values of derivative hedging instruments	35.1	17.9	17.2	96.2
Receivables from banks	548.8	775.2	- 226.4	- 29.2
Receivables from customers	19,724.6	18,008.9	1,715.6	9.5
Financial assets of the non-trading portfolio	4,882.4	3,087.3	1,795.1	58.1
Tangible fixed assets	53.2	60.5	- 7.3	- 12.0
Intangible assets	32.9	31.0	1.9	6.1
Other assets	335.7	357.2	- 21.5	- 6.0
Income tax assets	0.0	0.0	—	—
Deferred tax assets	110.8	104.7	6.1	5.9
Non-current assets held for sale	1.2	0.7	0.5	80.5
Total assets	**25,878.6**	**24,081.6**	**1,797.0**	**7.5**
Trading portfolio liabilities	93.1	161.2	- 68.1	- 42.2
Negative fair values of derivative hedging instruments	3.6	9.4	- 5.9	- 62.4
Liabilities to banks	5,628.7	5,075.3	553.4	10.9
Liabilities to customers	16,917.6	16,192.5	725.1	4.5
Securitised liabilities	1,196.6	706.9	489.6	69.3
Subordinated debt	129.3	161.9	- 32.6	- 20.1
Income tax liabilities	12.7	44.8	- 32.1	- 71.7
Provisions	135.2	129.0	6.1	4.7
Other liabilities	80.9	83.1	- 2.2	- 2.6
Equity	**1,681.0**	**1,517.4**	**163.5**	**10.8**
Total equity and liabilities	**25,878.6**	**24,081.6**	**1,797.0**	**7.5**

Balance sheet structure: assets in % 03 | page 53



Balance sheet structure: equity & liabilities in % 04 | page 53



OLB continued to pursue its planned growth strategy in 2023. Total assets increased by 7.5 % on the previous year. The Bank maintained its balance sheet structure characterised by a balanced mix 03 - 04 of self-funded loans and customer deposits.

On the assets side, the key growth factors were lending business, with organic growth of EUR 1.7 billion, and the significant EUR 1.8 billion increase in its securities portfolio. The latter is attributable to the fact that the resources required for the impending funding of the acquisition of Degussa Bank AG and the growth of lending business were invested in securities on a short-term basis.

Customer deposits remained the most important source of funding. In the past financial year, the deposit base was continuously increased by EUR 725 million. For the first time, the Bank was also active here in collaboration with brokerage platforms. In addition, OLB expanded its capital market presence. In January 2023, for the first time the Bank issued a senior preferred bond with a volume of EUR 400 million.

Credit volume

EUR	12/31/2023	12/31/2022	Changes	Changes in %
Gross receivables from customers	**19,921.7**	**18,193.9**	**1,727.9**	**9.5**
thereof non-performing receivables	301.8	273.3	28.5	10.4
Total risk provision for receivables from customers	**197.2**	**184.9**	**12.3**	**6.6**
thereof general loan loss provision (Stage 1 / Stage 2)	78.1	79.5	- 1.3	- 1.7
thereof specific loan loss provision (Stage 3)	119.1	105.5	13.6	12.9
Loan volume	**19,724.6**	**18,008.9**	**1,715.6**	**9.5**
Proportion of non-performing receivables (“NPL ratio”)	1.5 %	1.5 %	0.0	0.9
Collateral assigned to non-performing receivables	108.3	109.1	- 0.8	- 0.8
Coverage ratio of non-performing receivables including collateral (“Coverage ratio”)	75.3 %	78.5 %	- 0.0	- 4.1
NPL coverage ratio excluding collateral	39.5 %	38.6 %	0.0	2.2

In both segments, OLB expanded its lending business via organic growth. The balanced role of its business segments in the overall volume of credit was maintained. In its Corporates & Diversified Lending segment, lending business increased significantly, particularly in the areas of Football Finance, International Diversified Lending and Acquisition Finance. The increase in its Private & Business Customers segment was mainly driven by further growth in private mortgage financing. The reduced volume of demand in Germany due to the higher interest rate level was made up for through successful new business via a partner in the Netherlands. Here, the credit demand trend was considerably more stable than in Germany, due to government subsidies and more favourable conditions. Overall, very strong credit volume growth was achieved over the year as a whole. The credit volume in the financial year 2023 increased by 9.5 % to EUR 19.7 billion (previous year: EUR 18.0 billion). 05.

Credit volumes in EUR bn

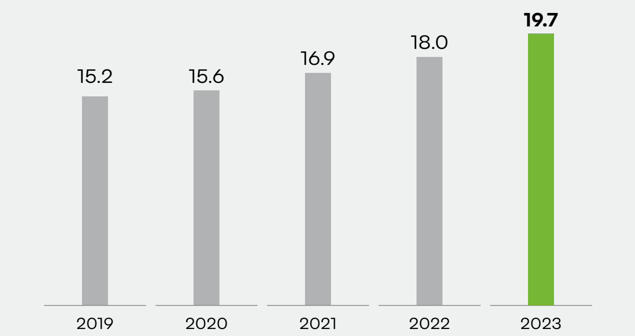
19.7

Previous year 18.0

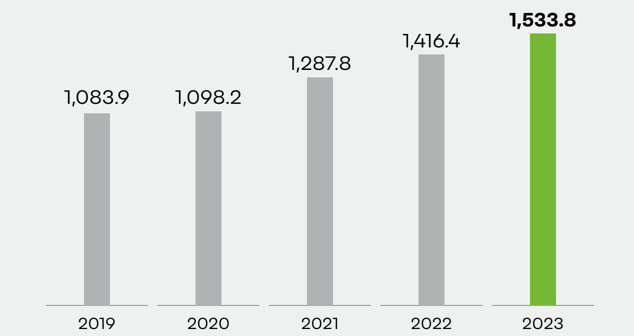
OLB has increased its credit volume by 9.5 % to EUR 19.7 billion.

For the measurement of the necessary general risk provisions (Stage 1 and Stage 2), OLB once again calculated the future development of the macroeconomic environment in the form of three different scenarios. These were weighted in terms of their effects and their probability of realisation. In the previous year, due to the expected impact of the huge rise in energy and consumer prices and the general rise in interest rates the Bank implemented a EUR 15.9 million post-model adjustment (PMA) for its risk provision in which the individual effects on specific sectors of the economy were analysed and transformed into estimated changes to default probabilities. The PMA was routinely reviewed in December 2023. The Bank determined that, despite an expansion of the models for the risk provisioning trend to include, for instance, effects resulting from the development of fossil energy prices, significant risks in the current economic situation have still not been adequately reflected in the parameters used. This is true of the effects of increases in consumer prices, for the interest rate- and price-related downswing in the construction industry and the decline in real estate values which the Bank had anticipated. The situation in the manufacturing segments of German industry which require a high volume of electricity also continues to be considered strained and has not been included in the parametrisation of the risk models applied. The sector heat map method developed for the calculation and inclusion of these risks – which have not been adequately incorporated in the risk provisioning models – continued to be considered appropriate. The classification of sectors in terms of risk classes was reviewed and revised for individual sectors. Due to the revised basis for the determination of model adjustments, the existing PMA was fully released and replaced by an updated

Customer credit volume in EUR bn 05 | page 54



Tier 1 capital in EUR m 06 | page 55



PMA with a volume of EUR 16.0 million. Overall, at the end of the year despite the significantly increased credit volume general risk provisioning was at EUR 78.1 million slightly lower than in the previous year.

The volume of specific loan loss provisions for concrete default risks increased slightly year-on-year by EUR 13.6 million to EUR 119.1 million.

Non-performing customer receivables as a proportion of total receivables from customers (gross before risk provision) ("NPL ratio") remained unchanged on the previous year at 1.5 %.

NPL Ratio in %

1.5

Previous year 1.5

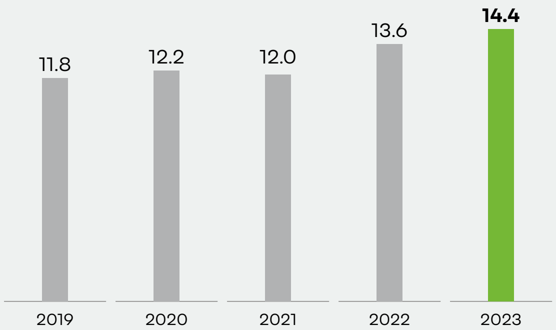
As of December 31, 2023, non-performing receivables as a proportion of the overall portfolio were stable at 1.5 %.

On-balance-sheet equity

The Bank's shareholders once again strengthened OLB's on-balance-sheet equity through the retention of an amount of EUR 187.6 million out of its 2022 net retained profits. In addition, share capital has increased by a further EUR 2.4 million owing to the conversion of two convertible bonds. Including the current net retained profits for 2023, the Bank's equity was at EUR 1,681.0 million 10.8 % higher than in the previous year.

COMMON EQUITY
TIER 1 CAPITAL RATIO in %

07 | page 56



Regulatory capital (sec. 10 KWG in conjunction with art. 25 – 88 CRR)

The regulatory Common Equity Tier 1 capital is mainly comprised of equity capital on the balance sheet (calculated in accordance with the German Commercial Code), taking into account regulatory deductions of EUR 29.4 million. In 2023, the Bank once again made use of the option to claim EUR 70.0 million – most of its net profit for the first six months of the year, as of June 30, 2023 – as Common Equity Tier 1 capital over the course of the year on the basis of art. 26(2) CRR. Overall, Common Equity Tier 1 capital thus amounted to EUR 1,432.5 million (previous year: EUR 1,275.2 million) as of December 31, 2023. In preparation for a possible initial public offering, the Bank has reorganised its capital structure, also in view of possible effects of existing convertible bonds. In this respect, two bonds with the status of Additional Tier 1 capital were repaid in 2023. This measure resulted in the decrease in the AT1 position from EUR 141.2 million to EUR 101.2 million. OLB's Common Equity Tier 1 capital amounted to EUR 1,533.8 million as of December 31, 2023 06.

Tier 1 capital in EUR m

1,534

Previous year 1,416

OLB's Tier 1 capital amounted to EUR 1,533.8 million as of December 31, 2023.

Eligible Tier 2 capital mainly consists of subordinated debt. The decline from EUR 141.0 million to EUR 117.9 million is mainly attributable to the reduced inclusion of funds with a remaining term of less than five years, in accordance with regulatory requirements.

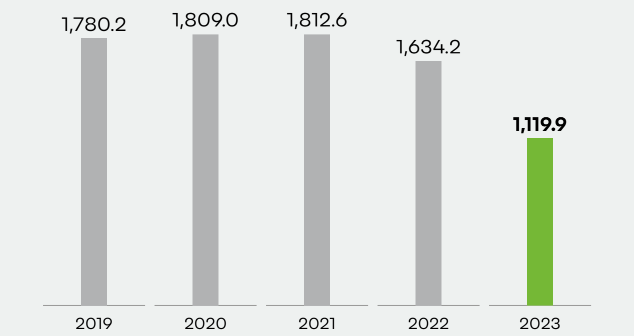
EUR m	12/31/2023	12/31/2022	Changes	Changes in %
Common Equity Tier 1 capital	**1,432.5**	**1,275.2**	**157.4**	**12.3**
Additional Tier 1 capital (AT1)	101.3	141.2	- 40.0	- 28.3
Tier 1 capital	**1,533.8**	**1,416.4**	**117.4**	**8.3**
Tier 2 capital	117.9	141.0	- 23.1	- 16.4
Share capital and reserves	**1,651.7**	**1,557.4**	**94.3**	**6.1**
Risk assets for counterparty risks	9,014.8	8,542.0	472.8	5.5
Risk assets for market price risks	—	—	—	n. a.
Risk assets for operational risks	960.5	820.8	139.6	17.0
Risk assets	**9,975.3**	**9,362.8**	**612.5**	**6.5**

%	12/31/2023	12/31/2022
Common Equity Tier 1 capital ratio	14.4	13.6
Tier 1 capital ratio	15.4	15.1
Aggregate capital ratio	16.6	16.6

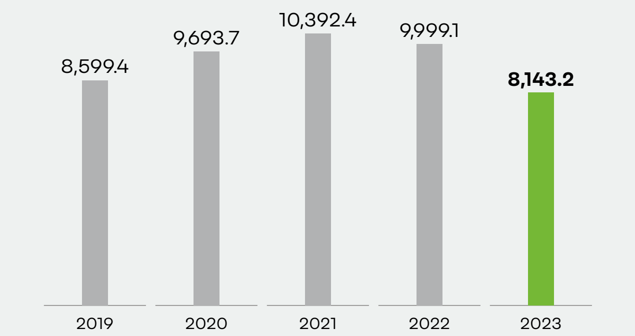
The growth in the credit volume was the key factor behind the increase in risk assets for counterparty risks by 5.5 % to EUR 9,014.8 million. This was offset by the fact that the Bank has transferred default risks to external investors, by way of a risk transfer in the form of a synthetic securitisation. Risk assets for operational risks rose by EUR 139.6 million year-on-year to EUR 960.5 million. This was attributable to the increased basis of measurement due to OLB's growth.

Despite the 6.5 % rise in the volume of risk assets to EUR 9,975.3 million, the Common Equity Tier 1 capital ratio 07 increased from 13.6 % to 14.4 % due to the significant growth in the Bank's capital base.

Customer saving deposits in EUR m 08 | page 58



Customer demand deposits in EUR m 09 | page 58



Common Equity Tier 1 capital ratio (CET1 Ratio) in %

14.4

Previous year 13.6

Despite the 6.5 % rise in the volume of risk assets to EUR 9,975.3 million, the Common Equity Tier 1 capital ratio increased from 13.6 % to 14.4 % due to the significant growth in the Bank's capital base.

In the context of the anticipated closing of its Degussa Bank acquisition in 2024, OLB thus deliberately raised its Common Equity Tier 1 capital ratio beyond the target level of 12.25 %. In addition, as the result of a special audit of its Acquisition Finance business by the German Federal Financial Supervisory Authority (BaFin), the Bank expects to be required to fulfil higher minimum capital requirements in the financial year 2024. The institution-specific premium within the scope of the supervisory review and evaluation process (SREP) was unchanged at one percentage point as of December 31, 2023.

On December 31, 2023, the Tier 1 capital ratio continued to significantly exceed the minimum regulatory level required for OLB of 10.25 %. This consists of the statutory minimum requirements according to art. 92 CRR of 8.5 %, the pro rata SREP add-on of 0.75 % and the institution-specific anticyclical capital and systemic risk buffer for residential property, jointly amounting to 86 basis points, plus the Pillar 2 recommendation of 10 basis points which is to be counted towards this minimum regulatory level. The improvement in the Tier 1 capital ratio thus corresponds to the development of this indicator envisaged in the previous year for a moderately optimistic economic scenario.

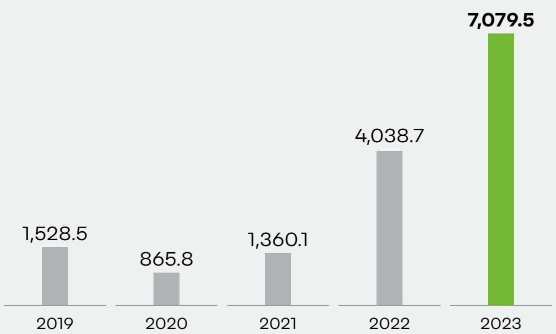
Liquidity and financial assets of the non-trading portfolio

As of the reporting date, OLB maintained a non-trading financial assets portfolio of EUR 4.9 billion by way of a liquidity reserve.

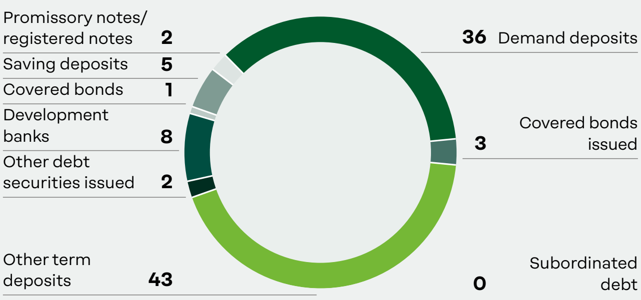
The 58.1 % increase on the previous year (EUR 3.1 billion) is mainly attributable to investments in the portfolio of investment-grade covered bonds and government bonds. These are for the short-term investment of resources required for funding of the impending acquisition of Degussa Bank and for the growth of lending business.

OLB manages its liquidity position with the goal of safeguarding the Bank's solvency at all times, even in the event of a sudden crisis on the financial markets. As well as internal management instruments based on funding matrices and the net stable funding ratio (NSFR) which is relevant for regulatory purposes, the regulatory key performance indicator liquidity coverage ratio (LCR) represents the primary key financial performance indicator for the Bank's liquidity management. The regulatory minimum LCR value of 100 % and internal liquidity risk limits were regularly reviewed and complied with in the financial year 2023 (December 31, 2023: 147.4 %, previous year: 173.9 %). In line with the previous year's forecast, on the basis of the month-end figures the LCR in each case significantly exceeded the minimum statutory requirement.

Customer term deposits in EUR m 10 | page 58



Deposits and borrowed funds in % 11 | page 58



Deposits and borrowed funds

Despite an intense level of competition in its deposits business, the Bank has once again mainly refinanced its lending growth by means of significant growth in its customer deposits 11, which have increased by 4.5 % to EUR 16.9 billion. A contributing factor here was that in 2023 for the first time OLB made it possible to become a customer of the Bank and lodge term deposits via brokerage platforms. In the context of the significantly higher interestrate level, the trend of a growing volume of restructuring from demand deposits to term deposits 08 – 10 continued.

The Bank also further expanded its capital market presence with the issue of its first senior preferred bond with a volume of EUR 400 million in January 2023. For this first issue OLB was recognised in the category "Most impressive debut unsecured issuer" at the Global Capital Bond Awards 2023. In 2023, the rating agency Moody's awarded OLB as a Baa2 issuer an investment-grade rating with a positive outlook.

Volume of customer deposits in EUR bn

16.9

Previous year 16.2

The volume of customer deposits increased significantly by 4.5 % to EUR 16.9 billion.

EUR m	12/31/2023	12/31/2022	Changes	Changes in %
Demand deposits	480.8	101.7	379.1	>100.0
Development banks	1,990.5	2,315.7	- 325.2	- 14.0
Promissory notes / registered notes	13.1	23.2	- 10.1	- 43.7
Covered bonds	65.5	65.5	- 0.0	- 0.0
Other term deposits	3,078.8	2,569.2	509.6	19.8
Liabilities to banks (AC)	**5,628.7**	**5,075.3**	**553.4**	**10.9**
Demand deposits	8,143.2	9,999.1	- 1,855.9	- 18.6
Promissory notes / registered notes	397.9	403.4	- 5.6	- 1.4
Covered bonds	177.2	117.1	60.1	51.4
Other term deposits	7,079.5	4,038.7	3,040.8	75.3
Saving deposits	1,119.9	1,634.2	- 514.3	- 31.5
Liabilities to customers (AC)	**16,917.6**	**16,192.5**	**725.1**	**4.5**
Covered bonds issued	700.1	699.5	0.5	0.1
Other debt securities issued	496.5	7.4	489.1	>100.0
Securitised liabilities (AC)	**1,196.6**	**706.9**	**489.6**	**69.3**
Convertible bonds (Tier 1)	1.7	16.7	- 15.0	- 89.9
Debt instruments (Tier 2)	—	14.0	- 14.0	- 100.0
Promissory note loans (Tier 2)	125.1	128.1	- 3.0	- 2.3
Customer deposits (Tier 2)	2.5	3.1	- 0.6	- 20.0
Subordinated debt	**129.3**	**161.9**	**- 32.6**	**- 20.1**
Total deposits and borrowed funds	**23,872.2**	**22,136.6**	**1,735.6**	**7.8**

Results of operations

The development of the results of operations demonstrates a continuing positive trend for the Bank's operating performance and profitability. The organic growth in its customer business resulted in an increase in its operating interest and commission income. The Bank continuously focused on maintaining control over the operating cost trend, so that the increase in costs is only attributable to one-off costs in connection with the acquisition of Degussa Bank. Despite a difficult economic environment, with a decline in real GDP, risk provisioning charges remained in line with the planning. Overall, the result for the previous year, with a net profit for the financial year of EUR 197.7 million, thus once again increased by 16.5 % to EUR 230.4 million in financial year 2023.

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022	Changes	Changes in %
Net interest income	509.4	435.8	73.6	16.9
Net commission income	120.6	114.8	5.8	5.1
Trading result	20.1	8.4	11.7	>100.0
Result from hedging relationships	- 22.9	- 19.0	- 3.8	20.1
Other income	19.0	25.5	- 6.5	- 25.6
Result from non-trading portfolio	- 1.8	12.3	- 14.0	<- 100.0
Operating income	**644.6**	**577.8**	**66.8**	**11.6**
Personnel expenses	- 140.1	- 145.8	5.7	- 3.9
Non-personnel expenses	- 99.9	- 73.4	- 26.5	36.0
Depreciation, amortisation and impairments of intangible and tangible fixed assets	- 22.9	- 24.5	1.6	- 6.7
Other expenses	- 0.2	- 0.6	0.4	- 67.9
Operating expenses	**- 263.1**	**- 244.3**	**- 18.8**	**7.7**
Expenses from bank levy and deposit protection	- 12.2	- 15.2	3.0	- 19.6
Risk provisioning in the lending business	- 41.0	- 44.7	3.7	- 8.3
Result from derecognition of financial instruments AC	—	—	—	n. a.
Result from restructurings	7.1	3.7	3.5	93.6
Result before taxes	**335.4**	**277.2**	**58.2**	**21.0**
Income tax	- 105.0	- 79.5	- 25.5	32.1
Result after taxes (profit)	**230.4**	**197.7**	**32.6**	**16.5**
Return on equity (post tax) in %	**15.2**	**14.7**		

Supported by the continuous increase in the volume of business in both segments and a significantly higher interest rate level by comparison with the previous year, OLB increased its operating income by EUR 66.8 million to EUR 644.6 million (previous year: EUR 577.8 million).

Operating income in EUR m

644.6

Previous year 577.8

Operating income increased year-on-year and reached a volume of EUR 644.6 million.

Income consists of the following components:

Net interest income

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022	Changes	Changes in %
Interest income accounted for using the effective interest method	**879.4**	**558.5**	**320.8**	**57.4**
Interest income from lending transactions accounted for using the effective interest method	823.8	518.6	305.2	58.9
Interest income from securities business accounted for using the effective interest method	55.5	39.9	15.6	39.1
Interest income not accounted for using the effective interest method	**105.5**	**- 53.4**	**158.9**	**<- 100.0**
Negative interest from financial assets	- 1.3	- 24.1	16.2	- 67.4
Current income from shares and other non-fixed income securities	0.0	0.0	- 0.0	- 82.5
Current income from investment securities and non-consolidated affiliated companies	0.0	0.0	0.0	>100.0
Other interest income	106.7	- 29.4	142.7	<- 100.0
Total interest income	**984.9**	**505.1**	**479.7**	**95.0**
Interest expenses from liabilities to banks	- 116.0	- 19.1	- 96.9	>100.0
Interest expenses from liabilities to customers	- 224.1	- 44.2	- 179.8	>100.0
Interest expenses from securitised liabilities	- 33.7	- 3.8	- 29.9	>100.0
Interest expenses from subordinated debt	- 5.4	- 6.6	1.2	- 18.1
Other interest expenses	- 96.5	- 28.3	- 68.4	>100.0
Positive interest from financial liabilities	0.2	32.8	- 32.3	- 98.3
Total interest expenses	**- 475.4**	**- 69.3**	**- 406.1**	**>100.0**
Net interest income	**509.4**	**435.8**	**73.6**	**16.9**

OLB increased its net interest income by EUR 73.6 million to EUR 509.4 million in 2023, compared to EUR 435.8 million in the previous year. This increase thus significantly exceeded the previous year's forecast of a moderate rise. This outstanding trend mainly reflects the impact of the volume of business, the interest rate level and the balance sheet structure. On the one hand, the increase in net interest income is attributable to growth in the Bank's lending business in 2022 and 2023. Following an increase of 4.1% in the previous year, OLB again expanded its credit volume by a further 9.5% to EUR 19.7 billion. On the other hand, the significantly higher interest rate level by comparison with the previous year resulted in a considerable increase in gross expenses and income, due to new business and products with regular interest rate adjustments. The payer swaps used for interest book management had a particularly positive effect here, since the Bank profited from the significant increase in the interest received for the variable side of the swap. The structural effects had a slight dampening effect on net interest income in 2023. In particular, the reduced take-up of credit lines and operating loans and restructuring from demand deposits to higher-interest term deposits had a negative impact here.

Net commission income

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022	Changes	Changes in %
Account fees et al.	29.0	27.5	1.5	5.5
Securities business and asset management	35.5	36.7	- 1.2	- 3.3
Private real estate, house-saving and insurance business	9.7	12.9	- 3.2	- 24.9
Loan business fees	43.9	34.5	9.4	27.2
Others	2.6	3.2	- 0.7	- 21.1
Total net commission income	**120.6**	**114.8**	**5.8**	**5.1**

In 2023, as expected OLB moderately increased its net commission income by 5.1% to EUR 120.6 million. The key factor behind this trend was a very significant increase in commission income in connection with the structuring and acquisition of tailored financing solutions in the lending business. In addition, the result for the payment transactions business was significantly improved, in particular due to savings on the costs associated with cards. Overall, the weaker trend in the other business areas generating commission income was thus more than made up for. However, the declining revenue trend from securities business and asset management was stabilised. Following the significant decrease in 2022, net commission income in this area was at EUR 35.5 million only slightly lower than in the previous year (EUR 36.7 million).

Trading result

This item shows the result from customer trading of interest and foreign exchange products and the measurement result for derivatives which the Bank uses to manage the interest rate risks for its non-trading portfolio and which are not included in its hedge accounting. The significant increase in the trading result, from EUR 8.4 million to EUR 20.1 million, is mainly attributable to the positive measurement result for these derivatives.

Result from hedging relationships

OLB uses interest rate swaps to manage the interest rate risks for its non-trading portfolio. These are recognised as micro-hedges or portfolio hedges, in accordance with the hedge accounting rules. The reported result from hedging relationships reflects the incomplete match between valuation changes for the interest rate swaps and the hedged underlying transactions. On the one hand, this ineffectiveness is attributable to differences in terms of the maturities (start dates), amounts and volumes of the underlying transactions and the hedging transactions. On the other hand, the valuation of the variable side of the swap with different yield curves has affected the result. In the context of lively activity associated with the growth of the securities portfolio, interest rate fluctuations and mismatches in the start dates for the underlying transactions and the hedging transactions resulted in a negative impact on the result of EUR – 22.9 million (previous year: EUR – 19.0 million).

Other income

In 2023 other income – which at EUR 18.9 million was significantly below the figure of EUR 25.5 million for the previous year – was mainly shaped by payments made by an external contract partner of OLB. The Bank received these payments by way of compensation for the slower than expected progress made in the outsourcing of business processes. In addition, OLB continued to optimise its site management. Existing properties which no longer meet current requirements and are oversized were sold. The Bank thus realised book profits of EUR 6.8 million.

Operating expenses

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022	Changes	Changes in %
Personnel expenses	- 140.1	- 145.8	5.7	- 3.9
Non-personnel expenses	- 99.9	- 73.4	- 26.5	36.0
Depreciation, amortisation and impairments of intangible and tangible fixed assets	- 22.9	- 24.5	1.6	- 6.7
Other expenses	- 0.2	- 0.6	0.4	- 67.9
Operating expenses	**- 263.1**	**- 244.3**	**- 18.8**	**7.7**
Employees as of reporting date	1,380	1,454	- 74	- 5.1
Full-time equivalents as of reporting date	1,217	1,275	- 58	- 4.6
Cost-income ratio (CIR) in %	40.8	42.3	- 1.5	- 3.5

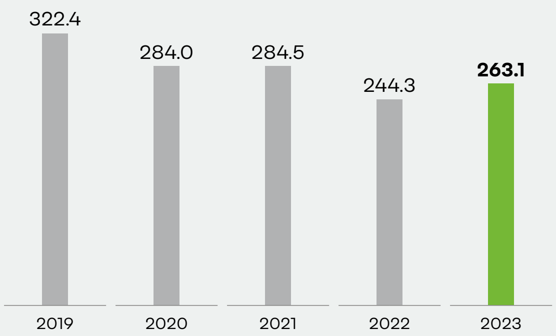
Following the completion of the measures initiated in the previous year to modernise and streamline internal administrative workflows, with an average of 1,263.8 full-time equivalents the number of employees was once again considerably lower than in the previous year (1,360.6 full-time equivalents). Accordingly, personnel expenses declined significantly by 3.9 % to EUR 140.1 million.

At EUR 24.5 million, the costs associated with the purchase of Degussa Bank and official approval of this acquisition and the expenses incurred by way of preparation for the smooth technical and legal integration of Degussa Bank into OLB were the key factor behind the 36.0 % increase in non-personnel expenses to EUR 99.9 million.

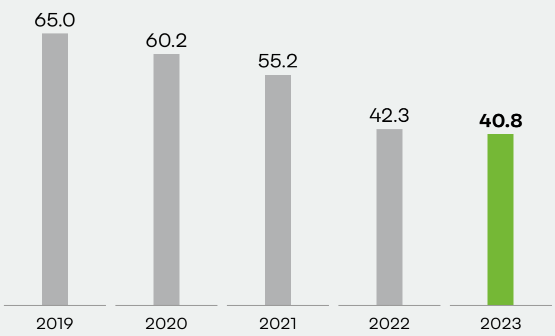
The acquisition is now expected to become legally effective ("closing") in the first half of 2024, instead of mid-2023 as predicted in the previous year; this was the main factor behind the over-shooting of the forecast for non-personnel expenses. Excluding this one-off effect, thanks to its disciplined cost management the Bank maintained non-personnel expenses at the same level as in the previous year, despite inflationary pressures. The decrease in depreciation, amortisation and impairment is mainly due to changes in the right-of-use assets determined in the lease accounting.

Overall, due to the non-recurring expenses operating expenses 12 thus increased by 7.7 % to EUR 263.1 million, contrary to the previous year's forecast. Due to the significant increase in operating income, the cost-income ratio 13 nonetheless decreased from 42.3 % in the previous year to 40.8 % in 2023.

Operating expenses in EUR m 12 | page 62



Cost-income-ratio in % 13 | page 62



Cost-income ratio in %

40.8

Previous year 42.3

The cost-income ratio calculated according to the Bank's normal practice declined by 1.5 percentage points to 40.8 %.

Risk provision in EUR m

41.0

Previous year 44.7

At EUR 41.0 million, the risk provisioning trend declined on the previous year, despite the weak economic trend in Germany.

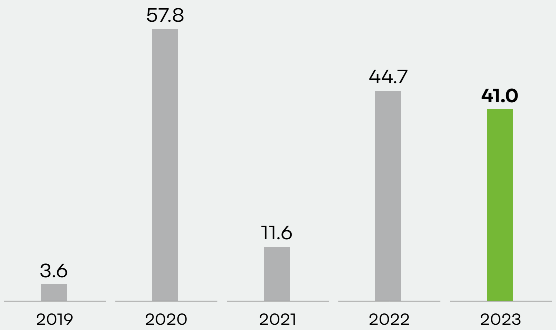
Risk provisioning in the lending business

At EUR 41.0 million, the risk provisioning trend in the reporting year declined on the previous year (EUR 44.7 million), despite the weak economic trend in Germany. In the reporting year, in response to the findings of a BaFin audit in 2023 OLB further tightened its criteria for the measurement of risk provisioning in the area of acquisition finance and made corresponding additions to risk provision 14 in this area. Overall in 2023 in terms of the risk provisioning trend the Bank once again benefited from the granular structure and high level of diversification of its portfolio, particularly in relation to sectors and risk factors.

Result from restructuring

OLB was able to remain considerably below the levels budgeted for in terms of the anticipated costs of implementation for the restructuring measures resolved at the end of 2021. The Bank was therefore able to release existing provisions for personnel measures in the amount of EUR 7.5 million.

Risk provision expense in EUR m 14 | page 63



Overall summary

In its forecast for the development of the financial year 2023, OLB distinguished between two possible scenarios with a view to the development of the Russia-Ukraine war and its consequences. In retrospect, it is clear that the assumptions based on the moderately optimistic scenario have generally been realised (limited impact of the war on economic growth, normalisation of energy prices, fall in inflation). In this operating environment, OLB pursued its goals in line with its forecast. Income from operating business was significantly increased. The cost structure was stable. One-off expenses in connection with the acquisition of Degussa Bank were largely offset by lower personnel costs. Risk provisioning declined on the previous year, as expected. The Bank has thus surpassed its targets in terms of the development of its net profit for the financial year and its return on equity. In summary, the Bank considers that its business performance in 2023 was highly satisfactory.

Result after taxes in EUR m

230.4

Previous year 197.7

With a result after taxes of EUR 230.4 million and a return on equity of 15.2 %, overall the result exceeds the level envisaged in the previous year.

Segment reporting

EUR m	Private & Business Customers	Corporates & Diversified Lending	Corporate Centre	OLB Group
01/01 - 12/31/2023				
Net interest income	258.1	271.8	- 20.4	509.4
Net commission income	76.2	48.2	- 3.7	120.6
Other operating income*	2.8	10.7	2.8	16.3
Result from non-trading portfolio**	—	—	- 1.8	- 1.8
Operating income	**337.1**	**330.6**	**- 23.1**	**644.6**
Operating expenses* **	**- 151.7**	**- 63.2**	**- 48.2**	**- 263.1**
Operating result	**185.3**	**267.5**	**- 71.3**	**381.5**
Expenses from bank levy and deposit protection	- 6.3	- 5.9	—	- 12.2
Risk provisioning in the lending business	- 13.4	- 29.6	2.1	- 41.0
Result from restructurings	—	—	7.1	7.1
Result before taxes	**165.5**	**231.9**	**- 62.1**	**335.4**
Income tax	- 51.3	- 71.9	18.2	- 105.0
Result after taxes (profit)	**114.2**	**160.0**	**- 43.9**	**230.4**
Cost-income ratio (CIR)	**45.0**	**19.1**	**n/a**	**40.8**
Return on equity (post tax) in %	**32.3**	**18.8**	**n/a**	**15.2**
01/01 - 12/31/2022				
Net interest income	188.7	233.6	13.6	435.8
Net commission income	82.6	37.9	- 5.6	114.8
Other operating income*	14.8	10.0	- 9.9	14.9
Result from non-trading portfolio**	—	—	12.3	12.3
Operating income	**286.1**	**281.4**	**10.3**	**577.8**
Operating expenses* **	**- 165.4**	**- 57.4**	**- 21.4**	**- 244.3**
Operating result	**120.6**	**224.0**	**- 11.1**	**333.5**
Expenses from bank levy and deposit protection	- 8.6	- 6.6	—	- 15.2
Risk provisioning in the lending business	- 5.2	- 42.6	3.1	- 44.7
Result from restructurings	—	—	3.7	3.7
Result before taxes	**106.8**	**174.9**	**- 4.4**	**277.2**
Income tax	- 33.1	- 54.2	7.8	- 79.5
Result after taxes (profit)	**73.7**	**120.6**	**3.4**	**197.7**
Cost-income ratio (CIR)	**57.8**	**20.4**	**n/a**	**42.3**
Return on equity (post tax) in %	**22.0**	**15.3**	**n/a**	**14.7**

* Comprises trading result, result from hedging relationships and other income

** Including result from derecognition of financial instruments AC

*** Comprises personnel expenses, non-personnel expenses, depreciation, amortisation and impairments of intangible and tangible fixed assets and other expenses

Private & Business Customers

In the Private & Business Customers segment, net interest income benefited heavily in the past financial year from significantly higher margin contributions from deposit business in line with the general interest rate trend. This more than compensated for slight declines in contribution margins in the lending business, due to a lower net interest margin in the lending business, and the decline in commission business in almost all business segments except payment transactions business. On the whole, operating income increased by 25.7 % year-on-year to EUR 337.1 million.

The significant improvements to the cost base made in the previous year proved to be sustainable in the financial year 2023. Direct personnel and non-personnel costs for the segment saw another year-on-year decline, once all of the measures implemented had come to fruition. The transfer prices charged for the use of central services and the apportionment of the costs for the Corporate Centre remained stable relative to the previous year. In combination with the significant increase in income, the decrease in operating expenses considerably improved the cost-income ratio, which rose by 12.8 percentage points to 45.0 %.

Risk provisioning expense returned to a normal level of EUR 13.4 million, after the extremely favourable trend in the previous year (EUR 5.2 million). Segment earnings were positively impacted by the decrease in mandatory regulatory contributions, which declined by EUR 2.3 million to EUR 6.3 million.

Overall, segment profitability improved considerably thanks to the developments described. The return on equity increased to 32.3 %.

Corporates & Diversified Lending

Operating income in the Corporates & Diversified Lending segment once again increased significantly compared with 2022, climbing 17.5 % to EUR 330.6 million. On the one hand, this increase reflected sustained, strong lending growth, which was due to a further increase in net interest income as well as higher commission income from lending business. On the other hand, the Corporates & Diversified Lending segment also benefited from higher margin contributions from deposit business. Due to the significant increase in the volume of business, at EUR 63.2 million total segment expenses exceeded the previous year's level (EUR 57.4 million). Risk provisioning expense developed favourably in this segment and at EUR 29.6 million was significantly lower than in the previous year (EUR 42.6 million) and the target figure based on statistical expectations. Overall, segment earnings after taxes were up EUR 39.4 million to EUR 160.0 million. As a result, the return on equity for the Corporates & Diversified Lending segment rose from 15.3 % to 19.1 %.

Corporate Centre

Operating income for the Corporate Centre was predominantly impacted by the inverse yield curve in the financial year 2023. Short-term interest rates (up to one year) were significantly higher than longer-term interest rates in some cases, which resulted in a significant reduction in income from the maturity transformation. This was the main factor behind the decline in operating income to EUR – 23.1 million.

The increase in administrative expenses for the Corporate Centre is attributable, in particular, to non-recurring expenses incurred in connection with the acquisition of Degussa Bank and preparations for its integration.

As a result of these factors, the result after taxes for the Corporate Centre decreased substantially to EUR – 43.9 million (previous year: EUR 3.4 million).

Forecast [6]

Development of OLB AG

In view of the external conditions, the following factors and resulting risks and opportunities are considered to be material for the expected course of business of OLB AG:

In terms of the *economic environment,* for 2024 OLB expects real gross domestic product growth of 1%. The overall highly moderate but nonetheless positive outlook for the German economy reflects lower energy prices, which will ease the pressure on energyintensive industry. This sector had significantly cut back on its volume of production in 2022 and 2023 due to the high price levels. Private consumption may be expected to have a stronger effect. In 2022 and in 2023 in particular, the trade unions negotiated wage increases for their members. In many industries, wage increases of 5% or more were agreed. Since inflation is likely to fall below the 3% mark in 2024, many German households will experience an increase in real wages. In addition, further catch-up effects will occur, ie, spending which was deferred in 2022 and 2023 due to the high energy prices. Exports of goods and services should also make a positive contribution to growth. Germany's economy should benefit from the recovery in the Eurozone, and the USA also remains an important and growing export market. In 2024 the German construction industry will in all probability stabilise. However, no growth momentum should be expected. The still significantly higher interest rate level, the high construction costs, the lack of craftsmen and the unplannable legislative requirements relating to buildings' energy use are deterring economic actors from making extensive investments in real estate.

On the basis of this economic outlook OLB assumes in principle that demand for credit in the private and commercial segments will remain intact and provide opportunities for further lending growth. In principle, due to the situation on the real estate market expectations relating to the growth of lending business with private customers are considerably more subdued than in the Corporates & Diversified Lending segment. The Bank considers strong growth to be possible here, particularly in the fields involving specialised know-how. Overall, the Bank envisages a slight increase in its credit volume in 2024. For its risk provisioning planning, the Bank applies an expected statistical value derived from risk models. This would represent a slight increase on the financial year 2023. The effects of the economic trend on the counterparty risks included in the coverage ratio for the risk capital requirement and the Tier 1 capital ratio are considered to be slight. Due to its planned lending growth in the coming year, the Bank expects both indicators to decline slightly by comparison with the end of 2023.

In terms of the *interest rate trend,* OLB expects key interest rates to fall again in the second half of 2024 at the latest. The ECB's inflation forecast envisages declining inflation in 2024, and key interest rates will be adjusted in line with the prevailing environment in accordance with this forecast. It appears possible up to likely that the key interest rate will decrease by at least 75 basis points. The key interest rate would thus be at 3.75% at the end of 2024. Credit-financed private and commercial investments are likely to be stepped up again in the context of this turning point in monetary policy and cheaper funding terms.

On the basis of the current balance-sheet structure and the planned interest rate adjustments for deposit business in particular, over the next few years the interest-rate level would, in principle, positively impact net interest income, due to maturities and redemption payments for low-interest receivables via envisaged new business. There is a risk of the Bank being obliged to increase its rate of interest on deposits and its funding requirements caused by lending business beyond the envisaged level, due to the competitive environment. This would adversely affect its net interest margin. A decline in the interest rate level beyond what is expected

6 Reporting on the key risks and opportunities associated with the expected development of OLB is integrated in the following forecast on the Group's business performance and situation. In addition, the risk report in the management report provides further information on the risk management system and on individual risks and the Bank's risk culture and risk position.

would jeopardise the additional earnings contributions envisaged on the basis of the actual trend, but in the short term it would result in a significant increase in the market value of the interest rate book, as the totality of the Bank's interest-bearing positions. In its planning, in its baseline scenario the Bank assumes moderately declining short-term interest rates and a stable interest rate level for long maturities.

Customer deposits continue to represent the main source of *funding* of lending business. The Bank is also increasingly financing its operations by issuing covered bonds and other bearer and registered securities as well as structured financing arrangements based on securitisations. In principle, the Bank continues to adhere to the view that it has a low level of structural vulnerability to disturbances in the money and capital markets that would make raising liquidity difficult or only permit this subject to potentially high interest markups. There is a risk that deposit growth may not keep up with lending growth as planned due to the growing level of competition. This would adversely affect the Bank's net interest margin as a result of the need for higher borrowing on the capital market. OLB will manage its LCR so that it remains within a range of 120 % to 200 % and thus significantly exceeds at all times the minimum level which is required by law. However, higher peak values are possible due to unplanned liquidity inflows, for instance.

In view of the *regulatory requirements,* he handling of environmental, social and governance (ESG) risks and preparations for, and the implementation of, the rules which will come into force over the next few years remain a core area of focus. The revision and expansion of reporting on periodic interest rate risks (IRRBB Reporting), preparations for the implementation of the Digital Operational Resilience Act (DORA) and the integration of sustainability reporting in financial reports (CSRD) remain further areas of action. The Bank does not expect the new rules to result in any restrictions in its business opportunities. The costs for the adjustment and expansion of processes which are required due to new or revised rules are included in the planning. The Bank does not envisage any risks resulting from unexpected cost overruns.

In terms of its *market presence and the core areas of its sales activities,* OLB pursues the following goals in its Private & Business Clients (PBC) and Corporates & Diversified Lending (CDL) segments.

For 2024, moderate growth in the PBC segment is envisaged in the areas of real estate financing and consumer loans. In both lending and deposit business, more than half of the volume of new business is expected to be gained via brokerage platforms. The Bank will maintain its focus on automation and digitalisation in relation to its sales processes. The outsourcing of trade settlement for securities business – which OLB began in 2023 – and securities account maintenance are to be further stepped up.

In its CDL business segment, apart from traditional business with corporate clients the Bank will continue to concentrate on attractive niche markets in which the Bank has a leading position due to its specific expertise in these markets and the high entry hurdles for other competitors. This continues to include, in particular, the areas of Football Finance, Acquisition Finance, Fund Finance and the International Diversified Lending business segment. The Bank's offering in this segment is characterised by an individually tailored profile, larger individual transactions and an increased volume of resources committed to advisory processes and servicing. The Bank expects in 2024 once again to be able to significantly increase its income from lending business in this segment.

In the financial year 2024, the Bank will continue to focus systematically on a high level of *cost discipline.* Now that the restructuring measures on the personnel side have been implemented, no further cutbacks are planned. Nonetheless, the efficiency gains achieved must be consolidated long-term, in order to at least partially offset pressures from the expected increase in wages via collective bargaining agreements. In the area of non-personnel expenses (not including the non-recurring expenses for the purchase of Degussa Bank), the Bank will continue to work on improving its cost structures, particularly in relation to room and energy costs. OLB assumes that it need only accept a moderate increase in operating expenses, despite planned cost increases due to salary adjustments, inflation and higher energy costs.

Since January 2023, OLB has stepped up its activities in order to meet the requirements for a potential initial public offering. The Bank's shareholders will decide on the implementation path and the timing for this.

Planned acquisition of Degussa Bank

On September 14, 2022 OLB signed an agreement on its acquisition of Degussa Bank AG ("Degussa Bank", "signing"). Degussa Bank offers private and business clients a wide range of financial products. As the only "worksite" bank in Germany, it provides on-site bank branches to employees at its partner companies and also offers advice via its digital "bank shop".

The transaction is subject to the normal closing conditions and regulatory approvals, in particular from BaFin and the ECB. While the original expectation of a closing in mid-2023 proved overly optimistic, OLB now expects that this purchase will become legally effective in the first half of 2024.

The purchase of Degussa Bank is part of OLB's long-term strategy of supplementing its organic growth with targeted acquisitions. Through this acquisition, OLB will strengthen its business in the field of retail banking especially. The customers of Degussa Bank and its worksite bank branches complement the customer base and branch network of OLB in areas where OLB is currently underrepresented, in western and southern Germany in particular. Overall, Degussa Bank served around 311,000 customers in the financial year 2023. On December 31, 2023, total assets amounted to EUR 6.5 billion. As of the reporting date, the bank had customer deposits in the amount of EUR 5.2 billion. Its customer credit volume amounted to EUR 5.1 billion. On the basis of the situation as of the reporting date December 31, 2023, the purchase price for Degussa Bank is more than EUR 100 million below Degussa Bank's equity calculated according to the German Commercial Code.

To the extent possible and legally permissible, OLB has begun to make preparations for the operational consolidation of the products, processes, customers and IT system architecture of Degussa. The goal is to merge Degussa Bank into OLB promptly once the technical and legal requirements are met. Since Degussa Bank's IT structure is highly compatible with that of OLB (for example, its core banking system), the risks of delays and complications occurring during the IT migration process are considered to be lower than for previous transactions (integration of Bremer Kreditbank AG, BHN and Wüstenrot Bank AG Pfandbriefbank). All Degussa subsidiaries have already been sold, thus further reducing the level of complexity associated with Degussa's integration. In principle, a merger is envisaged by the end of August 2024 at the latest. However, the overriding requirement is that the migration of the IT systems for customer business not cause disruptions or limit services for the affected customers. A migration will only take place once the requirements for this are met.

Due to the outstanding closing, the schedule (which depends on this date) for detailed legal and technical implementation of the migration process and dependency on third-party services for a successful implementation process, the Bank distinguishes between two different potential scenarios in terms of the likely impact on its net assets, financial position and result of operations.

Scenario 1 assumes rapid approval of the acquisition by the competent authorities. It is further assumed that the schedules for the necessary legal and technical preparations for a merger after the closing can be validated and that the required third-party services can be provided in a timely fashion, so that the merger will take place by the end of August 2024 at the latest. In this scenario, the costs for the merger of Degussa Bank into OLB would fall within the scope of the planned budgets. In addition, Degussa's merger into OLB would make it possible to begin already in financial year 2024 to realise envisaged synergy effects from the harmonisation of the technical systems and the downsizing of administrative and management functions at Degussa Bank.

Due to the various factors on which a successful migration depends, the Bank is also considering an adverse scenario 2 (which it currently considers to be less probable). In this scenario, the schedule for the migration is pushed back to the end of 2024, with corresponding effects on the costs of implementation which will be significantly higher due to the longer duration of the project and the higher volume of expense for implementation. A reduction in the cost burden due to the restructuring of Degussa Bank would not yet take effect in 2024 and would only have a positive impact in financial year 2025 only.

Following the closing of the transaction, for regulatory purposes OLB and Degussa Bank will constitute a single group of institutions. As the higher-level institution, OLB will thus have responsibility in particular for an appropriate and effective risk management system for this group of institutions. Under German commercial law, following the closing Degussa Bank will constitute a subsidiary of OLB which will be included in the IFRS consolidated financial statements of the OLB Group up to a potential merger.

OLB expects that the closing of its Degussa acquisition will mean that the ECB will classify OLB as a significant institution. This will lead to considerable changes in the regulatory procedures to which the Bank is subject. The changeover from supervision by BaFin and the Deutsche Bundesbank to supervision by the ECB would require an increased volume of time and work by OLB, in terms of the implementation of systems and mechanisms and the regulatory interaction associated with this changeover. In 2023 OLB already analysed in a project the possible effects of a changeover to supervision by the ECB. Participation in stress tests initiated by the EBA and ECB and the introduction of an MREL ratio (Minimum Requirement for Own Funds and Eligible Liabilities) are further effects of classification as a significant institution.

The specific effects of the acquisition on the net assets, financial position and result of operations in OLB AG's singleentity financial statements will depend in particular on the date of closing, the impact of the agreed standard adjustment clause for the purchase price and the progress made with the planned merger of Degussa Bank into OLB.

Overall summary

With its current status, OLB expects to be able to maintain the level currently achieved in terms of profitability and cost efficiency. The predicted growth in operating income is expected to be sufficient in order to offset a moderate increase in operating expenses and risk cost. This would be accompanied by a stable CIR trend and, due to the further increase in the Bank's capital base, by a slight decline in the return on equity.

In addition, the development of OLB's net profit for the financial year depends in particular on whether Degussa Bank is successfully merged into OLB by the end of 2024. On this basis, with regard to the change in its net assets, financial position and result of operations and the forecast for its performance indicators OLB expects a trend within a range whose benchmarks will be defined by the scenarios depicted for the acquisition and integration of Degussa Bank.

In the case of the completion of migration as planned by no later than the end of August 2024 – a timeline which forms the basis for scenario 1 – the positive trend for the net profit for the financial year due to OLB's operational development with its current structure would also benefit from the expected earnings contribution from Degussa Bank's business activities, which will have been merged with the Bank, and the expected gain on a bargain purchase. This would more than offset the expected costs of integration and lead to a slight increase in the return on equity post tax and a stable development of the cost-income ratio. The increase in risk-weighted assets due to the merger is expected to result in a sustained decline in the Tier 1 capital ratio and the coverage ratio for risk capital requirements.

In the case of the adverse trend characterised by scenario 2 (which is currently considered less probable), the operating profit for the year would be adversely impacted by additional costs for the implementation process. In addition, a positive effect from Degussa Bank would not arise, due to the necessary postponement of restructuring measures. This would lead to a moderate increase in the cost-income ratio. With regard to the return on equity post tax, a result at the previous year's level would be expected in this scenario. This scenario would also result in a sustained decline in the Tier 1 capital ratio and the coverage ratio for risk capital requirements due to the increase in risk-weighted assets as a result of the merger.

In principle, further risk factors in the case of an unfavourable course of events are capable of adversely affecting the predicted profit for the year 2024 to a significant extent which cannot be reliably quantified. These risk factors mainly comprise risks resulting from the uncertain geopolitical situation and its possible impact on the economic picture.

The following table summarises OLB's current forecast for key ratios:

	12/31/2022	12/31/2023	Forecast for 2024	
Return on equity post tax	14.7 %	15.2 %	Scenario 1	Slight increase
			Scenario 2	Stable
Cost-income ratio	42.3 %	40.8 %	Scenario 1	Stable
			Scenario 2	Moderate increase
Tier 1 capital ratio	15.1 %	15.4 %	Sustained decrease	
Coverage ratio - risk capital requirement	279 %	220 %	Sustained decrease	
Liquidity-coverage ratio	173.9 %	147.7 %	Stable in a range above 120 %	

Risk report

Please see note (62) for the risk report.

Oldenburg, 03/15/2024
Oldenburgische Landesbank AG

The Board of Managing Directors

Stefan Barth
Chairman

Marc Kofi Ampaw

Aytac Aydin

Chris Eggert

Giacomo Petrobelli

Dr. Rainer Polster

Report of the Supervisory Board

The Supervisory Board continuously monitored the management of the Bank during the year under review, advised the Executive Board on running the institution and directly participated in decisions of fundamental importance. The Supervisory Board's activities are organised according to the rules of procedure of the Supervisory Board and of the Executive Board, which also stipulate the Supervisory Board's areas of responsibility.

Matters addressed by the full Supervisory Board

The full Supervisory Board met and passed resolutions on ten occasions in the 2023 financial year. These meetings were held in person and in the form of hybrid meetings (in person and by video). Resolutions were also passed by means of circular resolutions. The meetings were held in March, July, September and December. Between meetings, the Chairman of the Supervisory Board and the chairmen of the committees also maintained ongoing contact with the Executive Board and regularly discussed strategy, business performance, risk management and other significant matters with the Executive Board.

The Supervisory Board regularly discussed the financial situation of OLB. At all of its regular meetings, the Supervisory Board obtained reports on the Bank's business performance and current risk situation and discussed the development of business in detail with the Executive Board. The Supervisory Board also obtained information on any deviations in the Bank's business performance from the targets originally specified, together with an explanation of the reasons behind them. In the period under review, among other matters the Supervisory Board was involved in discussions concerning OLB's ESG activities and the changes in the interest-rate level and its effects on the Bank's business performance, risk situation and operational stability.

The Supervisory Board monitored and advised the management on the basis of the written reports and oral information provided by the Executive Board. Matters of particular importance were examined in depth and discussed with the Executive Board. In addition to the reports from the Executive Board, the Supervisory Board also inspected and discussed the reports from the auditors.

The Supervisory Board repeatedly dealt with matters of business strategy. Particular attention was paid to discussing the Bank's strategic focus, which the Executive Board further developed. Both in the context of the Bank's strategic development and as part of the regular annual consultation, the Supervisory Board discussed the Executive Board's business planning for 2023 and 2024 as well as the medium-term planning for the following two years. As part of its discussion of the Bank's business strategy, the full Supervisory Board obtained a report on the current status of the Bank's acquisition of Degussa Bank and its FNZ project.

The Supervisory Board dealt with matters concerning the Executive Board and compensation on multiple occasions. In particular, the Supervisory Board determined that the compensation system for the Executive Board complied with the relevant legal requirements. It also made sure that this system was aligned with OLB's business strategy and risk strategy objectives and that it does not offer any incentives to take unreasonable risks. Moreover, the Supervisory Board approved the submitted list of the Bank's risk takers in accordance with the German Regulation on Supervisory Requirements for Banks' Compensation Systems (Institutsvergütungsverordnung). The Remuneration Officer presented and explained his remuneration report to the Supervisory Board.

Work in the committees of the Supervisory Board

The Supervisory Board has formed a number of committees to enhance its efficiency in performing its duties. These are the Executive and Compensation Supervision Committee, the Audit Committee, the Risk Committee, the Credit Committee and the Nominating Committee.

The committees prepare resolutions for the Supervisory Board and lay the groundwork for the full Board's activities. Where permitted by law, the Supervisory Board delegated decision-making authority on a large number of matters to its committees. The committees' chairs kept the Supervisory Board regularly informed of the committees' work.

In the period under review, the meetings of the committees listed below were held in the form of face-to-face meetings and hybrid meetings (in person and by video). Resolutions were also passed by means of circular resolutions.

The *Executive and Compensation Committee* held five meetings in the 2023 reporting year. These meetings primarily involved preliminary discussions and recommendations on matters to be decided by the full Board concerning the Executive Board and compensation. In addition, the committee verified that the remuneration system for OLB employees was appropriately structured.

The *Audit Committee* met six times in the 2023 financial year. Among other matters, the committee reviewed the annual financial statements of OLB, the management report and the audit report and discussed these reporting documents with the auditor. The Audit Committee found no grounds for any objection to the documentation. The Audit Committee also took note of the auditor's report prepared during the year on the audit of OLB's securities services business. This committee also discussed the interim financial report prior to its publication and was continuously informed of the measures initiated by the Executive Board in relation to the special audit report on the Bank's securities services business. The Audit Committee has reviewed the quality and independence of the auditor and has no objections.

The *Risk Committee* held a total of five meetings during the 2023 financial year. It dealt with the Bank's current risk situation in detail at these meetings. Its quarterly risk reports addressed such matters as risk-bearing capacity as well as credit, market-price, liquidity and operational risks, especially against the background of the changed interest-rate environment. The Risk Committee was also continuously informed of the measures initiated by the Executive Board in relation to the audit report for the audit under sec. 44 of the German Banking Act (KWG).

During the year under review, the *Credit Committee* deliberated 51 times by way of telephone or video conference calls and also by email concerning decisions on individual credit exposures and fundamental aspects of the Bank's lending business. The committee members repeatedly exchanged views with the Executive Board on the impact of the Russia-Ukraine war, the changed interest-rate environment and other external circumstances on OLB's credit portfolio and appropriate mitigating measures.

The *Nominating Committee* met on one occasion during the reporting period in order to decide on its recommendation to the full Supervisory Board on the successor to a retiring Supervisory Board member. The Nominating Committee also met on a further occasion during the 2023 financial year at a joint meeting with the Executive and Compensation Committee. This meeting was held in preparation for the Supervisory Board's annual self-assessment.

Audit of the annual financial statements

The annual financial statements of Oldenburgische Landesbank AG for the period ending December 31, 2023, and the management report were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hanover, which granted an unqualified audit opinion. The annual financial statements were prepared in accordance with the German Commercial Code (HGB). In addition, voluntary IFRS consolidated financial statements were prepared, which were also audited by Deloitte Wirtschaftsprüfungsgesellschaft, Hanover, and issued with an unqualified audit opinion in accordance with ISA 700.

The reporting documentation and the related audit reports from Deloitte for the 2023 financial year were forwarded to all members of the Supervisory Board in good time. These documents were discussed in detail at the Audit Committee's meetings on December 7, 2023, and March 15, 2024, and at the meeting of the full Supervisory Board on March 15, 2024. The auditors took part in all of these discussions. They reported on the principal findings of their audits and were available to answer questions and provide additional information.

On the basis of its audit and review of the annual financial statements, the management report and the proposed appropriation of profits, the Supervisory Board did not have any objections and concurred with Deloitte's audit findings for the financial statements. The Supervisory Board approved the annual financial statements prepared by the Executive Board, which are thus adopted. The Supervisory Board concurs with the Executive Board's proposed appropriation of profits.

The Bank prepared a separate non-financial report as of December 31, 2023, in accordance with sec. 289b HGB. The Supervisory Board has satisfied itself of the legality, regularity and expediency of the report. There were no objections.

Changes to the Supervisory Board and Board of Managing Directors

As recommended by the Executive and Compensation Committee, the Supervisory Board extended the terms of office of Stefan Barth, Dr Rainer Polster, Marc Ampaw and Giacomo Petrobelli in the 2023 financial year.

Claus-Jürgen Cohausz retired from the Supervisory Board and the Credit and Risk Committees at the end of the annual general meeting held on April 21, 2023. Heike Munro was elected as a substitute member of the shareholder representatives at the same annual general meeting and has served on the Supervisory Board since this date.

In consultation with the Supervisory Board Chairman, Sascha Säuberlich resigned from his role as Chairman of the Audit Committee at the end of the Supervisory Board's meeting of June 14, 2023. The Supervisory Board has elected Heike Munro as the new Chairwoman of the Audit Committee. Sascha Säuberlich remains a member of this committee.

The Supervisory Board would like to thank all of OLB's employees, the members of the Executive Board and the former members of the Supervisory Board for their high level of commitment and for their successful work.

Oldenburg, March 15, 2024

For the Supervisory Board

Axel Bartsch
Chairman

Consolidated financial statements of the Oldenburgische Landesbank AG for financial year 2023

Statement of profit and loss and other comprehensive income
of the Oldenburgische Landesbank Group for financial year 2023

Statement of profit and loss

EUR m	01/01-12/31/2023	01/01-12/31/2022	Notes
Interest income accounted for using the effective interest method	879.4	558.5	19
Interest income not accounted for using the effective interest method	105.5	- 53.4	19
Interest expenses	- 475.4	- 69.3	19
Net interest income	**509.4**	**435.8**	8, 19, 31
Commission income	167.1	162.7	20
Commission expenses	- 46.5	- 47.9	20
Net commission income	**120.6**	**114.8**	20, 29
Trading result	20.1	8.4	21, 29, 32, 43
Result from hedging relationships	- 22.9	- 19.0	22, 29, 66
Other income	19.0	25.5	23, 29
Current income	**646.3**	**565.5**	
Personnel expenses	- 140.1	- 145.8	24, 29
Non-personnel expenses	- 99.9	- 73.4	24, 29
Depreciation, amortisation and impairments of intangible and tangible fixed assets	- 22.9	- 24.5	24, 29, 38, 39
Other expenses	- 0.2	- 0.6	24, 29
Expenses from bank levies and deposit protection	- 12.2	- 15.2	24, 29
Current expenses	**- 275.3**	**- 259.5**	
Risk provisioning in the lending business	- 41.0	- 44.7	8, 25, 29
Result from non-trading portfolio	- 1.8	12.3	8, 27, 29
Result from derecognition of financial instruments AC	—	—	29
Result from restructurings	7.1	3.7	26, 29
Result before taxes	**335.4**	**277.2**	29
Income tax	- 105.0	- 79.5	28, 29, 55, 56
Result after taxes (profit)	**230.4**	**197.7**	
Thereof: Result after taxes (profit) attributable to the owners of the parent	230.4	197.7	
Basic earnings per share (euros)	4.66	3.96	30
Diluted earnings per share (euros)	4.05	3.46	30

The above statement of profit and loss should be read in conjunction with the accompanying notes.

Other comprehensive income

EUR m	01/01-12/31/2023	01/01-12/31/2022	Notes
Result after taxes (profit)	**230.4**	**197.7**	
Items reclassifiable through profit or loss			8, 59
Change in debt instruments measured at fair value through other comprehensive income (FVOCI)	- 19.1	- 44.3	
Valuation changes	- 30.4	- 53.4	
Gains and losses reclassified to the income statement	2.8	- 10.9	
Deferred taxes	8.6	19.9	
Items not reclassifiable through profit or loss			8, 50, 59
Change from remeasurement of defined benefit plans recognised in Other comprehensive income	- 11.6	48.5	
Valuation changes	- 16.7	70.3	
Deferred taxes	5.2	- 21.8	
Other comprehensive income	**- 30.6**	**4.2**	59
Total comprehensive income	**199.8**	**201.9**	
Thereof: Total comprehensive income attributable to the owners of the parent	**199.8**	**201.9**	

The other comprehensive income items are further explained in note (59).

Balance sheet
of the Oldenburgische Landesbank Group for financial year 2023

Assets

EUR m	12/31/2023	12/31/2022	Notes
Cash reserve	77.7	1,529.8	31, 71
Trading portfolio assets	76.1	108.5	8, 21, 32, 62, 71
Positive fair values of derivative hedging instruments	35.1	17.9	9, 33, 62, 66, 71
Receivables from banks	548.8	775.2	8, 34, 62, 65, 71
Receivables from customers	19,724.6	18,008.9	8, 35, 62, 65, 71
Financial assets of the non-trading portfolio	4,882.4	3,087.3	8, 36, 71
Tangible fixed assets	53.2	60.5	13, 38
Intangible assets	32.9	31.0	14, 39
Other assets	335.7	357.2	40, 71
Income tax assets	0.0	0.0	11, 41
Deferred tax assets	110.8	104.7	11, 42, 54
Non-current assets held for sale	1.2	0.7	
Total assets	**25,878.6**	**24,081.6**	

Equity & liabilities

EUR m	12/31/2023	12/31/2022	Notes
Trading portfolio liabilities	93.1	161.2	8, 43, 62, 71
Negative fair values of derivative hedging instruments	3.6	9.4	9, 44, 62, 66, 71
Liabilities to banks	5,628.7	5,075.3	8, 45, 65, 71
Liabilities to customers	16,917.6	16,192.5	8, 46, 65, 71
Securitised liabilities	1,196.6	706.9	8, 47, 65, 71
Subordinated debt	129.3	161.9	8, 48, 60, 61, 65, 71
Income tax liabilities	12.7	44.8	11, 53
Provisions	135.2	129.0	16, 17, 49, 50, 51
Other liabilities	80.9	83.1	52
Equity	**1,681.0**	**1,517.4**	
Subscribed capital	99.8	97.4	57, 60, 61
Capital reserves	540.0	517.3	57, 60, 61
Revenue reserves	980.2	786.1	57, 60, 61
Additional equity components	99.2	124.2	58, 60, 61
Other comprehensive Income (OCI)	- 38.2	- 7.6	59, 60, 61
Total equity and liabilities	**25,878.6**	**24,081.6**	

The accompanying notes are an integral part of the consolidated financial statements.

Statement of changes in equity

of the Oldenburgische Landesbank Group for financial year 2023

EUR m	Subscribed capital	Capital reserves	Revenue reserves	Additional equity components	Cumulative other comprehensive income: Debt instruments with reclassification	Cumulative other comprehensive income: Pensions	Total equity
Notes	60	60	60	61	10, 62	19, 53, 62	
12/31/2022	**97.4**	**517.3**	**786.1**	**124.2**	**- 38.4**	**30.8**	**1,517.4**
Result after taxes (profit)	—	—	230.4	—	—	—	230.4
Other comprehensive income from changes in debt instruments measured at fair value through other comprehensive income (FVOCI)	—	—	—	—	- 19.1	—	- 19.1
Other comprehensive income from changes in defined benefit plans recognised directly in equity	—	—	—	—	—	- 11.6	- 11.6
Instrument-based changes in equity	—	—	—	—	—	—	—
Other changes in equity	2.4	22.6	—	- 25.0	—	—	- 0.0
Total result	**2.4**	**22.6**	**230.4**	**- 25.0**	**- 19.1**	**- 11.6**	**199.8**
Payment on additional equity components	—	—	- 6.0	—	—	—	- 6.0
Dividend payment	—	—	- 30.2	—	—	—	- 30.2
12/31/2023	**99.8**	**540.0**	**980.2**	**99.2**	**- 57.4**	**19.2**	**1,681.0**
1/1/2022	**90.5**	**517.3**	**635.4**	**124.2**	**6.0**	**- 17.8**	**1,355.6**
Result after taxes (profit)	—	—	197.7	—	—	—	197.7
Other comprehensive income from changes in debt instruments measured at fair value through other comprehensive income (FVOCI)	—	—	—	—	- 44.3	—	- 44.3
Other comprehensive income from changes in defined benefit plans recognised directly in equity	—	—	—	—	—	48.5	48.5
Instrument-based changes in equity	—	—	—	—	—	—	—
Other changes in equity	7.0		0.7	—	—	—	7.6
Total result	**7.0**	**—**	**198.4**	**—**	**- 44.3**	**48.5**	**209.5**
Payment on additional equity components	—	—	- 7.8	—	—	—	- 7.8
Dividend payment	—	—	- 40.0	—	—	—	- 40.0
12/31/2022	**97.4**	**517.3**	**786.1**	**124.2**	**- 38.4**	**30.8**	**1,517.4**

Based on 48,722,326 shares, EUR 1.72 per share was distributed in the 2023 reporting year (2022: EUR 0.82).

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement

of the Oldenburgische Landesbank Group for financial year 2023

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022	Notes
Operating activities			
Result after taxes (profit)	230.4	197.7	
Adjustments for			
Depreciation, amortisation and impairments of intangible and tangible fixed assets and impairments / reversals of impairments in the lending business	66.6	71.7	25, 38, 39
Change in provisions	24.6	29.6	49, 50
Other non-cash expenses/income	- 20.5	119.4	
Gain/loss on disposal of fixed assets	3.3	29.2	38
Subtotal	**304.4**	**447.5**	
Change in trading portfolio assets	- 84.2	- 10.8	32
Change in receivables from banks	288.5	191.0	34
Change in receivables from customers	- 1,533.9	- 1,500.5	35
Change in financial assets of the non-trading portfolio	- 1,575.2	- 921.1	36
Change in other assets	- 722.7	- 194.6	40
Change in trading portfolio liabilities	19.7	19.3	43
Change in liabilities to banks	412.1	- 1,804.7	45
Change in liabilities to customers	576.2	2,306.1	46
Change in securitised liabilities	467.0	323.8	47
Change in other liabilities	383.6	588.2	52
Net interest income*	- 509.4	- 435.8	19
Income taxes	105.0	79.5	28, 41
Interest received	1,026.5	534.8	19
Dividend payments received	0.0	0.1	19
Interest paid	- 418.2	- 90.3	19
Income tax paid	- 129.6	- 87.1	41
Cash flows from operating activities	**- 1,390.2**	**- 554.7**	18

** Including cash payments for the interest portion of lease liabilities*

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022	Notes
Investing activities			
Proceeds from disposal of financial assets of the non-trading portfolio	—	0.0	27
Proceeds from disposal of tangible fixed assets	6.8	4.7	23
Payments to acquire financial assets of the non-trading portfolio	- 0.0	—	
Payments to acquire tangible fixed assets	- 15.2	- 12.3	38, 39
Cash flows from investing activities	**- 8.4**	**- 7.5**	18
Financing activities			
Proceeds from capital contributions	—	6.0	57
Dividends paid	- 30.2	- 40.0	57
Change in subordinated debt	- 32.0	- 4.4	49
Additional equity components	- 0.0	—	58
Interest expense for Additional equity components	6.0	7.8	58
Change in cash funds from other financing activity**	2.8	- 31.5	57, 68
Cash flows from financing activities	- 53.5	**- 62.2**	18

*** Including cash payments for the principal portion of lease liabilitiesn*

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022	Notes
Cash reserve			
Cash reserve as of January 1	1,529.8	2,154.2	31
Cashflow from operating activities	- 1,390.2	- 554.7	
Cashflow from investing activities	- 8.4	- 7.5	
Cashflow from financing activities	- 53.5	- 62.2	
Cash reserve as of December 31	77.7	1,529.8	31
Change in cash reserve	**- 1,452.0**	**- 624.5**	18, 31

The cash flow statement should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements of the Oldenburgische Landesbank Group for financial year 2023

General disclosures

(1) Basis of accounting

Pursuant to sec. 2 of its Articles of association, the corporate purpose of the company is the operation of banking and financial activities of all kinds as well as such transactions and services conducive to the sale of banking and financial products.

OLB's registered office is situated at Stau 15 / 17, 26122 Oldenburg, and it is entered in the commercial register held by Oldenburg Local Court under the number HRB 3003. OLB is the parent company of the OLB Group which in addition to the OLB comprises the subsidiaries outlined in Note (5) and (73).

Pursuant to sec. 290 (5) of the German Commercial Code (Handelsgesetzbuch – HGB), OLB is exempt from the obligation to prepare consolidated financial statements pursuant to sec. 340i (1) HGB in conjunction with sec. 290ff. HGB as its subsidiaries are of minor importance (sec. 296 (2) of the German Commercial Code). The background to these financial statements is OLB's planned IPO and the requirements for a stock exchange prospectus, which require financial information in accordance with international accounting standards. Therefore, OLB has prepared consolidated financial statements as of December 31, 2023 in accordance with the requirements of the International Financial ↗ Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as well as reference figures as of December 31, 2022. The financial statements reflect all mandatory IFRS accounting standards and interpretations issued by the International Accounting Standards Board and adopted by the EU. The financial statements comprise the balance sheet, the statement of profit and loss and other comprehensive income, the cash flow statement, the statement of changes in equity and the notes to the consolidated financial statements.

The euro is the reporting and functional currency. Figures are generally shown as millions of euros, rounded to one decimal place. Due to rounding, it is possible in some cases that individual figures do not add up exactly to the totals given. The OLB Group's accounting is based on uniform Group accounting and valuation methods, which are explained further in the following notes. Accounting and valuation are based on the going concern assumption. The reporting year corresponds to the calendar year.

All IFRS standards and interpretations adopted by the EU that were required to be applied as of the reporting date (December 31, 2023) were applied to these consolidated financial statements, where relevant to the OLB Group.

(2) New and amended standards for the financial year ending 12/31/2023

	Publication		
Designation	by the IASB	in the EU Official Journal	Temporal scope of application in the EU
IFRS 17: Insurance contracts including subsequent amendments to IFRS 17: Insurance contracts	05 / 2017 06 / 2020	11 / 2021	01 / 2023
Amendments to IAS 1: Disclosure of accounting policies	02 / 2021	03 / 2022	01 / 2023
Amendments to IAS 8: Definition of accounting estimates	02 / 2021	03 / 2022	01 / 2023
Amendments to IAS 12: Deferred taxes relating to assets and liabilities arising from a single transaction	05 / 2021	08 / 2022	01 / 2023
Amendments to IFRS 17: First-time adoption of IFRS 17 and IFRS 9 – Comparative information	12 / 2021	09 / 2022	01 / 2023
Amendments to IAS 12: International tax reform – Pillar 2 model rules	05 / 2023	Pending	Open

IFRS 17: Insurance contracts incl. subsequent amendments to IFRS 17: Insurance contracts

In May 2017, the IASB published IFRS 17: Insurance Contracts, a comprehensive new accounting standard that contains principles for recognition, measurement, presentation and disclosure requirements in relation to insurance contracts and was amended in June 2020 to include subsequent changes. IFRS 17 replaces IFRS 4: Insurance contracts, which was published in 2005. IFRS 17 applies to all types of insurance contracts (i.e. life insurance, non-life insurance, direct insurance and re-insurance) and to certain guarantees and financial instruments with discretionary participation features, regardless of the type of entity.

This has no material impact on the IFRS consolidated financial statements.

Amendments to IAS 1: Disclosure of accounting policies

In February 2021, the IASB published the amendments to IAS 1: Disclosure of accounting policies. Accordingly, instead of the "significant" accounting policies, the "material" accounting policies must now be disclosed in the notes. Guidance on the application of the definition of materiality has also been added. The IASB has decided to replace the term "significant", which is not defined in IFRS, with the defined term "material". Information on accounting policies cannot be material in itself. When assessing the materiality of information on accounting policies, companies must consider the scope of the transactions, other events and their nature in the current financial statements. The amendments clarify that events or circumstances to which the accounting policy information relates may be material without the accounting policy information itself being material. The same applies vice versa.

This has no material impact on the IFRS consolidated financial statements.

Amendments to IAS 8: Definition of accounting estimates

In February 2021, the IASB published the amendments to IAS 8: Definition of accounting estimates, which introduced a new definition for accounting estimates. The previously undefined term "accounting estimates" was defined in the amended standard IAS 8.5 as "monetary amounts disclosed in financial statements that are subject to measurement uncertainty". In comparison, (non-accounting-related) estimates generally relate to input factors that are used to develop accounting estimates. The IASB has also clarified that the effects of a change in an input factor or a change in a measurement method on an accounting estimate are changes in accounting estimates unless they result from the correction of errors from previous periods.

This has no material impact on the IFRS consolidated financial statements.

Amendments to IAS 12: Deferred taxes relating to assets and liabilities arising from a single transaction

In May 2021, the IASB published the amendments to IAS 12: Deferred taxes. The amendments relate to assets and liabilities arising from a single transaction; in particular, they clarify how entities should account for deferred taxes on transactions such as leases and asset retirement obligations. Under certain circumstances, entities are exempt from recognising deferred tax on the initial recognition of assets and liabilities (initial recognition exemption). The amendments stipulate that the exemption does not apply if the transaction leads to deductible and taxable differences in the same amount. In these cases, companies must recognise deferred taxes for such transactions. If the transaction does not result in deductible and taxable temporary differences of the same amount, the exemption from the recognition of deferred tax assets and liabilities remains in place. The amendment is to be applied to transactions that take place on or after the beginning of the earliest comparative period. The cumulative effect of initial application is to be recognised in Retained earnings at this time.

This has no material impact on the IFRS consolidated financial statements.

Amendments to IFRS 17: First-time adoption of IFRS 17 and IFRS 9 - Comparative information

In December 2021, the IASB published the amendments to IFRS 17: First-time Adoption of IFRS 17 and IFRS 9 – Comparative information. With the amendments, the IASB introduces a transitional provision known as a classification overlay for financial assets in the comparative period of initial application of IFRS 17 together with IFRS 9. IFRS 17 requires an adjustment of the comparative figures, while an adjustment of the comparative figures in accordance with IFRS 9 is permitted if and only if this is possible without hindsight. However, an adjustment is prohibited for financial assets that were derecognised before the date of initial application of IFRS 9. Entities that apply the classification overlay to financial assets must present their comparative information as if the classification and measurement requirements of IFRS 9 had already been applied to these financial assets. For this purpose, appropriate and reasonable information available at the date of transition must be used to determine how the entity expects to classify and measure its financial assets on initial application of IFRS 17 together with IFRS 9. When applying this transitional provision, the impairment requirements under IFRS 9 may not be applied for the comparative period. In these cases, the impairment provisions of IAS 39 are to be applied. The classification overlay can be applied by companies that apply IFRS 17 and IFRS 9 simultaneously and adjust the comparative information using IFRS 9.

This has no material impact on the IFRS consolidated financial statements.

Amendments to IAS 12: International tax reform – Pillar 2 model rules

In December 2021, the OECD published model rules for a new global minimum tax aimed at domestic and multinational groups or companies with a total annual turnover of at least EUR 750 million. The directive implementing these rules in the EU was adopted in December 2022. The EU member states had to transpose the directive into national law by the end of 2023. The directive was transposed into national law in Germany by the Minimum taxation directive Implementation Act on December 21, 2023 and came into effect on December 28, 2023. The provisions of this legislation are to be applied for financial years beginning after December 30, 2023. The OLB Group, with Oldenburgische Landesbank AG as its ultimate parent company, falls within the scope of the Minimum Tax Act.

Because the legislation was not yet applicable as of the reporting date, there was no actual in-come tax burden for the Group in the year under review. For the recognition of deferred tax assets and liabilities and certain disclosure requirements in connection with the implementation of the global minimum tax, the OLB Group applies the mandatory exemption provided for in the amendments to IAS 12 published in May 2023.

The focus of our business operations is in Germany. Outside Germany, we operate exclusively through our consolidated special-purpose entities in Luxembourg. For a group of companies with subordinate international activities, sec. 83 of the German Minimum Tax Act also contains a transitional provision. The OLB Group may apply this transitional provision, and is therefore not subject to minimum tax in Germany for a period of five years. The accrual of minimum tax for our units abroad can be avoided by applying provisions specifically intended for such business units. Based on past experience and the Group's tax rate, the OLB Group assumes that no minimum tax will be payable.

In May 2021, the IASB published the amendments to IAS 12: Deferred taxes. The amendments relate to assets and liabilities arising from a single transaction; in particular, they clarify how enti-ties should account for deferred taxes on transactions such as leases and asset retirement obli-gations. Under certain circumstances, entities are exempt from recognising deferred tax on the initial recognition of assets and liabilities (initial recognition exemption). The amendments stipu-late that the exemption does not apply if the transaction leads to deductible and taxable differ-ences in the same amount. In these cases, companies must recognise deferred taxes for such transactions. If the transaction does not result in deductible and taxable temporary differences of the same amount, the exemption from the recognition of deferred tax assets and liabilities re-mains in place. The amendment is to be applied to transactions that take place on or after the beginning of the earliest comparative period. The cumulative effect of initial application is to be recognised in Retained earnings at this time.

(3) Standards applicable in future

Adopted standards and interpretations for financial years beginning after 12/31/2023

	Publication		
Designation	by the IASB	in the EU Official Journal	Temporal scope of application in the EU
Amendments to IFRS 16: Lease liability in a sale and leaseback	09/2022	01/2024	Open
Amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with covenants	01/2020 07/2020 10/2022	01/2024	Q4 2023
Amendments to IAS 7 and IFRS 7: Supplier Financing Arrangements	05/2023	01/2024	Open
Amendments to IAS 21: Lack of exchangeability	08/2023	01/2025	Open

The amendments to applicable IFRS are not expected to have any significant impact on the IFRS consolidated financial statements.

(4) Effects of ESG criteria on the accounting

The effects of climate change and the sustainability factors E (environment), S (social) and G (responsible corporate governance) present both risks and opportunities for OLB. In particular, the consolidated financial statements may be affected through a possible impact on the financial assets held by the Bank due to potential climate-related risks. OLB distinguishes between physical and transitory risks. The Bank understands physical risks as the risk of impairment due to a creditor's solvency or the fair value of collateral being affected due to changing climate, either directly through extreme weather events (e.g. drought and heat waves) or indirectly, e.g. through interruptions of supply chains. Transitory risks are financial losses arising either directly or indirectly from the process of transition to a lower-carbon and more sustainable economy.

The bank is continuing its project launched in 2023 to integrate ESG risk drivers into risk management. Key milestones are the integration into the Bank's risk framework, the establishment of green house gas accounting and the analysis of future data requirements, particularly with regard to disclosure (pursuant to the Corporate sustainability reporting directive and the Delegated act supplementing art. 8 of the Taxonomy Regulation).

Accounting policies

(5) Disclosures concerning the basis and methods of consolidation

The following table shows the subsidiaries included in the IFRS consolidated financial statements as of the respective reporting dates:

Entity	12/31/2023	12/31/2022
Weser Funding S. A. Compartment 2		X
Weser Funding S. A. Compartment 3	X	X
Weser Funding S. A. Compartment 4	X	
Weser Funding S. A. Compartment 5	X	
Weser Funding S. A. Compartment 6	X	

Weser Funding S. A. Compartments 2, 3, 4, 5 and 6 are consolidated special purpose entities. The Bank uses these to securitise parts of the loan portfolio so that the securitisations can be used as collateral to raise liquidity from the ECB and other counterparties (see also note (63)).

Please see note (74) for further details concerning the corporate Group.

We eliminate intra-Group receivables and liabilities as well as expense and income resulting from transactions in the respective years between subsidiaries included in the consolidated financial statements within the scope of the consolidation of liabilities, expense and income. Gains or losses arising within the Group from intra-Group transactions are also eliminated.

(6) Currency translation

Currency translation has been implemented accordance with IAS 21. All foreign-currency transactions were thus initially measured at the spot rate of that day for the transaction in question. On the following balance sheet date, monetary assets and liabilities denominated in foreign currency and spot transactions not executed as of the balance sheet date will be converted into euro at the balance sheet date's mean spot rates. Currency forwards are valued at current forward rates applicable for the remainder of the period.

As a rule, expenses and income arising from currency translation are included in the relevant items of the statement of profit and loss. No significant net open currency positions existed as of the end of the financial year.

As part of the currency translation of financial instruments not measured at fair value through profit or loss, EUR 29.6 million (2022: EUR 9 million) was recognised in profit or loss. As the functional currency for all Group units corresponds to the presentation currency of this report, there were no effects to be recognised in other comprehensive income.

(7) Uncertain estimates and discretionary judgments

In the context of the preparation of the consolidated financial statements, a number of permissible estimates, discretionary judgments and assumptions have been made which have affected the amounts shown in the consolidated financial statements. All of the estimates required for accounting and valuation purposes have been made while taking into account experience and observable factors which are regularly reviewed. These estimates are based on the appropriate exercise of judgment in accordance with the relevant standards. The following estimates, discretionary judgments and assumptions have had the greatest impact on the amounts reported in the consolidated financial statements:

Within the scope of the application of the IFRS 9 impairment rules for financial assets measured at amortised cost or fair value through other comprehensive income and the contingent liabilities and loan commitments falling within the scope of IFRS 9, significant estimates and discretionary judgments have been made in respect of the stage to which the item in question was allocated and the determination of the risk provisioning amount. The determination of the criteria as to when a significant increase in credit risk has occurred constitutes a discretionary judgement. The estimates required for the determination of Stage 1 and Stage 2 risk provision and for the parameter-based calculation of Stage 3 risk provision are subject to significant uncertainty, particularly with regard to the integration of forward-looking, macroeconomic scenarios. The Stage 3 risk provision calculated on the basis of individual transactions includes assumptions and forecasts with regard to the determination of the future recoverable amounts (see note (8)).

The retirement benefit obligations have been measured using the projected unit credit method. In particular, this includes assumptions with regard to the assumed interest rate, the long-term pension trend and average life expectancy (see note (50)).

The recognised restructuring provisions are measured on the basis of qualified estimates and findings as to the likely costs of the specific measures. These estimates and findings are based on the implementation of previous measures.

Experience and forecasts of future events based on the currently available data are also relied upon to establish provisions for contingent liabilities and when assessing and evaluating legal risks resulting from supreme court rulings and current legal proceedings.

Deferred taxes are recognised and measured on the basis of assumptions and estimates when determining the assumed date of payment and cash flows (see note (54)). The assumptions regarding OLB's future earning power are regularly updated with regard to the assessment of deferred tax receivables and are factored into the valuation.

Of particular importance for the annual financial statements for the 2023 fiscal year were the estimates and assumptions regarding the risk provisions on the Bank's net assets, financial position and results of operations. In assessing the necessary general loan loss allowances (Level 1 and Level 2), OLB based its future development assumptions of the macroeconomic environment on three scenarios that were weighted with probabilities of occurrence with regard to their effects. In the previous year, the Bank had made a post-model adjustment (PMA) of risk provisions in the amount of EUR 15.9 million due to the expected effects of the massive increase in energy prices, consumer prices and the general rise in interest rates, in which the individual effects on individual economic sectors were analyzed and transformed into estimated changes in the probabilities of default. The PMA was reviewed on a regular basis in December 2023. The Bank found that, despite an extension of the models for the development of risk provisioning to include, for example, effects from the development of fossil fuel prices, significant risks from the current economic situation were still not adequately reflected in the parameters used. This applied to the effects of increases in consumer prices, the interest and price-related slump in the construction industry and the decline in real estate values expected by the bank. The situation in the production areas within German industry with high electricity demand was also still considered to be tense and was not included in the parameterisation of the risk models used. The industry heat map method developed for estimating and taking into account these risks, which are not sufficiently considered in the models underlying the risk provisioning, was still considered suitable. The classification of industries into risk classes was reviewed and adjusted for individual industries. Due to the changes in the basis for deriving the model adjustments, the existing PMA was reversed in full and replaced by an updated PMA in the amount of EUR 16.0 million.

Management judgement was also applied to the accrual of the negative interest expense of the longer-term refinancing operations (TLTRO) taken up with the ECB (see note (8)).

At the Bank's discretion, the ECB measures are not considered to be an application of IAS 20 ("Government Grants"), but are accounted for in accordance with IFRS 9 ("Financial Instruments"). As an intermediary, the Bank issues loans at the market interest rate incl. margin and refinances itself analogously. The ECB's measures are thus seen as determining the market interest rate level and not as a government grant to OLB.

(8) Financial instruments

Recognition of financial assets and financial liabilities

According to IFRS 9, all financial assets and liabilities (including derivative financial instruments) must be reported in the balance sheet. A financial instrument is any contract that gives rise to a financial asset for one entity (recognised on the assets side of the balance sheet) and a financial liability or equity instrument for another entity (recognised on the equity and liabilities side of the balance sheet). Financial instruments thus arise through contractual agreements.

Derivatives are acquired and disposed of as of the trade date. Non-derivative financial assets (including regular spot purchases or sales) and non-derivative financial liabilities are recognised and derecognised at OLB as of the settlement date (settlement date accounting).

Financial assets – classification and measurement

Classification of financial assets

IFRS 9 distinguishes between the following measurement categories: Amortised cost (AC), fair value through Other comprehensive income (FVOCI) and Fair value through Profit and loss (FVPL). Assets are allocated based on a classification decision by OLB to the measurement categories: On the one hand, on the basis of the Bank's business model for the management of the (respective) financial assets and, on the other, according to the nature of the contractually agreed cash flows.

All financial assets covered by the "hold to collect (HTC)" business model and whose contractual cash flows solely constitute non-leveraged interest and principal payments (solely payments of principal and interest, SPPI criterion) are allocated by OLB to the AC measurement category. If the portfolio which contains the financial asset does not have any clear intention to hold the asset in question and is prepared in principle to sell it, this financial asset is allocated to the FVOCI measurement category ("hold to collect and sell" (HTCS) business model). Financial assets which cannot be allocated to either the "hold to collect" business model or the "hold to collect and sell" business model and / or which do not fulfil the SPPI criterion are allocated by OLB to the FVPL measurement category. OLB makes no use of the fair value option for financial assets which may be allocated to the FVPL measurement category subject to the fulfilment of certain preconditions. Free-standing derivatives do not fulfil the SPPI criterion and are therefore classified as FVPL. Nor do equity instruments fulfil the SPPI criterion, since the investor does not have any entitlement to payments of interest and principal. They are therefore likewise measured by OLB at fair value through profit or loss. OLB has not exercised the option to allocate equity instruments not held for trading purposes to the FVOCI measurement category (FVOCI option).

For details on the allocation of financial assets to the measurement categories, please refer to note (71).

Definition of business models according to IFRS 9

The management of OLB defines the business model – which is based on the management of a group of financial assets – in order to achieve the Bank's business objectives and to generate cash flows.

The OLB uses the "hold to collect" and "hold to collect and sell" business models. Receivables from banks and receivables from customers – including the promissory notes reported in this item – are exclusively allocated to the "hold to collect" business model. In principle, financial assets of the non-trading portfolio are considered as falling within the "hold to collect and sell" business model. Investment securities and shares in affiliated companies which, by nature, are allocable to the "hold to collect " business model are an exception.

For financial assets allocated to a portfolio with the "hold to collect " business model, OLB aims to collect their contractually agreed cash flows. However, subject to certain conditions the sale of an asset prior to the maturity date will not automatically conflict with the basic intention to hold it.

In addition to repayments and redemptions, financial assets that are allocated to a portfolio with the business model "hold to collect" can in principle also be sold without this contradicting the business model. Since sales will in principle only arise in individual cases, the Bank has opted not to prescribe specific threshold values and will assess the potential impacts on its business model on a case-by-case basis.

In the "hold to collect and sell" business model, OLB has the intention to collect the contractually agreed cash flows. Opportunistic sales out of the portfolios in question are likewise permitted. However, there is no initial intention to sell, unlike in the case of trading portfolios.

Analysis of the contractually agreed cash flows

As well as the relevant business model, the classification of financial assets also depends on the nature of the cash flows. When a financial asset is recognised for the first time, the contractual cash flows are analysed with regard to the SPPI criterion. The SPPI criterion defines interest as payments that are consistent with a basic lending arrangement. The contractual cash flows are evaluated, whether they essentially constitute compensation for the fair value of the money and the assumed credit risk of the counterparty. These payments may also include a settlement for the assumption of liquidity risks and a profit margin. Leverage which interferes with this compensation status will result in the non-fulfilment of the SPPI criterion. With regard to the nature of payments of principal, the bank considers whether repayments made while taking account of rights of termination may result in a deviation from the carrying amount recognised as of the date of repayment. In this case, such payments would be regarded as detrimental to the applicability of the SPPI criterion.

Non-recourse financing arrangements are characterised by their limited rights of recourse. This limitation means that a financing arrangement is higher-risk, and financing arrangements may constitute equity. By way of differentiation, OLB has developed an accounting policy which classifies non-recourse financing arrangements on the basis of defined risk characteristics (such as rating grades, loan to value).

Financial instruments with embedded derivatives (including termination rights, interest rate options) are assessed in their entirety to determine whether they meet the SPPI criterion.

Reclassifications

In principle, following their initial recognition financial assets will continue to be ascribed to the business model to which they were allocated as of their addition. Reclassifications will only be made in exceptional cases, where this is consistent with the actual management of OLB and further conditions are met. In the event of an exceptional reclassification, this will be separately indicated. No reclassification occurred in the relevant period.

Initial measurement of financial assetse

Trading portfolio assets are recognised at their fair value as of the trade date. Transaction costs are recognised through profit or loss.

Receivables from banks, receivables from customers and financial assets of the non-trading portfolio are recognised at fair value, which is generally the transaction price (amount paid out). The directly allocable transaction costs are accrued for the AC measurement category and likewise in the case of the FVOCI measurement category. The transaction costs for FVPL financial assets of the non-trading portfolio are recognised through profit or loss.

Subsequent measurement of financial assets

Financial instruments of the measurement category FVPL are measured at their fair values. In principle, these are calculated on the basis of stock exchange prices. In those cases where no stock exchange quotations are available, the market prices of comparable instruments or recognised valuation models (in particular, present value methods or option pricing models) will be used in order to determine the fair value.

Financial instruments of the measurement category AC (in particular receivables from banks and receivables from customers) will be measured at amortised cost.

Risk provisioning and impairment will be deducted from the gross carrying amount. Any difference between the amount paid out and the nominal amount as well as loan processing fees will – where equivalent to interest – be allocated to profit or loss in accordance with the effective interest rate and will be recognised in the interest income resulting from the application of the effective interest method. In the case of the disposal of financial instruments in the AC measurment category, the result is recognised in the item Result from the disposal of AC valued financial instruments

Financial instruments of the measurement category FVOCI (parts of financial investments) are measured at fair value. With the exception of risk provisioning and impairment as well as currency translation, changes in value will be recognised in Other comprehensive income (OCI) while taking into account deferred taxes. As these are exclusively debt instruments, the accumulated net measurement gain recognised in Other comprehensive income will be reclassified to profit or loss upon disposal.

If the contractual rights to the cash flows from financial assets expire or have expired (e.g. through redemption or disposal), they are derecognised.

Risk provisioning and impairment of financial instruments

OLB uses an expected credit loss model to recognise impairment of financial assets in the AC and FVOCI categories and of loan commitments and financial guarantees. Expected losses are already recognised in the balance sheet as of the date of addition.

Risk provisioning is based on the three-stage model of IFRS 9. As of the date of initial recognition, an asset will be allocated to Stage 1 and risk provisions will be recognised in the amount of the 12-month expected credit loss. OLB uses the parameters PD, LGD and EAD, as well as the CCF for off-balance sheet transactions. The EAD is determined based on the contractual or expected cash flows.

In the event of a significant increase in credit risk as of the following balance sheet date, OLB allocates the financial instrument to Stage 2 and establishes risk provisions in the amount of the lifetime expected loss. Here, too, the calculation is based on the parameters lifetime PD, lifetime LGD and the EAD and, if applicable, CCF determined on the basis of the contractual or expected cash flows. According to OLB's rules, a Stage 2 allocation will be made, if the following criteria are met:

- Rating-related criteria: The threshold for determining a significant deterioration in credit quality is established on the basis of a quantile analysis depending on the rating at the time of addition. This analysis may result in rating changes depending on the initial credit rating, age of the financial instrument and portfolio from which a significant deterioration in credit quality exists.
- Process-related criteria: Features established in OLB's credit risk management process are used as qualitative criteria of a significant deterioration in credit quality. These include the escalation levels of the early risk detection system, according to which a financial instrument is assigned to Stage 2 as soon as it is being restructured. This criterion ensures that a financial instrument is assigned to Stage 2 after a forbearance measure has been applied.
- Delay in payment of more than 30 days

If a financial instrument is credit-impaired at the balance sheet date, it is assigned to Stage 3. A credit-impairment exists where it is probable, on the basis of current information or events, that the customer will not fulfil its contractual interest or principal obligations as of the due date. In particular, this will apply if the following criteria are met:

- opening of insolvency proceedings of the debtor or issuer or a high probability of insolvency or comparable reorganisation proceedings,
- significant financial difficulties of the debtor or issuer; or
- concessions made to the debtor in connection with the debtor's financial difficulties that result in a significant reduction in the debtor's financial obligations. A reduction in the financial obligations is deemed to be significant if the present value of the financial obligations is significantly reduced as a result of the concessions granted.

In addition, an allocation to Stage 3 is made if there is a payment delay of more than 90 days. The risk provision is still calculated as lifetime expected loss, but with a default probability of 100 %.

OLB calculates risk provisions for the homogeneous, small-scale lending business in Stage 3 on the basis of parameters such as lifetime PD, lifetime LGD, EAD and CCF. For the inhomogeneous credit portfolio of Stage 3, the risk provision is determined as an undistorted and probability-weighted amount on the basis of the estimate of the discounted cash flows still to be expected for the assets concerned. The expected cash flows from realisation of collateral are also taken into account. In this context, supplementary methods are used to determine the expected cash flows from the realisation of collateral, particularly in the case of acquisition financing, in order to determine potential cash flows from the sale of the borrower's shares pledged as part of the financing. These are standard market procedures for determining company values using EBITDA multiples and on the basis of discounted cash flow (DCF) valuations in various scenarios.

The historical default information forms the basis for determining the risk parameters. These are adjusted taking into account the current economic environment as well as macroeconomic forecasts of the overall economic development. For this purpose, the bank determines scenarios for further economic development and derives the effects on the risk parameters using statistical models.

Post Model Adjustment (PMA):
The required consideration of macroeconomic factors for which no historical scenarios are available is by means of a post model adjustment allocated to the individual exposures and thus distributed across the levels. As part of a "heat map", relevant sectors affected by the current multi-crisis situation were identified and clustered according to their impact. Based on this heat map, the Bank modeled sector-specific PD shifts in order to estimate the PMA. Stage changes are not explicitly modeled. A post-model adjustment is generally reversed as soon as the measurement of risk provisioning for the relevant credit risks can again be modelled with sufficient reliability using macroeconomic parameters. In particular, a reversal occurs if the reasons for the inclusion of the general PMA no longer apply (e.g. due to an improvement in economic conditions or consideration of specific risk provision items).

An allocation from Stage 2 to Stage 1 or from Stage 3 to Stage 2 or Stage 1 takes place if the criteria that led the stage transfer to no longer exist on the respective balance sheet date.

At Stage 1 and Stage 2, interest is recognised on the basis of the gross carrying amount, i.e. through application of the effective interest rate to the carrying amount prior to deduction of risk provisions. At Stage 3, interest is recognised on the basis of the net carrying amount, i.e. the carrying amount after deduction of the risk provisions.

The derecognition of financial instruments assigned to Stage 3, e.g. in the case of debt waivers, is always carried out by using up the risk provision. If there is no sufficient risk provision, a write-off is made directly in profit or loss. Recoveries on loans written off are also recognised in the item Risk provisioning in the lending business.

No separate risk provisions will be established for financial instruments in the FVPL measurement category, since this already occurs within the scope of the fair value measurement through profit or loss.

No risk provisions will be established in the balance sheet for assets in the AC and FVOCI measurement categories which were already impaired as of the date of their addition (i.e. on acquisition or in the case of substantial modifications on delivery). to the balance sheet (purchased or originated credit-impaired financial assets, POCI). Any change in the lifetime expected loss will be taken into account on subsequent balance sheet dates by means of the risk provisioning result. For POCI, interest will be recognised on the basis of the net carrying amount with the initial effective interest rate.

Changes in contractual cash flows – modifications
Changes in contractual cash flows or other changes to significant contractual components occurring during the life of a financial asset are referred to as modifications. If a financial instrument is derecognised as a result of a modification and subsequently recognised as a new financial instrument at fair value, this will entail a substantial modification. Any resulting modification result is recognised in the income statement. In the reporting period, there were no significant results from substan-

tial modifications. On the other hand, a non-substantial modification will apply where the gross carrying amount must be recalculated on the basis of the changed cash flow and a modification result recognised. The result from a non-substantive modification is the difference between the gross carrying amount immediately prior to the modification and the recalculated gross carrying amount. The modification result will be recognised in Risk provision on the statement of profit and loss.

Financial liabilities – classification and measurement
As a rule, financial liabilities must be assigned to the AC category. Financial liabilities held for trading purposes are an exception. These will be allocated to the FVPL category. At OLB, they consist of derivatives exclusivly.

OLB is not currently making any use of the fair value option which may be applied in order to eliminate or reduce an accounting mismatch or in order to avoid a separation of embedded derivatives whose separation would otherwise be required.

These liabilities are initially measured at fair value. In the case of financial liabilities in the AC measurement category, directly allocable transaction costs must be taken into consideration in addition. In the FVPL measurement category, they are directly recognised through profit or loss. Within the scope of their subsequent measurement, financial liabilities in the AC measurement category are measured at amortised cost. Any premium or discount will be allocated to profit or loss pro rata temporis in accordance with the effective interest method.

The longer-term refinancing transactions taken out with the ECB from the TLTRO programmes (nominal holdings in 2023: EUR 1,300 million, 2022: EUR 1,990 million) are recognised exclusively in accordance with IFRS 9 at their acquisition cost using the effective interest method. The interest rate on TLTRO deposits depended on the growth in lending volume granted by the Bank and was therefore specific to OLB. With the respective fulfillment of the minimum volume in credit growth, this led to a higher interest rate. The TLTROs are treated here as variable-rate financial liabilities for which the fulfilment of the conditions for loan volume growth is recognised as a change in the effective interest rate as part of the periodic reestimation of the cash flows. In this regard, we also refer to note (7).

Financial liabilities in the FVPL measurement category are measured at fair value through profit or loss.

OLB accordingly applies the following IFRS 9 measurement categories for financial liabilities:
- Amortised cost (AC)
- Fair value through profit or loss (FVPL)

Financial liabilities (or parts thereof) are derecognised when they have been redeemed or repurchased.

Repo transactions and reverse repo transactions
In the case of a repo transaction, the Group sells securities while simultaneously agreeing to repurchase these securities on a certain date for an agreed price. The Group will retain the risks and opportunities associated with these securities in respect of a change in interest rates and counterparty default throughout the term of these transactions. These securities will thus continue to be reported in the Group's balance sheet as trading portfolio assets or financial assets of the non-trading portfolio. The proceeds of their legal sale are included in the balance sheet item Liabilities to banks / liabilities to customers and reported as a liability resulting from repo transactions.

In the case of a reverse repo transaction, the Group purchases securities while simultaneously agreeing to return these securities on a certain date for an agreed price. The counterparty will retain the risks and opportunities associated with these securities in respect of a change in interest rates and counterparty default throughout the term of these transactions. These securities will thus not be reported in the Group's balance sheet as trading portfolio assets or financial assets of the non-trading portfolio. The proceeds of their legal purchase are included in the balance sheet item Receivables from banks / receivables from customers and reported as a receivable from reverse repurchase transactions.

The interest expenses for repo transactions and the interest income from reverse repo transactions are recognised on an accrual basis and reported in net interest income.

Offsetting in the balance sheet

Financial assets and liabilities will be netted in the balance sheet if there is an unconditional enforceable right in relation to the counterparty (both in the normal course of business and on the occurrence of a credit event) to offset the respective amounts and the transactions are fulfilled on a net basis (actual shortening of the payment channel) or if the liability is settled at the same time as the asset's realisation. At OLB, derivatives business cleared through the central counterparty (CCP) EUREX is the main scenario for balance-sheet offsetting. Positive and negative fair values of derivatives held on the reporting date vis-à-vis EUREX and the related cash collateral balance will be offset and reported in the balance sheet as a single net receivable or as a single net liability.

(9) Fair value hedge accounting

OLB applies portfolio fair value hedge accounting according to the IAS 39 rules which continue to apply for this type of hedge. Here, maturity ranges are established at the level of the underlying transaction and allocated to the interest rate swaps. IAS 39 portfolio fair value hedge accounting is currently only used at OLB for interest rate swaps which hedge underlying lending business and do not already have a 1:1 relationship with a specific underlying transaction. The underlying transactions used for portfolio fair value hedge accounting are loans and advances to customers measured at AC (amortising long-term loan transactions). OLB also uses interest rate swaps which are designated and recognised as IFRS 9 micro fair value hedges (these are on the one hand interest rate swaps with reference to financial assets valued at FVOCI and on the other hand interest rate swaps with reference to AC valued liabilities.)

For portfolio fair value hedge accounting the hedged risk is always the interest rate risk – in terms of the EUR swap curve – and interest rate swaps alone are used as hedging instruments.

With regard to the income statement presentation, for both portfolio hedges and micro hedges the measurement of the underlying transactions in relation to the hedged risk (EUR swap curve) and the measurement of the hedging instruments (EUR interest rate swaps) are shown in the result from hedging relationships. Offsetting valuation changes net one another out here; any ineffective hedges will mean that a net measurement gain or net measurement loss will arise in the result from hedging relationships. Ineffective hedges must always be expected to a certain degree. On the one hand, the multi-curve measurement of the interest rate swaps means that the measurement results are sensitive to interest rate tenor spreads – which is not true of the underlying transactions, which always have fixed interest rates. On the other hand, the transaction volumes on the two sides of a hedging relationship may, over time, move apart from one another through the loss of underlying transactions. In the event of significant volume decreases at the level of the underlying transaction, OLB will re-designate the affected hedging relationships and re-establish volume parity. Ineffectiveness other than that expected did not occur in the reporting period.

The fair values of hedging derivatives used for the purpose of micro or portfolio hedge accounting are shown in the positive / negative fair values of hedging derivatives items. The valuation change for the underlying transactions in question which is attributable to the hedged risk (EUR swap curve) will be shown under the underlying transaction in the balance sheet, i.e. the valuation adjustment is presented in the same item as the hedged underlying transaction (e.g. receivables from customers, if lending business is subject to interest rate hedging).

This also applies for the underlying transactions in portfolio fair value accounting (i.e. the Bank will not make use of the simplification permitted for this type of hedge where the valuation adjustments for the underlying transactions are reported in a separate balance sheet item, separately from the underlying transaction).

OLB utilises regression analysis (for IFRS 9 micro fair value hedges) and the dollar offset method (for IAS 39 portfolio fair value hedges) as methods to assess hedging effectiveness.

The actual value adjustments between the underlying and hedging transactions for the portfolio hedge and for all micro hedges are recognised in the income statement under Net income from hedge relationships.

(10) Result from restructuring

Restructuring expenses are recognised as of the Bank approving a detailed restructuring plan for specific programs and commencing the implementation of this plan or as of the Bank announcing the core aspects of this plan to the concerned parties. The recognised expenses are measured on the basis of qualified estimates as to the likely costs of the specific measures.

Future obligations which exceed a one-year horizon are discounted to the underlying present value. The Bank regularly reviews whether its estimates are still appropriate and adjusts them where necessary. Restructuring costs for which it is not possible to establish provisions are recognised in the period in which they are incurred.

Restructuring expenses relate to discontinued activities or business segments which are clearly defined so that they cannot be associated with the Bank's future going concern activities.

(11) Income taxes

Income taxes levied on profits on the basis of applicable tax legislation are recognised as expense on an accrual basis. Deferred income taxes are recognised in full by means of the balance sheet-oriented approach for temporary differences between the amounts recognised for assets and liabilities for tax purposes and their carrying amounts in the financial statements, irrespective of the date of their reversal. Deferred taxes are measured at the tax rates which have already been adopted or announced by law and which are expected to apply as of the date on which these deferred taxes are reversed. Income tax assets or income tax liabilities will be recognised for additional tax payments or for any reimbursements which are due. Deferred tax assets will be recognised in the amount in which it is probable that future taxable profits will be available against which the temporary differences can be utilised.

(12) Disclosures on segment reporting

In accordance with IFRS 8, the internal financial reporting – as a decision-oriented tool produced on a monthly basis to assist with corporate management and control and to reflect risks and opportunities – forms the basis for the segment reporting.

For management purposes, the Bank divides up its business activities by business segments, in terms of its target customers, products and services as well as from a procedural and settlement point of view.

Retail Banking and business with regional small and medium-sized enterprises (SMEs) are the first central pillar of OLB's business operations as part of the Bank's *Private & Business Customers* strategic business segment. OLB offers these clients competent advisory and support services based on direct, trustworthy, in-person contact via its centrally managed network of branches and its Advisory Centre Oldenburg (CDS). At the same time, customers can also use online and mobile banking to directly access up-to-date services and products that meet their needs. OLB thus combines a branch presence in its Weser-Ems core business area with the offering of a digital bank active throughout Germany, together with distribution partners and brokerage business. The Bank's offering concentrates on current accounts and credit cards, online banking and mobile banking (via its OLB banking app), instalment loans, private construction financing and private investments. In addition, the Bank offers insurance brokering and assistance with private real estate purchases and sales. The Bank operates under the Bankhaus Neelmeyer brand in the area of Private Banking & Wealth Management.

The second pillar of the Bank's business model is the larger-volume corporate business segment including Football Finance as well as Acquisition Finance including Fund Finance, International Diversified Lending and Commercial Real Estate Finance. The Bank's offering in these subsegments is characterised by an individually tailored profile, larger individual transactions and the commitment of an increased volume of resources to advisory processes and servicing. However, on the other hand this enables higher margins. This business segment is supplemented by Wind Power Finance. Since the start of the financial year 2023, the Bank's activities which fall under the scope of its manufactory business have been combined in its *"Corporates & Diversified Lending"* strategic business segment.

On the one hand, personnel and non-personnel expenses resulting from central operational, management and administrative functions are presented as part of OLB's *Corporate Centre.* Back office and settlement services are provided centrally for the strategic business segments in the operating units. The management and administrative units are responsible for steering the Bank. The costs incurred by central units for the performance of services within the scope of business operations are apportioned to the strategic business segments on the basis of the source of these costs. In addition, any items which do not belong elsewhere – in particular, those arising from the Bank's asset / liability management, earnings from affiliated companies, investment securities and reconciling items – are also presented within the scope of OLB's Corporate Centre. The Corporate Centre is not a business segment.

OLB primarily assesses the financial success of its segments for which reporting is required and of its other units on the basis of its operating result before risk provisions. Its operating result before risk provisions is the balance of income and expenses from core business operations which can be allocated to the segment or unit in question. The result after taxes is another key indicator.

Net interest income is divided up into its profit components on the basis of the market interest rate method and allocated to the segments on the basis of its source.

Administrative expenses comprise direct costs allocated to the segments as well as the costs of central units which arise through the performance of services within the scope of business operations.

Risk capital is assigned on the basis of the allocation of risk-weighted assets to the segments. Market price risk, operational risks and currently free capital shares are allocated to the Corporate Centre unit.

(13) Tangible fixed assets

Land and buildings and operating and business equipment are reported at amortised cost. Subsequent costs will be capitalised if they increase the economic benefit of the relevant assets. Repairs, servicing and other maintenance costs will be registered as expense in the period in question. Tangible fixed assets are depreciated on a straight-line basis over the following periods, in line with their expected economic lives:

- Buildings: 25 to 50 years
- Operating and business equipment: 3 to 13 years
- Right-of-use assets: 1 to 15 years

The depreciation expense is reported under depreciation, amortisation and impairments of intangible and tangible fixed assets. Gains or losses resulting from the sale of tangible fixed assets or owner-occupied land and buildings are reported under other income or other expenses.

(14) Intangible assets

Intangible assets are reported at cost upon initial recognition. They are subsequently measured at amortised cost, i.e. less any accumulated amortisation over the expected useful life as well as write-offs. OLB reports acquired software and an acquired domain under this item.

In principle, host applications are amortised on a straight-line basis over a period of seven years and client-server applications on a straight-line basis over a period of five years. The amortisation period of the rights of use (software) is between 3 and 5 years. The amortisation expense is reported under depreciation, amortisation and impairments of intangible and tangible fixed assets.

The costs for servicing of software programs are recognised through profit or loss upon accrual.

(15) Leasing

The OLB Group has various leasing arrangements under which the OLB Group is the lessee. Pursuant to IFRS 16, a right-of-use asset for the leased asset and a corresponding leasing liability must be recognised for these leases. These right-of-use assets are reported – under the cost model – as tangible fixed assets as part of the fixed assets and as intangible assets (see note (38) and (39)) and are depreciated on a straight-line basis over the useful life of the lease. The depreciation amounts are reported in Depreciation, amortisation and impairments of intangible and tangible fixed assets. The leasing liabilities are carried in the amount of the present value of the future lease payments discounted at OLB's marginal borrowing rate (i.e. the refinancing rate used in internal management) and reported in the other liabilities item (see note (52)). The leasing liability is subsequently measured using the effective interest method.

The OLB Group does not use its option of excluding short-term leases with terms of less than 1 year and leases with a low value from this accounting treatment.

(16) Provisions

Provisions are established according to IAS 37 where the Group has existing legal or constructive obligations resulting from past transactions or events. For these provisions, it is probable that an outflow of resources with an economic benefit is necessary in order to fulfil this obligation and that a reliable estimate can be made of the amount of this obligation. Provisions are subject to an annual review and are newly determined.

(17) Retirement benefit obligations

Most of OLB's employees are enrolled in a company pension scheme. When the benefits fall due, they are paid out in the form of an old-age pension, a survivors' pension, a work incapacity pension or, where applicable, a capital payment.

Pension plans are generally funded through payments made by OLB. There are also arrangements for employees to make their own contributions.

For the actuarial calculation of the present value of pension entitlements earned, net pension expense and, where applicable, additional expenses due to changes to defined benefit pension plans, independent qualified actuaries calculate the pension obligations annually according to the projected unit credit method. This entails an accrued benefit method pro-rated on service.

The pension obligation is reported at the present value of the pension entitlements earned as of the measurement date. An interest rate corresponding to current market conditions (for high-grade fixed-interest industrial bonds with matching maturities) is applied and assumed wage and salary increases, pension trends and expected income from the plan assets are taken into consideration. Actuarial gains and losses – resulting from experience adjustments, adjustments to actuarial assumptions and plan changes – are recognised in cumulative other comprehensive income. Pension expense is recognised in the "Current expenses" item as post-employment benefit costs.

A portion of the company pension scheme for employees comprises benefit entitlements due to indirect benefit obligations. To fund these entitlements, defined contributions are made – with the participation of the employees – to external pension funds, including Versicherungsverein des Bankgewerbes a.G., Berlin. The contributions made to these external pension funds are recognised as current expenses and reported in the "current expenses" item as post-employment benefit costs.

(18) Additional disclosure to the cash flow statement

The cash flow statement presents the change in the OLB Group's cash and cash equivalents due to cash flows from operating activities, investing activities and financing activities. Cash flows from operating activities are derived from the Group's net profit for the financial year by means of the indirect method. Cash flows from investing activities which are presented according to the direct method mainly comprise proceeds from the disposal of, and payments to acquire, financial assets of the non-trading portfolio and tangible fixed assets. Financing activities – which are likewise presented according to the direct method – reflect all of the cash flows resulting from transactions involving equity as well as subordinated capital and profit participation capital. All other cash flows are allocated to operating activities, in line with international practice for banks. Cash and cash equivalents comprise cash in hand and balances with central banks.

Notes to the statement of profit and loss and segment reporting

(19) Net interest income

Interest income and interest expense are recognised on an accrual basis. Interest income resulting from application of the effective interest method comprises:

- calculated positive interest income from receivables and securities
- mortised loan processing fees which form part of the effective interest rate; and
- and premiums and discounts for financial assets in the AC and FVOCI measurement categories. ↗

Interest income also includes current income, such as dividends from shares, dividends from shares in affiliated companies and investment securities. Dividends are recognised in profit or loss as of the date of the dividend entitlement arising with legal effect.

Negative interest from receivables and securities, positive and negative interest from derivatives, current income from affiliated companies, income from profit pooling, profit transfer or partial transfer agreements are shown under other interest income.

Interest income and expenses from repo and reverse repo transactions are likewise recognised on an accrual basis and reported in net interest income.

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Interest income accounted for using the effective interest method	**879.4**	**558.5**
Interest income from lending transactions accounted for using the effective interest method	823.8	518.6
Interest income from securities business accounted for using the effective interest method	55.5	39.9
Interest income not accounted for using the effective interest method	**105.5**	**- 53.4**
Negative interest from financial assets	- 1.3	- 24.1
Current income from shares and other non-fixed income securities	0.0	0.0
Current income from investment securities and non-consolidated affiliated companies	0.0	0.0
Other interest income	106.7	- 29.4
Total interest income	**984.9**	**505.1**
Interest expenses from liabilities to banks	- 116.0	- 19.1
Interest expenses from liabilities to customers	- 224.1	- 44.2
Interest expenses from securitised liabilities	- 33.7	- 3.8
Interest expenses from subordinated debt	- 5.4	- 6.6
Other interest expenses	- 96.5	- 28.3
Positive interest from financial liabilities	0.2	32.8
Total interest expenses	**- 475.4**	**- 69.3**
Net interest income	**509.4**	**435.8**

(20) Net commission income

Income and expenses from the utilisation of services are recognised in this item. OLB applies IFRS 15 which establishes a five-step model governing revenue recognition. The five-step model requires the bank to (i) identify the contract with the customer, (ii) identify each of the separate performance obligations included in the contract, (iii) determine the amount of consideration in the contract, (iv) allocate the consideration to each of the identified separate performance obligations and (v) recognise revenue as each performance obligation is satisfied. One-off fees received which do not form part of the effective interest rate are recognised in commission income as of the date of fulfilment of the separate performance obligation. Income for services provided over a period of time is recognised on the balance sheet date according to the degree of fulfilment. For further details regarding the nature of the services provided we refer to note (12). The breakdown of commissions by type of services based on IFRS 15 is as follows:

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Account fees et al.	**29.0**	**27.5**
Income	37.2	36.0
Expense	- 8.2	- 8.5
Securities business and asset management	**35.5**	**36.7**
Income	67.0	68.8
Expense	- 31.5	- 32.1
Private real estate, house-saving and insurance business	**9.7**	**12.9**
Income	11.2	15.0
Expense	- 1.6	- 2.2
Loan business fees	**43.9**	**34.5**
Income	48.5	39.2
Expense	- 4.6	- 4.7
Others	**2.6**	**3.2**
Income	3.2	3.8
Expense	- 0.6	- 0.5
Total net commission income	**120.6**	**114.8**
Income	167.1	162.7
Expense	- 46.5	- 47.9

(21) Trading result

The trading result comprises all realised and unrealised gains and losses from OLB's trading portfolio assets and liabilities. The trading result also includes commissions and any interest income and expenses resulting from trading activities. Trade-related commissions comprise the Bank's stock market settlement expenses and margins earned in foreign exchange and precious metals business.

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Trading in interest rate products	10.2	- 1.2
Foreign exchange and precious metal business	10.0	9.6
Others	- 0.0	- 0.0
Current trading result	**20.1**	**8.4**

(22) Result from hedging relationships

The changes in value for the underlying transactions in relation to the hedged risk (EUR swap curve) and the changes in value for the hedging instruments (EUR interest rate swaps) are shown in the result from hedging relationships. This item includes the changes in value for the micro fair value hedges and likewise the portfolio fair value hedge. The effects of the amortisation of carrying amount adjustments made for previous underlying transactions are not reported here. Instead, they are reported in Net interest income. This also applies for ongoing interest payments for underlying transactions and hedging transactions.

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Result from micro hedges	- 6.6	- 14.5
Result from portfolio hedges	- 16.2	- 4.5
Result from hedging relationships	**- 22.9**	**- 19.0**

Within the scope of the establishment of micro hedges shown in the balance sheet according to the fair value hedge accounting rules, interest rate swaps used for management of the interest exposure book were subject to fair value changes in the amount of EUR - 118.5 million (2022: EUR 247.7 million). Overall, fair value changes in the amount of EUR 111,9 million (2022: EUR - 262.2 million) arose for corresponding receivables from and liabilities to customers and for financial assets of the non-trading portfolio.

Within the scope of the establishment of the portfolio hedging relationship shown in the balance sheet according to the fair value hedge accounting rules, interest rate swaps used for management of the interest exposure book were subject to fair value changes in the amount of EUR - 172.4 million (2022: EUR 435.5 million). Overall, fair value changes in the amount of EUR 156.2 million (2022: EUR - 440.0 million) arose for corresponding receivables from and liabilities to customers and for financial assets of the non-trading portfolio.

The net effect (hedge ineffectiveness) of the micro hedges and the portfolio hedge, at a total amount of EUR 22.8 million (2022: EUR 19.0 million) is the net result on hedge accounting.

(23) Other income

The main driver of the increase in earnings was payments of EUR 10.0 million from an external contractual partner of OLB, which the Bank received as compensation for progress in implementing the outsourcing of business processes that fell short of expectations. The other income from 2023 includes income of EUR 6.8 million from the sale of owner-occupied land and buildings (previous years: EUR 3.8 million).

(24) Current expenses

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Wages and salaries	- 115.2	- 117.8
Social contributions	- 16.6	- 17.3
Expenses from retirement benefits and support	- 8.3	- 10.7
Total current personnel expenses	**- 140.1**	**- 145.8**
IT expenses	- 22.6	- 17.0
Room costs	- 6.5	- 6.0
Information costs	- 6.4	- 5.4
Insurance	- 2.2	- 2.4
Advertising and representation expenses	- 4.3	- 3.8
Audit and association costs	- 6.3	- 4.7
Other services	- 20.7	- 8.7
Consulting and legal costs	- 27.4	- 18.4
Capital market costs	- 3.0	- 1.7
Digital banking	- 1.8	- 1.6
Other administrative expenses	1.3	- 3.6
Non-personnel expenses	**- 99.9**	**- 73.4**
Depreciation / amortisation of IFRS 16 right-of-use assets	- 11.8	- 13.7
Depreciation of IAS 16 assets	- 7.4	- 7.9
Amortisation of IAS 38 intangible assets	- 3.6	- 2.9
Write-offs	—	—
Depreciation, amortisation and impairments of intangible and tangible fixed assets	**- 22.9**	**- 24.5**
Other expenses	- 0.2	- 0.6
Expenses from bank levies and deposit protection	- 12.2	- 15.2
Current expenses	**- 275.3**	**- 259.5**

(25) Risk provisions in the lending business

The change in risk provisions – recognised in profit or loss – for receivables from banks and receivables from customers for which risk provisions are required and for financial assets of the non-trading portfolio and off-balance sheet lending business (irrevocable loan commitments, financial guarantees) is reported in the item Risk provision expense item. The item Risk provision expense consists of the following:

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Receivables from banks measured at AC		
Non-significant increase in credit risk since initial recognition (Stage 1/12-month ECL)	- 0.0	0.0
Significant increase in credit risk since initial recognition (Stage 2/lifetime ECL)	0.0	- 0.0
Result from changes in the risk provisions of receivables from banks measured at AC	**- 0.0**	**0.0**
Receivables from customers		
Non-significant increase in credit risk since initial recognition (Stage 1 / 12-month ECL)	4.4	- 23.5
thereof: measured at AC	4.4	- 23.5
thereof: measured at FVOCI	—	—
Significant increase in credit risk since initial recognition (Stage 2/lifetime ECL)	- 3.1	7.3
thereof: measured at AC	- 3.1	7.3
Credit-impaired assets (Stage 3 / lifetime ECL)	- 46.3	- 32.1
thereof: measured at AC	- 46.3	- 32.1
Purchased or originated credit impaired (POCI)	—	—
thereof: measured at AC	—	—
Result from changes in the risk provisions of receivables from customers	**- 44.9**	**- 48.3**
Off-balance-sheet business		
Non-significant increase in credit risk since initial recognition – banks (Stage 1/12-month ECL)	0.0	0.1
Significant increase in credit risk since initial recognition – banks (Stage 2/lifetime ECL)	0.1	- 0.1
Non-significant increase in credit risk since initial recognition – customers (Stage 1/12-month ECL)	1.3	- 1.7
Significant increase in credit risk since initial recognition – customers (Stage 2/lifetime ECL)	1.6	- 2.8
Credit-impaired assets - customers (Stage 3 / lifetime ECL)	- 0.3	6.9
Result from changes in provisions in credit business	**2.7**	**2.4**
+ Direct write-offs	- 4.5	- 4.1
– Recoveries on receivables written-off	5.8	5.3
Result from other changes in risk provision	**1.2**	**1.2**
Total risk provisions	**- 41.0**	**- 44.7**

(26) Result from restructuring

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Additions to restructuring provisions	- 0.3	0.4
Reversal of restructuring provisions	7.6	3.2
Restructuring expenses not eligible for provision	- 0.1	- 0.0
Result from restructuring	**7.1**	**3.7**

In 2022, the Bank decided on comprehensive measures to modernise and reposition the Bank, which were accompanied by significant job cuts. The expected costs for a socially acceptable implementation of the staff reduction were taken into account through the formation of a restructuring provision recognised in 2022. Of this provision EUR 7.6 million were reversed in 2023.

(27) Result from non-trading portfolio

The result from financial assets of the non-trading portfolio comprises net disposal and measurement gains on securities held as financial assets of the non-trading portfolio as well as investment securities and shares in subsidiaries which are not included in the basis of consolidation.

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Result from financial assets of the non-trading portfolio measured at FVOCI	- 9.5	- 39.8
Result from financial assets of the non-trading portfolio measured at FVPL	7.7	52.0
Result from non-trading portfolio	**- 1.8**	**12.3**

(28) Income taxes

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Actual taxes (current year)	- 96.7	- 112.5
Actual taxes (previous years)	- 0.8	- 0.4
Actual taxes (sum)	**- 97.4**	**- 112.9**
Deferred taxes (current year)	- 8.1	26.0
Deferred taxes (previous years)	0.5	7.4
Deferred taxes (sum)	**- 7.6**	**33.4**
Income tax	**- 105.0**	**- 79.5**

Please see note (55) ff. for further details.

(29) Segment reporting

Please see the accounting policies explained in note (12) for details of the basis and methods for the segment reporting.

The following tables show the results of segment reporting in terms of the structure of the segments which were actually managed in financial years 2022 and 2023:

EUR m	Private & Business Customers	Corporates & Diversified Lending	Corporate Centre	OLB Group
01/01 - 12/31/2023				
Net interest income	258.1	271.8	- 20.4	509.4
Net commission income	76.2	48.2	- 3.7	120.6
Other operating income*	2.8	10.7	2.8	16.3
Result from non-trading portfolio**	—	—	- 1.8	- 1.8
Operating income	**337.1**	**330.6**	**- 23.1**	**644.6**
Operating expenses* **	**- 151.7**	**- 63.2**	**- 48.2**	**- 263.1**
Operating result	**185.3**	**267.5**	**- 71.3**	**381.5**
Expenses from bank levies and deposit protection	- 6.3	- 5.9	—	- 12.2
Risk provisioning in the lending business	- 13.4	- 29.6	2.1	- 41.0
Result from restructurings	—	—	7.1	7.1
Result before taxes	**165.5**	**231.9**	**- 62.1**	**335.4**
Income tax	- 51.3	- 71.9	18.2	- 105.0
Result after taxes (profit)	**114.2**	**160.0**	**- 43.9**	**230.4**
Cost-Income Ratio (CIR)	**45.0**	**19.1**	**n. a.**	**40.8**
Return on equity (post tax)	**32.3**	**18.8**	**n. a.**	**15.2**
01/01 - 12/31/2022				
Net interest income	188.7	233.6	13.6	435.8
Net commission income	82.6	37.9	- 5.6	114.8
Other operating income*	14.8	10.0	- 9.9	14.9
Result from non-trading portfolio**	—	—	12.3	12.3
Operating income	**286.1**	**281.4**	**10.3**	**577.8**
Operating expenses* **	**- 165.4**	**- 57.4**	**- 21.4**	**- 244.3**
Operating result	**120.6**	**224.0**	**- 11.1**	**333.5**
Expenses from bank levy and deposit protection	- 8.6	- 6.6	—	- 15.2
Risk provisioning in the lending business	- 5.2	- 42.6	3.1	- 44.7
Result from restructurings	—	—	3.7	3.7
Result before taxes	**106.8**	**174.9**	**- 4.4**	**277.2**
Income tax	- 33.1	- 54.2	7.8	- 79.5
Result after taxes (profit)	**73.7**	**120.6**	**3.4**	**197.7**
Cost-Income Ratio (CIR)	**57.8**	**20.4**	**n. a.**	**42.3**
Return on equity (post tax)	**22.0**	**15.3**	**n. a.**	**14.7**

** Comprising Trading result, Result from hedging relationships and Other income*

*** Including Results from derecognition of financial instruments AC*

****Comprising Personnel expenses, Non-personnel expenses, Depreciation, amortisation and impairments of intangible and tangible fixed assets and Operating expenses*

With regard to the allocation of results to geographical regions, OLB is guided by the location of the branches. Since the Bank has no branches or subsidiaries abroad, all results are allocated to Germany.

(30) Basic and diluted earnings per share

To determine the basic and diluted earnings per share, the profit is divided by the average weighted number of shares in circulation during the financial year.

	01/01 - 12/31/2023	01/01 - 12/31/2022
Profit (million euros)	230.4	197.7
Average number of shares in circulation (million shares)	49.4	49.9
Basic earnings per share (euros)	**4.66**	**3.96**
Average diluted number of shares in circulation (million shares)	56.8	57.2
Diluted earnings per share (euros)	**4.05**	**3.46**

Retrospective adjustments in accordance with IAS 33.27 to the average number of instruments in circulation in the previous year were made due to the conversion of convertible bonds into ordinary shares in the financial year in order to achieve comparability.

The dilution effects result from the conversion rights of some subordinated financial instruments.

Notes to the balance sheet – assets

(31) Cash reserve

The cash reserve includes cash in hand as well as balances with central banks due daily which are reported at their nominal value. Due to the changed interest environment OLB reduced its cash reserve in 2023 in favour of debt instruments of the non-trading portfolio.

EUR m	12/31/2023	12/31/2022
Cash in hand	36.2	43.6
Balances with central banks	41.5	1,486.2
of which: eligible for refinancing with the Deutsche Bundesbank	41.5	1,486.2
Cash reserve	**77.7**	**1,529.8**

(32) Trading portfolio assets

Trading portfolio assets comprise holdings resulting from customer business involving foreign exchange and interest rate hedging instruments.

Positive fair values from derivative financial instruments are reported under Trading portfolio assets, except where these derivatives are including in the hedge accounting in accordance with IFRS.

Fair values of hedging derivatives which are used for the purpose of internal risk management but which are not eligible for the hedge accounting are also reported here.

EUR m	12/31/2023	12/31/2022
Positive fair values of interest rate derivatives, unless included in hedge accounting	113.4	145.2
Positive fair values of currency derivatives	35.0	52.0
Non-derivative trading assets measured at FVPL	0.3	0.0
Credit value adjustment (CVA) for derivative financial instruments	- 3.6	- 1.5
IAS 32 off-setting amount	- 69.0	- 87.3
Trading portfolio assets	**76.1**	**108.5**

(33) Positive fair values of derivative hedging instruments

As of the end of the year, interest rate swaps with a nominal volume of EUR 7,127.0 million (2022: EUR 5,057.3 million) were designated as hedging instruments within the scope of the micro fair value hedge accounting. In addition, interest rate swaps with a nominal volume of EUR 3,006.0 million (2022: EUR 1,918.0 million) were designated as hedging instruments in the portfolio fair value hedge accounting. Please see note (66) for further disclosures on hedge accounting.

(34) Receivables from banks

EUR m	12/31/2023	12/31/2022
Receivables from banks (gross carrying amount)	548.8	775.2
less risk provision	- 0.0	- 0.0
Receivables from banks	**548.8**	**775.2**
Thereof: Receivables from banks measured at AC	548.8	775.2

The risk provision made on gross receivables from banks in both years amounted to less than EUR 10,000 and was thus disclosed in the metrics of EUR – 0.0 million.

(35) Receivables from customers

EUR m	12/31/2023	12/31/2022
Receivables from customers (gross carrying amount)	**19,921.7**	**18,193.9**
less risk provision	- 197.2	- 184.9
Receivables from customers	**19,724.6**	**18,008.9**
Thereof: Receivables from customers measured at AC	19,724.6	18,008.9

EUR m	12/31/2023	12/31/2022
Private & Business Customers	10,269.6	9,889.8
Corporates & Diversified Lending	9,823.4	8,691.3
Corporate Center	- 171.3	- 387.2
less risk provision	- 197.2	- 184.9
Receivables from customers	**19,724.6**	**18,008.9**
Thereof: Receivables from customers measured at AC	19,724.6	18,008.9

The risk provision for credit losses recognised on gross receivables amounted to EUR 197,2 million (2022: EUR 184,9 million).

The following table shows the split of receivables from customers by industry type:

EUR m	12/31/2023	12/31/2022
Activities of households as employers and goods- and services-producing activities of households for own use	7,302.4	6,463.1
Financial and insurance activities	2,239.4	1,553.5
Real estate activities	1,954.0	1,774.9
Manufacturing	1,841.9	1,958.8
Wholesale and retail trade, repair of motor vehicles and motorcycles	1,056.4	1,054.0
Administrative and support service activities	928.8	898.1
Electricity, gas, steam and air conditioning supply	837.5	878.0
Arts, entertainment and recreation	821.0	611.9
Professional, scientific and technical activities	820.8	822.0
Agriculture, forestry and fishing	589.8	651.2
Transport and storage	452.6	473.9
Information and communication	348.3	246.5
Human health services and social work activities	252.4	299.0
Construction	177.6	178.4
Accommodation and food service activities	102.5	113.5
Other service activities	75.2	56.0
Water supply, sewerage, waste management and remediation activities	40.1	64.6
Public administration and defense, compulsory social security	34.0	16.8
Education	27.4	44.6
Mining and quarrying	19.6	35.0
Less risk provision	- 197.2	- 184.9
Total	**19,724.6**	**18,008.9**

Receivables from customers are secured with standard bank collateral, except in case of non-resource financing within the scope of specialised lending business in the Corporates & Diversified Lending segment. This collateral mainly comprises mortgages, contractual security agreements, securities accounts and other forms of cash collateralisation. Within the framework of hedge accounting, positive adjusted fair value changes arising since the start of the hedging relationships in the amount of EUR 194.3 million (2022: EUR 397.7 million) were allocated to amortised costs.

Please see note (63) with regard to the receivables from customers which were transferred by way of collateral for the Bank’s own liabilities.

(36) Financial assets of the non-trading portfolio

The Group’s financial assets of the non-trading portfolio comprise bonds including other fixed-interest securities, shares including other non-fixed-interest securities, investment securities and shares in non-consolidated affiliated companies. Per end of 2023 the shares in affiliated companies related to two companies in which the OLB Group held a majority interest but which were not included in the consolidated financial statements due to their minor significance for the net assets, financial position and results of operations of the Group.

Investment securities are shares in companies over which the Bank is unable to exercise a significant influence and which serve to establish a permanent relationship with the companies in question. Current income from bonds, including premiums or discounts accrued over the respective term, is reported in Net interest income.

Dividend income from shares and income from shares in affiliated companies and investment securities have been included in the same item. The gains and losses realised as of the sale of these securities have been reported under the item Result from financial assets of the non-trading portfolio.

Financial assets of the non-trading portfolio have the following breakdown:

EUR m	12/31/2023	12/31/2022
Bonds and other fixed-income securitites	4,881.7	3,085.6
Financial assets of the non-trading portfolio classified at FVOCI	**4,881.7**	**3,085.6**
Shares	—	1.0
Investment securities	0.6	0.6
Shares in non-consolidated subsidiaries	0.1	0.1
Financial assets of the non-trading portfolio classified at FVPL	**0.7**	**1.7**
Financial assets of the non-trading portfolio	**4,882.4**	**3,087.3**

The following table shows the bonds and other fixed-income securities, broken down by their issuer and as well as their capital market readiness or stock exchange quotation:

EUR m	12/31/2023	12/31/2022
Bonds and debt instruments from public-sector issuers	1,530.3	945.4
Bonds and debt instruments from other issuers	3,351.3	2,140.2
Debt instruments and other fixed-income securities	**4,881.7**	**3,085.6**
Thereof: marketable securities	4,881.7	3,067.5
Thereof: listed	4,862.2	3,067.6

In 2024, bonds and other fixed-income securities with a volume of EUR 214.2 million (2023: EUR 275.6 million) will fall due.

The portfolio of debt instruments and other fixed-income securities of EUR 4.9 billion serves as a liquidity reserve. The 58.1% increase on the previous year (EUR 3.1 billion) is mainly attributable to investments in the portfolio of investment-grade covered bonds and government bonds. These are for the short-term investment of resources required for funding of the impending acquisition of Degussa Bank and for the growth of lending business.

The following table shows the shares and other non-fixed income securities, broken down by their type and as well as their capital market readiness or stock exchange quotation:

EUR m	12/31/2023	12/31/2022
Shares	—	1.0
Other	—	—
Shares and other non-fixed income securities	**—**	**1.0**
Thereof: marketable securities	—	—
Thereof: listed	—	—

The other non-fixed income securities are largely shares in investment funds.

OLB transfers bonds to third parties within the scope of repo transactions, pledging of securities and open-market transactions. The Bank retains the interest rate and counterparty risks for these bonds. The Bank reports these bonds in the Financial assets of the non-trading portfolio at a fair value of EUR 1,307.8 million (2022: EUR 1,047.8 million). The related liabilities for the repo transactions amount to EUR 2,560.3 million (2022: EUR 324.2 million). These liabilities for the repo transactions are reported in liabilities to banks. ↗

As of December 31, 2023, shares in non-consolidated affiliated companies include the amounts recognised for the non-consolidated wholly-owned subsidiaries OLB-Service Gesellschaft mbH, Oldenburg, in the amount of EUR 0.026 million (2022: EUR 0.026 million) and QuantFS, Hamburg, in the amount of EUR 0.110 million (2022: EUR 0.110 million).

(37) Risk provision

Default risks in lending and securities business are taken into account by establishing risk provisions. The following risk provisions have been established:

EUR m	12/31/2023	12/31/2022
Risk provision for lending business		
Risk provision for receivables from banks	0.0	0.0
Risk provision for receivables from customers	197.2	184.9
Risk provision for off-balance sheet obligations to customers	17.2	19.8
Risk provision for off-balance sheet obligations to banks	0.0	0.1
Risk provision for financial assets of the non-trading portfolio	0.2	0.6
Total	**214.6**	**205.4**

The risk provisioning trend in the reporting years is as follows:

	Receivables from banks				Receivables from customers			
EUR m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of 12/31/2022	**0.0**	**0.0**	**—**	**0.0**	**39.8**	**39.7**	**105.5**	**184.9**
Changes in balance from transfer between stages								
from Stage 1								
to Stage 2	—	—	—	—	- 3.2	22.3	—	19.1
to Stage 3	—	—	—	—	- 0.9	—	24.4	23.5
from Stage 2								
to Stage 1	—	—	—	—	1.0	- 11.1	—	- 10.1
to Stage 3	—	—	—	—	—	- 4.8	10.7	5.9
from Stage 3								
to Stage 1	—	—	—	—	0.0	—	- 0.5	- 0.5
to Stage 2	—	—	—	—	—	0.3	- 2.4	- 2.0
Disposal	- 0.0	- 0.0	—	- 0.0	- 4.9	- 3.2	- 9.9	- 18.0
Additions	0.0	0.0	—	0.0	8.3	1.5	12.7	22.5
Changes in parameters	0.0	0.0	—	0.0	- 4.8	- 2.0	9.8	3.0
Utilisation	—	—	—	—	—	—	- 31.3	- 31.3
Balance as of 12/31/2023	**0.0**	**0.0**	**—**	**0.0**	**35.3**	**42.8**	**119.1**	**197.2**

	Off-balance sheet obligations to banks				Off-balance sheet obligations to customers			
EUR m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of 12/31/2022	**0.0**	**0.1**	**—**	**0.1**	**7.0**	**4.5**	**8.3**	**19.8**
Changes in balance from transfer between stages								
from Stage 1								
to Stage 2	—	—	—	—	- 0.2	1.6	—	1.4
to Stage 3	—	—	—	—	- 0.0	—	0.7	0.7
from Stage 2								
to Stage 1	—	—	—	—	0.2	- 1.5	—	- 1.3
to Stage 3	—	—	—	—	—	- 0.3	0.1	- 0.1
from Stage 3								
to Stage 1	—	—	—	—	0.0	—	- 0.1	- 0.1
to Stage 2	—	—	—	—	—	0.0	- 0.1	- 0.1
Disposal	- 0.0	- 0.1	—	- 0.1	- 2.4	- 0.5	- 0.9	- 3.8
Additions	—	—	—	—	1.9	0.3	0.4	2.6
Changes in parameters	- 0.0	—	—	- 0.0	- 0.8	- 1.3	0.2	- 1.9
Utilisation	—	—	—	—	—	—	—	—
Balance as of 12/31/2023	**0.0**	**—**	**—**	**0.0**	**5.8**	**2.8**	**8.6**	**17.2**

EUR m	Receivables from banks				Receivables from customers			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as of 12/31/2021	**0.0**	**—**	**—**	**0.0**	**16.2**	**47.0**	**93.0**	**156.2**
Changes in balance from transfer between stages								
from Stage 1								
to Stage 2	-0.0	0.0	—	-0.0	-1.1	20.0		18.9
to Stage 3	—	—	—	—	-0.2		19.2	19.0
from Stage 2								
to Stage 1	—	—	—	—	1.4	-14.0		-12.6
to Stage 3	—	—	—	—		-2.7	12.7	10.0
from Stage 3								
to Stage 1	—	—	—	—	0.1		-2.8	-2.8
to Stage 2	—	—	—	—		1.0	-1.2	-0.3
Disposal	—	—	—	—	-2.7	-8.5	-8.7	-19.9
Additions	0.0	—	—	0.0	17.7	3.7	9.2	30.6
Changes in parameters	-0.0	0.0	—	-0.0	8.4	-6.8	3.1	4.6
Utilisation	—	—	—	—	—	—	-19.0	-19.0
Balance as of 12/31/2022	**0.0**	**0.0**	**—**	**0.0**	**39.8**	**39.7**	**105.5**	**184.9**

EUR m	Off-balance sheet obligations to banks				Off-balance sheet obligations to customers			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as of 12/31/2021	**0.1**	**0.0**	**—**	**0.1**	**5.3**	**1.7**	**15.6**	**22.6**
Changes in balance from transfer between stages								
from Stage 1								
to Stage 2	-0.0	0.1	—	0.1	-0.5	2.3	—	1.8
to Stage 3	—	—	—	—	-0.0	—	1.1	1.1
from Stage 2								
to Stage 1	—	—	—	—	0.3	-1.8	—	-1.6
to Stage 3	—	—	—	—	—	-0.0	0.2	0.2
from Stage 3								
to Stage 1	—	—	—	—	0.0	—	-0.2	-0.2
to Stage 2	—	—	—	—	—	0.8	-0.1	0.7
Disposal	-0.0	—	—	-0.0	-2.6	-1.5	-6.9	-11.1
Additions	0.0	—	—	0.0	2.3	0.1	0.0	2.5
Changes in parameters	-0.0	-0.0	—	-0.0	2.2	2.9	-1.4	3.8
Utilisation	—	—	—	—	—	—	—	—
Balance as of 12/31/2022	**0.0**	**0.1**	**—**	**0.1**	**7.0**	**4.5**	**8.3**	**19.8**

Risk provision for financial assets measured at FVOCI in the period from 2022 to 2023 is composed as follows:

	Financial assets of the non-trading portfolio			
EUR m	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as of 12/31/2022	**0.2**	**0.5**	**—**	**0.6**
Changes in balance from transfer between stages				
from Stage 1				—
to Stage 2	—	—	—	—
to Stage 3	—	—	—	—
from Stage 2				
to Stage 1	0.0	- 0.5	—	- 0.5
to Stage 3	—	—	—	—
from Stage 3				
to Stage 1	—	—	—	—
to Stage 2	—	—	—	—
Disposal	- 0.0	—	—	- 0.0
Additions	0.1	—	—	0.1
Changes in parameters	- 0.0	—	—	- 0.0
Utilisation	—	—	—	—
Balance as of 12/31/2023	**0.2**	**- 0.0**	**—**	**0.2**

	Financial assets of the non-trading portfolio			
EUR m	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as of 12/31/2021	**0.1**	**0.1**	**—**	**0.2**
Changes in balance from transfer between stages				
from Stage 1				—
to Stage 2	- 0.0	0.2	—	0.2
to Stage 3	—	—	—	—
from Stage 2				—
to Stage 1	—	—	—	—
to Stage 3	—	—	—	—
from Stage 3				—
to Stage 1	—	—	—	—
to Stage 2	—	—	—	—
Disposal	- 0.0	- 0.1	—	- 0.1
Additions	0.1	0.3	—	0.4
Changes in parameters	0.0	—	—	0.0
Utilisation	—	—	—	—
Balance as of 12/31/2022	**0.2**	**0.5**	**—**	**0.6**

The gross carrying amounts of the financial assets measured at amortised cost for which risk provisions have been established have undergone the following changes:

	Receivables from banks				Receivables from customers			
EUR m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of 12/31/2022	**774.8**	**0.4**	**—**	**775.2**	**16,975.4**	**945.0**	**273.4**	**18,193.9**
Changes in balance from transfer between stages								
from Stage 1								
to Stage 2	—	—	—	—	- 593.0	595.4		2.3
to Stage 3	—	—	—	—	- 85.3	—	84.4	- 1.0
from Stage 2								
to Stage 1	—	—	—	—	271.3	- 286.4		- 15.0
to Stage 3	—	—	—	—	—	- 46.3	46.9	0.6
from Stage 3								
to Stage 1	—	—	—	—	5.3	—	- 5.5	- 0.2
to Stage 2	—	—	—	—	—	12.8	- 12.1	0.7
Disposal	- 712.8	- 0.4	—	- 713.2	- 1,568.9	- 77.4	- 53.1	- 1,699.4
Additions	459.6	1.0	—	460.6	3,953.2	60.0	16.7	4,029.9
Changes in parameters	26.2	- 0.0	—	26.2	- 518.4	- 22.8	- 17.5	- 558.8
Utilisation	—	—	—	—	—	—	- 31.3	- 31.3
Balance as of 12/31/2023	**547.8**	**1.0**	**—**	**548.8**	**18,439.6**	**1,180.3**	**301.8**	**19,921.7**

	Receivables from banks				Receivables from customers			
EUR m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of 12/31/2021	**970.0**	**0.0**	**—**	**970.1**	**16,006.4**	**799.7**	**293.2**	**17,099.3**
Changes in balance from transfer between stages								
from Stage 1								
to Stage 2	- 0.8	0.4	—	- 0.4	- 548.5	579.3	—	30.7
to Stage 3	—	—	—	—	- 46.5	—	46.8	0.3
from Stage 2								
to Stage 1	—	—	—	—	292.1	- 305.9	—	- 13.8
to Stage 3	—	—	—	—	—	- 56.1	52.0	- 4.2
from Stage 3								
to Stage 1	—	—	—	—	11.4	—	- 11.5	- 0.2
to Stage 2	—	—	—	—	—	6.6	- 8.2	- 1.6
Disposal	- 903.0	—	—	- 903.0	- 1,664.4	- 139.9	- 54.4	- 1,858.8
Additions	744.3	—	—	744.3	3,885.1	71.8	11.8	3,968.7
Changes in parameters	- 35.7	0.0	—	- 35.7	- 960.1	- 10.4	- 37.3	- 1,007.8
Utilisation	—	—	—	—	—	—	- 19.0	- 19.0
Balance as of 12/31/2022	**774.8**	**0.4**	**—**	**775.2**	**16,975.4**	**945.0**	**273.4**	**18,193.9**

(38) Tangible fixed assets

EUR m	12/31/2023	12/31/2022
Land and buildings according to IAS 16	23.0	25.5
Land and buildings according to IFRS 16	13.2	17.5
Operating and business equipment according to IAS 16	16.4	16.5
Operating and business equipment according to IFRS 16	0.6	0.9
Total	**53.2**	**60.5**

Tangible fixed assets (excluding rights of use) developed as follows:

	01/01 - 12/31/2023		
EUR m	Land and buildings according to IAS 16	Operating and business equipment according to IAS 16	Total
Historical acquisition costs	124.2	103.4	227.5
Historical write-ups	—	—	—
Historical depreciation, amortisation, write-offs and impairments	- 98.6	- 86.8	- 185.4
Carrying amount as of 12/31/2022	**25.5**	**16.5**	**42.1**
Additions measured at cost	—	4.9	4.9
Disposals measured at cost	- 6.9	- 0.5	- 7.4
Write-ups included in disposals for the year	—	—	—
Depreciation, amortisation and impairments included in disposals	6.3	0.5	6.9
Additions through reclassification	—	0.4	0.4
Disposals through reclassification	—	—	—
Changes in portfolio during the year	**- 0.5**	**5.3**	**4.8**
Write-ups during the year	—	—	—
Depreciation and amortisation during the year	- 2.0	- 5.4	- 7.4
Write-offs and impairments during the year	—	—	—
Changes in measurement during the year	**- 2.0**	**- 5.4**	**- 7.4**
Carrying amount as of 12/31/2023	**23.0**	**16.4**	**39.4**

EUR m	01/01 - 12/31/2022 Land and buildings according to IAS 16	Operating and business equipment according to IAS 16	Total
Historical acquisition costs	131.1	116.8	247.9
Historical write-ups	—	—	—
Historical depreciation, amortisation, write-offs and impairments	- 102.3	- 97.6	- 199.8
Carrying amount as of 12/31/2021	**28.8**	**19.2**	**48.1**
Additions measured at cost	0.1	3.3	3.4
Disposals measured at cost	- 3.8	- 16.8	- 20.5
Write-ups included in disposals for the year	—	—	—
Depreciation, amortisation and impairments included in disposals	3.2	16.5	19.7
Additions through reclassification	—	—	—
Disposals through reclassification	- 0.7	—	- 0.7
Changes in portfolio during the year	**- 1.2**	**3.1**	**1.9**
Write-ups during the year	—	—	—
Depreciation and amortisation during the year	- 2.1	- 5.8	- 7.9
Write-offs and impairments during the year	—	—	—
Changes in measurement during the year	**- 2.1**	**- 5.8**	**- 7.9**
Carrying amount as of 12/31/2022	**25.5**	**16.5**	**42.1**

The rights of use from the leases reported in Tangible fixed assts have developed as follows.

EUR m	01/01 - 12/31/2023 Land and buildings according to IFRS 16	Operating and business equipment according to IFRS 16	Total
Historical rights of use	28.2	1.7	29.9
Historical modifications	5.4	1.2	6.6
Historical amortisation and impairments	- 16.1	- 2.0	- 18.1
Carrying amount as of 12/31/2022	**17.5**	**0.9**	**18.4**
Additions during the financial year	0.3	0.1	0.3
Disposals during the financial year	- 0.0	—	- 0.0
Changes in balance during the financial year	**0.3**	**0.1**	**0.3**
Change in duration during the financial year	0.2	—	0.2
Depreciation, amortisation and impairments during the financial year	- 4.7	- 0.4	- 5.1
Changes in measurement during the financial year	**- 4.5**	**- 0.4**	**- 4.9**
Carrying amount as of 12/31/2023	**13.2**	**0.6**	**13.8**

EUR m	1.1. - 31.12.2022 Land and buildings according to IFRS 16	 Operating and business equipment according to IFRS 16	 Total
Historical rights of use	28.1	1.8	29.9
Historical modifications	4.8	0.5	5.3
Historical amortisation and impairments	- 13.2	- 1.6	- 14.8
Carrying amount as of 12/31/2021	**19.7**	**0.7**	**20.4**
Additions during the financial year	1.7	—	1.7
Disposals during the financial year	—	—	—
Changes in balance during the financial year	**1.7**	**—**	**1.7**
Change in duration during the financial year	1.2	0.7	1.9
Depreciation, amortisation and impairments during the financial year	- 5.2	- 0.5	- 5.7
Changes in measurement during the financial year	**- 4.0**	**0.2**	**- 3.8**
Carrying amount as of 12/31/2022	**17.5**	**0.9**	**18.4**

The Group used land and buildings with a carrying amount of EUR 23.0 million (2022: EUR 25.5 million).

All write-offs were recognised in Non-personnel expenses in the year of the write-off.

As of the balance sheet date, as in the previous year no tangible fixed assets had been transferred by way of collateral for the Bank's own liabilities.

(39) Intangible assets

EUR m	12/31/2023	12/31/2022
Intangible assets according to IAS 38	11.0	6.5
Intangible assets according to IFRS 16	21.9	24.5
Total	**32.9**	**31.0**

EUR m	01/01 - 12/31/2023 Intangible assets according to IAS 38	01/01 - 12/31/2022 Intangible assets according to IAS 38
Historical acquisition costs	53.4	52.0
Historical write-ups	—	—
Historical amortisation and impairments	- 46.9	- 44.0
Carrying amount as of January 1	**6.5**	**8.1**
Additions measured at AC	8.6	1.3
Disposals measured at AC	—	—
Write-ups included in the disposals for the year	—	—
Amortisation and impairments included in the disposals for the year	—	—
Additions due to transfers	—	—
Disposals due to transfers	- 0.4	—
Changes in balance during the financial year	**8.2**	**1.3**
Write-ups during the financial year	—	—
Amortisation and impairment during the financial year (as planned)	- 3.6	- 2.9
Amortisation and impairment during the financial year (off-plan)	—	—
Changes in measurement during the financial year	**- 3.6**	**- 2.9**
Carrying amount as of December 31	**11.0**	**6.5**

The rights of use recognised in intangible assets have developed as follows:

EUR m	01/01 - 12/31/2023 Intangible assets according to IFRS 16	01/01 - 12/31/2022 Intangible assets according to IFRS 16
Historical rights of use	19.8	16.1
Historical modifications	28.6	22.5
Historical amortisation and impairments	- 23.9	- 16.8
Carrying amount as of January 1	**24.5**	**21.9**
Additions during the financial year	2.6	4.6
Disposals during the financial year	—	—
Changes in balance during the financial year	**2.6**	**4.6**
Change in duration during the financial year	1.5	6.1
Depreciation, amortisation and impairments during the financial year	- 6.8	- 8.0
Changes in measurement during the financial year	**- 5.3**	**- 1.9**
Carrying amount as of December 31	**21.9**	**24.5**

The intangible assets are software.

Write-offs – where applicable – were recognised in Non-personnel expenses in the year of the write-off in question.

(40) Other assets

EUR m	12/31/2023	12/31/2022
Cash Collaterals CCP	220.9	265.7
Accrued interest	15.6	26.3
Accident insurance with premium return	15.4	19.2
Receivables Human Resources	1.8	16.0
Receivables from commissions and fees	17.6	14.1
Irrevocable payment obligation	30.6	1.8
Other assets	33.9	14.1
Total other assets	**335.7**	**357.2**

The other assets include receivables from cash collateral provided to central counterparties.

(41) Income tax assets

EUR m	12/31/2023	12/31/2022
Income tax refund claims	0.0	0.0

Income tax assets relate to tax items pursuant to IAS 12, i.e. income tax assets resulting from corporate income tax and trade tax as income taxes are shown in this balance sheet item. Additional tax receivables from other taxes are reported in the Other assets balance sheet item.

(42) Deferred tax assets

Please see the explanations in note (54) and note (55).

Notes to the balance sheet – equity & liabilities

(43) Trading portfolio liabilities

The trading portfolio liabilities exclusively comprise negative fair values of derivatives.

EUR m	12/31/2023	12/31/2022
Negative fair values of interest rate derivatives, unless included in hedge accounting	87.5	131.9
Negative fair values of currency derivatives	28.0	52.7
IAS 32 off-setting amount	– 22.4	– 23.5
Trading portfolio liabilities	**93.1**	**161.2**

(44) Negative fair values of derivative hedging instruments

As of the end of the year, interest rate swaps with a nominal volume of EUR 7,127.0 million (2022: EUR 5,057.3 million) were designated as hedging instruments within the scope of micro fair value hedge accounting. ↗

In addition, interest rate swaps with a nominal volume of EUR 3,006.0 million (2022: EUR 1,918.0 million) were designated as hedging instruments in the portfolio fair value hedge accounting. Please see note (66) for further disclosures on hedge accounting.

(45) Liabilities to banks

EUR m	12/31/2023	12/31/2022
Demand deposits	480.8	101.7
Development banks	1,990.5	2,315.7
Promissory notes / Registered notes	13.1	23.2
Covered bonds	65.5	65.5
Other term deposits	3,078.8	2,569.2
Liabilities to banks (AC)	**5,628.7**	**5,075.3**

The cash funds received within the scope of the transfer of assets subject to the simultaneous conclusion of repurchase agreements through repo transactions, including cash collateral received, amounted to EUR 2,560.3 million (2022: EUR 324.2 million).

The Bank took out several variable-interest loans as part of a structured financing arrangement. With the exception of cash collateral in the amount of EUR 26 million, the collateral for the borrowing consisted primarily of securitized loan receivables of OLB, whereby the lender transferred the opportunities and risks from the securitizations back to OLB through a total return swap. The transaction matures in May 2056, and OLB was thus provided with liquid funds totaling EUR 676.9 million by a refinancing partner. The amount was recognised under other fixed-term liabilities.

(46) Liabilities to customers

EUR m	12/31/2023	12/31/2022
Demand deposits	8,143.2	9,999.1
Promissory notes / Registered notes	397.9	403.4
Covered bonds	177.2	117.1
Other term deposits	7,079.5	4,038.7
Saving deposits	1,119.9	1,634.2
Liabilities to customers (AC)	**16,917.6**	**16,192.5**

Within the framework of the hedge accounting, negative adjusted fair value changes arising since the start of the hedging relationships in the amount of EUR 103.2 million (2022: EUR 191.8 million) were allocated to amortised costs. ↗

The following table shows the breakdown of liabilities to customers by customer group:

EUR m	12/31/2023	12/31/2022
Private & Business Customers	12,207.2	10,830.9
Corporates & Diversified Lending	3,208.0	3,116.9
Corporate Centre	1,502.4	2,244.8
Liabilities to customers (AC)	**16,917.6**	**16,192.5**

(47) Securitised liabilities

EUR m	12/31/2023	12/31/2022
Covered bonds issued	700.1	699.5
Other debt securities issued	496.5	7.4
Securitised liabilities (AC)	**1,196.6**	**706.9**

A bearer bond with a nominal volume of EUR 400.0 million was issued in the 2023 financial year.

As a subset of the bonds issued, OLB has originated a structure with a nominal volume of EUR 70.6 million, under which the so-called “second loss” from the default losses attributable to OLB on certain loan receivables was transferred to the bond investors (these were loans that OLB has originated to corporate customers as part of its genuine banking activities, and continued to recognize on its balance sheet with the intention of holding them until maturity). OLB bears the first loss determined in the amount of the expected loss of the underlying loans, plus a safety buffer, when this structured bond was issued. Losses on the second-loss tranche are generally absorbed by writing down the carrying amount of the issued bond if OLB suffers eligible losses on the defaulted receivables. As of the balance sheet date, no losses had been transferred in this respect.

Securitised liabilities exclusively comprise bonds which the Bank has issued itself. Of the volume of bonds issued, tranches with a nominal value of EUR 0.0 million (2023: EUR 1.9 million) will fall due in 2024. The securitised liabilities include variable-interest bonds in an amount of EUR 496.5 million (2022: EUR 7.4 million).

(48) Subordinated debt

EUR m	12/31/2023	12/31/2022
Convertible bonds (Tier 1)	1.7	16.7
Debt instruments (Tier 2)	—	14.0
Promissory note loans (Tier 2)	125.1	128.1
Customer deposits (Tier 2)	2.5	3.1
Subordinated debt	**129.3**	**161.9**

In the event of insolvency or liquidation, subordinated debt in the amount of EUR 129.3 million (2022: EUR 161.9 million) – which consists of subordinated promissory note loans (Tier 2) and subordinated customer deposits (Tier 2) in the amount of EUR 127.6 million (2022: EUR 131.2 million) as well as subordinated debt instruments (Tier 2) and subordinated convertible bonds (Tier 1) in an amount of EUR 1.7 million (2022: EUR 30.7 million) – may only be repaid upon satisfaction of all of the non-secondary creditors. No early repayment obligation applies.

The interest expense for subordinated debt came to EUR 5.3 million in the past financial year (2022: EUR 6.9 million). The interest rates for fixed-rate subordinated debt fall within a range of 1.75 % to 5.73 %. The average interest rate is 3.74 %.

Convertible bonds (Tier 1)

	12/31/2023	12/31/2022
Year of issue	2014 - 2018	2014 - 2018
Nominal amount (million euro)	—	15.1
Issuer	OLB	OLB
Interest rate in %	0.00 % - 10.00 %	0.00 % - 10.00 %
Maturity	N / A	N / A

Debt instruments (Tier 2)

	12/31/2023	12/31/2022
Year of issue	2013	2013
Nominal amount (million euro)	—	13.8
Issuer	OLB	OLB
Interest rate in %	3.20 %	3.20 %
Maturity	2023	2023

Promissory note loans (Tier 2) and Customer deposits (Tier 2)

	12/31/2023	12/31/2022
Year of issue	2010 - 2023	2010 - 2019
Nominal amount (million euro)	124.5	128.1
Issuer	OLB	OLB
Interest rate in %	1.75 % - 5.73 %	1.75 % - 6.00 %
Maturity	2024 - 2031	2023 - 2031

(49) Provisions

EUR m	12/31/2023	12/31/2022
Provisions for pensions and similar obligations	65.6	46.1
Other provisions	69.5	82.9
Provisions	**135.2**	**129.0**

While the provisions for pensions and similar obligations are of a long-term nature, the other provisions are of a short- to medium-term nature.

Provisions for credit risks in off-balance-sheet loan commitments are established at the expense of the risk provisions in the lending business. In principle, the other amounts added to the provisions are charged to administrative expense and, where applicable, interest and commission expense. Reversals are recognised under the items in which the provisions have been established.

Other provisions mainly comprise provisions for bonuses as well as provisions for lending business and legal risks.

(50) Provisions for pensions and similar obligations

EUR m	2023	2022
Pension provisions recognised as of January 1	**46.1**	**112.6**
Current service cost	3.0	5.3
Imputed interest expense	11.0	5.1
Return on assets	- 9.6	- 3.7
Repayment of costs from plan amendment	—	—
Net pension expense	**4.5**	**6.7**
Amortisation and repayment	—	—
Acquisitions	—	0.0
Pension commitments through deferred compensation	—	—
Allocation to defined contribution pension plan	- 0.9	- 0.8
Pension benefits provided in the reporting year	- 0.9	- 2.0
Taxes paid from assets	—	—
Gains (-)/ Losses (+) from demographic assumptions	—	—
Gains (-)/ Losses (+) from financial assumptions	18.4	- 104.3
Gains (-)/ Losses (+) from experience adjustments	3.8	4.2
Return on plan assets excluding interest income	- 5.5	29.8
Change in actuarial gains (-) / losses (+)	**16.7**	**- 70.3**
Additions (+) / Disposals (-)	—	—
Pension provisions recognised as of December 31	**65.6**	**46.1**

The changes in the scope of obligations and in the fair value of fund assets are presented below, together with the carrying amounts for the defined benefit pension plans:

EUR m	2023	2022
Changes in the scope of obligations	**25.7**	**- 100.4**
Present value of pension entitlements earned as of January 1	294.8	395.3
Current service cost	3.0	5.3
Imputed interest expense	11.0	5.1
Employee contributions	1.0	1.9
Costs from change of plan		
Gains (-)/ Losses (+) from demographic assumptions	—	—
Gains (-)/ Losses (+) from financial assumptions	18.4	- 104.3
Gains (-)/ Losses (+) from experience adjustments	3.8	4.2
Actuarial gains (-)/ losses (+)	22.2	- 100.1
Pension payments	- 11.6	- 12.6
Acquisitions	—	0.0
Additions (+) / Disposals (-)	—	—
Present value of pension entitlements earned as of December 31	320.5	294.9
Change in fair value of fund assets	6.2	- 34.0
Fair value of fund assets as of January 1	248.7	282.8
Return on assets	9.6	3.7
Return on plan assets excluding interest income	5.5	- 29.8
Employer contributions	0.9	0.8
Employee contributions	1.0	1.9
Pensions paid from fund assets	- 10.7	- 10.7
Taxes paid from fund assets	—	—
Transfers	—	—
Fair value of fund assets as of December 31	254.9	248.8
Financing status (balance sheet value) as of December 31	**65.6**	**46.1**

Fund assets

The current allocation of these assets is as follows with regard to the fair value of the fund assets:

EUR m	12/31/2023	12/31/2022
Shares and other non-interest bearing securities	147.3	144.7
Bonds	7.8	6.5
Real estate	1.0	1.0
Other	98.8	96.6
Total	**254.9**	**248.8**

Reinsurance policies comprise most of the fund assets reported in the Other item.

The key figures for defined benefit pension plans are listed below:

EUR m	12/31/2023	12/31/2022
Present value of pension entitlements earned	320.5	294.9
Fair value of fund assets	254.9	248.8
Financing status	65.6	46.1

Valuation assumptions

The calculations are based on current, actuarially developed biometric probabilities. In addition, assumptions are made regarding the future rate of fluctuation, depending on age and number of years of service, as well as intra-Group retirement probabilities. ↗

The current mortality tables are referred to with regard to life expectancy.

The weighted assumptions for the determination of the present value of pension entitlements earned and for the determination of net pension expense are as follows:

%	12/31/2023	12/31/2022
Discount rate	3.50	4.00
Expected salary increase	3.00	2.50
Expected pension increase	2.25	2.25

The respective assumptions for net pension expense apply as of the balance sheet date in the previous financial year.

The assumptions regarding the accounting discount rate reflect the market conditions on the balance sheet date for high-grade fixed-interest bonds matching the currency and duration of the pension liabilities.

Actuarial reductions in the discount rate resulted in actuarial losses from pension obligations. Adjustments due to the high inflation that had already occurred led to a further increase in obligations. Overall, negative revaluation effects were recognised in equity as Other comprehensive income (OCI). Pension obligations increased by a total of EUR 19.5 million compared to December 31, 2022.

The accounting discount rate in particular gives rise to uncertainty, with a significant level of risk. The sensitivity analysis presented below takes into consideration the changes in this assumption and would have the following impact on the present value of the pension obligations:

EUR m	12/31/2023	12/31/2022
Interest rate sensitivity		
Discount rate + 50 basis points	- 18.9	- 18.4
Discount rate – 50 basis points	21.1	20.5
Pension increase sensitivity		
Pension increase + 25 basis points	7.7	7.0
Pension increase – 25 basis points	- 7.1	- 6.4
Sensitivity when adjusting life expectancy		
Life expectancy + 1 year	10.5	9.7

The range which is considered reasonably possible for changes in the discount rate – as one of the key actuarial assumptions – would have had the above effects on the defined benefit obligation, subject to the other assumptions and parameters remaining unchanged. While this analysis does not take into consideration the full distribution of the cash flows expected under the plan, it provides an approximate value for the level of sensitivity of the assumptions presented.

The current Heubeck Mortality Tables 2018 G are used as biometric computational bases. As in the previous year, the actuarial assumptions applied for employees covered by collective pay agreements and for employees outside the scope of such agreements.

On the balance sheet date, the weighted average term of defined benefit commitments was 13.0years (2022: 13.7years).

Employer's pension liability insurance policies were taken out with Allianz Lebensversicherungs-AG in order to fund the pension commitment through deferred compensation. The benefits under the pension commitment match the benefits under the employer's pension liability insurance policy. The benefits under this employer's pension liability insurance policy have been pledged in order to secure the benefit entitlements resulting from the pension commitment for the Bank's employees and their survivors with benefit entitlements.

Premium payments

For the financial year 2024, the Group expects employer contributions to the fund assets to be paid for defined benefit pension plans in the amount of EUR 1.1 million (actual figure for 2023: EUR 0.9 million) as well as direct pension payments to beneficiaries in the amount of EUR 1.3 million (actual figure for 2023: EUR 0.9 million).

Defined contribution plans

Defined contribution plans are funded through external pension funds or similar institutions. Firmly defined premiums (e.g. calculated according to the relevant amount of income) are paid to these bodies. The beneficiary will hold a claim against these bodies and the employer effectively does not have any further obligation beyond payment of the premiums.

In the financial year 2023, expenses were incurred for defined contribution plans in the amount of EUR 2.6 million (2022: EUR 2.9 million) as premiums for employees paid to Versicherungsverein des Bankgewerbes a.G., Berlin, and Allgemeine Rentenanstalt Pensionskasse AG, Stuttgart. Premiums in the amount of EUR 8.7 million (2022: EUR 8.9 million) were paid to the German statutory pension insurance scheme.

(51) Other provisions

EUR m	12/31/2023	12/31/2022
Provisions for financial guarantees, loan commitments and other indemnity agreements	17.2	19.9
Further provisions	**52.3**	**63.0**
Restructuring provisions	3.8	15.6
Other provisions in the personnel area	36.1	38.2
Remaining provisions	12.4	9.2
Other provisions	**69.5**	**82.9**

Please see note (37) on the development of the provisions for financial guarantees, loan commitments and other indemnity agreements.

Further provisions developed as follows:

EUR m	Restructuring provisions	Other provisions in the personnel area	Remaining provisions	Total
Balance as of 12/31/2022	**15.6**	**38.2**	**9.2**	**63.0**
Additions	0.7	23.1	9.4	33.2
Utilisation	- 3.9	- 30.0	- 3.1	- 37.0
Reversals	- 7.6	- 0.6	- 3.0	- 11.2
Unwinding of discount	0.0	0.8	0.0	0.8
Transfers	- 1.0	4.6	—	3.5
Balance as of 12/31/2023	**3.8**	**36.1**	**12.4**	**52.3**
Balance as of 12/31/2021	**52.9**	**34.3**	**10.5**	**97.7**
Additions	—	31.7	2.4	34.1
Utilisation	- 32.9	- 25.1	- 2.5	- 60.5
Reversals	- 3.2	- 1.7	- 1.0	- 5.9
Unwinding of discount	- 0.0	- 2.7	- 0.2	- 2.9
Transfers	- 1.1	1.6	—	0.6
Balance as of 12/31/2022	**15.6**	**38.2**	**9.2**	**63.0**

The other provisions include discounted provisions in an amount of EUR 35.3 million (2022: EUR 36.2 million) with a term of more than one year. No other discounting was implemented. The interest effect for the other provisions is net income of EUR 0.8 million (2022: income of EUR 3.0 million) and consists of EUR 1.1 million of income from time effects (2022: income of EUR 0.1 million) and EUR 0.3 million in income from the change in the interest rate (2022: income of EUR 2.9 million).

In 2023, plan assets managed on a trust basis in the amount of EUR 24.0 million (2022: EUR 26.2 million) under a contractual trust agreement (CTA) for phased-retirement obligations amounted to EUR 24.0 million (2022: EUR 26.2 million) and were offset in the other provisions item against other assets.

(52) Other liabilities

EUR m	12/31/2023	12/31/2022
Leasing liabilities	37.5	44.1
Trade accounts payable	12.2	9.4
Liabilities Human Resources	2.9	8.5
Prepaid expenses	0.2	8.3
Other taxes payable	12.2	5.1
Liabilities from commissions	12.7	3.0
Cash Collaterals CCP	1.0	0.6
Further liabilities	2.3	4.0
Other liabilities	**80.9**	**83.1**

Other liabilities include leasing liabilities in the amount of EUR 44.1 million (2022: EUR 43.2 million) and trade payables not yet billed in the amount of EUR 9.4 million (2022: EUR 11.4 million), among others.

(53) Income tax liabilities

EUR m	2023	2022
Balance as of January 1	**44.8**	**19.1**
Additions from mergers	—	—
Utilisations	41.5	16.4
Reversals	—	—
Additions	9.3	42.2
Balance at 12/as of December 31	**12.7**	**44.8**

Income tax liabilities relate to tax items pursuant to IAS 12, i.e. income tax liabilities resulting from corporate income tax and trade tax as income taxes are shown in this balance sheet item. Further tax liabilities are reported on the balance sheet in Provisions and other liabilities.

(54) Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities have been established for the following balance sheet items on account of the differences between the amounts recognised for tax purposes and the amounts recognised in the IFRS balance sheet:

EUR m	12/31/2023	12/31/2022
Trading portfolio assets	—	—
Receivables from banks	—	3.0
Receivables from customers	68.6	132.0
Financial assets of the non-trading portfolio	149.7	208.7
Tangible fixed assets	—	—
Other assets	0.7	7.5
Trading liabilities	26.6	48.6
Negative fair values from derivative hedging instruments	3.5	2.9
Liabilities to customers	—	—
Subordinated liabilities	—	—
Provisions	49.2	53.2
Other liabilities	—	—
Other	—	—
Deferred tax assets	**298.2**	**455.9**
Trading portfolio assets	- 19.4	- 33.3
Positive fair values of derivative hedging instruments	- 8.3	- 5.5
Receivables from banks	—	—
Receivables from customers	—	—
Financial assets of the non-trading portfolio	—	—
Tangible fixed assets	- 2.9	- 4.1
Intangible assets	- 7.0	- 7.8
Other assets	—	—
Trading liabilities	—	—
Liabilities to banks	—	- 4.5
Liabilities to customers	- 32.5	- 59.4
Securitized liabilities	- 57.3	- 57.2
Subordinated liabilities	- 0.1	- 0.2
Provisions	- 8.6	- 13.8
Other liabilities	- 51.3	- 165.3
Other	—	—
Deferred tax liabilities	**- 187.4**	**- 351.2**
Net deferred tax assets / liabilities recognised in the balance sheet	**110.8**	**104.7**
Deferred tax assets recognised in the balance sheet	110.8	104.7
Deferred tax liabilities recognised in the balance sheet	—	—

Deferred tax assets and liabilities were offset against one another in the balance sheet at company level, in the case of income taxes which are payable to the same tax authority and for which a legally enforceable offsetting right applies.

The change in the balance of deferred taxes in the amount of EUR 6.1 million (2022: EUR 31.5 million) has resulted from changes in temporary differences. Of this amount, EUR 8.0 million (2022: EUR 29.7 million) related to the statement of profit and loss and EUR 13.8 million (2022: EUR 1.8 million) to other comprehensive income.

(55) Income taxes

Current income taxes and the deferred tax expense/income amount are reported as income taxes:

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Current taxes (current year)	- 96.7	- 112.5
Current taxes (previous years)	- 0.8	- 0.4
Current taxes (total)	**- 97.4**	**- 112.9**
Deferred taxes (current year)	- 8.1	26.0
Deferred taxes (previous years)	0.5	7.4
Deferred taxes (total)	**- 7.6**	**33.4**
Income taxes (total)	**- 105.0**	**- 79.5**

The actual taxes for 2023 are calculated by means of an effective corporate income tax rate including solidarity surcharge of 15.8 % (2022: 15.8 %) plus an effective trade tax rate of 15.1 % (2022: 15.1 %).

The deferred taxes for 2023 are calculated by means of an effective corporate income tax rate including solidarity surcharge of 15.8 % (2022: 15.8 %) plus an effective Group trade tax rate of 15.2 % (2022: 15.2 %). ↗

The deferred taxes for previous years are a revaluation due to the change in the differences between the amounts recognised for assets and liabilities for tax purposes and their carrying amounts in the financial statements for tax assessment notices issued in the current year for previous years. The corresponding current tax expense is shown in the actual tax expense / income for the current year.

The following table reconciles the expected income tax expense with the effectively reported tax expense.

(56) Income tax reconciliation

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Pre-tax profit or loss	**335.4**	**277.2**
Income tax rate	31.00 %	31.00 %
Calculated income taxes	**- 104.0**	**- 85.9**
Tax effects		
Trade tax	- 0.1	- 0.1
Tax free income	0.3	0.4
Nnon-deductible expenses	- 2.7	- 3.5
Change in accounting differences	1.5	2.2
Taxes previous years	- 0.3	7.1
Foreign taxes	- 0.1	- 0.1
Effect of tax rate change	0.3	0.4
Other tax additions and deductions	0.0	0.0
Income taxes (total)	**- 105.0**	**- 79.5**

(57) Disclosures on equity

EUR m	12/31/2023	12/31/2022
Subscribed capital	99.8	97.4
Capital reserves	540.0	517.3
Revenue reserves	980.2	786.1
Additional equity components	99.2	124.2
Other comprehensive income	- 38.2	- 7.6
Total equity	**1,681.0**	**1,517.4**

Subscribed capital. The Group's subscribed capital amounted to EUR 99.8 million as of the balance sheet date. This was composed (after conversion of the convertible bond ISIN DE000A2LQQC9 with a nominal value of EUR 25.0 million) of 49.9 million no-par value shares with a nominal value of EUR 2.00 each. There shares were included in the share capital.

Each share represents a pro rata amount of the share capital and grants one vote at the Shareholders' Meeting. The shares were fully paid in.

Capital reserves. The capital reserve includes the additional proceeds (premium) generated from the issue of the company's own shares. Due to the conversion of the convertible bond ISIN DE000A2LQQC9 with a nominal value of EUR 25.0 million), the capital reserve increased to EUR 540.0 million.

Revenue reserves. The revenue reserves include the Group's retained profits as well as any consolidation measures recognised through profit or loss.

Conditional capital. The share capital is conditionally increased by up to EUR 13.1 million (Conditional Capital 2014). The conditional capital increase will be carried out by issuing up to 6 .6 million new bearer shares with no-par value with a right to receive dividends as of the beginning of the business year of their issuance. The conditional capital serves purely as security for claims of holders of convertible bonds issued by Bremer Kreditbank Aktiengesellschaft, Bremen, on the basis of a shareholders' resolution dated October 1, 2014 and for which the Company grants comparable rights in accordance with sec. 23 German Transformation Act (Umwandlungsgesetz) based on the merger agreement with Bremer Kreditbank Aktiengesellschaft dated August 14, 2018. The conditional capital increase will be carried out only to the extent holders of the above-mentioned convertible bonds exercise their conversion rights or to the extent that holders who are obligated to convert their bonds, fulfill such obligation. Only holders of such convertible bonds are entitled to subscription. The Management Board is authorised to determine the further details of the execution of the conditional capital increase.

The share capital is conditionally increased by up to EUR 17.2 million (Conditional Capital 2023). The conditional capital increase will be carried out by issuing up to 8.6 million new bearer shares with no-par value with a right to receive dividends as of the beginning of the business year of their issuance. To the extent legally permissible, the Management Board may, with the consent of the Supervisory Board, determine the profit participation of new ordinary shares in deviation from the foregoing and from sec. 60 para. (2) German Stock Corporation Act (Aktiengesetz), including for a financial year that has already expired. The conditional capital increase shall be executed to only the extent that the holders of warrant or conversion rights or those with conversion or warrant obligations arising from warrant or convertible bonds issued or guar-anteed by the company or an affiliate of the company according to sec. 18 German Stock Corporation Act (Aktiengesetz), in which the company holds at least 90 percent of the shares, directly or indirectly, based on the authorisation adopted by the General Meeting of March 2, 2023, exercise their warrant or conversion rights or, where they are obligated for conversion or to exercise warrants, fulfil their obligation for conversion or for exercise of warrants, or to the extent the company exercises an option to provide ordinary shares of the company in lieu of paying the cash amount due, in whole or in part. The conditional capital increase shall not be executed where a cash settlement is provided or treasury shares or shares of another listed company are used for the settlement. The issue of the new ordinary shares is effected at the warrant or conversion price in each case to be determined in accordance with the authorisation resolution set forth above. The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

(58) Additional equity components

In June 2018, as a legal predecessor of OLB AG Bremer Kreditbank AG issued a convertible bond (ISIN DE000A2LQQC9 / "Perpetual Subordinated Convertible Bond") as additional Tier 1 capital (AT1) with a volume of EUR 25.0 million. This was converted into subscribed capital in 2023.

(59) Cumulative other comprehensive income (OCI)

This item includes the valuation changes resulting from the FVOCI financial instruments which are transferred to the statement of profit and loss as of the date of actual realisation. It also includes valuation changes from net pension obligations which are not realisable through the statement of profit and loss.

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Balance as of January 1	**- 7.6**	**- 11.8**
Items reclassifiable through profit or loss		
Change in debt instruments measured at fair value through other comprehensive income (FVOCI)	- 19.1	- 44.3
Valuation changes	- 30.4	- 53.4
Gains and losses reclassified to the income statement	2.8	- 10.9
Deferred taxes	8.6	19.9
Items not reclassifiable through profit or loss		
Change from remeasurement of defined benefit plans recognised in other comprehensive income	- 11.6	48.5
Valuation changes	- 16.7	70.3
Deferred taxes	5.2	- 21.8
Other comprehensive income	**- 30.6**	**4.2**
Balance as of December 31	**- 38.2**	**- 7.6**

(60) Capital management, own funds and risk assets under sec. 10 KWG

With regard to its capital resources, OLB is subject to the regulatory provisions of the German Banking Act (Kreditwesengesetz, KWG) in conjunction with the Capital Requirements Regulation (CRR) (art. 25 – 88), which prescribe the necessary capital backing for risk-weighted assets.

The Bank's aim is to maintain a common equity Tier 1 capital ratio of at least 12.5 % at all times. In order to ensure this despite the planned credit growth, it remains necessary to maintain an appropriate retention ratio and to closely manage the development of risk assets over the entire planning period. The Bank's dividend policy is based on the aforementioned framework conditions and pursues two objectives:

(1) an appropriate participation of the shareholders in the company's success and
(2) securing the future viability and stability of the Bank by continuing to retain profits generated.

The resulting increase in capital is used to refinance growth on the capital side.

- With regard to the required strategic capitalisation, the following key factors must be considered for OLB:
- According to the IRBA implementation plan, OLB will have transferred additional portions of its portfolio to the F-IRBA by 2026. The transfer of the existing portfolios will result in subsegment-specific charges and reductions in RWA, which are included in the Bank's capital planning as part of its medium-term planning.
- According to the current state of knowledge, the amendments to the CRD and CRR under "Basel IV", which were finalized as draft this year, will take effect in 2025 and therefore within the current planning period (2024 – 2026). There is still uncertainty regarding the future regulatory minimum capital requirements. In particular, the rules on the new standardized approach for credit risks, in conjunction with a floor rule for IRB institutions based on it, may increase the minimum capital requirements for OLB in the long term. The finalised draft implies that the new rules have transitional periods during which the requirements gradually take full effect ("phase-in"). Because of existing buffers in capital planning, this transition period is sufficient to achieve the required minimum ratios with the higher RWA weightings that are then expected.

- For some time now, OLB has countered the expected future burdens with a consistently risk / return-oriented new business policy that is intended to reduce RWA density over the long term, especially in the more RWA-intensive areas. To strengthen its total capital, the Bank is free to issue Additional Tier 1 capital and Tier 2 capital. Weighing the effect on earnings and the market situation, OLB uses these financing instruments to optimize its capital structure. To comply fully with the requirements of the Internal Capital Adequacy Assessment Process (ICAAP), the Bank's management cycle assesses the extent to which the actual ratio of capital to risks assumed is in line with the plan, by means of the monthly key performance indicator (KPI) report discussed by the full Board of Managing Directors. Regulatory and economic risks are allocated to OLB's strategic business segments as part of the planning process. The RWAs under the German Solvency Regulation (Solvabilitätsverordnung, SolvV) are an important control parameter here. Actual developments in the business segments are compared monthly with the planned results, and corresponding deviations are analysed.

EUR m	12/31/2023	12/31/2022
Common Equity Tier 1 capital	1,432.5	1,275.2
Additional Tier 1 capital (AT1)	101.3	141.2
Tier 1 capital	**1,533.8**	**1,416.4**
Tier 2 capital	117.9	141.0
Share capital and reserves	**1,651.7**	**1,557.4**
Risk assets for counterparty risks	9,014.8	8,542.0
Risk assets for market price risks	—	—
Risk assets for operational risks	960.5	820.8
Risk assets	**9,975.3**	**9,362.8**

The prudential equity requirements were complied with at all times.

(61) Capital ratios under sec. 10 KWG

The institution-specific surcharge to be met in addition to the statutory minimum requirements under article 92 CRR as part of the Supervisory Review and Evaluation Process (SREP) was 1.0 % for OLB as of December 31, 2023, based on BaFin's assessment of the risk management procedures and the risk situation. The Tier 1 capital ratio had risen to 15.4 % as of December 31, 2023 (December 31, 2022: 15.1 %) and was thus well above the regulatory requirement (including the combined capital buffer requirement under sec. 10i KWG) of 10.1 % (December 31, 2022: 9.3 %).

%	12/31/2023	12/31/2022
Common Equity Tier 1 capital ratio	14.36	13.62
Tier 1 capital ratio	15.38	15.13
Aggregate capital ratio	16.56	16.63

Notes to the balance sheet – further disclosures

(62) Risk management strategy
Principles of Bank-wide risk management

Basic principles of risk control
OLB strictly observes the principle that front-office and back-office operations must be kept entirely independent from risk monitoring. It therefore maintains a strict separation between the market units' active assumption of risk, together with their risk management, on the one hand, and risk monitoring, on the other. In lending business and treasury operations, additionally, a separation between the front office and back office is maintained at all levels up to the Board of Managing Directors.

When new products are introduced, a predefined process (the procedure for introducing new products or for entering new markets – new products, new markets, "NPNM") ensures that all concerned functions of OLB are able to participate in the risk and earnings analysis before planned new business activities begin.

Before changes are made to the Bank's structure and procedures or its IT and rating systems (per CRR), the impact on the internal control system and on the risk management and controlling system is assessed and classified in a defined procedure by means of an internal controlling and risk assessment group. This ensures that before any planned measure is introduced, it has been reviewed by the organisational units affected and any necessary adjustments to the risk management and controlling system have been prepared.

A number of panels support the Board of Managing Directors in preparing for decisions on risk management. The most important entity here is the Risk Committee. The Risk Committee includes the Chief Executive Officer, the Chief Risk Officer, the Chief Financial Officer and the heads of Risk Control, Finance, Controlling and Treasury & Markets.

The risk reporting system established within the Group ensures that the Board of Managing Directors is kept involved and informed about the risk management process.

Suitable employee training measures within the scope of the risk management process ensure that employees have the necessary and appropriate knowledge and experience.

Risk culture
Knowingly assuming (credit) risks is inherent in the Bank's business model and forms part of its Business and risk strategy.

Shared ethical values and a Group-wide risk culture consistent with its risk strategy are important factors in terms of the success of the Bank's sustainable business performance. A well-defined corporate and risk culture can lastingly reduce misconduct by employees, while at the same time exerting a positive influence on the public's perception of the Bank and its reputation.

For OLB, this means continuously encouraging a risk culture within the Bank, and deliberately reinforcing a value system that firmly anchors risk management and risk awareness in its corporate culture. In this connection, the principles of conduct established and communicated within the Bank are of particular importance.

OLB's Code of Conduct is a significant basic component of the Bank's practiced system of values and must be considered a minimum standard for all employees' conduct. Not only the Board of Managing Directors but all of the Bank's executives play a significant role in shaping OLB's guiding principles, by setting an example through their own conduct. An appropriate risk culture, such as the one which the Bank has defined for itself, presupposes a management concept of open communication and cooperation, in which recognised risks are frankly communicated and crisis situations are approached with a focus on finding a solution. Employees are motivated to align their conduct with the Bank's defined system of values and Code of Conduct, and to act within the bounds of risk tolerance as defined in further detail in the risk strategy. The implemented system of risk management and the transparency and communication needed for that purpose offer employees a chance to make the most of opportunities within the prescribed general conditions for risk management. At the same time, however, employees are also responsible for assessing risk comprehensively and managing it actively. One significant component of risk culture is the conscious care and discipline with which participants approach their tasks in the customer and risk management process.

A risk culture implies a constructive, open dialog within the Bank that is encouraged and supported at all levels of management. In past years, the Bank has taken steps (such as establishing appropriate incentive structures) to further refine and lastingly reinforce a risk culture as part of its corporate culture.

Risk strategy

The Bank's Board of Managing Directors adopts the risk strategy, reviews it at least once a year, and discusses it with the Supervisory Board.

It is based on the Bank's business strategy and takes account of the results of the Bank's risk assessment, risk-bearing capacity, and organisational environment. The risk strategy is developed in a structured strategy process that ensures:

- that OLB's business and risk strategy is consistent with its business plans,
- that OLB enters into only those risks that are subject to a control process, and in amounts that pose no threat to the Group's continuing existence;
- that claims by the Bank's customers and other creditors are secured;
- that OLB's risk-bearing capacity is assured at all times through a risk-sensitive limitation of the principal risk categories and of the risks at the level of the Bank's lines of business,
- that the Bank's solvency is assured at all times and monitored by way of limits, and
- that the Bank has appropriate risk reporting and monitoring capabilities in place

OLB operates with a long-term perspective, applying a business model focusing on soundness and consistency. The Bank's risk management process supports the implementation of this strategy by managing risk exposure so as to ensure that the Group's net assets, financial position and results of operations remain stable.

From the viewpoint of business and risk strategy, an appropriate employee compensation system plays an especially important role, because in addition to other goals of human resources policy, it also ensures that employees counteract risk adequately. For that reason, the structure of that system is regularly reviewed by the Board of Managing Directors, revised if necessary, and formally noted by the Supervisory Board.

The decision about a strategic approach is made while taking due account of the opportunities associated with the risks or, in the case of operational risks, considering the costs associated with reducing or avoiding these risks.

Definition of risk categories / types

As part of the annual risk assessment process, OLB examines what risks are relevant to it, and whether all significant types of risk undergo an appropriate risk management process. Credit risk, market price risk, liquidity risk and operational risk are defined as significant risks that, because of their amount and nature, are material to the OLB's continued existence. The results of the risk assessment are incorporated in the risk-bearing capacity process by way of the risk strategy.

The Bank also deals with sustainability risks. This is not a separate risk category, but rather a factor or driver of existing risk types. The appropriate consideration of ESG risks in the material risks is reviewed as part of the risk inventory. OLB has bundled the coordination of its most important sustainability activities in the Sustainability department. Sustainability risks are managed and limited in accordance with the Bank's risk and business principles, and analyzed by means of scenario considerations. Sustainability risks, like the effects of financing and investment decisions on sustainability factors, are included in strategic considerations. Thus, in addition to economic aspects, OLB has set itself the goal of acting sustainably in ecological and social terms also. In this regard, its business activities are guided by the Principles for Responsible Banking, among other things.

Credit risk

Credit risk is subdivided into default risk, migration risk, liquidity and credit spread risk and country risk as well as validity risk:

- *Default risk*
  Default risk is defined as the potential loss inherent in the default of a business partner – whether a counterparty or another partner to a contract, or an issuer of a security – in other words, the party's potential inability or unwillingness to meet contractual obligations.
- *Migration risk*
  Migration risk is defined as the potential change in the present value of a claim as a result of a deterioration in creditworthiness, i.e. in particular in case of a change in the rating for the non-default classes.
- *Liquidity and credit spread risk*
  The liquidity and credit spread risk is defined as a potential change in present value due to changes in liquidity spreads or credit spreads on the market.
- *Country risk*
  The country risk as an element of credit risk is defined as the assumption of a cross-border risk, in particular a transfer and conversion risk, i.e. the risk that the transfer or the convertibility of the amounts paid by the debtor will not be made or will be delayed due to payment problems as a result of official or legislative measures.
- *Validity risk*
  Validity risk in the narrower sense is the risk of a directly or indirectly purchased receivable lacking legal validity.
- *Collateral risk*
  The collateral risk is the risk that the loan collateral taken to secure a loan may suffer a loss in value during the term of the loan and may therefore not be sufficient to cover the loan or may not even be able to contribute at all.

OLB has introduced a separate ESG scoring tool for corporates and SMEs in the credit process. The tool is also used to assess existing ESG risks for the credit portfolio.

Market price risk

Market price risk refers to the risk that the Bank may suffer losses due to changes in market prices or the parameters that influence market prices (e.g. share prices, interest rates, exchange rates or prices for real estate as well as the volatility of these parameters). It also includes changes in value that result from the specific illiquidity of sub-markets if, for example, the purchase or sale of large items within a specified timeframe is only possible at prices that are not standard for the market.

Liquidity risk

By liquidity risk, OLB first of all means the risk that it might be unable to meet its payment obligations at all times (risk of inability to meet payments).

Under liquidity risk, the Bank also includes under liquidity risk the risk of increases in the price of raising funds to cover funding gaps as a result of liquidity and loan markups on interest rates given the same level of creditworthiness (liquidity cost risk).

Operational risk

Operational risk (OR) is the risk of losses due to the inadequacy or failure of internal procedures, persons or systems or due to external events that are manifested in the institution itself.

OLB subsumes the following types of risk under the "operational risk" category:

- *Legal risk and risk of changes in the law*
  Legal risk is the risk that a loss will occur because the legal framework established by law and case law has not been taken into account or has been taken into account incompletely. The law amendment risk represents the risk of a loss for transactions concluded in the past due to a change in the legal situation (change in case law or change in legislation) and also the risks that may arise due to inadequate or missing implementation of legal bases that come into force in the future.

- *Conduct risk*
  OLB defines conduct risk as the abstract risk of other criminal acts resulting from internal offenses such as theft, corruption or antitrust violations.
- *Compliance risk*
  Compliance risk is defined as the risk of criminal or administrative sanctions, fines (for example, under the GDPR or the German Money Laundering Act, or special audits by banking regulators) and other financial losses or reputational damage resulting from violations of legal and administrative regulations/regulatory requirements and codes of conduct/ethics in connection with the Bank's regulated activities (collectively, the "regulations"), investor protection/consumer protection, and the Bank's status as a capital market-oriented company. This also includes the risks arising from uncertainties from audits and findings by external third parties, e.g. the supervisory authorities (BaFin, Deutsche Bundesbank). Specific risks are taken into account by recognizing provisions. In addition to the necessary expenses for remedying the findings of such audits, this may result in further charges, e.g. in the form of legal and litigation costs.
- *External fraud*
  External fraud describes operational risks from losses due to other criminal acts by third parties, e.g. losses due to fraudulent acts, misappropriation of property or circumvention of legal provisions by a third party.
- *Model risk*
  Model risk describes the potential loss from incorrect control impulses due to improper application, unsuitable use of the model for its application, unsuitable or incorrect input parameters and inconsistency of the model (model outdated or improperly modeled). All models that are used in product or (balance sheet) valuation (e.g. product calculation, valuation of financial instruments, monitoring of risk limits, etc.) for decision-making or that influence equity capital requirements or are used to review them (Pillar I and Pillar II - quantification models) are subject to (potential) model risk.
- *Reputational risk*
  OLB defines reputational risk as the risk of a loss of reputation for the Bank among the general public, investors, (potential) clients, employees, business partners and supervisory authorities with regard to its competence, integrity and trustworthiness as a result of negative events in its business activities. This also includes the business disadvantage to OLB's earnings, equity or liquidity resulting from the loss of reputation.
- *Project risk*
  The Bank defines project risk as the loss that may result from delays, cost increases, quality losses or project failures.
- *Outsourcing risk*
  Outsourcing risk comprises the risk of inadequate or limited performance by external service providers for functions essential to the Bank.
- *IT and information security risk*
  This refers to the risk of loss due to the exposure, manipulation or unavailability of IT systems or information.

ESG risks are considered in the context of scenario analyses. Reputational risk management regulates the handling of sensitive areas, e.g. in lending, through prohibitions and increased audit requirements.

Organisation of risk management and controlling

As part of its overall responsibility, and under the terms of sec. 25c KWG, OLB's Board of Managing Directors is responsible for defining the Bank's strategies and for establishing and maintaining an appropriate, consistent and up-to-date risk management system. It defines the principles for risk management and controlling, together with the organisational structure, and monitors their implementation.

Risk management system

The risk Policy – as an embodiment of the requirements under the risk strategy – describes the principal aspects for organising risk management. As part of that policy, below the Board of Managing Directors, the Risk Committee is established as the central body that monitors and manages the Bank's risk-bearing capacity. The full Board of Managing Directors makes the final decision on aspects strategically relevant to risk. Any decisions outside the authority of the full Board of Managing Directors are made by the Supervisory Board or its Risk Committee or Loans Committee.

Risk management

The following bodies and organisational units – as units supporting the full Board of Managing Directors – are responsible for managing the principal risk categories:

Risk category	**Board / Organisational unit**
Credit Risk	Risk Committee, Retail Risk Committee
Market price and liquidity risk	Risk Commitee, Bank Management Committee
Operational risk	Risk Committee

In keeping with the strategic focus and goals defined by the full Board of Managing Directors in the Business and Risk Strategy as well as prescribed areas of authority and limits, these bodies and organisational units have the task of duly controlling risk on the basis of their analyses and assessments. This task also includes adequately designing organisational structures, processes and target agreements. However, decisions on individual credit risks are the responsibility of various levels of the organisation as defined in the current allocation of authority.

Risk monitoring

Risk monitoring is performed by the Risk Control department, and in the case of operational risks, additionally by the Compliance and Operations departments. These departments are organisationally independent elements of OLB's risk management system. They are kept strictly separate both from each other and from the units in charge of initiating, entering into, assessing and approving transactions. The task of the Risk Control department is to fully and consistently analyse, measure and monitor risks. It provides the risk analyses and risk information that risk management needs for active management adequate to the risk at hand.

The compliance function works to implement effective methods to ensure compliance with key legal rules and requirements for the Bank. It advises and assists the Board of Managing Directors in relation to regulatory issues.

It is the responsibility of each individual employee to identify operational risks. Operational Risk Management (ORM) is organised on a decentralized basis and is ensured and managed by the heads of the departments. The Corporate Communications and Investor Relations department coordinates the handling of reputational risks.

The Legal department is responsible for the identification, measurement and assessment of legal risks and risks of changes in the law, as a sub-category of operational risk.

In addition, Internal Audit performs an assessment of the adequacy of the risk management and controlling system from outside the process, by auditing the structure, functionality and efficacy of the entire risk process and the other processes associated with it.

Risk reporting

In risk reporting, the Risk Control department reports regularly to decision makers (the full Board of Managing Directors, Risk Committee, pertinent department managers) and the Supervisory Board, as well as the Risk Committee appointed by the Supervisory Board. The frequency of reporting depends on the significance of the risk and on regulatory requirements. Information that is significant for risk is immediately conveyed to management, the officers in charge, and to Internal Audit and Compliance departments, if applicable.

Filing external risk reports with the Deutsche Bundesbank regarding the lending business is the task of the Finance department.

Management and controlling of specific risks

Credit risk

Risk measurement

OLB uses the Credit Metrics™ simulation model to measure economic credit risk. This model reflects default risk, migration risk and spread risk.

Based on the loss risks for each individual item, the model calculates a collective loss allocation for all items and thus assigns a value to the portfolio. The changes in value in the entire portfolio are then used to derive the key figures and limit values needed for risk management. A credit value at risk (99.9 %/1 year) is used to measure and control risk.

In addition, the risk value associated with investments within the scope of the pension fund – to which a significant portion of the Bank's pension obligations was transferred in previous years – is provided by an external company and taken into consideration. This value is determined by means of a credit risk model using a Credit MetricsTM approach, with the same confidence level and risk horizon as for OLB.

Credit risks are limited at both the whole-portfolio and partial-portfolio levels. Stress tests are additionally performed at regular intervals. The scenarios considered there are regularly reviewed in terms of their up-to-dateness and relevance.

The country risk is monitored by means of limits specified for the countries in which and with which transactions are currently being carried out or have been carried out in the past.

The Bank does not carry out any trading on its own account. To limit credit risk from trading transactions, for derivatives the Bank applies the Standard Approach for Counterparty Credit Risk (SA-CCR) supplemented with regulatory add-ons.

OLB has integrated the credit risks from trading transactions in its internal credit portfolio model; these are incorporated into the credit value-at-risk key figures for the portfolio as a whole and the corresponding sub-portfolios.

Risk management
Management of all *credit risks in the customer lending business* is based on an integrated concept of guidelines, structures of authority and requirement systems consistent with the Bank's strategic focus and objectives.

The loan decision process is structured consistently with this concept. An organisational and disciplinary separation between front office and back office is ensured at all levels.

Various organisational rules have been adopted depending on the credit risk to be decided on. The aim is for the structure and the distribution of duties to ensure that decision-making and processing for credit exposures are both adequate to risk and efficient, as a function of lot sizes, risk content, and complexity. Exposures that are integral parts of business that OLB defines as not relevant to risk are subject to simplified approval, decision-making and monitoring processes. Exposures that are part of business that the Bank categorises as risk-relevant are approved and decided under shared authority between front and back office, on the basis of their specific risk content and in compliance with firmly defined rules.

Risk assessment and credit approval in non-risk-relevant business depend on the type of transaction and on who is in charge of providing customer support. For all other exposures, risk assessment and the credit decision are carried out in cooperation between the front office and back office.

In new business, the risk of insolvency is determined for each borrower, in the form of a credit rating category, on the basis of statistical creditworthiness procedures. At the same time, the collateral provided by the customer is evaluated. This valuation takes place with involvement of the back office or external experts, depending on the scope and complexity. The total lendings, debt servicing calculation, credit rating and collateral together provide an indication of the customer's credit risk. The customer's sustainability risk is also determined (ESG).

During the life of the credit, all exposures are monitored at all times. A manual update of the rating is performed annually for risk-relevant exposures and a prolongation report is prepared. Furthermore, automated status ratings are carried out monthly.

In addition, all exposures are monitored by various automated and manual early detection procedures for risk; when needed, these procedures trigger a mandatory rating review together with predefined analytical and reporting processes.

The timing and scope of recurring appraisals of collateral depend on the nature of the collateral and the value attributed to it. Since real property plays such an important role as collateral for the Bank, a central real estate monitoring unit has been set up that tracks regional changes in prices in the real estate market, and triggers an individual review of the affected regional real estate figures when material changes occur.

The qualitative and quantitative requirements for approving and monitoring exposures are coupled to the risk involved in each case. Depending on volume, risk content and credit rating, spheres of authority are defined so that credit decisions are always made at a level adequate to the risk involved.

Appropriate systems of requirements have been established to keep the risk of the credit portfolio as a whole within reasonable bounds. For example, there are guidelines for the acceptance and appraisal of collateral. Risk-dependent prices, in conjunction with risk-adjusted measurement of sales units' earnings, create incentives to engage in new business only where there is adequate creditworthiness and appropriate collateral.

To ensure an adequate assessment of risk over the long term, an emphasis is placed on high-quality processes. The initial and continuing training for employees plays a crucial role, as does a regular review of processes. Moreover, follow-up analyses and validations make it possible to judge how meaningful the results of a credit assessment and collateral appraisal actually are, and permit projections about the future risk picture.

In addition, the Risk Control department examines the development of credit risks through the customer credit portfolio every month. It performs structural analyses of the portfolio (rating, collateral, defaulted customers, economic sectors, new business, etc.), and investigates the impact on economic indicators such as the expected loss and the regulatory equity requirements. The results are reported to the Risk Committee and incorporated into the quarterly risk report to the full Board of Managing Directors and the Supervisory Board.

The quarterly risk reporting also includes an examination of potential risk concentrations in credit risk. This includes analyses on the basis of individual exposures, sectors, or other defined partial portfolios. In addition, at least once a year, risk concentration is extensively reviewed as part of the risk assessment, so as to detect any additional needs in connection with updating the risk strategy.

To avert risk concentrations, partial-portfolio limits are also defined above and beyond areas of authority. Monitoring these limits is the task of the Risk Control department.

Risk provision is determined using an Expected Credit Loss Model according to IFRS9 standard. Loans are classified under Stages 1 to 3, depending on their default risk.

Loans in default are measured individually and are provided with an Individual Assessed Loan Provision (IALLP), at the latest upon expiry of defined periods of time. The length of these periods of time is dependent, in particular, on the collateral and the Bank's experience. This does not affect the existence or pursuit of the Bank's legal rights.

The Bank conducts *trading transactions* in the non-trading portfolio when they are intended to safeguard the Bank's long-term liquidity and to control the risk of changes in interest rates within the defined limits. In this way, they serve to safeguard the Bank's long-term survival and earnings stability. The principal lines of business included in the non-trading portfolio are money trading and trading in or issuing bonds. They are complemented by derivative transactions to mitigate risk. OLB counters issuer and counterparty default risks in the trading business with banks, and in securities investments, by limiting its dealings fundamentally to trading partners who have first-class credit ratings and to central-bank counterparties, as well as by maintaining a firmly established system of limits and pursuing a broadly diversified portfolio. The strategic orientation is defined in the Bank's risk strategy. In terms of the approval process, credit risks from the trading business are treated analogously to the commercial lending business.

Risk situation

OLB awards customer loans to private clients, on the one hand, and to small and medium-sized corporate clients on the other. The Commercial Real Estate, Acquisition Finance, Football Finance and Ship Finance business segments are further areas of focus. The Retail banking concentrates on mortgages and consumer loans. Business with corporate clients is mainly in financing for operating equipment, other capital investments and real estate.

In assessing the necessary general loan loss allowances (Level 1 and Level 2), OLB based its future development assumptions of the macroeconomic environment on three scenarios that were weighted with probabilities of occurrence with regard to their effects. In the previous year, the Bank had made a post-model adjustment (PMA) of risk provisions in the amount of EUR 15.9 million due to the expected effects of the massive increase in energy prices, consumer prices and the general rise in interest rates, in which the individual effects on individual economic sectors were analyzed and transformed into estimated changes in the probabilities of default. The PMA was reviewed on a regular basis in December 2023. The Bank found that, despite an extension of the models for the development of risk provisioning to include, for example, effects from the development of fossil fuel prices, significant risks from the current economic situation were still not adequately reflected in the parameters used. This applied to the effects of increases in consumer prices, the interest and price-related slump in the construction industry and the decline in real estate values expected by the bank. The situation in the production areas within German industry with high electricity demand was also still considered to be tense and was not included in the parameterization of the risk models used. The industry heat map method developed for estimating and taking into account these risks, which are not sufficiently considered in the models underlying the risk provisioning, was still considered suitable. The classification of industries into risk classes was reviewed and adjusted for individual industries. Due to the changes in the basis for deriving the model adjustments, the existing PMA was reversed in full and replaced by an updated PMA in the amount of EUR 16.0 million.

The following table shows an overview of the loan volume:

EUR m	12/31/2023	12/31/2022
Private & Business Customers	10,269.6	9,889.8
Corporates & Diversified Lending	9,823.4	8,691.3
Corporate Center	- 171.3	- 387.2
Receivables from customers (gross carrying amount)	19,921.7	18,193.9
Receivables from banks (gross carrying amount)	548.8	775.2
Total of gross receivables	**20,470.5**	**18,969.1**
less risk provision	- 197.2	- 184.9
Total of net receivables (after risk provision)	**20,273.3**	**18,784.1**

Positive and negative adjustments of the book value resulting from fair value hedge accounting were reflected in the Corporate Center.

Please see note (37) for details of the development of the structure and volume of the lending business.

Credit ratings:
Creditworthiness, which is assessed by means of specific rating methods, is an important indicator used to assess credit risk. Within OLB, credit ratings are determined using an internal master scale which allocates clients to internal credit ratings corresponding to their probability of default (PD). The relationship between the Bank's internal credit ratings and the ratings of the external rating agency Standard & Poor's (S & P) is evaluated and, where appropriate, adjusted annually on the basis of the default rates published by S & P.

The following tables show the distribution of loans and impairment, with a breakdown by credit rating:

Credit rating	PD range	Standard & Poor's	Assessment
1 - 6	< 0.02 % — 0.46 %	AAA to BBB-	Ability to meet the payment obligation (investment grade)
7 - 9	0.46 % — 2.45 %	BB+ to BB-	Ability to meet the payment obligation with limitations
10 - 12	2.45 % — 13.25 %	B+ to B-	Impaired ability to meet the payment obligation
13 - 14	13.25 % — ≤ 100 %	CCC+ to C	Increased or severe vulnerability to delinquency
15 - 16	1.0	D	Borrower is delinquent under CRR or is considered to have defaulted

Private & Business Customers

EUR m	12-month ECL	Lifetime ECL not impaired	Lifetime ECL impaired	POCI
12/31/2023				
Low risk (AAA to BBB-)	4,286.1	17.3	—	—
Medium risk (BB+ to BB-)	5,142.6	290.2	—	—
Increased risk (B+ to B-)	150.0	182.3	—	—
Vulnerable to delinquency (CCC+ to C)	0.2	71.1	—	—
Delinquent under CRR or defaulted (D)	—	—	129.8	—
Risk provision	- 9.6	- 15.4	- 44.5	—
Total	**9,569.3**	**545.5**	**85.3**	**—**
12/31/2022				
Low risk (AAA to BBB-)	4,486.5	10.3	—	—
Medium risk (BB+ to BB-)	4,587.5	275.1	—	—
Increased risk (B+ to B-)	190.5	161.4	—	—
Vulnerable to delinquency (CCC+ to C)	0.7	64.7	—	—
Delinquent under CRR or defaulted (D)	—	—	113.1	—
Risk provision	- 11.8	- 14.8	- 36.1	—
Total	**9,253.4**	**496.7**	**77.0**	**—**

Corporates & Diversified Lending

EUR m	12-month ECL	Lifetime ECL not impaired	Lifetime ECL impaired	POCI
12/31/2023				
Low risk (AAA to BBB-)	4,812.7	6.7	—	—
Medium risk (BB+ to BB-)	3,527.6	88.6	—	—
Increased risk (B+ to B-)	676.2	405.2	—	—
Vulnerable to delinquency (CCC+ to C)	15.4	118.9	—	—
Delinquent under CRR or defaulted (D)	—	—	172.0	—
Risk provision	- 25.7	- 27.4	- 74.6	—
Total	**9,006.3**	**592.1**	**97.4**	**—**
12/31/2022				
Low risk (AAA to BBB-)	4,298.5	—	—	—
Medium risk (BB+ to BB-)	3,210.4	23.2	—	—
Increased risk (B+ to B-)	534.4	355.5	—	—
Vulnerable to delinquency (CCC+ to C)	54.2	54.8	—	—
Delinquent under CRR or defaulted (D)	—	—	160.3	—
Risk provision	- 27.2	- 24.7	- 68.7	—
Total	**8,070.3**	**408.9**	**91.6**	**—**

The maximum risk of default has been calculated below as a portion of the credit risk for each class of financial instrument.

EUR m	12/31/2023	12/31/2022
Balance sheet assets	**25,878.6**	**24,081.6**
Cash reserve	77.7	1,529.8
Receivables from banks	548.8	775.2
Receivables from customers	19,724.6	18,008.9
Receivables from customers measured at AC	19,724.6	18,008.9
Receivables from customers measured at FVOCI	—	—
Other receivables	320.2	330.9
Risk provision	**197.2**	**184.9**
Financial assets measured at FVPL	112.0	128.1
Mandatorily measured at FV	111.2	126.3
Positive fair values of derivative hedging instruments	35.1	17.9
Trading portfolio assets	76.1	108.5
Financial assets of the non-trading portfolio	0.7	1.7
Risk provision	**—**	**—**
Financial assets measured at FVOCI	4,881.7	3,085.6
Equity instruments	—	—
Debt instruments	4,881.7	3,085.6
Loans and receivables	—	—
Risk provision	**0.2**	**0.6**
Bonds and other fixed-income securities measured at AC	—	—
Risk provision	**—**	**—**
Maximum risk of default for all balance sheet assets	**25,862.0**	**24,043.4**
Financial guarantees	606.8	695.8
Irrevocable loan commitments	1,791.1	1,678.2
Risk provision	**17.2**	**19.9**
Maximum risk of default	**28,277.1**	**26,437.3**

Risk concentrations
The industry distribution of the loan portfolio is generally characterised by the clientele, which is mainly based in the business region. In the corporate client business, there is no industry con-centration in this respect. In the area of commercial real estate, the portfolio is diversified into the usual asset classes such as offices, apartments, logistics and retail. Acquisition financing is mainly spread across the service, production and retail industry clusters. There are separate limits for the special financing portfolios.

Collateral
All in all, slightly less than 40 % of the gross credit risk in customer lending business is secured with collateral. Most of this 40 % collateral is mortgages on residential and commercial property. As a rule, residential and commercial property is not measured at fair value here and is instead measured according to the specifications of the bankmore conservative “Beleihungswertverordnung”. Further receivable claims are mainly secured with liquid collateral such as account balances, building loan agreements and chattel mortgages. The transfer of wind tur-

bines and ship mortgages for security purposes, in order to hedge the corresponding portfolios, serves as other noteworthy collateral. Export financing outside Europe is usually collateralised by means of government export credit insurance (ECA).

Apart from concentration on individual borrowers, risk concentration may also arise from a focus on individual providers of security. Credit insurances are internally limited to prevent potential concentrations Since Other collateral and security derives from the broadly diversified customer lending portfolio, at present the Bank does not foresee any relevant risk concentrations.

Suitable monitoring measures have been implemented for areas in which concentrations may arise due to the type of collateral or the collateral item. Collateral recovery rates are monitored on an ongoing basis and any changes observed are taken into account when determining credit risks. The collateral ratio of non-performing loans was 75.3 % as at December 31, 2023. In addition to the above-mentioned allocated collateral, the loan loss provisions were also taken into account.

Banks

The credit risk from loans and advances to banks (incl. Deutsche Bundesbank) and from bonds issued by credit institutions is low overall. The receivables volume of EUR 3.6 billion as at December 31, 2023 consisted almost exclusively of the very good and good credit rating classes 1 – 6. The remaining receivables with a volume of around EUR 1.5 billion fall into credit rating classes 7 – 14.

Country risk

OLB calculates the country risk based on the country of the debtor's economic risk, in line with Delegated Regulation (EU) No 1152 / 2014. Accordingly, as of December 31, 2023 Germany accounts for 74 % (December 31, 2022: 83 %) of customer and bank lending business and the rest of the EU for 20 % (December 31, 2022: 13 %). Only 6 % (December 31, 2022: 4 %) of the economic risk is situated outside of the EU.

Market price risk

Risk measurement

OLB is exposed to market price risks in its customer business and in trading. Significant factors here include:

- changes in interest rates and yield curves,
- changes in currency exchange rates, and
- fluctuations (volatility) in these parameters.

The risk from the non-trading portfolio derives primarily from changes in interest rates (in terms of the effect on the present value of the interest rate book). An open foreign-currency position is possible only for very minor technical amounts. The limit for open foreign-currency positions is set at EUR 1 million.

Risk positions are monitored by the Risk Control department, which reports the evolution of risks and the results for the liquidity reserve daily, and for the value at risk of the non-trading portfolio monthly

All risk positions are measured as the sum of all relevant individual transactions, including applicable measures to limit risk (net presentation).

Market price risks are quantified and limited at the Whole Bank level, primarily using value-at-risk models.

The value-at-risk model for the non-trading portfolio is based on a historical simulation that incorporates changes in interest rates, equally weighted over time since. To quantify the interest rate risk, the method calculates how the present value of the interest rate book would change if the historically observed changes in interest rates were to occur.

Under EBA Guideline 2022 / 14 and BaFin circular 06 / 2019, changes in net present value are additionally calculated using ad hoc shifts of the yield curve in different directions and to different extents as stress scenarios.

For the variable interest rate products, an expiry assumption for various product groups (base rate models) is parameterised in the interest book cash flow . Special repayment rights in the lending business are also included in the risk measurement as model cash flow.

For the limitation of open currency positions from spot transactions, forward exchange transactions, FX swaps, non-deliverable forwards (NDFs), currency options and certain loans / deposits, the total currency position is calculated in accordance with the standard method for market price risks of the CRR.

For the purpose of assigning limits to open currency positions, the overall currency position will be determined on the basis of all net foreign currency balances. In deviation from the definition provided in the CRR, risk positions resulting from value adjustments are not deducted from currency positions. OLB hedges currency positions resulting from customer transactions up to the write-off date.

Risk management
The Bank Management Committee and the Risk Committee of the Bank are responsible for managing market price risk. Positioning in the non-trading portfolio is deliberated and decided by the Bank Management Committee. Market price risks are monitored by the Risk Control department, and limits are adopted by the full Board of Managing Directors, taking due account of recommendations from the Risk Committee.

Value at risk for market price risks (99.9 %/1 year) serves to limit risk. ↗

To assess market price risk, in addition to statistical risk assessment using value-at-risk models the Bank regularly applies both regulatory and economic stress tests.

The risk position essentially derives from developments in new lending business, highly liquid bonds held within the scope of the required liquidity reserves, and the funding structure. Investments for the purpose of the Bank's liquidity reserve may be made only within a specifically defined range of product types. The Treasury department largely manages the risk of interest rate changes by means of interest rate derivatives. In addition, the Treasury department can influence the securities held in the liquidity reserve at any time with respect to the volume and the fixed interest rate. In addition to the interest rate book, the risk value resulting from the outsourced pension provisions is provided by an external company and taken into consideration. The risk for the outsourced pension provisions is determined by means of a delta normal model, with the same confidence level and the same holding period as the risk in the interest rate book.

Risk situation
Trading business:
Trading to generate short-term gains was discontinued as of the end of 2012; any new positions were allocated to the non-trading portfolio.

Value at risk for the non-trading portfolio (99.9 %/1 year):

EUR m	2023 VaR (99.9 %)	2022 VaR (99.9 %)
Minimum	82.0	113.8
Mean	134.2	149.7
Maximum	165.5	183.2

Market price risk in the non-trading portfolio is assessed and limited on a value basis through historical changes in interest rates. The growing lending business was the driver behind risk.

Liquidity risk
Risk measurement
Short-term liquidity risks are measured and controlled on the basis of funding matrices, made available daily, with a forward horizon of the next 23 working days (with an eye to the risk of inability to meet payments).

In addition to deterministic cash inflows and outflows, the method also applies assumptions on the further development of variable business. Assessments of future liquidity cash flow are performed using both normal market conditions and stress scenarios. The content of the scenarios is essentially the same as that for the medium and long-term views. Medium and long-term liquidity risks are measured and controlled on the basis of monthly assessments that analyse future liquidity cash flow with a forward horizon of the next ten years. The liquidity cash flow here is the net figure for all future incoming and outgoing payments up to the given date. The analysis takes account of business performance both under normal market conditions and in stress scenarios.

Compliance with the regulatory ratio, the liquidity coverage ratio (LCR) according to the Delegated Regulation, is a part of the risk measurement. The LCR calls for maintaining a liquidity buffer that will cover at least net outpayments for 30 days under market-wide and idiosyncratic stress conditions. This approach is supplemented with a liquidity buffer for a one-week and a one-month period. All of these steps are intended to safeguard short-term solvency, especially by maintaining an adequate liquidity reserve.

In addition, OLB calculates and reports the net stable funding ratio (NSFR) liquidity ratio in accordance with the CRR II. The NSFR is a liquidity ratio which is intended to safeguard medium- to long-term structural liquidity over a period of one year and, above all, to reduce the level of dependence on short-term funding. Compliance with this ratio is a regulatory requirement which has applied since June 30, 2021.

In assessing liquidity cost risk, funding matrices over the next ten years from the liquidity-risk stress scenarios are analysed. If liquidity falls short of liquidity risk limits during this period in a given scenario, the shortfall between the actual liquidity and the required liquidity is remedied by means of liquid funding operations at current interest rates with possible liquidity spreads and while maintaining a constant credit rating. The liquidity cost risk is calculated with a value orientation as a liquidity value at risk with a 99.9 % confidence level.

OLB has access to all the major capital market segments: mobilisation and administration of credit claims, covered bond issues, customer deposits, asset-backed securities and open-market transactions (e.g., TLTRO). There are no concentrations or dependencies on specific markets or counterparties. In addition to quantification, the Bank's ability to refinance is also monitored qualitatively.

Risk management

Liquidity risks are limited based on the institution-specific funding matrix, the liquidity coverage ratio (LCR) regulatory ratio and the net stable funding ratio. In order to ensure compliance with the requirement at all times, internal limits and early warning thresholds are defined. The Bank's Risk Committee is regularly informed of the evolution of these key ratios. These considerations are supplemented with a liquidity buffer that must be maintained. The scope of the buffer is derived from weekly and monthly liquidity outflows from customer transactions.

The limits for liquidity risk in the funding matrix are based on "cumulative relative liquidity surpluses" as the key indicator. This represents the liquidity cash flow relative to total liabilities for defined maturity ranges.

Liquidity risk is controlled by the Bank Management Committee and the Risk Committee of the Bank. At any time, the Treasury & Markets department can draw on the securities held in the liquidity reserve, or cover additional liquidity needs through sales, pledges for Bundesbank refinancing facilities, or forward sales under repo agreements. Liquidity needs are covered through customer business, by taking out fixed deposits and refinancing loans or by placing promissory note loans and covered bonds. Due to these covered bond issues, in order to manage its liquidity risks as a capital market-oriented institution OLB is required to comply with the additional requirements for capital market-oriented institutions pursuant to sections BTR 3.2 and BT 3.2 of MaRisk.

Risk situation

Development of funding sources:

The bank uses a variety of sources for its funding, as displayed in the following table:

EUR m	12/31/2023	12/31/2022
Demand deposits	480.8	101.7
Development banks	1,990.5	2,315.7
Promissory notes / Registered notes	13.1	23.2
Covered bonds	65.5	65.5
Other term deposits	3,078.8	2,569.2
Liabilities to banks (AC)	**5,628.7**	**5,075.3**
Demand deposits	8,143.2	9,999.1
Promissory notes / Registered notes	397.9	403.4
Covered bonds	177.2	117.1
Other term deposits	7,079.5	4,038.7
Saving deposits	1,119.9	1,634.2
Liabilities to customers (AC)	**16,917.6**	**16,192.5**
Covered bonds issued	700.1	699.5
Other debt securities issued	496.5	7.4
Securitised liabilities (AC)	**1,196.6**	**706.9**
Convertible bonds (Tier 1)	1.7	16.7
Debt instruments (Tier 2)	—	14.0
Promissory note loans (Tier 2)	125.1	128.1
Customer deposits (Tier 2)	2.5	3.1
Subordinated debt	**129.3**	**161.9**
Total deposits and borrowed funds	**23,872.2**	**22,136.6**

Development of regulatory reporting ratios:

The Bank checks the liquidity coverage ratio (LCR) key indicator in accordance with the CRR on a daily basis. The positions are notified by reporting the key indicator according to the Delegated Regulation and have been since September 1, 2016.

LCR

in %	2023	2022
Minimum	148 %	117 %
Mean	202 %	149 %
Maximum	328 %	210 %

The minimum value of 100 % for the LCR reporting ratio was maintained on all of the reporting dates. On average, this ratio was 101.9percentage points higher than the minimum requirement of 100 %. On December 31, 2023, this ratio amounted to 147.4 % (December 31, 2022: 173.94 %).

Since June 30, 2021, the Bank has reviewed its net stable funding ratio (NSFR), as prescribed by the CRR, on a daily basis.

NSFR

in %	2023	2022
Minimum	114 %	114 %
Mean	117 %	116 %
Maximum	118 %	118 %

Operational risk

OLB uses uniform, coordinated instruments to identify, measure and monitor operational risks.

The regulatory capital requirement for operational risk is determined by means of the standard approach.

Management of operational risks is essentially based on the scenario analyses, on analyses of losses actually incurred, and on the risk indicators for operational risks. ↗

(63) Restrictions on disposal and collaterals for own liabilities

Assets have been transferred as collateral in the specified amount for the following liabilities:

EUR m	12/31/2023	12/31/2022
Liabilities to banks	5,945.4	4,637.3
Liabilities to customers	177.2	117.1
Securitised liabilities	773.9	703.3
Collateralised liabilities	**6,896.5**	**5,457.6**

The total amount (carrying amounts) of the collateral transferred consists of the following assets:

EUR m	12/31/2023	12/31/2022
Receivables from customers (AC) pledged as collateral	6,113.2	5,079.9
Receivables from banks (AC) pledged as collateral	5.2	13.3
Bonds (FVOCI) pledged as collateral	1,307.8	1,047.8
Collateral transferred	**7,426.2**	**6,141.0**

The transferred receivables from customers include receivables refinanced by development loan institutions. OLB mainly cooperates with the development loan institutions KfW, NBank and LRB. According to these development loan institutions' general terms and conditions, in principle OLB assigns to the refinancing institution the customer receivable including any subsidiary rights as well as collateral which the customer has provided for the refinanced receivable in question. The carrying amount for the customer receivables transferred as collateral in this respect was EUR 1,979.8 million (2022: EUR 2,282.3 million). Moreover, customer receivables are transferred to a cover fund for OLB's covered bond issues. The carrying amount of these receivables was EUR 1,474.3 million (2022: EUR 1,090.5 million). Further collateral transferred consists of receivables as part of true-sale receivables securitisations by the SPV Weser Funding S.A. (ABS), with a carrying amount of EUR 1,887.0 million (2022: EUR 988.7 million) and from the transfer of loans through the loan submission procedure (Mobilisation and Administration of Credit Claims – MACCs), with a carrying amount of EUR 772.2 million (2022: EUR 718.4 million).

The transferred receivables from banks mainly comprise cash collaterals relating to derivatives.

The fair value of the transferred bonds matches the above carrying amount.

OLB did not have any reverse repo transactions as of the reporting date.

EUR m	12/31/2023	12/31/2022
Reverse repurchase transactions		
Assets transferred (FVOCI)	929.9	324.9
Corresponding liabilities to banks	2,560.3	324.2
Total assets transferred	**929.9**	**324.9**
Total corresponding liabilities	2,560.3	324.2

With the scope of its refinancing business with institutions and insurers, out of an overall portfolio of customer receivables in the amount of EUR 19,724.6 million (2022: EUR 18,008.9 million) receivables were transferred to the refinancing entities, with the Bank retaining the related interest rate and counterparty risks. The fair value of the customer receivables within the scope of this refinancing business was EUR 1,828.6 million (2022: EUR 2,058.4 million). The liabilities relating to the refinancing funds amounted to EUR 1,979.8 million (2022: 2,282.3 million). These have been reported in the Liabilities to customers and the Liabilities to banks.

Obligation to

EUR m	12/31/2023	12/31/2022
Compensation Scheme of German Private Banks	15.0	13.1
Single Resolution Fund	12.4	10.1
Deposit protection scheme	3.2	3.2
Obligation to deposit protection and market stabilisation schemes	**30.6**	**26.3**

(64) Foreign currency volumes

EUR m	12/31/2023	12/31/2022
Assets of the currency		
USD	457.5	402.9
GBP	135.3	91.8
Other	18.1	20.4
Total assets	**610.9**	**515.1**
Liabilities of the currency		
USD	468.0	611.2
GBP	12.3	14.6
Other	27.3	33.2
Total liabilities	**507.6**	**659.0**

These amounts are totals in euro equivalents for non-Eurozone currencies.

(65) Breakdown of residual terms of receivables and liabilities

The following tables provide a breakdown of receivables by maturity call date.

	12/31/2023		
EUR m	Up to 12 months	Over 12 months	Total
Receivables from banks	529.4	19.4	548.8
Receivables from customers	4,103.7	15,620.9	19,724.6
Financial assets of the non-trading portfolio	214.2	4,668.2	4,882.4
Other assets	289.6	46.1	335.7
Total receivables	**5,136.9**	**20,354.6**	**25,491.5**

	12/31/2022		
EUR m	Up to 12 months	Over 12 months	Total
Receivables from banks	766.8	8.4	775.2
Receivables from customers	3,178.7	14,830.2	18,008.9
Financial assets of the non-trading portfolio	274.5	2,812.8	3,087.3
Other assets	315.0	42.2	357.2
Total receivables	**4,535.0**	**17,693.7**	**22,228.7**

The following tables break down the undiscounted financial liabilities from derivative and non-derivative transactions according to contractual residual terms. As the figures are undiscounted and include interest payments, some of the values differ from the book values shown in the balance sheet. ↗

As of the respective reporting date, the financial liabilities according to contractually agreed maturity structures in accordance with IFRS 7.39 were as follows:

	12/31/2023					
EUR m	Due daily or with indefinite maturity	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Trading Portfolio Liabilities	—	16.5	11.4	29.1	58.5	115.5
Negative fair values of derivative hedging instruments	—	—	- 32.7	- 27.7	- 252.6	- 312.9
Derivative instruments (before off-setting)	**—**	**16.5**	**- 21.2**	**1.4**	**- 194.1**	**- 197.4**
Liabilities to banks	470.8	709.6	1,914.9	1,581.6	951.8	5,628.7
Liabilities to customers	8,038.2	3,746.3	3,696.9	1,122.9	313.3	16,917.6
Securitized liabilities	—	—	0.0	423.8	772.8	1,196.6
Subordinated debt	—	10.0	4.2	55.1	60.0	129.3
Interest payments für non-derivative financial instruments	—	54.1	162.4	182.3	173.2	572.1
Non-derivative financial instruments	**8,509.0**	**4,520.0**	**5,778.4**	**3,365.7**	**2,271.1**	**24,444.3**
Balance sheet items	**8,509.0**	**4,536.6**	**5,757.2**	**3,367.1**	**2,077.0**	**24,246.8**
Contingent liabilities and other commitments	—	2,397.9	—	—	—	2,397.9
Total liabilities	**8,509.0**	**6,934.4**	**5,757.2**	**3,367.1**	**2,077.0**	**26,644.7**

	12/31/2022					
EUR m	Due daily or with indefinite maturity	Up tp 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Trading Portfolio Liabilities	—	28.4	22.1	43.3	90.8	184.6
Negative fair values of derivative hedging instruments	—	1.0	—	78.6	124.9	204.4
Derivative instruments (before off-setting)	**—**	**29.3**	**22.1**	**121.9**	**215.7**	**389.0**
Liabilities to banks	87.0	440.8	1,200.9	2,289.5	1,057.2	5,075.3
Liabilities to customers	9,806.8	3,382.0	2,221.1	522.1	260.5	16,192.5
Securitized liabilities	—	—	1.9	5.6	699.5	706.9
Subordinated debt	—	14.1	21.8	36.1	89.8	161.9
Interest payments für non-derivative financial instruments	—	20.2	60.6	138.1	195.2	414.1
Non-derivative financial instruments	**9,893.8**	**3,857.1**	**3,506.2**	**2,991.4**	**2,302.3**	**22,550.7**
Balance sheet items	**9,893.8**	**3,886.4**	**3,528.3**	**3,113.3**	**2,517.9**	**22,939.7**
Contingent liabilities and other commitments	—	2,374.1	—	—	—	2,374.1
Total liabilities	**9,893.8**	**6,260.5**	**3,528.3**	**3,113.3**	**2,517.9**	**25,313.8**

(66) Derivative transactions and hedge accounting

Among other factors, the value of derivative financial instruments which enable the transfer of market and credit risks between various parties results from interest rates and indexes as well as share prices and foreign exchange rates. Markdowns are calculated on positive fair values to cover counterparty risks. The most important derivative products used include interest rate swaps and currency forwards. Derivatives can be entered into by means of standardised contracts on the stock market or in the form of transactions negotiated bilaterally over the counter.

Derivatives are used for the Bank's internal risk management and for asset / liability management. From the point of view of valuations, a distinction is made between products traded on the stock market and those traded over the counter.

Where index options are entered into, a daily cash settlement will be made for contracts traded on the stock market. ↗

In the case of exchange-traded derivatives, positive and negative fair values will not be reported if (or arise) unless the terms of the agreement require full settlement as of the maturity date only (for European options only; EUREX products = American options) or if the variation margin (futures only) has not yet been received as of the balance sheet date (e.g. if the stock exchanges are situated in different time zones). Apart from the exceptions described above, the fair values of exchange-traded derivatives will always be zero as a result of the daily settlement of gains and losses.

The following table shows the nominal volumes by residual term as well as the positive and negative fair values of the derivative transactions which the Bank has entered into. The nominal amounts generally serve as no more than a reference figure for the calculation of the mutually agreed settlement payments (e.g. interest claims and / or interest obligations in case of interest rate swaps), and thus do not represent any direct receivables and / or payables in the balance sheet sense.

EUR m	Positive fair value	Negative fair value	Total nominal values
12/31/2023			
Interest rate derivatives	**614.0**	**- 400.4**	**19,105.7**
Interest rate derivates from customer business	98.5	- 84.9	6,772.7
Interest rate derivatives from interest book management	515.5	- 315.5	12,333.0
Thereof: designated as micro hedging instruments	338.9	- 202.6	7,127.0
Thereof: designated as portfolio hedging instruments	161.7	- 110.3	3,006.0
Thereof: free-standing hedging instruments	14.9	- 2.5	2,200.0
Currency derivatives	**35.0**	**- 28.0**	**3,036.3**
Currency options: purchases	0.7	—	44.9
Currency options: sales	—	- 0.7	44.9
Cross-currency swaps	4.6	- 0.2	144.8
FX swaps and currency forwards	29.7	- 27.2	2,801.7
Total derivatives	**649.0**	**- 428.4**	**22,142.0**
12/31/2022			
Interest rate derivatives	**858.6**	**- 336.3**	**12,068.0**
Interest rate derivates from customer business	145.2	- 131.9	5,027.7
Interest rate derivatives from interest book management	713.4	- 204.4	7,040.3
Thereof: designated as micro hedging instruments	452.7	- 204.0	5,122.3
Thereof: designated as portfolio hedging instruments	260.7	- 0.3	1,918.0
Thereof: free-standing hedging instruments	—	—	—
Currency derivatives	**52.0**	**- 52.7**	**3,861.6**
Currency options: purchases	3.2	—	243.9
Currency options: sales	—	- 3.2	243.9
Cross-currency swaps	3.7	—	150.0
FX swaps and currency forwards	45.0	- 49.5	3,223.9
Total derivatives	**910,6**	**- 389,0**	**15,929.6**

Disclosures on the hedging instruments used in the hedge accounting

EUR m	Nominal value	Positive fair values	Negative fair values	Change in fair value used as the basis for recognising hedge ineffectivness for the period	Average interest rate of the hedging instruments (in %)
12/31/2023					
Hedging of interest rate risk	**10,133.0**	**500.6**	**- 312.9**	**- 321.4**	**1.61**
Interest rate swaps in micro hedges	7,127.0	338.9	- 202.6	- 112.4	1.46
Interest rate swaps in portfolio hedges	3,006.0	161.7	- 110.3	- 209.0	1.97
12/31/2022					
Hedging of interest rate risk	**6,975.3**	**713.4**	**- 204.4**	**502.9**	**0.82**
Interest rate swaps in micro hedges	5,057.3	452.7	- 204.0	217.7	0.69
Interest rate swaps in portfolio hedges	1,918.0	260.7	- 0.3	285.3	1.17

All hedging instruments included in the above table are included in the balance sheet items positive market values from derivative hedging instruments and negative market values from derivative hedging instruments. ↗

The profile of the timing of the nominal amount of the hedging instruments is shown in the following table:

EURm	Nominal values up to 1 year	Nominal values over 1 year and up to 5 years	Nominal values over 5 years	Total nominal values
12/31/2023				
Interest rate derivatives from interest book management	1,985.0	4,199.5	6,148.5	12,333.0
of which: designated as micro hedging instruments	1,350.0	2,019.5	3,757.5	7,127.0
of which: designated as portfolio hedging instruments	135.0	480.0	2,391.0	3,006.0
of which: free-standing hedging instruments	500.0	1.700.0	—	2,200.0
12/31/2022				
Interest rate derivatives from interest book management	150.0	2,630.5	4,259.8	7,040.3
of which: designated as micro hedging instruments	85.0	2,100.5	2,936.8	5,122.3
of which: designated as portfolio hedging instruments	65.0	530.0	1,323.0	1,918.0
of which: free-standing hedging instruments	—	—	—	—

Disclosures on the underlying transactions used in the hedge accounting

EUR m	Carrying amount	Accumulated hedge adjust- ments	Change in fair value used as the basis for re- cognising hedge ineffectivness for the period	Accumulated hedge adjust- ments from ter- minated hedging relationships
12/31/2023				
Hedging of interest rate risk – micro hedges	**6,841.4**	**- 124.2**	**115.1**	**45.8**
Financial assets measured at AC	—	—	- 10.6	43.2
Financial assets of the non-trading portfolio	—	—	—	—
Receivables from banks and receivables from customers	—	—	- 10.6	43.2
Financial assets measured at FVOCI	4,246.3	- 248.4	214.1	23.7
Financial assets of the non-trading portfolio	4,246.3	- 248.4	214.1	23.7
Receivables from banks and receivables from customers	—	—	—	—
Financial liabilities measured at AC	2,595.1	124.3	- 88.5	- 21.0
Securitized liabilities	1,095.1	73.7	- 40.5	1.7
Liabilities to banks	1,500.0	50.5	- 48.0	- 22.7
Hedging of interest rate risk – portfolio hedges	**3,211.1**	**130.9**	**214.0**	**20.2**
Financial assets measured at AC	3,211.1	130.9	214.0	20.2
Financial assets of the non-trading portfolio	—	—	—	—
Receivables from banks and receivables from customers	3,211.1	130.9	214.0	20.2
12/31/2022				
Hedging of interest rate risk – micro hedges	**- 204.7**	**- 248.8**	**- 231.1**	**55.4**
Financial assets measured at AC	—	—	- 12.8	53.7
Financial assets of the non-trading portfolio	—	—	—	—
Receivables from banks and receivables from customers	—	—	- 12.8	53.7
Financial assets measured at FVOCI	- 2,400.9	- 467.3	- 420.0	28.4
Financial assets of the non-trading portfolio	- 2,400.9	- 467.3	- 420.0	28.4
Receivables from banks and receivables from customers	—	—	—	—
Financial liabilities measured at AC	2,196.2	218.4	201.7	- 26.7
Securitized liabilities	696.2	114.5	103.7	- 1.9
Liabilities to banks	1,500.0	103.9	97.9	- 24.7
Hedging of interest rate risk – portfolio hedges	**2,091.1**	**- 62.9**	**- 400.0**	**- 388.6**
Financial assets measured at AC	2,091.1	- 62.9	- 400.0	- 388.6
Financial assets of the non-trading portfolio	—	—	—	—
Receivables from banks and receivables from customers	2,091.1	- 62.9	- 400.0	- 388.6

(67) Offsetting of financial instruments

At OLB, derivatives business cleared by means of a broker through the central counterparty (CCP) EUREX is currently the only scenario for balance-sheet offsetting. Positive and negative fair values of derivatives held on the reporting date vis-à-vis EUREX and the related cash collateral balance will be offset and reported in the balance sheet as a single net receivable or as a single net liability. For all other transaction portfolios whose overall credit risk and collateralisation are covered by means of framework agreements (bilaterally settled derivative business and repo business), either the IAS 32 requirements for balance-sheet offsetting are not fulfilled (these are framework agreements that provide for offsetting in the event of insolvency, but do not allow for a shortening of the payment path in ongoing business operations). or else these requirements are fulfilled, but there are no offsetting transaction balances as of the reporting date.

Offsetting of receivables

				Items that reduce credit risk and are not subject to offsetting		
EUR m	Financial assets before offsetting	Amounts, subject to a global netting or similar agreement	Financial assets after offsetting	Amounts, not subject to a legally enforcable global netting or similar agreement	Collateral received	Net amount of credit risk
12/31/2023						
Derivatives	**660.0**	**- 534.5**	**125.5**	**- 35.6**	**- 43.8**	**46.2**
Thereof bilateral	94.8	—	94.8	- 35.6	- 43.8	15.5
Thereof over CCP broker	565.1	- 534.5	30.7	—	—	30.7
Repo transactions	**—**	**—**	**—**	**—**	**—**	**—**
Thereof bilateral	—	—	—	—	—	—
Thereof over CCP broker	—	—	—	—	—	—
Total amount	**660.0**	**- 534.5**	**125.5**	**- 35.6**	**- 43.8**	**46.2**
12/31/2022						
Derivatives	**910.6**	**- 782.8**	**127.8**	**- 59.5**	**- 47.3**	**21.0**
Thereof bilateral	119.0	—	119.0	- 59.5	- 47.3	12.2
Thereof over CCP broker	791.6	- 782.8	8.8	—	—	8.8
Repo transactions	**—**	**—**	**—**	**—**	**—**	**—**
Thereof bilateral	—	—	—	—	—	—
Thereof over CCP broker	—	—	—	—	—	—
Total amount	**910.6**	**- 782.8**	**127.8**	**- 59.5**	**- 47.3**	**21.0**

Offsetting of liabilities

EUR m	Financial liabilities before offsetting	Amounts, subject to a legally enforcable global netting or similar agreement	Financal liabilities after offsetting	Items that reduce credit risk and are not subject to offsetting: Amounts, not subject to a legally enforcable global netting or similar agreement	Items that reduce credit risk and are not subject to offsetting: Collateral provided	Net amount of credit risk
12/31/2023						
Derivatives	**- 631.1**	**534.5**	**- 96.7**	**35.6**	**6.8**	**- 54.3**
Thereof bilateral	- 96.7	—	- 96.7	35.6	6.8	- 54.3
Thereof over CCP broker	- 534.5	534.5	—	—	—	—
Repo transactions	**- 1,184.3**	**—**	**- 1,184.3**	**—**	**1,182.9**	**- 1.4**
Thereof bilateral	- 347.7	—	- 347.7	—	346.3	- 1.4
Thereof over CCP broker	- 836.6	—	- 836.6	—	836.6	0.0
Total amount	**- 1,815.4**	**534.5**	**- 1,281.0**	**35.6**	**1,189.6**	**- 55.8**
12/31/2022						
Derivatives	**- 953.4**	**782.8**	**- 170.6**	**59.5**	**13.2**	**- 97.9**
Thereof bilateral	- 170.6	—	- 170.6	59.5	13.2	- 97.9
Thereof over CCP broker	- 782.8	782.8	—	—	—	—
Repo transactions	**- 324.6**	**—**	**- 324.6**	**—**	**320.3**	**- 4.3**
Thereof bilateral	- 259.3	—	- 259.3	—	257.7	- 1.6
Thereof over CCP broker	- 65.4	—	- 65.4	—	62.6	- 2.8
Total amount	**- 1,278.1**	**782.8**	**- 495.3**	**59.5**	**333.5**	**- 102.2**

(68) Leasing

On principle, OLB only acts as a lessee. The balance sheet contains the following items related to leasing:

EUR m	12/31/2023	12/31/2022
Right-of-use		
Land and buildings	13.2	17.5
Operating and business equipment	0.6	0.9
Intangible assets	21.9	24.5
Total rights-of-use	**35.6**	**42.9**
Lease liabilities by remaining maturity		
Up to 1 year	12.0	11.7
from 1 to 5 years	23.5	29.2
more than 5 years	2.0	3.2
Total lease liabilities	**37.5**	**44.1**

Additions made to right-of-use assets during the financial year 2023 amounted to EUR 2.9 million (2022: EUR 6,3 million).

EUR m	Land and buildings	Operating and business equipment	Intangible ssets	Total
01/01 - 12/31/2023				
Carrying amount as of 12/31/2022	**17.6**	**1.0**	**25.5**	**44.1**
Additions during the financial year	0.9	0.1	2.6	3.6
Disposals during the financial year	- 0.0	—	—	- 0.0
Changes in balance during the financial year	**0.9**	**0.1**	**2.6**	**3.6**
Change in duration during the financial year	0.2	—	1.5	1.7
Amortisation during the financial year	- 4.8	- 0.4	- 7.5	- 12.7
Discounting	0.2	0.0	0.6	0.9
Changes in measurement during the financial year	**- 4.5**	**- 0.4**	**- 5.4**	**- 10.2**
Carrying amount as of 12/31/2023	**14.1**	**0.6**	**22.8**	**37.5**
EUR m				
Carrying amount as of 12/31/2021	**19.8**	**0.8**	**22.6**	**43.2**
Additions during the financial year	1.7	—	4.6	6.3
Disposals during the financial year	—	—	—	—
Changes in balance during the financial year	**1.7**	**—**	**4.6**	**6.3**
Change in duration during the financial year	1.2	0.7	6.1	8.0
Amortisation during the financial year	- 5.2	- 0.5	- 7.8	- 13.5
Discounting	0.1	0.0	0.1	0.1
Changes in measurement during the financial year	**- 4.0**	**0.2**	**- 1.6**	**- 5.4**
Carrying amount as of 12/31/2022	**17.6**	**1.0**	**25.5**	**44.1**

The following amounts are reported in the statement of profit and loss in connection with leases:

EUR m	2023	2022
Amortisation of lease liabilities		
Land and buildings	4.7	5.2
Operating and business equipment	0.4	0.5
Intangible assets	6.8	8.0
Interest expense	**0.9**	**0.1**
Items shown in the profit and loss statement	**12.7**	**13.9**

Payments made for leases in 2023 totalled EUR 12.7 million (2022: EUR 13.5 million).

Off-balance-sheet business

(69) Contingent liabilities and loan commitments

Contingent liabilities and loan commitments are future liabilities of the Group arising from time-limited credit lines which the Bank has granted its customers but which they have not yet drawn on. By means of credit facilities, the Group provides its customers with rapid access to funds which its customers require in order to fulfil their short-term obligations as well as their long-term financing requirements. Liabilities from guarantees and indemnity agreements and letters of credit are also reported. Income from guarantees is recognised in Net commission income. The amount of this income is determined by means of the application of agreed rates on the nominal amount of these guarantees.

The figures listed below do not permit any direct inference as to the resulting liquidity requirements.

EUR m	12/31/2023	12/31/2022
Credit guarantees	167.9	203.4
Other guarantees and warranties	436.1	491.3
Letters of credit	9.2	9.8
less provisions	- 6.5	- 8.7
Contingent liabilities	**606.8**	**695.8**
Loans	1,554.8	1,476.7
Guarantee lines	241.7	206.1
less provisions	- 5.5	- 4.6
Irrevocable credit commitments	**1,791.1**	**1,678.2**

Risk provision for off-balance sheet obligations has been reported under other provisions.

The figures provided in the tables reflect the amounts whose write-down would be required in the event of customers using the full amounts of these facilities and subsequently defaulting on payment – subject to the assumption that no collateral is available. It is possible that a large portion of these obligations may expire without being drawn upon. These figures do not definitively reflect the actual future loan commitment or the liquidity requirements resulting from these obligations. Collateral may have been provided to cover the total commitments to customers under loans and guarantees. There are also sub-participations by third parties in irrevocable credit commitments and guarantees.

(70) Other financial liabilities

EUR m	12/31/2023	12/31/2022
Obligations under rental- and usage agreements	12.9	5.9
Obligations for maintainance of information technology	10.8	5.9
Payment obligations and joint liabilities	30.6	26.3
Other financial obligations	**54.3**	**38.1**

Obligations from rental and license agreements mainly relate to contracts from the areas of IT software, IT services and the commercial rental of business premises.

There were no call commitments for shares, bonds, other shareholdings or joint liabilities under sec. 26 of the German Act on Limited Liability Companies in GmbH Form (GmbH-Gesetz – GmbHG).

Oldenburgische Landesbank AG is a member of the German deposit protection scheme, which covers liabilities to creditors up to a maximum amount. As a member of this deposit protection scheme, Oldenburgische Landesbank AG is separately liable to provide additional capital contributions, but not exceeding the annual contribution of Oldenburgische Landesbank AG which is indicated below.

Obligation to and expenses for deposit protection and market stabilisation schemes:

EUR m	12/31/2023	12/31/2022
Compensation scheme of German Private Banks (EdB)	15.0	13.1
Single Resolution Fund	12.4	10.1
Deposit Protection Fund	3.2	3.2
Obligation to deposit protection and market stabilisation schemes	**30.6**	**26.3**

The Bank has an irrevocable payment obligation to each of these schemes. In the event of those funds being drawn upon to a significant extent, additional other financial liabilities may arise in the amount of EUR 30.6 million (2022: EUR 26.3 million).

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Compensation scheme of German Private Banks (EdB)	- 4.1	- 4.8
Single Resolution Fund	- 8.1	- 10.4
Deposit Protection Fund	- 0.0	- 0.0
Annual expense for deposit protection and market stabilisation schemes	**- 12.2**	**- 15.2**

In 2023, the Bank contributed in total EUR 12.2 million (2022: EUR 15.2 million) to those schemes.

Contingent liabilities are possible, improbable obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group. They are not recognized in the balance sheet.

In the judgment of the ECJ of 10 / 25 / 2023 in the case BNP Paribas Public Sector SA vs. SRB (RS. T-668 / 21), it was decided that the part of the annual contribution of the bank levy for which an irrevocable payment commitment (IPC) was entered into must be paid even if the contributing institution ceases to fall within the scope of the SRM Regulation. As the defendant has lodged an appeal against this ruling, it is not yet legally binding.

Currently, the transfer of cash as cash collateral leads to the recognition of a financial claim against the restructuring fund and the derecognition of the cash. If it is sufficiently probable that the institution liable to pay contributions will be required to do so on the balance sheet date (utilization or economic burden from the irrevocable payment obligations), a provision must be recognised.

According to the SRB, the banking sector's resolvability has increased significantly. Therefore, OLB considers the probability that the SRB will realize the deposited cash collateral to be extremely unlikely. Taking this fact and the "going-concern assumption" into account, OLB has concluded that in this case no provisions need to be recognised for the 2023 reporting year. In addition, the deposited cash collateral can continue to be recognised as a receivable under other assets in the balance sheet, because OLB can continue to derive an economic benefit from the deposited cash collateral by receiving interest on it.

After careful examination of the current situation, OLB has come to the conclusion that the ruling has no effect on the accounting treatment of the irrevocable payment obligations entered into in this regard.

The majority of the Bank's former pension obligations and the cover funds earmarked to meet these obligations were transferred to a non-insurance-based pension fund managed by Allianz Pensionsfonds AG. The bank remains secondarily liable for the transferred liabilities in the event of any shortfall. If the cover funds are not sufficiently funded in relation to the necessary settlement amount, so that Allianz Pensionsfonds AG is unable to meet its obligations deriving from the transferred pension liabilities, the bank may be held liable for any such liabilities, which may be material.

Additional disclosures

(71) Fair values and carrying amounts of financial instruments by measurement category and balance sheet item and their classification in the fair value hierarchy

The financial instruments shown in the following table mainly comprise financial assets and liabilities which fall under the scope of IFRS 13 and which are either recognised in the balance sheet or not recognised in the balance sheet. Classes of these financial instruments have been established. These enable a distinction in terms of amortised cost and fair values, as the relevant IFRS 9 measurement criteria. Cash and cash equivalents are reported at their nominal value. For the sake of clarity, they are shown in the “reported at amortised cost” columns. Fair values of derivative hedging instruments in the hedge accounting are shown in the “carried at fair value” column. In addition, for each class an indication is provided of which measurement category the financial instruments belong to. The following abbreviations are used in the table: AC = Amortised Costs, FVOCI = Fair Value through Other Comprehensive Income, FVPL = Fair Value through Profit or Loss. For each measurement category of financial instruments, the fair values are compared with the carrying amounts and reconciled with the items on the assets side and the equity and liabilities side of the balance sheet. In addition, the financial instruments reported at fair value are allocated to one of the three fair value levels according to the IFRS fair value hierarchy.

	12/31/2023									
	Category	**Balance sheet items**	**Financial instruments measured at amortised cost**			**carried at fair value**	**Σ financial instru-ments**	**Level 1**	**Level 2**	**Level 3**
EUR m		Carrying amount	Carrying amount	Δ	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Cash and cash equiva-lents (carried at nomi-nal value)	AC	77.7	77.7	—	77.7		77.7	—	77.7	—
Trading portfolio assets										
Non-derivative trading assets measured at FVPL	FVPL	0.3				0.3	0.3	0.3	—	—
Positive fair values from interest rate derivatives	FVPL	113.4				113.4	113.4	—	113.4	—
Positive fair values from currency derivatives	FVPL	35.0				35.0	35.0	—	35.0	—
Adjustments related to offsetting and CVA	FVPL	- 72.6				- 72.6	- 72.6	—	- 72.6	—
Positive fair values of derivative hedging instruments	FVPL	35.1				35.1	35.1	—	35.1	—
Receivable from banks (net after risk provision)	AC	548.8	548.8	- 0.5	548.3		548.3	—	413.1	135.2
Receivable from cus-tomers (net after risk provision)	AC	19,724.6	19,724.6	- 312.1	19,412.5		19,412.5	—	1,137.6	18,274.9
Financial assets of the non-trading portfolio										
Financial assets of the non-trading portfolio classified at FVOCI	FVOCI	4,881.7				4,881.7	4,881.7	4,830.8	—	50.9
Financial assets of the non-trading portfolio classified at FVPL	FVPL	0.7				0.7	0.7	—	—	0.7
Other assets										
Cash Collaterals CCP	AC	220.9	220.9	—	220.9		220.9	—	220.9	—
Total financial instruments		**25,565.6**	**20,571.9**	**- 312.5**	**20,259.4**	**4,993.6**	**25,253.1**	**4,831.2**	**1,960.2**	**18,461.7**

	12/31/2023									
	Category	**Balance sheet items**	**Financial instruments measured at amortised cost**			**carried at fair value**	**Σ financial instru-ments**	**Level 1**	**Level 2**	**Level 3**
EUR m		Carrying amount	Carrying amount	Δ	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Trading portfolio liabilities										
Negative fair values from interest rate derivatives	FVPL	87.5				87.5	87.5	—	87.5	—
Negative fair values from currency derivatives	FVPL	28.0				28.0	28.0	—	28.0	—
Adjustments related to offsetting	FVPL	- 22.4				- 22.4	- 22.4	—	- 22.4	—
Negative fair values from hedging derivatives	FVPL	3.6				3.6	3.6	—	3.6	—
Liabilities to banks	AC	5,628.7	5,628.7	- 260.5	5,368.3		5,368.3	—	480.8	4,887.5
Liabilities to customers	AC	16,917.6	16,917.6	127.4	17,045.0		17,045.0	—	8,143.9	8,901.1
Securitzed liabilities	AC	1,196.6	1,196.6	- 61.7	1,134.9		1,134.9	—	1,134.9	—
Subordinated debt	AC	129.3	129.3	- 25.5	103.7		103.7	—	—	103.7
Other liabilities										
Cash Collaterals CCP	AC	1.0	1.0	—	1.0		1.0		1.0	—
Total financial instruments		**23,969.9**	**23,873.2**	**- 220.3**	**23,652.9**	**96.7**	**23,749.5**	**—**	**9,857.2**	**13,892.3**
Contingent liabilities	N / A	—					- 6.7	—	—	- 6.7
Irrevocable loan commitments	N / A	—					- 10.1	—	—	- 10.1

	12/31/2022									
	Category	**Balance sheet items**	**Financial instruments measured at amortised cost**			**carried at fair value**	**Σ financial instru-ments**	**Level 1**	**Level 2**	**Level 3**
EUR m		Carrying amount	Carrying amount	Δ	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Cash and cash equivalents (carried at nominal value)	AC	1,529.8	1,529.8	—	1,529.8		1,529.8	—	1,529.8	—
Trading portfolio assets										
Non-derivative trading assets measured at FVPL	FVPL	0.0				0.0	0.0	0.0	—	—
Positive fair values from interest rate derivatives	FVPL	145.2				145.2	145.2	—	145.2	—
Positive fair values from currency derivatives	FVPL	52.0				52.0	52.0	—	52.0	—
Adjustments related to offsetting and CVA	FVPL	- 88.7				- 88.7	- 88.7	—	- 87.3	- 1.5
Positive fair values of derivative hedging instruments	FVPL	17.9				17.9	17.9	—	17.9	—
Receivable from banks (net after risk provision)	AC	775.2	775.2	- 0.5	774.7		774.7	—	770.5	4.2
Receivable from customers (net after risk provision)	AC	18,008.9	18,008.9	- 643.7	17,365.2		17,365.2	—	1,062.3	16,302.9
Financial assets of the non-trading portfolio										
Financial assets of the non-trading portfolio classified at FVOCI	FVOCI	3,085.6				3,085.6	3,085.6	3,067.7	—	17.9
Financial assets of the non-trading portfolio classified at FVPL	FVPL	1.7				1.7	1.7	—	—	1.7
Other assets										
Cash Collaterals CCP	AC	265.7	265.7	—	265.7		265.7	—	265.7	—
Total financial instruments		**23,793.3**	**20,579.6**	**- 644.2**	**19,935.4**	**3,213.7**	**23,149.1**	**3,067.7**	**3,756.0**	**16,325.3**

	12/31/2022									
	Category	**Balance sheet items**	**Financial instruments measured at amortised cost**			**carried at fair value**	**Σ financial instru-ments**	**Level 1**	**Level 2**	**Level 3**
EUR m		Carrying amount	Carrying amount	Δ	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Trading portfolio liabilities										
Negative fair values from interest rate derivatives	FVPL	131,9				131,9	131,9	—	131,9	—
Negative fair values from currency deriv-atives	FVPL	52,7				52,7	52,7	—	52,7	—
Adjustments related to offsetting	FVPL	- 23,5				- 23,5	- 23,5	—	- 23,5	—
Negative fair values from hedging derivatives	FVPL	9,4				9,4	9,4	—	9,4	—
Liabilities to banks	AC	5.075,3	5.075,3	- 362,0	4.713,3		4.713,3	—	101,7	4.611,6
Liabilities to customers	AC	16.192,5	16.192,5	109,8	16.302,3		16.302,3	—	9.999,1	6.303,2
Securitzed liabilities	AC	706,9	706,9	- 120,6	586,3		586,3	—	586,3	—
Subordinated debt	AC	161,9	161,9	- 10,8	151,1		151,1	—	—	151,1
Other liabilities										
Cash Collaterals CCP	AC	0,6	0,6	—	0,6		0,6	0,6	—	—
Total financial instruments		**22.307,9**	**22.137,3**	**- 383,6**	**21.753,7**	**170,6**	**21.924,3**	**0,6**	**10.857,8**	**11.065,9**
Contingent liabilities	N / A	—					- 8,7	—	—	- 8,7
Irrevocable loan commitments	N / A	—					- 17,1	—	—	- 17,1

Fair value is the amount for which a financial instrument may be freely traded between knowledgeable and willing parties in an arm's length transaction. Fair value is defined as the exit price or the transfer / disposal price.

For all financial instruments, the first check will be whether a market price is available on an active market. If so, this will be immediately used as a fair value (price times quantity) and this fair value will be categorised as a Level 1 fair value. Exchange-traded securities are the main scenario where Level 1 fair values are found. At OLB, this mainly concerns holdings of financial assets valued at FVOCI and FVPL and, to a lesser extent, trading assets. Price service agencies were used to access certain platforms on which brokers publish their prices. If there was a corresponding price link and market liquidity, this was used as the price quotation in Level 1.

If no market price as defined above is available, a valuation model is considered used. If all of the key input parameters for this valuation are observable on the market, the resulting theoretical value will be a Level 2 fair value. Interest rate swaps and all other derivatives in the Bank's portfolio have Level 2 fair values. The discounted cash-flow method and option pricing models were used to determine these fair values in the reporting period. The market value of a derivative corresponds to the sum of all future cash flows discounted at a risk-adequate rate on the valuation date (present value or dirty close-out value). In the case of collateralised derivatives, risk-free overnight index swap "OIS" curves were used as the basis for discounting (because the collateral bears interest at these rates); in the case of unsecured derivatives, however, the valuation is based on tenor swap curves (for example, the 3-month EURIBOR swap curve). OLB uses a discounted cash-flow model (present value of the difference between the contract rate and the forward rate on the reporting date) to value forward exchange transactions. For currency options (plain vanilla currency options) OLB uses the classic Black-Scholes model according to Garman-Kolhagen. For the valuation of barrier options (with American barrier) OLB uses the Black-Scholes model according to Rubinstein-Reiner. For the valuation of barrier options (with a European barrier), OLB uses a finite difference model. In all these cases, the options are valued on the basis of implied volatility. In addition, for loan receivables and liabilities with daily or very short maturities (overdrafts and demand deposits vis-à-vis credit institutions and customers as well as cash on hand) that are subject neither to material interest rate risks nor to creditworthiness risks, the fair value corresponds to the carrying amount. These fair values are classified as Level 2 fair values.

On the other hand, if not all of the key input parameters for the valuation are observable on the market, a theoretical value will apply which is a Level 3 fair value. The fair values of these instruments are determined using recognised mathematical valuation models with as many market data inputs as are available.

The present value method and the option pricing model in particular were used in the period under review. In these cases, the fair value is a theoretical value as of the reporting date which is a Level 2 fair value (e.g. interest rate swaps) or a Level 3 fair value (e.g. specific loan assets) which should be taken as an indication of a value which is realisable upon sale or assignment. Level 3 instruments include, in particular, loan receivables and deposit products with longer maturities for which third party and own credit assessment is essential (as credit assessment often cannot be done via direct market data inputs). To determine the fair values of these instruments, the future contractual cash flows were calculated and discounted using risk-adjusted zero coupon curves. The zero-coupon curves are based on the swap curves observable on the market and take into account the credit quality of the instrument through an appropriate adjustment of the curve from which the discount factors are derived.

Please see note (62) for further comments on the methods used to measure the risks associated with financial instruments.

Transfer of financial instruments. No transfers between the levels of the fair value hierarchy occurred in the periods under review.

Development of Level 3 financial instruments recognised at fair value. The following tables contain an overview of the development of these financial instruments:

	Financial assets of the non-trading portfolio classified at FVPL				Financial assets of the non-trading portfolio classified at FVOCI	
EUR m	Investment securities	Shares in not-consolidated subsidiaries	Shares	Financial assets of the non-trading portfolio classified at FVPL	Bonds	CLOs
Balance as of 12/31/2022	**0.6**	**0.1**	**1.0**	**1.7**	**17.9**	**—**
Additions	0.0	—	—	0.0	—	32.0
Disposals	- 0.0	—	- 1.0	- 1.0	—	—
Changes in balance during the financial year	**—**	**—**	**- 1.0**	**- 1.0**	**—**	**32.0**
Gains during the financial year	—	—	—	—	0.8	0.2
Losses during the financial year	—	—	—	—	—	—
Valuation changes during the financial year	**—**	**—**	**—**	**—**	**0.8**	**0.2**
Balance as of 12/31/2023	**0.6**	**0.1**	**0.0**	**0.7**	**18.7**	**32.2**
Balance as of 12/31/2021	**0.6**	**0.2**	**1.9**	**2.6**	**19.8**	**—**
Additions	—	—	—	—	—	—
Disposals	—	- 0.0	- 0.9	- 0.9	—	—
Changes in balance during the financial year	**—**	**- 0.0**	**- 0.9**	**- 0.9**	**—**	**—**
Gains during the financial year	—	—	—	—	—	—
Losses during the financial year	—	—	—	—	- 2.0	
Valuation changes during the financial year	**—**	**—**	**—**	**—**	**- 2.0**	**—**
Balance as of 12/31/2022	**0.6**	**0.1**	**1.0**	**1.7**	**17.9**	**—**

Sensitivity of financial assets classified at FVPL. The model value of the preference shares allocated to Level 3 was formed from the value of the ordinary shares and a percentage discount to take account of the restrictions on the preference shares. The model value of the preference shares increases or decreases by 10% if the market price of the ordinary shares also changes by + / – 10%. If the discount increases by 10 %, the model value decreases by approximately 8 % and vice versa. This preference share was derecognized through disposal in 2023. The other financial assets allocated to Level 3 (investments and shares in non-consolidated subsidiaries) did not show any significant sensitivities.

Sensitivity of the financial asset classified as FVOCI. The model price was determined using the zero swap curve including a spread premium from the original purchase valuation.

The senior notes issued by CLO vehicles were also allocated to level 3 of the IFRS fair value hierarchy. The model value is calculated by discounting the cash flows of the note resulting from the securitization model with the yield curve on the reporting date, including a premium. The sensitivity to the credit risk parameters of the securitization model is negligible for the senior notes held by OLB, because of the high degree of subordination in the securitization structure. The sensitivity to an increase of 10 basis points in the yield curve spread is – 0.5 %.

(72) Related party disclosures

There were individual changes in OLB's ownership structure in 2023. Most of OLB's shares (> 90 percent) continue to be held by companies that are connected with Apollo Global Management, Grovepoint Investment Management, and Teacher Retirement System of Texas.

The companies are mutually independent and each of them holds an indirect stake of under 40 %, which means that none of the shareholders controls OLB under corporate law. However, the companies have a significant influence over OLB (>20 % of the voting rights). The remainder of the shares is held by MPP S. à. r. l. and MPuffer Invest GmbH, each of which holds only small stakes (<10 %), but whose ownership structures give them significant influence over OLB. All companies are therefore considered as related parties under IAS 24.

Catalina General Insurance Ltd. (2.1 % interest) and Catalina Worthing Insurance Ltd. (0.32 % interest) cannot exercise significant influence over OLB, and therefore were not considered as related parties under IAS 24.

Within the scope of ordinary business activities, transactions are entered into with related parties at arm's length terms and conditions. The scope of these transactions is presented below.

The related parties are members of the Board of Managing Directors and the Supervisory Board of Oldenburgische Landesbank AG and its affiliated companies as well their close relatives. The Board of Managing Directors and the Supervisory Board of Oldenburgische Landesbank AG are considered to be key management personnel. The affiliated companies are non-consolidated companies of Oldenburgische Landesbank AG (reported under subsidiaries). Companies in which members of the Bank's Supervisory Board hold management positions are also reported under other related companies and persons, together with companies to which OLB's shareholders are affiliated.

Receivables and liabilities

EUR m	12/31/2023	12/31/2022
Receivables from customers		
Key management personnel of OLB AG	0.8	0.8
Entities with significant influence over OLB AG	—	—
Subsidiaries	—	—
Other related companies and persons	2.0	1.4
Financial assets of the non-trading portfolio		
Key management personnel of OLB AG	—	—
Entities with significant influence over OLB AG	—	—
Subsidiaries	—	—
Other related companies and persons [1)]	—	18.1
Other assets		
Key management personnel of OLB AG	—	—
Entities with significant influence over OLB AG	—	—
Subsidiaries	—	—
Other related companies and persons	—	—
Receivables total	**2.7**	**20.3**
Liabilities to customers		
Key management personnel of OLB AG	3.3	2.2
Entities with significant influence over OLB AG	—	—
Subsidiaries	0.9	0.9
Other related companies and persons	1.1	1.1
Subordinated debt		
Key management personnel of OLB AG	—	—
Entities with significant influence over OLB AG	—	—
Subsidiaries	—	—
Other related companies and persons	1.7	16.7
Provisions		
Key management personnel of OLB AG	14.8	11.1
Entities with significant influence over OLB AG	—	—
Subsidiaries	—	—
Other related companies and persons	—	—
Additional equity components		
Key management personnel of OLB AG	—	—
Entities with significant influence over OLB AG	—	—
Subsidiaries	—	—
Other related companies and persons	—	5.0
Liabilities total	**21.8**	**37.0**

1) A specific counterparty – compared to December 31, 2022 – did not as of December 31, 2023 qualify as related party any more.

The above-mentioned receivables from and liabilities to customers are money market transactions, loans and deposits as well as refinancing funds, all at arms-length. Receivables from key management personnel of OLB AG are almost entirely secured by means of mortgages. Receivables from subsidiaries are not collateralised since they form part of the combined Group. The Bank has been provided with collateral in the amount of EUR 2.8 million (2022: EUR 3.1 million) to cover receivables from other related companies and persons.

Servicing, securities, foreign exchange trading and interest rate forward transactions were also entered into with related parties. Other related companies and persons have not been granted any guarantee lines. The effect of these transactions on the *income statement* is shown in the following table:

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Net interest income	- 0.8	- 1.5
Key management personnel of OLB AG	- 0.1	- 0.0
Entities with significant influence over OLB AG	—	—
Subsidiaries	—	—
Other related companies and persons	- 0.7	- 1.5
Net commission income	- 0.0	- 0.0
Key management personnel of OLB AG	- 0.0	- 0.0
Entities with significant influence over OLB AG	—	—
Subsidiaries	—	—
Other related companies and persons	0.0	- 0.0
Non-personnel expenses	- 0.4	- 0.1
Key management personnel of OLB AG	- 0.0	- 0.0
Entities with significant influence over OLB AG	—	—
Subsidiaries	- 0.4	- 0.1
Other related companies and persons	- 0.0	- 0.0
Other income	—	—
Key management personnel of OLB AG	—	—
Entities with significant influence over OLB AG	—	—
Subsidiaries	—	—
Other related companies and persons	—	—
Result total	**- 1.2**	**- 1.7**
Distributions	—	0.3
Dividend payments	30.2	40.0

In the income statement, income of EUR 0.0 million (2022: EUR 6.3 million) and expenses of EUR 1.7 million (2022: EUR 2.4 million) have arisen for transactions with related parties. Interest and commission business has been entered into on arm's length terms. This includes the collateral provided and intra-Group transfer pricing.

Credit was granted to members of the Board of Managing Directors as of December 31, 2023, as follows: The use of credit lines totalled EUR 0.0 thousand (2022: EUR 0.0 thousand). Credit card limits of EUR 1.0 thousand (2022 EUR 0.3 thousand) were utilised on the reporting date. Loan commitments in the amount of EUR 681.9 thousand existed as of December 31, 2023 (2022: EUR 673.2 thousand), of which EUR 681.9 thousand were utilised as of December 31, 2023 (2022: EUR 673.2 thousand). The rate of interest and the terms and conditions comply with arm's length requirements. ↗

Credit was granted to members of the Supervisory Board as of December 31, 2023 as follows: The use of credit lines totalled EUR 0.0 thousand (2022: EUR 0.0 thousand). Credit card limits of EUR 8.8 thousand (2022: EUR 11.9 thousand) were utilised on the reporting date. In addition, loan commitments amounted to EUR 105.9 thousand (2022: EUR 122.3 thousand), of which EUR 105.9 thousand were utilised as of December 31, 2023 (2022: EUR 122.3 thousand). The rate of interest and the terms and conditions comply with arm's length requirements.

The remuneration components granted to the Board of Managing Directors for the financial year 2023 and recognised as expense are set out below, broken down into categories according to IAS 24:

EUR m	01/01 - 12/31/2023	01/01 - 12/31/2022
Short-term benefits	6.4*	5.4
Other long-term benefits	3.8**	3.5
Share-based payment	—	—
Termination benefits	—	0.6
post-employment benefits	—	—
Total remuneration of Board of Directors	**10.3**	**9.5**

* *thereof 1.0 million Euro subject to claw back clauses in accordance with Section 18 (5), Section 19 (2) and Section 20 (4) of the Institutsvergütungsverordnung (Remuneration Ordinance for Institutions)*

** *subject to claw back clauses in accordance with Section 18 (5), Section 19 (2) and Section 20 (4) of the Institutsvergütungsverordnung (Remuneration Ordinance for Institutions)*

The remuneration paid to the Supervisory Board in the financial year 2023 amounted to EUR 1.2 million (2022: EUR 1.2 million). This comprises short-term benefits. In addition, other benefits in the form of wages and salaries amounting to EUR 0.4 million (2022: EUR 0.6 million) have been paid to the employee representatives of the Supervisory Board.

(73) Share based payments

In 2022, a management participation program (the *"Management Participation Program"*) was set up in order to align the commercial interest of the management and key employees with the interests of the Champ Investor, the GIM Investor and the TRS Texas Investor. MPP S.à r.l. (*"MPP"*) serves as entity that pools the interests of the management and key employees. This entity subscribed shares in OLB as part of a capital increase in 2023 and current holds 2,500,708 shares in the Group.

As part of the implementation of the management participation model, MPP acquired plan shares in OLB. The plan shares consist of newly issued shares in OLB against cash contribution and were acquired by MPP at par value.

The share capital of MPP consists of two classes of shares: A-shares, which are held exclusively by the funding shareholders, and B-shares, which are held exclusively by the participants and which were offered for purchase to the participants under the Management Participation Program. The Management Participation Program is not open for new investments by new participants.

The Bank's shareholders subscribed for the A-shares at a total issue price of EUR 4.2 million. The B-shares were subscribed by the participants at a total issue price of EUR 1.8 million. The subscription amount of the A-shares and the B-shares at which the participants are to participate in the MPP corresponds to the market value of the shares. This was determined by a valuation report of an external appraiser. The valuation report was composed using, the probability-weighted expected return method. Since the corresponding planning is based on a certain probability of occurrence and has a sufficient degree of detail, the external appraiser is of the opinion that the selected methodology is preferable to other possible methodologies. Taking into account a weighted probability of occurrence, for the purposes of the probability-weighted expected return method expected future events, such as an IPO, are used to derive the current market value of the shares. In the valuation analysis, information and documents pertaining to the OLB's financial projections, balance sheet data related to assets / liabilities, and equity capital structure, were considered as communicated by OLB. The value range estimated are based on the "objectified value", which is included in the valuation report.

Since the B-shares were acquired by the participants at fair value, OLB did recognised at no expenses from share-based compensation as of the balance sheet date.

MPP exercises all shareholder rights arising from the shares it holds in the Bank. In particular, these include the right to vote at the Annual General Meeting and the right to receive dividends. Dividends may be passed on to the holders of the A-shares and the B-shares subject to the fixed waterfall distribution rates and the decision of the MPP.

The Articles of Association of MPP provides for a fixed distribution of the proceeds according to the waterfall principle in the event of an exit of all shareholders from OLB. The distribution is to depend significantly on the total proceeds that can be achieved upon the sale of the Bank for the shareholder and in addition on the attainment of certain defined rates of return for the existing ehareholders (exit price).

MPP participants are subject to customary lock-up arrangements in line with other shareholders.

(74) List of investment holdings

Name and registered office	Share of capital	Equity 12/31/2023	Net profit or loss 01/01 - 12/31/2023	Net profit or loss 01/01 - 12/31/2022
	%	EUR m	EUR m	EUR m
OLB-Service GmbH, Oldenburg	100	0.0	—	—
QuantFS GmbH, Hamburg	100	0.9	0.3	0.2
Total		**0.9**	**0.3**	**0.2**

A profit-and-loss transfer agreements has been concluded with OLB-Service Gesellschaft mit beschränkter Haftung, Oldenburg

(75) Date of release for publication

The full Board of Managing Directors of Oldenburgische Landesbank AG released these consolidated financial statements for publication on 03/15/2024. Events after the balance sheet date were taken into consideration up to this publication date.

(76) Events after the balance sheet date

On January 17, 2024, OLB placed a first Tier 2 bond with a volume of EUR 170.0 million on the capital market, followed by a second EUR 150 million Tier 2 bond on March 4, 2024.

On January 22, 2024, OLB issued a Pfandbrief in the amount of EUR 500.0 million. The Pfandbrief has a term of eight years.

In February 2024, OLB received orders from BaFin regarding the findings of the special audits under sec. 88 WpHG and sec. 44 KWG. These orders contain deadlines for remedying the deficiencies that BaFin derived from these special audits. With regard to the Section 44 KWG audit, BaFin also temporarily ordered additional capital requirements that exceed the capital requirements pursuant to Article 92 (1) (a), (b) and (c) of Regulation (EU) No. 575/2013 (CRR) and the Solvency Regulation by 25 %. Once the deficiencies have been rectified and reviewed by BaFin, it can be assumed that the temporarily increased capital requirement will no longer apply. This requirement came into force with immediate effect.

As of the preparation of these annual financial statements, there were no other significant events not included in the income statement or balance sheet that had occurred after the end of the financial year.

Oldenburg, 03/15/2024
Oldenburgische Landesbank AG

The Board of Managing Directors

Stefan Barth Chairman	Marc Kofi Ampaw	Aytac Aydin	Chris Eggert	Giacomo Petrobelli	Dr. Rainer Polster

Declaration by the Board of Managing Directors

We hereby certify to the best of our knowledge that, in accordance with the applicable basis of accounting, these consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and that the Group management report provides a true and fair view of the course of business, including the Group's performance and its position, and describes the key risks and opportunities associated with the Group's expected development.

Oldenburg, 03/15/2024
Oldenburgische Landesbank AG

The Board of Managing Directors

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Chairman

Marc Kofi Ampaw

Aytac Aydin

Chris Eggert

Giacomo Petrobelli

Dr. Rainer Polster

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