



Turning ideas
into plans.



OLB Bank Full Year Figures 2021

Investor Presentation

CEO Stefan Barth
CFO Rainer Polster

3rd March 2022



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Appendix

P&L

- Operating income increased by 6.8% to EUR 480.1m
- Operating expenses excl. regulatory charges almost flat at EUR 285.7m – not yet reflective of positive effects of restructuring programme
- Profit after tax excl. one-offs reached EUR 97.6m (EUR 86.2m incl. one-offs)

Profitability, Capital, Balance sheet

- RoE a.T. increased to 7.3%, excl. one-offs even 8.3% (IFRS projection 9.2% and 10.3% excl. one-offs)⁽¹⁾
- CET1 ratio at target level at 12%, EUR 40m Dividend suggested to AGM
- Successful capital market entry with convincing Covered Bond and AT1 debuts

Strategy

- Biggest restructuring programme completed in record time, costs fully covered in 2021, benefits effective January 2022
- Capital market readiness programme on track
- ESG strategy in implementation

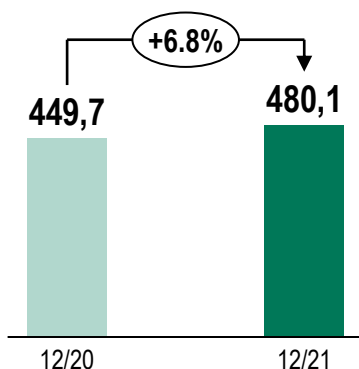
Note: All figures in this presentation according to HGB unless otherwise noted

(1) ROE after tax presented here is based on the preliminary application of IFRS using various assumptions and projections as well as a management estimate of potential restructuring costs and other items. OLB Bank is in the process of compiling IFRS financial statements which will be audited by the Company's auditors. Such audited figures may materially differ from these preliminary figures.

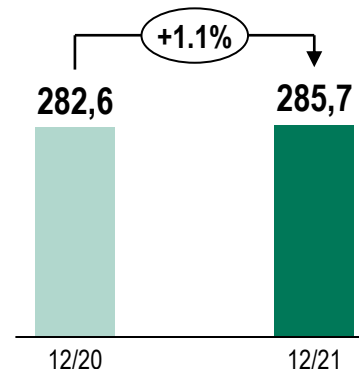
Financial performance – Full year 2021



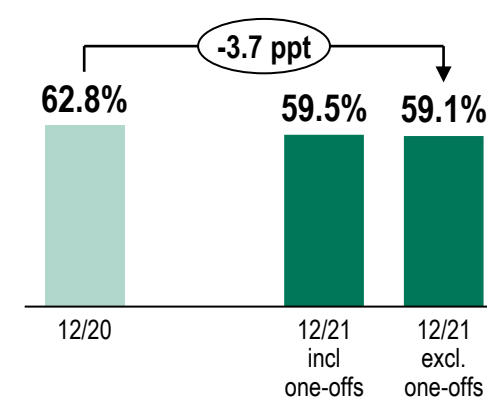
Operating income (EURm)



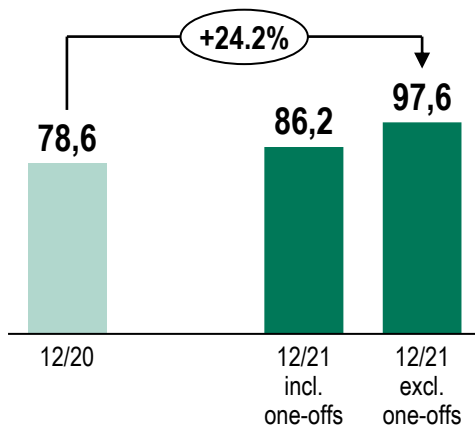
Operating expenses excl. regulatory charges (EURm)⁽¹⁾



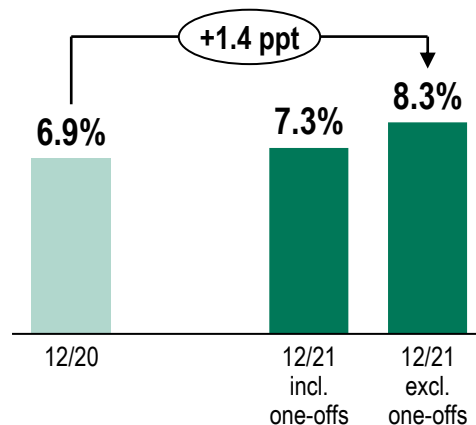
Cost income ratio excl. regulatory charges (%)⁽¹⁾



Profit after tax (EURm)



Return on equity after tax (%)



One-off items 2021

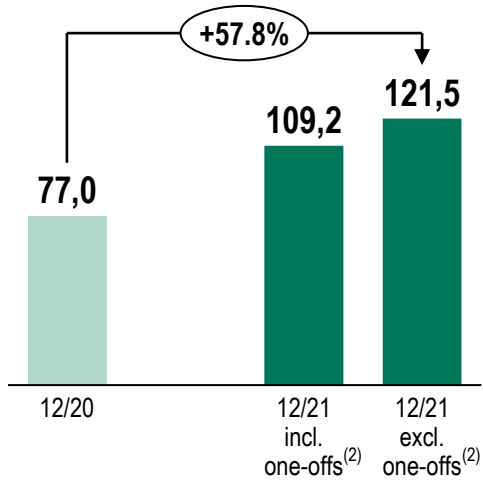
- + EUR 22.3m
Gains from real estate sales
- EUR 38.4m
Personnel restructuring charges
- EUR 1.9m
Accelerated depreciation for discontinued branches

(1) Regulatory charges of EUR 12.5m in 2020 and EUR 14.6m in 2021

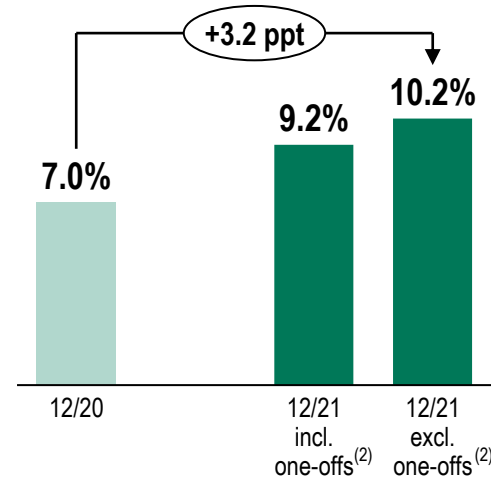
Financial performance – Full year 2021 [IFRS projection⁽¹⁾]

RoE after tax excluding one-offs above 10%

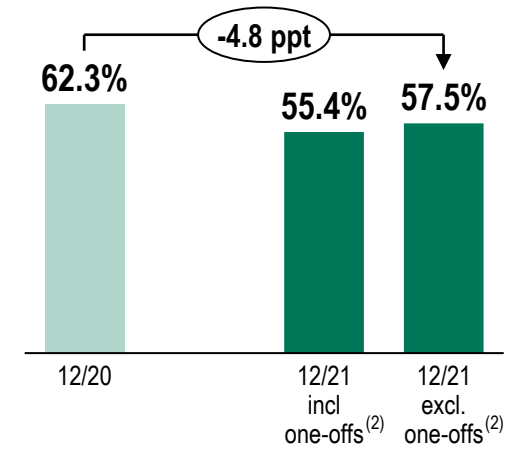
Profit after tax (EURm)



Return on equity after tax (%)



Cost income ratio excl. regulatory charges (%)⁽³⁾



(1) Cost income ratio, Profit after tax and ROE after tax presented here is based on the preliminary application of IFRS using various assumptions and projections as well as a management estimate of potential restructuring costs and other items. OLB Bank is in the process of compiling IFRS financial statements which will be audited by the Company's auditors. Such audited figures may materially differ from these preliminary figures.

(2) One-offs under IFRS are identical to those under HGB

(3) excl. regulatory charges of EUR 12.5m in 2020 and EUR 14.6m in 2021

Important figures and data at a glance



vs. 2020

Positive year on year development in all key figures

17.0



Customer loan book

As of 12/2021
in billions of EUR

360.2



Net interest income

As of 12/2021
in millions of EUR

2.2%



Net interest margin

As of 12/2021
in %

14.1



Total customer deposits

As of 12/2021
in billions of EUR

119.8



Net commission income

As of 12/2021
in millions of EUR

1.2



On-balance-sheet equity

As of 12/2021
in billions of EUR

137.0



Profit before tax

As of 12/2021
in millions of EUR

86.2



Net profit after tax

As of 12/2021
in millions of EUR

12.0



Common Equity Tier 1 capital ratio

As of 12/2021
in %

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2. Our strategy in brief

OLB Bank at a glance

Modern, customer-focused financial institution with strong regional roots in northwestern Germany and a sustainably profitable franchise throughout the country and beyond

- › Exceptionally **strong market position in northwestern Germany**; Headquartered in the northwest, operating throughout Germany and selectively beyond
- › Serving **retail, corporate and diversified lending** clients
- › Building on strong and prestigious **OLB Bank and Bankhaus Neelmeyer brands**
- › **Long-standing and inherent ESG focus** in the lending portfolio
- › **Established multi-channel accessibility**: regional branches & nationwide via telephone, video chat, online and mobile

Nationwide presence...



...and selective activities abroad



Private & Business Customers

- › **Deeply rooted regional presence**, based on branch network in northwestern Germany, complemented by multichannel offering
- › **Modern services** for retail customers
- › **Competent advice and complex financing solutions** in private banking / wealth management
- › **Comprehensive solutions** for SME customers

Corporates & Diversified Lending

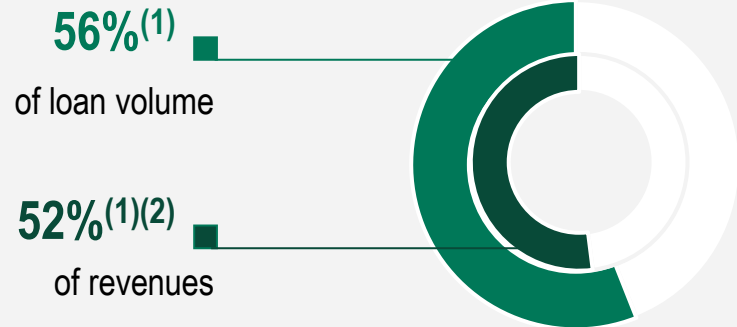
- › **Focused services** provided to **large corporates** across the whole of Germany and in selected foreign locations
- › **Unique solutions** for complex asset financing needs in Germany and beyond
- › **Broad product competency**, including direct lending, syndicated financing and asset backed solutions
- › **Dedicated niche product offering** for **special customer groups incl. football clubs**

OLB today: a simple, balanced and sustainably profitable business model

Private & Business Customers



Corporates & Diversified Lending



RoE excl. one-offs **8.3%** (HGB) / **10.2%** (IFRS projection⁽¹⁾)

CET1 ratio **12.0%**

In our strategy, the structure of OLB will not change but we optimize and complement our succesful business model

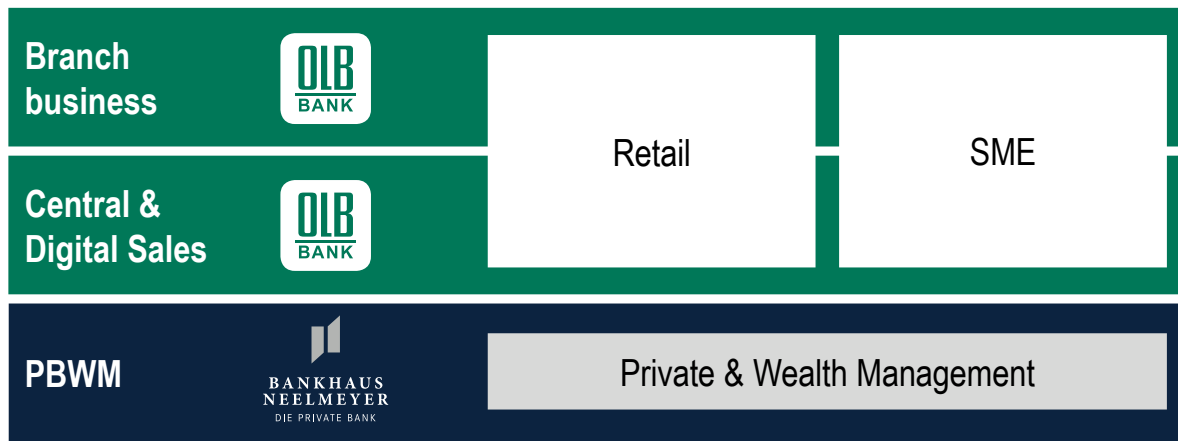
(1) Loan volume, revenues and RoE presented here is based on the preliminary application of IFRS using various assumptions and projections as well as a management estimate of potential restructuring costs and other items. OLB Bank is in the process of compiling IFRS financial statements which will be audited by the Company's auditors. Such audited figures may materially differ from these preliminary figures.
 (2) Sum ≠ 100%, because of additional positive revenues in Corporate Center

2. Our strategy in brief

New segmental set up reflects balanced diversified business model



Private & Business Customers



≈ 600,000 Customers

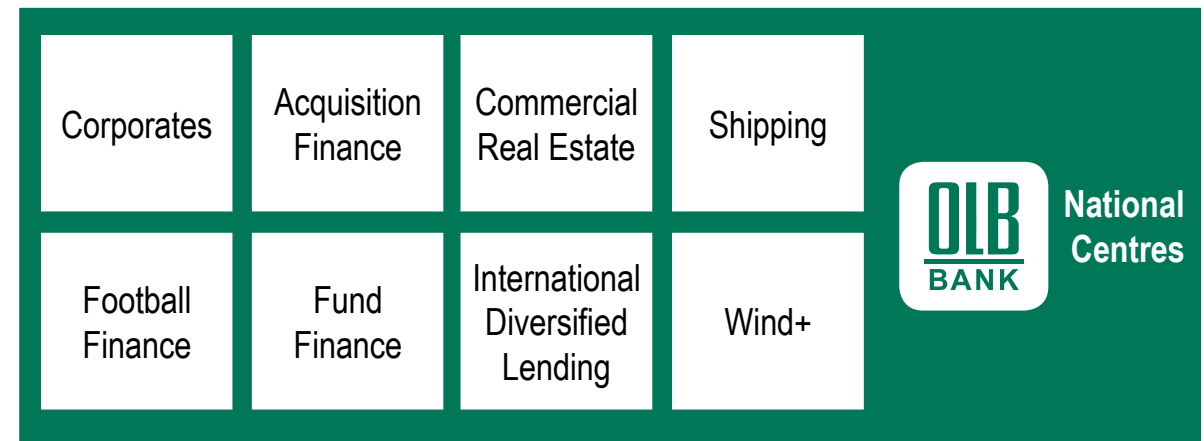


EUR 9.5bn Loan volume⁽¹⁾



EUR 270m Revenues⁽¹⁾

Corporates & Diversified Lending



≈ 5,000 Customers
≈ 1,000 Customer groups



EUR 7.6bn Loan volume⁽¹⁾



EUR 220m Revenues⁽¹⁾

(1) Loan volume and revenues presented here is based on the preliminary application of IFRS using various assumptions and projections as well as a management estimate of potential restructuring costs and other items. OLB Bank is in the process of compiling IFRS financial statements which will be audited by the Company's auditors. Such audited figures may materially differ from these preliminary figures.

2. Our strategy in brief

Our clients' feedback reflects our franchise strength



Excellent customer advice
in mortgage business

Awarded for our
online contract conclusion



Proven customer orientation
in our investment concept

Selected credentials in our AQF business

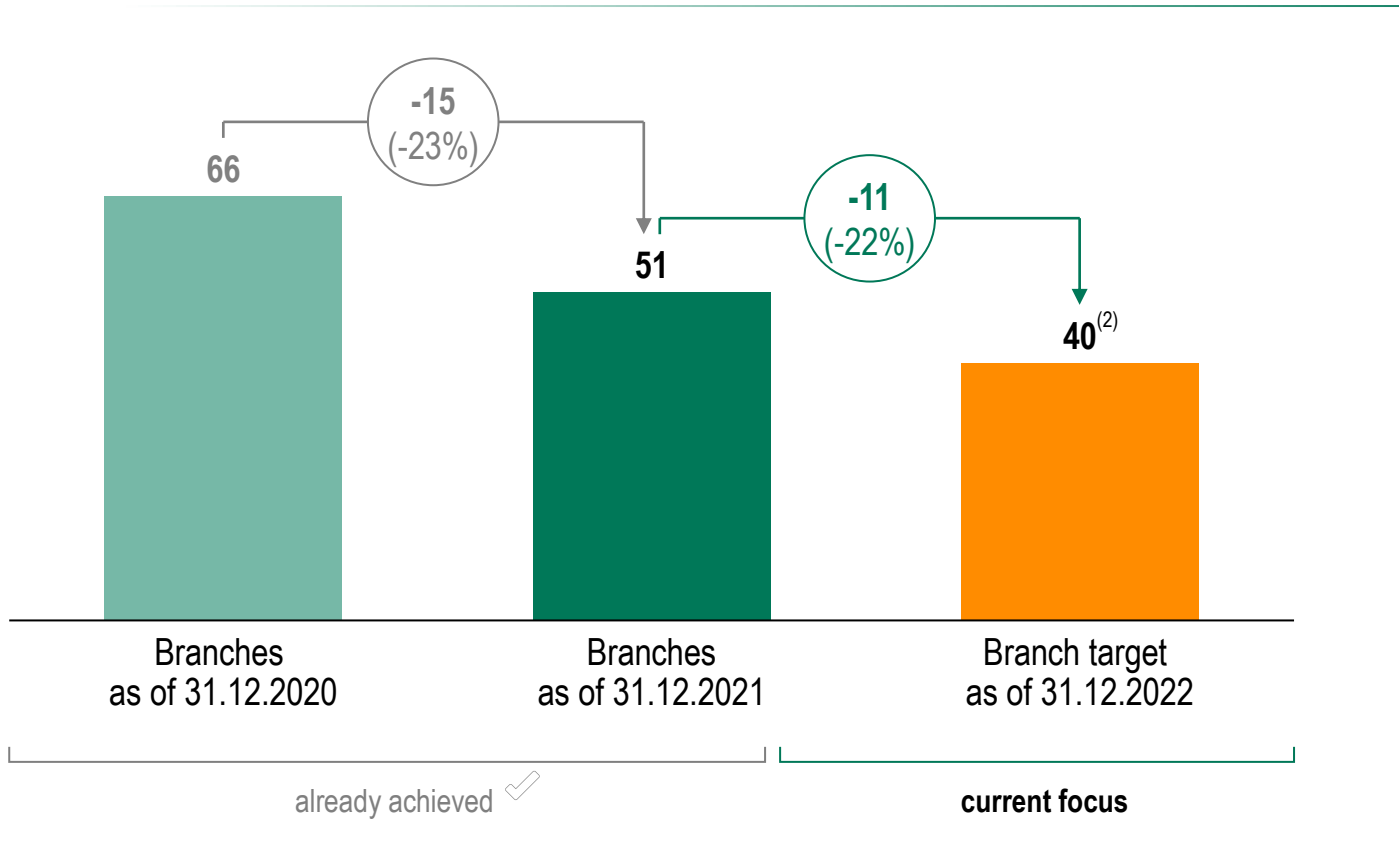
 Lender December 2021 + Januar 2019	 Super Senior MLA December 2021 + January 2020	 Pre-IPO Senior Lender Arranger October 2021 + December 2020	 MLA October 2021	 MLA September 2021	 Super Senior MLA September 2021
 MLA July 2021	 MLA July 2021	 Sole Super Senior Arranger July 2021	 Senior Sole MLA July 2021 + February 2021 + November 2020	 MLA May 2021	 Super Senior MLA May 2021 + April 2020 + May 2018



Awarded as
safest online bank

In 2021, we focused on rightsizing and modernizing our branch offering...

Overview “Planned & Agreed Branch Development”⁽¹⁾



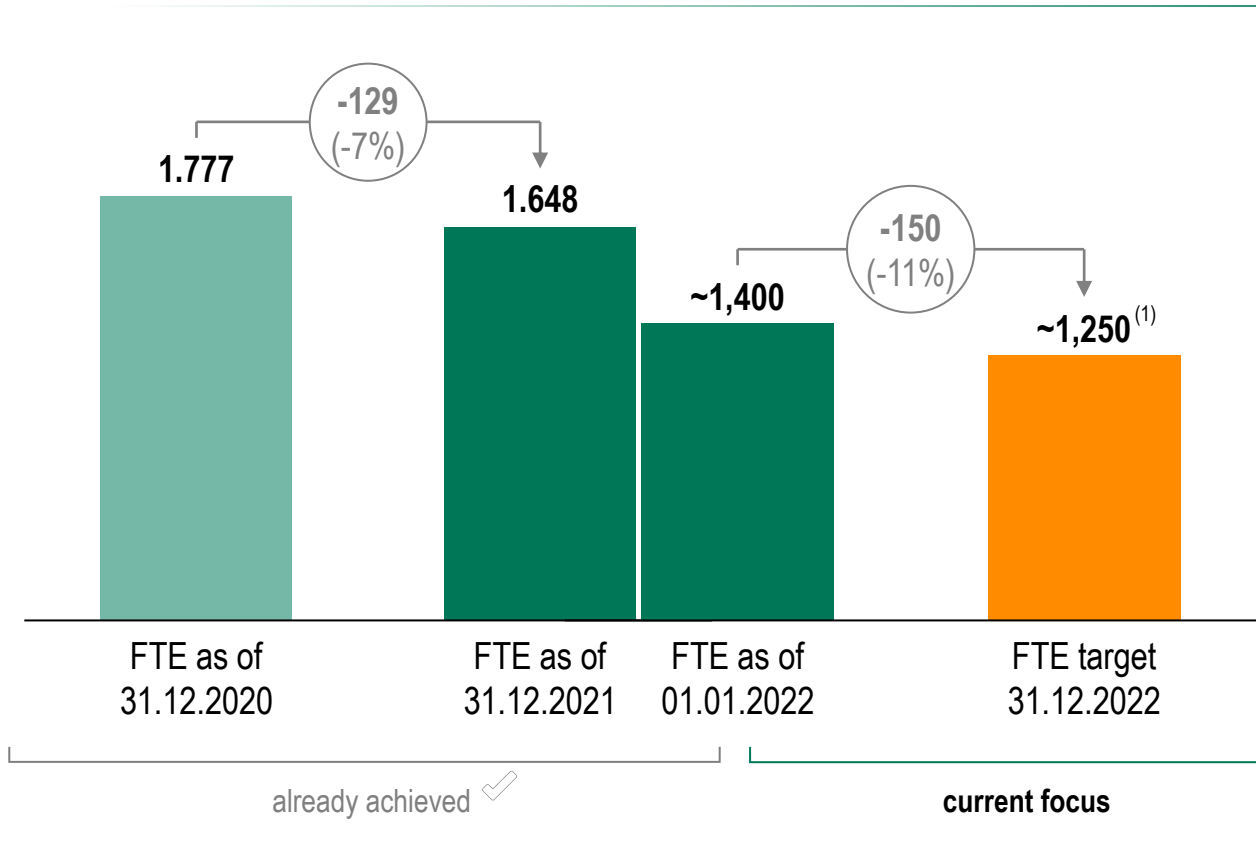
Current Status

- OLB’s commitment to the digitalization and rightsizing of its retail footprint continues to be in line with projections: The number of branches **was reduced by 15 in 2021, meeting our year end target.**
- There are a further 11 closures planned for 2022, meaning that the Bank is **targeting a total of 40 branches** in operation by the end of this year – associated costs already absorbed in 2021

(1) Figures without our national centres
(2) Branch target as of 31.12.2022 depends on the implementation of our restructuring strategy and is subject to change

... and significantly reduced our headcount with agreement reached on target personnel

Overview “Planned & Agreed FTE Development”



Current Status

- Committed **FTE Target of around 1,400 FTE** as of 31.12.2021 has been **achieved successfully** – reduction largely achieved through voluntary and early retirement programme
- To achieve the FTE target of approx. 1,250 FTE's by the end of 2022, a **reduction of a further ~150 FTE's is necessary** – this has already been fully negotiated and the associated expenses have already been fully taken into account in the PnL 2021

(1) FTE target as of 31.12.2022 depends on the implementation of our restructuring strategy and is subject to change



2. Our strategy in brief

Our concept of success boxes already yielded first results in late 2021...



1

**> EUR 300m
new business**

in December, despite
implementation of
restructuring
programme



2

**Building of
new pipelines**

Such as Fund Finance
and International
Diversified Lending



3

**Online on
Check24**

with our consumer
loan business



4

**On-time
recoding**

of all ≈ 26,000
SME customers (Retail,
Corporate)



5

**Largest
restructuring
programme**

In the shortest time
in our industry



6

**Consensual
implementation
of all personnel
measures**



7

**New record
operating result**

in 2021, despite high
restructuring expenses &
change-the-bank
projects

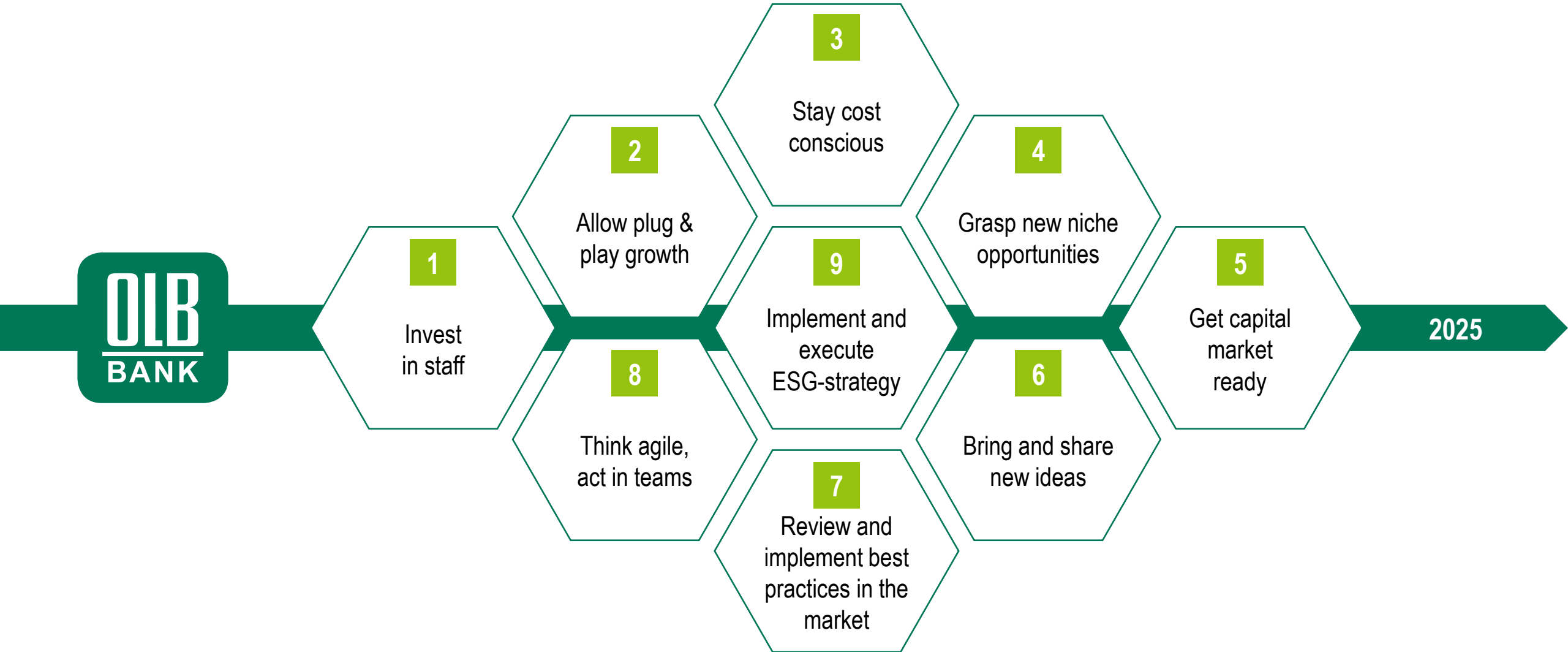
... and in 2022 we will celebrate even more successes...

In a nutshell: We achieved what nobody thought would be possible...

- ✓ Successful integration of 4 banks onto one single platform
- ✓ Regional branch optimisation and launch of nation-wide digital banking offering
- ✓ Significant cost reductions implemented in late 2021 with benefits now coming through
- ✓ Revenues diversified and increased by more than EUR 100m or more than 25% compared to 2018
- ✓ Expansion of geographic revenue footprint: Increase in loan volume outside Germany
- ✓ Proof of low risk profile over the cycle
- ✓ CET1 capital strengthened to more than 12%

... and the story will be continued.

Where do we put our internal focus in 2022?



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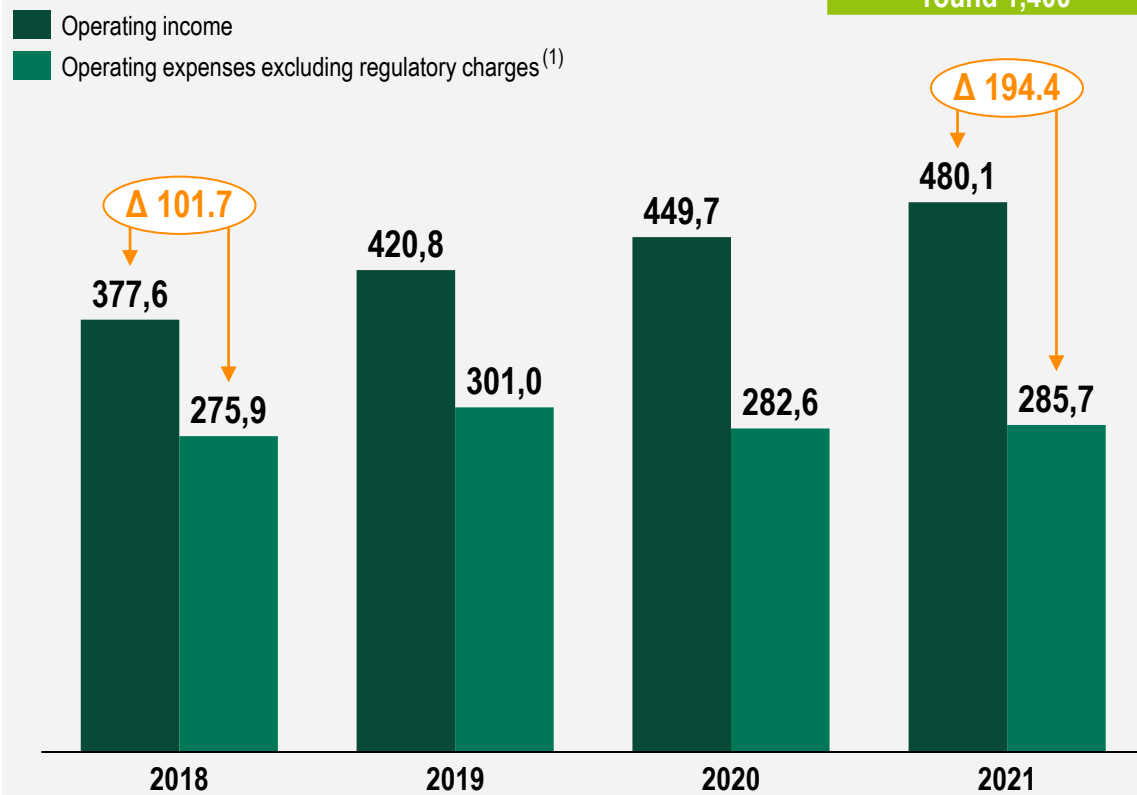
ESG considerations

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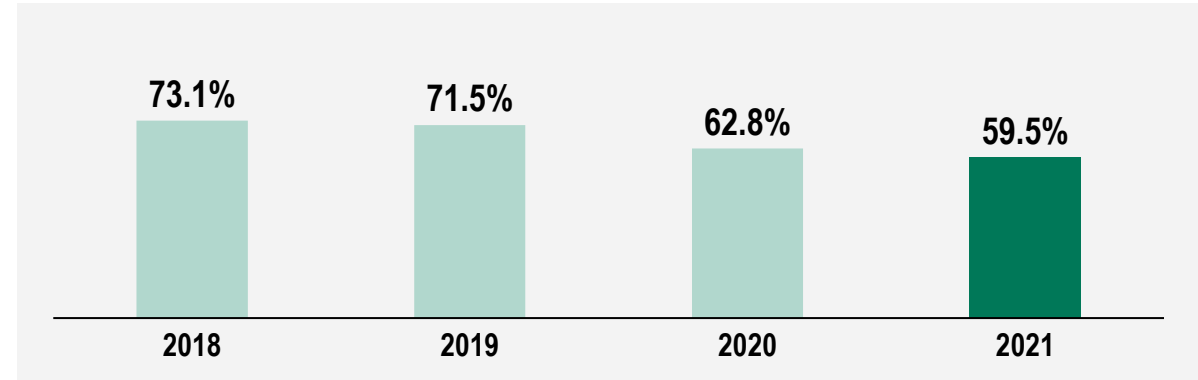
Turnaround completed in 2021 – excellent starting point for 2022

Operating income and expenses (EURm)

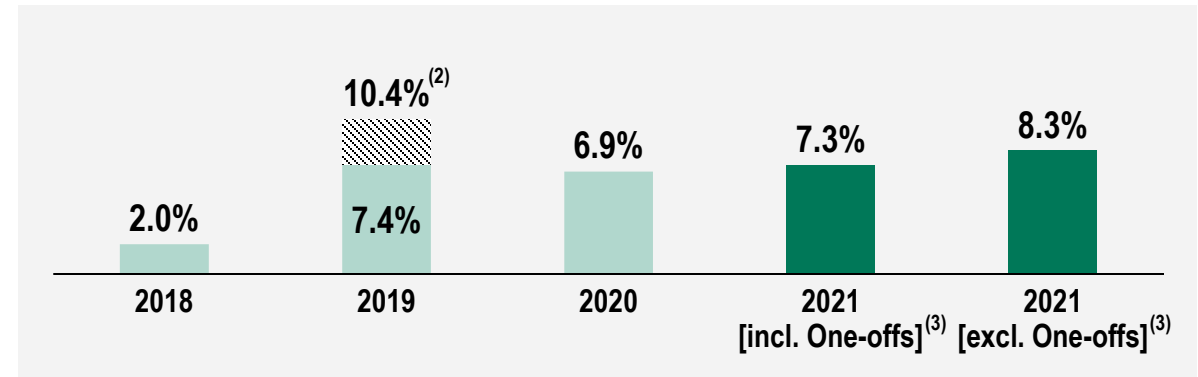


Based on Ø FTE of 1,715 in 2021 compared to FTE as of 1/1/2022 of round 1,400

Cost income ratio excl. regulatory charges (%)⁽¹⁾



RoE after taxes (%)



(1) Regulatory charges: EUR 11.5m in 2018, EUR 10.3m in 2019, EUR 12.5m in 2020, EUR 14.6m in 2021
 (2) One-off items 2019: EUR 21.1 m profit from sales of securities from the liquidity reserve, EUR 20.2m profit from securities in the investment portfolio
 (3) One-off items 2021: EUR 22.3m gains from real estate sales; EUR -38.4m restructuring charges; EUR -1.9m accelerated depreciation discontinued branches

Performance figures 2021



P&L (EURm)	2020	2021	Δ	2021 w/o one-offs	Δ
Net interest income	336.3	360.2	7.1%	360.2	7.1%
Net commission income	113.3	119.8	5.7%	119.8	5.7%
Net trading (+) income (-) expense	0.1	0.1	43.3%	0.1	43.3%
Operating income	449.7	480.1	6.8%	480.1	6.8%
Personnel expenses	-173.2	-166.8	-3.7%	-166.8	-3.7%
Other administrative expenses & depreciation	-121.9	-133.5	9.6%	-131.6	8.0%
<i>thereof regulatory charges</i>	-12.5	-14.6	16.8%	-14.6	16.8%
General administrative expenses	-295.1	-300.3	1.8%	-298.4	1.1%
Other operating (+) income and (-) expenses	3.6	19.7	n.a.	-2.6	n.a.
Risk provisions of credit business	-30.7	-16.7	-45.6%	-16.7	-45.6%
Result of bonds (liquidity reserve)	8.0	-4.8	n.a.	-4.8	n.a.
Operating result	135.5	178.1	31.4%	157.7	16.3%
Other result	0.0	0.0	n.a.	0.0	n.a.
Extraordinary result	-20.6	-41.1	99.1%	-2.7	-87.0%
Profit before tax	114.9	137.0	19.3%	155.0	34.9%
Net profit	78.6	86.2	9.6%	97.6	24.1%

Comments

- On the back of positive business development increase in net interest income by more than 7% and net commission income by almost 6%, leading to increased revenues by almost 7% to more than EUR 480m
- Reduction in personnel expenses from EUR 173m to EUR 167m already reflecting initial progress on restructuring with vast majority of benefits of personnel reduction becoming effective Jan 2022 onwards
- Increase in other admin expenses driven by higher regulatory costs (+EUR 2m) and primarily consultancy costs in relation to preparation and execution of restructuring programme
- Reduction of branch network led to one-off accelerated depreciation charges in 2021 (+EUR 1.9m) for discontinued branches
- Other income includes one-off revenues from sale of no longer needed real estate in the amount of EUR 22.3m
- Restructuring programme with headcount reduction of more than 200 FTE resulted in one-off cost of EUR 38.4m reflected in an extraordinary result of - EUR 41.1m
- Despite all one-offs, profit before tax on a reported basis increased by almost 20% to EUR 137m and profit after tax climbed to EUR 86.2m incl. one-offs, and EUR 97.6m excl. one-offs

Key performance indicators & data 2021



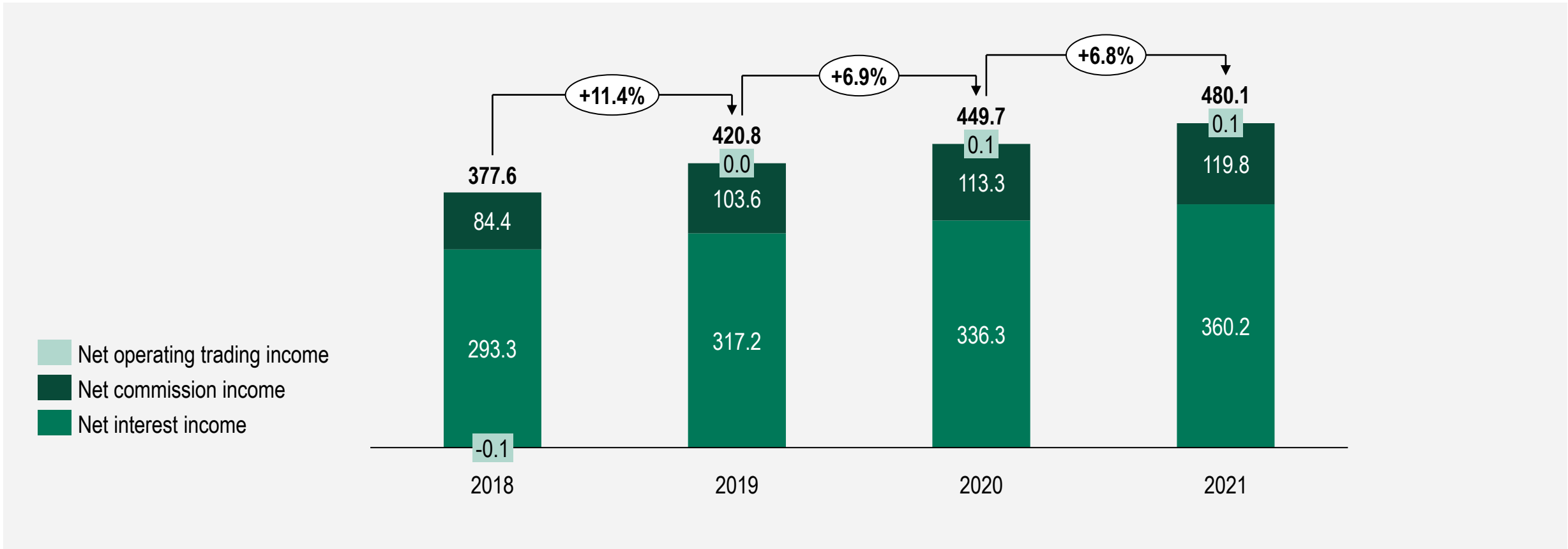
KPI (EURm)	2020	2021	Δ	2021 w/o one-offs	Δ
CIR incl. regulatory charges	65.6%	62.6%	-3.1ppt	62.2%	-3.5ppt
CIR excl. regulatory charges	62.8%	59.5%	-3.3ppt	59.1%	-3.7ppt
RoE after taxes	6.9%	7.3%	0.4ppt	8.3%	1.4ppt
Net interest margin	2.16%	2.21%	0.05ppt		
Cost of risk (LLP / Ø loan volume)	0.20%	0.10%	-0.10ppt		
CET1 capital	1,056	1,146	90		
CET1 ratio	12.2%	12.0%	-0.2ppt		
RWA-ratio (RWA incl. OR / loan volume)	55.4%	56.3%	0.9ppt		
Customer loans	15,541	16,950	1,409		
Customer deposits	13,011	14,063	1,052		
Total assets	21,475	24,611	3,136		

Comments

- Based on improved operating performance the cost income ratio continued to decline to 59.5% excl. regulatory charges with effects of the restructuring programme expected to become visible in 2022
- Return-on-equity after tax increased to 7.3% incl. one-offs and to 8.3% excl. one-offs, underlining the strong momentum in the operation sustainability where the planned re-introduction of IFRS from June 2022 onwards will further underline the operating progress
- The net interest margin remained on a high level of 221 bps
- Against the background of a moderate impact of Corona virus pandemic on our diversified business, the cost of risk declined to 10 bps
- CET1 capital increased to EUR 1,146 m with a stable CET1 ratio of 12%

Solid revenue development reflecting sustainable growth path

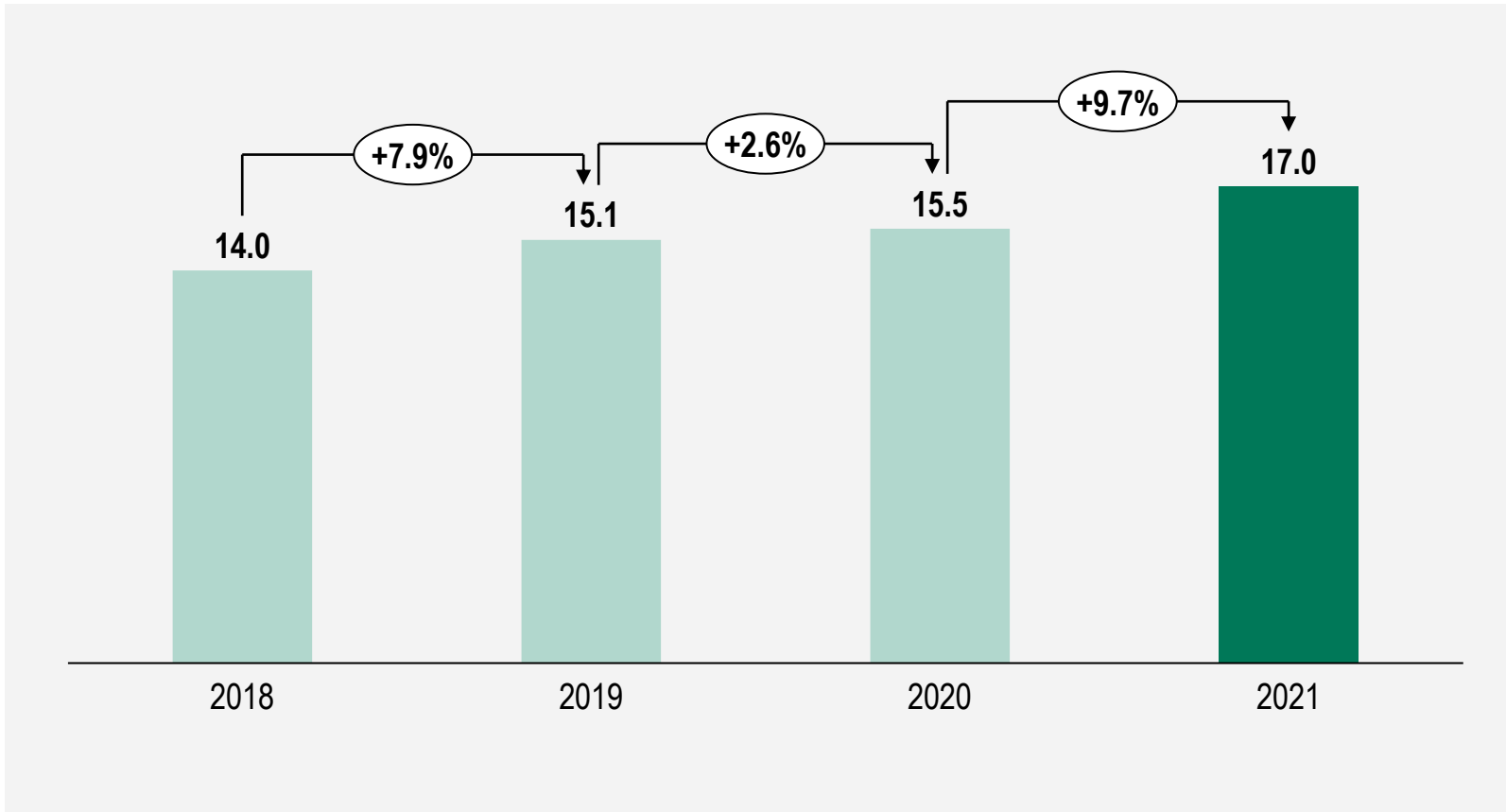
Operating income (EURm)



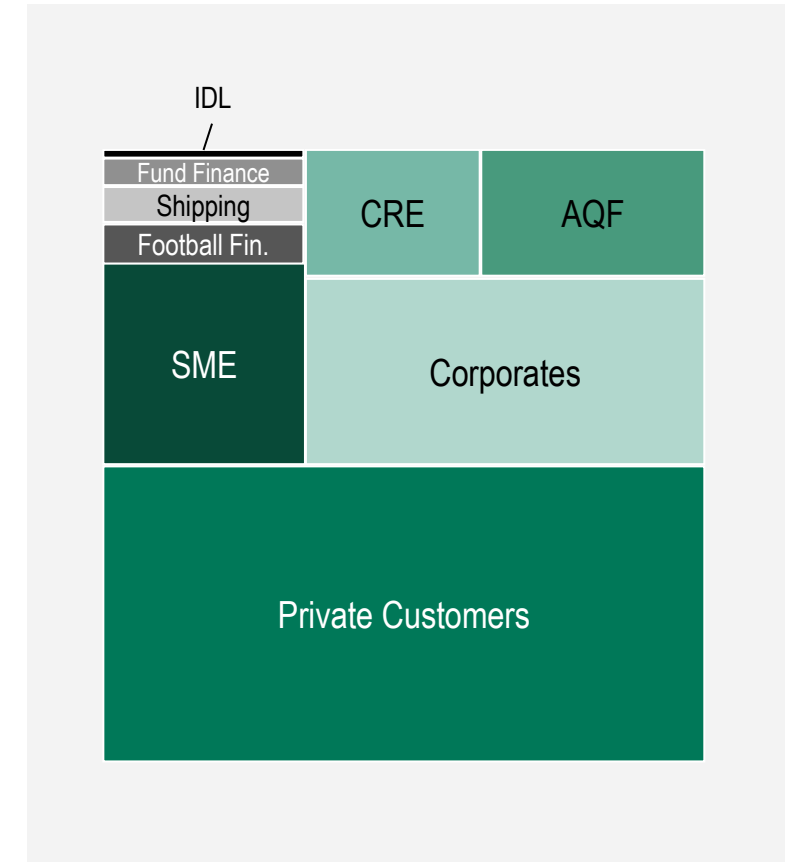
Note: Rounding differences possible

Building blocks reflect strong franchise across the board

Total customer loans (EURbn)



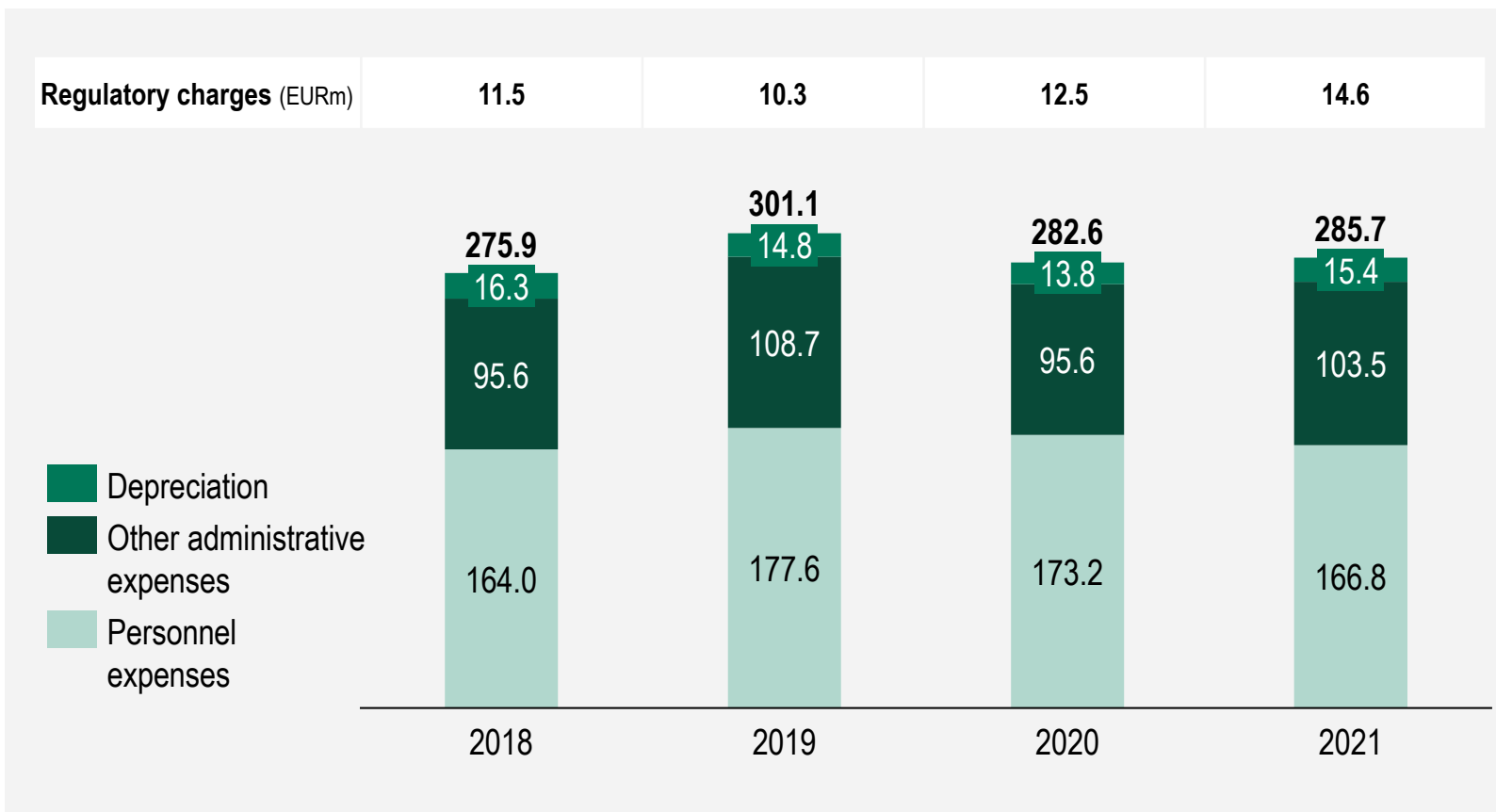
Structure customer loan portfolio



Note: Rounding differences possible

Costs under control with significant cost reductions becoming effective end 2021

Operating expenses excluding regulatory charges (EURm)

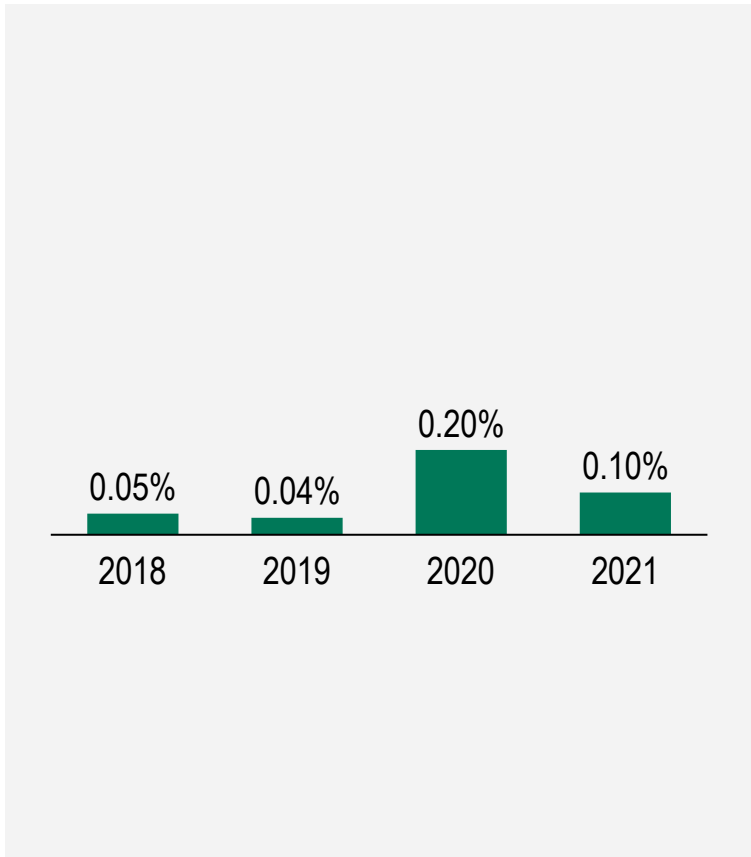


Comments

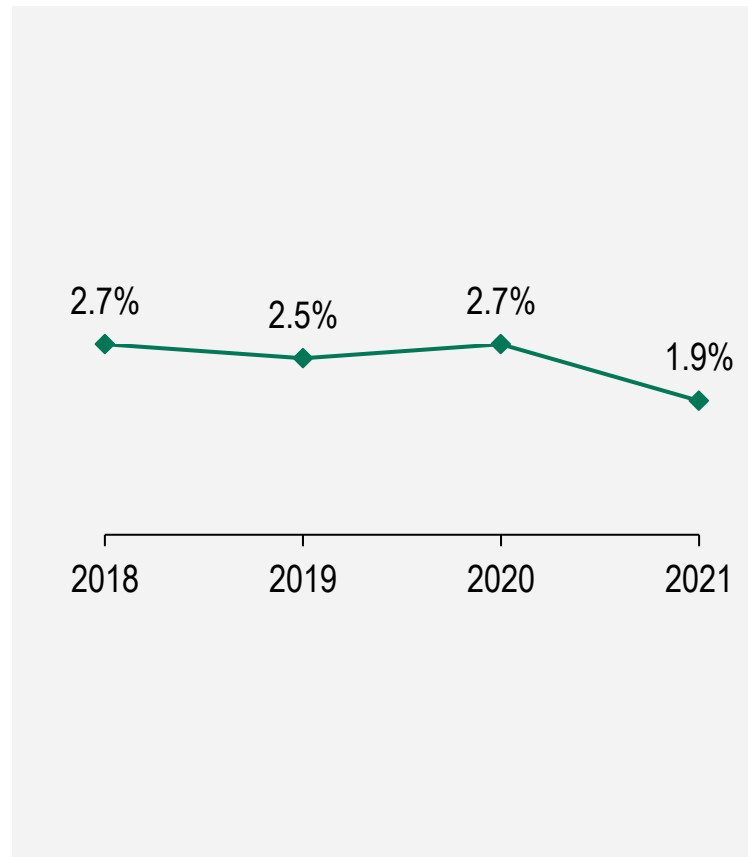
- Reduction in personnel expenses from 2019 to 2021 by more than EUR 10 m reflects past headcount reduction while the now implemented restructuring programme will become visible in personnel expenses from 2022 onwards
- In terms of numbers, the average FTE number for 2021 in the amount of 1,715 decreased to a number of approximately 1,400 FTE per 1 Jan 2022, thereby reducing personnel expenses significantly
- Admin and other expenses include to various degrees also change-the-bank costs over the years but the admin and other expense base will benefit e.g. from reduced maintenance cost for no longer needed real estate and similar
- Regulatory charges increased over the last years, influenced to a smaller extent by volume increases but primarily by external factors

Risk costs reflect granular business and strong risk management capabilities over the cycle

Cost of Risk⁽¹⁾



NPL ratio



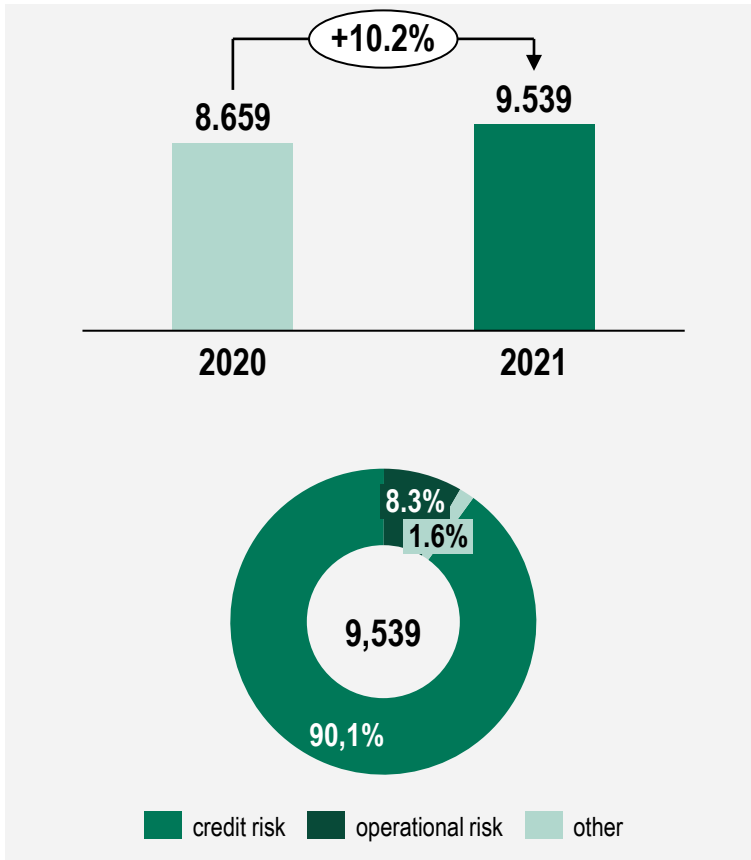
Comments

- Despite the challenging Coronavirus pandemic environment, risk costs have remained moderate throughout 2021 with 10 bps
- Intense management of our non-performing assets and strict risk controls have also contributed to a significant overall reduction of our non-performing loan ratio to below 2%
- A strict risk and exposure monitoring process has been implemented in light of the most recent developments in Ukraine and Russia, but given our geographic exposure, our diversified business model and our risk mitigation techniques, as of now, we do not see a major impact on our business

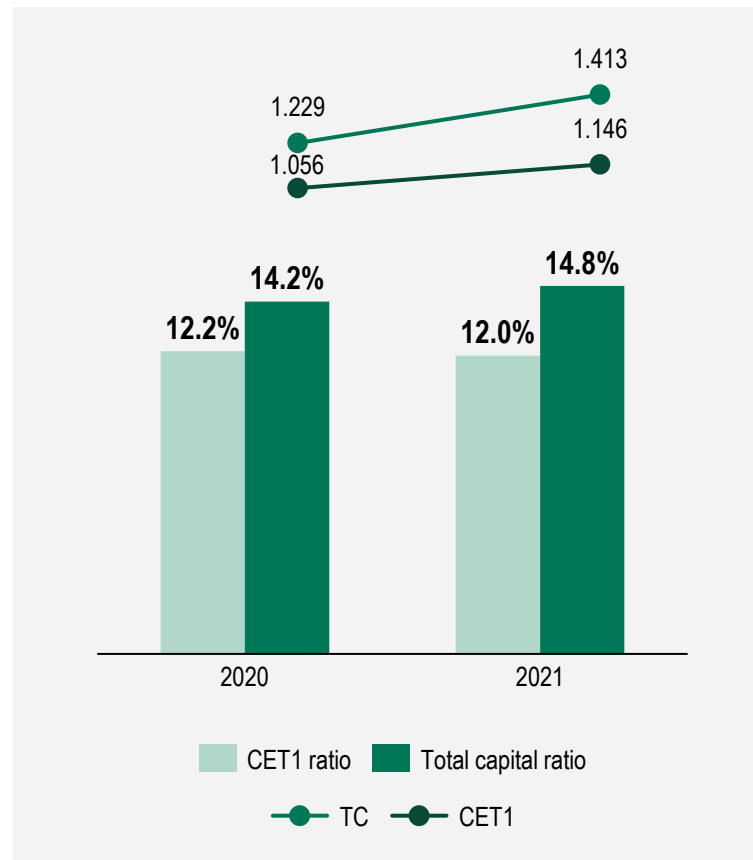
(1) Cost of Risk: Risk provisions of credit business / average customer loan volume (previous year and current year)

Despite strong business growth stable capital ratios with increasing CET1

RWA development (EURm)



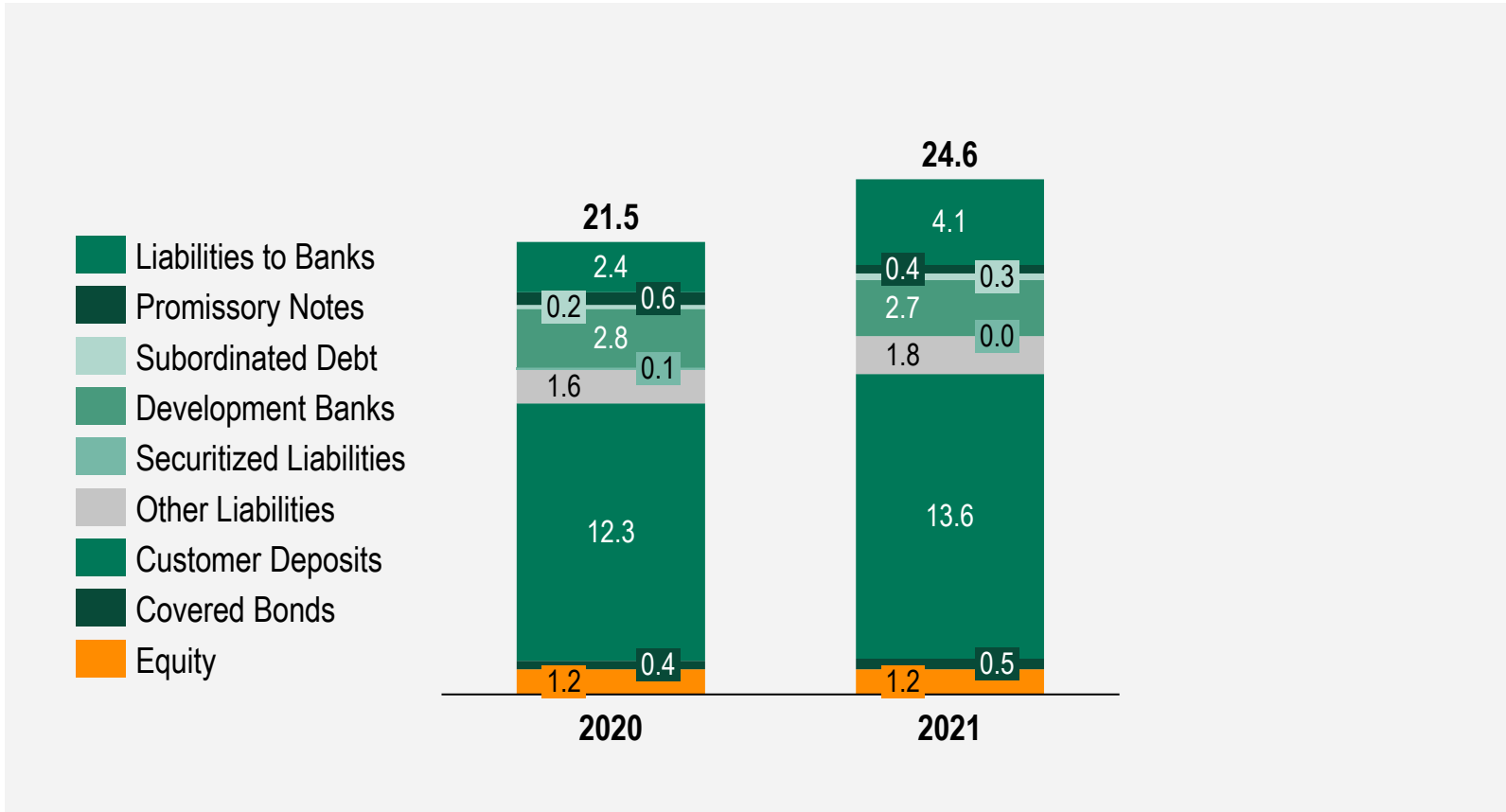
Regulatory capital development (EURm)



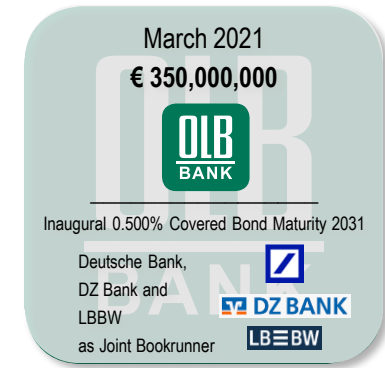
- OLB's capital position increased further to EUR 1,413m and EUR 1,146m respectively
- The Bank's CET1 ratio remained nearly unchanged at 12.0%.
- The Tier 1 capital ratio improved to 13.5%
- Given current developments among others concerning financing of German residential real estate a slight increase in minimum capital requirements is expected for 2022
- For 2021 a dividend of EUR 40m will be suggested to the AGM

Diversification of OLB's funding sources via Pfandbriefe and AT1 ensures a comfortable liquidity position

A strong funding structure in place (EURbn)



Covered Bond EUR 350m



AT1 EUR 100m



Note: Rounding differences possible

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Sustainable development goals (SDGs) already largely embedded in OLB strategy...



We understand sustainability first and foremost as a principle of action derived from business management, in which the development of business activities is planned and carried out while permanently guaranteeing the Bank's own operational substance that is necessary for business.

In addition to this economic aspect, OLB also aims to act sustainably in an ecological and social sense. In its business activities, the Bank is guided, among other things, by the Principles for Responsible Banking.

The business strategy is aligned so that it is consistent with and contributes to individuals' needs and society's goals, as expressed in the 17 Sustainable Development Goals (SDGs) and the Paris Climate Agreement.



> Our contribution to the 17 SDGs [Examples]





...and, with appropriate focus, will open new opportunities for us

> Focus of current ESG activities

- › Preparing for an ESG rating
- › ESG review of our loan portfolio
- › Identification of new ESG-aligned business opportunities to support sustainability

> Opportunities

- › We already have a good starting point with a wind portfolio of about EUR 700m; in addition, we do not have exposures to ESG-critical industries (coalfired power plants, fossile resource production), etc.)
- › Climate-friendly restructuring of the German and European economy offers financing opportunities for OLB.
- › ESG is more than just climate. OLB wants to be a pioneer in northwestern Germany.

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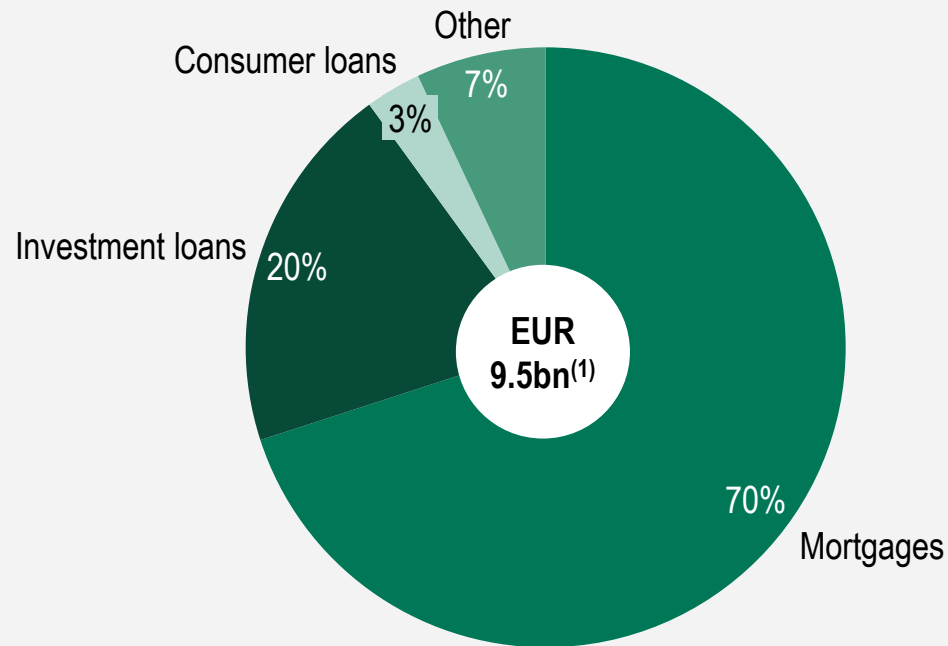
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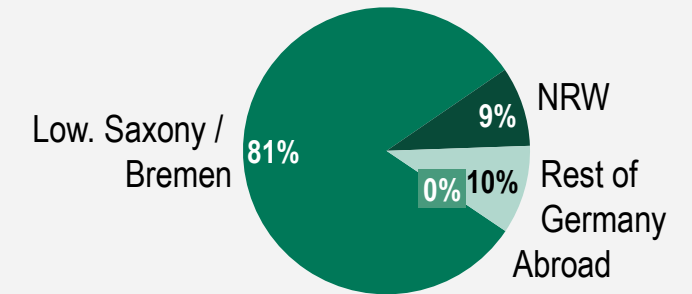
Private & Business Customers



Structure of portfolio by product type (loan volume)



Structure of portfolio by geography (Exposure at default)



Key data

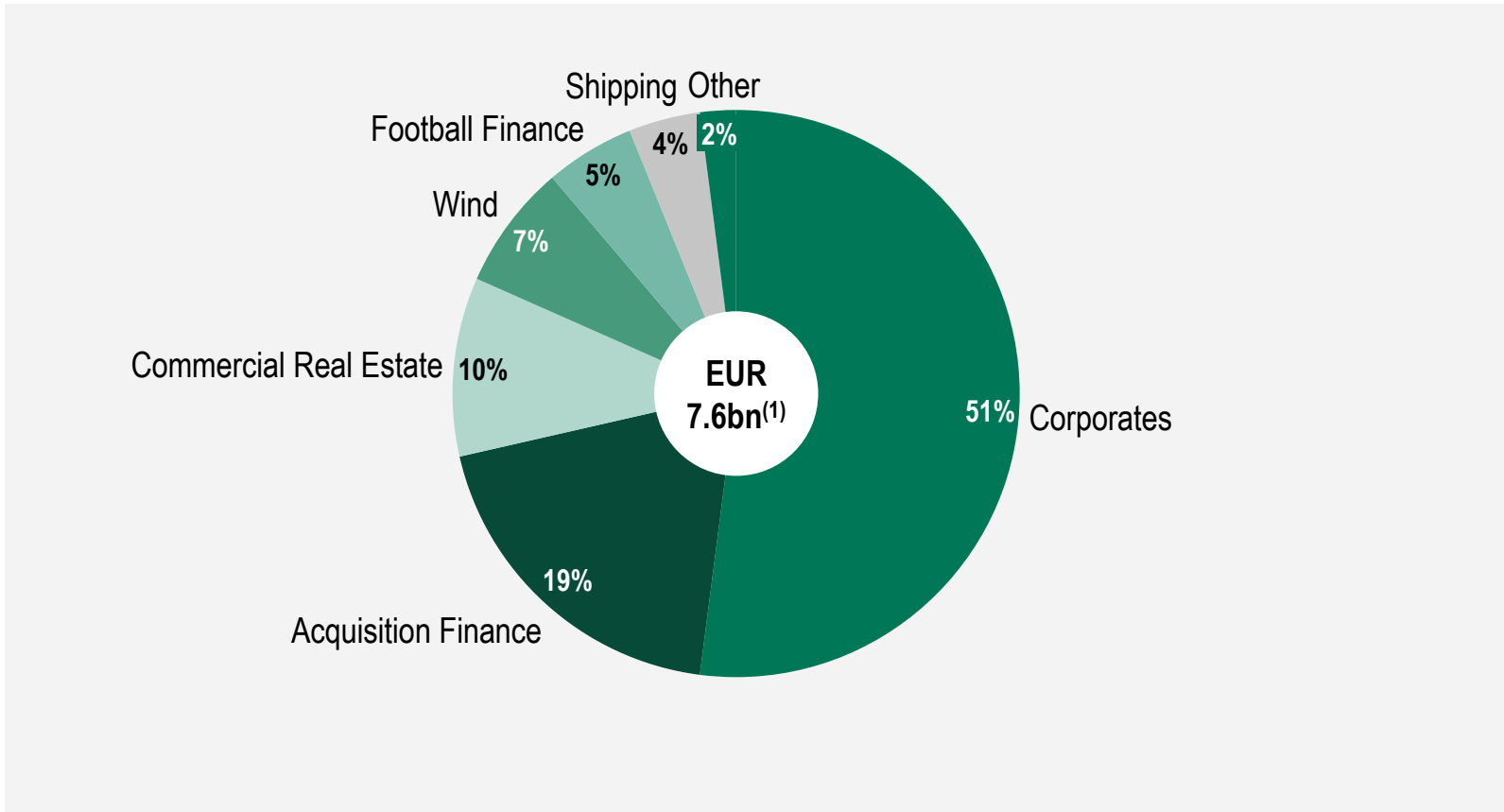
- Loan volume in the Private & Business Customers segment is dominated by mortgages
- Investment loans in this segment mainly for small and medium-sized enterprises in northwestern Germany
- Share of loan volume outside Germany is extremely low

(1) Loan volume presented here is based on the preliminary application of IFRS using various assumptions and projections as well as a management estimate of potential restructuring costs and other items. OLB Bank is in the process of compiling IFRS financial statements which will be audited by the Company's auditors. Such audited figures may materially differ from these preliminary figures.

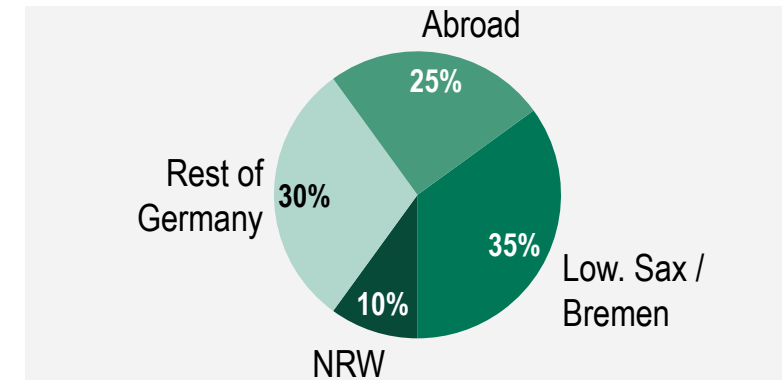
Corporates & Diversified Lending



Structure of portfolio by subsegment (loan volume)



Structure of portfolio by geography (Exposure at default)



Key data

- High diversified portfolio structure in the Corporates & Diversified Lending segment
- New subsegments with small but increasing shares to further broaden the revenue base
- 75% of loan portfolio in Germany with regional focus on the Northwest

(1) Loan volume presented here is based on the preliminary application of IFRS using various assumptions and projections as well as a management estimate of potential restructuring costs and other items. OLB Bank is in the process of compiling IFRS financial statements which will be audited by the Company's auditors. Such audited figures may materially differ from these preliminary figures.

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