Turning ideas
into plans.

# OLB

## Delivering sustainable profitability and growth

February 2023

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IMPORTANT:

This document is for information purposes only and must not be relied upon for any purpose. It does not purport to contain all information required to evaluate Oldenburgische Landesbank AG (the “Company” and together with its consolidated subsidiaries, the “Group”) and/or its financial position.

The financial information for the financial year 2022 contained in this presentation is, as of the date of this presentation, preliminary in nature. The respective audit process has not yet been finalized. Accordingly, such information presented herein is subject to change and should be treated as merely indicative of the performance of the Group and shall be superseded by the audited consolidated financial statements of the Group as of and for the financial year ended December 31, 2022.

With respect to the acquisition of Degussa Bank AG, the presentation includes selected preliminary pro forma consolidated financial information to present the consolidated income statement of the Company for the financial year ended December 31, 2022 as if the acquisition of Degussa Bank AG had occurred as of January 1, 2022, which is neither audited nor reviewed. The Degussa Bank AG acquisition is currently expected to close in the second half of 2023 and subject to regulatory approvals as well as other closing conditions. The selected pro forma consolidated financial information presented herein is, as of the date of this presentation, preliminary and subject to change. In addition, it has been prepared for illustrative purposes only. Because of its nature, it addresses a hypothetical situation and, therefore, does not represent our actual results of operations that would have occurred during the period presented had the pro forma adjustments actually taken place as of the dates specified, nor is it necessarily indicative of future results of operations, financial positions or cash flows. In addition to the preliminary pro forma consolidated financial information, the presentation contains certain German GAAP (HGB) financial information for Degussa Bank AG. Such HGB financial information is, as of the date of this presentation, preliminary in nature and therefore subject to change. The HGB financial information is, as of the date of this presentation, neither audited nor reviewed.

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# Highly profitable banking franchise with significant growth and dividend potential

**Financial profile as of 2022P**

## Best-in-class financial performance

| 14.7% | 42.3% | 2.49% | 13.6% |
|---|---|---|---|
| RoAE | CIR | NIM | CET1 ratio |

| | Total assets | Customer deposits | Shareholders' equity[2] |
|---|---|---|---|
| OLB standalone | €24.1bn | €16.2bn | €1.4bn |
| Pro-forma for Degussa Bank acquisition | ~€30.4bn[1] | ~€21.2bn[1] | ~€1.5bn[1] |

**Growth** | **Dividends**

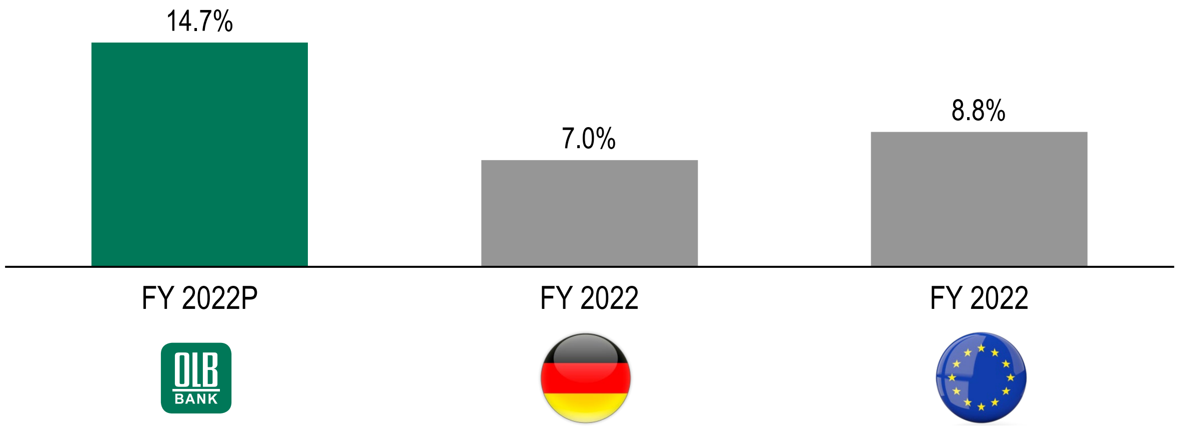
## Delivering attractive total shareholder value

All financial information in this presentation for OLB and its consolidated subsidiaries is based on the application of International Financial Reporting Standards (IFRS), unless otherwise stated and except the CET1 ratio which is calculated based on German GAAP (HGB). All financial information in this presentation for Degussa Bank AG is based on the preliminary application of International Financial Reporting Standards (IFRS) except the CET1 ratio. All financials shown as per December 31, 2022 FY for OLB and its consolidated subsidiaries and Degussa Bank AG if not indicated otherwise. All numbers are unaudited preliminary numbers and subject to change. [1] Aggregated for illustrative purposes based on preliminary 2022 OLB IFRS financials and preliminary 2022 Degussa HGB financials converted to IFRS. [2] Excluding AT1.

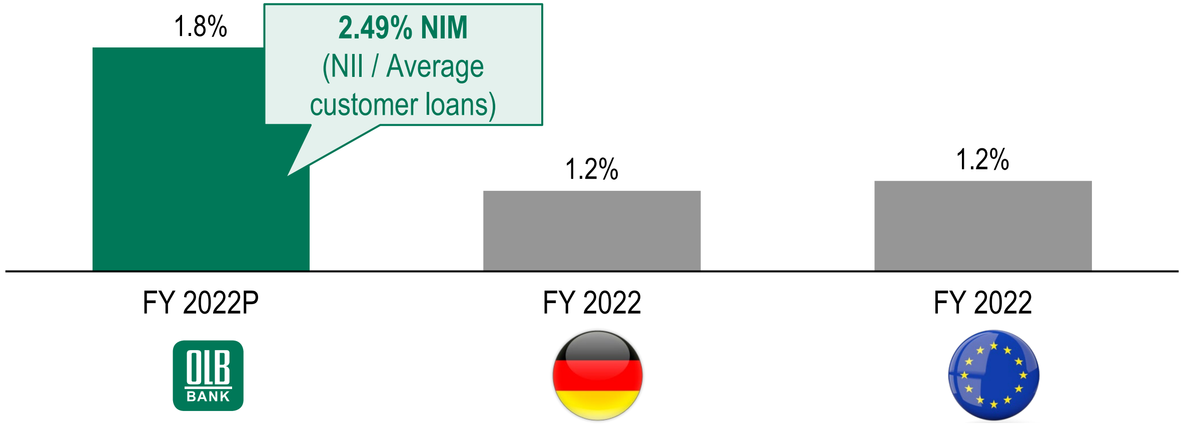
Please refer to appendix for definition of key metrics

# Outperformance driven by focused business model, scalability, and clear cost advantage

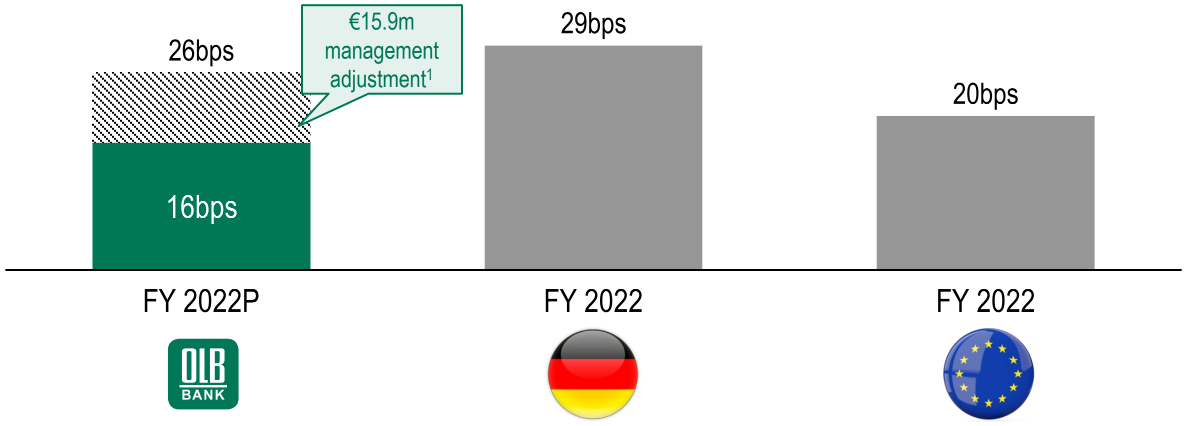
## Return on average equity



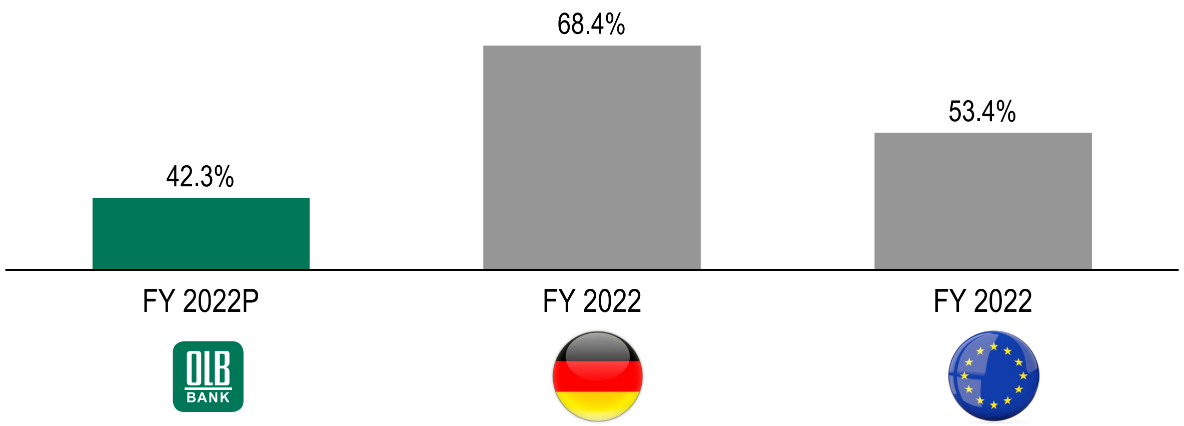

## Net interest income to average total assets




## Cost of risk



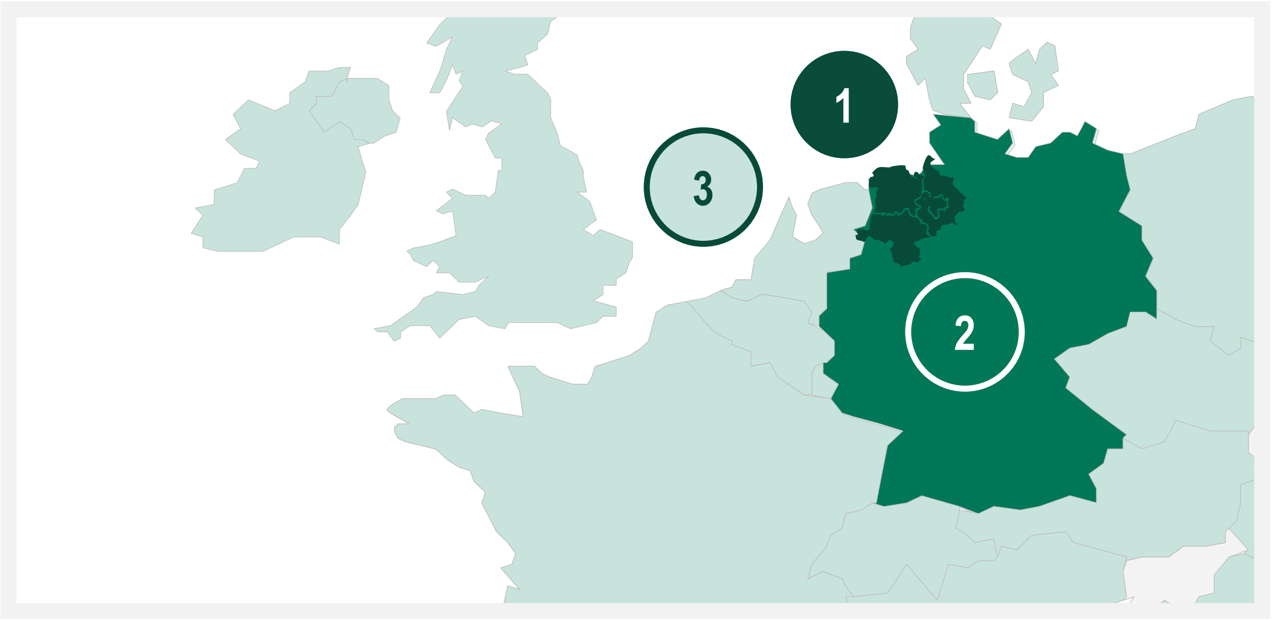

## Cost-income ratio




Note: For Germany includes publicly listed universal banks, i.e. Commerzbank and Deutsche Bank. For Europe includes selected European banks with comparable geographic mix and / or business models, i.e. BAWAG, ABN AMRO, Commerzbank, Erste Group, ING, Svenska Handelsbanken, BNP Paribas, Credit Agricole, Danske Bank, DNB, KBC, Nordea, SEB, Societe Generale, Swedbank. Source: Public disclosure and based on selected preliminary FY22 numbers (for Erste Group FY22 not available, hence 9M-22 used). Note: Average assets as average of assets FY21 and FY22. Mean shown. Ratios calculated as in the following: Net interest income to average total assets defined as NII / average total assets, CIR as operating expenses excl. regulatory charges / operating income, CoR as loan loss provisions / Average net customer loans, and RoAE as profit after tax / average shareholders' equity both after deduction of AT1, if reported. [1] Post Model Adjustments to cover potential additional risks outside IFRS model.

Please refer to appendix for definition of key metrics

# Regional roots as basis for increasing nationwide & European footprint




Northwestern Germany[1] — 1

**Strong market position[2], full product provider and trusted house bank**

**€10.0bn loan volume[3]**

Nationwide Germany[1] — 2

**Digital online proposition and selected corporate clients**

**€5.3bn loan volume[3]**

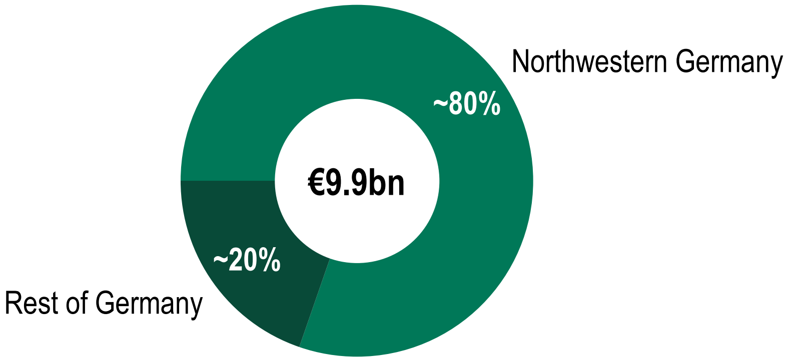
Europewide[1] — 3

**Tailor-made solutions in highly attractive niches/areas**

**€2.5bn loan volume[3]**

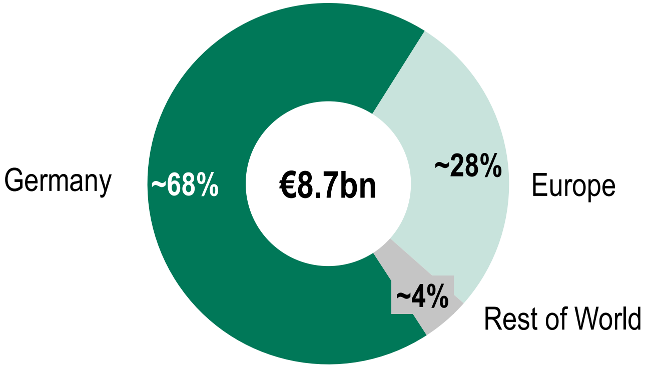
## Private & Business Customers[3,4]

Loan volume by region (2022P)




## Corporates & Diversified Lending[3,4]

Loan volume by region (2022P)




[1] Northwestern Germany defined as Lower Saxony and Bremen. Nationwide Germany defined as Germany excluding Lower Saxony and Bremen. Europewide includes 31 additional European countries with not all being shown on the map. €0.4bn loan volume allocated to Rest of World not explicitly shown. Data as of 2022P. [2] Company information. [3] Based on Risk Control Department view. [4] The Corporate Center segment (-€ 0.4bn, mainly hedge accounting effect) is explicitly not reported. Hence, €18.6bn as gross loan volume. The left hand side shows the total customer loan portfolio volume of €18.2bn, including Corporate Center.

Please refer to appendix for definition of key metrics

# Sound and solid origination franchises with high profitability

OLB BANK

FY 2022P

## Private & Business Customers (P&BC)

**Share of customer loans and current income (2022P)**

~50%[1] of operating income

€286m

Customer loans

€9.9bn[1]

**Number of customers (2022P)[2]**

~606k Customers

**Customer groups**

- Branch Business (OLB BANK)
- Central & Digital Sales (OLB BANK)
- Private Customers
- SME
- PBWM (BANKHAUS NEELMEYER – DIE PRIVATE BANK): Private Banking & Wealth Management

## Corporates & Diversified Lending (C&DL)

~49%[1] of operating income

€281m

Customer loans

€8.7bn[1]

~5k Customers

- Corporate Banking: Corporates
- Diversified Lending: Acquisition Finance; Commercial Real Estate; Fund Finance & Intl. Diversified Lending; Football Finance; Wind+; Shipping
- National Centers (OLB BANK)

## Degussa Bank (HGB)

~€143m[3] Operating income

~€4.7bn Customer loans

~322k Customers

DEGUSSA BANK

[1] Remainder of operating income and customer loans located in segment Corporate Center not explicitly shown. [2] Total number of customers for Company may differ from aggregate number shown on this slide due to rounding differences in the segment customer numbers. [3] Excludes net financial income, dividend income shares & inv. Funds, incomde from affiliates, other operating income.

Please refer to appendix for definition of key metrics

# Integration track record, single platform optimisation and synergies led to strong franchise

OLB BANK

| 1863 | Founding of **Bremer Kreditbank** |
|---|---|
| 1869 | Founding of **Oldenburgische Landesbank** |
| 1907 | Founding of **Bankhaus Neelmeyer** |

| | | |
|---|---|---|
| 2014 | Acquisition of KBC Germany and rebranding to **Bremer Kreditbank** (BKB Bank seit 1863) | Corporate banking and specialized lending origination franchise |
| 2017 | Acquisition of **Bankhaus Neelmeyer** (Bankhaus Neelmeyer – Die private Bank) | Wealth management and private banking; Strong brand recognition |
| 2018 | Acquisition of **Oldenburgische Landesbank** and merger with BKB and Neelmeyer (Oldenburgische Landesbank) | Leading retail and corporate banking franchise; Deposit funding |
| 2019 | Acquisition of **Wüstenrot Bank AG Pfandbriefbank** and merger with OLB (W&W wüstenrot Bank AG Pfandbriefbank) | Nationwide retail partnership platform |
| 2019 | Acquisition of EAA portfolio (Erste Abwicklungsanstalt – Portfolio Acquisition) | Real estate portfolio |
| 2022 | Acquisition of leveraged loan portfolio (NIBC – Leveraged Loan Portfolio) | Accelerate profitable growth in niche markets |
| 2022[2] | Acquisition of **Degussa Bank** (Degussa Bank) | Adding further scale; Earnings accretion through synergies |

| Added loan volume (€bn)[1] | 2014 | 2017 | 2018 | 2019 | 2019 | 2022 | 2022[2] |
|---|---|---|---|---|---|---|---|
| | + €1.9bn | + €0.5bn | + €10.8bn | + €0.1bn | + €0.1bn | + €0.2bn | + ~€4.7bn (2022P, HGB) |

[1] Latest value before acquisition based on then applicable HGB accounting; source: Publicly available financial statements of respective companies as published in the Bundesanzeiger. [2] Acquisition subject to regulatory approvals and various closing conditions, closing expected in H2 2023.

Please refer to appendix for definition of key metrics

# Degussa Bank – A highly complementary acquisition opportunity for OLB

OLB BANK

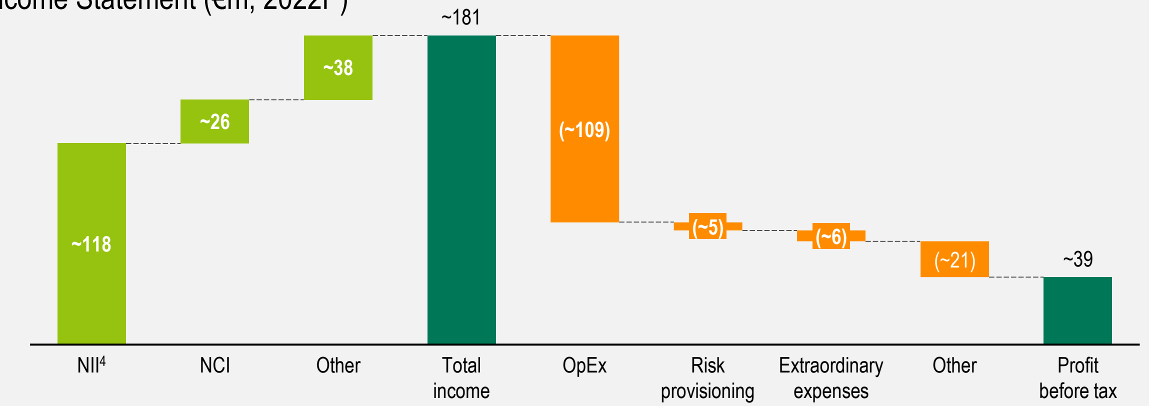
## Strategic rationale of acquisition

| | | | |
|---|---|---|---|
| 1 | Highly complementary retail banking franchise adding scale | **+322k** Customers | **56** Bank shops[1] |
| 2 | Digestible, low complexity acquisition, to be integrated within short timeframe | **+€4.7bn** Mostly retail loan volume | **Similar core banking IT system** |
| 3 | High cost base waiting to be restructured / optimized | **>€100m** Degussa Bank OpEx | **~75%** CIR[2] |
| 4 | Financed from existing resources. Realization of negative goodwill. | **>€130m**[3] Negative Goodwill | |
| 5 | Substantial additional deposit volume providing clear upside in higher-rates environment | **+€5bn** Deposit volume | |

**Aligning Degussa Bank with OLB standards and accelerating OLB's earnings growth**

## Degussa Bank standalone financial profile (HGB)

Income Statement (€m, 2022P)




## Clearly identified synergies and integration benefits

Cost savings

- Personnel
- IT expenses
- Project expenses
- Comms. & Marketing expenses

Capital synergies | Funding synergies | Asset repricing

Degussa Bank financials are preliminary. [1] As of FY21. [2] Excludes other income. [3] Based on HGB and on publicly announced transaction parameters (€220m purchase price for €357m CET1 which is, among others, subject to closing balance sheet adjustments). [4] Includes some non-interest income.

Please refer to appendix for definition of key metrics

# Integration of Degussa Bank to drive substantial earnings and capital accretion

| Improved financial profile of combined entity to increase through … | Becoming effective |
|---|---|
| ✓ … recognition of negative goodwill in year 1 more than offsetting upfront restructuring costs | 2023 |
| ✓ … consequent focus on cost synergy delivery leveraging OLB processes/platform | 2024 onwards |
| ✓ … consolidating and optimizing funding strategy and overall balance sheet management | 2024 onwards |
| ✓ … repricing of Degussa Bank assets via optimized sales divisions | 2023 onwards |
| ✓ …positive IFRS P&L contribution as part of negative goodwill is realised through P&L with portfolio run-off | 2023 onwards |

**Transaction allows OLB to significantly accelerate its earnings and capital generation and further accelerate its dividend capacity, leading to a clean run-rate in the short-term**

**Mid-term targets[1]**

- **Profit after Tax** ↗
- **Dividend Capacity** ↗
- **CIR:** Alignment with Group target
- **RoAE:** Alignment with Group target

[1] vs. OLB standalone mid-term budgets.

Please refer to appendix for definition of key metrics

# Unique investment opportunity with strong growth and highly attractive returns

1. Unique direct origination business based on strong and long-standing customer relationships, delivering sustainable profitable growth and strong risk-adjusted asset returns
2. Track record of repositioning businesses, allowing for competitive cost / income
3. Sustainability deeply embedded in value proposition
4. Large deposit base as main funding instrument providing further upside
5. Robust balance sheet with strong asset quality through-the-cycle
6. Sound capitalization and strong capital generation supporting growth and shareholder returns
7. Highly experienced management team supported by motivated and loyal staff

## Mid-term targets

**Loan growth**
Mid-single digit growth over the economic cycle

**CIR**
≤40%

**RoAE**
14-16% range

**CET1 ratio**
>12.25%

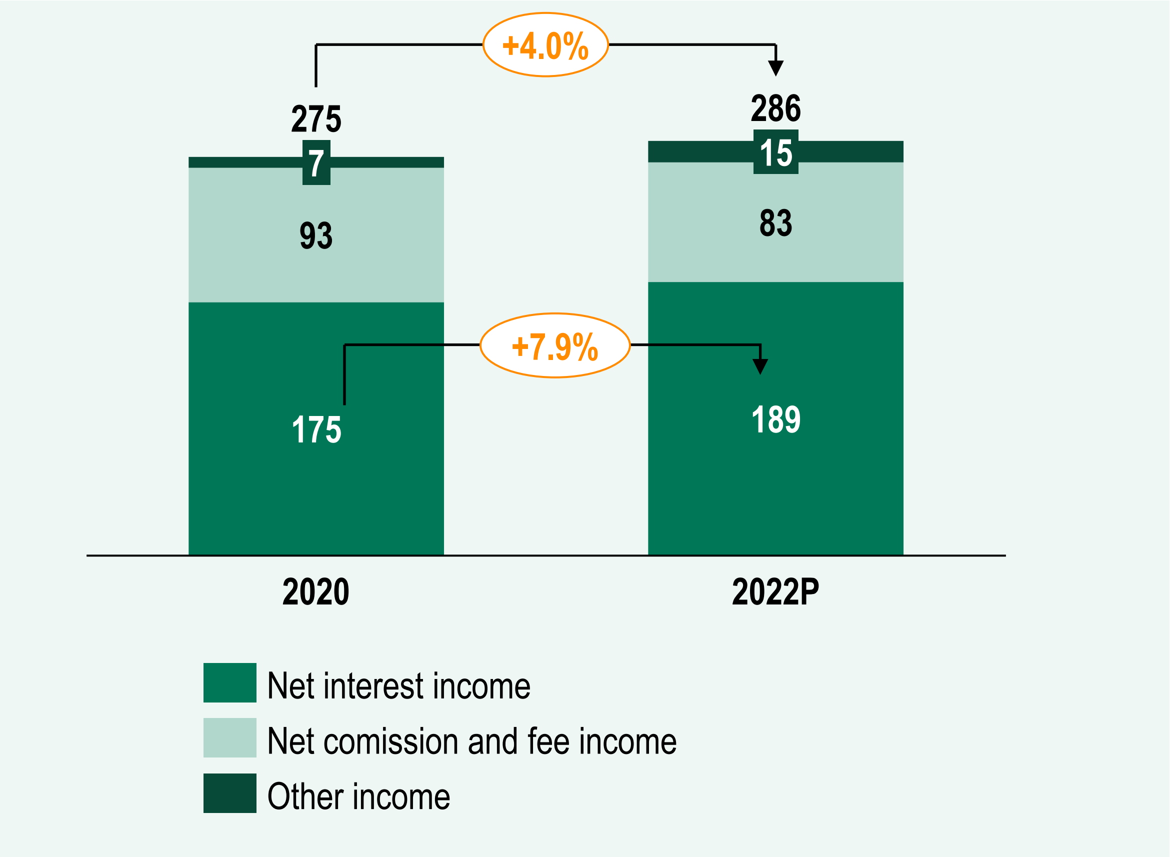
**Dividend payout ratio**
≥50%



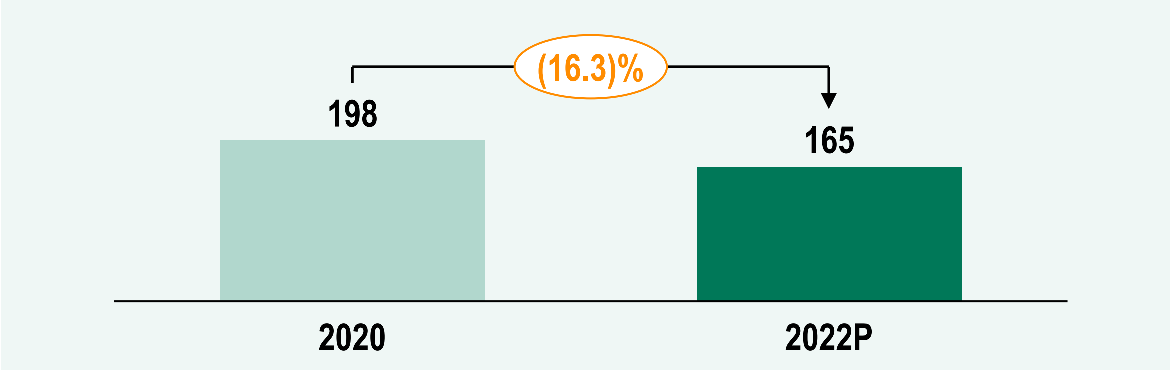
Please refer to appendix for definition of key metrics

# 1 P&BC: higher operating income and considerably reduced costs…

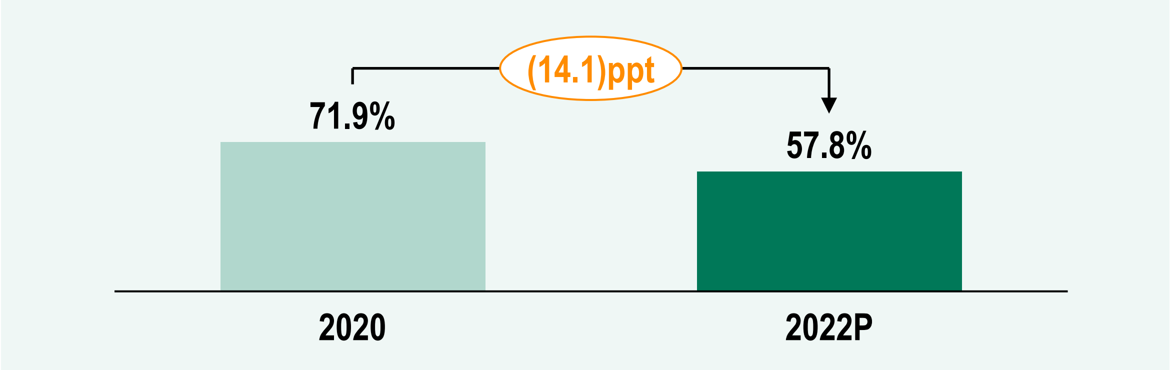
## Operating income (€m)




## Operating expenses (€m)




## Cost-income ratio



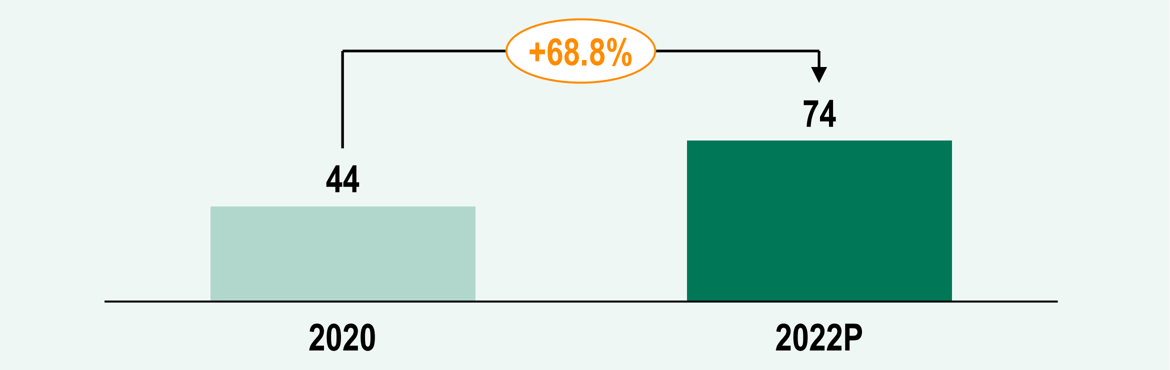

2020 – 2022 Growth

Rounding differences possible

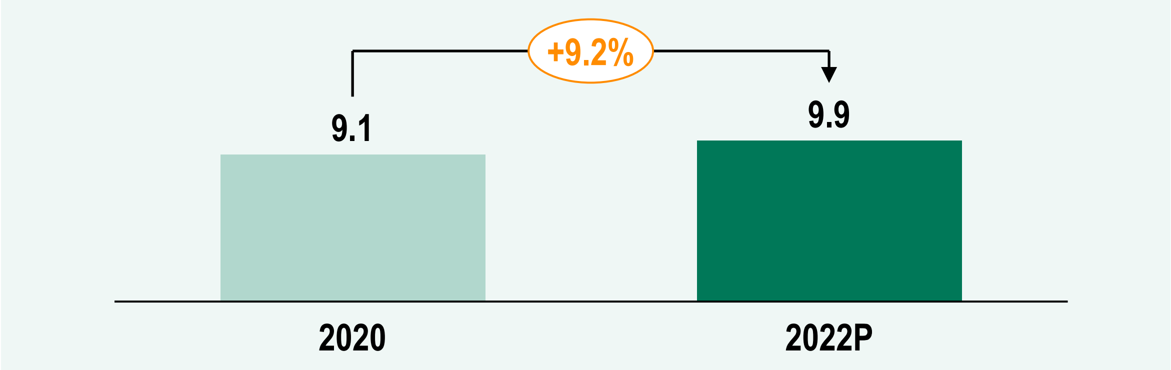
Please refer to appendix for definition of key metrics

# 1 P&BC: … means significantly higher profitability

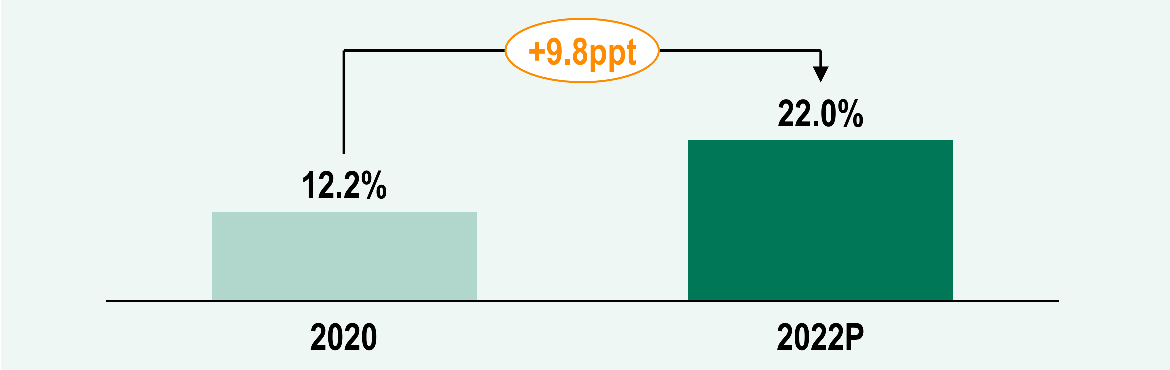
## Profit after taxes (€m)



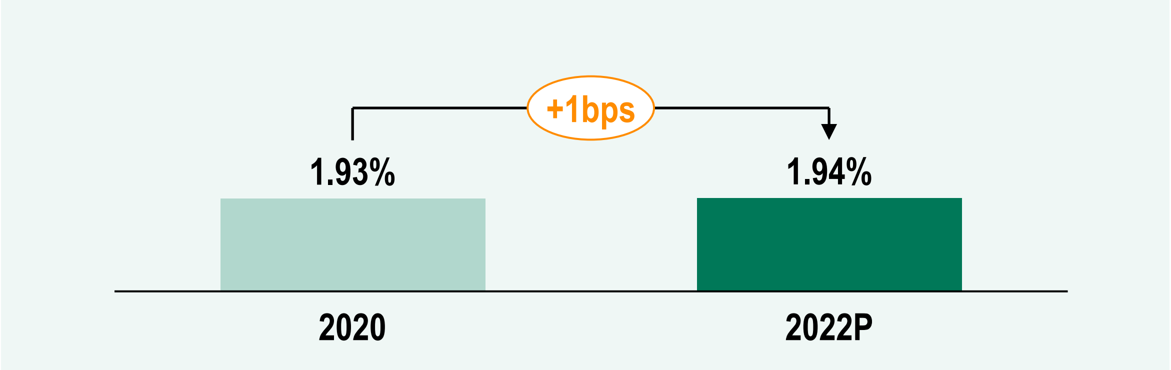

## Loan volume (€bn)




## Return on regulatory capital after taxes




## Net interest margin



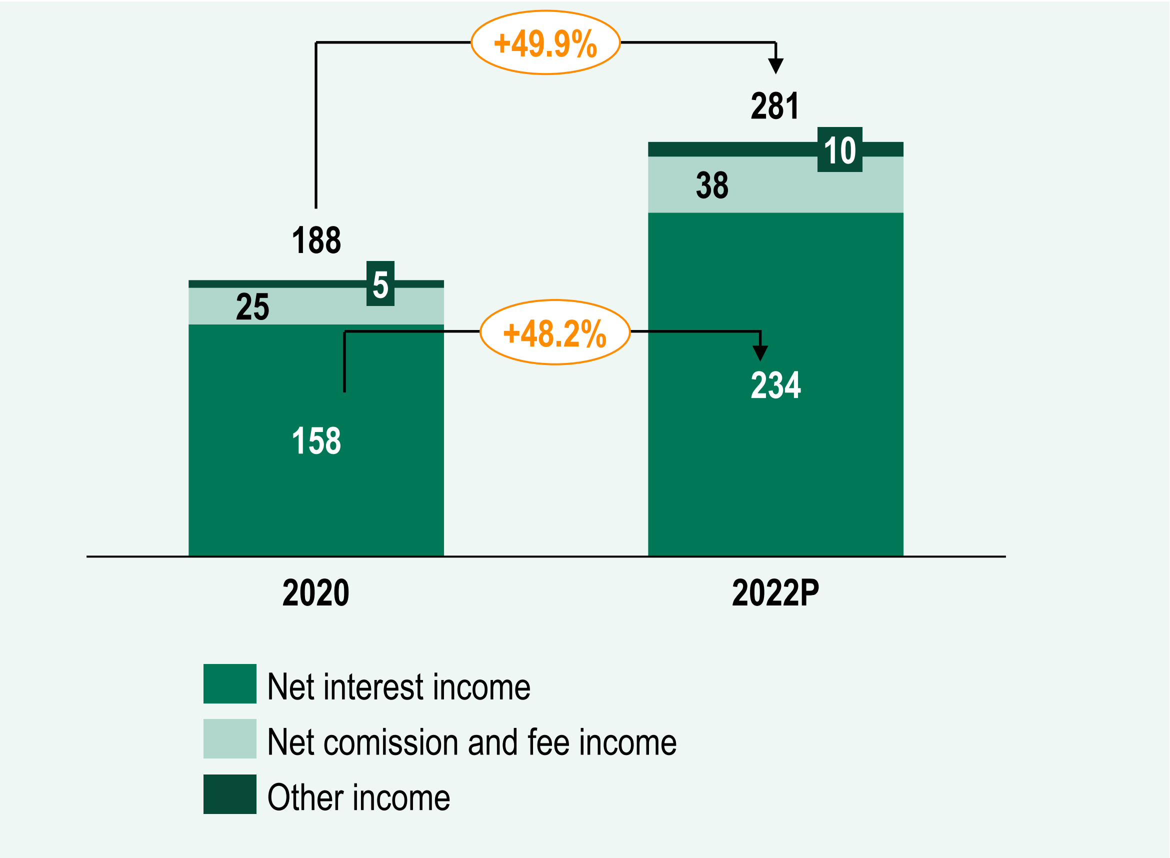

2020 – 2022 Growth

Rounding differences possible

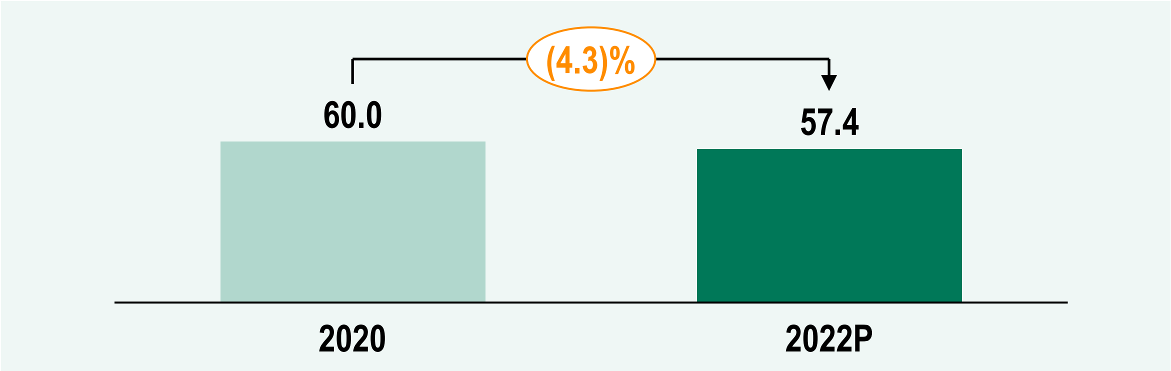
Please refer to appendix for definition of key metrics

# 1 C&DL is characterised by strong growth and outstanding efficiency …

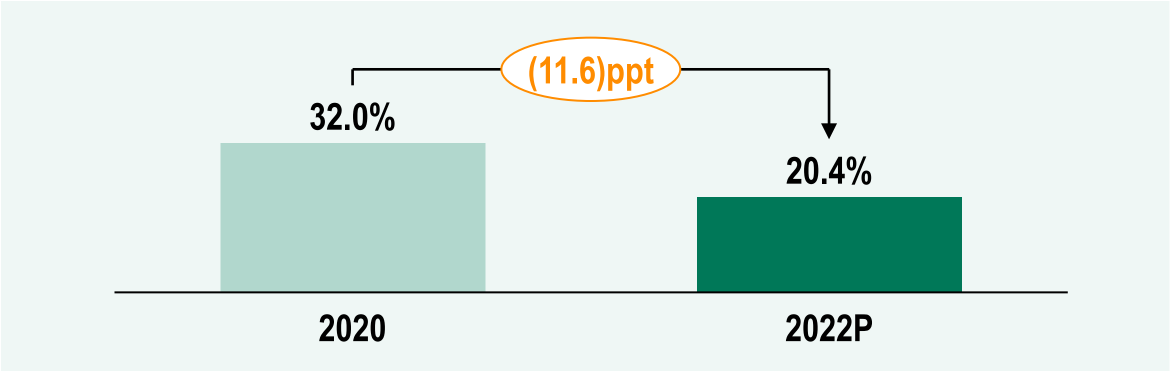
## Operating income (€m)




## Operating expenses (€m)




## Cost-income ratio



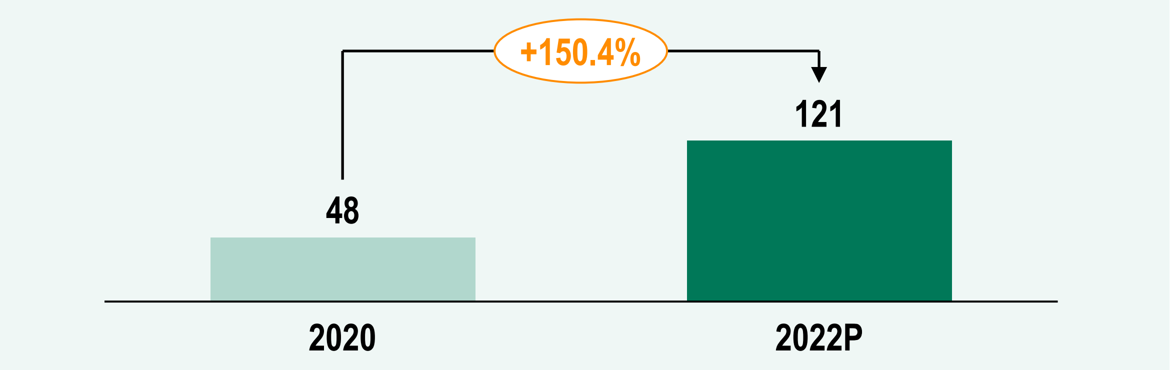

2020 – 2022 Growth

Rounding differences possible

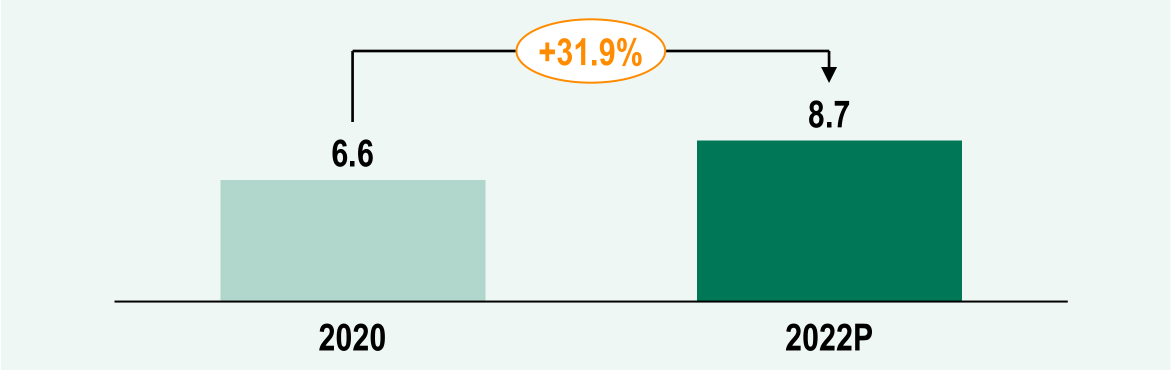
Please refer to appendix for definition of key metrics

# 1 C&DL: … resulting in a significantly higher result after taxes

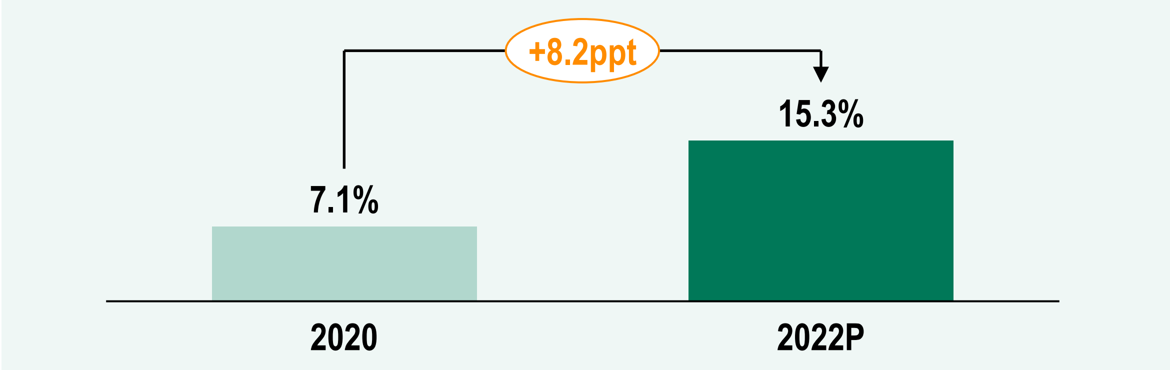
## Profit after taxes (€m)



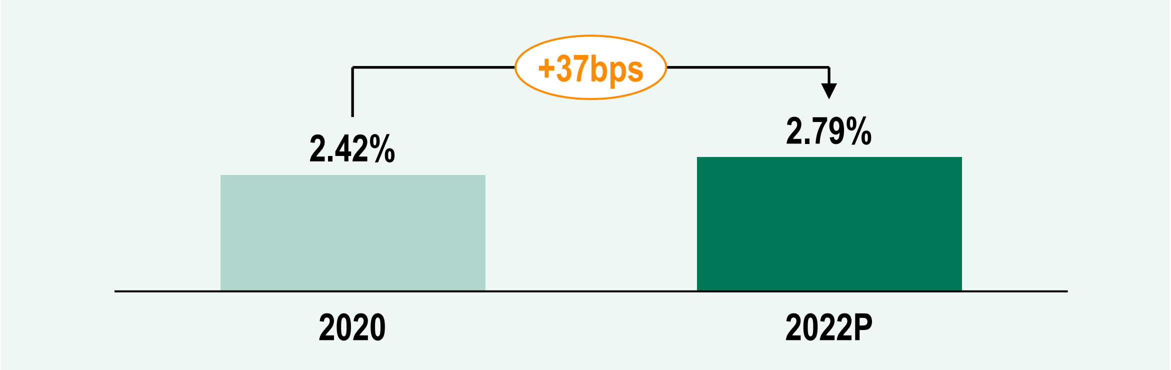

## Loan volume (€bn)




## Return on regulatory capital after taxes




## Net interest margin



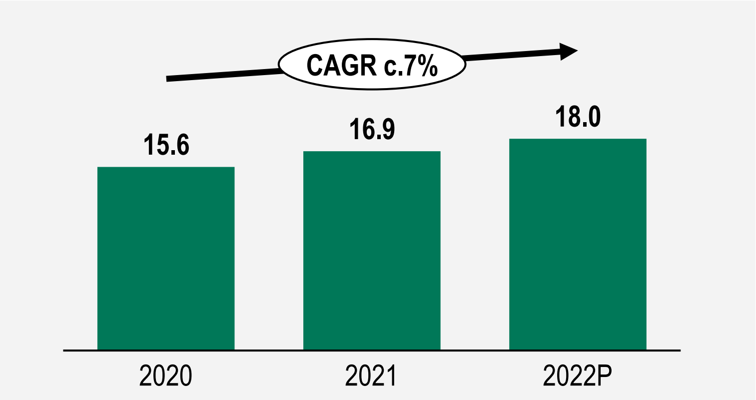

2020 – 2022 Growth

Rounding differences possible

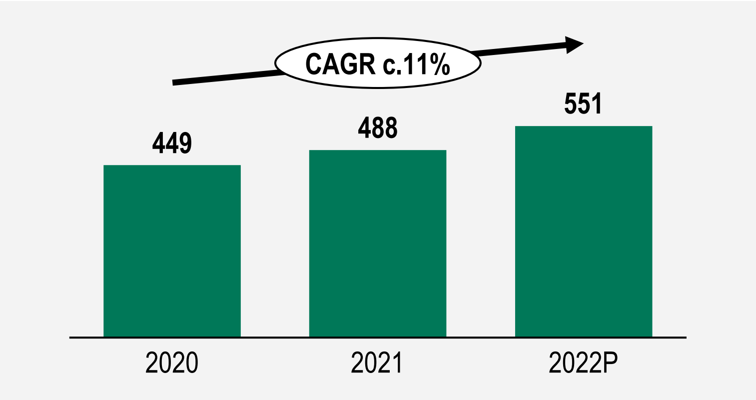
Please refer to appendix for definition of key metrics

# 2 Successfully repositioned business resulting in best-in-class financial performance

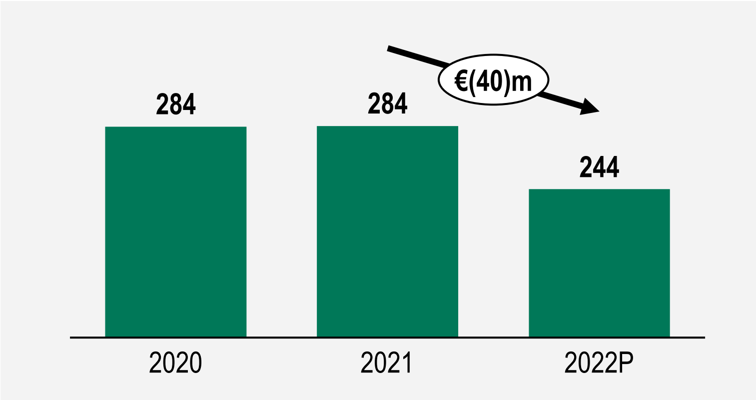
### Loan volume (€bn)



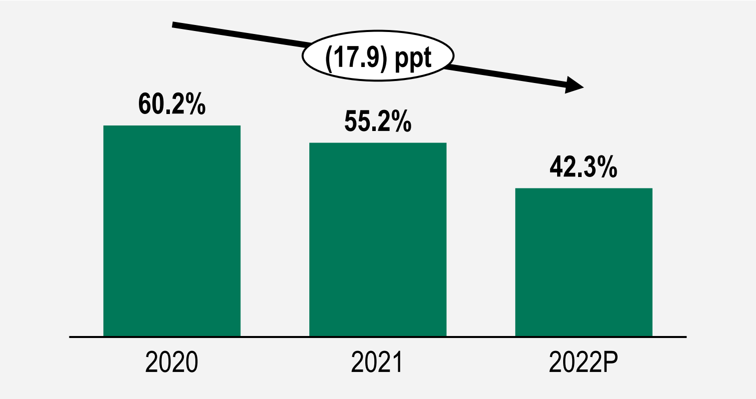

### Core revenues (€m)



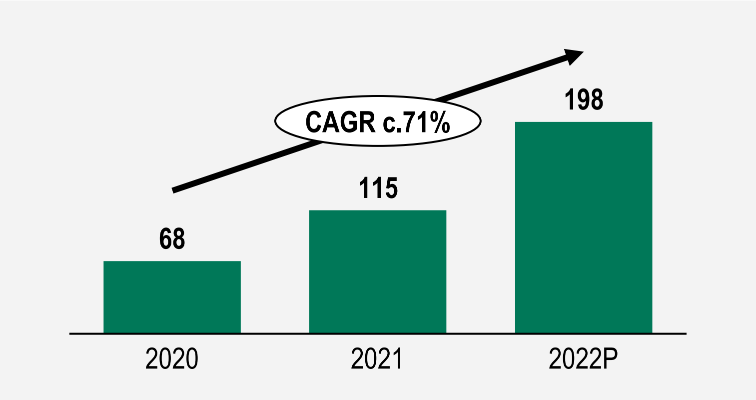

### Operating expenses (€m)



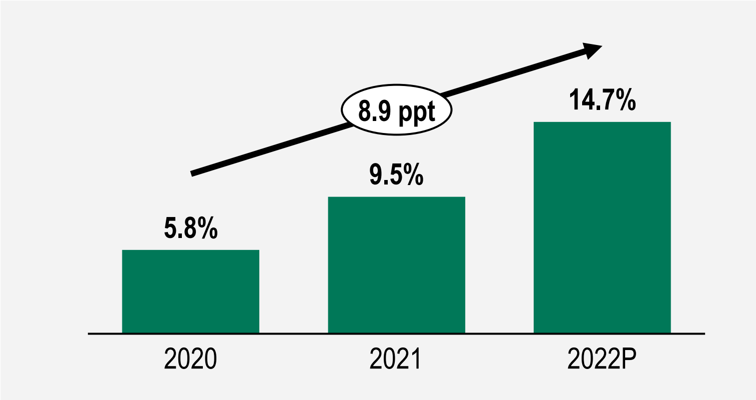

### Cost-income ratio




### Profit after tax (€m)




### Return on average equity

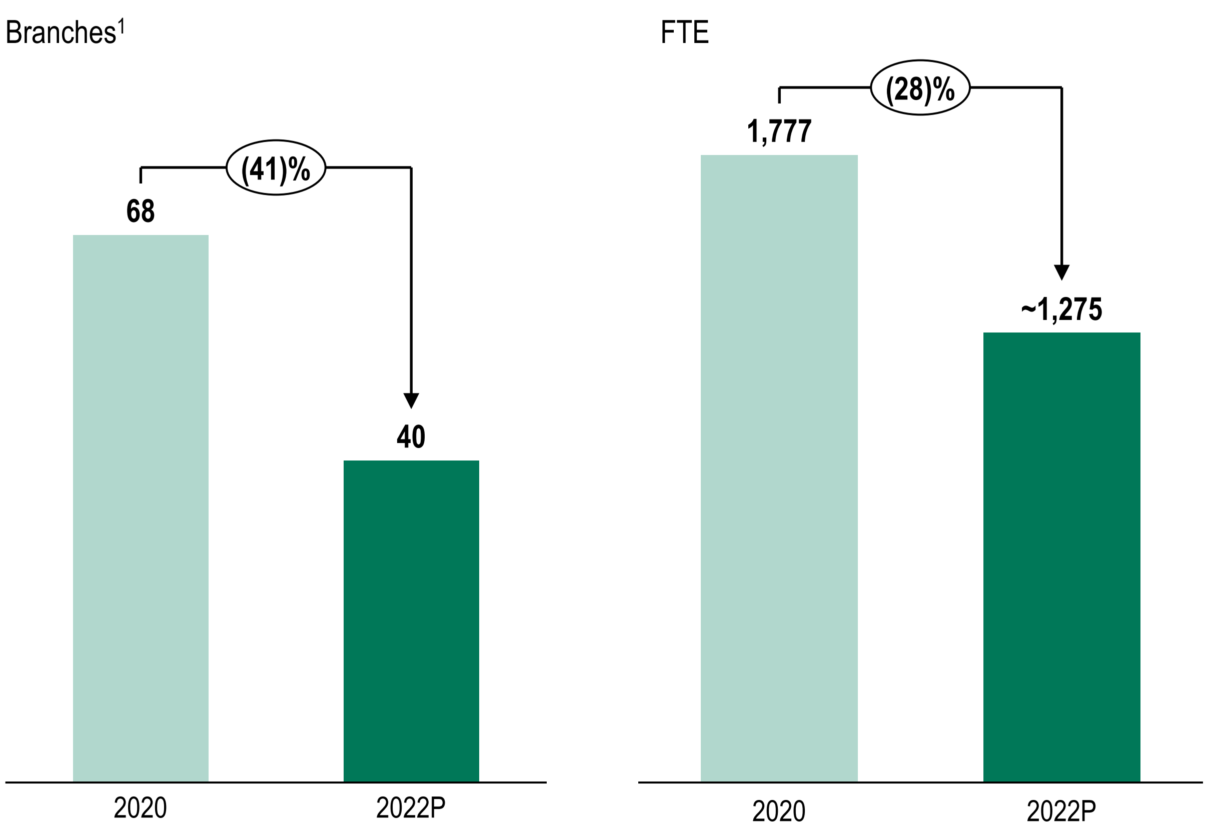




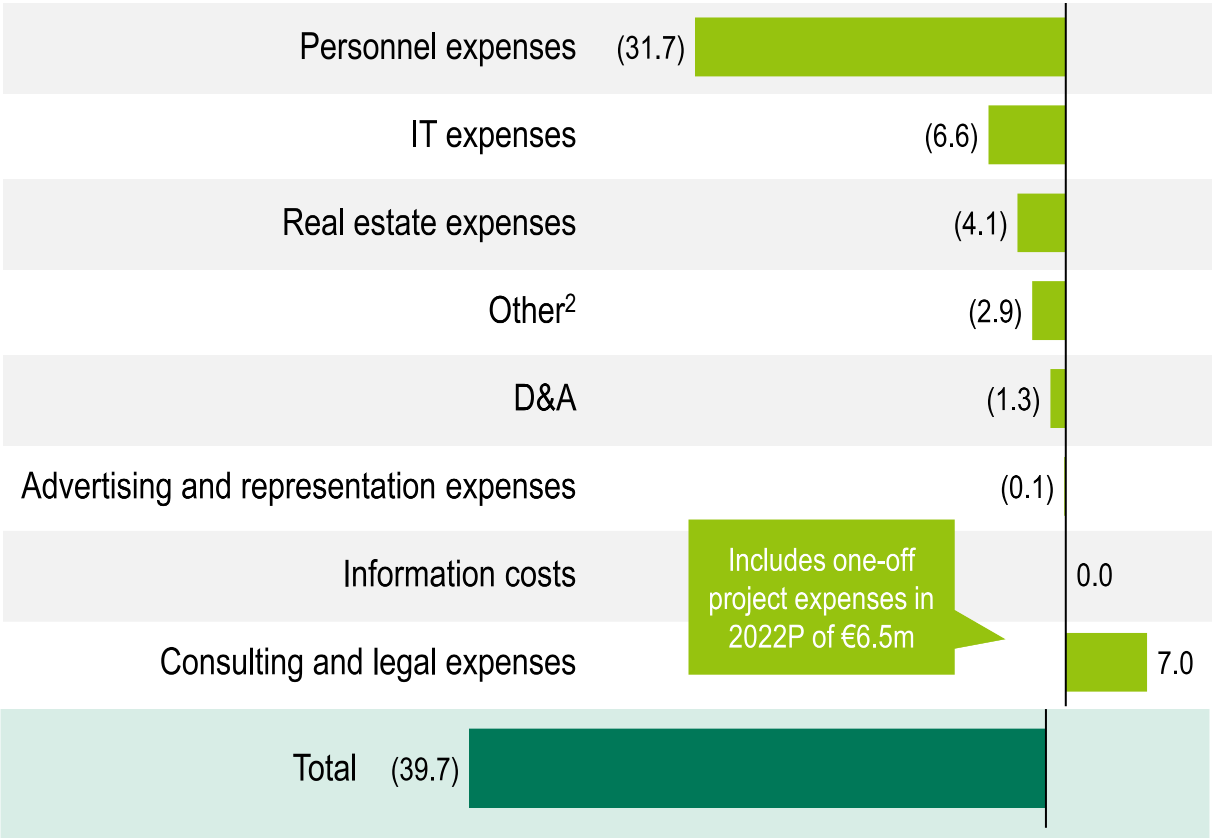

Please refer to appendix for definition of key metrics

# 2 Disciplined cost management driving sustainably reduced cost base

## Branch network and FTE development




## Operating expense development, 2020 vs. 2022P (€m)

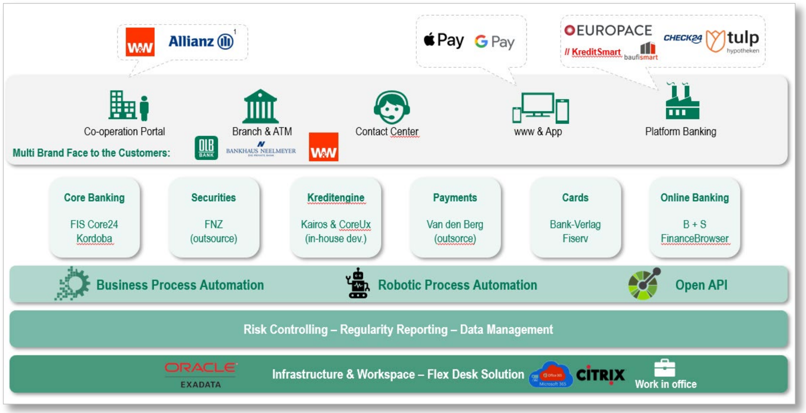



[1] Figures including regional branches only. [2] Includes travel, office equipment, insurance, apprentice, audit, capital markets, communication, digital banking, suppliers, supervisory board salary, and other expenses.

Please refer to appendix for definition of key metrics

# 2 Technology, operations and people form the operational backbone of OLB

## 1 Information Technology




- **Full integration of acquired institutions into one system** to realize synergies
- **State of the art IT architecture** to improve the customer experience
- **Scalable IT platform** with timely upgrades to ensure efficient processing
- **Easy to integrate into business platforms** to facilitate scalability
- **Commercial off-the-shelf core banking solution** to facilitate standardization

## 2 Operations


- **Cost management** as OLB's DNA
- Better **customer experience** served through end-to-end processes for a streamlined working
- Extensive usage of **data analytics** to make decisions and automate processes
- Focus on **RPA/process automation and data**

## 3 People

- **Individual development** paths for our employees, including eLearning and trainee programs
- Ensuring a **superior work-life balance** with flexible working hours and mobile working
- **Attractive remuneration** and benefits, including retirement benefit plans and additional variable pay
- OLB Tech and Ops teams are **very loyal and highly experienced**
- With Degussa Bank, OLB will be able to **tap into Tech Talent** of Degussa Bank and further hiring potential in Frankfurt area

# 3 Sustainability is already deeply embedded in our business model

## Successful track record in field of sustainability (*selected examples*)

| | |
|---|---|
| Wind portfolio with €600m loan volume[2]; no exposure to ESG-critical industries (coal-fired power plants, mining of fossil fuels)[3] | ✓ |
| Support for the region – approx. 200 charitable projects in 2022[1] | ✓ |
| Annual sustainability report now includes key figures according to EU Taxonomy and covers Scope 1+2 emissions | ✓ |
| Variable remuneration of Management Board and executives is linked with ESG criteria | ✓ |
| Active promotion of diversity and integration, e.g. through a mentoring programme for women | ✓ |
| ESG scoring for borrowers | ✓ |
| Re-launch of ESG website with relevant policies and information (and updated on ongoing basis) | ✓ |

## Key objectives (*selected examples*)

| | Timeline |
|---|---|
| Scope 3 financing emissions measurement (as important step to net zero climate path) | Q1 / 2023 |
| Implementation of a "taxo tool" to identify Taxonomy-aligned economic activities | Q1 / 2023 |
| ESG KPI framework and targets | Q2 / 2023 |
| Receipt of an ESG rating | Q2 / 2023 |
| Sustainable investment products | Q3 / 2023 |
| Implementation of CRR & CSRD (technical) requirements (implementation of regulatory requirements on an ongoing basis) | Q1 / 2024 |

Continuous expansion of ESG governance

**All requirements for obtaining a solid ESG rating are already met**

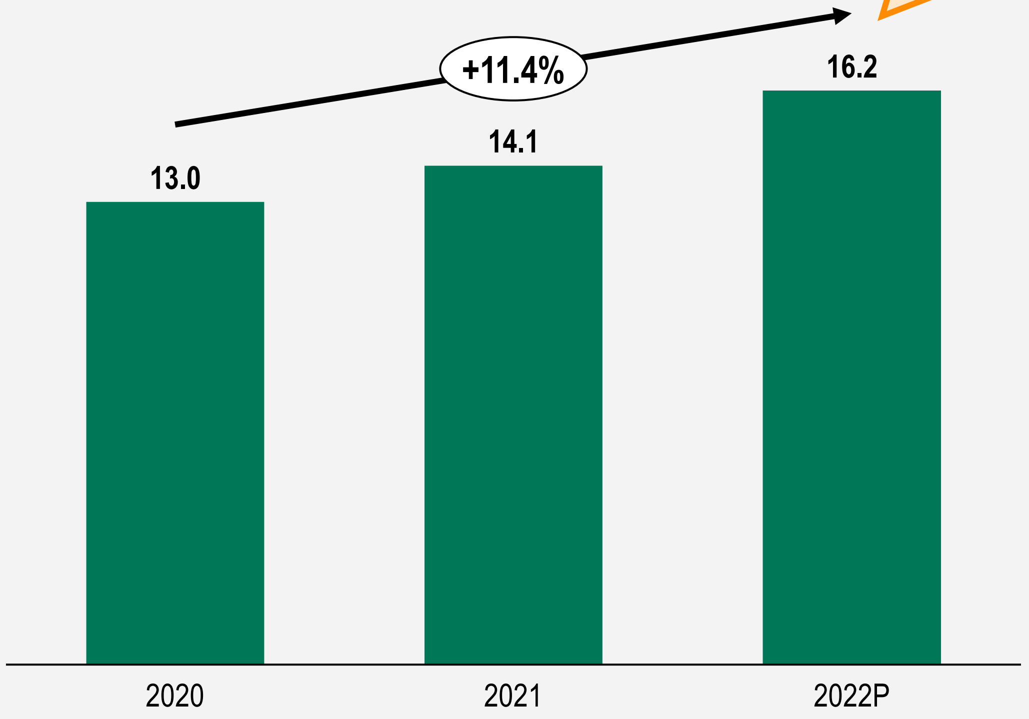
[1] Primarily through the OLB Foundation, c.200 innovative and charitable projects in the areas of youth, culture, sports, social welfare and science with a total volume of more than €750k were supported in 2022.
[2] As of December 2022. [3] Exposures measured based on loans provided to customers in the fossil resources industry (defined by the company as no coal-fired power plants and no mining of fossil fuels).

# 4 Deposits as main funding tool providing substantial upside in higher rates environment

## Customer deposits[1] (€bn)

- Interest rate increases a substantial driver of 2022 NII growth of 20%, contributing substantially to additional revenue in 2022.
- Full impact of higher rates not reflected in 2022 performance, implying further upside potential

**~€21.2bn[2]**
PF including Degussa Bank




2022P PF Degussa Bank acquisition metric

## Issuances

| March 2021 | July 2021 | April 2022 | January 2023 |
|---|---|---|---|
| €350,000,000 | €100,000,000 | €350,000,000 | €400,000,000 |
| Inaugural | Inaugural | | Inaugural |
| 0.050% Covered Bond | 6.000% Additional Tier 1 Note | 1.250% Covered Bond | 5.625% Senior Preferred |
| Maturity 2031 | Perpetual Non-Call 2026 | Maturity 2029 | Maturity 2026 |

## Stable rating

› Moody's rating "**Baa2 outlook positive**" supports expansion of capital market presence


MOODY'S
INVESTORS SERVICE

CREDIT OPINION
29 September 2022

Update

Send Your Feedback

Oldenburgische Landesbank AG

Update following rating affirmation and outlook change to positive

**Summary**

On 15 September, we affirmed the Baa2 deposit and issuer ratings of Oldenburgische Landesbank AG (OLB) and changed the outlook to positive from stable. At the same time, we affirmed all other ratings and rating inputs of OLB.

[1] Liabilities to customers include liabilities to Private and Business Customers, Corporate and Diversified Lending and Corporate Center. [2] Aggregated for illustrative purposes based on preliminary 2022 OLB IFRS financials and preliminary 2022 Degussa HGB financials converted to IFRS.

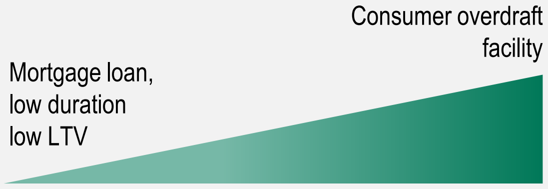
Please refer to appendix for definition of key metrics

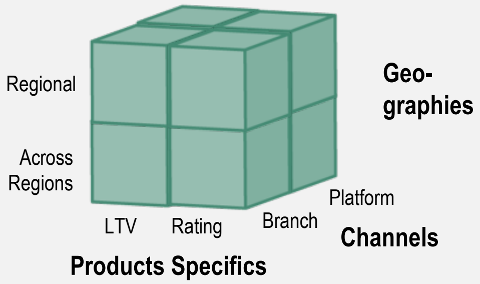
# 5 Strict business selection resulting in resilient balance sheet and strong asset quality

## Loan business selection P&BC along market opportunities

› Loan product spectrum offers NIM from 1% up to 7%

› Flexibility to pick business using various distribution channels, geographies, and product characteristics

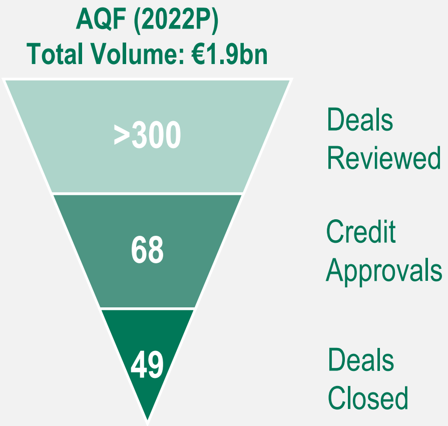


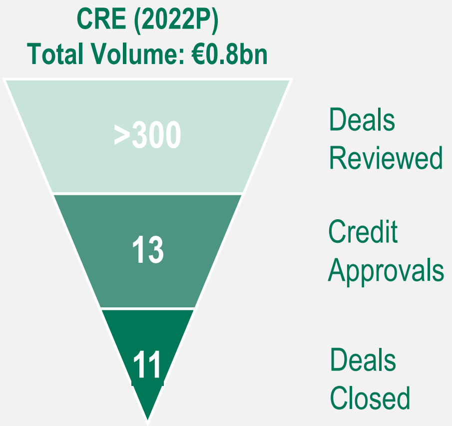




### Selected Credit Statistics (2022P)

| | Avg. Ticket Size | Avg. PD[2] | Avg. Duration (years) | Total Volume (€bn) |
|---|---|---|---|---|
| Mortgage Loans | €179k | 0.9% | 7.4 | 7.3 |
| Consumer Loans | €21k | 1.1% | 3.4 | 0.4 |
| Business Loans | €304k | 1.2% | 2.5 | 1.8 |

## Loan business selection C&DL (selected examples)



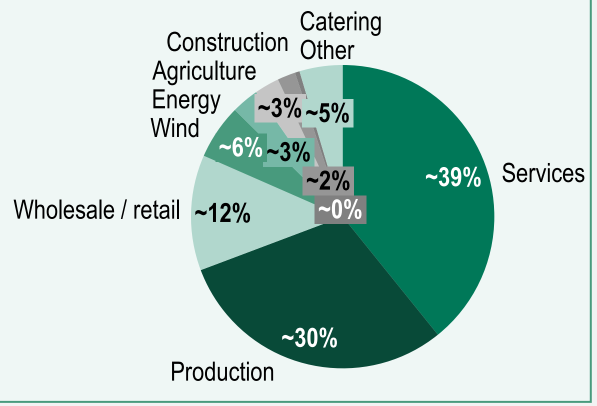




### Selected Credit Statistics (2022P)

**Avg. Ticket Size**

| | |
|---|---|
| Corporates | ≤€10m |
| Football Finance | ≤€10m |
| Shipping | ≤€10m |
| Wind+ | ≤€10m |
| CRE | ≤€25m |
| Fund Finance | ≤€25m |
| AQF | ≤€25m |
| IDL | ≤€40m |

**Exposure C&DL (EaD[1])**

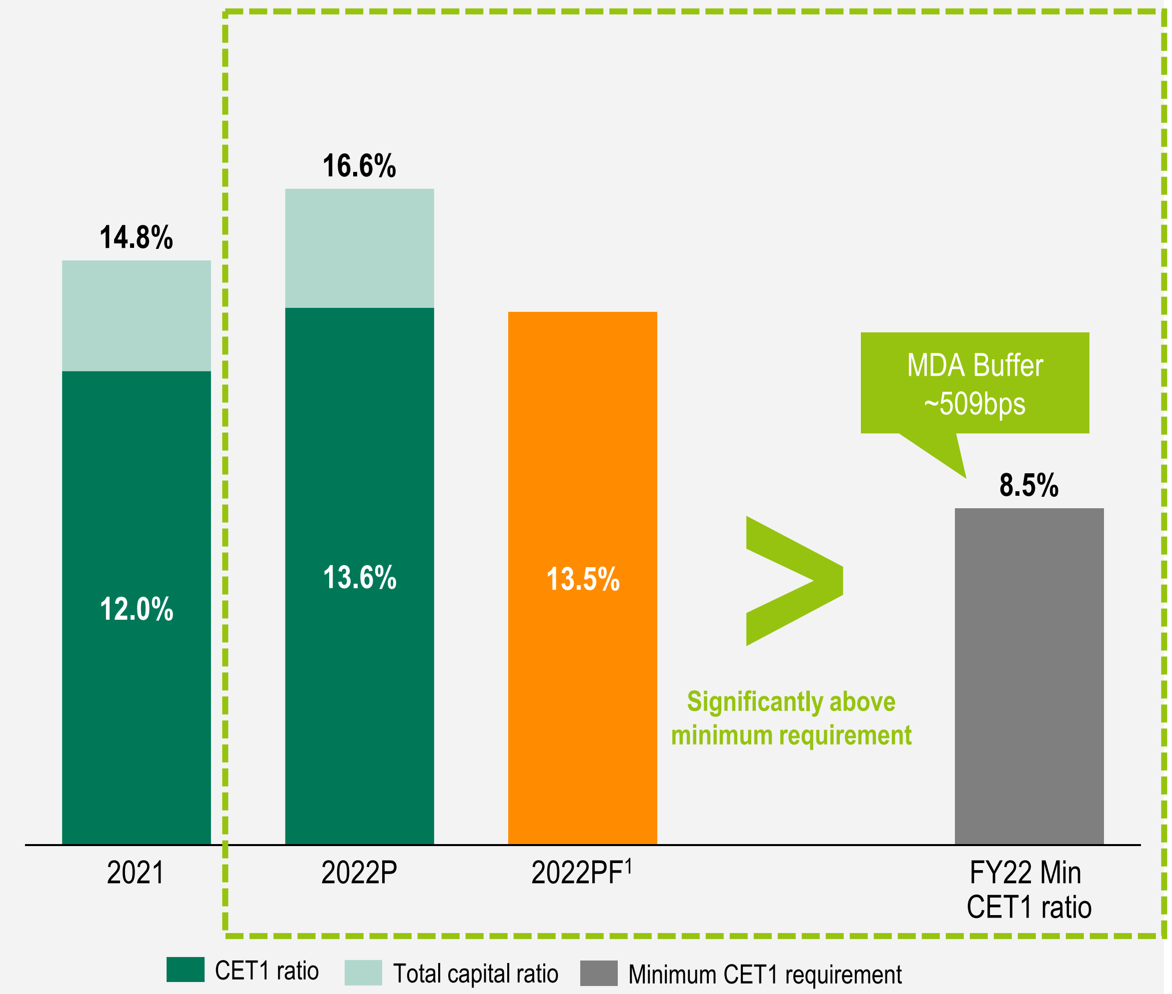



Note: Company information based on management's estimate. [1] EaD = Exposure at Default. [2] Probability of Default.

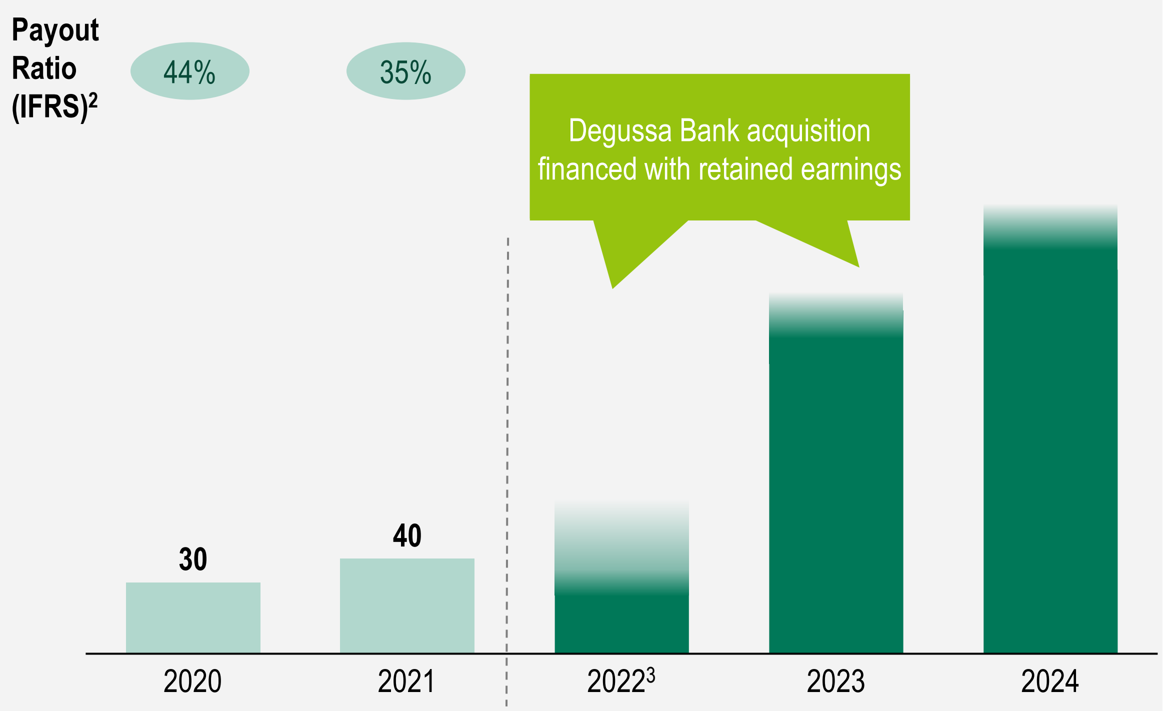
Please refer to appendix for definition of key metrics

# 6 Strong capital generation supporting growth and shareholder returns

## Regulatory capital position (%)




## Dividend accrued (Dividends to be paid in following year, €m)




- Proven track record of dividend pay-out
- Degussa Bank acquisition financed from existing resources

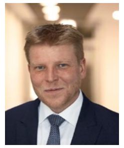
[1] Presentation for illustrative purposes only, assuming that the two entities are merged at book value and regulatory reporting is based on the HGB accounts of the merged entity. OLB CET1 as reported of €1,275m, plus adjustments of €9.5m (including purchase price Degussa Bank, HGB book value acquired, funds for general banking risks, intangible assets, and insufficient coverage for non-performing exposure), and consolidation of Degussa Bank standalone RWAs and certain adjustments. The calculation is based on preliminary data and therefore subject to change. [2] IFRS payout ratio before AT1 coupon based on dividend accrued shown. HGB profit-based payout ratio on dividends paid for 2020-21 is 38% and 35%. [3] 2022 dividend payment not yet decided upon.

Please refer to appendix for definition of key metrics

# 7 Highly experienced management team supported by motivated and loyal staff

OLB BANK

## Management team



**Stefan Barth** (25)
Chief Executive Officer

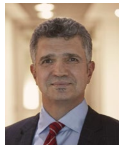
- CEO since September 2021
- Joined OLB in January 2021 as CRO
- BAWAG, Austria: CRO
- Hypo Alpe Adria Group, Austria: Head of Division Group Credit Risk Control
- Bayern LB, Germany: First Vice President Risk Models & Methods

**Rainer Polster** (26)
Chief Financial Officer

- Member of the Board of Directors since April 2020
- Joined OLB in October 2018
- Deutsche Bank, Austria: Board Chairman, Chief Country Officer
- Deutsche Bank, Germany: Head of FIG Germany, Austria, Switzerland
- Deutsche Bank, UK: MD FIG Europe

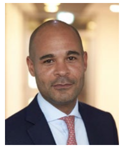
**Chris Eggert** (30)
Chief Risk Officer

- Member of the Board of Directors since June 2022
- Joined BKB in 2008, Head of Credit Risk Management since 2013
- Danske Bank, Germany: Deputy Head of Risk / Senior RM International Corporates / ED Syndication
- Berenberg: Credit Analyst
- Deutsche Bank: Investment Manager / Credit Analyst



**Aytac Aydin** (21)
COO / Private & Business Customers

- Member of the Board of Directors since February 2022
- Nova KBM, Slovenia: COO
- CMC, Turkey: CEO
- Odeabank, Turkey: COO
- QNB Finansbank, Turkey: COO
- McKinsey: Engagement Manager



**Marc Kofi Ampaw** (21)
Corporate & Diversified Lending

- Member of the Board of Directors since May 2021
- BAWAG, Austria: Group Head of Germany, Structured Credit + Special Situations
- VTB Bank, Austria: Executive Director, Credit + Special Situations
- Morgan Stanley, USA: Associate Director M&A

**Giacomo Petrobelli** (25)
Corporate & Diversified Lending

- Member of the Board of Directors since July 2022
- Bremer Kreditbank AG, Germany: Senior Advisor
- UBS, UK: Head of Loan Capital Markets / Leveraged Capital Markets Europe

## Employee base

**Staff distribution by title[1]**

| Expert | Assistant | Analyst | Associate | Senior Associate | Associate Director | Director | Executive Director | C-Level | Managing Director |
|---|---|---|---|---|---|---|---|---|---|
| 1.1% | 2.7% | 16.1% | 29.9% | 30.2% | 8.0% | 7.8% | 2.7% | 0.4% | 1.0% |

**Previous employer of mid-level management**

| Oldenburgische Landesbank | BKB Bank seit 1863 | Bankhaus Neelmeyer Die Private Bank | wüstenrot | Bank AG Pfandbriefbank | External |
|---|---|---|---|---|---|
| 23 | 8 | 2 | 2 | | 15 |

**19.1** Average years of employment

**4.3%** Employee attrition[2] p.a. 2020-22

**86** Apprentices

**16** Nationalities represented at OLB

**c.2,078** Total training days per year

**4** Co-operations with education institutions

**48%** Female employees

**Employer awards**

7x awarded as top employer

FOCUS TOP NATIONALER ARBEITGEBER 2022

eLearning JOURNAL AWARD 2023 Learning Journey Oldenburgische Landesbank AG

(X) Years of experience

[1] As of 22-Feb-2023. [2] Defined as total voluntary turnover rate. Shows average 2020-22.

Summary Outlook (1/2)

# Strategy centred around controlled growth, cost discipline and risk management

## Controlled growth of the franchise

### 1 Organic growth P&BC

- Utilise platforms
- Improve client penetration via cross- and upselling
- Focus on consumer, mortgage and business loans
- Expand German-wide market share
- Fully digital client onboarding process
- Cross and up-selling potential to acquired Degussa Bank

### 2 Organic growth C&DL

- Stable platform with established business
- Number of growth opportunities identified, rebalance the business to stronger risk return profile with key growth drivers
  - Football Finance
  - Acquisition Finance
  - IDL and Fund Finance
  - Geographic expansion

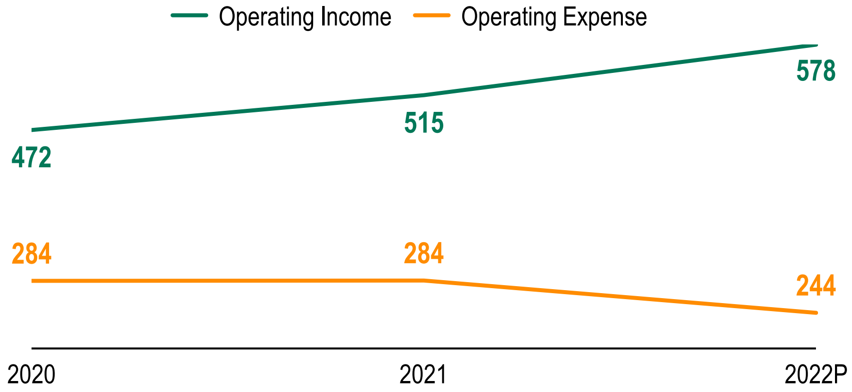
### 3 Inorganic growth

| | | | |
|---|---|---|---|
| 2014 | BKB Bank seit 1863 | 2019 | Erste Abwicklungsanstalt Portfolio Acquisition |
| 2017 | Bankhaus Neelmeyer Die Private Bank | 2022 | NIBC Portfolio Acquisition |
| 2018 | OLB Oldenburgische Landesbank | 2022 | Degussa Bank |
| 2019 | wüstenrot Bank AG Pfandbriefbank | | |

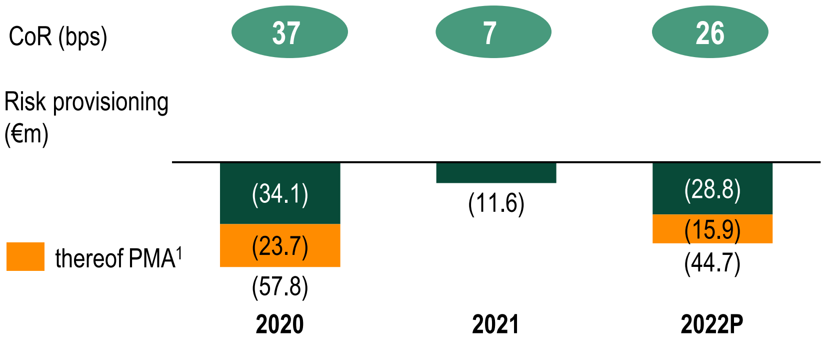
### 4 Further upside from interest rates

- The 20% NII increase in 2022 does not yet fully reflect the favourable interest rate environment
- Already substantially higher expected NII than budgeted due to favourable interest environment
- Additional upside possible if interest rates further: At 100bps interest rate curve upward shift, c.€40m of additional NII

## Maintain cost discipline




## Focused on risk management




[1] PMA = Post Model Adjustment.

Please refer to appendix for definition of key metrics

# Unique investment opportunity with strong growth and highly attractive returns

## Loan growth

**Mid-single digit loan growth**
over the economic cycle

## Strict cost management

**≤40%**
Cost-income ratio

Previous target
**~40%**
CIR

## High level of profitability

**14-16%**
Return on Equity after taxes

Previous target
**13-15%**
Return on Equity after taxes

## Solid capital base

**>12.25%**
Common Equity Tier 1 capital ratio (CET1)

Previous target
**>12.25%**
CET1 ratio

**≥50%**
Dividend payout

Previous target
**~50%**
Dividend payout

# Appendix

# P&BC: Franchise with strong market positions across customer groups

## Key metrics (as of 2022P)

**~606k**
Customers

**€10.8bn**
Deposit volume

**€9.9bn**
Loan volume

**1.9%**
NIM

**7.0%**
NII / RWA

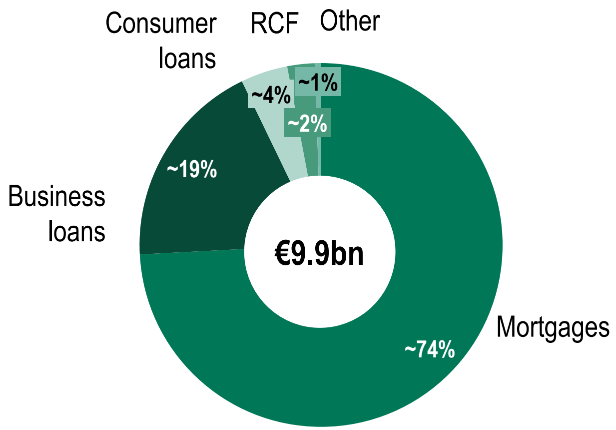
**22.0%**
RoReC after tax

## Customer base (as of 2022P)

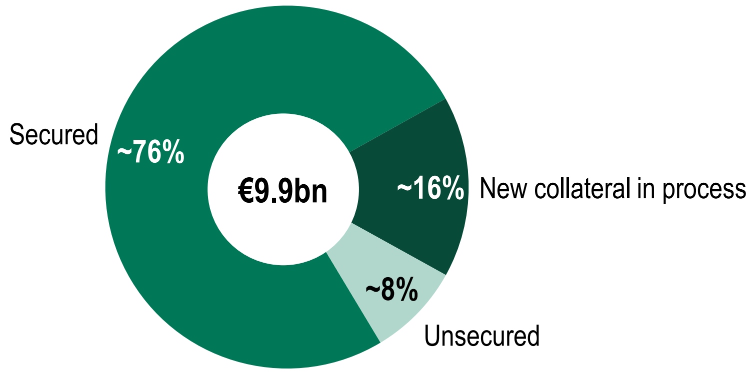
| | | |
|---|---|---|
| OLB BANK | **Private Customers**<br>Servicing private customers in-person, via digital channels and partners | **~564k**<br>Customers |
| OLB BANK | **SME Customers**<br>Servicing SMEs from the northwest region in Germany via both, in-person and central and digital channels | **~35k**<br>Customers |
| BANKHAUS NEELMEYER DIE PRIVATE BANK | **PBWM**<br>Servicing private banking and wealth management clients | **~7k**<br>Customers |

## Business mix[1]

Loan volume by product (2022P)




Loan volume by type (2022P)




[1] Based on Risk Control Department view.

Please refer to appendix for definition of key metrics

# C&DL: Direct origination business across corporate banking and diversified lending

## Key metrics (as of 2022P)

**~5,300**
Customers[1]

**€3.1bn**
Deposit volume

**€2.3bn**
Development Bank Funding

**€8.7bn**
Loan volume

**2.8%**
NIM

**3.7%**
NII / RWA

**15.3%**
RoReC after tax

## Growth drivers

**~90%** self-originated deals across **14** European countries in 2022

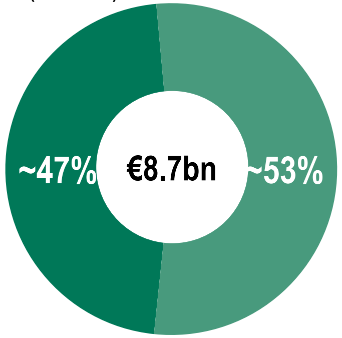
**~20** highly specialized experts hired to build out lending expertise since 2019

Corporate banking: **Strong** market position in Northwestern Germany[2]

**Growth** based on unique underwriting capabilities

## Strategic focus

Loan volume by sub-segment (2022P)



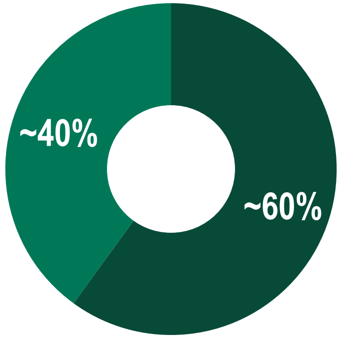

Corporate Banking

**~2.1%** NIM

Diversified Lending

**~3.4%** NIM[3]

Mid-term ambition




Corporate Banking

Diversified Lending

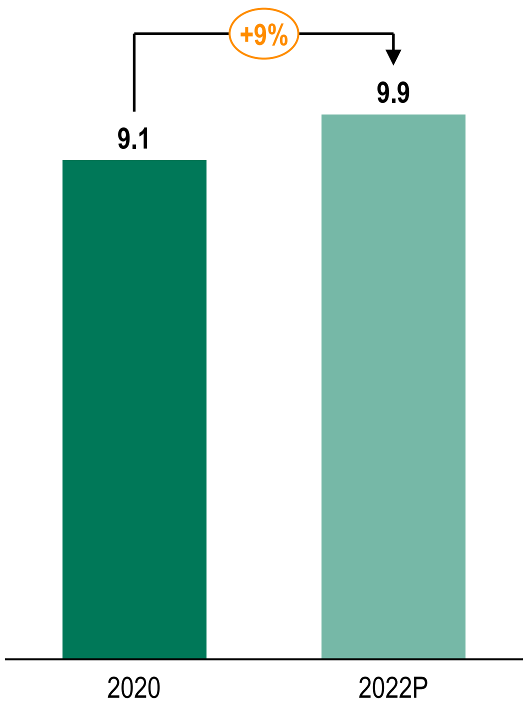
[1] c.1,350 customer groups. [2] Company assessment. [3] Loan-volume-weighted average NIM across Diversified Lending segments.

Please refer to appendix for definition of key metrics

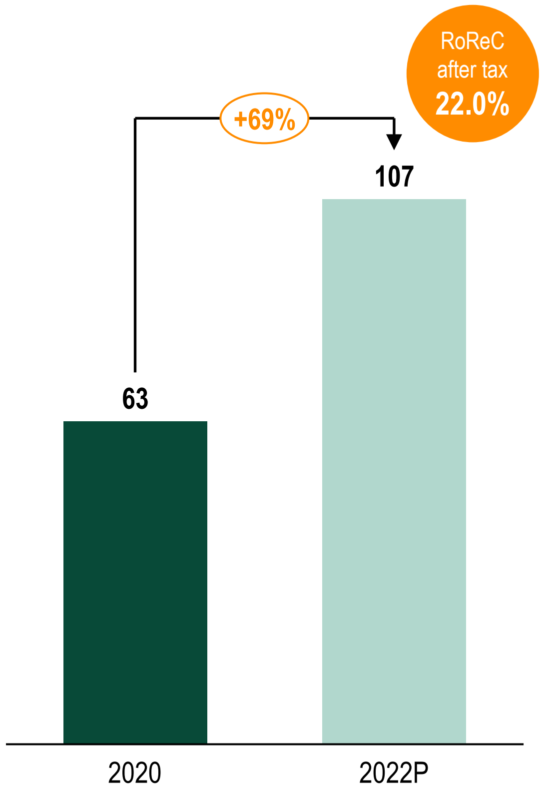
# Risk-adjusted asset returns and sustainable profitability prioritized

## P&BC: Loan development and Profit before Tax growth 2020-22

Customer Loans (€bn)

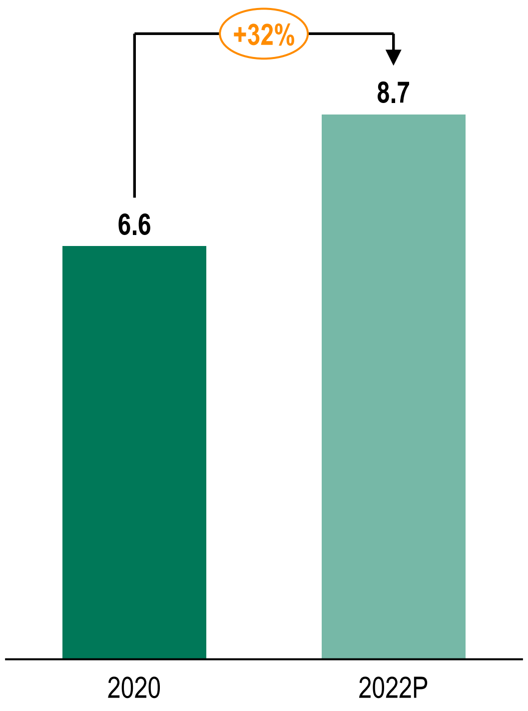



Profit before Tax (€m)

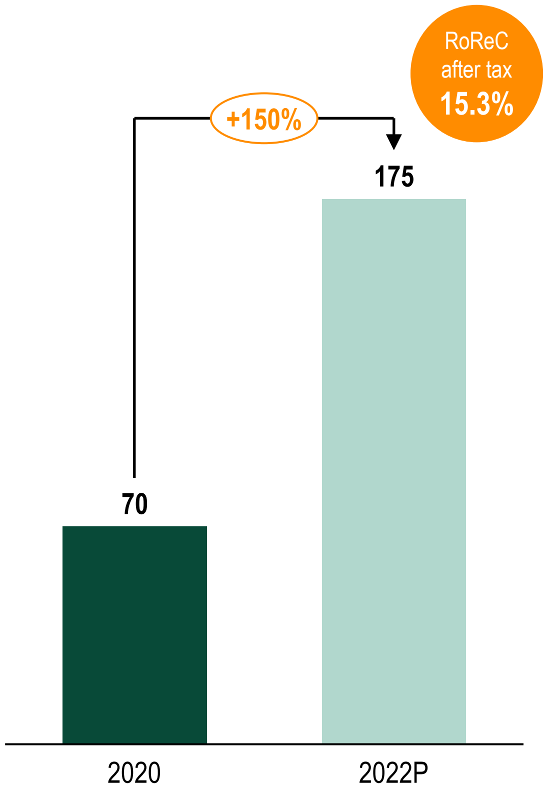



## C&DL: Loan development and Profit before Tax growth 2020-22

Customer Loans (€bn)




Profit before Tax (€m)




2020 – 2022 Growth

Please refer to appendix for definition of key metrics

# Unique investment opportunity with strong growth and highly attractive returns

OLB BANK

## Key franchise highlights

1. Unique direct origination business based on strong and long-standing customer relationships, delivering sustainable profitable growth and strong risk-adjusted asset returns
2. Track record of repositioning businesses, allowing for competitive cost / income
3. Sustainability deeply embedded in value proposition
4. Large deposit base as main funding instrument providing further upside
5. Robust balance sheet with strong asset quality through-the-cycle
6. Sound capitalization and strong capital generation supporting growth and shareholder returns
7. Highly experienced management team supported by motivated and loyal staff

| | 2022P | Mid-term target |
|---|---|---|
| Loan growth | 6.3% | Mid-single digit growth over the economic cycle |
| CIR | 42.3% | ≤40% |
| RoAE | 14.7% | 14-16% range |
| CET1 ratio | 13.6% | >12.25% |
| Dividend payout ratio | | ≥50% |



Please refer to appendix for definition of key metrics

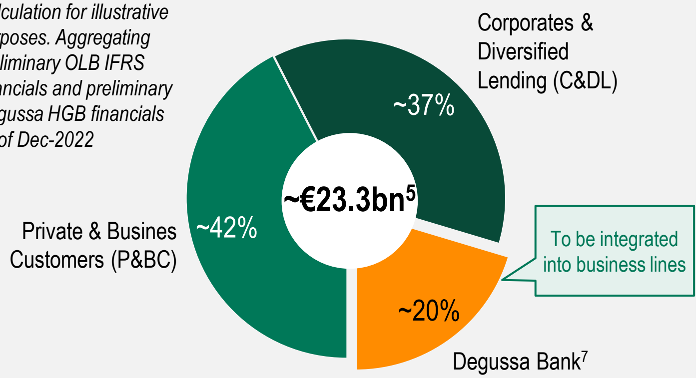
# Modern, customer-centric bank with roots in Northwestern Germany

## Overview (2022P)

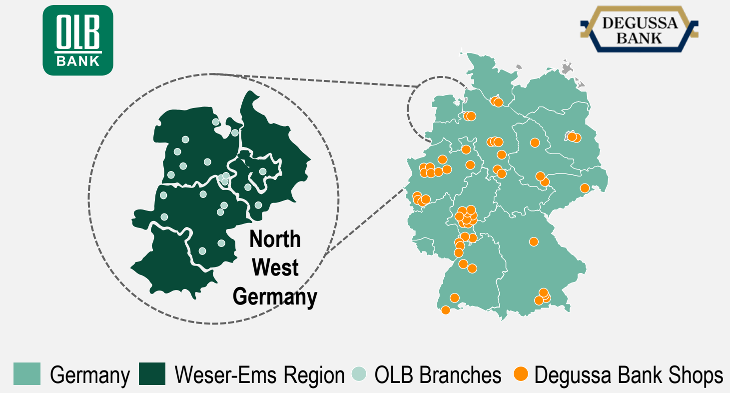
- **2 strategic segments**
  - Private & Business Customers (P&BC)
  - Corporates & Diversified Lending (C&DL)
- Headquartered in Oldenburg, Germany
  - Strong home market position[1] in **Northwestern Germany** with rightsized retail branch network in Weser-Ems region
  - **Nationwide** presence through 6 corporate banking branches and distribution partnerships
  - **Network of strong partnerships,** such as:
    - **Online platforms:** Check24, Tulp, Europace
    - **Retail:** W&W, SWK Bank
    - **Insurance**: distributing Allianz insurance products
  - C&DL comprises a highly specialized team focused on customers across Europe
- **c.612k customers[2]**
  - Degussa Bank acquisition will add further 322k+ customers
- **~1,275 FTEs[3] plus 572 Degussa Bank FTEs[4] (pre integration)**
- Member of the **Deposit Protection Scheme of the Association of German Banks**

## Loan volume (2022P)

*Calculation for illustrative purposes. Aggregating preliminary OLB IFRS financials and preliminary Degussa HGB financials as of Dec-2022*

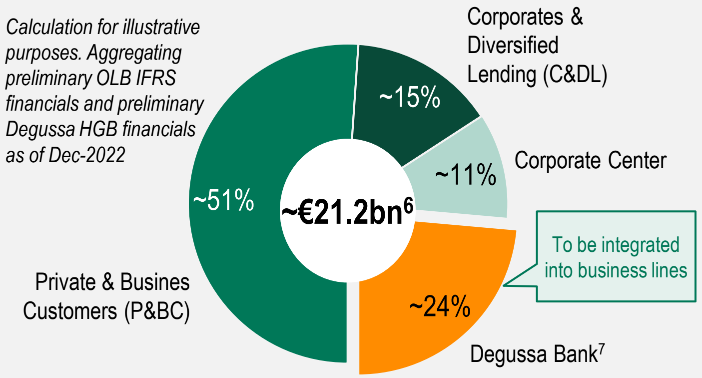



## Geographic presence

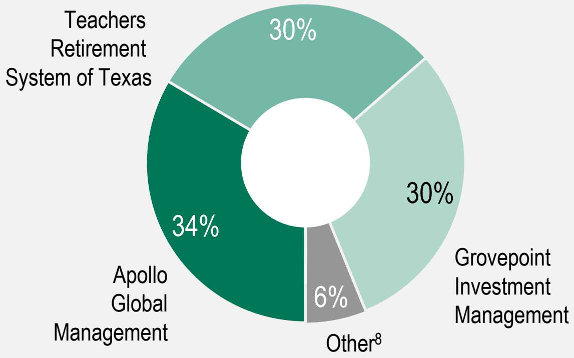



## Deposit volume (2022P)

*Calculation for illustrative purposes. Aggregating preliminary OLB IFRS financials and preliminary Degussa HGB financials as of Dec-2022*




## Shareholders




[1] Company information based on management's estimate. [2] Includes customers from Corporate Center. [3] Does not include employees of QuantFS. [4] As of 31-Dec-2022. [5] Excl. corporate center for OLB; aggregate for Degussa Bank acquisition. [6] Aggregate for Degussa Bank acquisition. [7] For illustrative purposes, Degussa Bank Loans and Deposits shown as of Dec-2022 (HGB). [8] MPP S.à r.l. 5.1%, MPuffer Invest GmbH 1.0%.

Please refer to appendix for definition of key metrics

# Income statement and key ratios (2020 – 2022P)

| P&L (€m) | 2020 | 2021 | 2022P | 2020-22P CAGR |
|---|---|---|---|---|
| Net interest income | 333.6 | 362.3 | 435.8 | 14.3% |
| Net commission income | 115.0 | 126.1 | 114.8 | (0.1%) |
| **Core revenues** | **448.6** | **488.3** | **550.6** | **10.8%** |
| Trading result | 12.5 | 7.0 | 8.4 | (17.8%) |
| Result from hedging relationships | 1.1 | (2.8) | (19.0) | NM |
| Other income | 3.1 | 22.0 | 25.5 | 186.3% |
| **Current income** | **465.3** | **514.5** | **565.5** | **10.2%** |
| Result from non-trading portfolio | 6.5 | 0.4 | 12.3 | 38.0% |
| **Operating income** | **471.8** | **514.9** | **577.8** | **10.7%** |
| **Operating expenses** | **(284.0)** | **(284.5)** | **(244.3)** | **(7.3%)** |
| Risk provisioning in the lending business | (57.8) | (11.6) | (44.7) | (12.0%) |
| Expenses from bank levy and deposit protection | (12.5) | (14.6) | (15.2) | 10.3% |
| Result from restructurings | (17.9) | (38.2) | 3.7 | NM |
| Result from derecognition of financial instruments AC | – | – | – | NM |
| **Profit before taxes** | **99.5** | **166.0** | **277.2** | **66.9%** |
| **Profit after taxes[1]** | **67.8** | **115.3** | **197.7** | **70.7%** |

| KPIs | 2020 | 2021 | 2022P | Δ |
|---|---|---|---|---|
| Net interest margin | 2.1% | 2.2% | 2.5% | 0.3 ppt |
| CIR incl. regulatory charges | 62.9% | 58.1% | 44.9% | (17.9) ppt |
| CIR excl. regulatory charges | 60.2% | 55.2% | 42.3% | (17.9) ppt |
| Cost of risk (LLP / average net loan volume) | 37 | 7 | 26 | (11) bps |
| RoAE after taxes | 5.8% | 9.5% | 14.7% | 8.9 ppt |

[1] Including AT1 coupon payments.

Please refer to appendix for definition of key metrics

## Summary

- On the back of **volume and higher margins,** increase in 2022 in **net interest income by more than 14% CAGR** and **net commission income stable** with (0.1%) CAGR decrease, leading to overall **increase of core revenues by 10.8% CAGR**
- **Net interest margin considerably improved to 2.5%** as gross margins improved from 2.6% to 2.8% and funding costs reduced
- **Decrease of commission income** primarily due to lower market value of customer-held securities
- **Operating expenses excl. regulatory charges decreased to** €244m in 2022
  - Vast **majority of benefits of personnel reduction becoming effective from Jan-2022** onwards – **FTE decreased to ~1,275 in 2022 a (28%)** decrease from 1,777 in 2020
  - **Significantly improved efficiency** leveraging automation and process optimization
  - Overall, the **cost-income ratio** (excl. regulatory charges) **declined by c.18ppt to 42.3%** on the back of strong revenue growth with further upside clearly identified going forward
  - **Expenses include consulting and legal one-off project expenses** from NIBC portfolio acquisition and Degussa Bank acquisition
- Conservative loan loss provisions of EUR 44.7 million driven by Post Model Adjustments (PMA)
- **Return on average equity** of 14.7% an increase of 8.9ppt since 2020, despite significantly increased shareholders' equity (and CET1)

# Segment performance (2022P)

| | Private & Business Customers | Corporate & Diversified Lending | Corporate Center | OLB |
|---|---|---|---|---|
| **P&L (€m)** | | | | |
| Net interest income | 188.7 | 233.6 | 13.6 | 435.8 |
| Net commission income | 82.6 | 37.9 | (5.6) | 114.8 |
| **Core revenues** | 271.3 | 271.4 | 7.9 | 550.6 |
| Net operating trading income | 2.1 | 9.6 | (22.3) | (10.6) |
| Other income | 12.7 | 0.4 | 12.3 | 25.5 |
| **Current income** | 286.1 | 281.4 | (2.0) | 565.5 |
| Result from non-trading portfolio | 0.0 | 0.0 | 12.3 | 12.3 |
| **Operating income** | 286.1 | 281.4 | 10.3 | 577.8 |
| **Operating expenses** | (165.4) | (57.4) | (21.4) | (244.3) |
| Risk provisioning in the lending business | (5.2) | (42.6) | 3.1 | (44.7) |
| Expenses from bank levy and deposit protection | (8.6) | (6.6) | 0.0 | (15.2) |
| Result from restructuring | 0.0 | 0.0 | 3.7 | 3.7 |
| **Profit before taxes**[1] | 106.8 | 174.9 | (4.4) | 277.2 |
| **Profit after taxes**[2] | 73.7 | 120.6 | 3.4 | 197.7 |
| **Balance Sheet** (€m) | | | | |
| Loan volume | 9,900 | 8,667 | (557) | 18,009 |
| Allocated capital[3] | 325 | 784 | n/a | 1,517 |
| RWA | 2,612 | 6,348 | 403 | 9,363 |
| **KPIs** | | | | |
| Net interest margin | 1.94% | 2.79% | N/A | 2.49% |
| CIR excl. regulatory charges | 57.8% | 20.4% | N/A | 42.3% |
| Cost of risk (bps) | 5 | 51 | N/A | 26 |
| RoReC[4] | 22.0% | 15.3% | N/A | 14.7% |
| RWA density | 26.4% | 73.2% | N/A | 52.0% |

[1] All restructuring expenses and financial income booked in Corporate Center. [2] Excluding AT1 coupon payments. [3] Allocated capital at 12.25% target CET1 ratio. [4] RoAE after tax for OLB total.
Please refer to appendix for definition of key metrics

# Balance sheet (2020 – 2022P)

| Balance Sheet (€m) | 2020 | 2021 | 2022P | CAGR |
|---|---|---|---|---|
| Cash and cash equivalents | 1,655 | 2,154 | 1,530 | (3.8%) |
| Receivables from banks | 558 | 970 | 775 | 17.9% |
| Receivables from customers | 15,608 | 16,943 | 18,009 | 7.4% |
| Intangible assets | 34 | 30 | 31 | (4.9%) |
| Financial assets | 1,856 | 2,677 | 3,087 | 29.0% |
| **Total assets** | **20,172** | **23,251** | **24,082** | 9.3% |
| Liabilities to banks | 5,251 | 6,849 | 5,075 | (1.7%) |
| Liabilities to customers | 13,049 | 14,097 | 16,193 | 11.4% |
| Subordinated liabilities | 170.53 | 166.50 | 161.85 | (2.6%) |
| **Total liabilities** | **19,015** | **21,896** | **22,564** | 8.9% |
| **Total equity**[1] | **1,157** | **1,356** | **1,517** | 14.5% |

| Capital & RWA (€m) | 2020 | 2021 | 2022P | CAGR / Δ |
|---|---|---|---|---|
| CET1 capital | 1,056 | 1,146 | 1,275 | 9.9% |
| Total capital | 1,229 | 1,413 | 1,557 | 12.6% |
| RWA | 8,659 | 9,539 | 9,363 | 4.0% |
| **CET1 ratio** | **12.2%** | **12.0%** | **13.6%** | **1.4 ppt** |
| **Total capital ratio** | **14.2%** | **14.8%** | **16.6%** | **2.4 ppt** |

## Summary

- **Strong business momentum** led to an **increase in receivables from customers by over 7% CAGR** to €18.0bn in 2022, **reflecting OLB's growth trajectory**
  - Loan growth largely driven by **strong demand for residential mortgage loans** as well as **successful growth of corporates & diversified lending portfolio**
  - **Well-diversified** between P&BC (53%) and C&DL (47%), as per 2022
- **Increase in liabilities to customers by c.11% CAGR** in 2022 to €16.2bn driven by **stable growth of small-sized, sticky retail deposits**, allowing OLB to predictably refinance a large portion of its loan growth
- Capital position increased further to €1,275m (CET1) and €1,557m (TC) respectively
- **CET1 ratio increased to around 13.6%, above target CET1** of >12.25% and well above the regulatory capital requirement of 8.6%, i.e. c.509 bps MDA buffer
  - The **Tier 1 capital ratio improved to 16.6%** on the back of the **inaugural €100m AT1 issuance in Jun-2021**
  - **Potential upside from Basel IV with reduction in risk-weighting expected**



[1] Including AT1.
Please refer to appendix for definition of key metrics

Appendix

# C&DL: Overview of key activities

| | 1 Corporate Banking | Diversified Lending: 2 AQF | 3 CRE | 4 Wind+ | 5 Football Finance | 6 Shipping | 7 Fund Finance & IDL | |
|---|---|---|---|---|---|---|---|---|
| **Right to win & strengths** | › Strong presence in Northwestern Germany, facing lower competition in the region[1]<br>› Diverse offering includes leasing, export finance, development / promotional loans[1] | › Among the top arrangers of European Mid-Cap LBO financings<br>› Very experienced origination and risk team | › Long-standing relationships with real estate developers<br>› Rigid underwriting criteria, focusing on downside protection | › Very high specialist knowledge in the origination, structuring & monitoring<br>› Diversified portfolio | › Challenging to enter market for new players<br>› Specialised origination team<br>› Deep market knowledge for European leagues | › Deep knowledge of the shipping industry<br>› Extensive expertise of risk analysis and risk monitoring | › Broad coverage network building upon the strong AQF business<br>› New market participant with agile and efficient approval process | › Strong track record of the team leading the structuring and pricing of such transactions<br>› High risk diversification |

Selected statistics

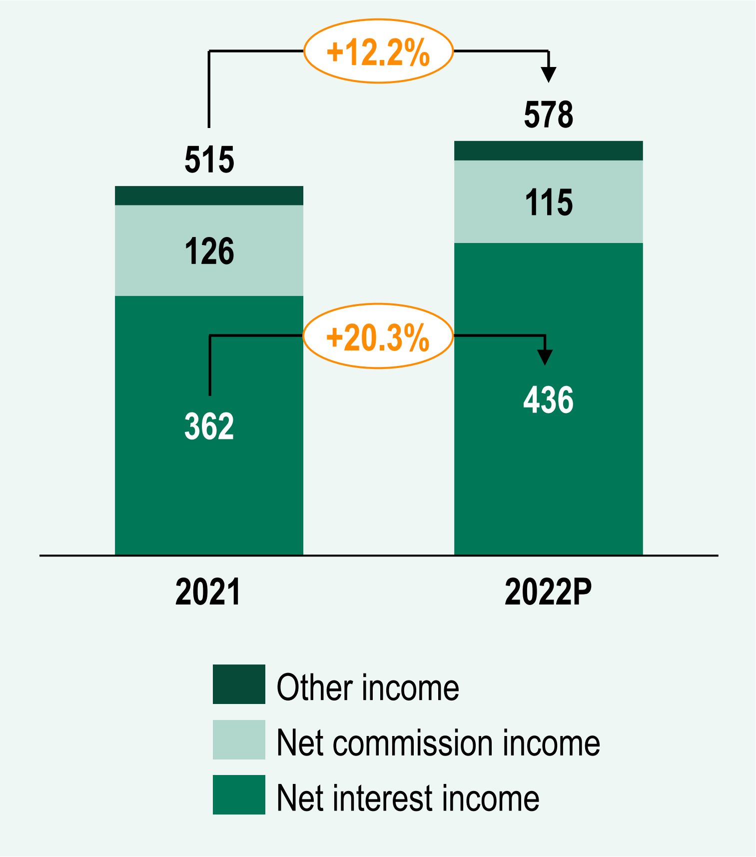
| | Corporate Banking | AQF | CRE | Wind+ | Football Finance | Shipping | Fund Finance | IDL |
|---|---|---|---|---|---|---|---|---|
| **Loan Volume (2022P)** | **~€4.1bn** | **~€1.9bn** | **~€0.8bn** | **~€0.6bn** | **~€0.6bn** | **~€0.3bn** | **~€0.2bn[1]** | **~€0.2bn[2]** |
| **Other (2022P)** | **20bps**<br>Cost of Risk<br>*€2.1bn (2022P) deposits from granular customer base, and growing* | **3.64x**<br>Avg. Net Leverage | **63%**<br>Avg. LTV | **0%**<br>NPL ratio | **0**<br>Credit losses since inception | **39%**<br>Avg. LTV | **25%**<br>Avg. LTV | **c.64%[2]**<br>Blended LTV |

[1] Belongs to Fund finance. [2] Belongs to IDL. Blended IDL LTV calculated as weighted average LTV of RE loans in portfolio and weighted average effective advance rate for the non-real estate loan-on loan financings in the portfolio.

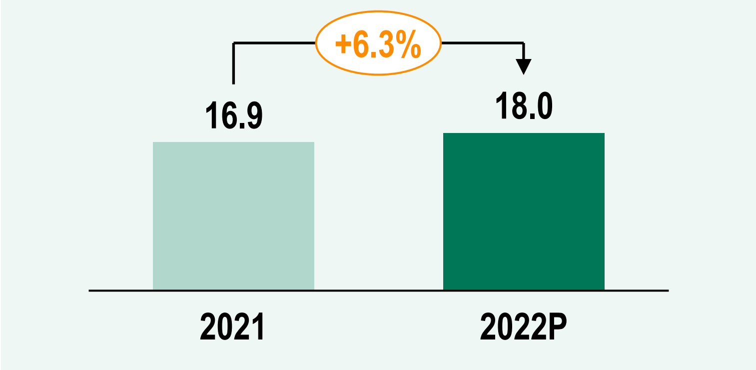
Please refer to appendix for definition of key metrics

# Operating income increased due to volume growth combined with higher margins

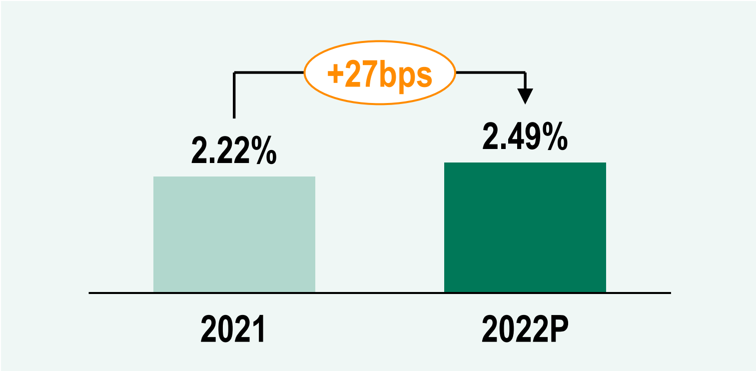
## Operating income (€m)




## Loan volume (€bn)




## Net interest margin




## Comments

- Attractive new business and higher interest rate level increase net interest income by 20.3%
- Net interest margin significantly improved to 2.49%, in particular due to rising deposit margins as a result of higher interest rate level
- Decline in net commission income attributable to lower fair values of securities held by customers

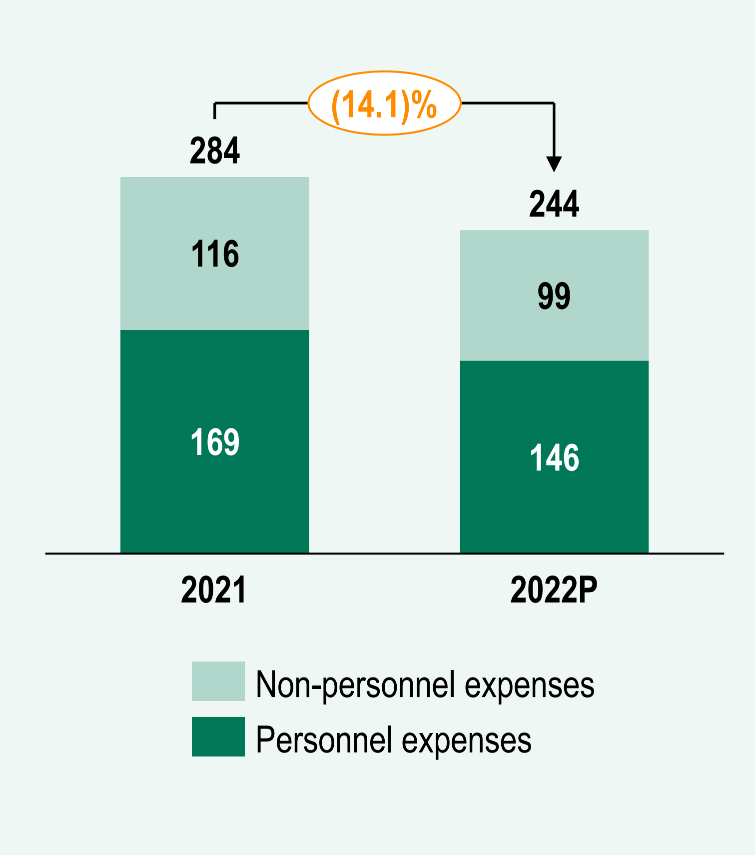
## Outlook for 2023

- Net interest income benefits from interest rate environment

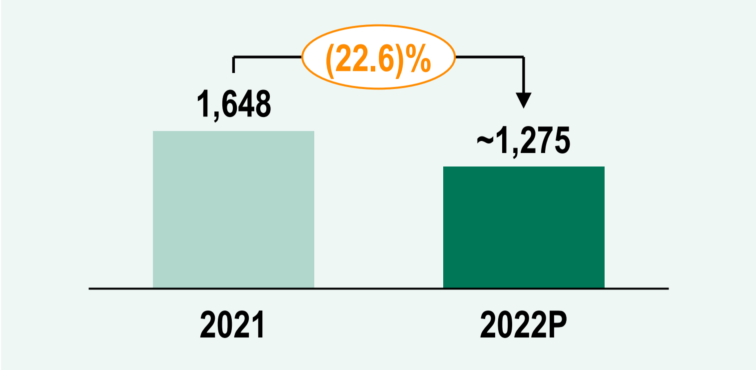
Rounding differences possible

# Cost base significantly and permanently reduced

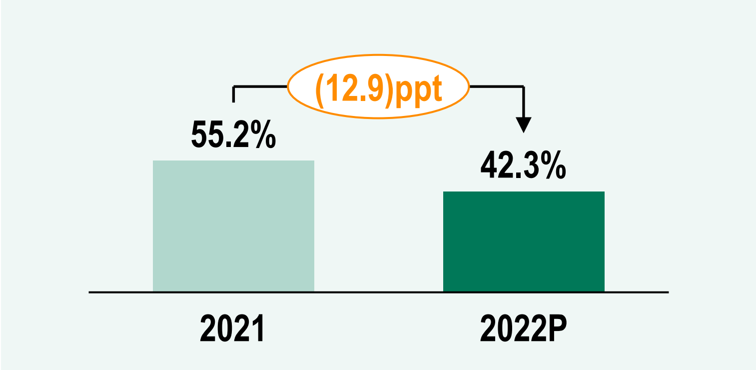
### Operating expenses (€m)




### FTE development




### Cost-income ratio




### Comments

- Operating expenses significantly reduced
- Target FTE level achieved
  - Personnel expenses reduced by 13.7%
- 2022 expenses reduced to below €245m
  - Includes one-off consulting costs for strategic projects in the mid single-digit million euro range
  - Inflation-related price increases successfully countered by means of strict cost management
  - 1/3 of IT spending is invested in improving digital channels
- Cost-income ratio sustainably reduced at 42.3%

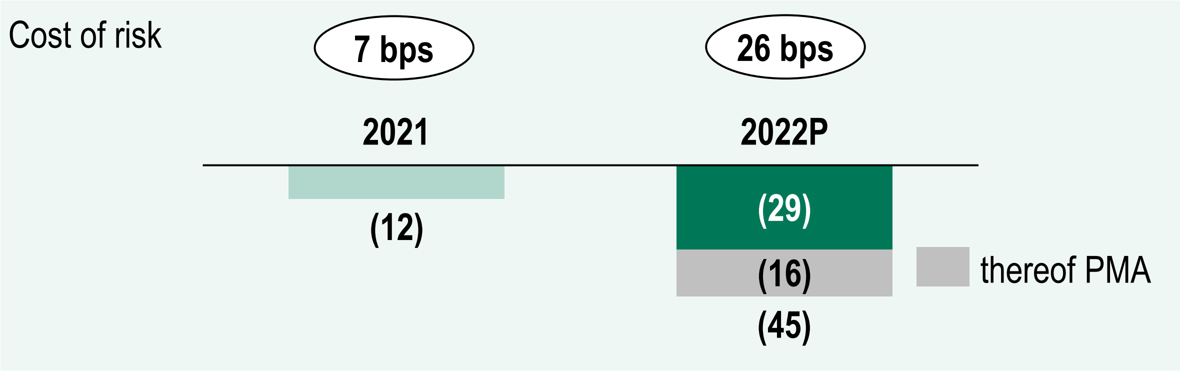
**Outlook**

- CIR of ≤40% secured in the mid-term through package of measures

Rounding differences possible

# Solid foundations for sustainable growth due to prudent risk management

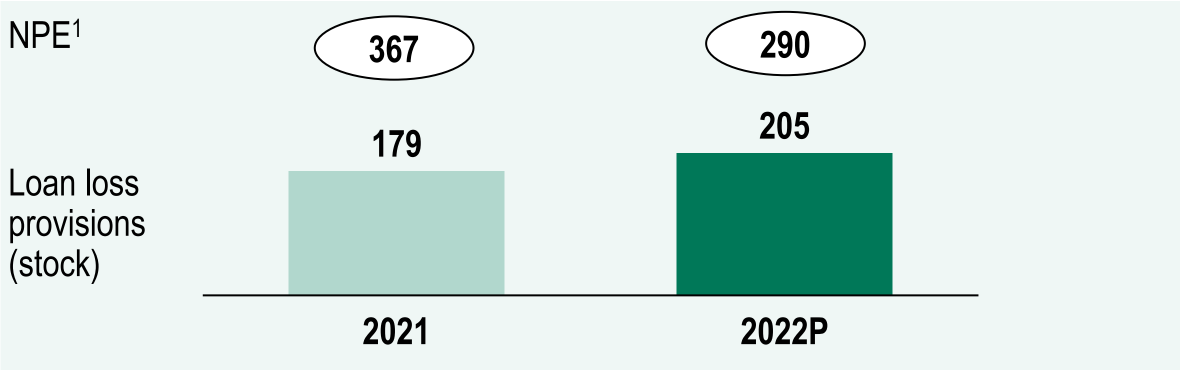
## Risk provisioning in the lending business (€m) and cost of risk



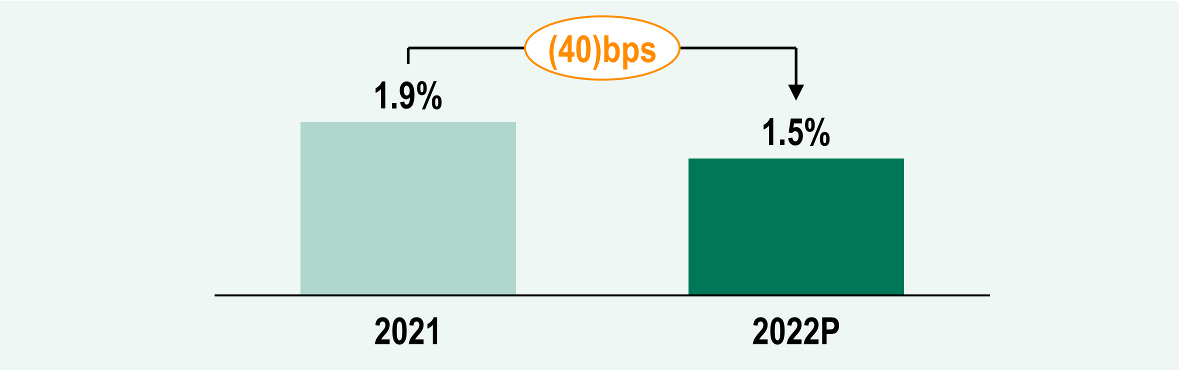

## Comments

- Risk provisioning of ~€44.7m reflect dynamic credit growth, also including a risk reserve of ~€15.9m (post-model adjustments, PMA)
  - Portfolio quality remains high
  - NPL ratio improved to 1.5% (31.12.2021: 1.9%)
- Stock of risk provisioning stands at €204.8m as of end of Dec 2022
- Non-performing loan volume reduced by almost €80m
  (NPL coverage ratio > 100%)

## Loan loss provisions (stock) and non performing exposures (NPE) (€m)




## NPL ratio

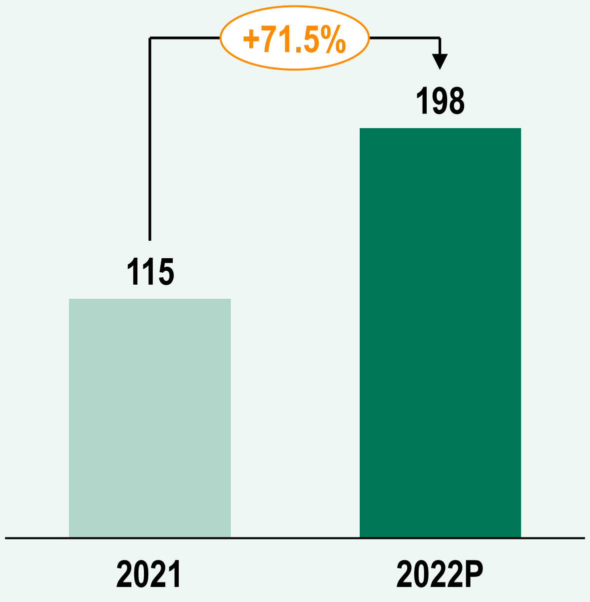



Rounding differences possible

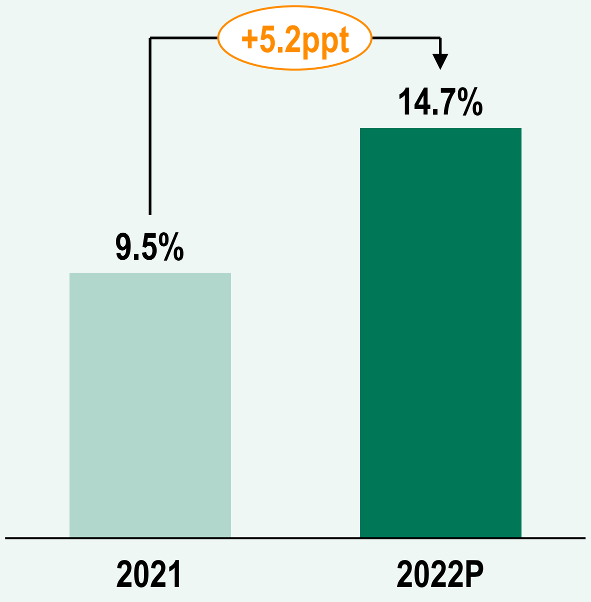
[1] NPE incl. accrued interest

# With an RoE of 14.7%, OLB is among the most profitable universal banks in Europe

## Result after taxes (€m)




## Return on Equity after taxes




## Comments

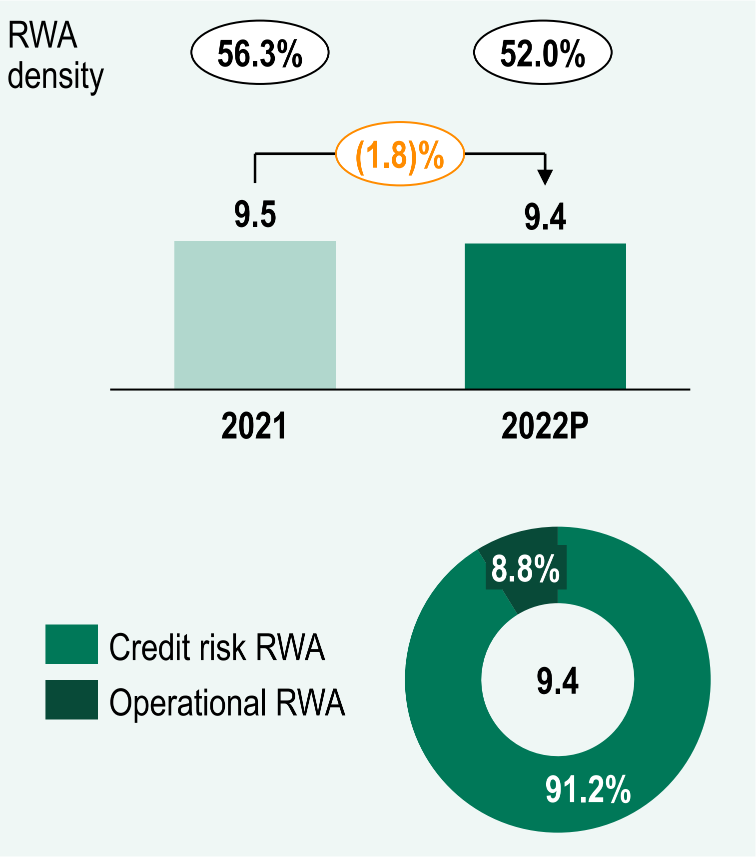
- Result after taxes increased by 71.5% to €197.7m
- With a 14.7% return on equity, OLB is one of Europe's most profitable universal banks
- Successfully positioned in stable German economic environment

**Outlook:**

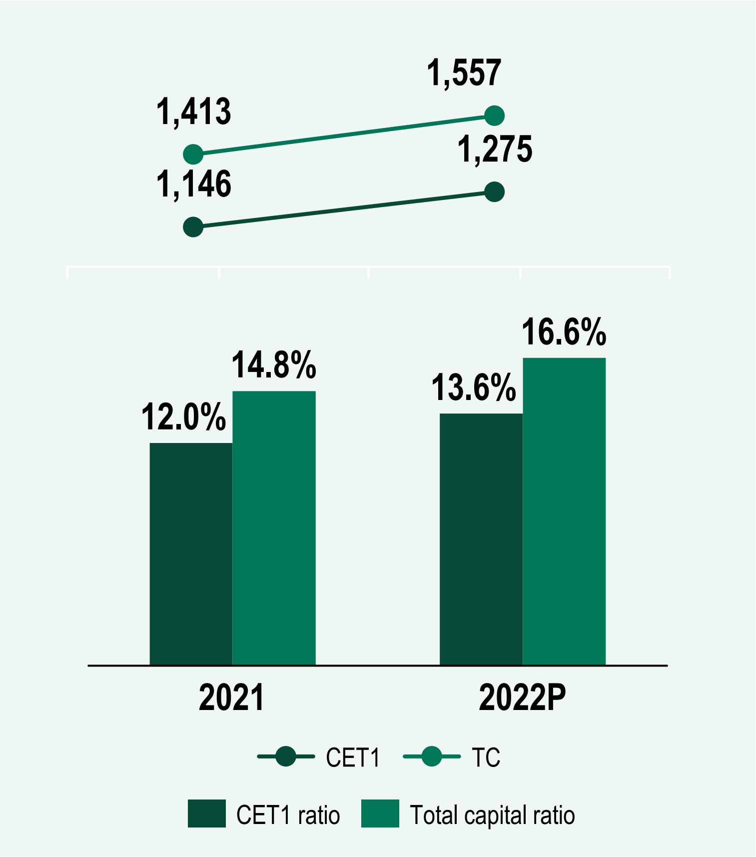
- OLB is well placed to achieve return in 14-16% target range in the mid-term

# Common Equity Tier 1 capital significantly increased to 13.6%

## RWA (€bn)




## Regulatory capital[1] (€m)




## Comments

- RWA density significantly improved over course of year to 52.0%
  - Transfer of sub-portfolios to F-IRBA
  - Consistent RWA management
- Due to macro environment, CET1 capital ratio of 13.6% deliberately exceeds target level of 12.25% as well as the MDA (Maximum Distributable Amount) threshold of 8.53% (MDA buffer: ~€476m)
- 5.32% leverage ratio as of Dec 2022

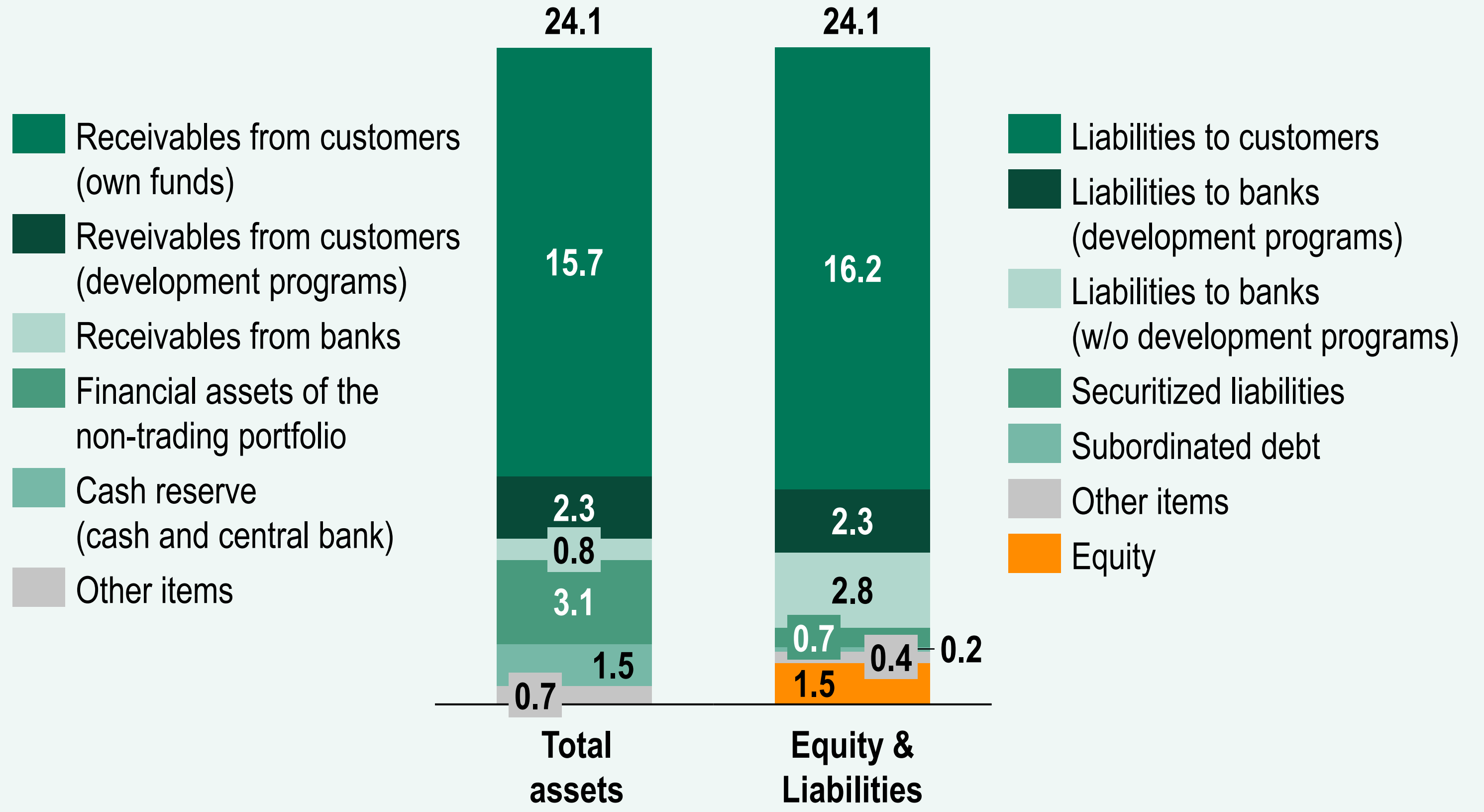
## Outlook

- In medium term, further reduction in RWA density through planned transfer of portfolios to IRB approach

[1] Regulatory capital position, therefore German Commercial Code (HGB)

# Solid and well-balanced balance sheet structure with strong funding base

## Balance sheet composition (€bn)




## Comments

- With volume of €16.2bn, funding provided by stable customer deposits further strengthened
- Stable loan-deposit ratio
- Early TLTRO repayment results in reduction of liabilities to banks
- Liquidity portfolio consisting of public sector bonds and covered bonds with outstanding ratings further strengthened
- Liquidity ratios as per 31.12.2022 stood at LCR 173.94% and NSFR at 117.84%

**Outlook for 2023:**

- Further diversification of funding position

# Definitions (1/3)

| | |
|---|---|
| CIR | Operating expenses / Operating income |
| CIR including regulatory charges | Current expense / Operating income |
| Core revenues | Net interest income + Net commission income |
| Cost of risk (CoR) | Risk provisioning in the lending business / Monthly average receivables from customers |
| Customer deposits | Liabilities to customers |
| NII / RWA | Net interest income / Monthly average of risk-weighted assets |
| Net interest margin (NIM) | Net interest income / Monthly average receivables from customers |
| Operating expenses | Current expenses less expenses from bank levy and deposit protection |
| Operating income | Current income plus result from non-trading portfolio |
| Payout ratio | Dividend payments of dividends accrued in previous year / Result after tax (IFRS) of the current year |
| Profit after taxes | Result after tax |
| Profit before taxes | Result before tax |
| Regulatory charges | Expenses from bank levy and deposit protection |
| Restructuring expenses | Result from restructurings |
| Revenues | Operating income |
| Risk provisions for credit business | Risk provisioning in the lending business (Income Statement item) |
| Loan loss provisions | Risk provisions (Balance Sheet item) |
| Return on Average Equity (RoAE) | Result after tax less post-tax AT1 coupons / Annual average equity excluding AT1 capital which is treated as additional equity under IFRS |
| Return on Regulatory Capital (RoRec) | Return on Regulatory Capital after tax @12.25% CET1 ratio |
| CET1 ratio | CET1 capital / RWA |
| RWA Density | Risk weighted assets / Receivables from customers |
| NPL Ratio[1] | Non-performing gross receivables from customers / Gross receivables from customers |
| Coverage Ratio Cash[1] | On balance sheet loan loss provision (Stage 3) / Non-performing gross receivables from customers |
| Coverage Ratio Cash + Collateral[1] | On balance sheet loan loss provision (Stage 3) + Collaterals (acc. to CRR) / non-performing gross receivables from customers |
| Coverage Ratio Cash + Collateral EC[1] | On balance sheet loan loss provision (Stage 3) + Collaterals (CRR + econ. Collaterals[2]) / non-performing gross receivables from customers |

[1] Gross meaning before deduction of risk provisions. [2] Represents the bank's economic valuation of collateral, where such value is not, or not fully, represented in the bank's collateral database for other reporting purposes (in particular real estate in Commercial Real Estate transactions and pledged company shares in Acquisition Finance transactions).

# Definitions (2/3)

| | |
|---|---|
| P&BC Private Customers | Private customers with an income p.a. ≤250 EURk or assets ≤500 EURk on customer group level |
| P&BC SME | Small and Medium Enterprise Customers with a turnover ≤50 EURm and total assets <43 EURm on customer group level, including freelancers |
| P&BC P&BC Private Banking & Wealth Management | Private customers with an income p.a. > 250 EURk or assets > 500 EURk on customer group level |
| P&BC Mortgage loans | Secured loans with the exceptional purpose to finance residential real estate |
| P&BC Business Loans | Includes SME working capital loans |
| P&BC Consumer Loans | Unsecured loans with maturity up to ten years with the purpose to finance consumer goods |
| P&BC RCF Facilities | Short-term financings (up to 1 year) |
| P&BC Other Loans | All other loans not fitting in one of the categories above |
| P&BC Secured Loan | A loan is considered secured if there is eligible collateral of value under CRR |
| P&BC Unsecured Loan | A loan with no eligible collateral value under CRR |
| C&DL Corporate Banking | Corporate Customers, primarily with a turnover >50 EURm and total assets ≥43 EURm but occasionally smaller |
| C&DL Diversified Lending | Specialized lending advisory services, such as commercial real estate, acquisition and football finance |
| C&DL Corporates Facilities | Germany-wide support of corporate clients with house bank character (investment loans, working capital lines, etc.) |
| C&DL Football Facilities | Lending in the area of football finance, in particular pre-financing of receivables from national and international transfer contracts |
| C&DL Acquisition Finance (AQF) Facilities | Specialised financing for corporate acquisitions with a focus on arranging and structuring debt financing for the acquisition of medium-sized companies by private equity funds in Western Europe |
| C&DL Fund Finance Facilities | Fund financing with a focus on arranging and structuring fund-level debt financings for mid-sized private capital funds in Western Europe |
| C&DL International Diversified Lending (IDL) Facilities | Financing of medium and large portfolios of real estate, consumer and corporate loans with a focus on Western Europe and selectively beyond. |
| C&DL Commercial Real Estate (CRE) Facilities | Commercial real estate financing on the German market and increasingly also in the Dutch market |
| C&DL Shipping Facilities | Financing of freight rate-dependent seagoing vessels in the handysize range (small vessel units with low volatility in revenue development) |
| C&DL Wind Facilities | Arranging and structuring debt positions in the on-shore wind energy industry for national and international investors in the German market |

# Definitions (3/3)

| | |
|---|---|
| Development Bank Funding | Development banks (incl. KfW), providing OLB with funding to be passed onto customers (development bank loans) |
| Risk Density | Defined as expected credit loss / exposure at default |
| LTV | Loan to Value |
| CRE LTV | Ratio of the Loan Amount to the Market Value or Fair Value of an asset |
| Blended LTV | Blended IDL LTV calculated as weighted average LTV of RE loans in portfolio and weighted average effective advance rate for the non-real estate loan-on loan financings in the portfolio |
| Customers OLB | OLB counts its customers on the basis of the number of customer IDs with a banking product contract |
| Customers Degussa Bank | Customers defined as someone with at least one (sub)product from the bank's product range, totalled based on customer numbers (i.e. if a customer has 2 numbers it totals to 2 customer) |
| Bank shops Degussa | Degussa Bank labels its branches as Bank Shops and has a head office in addition |
| Loan Volume by region | Primarily decided based on country of risk of customer (i.e. where cash flows for debt servicing are generated) and second criteria is customer jurisdiction |
| C&DL industries for EaD | Industries classified as per Statistisches Bundesamt in Classification of Economic Activities, issue 2008 (WZ 2008) |
| Run Rate synergies | Mid-term expected sustainable cost reductions compared to sum of stand alone budgets OLB and Degussa Bank |
| GHG | Green House Gas |
| PCAF | Partnership for Carbon Accounting Financials |
| PMA | Post Model Adjustment |