



Profitable growth path continued

First half year 2022 (IFRS)



1

OLB Group Financials

OLB with best-in-class financial performance

Reporting in accordance with IFRS as per 30.06.2022

Strong growth

+15.8%

Operating income yoy



- › Successful operating performance across all business segments driving double-digit growth rate

High profitability

15.3%

RoE after tax



- › Continuous focus on further improved profitability

Strict cost management

42.0%

CIR



- › Completion of tough restructuring program in extraordinarily short timeline supplemented by strict other admin expenses cost management

Solid capital base

12.2%

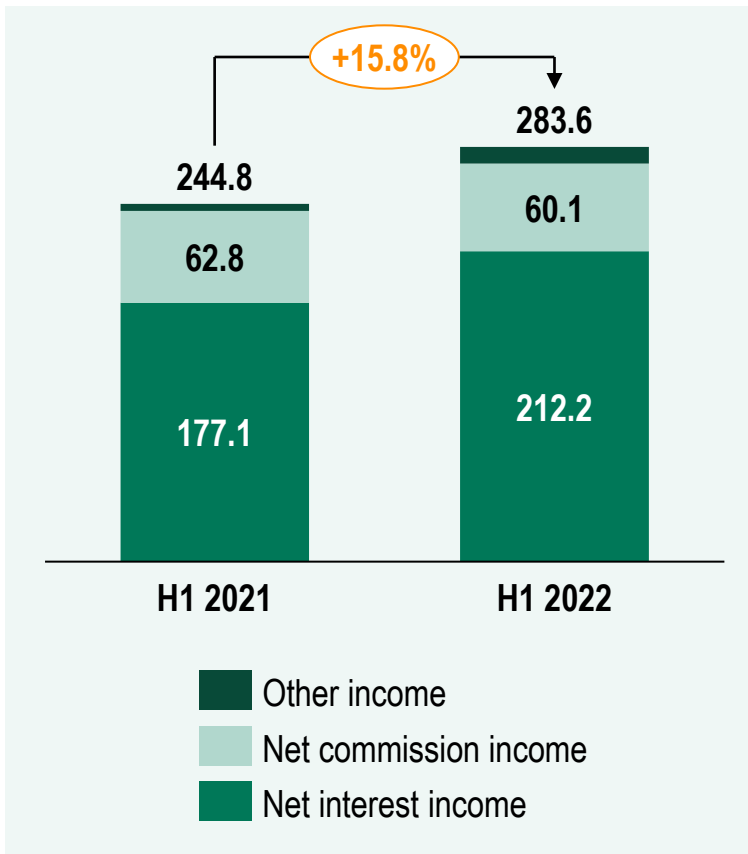
CET1 ratio



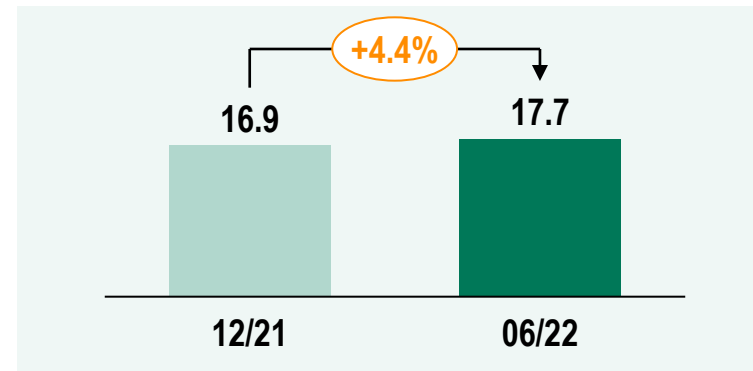
- › RWA management enabled strong growth while maintaining stable capital ratios

Successful business driving strong performance

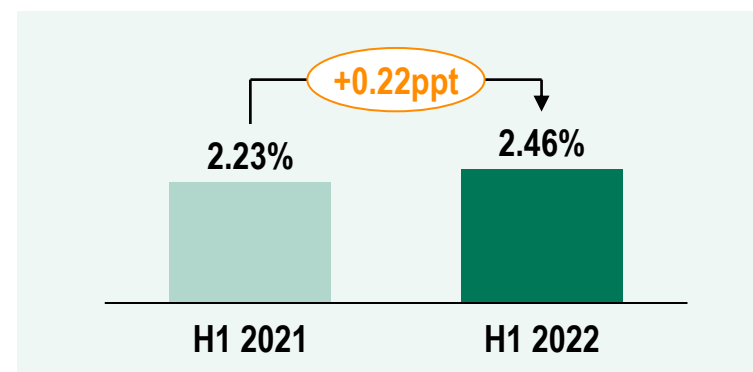
Operating income [€m]



Loan volume [€bn]



Net interest margin

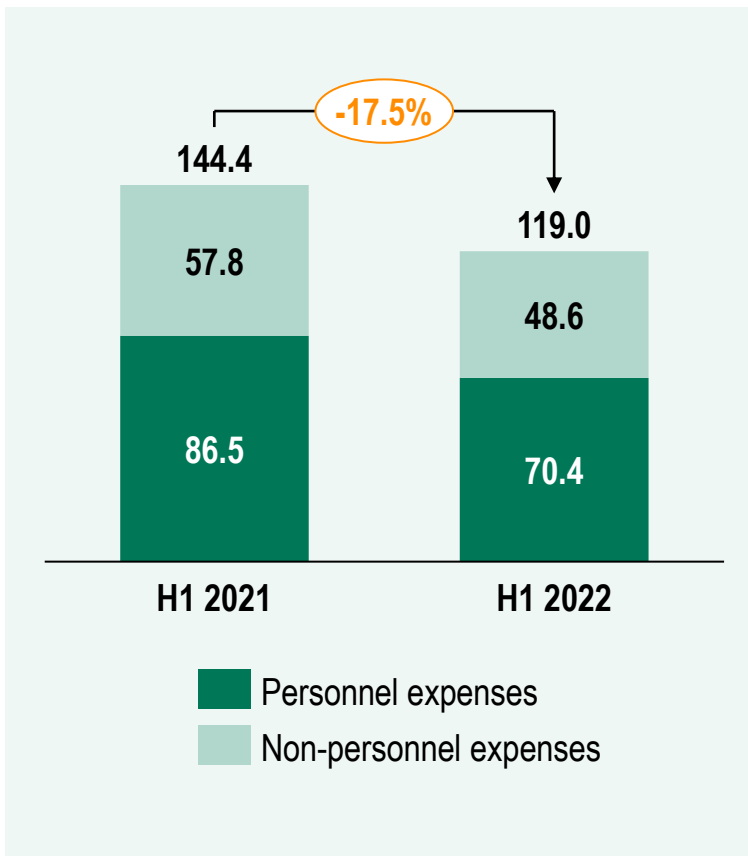


Comments

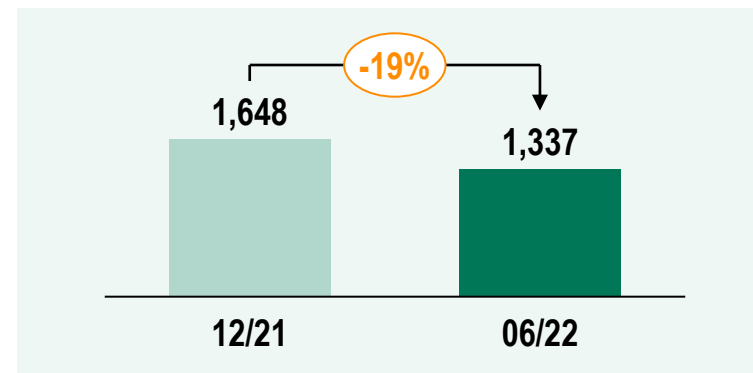
- › Net interest income (NII) growth of nearly 20% to €212.2m as the main contributor to operating income development
- › Commission income slightly down in year-on-year comparison due to macro-economic environment
- › Loan volume increased by 4.4% since year-end 2021
- › Net interest margin (NIM) further improved to 2.46%

Convincing and sustainable cost management

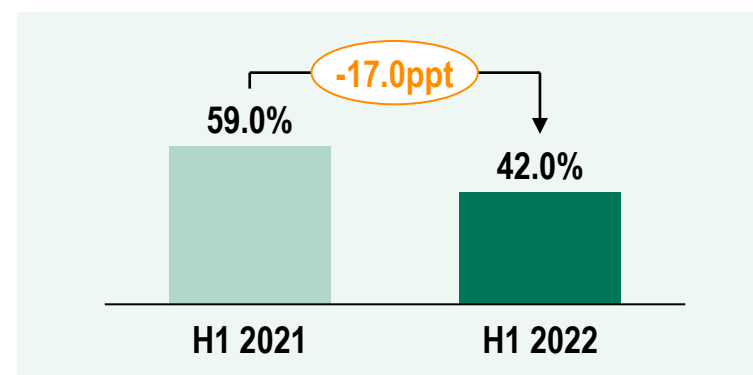
Operating expenses [€m]



FTE development



Cost-Income-Ratio

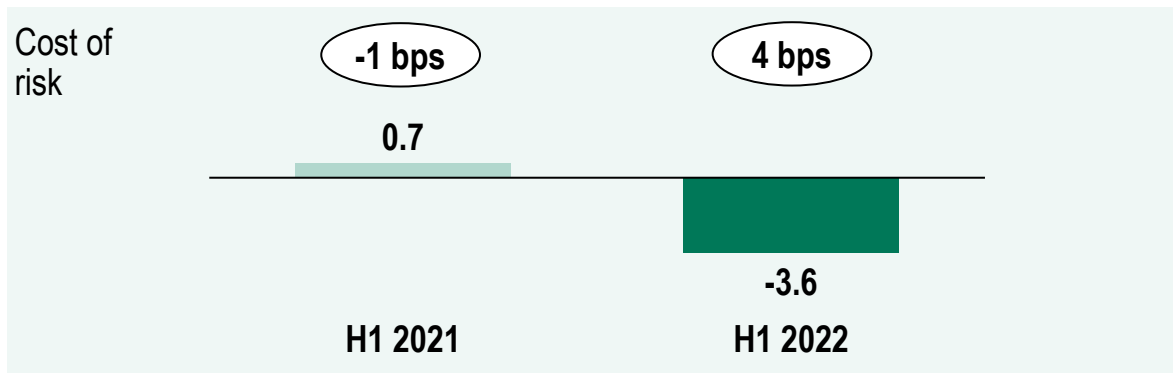


Comments

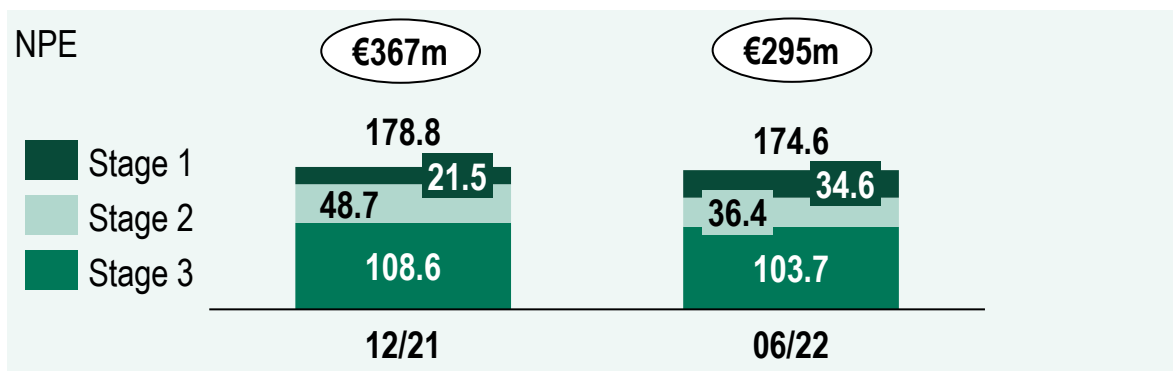
- › Operating expenses significantly reduced
- › FTE reduced to 1,337; associated restructuring expenses already fully taken into account in 2021
- › OLB now operates the targeted number of 40 branches (including 16 competence centers) in Northwestern Germany
- › Cost-Income-Ratio down by 17ppt to 42.0%

Continuous conservative risk management approach

Risk provisioning in the lending business [€m] and cost of risk



Loan loss provisions and non performing exposures [€m]



Comments

- › As a result of a conservative credit underwriting approach as well as LLP-reversals, net-LLP stood at low €3.6m
- › In order to mitigate risks from the effects of the Russian war against Ukraine, OLB assessed the underlying macroeconomic outlook more cautiously and rededicated former pandemic-LLPs in the amount of €17.3m to this purpose

Outlook

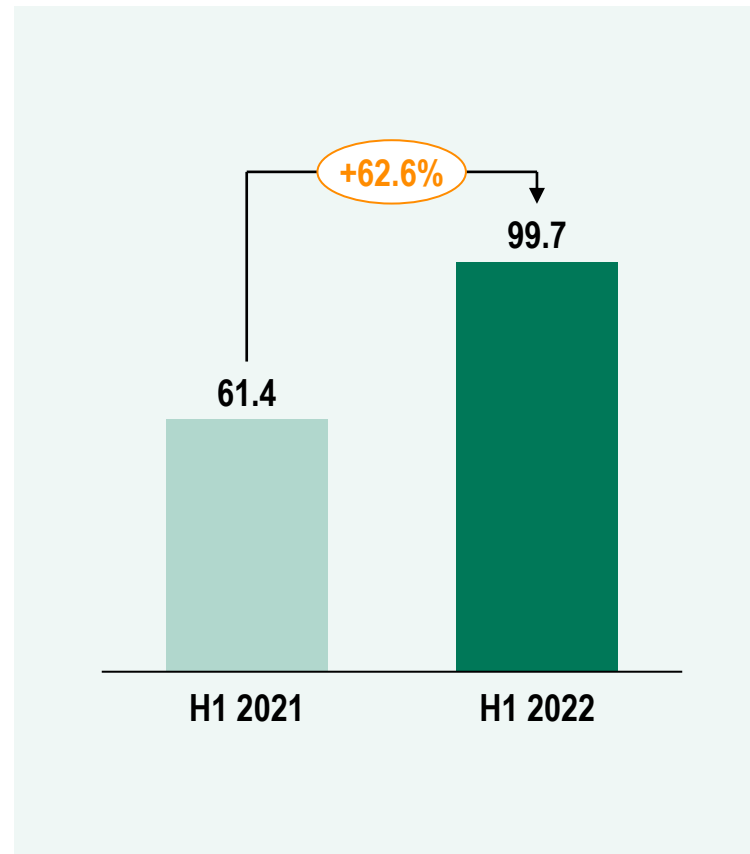
- › Preparing for a deterioration of the macroeconomic environment as the current uncertainties and macro environment might lead to certain headwinds in autumn/winter
- › Assuming that the macroeconomic risks will realize rather in 2023 than in 2022, cost of risk is expected to increase in H2/2022 and to peak in 2023
- › According to IFRS, approximately €6m Stage 1 LLPs associated with the recent portfolio acquisition from NIBC will be booked in H2/2022

Result after taxes strongly increased by more than 60%

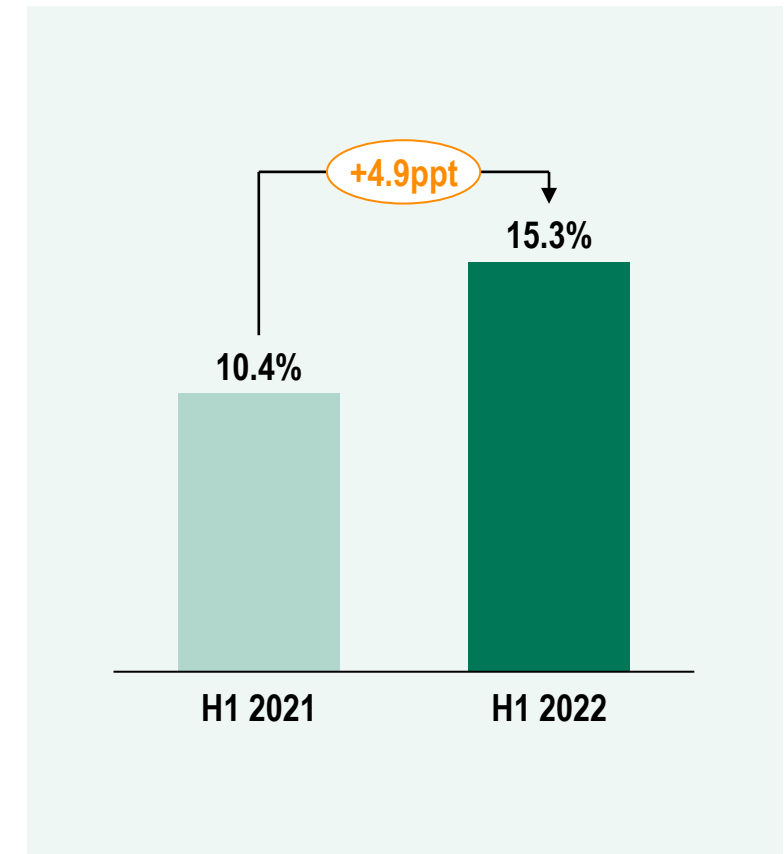
Comments

- › Result after taxes increased by 63% to €99.7m
- › Strong 15.3% RoE compared to target range
- › Expenses from bank levy and deposit protection increased from €11.4m in H1/2021 to €15.2m in H1/2022
- › No other main extraordinary effects in H1/2022

Result after taxes [€m]

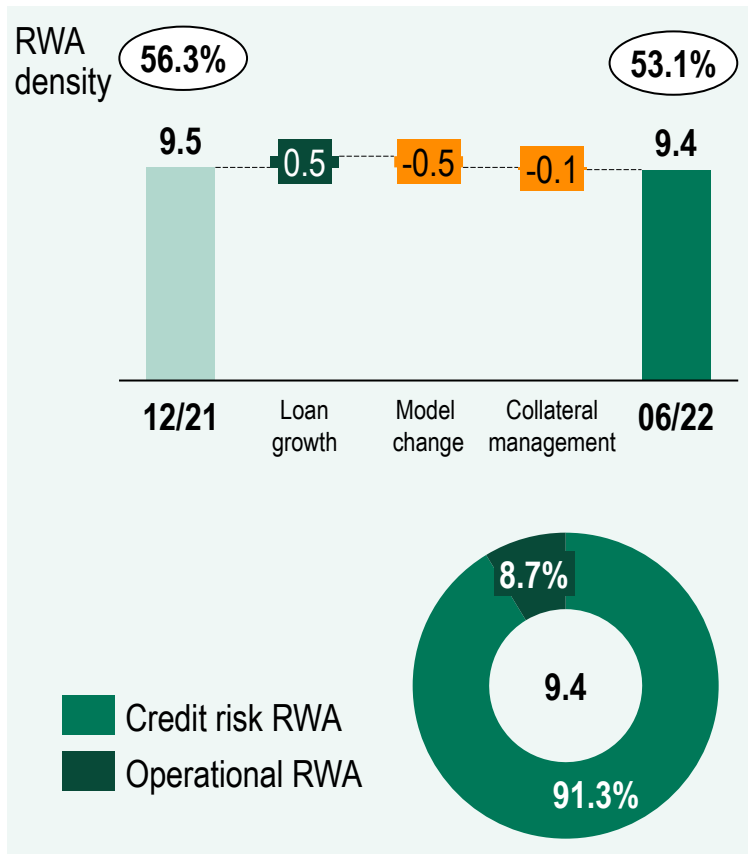


Return on Equity after taxes

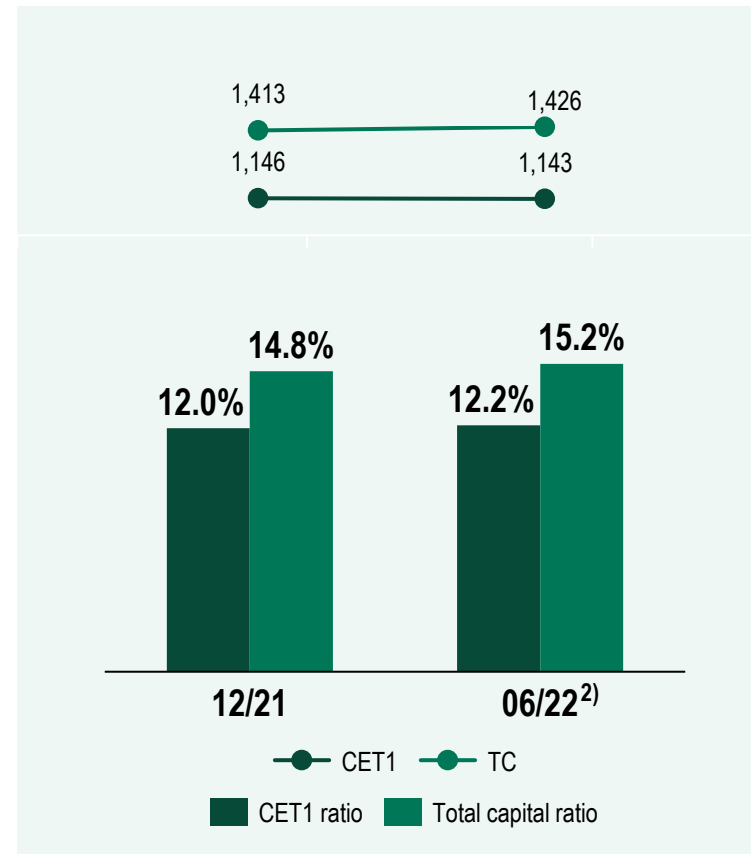


Improved capital ratios despite strong business growth

RWA [€bn]



Regulatory capital¹⁾ [€m]



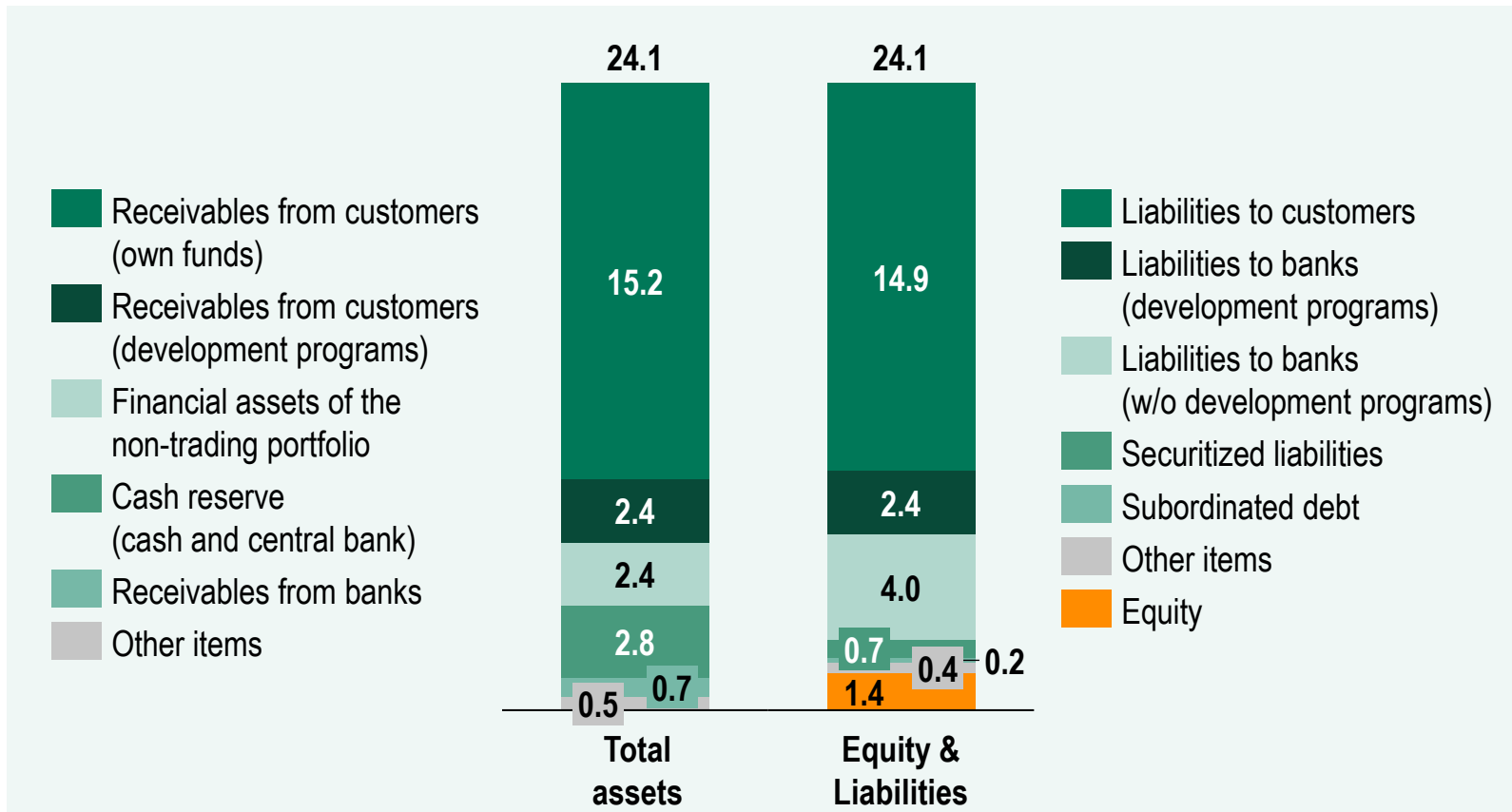
Comments

- › Increase in loan volume was compensated by transferring sub-portfolios to the F-IRBA and a very rigorous RWA management
- › Despite the increase in lending volume, RWA remained almost unchanged compared to the end of the year; RWA density decreased by 3.2ppt to 53.1%
- › €110m net profit capital retention planned (Net profit for the first half year according to local GAAP amounts to €112m)
- › Continuous collateral management to improve RWA position

1) Regulatory capital position, therefore HGB
 2) Before profit retention

Sound and simple balance sheet structure with strong funding base

Balance sheet composition [€bn]

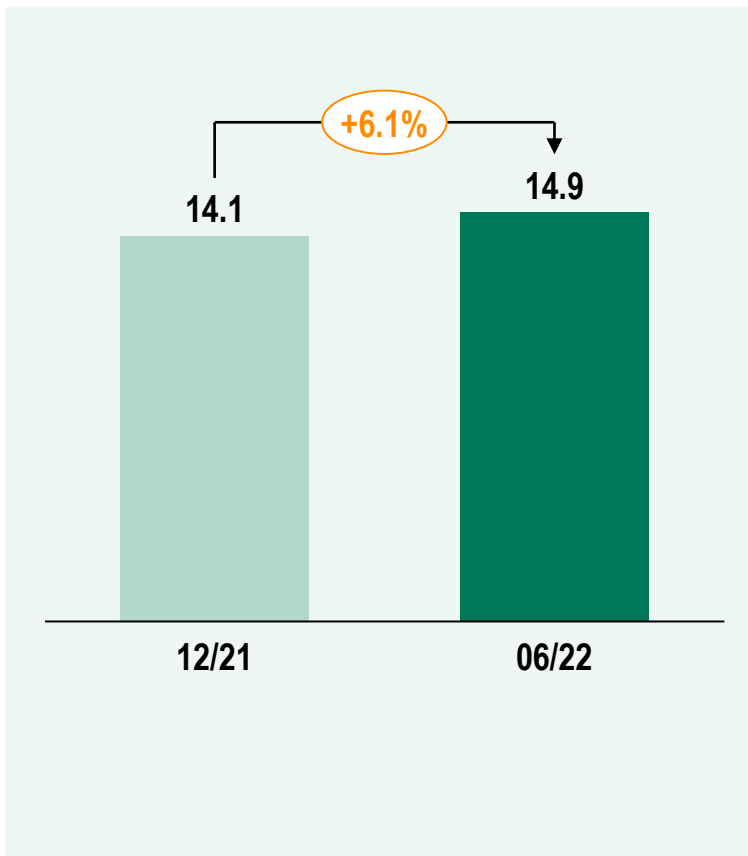


Comments

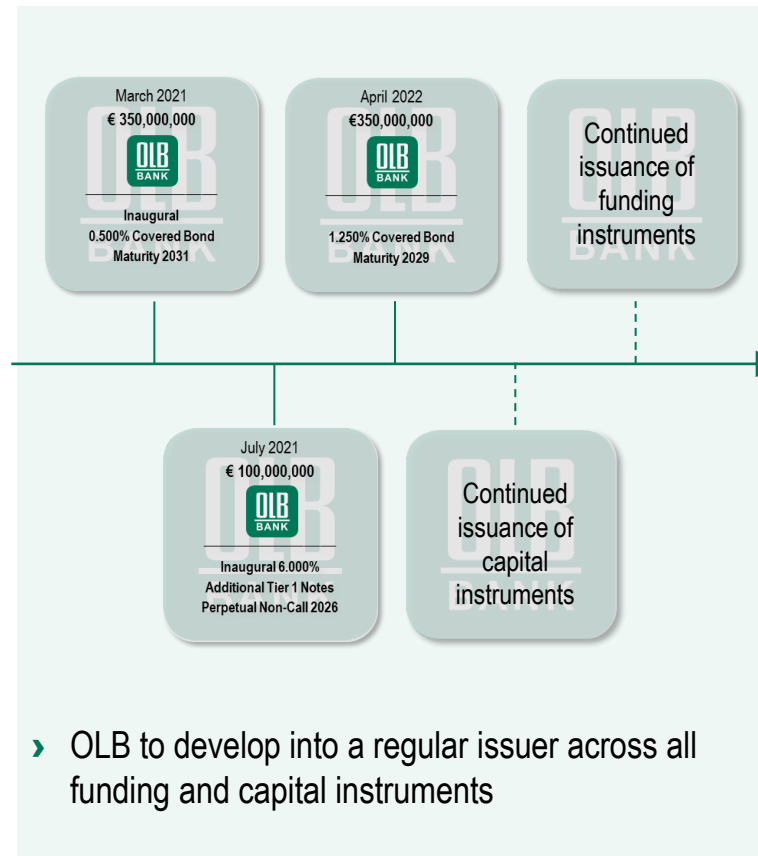
- › Match between receivables from and liabilities to customers ensures reduced capital market dependency on both sides of the balance sheet
- › Matched funding in the amount of EUR 2.4bn provided by development banks for promotional loans
- › Investment portfolio is almost exclusively comprised of public sector bonds with excellent ratings
- › TLTRO also leads to increased liabilities to banks as well as high cash reserves
- › ABS structures of ~1.5bn not shown in consolidated balance sheet are partially used as central bank collateral
- › Liquidity ratios as per 30.06.2022 stood at LCR 146.1% and NSFR at 116.6%

Resilient, low-cost funding base

Liabilities to customers [€bn]



Active debt capital market participant



Stable rating

- Stable Investment Grade rating with continued positive outlook

Current ratings	Moody's
Senior preferred / deposit / issuer rating	Baa2
Outlook	Stable
Standalone rating	Baa1
Senior non-preferred rating	Baa2

CREDIT OPINION
15 June 2022

Update

Oldenburgische Landesbank AG
Update to credit analysis

Summary
Oldenburgische Landesbank AG (OLB)'s Baa2 (stable) deposit and issuer ratings reflect the bank's baa3 BCA and the application of our Advanced Loss Given Failure (LGF) analysis to its liabilities, which indicates a low loss given failure and results in one notch of rating uplift. OLB's ratings do not benefit from a government support uplift because of its small size in the context of the German banking sector.

Send Your Feedback

2

OLB Segment Financials

Balanced and sustainably profitable business model

Private & Business Customers (P&BC)



Corporates & Diversified Lending (C&DL)

Share of receivables from customers and operating income

47%¹⁾
of operating income
€132m

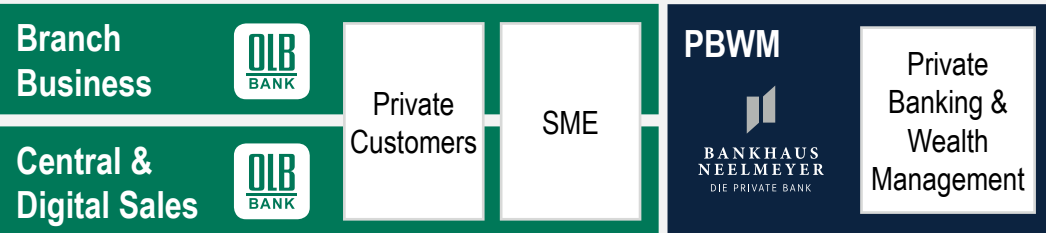


55%²⁾
of loan volume
€9.7bn

Number of customers (30.06.2022)

~615,000
Customers

Customer groups

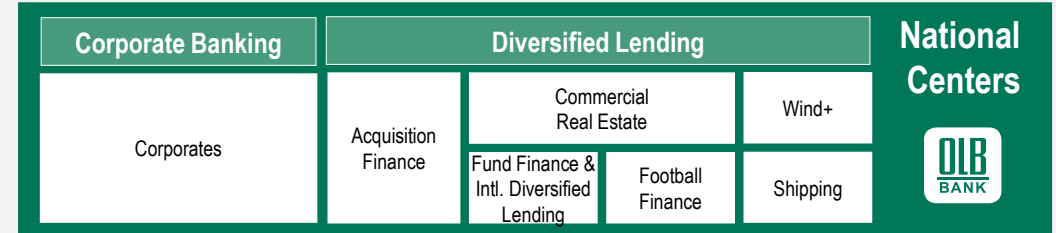


48%¹⁾
of operating income
€135m



47%²⁾
of loan volume
€8.4bn

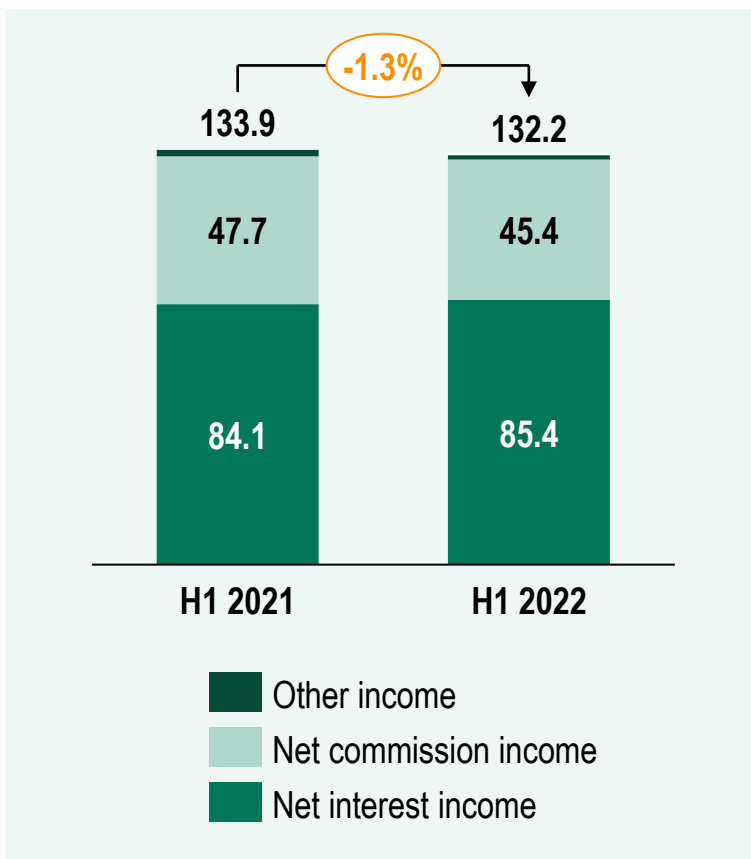
~5,000
Customers



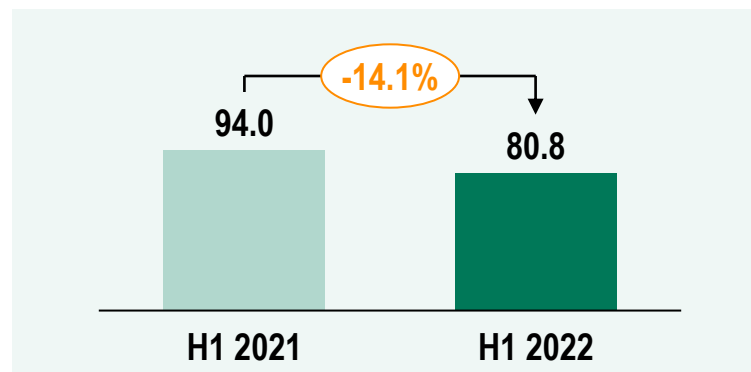
1) H1 2022, remainder of operating income located in segment Corporate Center not explicitly shown
2) As of 30.06.2022, negative loan volume located in segment Corporate Center not explicitly shown

Private & Business Customers with stable revenues at significantly lower costs...

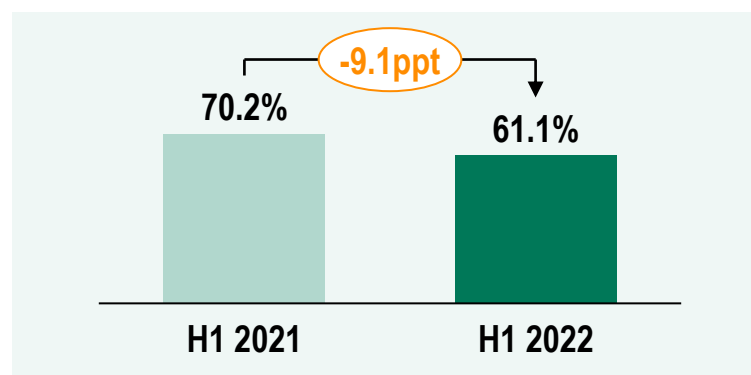
Operating income [€m]



Operating expenses [€m]



Cost Income Ratio

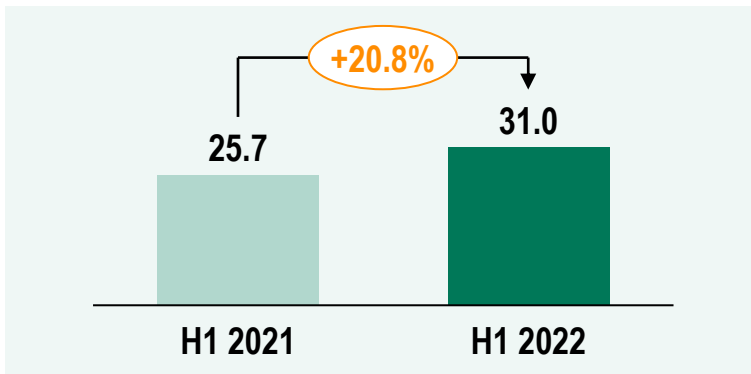


Comments

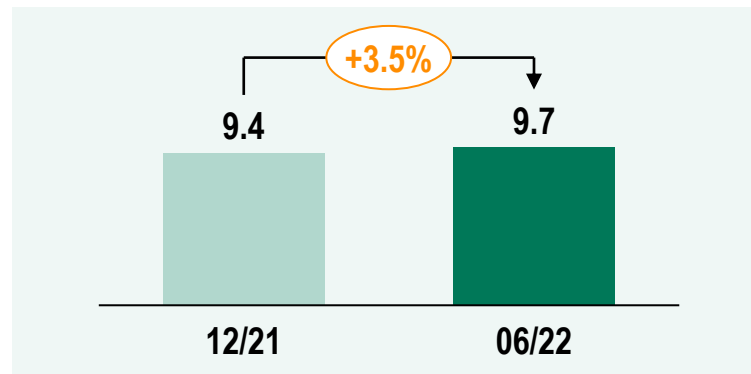
- › P&BC figures reflect successful path to a fully restructured branch business: A stable operating income coming at substantially lower costs
- › In H1/2022 NII driven by increasing loan volumes and loan margins while burdened by decreasing deposit margins
- › NII H2/2022 will be driven by higher deposit margins in an environment of increasing interest rates
- › NCI below budget and previous year due to lower securities volume and thus reduced management fees
- › H2/2022 will show further improvements in cost reduction

... leading to a significantly improved profitability

Result after taxes [€m]



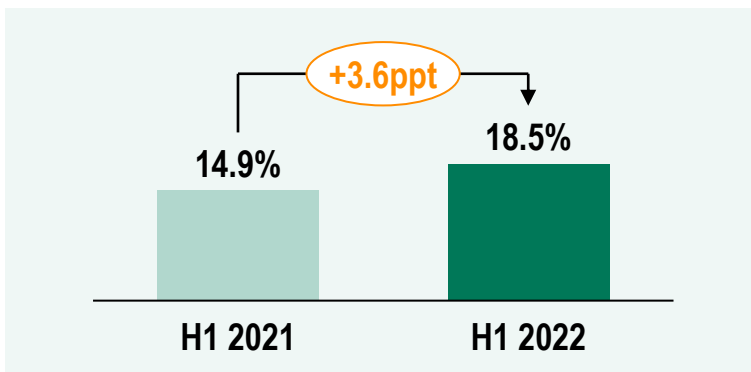
Loan volume [€bn]



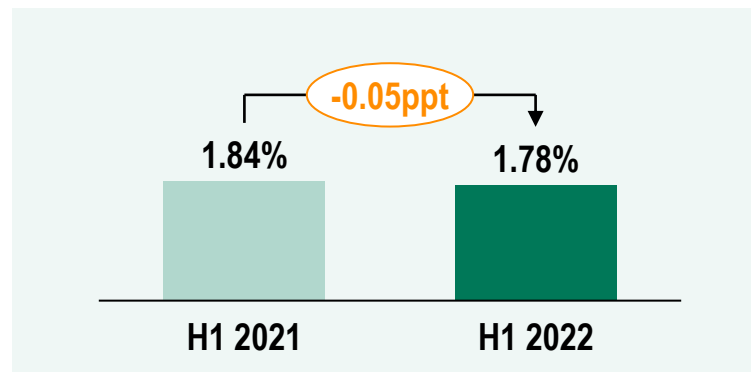
Comments

- › Result after taxes increased by €5.3m to €31m as a result of significantly reduced operating expenses
- › This leads to a significant increase in the return on equity after taxes by 3.6ppt to 18.5%
- › Increase in loan volume mainly driven by high new mortgage loan business
- › NIM slightly down to 1.78% as a result of low deposit margins – increase expected for H2/2022

Return on Equity after taxes [@12.25% CET1]

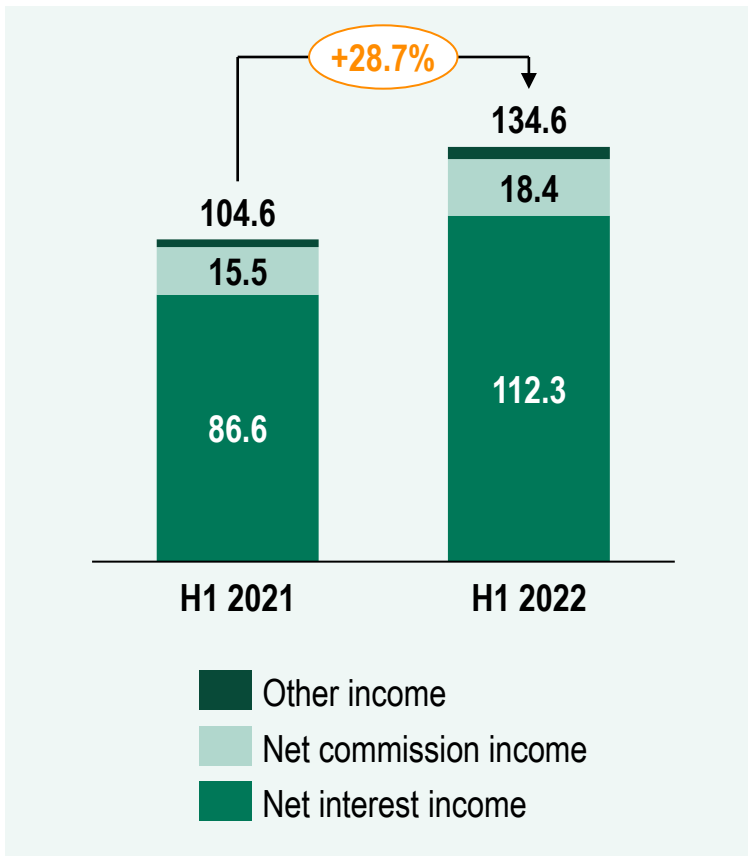


Net interest margin

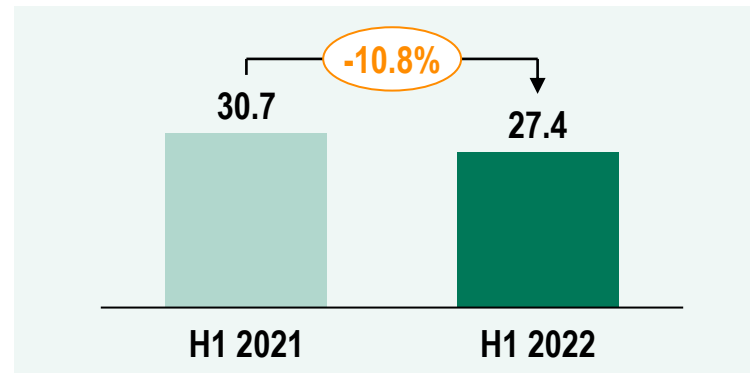


Corporates & Diversified Lending with strong business momentum...

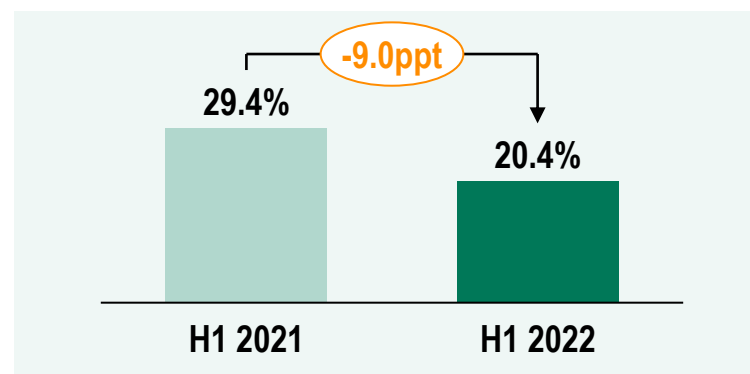
Operating income [€m]



Operating expenses [€m]



Cost Income Ratio

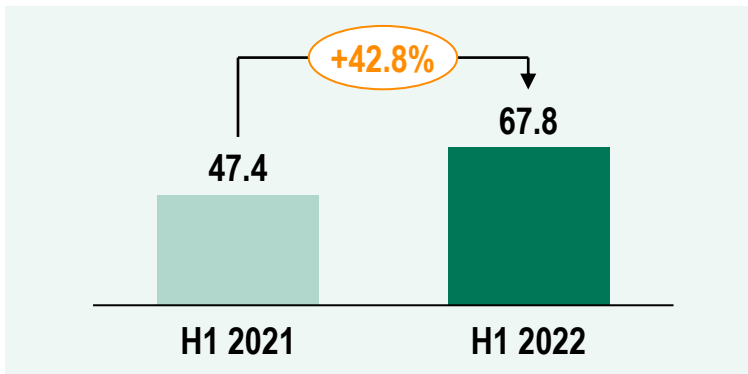


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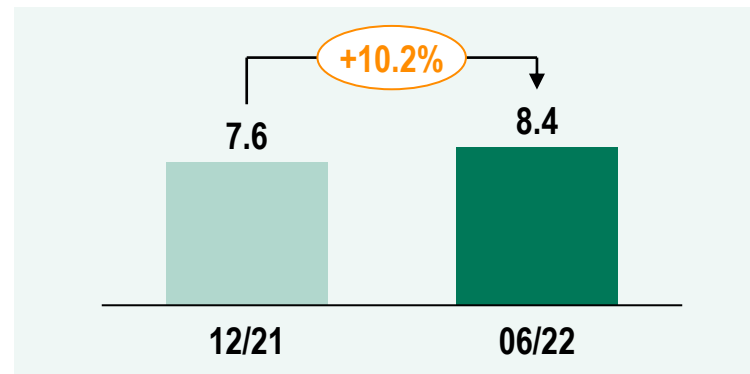
- › High operating income growth in Corporates & Diversified Lending across almost all subsegments
- › Operating expenses reduced by 10.8% to €27.4m
- › Leading to a noticeably improved Cost Income Ratio of 20.4%

... allowing for strong rise in result after taxes

Result after taxes [€m]



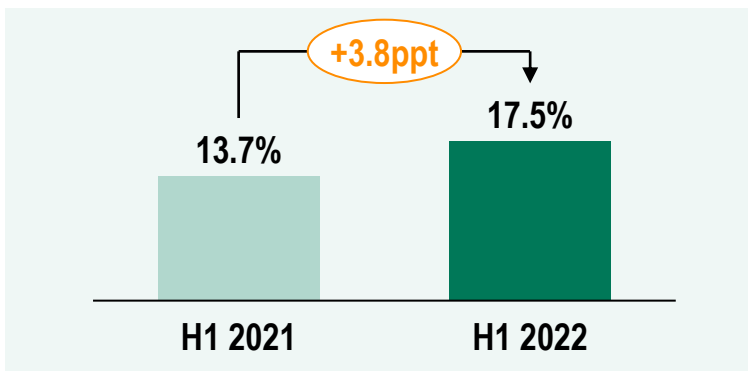
Loan volume [€bn]



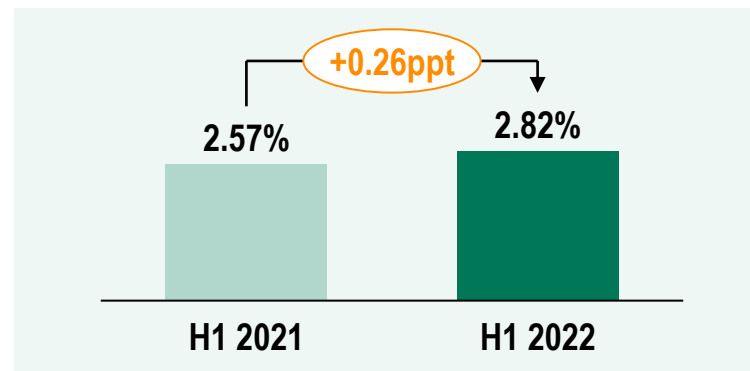
Comments

- › Return on equity after taxes increased by 3.8ppt to 17.5% as a result of significantly higher operating income
- › Loan volume increased from €7.6bn to €8.4bn while both sub-segments Corporate Banking and Diversified Lending contributed equally to the growth

Return on Equity after taxes [@12.25% CET1]



Net interest margin



3

Update & Outlook

Further building blocks in place for a successful future of both strategic business lines



Private & Business Customers:

First market appearance as partner for private mortgage financing abroad

- › On the **independent lending platform Tulp Hypotheken**, OLB acts as a **financing partner for mortgage loans** for private customers in the Netherlands since July 2022
- › With new sales channels such as Tulp's platform, **OLB is expanding its activities not only nationwide, but also abroad**
- › As is common in the Netherlands, the loans are sold primarily through independent financial advisors, to whom OLB offers itself as a financing partner through Tulp's platform. OLB acts as a **legal lender**

OLB expands mortgage financing for residential real estate to the Netherlands

Oldenburg | 27. Juni 2022



Summary

- First market appearance as partner for private mortgage financing abroad
- Partnership with Dutch lender platform Tulp

June 27, 2022 – Oldenburgische Landesbank AG (OLB) is offering its mortgage financing for residential real estate outside Germany for the first time. On the independent lending platform Tulp Hypotheken, OLB will act as a financing partner for mortgage loans for private customers in the Netherlands. To that effect, OLB and Tulp recently signed a cooperation agreement in Oldenburg.

Corporates & Diversified Lending:

Pan-European leader in mid-market LBOs complemented by inorganic growth

- › OLB and Dutch insurance company a.s.r. jointly **acquired NIBC's leveraged loan portfolio**. The total portfolio includes loans to 36 companies, for a **total amount of c. €500m, split between OLB and a.s.r.**
- › Most recently, OLB's Acquisition Finance was once again **ranked as the leading bank lender in Germany and amongst the top 3 in the Benelux countries** according to Houlihan Lokey MidCap Monitor Q1 2022
- › Building on this success, the **acquisition of the NIBC portfolio makes a strong and very complementary fit to OLB's existing business** that will contribute further profitable growth of the bank's loan portfolio

OLB and Dutch insurance company a.s.r. to jointly acquire NIBC's leveraged loan portfolio

Oldenburg | 13. Juni 2022



Oldenburgische Landesbank AG (OLB) has reached an agreement to acquire the existing performing leveraged loan portfolio of Dutch NIBC Bank, in a joint bid with Dutch insurance company a.s.r..

The total portfolio includes loans to 36 companies, for a total amount of c. EUR 500 million, to be split between OLB and a.s.r.. Most loans are to mid-market private equity owned companies, based primarily in Germany and the Netherlands. OLB primarily focuses on the German-sited part of the portfolio. OLB expects the closing of the transaction to be staggered over the coming months.

Most recently, OLB's Acquisition Finance was once again ranked as the leading bank lender in Germany and amongst the top 3 in the Benelux countries according to Houlihan Lokey MidCap Monitor Q1 2022. Building on this success, the acquisition of the NIBC portfolio makes a strong and very complementary fit to OLB's existing business that will contribute further profitable growth of the bank's loan portfolio.

OLB appoints Head of Sustainability and adopts guideline for sustainability

OLB sustainability framework

Mission statement



Committed to be a sustainable bank - for our customers, for our employees and for the environment.



Our actions are guided by the UN Sustainable Development Goals (SDGs) and the Principles for Responsible Banking

Integral part of OLB's organisation...

Management board



CFO

- Sustainability strategy, targets & measures
- Board-level responsibility with CFO

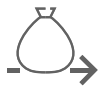
Dedicated officer



Head of Sustainability

- Implementation & continual development of ESG strategy
- ESG target monitoring
- Regulatory & disclosure requirements
- Central coordinator for all stakeholders

Cross-functional working groups and project teams (selection)



Sustainable investment



Sustainable financing



ESG risk assessment



Disclosure & reporting

...thoroughly codified...

Selection of relevant documentation:



ESG policy



Code of conduct



Diversity policy



Sustainability strategy & targets

In progress

...and communicated transparently



Sustainability Report in line with the German sustainability code (DNK)



Disclosure reports

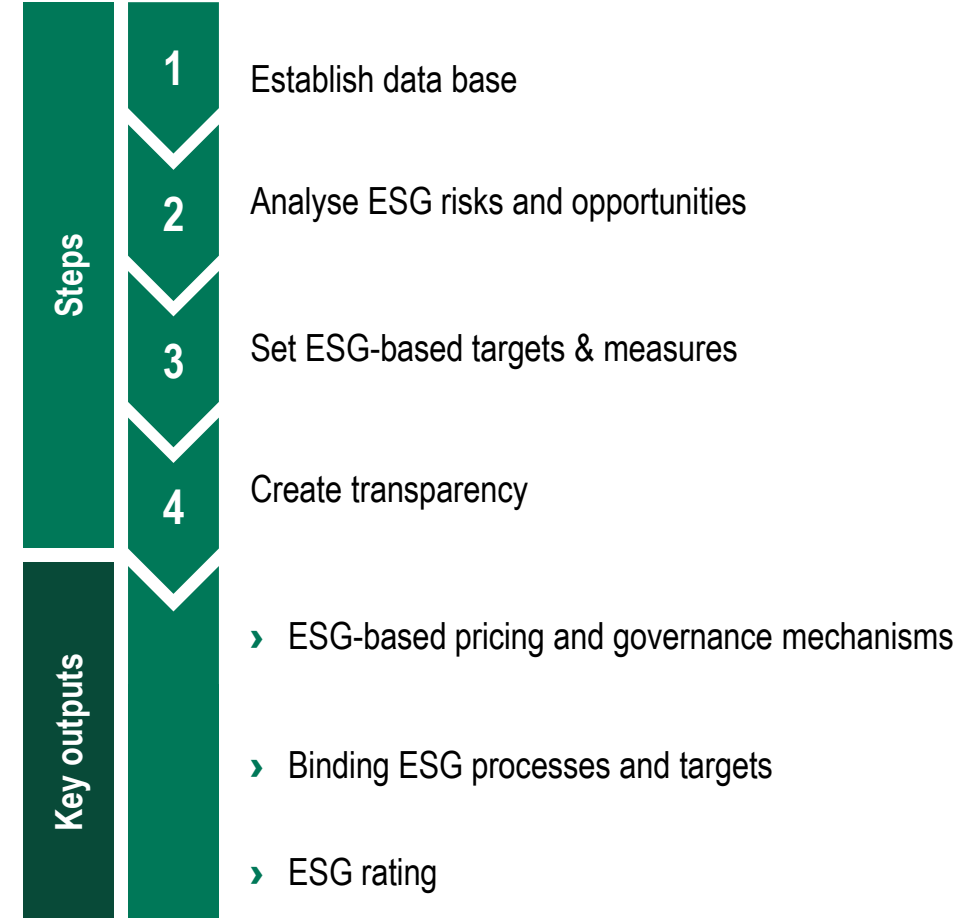


Sustainability website

Sustainability: Clear path to implementation and tangible results

We have now defined our objectives in detail...

... and implemented a clear strategic step plan for ESG



Strong conviction to deliver ambitious mid-term targets

High profitability

15.3%

H1 2022

RoE after tax



Upper end of

13-15% range

Mid-term target

Strict cost management

42.0%

H1 2022

CIR



~40%

Mid-term target

Solid capital base

12.2%

06/22

CET1 ratio



>12.25%

Mid-term target

We deliver first-class-performance



Our **success confirms our strategy**



We are confident to **manage external cost increases**, e.g. inflation



We **manage risks proactively** and benefit from our **crisis-resilient business mix**



We will **continue our growth path** organically and if suitable, inorganically



We are well positioned to **benefit from rising interest rate levels**



Appendix

Income statement and key ratios

OLB Group



P&L [€m]	H1 2022	H1 2021	Δ
Net interest income	212.2	177.1	19.8%
Net commission income	60.1	62.8	-4.3%
Other operating income	2.0	4.1	n.a.
Result from non-trading portfolio	9.2	0.8	n.a.
Operating income	283.6	244.8	15.8%
Personnel expenses	-70.4	-86.5	-18.6%
Other administrative expenses	-36.4	-42.5	-14.3%
Depreciation on fixed assets	-11.7	-13.1	-10.6%
Other expenses	-0.6	-2.3	-75.4%
Operating expenses	-119.0	-144.4	-17.5%
Operating result	164.6	100.4	63.9%
Expenses from bank levy and deposit protection	-15.2	-11.4	33.4%
Risk provisioning in the lending business	-3.6	0.7	n.a.
Result from restructurings	0.3	-0.2	n.a.
Result before taxes	146.1	89.6	63.1%
Income taxes	-46.3	-28.2	64.2%
Result after taxes (profit)	99.7	61.4	62.6%

Key ratios	H1 2022	H1 2021	Δ
RoE after taxes	15.3%	10.4%	5.0ppt
CIR	42.0%	59.0%	-17.0ppt
Net interest margin	2.46%	2.23%	0.22ppt

Capital & RWA [€m]	30.06.2022	31.12.2021	Δ
CET1 capital	1,142.9	1,146.2	n.a.
Total capital	1,426.5	1,413.4	n.a.
RWA	9,398.7	9,538.9	-1.5%
CET1 ratio	12.2%	12.0%	0.2ppt
Total capital ratio	15.2%	14.8%	0.4ppt

Balance sheet OLB Group



Assets [€m]	30.06.2022	31.12.2021
Cash reserve	2,815.7	2,154.2
Trading portfolio assets	92.8	82.2
Positive fair values of derivative hedging instruments	-	24.3
Receivables from banks	718.0	970.0
Receivables from customers	17,690.7	16,943.1
Financial assets of the non-trading portfolio	2,411.1	2,676.6
Tangible fixed asset	62.2	68.3
Intangible assets	25.4	29.9
Other assets	245.8	229.3
Income tax assets	0.0	0.0
Deferred tax assets	84.8	73.2
Non-current assets held for sale	0.7	0.2
Total assets	24,147.2	23,251.4

Equity & Liabilities [€m]	30.06.2022	31.12.2021
Trading portfolio liabilities	72.6	55.3
Negative fair values of derivative hedging instruments	-	15.4
Liabilities to banks	6,496.4	6,872.3
Liabilities to customers	14,935.8	14,073.5
Securitized liabilities	704.9	379.1
Subordinated debt	164.5	166.5
Income tax liabilities	60.9	19.1
Provisions	139.7	232.9
Other liabilities	141.2	81.7
Amounts paid to fund the approved capital increase	6.0	-
Equity	1,425.2	1,355.6
Total equity and liabilities	24,147.2	23,251.4

Income statement and key ratios

Segment reporting

P&L 01.01.-30.06.2022 [€m]	Private & Business Customers	Corporates & Diversified Lending	Corporate Center	OLB Group
Net interest income	85.4	112.3	14.5	212.2
Net commission income	45.4	18.4	-3.6	60.1
Other operating income	1.4	3.9	-3.3	2.0
Result from non-trading portfolio	-	-	9.2	9.2
Operating income	132.2	134.6	16.8	283.6
Operating expenses	-80.8	-27.4	-10.9	-119.0
Operating result	51.4	107.2	6.0	164.6
Expenses from bank levy and deposit protection	-5.7	-4.3	-5.2	-15.2
Risk provisioning in the lending business	-0.8	-4.6	1.8	-3.6
Result from restructurings	-	-	0.3	0.3
Result before taxes	44.9	98.2	2.9	146.1
Income taxes	-13.9	-30.4	-1.9	-46.3
Result after taxes (profit)	31.0	67.8	1.0	99.7

CIR [in %]	61.1	20.4	n.a.	42.0
RoReC a. tax [in %, segment reporting @12.25% CET1]	18.5	17.5	n.a.	15.3

P&L 01.01.-30.06.2021 [€m]	Private & Business Customers	Corporates & Diversified Lending	Corporate Center	OLB Group
Net interest income	84.1	86.6	6.3	177.1
Net commission income	47.7	15.5	-0.4	62.8
Other operating income	2.0	2.4	-0.3	4.1
Result from non-trading portfolio	-	-	0.8	0.8
Operating income	133.9	104.6	6.4	244.8
Operating expenses	-94.0	-30.7	-19.6	-144.4
Operating result	39.8	73.9	-13.3	100.4
Expenses from bank levy and deposit protection	-4.2	-3.2	-3.9	-11.4
Risk provisioning in the lending business	1.6	-1.9	1.0	0.7
Result from restructurings	-	-	-0.2	-0.2
Result before taxes	37.2	68.7	-16.4	89.6
Income taxes	-11.5	-21.3	4.6	-28.2
Result after taxes (profit)	25.7	47.4	-11.7	61.4

CIR [in %]	70.2	29.4	n.a.	59.0
RoReC a. tax [in %, segment reporting @12.25% CET1]	14.9	13.7	n.a.	10.4

Disclaimer



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