# OLB presents record results

Preliminary result for the financial year 2023 (IFRS)
Annual press conference, 26 February 2024

# OLB sustains strong track record of profitability

## Organic Growth [y-o-y]

**+9.5%**
Loan volume

**+4.5%**
Deposit volume

## Cost management

**40.8%**
CIR

**36.9%**
Normalized CIR[1)]

## Profitability

**15.2%**
RoE

**16.2%**
Normalized RoE[1)]

## Solidity

**14.4%**
CET1 ratio

**147%**
LCR

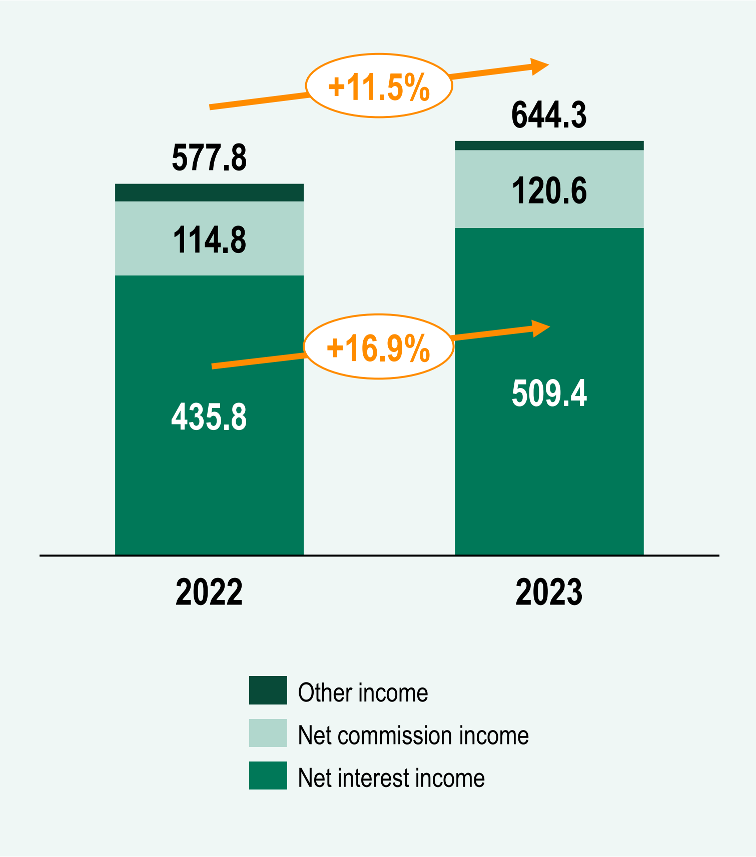
**1.5%**
NPL ratio

Preliminary figures according to IFRS for financial year 2023

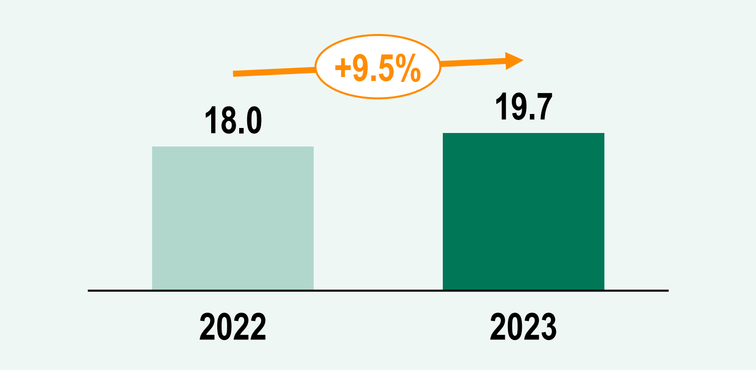
1) Without €24.8m expenses related to Degussa Bank acquisition of which €0.3m related to ECB-onboarding project

# Operating income up by 11.5% driven by strong net interest income growth

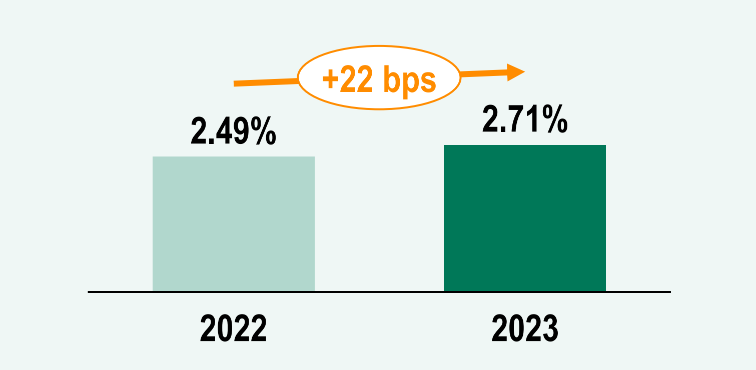
## Operating income [€m]




## Loan volume [€bn]




## Net interest margin




## Comments

- Operating income continued to increase to more than €644m
- Ongoing expansion in NII of 17% (y-o-y)
  - Loan volume up by 9.5 %
  - Net interest margin further improved by 22 bps reaching 2.7%
- Positive NCI development, up by 5%

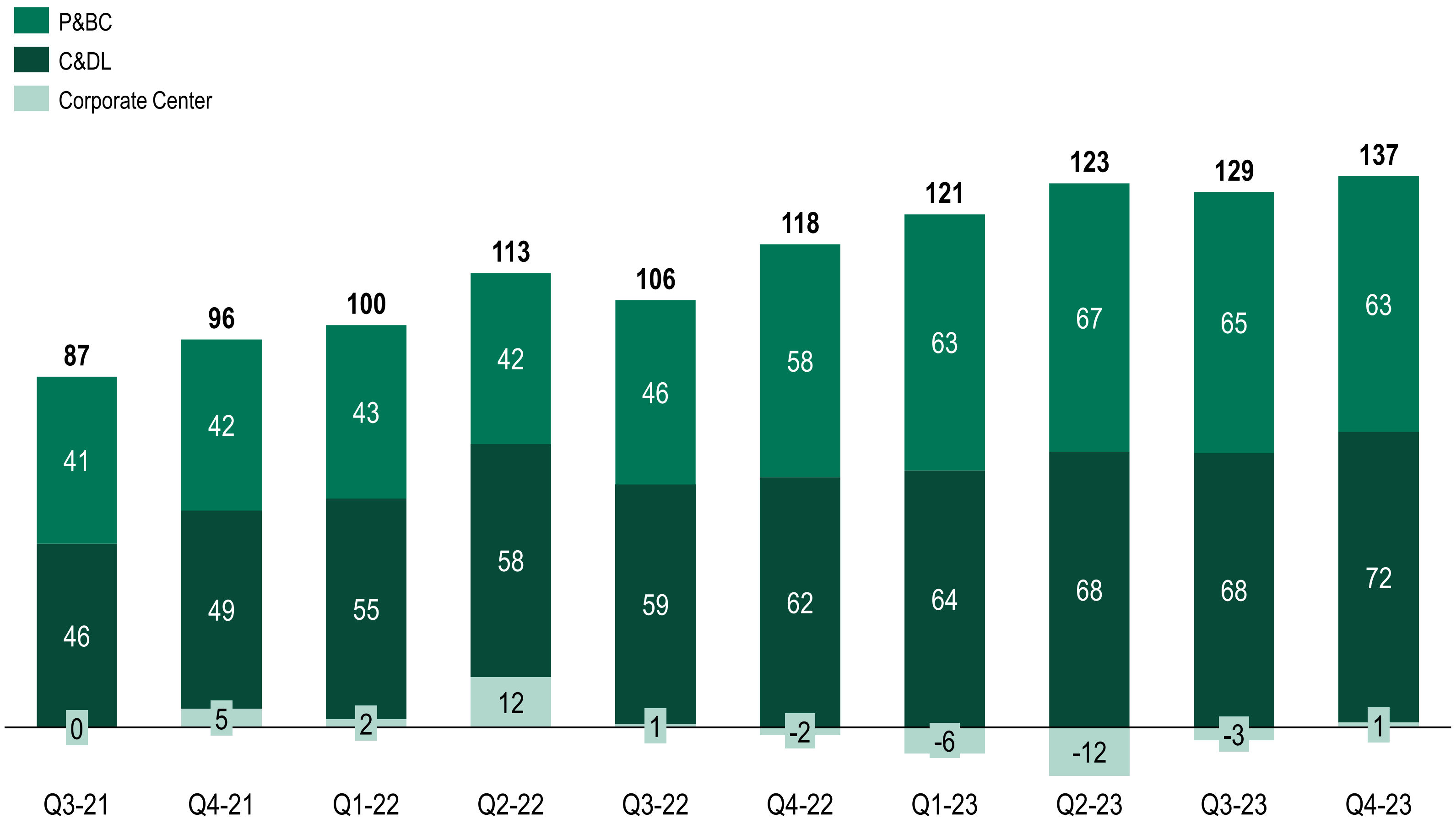
**Outlook FY 2024:**

- Stable NII income expected
  - Hedging strategy in place to maintain NII on sustainably high level
  - Loan growth to offset impact of potentially lower interest rate environment
- Focus on fee generating business to enhance NCI
- NIM is initially expected to be slightly diluted through completion of the Degussa Bank transaction until asset repricing is materialising

Rounding differences may occur
Preliminary figures according to IFRS for financial year 2023

# Quarterly net interest income at high level

## Net interest income (€m)

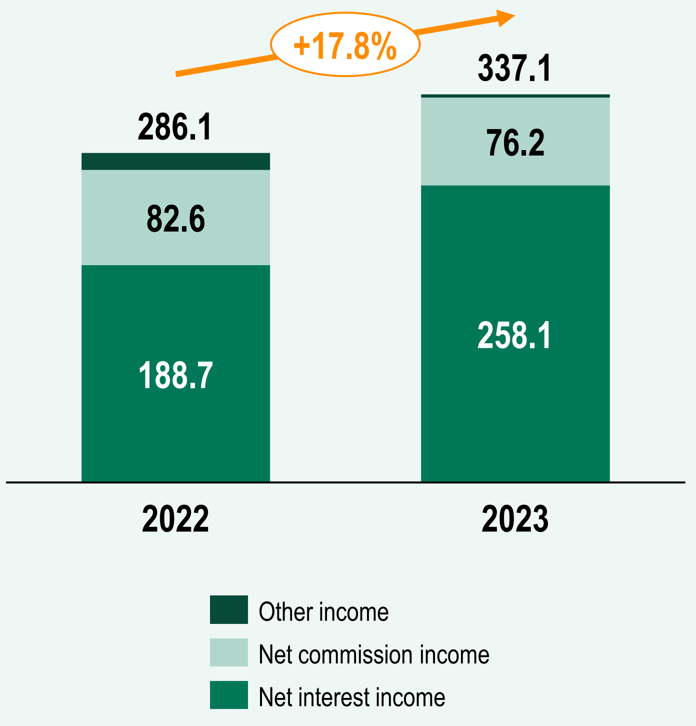



## Comments

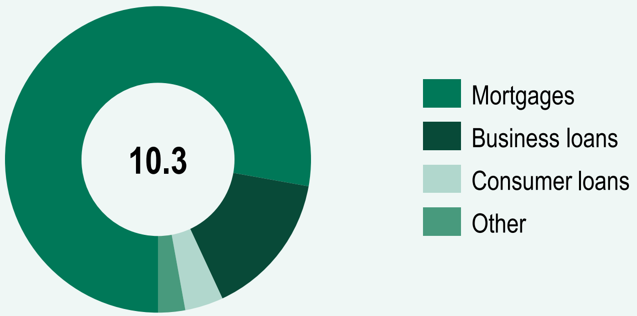
- Q4 2023 NII shows 57% growth vs. Q3 2021
- Steady increase of quarterly NII driven by increasing deposit margins (esp. PBC) and loan growth (esp. CDL)
- Currently lower interest rate risk position exploits inverse rate structure
- Underlying NII assumptions
  - Interest rates as per Dec-23 forward rates
  - Deposit beta planning assumption for 2024 at 45% compared to actual ~27% (FY 2023)

# Private & Business Customers with robust efficiency and profitability

## Operating income [€m]




## Loan volume [Dec 2023, €bn]




## Key ratios [2023]

| 2.57% | 45.0% | 32.3% | 13 bps |
|---|---|---|---|
| NIM | CIR | RoReC[1] | CoR |

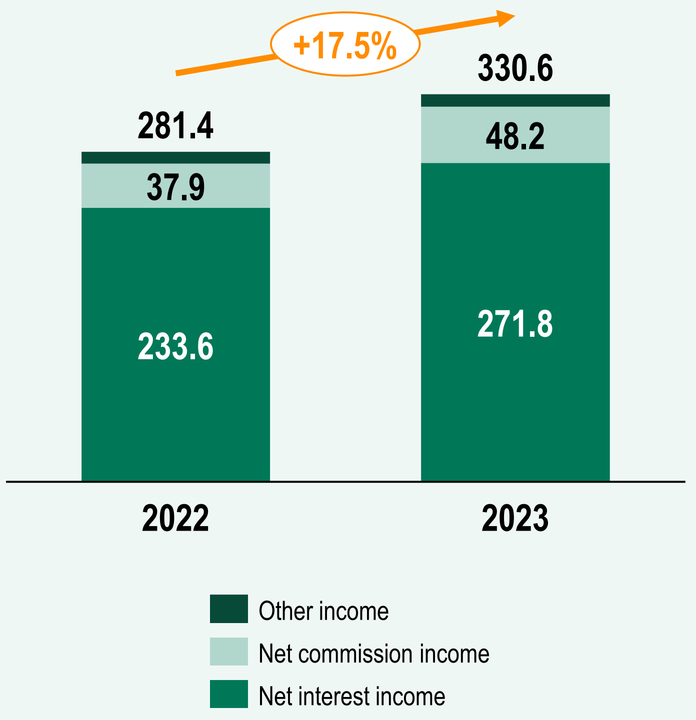
## Comments

- Operating income grew by 17.8%
- NII boosted by almost 37%
- Loan volume increased by 4% y-o-y
  - Mortgage growth in the Netherlands offsetting slowdown in demand for mortgages in Germany
- More than 12% net deposit growth within the last twelve months to €12.2bn
- Net commission income primarily affected by lower securities transactions and brokerage fees for real estate transactions in line with German market dynamics
- Expanding business franchise through ramping up securities platform cooperation with FNZ
- Concrete steps implemented in digital banking: fully remote onboarding, E2E sale features added
- CIR at target level of approx. 45%

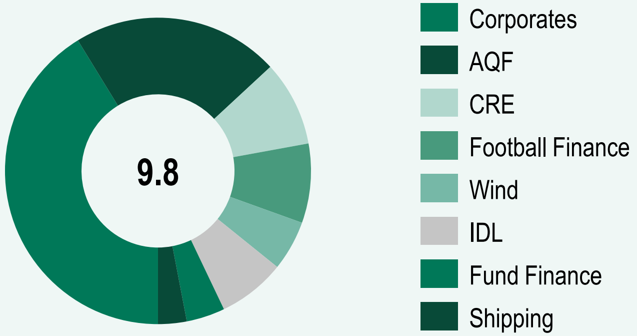
Rounding differences may occur
1) Return on Equity @12.5% CET1 ratio

# Corporates & Diversified Lending delivered series of achievements

## Operating income [€m]




## Loan volume [Dec 2023, €bn]




## Key ratios [2023]

| | | | |
|---|---|---|---|
| 2.95% | 19.1% | 18.8% | 32 bps |
| NIM | CIR | RoReC[1)] | CoR |

## Comments

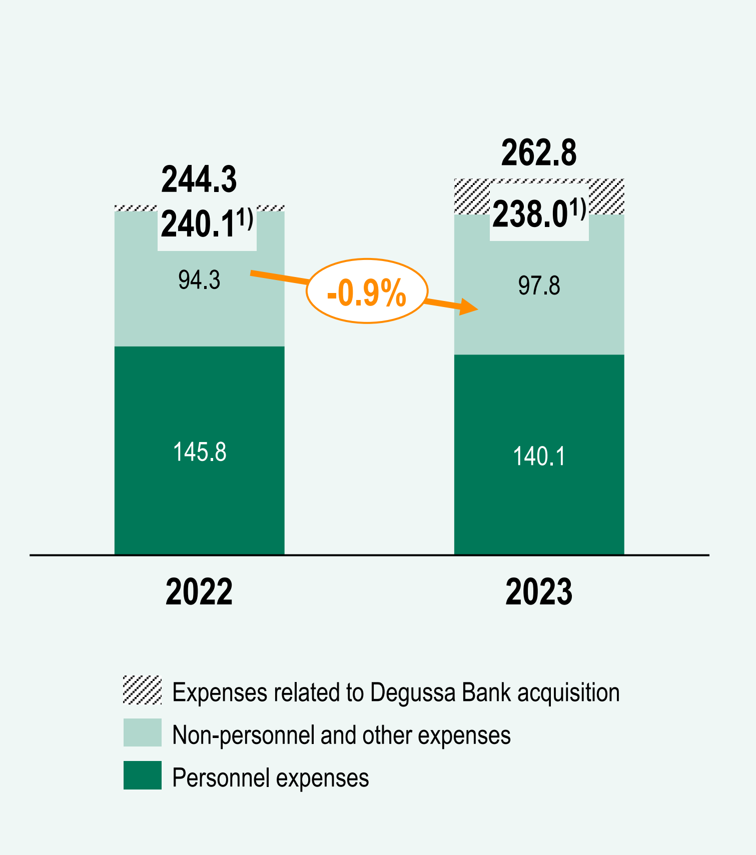
- Operating income up by 17.5% y-o-y
- 16% increase in NII due to continued volume growth
- Loan volume grew by 13% in 2023
  - C&DL grew especially in segments Football Finance, Fund Finance and International Diversified Lending (IDL) as well as Acquisition Finance
  - Very selective regarding new business in CRE, Shipping and Wind
  - Continued strong diversification of C&DL loan portfolio
- 27% rise in NCI due to fee increases through successful new loan origination
- Comfortable risk provisioning level across all subsegments
- CoR improved to 32 bps (2022: 51 bps)

Rounding differences may occur

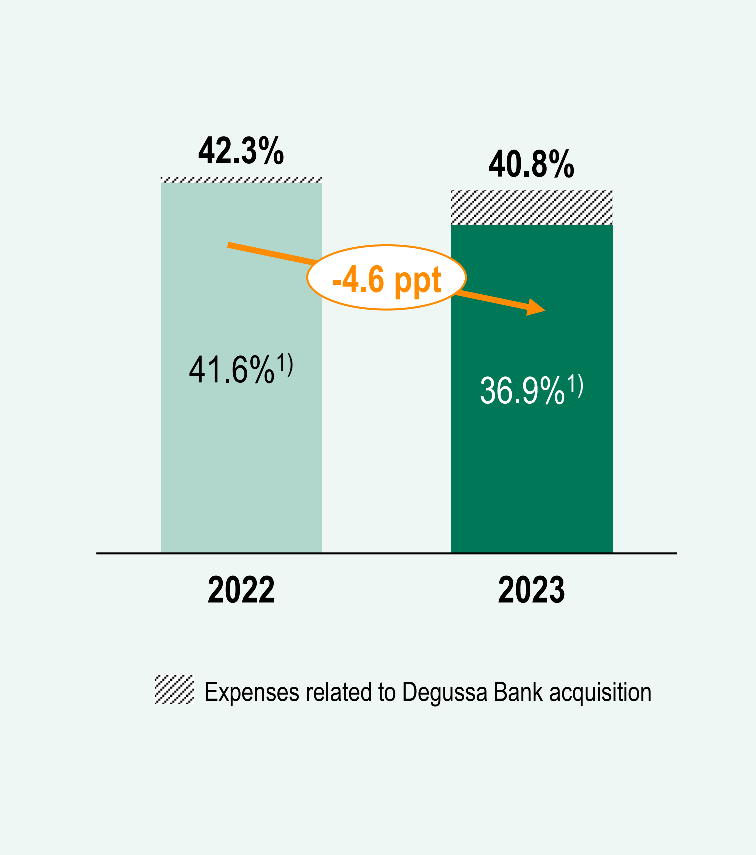
1) Return on Equity @12.5% CET1 ratio

# Continued focus on costs to offset the impact of inflation and investments

## Operating expenses [€m]




## Cost-Income-Ratio




## Comments

- Successful cost management resulting in 0.9% reduced operating expenses (ex Degussa Bank acquisition costs) while
  - Consumer prices in Germany increased by 5.9% on average in 2023[2)]
  - Investments into technology and infrastructure as well as upskilling of employees were made
- €24.8m expenses related to Degussa Bank acquisition
- Normalized CIR improved to below 37%

**Outlook FY 2024 :**

- Ongoing focus on cost management
- Assumed wage increases due to collective bargaining agreement in the private banking industry
- Further optimization of own used properties planned
- Hirings of new specialists ongoing to meet regulatory requirements (e.g. ESG, ECB, IT, control functions)
- First cost synergies expected after technical merger with Degussa Bank

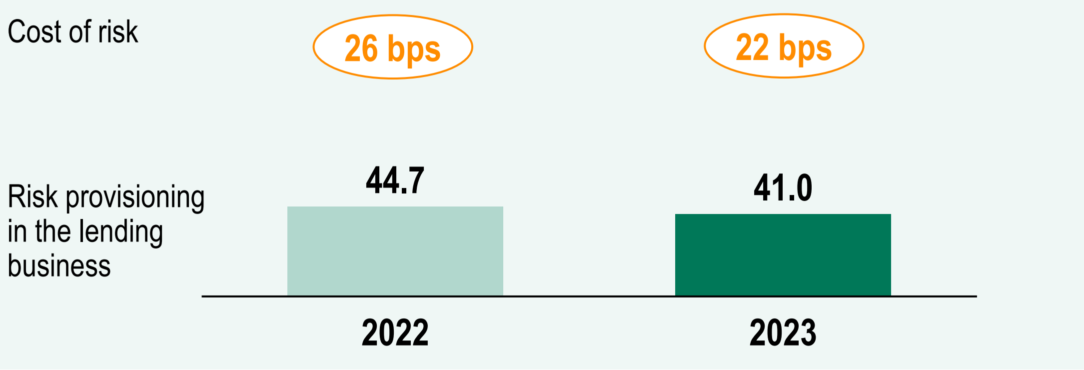
Rounding differences may occur

1) Excluding Degussa Bank acquisition-related costs. For 2023, without €24.8m expenses related to Degussa Bank acquisition of which €0.3m related to ECB-onboarding project

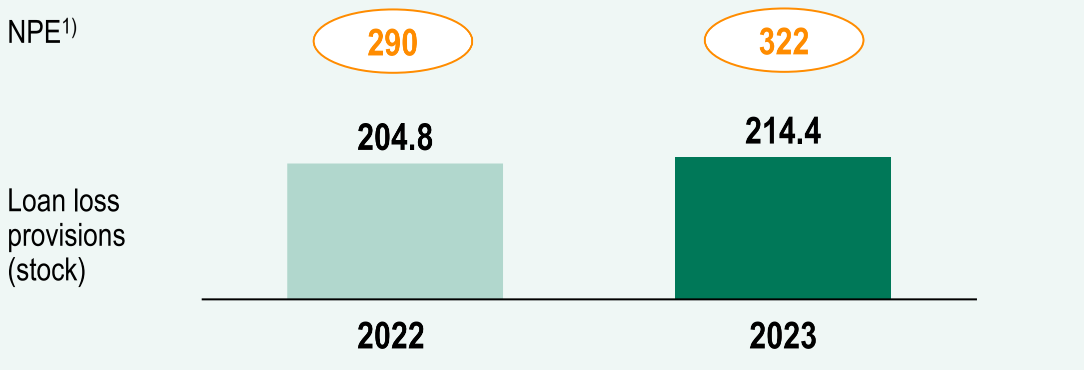
2) Source DE Statis

# Well-diversified loan portfolio and prudent risk management shield against credit losses in a stressed macro environment

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




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




### Comments

- Risk provision of €41m and CoR of 22bps at the lower end of planned results
- Net risk provision benefitting from €10m relief based on recalibration of IFRS 9-model, used to prudently increase SLLPs caused by stressed macro environment
- Backbook of risk provisions contains unchanged PMA of €16m serving as additional buffer
- Diversified loan portfolio with almost unchanged (y-o-y) NPL ratio at 1.5%

**Outlook FY 2024:**

- Cautiously monitoring potential rating migration effects
- Potential for slight increase in NPL ratio due to macro environment but within levels seen over the past 3 years

**Focus Commercial Real Estate:**

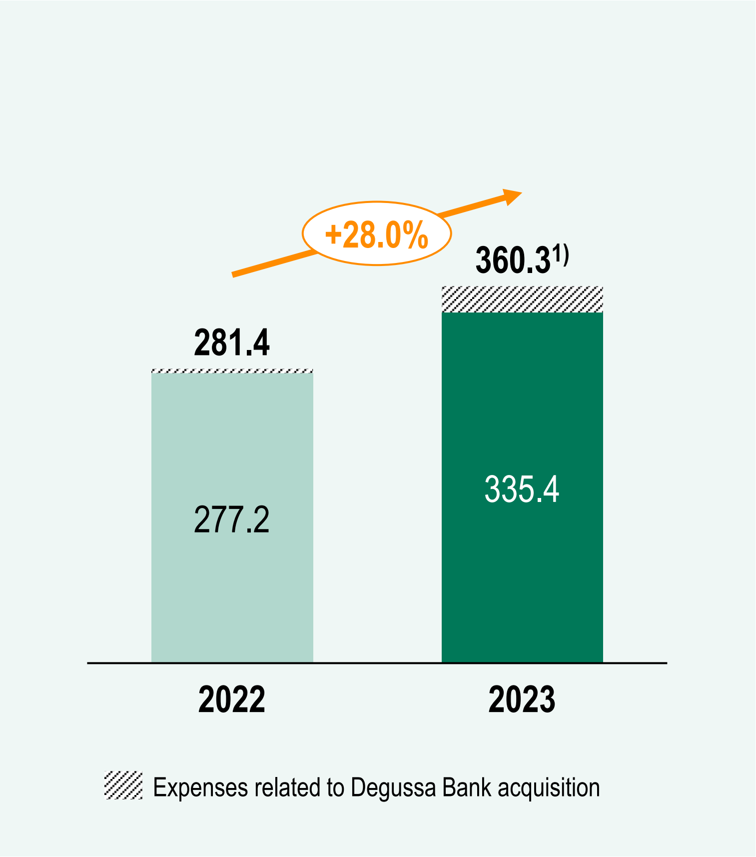
- Strategy to reduce growth in CRE since 2020 is bearing fruit, in particular abstain from developments as well as US-exposures
- Based on this risk management approach, only two cases lead to provisions of €4.6m
- Prudent monitoring and careful provisioning policy of CRE exposures to be continued

Rounding differences may occur

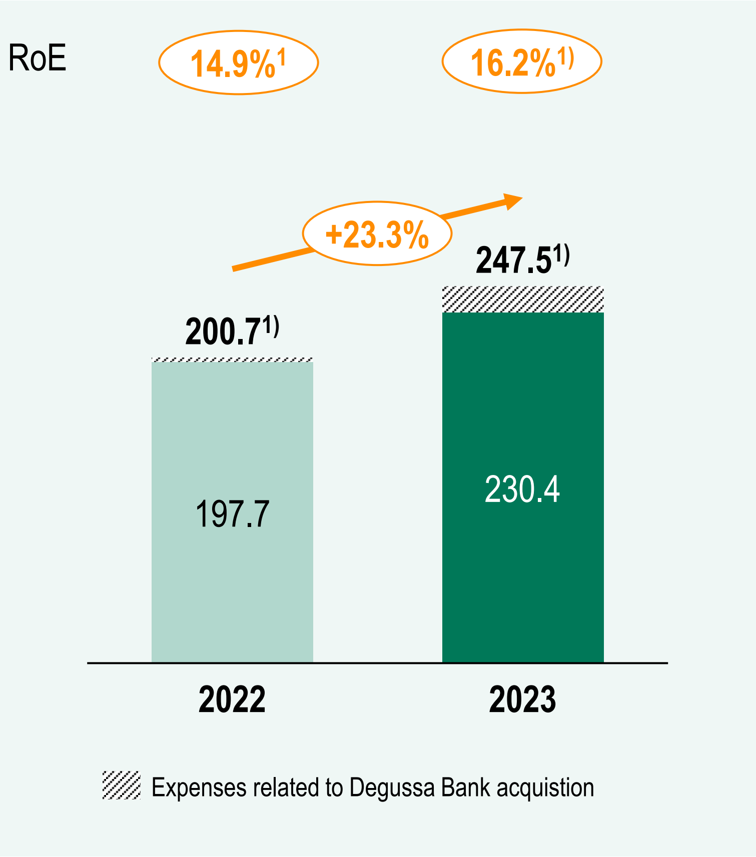
1) NPE incl. accrued interest of defaulted positions

# Continued focus on growth and efficiency …

## Result before taxes [€m]




## Result after taxes [€m]




## Comments

- Normalized result before taxes improved by 30% (y-o-y) to €360m
  - Including Degussa Bank integration related costs still an increase to €335m (+21% y-o-y)
- High profitability: Achieving €248m result after taxes and 16.2% RoE (ex Degussa Bank costs), despite considerably higher capital position ahead of closing
- Drop in deposit protection and regulatory costs already visible

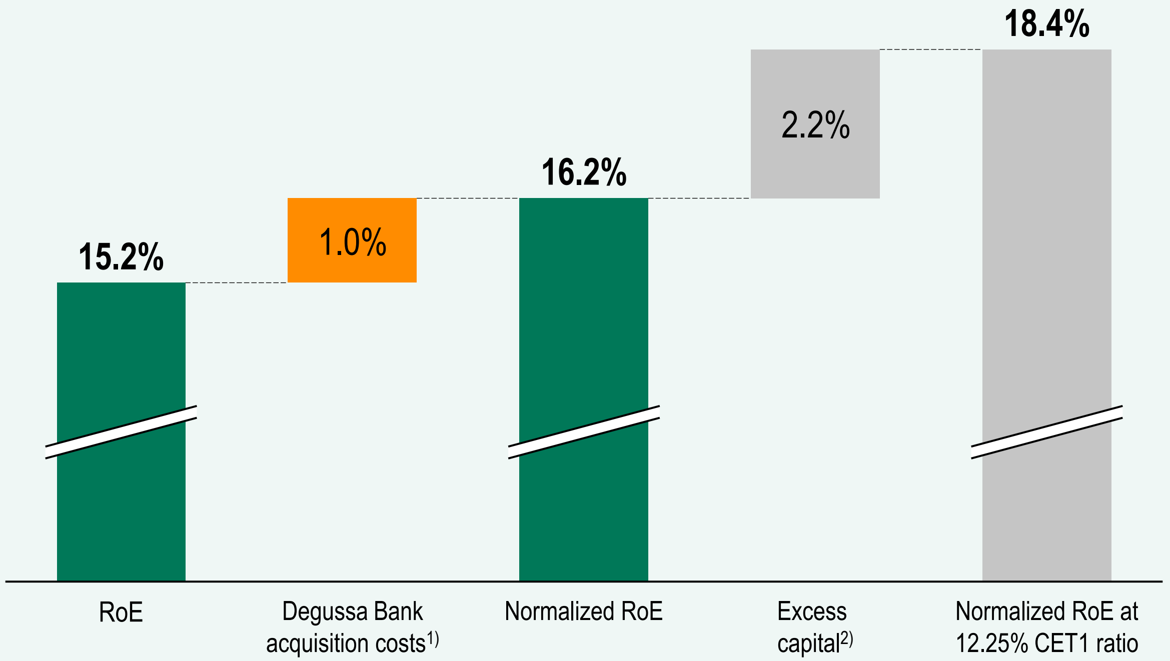
**Outlook FY 2024:**

- Upside potential from merger effects expected to be realized after migration of Degussa Bank

1) Excluding Degussa Bank acquisition-related costs. For 2023, without €24.8m expenses related to Degussa Bank acquisition of which €0.3m related to ECB-onboarding project

# … as a basis for high RoE levels

## Return on Equity after taxes (2023)



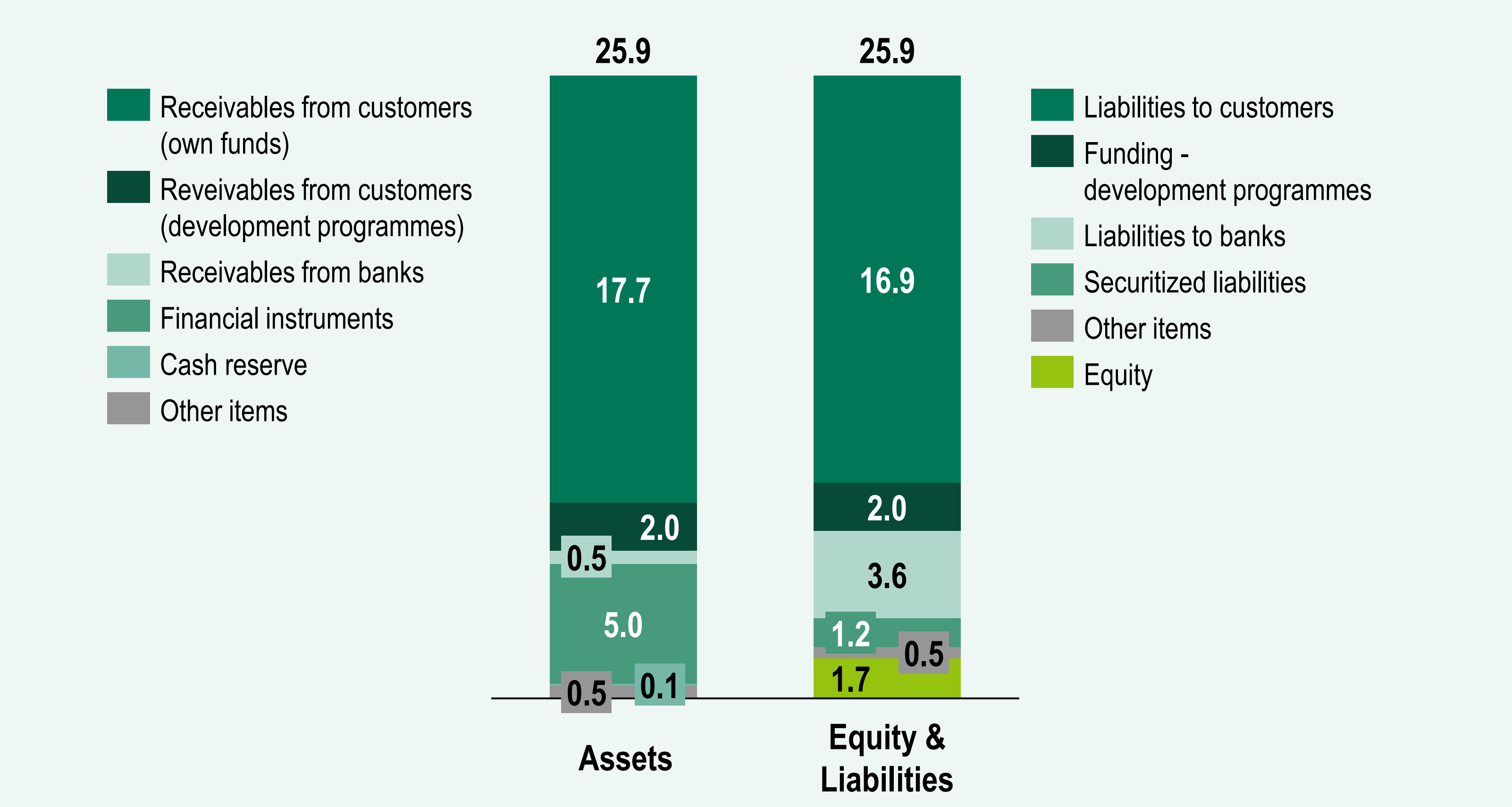

## Comments

- Based on successful operating performance OLB again demonstrated ability to deliver strong results
- In preparation of upcoming Degussa Bank closing certain one-off ramp-up costs have already been booked throughout FY 2023
- Capital build up ahead of Degussa Bank closing now completed with excess capital to be used to absorb transaction
- Based on the minimum CET1 target ratio OLB is already significantly ahead of RoE strategic mid-term target of 14-16%

1) Without €24.8m expenses related to Degussa Bank acquisition of which €0.3m related to ECB-onboarding project
2) Excess capital based on >12.25% CET1 target ratio

# Robust balance sheet structure with balanced loan-to-deposit ratio

**Balance sheet composition** [Dec 2023, €bn]

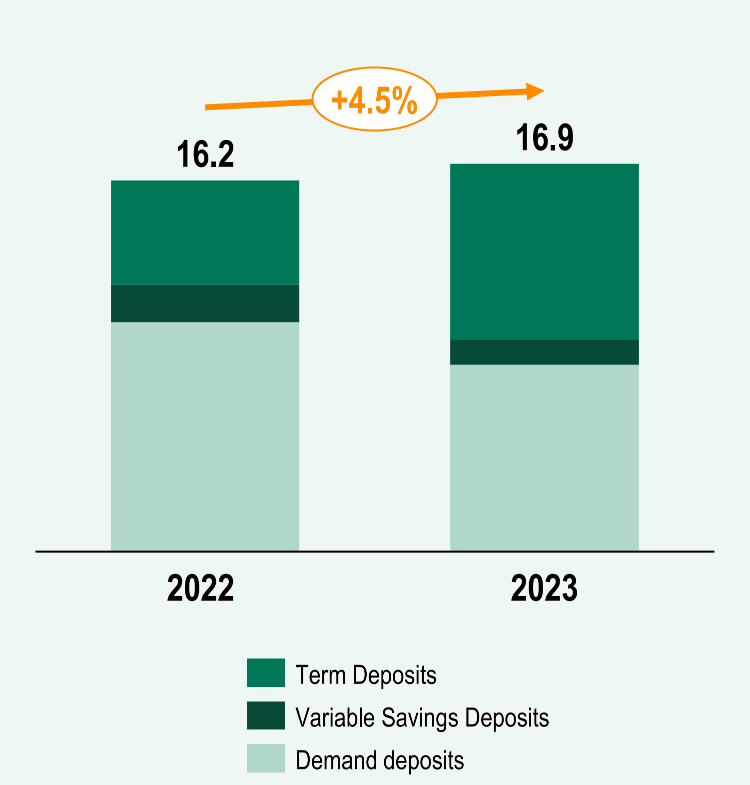



**Comments**

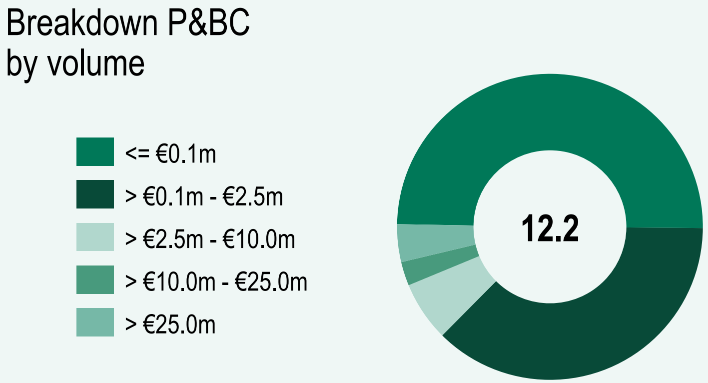
- Simple balance sheet structure
- Favorable funding mix with €16.9bn of stable customer deposits, which will be further supported by Degussa Bank transaction
- Investment portfolio used for regulatory liquidity reserve consists almost exclusively of public sector bonds and covered bonds with excellent ratings
- Liquidity ratios consciously high for the time being
  - LCR at 147%
  - NSFR at 114%
- Leverage ratio as of 12/2023 at 5.5%

# Maintained stable deposit levels, supported by solid regional deposit base

## Deposit development [€bn]




## Composition of deposits [Dec 2023, €bn]

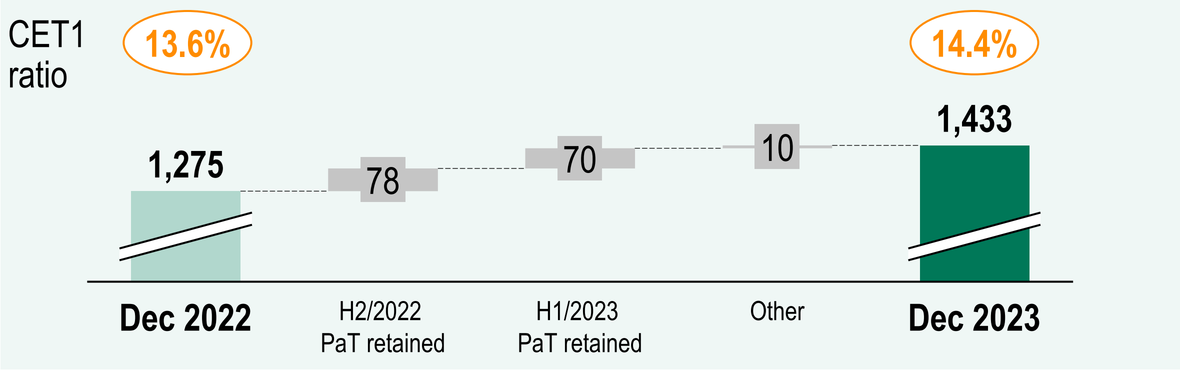




## Comments

- Deposit base grew by 4.5% y-o-y to €16.9bn and confirms the continuous focus on deposits as main funding source and securitized liabilities in 2023
- Highly granular and stable deposits from regional long-lasting customer relations
- >90% of total deposits protected by deposit protection schemes
- Shift from variable products to time deposits as expected, trend has slowed down in Q4
- Overall deposit beta remains favourable at ~27%
  - Beta of retail deposits ~23%
  - In line with expectation, beta for corporate deposits at ~40%
- Actual interest rate on deposits at 1.55%

# Sustainable capital generation

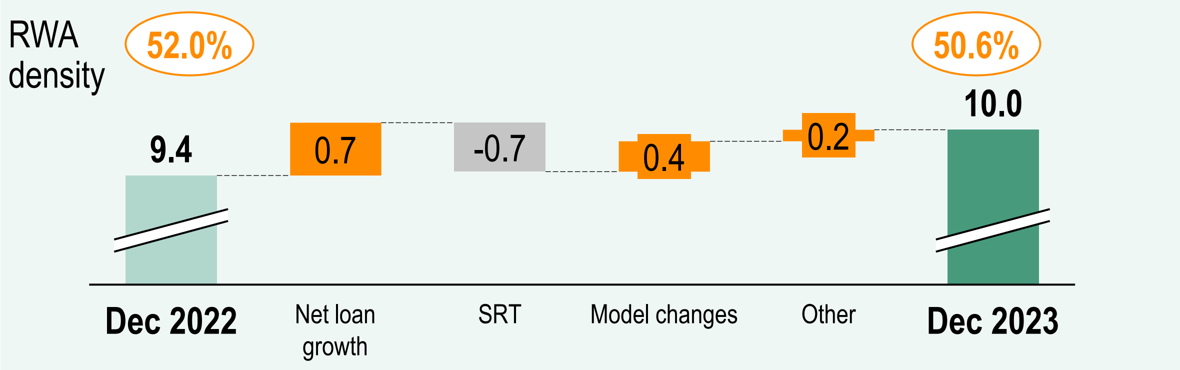
## CET1 development [€m, HGB]




## Comments

- CET1 capital improved by c. €158m
  - Retention of €70m of the first half year 2023 HGB result approved by BaFin
- Other effects comprise in particular the transition from accounting capital to regulatory capital
- CET1 ratio of 14.4% improved by 74 bps

## RWA development [€bn]

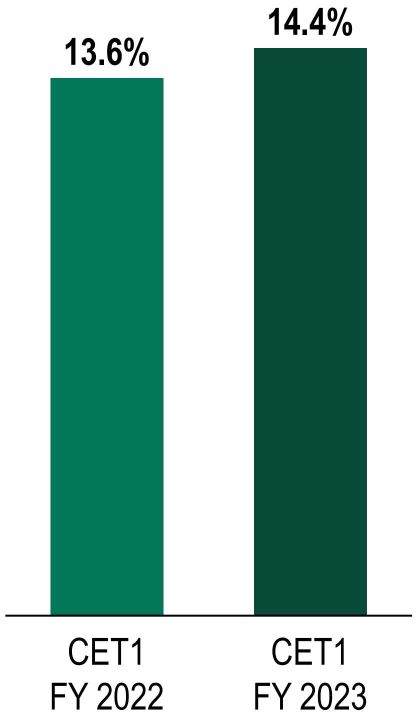


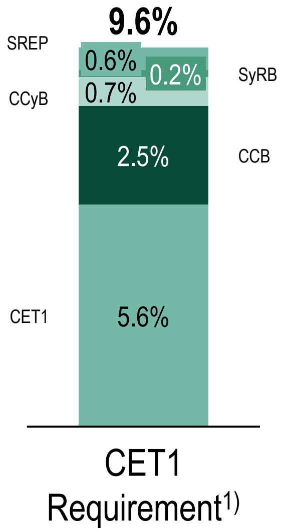

## Comments

- RWA density improved by 140bps
- RWA increase to €10.0bn
  - Net loan growth of ~€0.7bn offset by synthetic risk transfer
  - Application of additional FIRB models and model adjustments totaling €0.4bn
  - Other effects include in particular a €140m adjustment in operational risk due to a more conservative valuation approach

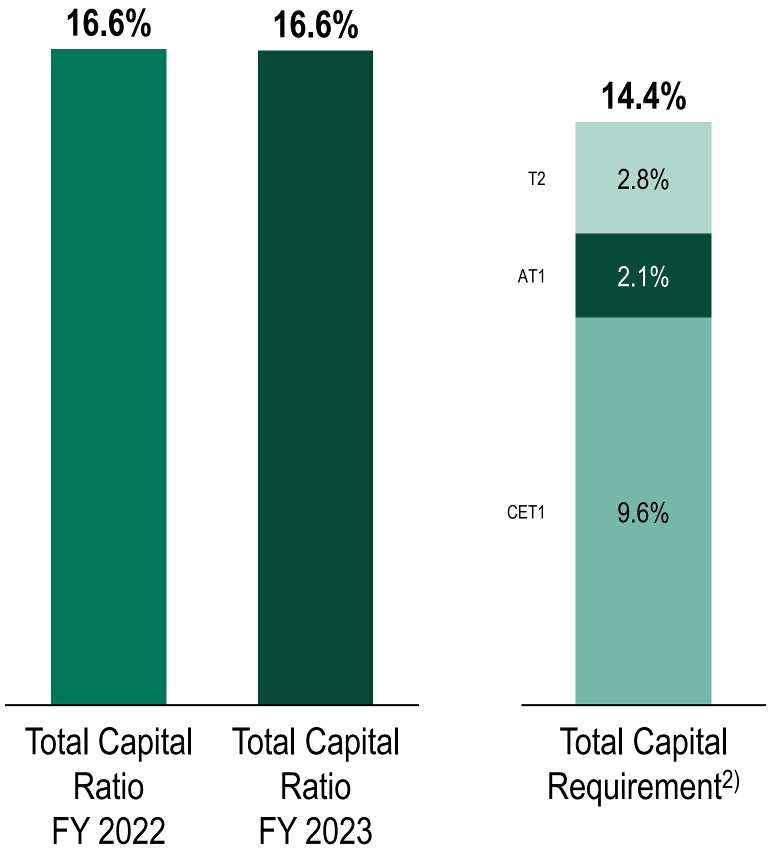
# CET1 well above requirement - substantial buffer in current environment

## CET1 capital requirements




## Total capital requirements




## Comments

- CET1-ratio stands at 14.4% deliberately above management target given financing the Degussa Bank transaction at closing and the prevailing macro environment
- Efficiency further improved by a €170m Tier 2 issuance in Jan 2024, utilizing the combined Tier 2 bucket in full
- All capital requirements fully reflected

**Outlook FY 2024:**

- OLB expected to be classified as a 'significant institution' to be supervised by ECB after closing of Degussa Bank acquisition
- OLB is already preparing for ECB supervision
- In connection with the BaFin's decision regarding the acquisition of Degussa Bank, a higher capital requirement might occur

1) CET1 Requirement incl. P2G: 9.7%; effective from Jan 2024
2) Total Capital Requirement incl. P2G: 14.5%; effective from Jan 2024

# Moody's upgraded OLB – further expanding capital market footprint

## Rating: Upgraded to Baa1 and outlook changed to Stable[1)]

**Current ratings**

| | |
|---|---|
| Senior preferred / deposit / issuer rating | Baa1 |
| Outlook | **Stable** |

MOODY'S INVESTORS SERVICE

### Credit strengths[1)]

- Moderate problem loan ratio, reflecting the bank's focus on the domestic market, which performed well in recent years
- Solid capitalisation, which will decline somewhat, however, following the Degussa Bank transaction
- A developing track record of improved profitability
- Low dependence on wholesale funding, reflecting the bank's strong access to retail deposits

### Outlook stable[1)]

- Stable Investment Grade rating since initial assignment in 2019
- Moody's raised the credit assumption to Baa1 with stable outlook

## Issuance strategy: Active debt capital market participant

March 2021
€350,000,000
Inaugural
0.050% Covered Bond
Maturity 2031

July 2021
€100,000,000
Inaugural
6.000% Additional Tier 1 Note
Perpetual Non-Call 2026

April 2022
€350,000,000
1.250% Covered Bond
Maturity 2029

January 2023[2)]
€400,000,000
Inaugural
5.625% Senior Preferred
Maturity 2026

January 2024
€500,000,000
Inaugural
3.125% Benchmark Mortgage Covered Bond
Maturity 2032

January 2024
€170,000,000
Inaugural
8.500% Tier 2
Maturity 2034

- High level of confidence from investors, highlighted by two successful inaugural bond issuances (Tier 2 and Benchmark Mortgage Covered) already in January 2024
- Plan to continue to be an active issuer, as and when required and subject to market conditions to further fund its business expansion

1) According to Moody's credit opinion as of 14.02.2024.
2) Includes €350m initial placement in January 2023 and €50m tap issuance

# Preparation for Degussa Bank integration well on track

## Rationale

### Adding significant scale to OLB's retail banking franchise

- Acquisition of ~311k[1)] retail customers in core German market, in geographically complementary areas
- Approx. double of OLB's physical reach through worksite branches

### Material cost synergy potential, driven by low complexity

- Cost savings of ~50% based on the FY 2023 cost base of ~€103m[3)]

### Expanding deposit base

- Acquisition of ~€5bn[1)] deposit base, mainly comprising low-cost, sticky retail deposits

## Clearly identified synergies and integration benefits

**Targeted cost savings of c.€50m[1)]**

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

Capital synergies | Funding synergies | Asset repricing

## Mid-term strategy[2)]

| | |
|---|---|
| **Profit after Taxes** ↗ | **CIR: Alignment with Group target** |
| **Dividend Capacity** ↗ | **RoE: Alignment with Group target** |

1) Based on initial assumptions and subject to change. No indication of actual synergies to be achieved.
2) vs. OLB standalone mid-term budgets.
3) Based on preliminary, unaudited results.

# Strategic milestones throughout the year

## H1 2024

- ✓ Tier 2 issuance €170m
- ✓ Fully remote digital onboarding live
- ✓ Inaugural covered bond benchmark issuance
- Launch of new logo and corporate design
- ✓ Upgrade Moody's rating
- Planned closing Degussa Bank

## H2 2024

- Planned integration of Degussa Bank
- Post-merger alignment
- Introduction of new branch concept
- Introduce interactive voice response system to upgrade self service
- Relaunching Export Finance business
- Rollout of AI based services for internal and external use

Further strengthening of governance structure to comply with ECB standards when becoming a significant institution.

# Record results set benchmark for FY 2024

- High revenue and profitability resilience in reducing rate environment
- Operating resilience and further upside from Degussa Bank integration
- Robust capital position amid market challenges prepared for potentially increasing capital requirements
- Strong organic capital generation enables growth and rewarding shareholders

**Strategic mid-term targets**

| | |
|---|---|
| **Mid single digit** Loan growth through economic cycle | **≤40%** Cost-income ratio |
| **14-16%** Return on Average Equity through the economic cycle | |
| **>12.25%** CET1 ratio | |
| **≥50%** Dividend pay-out ratio | |

OLB is well prepared for a possible IPO, which could be initiated following a decision by the shareholders based on a favourable market environment.

# Appendix

# Income statement and key ratios
## OLB Group

OLB BANK

| P&L [€m] | 2023 | 2022 | Δ in % |
|---|---|---|---|
| Net interest income | 509.4 | 435.8 | 16.9 |
| Net commission income | 120.6 | 114.8 | 5.1 |
| Trading result | 20.1 | 8.4 | >100.0 |
| Result from hedging relationships | -22.9 | -19.0 | 20.1 |
| Other income | 19.0 | 25.5 | -26.6 |
| Result from non-trading portfolio | -1.8 | 12.3 | <-100.0 |
| **Operating income** | **644.3** | **577.8** | **11.5** |
| Personnel expenses | -140.1 | -145.8 | -3.9 |
| Non-personnel expenses | -99.9 | -73.4 | 36.0 |
| Depreciation, amortization and impairments of intangible and tangible fixed assets | -22.9 | -24.5 | -6.7 |
| Other expenses | -0.2 | -0.6 | <-100.0 |
| **Operating expenses** | **-262.8** | **-244.3** | **7.6** |
| **Operating result** | **381.5** | **333.5** | **14.4** |
| Expenses from bank levy and deposit protection | -12.2 | -15.2 | -19.6 |
| Risk provisioning in the lending business | -41.0 | -44.7 | -8.3 |
| Result from restructurings | 7.1 | 3.7 | 93.6 |
| **Result before taxes** | **335.4** | **277.2** | **21.0** |
| Income tax | -105.0 | -79.5 | 32.1 |
| **Result after taxes (profit)** | **230.4** | **197.7** | **16.5** |

| Key performance indicators | 2023 | 2022 | Δ |
|---|---|---|---|
| Return on Equity after taxes | 15.2% (16.2%[1]) | 14.7% | +0.5 ppt |
| Cost-income ratio | 40.8% (36.9%[1]) | 42.3% | -1.5 ppt |
| Cost-income ratio (including regulatory expenses) | 42.7% | 44.9% | -2.2 ppt |
| Net interest margin | 2.71% | 2.49% | 0.22 ppt |

Rounding differences may occur

1) Without €24.8m expenses related to Degussa Bank acquisition of which €0.3m related to ECB-onboarding project

# Income statement and key ratios
## Segments

| P&L 01/01-12/31/2023 [€m] | Private & Business Customers | Corporates & Diversified Lending | Corporate Center | OLB Group |
|---|---|---|---|---|
| Net interest income | 258.1 | 271.8 | -20.4 | 509.4 |
| Net commission income | 76.2 | 48.2 | -3.7 | 120.6 |
| Other operating income | 2.8 | 10.7 | 2.5 | 16.0 |
| Result from non-trading portfolio | 0.0 | 0.0 | -1.8 | -1.8 |
| **Operating income** | **337.1** | **330.6** | **-23.4** | **644.3** |
| **Operating expenses** | **-151.7** | **-63.2** | **-47.9** | **-262.8** |
| **Operating result** | **185.3** | **267.5** | **-71.3** | **381.5** |
| Expenses from bank levy and deposit protection | -6.3 | -5.9 | 0.0 | -12.2 |
| Risk provisioning in the lending business | -13.4 | -29.6 | 2.1 | -41.0 |
| Result from restructurings | 0.0 | 0.0 | 7.1 | 7.1 |
| **Result before taxes** | **165.5** | **231.9** | **-62.1** | **335.4** |
| Income taxes | -51.3 | -71.9 | 18.2 | -105.0 |
| **Result after taxes (profit)** | **114.2** | **160.0** | **-43.9** | **230.4** |

| | | | | |
|---|---|---|---|---|
| **CIR** [in %] | **45.0** | **19.1** | **n.a.** | **40.8** |
| **RoReC a. tax** [in %, segment reporting @12.5% CET1] | **32.3** | **18.8** | **n.a.** | **18.1** |

| P&L 01/01-12/31/2022 [€m] | Private & Business Customers | Corporates & Diversified Lending | Corporate Center | OLB Group |
|---|---|---|---|---|
| Net interest income | 188.7 | 233.6 | 13.6 | 435.8 |
| Net commission income | 82.6 | 37.9 | -5.6 | 114.8 |
| Other operating income | 14.8 | 10.0 | -9.9 | 14.9 |
| Result from non-trading portfolio | 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** |
| **Operating result** | **120.6** | **224.0** | **-11.1** | **333.5** |
| Expenses from bank levy and deposit protection | -8.6 | -6.6 | 0.0 | -15.2 |
| Risk provisioning in the lending business | -5.2 | -42.6 | 3.1 | -44.7 |
| Result from restructurings | 0.0 | 0.0 | 3.7 | 3.7 |
| **Result before taxes** | **106.8** | **174.9** | **-4.4** | **277.2** |
| Income taxes | -33.1 | -54.2 | 7.8 | -79.5 |
| **Result after taxes (profit)** | **73.7** | **120.6** | **3.4** | **197.7** |

| | | | | |
|---|---|---|---|---|
| **CIR** [in %] | **57.8** | **20.4** | **n.a.** | **42.3** |
| **RoReC a. tax** [in %, segment reporting @12.5% CET1] | **22.0** | **15.3** | **n.a.** | **15.3** |

Rounding differences may occur

# Balance sheet
## OLB Group

OLB BANK

| Assets [€m] | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Cash reserve | 77.7 | 1,529.8 |
| Trading portfolio assets | 76.1 | 108.5 |
| Positive fair values of derivative hedging instruments | 35.1 | 17.9 |
| Receivables from banks | 548.8 | 775.2 |
| Receivables from customers | 19,724.6 | 18,008.9 |
| Financial assets of the non-trading portfolio | 4,882.4 | 3,087.3 |
| Tangible fixed assets | 53.2 | 60.5 |
| Intangible assets | 32.9 | 31.0 |
| Other assets | 336.9 | 357.2 |
| Income tax assets | 0.0 | 0.0 |
| Deferred tax assets | 110.8 | 104.7 |
| Non-current assets held for sale | 0.0 | 0.7 |
| **Total assets** | **25,878.6** | **24,081.6** |

| Equity & liabilities [€m] | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Trading portfolio liabilities | 93.1 | 161.2 |
| Negative fair values of derivative hedging instruments | 3.6 | 9.4 |
| Liabilities to banks | 5,628.7 | 5,075.3 |
| Liabilities to customers | 16,917.6 | 16,192.5 |
| Securitized liabilities | 1,196.6 | 706.9 |
| Subordinated debt | 129.3 | 161.9 |
| Income tax liabilities | 12.7 | 44.8 |
| Provisions | 135.2 | 129.0 |
| Other liabilities | 80.9 | 83.1 |
| Amounts paid to fund the approved capital increase | 0.0 | 0.0 |
| **Equity** | **1,681.0** | **1,517.4** |
| **Total equity and liabilities** | **25,878.6** | **24,081.6** |

# Capital and liquidity
## OLB Group

| Equity & RWA [€m] | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Common Equity Tier 1 capital (CET1)[1)] | 1,432.5 | 1,275.2 |
| Additional Tier 1 capital (AT1)[1)] | 101.3 | 141.2 |
| **Tier 1 capital[1)]** | **1,533.8** | **1,416.4** |
| Tier 2 capital[1)] | 117.9 | 141.0 |
| **Share capital and reserves[1)]** | **1,651.7** | **1,557.4** |
| **Risk assets** | **9,975.3** | **9,362.8** |
| Common Equity Tier 1 capital ratio[1)] | 14.4% | 13.6% |
| Tier 1 capital ratio[1)] | 15.4% | 15.1% |
| Aggregate capital ratio[1)] | 16.6% | 16.6% |
| Total SREP capital requirement | 9.0% | 9.0% |

| | | |
|---|---|---|
| Leverage ratio | 5.5% | 5.3% |
| Total SREP leverage ratio requirement | 3.0% | 3.0% |

| | | |
|---|---|---|
| Loan-to-deposit ratio | 117% | 111% |

| Liquidity ratios | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Liquidity coverage ratio (LCR) | 147% | 174% |
| Net stable funding ratio (NSFR) | 114% | 118% |

Rounding differences may occur
1) Regulatory capital position, therefore German Commercial Code (HGB)

# At a glance

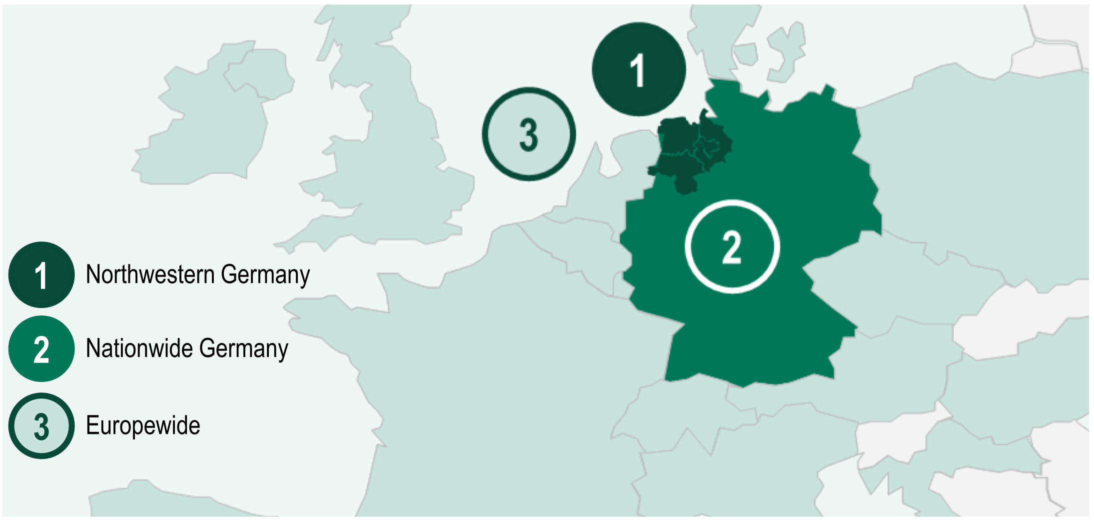
The universal bank from Northwestern Germany with a track record of profitable growth

## Balanced business model with two strategic segments

- **Private & Business Customers:**
  - Competent partner for private and business customers, as well as affluent clients in Private Banking & Wealth Management
  - Strong branch presence in Northwestern Germany, combined with advisory services throughout Nationwide Germany via digital channels
  - Partners and platform sales in addition to direct support provided by OLB

- **Corporates & Diversified Lending:**
  - High level of expertise in providing support for corporates and diversified lending advisory services, such as acquisition, commercial real estate and football finance
  - Germanwide presence through branches in five major cities in addition to the headquarter in Oldenburg
  - Active nationwide and selectively in Europe with a tailored range of products and services

## Regional anchorage as basis for nationwide presence and beyond[1)]




| ~665 k | ~1,217 | 40 | 5 |
|---|---|---|---|
| Customers[2)] | Employees[3)] | Regional branches[3)] | National offices[3)] |

1) Data as of Dec 2023, Northwestern Germany defined as Lower Saxony and Bremen, Nationwide Germany defined as Germany excluding Lower Saxony and Bremen, Europewide includes additional European countries with not all being shown on the map

2) Data as of Dec 2023

3) Full time equivalents as of Dec 2023

# Balanced and sustainably profitable business model

| Private & Business Customers (P&BC) | Corporates & Diversified Lending (C&DL) |
|---|---|

**Share of receivables from customers and operating income (2023)**



**Customer groups**

**P&BC**

- **Branch Business** / **Central & Digital Sales**: Private Customers, SME
- **PBWM** (Bankhaus Neelmeyer – Die Private Bank): Private Banking & Wealth Management

**C&DL**

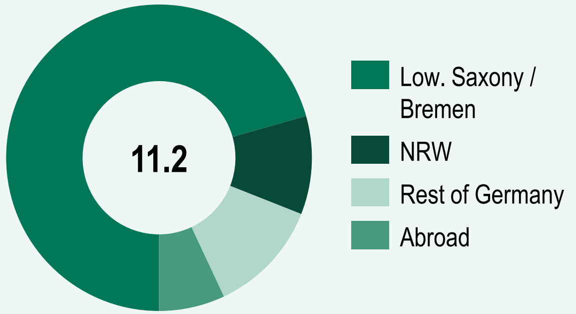
- **Corporates**: Corporates
- **Diversified Lending**: Acquisition Finance, Football Finance, Commercial Real Estate, Wind, Intl. Diversified Lending, Fund Finance, Shipping
- **National centers**

1) FY 2023, negative operating income located in segment Corporate Center not explicitly shown
2) FY 2023, negative loan volume located in segment Corporate Center not explicitly shown

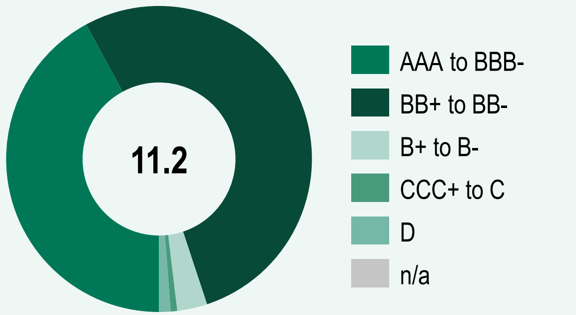
# Asset quality overview (2023)

## Private & Business Customers

### Regions
[by EAD, €bn]

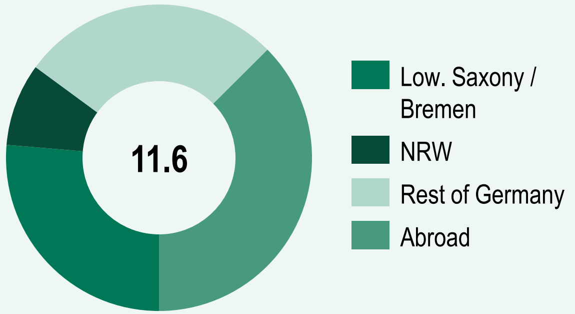



### Rating structure
[by EAD, €bn]

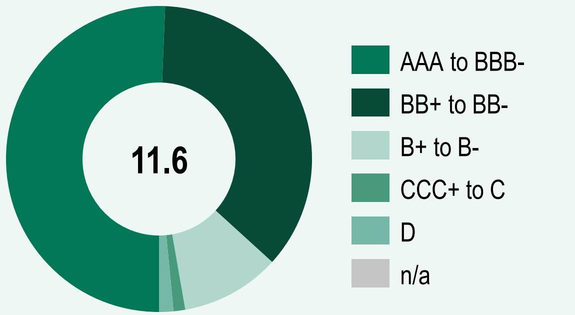



## Corporates & Diversified Lending

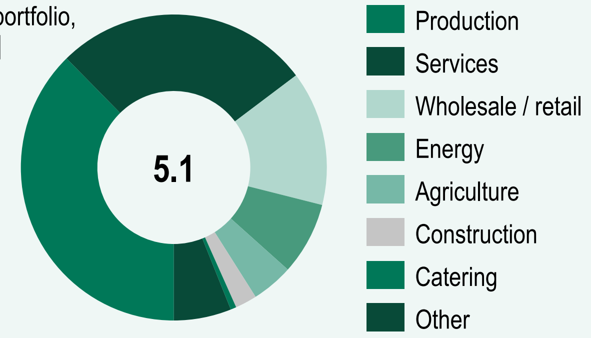
### Regions
[by EAD, €bn]



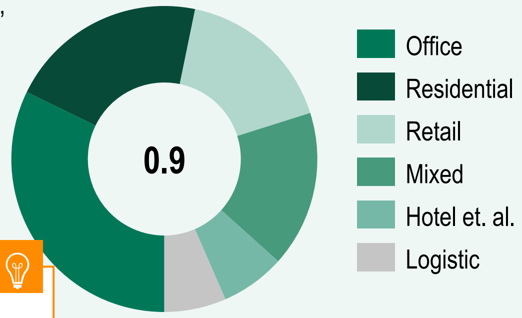

### Rating structure
[by EAD, €bn]




### Sectors
[Corporates portfolio, by EAD, €bn]



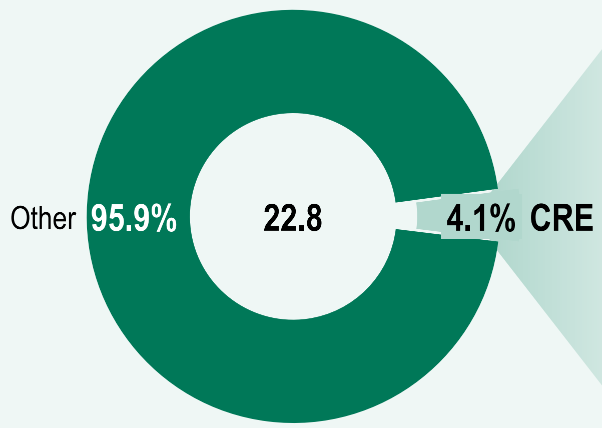

### Property type
[CRE portfolio, by EAD, €bn]




**No**
US/UK-Exposure

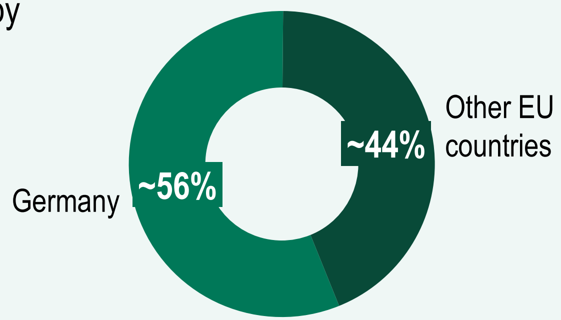
# Focus topic:
# Commercial Real Estate (CRE) accounts for 4% of the total loan portfolio

### CRE proportion of loan portfolio[1) ] [€bn]

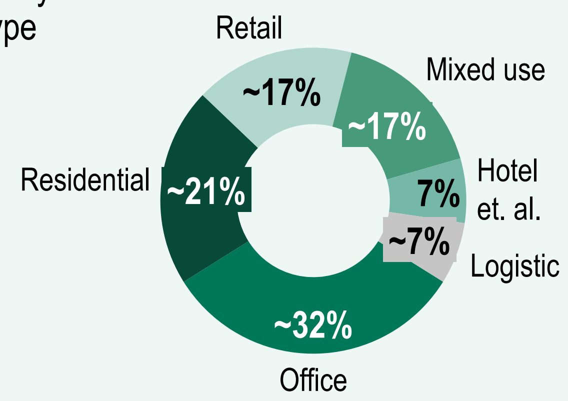



### Breakdown of the CRE portfolio[1)]

Breakdown by region




Breakdown by property type




### Comments

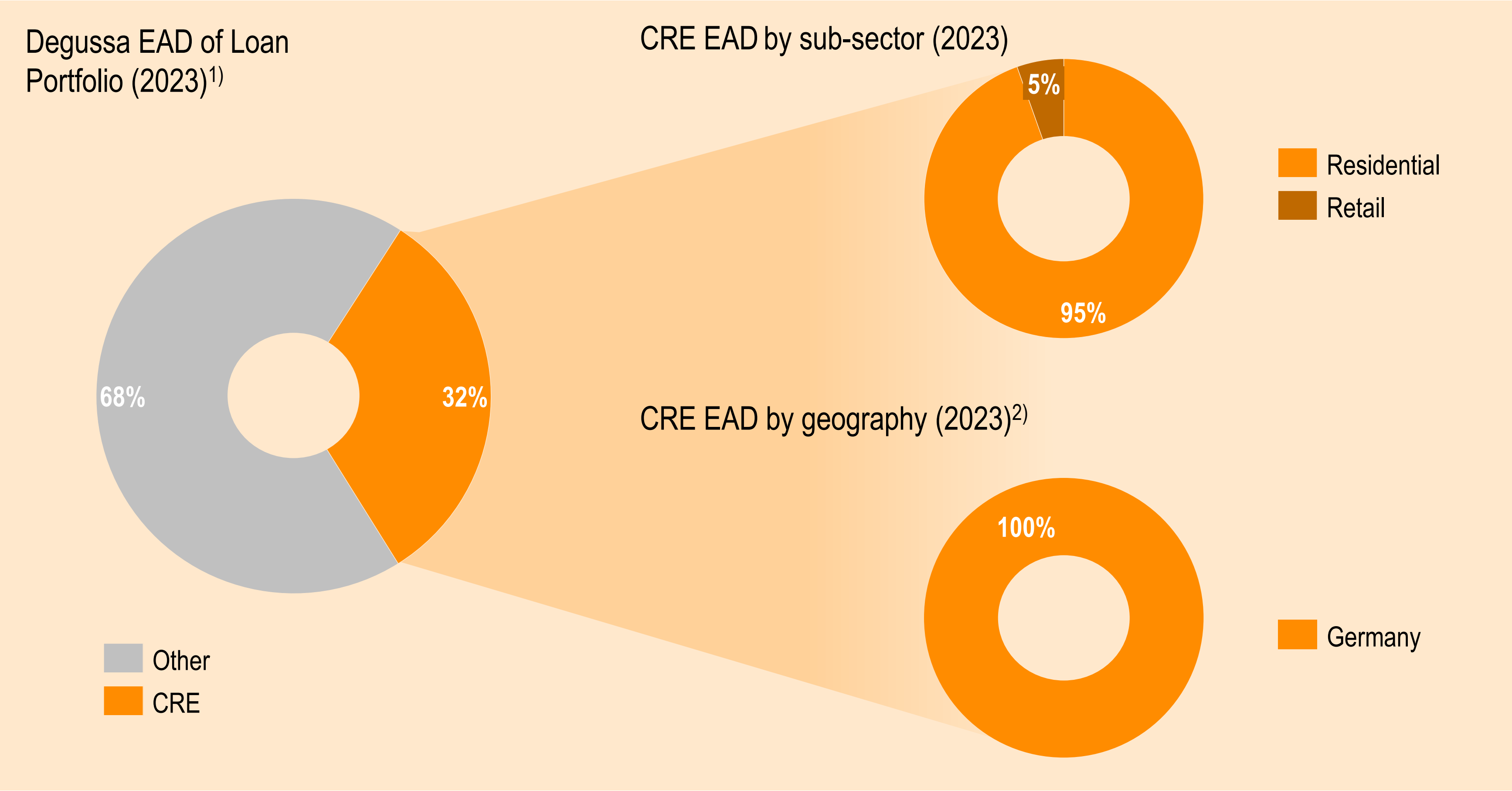
- CRE with low relative share of 4% of total EaD
- 100% of portfolio in EU countries, **no** US and UK exposure; essentially all senior secured/mortgage-backed financings
- Selective business approach – very prudent underwriting guidelines, focused on professional well-capitalized sponsors
- >90% of deals are self-originated via direct and long-standing client relationships; limited volume from participations in syndications
- No financing of pure development loans (property developers) since Q3 2021
- LTV at 69% based on current valuations
- Average EaD of ~€24m with remaining maturity of 1.6 years[2)]

1) On the basis of exposure at default, data as of Dec 2023
2) As of Dec 2023

# Excurse: Degussa Bank acquisition will increase high-quality and low-risk CRE exposure

## Degussa Bank CRE exposure

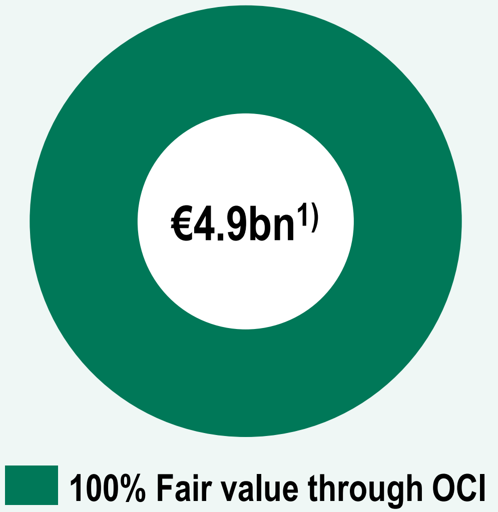
- Entire CRE exposure via super senior financing of CRE-related funds (Industria)
- CRE EAD contributes 26% to the total Degussa Bank EAD and 32% to loan portfolio
- Funds with low-risk CRE exposure
  - 42% average LTV
  - 95% Residential
  - 100% in Germany of underlying CRE collateral
- 90% of financing related to completed real estate
- Only ~2% office real estate as collateral while majority (85%) are apartment buildings
- Very good geographical distribution (measured by federal states) within Germany




1) Information based on publicly available information from Degussa Bank AG as of February 2024 and not verified. Information is subject to change.
2) Collateral geography

# Financial assets hedged against interest rate risks

## Financial assets of the non-trading portfolio (2023)




- According to IFRS entire portfolio is measured at fair value through OCI

## OCI development [€m]

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Securities | -308.0 | -494.5 |
| Asset Swaps | 224.8 | 438.9 |
| Deferred taxes | 25.8 | 17.2 |
| Total (net) bond position | -57.4 | -38.4 |
| Pension provisions (IAS 19) | 27.9 | 44.6 |
| Deferred taxes | -8.6 | -13.8 |
| Total (net) pension position | 19.2 | 30.8 |
| Total (net) | -38.2 | -7.6 |

- As part of the ongoing cash optimization additional securities have been bought into AFS since Dec 2022 and fully hedged
- All above numbers are reflected in equity figures

1) Includes bonds and other fixed-income securities, shares, investment securities, shares in non-consolidated subsidiaries.

# Track record of integrating complementary franchises into a single banking platform

OLB BANK

**1863** – Founding of **Bremer Kreditbank**

**1868** – Founding of **Oldenburgische Landesbank**

**1907** – Founding of **Bankhaus Neelmeyer**

| 2014 | 2017 | 2018 | 2019 | 2019 | 2022 | Pending[1] |
|---|---|---|---|---|---|---|
| Acquisition of KBC Germany and rebranding to **Bremer Kreditbank** | Acquisition of **Bankhaus Neelmeyer** | Acquisition of **Oldenburgische Landesbank** and merger with BKB and Neelmeyer | Acquisition of **Wüstenrot Bank AG Pfandbriefbank** and merger with OLB | Acquisition of EAA portfolio | Acquisition of **leveraged loan portfolio** from NIBC | Acquisition of **Degussa Bank** |
| BKB Bank seit 1863 | Bankhaus Neelmeyer – Die Private Bank | Oldenburgische Landesbank | wüstenrot Bank AG Pfandbriefbank | Erste Abwicklungsanstalt Portfolio Acquisition | NIBC Leveraged Loan Portfolio | Degussa Bank |
| ✓ Corporate banking and specialized lending origination franchise | ✓ Wealth management and private banking<br>Strong brand recognition | ✓ Leading retail and corporate banking franchise<br>Deposit funding | ✓ Nationwide retail partnership platform | ✓ Real estate loan portfolio | ✓ Accelerate profitable growth in niche markets | ✓ Adding further scale<br>Expected earnings accretion through synergies |

Stable, reliable and supportive ownership structure since 2014. Material inflows into retained profits supporting continuous growth and profitable development of today's OLB

1) Acquisition subject to regulatory approvals and various closing conditions, closing expected in H1 2024

# Sustainability deeply embedded in business model

OLB BANK

## Successful 2023 track record in field of sustainability (*selected examples*)

OLB now in top quarter percentile compared to peer group of 681 international banks

- Improved S&P ESG rating from 30 points (2022) to 35 points in 2023 ✓
- Reduced energy consumption by 20.7 % and $CO_2$ emissions from own operations (Scope 1 & 2) by 21.4 % in 2023 compared to 2022 ✓
- 10.8 % savings in paper consumption and 25.8 % reductions in waste 2023 vs. 2022 ✓
- Established ESG scoring for borrowers and introduced supplier rating for suppliers in the upstream value chain ✓
- Launched "Green Deal" loan product to promote private housing modernisation ✓
- Implemented a “Taxo Tool” to identify taxonomy-aligned economic activities ✓
- Awarded the ESG Transformation Award 2023 in the category "Transformation of the organisation“[1)] ✓

## Key objectives (*selected examples*)

- Enhancing $CO_2$ accounting at loan portfolio level (for continuous alignment with the climate target path)
- Certified qualification of mortgage specialists as energy coaches
- Calculation EU Taxonomy KPI and disclosure of Green Asset Ratio
- Establishing CSRD reporting capability
- Ongoing implementation of regulatory ESG requirements, in particular from CRR, Supply Chain Act, Taxonomy and CSRD
- Inaugural issuance of a Green Bond planned

**Continuous expansion of ESG governance**

1) Initiated through management and IT consultancy Consilion together with Christian Klein, Professor of Sustainable Finance at the University of Kassel

# Management team

**Stefan Barth**
Chief Executive Officer

- CEO since September 2021
- Joined OLB in January 2021 as CRO

**Rainer Polster**
Chief Financial Officer

- Member of the Board of Directors since April 2020
- Joined OLB in October 2018

**Chris Eggert**
Chief Risk Officer

- Member of the Board of Directors since June 2022
- Joined BKB in 2008, Head of Credit Risk Management since 2013

**Aytac Aydin**
COO / Private & Business Customers

- Member of the Board of Directors since February 2022

**Marc Ampaw**
Corporates & Diversified Lending[1)]

- Member of the Board of Directors since May 2021

**Giacomo Petrobelli**
Corporates & Diversified Lending[2)]

- Member of the Board of Directors since July 2022
- At OLB and previously BKB since July 2016

1) Responsible for asset-based financing
2) Responsible for Corporate Banking, Football Finance and Acquisition Finance

# Definitions

| | |
|---|---|
| Common Equity Tier 1 ratio (CET1 ratio) | Common Equity Tier 1 capital defined according to regulatory standards / risk-weighted assets |
| Cost-income ratio (CIR) | Operating expenses / Operating income |
| CIR including regulatory expenses | (Operating expenses + Expenses from bank levy and deposit protection) / Operating income |
| Cost of Risk | Risk provisioning in the lending business / Average receivables from customers |
| Coverage ratio | Ratio of Stage 3 risk provisions, collateral and retained (“set-aside”) interest to volume of non-performing receivables |
| CRE LTV | Ratio of the Loan Amount to the Market Value or Fair Value of an asset |
| Credit volume | Receivables from customers |
| Loan-to-deposit ratio | Receivables from customers / liabilities to customers |
| NIM | Net interest income / Average receivables from customers |
| Non-performing-loans (NPL) ratio | Volume of non-performing customer receivables / receivables from customers (gross) |
| PMA | Post model adjustments |
| Return on Equity (after taxes) at the Whole Bank level | Result after taxes less (pro-rata temporis) payment on additional equity components / average IFRS equity, not incl. additional equity components |
| Return on Equity (after taxes) at the level of an individual segment | Result after taxes for this segment / equity internally assigned to this segment, while taking the risk-weighted assets into account |
| RWA density | RWA (incl. OR) / credit volume |

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