Oldenburgische Landesbank AG

IFRS Consolidated Financial Statements for the financial years 2019, 2020 and 2021

Consolidated financial statements of the Oldenburgische Landesbank AG for the financial years 2019, 2020 and 2021

Statement of profit and loss and other comprehensive income of the Oldenburgische Landesbank Group for the financial years 2019, 2020 and 2021

Statement of profit and loss

EURm	Notes	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
- Interest income accounted for using the effective interest method	(21)	402.6	406.9	411.0
- Interest income not accounted for using the effective interest method	(21)	-15.4	-3.4	-7.7
- Interest expenses	(21)	-24.9	-69.9	-109.8
Net interest income	(10),(21),(31)	362.3	333.6	293.5
- Commission income	(22)	179.8	158.6	137.2
- Commission expense	(22)	-53.8	-43.6	-30.7
Net commission income	(22),(31)	126.1	115.0	106.6
Trading result	(23),(31),(34),(45)	7.0	12.5	12.3
Result from hedging relationships	(24),(31),(68)	-2.8	1.1	7.7
Other income	(25),(31)	22.0	3.1	7.7
Current income		**514.5**	**465.3**	**427.7**
Personnel expenses	(26),(31)	-168.9	-177.5	-186.0
Non-personnel expenses	(26),(31)	-84.7	-78.7	-103.2
Depreciation, amortization and impairments of intangible and tangible fixed assets	(26),(31),(40),(41)	-28.3	-25.8	-24.9
Other expenses	(26),(31)	-2.5	-2.0	-8.2
Expenses from bank levy and deposit protection	(26),(31)	-14.6	-12.5	-10.8
Current expenses		**-299.1**	**-296.5**	**-333.1**
Risk provisioning in the lending business	(10),(27),(31)	-11.6	-57.8	-3.6
Result from non-trading portfolio	(10),(29),(31)	0.4	6.5	68.4
Result from derecognition of financial instruments AC	(31)	-	-	1.3
Result from restructurings	(28),(31)	-38.2	-17.9	-1.0
Result before taxes	(31)	**166.0**	**99.5**	**159.7**
Income taxes	(30),(31),(57),(58)	-50.7	-31.7	-36.1
Result after taxes (profit)		**115.3**	**67.8**	**123.6**
Thereof: Result after taxes (profit) attributable to the owners of the parent		115.3	67.8	123.6

Basic earnings per share (euros)	(32)	4.96	2.92	5.32
Diluted earnings per share (euros)	(32)	4.14	2.43	4.44

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

Other comprehensive income

EURm	Notes	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Result after taxes (profit)		**115.3**	**67.8**	**123.6**
Items reclassified through profit or loss	(10),(61)			
- Change in debt instruments measured at fair value through other comprehensive income (FVOCI)		-8.9	11.1	-27.1
- Valuation changes		-11.8	17.0	-10.4
- Gains and losses reclassified to the income statement		-1.0	-0.8	-28.9
- Deferred taxes		4.0	-5.0	12.2
Items not reclassified through profit or loss	(10),(52),(61)			
- Change from remeasurement of defined benefit plans recognized in other comprehensive income		27.8	-2.3	-43.3
- Valuation changes		40.3	-3.3	-62.7
- Deferred taxes		-12.5	1.0	19.4
Other comprehensive income	(61)	**18.9**	**8.8**	**-70.4**
Total comprehensive income		**134.2**	**76.7**	**53.2**
Thereof: Total comprehensive income attributable to the owners of the parent		**134.2**	**76.7**	**53.2**

The other comprehensive income items are further explained in note (61).

Balance sheet of the Oldenburgische Landesbank Group for the financial years 2019, 2020 and 2021

Assets

EURm	Notes	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Cash reserve	(33),(73)	2,154.2	1,654.6	1,230.9	1,518.1
Trading portfolio assets	(10),(23),(34),(64),(73)	82.2	106.2	60.5	36.7
Positive fair values of derivative hedging instruments	(11),(35),(64),(68),(73)	24.3	34.8	33.1	31.1
Receivables from banks	(10),(36),(64),(67),(73)	970.0	557.6	425.9	222.9
Receivables from customers	(10),(37),(64),(67),(73)	16,943.1	15,608.1	15,190.5	13,964.7
Financial assets of the non-trading portfolio	(10),(38),(73)	2,676.6	1,855.9	2,081.1	2,839.9
Tangible fixed assets	(15),(40)	68.3	86.8	81.9	90.7
Intangible assets	(16),(41)	29.9	34.3	25.2	23.8
Other assets	(42),(73)	229.3	150.0	131.7	84.2
Income tax assets	(13),(43)	0.0	1.5	1.5	2.0
Deferred tax assets	(13),(44),(56)	73.2	82.5	82.7	60.0
Non-current assets held for sale		0.2	-	-	-
Total assets		**23,251.4**	**20,172.3**	**19,345.0**	**18,874.1**

Equity & liabilities

EURm	Notes	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Trading portfolio liabilities	(10),(45),(64),(73)	55.3	55.6	30.9	3.6
Negative fair values of derivative hedging instruments	(11),(46),(64),(68),(73)	15.4	35.7	35.0	74.3
Liabilities to banks	(10),(47),(67),(73)	6,872.3	5,250.9	4,766.1	5,557.7
Liabilities to customers	(10),(48),(69),(73)	14,073.5	13,049.1	12,751.6	11,374.7
Securitized liabilities	(10),(49),(67),(73)	379.1	81.8	103.2	116.2
Subordinated debt	(10),(50),(62),(63),(67),(73)	166.5	170.5	201.2	246.9
Income tax liabilities	(13),(55)	19.1	44.6	30.0	9.2
Provisions	(18),(19),(51),(52),(53)	232.9	227.5	233.2	347.0
Other liabilities	(54)	81.7	99.7	81.7	78.4
Equity		**1,355.6**	**1,156.9**	**1,112.0**	**1,066.2**
Subscribed capital	(59),(62),(63)	90.5	90.5	90.5	60.5
Capital reserves	(59),(62),(63)	517.3	517.3	517.3	517.3
Revenue reserves	(59),(62),(63)	635.4	554.8	518.8	432.6
Additional equity components	(60),(62),(63)	124.2	25.0	25.0	25.0
Other comprehensive Income (OCI)	(61),(62),(63)	-11.8	-30.7	-39.6	30.8
Total equity and liabilities		**23,251.4**	**20,172.3**	**19,345.0**	**18,874.1**

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

Statement of changes in equity of the Oldenburgische Landesbank Group for the financial years 2019, 2020 and 2021

EURm	Subscribed capital	Capital reserves	Revenue reserves	Additional equity components	Cumulative other comprehensive income		Total equity
					Debt instrument with re-classification	Pensions	
Notes	(59)	(59)	(59)	(59)	(10),(61)	(19),(52),(61)	
January 1, 2019	**60.5**	**517.3**	**432.6**	**25.0**	**30.8**	**-**	**1,066.2**
Result after taxes (profit)	-	-	123.6	-	-	-	123.6
Other comprehensive income from changes in debt instruments measured at fair value through other comprehensive income (FVOCI)	-	-	-	-	-27.1	-	-27.1
Other comprehensive income from changes in defined benefit plans recognised directly in equity	-	-	-	-	-	-43.3	-43.3
Instrument-based changes in equity	30.0	-	-30.0	-	-	-	-
Other changes in equity	-	-	-5.6	-	-	-	-5.6
Total result	**30.0**	**-**	**88.0**	**-**	**-27.1**	**-43.3**	**47.6**
Payment on additional equity components	-	-	-1.8	-	-	-	-1.8
Dividend payment	-	-	-	-	-	-	-
December 31, 2019	**90.5**	**517.3**	**518.8**	**25.0**	**3.7**	**-43.3**	**1,112.0**
Result after taxes (profit)	-	-	67.8	-	-	-	67.8
Other comprehensive income from changes in debt instruments measured at fair value through other comprehensive income (FVOCI)	-	-	-	-	11.1	-	11.1
Other comprehensive income from changes in defined benefit plans recognised directly in equity	-	-	-	-	-	-2.3	-2.3
Instrument-based changes in equity	-	-	-	-	-	-	-
Other changes in equity	-	-	-0.1	-	-	-	-0.1
Total result	**-**	**-**	**67.7**	**-**	**11.1**	**-2.3**	**76.6**
Payment on additional equity components	-	-	-1.8	-	-	-	-1.8
Dividend payment	-	-	-30.0	-	-	-	-30.0
December 31, 2020	**90.5**	**517.3**	**554.8**	**25.0**	**14.8**	**-45.6**	**1,156.9**
Result after taxes (profit)	-	-	115.3	-	-	-	115.3
Other comprehensive income from changes in debt instruments measured at fair value through other comprehensive income (FVOCI)	-	-	-	-	-8.9	-	-8.9
Other comprehensive income from changes in defined benefit plans recognised directly in equity	-	-	-	-	-	27.8	27.8
Instrument-based changes in equity	-	-	-	99.2	-	-	99.2
Other changes in equity	-	-	-0.5	-	-	-	-0.5
Total result	**-**	**-**	**114.8**	**99.2**	**-8.9**	**27.8**	**232.9**
Payment on additional equity components	-	-	-4.2	-	-	-	-4.2
Dividend payment	-	-	-30.0	-	-	-	-30.0
December 31, 2021	**90.5**	**517.3**	**635.4**	**124.2**	**6.0**	**-17.8**	**1,355.6**

EUR 1.29 per share was distributed in the 2021 reporting year (2020: EUR 1.29, 2019: EUR 0).

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

Cash flow statement of the Oldenburgische Landesbank Group for the financial years 2019, 2020 and 2021

EURm	Notes	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Operating activities				
Result after taxes (profit)		115.3	67.8	123.6
Adjustments for				
Depreciation, amortization and impairments of intangible and tangible fixed assets and impairments/ reversals of impairments in the lending business	(27), (40),(41)	29.4	77.5	34.3
Change in provisions	(51),(52)	84.7	57.6	37.8
Other non-cash expenses/income		3.6	-7.9	-13.3
Gain/loss on disposal of fixed assets	(40)	-23.0	-5.1	-58.4
Subtotal		**210.0**	**189.9**	**123.9**
Change in trading portfolio assets	(34)	-7.2	-5.8	-4.5
Change in receivables from banks	(36)	-408.1	-131.1	-202.8
Change in receivables from customers	(37)	-1,415.2	-428.3	-1,190.5
Change in financial assets of the non-trading portfolio	(38)	-897.1	263.1	786.6
Change in other assets	(42)	-102.3	-205.0	-101.4
Change in trading portfolio liabilities	(45)	41.7	22.0	28.6
Change in liabilities to banks	(47)	1,646.6	481.4	-816.9
Change in liabilities to customers	(48)	1,056.0	300.2	1,385.2
Change in securitized liabilities	(49)	297.3	-21.4	-13.1
Change in other liabilities	(54)	75.8	21.2	-205.8
Net interest income*	(21)	-362.3	-333.6	-293.5
Income taxes	(30),(43)	50.7	31.7	36.1
Interest received	(21)	466.5	431.2	421.8
Dividend payments received	(21)	0.1	0.1	0.4
Interest paid	(21)	-127.9	-98.7	-139.7
Income tax paid	(43)	-77.0	-20.8	-19.9
Cashflows from operating activities	**(20)**	**447.6**	**495.9**	**-205.3**

*Including cash payments for the interest portion of lease liabilities

Investing activities				
Proceeds from disposal of financial assets of the non-trading portfolio	(29)	0.6	-	0.0
Proceeds from disposal of tangible fixed assets	(25)	26.7	0.0	0.0
Payments to acquire financial assets of the non-trading portfolio		-0.1	-	-0.0
Payments to acquire tangible fixed assets	(40),(41)	-6.0	-26.5	-18.4
Cash flows from investing activities	**(20)**	**21.3**	**-26.5**	**-18.4**

Financing activities				
Proceeds from capital contributions	(59)	-	-	-
Dividends paid	(59)	-30.0	-30.0	-
Change in subordinated debt	(51)	-3.9	-29.9	-44.8
Additional equity components	(60)	99.2	-	-
Interest expense for Additional equity components	(60)	-4.2	-1.8	-1.8
Change in cash funds from other financing activity**	(59),(70)	-30.3	15.8	-16.9
Cash Flows from financing activities	**(20)**	**30.8**	**-45.8**	**-63.4**

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

Cash reserve				
Cash reserve as of January 1	(33)	1,654.6	1,230.9	1,518.1
Cashflow from operating activities		447.6	495.9	-205.3
Cashflow from investing activities		21.3	-26.5	-18.4
Cashflow from financing activities		30.8	-45.8	-63.4
Cash reserve as of December 31	(33)	2,154.2	1,654.6	1,230.9
Change in cash reserve	**(20),(33)**	**499.6**	**423.7**	**-287.1**

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

Notes to the consolidated financial statements of the Oldenburgische Landesbank Group for the financial years 2019, 2020 and 2021

General disclosures

(1) Basis of accounting

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

OLB's registered office is situated at Stau 15/17, 26122 Oldenburg, and it is entered in the commercial register held by Oldenburg Local Court under the number HRB 3003. OLB is the parent company of the OLB Group which in addition to the OLB comprises the subsidiaries outlined in Note (6) and (75).

Pursuant to Sec. 290 (5) of the German Commercial Code (Handelsgesetzbuch – HGB), OLB is exempt from the obligation to prepare consolidated financial statements pursuant to Sec. 340i (1) HGB in conjunction with Sec. 290ff. HGB as its subsidiaries are of minor importance (Sec. 296 (2) of the German Commercial Code). The background to these financial statements is OLB's planned IPO and the requirements for a stock exchange prospectus, which require financial information in accordance with international accounting standards and coverage of the last three financial years. Therefore, OLB has for the first time prepared consolidated financial statements as of December 31, 2021 in accordance with the requirements of the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as well as reference figures as of December 31, 2020 and December 31, 2019. The balance sheet also includes information on the IFRS opening balance sheet as of January 1, 2019. The financial statements reflect all mandatory IFRS accounting standards and interpretations issued by the International Accounting Standards Board and adopted by the EU. The financial statements comprise the balance sheet, the statement of profit and loss and other comprehensive income, the cash flow statement, the statement of changes in equity and the notes to the consolidated financial statements.

All of the IFRS standards and interpretations endorsed by the EU which were mandatorily applicable as of the reporting date on which OLB adopted the IFRS for the first time (December 31, 2021) have been applied in these consolidated financial statements, where relevant for the OLB Group.

The euro is the reporting and functional currency. Figures are generally shown as millions of euros, rounded to one decimal place. The OLB Group's accounting is based on uniform Group accounting and valuation methods, which are explained further in the following

Notes. Accounting and valuation are based on the going concern assumption. The reporting year corresponds to the calendar year.

(2) First time adoption of IFRS

The OLB Group had already applied the IFRS in the past, up until December 31, 2015. However, it opted not to prepare IFRS consolidated financial statements from the financial year 2016 onwards and to focus the financial reporting on basis of HGB, since it no longer had any significant subsidiaries following the transactions which it had implemented in the financial year 2015 (sec. 315e (1) HGB in conjunction with sec. 296 (2) HGB). In the context of its envisaged initial public offering, OLB has once again prepared IFRS consolidated financial statements as of December 31, 2021. In doing so, OLB has exercised the option to apply the arrangement provided for in IFRS 1 as an entity which is once again a first-time adopter.

With regard to the first-time preparation of an IFRS opening balance sheet, IFRS 1 prescribes that, in principle, the IFRS requirements are to be applied retrospectively throughout. The accounting principles applicable as of December 31, 2021 were thus already applied for the reference figures shown in the balance sheet, statement of profit and loss, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements. IFRS 1 also stipulates that certain individual rules may not be applied retrospectively and may only applied for the first time as of the transition date. Of these rules, the following are relevant for OLB:

- Exclusively prospective application of the disposal rules in IFRS 9 for non-derivative financial assets and liabilities
- Assessment of the business model according to IFRS 9 on the basis of the factors and circumstances applicable as of the transition date
- No use of information subsequently obtained in order to correct estimates already made in accordance with HGB and reflection of the conditions applicable as of the respective reporting date for new estimates required according to the IFRS
- Application of the rules for the recognition of previously non-consolidated subsidiaries in accordance with IFRS 1.C4(j), as OLB had not previously prepared consolidated financial statements

In addition, specific options permitting retrospective application and practical expedients apply according to IFRS 1. OLB has made use of the following relevant options and practical expedients:

- Prospective application of the rules on business combinations for the first time as of the transition date
- Retrospective reporting of tangible fixed assets and intangible assets and non-remeasurement as of the transition date

- Assessment of leases and measurement of right-of-use assets and leasing liabilities at the present value of the residual lease payments as of the transition date
- No re-assessment of performance obligations fulfilled prior to the transition date

The effects on the net assets, financial position and results of operations which are associated with the changeover in the financial accounting from HGB to the IFRS must be presented pursuant to IFRS 1.23. The OLB Group has compiled the relevant information in the following summaries.

Reconciliation of equity

EURm	Subscribed capital	Capital reserves	Revenue reserves	Fund for general banking risks	Additional equity com-ponents	Cumulative other comprehensive income		Total equity
						Debt instruments with re-classification	Pensions	
Equity according to HGB as of December 31, 2018	**60.5**	**517.3**	**421.1**	**20.1**	**-**	**-**	**-**	**1,018.9**
Presentation of the fund for general banking risks in the IFRS equity	-	-	20.1	-20.1	-	-	-	-
Initial adjustments/revaluation of financial assets of the non-trading portfolio	-	-	26.4	-	-	30.8	-	57.3
Initial adjustment of fair values of non-consolidated affiliated companies	-	-	0.6	-	-	-	-	0.6
Net pension assets	-	-	0.0	-	-	-	-	0.0
Initial adjustments of trading assets and liabilities	-	-	10.7	-	-	-	-	10.7
Initial adjustments of hedge accounting assets and liabilities	-	-	-23.7	-	-	-	-	-23.7
Adjustment of loan loss provisions	-	-	-16.1	-	-	-	-	-16.1
Initial adjustments of provisions	-	-	-63.7	-	-	-	-	-63.7
Initial adjustments of subordinated debt	-	-	-0.0	-	-	-	-	-0.0
Initial adjustments additional equity instruments	-	-	0.0	-	25.0	-	-	25.0
Initial adjustments of deferred tax assets	-	-	47.3	-	-	-	-	47.3
Initial adjustments/ revaluation due to changes in the conso-lidatied group and other consolidation effects	-	-	9.9	-	-	-	-	9.9
Equity according to IFRS as of January 1, 2019	**60.5**	**517.3**	**432.6**	**-**	**25.0**	**30.8**	**-**	**1,066.2**

Equity according to HGB as of December 31, 2021	**90.5**	**517.3**	**605.6**	**0.1**	**-**	**-**	**-**	**1,213.5**
Adjustments within the scope of the first time adoption of IFRS as of January 1, 2019	-	-	-8.6	-	25.0	30.8	-	47.2
Presentation of the fund for general banking risks in the IFRS equity	-	-	0.1	-0.1	-	-	-	-
Deviating annual results	-	-	38.1	-	-	-	-	38.1
Revaluation of financial instruments	-	-	-	-	99.2	-24.9	-17.8	56.6
Adjustments not recognized in the income statement	-	-	0.2	-	-	-	-	0.2
Equity according to IFRS as of December 31, 2021	**90.5**	**517.3**	**635.4**	**-**	**124.2**	**6.0**	**-17.8**	**1,355.6**

Significant adjustments resulting from the changeover from HGB to the IFRS and the related equity valuation effects are presented below:

While the AT1 bonds issued by OLB with nominal values of EUR 25 million (ISIN DE000A2LQQC9) and EUR 100 million (ISIN DE000A11QJL6) constitute debt capital according to HGB, they are classifiable as equity according to the IFRS. They have been reported as additional equity components in the respective consolidated financial statements.

The fund for general banking risks in the HGB financial statements of OLB was transferred to the IFRS revenue reserves.

Hidden reserves for debt instruments with reclassification were reported in cumulative other comprehensive income in a net amount of EUR 30.8 million as of January 1, 2019 (EUR 6.0 million as of December 31, 2021). Valuation changes from pensions not reclassified through profit or loss reduced cumulative other comprehensive income by an amount of EUR -17.8 million in the period between the date of initial consolidation, January 1, 2019, and December 31, 2021.

The inclusion of the Weser-Ems and Ammerland special funds in the IFRS consolidated financial statements resulted in EUR 10.0 million in additional equity as of January 1, 2019 compared to the parent company's financial statements under the German Commercial Code, which was reported in the revenue reserves.

The valuation adjustments to the other financial instruments and balance sheet items had a EUR -18.5 million impact on the revenue reserves as of January 1, 2019.

Reconciliation of statement of profit and loss and other comprehensive income

The following presentation is based on the breakdown of items in the IFRS income statement. Expenses and income from OLB's individual financial statements under the German Commercial Code (HGB) were allocated to the corresponding items in the statement. The "Reconciliation of results" column shows the valuation adjustments that lead to the corresponding IFRS result in this income statement item. Adjustments due to different valuation rules and effects from the consolidation of the individual HGB financial statements were combined here, as the latter are of minor importance.

To highlight the differences between OLB's HGB and IFRS accounting, a reconciliation between OLB's most recently reported net profit for the financial year according to HGB, as of December 31, 2021, with the Group's total comprehensive income according to the IFRS as of the same date is provided below.

The reconciliation for the 2019 financial year is as follows:

EURm	HGB	Reconciliation of the result	IFRS
- Interest income accounted for using the effective interest method	421.9	-10.9	411.0
- Interest income not accounted for using the effective interest method	31.8	-39.6	-7.7
- Interest expenses	-136.5	26.7	-109.8
Net interest income	317.2	-23.7	293.5
- Commission income	125.1	12.2	137.2
- Commission expense	-21.5	-9.2	-30.7
Net commission income	103.6	3.0	106.6
Trading result	0.0	12.2	12.3
Result from hedging relationships	-	7.7	7.7
Other income	16.7	-9.0	7.7
Current income	**437.4**	**-9.7**	**427.7**
Personnel expenses	-177.6	-8.4	-186.0
Non-personnel expenses	-109.7	6.5	-103.2
Depreciation, amortization and impairments of intangible and tangible fixed assets	-14.8	-10.2	-24.9
Other expenses	-11.6	3.4	-8.2
Expenses from bank levy and deposit protection	-10.3	-0.4	-10.8
Current expenses	**-324.0**	**-9.1**	**-333.1**
Risk provisioning in the lending business	-6.8	3.2	**-3.6**
Result from non-trading portfolio	41.3	27.1	**68.4**
Result from derecognition of financial instruments AC	-	1.3	**1.3**
Result from restructurings	2.0	-3.0	**-1.0**
Result before taxes	**149.9**	**9.7**	**159.7**
Income taxes	-40.1	4.1	**-36.1**
Result after taxes (profit)	**109.8**	**13.8**	**123.6**
Items reclassifiable through profit or loss			
- Change in debt instruments measured at fair value through other comprehensive income (FVOCI)	-	-27.1	-27.1
- Valuation changes	-	-10.4	-10.4
- Gains and losses reclassified to the income statement	-	-28.9	-28.9
- Deferred taxes	-	12.2	12.2
Items not reclassifiable through profit or loss			
- Change from remeasurement of defined benefit plans recognised in other comprehensive income	-	-43.3	-43.3
- Valuation changes	-	-62.7	-62.7
- Deferred taxes	-	19.4	19.4
Other comprehensive income	**-**	**-70.4**	**-70.4**
Total comprehensive income	**109.8**	**-56.6**	**53.2**

Only the main drivers of the profit and loss reconciliation for the 2019 financial year are described below. This may result in deviations from the amounts of the total reconciliation items presented in the table.

Net interest income in 2019 according to the IFRS was EUR -23.7 million lower than according to HGB. The in total negative effects of the business combination with Wüstenrot

Bank AG Pfandbriefbank (WBP) , which was acquired in 2019 and merged into OLB in the same year, (EUR -19.7 million) and of the inclusion of amortisation entries due to the application of fair value hedge accounting (EUR -6.1 million) were the key differences.

IFRS net commission income for 2019 was on balance EUR 3.0 million higher than according to HGB. Of this amount, EUR 5.2 million resulted to the different presentation of the business combination with WBP which was acquired in 2019, while a further EUR 2.8 million arose due to the reduction in IFRS commission expense due to the capitalisation of loan brokerage commission as incidental acquisition costs in the consolidated financial statements. On the other hand, a EUR -4.9 million reporting difference resulted due to the positive margin income which was reportable in the IFRS trading result.

The IFRS trading result for 2019 was EUR 12.2 million than higher than the amount recognised according to HGB. Of this amount, EUR 5.8 million resulted due to reporting differences (e.g. due to the above-mentioned positive margin income) and EUR 3.6 million from genuine valuation differences, in particular on account of the immediate recognition of net margin income from the conclusion of customer derivatives. A further EUR 2.1 million arose due to the business combination with the acquired WBP derivative portfolio.

The IFRS result from hedging relationships in 2019 amounted to EUR 7.7 million.

Other income in 2019 was on balance EUR -9.0 million lower in accordance with IFRS than according to HGB. Of this amount, EUR -11.3 million was attributable to reporting differences (which mainly comprised IFRS non-personnel expenses, in the amount of EUR -5.4 million, and IFRS other expenses, in the amount of EUR -3.8 million). A further EUR -3.8 million in genuine valuation differences resulted from IFRS trading transactions. On the other hand, IFRS other income resulting from the business combination provided EUR 6.9 million.

IFRS personnel expenses in 2019 were EUR -8.4 million higher than the amount reported according to HGB. This mainly comprised EUR -4.7 million from the measurement of provisions for pension and other personnel provisions and EUR -4.3 million from the business combination.

IFRS non-personnel expenses in 2019 were on balance EUR 6.5 million lower than the amount reported according to HGB. Of this amount, EUR 11.3 million comprised the capitalisation of right-of-use assets in other comprehensive income within the scope of the IFRS lease accounting. These right-of-use assets were recognised as expense in the HGB accounting. The volume of expense decreased by a further EUR 3.8 million due to simple reporting differences for other income, extraordinary expense and other taxes not dependent on income. This contrasted with EUR -8.8 million of IFRS non-personnel expenses resulting from the business combination.

IFRS depreciation, amortisation and impairments of intangible and tangible fixed assets in 2019 were on balance at EUR -10.2 million higher than the amount reported according to

HGB. In particular, IFRS lease accounting required depreciation of right-of-use assets in the amount of EUR -11.5 million. On the other hand, the business combination resulted in a EUR 1.3 decrease in depreciation, amortisation and impairments.

IFRS other expenses in 2019 were on balance EUR 3.4 million lower than the amount reported according to HGB. Of this amount, EUR -10.4 million related to the business combination. This contrasted with a EUR 9.4 million decrease in expense resulting from the amount recognised for pension provisions and further provisions and a EUR 4.5 million decrease in expense arising due to mere reporting differences (most of this for other income, EUR 3.8 million).

Risk provisions in the lending business in 2019 were EUR 3.2 million below the HGB figure, as risk provisions in the IFRS figure were already higher than in the HGB figure and led to reversals.

The IFRS result from financial assets of the non-trading portfolio in 2019 was EUR 27.1 million higher than the amount reported according to HGB. Of this amount, EUR 14.1 million related to the business combination. A further EUR 9.2 million resulted due to the reporting difference for the HGB merger profit (reported in the extraordinary result). A further EUR 3.5 million related to valuation differences due to the non-application of the HGB lower of cost or market principle.

Of the IFRS result from derecognition of financial instruments AC in 2019, EUR 1.3 million related to assets (mainly promissory notes) which resulted in net realised gains within the scope of the business combination.

The extraordinary IFRS result from restructuring in 2019 was on balance EUR -3.0 million lower than the amount reported according to HGB, mainly due to EUR -8.3 million of reporting differences (of which EUR -9.3 million HGB profit from the merger with WBP). On the other hand, valuation differences for pension provisions within the scope of restructuring measures arose in the amount of EUR 5.4 million.

IFRS tax expense in 2019 was EUR 4.1 million lower than the amount reported according to HGB, due to the recognition of deferred IFRS taxes on different asset values.

The IFRS other comprehensive income in 2019 in the net amount of EUR -70.4 million resulted from the recognition of a gross EUR -28.9 million in realisation effects through profit or loss, a gross EUR -10.4 million in valuation changes for debt instruments and a gross EUR -62.7 million in valuation changes for pension plans, as well as EUR 31.6 million in deferred taxes on these items.

The change from HGB to IFRS had no material effects on the presentation of the liquidity position in the cash flow statement (IFRS 1.25). The effects are mainly due to the changes in the allocation of the cash flows of securities recognised as fixed assets under HGB from the cash flow from investing activities to the cash flow from operating activities, and to the change in the allocation of the cash flows of the AT1 bonds and subordinated liabilities issued by OLB from the cash flow from operating activities to the cash flow from financing activities.

The reconciliation for the 2021 financial year is as follows:

EURm	HGB	Reconciliation of the result	IFRS
- Interest income accounted for using the effective interest method	413.8	-11.2	402.6
- Interest income not accounted for using the effective interest method	2.4	-17.8	-15.4
- Interest expenses	-56.0	31.1	-24.9
Net interest income	360.2	2.1	362.3
- Commission income	185.8	-5.9	179.8
- Commission expense	-66.0	12.2	-53.8
Net commission income	119.8	6.3	126.1
Trading result	0.1	7.0	7.0
Result from hedging relationships	-	-2.8	-2.8
Other income	34.4	-12.5	22.0
Current income	**514.5**	**0.0**	**514.5**
Personnel expenses	-166.8	-2.1	-168.9
Non-personnel expenses	-104.3	19.6	-84.7
Depreciation, amortization and impairments of intangible and tangible fixed assets	-15.4	-12.9	-28.3
Other expenses	-14.7	12.1	-2.5
Expenses from bank levy and deposit protection	-14.6	-	-14.6
Current expenses	**-315.8**	**16.7**	**-299.1**
Risk provisioning in the lending business	-16.7	5.1	**-11.6**
Result from non-trading portfolio	-4.7	5.1	**0.4**
Result from restructurings	-41.1	2.9	**-38.2**
Result before taxes	**136.2**	**29.8**	**166.0**
Taxes	-50.0	-0.7	**-50.7**
Result after taxes (profit)	**86.2**	**29.1**	**115.3**
Items reclassifiable through profit or loss			
- Change in debt instruments measured at fair value through other comprehensive income (FVOCI)	-	-8.9	-8.9
- Valuation changes	-	-11.8	-11.8
- Gains and losses reclassified to the income statement	-	-1.0	-1.0
- Deferred taxes	-	4.0	4.0
Items not reclassifiable through profit or loss			
- Change from remeasurement of defined benefit plans recognised in other comprehensive income	-	27.8	27.8
- Valuation changes	-	40.3	40.3
- Deferred taxes	-	-12.5	-12.5
Other comprehensive income	**-**	**18.9**	**18.9**
Total comprehensive income	**86.2**	**48.0**	**134.2**

(3) Standards applicable in future

Application of the following standards, interpretations and amendments of existing standards published by the IASB that are relevant for OLB was not yet mandatory as of December 31, 2021. OLB has not therefore taken them into account.

IFRS adjustments	Endorsed by the EU	Applicable from
Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020	Yes	01/01/2022
Amendments to IAS 8 – Definition of Accounting Estimates	Yes	01/01/2023
Amendments to IAS 1 – Disclosure of Accounting Policies	Yes	01/01/2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	No	01/01/2023
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	No	01/01/2024

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

(4) Effects of the IBOR reform

Within the scope of the IBOR reform, the IBOR reference interest rates are to be replaced by other reference interest rates. The simplifications resulting from the amendments of IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 due to the IBOR reform will not have any impact on OLB.

OLB does not have any loan agreements which are affected by the changeover of the foreign-currency LIBORS. Nor will the fair value hedges reported by the Bank be affected. The sole effects have arisen due to the changeover of the interest rate on security agreements in connection with derivative transactions from EONIA to €STR. This has resulted in minor valuation adjustment effects recognised in profit or loss.

Also in subsequent years we do expect only minor valuation adjustments.

(5) Effects of ESG criteria on the accounting

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

OLB has launched a project in 2022 to integrate ESG risk drivers into risk management. Key milestones are the integration into the Bank's risk framework, the establishment of green house gas accounting and the analysis of future data requirements, particularly with regard to disclosure (pursuant to the Corporate Sustainability Reporting Directive and the Delegated Act supplementing Art. 8 of the Taxonomy Regulation).

Accounting policies

(6) Disclosures concerning the basis and methods of consolidation

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

Entity	01/01/2019	12/31/2019	12/31/2020	12/31/2021
Wüstenrot Bank AG Pfandbriefbank		(X) P&L only		
Weser Funding S.A. Compartment 1	X	X	X	
Weser Funding S.A. Compartment 2			X	X
Weser Funding S.A. Compartment 3				X
AGI-Fonds Ammerland	X	(X) P&L only		
AGI-Fonds Weser-Ems	X	(X) P&L only		

During 2019, the two AGI funds included in the opening balance sheet as at 1 January 2019 were returned; the income statement for 2019 still includes the effects on earnings from these two AGI funds. Wüstenrot Bausparkasse AG Pfandbriefbank (WBP), which was acquired by OLB AG in 2019, was merged into OLB AG before the end of 2019. This entity was thus only reflected in the 2019 consolidated financial statements in the 2019 income statement.

Weser Funding S.A. Compartments 1 to 3 are consolidated special purpose entities. The Bank uses Weser Funding S.A. Compartments 1 to 3 to securitise parts of the loan portfolio so that those securitisations can be used as collateral for raising liquidity from the ECB (see also Note (65)). Compartment No. 1, which was terminated as planned in the 2021 financial year, was replaced by the newly issued Compartment No. 3.

Please see Note (75) for further details concerning the corporate group.

The IFRS 3 acquisition method is applied for business combinations. The cost of the acquired company is compared with the value of the assumed net assets as of the date of acquisition.

The net assets are measured according to the fair values of all identifiable assets, liabilities and contingent liabilities as of the date of acquisition.

We refer to Note (7) concerning the treatment of the acquisition of WBP in 2019.

The OLB Group's accounts are prepared in accordance with uniform Group accounting and valuation methods.

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

(7) Information about business combinations

(i) General comments on the acquisition of Wüstenrot Bank AG Pfandbriefbank

OLB acquired all of the shares in Wüstenrot Bank AG Pfandbriefbank, Ludwigsburg, (WBP) on June 1, 2019 (closing date) in return for payment of a cash purchase price. WBP was a credit institution which offered current accounts, payment cards and investment services as a direct bank.

OLB acquired WBP with the strategic goals of expanding its private customer business (particularly in terms of commission), establishing an extensive sales partnership with the sales network of the vendor and strengthening OLB’s Tier 1 capital ratio through the realisation of the hidden reserves in the acquired bond portfolio.

WBP’s business operations were fully integrated in OLB over the course of 2019 and this company was merged with OLB AG on November 29, 2019, with retrospective effect as of July 1, 2019.

When determining the purchase price, in addition to the agreed cash purchase price, it had to be taken into account that previously existing relationships existed in the form of mutual receivables and liabilities on the part of OLB and WBP (for details, see section iv). Furthermore, a conditional purchase price adjustment was agreed in the purchase contract (see section ii). Taking these aspects into account, the purchase price breaks down as follows:

● Cash price	EUR 51.2 EURm
● Fulfilment of pre-existing relationships	EUR -57.9 EURm

- Contingent purchase price payment EUR 2.6 EURm
- Total purchase price EUR -4.1 EURm

Taking acquired balances in hand such as cash into consideration, a net inflow of EUR 233.0 million resulted. This is reflected in the cash flows from investing activities.

WBP's acquired net assets consist of the following:

	EURm		EURm
Cash reserve	237.1	Trading portfolio liabilities	25.9
Trading portfolio assets	9.3	Negative fair values of derivative hedging instruments	-
Positive fair values of derivative hedging instruments	-	Liabilities to banks	107.0
Receivables from banks	68.2	Liabilities to customers	1,061.3
Receivables from customers	79.7	Securitized liabilities	-
Financial assets of the non-trading portfolio	851.7	Subordinated debt	-
Tangible fixed assets	0.3	Income tax liabilities	-
Intangible assets	0.3	Deferred tax liabilities	17.4
Other assets	11.8	Provisions and other liabilities	46.2
Income tax assets	-		
Deferred tax assets	11.0		
Non-current assets held for sale	-		
Total assets	**1,269.3**	**Total equity and liabilities**	**1,258.0**

Net Assets	**11.3**

Due to the market situation prevailing as of the date of acquisition and WBP's level of profitability, which with its existing structure does not cover the capital costs, the net asset value of the acquired assets exceeded the purchase price. In addition, WBP's financial instruments were generally acquired for a fair value below the anticipated return for the OLB. For these reasons, this acquisition is classifiable as a “lucky buy”. OLB therefore acquired WBP at below its carrying amount. Negative goodwill of EUR 15.4 million thus arose which has been recognised in profit or loss.

Costs associated with the business combination amounted to EUR 1.3 million and were recognised outside the scope of the transaction in profit or loss, in administrative expenses or the operating cash flow. These costs mainly comprise legal and advisory expenses.

(ii) Contingent purchase payment

The purchase price includes an agreement regarding contingent consideration, according to which payments will depend on the development of the volumes of fixed assets managed by WBP's business partners. The value of the contingent purchase price payment is based on a forecast of the expected average managed volume and the resulting estimate of future inflows and outflows. OLB has made use of a scenario analysis for this purpose.

The contingent purchase price was measured at the Bank's commercial discretion as follows. The contractual conditions reflect the fact that OLB has assessed the probability of fulfilment on the basis of the difference between the average actual assets under management in the calendar year versus a target volume. On the basis of this probability, the remuneration payable has been discounted and a fair value calculated accordingly.

As of the respective reporting dates, the individual fair values of the contingent purchase price liability, its valuation changes and the range of the expected undiscounted cash flows are as follows.

EURm	12/31/2021	12/31/2020	12/31/2019	06/01/2019
Fair Value	1.1	0.8	0.6	2.6
Change in valuation	0.3	0.2	-2.0	-
Rate of undiscounted payments				
Lower Range	0.6	0.3	0.1	0.5
Upper Range	1.1	0.5	0.4	1.2

OLB's imputed refinancing costs for unsecured borrowing were used as the basis for determining the fair values.

(iii) Revenue and earnings contribution

In the period after its acquisition in June 2019 and prior to its merger in November 2019, WBP realised net interest income of EUR -10.2 million and net commission income of EUR 5.2 million. Overall, WBP generated a pre-tax loss for the year of EUR -4.3 million for this period. Had it been acquired on January 1, 2019, WBP would have realised net interest income of EUR -4.0 million and net commission income of EUR 8.5 million. The loss for the year up to its merger on November 30, 2019 was EUR -1.6 million. These figures are the amounts before/after the adjustment of OLB's accounting methods.

(iv) Pre-existing relationships

As of the date of acquisition, OLB and WBP had pre-existing contractual relationships in the form of reciprocal receivables and liabilities under loan transactions. These relationships were wound up by offsetting these receivables and liabilities against one another at fair value within the retroactive merger. A net settlement loss of EUR 1.6 million arose which was recognised through profit or loss outside the scope of the transaction.

(v) Acquired receivables

Within the framework of this transaction, OLB acquired receivables – mainly overdraft loans - arising from WBP’s private customer business with a carrying amount of EUR 78.6 million and a fair value of EUR 79.7 million. The fair value takes into account existing value adjustments in the amount of € 0.9 million, which were created by WBP for this portfolio.

(8) Currency translation

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

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

As part of the currency translation of financial instruments not measured at fair value through profit or loss, €26.1 million (2020: €1.9 million, 2019: €11.0 million) was recognised in profit or loss. As the functional currency for all Group units corresponds to the presentation currency of this report, there were no effects to be recognised in other comprehensive income.

(9) Uncertain estimates and discretionary judgments

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

Within the scope of the application of the IFRS 9 impairment rules for financial assets measured at amortised cost or fair value through other comprehensive income and the contingent liabilities and loan commitments falling within the scope of IFRS 9, significant estimates and discretionary judgments have been made in respect of the stage to which the item in question was allocated and the determination of the risk provisioning amount. The determination of the criteria as to when a significant increase in credit risk has occurred constitutes a discretionary judgement. The estimates required for the determination of Stage 1 and 2 risk provision and for the parameter-based calculation of Stage 3 risk provision are subject to significant uncertainty, particularly with regard to the integration of forward-looking, macroeconomic scenarios. The Stage 3 risk provision calculated on the basis of individual transactions includes assumptions and forecasts with regard to the determination of the future recoverable amounts (see Note (10)).

The retirement benefit obligations have been measured using the projected unit credit method. In particular, this includes assumptions with regard to the assumed interest rate, the long-term pension trend and average life expectancy (see Note (52)).

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

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

Deferred taxes are recognised and measured on the basis of assumptions and estimates when determining the assumed date of payment and cash flows (see Note (56)). The assumptions regarding OLB’s future earning power are regularly updated as of the assessment of deferred tax receivables and are factored into the valuation.

The estimates and assumptions concerning the consequences of the coronavirus pandemic for the Bank’s net assets, financial position and results of operations were particularly significant for its annual financial statements for the financial years 2020 and 2021. Analysis of the expected credit risk trend was a central aspect here. The Bank has implemented a two-tier analysis. For significant credit exposures, the front office and back office assessed the economic effect at an individual level. In the case of smaller credit exposures and loans to private and business clients, the effect was evaluated by specialists in the capital market analysis and credit management divisions according to the industry in question. On the basis of these analyses and further assumptions – e.g. regarding the effect of government aid, the expected economic trend and collateral values – parameters were determined which have been included in a simulation of the changes in probabilities of default. In the financial year 2020, as well as provisions for individual risks (Stage 3) and general risk provisions for Stages 1 and 2 the Bank established additional provisions in the amount of EUR 23.7 million for defaults which were expected due to the coronavirus pandemic but which had not yet occurred. In the financial year 2021, this provision was used in one individual case relating to the coronavirus pandemic for a specific loan loss provision. The Bank maintained the remaining risk provisions in the amount of EUR 17.3 million on account of what it considered the residual uncertainty associated with the coronavirus pandemic.

Management judgement was also applied to the accrual of the negative interest expense of the longer-term refinancing operations (TLTRO) taken up with the ECB (see note (10)).

At the Bank's discretion, the ECB measures are not considered to be an application of IAS 20 ("Government Grants"), but are accounted for in accordance with IFRS 9 ("Financial Instruments"). As an intermediary, the Bank issues loans at the market interest rate incl.

margin and refinances itself analogously. The ECB's measures are thus seen as determining the market interest rate level and not as a government grant to OLB.

(10) Financial instruments

Recognition of financial assets and financial liabilities

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

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

Financial assets – classification and measurement

Classification of financial assets

IFRS 9 distinguishes between the following measurement categories: Amortised Cost (AC), Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit and Loss (FVPL). Assets are allocated based on a classification decision by OLB to the measurement categories: on the one hand, on the basis of the bank's business model for the management of the (respective) financial assets and, on the other, according to the nature of the contractually agreed cash flows.

All financial assets covered by the "hold" business model and whose contractual cash flows solely constitute non-leveraged interest and principal payments (*solely payments of principal and interest, SPPI criterion*) are allocated by OLB to the AC measurement category. If the portfolio which contains the financial asset does not have any clear intention to hold the asset in question and is prepared in principle to sell it, this financial asset is allocated to the FVOCI measurement category ("hold to sell" business model). Financial assets which cannot be allocated to either the "hold" business model or the "hold and sell" business model and/or which do not fulfil the SPPI criterion are allocated by OLB to the FVPL measurement category. OLB is not making any use of the fair value option for financial assets which may be allocated to the FVPL measurement category subject to the fulfilment of certain preconditions. Free-standing derivatives do not fulfil the SPPI criterion and are therefore classified as FVPL. Nor do equity instruments fulfil the SPPI criterion, since the investor does not have any entitlement to payments of interest and principal. They are therefore likewise measured by OLB at fair value through profit or loss. OLB has not exercised the option to allocate equity instruments not held for trading purposes to the FVOCI measurement category (FVOCI option).

For details on the allocation of financial assets to the measurement categories, please refer to Note (73).

Definition of business models according to IFRS 9

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

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

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

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

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

Analysis of the contractually agreed cash flows

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

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

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

Reclassifications

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

Initial measurement of financial assets

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

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

Subsequent measurement of financial assets

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

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

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

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

Risk provisioning and impairment of financial instruments

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

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

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

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

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

- Opening of insolvency proceedings of the debtor or issuer or a high probability of insolvency or reorganisation proceedings,
- Significant financial difficulties of the debtor or issuer,
- Concessions made to the debtor in connection with the debtor's financial difficulties.

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

OLB calculates risk provisions for the homogeneous, small-scale lending business in Stage 3 on the basis of parameters such as lifetime PD, lifetime LGD, EAD and CCF. For the inhomogeneous credit portfolio of Stage 3, the risk provision is determined as an undistorted and probability-weighted amount on the basis of the estimate of the discounted cash flows still to be expected for the assets concerned. The expected cash flows from realization of collateral are also taken into account.

The historical default information forms the basis for determining the risk parameters. These are adjusted taking into account the current economic environment as well as macroeconomic forecasts of the overall economic development. For this purpose, the bank determines scenarios for further economic development and derives the effects on the risk parameters using statistical models. The necessary consideration of macroeconomic factors was carried out in the reporting period by recording a management adjustment.

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

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

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

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

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

Changes in contractual cash flows – modifications

Changes in contractual cash flows or other changes to significant contractual components occurring during the life of a financial asset are referred to as modifications. If a financial instrument is derecognised as a result of a modification and subsequently recognised as a new financial instrument at fair value, this will entail a substantial modification. Any resulting modification result is recognised in the income statement. In the reporting period, there were no significant results from substantial modifications. On the other hand, a non-substantial modification will apply where the gross carrying amount must be recalculated on the basis of the changed cash flow and a modification result recognised. The result from a non-substantive modification is the difference between the gross carrying amount immediately prior to the modification and the recalculated gross carrying amount. The modification result will be recognised in the risk provision item of the statement of profit and loss.

Financial liabilities – classification and measurement

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

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

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

The longer-term refinancing transactions taken out with the ECB from the TLTRO programmes (nominal holdings in 2021: EUR 3,090 million, 2020: EUR 1,790 million, 2019: EUR 594 million, 2018: EUR 594 million) are recognised exclusively in accordance with IFRS 9 at their acquisition cost using the effective interest method. The negative interest on TLTRO deposits depends on the loan volume growth granted by the Bank and is therefore specific to OLB. They resulted in a higher negative interest rate if the respective minimum volume in loan growth was met (P&L effect before refinancing 2021: €28.7 million, 2020: €6.3 million, 2019: €2.4 million). The TLTROs are treated here as variable-rate financial liabilities for which the fulfilment of the conditions for loan volume growth is recognised as a change in the effective interest rate as part of the periodic reestimation of the cash flows. In this regard, we also refer to Note (9).

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

OLB accordingly applies the following IFRS 9 measurement categories for financial liabilities:

- Amortised Cost (AC)
- Fair Value through Profit or Loss (FVPL)

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

Repo transactions and reverse repo transactions

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

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

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

Offsetting in the balance sheet

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

(11) Fair value hedge accounting

Transition from HGB to IFRS:

OLB already recognised its hedging relationships as fair value hedges as of the moment of transition from HGB to IFRS, i.e. it restated the carrying amounts of the underlying transactions as of the moment of transition such that, from January 1, 2019 onwards, these fair value hedges can be recognised as though they had been continuously recognised as fair value hedges according to the IFRS since the addition of these transactions to the balance sheet.

Between January 1, 2019 and July 31, 2021:

All interest rate swaps entered into within the scope of interest-rate risk management for the non-trading portfolio have been recognised as balance sheet hedging instruments, as IFRS 9 micro fair value hedges. This also applies for interest rate swaps which already existed as of the moment of transition from HGB to IFRS and for any interest rate swaps newly entered into thereafter, within the scope of interest rate risk management for the non-trading portfolio. OLB manages the interest rate risks in the non-trading portfolio from an economic point of view by means of the value-at-risk concept (please see the market price risk management chapter for full details of this economic management). OLB’s accounting policy requires the use of hedge accounting for all interest rate swaps entered into within the scope of interest rate risk management. Derivative instruments other than interest rate swaps are not used as management instruments. Underlying transactions are loans and advances to customers measured at AC (fixed-interest loan receivables), financial investments measured at FVOCI (fixed-interest securities) and fixed-interest liabilities measured at AC (liabilities to banks and customers as well as securitised liabilities). In the phase from January 1, 2019 to July 31, 2021, exclusively IFRS 9 micro fair value hedges were established for these interest rate swaps. OLB considers hedges where either an interest swap is allocated to a single underlying transaction or an interest rate swap is allocated to multiple underlying transactions which can be individually identified to be micro hedges. For all of the hedging relationships shown in the balance sheet, the hedged risk is the applicable interest rate risk (EUR swap curve). The risk management objective of any balance-sheet hedging relationship is the best possible sensitivity adjustment between the underlying transaction and the hedging instrument at the level of the individual hedging relationship. The actual value adjustments between the underlying and hedging transactions are recognised in the income statement for all of the aforementioned micro-hedges under net income from hedge relationships. Since OLB's interest rate risk management of the banking book is based on the value-at-risk (VaR) concept, the interest rate swaps newly concluded as part of VaR management cannot always be matched with a single underlying transaction in a static 1:1 relationship over time; rather, until 31 July 2021 it was necessary to match some of the interest rate swaps with a group of asset-side underlying transactions in a dynamic underlying transaction composition over time (dynamic 1:n relationships between interest rate swaps and underlying transactions).

From August 1, 2021:

In order to make additional lending business (in particular, long-term lending business with repayments) usable within its system for hedge accounting, at the level of the underlying transaction, OLB resolved on August 1, 2021 to introduce portfolio fair value hedge accounting according to the old IAS 39 rules which continue to apply for this type of hedge. Here, maturity ranges are established at the level of the underlying transaction and allocated to the interest rate swaps. IAS 39 portfolio fair value hedge accounting is currently only used at OLB for interest rate swaps which hedge underlying lending business and do not already have a 1:1 relationship with a specific underlying transaction. The underlying transactions used for portfolio fair value hedge accounting are, on the one hand, loans and advances to customers measured at AC (amortising long-term loan transactions) that had not yet been used in hedge accounting at OLB before 1 August 2021. On the other hand, all 1:n micro hedge relationships with loans and advances to customers measured at AC (bullet long-term loan transactions) existing at that time were transferred to the new portfolio fair value hedge accounting as at 1 August (i.e. these hedging relationships previously shown as 1:n micro hedges were also shown as hedging relationships in the balance sheet beyond 1 August 2021, but now as part of portfolio fair value hedge accounting).

Even after the introduction of portfolio hedge accounting, OLB thus continues to have interest rate swaps which are designated and recognised as IFRS 9 micro fair value hedges (these are on the one hand interest rate swaps with reference to financial assets valued at FVOCI and on the other hand interest rate swaps with reference to AC valued liabilities.), i.e. portfolio fair value accounting has not replaced micro fair value hedge accounting, it has supplemented it. For the new portfolio fair value hedge accounting (as was already the case for micro hedges), the hedged risk is always the interest rate risk – in terms of the EUR swap curve – and interest rate swaps alone are used as hedging instruments.

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

The fair values of hedging derivatives used for the purpose of micro or portfolio hedge accounting are shown in the positive/negative fair values of hedging derivatives items. The valuation change for the underlying transactions in question which is attributable to the hedged risk (EUR swap curve) will be shown under the underlying transaction in the balance sheet, i.e. the valuation adjustment is presented in the same item as the hedged underlying transaction (e.g. receivables from customers, if lending business is subject to interest rate hedging). This also applies for the underlying transactions in the newly introduced portfolio fair value accounting (i.e. the Bank will not make use of the simplification permitted for this type of hedge where the valuation adjustments for the underlying transactions are reported in a separate balance sheet item, separately from the underlying transaction).

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

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

(12) Result from restructuring

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

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

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

(13) Income taxes

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

(14) Disclosures on the segment reporting

In accordance with IFRS 8, the internal financial reporting – as a decision-oriented tool produced on a monthly basis to assist with corporate management and control and to reflect risks and opportunities – forms the basis for the segment reporting. Changes to the organisational structure and modifications to the allocation of income and costs are taken into consideration retrospectively in the reporting for the current year and, where possible, in the presentation for the previous year.

In the financial years 2019 to 2021, internal management and reporting at OLB were based on three strategic business segments spanning its core target groups:

In its **Retail & Business Customers** strategic business segment, OLB offers competent consulting and support services based on personal and trusting contact via its centrally managed network of branches as well as its Advisory Center Oldenburg (BCO). At the same time, customers are also able to directly access products that meet their needs and up-to-date services via online and mobile distribution channels. In its retail business, the Bank concentrates on current accounts and credit cards, online banking and mobile banking via its OLB banking app, instalment loans, private construction financing and private investments. In addition, OLB offers insurance brokering and assistance with private real estate purchases and sales.

In its **Corporates & SME** strategic business segment, OLB develops tailored solutions in the area of operating equipment financing, investment financing, forfaiting, export financing/document business and international payment transactions. In addition, OLB offers active interest rate, currency and liquidity management, assistance with startups and project financing for renewable energy. These services are available beyond OLB's core business area in the Weser-Ems region, with branches throughout Germany in Berlin, Bremen, Düsseldorf, Frankfurt, Hamburg, Hanover, Munich and Stuttgart.

Experienced teams concentrate on individual advisory services covering traditional and complex financing solutions in the **Specialized Lending** strategic business segment. This business segment focuses on the following three areas:

- Acquisition Finance (AQF), which includes, in particular, the arrangement and structuring of debt capital financing to support acquisitions of medium-sized companies, in Germany, Austria and Switzerland,
- Commercial Real Estate (CRE), which includes commercial real estate financing for property developers and development agencies, as well as support for investors in real estate projects in Germany and the Netherlands, and
- Ship Finance, with selective, conservative new business with freight-rate-dependent ocean-going vessels in Germany and neighbouring countries.

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

OLB assesses the financial success of its segments for which reporting is required and of its other units primarily on the basis of its operating result. Its operating result is the balance of income and expenses from core business operations which can be allocated to the segment or unit in question. Another important control parameter is the profit after tax

The internal management reporting for the financial years 2019 to 2021 was based on IFRS.

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

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

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

(15) Tangible fixed assets

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

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

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

(16) Intangible assets

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

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

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

(17) Leasing

The OLB Group has various leasing arrangements under which the OLB Group is the lessee. Pursuant to IFRS 16, a right-of-use asset for the leased asset and a corresponding leasing liability must be recognised for these leases. These right-of-use assets are reported – under the cost model - as tangible fixed assets as part of the fixed assets and as intangible assets (see Note (40) and (41)) and are depreciated on a straight-line basis over the useful life of the lease. The depreciation amounts are reported in Depreciation, amortization and impairments of intangible and tangible fixed assets. The leasing liabilities are carried in the amount of the present value of the future lease payments siscounted at OLB's marginal borrowing rate (i.e. the refinancing rate used in internal management) and reported in the other liabilities item (see Note (54)). The leasing liability is subsequently measured using the effective interest method.

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

(18) Provisions

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

(19) Retirement benefit obligations

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

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

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

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

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

(20) Additional disclosure to the cash flow statement

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

Notes to the statement of profit and loss and the segment reporting

(21) Net interest income

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

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

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

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

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

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Interest income accounted for using the effective interest method	**402.6**	**406.9**	**411.0**
Interest income from lending transactions accounted for using the effective interest method	391.0	395.3	393.5
Interest income from securities business accounted for using the effective interest method	11.6	11.6	17.5
Interest income not accounted for using the effective interest method	**-15.4**	**-3.4**	**-7.7**
Negative interest from financial assets	-25.2	-11.4	-9.7
Current income from shares and other non-fixed income securities	0.0	0.0	0.3
Current income from investment securities and non-consolidated affiliated companies	0.0	0.0	0.1
Other interest income	9.7	8.0	1.5
Total interest income	**387.2**	**403.5**	**403.3**
Interest expenses from liabilities to banks	-20.7	-27.5	-37.7
Interest expenses from liabilities to customers	-23.4	-29.9	-43.1
Interest expenses from securitized liabilities	-0.3	-0.0	-1.4
Interest expenses from subordinated debt	-6.4	-7.6	-13.8
Other interest expenses	-21.1	-20.8	-24.4
Positive interest from financial liabilities	47.0	16.0	10.5
Total interest expenses	**-24.9**	**-69.9**	**-109.8**
Net interest income	**362.3**	**333.6**	**293.5**

OLB took part in the ECB's TLTRO programme which led to a higher negative interest rate in each year (P&L effect before refinancing 2021: €28.7 million, 2020: €6.3 million, 2019: €2.4 million).

(22) Net commission income

Income and expenses from the utilization of services are recognised in this item. OLB applies IFRS 15 which establishes a five-step model governing revenue recognition. The five-step model requires the bank to (i) identify the contract with the customer, (ii) identify each of the separate performance obligations included in the contract, (iii) determine the amount of consideration in the contract, (iv) allocate the consideration to each of the identified separate performance obligations and (v) recognize revenue as each performance obligation is satisfied. One-off fees received which do not form part of the effective interest rate are recognised in commission income as of the date of fulfilment of the separate performance obligation. Income for services provided over a period of time is recognised on the balance sheet date according to the degree of fulfilment. For further details regarding the nature of the services provided we refer to Note (14). The breakdown of commissions by type of services based on IFRS 15 is as follows:

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Account fees et al.	**30.1**	**29.9**	**27.7**
Income	39.9	39.6	36.6
Expense	-9.9	-9.7	-8.8
Securities business and asset management	**43.1**	**41.0**	**33.9**
Income	81.5	71.2	51.9
Expense	-38.4	-30.2	-18.0
Insurance business	**8.3**	**10.1**	**10.3**
Income	8.5	10.2	10.7
Expense	-0.2	-0.1	-0.4
Loan business fees	**34.2**	**23.3**	**23.9**
Income	37.4	25.5	25.4
Expense	-3.2	-2.3	-1.5
Others	**10.4**	**10.7**	**10.8**
Income	12.5	12.1	12.7
Expense	-2.1	-1.4	-1.9
Total net commission income	**126.1**	**115.0**	**106.6**
Income	179.8	158.6	137.2
Expense	-53.8	-43.6	-30.7

(23) Trading result

The trading result comprises all realised and unrealised gains and losses from OLB's trading portfolio assets and liabilities. The trading result also includes commissions and any interest income and expenses resulting from trading activities.

Trade-related commissions comprise the Bank's stock market settlement expenses and margins earned in foreign exchange and precious metal business.

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Trading in interest rate products	1.2	4.5	5.6
Foreign exchange and precious metal business	5.9	8.0	6.7
Others	-0.1	-0.0	-0.0
Current trading result	**7.0**	**12.5**	**12.3**

(24) Result from hedging relationships

The changes in value for the underlying transactions in relation to the hedged risk (EUR swap curve) and the changes in value for the hedging instruments (EUR interest rate swaps) are shown in the result from hedging relationships. This item includes the changes in value for the micro fair value hedges and likewise the portfolio fair value hedge which was newly introduced on August 1, 2021. The effects of the amortisation of carrying amount adjustments made for previous underlying transactions are not reported here. Instead, they are reported in net interest income. This also applies for ongoing interest payments for underlying transactions and hedging transactions.

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Result from micro hedges	-6.7	1.1	7.7
Result from portfolio hedges	3.9	-	-
Result from hedging relationships	**-2.8**	**1.1**	**7.7**

Within the scope of the establishment of micro hedges shown in the balance sheet according to the fair value hedge accounting rules, interest rate swaps used for management of the interest exposure book were subject to fair value changes in the amount of EUR 57.0 million (2020: EUR -51.3 million, 2019: EUR -38.8 million). Overall, fair value changes in the amount of EUR -58.3 million (2020: EUR 52.4 million, 2019: EUR 46.6 million) arose for corresponding receivables from and liabilities to customers and for financial assets of the non-trading portfolio.

Within the scope of the establishment of the portfolio hedging relationship shown in the balance sheet according to the fair value hedge accounting rules (established from August 1, 2021), interest rate swaps used for management of the interest exposure book were subject to fair value changes in the amount of EUR 55.8 million. Overall, fair value changes in the amount of EUR -57.3 million arose for corresponding receivables from and liabilities to customers and for financial assets of the non-trading portfolio.

The net effect (hedge ineffectiveness) of the micro hedges and the portfolio hedge, in the total amount of EUR -2.8 million (2020: EUR 1.1 million, 2019: EUR 7.7 million) is the net result on hedge accounting.

(25) Other income

The other income from 2021 includes income of EUR 21.5 million from the sale of owner-occupied land and buildings (previous years: EUR 0.0 million). In 2020, EUR 2.2 million is attributable to the derecognition of liabilities (previous year: EUR 0.0 million). The other income from 2019 comprises an amount of EUR 5.4 million in income from the amortisation of the fair value adjustment resulting from the purchase price allocation made for other liabilities of WBP. In addition, other operating income was earned though WBP in the amount of EUR 1.5 million (previous years: EUR 0.0 million). Write-ups on other assets in the amount of EUR 0.5 million (2020: EUR 0.8 million, 2019: EUR 0.6 million) are also reported in other income.

(26) Current expenses

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Wages and salaries	-136.5	-141.9	-146.2
Social contributions	-20.3	-21.9	-22.4
Expenses fo retirement benefits and support	-12.1	-13.7	-17.3
Total current personnel expenses	**-168.9**	**-177.5**	**-186.0**
IT expenses	-28.4	-29.6	-30.1
Room costs	-2.6	-4.1	-4.2
Information costs	-5.4	-5.4	-5.8
Insurances	-2.4	-2.1	-1.8
Advertising and representation expenses	-5.6	-4.2	-8.1
Audit and association costs	-4.7	-3.2	-2.8
Other services	-11.8	-11.7	-10.9
Consulting and legal costs	-17.7	-11.5	-24.1
Capital market costs	-2.2	-0.0	-0.1
Digital Banking	-2.5	-3.5	-2.7
Other administrative expenses	-1.4	-3.4	-12.6
Non-personnel expenses	**-84.7**	**-78.7**	**-103.2**
Depreciation/amortization of IFRS 16 right-of-use assets	-12.9	-12.1	-11.5
Depreciation of IAS 16 assets	-10.1	-11.2	-10.7
Amortization of IAS 38 intangible assets	-2.9	-2.3	-2.7
Write-offs	-2.5	-0.2	-
Depreciation, amortization and impairments of intangible and tangible fixed assets	**-28.3**	**-25.8**	**-24.9**
Other expenses	-2.5	-2.0	-8.2
Expenses from bank levies and deposit protection	-14.6	-12.5	-10.8
Current expenses	**-299.1**	**-296.5**	**-333.1**

(27) Risk provisions in the lending business

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

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Receivables from banks measured at AC			
Non-significant increase in credit risk since initial recognition (Stage 1/12-months-ECL)	-0.0	0.0	-0.0
Significant increase in credit risk since initial recognition (Stage 2/Lifetime-ECL)	-	-	0.0
Result from changes in the risk provisions of receivables from banks measured at AC	**-0.0**	**0.0**	**-0.0**
Receivables from customers			
Non-significant increase in credit risk since initial recognition (Stage 1/12-months-ECL)	-0.5	3.6	2.4
of which: measured at AC	-0.5	3.6	2.4
of which: measured at FVOCI	-	-	-
Significant increase in credit risk since initial recognition (Stage 2/Lifetime-ECL)	15.9	-31.2	-5.6
of which: measured at AC	15.9	-31.2	-5.6
Credit-impaired assets (Stage 3/Lifetime-ECL)	-18.9	-24.2	-4.4
of which: measured at AC	-18.9	-24.2	-4.4
Purchased or originated credit impaired (POCI)	-	-	-
of which: measured at AC	-	-	-
Result from changes in the risk provisions of receivables from customers	**-3.5**	**-51.8**	**-7.7**
Off-balance sheet business			
Non-significant increase in credit risk since initial recognition – banks (Stage 1/12-months-ECL)	-0.1	-0.0	0.0
Significant increase in credit risk since initial recognition - banks (Stage 2/Lifetime-ECL)	0.0	-0.0	0.0
Non-significant increase in credit risk since initial recognition – customers (Stage 1/12-months-ECL)	-1.4	1.5	2.5
Significant increase in credit risk since initial recognition – customers (Stage 2/Lifetime-ECL)	1.2	-6.4	0.4
Credit-impaired assets - customers (Stage 3/Lifetime-ECL)	-8.9	-1.1	-0.3
Result from changes in provisions in credit business	**-9.2**	**-6.0**	**2.6**
+ Direct write-offs	-2.9	-4.1	-1.5
- Recoveries on receivables written-off	4.0	4.1	3.0
Result from other changes in risk provision	**1.1**	**-0.0**	**1.5**
Total risk provisions	**-11.6**	**-57.8**	**-3.6**

(28) Result from restructuring

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Additions to the restructuring provisions	-37.9	-17.3	-0.1
Restructuring expenses not eligible for provision	-0.4	-0.6	-0.9
Result from restructuring	**-38.2**	**-17.9**	**-1.0**

In 2020 and 2021, the Bank decided on comprehensive measures to modernise and reposition the Bank, which were accompanied by significant job cuts. The expected costs for a socially acceptable implementation of the staff reduction were taken into account through the formation of a restructuring provision.

(29) Result from non-trading portfolio

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

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Result from financial assets of the non-trading portfolio measured at FVOCI	-0.0	5.0	58.5
Result from financial assets of the non-trading portfolio measured at FVPL	0.4	1.4	9.8
Result from non-trading portfolio	**0.4**	**6.5**	**68.4**

(30) Income taxes

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Actual taxes (current year)	-51.9	-35.8	-41.7
Actual taxes (previous years)	1.8	0.4	1.6
Actual taxes (sum)	**-50.0**	**-35.4**	**-40.1**
Deferred taxes (current year)	-0.5	3.7	4.6
Deferred taxes (previous years)	-0.2	-	-0.6
Deferred taxes (sum)	**-0.7**	**3.7**	**4.1**
Income taxes	**-50.7**	**-31.7**	**-36.1**

Please see Note (57)ff. for further details.

(31) Segment reporting

Please see the accounting policies explained in Note (14) for details of the basis and methods for the segment reporting.

The following tables show the results of the segment reporting in terms of the structure of the segments which were actually managed in the financial years 2019 to 2021:

EURm 01/01-12/31/2021	Private Clients	Corporates & SME	Specialized Lending	Corporate Center	OLB Group
Net interest income	143.1	120.2	85.8	13.2	362.3
Net commission income	87.2	22.0	20.9	-3.9	126.1
Other operating income*	2.4	5.4	0.9	17.4	26.2
Result from non-trading portfolio**	0.0	0.0	0.0	0.4	0.4
Operating income	**232.7**	**147.6**	**107.6**	**27.1**	**514.9**
Operating expenses* **	**-174.5**	**-52.6**	**-30.0**	**-27.5**	**-284.5**
Operating result	**58.2**	**95.0**	**77.5**	**-0.4**	**230.4**
Expenses from bank levy and deposit protection	-6.8	-5.4	-2.3	0.0	-14.6
Risk provisioning in the lending business	-6.2	-9.1	0.8	2.9	-11.6
Result from restructurings	0.0	0.0	0.0	-38.2	-38.2
Result before taxes	**45.2**	**80.5**	**76.1**	**-35.7**	**166.0**
Income taxes	-14.0	-24.9	-23.6	11.8	-50.7
Result after taxes (profit)	**31.2**	**55.5**	**52.5**	**-23.9**	**115.3**

Cost-income ratio (in %)	**75.0**	**35.6**	**27.9**	**n / a**	**55.2**
Return on equity post-tax (in %)	**12.4**	**11.3**	**16.8**	**n / a**	**9.5**

* Comprising Trading result, Result from hedging relationships and Other income
** Including Results from derecognition of financial instruments AC
*** Comprising Personnel expenses, Non-personnel expenses, Depreciation, amortization and impairments of intangible and tangible fixed assets and Operating expenses

EURm 01/01-12/31/2020	Private Clients	Corporates & SME	Specialized Lending	Corporate Center	OLB Group
Net interest income	146.6	107.0	78.8	1.1	333.6
Net commission income	85.4	20.0	12.2	-2.6	115.0
Other operating income*	5.3	7.0	0.5	4.0	16.7
Result from non-trading portfolio**	0.0	0.0	0.0	6.5	6.5
Operating income	**237.3**	**134.0**	**91.5**	**9.0**	**471.8**
Operating expenses* **	**-175.4**	**-55.8**	**-28.2**	**-24.6**	**-284.0**
Operating result	**61.9**	**78.2**	**63.3**	**-15.6**	**187.8**
Expenses from bank levy and deposit protection	-5.7	-4.8	-2.03	0.0	-12.5
Risk provisioning in the lending business	-6.3	-17.1	-36.0	1.6	-57.8
Result from restructurings	0.0	0.0	0.0	-17.9	-17.9
Result before taxes	**49.9**	**56.3**	**25.3**	**-31.9**	**99.5**
Income taxes	-15.4	-17.5	-7.8	9.0	-31.7
Result after taxes (profit)	**34.5**	**38.9**	**17.4**	**-22.9**	**67.8**

Cost-income ratio (in %)	**73.9**	**41.6**	**30.9**	**n / a**	**60.2**
Return on equity post-tax (in %)	**14.2**	**7.8**	**6.5**	**n / a**	**5.8**

* Comprising Trading result, Result from hedging relationships and Other income
** Including Results from derecognition of financial instruments AC
*** Comprising Personnel expenses, Non-personnel expenses, Depreciation, amortization and impairments of intangible and tangible fixed assets and Operating expenses

EURm 01/01-12/31/2019	Private Clients	Corporates & SME	Specialized Lending	Corporate Center	OLB Group
Net interest income	150.4	93.3	64.7	-15.0	293.5
Net commission income	74.8	19.0	15.0	-2.3	106.6
Other operating income*	2.6	7.4	0.8	16.9	27.6
Result from non-trading portfolio**	0.0	0.0	0.0	69.7	69.7
Operating income	**227.9**	**119.7**	**80.5**	**69.2**	**497.4**
Operating expenses* **	**-191.9**	**-51.0**	**-22.6**	**-56.8**	**-322.4**
Operating result	**36.0**	**68.7**	**58.0**	**12.4**	**175.0**
Expenses from bank levy and deposit protection	-4.9	-4.8	-0.6	-0.4	-10.8
Risk provisioning in the lending business	-1.5	-9.0	0.2	6.7	-3.6
Result from restructurings	0.0	0.0	0.0	-1.0	-1.0
Result before taxes	**29.5**	**54.9**	**57.6**	**17.7**	**159.7**
Income taxes	-9.2	-17.0	-17.9	8.0	-36.1
Result after taxes (profit)	**20.4**	**37.8**	**39.7**	**25.6**	**123.6**

Cost-income ratio (in %)	**84.2**	**42.6**	**28.0**	**n / a**	**64.8**
Return on equity post-tax (in %)	**9.1**	**7.5**	**15.2**	**n / a**	**11.2**

* Comprising Trading result, Result from hedging relationships and Other income
** Including Results from derecognition of financial instruments AC
*** Comprising Personnel expenses, Non-personnel expenses, Depreciation, amortization and impairments of intangible and tangible fixed assets and Operating expenses

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

(32) Basic and diluted earnings per share

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

	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Profit (million euros)	115.3	67.8	123.6
Average number of shares in circulation (million shares)	23.3	23.3	23.3
Basic earnings per share (euros)	**4.96**	**2.92**	**5.32**
Average diluted number of shares in circulation (million shares)	27.9	27.9	27.9
Diluted earnings per share (euros)	**4.14**	**2.43**	**4.44**

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

Notes to the balance sheet – assets

(33) Cash reserve

The cash reserve includes cash in hand as well as balances with central banks due daily which are reported at their nominal value.

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Cash in hand	815.7	465.8	476.6	528.6
Balances with central banks	1,338.5	1,188.8	754.3	989.5
of which: eligible for refinancing with the Deutsche Bundesbank	1,338.5	1,170.9	754.3	989.5
Cash reserve	**2,154.2**	**1,654.6**	**1,230.9**	**1,518.1**

(34) Trading portfolio assets

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

Positive fair values from derivative financial instruments are reported under trading portfolio assets, except where these derivatives are including in the hedge accounting according to the IFRS rules.

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

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Positive fair values of interest rate derivatives, unless included in hedge accounting	44.3	71.4	51.0	24.8
Positive fair values of currency derivatives	45.6	42.9	15.9	19.7
Non-derivative trading assets measured at FVPL	0.0	0.0	0.0	0.0
IAS 32 off-setting amount	-7.7	-8.2	-6.4	-7.8
Trading portfolio assets	**82.2**	**106.2**	**60.5**	**36.7**

(35) Positive fair values of derivative hedging instruments

As of the end of the year, interest rate swaps with a nominal volume of EUR 3,961.0 million (2020: EUR 2,538.0 million, 2019: EUR 2,282.0 million) were designated as hedging instruments within the scope of the micro fair value hedge accounting. In addition, interest rate swaps with a nominal volume of EUR 2,063.0 million (2020: N/A, 2019: N/A) were designated as hedging instruments in the portfolio fair value hedge accounting which was newly introduced on August 1, 2021. Please see Note (68) for further disclosures on hedge accounting.

(36) Receivables from banks

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Receivables from banks (gross carrying amount)	970.1	557.6	425.9	222.9
less risk provision	-0.0	-0.0	-0.0	-0.0
Receivables from banks	**970.0**	**557.6**	**425.9**	**222.9**
of which: Receivables from banks measured at AC	970.0	557.6	425.9	222.9

The risk provision made on gross receivables from banks amounted to less than TEUR 10 each year and was thus disclosed in the metrics of EUR -0.0 million.

(37) Receivables from customers

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Receivables from customers (gross carrying amount)	17,099.3	15,793.4	15,345.7	14,153.5
less risk provision	-156.2	-185.3	-155.2	-188.7
Receivables from customers	16,943.1	15,608.1	15,190.5	13,964.7
of which: Receivables from customers measured at AC	16,943.1	15,608.1	15,190.5	13,964.7

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Retail & Business Customers	7,311.7	6,776.0	6,388.0	6,125.0
Corporates & SME	7,101.9	6,770.3	6,592.3	6,345.1
Specialized Lending	2,660.2	2,145.9	2,094.1	1,642.2
Corporate Center	25.5	101.3	271.3	41.2
less risk provision	-156.2	-185.3	-155.2	-188.7
Receivables from Customers	**16,943.1**	**15,608.1**	**15,190.5**	**13,964.7**
of which: Receivables from customers measured at AC	16,943.1	15,608.1	15,190.5	13,964.7

The risk provision for credit losses recognised on gross receivables amounted to EUR 156.2 million (2020: EUR 185.3 million, 2019: EUR 155.2 million).

Receivables from customers are secured with standard bank collateral, except in case of non-resource financing within the scope of specialized lending business in the Specialized Lending segment. This collateral mainly comprises mortgages, contractual security agreements, securities accounts and other forms of cash collateralisation.Within the framework of the hedge accounting, positive adjusted fair value changes arising since the start of the hedging relationships in the amount of EUR 15.1 million (2020: EUR 98.9 million, 2019: EUR 64.0 million) were allocated to amortised costs.

Please see Note (65) with regard to the receivables from customers which were transferred by way of collateral for the Bank's own liabilities.

(38) Financial assets of the non-trading portfolio

The Group's financial assets of the non-trading portfolio comprise bonds including other fixed-interest securities, shares including other non-fixed-interest securities, investment securities and shares in non-consolidated affiliated companies.In all three reporting periods, 2019 to 2021, the shares in affiliated companies related to three companies in which the OLB Group held a majority interest but which were not included in the consolidated financial statements due to their minor significance for the net assets, financial position and results of operations of the Group.

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

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

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

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
- Bonds and other fixed-income securitites	2,674.0	1,849.8	2,076.5	2,710.4
Financial assets of the non-trading portfolio classified at FVOCI	**2,674.0**	**1,849.8**	**2,076.5**	**2,710.4**
- Shares	1.9	4.8	3.3	37.5
- Investment funds	-	-	-	90.6
- Investment securities	0.6	0.6	0.6	0.6
- Shares in not-consolidated subsidiaries	0.2	0.7	0.7	0.7
Financial assets of the non-trading portfolio classified at FVPL	**2.6**	**6.1**	**4.6**	**129.5**
Financial assets of the non-trading portfolio	**2,676.6**	**1,855.9**	**2,081.1**	**2,839.9**

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

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Bonds and debt instruments from public-sector issuers	1,447.9	1,189.9	1,127.9	1,488.8
Bonds and debt instruments from other issuers	1,226.1	659.9	948.5	1,221.6
Debt instruments and other fixed-income securities	**2,674.0**	**1,849.8**	**2,076.5**	**2,710.4**
- of which: marketable securities	2,654.1	1,849.8	2,076.5	2,669.2
- of which: listed	2,654.1	1,849.8	2,076.5	2,669.2

In 2022, bonds and other fixed-income securities will fall due with a nominal volume of EUR 125.0 million (2021: EUR 457.0 million, 2020: EUR 395.0 million).

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

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Shares	1.9	4.8	3.3	37.5
Other	-	-	-	90.6
Shares and other non-fixed income securities	**1.9**	**4.8**	**3.3**	**128.2**
- of which: marketable securities	-	-	-	-
- of which: listed	-	-	-	-

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

OLB transfers bonds to third parties within the scope of repo transactions, pledging of securities and open-market transactions. The Bank retains the interest rate and counterparty risks for these bonds. The Bank reports these bonds in the financial assets of the non-trading portfolio item at a fair value of EUR 2,411.6 million (2020: EUR 1,220.2 million, 2019: EUR 852.6 million). The related liabilities for the repo transactions amount to EUR 636.5 million (2020: EUR 467.2 million, 2019: EUR 910.9 million). These liabilities for the repo transactions are reported under liabilities to banks.

As of December 31, 2021, shares in non-consolidated affiliated companies include the amounts recognised for the non-consolidated wholly-owned subsidiaries OLB-Immobiliendienst-GmbH, Oldenburg, in the amount of EUR 0.026 million (2020: EUR 0.026 million, 2019: EUR 0.026 million), OLB-Service Gesellschaft mbH, Oldenburg, in the amount of EUR 0.026 million (2020: EUR 0.026 million, 2019: EUR 0.026 million), Quant FS, Hamburg, in the amount of EUR 0.110 million (2020: EUR 0.051 million, 2019: EUR 0.051 million).

(39) Risk provision

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

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Risk provision for lending business				
Risk provision for receivables from banks	0.0	0.0	0.0	0.0
Risk provision for receivables from customers	156.2	185.3	155.2	188.7
Risk provision for off-balance sheet obligations to customers	22.6	16.2	13.9	15.4
Risk provision for off-balance sheet obligations to banks	0.1	0.0	0.0	0.0
Risk provision for financial assets of the non-trading portfolio	0.2	0.2	0.1	0.1
Total	**179.1**	**201.6**	**169.1**	**204.2**

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

EURm	Stage 1	Stage 2	Stage 3	Total
Receivables from banks				
Balance as of January 1, 2021	**0.0**	**-**	**-**	**0.0**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-	-	-	-
to stage 3	-	-	-	-
from stage 2				
to stage 1	-	-	-	-
to stage 3	-	-	-	-
from stage 3				
to stage 1	-	-	-	-
to stage 2	-	-	-	-
Disposal	-0.0	-	-	-0.0
Additions	0.0	-	-	0.0
Changes in parameters	-0.0	-	-	-0.0
Utilisation	-	-	-	-
Balance as of December 31, 2021	**0.0**	**-**	**-**	**0.0**

EURm	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Balance as of January 1, 2021	**15.7**	**60.3**	**109.3**	**185.3**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-0.9	7.5	-	6.6
to stage 3	-0.1	-	7.0	6.8
from stage 2				
to stage 1	0.5	-6.3	-	-5.8
to stage 3	-	-3.7	7.4	3.7
from stage 3				
to stage 1	0.0	-	-1.7	-1.7
to stage 2	-	0.1	-1.2	-1.0
Disposal	-2.4	-13.3	-5.7	-21.5
Additions	6.3	3.5	4.3	14.0
Changes in parameters	-2.7	-1.1	8.2	4.4
Utilisation	-	-	-34.6	-34.6
Balance as of December 31, 2021	**16.2**	**47.0**	**93.0**	**156.2**

EURm	Stage 1	Stage 2	Stage 3	Total
Off-balance sheet obligations to banks				
Balance as of January 1, 2021	**0.0**	**0.0**	**-**	**0.0**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-	-	-	-
to stage 3	-	-	-	-
from stage 2				
to stage 1	-	-	-	-
to stage 3	-	-	-	-
from stage 3				
to stage 1	-	-	-	-
to stage 2	-	-	-	-
Disposal	-0.0	-	-	-0.0
Additions	0.1	-	-	0.1
Changes in parameters	-0.0	-0.0	-	-0.0
Utilisation	-	-	-	-
Balance as of December 31, 2021	**0.1**	**0.0**	**-**	**0.1**

EURm	Stage 1	Stage 2	Stage 3	Total
Off-balance sheet obligations to customers				
Balance as of January 1, 2021	**3.9**	**5.5**	**6.7**	**16.2**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-0.1	1.6	-	1.5
to stage 3	-0.0	-	2.6	2.6
from stage 2				
to stage 1	0.1	-1.1	-	-1.0
to stage 3	-	-0.1	4.3	4.2
from stage 3				
to stage 1	0.0	-	-0.8	-0.8
to stage 2	-	0.0	-0.2	-0.2
Disposal	-1.1	-2.3	-1.8	-5.2
Additions	2.9	0.5	3.7	7.1
Changes in parameters	-0.4	-2.6	1.1	-1.9
Utilisation	-	-	-	-
Balance as of December 31, 2021	**5.3**	**1.7**	**15.6**	**22.6**

EURm	Stage 1	Stage 2	Stage 3	Total
Receivables from banks				
Balance as of January 1, 2020	**0.0**	**-**	**-**	**0.0**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-	-	-	-
to stage 3	-	-	-	-
from stage 2				
to stage 1	-	-	-	-
to stage 3	-	-	-	-
from stage 3				
to stage 1	-	-	-	-
to stage 2	-	-	-	-
Disposal	-0.0	-	-	-0.0
Additions	0.0	-	-	0.0
Changes in parameters	-0.0	-	-	-0.0
Utilisation	-	-	-	-
Balance as of December 31, 2020	**0.0**	**-**	**-**	**0.0**

EURm	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Balance as of January 1, 2020	**19.3**	**25.4**	**110.5**	**155.2**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-3.0	24.7	-	21.6
to stage 3	-0.5	-	13.3	12.8
from stage 2				
to stage 1	0.7	-7.6	-	-6.9
to stage 3	-	-2.0	20.2	18.2
from stage 3				
to stage 1	0.0	-	-0.2	-0.2
to stage 2	-	0.1	-0.4	-0.4
Disposal	-2.1	-3.2	-11.8	-17.1
Additions	4.7	5.9	4.1	14.7
Changes in parameters	-3.4	17.0	-1.3	12.3
Utilisation	-	-	-24.9	-24.9
Balance as of December 31, 2020	**15.7**	**60.3**	**109.3**	**185.3**

EURm	Stage 1	Stage 2	Stage 3	Total
Off-balance sheet obligations to banks				
Balance as of January 1, 2020	**0.0**	**0.0**	**-**	**0.0**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-0.0	0.0	-	0.0
to stage 3	-	-	-	-
from stage 2				
to stage 1	-	-	-	-
to stage 3	-	-	-	-
from stage 3				
to stage 1	-	-	-	-
to stage 2	-	-	-	-
Disposal	-0.0	-0.0	-	-0.0
Additions	0.0	0.0	-	0.0
Changes in parameters	0.0	-	-	0.0
Utilisation	-	-	-	-
Balance as of December 31, 2020	**0.0**	**0.0**	**-**	**0.0**

EURm	Stage 1	Stage 2	Stage 3	Total
Off-balance sheet obligations to customers				
Balance as of January 1, 2020	**5.4**	**2.8**	**5.7**	**13.9**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-0.4	1.7	-	1.4
to stage 3	-0.0	-	0.3	0.3
from stage 2				
to stage 1	0.1	-0.9	-	-0.8
to stage 3	-	-0.1	0.7	0.6
from stage 3				
to stage 1	0.0	-	-	0.0
to stage 2	-	0.0	-	0.0
Disposal	-1.7	-1.0	-1.8	-4.4
Additions	1.9	1.1	1.1	4.0
Changes in parameters	-1.4	1.9	0.8	1.3
Utilisation	-	-	-	-
Balance as of December 31, 2020	**3.9**	**5.5**	**6.7**	**16.2**

EURm	Stage 1	Stage 2	Stage 3	Total
Receivables from banks				
Balance as of January 1, 2019	**0.0**	**0.0**	**-**	**0.0**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-	-	-	-
to stage 3	-	-	-	-
from stage 2				
to stage 1	-	-	-	-
to stage 3	-	-	-	-
from stage 3				
to stage 1	-	-	-	-
to stage 2	-	-	-	-
Disposal	-0.0	-0.0	-	-0.0
Additions	0.0	-	-	0.0
Changes in parameters	-0.0	-	-	-0.0
Utilisation	-	-	-	-
Balance as of December 31, 2019	**0.0**	**-**	**-**	**0.0**

EURm	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Balance as of January 1, 2019	**20.3**	**19.8**	**148.7**	**188.7**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-0.7	8.9	-	8.3
to stage 3	-1.2	-	18.9	17.7
from stage 2				
to stage 1	1.1	-7.3	-	-6.2
to stage 3	-	-1.0	3.6	2.7
from stage 3				
to stage 1	0.0	-	-1.8	-1.8
to stage 2	-	0.1	-0.7	-0.7
Disposal	-4.6	-4.3	-23.8	-32.7
Additions	6.2	9.6	13.4	29.2
Changes in parameters	-1.8	-0.4	-4.9	-7.2
Utilisation	-	-	-42.9	-42.9
Balance as of December 31, 2019	**19.3**	**25.4**	**110.5**	**155.2**

EURm	Stage 1	Stage 2	Stage 3	Total
Off-balance sheet obligations to banks				
Balance as of January 1, 2019	**0.0**	**0.0**		**0.0**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-	-	-	-
to stage 3	-	-	-	-
from stage 2				
to stage 1	0.0	-0.0	-	0.0
to stage 3	-	-	-	-
from stage 3				
to stage 1	-	-	-	-
to stage 2	-	-	-	-
Disposal	-0.0	-	-	-0.0
Additions	0.0	-	-	0.0
Changes in parameters	0.0	-0.0	-	0.0
Utilisation	-	-	-	-
Balance as of December 31, 2019	**0.0**	**0.0**	**-**	**0.0**

EURm	Stage 1	Stage 2	Stage 3	Total
Off-balance sheet obligations to customers				
Balance as of January 1, 2019	**6.9**	**3.2**	**5.4**	**15.4**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-0.4	0.4	-	0.0
to stage 3	-0.0	-	0.5	0.4
from stage 2				
to stage 1	0.1	-1.0	-	-0.9
to stage 3	-	-0.0	0.2	0.1
from stage 3				
to stage 1	0.0	-	-0.0	0.0
to stage 2	-	0.1	-0.1	-0.0
Disposal	-2.2	-1.5	-1.4	-5.2
Additions	2.2	1.4	1.1	4.8
Changes in parameters	-1.2	0.2	0.1	-0.9
Utilisation	-	-	-	-
Balance as of December 31, 2019	**5.4**	**2.8**	**5.7**	**13.9**

Risk provision for financial assets measured at FVOCI in the period from 2019 to 2021 is composed as follows:

EURm	Stage 1	Stage 2	Stage 3
Financial assets of the non-trading portfolio			
Balance as of January 1, 2021	**0.0**	**0.2**	**-**
Changes in balance from transfer between stages			
from stage 1	-	-	-
to stage 2	-	-	-
to stage 3	-	-	-
from stage 2	-	-	-
to stage 1	0.0	-0.2	-
to stage 3	-	-	-
from stage 3	-	-	-
to stage 1	-	-	-
to stage 2	-	-	-
Disposal	-0.0	-	-
Additions	0.1	0.1	-
Changes in parameters	-0.0	-	-
Utilisation	-	-	-
Balance as of December 31, 2021	**0.1**	**0.1**	**-**

EURm	Stage 1	Stage 2	Stage 3
Financial assets of the non-trading portfolio			
Balance as of January 1, 2020	**0.1**	**-**	**-**
Changes in balance from transfer between stages			
from stage 1	-	-	-
to stage 2	-0.0	0.2	-
to stage 3	-	-	-
from stage 2	-	-	-
to stage 1	-	-	-
to stage 3	-	-	-
from stage 3	-	-	-
to stage 1	-	-	-
to stage 2	-	-	-
Disposal	-0.0	-	-
Additions	0.0	-	-
Changes in parameters	-0.0	-	-
Utilisation	-	-	-
Balance as of December 31, 2020	**0.0**	**0.2**	**-**

EURm	Stage 1	Stage 2	Stage 3
Financial assets of the non-trading portfolio			
Balance as of January 1, 2019	**0.1**	**-**	**-**
Changes in balance from transfer between stages			
from stage 1	-	-	-
to stage 2	-	-	-
to stage 3	-	-	-
from stage 2	-	-	-
to stage 1	-	-	-
to stage 3	-	-	-
from stage 3	-	-	-
to stage 1	-	-	-
to stage 2	-	-	-
Disposal	-0.0	-	-
Additions	0.0	-	-
Changes in parameters	0.0	-	-
Utilisation	-	-	-
Balance as of December 31, 2019	**0.1**	**-**	**-**

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

EURm	Stage 1	Stage 2	Stage 3
Receivables from banks			
Balance as of January 1, 2021	**557.6**	**0.0**	**-**
Changes in balance from transfer between stages			
from stage 1	-	-	-
to stage 2	-	-	-
to stage 3	-	-	-
from stage 2	-	-	-
to stage 1	-	-	-
to stage 3	-	-	-
from stage 3	-	-	-
to stage 1	-	-	-
to stage 2	-	-	-
Disposal	-517.5	-	-
Additions	904.6	-	-
Changes in parameters	25.4	-0.0	-
Utilisation	-	-	-
Balance as of December 31, 2021	**970.0**	**0.0**	**-**

EURm	Stage 1	Stage 2	Stage 3
Receivables from customers			
Balance as of January 1, 2021	**14,455.5**	**990.7**	**347.2**
Changes in balance from transfer between stages			
from stage 1	-	-	-
to stage 2	-324.1	302.1	-
to stage 3	-30.9	-	28.4
from stage 2	-	-	-
to stage 1	234.3	-269.4	-
to stage 3	-	-69.7	73.4
from stage 3	-	-	-
to stage 1	7.2	-	-7.9
to stage 2	-	23.8	-23.9
Disposal	-1,364.4	-197.5	-51.2
Additions	3,890.7	65.7	13.2
Changes in parameters	-861.9	-46.2	-51.4
Utilisation	-	-	-34.6
Balance as of December 31, 2021	**16,006.4**	**799.7**	**293.2**

EURm	Stage 1	Stage 2	Stage 3
Receivables from banks			
Balance as of January 1, 2020	**425.9**	**0.0**	**-**
Changes in balance from transfer between stages			
from stage 1	-	-	-
to stage 2	-0.1	0.0	-
to stage 3	-	-	-
from stage 2	-	-	-
to stage 1	-	-	-
to stage 3	-	-	-
from stage 3	-	-	-
to stage 1	-	-	-
to stage 2	-	-	-
Disposal	-524.0	-0.0	-
Additions	735.7	0.0	-
Changes in parameters	-79.9	-	-
Utilisation	-	-	-
Balance as of December 31, 2020	**557.6**	**0.0**	**-**

EURm	Stage 1	Stage 2	Stage 3
Receivables from customers			
Balance as of January 1, 2020	**14,090.7**	**899.1**	**355.9**
Changes in balance from transfer between stages			
from stage 1	-	-	-
to stage 2	-585.7	540.8	-
to stage 3	-66.4	-	66.5
from stage 2	-	-	-
to stage 1	459.8	-478.2	-
to stage 3	-	-71.2	57.0
from stage 3	-	-	-
to stage 1	2.4	-	-3.3
to stage 2	-	7.4	-7.1
Disposal	-1,154.7	-102.2	-75.4
Additions	2,758.9	216.1	10.4
Changes in parameters	-1,049.5	-21.0	-31.8
Utilisation	-	-	-24.9
Balance as of December 31, 2020	**14,455.5**	**990.7**	**347.2**

EURm	Stage 1	Stage 2	Stage 3
Receivables from banks			
Balance as of January 1, 2019	**222.7**	**0.2**	**-**
Changes in balance from transfer between stages			
from stage 1	-	-	-
to stage 2	-	-	-
to stage 3	-	-	-
from stage 2	-	-	-
to stage 1	-	-0.0	-
to stage 3	-	-	-
from stage 3	-	-	-
to stage 1	-	-	-
to stage 2	-	-	-
Disposal	-364.8	-0.2	-
Additions	448.1	-	-
Changes in parameters	119.9	-0.0	-
Utilisation	-	-	-
Balance as of December 31, 2019	**425.9**	**0.0**	**-**

EURm	Stage 1	Stage 2	Stage 3
Receivables from customers			
Balance as of January 1, 2019	**12,603.4**	**1,168.1**	**382.0**
Changes in balance from transfer between stages			
from stage 1	-	-	-
to stage 2	-353.7	341.0	-
to stage 3	-49.7	-	52.0
from stage 2	-	-	-
to stage 1	638.7	-677.1	-
to stage 3	-	-22.8	18.9
from stage 3	-	-	-
to stage 1	7.6	-	-8.2
to stage 2	-	5.5	-5.8
Disposal	-1,019.2	-141.3	-48.2
Additions	2,756.1	253.4	44.9
Changes in parameters	-492.5	-27.6	-36.7
Utilisation	-	-	-43.0
Balance as of December 31, 2019	**14,090.7**	**899.1**	**355.9**

(40) Tangible fixed assets

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Land and buildings according to IAS 16	28.6	34.2	36.8	39.8
Land and buildings according to IFRS 16	19.7	24.1	17.2	19.7
Operating and business equipment according to IAS 16	19.2	27.3	26.4	29.4
Operating and business equipment according to IFRS 16	0.7	1.3	1.4	1.9
Total	**68.3**	**86.8**	**81.9**	**90.7**

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

EURm	01/01-12/31/2021		
	Land and buildings according to IAS 16	Operating and business equipment according to IAS 16	Total
Historical acquisition costs	144.3	122.5	**266.7**
Historical write-ups	-	-	**-**
Historical depreciation, amortization, write-offs and impairments	-110.1	-95.2	**-205.2**
Carrying amount as of January 1	34.2	27.3	**61.5**
Additions measured at cost	0.6	2.3	**2.9**
Disposals measured at cost	-13.8	-7.9	**-21.7**
Write-ups included in disposals for the year	-	-	**-**
Depreciation, amortization and impairments included in disposals	10.2	7.7	**17.9**
Additions through reclassification	-	-	**-**
Disposals through reclassification	-0.2	-	**-0.2**
Changes in portfolio during the year	-3.1	2.1	**-1.1**
Write-ups during the year	-	-	**-**
Depreciation and amortization during the year	-2.4	-7.6	**-10.1**
Write-offs and impairments during the year	-	-2.5	**-2.5**
Changes in measurement during the year	-2.4	-10.1	**-12.5**
Carrying amount as of December 31	28.6	19.2	**47.9**

In the context of branch closures, there was a write-off of € 2.5 million for operating and office equipment in 2021.

EURm	01/01-12/31/2020		
	Land and buildings according to IAS 16	Operating and business equipment according to IAS 16	Total
Historical acquisition costs	144.4	124.3	**268.7**
Historical write-ups	-	-	**-**
Historical depreciation, amortization, write-offs and impairments	-107.5	-97.9	**-205.4**
Carrying amount as of January 1	36.8	26.4	**63.3**
Additions measured at cost	-	9.8	**9.8**
Disposals measured at cost	-0.1	-11.7	**-11.7**
Write-ups included in disposals for the year	-	-	**-**
Depreciation, amortization and impairments included in disposals	-	11.6	**11.6**
Additions through reclassification	-	-	**-**
Disposals through reclassification	-	-	**-**
Changes in portfolio during the year	-0.1	9.7	**9.7**
Write-ups during the year	-	-	**-**
Depreciation and amortization during the year	-2.6	-8.7	**-11.2**
Write-offs and impairments during the year	-	-0.2	**-0.2**
Changes in measurement during the year	-2.6	-8.9	**-11.4**
Carrying amount as of December 31	34.2	27.3	**61.5**

EURm	01/01-12/31/2019		
	Land and buildings according to IAS 16	Operating and business equipment according to IAS 16	Total
Historical acquisition costs	144.3	127.0	**271.3**
Historical write-ups	-	-	**-**
Historical depreciation, amortization, write-offs and impairments	-104.5	-97.6	**-202.1**
Carrying amount as of January 1	39.8	29.4	**69.2**
Additions measured at cost	0.0	6.3	**6.4**
Disposals measured at cost	-	-9.0	**-9.0**
Write-ups included in disposals for the year	-	-	**-**
Depreciation, amortization and impairments included in disposals	-	8.8	**8.8**
Additions through reclassification	-	-	**-**
Disposals through reclassification	-	-	**-**
Changes in portfolio during the year	0.0	6.2	**6.2**
Write-ups during the year	-	-	**-**
Depreciation and amortization during the year	-3.0	-9.1	**-12.1**
Write-offs and impairments during the year	-	-	**-**
Changes in measurement during the year	-3.0	-9.1	**-12.1**
Carrying amount as of December 31	36.8	26.4	**63.3**

The rights of use from the leases reported in Tangible fixed assts have developed as follows. The values shown as at 1 January 2019 relate to the initial application effects as at the transition date:

EURm	01/01-12/31/2021		
	Land and buildings according to IFRS 16	Operating and business equipment according to IFRS 16	Total
Historical rights of use	29.2	1.9	31.1
Historical modifications	4.0	0.5	4.5
Historical depreciation, amortization and impairments	-9.1	-1.2	-10.3
Carrying amount as of January 1, 2019	**24.1**	**1.3**	**25.3**
Additions during the financial year	0.1	0.0	0.2
Disposals during the financial year	-	-	-
Changes in balance during the financial year	0.1	0.0	0.2
Change in duration during the financial year	1.0	-	1.0
Depreciation, amortization and impairments during the financial year	-5.5	-0.6	-6.0
Changes in measurement during the financial year	-4.5	-0.6	-5.1
Carrying amount as of December 31, 2019	**19.7**	**0.7**	**20.4**

EURm	01/01-12/31/2020		
	Land and buildings according to IFRS 16	Operating and business equipment according to IFRS 16	Total
Historical rights of use	20.0	2.0	22.0
Historical modifications	2.2	-	2.2
Historical depreciation, amortization and impairments	-5.0	-0.6	-5.6
Carrying amount as of January 1, 2019	**17.2**	**1.4**	**18.6**
Additions during the financial year	10.8	-	10.8
Disposals during the financial year	-0.2	-	-0.2
Changes in balance during the financial year	10.6	-	10.6
Change in duration during the financial year	1.7	0.5	2.2
Depreciation, amortization and impairments during the financial year	-5.5	-0.6	-6.1
Changes in measurement during the financial year	-3.7	-0.1	-3.8
Carrying amount as of December 31, 2019	**24.1**	**1.3**	**25.3**

EURm	01/01-12/31/2019		
	Land and buildings according to IFRS 16	Operating and business equipment according to IFRS 16	Total
Historical rights of use	-	-	-
Historical modifications	-	-	-
Historical depreciation, amortization and impairments	-	-	-
Carrying amount as of January 1, 2019	**19.7**	**1.9**	**21.6**
Additions during the financial year	0.4	0.1	0.5
Disposals during the financial year	-	-	-
Changes in balance during the financial year	0.4	0.1	0.5
Change in duration during the financial year	2.2	-	2.2
Depreciation, amortization and impairments during the financial year	-5.1	-0.6	-5.7
Changes in measurement during the financial year	-2.8	-0.6	-3.5
Carrying amount as of December 31, 2019	**17.2**	**1.4**	**18.6**

The Group used land and buildings with a carrying amount of EUR 28.6 million (2020: EUR 34.2 million, 2019: EUR 36.8 million).

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

The sale of owner-occupied land and buildings resulted in a capital gain of EUR 21.5 million (2020: EUR 0.0 million, 2019: -) which was reported under other income.

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

(41) Intangible assets

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Intangible assets according to IAS 38	8.1	7.8	8.3	9.3
Intangible assets according to IFRS 16	21.9	26.5	16.9	14.5
Total	**29.9**	**34.3**	**25.2**	**23.8**

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
	Intangible assets according to IAS 38	Intangible assets according to IAS 38	Intangible assets according to IAS 38
Historical acquisition costs	48.8	47.0	50.0
Historical write-ups	-	-	-
Historical amortization and impairments	-41.1	-38.8	-40.7
Carrying amounf as of January 1	**7.8**	**8.3**	**9.3**
Additions measured at AC	3.2	1.8	2.0
Disposals measured at AC	-	-	-4.9
Write-ups included in the disposals for the year	-	-	-
Amortization and impairments included in the disposals for the year	-	-	4.9
Additions due to transfers	-	-	-
Disposals due to transfers	-	-	-
Changes in balance during the financial year	**3.2**	**1.8**	**2.0**
Write-ups during the financial year	-	-	-
Amortization and impairment during the financial year (as planned)	-2.9	-2.3	-3.0
Amortization and impairment during the financial year (off-plan)	-	-	-
Changes in measurement during the financial year	**-2.9**	**-2.3**	**-3.0**
Carrying amount as of December 31	**8.1**	**7.8**	**8.3**

Based on initial application effects shown as at 1 January 2019, the rights of use recognised in intangible assets have developed as follows:

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
	Intangible assets according to IFRS 16	Intangible assets according to IFRS 16	Intangible assets according to IFRS 16
Historical rights of use	16.9	14.6	-
Historical modifications	21.0	7.8	-
Historical amortization and impairments	-11.3	-5.6	-
Carrying amounf as of January 1	**26.5**	**16.9**	**14.5**
Additions during the financial year	0.7	2.5	0.4
Disposals during the financial year	-0.1	-0.0	-
Changes in balance during the financial year	0.6	2.5	0.4
Change in duration during the financial year	1.6	13.1	7.8
Amortization and impairments during the financial year	-6.9	-6.0	-5.8
Changes in measurement during the financial year	**-5.3**	**7.1**	**2.0**
Carrying amount as of December 31	**21.9**	**26.5**	**16.9**

The intangible assets are software.

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

(42) Other assets

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Accrued interest	15.8	13.1	6.7	7.6
Accident insurance with premium return	19.1	24.3	22.9	21.4
irrevocable payment obligation	22.4	18.4	14.8	6.9
Receivables Human Resources	4.2	4.9	5.8	0.0
Receivables from commissions and fees	17.9	15.3	15.0	2.8
Cash Collaterals CCP	144.7	66.7	61.1	38.9
Other assets	5.2	7.3	5.4	6.6
Total other assets	**229.3**	**150.0**	**131.7**	**84.2**

The other assets include receivables from cash collateral provided to central counterparties, payment comments already made but not yet called in under capital contribution and joint liability commitments as well as receivables under an accidence insurance policy with premium return.

(43) Income tax assets

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Tax refund claims	0.0	1.5	1.5	2.0

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

(44) Deferred tax assets

Please see the explanations in Note (56) and Note (57).

Notes to the balance sheet – equity & liabilities

(45) Trading portfolio liabilities

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

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Negative fair values of interest rate derivatives, unless included in hedge accounting	31.1	57.4	38.8	15.3
Negative fair values of currency derivatives	40.1	40.7	14.8	19.8
IAS 32 off-setting amount	-15.9	-42.6	-22.6	-31.4
Trading portfolio liabilities	**55.3**	**55.6**	**30.9**	**3.6**

(46) Negative fair values of derivative hedging instruments

As of the end of the year, interest rate swaps with a nominal volume of EUR 3,961.0 million (2020: EUR 2,538.0 million, 2019: EUR 2,282.0 million) were designated as hedging instruments within the scope of the micro fair value hedge accounting. In addition, interest rate swaps with a nominal volume of EUR 2,063.0 million (2020: N/A, 2019: N/A) were designated as hedging instruments in the portfolio fair value hedge accounting which was newly introduced on August 1, 2021. Please see Note (68) for further disclosures on hedge accounting.

(47) Liabilities to banks

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Demand deposits	346.2	62.1	102.8	96.9
Development banks	2,667.1	2,773.4	2,774.6	2,811.0
Promissory notes / registered notes	23.2	-	-	-
Covered bonds	88.6	65.0	65.0	-
Other term deposits	3,747.3	2,350.4	1,823.7	2,649.9
Liabilities to banks (AC)	**6,872.3**	**5,250.9**	**4,766.1**	**5,557.7**

The cash funds received within the scope of the transfer of assets subject to the simultaneous conclusion of repurchase agreements through repo transactions, including cash collateral received, amounted to EUR 649.6 million (2020: EUR 469.5 million, 2019: EUR 923.5 million).

(48) Liabilities to customers

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Demand deposits	10,392.4	9,693.7	8,599.4	7,094.7
Promissory notes / registered notes	414.3	564.6	727.6	869.4
Covered bonds	94.1	116.0	116.0	-
Other term deposits	1,360.1	865.8	1,528.5	1,770.5
Saving deposits	1,812.6	1,809.0	1,780.2	1,640.1
Liabilities to customers (AC)	**14,073.5**	**13,049.1**	**12,751.6**	**11,374.7**

Within the framework of the hedge accounting, negative adjusted fair value changes arising since the start of the hedging relationships in the amount of EUR 9.9 million (2020: EUR 36.9 million, 2019: EUR 35.9 million) were allocated to amortised costs.

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

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Retail & Business Customers	7,316.4	6,924.4	6,503.1	4,715.4
Corporates & SME	5,212.5	4,906.2	4,095.5	3,765.3
Specialized Lending	334.3	199.8	151.8	135.6
Corporate Center	1,210.3	1,018.8	2,001.3	2,758.3
Liabilities to customers (AC)	**14,073.5**	**13,049.1**	**12,751.6**	**11,374.7**

(49) Securitised liabilities

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Covered bonds issued	348.9	-	-	-
Other debt securities issued	30.1	81.8	103.2	116.2
Securitized liabilities (AC)	**379.1**	**81.8**	**103.2**	**116.2**

Securitised liabilities exclusively comprise bonds which the Bank has issued itself. Of the volume of bonds issued, tranches with a nominal value of EUR 22.1 million (2021: EUR 47.8 million, 2020: EUR 0.0 million) will fall due in 2022. The securitised liabilities include variable-interest bonds in an amount of EUR 30 million (2020: EUR 82 million, 2019: EUR 103 million).

(50) Subordinated debt

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Convertible bonds (tier 1)	17.0	16.9	16.9	16.8
Debt instruments (tier 2)	14.6	18.0	24.0	100.8
Promissory note loans (tier 2)	131.5	131.5	157.1	127.0
Customer deposits (tier 2)	3.4	4.0	3.3	2.2
Subordinated Debt	**166.5**	**170.5**	**201.2**	**246.9**

In the event of insolvency or liquidation, subordinated debt in the amount of EUR 166.5 million (2020: EUR 170.5 million, 2019: EUR 201.2 million) – which consists of subordinated promissory note loans (tier 2) and subordinated customer deposits (tier 2) in the amount of EUR 134.9 million (2020: EUR 135.6 million, 2019: EUR 160.3 million) as well as subordinated debt instruments (tier 2) and subordinated convertible bonds (tier 1) in an amount of EUR 31.6 million (2020: EUR 35.0 million, 2019: EUR 40.9 million) – may only be repaid upon satisfaction of all of the non-secondary creditors. No early repayment obligation applies.

The interest expense for subordinated debt came to EUR 6.8 million in the past financial year (2020: EUR 6.9 million, 2019: EUR 9.5 million). The interest rates for fixed-rate subordinated debt fall within a range of 0.00% to 10.00%. The average interest rate is 4.40%.

	12/31/2021	12/31/2020	12/31/2019	01/01/2019
	Convertible bonds (tier 1)			
Year of issue	2014 - 2018	2014 - 2018	2014 - 2018	2014 - 2018
Nominal amount (Mio. Euro)	15.1	15.1	15.1	15.1
Issuer	OLB	OLB	OLB	OLB
Interest rate in %	0.00% - 10.00%	0.00% - 10.00%	0.00% - 10.00%	0.00% - 10.00%
Maturity	N/A	N/A	N/A	N/A
	Debt instruments (tier 2)			
Year of issue	2013	2013	2010 - 2013	2010 - 2018
Nominal amount (Mio. Euro)	14.4	17.5	23.3	115.6
Issuer	OLB	OLB	OLB	OLB
Interest rate in %	3.20%	3.20%	3.20% - 5.10%	3.20% - 5.10%
Maturity	2023	2023	2020 - 2023	2020 - 2024
	Promissory note loans (tier 2) and Customer deposits (tier 2)			
Year of issue	2010 - 2021	2010 - 2019	2010 - 2019	2010 - 2018
Nominal amount (Mio. Euro)	131.8	132.5	156.7	125.7
Issuer	OLB	OLB	OLB	OLB
Interest rate in %	1.75% - 6.00%	1.75% - 6.00%	1.75% - 6.00%	1.43% - 6.00%
Maturity	2021 - 2031	2021 - 2031	2019 - 2031	2020 - 2031

(51) Provisions

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Provisions for pensions and similar obligations	112.6	147.6	155.7	258.1
Other provisions	120.3	79.9	77.4	88.9
Provisions	**232.9**	**227.5**	**233.2**	**347.0**

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

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

Other provisions mainly comprise provisions for restructuring measures, severance payments and bonuses as well as provisions for lending business and legal risks.

(52) Provisions for pensions and similar obligations

EURm	2021	2020	2019
Pension provisions recognized as of January 1	**147.6**	**155.7**	**258.1**
- Current service cost	6.5	7.3	6.4
- Imputed interest expense	4.1	4.1	6.9
- Return on assets	-2.7	-2.6	-1.3
- Repayment of costs from plan amendment	-	-	-
Net pension expense	7.9	8.8	12.0
Amortization and Repayment	-	-	-1.8
Pension commitments through deferred compensation	-	-	-
Allocation to defined contribution pension plan	-1.2	-18.1	-194.4
Pension benefits provided in the reporting year	-1.4	-2.2	-9.1
Taxes paid from assets	-	-	-
- Gains (-)/ Losses (+) from demographic assumptions	-	-	-
- Gains (-)/ Losses (+) from financial assumptions	-20.9	0.0	67.6
- Gains (-)/ Losses (+) from experience adjustments	-2.6	-2.4	0.3
- Return on plan assets excluding interest income	-16.8	5.7	-5.2
Change in actuarial gains (-) / losses (+)	-40.3	3.3	62.7
Additions (+) / disposals (-)	-	-	28.2
Pension provisions recognized as of December 31	**112.6**	**147.6**	**155.7**

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

EURm	2021	2020	2019
Changes in the scope of obligations	-23.2	-0.5	100.3
Present value of pension entitlements earned as of January 1	418.6	419.1	318.8
Current service cost	6.5	7.3	6.4
Imputed interest expense	4.1	4.1	6.9
Employee contributions	1.2	1.3	1.4
Costs from change of plan	-	-	-
- Gains (-)/ Losses (+) from demographic assumptions	-	-	-
- Gains (-)/ Losses (+) from financial assumptions	-20.9	0.0	67.6
- Gains (-)/ Losses (+) from experience adjustments	-2.6	-2.4	0.3
Actuarial gains (-)/ losses (+)	-23.5	-2.3	67.9
Pension payments	-11.7	-10.9	-9.5
Acquisitions	0.1	-	-
Additions (+) / disposals (-)	-	-0.1	27.2
Present value of pension entitlements earned as of December 31	395.3	418.6	419.1
Change in fair value of fund assets	11.8	7.6	202.7
Fair Value of fund assets as of January 1	271.0	263.4	60.7
Return on assets	2.7	2.6	1.3
Return on plan assets excluding interest income	16.8	-5.7	5.2
Employer contributions	1.2	1.2	1.4
Employee contributions	1.2	1.3	1.4
Pensions paid from fund assets	-10.2	-8.7	-0.4
Taxes paid from fund assets	-	-	-
Transfers	-	16.8	193.7
Fair Value of fund assets as of December 31	282.8	271.0	263.4
Financing status (balance sheet value) as of December 31	**112.6**	**147.6**	**155.7**

Fund assets

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

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Shares and other non-interest bearing securities	173.3	162.6	160.9	2.5
Bonds	14.2	15.8	13.5	8.8
Real Estate	1.5	1.5	1.2	0.8
Other	93.8	91.0	87.7	48.6
Total	**282.8**	**271.0**	**263.4**	**60.7**

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

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

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Present value of pension entitlements earned	395.3	418.6	419.1	318.8
Fair value of fund assets	282.8	271.0	263.4	60.7
Financing status	112.6	147.6	155.7	258.1

Valuation assumptions

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

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

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

in %	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Discount rate	1.30	1.00	1.00	2.00
Expected salary increase	2.50	2.50	2.50	2.50
Expected pension increase	1.75	1.75	1.75	1.75

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

The assumptions regarding the accounting discount rate reflect the market conditions on the balance sheet date for high-grade fixed-interest bonds matching the currency and duration of the pension liabilities.The accounting discount rate in particular gives rise to uncertainty, with a significant level of risk.

The sensitivity analysis presented below takes into consideration the changes in this assumption and would have the following impact on the present value of the pension obligations:

EURm	12/31/2021	12/31/2020	12/31/2019
Interest Rate Sensitivity			
Discount rate + 50 basis points	-31.9	-35.4	-36.4
Discount rate - 50 basis points	36.3	40.8	42.0
Pension Increase Sensitivity			
Pension increase + 25 basis points	10.1	11.0	11.6
Pension increase - 25 basis points	-8.8	-9.6	-10.9
Sensitivity when adjusting life expectancy			
Life expectancy + 1 year	16.3	17.9	18.0

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

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

On the balance sheet date, the weighted average term of defined benefit commitments was 17.8 years (2020: 18.7 years, 2019: 19.3 years).

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

Premium payments

For the financial year 2022, the Group expects employer contributions to the fund assets to be paid for defined benefit pension plans in the amount of EUR 1.4 million (actual figure for 2021: EUR 1.2 million, actual figure for 2020 EUR 1.2 million) as well as direct pension payments to beneficiaries in the amount of EUR 2.2 million (actual figure for 2021: EUR 1.4 million, actual figure for 2020: EUR 2.2 million).

Defined contribution plans

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

In the financial year 2021, expenses were incurred for defined contribution plans in the amount of EUR 3.7 million (2020: EUR 3.9 million, 2019: EUR 4.2 million) as premiums for employees paid to Versicherungsverein des Bankgewerbes a.G., Berlin, and Allgemeine Rentenanstalt Pensionskasse AG, Stuttgart. Premiums in the amount of EUR 10.7 million (2020: EUR 11.1 million, 2019: EUR 10.8 million) were paid to the German statutory pension insurance scheme.

(53) Other provisions

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Provisions for financial guarantees, loan commitments and other indemnity agreements	22.7	16.2	13.9	15.5
Further provisions	**97.7**	**63.7**	**63.6**	**73.5**
- Restructuring provisions	52.9	26.4	22.3	36.1
- Other provisions in the personnel area	34.3	28.8	33.4	25.1
- Remaining provisions	10.5	8.5	7.8	12.2
Other Provisions	**120.3**	**79.9**	**77.4**	**88.9**

Please see Note (39) on the development of the provisions for financial guarantees, loan commitments and other indemnity agreements.

Further provisions developed as follows:

EURm	Restructuring provisions	Other provisions in the personnel area	Remaining provisions	Total
Balance as of January 1, 2019	**36.1**	**25.1**	**12.2**	**73.5**
Additions in scope of consolidation	-	4.0	0.1	4.2
Additions	1.0	25.4	3.1	29.5
Utilisation	-7.3	-22.8	-3.5	-33.6
Reversals	-0.1	-0.8	-4.1	-5.0
Unwinding of discount	-0.0	0.8	0.0	0.8
Transfers	-7.4	1.7	0.0	-5.8
Balance as of December 31, 2019	**22.3**	**33.4**	**7.8**	**63.6**
Additions	17.9	26.8	3.1	47.9
Utilisation	-5.0	-29.1	-1.5	-35.7
Reversals	-	-1.6	-0.9	-2.5
Unwinding of discount	0.0	0.3	-0.0	0.3
Transfers	-8.8	-1.1	-	-9.9
Balance as of December 31, 2020	**26.4**	**28.8**	**8.5**	**63.7**
Additions	40.9	29.3	3.9	74.1
Utilisation	-9.6	-22.9	-2.5	-35.1
Reversals	-0.2	-2.1	-1.4	-3.7
Unwinding of discount	-0.0	-0.4	-0.0	-0.5
Transfers	-4.6	1.5	2.1	-0.9
Balance as of December 31, 2021	**52.9**	**34.3**	**10.5**	**97.7**

The other provisions include provisions in an amount of EUR 49.6 million (2020: EUR 56.1 million, 2019: EUR 45.9 million) with a term of more than one year which have been discounted. Otherwise, no other discounting was implemented. The interest effect for the other provisions is net income of EUR 0.5 million (2020: expense of EUR 0.3 million, 2019: expense of EUR 0.8 million) and consists of EUR 0.2 million of income from time effects (2020: expense of EUR 0.2 million, 2019: expense of EUR 0.2 million) and EUR 0.3 million in income from the change in the interest rate (2020: expense of EUR 0.1 million, 2019: expense of EUR 0.6 million).

Within the scope of an efficiency and modernisation program which it launched in 2020 and further developed in 2021, the Bank has identified additional areas of need for improvements which necessitate, inter alia, a further adjustment of its required headcount. The costs for the socially responsible execution of these measures were accounted for by establishing a restructuring provision in the amount of EUR 38.1 million as a restructuring cost.

In 2021, plan assets managed on a trust basis in the amount of EUR 28.3 million (2020: EUR 25.6 million, 2019: EUR 15.9 million) under a contractual trust agreement (CTA) for phased-retirement obligations amounted to EUR 28.3 million (2020: EUR 25.7 million, 2019: EUR 16.0 million) and were offset in the other provisions item against other assets.

(54) Other liabilities

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Liabilities Human Resources	3.1	4.1	3.3	2.9
Liabilities from commissions	10.0	7.0	7.8	0.7
Prepaid expenses	4.5	7.1	9.7	21.5
Leasing liabilities	43.2	52.6	35.8	36.0
other taxes payable	6.8	14.3	4.2	3.8
Cash Collaterals CCP	-	-	-	0.4
Trade accounts payable	11.4	12.2	14.9	10.4
Further liabilities	2.5	2.3	6.1	2.6
Other liabilities	**81.7**	**99.7**	**81.7**	**78.4**

Other liabilities include leasing liabilities in the amount of EUR 43.2 million (2020: EUR 52.6 million, 2019: EUR 35.8 million), trade payables not yet billed in the amount of EUR 11.4 million (2020: EUR 12.2 million, 2019: EUR 14.9 million) and liabilities from portfolio commissions and front-end fees for securities transactions which must be passed on in the amount of EUR 10.0 million (2020: EUR 6.3 million, 2019: EUR 7.5 million).

(55) Income tax liabilities

EURm	2021	2020	2019
Balance at 1 January	**44.6**	**30.0**	**9.2**
Additions from mergers	-	-	2.6
Utilisations	34.6	2.5	11.0
Reversals	1.8	0.2	1.0
Additions	10.9	17.4	30.2
Balance at 31 December	**19.1**	**44.6**	**30.0**

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

(56) Deferred tax assets and liabilities

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

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Trading portfolio assets	-	16.1	6.4	0.1
Receivables from banks	-	0.6	0.8	1.2
Receivables from customers	15.3	11.0	7.8	6.7
Financial assets of the non-trading portfolio	2.1	59.2	31.2	10.8
Tangible fixed assets	1.6	2.8	3.1	3.2
Other assets	6.7	1.0	1.0	3.9
Trading liabilities	16.8	16.6	8.8	-
Negative fair values from derivative hedging instruments	4.8	11.1	10.9	23.0
Liabilities to customers	3.1	11.4	11.1	8.9
Subordinated liabilities	0.0	0.0	0.0	0.0
Provisions	70.2	84.9	81.3	50.3
Other liabilities	13.4	16.5	11.1	11.2
Other	-	-	-	2.9
Deferred tax assets	**134.0**	**231.1**	**173.5**	**122.4**
Trading portfolio assets	-19.0	-	-0.0	-
Positive fair values of derivative hedging instruments	-7.5	-10.8	-10.3	-9.6
Receivables from banks	-0.8	-0.0	-0.0	-0.4
Receivables from customers	-9.9	-33.4	-20.7	-8.1
Financial assets of the non-trading portfolio	-0.0	-18.4	-8.6	-18.0
Tangible fixed assets	-6.3	-7.9	-5.8	-6.7
Intangible assets	-7.1	-8.4	-5.4	-4.7
Other assets	-0.4	-0.0	-0.0	-0.0
Trading liabilities	-	-	-	-0.7
Liabilities to banks	-1.6	-1.9	-2.0	-7.8
Securitized liabilities	-0.3	-59.0	-31.0	-
Subordinated liabilities	-0.1	-0.0	-0.0	-0.0
Provisions	-4.0	-6.1	-5.7	-0.3
Other liabilities	-3.7	-2.8	-1.3	-3.5
Other	-	-	-	-2.5
Deferred tax liabilities	**-60.8**	**-148.7**	**-90.7**	**-62.4**
Net deferred tax assets/liabilities recognized in the balance sheet	**73.2**	**82.5**	**82.7**	**60.0**
Deferred tax assets recognized in the balance sheet	73.2	82.5	82.7	60.0
Deferred tax liabilities recognized in the balance sheet	-	-	-	-

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

The change in the balance of deferred taxes in the amount of EUR -9.5 million (2020: EUR 0.6 million, 2019: EUR 26.6 million) has resulted from changes in temporary differences. Of this amount, EUR -1.0 million (2020: EUR 4.6 million. 2019: EUR -5.0 million) related to the statement of profit and loss and EUR -8.5 million (2020: EUR -4.0 million, 2019: EUR 31.6 million) to other comprehensive income.

(57) Income taxes

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

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Current taxes (current year)	-51.9	-35.8	-41.7
Current taxes (previous years)	1.8	0.4	1.6
Current taxes (total)	**-50.0**	**-35.4**	**-40.1**
Deferred taxes (current year)	-0.5	3.7	4.6
Deferred taxes (previous years)	-0.2	-	-0.6
Deferred taxes (total)	**-0.7**	**3.7**	**4.1**
Income taxes (total)	**-50.7**	**-31.7**	**-36.1**

The actual taxes for 2021 are calculated by means of an effective corporate income tax rate including solidarity surcharge of 15.8% (2020: 15.8%, 2019: 15.8%) plus an effective trade tax rate of 14.9% (2020: 14.9%, 2019: 14.9%).

The deferred taxes for 2021 are calculated by means of an effective corporate income tax rate including solidarity surcharge of 15.8% (2020: 15.8%, 2019: 15.8%) plus an effective Group trade tax rate of 15.2% (2020: 15.2%, 2019: 15.2%).

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

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

(58) Income tax reconciliation

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Pre-tax profit or loss	**166.0**	**99.5**	**159.7**
Income tax rate in %	31.00%	31.00%	31.00%
Calculated income taxes	**-51.5**	**-30.8**	**-49.5**
Tax effects			
- Trade tax	-0.1	-0.1	-0.1
- Tax free income	0.3	0.7	1.7
- non-deductible expenses	-2.7	-2.4	-2.1
- Change in accounting differences	1.2	0.2	7.5
- Taxes previous years	1.4	0.5	1.0
- Foreign taxes	0.2	-0.1	-
- Effect of tax rate change	0.5	0.3	0.5
- Other tax additions and deductions	0.0	0.0	4.9
Income taxes (total)	**-50.7**	**-31.7**	**-36.1**

(59) Disclosures on equity

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Subscribed capital	90.5	90.5	90.5	60.5
Capital reserves	517.3	517.3	517.3	517.3
Revenue reserves	635.4	554.8	518.8	432.6
Additional equity components	124.2	25.0	25.0	25.0
Other comprehensive Income	-11.8	-30.7	-39.6	30.8
Total equity	**1,355.6**	**1,156.9**	**1,112.0**	**1,066.2**

Subscribed capital. The subscribed capital totalled EUR 60.5 million as of January 1, 2019 and was increased in 2019 to EUR 90.5 million by means of a capital increase out of shareholder funds, without any new shares being issued. The subscribed capital had the same volume on the reporting dates December 31, 2019, December 31, 2020 and December 31, 2021. It continued to consist of 23,257,143 non-par-value shares. Each share represents a pro rata amount of the share capital and grants one vote at the Shareholders' Meeting. The shares were fully paid in.

Capital reserves. The capital reserves include the additional proceeds (premium) realised as of the issuance of treasury shares.

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

Conditional capital. The share capital is conditionally increased by up to EUR 14.1 million euros and a further EUR 3.8 million, respectively, through two authorisation resolutions.

The conditional capital increase is executed by the issue of up to 3,627,252 or a further 980,038 new no-par value bearer shares, which carry profit-sharing rights from the financial year in which they are issued. The conditional capital serves exclusively to secure the claims of holders of convertible bonds issued by OLB as the universal successor to the former BKB on the basis of the authorisation resolution of 1 October 2014 and 25 June 2018, respectively, and for which the Company grants equivalent rights pursuant to Section 23 of the German Transformation Act (UmwG) on the basis of the merger agreement with BKB of 14 August 2018. The conditional capital increase will only be implemented to the extent that the holders of the aforementioned convertible bonds exercise their conversion rights or to the extent that the holders obliged to convert fulfil their conversion obligation. Only the holders of the convertible bonds are entitled to subscribe. The Executive Board is authorised to determine the further details of the implementation of the conditional capital increase. For a possible conversion of the convertible bonds, a special reserve in the amount of EUR 5.9 million has been reserved in the Bank's free reserves in 2019 in accordance with § 218 AktG.

(60) Additional equity components

In June 2018, as a legal predecessor of OLB AG Bremer Kreditbank AG issued a convertible bond (ISIN DE000A2LQQC9 / “Perpetual Subordinated Convertible Bond”) as additional Tier 1 capital (AT1) with a volume of EUR 25.0 million. The conversion ratio and the conversion price were fixed, but may change in case of corporate actions. This constitutes antidilution, which protects the previous economic interests of the creditor and is thus non-detrimental to classification as equity. The bond will thus be converted in return for a fixed number of the Bank’s own equity instruments. This instrument was therefore classifiable as an equity instrument.

In June 2021, OLB AG issued a bearer global bond (ISIN DE000A11QJL6 / “Undated Non-cumulative Fixed to Reset Rate Additional Tier 1 Convertible Bond”) as additional Tier 1 capital (AT1) with a volume of EUR 100.0 million. No call right is stipulated for creditors. The Bank may permanently avoid repayment of the nominal amount, since regular repayments are not agreed or stipulated and OLB has full control over interest payments. Overall, OLB does not have any unavoidable obligations, either on account of repayments or in respect of the remuneration payable to the creditors. This instrument was thus classifiable as an equity instrument.

(61) Cumulative other comprehensive income (OCI)

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

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Balance as of January 1	**-30.7**	**-39.6**	**30.8**
Items reclassifiable through profit or loss			
- Change in debt instruments measured at fair value through other comprehensive income (FVOCI)	-8.9	11.1	-27.1
- Valuation changes	-11.8	17.0	-10.4
- Gains and losses reclassified to the income statement	-1.0	-0.8	-28.9
- Deferred taxes	4.0	-5.0	12.2
Items not reclassifiable through profit or loss			
- Change from remeasurement of defined benefit plans recognized in other comprehensive income	27.8	-2.3	-43.3
- Valuation changes	40.3	-3.3	-62.7
- Deferred taxes	-12.5	1.0	19.4
Other comprehensive income	**18.9**	**8.8**	**-70.4**
Balance as of December 31	**-11.8**	**-30.7**	**-39.6**

(62) Capital management, own funds and risk assets under Sec. 10 KWG

With regard to its capital funding, OLB is subject to the prudential provisions of the German Banking Act (Kreditwesengesetz – KWG) and the German Solvency Regulation (Solvabilitätsverordnung – SolvV) (Sec. 23) in conjunction with the CRR (Art. 25-88), which prescribe the necessary volume of own funds in order to cover the risk assets.

The Bank's goal is to achieve, and then continuously hold, a Common Equity Tier 1 capital ratio of at least 12.25%. In order to achieve this despite the Bank's planned lending growth, it will be necessary to maintain a high retention rate and close control over the risk assets trend throughout the planning period. The Bank's dividend policy is based on the above-mentioned parameters and pursues the following two objectives: (1) an appropriate share in the company's success for its shareholders and (2) safeguarding the Bank's future viability and stability through the continued retention of profits earned. The related substantial accumulation of capital is used to provide capital funding for growth.

Two key factors apply for OLB in regard to the necessary strategic capital resources:

1. Under its IRBA implementation plan, by 2023 OLB will have transferred the overwhelming share of its portfolio to F-IRBA. The transfer of its current portfolios will result in subsegment-specific increases and decreases in RWA. These have been incorporated in the Bank's capital planning as part of its medium-term planning.

2. As things currently stand, last year's "Basel IV" changes to the CRR will only come into effect in 2025 and thus outside the current planning period (2022-2024). There is continuing uncertainty in this respect regarding the future minimum prudential own funds requirement. In particular, the rules on the new standard approach for credit risks in conjunction with a related floor requirement for IRB institutions may result in an increase in OLB's minimum capital resources requirements in the long term. OLB continues to assume that the new rules will be subject to transition periods, with the requirements only gradually becoming fully effective ("phase-in"). Due to the buffer provided for in the capital planning, this transition period is sufficient in order to achieve the necessary minimum ratios for the higher RWA weightings which will then be expected. OLB has for some time been responding to the expected future pressures by means of a consistent risk/return-oriented new business policy. In the long term, this is intended to reduce its RWA density in more RWA-intensive areas in particular.

Within the prudential limits, the Bank is able to issue subordinated bonds as well as Additional Tier 1 and Tier 2 capital in order to strengthen its total capital. OLB makes use of this financing instrument to optimise its capital structure, while giving consideration to the impact on income and the market situation. In line with certain rules, available subordinated capital will increase the available risk coverage equity which is key for the overall bank economic risk limit. In the capital planning, this subordinated capital serves to stabilise the risk coverage equity, insofar as it is economically eligible. In order to fully comply with the requirements of the Internal Capital Adequacy Assessment Process (ICAAP), an assessment is made of the extent to which the actual ratio of capital and risks entered into is in line with the planning. This assessment is carried out within the scope of the Bank's management cycle via the key performance indicators report (KPI report) which is discussed monthly by the full Board of Managing Directors. Regulatory and economic risks are allocated to OLB's strategic business segments within the scope of the planning process. The Bank's RWA pursuant to the German Solvency Regulation are an important key indicator. The actual development of the business segments is compared with their envisaged performance on a monthly basis and any discrepancies are analysed.

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Common Equity Tier 1 capital	1,146.2	1,055.9	1,041.6	966.3
Additional Tier 1 capital (AT1)	141.6	42.4	42.3	42.3
Tier 1 capital	1,287.8	1,098.2	1,083.9	1,008.6
Tier 2 capital	125.6	130.4	154.4	225.4
Share capital and reserves	**1,413.4**	**1,228.7**	**1,238.3**	**1,234.0**
Risk assets for counterparty risks	8,745.9	7,864.3	8,043.3	7,790.7
Risk assets for market price risks	-	-	-	-
Risk assets for operational risks	793.0	794.7	762.3	692.2
Risk assets	**9,538.9**	**8,659.0**	**8,805.6**	**8,482.9**

The prudential equity requirements were complied with at all times.

(63) Capital ratios under Sec. 10 KWG

The institution-specific premium to be met in addition to the statutory minimum core capital ratio of 8.5% within the scope of the supervisory review and evaluation process (SREP) was unchanged at 0.07 percentage points for OLB as of December 31, 2021, based on the assessment of its risk management procedures and its risk situation by the German Federal Financial Supervisory Authority (BaFin). The Tier 1 capital ratio as of December 31, 2021 thus remained unchanged at 13.5% and was therefore considerably higher than the regulatory minimum level of 8.57% required for OLB. In its letter of February 9, 2022, BaFin notified OLB of its intention to update the SREP capital decision and to prescribe an add-on of 1.0%.

%	01/01-12/31/2021	12/31/2020	12/31/2019	01/01/2019
Common Equity Tier 1 capital ratio	12.0	12.2	11.8	11.4
Tier 1 capital ratio	13.5	12.7	12.3	11.9
Aggregate capital ratio	14.8	14.2	14.1	14.5

Notes to the balance sheet - further disclosures

(64) Risk management strategy

Principles of Bank-wide risk management

Basic principles of risk control

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

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

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

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

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

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

Risk culture

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

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

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

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

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

Risk strategy

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

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

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

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

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

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

Definition of risk categories/types

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

The Bank also considers sustainability risks. This is not an independent risk category. Instead, these are factors or drivers for existing risk types. These risks are managed and limited via the Bank's risk and business principles. These risks are analysed by means of scenario assessments.

Credit risk

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

- Default risk

Default risk is defined as the potential loss inherent in the default of a business partner – whether a counterparty or another partner to a contract, or an issuer of a security – in other words, the party's potential inability or unwillingness to meet contractual obligations.

- Migration risk

Migration risk is defined as the potential change in the present value of a claim as a result of a deterioration in creditworthiness, i.e. in particular in case of a change in the rating for the non-default classes.

- Liquidity and credit spread risk

The liquidity and credit spread risk is defined as a potential change in present value due to changes in liquidity spreads or credit spreads on the market.

- Country risk

The country risk as an element of credit risk is defined as the assumption of a cross-border risk, in particular a transfer and conversion risk, i.e. the risk that the transfer or the convertibility of the amounts paid by the debtor will not be made or will be delayed due to payment problems as a result of official or legislative measures.

- Validity risk

Validity risk is the risk of a directly or indirectly purchased receivable lacking legal validity.

Market price risk

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

Liquidity risk

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

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

Operational risk

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

Organisation of risk management and controlling

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

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

Risk management

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

Risk category	Board/Organizational unit
Credit Risk	Risk committee
Market price and liquidity risk	Risk commitee, bank management committee
Operational risk	Risk committee

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

Risk monitoring

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

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

In terms of risk management, the Operations department is responsible for identifying operational risks throughout the Bank, with the exception of operational risks relating to reputation risks (which are the responsibility of Corporate Communications).

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

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

Risk reporting

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

Management and controlling of specific risks

Credit risk

Risk measurement

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

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

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

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

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

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

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

Risk management

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

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

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

Risk assessment and credit approval in non-risk-relevant business depend on the type of transaction and on who is in charge of providing customer support. Within the bounds of the front office's own authority (except where transactions in construction financing or consumer lending are concerned), the back office supports the front office in conducting credit checks and preparing a rating. For all other exposures, risk assessment and the credit decision are carried out in cooperation between the front office and back office.

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

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

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

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

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

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

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

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

The quarterly risk reporting also includes an examination of potential risk concentrations in credit risk. This includes analyses on the basis of individual exposures, sectors, or other defined partial portfolios. In addition, at least once a year, risk concentration is extensively reviewed as part of the risk assessment, so as to detect any additional needs in connection with updating the Risk Strategy.

To avert risk concentrations, partial-portfolio limits are also defined above and beyond areas of authority. Monitoring these limits is the task of the Risk Control department.

The risk provision is determined using a discounted cash flow model. In making that measurement, OLB distinguishes between the retail lending business, in which risk is distributed almost uniformly (homogeneous portfolio) for which the Stage 3 risk provision is determined on the basis of parameters, as well as the individual lending business with individual risk for which the determination of the Stage 3 risk provision is calculated individually. The additional calculation of risk provisions for Stages 1 and 2 is also parameter-based.

Loans in default are measured individually, at the latest upon expiry of defined periods of time. The length of these periods of time is dependent, in particular, on the collateral and the Bank’s experience. This does not affect the existence or pursuit of the Bank’s legal rights.

The Bank conducts **trading transactions** in the non-trading portfolio when they are intended to safeguard the Bank’s long-term liquidity and to control the risk of changes in interest rates within the defined limits. In this way, they serve to safeguard the Bank’s long-term survival and earnings stability. The principal lines of business included in the non-trading portfolio are money trading and trading in or issuing bonds. They are complemented by derivative transactions to mitigate risk. OLB counters issuer and counterparty default risks in the trading business with banks, and in securities investments, by limiting its dealings fundamentally to trading partners who have first-class credit ratings and to central-bank counterparties, as well as by maintaining a firmly established system of limits and pursuing a broadly diversified portfolio. The strategic orientation is defined in the Bank's Risk Strategy. In terms of the approval process, credit risks from the trading business are treated analogously to the commercial lending business.

Risk situation

OLB awards customer loans to private clients, on the one hand, and to small and medium-sized corporate clients on the other. The Commercial Real Estate, Acquisition Finance, Football Finance and Ship Finance business segments are further areas of focus. The business with private clients concentrates on construction financing and consumer credit. Business with corporate clients is mainly in financing for operating equipment, other capital investments and real estate.

The following table shows an overview of the loan volume:

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
- Retail & Business Customers	7,311.7	6,776.0	6,388.0	6,125.0
- Corporates & SME	7,101.9	6,770.3	6,592.3	6,345.1
- Specialized Lending	2,660.2	2,145.9	2,094.1	1,642.2
- Corporate Center	25.5	101.3	271.3	41.2
Receivables from customers (gross carrying amount)	17,099.3	15,793.4	15,345.7	14,153.5
Receivables from banks (gross carrying amount)	970.1	557.6	425.9	222.9
Credit volume	18,069.4	16,351.0	15,771.6	14,376.4
less risk provision	-156.2	-185.3	-155.2	-188.7
Credit volume (after risk provision)	**18,225.6**	**16,536.3**	**15,926.8**	**14,565.1**

Please see Note (39) for details of the development of the structure and volume of the lending business.

Credit ratings:

Creditworthiness, which is assessed by means of specific rating methods, is an important indicator used to assess credit risk. Within OLB, credit ratings are determined using an internal master scale which allocates clients to internal credit ratings corresponding to their probability of default (PD). The relationship between the Bank's internal credit ratings and the ratings of the external rating agency Standard & Poor's (S&P) is evaluated and, where appropriate, adjusted annually on the basis of the default rates published by S&P.

Credit rating	PD range	Standard & Poor's	Assessment
1 - 6	< 0.02 % - 0.46 %	AAA to BBB-	Ability to meet the payment obligation (investment grade)
7 - 9	0.46 % - 2.45 %	BB+ to BB-	Ability to meet the payment obligation with limitations
10 - 12	2.45 % - 13.25 %	B+ to B-	Impaired ability to meet the payment obligation
13 - 14	13.25 % - ≤ 100 %	CCC+ to C	Increased or severe vulnerability to delinquency
15 - 16	100 %	D	Borrower is delinquent under CRR or is considered to have defaulted

The following tables show the distribution of loans and impairment, with a breakdown by credit rating:

Segment Retail & Business Customers			
EURm	12-months ECL	Lifetime ECL	
		not impaired	impaired
December 31, 2021			
Low risk (AAA - BBB-)	3,775.2	6.2	0.1
Medium risk (BB+ - BB-)	3,159.1	74.5	0.4
Increased risk (B+ - B-)	101.9	90.6	-
Vulnerable to delinquency (CCC+ - C)	2.5	44.8	0.4
Delinquent under CRR or defaulted (D)	0.7	1.0	54.3
Risk provision	-4.7	-8.8	-10.6
Total	**7,034.7**	**208.3**	**44.6**
December 31, 2020			
Low risk (AAA - BBB-)	3,598.6	8.6	0.1
Medium risk (BB+ - BB-)	2,808.3	83.8	0.4
Increased risk (B+ - B-)	89.0	77.4	0.0
Vulnerable to delinquency (CCC+ - C)	3.9	44.2	0.1
Delinquent under CRR or defaulted (D)	0.6	1.3	59.6
Risk provision	-4.2	-7.1	-12.2
Total	**6,496.1**	**208.2**	**48.1**
December 31, 2019			
Low risk (AAA - BBB-)	3,327.2	29.7	0.1
Medium risk (BB+ - BB-)	2,488.0	245.1	-
Increased risk (B+ - B-)	93.2	91.0	0.1
Vulnerable to delinquency (CCC+ - C)	3.9	43.9	0.3
Delinquent under CRR or defaulted (D)	0.4	1.9	63.2
Risk provision	-5.8	-5.3	-11.7
Total	**5,906.9**	**406.3**	**52.0**
January 1, 2019			
Low risk (AAA - BBB-)	3,079.6	42.4	0.0
Medium risk (BB+ - BB-)	2,323.5	285.7	0.2
Increased risk (B+ - B-)	155.0	102.2	0.1
Vulnerable to delinquency (CCC+ - C)	9.0	43.1	-
Delinquent under CRR or defaulted (D)	0.3	0.5	83.2
Risk provision	-5.5	-5.8	-17.3
Total	**5,561.9**	**468.1**	**66.2**

Segment Corporates & SME			
EURm	12-months ECL	Lifetime ECL	
		not impaired	impaired
December 31, 2021			
Low risk (AAA - BBB-)	3,770.2	5.4	-
Medium risk (BB+ - BB-)	2,513.2	72.0	-
Increased risk (B+ - B-)	328.4	242.3	-
Vulnerable to delinquency (CCC+ - C)	2.1	32.3	-
Delinquent under CRR or defaulted (D)	-	3.7	132.1
Risk provision	-5.4	-15.7	-56.2
Total	**6,608.6**	**340.1**	**75.9**
December 31, 2020			
Low risk (AAA - BBB-)	3,366.5	12.0	-
Medium risk (BB+ - BB-)	2,491.6	137.6	0.6
Increased risk (B+ - B-)	290.3	286.3	-
Vulnerable to delinquency (CCC+ - C)	12.2	26.7	-
Delinquent under CRR or defaulted (D)	-	2.4	144.0
Risk provision	-5.4	-19.0	-79.3
Total	**6,155.2**	**446.1**	**65.4**
December 31, 2019			
Low risk (AAA - BBB-)	3,316.9	46.5	-
Medium risk (BB+ - BB-)	2,423.3	102.3	-
Increased risk (B+ - B-)	295.5	157.7	-
Vulnerable to delinquency (CCC+ - C)	2.9	70.0	-
Delinquent under CRR or defaulted (D)	0.0	1.6	175.6
Risk provision	-7.0	-14.3	-88.6
Total	**6,031.6**	**363.8**	**87.1**
January 1, 2019			
Low risk (AAA - BBB-)	3,032.7	71.3	-
Medium risk (BB+ - BB-)	2,409.6	164.1	-
Increased risk (B+ - B-)	268.6	160.1	0.6
Vulnerable to delinquency (CCC+ - C)	7.8	42.4	-
Delinquent under CRR or defaulted (D)	0.0	0.1	187.7
Risk provision	-10.7	-10.3	-98.5
Total	**5,708.1**	**427.7**	**89.9**

Segment Specialized lending			
EURm	12-months ECL	Lifetime ECL	
		not impaired	impaired
December 31, 2021			
Low risk (AAA - BBB-)	340.2	-	-
Medium risk (BB+ - BB-)	1,824.4	7.2	-
Increased risk (B+ - B-)	150.5	156.7	-
Vulnerable to delinquency (CCC+ - C)	12.6	62.9	-
Delinquent under CRR or defaulted (D)	-	-	105.6
Risk provision	-6.2	-16.2	-26.1
Total	**2,321.6**	**210.6**	**79.5**
December 31, 2020			
Low risk (AAA - BBB-)	275.6	-	-
Medium risk (BB+ - BB-)	1,199.4	27.8	-
Increased risk (B+ - B-)	215.5	177.5	2.1
Vulnerable to delinquency (CCC+ - C)	2.9	62.4	-
Delinquent under CRR or defaulted (D)	-	42.6	140.0
Risk provision	-6.1	-30.5	-17.8
Total	**1,687.3**	**279.8**	**124.3**
December 31, 2019			
Low risk (AAA - BBB-)	291.2	-	-
Medium risk (BB+ - BB-)	1,436.8	21.1	-
Increased risk (B+ - B-)	140.2	79.3	-
Vulnerable to delinquency (CCC+ - C)	-	8.9	-
Delinquent under CRR or defaulted (D)	0.0	-	116.4
Risk provision	-6.5	-5.8	-10.2
Total	**1,861.7**	**103.6**	**106.2**
January 1, 2019			
Low risk (AAA - BBB-)	337.7	1.0	-
Medium risk (BB+ - BB-)	807.6	162.7	-
Increased risk (B+ - B-)	130.7	90.2	0.3
Vulnerable to delinquency (CCC+ - C)	-	2.3	-
Delinquent under CRR or defaulted (D)	-	-	109.6
Risk provision	-3.7	-3.6	-32.8
Total	**1,272.3**	**252.6**	**77.2**

The maximum risk of default has been calculated below as a portion of the credit risk for each class of financial instrument.

EURm	12/31/2021	12/31/2020	12/31/2019
Balance sheet assets	**23,251.4**	**20,172.3**	**19,345.0**
Cash reserve	2,154.2	1,654.6	1,230.9
Receivables from banks	970.0	557.6	425.9
Receivables from customers	16,943.1	15,608.1	15,190.5
- Receivables from customers measured at AC	16,943.1	15,608.1	15,190.5
Other receivables	213.5	136.9	125.0
Risk provision	156.2	185.3	155.2
Financial assets measured at FVPL	109.1	147.0	98.3
Mandatorily measured at FV	106.5	141.0	93.6
- Positive fair values of derivative hedging instruments	24.3	34.8	33.1
- Trading portfolio assets	82.2	106.2	60.5
Financial assets of the non-trading portfolio	2.6	6.1	4.6
Risk provision	-	-	-
Financial assets measured at FVOCI	2,674.0	1,849.8	2,076.5
- Equity instruments	-	-	-
- Debt instruments	2,674.0	1,849.8	2,076.5
- Loans and receivables	-	-	-
Risk provision	0.2	0.2	0.1
Bonds and other fixed-income securities measured at AC	-	-	-
Risk provision	-	-	-
Maximum risk of default for all balance sheet assets	**23,220.2**	**20,139.4**	**19,302.2**
Financial guarantees	707.5	630.4	546.4
Irrevocable loan commitments	2,251.4	1,917.7	1,925.4
Risk provision	22.7	16.2	13.9
Maximum risk of default	**26,201.7**	**22,703.7**	**21,787.9**

Collateral

All in all, slightly less than 40% of the gross credit risk in customer lending business is secured with collateral. Most of this 40% collateral is mortgages on residential and commercial property. As a rule, residential and commercial property is not measured at fair value here and is instead measured according to the specifications by the bank. Further receivable claims are mainly secured with liquid collateral such as account balances, building loan agreements and chattel mortgages. The transfer of wind turbines and ship mortgages for security purposes, in order to hedge the corresponding portfolios, serves as other noteworthy collateral. Export financing outside Europe is usually collateralised by means of government export credit insurance (ECA).

Apart from concentration on individual borrowers, risk concentration may also arise from a focus on individual providers of security. Since collateral and security derives from the broadly diversified customer lending portfolio, at present the Bank does not foresee any relevant risk concentrations.

For areas where concentration arises because of the nature or type of collateral, suitable measures were taken to monitor value. Collateral recovery rates are continuously monitored and observed changes are taken into account in the determination of credit risks.

The coverage ratio of non-performing loans was between 74% and 95%. In addition to the above-mentioned collateral, risk provisions and interest billed but not yet received were also taken into account.

Country risk

OLB calculates the country risk based on the country of the debtor's economic risk, in line with Delegated Regulation (EU) No 1152/2014. Accordingly, as of December 31, 2021 Germany accounts for 87% of customer and bank lending business and the rest of the EU for 9%. Only 3% of the economic risk is situated outside of the EU.

Market price risk

Risk measurement

OLB is exposed to market price risks in its customer business and in trading. Significant factors here include:

- changes in interest rates and yield curves,
- changes in currency exchange rates, and
- fluctuations (volatility) in these parameters.

The risk from the non-trading portfolio derives primarily from changes in interest rates (in terms of the effect on the present value of the interest rate book). An open foreign-currency position is possible only for very minor technical amounts. The limit for open foreign-currency positions is set at EUR 1 million.

Risk positions are monitored by the Risk Control department, which reports the evolution of risks and the results for the liquidity reserve daily, and for the value at risk of the non-trading portfolio monthly.

All risk positions are measured as the sum of all relevant individual transactions, including applicable measures to limit risk (net presentation).

Market price risks are quantified and limited at the Whole Bank level, primarily using value-at-risk models.

The value-at-risk model for the non-trading portfolio is based on a historical simulation that incorporates changes in interest rates, equally weighted over time since 1988. To quantify the interest rate risk, the method calculates how the present value of the interest rate book would change if the historically observed changes in interest rates were to occur.

Under EBA Guideline 2018/02 and BaFin circular 06/2019, changes in net present value are additionally calculated using ad hoc shifts of the yield curve in different directions and to different extents as stress scenarios.

For variable-rate products and call products (e.g. demand deposits), a fictitious maturity is parametrised in the interest rate book cash flow for various product groups (deposit base models), and an economic duration will be determined on this basis. Special repayment rights in the lending business are also incorporated into the risk measurement as a model cash flow. OLB uses interest rate swaps as derivative interest rate hedging instruments.

For the purpose of assigning limits for open currency positions under spot transactions, currency forwards, FX swaps, non-deliverable forwards (NDFs) and currency options, the overall currency position will be determined according to the standard method for market price risks set out in the CRR.

For the purpose of assigning limits to open currency positions, the overall currency position will be determined on the basis of all net foreign currency balances. In deviation from the definition provided in the CRR, risk positions resulting from value adjustments are not deducted from currency positions. OLB hedges currency positions resulting from customer transactions up to the write-off date.

For risks from holdings of foreign currency notes and coins, precious metals and commodities, the limit is EUR 2 million.

Risk management

The Bank Management Committee and the Risk Committee of the Bank are responsible for managing market price risk. Positioning in the non-trading portfolio is deliberated and decided by the Bank Management Committee. Market price risks are monitored by the Risk Control department, and limits are adopted by the full Board of Managing Directors, taking due account of recommendations from the Risk Committee.

Value at risk for market price risks (99.9%/1 year) serves to limit risk.

To assess market price risk, in addition to statistical risk assessment using value-at-risk models the Bank regularly applies both regulatory and economic stress tests.

The risk position essentially derives from developments in new lending business, highly liquid bonds held within the scope of the required liquidity reserves, and the funding structure. Investments for the purpose of the Bank's liquidity reserve may be made only within a specifically defined range of product types. The Treasury department largely manages the risk of interest rate changes by means of interest rate derivatives. In addition, the Treasury department can influence the securities held in the liquidity reserve at any time with respect to the volume and the fixed interest rate. In addition to the interest rate book, the risk value resulting from the outsourced pension provisions is provided by an external company and taken into consideration. The risk for the outsourced pension provisions is determined by means of a delta normal model, with the same confidence level and the same holding period as the risk in the interest rate book.

Risk situation

Trading business:

Trading to generate short-term gains was discontinued as of the end of 2012; any new positions were allocated to the non-trading portfolio.

Value at risk for the non-trading portfolio (99.9%/1 year):

EURm	2021 VaR (99.9%)	2020 VaR (99.9%)	2019 VaR (99.9%)
Minimum	143.1	127.7	114.3
Mean	181.6	159.4	139.7
Maximum	259.2	201.8	152.4

Market price risk in the non-trading portfolio is assessed and limited on a value basis through historical changes in interest rates. The growing lending business was the driver behind risk.

Liquidity risk

Risk measurement

Short-term liquidity risks are measured and controlled on the basis of funding matrices, made available daily, with a forward horizon of the next 23 working days (with an eye to the risk of inability to meet payments). In addition to deterministic cash inflows and outflows, the method also applies assumptions on the further development of variable business. Assessments of future liquidity cash flow are performed using both normal market conditions and stress scenarios. The content of the scenarios is essentially the same as that for the medium and long-term views. Medium and long-term liquidity risks are measured and controlled on the basis of monthly assessments that analyse future liquidity cash flow with a forward horizon of the next ten years. The liquidity cash flow here is the net figure for all future incoming and outgoing payments up to the given date. The analysis takes account of business performance both under normal market conditions and in stress scenarios.

Compliance with the regulatory ratio, the liquidity coverage ratio (LCR) according to the Delegated Regulation, is a part of the risk measurement. The LCR calls for maintaining a liquidity buffer that will at least cover net outpayments for 30 days under market-wide and idiosyncratic stress conditions. This approach is supplemented with a liquidity buffer for a one-week and a one-month period. All of these steps are intended to safeguard short-term solvency, especially by maintaining an adequate liquidity reserve.

In addition, OLB calculates and reports the net stable funding ratio (NSFR) liquidity ratio in accordance with the CRR II. The NSFR is a liquidity ratio which is intended to safeguard medium- to long-term structural liquidity over a period of one year and, above all, to reduce the level of dependence on short-term funding. Compliance with this ratio is a regulatory requirement which has applied since June 30, 2021.

In assessing liquidity cost risk, funding matrices over the next ten years from the liquidity-risk stress scenarios are analysed. If liquidity falls short of liquidity risk limits during this period in a given scenario, the shortfall between the actual liquidity and the required liquidity is remedied by means of liquid funding operations at current interest rates with possible liquidity spreads and while maintaining a constant credit rating. The liquidity cost risk is calculated with a value orientation as a liquidity value at risk with a 99.9% confidence level.

OLB has access via its Treasury department to all the major capital market segments: mobilisation and administration of credit claims, covered bond issues, customer deposits, asset-backed securities and open-market transactions (e.g., TLTRO). There are no concentrations or dependencies on specific markets or counterparties. In addition to quantification, the Bank’s ability to refinance is also monitored qualitatively.

Liquidity risks are limited based on the institution-specific funding matrix, the liquidity coverage ratio (LCR) regulatory ratio and the net stable funding ratio. In order to ensure compliance with the requirement at all times, internal limits and early warning thresholds are defined. The Bank's Risk Committee is regularly informed of the evolution of these key ratios. These considerations are supplemented with a liquidity buffer that must be maintained, derived from weekly and monthly liquidity outflows from customer transactions.

The limits for liquidity risk in the funding matrix are based on "cumulative relative liquidity surpluses" as the key indicator. This represents the liquidity cash flow relative to total liabilities for defined maturity ranges.

Liquidity risk is controlled by the Bank Management Committee and the Risk Committee of the Bank. The Treasury department can draw at any time on the securities held in the liquidity reserve, or cover additional liquidity needs through sales, pledges for Bundesbank refinancing facilities, or forward sales under repo agreements. Liquidity needs are covered through customer business, by taking out fixed deposits and refinancing loans or by placing promissory note loans and covered bonds. Due to these covered bond issues, in order to manage its liquidity risks as a capital market-oriented institution OLB is required to comply with the additional requirements for capital market-oriented institutions pursuant to sections BTR 3.2 and BT 3.2 of MaRisk.

Risk situation

Development of regulatory reporting ratios:

The Bank checks the liquidity coverage ratio (LCR) key indicator in accordance with the CRR on a daily basis. The positions are notified by reporting the key indicator according to the Delegated Regulation, and have been since September 1, 2016.

LCR	2021	2020	2019
Minimum	127%	135%	127%
Mean	148%	152%	146%
Maximum	173%	170%	183%

The minimum value of 100% for the LCR reporting ratio was maintained on all of the reporting dates. On average, this ratio was 48.3 percentage points higher than the minimum requirement of 100%. On December 31, 2021, this ratio amounted to 143%.

Since June 30, 2021, the Bank has reviewed its net stable funding ratio (NSFR), as prescribed by the CRR, on a daily basis.

NSFR	2021
Minimum	116%
Mean	116%
Maximum	117%

Operational risk

OLB uses uniform, coordinated instruments to identify, measure and monitor operational risks.

The regulatory capital requirement for operational risk is determined by means of the standard approach.

Management of operational risks is essentially based on the scenario analyses, on analyses of losses actually incurred, and on the risk indicators for operational risks.

(65) Restrictions on disposal and collaterals for own liabilities

Assets have been transferred as collateral in the specified amount for the following liabilities:

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Liabilities to banks	6,453.8	5,104.1	4,272.5	4,921.6
Liabilities to customers	94.1	117.1	117.1	-
Securitized liabilities	350.1	-	-	-
Collateralized liabilities	**6,898.0**	**5,221.2**	**4,389.6**	**4,921.6**

The total amount (carrying amounts) of the collateral transferred consists of the following assets:

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Receivables from customers (AC) pledged as collateral	5,137.8	4,328.3	3,743.2	3,402.8
Receivables from banks (AC) pledged as collateral	11.1	0.0	3.3	0.3
Bonds (FVOCI) pledged as collateral	2,411.6	1,220.2	852.6	1,975.0
Collateral transferred	**7,560.5**	**5,548.4**	**4,599.2**	**5,378.0**

The transferred receivables from customers include receivables refinanced by development loan institutions. OLB mainly cooperates with the development loan institutions KfW, NBank and LRB. According to these development loan institutions' general terms and conditions, in principle OLB assigns to the refinancing institution the customer receivable including any subsidiary rights as well as collateral which the customer has provided for the refinanced receivable in question. The carrying amount for the customer receivables transferred as collateral in this respect was EUR 2,653.8 million (2020: EUR 2,748.7 million, 2019: EUR 2,671.0 million). Moreover, customer receivables are transferred to a cover fund for OLB's covered bond issues. The carrying amount of these receivables was EUR 798.5 million (2020: EUR 244.1 million, 2019: EUR 274.0 million). Further collateral transferred consists of receivables as part of true-sale receivables securitisations by the SPV Weser Funding S.A. (ABS), with a carrying amount of EUR 985.0 million (2020: EUR 893.0 million, 2019: EUR 375.6 million) and from the transfer of loans through the loan submission procedure (Mobilisation and Administration of Credit Claims – MACCs), with a carrying amount of EUR 700.4 million (2020: EUR 442.4 million, 2019: EUR 422.5 million, 2018: EUR 361.5 million).

The transferred receivables from banks mainly comprise cash collaterals relating to derivatives.

The fair value of the transferred bonds matches the above carrying amount.

OLB did not have any reverse repo transactions as of the reporting date.

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Reverse repurchase transactions				
Assets transferred (FVOCI)	633.6	459.8	802.5	1,580.2
Corresponding liabilities to banks	636.5	467.2	910.9	1,574.9
Total assets transferred	**633.6**	**459.8**	**802.5**	**1,580.2**
Total corresponding liabilities	636.5	467.2	910.9	1,574.9

With the scope of its refinancing business with institutions and insurers, out of an overall portfolio of customer receivables in the amount of EUR 16,943.1 million (2020: EUR 15,608.1 million, 2019: EUR 15,190.5 million) receivables were transferred to the refinancing entities, with the Bank retaining the related interest rate and counterparty risks. The fair value of the customer receivables within the scope of this refinancing business was EUR 2,673.1 million (2020: EUR 2,820.6 million, 2019: EUR 2,732.3 million). The liabilities relating to the refinancing funds amounted to EUR 2,656.5 million (2020: EUR 2,750.2 million, 2019: EUR 2,674.4 million). These have been reported in the liabilities to customers and the liabilities to banks.

Obligation to	12/31/2021	12/31/2020	12/31/2019	01/01/2019
	EURm	EURm	EURm	EURm
Compensation Scheme of German Private Banks	11.0	8.4	6.7	3.8
Restructuring Fund's FSMA	8.2	6.8	5.6	3.1
Deposit protection scheme	3.2	3.2	2.5	-
Total	**22.4**	**18.4**	**14.8**	**6.9**

(66) Foreign currency volumes

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Assets of the currency				
- USD	334.1	146.0	143.8	104.9
- GBP	71.1	40.8	40.7	24.7
- Other	12.4	20.1	21.8	9.6
Total assets	**417.6**	**207.0**	**206.3**	**139.2**
Liabilities of the currency				
- USD	351.2	180.5	140.3	107.4
- GBP	13.9	17.8	38.7	11.9
- Other	41.9	37.9	48.3	46.9
Total liabilities	**407.0**	**236.2**	**227.3**	**166.2**

These amounts are totals in euro equivalents for non-Eurozone currencies.

(67) Breakdown of residual terms of receivables and liabilities

The following tables provide a breakdown of receivables by maturity respectively by call date.

EURm	12/31/2021		
	Up tp 12 months	Over 12 months	Total
Receivables from banks	967.3	2.8	970.0
Receivables from customers	3,045.5	13,897.6	16,943.1
Financial assets of the non-trading portfolio	126.4	2,550.2	2,676.6
Other assets	177.8	51.5	229.3
Total receivables as of December 31, 2021	**4,316.9**	**16,502.2**	**20,819.1**

EURm	12/31/2020		
	Up tp 12 months	Over 12 months	Total
Receivables from banks	557.6	-	557.6
Receivables from customers	3,150.5	12,457.6	15,608.1
Financial assets of the non-trading portfolio	470.6	1,385.2	1,855.9
Other assets	104.4	45.6	150.0
Total receivables as of December 31, 2020	**4,283.2**	**13,888.4**	**18,171.6**

EURm	12/31/2019		
	Up tp 12 months	Over 12 months	Total
Receivables from banks	425.9	-	425.9
Receivables from customers	3,389.6	11,800.9	15,190.5
Financial assets of the non-trading portfolio	245.4	1,835.7	2,081.1
Other assets	87.7	44.0	131.7
Total receivables as of December 31, 2019	**4,148.7**	**13,680.5**	**17,829.1**

EURm	01/01/2019		
	Up tp 12 months	Over 12 months	Total
Receivables from banks	171.8	51.1	222.9
Receivables from customers	2,694.3	11,270.5	13,964.7
Financial assets of the non-trading portfolio	731.7	2,108.2	2,839.9
Other assets	88.7	29.1	117.8
Total receivables as of December 1, 2019	**3,686.4**	**13,458.8**	**17,145.2**

The following tables break down the undiscounted financial liabilities from derivative and non-derivative transactions according to contractual residual terms. As the figures are undiscounted and include interest payments, some of the values differ from the book values shown in the balance sheet.

As of the respective reporting date, the financial liabilities according to contractually agreed maturity structures in accordance with IFRS 7.39 were as follows:

EURm	12/31/2021					
	Due daily or with indefinite maturity	Up tp 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Derivative instruments (before off-setting)	-	4.3	13.0	49.8	52.6	119.7
Non-derivative financial instruments	10,496.9	3,369.7	1,170.9	4,578.2	1,994.9	21,610.5
Balance sheet items	**10,496.9**	**3,374.0**	**1,183.9**	**4,628.0**	**2,047.5**	**21,730.3**
Contingent liabilities and other commitments	-	2,958.9	-	-	-	2,958.9
Total liabilities as of December 31, 2021	**10,496.9**	**6,332.9**	**1,183.9**	**4,628.0**	**2,047.5**	**24,689.1**

EURm	12/31/2020					
	Due daily or with indefinite maturity	Up tp 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Derivative instruments (before off-setting)	-	4.2	12.6	43.7	34.0	94.6
Non-derivative financial instruments	9,752.3	2,998.6	647.3	3,434.7	1,882.8	18,715.7
Balance sheet items	**9,752.3**	**3,002.8**	**660.0**	**3,478.4**	**1,916.8**	**18,810.3**
Contingent liabilities and other commitments	-	2,548.1	-	-	-	2,548.1
Total liabilities as of December 31, 2020	**9,752.3**	**5,550.9**	**660.0**	**3,478.4**	**1,916.8**	**21,358.4**

EURm	12/31/2019					
	Due daily or with indefinite maturity	Up tp 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Derivative instruments (before off-setting)	-	4.9	14.6	50.4	36.9	106.8
Non-derivative financial instruments	8,677.8	3,313.9	1,931.9	2,041.6	2,077.1	18,042.3
Balance sheet items	**8,677.8**	**3,318.8**	**1,946.5**	**2,091.9**	**2,114.0**	**18,149.1**
Contingent liabilities and other commitments	-	2,471.9	-	-	-	2,471.9
Total liabilities as of December 31, 2019	**8,677.8**	**5,790.7**	**1,946.5**	**2,091.9**	**2,114.0**	**20,620.9**

EURm	01/01/2019					
	Due daily or with indefinite maturity	Up tp 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Derivative instruments (before off-setting)	**-**	**5.5**	**16.6**	**62.0**	**50.1**	**134.2**
Non-derivative financial instruments	**6,990.0**	**3,657.6**	**2,196.4**	**2,669.1**	**2,105.1**	**17,618.1**
Balance sheet items	**6,990.0**	**3,663.1**	**2,212.9**	**2,731.1**	**2,155.1**	**17,752.3**
Contingent liabilities and other commitments	-	2,250.5	-	-	-	2,250.5
Total liabilities as of December 1, 2019	**6,990.0**	**5,913.7**	**2,212.9**	**2,731.1**	**2,155.1**	**20,002.8**

(68) Derivative transactions and hedge accounting

Among other factors, the value of derivative financial instruments which enable the transfer of market and credit risks between various parties results from interest rates and indexes as well as share prices and foreign exchange rates. Markdowns are calculated on positive fair values to cover counterparty risks. The most important derivative products used include interest rate swaps and currency forwards. Derivatives can be entered into by means of standardised contracts on the stock market or in the form of transactions negotiated bilaterally over the counter.

Derivatives are used for the Bank’s internal risk management and for asset/liability management. From the point of view of valuations, a distinction is made between products traded on the stock market and those traded over the counter.

Where index options are entered into, a daily cash settlement will be made for contracts traded on the stock market.

In the case of exchange-traded derivatives, positive and negative fair values will only be reported if (because only then will they arise) the terms of the agreement only require full settlement as of the maturity date (for European options only; EUREX products = American options) or if the variation margin (futures only) has not yet been received as of the balance sheet date (e.g. if the stock exchanges are situated in different time zones). Apart from the exceptions described above, the fair values of exchange-traded derivatives will always be zero as a result of the daily settlement of gains and losses.

The following table shows the nominal volumes by residual term as well as the positive and negative fair values of the derivative transactions which the Bank has entered into. The nominal amounts generally serve only as a reference figure for the calculation of the mutually agreed settlement payments (e.g. interest claims and/or interest obligations in case of interest rate swaps), and thus do not represent any direct receivables and/or payables in the balance sheet sense.

EURm	Positive fair value	Negative fair value	Total nominal values
December 31, 2021			
Interest rate derivatives	132.5	-116.9	8,997.2
Interest rate derivates from customer business	44.3	-31.1	2,973.2
Interest rate derivatives from interest book management	88.2	-85.8	6,024.0
of which: designated as micro hedging instruments	65.7	-38.3	3,961.0
of which: designated as portfolio hedging instruments	22.5	-47.5	2,063.0
Currency derivatives	45.6	-40.1	3,435.9
Currency options: purchases	1.2	-	83.8
Currency options: sales	-	-1.2	83.8
Cross-currency swaps	-	-0.3	88.2
FX swaps and currency forwards	44.4	-38.6	3,179.9
Total derivatives	**178.1**	**-157.0**	**12,433.1**
December 31, 2020			
Interest rate derivatives	106.3	-212.7	5,551.5
Interest rate derivates from customer business	71.4	-57.4	3,013.5
Interest rate derivatives from interest book management	34.9	-155.3	2,538.0
of which: designated as micro hedging instruments	34.9	-155.3	2,538.0
of which: designated as portfolio hedging instruments	-	-	-
Currency derivatives	42.9	-40.7	2,738.5
Currency options: purchases	3.5	-	104.3
Currency options: sales	-	-3.5	104.3
Cross-currency swaps	0.7	-0.7	29.2
FX swaps and currency forwards	38.7	-36.6	2,500.7
Total derivatives	**149.2**	**-253.5**	**8,290.1**
December 31, 2019			
Interest rate derivatives	88.0	-138.9	5,834.4
Interest rate derivates from customer business	51.0	-38.8	3,552.4
Interest rate derivatives from interest book management	36.9	-100.1	2,282.0
of which: designated as micro hedging instruments	36.9	-100.1	2,282.0
of which: designated as portfolio hedging instruments	-	-	-
Currency derivatives	15.9	-14.8	1,910.5
Currency options: purchases	2.1	-	161.7
Currency options: sales	0.0	-2.1	161.7
Cross-currency swaps	0.9	-0.8	30.6
FX swaps and currency forwards	12.9	-11.8	1,556.4
Total derivatives	**103.9**	**-153.6**	**7,744.9**

January 1, 2019			
Interest rate derivatives	56.4	-100.0	5,556.9
Interest rate derivates from customer business	24.8	-15.3	3,328.3
Interest rate derivatives from interest book management	31.7	-84.7	2,228.5
of which: designated as micro hedging instruments	31.7	-84.7	2,228.5
of which: designated as portfolio hedging instruments	-	-	-
Currency derivatives	19.3	-19.8	1,749.1
Currency options: purchases	4.3	-	238.9
Currency options: sales	-	-4.3	238.9
Cross-currency swaps	2.1	-1.9	44.6
FX swaps and currency forwards	12.9	-13.5	1,226.7
Total derivatives	**75.7**	**-119.7**	**7,306.0**

Disclosures on the hedging instruments used in the hedge accounting

EURm	Nominal value	Positive fair values	Negative fair values	Change in fair value used as the basis for recobnising hedge ineffectivness for the period	Average interest rate of the hedging instruments (in %)
December 31, 2021					
Hedging of interest rate risk	**6,024.0**	**88.2**	**-85.8**	**112.8**	**0.26**
Interest rate swaps in micro hedges	3,961.0	65.7	-38.3	57.0	0.21
Interest rate swaps in portfolio hedges	2,063.0	22.5	-47.5	55.8	0.54
December 31, 2020					
Hedging of interest rate risk	**2,538.0**	**34.9**	**-155.3**	**-51.3**	**0.92**
Interest rate swaps in micro hedges	2,538.0	34.9	-155.3	-51.3	0.92
Interest rate swaps in portfolio hedges	N/A	N/A	N/A	N/A	N/A
December 31, 2019					
Hedging of interest rate risk	**2,282.0**	**36.9**	**-100.1**	**-38.8**	**1.07**
Interest rate swaps in micro hedges	2,282.0	36.9	-100.1	-38.8	1.07
Interest rate swaps in portfolio hedges	N/A	N/A	N/A	N/A	N/A
January 1, 2019					
Hedging of interest rate risk	**2,228.5**	**-31.7**	**-84.7**	**-**	**1.53**
Interest rate swaps in micro hedges	2,228.5	-31.7	-84.7	-	1.53
Interest rate swaps in portfolio hedges	N/A	N/A	N/A	N/A	N/A

All hedging instruments included in the above table are included in the balance sheet items positive market values from derivative hedging instruments and negative market values from derivative hedging instruments.

The Bank commenced its portfolio hedge accounting on August 1, 2021 (see the chapter on accounting policies, fair value hedge accounting). For the previous years, only micro hedges are reportable.

The profile of the timing of the nominal amount of the hedging instruments is shown in the following table:

EURm	Nominal values up to 1 year	Nominal values over 1 year and up to 5 years	Nominal values over 5 years	Total nominal values
December 31, 2021				
Interest rate derivatives from interest book management	125.0	2,028.0	3,871.0	6,024.0
of which: designated as micro hedging instruments	40.0	1,603.0	2,318.0	3,961.0
of which: designated as portfolio hedging instruments	85.0	425.0	1,553.0	2,063.0
December 31, 2020				
Interest rate derivatives from interest book management	190.0	676.0	1,672.0	2,538.0
of which: designated as micro hedging instruments	190.0	676.0	1,672.0	2,538.0
of which: designated as portfolio hedging instruments	-	-	-	-
December 31, 2019				
Interest rate derivatives from interest book management	90.0	676.0	1,516.0	2,282.0
of which: designated as micro hedging instruments	90.0	676.0	1,516.0	2,282.0
of which: designated as portfolio hedging instruments	-	-	-	-
January 1, 2019				
Interest rate derivatives from interest book management	208.5	638.0	1,382.0	2,228.5
of which: designated as micro hedging instruments	208.5	638.0	1,382.0	2,228.5
of which: designated as portfolio hedging instruments	-	-	-	-

Disclosures on the underlying transactions used in the hedge accounting

31 December 2021

EURm	Carrying amount	Accumulated hedge adjustments	Change in fair value used as the basis for recobnising hedge ineffectivness for the period	Accumulated hedge adjustments from terminated hedging relationships
Hedging of interest rate risk - micro hedges	**-241.4**	**-41.7**	**-61.7**	**79.5**
Financial assets measured at AC	-	-	-31.9	66.6
Financial assets of the non-trading portfolio	-	-	-	-
Receivables from banks and receivables from customers	-	-	-31.9	66.6
Financial assets measured at FVOCI	-2,090.3	-64.0	-56.8	45.1
Financial assets of the non-trading portfolio	-2,090.3	-64.0	-56.8	45.1
Receivables from banks and receivables from customers	-	-	-	-
Financial liabilities measured at AC	1,848.9	22.3	27.0	-32.2
Securitized liabilities	348.9	11.0	8.8	-2.2
Liabilities to bans	1,500.0	11.3	18.2	-30.0
Hedging of interest rate risk - portfolio hedges	**2,079.9**	**-29.3**	**-51.9**	**-22.2**
Financial assets measured at AC	2,079.9	-29.3	-51.9	-22.2
Financial assets of the non-trading portfolio	-	-	-	-
Receivables from banks and receivables from customers	2,079.9	-29.3	-51.9	-22.2

31 December 2020

EURm	Carrying amount	Accumulated hedge adjustments	Change in fair value used as the basis for recobnising hedge ineffectivness for the period	Accumulated hedge adjustments from terminated hedging relationships
Hedging of interest rate risk - micro hedges	**881.5**	**97.1**	**51.1**	**2.7**
Financial assets measured at AC	1,472.9	93.0	34.9	5.8
Financial assets of the non-trading portfolio	-	-	-	-
Receivables from banks and receivables from customers	1,472.9	93.0	34.9	5.8
Financial assets measured at FVOCI	-791.4	37.2	17.2	0.7
Financial assets of the non-trading portfolio	-791.4	37.2	17.2	0.7
Receivables from banks and receivables from customers	-	-	-	-
Financial liabilities measured at AC	200.0	-33.1	-1.0	-3.8
Securitized liabilities	-	-	-	-
Liabilities to bans	200.0	-33.1	-1.0	-3.8
Hedging of interest rate risk - portfolio hedges	N/A	N/A	N/A	N/A
Financial assets measured at AC	-	-	-	-
Financial assets of the non-trading portfolio	-	-	-	-
Receivables from banks and receivables from customers	-	-	-	-

31 December 2019

EURm	Carrying amount	Accumulated hedge adjustments	Change in fair value used as the basis for recobnising hedge ineffectivness for the period	Accumulated hedge adjustments from terminated hedging relationships
Hedging of interest rate risk - micro hedges	**897.5**	**44.8**	**40.4**	**3.9**
Financial assets measured at AC	1,313.0	56.8	38.0	7.1
Financial assets of the non-trading portfolio	-	-	-	-
Receivables from banks and receivables from customers	1,313.0	56.8	38.0	7.1
Financial assets measured at FVOCI	-631.6	19.4	9.5	1.2
Financial assets of the non-trading portfolio	-631.6	19.4	9.5	1.2
Receivables from banks and receivables from customers	-	-	-	-
Financial liabilities measured at AC	216.0	-31.5	-7.1	-4.4
Securitized liabilities	-	-	-	-
Liabilities to bans	216.0	-31.5	-7.1	-4.4
Hedging of interest rate risk - portfolio hedges	N/A	N/A	N/A	N/A
Financial assets measured at AC	-	-	-	-
Financial assets of the non-trading portfolio	-	-	-	-
Receivables from banks and receivables from customers	-	-	-	-

1 January 2019

EURm	Carrying amount	Accumulated hedge adjustments	Change in fair value used as the basis for recobnising hedge ineffectivness for the period	Accumulated hedge adjustments from terminated hedging relationships
Hedging of interest rate risk - micro hedges	**547.9**	**5.2**	**14.0**	**3.0**
Financial assets measured at AC	1,129.3	15.7	6.9	10.2
Financial assets of the non-trading portfolio	-	-	-	-
Receivables from banks and receivables from customers	1,129.3	15.7	6.9	10.2
Financial assets measured at FVOCI	-797.4	13.3	6.7	-2.2
Financial assets of the non-trading portfolio	-797.4	13.3	6.7	-2.2
Receivables from banks and receivables from customers	-	-	-	-
Financial liabilities measured at AC	216.0	-23.8	0.3	-5.0
Securitized liabilities	-	-	-	-
Liabilities to bans	216.0	-23.8	0.3	-5.0
Hedging of interest rate risk - portfolio hedges	N/A	N/A	N/A	N/A
Financial assets measured at AC	-	-	-	-
Financial assets of the non-trading portfolio	-	-	-	-
Receivables from banks and receivables from customers	-	-	-	-

(69) Offsetting of financial instruments

At OLB, derivatives business cleared by means of a broker through the central counterparty (CCP) EUREX is currently the only scenario for balance-sheet offsetting. Positive and negative fair values of derivatives held on the reporting date vis-à-vis EUREX and the related cash collateral balance will be offset and reported in the balance sheet as a single net receivable or as a single net liability. For all other transaction portfolios whose overall credit risk and collateralisation are covered by means of framework agreements (bilaterally settled derivative business and repo business), either the IAS 32 requirements for balance-sheet offsetting are not fulfilled (these are framework agreements that only provide for offsetting in the event of insolvency, but do not allow for a shortening of the payment path in ongoing business operations). or else these requirements are fulfilled, but there are not any offsetting transaction balances as of the reporting date.

Offsetting of receivables

EURm	Financial assets before offsetting	Amounts, subject to a global netting or similar agreement	Financial assets after offsetting	Items that reduce credit risk and are not subject to offsetting: Amounts, not subject to a legally enforcable global netting or similar agreement	Items that reduce credit risk and are not subject to offsetting: Collateral received	Net amount of credit risk
12/31/2021						
Derivatives	**192.8**	**-86.3**	**106.5**	**-43.4**	**-13.1**	**50.0**
of which bilateral	106.5	-	106.5	-43.4	-13.1	50.0
of which over CCP broker	86.3	-86.3	-	-	-	-
Repo transactions	**-**	**-**	**-**	**-**	**-**	**-**
of which bilateral	-	-	-	-	-	-
of which over CCP broker	-	-	-	-	-	-
Total amount	**192.8**	**-86.3**	**106.5**	**-43.4**	**-13.1**	**50.0**
12/31/2020						
Derivatives	**305.7**	**-162.2**	**143.5**	**-55.8**	**-1.2**	**86.5**
of which bilateral	143.5	-	143.5	-55.8	-1.2	86.5
of which over CCP broker	162.2	-162.2	-	-	-	-
Repo transactions	**-**	**-**	**-**	**-**	**-**	**-**
of which bilateral	-	-	-	-	-	-
of which over CCP broker	-	-	-	-	-	-
Total amount	**305.7**	**-162.2**	**143.5**	**-55.8**	**-1.2**	**86.5**
12/31/2019						
Derivatives	**192.8**	**-87.7**	**105.2**	**-45.1**	**-5.2**	**54.9**
of which bilateral	96.1	-	96.1	-45.1	-5.2	45.8
of which over CCP broker	96.8	-87.7	9.1	-	-	9.1
Repo transactions	**-**	**-**	**-**	**-**	**-**	**-**
of which bilateral	-	-	-	-	-	-
of which over CCP broker	-	-	-	-	-	-
Total amount	**192.8**	**-87.7**	**105.2**	**-45.1**	**-5.2**	**54.9**
01/01/2019						
Derivatives	**151.1**	**-42.2**	**108.9**	**-39.8**	**-23.4**	**45.6**
of which bilateral	68.7	-	68.7	-39.8	-23.4	5.5
of which over CCP broker	82.4	-42.2	40.2	-	-	40.2
Repo transactions	**-**	**-**	**-**	**-**	**-**	**-**
of which bilateral	-	-	-	-	-	-
of which over CCP broker	-	-	-	-	-	-
Total amount	**151.1**	**-42.2**	**108.9**	**-39.8**	**-23.4**	**45.6**

Offsetting of liabilities

EURm	Financial liabilities before offsetting	Amounts, subject to a legally enforcable global netting or similar agreement	Financal liabilities after offsetting	Items that reduce credit risk and are not subject to offsetting		Net amount of credit risk
				Amounts, not subject to a legally enforcable global netting or similar agreement	Collateral provided	
12/31/2021						
Derivatives	**-157.0**	**86.3**	**-70.7**	**43.4**	**16.3**	**-11.0**
of which bilateral	-69.3	-	-69.3	43.4	16.3	-9.5
of which over CCP broker	-87.8	86.3	-1.5	-	-	-1.5
Repo transactions	**-637.8**	**-**	**-637.8**	**-**	**624.6**	**-13.2**
of which bilateral	-526.9	-	-526.9	-	516.2	-10.6
of which over CCP broker	-110.9	-	-110.9	-	108.4	-2.5
Total amount	**-794.8**	**86.3**	**-708.5**	**43.4**	**640.9**	**-24.2**
12/31/2020						
Derivatives	**-259.3**	**162.2**	**-97.1**	**55.8**	**22.7**	**-18.6**
of which bilateral	-94.5	-	-94.5	55.8	22.7	-16.1
of which over CCP broker	-164.7	162.2	-2.6	-	-	-2.6
Repo transactions	**-465.8**	**-**	**-465.8**	**-**	**462.4**	**-3.4**
of which bilateral	-305.9	-	-305.9	-	304.1	-1.8
of which over CCP broker	-159.9	-	-159.9	-	158.3	-1.6
Total amount	**-725.1**	**162.2**	**-562.9**	**55.8**	**485.1**	**-22.0**
12/31/2019						
Derivatives	**-158.6**	**87.7**	**-70.9**	**45.1**	**25.9**	**-**
of which bilateral	-70.9	-	-70.9	45.1	25.9	-
of which over CCP broker	-87.7	87.7	-	-	-	-
Repo transactions	**-910.5**	**-**	**-910.5**	**-**	**909.0**	**-1.5**
of which bilateral	-629.3	-	-629.3	-	629.3	-
of which over CCP broker	-281.1	-	-281.1	-	279.6	-1.5
Total amount	**-1,069.1**	**87.7**	**-981.4**	**45.1**	**934.8**	**-1.5**
01/01/2019						
Derivatives	**-119.3**	**42.2**	**-77.1**	**39.8**	**37.3**	**-**
of which bilateral	-77.1	-	-77.1	39.8	37.3	-
of which over CCP broker	-42.2	42.2	-	-	-	-
Repo transactions	**-1,580.6**	**-**	**-1,580.6**	**-**	**1,587.2**	**6.6**
of which bilateral	-714.0	-	-714.0	-	716.8	2.8
of which over CCP broker	-866.6	-	-866.6	-	870.4	3.9
Total amount	**-1,699.9**	**42.2**	**-1,657.7**	**39.8**	**1,624.5**	**6.6**

(70) Leasing

In principle, OLB only acts as a lessee. The balance sheet contains the following items related to leasing:

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Right-of-use				
Land and buildings	19.7	24.1	17.2	19.7
Operating and business equipment	0.7	1.3	1.4	1.9
Intangible assets	21.9	26.5	16.9	14.5
Total rights-of-use	**42.3**	**51.9**	**35.5**	**36.0**
Lease liabilities by remaining maturity				
Until 1 year	12.0	12.7	10.7	11.1
from 1 to 5 years	26.8	33.6	22.8	21.5
more than 5 years	4.4	6.3	2.2	3.4
Total lease liabilities	**43.2**	**52.6**	**35.8**	**36.0**

Additions made to right-of-use assets during the financial year 2021 amounted to EUR 0.8 million (2020: EUR 13.3 million, 2019: EUR 0.9 million)

	Land and buildings	Operating and business equipment	Intangible assets	Total
EURm	01/01-12/31/2021			
Carrying amount as of January 1, 2019	**24.2**	**1.3**	**27.1**	**52.6**
Additions during the financial year	0.1	0.0	0.7	0.8
Disposals during the financial year	-	-	-0.1	-0.1
Changes in balance during the financial year	0.1	0.0	0.6	0.8
Change in duration during the financial year	1.0	-	1.6	2.6
Amortisation during the financial year	-5.5	-0.6	-6.8	-12.8
Discounting	0.0	0.0	0.0	0.0
Changes in measurement during the financial year	-4.5	-0.6	-5.1	-10.2
Carrying amount as of December 31, 2019	**19.8**	**0.8**	**22.6**	**43.2**
EURm	01/01-12/31/2020			
Carrying amount as of January 1, 2019	**17.3**	**1.4**	**17.1**	**35.8**
Additions during the financial year	10.8	-	2.5	13.3
Disposals during the financial year	-0.2	-	-0.0	-0.2
Changes in balance during the financial year	10.6	-	2.5	13.1
Change in duration during the financial year	1.7	0.5	13.1	15.4
Amortisation during the financial year	-5.5	-0.6	-5.6	-11.7
Discounting	0.1	0.0	0.0	0.1
Changes in measurement during the financial year	-3.7	-0.1	7.5	3.7
Carrying amount as of December 31, 2019	**24.2**	**1.3**	**27.1**	**52.6**

EURm	01/01-12/31/2019			
Carrying amount as of January 1, 2019	**19.7**	**1.9**	**14.5**	**36.0**
Additions during the financial year	0.4	0.1	0.4	0.9
Disposals during the financial year	-	-	-	-
Changes in balance during the financial year	0.4	0.1	0.4	0.9
Change in duration during the financial year	2.2	-	7.8	10.1
Amortisation during the financial year	-5.1	-0.6	-5.6	-11.3
Discounting	0.1	0.0	0.0	0.1
Changes in measurement during the financial year	-2.8	-0.6	2.2	-1.1
Carrying amount as of December 31, 2019	**17.3**	**1.4**	**17.1**	**35.8**

The following amounts are reported in the statement of profit and loss in connection with leases:

EURm	2021	2020	2019
Amortization of lease liabilities			
Land and biudlings	5.5	5.5	5.1
Operating and business equipment	0.6	0.6	0.6
Intangible assets	6.9	6.0	5.8
Interest expense	0.0	0.1	0.1
Items shown in the Profit and Loss Statement	**13.0**	**12.1**	**11.6**

Payments made for leases in 2021 totalled EUR 12.7 million (2020: EUR 11.6 million, 2019: EUR 11.2 million).

Off-balance sheet business

(71) Contingent liabilities and loan commitments

Contingent liabilities and loan commitments are future liabilities of the Group arising from time-limited credit lines which the Bank has granted its customers but which they have not yet drawn on. By means of credit facilities, the Group provides its customers with rapid access to funds which its customers require in order to fulfil their short-term obligations as well as their long-term financing requirements. Liabilities from guarantees and indemnity agreements and letters of credit are also reported. Income from guarantees is recognised in net commission income. The amount of this income is determined by means of the application of agreed rates on the nominal amount of these guarantees.

The figures listed below do not permit any direct inference as to the resulting liquidity requirements.

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Credit guarantees	247.6	206.0	145.1	30.0
Other guarantees and warranties	447.6	420.6	395.7	403.9
Letters of credit	24.0	11.1	12.6	60.5
less provisions	-11.6	-7.3	-7.0	-7.6
Contingent liabilities	**707.5**	**630.4**	**546.4**	**486.9**
Loans	2,036.0	1,659.0	1,712.7	1,611.4
Guarantee lines	226.4	267.5	219.6	160.1
less provisions	-11.1	-8.8	-6.9	-7.8
Irrevocable credit commitments	**2,251.4**	**1,917.7**	**1,925.4**	**1,763.6**

Risk provision for off-balance sheet obligations has been reported under other provisions.

The figures provided in the tables reflect the amounts whose write-down would be required in the event of customers using the full amounts of these facilities and subsequently defaulting on payment – subject to the assumption that no collateral is available. It is possible that a large portion of these obligations may expire without being drawn upon. These figures do not definitively reflect the actual future loan commitment or the liquidity requirements resulting from these obligations. Collateral may have been provided to cover the total commitments to customers under loans and guarantees. There are also sub-participations by third parties in irrevocable credit commitments and guarantees.

(72) Other financial liabilities

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Obligations under rental- and usage agreements	3,9	4,2	3,6	3,8
Obligations for maintainance of information technology	5,5	4,7	4,5	4,7
Obligations under commenced capital spending projects	-	1,2	4,4	2,3
Payment obligations and joint liabilities	22,4	18,4	14,8	6,9
Other financial obligations	**31,7**	**28,4**	**27,2**	**17,7**

Obligations under rental and usage agreements mainly comprise contracts in the area of telecommunications as well as archiving services.

There were no call commitments for shares, bonds, other shareholdings or joint liabilities under Sec. 26 of the German Act on Limited Liability Companies in GmbH Form (GmbH-Gesetz – GmbHG).

Oldenburgische Landesbank AG is a member of the German deposit protection scheme, which covers liabilities to creditors up to a maximum amount. As a member of this deposit protection scheme, Oldenburgische Landesbank AG is separately liable to provide additional capital contributions, but not exceeding the annual contribution of Oldenburgische Landesbank AG which is indicated below.

For 2021, Oldenburgische Landesbank AG was charged a contribution of EUR 6.8 million (2020: EUR 5.6 million, 2019: EUR 5.9 million) for the German deposit protection scheme and for the Compensation Scheme of German Private Banks.

In addition, it paid in an amount of EUR 7.8 million (2020: EUR 6.9 million, 2019: EUR 4.4 million) to the German restructuring fund for banks (bank levy). In the event of this restructuring fund being drawn upon to a significant extent, additional other financial liabilities may arise in the amount of EUR 8.2 million. The Bank has an irrevocable payment obligation in this amount in relation to the restructuring fund. Additional irrevocable payment obligations apply in relation to the Compensation Scheme of German Private Banks in the amount of EUR 11.0 million and the deposit protection scheme in the amount of EUR 3.2 million. Payment obligations existed due to a revived liability in the amount of €0.2 million (2020: €0.2 million. 2019: €0.2 million).

In 2019 and in 2020, the majority of our pension obligations at the time and the cover funds allocated to fulfil these obligations were transferred to a non-insurance based pension fund managed by Allianz Pensionsfonds AG. The bank remains secondarily liable for the transferred liabilities in the event of any shortfall. If the cover funds are not sufficiently funded in relation to the necessary settlement amount, so that Allianz Pensionsfonds AG is unable to meet its obligations deriving from the transferred pension liabilities, the bank may be held liable for any such liabilities, which may be material.

Additional disclosures

(73) Fair values and carrying amounts of financial instruments by measurement category and balance sheet item and their classification in the fair value hierarchy

The financial instruments shown in the following table mainly comprise financial assets and liabilities which fall under the scope of IFRS 13 and which are either recognised in the balance sheet or not recognised in the balance sheet. Classes of these financial instruments have been established. These enable a distinction in terms of amortised cost and fair values, as the relevant IFRS 9 measurement criteria. Cash and cash equivalents are reported at their nominal value. For the sake of clarity, they are shown in the "reported at amortised cost" columns. Fair values of derivative hedging instruments in the hedge accounting are shown in the "carried at fair value" column. In addition, for each class an indication is provided of which measurement category the financial instruments belong to. The following abbreviations are used in the table: AC = at amortised cost (Amortised Costs), FVOCI = at fair value through other comprehensive income (Fair Value through Other Comprehensive Income), FVPL = At fair value through profit or loss (Fair value through Profit or Loss). For each measurement category of financial instruments, the fair values are compared with the carrying amounts and reconciled with the items on the assets side and the equity and liabilities side of the balance sheet. In addition, the financial instruments reported at fair value are allocated to one of the three fair value levels according to the IFRS fair value hierarchy.

12/31/2021 EURm	Cate-gory	Balance sheet items Carrying amount	Financial instruments measured at amortised cost Carrying amount	Δ	Fair value	carried at fair value Fair value	∑ financial instruments Fair value	Level 1 Fair value	Level 2 Fair value	Level 3 Fair value
Cash and cash equivalents (carried at nominal value)	AC	2,154.2	2,154.2	-	2,154.2		2,154.2	-	2,154.2	-
Trading portfolio assets										
Non-derivative trading assets measured at FVPL	FVPL	0.0				0.0	0.0	0.0	-	-
Positive fair values from interest rate derivatives	FVPL	44.3				44.3	44.3	-	44.3	-
Positive fair values from currency derivatives	FVPL	45.6				45.6	45.6	-	45.6	-
Adjustments related to offsetting	FVPL	-7.7				-7.7	-7.7	-	-7.7	-
Positive fair values of derivative hedging instruments	FVPL	24.3				24.3	24.3	-	24.3	-
Receivable from banks (net after risk provision)	AC	970.0	970.0	-0.0	970.0		970.0	-	961.2	8.8
Receivable from customers (net after risk provision)	AC	16,943.1	16,943.1	843.8	17,786.9		17,786.9	-	1,068.5	16,718.4
Financial assets of the non-trading portfolio										
Financial assets of the non-trading portfolio classified at FVOCI	FVOCI	2,674.0				2,674.0	2,674.0	2,654.1	-	19.8
Financial assets of the non-trading portfolio classified at FVPL	FVPL	2.6				2.6	2.6	-	-	2.6
Other assets										
Cash Collaterals CCP	AC	144.7	144.7	-	144.7		144.7	-	144.7	-
Total financial instruments		**22,995.2**	**20,212.1**	**843.8**	**21,055.9**	**2,783.1**	**23,839.0**	**2,654.2**	**4,435.2**	**16,749.7**

12/31/2021 EURm	Cate-gory	Balance sheet items Carrying amount	Financial instruments measured at amortised cost Carrying amount	Δ	Fair value	carried at fair value Fair value	∑ financial instruments Fair value	Level 1 Fair value	Level 2 Fair value	Level 3 Fair value
Trading portfolio liabilities										
Negative fair values from interest rate derivatives	FVPL	31.1				31.1	31.1	-	31.1	-
Negative fair values from currency derivatives	FVPL	40.1				40.1	40.1	-	40.1	-
Adjustments related to offsetting	FVPL	-15.9				-15.9	-15.9	-	-15.9	-
Negative fair values from hedging derivatives	FVPL	15.4				15.4	15.4	-	15.4	-
Liabilities to banks	AC	6,872.3	6,872.3	-51.0	6,821.4		6,821.4	-	109.8	6,711.5
Liabilities to customers	AC	14,073.5	14,073.5	84.6	14,158.1		14,158.1	-	10,381.6	3,776.5
Securitzed liabilities	AC	379.1	379.1	-7.1	372.0		372.0	-	372.0	-
Subordinated debt	AC	166.5	166.5	20.0	186.5		186.5	-	-	186.5
Other liabilities										
Cash Collaterals CCP	AC	-	-	-	-		-	-	-	-
Total financial instruments		**21,562.1**	**21,491.4**	**46.5**	**21,537.9**	**70.7**	**21,608.7**	**-**	**10,934.1**	**10,674.6**
Contingent liabilities	N/A	-					-11.6	-	-	-11.6
Irrevocable loan commitments	N/A	-					-0.4	-	-	-0.4

12/31/2020 EURm	Category	Balance sheet items: Carrying amount	Financial instruments measured at amortised cost: Carrying amount	Δ	Fair value	carried at fair value: Fair value	∑ financial instruments: Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents (carried at nominal value)	AC	1,654.6	1,654.6	-	1,654.6		1,654.6	-	1,654.6	-
Trading portfolio assets										
Non-derivative trading assets measured at FVPL	FVPL	0.0				0.0	0.0	0.0	-	-
Positive fair values from interest rate derivatives	FVPL	71.4				71.4	71.4	-	71.4	-
Positive fair values from currency derivatives	FVPL	42.9				42.9	42.9	-	42.9	-
Adjustments related to offsetting	FVPL	-8.2				-8.2	-8.2	-	-8.2	-
Positive fair values of derivative hedging instruments	FVPL	34.8				34.8	34.8	-	34.8	-
Receivable from banks (net after risk provision)	AC	557.6	557.6	0.0	557.6		557.6	-	557.6	0.0
Receivable from customers (net after risk provision)	AC	15,608.1	15,608.1	1,174.9	16,783.0		16,783.0	-	1,110.6	15,672.4
Financial assets of the non-trading portfolio										
Financial assets of the non-trading portfolio classified at FVOCI	FVOCI	1,849.8				1,849.8	1,849.8	1,849.8	-	-
Financial assets of the non-trading portfolio classified at FVPL	FVPL	6.1				6.1	6.1	-	-	6.1
Other assets										
Cash Collaterals CCP	AC	66.7	66.7	-	66.7		66.7	-	66.7	-
Total financial instruments		**19,883.9**	**17,887.0**	**1,174.9**	**19,061.9**	**1,996.9**	**21,058.8**	**1,849.9**	**3,530.5**	**15,678.4**

12/31/2020 EURm	Category	Balance sheet items: Carrying amount	Financial instruments measured at amortised cost: Carrying amount	Δ	Fair value	carried at fair value: Fair value	∑ financial instruments: Fair value	Level 1	Level 2	Level 3
Trading portfolio liabilities										
Negative fair values from interest rate derivatives	FVPL	57.4				57.4	57.4	-	57.4	-
Negative fair values from currency derivatives	FVPL	40.7				40.7	40.7	-	40.7	-
Adjustments related to offsetting	FVPL	-42.6				-42.6	-42.6	-	-42.6	-
Negative fair values from hedging derivatives	FVPL	35.7				35.7	35.7	-	35.7	-
Liabilities to banks	AC	5,250.9	5,250.9	31.7	5,282.6		5,282.6	-	74.4	5,208.2
Liabilities to customers	AC	13,049.1	13,049.1	65.6	13,114.8		13,114.8	-	9,646.4	3,468.4
Securitized liabilities	AC	81.8	81.8	0.1	81.8		81.8	-	81.8	-
Subordinated debt	AC	170.5	170.5	16.2	186.7		186.7	-	-	186.7
Other liabilities										
Cash Collaterals CCP	AC	-	-	-	-		-	-	-	-
Total financial instruments		**18,643.6**	**18,552.3**	**113.6**	**18,665.9**	**91.3**	**18,757.2**	**-**	**9,893.9**	**8,863.3**
Contingent liabilities	N/A	-					7.3	-	-	7.3
Irrevocable loan commitments	N/A	-					4.8	-	-	4.8

12/31/2019	Cate-gory	Balance sheet items	Financial instruments measured at amortised cost			carried at fair value	∑ financial instruments	Level 1	Level 2	Level 3
EURm		Carrying amount	Carrying amount	Δ	Fair value	Fair value	Fair value	Fair Value		
Cash and cash equivalents (carried at nominal value)	AC	1,230.9	1,230.9	-	1,230.9		1,230.9	-	1,230.9	-
Trading portfolio assets										
Non-derivative trading assets measured at FVPL	FVPL	0.0				0.0	0.0	0.0	-	-
Positive fair values from interest rate derivatives	FVPL	51.0				51.0	51.0	-	51.0	-
Positive fair values from currency derivatives	FVPL	15.9				15.9	15.9	-	15.9	-
Adjustments related to offsetting	FVPL	-6.4				-6.4	-6.4	-	-6.4	-
Positive fair values of derivative hedging instruments	FVPL	33.1				33.1	33.1	-	33.1	-
Receivable from banks (net after risk provision)	AC	425.9	425.9	0.0	425.9		425.9	-	416.4	9.5
Receivable from customers (net after risk provision)	AC	15,190.5	15,190.5	936.2	16,126.8		16,126.8	-	1,492.5	14,634.3
Financial assets of the non-trading portfolio										
Financial assets of the non-trading portfolio classified at FVOCI	FVOCI	2,076.5				2,076.5	2,076.5	2,076.5	-	-
Financial assets of the non-trading portfolio classified at FVPL	FVPL	4.6				4.6	4.6	-	-	4.6
Other assets										
Cash Collaterals CCP	AC	61.1	61.1	-	61.1		61.1	-	61.1	-
Total financial instruments		**19,083.1**	**16,908.4**	**936.3**	**17,844.7**	**2,174.7**	**20,019.4**	**2,076.5**	**3,294.5**	**14,648.4**

12/31/2019	Cate-gory	Balance sheet items	Financial instruments measured at amortised cost			carried at fair value	∑ financial instruments	Level 1	Level 2	Level 3
EURm		Carrying amount	Carrying amount	Δ	Fair value	Fair value	Fair value	Fair value		
Trading portfolio liabilities										
Negative fair values from interest rate derivatives	FVPL	38.8				38.8	38.8	-	38.8	-
Negative fair values from currency derivatives	FVPL	14.8				14.8	14.8	-	14.8	-
Adjustments related to offsetting	FVPL	-22.6				-22.6	-22.6	-	-22.6	-
Negative fair values from hedging derivatives	FVPL	35.0				35.0	35.0	-	35.0	-
Liabilities to banks	AC	4,766.1	4,766.1	37.7	4,803.8		4,803.8	-	96.1	4,707.8
Liabilities to customers	AC	12,751.6	12,751.6	66.7	12,818.3		12,818.3	-	8,551.9	4,266.4
Securitzed liabilities	AC	103.2	103.2	0.3	103.4		103.4	-	103.4	-
Subordinated debt	AC	201.2	201.2	36.0	237.2		237.2	-	-	237.2
Other liabilities										
Cash Collaterals CCP	AC	-	-	-	-		-	-	-	-
Total financial instruments		**17,888.1**	**17,822.2**	**140.7**	**17,962.8**	**65.9**	**18,028.8**	**-**	**8,817.3**	**9,211.4**
Contingent liabilities	N/A	-					-7.0	-	-	-7.0
Irrevocable loan commitments	N/A	-					6.7	-	-	6.7

01/01/2019	Cate-gory	Balance sheet items	Financial instruments measured at amortised cost			carried at fair value	∑ financial instruments	Level 1	Level 2	Level 3

EURm		Carrying amount	Carrying amount	Δ	Fair value	Fair value	Fair value	Fair Value		
Cash and cash equivalents (carried at nominal value)	AC	1,518.1	1,518.1	-	1,518.1		1,518.1	-	1,518.1	-
Trading portfolio assets										
Financial non-derivative assets measured at FVPL	FVPL	0.0				0.0	0.0	0.0	-	-
Positive fair values from interest rate derivatives	FVPL	24.8				24.8	24.8	-	24.8	-
Positive fair values from currency derivatives	FVPL	19.7				19.7	19.7	-	19.7	-
Adjustments related to offsetting	FVPL	-7.8				-7.8	-7.8	-	-7.8	-
Positive fair values of derivative hedging instruments	FVPL	31.1				31.1	31.1	-	31.1	-
Receivable from banks (net after risk provision)	AC	222.9	222.9	0.9	223.8		223.8	-	105.9	117.9
Receivable from customers (net after risk provision)	AC	13,964.7	13,964.7	774.1	14,738.9		14,738.9	-	1,136.4	13,602.5
Financial assets of the non-trading portfolio										
Financial assets of the non-trading portfolio classified at FVOCI	FVOCI	2,710.4				2,710.4	2,710.4	2,700.4	10.0	-
Financial assets of the non-trading portfolio classified at FVPL	FVPL	129.5				129.5	129.5	126.8	0.4	2.2
Other assets										
Cash Collaterals CCP	AC	38.9	38.9	-	38.9		38.9	-	38.9	-
Total financial instruments		**18,652.3**	**15,744.6**	**775.0**	**16,519.6**	**2,907.7**	**19,427.3**	**2,827.2**	**2,877.5**	**13,722.7**

01/01/2019	Cate-gory	Balance sheet items	Financial instruments measured at amortised cost			carried at fair value	∑ financial instruments	Level 1	Level 2	Level 3
EURm		Carrying amount	Carrying amount	Δ	Fair value	Fair value	Fair value	Fair value		
Trading portfolio liabilities										
Negative fair values from interest rate derivatives	FVPL	15.3				15.3	15.3	-	15.3	-
Negative fair values from currency derivatives	FVPL	19.8				19.8	19.8	-	19.8	-
Adjustments related to offsetting	FVPL	-31.4				-31.4	-31.4	-	-31.4	-
Negative fair values from hedging derivatives	FVPL	74.3				74.3	74.3	-	74.3	-
Liabilities to banks	AC	5,557.7	5,557.7	-25.6	5,532.2		5,532.2	-	78.7	5,453.5
Liabilities to customers	AC	11,374.7	11,374.7	21.4	11,396.1		11,396.1	-	6,919.8	4,476.3
Securitzed liabilities	AC	116.2	116.2	0.4	116.6		116.6	-	116.6	-
Subordinated debt	AC	246.9	246.9	10.8	257.6		257.6	-	-	257.6
Other liabilities										
Cash Collaterals CCP	AC	0.4	0.4	-	0.4		0.4	-	0.4	-
Total financial instruments		**17,373.7**	**17,295.9**	**6.9**	**17,302.8**	**77.9**	**17,380.7**	**-**	**7,193.3**	**10,187.4**
Contingent liabilities	N/A	-					-6.6	-	-	-6.6
Irrevocable loan commitments	N/A	-					5.0	-	-	5.0

Fair value is the amount for which a financial instrument may be freely traded between knowledgeable and willing parties in an arm's length transaction. Fair value is defined as the exit price or the transfer/disposal price.

For all financial instruments, first of all it will be checked whether a market price is available on an active market. If so, this will be immediately used as a fair value (price times quantity) and this fair value will be categorised as a Level 1 fair value. Exchange-traded securities are the main scenario where Level 1 fair values are found. At OLB, this mainly concerns holdings of financial assets valued at FVOCI and FVPL and, to a lesser extent, trading assets. Price service agencies were used to access certain platforms on which brokers publish their prices. If there was a corresponding price link and market liquidity, this was used as the price quotation in Level 1.

If no market price as defined above is available, a valuation model will be used. If all of the key input parameters for this valuation are observable on the market, the resulting theoretical value will be a Level 2 fair value. Interest rate swaps and all other derivatives in the Bank's portfolio have Level 2 fair values. The discounted cash-flow method and option pricing models were used to determine these fair values in the reporting period. The market value of a derivative corresponds to the sum of all future cash flows discounted at a risk-adequate rate on the valuation date (present value or dirty close-out value). In the case of collateralised derivatives, risk-free overnight index swap "OIS" curves were used as the basis for discounting (because the collateral bears interest at these rates); in the case of unsecured derivatives, however, the valuation is based on tenor swap curves (for example, the 3-month EURIBOR swap curve). OLB uses a discounte cash-flow model (present value of the difference between the contract rate and the forward rate on the reporting date) to value forward exchange transactions. For currency options (plain vanilla currency options) OLB uses the classic Black-Scholes model according to Garman-Kolhagen. For the valuation of barrier options (with American barrier) OLB uses the Black-Scholes model according to Rubinstein-Reiner. For the valuation of barrier options (with a European barrier), OLB uses a finite difference model. In all these cases, the options are valued on the basis of implied volatility. In addition, for loan receivables and liabilities with daily or very short maturities (overdrafts and demand deposits vis-à-vis credit institutions and customers as well as cash on hand) that are subject neither to material interest rate risks nor to creditworthiness risks, the fair value corresponds to the carrying amount. These fair values are classified as Level 2 fair values.

On the other hand, if not all of the key input parameters for the valuation are observable on the market, a theoretical value will apply which is a Level 3 fair value. The fair values of these instruments are determined using recognised mathematical valuation models with as many market data inputs as are available.

The present value method and the option pricing model in particular were used in the period under review. In these cases, the fair value is a theoretical value as of the reporting date which is a Level 2 fair value (e.g. interest rate swaps) or a Level 3 fair value (e.g. specific loan assets) which should be taken as an indication of a value which is realisable upon sale or assignment. Level 3 instruments include, in particular, loan receivables and deposit products with longer maturities for which third party and own credit assessment is essential (as credit assessment often cannot be done via direct market data inputs). To determine the fair values of these instruments, the future contractual cash flows were calculated and discounted using risk-adjusted zero coupon curves. The zero-coupon curves are based on the swap curves observable on the market and take into account the credit quality of the instrument through an appropriate adjustment of the curve from which the discount factors are derived.

Please see Note (64) for further comments on the methods used to measure the risks associated with the financial instruments.

Transfer of financial instruments. No transfers between the levels of the fair value hierarchy occurred in the periods under review.

Development of Level 3 financial instruments recognised at fair value. The following tables contain an overview of the development of these financial instruments:

EURm	Financial assets of the non-trading portfolio classified at FVPL				Financial assets of the non-trading portfolio classified at FVOCI
	Investment securities	Shares in not-consolidated subsidiaries	Shares	Financial assets of the non-trading portfolio classified at FVPL	
Balance as of January 1, 2019	**0.6**	**0.7**	**0.9**	**2.2**	**-**
Additions	0.0	-	1.9	1.9	-
Disposals	-0.0	-	-	-0.0	-
Changes in balance during the financial year	**0.0**	**-**	**1.9**	**1.9**	**-**
Gains during the financial year	-	-	0.5	0.5	-
Losses during the financial year	-	-	-	-	-
Valuation changes during the financial year	**-**	**-**	**0.5**	**0.5**	**-**
Balance as of December 31, 2019	**0.6**	**0.7**	**3.3**	**4.6**	**-**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Changes in balance during the financial year	**-**	**-**	**-**	**-**	**-**
Gains during the financial year	-	-	1.4	1.4	-
Losses during the financial year	-	-	-	-	-
Valuation changes during the financial year	**-**	**-**	**1.4**	**1.4**	**-**
Balance as of December 31, 2020	**0.6**	**0.7**	**4.8**	**6.1**	**-**
Additions	-	0.1	-	0.1	20.0
Disposals	-0.0	-0.6	-2.9	-3.5	-
Changes in balance during the financial year	**-0.0**	**-0.5**	**-2.9**	**-3.4**	**20.0**
Gains during the financial year	-	-	-	-	-
Losses during the financial year	-	-	-	-	-0.2
Valuation changes during the financial year	**-**	**-**	**-**	**-**	**-0.2**
Balance as of December 31, 2021	**0.6**	**0.2**	**1.9**	**2.6**	**19.8**

Sensitivity of financial assets classified at FVPL. The model value of the preference shares allocated to Level 3 was formed from the value of the ordinary shares and a percentage discount to take account of the restrictions on the preference shares. The model value of the preference shares increases or decreases by 10% if the market price of the ordinary shares also changes by +/- 10%. If the discount increases by 10%, the model value decreases by approximately 8% and vice versa. The other financial assets allocated to Level 3 (investments and shares in non-consolidated subsidiaries) did not show any significant sensitivities.

Sensitivity of the financial asset classified as FVOCI. The model price was determined using the zero swap curve including a spread premium from the original purchase valuation.

(74) Related party disclosures

All of the shares in OLB are held by companies that are connected with Apollo Global Management, Grovepoint Investment Management and the Teacher Retirement System of Texas. The companies are mutually independent and each of them holds an indirect stake of under 40%, which means that none of the shareholders controls OLB under corporate law. However, the companies have a significant influence over OLB (>20% of the voting rights) and are thus considered related parties in accordance with IAS 24.

Within the scope of ordinary business activities, transactions are entered into with related parties at arm's length terms and conditions. The scope of these transactions is presented below.

The related parties are members of the Board of Managing Directors and the Supervisory Board of Oldenburgische Landesbank AG and its affiliated companies as well their close relatives. The Board of Managing Directors and the Supervisory Board of Oldenburgische Landesbank AG are considered to be key management personnel. The affiliated companies are non-consolidated companies of Oldenburgische Landesbank AG (reported under subsidiaries). Companies in which members of the Bank's Supervisory Board hold management positions are also reported under other related companies and persons, together with companies to which OLB's shareholders are affiliated.

Receivables and liabilities:

EURm	12/31/2021	12/31/2020	12/31/2019	01/01/2019
Receivables from customers				
- Key management personnel of OLB AG	0.5	0.6	0.3	0.4
- Entities with significant influence over OLB AG	-	-	-	-
- Subsidiaries	-	1.0	1.0	1.0
- Other related companies and persons	1.3	0.5	1.3	0.6
Financial assets of the non-trading portfolio				
- Key management personnel of OLB AG	-	-	-	-
- Entities with significant influence over OLB AG	-	-	-	-
- Subsidiaries	-	-	-	-
- Other related companies and persons	20.0	-	-	-
Other Assets				
- Key management personnel of OLB AG	-	-	-	-
- Entities with significant influence over OLB AG	-	-	-	-
- Subsidiaries	-	-	-	-
- Other related companies and persons	-	-	-	-
Receivables total	**21.8**	**2.2**	**2.6**	**2.0**
Liabilities to customers				
- Key management personnel of OLB AG	3.5	4.8	3.8	0.5
- Entities with significant influence over OLB AG	-	-	-	-
- Subsidiaries	1.2	1.3	0.8	0.9
- Other related companies and persons	4.3	8.4	0.2	0.3
Subordinated debt				
- Key management personnel of OLB AG	0.3	0.3	0.3	0.3
- Entities with significant influence over OLB AG	-	-	-	-
- Subsidiaries	-	-	-	-
- Other related companies and persons	16.7	16.6	16.6	16.5
Provisions				
- Key management personnel of OLB AG	13.4	13.8	14.2	6.7
- Entities with significant influence over OLB AG	-	-	-	-
- Subsidiaries	-	-	-	-
- Other related companies and persons	-	-	0.1	-
Additional Equity Components				
- Key management personnel of OLB AG	-	-	-	-
- Entities with significant influence over OLB AG	-	-	-	-
- Subsidiaries	-	-	-	-
- Other related companies and persons	5.0	-	-	-
Liabilities total	**44.4**	**45.2**	**35.9**	**25.1**

The above-mentioned receivables from and liabilities to customers are money market transactions, loans and deposits as well as refinancing funds, all at arms-length. Receivables from key management personnel of OLB AG are almost entirely secured by means of mortgages. Receivables from subsidiaries are not collateralised since they form part of the combined Group. The Bank has been provided with collateral in the amount of EUR 3.1 million (2020: EUR 2.5 million, 2019: EUR 0.9 million) to cover receivables from other related companies and persons.

Servicing, securities, foreign exchange trading and interest rate forward transactions were also entered into with related parties. Other related companies and persons have not been granted any guarantee lines. The effect of these transactions on the **income statement** is shown in the following table:

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Net interest income	-1.5	-1.5	-1.5
- Key management personnel of OLB AG	-0.0	0.0	-0.0
- Entities with significant influence over OLB AG	-	-	-
- Subsidiaries	-	0.0	0.0
- Other related companies and persons	-1.5	-1.5	-1.5
Net commission income	5.2	6.3	4.9
- Key management personnel of OLB AG	-0.0	0.0	0.0
- Entities with significant influence over OLB AG	-	-	-
- Subsidiaries	5.2	6.3	4.9
- Other related companies and persons	0.0	0.0	0.0
Non-personnel expenses	-0.0	-0.1	-0.1
- Key management personnel of OLB AG	-0.0	-0.0	-0.0
- Entities with significant influence over OLB AG	-	-	-
- Subsidiaries	-	-0.1	-0.1
- Other related companies and persons	-0.0	-0.0	-0.0
Other income	0.2	0.2	1.0
- Key management personnel of OLB AG	-	-	-
- Entities with significant influence over OLB AG	-	-	-
- Subsidiaries	0.2	0.2	1.0
- Other related companies and persons	-	-	-
Result total	**3.9**	**4.9**	**4.3**
- Distributions	0.1	-	-
- Dividend payments	30.0	30.0	-

In the income statement, income of EUR 6.3 million (2020: EUR 6.6 million, 2019: EUR 6.0 million) and expenses of EUR 2.4 million (2020: EUR 1.8 million, 2019: EUR 1.8 million) have arisen for transactions with related parties. Interest and commission business has been entered into on arm’s length terms. This includes the collateral provided and intra-Group transfer pricing.

Credit was granted to members of the Board of Managing Directors as of December 31, 2021, as follows: The use of credit lines totalled EUR 0.0 thousand (2020: EUR 0.0 thousand, 2019: EUR 0.0 thousand). Credit card limits of EUR 0.6 thousand (2020: EUR 0.2 thousand, 2019: EUR 0.5 thousand) were utilised on the reporting date. Loan commitments in the amount of EUR 394.6 thousand existed as of December 31, 2021

(2020: EUR 414.0 thousand, 2019: EUR 0.0 thousand), of which EUR 394.6 thousand were utilised as of December 31, 2021 (2020: EUR 414.0 thousand, 2019: EUR 0.0 thousand). The rate of interest and the terms and conditions comply with arm's length requirements.

Credit was granted to members of the Supervisory Board as of December 31, 2021 as follows: The use of credit lines totalled EUR 4.1 thousand (2020: EUR 6.5 thousand, 2019: EUR 5.6 thousand). Credit card limits of EUR 1.9 thousand (2020: EUR 2.5 thousand, 2019: EUR 6.9 thousand) were utilised on the reporting date. In addition, loan commitments amounted to EUR 126.3 thousand (2020: EUR 200.6 thousand, 2019: 273.9 thousand), of which EUR 126.3 thousand were utilised as of December 31, 2021 (2020: EUR 200.6 thousand, 2019: EUR 273.9 thousand). The rate of interest and the terms and conditions comply with arm's length requirements.

The remuneration components granted to the Board of Managing Directors for the financial year 2021 and recognised as expense are set out below, broken down into categories according to IAS 24:

EURm	01/01-12/31/2021	01/01-12/31/2020	01/01-12/31/2019
Short-term benefits	4.8	3.2	8.4
Other long-term benefits	3.4	2.6	-
Share-based payment	-	-	-
Termination benefits	1.2	1.9	2.4
post-employment benefits	0.1	0.3	0.4
Total remuneration of Board of Directors	**9.5**	**7.9**	**11.2**

The remuneration paid to the Supervisory Board in the financial year 2021 amounted to EUR 1.5 million (2020: EUR 1.4 million, 2019: EUR 1.6 million). This comprises short-term benefits. In addition, other benefits in the form of wages and salaries amounting to €0.5 million (2020: €0.5 million, 2019: €0.5 million) have been paid to the employee representatives of the Supervisory Board.

(75) List of investment holdings

Name and registered office	Share of capital %	Equity 12/31/2021 EURm	Net profit or loss 01/01-12/31/2021 EURm	Net profit or loss 01/01-12/31/2020 EURm	Net profit or loss 01/01-12/31/2019 EURm
OLB-Service GmbH, Oldenburg	100	0.0	-	-	-
OLB-Immobiliendienst-GmbH, Oldenburg	100	0.0	-	-	-
Vermögensverwaltungsgesellschaft Merkur mbH, Bremen	100	-	-	-	-
QuantFS GmbH, Hamburg	100	0.4	0.1	0.1	0.0
Total		**0.5**	**0.1**	**0.1**	**0.0**

Vermögensverwaltungsgesellschaft Merkur mbH, Bremen, was merged with OLB as the acquiring legal entity with retroactive effect from 1 January 2021.

Profit-and-loss transfer agreements have been concluded with the following subsidiaries:

- OLB-Immobiliendienst-GmbH, Oldenburg
- OLB-Service Gesellschaft mit beschränkter Haftung, Oldenburg
- Vermögensverwaltungsgesellschaft Merkur mbH, Bremen (until legal confusion).

(76) Date of release for publication

The full Board of Managing Directors of Oldenburgische Landesbank AG released these consolidated financial statements for publication on 08/29/2022. It was possible to take events after the balance sheet date into consideration up to this date.

(77) Events after the balance sheet date

The consequences of Russia's invasion of Ukraine have clouded the overall economic environment. Sharply higher energy prices, possible consequences of the sanctions imposed on Russia, and persistent material and supply bottlenecks are weighing on the economy. Even though OLB has no significant net credit exposure in either country, the Bank is keeping a close eye on further developments and possible effects on its credit portfolio.

Mr Peter Karst retired from the OLB Board of Managing Directors on 31 March 2022.

Since 31 December 2021, Mr Aytac Aydin (14 February 2022), Mr Chris Eggert (1 June 2022) and Mr Giacomo Petrobelli (1 July 2022) have been newly appointed to the Board.

On 29 April 2022, the Annual General Meeting of Oldenburgische Landesbank Aktiengesellschaft, Oldenburg, resolved to increase the company's share capital by EUR 6.0 million from EUR 90.5 million to EUR 96.5 million by issuing 1,271,666 new no-par value bearer shares against cash contributions. For the subscription of the new shares, MPP S.à r.l., a limited liability company (société à responsabilité limitée) under the laws of the Grand Duchy of Luxembourg with its registered office in Luxembourg, business address 15, Boulevard F.W. Raiffeisen, L - 2411 Luxembourg, was established. MPP S.à r.l. subscribed for and underwrote the 1,271,666 new no-par value bearer shares at an issue price of EUR 4.72 each, for a total issue price of EUR 6.0 million.

OLB reached an agreement with the Dutch NIBC Bank in June 2022 to acquire the existing portfolio of performing leveraged loans in a joint offering with the Dutch insurance company a.s.r.. OLB will take over a total portfolio of around EUR 180 million. The majority of the loans are to medium-sized companies owned by private equity firms, mainly based in Germany and the Netherlands.

Oldenburg, 08/29/2022

Oldenburgische Landesbank AG
The Board of Managing Directors

Stefan Barth Chairman	Marc Kofi Ampaw	Aytac Aydin	Chris Eggert
Giacomo Petrobelli	Dr. Rainer Polster		

Declaration by the Executive Directors

We hereby certify to the best of our knowledge that, in accordance with the applicable basis of accounting, these consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and that the Group management report provides a true and fair view of the course of business, including the Group's performance and its position, and describes the key risks and opportunities associated with the Group's expected development.

Oldenburg, 08/29/2022

Oldenburgische Landesbank AG
The Board of Managing Directors

Stefan Barth
Chairman

Marc Kofi Ampaw

Aytac Aydin

Chris Eggert

Giacomo Petrobelli

Dr. Rainer Polster