



Half year result as of June 30, 2020

Oldenburg, August 13, 2020

Successful first half of 2020 for OLB

- **Dynamic lending and securities business increases earnings**
- **Focus on further development and impact of the coronavirus pandemic**

Oldenburgische Landesbank AG (OLB) showed good economic development during the very challenging first half of 2020. In particular, the customer business in the Weser-Ems region and throughout Germany was successfully expanded. As of June 30, 2020, OLB generated an operating result before risk provisions of EUR 71.0 million (m) (prior year: EUR 46.2 m). “It is evident that with the competencies combined in the new OLB we are well equipped to weather choppy waters and remain economically stable on course even during exceptional times,” says Wolfgang Klein, Chairman of the Board of Managing Directors of OLB.

Despite growth in the operating business, the profit before taxes fell to EUR 56.2 m at the end of the first half of 2020 (prior year: EUR 75.6 m), since the one-off earnings contributions from special effects booked in the previous year no longer applied. Accordingly, the net income for the fiscal year amounted to EUR 37.0 m (prior year: EUR 54.3 m).

“All our strategic business segments have contributed to the expansion of our customer business,” says Karin Katerbau, CFO of OLB. OLB’s expertise in the corporate customer business remained just as frequently in demand as consumer loans for private customers. OLB’s traditionally strong role in mortgage lending was reflected in the first half of 2020 in some 2,500 new commitments totaling EUR 540 m.

In light of the coronavirus pandemic in particular, OLB has closely supported its customers over the last few months. The bank provided liquidity to small, medium-sized and large enterprises, self-employed people and start-ups as well as private customers in line with their needs or arranged public funds for commercial customers. In the first half of 2020, OLB spent its own funds on corona aid amounting to about EUR 70 m and arranged public subsidies of about EUR 400 m approved up to the end of June 2020.

Further growth in the total lending in the specialized lending segment and selective growth in the traditional corporate customer business had a positive effect on the net interest income, which with continuously low interest rates increased to EUR 169.2 m (prior year: EUR 150.5 m). And the new business segment of football finance also got off to a good start despite the pandemic. The expert advice provided in the securities business for private customers paid off in the increase in net commission income to EUR 57.4 m (prior year EUR 48.9 m). The growth in earnings was reflected in the operating income amounting to EUR 226.7 m (prior year: EUR 199.5 m).

The bank continued to invest heavily in the sustainable modernization and digitalization of processes and customer services. Together with an increased bank levy, operating expenses therefore rose to EUR 157.1 m (prior year: EUR 149.9 m). Despite the integration of Wüstenrot



Bank at the end of November 2019, personnel expenses remained stable at EUR 89.2 m (prior year: EUR 89.1 m).

Following the very favorable development of risk provisions last year, OLB had already predicted before the start of the coronavirus pandemic that the cost of risk would normalize in this financial year. As of June 30, 2020, the bank recorded risk provisions for credit business of EUR 14.8 m (prior year: EUR -5.9 m), which were mainly caused by first effects of the coronavirus pandemic. The effects of the coronavirus pandemic on risk provisioning in the first half of 2020, however, remained moderate, although, OLB expects a noticeable increase during the course of the year and will keep a close eye on developments in this regard.

The bank's total assets as of June 30, 2020 increased to EUR 21.9 billion (bn) (December 31, 2019: EUR 19.6 bn). OLB was able to increase its common equity tier 1 capital ratio by 0.8 percentage points to 12.6 percent compared to the end of 2019. "During an eventful period, we have further strengthened our capital base thanks to profit retention and close management of our risk assets, and we can continue our positive development on this solid foundation," says Karin Katerbau.

In view of the uncertainties surrounding the further course of the coronavirus pandemic, it is difficult to forecast the full-year result, OLB, however, expects a positive result for the fiscal year 2020.

What is certain is that OLB will stick to its strategic development: with the continuous expansion of its multi-channel offer, which has proven to be stable and secure not least in connection with the lockdown, OLB offers its consulting excellence through all contact channels and the complete efficiency of its digital offers and services regionally and nationwide. The backbone of this development into a "Digitalbank Plus" is the "Beratungscenter Oldenburg". The advisory center will open with 250 modern and attractive workplaces at the new location in the Oldenburg city center during the third quarter of 2020. Customers can access specialists here immediately, in person and digitally for all complex topics in the areas of finance, investment, insurance or real estate. If necessary, specialists are also called in for customer advisory services at a branch. "We are positioning ourselves in a modern and diverse way in our business with private customers, corporate clients and specialized lending," says Wolfgang Klein, "we are convinced that this combination will be the winning formula for the future. This is being reinforced by the trends we are now seeing during the pandemic."

**HGB (German Commercial Code) – abridged
income statement**

	01/01 – 06/30 2020	01/01-06/30 2019	Changes
	EUR m	EUR m	%
Operating income	226.7	199.5	13.7
Operating expenses	-157.1	-149.9	4.9
Net other operating income (+) and expenses (-)	1.4	-3.4	n.a.
Operating result before risk provisions	71.0	46.2	53.6
Risk provisions for credit business	-14.8	5.9	n.a.
Gain (+)/loss (-) on securities in the liquidity reserve	2.5	16.5	-84.8
Other result	-	8.8	-100.0
Extraordinary result	-2.5	-1.8	37.1
Profit before taxes	56.2	75.6	-25.6
Taxes on income	-18.8	-20.7	-9.3
Other taxes	-0.4	-0.6	-31.2
Net income for the fiscal year	37.0	54.3	-31.8

HGB reporting date figures

	06/30/2020	12/31/2019	Change
			% / % points
Total assets (in EUR million)	21,922.6	19,644.3	11.6
Common Equity Tier 1 capital ratio (in %)	12.6	11.8	0.8
Tier 1 capital ratio (in %)	13.1	12.3	0.8
Aggregate capital ratio (in %)	14.7	14.1	0.7

About the OLB

Oldenburgische Landesbank AG (OLB) is a modern financial institution with its roots in northern Germany, which serves its customers throughout Germany under the two brands OLB Bank and Bankhaus Neelmeyer. The Bank stands for modern services for private and business customers, including professional advice and complex financing solutions in private banking and wealth management, for tailor-made solutions in business with corporate and commercial customers and for specific expertise in specialized lending. With a balance sheet total of about EUR 22 billion and more than EUR one billion in equity, the bank has a sustainable size and a solid capital base.

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