



Turning ideas  
into plans.



# OLB Bank 1st quarter 2022

May, 2022



# Highlights of Q1 2022 performance



## Costs

First time full benefit of cost savings reduced cost-income ratio to below 45%

## Profitability

Sustainable double digit profitability of over 13% RoE achieved through continued focus on cost discipline and sustainable growth

## Growth

Firm increase of the established customer business as well as expansion of (new) growth areas

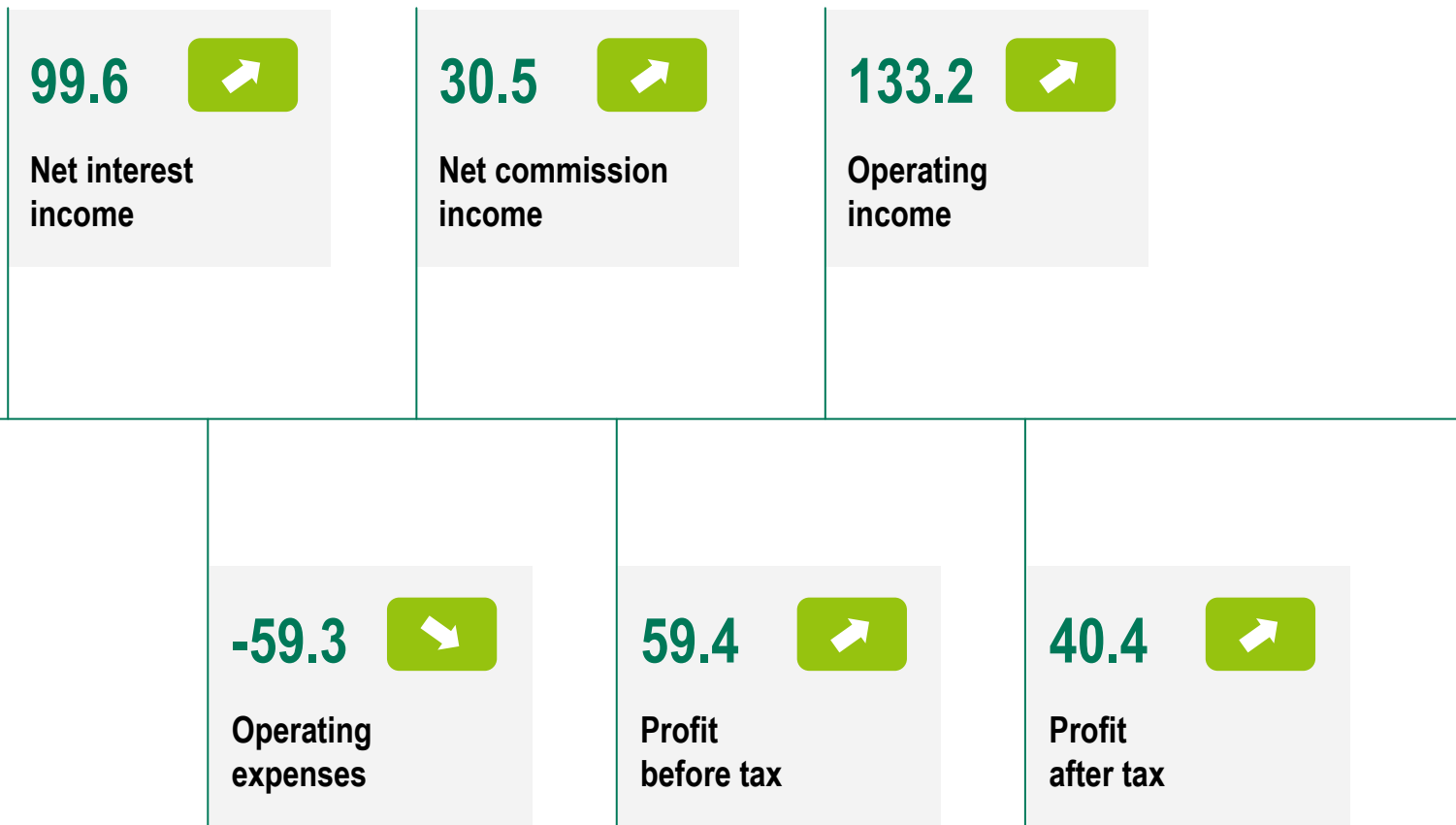
## Capital

Solid capital position due to active balance sheet management and strong capital generation

## Risk

Despite the current macro-economic environment, risk provisions maintained at a moderate and cautious level

# Important P&L figures of the first quarter 2022 [EURm]



## Comments

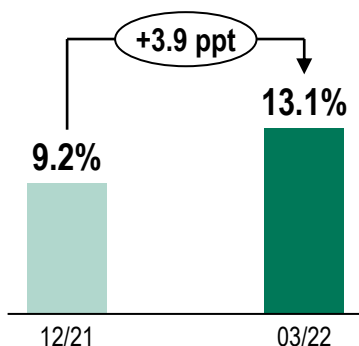
- Net interest income (NII) and net commission income (NCI) **equally contributed to the increase**
- **Operating income increased to EUR 133.2 million** thanks to a solid increase of the established customer business as well as an expansion of (new) growth areas
- **Operating expenses significantly decreased to EUR 59.3 million** showing now positive effects of the transformation process
- First quarter **profit after tax reached EUR 40.4 million**

**vs.  
Q1/2021**

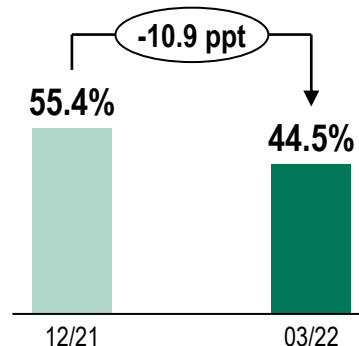
Note: All figures in this presentation are based on the preliminary application of IFRS (unless otherwise noted) using various assumptions and projections as well as a management estimate of potential restructuring costs and other items. OLB Bank is in the process of compiling IFRS financial statements which will be audited by the Company's auditors. Such audited figures may materially differ from these preliminary figures.

# Positive development in all key figures

## Return on Equity (RoE) after tax



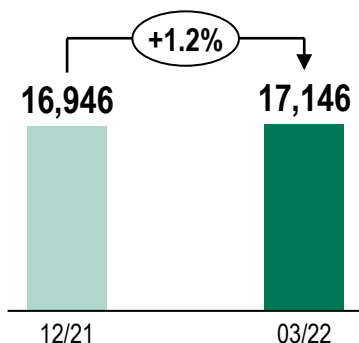
## Cost income ratio excl. regulatory charges <sup>(1)</sup>



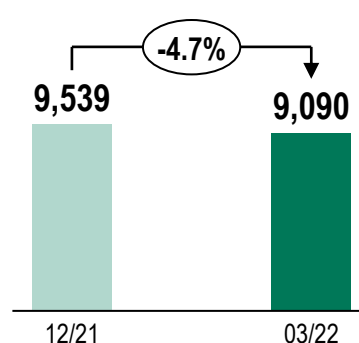
## Comments

- Return on equity (ROE) after tax increased by 3.9 ppt to 13.1%
- First time full benefit of cost savings leading to reduced **cost-income ratio (excluding regulatory changes) of 44.5%**
- Against the background of the volatile Russia/Ukraine situation, OLB's loan book grew cautiously, leading to a total **loan volume increase of 1.2%** to EUR 17,146 million compared to year end 2021
- OLB's **risk-weighted assets (RWA) decreased** from EUR 9.5 billion at the end of last year to EUR 9.1 billion at the end of the first quarter 2022, mainly caused by the introduction of F-IRBA in the Corporates & Diversified Lending segment.

## Loan Volume (EURm)



## Risk weighted assets (RWA) (EURm)

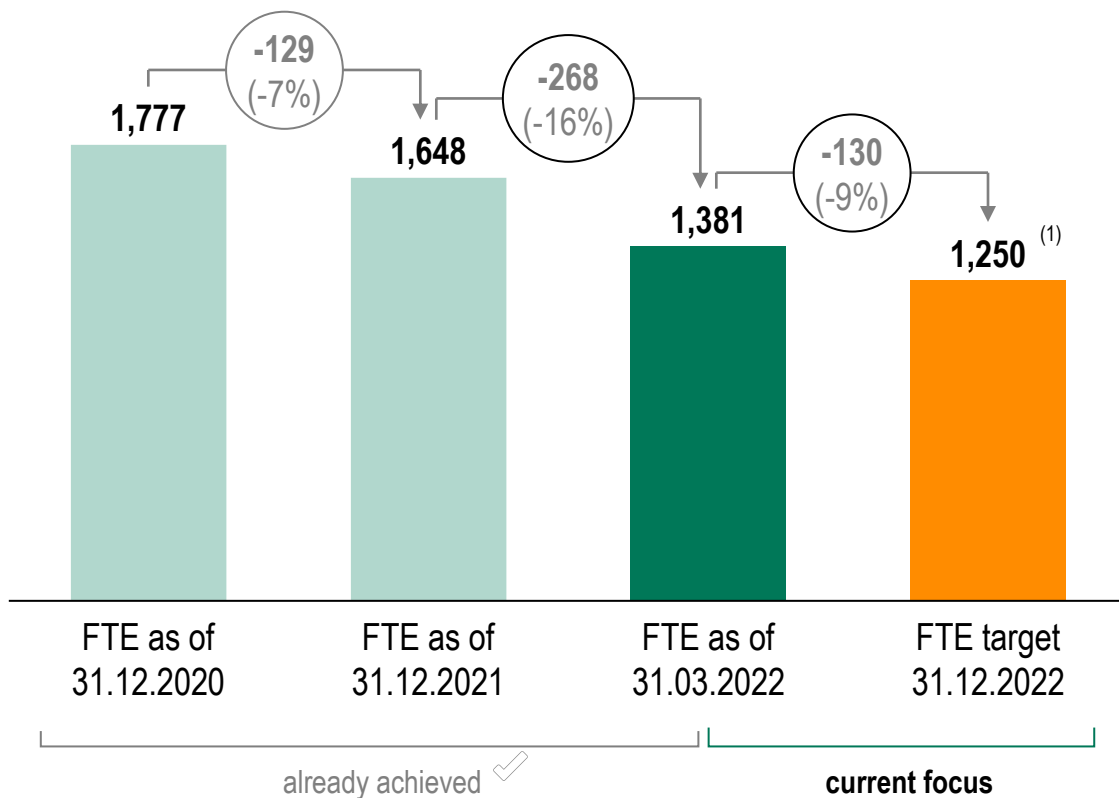


(1) Regulatory charges of EUR 14.6m in 2021 and EUR 11.0m YTD 03/2022

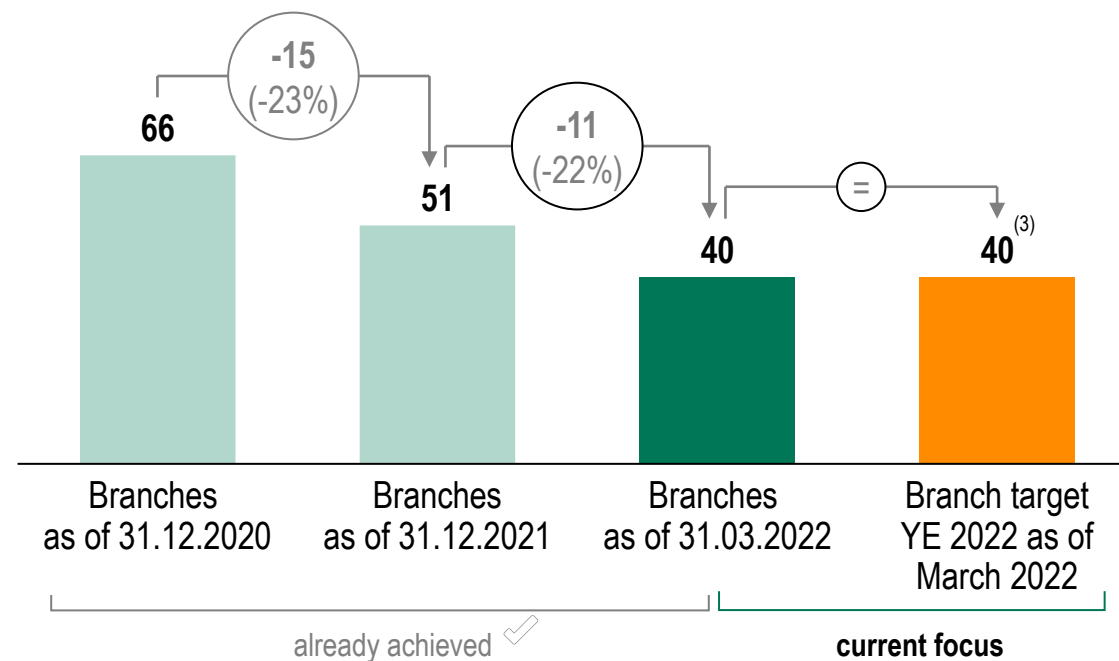
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# Reduction path is in line with our planning

## Planned reduction of FTE [negotiated and associated expenses fully booked in 2021]



## Reduction of Branch network accomplished<sup>(2)</sup>



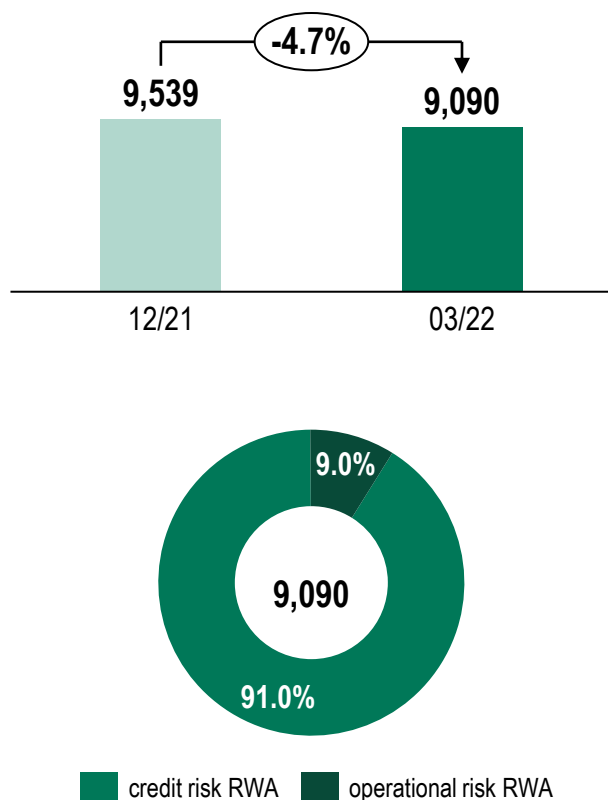
(1) FTE target as of 31.12.2022 depends on the implementation of our restructuring strategy and is subject to change

(2) Figures without our national centres

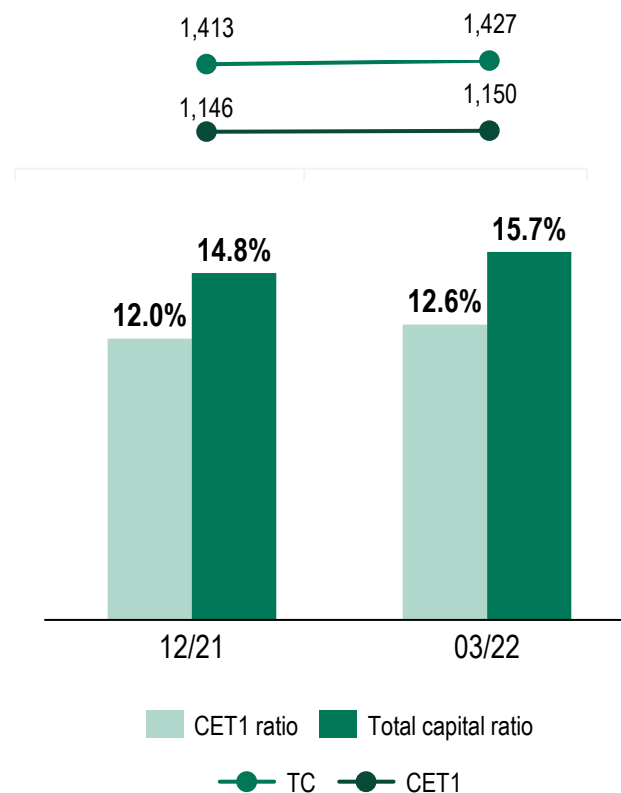
(3) Branch target as of 31.12.2022 depends on the implementation of our restructuring strategy and is subject to change

# Stable capital ratios achieved despite strong business growth

## RWA (EURm)



## Regulatory capital (EURm)



## Comments

- OLB's **risk-weighted assets (RWA)** decreased from EUR 9.5 billion at the end of last year to EUR 9.1 billion at the end of the first quarter 2022, mainly caused by the introduction of F-IRBA in the Corporates & Diversified Lending segment.
- Common equity tier 1 (**CET1**) **capital ratio increased to 12.6%**
- Based on OLB's strong financial results, the **management team of OLB expects to sustain its solid CET1 ratio of at least 12.25%**, maintaining a solid buffer to our latest SREP regulatory requirement.

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# IFRS Projection – Key performance indicators & data Q1/2022

P&L (EURm)	Q1 / 2022
Net interest income	99.6
Net commission income	30.5
Net operating trading income / other income	3.0
<b>Operating income</b>	<b>133.2</b>
<b>Operating expenses</b>	<b>-59.3</b>
Regulatory charges	-11.0
Risk provisions of credit business	-6.4
<b>Net operating result</b>	<b>56.5</b>
Net income / loss from financial assets	2.9
<b>Profit before tax</b>	<b>59.4</b>
Income tax	-19.0
<b>Profit after tax</b>	<b>40.4</b>

KPI (EURm)	31.03.2022	31.12.2021	Δ
RoE after taxes	13.1%	9.2%	3.9 ppt
CIR (excl. Regulatory Charges) <sup>1)</sup>	44.5%	55.4%	-10.9 ppt
CET1 ratio	12.6%	12.0%	0.6 ppt
Loan volume	17,146	16,946	1.2%
RWA	9,090	9,539	-4.7%
Cost of Risk (CoR) <sup>2)</sup>	0.15%	0.11%	0.04 ppt

(1) Regulatory charges of EUR 14.6m in 2021 and EUR 11.0m YTD 03/2022

(2) LLP / Ø Loan Volume

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# Local GAAP (HGB) – Key performance indicators & data Q1/2022

P&L (EURm)	Q1 / 2022
Net interest income	97.7
Net commission income	28.7
Net trading (+) income (-) expense	0.0
<b>Operating income</b>	<b>126.4</b>
<b>General administrative expenses</b>	<b>-69.3</b>
Other operating (+) income and (-) expenses	1.4
Risk provisions of credit business	-25.4
Result of bonds (liquidity reserve)	-5.8
<b>Operating result</b>	<b>27.3</b>
Other and extraordinary result	-0.7
<b>Profit before tax</b>	<b>26.6</b>
Income and other taxes	-16.2
<b>Net profit</b>	<b>10.4</b>

KPI (EURm)	31.03.2022	31.12.2021	Δ
RoE after taxes	3.4%	7.3%	-3.9 ppt
CIR (excl. Regulatory Charges) <sup>1)</sup>	46.1%	59.5%	-13.4 ppt
CET1 ratio	12.6%	12.0%	0.6ppt
Loan volume	17,146	16,946	1.2%
RWA	9,090	9,539	-4.7%
Cost of Risk (CoR) excl. one-off BFA7 <sup>2)3)</sup>	0.08%	0.10%	-0.02 ppt
Cost of Risk (CoR) <sup>2)</sup>	0.20%	0.10%	0.10 ppt

## Reconciliation of local GAAP and IFRS results

- Under local GAAP (HGB), OLB is required to calculate loan loss provisions in accordance with new HGB ruling (BFA7); OLB decided to apply the IFRS-LLP calculation methodology under HGB. BFA7 therefore requires a one-off level adjustment in the amount of EUR 22.2 million to a total stock of HGB LLP of EUR 179.5 million (equaling the LLP stock under IFRS).
- Hence, the difference in Q1 LLP under HGB and IFRS is primarily influenced by this one-off adjustment requirement according to BFA7
- Under IFRS, OLB still has a EUR 17.3 million macro adjustment buffer (originally built for Corona-Pandemic) which now has been rededicated to cover for potential macro risks arising from the Russia/Ukraine situation and ripple-on effects

(1) Regulatory charges of EUR 14.6m in 2021 and EUR 11.0m YTD 03/2022  
 (2) LLP / Ø Loan Volume  
 (3) One-off BFA7: EUR 22.2 million in Q1/2022



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