



PRESS-RELEASE

Oldenburg, November 8, 2023

OLB continues its successful growth in the first nine months of 2023

- **Result before taxes increased by 13.8% to EUR 223.0 million¹**
- **Cost-income ratio² improved to 38.8%**
- **Return on equity³ of 14.7% in consistently high range**
- **Risk provisioning as expected at normalized level**
- **New record level for profit after taxes for fiscal year 2023 expected**

Oldenburgische Landesbank AG ("OLB" or "Bank") continued its successful growth in the first nine months of 2023. As of September 30, 2023, result before taxes reached EUR 223.0 million (m), increased notably by 13.8% year on year (previous year: EUR 195.9m). After taxes, the profit increased by 7.6% to EUR 151.0m (previous year: EUR 140.3m).

"We are successfully continuing the positive trend of recent years and aim to increase our results for the full year", says Stefan Barth, CEO of OLB. "This proves the strength and high profitability of our core business and the success of our strategy of diversified businesses."

Expansion of customer business

As part of its strategy, the Bank expanded its customer business in the Private & Business Customers as well as the Corporates & Diversified Lending segment. The total loan volume reached EUR 19.0 billion (bn) (previous year: EUR 18.1bn). The market-driven decrease in demand for private mortgage financing in Germany in the Private & Business Customers segment was compensated by OLB's strong business in the Netherlands through the cooperation with the mortgage platform Tulp. In the Corporates & Diversified Lending segment, the Bank achieved further loan growth in specialized markets such as Acquisition Finance (AQF), Football Finance, and International Diversified Lending.

Customer deposits increased to EUR 16.7bn (previous year: EUR 15.4bn) during the reporting period. This corresponds to a growth of about 8% and confirms the continuous focus on deposits as main funding source.

Overall, the Bank was able to improve its operating income by 11.1%, to EUR 464.4m (previous year: EUR 417.9m). Compared to the same period of the previous year, the net interest income increased significantly by 17.2% and reached EUR 372.8m (previous year: EUR 318.1m).

¹ Figures – unless otherwise stated – according to IFRS for the first nine months 2023

² Without EUR 17.9m expenses related to Degussa Bank integration

³ Without EUR 17.9m expenses related to Degussa Bank integration and taking into account the bank levy in the total amount of EUR 8.1m (paid in full in January) on a pro-rata basis



The Bank remains committed to its strict cost management. Personnel expenses slightly decreased to EUR 104.0m (previous year: EUR 105.6m). Overall, operating expenses totalled EUR 197.9m (previous year: EUR 185.2m), which included costs of EUR 17.9m for measures in connection with the planned integration of Degussa Bank, to realize expected synergies right after the closing of the acquisition. Excluding this cost effect, operating expenses decreased by 2.8% compared to the previous year.

OLB expects the approval of the acquisition of Degussa Bank by the supervisory authorities in the first quarter of 2024. As a result of the transaction, OLB will reach a balance sheet total of more than EUR 30bn and is expected to be supervised by the European Central Bank (ECB) going forward. The Bank is already preparing intensively for this development.

OLB's loan portfolio is well diversified and of consistently high quality. As expected, the risk provisioning requirement normalized after the rather low level of previous years to EUR 31.7m (previous year: EUR 19.4m). This corresponds to risk costs of 23 basis points (previous year: 15 basis points). The risk costs already reflect changes in the provisioning methodology for AQF that OLB has made in light of an ongoing BaFin/Bundesbank review and in anticipation of the upcoming potential transition to the ECB supervision. The ratio of non-performing loans was 1.5% (previous year: 1.4%).

Continued strong efficiency and profitability ratios

Adjusted for integration-related costs, the cost-income ratio improved to 38.8%. Including this one-off effect, the cost-income ratio was 42.6% (previous year: 44.3%). On a significantly higher capital base, return on equity after taxes, excluding the transaction costs and taking into account the bank levy only on a pro-rata basis, was 14.7%. Including these effects, it was 13.5% (previous year: 14.3%).

The Bank consciously managed its capital and liquidity resources at a high level. The liquidity coverage ratio stood at 177% (December 31, 2022: 174%), significantly above the minimum requirement of 100%. The common equity tier 1 ratio increased to 14.7% (December 31, 2022: 13.6%), intentionally exceeding the mid-term target of more than 12,25% due to the financing of the Degussa Bank merger. The Risk-weighted assets amounted to EUR 9.6bn (December 31, 2022: EUR 9.4bn). "Our profitability is also above the industry average, and our capital base is extremely robust," says Dr Rainer Polster, CFO of OLB, "providing a very solid foundation for our continued success."

New record result after taxes expected

OLB remains prepared for a possible initial public offering. The decision on whether and when an IPO would take place depends on market conditions and the decision of the Bank's shareholders.

For the full fiscal year 2023, OLB is confirming its expectation of a new record result of more than EUR 200m after taxes.

Income statement OLB Group⁴

EURm	01/01-09/30/2023	01/01-09/30/2022	Changes in %
Net interest income	372.8	318.1	17.2
Net commission income	88.6	91.6	-3.2
Trading result	6.0	2.7	> 100.0
Result from hedging relationships	-13.5	-9.3	45.7
Other income	9.4	2.1	> 100.0
Result from non-trading portfolio	1.1	12.6	-91.0
Operating income	464.4	417.9	11.1
Personnel expenses	-104.0	-105.6	-1.6
Non-personnel expenses	-76.3	-58.4	30.7
Depreciation, amortization and impairments of intangible and tangible fixed assets	-16.9	-20.8	-18.7
Other expenses	-0.8	-0.5	67.9
Operating expenses	-197.9	-185.2	6.9
Operating result	266.5	232.7	14.5
Expenses from bank levy and deposit protection	-11.5	-17.6	-34.7
Risk provisioning in the lending business	-31.7	-19.4	62.8
Result from restructurings	-0.3	0.3	< -100.0
Result before taxes	223.0	195.9	13.8
Income tax	-72.0	-55.6	29.5
Result after taxes (profit)	151.0	140.3	7.6
Return on Equity after taxes	13.5% (14.7%⁵)	14.3%	-0.8 ppt
Cost-income ratio	42.6% (38.8%⁶)	44.3%	-1.7 ppt

Selected balance sheet figures OLB Group

EURm	09/30/2023	12/31/2022	09/30/2022
Receivables from customers	18,961.8	18,008.9	18,086.1
Liabilities to customers	16,659.9	16,192.5	15,432.4
Equity	1,629.4	1,517.4	1,502.3
Total assets	25,046.2	24,081.6	24,671.7

⁴ Rounding differences may occur

⁵ Without EUR 17.9m expenses related to Degussa Bank integration and taking into account the bank levy in the total amount of EUR 8.1m (paid in full in January 2023) on a pro-rata basis

⁶ Without EUR 17.9m expenses related to Degussa Bank integration

Capital⁷ and liquidity

EURm	09/30/2023	12/31/2022	09/30/2022
Common Equity Tier 1 capital (CET1)	1,408.7	1,275.2	1,269.5
Tier 1 capital	1,509.9	1,416.4	1,411.1
Share capital and reserves	1,637.5	1,557.4	1,553.7
Risk assets	9,595.7	9,362.8	9,710.8
Common Equity Tier 1 capital ratio	14.7%	13.6%	13.1%
Tier 1 capital ratio	15.7%	15.1%	14.5%
Aggregate capital ratio	17.1%	16.6%	16.0%

	09/30/2023	12/31/2022	09/30/2022
Liquidity coverage ratio (LCR)	177%	174%	147%
Net stable funding ratio (NSFR)	118%	118%	114%

About OLB

Oldenburgische Landesbank AG is a profitable and growing universal bank for private and corporate customers in Germany and neighbouring European countries. Under its OLB Bank and Bankhaus Neelmeyer brands, OLB advises its approximately 660,000 customers in person and via digital channels in its Private & Business Customers and Corporates & Diversified Lending segments. The Bank has approximately EUR 25 bn of total assets.

Feel free to visit us at www.olb.de and www.neelmeyer.de as well as on [Facebook](#), [Instagram](#) and [YouTube](#).

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⁷ Based on German GAAP (HGB)

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