

PRESS RELEASE

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OLB Reports Record Results for 2024

- **Pre-tax profit increases to EUR 365.0 million**
- **Return and efficiency metrics at peak levels**
- **Integration costs of Degussa Bank fully absorbed**
- **Risk provisions within expectations**
- **Strategic mid-term target: return on equity of at least 15%**

OLB has significantly improved its results in what has been a transformational year 2024 compared to 2023, reaching a new record level. According to international accounting standards (IFRS), the bank closed the year on December 31, 2024, with a pre-tax profit of EUR 365.0 million (m), an increase of 8.8% compared to the previous year (previous year: EUR 335.4m). Net profit after taxes rose by 17.4% to EUR 270.4m (previous year: EUR 230.4m). The integration of and merger with the Degussa Bank, which was swiftly completed within four months by the end of August 2024 following the closing on April 30, 2024, significantly contributed to the positive operational business development alongside organic growth. The number of customers nationwide who trust OLB increased to nearly one million (previous year: ~665,000). The balance sheet total climbed to EUR 34.3 billion (bn) (previous year: EUR 25.9bn) – consequently, OLB is directly supervised by the European Central Bank (ECB) as a significant institution in Europe.

"We have proven in our transformational year that our business model can generate sustainably profitable growth and reliably high returns even in a challenging market environment," says Stefan Barth, CEO of OLB. OLB's profitability and efficiency metrics are at top levels. The return on equity after taxes increased to 17.1% (previous year: 15.8%¹). Excluding the costs associated with the acquisition of Degussa Bank and positive one-off effects, the normalised return on equity after taxes² was 16.2%. The cost-income-ratio increased mainly due to transaction costs to 46.2% (previous year: 40.8%). Adjusted for these expenses, the normalised cost-income ratio³ was 42.6%.

Continued momentum in customer business

OLB continued its dynamic growth trajectory in the customer business. The loan volume increased by 29.0% to EUR 25.4bn as of December 31, 2024 (previous year: EUR 19.7bn), of which EUR 4.9bn was attributable to Degussa Bank's lending business. In the Private & Business Customers segment, the bank continued to benefit from the strong demand for private mortgage financing. The portfolio volume amounted to EUR 11.4bn (previous year: EUR 8.0bn). In addition to the mortgage loans taken over from the business of Degussa Bank, the mortgage financing via the Dutch platform Tulp Hypotheken contributed significantly to this with a total volume of EUR 1.2bn (previous year: EUR 0.6bn).

¹ Note: reported Return on Equity for 2023 excluding dividend accrual. Methodology for calculating of Return on Equity (after tax and AT1 interest) was adjusted in the course of 2024. All figures for 2023 and 2024 based on average IFRS shareholders' equity deducted by accrued dividends.

² Normalised Return on Equity (post tax and AT1 interest) based on average IFRS shareholders' equity deducted by accrued dividends and excluding €14.8m (post tax) net one-off effects related to Degussa Bank acquisition

³ Normalised Cost-Income-Ratio excluding regulatory charges of €6.0m and excluding Degussa Bank acquisition-related one-off expenses of €26.2m

In the Corporates & Diversified Lending segment, the loan volume expanded by 6.7% to EUR 10.5bn (previous year: EUR 9.8bn). This growth was particularly driven by the areas of International Diversified Lending, acquisition financing, and football financing.

With attractive interest rate offers, OLB attracted new customer deposits, especially at the beginning of 2024. As of December 31, 2024, customer deposits amounted to EUR 22.3bn (previous year: EUR 16.9bn), of which EUR 4.4bn was contributed by Degussa Bank. Customer deposits thus remained the most important pillar in refinancing loan growth.

Operating profit at record high – Degussa Bank fully integrated with ongoing cost discipline

Operating income, including the contribution from Degussa Bank for eight months after the closing, increased significantly by 15.1% to EUR 741.8m (previous year: EUR 644.6m). The main driver was the rise in net interest income to EUR 598.6m (previous year: EUR 509.4m). The net interest margin remained at a good level of 2.58% (previous year: 2.71%). Net commission income increased significantly by 10.5% to EUR 133.3m (previous year: EUR 120.6m). The increase was driven by higher income from securities business and asset management as well as surpluses from the payments area, including a contribution of EUR 8.3m from Degussa Bank.

All costs directly associated with the Degussa Bank acquisition were absorbed during the reporting period, and the planned cost synergies were implemented, so the level of expenses in the fourth quarter of 2024 reflects the new reference level. Overall, operating expenses increased due to the Degussa Bank acquisition, preparations for the transition to ECB supervision, investments in technology expansion, and the new brand appearance to EUR 342.6m (previous year: EUR 263.1m). OLB took on approximately 300 employees from Degussa Bank, increasing personnel expenses to EUR 178.1m (previous year: EUR 140.1m). As of December 31, 2024, the number of full-time employees stood at 1,486 (previous year: 1,217).

Risk provisions remain within expectations thanks to diversified loan portfolio

Macroeconomic challenges also shaped the market environment in 2024. As expected, risk provisions in the lending business rose to EUR 71.1m for the full year 2024 (previous year: EUR 41.0m), including EUR 11.5m related to the one-time IFRS 9 initial application on the acquired Degussa Bank loan portfolio. Excluding this effect, OLB's risk costs were only slightly above the 2023 level, at 26 basis points (previous year: 22 basis points). Once again, OLB benefited from the diversity of its loan portfolio and its prudent risk management.

Capital ratios well above requirements – liquidity remains strong

In the light of the Degussa Bank transaction closing, OLB managed its Common Equity Tier 1 (CET1) ratio to 14.5% in the previous year, which, as expected, decreased to 13.1% by the end of 2024, still significantly above the regulatory minimum of 10.2%. Due to the effects of Basel IV implementation, the CET1 ratio increased again to 13.7% as of January 1, 2025.

The Liquidity Coverage Ratio (LCR), a key metric for the bank's liquidity management, rose to 161.8% (previous year: 147.7%), significantly exceeding the regulatory minimum of 100%.

"Our strong capital base forms the backbone for our continued growth trajectory. Our goals remain very ambitious, and we stay committed to achieve our mid-term return on equity target of at least 15% also in the future," says Dr Rainer Polster, CFO of OLB.

Refinancing structure further diversified by successful inaugural RMBS issuance – Moody's credit rating outlook changed to "positive"

In addition to customer deposits, refinancing from the capital market became an important element for the bank and continues to gain in importance. OLB will therefore continue to remain a regular and reliable issuer of various capital market instruments. With the successful pricing of a EUR 500m inaugural RMBS bond (residential mortgage-backed securities) in mid-February, which is backed by Dutch government-guaranteed retail mortgages originated through the strategic Tulp cooperation in the Netherlands, OLB was able to further diversify its refinancing structure and to gain new international investors. With this issuance of a new capital markets instrument OLB was able to increase its annual refinancing capacity through cost efficient mortgage-backed instruments to at least EUR 1bn per annum.

OLB's successful capital markets story is underlined by a change in its rating outlook. On 19th February 2025, the rating agency Moody's has changed the credit rating outlook for OLB from "stable" to "positive". This action confirms the bank's sustainably improving rating trajectory.

Clear agenda for 2025

For the financial year 2025, the bank has committed itself to a clear agenda. Among other things, OLB plans to significantly expand its digital customer service with the rollout of the modernized banking app and the new online banking platform throughout the year. Additional highlights will include the innovative branch concept and the opening of new locations for Private Banking & Wealth Management under the Bankhaus Neelmeyer brand in Düsseldorf and Frankfurt. Regarding customer loan and deposit volumes, OLB aims for further growth both nationwide and in the European market, while focusing on cost efficiency in internal bank processes.

OLB remains prepared for a potential IPO. This could be realized following a decision by the shareholders and subject to favourable market conditions.

Income Statement⁴

million EUR	FY 2024	FY 2023	Δ in %
Net interest income	598.6	509.4	17.5
Net commission income	133.3	120.6	10.5
Net trading and other operating income	13.6	16.3	(16.5)
Result from non-trading portfolio	(3.6)	(1.8)	n/a
Operating income	741.8	644.6	15.1
Personnel expenses	(178.1)	(140.1)	27.1
Non-personnel expenses	(135.6)	(99.9)	35.8
Depreciation, amortisation and impairments of intangible and tangible fixed assets	(26.8)	(22.9)	16.9
Other expenses	(2.1)	(0.2)	n/a
Operating expenses	(342.6)	(263.1)	30.2
Operating result	399.3	381.5	4.6
Expenses from bank levy and deposit protection	(6.0)	(12.2)	(51.3)
Risk provisioning in the lending business	(71.1)	(41.0)	73.3
Result from restructurings	(2.3)	7.1	n/a
Result from non-trading portfolio (non-operative)	45.1	0.0	n/a
Result before taxes	365.0	335.4	8.8
Income tax	(94.6)	(105.0)	(9.9)
Result after taxes (profit)	270.4	230.4	17.4

Key performance indicators	FY 2024	FY 2023	Δ in ppt
Return on Equity after taxes (RoE)	17.1%	15.8%	1.3
Normalised RoE	16.2%	16.9%	(0.7)
Cost-Income-Ratio (incl. Regulatory expenses)	47.0%	42.7%	4.3
Cost-Income-Ratio (excl. Regulatory expenses)	46.2%	40.8%	5.4
Normalised Cost-Income-Ratio	42.6%	37.0%	5.6
Net interest margin	2.58%	2.71%	(0.13)

⁴ Degussa customer segment contributes eight months (May to December 2024) to FY2024-IFRS-result

Selected balance sheet items

million EUR	12/31/2024	12/31/2023
Receivables from customers	25,441.0	19,724.6
Liabilities to customers	22,254.2	16,917.6
Equity	1,865.3	1,681.0
Balance sheet total	34,269.8	25,878.6

Capital and liquidity⁵

million EUR	12/31/2024	12/31/2023
Common Equity Tier 1 capital (CET1)	1,675.2	1,444.9
Additional Tier 1 capital (AT1)	151.3	101.3
Tier 1 capital	1,826.5	1,546.2
Total capital	2,289.8	1,664.1
Risk-weighted assets	12,749.3	9,975.3
Common Equity Tier 1 capital ratio	13.1%	14.5%
Tier 1 capital ratio	14.3%	15.5%
Total capital ratio	18.0%	16.7%

Liquidity ratios	12/31/2024	12/31/2023
Liquidity coverage ratio (LCR)	162%	147%
Net stable funding ratio (NSFR)	119%	114%

About OLB

OLB is a widely diversified universal bank with a nationwide presence and more than 150 years of experience in the core region of north-west Germany. Under the OLB and Bankhaus Neelmeyer brands, the Bank advises its approximately 1 million customers in the Private & Business Customers and Corporate & Diversified Lending segments in person and via digital channels. OLB has total assets of more than EUR 30 billion, making it a significant financial institution in Europe.

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

⁵ Regulatory capital position, therefore based on German GAAP (HGB), adjusted by accrued retention

Contacts:

Oldenburgische Landesbank AG
Investor Relations
Theodor-Heuss-Allee 74
60486 Frankfurt am Main / Germany

investor.relations@olb.de

Oldenburgische Landesbank AG
Corporate Communications
Stau 15/17
26122 Oldenburg / Germany

presse@olb.de

Your contact persons:

Sandra Büschken
Phone: +49 (0)69 756193-36
sandra.bueschken@olb.de

Marthe Schepker
Phone: +49 (0)441 221-2742
marthe.schepker@olb.de

Matthias Obst
Phone: +49 (0) 69 756193-44
matthias.obst@olb.de

Britta Silchmüller
Phone: +49 (0)441 221-1213
britta.silchmueller@olb.de

Timo Cyriacks
Phone: +49 (0)441 221-1781
timo.cyriacks@olb.de

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