MOODY'S RATINGS

CREDIT OPINION
5 March 2025

Update

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RATINGS

Oldenburgische Landesbank AG

Domicile	Oldenburg, Germany
Long Term CRR	A2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Baa1
Type	Senior Unsecured - Dom Curr
Outlook	Positive
Long Term Deposit	Baa1
Type	LT Bank Deposits - Fgn Curr
Outlook	Positive

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Oldenburgische Landesbank AG

Update following outlook change to positive

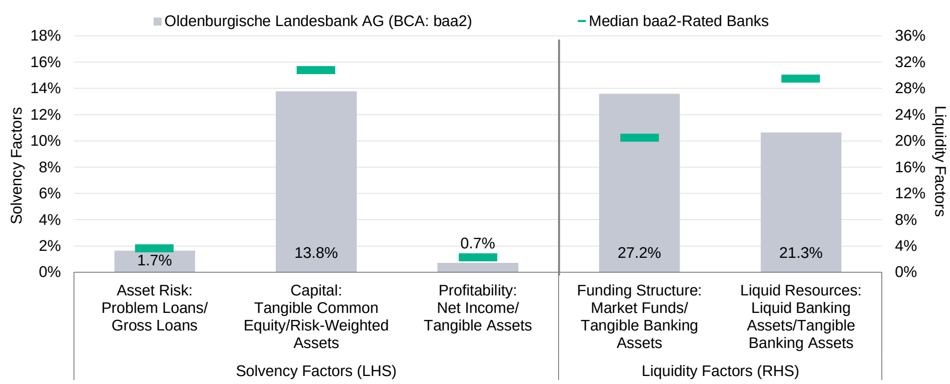
Summary

Oldenburgische Landesbank AG's (OLB) Baa1 deposit, issuer, and senior unsecured ratings reflect its baa2 Baseline Credit Assessment (BCA) and Adjusted BCA, as well as one notch of rating uplift from our Advanced Loss Given Failure (LGF) analysis, which incorporates the relative loss severity of a liability class. OLB's ratings do not benefit from government support uplift because of the bank's small size in the context of the German banking sector.

OLB's baa2 BCA considers the implications from the full integration of the acquisition of Degussa Bank AG (Degussa Bank), including a reduction in regional and sector concentration for more volatile asset classes, a temporary reduction in capitalization, and the prospect of rising profitability over time. It further considers the bank's continued overall sound asset quality, while certain types – commercial real estate exposures in particular – face headwinds amid higher interest rates. In addition, the BCA takes into account OLB's defensive, mostly retail deposit-focused funding and the bank's sound liquidity profile.

Exhibit 1

Rating Scorecard - Key financial ratios as of 30 June 2024



Source: Moody's Ratings and company filings

Credit strengths

» Continued sound asset quality despite the challenging operating environment in Germany

» Reduced but still adequate capitalization following the acquisition of Degussa Bank

» A track record of improved profitability in recent years

» Low dependence on wholesale funding, reflecting the bank's strong access to retail deposits

Credit challenges

» A recessionary operating environment in Germany and exposure to concentration risks in its corporate loan book

» Temporarily increased capital requirements that might become more permanent under European Central Bank (ECB) supervision

» Maintaining its improved profitability in a declining interest rate environment

Outlook

The positive outlook on OLB's long-term deposit, senior unsecured, and long-term issuer ratings reflects the bank's expected strengthened resilience following the integration of Degussa Bank, which could result in an upgrade of the BCA, provided that the bank does not experience a material deterioration in asset quality, further develops its track record of sound risk management, and protects its current capitalization and profitability. The positive outlook further incorporates our expectation of a broadly stable liability structure of OLB.

Factors that could lead to an upgrade

» An upgrade of OLB's long-term ratings could result from an upgrade of its baa2 BCA and Adjusted BCA. An upgrade of select ratings could also be triggered by additional rating uplift as a result of our Advanced LGF analysis.

» OLB's BCA and Adjusted BCA could be upgraded if the bank's problem loan formation remains contained in the more challenging economic environment and if the bank further develops its track record of sound risk management, while its capitalization and profitability do not deteriorate from current levels, and its funding and liquidity profiles remain sound.

» OLB's deposit, senior unsecured, issuer, junior senior unsecured, and subordinate ratings may also be upgraded if the volume of debt instruments designed to absorb losses prior to the respective debt classes increases sufficiently in relation to the bank's tangible banking assets, which could result in additional rating uplift resulting from our Advanced LGF analysis.

Factors that could lead to a downgrade

» A downgrade of OLB's ratings could be triggered following a downgrade of the bank's baa2 BCA and Adjusted BCA, or as a result of fewer notches of rating uplift from our Advanced LGF analysis.

» The bank's BCA could be downgraded because of a pronounced decline in the quality of OLB's investment and loan portfolios. In addition, levels of capital and earnings substantially below our expectations, as well as a higher-than-expected reliance on market funding and materially lower liquid resources, could trigger a downgrade of the BCA.

» OLB's deposit, senior unsecured, issuer, and junior senior unsecured ratings could be downgraded if the combined volume of debt instruments designed to absorb losses prior to the respective debt classes declines sufficiently, which would lead to lower rating uplift from our Advanced LGF analysis. A lower volume of outstanding senior unsecured instruments could also lead to lower rating uplift for the bank's deposit, senior unsecured, and issuer ratings.

Key indicators

Exhibit 2
Oldenburgische Landesbank AG (Consolidated Financials) [1]

	06-24[2]	12-23[2]	12-22[2]	12-21[2]	12-20[2]	CAGR/Avg.[3]
Total Assets (EUR Billion)	32.3	25.9	24.1	23.3	20.2	14.4[4]
Total Assets (USD Billion)	34.6	28.6	25.7	26.3	24.7	10.1[4]
Tangible Common Equity (EUR Billion)	1.6	1.6	1.4	1.2	1.1	12.6[4]
Tangible Common Equity (USD Billion)	1.8	1.8	1.5	1.4	1.3	8.4[4]
Problem Loans / Gross Loans (%)	1.7	1.5	1.5	1.7	2.2	1.7[5]
Tangible Common Equity / Risk Weighted Assets (%)	13.8	16.1	15.0	12.5	12.5	14.0[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	22.4	16.7	17.2	21.7	27.4	21.1[5]
Net Interest Margin (%)	1.9	2.0	1.8	1.7	1.7	1.8[5]
PPI / Average RWA (%)	3.2	3.8	3.3	2.4	2.0	2.9[6]
Net Income / Tangible Assets (%)	0.8	0.8	0.7	0.5	0.3	0.6[5]
Cost / Income Ratio (%)	47.4	42.9	45.3	57.8	62.7	51.2[5]
Market Funds / Tangible Banking Assets (%)	21.9	27.2	25.1	32.6	29.9	27.3[5]
Liquid Banking Assets / Tangible Banking Assets (%)	20.0	21.3	22.4	25.0	20.2	21.8[5]
Gross Loans / Due to Customers (%)	116.0	121.9	116.1	126.1	127.7	121.5[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Ratings and company filings

Profile

OLB is a universal bank predominantly active in the north-western part of Germany and with niche expertise in specialised lending markets.

As of 31 December 2024, OLB had around 1,500 full-time equivalent employees and its network of 80 branches primarily caters to retail clients, serving around 1 million customers, as well as small and medium-sized enterprise (SME) customers. The bank also has five offices in major German cities (Hamburg, Berlin, Düsseldorf, Frankfurt, and Munich), which complement the Oldenburg-based headquarters in sourcing corporate and specialised lending opportunities on a national scale. In addition, OLB offers private banking services under the Bankhaus Neelmeyer brand in Northern Germany.

The bank's operations are split into two segments, Private & Business Customers, which serves retail, SME, and private banking customers via a multi-channel offering, and Corporates & Diversified Lending, which provides corporate lending as well as more specialised acquisition, commercial real estate, wind power, football, shipping, and fund finance.

As of 31 December 2024, shareholders associated with the Teacher Retirement System of Texas, Apollo Global Management Inc., and Grovepoint Investment Management held a combined 94% of OLB's share capital.

Weighted Macro Profile of Strong (+)

Following the acquisition of Degussa Bank, OLB retained a clear focus on the German market and we, therefore, assign the bank a Weighted Macro Profile of Strong (+), which is in line with the Strong (+) Macro Profile of Germany.

Detailed credit considerations

Sound asset quality that could deteriorate in the recessionary operating environment

We assign a baa3 Asset Risk score, five notches below the a1 initial score. Our assigned score incorporates the bank's exposure to more cyclically sensitive asset-based lending activities, including corporate lending, mid-cap leveraged buyout financing, and commercial real estate, which could lead to higher problem loans in the recessionary operating environment in Germany.

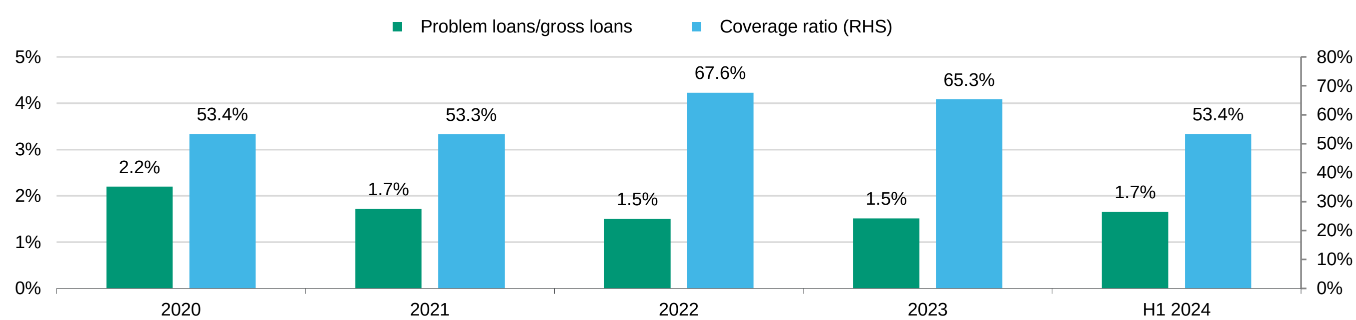
The acquisition of Degussa Bank in 2024 has provided some geographical diversification, also in terms of branch network footprint, to OLB's previously more regionally concentrated retail and SME lending book. Furthermore, the acquisition has mainly added residential mortgage loans to OLB's portfolio, together with some consumer and multifamily housing loans, offsetting the slower organic growth of OLB's domestic residential mortgage loan book following the pronounced increase in German mortgage lending rates and significant weakening in housing affordability for German households. While growth in German mortgage lending remains muted, OLB's Dutch residential mortgage loan originations, which exhibit a defensive risk profile despite their platform-reliant origination process, continued to gain traction in 2024.

OLB aims for a balanced mix between its retail and SME lending exposures on the one hand, and its corporate and diversified lending activities on the other. In view of the difficult economic environment, we expect OLB's corporate and diversified lending activities to expose the bank to higher problem loans. As of 30 June 2024, OLB's problem loan ratio stood at 1.7%, slightly up from the 1.5% as of year-end 2023 and year-end 2022 and in line with the year-end 2021 level.[1] With the adoption of IFRS 9 accounting in 2022, the bank also significantly improved the loan loss reserve coverage of its problem loans to 68%, which reduced again to 53% as of 30 June 2024, however.

Exhibit 3

OLB's problem loan ratio has remained broadly stable; loan loss reserve coverage was strengthened upon the adoption of IFRS 9 in 2022 but has reduced again since then

Data in percentages



The problem loan ratio is in accordance with our definition. The coverage ratio compares total loan loss reserves with problem loans.
Sources: Moody's Ratings and company filings

Capitalisation has softened following the Degussa Bank acquisition

We assign an a2 Capital score, in line with the initial score, reflecting the decline in the bank's capital ratios following the Degussa Bank acquisition as well as our expectation that capitalisation will gradually improve again in the next 12-18 months.

OLB's tangible common equity (TCE) to risk-weighted assets (RWA) ratio declined to 13.8% as of 30 June 2024 from 16.1% as of year-end 2023, reflecting that the additional RWA from Degussa Bank outweighed the acquisition gain from negative goodwill. OLB applies the standardised approach to calculate credit risk weights for a range of its loan portfolios, which leads to a still comparatively high RWA to tangible assets density, which stood at 37.0% as of 30 June 2024. OLB will gradually reduce its current RWA density, however, because the bank will benefit from regulatory changes and RWA optimisation measures, including a further extension of the use of internal models.

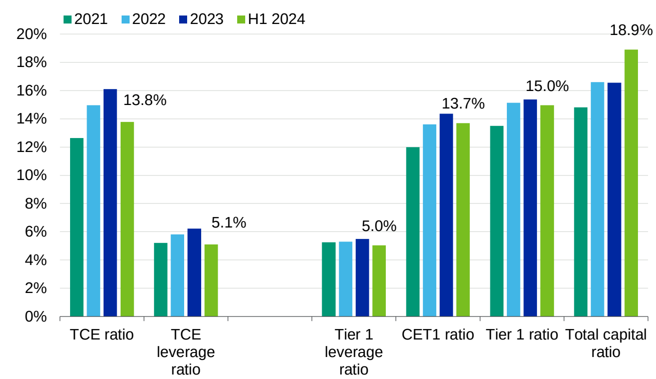
At the same time, the bank's capital requirements have increased to 10.1% on a CET1 capital basis, to 12.0% on a Tier 1 capital basis, and to 15.1% on a total capital basis as of 31 December 2024,[2] reflecting a temporary 1% Pillar 1 add-on for the Degussa Bank acquisition, which will fall away again in September 2025, as well as an increase in the Pillar 2 Requirement (P2R) to 2.4% from 1.0%

on a total capital basis following the supervisory review and evaluation process (SREP) carried out by the German regulator BaFin.[3] The latter reflects a temporary add-on as a result of findings in special audits in 2022/2023, which the bank has largely resolved in the meantime.[4] With a CET1 ratio of 13.1%, a Tier 1 ratio of 14.3%, and a total capital ratio of 18.0% as of 31 December 2024 (all including retained earnings), OLB continues to exceed its risk-weighted capital requirements.

Exhibit 4

OLB's TCE ratio declined following the Degussa Bank acquisition

As a percentage of RWA, tangible assets (for the TCE leverage ratio) and leverage exposure (for the Tier 1 leverage ratio)

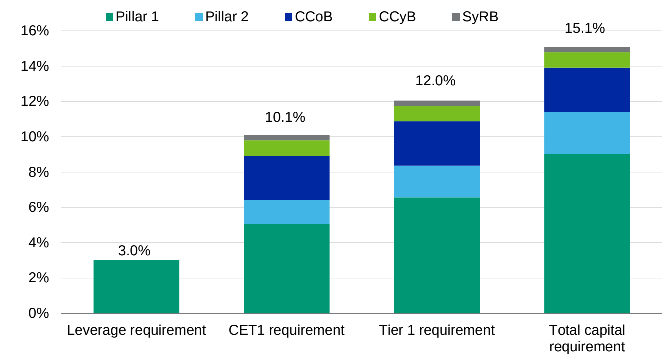


TCE = Tangible common equity (our calculation); CET1 = Common Equity Tier 1 capital; the TCE leverage ratio compares TCE with tangible banking assets.
Source: Moody's Ratings and company filings

Exhibit 5

OLB's regulatory total capital requirements as of 31 December 2024

As a percentage of RWA



CCoB = Capital Conservation Buffer; CCyB = Countercyclical Capital Buffer; SyRB = Systemic Risk Buffer.
Sources: Moody's Ratings and company filings

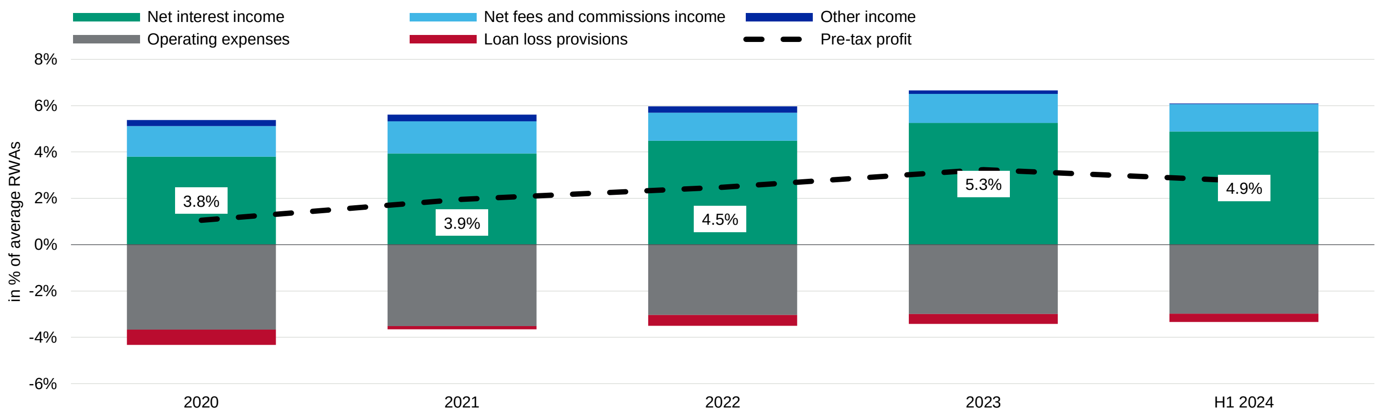
Profitability will remain resilient

We assign a baa2 Profitability score, in line with the initial score. The assigned score reflects our expectation that cost reductions and the repricing of the loan book of the former Degussa Bank operations will help OLB to mostly offset earnings pressure from lower interest rates and potentially higher risk costs in the strained economic environment.

On 21 February 2025, OLB announced its 2024 results, which included an 8.8% year-on-year improvement in reported pretax income to €365.0 million and a 17.4% increase in reported net profit to €270.4 million. The full-year result included eight months of earnings from the former Degussa Bank, which helped to lift net interest income by 17.5% year-on-year to €598.6 million. Furthermore, the bank's cost-income ratio reached 47.0% in 2024 on a reported basis and 42.6% excluding all Degussa Bank acquisition-related one-off costs and benefits as well as regulatory expenses. Loan loss provisions amounted to €71.1 million in 2024 compared to €41.0 million in 2023, but it included a one-time initial IFRS 9 application effect related to the Degussa Bank acquisition of €11.5 million.

Since OLB substantially implemented all cost-cutting measures in the former Degussa Bank in the fourth quarter of 2024 already, the combined bank's cost base will likely decline in 2025. In addition, OLB has scope to gradually reprice he loan book of the former Degussa Bank operations upwards, and the bank will also continue to benefit from the repricing of its fixed-rate mortgage loan book. Overall, this should mostly offset margin pressure from lower interest rates, which OLB has partly hedged, and also should allow the bank to absorb potentially higher loan loss provisions given the challenging operating environment in Germany. As a result, we expect that OLB will continue to generate a return on tangible assets of 0.7% to 0.8%.

Exhibit 6
OLB's efficiency measures and revenue growth have been driving up its pretax profit in recent years
Data in € millions



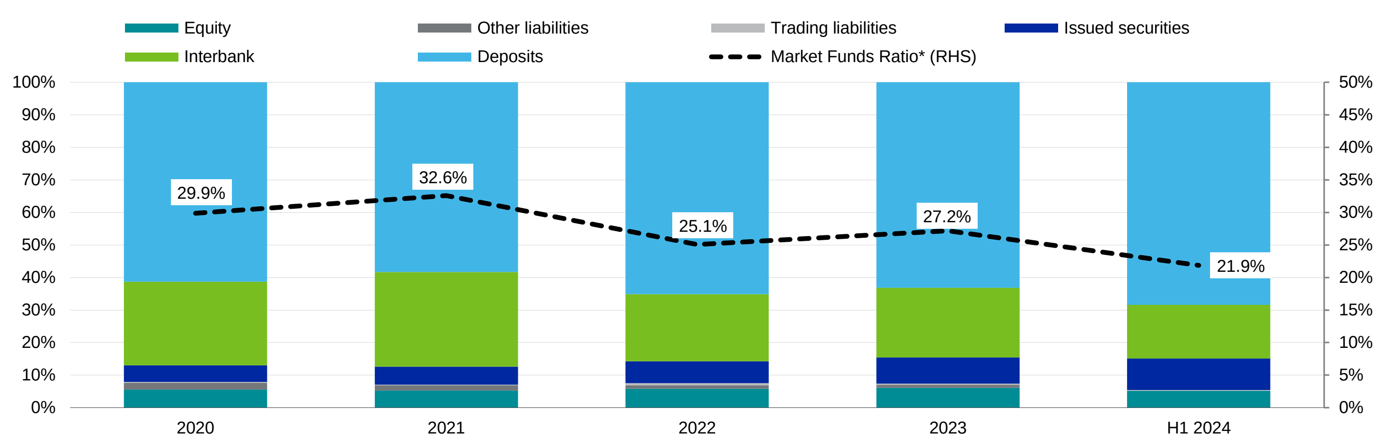
* 9M 2023 data is annualised.
Sources: Moody's Ratings and company filings

Strong access to retail deposits limits the bank's dependence on wholesale funding

We assign an a3 Funding Structure score, two notches above the baa2 initial score. The assigned score takes into account that we do not regard development bank funding, which is included in our initial calculation of market funds, as confidence-sensitive market funding. Furthermore, we positively consider OLB's granular and stable deposit base in the assigned score but also reflect that the bank's market funding is expected to increase over the next 12-18 months.

The integration of Degussa Bank has added around €5 billion to OLB's customer deposit base, which amounted to €21.8 billion as of 30 June 2024 and thus refinanced more than two-thirds of the bank's balance sheet.[5] Apart from the bank's granular retail-focused deposit base, OLB's market funds of €7.0 billion were largely comprised of €5.3 billion of interbank liabilities, which contained €2.4 billion of development bank funding and a residual €0.3 billion of TLTRO III funding, which was repaid in the third quarter of 2024. The bank's market funds further comprised €1.6 billion of covered bonds, €0.9 billion of bearer bonds, registered bonds and promissory notes, and €0.1 billion of derivative liabilities. With the bank seeking to diversify its funding base through select secured and unsecured capital market issuances in the next 12-18 months, we forecast that the bank's share of market funding will increase somewhat from current levels.

Exhibit 7
OLB is largely deposit funded and the market funding dependence reduced again following TLTRO repayments
As a percentage of tangible banking assets



*Market Funds Ratio = Market funds/tangible banking assets.
Sources: Moody's Ratings and company filings

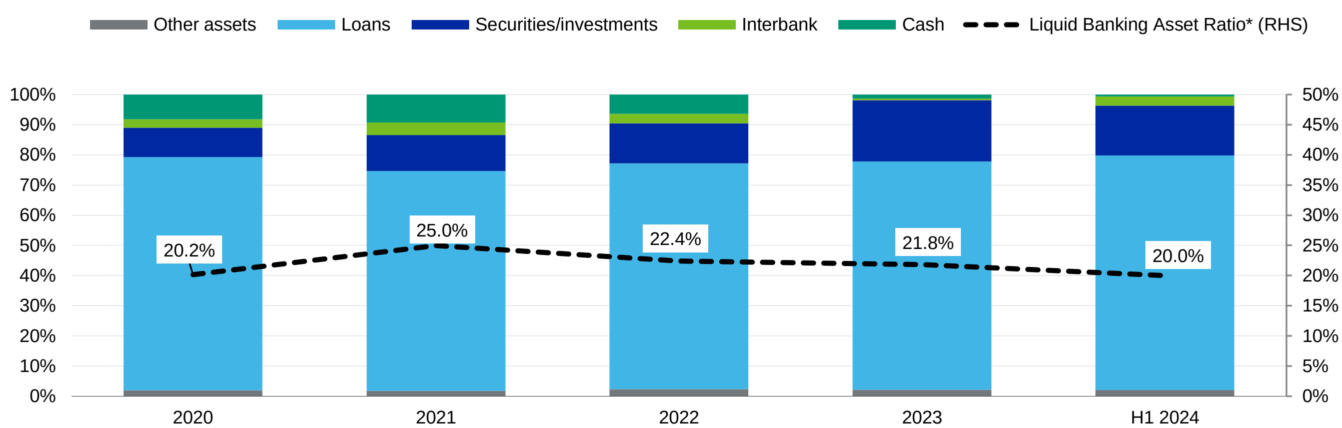
Liquidity has been efficiently managed with sound buffers to regulatory requirements

We assign a baa2 Liquid Resources score, one notch below the baa1 initial score. The assigned score considers that we deduct the bank's encumbered assets and potentially illiquid Level 3 assets from our initial calculation of liquid banking assets. Conversely, we incorporate the bank's overcollateralisation of its mortgage cover pool, which would enable OLB to issue retained covered bonds at short notice in order to generate additional liquidity if required, as well as the bank's planned increase of its investment portfolio.

As of year-end 2023, OLB's liquidity coverage ratio was a sound 147% and it rose further to 162% as of 31 December 2024. As of 30 June 2024, our calculation of liquid banking assets comprised the bank's €5.2 billion investment portfolio, which was partly encumbered and includes some Level 3 assets, as well as €1.0 billion of interbank receivables and €0.2 billion of cash and cash equivalent reserves. Over the next 12-18 months, OLB will likely further build out its investment portfolio, taking advantage of the more remunerative interest rate environment. Furthermore, the bank could issue additional retained covered bonds at short notice if required to generate liquidity. As of 30 September 2024, €2.6 billion of mortgage loans and other collateral had been added to the cover pool, providing security for €2.1 billion of outstanding covered bonds, of which €0.2 billion were retained covered bonds previously pledged to the ECB as collateral for the bank's TLTRO III funding.

Exhibit 8

Liquidity levels improved following TLTRO drawings and declined again following repayment of those funds
As a percentage of tangible banking assets



*Liquid Banking Assets Ratio = Liquid banking assets/tangible banking assets.
Sources: Moody's Ratings and company filings

BCA positioning

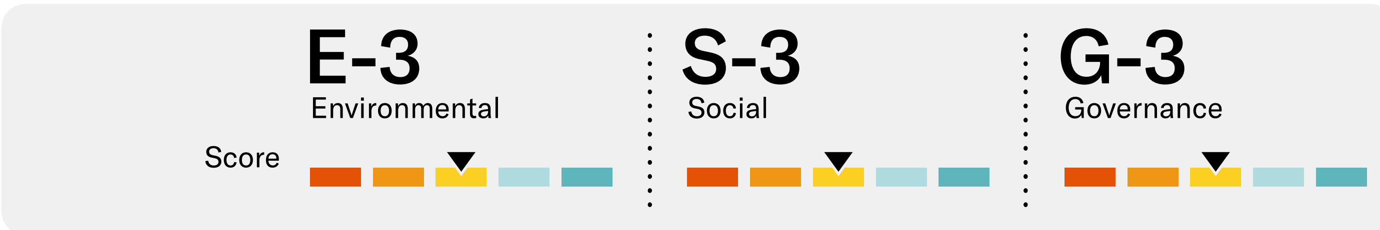
The baa2 BCA is positioned at the bottom of the scorecard-indicated outcome-range (a3 - baa2), reflecting that the BCA could be upgraded to baa1 if OLB is able to maintain its current financial strength as expressed by the baa1 Financial Profile.

ESG considerations

Oldenburgische Landesbank AG's ESG credit impact score is CIS-3

OLB's **CIS-3** reflects the limited credit impact of environmental and social factors on the ratings to date with greater potential for governance risks to strain the rating over time.

Exhibit 9
ESG issuer profile scores



Source: Moody's Ratings

Environmental

OLB faces moderate exposure to environmental risks primarily because of its portfolio exposure to carbon transition risks as a diversified bank operating mainly in Germany. In line with its peers, OLB is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. As a result, OLB is engaging in developing its climate risk framework and optimising its loan portfolio towards less carbon-intensive assets.

Social

OLB faces moderate social risks mainly related to customer relations as well as to demographic and societal trends. The bank's developed policies and procedures mitigate conduct risk associated with the distribution of financial products such as regulatory and reputational risks, as well as exposure to litigation. Continued investments in technology and the bank's long track record of handling sensitive customer data, as well as appropriate culture and governance that ensure adherence to regulatory standards, help to manage high cyber and personal data risks.

Governance

OLB faces moderate governance risks. The bank has experienced a high turnover in top management ranks during 2020 and 2021 but has operated with a stable management team since then. Furthermore, the bank's strategic setup itself is sufficiently stable, and it is not exposed to key-person risk. OLB's risk management, policies, and procedures are also in line with industry practices and commensurate with its banking model that focuses on both standardised retail and SME banking as well as strongly customised niche corporate banking. Nonetheless, the German Federal Financial Supervisory Authority (BaFin) identified several risk management shortcomings in 2023, which the bank has fully addressed in the meantime, however. OLB is controlled by a group of private equity investors and is therefore exposed to potential outsized influence by the controlling shareholders on the bank's management and board. This risk is mitigated by the presence of independent directors and Germany's developed institutional framework.

Support and structural considerations

Affiliate support

We regard the probability that OLB's main shareholders – the Teacher Retirement System of Texas, Apollo Global Management Inc. (A2 stable)[6], and Grovepoint Investment Management – would support the bank in case of need as low, which does not result in any uplift for OLB's ratings from affiliate support. Support from its owners is illustrated by their degree of involvement in OLB's strategy, management, and operations, but we do not expect further capital injections, in case of need.

Loss Given Failure analysis

OLB is subject to the EU's Bank Recovery and Resolution Directive (BRRD), which we consider an operational resolution regime. Therefore, we apply our Advanced LGF analysis, using our standard assumptions. However, we assume the proportion of deposits considered junior and bail-in-able under the BRRD at 10%, below our standard assumption of 26%, because of the bank's largely retail-oriented depositor base and high deposit granularity.

Our LGF analysis indicates that deposits and senior unsecured debt, are likely to face low loss given failure, resulting in a one-notch uplift from the bank's Adjusted BCA. Furthermore, junior senior unsecured debt is likely to face moderate loss given failure, resulting in no rating uplift from the Adjusted BCA.

Government support considerations

Since the introduction of the BRRD, we have only very selectively assigned moderate expectations of support that the government might provide to a bank in Germany in the event of need. Because of its small size relative to the German banking system and its limited degree of systemic interconnectedness, we continue to assign a low systemic support probability assumption to OLB, which does not result in any rating uplift from government support.

Methodology and scorecard

Methodology

The principal methodology used in rating OLB was Banks published in November 2024.

About Moody's Bank Scorecard

Our Bank scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 10
Rating Factors

Macro Factors							
Weighted Macro Profile	**Strong +**	**100%**					

Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	1.7%	a1	↓	baa3	Sector concentration	Expected trend
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	13.8%	a2	↑	a2	Expected trend	Risk-weighted capitalisation
Profitability						
Net Income / Tangible Assets	0.7%	baa2	↔	baa2	Return on assets	Expected trend
Combined Solvency Score		a2		baa1		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	27.2%	baa2	↔	a3	Extent of market funding reliance	Deposit quality
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	21.3%	baa1	↔	baa2	Asset encumbrance	Additional liquidity resources
Combined Liquidity Score		baa2		baa1		
Financial Profile		a3		baa1		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aaa		
BCA Scorecard-indicated Outcome - Range				a3 - baa2		
Assigned BCA				baa2		
Affiliate Support notching				0		
Adjusted BCA				baa2		

Balance Sheet is not applicable.

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	-	-	-	-	-	-	-	3	0	a2
Counterparty Risk Assessment	-	-	-	-	-	-	-	3	0	a2 (cr)
Deposits	-	-	-	-	-	-	-	1	0	baa1
Senior unsecured bank debt	-	-	-	-	-	-	-	1	0	baa1
Junior senior unsecured bank debt	-	-	-	-	-	-	-	0	0	baa2
Dated subordinated bank debt	-	-	-	-	-	-	-	-1	0	baa3
Non-cumulative bank preference shares	-	-	-	-	-	-	-	-1	-2	ba2

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	a2	0	A2	A2
Counterparty Risk Assessment	3	0	a2 (cr)	0	A2(cr)	
Deposits	1	0	baa1	0	Baa1	Baa1
Senior unsecured bank debt	1	0	baa1	0	Baa1	(P)Baa1
Junior senior unsecured bank debt	0	0	baa2	0	(P)Baa2	(P)Baa2
Dated subordinated bank debt	-1	0	baa3	0	Baa3	(P)Baa3
Non-cumulative bank preference shares	-1	-2	ba2	0	Ba2 (hyb)	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 11

Category	Moody's Rating
OLDENBURGISCHE LANDESBANK AG	
Outlook	Positive
Counterparty Risk Rating	A2/P-1
Bank Deposits	Baa1/P-2
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	A2(cr)/P-1(cr)
Issuer Rating	Baa1
Senior Unsecured -Dom Curr	Baa1
Junior Senior Unsecured MTN	(P)Baa2
Subordinate -Dom Curr	Baa3
Pref. Stock Non-cumulative -Dom Curr	Ba2 (hyb)
ST Issuer Rating	P-2

Source: Moody's Ratings

Endnotes

1 As of 31 December 2024, the problem loan ratio increased further to about 2%.

2 OLB's capital requirements as of 31 December 2024 include a combined buffer requirement of 3.7% comprising the 2.5% capital conservation buffer, a 0.3% systemic risk buffer, and a 0.9% countercyclical capital buffer.

3 In addition to the bank's Pillar 1 and Pillar 2 capital requirements, OLB has received a Pillar 2 Guidance (P2G) of 0.1% (i.e., as a result of netting off the 2.5% capital conservation buffer) that is not included in the stated capital requirements.

4 OLB expects that the European Central Bank (ECB), as competent authority since 1 January 2025, will be issuing a new SREP decision in the course of 2025. Up until then, the current SREP decision issued by BaFin remains in place.

5 As of 31 December 2024, the bank's deposit base increased further to €22.3 billion.

6 The rating shown is the asset manager's long-term issuer rating and outlook.

REPORT NUMBER 1437059