



PRESS-RELEASE

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OLB on track with strong business performance in the first half of 2024

- **Degussa Bank acquisition completed – merger planned for 30/31 August 2024**
- **About 1 million customers throughout Germany**
- **Result before taxes at EUR 189.3 million**
- **Return on equity after taxes at 19.6% or normalized 16.5%**

OLB remains successfully on track after the first six months of the transition year 2024. For the first time, Degussa Bank's business performance in May and June 2024 is consolidated in OLB's figures following the closing of the Degussa Bank acquisition on 30 April 2024. As of 30 June 2024, the Bank generated earnings before taxes of EUR 189.3 million (m) (previous year: EUR 155.2m)¹. The return on equity after taxes amounted to 19.6% (previous year: 14.3%). On a normalized basis, this resulted in a return on equity after taxes of 16.5%². The cost-income ratio was 49.5% (previous year: 40.3%); normalized, the cost-income ratio was 45.2%³.

“This is a good result for the first half of the year in a challenging market environment and a reflection of our successful customer franchise. We are delighted to be the trusted banking partner to about one million customers throughout Germany following the integration of Degussa Bank. We are supporting this significant milestone with substantial investments in our strategic projects, in our technology and in our branch locations,” says Stefan Barth, CEO of OLB.

Merger of Degussa Bank into OLB

Upon entry in the commercial register, scheduled for Friday, 30 August 2024, Degussa Bank AG will cease to exist as a separate entity and will merge with OLB as its legal successor. The Degussa Bank brand will no longer be used. Subsequently, more than 300,000 customers and 341 employees of Degussa Bank (corresponding to about 275 full-time equivalents) will be transferred to OLB. At the time of the migration, OLB takes over 53 worksite branches and significantly strengthens its presence nationwide. These branches are mainly located on the premises of partner companies, particularly in regions where OLB has not previously had a local presence.

The total assets as of 30 June 2024 increased to EUR 32.3 billion (bn) (31 December 2023: EUR 25.9bn). As a consequence, OLB will be classified as a 'significant institution' in Europe

¹ Unless otherwise stated, all figures are in accordance with IFRS. The figures shown for the previous year as of 30 June 2023 and 31 December 2023 show the results of OLB excluding Degussa Bank.

² Normalized RoE based on average IFRS shareholders' equity deducted by accrued dividends and excluding net one-off effects related to Degussa Bank acquisition (H1 2024: EUR 29.5m)

³ Normalized Cost-Income-Ratio excluding expenses from bank levy and deposit protection and Degussa Bank acquisition-related one-off expenses (H1 2024: EUR 14.7m)



and is expected to be transferred to the supervisory responsibility of the European Central Bank (ECB) on 1 January 2025.

Successful development of customer franchise

In its Private & Business Customers and Corporates & Diversified Lending segments, OLB further expanded its customer business in the first six months of the year. The volume of private mortgage loans rose by about 9% year-on-year to EUR 8.2bn, again driven strongly by the successful cooperation with the Dutch brokerage platform Tulp. The loan volume in the specialized finance business areas, especially in International Diversified Lending, Fund Finance and Football Finance, increased by almost 10% to EUR 10.1bn. Overall, the credit volume grew to EUR 25.1bn (previous year: EUR 18.7bn), of which EUR 4.9bn relates to the credit volume taken over from Degussa Bank.

The most important source of refinancing for lending continues to be customer deposits, which totaled EUR 22.5bn (previous year: EUR 16.2bn). This includes Degussa Bank's deposit volume of EUR 5.0bn. The deposit base consists primarily of granular sight and term deposits.

Due to the expanded credit volume and the pro rata inclusion of Degussa Bank, net interest income increased year-on-year to EUR 278.3m (previous year: EUR 243.4m). Net commission income improved to EUR 64.1m (previous year: EUR 58.9m), mainly from increased customer activities in the securities business and higher revenue from payment transactions. Overall, operating income rose to EUR 343.9m (previous year: EUR 304.2m).

Operating expenses totaled EUR 170.2m (previous year: EUR 122.6m). In addition to the pro rata inclusion of Degussa Bank, the increase was mainly due to one-off effects from its acquisition and integration (EUR 14.7m), investments in further strategic projects (EUR 8.8m) and process optimization (EUR 1.4m) as well as other non-recurring costs included in operating expenses, such as legal provisions (EUR 4.3m). Personnel expenses totaled EUR 78.0m (previous year: EUR 68.7m) following the acquisition of Degussa Bank. Including the 341 employees taken over from Degussa Bank, OLB will have a total of 1,748 employees as at 1 September 2024 (31 December 2023: 1,380).

Risk provisioning at expected level

As of 30 June 2024, risk provisions in OLB's lending business were in line with expectations at EUR 16.3m (previous year: EUR 15.0m). This includes partial dissolutions of EUR 8.0m of the post-model adjustment originally recognized in the amount of around EUR 16m. The total risk provisioning of EUR 30.9m also includes EUR 3.1m for the pro rata risk provisioning of Degussa Bank and EUR 11.5m of value adjustments to the loan portfolio resulting from the application of IFRS9 for Degussa Bank in the context of initial consolidation.

Upon closing of the transaction at the end of April 2024, Degussa Bank became a subsidiary of OLB and from the day of closing onwards was fully consolidated in the OLB Group as of 30 June 2024. This initial consolidation resulted in one-off after-tax effects totaling EUR 29.5m, resulting from the sum of goodwill (EUR +74.4m), restructuring costs (EUR -25.0m) and incidental costs of the acquisition, incidental costs of the integration and IFRS 9 adjustments (EUR -19.9m).

Synergies to materialize from the second half of 2024

Including the one-off effects from the Degussa Bank acquisition, earnings after tax totaled EUR 153.2m (previous year: EUR 104.8m). "We expect to benefit from the integration of Degussa Bank in terms of both sales and the balance sheet in a sustainable manner. We expect cost synergies to reach EUR 50m by the end of 2025, of which around EUR 15m will already take effect in the course of the current year," says Dr Rainer Polster, CFO of OLB.



OLB's capital and liquidity resources in accordance with the local German GAAP (HGB) remain at high levels even after the closing of the Degussa Bank acquisition. With a common equity tier 1 capital ratio of 14.1% (31 December 2023: 14.5%) and a total capital ratio of 19.3% (31 December 2023: 16.6%) OLB's capitalization remains well above target levels, despite an increase of risk weighted assets to 11.9bn (31 December 2023: EUR 10.0bn). The temporary capital add-on in connection with the reported special audit by the German Federal Financial Supervisory Authority (BaFin) under Sec. 44 of the German Banking Act is reflected in all capital positions. OLB has fully addressed all findings in this regard, and the corresponding follow-up audit has been completed. The final assessment by the Bundesbank is still pending.

Outlook: Well prepared for the future

In the further course of 2024, OLB will focus on the integration of Degussa Bank and preparations for the transition to supervision by the ECB. In addition, the Bank will present its new corporate branding in the fourth quarter of 2024 and adapt its brand to its nationwide presence. "We are continuing to develop dynamically and have now reached a size that makes 'next level banking' really enjoyable," says Stefan Barth.

Income statement OLB Group⁴

EURm	01.01.-30.06.2023	01.01.-30.06.2024	Changes in %
Net interest income	243.4	278.3	14.3
Net commission income	58.9	64.1	8.7
Trading result	5.2	1.3	-75.3
Result from hedging relationships	-13.2	1.7	n/a
Other income	9.0	1.2	-87.0
Result from non-trading portfolio	0.8	-2.6	n/a
Operating income	304.2	343.9	13.1
Personnel expenses	-68.7	-78.0	13.4
Non-personnel expenses	-42.3	-74.9	77.2
Depreciation, amortization and impairments of intangible and tangible fixed assets	-11.0	-12.8	16.3
Other expenses	-0.6	-4.5	>100.0
Operating expenses	-122.6	-170.2	38.8
Operating result	181.6	173.8	-4.3
Expenses from bank levy and deposit protection	-11.1	-2.8	-75.2
Risk provisioning in the lending business	-15.0	-30.9	>100.0
Result from restructurings	-0.2	-0.2	-20.9
Result from non-trading portfolio (non-operative)	0.0	49.4	n/a
Result before taxes	155.2	189.3	22.0
Income tax	-50.4	-36.1	-28.4
Result after taxes (profit)	104.8	153.2	46.3
Return on Equity after taxes	14.3%	19.6%	5.3 ppt
Normalized Return on Equity after taxes	n/a	16.5% ⁵	n/a
Cost-Income-Ratio (including regulatory expenses)	44.0%	50.3%	6.3 ppt
Cost-Income-Ratio (excluding regulatory expenses)	40.3%	49.5%	9.2 ppt
Normalized Cost-Income-Ratio	38.6% ⁶	45.2% ⁶	6.6 ppt
Net interest margin	2.71%	2.48%	-0.23 ppt

⁴ Rounding differences may occur

⁵ Normalized RoE based on average IFRS shareholders' equity deducted by accrued dividends and excluding €29.5m net one-off effects related to Degussa Bank acquisition

⁶ Normalized Cost-Income-Ratio excluding expenses from bank levy and deposit protection and Degussa Bank acquisition-related one-off expenses (€5.2m in H1 2023, €14.7m in H1 2024)

Selected balance sheet figures OLB Group

EURm	30.06.2023	30.06.2024
Receivables from customers	18,740.0	25,103.3
Liabilities to customers	16,206.1	22,516.1
Equity	1,583.5	1,794.7
Total assets	24,805.1	32,259.3

Capital and liquidity^{7/8}

EURm	30.06.2023	30.06.2024
Common Equity Tier 1 capital (CET1)	1,402.1	1,685.2
Tier 1 capital	1,503.3	1,836.4
Share capital and reserves	1,634.3	2,305.8
Risk-weighted assets	9,391.0	11,922.1
Common Equity Tier 1 capital ratio	14.9%	14.1%
Total capital ratio	17.4%	19.3%

% / IFRS	30.06.2023	30.06.2024
Liquidity coverage ratio (LCR)	180%	170%
Net stable funding ratio (NSFR)	117%	118%

About OLB

OLB 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 about 1 million customers in person and via digital channels in its Private & Business Customers and Corporates & Diversified Lending segments. The Bank has more than EUR 30 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)

⁸ Based on regulatory capital adjusted by accrued retention



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