



PRESS RELEASE

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OLB continues its successful growth strategy by acquiring Degussa Bank

- Strategic expansion of retail presence in Germany by c. 340,000 customers
- Purchase price of EUR 220 million based on common equity tier 1 (CET1) capital of EUR 357 million at closing; transaction funded from existing resources
- After the expected closing around mid-year 2023, OLB aims to quickly achieve cost and capital synergies
- Transaction is expected to be EPS and RoE accretive, further strengthening OLB's ability to generate a post-tax RoE at the upper end of the 13 to 15 percent target range in the mid-term
- Mid-term CET1 ratio target of at least 12.25 percent as well as all other medium-term targets of OLB remain in place

Oldenburgische Landesbank AG ("OLB") has today entered into an agreement to purchase Degussa Bank AG ("Degussa Bank"). The planned acquisition is a strong strategic fit for OLB's path of profitable growth. Degussa Bank's regional retail customer focus on industrial and economic centres in Western and Southern parts of Germany is complementary to OLB's core presence in the North of Germany and adds scale to OLB's retail banking franchise across the country. Upon completion, the acquisition will allow OLB to expand its client base by c. 340,000 customers. Degussa Bank also adds to OLB's capabilities with its innovative digital banking shop technology and its corporate partnership proposition.

"The planned acquisition of Degussa Bank is another milestone on our profitable growth path," says Stefan Barth, CEO of OLB. "The Degussa Bank is highly complementary to our business model. By combining our strengths and expertise, we will be able to significantly expand our business across Germany and enhance our product portfolio. The planned acquisition will benefit customers, employees, and all other stakeholders."

Dr Christian Olearius, one of the main shareholders of Degussa Bank, says: "The decision to sell Degussa Bank was not taken easily by the owners. They would like to thank the Board of Management and employees as well as the advisors involved for their constructive support during the challenging sales process. It is important to the main shareholders to have found a final and good solution for the challenges ahead."

Michael Krupp, CEO of Degussa Bank, says: "With OLB, we have found the right owner that enables us to leverage our potential and to position our business to make it more efficient and scalable for the future. We are looking forward to our cooperation with the colleagues from OLB."

Degussa Bank serves private and business customers across a broad range of financial products. It is the only worksite bank in Germany to offer banking branches for employees on the premises of its partner companies and provides banking advice through its innovative digital banking shop. With approximately 500 full-time equivalents, the bank currently serves EUR 5.0 billion in customer deposits.



By acquiring Degussa Bank, OLB follows its long-term strategy of complementing organic growth with targeted acquisitions.

Financially attractive transaction

Building on its experience with previous acquisitions, OLB has identified significant potential for cost synergies that it aims to quickly leverage after closing. Based on these cost synergies and the low complexity of Degussa Bank's business model, OLB expects to bring the combined entity to the target cost-income ratio of c. 40 percent in the mid-term.

Degussa Bank's customer deposits of EUR 5.0 billion are expected to strengthen OLB's performance and broaden its refinancing position. Accordingly, the transaction will strengthen OLB's ability to achieve an after-tax RoE at the upper end of the target range of 13 to 15 percent over the medium term.

The parties have agreed on a purchase price of EUR 220 million for Degussa Bank, which will be delivered with EUR 357 million CET1 capital at closing. As a result, OLB will benefit from a EUR 137 million of negative goodwill. Degussa Bank will contain meaningful excess capital, which OLB may re-deploy into further organic growth. OLB plans to finance the acquisition from existing resources and capital synergies, without requiring any additional capital. The strategic medium-term target for the CET 1 ratio of at least 12.25 percent as well as all other medium-term targets of OLB remain in place as previously communicated.

Approvals

The transaction is subject to customary closing conditions and regulatory clearances including clearance from bank supervisory authorities.



About OLB

Oldenburgische Landesbank AG (OLB) is a modern, customer-oriented bank anchored in northwestern Germany with strong regional and international expertise. OLB operates across two strategic business lines: Private & Business Customers, and Corporates & Diversified Lending. OLB serves more than 600,000 customers and has c. EUR 24 billion of total assets.

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