IFRS Consolidated Financial Statements 2023

Consolidated financial statements of the Oldenburgische Landesbank AG for the financial year 2023

Statement of profit and loss and other comprehensive income of the Oldenburgische Landesbank Group for the financial year 2023

Statement of profit and loss

EUR m	Notes	01/01-12/31/2023	01/01-12/31/2022
- Interest income accounted for using the effective interest method	(19)	879.4	558.5
- Interest income not accounted for using the effective interest method	(19)	105.5	-53.4
- Interest expenses	(19)	-475.4	-69.3
Net interest income	(8),(19),(31)	**509.4**	**435.8**
- Commission income	(20)	167.1	162.7
- Commission expense	(20)	-46.5	-47.9
Net commission income	(20),(29)	**120.6**	**114.8**
Trading result	(21),(29),(32),(43)	20.1	8.4
Result from hedging relationships	(22),(29),(66)	-22.9	-19.0
Other income	(23),(29)	19.0	25.5
Current income		**646.3**	**565.5**
Personnel expenses	(24),(29)	-140.1	-145.8
Non-personnel expenses	(24),(29)	-99.9	-73.4
Depreciation, amortisation and impairments of intangible and tangible fixed assets	(24),(29),(38),(39)	-22.9	-24.5
Other expenses	(24),(29)	-0.2	-0.6
Expenses from bank levies and deposit protection	(24),(29)	-12.2	-15.2
Current expenses		**-275.3**	**-259.5**
Risk provisioning in the lending business	(8),(25),(29)	-41.0	-44.7
Result from non-trading portfolio	(8),(27),(29)	-1.8	12.3
Result from derecognition of financial instruments AC	(29)	-	-
Result from restructurings	(26),(29)	7.1	3.7
Result before taxes	(29)	**335.4**	**277.2**
Income tax	(28),(29),(55),(56)	-105.0	-79.5
Result after taxes (profit)		**230.4**	**197.7**
Thereof: Result after taxes (profit) attributable to the owners of the parent		230.4	197.7

Basic earnings per share (euros)	(30)	4.66	3.96
Diluted earnings per share (euros)	(30)	4.05	3.46

The above statement of profit and loss should be read in conjunction with the accompanying notes.

Other comprehensive income

EUR m	Notes	01/01-12/31/2023	01/01-12/31/2022
Result after taxes (profit)		**230.4**	**197.7**
Items reclassifiable through profit or loss	(8),(59)		
- Change in debt instruments measured at fair value through other comprehensive income (FVOCI)		-19.1	-44.3
- Valuation changes		-30.4	-53.4
- Gains and losses reclassified to the income statement		2.8	-10.9
- Deferred taxes		8.6	19.9
Items not reclassifiable through profit or loss	(8),(50),(59)		
- Change from remeasurement of defined benefit plans recognised in Other comprehensive income		-11.6	48.5
- Valuation changes		-16.7	70.3
- Deferred taxes		5.2	-21.8
Other comprehensive income	(59)	**-30.6**	**4.2**
Total comprehensive income		**199.8**	**201.9**
Thereof: Total comprehensive income attributable to the owners of the parent		**199.8**	**201.9**

The other comprehensive income items are further explained in note (59).

Balance sheet of the Oldenburgische Landesbank Group for financial year 2023

Assets

EUR m	Notes	12/31/2023	12/31/2022
Cash reserve	(31),(71)	77.7	1,529.8
Trading portfolio assets	(8),(21),(32),(62),(71)	76.1	108.5
Positive fair values of derivative hedging instruments	(9),(33),(62),(66),(71)	35.1	17.9
Receivables from banks	(8),(34),(62),(65),(71)	548.8	775.2
Receivables from customers	(8),(35),(62),(65),(71)	19,724.6	18,008.9
Financial assets of the non-trading portfolio	(8),(36),(71)	4,882.4	3,087.3
Tangible fixed assets	(13),(38)	53.2	60.5
Intangible assets	(14),(39)	32.9	31.0
Other assets	(40),(71)	335.7	357.2
Income tax assets	(11),(41)	0.0	0.0
Deferred tax assets	(11),(42),(54)	110.8	104.7
Non-current assets held for sale		1.2	0.7
Total assets		**25,878.6**	**24,081.6**

Equity & liabilities

EUR m	Notes	12/31/2023	12/31/2022
Trading portfolio liabilities	(8),(43),(62),(71)	93.1	161.2
Negative fair values of derivative hedging instruments	(9),(44),(62),(66),(71)	3.6	9.4
Liabilities to banks	(8),(45),(65),(71)	5,628.7	5,075.3
Liabilities to customers	(8),(46),(65),(71)	16,917.6	16,192.5
Securitised liabilities	(8),(47),(65),(71)	1,196.6	706.9
Subordinated debt	(8),(48),(60),(61),(65),(71)	129.3	161.9
Income tax liabilities	(11),(53)	12.7	44.8
Provisions	(16),(17),(49),(50),(51)	135.2	129.0
Other liabilities	(52)	80.9	83.1
Equity		**1,681.0**	**1,517.4**
Subscribed capital	(57),(60),(61)	99.8	97.4
Capital reserves	(57),(60),(61)	540.0	517.3
Revenue reserves	(57),(60),(61)	980.2	786.1
Additional equity components	(58),(60),(61)	99.2	124.2
Other comprehensive income (OCI)	(59),(60),(61)	-38.2	-7.6
Total equity and liabilities		**25,878.6**	**24,081.6**

The accompanying notes are an integral part of the consolidated financial statements.

Statement of changes in equity of the Oldenburgische Landesbank Group for financial year 2023

EUR m	Subscribed capital	Capital reserves	Revenue reserves	Additional equity components	Cumulative other comprehensive income		Total equity
					Debt instruments with reclassification	Pensions	
Notes	(60)	(60)	(60)	(61)	(10),(62)	(19),(53),(62)	
12/31/2022	**97.4**	**517.3**	**786.1**	**124.2**	**-38.4**	**30.8**	**1,517.4**
Result after taxes (profit)	-	-	230.4	-	-	-	230.4
Other comprehensive income from changes in debt instruments measured at fair value through other comprehensive income (FVOCI)	-	-	-	-	-19.1	-	-19.1
Other comprehensive income from changes in defined benefit plans recognised directly in equity	-	-	-	-	-	-11.6	-11.6
Instrument-based changes in equity	-	-	-	-	-	-	-
Other changes in equity	2.4	22.6	-	-25.0	-	-	-0.0
Total result	**2.4**	**22.6**	**230.4**	**-25.0**	**-19.1**	**-11.6**	**199.8**
Payment on additional equity components	-	-	-6.0	-	-	-	-6.0
Dividend payment	-	-	-30.2	-	-	-	-30.2
12/31/2023	**99.8**	**540.0**	**980.2**	**99.2**	**-57.4**	**19.2**	**1,681.0**

1/1/2022	**90.5**	**517.3**	**635.4**	**124.2**	**6.0**	**-17.8**	**1,355.6**
Result after taxes (profit)	-	-	197.7	-	-	-	197.7
Other comprehensive income from changes in debt instruments measured at fair value through other comprehensive income (FVOCI)	-	-	-	-	-44.3	-	-44.3
Other comprehensive income from changes in defined benefit plans recognised directly in equity	-	-	-	-	-	48.5	48.5
Instrument-based changes in equity	-	-	-	-	-	-	-
Other changes in equity	7.0		0.7	-	-	-	7.6
Total result	**7.0**	**-**	**198.4**	**-**	**-44.3**	**48.5**	**209.5**
Payment on additional equity components	-	-	-7.8	-	-	-	-7.8
Dividend payment	-	-	-40.0	-	-	-	-40.0
12/31/2022	**97.4**	**517.3**	**786.1**	**124.2**	**-38.4**	**30.8**	**1,517.4**

Based on 48,722,326 shares, EUR 1.72 per share was distributed in the 2023 reporting year (2022: EUR 0.82).

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement of the Oldenburgische Landesbank Group for the financial year 2023

EUR m	Notes	01/01-12/31/2023	01/01-12/31/2022
Operating activities			
Result after taxes (profit)		230.4	197.7
Adjustments for			
Depreciation, amortisation and impairments of intangible and tangible fixed assets and impairments / reversals of impairments in the lending business	(25),(38),(39)	66.6	71.7
Change in provisions	(49),(50)	24.6	29.6
Other non-cash expenses/income		-20.5	119.4
Gain/loss on disposal of fixed assets	(38)	3.3	29.2
Subtotal		**304.4**	**447.5**
Change in trading portfolio assets	(32)	-84.2	-10.8
Change in receivables from banks	(34)	288.5	191.0
Change in receivables from customers	(35)	-1,533.9	-1,500.5
Change in financial assets of the non-trading portfolio	(36)	-1,575.2	-921.1
Change in other assets	(40)	-722.7	-194.6
Change in trading portfolio liabilities	(43)	19.7	19.3
Change in liabilities to banks	(45)	412.1	-1,804.7
Change in liabilities to customers	(46)	576.2	2,306.1
Change in securitised liabilities	(47)	467.0	323.8
Change in other liabilities	(52)	383.6	588.2
Net interest income*	(19)	-509.4	-435.8
Income taxes	(28),(41)	105.0	79.5
Interest received	(19)	1,026.5	534.8
Dividend payments received	(19)	0.0	0.1
Interest paid	(19)	-418.2	-90.3
Income tax paid	(41)	-129.6	-87.1
Cash flows from operating activities	**(18)**	**-1,390.2**	**-554.7**

*Including cash payments for the interest portion of lease liabilities

Investing activities			
Proceeds from disposal of financial assets of the non-trading portfolio	(27)	-	0.0
Proceeds from disposal of tangible fixed assets	(23)	6.8	4.7
Payments to acquire financial assets of the non-trading portfolio		-0.0	-
Payments to acquire tangible fixed assets	(38),(39)	-15.2	-12.3
Cash flows from investing activities	**(18)**	**-8.4**	**-7.5**

Financing activities			
Proceeds from capital contributions	(57)	-	6.0
Dividends paid	(57)	-30.2	-40.0
Change in subordinated debt	(49)	-32.0	-4.4
Additional equity components	(58)	-0.0	-
Interest expense for Additional equity components	(58)	6.0	7.8
Change in cash funds from other financing activity**	(57),(68)	2.8	-31.5
Cash flows from financing activities	**(18)**	**-53.5**	**-62.2**

**Including cash payments for the principal portion of lease liabilities

Cash reserve			
Cash reserve as of January 1	(31)	1,529.8	2,154.2
Cashflow from operating activities		-1,390.2	-554.7
Cashflow from investing activities		-8.4	-7.5
Cashflow from financing activities		-53.5	-62.2
Cash reserve as of December 31	(31)	77.7	1,529.8
Change in cash reserve	**(18),(31)**	**-1,452.0**	**-624.5**

The cash flow statement should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements of the Oldenburgische Landesbank Group for financial year 2023

General disclosures

1) Basis of accounting

Pursuant to sec. 2 of its articles of association, the corporate purpose of the company is the operation of banking and financial activities of all kinds as well as such transactions and services conducive to the sale of banking and financial products.

OLB's registered office is situated at Stau 15/17, 26122 Oldenburg, and it is entered in the commercial register held by Oldenburg Local Court under the number HRB 3003. OLB is the parent company of the OLB Group which in addition to the OLB comprises the subsidiaries outlined in notes (5) and (73).

Pursuant to sec. 290 (5) of the German Commercial Code (Handelsgesetzbuch – HGB), OLB is exempt from the obligation to prepare consolidated financial statements pursuant to sec. 340i (1) HGB in conjunction with sec. 290ff. HGB as its subsidiaries are of minor importance (sec. 296 (2) of the German Commercial Code). The background to these financial statements is OLB's planned IPO and the requirements for a stock exchange prospectus, which require financial information in accordance with international accounting standards. Therefore, OLB has prepared consolidated financial statements as of December 31, 2023 in accordance with the requirements of the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as well as reference figures as of December 31, 2022. The financial statements reflect all mandatory IFRS accounting standards and interpretations issued by the International Accounting Standards Board and adopted by the EU. The financial statements comprise the balance sheet, the statement of profit and loss and other comprehensive income, the cash flow statement, the statement of changes in equity and the notes to the consolidated financial statements.

The euro is the reporting and functional currency. Figures are generally shown as millions of euros, rounded to one decimal place. Due to rounding, it is possible in some cases that individual figures do not add up exactly to the totals given. The OLB Group's accounting is based on uniform Group accounting and valuation methods, which are explained further in the following notes. Accounting and valuation are based on the going concern assumption. The reporting year corresponds to the calendar year.

All IFRS standards and interpretations adopted by the EU that were required to be applied as of the reporting date (December 31, 2023) were applied to these consolidated financial statements, where relevant to the OLB Group.

2) New and amended standards for the financial year ending 12/31/2023

Designation	Publication by the IASB	Publication in the EU Official Journal	Temporal scope of application in the EU
IFRS 17: Insurance contracts, including subsequent amendments to IFRS 17: Insurance contracts	05/2017 06/2020	11/2021	01/2023
Amendments to IAS 1: Disclosure of accounting policies	02/2021	03/2022	01/2023
Amendments to IAS 8: Definition of accounting estimates	02/2021	03/2022	01/2023
Amendments to IAS 12: Deferred taxes relating to assets and liabilities arising from a single transaction	05/2021	08/2022	01/2023
Amendments to IFRS 17: First-time adoption of IFRS 17 and IFRS 9 - Comparative information	12/2021	09/2022	01/2023
Amendments to IAS 12: International tax reform - Pillar 2 Model Rules	05/2023	Pending	Open

IFRS 17: Insurance contracts, incl. subsequent amendments to IFRS 17: Insurance contracts

In May 2017, the IASB published IFRS 17: Insurance contracts, a comprehensive new accounting standard that contains principles for recognition, measurement, presentation and disclosure requirements in relation to insurance contracts and was amended in June 2020 to include subsequent changes. IFRS 17 replaces IFRS 4: Insurance contracts, which was published in 2005. IFRS 17 applies to all types of insurance contracts (i.e. life insurance, non-life insurance, direct insurance and reinsurance) and to certain guarantees and financial instruments with discretionary participation features, regardless of the type of entity.

This has no material impact on the IFRS consolidated financial statements.

Amendments to IAS 1: Disclosure of accounting policies

In February 2021, the IASB published the amendments to IAS 1: Disclosure of accounting policies. Accordingly, instead of the “significant” accounting policies, the “material” accounting policies must now be disclosed in the notes. Guidance on the application of the definition of materiality has also been added. The IASB has decided to replace the term “significant”, which is not defined in IFRS, with the defined term “material”. Information on accounting policies cannot be material in itself. When assessing the materiality of information on accounting policies, companies must consider the scope of the transactions, other events and their nature in the current financial statements. The amendments clarify that events or circumstances to which the accounting policy information relates may be material without the accounting policy information itself being material. The same applies vice versa.
This has no material impact on the IFRS consolidated financial statements.

Amendments to IAS 8: Definition of accounting estimates

In February 2021, the IASB published the amendments to IAS 8: Definition of accounting estimates, which introduced a new definition for accounting estimates. The previously undefined term “accounting estimates” was defined in the amended standard IAS 8.5 as “monetary amounts disclosed in financial

statements that are subject to measurement uncertainty". In comparison, (non-accounting-related) estimates generally relate to input factors that are used to develop accounting estimates. The IASB has also clarified that the effects of a change in an input factor or a change in a measurement method on an accounting estimate are changes in accounting estimates, unless they result from the correction of errors from previous periods.
This has no material impact on the IFRS consolidated financial statements.

Amendments to IAS 12: Deferred taxes relating to assets and liabilities arising from a single transaction

In May 2021, the IASB published the amendments to IAS 12: Deferred taxes. The amendments relate to assets and liabilities arising from a single transaction; in particular, they clarify how entities should account for deferred taxes on transactions such as leases and asset retirement obligations. Under certain circumstances, entities are exempt from recognising deferred tax on the initial recognition of assets and liabilities (initial recognition exemption). The amendments stipulate that the exemption does not apply if the transaction leads to deductible and taxable differences in the same amount. In these cases, companies must recognise deferred taxes for such transactions. If the transaction does not result in deductible and taxable temporary differences of the same amount, the exemption from the recognition of deferred tax assets and liabilities remains in place. The amendment is to be applied to transactions that take place on or after the beginning of the earliest comparative period. The cumulative effect of initial application is to be recognised in Retained earnings at this time.
This has no material impact on the IFRS consolidated financial statements.

Amendments to IFRS 17: First-time adoption of IFRS 17 and IFRS 9 - Comparative information

In December 2021, the IASB published the amendments to IFRS 17: First-time Adoption of IFRS 17 and IFRS 9 - Comparative information. With the amendments, the IASB introduces a transitional provision known as a classification overlay for financial assets in the comparative period of initial application of IFRS 17 together with IFRS 9. IFRS 17 requires an adjustment of the comparative figures, while an adjustment of the comparative figures in accordance with IFRS 9 is permitted if and only if this is possible without hindsight. However, an adjustment is prohibited for financial assets that were derecognised before the date of initial application of IFRS 9. Entities that apply the classification overlay to financial assets must present their comparative information as if the classification and measurement requirements of IFRS 9 had already been applied to these financial assets. For this purpose, appropriate and reasonable information available at the date of transition must be used to determine how the entity expects to classify and measure its financial assets on initial application of IFRS 17 together with IFRS 9. When applying this transitional provision, the impairment requirements under IFRS 9 may not be applied for the comparative period. In these cases, the impairment provisions of IAS 39 are to be applied. The classification overlay can be applied by companies that apply IFRS 17 and IFRS 9 simultaneously and adjust the comparative information using IFRS 9.
This has no material impact on the IFRS consolidated financial statements.

Amendments to IAS 12: International tax reform - Pillar 2 model rules

In December 2021, the OECD published model rules for a new global minimum tax aimed at domestic and multinational groups or companies with a total annual turnover of at least EUR 750 million. The directive implementing these rules in the EU was adopted in December 2022. The EU member states had to transpose the directive into national law by the end of 2023. The directive was transposed into national law in Germany by the Minimum Taxation Directive Implementation Act on December 21, 2023 and came into effect on December 28, 2023. The provisions of this legislation are to be applied for financial years beginning after December 30, 2023. The OLB Group, with Oldenburgische Landesbank AG as its ultimate parent company, falls within the scope of the Minimum Tax Act.

Because the legislation was not yet applicable as of the reporting date, there was no actual income tax burden for the Group in the year under review. For the recognition of deferred tax assets and liabilities and certain disclosure requirements in connection with the implementation of the global minimum tax, the OLB Group applies the mandatory exemption provided for in the amendments to IAS 12 published in May 2023.

The focus of our business operations is in Germany. Outside Germany, we operate exclusively through our consolidated special-purpose entities in Luxembourg. For a group of companies with subordinate international activities, Sec. 83 of the German Minimum Tax Act also contains a transitional provision. The OLB Group may apply this transitional provision, and is therefore not subject to minimum tax in Germany for a period of five years. The accrual of minimum tax for our units abroad can be avoided by applying provisions specifically intended for such business units. Based on past experience and the Group's tax rate, the OLB Group assumes that no minimum tax will be payable.

3) Standards applicable in future

Adopted standards and interpretations for financial years beginning after 12/31/2023

Designation	Publication by the IASB	Publication in the EU Official Journal	Temporal scope of application in the EU
Amendments to IFRS 16: Lease liability in a sale and leaseback	09/2022	01/2024	Open
Amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with covenants	01/2020 07/2020 10/2022	01/2024	Q4 2023
Amendments to IAS 7 and IFRS 7: Supplier financing arrangements	05/2023	01/2024	Open
Amendments to IAS 21: Lack of exchangeability	08/2023	01/2025	Open

The amendments to applicable IFRS are not expected to have any significant impact on the IFRS consolidated financial statements.

4) Effects of ESG criteria on the accounting

The effects of climate change and the sustainability factors E (environment), S (social) and G (responsible corporate governance) present both risks and opportunities for OLB. In particular, the consolidated financial statements may be affected through a possible impact on the financial assets held by the Bank due to potential climate-related risks. OLB distinguishes between physical and transitory risks. The Bank understands physical risks as the risk of impairment due to a creditor's solvency or the fair value of collateral being affected due to changing climate, either directly through extreme weather events (e.g. drought and heat waves) or indirectly, e.g. through interruptions of supply chains. Transitory risks are financial losses arising either directly or indirectly from to the process of transition to a lower-carbon and more sustainable economy.

The bank is continuing its project launched in 2023 to integrate ESG risk drivers into risk management. Key milestones are the integration into the Bank's risk framework, the establishment of green house gas accounting and the analysis of future data requirements, particularly with regard to disclosure (pursuant to the Corporate sustainability reporting directive and the Delegated act supplementing art. 8 of the Taxonomy regulation).

Accounting policies

5) Disclosures concerning the basis and methods of consolidation

The following table shows the subsidiaries included in the IFRS consolidated financial statements as of the respective reporting dates:

Entity	12/31/2023	12/31/2022
Weser Funding S.A. Compartment 2		X
Weser Funding S.A. Compartment 3	X	X
Weser Funding S.A. Compartment 4	X	
Weser Funding S.A. Compartment 5	X	
Weser Funding S.A. Compartment 6	X	

Weser Funding S.A. Compartments 2, 3, 4, 5 and 6 are consolidated special purpose entities. The Bank uses these to securitise parts of the loan portfolio so that the securitizations can be used as collateral to raise liquidity from the ECB and other counterparties (see also note (63)).

Please see note (74) for further details concerning the corporate Group.

We eliminate intra-Group receivables and liabilities as well as expense and income resulting from transactions in the respective years between subsidiaries included in the consolidated financial statements within the scope of the consolidation of liabilities, expense and income. Gains or losses arising within the Group from intra-Group transactions are also eliminated.

6) Currency translation

Currency translation has been implemented accordance with IAS 21. All foreign-currency transactions were thus initially measured at the spot rate of that day for the transaction in question. On the following balance sheet date, monetary assets and liabilities denominated in foreign currency and spot transactions not executed as of the balance sheet date will be converted into euro at the balance sheet date's mean spot rates. Currency forwards are valued at current forward rates applicable for the remainder of the period.

As a rule, expenses and income arising from currency translation are included in the relevant items of the statement of profit and loss. No significant net open currency positions existed as of the end of the financial year.

As part of the currency translation of financial instruments not measured at fair value through profit or loss, EUR 29.6 million (2022: EUR 9 million) was recognised in profit or loss. As the functional currency for all Group units corresponds to the presentation currency of this report, there were no effects to be recognised in other comprehensive income.

7) Uncertain estimates and discretionary judgments

In the context of the preparation of the consolidated financial statements, a number of permissible estimates, discretionary judgments and assumptions have been made which have affected the amounts shown in the consolidated financial statements. All of the estimates required for accounting and valuation purposes have been made while taking into account experience and observable factors which are regularly reviewed. These estimates are based on the appropriate exercise of judgment in accordance with the relevant standards. The following estimates, discretionary judgments and assumptions have had the greatest impact on the amounts reported in the consolidated financial statements:

Within the scope of the application of the IFRS 9 impairment rules for financial assets measured at amortised cost or fair value through other comprehensive income and the contingent liabilities and loan commitments falling within the scope of IFRS 9, significant estimates and discretionary judgments have been made in respect of the stage to which the item in question was allocated and the determination of the risk provisioning amount. The determination of the criteria as to when a significant increase in credit risk has occurred constitutes a discretionary judgement. The estimates required for the determination of Stage 1 and Stage 2 risk provision and for the parameter-based calculation of Stage 3 risk provision are subject to significant uncertainty, particularly with regard to the integration of forward-looking, macroeconomic scenarios. The Stage 3 risk provision calculated on the basis of individual transactions includes assumptions and forecasts with regard to the determination of the future recoverable amounts (see note (8)).

The retirement benefit obligations have been measured using the projected unit credit method. In particular, this includes assumptions with regard to the assumed interest rate, the long-term pension trend and average life expectancy (see note (50)).

The recognised restructuring provisions are measured on the basis of qualified estimates and findings as to the likely costs of the specific measures. These estimates and findings are based on the implementation of previous measures.

Experience and forecasts of future events based on the currently available data are also relied upon to establish provisions for contingent liabilities and when assessing and evaluating legal risks resulting from supreme court rulings and current legal proceedings.

Deferred taxes are recognised and measured on the basis of assumptions and estimates when determining the assumed date of payment and cash flows (see note (54)). The assumptions regarding OLB’s future earning power are regularly updated with regard to the assessment of deferred tax receivables and are factored into the valuation.

Of particular importance for the annual financial statements for the 2023 fiscal year were the estimates and assumptions regarding the risk provisions on the Bank's net assets, financial position and results of operations. In assessing the necessary general loan loss allowances (Level 1 and Level 2), OLB based its future development assumptions of the macroeconomic environment on three scenarios that were weighted with probabilities of occurrence with regard to their effects. In the previous year, the Bank had made a post-model adjustment (PMA) of risk provisions in the amount of EUR 15.9 million due to the expected effects of the massive increase in energy prices, consumer prices and the general rise in interest rates, in which the individual effects on individual economic sectors were analyzed and transformed into estimated changes in the probabilities of default. The PMA was reviewed on a regular basis in December 2023. The Bank found that, despite an extension of the models for the development of risk provisioning to include, for example, effects from the development of fossil fuel prices, significant risks from the current economic situation were still not adequately reflected in the parameters used. This applied to the effects of increases in consumer prices, the interest and price-related slump in the construction industry and the decline in real estate values expected by the bank. The situation in the production areas within German industry with high electricity demand was also still considered to be tense and was not included in the parameterisation of the risk models used. The industry heat map method developed for estimating and taking into account these risks, which are not sufficiently considered in the models underlying the risk provisioning, was still considered suitable. The classification of industries into risk classes was reviewed and adjusted for individual industries. Due to the changes in the basis for deriving the model adjustments, the existing PMA was reversed in full and replaced by an updated PMA in the amount of EUR 16.0 million.

Management judgement was also applied to the accrual of the negative interest expense of the longer-term refinancing operations (TLTRO) taken up with the ECB (see note (8)).

At the Bank's discretion, the ECB measures are not considered to be an application of IAS 20 ("Government Grants"), but are accounted for in accordance with IFRS 9 ("Financial Instruments"). As an intermediary, the Bank issues loans at the market interest rate incl. margin and refinances itself analogously. The ECB's measures are thus seen as determining the market interest rate level and not as a government grant to OLB.

8) Financial instruments

Recognition of financial assets and financial liabilities

According to IFRS 9, all financial assets and liabilities (including derivative financial instruments) must be reported in the balance sheet. A financial instrument is any contract that gives rise to a financial asset for one entity (recognised on the assets side of the balance sheet) and a financial liability or equity instrument for another entity (recognised on the equity and liabilities side of the balance sheet). Financial instruments thus arise through contractual agreements.

Derivatives are acquired and disposed of as of the trade date. Non-derivative financial assets (including regular spot purchases or sales) and non-derivative financial liabilities are recognised and derecognised at OLB as of the settlement date (settlement date accounting).

Financial assets – classification and measurement

Classification of financial assets

IFRS 9 distinguishes between the following measurement categories: Amortised cost (AC), fair value through Other comprehensive income (FVOCI) and Fair value through Profit and loss (FVPL). Assets are allocated based on a classification decision by OLB to the measurement categories: On the one hand, on the basis of the Bank's business model for the management of the (respective) financial assets and, on the other, according to the nature of the contractually agreed cash flows.

All financial assets covered by the "hold to collect (HTC)" business model and whose contractual cash flows solely constitute non-leveraged interest and principal payments (*solely payments of principal and interest, SPPI criterion*) are allocated by OLB to the AC measurement category. If the portfolio which contains the financial asset does not have any clear intention to hold the asset in question and is prepared in principle to sell it, this financial asset is allocated to the FVOCI measurement category ("hold to collect and sell" (HTCS) business model). Financial assets which cannot be allocated to either the "hold to collect" business model or the "hold to collect and sell" business model and/or which do not fulfil the SPPI criterion are allocated by OLB to the FVPL measurement category. OLB makes no use of the fair value option for financial assets which may be allocated to the FVPL measurement category subject to the fulfilment of certain preconditions. Free-standing derivatives do not fulfil the SPPI criterion and are therefore classified as FVPL. Nor do equity instruments fulfil the SPPI criterion, since the investor does not have any entitlement to payments of interest and principal. They are therefore likewise measured by OLB at fair value through profit or loss. OLB has not exercised the option to allocate equity instruments not held for trading purposes to the FVOCI measurement category (FVOCI option).

For details on the allocation of financial assets to the measurement categories, please refer to note (71).

Definition of business models according to IFRS 9

The management of OLB defines the business model – which is based on the management of a group of financial assets – in order to achieve the Bank's business objectives and to generate cash flows.

The OLB uses the “hold to collect” and “hold to collect and sell” business models. Receivables from banks and receivables from customers – including the promissory notes reported in this item – are exclusively allocated to the “hold to collect” business model. In principle, financial assets of the non-trading portfolio are considered as falling within the “hold to collect and sell” business model. Investment securities and shares in affiliated companies which, by nature, are allocable to the “hold to collect ” business model are an exception.

For financial assets allocated to a portfolio with the “hold to collect ” business model, OLB aims to collect their contractually agreed cash flows. However, subject to certain conditions the sale of an asset prior to the maturity date will not automatically conflict with the basic intention to hold it.

In addition to repayments and redemptions, financial assets that are allocated to a portfolio with the business model "hold to collect" can in principle also be sold without this contradicting the business model. Since sales will in principle only arise in individual cases, the Bank has opted not to prescribe specific threshold values and will assess the potential impacts on its business model on a case-by-case basis.

In the “hold to collect and sell” business model, OLB has the intention to collect the contractually agreed cash flows. Opportunistic sales out of the portfolios in question are likewise permitted. However, there is no initial intention to sell, unlike in the case of trading portfolios.

Analysis of the contractually agreed cash flows

As well as the relevant business model, the classification of financial assets also depends on the nature of the cash flows. When a financial asset is recognised for the first time, the contractual cash flows are analysed with regard to the SPPI criterion. The SPPI criterion defines interest as payments that are consistent with a basic lending arrangement. The contractual cash flows are evaluated, whether they essentially constitute compensation for the fair value of the money and the assumed credit risk of the counterparty. These payments may also include a settlement for the assumption of liquidity risks and a profit margin. Leverage which interferes with this compensation status will result in the non-fulfilment of the SPPI criterion. With regard to the nature of payments of principal, the bank considers whether repayments made while taking account of rights of termination may result in a deviation from the carrying amount recognised as of the date of repayment. In this case, such payments would be regarded as detrimental to the applicability of the SPPI criterion.

Non-recourse financing arrangements are characterised by their limited rights of recourse. This limitation means that a financing arrangement is higher-risk, and financing arrangements may constitute equity. By way of differentiation, OLB has developed an accounting policy which classifies non-recourse financing arrangements on the basis of defined risk characteristics (such as rating grades, loan to value).

Financial instruments with embedded derivatives (including termination rights, interest rate options) are assessed in their entirety to determine whether they meet the SPPI criterion.

Reclassifications

In principle, following their initial recognition financial assets will continue to be ascribed to the business model to which they were allocated as of their addition. Reclassifications will only be made in exceptional cases, where this is consistent with the actual management of OLB and further conditions are met. In the event of an exceptional reclassification, this will be separately indicated. No reclassification occurred in the relevant period.

Initial measurement of financial assets

Trading portfolio assets are recognised at their fair value as of the trade date. Transaction costs are recognised through profit or loss.

Receivables from banks, receivables from customers and financial assets of the non-trading portfolio are recognised at fair value, which is generally the transaction price (amount paid out). The directly allocable transaction costs are accrued for the AC measurement category and likewise in the case of the FVOCI measurement category. The transaction costs for FVPL financial assets of the non-trading portfolio are recognised through profit or loss.

Subsequent measurement of financial assets

Financial instruments of the measurement category FVPL are measured at their fair values. In principle, these are calculated on the basis of stock exchange prices. In those cases where no stock exchange quotations are available, the market prices of comparable instruments or recognised valuation models (in particular, present value methods or option pricing models) will be used in order to determine the fair value.

Financial instruments of the measurement category AC (in particular receivables from banks and receivables from customers) will be measured at amortised cost. Risk provisioning and impairment will be deducted from the gross carrying amount. Any difference between the amount paid out and the nominal amount as well as loan processing fees will – where equivalent to interest – be allocated to profit or loss in accordance with the effective interest rate and will be recognised in the interest income resulting from the application of the effective interest method. In the case of the disposal of financial instruments in the AC measurment category, the result is recognised in the item Result from the disposal of AC valued financial instruments.

Financial instruments of the measurement category FVOCI (parts of financial investments) are measured at fair value. With the exception of risk provisioning and impairment as well as currency translation, changes in value will be recognised in Other comprehensive income (OCI) while taking into account deferred taxes. As these are exclusively debt instruments, the accumulated net measurement gain recognised in Other comprehensive income will be reclassified to profit or loss upon disposal.

If the contractual rights to the cash flows from financial assets expire or have expired (e.g. through redemption or disposal), they are derecognised.

Risk provisioning and impairment of financial instruments

OLB uses an expected credit loss model to recognise impairment of financial assets in the AC and FVOCI categories and of loan commitments and financial guarantees. Expected losses are already recognised in the balance sheet as of the date of addition.

Risk provisioning is based on the three-stage model of IFRS 9. As of the date of initial recognition, an asset will be allocated to Stage 1 and risk provisions will be recognised in the amount of the 12-month expected credit loss. OLB uses the parameters PD, LGD and EAD, as well as the CCF for off-balance sheet transactions. The EAD is determined based on the contractual or expected cash flows.

In the event of a significant increase in credit risk as of the following balance sheet date, OLB allocates the financial instrument to Stage 2 and establishes risk provisions in the amount of the lifetime expected loss. Here, too, the calculation is based on the parameters lifetime PD, lifetime LGD and the EAD and, if applicable, CCF determined on the basis of the contractual or expected cash flows. According to OLB's rules, a Stage 2 allocation will be made, if the following criteria are met:

- Rating-related criteria: The threshold for determining a significant deterioration in credit quality is established on the basis of a quantile analysis depending on the rating at the time of addition. This analysis may result in rating changes depending on the initial credit rating, age of the financial instrument and portfolio from which a significant deterioration in credit quality exists.
- Process-related criteria: Features established in OLB's credit risk management process are used as qualitative criteria of a significant deterioration in credit quality. These include the escalation levels of the early risk detection system, according to which a financial instrument is assigned to Stage 2 as soon as it is being restructured. This criterion ensures that a financial instrument is assigned to Stage 2 after a forbearance measure has been applied.
- Delay in payment of more than 30 days

If a financial instrument is credit-impaired at the balance sheet date, it is assigned to Stage 3. A credit-impairment exists where it is probable, on the basis of current information or events, that the customer will not fulfil its contractual interest or principal obligations as of the due date. In particular, this will apply if the following criteria are met:

- opening of insolvency proceedings of the debtor or issuer or a high probability of insolvency or comparable reorganisation proceedings,
- significant financial difficulties of the debtor or issuer; or
- concessions made to the debtor in connection with the debtor's financial difficulties that result in a significant reduction in the debtor's financial obligations. A reduction in the financial obligations is

deemed to be significant if the present value of the financial obligations is significantly reduced as a result of the concessions granted.

In addition, an allocation to Stage 3 is made if there is a payment delay of more than 90 days. The risk provision is still calculated as lifetime expected loss, but with a default probability of 100%.

OLB calculates risk provisions for the homogeneous, small-scale lending business in Stage 3 on the basis of parameters such as lifetime PD, lifetime LGD, EAD and CCF. For the inhomogeneous credit portfolio of Stage 3, the risk provision is determined as an undistorted and probability-weighted amount on the basis of the estimate of the discounted cash flows still to be expected for the assets concerned. The expected cash flows from realisation of collateral are also taken into account. In this context, supplementary methods are used to determine the expected cash flows from the realisation of collateral, particularly in the case of acquisition financing, in order to determine potential cash flows from the sale of the borrower's shares pledged as part of the financing. These are standard market procedures for determining company values using EBITDA multiples and on the basis of discounted cash flow (DCF) valuations in various scenarios.

The historical default information forms the basis for determining the risk parameters. These are adjusted taking into account the current economic environment as well as macroeconomic forecasts of the overall economic development. For this purpose, the bank determines scenarios for further economic development and derives the effects on the risk parameters using statistical models.

Post Model Adjustment (PMA): The required consideration of macroeconomic factors for which no historical scenarios are available is by means of a post model adjustment allocated to the individual exposures and thus distributed across the levels. As part of a "heat map", relevant sectors affected by the current multi-crisis situation were identified and clustered according to their impact. Based on this heat map, the Bank modeled sector-specific PD shifts in order to estimate the PMA. Stage changes are not explicitly modeled. A post-model adjustment is generally reversed as soon as the measurement of risk provisioning for the relevant credit risks can again be modelled with sufficient reliability using macroeconomic parameters. In particular, a reversal occurs if the reasons for the inclusion of the general PMA no longer apply (e.g. due to an improvement in economic conditions or consideration of specific risk provision items).

An allocation from Stage 2 to Stage 1 or from Stage 3 to Stage 2 or Stage 1 takes place if the criteria that led the stage transfer no longer exist on the respective balance sheet date.

At Stage 1 and Stage 2, interest is recognised on the basis of the gross carrying amount, i.e. through application of the effective interest rate to the carrying amount prior to deduction of risk provisions. At Stage 3, interest is recognised on the basis of the net carrying amount, i.e. the carrying amount after deduction of the risk provisions.

The derecognition of financial instruments assigned to Stage 3, e.g. in the case of debt waivers, is always carried out by using up the risk provision. If there is no sufficient risk provision, a write-off is made directly in profit or loss. Recoveries on loans written off are also recognised in the item Risk provisioning in the lending business.

No separate risk provisions will be established for financial instruments in the FVPL measurement category, since this already occurs within the scope of the fair value measurement through profit or loss.

No risk provisions will be established in the balance sheet for assets in the AC and FVOCI measurement categories which were already impaired as of the date of their addition (i.e. on acquisition or in the case of substantial modifications on delivery). to the balance sheet (purchased or originated credit-impaired financial assets, POCI). Any change in the lifetime expected loss will be taken into account on subsequent balance sheet dates by means of the risk provisioning result. For POCI, interest will be recognised on the basis of the net carrying amount with the initial effective interest rate.

Changes in contractual cash flows – modifications

Changes in contractual cash flows or other changes to significant contractual components occurring during the life of a financial asset are referred to as modifications. If a financial instrument is derecognised as a result of a modification and subsequently recognised as a new financial instrument at fair value, this will entail a substantial modification. Any resulting modification result is recognised in the income statement. In the reporting period, there were no significant results from substantial modifications. On the other hand, a non-substantial modification will apply where the gross carrying amount must be recalculated on the basis of the changed cash flow and a modification result recognised. The result from a non-substantive modification is the difference between the gross carrying amount immediately prior to the modification and the recalculated gross carrying amount. The modification result will be recognised in Risk provision on the statement of profit and loss.

Financial liabilities – classification and measurement

As a rule, financial liabilities must be assigned to the AC category. Financial liabilities held for trading purposes are an exception. These will be allocated to the FVPL category. At OLB, they consist of derivatives exclusively.

OLB is not currently making any use of the fair value option which may be applied in order to eliminate or reduce an accounting mismatch or in order to avoid a separation of embedded derivatives whose separation would otherwise be required.

These liabilities are initially measured at fair value. In the case of financial liabilities in the AC measurement category, directly allocable transaction costs must be taken into consideration in addition. In the FVPL measurement category, they are directly recognised through profit or loss. Within the scope of their subsequent measurement, financial liabilities in the AC measurement category are measured at amortised cost. Any premium or discount will be allocated to profit or loss pro rata temporis in accordance with the effective interest method.

The longer-term refinancing transactions taken out with the ECB from the TLTRO programmes (nominal holdings in 2023: EUR 1,300 million, 2022: EUR 1,990 million) are recognised exclusively in accordance with IFRS 9 at their acquisition cost using the effective interest method. The interest rate on TLTRO deposits depended on the growth in lending volume granted by the Bank and was therefore specific to OLB. With the respective fulfillment of the minimum volume in credit growth, this led to a higher interest rate. The TLTROs are treated here as variable-rate financial liabilities for which the fulfilment of the conditions for loan volume growth is recognised as a change in the effective interest rate as part of the periodic reestimation of the cash flows. In this regard, we also refer to note (7).

Financial liabilities in the FVPL measurement category are measured at fair value through profit or loss.

OLB accordingly applies the following IFRS 9 measurement categories for financial liabilities:

- Amortised cost (AC)
- Fair value through profit or loss (FVPL)

Financial liabilities (or parts thereof) are derecognised when they have been redeemed or repurchased.

Repo transactions and reverse repo transactions

In the case of a repo transaction, the Group sells securities while simultaneously agreeing to repurchase these securities on a certain date for an agreed price. The Group will retain the risks and opportunities associated with these securities in respect of a change in interest rates and counterparty default throughout the term of these transactions. These securities will thus continue to be reported in the Group's balance sheet as trading portfolio assets or financial assets of the non-trading portfolio. The proceeds of their legal sale are included in the balance sheet item Liabilities to banks/liabilities to customers and reported as a liability resulting from repo transactions.

In the case of a reverse repo transaction, the Group purchases securities while simultaneously agreeing to return these securities on a certain date for an agreed price. The counterparty will retain the risks and opportunities associated with these securities in respect of a change in interest rates and counterparty default throughout the term of these transactions. These securities will thus not be reported in the Group's balance sheet as trading portfolio assets or financial assets of the non-trading portfolio. The proceeds of their legal purchase are included in the balance sheet item Receivables from banks/receivables from customers and reported as a receivable from reverse repurchase transactions.

The interest expenses for repo transactions and the interest income from reverse repo transactions are recognised on an accrual basis and reported in Net interest income.

Offsetting in the balance sheet

Financial assets and liabilities will be netted in the balance sheet if there is an unconditional enforceable right in relation to the counterparty (both in the normal course of business and on the occurrence of a credit event) to offset the respective amounts and the transactions are fulfilled on a net basis (actual shortening of the payment channel) or if the liability is settled at the same time as the asset's realisation. At OLB, derivatives business cleared through the central counterparty (CCP) EUREX is the main scenario for balance-sheet offsetting. Positive and negative fair values of derivatives held on the reporting date vis-à-vis EUREX and the related cash collateral balance will be offset and reported in the balance sheet as a single net receivable or as a single net liability.

9) Fair value hedge accounting

OLB applies portfolio fair value hedge accounting according to the IAS 39 rules which continue to apply for this type of hedge. Here, maturity ranges are established at the level of the underlying transaction and allocated to the interest rate swaps. IAS 39 portfolio fair value hedge accounting is currently only used at OLB for interest rate swaps which hedge underlying lending business and do not already have a 1:1 relationship with a specific underlying transaction. The underlying transactions used for portfolio fair value hedge accounting are loans and advances to customers measured at AC (amortising long-term loan transactions). OLB also uses interest rate swaps which are designated and recognised as IFRS 9 micro fair value hedges (these are on the one hand interest rate swaps with reference to financial assets valued at FVOCI and on the other hand interest rate swaps with reference to AC valued liabilities.)

For portfolio fair value hedge accounting the hedged risk is always the interest rate risk – in terms of the EUR swap curve – and interest rate swaps alone are used as hedging instruments.

With regard to the income statement presentation, for both portfolio hedges and micro hedges the measurement of the underlying transactions in relation to the hedged risk (EUR swap curve) and the measurement of the hedging instruments (EUR interest rate swaps) are shown in the result from hedging relationships. Offsetting valuation changes net one another out here; any ineffective hedges will mean that a net measurement gain or net measurement loss will arise in the result from hedging relationships. Ineffective hedges must always be expected to a certain degree. On the one hand, the multi-curve measurement of the interest rate swaps means that the measurement results are sensitive to interest rate tenor spreads – which is not true of the underlying transactions, which always have fixed interest rates. On the other hand, the transaction volumes on the two sides of a hedging relationship may, over time, move apart from one another through the loss of underlying transactions. In the event of significant volume decreases at the level of the underlying transaction, OLB will re-designate the affected hedging relationships and re-establish volume parity. Ineffectiveness other than that expected did not occur in the reporting period.

The fair values of hedging derivatives used for the purpose of micro or portfolio hedge accounting are shown in the positive/negative fair values of hedging derivatives items. The valuation change for the underlying transactions in question which is attributable to the hedged risk (EUR swap curve) will be shown under the underlying transaction in the balance sheet, i.e. the valuation adjustment is presented in the same item as the hedged underlying transaction (e.g. receivables from customers, if lending business is subject to interest rate hedging).

This also applies for the underlying transactions in portfolio fair value accounting (i.e. the Bank will not make use of the simplification permitted for this type of hedge where the valuation adjustments for the underlying transactions are reported in a separate balance sheet item, separately from the underlying transaction).

OLB utilises regression analysis (for IFRS 9 micro fair value hedges) and the dollar offset method (for IAS 39 portfolio fair value hedges) as methods to assess hedging effectiveness.

The actual value adjustments between the underlying and hedging transactions for the portfolio hedge and for all micro hedges are recognised in the income statement under Net income from hedge relationships.

10) Result from restructuring

Restructuring expenses are recognised as of the Bank approving a detailed restructuring plan for specific programs and commencing the implementation of this plan or as of the Bank announcing the core aspects of this plan to the concerned parties. The recognised expenses are measured on the basis of qualified estimates as to the likely costs of the specific measures.

Future obligations which exceed a one-year horizon are discounted to the underlying present value. The Bank regularly reviews whether its estimates are still appropriate and adjusts them where necessary. Restructuring costs for which it is not possible to establish provisions are recognised in the period in which they are incurred.

Restructuring expenses relate to discontinued activities or business segments which are clearly defined so that they cannot be associated with the Bank's future going concern activities.

11) Income taxes

Income taxes levied on profits on the basis of applicable tax legislation are recognised as expense on an accrual basis. Deferred income taxes are recognised in full by means of the balance-sheet oriented approach for temporary differences between the amounts recognised for assets and liabilities for tax purposes and their carrying amounts in the financial statements, irrespective of the date of their reversal. Deferred taxes are measured at the tax rates which have already been adopted or announced by law and which are expected to apply as of the date on which these deferred taxes are reversed. Income tax assets or income tax liabilities will be recognised for additional tax payments or for any reimbursements which are due. Deferred tax assets will be recognised in the amount in which it is probable that future taxable profits will be available against which the temporary differences can be utilised.

12) Disclosures on segment reporting

In accordance with IFRS 8, internal financial reporting – as a decision-oriented tool produced on a monthly basis to assist with corporate management and control and to reflect risks and opportunities – forms the basis for segment reporting.

For management purposes, the Bank divides up its business activities by business segments, in terms of its target customers, products and services as well as from a procedural and settlement point of view.

Retail banking and business with retail customers and with regional small and medium-sized enterprises (SMEs) are the first central pillar of OLB's business operations as part of the Bank's Private & Business Customers strategic business segment. OLB offers these clients competent advisory and support services based on direct, trustworthy, in-person contact via its centrally managed network of branches and its Advisory Centre Oldenburg (CDS). At the same time, customers can also use online and mobile banking to directly access up-to-date services and products that meet their needs. OLB thus combines a branch presence in its Weser-Ems core business area with the offering of a digital bank active throughout Germany, together with distribution partners and brokerage business. The Bank's offering concentrates on current accounts and credit cards, online banking and mobile banking (via its OLB banking app), instalment loans, private construction financing and private investments. In addition, the Bank offers insurance brokering and assistance with private real estate purchases and sales. The Bank operates under the Bankhaus Neelmeyer brand in the area of Private Banking & Wealth Management.

The second pillar of the Bank's business model is the larger-volume corporate business segment including Football Finance as well as Acquisition Finance including Fund Finance, International Diversified Lending and Commercial Real Estate Finance. The Bank's offering in these subsegments is characterised by an individually tailored profile, larger individual transactions and the commitment of an increased volume of resources to advisory processes and servicing. However, on the other hand this enables higher margins. This business segment is supplemented by Wind Power Finance. Since the start of the financial year 2023, the Bank's activities which fall under the scope of its manufactory business have been combined in its "Corporates & Diversified Lending" strategic business segment.

On the one hand, personnel and non-personnel expenses resulting from central operational, management and administrative functions are presented as part of OLB's Corporate Centre. Back office and settlement services are provided centrally for the strategic business segments in the operating units. The management and administrative units are responsible for steering the Bank. The costs incurred by central units for the performance of services within the scope of business operations are apportioned to the strategic business segments on the basis of the source of these costs. In addi- tion, any items which do not belong elsewhere – in particular, those arising from the Bank's asset/liability management, earnings from affiliated companies, investment securities and reconciling items – are also presented within the scope of OLB's Corporate Centre. The Corporate Centre is not a business segment.

OLB primarily assesses the financial success of its segments for which reporting is required and of its other units on the basis of its operating result before risk provisions. Its operating result before risk provisions is the balance of income and expenses from core business operations which can be allocated to the segment or unit in question. The result after taxes is another key indicator.

Net interest income is divided up into its profit components on the basis of the market interest rate method and allocated to the segments on the basis of its source.

Administrative expenses comprise direct costs allocated to the segments as well as the costs of central units which arise through the performance of services within the scope of business operations.

Risk capital is assigned on the basis of the allocation of risk-weighted assets to the segments. Market price risk, operational risks and currently free capital shares are allocated to the Corporate Centre unit.

13) Tangible fixed assets

Land and buildings and operating and business equipment are reported at amortised cost. Subsequent costs will be capitalised if they increase the economic benefit of the relevant assets. Repairs, servicing and other maintenance costs will be registered as expense in the period in question. Tangible fixed assets are depreciated on a straight-line basis over the following periods, in line with their expected economic lives:

- Buildings — 25 to 50 years
- Operating and business equipment — 3 to 13 years
- Right-of-use assets — 1 to 15 years

The depreciation expense is reported under Depreciation, amortisation and impairments of intangible and tangible fixed assets. Gains or losses resulting from the sale of tangible fixed assets or owner-occupied land and buildings are reported under other income or other expenses.

14) Intangible assets

Intangible assets are reported at cost upon initial recognition. They are subsequently measured at amortised cost, i.e. less any accumulated amortisation over the expected useful life as well as write-offs. OLB reports acquired software and an acquired domain under this item.

In principle, host applications are amortised on a straight-line basis over a period of seven years and client-server applications on a straight-line basis over a period of five years. The amortisation period of the rights of use (software) is between 3 and 5 years. The amortisation expense is reported under Depreciation, amortisation and impairments of intangible and tangible fixed assets.

The costs for servicing of software programs are recognised through profit or loss upon accrual.

15) Leasing

The OLB Group has various leasing arrangements under which the OLB Group is the lessee. Pursuant to IFRS 16, a right-of-use asset for the leased asset and a corresponding leasing liability must be recognised for these leases. These right-of-use assets are reported – under the cost model - as tangible fixed assets as part of the fixed assets and as intangible assets (see notes (38) and (39)) and are depreciated on a straight-line basis over the useful life of the lease. The depreciation amounts are reported in Depreciation, amortisation and impairments of intangible and tangible fixed assets. The leasing liabilities are carried in the amount of the present value of the future lease payments discounted at OLB's marginal borrowing rate (i.e. the refinancing rate used in internal management) and reported in the other liabilities item (see note (52)). The leasing liability is subsequently measured using the effective interest method.

The OLB Group does not use its option of excluding short-term leases with terms of less than 1 year and leases with a low value from this accounting treatment.

16) Provisions

Provisions are established according to IAS 37 where the Group has existing legal or constructive obligations resulting from past transactions or events. For these provisions, it is probable that an outflow of resources with an economic benefit is necessary in order to fulfil this obligation and that a reliable estimate can be made of the amount of this obligation. Provisions are subject to an annual review and are newly determined.

17) Retirement benefit obligations

Most of OLB’s employees are enrolled in a company pension scheme. When the benefits fall due, they are paid out in the form of an old-age pension, a survivors’ pension, a work incapacity pension or, where applicable, a capital payment.

Pension plans are generally funded through payments made by OLB. There are also arrangements for employees to make their own contributions.

For the actuarial calculation of the present value of pension entitlements earned, net pension expense and, where applicable, additional expenses due to changes to defined benefit pension plans, independent qualified actuaries calculate the pension obligations annually according to the projected unit credit method. This entails an accrued benefit method pro-rated on service.

The pension obligation is reported at the present value of the pension entitlements earned as of the measurement date. An interest rate corresponding to current market conditions (for high-grade fixed-interest industrial bonds with matching maturities) is applied and assumed wage and salary increases, pension trends and expected income from the plan assets are taken into consideration. Actuarial gains and losses – resulting from experience adjustments, adjustments to actuarial assumptions and plan changes – are recognised in cumulative other comprehensive income. Pension expense is recognised in “current expenses” as post-employment benefit costs.

A portion of the company pension scheme for employees comprises benefit entitlements due to indirect benefit obligations. To fund these entitlements, defined contributions are made – with the participation of the employees – to external pension funds, including Versicherungsverein des Bankgewerbes a.G., Berlin. The contributions made to these external pension funds are recognised as current expenses and reported in the “Current expenses” item as post-employment benefit costs.

18) Additional disclosure to the cash flow statement

The cash flow statement presents the change in the OLB Group’s cash and cash equivalents due to cash flows from operating activities, investing activities and financing activities. Cash flows from operating activities are derived from the Group’s net profit for the financial year by means of the indirect method. Cash flows from investing activities which are presented according to the direct method mainly comprise proceeds from the disposal of, and payments to acquire, financial assets of the non-trading portfolio and tangible fixed assets. Financing activities – which are likewise presented according to the direct method – reflect all of the cash flows resulting from transactions involving equity as well as subordinated capital and profit participation capital. All other cash flows are allocated to operating activities, in line with international practice for banks. Cash and cash equivalents comprise cash in hand and balances with central banks.

Notes to the statement of profit and loss and segment reporting

19) Net interest income

Interest income and interest expense are recognised on an accrual basis. Interest income resulting from application of the effective interest method comprises:

- calculated positive interest income from receivables and securities;
- amortised loan processing fees which form part of the effective interest rate; and
- premiums and discounts for financial assets in the AC and FVOCI measurement categories.

Interest income also includes current income, such as dividends from shares, dividends from shares in affiliated companies and investment securities. Dividends are recognised in profit or loss as of the date of the dividend entitlement arising with legal effect.

Negative interest from receivables and securities, positive and negative interest from derivatives, current income from affiliated companies, income from profit pooling, profit transfer or partial transfer agreements are shown under other interest income.

Interest income and expenses from repo and reverse repo transactions are likewise recognised on an accrual basis and reported in net interest income.

EUR m	01/01-12/31/2023	01/01-12/31/2022
Interest income accounted for using the effective interest method	**879.4**	**558.5**
Interest income from lending transactions accounted for using the effective interest method	823.8	518.6
Interest income from securities business accounted for using the effective interest method	55.5	39.9
Interest income not accounted for using the effective interest method	**105.5**	**-53.4**
Negative interest from financial assets	-1.3	-24.1
Current income from shares and other non-fixed income securities	0.0	0.0
Current income from investment securities and non-consolidated affiliated companies	0.0	0.0
Other interest income	106.7	-29.4
Total interest income	**984.9**	**505.1**
Interest expenses from liabilities to banks	-116.0	-19.1
Interest expenses from liabilities to customers	-224.1	-44.2
Interest expenses from securitised liabilities	-33.7	-3.8
Interest expenses from subordinated debt	-5.4	-6.6
Other interest expenses	-96.5	-28.3
Positive interest from financial liabilities	0.2	32.8
Total interest expenses	**-475.4**	**-69.3**
Net interest income	**509.4**	**435.8**

20) Net commission income

Income and expenses from the utilisation of services are recognised in this item. OLB applies IFRS 15 which establishes a five-step model governing revenue recognition. The five-step model requires the bank to (i) identify the contract with the customer, (ii) identify each of the separate performance obligations included in the contract, (iii) determine the amount of consideration in the contract, (iv) allocate the consideration to each of the identified separate performance obligations and (v) recognise revenue as each performance obligation is satisfied. One-off fees received which do not form part of the effective interest rate are recognised in commission income as of the date of fulfilment of the separate performance obligation. Income for services provided over a period of time is recognised on the balance sheet date according to the degree of fulfilment. For further details regarding the nature of the services provided we refer to note (12). The breakdown of commissions by type of services based on IFRS 15 is as follows:

EUR m	01/01-12/31/2023	01/01-12/31/2022
Account fees et al.	**29.0**	**27.5**
Income	37.2	36.0
Expense	-8.2	-8.5
Securities business and asset management	**35.5**	**36.7**
Income	67.0	68.8
Expense	-31.5	-32.1
Private real estate, house-saving and insurance business	**9.7**	**12.9**
Income	11.2	15.0
Expense	-1.6	-2.2
Loan business fees	**43.9**	**34.5**
Income	48.5	39.2
Expense	-4.6	-4.7
Others	**2.6**	**3.2**
Income	3.2	3.8
Expense	-0.6	-0.5
Total net commission income	**120.6**	**114.8**
Income	167.1	162.7
Expense	-46.5	-47.9

21) Trading result

The trading result comprises all realised and unrealised gains and losses from OLB's trading portfolio assets and liabilities. The trading result also includes commissions and any interest income and expenses resulting from trading activities.

Trade-related commissions comprise the Bank's stock market settlement expenses and margins earned in foreign exchange and precious metals business.

EUR m	01/01-12/31/2023	01/01-12/31/2022
Trading in interest rate products	10.2	-1.2
Foreign exchange and precious metal business	10.0	9.6
Others	-0.0	-0.0
Current trading result	**20.1**	**8.4**

22) Result from hedging relationships

The changes in value for the underlying transactions in relation to the hedged risk (EUR swap curve) and the changes in value for the hedging instruments (EUR interest rate swaps) are shown in the result from hedging relationships. This item includes the changes in value for the micro fair value hedges and likewise the portfolio fair value hedge. The effects of the amortisation of carrying amount adjustments made for previous underlying transactions are not reported here. Instead, they are reported in Net interest income. This also applies for ongoing interest payments for underlying transactions and hedging transactions.

EUR m	01/01-12/31/2023	01/01-12/31/2022
Result from micro hedges	-6.6	-14.5
Result from portfolio hedges	-16.2	-4.5
Result from hedging relationships	**-22.9**	**-19.0**

Within the scope of the establishment of micro hedges shown in the balance sheet according to the fair value hedge accounting rules, interest rate swaps used for management of the interest exposure book were subject to fair value changes in the amount of EUR -118.5 million (2022: EUR 247.7 million). Overall, fair value changes in the amount of EUR 111.9 million (2022: EUR -262.2 million) arose for corresponding receivables from and liabilities to customers and for financial assets of the non-trading portfolio.

Within the scope of the establishment of the portfolio hedging relationship shown in the balance sheet according to the fair value hedge accounting rules, interest rate swaps used for management of the interest exposure book were subject to fair value changes in the amount of EUR -172.4 million (2022: EUR 435.5 million). Overall, fair value changes in the amount of EUR 156.2 million (2022: EUR -440.0 million) arose for corresponding receivables from and liabilities to customers and for financial assets of the non-trading portfolio.

The net effect (hedge ineffectiveness) of the micro hedges and the portfolio hedge, at a total amount of EUR 22.8 million (2022: EUR 19.0 million) is the net result on hedge accounting.

23) Other income

The main driver of the increase in earnings was payments of EUR 10.0 million from an external contractual partner of OLB, which the Bank received as compensation for progress in implementing the outsourcing of business processes that fell short of expectations. The other income from 2023 includes income of EUR 6.8 million from the sale of owner-occupied land and buildings (previous years: EUR 3.8 million).

24) Current expenses

EUR m	01/01-12/31/2023	01/01-12/31/2022
Wages and salaries	-115.2	-117.8
Social contributions	-16.6	-17.3
Expenses from retirement benefits and support	-8.3	-10.7
Total current personnel expenses	**-140.1**	**-145.8**
IT expenses	-22.6	-17.0
Room costs	-6.5	-6.0
Information costs	-6.4	-5.4
Insurances	-2.2	-2.4
Advertising and representation expenses	-4.3	-3.8
Audit and association costs	-6.3	-4.7
Other services	-20.7	-8.7
Consulting and legal costs	-27.4	-18.4
Capital market costs	-3.0	-1.7
Digital banking	-1.8	-1.6
Other administrative expenses	1.3	-3.6
Non-personnel expenses	**-99.9**	**-73.4**
Depreciation/Amortisation of IFRS 16 right-of-use assets	-11.8	-13.7
Depreciation of IAS 16 assets	-7.4	-7.9
Amortisation of IAS 38 intangible assets	-3.6	-2.9
Write-offs	-	-
Depreciation, amortisation and impairments of intangible and tangible fixed assets	**-22.9**	**-24.5**
Other expenses	-0.2	-0.6
Expenses from bank levies and deposit protection	-12.2	-15.2
Current expenses	**-275.3**	**-259.5**

25) Risk provisions in the lending business

The change in risk provisions – recognised in profit or loss – for receivables from banks and receivables from customers for which risk provisions are required and for financial assets of the non-trading portfolio and off-balance sheet lending business (irrevocable loan commitments, financial guarantees) is reported in the item Risk provision expense. The item Risk provision expense consists of the following:

EUR m	01/01-12/31/2023	01/01-12/31/2022
Receivables from banks measured at AC		
Non-significant increase in credit risk since initial recognition (Stage 1/12-month ECL)	-0.0	0.0
Significant increase in credit risk since initial recognition (Stage 2/lifetime ECL)	0.0	-0.0
Result from changes in the risk provisions of receivables from banks measured at AC	**-0.0**	**0.0**
Receivables from customers		
Non-significant increase in credit risk since initial recognition (Stage 1/12-month ECL)	4.4	-23.5
Thereof: measured at AC	4.4	-23.5
Thereof: measured at FVOCI	-	-
Significant increase in credit risk since initial recognition (Stage 2/lifetime ECL)	-3.1	7.3
Thereof: measured at AC	-3.1	7.3
Credit-impaired assets (Stage 3/Lifetime-ECL)	-46.3	-32.1
Thereof: measured at AC	-46.3	-32.1
Purchased or originated credit impaired (POCI)	-	-
Thereof: measured at AC	-	-
Result from changes in the risk provisions of receivables from customers	**-44.9**	**-48.3**
Off-balance sheet business		
Non-significant increase in credit risk since initial recognition - banks (Stage 1/12-month ECL)	0.0	0.1
Significant increase in credit risk since initial recognition - banks (Stage 2/lifetime ECL)	0.1	-0.1
Non-significant increase in credit risk since initial recognition - customers (Stage 1/12-months ECL)	1.3	-1.7
Significant increase in credit risk since initial recognition - customers (Stage 2/lifetime ECL)	1.6	-2.8
Credit-impaired assets - customers (Stage 3/lifetime ECL)	-0.3	6.9
Result from changes in provisions in credit business	**2.7**	**2.4**
+ Direct write-offs	-4.5	-4.1
- Recoveries on receivables written-off	5.8	5.3
Result from other changes in risk provision	**1.2**	**1.2**
Total risk provisions	**-41.0**	**-44.7**

26) Result from restructuring

EUR m	01/01-12/31/2023	01/01-12/31/2022
Additions to the restructuring provisions	-0.3	0.4
Reversal of the restructuring provisions	7.6	3.2
Restructuring expenses not eligible for provision	-0.1	-0.0
Result from restructuring	**7.1**	**3.7**

In 2022, the Bank decided on comprehensive measures to modernise and reposition the Bank, which were accompanied by significant job cuts. The expected costs for a socially acceptable implementation of the staff reduction were taken into account through the formation of a restructuring provision recognised in 2022. Of this provision, EUR 7.6 million were reversed in 2023.

27) Result from non-trading portfolio

The result from financial assets of the non-trading portfolio comprises net disposal and measurement gains on securities held as financial assets of the non-trading portfolio as well as investment securities and shares in subsidiaries which are not included in the basis of consolidation.

EUR m	01/01-12/31/2023	01/01-12/31/2022
Result from financial assets of the non-trading portfolio measured at FVOCI	-9.5	-39.8
Result from financial assets of the non-trading portfolio measured at FVPL	7.7	52.0
Result from non-trading portfolio	**-1.8**	**12.3**

28) Income taxes

EUR m	01/01-12/31/2023	01/01-12/31/2022
Actual taxes (current year)	-96.7	-112.5
Actual taxes (previous years)	-0.8	-0.4
Actual taxes (sum)	**-97.4**	**-112.9**
Deferred taxes (current year)	-8.1	26.0
Deferred taxes (previous years)	0.5	7.4
Deferred taxes (sum)	**-7.6**	**33.4**
Income tax	**-105.0**	**-79.5**

Please see notes (55) ff. for further details.

29) Segment reporting

Please see the accounting policies explained in note (12) for details of the basis and methods for the segment reporting.

The following tables show the results of segment reporting in terms of the structure of the segments which were actually managed in financial years 2022 and 2023:

EUR m 01/01-12/31/2023	Private & Business Customers	Corporates & Diversified Lending	Corporate Centre	OLB Group
Net interest income	258.1	271.8	-20.4	509.4
Net commission income	76.2	48.2	-3.7	120.6
Other operating income*	2.8	10.7	2.8	16.3
Result from non-trading portfolio**	-	-	-1.8	-1.8
Operating income	**337.1**	**330.6**	**-23.1**	**644.6**
Operating expenses***	**-151.7**	**-63.2**	**-48.2**	**-263.1**
Operating result	**185.3**	**267.5**	**-71.3**	**381.5**
Expenses from bank levies and deposit protection	-6.3	-5.9	-	-12.2
Risk provisioning in the lending business	-13.4	-29.6	2.1	-41.0
Result from restructurings	-	-	7.1	7.1
Result before taxes	**165.5**	**231.9**	**-62.1**	**335.4**
Income tax	-51.3	-71.9	18.2	-105.0
Result after taxes (profit)	**114.2**	**160.0**	**-43.9**	**230.4**

* Comprising Trading result, Result from hedging relationships and Other income

** Including Results from derecognition of financial instruments AC

*** Comprising Personnel expenses, Non-personnel expenses, Depreciation, amortization and impairments of intangible and tangible fixed assets and Operating expenses

Cost-Income Ratio (CIR)	**45.0**	**19.1**	**n.a.**	**40.8**
Return on equity (post tax)	**32.3**	**18.8**	**n.a.**	**15.2**

EURm 01/01-12/31/2022	Private & Business Customers	Corporates & Diversified Lending	Corporate Center	OLB Group
Net interest income	188.7	233.6	13.6	435.8
Net commission income	82.6	37.9	-5.6	114.8
Other operating income*	14.8	10.0	-9.9	14.9
Result from non-trading portfolio**	-	-	12.3	12.3
Operating income	**286.1**	**281.4**	**10.3**	**577.8**
Operating expenses***	**-165.4**	**-57.4**	**-21.4**	**-244.3**
Operating result	**120.6**	**224.0**	**-11.1**	**333.5**
Expenses from bank levy and deposit protection	-8.6	-6.6	-	-15.2
Risk provisioning in the lending business	-5.2	-42.6	3.1	-44.7
Result from restructurings	-	-	3.7	3.7
Result before taxes	**106.8**	**174.9**	**-4.4**	**277.2**
Income tax	-33.1	-54.2	7.8	-79.5
Result after taxes (profit)	**73.7**	**120.6**	**3.4**	**197.7**

* Comprising Trading result, Result from hedging relationships and Other income

** Including Results from derecognition of financial instruments AC

*** Comprising Personnel expenses, Non-personnel expenses, Depreciation, amortization and impairments of intangible and tangible fixed assets and Operating expenses

Cost-Income Ratio (CIR)	57.8	20.4	n.a.	42.3
Return on equity (post tax)	22.0	15.3	n.a.	14.7

With regard to the allocation of results to geographical regions, OLB is guided by the location of the branches. Since the Bank has no branches or subsidiaries abroad, all results are allocated to Germany.

30) Basic and diluted earnings per share

To determine the basic and diluted earnings per share, the profit is divided by the average weighted number of shares in circulation during the financial year.

	01/01-12/31/2023	01/01-12/31/2022
Profit (million euros)	230.4	197.7
Average number of shares in circulation (million shares)	49.4	49.9
Basic earnings per share (euros)	**4.66**	**3.96**
Average diluted number of shares in circulation (million shares)	56.8	57.2
Diluted earnings per share (euros)	**4.05**	**3.46**

Retrospective adjustments in accordance with IAS 33.27 to the average number of instruments in circulation in the previous year were made due to the conversion of convertible bonds into ordinary shares in the financial year in order to achieve comparability.

The dilution effects result from the conversion rights of some subordinated financial instruments.

Notes to the balance sheet – assets

31) Cash reserve

The cash reserve includes cash in hand as well as balances with central banks due daily which are reported at their nominal value. Due to the changed interest environment OLB reduced its cash reserve in 2023 in favour of debt instruments of the non-trading portfolio.

EUR m	12/31/2023	12/31/2022
Cash in hand	36.2	43.6
Balances with central banks	41.5	1,486.2
Thereof: eligible for refinancing with the Deutsche Bundesbank	41.5	1,486.2
Cash reserve	**77.7**	**1,529.8**

32) Trading portfolio assets

Trading portfolio assets comprise holdings resulting from customer business involving foreign exchange and interest rate hedging instruments.

Positive fair values from derivative financial instruments are reported under Trading portfolio assets, except where these derivatives are including in the hedge accounting in accordance with IFRS.

Fair values of hedging derivatives which are used for the purpose of internal risk management but which are not eligible for the hedge accounting are also reported here.

EUR m	12/31/2023	12/31/2022
Positive fair values of interest rate derivatives, unless included in hedge accounting	113.4	145.2
Positive fair values of currency derivatives	35.0	52.0
Non-derivative trading assets measured at FVPL	0.3	0.0
Credit value adjustment (CVA) for derivative financial instruments	-3.6	-1.5
IAS 32 off-setting amount	-69.0	-87.3
Trading portfolio assets	**76.1**	**108.5**

33) Positive fair values of derivative hedging instruments

As of the end of the year, interest rate swaps with a nominal volume of EUR 7,127.0 million (2022: EUR 5,057.3 million) were designated as hedging instruments within the scope of the micro fair value hedge accounting. In addition, interest rate swaps with a nominal volume of EUR 3,006,0 million (2022: EUR 1,918.0 million) were designated as hedging instruments in the portfolio fair value hedge accounting. Please see note (66) for further disclosures on hedge accounting.

34) Receivables from banks

EUR m	12/31/2023	12/31/2022
Receivables from banks (gross carrying amount)	548.8	775.2
less risk provision	-0.0	-0.0
Receivables from banks	**548.8**	**775.2**
Thereof: Receivables from banks measured at AC	548.8	775.2

The risk provision made on gross receivables from banks in both years amounted to less than EUR 10,000 and was thus disclosed in the metrics of EUR -0.0 million.

35) Receivables from customers

EUR m	12/31/2023	12/31/2022
Receivables from customers (gross carrying amount)	19,921.7	18,193.9
less risk provision	-197.2	-184.9
Receivables from customers	19,724.6	18,008.9
Thereof: Receivables from customers measured at AC	19,724.6	18,008.9

EUR m	12/31/2023	12/31/2022
Private & Business Customers	10,269.6	9,889.8
Corporates & Diversified Lending	9,823.4	8,691.3
Corporate Center	-171.3	-387.2
less risk provision	-197.2	-184.9
Receivables from customers	**19,724.6**	**18,008.9**
Thereof: Receivables from customers measured at AC	19,724.6	18,008.9

The risk provision for credit losses recognised on gross receivables amounted to EUR 197,2 million (2022: EUR 184,9 million).

The following table shows the split of receivables from customers by industry type:

EUR m	12/31/2023	12/31/2022
Activities of households as employers and goods- and services-producing activities of households for own use	7,302.4	6,463.1
Financial and insurance activities	2,239.4	1,553.5
Real estate activities	1,954.0	1,774.9
Manufacturing	1,841.9	1,958.8
Wholesale and retail trade, repair of motor vehicles and motorcycles	1,056.4	1,054.0
Administrative and support service activities	928.8	898.1
Electricity, gas, steam and air conditioning supply	837.5	878.0
Arts, entertainment and recreation	821.0	611.9
Professional, scientific and technical activities	820.8	822.0
Agriculture, forestry and fishing	589.8	651.2
Transport and storage	452.6	473.9
Information and communication	348.3	246.5
Human health services and social work activities	252.4	299.0
Construction	177.6	178.4
Accommodation and food service activities	102.5	113.5
Other service activities	75.2	56.0
Water supply, sewerage, waste management and remediation activities	40.1	64.6
Public administration and defense, compulsory social security	34.0	16.8
Education	27.4	44.6
Mining and quarrying	19.6	35.0
Less risk provision	-197.2	-184.9
Total	**19,724.6**	**18,008.9**

Receivables from customers are secured with standard bank collateral, except in the case of non-resource financing within the scope of specialised lending business in the Corporates & Diversified Lending segment. This collateral mainly comprises mortgages, contractual security agreements, securities accounts and other forms of cash collateralisation. Within the framework of the hedge accounting, positive adjusted fair value changes arising since the start of the hedging relationships in the amount of EUR 194.3 million (2022: EUR 397.7 million) were allocated to amortised costs.

Please see note (63) with regard to the receivables from customers which were transferred by way of collateral for the Bank's own liabilities.

36) Financial assets of the non-trading portfolio

The Group's financial assets of the non-trading portfolio comprise bonds including other fixed-interest securities, shares including other non-fixed-interest securities, investment securities and shares in non-consolidated affiliated companies. Per end of 2023 the shares in affiliated companies related to two companies in which the OLB Group held a majority interest but which were not included in the consolidated financial statements due to their minor significance for the net assets, financial position and results of operations of the Group.

Investment securities are shares in companies over which the Bank is unable to exercise a significant influence and which serve to establish a permanent relationship with the companies in question. Current income from bonds, including premiums or discounts accrued over the respective term, is reported in Net interest income.

Dividend income from shares and income from shares in affiliated companies and investment securities have been included in the same item. The gains and losses realised as of the sale of these securities have been reported under item Result from financial assets of the non-trading portfolio.

Financial assets of the non-trading portfolio have the following breakdown:

EUR m	12/31/2023	12/31/2022
Bonds and other fixed-income securitites	4,881.7	3,085.6
Financial assets of the non-trading portfolio classified at FVOCI	**4,881.7**	**3,085.6**
Shares	-	1.0
Investment securities	0.6	0.6
Shares in non-consolidated subsidiaries	0.1	0.1
Financial assets of the non-trading portfolio classified at FVPL	**0.7**	**1.7**
Financial assets of the non-trading portfolio	**4,882.4**	**3,087.3**

The following table shows the bonds and other fixed-income securities, broken down by their issuer and as well as their capital market readiness or stock exchange quotation:

EUR m	12/31/2023	12/31/2022
Bonds and debt instruments from public-sector issuers	1,530.3	945.4
Bonds and debt instruments from other issuers	3,351.3	2,140.2
Debt instruments and other fixed-income securities	**4,881.7**	**3,085.6**
- Thereof: marketable securities	4,881.7	3,067.5
- Thereof: listed	4,862.2	3,067.6

In 2024, bonds and other fixed-income securities with a volume of EUR 214.2 million (2023: EUR 275.6 million) will fall due.

The portfolio of debt instruments and other fixed-income securities of EUR 4.9 billion serves as a liquidity reserve. The 58.1% increase on the previous year (EUR 3.1 billion) is mainly attributable to investments in the portfolio of investment-grade covered bonds and government bonds. These are for the short-term investment of resources required for funding of the impending acquisition of Degussa Bank and for the growth of lending business.

The following table shows the shares and other non-fixed income securities, broken down by their type and their capital market readiness or stock exchange quotation:

EUR m	12/31/2023	12/31/2022
Shares	-	1.0
Other	-	-
Shares and other non-fixed income securities	**-**	**1.0**
- Thereof: marketable securities	-	-

- Thereof: listed	-	-

The other non-fixed income securities are largely shares in investment funds.

OLB transfers bonds to third parties within the scope of repo transactions, pledging of securities and open-market transactions. The Bank retains the interest rate and counterparty risks for these bonds. The Bank reports these bonds in Financial assets of the non-trading portfolio at a fair value of EUR 1,307.8 million (2022: EUR 1,047.8 million). The related liabilities for the repo transactions amount to EUR 2,560.3 million (2022: EUR 324.2 million). These liabilities for the repo transactions are reported in Liabilities to banks.

As of December 31, 2023, shares in non-consolidated affiliated companies include the amounts recognised for the non-consolidated wholly-owned subsidiaries OLB-Service Gesellschaft mbH, Oldenburg, in the amount of EUR 0.026 million (2022: EUR 0.026 million) and QuantFS, Hamburg, in the amount of EUR 0.110 million (2022: EUR 0.110 million).

37) Risk provision

Default risks in lending and securities business are taken into account by establishing risk provisions. The following risk provisions have been established:

EUR m	12/31/2023	12/31/2022
Risk provision for lending business		
Risk provision for receivables from banks	0.0	0.0
Risk provision for receivables from customers	197.2	184.9
Risk provision for off-balance sheet obligations to customers	17.2	19.8
Risk provision for off-balance sheet obligations to banks	0.0	0.1
Risk provision for financial assets of the non-trading portfolio	0.2	0.6
Total	**214.6**	**205.4**

The risk provisioning trend in the reporting years is as follows:

EUR m	Stage 1	Stage 2	Stage 3	Total
Receivables from banks				
Balance as of 12/31/2022	**0.0**	**0.0**	**-**	**0.0**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-	-	-	-
to Stage 3	-	-	-	-
from Stage 2				
to Stage 1	-	-	-	-
to Stage 3	-	-	-	-
from Stage 3				
to Stage 1	-	-	-	-
to Stage 2	-	-	-	-
Disposal	-0.0	-0.0	-	-0.0
Additions	0.0	0.0	-	0.0
Changes in parameters	0.0	0.0	-	0.0
Utilisation	-	-	-	-
Balance as of 12/31/2023	**0.0**	**0.0**	**-**	**0.0**

EUR m	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Balance as of 12/31/2022	**39.8**	**39.7**	**105.5**	**184.9**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-3.2	22.3	-	19.1
to Stage 3	-0.9	-	24.4	23.5
from Stage 2				
to Stage 1	1.0	-11.1	-	-10.1
to Stage 3	-	-4.8	10.7	5.9
from Stage 3				
to Stage 1	0.0	-	-0.5	-0.5
to Stage 2	-	0.3	-2.4	-2.0
Disposal	-4.9	-3.2	-9.9	-18.0
Additions	8.3	1.5	12.7	22.5
Changes in parameters	-4.8	-2.0	9.8	3.0
Utilisation	-	-	-31.3	-31.3
Balance as of 12/31/2023	**35.3**	**42.8**	**119.1**	**197.2**

EUR m	Stage 1	Stage 2	Stage 3	Total
Off-balance sheet obligations to banks				
Balance as of 12/31/2022	**0.0**	**0.1**	**-**	**0.1**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-	-	-	-
to Stage 3	-	-	-	-
from Stage 2				
to Stage 1	-	-	-	-
to Stage 3	-	-	-	-
from Stage 3				
to Stage 1	-	-	-	-
to Stage 2	-	-	-	-
Disposal	-0.0	-0.1	-	-0.1
Additions	-	-	-	-
Changes in parameters	-0.0	-	-	-0.0
Utilisation	-	-	-	-
Balance as of 12/31/2023	**0.0**	**-**	**-**	**0.0**

EUR m	Stage 1	Stage 2	Stage 3	Total
Off-balance sheet obligations to customers				
Balance as of 12/31/2022	**7.0**	**4.5**	**8.3**	**19.8**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-0.2	1.6	-	1.4
to Stage 3	-0.0	-	0.7	0.7
from Stage 2				
to Stage 1	0.2	-1.5	-	-1.3
to Stage 3	-	-0.3	0.1	-0.1
from Stage 3				
to Stage 1	0.0	-	-0.1	-0.1
to Stage 2	-	0.0	-0.1	-0.1
Disposal	-2.4	-0.5	-0.9	-3.8
Additions	1.9	0.3	0.4	2.6
Changes in parameters	-0.8	-1.3	0.2	-1.9
Utilisation	-	-	-	-
Balance as of 12/31/2023	**5.8**	**2.8**	**8.6**	**17.2**

EUR m	Stage 1	Stage 2	Stage 3	Total
Receivables from banks				
Balance as of 12/31/2021	**0.0**	**-**	**-**	**0.0**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-0.0	0.0	-	-0.0
to Stage 3	-	-	-	-
from Stage 2				
to Stage 1	-	-	-	-
to Stage 3	-	-	-	-
from Stage 3				
to Stage 1	-	-	-	-
to Stage 2	-	-	-	-
Disposal	-	-	-	-
Additions	0.0	-	-	0.0
Changes in parameters	-0.0	0.0	-	-0.0
Utilisation	-	-	-	-
Balance as of 12/31/2022	**0.0**	**0.0**	**-**	**0.0**

EUR m	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Balance as of 12/31/2021	**16.2**	**47.0**	**93.0**	**156.2**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-1.1	20.0	-	18.9
to Stage 3	-0.2	-	19.2	19.0
from Stage 2				
to Stage 1	1.4	-14.0	-	-12.6
to Stage 3	-	-2.7	12.7	10.0
from Stage 3				
to Stage 1	0.1	-	-2.8	-2.8
to Stage 2	-	1.0	-1.2	-0.3
Disposal	-2.7	-8.5	-8.7	-19.9
Additions	17.7	3.7	9.2	30.6
Changes in parameters	8.4	-6.8	3.1	4.6
Utilisation	-	-	-19.0	-19.0
Balance as of 12/31/2022	**39.8**	**39.7**	**105.5**	**184.9**

EUR m	Stage 1	Stage 2	Stage 3	Total
Off-balance sheet obligations to banks				
Balance as of 12/31/2021	**0.1**	**0.0**	**-**	**0.1**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-0.0	0.1	-	0.1
to Stage 3	-	-	-	-
from Stage 2				
to Stage 1	-	-	-	-
to Stage 3	-	-	-	-
from Stage 3				
to Stage 1	-	-	-	-
to Stage 2	-	-	-	-
Disposal	-0.0	-	-	-0.0
Additions	0.0	-	-	0.0
Changes in parameters	-0.0	-0.0	-	-0.0
Utilisation	-	-	-	-
Balance as of 12/31/2022	**0.0**	**0.1**	**-**	**0.1**

EUR m	Stage 1	Stage 2	Stage 3	Total
Off-balance sheet obligations to customers				
Balance as of 12/31/2021	**5.3**	**1.7**	**15.6**	**22.6**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-0.5	2.3	-	1.8
to Stage 3	-0.0	-	1.1	1.1
from Stage 2				
to Stage 1	0.3	-1.8	-	-1.6
to Stage 3	-	-0.0	0.2	0.2
from Stage 3				
to Stage 1	0.0	-	-0.2	-0.2
to Stage 2	-	0.8	-0.1	0.7
Disposal	-2.6	-1.5	-6.9	-11.1
Additions	2.3	0.1	0.0	2.5
Changes in parameters	2.2	2.9	-1.4	3.8
Utilisation	-	-	-	-
Balance as of 12/31/2022	**7.0**	**4.5**	**8.3**	**19.8**

Risk provision for financial assets measured at FVOCI in the period from 2022 to 2023 is composed as follows:

EUR m	Stage 1	Stage 2	Stage 3	Total
Financial assets of the non-trading portfolio				
Balance as of 12/31/2022	**0.2**	**0.5**	**-**	**0.6**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-	-	-	-
to Stage 3	-	-	-	-
from Stage 2				
to Stage 1	0.0	-0.5	-	-0.5
to Stage 3	-	-	-	-
from Stage 3				
to Stage 1	-	-	-	-
to Stage 2	-	-	-	-
Disposal	-0.0	-	-	-0.0
Additions	0.1	-	-	0.1
Changes in parameters	-0.0	-	-	-0.0
Utilisation	-	-	-	-
Balance as of 12/31/2023	**0.2**	**-0.0**	**-**	**0.2**

EUR m	Stage 1	Stage 2	Stage 3	Total
Financial assets of the non-trading portfolio				
Balance as of 12/31/2021	**0.1**	**0.1**	**-**	**0.2**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-0.0	0.2	-	0.2
to Stage 3	-	-	-	-
from Stage 2				
to Stage 1	-	-	-	-
to Stage 3	-	-	-	-
from Stage 3				-
to Stage 1	-	-	-	-
to Stage 2	-	-	-	-
Disposal	-0.0	-0.1	-	-0.1
Additions	0.1	0.3	-	0.4
Changes in parameters	0.0	-	-	0.0
Utilisation	-	-	-	-
Balance as of 12/31/2022	**0.2**	**0.5**	**-**	**0.6**

The gross carrying amounts of the financial assets measured at amortised cost for which risk provisions have been established have undergone the following changes:

EUR m	Stage 1	Stage 2	Stage 3	Total
Receivables from banks				
Balance as of 12/31/2022	**774.8**	**0.4**	**-**	**775.2**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-	-	-	-
to Stage 3	-	-	-	-
from Stage 2				
to Stage 1	-	-	-	-
to Stage 3	-	-	-	-
from Stage 3				
to Stage 1	-	-	-	-
to Stage 2	-	-	-	-
Disposal	-712.8	-0.4	-	-713.2
Additions	459.6	1.0	-	460.6
Changes in parameters	26.2	-0.0	-	26.2
Utilisation	-	-	-	-
Balance as of 12/31/2023	**547.8**	**1.0**	**-**	**548.8**

EUR m	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Balance as of 12/31/2022	**16,975.4**	**945.0**	**273.4**	**18,193.9**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-593.0	595.4	-	2.3
to Stage 3	-85.3	-	84.4	-1.0
from Stage 2				
to Stage 1	271.3	-286.4	-	-15.0
to Stage 3	-	-46.3	46.9	0.6
from Stage 3				
to Stage 1	5.3	-	-5.5	-0.2
to Stage 2	-	12.8	-12.1	0.7
Disposal	-1,568.9	-77.4	-53.1	-1,699.4
Additions	3,953.2	60.0	16.7	4,029.9
Changes in parameters	-518.4	-22.8	-17.5	-558.8
Utilisation	-	-	-31.3	-31.3
Balance as of 12/31/2023	**18,439.6**	**1,180.3**	**301.8**	**19,921.7**

EUR m	Stage 1	Stage 2	Stage 3	Total
Receivables from banks				
Balance as of 12/31/2021	**970.0**	**0.0**	**-**	**970.1**
Changes in balance from transfer between stages				
from Stage 1				
to Stage 2	-0.8	0.4	-	-0.4
to Stage 3	-	-	-	-
from Stage 2				
to Stage 1	-	-	-	-
to Stage 3	-	-	-	-
from Stage 3				
to Stage 1	-	-	-	-
to Stage 2	-	-	-	-
Disposal	-903.0	-	-	-903.0
Additions	744.3	-	-	744.3
Changes in parameters	-35.7	0.0	-	-35.7
Utilisation	-	-	-	-
Balance as of 12/31/2022	**774.8**	**0.4**	**-**	**775.2**

EUR m	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Balance as of 12/31/2021	**16,006.4**	**799.7**	**293.2**	**17,099.3**
Changes in balance from transfer between stages				
from stage 1				
to stage 2	-548.5	579.3	-	30.7
to stage 3	-46.5		46.8	0.3
from stage 2				
to stage 1	292.1	-305.9	-	-13.8
to stage 3	-	-56.1	52.0	-4.2
from stage 3				
to stage 1	11.4	-	-11.5	-0.2
to stage 2	-	6.6	-8.2	-1.6
Disposal	-1,664.4	-139.9	-54.4	-1,858.8
Additions	3,885.1	71.8	11.8	3,968.7
Changes in parameters	-960.1	-10.4	-37.3	-1,007.8
Utilisation	-	-	-19.0	-19.0
Balance as of 12/31/2022	**16,975.4**	**945.0**	**273.4**	**18,193.9**

38) Tangible fixed assets

EUR m	12/31/2023	12/31/2022
Land and buildings according to IAS 16	23.0	25.5
Land and buildings according to IFRS 16	13.2	17.5
Operating and business equipment according to IAS 16	16.4	16.5
Operating and business equipment according to IFRS 16	0.6	0.9
Total	**53.2**	**60.5**

Tangible fixed assets (excluding rights of use) developed as follows:

EUR m	01/01-12/31/2023		
	Land and buildings according to IAS 16	Operating and business equipment according to IAS 16	Total
Historical acquisition costs	124.2	103.4	227.5
Historical write-ups	-	-	-
Historical depreciation, amortisation, write-offs and impairments	-98.6	-86.8	-185.4
Carrying amount as of 12/31/2022	**25.5**	**16.5**	**42.1**
Additions measured at cost	-	4.9	4.9
Disposals measured at cost	-6.9	-0.5	-7.4
Write-ups included in disposals for the year	-	-	-
Depreciation, amortization and impairments included in disposals	6.3	0.5	6.9
Additions through reclassification	-	0.4	0.4
Disposals through reclassification	-	-	-
Changes in portfolio during the year	**-0.5**	**5.3**	**4.8**
Write-ups during the year	-	-	-
Depreciation and amortisation during the year	-2.0	-5.4	-7.4
Write-offs and impairments during the year	-	-	-
Changes in measurement during the year	**-2.0**	**-5.4**	**-7.4**
Carrying amount as of 12/31/2023	**23.0**	**16.4**	**39.4**

EUR m	01/01-12/31/2022		
	Land and buildings according to IAS 16	Operating and business equipment according to IAS 16	Total
Historical acquisition costs	131.1	116.8	247.9
Historical write-ups	-	-	-
Historical depreciation, amortisation, write-offs and impairments	-102.3	-97.6	-199.8
Carrying amount as of 12/31/2021	**28.8**	**19.2**	**48.1**
Additions measured at cost	0.1	3.3	3.4
Disposals measured at cost	-3.8	-16.8	-20.5
Write-ups included in disposals for the year	-	-	-
Depreciation, amortization and impairments included in disposals	3.2	16.5	19.7
Additions through reclassification	-	-	-
Disposals through reclassification	-0.7	-	-0.7
Changes in portfolio during the year	**-1.2**	**3.1**	**1.9**
Write-ups during the year	-	-	-
Depreciation and amortisation during the year	-2.1	-5.8	-7.9
Write-offs and impairments during the year	-	-	-
Changes in measurement during the year	**-2.1**	**-5.8**	**-7.9**
Carrying amount as of 12/31/2022	**25.5**	**16.5**	**42.1**

The rights of use from the leases reported in Tangible fixed assts have developed as follows.

EUR m	01/01-12/31/2023		
	Land and buildings according to IFRS 16	Operating and business equipment according to IFRS 16	Total
Historical rights of use	28.2	1.7	29.9
Historical modifications	5.4	1.2	6.6
Historical amortisation and impairments	-16.1	-2.0	-18.1
Carrying amount as of 12/31/2022	**17.5**	**0.9**	**18.4**
Additions during the financial year	0.3	0.1	0.3
Disposals during the financial year	-0.0	-	-0.0
Changes in balance during the financial year	**0.3**	**0.1**	**0.3**
Change in duration during the financial year	0.2	-	0.2
Depreciation, amortisation and impairments during the financial year	-4.7	-0.4	-5.1
Changes in measurement during the financial year	**-4.5**	**-0.4**	**-4.9**
Carrying amount as of 12/31/2023	**13.2**	**0.6**	**13.8**

EUR m	01/01-12/31/2022		
	Land and buildings according to IFRS 16	Operating and business equipment according to IFRS 16	Total
Historical rights of use	28.1	1.8	29.9
Historical modifications	4.8	0.5	5.3
Historical amortization and impairments	-13.2	-1.6	-14.8
Carrying amount as of 12/31/2021	**19.7**	**0.7**	**20.4**
Additions during the financial year	1.7	-	1.7
Disposals during the financial year	-	-	-
Changes in balance during the financial year	**1.7**	**-**	**1.7**
Change in duration during the financial year	1.2	0.7	1.9
Depreciation, amortisation and impairments during the financial year	-5.2	-0.5	-5.7
Changes in measurement during the financial year	**-4.0**	**0.2**	**-3.8**
Carrying amount as of 12/31/2022	**17.5**	**0.9**	**18.4**

The Group used land and buildings with a carrying amount of EUR 23.0 million (2022: EUR 25.5 million).

All write-offs were recognised in Non-personnel expenses in the year of the write-off.

As of the balance sheet date, as in the previous year no tangible fixed assets had been transferred by way of collateral for the Bank's own liabilities.

39) Intangible assets

EUR m	12/31/2023	12/31/2022
Intangible assets according to IAS 38	11.0	6.5
Intangible assets according to IFRS 16	21.9	24.5
Total	**32.9**	**31.0**

EUR m	01/01-12/31/2023	01/01-12/31/2022
	Intangible assets according to IAS 38	Intangible assets according to IAS 38
Historical acquisition costs	53.4	52.0
Historical write-ups	-	-
Historical amortisation and impairments	-46.9	-44.0
Carrying amount as of January 1	**6.5**	**8.1**
Additions measured at AC	8.6	1.3
Disposals measured at AC	-	-
Write-ups included in the disposals for the year	-	-
Amortisation and impairments included in the disposals for the year	-	-
Additions due to transfers	-	-
Disposals due to transfers	-0.4	-
Changes in balance during the financial year	**8.2**	**1.3**
Write-ups during the financial year	-	-
Amortisation and impairment during the financial year (as planned)	-3.6	-2.9
Amortisation and impairment during the financial year (off-plan)	-	-
Changes in measurement during the financial year	**-3.6**	**-2.9**
Carrying amount as of December 31	**11.0**	**6.5**

The rights of use recognised in intangible assets have developed as follows:

EUR m	01/01-12/31/2023	01/01-12/31/2022
	Intangible assets according to IFRS 16	Intangible assets according to IFRS 16
Historical rights of use	19.8	16.1
Historical modifications	28.6	22.5
Historical amortisation and impairments	-23.9	-16.8
Carrying amount as of January 1	**24.5**	**21.9**
Additions during the financial year	2.6	4.6
Disposals during the financial year	-	-
Changes in balance during the financial year	2.6	4.6
Change in duration during the financial year	1.5	6.1
Depreciation, amortisation and impairments during the financial year	-6.8	-8.0
Changes in measurement during the financial year	**-5.3**	**-1.9**
Carrying amount as of December 31	**21.9**	**24.5**

The intangible assets are software.

Write-offs – where applicable – were recognised in Non-personnel expenses in the year of the write-off in question.

40) Other assets

EUR m	12/31/2023	12/31/2022
Cash Collaterals CCP	220.9	265.7
Accrued interest	15.6	26.3
Accident insurance with premium return	15.4	19.2
Receivables Human Resources	1.8	16.0
Receivables from commissions and fees	17.6	14.1
Irrevocable payment obligation	30.6	1.8
Other assets	33.9	14.1
Total other assets	**335.7**	**357.2**

The other assets include receivables from cash collateral provided to central counterparties.

41) Income tax assets

EUR m	12/31/2023	12/31/2022
Income tax refund claims	0.0	0.0

Income tax assets relate to tax items pursuant to IAS 12, i.e. income tax assets resulting from corporate income tax and trade tax as income taxes are shown in this balance sheet item. Additional tax receivables from other taxes are reported in the Other assets balance sheet item.

42) Deferred tax assets

Please see the explanations in note (54) and note (55).

Notes to the balance sheet – equity & liabilities

43) Trading portfolio liabilities

The trading portfolio liabilities exclusively comprise negative fair values of derivatives.

EUR m	12/31/2023	12/31/2022
Negative fair values of interest rate derivatives, unless included in hedge accounting	87.5	131.9
Negative fair values of currency derivatives	28.0	52.7
IAS 32 off-setting amount	-22.4	-23.5
Trading portfolio liabilities	**93.1**	**161.2**

44) Negative fair values of derivative hedging instruments

As of the end of the year, interest rate swaps with a nominal volume of EUR 7,127.0 million (2022: EUR 5,057.3 million) were designated as hedging instruments within the scope of micro fair value hedge accounting. In addition, interest rate swaps with a nominal volume of EUR 3,006.0 million (2022: EUR 1,918.0 million) were designated as hedging instruments in portfolio fair value hedge accounting. Please see note (66) for further disclosures on hedge accounting.

45) Liabilities to banks

EUR m	12/31/2023	12/31/2022
Demand deposits	480.8	101.7
Development banks	1,990.5	2,315.7
Promissory notes / registered notes	13.1	23.2
Covered bonds	65.5	65.5
Other term deposits	3,078.8	2,569.2
Liabilities to banks (AC)	**5,628.7**	**5,075.3**

The cash funds received within the scope of the transfer of assets subject to the simultaneous conclusion of repurchase agreements through repo transactions, including cash collateral received, amounted to EUR 2,560.3 million (2022: EUR 324.2 million).

The Bank took out several variable-interest loans as part of a structured financing arrangement. With the exception of cash collateral in the amount of EUR 26 million, the collateral for the borrowing consisted primarily of securitized loan receivables of OLB, whereby the lender transferred the opportunities and risks from the securitizations back to OLB through a total return swap. The transaction matures in May 2056, and OLB was thus provided with liquid funds totaling EUR 676.9 million by a refinancing partner. The amount was recognized under other fixed-term liabilities.

46) Liabilities to customers

EUR m	12/31/2023	12/31/2022
Demand deposits	8,143.2	9,999.1
Promissory notes / Registered notes	397.9	403.4
Covered bonds	177.2	117.1
Other term deposits	7,079.5	4,038.7
Saving deposits	1,119.9	1,634.2
Liabilities to customers (AC)	**16,917.6**	**16,192.5**

Within the framework of the hedge accounting, negative adjusted fair value changes arising since the start of the hedging relationships in the amount of EUR 103.2 million (2022: EUR 191.8 million) were allocated to amortised costs.

The following table shows the breakdown of liabilities to customers by customer group:

EUR m	12/31/2023	12/31/2022
Private & Business Customers	12,207.2	10,830.9
Corporates & Diversified Lending	3,208.0	3,116.9
Corporate Centre	1,502.4	2,244.8
Liabilities to customers (AC)	**16,917.6**	**16,192.5**

47) Securitised liabilities

EUR m	12/31/2023	12/31/2022
Covered bonds issued	700.1	699.5
Other debt securities issued	496.5	7.4
Securitised liabilities (AC)	**1,196.6**	**706.9**

A bearer bond with a nominal volume of EUR 400.0 million was issued in the 2023 financial year.

As a subset of the bonds issued, OLB has originated a structure with a nominal volume of EUR 70.6 million, under which the so-called “second loss” from the default losses attributable to OLB on certain loan receivables was transferred to the bond investors (These were loans that OLB has originated to corporate customers as part of its genuine banking activities, and continued to recognise on its balance sheet with the intention of holding them until maturity). OLB bears the first loss determined in the amount of the expected loss of the underlying loans, plus a safety buffer, when this structured bond was issued. Losses on the second-loss tranche are generally absorbed by writing down the carrying amount of the issued bond if OLB suffers eligible losses on the defaulted receivables. As of the balance sheet date, no losses had been transferred in this respect.

Securitised liabilities exclusively comprise bonds which the Bank has issued itself. Of the volume of bonds issued, tranches with a nominal value of EUR 0.0 million (2023: EUR 1.9 million) will fall due in 2024. The securitised liabilities include variable-interest bonds in an amount of EUR 496.5 million (2022: EUR 7.4 million).

48) Subordinated debt

EUR m	12/31/2023	12/31/2022
Convertible bonds (Tier 1)	1.7	16.7
Debt instruments (Tier 2)	-	14.0
Promissory note loans (Tier 2)	125.1	128.1
Customer deposits (Tier 2)	2.5	3.1
Subordinated debt	**129.3**	**161.9**

In the event of insolvency or liquidation, subordinated debt in the amount of EUR 129.3 million (2022: EUR 161.9 million) – which consists of subordinated promissory note loans (Tier 2) and subordinated customer deposits (Tier 2) in the amount of EUR 127.6 million (2022: EUR 131.2 million) as well as subordinated debt instruments (Tier 2) and subordinated convertible bonds (Tier 1) in an amount of EUR 1.7 million (2022: EUR 30.7 million) – may only be repaid upon satisfaction of all of the non-secondary creditors. No early repayment obligation applies.

The interest expense for subordinated debt came to EUR 5.3 million in the past financial year (2022: EUR 6.9 million). The interest rates for fixed-rate subordinated debt fall within a range of 1.75% to 5.73%. The average interest rate is 3.74%.

	12/31/2023	12/31/2022
	Convertible bonds (Tier 1)	
Year of issue	2014 - 2018	2014 - 2018
Nominal amount (million euro)	-	15.1
Issuer	OLB	OLB
Interest rate in %	0.00% - 10.00%	0.00% - 10.00%
Maturity	N/A	N/A
	Debt instruments (Tier 2)	
Year of issue	2013	2013
Nominal amount (million euro)	-	13.8
Issuer	OLB	OLB
Interest rate in %	3.20%	3.20%
Maturity	2023	2023
	Promissory note loans (Tier 2) and customer deposits (Tier 2)	
Year of issue	2010 - 2023	2010 - 2019
Nominal amount (million euro)	124.5	128.1
Issuer	OLB	OLB
Interest rate in %	1.75% - 5.73%	1.75% - 6.00%
Maturity	2024 - 2031	2023 - 2031

49) Provisions

EUR m	12/31/2023	12/31/2022
Provisions for pensions and similar obligations	65.6	46.1
Other provisions	69.5	82.9
Provisions	**135.2**	**129.0**

While the provisions for pensions and similar obligations are of a long-term nature, the other provisions are of a short- to medium-term nature.

Provisions for credit risks in off-balance-sheet loan commitments are established at the expense of the risk provisions in the lending business. In principle, the other amounts added to the provisions are charged to administrative expense and, where applicable, interest and commission expense. Reversals are recognised under the items in which the provisions have been established.

Other provisions mainly comprise provisions for bonuses as well as provisions for lending business and legal risks.

50) Provisions for pensions and similar obligations

EUR m	2023	2022
Pension provisions recognised as of January 1	**46.1**	**112.6**
- Current service cost	3.0	5.3
- Imputed interest expense	11.0	5.1
- Return on assets	-9.6	-3.7
- Repayment of costs from plan amendment	-	-
Net pension expense	4.5	6.7
Amortisation and repayment	-	-
Acquisitions	-	0.0
Pension commitments through deferred compensation	-	-
Allocation to defined contribution pension plan	-0.9	-0.8
Pension benefits provided in the reporting year	-0.9	-2.0
Taxes paid from assets	-	-
- Gains (-)/ Losses (+) from demographic assumptions	-	-
- Gains (-)/ Losses (+) from financial assumptions	18.4	-104.3
- Gains (-)/ Losses (+) from experience adjustments	3.8	4.2
- Return on plan assets excluding interest income	-5.5	29.8
Change in actuarial gains (-) / losses (+)	16.7	-70.3
Additions (+) / Disposals (-)	-	-
Pension provisions recognized as of December 31	**65.6**	**46.1**

The changes in the scope of obligations and in the fair value of fund assets are presented below, together with the carrying amounts for the defined benefit pension plans:

EUR m	2023	2022
Changes in the scope of obligations	25.7	-100.4
Present value of pension entitlements earned as of January 1	294.8	395.3
Current service cost	3.0	5.3
Imputed interest expense	11.0	5.1
Employee contributions	1.0	1.9
Costs from change of plan		
- Gains (-)/ Losses (+) from demographic assumptions	-	-
- Gains (-)/ Losses (+) from financial assumptions	18.4	-104.3
- Gains (-)/ Losses (+) from experience adjustments	3.8	4.2
Actuarial gains (-)/ losses (+)	22.2	-100.1
Pension payments	-11.6	-12.6
Acquisitions	-	0.0
Additions (+) / Disposals (-)	-	-
Present value of pension entitlements earned as of December 31	320.5	294.9
Change in fair value of fund assets	6.2	-34.0
Fair value of fund assets as of January 1	248.7	282.8
Return on assets	9.6	3.7
Return on plan assets excluding interest income	5.5	-29.8
Employer contributions	0.9	0.8
Employee contributions	1.0	1.9
Pensions paid from fund assets	-10.7	-10.7
Taxes paid from fund assets	-	-
Transfers	-	-
Fair value of fund assets as of December 31	254.9	248.8
Financing status (balance sheet value) as of December 31	**65.6**	**46.1**

Fund assets

The current allocation of these assets is as follows with regard to the fair value of the fund assets:

EUR m	12/31/2023	12/31/2022
Shares and other non-interest bearing securities	147.3	144.7
Bonds	7.8	6.5
Real estate	1.0	1.0
Other	98.8	96.6
Total	**254.9**	**248.8**

Reinsurance policies comprise most of the fund assets reported in the Other item.

The key figures for defined benefit pension plans are listed below:

EUR m	12/31/2023	12/31/2022
Present value of pension entitlements earned	320.5	294.9
Fair value of fund assets	254.9	248.8
Financing status	65.6	46.1

Valuation assumptions

The calculations are based on current, actuarially developed biometric probabilities. In addition, assumptions are made regarding the future rate of fluctuation, depending on age and number of years of service, as well as intra-Group retirement probabilities.

The current mortality tables are referred to with regard to life expectancy.

The weighted assumptions for the determination of the present value of pension entitlements earned and for the determination of net pension expense are as follows:

%	12/31/2023	12/31/2022
Discount rate	3.50	4.00
Expected salary increase	3.00	2.50
Expected pension increase	2.25	2.25

The respective assumptions for net pension expense apply as of the balance sheet date in the previous financial year.

The assumptions regarding the accounting discount rate reflect the market conditions on the balance sheet date for high-grade fixed-interest bonds matching the currency and duration of the pension liabilities.

Actuarial reductions in the discount rate resulted in actuarial losses from pension obligations. Adjustments due to the high inflation that had already occurred led to a further increase in obligations. Overall, negative revaluation effects were recognised in equity as Other comprehensive income (OCI). Pension obligations increased by a total of EUR 19.5 million compared to December 31, 2022.

The accounting discount rate in particular gives rise to uncertainty, with a significant level of risk. The sensitivity analysis presented below takes into consideration the changes in this assumption and would have the following impact on the present value of the pension obligations:

EUR m	12/31/2023	12/31/2022
Interest rate sensitivity		
Discount rate + 50 basis points	-18.9	-18.4
Discount rate - 50 basis points	21.1	20.5
Pension increase sensitivity		
Pension increase + 25 basis points	7.7	7.0
Pension increase - 25 basis points	-7.1	-6.4
Sensitivity when adjusting life expectancy		
Life expectancy + 1 year	10.5	9.7

The range which is considered reasonably possible for changes in the discount rate – as one of the key actuarial assumptions – would have had the above effects on the defined benefit obligation, subject to the other assumptions and parameters remaining unchanged. While this analysis does not take into consideration the full distribution of the cash flows expected under the plan, it provides an approximate value for the level of sensitivity of the assumptions presented.

The current Heubeck Mortality Tables 2018 G are used as biometric computational bases. As in the previous year, the actuarial assumptions applied for employees covered by collective pay agreements and for employees outside the scope of such agreements.

On the balance sheet date, the weighted average term of defined benefit commitments was 13.0 years (2022: 13.7 years).

Employer's pension liability insurance policies were taken out with Allianz Lebensversicherungs-AG in order to fund the pension commitment through deferred compensation. The benefits under the pension commitment match the benefits under the employer's pension liability insurance policy. The benefits under this employer's pension liability insurance policy have been pledged in order to secure the benefit entitlements resulting from the pension commitment for the Bank's employees and their survivors with benefit entitlements.

Premium payments

For the financial year 2024, the Group expects employer contributions to the fund assets to be paid for defined benefit pension plans in the amount of EUR 1.1 million (actual figure for 2023: EUR 0.9 million) as well as direct pension payments to beneficiaries in the amount of EUR 1.3 million (actual figure for 2023: EUR 0.9 million).

Defined contribution plans

Defined contribution plans are funded through external pension funds or similar institutions. Firmly defined premiums (e.g. calculated according to the relevant amount of income) are paid to these bodies. The beneficiary will hold a claim against these bodies and the employer effectively does not have any further obligation beyond payment of the premiums.

In the financial year 2023, expenses were incurred for defined contribution plans in the amount of EUR 2.6 million (2022: EUR 2.9 million) as premiums for employees paid to Versicherungsverein des Bankgewerbes a.G., Berlin, and Allgemeine Rentenanstalt Pensionskasse AG, Stuttgart. Premiums in the amount of EUR 8.7 million (2022: EUR 8.9 million) were paid to the German statutory pension insurance scheme.

51) Other provisions

EUR m	12/31/2023	12/31/2022
Provisions for financial guarantees, loan commitments and other indemnity agreements	17.2	19.9
Further provisions	**52.3**	**63.0**
- Restructuring provisions	3.8	15.6
- Other provisions in the personnel area	36.1	38.2
- Remaining provisions	12.4	9.2
Other provisions	**69.5**	**82.9**

Please see note (37) on the development of the provisions for financial guarantees, loan commitments and other indemnity agreements.

Further provisions developed as follows:

EUR m	Restructuring provisions	Other provisions in the personnel area	Remaining provisions	Total
Balance as of 12/31/2022	**15.6**	**38.2**	**9.2**	**63.0**
Additions	0.7	23.1	9.4	33.2
Utilisation	-3.9	-30.0	-3.1	-37.0
Reversals	-7.6	-0.6	-3.0	-11.2
Unwinding of discount	0.0	0.8	0.0	0.8
Transfers	-1.0	4.6	-	3.5
Balance as of 12/31/2023	**3.8**	**36.1**	**12.4**	**52.3**

Balance as of 12/31/2021	**52.9**	**34.3**	**10.5**	**97.7**
Additions	-	31.7	2.4	34.1
Utilisation	-32.9	-25.1	-2.5	-60.5
Reversals	-3.2	-1.7	-1.0	-5.9
Unwinding of discount	-0.0	-2.7	-0.2	-2.9
Transfers	-1.1	1.6	-	0.6
Balance as of 12/31/2022	**15.6**	**38.2**	**9.2**	**63.0**

The other provisions include discounted provisions in an amount of EUR 35.3 million (2022: EUR 36.2 million) with a term of more than one year. No other discounting was implemented. The interest effect for the other provisions is net income of EUR 0.8 million (2022: income of EUR 3.0 million) and consists of EUR 1.1 million of income from time effects (2022: income of EUR 0.1 million) and EUR 0.3 million in income from the change in the interest rate (2022: income of EUR 2.9 million).

In 2023, plan assets managed on a trust basis in the amount of EUR 24.0 million (2022: EUR 26.2 million) under a contractual trust agreement (CTA) for phased-retirement obligations amounted to EUR 24.0 million (2022: EUR 26.2 million) and were offset in the other provisions item against other assets.

52) Other liabilities

EUR m	12/31/2023	12/31/2022
Leasing liabilities	37.5	44.1
Trade accounts payable	12.2	9.4
Liabilities Human Resources	2.9	8.5
Prepaid expenses	0.2	8.3
Other taxes payable	12.2	5.1
Liabilities from commissions	12.7	3.0
Cash Collaterals CCP	1.0	0.6
Further liabilities	2.3	4.0
Other liabilities	**80.9**	**83.1**

Other liabilities include leasing liabilities in the amount of EUR 44.1 million (2022: EUR 43.2 million) and trade payables not yet billed in the amount of EUR 9.4 million (2022: EUR 11.4 million), among others.

53) Income tax liabilities

EUR m	2023	2022
Balance as of January 1	**44.8**	**19.1**
Additions from mergers	-	-
Utilisations	41.5	16.4
Reversals	-	-
Additions	9.3	42.2
Balance as of December 31	**12.7**	**44.8**

Income tax liabilities relate to tax items pursuant to IAS 12, i.e. income tax liabilities resulting from corporate income tax and trade tax as income taxes are shown in this balance sheet item. Further tax liabilities are reported on the balance sheet in the provisions and Other liabilities.

54) Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities have been established for the following balance sheet items on account of the differences between the amounts recognised for tax purposes and the amounts recognised in the IFRS balance sheet:

EUR m	12/31/2023	12/31/2022
Trading portfolio assets	-	-
Receivables from banks	-	3.0
Receivables from customers	68.6	132.0
Financial assets of the non-trading portfolio	149.7	208.7
Tangible fixed assets	-	-
Other assets	0.7	7.5
Trading liabilities	26.6	48.6
Negative fair values from derivative hedging instruments	3.5	2.9
Liabilities to customers	-	-
Subordinated liabilities	-	-
Provisions	49.2	53.2
Other liabilities	-	-
Other	-	-
Deferred tax assets	**298.2**	**455.9**
Trading portfolio assets	-19.4	-33.3
Positive fair values of derivative hedging instruments	-8.3	-5.5
Receivables from banks	-	-
Receivables from customers	-	-
Financial assets of the non-trading portfolio	-	-
Tangible fixed assets	-2.9	-4.1
Intangible assets	-7.0	-7.8
Other assets	-	-
Trading liabilities	-	-
Liabilities to banks	-	-4.5
Liabilities to customers	-32.5	-59.4
Securitized liabilities	-57.3	-57.2
Subordinated liabilities	-0.1	-0.2
Provisions	-8.6	-13.8
Other liabilities	-51.3	-165.3
Other	-	-
Deferred tax liabilities	**-187.4**	**-351.2**
Net deferred tax assets/liabilities recognised in the balance sheet	**110.8**	**104.7**
Deferred tax assets recognised in the balance sheet	110.8	104.7
Deferred tax liabilities recognised in the balance sheet	-	-

Deferred tax assets and liabilities were offset against one another in the balance sheet at company level, in the case of income taxes which are payable to the same tax authority and for which a legally enforceable offsetting right applies.

The change in the balance of deferred taxes in the amount of EUR 6.1 million (2022: EUR 31.5 million) has resulted from changes in temporary differences. Of this amount, EUR 8.0 million (2022: EUR 29.7 million) related to the statement of profit and loss and EUR 13.8 million (2022: EUR 1.8 million) to other comprehensive income.

55) Income taxes

Current income taxes and the deferred tax expense/income amount are reported as income taxes:

EURm	01/01-12/31/2023	01/01-12/31/2022
Current taxes (current year)	-96.7	-112.5
Current taxes (previous years)	-0.8	-0.4
Current taxes (total)	**-97.4**	**-112.9**
Deferred taxes (current year)	-8.1	26.0
Deferred taxes (previous years)	0.5	7.4
Deferred taxes (total)	**-7.6**	**33.4**
Income taxes (total)	**-105.0**	**-79.5**

The actual taxes for 2023 are calculated by means of an effective corporate income tax rate including solidarity surcharge of 15.8% (2022: 15.8%) plus an effective trade tax rate of 15.1% (2022: 15.1%).

The deferred taxes for 2023 are calculated by means of an effective corporate income tax rate including solidarity surcharge of 15.8% (2022: 15.8%) plus an effective Group trade tax rate of 15.2% (2022: 15.2%).

The deferred taxes for previous years are a revaluation due to the change in the differences between the amounts recognised for assets and liabilities for tax purposes and their carrying amounts in the financial statements for tax assessment notices issued in the current year for previous years. The corresponding current tax expense is shown in the actual tax expense/income for the current year.

The following table reconciles the expected income tax expense with the effectively reported tax expense.

56) Income tax reconciliation

EUR m	01/01-12/31/2023	01/01-12/31/2022
Pre-tax profit or loss	**335.4**	**277.2**
Income tax rate %	31.00%	31.00%
Calculated income taxes	**-104.0**	**-85.9**
Tax effects		
- Trade tax	-0.1	-0.1
- Tax free income	0.3	0.4
- Non-deductible expenses	-2.7	-3.5
- Change in accounting differences	1.5	2.2
- Taxes previous years	-0.3	7.1
- Foreign taxes	-0.1	-0.1
- Effect of tax rate change	0.3	0.4
- Other tax additions and deductions	0.0	0.0
Income taxes (total)	**-105.0**	**-79.5**

57) Disclosures on equity

EUR m	12/31/2023	12/31/2022
Subscribed capital	99.8	97.4
Capital reserves	540.0	517.3
Revenue reserves	980.2	786.1
Additional equity components	99.2	124.2
Other comprehensive income	-38.2	-7.6
Total equity	**1,681.0**	**1,517.4**

Subscribed capital. The Group’s subscribed capital amounted to EUR 99.8 million as of the balance sheet date. This was composed (after conversion of the convertible bond ISIN DE000A2LQQC9 with a nominal value of EUR 25.0 million) of 49.9 million no-par value shares with a nominal value of EUR 2.00 each. The shares were included in the share capital.

Each share represents a pro rata amount of the share capital and grants one vote at the Shareholders’ Meeting. The shares were fully paid in.

Capital reserves. The capital reserve includes the additional proceeds (premium) generated from the issue of the company’s own shares. Due to the conversion of the convertible bond ISIN DE000A2LQQC9 with a nominal value of EUR 25.0 million), the capital reserve increased to EUR 540.0 million.

Revenue reserves. The revenue reserves include the Group’s retained profits as well as any consolidation measures recognised through profit or loss.

Conditional capital. The share capital is conditionally increased by up to EUR 13.1 million (Conditional Capital 2014). The conditional capital increase will be carried out by issuing up to 6 .6 million new bearer shares with no-par value with a right to receive dividends as of the beginning of the business year of their issuance. The conditional capital serves purely as security for claims of holders of convertible bonds issued by Bremer Kreditbank Aktiengesellschaft, Bremen, on the basis of a shareholders' resolution dated October 1, 2014 and for which the Company grants comparable rights in accordance with sec. 23 German Transformation Act (Umwandlungsgesetz) based on the merger agreement with Bremer Kreditbank Aktiengesellschaft dated August 14, 2018. The conditional capital increase will be carried out only to the extent holders of the above-mentioned convertible bonds exercise their conversion rights or to the extent that holders who are obligated to convert their bonds, fulfil such obligation. Only holders of such convertible bonds are entitled to subscription. The Management Board is authorised to determine the further details of the execution of the conditional capital increase.

The share capital is conditionally increased by up to EUR 17.2 million (Conditional Capital 2023). The conditional capital increase will be carried out by issuing up to 8.6 million new bearer shares with no-par value with a right to receive dividends as of the beginning of the business year of their issuance. To the extent legally permissible, the Management Board may, with the consent of the Supervisory Board, determine the profit participation of new ordinary shares in deviation from the foregoing and from sec. 60 para. 2 German Stock Corporation Act (Aktiengesetz), including for a financial year that has already expired. The conditional capital increase shall be executed to only the extent that the holders of warrant or conversion rights or those with conversion or warrant obligations arising from warrant or convertible bonds issued or guaranteed by the company or an affiliate of the company according to sec. 18 German Stock Corporation Act (Aktiengesetz), in which the company holds at least 90 percent of the shares, directly or indirectly, based on the authorisation adopted by the General Meeting of March 2, 2023, exercise their warrant or conversion rights or, where they are obligated for conversion or to exercise warrants, fulfil their obligation for conversion or for exercise of warrants, or to the extent the company exercises an option to provide ordinary shares of the company in lieu of paying the cash amount due, in whole or in part. The conditional capital increase shall not be executed insofar as a cash settlement is provided or treasury shares or shares of another listed company are used for the settlement. The issue of the new ordinary shares is effected at the warrant or conversion price in each case to be determined in accordance with the authorisation resolution set forth above. The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

58) Additional equity components

In June 2018, as a legal predecessor of OLB AG Bremer Kreditbank AG issued a convertible bond (ISIN DE000A2LQQC9 / “Perpetual Subordinated Convertible Bond”) as additional Tier 1 capital (AT1) with a volume of EUR 25.0 million. This was converted into subscribed capital in 2023.

59) Cumulative other comprehensive income (OCI)

This item includes the valuation changes resulting from the FVOCI financial instruments which are transferred to the statement of profit and loss as of the date of actual realisation. It also includes valuation changes from net pension obligations which are not realisable through the statement of profit and loss.

EUR m	01/01-12/31/2023	01/01-12/31/2022
Balance as of January 1	**-7.6**	**-11.8**
Items reclassifiable through profit or loss		
- Change in debt instruments measured at fair value through other comprehensive income (FVOCI)	-19.1	-44.3
- Valuation changes	-30.4	-53.4
- Gains and losses reclassified to the income statement	2.8	-10.9
- Deferred taxes	8.6	19.9
Items not reclassifiable through profit or loss		
- Change from remeasurement of defined benefit plans recognised in other comprehensive income	-11.6	48.5
- Valuation changes	-16.7	70.3
- Deferred taxes	5.2	-21.8
Other comprehensive income	**-30.6**	**4.2**
Balance as of December 31	**-38.2**	**-7.6**

60) Capital management, own funds and risk assets under Sec. 10 KWG

With regard to its capital resources, OLB is subject to the regulatory provisions of the German Banking Act (Kreditwesengesetz, KWG) in conjunction with the Capital Requirements Regulation (CRR) (art. 25-88), which prescribe the necessary capital backing for risk-weighted assets.

The Bank's aim is to maintain a common equity Tier 1 capital ratio of at least 12.5% at all times. In order to ensure this despite the planned credit growth, it remains necessary to maintain an appropriate retention ratio and to closely manage the development of risk assets over the entire planning period. The Bank's dividend policy is based on the aforementioned framework conditions and pursues two objectives:

(1) an appropriate participation of the shareholders in the company's success and

(2) securing the future viability and stability of the Bank by continuing to retain profits generated.

The resulting increase in capital is used to refinance growth on the capital side.

- With regard to the required strategic capitalization, the following key factors must be considered for OLB:
- According to the IRBA implementation plan, OLB will have transferred additional portions of its portfolio to the F-IRBA by 2026. The transfer of the existing portfolios will result in subsegment-specific charges and reductions in RWA, which are included in the Bank's capital planning as part of its medium-term planning.
- According to the current state of knowledge, the amendments to the CRD and CRR under "Basel IV", which were finalised as draft this year, will take effect in 2025 and therefore within

the current planning period (2024-2026). There is still uncertainty regarding the future regulatory minimum capital requirements. In particular, the rules on the new standardised approach for credit risks, in conjunction with a floor rule for IRB institutions based on it, may increase the minimum capital requirements for OLB in the long term. The finalised draft implies that the new rules have transitional periods during which the requirements gradually take full effect ("phase-in"). Because of existing buffers in capital planning, this transition period is sufficient to achieve the required minimum ratios with the higher RWA weightings that are then expected.

- For some time now, OLB has countered the expected future burdens with a consistently risk/return-oriented new business policy that is intended to reduce RWA density over the long term, especially in the more RWA-intensive areas. To strengthen its total capital, the Bank is free to issue additional Tier 1 capital and Tier 2 capital. Weighing the effect on earnings and the market situation, OLB uses these financing instruments to optimise its capital structure. To comply fully with the requirements of the Internal Capital Adequacy Assessment Process (ICAAP), the Bank's management cycle assesses the extent to which the actual ratio of capital to risks assumed is in line with the plan, by means of the monthly key performance indicator (KPI) report discussed by the full Board of Managing Directors. Regulatory and economic risks are allocated to OLB's strategic business segments as part of the planning process. The RWAs under the German Solvency Regulation (Solvabilitätsverordnung, SolvV) are an important control parameter here. Actual developments in the business segments are compared monthly with the planned results, and corresponding deviations are analysed.

EUR m	12/31/2023	12/31/2022
Common Equity Tier 1 capital	1,432.5	1,275.2
Additional Tier 1 capital (AT1)	101.3	141.2
Tier 1 capital	**1,533.8**	**1,416.4**
Tier 2 capital	117.9	141.0
Share capital and reserves	**1,651.7**	**1,557.4**
Risk assets for counterparty risks	9,014.8	8,542.0
Risk assets for market price risks	-	-
Risk assets for operational risks	960.5	820.8
Risk assets	**9,975.3**	**9,362.8**

The prudential equity requirements were complied with at all times.

61) Capital ratios under sec. 10 KWG

The institution-specific surcharge to be met in addition to the statutory minimum requirements under article 92 CRR as part of the Supervisory Review and Evaluation Process (SREP) was 1.0 % for OLB as of December 31, 2023, based on BaFin's assessment of the risk management procedures and the risk situation. The Tier 1 capital ratio had risen to 15.4 % as of December 31, 2023 (December 31, 2022: 15.1 %) and was thus well above the regulatory requirement (including the combined capital buffer requirement under sec. 10i KWG) of 10.1 % (December 31, 2022: 9.3 %).

%	12/31/2023	12/31/2022
Common Equity Tier 1 capital ratio	14.36	13.62
Tier 1 capital ratio	15.38	15.13
Aggregate capital ratio	16.56	16.63

Notes to the balance sheet - further disclosures

62) Risk management strategy

Principles of Bank-wide risk management

Basic principles of risk control

OLB strictly observes the principle that front-office and back-office operations must be kept entirely independent from risk monitoring. It therefore maintains a strict separation between the market units' active assumption of risk, together with their risk management, on the one hand, and risk monitoring, on the other. In lending business and treasury operations, additionally, a separation between the front office and back office is maintained at all levels up to the Board of Managing Directors.

When new products are introduced, a predefined process (the procedure for introducing new products or for entering new markets – new products, new markets, "NPNM") ensures that all concerned functions of OLB are able to participate in the risk and earnings analysis before planned new business activities begin.

Before changes are made to the Bank's structure and procedures or its IT and rating systems (per CRR), the impact on the internal control system and on the risk management and controlling system is assessed and classified in a defined procedure by means of an internal controlling and risk assessment group. This ensures that before any planned measure is introduced, it has been reviewed by the organisational units affected and any necessary adjustments to the risk management and controlling system have been prepared.

A number of panels support the Board of Managing Directors in preparing for decisions on risk management. The most important entity here is the Risk Committee. The Risk Committee includes the Chief Executive Officer, the Chief Risk Officer, the Chief Financial Officer and the heads of Risk Control, Finance, Controlling and Treasury & Markets.

The risk reporting system established within the Group ensures that the Board of Managing Directors is kept involved and informed about the risk management process.

Suitable employee training measures within the scope of the risk management process ensure that employees have the necessary and appropriate knowledge and experience.

Risk culture

Knowingly assuming (credit) risks is inherent in the Bank's business model and forms part of its business and risk Strategy.

Shared ethical values and a Group-wide risk culture consistent with its risk strategy are important factors in terms of the success of the Bank's sustainable business performance. A well-defined corporate and risk culture can lastingly reduce misconduct by employees, while at the same time exerting a positive influence on the public's perception of the Bank and its reputation.

For OLB, this means continuously encouraging a risk culture within the Bank, and deliberately reinforcing a value system that firmly anchors risk management and risk awareness in its corporate culture. In this connection, the principles of conduct established and communicated within the Bank are of particular importance.

OLB's Code of Conduct is a significant basic component of the Bank's practiced system of values and must be considered a minimum standard for all employees' conduct. Not only the Board of Managing Directors but all of the Bank's executives play a significant role in shaping OLB's guiding principles, by setting an example through their own conduct. An appropriate risk culture, such as the one which the Bank has defined for itself, presupposes a management concept of open communication and cooperation, in which recognised risks are frankly communicated and crisis situations are approached with a focus on finding a solution. Employees are motivated to align their conduct with the Bank's defined system of values and Code of Conduct, and to act within the bounds of risk tolerance as defined in further detail in the risk strategy. The implemented system of risk management and the transparency and communication needed for that purpose offer employees a chance to make the most of opportunities within the prescribed general conditions for risk management. At the same time, however, employees are also responsible for assessing risk comprehensively and managing it actively. One significant component of risk culture is the conscious care and discipline with which participants approach their tasks in the customer and risk management process.

A risk culture implies a constructive, open dialog within the Bank that is encouraged and supported at all levels of management. In past years, the Bank has taken steps (such as establishing appropriate incentive structures) to further refined and lastingly reinforce a risk culture as part of its corporate culture.

Risk strategy

The Bank's Board of Managing Directors adopts the risk strategy, reviews it at least once a year, and discusses it with the Supervisory Board.

It is based on the Bank's business strategy and takes account of the results of the Bank's risk assessment, risk-bearing capacity, and organisational environment. The risk strategy is developed in a structured strategy process that ensures:

- that OLB's business and risk strategy is consistent with its business plans,
- that OLB enters into only those risks that are subject to a control process, and in amounts that pose no threat to the Groups's continuing existence,
- that claims by the Bank's customers and other creditors are secured,
- that OLB's risk-bearing capacity is assured at all times through a risk-sensitive limitation of the principal risk categories and of the risks at the level of the Bank's lines of business,
- that the Bank's solvency is assured at all times and monitored by way of limits, and
- that the Bank has appropriate risk reporting and monitoring capabilities in place.

OLB operates with a long-term perspective, applying a business model focusing on soundness and consistency. The Bank's risk management process supports the implementation of this strategy by managing risk exposure so as to ensure that the Group's net assets, financial position and results of operations remain stable.

From the viewpoint of business and risk strategy, an appropriate employee compensation system plays an especially important role, because in addition to other goals of human resources policy, it also ensures that employees counteract risk adequately. For that reason, the structure of that system is regularly reviewed by the Board of Managing Directors, revised if necessary, and formally noted by the Supervisory Board.

The decision about a strategic approach is made while taking due account of the opportunities associated with the risks or, in the case of operational risks, considering the costs associated with reducing or avoiding these risks.

Definition of risk categories/types

As part of the annual risk assessment process, OLB examines what risks are relevant to it, and whether all significant types of risk undergo an appropriate risk management process. Credit risk, market price risk, liquidity risk and operational risk are defined as significant risks that, because of their amount and nature, are material to the OLB’s continued existence. The results of the risk assessment are incorporated in the risk-bearing capacity process by way of the risk strategy.

The Bank also deals with sustainability risks. This is not a separate risk category, but rather a factor or driver of existing risk types. The appropriate consideration of ESG risks in the material risks is reviewed as part of the risk inventory. OLB has bundled the coordination of its most important sustainability activities in the Sustainability department. Sustainability risks are managed and limited in accordance with the Bank's risk and business principles, and analysed by means of scenario considerations. Sustainability risks, like the effects of financing and investment decisions on sustainability factors, are included in strategic considerations. Thus, in addition to economic aspects, OLB has set itself the goal of acting sustainably in ecological and social terms also. In this regard, its business activities are guided by the Principles for Responsible Banking, among other things.

Credit risk

Credit risk is subdivided into default risk, migration risk, liquidity and credit spread risk and country risk as well as validity risk:

- Default risk
  Default risk is defined as the potential loss inherent in the default of a business partner – whether a counterparty or another partner to a contract, or an issuer of a security – in other words, the party’s potential inability or unwillingness to meet contractual obligations.
- Migration risk
  Migration risk is defined as the potential change in the present value of a claim as a result of a deterioration in creditworthiness, i.e. in particular in case of a change in the rating for the non-default classes.
- Liquidity and credit spread risk
  The liquidity and credit spread risk is defined as a potential change in present value due to changes in liquidity spreads or credit spreads on the market.
- Country risk
  The country risk as an element of credit risk is defined as the assumption of a cross-border risk, in particular a transfer and conversion risk, i.e. the risk that the transfer or the convertibility of the amounts paid by the debtor will not be made or will be delayed due to payment problems as a result of official or legislative measures.
- Validity risk
  Validity risk in the narrower sense is the risk of a directly or indirectly purchased receivable lacking legal validity.
- Collateral risk

- The collateral risk is the risk that the loan collateral taken to secure a loan may suffer a loss in value during the term of the loan and may therefore not be sufficient to cover the loan or may not even be able to contribute at all.

OLB has introduced a separate ESG scoring tool for corporates and SMEs in the credit process. The tool is also used to assess existing ESG risks for the credit portfolio.

Market price risk

Market price risk refers to the risk that the Bank may suffer losses due to changes in market prices or the parameters that influence market prices (e.g. share prices, interest rates, exchange rates or prices for real estate as well as the volatility of these parameters). It also includes changes in value that result from the specific illiquidity of sub-markets if, for example, the purchase or sale of large items within a specified timeframe is only possible at prices that are not standard for the market.

Liquidity risk

By liquidity risk, OLB first of all means the risk that it might be unable to meet its payment obligations at all times (risk of inability to meet payments).

Under liquidity risk, the Bank also includes the risk of increases in the price of raising funds to cover funding gaps as a result of liquidity and loan markups on interest rates given the same level of credit-worthiness (liquidity cost risk).

Operational risk

Operational risk (OR) is the risk of losses due to the inadequacy or failure of internal procedures, persons or systems or due to external events that are manifested in the institution itself.

OLB subsumes the following types of risk under the "operational risk" category:

- Legal risk and risk of changes in the law
  Legal risk is the risk that a loss will occur because the legal framework established by law and case law has not been taken into account or has been taken into account incompletely. The law amendment risk represents the risk of a loss for transactions concluded in the past due to a change in the legal situation (change in case law or change in legislation) and also the risks that may arise due to inadequate or missing implementation of legal bases that come into force in the future.
- Conduct risk
  OLB defines conduct risk as the abstract risk of other criminal acts resulting from internal offenses such as theft, corruption or antitrust violations.
- Compliance risk
  Compliance risk is defined as the risk of criminal or administrative sanctions, fines (for example, under the GDPR or the German Money Laundering Act, or special audits by banking regulators) and other financial losses or reputational damage resulting from violations of legal and administrative regulations/regulatory requirements and codes of conduct/ethics in connection with the

Bank's regulated activities (collectively, the "regulations"), investor protection/consumer protection, and the Bank's status as a capital market-oriented company. This also includes the risks arising from uncertainties from audits and findings by external third parties, e.g. the supervisory authorities (BaFin, Deutsche Bundesbank). Specific risks are taken into account by recognizing provisions. In addition to the necessary expenses for remedying the findings of such audits, this may result in further charges, e.g. in the form of legal and litigation costs.

- External fraud
  External fraud describes operational risks from losses due to other criminal acts by third parties, e.g. losses due to fraudulent acts, misappropriation of property or circumvention of legal provisions by a third party.
- Model risk
  Model risk describes the potential loss from incorrect control impulses due to improper application, unsuitable use of the model for its application, unsuitable or incorrect input parameters and inconsistency of the model (model outdated or improperly modeled). All models that are used in product or (balance sheet) valuation (e.g. product calculation, valuation of financial instruments, monitoring of risk limits, etc.) for decision-making or that influence equity capital requirements or are used to review them (Pillar I and Pillar II - quantification models) are subject to (potential) model risk.
- Reputational risk
  OLB defines reputational risk as the risk of a loss of reputation for the Bank among the general public, investors, (potential) clients, employees, business partners and supervisory authorities with regard to its competence, integrity and trustworthiness as a result of negative events in its business activities. This also includes the business disadvantage to OLB's earnings, equity or liquidity resulting from the loss of reputation.
- Project risk
  The Bank defines project risk as the loss that may result from delays, cost increases, quality losses or project failures.
- Outsourcing risk
  Outsourcing risk comprises the risk of inadequate or limited performance by external service providers for functions essential to the Bank.
- IT and information security risk
  This refers to the risk of loss due to the exposure, manipulation or unavailability of IT systems or information.

ESG risks are considered in the context of scenario analyses. Reputational risk management regulates the handling of sensitive areas, e.g. in lending, through prohibitions and increased audit requirements.

Organisation of risk management and controlling

As part of its overall responsibility, and under the terms of sec. 25c KWG, OLB’s Board of Managing Directors is responsible for defining the Bank’s strategies and for establishing and maintaining an appropriate, consistent and up-to-date risk management system. It defines the principles for risk management and controlling, together with the organisational structure, and monitors their implementation.

RISK MANAGEMENT SYSTEM

The risk policy – as an embodiment of the requirements under the risk strategy – describes the principal aspects for organising risk management. As part of that policy, below the Board of Managing Directors, the Risk Committee is established as the central body that monitors and manages the Bank’s risk-bearing capacity. The full Board of Managing Directors makes the final decision on aspects strategically relevant to risk. Any decisions outside the authority of the full Board of Managing Directors are made by the Supervisory Board or its Risk Committee or Loans Committee.

Risk management

The following bodies and organisational units – as units supporting the full Board of Managing Directors – are responsible for managing the principal risk categories:

Risk category	Board/Organisational unit
Credit risk	Risk Committee, Retail Risk Committee
Market price and liquidity risk	Risk Commitee, Bank Management Committee
Operational risk	Risk Committee

In keeping with the strategic focus and goals defined by the full Board of Managing Directors in the business and risk strategy as well as prescribed areas of authority and limits, these bodies and organisational units have the task of duly controlling risk on the basis of their analyses and assessments. This task also includes adequately designing organisational structures, processes and target agreements. However, decisions on individual credit risks are the responsibility of various levels of the organisation as defined in the current allocation of authority.

Risk monitoring

Risk monitoring is performed by the Risk Control department, and in the case of operational risks, additionally by the Compliance and Operations departments. These departments are organisationally independent elements of OLB's risk management system. They are kept strictly separate both from each other and from the units in charge of initiating, entering into, assessing and approving transactions. The task of the Risk Control department is to fully and consistently analyse, measure and monitor risks. It provides the risk analyses and risk information that risk management needs for active management adequate to the risk at hand.

The compliance function works to implement effective methods to ensure compliance with key legal rules and requirements for the Bank. It advises and assists the Board of Managing Directors in relation to regulatory issues.

It is the responsibility of each individual employee to identify operational risks. Operational risk management (ORM) is organized on a decentralised basis and is ensured and managed by the heads of the departments. The Corporate Communications and Investor Relations unit coordinates the handling of reputational risks.

The Legal department is responsible for the identification, measurement and assessment of legal risks and risks of changes in the law, as a sub-category of operational risk.

In addition, Internal Audit performs an assessment of the adequacy of the risk management and controlling system from outside the process, by auditing the structure, functionality and efficacy of the entire risk process and the other processes associated with it.

Risk reporting

In risk reporting, the Risk Control department reports regularly to decision makers (the full Board of Managing Directors, Risk Committee, pertinent department managers) and the Supervisory Board, as well as the Risk Committee appointed by the Supervisory Board. The frequency of reporting depends on the significance of the risk and on regulatory requirements. Information that is significant for risk is immediately conveyed to management, the officers in charge, and to Internal Audit and Compliance departments, if applicable.

Filing external risk reports with the Deutsche Bundesbank regarding the lending business is the task of the Finance department.

Management and controlling of specific risks

Credit risk

Risk measurement

OLB uses the Credit Metrics™ simulation model to measure economic credit risk. This model reflects default risk, migration risk and spread risk.

Based on the loss risks for each individual item, the model calculates a collective loss allocation for all items and thus assigns a value to the portfolio. The changes in value in the entire portfolio are then used to derive the key figures and limit values needed for risk management. A credit value at risk (99.9%/1 year) is used to measure and control risk.

In addition, the risk value associated with investments within the scope of the pension fund – to which a significant portion of the Bank's pension obligations was transferred in previous years – is provided by an external company and taken into consideration. This value is determined by means of a credit risk model using a Credit Metrics™ approach, with the same confidence level and risk horizon as for OLB.

Credit risks are limited at both the whole-portfolio and partial-portfolio levels. Stress tests are additionally performed at regular intervals. The scenarios considered there are regularly reviewed in terms of their up-to-dateness and relevance.

The country risk is monitored by means of limits specified for the countries in which and with which transactions are currently being carried out or have been carried out in the past.

The Bank does not carry out any trading on its own account. To limit credit risk from trading transactions, for derivatives the Bank applies the Standard Approach for Counterparty Credit Risk (SA-CCR) supplemented with regulatory add-ons.

OLB has integrated the credit risks from trading transactions in its internal credit portfolio model; these are incorporated into the credit value-at-risk key figures for the portfolio as a whole and the corresponding sub-portfolios.

Risk management

Management of all **credit risks in the customer lending business** is based on an integrated concept of guidelines, structures of authority and requirement systems consistent with the Bank's strategic focus and objectives.

The loan decision process is structured consistently with this concept. An organisational and disciplinary separation between front office and back office is ensured at all levels.

Various organisational rules have been adopted depending on the credit risk to be decided on. The aim is for the structure and the distribution of duties to ensure that decision-making and processing for credit exposures are both adequate to risk and efficient, as a function of lot sizes, risk content, and complexity. Exposures that are integral parts of business that OLB defines as not relevant to risk are subject to simplified approval, decision-making and monitoring processes. Exposures that are part of business that the Bank categorises as risk-relevant are approved and decided under shared authority between front and back office, on the basis of their specific risk content and in compliance with firmly defined rules.

Risk assessment and credit approval in non-risk-relevant business depend on the type of transaction and on who is in charge of providing customer support. For all other exposures, risk assessment and the credit decision are carried out in cooperation between the front office and back office.

In new business, the risk of insolvency is determined for each borrower, in the form of a credit rating category, on the basis of statistical creditworthiness procedures. At the same time, the collateral provided by the customer is evaluated. This valuation takes place with involvement of the back office and/or external experts, depending on the scope and complexity. The total lendings, debt servicing calculation, credit rating and collateral together provide an indication of the customer’s credit risk. The customer's sustainability risk is also determined (ESG).

During the life of the credit, all exposures are monitored at all times. A manual update of the rating is performed annually for risk-relevant exposures and a prolongation report is prepared. Furthermore, automated status ratings are carried out monthly.

In addition, all exposures are monitored by various automated and manual early detection procedures for risk; when needed, these procedures trigger a mandatory rating review together with predefined analytical and reporting processes.

The timing and scope of recurring appraisals of collateral depend on the nature of the collateral and the value attributed to it. Since real property plays such an important role as collateral for the Bank, a central real estate monitoring unit has been set up that tracks regional changes in prices in the real estate market, and triggers an individual review of the affected regional real estate figures when material changes occur.

The qualitative and quantitative requirements for approving and monitoring exposures are coupled to the risk involved in each case. Depending on volume, risk content and credit rating, spheres of authority are defined so that credit decisions are always made at a level adequate to the risk involved.

Appropriate systems of requirements have been established to keep the risk of the credit portfolio as a whole within reasonable bounds. For example, there are guidelines for the acceptance and appraisal of collateral. Risk-dependent prices, in conjunction with risk-adjusted measurement of sales units’ earnings, create incentives to engage in new business only where there is adequate creditworthiness and appropriate collateral.

To ensure an adequate assessment of risk over the long term, an emphasis is placed on high-quality processes. The initial and continuing training for employees plays a crucial role, as does a regular review of processes. Moreover, follow-up analyses and validations make it possible to judge how meaningful the results of a credit assessment and collateral appraisal actually are, and permit projections about the future risk picture.

In addition, the Risk Control department examines the development of credit risks through the customer credit portfolio every month. It performs structural analyses of the portfolio (rating, collateral, defaulted customers, economic sectors, new business, etc.), and investigates the impact on economic indicators such as the expected loss and the regulatory equity requirements. The results are reported to the Risk Committee and incorporated into the quarterly risk report to the full Board of Managing Directors and the Supervisory Board.

The quarterly risk reporting also includes an examination of potential risk concentrations in credit risk. This includes analyses on the basis of individual exposures, sectors, or other defined partial portfolios. In addition, at least once a year, risk concentration is extensively reviewed as part of the risk assessment, so as to detect any additional needs in connection with updating the risk strategy.

To avert risk concentrations, partial-portfolio limits are also defined above and beyond areas of authority. Monitoring these limits is the task of the Risk Control department.

Risk provision is determined using an Expected Credit Loss Model according to IFRS9 standard. Loans are classified under Stages 1 to 3, depending on their default risk.

Loans in default are measured individually and are provided with an Individual Assessed Loan Loss Provision (IALLP), at the latest upon expiry of defined periods of time. The length of these periods of time is dependent, in particular, on the collateral and the Bank's experience. This does not affect the existence or pursuit of the Bank's legal rights.

The Bank conducts **trading transactions** in the non-trading portfolio when they are intended to safeguard the Bank's long-term liquidity and to control the risk of changes in interest rates within the defined limits. In this way, they serve to safeguard the Bank's long-term survival and earnings stability. The principal lines of business included in the non-trading portfolio are money trading and trading in or issuing bonds. They are complemented by derivative transactions to mitigate risk. OLB counters issuer and counterparty default risks in the trading business with banks, and in securities investments, by limiting its dealings fundamentally to trading partners who have first-class credit ratings and to central-bank counterparties, as well as by maintaining a firmly established system of limits and pursuing a broadly diversified portfolio. The strategic orientation is defined in the Bank's risk strategy. In terms of the approval process, credit risks from the trading business are treated analogously to the commercial lending business.

Risk situation

OLB awards customer loans to private clients, on the one hand, and to small and medium-sized corporate clients on the other. The Commercial Real Estate, Acquisition Finance, Football Finance and Ship Finance business segments are further areas of focus. The Retail Banking concentrates on mortgages and consumer loans. Business with corporate clients is mainly in financing for operating equipment, other capital investments and real estate.

In assessing the necessary general loan loss allowances (Level 1 and Level 2), OLB based its future development assumptions of the macroeconomic environment on three scenarios that were weighted with probabilities of occurrence with regard to their effects. In the previous year, the Bank had made a post-model adjustment (PMA) of risk provisions in the amount of EUR 15.9 million due to the expected effects of the massive increase in energy prices, consumer prices and the general rise in interest rates, in which the individual effects on individual economic sectors were analyzed and transformed into estimated changes in the probabilities of default. The PMA was reviewed on a regular basis in December 2023. The Bank found that, despite an extension of the models for the development of risk provisioning to include, for example, effects from the development of fossil fuel prices, significant risks from the current economic situation were still not adequately reflected in the parameters used. This applied to the effects of increases in consumer prices, the interest and price-related slump in the construction industry and the decline in real estate values expected by the bank. The situation in the production areas within German industry with high electricity demand was also still considered to be tense and was not included in the parameterisation of the risk models used. The industry heat map method developed for estimating and taking into account these risks, which are not sufficiently considered in the models underlying the risk provisioning, was still considered suitable. The classification of industries into risk classes was reviewed and adjusted for individual industries. Due to the changes in the basis for deriving the model adjustments, the existing PMA was reversed in full and replaced by an updated PMA in the amount of EUR 16.0 million.

The following table shows an overview of the loan volume:

EUR m	12/31/2023	12/31/2022
- Private & Business Customers	10,269.6	9,889.8
- Corporates & Diversified Lending	9,823.4	8,691.3
- Corporate Centre	-171.3	-387.2
Receivables from customers (gross carrying amount)	19,921.7	18,193.9
Receivables from banks (gross carrying amount)	548.8	775.2
Total of gross receivables	20,470.5	18,969.1
less risk provision	-197.2	-184.9
Total of net receivables (after risk provision)	**20,273.3**	**18,784.1**

Positive and negative adjustments of the book value resulting from fair value hedge accounting were reflected in the Corporate Center.

Please see note (37) for details of the development of the structure and volume of the lending business.

Credit ratings:

Creditworthiness, which is assessed by means of specific rating methods, is an important indicator used to assess credit risk. Within OLB, credit ratings are determined using an internal master scale which allocates clients to internal credit ratings corresponding to their probability of default (PD). The relationship between the Bank's internal credit ratings and the ratings of the external rating agency Standard & Poor's (S&P) is evaluated and, where appropriate, adjusted annually on the basis of the default rates published by S&P.

The following tables show the distribution of loans and impairment, with a breakdown by credit rating:

Credit rating	PD range	Standard & Poor's	Assessment
1 - 6	< 0.02% - 0.46%	AAA to BBB-	Ability to meet the payment obligation (investment grade)
7 - 9	0.46% - 2.45%	BB+ to BB-	Ability to meet the payment obligation with limitations
10 - 12	2.45% - 13.25%	B+ to B-	Impaired ability to meet the payment obligation
13 - 14	13.25% - ≤ 100%	CCC+ to C	Increased or severe vulnerability to delinquency
15 - 16	100%	D	Borrower is delinquent under CRR or considered to have defaulted

Private & Business Customers				
EUR m	12-month ECL	Lifetime ECL		POCI
		not impaired	impaired	
12/31/2023				
Low risk (AAA to BBB-)	4,286.1	17.3	-	-
Medium risk (BB+ to BB-)	5,142.6	290.2	-	-
Increased risk (B+ to B-)	150.0	182.3	-	-
Vulnerable to delinquency (CCC+ to C)	0.2	71.1	-	-
Delinquent under CRR or defaulted (D)	-	-	129.8	-
Risk provision	-9.6	-15.4	-44.5	-
Total	**9,569.3**	**545.5**	**85.3**	**-**
12/31/2022				
Low risk (AAA to BBB-)	4,486.5	10.3	-	-
Medium risk (BB+ to BB-)	4,587.5	275.1	-	-
Increased risk (B+ to B-)	190.5	161.4	-	-
Vulnerable to delinquency (CCC+ to C)	0.7	64.7	-	-
Delinquent under CRR or defaulted (D)	-	-	113.1	-
Risk provision	-11.8	-14.8	-36.1	-
Total	**9,253.4**	**496.7**	**77.0**	**-**

Corporates & Diversified Lending				
EURm	12-months ECL	Lifetime ECL		POCI
		not impaired	impaired	
12/31/2023				
Low risk (AAA - BBB-)	4,812.7	6.7	-	-
Medium risk (BB+ - BB-)	3,527.6	88.6	-	-
Increased risk (B+ - B-)	676.2	405.2	-	-
Vulnerable to delinquency (CCC+ - C)	15.4	118.9	-	-
Delinquent under CRR or defaulted (D)	-	-	172.0	-
Risk provision	-25.7	-27.4	-74.6	-
Total	**9,006.3**	**592.1**	**97.4**	**-**
12/31/2022				
Low risk (AAA - BBB-)	4,298.5	-	-	-
Medium risk (BB+ - BB-)	3,210.4	23.2	-	-
Increased risk (B+ - B-)	534.4	355.5	-	-
Vulnerable to delinquency (CCC+ - C)	54.2	54.8	-	-
Delinquent under CRR or defaulted (D)	-	-	160.3	-
Risk provision	-27.2	-24.7	-68.7	-
Total	**8,070.3**	**408.9**	**91.6**	**-**

The maximum risk of default has been calculated below as a portion of the credit risk for each class of financial instrument.

EUR m	12/31/2023	12/31/2022
Balance sheet assets	**25,878.6**	**24,081.6**
Cash reserve	77.7	1,529.8
Receivables from banks	548.8	775.2
Receivables from customers	19,724.6	18,008.9
- Receivables from customers measured at AC	19,724.6	18,008.9
- Receivables from customers measured at FVOCI	-	-
Other receivables	320.2	330.9
Risk provision	**197.2**	**184.9**
Financial assets measured at FVPL	112.0	128.1
Mandatorily measured at FV	111.2	126.3
- Positive fair values of derivative hedging instruments	35.1	17.9
- Trading portfolio assets	76.1	108.5
Financial assets of the non-trading portfolio	0.7	1.7
Risk provision	**-**	**-**
Financial assets measured at FVOCI	4,881.7	3,085.6
- Equity instruments	-	-
- Debt instruments	4,881.7	3,085.6
- Loans and receivables	-	-
Risk provision	**0.2**	**0.6**
Bonds and other fixed-income securities measured at AC	-	-
Risk provision	**-**	**-**
Maximum risk of default for all balance sheet assets	**25,862.0**	**24,043.4**
Financial guarantees	606.8	695.8
Irrevocable loan commitments	1,791.1	1,678.2
Risk provision	**17.2**	**19.9**
Maximum risk of default	**28,277.1**	**26,437.3**

Risk concentrations

The industry distribution of the loan portfolio is generally characterised by the clientele, which is mainly based in the business region. In the corporate client business, there is no industry concentration in this respect. In the area of commercial real estate, the portfolio is diversified into the usual asset classes such as offices, apartments, logistics and retail. Acquisition financing is mainly spread across the service, productionand retail industry clusters. There are separate limits for the special financing portfolios.

Collateral

All in all, slightly less than 40% of the gross credit risk in customer lending business is secured with collateral. Most of this 40% collateral is mortgages on residential and commercial property. As a rule, residential and commercial property is not measured at fair value here and is instead measured according to the specifications of the more conservative “Beleihungswertverordnung”. Further receivable claims are mainly secured with liquid collateral such as account balances, building loan agreements and chattel mortgages. The transfer of wind turbines and ship mortgages for security purposes, in order to hedge the corresponding portfolios, serves as other noteworthy collateral. Export financing outside Europe is usually collateralised by means of government export credit insurance (ECA).

Apart from concentration on individual borrowers, risk concentration may also arise from a focus on individual providers of security. Credit insurances are internally limited to prevent potential concentrations Since Other collateral and security derives from the broadly diversified customer lending portfolio, at present the Bank does not foresee any relevant risk concentrations.

Suitable monitoring measures have been implemented for areas in which concentrations may arise due to the type of collateral or the collateral item. Collateral recovery rates are monitored on an ongoing basis and any changes observed are taken into account when determining credit risks. The collateral ratio of non-performing loans was 75.3% as at December 31, 2023. In addition to the above-mentioned allocated collateral, the loan loss provisions were also taken into account.

Banks

The credit risk from loans and advances to banks (incl. Deutsche Bundesbank) and from bonds issued by credit institutions is low overall.

Country risk

OLB calculates the country risk based on the country of the debtor’s economic risk, in line with Delegated Regulation (EU) No. 1152/2014. Accordingly, as of December 31, 2023 Germany accounts for 74% (December 31, 2022: 83%) of customer and bank lending business and the rest of the EU for 20% (December 31, 2022: 13%). Only 6% (December 31, 2022: 4%) of the economic risk is situated outside of the EU.

Market price risk

Risk measurement

OLB is exposed to market price risks in its customer business and in trading. Significant factors here include:

- changes in interest rates and yield curves,
- changes in currency exchange rates, and
- fluctuations (volatility) in these parameters.

The risk from the non-trading portfolio derives primarily from changes in interest rates (in terms of the effect on the present value of the interest rate book). An open foreign-currency position is possible only for very minor technical amounts. The limit for open foreign-currency positions is set at EUR 1 million.

Risk positions are monitored by the Risk Control department, which reports the evolution of risks and the results for the liquidity reserve daily, and for the value at risk of the non-trading portfolio monthly.

All risk positions are measured as the sum of all relevant individual transactions, including applicable measures to limit risk (net presentation).

Market price risks are quantified and limited at the Whole Bank level, primarily using value-at-risk models.

The value-at-risk model for the non-trading portfolio is based on a historical simulation that incorporates changes in interest rates, equally weighted over time since. To quantify the interest rate risk, the method calculates how the present value of the interest rate book would change if the historically observed changes in interest rates were to occur.

Under EBA Guideline 2022/14 and BaFin circular 06/2019, changes in net present value are additionally calculated using ad hoc shifts of the yield curve in different directions and to different extents as stress scenarios.

For the variable interest rate products, an expiry assumption for various product groups (base rate models) is parameterised in the interest book cash flow . Special repayment rights in the lending business are also included in the risk measurement as model cash flow.

For the limitation of open currency positions from spot transactions, forward exchange transactions, FX swaps, non-deliverable forwards (NDFs), currency options and certain loans/deposits, the total currency position is calculated in accordance with the standard method for market price risks of the CRR.

For the purpose of assigning limits to open currency positions, the overall currency position will be determined on the basis of all net foreign currency balances. In deviation from the definition provided in the CRR, risk positions resulting from value adjustments are not deducted from currency positions. OLB hedges currency positions resulting from customer transactions up to the write-off date.

Risk management

The Bank Management Committee and the Risk Committee of the Bank are responsible for managing market price risk. Positioning in the non-trading portfolio is deliberated and decided by the Bank Management Committee. Market price risks are monitored by the Risk Control department, and limits are adopted by the full Board of Managing Directors, taking due account of recommendations from the Risk Committee.

Value at risk for market price risks (99.9%/1 year) serves to limit risk.

To assess market price risk, in addition to statistical risk assessment using value-at-risk models the Bank regularly applies both regulatory and economic stress tests.

The risk position essentially derives from developments in new lending business, highly liquid bonds held within the scope of the required liquidity reserves, and the funding structure. Investments for the purpose of the Bank's liquidity reserve may be made only within a specifically defined range of product types. The Treasury department largely manages the risk of interest rate changes by means of interest rate derivatives. In addition, the Treasury department can influence the securities held in the liquidity reserve at any time with respect to the volume and the fixed interest rate. In addition to the interest rate book, the risk value resulting from the outsourced pension provisions is provided by an external company and taken into consideration. The risk for the outsourced pension provisions is determined by means of a delta normal model, with the same confidence level and the same holding period as the risk in the interest rate book.

Risk situation

Trading business:

Trading to generate short-term gains was discontinued as of the end of 2012; any new positions were allocated to the non-trading portfolio.

Value at risk for the non-trading portfolio (99.9%/1 year):

EUR m	2023 VaR (99.9%)	2022 VaR (99.9%)
Minimum	82.0	113.8
Mean	134.2	149.7
Maximum	165.5	183.2

Market price risk in the non-trading portfolio is assessed and limited on a value basis through historical changes in interest rates. The growing lending business was the driver behind risk.

Liquidity risk

Risk measurement

Short-term liquidity risks are measured and controlled on the basis of funding matrices, made available daily, with a forward horizon of the next 23 working days (with an eye to the risk of inability to meet payments). In addition to deterministic cash inflows and outflows, the method also applies assumptions on the further development of variable business. Assessments of future liquidity cash flow are performed using both normal market conditions and stress scenarios. The content of the scenarios is essentially the same as that for the medium and long-term views. Medium and long-term liquidity risks are measured and controlled on the basis of monthly assessments that analyse future liquidity cash flow with a forward horizon of the next ten years. The liquidity cash flow here is the net figure for all future incoming and outgoing payments up to the given date. The analysis takes account of business performance both under normal market conditions and in stress scenarios.

Compliance with the regulatory ratio, the liquidity coverage ratio (LCR) according to the Delegated Regulation, is a part of the risk measurement. The LCR calls for maintaining a liquidity buffer that will cover at least net outpayments for 30 days under market-wide and idiosyncratic stress conditions. This approach is supplemented with a liquidity buffer for a one-week and a one-month period. All of these steps are intended to safeguard short-term solvency, especially by maintaining an adequate liquidity reserve.

In addition, OLB calculates and reports the net stable funding ratio (NSFR) liquidity ratio in accordance with the CRR II. The NSFR is a liquidity ratio which is intended to safeguard medium- to long-term structural liquidity over a period of one year and, above all, to reduce the level of dependence on short-term funding. Compliance with this ratio is a regulatory requirement which has applied since June 30, 2021.

In assessing liquidity cost risk, funding matrices over the next ten years from the liquidity-risk stress scenarios are analysed. If liquidity falls short of liquidity risk limits during this period in a given scenario, the shortfall between the actual liquidity and the required liquidity is remedied by means of liquid funding operations at current interest rates with possible liquidity spreads and while maintaining a constant credit rating. The liquidity cost risk is calculated with a value orientation as a liquidity value at risk with a 99.9% confidence level.

Via its Treasury & Markets department OLB has access to all the major capital market segments: mobilisation and administration of credit claims, covered bond issues, customer deposits, asset-backed securities and open-market transactions (e.g., TLTRO). There are no concentrations or dependencies on specific markets or counterparties. In addition to quantification, the Bank’s ability to refinance is also monitored qualitatively.

Risk management

Liquidity risks are limited based on the institution-specific funding matrix, the liquidity coverage ratio (LCR) regulatory ratio and the net stable funding ratio. In order to ensure compliance with the requirement at all times, internal limits and early warning thresholds are defined. The Bank’s Risk Committee is regularly informed of the evolution of these key ratios. These considerations are supplemented with a liquidity buffer that must be maintained. The scope of the buffer is derived from weekly and monthly liquidity outflows from customer transactions.

The limits for liquidity risk in the funding matrix are based on “cumulative relative liquidity surpluses” as the key indicator. This represents the liquidity cash flow relative to total liabilities for defined maturity ranges.

Liquidity risk is controlled by the Bank Management Committee and the Risk Committee of the Bank. The Treasury department can draw at any time on the securities held in the liquidity reserve, or cover additional liquidity needs through sales, pledges for Bundesbank refinancing facilities, or forward sales under repo agreements. Liquidity needs are covered through customer business, by taking out fixed deposits and refinancing loans or by placing promissory note loans and covered bonds. Due to these covered bond issues, in order to manage its liquidity risks as a capital market-oriented institution OLB is required to comply with the additional requirements for capital market-oriented institutions pursuant to sections BTR 3.2 and BT 3.2 of MaRisk.

Risk situation

Development of funding sources:

The bank uses a variety of sources for its funding, as displayed in the following table:

EUR m	12/31/2023	12/31/2022
Demand deposits	480.8	101.7
Development banks	1,990.5	2,315.7
Promissory notes / Registered notes	13.1	23.2
Covered bonds	65.5	65.5
Other term deposits	3,078.8	2,569.2
Liabilities to banks (AC)	**5,628.7**	**5,075.3**
Demand deposits	8,143.2	9,999.1
Promissory notes / Registered notes	397.9	403.4
Covered bonds	177.2	117.1
Other term deposits	7,079.5	4,038.7
Saving deposits	1,119.9	1,634.2
Liabilities to customers (AC)	**16,917.6**	**16,192.5**
Covered bonds issued	700.1	699.5
Other debt securities issued	496.5	7.4
Securitised liabilities (AC)	**1,196.6**	**706.9**
Convertible bonds (Tier 1)	1.7	16.7
Debt instruments (Tier 2)	-	14.0
Promissory note loans (Tier 2)	125.1	128.1
Customer deposits (Tier 2)	2.5	3.1
Subordinated debt	**129.3**	**161.9**
Total deposits and borrowed funds	**23,872.2**	**22,136.6**

Development of regulatory reporting ratios:

The Bank checks the liquidity coverage ratio (LCR) key indicator in accordance with the CRR on a daily basis. The positions are notified by reporting the key indicator according to the Delegated Regulation and have been since September 1, 2016.

LCR	2023	2022
Minimum	148%	117%
Mean	202%	149%
Maximum	328%	210%

The minimum value of 100% for the LCR reporting ratio was maintained on all of the reporting dates. On average, this ratio was 101.9 percentage points higher than the minimum requirement of 100%. On December 31, 2023, this ratio amounted to 147.4% (December 31: 173.94%).

Since June 30, 2021, the Bank has reviewed its net stable funding ratio (NSFR), as prescribed by the CRR, on a daily basis.

NSFR	2023	2022
Minimum	114%	114%
Mean	117%	116%
Maximum	118%	118%

Operational risk

OLB uses uniform, coordinated instruments to identify, measure and monitor operational risks.

The regulatory capital requirement for operational risk is determined by means of the standard approach.

Management of operational risks is essentially based on the scenario analyses, on analyses of losses actually incurred, and on the risk indicators for operational risks.

63) Restrictions on disposal and collaterals for own liabilities

Assets have been transferred as collateral in the specified amount for the following liabilities:

EUR m	12/31/2023	12/31/2022
Liabilities to banks	5,945.4	4,637.3
Liabilities to customers	177.2	117.1
Securitised liabilities	773.9	703.3
Collateralised liabilities	**6,896.5**	**5,457.6**

The total amount (carrying amounts) of the collateral transferred consists of the following assets:

EUR m	12/31/2023	12/31/2022
Receivables from customers (AC) pledged as collateral	6,113.2	5,079.9
Receivables from banks (AC) pledged as collateral	5.2	13.3
Bonds (FVOCI) pledged as collateral	1,307.8	1,047.8
Collateral transferred	**7,426.2**	**6,141.0**

The transferred receivables from customers include receivables refinanced by development loan institutions. OLB mainly cooperates with the development loan institutions KfW, NBank and LRB. According to these development loan institutions' general terms and conditions, in principle OLB assigns to the refinancing institution the customer receivable including any subsidiary rights as well as collateral which the customer has provided for the refinanced receivable in question. The carrying amount for the customer receivables transferred as collateral in this respect was EUR 1,979.8 million (2022: EUR 2,282.3 million). Moreover, customer receivables are transferred to a cover fund for OLB's covered bond issues. The carrying amount of these receivables was EUR 1,474.3 million (2022: EUR 1,090.5 million). Further collateral transferred consists of receivables as part of true-sale receivables securitisations by the SPV Weser Funding S.A. (ABS), with a carrying amount of EUR 1,887.0 million (2022: EUR 988.7 million) and from the transfer of loans through the loan submission procedure (Mobilisation and Administration of Credit Claims – MACCs), with a carrying amount of EUR 772.2 million (2022: EUR 718.4 million).

The transferred receivables from banks mainly comprise cash collaterals relating to derivatives.

The fair value of the transferred bonds matches the above carrying amount.

OLB did not have any reverse repo transactions as of the reporting date.

EUR m	12/31/2023	12/31/2022
Reverse repurchase transactions		
Assets transferred (FVOCI)	929.9	324.9
Corresponding liabilities to banks	2,560.3	324.2
Total assets transferred	**929.9**	**324.9**
Total corresponding liabilities	2,560.31,883.4	324.2

With the scope of its refinancing business with institutions and insurers, out of an overall portfolio of customer receivables in the amount of EUR 19,724.6 million (2022: EUR 18,008.9 million) receivables were transferred to the refinancing entities, with the Bank retaining the related interest rate and counterparty risks. The fair value of the customer receivables within the scope of this refinancing business was EUR 1,828.6 million (2022: EUR 2,058.4 million). The liabilities relating to the refinancing funds amounted to EUR 1,979.8 million (2022: 2,282.3 million). These have been reported in liabilities to customers and liabilities to banks.

EUR m	12/31/2023	12/31/2022
Compensation Scheme of German Private Banks	15.0	13.1
Single Resolution Fund	12.4	10.1
Deposit protection scheme	3.2	3.2
Obligation to deposit protection and market stabilisation schemes	**30.6**	**26.3**

64) Foreign currency volumes

EUR m	12/31/2023	12/31/2022
Assets of the currency		
- USD	457.5	402.9
- GBP	135.3	91.8
- Other	18.1	20.4
Total assets	**610.9**	**515.1**
Liabilities of the currency		
- USD	468.0	611.2
- GBP	12.3	14.6
- Other	27.3	33.2
Total liabilities	**507.6**	**659.0**

These amounts are totals in euro equivalents for non-Eurozone currencies.

65) Breakdown of residual terms of receivables and liabilities

The following tables provide a breakdown of receivables by maturity call date.

EUR m	12/31/2023		
	Up tp 12 months	Over 12 months	Total
Receivables from banks	529.4	19.4	548.8
Receivables from customers	4,103.7	15,620.9	19,724.6
Financial assets of the non-trading portfolio	214.2	4,668.2	4,882.4
Other assets	289.6	46.1	335.7
Total receivables	**5,136.9**	**20,354.6**	**25,491.5**

EUR m	12/31/2022		
	Up tp 12 months	Over 12 months	Total
Receivables from banks	766.8	8.4	775.2
Receivables from customers	3,178.7	14,830.2	18,008.9
Financial assets of the non-trading portfolio	274.5	2,812.8	3,087.3
Other assets	315.0	42.2	357.2
Total receivables	**4,535.0**	**17,693.7**	**22,228.7**

The following tables break down the undiscounted financial liabilities from derivative and non-derivative transactions according to contractual residual terms. As the figures are undiscounted and include interest payments, some of the values differ from the book values shown in the balance sheet.

As of the respective reporting date, the financial liabilities according to contractually agreed maturity structures in accordance with IFRS 7.39 were as follows:

EUR m	12/31/2023					
	Due daily or with indefinite maturity	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Trading Portfolio Liabilities	-	16.5	11.4	29.1	58.5	115.5
Negative fair values of derivative hedging instruments	-	-	-32.7	-27.7	-252.6	-312.9
Derivative instruments (before off-setting)	**-**	**16.5**	**-21.2**	**1.4**	**-194.1**	**-197.4**
Liabilities to banks	470.8	709.6	1,914.9	1,581.6	951.8	5,628.7
Liabilities to customerss	8,038.2	3,746.3	3,696.9	1,122.9	313.3	16,917.6
Securitized liabilities	-	-	0.0	423.8	772.8	1,196.6
Subordinated debt	-	10.0	4.2	55.1	60.0	129.3
Interest payments für non-derivative financial instruments	-	54.1	162.4	182.3	173.2	572.1
Non-derivative financial instruments	**8,509.0**	**4,520.0**	**5,778.4**	**3,365.7**	**2,271.1**	**24,444.3**
Balance sheet items	**8,509.0**	**4,536.6**	**5,757.2**	**3,367.1**	**2,077.0**	**24,246.8**
Contingent liabilities and other commitments	-	2,397.9	-	-	-	2,397.9
Total liabilities	**8,509.0**	**6,934.4**	**5,757.2**	**3,367.1**	**2,077.0**	**26,644.7**

EURm	12/31/2022					
	Due daily or with indefinite maturity	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
Trading Portfolio Liabilities	-	28.4	22.1	43.3	90.8	184.6
Negative fair values of derivative hedging instruments	-	1.0	-	78.6	124.9	204.4
Derivative instruments (before off-setting)	**-**	**29.3**	**22.1**	**121.9**	**215.7**	**389.0**
Liabilities to banks	87.0	440.8	1,200.9	2,289.5	1,057.2	5,075.3
Liabilities to customerss	9,806.8	3,382.0	2,221.1	522.1	260.5	16,192.5
Securitized liabilities	-	-	1.9	5.6	699.5	706.9
Subordinated debt	-	14.1	21.8	36.1	89.8	161.9
Interest payments für non-derivative financial instruments	-	20.2	60.6	138.1	195.2	414.1
Non-derivative financial instruments	**9,893.8**	**3,857.1**	**3,506.2**	**2,991.4**	**2,302.3**	**22,550.7**
Balance sheet items	**9,893.8**	**3,886.4**	**3,528.3**	**3,113.3**	**2,517.9**	**22,939.7**
Contingent liabilities and other commitments	-	2,374.1	-	-	-	2,374.1
Total liabilities	**9,893.8**	**6,260.5**	**3,528.3**	**3,113.3**	**2,517.9**	**25,313.8**

66) Derivative transactions and hedge accounting

Among other factors, the value of derivative financial instruments which enable the transfer of market and credit risks between various parties results from interest rates and indexes as well as share prices and foreign exchange rates. Markdowns are calculated on positive fair values to cover counterparty risks. The most important derivative products used include interest rate swaps and currency forwards. Derivatives can be entered into by means of standardised contracts on the stock market or in the form of transactions negotiated bilaterally over the counter.

Derivatives are used for the Bank's internal risk management and for asset/liability management. From the point of view of valuations, a distinction is made between products traded on the stock market and those traded over the counter.

Where index options are entered into, a daily cash settlement will be made for contracts traded on the stock market.

In the case of exchange-traded derivatives, positive and negative fair values will not be reported if (or arise) unless the terms of the agreement only require full settlement as of the maturity date only (for European options only; EUREX products = American options) or the variation margin (futures only) has not yet been received as of the balance sheet date (e.g. if the stock exchanges are situated in different time zones). Apart from the exceptions described above, the fair values of exchange-traded derivatives will always be zero as a result of the daily settlement of gains and losses.

The following table shows the nominal volumes by residual term as well as the positive and negative fair values of the derivative transactions which the Bank has entered into. The nominal amounts generally serve as no more than a reference figure for the calculation of the mutually agreed settlement payments (e.g. interest claims and/or interest obligations in case of interest rate swaps), and thus do not represent any direct receivables and/or payables in the balance sheet sense.

EUR m	Positive fair value	Negative fair value	Total nominal values
12/31/2023			
Interest rate derivatives	614.0	-400.4	19,105.7
Interest rate derivates from customer business	98.5	-84.9	6,772.7
Interest rate derivatives from interest book management	515.5	-315.5	12,333.0
Thereof: designated as micro hedging instruments	338.9	-202.6	7,127.0
Thereof: designated as portfolio hedging instruments	161.7	-110.3	3,006.0
Thereof: free-standing hedging instruments	14.9	-2.5	2,200.0
Currency derivatives	35.0	-28.0	3,036.3
Currency options: purchases	0.7	-	44.9
Currency options: sales	-	-0.7	44.9
Cross-currency swaps	4.6	-0.2	144.8
FX swaps and currency forwards	29.7	-27.2	2,801.7
Total derivatives	**649.0**	**-428.4**	**22,142.0**
12/31/2022			
Interest rate derivatives	858.6	-336.3	12,068.0
Interest rate derivates from customer business	145.2	-131.9	5,027.7
Interest rate derivatives from interest book management	713.4	-204.4	7,040.3
Thereof: designated as micro hedging instruments	452.7	-204.0	5,122.3
Thereof: designated as portfolio hedging instruments	260.7	-0.3	1,918.0
Thereof: free-standing hedging instruments	-	-	-
Currency derivatives	52.0	-52.7	3,861.6
Currency options: purchases	3.2	-	243.9
Currency options: sales	-	-3.2	243.9
Cross-currency swaps	3.7	-	150.0
FX swaps and currency forwards	45.0	-49.5	3,223.9
Total derivatives	**910.6**	**-389.0**	**15,929.6**

Disclosures on the hedging instruments used in the hedge accounting

EUR m	Nominal value	Positive fair values	Negative fair values	Change in fair value used as the basis for recognising hedge ineffectiveness for the period	Average interest rate of the hedging instruments (in %)
12/31/2023					
Hedging of interest rate risk	**10,133.0**	**500.6**	**-312.9**	**-321.4**	**1.61**
Interest rate swaps in micro hedges	7,127.0	338.9	-202.6	-112.4	1.46
Interest rate swaps in portfolio hedges	3,006.0	161.7	-110.3	-209.0	1.97
12/31/2022					
Hedging of interest rate risk	**6,975.3**	**713.4**	**-204.4**	**502.9**	**0.82**
Interest rate swaps in micro hedges	5,057.3	452.7	-204.0	217.7	0.69
Interest rate swaps in portfolio hedges	1,918.0	260.7	-0.3	285.3	1.17

All hedging instruments included in the above table are included in the balance sheet items positive market values from derivative hedging instruments and negative market values from derivative hedging instruments.

The profile of the timing of the nominal amount of the hedging instruments is shown in the following table:

EURm	Positive fair value	Negative fair value	Total nominal values
12/31/2023			
Interest rate derivatives from interest book management	515.5	-315.5	12,333.0
Thereof: designated as micro hedging instruments	338.9	-202.6	7,127.0
Thereof: designated as portfolio hedging instruments	161.7	-110.3	3,006.0
Thereof: free-standing hedging instruments	14.9	-2.5	2,200.0
12/31/2022			
Interest rate derivatives from interest book management	713.4	-204.4	7,040.3
Thereof: designated as micro hedging instruments	452.7	-204.0	5,122.3
Thereof: designated as portfolio hedging instruments	260.7	-0.3	1,918.0
Thereof: free-standing hedging instruments	-	-	-

Disclosures on the underlying transactions used in the hedge accounting

12/31/2023

EUR m	Carrying amount	Accumulated hedge adjustments	Change in fair value used as the basis for recognising hedge ineffective-ness for the period	Accumulated hedge adjustments from terminated hedging relationships
Hedging of interest rate risk - micro hedges	**6,841.4**	**-124.2**	**115.1**	**45.8**
Financial assets measured at AC	-	-	-10.6	43.2
Financial assets of the non-trading portfolio	-	-	-	-
Receivables from banks and receivables from customers	-	-	-10.6	43.2
Financial assets measured at FVOCI	4,246.3	-248.4	214.1	23.7
Financial assets of the non-trading portfolio	4,246.3	-248.4	214.1	23.7
Receivables from banks and receivables from customers	-	-	-	-
Financial liabilities measured at AC	2,595.1	124.3	-88.5	-21.0
Securitised liabilities	1,095.1	73.7	-40.5	1.7
Liabilities to banks	1,500.0	50.5	-48.0	-22.7
Hedging of interest rate risk - portfolio hedges	**3,211.1**	**130.9**	**214.0**	**20.2**
Financial assets measured at AC	3,211.1	130.9	214.0	20.2
Financial assets of the non-trading portfolio	-	-	-	-
Receivables from banks and receivables from customers	3,211.1	130.9	214.0	20.2

12/31/2022

EURm	Carrying amount	Accumulated hedge adjustments	Change in fair value used as the basis for recognising hedge ineffectiveness for the period	Accumulated hedge adjustments from ter-minated hedging relationships
Hedging of interest rate risk - micro hedges	**-204.7**	**-248.8**	**-231.1**	**55.4**
Financial assets measured at AC	-	-	-12.8	53.7
Financial assets of the non-trading portfolio	-	-	-	-
Receivables from banks and receivables from customers	-	-	-12.8	53.7
Financial assets measured at FVOCI	-2,400.9	-467.3	-420.0	28.4
Financial assets of the non-trading portfolio	-2,400.9	-467.3	-420.0	28.4
Receivables from banks and receivables from customers	-	-	-	-
Financial liabilities measured at AC	2,196.2	218.4	201.7	-26.7
Securitised liabilities	696.2	114.5	103.7	-1.9
Liabilities to banks	1,500.0	103.9	97.9	-24.7
Hedging of interest rate risk – portfolio hedges	**2,091.1**	**-62.9**	**-400.0**	**-388.6**
Financial assets measured at AC	2,091.1	-62.9	-400.0	-388.6
Financial assets of the non-trading portfolio	-	-	-	-
Receivables from banks and receivables from customers	2,091.1	-62.9	-400.0	-388.6

67) Offsetting of financial instruments

At OLB, derivatives business cleared by means of a broker through the central counterparty (CCP) EUREX is currently the only scenario for balance-sheet offsetting. Positive and negative fair values of derivatives held on the reporting date vis-à-vis EUREX and the related cash collateral balance will be offset and reported in the balance sheet as a single net receivable or as a single net liability. For all other transaction portfolios whose overall credit risk and collateralisation are covered by means of framework agreements (bilaterally settled derivative business and repo business), either the IAS 32 requirements for balance-sheet offsetting are not fulfilled (these are framework agreements that provide for offsetting in the event of insolvency, but do not allow for a shortening of the payment path in ongoing business operations), or else these requirements are fulfilled, but there are no offsetting transaction balances as of the reporting date.

Offsetting of receivables

EUR m	Financial assets before offsetting	Amounts, subject to a global netting or similar agreement	Financial assets after offsetting	Items that reduce credit risk and are not subject to offsetting		Net amount of credit risk
				Amounts, not subject to a legally enforcable global netting or similar agreement	Collateral received	
12/31/2023						
Derivatives	**660.0**	**-534.5**	**125.5**	**-35.6**	**-43.8**	**46.2**
thereof bilateral	94.8	-	94.8	-35.6	-43.8	15.5
thereof over CCP broker	565.1	-534.5	30.7	-	-	30.7
Repo transactions	**-**	**-**	**-**	**-**	**-**	**-**
thereof bilateral	-	-	-	-	-	-
thereof over CCP broker	-	-	-	-	-	-
Total amount	**660.0**	**-534.5**	**125.5**	**-35.6**	**-43.8**	**46.2**
12/31/2022						
Derivatives	**910.6**	**-782.8**	**127.8**	**-59.5**	**-47.3**	**21.0**
thereof bilateral	119.0	-	119.0	-59.5	-47.3	12.2
thereof over CCP broker	791.6	-782.8	8.8	-	-	8.8
Repo transactions	**-**	**-**	**-**	**-**	**-**	**-**
thereof bilateral	-	-	-	-	-	-
thereof over CCP broker	-	-	-	-	-	-
Total amount	**910.6**	**-782.8**	**127.8**	**-59.5**	**-47.3**	**21.0**

Offsetting of liabilities

EUR m	Financial liabilities before offsetting	Amounts, subject to a legally enforcable global netting or similar agreement	Financal liabilities after offsetting	Items that reduce credit risk and are not subject to offsetting		Net amount of credit risk
				Amounts, not subject to a legally enforcable global netting or similar agreement	Collateral provided	
12/31/2023						
Derivatives	**-631.1**	**534.5**	**-96.7**	**35.6**	**6.8**	**-54.3**
Thereof bilateral	-96.7	-	-96.7	35.6	6.8	-54.3
Thereof over CCP broker	-534.5	534.5	-	-	-	-
Repo transactions	**-1,184.3**	**-**	**-1,184.3**	**-**	**1,182.9**	**-1.4**
Thereof bilateral	-347.7	-	-347.7	-	346.3	-1.4
Thereof over CCP broker	-836.6	-	-836.6	-	836.6	0.0
Total amount	**-1,815.4**	**534.5**	**-1,281.0**	**35.6**	**1,189.6**	**-55.8**
12/31/2022						
Derivatives	**-953.4**	**782.8**	**-170.6**	**59.5**	**13.2**	**-97.9**
Thereof bilateral	-170.6	-	-170.6	59.5	13.2	-97.9
Thereof over CCP broker	-782.8	782.8	-	-	-	-
Repo transactions	**-324.6**	**-**	**-324.6**	**-**	**320.3**	**-4.3**
Thereof bilateral	-259.3	-	-259.3	-	257.7	-1.6
Thereof over CCP broker	-65.4	-	-65.4	-	62.6	-2.8
Total amount	**-1,278.1**	**782.8**	**-495.3**	**59.5**	**333.5**	**-102.2**

68) Leasing

On principle, OLB only acts as a lessee. The balance sheet contains the following items related to leasing:

EUR m	12/31/2023	12/31/2022
Right-of-use		
Land and buildings	13.2	17.5
Operating and business equipment	0.6	0.9
Intangible assets	21.9	24.5
Total rights-of-use	**35.6**	**42.9**
Lease liabilities by remaining maturity		
up to 1 year	12.0	11.7
from 1 to 5 years	23.5	29.2
more than 5 years	2.0	3.2
Total lease liabilities	**37.5**	**44.1**

Additions made to right-of-use assets during the financial year 2023 amounted to EUR 2.9 million (2022: EUR 6,3 million)

	Land and buil-dings	Operating and business equipment	Intangible assets	Total
EUR m	01/01-12/31/2023			
Carrying amount as of 12/31/2022	**17.6**	**1.0**	**25.5**	**44.1**
Additions during the financial year	0.9	0.1	2.6	3.6
Disposals during the financial year	-0.0	-	-	-0.0
Changes in balance during the financial year	**0.9**	**0.1**	**2.6**	**3.6**
Change in duration during the financial year	0.2	-	1.5	1.7
Amortisation during the financial year	-4.8	-0.4	-7.5	-12.7
Discounting	0.2	0.0	0.6	0.9
Changes in measurement during the financial year	**-4.5**	**-0.4**	**-5.4**	**-10.2**
Carrying amount as of 12/31/2023	**14.1**	**0.6**	**22.8**	**37.5**
EUR m	01/01-12/31/2022			
Carrying amount as of 12/31/2021	**19.8**	**0.8**	**22.6**	**43.2**
Additions during the financial year	1.7	-	4.6	6.3
Disposals during the financial year	-	-	-	-
Changes in balance during the financial year	**1.7**	**-**	**4.6**	**6.3**
Change in duration during the financial year	1.2	0.7	6.1	8.0
Amortisation during the financial year	-5.2	-0.5	-7.8	-13.5
Discounting	0.1	0.0	0.1	0.1
Changes in measurement during the financial year	**-4.0**	**0.2**	**-1.6**	**-5.4**
Carrying amount as of 12/31/2022	**17.6**	**1.0**	**25.5**	**44.1**

The following amounts are reported in the statement of profit and loss in connection with leases:

EURm	2023	2022
Amortisation of lease liabilities		
Land and buildings	4.7	5.2
Operating and business equipment	0.4	0.5
Intangible assets	6.8	8.0
Interest expense	0.9	0.1
Items shown in the profit and loss statement	**12.7**	**13.9**

Payments made for leases in 2023 totalled EUR 12.7 million (2022: EUR 13.5 million).

Off-balance sheet business

69) Contingent liabilities and loan commitments

Contingent liabilities and loan commitments are future liabilities of the Group arising from time-limited credit lines which the Bank has granted its customers but which they have not yet drawn on. By means of credit facilities, the Group provides its customers with rapid access to funds which its customers require in order to fulfil their short-term obligations as well as their long-term financing requirements. Liabilities from guarantees and indemnity agreements and letters of credit are also reported. Income from guarantees is recognised in Net commission income. The amount of this income is determined by means of the application of agreed rates on the nominal amount of these guarantees.

The figures listed below do not permit any direct inference as to the resulting liquidity requirements.

EUR m	12/31/2023	12/31/2022
Credit guarantees	167.9	203.4
Other guarantees and warranties	436.1	491.3
Letters of credit	9.2	9.8
less provisions	-6.5	-8.7
Contingent liabilities	**606.8**	**695.8**
Loans	1,554.8	1,476.7
Guarantee lines	241.7	206.1
less provisions	-5.5	-4.6
Irrevocable credit commitments	**1,791.1**	**1,678.2**

Risk provision for off-balance sheet obligations has been reported under other provisions.

The figures provided in the tables reflect the amounts whose write-down would be required in the event of customers using the full amounts of these facilities and subsequently defaulting on payment – subject to the assumption that no collateral is available. It is possible that a large portion of these obligations may expire without being drawn upon. These figures do not definitively reflect the actual future loan commitment or the liquidity requirements resulting from these obligations. Collateral may have been provided to cover the total commitments to customers under loans and guarantees. There are also sub-participations by third parties in irrevocable credit commitments and guarantees.

70) Other financial liabilities

EURm	12/31/2023	12/31/2022
Obligations under rental- and usage agreements	12.9	5.9
Obligations for maintainance of information technology	10.8	5.9
Obligations under commenced capital spending projects	-	-
Payment obligations and joint liabilities	30.6	26.3
Other financial obligations	**54.3**	**38.1**

Obligations from rental and license agreements mainly relate to contracts from the areas of IT software, IT services and the commercial rental of business premises.

There were no call commitments for shares, bonds, other shareholdings or joint liabilities under sec. 26 of the German Act on Limited Liability Companies in GmbH Form (GmbH-Gesetz – GmbHG).

Oldenburgische Landesbank AG is a member of the German deposit protection scheme, which covers liabilities to creditors up to a maximum amount. As a member of this deposit protection scheme, Oldenburgische Landesbank AG is separately liable to provide additional capital contributions, but not exceeding the annual contribution of Oldenburgische Landesbank AG which is indicated below.

Obligation to and expenses for deposit protection and market stabilisation schemes:

EUR m	12/31/2023	12/31/2022
Compensation scheme of German Private Banks (EdB)	15.0	13.1
Single Resoultion Fund	12.4	10.1
Deposit protection fund	3.2	3.2
Obligation to deposit protection and market stabilization schemes	**30.6**	**26.3**

The bank has an irrevocable payment obligation to each of these schemes. In the event of those funds being drawn upon to a significant extent, additional other financial liabilities may arise in the amount of EUR 30.6 million (2022: EUR 26.3 million).

EUR m	01/01-12/31/2023	01/01-12/31/2022
Compensation scheme of German Private Banks (EdB)	-4.1	-4.8
Single Resoultion Fund	-8.1	-10.4
Deposit protection fund	-0.0	-0.0
Annual expense for deposit protection and market stabilization schemes	**-12.2**	**-15.2**

In 2023, the bank contributed in total EUR 12.2 million (2022: EUR 15.2 million) to those schemes.

Contingent liabilities are possible, improbable obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group. They are not recognized in the balance sheet.

In the judgment of the ECJ of 10/25/2023 in the case BNP Paribas Public Sector SA vs. SRB (RS. T-668/21), it was decided that the part of the annual contribution of the bank levy for which an irrevocable payment commitment (IPC) was entered into must be paid even if the contributing institution ceases to fall within the scope of the SRM Regulation. As the defendant has lodged an appeal against this ruling, it is not yet legally binding.

Currently, the transfer of cash as cash collateral leads to the recognition of a financial claim against the restructuring fund and the derecognition of the cash. If it is sufficiently probable that the institution liable to pay contributions will be required to do so on the balance sheet date (utilization or economic burden from the irrevocable payment obligations), a provision must be recognized.

According to the SRB, the banking sector's resolvability has increased significantly. Therefore, OLB considers the probability that the SRB will realize the deposited cash collateral to be extremely unlikely. Taking this fact and the "going-concern assumption" into account, OLB has concluded that in this case no provisions need to be recognized for the 2023 reporting year. In addition, the deposited cash collateral can continue to be recognized as a receivable under other assets in the balance sheet, because OLB can continue to derive an economic benefit from the deposited cash collateral by receiving interest on it.

After careful examination of the current situation, OLB has come to the conclusion that the ruling has no effect on the accounting treatment of the irrevocable payment obligations entered into in this regard.

The majority of the Bank's former pension obligations and the cover funds earmarked to meet these obligations were transferred to a non-insurance-based pension fund managed by Allianz Pensionsfonds AG. The bank remains secondarily liable for the transferred liabilities in the event of any shortfall. If the cover funds are not sufficiently funded in relation to the necessary settlement amount, so that Allianz Pensionsfonds AG is unable to meet its obligations deriving from the transferred pension liabilities, the bank may be held liable for any such liabilities, which may be material.

Additional disclosures

71) Fair values and carrying amounts of financial instruments by measurement category and balance sheet item and their classification in the fair value hierarchy

The financial instruments shown in the following table mainly comprise financial assets and liabilities which fall under the scope of IFRS 13 and which are either recognised in the balance sheet or not recognised in the balance sheet. Classes of these financial instruments have been established. These enable a distinction in terms of amortised cost and fair values, as the relevant IFRS 9 measurement criteria. Cash and cash equivalents are reported at their nominal value. For the sake of clarity, they are shown in the “reported at amortised cost” columns. Fair values of derivative hedging instruments in the hedge accounting are shown in the “carried at fair value“ column. In addition, for each class an indication is provided of which measurement category the financial instruments belong to. The following abbreviations are used in the table: AC = Amortised Costs, FVOCI = Fair Value through Other Comprehensive Income, FVPL = Fair value through Profit or Loss. For each measurement category of financial instruments, the fair values are compared with the carrying amounts and reconciled with the items on the assets side and the equity and liabilities side of the balance sheet. In addition, the financial instruments reported at fair value are allocated to one of the three fair value levels according to the IFRS fair value hierarchy.

12/31/2023 EURm	Cate-gory	Balance sheet items	Financial instruments measured at amortised cost			carried at fair value	∑ financial instruments	Level 1	Level 2	Level 3
		Carrying amount	Carrying amount	Δ	Fair value	Fair value	Fair value	Fair value		
Cash and cash equivalents (carried at nominal value)	AC	77.7	77.7	-	77.7		77.7	-	77.7	-
Trading portfolio assets										
Non-derivative trading assets measured at FVPL	FVPL	0.3				0.3	0.3	0.3	-	-
Positive fair values from interest rate derivatives	FVPL	113.4				113.4	113.4	-	113.4	-
Positive fair values from currency derivatives	FVPL	35.0				35.0	35.0	-	35.0	-
Adjustments related to offsetting and CVA	FVPL	-72.6				-72.6	-72.6	-	-72.6	-
Positive fair values of derivative hedging instruments	FVPL	35.1				35.1	35.1	-	35.1	-
Receivable from banks (net after risk provision)	AC	548.8	548.8	-0.5	548.3		548.3	-	413.1	135.2
Receivable from customers (net after risk provision)	AC	19,724.6	19,724.6	-312.1	19,412.5		19,412.5	-	1,137.6	18,274.9
Financial assets of the non-trading portfolio										
Financial assets of the non-trading portfolio classified at FVOCI	FVOCI	4,881.7				4,881.7	4,881.7	4,830.8	-	50.9
Financial assets of the non-trading portfolio classified at FVPL	FVPL	0.7				0.7	0.7	-	-	0.7
Other assets										
Cash Collaterals CCP	AC	220.9	220.9	-	220.9		220.9	-	220.9	-
Total financial instruments		**25,565.6**	**20,571.9**	**-312.5**	**20,259.4**	**4,993.6**	**25,253.1**	**4,831.2**	**1,960.2**	**18,461.7**

12/31/2023 EURm	Cate-gory	Balance sheet items	Financial instruments measured at amortised cost			carried at fair value	∑ financial instruments	Level 1	Level 2	Level 3
		Carrying amount	Carrying amount	Δ	Fair value	Fair value	Fair value	Fair value		
Trading portfolio liabilities										
Negative fair values from interest rate derivatives	FVPL	87.5				87.5	87.5	-	87.5	-
Negative fair values from currency derivatives	FVPL	28.0				28.0	28.0	-	28.0	-
Adjustments related to offsetting	FVPL	-22.4				-22.4	-22.4	-	-22.4	-
Negative fair values from hedging derivatives	FVPL	3.6				3.6	3.6	-	3.6	-
Liabilities to banks	AC	5,628.7	5,628.7	-260.5	5,368.3		5,368.3	-	480.8	4,887.5
Liabilities to customers	AC	16,917.6	16,917.6	127.4	17,045.0		17,045.0	-	8,143.9	8,901.1
Securitzed liabilities	AC	1,196.6	1,196.6	-61.7	1,134.9		1,134.9	-	1,134.9	-
Subordinated debt	AC	129.3	129.3	-25.5	103.7		103.7	-	-	103.7
Other liabilities										
Cash Collaterals CCP	AC	1.0	1.0	-	1.0		1.0		1.0	-
Total financial instruments		**23,969.9**	**23,873.2**	**-220.3**	**23,652.9**	**96.7**	**23,749.5**	**-**	**9,857.2**	**13,892.3**
Contingent liabilities	N/A	-					-6.7	-	-	-6.7
Irrevocable loan commitments	N/A	-					-10.1	-	-	-10.1

12/31/2022	Cate-gory	Balance sheet items	Financial instruments measured at amortised cost			carried at fair value	∑ financial instruments	Level 1	Level 2	Level 3
EURm		Carrying amount	Carrying amount	Δ	Fair value	Fair value	Fair value	Fair value		
Cash and cash equivalents (carried at nominal value)	AC	1,529.8	1,529.8	-	1,529.8		1,529.8	-	1,529.8	-
Trading portfolio assets										
Non-derivative trading assets measured at FVPL	FVPL	0.0				0.0	0.0	0.0	-	-
Positive fair values from interest rate derivatives	FVPL	145.2				145.2	145.2	-	145.2	-
Positive fair values from currency derivatives	FVPL	52.0				52.0	52.0	-	52.0	-
Adjustments related to offsetting and CVA	FVPL	-88.7				-88.7	-88.7	-	-87.3	-1.5
Positive fair values of derivative hedging instruments	FVPL	17.9				17.9	17.9	-	17.9	-
Receivable from banks (net after risk provision)	AC	775.2	775.2	-0.5	774.7		774.7	-	770.5	4.2
Receivable from customers (net after risk provision)	AC	18,008.9	18,008.9	-643.7	17,365.2		17,365.2	-	1,062.3	16,302.9
Financial assets of the non-trading portfolio										
Financial assets of the non-trading portfolio classified at FVOCI	FVOCI	3,085.6				3,085.6	3,085.6	3,067.7	-	17.9
Financial assets of the non-trading portfolio classified at FVPL	FVPL	1.7				1.7	1.7	-	-	1.7
Other assets										
Cash Collaterals CCP	AC	265.7	265.7	-	265.7		265.7	-	265.7	-
Total financial instruments		**23,793.3**	**20,579.6**	**-644.2**	**19,935.4**	**3,213.7**	**23,149.1**	**3,067.7**	**3,756.0**	**16,325.3**

12/31/2022	Cate-gory	Balance sheet items	Financial instruments measured at amortised cost			carried at fair value	∑ financial instruments	Level 1	Level 2	Level 3
EURm		Carrying amount	Carrying amount	Δ	Fair value	Fair value	Fair value	Fair value		
Trading portfolio liabilities										
Negative fair values from interest rate derivatives	FVPL	131.9				131.9	131.9	-	131.9	-
Negative fair values from currency derivatives	FVPL	52.7				52.7	52.7	-	52.7	-
Adjustments related to offsetting	FVPL	-23.5				-23.5	-23.5	-	-23.5	-
Negative fair values from hedging derivatives	FVPL	9.4				9.4	9.4	-	9.4	-
Liabilities to banks	AC	5,075.3	5,075.3	-362.0	4,713.3		4,713.3	-	101.7	4,611.6
Liabilities to customers	AC	16,192.5	16,192.5	109.8	16,302.3		16,302.3	-	9,999.1	6,303.2
Securitzed liabilities	AC	706.9	706.9	-120.6	586.3		586.3	-	586.3	-
Subordinated debt	AC	161.9	161.9	-10.8	151.1		151.1	-	-	151.1
Other liabilities										
Cash Collaterals CCP	AC	0.6	0.6	-	0.6		0.6	0.6	-	-
Total financial instruments		**22,307.9**	**22,137.3**	**-383.6**	**21,753.7**	**170.6**	**21,924.3**	**0.6**	**10,857.8**	**11,065.9**
Contingent liabilities	N/A	-					-8.7	-	-	-8.7
Irrevocable loan commitments	N/A	-					-17.1	-	-	-17.1

Fair value is the amount for which a financial instrument may be freely traded between knowledgeable and willing parties in an arm's length transaction. Fair value is defined as the exit price or the transfer/disposal price.

For all financial instruments, the first check will be whether a market price is available on an active market. If so, this will be immediately used as a fair value (price times quantity) and this fair value will be categorised as a Level 1 fair value. Exchange-traded securities are the main scenario where Level 1 fair values are found. At OLB, this mainly concerns holdings of financial assets valued at FVOCI and FVPL and, to a lesser extent, trading assets. Price service agencies were used to access certain platforms on which brokers publish their prices. If there was a corresponding price link and market liquidity, this was used as the price quotation in Level 1.

If no market price as defined above is available, a valuation model will be used. If all of the key input parameters for this valuation are observable on the market, the resulting theoretical value is considered a Level 2 fair value. Interest rate swaps and all other derivatives in the Bank's portfolio have Level 2 fair values. The discounted cash-flow method and option pricing models were used to determine these fair values in the reporting period. The market value of a derivative corresponds to the sum of all future cash flows discounted at a risk-adequate rate on the valuation date (present value or dirty close-out value). In the case of collateralised derivatives, risk-free overnight index swap "OIS" curves were used as the basis for discounting (because the collateral bears interest at these rates); in the case of unsecured derivatives, however, the valuation is based on tenor swap curves (for example, the 3-month EURIBOR swap curve). OLB uses a discounted cash-flow model (present value of the difference between the contract rate and the forward rate on the reporting date) to value forward exchange transactions. For currency options (plain vanilla currency options) OLB uses the classic Black-Scholes model according to Garman-Kolhagen. For the valuation of barrier options (with American barrier) OLB uses the Black-Scholes model according to Rubinstein-Reiner. For the valuation of barrier options (with a European barrier), OLB uses a finite difference model. In all these cases, the options are valued on the basis of implied volatility. In addition, for loan receivables and liabilities with daily or very short maturities (overdrafts and demand deposits vis-à-vis credit institutions and customers as well as cash on hand) that are subject neither to material interest rate risks nor to creditworthiness risks, the fair value corresponds to the carrying amount. These fair values are classified as Level 2 fair values.

On the other hand, if not all of the key input parameters for the valuation are observable on the market, a theoretical value will apply which is a Level 3 fair value. The fair values of these instruments are determined using recognised mathematical valuation models with as many market data inputs as are available.

The present value method and the option pricing model in particular were used in the period under review. In these cases, the fair value is a theoretical value as of the reporting date which is a Level 2 fair value (e.g. interest rate swaps) or a Level 3 fair value (e.g. specific loan assets) which should be taken as an indication of a value which is realisable upon sale or assignment. Level 3 instruments include, in particular, loan receivables and deposit products with longer maturities for which third party and own credit assessment is essential (as credit assessment often cannot be done via direct market data inputs). To determine the fair values of these instruments, the future contractual cash flows were calculated and discounted using risk-adjusted zero coupon curves. The zero-coupon curves are based on the swap curves observable on the market and take into account the credit quality of the instrument through an appropriate adjustment of the curve from which the discount factors are derived.

Please see note (62) for further comments on the methods used to measure the risks associated with financial instruments.

Transfer of financial instruments. No transfers between the levels of the fair value hierarchy occurred in the periods under review.

Development of Level 3 financial instruments recognised at fair value. The following tables contain an overview of the development of these financial instruments:

EURm	Financial assets of the non-trading portfolio classified at FVPL				Financial assets of the non-trading portfolio classified at FVOCI	
	Investment securities	Shares in not-consolidated subsidiaries	Shares	Financial assets of the non-trading portfolio classified at FVPL	Bonds	CLOs
Balance as of 12/31/2022	**0.6**	**0.1**	**1.0**	**1.7**	**17.9**	**-**
Additions	0.0	-	-	0.0	-	32.0
Disposals	-0.0	-	-1.0	-1.0	-	-
Changes in balance during the financial year	**-**	**-**	**-1.0**	**-1.0**	**-**	**32.0**
Gains during the financial year	-	-	-	-	0.8	0.2
Losses during the financial year	-	-	-	-	-	-
Valuation changes during the financial year	**-**	**-**	**-**	**-**	**0.8**	**0.2**
Balance as of 12/31/2023	**0.6**	**0.1**	**0.0**	**0.7**	**18.7**	**32.2**

Balance as of 12/31/2021	**0.6**	**0.2**	**1.9**	**2.6**	**19.8**	**-**
Additions	-	-	-	-	-	-
Disposals	-	-0.0	-0.9	-0.9	-	-
Changes in balance during the financial year	**-**	**-0.0**	**-0.9**	**-0.9**	**-**	**-**
Gains during the financial year	-	-	-	-	-	-
Losses during the financial year	-	-	-	-	-2.0	
Valuation changes during the financial year	**-**	**-**	**-**	**-**	**-2.0**	**-**
Balance as of 12/31/2022	**0.6**	**0.1**	**1.0**	**1.7**	**17.9**	**-**

Sensitivity of financial assets classified at FVPL. The model value of the preference shares allocated to Level 3 was formed from the value of the ordinary shares and a percentage discount to take account of the restrictions on the preference shares. The model value of the preference shares increases or decreases by 10% if the market price of the ordinary shares also changes by +/- 10%. If the discount increases by 10%, the model value decreases by approximately 8% and vice versa. This preference share was derecognised through disposal in 2023. The other financial assets allocated to Level 3 (investments and shares in non-consolidated subsidiaries) did not show any significant sensitivities.

Sensitivity of the financial asset classified as FVOCI. The model price was determined using the zero swap curve including a spread premium from the original purchase valuation.

The senior notes issued by CLO vehicles were also allocated to level 3 of the IFRS fair value hierarchy. The model value is calculated by discounting the cash flows of the note resulting from the securitisation model with the yield curve on the reporting date, including a premium. Due to the high degree of subordination in the securitization structure, the sensitivity to the credit risk parameters of the securitization model is negligible for the senior notes held by OLB. The sensitivity to an increase of 10 basis points in the yield curve spread is -0.5 %.

72) Related party disclosures

There were individual changes in OLB's ownership structure in 2023. Most of OLB's shares (> 90 percent) continue to be held by companies that are connected with Apollo Global Management, Grovepoint Investment Management, and Teacher Retirement System of Texas.

The companies are mutually independent and each of them holds an indirect stake of under 40%, which means that none of the shareholders controls OLB under corporate law. However, the companies have a significant influence over OLB (>20% of the voting rights). The remainder of the shares is held by MPP S.à.r.l. and MPuffer Invest GmbH, each of which holds only small stakes (<10%), but whose ownership structures give them significant influence over OLB.

All companies are therefore considered as related parties under IAS 24.

Catalina General Insurance Ltd. (2.1% interest) and Catalina Worthing Insurance Ltd. (0.32% interest) cannot exercise significant influence over OLB, and therefore were not considered as related parties under IAS 24.

Within the scope of ordinary business activities, transactions are entered into with related parties at arm’s length terms and conditions. The scope of these transactions is presented below. The related parties are members of the Board of Managing Directors and the Supervisory Board of Oldenburgische Landesbank AG and its affiliated companies as well their close relatives. The Board of Managing Directors and the Supervisory Board of Oldenburgische Landesbank AG are considered to be key management personnel. The affiliated companies are non-consolidated companies of Oldenburgische Landesbank AG (reported under subsidiaries). Companies in which members of the Bank’s Supervisory Board hold management positions are also reported under other related companies and persons, together with companies to which OLB’s shareholders are affiliated.

Receivables and liabilities:

EUR m	12/31/2023	12/31/2022
Receivables from customers		
- Key management personnel of OLB AG	0.8	0.8
- Entities with significant influence over OLB AG	-	-
- Subsidiaries	-	-
- Other related companies and persons	2.0	1.4
Financial assets of the non-trading portfolio		
- Key management personnel of OLB AG	-	-
- Entities with significant influence over OLB AG	-	-
- Subsidiaries	-	-
- Other related companies and persons[1)]	-	18.1
Other Assets		
- Key management personnel of OLB AG	-	-
- Entities with significant influence over OLB AG	-	-
- Subsidiaries	-	-
- Other related companies and persons	-	-
Receivables total	**2.7**	**20.3**
Liabilities to customers		
- Key management personnel of OLB AG	3.3	2.2
- Entities with significant influence over OLB AG	-	-
- Subsidiaries	0.9	0.9
- Other related companies and persons	1.1	1.1
Subordinated debt		
- Key management personnel of OLB AG	-	-
- Entities with significant influence over OLB AG	-	-
- Subsidiaries	-	-
- Other related companies and persons	1.7	16.7
Provisions		
- Key management personnel of OLB AG	14.8	11.1
- Entities with significant influence over OLB AG	-	-
- Subsidiaries	-	-
- Other related companies and persons	-	-
Additional equity components		
- Key management personnel of OLB AG	-	-
- Entities with significant influence over OLB AG	-	-
- Subsidiaries	-	-
- Other related companies and persons	-	5.0
Liabilities total	**21.8**	**37.0**

1) A specific counterparty – compared to December 31, 2022 – did not as of December 31, 2023 qualify as related party any more.

The above-mentioned receivables from and liabilities to customers are money market transactions, loans and deposits as well as refinancing funds, all at arms-length. Receivables from key management personnel of OLB AG are almost entirely secured by means of mortgages. Receivables from subsidiaries are not collateralised since they form part of the combined Group. The Bank has been provided with collateral in the amount of EUR 2.8 million (2022: EUR 3.1 million) to cover receivables from other related companies and persons.

Servicing, securities, foreign exchange trading and interest rate forward transactions were also entered into with related parties. Other related companies and persons have not been granted any guarantee lines. The effect of these transactions on the **income statement** is shown in the following table:

EUR m	01/01-12/31/2023	01/01-12/31/2022
Net interest income	-0.8	-1.5
- Key management personnel of OLB AG	-0.1	-0.0
- Entities with significant influence over OLB AG	-	-
- Subsidiaries	-	-
- Other related companies and persons	-0.7	-1.5
Net commission income	-0.0	-0.0
- Key management personnel of OLB AG	-0.0	-0.0
- Entities with significant influence over OLB AG	-	-
- Subsidiaries	-	-
- Other related companies and persons	0.0	-0.0
Non-personnel expenses	-0.4	-0.1
- Key management personnel of OLB AG	-0.0	-0.0
- Entities with significant influence over OLB AG	-	-
- Subsidiaries	-0.4	-0.1
- Other related companies and persons	-0.0	-0.0
Other income	-	-
- Key management personnel of OLB AG	-	-
- Entities with significant influence over OLB AG	-	-
- Subsidiaries	-	-
- Other related companies and persons	-	-
Result total	**-1.2**	**-1.7**
- Distributions	-	0.3
- Dividend payments	30.2	40.0

In the income statement, income of EUR 0.0 million (2022: EUR 6.3 million) and expenses of EUR 1.7 million (2022: EUR 2.4 million) have arisen for transactions with related parties. Interest and commission business has been entered into on arm's length terms. This includes the collateral provided and intra-Group transfer pricing.

Credit was granted to members of the Board of Managing Directors as of December 31, 2023, as follows: The use of credit lines totalled EUR 0.0 thousand (2022: EUR 0.0 thousand). Credit card limits of EUR 1.0 thousand (2022 EUR 0.3 thousand) were utilised on the reporting date. Loan commitments in the amount of EUR 681.9 thousand existed as of December 31, 2023 (2022: EUR 673.2 thousand), of which EUR 681.9 thousand were utilised as of December 31, 2023 (2022: EUR 673.2 thousand). The rate of interest and the terms and conditions comply with arm's length requirements.

Credit was granted to members of the Supervisory Board as of December 31, 2023 as follows: The use of credit lines totalled EUR 0.0 thousand (2022: EUR 0.0 thousand). Credit card limits of EUR 8.8 thousand (2022: EUR 11.9 thousand) were utilised on the reporting date. In addition, loan commitments amounted to EUR 105.9 thousand (2022: EUR 122.3 thousand), of which EUR 105.9 thousand were utilised as of December 31, 2023 (2022: EUR 122.3 thousand). The rate of interest and the terms and conditions comply with arm's length requirements.

The remuneration components granted to the Board of Managing Directors for the financial year 2023 and recognised as expense are set out below, broken down into categories according to IAS 24:

EUR m	01/01-12/31/2023	01/01-12/31/2022
Short-term benefits	6.4*	5.4
Other long-term benefits	3.8**	3.5
Share-based payment	-	-
Termination benefits	-	0.6
Post-employment benefits	-	-
Total remuneration of Board of Directors	**10.3**	**9.5**

*) thereof 1.0 million Euro subject to claw back clauses in accordance with Section 18 (5), Section 19 (2) and Section 20 (4) of the Institutsvergütungsverordnung (Remuneration Ordinance for Institutions)

** subject to claw back clauses in accordance with Section 18 (5), Section 19 (2) and Section 20 (4) of the Institutsvergütungsverordnung (Remuneration Ordinance for Institutions)

The remuneration paid to the Supervisory Board in the financial year 2023 amounted to EUR 1.2 million (2022: EUR 1.2 million). This comprises short-term benefits. In addition, other benefits in the form of wages and salaries amounting to EUR 0.4 million (2022: EUR 0.6 million) have been paid to the employee representatives of the Supervisory Board.

73) Share based payments

In 2022, a management participation program (the "**Management Participation Program**") was set up in order to align the commercial interest of the management and key employees with the interests of the Champ Investor, the GIM Investor and the TRS Texas Investor. MPP S.à r.l. ("**MPP**") serves as entity that pools the interests of the management and key employees. This entity subscribed shares in OLB as part of a capital increase in 2023 and current holds 2,500,708 shares in the Group.

As part of the implementation of the management participation model, MPP acquired plan shares in OLB. The plan shares consist of newly issued shares in OLB against cash contribution and were acquired by MPP at par value.

The share capital of MPP consists of two classes of shares: A-shares, which are held exclusively by the funding shareholders, and B-shares, which are held exclusively by the participants and which were offered for purchase to the participants under the Management Participation Program. The Management Participation Program is not open for new investments by new participants.

The Bank's shareholders subscribed for the A-shares at a total issue price of EUR 4.2 million. The B-shares were subscribed by the participants at a total issue price of EUR 1.8 million. The subscription amount of the A-Shares and the B-shares at which the participants are to participate in the MPP corresponds to the market value of the shares. This was determined by a valuation report of an external appraiser. The valuation report was composed using, the probability-weighted expected return method. Since the corresponding planning is based on a certain probability of occurrence and has a sufficient degree of detail, the external appraiser is of the opinion that the selected methodology is preferable to other possible methodologys. Taking into account a weighted probability of occurrence, for the purposes of the probability-weighted expected return method expected future events, such as an IPO, are used to derive the current market value of the shares. In the valuation analysis, information and documents pertaining to the OLB's financial projections, balance sheet data related to assets/liabilities, and equity capital structure, were considered as communicated by OLB. The value range estimated are based on the "objectified value", which is included in the valuation report.

Since the B-Shares were acquired by the participants at fair value, OLB did not recognised at balance expenses from share-based compensation as of the balance sheet date.

MPP exercises all shareholder rights arising from the shares it holds in the Bank. In particular, these include the right to vote at the Annual General Meeting and the right to receive dividends. Dividends may be passed on to the holders of the A-shares and the B-shares subject to the fixed waterfall distribution rates and the decision of the MPP.

The Articles of Association of MPP provide for a fixed distribution of the proceeds according to the waterfall principle in the event of an exit of all shareholders from OLB. The distribution is to depend significantly on the total proceeds that can be achieved upon the sale of the Bank for the shareholder and in addition on the attainment of certain defined rates of return for the existing shareholders (exit price).

MPP participants are subject to customary lock-up arrangements in line with other shareholders.

74) List of investment holdings

Name and registered office	Share of capital %	Equity 12/31/2023 EURm	Net profit or loss 01/01-12/31/2023 EURm	Net profit or loss 01/01-12/31/2022 EURm
OLB-Service GmbH, Oldenburg	100	0.0	-	-
QuantFS GmbH, Hamburg	100	0.9	0.3	0.2
Total		**0.9**	**0.3**	**0.2**

A profit-and-loss transfer agreements has been concluded with OLB-Service Gesellschaft mit beschränkter Haftung, Oldenburg

75) Date of release for publication

The full Board of Managing Directors of Oldenburgische Landesbank AG released these consolidated financial statements for publication on 03/15/2024. Events after the balance sheet date were taken into consideration up to the publication date.

76) Events after the balance sheet date

On January 17, 2024, OLB placed a first Tier 2 bond with a volume of EUR 170.0 million on the capital market, followed by a second EUR 150 million Tier 2 bond on March 4, 2024.

On January 22, 2024, OLB issued a Pfandbrief in the amount of EUR 500.0 million. The Pfandbrief has a term of eight years.

In February 2024, OLB received orders from BaFin regarding the findings of the special audits under Sec. 88 WpHG and sec. 44 KWG. These orders contain deadlines for remedying the deficiencies that BaFin derived from these special audits. With regard to the Section 44 KWG audit, BaFin also temporarily ordered additional capital requirements that exceed the capital requirements pursuant to Article 92 (1) (a), (b) and (c) of Regulation (EU) No. 575/2013 (CRR) and the Solvency Regulation by 25%. Once the deficiencies have been rectified and reviewed by BaFin, it can be assumed that the temporarily increased capital requirement will no longer apply. This requirement came into force with immediate effect.

There were no other significant events after the end of the financial year that were neither included in the income statement nor in the balance sheet at the time these annual financial statements were prepared.

Oldenburg, 03/15/2024
Oldenburgische Landesbank AG
The Board of Managing Directors

Stefan Barth
Chairman

Marc Kofi Ampaw

Aytac Aydin

Chris Eggert

Giacomo Petrobelli

Dr. Rainer Polster

INDEPENDENT AUDITOR'S REPORT

To Oldenburgische Landesbank Aktiengesellschaft, Oldenburg/Germany

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Oldenburgische Landesbank Aktiengesellschaft, Oldenburg/Germany, and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2023 and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows as at 31 December 2023, and notes to the consolidated financial statements (the "Consolidated Financial Statements").

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year ended as at 31 December 2023 in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with IFRSs issued by the IASB as adopted by the EU and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Group´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group´s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group´s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Hannover, 18 March 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft
Hannover/Germany

Martina Mietzner	Lennart Spier
Wirtschaftsprüferin	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)