

CORPORATE NEWS

Varengold Bank AG: Management Board gives a positive review and outlook during the Annual General Meeting

- New Authorised Capital was approved and the Managing Board and Supervisory Board discharged
- Financial goals for 2019 were exceeded; EBT for the first three quarters of 2020 was significantly above the previous period
- Varengold Bank AG was fully functional despite pandemic: KfW accreditation and new product launch were successfully completed; fronting services offering was expanded; sustainability and New Work initiatives were continued
- Outlook to core business areas: Continued expansion of the credit portfolio and fronting services in Marketplace Banking; stronger focus on trade finance and introduction of digital ECA-covered business in Commercial Banking

Hamburg, 26/11/2020 – Yesterday, the shareholders of Varengold Bank AG approved all agenda items at this year's (virtual) Annual General Meeting. This included granting discharge to the Board of Managing Directors and the Supervisory Board members for the 2019 financial year, as well as the selection of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, as auditor for the 2020 financial year. In addition, new Authorised Capital 2020 was approved with a majority of 99.98%.

Board Member Dr. Bernhard Fuhrmann guided the remote attendees of the meeting through a presentation* of Varengold Bank AG's business activities between 01/01/2019 and 25/11/2020.

In his review of the previous year, Fuhrmann stated that the operational goals set in the 2019 Annual General Meeting – an increased digitalisation ratio, an enhanced new customer acquisition in both core business areas and further staff expansion – were fully met, while the intended earnings-before-tax (EBT) of €2.8M to €3.2M was noticeably exceeded. The result: The bank's most successful financial year to date.

Fuhrmann was also able to present a great deal of good news on the current financial year: Varengold Bank AG's EBT for the first three quarters of 2020 remained 28% higher compared to the same period in 2019 – despite COVID-related risk provisioning,

value adjustments of two trade finance funds, increased restraint in its lending activities, and a write-off on an investment. The continued expansion of customer acquisition within commercial banking proved to be the key reason for this very positive performance: Net results in this core business area increased by 38% compared to the previous period.

In contrast to many other companies, which were forced to act reactively due to the pandemic, Varengold Bank AG was able to remain proactive throughout 2020, thanks to timely digitalisation measures which allowed a continuation of daily business activities. As a result, the bank was able to successfully attain an KfW accreditation. This enabled it to partner with Kapilendo AG to provide so-called Corona Instant Loans to German SMEs which had fallen on hard times. Furthermore, in its core business area Marketplace Banking, Varengold Bank AG managed to expand its Fronting Services offering as planned. In addition, the pandemic did not deter the bank from continuing its New Work and sustainability initiatives.

Looking forward, Fuhrmann provided an outlook of Varengold Bank AG's plans for 2021. Aside from further business development and the management of COVID-19-related risk, the bank will undergo additional measures aimed at increasing digitalisation and at optimising internal processes. The New Work and sustainability initiatives will be continued. With the publication of Varengold Bank AG's first sustainability report and a move to new, contemporary business premises on the horizon, both these initiatives will reach major milestones soon. Within Marketplace Banking, the bank will focus on expanding both the credit portfolio and fronting services offering. Within Commercial Banking, the trade finance segment will receive even greater attention. That aside, Varengold Bank AG will introduce digital ECA-covered business.

At the end of his presentation, Dr. Fuhrmann summarised his review of 2020 (to date) and the bank's plans for 2021 as follows: "The second wave of the COVID-19 pandemic has left its mark on our society and our economy. Varengold Bank AG's development to date, including the new business we have generated, proves once more that our business model is future proof. We are full of optimism and have the operational resources available to not only master the current crisis but to come out of it stronger than we were before".

*accessible (in German) via <https://www.varengold.de/investor-relations/hauptversammlung/>

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