

CORPORATE NEWS

Varengold Bank AG: Growth continues - EBT in the first quarter increased by 51 % compared to the same period last year

- Net income of EUR 19.1 million (+22 %)
- EBT of EUR 11.8 million (+51 %)
- Above-average growth in Marketplace Banking

Hamburg, 12/04/2023 – In the first quarter of 2023, Varengold Bank AG [ISIN: DE0005479307] once again demonstrated the viability of its business model. The Hamburg-based institute succeeded in increasing net income by 22 % to EUR 19.1 million compared to the same quarter of the previous year.

In the business area Marketplace Banking, Varengold Bank continued to push the demand-driven expansion of its product range and offers its customers across Europe the opportunity to expand their business through a symbiosis of Banking-as-a-Service (BaaS) in combination with refinancing. Net income in this area significantly increased by 84 % compared to the first quarter of 2022, as the average loan volume clearly increased within the first three months (+47 %). In addition, the development of the interest rate environment led to a positive contribution, since variable interest rates could be agreed with numerous customers. Net income in the business area Commercial Banking was approximately 24 % below the same period of the previous year due to comparatively lower customer activity in the first quarter of the current year. Overall, the Bank benefited from the current interest rate development, so that the Treasury division was able to make a significant contribution to the result, in particular due to the interest paid on deposits at the Bundesbank.

As planned, administrative expenses increased by around 25 % compared to the first quarter of 2022, which is mainly due to higher personnel expenses, additional IT costs and general price increases. The higher personnel expenses are mainly driven by a 19 % increase in the number of employees: As of 31 March 2023, 134 people were employed at Varengold Bank (same period in the previous year: 113 people). This growth shows that the Bank is able to assert itself in the competition for the best specialists with its new-work concept and its modern corporate culture.

In total, earnings before taxes (EBT) as of 31 March 2023 were EUR 11.8 million and thus 51 % higher than in the same period of the previous year. As usual, the Bank has booked sufficient risk provisioning in this result. Dr Bernhard Fuhrmann, Management Board of Varengold Bank AG: "The development in the first quarter is fully on target. We will continue to act with foresight and are convinced that we can keep the company on a growth course. In addition to ongoing digitalisation and consistent improvement of internal structures for more efficiency and excellence, we are also working on modernising the Varengold brand for various target groups and marketing channels."

About Varengold Bank AG

Varengold Bank is a German financial institution founded in 1995 and granted a full banking licence in 2013. In addition to its head office in Hamburg, the bank has a presence in Sofia. Core business areas are Marketplace Banking and Commercial Banking (Transaction Banking). Within Marketplace Banking, the focus is on the cooperation with European Fintechs, especially lending platforms. Varengold Bank's service portfolio includes Funding, Debt and Equity Capital Markets products, Fronting Services for products subject to banking licence requirements / Banking-as-a-Service (BaaS) and International Payment Services as well as Trade Finance. Varengold Bank is registered with the Federal Financial Supervisory Authority (BaFin) under no. 109 520 and its shares (ISIN: DE0005479307) have been listed on the Open Market of the Frankfurt Stock Exchange since 2007. For more information, see www.varengold.de.

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