

Press release

Varengold Bank on track: Half-year results for 2025 on target, special audit nearing completion

Hamburg, 16/09/2025 – At the end of the first half of 2025, the bank is on track with its operational development and within its forecast.

In the first six months of the current year, the bank generated earnings before taxes (EBT) of around EUR 0.5 million. The decline in earnings compared with the same period last year, which was expected, is mainly attributable to the discontinuation and winding down of the payment transactions business in the Commercial Banking division and to one-off high expenses in connection with the special audit.

Net interest income fell by around 30% to EUR 15.6 million, mainly due to the loss of interest income from overnight deposits with the Deutsche Bundesbank. Adjusted for this effect, however, net interest income rose by around 20% to EUR 9.9 million (previous year: EUR 8.2 million). Net commission income also declined by 44% or approximately EUR 1.1 million as a result of the strategic realignment and the associated discontinuation of the Commercial Banking business. Excluding these special effects, net commission income doubled from EUR 0.7 million to EUR 1.4 million. Other operating income rose by 23% to around EUR 1.3 million, which corresponds to an increase of approximately EUR 210 thousand. Overall, net income declined by approximately 29% to EUR 18.8 million due to the factors mentioned above.

On the cost side, material expenses rose significantly by 47% or approximately EUR 3.8 million, mainly as a result of increased one-off expenses in connection with the special audit. In contrast, personnel expenses were reduced by 10% (around EUR 594 thousand). Total administrative expenses thus increased by 23% to EUR 17.3 million.

"The half-year results for 2025 reflect the expected effects of interest rate developments and the bank's strategic realignment. At the same time, the adjusted business performance shows that our core business is growing profitably and that the measures taken are beginning to take effect," explained Matthias Wargers.

Until the end of 2025, the Varengold team will focus on further refining the new business model with the help of external expertise. Thereby, the bank is building on its existing strengths in the lending business, which will be further developed along optimised processes and structures. Structural, personnel and procedural measures are thus creating the conditions for a new start as a modern and focused specialist bank for growth-oriented companies.

More than three years after the announcement of the special audit of business operations in accordance with Section 44 of the German Banking Act (KWG), there are signs that the associated regulatory measures are coming to an end.

The Federal Financial Supervisory Authority (BaFin) has issued a fine of EUR 3.3 million, because during the period under review from 2 June 2023 to 27 March 2025, suspicious activity reports pursuant to Section 43 (1) of the German Money Laundering Act (GwG) were not submitted in a timely manner in 30 cases. The administrative offence proceedings were conducted based on the results of the special audit in the area of money laundering prevention. No further fines are expected from BaFin in connection with the special audit. The fine imposed by BaFin is fully

covered by existing provisions. The bank had already processed a penalty of EUR 500,000 imposed by the supervisory authority in February 2025 in its 2024 annual financial statements.

To remedy the deficiencies in money laundering prevention identified by the supervisory authority, the bank has already established and optimised appropriate measures, which are being tracked in a deficiency remediation plan and will be consistently implemented by the end of the year. The reduction of the Iran portfolio in this context is now well advanced, so that the special representative KPMG and its monitoring activities can be expected to be withdrawn in the near future.

The investigations conducted as part of the Section 44 audit into so-called cum-ex transactions and similar arrangements were completed in June. Based on the findings of the special auditor Hogan Lovells, the risks arising from these circumstances that are apparent from today's perspective have been fully reflected in the Bank's balance sheet. In the context of the completed audit of business activities and business relationships in Bulgaria, the bank drew up an action plan to address the findings, which includes a clarification of the business and risk strategy and is currently being implemented as part of the overarching strategy process.

Matthias Wargers, Spokesman of the Management Board of Varengold Bank, emphasises: "The imminent completion of the special audit is an important milestone on the path to transformation. We are working consistently to implement the action plans and are in regular and constructive dialogue with the supervisory authorities. The expected normalisation of the regulatory framework strengthens the team's optimism and determination to achieve the bank's business objectives."

About Varengold Bank AG

Varengold Bank is a German credit institution founded in Hamburg in 1995 with an additional location in Sofia. In the Corporate Clients/Fintech (Marketplace Banking) segment, the Bank offers young, digital companies financing solutions that enable them to refinance their corporate and consumer loans or leasing or factoring receivables. In the Corporate Clients/Energy Transition segment, the bank focuses in particular on financing projects in the renewable energy sector.

Varengold Bank AG is registered with the German Federal Financial Supervisory Authority under no. 109 520 and is also connected to the Compensatory Fund of German Banks (EdB). The Varengold stock (ISIN: DE000A40ZUV2) is listed on the open market of the Frankfurt Stock Exchange. For more information, see <https://www.varengold.de/en>.

Press-Contact

Sanja Schultz-Szabo
Head of Corporate Development
T +49 (0) 40 66 86 49-0
M communications@varengold.de

Free, printable image material available on request.