



**V** BANK

Die Vermögensbank.

**reliable & secure**

We are The Asset Bank.

# A reliable and secure partner

Especially during crises



- **Our world is changing:** New superpowers are competing against each other. High inflation and imminent recessions, conflicts and wars in the world – the instabilities are growing.
- **A focused and long-term profitable business model contributes to stability** - especially during crises. This is what should be expected from a custodian bank.
- **Security** continues to be an important criterium when choosing the best partner for your custody business.
- Are you aware of all the **risks** associated with your custodian bank? How dependent is your bank on interest earnings? How might different business parts be affected? Is there sufficient equity to comply with increasing demands from market authorities? And finally, **is the overall business approach sustainable?**
- We are happy to illustrate how V-Bank can be **your reliable and secure partner during crises** – also when it comes to IT.

# V-Bank: reliable and secure – in a nutshell



Transparency and stability provide the basis for trust

Risk position	Capital base	Liquidity position	Deposit protection
<p><b>What is the business model of the bank?</b></p> <p>Lending business and assets/ investments as well as quality of the lending/ asset portfolio are crucial for the risk position.</p>	<p><b>What is the capital base of the bank?</b></p> <p>The assessment of the capital basis (total capital) in relation to the individual risk position shows the solvency (capital ratios).</p>	<p><b>What liquidity is available to the bank?</b></p> <p>Key ratios on short-term and structural liquidity help to assess liquidity/ solvency.</p>	<p><b>How are deposits protected?</b></p> <p>German banks can protect their customers' deposits beyond the statutory deposit protection (max. € 100,000 per customer) through membership in a voluntary protection scheme.</p>
<b>Your V-Bank</b>			
<p><b>Lending business limited to lombard lending</b> (securities in the portfolio provide collateral)</p> <p><b>Investments in assets</b> are <b>conservative</b> and with <b>matching maturities</b> with a <b>short to medium tenor</b> – selection of <b>prime issuers</b> with premium credit rating and assets with <b>high liquidity</b> (e.g., covered bonds)</p>	<p><b>In compliance</b> (with ample buffers) <b>with all regulatory capital requirements of German and European banking regulation</b></p> <p>Capital basis supported by a <b>stable</b> and <b>sustained private shareholder structure</b></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="759 1039 970 1243"> <p>CET 1<sup>3</sup> capital ratio<sup>4</sup></p> <p><b>16.4 %</b> ✓</p> <p>Regulatory requirement: <b>9.2 %</b></p> </div> <div data-bbox="1052 1039 1263 1243"> <p>Total capital ratio<sup>4</sup></p> <p><b>32.9 %</b> ✓</p> <p>Regulatory requirement: <b>13.8 %</b></p> </div> </div>	<p><b>In compliance with all regulatory requirements of banking supervision due to high liquidity levels</b></p> <p><b>High liquidity</b> due to business model and asset allocation strategy, e.g., liquid assets with German central bank (Bundesbank)</p> <p>Liquidity Coverage Ratio<sup>4</sup></p> <p><b>181.5 %</b> ✓</p> <p>Regulatory requirement: <b>100 %</b></p>	<p><b>Additional security through membership in the Deposit Protection Fund of the Association of German Banks</b> – protection of deposits<sup>1</sup> of natural persons and foundations up to an amount of <b>€ 3.0 million</b> per customer and of companies and institutions<sup>2</sup> up to an amount of <b>€ 17.639 million</b>.</p>

1) Since 01/01/2025 – transitional provisions for prior deposits; 2) Unless an exclusion applies to certain companies and institutions; 3) Common equity tier 1; 4) Provisional status as of 12/31/2024, subject to resolution on appropriation of profits at the AGM 2025

# Focused business model

Our main concern: Serving you



- Since establishment in 2008, the V-Bank's business model has been **focused, low-risk and transparent**: We concentrate on custody banking services. **We are not satisfied until our customers are satisfied.**
- Our thoughts and actions are shaped by **our core values**:
  - ✓ We are independent & autonomous.
  - ✓ We are innovative & digital.
  - ✓ We are reliable & secure.
  - ✓ We are personal & sustainable.
- Contrary to other financial institutions and savings banks **we refrain from risky business areas like proprietary trading and investment banking.**
- We do not have any in-house private and retail banking. Thus, we do **not offer own products** (placement and liability risks).
- Dealing for our own account happens **within the minimum limit only** (market rate risk).
- Our **credit business** is limited to lombard loans against securities. Compared to other market players our volumes are relatively low and our loan criteria are very conservative.

# Stable ownership structures

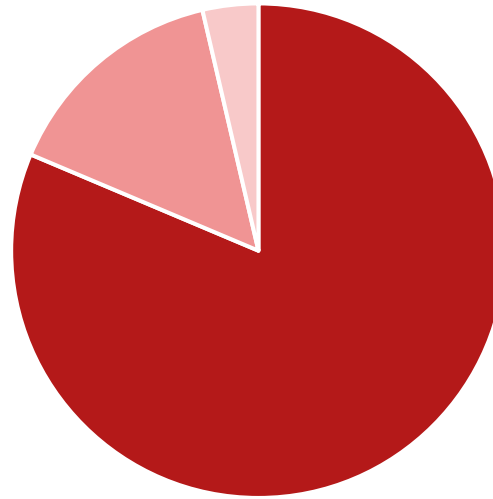
Creates reliability for long-term planning



## Shareholder overview:

- **81.36 % Independent external asset managers (EAMs) and family offices (FO)**
- 15.0 % Württfeuer Beteiligungs-GmbH (W&W)
- 3.64 % Management and Employees

*(as of 12/31/2024)*



# Focused and long-term oriented

## A stable and successful business model



- V-Bank is **growing** dynamically:
  - In 2024 we initiated **17 new cooperation agreements** and opened more than **8.200 additional bank accounts**.
  - In 2024 we worked together with **over 550** Independent Financial Advisors (IFA) and Family Offices. This makes us the **clear number one on the market** in terms of market penetration.
  - At present we have **57.588 billion** euros assets under custody.
  - These assets are spread over **67,024** accounts.
- V-Bank has been generating **stable revenues for many years**. We have reached the break-even point already two years after establishment - with continuously increasing returns ever since. 2024, we increased our earnings before taxes by more than 42 percent to 54.4 million euros and achieved our best business result to date.
- **V-Bank pursues a long-term and sustainable business model with steady growth**. Independent external asset managers are continuously increasing their market share. According to recent studies, a growing number of customers seeks independent asset management as opposed to brokerage- and kickback-driven advisory. Against this background, many private banking advisors join independent external asset managers and family offices.

# Solid capitalization

Our proprietary investments are long-term oriented



- **Matching maturities**, our proprietary investments and equity follow a conservative approach with short durations (currently Duration: 0.96 years). We choose top-tier issuers and liquid products only. In this context, about 95 % of our proprietary investments are rated AAA or AA. Accordingly, the majority of the securities have a high classification within the meaning of the LCR Regulation for HQLAs (high-quality liquid assets). Most of these investments consist of German mortgage bonds. We diversify through state treasury notes, bonds from development banks, bonds from supranational issuers and covered bonds (Core Europe).
- In addition, a high cash reserve is always held at the **German Federal Bank (Bundesbank)**, which exceeds the ECB's minimum reserve requirement many times over.
- The **liquidity coverage ratio** required by the EU is 100 %; we achieve 181.5 %<sup>1</sup>. We also have excellent liquidity in the long term: the **Net Stable Funding Ratio (NSFR)** is around 221.1 %<sup>1</sup> (target: 100 %).
- **Matching the equity requirements of Basel III**, V-Bank has a **core capital ratio (CET1)** of 16.4 %<sup>1</sup>. The **total capital ratio** is currently at 32.9 %<sup>1</sup>. The liable equity is disposable at any time and, thus, a genuine additional risk buffer.

1) Provisional status as of 12/31/2024, subject to resolution on appropriation of profits at the AGM 2025

# Solid capitalization

Our proprietary investments are long-term oriented



- Our **leverage ratio** is 4.93 %<sup>1</sup>, exceeding the regulatory requirement of 3.00 %.
- V-Bank has joined the Deposit Protection Fund of the Federal Association of German Banks on 01/01/2025. Accordingly, account balances from **private investors and foundations** are **secured up to a maximum amount of EUR 3 million per customer**. Additionally, account balances from **institutional investors** (unless there is an exclusion for certain companies and institutions (e.g. for financial companies such as asset management companies (except in the legal form of the GbR))) are **secured up to a maximum amount of EUR 17.639 million per customer**.

1) Provisional status as of 12/31/2024, subject to resolution on appropriation of profits at the AGM 2025



# Banks rating: Security matters

A rating from the rating agency Moody's



Moody's	Long-term Deposit Rating
	<b>A2</b> Outlook: Stable

- The rating underlines the **stability of the business model**, the **soundness of the financial ratios** and the rating assessment for the **security of the deposits**.

- Among other things, Moody's highlights<sup>1</sup>:

*“(The rating) reflects its **business model as a service provider for independent financial advisors, wealth managers and family offices in Germany** and takes into account the bank’s market position, its **stable financial profile**, including continued **solid solvency** as well as **very sound liquidity and funding profiles**.”*

*“V-Bank operates an **efficient and scaleable digital banking platform** with **low credit risks** from Lombard lending and **prudent asset-liability and risk management** and governance practices.”*

- V-Bank achieves rating on a **stand-alone basis with its own financial strength** (i.e. no rating uplift due to affiliate support from a banking group and/or consideration of government support)

**Moody's last rating confirmation August 2024**; further details can be found in the latest Moody's rating report on V-Bank's website

1) Quoted from Moody's press release Rating Action V-Bank dated 08/01/2024 und Moody's Credit Opinion dated 10/11/2024

# Best custodian bank in Germany

Rewarded and appreciated



- Our customers appreciate the transparent, low-risk and focused business model: Based on the Private Banker Magazine's recent market survey among external asset managers, **V-Bank is the best custodian bank in Germany.**



- For the sixth time, the business magazine Capital and Statista honored **Germany's most innovative companies.** The selection was made for 20 sectors and industrial areas ranging from the automotive industry and the chemical sector to energy and the environment. A total of 2,952 innovation experts were surveyed and asked to rate companies in their sectors. From a total of 2,305 candidates, the panel filtered out those 515 companies that are considered to be particularly innovative. In the banking, insurance and financial services sector, **this includes V-Bank.**

# Security includes IT security

We follow high standards



- BaFin obliges financial institutions to establish **comprehensive IT security management** in accordance with national (Federal Office for Information Security/ BSI) and international (International Organization for Standardization/ ISO) standards. Our IT risk management aligns with the standards of **ISO 27001:2022**, while our emergency management is adjusted to **BSI standard 200-4**.
- Our external auditors are **monitoring the compliance** with these standards on an annual basis.
- We quickly account for **regulatory adjustments** from market authorities.
- We have established **security measurements** to guarantee data confidentiality, integrity, authenticity, availability and resilience. Our security mechanisms are constantly being monitored and updated. This also applies to external providers.

# Security includes IT security

We follow high standards



- We implement the **encryption of e-mails** for our customers according to the so-called TLS standard. This means that e-mails are automatically encrypted between the e-mail sender and the e-mail recipient.
- Ensuring highest possible IT security, we use several **firewalls** as well as a **state-of-the-art virus scanner and spam filter**.
- We **regularly run security scans** unveiling potential security gaps. We have intensified our security scans mitigating increased risks of cyber attacks, especially in the context of Russian and Belarusian countermeasures against recent EU sanctions.
- All software is subject to **periodic updates and upgrades**. Furthermore, all stationary and mobile hardware is being continuously monitored.
- Our IT infrastructure and the use of software and hardware is being reviewed through the **internal revision process and external audits**.

# Security includes IT security

We follow high standards



- A regular **annual emergency drill** takes place at our main IT service providers, simulating the failure of one of the two data centres or one site. Annual emergency drills are also held at the V-Bank site and the relevant emergency scenarios. In the event of a building failure at V-Bank, business operations can continue without any problems in an emergency office and the remote workstations (home office).
- To ensure the highest possible availability, V-Bank has implemented **cloud computing** with a renowned German data centre provider certified according to IDW PS 951 with two independent data centres, each located in Germany.
- Our core banking software Avaloq runs on a **renowned datacenter, FITS, in accordance with IDW PS 951**. Thereby, we follow the same setup as the German savings banks.

# Your personal contact



## V-Bank AG

Rosenheimer Straße 116, DE-81669 Munich



### **CORINNA GESER**

Head of Sales and Relationship  
Management / Procura

T: +49 89 740800-167

M: +49 175 8984693

F: +49 89 740800-222

[corinna.geser@v-bank.com](mailto:corinna.geser@v-bank.com)

