

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2024

V-Bank AG, Munich

I. General Information

The annual financial statements of V-Bank AG, Munich, have been prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB), taking into account the supplementary provisions of the German Stock Corporation Act (AktG) and the German Banking Act (Kreditwesengesetz – KWG). The Regulation on the Accounting of Credit Institutions (RechKredV) dated 10 February 1992, as amended, was applied.

Disclosures pursuant to Articles 431 to 451 of Regulation (EU) No. 575/2013 (CRR) and Directive 2013/36/EU (CRD IV) are published in a separate disclosure report in the Federal Gazette.

The Company is registered in the commercial register (HRB 167737) of the Local Court of Munich.

II. Accounting and Valuation Principles

1. Accounting and Measurement Methods Applied to Balance Sheet Items

In accounting and measurement of assets and liabilities, all identifiable risks were taken into account.

Cash reserves are carried at nominal value. Receivables are stated at nominal value less specific and general loan loss allowances. Interest is accrued on a pro rata temporis basis.

The general loan loss allowance was determined in accordance with IDW RS BFA 7 using a portfolio approach.

Debt securities and other fixed-income securities as well as shares and other variable-income securities are carried at acquisition cost unless lower fair values require write-downs.

Securities allocated to fixed assets are measured applying the modified lower of cost or market principle. Securities held in the liquidity reserve are measured under the strict lower of cost or market principle.

Intangible assets and property, plant and equipment are carried at acquisition cost less scheduled depreciation. Liabilities are recognized at the settlement amount. Provisions are recognized at the settlement amount required based on prudent commercial assessment.

2. Foreign Currency Translation

Foreign currency assets amount to TEUR 280,062 (prior year: TEUR 282,639) and foreign currency liabilities to TEUR 279,006 (prior year: TEUR 281,245). Translation is performed using ECB reference rates at the balance sheet date.

III. Notes to Balance Sheet and Income Statement Items

1. Maturity Structure pursuant to Section 9 RechKredV

Receivables from Banks (TEUR)	31 Dec 2024	31 Dec 2023
Up to 3 months	333	5,036
1-5 years	80,997	55,544
More than 5 years	20,014	50,603
Total	101,344	111,183

2. Listed Securities

Debt securities and other fixed-income securities amount to TEUR 2,499,497 and are fully listed. Shares and other variable-income securities amount to TEUR 303,247, of which TEUR 302,928 are listed.

3. Development of Fixed Assets

The development of fixed assets (acquisition costs, additions, disposals, depreciation and net book values) is presented in accordance with Section 268 (2) HGB.

4. Additional Tier 1 Instruments (AT1)

The Bank has issued subordinated perpetual bearer bonds qualifying as Additional Tier 1 capital pursuant to Article 52 CRR with a total nominal volume of EUR 110 million. The instruments bear fixed interest rates between 4.00% and 5.00% p.a. until their respective first call dates. Trigger events occur if the Common Equity Tier 1 ratio falls below regulatory thresholds (7.0% or 5.125%).

5. Special Reserve for General Banking Risks pursuant to Section 340g HGB

In financial year 2024, TEUR 5,440 was allocated to the special reserve for general banking risks (prior year: TEUR 91).

6. Equity

Subscribed capital amounts to EUR 7,737,033 divided into 7,737,033 no-par value bearer shares. The development of equity reflects allocations to revenue reserves and the unappropriated profit.

7. Contingent Liabilities

As of the balance sheet date, contingent liabilities amount to TEUR 7,432 (prior year: TEUR 7,608), primarily from performance guarantees and rental guarantees.

8. Derivative Financial Instruments

An OTC interest rate swap with a nominal amount of TEUR 5,000 was entered into in October 2024. The market value at the balance sheet date amounts to TEUR 13.

IV. Other Mandatory Disclosures

Members of the Management Board: Lars Hille (Chairman), Stefan Lettmeier, Florian Grenzebach.

Remuneration disclosures are omitted pursuant to Section 286 (4) HGB.