

Press release

27 March 2024

Baader Bank closes 2023 financial year with positive result and shares 2024 outlook

- Baader Bank generated earnings before taxes of EUR 4.0 million and a consolidated return on equity after taxes of 1.7 % in the 2023 financial year.
- Over the course of 2023, the number of accounts managed by the Group rose by 51 % to 1,277,000, while customer assets managed by the Group increased by almost 79 % to EUR 31.7 billion.
- 2024 outlook: In the current financial year, the Board of Directors expects earnings before taxes to be slightly higher than in the previous year.

The entire 2023 financial year was characterised by low trading activity and comparatively little momentum in the securities trading business. Due to the decline in trading volumes, Baader Bank's earnings from the trading business underperformed the previous year, amounting to EUR 37.4 million for 2023 (previous year: EUR 53.2 million). Earnings from the commission business, conversely, increased slightly to EUR 79.5 million despite the difficult market environment (previous year: EUR 73.6 million). Earnings from the interest business also made a significant contribution of EUR 35.8 million. Revenues amounted to EUR 11.4 million and were down significantly (previous year: EUR 21.3 million).

Total revenue was therefore EUR 170.8 million (previous year: EUR 159.6 million), which is an increase of 7 % compared to 2022.

Total expenses for the 2023 financial year rose 13 % to EUR 166.9 million (previous year: EUR 147.4 million). The operating expenses increased to EUR 90.6 million, which is explained in particular by investments in the IT infrastructure in order to optimise platform functionality (previous year: EUR 75.6 million). Personnel expenses also increased, to EUR 72.6 million (previous year: EUR 65.0 million). Pension expenses of EUR 3.7 million (previous year: EUR 6.8 million) also includes allocations to the fund for general banking risks (EUR 6.8 million, previous year: EUR 8.3 million), which are lower due to the lower earnings from the trading business.

The positive contributions to earnings made by the three subsidiaries of Baader Bank Group - the Swiss Baader Helvea Group, Baader & Heins Capital Management AG and the Selan Group - bolstered the Group's annual result.

Customer growth looks set to continue

In terms of the number of accounts held within the Group, the Baader Bank account and securities account business grew by around 51 % to 1,277,000 accounts across 2023 as a whole (31 December 2022: 843,000). Since the start of 2023, the securities account volume has increased by EUR 12.5 billion to a total of EUR 28.2 billion. The growth is due in part to the technical transfer of securities accounts for existing Smartbroker customers in the fourth quarter of 2023, in the amount of EUR 5 billion assets under management.

Solid capitalisation forms basis for growth and investment

As at 31 December 2023, Baader Bank's total assets had increased by around 66 % compared to the end of the previous financial year, growing to EUR 3.9 billion (31 December 2022: EUR 2.4 billion). Baader Bank's equity has increased to EUR 165.5 million (31 December 2022: EUR 164.9 million) and the aggregate regulatory capital ratio as

at the end of the year is 23.0 %. Working from this basis, Baader Bank has sufficient capacity for further growth and investment.

Despite the ongoing shortage of skilled workers, Baader Bank positioned itself as an attractive employer and also shored up further growth from a personnel perspective. As at 31 December 2023, the Group had 560 employees (in full-time equivalents) (31 December 2022: 503).

Earnings per share was EUR 0.06 (31 December 2022: EUR 0.18). The Board of Directors does not intend to pay a dividend for the 2023 financial year, subject to the relevant committee decisions and supervisory requirements. The shareholders' meeting is expected to take place on 4 July 2024 in a virtual format.

Baader Bank's annual report for 2023 will be made available in the "Financial reports" section of the Company's website on 23 May 2024 when the annual shareholders' meeting is convened. A separate non-financial report will also be published on the Baader Bank website for the first time for the 2023 financial year.

2024 outlook

For the 2024 financial year, the Board of Directors of Baader Bank expects market volatility to track at a similar level to the previous year. Due to continued growth of clients, market volumes and products, the number of securities transactions is expected to increase slightly compared to the previous year. In terms of sales volumes for 2024, the Board of Directors of Baader Bank expects a moderate increase compared to the previous year. In addition to the continuing increase in the number of private investors in the retail client business, extending beyond national borders, the expected slight increase in business volumes across all business lines is also helping to stabilise unit figures and volumes. On the basis of these assumptions, for the 2024 financial year, Baader Bank's Board of Directors expects earnings before taxes to be slightly above the previous year's level. The return on equity after tax associated with this is also expected to be slightly higher than in the previous year.

In view of the unpredictable, exogenous parameters, the Board of Directors believes that reliable forecasts on business development can only be made with restrictions. The forward-looking statements, expectations and forecasts regarding the future development of Baader Bank are therefore based on the information and knowledge available to the company at the time of publication.

Overview of key figures 2023

in € mn	Total year (01/01/-31/12/)		
	2023	2022	Delta
Result from interest business	35.8	4.9	30.9
Result from commission business	79.5	73.6	5.9
Result from trading activities	37.4	53.2	-15.8
Revenue	11.4	21.3	-9.9
Other income	6.7	6.5	0.2
Income	170.8	159.6	11.2
Personnel expenses	72.6	65.0	7.6
Other operating expenses	90.6	75.6	15.0
Risk provision	3.7	6.8	-3.1
Expenses	166.9	147.4	19.4
Earnings before tax (EBT)	4.0	12.2	-8.2
Taxes	1.1	3.3	-2.2
Minorities	0.0	0.2	-0.2
Group results	2.8	8.7	-5.9
Earnings per share in EUR	0.06	0.18	-0.12
Return on equity after tax in %	1.7	5.3	-3.6
Return in investment	0.1	0.5	-0.4

	as of reporting date		
	31/12/2023	31/12/2022	Delta
Total assets in € mn	3,938	2,376	1,562
Equity capital in € mn	165.5	164.9	0.6
Total capital ratio in %	23.0	24.3	-

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Next dates:

25/04/2024 Corporate News on the results of the 1st quarter 2024
13/05/2024 Equity Forum - Spring Conference 2024 Frankfurt

About Baader Bank AG:

Baader Bank is one of the leading European partners for investment and banking services. Trading and banking are combined using a single powerful platform that offers a unique setup and optimum access to the capital market using a secure, automated and scalable approach. As a family-run full-service bank with its headquarters in Unterschleissheim near Munich, Baader Bank AG employs around 550 staff members and operates in Market Making, Capital Markets, Brokerage, Fund Services, Account Services and Research Services.