

Press release

27 July 2023

Baader Bank posts positive consolidated pre-tax result and continued investment and growth for HY1 2023

- Baader Bank generates earnings before tax of EUR 2.9 million in HY1 of current financial year
- Total revenue of EUR 83.5 million for HY1; improved income from commission- and interest-driven business can partly compensate for lower result from trading business
- Number of accounts served by the Group up by more than 150,000 in first six months to 1,000,000
- customer assets increase in HY1 to EUR 23.4 billion

Baader Bank posted consolidated earnings before tax of EUR 2.9 million for the first half year of the current financial year (HY1 2022: EUR 11.0 million). Earnings from the interest business were up on the same period of the previous year, rising to a solid EUR 15.0 million (HY1 2022: EUR -0.5 million), driven in particular by deposit growth in addition to interest rate developments. Earnings from commission business also increased to EUR 40.5 million compared to the same period of the previous year (HY1 2022: EUR 37.5 million) due to further growth in B2B business volume. At EUR 20.0 million, the result from trading business shows a significant decline compared to the first quarter of the previous year (HY1 2022: EUR 39.8 million). While the result from trading activities was at a high level in the same quarter in 2022 due to special situations caused by inflation and global crises, there have been no significant market volatilities so far in 2023. Accordingly, total income amounted to EUR 83.5 million in the first half year (HY1 2022: EUR 84.8 million), down 2% on the reference period.

Total expenses in the first half year of 2023 increased noticeably by 9 % to EUR 80.6 million (HY1 2022: EUR 73.8 million). At EUR 36.1 million, personnel expenses increased compared to the first six months of the previous year (HY1 2022: EUR 32.7 million) due to the planned expansion of personnel capacities. Other operating expenses increased to EUR 41.0 million (HY1 2022: EUR 36.2 million). The increase results primarily from further investments to optimise the IT infrastructure and the expansion of platform functionalities as part of Baader Bank's high-performance banking strategy. In addition, inflation-related cost increases were recorded. Provision expenses of EUR 3.5 million (HY1 2022: EUR 4.9 million) include allocations to the fund for general banking risks of EUR 6.1 million (HY1 2022: EUR 8.7 million).

As at 30 June 2023, the Group had 536 employees (in full-time equivalents) (31 December 2022: 503).

Further growth of European B2B platform business

In terms of the number of securities accounts held within the Group, Baader Bank's account and securities account business grew by more than 150,000 accounts to 1,000,000 accounts in the first half year of 2023 (December 31, 2022: 843,000). Customer assets serviced, consisting of securities account volumes and customer deposits, have slightly decreased since the beginning of 2023 to a total of EUR 23.4 billion.

Additional B2B partnerships are also being established in Baader Bank's cooperation business. Besides the Smart-broker, which will be migrated to Baader Bank's platform in the course of the current fiscal year, another new online broker will be launched on the platform. For the further growth ahead, Baader Bank will continue its investment course in order to provide the IT infrastructure in terms of scalability in the long term. This will be particularly evident in high-trading market phases.

Solid capitalisation forms basis for further growth and investment

As at June 30, 2023, Baader Bank's total assets had increased to EUR 4.2 billion (December 31, 2022: EUR 2.4 billion) compared with the end of the previous fiscal year due to rising deposit volumes. Baader Bank's equity capital remains at a stable at EUR 165.0 million (Dec. 31, 2022: EUR 164.9 million) and the total capital ratio as at the end of the half year is a comfortable 22.7 %. With this basis, Baader Bank is solidly positioned for further growth and investments.

Note on the presentation of the income statement

In a departure from the structure used so far, following the German commercial code (*Handelsgesetzbuch*; HGB), the income statement will now be presented following the management account structure. As a result, earnings from the interest business will include interest-induced commission expenses in addition to interest income. Earnings from trading will include trading income, brokerage and transaction income and trade-induced commission expenses, incl. exchange and settlement fees. Current income is reported under other income. In addition to the general risk precaution, risk provision includes transfers to the fund for general banking risks in accordance with Section 340g HGB.

Overview of key figures H1 2023

in € mn	1 st half year (01/01/-30/06/)		
	2023	2022	Delta
Result from interest business	15.0	-0.5	15.5
Result from commission business	40.5	37.5	3.0
Result from trading activities	20.0	39.8	-19.8
Revenue	5.8	5.2	0.6
Other income	2.2	2.7	-0.5
Income	83.5	84.8	-1.3
Personnel expenses	36.1	32.7	3.4
Other operating expenses	41.0	36.2	4.8
Risk provision	3.5	4.9	-1.4
Expenses	80.6	73.8	6.8
Earnings before tax (EBT)	2.9	11.0	-8.1
Taxes	2.8	5.0	-2.2
Minorities	0.1	0.1	-1.1
Group results	0.0	5.8	-5.8
Earnings per share in EUR	0.00	0.12	-0.12
Return on equity after tax in %	0.1	7.1	-7.0

	as of reporting date		
	30/06/2023	31/12/2022	Delta
Total assets in € mn	4,162	2,376	416
Equity capital in € mn	165.0	164.9	0.5
Total capital ratio in %	22.7	24.3	-

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Next dates:

18-21/09/2023 Baader Investment Conference
11/10/2023 m:access analyst conference 2023
26/10/2023 Corporate News 9M results

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 the business fields of Market Making, Capital Markets, Brokerage, Fund Services, Account Services and Research Services.