

Press release

15 January 2024

Baader Bank grows revenue and closes 2023 financial year with positive result

All data is based on unaudited consolidated figures

Baader Bank generated consolidated earnings before taxes of EUR 4.0 million in the 2023 financial year, based on preliminary, unaudited figures (previous year: EUR 12.2 million), and closes the year as a whole with a positive result.

In the context of selective performance on the stock markets and interest rate hikes that continued into the third quarter, total revenue grew by 7 % compared to the previous year and amounted to EUR 170.8 million (previous year: EUR 159.6 million). Earnings from the interest business totalled EUR 35.8 million (previous year: EUR 4.9 million), with the growth being due to increased interest rates and customer deposits. A total of EUR 79.5 million (previous year: EUR 73.6 million) was attributable to net commission income, which increased by 8 % despite a challenging market environment.

Earnings from trading were influenced predominantly by trading volumes and market volatility. For the year as a whole, volumes and the number of trades on German stock exchanges declined overall compared to the previous year. As such, earnings from the trading business declined by almost 30%, with the figure for the past financial year amounting to EUR 37.4 million (previous year: EUR 53.2 million). Transfers to the fund for general banking risks¹ therefore declined to EUR 6.8 million (previous year: EUR 8.3 million).

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.

Further growth in the platform business and optimisation of the product offering

The B2B business experienced a shift in investor preferences in the wake of rate hikes in 2023, but the (neo) broker and (online) asset manager business continued to grow, albeit at a slower rate.

In order to respond to strong interest from investors in interest rate products, all bonds managed by Baader Bank AG have been tradable on the gettex stock exchange and the Munich stock exchange until 22:00 since the fourth quarter of 2023. By expanding bond trading, Baader Bank is responding to increased demand from its collaboration partners and institutional clients as well as from private clients.

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.

Year as a whole shaped by IT investments

Total expenses for the financial year under review increased to EUR 166.9 million (previous year: EUR 147.4 million). Owing to investments in the IT infrastructure in order to optimise platform functionality, operating expenses amounted to EUR 90.6 million (previous year: EUR 75.6 million).

The increase in personnel expenses to EUR 72.6 million (previous year: EUR 65.0 million) is due to the growing staff structure and one-time effects (e.g. inflation compensation premium). Allocations to the fund for general banking risks were lower in 2023.

Despite the ongoing shortage of skilled workers in 2023, 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) (31.12.2022: 503).

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 total capital ratio for the past financial year was 23.0 %. Working from this basis, Baader Bank has sufficient capacity for further growth and investment.

Earnings per share stand at EUR 0.06 (31 December 2022: EUR 0.18). The Management Board does not intend to pay a dividend for the 2023 financial year, subject to the relevant committee decisions and supervisory requirements.

Baader Bank will publish the audited figures on 27 March 2024 as planned and the audited and approved consolidated financial statements for 2023 on 23 May 2024 as part of its annual report. The annual financial statements will be detailed in full and will provide an outlook for the current financial year.

¹ The transfer to the fund for general banking risks also takes into account the statutory transfer to the fund for general banking risks at the end of the year in accordance with Section 340e HGB.

Overview of key figures 2023

All figures are preliminary and unaudited

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	0.5

	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:

27/03/2024 Corporate News on the final annual results for 2023
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.