

# Press release

10 February 2023

## Baader Bank accelerates growth and closes successful 2022 financial year

*All data is based on unaudited consolidated figures*

Baader Bank generated consolidated earnings before taxes of EUR 12.2 million in the 2022 financial year, based on preliminary, unaudited figures. Despite a challenging overall environment, return on equity for the year as a whole was 5.3% and all four quarters of 2022 generated positive earnings.

Total revenue was EUR 161.3 million (previous year: EUR 215.5 million), decreasing by 25 % compared to an exceptionally strong 2021. Looking at the profitable year as a whole, net interest income, at EUR 6.5 million, made a significant positive contribution to earnings for the first time in a while, generated particularly in the second half of the year. Net commission income accounted for EUR 13.0 million; the figure increased slightly despite difficult market conditions.

With the exception of the start of the year, the stock market environment was until recently characterised by uncertainties and challenging market conditions, plus the securities trading business in the previous financial year. As a result of declining stock market turnover and the directionless activities of certain market participants, the trading result declined overall compared to the performance seen in an exceptionally strong 2021, amounting to EUR 112.2 million for the past financial year (previous year: EUR 185.0 million). Transfers to the fund for general banking risks<sup>1</sup> therefore decreased to EUR 8.3 million (previous year: EUR 18.5 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.

### **Platform business growth driven across Europe and product innovations introduced**

In terms of the number of accounts held within the Group, the Baader Bank account and securities account business grew by almost 70 % to 843,000 accounts across 2022 as a whole (31 December 2021: 502,000). Since the start of 2022, the account volume has been increased by EUR 3.4 billion to a total of EUR 15.7 billion.

Further growth was accelerated in 2022 through the onboarding of new B2B partners to Baader Bank's platform as well as through further product innovations. In the financial year under review, European B2B partners completed their market launch and domestic partners consolidated their European business – including in Austria, Italy, Spain and France.

In addition, 24/7 crypto trading was incorporated into the product range as part of a B2B collaboration. The Lombard loan business for professional customers was also included in Baader Bank's range of services in 2022 in collaboration with a B2B platform partner. Lombard loans are now also offered as product extensions in the B2B2C business and represent an important diversification component given current interest rate developments. Intraday loans and direct debit have also emerged as complementary products from existing partnerships. The latter optimises the user experience for neobroker users, who receive new trading credits in real time without having to leave the mobile application. The US trading time was also extended to 2 am in order to optimise the offering for B2B clients.

### **Year as whole shaped by investment in people, innovation, and IT infrastructure**

Total expenses for the past fiscal year declined to EUR 149.1 million (previous year: EUR 158.0 million). The investment-related increase in other administrative expenses and other operating expenses amounted to EUR 64.5 million, which can be explained in particular by investments in the IT infrastructure to optimise platform functionality and product innovations (previous year: EUR 55.9 million).

The rise in material expenses is almost compensated by the reduced personnel expenses of EUR 65.0 million (previous year: EUR 73.5 million). In addition, allocations to the fund for general banking risks were lower.

Despite the ongoing shortage of skilled workers, Baader Bank positioned itself as an attractive employer and also shored up innovation and growth from a personnel perspective. As at 31 December 2022, the Group had 503 (31 December 2021: 448) employees (in full-time equivalents).

### **Solid capitalisation forms basis for growth and investment**

As at 31 December 2022, Baader Bank's total assets had increased by around 31 % compared to the end of the previous financial year, growing to EUR 2.4 billion (31 December 2021: EUR 1.8 billion). Baader Bank's equity has increased to EUR 164.9 million (31 December 2021: EUR 164.5 million) and the equity ratio for the past financial year was 7 %. Working from this basis, Baader Bank has sufficient capacity for further growth and investment.

Earnings per share was EUR 0.18 (31 December 2021: EUR 1.00). Subject to the relevant committee resolutions and supervisory requirements, the Management Board intends to distribute a dividend of EUR 0.05 per share entitled to dividend for the 2022 financial year (previous year: EUR 0.35).

Baader Bank will publish the audited figures on 31 March 2023 as planned and the audited and approved consolidated financial statements for 2022 on 25 May 2023 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.

## Overview of key figures 2022 <sup>2</sup>

All figures are preliminary and unaudited

<b>BAADER BANK GROUP</b> Key P&L figures	31/12/2022 EUR mn	31/12/2021 EUR mn	Change in %
<b>Income</b>	<b>161.3</b>	<b>215.5</b>	<b>-25.1</b>
<i>of which</i>			
Net interest income and current income	7.3	-1.6	-547.5
Net commission income	13.0	12.9	1.2
<i>from commission revenue</i>	107.5	112.0	-4.0
Net trading income	112.2	185.0	-39.3
Revenue	21.3	11.0	93.2
Other income	7.4	8.1	-9.1
<b>Expenses</b>	<b>-149.1</b>	<b>-158.0</b>	<b>-5.6</b>
<i>of which</i>			
Personnel expenses	-65.0	-73.5	-11.6
Other administrative expenses and other operating expenses	-64.5	-55.9	15.3
Amortisation and depreciation on intangible assets and property, plant and equipment	-11.1	-9.1	22.1
Other amortisation and depreciation/Risk provision	-0.2	-1.0	-80.9
Additions to the fund for general banking risks	-8.3	-18.5	-55.1
<b>Earnings before tax (EBT)</b>	<b>12.2</b>	<b>57.4</b>	<b>-78.8</b>
<b>Operating result <sup>3</sup></b>	<b>14.7</b>	<b>70.5</b>	<b>-79.2</b>

<b>BAADER BANK Group</b> Key balance sheet figures	31/12/2022 EUR mn	31/12/2021 EUR mn	Delta in %
<b>Total assets</b>	<b>2,375,6</b>	<b>1,819,7</b>	<b>30,6</b>
<b>Equity Ratio</b>	<b>7 %</b>	<b>9 %</b>	<b>-</b>
<b>Common Equity Tier 1 ratio (CET 1)</b>	<b>23,3 %</b>	<b>22,1 %</b>	<b>-</b>

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

<sup>2</sup> Financial figures of the Baader Bank Group; all figures preliminary and unaudited; reported in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch - HGB).

<sup>3</sup> Gross profit (= net interest income + current income + net commission income and trading income + revenues) less personnel expenses and other administrative expenses as well as amortisation/depreciation on intangible assets and property, plant and equipment.

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