

Press release

31 March 2023

Baader Bank closes successful 2022 financial year and shares 2023 outlook

- Baader Bank generated earnings before taxes of EUR 12.2 million and a consolidated return on equity after taxes of 5.3 % in the 2022 financial year.
- Despite a challenging market environment, all four quarters of 2022 delivered a positive contribution to earnings.
- Over the course of 2022, the number of accounts served by the Group rose by almost 70 % to 843,000, while customer assets grew by almost 30 % to EUR 17.6 billion.
- Earnings per share in the Group amount to EUR 0.18 and the Board of Directors plans to distribute a dividend of EUR 0.05 for the 2022 financial year.
- 2023 outlook: The Board of Directors aims to generate earnings before taxes within a range between EUR 15.0 million and EUR 25.0 million for the current financial year, and a return on equity after taxes of 7 % to 11 %.
- Baader Bank's Supervisory Board extends Oliver Riedel's Board of Directors mandate for a further five years

With the exception of the start of the year, the 2022 financial year was underscored by uncertainties and challenging market conditions affecting the stock markets and the securities trading business. As a result of declining stock market turnover and the directionless activities of certain market participants, the trading result declined 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). Net commission income, conversely, increased slightly to EUR 13.0 million despite the difficult market environment (previous year: EUR 12.9 million). Net interest income also made a positive contribution to earnings again for the first time at EUR 6.5 million, primarily in the second half of the year. Revenues from electricity generated by the wind farm are at record level of EUR 21.3 million (previous year: EUR 11.0 million). Total income was therefore EUR 161.3 million (previous year: EUR 215.5 million), decreasing by 25% compared to the exceptionally strong previous year.

Total expenses for the 2022 financial year fell to EUR 149.1 million (previous year: EUR 158.0 million). Other administrative expenses and other operating expenses increased to EUR 64.5 million as a result of investments (previous year: EUR 55.9 million), in particular investments in the IT infrastructure in order to optimise platform functionality, plus investments in product innovations. The increase in operating expenditure is more than offset by the reduced personnel expenses of EUR 65.0 million (previous year: EUR 73.5 million) and lower transfers to the fund for general banking risks (EUR 8.3 million; previous year: EUR 18.5 million).

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

Platform business growth accelerated throughout 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). The customer assets serviced, consisting of account volumes and customer deposits, have increased by EUR 3.9 billion to a total of EUR 17.6 billion since the start of 2022.

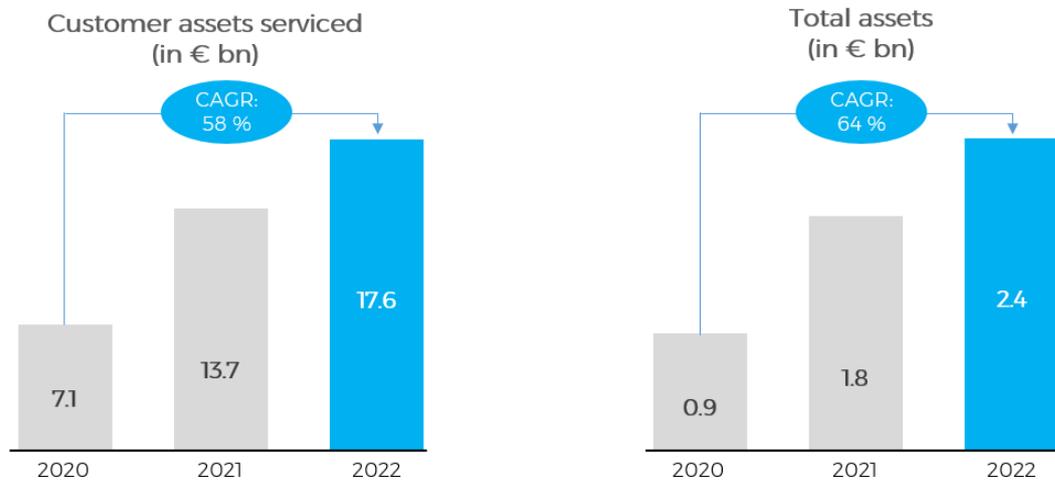
Growth was further accelerated in 2022 through the onboarding of new B2B partners to the Baader Bank platform and through further product innovations. In the financial year under review, European B2B partners completed their market launch and domestic partners expanded their European business — including 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 enlarged within Baader Bank’s offering, 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 instant debit were also created 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.

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 aggregate regulatory capital ratio as at the end of the year is 24.3 %. On this basis, Baader Bank has sufficient capacity for further growth and investment.

Subject to the approval of the shareholders' meeting, the Board of Directors also intends to distribute a dividend of EUR 0.05 per share entitled to dividend for the 2022 financial year. The shareholders' meeting is expected to take place on 6 July 2023 in a virtual format. Baader Bank’s annual report for 2022 will be made available in the "Financial reports archive" section of the Company's website on 25 May 2023 when the annual shareholders' meeting is convened.



CAGR: Compound Annual Growth Rate (annual growth rate)

2023 outlook

For the 2023 financial year, the Board of Directors of Baader Bank expects market volatility to track at a similar level to the continuously increasing fluctuations seen in 2022, as has already been observed in the first weeks of the new year. Due to continued growth in customers, market volumes and products, a further increase in trading volume and the number of securities transactions is expected. In addition to the continuing increase in the number of private investors in the retail customer business, extending beyond national borders, the expected slight increase in business volumes across all business areas is also helping to stabilise unit figures and volumes.



Based on these assumptions, for the 2023 financial year the Board of Directors of Baader Bank expects earnings before taxes within a range between EUR 15.0 million and EUR 25.0 million and return on equity after taxes of between 7 % and 11 %.

Baader Bank's Supervisory Board extends Oliver Riedel's Board of Directors mandate for a further five years

In the course of Baader Bank's growth strategy, particularly in its customer business, the Supervisory Board of Baader Bank extended the Board of Directors mandate of Oliver Riedel (49) by a further five years at today's Supervisory Board meeting. In addition, he was appointed Deputy Chairman of the Board of Directors. He will hold the position with immediate effect alongside his duties as Board member responsible for customer business.

"Oliver Riedel has done very valuable work over the past eight years as a member of the Board of Directors at Baader Bank and is responsible for key growth steps that the bank has taken," said Helmut Schreyer, Chairman of Baader Bank's Supervisory Board. "The early extension of his mandate also underpins future growth in line with the strategy at Executive Board level."

Oliver Riedel has been a member of the Board of Directors of Baader Bank AG since July 2015. He is also Chairman of the Administrative Board of Baader Helvea AG, Zurich, Switzerland. He is also a member of the Administrative Board of Baader Helvea Ltd, London, and Baader Helvea Inc, New York.

Overview of key figures 2022

EUR mn	Financial year (01/01/-31/12/)		
	2021	2022	Spread
Net interest income and current income	-1.6	7.3	8.9
Net commission income	12.9	13.0	0.2
Net trading income	185.0	112.2	-72.8
Revenue	11.0	21.3	10.3
Other income	8.1	7.4	-0.7
Income	215.5	161.3	-54.2
Personnel expenses	73.5	65.0	-8.5
Other administrative expenses and other operating expenses	55.9	64.5	8.6
Amortisation and depreciation on intangible assets and property, plant and equipment	9.1	11.1	2.0
Other amortisation and depreciation/Risk provision	1.0	0.2	-0.8
Additions to the fund for general banking risks ¹	18.5	8.3	-10.2
Expenses	158.0	149.1	-8.9
Earnings before tax (EBT)	57.4	12.2	-45.3
Taxes	10.6	3.3	-7.3
Minorities	0.2	0.2	-0.1
Group results	46.6	8.7	-37.9
Total assets	1,820	2,376	556
Equity capital	164.5	164.9	0.4
Total capital ratio in %	22.1	24.3	2.2
Earnings per share in EUR	1.00	0.18	-0.82
Return on equity after tax in %	38.5	5.3	-33.2

¹ 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.

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Further scheduled dates:

04/27/2023 Corporate News on Q1/2023 results
05/25/2023 Publication of the Annual Report 2022
07/06/2023 Annual General Meeting 2023