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Baader Bank

# Group Semi-Annual Report as of 30/06/2025

*All figures are provisional and unaudited*

## NET ASSETS

### Baader Bank Group

All figures are provisional and unaudited<sup>1</sup>

Assets	30/06/2025	31/12/2024	Change
	EUR'000	EUR'000	%
1. Cash reserves	58,505	66,683	-12.3
2. Loans and advances to banks	3,411,638	3,963,454	-13.9
3. Loans and advances to clients	295,112	237,213	24.4
4. Debt securities and other fixed-income securities	235,461	328,880	-28.4
5. Trading portfolio	151,921	87,973	72.7
6. Equity investments	14,992	14,717	1.9
7. Intangible assets	22,808	23,292	-2.1
8. Property, plant and equipment	72,781	66,977	8.7
9. Other assets	13,028	4,083	>100.0
10. Prepaid expenses and deferred charges	13,921	15,420	-9.7
11. Excess of plan assets over pension liabilities	18,637	16,016	16.4
<b>Total assets</b>	<b>4,308,804</b>	<b>4,824,709</b>	<b>-10.7</b>

EQUITY AND LIABILITIES	30/06/2025	31/12/2024	Change
	EUR'000	EUR'000	%
1. Bank loans and advances	94,200	59,811	57.5
2. Liabilities to customers	3,741,025	4,367,375	-14.3
3. Trading portfolio	44,228	12,865	>100.0
4. Other liabilities	68,472	50,975	34.3
5. Prepaid expenses and deferred charges	178	141	26.2
6. Provisions	58,827	70,293	-16.3
7. Fund for general banking risks	78,361	73,861	6.1
8. Equity	223,512	189,387	18.0
<b>Total equity and liabilities</b>	<b>4,308,804</b>	<b>4,824,709</b>	<b>-10.7</b>

Total assets as at 30 June 2025 declined by 11 % compared to the balance sheet date as of 31 December 2024 and now amount to EUR 4,308.8 million.

On the assets side, the change stems primarily from the decrease in loans and advances to banks due to the investment in credit balances with the Deutsche Bundesbank under the deposit facility, as well as from a decline in debt securities and other fixed-income securities. Loans and advances to clients increased, in contrast, influenced by growth in the lending business. The decline on the liabilities side is reflected mainly in the item "Liabilities to customers", driven by lower customer deposits.

As of 30 June 2025, the Group had balance sheet equity in the amount of EUR 223.5 million (31 December 2024: EUR 189.4 million) and a balance sheet ratio of 5.2 %. Capital resources stood at EUR 301.9 million, and the Common Equity Tier 1 ratio (CET 1 ratio) and the total capital ratio were both 19.74 % in the first half of 2025. With this basis, Baader Bank is solidly positioned for further growth and investment.

The Group's net asset position remains sound.

<sup>1</sup> For reasons of simplicity, the figures are shown in EUR thousands (EUR '000). For computational reasons, rounding differences of +/- one unit may occur in the tables. This also applies to the income statement table.

## RESULTS OF OPERATIONS

### Consolidates income statement

All figures are provisional and unaudited in accordance with HGB (German Commercial Code; Handelsgesetzbuch)

	1st half of 2025 EUR'000	1st half of 2024 EUR'000	Change %
1. Net interest income	48,151	66,247	-27.3
2. Current income from			
a) Equities	404	779	-48.1
b) Equity investments	45	45	-0.9
	449	824	-45.5
3. Net commission income	-30,293	-33,721	-10.2
4. Net result from the trading portfolio	132,951	80,209	65.8
5. Revenue	6,071	5,001	21.4
6. Other operating income	4,705	2,469	90.6
7. Administrative expenses			
a) Personnel expenses	-57,660	-43,397	32.9
b) Other administrative expenses	-41,786	-37,657	11.0
	-99,446	-81,054	22.7
8. Depreciation, amortisation and write-downs on intangible assets and property, plant and equipment	-6,195	-5,887	5.2
9. Other operating expenses	-2,127	-1,915	11.0
10. Depreciation, amortisation and write-downs on receivables and certain securities as well as allocations for provisions in credit transactions	-1,529	-4,590	-66.7
11. Income from the write-up of equity investments, shares in affiliates and securities treated as assets	864	2,060	-58.1
12. Expenses from the addition of the fund for general banking risks	-4,500	-9,300	-51.6
13. Profit/loss on normal activities	49,102	20,343	>100.0
14. Taxes on income	-14,302	-10,014	42.8
15. Other taxes not shown under Item 9	-23	-30	-24.5
16. Consolidated net income	34,778	10,299	>100.0
17. Non-controlling interests	188	35	>100.0
18. Retained earnings from the previous year	9,846	190	>100.0
19. Consolidated net retained profit	44,811	10,524	>100.0

### Note on the presentation of the income statement

The table above furthermore shows the consolidated income statement in accordance with the requirements for annual financial statements in the HGB structure.

In a departure from the HGB structure, the income statement with notes is presented below using the management account structure.

There were no changes in valuation, accounting and reporting methods in the first half of 2025.

## OVERVIEW OF KEY FIGURES – 1ST HALF-YEAR 2025

### Consolidated income statement

All figures are provisional und unaudited<sup>2</sup>

in € mn	1st half year (01/01/-30/06/)		
	2025	2024	Delta
Result from interest business	22.8	25.2	-2,4
Result from commission business	59.2	56.0	3,1
Result from trading activities	68.8	31.5	37,4
Revenue	6.1	5.0	1,1
Other income	5.2	3.3	1,9
<b>Income</b>	<b>162.0</b>	<b>121.0</b>	<b>41,0</b>
Personnel expenses	57.7	43.4	14,3
Other operating expenses	50.1	45.5	4,6
Risk provision	5.2	11.8	-6,7
<b>Expenses</b>	<b>112.9</b>	<b>100.7</b>	<b>12,2</b>
<b>Earnings before tax (EBT)</b>	<b>49.1</b>	<b>20.3</b>	<b>28,8</b>
Taxes	14.3	10.0	4,3
Minorities	-0.2	0.0	-0,2
<b>Group results</b>	<b>35.0</b>	<b>10.3</b>	<b>24,6</b>
Earnings per share in EUR	0.72	0.21	0,50
Return on equity after tax in %	36.9	12.5	24,4
Return on capital after taxes in %	1.4	0.5	0,9

With earnings before tax of EUR 49.1 million in the first half of 2025, Baader Bank far surpassed the earnings it generated in the first six months of the previous year (H1 2024: EUR 20.3 million). Accordingly, the Group's consolidated earnings rose by 34 % to a total of EUR 162.0 million (H1 2024: EUR 121.0 million).

Earnings from interest business (generally consisting of interest income and interest-induced commission expenses) decreased by 10 %, falling to EUR 22.8 million (H1 2024: EUR 25.2 million) due to declining interest rates and a slight decrease in deposit volumes.

Earnings from the commission business recorded a slight increase of 6 %, amounting to EUR 59.2 million (H1 2024: EUR 56.0 million).

At EUR 68.8 million, earnings from trading business rose significantly (H1 2024: EUR 31.5 million). In the first half of the year, Baader Bank benefitted from accelerated stock market trading together with an increase in market share and higher order numbers, especially on the gettex trading platform.

Total expenses in the first half of 2025 rose to EUR 112.9 million, representing an increase of 12 % compared to the same period of the previous year (H1 2024: EUR 100.7 million). This was driven mainly by higher personnel and operating costs.

<sup>2</sup> For reasons of simplicity, the figures are shown in EUR mn (million). For computational reasons, rounding differences of +/- one unit may occur in the tables.

At EUR 57.7 million, personnel expenses were up on the same period of the previous year, due in part to the planned workforce increases and higher variable compensation components (H1 2024: EUR 43.4 million). Operating expenses rose moderately to EUR 50.1 million (H1 2024: EUR 45.5 million). In the first half of 2025, pension expenses declined to EUR 5.2 million (H1 2024: EUR 11.8 million) and included allocations to the fund for general banking risks amounting to EUR 4.5 million (H1 2024: EUR 9.3 million).

As at 30 June 2025, the Group's total number of employees (in full-time equivalents) is 656 (31 December 2024: 631).

The positive contributions to earnings made by the Swiss Baader Helvea Group and the Selan Group as subsidiaries of the Baader Bank Group bolstered the Group's half-year results overall.

The tax expense represents the actual taxes charged to the Group.

Earnings per share amounted to EUR 0.72 (H1 2024: EUR 0.21) and return on equity after tax was 36.9 % (H1 2024: 12.5 %).

## FINANCIAL POSITION

*All figures are provisional and unaudited*

Operational liquidity management, which involves the management of daily payments, the planning of expected cash flows, and the management of disposable liquidity, serves the purpose of ensuring that the Group is able to satisfy all its payment obligations at all times. The Group's cash position, which was already solid in previous years, was also held constant in the past first half of the year.

Baader Bank AG's liquidity coverage ratio (LCR) as of 30 June 2025 was 441.6 % (30 June 2024: 508.4 %).

## FIRST HALF-YEAR 2025

### Equity markets continue upward trend despite rising volatility

The first half of 2025 was marked by a plethora of political surprises, some of which gave rise to significant economic uncertainties. The financial markets became highly volatile as a result and there were several abrupt trend reversals. Alongside a clear divergence in monetary policy, economic policy decisions and geopolitical developments were the main factors that caused tensions on the markets. Following brief periods with sometimes sizeable price swings, however, nervousness on the financial markets generally subsided quickly after announcements were partially retracted or the escalation that had been feared failed to materialise. Moreover, given the frequent U-turns, a certain degree of familiarity gradually set in too.

US President Trump's tariff policy in particular was a key element of this uncertainty. After the threat of hefty tariffs and counter-tariffs led to significant turbulence on the financial markets, a three-month moratorium was announced at the beginning of April with the intention of conducting bilateral negotiations with the countries concerned. In June, geopolitical tensions in the Middle East likewise caused volatility to skyrocket after Israel's and the US's attacks on Iran temporarily triggered a significant escalation in the crude oil market. In Germany, the federal elections were followed by a surprising fiscal policy U-turn towards more debt-financed government spending, which boosted the sentiment on the economic market and stock market significantly but also caused bond yields to rise exponentially.

In the eurozone, inflation fell from 2.4 % in December 2024 to 2.0 % in June, while in the US it fell from 2.9 % to 2.7 % over the same period. The decline in energy prices had a dampening effect on inflation, while food prices continued to rise at an above-average rate. The slight decline in headline inflation was accompanied by a further fall in core inflation, which excludes volatile components such as energy and food prices. Overall, however, inflation remained slightly above average; given the slow decline in wage growth, this was due in particular to persistently high price increases for services.

The tariffs increased uncertainty around the US's inflation outlook, prompting the US Federal Reserve to pause its interest rate reduction policy in the first half of the year, leaving the federal funds rate at 4.33 % at the middle of the year. By contrast, the ECB lowered the key deposit rate by a further 25 basis points on four occasions before signalling a pause at the 2 % level reached in June from the third quarter onwards. Due to the continued strength of the Swiss franc, the SNB reduced its key interest rate in two further stages (March and June) by 25 basis points each time, bringing the key interest rate to zero in the middle of the year.

Despite the many uncertainties, the equity markets continued their upward trend in the first half of the year. In light of the significantly improved growth outlook for Germany, the DAX rose by 20.1 % in the first half of the year, while the S&P 500 went up just 5.5 %. The STOXX Europe 600, which represents the broad European equity market, increased by 6.6 %. Nonetheless, performance on the equity markets remained selective, as the equities of less capitalised companies often did not benefit from the positive trend.

Yields on ten-year government bonds fluctuated considerably in the first half of the year, with some opposing trends. While the announcement of debt-financed spending programmes in Germany prompted yields to rise, which was at times more pronounced, yields on US government bonds fell by just under 50 basis points in light of weaker US economic data. As a result of such developments, the euro rose significantly against the US dollar. In addition, the price of gold rose sharply while the price of oil fell slightly.



## Volatile stock exchanges support expansion of market share in market making

Trading revenues continued to develop positively overall compared with the previous year, resulting in sustained high trading volumes on the stock exchanges and trading venues relevant to Baader Bank. Furthermore, trading volumes increased across all asset classes as a result of market share gains on the relevant exchanges. This caused trading income to increase in the first half of 2025 in what remained a challenging environment for market makers.

In the first half of the year, Baader Bank conducted well over 20 million trades in market making. Baader Bank's systems were stable and performed well even on particularly trading-intensive days. In particular, gettex, the trading venue of the Munich Stock Exchange, continues to hold its own against established exchanges, underscoring the ongoing trend of trading volumes moving away from traditional exchanges towards fee-free trading platforms.

With the continued growth in the supply of neo-brokers both in Germany and in Europe, this environment remains promising for gettex as a free-of-charge trading venue. The first half of 2025 saw Baader Bank's sales via the gettex platform rise significantly, with increases in the equity and ETF asset classes in particular. The number of trades also went up, with a significant share of them comprising foreign equities in particular. Baader Bank's market share has increased significantly compared to the same period last year, particularly with regard to sales of domestic equities.

The positive development in trading business is also reflected in over-the-counter trading. In the first half of 2025, the sales for all asset classes combined and the number of trades exceeded the figures for the same period last year.

With regard to the bond asset class, Baader Bank's market share on the relevant stock exchanges has developed consistently over the last quarter and compared to the same six-month period of the previous year.

What's more, Baader Bank has expanded its trading universe and is further strengthening its position in retail trading, which is largely attributable to continuous growth in the account and securities account business together with its B2B cooperation partners. In order to sustain growth in this area, the bank is focusing on onboarding additional partners, continuously optimising its high-performance IT platform and expanding the platform's functionalities. A stable capital and liquidity base is a key competitive advantage in this context, particularly for reliable settlement in volatile market phases.

In the first half of 2025, Baader Bank and Bayerische Börse introduced extended trading hours on gettex. This move sees Baader Bank add to its trading offering, Baader Trading, and consolidate its position as a market maker in Germany. Having extended trading hours will make it possible to consistently meet the increasing demand from cooperation partners and from institutional and private clients.

The previous trading hours of 08:00 to 22:00 have now been extended to 07:30 to 23:00. The cryptocurrency trading business, which is available via the Baader Bank 24h setup, has already shown that private investors are increasingly trading independently of traditional stock market hours and have a clear preference for extended trading hours.

Baader Bank is a full-service provider with the highest quoting and execution quality on several stock exchanges, with an increasing focus on European business in the broker market. We assess and implement the latest technology, process and service innovations and tap into potential new markets and products. Baader Bank's trading setup in market making remains competitive even during periods of exceptional market volatility, enabling the bank's customers to enjoy high-quality trading and quotes at all times.

It remains to be seen how the capital markets will be affected not only by continuing market growth but also by the future equity pension model, which constitutes a substantial part of Germany's new pension package, "Rentenpaket II". If the German government promotes this or invests funds on the capital market in the process, the number of shareholders in Germany will theoretically multiply, which could change the share culture in Germany for the better overall.

## Growing B2B2C platform business with diversified customer base

Baader Bank's account and securities account business continued to see steady growth in the first half of 2025 thanks to the ongoing diversification of the B2B2C cooperation business. With just under 140,000 new securities accounts in the first six months, the number of securities accounts managed by Baader Bank has risen to 1,846,000 (31 December 2024: 1,708,000 securities accounts). Managed customer assets, consisting of securities account volumes and customer deposits, stand at EUR 52.2 billion (31 December 2024: EUR 46.7 billion). This development is due primarily to a sharp rise driven by market performance. The deposit volume, by contrast, has decreased moderately since the end of 2024.

Moreover, new B2B partnerships and product expansions in Baader Bank's cooperation business are currently being developed or in the implementation phase, ensuring that growth will continue in the future. At the beginning of the second half of the year, another cooperation partner in the B2B2C business launched on Baader Bank's platform.

As the B2B2C cooperation business grows, the cryptocurrency trading business continues to establish itself, recording higher volumes than in the first half of the previous year. Baader Bank acts as a financial commission agent in crypto trading, with crypto assets being held in custody by an authorised crypto custodian. The focus is currently on expanding the bank's existing crypto trading setup, including the integration of new B2B partners.

During the period under review, Baader Bank received a licence for the "execution of crypto asset orders for customers" in accordance with the Markets in Crypto Assets Regulation (MiCAR). This MiCAR licence allows Baader Bank to provide crypto asset services to its clients throughout the EU.

To maintain targeted growth, Baader Bank will continue its investment strategy in order to expand the IT infrastructure with the aim of further optimisation. The positive effects of previous and future investments are particularly evident in strong trading market phases. Furthermore, growth in the B2B2C platform business will promote sustainable cross-selling effects in the Best Execution Service on gettex.

## Positive performance in the brokerage business

The first half of 2025 proved positive for brokerage, with both the trading volume and number of trades in brokerage increasing substantially compared to the same period last year. Growth was recorded not only in the cooperation business and private client business, but also in the institutional business. The high level of interest in financial investments is driving growth in the private customer business through Baader Bank's cooperation partners. Developments in crypto trading are also providing significant momentum. Over-the-counter trading activities at Baader Bank have increased as well.

Against the backdrop of a promising market environment, the focus remains on attracting new customers. The aim of achieving sustainable business expansion and increasing market share in the future applies to US brokerage too.

Baader Bank positions itself as a high-profile and market-leading trading partner, particularly in relation to the cash equity product from Germany, Austria and Switzerland. The product range is complemented by derivatives and interest rate products. Going forward, the brokerage business expansion will be directed not only here but also towards the service universe as well as the quality and scope of connections. This goes hand in hand with the efficiency-driven automation of the business segment in order to remain competitive.



## Capital market business continues to suffer from geopolitical situation

During the first half of 2025, a total of three companies in Germany were floated on the stock market. The companies innoscripta SE and Pfisterer Holding SE each raised around EUR 190 million through a traditional IPO, while shares in TIN INN Holding AG were listed on the Scale segment of Open Market at the Frankfurt Stock Exchange.

Capital market business in the current financial year remains subdued, with the ever-recurring news about potential tariffs and geopolitical tensions hampering the global IPO markets. Increased volatility has also further clouded the environment for IPO activities.

Baader Bank expects to be able to implement the projects it already has in the pipeline in the second half of the year. Recently, Baader Bank acted as sole global coordinator and settlement agent in the implementation of a restructuring capital increase (tranche 1) at BayWa AG, a measure that had been prepared in the first half of the year. Implementation of the second tranche is also being planned.

The focus in this environment remains on secondary placements and share buybacks or capital increases, even though the situation in 2025 so far continues to be challenging. Further IPOs have already been announced for the second half of the year, although some companies have recently postponed their plans – examples include the Munich medical technology software provider Brainlab and the Berlin-based online retailer for automotive spare parts Autodoc, who put their planned IPOs on pause in the first half of the year. The IPO for the pharmaceutical company Stada was also cancelled back in the spring.

Overall, Baader Bank is well positioned in the capital markets sector through its collaborations with ERSTE Bank, DZ Bank and Caixa Bank BPI, enabling it to compete effectively in the international market.

Despite the market-related challenges, the bank's Special Execution business continued its positive performance of the previous year. In total, the bank assisted with and concluded 22 transactions in the capital market services business in the first half of this year. The outlook for the second half of the year is positive.

As at the half-year reporting date, Baader Bank managed a total of 68 mandates in the corporate brokerage segment. Although the competitive landscape is becoming increasingly challenging, Baader Bank already has several new mandates on the way for the current year.

In a cut-throat environment, Baader Bank added further stocks to its coverage list in the first half of the year with its in-house research business. The number of research contracts concluded is almost identical to that in the same period last year. New research mandates are also in the pipeline, with rising demand for ESG research boosting business. Baader Bank's holding in the independent French research provider AlphaValue SA, which it has held since 2019, also supports this.

Cross-selling opportunities are arising from the in-house research service that acts as an interface between two customer groups of particular importance to Baader Bank: corporate customers, the majority of whom are from the GSA region, and international institutional investors.

Interest in investment conferences is at an all-time high. Around 80 leading Swiss companies and almost 300 investors seized the opportunity to exchange ideas at this year's Baader Helvea Swiss Equities Conference, which took place in Bad Ragaz in January. Both small- and mid-cap companies and numerous DAX companies will attend the Baader Investment Conference in September.

## OUTLOOK

### **Ongoing political tensions, economic uncertainties and inconsistent monetary policy conditions indicate further selective increases in volatility**

In the second half of the year, performance on the capital markets will continue to depend on whether the prospect of sustained robust growth in the global economy remains realistic. Developments with inflation and the resulting central bank policy are also likely to continue playing an important role. Settlement of the tariff dispute with rates remaining moderate would favour positive developments on the financial markets.

However, as long as the negotiations in the tariff dispute continue to drag on for many countries, the associated political tensions are likely to continue to significantly impact price developments. Furthermore, the mid-term elections in the US next year could become a hot topic of discussion, thereby casting a shadow ahead of time. Moreover, the sharp rise in government debt in many countries represents a source of uncertainty. In Germany, ongoing discord within the governing coalition regarding certain plans for reform and the lack of a two-thirds majority in parliament could trigger a debate about the federal government's ability to take action.

Despite the ongoing trend towards easing core inflation rates, the introduction of higher tariffs and possible counter-tariffs in the second half of the year could lead to a renewed rise in inflation. What's more, a further geopolitical escalation could trigger another rise in crude oil prices. This carries the risk that the scenario of further monetary easing currently being priced into the markets could fail to materialise in the coming months. This would also increase the risk of temporary uncertainty in the financial markets if the published fundamentals proved disappointing in the meantime.

It seems likely that Europe will continue its path of a gradual return to growth. Due to Europe's high economic dependence on foreign trade, however, there is still a risk that the economic indicators for this region could weaken again temporarily if a significant increase in tariffs on exports to the US were to take effect. Ongoing uncertainty about future tariffs could likewise already be dampening growth, as many companies are likely to further postpone their investment decisions in such an environment. Moreover, continued weakness in the US dollar could weigh on the profitability of the European corporate sector.

Consequently, there is a risk that the negative revision trend in consensus estimates for corporate earnings could continue in the second half of the year. In particular, the business outlook for 2026 is likely to increasingly take centre stage. Although European equities are currently valued at only the average of the last ten years and therefore cannot be considered excessively high, if doubts about the earnings base temporarily intensify, the price gains of recent months could be put to the test.

For the equity markets, this means that there is at least occasional risk of renewed volatility in the second half of the year. This is also supported by the high dependence of many indices on a small number of very highly weighted stocks. In the event of price setbacks, stocks with stable growth rates in particular stand to benefit, while more cyclical stocks would in all likelihood be negatively impacted. As the first half of the year has shown, a potential risk aversion phase on the financial markets will not necessarily be accompanied by falling commodity prices, a stronger US dollar or lower bond yields. Even though the equity markets are likely to pick up again in the fourth quarter due to seasonal factors, the second half of the year could therefore be as volatile as the first.

## Growth trajectory based on very strong capital position and stable income components

In the second half of 2025, business activities will focus on implementing medium- and long-term strategic objectives in order to actively shape the progressive change happening in the securities business. By offering over-the-counter services and market making at gettex, Baader Bank has further asserted its independence from established stock exchanges and continued to expand its market share.

The introduction of a capital-backed pension scheme will theoretically multiply the number of shareholders in Germany. If the German government invests billions in the capital market as a result, the share culture in Germany could change for the better overall.

Baader Bank remains committed to investing in the implementation of its strategic objectives, having positioned itself as a leading partner for securities and banking services in Europe and as the operator of a leading platform in terms of technology and processes. The foundations for the planned further growth are therefore in place, including on the capital side.

In addition to strong capital resources, the powerful IT platform guarantees reliable delivery capabilities, cementing Baader Bank's position as a dependable partner in the global capital market environment. The sustained high trading volumes can always be handled reliably due to Baader Bank's solid capital and liquidity position, even during particularly volatile market phases.

Baader Bank's extensive customer base and growth in recent years provide a stable basis for its key income components, enabling the Group to achieve a positive result whether the capital markets are strong or weak in any given year.

For the remainder of the current financial year, Baader Bank will continue its investment path for future growth and for optimising and expanding platform functionality. The current strategy focuses on expanding business beyond the GSA region, as well as on automation, digitalisation, innovation and internationalisation to achieve further growth and further economies of scale in the long term. The main objective is to increase the volume of business on the bank's platform.

Baader Bank has been synonymous with the highest levels of professionalism in securities trading for over 40 years. To continue offering our clients and partners a first-rate service, we are subsuming our trading activities and services – including on- and off-exchange market making, brokerage and crypto trading – under Baader Trading.

Unterschleissheim, 31/07/2025

Baader Bank AG  
Board of Directors