

Equity Update Baader Bank: Broader positioning while markets are fast asleep

Recommendation: 🕒 **Hold**

Target price: €3.70

12 - months horizon

Current share price: €3.26

* price as of 09/10/2023, 11:59 CEST

Sector: Financials

We downgrade the stock from BUY to HOLD based on an unvolatile market environment, which provides no indication of imminent improvement. Positive interest rates revealed NII as a compensating factor with diversification of revenues provide hope for an upside in the long-term.



Equity Update: Baader Bank

| | |
|---|-----------|
| <i>Recommendation, Target Price</i> | 1 |
| <i>Interest income coming for the rescue as markets continue to upset in 2023</i> | 1 |
| <i>Key financial data</i> | 2 |
| <i>Market environment remained weak while costs increased in H1 23</i> | 3 |
| <i>New reporting structure reveals sub-positions</i> | 3 |
| <i>Adapting our mid-term estimates to the changed environment until 2025</i> | 3 |
| <i>Concluding phase of the promising Smartbroker deal</i> | 5 |
| <i>Trading result and the market walk hand in hand through the valley</i> | 5 |
| <i>Similar revenues mix changes observed at peers</i> | 6 |
| <i>Valuation</i> | 7 |
| <i>Disclaimer</i> | 9 |
| <i>Analyst</i> | 14 |

Interest income coming for the rescue as markets continue to upset in 2023

Since the recent rise in interest rates, Baader Bank's earnings mix has already changed significantly and the business model is in the process of adapting to the new environment. The steady increase in business volume thanks to the active search for new partnerships combined with the favourable interest rate outlook has compensated for the lower market volatilities, which have significantly impacted net trading income, the key earnings driver in recent years. Not only Baader, but also the entire peer group is going through a very similar pattern. In view of the uncertain future monetary policy and regulatory uncertainties (ban on "payment for order flow"), which could affect future earnings momentum, we are becoming somewhat more cautious and reduce the stock from BUY to HOLD at a new 12m TP of EUR 3.7 (from EUR 4.5).

While considering the management's FY 23 guidance too ambitious due to the usual seasonality in H2, we reckon with a gradual stabilisation of revenues following the key rate normalisation in the mid-term. H1 23 showed a weak pre-tax profit of EUR 2.9 mn (-74% yoy), triggered by lower trading results and increased costs, while NII acted as a compensating factor. For H2 23e, we expect a similar development as in H1 23, with a seasonally even weaker trading result, but stronger NII on the recent interest rate hikes. Assuming no further allocation to the banking risk fund in H2 (EUR 6.1 mn in H1), we expect a pre-tax profit of EUR 13.6 mn for FY 23e, to come slightly short even of Baader Bank's lower end of the EUR 15 mn guidance. For FY 24e and FY 25e, we reckon with a modest recovery on global markets and count with gradually positive volume and earnings effects from the partnership with Smartbroker backing up our estimate of a decent increase in the trading result (+5% annually). We acknowledge Baader Bank compensating for a weak trading result via NII; however, it must be emphasized that it could be exposed to monetary policy decisions. Therefore, we have fine-tuned our model to reflect a more diversified revenue split in the future, which should ensure a higher resilience and better risk profile.

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Key financial data

| | |
|---|---------|
| HOLD | |
| Price 09.10.2023 | 3.3 |
| Price target | 3.7 |
| Market cap. (tot. shares, in EUR mn) | 159.1 |
| Free float | 28% |
| Free float in EUR mn | 45.0 |
| Avg. daily turnover (12 m) in EUR mn | 0.02 |
| Bloomberg | BWB.GY |
| Reuters | BLMG.DE |



| Income statement (EUR mn) | 12/2020 | 12/2021 | 12/2022p | 12/2023e | 12/2024e | 12/2025e |
|-----------------------------------|---------|---------|----------|----------|----------|----------|
| Net interest income | -3 | -2 | 7 | 84 | 89 | 82 |
| Net fee & commission | 31 | 13 | 13 | -33 | -34 | -26 |
| Net trading result | 168 | 185 | 112 | 103 | 112 | 120 |
| Total operating income | 197 | 196 | 133 | 154 | 166 | 176 |
| Losses on loans and advances | 0 | 0 | 0 | 0 | 0 | 0 |
| Administrative expenses | -140 | -140 | -141 | -151 | -160 | -166 |
| Earnings from ordinary activities | 56 | 57 | 12 | 14 | 17 | 20 |
| Net profit before minorities | 47 | 47 | 9 | 11 | 13 | 15 |
| Net profit after minorities | 47 | 47 | 9 | 11 | 13 | 15 |
| Adjusted net profit | 47 | 47 | 9 | 11 | 13 | 15 |
| Balance sheet (EUR mn) | | | | | | |
| Cash & central bank | 489 | 1,372 | 160 | 19 | 4,402 | 4,852 |
| Loans & advances to customers | 47 | 99 | 91 | 145 | 160 | 176 |
| Securities | 92 | 100 | 615 | 689 | 743 | 802 |
| Goodwill | 9 | 12 | 15 | 17 | 19 | 21 |
| Customer deposits | 594 | 1,498 | 1,994 | 4,513 | 4,964 | 5,460 |
| Debt securities issued | 0 | 0 | 0 | 0 | 0 | 0 |
| Subordinated capital | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholders' equity | 120 | 164 | 164 | 172 | 182 | 194 |
| Minority interests | 1 | 1 | 1 | 1 | 1 | 1 |
| Total assets & liabilities | 889 | 1,820 | 2,376 | 4,965 | 5,454 | 5,993 |
| Market capitalisation | 207 | 303 | 206 | 159 | 159 | 159 |
| Profitability (%) | | | | | | |
| Return on assets | 6.2% | 3.5% | 0.4% | 0.3% | 0.2% | 0.3% |
| Return on equity adjusted | 48.0% | 32.9% | 5.4% | 6.3% | 7.3% | 8.2% |
| Ratios (x) | | | | | | |
| Loan growth | 22.9% | 110.0% | -8.8% | 60.5% | 10.0% | 10.0% |
| Deposit growth | 33.7% | 152.3% | 33.2% | 126.3% | 10.0% | 10.0% |
| Loans/deposits | 8.0% | 6.6% | 4.5% | 3.2% | 3.2% | 3.2% |
| Tier 1 ratio | 14.6% | 24.5% | 22.1% | 21.7% | 21.5% | 21.3% |
| Equity/total assets | 13.6% | 9.0% | 7.0% | 3.5% | 3.4% | 3.3% |
| NII growth | 229.3% | -38.3% | -547.4% | 1050.0% | 6.0% | -7.0% |
| Net F&C growth | -3.5% | -58.4% | 1.2% | -351.0% | 3.3% | -23.2% |
| NIM on total assets | -0.3% | -0.1% | 0.3% | 2.3% | 1.7% | 1.4% |
| Cost income ratio | 71.1% | 71.1% | 106.2% | 97.9% | 96.1% | 94.3% |
| NPL/customer loans | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| LLP /customer loans | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Per share data (EUR) | | | | | | |
| EPS reported | 1.01 | 1.00 | 0.18 | 0.22 | 0.27 | 0.32 |
| Earnings per share (adj.) | 1.01 | 1.00 | 0.18 | 0.22 | 0.27 | 0.32 |
| Book value per share | 2.61 | 3.50 | 3.36 | 3.53 | 3.73 | 3.97 |
| Dividend per share | 0.25 | 0.35 | 0.05 | 0.07 | 0.08 | 0.10 |
| Payout ratio | 24.7% | 35.1% | 26.3% | 30.0% | 30.0% | 30.0% |
| Valuation (x) | | | | | | |
| PE reported | 4.4 | 6.5 | 23.2 | 15.0 | 12.2 | 10.3 |
| Adjusted PE ratio | 4.4 | 6.5 | 23.2 | 15.0 | 12.2 | 10.3 |
| Dividend yield | 6% | 5% | 1% | 2% | 2% | 3% |
| Price book value | 1.7 | 1.9 | 1.3 | 0.9 | 0.9 | 0.8 |
| Price/tangible book value | 1.9 | 2.0 | 1.4 | 1.0 | 1.0 | 0.9 |

Source: Baader Bank, RBI/Raiffeise Research estimates

Market environment remained weak while costs increased in H1 23

After a modest FY 22 (pre-tax profit of EUR 12.2 mn), mainly due to a normalisation of trading activity, the downward trend continued in H1 23, with a pre-tax result of a tiny EUR 2.9 mn (-74% yoy). Despite a 23% yoy decline in trading profit, total revenues in H1 23 remained at a similar level yoy (-2%) mainly on the wings of skyrocketing interest income (EUR 39.5 mn in H1 23 vs. EUR 7.3 mn in FY 22) as a result of rising interest rates since July 2022. NCI was in negative territory at EUR -16.2 mn in H1 23, in our view due to negative interest- and trade-induced expenses of EUR -23.8 mn and EUR -32.9 mn, respectively. The bank attributes the sharp increase in interest-induced expenses to passing through the strong interest result in H1 23 to their B2B partners. The cost side showed a certain stickiness in a high inflationary environment, recording a 9% yoy increase (increased staff capacity & IT investments) in H1 23 against -2% in terms of revenues, sending profitability into a sharply negative territory.

New reporting structure reveals sub-positions

As of Q1 23, Baader Bank introduced a new reporting format for its income statement. Consequently, the so-called management-account structure will replace the previous German Commercial Code structure, however going forward Baader Bank plans to continue reporting according to both standards. As our model and the guidance apply the original reporting structure (according to the German Commercial Code), we will continue to use it in this report as we do not have sufficient data for an adequate translation into the new format. While the new structure has not affected the value of total revenues and total costs, it has significantly influenced the sub-items. On the revenues side interest- and trading-induced commission expenses were deducted from NCI and added to the interest income and trading result, respectively. In addition, brokerage and transaction income has also been moved from NCI to the trading result. The cost side was affected by only two changes, with depreciation charges now included in administrative costs and the allocation to the fund for general banking risks being moved to risk costs. The exact differences are summarised in the table below.

Old vs. new reporting structure: key financials & estimates

| | H1 22 (old) | H1 22 (new) | H1 23 (old) | H1 23 (new) | FY 23e (old) | FY 23e (new) |
|---------------------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Interest income | -0.1 | -0.5 | 38.8 | 15.0 | 83.7 | 32.4 |
| Net F&CI | 8.6 | 37.5 | -16.2 | 40.5 | -32.7 | 82.8 |
| Trading result | 68.7 | 39.8 | 52.9 | 20.0 | 103.3 | 39.1 |
| Sales | 5.2 | 5.2 | 5.8 | 5.8 | 12.8 | 12.8 |
| other | 2.3 | 2.7 | 2.2 | 2.2 | 3.7 | 3.7 |
| Revenues | 84.8 | 84.8 | 83.5 | 83.5 | 170.7 | 170.7 |
| Staff costs | -32.7 | -32.7 | -36.1 | -36.1 | -72.1 | -72.1 |
| administrative costs | -31.3 | -36.2 | -35.4 | -41.0 | -70.3 | -81.5 |
| Depreciation / risk costs | -1.2 | -4.9 | -3.0 | -3.5 | -8.5 | -8.5 |
| Allocation to Risk Fund | -8.7 | -8.7 | -6.1 | -6.1 | -6.1 | -6.1 |
| Expenses | -73.8 | -73.8 | -80.6 | -80.6 | -157.1 | -157.1 |
| Pre-Tax profit | 11.0 | 11.0 | 2.9 | 2.9 | 13.6 | 13.6 |

Source: company data, RBI/Raiffeisen Research estimates

Adapting our mid-term estimates to the changed environment until 2025

The last few weeks have brought somewhat better visibility regarding the interest rate outlook (upside risks), so that we have adjusted our mid-term estimates accordingly. On the revenues side, the main upgrade comes from NII, based on Baader Bank's Lombard and intraday lending, where we expect a continuous strong performance for 2023e and 2024e followed by a slight moderation of -7% yoy in 2025e. In such an environment, we assume the trading result to bottom-out in 2024e (8%) and to continue appreciating by a similar magnitude in 2025e. On the cost side, we have slightly hiked staff costs across the forecast horizon due to the recent increase in headcount and potential further inflation-related wage increases. Business-wise, following a 43% yoy increase to just over 1 mn accounts in H1 23 as well as EUR 23.4 bn in assets under management (EUR 17.6 bn as of FY 22) we expect a cumulative 60% growth of customer accounts by the end of 2025e

while implying a ~70% increase in assets under management. This number includes the integration of the Smartbroker clients (total of EUR 272k with Smartbroker's management confirming an expected move of ~70% of the total assets under management by the end of October), targeted for the end of 2023. This implies a significantly higher average custody volume per account of EUR 37k vs. Baader Bank's current EUR 23k.

Overall, we see limited room for a significant pick-up in profitability in 2023e and 2024e, while the integration of Smartbroker & Traders Place should bear fruits in 2025e, where we see a pre-tax profit approaching EUR 20 mn. Our base-case scenario envisages a modest recovery of trading turnover on international markets until 2025e, which should lead to a stabilisation of trading results.

Changes in mid-term estimates

| in EUR mn | 2022 | 2023e | 2024e | 2025e | 2023e | 2024e | 2025e |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | new | new | new | old | old | old |
| Interest Income | 7.3 | 83.7 | 88.7 | 82.5 | 27.4 | 31.5 | 33.1 |
| Net F&CI | 13.0 | -32.7 | -33.8 | -26.0 | 12.1 | 12.3 | 12.6 |
| Trading result | 112.2 | 103.3 | 111.5 | 119.9 | 104.9 | 113.3 | 120.1 |
| Sales | 21.3 | 12.8 | 13.1 | 12.9 | 16.2 | 14.6 | 13.1 |
| Other | 7.4 | 3.7 | 3.8 | 3.9 | 7.3 | 7.4 | 7.6 |
| Revenues | 161.3 | 170.7 | 183.2 | 193.2 | 167.8 | 179.1 | 186.5 |
| Staff costs | 65.0 | 72.1 | 75.7 | 79.5 | 63.7 | 66.9 | 70.2 |
| Administrative costs | 64.5 | 70.3 | 75.2 | 77.5 | 69.0 | 73.8 | 76.1 |
| Depreciation / risk costs | 11.3 | 8.5 | 8.9 | 9.4 | 12.1 | 12.7 | 13.3 |
| Allocation to Risk Fund | -8.3 | -6.1 | -6.6 | -7.0 | -7.5 | -8.1 | -8.5 |
| Expenses | 149.1 | 157.1 | 166.5 | 173.3 | 144.8 | 153.4 | 159.6 |
| Pre-Tax Profit | 12.2 | 13.6 | 16.7 | 19.9 | 15.5 | 17.6 | 18.4 |
| EPS (in EUR) | 0.19 | 0.23 | 0.28 | 0.33 | 0.27 | 0.30 | 0.32 |
| DPS (in EUR) | 0.05 | 0.07 | 0.08 | 0.10 | 0.08 | 0.09 | 0.10 |
| C/I Ratio (incl. risk costs & fund) | 92% | 88% | 87% | 86% | 79% | 79% | 78% |
| ROE | 5% | 6% | 7% | 8% | 7% | 8% | 8% |

Source: company data, RBI/Raiffeisen Research estimates

Baader Bank published its FY 2023 guidance (using the old reporting structure) assuming a range for pre-tax profit (EUR 15-25 mn), total revenues (EUR 175-215 mn) incl. trading result (EUR 110-150 mn) and total costs (EUR 160-190 mn). Since we expect a slight underperformance vs. the lower end of the revenue guidance (mainly due to the ambitious trading result outlook) and a minor outperformance on expenses, we anticipate that Baader Bank may likely miss the lower end of the guided pre-tax profit range. The main reason behind our (conservative) stance lies in weak dynamics of the trading result ytd combined with the usual negative seasonality in H2 observed in previous years.

FY 23 management guidance vs. our estimates

| | H1 22 | H2 22 | H1 23 | H2 23 | | H2 23 | H2 23e |
|----------------------------|--------------|--------------|--------------|----------------|----------------|---------------|--------------|
| | | | | lower guidance | upper guidance | | |
| Interest Income + Net F&CI | 8.6 | 11.7 | 23.3 | 26.7 | 26.7 | 26.7 | 27.7 |
| Trading result | 68.7 | 43.6 | 52.9 | 57.1 | 97.1 | 97.1 | 50.4 |
| Sales | 5.2 | 16.1 | 5.8 | 7.2 | 7.2 | 7.2 | 7.0 |
| other | 2.3 | 5.0 | 1.5 | 0.5 | 0.5 | 0.5 | 2.2 |
| Revenues | 84.8 | 76.5 | 83.5 | 91.5 | 131.5 | 131.5 | 87.2 |
| Expenses | -73.8 | -75.3 | -80.6 | -79.4 | -109.4 | -109.4 | -76.5 |
| Pre-Tax Profit | 11.0 | 1.2 | 2.9 | 12.1 | 22.1 | 22.1 | 10.7 |

Source: company data, RBI/Raiffeisen Research estimates

Concluding phase of the promising Smartbroker deal

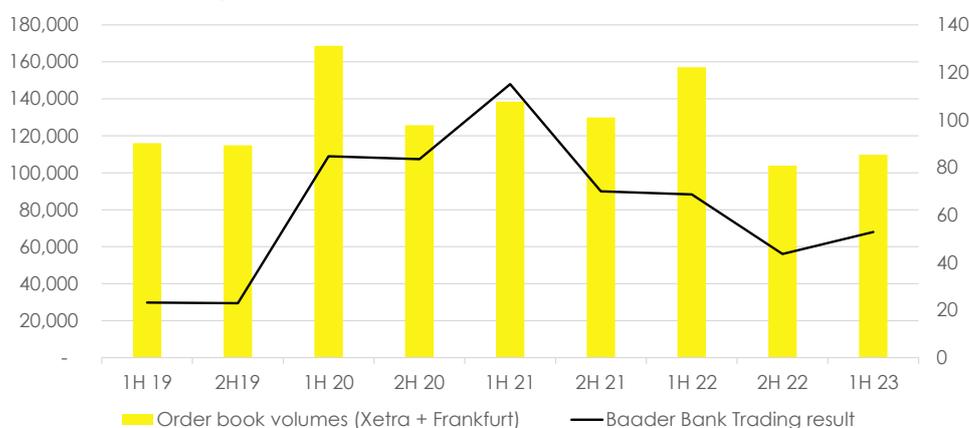
The deal between Baader Bank and Smartbroker is entering its final phase: the existing customer base is expected to be transferred to the new neo-broker “Smartbroker 2.0” at the turn of October/November. Smartbroker offers an online brokerage business that has been converted into a neo-broker app, which was launched in August, with Baader Bank taking over custody account management, transaction processing and the associated back-end functions. Smartbroker has a portfolio of 272k (vs. Baader Bank’s ~ 1 mn) customer accounts with a total volume of assets under management of EUR 10.1 bn. As Smartbroker’s management confirmed in a press release, the company received an over 50% approval rate for the move from their current customers, while expecting ~70% of the total assets under management to be moved to the new app by the end of October. Smartbroker sticks to the plan of stabilising the new system and migrating existing customers to “Smartbroker 2.0” during the rest of 2023. Afterwards the company will ramp up marketing activities, with the goal to attract 75k new accounts annually starting in 2024. As the transition has not yet been completed, we expect the full effect to be visible in 2024. In addition, Baader Bank entered into an agreement with the recently launched neo-broker “Traders Place” in August 2023.

Trading result and the market walk hand in hand through the valley

Baader Bank’s trading result displays a high correlation with overall market trends, especially with the total order book volumes on the German stock exchanges. In H2 22 and H1 23 the Frankfurt & Xetra exchanges recorded the lowest average order book volumes since H2 16, with unfavourable dynamics continuing in July and August 2023 (-15% and -7% yoy, respectively). In general, as historically seen H1s outperform H2s (owing to strong Q1s), we take a cautious view on the outlook for Q3 and Q4.

In June 2023, the EU and the European Parliament reached a deal on “MiFID” rules, according to which the imposed general ban of “payment for order flow” (PFOF), must be introduced in Member Countries by June 2026 at the latest. At this stage it is not clear whether the German government may introduce the new rule by the deadline or earlier. Baader Bank pointed out that the effect on its business model (as an established market maker) should be manageable. However, the final effect on its P&L could be quite uncertain and may deviate in both directions. As of H1 23 the total amount of trading-induced expenses was at EUR ~32.9 mn, of which we assume the lion’s share to be related to PFOF. Furthermore, global market volatility has constantly been on a lower level in 2023 ytd than in the already sluggish FY 22.

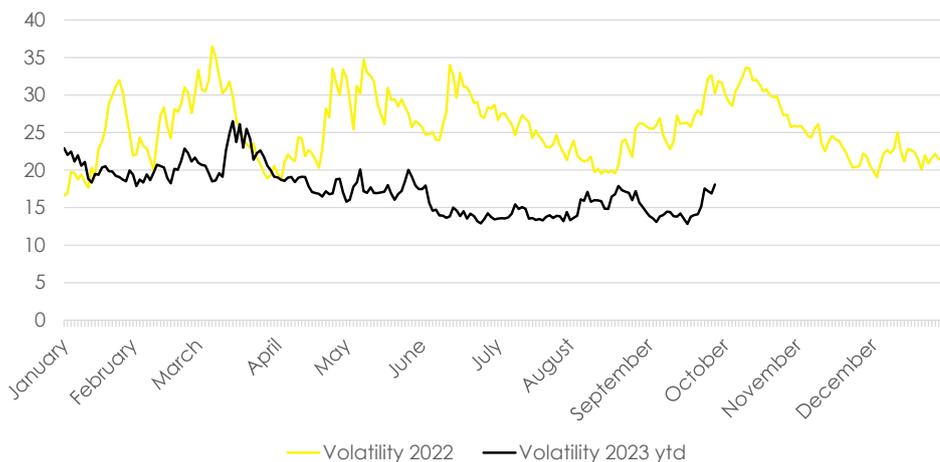
Baader Bank’s trading result vs. order book volumes



Source: Deutsche Börse, company data

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Global Volatility Index 2022 vs 2023 ytd

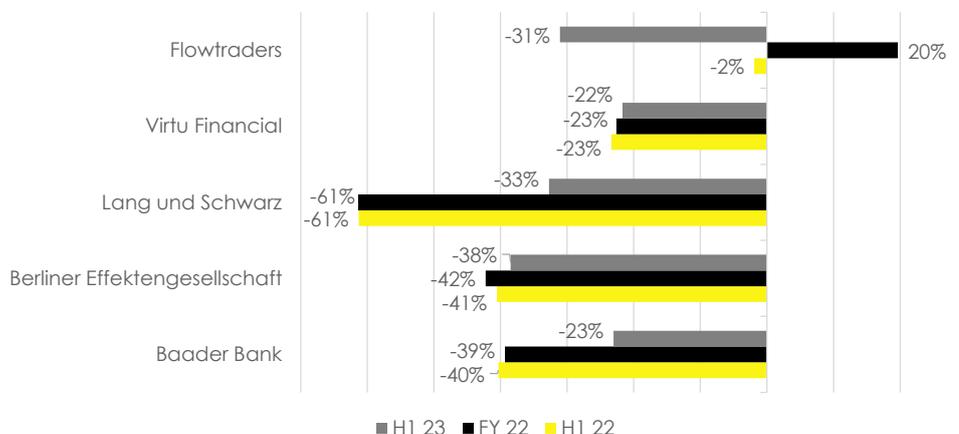


Source: Bloomberg

Similar revenues mix changes observed at peers

A similar earnings trend shift from trading to interest income has also been evident at Baader Bank's peers, first of all at U.S. based Virtu Financial. Its trading income declined by -22% yoy in H1 23, as did NCI (-21%), while interest income skyrocketed 2.5-fold yoy to USD 180 mn, already exceeding the FY 22 NII (USD 159 mn). Netherlands-based Flowtraders also saw a weaker trading result in H1 23 (-31% yoy) after a 2022 trading performance that was unusually strong for the industry. The profitability of Baader Bank's local competitors in Germany, Lang & Schwarz and Berliner Effektengesellschaft, more than halved in H1 23, pressured by plummeting trading results (L&S -33% yoy and Berliner Effektengesellschaft -38% yoy).

Trading result yoy development: Baader Bank vs. peers



Source: company data, peer group data

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Valuation

Baader Bank proposed a dividend of EUR 0.05 per share from earnings, with the indicated pay-out in Q3 23 (dividend from 2021: EUR 0.35). The proposed dividend yields 1.5%, which scores below the peer group average. Baader Bank has scheduled the Q3 23 preliminary results' announcement for October 26, 2023.

Dividend Discount Gordon Growth model

| in EUR | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | TV |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| BVPS | 3.5 | 3.7 | 4.0 | 4.3 | 4.6 | 4.9 | 5.3 | 5.3 |
| EPS growth* | 22.3% | 22.6% | 19.0% | 19.7% | 16.5% | 10.8% | 9.8% | 4.0% |
| ROE adj. | 6.3% | 7.3% | 8.2% | 9.2% | 10.0% | 10.3% | 10.5% | 10.3% |
| EPS | 0.22 | 0.27 | 0.32 | 0.38 | 0.44 | 0.49 | 0.54 | 0.0 |
| DPS | 0.07 | 0.08 | 0.10 | 0.12 | 0.14 | 0.15 | 0.17 | 0.0 |
| LT risk free rate | 2.40% | 2.40% | 2.40% | 2.45% | 2.50% | 2.50% | 2.60% | 2.30% |
| Equity risk premium | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| Company beta | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Cost of equity | 9.6% | 9.6% | 9.6% | 9.7% | 9.7% | 9.7% | 9.8% | 9.5% |
| Target P/B | | | | | | | | 1.2 |
| Terminal value | | | | | | | | 6.1 |
| DPS | 0.07 | 0.08 | 0.10 | 0.12 | 0.14 | 0.15 | 0.17 | 0 |
| Discounted DPS/TV | 0.07 | 0.08 | 0.08 | 0.09 | 0.10 | 0.10 | 0.10 | 3.22 |
| 12m TP | 3.88 | | | | | | | |

Source: RBI/Raiffeisen Research estimates

Our downward revision of mid-term estimates yields a lower fair value in our DDGG model: it drops from EUR 5.1 to EUR 3.9. Using the same valuation methodology with the DDGG model weighted at 70% and the peer group multiplies at 30% we cut our target price to EUR 3.7 downgrading our recommendation from BUY to HOLD.

Peer group valuation and DDGG

| Valuation model | weight | TP |
|---------------------|-------------|-------------|
| DDGG | 70% | 3.9 |
| Dividend yield | 10% | 1.9 |
| PER | 10% | 2.6 |
| ROE - BV Regression | 10% | 5.3 |
| Target price | 100% | 3.70 |

Peer group overview

| Company | P/E | | | Div. yield | | | P/B | | | ROE | | |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|------------|
| | 2023e | 2024e | 2025e | 2023e | 2024e | 2025e | 2023e | 2024e | 2025e | 2023e | 2024e | 2025e |
| Virtu | 8.5 | 7.4 | 6.3 | 5.4% | 5.4% | 5.4% | 1.5 | 1.3 | 0.9 | 23% | 24% | 24% |
| Cowen Inc | 0.0 | 0.0 | 0.0 | 0.0% | 0.0% | 0.0% | 0.0 | | | 12% | | |
| Jefferies Fin. Group | 28.4 | 9.4 | 7.6 | 3.4% | 3.6% | 4.3% | 0.8 | 0.7 | | 3% | 8% | |
| Tradeweb Markets Inc | 39.2 | 34.2 | 31.3 | 0.4% | 0.5% | 0.5% | 3.4 | 3.2 | 3.0 | 9% | 9% | 10% |
| Flow Traders | 13.6 | 7.3 | 6.5 | 4.0% | 7.2% | 8.2% | 1.3 | 1.2 | 1.1 | 8% | 12% | 13% |
| ABC Arbitrage | 18.3 | 12.7 | 11.3 | 5.1% | 6.6% | 7.4% | 2.2 | 2.1 | 1.8 | 12% | 17% | 17% |
| Swissquote Group Holding | 11.2 | 9.8 | 8.5 | 1.9% | 2.1% | 2.5% | 2.7 | 2.2 | 1.8 | 27% | 25% | 25% |
| FlatexDegiro | 10.5 | 8.4 | 7.5 | 0.0% | 0.0% | 0.0% | 1.3 | 1.1 | 1.0 | 12% | 14% | 13% |
| Median | 13.6 | 9.4 | 7.6 | 3.7% | 4.5% | 4.9% | 1.4 | 1.2 | 1.0 | 12% | 13% | 13% |
| Baader Bank | 14.9 | 12.2 | 10.2 | 2.1% | 2.6% | 2.6% | 0.9 | 0.9 | 0.8 | 8% | 9% | 10% |

Source: company data, Bloomberg

ROE over time



CIR over time



Source: company data, RBI/Raiffeisen Research estimates

Source: company data, RBI/Raiffeisen Research estimates

This company update was prepared with the active support of **Georgios Maniotis**, our associate analyst, who has demonstrated outstanding analytical and writing skills.

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Disclosure

Baader Bank

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Risk notifications and explanations

Warnings:

- Figures on performance refer to the past. Past performance is not a reliable indicator for future results and the development of a financial instrument, a financial index or a securities service. This is particularly true in cases when the financial instrument, financial index or securities service has been offered for less than 12 months. In particular, this very short comparison period is not a reliable indicator for future results.
- Performance of a financial instrument, a financial index or a securities service is reduced by commissions, fees and other charges, which depend on the individual circumstances of the investor.
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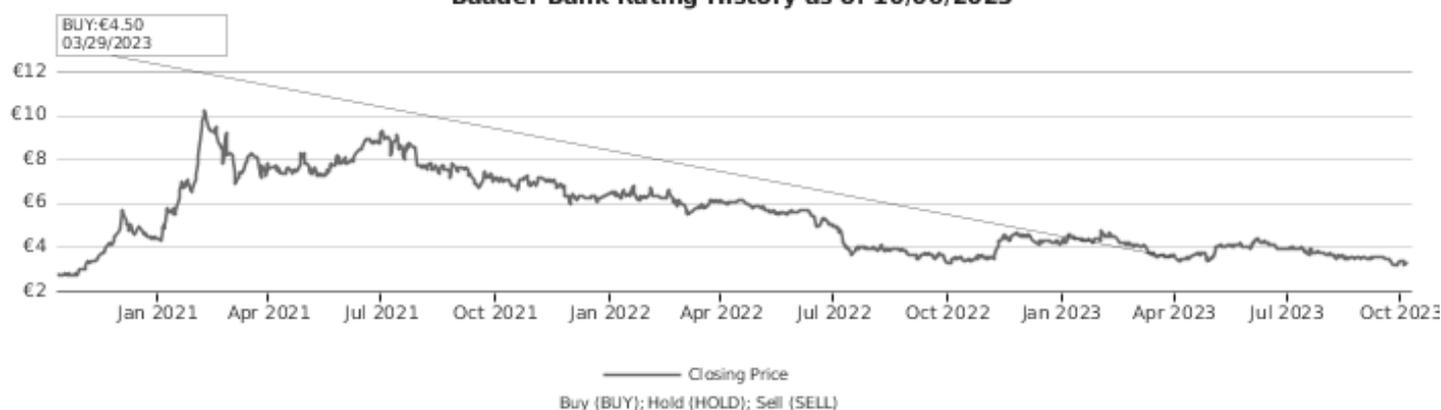
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Baader Bank Rating History as of 10/06/2023



History of long term recommendations

| Symbol | Date | Recommendation | Company |
|---------|------------|----------------|-------------|
| BLMG.DE | 10.10.2023 | Hold | Baader Bank |
| BLMG.DE | 29.03.2023 | Buy | Baader Bank |
| BLMG.DE | 19.10.2022 | Hold | Baader Bank |

The distribution of all recommendations relating to the 12 months prior to the publications date (column A), as well as the distribution of recommendations in the context of which services of investment firms set out in Sections A (investment services and activities) and B (ancillary services) of Annex I of Directive 2014/65/EU of the European Parliament and of the Council ("special services") have been provided in the past 12 months (column B).

| | Column A | Column B |
|---------------------------|---|---|
| Investment recommendation | Basis: All recommendations for all financial instruments (last 12 months) | Basis: Recommendations for financial instruments of all issuers, for which special services were rendered in the last 12 months |
| Buy recommendations | 58.1% | 56.8% |
| Hold recommendations | 25.6% | 25.0% |
| Sell recommendations | 16.3% | 18.2% |

The distribution of all recommendations relating to the 12 months prior to the publications date (column A), as well as the distribution of recommendations in the context of which services of investment firms set out in Sections A (investment services and activities) and B (ancillary services) of Annex I of Directive 2014/65/EU of the European Parliament and of the Council ("special services") have been provided in the past 12 months (column B).

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