



Berenberg's net profit up by 47 % to 81.6 m euros

- Investment Bank gains significant market share: revenues in Equities increase by 43 % to 262 m euros
- 2025: Focus on strong expansion of Wealth and Asset Management

Hamburg. Berenberg, the German private bank, increased its annual profit in 2024 by 47.2% to 81.6m euros (from 55.4m euros in 2023), driven mainly by the Investment Bank, which recovered after a two-year slump on the capital markets.

“We once again faced a challenging market environment in 2024. But in the second half of the year, we saw a noticeable rebound of activity within our Investment Bank. We continue to see good opportunities here for us in 2025 with competitor weakness or exits”, says Hendrik Riehmer, Managing Partner. Moreover, interest income did not fall as much as expected. “We are very pleased with this purely operational result, which exceeded our expectations. Once again, our diversified business model based on Investment Bank, Wealth and Asset Management and Corporate Banking has proven its mettle in various market environments, and its ability to generate long-term returns that are well above the sector average.”

Investment Bank

Berenberg offers an extensive range of banking and advisory services in *equities*, *investment banking* and *financial markets*. Its 90-analyst equity research team (up from 86 the previous year) covers 772 European and US stocks, and its sales team serves 950 institutional clients in the largest financial markets of Europe and the US. Equity volumes traded rose by 6.9% in 2024 to over 140 billion euros (up from 130 billion euros the previous year). Despite challenging mar-

kets, Berenberg was able to increase the transaction and advisory business generated in its Investment Bank. “This reinforced our standing as a reliable advisor for companies, financial sponsors and company founders”, says David Mortlock, Managing Partner. “We continued the expansion of our investment banking division in the UK in 2024. Since 2018, we have more than quintupled our employee headcount in this division. This sets us up well for a further recovery in 2025 and further growth in market share.”

Signs are also pointing to growth in the US. “Since the outcome of the US presidential election, we have seen significantly heavier activity on the financial markets, which we are able to tap into through our New York subsidiary”, says Riehmer. “In 2025, we will also invest resources in the Investment Bank in Germany, in order to expand our already strong position on our home market.”

In addition to flagship conferences in London, Munich, and New York, Berenberg held 19 others in 2024. The 22nd Berenberg European Conference in December 2024 alone was attended by 400 company representatives and 375 institutional investors in Pennyhill Park near London. “This is an example of the excellent standing we enjoy with both companies and investors”, says Mortlock. “Another example is the roadshows we hold in Europe and the US. In 2024, we organised more than 20,000 meetings between investors and company management teams.”

Wealth Management

In wealth management Berenberg offers bespoke solutions to clients with complex capital structures and special investment requirements. It targets its offering mainly at ultra-high-net-worth clients, family entrepreneurs, and entrepreneurial-minded decision-makers, as well as foundations and other non-profit organisations.

Berenberg’s core service is discretionary asset management, in which clients can choose from a variety of strategies that reflect various risk-reward profiles. In addition to its increasingly sought-after discretionary asset management solutions, Berenberg continues to offer investment advisory, which is more elaborate

in terms of regulation. In investment advisory, the client makes the investment decisions after discussing them with an advisor. “We have continued to invest in this area, and our *Professional Client Advisory* provides a service that is seldom found on the market in terms of standard of service, quality of investments and long-term outcomes”, says Riehmer.

After opening a new branch in Hannover in 2024 and expanding its Munich branch, Berenberg will continue to grow in 2025 and to hire new client advisors, at both the junior and senior level. “We can also envision working on successions for independent wealth managers or taking over individual portfolios or business lines from other banks”, says Riehmer.

Asset Management

Berenberg’s investment solutions focus on three pillars. *Equities* include fundamental equity expertise with a focus on quality-growth approaches and small/micro-cap companies. *Multi Asset* offers asset management strategies and European-focused funds that invest globally. This includes very flexible solutions as well as defensive-to-offensive multi-asset strategies. Berenberg also has a *fixed-income* offering, including both euro and emerging market strategies.

Through *Berenberg Investment Consulting*, the bank designs bespoke investment strategies based on the latest academic and technological advances. The already established strategic asset allocation (SAA) approach has now been extended to include commitment-driven investors under an asset-liability-management framework. It was against this backdrop that the *Berenberg SAA & ALM Innovation Hub* was brought into operation. This is a digital advisory platform used to develop investment strategies in real-time for all Berenberg’s investor groups.

“Our fund strategies are attracting keen interest and not only in German-speaking countries”, says Riehmer. “We have our own distribution units on the ground in Germany, France, Great Britain, and Switzerland. Our distribution network for institutional clients outside Europe includes Chile and Mexico and was expanded to include Brazil in 2024.”

Corporate Banking

Berenberg's Corporate Banking arm serves capital market-related and mid-sized companies and, in addition to traditional corporate banking, encompasses *shipping* and *real estate, infrastructure and energy*, as well as the special field of *structured finance*.

The expansion of transaction financing, especially in infrastructure and energy, has helped increase loan income, thus offsetting the impact of falling interest rates in the deposit business. This has increased demand for high-income-generating debt funds. At the same time, we have boosted the deposit business by broadening the client base.

In addition to consolidating its special market position in super-senior financing within structured finance, Berenberg achieved high growth rates in infrastructure and energy. First- and second-tier secured financing of wind and solar parks and for energy storage systems expanded considerably during the year. This asset class is also becoming more and more attractive for investors from the cooperative bank (Volksbank) and savings bank (Sparkasse) sector. The attractive returns are achieved through professional handling of complex financing structures and through sheer speed. Berenberg is also making a major contribution to the energy transition.

Berenberg's activities in this area were recognised once again in 2024 by Scope, a European ratings agency, which named Berenberg "Best Asset Manager" in the Infrastructure debt category and "Best Asset Manager" in the ESG Infrastructure category.

Financial results

Berenberg's **net profit** rose by 47.2% to 81.6m euros (up from 55.4m euros the previous year). "Net profit actually exceeded not only the previous year's figure, but also the projected 2024 amount", said Christian Kühn, Managing Partner. "We plan to use these strong earnings to build up our core capital further. We therefore recommend to shareholders that 10m euros be allocated to retained earnings."

Net commission income rose by 34.2%, from 289.0m to 387.9m euros. At 140.8m euros, **net interest income** was below the previous year's figure, which was boosted by rising interest rates (166.7m euros; -15.5%) but was above the projected figure. The **net trading result** was unchanged, at 8.7m euros.

Berenberg's **employee headcount** was almost unchanged in 2024, at 1,528 (vs. 1,536 the previous year). Its largest **locations** are in Hamburg (826), London (394), Frankfurt (175) and New York (31). A new location, Hannover, joined the 16 existing locations during the year. At 253.1m euros, personnel costs were 9.2% higher than the previous year (231.7m) – due to higher collective bargaining terms, general wage inflation and increased bonus payouts due to good business performance. Despite investments in the new Hamburg headquarters, **material costs** rose by only 5.0% to 157.6m euros (from 150.1m euros in the previous year).

The **cost-income ratio** improved from 80.7% to 76.2%. The ratio of **current interest income to commission income** moved back towards normal, from 37:63 to 27:73 and highlights the importance of the service-oriented business model. “Although net interest income increased sharply in the past two years, due to high key interest rates, we were always convinced that our long-term focus on interest income is the right one”, Kühn says. **Equity capital** stood at 349.9m euros (vs. 343.3m the previous year). **Core capital ratio** stood at 12.9% (vs. 13.3%), and **total capital ratio** at 14.5% (vs. 15.0%). Both are comfortably above the regulatory requirements.

Assets under Management rose to 39.2bn euros (vs. 37.7bn the previous year; + 4.0%). At 6.447bn euros, **total assets** were almost unchanged from the previous year (6.664bn; -3.3%).

“Despite the ongoing challenging market environment, Berenberg's earnings performance was far better than previous year and projections, proving once again the viability of our business model. We will take advantage of the upcoming consolidation to gain further market share”, says Riehmer.

Bank business figures		2024	2023
Gross profit	€ million	556.4	486.7
Net commission income	€ million	387.9	289.0
Net interest income	€ million	140.8	166.7
Trading profit	€ million	8.7	8.7
Administrative expenses	€ million	420.2	390.3
o/w Personnel expenses	€ million	253.1	231.7
Net profit of the year	€ million	81.6	55.4
Equity capital	€ million	349.9	343.3
Tier 1 capital ratio	in %	12.9	13.3
Return on equity before tax	in %	40.1	29.3
Cost-income ratio	in %	76.2	80.7
Total assets	€ billion	6.4	6.7
Assets under management	€ billion	39.2	37.7
Employees (Berenberg Group)		1,528	1,537

2024 figures provisional

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About Berenberg

Berenberg was founded in 1590 and is today one of Europe's leading private banks with its Wealth and Asset Management, Investment Bank and Corporate Banking divisions. The Hamburg-based bank is managed by personally liable partners and has a strong presence in the financial centres of Frankfurt, London and New York.

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