BERENBERG

PARTNERSHIP SINCE 1590

2024

Report on the 435th Financial Year

Berenberg was established in 1590. Today we are one of Europe's leading privately owned banks, focusing on the business divisions Investment Bank, Wealth and Asset Management, and Corporate Banking. The Hamburg-based bank is run by managing partners and has a strong presence in the financial centres of Frankfurt, London, and New York.

Report on the 435th Financial Year

Key Performance Indicators

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net profit for the year	€ million	104	161	90	23	61	108	170	55	55	82
Net commission income	€ million	321	254	343	279	356	416	573	360	289	388
Total assets	€ million	4,738	4,716	4,741	4,693	5,059	4,654	6,376	7,725	6,664	6,447
Equity	€ million	234	265	296	293	288	296	341	342	343	350
Receivables from clients/loans	€ million	1,013	934	929	1,097	1,175	1,048	1,075	1,321	1,124	1,018
Liabilities to clients/deposits	€ million	3,570	3,721	3,736	3,924	4,263	3,835	5,480	6,925	5,914	5,778
Return on equity (before taxes)	%	67.3	95.8	43.0	9.8	28.5	52.0	82.7	28.7	29.3	40.1
Cost-income ratio	%	72.2	63.9	72.7	88.9	79.9	70.9	65.8	79.0	80.7	76.2
Assets under management	€ billion	35.7	36.3	37.0	36.7	40.7	41.3	44.8	38.5	37.7	39.0
Employees[1]		1,236	1,407	1,474	1,640	1,474	1,573	1,708	1,579	1,536	1,528

1) Berenberg Group

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The Managing Partners (from left to right): Christian Kühn, Hendrik Riehmer and David Mortlock

Dear clients and business associates,

At the start of 2025, the outlook for the global economy is mixed. In the US, the economic traffic light has jumped from amber to green following Trump's election victory, while leading indicators in Europe have slumped again. Despite a probably rather weak start in Europe, however, there are good reasons to believe that the global economy can develop in a similar way to the previous year.

In recent years, our diversified business model with the *Investment Bank*, *Wealth and Asset Management*, and *Corporate Banking* divisions has proven to work reliably in the various market situations. It enables us to generate returns well above the sector average on a sustained basis, making Berenberg a reliable and secure long-term partner for its clients.

In the second half of 2024 in particular, we were able to capitalise on the resurgence in business with capital market transactions for our activities in this area. Income from transactions doubled. And we also see good opportunities for this positive trend to continue in 2025. We have prepared ourselves for this and strengthened our staff with additional high-calibre specialists. We will continue to do so in 2025, focusing in particular on expanding our *Investment Bank* in our home market of Germany and strengthening our *Wealth and Asset Management* division.

2024, we were able to increase net profit for the year by 47.2% to €81.6 million. With a return on equity of 40.1%, Berenberg is thus many times above the industry average. All areas of the Bank contributed to this good result.

Our *Investment Bank* is characterised by long-standing, close relationships with both investors and companies. More than 20,000 meetings that we organised between both sides in 2024, mostly at management level, testify to this. In total, we organised 23 investor conferences in Europe and the US. At the European Conference in Pennyhill Park near London alone, 400 company representatives and 375 institutional investors met at the end of the reporting year.

We have continued to expand our *Wealth and Asset Management* offering. In client services, we expanded our regional network and the number of advisors. The opening of our branch office in Hanover brings the number of German locations to eleven and enables us to expand our client-centred support. With our new Professional Client Advisory, we offer a special service for professional clients that is virtually unrivalled in the market in terms of service level, investment quality, and long-term results. With Berenberg Investment Consulting, we develop customised investment strategies based on the latest academic and technical developments.

In *Corporate Banking*, in addition to traditional corporate client business, we are particularly active for our clients in the areas of shipping, real estate, and infrastructure & energy, as well as in the specialised field of structured finance. Our debt funds are meeting with great demand from an increasingly broad client base. Senior and subordinated collateralised financing for wind farms, solar parks and energy storage facilities increased considerably, making a significant contribution to the energy transition.

In all our activities, our priority is to act as a reliable and responsible partner for our clients. We would therefore like to thank you for your trust and look forward to working with you in the future!

Hendrik Riehmer David Mortlock Christian Kühn

EXECUTIVES

Managing Partners

Hendrik Riehmer

David Mortlock

Christian Kühn

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Ken Zipse

As at: 2025

2024 IN REVIEW

January

As in previous years, Berenberg starts 2024 with numerous **kick-off events**, which are once again well attended. More than 850 clients and interested parties take up the opportunity to gain latest insights and to enter into dialogue with us, either in person at our various locations nationwide or at two remote conferences.

February

Despite another year of historically low capital market activity, Berenberg is able to record a pleasing operating result, closing the 2023 financial year with a **net profit for the year** of €55.4 million.

This year, the **Berenberg Bank Foundation's** culture award goes to the »Chamber Choir of the Hamburg University of Music and Theatre«, and, as usual, the ceremony takes place in Hamburg's Elbphilharmonie concert hall. The award is endowed with €12,000 and is given annually to up-and-coming artists who study or work in Hamburg. Scholarships are awarded to the painter Simin Jalilian, the »Tovesco Trio« and the harpsichordist Elena Khurgina.

Bertold Fabricius

Berenberg expands its successful debt fund strategies with a new, closed-end **multi-investor fund** that invests in senior and senior-collateralised transaction financing for medium-sized companies.

In order to keep pace with our growth in Bavaria, our **Munich branch** moves to larger, more prestigious offices on Maximiliansplatz.

As sponsor of the **Marine Money conference** in Hamburg, we share our first practical experiences with European Allowances and provide valuable insights into the EU Emissions Trading Scheme. By the end of the year, we have gained 127 new clients on the EUA side. Pictured: Arne Rahner, Head of Financial Markets.

Marine Money

Berenberg Real Estate Asset Management acquires the modern office property Brooktorkai 20 in Hamburg's HafenCity with around 15,000 square metres of rental space in a prime location for an individual mandate.

March

Artificial intelligence takes centre stage at our annual **International Women's Day** event in London. Katie Jackson from Berenberg Equity Sales leads a panel discussion exploring the blessing and curse of AI on the gender gap.

Berenberg

The four-day **EU Opportunities Conference** at our London office attracts around 60 of the best mid-cap companies in Europe. We facilitate 346 meetings with 106 investors, with the regional focus changing each day from south-west Europe to Benelux, then northern Europe and finally German speaking countries (DACH).

At the three-day **Berenberg UK Corporate Conference** in Watford, north-west of London, 175 investors meet with 192 representatives from 90 companies. In total, more than 700 meetings and conversations are conducted and five keynote speeches are given.

April

At the start of April, Berenberg releases the 200th episode of its weekly podcast »**Schmiedings Blick**«. By year-end, we have published 233 episodes.

Berenberg expands the cooperation with the solar park developer GoldenPeaks Capital and provides financing via its **Berenberg Green Energy Debt Funds** for the acquisition of solar parks in Poland with a total capacity of over 250 MWp.

iStock

May

The **Berenberg Green Energy Debt Funds I–IV** and the PCP Transition Fund jointly finance the construction and operation of a wind farm in Finland consisting of 16 Siemens SG 6.6-170 turbines with a capacity of 6.6 MW each.

Berenberg continues its growth plan in Wealth Management and moves into offices at the **new location in Hanover** in order to further develop the metropolitan region in Lower Saxony.

At the **Berenberg European Conference** in Manhattan, we host nearly 900 meetings between 117 companies and 265 investors over the three-day event.

Berenberg

June

Berenberg supports the Lithuanian project developer Green Genius in the realisation of the largest solar park in Latvia (total output: 121 MW) with a loan of €26 million provided by the **Berenberg Green Energy Debt Funds**.

At the **Berenberg Midsummer Midcaps Conference** at the stunning Coworth Park in Surrey, we are joined by 25 companies and 30 investors for 156 meetings over a day and a half, marking a 100 % increase from the previous year.

Berenberg

Berenberg once again takes part in the world's largest corporate running event, the **J.P. Morgan Corporate Challenge**. In London, the route leads around Battersea Park. In Frankfurt, the course passes through the city centre. In New York, a team from Berenberg Capital Markets (pictured below) runs the 3.5 miles (5.6 kilometers) around Central Park.

Berenberg

The 9th **Berenberg Pan-European Discovery Conference** takes place in the French Provence this year. The two-day event brings together 48 company representatives and 37 investors taking part in 261 meetings.

July

Berenberg is the first independent private bank in Germany to sign the **UK Stewardship Code**. The code has become a crucial criterion for institutional investors in the UK in selecting their asset manager.

August

Berenberg introduces a digital advisory platform for asset liability management. The **ALM Innovation Hub** makes it possible to analyse different investment strategies in real time with regard to their earnings potential, risk profiles and the implications for liabilities, thus setting new standards in investment consulting.

ENERPARC AG receives two unitranche financings from the **Berenberg Green Energy Debt Funds**, managed by Berenberg, for the construction and operation phases of 13 solar projects in Germany with a total capacity of 221 MWp.

The **Berenberg German Polo Masters** on Sylt island sets a new attendance record. Team *König Sylt* comes out on top in the grand final. Team *Berenberg* also takes the podium after an exciting match for third place in front of several thousand spectators. The tournament is one of the major events on the island and in European polo.

Rolf Simon

September

At the 13th **German Corporate Conference**, arranged by Berenberg and Goldman Sachs, 432 investors, 262 institutions and almost 370 company representatives come together and participate in 1,210 meetings over three days.

November

For the 21st year in a row, the Elite Asset Managers report »**Elite der Vermögensverwalter**« of HANDELSBLATT, a German financial daily, awards Berenberg its highest rating of *Summa cum laude*.

Berenberg receives the **FNG label** for 2025, awarded by the FORUM NACHHALTIGE GELDANLAGE (Sustainable Investment Forum) for all six of its participating mutual funds. The label is regarded as the most important quality standard for sustainable investment funds in German-speaking countries.

Berenberg is recognized at the **Leaders in Trading Awards 2024** by THE TRADE MAGAZINE for the *Best Trading Performance* in algorithmic trading in both the US and EMEA region (Europe, Middle East and Africa). Pictured: Glen Duffy, Sales Trader Electronic Trading.

The Trade

Together with BayernLB and BayernInvest, Berenberg launches a **new debt fund for renewable energies** with a target volume in the low- to mid-three-digit-million euro range.

The fund rating agency SCOPE names Berenberg »**Best Asset Manager**« in the two categories *Infrastructure Debt* and *ESG Infrastructure* at the 2025 SCOPE ALTERNATIVE INVESTMENT AWARDS.

Scope

Berenberg adds a **merger arbitrage strategy** to its offering in the equity segment of its Wealth and Asset Management division and hires a team to develop a merger arbitrage fund for Berenberg from its Munich office.

The renowned business magazine CAPITAL FINANCE INTERNATIONAL (CFI) based in London gives Berenberg's Investment Consulting team, led by Michael Kreibich, the award of »**Best Strategic Asset Allocation Team Germany 2024**« for the second time in a row.

December

Berenberg raises over **one billion euros in capital commitments** for its corporate direct lending strategy in just twelve months and further expands its credit fund family by launching a multi-investor fund.

For the 22nd time, Berenberg hosts the **Berenberg European Conference** at Pennyhill Park in the UK. Across the four days of the conference, 400 company representatives interact with 375 investors and take part in an impressive 1,351 scheduled meetings, 63 fireside chats and three keynote sessions.

Berenberg

Berenberg launches a new bond fund. The **Berenberg Euro IG Credit Fund** invests predominantly in euro-denominated corporate bonds with high credit ratings.

Business Fundamentals

Profile

For 435 years now, Berenberg has been committed to being accountable to its clients. From its earliest beginnings, the Bank has been run by personally liable managing partners, and this principle continues to be the cornerstone of our client relationships, which are based on trust. We are not guided by quick successes and emotions, but act *responsibly* in a rational manner.

Our solid reliability is also reflected in the stability of our leadership. Since 1590, Berenberg has had only 40 managing partners, and today's partners have been with Berenberg for many years.

What counts for us is achieving long-term success alongside our clients. As we help them to grow their wealth, achieve their goals and meet their challenges, we always do so with *insight*, as expert advisors and long-standing service providers. We address all areas where we feel confident that we can offer our clients exceptional value.

From our Hamburg headquarters, we have established a notable presence in the financial centres of Frankfurt, London, and New York in recent years. Today, we have 1,528 employees at 18 locations across Europe and the US. With the expansion of our Investment Bank, Wealth and Asset Management, and Corporate Banking business divisions, we are on a secure footing for further market growth, making us a dependable partner for our clients. We analyse the economy and financial markets across all sectors and geographic boundaries and apply our *vision*.

In-depth *expertise* and experience are necessary to make sound decisions, so we have built up one of Europe's largest equity research teams, established a highly regarded macroeconomics team, and set up a first-rate group of investment strategists and portfolio managers.

All of this has made Berenberg more than just a bank. As an advisor and trusted partner, we address client needs with responsibility, insight, vision and expertise. In brief, *accountability is our guiding principle*.

Core Business Divisions

Berenberg offers its clients individual services in the following business divisions:

Investment Bank

The broad-based *Investment Bank* division focuses on service and advisory operations in equities, investment banking and financial markets. At year-end 2024, our *Equity Research* team covered 772 stocks. In addition, we support IPOs, capital increases and secondary placements. Trading transactions are conducted on a client-induced basis with equities, securities, financial instruments and foreign exchange; proprietary trading only takes place to a limited extent and in addition to our service-orientated business model.

Wealth and Asset Management

Our *Wealth and Asset Management* division combines advisory services for high-net-worth individuals with managing in-house funds. Portfolio management is a complex and responsible challenge that we meet in *Wealth Management* with our specialist expertise and multi-award-winning advisory approach. We are home to specialist competence teams designed to satisfy the particular needs of entrepreneurs, foundations and family offices. Alongside personal advisory, professional portfolio management is another one of our core services.

Our *Asset Management* offering includes multi-award-winning funds in various asset classes, global asset management strategies, opportunistic approaches and professional risk management strategies. We provide institutional investors with in-house, bespoke solutions. The investment strategies developed for our clients stand for high product quality, dynamism and promising performance. The sustainability aspects of potential assets are taken into account in our investment processes.

Corporate Banking

We advise and assist companies, institutional investors, financial investors and single family offices in transactions and day-to-day business. We maintain specific expertise in specialist segments such as structured finance, infrastructure and energy, shipping, and real estate. In recent years, we have also built specialist expertise in credit fund solutions for institutional investors.

The head office of Berenberg and its German subsidiaries is in Hamburg. In Germany, we have offices in Berlin, Braunschweig, Bremen, Düsseldorf, Frankfurt, Hanover, Munich, Münster, Nuremberg, and Stuttgart. Outside Germany, we are represented by branch offices in London, Paris, and Stockholm, as well as representative offices in Geneva and Zurich. In the US, Berenberg is represented by subsidiaries in New York and an office in Boston.

Locations

Macroeconomic Environment

Despite the initially restrictive monetary policy pursued by US and European central banks, the global economy developed relatively well in 2024. Instead of slipping into a mini-recession, as feared, the US economy lost none of its momentum. Lots of countries in southern Europe, too, saw good growth. Major exceptions include Germany and Japan, whose export-dependent economies contracted slightly. For both countries, dependence on the weakening Chinese market played a role alongside their homegrown problems.

The US economy was even able to expand by 2.8% in the year under review, following growth of 2.5% in 2023. Fiscal policy holds the key to understanding the US's robust economy. Presidents Trump and Biden issued generous stimulus cheques during the pandemic. As in 2023, in the year under review many consumers spent some of the payments that they had received and bolstered consumption. While financing costs remained high, companies' investments in the US once again grew substantially in 2024. This is partly due to fiscal policy, with its tax incentives for green and many other investments, along with high investments in new technologies, including artificial intelligence.

All told, the eurozone's economy picked up momentum somewhat in the year under review. With real economic output having increased by 0.5% in 2023, it grew by 0.7% in 2024. However, the German economy was not able to shake off its stubborn stagnation of the two previous years. Structural problems, hefty competition from China, weighty bureaucratic expenses, and ongoing arguments in the multi-party »traffic-light« coalition have unsettled German companies and consumers to the extent that they are holding back on investments and expenditure on long-lasting goods such as cars. Conversely, formerly crisis-hit states, such as Spain and Greece, once again showed that their reforms are paying off: both Spain and Greece were among the eurozone's growth leaders in 2024.

At the start of 2025, the immediate perspective for the next few months is rather mixed. In the US, the economic traffic lights went from amber to green after the Republicans' electoral victory. In Europe, though, early economic indicators have once again slumped. In the eurozone, political instability in Germany and France were the main factors affecting projections. In the UK, the tax hikes that have been announced by Keir Starmer's Labour government have soured the mood of many citizens and companies.

While it is likely that Europe will get off to a rather weak start, overall there is good reason to believe that the global economy can develop similarly in 2025 to what it did in 2024. The drop in inflation to a bearable level enabled central banks to adopt a less restrictive approach over the course of 2024. Even if there is limited scope for subsequent changes to interest rates – in the US more so than in Europe – the already initiated shift in monetary policy can unleash its impact in 2025. In many parts of the world, fiscal policy will bolster the economy. With the Republican majority in both houses of the US Congress, President Donald Trump hopes to cut taxes in the US. China, too, after much hesitation, has decided to prop up its economy with a new credit and fiscal stimulus. This breeds hope that German exports to China will not slump again in 2025, as they did in the year under review.

Since central banks abandoned their zero-interest rate policies in 2022, many European banks that traditionally generate their earnings primarily from rate-linked business could see a return to normal. But in view of rapid technological change and the drop in central banks' interest rates, these banks, along with the financial sector as a whole, must continue to aggressively seek out new business opportunities.

Awards

In 2024, we again received a large number of prestigious awards. The following overview shows a selection of these. All these awards are confirmation of our approach and the quality of our services. At the same time, we take them as an incentive to continue resolutely along the path we have chosen.

- DIE ELITE DER VERMÖGENSVERWALTER (HANDELSBLATT)
  – *Highest distinction of summa cum laude*

- ASSET MANAGEMENT TEST 2024 (N-TV AND FOCUS MONEY)
  – *»Excellent Asset Management« for offering and advice*

- SCOPE ALTERNATIVE INVESTMENT AWARDS 2025
  – *Best Asset Manager in the category InfrastructureDebt*
  – *Best Asset Manager in the category ESG Infrastructure*

- CFI-AWARDS 2024 (BUSINESS MAGAZINE CAPITAL FINANCE INTERNATIONAL)
  – *Best Strategic Asset Allocation & Asset Liability Management Team Germany 2024*

- CITYWIRE GERMANY PRIVATE BANKING AWARDS 2024
  – *Best Investment Approach Private Banking*

- FNG-LABEL 2025 FOR SUSTAINABLE INVESTMENT FUNDS (GERMAN-SPEAKING REGION)
  – *For all six participating Berenberg Funds*

- LEADERS IN TRADING AWARDS 2024 (THE TRADE MAGAZINE)
  – *Best Trading Performance in Algorithmic Trading in both the US and EMEA*

The Bank's Financial Performance

Earnings

Net Profit for the Year

Berenberg once again faced a challenging market environment particularly in the first half of the financial year 2024. On the one hand, this was due to geopolitical uncertainties. The war in Ukraine continued to wage. The skirmishes in the Middle East stepped up a notch. The upcoming presidential elections in the US in November 2024 temporarily dampened market sentiment. On the other hand, G7 central banks focused on fighting inflation (which remained high) in the first two quarters of 2024. As the year progressed, however, the interest rate cuts had an impact on market participants' willingness to invest, making capital market investments more attractive in relative terms and thus increasing commission income.

Against this background, Berenberg managed to close out the 2024 financial year with net profit of €81.6 million (2023: €55.4 million). This saw the conservatively projected net profit for the year be surpassed by more than €50.0 million and the previous year's figure was exceeded by €26.2 million.

We will use this good earnings situation to continue to strengthen our Common Equity Tier 1 (CET1) capital. We will therefore allocate €10 million from the net profit for the year to retained earnings. This will be proposed by the management at the upcoming shareholders' meeting.

In light of this, and because the Bank traditionally plans very cautiously, it adopted a cautious stance in its outlook for 2024 as it had for 2023. Core tenets of the plans considered a drop in interest income, the stabilisation of commission income and, on the cost side, the significant investment in the relocation the Hamburg headquarters, not forgetting the implementation of regulatory requirements (including CSRD, CRR III, and DORA).

Interest income was significantly higher than planned for 2024, driven by the slower reduction in interest rates by central banks. Despite the increased investments, in particular due to the planned move of the headquarters in Hamburg, costs were lower than expected.

Furthermore, due to market developments, particularly in the second half of the year, net commission income was clearly higher than in 2023 and also exceeded the planned figure. Overall, the net profit for 2024 was therefore more than in the previous year and exceeded the Bank's projections.

Return on equity and capital rose accordingly compared to the previous year. The return on equity amounted to 40.1% (29.3%) and the return on capital , calculated as the ratio of the net profit for the year to total assets, totalled 1.3% (0.8%). The return on equity is at a very good level compared to the rest of the industry.

Financial Performance Indicators

The cost-income ratio (CIR; the ratio of total costs to gross income) has fallen to 76.2% compared to 80.7% in the previous year due to the positive effects described above. The cost-income ratio also dropped below the target corridor of over 80% forecast for the reporting year.

The ratio of net interest income to total net interest and net commission income (excluding income from participating interests/affiliated companies) was 27:73 (37:63), and thus gratifyingly underscores the significant importance of the commission business for our service-orientated business model.

Even though the diversification of the business model in the past two financial years was primarily driven by the net interest income generated by the higher base rate, the 2024 ratio of net interest income to net interest income and net commission income is an endorsement of our business model based on commission-bearing banking services.

Consequently, we remain convinced of the Bank's long-term orientation towards business areas with a strong focus on net commission income.

Net Commission Income

Services to our clients, which are reflected in net commission income, are provided mainly through administration and brokerage activities in the securities business, structuring, syndication and the management of debt funds, as well as through complex consulting services to corporate clients. The commission income and

expenses are appropriately allocated to the individual profit centres using the »cost plus« and »net profit split« methods (OECD pricing methods) respectively.
Due to the effects described above, net commission income as a whole increased to €387.9 million in 2024, an uptick of 34.2 % compared to the previous year (€289.0 million).

Securities commissions developed particularly well with a year-on-year increase of 39.3% to €311.0 million. This development was positively influenced by the resurgence in demand for capital market transactions in the second half of the reporting year. Client-initiated FX trading also saw a successful development for Berenberg in the 2024 financial year (+14.4%).

The other sources of commission income (foreign business and other types of commission) developed in various ways. While foreign business was slightly below the previous year's level, other commissions grew by 38.5% to €18.0 million (€9.8 million).

The Berenberg Group's assets under management (AuM) amounted to €39.0 billion (€37.7 billion) in 2024, a slight increase despite difficult market conditions overall.

The re-fortification of commission income compared to interest income in the year under review once again confirms that Berenberg has successfully positioned itself in the market as a service-focused bank.

Net Interest Income

Net interest income, including current income from shares and other variable-yield securities, reached €140.8 million in the year under review. This is below the previous year's figure (€166.7 million), which had been shaped by the high-interest-rate environment.

The drop in net interest income is a direct consequence of the reduction in base rates once US and European central banks generated the intended, inflation-quashing effect by raising them. The consequential impact on our net interest income was, however, more moderate than anticipated. As a result, interest income exceeded the conservative planned value by more than 25%.

The Bank's lending business continues to be characterised by a cautious lending policy. As before, we are not aiming to expand the volume of lending.

The security holdings in the Bank's own trading account will continue to be managed in line with a highly conservative strategy. Once purchased, top-rated securities with a short to medium remaining term are, as a matter of principle, held until maturity.

Certain fixed-income securities form part of permanent assets and are assessed as fixed assets.

Net Trading Income

Net income from trading activities was unchanged from the previous year at €8.7 million.

As our business activities are primarily service-orientated, trading activities on our own behalf in the equities, bonds and foreign exchange segments are, in principle, very limited. Such trades solely occur as a supplement to our core business in client trading.

As before, there are only a small number of trading portfolios on the balance sheet. Proprietary trades in non-linear products (such as FX options) are no longer carried out, as a matter of principle. The reserve required by law in accordance with Section 340g of the HGB (German Commercial Code) in conjunction with Section 340e (4) of the HGB is overendowed.

Net trading income is dominated by trading income from bond and foreign exchange trading, which to a small extent takes positions largely against the background of cross-selling opportunities. However, the results of these two asset classes are not exclusively reflected in the net income from trading transactions, but are also recognised in other items of the income statement in accordance with commercial law regulations.

Other Operating Income

In the year under review, other operating income dropped from €19.1 million to €14.3 million. A substantial proportion of the other operating income resulted from income from specially hedged transactions (including income from foreign currency option transactions) amounting to €10.7 million (€16.3 million) arising from our operating foreign exchange business.

General Administrative Expenses, Depreciation of Tangible Fixed Assets and Amortisation of Intangible Assets

The number of employees as at the reporting date virtually remained the same as for the previous year. The necessary structural adjustments over the two previous years to align with market conditions in *Investment Banking* were undertaken with a view to being able to operate efficiently during the upswing.

Attracting top-quality personnel is a crucial goal of our HR policy – not only in our market units, but also in our staff and service divisions.

Personnel expenses totalled €253.1 million in the reporting period, a 9.2% increase on the previous year's figure. This is due to the collective wage agreement concluded in the reporting year and general salary increases, as well as the higher bonuses associated with the recovery of the capital markets.

At €157.6 million, *non-personnel operating costs* were around 5.0% higher than the previous year's figure (€150.1 million). Non-capitalisable one-off expenses in connection with the completion of the Bank's new building in Hamburg and the upcoming relocation in 2025 were incurred as planned. The Bank also made tightly managed investments in internal IT systems to further optimise its processes and stringently implement regulatory requirements. In addition, there were further inflation-related price increases at external service providers.

Overall, *general administrative expenses*, including depreciation of tangible fixed assets and amortisation of intangible assets, as well as other taxes, amounted to €420.2 million in the reporting year (€390.3 million). Although this is higher than the previous year, it is slightly below the anticipated figure.

Risk Provisions

Risk provisions were appropriately allocated in the reporting period. A significant portion of the valuation result is attributable to the result from the liquidity reserve and must be viewed in conjunction with net interest income. Our liquidity reserve also includes securities that are quoted above par (for example) and therefore create a corresponding need for write-downs. The increased depreciation of the liquidity reserve must be viewed in connection with the income realised from the maturities of securities held as fixed assets. The portfolio of securities held as fixed assets increased compared to the previous year. There was no need to depreciate these securities. There were also no write-ups on fixed assets. Credit risks were fully taken into account by applying a prudent valuation standard. The risk provisioning (EWB and PWB) has been adequately recognised. We have also used the good earnings situation to allocate the taxed reserves in accordance with Section 340f HGB.

Taxes on Income

Taxes on income are made up of trade tax from the headquarters in Hamburg and the German branches, as well as taxes on income and earnings of our foreign branches in Paris, Zurich, Geneva and Stockholm. In 2024, this item amounted to €22.6 million, compared to €19.3 million in the previous year. The increase compared to the previous year is mainly due to the higher earnings.

Financial Position

Capital Base and Ratios

As of the balance sheet date, the Bank's own funds amounted to €349.9 million (€343.3 million). The main component of the Bank's equity is Common Equity Tier 1 (CET1) capital, which amounted to €264.9 million (€263.3 million). The other equity components, Additional Tier 1 (AT1) capital, which was increased by €5.0 million in the reporting year and now amounts to €45.0 million, and Tier 2 capital, which remains unchanged at €40.0 million, are fully recognised for regulatory purposes.

The *total capital ratio* in accordance with the Capital Requirements Regulation (CRR), as well as with the German Solvency Regulation (SolvV), amounted to 14.5% (15.0%), the core capital ratio adjusted to 12.9% (13.3%) and the CET1 capital ratio was 11.0% (11.5%). Both own funds and risk-weighted assets have increased overall. The risk backing for traditional credit risks is slightly lower than in the previous year, however the capital commitment for market risks from shares, bonds (debt securities) and currency positions has increased. The increase on the previous year's value is due to higher sales/equities holdings of a short-term nature.

The capital requirements for operational risks also declined slightly. At Berenberg, equity backing for operational risks is calculated using the basic indicator approach. It is based on the average gross income for the past three years. As these were lower in 2023 than in 2020, which was removed from the calculation, the capital requirements therefore decreased proportionally.

Berenberg sets store by ensuring that its regulatory capital ratios are sound. In this vein, several equity capital raises have been undertaken in recent years. As before, the ratios are at an appropriate level, and they always exceed the minimum regulatory requirements. We will further strengthen our capital base with the increase in our AT1 capital in the reporting year and the planned increase in CET1-capital through the allocation to retained earnings.

The *Liquidity Coverage Ratio* (LCR), which is the ratio of the portfolio of first-class liquid assets to net outflows in the coming month and is intended to assess the short-term liquidity risk of credit institutions for regulatory purposes, was roughly 1.8 (1.8), approximately 81.5% above the regulatory minimum.

The *Net Stable Funding Ratio* (NSFR, the structural liquidity ratio) is the ratio of available stable funding to required stable funding and is intended to optimise the structural liquidity of credit institutions with a time horizon of one year, for regulatory purposes. The NSFR was around 2.9 (2.5) as at the end of the reporting year, above the previous year's value and substantially surpassing the regulatory minimum. From a regulatory perspective, Berenberg is therefore not exposed to any short-term or structural liquidity risks.

The *leverage ratio*, which is the ratio of regulatory AT1 capital to the Bank's total non-risk-weighted financial commitment, was 4.5 (4.3), and thus above the minimum level of 3.0 required for regulatory purposes.

The economic approach is described in detail in the Risk Report section.

Funding, Securities in the Liquidity Reserve and Securities Treated as Fixed Assets

Berenberg can meet all its funding needs entirely from client deposits, and was liquid at all times in the year under review. There were no open liquidity positions in the financial year 2024. Due to the short-term structure of our business, liquidity risks are less of a concern. As the year went on, Berenberg continued to have a large portfolio of client deposits, which once again led to clear excess liquidity. The Treasury business unit primarily invests this in short-duration, top-rated bonds, minimising potential credit risks. A large portion of the liquidity is deposited at Deutsche Bundesbank. As a result, this means that an unexpected short-term liquidity requirement can be covered by the European Central Bank's refinancing framework.

The portfolio consisted of bonds (debt securities) and other fixed-income securities amounting to €3,881.0 million (€2,478.5 million). This is dominated by securities of German public-sector issuers at 49.4% (44.9%) and securities guaranteed by Germany or a German federal state (50.6%; previous year: 54.9%).

The remaining maturity for these holdings averages 2.4 years (1.9 years), and consequently, the spread change risk inherent in the portfolio is limited. The interest rate risk is mostly limited to the three-month or six-month Euribor.

Of the bonds and other fixed-interest securities, the portfolio of securities treated as fixed assets amounted to €1,808.6 million (€884.4 million) at the end of the reporting year. Of this amount, securities totalling €1,312.3 million were reclassified as fixed assets. Securities with a redemption gain of around €13.1 million fell due. The securities are valued at acquisition cost, provided there are no permanent impairments. Some of the bonds lead to hidden reserves or charges on the liabilities side and generate interest income on an on-going basis.

Assets Position

Total Assets and Business Volume

In the year under review, *total assets* decreased by approximately €0.2 billion from €6,664.1 million to €6,446.6 million. This was primarily because of the reduction in bank liabilities due on demand and the slight drop in client liabilities. In addition, short-term client liabilities (up to three months) were restructured as client liabilities due on demand. Client deposits were invested, inter alia, in low-risk securities and in balances with central banks on a daily basis. In the year under review, Bundesbank balances were reallocated to low-risk securities.

We continue our approach of not actively procuring client liabilities; instead, they arise from our operational business (for example from *Wealth and Asset Management*, and from *Shipping*) and from individual temporary mandates (for example for capital increases supported by our ECM team). Client deposits make up 89.6% of the total assets (88.7%). Client deposits determine our trading volume, which our treasury primarily diversifies on the interbank market with selected low-risk borrowers. A large portion of the liquidity surplus, specifically €777.9 million (€2,237.4 million) is held as credit in our Bundesbank account.

Receivables from banks decreased significantly by 33.1% to €372.5 million (€556.8 million), contingent on the reporting date, but include receivables due on demand in the amount of €224.0 million, which, due to our business model, are subject to considerable fluctuations. Other receivables include the investment of part of the liquidity surplus in promissory note loans issued by German development banks of approximately €98.5 million (€278.2 million). Receivables from banks also include balances with central banks. The reduction in receivables from promissory note loans is explained by the shift to fixed-interest securities with the highest credit rating, which is reflected in the balance sheet item bonds and other fixed-interest securities.

As at the reporting date, *receivables from clients* amounted to €1,017.9 million. This represents a drop of 9.4% compared to the level at the end of the previous year (€1,123.7 million). These receivables are mainly with domestic clients in euros and are largely due on demand.

The Bank's lending business continues to be characterised by a cautious lending policy. As before, we are not aiming to expand the volume of lending. Unlike generating commission on loans, the awarding of long-term loans is not the Bank's primary goal: rather, it is the result of cross-selling.

The holdings encompassed bonds (debt securities) and other fixed-income securities, as well as shares and other variable-yield securities amounting to €4,065.2 million (€2,554.8 million), an increase of 59.1%. The Bank's surplus liabilities were invested to a greater extent in bonds in 2024.

The entire portfolio of shares and other variable-yield securities amounting to €184.2 million (€76.2 million) is listed on the stock exchange. The increase in the shareholding is largely due to the increase in client-initiated proprietary trading.

At €19.2 million, the on-balance-sheet *trading portfolio* was 59.3% above the previous year's level of €12.1 million. The trading portfolio is naturally subject to substantial volatilities, and the extent of its increase is greatly dependent on the reporting date.

The *liabilities to banks* in the amount of €73.4 million (€175.4 million) continue to be payable on demand to 100.0% and can, therefore, vary greatly at short notice.

Liabilities to clients totalling €5,777.5 million in (€5,913.6 million) are largely due on demand, at €4,221.5 million (€3,870.0 million). Those with an agreed notice period amount to €1,556.0 million (€2,043.6 million), but are largely of a short-term nature.

Particularly in the years of low interest rates and during crisis years in the capital markets, our clients kept their deposits stable and in some cases invested additional liquidity with Berenberg. As the low interest period came to an end, though, clients took a more active approach to their investments and, in turn, started reducing their high levels of liquidity. The continued high level of deposits due on demand in our portfolio is linked to operating business, particularly that of our *Shipping* and *Wealth Management* business units. While in *Shipping* these deposits are attributable to our clients' cash management, in *Wealth Management* they can be attributed to our portfolio management and investment advisory. The decline in non-interest-bearing deposits was pleasingly lower than expected.

Due in particular to the continued good development of the *Shipping* business unit, €3,193.7 million of the client liabilities are denominated in USD (€3,214.5 million). The proportion of USD deposits in total deposits has therefore remained stable, representing 55.3% (54.4%) of the total portfolio.

The resulting foreign currency exposure is hedged by our *Foreign Exchange Trading* using the construct of special hedging under commercial law to minimise FX risks.

Other assets decreased by €5.3 million or 9.8% to reach €48.8 million. They mainly consist of the adjustment item for foreign currency conversions.

Other liabilities decreased by 45.6% to €29.8 million (€54.8 million). They primarily consist of liabilities to creditors, tax authorities, and personnel.

The expanded business volume, defined as the total assets and contingent receivables from guarantees and other indemnities, fell from €6,716.4 million to €6,495.2 million, in line with the drop in total assets.

Irrevocable lending commitments amounted to €273.0 million (€276.1 million). This is roughly a 1.1% decrease from the previous year.

Credit Volume

Expanded credit volume dropped substantially to €1,066.5 million (€1,176.0 million). It consisted of receivables from clients of €1,017.9 million (€1,123.7 million) and of contingent liabilities from guarantees and other indemnities of €48.6 million (€52.3 million).

Overall Statement

Despite the persistently challenging market environment overall in 2024, the Bank's earnings situation developed very positively compared to both the previous year and the planned figure. This once again underlines the resilience of the Bank's business model. The anticipated decline in interest income was more moderate than expected and was supplemented over the course of the year by increased commission income, which rose in the second half of 2024, particularly due to a resurgence in business with capital market transactions and increased volumes in equity trading. Overall, the net profit for the year was higher than in 2023 and the planned figure, while the return on equity remained very good compared to the industry as a whole.

The Bank's equity capital remained adequate over the past financial year and, as a result, is still above regulatory requirements. The assets and financial situation have stayed positive, solvency was ensured at all times in the period under review, and the liquidity situation, pursuant to the requirements of the banking supervisory authorities, remains comfortable.

As an internationally-focused bank with a service-orientated business model subject to ongoing adjustments to align it with market requirements, Berenberg believes itself to be in a strong position to remain successful in the market in the future.

Supplementary Report

No events of particular significance to the economic situation of the Bank occurred between the end of the 2024 financial year and the preparation of the annual financial statements.

Sustainability Report

In addition to our annual report, we also publish a separate condensed sustainability report that includes our non-financial statement. It can be found on our website at: www.berenberg.de/en/csr-report2024.

Investment Bank

The *Investment Bank* division offers a wide range of banking and advisory services across equities, investment banking, and financial markets.

Equities

2024 was another challenging year for our industry. Significant geopolitical headwinds, including conflicts and multiple government changes, combined with a challenging macro backdrop of continued inflationary pressures and volatile interest rates, made for unpredictable markets and reduced confidence of both investors and corporates.

The impact of MiFID II on the financial services industry remained a theme throughout 2024, driving consolidation and restructuring among a number of our regional and bulge-bracket peers. Against this backdrop, our revenues for research advisory and high-touch trading maintained a position of strength from a market share perspective, while our low-touch trading team continued its successful footprint expansion, ensuring we offered our clients a full breadth of execution capabilities.

Strategic initiatives in 2024, including the further strengthening of our Pan-European research department and the bolstering of our UK *Investment Banking* team, position us well for a wider market recovery. We are also alert to the potential ‘re-bundling’ moves that may occur in the UK over the coming twelve months and beyond, following regulatory rule changes, and are ideally positioned to respond accordingly.

»Strategic initiatives including the strengthening of our Pan-European research department and the bolstering of our UK Investment Banking team, position us well for a wider market recovery in 2025.«

Laura Janssens, Head of Investment Bank

2024 was characterised by a reversion to more normalised in-person client and corporate meetings, neutralising further one of the effects Covid-19 had on our industry. In addition to the higher volume of in-person analyst meetings, we also saw our four flagship conferences welcome some of their highest-ever numbers of corporate and investor attendees. This helped enhance a key attribute of Berenberg: the depth and breadth of our client and corporate relationships.

Equity Research and Sales

At the end of December 2024, the *Equity Research* team covered 772 stocks, 726 of which are pan-European, 38 US and eight listed elsewhere. We ended the year with 82 analysts in London, four in Frankfurt, two in Paris and two in Zurich. More than half the coverage is of German companies (132) and UK-listed stocks (267).

Working alongside our research colleagues is the *Equity Sales* team of 45 generalists and nine specialists. Together, they service close to 950 clients across all the major financial hubs in Europe and the US, as well as further afield. In addition to the broking of our high-quality research product, *Research and Sales* also support our *Investment Banking* colleagues on capital market transactions.

Our industry continued to see further consolidation or scaling back on the sell-side in 2024, as well as more consolidation on the buy-side. MiFID II rules also continue to dictate how clients interact with both us and our competitors, with close monitoring of the quality of service they consume, amplified by the challenging market environment. However, our high-quality research and relationship-driven sales effort saw us continue to be a core part of the investment process of our clients. Overall, our *Equity Research and Sales* had just shy of 10,000 meetings with investors in 2024.

Being the facilitator of meetings between our clients and the companies we cover remains a key focus and something we take great pride in. In 2024, in addition to our four flagship conferences that took place across Europe and the US, we also hosted another 19 conferences, including sector and thematic events. Our 22nd year-end *Berenberg European Conference* at Pennyhill Park in the UK, for example, saw us host 400 corporate representatives and 375 institutional clients. We also have an excellent team that facilitates roadshows across Europe and the US for corporates to meet investors. Over the twelve-month period, we organised over 20,000 meetings between investors and corporate management teams.

Equity Trading

Equity turnover exceeded the previous years' level again in 2024, growing by around 6% to more than €140 billion. The quantity of shares traded as systematic internaliser consistently increased at a steady pace.

Equity Trading (EU and UK)

Berenberg remained the top-ranked market maker on the Retail Service Provider (RSP) network, dedicated to providing liquidity in all market conditions to the client base. The number of quoted stocks exceeds 400 single stocks, with coverage of 60 retained corporate clients and with access to every major broker on RSP.

Revenues in the European risk arbitrage franchise were up 23% in 2024 as the team capitalised on increased volatility and M&A transaction volumes throughout Europe. Notional traded was up over 50%, turning over more than €13 billion in takeover names throughout the year giving them top two high-touch market share.

Berenberg's electronic trading was nominated by *The Trade* for six awards at the 2024 Leaders in Trading awards, the largest survey on algorithmic trading, winning in the category »Best Trading Performance« in both EMEA and the US. Overall, electronic trading volumes were up by 15% compared to 2023, outperforming the wider market, which saw volumes increase 6% year-on-year.

For our IB Technology department, 2024 was a year dominated by infrastructure work and regulatory themes. In order to improve resiliency and optimise proximity to exchanges/trading venues, the largest parts of the trading-stack related migrations into London were progressed. Software applications had to be adapted for the new locations, relevant work was also used efficiently to modernise the technology stack further. Migration works were not limited to London. Also other significant parts of the overall systems had to be looked at, complementing other large bank-wide projects.

On the regulatory side, preparations for the upcoming EU-wide DORA regulation (Digital Operational Resiliency Act) played an important role, confirming the need for the already ongoing overhaul-projects on operational and security monitoring, as well as different cybersecurity themes.

New technology products and product improvements continued in 2024, too. The in-house conference management system was taken live and has already been used to organise and manage more than 20 Berenberg investor conferences, including our flagship events. Again, significant efforts went into new features supporting the Bank's different equity trading desks including the low-touch product. Client-demand, as well as the ever-changing market structure with exchanges and trading venues launching new trading products, were setting the scene here.

Equity Trading (US)

In our seventh year at 1251 Avenue of the Americas in mid-town Manhattan, we expanded our equity trading for US, Canadian and European clients. We added three experienced sales traders to our growing team which has increased our order flow, leading to more block transactions and daily volume in both US and Canadian stocks. Our *Execution* team is second to none, averaging over 20 years of experience per member. This high-quality team allows us to leverage our skills and relationships to optimise our products across a continuously growing institutional account base. We provide liquidity and premium execution in North America and European local markets, as well as in dual-listed securities and American depositary shares. We continue to see growth in our market-leading risk-arbitrage trading in both domestic and cross-border transactions. Our multi-market cross-border expertise provides a significant edge for our clients.

Building on our theme of providing cross-border access and liquidity, our electronic trading offering in US and Canadian stocks has been enhanced for both our North American and European clients. Our US offering mirrors our award-winning European product. In the 2024 Leaders in Trading event, Berenberg claimed the award for »Best Trading Performance« (see previous section). This achievement reflects the investment in talent, infrastructure, and commitment to client-first approach. We offer low-touch and portfolio trading in EMEA and North America regions, giving our clients efficient access to the marketplace. We continue to focus on the development of our Genesis algorithmic trading platform, significantly increasing our market coverage, expanding our automated trading with algorithms, and developing our data science platform.

On the product side, a major focus is placed on client requirements and capacity expansions for continued growth. Altogether, our growth story for the US Trading platform is building out smoothly and we are looking forward to 2025

Investment Banking

Equity Capital Markets (ECM)

2024 marked a cautious yet steady recovery for equity capital markets after several turbulent years. IPO activity, previously subdued, began to show signs of life as central banks began cutting rates, boosting market sentiment and supporting investor confidence. While volatility persisted, cooling inflation and resilient corporate fundamentals contributed to equity indices in the US and Europe reaching new all-time highs.

Berenberg was able to capitalise on these market developments by executing 26 equity and equity-related transactions, for a total transaction volume of approximately €12.3 billion throughout the year under review, with the most notable transactions highlighted in the following.

In the DACH region (Germany, Austria, Switzerland), we started the year under review with a sole global coordinator role on the secondary placing in Swiss-listed Montana Aerospace, being the first sell-down since the IPO in 2021 for which Berenberg also acted as sole global coordinator. Throughout 2024, we acted as joint global coordinator on three out of the five sponsor-backed sell-downs in Germany, including the first German ABB after the summer break, as ATOSS Software shareholders, General Atlantic and CEO-owned AOB Invest, sold shares (€130 million) by way of a secondary placing. We also supported Warburg Pincus in its first two sell-downs in IONOS since the IPO (€153 million and €229 million) as joint global coordinator, building on the previous year's successful IPO of IONOS where Berenberg also acted as joint global coordinator. Additionally, Berenberg acted as co-manager on the capital increase of dual-listed Vulcan Energy Resources (€100 million/AU$164 million).

In the UK, we continued to advise our network of 60 corporate broking clients with an average market capitalisation of £970 million. In 2024, we were involved in a total of 14 transactions and advisory mandates amounting to a total transaction volume of approximately £7.3 billion. We were involved in capital increases for Sirius Real Estate (£152 million), Oxford Nanopore (£80 million), Angle (£9 million) and Ilika (£2 million). Berenberg also completed secondary placements in Darktrace for KKR (£82 million), in Trustpilot for Northzone Ventures (£8 million) and Vitruvian Partners (£31 million and £28 million), as well as in the London Stock Exchange Group (£1.6 billion) for a consortium of shareholders including Blackstone, CPPIB, GIC and Thomson Reuters among others. We have further strengthened our UK Public M&A capabilities by serving on both the offeree and the offeror-side for our corporate broking clients. In 2024, we acted as rule 3 and joint financial advisor to Global Ports Holding on its £241 million unconditional cash offer from Global Yatırım Holding, joint financial advisor to Alpha Financial Markets Consulting on its £626 million recommended cash offer by Bridgepoint, as corporate broker and connected advisor to Darktrace on its £4.3 billion acquisition by Thoma Bravo, and as sole financial advisor to ETC Holdings on its £156 million recommended cash acquisition of Shanta Gold.

Activity in the Benelux region and France was mostly muted during the year under review, with the majority of volumes concentrated in a handful of large transactions. Out of the two IPOs priced on the regulated market of Euronext Paris in 2024, Berenberg acted as joint bookrunner on the landmark €278 million IPO of Planisware. Marking the first IPO on the regulated market since 2022, the offering successfully priced using an unprecedented private placement structure. By leveraging recent French regulatory changes that authorise the exclusion of retail investors, the company conducted a short two-day bookbuild with a fixed-price offering.

Over in the US, our teams continued to expand relationships with private equity and venture investors so that we can better capitalise on the increasing amount of late-stage fundraising happening in the market. This broadened network facilitates a wider access to potential IPO candidates while simultaneously enhancing our ability to advise corporate clients who are interested in both private and public market financings. During the last twelve months, we partnered with companies who raised approximately $3.1 billion of equity across various financing structures. In public markets, we served as sales agents on the at-the-market offerings for Global Medical REIT ($300 million), Omega Healthcare Investors ($708 million and $1.25 billion), and Jumia Technologies ($100 million) while also raising follow-on capital as a joint bookrunner for Marex Group ($234 million) and co-manager for ADT ($482 million).

Looking ahead we anticipate ECM activity to continue to improve in 2025. However, much will depend on the sustained effects of recent rate cuts and the resolution of key macroeconomic and geopolitical uncertainties.

Debt Capital Markets (DCM)

In DCM, we conducted our first Nordic bond transaction for our client Onlineprinters in 2024. The volume was €225 million and Berenberg acted as co-manager. The transaction ensured the refinancing of existing liabilities and provided funds for general corporate purposes, including potential acquisitions.

Financial Markets

Fixed Income Research

Amid a challenging environment on the capital markets, our *Fixed Income Research* team had to quickly adjust to new thematic focuses in 2024. The crisis in commercial real estate in the US, which worsened in spring, France's early parliamentary elections in July and the contest for the White House in autumn ensured that our clients' demand for advice was persistently high. We were once again able to use our research team's diverse communication channels to generate a large amount of interest in our publications, including our new regular research format on European emissions allowances (EUA). Alongside this, our *Fixed Income Research* team once again focused part of its analysis work on bank regulation, given the reformed Capital Requirements Regulations (CRR III) that will apply from 2025 onwards. Our analysts also focussed on internal sales support, which we addressed in the reporting year by staffing our research team at two locations.

Fixed Income Sales Trading

The *Fixed Income Sales Trading* business unit once again enjoyed a successful fiscal year. As in the year before, the relatively attractive nature of the pension market (compared to other asset classes) was a boon for our sales and trading teams in Frankfurt and Hamburg. Government bonds, bonds from development institutions, mortgage bonds and corporate bonds with very good to excellent credit ratings were in high demand among institutional investors from the banking, insurance and pension fund sectors. At the start of the year, clients preferred very long terms. From the second half of the year onwards, as the interest rate structure within the eurozone normalised, terms of up to a maximum of ten years returned to prominence. Meanwhile, our experts for convertible bonds and bonds with low credit ratings in Frankfurt noted increased interest in the short maturity segment and in SME bonds, amid an environment of continued low risk premiums. Our focus in the field of convertible bonds primarily related to companies in situations shaped by financial stress. This will likely remain an area of focus in 2025, given the current economic environment. Looking to 2025, we are optimistic that client activity will remain at a similarly high level again in the year under review.

FX & Rates Trading

In 2024, the currency markets were once again caught between geopolitical conflict and economic trends. The ongoing war in Ukraine and the escalating situation in the Middle East between Israel and Hamas illustrated the risks of geopolitical uncertainties. Against this backdrop, the US dollar functioned as a safe haven.

After years of aggressive rate hikes by the US Federal Reserve and a more cautious strategy on the part of the European Central Bank, fiscal policy has changed tack: interest rates are now being cut on both sides of the Atlantic. That said, the mantra »high(er) for longer« still applies. At the start of the year under review, ambitious expectations of swift rate cuts were held by certain parties, but now, at the time of writing, in the US, in particular, many indicators suggest that rates will remain high.

While the US labour market once again provided stable support for its economy, Europe's economic development was so-so. Germany, in particular, failed to meet expectations and emphasised the regional catch-up potential within Europe.

The US presidential elections were another key event in the year; the markets followed them with rapt attention. Towards the end of the year under review, the victory by Republican candidate Donald Trump once again sent shockwaves through the capital markets. It remains to be seen whether 2025 will be even more turbulent – be it as a result of persistently high interest rates, changes in interest differences or political issues.

FX & Rates Advisory

In an era of geopolitical uncertainty and a challenging economic environment, our goal was to support our clients and develop an in-depth understanding of their risks. Thanks to our high-quality advice and analysis, in 2024 the *FX & Rates*

Advisory team was able to assist clients in drawing up strategies for interest and currency management while ensuring a stable calculation basis.

Our daily and weekly FX publications offered genuine added value for our clients. The FX trading platform FXnow, rolled out in 2021, continues to be very popular. It significantly reduces the outlay, on both sides, for smaller payments, while providing the foundation for a strategic discussion for larger payments.

We substantially expanded the trade in European CO_2 emissions rights in the year under review. Alongside gaining new clients, we were able to boost the trading activities of our existing clients. We will once again step up our efforts in 2025 and offer our clients top-notch support in the FX, interest and CO_2 markets.

Closed Transactions

Equity Capital Markets

Capital Increase VULCAN ENERGY EUR 100m Co-Manager	**Secondary Placing** IONOS EUR 229m Joint Global Coordinator/ Joint Bookrunner	**Secondary Placing** MAREX USD 234m Joint Bookrunner	**Public Takeover** DARKTRACE Recommended cash acquisition by THOMABRAVO GBP 4.3bn Corporate Broker	**Secondary Placing** IONOS EUR 153m Joint Global Coordinator/ Joint Bookrunner
At-the-Market OMEGA USD 1.25bn Sales Agent	**Secondary Placing** ATOSS EUR 130m Joint Global Coordinator/ Joint Bookrunner	**Public Takeover** Alpha Recommended cash acquisition by Bridgepoint GBP 626m Joint Financial Advisor	**Public Takeover** GLOBAL PORTS HOLDING Unconditional recommended cash offer from GLOBAL INVESTMENT HOLDINGS GBP 241m Financial Advisor (Rule 3)	**At-the-Market** JUMIA USD 100m Sales Agent
Capital Increase Oxford NANOPORE Technologies GBP 80m Joint Global Coordinator/ Joint Bookrunner	**Secondary Placing** Trustpilot GBP 28m Sole Global Coordinator/ Sole Bookrunner	**Capital Increase** Sirius real estate GBP 152m Joint Global Coordinator/ Joint Bookrunner	**Capital Increase** ANGLE GBP 9m Sole Global Coordinator/ Joint Bookrunner	**Capital Increase** ilika GBP 2m Joint Bookrunner
Secondary Placing LSEG GBP 1.6bn Co-Lead Manager	**Public Takeover** ETC Holdings Recommended cash acquisition of SHANTA GOLD GBP 156m Sole Financial Advisor	**IPO** Planisware EUR 278m Joint Bookrunner	**Secondary Placing** DARKTRACE GBP 82m Joint Global Coordinator/ Joint Bookrunner	**Secondary Placing** Trustpilot GBP 31m Sole Global Coordinator/ Sole Bookrunner

Equity Capital Markets

At-the-Market	Secondary Placing	Secondary Placing	Secondary Placing	At-the-Market
OMEGA	ADT	MONTANA AEROSPACE	Trustpilot	GLOBAL MEDICAL REIT
USD 708m	USD 482m	1,350,000 shares	GBP 8m	USD 300m
Sales Agent	Co-Manager	Sole Global Coordinator/ Sole Bookrunner	Sole Global Coordinator/ Sole Bookrunner	Sales Agent

DCM/EQL

Senior Secured Bond
onlineprinters
EUR 225m
Co-Manager

Selected Structured Finance Transactions

Tier 1 Sponsor	Ara Partners / Junction Capital Partners	ARDIAN	Bregal Unternehmerkapital	STRIKWERDA INVESTMENTS
HoldCo Financing	Senior Financing	Super Senior Financing	Senior Financing	Super Senior Financing
Leading Gym Company	PURAGLOBE	GBA Laborgruppe	eGroup	tsh – Bright Minds Think Alike
Mandated Lead Arranger	Mandated Lead Arranger	Super Senior Arranger	Mandated Lead Arranger	Super Senior Arranger

APHEON	STRIKWERDA INVESTMENTS	Goldman Sachs	Castik Capital	emz / IK Partners / Oakley Capital
Super Senior Financing	Super Senior Financing	Super Senior Financing	Super Senior Financing	Senior Financing
opseo Ganzheitliche Intensivpflege	Your. Online	clear insurance management	ADDSECURE	WUNSCHGUTSCHEIN
Super Senior Arranger	Super Senior Arranger	Super Senior Arranger	Super Senior Arranger	Mandated Lead Arranger

Tier 1 Sponsor	LEA Partners	Levine Leichtman Capital Partners	Oakley Capital	Norvestor
Senior Financing	Super Senior Financing	Senior Financing	Senior Financing	Super Senior Financing
Leading Healthcare Company	ONE QREW	Schülerhilfe! Das Original. Seit 1974.	vitroconnect	glueck kanja
Mandated Lead Arranger	Super Senior Arranger	Mandated Lead Arranger	Mandated Lead Arranger	Super Senior Arranger

Selected Structured Finance Transactions

Bregal Unternehmerkapital	Oakley Capital	Bregal Unternehmerkapital	BORROMIN	Bregal Unternehmerkapital
Super Senior Financing	Senior Financing	Super Senior Financing	Senior Financing	Super Senior Financing
BUILDTEC SOFTWARE GROUP	Schülerhilfe! Das Original. Seit 1974.	bsi	AES	onlineprinters
Super Senior Arranger	Mandated Lead Arranger	Super Senior Arranger	Mandated Lead Arranger	Super Senior Arranger
novo holdings				
Super Senior Financing				
BBI Solutions				
Super Senior Arranger				

Wealth and Asset Management

Our *Wealth and Asset Management* division is known for its personal advice, comprehensive services and active investment solutions based on the expertise of our renowned specialists. We draw on transparent investment processes, ceaselessly striving for the long-term positive performance of the assets entrusted to us – in portfolio management, investment advisory, our mutual funds, and institutional mandates. Correspondingly, our asset management products have an impact right through to wealth management. Beyond this, *Wealth and Asset Management* is closely intertwined with our other business units. Today, it overlaps in numerous areas with the *Investment Bank* and *Corporate Banking* to tap into Berenberg's entire spectrum of services and meet our clients' needs in the best possible way.

In *Wealth and Asset Management*, we are pursuing a clear growth trajectory, stepping up our sales activities both regionally and with respect to additional investor groups. Beyond this, we selectively add new products to further diversify the product range and meet client needs.

»In Wealth and Asset Management, we are pursuing a clear growth trajectory. To this end, we are stepping up our sales activities both regionally and with respect to additional investor groups.«
Klaus Naeve, Head of Wealth and Asset Management

The market environment in 2024 was shaped by changing narratives, particularly by the uncertainty regarding US growth, impacting expectations of interest rate cuts and bond returns. The US economy had a very soft landing, with the global economy developing better than previously forecast. The market initially remained narrow, dominated by the »Magnificent 7« in the US. The second half of the year saw broader market participation, particularly in the US once again. All the major asset classes – from gold to equities to bonds – made gains. Corporate and high-interest bonds showed particularly strong performance, with higher credit risk bringing higher returns. Many equity indices hit new heights. 2024 was the second year in a row to see exceptional returns across almost all asset classes. The »supercycle« forecast in early 2023 for multi-asset approaches has so far come to bear.

Wealth Management

In *Wealth Management*, we provide customised solutions to clients with sophisticated asset structures and special investment requirements, concentrating on very-high-net-worth individuals, family entrepreneurs and business-minded decision-makers, as well as foundations and other charitable organisations. Our approach provides holistic support to an organisation or private individual and their dependents in every area that has a direct or indirect influence on their asset situation.

For us, concentrating on *core competencies* means offering complementary services alongside liquid portfolio management and the selection of illiquid alternatives. Particularly in the case of complex wealth portfolios, we create specific added value for our clients through our cross-bank multi-deposit controlling. This goes hand-in-hand with our advisory service, which has recently again won an award for its quality. Institutional investors are familiar with the service, but it can also offer added value for very-high-net-worth individuals. Specifically, this encompasses advising on and creating a strategic asset allocation (SAA) using the latest scientific findings. On this basis, we identify targeted approaches to adding value for our clients and assist them with making sound decisions.

Depending on their needs, our clients can choose between high-quality solutions for their investments. In *portfolio management*, our clients delegate the achievement of their investment goals to our portfolio management professionals. They can select from a variety of different strategies to suit their personal risk/return profile.

In *investment advisory*, our clients make their investment decisions themselves, in consultation with their advisor and on the basis of thorough assessments and analyses. We have invested further in this area, setting up our *Professional Client Advisory* unit to provide professional clients with a service that is unique in terms of its service level, the quality of its investments and its long-term results. Services of this nature are very rare indeed.

Ambitions for Growth

Following the opening of our Nuremberg office in late 2023, we expanded our presence in Munich in 2024 by moving into a new, substantially larger office there in February. This reflects our ambitions for growth, despite the challenging environment. We believe in the potential to be found in Bavaria and want to tap into this accordingly. Alongside *Wealth and Asset Management*, the Munich office also houses colleagues from our *Investment Bank* and *Corporate Banking* to ensure a closer, more efficient dialogue between these business units. Beyond this, we opened also an office in Hanover to expand our regional presence there, as well, underpinning our ambitions for growth. In 2025, we will create a new »Head of Growth« position to bolster the management team and substantiate our growth ambitions on a structural level, too.

Asset Management

In *Asset Management*, we offer our clients outstanding investment solutions across a variety of asset classes. We concentrate on insurance companies, pension funds, provident funds and family offices, plus the wholesale area.

Our investment solutions focus on three cornerstones. Our *equity funds* reflect our well-founded expertise in equities concentrating on quality growth approaches and small/micro-cap companies. *Multi Asset* offers asset management strategies encompassing global investments, as well as funds with a European focus. These include very flexible solutions, as well as defensive and offensive multi-asset strategies. There is also an offering in the *fixed income* segment, which comprises euro and emerging market strategies.

These core competences are supplemented by additional solutions; our capital market communication underpins our skills in this area. We set ourselves apart through well-founded assessments of the capital markets, which we apply in a decisive manner – also anti-cyclically and away from benchmarks. Via *Berenberg Investment Consulting*, we develop tailor-made investment strategies based on the latest academic and technological advancements. The established strategic asset allocation (SAA) approach has now been expanded to obligation-focused investors as part of asset liability management (ALM). In this context, the *Berenberg SAA & ALM Innovation Hub* was launched, a digital advisory platform that enables all the Bank's investor groups to develop investment strategies in real time. In collaboration with our partners, we also offer our clients access to overlay management solutions. Alongside a proprietary, AI-driven investment approach that generates trading signals, within the *Innovation & Data* team we are focusing on AI-based developments and tools for our investment processes.

We additionally see the integration of ESG principles as a valuable component of our investment decisions because it enables us to more comprehensively manage fundamental portfolio risks and identify opportunities. Our *ESG Office* is responsible for this, and active dialogue with companies and issuers is playing a key role.

Ambitions for Growth

We have continued to build a strong position in the market courtesy of our clear product range. Just eight months after it was set up in November 2023, the BERENBERG GUARDIAN managed to break the €100 million barrier. As of the end of the reporting year, the assets under management amounted to €150 million. In addition, six Berenberg funds were certified again with the FNG label for sustainable investment funds in 2024. Our multi-asset series of publications continues to enjoy great acclaim. We have decided to establish a merger arbitrage strategy to selectively expand the offering and diversify it in a sensible way. The event-driven approach uses pricing anomalies with public mergers and acquisitions to generate stable, diversified returns that are largely independent of the market.

With our strong international presence, our sales strategies are also perfectly tailored to our various target markets. Apart from Germany, Austria and Switzerland (the DACH region), in Europe these markets primarily include France, the UK, Italy and Spain. We have our own sales units in Germany, France, the UK and Switzerland and have continued to expand these. In other markets, we use sales partners. Since 2019, we have been positioned with pension funds outside Europe, particularly in Chile and Mexico, via our local sales partners. We have expanded this network of sales partners over the past year so we can now offer a top-notch service to clients in the Netherlands and Brazil as well. In 2024, Berenberg was the first independent German private bank to sign the UK STEWARDSHIP CODE. The CODE has become a crucial criterion for institutional investors when selecting an asset manager in the UK; this puts us on a course for expanding our institutional sales activities in this region.

Corporate Banking

The expansion of our transaction financing, particularly in the field of *Infrastructure & Energy*, ensured that credit income developed positively and was able to offset reduced interest rates in the passive business. All told, reductions in interest rates have added to demand for our high-yield debt funds. At the same time, we have diversified our client structure, thereby improving the foundations of our deposit business.

The steady appreciation and awards are encouraging evidence that we are on the right path. The European ratings agency Scope honoured us again with awards in November 2024, this time as »Best Asset Manager« in the separate categories of *Infrastructure Debt* and *ESG Infrastructure*.

Alongside firming up our unique market position for super senior financing in the field of *Structured Finance*, we also achieved high growth in *Infrastructure & Energy*. Senior and subordinated financing for wind farms, solar parks and energy storage facilities grew substantially in the year under review. This asset class is also becoming increasingly attractive for investors in the segment of cooperative banks and savings banks. The attractive returns in this area are achieved thanks to the professional handling of sophisticated financing structures and to swiftness. At the same time, these investments make a major contribution to the energy transition.

The substantial price corrections on the *real estate market* enable us to collaborate with investors to make attractive investments in real estate financing. In the process, we saw more single family offices than institutional investors on the buying side in 2024. All told, clients on the deposit and credit side have adjusted to a new environment. However, the tighter equity capital requirements for real estate financing will continue to influence the market.

We saw increasing prices in *Shipping* again in 2024, at large a rather positive trend for ship owners and operators. The sizeable challenges of making shipping fleets modern and energy-efficient remain in play.

Our aim is to provide our clients with cutting-edge services. As a result, we have substantially expanded our digital onboarding process, including for complex corporate structures, and continue to add further features to our portal for corporate clients. The EUA trade (CO2 certificates) will be of major significance in this respect going forward. We aspire to play a leading role here. At present, we are already seeing strong demand for this in the shipping segment already. However, we believe that EUA trading will rapidly gain wider importance in the client/bank relationship in general.

Structured Finance

Structured Finance enjoyed a very successful year in 2024, despite the general challenges of the market environment. The M&A market, which continues to limp along, only had a limited impact on our acquisition financing business. In 2024, we were able to support many of our portfolio companies with their acquisition-based growth via both additional financing and refinancing of existing financing. In this respect, we have continued to adhere to our restrictive investment approach. All told, we undertook 25 transactions and reinvested roughly €1.2 billion, which makes 2024 even more successful than the previous year. This is illustrated by the top-up of our financing of the GBA group, owned by Ardian, and the refinancing for Schülerhilfe as part of the change of majority ownership to Levine Leichtman Capital Partners. There is success to report in terms of fundraising for our corporate direct lending strategy, too. We were able to secure high capital commitments in the three-digit-million euro region via new special mandates, the extension of existing capital commitments and the first closing of our second multi-investor fund. These successes demonstrate that our investors continue to support our conservative investment strategy and appreciate that we have had neither value corrections nor depreciation to report since the launch of our first fund, despite the economically challenging environment for our borrowers.

»Regardless of the market environment, Berenberg's financing structures remain in high demand in the field of corporate direct lending as a tailor-made solution for complex financing needs.«

Lars Hagemann, Head of Structured Finance

Infrastructure & Energy

The *Infrastructure & Energy* segment was able to continue the successes of the previous years in 2024, despite a challenging fundraising environment. For institutional investors, increased interest rates make liquid assets relatively attractive compared to the private markets. Consequently, investors were more reluctant to subscribe to private debt funds. Despite the challenging environment, it was possible to gain new capital commitments including a large institutional investor and investors from the segments of foundations, family offices and very-high-net-worth individuals. Beyond this, our innovative recycling approach – which enables short-term bridging loans to be quickly reinvested – ensures that a large number of transactions can be implemented and growth generated.

On the project side, increased volatility in terms of electricity prices has been seen in the renewable energy sector in recent years. After energy and electricity prices spiked in Europe in the wake of the Ukraine/Russia conflict, they stabilised at pre-war levels during 2024. Despite the volatility, there were no adverse effects on the portfolio, as our financing and covenant structures proved to be resilient. Supply chain problems have largely eased, although there are still delays with individual specialist components. Nevertheless, the supply agreements already concluded for existing financing meant that no material negative effects were recorded here, either. The growing significance of renewable energies – for reasons of climate policy and security policy alike – is reflected in the persistently high number of financing enquiries. This also applies for digital infrastructure investments, particularly in the data centre field, where the megatrends of AI, cloud computing, industry 4.0, smart applications and autonomous driving promise the potential for enormous growth. In line with this, our funds do not merely offer sustainable investment opportunities: thanks to our long-standing presence in these segments, they also offer outstanding access to experienced project developers and asset managers.

In 2024, the successful development of the *Infrastructure & Energy* area was continued with the final closing of the multi-investor BERENBERG GREEN ENERGY DEBT FUND IV. Well before the end of its investment phase, the fund has already invested roughly 94% of the capital commitments of its 33 investors, with full investment projected by early 2025. In addition, a large institutional investor was won for a tailor-made single managed account, the BERENBERG GREEN ENERGY DEBT FUND V, with a capital commitment in triple-digit millions of euro. This fund marks a milestone, as Berenberg's first debt fund with Article 9 classification under the EU Sustainable Finance Disclosure Regulation (SFDR) and the aim of 100%

taxonomy-compliant investments. In total, the family of funds now comprises seven funds that invest in various phases of renewable energies and in digital infrastructure projects.

An additional fund, focusing on CRR-regulated investors, has been marketed since late 2024, with the initial investments planned for the first half of 2025. Beyond this, the launch of a further fund is planned for 2025 that will target international investors and combine the previous focus areas of renewable energy and digital infrastructure. Supplemented by opportunities to invest in infrastructure linked to the energy transition, such as hydrogen electrolysis and EV charging facilities, this fund is intended to increase the diversification of our portfolio and lay the groundwork for the future energy transition and digitalisation. At the same time, we are continuing to grow in our core European markets by gaining new clients and expanding existing partnerships.

Shipping

The shipping industry in 2024 was at a cyclical high for the third year in a row. This sector in particular is benefiting from continued and new geopolitical challenges, which have led to considerable inefficiencies in some transport chains and thus to significantly longer transport routes for (agricultural) commodities, oil products and, most recently, containers (known as tonne-mile effects). This can be clearly seen in the example of the ongoing land-based attacks on ships in the Red Sea. As a consequence, the Suez Canal route continues to be avoided and a much-longer diversion via the southern tip of Africa to Europe is accepted. Conversely, the picture is rather mixed with respect to the underlying supply and demand data. While global trade growth was significantly shaped by the above tonne-mile effects and less by macroeconomic stimuli, the number of new vessels ordered increased substantially on the supply side during 2024 in selected segments, including large container ships and gas tankers. The ratio of new orders to the existing fleet remains fundamentally unchanged, across all shipping segments, at a historically healthy level. However, 2024 was the ten-year average finally exceeded again. We expect that this trend will continue and that the International Maritime Organisation (IMO)'s target of transitioning to a carbon-neutral merchant fleet by 2050 will spark additional, sizeable orders of new vessels over the years to come. However, the pressure from a high number of orders is already associated with substantially extended lead times to ship delivery of approximately three to four years at present. It will be interesting to see the extent to which the recent increased trend towards orders in China (now >60% of the global order book) will continue in the face of potentially growing political uncertainties. It should be noted that the desired – and necessary – new construction of the global merchant fleet over the next ten to fifteen years cannot be achieved without Chinese construction capacities.

The industry's advanced deleveraging, as described above, while technological and regulatory uncertainties lead to a persistent reluctance to invest in some areas, caused a drop in demand for shipping finance during the year under review. Given this transformation, there will nevertheless be a substantial requirement for capital in the upcoming decade, which will largely need to be covered by private capital. However, this fundamentally positive outlook for investors and banks ready to grant financing cannot disguise the fact that investors and banks will prefer mature technology and fungible assets, from a regulatory perspective, or alternatively expect resilient cash-flow commitments from industry or loaders. Here, the industry is competing with other asset classes for capital. The global availability of reliable data on ship emissions and consumption, which is already more advanced in this sector than in other asset classes, is a positive factor.

Our business model in *Shipping*, which has been established for many decades, saw a good development in the year under review, too, and benefited from not being unilaterally dependent on recent weak demand for financing. As a focused provider of banking services for international payment transactions, modern cash management solutions and foreign exchange, and with our strong industry expertise and extensive transaction experience, our *Shipping* team was able to benefit from the positive performance of the sector. For instance, many shipping clients used their positive profit and liquidity situation to take up the Bank's services on the investment side. The expansion of the trade in and on the granting of CO_2 emission rights (»EU allowances«) in late 2023 was a major source of the new client growth seen in the year under review. We want to expand our position as a leading asset manager for private shipping debt, without jeopardising the very good track record we have enjoyed to date with an attractive risk/return in an environment of increased bank competition for a reduced number of projects. A considerable need for financing is projected in the coming years, particularly in the new construction sector. Traditional banks are less and less able to cover this, and we thus see it as a further future opportunity for our flexible business model: in the reporting year, on the one hand, we were already able to make greater use of the access to clients and their investment and financing projects that we have built up over many years and, on the other, to alternative financing providers. This enables us to advise clients on possible alternatives beyond our own asset-based financing strategy, for example from the traditionally shipping-orientated Japanese financing market. Over the years to come, we will continue tapping into our traditionally very good, long-established access to shipping clients and projects in a systematic, flexible manner for attractive product offerings.

Real Estate

The impact of interest rate hikes in the first half of 2022 is having a delayed – albeit even stronger – effect on the real estate market due to its typical resilience. Almost all properties experienced a negative value correction. The amount of the value lost in each individual case is dependent on the type of use, the location, and the energy-related condition of the property. The project development industry is particularly sensitive to interest rates and is experiencing a wave of insolvencies, which is being exacerbated by variable project financing, high price increases for construction materials and falling sales prices. The interest rates for construction financing by the end of 2024 spark hope that the real estate crisis has bottomed out, even if additional corrections and insolvencies are to be expected in 2025.

»Equity-strong real estate investors now have a golden opportunity: it's been a long time since stepping into the market was this attractive.«

Ken Zipse, Head of Real Estate

In this environment, we were able to stand out as a reliable partner for our clients, offering them assistance and support with investing in real estate or financing construction projects. Here the value- and risk-orientated asset management of the properties, which is indispensable throughout the life cycle, is handled by Berenberg. Comprehensive ESG measures are taken in the four special AIFs

BERENBERG REAL ESTATE HAMBURG, BERLIN, HAMBURG II and DEUTSCHLAND as part of their ongoing management. BERENBERG REAL ESTATE ASSET MANAGEMENT GMBH has taken on an energy-efficient office building in Hamburg's HafenCity for a family office. Spanning roughly 14,500 m² rentable area, it has successfully been repositioned with the leasing of substantial vacant spaces. For another family office, Berenberg obtained 140 residential units in Berlin.

In *Real Estate Finance*, we continue to function as an investment manager for institutional capital. So we can offer semi-professional and professional investors access to the market for structured real estate financing via private real estate debt funds. We continue to focus on financing with top-flight collateralisation and a conservative loan-to-value ratio, with the potential to generate above-average returns. This strategy has proven itself, in particular in the current challenging market environment for real estate investment with substantial value corrections, the collapse of the project development and transaction market, interest rate hikes, and the caution shown by traditional real estate funders. Many market participants who have accepted higher loan-to-value ratios in recent years are conversely faced with the issue of delayed repayments, if not value corrections or write-offs. As a result, the current financing environment represents a good opportunity for alternative financiers to establish themselves as reliable partners. In turn, we are striving to integrate additional financings with an attractive risk/return profile.

Central Policy and Business Units

We can only succeed in providing the best possible service for our clients if the required infrastructure of the central policy and business units is optimally aligned to this objective. In addition, the implementation of constantly changing regulatory requirements ties up a great deal of resources. At the same time, the market environment is characterised by increasing digitalisation and automation. For this reason, we have brought together, in a partner division, the central policy and business units that are particularly important for ensuring optimal process chains and guaranteeing central risk management.

Our IT, for which the *Global Technology* unit at Berenberg is responsible, plays an important role in the provision of our services. We have made a conscious decision to develop important components ourselves, using standard solutions where this makes sense for efficiency reasons. In doing so, we always have an eye on our value chain and consider which solution enables the optimal alignment to the needs of our clients. In the case of in-house developments, we consistently use agile working methods. This allows us to achieve a high degree of flexibility, and to boost the productivity and innovative capacity of the unit. In addition, we are focusing on greater modularisation of our IT architecture. Alongside the implementation of regulatory requirements, our development work is particularly dominated by digitalisation and automation projects. The use of AI will play an increasingly important role in our new developments. In order to provide our business segments with stable and secure IT services, we own our IT centre infrastructure. For a future-proof alignment of operations, we will progressively combine scalable solutions, such as cloud computing, with our own systems. The increasingly international nature of our business is accompanied by a global IT approach. In our IT management, we place a special focus on the areas of governance and the regulatory framework. The Bank's *central projects* are also coordinated by a separate department created for this purpose. An *Information Security* unit operating independently of IT management ensures the necessary protection of our systems.

Rendering securities services for our clients necessitates an efficient securities handling system. Our *Transaction Services* unit provides our market units with settlement processes that are precisely tailored to their specific needs. We have chosen not to outsource this important service to a third-party provider, but to provide it in-house. In addition to the high quality and stability of our handling processes, we pay particular attention to improving efficiency. We are focusing on increasing automation in order to both reduce the susceptibility to errors and to provide our front office segments with a platform for further growth and the progressive internationalisation of our business.

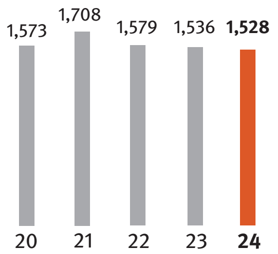
The *Tax* unit ensures compliance with all tax regulations and coordinates the accounting of our subsidiaries. The *Risk & Finance* unit is responsible for analysis and management of risks associated with the banking business, irrespective of the market segment. For many years now, we have paid particular attention to ensuring that key risk indicators from risk controlling are not viewed in isolation from other business developments. For this reason, *Controlling*, *Accounting* and *Financial Reporting* are also integrated into this area and continuously provide the responsible staff and the management with all information relevant in this context.

Group Compliance ensures compliance with all regulatory requirements that relate to the securities business, adherence to rules of conduct and the avoidance of conflicts of interest. In addition, the Group Compliance unit is also responsible for money laundering prevention, it is the central body for combating crimes with an economic background, and it is responsible for the MINIMUM REQUIREMENTS FOR RISK MANAGEMENTt (MaRisk) compliance function and complaints management.

Additional central staff functions are combined in *Client Services*. The responsibilities of this unit include monitoring credit risks and ensuring the market-independent view of the credit business as required by MaRisk. The *Client Administration* unit ensures the proper management of all of the Bank's relationships with clients. Finally, the *Payment Services* unit, also part of this division, ensures the smooth processing of payments from both client business and the Bank based on a new, state-of-the-art payment transaction system. With regard to foreign payment transactions, our system is developing into an increasingly competitive advantage.

Employees

Employees[1] on 31 December
Global Berenberg Group



As of 31 December 2024, Berenberg had 1,528 employees worldwide. The number is virtually unchanged compared to the previous year (1,536). Hamburg remains the largest location, with 826 employees, followed by London (394), Frankfurt (175) and New York (31).

In 2024, we once again focused on strengthening our *employer brand* and expanded our activities on social media. We also attended various events, such as the IT job fair ITCS, the Hacker School and the Bright Network's »Women in Finance & Banking« event this year. We also held an in-house »Come and Meet Us« session. To boost the attractiveness and visibility of the financial industry, we take part in various initiatives, such as »Financial Education in Schools« in Hamburg and the »Financial Education Working Group« run by the Association of German Banks.

Training school-leavers and university graduates played a key role also in 2024. This enables us to fill our vacancies in support roles, market areas and the global technology area with well-educated young people. Twenty-six young talents (trainees in global technology, dual students, graduates) started at Berenberg in the period under review. We also launched a new training collaboration with the Berufliche Hochschule Hamburg (BHH) this year. From 2025 onwards, we will offer an integrated training programme for both the bank areas and global technology, giving participants the chance to combine their studies and their training.

Alongside training young talent, *employee development* is also a key concern of ours. In the year under review, we provided employees and managers with extensive in-house training on knowledge expansion, personality development and networking via our »Learning & Development« offerings. Similarly, we support employees looking to undertake further qualifications (degrees or certificates). We also ran a training session on diversity and inclusion at our overseas sites in London and Paris, plus a session on health and safety in London.

In conjunction with *diversity and inclusion*, an Inclusion Agreement for severely disabled people and those with equivalent characteristics was agreed and introduced in the year under review, in collaboration with the representative of severely

[1] Total head count without interns and working students

disabled employees and the works council. All managers were provided with training to make them aware of the agreement's provisions and objectives. The agreement is intended to foster inclusion at the Bank and contribute to supporting professional integration.

The construction of our new *headquarters* in Hamburg was completed in 2024 and is now being equipped for our needs. Many employees took up the multiple opportunities to visit the construction site and a finished floor, giving them the chance to see the ultra-modern, technologically advanced work environment for themselves. The employee restaurant is being completed as of the time of writing and will provide high-quality catering. Change workshops have been conducted for managers, supporting them with getting their areas ready for the new working environment and clarifying questions related to the move, so all Hamburg-based employees are well-prepared for the move planned for autumn 2025.

As part of employee *social benefits*, we paid our employees in Germany a uniform inflation compensation bonus in 2024, while also raising the employer subsidy for our restaurant vouchers in Paris and Germany. We have modified our occupational pension scheme for employees in Switzerland to make this even more attractive.

We would like to thank our employees very much for their steadfast commitment and for their willingness to perform in these challenging times. We also thank the members of the works council, the representative of severely disabled employees, and the youth and trainee representatives, who again contributed to an open and constructive cooperation in 2024.

Risk Report

The Bank's *risk situation* was stable in the financial year despite continuing international political and economic uncertainties. We continued to pursue our cautious, defensive *risk strategy* in the reporting period. The deliberate focus on service-orientated business areas that tend to be less risky is of particular importance against the backdrop of sometimes uncertain framework conditions. Our risk culture still revolves around an unchanged and extremely conservative risk appetite; this risk appetite is reviewed and confirmed by management on an annual basis as part of the strategy and planning process. Typical risks of the banking business such as credit and market price risks are taken to an appropriate extent, which safeguards the Bank's long-term ability to continue its business activities. This risk philosophy forms the basis of our company-wide, comprehensive risk management and includes the setting of risk limits for targeted execution. Our branches' risk management is handled centrally at our head office in Hamburg.

The Bank's *liquidity situation* was more than comfortable throughout 2024 and remained stable at a very high level characterised by diversified client deposits. The reasons for the high level of our deposits, which generate good margins on the income side, continue to be the extensive USD deposits from the Shipping segment, a stable client base in Wealth Management and the general growth of the operating business. The changes over the course of the year were in line with the usual volume fluctuations and also with our expectations. We hold our structural excess liabilities in a highly liquid portfolio dominated by securities of German public-sector issuers with short remaining maturities and as credit in our Bundesbank account.

Given the strategic concentration on *service-orientated fields of business*, our risk management is characterised by the use of contemporary risk measurement methods and monitoring processes tailored to our Bank's structure. Within this framework, the key risk types of counterparty risks, market price risks, operational risks and liquidity risks are analysed at regular intervals using a comprehensive risk inventory. Reputational, event and participation risks are evaluated as part of the management of operational risks. Potential declines in earnings are also taken into account in various ways, including by considering adverse scenarios, and indirectly by taking a conservative approach to planning and defining the risk cover funds available in terms of *risk-bearing capacity* (the Internal Capital Adequacy Assessment Process or ICAAP). There is also a limit reserve in the risk coverage potential (RDP). In addition, various stress combinations are formed as part of the ICAAP framework and a reduction in the cover pool is also simulated (»protection of balance sheet equity«). Our management-orientated implementation of regulatory requirements regarding ICAAP proved effective in the year under review and is being fine-tuned on an ongoing basis. In 2024, the focus was on updating and further developing the stress tests on the basis of validation activities, the increasing consideration of ESG aspects and the regular review of the conservatism of the approaches in the economic perspective, among other things. The merging of capital planning, profit and loss planning and risk-bearing capacity, as well as the parallel consideration of normative and economic perspectives are firmly integrated into the standard processes of the *Risk & Finance* unit. This enables us to safeguard the two strategic goals associated with this: »the institution's continued existence« and »protection of creditors«. Both perspectives are based on the fundamental principle of calculating risk-bearing capacity, which involves comparing the risks that have been detected with the risk cover available.

The *normative perspective* is based on regulatory requirements, especially with regard to the institution's equity capital. Various different scenarios are analysed as part of our three-year integrated capital planning. On the one hand, we always look at the baseline scenario, which considers business developments in normal economic framework conditions. On the other, we examine an adverse scenario which assumes a severe economic downturn lasting much longer than a year. This scenario is based on extensive macroeconomic and institution-specific assumptions. It is not just simulated for individual parameters in isolation. Instead, the adverse scenario constitutes an integrated stress test, with an impact on all relevant parameters, as defined by MaRisk. The scenario also comprises management control measures to counteract any crisis that develops. The results obtained clearly show again that the Bank could comfortably navigate even extreme scenarios with its own assets and earnings power. Current decisions by the banking supervisory authorities on changes to capital requirements are analysed and included in planning if relevant with regard to their impact on the Bank's capital situation.The regulatory capital ratios are complied with.

In the case of the *economic perspective*, the risk coverage potential is calculated at close to present value. This calculation is based on the capital indicators in the balance sheet according to the HGB (German Commercial Code), supplemented by hidden reserves and/or losses. Under our very conservative approach, budgeted profits are not credited. We quantify the potential losses of the business divisions for the aforementioned risk types on the basis of the value-at-risk (VaR) principle. VaR thereby represents the loss ceiling for a given probability level. Risk is quantified at a high confidence level of 99.9% and with a risk horizon of one year, using established present value model calculations. The VaR procedures reflect the potential losses on the basis of normal market conditions. The methods of evaluating the risk position are supplemented by suitable historical and hypothetical *stress tests*, with the aim of examining the risk situation from a more extreme angle.

The regular reconciliation of risk and risk cover is based on these two different views of the Bank's overall risk position. The covering amounts for the various categories are aggregated conservatively, thereby deliberately ignoring diversification effects that mitigate risk across the various risk types. Monthly and quarterly analyses, carried out in parallel, enable us to compare the results of various stress scenarios specific to risk types, as well as the results of general stress scenarios, with the available economic risk cover. The results of these analyses should not exceed the risk capital. We also perform ad hoc stress tests, as required, to evaluate crisis situations as they arise. As an inverse stress test, we calculate combined scenarios that would tie up all of the available economic capital if they were to occur. While the average risk utilisation increased to about 70% in the year under review compared to 55% the previous year, not all of the economic capital available to the Bank was tied up by the business divisions. This is in line with our strategies and the overall result illustrates the appropriate opportunities of the business activity in relation to the risks taken.

Executive Management holds supreme responsibility for risk management and defines the overarching conditions for managing the various types of risk. In organisational terms, the *Risk & Finance* unit acts independently of the various market units, in accordance with the MaRisk for banks and financial services institutions. It works closely with other organisational units to ensure that a steady stream of information is passed to the Bank's Executive Management and Advisory Board in a timely fashion (risk controlling function). *Risk & Finance* is responsible for developing and overseeing the systems used in overall bank and risk management. The unit includes the risk and regulatory reporting (pillar I and II risk view), controlling and accounting (internal and external/commercial P&L view), ESG, projects and governance (including validation of risk models), accounts and disclosure and the data protection and information security units. The targeted linking of business performance figures from Controlling and the results under commercial law from Accounting with economic and normative risk metrics enables us to generate a comprehensive, overarching perspective of the Bank when appraising risk so we can report on this to executive management. The business unit carries out a comprehensive risk inventory at regular intervals and compares the extent of the various risk types with the available risk cover. As part of the risk management process, we ensure that risk is not excessively concentrated, either within or across risk classes, in line with our strategy.

In its risk management, Berenberg employs the traditional model of three lines of defence. In the *first line of defence*, members of operational management in the Bank's various units act as the risk owners, with responsibility and accountability for assessing, managing and mitigating risk. This includes implementing and monitoring organisational hedging measures, as well as the control activities embedded within the processes. Within the scope of the *second line of defence*, the *Risk & Finance* and *Group Compliance* units facilitate and monitor the implementation of effective risk management and ensure independent risk reporting to the Bank's Executive Management. The *third line of defence* comprises the Bank's independent *Internal Audit* department, which employs a risk-orientated approach to evaluate how effectively the Bank is controlling its risks and how well the first and second lines of defence are performing their tasks.

Geopolitical conflicts continued to cause economic uncertainty in the reporting year, which also repeatedly led to significant movements in the financial and capital markets. Given the Bank's strategic area of business, it has not been directly affected by existing risk positions to a notable extent. All existing sanctions are of course taken into account consistently (primarily concerning payment transactions and compliance). For credit risks there was no apparent need beyond the existing stress tests; our Credit Risk Management team is keeping a close eye on developments. At present, this also affects real-estate-related activity, which, at around 8%, only makes up a small portion of our client loan portfolio, as well as isolated cases in the Structured Finance segment. There are no exposures to the SIGNA group (René Benko) or to the Gröner Group, which is equally insolvent. Operational risks have not increased to an unusual extent in the period under review. The position of the Bank with regard to ICAAP is robust, in both normative and economic terms.

Although we also fund ourselves via client deposits, we only need a small portion of these deposits for funding due to our business model (among other things due to our limited credit volume). Alongside this, we do not engage in lengthy maturity transformations, unlike many other banks. Our average fixed interest rate runs for less than a year.

The existing risk-covering asset buffers (normative and economic) are still sufficient at the time of writing to cover the potential additional effects of a crisis on the Bank. Stress tests implemented to date therefore address the existing scenario, but can be expanded and adapted to new developments as and when required. Current regulatory developments (such as CRR III and ESG) are closely monitored and their impact on the Bank as a whole is analysed.

Credit Risk Management, a back-office department that is organisationally independent of the client service departments, monitors the *counterparty risks* which are entered into on the basis of a suitable limit system. The management of default risks at the overall portfolio level is supported by targeted analyses by the Risk & Finance unit. *Market price risks* arise not only from short-term positions in the trading book but also from strategic positions in the liquidity reserve; they are closely monitored through risk controlling. *Interest rate risks* and *Credit Spread Risiken* in the banking book (IRRBB and CSRBB) represent a further addition to the risk profile. Risk & Finance also quantifies *operational risks* by utilising advanced methodological procedures. The level of these risks is limited by stringent processes, the appropriate qualifications of our staff and a comprehensive set of rules, including contingency planning. The *Treasury* unit, together with *Money Market Trading*, is responsible for managing *liquidity risks*. Risk controlling (that is *Risk & Finance*) is systematically integrated into the monitoring process and validates the results at regular intervals.

An overarching calculation is executed on a monthly basis to track the profit and loss of the business divisions, taking into account the risks assumed. This also includes an analysis of volatile return components and possible changes in returns resulting from these components. Daily reports on the most important items on the income statement and scenario planning serve as an early warning system. In line with the strategy, targeted diversification is executed across business areas and markets. The *Risk & Finance* unit provides management with reports that enable them to analyse the results and risks at various aggregation levels. The Bank's *Internal Audit* unit regularly examines the organisational precautions for managing, monitoring and controlling the various categories of risk, based on the parameters specified in the Audit Manual. *Risk & Finance* and *Credit Risk Management* (non-market) regularly provide information to the *Risk Monitoring Committee* set up by the Bank's Advisory Board, which holds three scheduled meetings each year and also meets ad hoc as required. The principles of our risk management are recorded in a written risk strategy, which is available to all members of staff.

The complete report for the year can be accessed on our website: www.berenberg.de/en/riskreport.

Forecasts and Opportunities for 2025

As in previous years, 2024 was once again shaped by uncertainty. The political and geopolitical situation in Germany, Europe and the wider world experienced changes in 2024 that will have an impact on the capital markets – and by extension, our business – today and in the future. The record levels of inflation seen at the start of the year under review have abated, and interest rates have also dropped to a noticeable extent across Europe. Political uncertainties caused by the abrupt end of Germany's »traffic light« coalition and the resulting elections in early 2025 have a direct impact on the economy and society. Legislation expected for the last quarter of 2024 was not passed, which had a direct impact on our business. In the first half of 2024, the interest environment (which had been fairly constant up to that point), paired with a very stable level of client deposits, ensured a strong amount of interest income. Drops in interest rates in the second half of the reporting year, and the forecasts for 2025, leave us expecting that interest income will fall again this year. At the beginning of 2024, the multiple crises prevented the capital market business, important for Berenberg, at first from picking up. However, we saw initial signs of a slight recovery in the second half of 2024. We are taking a cautious approach to our projections for 2025. Still, compared with the previous years, there is substantially more optimism for the further recovery and stabilisation of the market. We had reduced our cost base at an early stage with an optimised position, while always ensuring that we can perform well when the market recovers.

Once again, it has been demonstrated that our mid-sized Bank with its lean management structure, decisive *Managing Partners,* and solid capital base can act much quicker than many competitors, in particular, larger banks. We are also much more diversified than smaller market participants, whose activities are often limited to just one single area. This diversification has led to clear benefits. For example, over the past few years we have been able to continuously adapt our business model to align with the requirements at hand and expand Berenberg into an internationally focused advisory firm. This puts us in a good position to face up to the challenges of tightening regulatory requirements and digitalisation, both in terms of processes and client interfaces.

Beyond Hamburg, we have also established a foothold in the major financial centres of London, New York and Frankfurt. With 394 employees (as at the end of 2024), London is our second-largest location. We are convinced that London will continue to be a very important financial centre and we consider ourselves to be well-positioned with our branch there. As a company with its head office within the EU, we also fulfil all the requirements to be able to successfully continue offering our services in the business area we focus on, even in the post-Brexit era. Our subsidiary in New York serves as a distribution platform for our established European equity product.

We are keeping an eye on our goal of gaining market share in all the relevant fields and believe that the prospects for this are good. We benefit from the fact that our competitors are also suffering from the market's overarching weakness. We will tap into further potential periods of market consolidation to win market share. Looking at the development of our Bank with a long-term time horizon stands us in good stead and enables us to endure isolated periods of market-related slowdown. Our core markets remain Germany, the UK, Continental Europe and the US. We want to be the preferred partner for our existing clients and assist them in the long run, while also using our expertise and unique service quality to attract new clients. We plan to retain our proven, diversified business model focused on the areas of *Investment Bank*, *Wealth and Asset Management* and *Corporate Banking*. We want to expand our market share in the area of securities trading. We already have a long held leading position in our domestic capital markets for a long time; our aim is to replicate this in other markets, too. In *Wealth Management*, we focus on providing services for sophisticated asset structures. We have further dovetailed this division with *Asset Management* via a shared sales function in 2024, enabling us to provide our clients with an even broader range of excellent products. Our goal is to be one of Europe's leading wealth and asset management boutiques. Our experts' renowned skills and various awards ensure a high level of market visibility. Within *Corporate Banking*, we intend to use innovative products to further consolidate and expand our sound market position. Core components of this are the debt funds set up and managed within *Corporate Banking*.

As diverse as these divisions are, they all share an ambition to provide our clients with high-quality independent advice, the best possible service and excellent execution. We will continue to focus on our service offering and pursue this with a very conservative risk management approach. Berenberg will concentrate on its existing business divisions and exploit opportunities that promote the continuous development of our business activities. We will continue to apply our strategy of organic growth so we can devote our full attention to our clients' needs. This does not exclude the takeover of smaller units, if synergies arise as a result.

In addition to expanding our market units, we will also adapt our internal structures on an ongoing basis. In the process, our in-house IT is of major significance: it has state-of-the-art equipment and the necessary flexibility of modern organisational structures. In this context, investments were also made in implementing the requirements of the Digital Operational Resilience Act (DORA), which had to be complied with by 17 January 2025.

In the course of 2025, we will move into a new building at our headquarters in Hamburg and relocate the employees working there (826 as at the end of 2024). These new premises meet strict sustainability criteria and are aiming to achieve the DGNB Certificate in Gold. We are also in the midst of migrating to new, ultra-modern data centres. To comply with regulatory requirements, we invest in suitable systems and processes, as well as in the effectiveness of our regulatory functions. These primarily include *Group Compliance*, *Internal Audit* and *Risk & Finance*. Similarly, we will implement all sustainability-related regulatory requirements on a product and company level. For that reason, our focus in 2024 was on the disclosure requirements under the European Corporate Sustainability Reporting Directive (CSRD); we will fully comply with the legal requirements in our publications. At the reporting date, we were not aware of any specific risks that go beyond those handled as part of our risk management process and that could have a major impact on the Bank's future business performance.

We believe that our market position puts us in a very strong position to achieve a good result in 2025 – even against the backdrop of potential further market consolidation by competitors. Our projects are initially very cautious. This environment gives rise to both risks and opportunities for our Bank's business. To date, Berenberg has been able to manage the recent risks and has systematically made the most of the opportunities that have come to bear. Given the Bank's expertise, we have good reason to assume that we will continue on this path to success.

The high level of consolidation pressure in the financial sector will continue, regulation will not decrease, and institutions will further depend on investing in digitalised and efficient processes in order to remain profitable. We consider ourselves to be well prepared for this, thanks to our robust business model, and we want to use this phase to gain further market share. In doing so, we will pay particular attention to structuring our processes so they are as efficient and cost-effective as possible.

Due to the Bank's service- and client-orientated business model and the therefore comparatively short lead time for the commission income dominating the income statement, the Bank traditionally plans conservatively. We expect a drop in interest income for 2025, against the backdrop of interest rate trends. However, we anticipate a moderate rise in commission income. Likewise, we are forecasting that operational management expenses will also rise moderately. This increase will partly be due to one-off expenses connected to the move to our new headquarters in Hamburg.

Investment Bank

In 2025, we expect our share of the research advisory wallet to once again be in the top ten in Europe. We are confident we can continue to strengthen our position in the German-speaking regions and maintain positive momentum in the rest of continental Europe. We will continue to build on our successful franchise in the UK. We also wish to participate in US ECM within our areas of strategic focus.

Our high-touch trading business remains best-in-class, particularly in Germany, the UK and in special situations. Our successful expansion in low-touch trading has been a meaningful contributor to our growth, which we expect to continue in 2025. We also expect our fixed income and FX businesses to make a positive contribution to net income in 2025.

Wealth and Asset Management

It is expected that 2025 will once again offer a more positive market environment, shaped by deflation, drops in central bank rates, and fiscal policy stimuli from the US and China. In turn, this suggests further profit growth and the continuation of the bull market. The consensus forecast is for double-digit earnings growth. However, optimism and investor positioning in equities are already high, which is likely to limit upside potential. The third year of the bull market could see greater volatility for US stocks, in particular. Inflation, US government debt and political uncertainties, especially in the context of a new Trump cycle, could shape the market. Currently, the overarching conditions are very different from those in 2016, which is likely to reduce the impact on fiscal measures and Trump's influence in the markets. Increasing bond returns and the prospect of tighter policies of the Federal Reserve in the second half of the year present certain risks. All told, 2025 looks to be a more volatile year for investors, with opportunities for all asset classes.

The forward-looking positioning of our *Wealth and Asset Management* unit reflects our aspiration to continue growing at a rate above the market average. Investment in staff, processes and products will support us in convincing even more clients of the benefits of our offering. We will also continue with our digitalisation journey. On the one hand, this will enable us to drive forward the digital support of the advisory process; on the other, it will assist us with implementing further AI-based application cases and innovations within the investment process and beyond. Our product range is now on an optimum footing to tap into our growth trajectory from previous years, even if the market environment remains challenging. We are in a very good position in terms of sales and want to boost market penetration in our existing markets, as well as tap into new markets.

Corporate Banking

A lower interest rate level paired with decreasing volatility will lead to low returns in the deposit business, but this is likely to be compensated by continued gains in the debt funds business. Strong asset growth in *Infrastructure & Energy* highlights the opportunities here for acquiring new client groups. Some real estate segments will see further setbacks in 2025, giving rise to scope particularly for investors with strong capital resources, whom we want to support in this process. In addition to successful strategies in corporate direct lending and shipping debt, the aim is to generate further asset growth through new investment strategies. Both our *Corporate Clients* and our *Shipping* unit expect to acquire appealing new clients and client groups that enable us to expand the foundation of our business.


ERENBERG
PRIVATBANKIERS SEIT 1590

ANNUAL FINANCIAL STATEMENTS
(EXCERPTS)

Balance Sheet as at 31 December 2024

Assets €		2024	2023
Cash reserve			
Cash on hand		1,732,365	2,010,489
Balances with central banks	1	777,925,442	2,237,392,135
		779,657,807	**2,239,402,624**
Receivables from banks			
Payable on demand		223,657,203	228,285,019
Other receivables		148,883,977	328,560,177
		372,541,180	**556,845,196**
Receivables from clients	2	**1,017,882,384**	**1,123,695,253**
Bonds and other fixed-income securities			
Bonds and debentures			
– of public-sector issuers	3	1,918,685,285	1,113,086,647
– of other issuers	4	1,962,313,492	1,365,431,987
		3,880,998,777	**2,478,518,634**
Shares and other variable-yield securities		**184,200,668**	**76,233,339**
Trading portfolio		**19,247,938**	**12,086,106**
Participating interests		**243,073**	**313,048**
Shares in affiliated companies		**78,300,000**	**78,300,000**
Trust assets		**3,690,905**	**3,582,630**
Intangible assets			
Purchased franchises, industrial property rights and similar rights, and licences to such rights		**1,315,918**	**2,377,102**
Tangible fixed assets		**35,366,720**	**17,855,665**
Other assets		**48,767,465**	**54,073,133**
Prepaid expenses		**22,535,997**	**16,837,114**
Excess of plan assets over pension liabilities		**1,861,487**	**3,979,012**
Total assets		**6,446,610,319**	**6,664,098,856**

1) thereof: with Deutsche Bundesbank €777,925,442
2) thereof: municipal loans €0
3) thereof: eligible as collateral with Deutsche Bundesbank €1,897,367,791
4) thereof: eligible as collateral with Deutsche Bundesbank €1,711,500,668

Equity and liabilities €		2024	2023
Liabilities to banks			
Payable on demand		73,444,379	175,423,308
		73,444,379	**175,423,308**
Liabilities to clients			
Other liabilities			
– payable on demand		4,221,487,292	3,869,997,506
– with agreed term or notice period		1,556,044,599	2,043,588,815
		5,777,531,891	**5,913,586,321**
Trust liabilities	1	**3,690,905**	**3,582,630**
Other liabilities		**29,771,982**	**54,772,194**
Deferred income		**1,748,019**	**1,075,285**
Provisions			
Provisions for pensions and similar obligations		35,333,673	35,212,578
Provisions for taxes		17,774,987	14,675,276
Other provisions		72,855,320	62,520,897
		125,963,980	**112,408,751**
Subordinated liabilities		**85,000,000**	**80,000,000**
Fund for general banking risks	2	**8,100,000**	**8,100,000**
Equity			
Subscribed capital		157,895,000	157,895,000
Capital reserve		7,446,832	7,446,832
Retained earnings		94,404,633	94,404,633
Net profit for the year		81,612,698	55,403,902
		341,359,163	**315,150,367**
Total equity and liabilities		**6,446,610,319**	**6,664,098,856**
Contingent liabilities			
Liabilities under sureties and guarantee agreements		**48,570,911**	**52,318,550**
Other commitments			
Irrevocable loan commitments		**272,969,385**	**276,141,256**

1) thereof: trust loans €0
2) thereof: special item compliant with Section 340g HGB in conjunction with Section 340e (4) HGB €8,100,000

Income Statement
for the Period from 1 January to 31 December 2024

Expenses €		2024	2023
Interest expenses	1	**176,395,668**	**147,304,500**
Commission expenses		**79,114,516**	**162,777,149**
General administration expenses			
Personnel expenses			
– Wages and salaries		219,099,162	198,828,062
– Social security charges and expenses for pensions and similar benefits	2	33,977,419	32,855,481
Other administrative expenses		157,623,500	150,060,590
		410,700,081	**381,744,133**
Depreciation of tangible fixed assets and amortisation of intangible assets		**8,793,807**	**7,900,286**
Other operating expenses	3	**4,734,406**	**3,245,544**
Write-downs of and valuation allowances on receivables and certain securities and additions to loan loss provisions		**40,247,874**	**19,518,763**
Taxes on income		**22,631,245**	**19,349,227**
Other taxes where not shown under Other operating expenses		**686,569**	**626,705**
Net profit for the year		**81,612,698**	**55,403,902**
Total expenses		**824,916,864**	**797,870,209**

[1] thereof: for negative interest €0
[2] thereof: for pensions €8,729,197
[3] thereof: for compoundings €1,118,026

Income €		2024	2023
Interest income from			
– credit and money market activities	1	201,605,053	250,513,099
– fixed-income securities and debt register claims		112,008,377	59,938,597
		313,613,430	**310,451,696**
Current income from			
– shares and other variable-yield securities		3,505,625	3,511,905
– participating interests		46,425	0
		3,552,050	**3,511,905**
Commission income		**466,973,761**	**451,726,877**
Net income from trading portfolio		**8,724,427**	**8,695,164**
Income from write-ups of investments, shares in affiliated companies and securities presented as non-current assets		**13,054,015**	**1,097,324**
Other operating income		**18,999,181**	**22,387,243**
Total income		**824,916,864**	**797,870,209**

[1] thereof: for negative interest € 0

Notes to the Financial Statements as at 31 December 2024 (Excerpts)

General Information

The annual financial statements for the year ended 31 December 2024 have been prepared in accordance with the provisions of the German Commercial Code (HGB) and the German accounting regulations for financial institutions. Figures for the previous year are shown in parentheses unless stated otherwise. For better clarity, zero lines are not shown in the balance sheet and income statement.

Accounting Policies

The existing accounting policies were largely applied without change in the reporting year. Changes compared to the previous year, if any, are shown under the corresponding accounting methods. Assets and liabilities denominated in foreign currency were converted into euros at the European Central Bank's reference rate prevailing at the balance sheet date, in accordance with Section 256a of the HGB in conjunction with Section of the 340h HGB. The cash reserve is recognised at nominal value.

Receivables from banks and clients were recognised at nominal value or at acquisition cost; accrued interest was taken into account in the corresponding balance sheet items. Premiums and discounts on loans and discounts on purchased receivables were recognised as assets or liabilities on an accrual basis and distributed pro rata over the term. Convertible loans and convertible bonds (convertibles) were not recognised separately on the balance sheet. While they are structured products, the derivatives embedded within them do not lead to a substantial increase in opportunities and risks. As a result, there is no requirement to recognise them separately. All identifiable credit and country risks in the receivables portfolio were taken into account by forming individual value adjustments and provisions. In principle, individual value adjustments were undertaken on the unsecured portion of the receivables or calculated using recognised valuation methods. The appropriateness of this is checked on an annual basis by Credit Risk Management. The value adjustments were deducted from the receivables or recorded as provisions. Lump-sum value adjustments were undertaken to cover latent credit risks. The Bank calculates lump-sum value adjustments in accordance with the requirements of IDW RS BFA 7. In doing so, the Bank uses the valuation simplification principle set out under IDW RS BFA 7 para. 23 et seq. There is a lump-sum value adjustment of €5.0 million (€6.6 million). The twelve-month PD was determined using internal rating procedures for the client lending business. The overarching conditions for the method have not changed to a substantial extent. In particular, this relates to the credit risk strategy, the structure of the loan portfolio (terms, ratings etc.) and defaults. As the management is of the opinion that there are no signs of a significant increase in risk beyond the findings of the model, no adjustments were made by the management. Given the framework conditions in place, the assumption of balance can be upheld, as before.

As of the balance sheet date, securities with a book value of €1,808.6 million (€884.4 million) were treated as fixed assets. In the reporting year, new securities with a carrying amount of €1,312.3 million were reclassified as fixed assets. Securities treated as fixed assets are measured at cost, provided there was no permanent reduction in value. The securities classified as investments are held, in principle, until they reach maturity. These are issuers with no identifiable risk of default and for whom there is no anticipation of an acute impairment of creditworthiness in the future, either.

Securities in the liquidity reserve are valued according to the strict lower of cost or market principle, or in accordance with valuation units. These valuation units are recognised in the balance sheet using the net hedge presentation method. The offsetting changes in value from the hedged risk (effective portion) are not recognised in the balance sheet. Any overall unrealised gain arising within the valuation unit was not taken into account. In contrast, if the ineffective portion of the changes in the values of the underlying transaction and the hedging transaction from the hedged risk demonstrates a loss, a corresponding provision for anticipated losses was created.

The Bank must provide the prospective proof of effectiveness. Mathematical effectiveness is assessed via a sensitivity analysis involving a comparison of the change in the values of the underlying transaction and the hedging transaction in the event that the general interest rate changes by one base point. For the purposes of this, at Berenberg, a hedging relationship is deemed to be effective if the ratio of the (opposite) changes in value is within the range of 80% to 125%. At Berenberg, everything is within this range. If a conscious decision is made only to hedge part of the volume or the term when the hedging relationship is formed, this is to be taken into account when assessing its effectiveness.

Securities borrowed or lent under securities lending transactions and the related retransfer liabilities or retransfer receivables are recognised in the balance sheet for securities that are lent, and are not recognised in the balance sheet for securities that are borrowed.

The financial instruments in the trading portfolio are valued mark-to-market less a risk discount. Convertible bonds are not traded on an active market. As a result, they are valued using a model that makes the following key assumptions:

- the call option is valued on the basis of the historical volatility of the underlying share;
- the bond spread is approximated on the basis of the historical acquisition cost and the development of a comparable index (iTraxx Crossover).

The risk discount is calculated on the basis of the Bank's internal management system using actuarial methods. The value at risk is determined for a holding period of ten days and a confidence level of 99%. A historical observation period of 250 trading days is assumed, with the individual changes in value being incorporated into the calculation with exponential weighting. The risk discount is calculated separately for each portfolio. The internal criteria for inclusion in the trading portfolio have not changed.

Participating interests and shares in affiliated companies are recognised at acquisition cost less unplanned depreciation.

Tangible fixed assets and purchased intangible assets are accounted for at their amortised cost. These were depreciated on a straight-line basis pro rata temporis over their normal useful life, which is based on the respective useful life for tax purposes. Assets with acquisition costs of up to €250 were fully depreciated in the year of acquisition. Low-value assets with acquisition costs of between €250 and €1,000 acquired before the 2024 financial year were grouped together in a collective item and depreciated on a straight-line basis. Low-value assets with acquisition costs of between €250 and €800 purchased in the 2024 financial year are written off in full in the year of acquisition. In the statement of changes in fixed assets, they are shown as additions and included with the amount of depreciation for the year 2024. The option to recognise internally generated intangible fixed assets as an asset was not exercised.

Other assets, including option transactions, were recognised at the lower of cost or fair value. Option premiums received and paid were generally only recognised in profit or loss when the option expired or was exercised.

Liabilities are carried at the settlement amount plus accrued interest. Accrued interest on subordinated liabilities is reported under other liabilities.

Provisions are formed at the necessary settlement amount according to prudent commercial judgement.

Pension provisions were determined on the basis of the biometric calculation principles according to the 2018G version of the mortality tables by Heubeck-Richttafeln GmbH in the amount of the obligation according to the present value of acquisition (projected unit credit method). The underlying interest rate is 1.90% (1.83%). The option is exercised to use the average market interest rate of the past ten years determined and published by Deutsche Bundesbank, based on an assumed remaining term of fifteen years. A salary increase of 2.0% (2.5%; with the exception of one commitment where salary increases are contractually excluded), a pension increase of 2.0% (2.0%) and standard industry fluctuation were used. Additions to pension provisions are reflected in other operating expenses and personnel expenses. Assets used to settle retirement benefit obligations were offset against the corresponding obligations. The difference between the valuation of pension provisions based on a flat market interest rate from the past ten financial years and the valuation of provisions based on a flat interest rate from the past seven financial years amounted to €0.5 million (-€0.6 million) as of the balance sheet date.

The provisions recognised take into account all identifiable risks and contingent liabilities, including those arising from off-balance-sheet transactions, in accordance with the principles of prudent commercial judgement.

Provisions with a remaining term of more than one year were discounted at the average market interest rate for the past seven financial years corresponding to their remaining term (Section 253(2) sentence 1 of the HGB). The discounting was based on the interest rates in accordance with the Regulation on the Discounting of Provisions (RückAbzinsV) as published monthly by Deutsche Bundesbank.

Equity items were recognised at nominal value (Section 272(1) of the HGB).

Gains from foreign exchange and securities transactions with clients are reported in net commission income. The price gains from client-induced trading transactions are also reflected in net commission income, due to their service-related character. As a result, securities transactions conducted on behalf of clients are carried under bonds and other fixed-income securities or under shares and other variable-yield securities, in deviation from the banking supervisory trading book. Drops in price from client-instigated trading activities are listed as commission expenses. Net commission income is calculated for each class and securities account at the end of the day.

Derivatives were valued in accordance with the legal principles. Interest rate swaps were valued by forming valuation units.

For all transactions, the currency forwards were valued at the forward rate valid on the balance sheet date. The results in the respective currencies are offset against each other. Any remaining loss is to be presented under other liabilities. An adjustment item was formed for one remaining gain position from specially hedged transactions and reported under other assets on the assets side of the balance sheet.

The existence of special hedging within the meaning of Section 340h of the HGB can be considered fulfilled according to IDW RS BFA 4 if the currency risk is managed via a currency position and the individual items are transferred to a currency position. The transactions outside the trading portfolio are controlled in each currency.

In the income statement, income from currency conversion outside the trading portfolio, insofar as it concerns a special hedge within the meaning of Section 340h of the HGB, as well as income from liquidity management are shown netted in the items other operating income or other operating expenses.

Both expenses and income from currency conversion are considered to have been realised for specially hedged transactions.

Transactions rolled over on an old rate basis and hedging transactions for prematurely settled forward transactions are valued separately. Open positions are valued separately at mark-to-market at year-end. Furthermore, securities settlement results in foreign exchange positions for the period between the client being billed and the transaction being completed if the client is billed in euros but the transaction is completed in a foreign currency. These positions are also valued separately at the end of the year. Open foreign exchange options are valued using an option pricing model.

Negative interest from asset transactions and positive interest from liability transactions were recognised as a reduction in interest income or interest expenses. The interest result from interest rate swaps is netted per swap and reported gross in the interest result as interest expense or interest income.

The option to offset expenses and income when reporting risk provisions in the income statement was exercised.

Loss-free Valuation of the Banking Book

Provisions for anticipated losses on pending transactions are to be set up for any excess obligations arising from activities involving interest-bearing financial instruments in the banking book. All assets and liabilities that are not attributable to the trading book or which fall under equity or similar items (fund for general banking risks) have been included in the banking book. When a possible excess obligation is determined, matching amounts or maturities are notionally closed at the reporting date. The terms for this are based on the (risk-free) capital market interest plus a risk premium, which is aligned with the refinancing structure in the Bank's internal management. There are no plans to sell highly liquid securities.

On account of the large excess deposits, there was no mismatch of amounts for which it would have been necessary to notionally close the items when calculating the excess obligations. There was no mismatch of amounts/maturities with respect to liquidity, even under very strict assumptions regarding the deposit base underpinned by both a certain decline in the volume of deposits over time and extreme stress assumptions arising from high ad hoc outflows of deposits.

When determining the excess obligations, provisions and value adjustments already recognised under other valuation rules (such as interest-related provisions for hedges as defined in Section 254 of the HGB) were included when measuring a possible provision for anticipated losses on pending transactions. The necessity of taking into account the risk costs expected to be incurred and administration costs was determined as a markdown on the cash flow.

The banking book is measured at present value. No provisions for anticipated losses on pending transactions needed to be established as of the reporting date.

Notes to the Balance Sheet

Receivables from/Liabilities to Banks/Clients

Breakdown of maturity by remaining maturity €'000	**up to 3 months**		**more than 3 months and up to 1 year**		**more than 1 year and up to 5 years**		**more than 5 years**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Receivables								
from banks	98,884	46,168	50,000	182,113	0*	100,279*	0	0
from clients	586,133	589,822	28,244	49,380	109,538*	433,199*	293,968	51,294
of which with no fixed maturity	545,195	391,936						
Liabilities								
to banks	0	0	0	0	0	0	0	0
to clients	1,447,335	1,883,288	86,764	146,018	0	14,282	21,945	0
of which due in the subsequent year	1,447,335	1,883,288	86,764	146,018	0	0	21,945	0
Savings deposits	0	0	0	0	0	0	0	0

* This includes the investment in promissory note loans issued by German public sector issuers and/or government guaranteed promissory note loans.

Loans with a maturity of more than one year are not subject to any specific interest rate risk as a result of swap or other interest rate hedge transactions (micro and/or portfolio hedges).

Disclosure of Relationships with Affiliated Companies and with Companies in which a Participating Interest is Held

Relationships €'000	**with affiliated companies**		**with companies in which a participating interest is held**	
	2024	**2023**	**2024**	**2023**
Receivables				
Clients[1]	22,711	108	0	0
Liabilities				
Clients	9,920	17,057	3,037	2,710

[1)] In addition, there are irrevocable loan commitments towards affiliates amounting to €31.0 million (€6.9 million).

Bonds and other Fixed-Income Securities

Broken down into securities, as follows €'000	**public sector issuers**	**other issuers**	**Total**
2024	1,918,685	1,962,313	3,880,999
Thereof:			
due in 2025	216,107	405,445	621,551
marketable	1,918,685	1,962,313	3,880,999
listed	1,918,685	1,962,313	3,880,999
2023	1,113,087	1,365,432	2,478,519

The debt securities from public issuers are primarily bonds issued by German federal states or with a guarantee at the federal and/or state level.

The debt securities from other issuers are broken down as follows

€'000	**2024**	**2023**
Bonds with government guarantee	1,962,250	1,360,659
Other	63	4,773
Total	1,962,313	1,365,432

As a rule, bonds with government guarantees were issued by German development banks backed by Germany or German federal states.

The average remaining maturity of all bonds is 2.4 years (1.9). Interest rate risk is frequently limited to the change in the three- or six-month Euribor rate by investing in floaters or entering into hedges in the form of interest rate swaps (micro and/or portfolio hedges).

Bonds and other fixed-income securities totalling €1,808.6 million (€884.4 million) are valued as fixed assets. In the reporting year, securities with a carrying amount of €1,312.3 million were reclassified as fixed assets.

In the case of bonds and other fixed-income securities, which are classified as fixed assets, impairments of €4.3 million (€4.5 million) were not recognised as at the balance sheet date in accordance with Section 253 (3) sentence 6 of the HGB, as we believe that the impairments are due to market price-related fluctuations in value and are therefore not of a permanent nature. The fair value of these bonds is €217.1 million (€430.5 million) and the book values are €221.4 million (€435.0 million). Holdings not valued according to the strict lower of cost or market principle are held in a separate securities account. In addition, the portfolio contains securities with hidden reserves amounting to €24.3 million (€8.0 million). Their fair value was €1,611.6 million (€457.3 million), while the book values are €1,587.2 million (€449.3 million).

Valuation Units

Fixed-income securities in the amount of €1,211.9 million (€1,016.7 million) were included in micro and/or portfolio hedges to hedge interest rate risk. The Bank's strategy for managing interest rate risk calls for its lending and deposit-taking activities to have a short-term structure. Transactions with a term of more than one year are essentially hedged by entering into interest rate swaps, which serves to reduce the dependence on positions that are sensitive to changes in interest rates.

Shares and other Variable-Yield Securities

€'000	2024	2023
Shares and other variable-yield securities	184,201	76,233
Thereof:		
investment funds	13,583	15,271
marketable	184,174	76,233
listed	**184,174**	**76,233**

This item includes investment funds units of €13.6 million (€15.3 million) used as investments as part of the liquidity reserve.

Marketable and Listed Securities

Of the participating interests, €0.2 million (€0.3 million) are marketable. The other participations and shares in affiliated companies are not marketable.

Trading Portfolio

€'000	2024	2023
Assets		
Debt securities (bonds) and other fixed-income securities	17,510	10,332
Shares and other variable-yield securities	1,738	1,755
Total	19,248	12,086

The portfolio did not include original derivative financial instruments, receivables or liabilities, or other assets.

The financial instruments in the trading portfolio are valued mark-to-market less a risk discount. In total, there was a risk discount of €2.4 million (€0.6 million).

Trust Business

€'000	2024	2023
Trust assets		
Receivables from clients	3,691	3,583
Total	3,691	3,583
Trust liabilities		
Liabilities to clients	3,691	3,583
Total	3,691	3,583

€3.7 million (€3.6 million) in trust assets and the corresponding trust liabilities relate to pension obligations of clients that are held in trust.

Statement of Changes in Fixed Assets

€'000	Historical acquisition cost					Cumulative depreciation, amortisation and write-downs				Residual book value	
	Balance 31/12/2023	Additions 2024	Reclassification 2024	Disposals 2024	Balance 31/12/2024	Balance 31/12/2023	Additions 2024	Disposals 2024	Balance 31/12/2024	2024	2023
Securities within fixed assets	884,388	98,122*	1,312,268	486,139	1,808,639	0	0	0	0	1,808,639	884,388
Participating interests	313	0	0	70	243	0	0	0	0	243	313
Shares in affiliated companies	78,300	0	0	0	78,300	0	0	0	0	78,300	78,300
Intangible fixed assets	43,930	551	0	19,116	25,365	41,553	1,612	19,116	24,049	1,316	2,377
Tangible assets	89,211	25,301	0	18,443	96,069	71,355	7,182	17,835	60,702	35,367	17,856
Total	1,096,142	123,974	1,312,268	523,768	2,008,616	112,908	8,794	36,951	84,751	1,923,865	983,234

* This includes accrued interest in the amount of €27.9 million (€12.3 million).

The tangible assets exclusively include operational and business fixtures.

Other Assets

Other assets included receivables from closed forward exchange and currency option transactions, which, due to the special hedging, resulted in an asset-side adjustment item of €38.6 million (€44.2 million). Other entitlements included rental deposit payments in the amount of €1.6 million (€1.7 million) with a term of more than one year. There were only minimal receivables from subsidiaries (€0.1 million; previous year: €0.0 million). In addition, there were receivables in the form of compensation payments to former managing partners in the amount of €3.6 million (€4.0 million). There were tax refund claims in the amount of €0.2 million (€0.3 million).

Prepaid Expenses

Prepaid expenses only include prepayments for the subsequent periods.

Deferred Tax Assets

At the reporting date, there were temporary differences in the carrying amounts of individual items in the financial and tax accounts. Recognition and measurement differences giving rise to deferred tax assets and liabilities occurred in the following line items: receivables from clients, shares and other variable-yield securities, long-term participating interests and provisions.

Deferred taxes were calculated based on an average municipal trade tax multiplier of 16.36% (16.38%). The option to capitalise deferred tax assets set forth under Section 274(1) sentence 2 of the HGB has not been exercised.

As per Section 1 of the MinStG (German Act to ensure global Minimum Taxation for corporate groups), the Bank is not subject to a particular tax obligation.

Excess of Plan Assets over Pension Liabilities

Financial assets that are barred from access by all other creditors and serve exclusively to meet liabilities arising from retirement benefit obligations were measured at fair value and offset against provisions for pensions and similar obligations in accordance with Section 246(2) sentence 2 of the HGB. The corresponding expenses and income from compounding and from assets to be offset are treated accordingly. If the fair value of the assets (plan assets) exceeds the amount of the liabilities, the excess amount is to be shown separately in the balance sheet as excess of plan assets over pension liabilities.

€'000	Acquisition cost of securities		Fair value		Amount payable provisions	
	2024	2023	2024	2023	2024	2023
Provisions for pensions and similar obligations	20,182	27,047	20,182	27,047	18,350	24,091
Other provisions (semi-retirement)	2,018	3,062	2,018	3,062	1,989	2,039

€'000	Other operating expenses		Interest income		Fair value measurement	
	2024	2023	2024	2023	2024	2023
Provisions for pensions and similar obligations	405	514	0	0	0	0
Other provisions (semi-retirement)	50	46	0	0	0	0

In accordance with Section 246(2) sentence 2 of the HGB, the other operating expenses from compounding are to be offset against the gains from the valuation of the securities held as plan assets. Neither in the reporting year nor in the previous year were there any offsetting items relating to interest expenses and gains on the fair value measurement of securities.

Section 253(1) sentence 4 of the HGB requires that such assets be measured at fair value. The assets in question comprise exchange-listed securities of public issuers, the market value of which results from the stock exchange price at the reporting date, as well as promissory note loans from public issuers.

Obligations in the amount of €1.9 million (€2.0 million) arising from employee working-time accounts, which would otherwise be presented under other liabilities, were netted with assets of the same amount, which would otherwise be presented under other assets.

In total, there was an excess of plan assets over pension liabilities in the amount of €1,9 million (€4.0 million); this excess is subject to a block on distribution.

Other Liabilities

This item mainly included trade payables in the amount of €6.4 million (€8.3 million) and liabilities to the tax authorities in the amount of €12.3 million (€6.8 million). As of the balance sheet date, there were pending losses for forward exchange transactions due to losses from closed positions and extensions based on the original price in the amount of €0.3 million (€14.8 million). From structured foreign exchange transactions, there were liabilities from option premiums in the amount of €4.4 million (€17.0 million).

Other Provisions

Other provisions are provisions from the ineffective part of the valuation units which amounted to €6.6 million (€5.4 million) and, primarily, personnel provisions which amounted to €47.3 million (€38.6 million).

Subordinated Liabilities

Interest of €3.9 million (€3.9 million) was included in expenses, of which €1.8 million (€1.8 million) was accrued and reported under other liabilities. €5.0 million was newly issued in the financial year. The subordinated liabilities in the amount of €85.0 million break down as follows.

€'000	%	Due date
10,000	4.125	27/09/2032
7,000	4.125	27/09/2032
11,000	4.125	27/09/2032
1,000	4.125	27/09/2032
1,000	4.125	27/09/2032
10,000	4.125	27/09/2032
30,000	5.630	*
10,000	5.500	*
5,000	7.500	*
85,000		

The conditions comply with Article 63 of the CRR. There is no entitlement to early repayment.

Fund for General Banking Risks

The item fund for general banking risks in the amount of €8.1 million (€8.1 million) was established in accordance with Section 340e(4) of the HGB in conjunction with Section 340g of the HGB.

Additional Notes to the Balance Sheet

Various securities have been deposited with other banks as security deposits for Eurex and lending transactions. (A nominal €1,193.9 million [€1,392.3 million] of which €1,193.9 million are deposited with Deutsche Bundesbank.) There were no open-market transactions at year-end. The Bank has pledged securities held in the liquidity reserve and securities classified as fixed assets to Deutsche Bundesbank for refinancing purposes.

Assets in the amount of €1,041.4 million (€965.2 million) and liabilities in the amount of €3,409.1 million (€3,310.5 million) were denominated in foreign currency.

* The AT1 bonds do not have a maturity date because there is no right of termination on the part of the capital providers. For AT1 capital, the Bank has a right of termination.

Contingent Liabilities

Liabilities arising from sureties and guarantee agreements include bills of exchange guarantees in the amount of €35.5 million (€34.8 million) and letters of credit in the amount of €13.0 million (€17.6 million).

As part of the annual screening of the credit portfolio by the Bank's credit risk management, the guarantees and letters of credit that had been issued were also examined for possible default risks. In the past three business years, the share of average utilisation of guarantees was immaterial. Therefore, the likelihood of recourse is assessed as low. Cash collateral of €6.0 million (€7.9 million) was transferred to the Bank.

Other Commitments

Other commitments consisted exclusively of irrevocable loan commitments in the amount of €273.0 million (€276.1 million). This included eight engagements over €10.0 million. In the past three business years, the share of average utilisation of guarantees was immaterial. Therefore, the likelihood of recourse is assessed as low.

Notes to the Income Statement

Negative Interest Expenses and Income

No negative interest was recognised in interest expenses (2023: €0.0 million). Interest income also did not include any negative interest.

Breakdown of Income by Geographic Segment

Interest income, current income from shares and other variable-yield securities, net income from the trading portfolio, as well as income from participating interests and shares in affiliated companies, are generated exclusively in the domestic market. 85% (86%) of commission income is attributable to Germany and 15% (14%) to abroad, while other operating income breaks down into 94% (90%) generated in Germany and 6% (10%) generated abroad. The net income from the trading portfolio is solely generated in the domestic market.

Commission Income

We provided services to our clients, in particular, through administration and brokerage activities in the securities business, as well as through complex consulting services for corporate clients. Income of €286.3 million (€287.0 million) from client-induced securities transactions, €25.1 million (€26.7 million) from research activities, and €73.8 million (€67.0 million) from fund management was generated through the management and brokerage of securities transactions. From its lending business, the Bank earned commission of €37.2 million (€33.0 million).

Other Disclosures

Other Financial Commitments

For the next three financial years, there are annual financial obligations from rental, maintenance and other lease agreements amounting to €66.0 million (€57.7 million) annually, with a duration of three years.

Forward Transactions and Futures Contracts

Forward transactions entered into during the course of the year can be divided into the following categories by their essential nature:

- forward transactions in foreign currencies, in particular currency forwards, commitments arising from currency options, foreign exchange option rights;
- forward interest rate contracts, in particular forwards involving fixed-income securities, commitments arising from interest rate options, interest rate option rights, interest rate swaps, swaptions, caps and floors;
- futures contracts relating to other price risks, in particular equity futures, index futures, commitments arising from equity options, option rights, commitments arising from index options and index option rights.

Client transactions are generally hedged. As a result, the amount and timing of future cash flows is correspondingly balanced. As a general rule, the Bank only enters into its own positions in order to hedge interest rate risks from other positions directly or in general. Thus, interest rate swaps are used as interest rate hedging instruments for fixed-income bonds (micro and/or portfolio hedges).

Derivative financial instruments on the balance sheet date

€'000	Volume		Positive market values		Negative market values	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Remaining term of less than a year						
Forward exchange transactions	5,830,216	5,002,051	86,026	57,629	52,843	50,001
Forward exchange options	443,249	1,324,229	8,773	16,642	8,773	16,642
Swaps	338,616	128,100	5,179	3,689	377	0
Caps/floors	1,457,495	1,127,692	656	3,250	656	3,250
Sub total	**8,069,576**	**7,582,072**	**100,634**	**81,210**	**62,649**	**69,893**
Remaining term of 1 to 5 years						
Swaptions	0	0	0	0	0	0
Swaps	2,635,058	1,047,825	23,372	19,318	46,716	21,249
Forward exchange transactions	37,498	23,956	381	129	274	207
Forward exchange options	231,286	196,732	3,830	1,207	3,830	1,207
Caps/floors	817,401	3,642,382	2,331	18,697	2,331	18,699
Sub total	**3,721,243**	**4,910,895**	**29,913**	**39,351**	**53,151**	**41,362**
Total	**11,790,820**	**12,492,967**	**130,547**	**120,561**	**115,799**	**111,255**

Securities futures, securities options and other derivatives were solely traded in clients' interests on a commission basis. The Bank does not hold own positions in these derivatives.

The transactions listed above were almost exclusively entered into to hedge fluctuations in interest rates, exchange rates or market prices in trading activities.

The Bank determines the potential market risk for interest rate, equity and currency positions in the trading book in accordance with the CRR using the standard method. This resulted in a capital adequacy requirement of €30.7 million (€15.8 million). The commodity risks relate to the capital adequacy requirement for CO_2 certificates.

Breakdown of the capital adequacy requirement

Market risks	Capital adequacy requirement	
€'000	**2024**	**2023**
Standard method		
Net equity positions	28,699	12,864
Net interest positions	1,812	1,526
Overall currency position	186	1,410
Commodity positions	0	3
Total	30,697	15,803

Board of Management

The Board of Management comprised the following managing partners in 2024:

Hendrik Riehmer
David Mortlock
Christian Kühn

Shareholders

30.88%	Berenberg family
21.41%	PetRie Beteiligungsgesellschaft mbH (Dr Hans-Walter Peters [Managing Director] and Hendrik Riehmer) and Dr Hans-Walter Peters
7.81%	Hendrik Riehmer, David Mortlock, Christian Kühn and former managing partners
14.25%	Christian Fürst zu Fürstenberg
14.25%	Professor Dr Jan Philipp Reemtsma
11.40%	Compagnie du Bois Sauvage S.A.

Appropriation of Profit

Of the resulting net profit for the year totalling €81.6 million (€55.4 million), €71.6 million (€55.4 million) is earmarked for distribution to the shareholders. €10.0 million (€0.0 million) is to be allocated to retained earnings.

AUDITOR'S REPORT

The 2024 annual financial statements and management report have received the unqualified auditor's report by the independent auditor. This does not contain any indication in accordance with Section 322 (3) sentence 2 HGB. The complete annual financial statements, including the management report and audit certificate, are available electronically in the *Unternehmensregister* (German Business Register).

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