QUIRIN PRIVATBANK

Annual Report

2024

klug anlegen. besser leben.

klug anlegen. besser leben.

Quirin Privatbank AG

WKN: 520230 ISIN: DE 0005202303 31 December 2024

Key figures

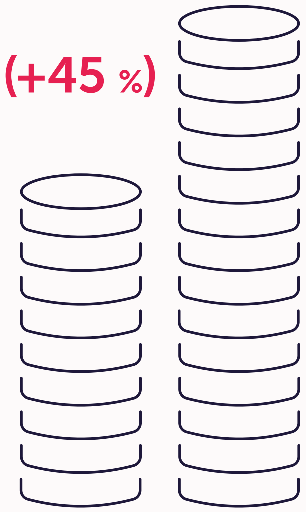
Shareholders

Berliner Effektengesellschaft AG	**25.3%**
Management Board of Quirin Privatbank AG	**19.0%**
Riedel Group	**14.9%**
Free float	**40.8%**

Net income before tax

€16.9 m

(+45 %)



2023 **€11.6 m**

Balance sheet total assets

€1,340 m

2023 **€1,456 m**

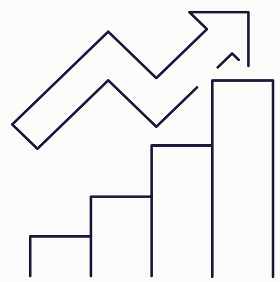
Equity capital

€84 m

2023 **€76 m**

Share price on 31 December 2024

€3.52



2023 **€3.38**

Total capital ratio

33.1 %

2023 **33.8%**

More details

quirinprivatbank.de

Fit for the Future

2024: A Year of Transformation

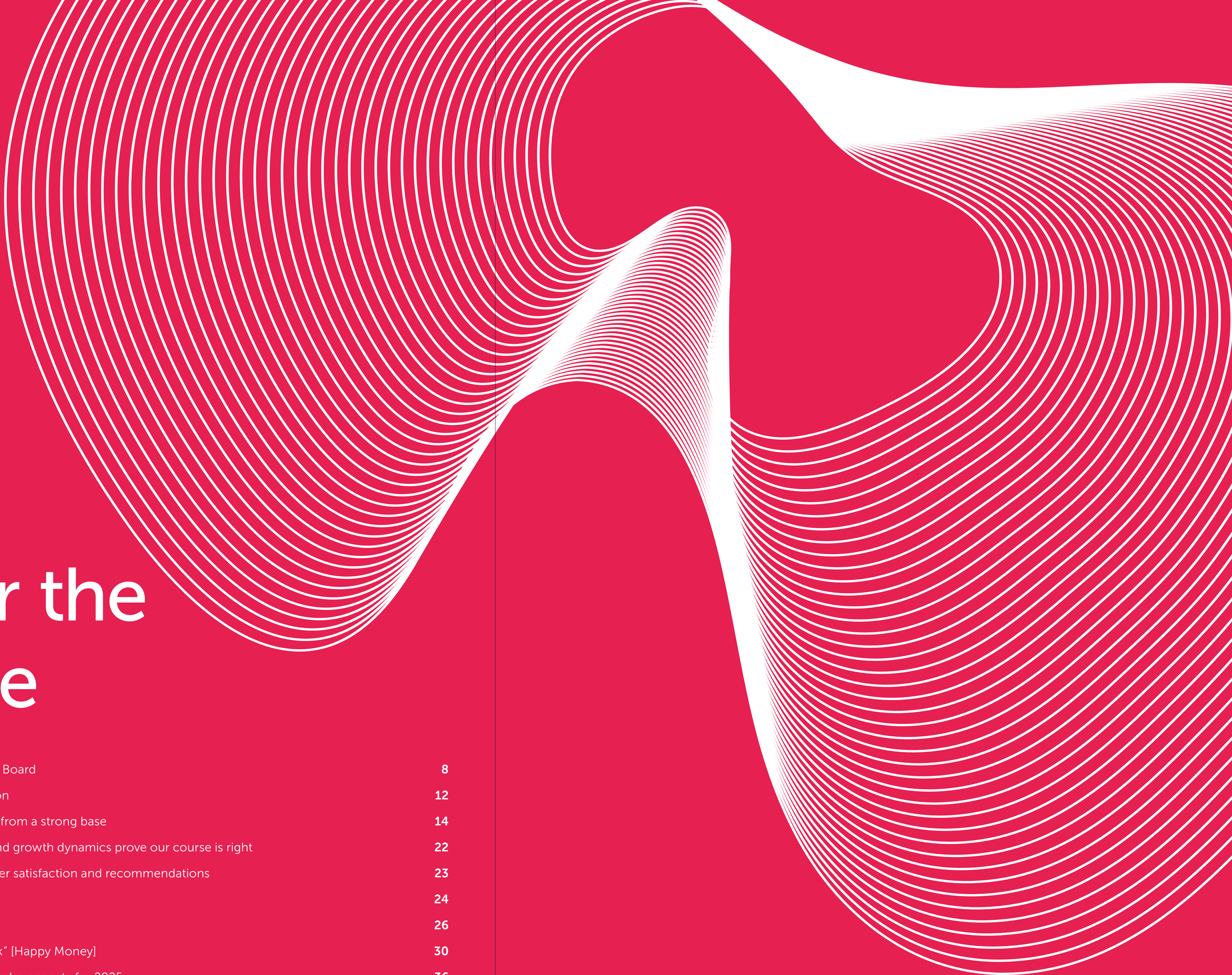
Fit for the Future

2024: A Year of Transformation

Management Report

Annual Financial Statements

Additional Information



Fit for the Future

Karl Matthäus Schmidt

Chairman of the Management Board,
Quirin Privatbank AG

Johannes Eismann

CFO and Board Member, Capital Markets,
Quirin Privatbank AG

Dear Shareholders, Clients, Business Partners and Friends of Quirin Privatbank,

Standstill is not an option for us as a company. Everything around us is in a **constant state of flux:** our clients' needs change over time, our competitors optimise their services and products. Political, social and economic conditions are subject to continuous transformation and mutually influence each other while at the same time technological advances unlock ever new possibilities.

We aim to offer our clients the highest standard of asset management to achieve their personal goals tomorrow, in ten years' time and, ideally, for much longer still. That is why simply reacting to change does not suffice. Instead, we adopt a **proactive approach to always keep us ahead of the curve.** This constant quest for ever better solutions for our clients has motivated us since the Bank was founded almost two decades ago. It stands for our pioneering spirit and is a key element of our DNA.

By focusing on improving the Bank's position to better equip it for the future in 2024, we turned it into **a year of transformation** for Quirin Privatbank. We tackled many topics, we took a cold hard look at ourselves, our products and our processes, also in places where it hurt. Wherever necessary we optimised in order to accelerate client growth and further improve the quality of advice we provide to our clients. We kept what was good, improved what was not, and innovated. The transformation process we are implementing is the springboard to grow our business in the future while raising the bar in terms of the quality of our advice, products and processes.

The key changes are listed below.

Repositioning as planner of the future

Our advice extends beyond purely investing assets: we provide clients with long-standing support. Not only do we help our clients to invest their assets wisely, **but also to plan for the future by applying a holistic approach that covers** both financial and personal aspects. Together we develop strategies that harmonise our clients' wishes and goals with their financial possibilities.

New tools and higher quality standards

We have introduced new tools to better tailor our advice to our clients' personal and financial goals. A comprehensive financial planning tool called **Q-Navigator** has been set up as a central platform in both a full-scale version for one-to-one meetings and in a leaner online version. Our **quirionAi**, the first independent and scientifically rooted AI asset manager, places technological innovation at our clients' disposal 24/7 for genuine client value added. The fully revised version of our app and web banking was designed in-house and is currently in the first stages of internal testing. We have set new consistent quality standards across our branches nationwide to underpin how we turn prospective investors into enthusiastic clients.

Investment concept based on science not hype

We revised our investment concept and adapted our product world to reflect the interest rate turnaround. In step with our DNA and investment philosophy we no longer offer any investment advice on individual papers because stockpicking is always speculative in nature. Instead we concentrate even more rigorously on what **has proved to yield reliable long-term profits**: scientifically rooted asset management with a maximum degree of diversification. We offer, however, a custody account to keep individually picked stock in the form of execution-only business. In contrast to many other banks we have the courage to point out to investors which products and strategies they would be better advised to steer clear of even though we lose business by doing so.

Complex conditions

The environment in which we are engaged **has not become any easier** by any means. 2024 was marked by old and new geopolitical wars, crises and tensions, political upheavals, and by the economic challenges facing Germany, the former model economic powerhouse, and much more. That is why it is all the more amazing that **2024 proved to be one of the best years for stocks** in the recent past. One example is the German DAX stock index; in the past financial year it recorded profits of 18.8%. On behalf of our clients, we invest in both the domestic and the global economy. Based on a maximally diversified 100% stock portfolio our clients can look forward to **yields of 18.4%** after deduction of expenses.

At the same time, interest rates **have dropped.** We too passed on these interest rate cuts to our clients, resulting in the corresponding anticipated cash outflows.

Nonetheless, 2024 was an exceedingly successful year for us despite the many challenges still looming around us. We succeeded in further accelerating growth in 2024 and generated earnings before tax amounting to **€16.9 million**. That is 45% more than the preceding year (€11.6 million) and the **best-ever result** achieved by Quirin Privatbank since its foundation in 2006.

This success is due to the concerted **efforts of** all Quiri(o)ns pulling together. Speaking for the Board, I would therefore like to extend our warm thanks to the entire team at Quirin Privatbank and quirion – **thank you** for your commitment, your ideas, your courage and your willingness to always go the extra mile.

The growth and quality measures adopted are already bearing fruit as our client base grows. As of the balance sheet date we were able to increase client numbers by **8% to 13,500** and assets under management by as much as **16% to €6.7 billion**.

Our legally independent subsidiary quirion also recorded continued success. In the course of the year their client base expanded by 17% to more than **91,000** while client assets increased by 19% to **€2.7 billion.**

If you look at Quirin Privatbank and quirion as separate entities, both display a strong growth trajectory. Together they are even stronger – they complement each other in respect of client groups, investment volumes and investor needs and therefore make a **perfect couple**. Together the two brands manage around **€9.5 billion for some 105,000 clients**, an enviable bottom line.

As in previous years, **economic conditions** for our capital markets business continued to be fraught in 2024. The weaker overall economy mainly affected our clients in the small and mid-cap sectors. The associated uncertainties impacted on capital market transactions and in some cases made them impossible. Our capital markets service business looks back on a very successful business year and achieved a significantly better result compared to the previous year. We enjoyed a high level of client acceptance from both new and existing clients. Taking both business units together, CIR improved **from 86% to 76%**, with the capital markets service contributing the lion's share to this result.

At the Annual General Meeting in June 2025, besides strengthening revenue reserves, a proposal will also be tabled to **distribute €6.9 million** as a dividend. This represents an increase of 11 to 16 cents per dividend-bearing share.

As you can see, Quirin Privatbank is building on its **growth** of the preceding years while firmly aiming its sights on the future and devoting all its efforts to creating a high-quality client experience. We would now like to show you in greater detail how we shaped the transformation process, in which areas we are now better placed, and where initial successes have already been achieved.

Yours sincerely

Karl Matthäus Schmidt

Chairman of the Management Board,
Quirin Privatbank AG

Yours sincerely

Johannes Eismann

CFO/Board Member, Capital Markets,
Quirin Privatbank AG

2024

A Year of Transformation

Transformation, self-driven from a strong base

Our mission is to help more people in Germany to become better investors. In order to achieve this goal with and for our clients we have launched a growth and quality programme and positioned the Bank in the market as a planner of the future.

We set up our extensive quality and growth programme, called Q25+, in 2024. Without external advice, drawing exclusively on the expertise of more than a hundred colleagues, we optimised a wide range of processes in 30 sub-projects, we put in place new advice and quality standards and implemented innovative technologies. Because we aim not only to grow with our clients today, but also to sustain growth in the future and always offer an outstanding experience. A warm thank you to all who contributed to this 'extra mile' beyond the call of duty."

Jane de Vries,
Chief Development & Growth Officer

More reason in the investment concept

"We have injected even more reason into our scientifically rooted investment concept. It is based on 10 clear principles and stands out even more distinctly from investment forms and products that fail to provide any measurable contribution to successful investing. One of these principles is to only invest in affordable ETFs and asset class funds."

Prof. Dr. Stefan May,
Head of Product Development and Investment Strategy

Refining asset management

"We have adapted our asset management components to the changed circumstances on the markets. "Market, Opinion, Knowledge" is now "Market, Opinion, Interest Rates". If they wish to focus on interest rate products, clients can now choose between an interest account and a financial market ETF portfolio."

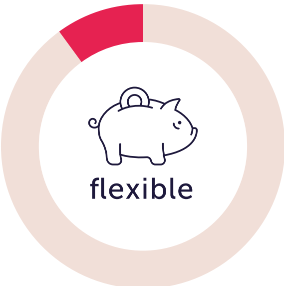
Philipp Dobbert,
Head of Asset Management and Head Economist

market

reliable wealth building based on scientific principles

opinion

set individual priorities in the portfolio

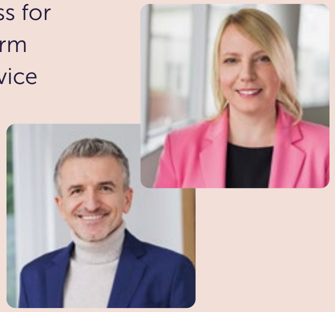


interest charges

additionally use interest-bearing investments

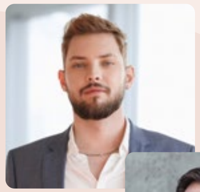
New interactive advice tool

"Our recently introduced interactive advice tool Q-Navigator gives clients access to a whole new advice experience. The Q-Navigator visualises whether clients can achieve their personal goals in life and what financial measures they need to take. It provides them with a realistic and future-focused compass for their assets over the next 10, 20 or even 30 years. By implementing uniform advice standards across the Bank, clients are assured of a high quality advice experience nationwide."



Martina Patzek, Head of Cologne branch
Ivica Jankovic, Deputy Head of Frankfurt branch

AI asset manager quirionAi



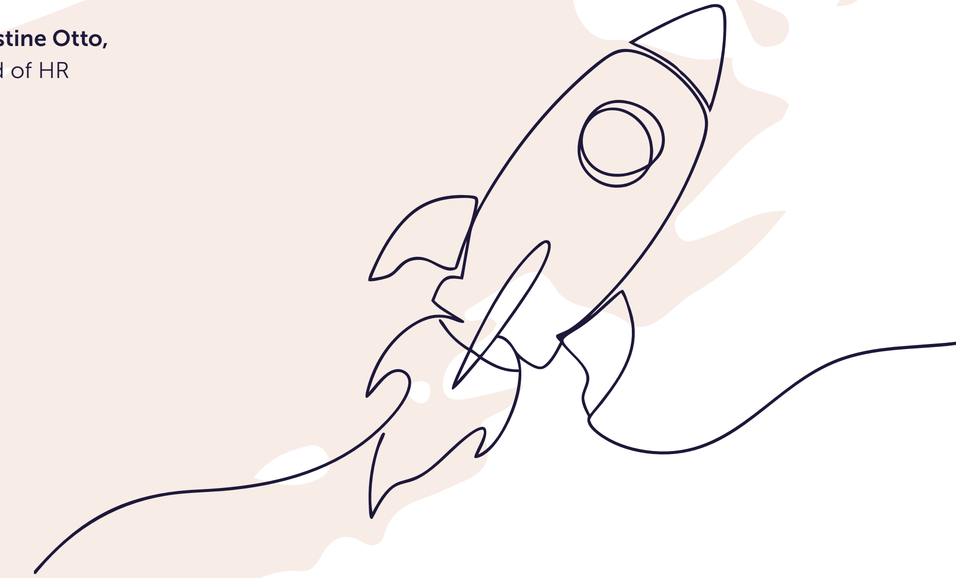
We are incredibly proud to have launched the first generative artificial intelligence relating to asset investment. quirionAi is the first AI asset manager capable of answering investment questions and, like Quirin Privatbank and quirion, it is scientifically based and independent – a real milestone in the German financial industry."

Martin Daut, CEO quirion
Jonas Stuiber, Business Management quirion

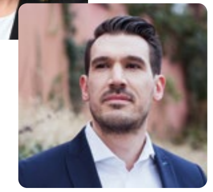
Change process supported systematically

We were closely involved in the extensive change process around the Q25+ project and systematically fostered and supported it. To do so, we opted for a new social intranet, blended learning with face-to-face courses, a new learning platform called Leapsome and pulse surveys. The full impact of all these measures will unfold over the next two years."

Christine Otto,
Head of HR

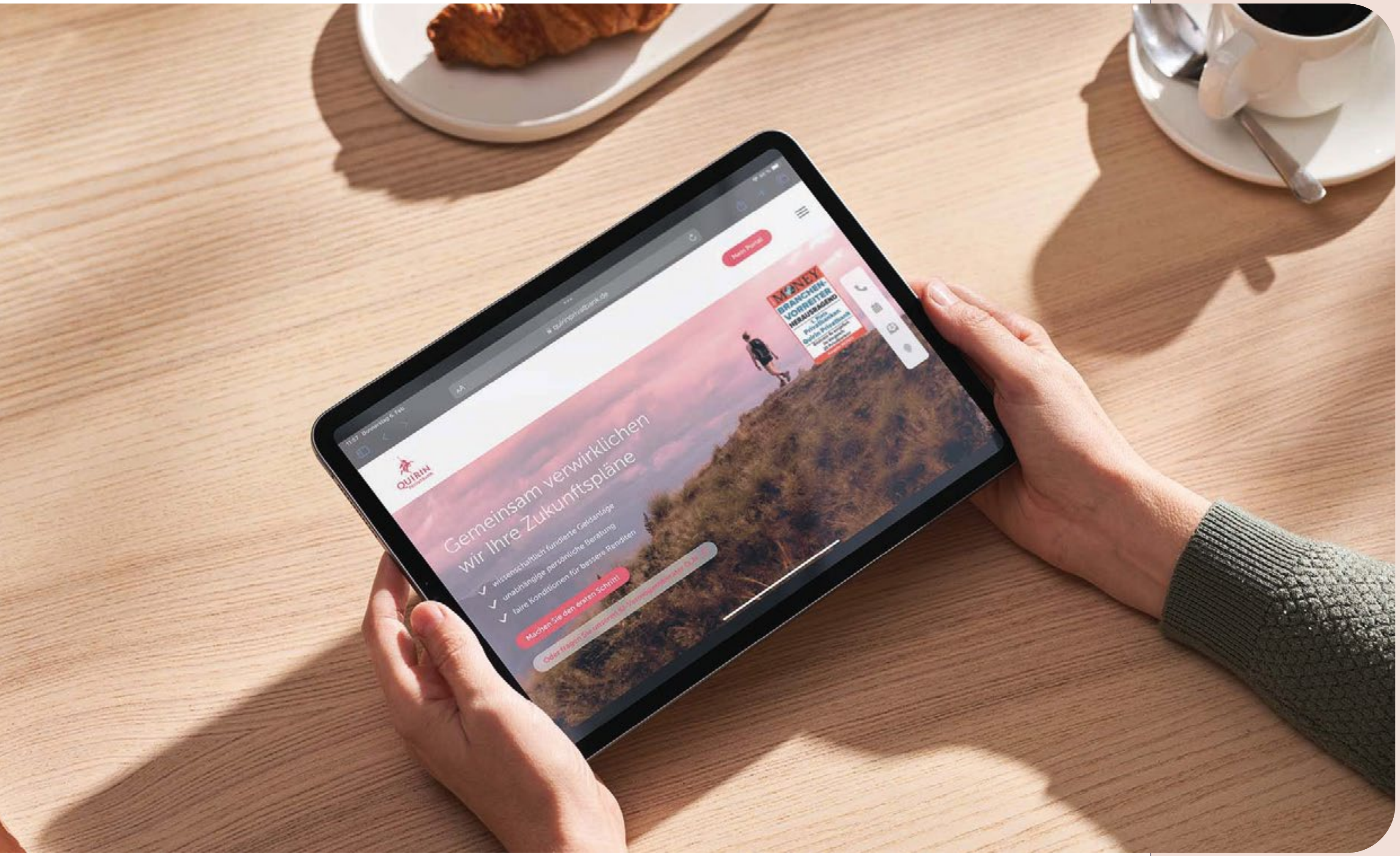


Optimised workflows for more efficiency



One important project revolved around optimising processes and standardising workflows in our branches across the country. We focused on streamlining, automation, interfaces and disseminators. We standardised meeting structures, document filing, SharePoint and CRM use and streamlined our agreements. All these changes are tracked by quality guards and mainly constitute an easing of the burden at our 15 branches, enabling staff to focus on what is important, our clients."

Lisa Stephan, Private Banking Assistant
Oliver Schmidt, Head of Sales Support



New corporate identity

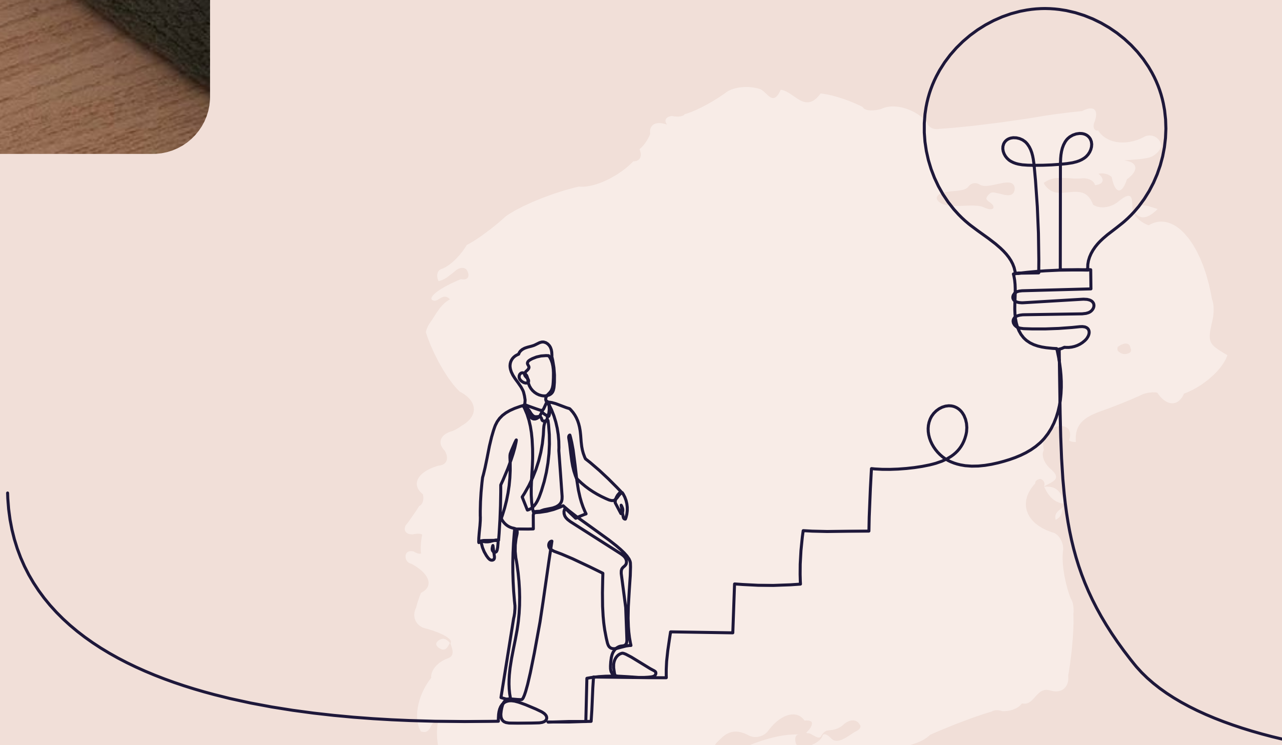
Our transformation was not only internal, but external as well. We optimised our website to make it more informative and user-friendly to better engage with (prospective) clients. At the same time, we overhauled our corporate identity, we changed to quirion's content management system and now use AI to generate our image worlds."

Selina Leindecker, Lea Warren and Steffen Lange, Marketing

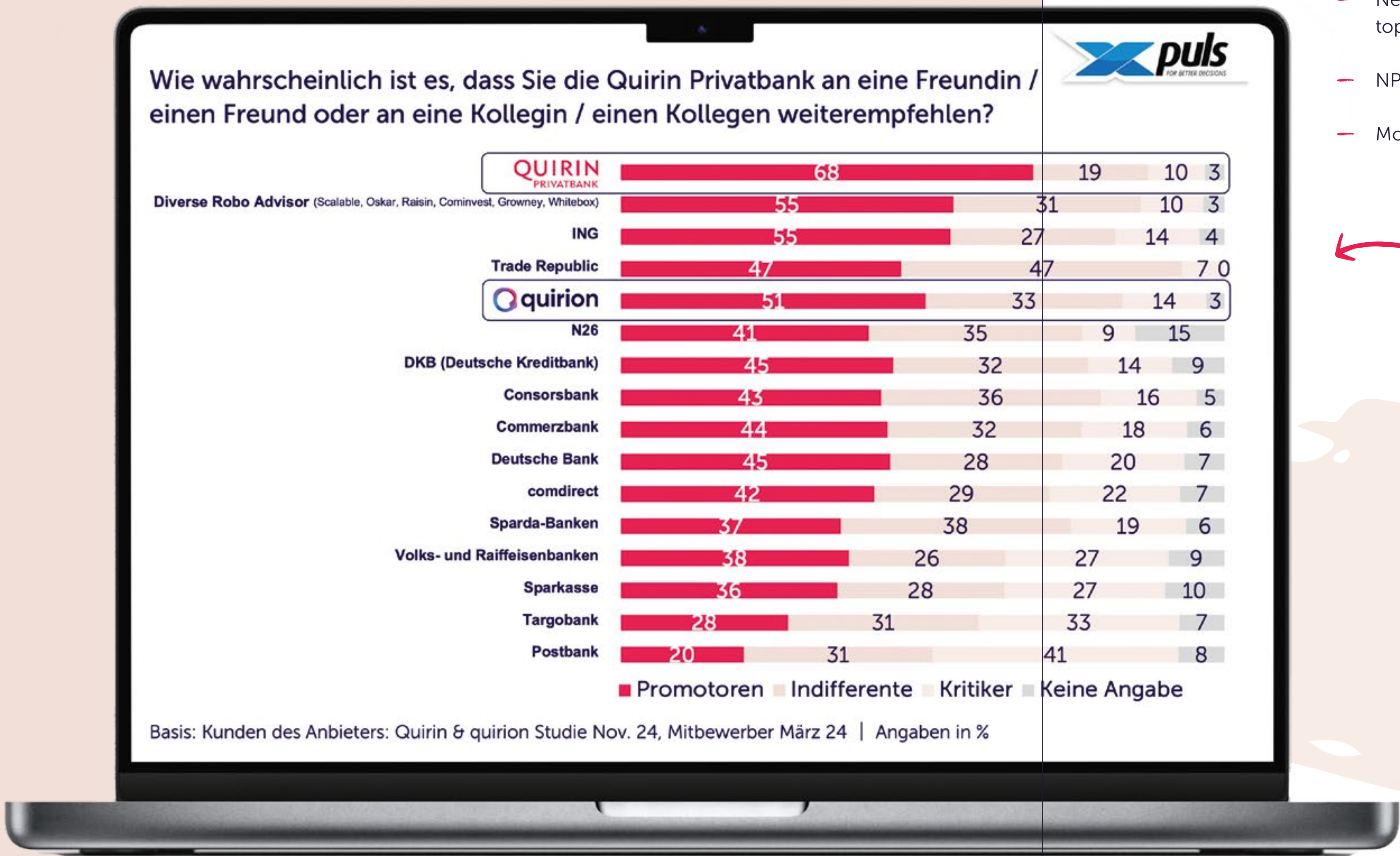
Reimagining successful selling

Aimed at boosting sales growth, we overhauled our job profiles and associated marketing goals. Measures included introducing a team bonus and setting up a growth-driven goal system."

Rico Weidemann, Head of Munich branch
Stefan Schulz, Member of the extended Management Board of Quirin Privatbank and quirion CFO



Client recommendations and growth dynamics prove our course is right



Growth through customer satisfaction and recommendations

A key factor in our Bank's growth is the satisfaction of our clients and their willingness to recommend us. Both are analysed once a year by puls Marktforschung GmbH. The 2024 findings once again proved to be extremely gratifying:

- Highest client satisfaction in the Bank's history
- 89% of clients are (very) satisfied
- Satisfaction with advisors continues to rise steadily at a very high level
- Net promoter score (NPS, promoters minus detractors) of 59, top score since survey launch in 2011
- NPS significantly better than for other banks and financial institutions
- More promoters than ever before in 2024

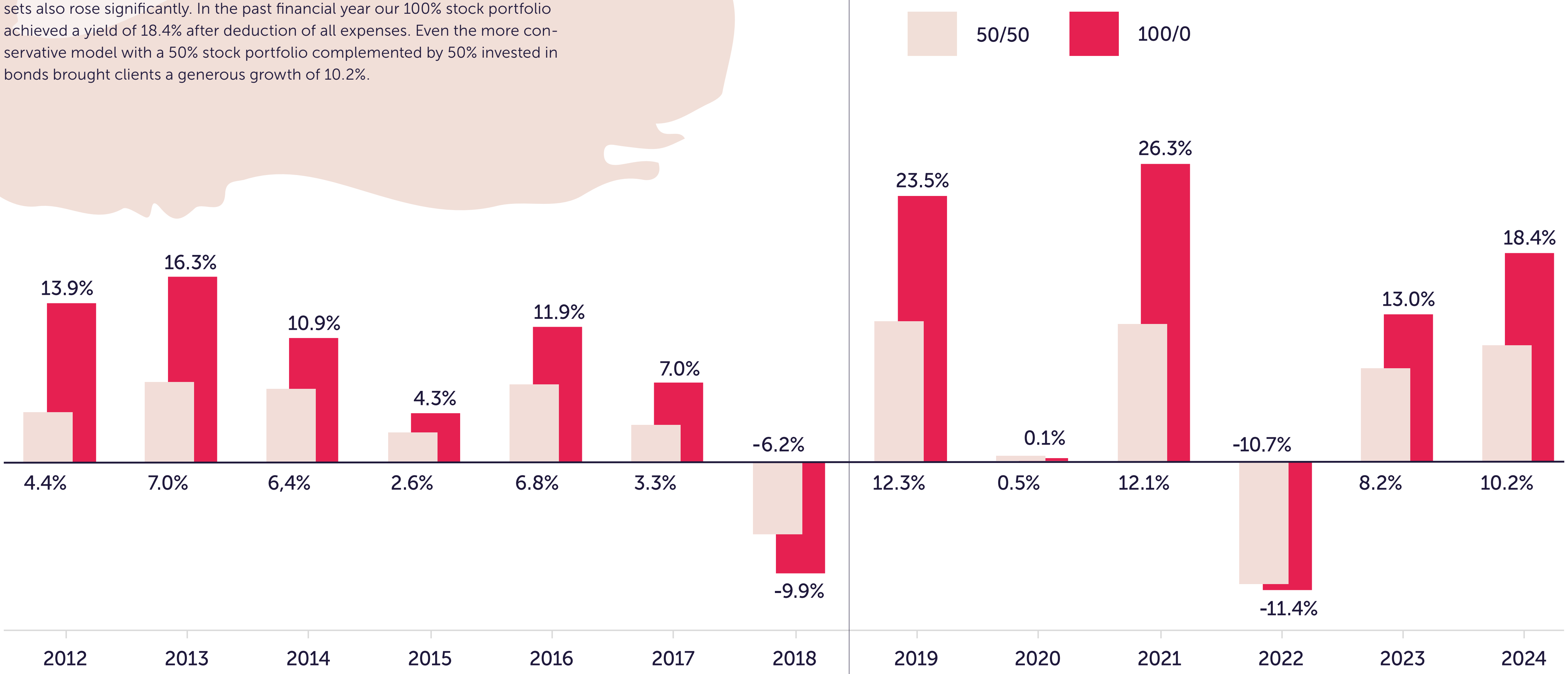
Findings show that Quirin Privatbank lives up to its claim:

It is not wealth that determines the quality of advice. Rather, it is the quality of advice that determines wealth."

Karl Matthäus Schmidt,
Chairman of the Management Board,
Quirin Privatbank AG

Growth of client assets

Not only did Quirin Privatbank display strong growth in 2024, our clients' assets also rose significantly. In the past financial year our 100% stock portfolio achieved a yield of 18.4% after deduction of all expenses. Even the more conservative model with a 50% stock portfolio complemented by 50% invested in bonds brought clients a generous growth of 10.2%.



As at 31.12.2024

The Market 100/0 and Market 50/50 strategies illustrated are asset management strategies of Quirin Privatbank. Performance figures incorporate a flat-rate service charge of 1.28% p. a. including VAT, deposit and transaction costs as well as all third-party expenses amounting to 0.02%. As of 2025 these expenses will also be covered by the flat-rate service charge. Product costs of 0.34% are also due. These figures are based on the past; previous performance figures are not a reliable indicator of future results.

Earnings
before tax

€16.9 m

3 Growth of the Bank

The measures we adopted and implemented as part of our Q25+ strategy generate strong stimuli for our business growth – today, tomorrow and in the future. KPIs already bear this out. 2024 was one of the most successful years since the foundation of Quirin Privatbank in 2006.

In the 2024 financial year **we generated earnings before tax of €16.9 million,** 45% more than the previous year. **Net income before tax amounted to €13.2 million** or 39% more than in the preceding year. We want our shareholders to benefit from this success and at the Annual General Meeting a proposal will be tabled to pay out a **dividend of 16 cents** per dividend-bearing share.

Net
income

€13.2 m

Dividend

16 cents per share

Quirin Privatbank's successful growth is displayed at several levels. Compared to 2023 for example **new client growth** was lent fresh stimulus by an adjusted bonus system, among other things. The Bank thus acquired 70% more new clients than in the previous year.

2023
623 net new clients

+70%

2024
1,059 net new clients

Overall, client figures in the past financial year rose by 8% to 13,500 and the amount of **assets under management** by 16% to €6.7 billion. In addition, the Bank recorded the third highest cash inflows in its history.

We are extending our advisory capacities to stay abreast of our growing client base and the increasing volume of their assets under management. In 2024 we were joined by 28 new colleagues, 17% more than in 2023. We aim to continue growing in the future and are seeking further colleagues for almost all our branches including our headquarters in Berlin.

In 2024 we launched an extensive trainee programme for talented young newcomers to best equip them to advise high net worth clients.

Spotlight: Geld im Glück **[Happy Money]**

Like no other bank Quirin Privatbank stands for providing investors with independent advice. It demonstrates time and again that good investment need neither be complicated nor expensive. The Bank provides prospective investors with advice on how to achieve long-term yields as they build and increase their wealth.

In order to reach even more people, Karl Matthäus Schmidt, Chairman of Quirin Privatbank, has distilled his expertise, experience and the key principles of good investment in a book.

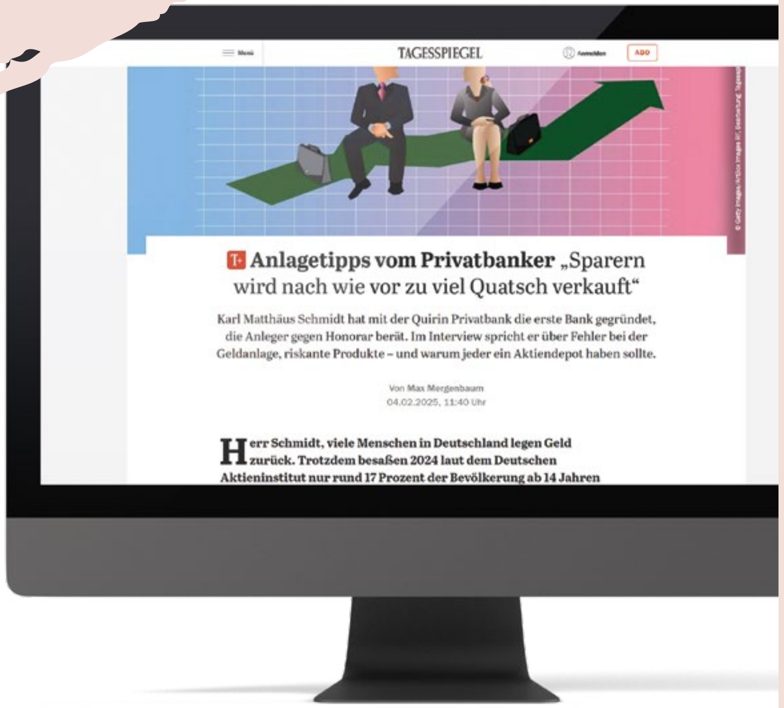
Find out more about Geld im Glück [Happy Money] by simply scanning the QR code.

For investors who need a practical guide to building their personal wealth this book is a **must-read.**"
FOCUS MONEY

In the recently published book Geld im Glück Karl Matthäus Schmidt provides a step-by-step guide to the key principles of investment."
TAGESSPIEGEL

Geld im Glück was published in November 2024. The sales figures and initial reviews of this SPIEGEL best-seller speak for themselves.

In his newly published book Karl Matthäus Schmidt shows that investing money can be fun."
FREIE PRESSE



Karl Matthäus Schmidt has penned a how-to manual for investors to increase their wealth while turning their affluence into a fulfilled life."
€URO

Advice and counselling: Geld im Glück by Karl Matthäus Schmidt."
PSYCHOLOGIE HEUTE

quirion, the Quirin principle in the digital world

A linchpin in our mission to improve the skills of more investors in Germany is quirion, our digital subsidiary. From a one-off deposit of €1 or €25 per month anyone can benefit from the Quirin principle on fair terms. At the end of 2024 more than 91,000 quirion clients entrusted us with a total of €2.7 billion in assets. That is 17% and 19% more than the previous year.

In 2024 quirion focused on the use of **artificial intelligence** in financial affairs.

"Together with Quirin Privatbank one of our most important projects in 2024 **was the launch of quirionAi,** our AI asset manager. quirionAi provides everyone with a reliable advisor that not only answers their financial queries but also asks questions if it lacks the necessary information. A real dialogue thus takes place. quirionAi is more an advisor than a chatbot. It begins where ChatGPT leaves off."

Martin Daut,
CEO quirion AG

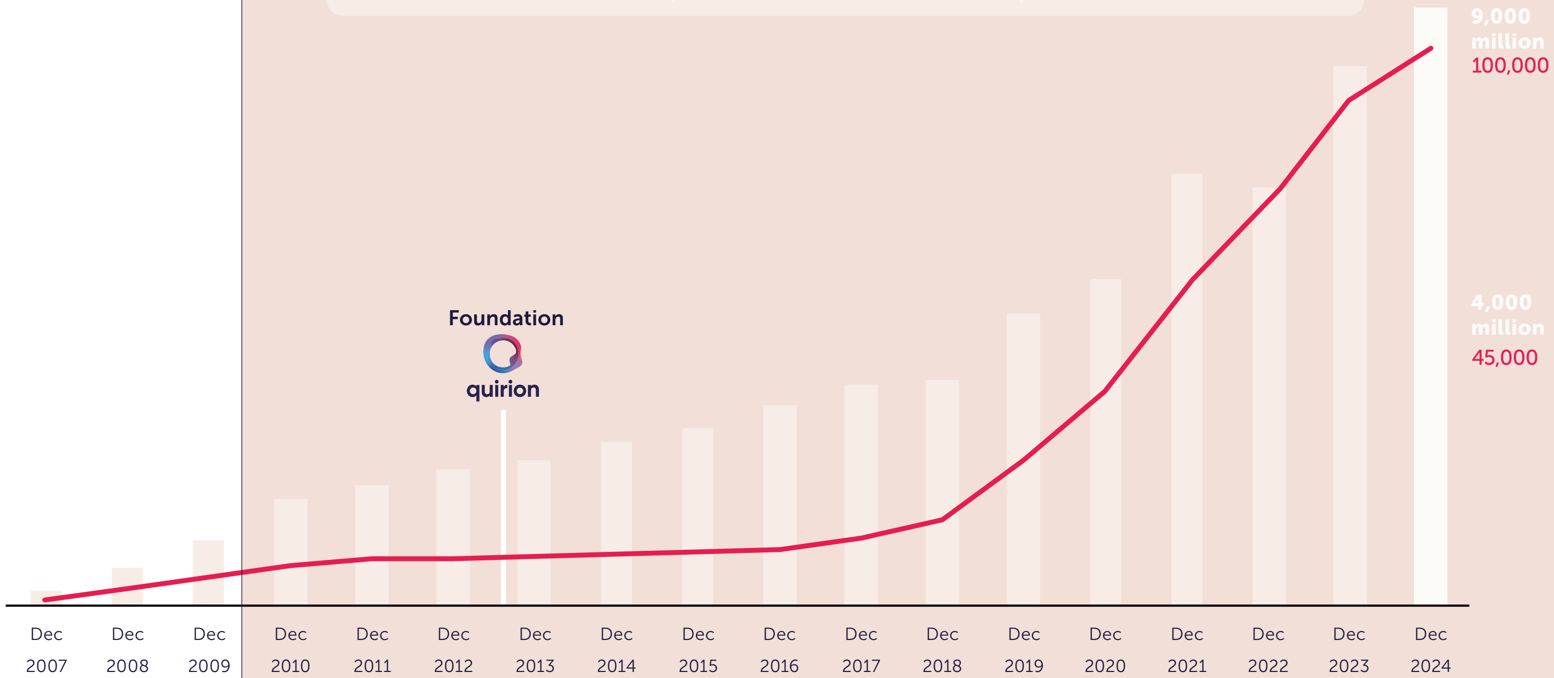
In addition, based on the Q-Navigator, we developed a one-page financial planner for quirion. We also created a new app for quirion to be launched in 2025. In marketing we tried out a lot of new channels, including video on demand.

Pitted against other robo-advisors, financial service providers and banks, quirion always manages to come out top – in 2024, quirion was elected Best of the Test by *Capital* magazine and was also awarded the "Golden Bull" as robo-advisor of the year.

One Bank: Strength in unity

Together, Quirin Privatbank and quirion have achieved a great deal – they complement each other perfectly and enable everyone to enjoy access to professional investment irrespective of how much money they save or how much they wish to invest.

	ONEBANK.	
+16% 6.7 billion assets under management	+17% ≈ 9.5 billion assets under management	+19% 2.7 billion assets under management
+8% 13,500 clients	+16% ≈ 105,000 clients	+17% 91,000 clients



Growth of clients (red line), and assets under management of Quirin Privatbank and quirion since foundation

Growth also in the capital markets business

The generally weaker overall economic conditions in Germany in 2024 created an extremely demanding market environment for the capital markets business. Nevertheless, several transactions were successfully supported including:

Scrip dividend roll-out for Ernst Russ AG

Squeeze-out at Zapf Creation AG

Corporate actions at The Grounds Real Estate Development AG

Bond issuance at Sanha GmbH & Co. KG with swap offer and positioning

Bond issuance for Neue ZWL Zahnradwerk Leipzig GmbH with swap offer and positioning

Capital markets extended its service territory of Austria and Switzerland to include the Luxembourg market and now offers paying agent services for securities at LuxCSD and Clearstream Luxembourg.

Due to competitors quitting the field our capital markets position in the paying agent sector in Germany is now stronger and wider. We assume that this expansion will continue in 2025.

"Even if we had wished it otherwise, as in previous years the economic environment was beset by major uncertainties in Europe. This greatly hindered or prevented the carrying out of capital market transactions also in 2024. As Capital Markets Chairman I am placing my trust in concrete action now by a new federal government that will bring tangible growth stimuli to the German economy and the SME sector in particular."

Johannes Eismann,
Chairman Capital Markets and CFO of Quirin Privatbank

Our successes in 2024

Figures as at 31 December 2024,
comparison with previous year's reporting date of
31 December 2023.

Earnings before tax

€16.9 m

+45%

Net income

€13.2 m

Testimonials

€6.9 m

paid out as dividends

Dividend

16 cents per share

Clients

+16% growth

105,000

with quirion

Assets under management

+17% growth

€9.5 billion

quirion

Net cash inflows

€350 m

Net promoter score

59

Highest client satisfaction

89% (very) satisfied

New employees

28

+17% more than 2023

25,000

Future prospects

We made a lot of progress in 2024; we set important milestones and aim to do even more.

By 2030 we want to support **25,000 clients** at Quirin Privatbank – and we look forward greatly to doing so. We are well aligned strategically – according to a relevant heat map on **income structures** in Germany, our branches are located in exactly the right areas to further boost our growth trajectory.

In 2025 we will launch more **technological improvements** and also a new app. These efforts follow the build-measure-learn principle. The objective is to continuously optimise our clients' product and service experience.

To do so, we aim to add a **new component to our range called "Solutions"**. It will expand our advice solutions relating to inheriting and bequeathing, foundations etc. and increase our professionalism.

At the beginning of the year – for the first time in almost a decade – we adjusted our prices. We further simplified our **price model** by changing to an all-in fee and binding service flat rates based on volume nationwide. In line with our DNA, this increases transparency and for the first time also benefits families.

Our course is thus set for further growth.

Dear Shareholders, Clients and Employees,

It is wonderful to have a future. Quirin Privatbank's mission is to prepare for that future, to anticipate it and take a hand in shaping it.

When I took over at the helm of the Bank's sales department in autumn 2023 there was significant room for improvement in some sectors. Our DNA, our team, our focus on independent advice make us strong. However, to ensure continued growth in the future, improvements were required in some areas. We carried them out without a fuss, but with vision, prudence and a rigorous focus on client benefits.

By adjusting our market position and focusing more strongly on **forward-looking advice** as well as overhauling our **investment concept** we are now even better equipped to tackle future requirements. Our transformation is charted towards a clearly defined long-term goal. By innovating, continuously improving internal processes and creating a **future-proof positioning** we will not only ensure our competitiveness, but also boost the Bank's growth.

In the future, ever more clients will seek our independent advice and value our scientifically rooted investment concept. We will help them to invest wisely and to achieve their financial and personal goals. In 2024 important steps were taken to ensure this.

Stay with us as we continue our journey into the year ahead. We look forward to having you at our side, not only today but in the future as well – as shareholders, as employees and as clients.

Thank you for your trust.

Karl Matthäus Schmidt

Chairman of the Management Board,
Quirin Privatbank AG

Management Report

Management report for the 2024 financial year of Quirin Privatbank AG

Sum totals and calculations of percentages may differ slightly in this report on account of rounding figures.

1 Underlying economic conditions

As far as global stock markets are concerned, 2024 was above-average in investment terms. International stock markets in particular performed extremely well despite unabated geopolitical challenges and a trend towards a sluggish global economy. Quirin Privatbank AG (referred to in the following as "Quirin Privatbank" or the "Bank") and its clients were able to enjoy the benefits of this essentially benign capital market environment.

The MSCI World Index, which tracks the performance of global equities in developed countries, gained approximately 17% (calculated in US dollars). At 18.8% the DAX German blue-chip index performed even slightly better. As in previous years the US stock market was among the top performers of 2024 with a gain of 23.3% (in US dollars). In comparison, performance was significantly weaker in the equity markets of emerging countries – with the MSCI Emerging Markets Index reporting a gain of only 5.1% (in US dollars). The 6.2% drop in value of the euro against the US dollar especially towards the close of the year increased the earnings of international equity exposures for euro investors even further. On the bond markets, however, performance tended to be divided. Bond segments with longer maturities lost slightly in value – for example, 10-year German government bonds lost around 0.6%. By contrast, short-term corporate bonds in the euro area yielded gains upward of 4%, in the high-interest bracket more than 6%.

This generally very encouraging capital market growth for the banking business was once more set against a backdrop of an overall rather weak-trending overall economic performance. Both globally and in Europe – and here in Germany – economic growth figures disappointed. The most recent estimates of the International Monetary Fund (IMF) put real growth of the global economy in 2024 measured against gross domestic product (GDP) at just 3.2%. This is once again very poor compared to the longer-term average. This is all the more disappointing given that the global economy still needs to make up for the Covid slump and should show even stronger growth rates. At the same time, economic growth varies greatly from country to country. While the USA recorded real GDP growth of 2.8%, the eurozone displayed weaker growth dynamics of 0.8% – not least due to Germany's negative GDP growth of -0.2%. In emerging countries GDP growth was perceptibly higher, averaging out at 4.2%. In a medium-term comparison some national economies also disappointed, especially China with a real GDP growth of just 4.8%. For 2025 similar sluggish growth of the global economy is anticipated – in its most recent forecast the IMF estimates growth of 3.3%. In Germany, forecasts at least predict that the shrinkage phase is over (+0.3%).

By contrast, encouraging news was supplied by the global inflation trend in 2024. Following huge price rise rates in the 2021–2023 period, 2024 saw a tangible and continuous decline in inflation in almost all industrialised countries. In Germany, inflation was 2.6% in December and thus within the annual average for 2024 of 2.2%. The medium-term inflation goal of the European Central Bank (ECB) could therefore almost be reached again. However, core inflation – price rises excluding those for energy and food – remained at a much too high level with an annual average of 3.0%.

In this relaxing inflation environment in 2024 central banks were able to launch initial interest rate cuts in the wake of the preceding years' fast and strong recovery cycle. In June last year, for instance, the ECB reduced the base interest rate for the first time in two decades. Three additional interest rate reductions were to follow by the end of the year. By contrast, the US Fed lowered its base rate only from September 2024 in a total of three phases. At 3.15% (ECB) and 4.25–4.5% (Fed), while being markedly lower again, the base interest rates of the key economic areas at the end of 2024 were still high in a long-term comparison. Mainly as a result of these interest rate cuts the around 1.5-year-old phase of inverted interest rates ended. Since the beginning of 2025 short-term interest rates are again lower than longer-term rates. The attractiveness of interest offers for investors has thus waned perceptibly.

2 Business model

Private banking and capital markets are the two strategic business areas operated by Quirin Privatbank AG.

Private banking business division

The focus of activities in private banking is to provide independent financial and investment advice to clients. In this connection, independent advice means both product and provider-neutral consulting and recommendations that are always in tune with the client's interests and hence not on selling specific products. In this context, the Bank is always only paid for its services directly by its clients. The basis for calculating remuneration is always the assets under management (AuM).

Together with quirion AG, the Bank's robo-advisor for digital asset investment, Quirin Privatbank pursues a hybrid financial approach and combines the respective advantages of the digital and the analogue worlds for the benefit of its clients. New and existing clients can choose between purely digital investment using quirion's robo and self-service and personal consulting at one of Quirin Privatbank's branches.

For high net worth private clients, Quirin Privatbank offers personal comprehensive consulting provided exclusively by its full-time staff of asset managers at 15 branches across Germany. Service takes the form of classic asset management but is also offered as execution-only business. Within this context, the Bank also provides deposit banking services.

Asset management at Quirin Privatbank is based on scientifically rooted principles and consists of three main components: "Market – Opinion – Interest Rates". These components can be combined as desired and are centrally controlled by an investment committee. What is special about the Bank's advice concept is that asset planning is always focused on the client's personal goals in life and attitude to risk. The entire planning process is transparent and interactive. It is based on the Q-Navigator financial planning tool launched in 2024 which places emphasis on the long term and the client's personal goals for the future.

In the fourth quarter of 2023 the Bank started a quality and growth programme aimed at generating innovation and focusing products and (internal) processes more closely on client needs as well as optimising the client experience and in particular also boosting client growth. All employees took part in the programme in a participative approach without external consultants. Many ideas and measures were processed and put into practice in some 30 sub-projects.

Some of the milestones achieved in 2024 include:

- New corporate identity: New design, more informative and UX-optimised website covering the subjects of planning for the future and investing assets.
- More reason in the investment concept: Our scientifically rooted investment concept is based on 10 clear principles and stands out even more distinctly from investment forms and products that fail to provide any measurable contribution to our clients' investment success.
- New interactive advice tool: Our recently introduced Q-Navigator provides our clients with a realistic and future-focused compass. Based on their personal goals in life it charts their asset investment for the next 10, 20 or even 30 years.
- Growth-driven goal system: Job profiles and marketing goals in sales were overhauled.
- AI tool: Generative artificial intelligence answers questions from prospective investors and clients on investing assets. Like Quirin Privatbank itself, the AI tool launched under the name of quirionAi is scientifically rooted and independent.

Once a year the Bank commissions a market research company to survey and analyse client satisfaction and willingness to recommend the Bank. The net promoter score, the yardstick by which a client's willingness to recommend a company to friends and acquaintances is measured, achieved by the Bank in 2024 was 59, the highest score attained since the first survey in 2011.

Capital markets business division

In the capital markets business division, the Bank supports and advises publicly traded and privately held companies on the planning and implementation of equity and debt capital financing. The capital markets business division also offers clients access to domestic and international investors in international capital markets. The tailored investment ideas are developed and put into practice with small and mid-cap investors.

In order to best serve the high demands of its clients, the capital markets business sector pools the expertise of various specialists in the relevant fields of the capital markets and capital market service divisions. Capital markets is divided into three areas: corporate finance, institutional research and institutional client service.

The corporate finance division develops and implements customised financing concepts for its clients that reflect the client's objectives, whether it be equity, debt or hybrid financing, secondary placements, takeover bids, squeeze-outs, share and bond buyback programmes or stock market approvals and listings.

Our institutional client service offers a wide range of investment options, which are developed and organised with and for the clients, from trading in equities and ETFs to government and corporate bonds. The division specialises in the implementation of trading strategies under a best execution policy, and offers order routing to all major international stock exchanges. In this connection, they also regularly provide support to corporate finance with their capital market transactions.

The institutional research division prepares fundamental company analyses, company studies, market analyses and industry reports, with the focus on selected German small and mid caps. Corporate finance's capital market transactions are supported by relevant company and market analyses.

The capital markets services division, which is independent of the above business units, offers services for the issuing of securities-based financing instruments. This encompasses the complete procedural and technical handling of stock flotations for banks, financial service providers, securities trading houses and external management consulting firms, as well as directly for enterprises on the capital market, with services ranging from first securitisation and payment agent services to ongoing support and management and alterations of capital and other related services.

Business strategy

In both strategic business areas the Bank's business model is primarily aimed at generating commission income for the services it offers.

As part of its business strategy, Quirin Privatbank continues to pursue five further key objectives:

- to be the bank/brand in Germany for (genuinely) independent investment,
- growth: significant increase in the client base and client assets under management (AuM),
- sustainable increase in company value,
- appropriate shareholder participation in the company's success,
- sustainable corporate development taking into account ecological goals.

Alongside the two strategic divisions, private banking and capital markets, in the treasury division the Bank controls its cash flow to ensure its solvency and compliance with all regulatory requirements on the one hand and on the other, to generate net interest income.

In addition to this, the Bank operates the so-called BPO business (business process outsourcing) in the context of its remaining contractual obligations. The Bank transferred these activities to other business partners in 2015. It is only involved in the BPO business to the extent that it functions as a banking partner for services that require a banking licence (e.g. the custody of securities by other securities clearing and deposit banks) for which the Bank is remunerated, while any third-party expenses incurred are passed on to its contractual partners.

Together with quirion AG, Quirin Privatbank provides services for the clients of quirion AG. This includes the management of accounts and portfolios, for which the Bank is remunerated accordingly. In addition, the Bank also carries out various corporate centre functions for quirion AG as proxy.

The Bank manages its business activities and business development according to financial and non-financial performance indicators. The most important financial performance indicators are earnings before tax (previous year: net income) and total capital ratio. The total capital ratio consists of supervisory core and supplementary capital and shows the relationship to the supervisory risk positions. Other financial performance indicators are the commission surplus and cost-income ratio (CIR). The CIR is calculated before the allocation of overhead costs and is defined as the ratio of operating costs to operating income.

The most significant non-financial performance indicator, which is relevant only to private banking, is the amount of assets under management (AuM). AuM includes both securities and client investments held by the Bank. Other non-financial performance indicators are customer numbers and customer satisfaction.

3 Business development

Overview

Quirin Privatbank recorded a successful business year in 2024. This positive development is expressed both in terms of the KPIs relating to client assets under management and net inflows in private banking, as well as earnings before tax and profit for the year. In the past financial year the Bank achieved earnings before tax of €16.9 million, an increase of €5.2 million or 45% compared to the previous year's result (€11.6 million). Net income also climbed significantly from €9.5 million to €13.2 million, up €3.7 million or 39%. In 2024, both earnings before tax and annual net income considerably exceeded expectations for the financial year.

Although 2024 continued to be impacted by ongoing geopolitical crises and feeble economic growth, despite the generally fraught underlying economic conditions, capital markets achieved a strong and overall very encouraging development, enhancing the Bank's positive business performance. Return on equity (after tax) for the 2024 business year amounted to 15.6% (2023: 12.5%).

The positive business development was primarily driven by the private banking and treasury business sectors. The marked increase in commission income in the private banking business is accounted for by the perceptible rise in assets under management. Despite the ECB's lowering of interest rates, due to an unabated high level of client deposits and resulting interest margins generated, the Bank's treasury reported a significant improvement.

The Bank was able to maintain growth in the **private client business** as in previous years. During the 2024 business year, from a net perspective 1,000 new clients were acquired, representing an increase of 70% compared to the previous year. Client numbers thus rose by 8% to 13,500. At the end of 2024, assets under management amounted to €6.7 billion, an increase of €0.9 billion or 16% compared to the previous year. This greatly exceeded the growth anticipated for assets under management. The increase in assets under management reflects both the positive performance achieved in client portfolios and net inflows in private banking. In the past business year net inflows of €350 million reached a similar level to the preceding year (2023: €380 million). While the previous year's net inflows were largely invested as overnight money in interest accounts, in 2024 client assets were invested in the long(er) term on international capital markets as part of an asset management strategy.

Commission income in the private client business increased by 13% compared to the previous year's level due to the high net inflows and the positive development of the capital markets, in turn reflected in the growth of client portfolios. Although administrative expenses rose by 24% on account of investments relating to the quality and growth programme, performance in private client business in 2024 was significantly improved and also exceeded expectations for this segment. The CIR of the private banking business sector thus increased slightly from 62% to 65%.

The Bank's subsidiary **quirion AG** also performed well and was able to continue its growth course. The number of clients rose by 17% to more than 91,000. Client assets under management increased by almost 19% to €2.7 billion. Since the accounts and deposits of quirion clients are also managed by Quirin Privatbank, this positive development is also reflected in the number of clients, assets under management and balance sheet total at Quirin Privatbank level.

At the end of 2024, Quirin Privatbank thus serves approximately 105,000 clients with assets of €9.5 billion, which translates into growth rates of 16% in client numbers and 17% in assets under management compared to the previous year.

Due to the feebleness of the overall economic situation in Germany, underlying conditions in the **capital markets** business in 2024 proved extremely challenging, especially for clients in the small and mid-cap sector. For this client group in particular, the high level of uncertainty dominating the economic environment has made it difficult or in some cases outright impossible to carry out capital market transactions. Due to the stable and economically less vulnerable **capital market services sector** the capital market business still achieved a positive operating result overall and showed a significant improvement compared to the previous year's result. The CIR of this business division also improved from 86% to 76%.

Income

Commission income is a key driver of the Bank's earnings. In the private banking business, commission income rose perceptibly due to the increase in assets under management, while in the capital markets business it declined slightly and in the treasury noticeably. Overall, commission income amounted to €56.2 million, which represents an increase of €4.1 million or 8% compared to the previous year.

Interest income, which in this report also includes current earnings from shares and other non-fixed-income securities, increased again significantly in the past financial year by €5.7 million from €15.4 million to €21.1 million. Improved interest income – despite the ECB's lowering of interest rates – is ascribed to a consistent level of interest margins and a continued high level of client deposits.

The trading result for the year under review amounted to €0.2 million (previous year: -€0.2 million).

Other operating income amounted to €7.8 million and has therefore improved clearly compared to the previous year's lower figure of €2.5 million. The previous year's figure contained an expense of €2.7 million that did not originate in the reporting period, attributable to amended VAT assessments for the years 2016 to 2018 issued as part of a tax audit in 2023. The Bank filed appropriate appeals against these assessment notes on the basis of a differing legal opinion. In 2024 VAT assessments for the years 2026 to 2018 were again amended, and other operating income for the 2024 financial year now includes an income of €2.5 million from prior periods. Also included is income from the passing-on of third-party costs and from agency services within the scope of the BPO business (€4 million, previous year: €3.3 million), from the reversal of provisions (€1.4 million, previous year: €1.3 million) and currency translation (€0.2 million, previous year: €0.2 million).

Administrative expenses amounted to €62.5 million in the year under review, an increase of 20% compared to the previous year. This figure includes a 15% rise in personnel costs and is accounted for by higher variable remuneration components due to improved results, inflation-linked salary adjustments, as well as a higher number of employees. Other administration expenses increased by 26% compared to the previous year due to a general rise in costs and in particular to project and growth-related expenses.

The balance of write-downs of intangible and tangible assets remains unchanged at €0.8 million in comparison with the previous year.

The balance of write-downs and valuation allowances of loans and advances on receivables and specific securities, as well as additions to loan loss provisions decreased sharply to -€0.9 million in 2024 compared to the previous year (-€4.3 million). Risk provisions include the valuation result from liquidity reserve equities, allowances for loans and advances to clients, as well as adjustments in the accounting of general loan loss provisions applied in accordance with IDW RS BFA 7.

Depreciation and write-downs on participating interests, interests in affiliated companies and securities treated as fixed assets (result from financial investments) amounted to -€0.8 million (previous year: -€1.0 million). The charge against earnings results from a cautious assessment approach for securities treated as fixed assets.

In view of the good earnings performance, to which prior-period income in other operating income from amended VAT assessments for the years 2016 to 2018 issued as part of a tax audit also contributed, the Bank increased the fund for general banking risks by €3.5 million pursuant to section 340g, German Commercial Code (HGB). Together with the mandatory reserve pursuant to section 340e (4) HGB, which was reduced in 2024 by €0.2 million, the fund for general banking risks amounted to €10.7 million as of the reporting date.

Overall, Quirin Privatbank generated earnings before tax of €16.9 million for the 2024 financial year (previous year: €11.6 million). As a result, CIR improved at the overall bank level from 77% in the previous year to 74%.

Taxes on income and earnings increased very significantly from €2.1 million in the preceding year to €3.7 million in the past financial year. The higher tax expense is due to much improved earnings before taxes and, in particular, to the utilisation of losses carried forward from the Bank's founding years.

Taking tax expenses into account, net income in 2024 increased to €13.2 million (previous year: €9.5 million).

In addition to the two members of the Management Board, the annual average number of employees for 2024 was 266 (previous year: 254) with 261 employees (previous year: 263) as of the balance sheet date.

Financial position

The Bank refinances the business primarily through equity. In addition, it accepts client deposits as part of its business model, which it mainly deposits with the Bundesbank or invests in liquid securities. The Bank's solvency was maintained at all times during the reporting period. Details of the solvency situation and risks are contained in the risk report.

The share capital of the company remains unchanged at €43,412,923 and is divided into 43,412,923 no-par value bearer shares with dividend entitlement. As of the balance sheet date, the breakdown of shares remains unchanged as follows:

Shareholders	% of share capital
Berliner Effektengesellschaft AG	**25.3**
Management Board of Quirin Privatbank AG	**19.0**
Riedel Gruppe	**14.9**
Diversified holdings	**40.8**

The shares of Quirin Privatbank are listed on the Basic Board, a section of the open market, on the Frankfurt Stock Exchange.

Asset status

Total assets amounted to €1,340 million as of the reporting date, a moderate reduction compared to the figure reported for 2023 (€1,456 million). Compared to the end of 2023 the balance sheet structure remains largely unchanged.

The asset side is therefore dominated by loans and advances to banks, which as per the reporting date had decreased slightly by 8% to €1,218 million, of which €1,159 million are credit balances with Deutsche Bundesbank held in the form of a deposit facility. The cash reserve increased by €6 million to €12 million.

Debt and other fixed-income securities, as well as shares and other variable-yield securities, declined sharply in comparison to 31 December 2023 and amounted to €35 million as of the reporting date, as similarly to previous years, maturities were not fully reinvested.

Loans and advances to clients remained unchanged at €46 million compared to the previous year's balance sheet date. Interests in affiliated companies rose by €3 million to €21 million compared to the previous year due to capital measures at affiliated companies. In the year under review the Bank acquired a participating interest in 3rd-eyes analytics AG, Zurich, Switzerland, amounting to a share in capital of 10.8%. 3rd-eyes analytics AG is a technology and software service provider for the wealth management sector.

In line with the Bank's business model, liabilities to clients of €1,105 million remain the main item on the liabilities side of the balance sheet. Although this is a sizeable reduction compared to the previous year's reporting date (€1,285 million) due to declining interest rates since June 2024, this item remains at a relatively high level.

Liabilities to banks increased by €40 million to €84 million at balance sheet date. Other liabilities rose by €8 million to €35 million while provisions rose by €4 million to €21 million compared to the previous year.

The fund for general banking risks increased by €3 million to €11 million as the result of an allocation in the past financial year.

Equity increased by €8 million to €84 million. The change consists of the equity being increased by the profit of €13 million for the year minus the balance sheet profit of €5 million for the previous year, which was distributed as a dividend to the shareholders after the Annual General Meeting on 7 June 2024.

In accordance with regulatory requirements, the Bank's core capital ratio remained very comfortable at 33.1% (previous year: 33.8%) at the balance sheet date (prior to the approval of the annual financial statements). This was significantly higher than anticipated on the basis of the capital plan for the financial year.

Overall statement on the economic situation

The Bank looks back on a very positive business performance in 2024. The most important financial and non-financial performance indicators improved significantly compared to the previous year in part due to benign trends in international stock markets.

Earnings before tax increased by 45% to €16.9 million. The Bank is securely and comfortably positioned with a core capital ratio of 33.1%. Assets under management rose by 16% to €6.7 billion due to cash inflows and positive performance.

Overall, we are therefore very satisfied with the business development in the past financial year and expect to build on this positive development in the future. At the Annual General Meeting in June 2025, in parallel with strengthening revenue reserves, a proposal will therefore be tabled to distribute the remaining balance sheet profit of €6.9 million as a dividend for the 2024 financial year, an increase from 11 to 16 cents per dividend-bearing share.

4 Risk report and description of risk management

Safeguarding the Bank's assets and securing long-term earnings requires a balance between the level of risk and earnings potential. To this end, the Management Board has established an Internal Capital Adequacy Assessment Process (ICAAP) that defines the individual elements and responsibilities. The ICAAP is embedded in the annual strategy process. It is forward-looking and has far-reaching implications for the commitment of resources. The Management Board is responsible for the strategy process and in its risk strategy has defined the scope of action for the level of risks that can be taken. Bank-specific risk indicators are defined and included in regular reporting.

The Management Board has laid down guidelines regarding the Bank's risk culture. They are intended to improve the identification and management of risks, and ensure that decision-making processes deliver results that are balanced from a risk perspective.

Risk management is an overall Bank responsibility and follows the "Three Lines of Defence" principle. This model ensures that risk management is anchored throughout the Bank. It includes the clear allocation of tasks, competences and responsibilities and forms the framework for a functioning control and monitoring system. Irrespective of the internal rules governing responsibility, the Management Board is responsible for the proper organisation of business and its further development. This includes responsibility for all material elements of risk management and the internal control system. Each specialist department (first line of defence) bears the prime responsibility for risks arising from operations. It ensures that operating activities are in line with business principles and internal guidelines. In coordination with the second line of defence, it develops an appropriate control environment to identify and monitor the risks associated with business processes.

The second line of defence is understood to mean the risk management functions and the control areas used to control and monitor the first line of defence. This includes the definition of methods and procedures for risk management, legal requirements and guidelines, the monitoring of risks and controls and reporting to the Bank's executive bodies. A distinction is made between risk management and financial control. The risk management process involves monitoring and reporting on market price, counterparty, liquidity, operational and other risks. Financial control is responsible for monitoring and reporting business risks. In addition, the organisation, processes and outsourcing management department is responsible for managing and monitoring outsourcing management and the information security officer is responsible for IT risks. The appropriate regulations to counter risks arising from advisory errors, money laundering and fraud issued by the compliance department and the money laundering and fraud commissioners are regularly checked to ensure adherence. In addition, the compliance function is responsible for identifying the main legal regulations and requirements as well as the risks involved should non-compliance with said legal regulations jeopardise the assets of the institution. Furthermore, the data protection and emergency management officers as well as the legal sector belong to the control areas.

Internal audit (third line of defence) has an independent monitoring function within the Bank. Among other things, it monitors the adequacy and effectiveness of risk management and the internal control system.

From the risk culture and principle of the three lines of defence, it follows that each employee of the Bank also has an individual responsibility for risk management.

The risk strategy is based on a risk inventory that is updated regularly in which the risks are defined, recorded and evaluated, and assigned to risk categories. The inventory also includes an assessment of the materiality of the risks affecting the Bank, taking into account relevant risk factors and its risk-bearing capacity.

In order to ensure risk-bearing capacity, the Bank applies not only the normative perspective, but also the economic perspective following the cash value risk-bearing approach. The principles of the concept and results of the analyses are summarised in an ICAAP report. For the normative perspective, the assessment was based on a default scenario and a management-relevant adverse scenario, which simulates adverse developments of a bank-specific and general nature. The Bank also tests further bank-specific adverse scenarios including a long-term ESG scenario and incorporates them into the assessment. It also carries out additional stress and sensitivity analyses in an economic perspective.

Besides the economic perspective, the Bank's risk tolerance and management concept includes the regulatory management committee (normative perspective). The objective of this management committee is to adhere at all times to the external and internal thresholds of regulatory capital and liquidity ratios.

In the 2024 financial year the risk cover fund provided solid cover for the total aggregated bank risks during the year and as of the reporting date. In 2024, the risk-bearing capacity was compliant with the regulatory requirements for both the normative and economic perspective. The relevant management variables of the normative perspective include a management buffer, which was also provided.

In the economic perspective, taking into account deduction items totalling €13.1 million, risk coverage potential amounted to €65.8 million as of the reporting date. In line with subsection 42 of the risk-bearing capacity guideline, deduction items also include the stress testing results of business risks in the controlling-relevant adverse scenario of the ICAAP. In line with subsection 42 of the risk-bearing capacity guideline, planned net commission income is consistently balanced against administration costs. A prudent and conservative estimate based on an adverse scenario and the business scope is applied.

After deducting the economic capital requirements (risk limits), a risk-bearing potential of €15.3 million remains. The Bank distinguishes between the following risk types:

- Counterparty default risks
- Business risks
- Liquidity risks
- Market risks
- Operational risks

The following table shows the key figures for the limit structure and limit utilisation in the economic perspective as at 31 December 2024 for all types of risk that the Bank has classified as material on the basis of its risk inventory:

Tyoe of risk	Limit in € 1000	Risk potential in € 1000
Counterparty default risks VaR including migration risk	17,000	4,140
Investment risks	19,500	16,697
Market price risks VaR including credit spread risks	7,000	4,760
Operational risks	7,000	6,563

The Bank limits investment risks separately and does not include them under counterparty default risks.

In the risk inventory, the level of liquidity risks was still deemed immaterial due to the Bank's adequate liquidity resources as well as the liquidity gap analysis that continued to reveal no refinancing gaps. The business risks deemed material are mapped in the capital plan by the adverse scenarios.

Sustainability risks (ESG risks) are not deemed a separate risk type, but are taken into account as a risk factor in the risk categories. Currently, the Bank's sustainability risks have been ascertained to be of low impact.

The total capital ratio was always more than 28.01% on the monthly reporting dates of the financial year and amounted to 33.05% on the balance sheet date.

In line with MaRisk (Economic Value of Equity) for sudden and unexpected interest rate changes in the banking book, the value to be determined for the first time as per 31 December 2024 is -1.26% and the value for net interest income (NII) is -1.06%. Both figures remain comfortably within the thresholds set by the directive.

Counterparty default risks

In addition to traditional credit and creditworthiness risks, counterparty default risk includes issuer, country, structural and investment risks as well as disposal, migration and foreign currency risks.

Credit and creditworthy risks include the risk of a borrower or issuer failing to meet their contractual obligations or failing to meet them on time.

Counterparty default risk is defined as the risk of financial loss that can occur if the counterparty fails to meet contractual payment obligations. Settlement itself may fail if the Bank has already made an advance payment on delivery (reinstatement and settlement risks). Stock exchange, spot and cash transactions are excluded. The Bank does not carry out so-called free transactions. Replacement risks from the Bank's commission business for warehouse transactions are included additively in the daily limit utilisation indicator.

At the Bank, country risks also cover country transfer risk. Structural risks arise from the composition of the loan portfolio; cluster risks can arise from certain industry, sector or regional concentrations.

The separately itemised investment risks relate to the subsidiary quirion AG and another participating interest and are calculated by multiplying the book value (exposure at default) by the loss given default (LGD). In stress tests, the LGD is increased to 100%.

The Bank handles risks by confining its credit decisions to within the credit approval procedure. Loans are granted mainly in the form of securities-backed loans to private individuals and sole proprietorships. The lending business is primarily geared towards the national market.

The counterparty default risks for clients, counterparties and issuers, taking into account collateral and country risks, are measured by a Monte Carlo simulation (VaR) with an unchanged confidence level of 99.9% and a history depth of 250 days. Expected and unexpected losses as well as migration risks are taken into account.

Exposure at default (EAD) is the extent to which a bank is exposed at the time of the default less any securities and plus any interest and fees. A changeover to a present value approach is scheduled for the beginning of 2025.

For the probability of default (PD), the Bank uses the PD forecasts of Standard & Poor (S&P) for financial institutions, companies with external ratings, and countries.

For corporate and private clients, the PD forecasts of SCHUFA Holding AG, Wiesbaden, are used. If no external ratings are available for borrowers, Credit Back Office conducts in-house rating based on the use of the CredaRate rating system.

The Bank has set up a loss database to determine the loss given default (LGD). The loss given default is defined as the ratio of the loss resulting from the default of a borrower to the amount outstanding at the time of default, and therefore represents the ratio of financial loss to the Bank's EAD. For some segments, in-house loss observations do not suffice as a basis for assertions regarding the accuracy of the predicted LGD, which is why representative external data sources are integrated into the calculation. As a data basis for mapping LGD in the Financial Institutions segment, the Bank takes the CDS settlement prices on default of European banks and payment service providers. In the case of issuers, it uses the recoveries of European companies published by S&P. Empirically observed LGD values of defaulting states and CDS spreads are used for the Countries segment. Accordingly, the Bank uses differentiated LGD values.

Non-performing loans are adjusted for individual values and are included in the calculation of the credit default risk along with any unsecured exposure.

Open lines are offset at 50% against the unsecured exposure. Forward transactions are included at their credit equivalent value. The Bank does not currently grant any foreign currency loans or hold any of its own investments in foreign currencies.

The Bank uses the expected and unexpected loss indicators for risk management. The credit value at risk (CVaR) is the unexpected portfolio loss in excess of the anticipated loss.

The assumed probabilities of default are regularly reviewed in relation to the assumptions made.

The Bank uses CredaRate's ESG module to manage ESG risks within counterparty default risks. So far, the focus has been placed on an informative data collection for corporate loans and securities held in the Bank's trading accounts. The ESG scores ascertained can be compared with the bank's own data pool (as a benchmark). In the context of the risk inventory, the bank has assessed ESG risks as low.

The Bank carries out stress calculations to examine the impact of individual stressed parameters and stress scenarios including risks of several types on key risk indicators and the risk coverage potential. The PD, LGD, expected shortfall and the impact caused by reductions in the collateral value of securities for client loans are used in these calculations. Concentration risks are also examined in sensitivity analyses. In the property sector, an assumed reduction of values as at balance sheet date is used to determine risk.

The loan portfolio amounted to €105 million as of the reporting date (previous year: €153 million) and consists of loans, surety credits and securities from the Bank's own portfolio. After deducting the valued securities, the unsecured exposure is spread over the internal credit ratings as follows (previous year's figures bracketed):

	Unsecured exposure in € million (PY)	in %
Credit rating 1	20 (22)	37
Credit rating 2	16 (30)	29
Credit rating 3	9 (12)	17
Credit rating 4	9 (12)	17
Credit rating 5	0 (0)	0
Total	**54 (76)**	**100**

Ratings 1 to 3 correspond to an investment grade rating for issuer risks.

Identifiable risks are covered via individual value adjustments for any unsecured exposure. Risks arising from contingent liabilities or loan commitments are covered by setting aside provisions. Flat-rate value adjustments in line BFA 7 cover deferred counterparty risks in the lending business as well as off-balance-sheet credit risks. Flat-rate adjustments are deducted from the assets of loans and advances to banks and loans and advances to clients.

Provisions for off-balance-sheet business are classed as liabilities and are deducted from contingent liabilities and other liabilities. Flat-rate adjustments are calculated according to a simplified approach based on expected losses. The expected lifetime loss across the entire period of the business is estimated. The expected loss is determined using a model which, with regard to the consideration of deferred credit risk, primarily uses the parameters PD, recovery rate (expected proceeds from the realisation of existing collateral) and the credit conversion factor (linear offsetting) of risk management as well as a discount curve. In contrast to the application of risk management models to determine the counterparty default risk, the PD is supplemented by a macroeconomic factor in the form of an early warning indicator. The risk-free market interest rate is used to discount the cash flows.

As of the reporting date, 24% of the credit exposure is accounted for by the property and construction sector. The 5% increase compared to the previous year is accounted for by the overall decline in holdings. Risk concentrations in loans, securities, currency, rating classes or regions are currently considered immaterial in terms of risk for the Bank.

Market risks

Market risk takes account of interest risk in the banking book, exchange risk, foreign currency risk and credit spread risk (for securities holdings in the trading and investment portfolios).

Generally the Bank does not trade on its own account (nostro) in shares, derivatives or foreign currencies with the aim of generating short-term profits. Furthermore, the Bank does not carry out currency options or transactions in real estate and commodities. These activities are therefore excluded from the comments on market risks.

In principle, the Bank executes securities orders and forward exchange transactions on behalf of clients as commission transactions. Consequently, these are not taken into account when measuring market risks.

The currency, value and maturity-matched valuation units (micro hedges) of forward exchange transactions are valued in terms of risk on an individual transaction basis by using the mark-to-market accounting principle and fully included in the risk. These transactions relate to clients and their hedging activities and are of minor importance.

Risk utilisation is calculated daily based on the closing balances of the previous day. Limit excesses require the separate approval of the relevant authorised representative.

Market price risks are calculated using a historical simulation (VaR) using an unchanged confidence level of 99.9% and a holding period of 250 days. In order to map all relevant developments of an economic cycle, a historical depth for interest rate and credit spread risks from the end of 2006 will be used. The credit spreads are part of the VaR risk measure. The Bank uses the daily and industry-specific credit spread curves (annual yield curves) of external market data provider IHS-MARKIT.

As before, the Bank continues to use the zeb trading system for price risk metrics.

Currency risks are low at the Bank and are determined on the basis of the exchange rate at balance sheet date. Volatility of exchange rates is taken into account in a rate-reducing manner for (net) long positions, and in a rate-increasing manner for (net) short positions. The euro amount calculated on the basis of the exchange rate adjusted for volatility is added across all currencies as an absolute value and is taken into account additively in the limit utilisation indicator.

For stress and sensitivity analyses, the interest and credit spread curves and currency rates were changed. In addition, various interest rate scenarios and resultant present-value changes were included in the analyses.

The VaR contains the following figures for interest rate, price, currency and credit spread risks (previous year in parentheses) as at balance sheet date:

Price risk	Currency risk	Interest rate risk (IRRBB)	Credit spread risk
2,842 (4,584)	89 (28)	1,128 (230)	15 (126)

It also includes a separate (VaR) presentation of the cover assets for pension provisions amounting to €686,000 (previous year: €398,000), which is added into the limit utilisation for market risks.

The price risk is calculated on the basis of the volatile stock prices with an additional risk premium of 20% (previous year: 110%) and is therefore reduced compared to the previous year, also on account of lower market values. The increase in interest rate risk is due to changes in the interest rate market.

The effect on the interest rate risk is low due to the investment of interest-bearing deposits in line with the amount and time limits.

Liquidity risks

The Bank must always ensure that it is able to meet its payment obligations at all times (insolvency risk). Liquidity risks include the risk of incurring higher refinancing costs resulting from a downgrade of its own credit rating or due to general increases of funding spreads in the market (funding costs risk) as well as market liquidity, call and maturity risks.

The Bank refinances the business primarily through equity. In addition, it accepts client deposits as part of its business model, which it mainly deposits with the Bundesbank or invests in liquid securities.

Call risks are managed by means of matching maturity liquid assets and by investing in short-term realisable assets.

The Bank uses the zeb/integrated_treasury-manager system to measure liquidity risks. The individual payment cash flows are assigned to maturity bands according to their (remaining) term. Liquidity gaps are previewed in a liquidity gap analysis. The system compares these gaps with hypothetical congruent refinancing at current market conditions. This is used to calculate a theoretical present value refinancing loss, the effects of which are simulated for sensitivity analyses in the event of a change in the refinancing curve. The market liquidity risk (risk of a more difficult short-term realisation of assets due to a lack of sufficient market liquidity) is taken into account by different recovery rates for securities.

The Bank has put in place contingency plans to counter potential liquidity crises.

The respective liquidity costs, benefits and risks are taken into account in the Bank's planning and are offset internally according to the source (internal transfer pricing system).

Treasury is responsible for operational liquidity management. Its decision is based on the forecast refinancing requirement for the different time horizons.

The Bank's liquidity position was stable in the past financial year. As at 31 December 2024, the LCR ratio was 5.24 (regulatory minimum 1.0). For the 2023 financial year as a whole, the ratio was between 5.24 and 12.48.

The leverage ratio is monitored and controlled on a daily basis, and the minimum ratio was maintained throughout the reporting year.

The Bank also uses a liquidity at risk (LaR) approach to monitor liquidity risks. The LaR refers to the payout surplus that is not exceeded during a business day with a certain probability on the basis of historical data. With the LaR, the Bank determines how much liquidity it should hold in order to meet its daily obligations. Daily monitoring with a traffic light rating system is linked to the liquidity contingency plan and showed that the Bank remained well within limits in 2024.

The calculated LaR for the period from 1 January to 31 December 2024 was around €68 million at a 99% confidence level and was secured by balances due on demand at the Deutsche Bundesbank.

Operational risks

The Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Bank has created an organisational framework to systematically record operational risk throughout the Bank. Loss incidents are promptly tracked and evaluated in a loss database.

In terms of methodology, operational risks are measured with a DP-aided Monte Carlo simulation based on a 99.9% confidence level and one-year observation horizon. All calculations are based on gross loss. A Poisson distribution is used for modelling the spread of loss cases. The Poisson distribution is a suitable discrete probability distribution used for the modelling of frequencies of occurrence of isolated, unrelated incidents (such as those recorded in the loss database and assigned to a loss category). The history depth is limited to a relevant rolling period of ten years and takes into account inflation effects for loss incidents in the past.

To ensure suitable modelling, all observed loss cases are classified according to risk type and extent of loss. The risk types map all the (sub) risk types identified in the OpRisk risk inventory. In the case of extent of loss, loss incidents are differentiated as minor, moderate or large losses for each risk type. Definition of the thresholds of the extent of loss categories is based on internally specified reporting categories. To estimate parameter λ of the Poisson distribution, the average historical frequency of occurrence of the random variable is used.

If no or not enough cases are available in the loss database for a (sub) risk type, hypothetical loss incidents are developed and elaborated together with the divisions. For the simulations, appropriate (expert) risk estimates with a probability of occurrence (PoO) are assumed. The modelling differs by extent of the individual loss in five forms and PoO.

In the stress computations, the lambdas are doubled in the Poisson distribution, while the PoO is doubled in the scenarios. In addition, all claims rolled out of the 10-year horizon with gross damages above the threshold of €100,000 are allocated to the period.

The Bank uses an analytical self-assessment approach for the risk inventory, with which potential new risks can be identified. This instrument can be used to identify risk potentials. This indicator for operational risks is designed to highlight changes in measured risks against the previous year and identify new weaknesses in the organisation and in processes and systems. Self-assessments are used to demand and follow up on risk reduction measures from the relevant areas.

These measures are accompanied by systematic reviews and enhancements to the internal control system, and by compliance regulations and through appropriate monitoring measures in the areas affected (e.g. legal department and HR).

Operational risks also include legal risks, which are managed by the legal department. Appropriate provisions have been set aside for open legal proceedings.

The Bank's success depends to a large extent on committed employees. Regular analyses are therefore carried out on staff turnover, absenteeism and personnel development measures with a view to creating appropriate management controls.

The Bank has adopted an IT strategy including security guidelines. The security objectives are managed and monitored by the information security officers.

The operational risks in the past financial year were consistently in line with the Bank's risk-bearing capacity. Looking ahead, no operational risks are expected to jeopardise the Bank as a going concern.

Business risks

Sales/revenue and profit risks as well as strategic risks are grouped together under business risks.

Cost increases are contained within budget controls and budget accountability. As part of the target/actual analyses, budget overruns are promptly discussed and approved.

In the case of sales/revenue and profit risks, it is assumed that budgeted income will not be exceeded if budgeted expenses remain constant. Sharp declines in revenue and profit are contained by means of profit checks and profit controllers. The sales/revenue and profit risk is classified as significant for the stress test scenario in private banking, in particular due to the dependency on income from the performance of the equity and bond markets, which in turn have a direct impact on the level of assets under management.

The strategic risk of misjudging market potentials and trends is measured and analysed by means of deviations from key factors relevant to sales and turnover. As part of the strategy process, these analyses are incorporated into the strategic considerations and lead accordingly to possible changes and corrections.

Risk reporting includes the timely communication of risk-relevant information to the relevant decision makers in compliance with the requirements of MaRisk. In addition to daily reporting on the limit utilisation of market price risks and counterparty risks to the treasury, finance, lending and lending back office and the Management Board, supplemental in-depth monthly reports are issued to the same recipients, as well as a quarterly report to the Supervisory Board of the Bank. Quarterly reporting includes reporting on the development of the defined indicators in accordance with the Minimum Requirements for the Design of Recovery Plans (MaSan) in conjunction with the German Recovery and Resolution Act (SAG). The Bank's executive bodies also receive a monthly report on business development.

Summary and outlook for risk management

The Management Board has defined the Bank's risks in the risk strategy taking into account the business strategy and the risk-bearing capacity. Based on this, appropriate analyses, methods and performance indicators for measuring, monitoring and controlling risks have been developed and implemented.

Aside from the normative perspective, the Bank also applies the cash value risk-bearing capacity approach in the economic perspective. The principles of the concept are summarised in an ICAAP report. For the normative perspective, the assessment was based on a default scenario and a management-relevant adverse scenario, which simulates adverse developments of a bank-specific and general nature. The Bank also carries out further adverse scenarios as well as a long-term ESG scenario in the normative perspective and additional stress and sensitivity analyses in the economic perspective.

Besides the economic perspective, the Bank's risk tolerance and management concept includes the regulatory management committee (normative perspective). The objective of this management committee is to adhere at all times to the external and internal thresholds of regulatory capital and liquidity ratios.

The risk cover fund provided solid cover for the total aggregated bank risks. In 2024, the risk-bearing capacity was compliant with the regulatory requirements for both the normative and economic perspectives. The relevant management variables of the normative perspective include a management buffer, which was also provided.

5 Opportunities, risk and forecast report

The Bank's outlook on future conditions

Following 2023, global stock markets recorded another auspicious year as 2024 drew to a close. Once again, double-digit returns were recorded – well above average performance given the long-term return expectations of approximately 8% on global stock markets. From the Bank's perspective, this was quite astonishing in view of the subdued global economic momentum in 2024 and continuing geopolitical tensions. Despite this environment, companies worldwide were generally able to improve their earnings performance, laying the foundation for further increases in stock market prices. Uncertainties for the economy and financial markets will surely persist due to the economic and geopolitical measures adopted under Donald Trump's renewed US presidency, as well as possible countermeasures by affected economies and markets and the resulting effects. Inflation, which is not yet fully under control, and the monetary policy decisions by central banks towards inflation may become decisive factors for possible fluctuations on the financial markets in the course of 2025.

As the basis of our (conservative) business plan, we anticipate a sidewards movement on capital markets. We expect a moderate rise in AuM on this basis only within the context of our continued growth due to corresponding net cash inflows in our private banking business.

Opportunities and risk report

As a player in the field of financial investment and asset management, Quirin faces very stiff competition. The Bank stands out from competitors with a combination of independent advice and an investment concept that is based on forecast-free scientific insights. This uniqueness is further emphasised by the consistent provision of hybrid services in close cooperation with quirion. The business model offers potential for continued strong client growth, as well as a significant increase in the volume of assets under management and associated growth in earnings.

High satisfaction and willingness to recommend on the part of our clients unlock further growth opportunities. Against this backdrop, the Bank will continue its targeted expansion of advisory and sales capacities in 2025 and subsequent years.

The renewed cut in interest rates in 2024 unlocks both opportunities and risks. The lower interest rate level has increased pressure on many individuals to review the structure of their asset investments and their investing on the capital market. This will likely have a favourable effect on the Bank's future growth course. At the same time, the lower interest rate level will probably reduce the Bank's recently improved earnings situation in its asset and liability management (treasury), particularly in the deposit business. The extent of this effect will hinge on further developments in the interest rate level and in particular on the interest rate on the ECB's deposit facility, as well as the development of the interest margin and deposit volume.

Another particular risk to business development may be constituted by a protracted period of negative development in capital markets. The risk held by such a scenario is that serious market fluctuations or extended periods of depression may result in the basis for assessing commission income being too low, while client expectations of returns cannot be satisfied, which may in turn impact negatively on new and existing client growth.

However, the planned moderate increase in advisory and sales capacities also entails associated cost risks – especially if client and/or volume growth cannot be generated at the expected level or speed. Furthermore, general cost risks have increased due to the still high or trailing inflation rate and persistently higher project and IT costs. The risk consists of the positive scaling effects not being realised as planned or only to a limited extent on account of the higher costs.

For several years the Bank has focused on providing clients with asset management advice and services (formally: financial portfolio management). Effective as of 31 December 2024 it terminated its few remaining asset management activities relating to individual stocks and bonds and converted its mandates into execution-only business. In this context there is a risk that the Bank will lose individual clients and/or assets with a corresponding reduction in assets under management. However, by taking this step the Bank frees capacities for acquiring new clients while considerably reducing regulatory and operational risks.

We also anticipate client and volume growth for quirion AG in 2025. Digital investment is exposed to the risks attached to high market and competitive intensity and investments in the marketing of products and services, and consequently in the business risks of the Bank's subsidiary, which can be transferred to the Bank via the provision of the necessary regulatory capital or valuation of the investment book value.

In the capital markets business, the Bank also faces strong competition, especially in view of the present weak market situation and challenging overall economic conditions, which put pressure on business margins and carrying out transactions in the existing market segment, resulting in a corresponding impact on business performance.

Developments in the regulatory environment continue to be another risk and cost factor, as ever-increasing regulatory requirements drive up costs while in particular also increasing complexity and tying up resources.

Risks may also arise from legal disputes if they have an impact on assets, financial position and financial performance. Legal risks may be specific to the Bank or to the entire sector.

IT, outsourcing and cost risks arise from the assignment of services to third parties if the services are not provided or not performed as agreed. For the Bank, this risk is generally relevant in terms of IT outsourced to business partners, the use and operation of the core banking system and securities processing. Risks may arise, for example, from a failure of the IT or the outsourcing company or cyber risks. In order to mitigate risks associated with outsourcing, the Bank has established appropriate measures to manage and ensure the quality of service and service delivery of service providers as well as operational stability and information security.

In addition, there is a fundamental risk that the actual future development of personnel and administrative expenses will deviate from the assumptions made in the context of business planning, e.g. due to new regulatory requirements or other price developments or deviations in the recruitment plan. Depending on the extent and direction of such deviations, this may lead to a higher or lower annual net profit.

Forecast report

The forecast for the 2025 financial year is based on the business plan approved in the fourth quarter of 2024. The statements contained in this report generally reflect the state of information available at the time of the preparation of the annual financial statements and the management report. Business planning is based on future-focused forecasts, expectations and planning assumptions.

There are known and unknown uncertainties regarding the planning assumptions becoming the reality, which are largely outside the control of Quirin Privatbank. Therefore, the business planning and subsequently the expectations of the Management Board contained in the forecast report are subject to uncertainties with regard to future business development. It follows that the actual development of Quirin Privatbank in the 2025 financial year may differ from the following statements regarding the expectation of future business development, which should be read in connection with the other chapters of the management report.

We expect a positive development and positive returns from the operative business across all business areas for the 2025 financial year. The total capital ratio is expected to decrease slightly due to prudential conservative capital planning.

In private banking, we continue to set our ambitious growth targets based on our high level of client satisfaction and willingness to make recommendations with regard to new customers and net cash inflows. We therefore anticipate a slight rise in assets under management and, in turn, a perceptible increase in earnings compared to 2024. Set against the backdrop of cautious planning assumptions and with our growth strategy, we also expect administrative expenses to rise moderately, with a CIR for the business segment remaining at a similar level to 2024.

As part of our business planning for the 2025 financial year, we expect a significant increase in commission income for the capital markets business compared to 2024. Due to the dependency on the number of performed and supported transactions and the capital market environment any forecast for the business sector, similar to those in previous years, is fraught with uncertainty. With CIR improving accordingly compared to 2024, we expect the sector to make a contribution to earnings that would be higher than in the past financial year.

For the financial year ahead we anticipate a noticeable decline in earnings for the Bank's treasury compared to 2024, with a slightly higher CIR, due to lower interest rates and as a result assumed lower customer deposits, as well as a lower interest margin assumed for planning purposes.

Overall, we expect positive earnings before taxes for 2025 which will be slightly below the level of the past business year, particularly in view of the planning assumptions for the treasury division. The CIR is expected to increase slightly at the overall bank level.

Due to losses carried forward being fully utilised in 2024, we expect considerably higher tax expenses for the 2025 business year. This means that net income, i.e. earnings after taxes, is likely to be noticeably lower than in the past business year.

Summary statement

Quirin Privatbank continues to face strong competition, both in the high net worth market and in the capital markets business. However, with its combination of independent and hybrid financial advice, drawing on a scientifically based and forecast-free investment concept, the Bank offers a unique service and with its platform has paved the way to growth-driven business development. Furthermore, in our view, both the business model and growth dynamics have shown their resilience and stability even when exposed to the recent adverse economic conditions.

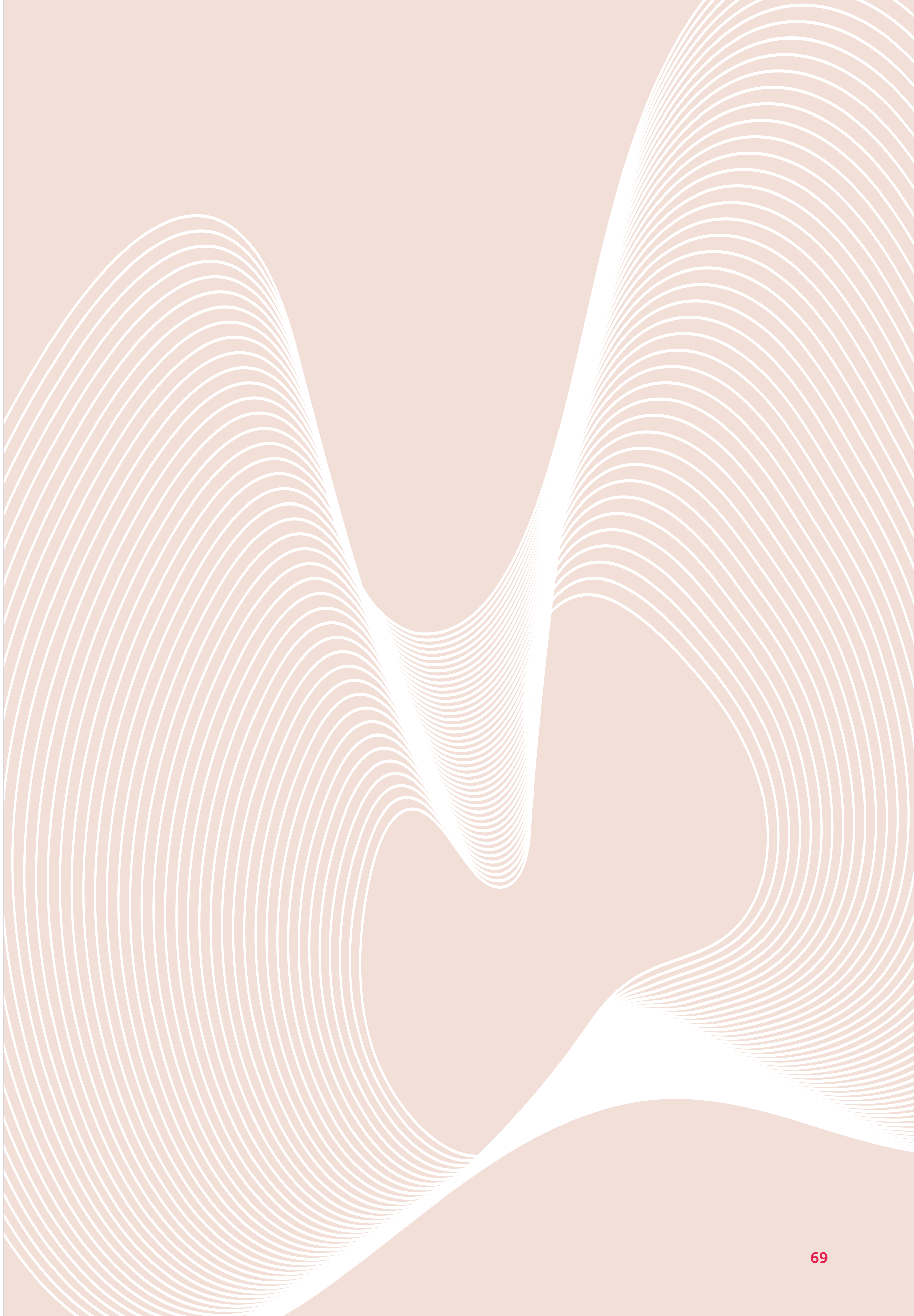
Against this background we are highly satisfied with business development over the past year and are confident that the key performance indicators will continue to improve in future years.

We would like to extend a special thanks to our committed employees.

Berlin, 12 March 2025

Quirin Privatbank AG
The Board of Management

Karl Matthäus Schmidt **Johannes Eismann**



Annual Financial Statements 2024

Balance as at 31 December 2024 of Quirin Privatbank AG

Assets				31 December 2024	31 December 2023
		€	€	**€**	€
1.	Cash reserve				
	a) cash on hand		229.75		3,042.91
	b) balances with central banks of which with Deutsche Bundesbank: €12,002,848.89		12,002,848.89		6,164,405.36 (6,164,405.36)
				12,003,078.64	**6,167,448.27**
3.	Loans and advances to banks				
	a) payable on demand		59,035,498.41		37,646,663.92
	b) other loans and advances		1,159,364,301.92		1,291,143,444.44
				1,218,399,800.33	1,328,790,108.36
4	Loans and advances to clients			**46,169,241.26**	46,184,463.10
5.	Debt and other fixed-income securities				
	b) bonds and notes				
	ba) from public issuers	21,606,863.40			23,228,977.17
	of which eligible as collateral with the Deutsche Bundesbank: €21,606,863.40				(23,228,977.17)
	bb) other issuers	4,564,812.18			17,827,829.12
	of which eligible as collateral with the Deutsche Bundesbank: €699,295.85				(10,810,978.62)
			26,171,675.58		41,056,806.29
				26,171,675.58	41,056,806.29
6.	Equities and other variable-yield securities			**8,589,883.16**	9,815,029.19
6a.	Trading portfolio			**1,911,415.47**	1,913,768.13
7.	Participating interests			**1,555,580.91**	0.00
8.	Interests in affiliated companies			**20,707,113.15**	17,963,503.94
	of which in financial service providers: €20,707,113.15				(17,963,503.94)
11.	Intangible assets				
	b) purchased intangible assets, industrial property rights and similar rights and values, as well as licenc-es to such rights and values		1,203,816.00		774,190.75
	d) Advance payments		61,323.75		0.00
				1,265,139.75	774,190.75
12.	Tangible fixed assets			**992,573.17**	1,040,602.17
14.	Other assets			**1,391,875.29**	1,289,119.80
15.	Deferred expenses			**1,288,066.61**	1,250,113.97
Total assets				**1,340,445,443.32**	**1,456,245,153.97**

Balance as at 31 December 2024 of Quirin Privatbank AG

Liabilities				31 December 2024	31 December 2023
		€	€	**€**	€
1.	Liabilities to banks				
	a) payable daily		83,717,324.14		43,649,545.83
				83,717,324.14	**43,649,545.83**
2.	Liabilities to clients				
	b) other liabilities				
	ba) payable daily	1,104,934,669.42			1,284,651,551.28
	bb) with agreed maturity or period of notice	67,623.77			67,623.77
			1,105,002,293.19		1,284,719,175.05
				1,105,002,293.19	1,284,719,175.05
3a.	Trading portfolio			**2,603.10**	76.99
5.	Other liabilities			**35,407,521.51**	27,015,505.94
6.	Deferred expenses			**744,496.11**	826,907.72
7.	Provisions				
	b) tax provisions		3,113,783.54		1,769,641.42
	c) other provisions		17,413,355.87		14,896,917.81
				20,527,139.41	16,666,559.23
11.	Fund for general banking risks			**10,665,322.30**	7,390,626.14
12.	Equity capital				
	a) subscribed capital		43,412,923.00		43,412,923.00
	b) capital reserve		164,351.98		164,351.98
	c) retained earnings				
	ca) statutory reserves	3,254,869.19			2,595,998.79
	cd) other retained earnings	30,600,531.71			25,028,061.77
			33,855,400.90		27,624,060.56
	d) net retained profit		6,946,067.68		4,775,421.53
				84,378,743.56	75,976,757.07
Total liabilities				**1,340,445,443.32**	**1,456,245,153.97**

1.	Contingent liabilities				
	b) liabilities from guarantees and indemnity agreements		1,023,187.92		1,259,731.87

Profit and loss account of Quirin Privatbank AG for the period from 1 January to 31 December 2024

				1 January – 31 December 2024	1 January – 31 December 2023
		€	€	**€**	€
1.	Interest income from				
	a) lending and money market transactions				
	aa) interest income without negative interest	49,988,006.38			33,574,446.27
	ab) negative interest on credit balances	-1,852.63			-2,781.87
		49,986,153.75			33,571,664.40
	b) fixed-interest securities and debt register claims	516,576.13			639,829.68
					34,211,494.08
2.	Interest expenses				
	a) interest expenses without positive interest	29,693,170.55			19,258,487.17
	b) positive interest on liabilities	-2,679.98			-10,029.54
					19,248,457.63
				20,812,239.31	14,963,036.45
3.	Current income from				
	a) equities and other variable-yield securities		301,938.07		
				301,938.07	401,987.89
5.	Commission income		71,488,333.79		64,699,960.04
6.	Commission expenses		15,240,617.90		12,599,443.92
				56,247,715.89	52,100,516.12
7.	Net income from trading portfolio			**162,830.51**	-201,371.82
8.	Other operating income			**8,376,010.91**	5,400,653.89
10.	General administrative expenses				
	a) staff expenses				
	aa) wages and salaries	28,957,508.07			25,067,793.38
	ab) social security, pension and other benefit costs	3,921,691.54			3,521,947.09
			32,879,199.61		28,589,740.47
	of which for pensions: €138,254.94				(148,602.42)
	b) other administrative expenses				23,408,071.52
				62,509,454.94	51,997,811.99
11.	Depreciation, amortisation and write-downs of intangible and tangible assets			**792,027.50**	781,853.85
12.	Other operating expenses			**541,263.16**	2,949,047.18
13.	Write-downs and valuation allowances of loans and advances on receivables and specific securities, as well as additions to loan loss provisions		899,891.78		4,294,846.93
				-899,891.78	-4,294,846.93

Profit and loss account of Quirin Privatbank AG for the period from 1 January to 31 December 2024

				1 January – 31 December 2024	1 January – 31 December 2023
		€	€	€	€
15.	Write-downs and valuation allowances of loans and advances on investments, interest in affiliated companies and securities treated as fixed assets		800,663.01		1,023,542.70
				-800,663.01	-1,023,542.70
18.	Withdrawals from/additions to (-) the fund for general banking risks			**-3,500,000.00**	0.00
19.	Results from normal business activities			**16,857,434.30**	11,617,719.88
23.	Taxes on income and earnings		3,679,079.28		2,134,348.93
24.	Other taxes not reported under item 12		947.00		683.00
				3,680,026.28	2,135,031.93
27.	Annual net profit			**13,177,408.02**	9,482,687.95
28.	Profit/loss carried forward from the previous year			**0.00**	0.00
				13,177,408.02	9,482,687.95
32.	Transfers to revenue reserves				
	a) to statutory reserves		658,870.40		474,134.40
	d) to other reserves		5,572,469.94		4,233,132.02
				6,231,340.34	4,707,266.42
34.	Retained earnings/accumulated deficit			**6,946,067.68**	**4,775,421.53**

Annex to Quirin Privatbank AG for the 2024 financial year

A General information on the structure of the annual financial statements to 31 December 2024 and on the accounting and valuation methods

Preparation of the annual financial statements

Quirin Privatbank AG, based in Berlin, is registered in Section B of the Charlottenburg District Court Commercial Register under the number HRB 87859 B.

The financial statements of Quirin Privatbank AG as at 31 December 2024 were prepared in accordance with the provisions laid down in the German Commercial Code (HGB) in conjunction with the relevant regulations of the Stock Corporation Act (AktG) and the Regulation on Accounting for Credit and Financial Service Institutions (RechKredV).

The structure of the balance sheet and the profit and loss account complies with section 2 of RechKredV, forms 1 and 3. The profit and loss account was prepared in vertical format. For reasons of transparency, the option pursuant to section 265 (8) HGB was applied. This option is similarly used for the "of which" items on the forms.

Accounting and valuation methods

The accounting and valuation methods applied to the items of the balance sheet and the profit and loss calculations correspond to sections 242 et seq. and 340 et seq. HGB as well as RechKredV in its current version. The presentation, structure, method and valuation of the annual financial statements are consistent with the principles applied in the previous year.

Assets and **liabilities denoted in a foreign currency** are valued at the mean spot rate on the balance sheet date pursuant to section 256a HGB, in conjunction with section 340h HGB. As a result, these financial statements include unrealised gains and losses from currency translation. These are reported under other operating income and expenses. If the residual term is more than one year, the amounts are valued using the mean spot rate at the time they arise. In the case of changes in exchange rates up to the balance sheet date, the valuation is generally based on the mean spot exchange rate at balance sheet date, applying the lower of cost or market principle on the assets side and the highest value principle on the liabilities side.

Forward transactions are translated at the applicable forward rates on the balance sheet date.

Foreign exchange transactions are assigned to the trading book unless the valuation units fall under section 254 HGB. The valuation results of forward transactions are reported under net trading income. Split forward rates are used to value currency swaps. The accrual of swap positions is also included in the net trading income.

Cash reserve and **loans and advances to banks** are shown at nominal value. Loans and advances to banks and liabilities to banks are offset under compensating balance agreements.

Loans and advances to clients are shown at nominal value. Identifiable risks are covered via individual value adjustments for any unsecured exposure. Default risks arising from contingent liabilities or loan commitments are covered by setting aside provisions. On-balance-sheet exposure to counterparty risks in the lending business as well as off-balance-sheet credit risks are covered by flat-rate adjustments in line with IDW RS BFA 7. Flat-rate adjustments are deducted from the assets of loans and advances to banks and loans and advances to clients. Provisions for off-balance-sheet business are classed as liabilities and are deducted from contingent liabilities and other liabilities. Flat-rate adjustments are calculated according to a simplified approach based on expected losses. The expected lifetime loss across the entire period of the business is estimated. The expected loss is determined using a model which, with regard to the consideration of deferred credit risk, primarily uses the parameter PD, recovery rate (expected proceeds from the realisation of existing collateral) and the credit conversion factor (linear offsetting) of risk management as well as a discount curve. In contrast to the application of risk management models to determine the counterparty default risk, the PD is supplemented by a macroeconomic factor in the form of an early warning indicator. The risk-free market interest rate is used to discount the cash flows.

Debt and other fixed-income securities held as fixed assets are stated at cost and valued according to the moderate lower of cost or market principle. Premiums and discounts from fixed-income securities acquired above or below par are amortised over the period. Debt and other fixed-income securities in the **liquidity reserve** are valued at cost or at the lower fair value at balance sheet date.

Equities and other variable-yield securities in the **liquidity reserve** are valued on the basis of market prices at balance sheet date in accordance with the strict lower of cost or market principle. Equities and other variable-yield securities held as fixed assets are treated in accordance with the moderate lower of cost or market principle.

Financial instruments in the **trading portfolio** are valued in accordance with section 340e (3) sentence 1 HGB at their fair value as at balance sheet date after deducting a risk discount. The risk discount is calculated using the value-at-risk method and deducted from unrealised valuation gains in the trading portfolio. This is based on a ten-day holding period, an observation period of one year and a confidence level of 99%. In accordance with section 340c (1) HGB, the risk discount is recognised as an expense in the net income of the trading portfolio. In addition, part of the net income from the trading portfolio is allocated to the fund for general banking risks in accordance with section 340e (4) HGB. The criteria laid down by the Bank for the inclusion of financial instruments in the trading portfolio did not change in the financial year.

Accrued interest on loans and advances, liabilities and securities is added to the corresponding nominal amounts and shown in the respective balance sheet items.

Participating interests and **interests in affiliated companies** are valued at cost or at the lower of cost value. The fair value of shares in affiliated companies is determined using the capitalised earnings approach.

Purchased **intangible assets** and the **tangible fixed assets** are capitalised at acquisition cost less scheduled depreciation. Depreciation is calculated using the straight-line method over the respective useful life. Standard software is reported under intangible assets. Fixed assets with an acquisition value of less than €250 are immediately booked as expenses. Independently usable fixed assets with an acquisition value of more than €250 but less than €800 are immediately booked as expenses.

Anticipated long-term write-downs in the value of fixed assets are accounted for by **unscheduled depreciation.** If the reasons for these lower valuations no longer apply, the assets are written back to a maximum of the amortised cost.

Other assets are generally stated at nominal value.

Liabilities are included in the balance sheet at their settlement value.

Provisions take into account all foreseeable risks and uncertain contingent liabilities and are recognised in the amount of the required settlement amount, as determined based on prudent commercial judgement. Future price and cost increases are taken into account if there is sufficient objective evidence that they will occur. Provisions with a remaining term of more than one year are discounted using the average market interest rate of the past seven financial years corresponding to their remaining term as at the balance sheet date, as disclosed by the Deutsche Bundesbank.

Provisions for pension obligations are determined based on actuarial principles and are offset against assets that serve exclusively to settle pension obligations and similar obligations (cover assets) and are not accessible to all other creditors. The cover assets held to meet the obligations from pension plans are measured at fair value. If the amount of the obligations exceeds the fair value of the cover assets, an appropriate provision is set aside.

To hedge against general banking risks, **a fund for general banking risks** pursuant to section 340g HGB is shown on the liabilities side of the balance sheet. This fund includes mandatory sums set aside in accordance with section 340e (4) HGB to offset the risk of future net expenses of the trading portfolio.

Valuation of interest rate instruments of the banking book

For the purpose of ensuring a loss-free valuation of the banking book or any excess liability, the future cash flows of all interest-bearing transactions with fixed interest rates are included in the evaluation. The cash values determined as of the balance sheet date are compared with the corresponding book values. In addition, appropriate pro rata risk and administrative costs are taken into account and are reported on the basis of the IDW statement on the loss-free valuation of interest-bearing transactions in the banking book (IDW BFA 3). As at the reporting date, there was no excess liability and therefore no requirement to create a provision.

B Notes to the balance sheet

I. Assets

Cash reserve

Compared to the previous year, the cash reserve increased by €5,836,000 to €12,003,000. This change mainly relates to balances with the Bundesbank, which as at balance sheet date were largely placed with the Bundesbank's deposit facility and are thus classed under loans and advances to banks.

Loans and advances to banks

Loans and advances to banks increased by €110,390,000 to €1,218,400,000 corresponding to the cash reserves in the deposit facility of the Bundesbank.

Loans and advances to clients

Liabilities to clients remained unchanged at €49,169,000 compared to the previous year's balance sheet date.

Debt and other fixed-income securities

As of the reporting date, the balance sheet item debt and other fixed-income securities includes €13,695,000 (previous year: €12,800,000) in securities from the liquidity reserve and €12,477,000 (previous year: €28,257,000) in securities held as fixed assets. Debt no longer includes money market papers (previous year: €0). Securities maturing in the past financial year amounted to €19,477,000. Funds released were only partly reinvested in the financial year under review. Debt and other fixed-income securities include securities with a book value of €24,466,000 that will mature in the following year.

Equities and other variable-yield securities

Of the securities reported under equities and other variable-yield securities, securities amounting to €2,700,000 (previous year: €3,125,000) are allocated to the liquidity reserve and €5,890,000 (previous year: €6,690,000) to fixed assets.

Trading assets

Trading assets include debt and other fixed-income securities amounting to €1,000 (previous year: €0) as well as equities and other variable-yield securities amounting to €1,909,000 including risk premiums of €21,000 (previous year: €1,914,000 without risk premiums). Derivatives amounting to €1,000 are included.

Breakdown of marketable securities

In €'000	31 December 2024	31 December 2023
Debt and other fixed-income securities		
marketable	**26,172**	**41,057**
of which listed	**17,822**	**24,206**
of which unlisted	**8,350**	**16,851**
Equities and other variable-yield securities		
marketable	**1,950**	**2,341**
of which listed	**572**	**934**
of which unlisted	**1,378**	**1,407**

Financial investments

Participating interests

In the 2024 financial year the Bank acquired a participating interest of €1,556,000 in 3rd-eyes analytics AG, Zurich, Switzerland, equal to a capital share of 10.8% as at balance sheet date. 3rd-eyes analytics AG is a technology and software service provider for the wealth management sector.

Interests in affiliated companies

The Bank holds 76.68% of the shares in quirion AG, Berlin. The company is a medium-sized investment firm within the meaning of section 2 (1) and (17) of the German Securities Institutions Act (WpIG) with permission to provide investment services pursuant to section 15 (1) WpIG. It therefore qualifies as a large corporation within the meaning of section 340a (1) in conjunction with 340 (4) HGB. The share capital of the company amounts to €706,000, equity €3,650,000 and the book value of the shareholding €20,707,000; the previous year's result is -€5,628,000.

Securities held as fixed assets

Securities allocated to fixed assets with a book value of €12,477,000 relate to bonds that serve the business in the long term and for which there is a general intention to hold them until maturity. The investment portfolio also includes shares in an investment fund with a book value of €5,890,000. There were no shares in domestic investment funds or comparable foreign investment shares of more than 10% as of the balance sheet date (previous year: €0).

For securities with a book value of €2,497,000 (previous year: €16,500,000), taking into account deferred premiums, the application of the mitigated lower of cost or market principle resulted in a waiver of write-downs of €4,000 (previous year: €90,000) to the lower fair value as the write-downs are not considered to be permanent.

Assets analysis

In €'000	Securities held as fixed assets	Participating interests	Affiliated companies	Intangible assets	Tangible fixed assets	Total
Acquisition costs historically	38,623	0	17,969	7,511	6,675	**70,778**
Additions during financial year	0	1,556	2,743	912	323	**5,534**
Disposals during financial year	16,000	0	0	0	0	**16,000**
Total depreciation	4,234	0	5	7,158	6,005	**17,402**
Depreciation year under review	801	0	0	421	371	**1,593**
Residual book value as at 31 December 2024	**18,389**	**1,556**	**20,707**	**1,265**	**993**	**42,910**
Residual book value previous year	35,190	0	17,964	774	821	**54,749**

The write-downs in the financial year are accounted for by scheduled depreciation. There was no unscheduled depreciation in the financial year.

Other assets

in €'000	31 December 2024	31 December 2023
Outstanding settlements from pending securities transactions	1	2
Trade receivables	737	580
Tax receivables	74	69
Capitalised current assets	580	638
Total	**1,392**	**1,289**

Trade receivables relate in particular to bank services in the capital markets business.

Deferred expenses

Deferred expenses include accruals for deliveries and services with terms of up to one year amounting to €1,110,000 and for up to three years in the amount of €178,000.

Deferred taxes

Quirin Privatbank AG exercised the option under section 274 (1) sentence 2 HGB to omit surplus deferred tax assets amounting to €2,536,000 in the balance sheet.

The surplus deferred tax assets are mainly due to recognition and measurement differences between the commercial balance sheet and the tax balance sheet in provisions (€956,000), securities including dividend-equivalent amounts (€468,000) and the company pension scheme (€1,103,000).

These surplus deferred tax assets are based on an average tax rate of 31.55%.

Foreign currencies

The total volume of assets denominated in foreign currency amounts to the equivalent of €13,440,000 (previous year: €13,029,000).

II. Liabilities

Liabilities to clients

Due to the waning interest rate level since mid-2024, liabilities to clients have decreased by €180 million to €1,105,000.

Liabilities in affiliated companies

Under other liabilities to clients, €4,753,000 (previous year: €5,018,000) relates to non-securitised liabilities from the investment of free cash and cash equivalents in affiliate companies.

Other liabilities

in €'000	31 December 2024	31 December 2023
Tax liabilities	20,737	10,887
Trade account payable	863	1,179
Other liabilities	13,807	14,950
Total	**35,408**	**27,016**

The sub-group other liabilities mainly comprises endowment funds received but not yet passed on arising from the capital market service's paying agent services.

Liabilities from pension provisions were offset against securities acquired to cover these liabilities (cover assets) pursuant to section 246 (2) HGB. As of the balance sheet date, the settlement amount of the offset liabilities amounting to €7,764,000 was offset by cover assets with a market value of the same amount of €7,764,000 (acquisition costs: €6,661,000).

Provisions

As of the balance sheet date, the breakdown of provisions is as follows:

in €'000	31 December 2024	31 December 2023
Deliveries and services rendered	6,341	6,102
Staff provisions	10,059	7,369
Tax provisions	3,114	1,770
Other provisions	1,013	1,426
Total	**20,527**	**16,667**

Other provisions relate to pending claims, reinstatement costs for leasehold improvements and archiving costs.

Fund for general banking risks

The fund for general banking risks in accordance with section 340g HGB amounts to €10,665,000 and includes the mandatory reserve of €165,000 (previous year: €391,000) pursuant to section 340e (4) HGB to offset the risk for future net expenses in the trading portfolio and €10,500,000 (previous year: €7,000,000) to hedge against general banking risks. As the part of the fund for general banking risks required as a reserve pursuant to section 340e (4) HGB amounted to more than 50% of the average of the past five annual net incomes from the trading portfolio in the year under review, an amount of €225,000 was written back in favour of the trading portfolio.

Equity capital

The share capital of the company amounts to €43,412,923 and is divided into 43,412,923 no-par value bearer shares with dividend entitlement.

As of the reporting date, the (not utilised) authorisation under the Articles of Association ("authorised capital 2023") to increase the share capital by up to €21,706,000 by issuing up to 21,706,000 no-par value bearer shares against cash and/or non-cash contributions remains unchanged. The authorisation expires on 8 June 2028. Shareholders are to be offered subscription rights. Subject to certain conditions and with the approval of the Supervisory Board, the Management Board is entitled to exclude shareholders' subscription rights. The approval of the Supervisory Board is required for the implementation of the capital increases by the Management Board.

In addition, there is up to €20,000,000 unutilised contingent capital for the issue of convertible bonds and/or bonds with warrants, profit participation rights and/or participating bonds, or combinations of these instruments ("contingent capital 2023") to a total nominal amount of up to €60,000,000. The contingent capital increase will only be carried out to the extent that the option and/or conversion rights from bonds are exercised or option/conversion obligations from bonds are fulfilled, and to the extent that no cash settlement is granted or treasury shares or shares of another listed company or shares from an authorised capital are used for servicing.

Both the authorised capital and the contingent capital carry the same voting and profit rights from the date of their possible issue as the share capital issued to date.

As the main shareholder, Berliner Effektengesellschaft AG, Berlin, holds a 25.3% stake in the share capital of Quirin Privatbank AG.

Foreign currencies

Liabilities denominated in foreign currencies had an equivalent value of €13,704,000 (previous year: €13,625,000).

Breakdown by residual term

In €'000	31 December 2024	31 December 2023
Other loans and advances to banks	**1,159,364**	**1,291,143**
a) up to three months	1,159,364	1,291,143
Loans and advances to clients	**41,649**	**39,386**
a) up to three months	8,326	7,050
b) three months to one year	26,361	19,555
c) more than one year up to five years	6,962	12,781
Liabilities to banks with agreed maturity or period of notice	**0**	**0**
a) up to three months	0	0
Other liabilities to clients with agreed maturity or period of notice	**68**	**68**
a) up to three months	68	68
b) three months to one year	0	0

Loans and advances to clients with no specified maturity date

Loans and advances to clients with no specified maturity date amounted to €4,521,000 (previous year: €6,798,000).

C Notes to the profit and loss account

Net interest income

The interest surplus rose from €15 million by €5.8 million to €20.8 million in the year under review. Improved interest income – despite the ECB's lowering of interest rates – is ascribed to a consistent level of interest margins and a continued high level of client deposits.

Net commission income

The Bank's fee and net commission income includes fees from investment consulting and asset management as the core focus in the private banking business. Net commission income also includes fees from implementing capital measures for clients of the capital markets business, as well as income from business in the institutional client service division. Commission income includes income of €509,000 and expenses of -€327,000 relating to other periods.

Net income from trading portfolio

Net income of the trading portfolio amounts to €163,000 (previous year: -€201,000) and consists of the net income amounting to -€62,000 (previous year: -€870,000) and the dissolution of the fund for general banking risks in accordance with section 340e HGB amounting to €225,000 (previous year: €669,000).

Other operating profit/loss

Other operating profit/loss includes the following items:

Other operating income (in €'000)	31 December 2024	31 December 2023
Agency management for third parties	2,288	2,021
Reimbursement of expenses by clients, customers and employees	1,758	1,355
Reversal of provisions	1,368	1,312
Income related to other periods	2,614	403
Currency conversion	182	176
Other	166	134
Total	**8,376**	**5,401**

Other operating expenses (in €'000)	31 December 2024	31 December 2023
Reimbursements	-71	-111
Expenses related to other periods	-253	-2,763
Other	-217	-75
Total	**-541**	**-2,949**

The expenses related to other periods amount to €2,527,000 resulting from reviewed sales tax notices for the years 2016 to 2018 in connection with an audit. Other expenses include an amount of €115,000 (previous year: €37,000) for flat-rate tax based on a tax audit for the years 2019–2022 as well as €6,000 (previous year: €37,000) from reversing the discount of long-term provisions.

Administrative expenses

Other administrative expenses include income from refunds of €55,000 related to other periods.

Taxes on income and earnings

The reported income tax expense of €3,679,000 was significantly higher compared with the previous year (€2,134,000). It includes the payment of tax arrears for previous years amounting to €39,000. In determining the tax expense, the Bank accordingly took into account its losses carried forward.

D Other information

Derivative transactions

Derivate transactions reported in the trading book as at the balance sheet date of 31 December 2024 amounting to €502,000 are related exclusively to derivative transactions with banks.

Members of the Management Board

	Karl Matthäus Schmidt (Chairman)	Johannes Eismann (CFO)
Responsibilities	– Private banking – Asset management – Risk management including legal affairs, compliance, lending back office – Marketing, HR, auditing – Banking operations, data protection	– Capital markets business – Treasury – Lending market – Finance
Memberships in other supervisory bodies:	– Chairman of the Supervisory Board of quirion AG, Berlin – Member of the Supervisory Board of 3rd-eyes analytics AG, Zurich	– Member of the Supervisory Board of quirion AG, Berlin

Members of the Supervisory Board

Holger Timm
(Chairman)

- Chairman of the Board, Tradegate AG, Berlin
- Chairman of the Board, Berliner Effektengesellschaft AG, Berlin

Matthias Baller
(Vice-Chairman)

- In-house lawyer, Berliner Effektengesellschaft AG, Berlin

Klaus-Gerd Kleversaat

- member of the Board, Tradegate AG, Berlin

Anke Dassler

- Chief Financial Officer, ista SE,Essen

Dr Christian Bienemann

- CFO Riedel Holding GmbH & Co. KG, Nuremberg

Dr Carolin Gabor

- Risk capital investor as Managing Director of Caesar Ventures Management GmbH, Munich

Effective as of 1 March 2024 Ms Tanja Creed relinquished her seat on the Supervisory Board. In the election for the Supervisory Board on the occasion of the Annual General Meeting on 7 June 2024 Dr Christian Bienemann was voted onto the Supervisory Board.

Remuneration of executive bodies

Remuneration of €105,000 was paid to the members of the Supervisory Board in the financial year. The Bank exercises its right under section 286 (4) HGB not to disclose the total remuneration of the members of the Management Board.

Details of advances and loans granted, and contingent liabilities pursuant to section 34(2) no. 2 of the German Accounting Directive for Banks and Financial Services Providers (RechKredV)

At year end, there were no lines of credit for members of the Management Board or the Supervisory Board.

Disclosure pursuant to section 34 (2) no. 4 and section 35 (4) and (6) RechKredV

As of the balance sheet date, liabilities from guarantees and indemnity agreements amounted to €1,023,000 (previous year €1,260,000). As of the balance sheet date, there were no indications that the Bank would be called upon from contingent liabilities or guarantees assumed.

Employees

Employee figures break down as follows:

Number of employees	As of 31 December 2024	Annual average 2024	As of 31 December 2023	Annual average 2023
Male	143	146	141	140
Female	118	120	122	114
Total	**261**	**266**	**263**	**254**

Auditor's fee pursuant to section 285 No. 17 HGB

In €'000	31 December 2024	31 December 2023
Audit services	348	378
Other audit services	138	128
Tax consultancy services	0	0
Other services	49	14
Total	**535**	**520**

The other audit services relate to the audit of the securities services business in accordance with section 89 WpHG. Other non-audit services include general advisory services as part of project-related quality assurance.

E Additional information

Disclosure pursuant to Article 434 (1) of the Capital Requirements Regulation (CRR II)

The disclosure information pursuant to Article 434 (1) CRR II can be found in the disclosure report published on the Bank's website.

Total other financial commitments

Future charges of €25,701,000 will result from rental, leasing, management and maintenance agreements over the remaining term of the major individual contracts, of which €13,118,000 relates to a residual term of between one and a maximum of six years. The other financial commitments include call commitments amounting to €1,370,000 in the capital reserve of a subsidiary. In addition, there are €457,000 in rental guarantees assumed for the Bank as of 31 December 2024.

As a member of the Compensation Scheme of German Private Banks (EdB) the Bank pays annual membership fees. Since the EdB's calculation scheme is based on the covered deposits and risk parameters of all banks belonging to the EdB and we are not party to this information and the assessment of EdB with regard to our risk parameters, the provision made as of 31 December 2024 is subject to considerable uncertainty. In addition, we have taken advantage of the option to make up to 30% of our annual contributions to the EdB and the European bank levy with irrevocable payment commitments to the amount of €648,000 as at the balance sheet date. In principle, the target level of the deposit guarantee fund should be reached by 2024. However, as the target level is based on the covered deposits of all credit institutions affiliated with EdB any additional payment commitments constitute a risk with regard to our financial position pursuant to section 285 No. 3 HGB.

Significant events after the balance sheet date

No significant events occurred after the close of the financial year.

Appropriation of profits

The annual financial statements were prepared with partial appropriation of profits. Pursuant to section 150 of the Stock Corporation Act (AktG), an amount of €659,000 was transferred to statutory reserves. Furthermore, in accordance with the Bank's Articles of Association, the Management Board and Supervisory Board transferred €5,572,000 to other reserves. We intend to propose to the Annual General Meeting that a dividend of €0.16 per dividend-bearing share be distributed with the remaining balance sheet profit of €6,946,000.

Berlin, 12 March 2025

Quirin Privatbank AG
The Board of Management

Karl Matthäus Schmidt **Johannes Eismann**

Additional Information

Independent auditor's report

Addressed to Quirin Privatbank AG, Berlin

Note to the audit of the annual financial statements and of the management report

Audit opinions

We conducted our audit of the annual financial statements of Quirin Privatbank AG, Berlin – consisting of the balance sheet as at 31 December 2024 and the profit and loss account for the financial year from 1 January to 31 December 2024, as well as the notes and the information relating to the accounting and valuation methods applied. In addition, we have audited the management report of Quirin Privatbank AG for the business year from 1 January to 31 December 2024.

In our opinion, based on the findings of our audit:

- these annual financial statements, in all material respects, give a true and fair view of the assets, financial position and financial performance of the Company as at 31 December 2024 as well as its financial performance for the financial year from 1 January to 31 December 2024 in accordance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides a suitable view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development.

In accordance with section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations regarding the regularity of the annual financial statements and of the management report.

Basis of audit opinions

We conducted our audit of the annual financial statements and the management report in accordance with section 317 HGB and the EU Audit Regulation (no. 537/2014; hereinafter "EU-APrVO") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibility for the audit of the annual financial statements and the management report" section of our independent auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Furthermore, in accordance with Article 10 (2) (f) EU-APrVO, we declare that we have not provided non-audit services prohibited under Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate opinion on these matters.

Value of quirion AG's financial investment

For related accounting and valuation methods please refer to the appendix with the heading "Accounting and valuation methods".

The financial statement risk

In the annual financial statements of Quirin Privatbank AG as at 31 December 2024 interests in affiliated companies amounting to €20.7 million are reported. The latter concern interests in quirion AG held by the Bank. In relation to the balance sheet equity, the share of affiliated companies amounts to 24.5% and thus has a significant influence on the Bank's financial position.

Financial investments are shown at cost or in the case of anticipated long-term write-downs at the lower fair value. The Bank determines the fair value of shares in affiliated companies using the capitalised earnings approach. According to calculations of Quirin Privatbank AG no unscheduled write-downs on shares in affiliated companies were necessary.

The cash flows used for the capitalised earnings approach are based on individual plans for the next five years, which are extrapolated using assumptions about long-term growth rates. The relevant capitalisation rate is derived from the return on a risk-adjusted alternative investment. If the fair value is lower than the book value, qualitative and quantitative criteria are used to assess whether the write-down is likely to be permanent.

Calculation of the fair value using the capitalised earnings approach depends on assumptions derived from the Bank's estimates and assessments. This applies in particular to the estimate of future cash inflows and long-term growth rates, as well as the determination of the capitalisation rate.

The risk for the financial statements is constituted by the assessment method not being appropriate or discretionary assumptions by the Bank not having been taken objectively and that the interests in affiliated companies are not recoverable in the shown amount.

Our audit approach

We conducted our audit of the Bank's valuation of the value of shares in affiliated companies, taking into account the IDW statement on accounting IDW RS HFA 10 (Application of the principles of IDW S 1 in the valuation of investments and other Company shares for the purposes of annual financial statements under commercial law) and the principles set out in IDW Standard S 1 for the performance of Company valuations in the version applicable on the balance sheet date.

Drawing on the expertise of our valuation specialists, we assessed the appropriateness of the Bank's main assumptions and valuation method. To this end, we discussed the expected cash flows and assumed long-term growth rates with the planners. We also checked the mathematical accuracy of the valuation for individual elements (formulas and operations) using the valuation models provided to us and assessed the plausibility of individual planning assumptions in quirion AG's corporate planning, which was used as a basis for the present investment valuation. In addition, the Bank's previous quality of forecasting was ascertained by comparing plans from previous financial years with the actual results achieved and analysing any divergences. To check the effects of possible changes in assumptions on the fair value, we calculated alternative scenarios and compared them with the Bank's valuation result.

Our conclusions

The valuation method used to assess the recoverable amount of the shares in quirion AG is objective and consistent with general valuation principles. The Bank's discretionary assumptions were made appropriately.

Determining and recording of commission income in the capital markets business

Information on commission income is contained in the explanations on commission income as well as in the notes and sections of the "Business model" and "Business development" sections of the management report.

The financial statement risk

The amount of commission income is an important element of the profitability of Quirin Privatbank. For the 2024 financial year Quirin Privatbank reports commission income of €71.5 million (previous year: €64.7 million).

In the capital markets business, the Bank mainly generates commission income from corporate finance business and paying agent activities. Commission income from private banking results from standardised price models for investment advice and asset management. In addition, earnings from Business Process Outsourcing (BPO) are shown as commission income.

The main risk for the financial statements lies in the possibility that the claim to commission income in the corporate finance business of the capital markets sector is not recorded in accordance with regulatory requirements. Against this background, special importance was placed in our audit on the proper conducting of the process for determining and recording commission income from the capital markets business.

Our audit approach

Based on our risk assessment of the different processes and assessment of the risks of error, we have based our opinion on the results of key controls testing and substantive audit procedures. Our audit procedures included, but were not limited to, the following:

In our controls testing, we evaluated the adequacy and implementation, as well as the effectiveness, of the controls established by the Company to ensure the correct recording of billing-relevant contract and transaction data for the commission business and in the capital markets business in particular.

As part of our substantive audit procedures, we used representative random examples to verify the proper calculation and accounting treatment of the commission income from individual transactions. We also reconciled the accounts with the documents underlying the calculation and recording of commission income.

Our conclusions

The controls in place are suitable for ensuring the proper recording of contract master and transaction data in the capital markets business so that the calculations and entering of the commission income are carried out properly and on the basis of a relevant contract.

Other information

The Management and Supervisory Boards are responsible for the other information.

The other information comprises the annual report expected to be made available to us after the date of this audit's report. The other information does not include the annual financial statement, the audited contents of the management report and our related auditor's report.

Our audit opinions on the annual financial statements and on the management report do not extend to the other information and, accordingly, we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information – as soon as it is available – and, in so doing, to consider whether the other information:

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of management and the supervisory board for the annual financial statements and the management report

Management are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from serious misrepresentations due to malicious acts (that is, fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, management are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to the going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

In addition, management are responsible for the preparation of the management report, that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance whether the annual financial statements as a whole are free from serious misrepresentations due to fraudulent financial reporting or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an independent auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (IDW) will always detect a material misstatement. Misstatements can arise from fraudulent financial reporting or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise due discretion and maintain a critical attitude throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraudulent financial reporting or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of material misstatement resulting from fraudulent financial reporting not being discovered is higher than the risk resulting from error not being discovered, because fraudulent financial reporting may consist of collusive behaviour, forgery, intentional omissions, misleading statements and the bypassing of internal checks.

- Obtain an understanding of internal controls relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these internal controls of the Company.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the independent auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the presentation, structure and content of the annual financial statements as a whole including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, financial position and financial performance of the Company in accordance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information or on the underlying assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant shortcomings in the internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, discuss the related action and safeguards implemented in order to eliminate such compromising of independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Further information pursuant to Article 10 of the EU Audit Regulation.

We were selected as auditor by the Annual General Meeting on 7 June 2024. We were engaged by the Supervisory Board on 9 July 2024. We have been the auditor of Quirin Privatbank AG without interruption since the 2018 financial year.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German public auditor responsible for the engagement

The German public auditor responsible for the engagement is Andreas Olschewski.

Hamburg, 19 March 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

Andreas **Olschewski**

Auditor

Laurin **Fiedler**

Auditor

Report of the Supervisory Board

During the 2024 financial year, the Supervisory Board again performed its duties required of it by law and the Articles of Association, and regularly advised and supervised the Management Board of Quirin Privatbank AG on its activities. The Supervisory Board was directly and promptly involved in every decision of fundamental importance to the Company. It was informed promptly and comprehensively by the Management Board, either in writing or verbally, about significant developments within the Company.

The Management Board kept the Supervisory Board regularly informed of the business position and economic situation of its individual business areas, and on its corporate planning, the risk situation and strategic orientation of the Bank. The Supervisory Board and the Management Board of the Company interacted closely on fundamental matters relating to management, the economic position and important business transactions. Outside the regular Supervisory Board meetings, the Management Board also kept the Chairman of the Supervisory Board and his deputy informed on current business progress and key transactions. To the extent required by legal or statutory requirements, following extensive consultation and examination, the Supervisory Board gave its approval wherever required.

In the year under review the Supervisory Board held four regular meetings on 21 March, 7 June, 27 September and 13 December 2024. The Supervisory Board also passed one resolution by written consent. The meetings of the Supervisory Board were also attended by the Management Board and senior management. There is an Audit Committee, a Risk Committee and a Digital Committee. The Audit Committee met three times in the year under review and the Digital Committee once. The meetings of the Supervisory Board and the Committees were also attended, as required, by employees from the finance,audit and compliance departments as well as by the auditors.

In the year under review the composition of the Supervisory Board changed as follows: effective as of 1 March 2024 Ms Tanja Creed resigned her seat on the Supervisory Board. In the election for the Supervisory Board on the occasion of the Annual General Meeting on 7 June 2024 Dr Christian Bienemann was voted onto the Supervisory Board. In the Supervisory Board meeting also convened on 7 June 2024 Dr Bienemann was elected as a member of the Audit and Risk Committees. There were no further changes to the composition of the committees.

In 2024, the subject that headed the Supervisory Board's agenda was the future strategic path of the private banking business division. In the fourth quarter of 2023 the Bank started a quality and growth programme aimed at generating innovation and focusing products and (internal) processes more closely on client needs as well as optimising the client experience and thus in particular also boosting client growth. In the past financial year, the Supervisory Board closely supervised the changes in private banking resulting from this programme, as well as the implementation of the relevant measures.

It addressed the adjustments to the investment concept, the newly launched financial planning tool, adjustments to the goal system, and – via the Digital Committee – the new AI tool for existing and prospective clients.

Additional focuses included the business performance of the Bank's subsidiary quirion AG, as the well as implementation of the Company's growth strategy and its refinancing by the Bank. To stay abreast of the situation, the Supervisory Board scrutinised in depth the monthly bulletins on the business performance of Quirin Privatbank at both the individual and consolidated levels, as well as at quirion.

It also examined the objectives and background of the strategic investment in 3rd-eyes analytics AG and approved it accordingly.

At its meeting on 27 September 2024, the Supervisory Board focused on the regularly reviewed and updated business strategy. The meeting on 13 December 2024 was devoted to the multi-year business plan and the underpinning assumptions derived from the above strategy, the results of the annual ICAAP process and the updated risk and IT strategies.

The compliance report, the MaRisk compliance function report and the central office report pursuant to section 25h (4) in conjunction with section 25h (1) of the German Banking Act (KWG) ("fraud") for the 2023 financial year were submitted to the Supervisory Board by the Compliance Officer and discussed at the meeting on 21 March 2024.

The Supervisory Board also received detailed reports from the Management Board at each meeting on the results of internal audits, the Bank's current risk situation and the results of stress tests. In addition, the Audit Committee regularly addressed the implementation of regulatory changes, including in particular that of the anticipated reporting requirements under CSRD and EU taxonomy.

The results of the audit pursuant to section 89 (1) of the German Securities Trading Act (WpHG) for the 2023 financial year covering the period from 1 April 2023 to 31 March 2024 was discussed together with representatives of the audit firm at the meeting of the Audit Committee on 27 September 2024. The audit pursuant to section 89 (1) of the German Securities Trading Act (WpHG) for the 2025 financial year covering the period from 1 April 2024 to 31 March 2025 will again be conducted by KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, as instructed by the Management Board. The audit report will be circulated to the members of the Supervisory Board upon completion of the audit.

Annual financial statements

The annual financial statements and consolidated financial statements for the 2024 financial year, drawn up by the Management Board in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG), including the management report and the accounting records, were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, as elected at the Annual General Meeting on 7 June 2024 and appointed by the Supervisory Board, and issued with an unqualified audit opinion on 19 March 2025. The auditor's report was signed jointly by Andreas Olschewski and Laurin Fiedler in their capacity as auditors.

At its meeting on 21 March 2025, the Audit Committee dealt intensively with the documents for the 2024 annual and consolidated financial statements including the audit report. The auditors attended the aforementioned meeting of the Audit Committee, explained the key audit findings and audit matters of particular relevance, and were available to answer questions. The Audit Committee also addressed the quality of the independent auditor's report and deems it adequate. The Chairperson of the Audit Committee reported on the key results of the Audit Committee meeting at the subsequent plenary meeting of the Supervisory Board

At its meeting on 21 March 2025, the Supervisory Board also engaged in depth with the 2024 annual and consolidated financial statements of Quirin Privatbank AG prepared by the Management Board, by closely examining them and discussing them with the Management Board and the extended Management Board.

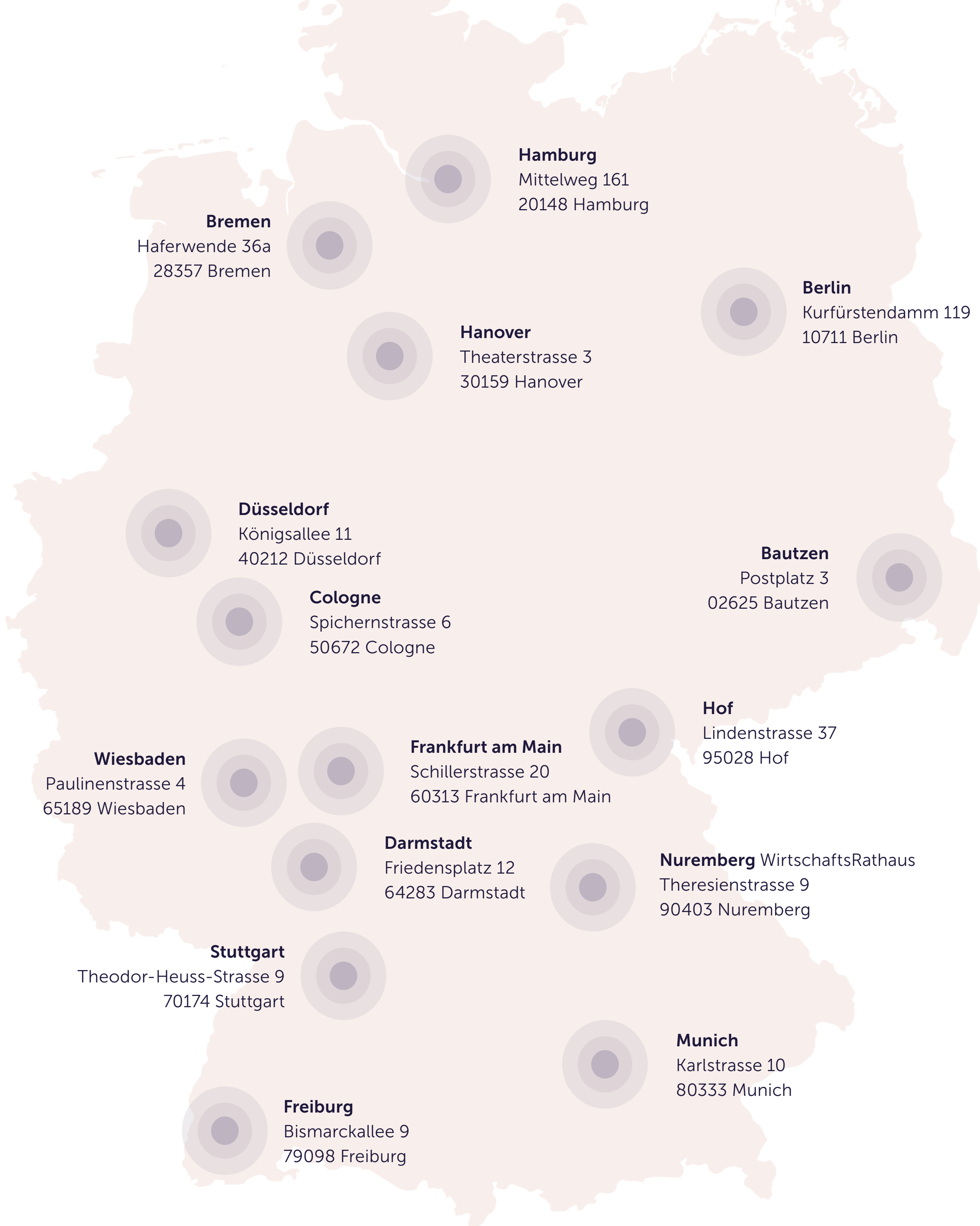
Following the final examination by the Audit Committee and its own review, the Supervisory Board raised no objections and approved the annual and consolidated financial statements for 2024, which were thus adopted. The Supervisory Board approved the Management Board's proposals for the partial appropriation of profits. Thus €6,231,340,34 from the profit of EUR 13,177,408.02 for the year in the individual financial statements of the Company would be allocated to statutory reserves and in accordance with section 24 (1) of the Articles of Association to other reserves. The remaining surplus of EUR 6,946,067.68 increases the balance sheet profit and is to be used to pay a dividend of €0.16 per dividend-bearing share for the 2024 financial year.

The Supervisory Board would like to thank the members of the Management Board and all employees for their exceptional commitment and achievements in the 2024 financial year.

Berlin, 21 March 2025

Holger Timm
Chairman of the Supervisory Board

Our locations



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klug anlegen. besser leben.