

Independent since 1674

METZLER

Fiscal year 2024

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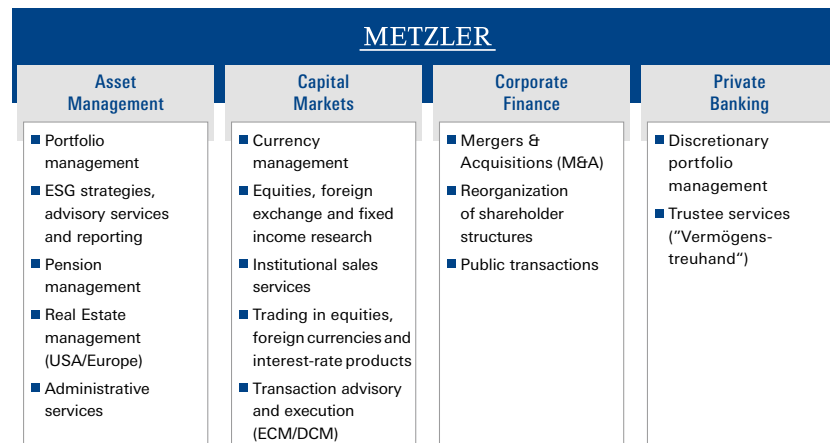
Metzler at a glance

Modern corporate structure

The heart of Metzler is B. Metzler seel. Sohn & Co. Aktiengesellschaft, Germany's oldest private bank with an unbroken tradition of family ownership since its establishment in 1674. Metzler focuses on providing individual services to corporate and institutional clients as well as discerning private individuals in four main business areas

- Asset Management
- Capital Markets
- Corporate Finance
- Private Banking.

These business activities are performed by the bank and its affiliates, which operate as independent legal entities under the auspices of B. Metzler seel. Sohn & Co. Aktiengesellschaft. Metzler is active in Germany and abroad with headquarters in Frankfurt/Main and offices or subsidiaries in Berlin, Düsseldorf, Hamburg, Munich, Stuttgart, Atlanta, Los Angeles, Seattle and Tokyo.



Preserving our independence is pivotal to success

In order to apply this principle to the benefit of our clients, Metzler's approximately 800 employees concentrate on fields where they can provide services which rank among the international leaders. Traditional lending and deposit business only plays a subordinate role at Metzler.

Editorial

Last year will be remembered for its many geopolitical conflicts and risks. In addition, interest rate trends, inflation and the presidential elections in the USA were of concern for investors and fostered uncertainty. At the same time, the capital markets were marked by the rapid development of artificial intelligence. At the end of the first half-year, Europe and the USA began a turnaround in interest rates; inflation rates fell and the US economy proved to be resilient. Despite all the uncertainties, numerous equity markets closed the year at record highs.

For Metzler Bank, 2024 was both an eventful and a successful year. Our business performance was very pleasing on the whole. While commission income was almost exactly in line with our expectations at the beginning of the year, net interest income once again significantly exceeded forecasts.

For us, 2024 was also dominated by our 350th anniversary. Under the motto "Focus Future", we celebrated with our clients, employees and members of the public at our locations in Germany and Japan. However, we were also deeply saddened to have to bid farewell to Friedrich von Metzler on 17 November. For more than five decades, he shaped our bank with integrity and strong entrepreneurial skills and was instrumental to our success. We are deeply grateful to him for his unique achievements. We miss him greatly and will always honor his memory. Following in his footsteps, we will continue to develop Metzler Bank with foresight and innovative strength.

In 2023, we had already laid an important foundation for this by revising our business strategy which rests on three pillars: focus, efficiency and growth. In our anniversary year, we began to implement expansion plans for our four business areas: Asset Management, Capital Markets, Corporate Finance and Private Banking. Here, we were able to build on a strong starting point and our future-oriented competence, for example, for pension schemes, digital assets, artificial intelligence and ESG. We invest in areas that are crucial for our clients in times of global change.

Development of Metzler's business areas

Total assets in the **Asset Management** division increased from EUR 70 billion in the previous year to EUR 77 billion at the end of 2024. We recorded positive inflows of funds, particularly in the absolute return, capital preservation and multi-asset product categories. The capital markets and inflows of funds developed positively in 2024, with a corresponding effect on managed volumes. In Metzler Pension Management, we managed almost 900 securities accounts and maintained around 130,000 pension relationships and accounts as of the reporting date. The resulting investments held on account and at risk of employees and employers increased to over EUR 18 billion (previous year: EUR 16 billion). Important decisions for the future were made via a cooperation in the infrastructure sector with Yielco Investments and the acquisition of Nürnberger Pensionsfonds.

In our **Capital Markets** division, we recorded strong year-on-year growth in the equities segment. We increased turnover and acquired new clients in all areas, both nationally and internationally. There was strong demand for our high-quality research and the division continued to increase earnings. Our Corporate Solutions department supported numerous capital market transactions, including capital increases and share buybacks, and for the first time also provided capital market-related advice for a public takeover. In Fixed Income, we expanded our new client base and increased earnings compared to the previous year. In Currency Management, assets under management increased due to higher valuations of assets in existing mandates and new clients. Our forex business also made a significant contribution to the overall result. We strengthened this business unit by adding personnel in equities, research and fixed income.

In 2024, our **Corporate Finance** division won numerous new projects in our targeted strategic sectors. This was particularly pleasing considering the M&A market saw a significant decline compared to the previous year. The difficult M&A market meant that some projects took longer than expected

and we were unable to complete them by the end of the year as planned, but we expect them to be concluded this year. In the industrial sector, we accompanied various transactions, for example, we acted as an exclusive advisor to the shareholders of PARAT Technology on the sale of the company to the senata group. In the alternative energy sector, we acted as an exclusive advisor to the Austrian company ImWind group on the sale of a portfolio of renewable energy plants to Wien Energie. In the healthcare sector, we expanded our range of services by adding personnel.

Our **Private Banking** division performed well in 2024. The performance of our portfolios under management and the inflow of new client assets were both factors that contributed to this. Private Banking thus continued on its long-term growth trajectory and further increased assets under management. We continued to offer asset management and fiduciary solutions for wealthy private clients, entrepreneurs, foundations and churches. Our investment strategy is clear: with equities, bonds and cash, we invested in liquid, assessable and transparent asset classes with a focus on Europe and the USA. Investment revenues in our client portfolios were positive on both the equity and bond sides. In line with our future-oriented growth strategy, we opened a new Metzler office in Berlin and also increased staff at our other locations, resulting in a significant rise in the total number of employees.

Outlook

We see good opportunities for an upturn in the **global economy** in 2025 with dynamic growth of around 3.2 percent supported by economic recovery measures in Europe and China. We expect growth of 2.4 percent in the USA and 1.5 percent in the euro zone. China is aiming for growth of around 5.0 percent. Risks stem from geopolitical tensions, particularly in Taiwan and the Middle East, and also from an extremely drastic US trade policy and persistently high national debt in the USA that could weigh on investor confidence.

After a good 2024, there will also be opportunities on the global **equity markets** in 2025. European equities in particular could benefit more than average due to declining risk premiums and a more stable economic situation. The MDAX should perform strongly thanks to robust recovery of medium-sized companies. US President Donald Trump is aiming to restructure the USA – but also global trade. This could cause uncertainty on the financial markets and thus lead to noticeably increased volatility. For the **bond markets**, we expect key interest rates to move sideways in the USA. In the euro zone, the European Central Bank is likely to make moderate interest rate cuts in the first half of the year in order to support growth. At the end of 2025, yields on ten-year government bonds are expected to stand at 4.5 percent in the USA and 2.5 percent in Germany. There are risks associated with US government bonds, as a high level of government debt could unsettle investors. On the **forex market**, market players are likely to focus on the US dollar. If the USA deliberately weakens its currency in order to strengthen its own competitiveness, this could ease global financing conditions and give emerging markets a boost. The euro should benefit from stable fundamentals in the euro zone. In 2025, we expect the US dollar to depreciate slightly and the euro to strengthen alongside a more volatile market environment due to geopolitical developments.

These extremely difficult conditions and the uncertainty about future developments naturally pose challenges for all of us, but we firmly believe we can master them successfully. With our persistently high capital base, traditionally strong and stable liquidity, and long-term business model, we believe we are well equipped for current and future challenges. In addition, the implementation of our revised business strategy is already bearing fruit. For us, this is confirmation that we chose the right time for the changes we have made and are now well positioned for further growth. We will continue to consistently pursue this path in 2025 and press ahead with our expansion plans with a “Focus Future” for all four business divisions.

Boards

B. Metzler seel. Sohn & Co. Aktiengesellschaft

Executive Board

Stefanie Buchmann

Kim Comperl

Mario Mattera

Franz von Metzler

Dr. Marco Schulmerich

Gerhard Wiesheu, CEO

Supervisory Board

Hans Hermann Reschke, Honorary Chairman

Wolfgang Kirsch, Chairman

Emmerich Müller, Deputy Chairman

Joseph Bernhart

Hans H. Freudenberg

Sven Knauer

Sascha Koppenhagen

Elena von Metzler

Dr. Leonhard von Metzler

Dr. Katrin Stark

Consolidated companies

The consolidated accounts of B. Metzler seel. Sohn & Co. Aktiengesellschaft include the following companies:

B. Metzler GmbH
Metzler am Main GmbH
Metzler Asset Management GmbH
Metzler Immobilien GmbH
Metzler Immobilien 3 Beteiligungs GmbH
Metzler Pension Management GmbH
Metzler Pensionsfonds AG
Metzler Sozialpartner Pensionsfonds AG
UMA 1 Immobilien GmbH
Metzler Asset Management (Japan) Ltd.
Metzler North America Corporation
Metzler Realty Advisors Inc.
MP & R Ventures Inc.
Metzler/Payden, LLC
The Ridge S.á.r.l.

Consolidated balance sheet as of 31 December 2024 (short version)

Assets	2024 EUR	2024 EUR	2023 EUR '000
Cash reserve		21,564,135.44	27,937
Due from banks			
on demand	449,116,179.44		1,150,655
thereof at Deutsche Bundesbank 333,000,000.00 (2023: EUR 1,065,000,000.00)			
other receivables	10,353,128.77		10,366
		459,469,308.21	1,161,021
Due from customers		198,217,218.25	393,375
Bonds and other fixed-interest securities			
issued by the public sector	331,549,450.93		122,758
issued by others	1,011,517,638.11		1,003,439
		1,343,067,089.04	1,126,197
Equity shares and other variable-yield securities		179,912,175.66	167,499
Equity investments and shares in associated companies		12,294,826.75	9,639
Fiduciary assets		6,955,668,684.33	6,876,641
Intangible assets and tangible fixed assets		138,262,503.43	93,666
Other assets		79,724,041.73	67,996
Total assets		9,388,179,982.84	9,923,971

Liabilities	2024 EUR	2024 EUR	2023 EUR '000
Due to banks			
on demand		6,551,743.43	83,324
Due to customers			
on demand		2,017,972,741.75	2,563,891
Fiduciary liabilities		6,955,668,684.33	6,876,641
Other liabilities		50,612,583.99	40,971
Provisions		61,221,327.54	61,768
Fund for general banking risks		100,000,000.00	100,000
Capital and reserves			
Subscribed capital	18,100,000.00		18,100
Reserves	175,926,248.59		177,212
Currency translation	-183,346.79		-246
Consolidated unappropriated profit	2,310,000.00		2,310
		196,152,901.80	197,376
Total liabilities		9,388,179,982.84	9,923,971
Contingent liabilities			
from guarantees and indemnity agreements		2,519,239.69	2,519
Other commitments			
Irrevocable lines of credit granted		10,610,000.00	13,185

Consolidated profit and loss account for the period 1 January to 31 December 2024 (short version)

	2024 EUR	2024 EUR	2023 EUR '000
Interest income	140,487,006.16		123,956
Interest expenses	-111,213,134.41		-101,495
		29,273,871.75	22,461
Current income from equity shares, other variable-yield securities and financial assets		4,096,243.34	1,877
Commission income	226,957,645.69		231,516
Commission expenses	-34,584,427.21		-51,220
		192,373,218.48	180,296
Net trading result		3,559,910.86	930
General administrative expenses			
Personnel expenses	-130,716,755.44		-125,128
Other administrative expenses	-69,304,899.82		-62,510
		-200,021,655.26	-187,638
Depreciation on intangible assets and tangible fixed assets		-5,261,586.09	-5,368
Other operating income/expenses		-3,869,138.48	-3,656
Provision for contingent loan losses and result from the valuation of certain securities		-5,936,892.44	-4,409
Result from financial assets		13,658.14	0
Operating income		14,227,630.30	3,283
Taxes		-1,917,630.30	-973
Consolidated unappropriated profit		12,310,000.00	2,310



Reference to the unqualified auditor's opinion

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, Germany, has issued an unqualified audit opinion for the complete consolidated financial statements and the group management report for the fiscal year from 1 January 2024 to 31 December 2024 prepared by B. Metzler seel. Sohn & Co. Aktiengesellschaft, Frankfurt/Main, Germany.

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60329 Frankfurt/Main
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Fax +49 69 289490

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Nicole Arend

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Ulf Rößling
Andrea von Blohn

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Unless otherwise stated, all information in this year's financial statements relates to the 31 December 2024 reporting date.

We would be happy to provide further information on the annual financial statements for 2024. Please address your request to: crm@metzler.com

Metzler

B. Metzler seel. Sohn & Co.
Aktiengesellschaft
Untermainanlage 1
60329 Frankfurt/Main
Germany

P.O. Box 20 01 38
60605 Frankfurt/Main
Germany

www.metzler.com