

MERKUR
PRIVATBANK



Active Responsibility

Annual Report 2021

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About us

MERKUR PRIVATBANK KGaA, with its registered office in Munich, is the only German bank which is simultaneously owner-managed and listed on the stock exchange. The current total assets of nearly EUR 2.7 billion mean that it is classified as one of the largest owner-managed financial institutions in Germany. MERKUR PRIVATBANK KGaA has been managed by Dr. Marcus Lingel in the role of personally liable shareholder since 2005. Around 420 members of staff are employed for the bank's customers in the asset management and financing (for property development companies, leasing companies, SMEs and property investors) business sectors as well as in bond trading with a high level of expertise and ability to provide sound advice. Independence, partnership characteristics, entrepreneurship with a handshake mentality as well as long-term thinking for the benefit of the customer have always been the hallmarks of this medium-sized company. The shares of MERKUR PRIVATBANK KGaA are listed for trading in the m:access market segment of the Munich Stock Exchange. Furthermore, the shares are also traded on the Frankfurt Stock Exchange in the open market segment and on the Stuttgart and Berlin stock exchanges.

Excerpts from the comments to the 2021 annual financial statements

The annual financial statements as at 31 December 2021 for MERKUR PRIVATBANK KGaA (formerly MERKUR BANK KGaA and renamed on 26 June 2020), Munich, HRB 122853 Munich Local Court, hereinafter referred to as MERKUR PRIVATBANK, have been prepared in accordance with the applicable legal provisions (German Stock Corporation Act, German Commercial Code and the Ordinance relating to Accounting for Banks and Financial Services Institutions RechKredV).

In accordance with the provisions of Article 1 RechKredV in conjunction with Article 2 RechKredV, the bank utilises Form 1 for the balance sheet and Form 3 (graduated form) with supplements for the profit and loss account.

Information regarding the auditor's report

The comprehensive annual financial statements were prepared in accordance with German accounting regulations. KPMG AG Wirtschaftsprüfungsgesellschaft audited the annual financial statements and the management report as at 31.12.2021, in their role as appointed auditing company, and issued an unqualified audit opinion.

Annual Balance

Statement of financial position of MERKUR PRIVATBANK KGaA as of 31 December 2021

Assets

	EUR	EUR	PY KEUR
1. Cash reserves			
a) cash in hand	2.086.588,69		2.818
b) balances with central banks	405.356.033,63		338.194
thereof: with Deutsche Bundesbank (PY KEUR 341.012)		407.442.622,32	341.012
2. Loans and advances to banks			
a) payable on demand	84.668.009,27		117.299
b) other loans and receivables	36.254.739,20		37.796
		120.922.748,47	155.093
3. Loans and advances to customers		2.123.695.214,33	2.122.121
thereof:			
secured with mortgages (PY KEUR 194.503)	EUR 186.081.890,87		
municipal loans (PY KEUR 77.980)	EUR 93.234.732,29		
4. Debt securities and other fixed-interest securities, bonds and notes			
a) of public sector issuers (PY: KEUR -,--)	EUR -,--	25.067.458,94	30.047
b) of other issuers			
thereof:			
rediscountable at Deutsche Bundesbank (PY: KEUR 30.047)	EUR 25.067.458,94		
5. Shares and participating interests		20.000,00	20
thereof:			
investments in banks	EUR -,--		-,--
investments in financial services companies	EUR -,--		-,--
6. Fiduciary assets		12.544.651,65	7.457
thereof: loans at third-party risk (PY: KEUR 7.457)	EUR 12.544.651,65		
7. Intangible assets			
a) concessions acquired, industrial property rights and similar rights and values as well as licences to such rights and values		94.862,57	44
8. Property, plant and equipment		23.722.696,40	22.528
9. Other assets		2.855.657,94	3.624
10. Deferred items		116.959,80	14
Total assets		2.716.482.872,42	2.681.960

Liabilities and shareholder's equity

	EUR	EUR	PY kEUR
1. Liabilities to banks			
a) payable on demand	5.306.997,53		3.496
b) with agreed term or notice period	237.891.866,80		221.623
		243.198.864,33	225.119
2. Liabilities to customers			
a) savings deposits			
aa) with agreed notice period of three months	217.332.542,14		212.627
ab) with agreed notice period of more than three months	1.696.988,99		4.873
	219.029.531,13		217.500
b) other deposits			
ba) payable on demand	1.711.743.135,43		1.398.901
bb) with agreed term or notice period	253.344.533,60		597.789
	1.965.087.669,03		1.996.690
		2.184.117.200,16	2.214.190
3. Fiduciary liabilities			
thereof: loans at third-party risk (PY: kEUR 7.457)	EUR 12.544.651,65	12.544.651,65	7.457
4. Other liabilities		26.359.881,56	11.997
5. Deferred items		133.846,68	321
6. Provisions for liabilities and charges			
a) provisions for taxes	8.900.401,37		3.967
b) other provisions	3.999.996,65		4.304
		12.900.398,02	8.271
7. Subordinated liabilities		22.956.500,00	22.957
8. Participation rights capital		4.460.000,00	6.430
thereof: due in less than two years (PY kEUR 3.930)	EUR 2.000.000,00		
9. Additional Tier 1 capital		42.850.000,00	42.850
10. Fund for general banking risks		49.085.000,00	31.485
thereof: trading-related special reserve according to Section 340e (4) (PY kEUR 420)	EUR 700.000,00		
11. Equity			
a) Paid-in subscribed capital	19.913.600,00		19.914
b) Equity share of the personally liable shareholders	4.696.389,54		4.696
c) Capital reserve	33.550.590,29		33.551
d) Retained earnings			
da) Legal reserve	9.203,25		9
db) Other retained earnings	50.536.184,13		44.509
thereof: personally liable shareholders			
(VJ: TEUR 5.436)	EUR 6.370.867,35		
e) Net profit	6.370.867,35		8.204
		117.876.530,02	110.883
Total liabilities and shareholder's equity		2.716.482.872,42	2.681.960

	EUR	PY kEUR
1. Contingent liabilities		
a) Sureties and guarantee agreements	245.337.222,50	211.411
2. Other commitments		
a) Irrevocable lending commitments	68.494.707,01	68.285

Income Statement

Income Statement of MERKUR PRIVATBANK KGaA for the period from 1 January to 31 December 2021

	EUR	EUR	PY kEUR
1. Interest income from			
a) lending and money market transactions	69.017.598,12		63.755
less negative interests from lending and money market transactions	-1.803.676,37		-1.175
b) fixed-income securities and debt register claims	36.525,28		66
	67.250.447,03		62.646
2. Interest expenses		9.339.572,51	9.894
Net interest income		57.910.874,52	52.752
3. Current income from shares and participating interests		1.330,00	5
4. Commission income		28.220.019,97	25.789
5. Commission expenses		6.322.069,68	5.372
Net commission income		21.897.950,29	20.417
6. Net profit from trading portfolio		2.722.362,68	3.595
7. Other operating income		418.037,11	790
8. General administrative expenses			
a) personnel expense			
aa) wages and salaries	25.651.005,43		25.855
ab) social security contributions, expenses for pensions and other employee benefits	<u>5.023.593,29</u>		4.613
thereof: for pensions			
EUR 866.368,58 (PY: kEUR 502)			
	30.674.598,72		30.468
b) other administrative expenses	17.710.364,99		15.877
	48.384.963,71		46.345
9. Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		874.990,14	1.032
10. Other operating expenses			
a) profit shares of the personally liable shareholders	3.366.643,56		3.012
b) other operating expenses	<u>1.128.216,74</u>		919
	4.494.860,30		3.931
11. Write-downs and impairments of loans and advances as well as certain securities, allocations to provisions for lending business		0,00	5.631
12. Income from the write-up of loans and advances as well as certain securities. reversal of provisions for lending business		8.288.761,92	0
13. Transfers to fund for general banking risks		17.600.000,00	2.800
14. Result from ordinary activities		19.884.502,37	17.821
15. Taxes on income	10.540.555,77		9.556
16. Other taxes	<u>173.383,79</u>		61
	10.713.939,56		9.617
17. Profit for the year		9.170.562,81	8.204
18. Profit brought forward from previous year		0,00	0
Allocation to retained earnings			
a) legal reserve		0,00	0
b) reserve for shares in a controlling company or a company with a majority interest		0,00	0
c) statutory reserves		0,00	0
d) other retained earnings		0,00	0
19. Net profit		9.170.562,81	8.204