
> Press release

comdirect bank AG

21 July 2006

comdirect: record H1 result with pre-tax profit of EUR 46.9m

Quickborn/Frankfurt/Main, 21 July 2006. comdirect bank (www.comdirect.de) achieved pre-tax profit of EUR 46.9m in the first six months of 2006, almost double the previous year's figure of EUR 24.5m. Pre-tax profit for the second quarter stands at EUR 21.7m. "We have had a very strong first six months: we have invested, we have grown and are announcing a record result. Our target for the full financial year 2006 is now more than 70 million euros," said Andre Carls, CEO of comdirect bank.

Trading in securities by comdirect bank customers was again very lively. With 2.41 million orders executed in the second quarter, the bank almost matched the exceptional number achieved in the first quarter (2.53 million trades). In total, the number of orders for the first half of 2006 is 62.2% higher than the previous year. Net commission income increased year on year by 75.1% to EUR 76.6m, developing at an even greater rate than the order figures. The reason for this is higher income from the expansion of funds business and advice. Net interest income before provisions rose 31.1% to EUR 40.9m as a result of the rise in interest rates and the higher deposit volume from the growing number of current accounts, fixed term deposit accounts and time deposit accounts.

Assets under custody rose from EUR 12.88bn at the end of 2005 to EUR 14.29bn as of 30 June 2006. The number of customers increased in the second quarter by 21,830 to a new all-time high of 743,666. Compared to the year-end 2005, this is a rise of 87,602 customers. The number of current accounts climbed 56,595 in the first six months to 212,553. Custody accounts increased by 37,524 to 588,472 and the number of securities savings plans was up 16,789 to 109,184 in total. "The development in customer numbers shows that our comvalue growth programme is working," explained Carls.

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"comdirect bank offers more in terms of service - in brokerage, banking and advice. And customers like this: we are gaining new customers and at the same time existing customers are using more of our products. One in four customers is now active in both brokerage and banking," added Carls.

As a result of the comvalue growth programme, administrative expenses rose by 23.2% compared to the previous year to EUR 68.0m. "We have taken advantage of the favourable market environment and invested more in creating attractive offers and gaining customers," explained Carls. Consequently, other administrative expenses increased in particular, up 29.2% year on year to EUR 47.3m. There was a 17.2% rise in personnel expenses to EUR 16.1m. At EUR 4.6m, depreciation was on a par with the previous year (EUR 4.8m). The change in other income from EUR 5.3m in 2005 to the present level of EUR -1.4m is essentially due to portfolio optimisation in the investments and securities portfolio. The cost/income ratio improved from 68.7% to 58.5% as a result of the very good earnings position.

comdirect will continue to drive forward its growth programme in the second half of the year. The focus for attracting new customers remains the current account. The product and service offering will also be extended. In brokerage, for example, comdirect bank is planning to introduce new order functionalities specifically designed to meet the needs of active traders, and in banking, the lending offering will be expanded to include consumer credit. The advisory subsidiary comdirect private finance aims to reach breakeven in 2006 and will be opening its 16th office in the third quarter of this year.

With more than 700,000 customers, comdirect is the market leader in online investment in Germany. Our advanced business model ensures customer-based interlinking of our expertise in brokerage, banking and advice, establishing comdirect as a main bank for the modern investor. All comdirect bank's transactions, including those of its wholly-owned advisory subsidiary, comdirect private finance, are carried out in Quickborn near Hamburg. comdirect private finance has 15 offices in conurbations throughout Germany. With 150 million page impressions and 12 million visits a month, www.comdirect.de is Germany's most frequently visited financial website.

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Overview

EUR '000	Q1/06	Q2/06	H1/05	H1/06	H1/06 v H1/05
Net interest income before provisions	19,017	21,910	31,219	40,927	31.1 %
Provisions	-854	-417	-599	-1,271	112.2 %
Net commission income	39,051	37,544	43,755	76,595	75.1 %
Other income	1,305	-2,717	5,256	-1,412	- 126.9 %
Administrative expenses	33,324	34,628	55,145	67,952	23.2 %
Pre-tax profit	25,195	21,692	24,486	46,887	91.5 %
After-tax profit	16,149	13,982	15,619	30,131	92.9 %

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Press information:

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