



Turnaround on track

**6th German Corporate Conference
Frankfurt
February 26th, 2003**

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·comdirect)

www.comdirect.de



Agenda

- **comdirect at a glance**

Nine-month figures

Market and positioning

com one programme for the future

Conclusion



- 622,242 customers
- Including 32,494 customers in UK (co-operation with Lloyds TSB started in October 2002)
- Euro 7.0bn assets under custody
- Euro 5.1bn portfolio volume
- Results from ordinary activities of comdirect group already positive

(year End 2002)



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Key figures of comdirect bank group

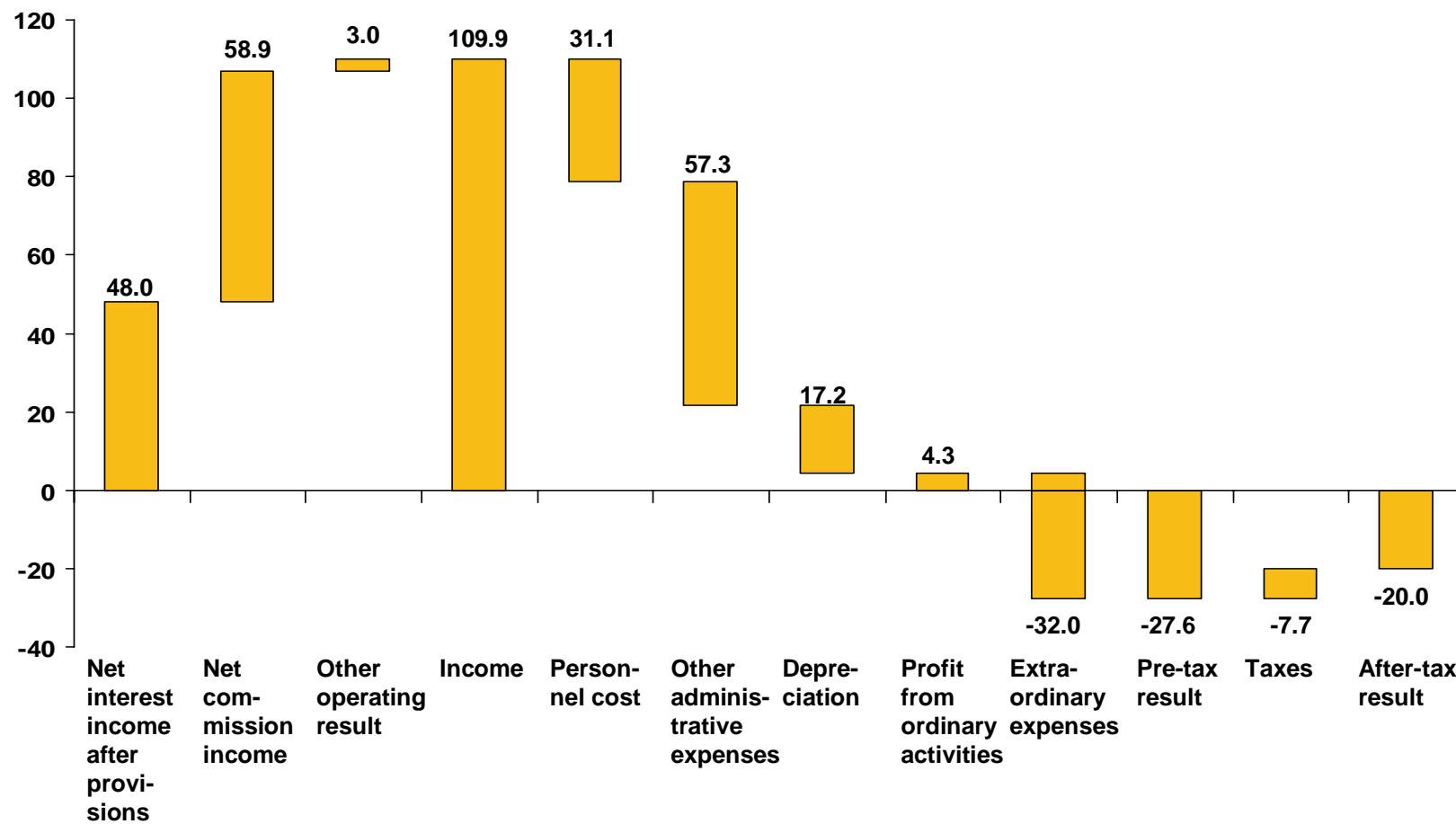
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		2000	2001	2002
		Q1-Q3	Q1-Q3	Q1-Q3
Net commission income	in € mn	150.8	70.7	58.9
Net interest income after provisions	in € mn	41.9	48.0	48.0
Administrative expenses	in € mn	167.0	176.2	105.6
Profit/loss from ordinary activities	in € mn	25.6	-59.3	4.3
Pre-tax profit/loss	in € mn	25.6	-59.3	-27.6
Earnings per share	in €	0.09	-0.33	-0.14
Total assets (as of September 30, 2002)	in € mn	3,064.9	3,048.2	2,665.0
Equity (as of September 30, 2002)	in € mn	748.0	697.0	552.1



Results affected by restructuring expenses (as of Sept. 30th, 2002)

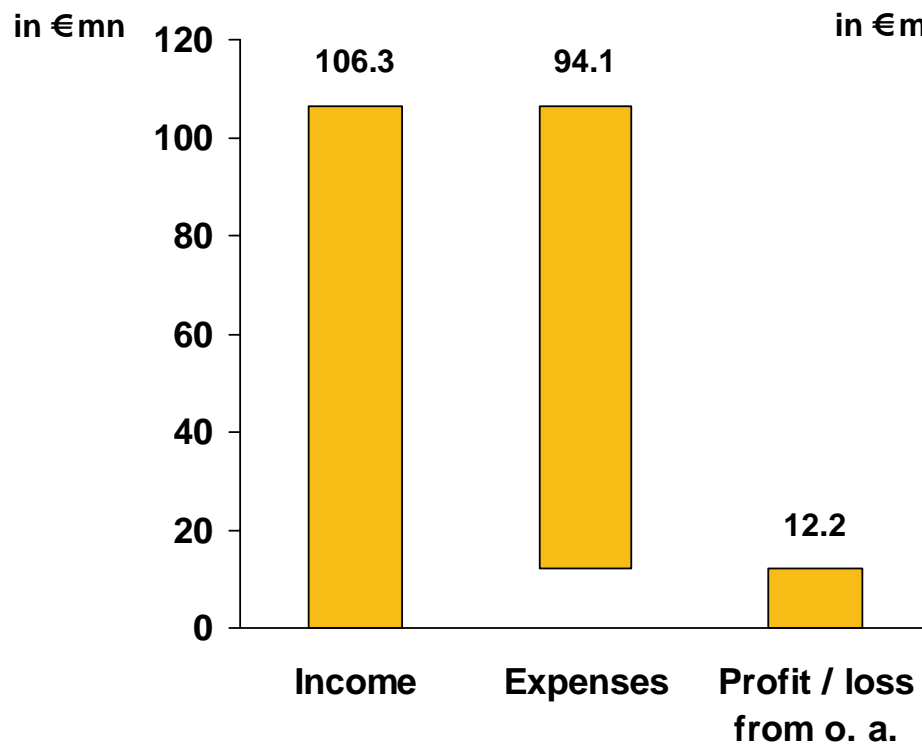
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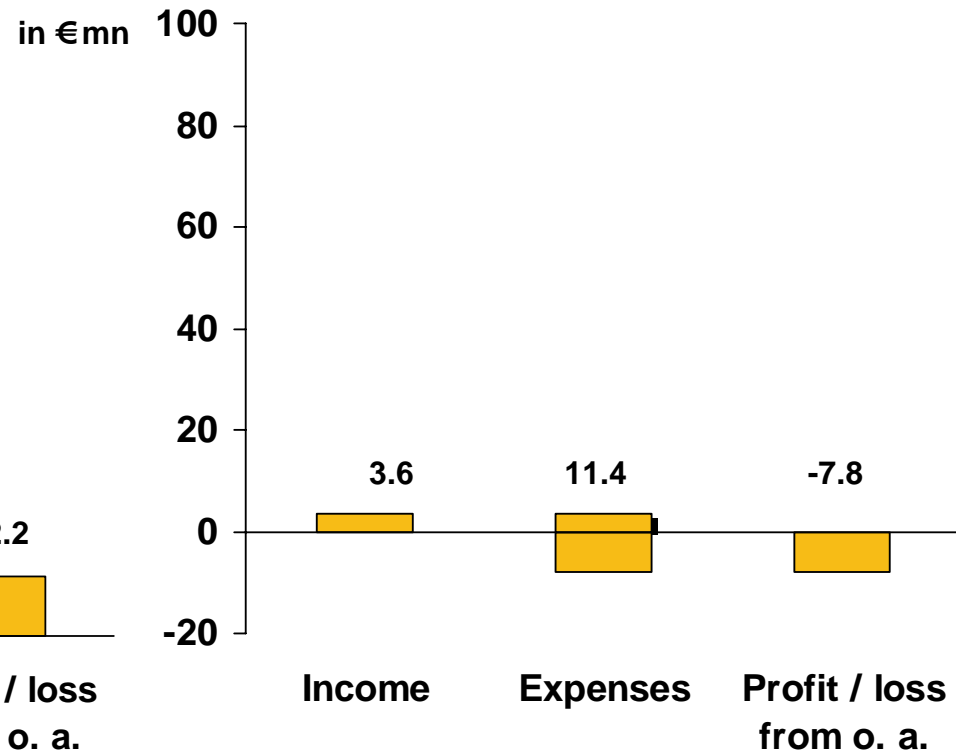


Ordinary profit in Q1 - Q3 / 2002 was primarily attributable to comdirect Germany

comdirect Germany



comdirect Ltd





		2001	2002
Customers, of which		648,611	622,242
brokerage customers		615,211	594,701
Orders executed	in mn	6.566	5.700
Assets under custody, of which	in €bn	9.001	7.005
deposit volume	in €bn	2.303	1.948
portfolio volume	in €bn	6.698	5.057



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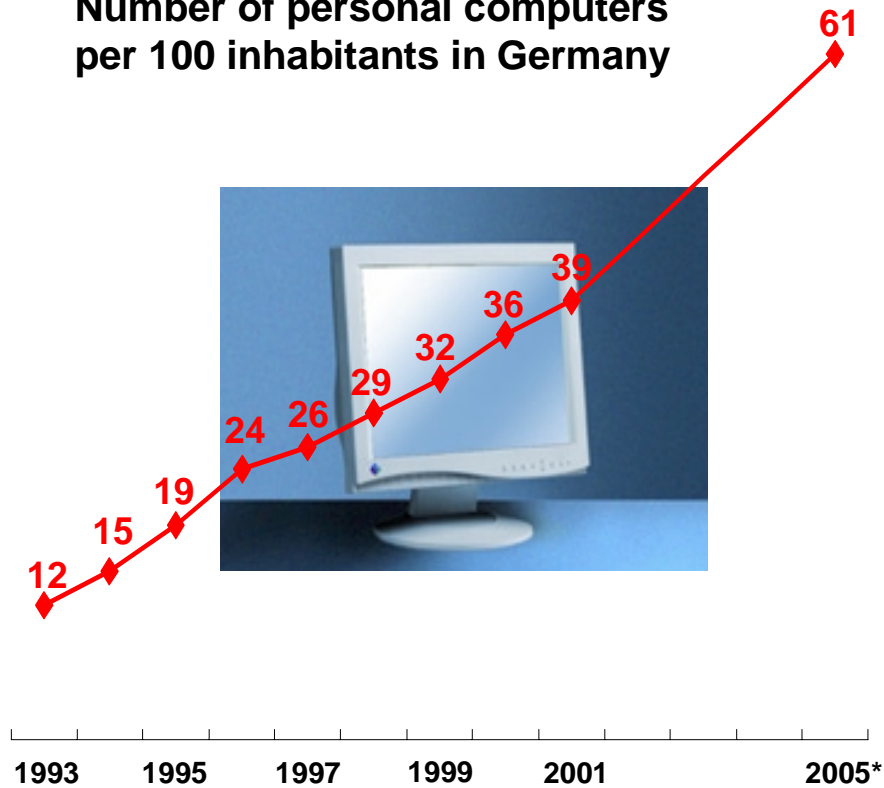
■ **Market and positioning**

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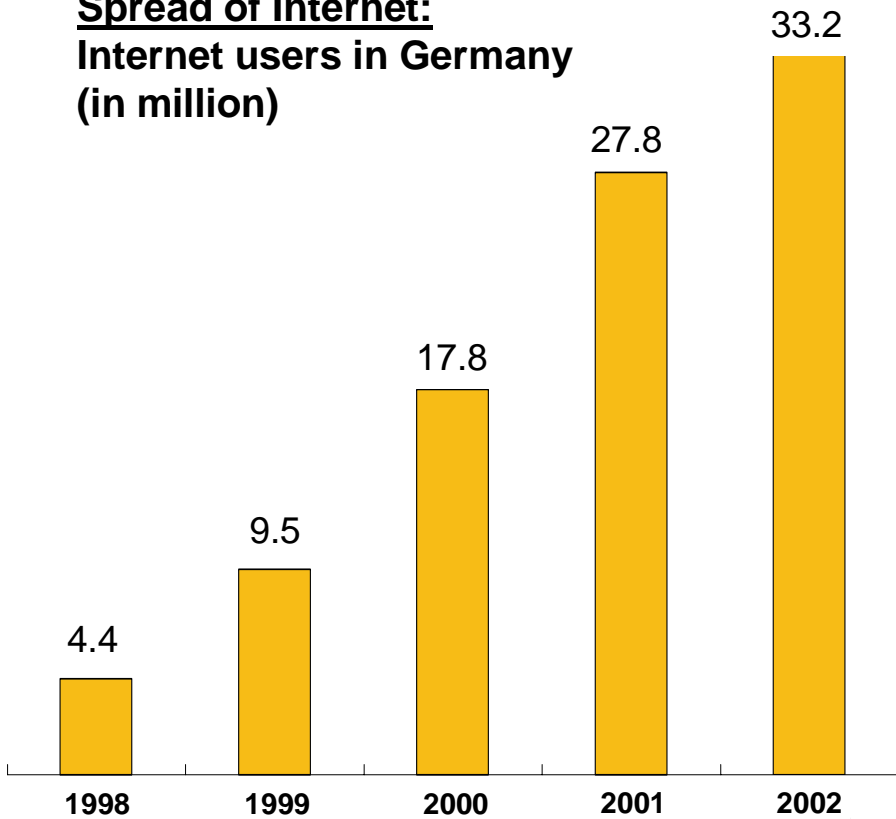
Conclusion



Spread of PC:
Number of personal computers
per 100 inhabitants in Germany



Spread of Internet:
Internet users in Germany
(in million)



* estimated

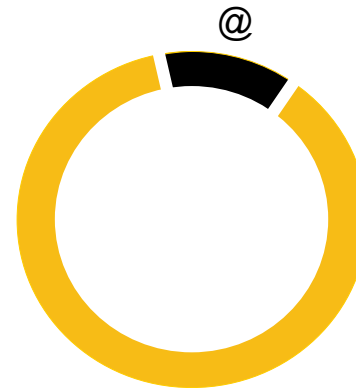
Sources: BITKOM; GfK Medienforschung, Online-Monitor, Forsa/Sevenone Interactive (as of 01/2003)



- Overall: 82.2 million inhabitants



- Of whom: 17 million hold securities (incl. fixed interest securities)



- 15.3 million (= 90%) holding securities in Germany use traditional channels / suppliers
- 1.7 million online brokerage customers (= 10%)

The market for online brokerage in Germany exists and is sustainable



reach of comdirect

- 140mn page impressions (avg./month 2002)
- 30mn visits (avg./month 2002)

compared to, i.e., Onvista, one of the best known German finance portals

- 34mn page impressions (avg./month 2002)
- 4mn visits (avg./month 2002)

(Source: comdirect/IVW)

The screenshot shows the comdirect website interface. At the top, there's a navigation menu with 'DIRECT BROKERAGE', 'BIPRIMER', 'COMMERIT', 'Einführung in die Welt der Wertpapiere', 'Infos & Forecasts', 'Über uns', and 'Kontakt'. Below the navigation, there's a search bar and a welcome message: 'Herzlich willkommen bei comdirect' dated 'Montag, 02.12.2002'. The main content area is divided into several sections: 'Tracking' with links to 'Marktkonzept', 'News & Research', and 'Audio Podcast'; a large advertisement for 'Optionsscheine provisionsfrei handeln' with a 'verlängert bis 31.12.02' badge; a section for '6% p.a. und 6 neue Fonds' featuring two jars; and a 'Zeit zu wechseln' section with a globe icon. On the right side, there's a 'Warum comdirect?' section with bullet points, a 'DEUTSCHLAND' stock market chart, and an 'ARTIKEL' section with a featured article 'Mittelstandsinvestoren'.



brokerage is a commodity

- Online-trading in the long run not differentiating
- Margin pressure will remain (despite current margin growth)

trading activities concentrated

- Retail investors during downturn/stagnation very passive
- Large percentage of all transactions carried out by small number of customers

pressure for growth

- Reduced potential for consolidation/cost cutting
- Pure price-strategies for acquisition of new customers with uncertain economic results

pressure for performance

- Customers place more emphasis on Service and Price than before
- Retail banks narrow the gap; specialists succeed (auto banks)

changing paradigm: „risk control“ instead of „risk exposure“

- Risk coverage/management becomes more important; especially for investors
- Customers' focus shifts from single shares to diversified portfolios

new asset classes

- Return expectations: Shares are being reviewed
- „New“ asset classes with growth potential: debt/corporate credit, alternative investments, real estate

- Attractive direct brokerage platform
- New information tools comply with increasing customer need for navigational aid
 - Customer requirement: security: bonds informer
 - Customer requirement: flexible products: warrant informer
 - Customer requirement: structured investment opportunities: certificate and funds informer
- New asset-management tools
 - Customer requirement: risk/return analysis: securities account management

No 1 private asset-management platform



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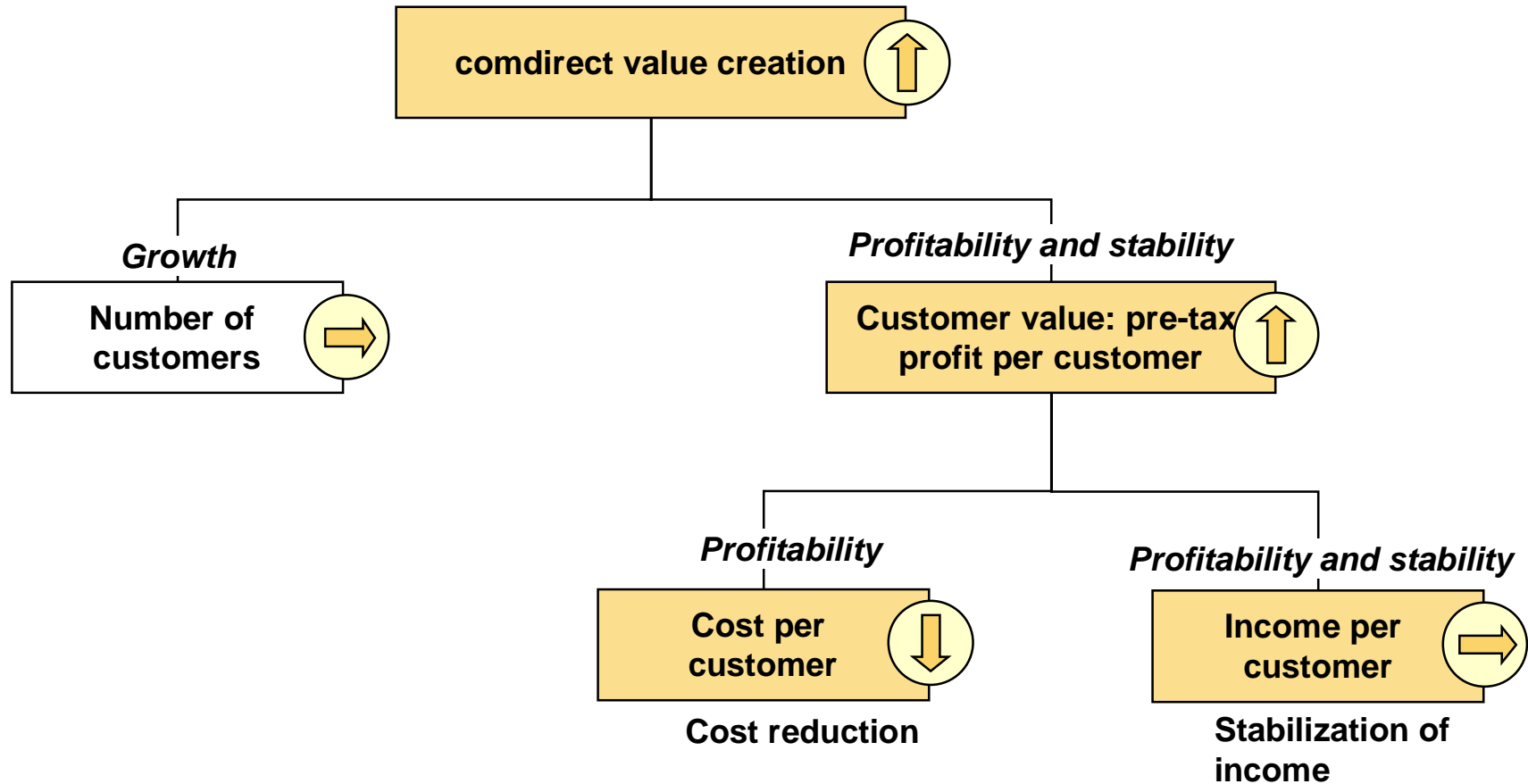
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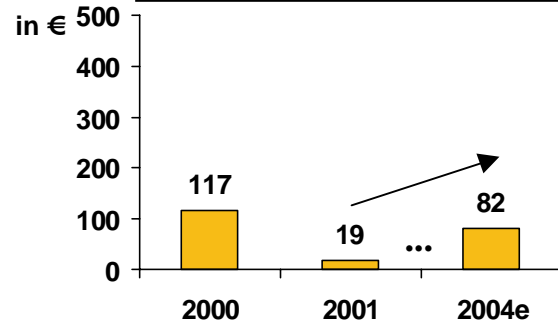



Dynamic value creation: In a difficult market environment, focus on customer value

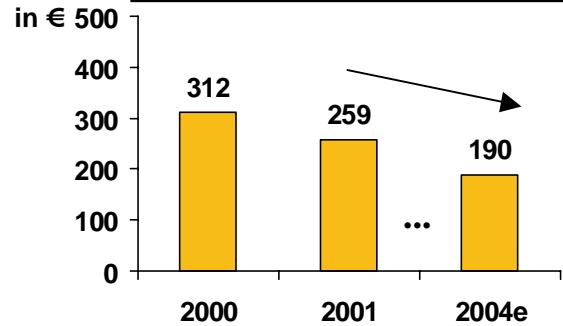


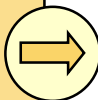
com one will increase the pre-tax profit per customer in Germany from €19 to €82 by 2004

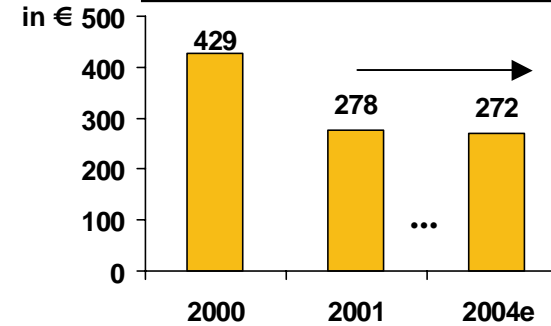
Customer Value: Pre-tax profit per customer profit from ordinary activities 



Cost per customer 



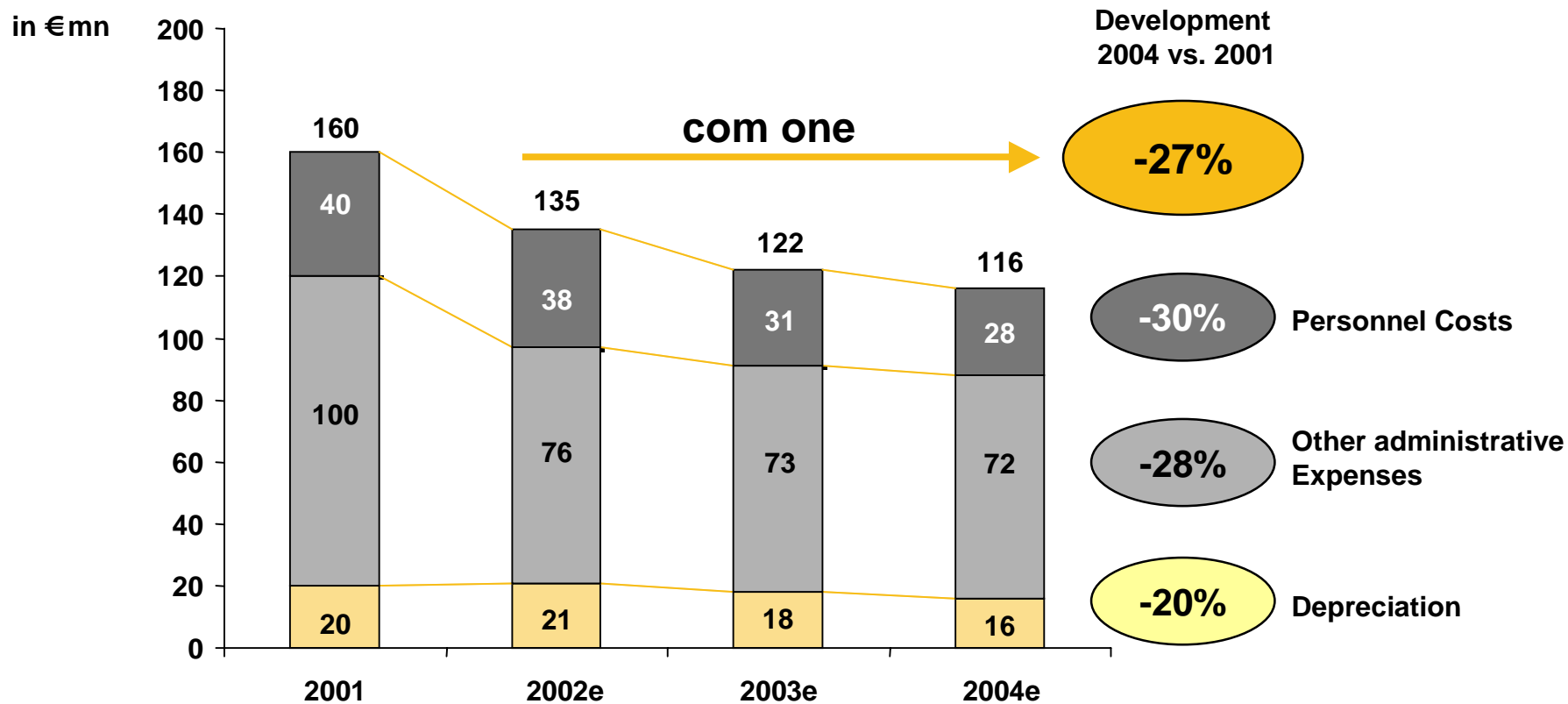
Income per customer 





Effect of the cost reduction initiatives in Germany (2004 vs. 2001)

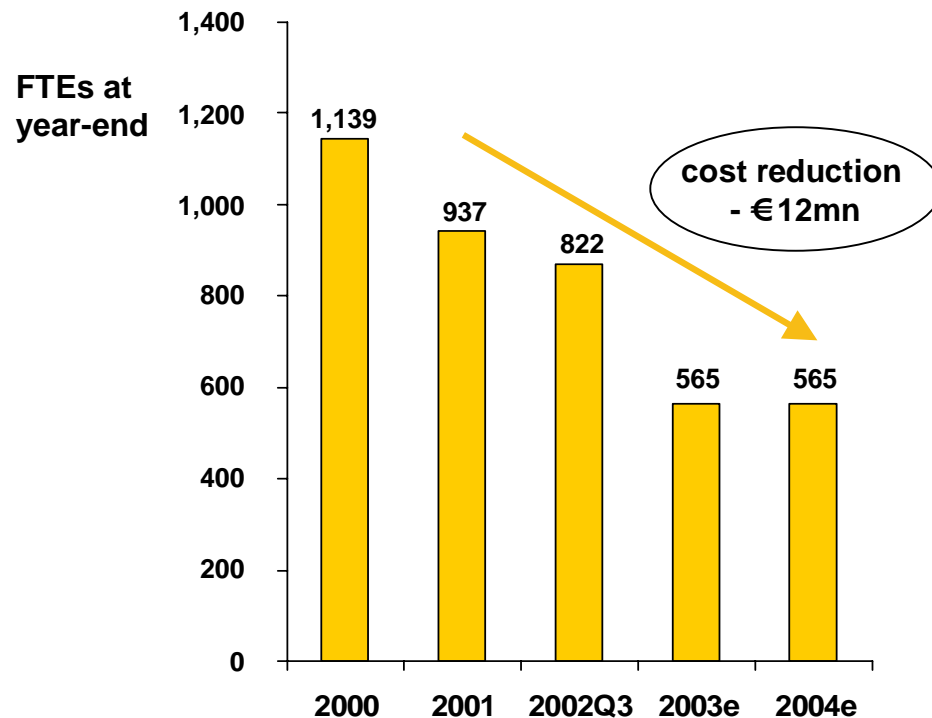
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Sustained structural cost reduction of €44mn in 2004 attributable to com one



changes in workforce comdirect Germany



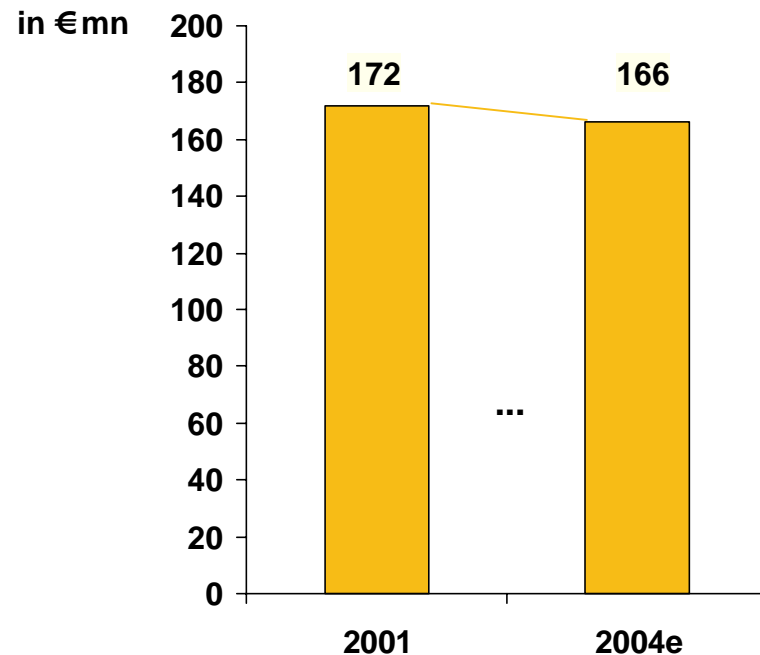
Initiatives

- Workforce reduction in call centres/service departments
 - Service department concentrated at Quickborn
 - Reorganizing and improvement of process efficiency
- Workforce reduction throughout the corporate centre
 - Bundling of functions
 - Optimizing interfaces and improving efficiency

Initiatives are already being implemented – completion by mid-2003



Development of income comdirect Germany

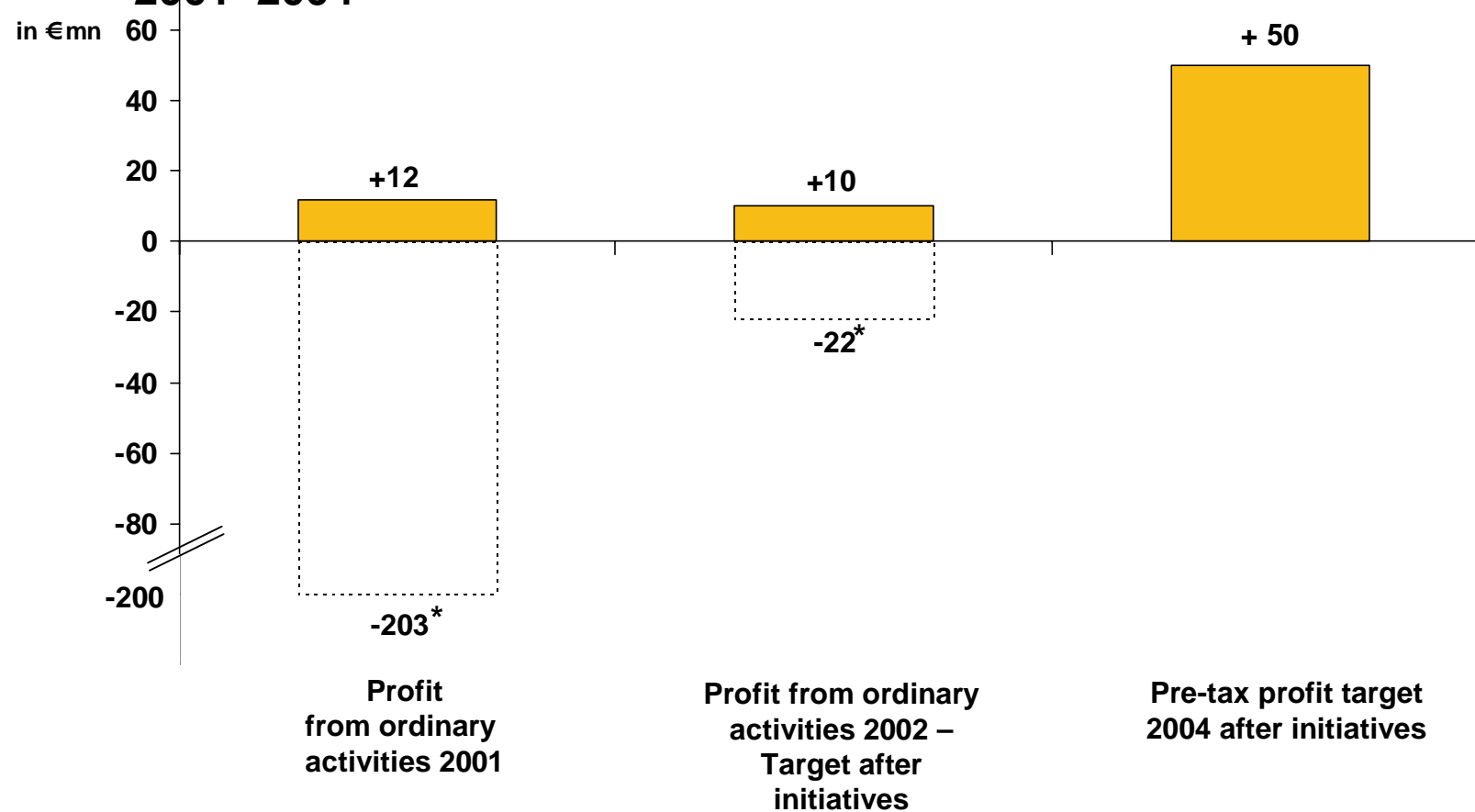


Background

- Conservative scenario regarding short-term market developments
 - Stable customer base
 - Orders per customer remain at low level (8.5 trades per customer in 2004)
- At the same time, initiatives to stabilize income
 - New pricing model
 - Changes in product mix



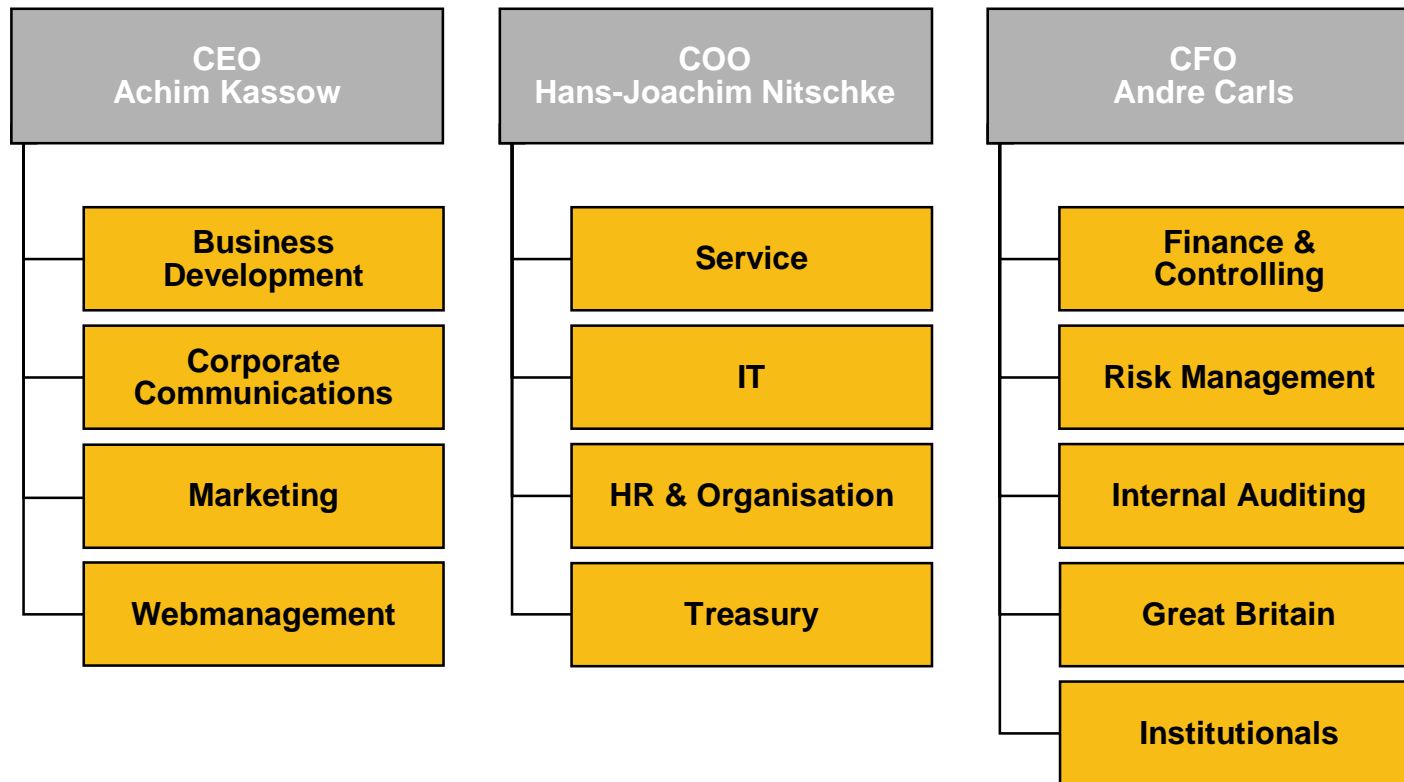
Development of profit from ordinary activities, comdirect Germany 2001–2004





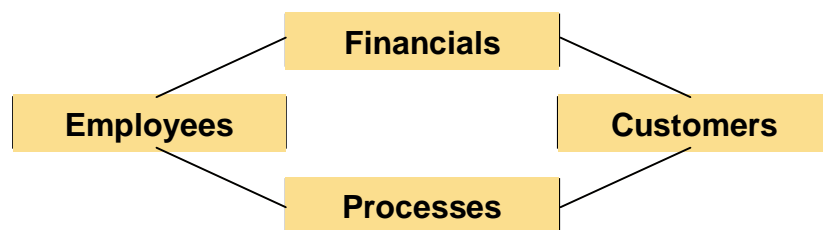
Organization has been streamlined with clear responsibilities for board members

22



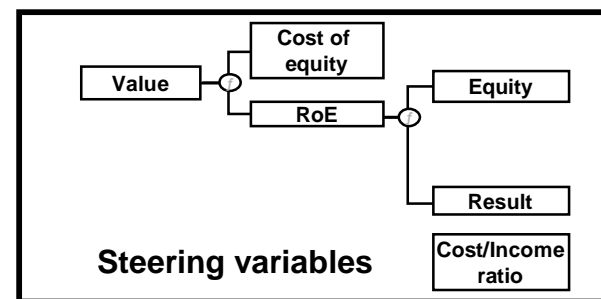


Strategic steering cockpit following the Balanced Scorecard approach



- **Key figures for**
 - Financial performance
 - Customers added value
 - Human resources
 - Process efficiency

Operational steering cockpit containing key value drivers



Group key figures, e.g.:

RoE
Total shareholder return

Division key figures, e.g.:

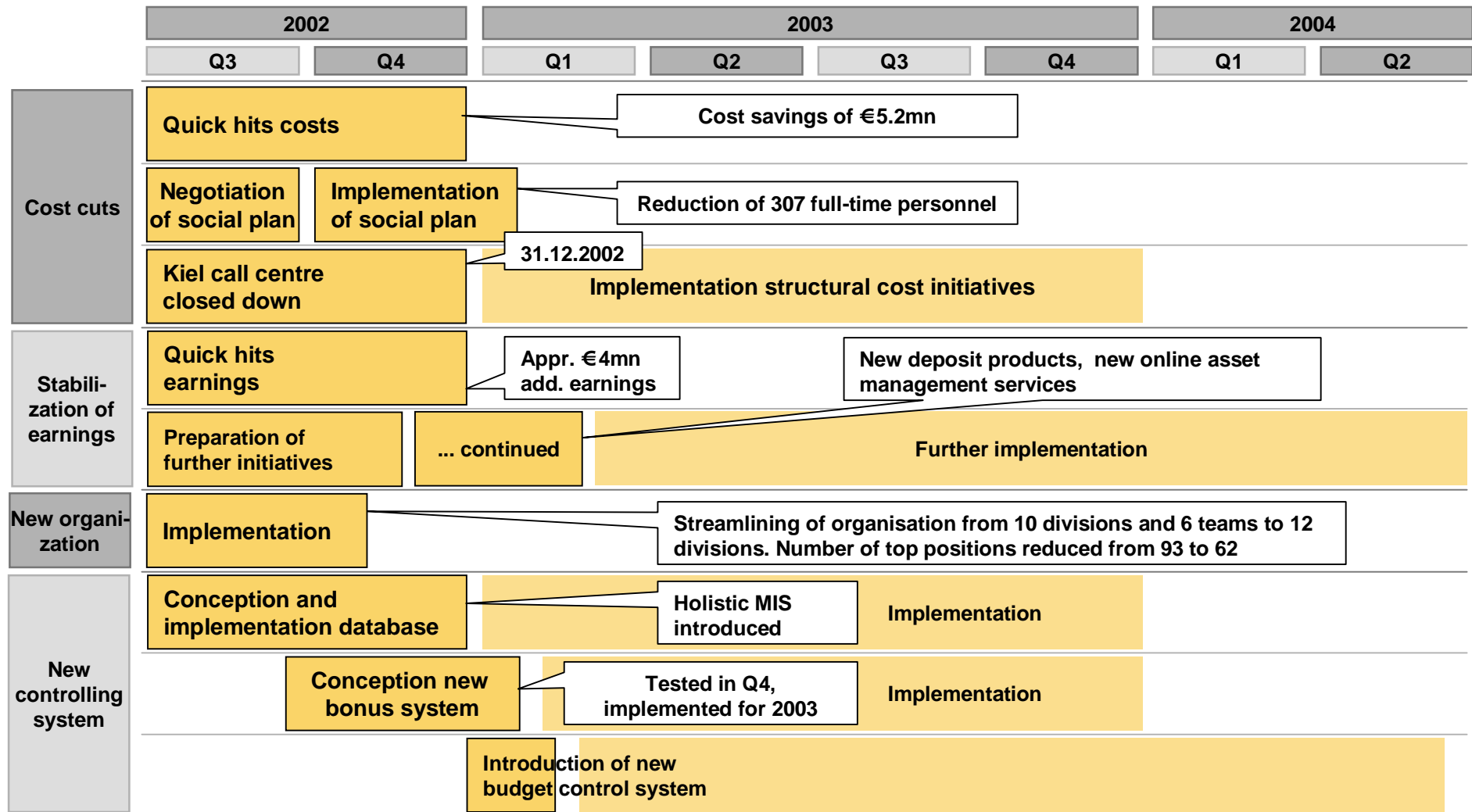
Income
Expenses
Profitability and efficiency indicators

Department key figures, e.g.:

Income
Expenses
Profitability and efficiency indicators



Tight timetable for implementing measures fully maintained





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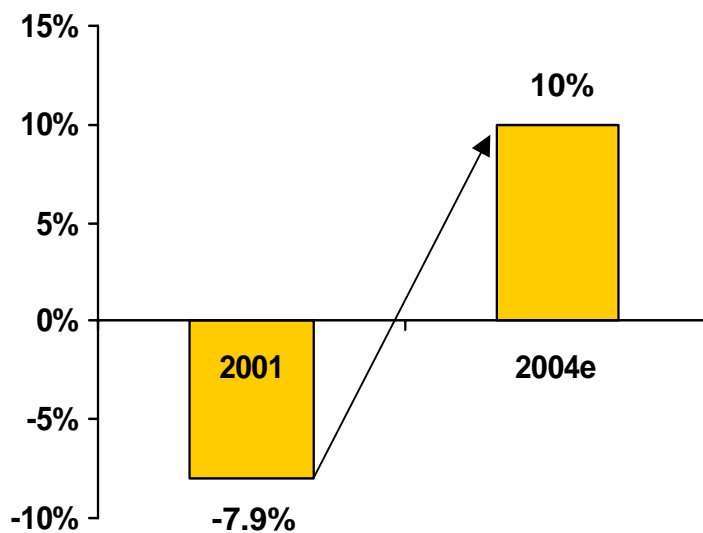
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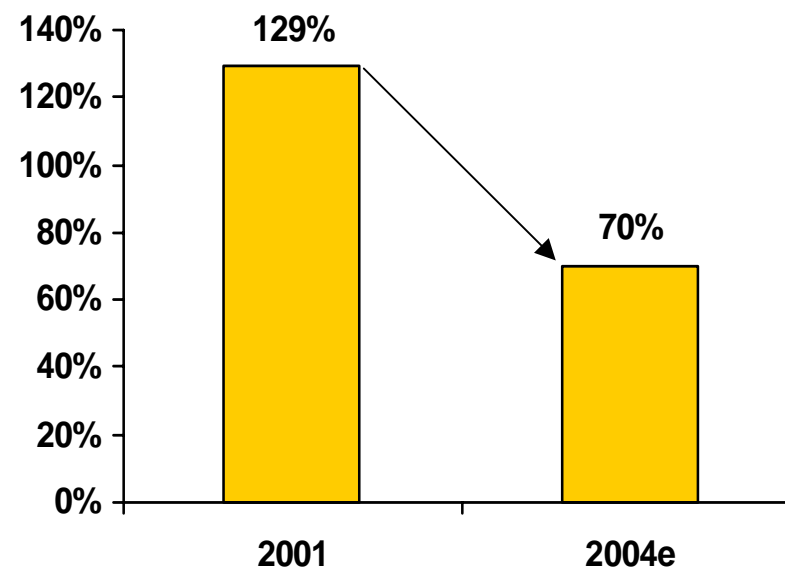
■ Conclusion



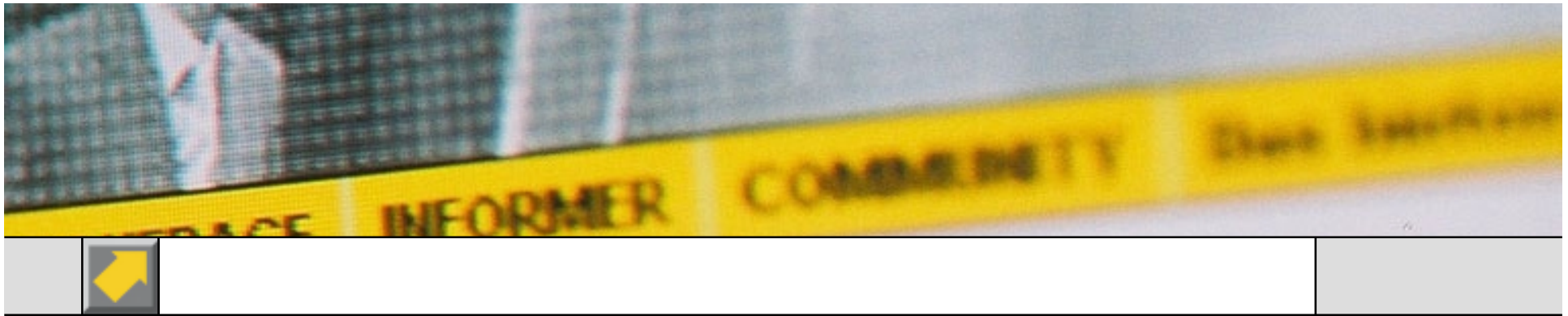
Return on Equity



Cost / Income Ratio



Operating Results set to improve even in difficult markets



Thank you very much for your Attention

