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## > Half-year report 2006

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On course for a new record year

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## > Key figures of comdirect bank group

1 <sup>st</sup> half-year		2006	2005	Change in %
<b>Customer figures as of 30.6.</b>				
Total customers		743,666	616,545	20.6
Customers in the business line comdirect online		741,967	615,625	20.5
Customers in the business line comdirect offline		13,302	5,021	164.9
<b>Business line comdirect online</b>				
Placed orders		6,409,767	3,848,484	66.6
Executed orders		4,932,618	3,040,624	62.2
Average order activity per custody account (annualised)		17.1	11.4	50.0
Share of fund transactions in executed orders	in %	25.8	26.2	- 1.5
Order volume per executed order	in €	5,980	4,702	27.2
Total assets under custody as of 30.6.	in € million	14,291	10,800	32.3
of which: portfolio volume (excluding funds)	in € million	7,194	6,162	16.7
of which: funds volume	in € million	3,192	2,222	43.7
of which: deposit volume	in € million	3,904	2,416	61.6
Credit volume as of 30.6.	in € million	223	164	36.0
Number of custody accounts as of 30.6.		588,472	533,057	10.4
Number of securities savings plans as of 30.6.		109,184	80,268	36.0
Number of current accounts as of 30.6.		212,553	108,068	96.7
<b>Business line comdirect offline</b>				
Advisers as of 30.6.		128	71	80.3
Offices as of 30.6.		15	11	36.4
Commission income	in € thousand	7,148	2,999	138.3
<b>Earnings ratios</b>				
Net commission income	in € thousand	76,595	43,755	75.1
Net interest income before provisions	in € thousand	40,927	31,219	31.1
Administrative expenses	in € thousand	67,952	55,145	23.2
Profit from ordinary activities	in € thousand	46,887	24,486	91.5
Pre-tax profit	in € thousand	46,887	24,486	91.5
Net profit	in € thousand	30,131	15,619	92.9
Earnings per share	in €	0.21	0.11	90.9
<b>Balance-sheet key figures as of 30.6.</b>				
Balance-sheet total	in € million	4,549	3,051	49.1
Equity	in € million	589	589	0.0
Equity ratio <sup>1)</sup>	in %	13.1	19.3	- 32.1
Risk weighted assets according to BIS	in € million	1,274	866	47.1
BIS core capital	in € million	559	564	- 0.9
BIS own funds	in € million	559	569	- 1.8
BIS own funds ratio	in %	43.9	65.7	- 33.2
<b>Relative ratios</b>				
Return on equity before tax (annualised)	in %	15.6	8.2	90.2
Cost/income ratio	in %	58.5	68.7	- 14.8
Earnings per customer (annualised)	in €	318.3	257.4	23.7
<b>Employees' figures as of 30.6.</b>				
Employees		690	625	10.4
of which: in the business line comdirect online		666	607	9.7
of which: in the business line comdirect offline		24	18	33.3
Employees full-time basis		609.5	543.1	12.2

1) Equity ratio = (subscribed capital + reserves + consolidated profit) / balance-sheet total

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## > Management report

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Dear shareholders,

comdirect bank continued its strong upward trend in the second quarter with further growth in all fields of competence. We gained new customers and achieved pre-tax profit of €21.7m. At €46.9m, the half-year result before tax outstrips the previous year's figure by almost 100%. We have never been in such a good position by the middle of the year and our target pre-tax profit for 2006 as a whole is a new record at more than €70m. At the same time, we will continue to drive forward our comvalue growth programme.

comdirect customers were very active again in the second quarter. Net commission income almost matched the exceptionally high figure of the first quarter. Net interest income increased by around 15% 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.

Our product and market offensive is working as is reflected in the increased number of customers, up by around 22,000 to a new high of almost 744,000. The number of current accounts rose by more than 25,000 to over 212,000, surpassing the milestone of 200,000 accounts. There was also a significant increase in the number of custody accounts and securities savings plans. In our advice field of competence, we are on target to break even in 2006 following strong growth in customer numbers and successful new business.

The growth figures show how well our bank format is being received by the modern, demanding investor. This format is based on the interlinking of brokerage, banking and advice along with superior products and services. One current example is the relaunch of our mobile banking services. The wide range of functionalities for traders and investors, coupled with fast navigation and optimised graphics, make this one of the top offerings in the market. We are again leading the way with our new stock market radio programme and easy access to travel funds. The success of these services has been demonstrated by the findings of the recent tns infratest customer satisfaction survey: around 70% of customers are either completely or very happy and over 80% would recommend us to others. The considerable improvement in the figures spurs us on to pursue our product and market offensive.



**Dr. Andre Carls**  
CEO of comdirect bank

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## > Strategy: further growth with comprehensive offering

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### Value-driven strategy

comdirect bank consistently tailors its products and services to the needs of modern investors. Such investors expect their banking partner to provide professional tools for trading, a comprehensive investment offering for securities investments, convenient and cost-effective accounts and cards in online banking as well as independent financial advisory services available on request for provisioning and risk hedging.

We have become the main bank and preferred finance partner for an ever-growing number of demanding customers. We are systematically expanding the services we offer in all fields of competence – brokerage, banking and advice – in line with their needs and are constantly improving the quality of our products and advisory services to create a comprehensive offering. We are accelerating the pace of this development and increasing the number of customers through the comvalue growth programme launched at the beginning of 2005 and we offer customers incentives to pool their banking activities at comdirect bank.

We are improving our earnings structure through the growth in more stable earnings components. Our long-term goal remains to generate half our income from earnings through activities that are largely independent of movements in the stock markets. However, we will still continue to leverage the particular opportunities offered by a favourable stock market environment.

### Market offensive

We again expanded our presence on TV, the internet and in the print media. Our new TV ad where the waiter surprises everyone by paying money out to the guests instead of charging them – just like the comdirect bank current account – was aired for the first time at the beginning of the second quarter. The focus of the campaign was again on fee-free ec/Maestro and VISA cards and resultant savings on charges for our customers.

The marketing campaign was accompanied by special market offensives for attractive brokerage and banking products, such as the starter custody account which offers no order charges on the first ten trades and on allotments for

new issues for the first twelve months; the custody account charges are also waived for a whole year. With the emphasis on online media, we also continued the successful campaign for our winner custody account – a fee-free custody account in conjunction with a high-interest call money account.

Both before and during the World Cup in Germany, we offered several tailor-made products via a special comdirect home game website. These included the comdirect star ensemble featuring six funds from the continents whose teams were playing in the World Cup. Customers were able to invest in these funds with a discount of 80% on the front-end load.

At Invest 2006, the most important financial trade fair for private investors in Germany, under the motto of *Competence*<sup>3</sup>, comdirect presented its offering in its three fields of competence and explained the use of its many online tools to visitors at the fair.

### Product offensive

We have further expanded our range of investment opportunities in this quarter, introducing a range of new products and functionalities. The most recent example is the comprehensive relaunch of our mobile banking services. In terms of technology, we are now one of the leading providers in this growing market segment and our system supports virtually every type of terminal device. New functionalities have been introduced here in both brokerage and banking, such as LiveTrading limit orders and bank transfers. Mobile customers can also quickly access real-time prices and other securities information.

Our **brokerage** customers can now listen to regularly updated financial news, interviews and background reports on our stock market radio programme, comdirect On Air. The most important daily news is available via the comdirect podcast and a weekly compilation in MP3 format. In the first four weeks alone, there were around 275,000 hits for the radio programme and 11,000 for the podcast. Since 10 April 2006, comdirect has been able to offer investors the choice of more than 200 retail funds from DWS Investments, which are permanently available with a discount of 50% on the front-end load. Since the end of June, five selected funds from Cominvest have also been available with a discount of 80% on the front-end load; fund investors also receive bonus miles with Air Berlin.

In **banking**, together with American Express, we have been offering a special service since May for customers travelling abroad. They can order Travelers Cheques online in nine different currencies and buy the Travelers Cheques card which includes an additional service package. Customers can also order cash in 47 different currencies online which is delivered by courier within two working days. Since the end of June, we have been offering all comdirect customers fee-free investment accounts in a total of eleven different currencies, which can be run conveniently online. At the end of the first six months, we also further improved the security of our online banking service with the introduction of indexed transaction numbers (iTAN).

In **advice** we have begun to prepare together with German broadcaster n-tv to market the successful Markowitz portfolio analysis on a broader basis from autumn 2006 onwards and intensify the links into our brokerage and banking offering. Almost one in four comdirect private finance advisers has successfully completed the training as a certified custody account adviser offered in conjunction with the German Institute for Asset Accumulation (Institut für Vermögensaufbau). Through this we are strengthening the quality of our advisory services for short-and long-term investment products.

> **Market: buoyant securities trading, rising interest rates**

The second quarter saw share prices fall sharply on the German equity markets. The DAX fell 4.8% to 5,683.31 points with the MDAX down even more, sliding 9.0% to 7,887.02. One of the reasons for the downturn was the

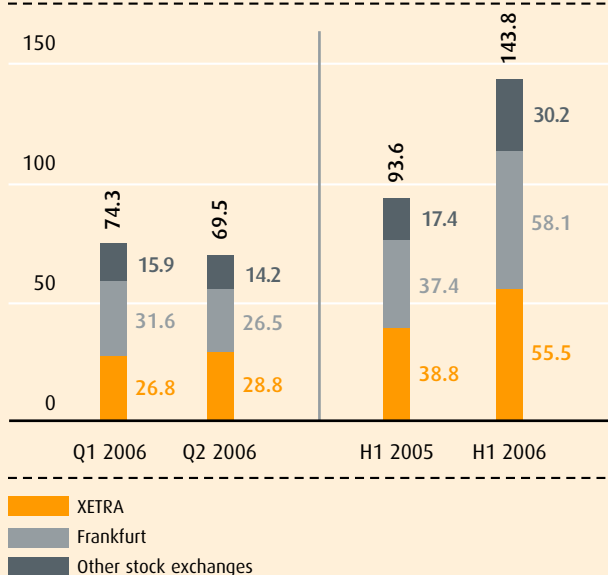
renewed increase in the key interest rate by 25 basis points by the European Central Bank in June. Further interest rate hikes are expected as a result of the inflation risks indicated by the ECB. At the end of June 2006, the interest rate for three-month money exceeded 3% for the first time since the end of 2002.

Stock market trading was extremely lively in the second quarter, not least due to the high level of volatility. From April to June, 69.5 million trades were executed on the German stock exchanges, down 6.5% on the first quarter (74.3 million trades) but 54.3% up year-on-year. In terms of value, turnover was 7.0% higher than in the first quarter of 2006. There was also further strong growth on the futures exchanges. The upturn in the primary market continued and after five IPOs in the first quarter, 23 companies floated on the stock exchange, eleven of which in the official and regulated market (Amtlicher und Geregelter Markt). The issue volume totalled more than €2.5bn. German securities retail funds recorded a funds inflow of €15.8bn in the first six months of 2006 and fixed-income funds, mixed funds and money market funds were particularly popular.

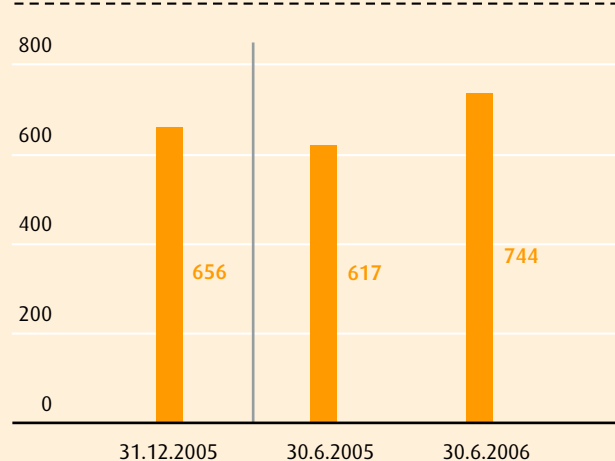
> **Customer numbers, structure and assets: strong organic growth**

comdirect bank increased its customer base by 21,830 in the second quarter to a new record level of 743,666. Compared to the end of 2005, customer numbers have increased by 87,602. At the same time, comdirect customers have also become more active and are increasingly recognising the advantages of the integrated offering. Now one in four cus-

Number of orders on German stock exchanges (in million)



Number of comdirect customers (in thousand)



tomers is active in both brokerage and banking. Before comvalue was launched this figure was one in seven.

The number of current accounts rose by 25,147, or 13.4%, to 212,553 in the second quarter; this represents an increase of 56,595 accounts since 31 December 2005. We have also set up a large number of partner accounts for partners of comdirect customers; this account was launched at the end of March and can also be run free of charge even without a minimum monthly deposit.

The trend in the number of custody accounts was also pleasing in the second quarter. The increase to 588,472 custody accounts results from successful campaigns, such as the winner custody account, as well as the fact that many new current account customers also opened a custody account. The number of securities savings plans rose to 109,184 by 30 June 2006.

More and more customers are also using our advisory services. At the end of the second quarter, comdirect private finance was looking after 13,302 customers, 32.3% more than three months ago. Around 80% of advice customers are also active in brokerage or banking.

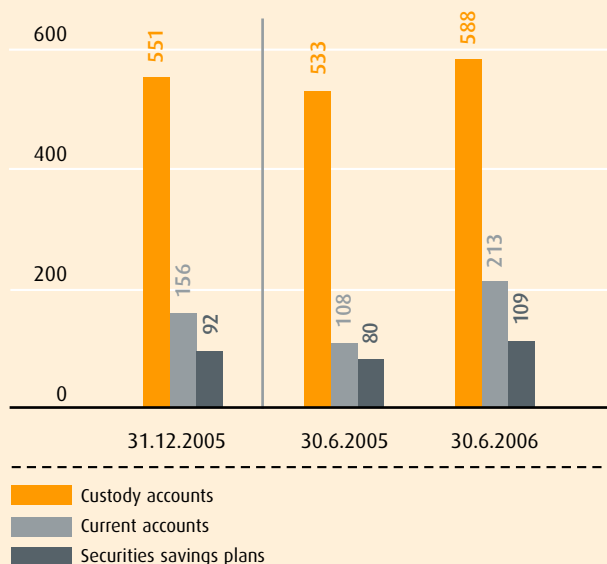
The slide in share prices led to a fall in assets under custody in the second quarter of €0.69bn to €14.29bn. The volume is still clearly up on the end of 2005 primarily due to the increase in the deposit volume of around 43%.

## > Brokerage: favourable market, attractive campaigns

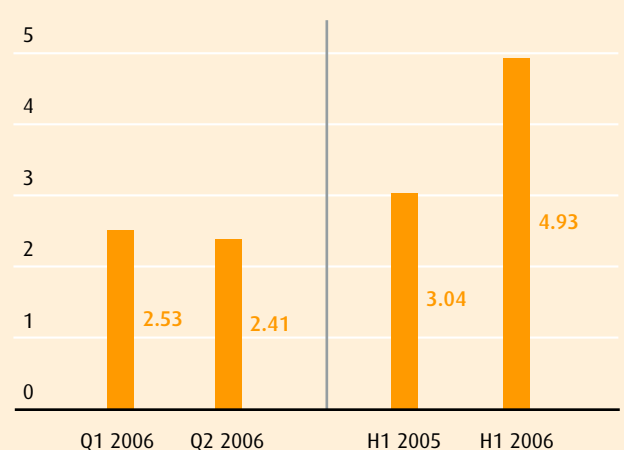
With 2.41 million orders executed, the second quarter was only 4.8% down on the record figure from the first three months (2.53 million trades). Overall, the number of orders for the first half of 2006 was up 62.2% on the previous year. Securities turnover totalled €29.50bn (previous year: €14.30bn). We again supported high levels of trading activity by our customers in the second quarter of the year with a range of campaigns. Through five no-fee campaigns, customers were able to trade in certificates, reverse convertible bonds, warrants and other products free of charge in LiveTrading (OTC market). In addition, there was a free trade campaign with Commerzbank on three bank holidays. Customers had the opportunity to subscribe shares in 13 new issues via comdirect in the second quarter. At 17.1 on an annualised basis, order activity per custody account for the first six months of 2006 was clearly up on the previous year (11.4).

The portfolio volume declined in the second quarter by 9.6% to € 7.19bn (end 2005: €7.14bn) as a result of falling stock market prices. The funds volume reduced by 11.1% to €3.19bn by 30 June 2006, but still exceeded the figure for the end of 2005 (€3.02bn).

Development of selected products (in thousand)



Executed orders (in million)



> **Banking: fast growth to new record highs**

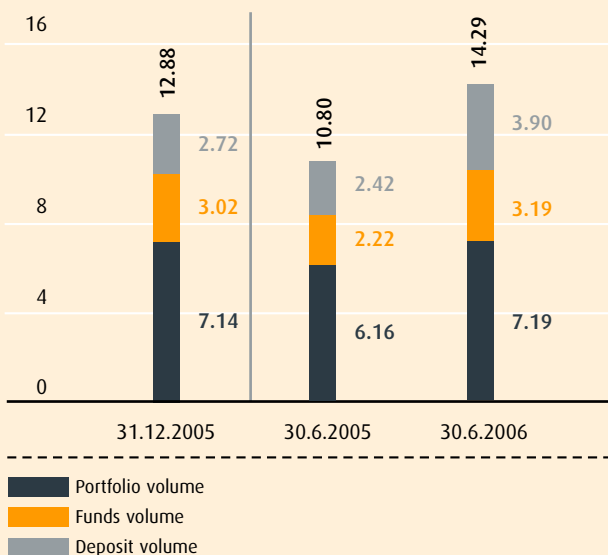
Strong growth in current accounts was another factor which pushed the deposit volume up by €0.47bn to €3.90bn in the second quarter. This outstripped the volume at the 2005 year-end by €1.19bn. The deposit volume for fixed-term deposit and time deposit accounts also rose significantly.

The volume of customer loans climbed 12.6% to €223m (end 2005: €198m) in the first half of the year. A large proportion of this was attributable to loans to buy securities, which customers were increasingly using to take advantage of the unique opportunities in equities and derivatives trading.

Directly following the rise in the euro interest lending rate of 25 basis points, comdirect bank increased its interest rates again for fixed term deposits and time deposit accounts with effect from 15 June 2006, making it the top provider in short-term investments.

Online banking using the HBCI PIN/TAN procedure, which was launched in November 2005, proved to be a popular access channel in the first half of 2006. More than 30,000 customers are already executing transactions in line with the HBCI standard.

Volume of total assets under custody (in € billion)



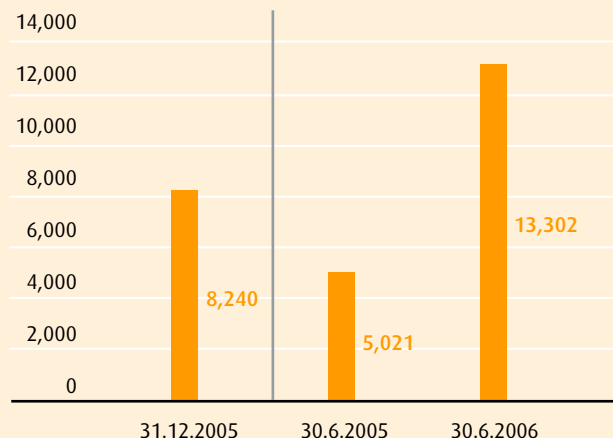
> **Advice: provisioning products in great demand**

The growth story in advice continued in the second quarter. In June, comdirect private finance opened an office in Kiel, bringing the total number of offices to 15. The number of advisers rose to 128. With 3,251 new customers in the second quarter and 5,062 new customers in the first half of 2006, the successful expansion of this field of competence is continuing.

Commission income amounted to €7.1m in the first half of 2006, thereby exceeding the figure for the whole of 2005 (€6.7m). Of this, €3.5m was attributable to the second quarter. As in the early months of this year, the demand for state-subsidised provisioning products (Riester and Rürup pensions) was very lively. comdirect private finance provides its customers with individual advice to determine the appropriate old age provisioning strategy taking account of state subsidies. To do so, comdirect private finance uses a selected range of life and pension insurance products from Germany and abroad.

comdirect private finance also recorded strong growth in short-term investment products, especially securities retail funds. Commission earnings from the placement of closed-end funds were also sharply up on the previous year. In light of rising interest rates, there was also increased demand for construction financing and ongoing finance.

Customers of comdirect private finance AG



## > Earnings situation: half-year results virtually doubled

After record results in the first quarter, comdirect bank again reached a new all-time high in the first half of 2006. Pre-tax profit totalled € 46.9m, outperforming the previous year (€24.5m) by 91.5%. The virtual doubling of the result is due on one hand to the favourable stock market environment and on the other to growth in earnings not dependent on the stock markets. Net income after tax for the first half of the year amounts to €30.1m (previous year: €15.6m), with earnings per share of €0.21 (previous year: €0.11).

The rise in expenses was only moderate compared to the increase in earnings and stemmed primarily from the product and market offensive as part of comvalue. The cost/income ratio reduced from 68.7% in the first half of 2005 to 58.5%. Annualised earnings per customer increased year on year from €257.4 to €318.3.

### Net commission income

Net commission income rose in the first half of 2006 by 75.1% to €76.6m (previous year: €43.8m), outstripping growth in orders. comdirect private finance also more than doubled its net commission income from €1.1m to its present level of €2.7m.

### Net interest income and other earnings components

The clear rise in the deposit volume in the first six months of 2006 generated net interest income before provisions of €40.9m, up 31.1% on the previous year (€31.2m). After pro-

visions, net interest income stood at €39.7m (previous year: €30.6m). The higher level of provisions results from the increase in current accounts and the greater take-up of loans to buy securities.

comdirect bank uses interest rate swaps to hedge the price gains of the portfolio. This produces a result from hedge accounting of €0.08m (previous year: €-0.02m). Income from investments and securities portfolio of €-3.8m (previous year: €1.4m) is due to portfolio optimisation in the light of increases in market interest rates.

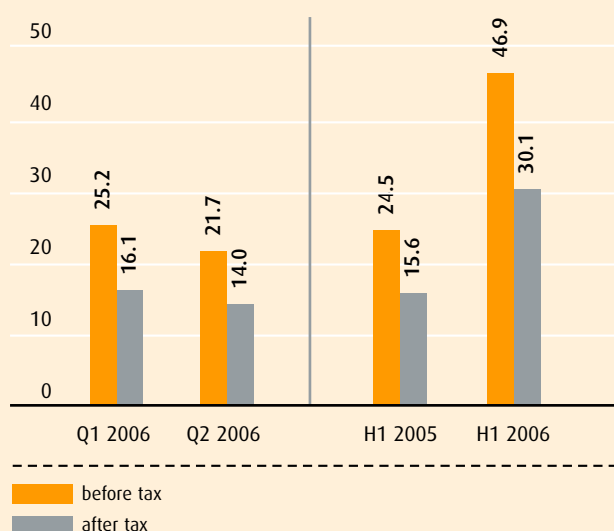
### Administrative expenses

Administrative expenses amounted to €68.0m in the first half of 2006 (previous year: €55.1m). This increase is partly due to order-related handling costs and partly to the product and market offensive as part of comvalue.

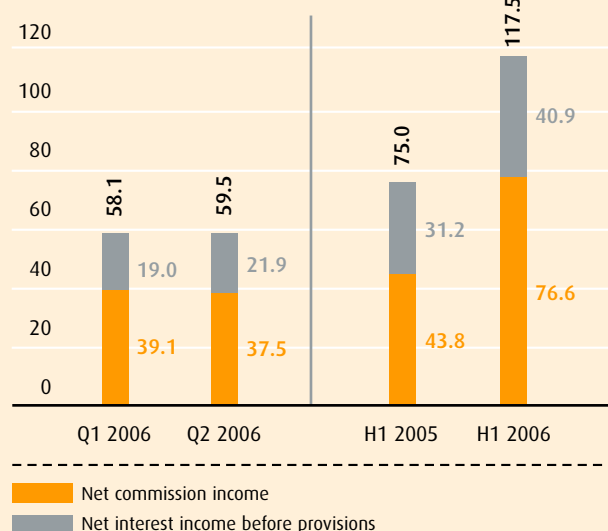
The growth programme impacted particularly on other administrative expenses, which were €47.3m, 29.2% higher than the previous year. In addition to marketing expenses, there was also a rise in expenses for advisory and external services.

Personnel expenses increased by 17.2% to €16.1m, as the number of employees rose moderately because of the growth achieved by the bank. As of 30 June, comdirect bank employed 690 employees throughout the group (end 2005: 638 employees). Of these, 24 (end 2005: 20 employees) were employed by comdirect private finance.

Consolidated profit before and after tax (in € million)



Net commission income and net interest income (in € million)



At €4.6m, depreciation was on a par with the previous year (€4.8m).

**Results in the business lines**

In the comdirect online business line (brokerage and banking), the half-year profit from ordinary activities rose to €47.3m (previous year: €25.8m). At €-0.4m, the comdirect offline business line (advice) also recorded a significantly improved result on the previous year (€-1.3m). The breakeven target for 2006 is therefore in sight.

**> Outlook: on course for a new record year**

After six months, comdirect bank has already generated around 90% of the profit it recorded in the whole of the previous year. We are therefore confident of achieving a significant jump in profit to more than €70m before tax for 2006 as a whole. We would therefore like to outperform the previous year's figure by at least a third.

This outstanding half-year result enables us to continue to invest in growth and stability. We will therefore continue to drive forward our comvalue programme in order to attain even greater penetration with new customers and further enhance our product and service offering. We will further develop our order functionalities in the brokerage field of competence especially to meet the needs of active traders.

In banking, we intend to expand our range of credit products in the second half of the year by including consumer credit in cooperation with a specialist provider. In advice, we will be opening the 16th office in the third quarter. Stronger marketing of the Markowitz portfolio analysis is set to start towards the end of the third quarter in cooperation with n-tv.

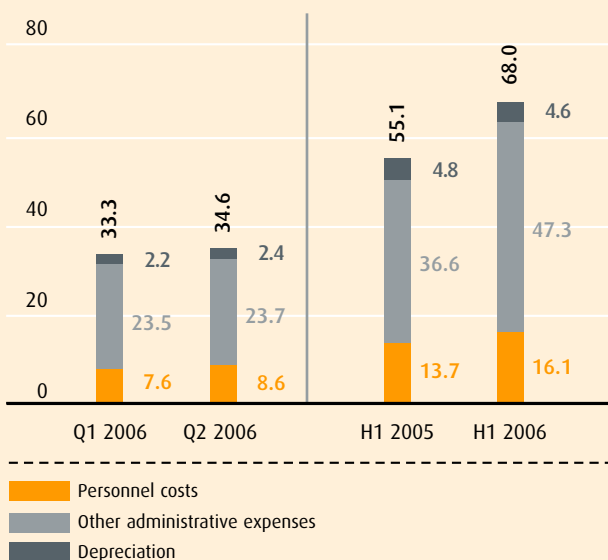
As the market leader in brokerage, comdirect bank will also benefit in particular from any positive trend on the stock markets in the future. At the same time, we will secure our future by providing a wide range of product and market initiatives, further weatherproof our business model, and create a stable earnings base. Careful planning, proactive thinking, exploiting opportunities and provisioning; comdirect promotes these values not only to support its customers, but also to benefit its own business and its shareholders.

Sincerely,

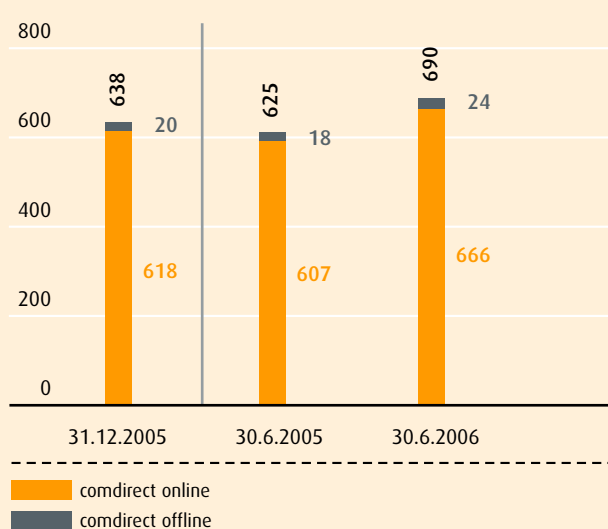


Dr. Andre Carls  
CEO

**Administrative expenses** (in € million)



**Number of employees**



## > The Share

### > Third full distribution in a row

After a considerable rise in the share price in the first quarter, comdirect shares slipped in the period April to June and on 30 June, the closing price was €7.56. On the one hand, this trend is the result of profit-taking and on the other to the price markdown following payment of a dividend of €0.24 per share. This was the third full distribution in a row. In addition, the general downward trend in prices on the German stock exchanges also played a part: the SDAX was down 8.3% to 4,694.02 points and the Prime Financial Services Share Index fell 12.5% to 625.70.

Timeliness and transparency are still paramount to the approach of Investor Relations. The comdirect 2006 quarterly report was published on 24 April 2006, only three weeks after the close of the quarter and considerably ahead of the deadline required by the German Corporate Governance Code. The Management Board again presented the latest business performance figures in a conference call and an on-demand version was available on our website on the same day.

Around 600 shareholders attended the annual general meeting on 4 May 2006 in Hamburg. With 86.10% of the shares represented, the proposals by the management were approved with a large majority in relation to the number of shares issued.

In June, comdirect bank took part in the Cheuvreux European Small & Midcap Conference in London, presenting the company figures and strategy to a large number of institutional investors and analysts. Many one-to-one meetings also took place.

We were ranked third in the SDAX in the "Best IR Germany Awards 2006" by the Thomson Extel Survey and the German Investor Relations Association (DIRK). A total of 500 analysts and investors rated a number of companies on different aspects including the clarity, transparency and timeliness of their reporting, the initiative of the Management Board in capital market communications and the expertise of the Investor Relations team.

#### Data and key figures of the share

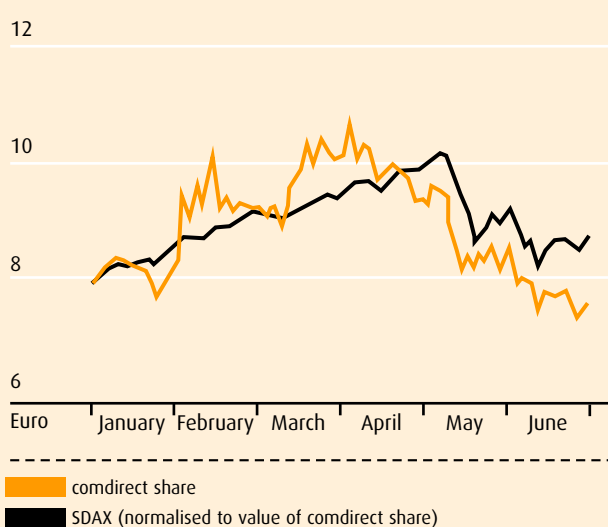
German Securities code no.	542 800	1) indirectly
ISIN code	DE0005428007	
Stock-exchange code	COM	
	Reuters: CDBG.DE	
	Bloomberg: COM GR	
Stock-exchange segment	SDAX	
Number of shares issued	140,823,042 no-par-value shares	
Designated Sponsor	Commerzbank AG	
Shareholder structure	79.82% Commerzbank AG <sup>1)</sup>	
	20.18% Free float	

#### Key figures H1 2006

Average daily turnover in units	XETRA	160,543
	Frankfurt	22,604
	Other stock exchanges	5,036
		188,183

Opening quotation XETRA (2.1.2006)	€ 8.10
Highest price XETRA (3.4.2006)	€ 10.75
Lowest price XETRA (27.6.2006)	€ 7.45
Closing quotation XETRA (30.6.2006)	€ 7.56
Market capitalisation (30.6.2006)	€ 1,064.62 m
Earnings per share	€ 0.21

#### Development of comdirect share price 30.12.2005 to 30.6.2006 (in Euro)



## > Income statement

### Income statement of comdirect bank group according to IFRS/IAS\*

€ thousand	1.1. to 30.6.		1.4. to 30.6.	
	2006	2005	2006	2005
Interest income	62,972	42,595	33,814	21,852
Interest expenses	22,045	11,376	11,904	5,855
<b>Net interest income before provisions</b>	<b>40,927</b>	<b>31,219</b>	<b>21,910</b>	<b>15,997</b>
Provision for possible loan losses	- 1,271	- 599	- 417	- 378
<b>Net interest income after provisions</b>	<b>39,656</b>	<b>30,620</b>	<b>21,493</b>	<b>15,619</b>
Commission income	91,420	51,651	44,927	24,839
Commission expenses	14,825	7,896	7,383	3,318
<b>Net commission income</b>	<b>76,595</b>	<b>43,755</b>	<b>37,544</b>	<b>21,521</b>
Result from hedge accounting	82	- 18	135	- 18
Income/loss from investments and securities portfolio	- 3,753	1,421	- 3,554	1,099
<b>Administrative expenses</b>	<b>67,952</b>	<b>55,145</b>	<b>34,628</b>	<b>29,009</b>
Personnel costs	16,102	13,739	8,552	7,022
Other administrative expenses	47,258	36,588	23,712	19,367
Marketing costs	18,431	13,144	9,939	6,479
Communication costs	1,141	917	571	462
Consulting costs	4,739	3,623	1,930	1,988
External services	12,148	9,780	6,086	5,215
Sundry administrative expenses	10,799	9,124	5,186	5,223
Depreciation of office furniture and equipment and intangible assets	4,592	4,818	2,364	2,620
Other operating result	2,259	3,853	702	2,232
<b>Profit from ordinary activities</b>	<b>46,887</b>	<b>24,486</b>	<b>21,692</b>	<b>11,444</b>
<b>Pre-tax profit</b>	<b>46,887</b>	<b>24,486</b>	<b>21,692</b>	<b>11,444</b>
Taxes on income	16,756	8,867	7,710	4,114
<b>After-tax profit</b>	<b>30,131</b>	<b>15,619</b>	<b>13,982</b>	<b>7,330</b>
<b>Net profit</b>	<b>30,131</b>	<b>15,619</b>	<b>13,982</b>	<b>7,330</b>

### Earnings per share

		1.1. to 30.6.		1.4. to 30.6.	
		2006	2005	2006	2005
Net profit	€ thousand	30,131	15,619	13,982	7,330
Average number of ordinary shares	Shares	140,802,391	140,642,332	140,802,391	140,642,332
<b>Basic earnings per share</b>	<b>€</b>	<b>0.21</b>	<b>0.11</b>	<b>0.10</b>	<b>0.05</b>
Net profit	€ thousand	30,131	15,619	13,982	7,330
Adjustment to the number of ordinary shares issued due to outstanding option rights	Shares	549,028	724,703	549,028	724,703
Weighted average shares outstanding (diluted)	Shares	141,351,419	141,367,035	141,351,419	141,367,035
<b>Diluted earnings per share</b>	<b>€</b>	<b>0.21</b>	<b>0.11</b>	<b>0.10</b>	<b>0.05</b>

\* unaudited

## > Quarter-on-quarter comparison

Income statement of comdirect bank group according to IFRS/IAS on a quarterly comparison\*

€ thousand	2005				2006	
	Q1	Q2	Q3	Q4	Q1	Q2
Interest income	20,743	21,852	22,705	23,303	29,158	33,814
Interest expenses	5,521	5,855	5,960	7,247	10,141	11,904
<b>Net interest income before provisions</b>	<b>15,222</b>	<b>15,997</b>	<b>16,745</b>	<b>16,056</b>	<b>19,017</b>	<b>21,910</b>
Provision for possible loan losses	- 221	- 378	- 486	- 333	- 854	- 417
<b>Net interest income after provisions</b>	<b>15,001</b>	<b>15,619</b>	<b>16,259</b>	<b>15,723</b>	<b>18,163</b>	<b>21,493</b>
Commission income	26,812	24,839	31,010	33,650	46,493	44,927
Commission expenses	4,578	3,318	4,275	5,107	7,442	7,383
<b>Net commission income</b>	<b>22,234</b>	<b>21,521</b>	<b>26,735</b>	<b>28,543</b>	<b>39,051</b>	<b>37,544</b>
Result from hedge accounting	0	- 18	- 88	66	- 53	135
Income/loss from investments and securities portfolio	322	1,099	5,680	- 350	- 199	- 3,554
<b>Administrative expenses</b>	<b>26,136</b>	<b>29,009</b>	<b>30,022</b>	<b>34,163</b>	<b>33,324</b>	<b>34,628</b>
Personnel costs	6,717	7,022	7,937	7,936	7,550	8,552
Other administrative expenses	17,221	19,367	19,969	23,766	23,546	23,712
Marketing costs	6,665	6,479	8,780	11,738	8,492	9,939
Communication costs	455	462	479	513	570	571
Consulting costs	1,635	1,988	2,808	2,076	2,809	1,930
External services	4,565	5,215	4,723	5,324	6,062	6,086
Sundry administrative expenses	3,901	5,223	3,179	4,115	5,613	5,186
Depreciation of office furniture and equipment and intangible assets	2,198	2,620	2,116	2,461	2,228	2,364
Other operating result	1,621	2,232	1,801	- 1,890	1,557	702
<b>Profit from ordinary activities</b>	<b>13,042</b>	<b>11,444</b>	<b>20,365</b>	<b>7,929</b>	<b>25,195</b>	<b>21,692</b>
<b>Pre-tax profit</b>	<b>13,042</b>	<b>11,444</b>	<b>20,365</b>	<b>7,929</b>	<b>25,195</b>	<b>21,692</b>
Taxes on income	4,753	4,114	5,844	3,882	9,046	7,710
<b>After-tax profit</b>	<b>8,289</b>	<b>7,330</b>	<b>14,521</b>	<b>4,047</b>	<b>16,149</b>	<b>13,982</b>
<b>Net profit</b>	<b>8,289</b>	<b>7,330</b>	<b>14,521</b>	<b>4,047</b>	<b>16,149</b>	<b>13,982</b>

\* unaudited

## > Balance sheet

### Balance sheet of comdirect bank group according to IFRS/IAS\*

#### Assets

€ thousand	as of 30.6.2006	as of 31.12.2005
Cash reserve	816	3,340
Claims on banks	2,201,795	1,350,108
Claims on customers	222,639	197,740
Provisions for possible loan losses	- 3,173	- 2,823
Positive fair values from derivative hedging instruments	3,207	1,841
Investments and securities portfolio	2,082,826	1,779,751
Intangible assets	19,458	10,371
Fixed assets	10,631	11,462
Tax assets	4,692	913
Other assets	5,857	13,994
<b>Total assets</b>	<b>4,548,748</b>	<b>3,366,697</b>

#### Liabilities and equity

€ thousand	as of 30.6.2006	as of 31.12.2005
Liabilities to banks	0	0
Liabilities to customers	3,909,822	2,718,446
Provisions	17,981	18,135
Tax liabilities	9,721	9,214
Other liabilities	22,495	21,697
<b>Equity</b>	<b>588,729</b>	<b>599,205</b>
Subscribed capital	140,823	140,761
Capital reserve	368,915	368,426
Retained earnings		
Other revenue reserves	56,337	56,337
Revaluation reserves	- 7,477	- 102
Consolidated profit 2005	-	33,783
Consolidated profit as of 1.1. to 30.6.2006	30,131	-
<b>Total liabilities and equity</b>	<b>4,548,748</b>	<b>3,366,697</b>

\* unaudited

## > Statement of changes in equity

€ thousand	2006	2005
<b>Equity as of 1.1.</b>	<b>599,205</b>	<b>600,526</b>
Changes in the financial year		
a) Subscribed capital	62	202
b) Capital reserve	489	816
c) Retained earnings	0	- 230
Differences resulting from the application of IFRS 2 and other variations	0	- 230
d) Revaluation reserve	- 7,375	5,783
e) Dividend payout comdirect bank AG	- 33,783	- 33,722
f) Consolidated profit as of 1.1. to 30.6.	30,131	15,619
<b>Equity as of 30.6.</b>	<b>588,729</b>	<b>588,994</b>

## > Cash flow statement

€ thousand	2006	2005
<b>Cash and cash equivalents as of 1.1.</b>	<b>3,340</b>	<b>3,532</b>
Cash flow from operating activities	34,295	33,278
Cash flow from investment activities	- 3,458	- 4,014
Cash flow from financing activities	- 33,361	- 32,312
<b>Cash and cash equivalents as of 30.6.</b>	<b>816</b>	<b>484</b>

Cash and cash equivalents correspond to the balance-sheet item cash reserve and include cash on hand and balances held at central banks.

Apart from the net profit, changes in assets and liabilities from operating activities after correction for non-cash items – e.g. depreciation – cash flow from operating activities also includes interest and dividends paid and received as well as taxes on income paid.

## > Segment reporting

### Segment reporting by business lines\*

€ thousand

1.1. to 30.6.2006

	comdirect online	comdirect offline	Group management/ consolidation/ others	comdirect bank group total
Net interest income before provisions	40,974	- 47	0	40,927
Provision for possible loan losses	- 1,271	0	0	- 1,271
Net interest income after provisions	39,703	- 47	0	39,656
Net commission income	74,415	2,695	- 515	76,595
Result from hedge accounting	82	0	0	82
Income/loss from investments and securities portfolio	- 3,753	0	0	- 3,753
Administrative expenses	64,869	4,191	- 1,108	67,952
Other operating result	1,721	1,131	- 593	2,259
<b>Profit/loss from ordinary activities</b>	<b>47,299</b>	<b>- 412</b>	<b>0</b>	<b>46,887</b>
<b>Pre-tax profit/loss</b>	<b>47,299</b>	<b>- 412</b>	<b>0</b>	<b>46,887</b>
Taxes on income	16,756	0	0	16,756
<b>After-tax profit/loss</b>	<b>30,543</b>	<b>- 412</b>	<b>0</b>	<b>30,131</b>
<b>Net profit/loss</b>	<b>30,543</b>	<b>- 412</b>	<b>0</b>	<b>30,131</b>
Acquisition costs of segment assets	12,491	291	-	12,782
Depreciation on segment assets	4,366	160	-	4,526
Cost/income ratio	57.2%	110.9%	-	58.5%
Segment income	146,714	8,352	- 1,155	153,911
Segment expenses	99,415	8,764	- 1,155	107,024
Segment assets	4,507,487	641	43,344	4,551,472
Segment debt	3,909,822	18	52,903	3,962,743

Allocation to the segments is based on the business lines of the comdirect bank group. Determination of the business lines was carried out in compliance with IAS 14 and its principle of materiality.

\* unaudited

## > Segment reporting

### Segment reporting by business lines\*

€ thousand

1.1. to 30.6.2005

	comdirect online	comdirect offline	Group management/ consolidation/ others	comdirect bank group total
Net interest income before provisions	31,204	15	0	31,219
Provision for possible loan losses	- 599	0	0	- 599
Net interest income after provisions	30,605	15	0	30,620
Net commission income	43,015	1,128	- 388	43,755
Result from hedge accounting	- 18	0	0	- 18
Income/loss from investments and securities portfolio	1,421	0	0	1,421
Administrative expenses	52,875	3,189	- 919	55,145
Other operating result	3,604	780	- 531	3,853
<b>Profit/loss from ordinary activities</b>	<b>25,752</b>	<b>- 1,266</b>	<b>0</b>	<b>24,486</b>
<b>Pre-tax profit/loss</b>	<b>25,752</b>	<b>- 1,266</b>	<b>0</b>	<b>24,486</b>
Taxes on income	8,867	0	0	8,867
<b>After-tax profit/loss</b>	<b>16,885</b>	<b>- 1,266</b>	<b>0</b>	<b>15,619</b>
<b>Net profit/loss</b>	<b>16,885</b>	<b>- 1,266</b>	<b>0</b>	<b>15,619</b>
Acquisition costs of segment assets	4,012	2	-	4,014
Depreciation on segment assets	4,696	122	-	4,818
Cost/income ratio	66.7%	165.8%	-	68.7%
Segment income	96,810	3,850	- 934	99,726
Segment expenses	71,058	5,116	- 934	75,240
Segment assets	3,024,770	988	25,254	3,051,012
Segment debt	2,419,096	0	42,922	2,462,018

Allocation to the segments is based on the business lines of the comdirect bank group. Determination of the business lines was carried out in compliance with IAS 14 and its principle of materiality.

\* unaudited

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## > Accounting standard and other information

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The report of comdirect bank as of 30 June 2006 conforms to the rules of the International Financial Reporting Standards (IFRS) and the rules of the International Accounting Standards (IAS).

The same measurement and calculation methods were applied as for the 2005 consolidated financial statements of comdirect bank.

Segment reporting by business lines is shown on pages 14 and 15. The comdirect online business line includes the brokerage and banking fields of competence and the comdirect offline business line comprises the advice field of competence.

The present interim accounts are unaudited.

### **Currency translation**

Assets and liabilities in the balance sheet, which appear in foreign currency, are translated at the spot rate as of the balance sheet date. Costs and earnings are translated at fair market value.

### **Customer base**

On 1 January 2006, a customer portfolio acquired from American Express Bank GmbH was transferred to comdirect bank AG. In 2005, comdirect bank already paid 70%, or €9.1m, of the purchase price totalling around €13.0m, which was reported under other assets at the year-end. In accordance with IFRS, the acquired customer base is to be reported as an intangible asset. The balance sheet shows acquisition costs and ancillary acquisition costs subject to capitalisation under intangible assets.

### **Stock options**

As part of the stock option programme approved by the annual general meeting on 11 May 2000, we issued a total of 3,104,580 subscription rights to employees and members of the Board of Managing Directors of comdirect bank as of 30 June 2006. As of the reporting date, 1,033,840 of these subscription rights had expired.

### **Capital measures**

On 4 May 2006, the annual general meeting adopted a resolution to increase the capital from company funds with a subsequent due reduction in capital of the same amount. This measure serves to transfer tied retained earnings (Section 272 para. 2 No. 1 of the German Commercial Code – HGB) resulting from the IPO to free capital reserves (Section 272 para. 2 No. 4 of the German Commercial Code – HGB).

The level of subscribed capital and the capital reserve remains unchanged following completion of both these measures.

As the conditional capital I+II automatically increased as a result of the capital measures outlined above, it was reduced to the original amount by resolution of the annual general meeting.

### **Changes to the Supervisory Board**

On 20 March 2006, the lower regional court (Amtsgericht) of Pinneberg appointed Frank Klaus Annuscheit to the Supervisory Board as shareholder representative, at the request of the Board of Managing Directors of comdirect bank AG. Frank Klaus Annuscheit succeeds Rainer Beaujean, who retired from the post on 31 August 2005. Frank Klaus Annuscheit has been appointed for the period until the next annual general meeting of comdirect bank AG.

Frank Klaus Annuscheit was appointed to the Supervisory Board by the annual general meeting of comdirect bank AG in Hamburg on 4 May 2006.

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## > Financial calendar 2006

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14 February	Press/Analysts' conference in Frankfurt/Main
14 March	Annual report 2005
24 April	Quarterly report 2006
4 May	Annual general meeting in Hamburg
8 June	Cheuvreux European Small & Mid Cap Conference in London
21 July	Half-year report 2006
23 October	Nine-month report 2006
28 November	Deutsches Eigenkapitalforum in Frankfurt/Main

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## > Financial calendar 2007

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13 February	Press/Analysts' conference in Frankfurt/Main
14 March	Annual report 2006
24 April	Quarterly report 2007
3 May	Annual general meeting in Hamburg
24 July	Half-year report 2007
23 October	Nine-month report 2007

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## > Contacts

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### Investor Relations

Daniel Fard-Yazdani, CEFA  
Phone +49 (0) 41 06/704-19 66  
Fax +49 (0) 41 06/704-19 69  
e-mail investorrelations@comdirect.de

Tobias Vossberg  
Phone +49 (0) 41 06/704-19 80  
Fax +49 (0) 41 06/704-19 69  
e-mail investorrelations@comdirect.de

comdirect bank AG  
Pascallehre 15  
D-25451 Quickborn  
www.comdirect.de

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ergo Unternehmenskommunikation,  
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Schlüter Fotografie, Essen

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### Press Relations

Ullrike Hamer  
Phone +49 (0) 41 06/704-19 60  
Fax +49 (0) 41 06/704-19 69  
e-mail presse@comdirect.de

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