Press release 01 August 2019

comdirect continues to grow

- Growth in net new customers up 28% year-on-year in the first half of 2019
- Record net fund flow of €5.6bn in the first six months of 2019
- Sale of ebase completed in July

Quickborn/Frankfurt am Main, Germany. With 128k net new customers in the first half of 2019, comdirect group showed good growth and generated a solid pre-tax profit of €41.5m. “comdirect is a profitable growth company. Just over a year ago, we decided to focus on our core business, dispose of ebase and invest more into growth and technological developments. Over the last 12 months, we gained over 260k net new customers,” says Arno Walter, CEO of comdirect bank AG. “We are constantly working to improve the customer experience so that we can win over new customers to comdirect and gain the loyalty of existing customers. As a smart financial companion, we strive to integrate into our customers’ lives and make banking and brokerage as easy and smart as possible.”

Customer base and assets under control at all-time high

The number of customers in the core B2C business stood at 2.65m as of the end of the first half of 2019. With a net total of 128k new customers, growth is considerably faster than in the prior-year period (100k). With a rise of 98k to 1.48m, the number of custody accounts also increased robustly. The number of current accounts rose by 77k to 1.65m. Total assets under control rose 17% from €62.1bn at year-end to €72.6bn. The reason for this sharp increase is the net fund flow of €5.6bn as well as positive market value effects. According to Walter, “The figures show that comdirect is not just growing through new customers, but because our customers trust us with their assets. At €5.6bn, the net fund flow, meaning the inflow of new customer funds, is at an all-time high.”
Solid result despite increased investment in growth and technology

Despite increased investment in growth and technological developments as well as difficult market conditions, comdirect group posted a solid pre-tax profit of €41.5m for the first half of 2019 (previous year: €48.0m). Total income in the core business of B2C amounted to €176.6m in the first six months (previous year: €171.6m). The number of orders executed defied the general trend of lower trading activity amongst private customers in Germany, especially due to an increase in saving plan executions. A total of 11.6m trades were executed in the first half (previous year: 10.9m). At €103.9m, net commission income was nevertheless down against the previous year’s figure (€107.9m), due partly to a growth-related increase in commission expenses. This was more than offset, however, by the increase in net interest income which, despite the now clearly negative interest environment, rose from €56.5m in the previous year to €62.8m (after provisions for possible loan losses). Administrative expenses in the core B2C business went up from €130.1m in the previous year to €145.7m due to growth. Along with an increase in other administrative expenses resulting from additional sales drives and higher personnel expenses, mandatory contributions for the deposit insurance scheme also climbed once more.

Sale of ebase completed in July

Income in the core business (from continued activities) came to €30.9m before taxes in the first half of 2019 (previous year: €41.4m). At €10.6m, the discontinued activities (ebase) generated pre-tax profit above that of the previous year (€6.5m). This increase was mainly down to reduced administrative expenses as a result of a discontinuation. According to IFRS 5, depreciation, amortisation and write-downs are no longer recorded once a sales process has been initiated. The sale of subsidiary ebase to FNZ Group was agreed in 2018 and completed in mid-July 2019 upon approval from the supervisory authorities. Contributions to earnings from discontinued activities for the full year is expected to come in at around €110m before taxes. Expected earnings for continued activities for the whole of 2019 are over €60m before taxes, which corresponds to expected earnings before taxes for the comdirect group totalling over €170m.

Innovative solutions consistently based on customer needs

As a smart financial companion, comdirect introduced further innovative solutions in the first half of 2019 for an improved customer experience. One example is the comdirect app, which received several awards in the first half of the year. In addition
to the German Design Award, the German Innovation Award and the German Brand
Award, it is also consistently rated as outstanding by users in the stores. Standard
banking and brokerage processes in the app were reduced to what is important to
the customer. Whether transfers or securities orders: through the comdirect app,
banking transactions can be handled as simply and conveniently as a conversation
through WhatsApp. In addition to transfers using photos or QR codes, the app now
also features a postbox. Arno Walter: “With all these functions in the comdirect app,
we are a full mobile bank. With comdirect on your phone, all banking transactions
can be performed quickly and easily, anytime and anywhere.”

**Improved customer experience and increased scalability through the use of new
technology**

In the first half of the year, comdirect was able to improve numerous processes on
the customer interface through the use of new technology. In addition to the fully
digital custody account opening, which only takes a few minutes, this includes an
intelligent voice dialogue system that provides support for telephone enquiries, a
hybrid chat bot that supports customer service agents with the customer chat, and
robotic process automation (RPA) to automatically deal with standard processes.
Arno Walter: “Efficient work flows ensure that customer requests are dealt with
even faster. As a bank, more efficient work flows are the foundation for future
efficient growth and the scaling of the business model at comdirect.”
## Overview**

### in €k.

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<thead>
<tr>
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<th>Q1 18</th>
<th>Q2 18</th>
<th>Q3 18</th>
<th>Q4 18</th>
<th>Q1 19</th>
<th>Q2 19</th>
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<tbody>
<tr>
<td>Net interest income after provisions</td>
<td>26,262</td>
<td>30,218</td>
<td>29,739</td>
<td>30,748</td>
<td>31,830</td>
<td>31,008</td>
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<td>Net commission income</td>
<td>59,247</td>
<td>48,644</td>
<td>47,658</td>
<td>50,771</td>
<td>50,149</td>
<td>53,777</td>
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<tr>
<td>Other income</td>
<td>3,423</td>
<td>3,768</td>
<td>3,228</td>
<td>558</td>
<td>5,307</td>
<td>4,540</td>
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<td>Administrative expenses</td>
<td>63,032</td>
<td>67,087</td>
<td>68,718</td>
<td>80,749</td>
<td>74,798</td>
<td>70,876</td>
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<tr>
<td>Pre-tax profit from continued activities</td>
<td>25,900</td>
<td>15,543</td>
<td>11,907</td>
<td>1,328</td>
<td>12,488</td>
<td>18,449</td>
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<tr>
<td>Pre-tax profit from discontinued activities</td>
<td>3,399</td>
<td>3,109</td>
<td>4,412</td>
<td>5,125</td>
<td>5,606</td>
<td>5,006</td>
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<tr>
<td>Pre-tax Group result</td>
<td>29,299</td>
<td>18,652</td>
<td>16,319</td>
<td>6,453</td>
<td>18,094</td>
<td>23,455</td>
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<td>Consolidated net profit</td>
<td>21,697</td>
<td>13,618</td>
<td>12,002</td>
<td>3,052</td>
<td>14,382</td>
<td>17,644</td>
</tr>
</tbody>
</table>

** In connection with the agreed sale, the business of ebase is reported as “discontinued activity”. The previous year’s figures were adjusted accordingly.

### in €k.

<table>
<thead>
<tr>
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<th>H1 18</th>
<th>H1 19</th>
<th>H1 19 vs. H1 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income after provisions</td>
<td>56,480</td>
<td>62,838</td>
<td>11.3%</td>
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<tr>
<td>Net commission income</td>
<td>107,891</td>
<td>103,926</td>
<td>-3.7%</td>
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<tr>
<td>Other income</td>
<td>7,191</td>
<td>9,847</td>
<td>36.9%</td>
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<tr>
<td>Administrative expenses</td>
<td>130,119</td>
<td>145,674</td>
<td>12.0%</td>
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<tr>
<td>Pre-tax profit from continued activities</td>
<td>41,443</td>
<td>30,937</td>
<td>-25.4%</td>
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<tr>
<td>Pre-tax profit from discontinued activities</td>
<td>6,508</td>
<td>10,612</td>
<td>63.1%</td>
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<tr>
<td>Pre-tax consolidated profit</td>
<td>47,951</td>
<td>41,549</td>
<td>-13.4%</td>
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<tr>
<td>Consolidated net profit</td>
<td>35,315</td>
<td>32,026</td>
<td>-9.3%</td>
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