

comdirect group

comdirect pre-tax profit 2016: €120.7m

31 January 2017

- **Target exceeded: 21.4% return on equity for 2016 as a whole**
- **Record growth in total assets under management: €10bn increase, of which €6bn is net fund inflows to custody accounts**
- **New smart solutions: trading app, bonus savings schemes, multi-banking**
- **Outlook for 2017: Digital asset management and acquisition of OnVista AG**

Quickborn/Frankfurt/Main, 31 January 2017. The comdirect group closed the 2016 financial year with a pre-tax profit of €120.7m, which was a significant increase on the high level achieved in the previous year (€90.6m). "We comfortably achieved our profitability target of return on equity of over 19%", says CEO of comdirect AG Arno Walter. "A return on equity of 21.4% makes comdirect one of Germany's most profitable banks."

The comdirect group further consolidated its position as one of Germany's leading direct banks with an increase in the number of customers in both business lines (B2C and B2B) as well as the significant rise in its assets under management. The total number of customers climbed to 3.117 million in 2016, an increase of 127 thousand. The number of custody accounts rose by 81 thousand to 1.867 million. Total assets under management increased by €10.3bn to the record level of €75.7bn. Net fund inflows to the group stood at €8.4bn overall, of which €5.9bn flowed into custody accounts.

First choice in saving, investing and trading with securities

"The figures relating to profitability and growth, in particular relating to custody accounts and assets, prove that our strategic priority to become the first choice in saving, investing and trading with securities, is absolutely correct," says Walter. "Securities are the best response to the zero-interest environment. Ever more customers now understand that their savings are losing value and want to prevent that from happening. We are supporting them by providing smart and intelligent solutions." Walter lists the bonus savings scheme, with which customers can invest in their asset accumulation through online shopping discounts, and the new comdirect trading app, which won the Red Dot Award, as examples of new products launched

in 2016. comdirect will be introducing its digital asset management in the first half of 2017. Following the launch of AnlageAssistent – which made comdirect a robo-investing pioneer in 2014 – this is the next phase of the strategy.

Smart financial centre for modern customers

Since October 2016, comdirect has been the first German bank to offer a multi-banking service in its Personal Area, with which customers can easily combine all of their accounts, cards and custody accounts held at different banks. comdirect has already been offering a multi-banking service via the banking app for iOS since 2010. The service is now being made centrally available via the website, making it similarly accessible for all mobile devices. This takes comdirect another step towards becoming a digital financial centre that saves customers time and money, making their lives that bit easier.

Acquisition of OnVista AG as growth acquisition

Profit after tax amounts to €92.5m, compared with €65.0m in the previous year. A dividend of 25 cents per share is to be proposed at the annual general meeting, and will have an associated dividend yield of 2.6%. The remaining sum of the after-tax profit is to be transferred to retained earnings and used for strengthening the equity basis as part of our planned growth. This includes, among others, the acquisition of OnVista AG, which is expected – as announced at the end of 2016 – to be completed during the course of the first half of 2017. Dietmar von Blücher, CFO at comdirect AG, says of the matter, "The acquisition of OnVista is a growth acquisition. We are strengthening our position as a leading brokerage provider and are maintaining a clear strategy focused on investments in securities. Dietmar von Blücher also adds that the onvista.de portal provides an optimal platform for financial information, marketing and the acquisition of new customers.

Active cost management contributes to very good result

Total income of the comdirect group amounted to €381.6m. It exceeded the previous year's record value (€370.6m) thanks to non-recurring income of around €41m before taxes accrued in the second quarter resulting from the membership of VISA Europe and its integration into VISA Inc. USA. The extraordinary income is reported under result from financial investments.

At €215.4m, net commission income was 6% below the previous year's exceptionally high level (€228.4m). The total number of B2C orders fell slightly below the previous year's record of 14.5 million to 14.2 million. While the number of savings plan trades increased, market conditions characterised by below-average volatility for the year restrained investors with securities and CFD trades. Due to another drop in market interest rates, net interest income after provisions for possible loan losses fell to €118.9m, 12% below the previous year's value of €134.5m. Administrative expenses were lowered by 7% to €261.0m (previous year: €280.0m). Some of the market-induced decline in earnings was compensated for by active cost and investment management.

Dynamic growth in customers and assets

The number of customers in the B2C business line (comdirect bank AG) has increased by 80 thousand to 2.08 million since the start of the year. In the same period, the number of current accounts increased by 90 thousand to 1.36 million and the number of custody accounts exceeded the 1 million mark (to 1.01 million) with an increase of 63 thousand. Total assets under management grew to €46.0bn, compared with €39.9bn at the end of 2015. Net fund inflows stood at €5.0bn, of which €2.5bn was invested in custody accounts.

The B2B business line (ebase GmbH) increased its customer base by 48 thousand to 1.04 million (year-end 2015: 988 thousand). The increase is largely due to our partnership with Wüstenrot Bank, which transferred legal custody account management of its customers to ebase in the fourth quarter. Total assets under management climbed to €29.8bn (year-end 2015: €25.6bn). Net fund inflows, which were almost entirely attributable to the portfolio volume, stood at €3.4bn.

The full annual report will be published on 28 March 2017. The figures stated in this press release are as yet unaudited.

Overview

in € thousand	2015	2016	2016 vs. 2015
Net interest income after provisions	134,509	118,886	-11.6%
Net commission income	228,365	215,412	-5.7%
Other income	7,714	47,326	513.5%*
Administrative expenses	279,980	260,960	-6.8%
Pre-tax profit	90,608	120,664	33.2%
After-tax profit	65,042	92,511	42.2%

* The reason for the major increase is the VISA extraordinary income under result from financial investments

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Information for editorial teams

You can find more information about business development in 2016 here:

<https://www.comdirect.de/cms/ueberuns/de/investorrelations/veroeffentlichungen.html> under annual reports (Geschäftsberichte)

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