

Dietmar von Blücher, CFO

Business performance 9M 2019

29 October 2019

**Deutschlands
Beste Bank**

**Testsieger
comdirect bank**

€uro

Ausgabe 05/2019; 33 Geldinstitute im Test

comdirect

comdirect is a profitable growth company

The strong net new customer growth of 174k in the first 9 months is above the high level of the prior year (160k)

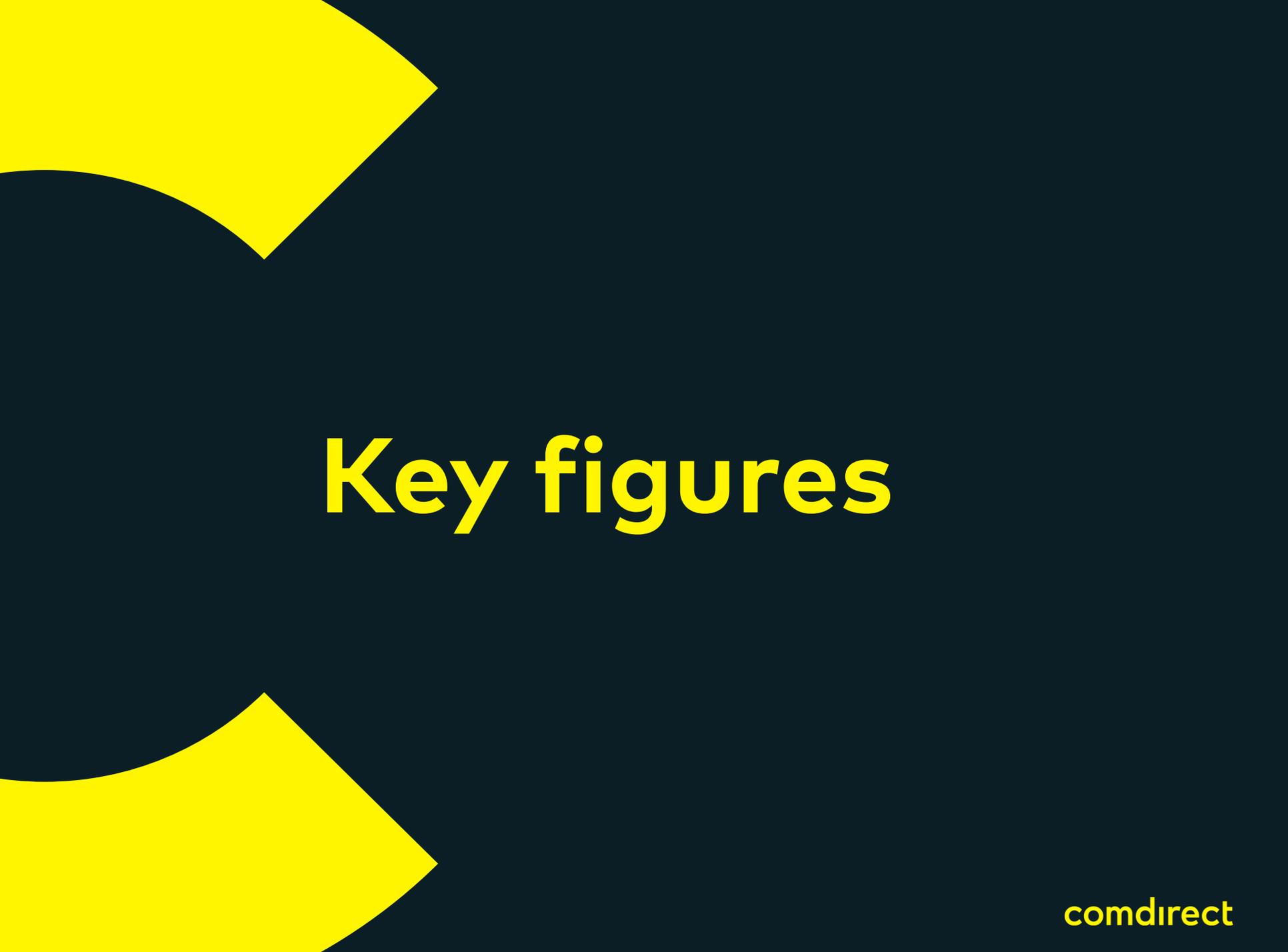
Assets under control at comdirect increase markedly by +21% to €75.1bn in the first 9 months

Record group pre-tax profit with €175.7m in the first 9 months of 2019

The **2019 result expectation for comdirect group stands now at more than €185m before taxes** incl. ebase realisation gain

comdirect is the smart financial companion – **soon also for insurance**

Efficiency measures and modernisation of IT infrastructure **improve scalability**

The background is a dark blue color. On the left side, there are two large, bright yellow curved shapes that resemble stylized brackets or parentheses, one at the top and one at the bottom. The text 'Key figures' is centered in the middle of the page.

Key figures

Growth

Accelerated customer growth continued with around 7% in the first 9 months

Net new customer growth has increased to a new level since 2018

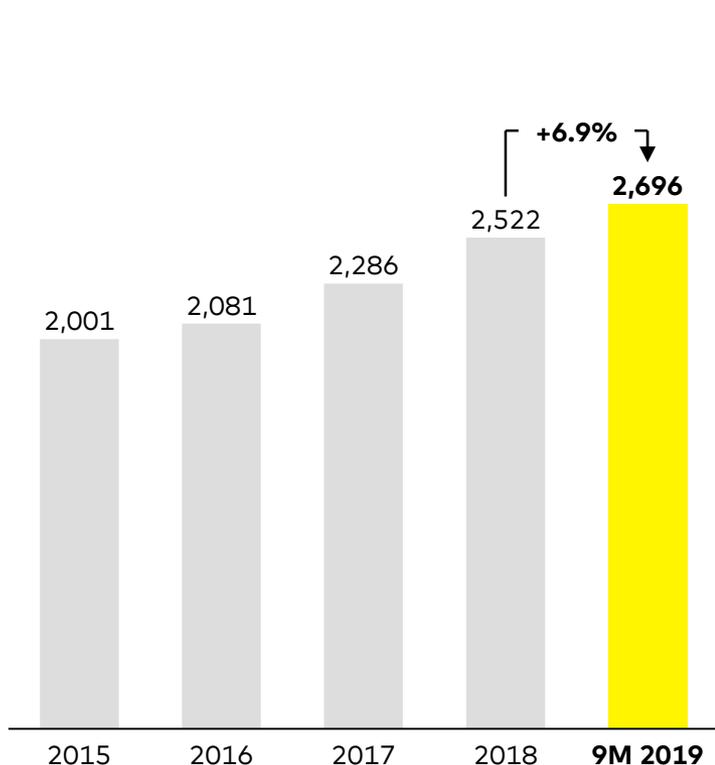
Significant increase in assets under control by +21% or +€13bn in 9 months

Accelerated growth in net fund flow also continued with €7.8bn in 9 months

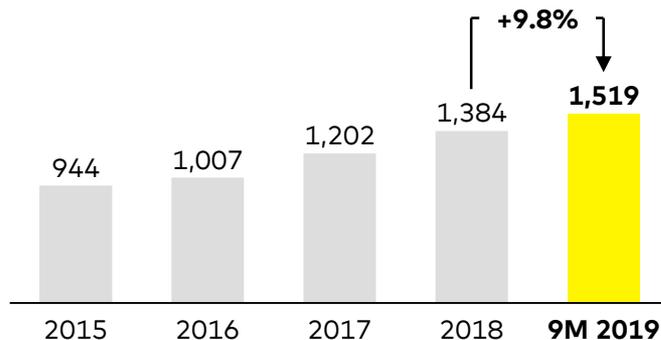
Net new customer growth

Accelerated customer growth continued with around +7% in the first 9 months

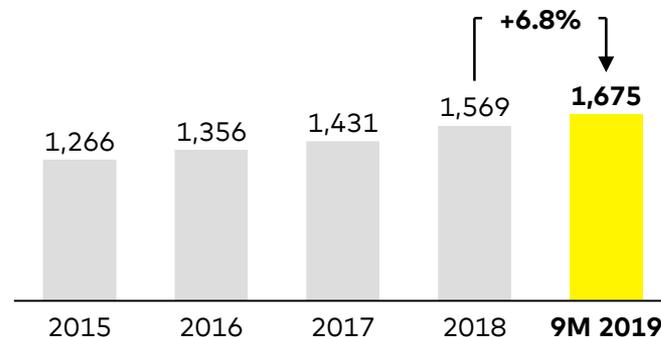
Customers



Custody accounts



Current accounts

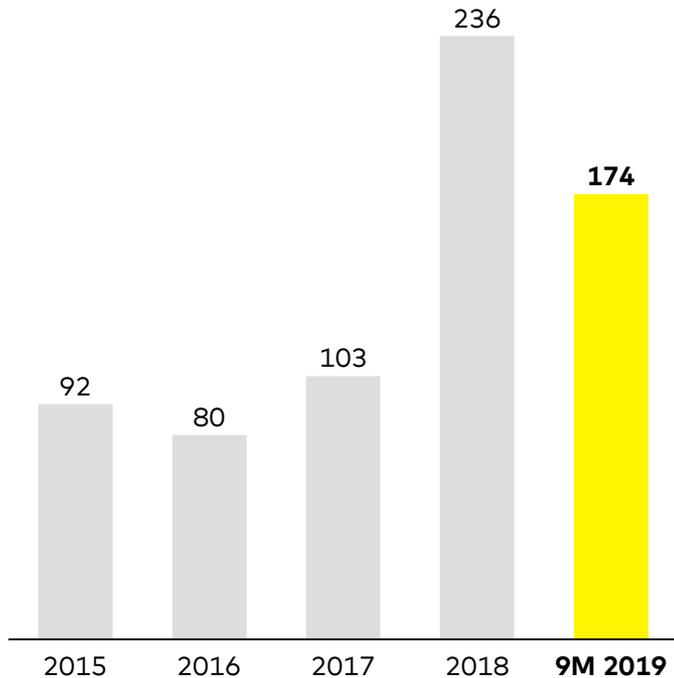


B2C, in k

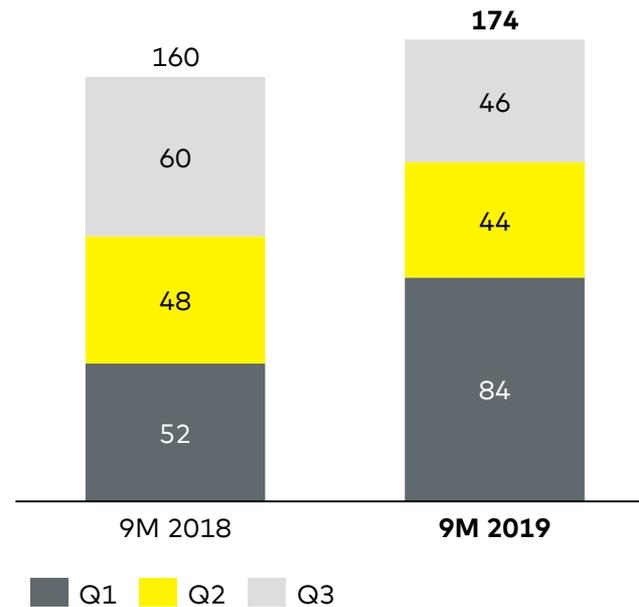
Net new customer growth

Net new customer growth has increased to a new level since 2018

Customer growth



Customer growth in nine-month comparison

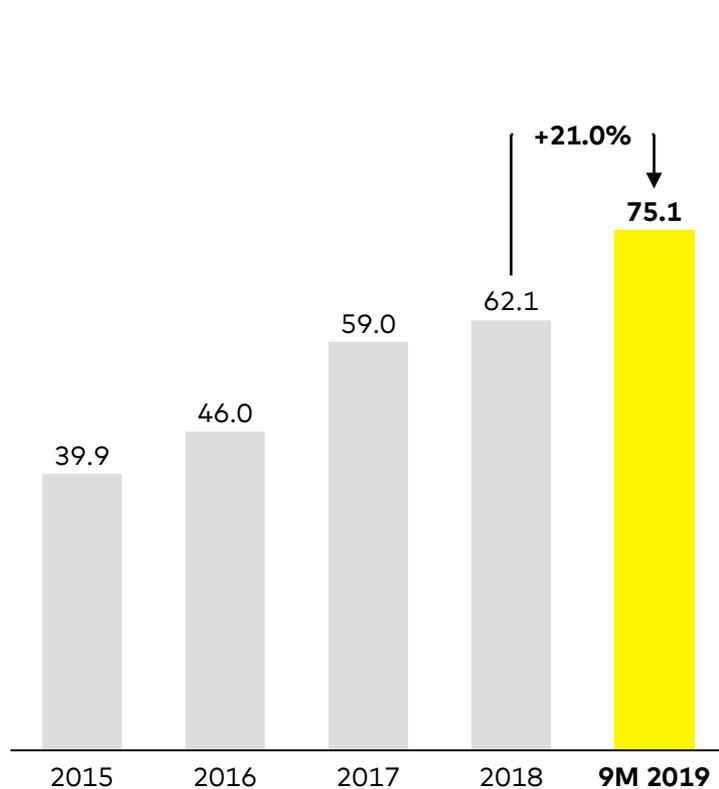


B2C, in k

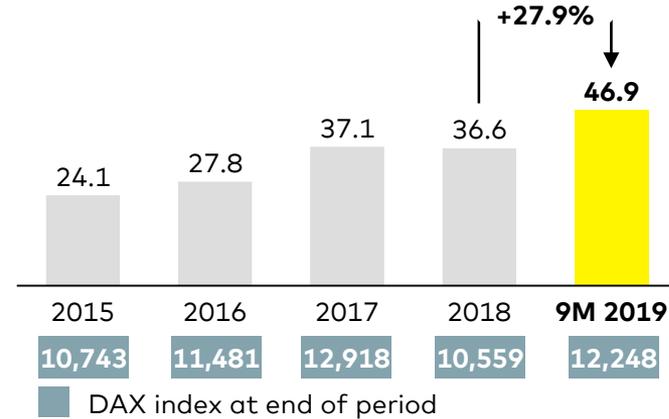
Organic growth in assets under control

Significant increase in assets under control by 21% or €13bn in 9 months

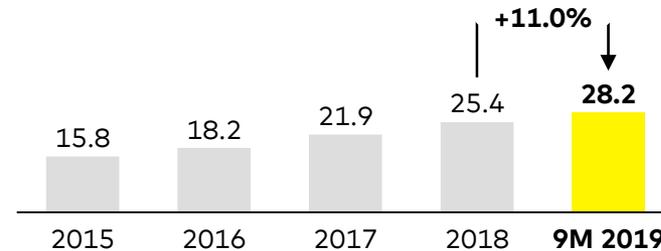
Assets under control



Portfolio volume



Deposit volume



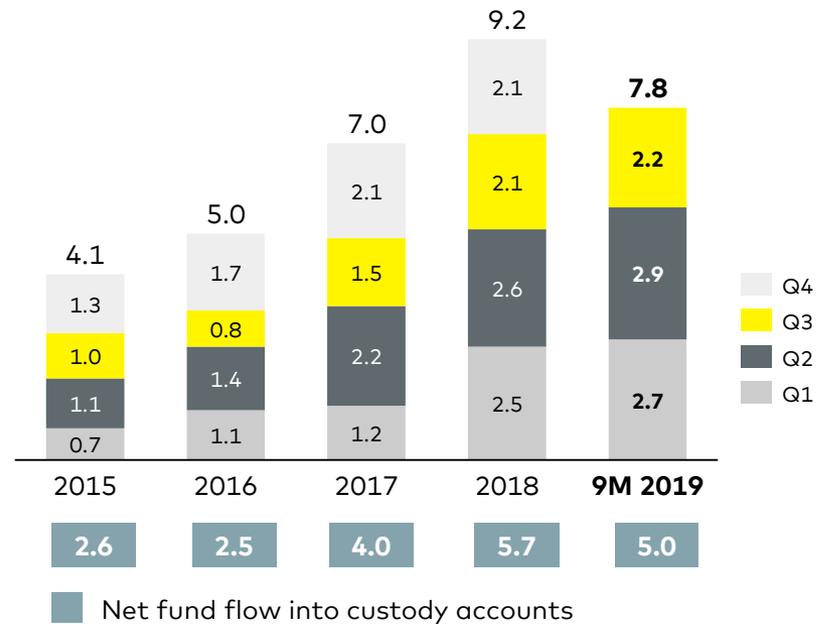
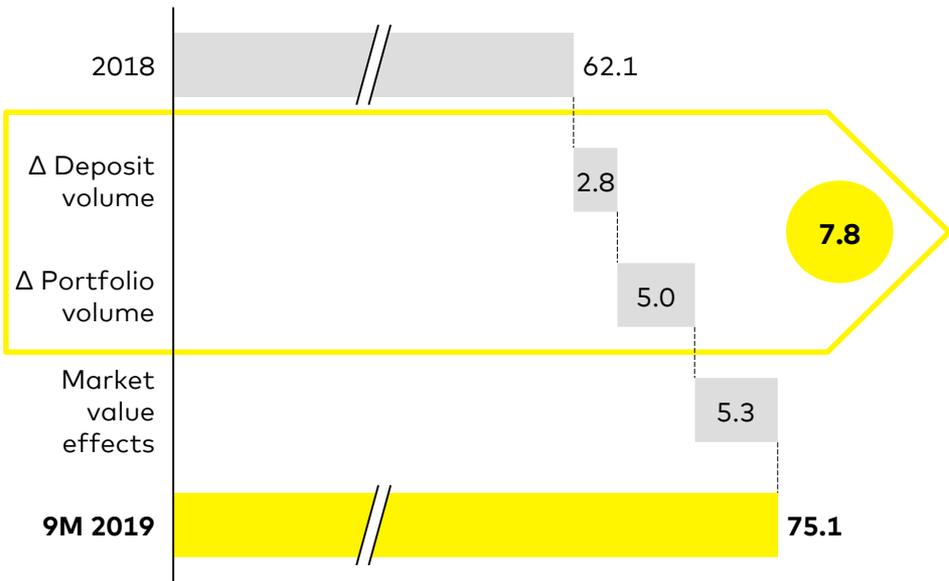
B2C, in €bn

Assets under control

Accelerated growth in net fund flow also continued with €7.8bn in nine months

Assets under control

Net fund flow



B2C, in €bn

Profitability

Record group profit in the first 9 months incl. ebase realisation gain

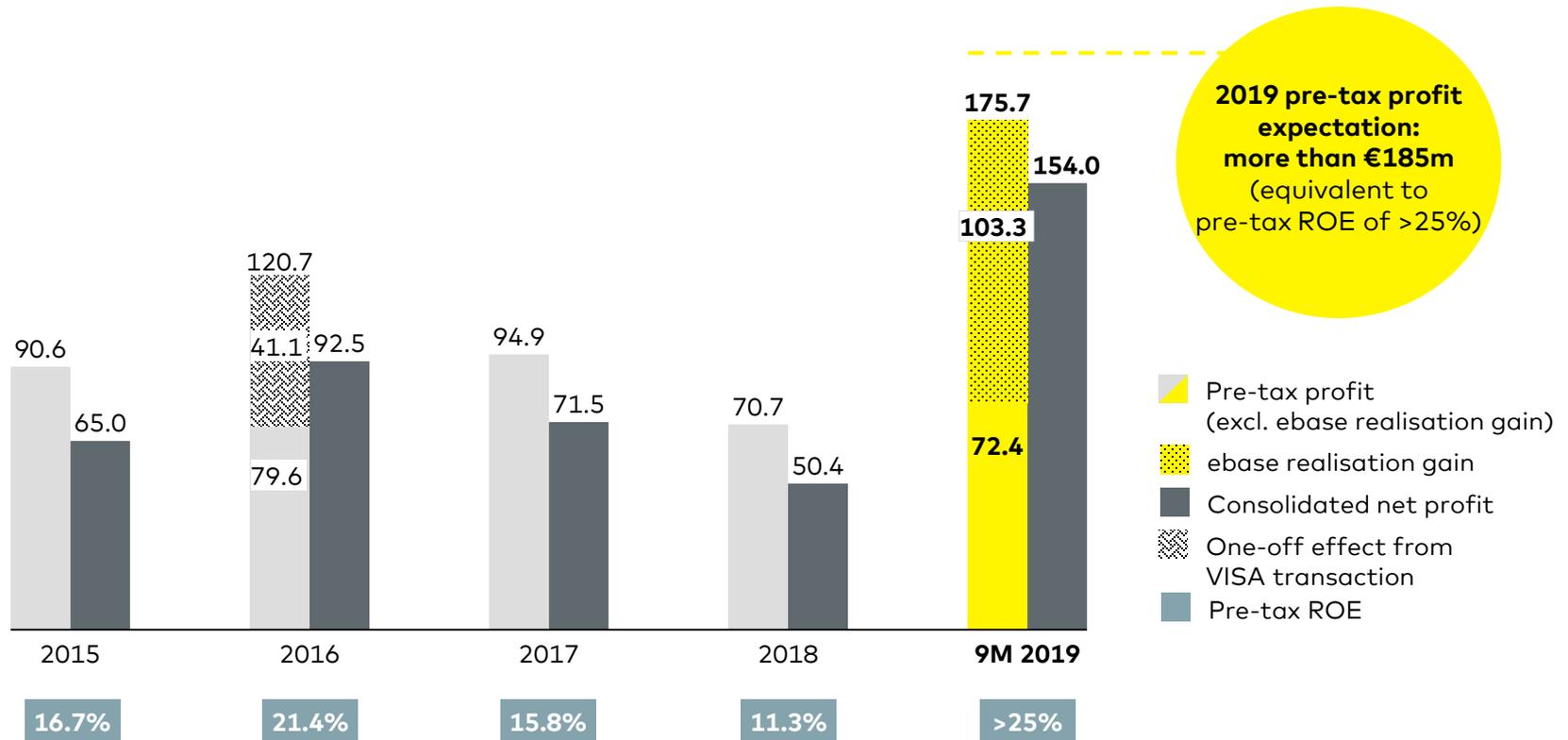
Good pre-tax profit from continued activities despite growth investments

Net commission income benefits from higher customer base and higher trading activity

Net interest income still at good level despite clearly negative rate environment

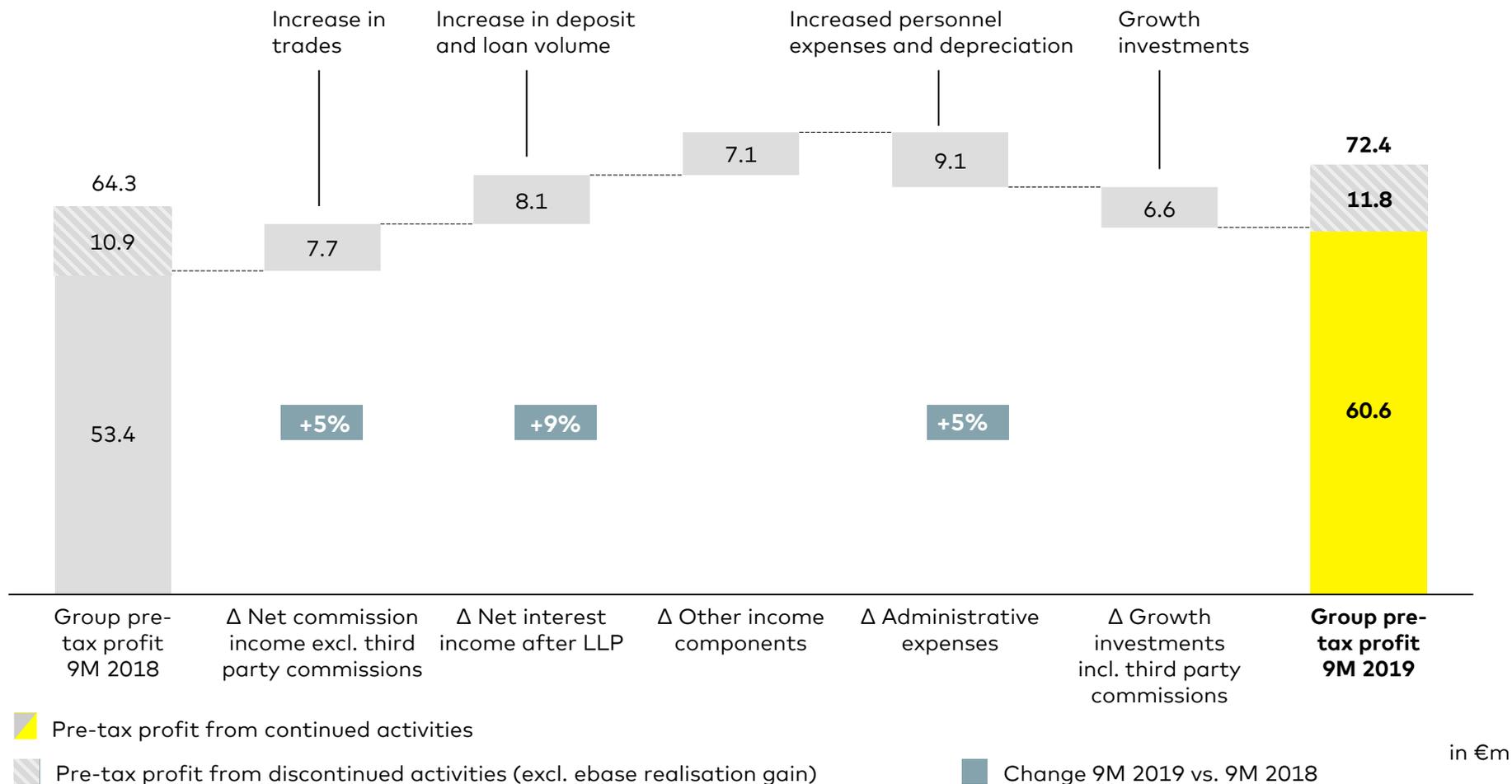
Increased scalability evident in stable operating administrative expenses

Record group profit in the first 9 months incl. ebase realisation gain



comdirect group, in €m

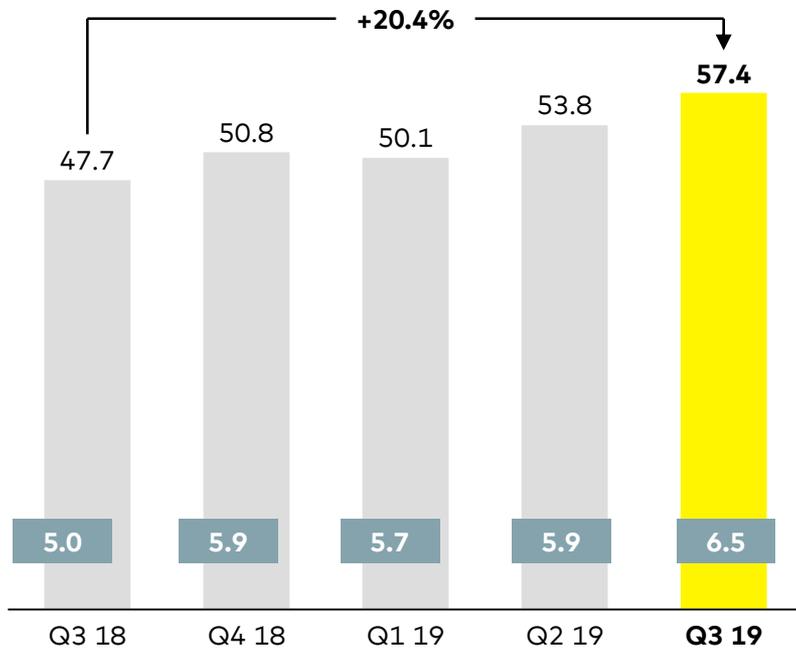
Good pre-tax profit from continued activities despite growth investments



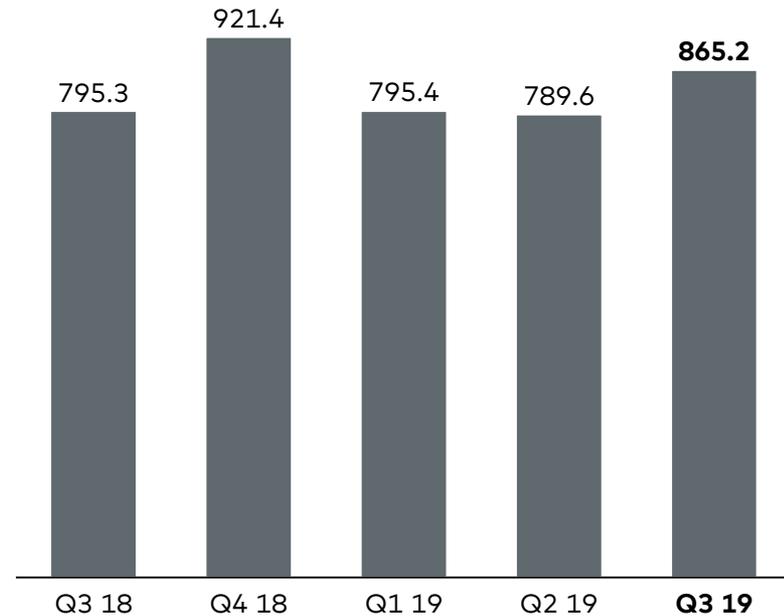
Net commission income

Net commission income benefits from higher customer base and trading activity

Net commission income



Number of executed client orders
Stuttgart exchange (in m)

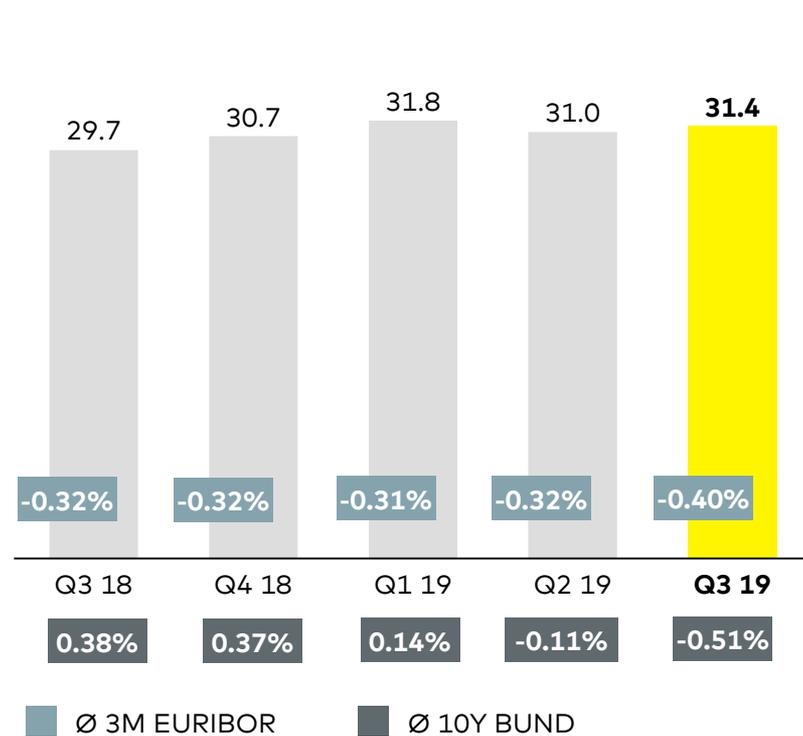


■ Executed orders B2C (in m)

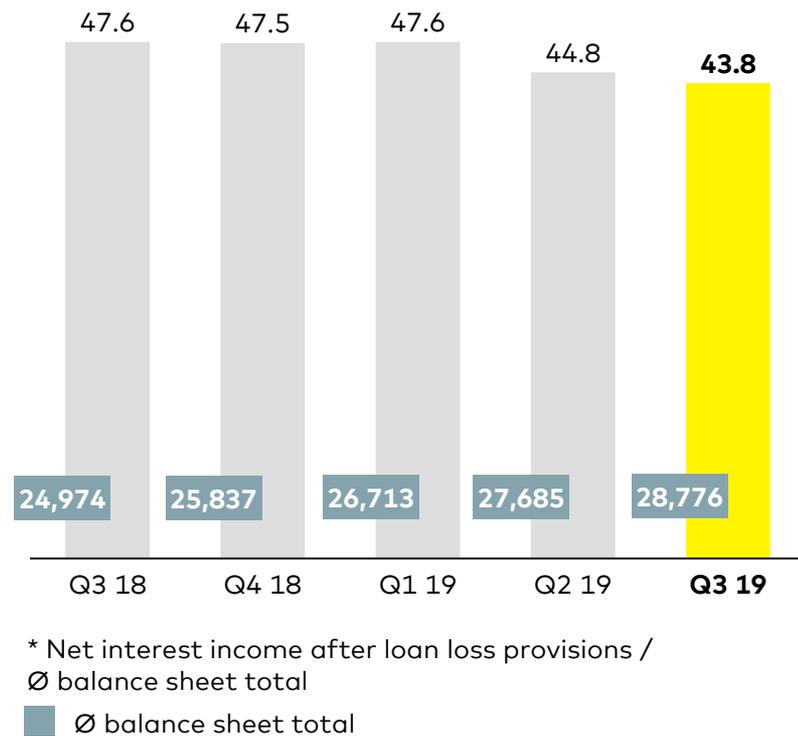
B2C, in €m

Net interest income still at good level despite clearly negative rate environment

Net interest income after loan loss provisions



Net interest margin* (in bps, annualised)



* Net interest income after loan loss provisions /
Ø balance sheet total

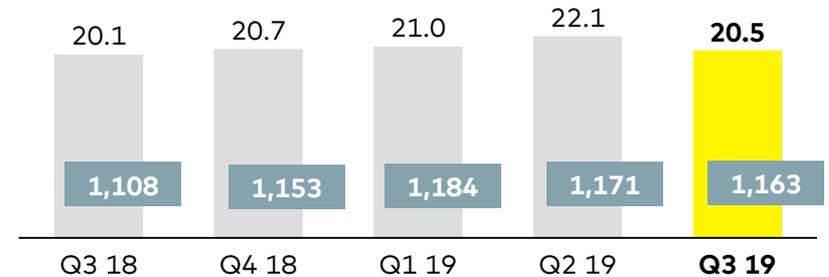
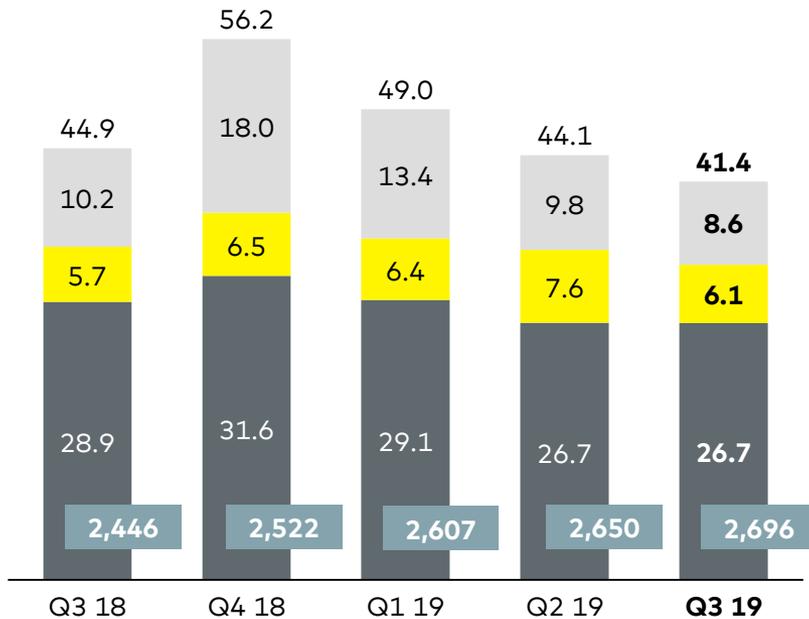
Ø balance sheet total

B2C, in €m

Increased scalability evident in stable operating administrative expenses

Other administrative expenses

Personnel expenses



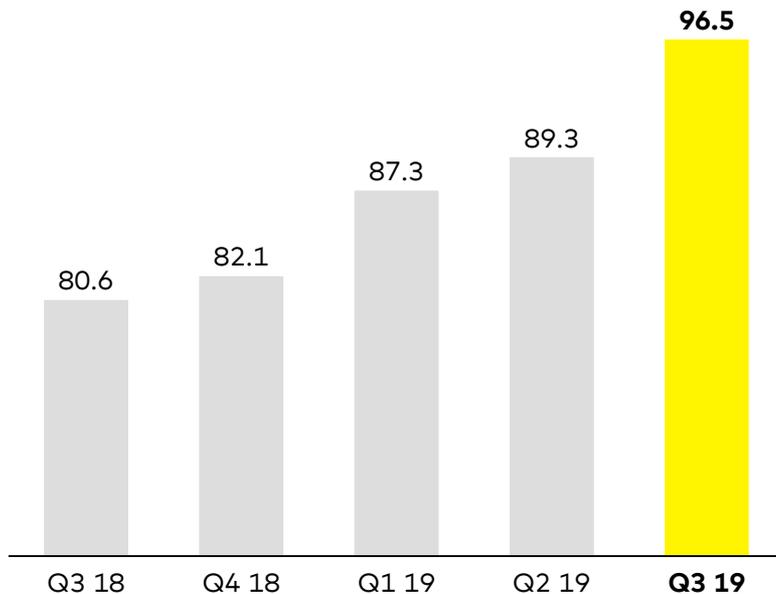
- Customers B2C (in k)
- Sales
- Mandatory contributions
- Operating administrative expenses

- FTE B2C

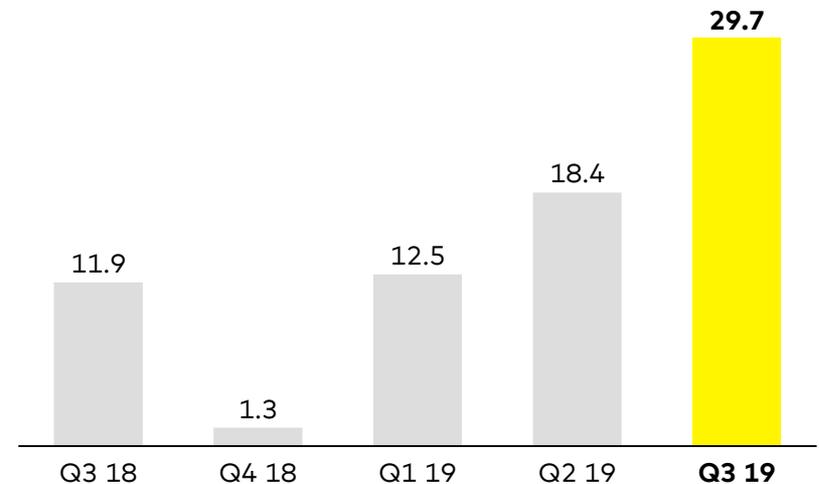
B2C, in €m

Growth investments result in visibly increased profitability

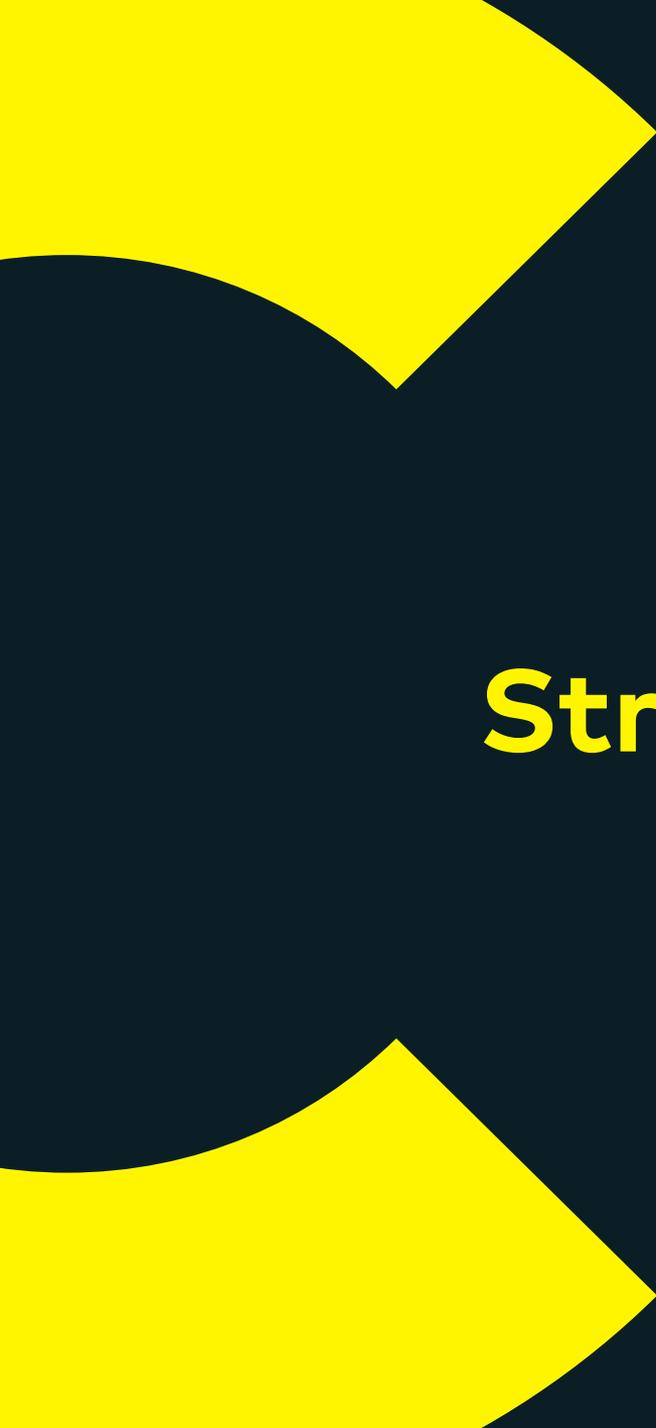
Total income



Pre-tax profit



B2C, in €m

The image features two large, bright yellow, curved shapes on a dark blue background. One shape is in the top-left corner, and the other is in the bottom-left corner, both curving towards the center. The word "Strategy" is centered in the middle of the page.

Strategy

We are the smart financial companion – soon also for insurance

Smart for our customers

- ✓ All insurance policies at a glance – also on the mobile phone
- ✓ Suitable insurance for every circumstance
- ✓ Digital contract folder instead of paper chaos

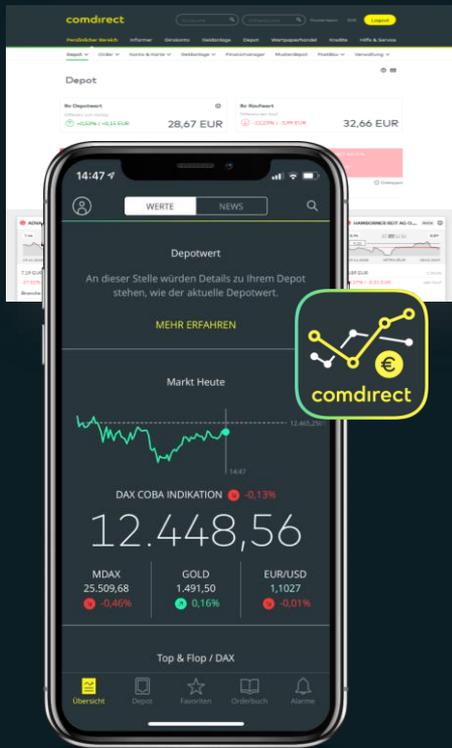
Smart for our business model

- ✓ New income source
- ✓ Increases independence from net interest income
- ✓ Expands comdirect as a platform

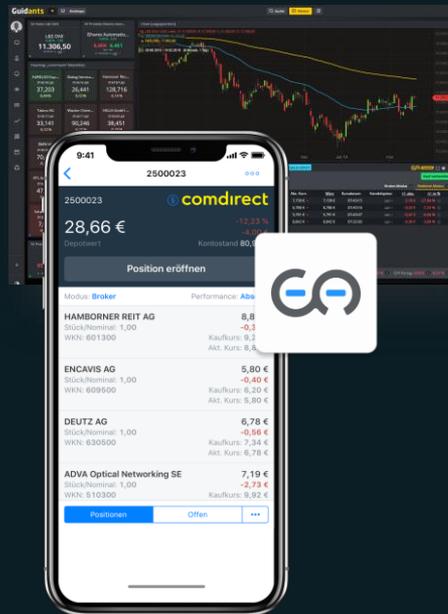


comdirect
versicherungsmakler

We are wherever our customers are - comdirect as brokerage platform (API)



Trading via
comdirect trading App



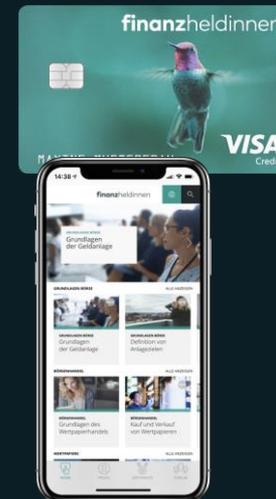
Trading via
Guidants App



Trading via
TraderFox App

comdirect

We are wherever our customers are - comdirect as banking platform



HSV
banking partner

BVB
banking partner

finanz-heldinnen
initiative

Now also for BVB fans: club at the heart, bank on your phone

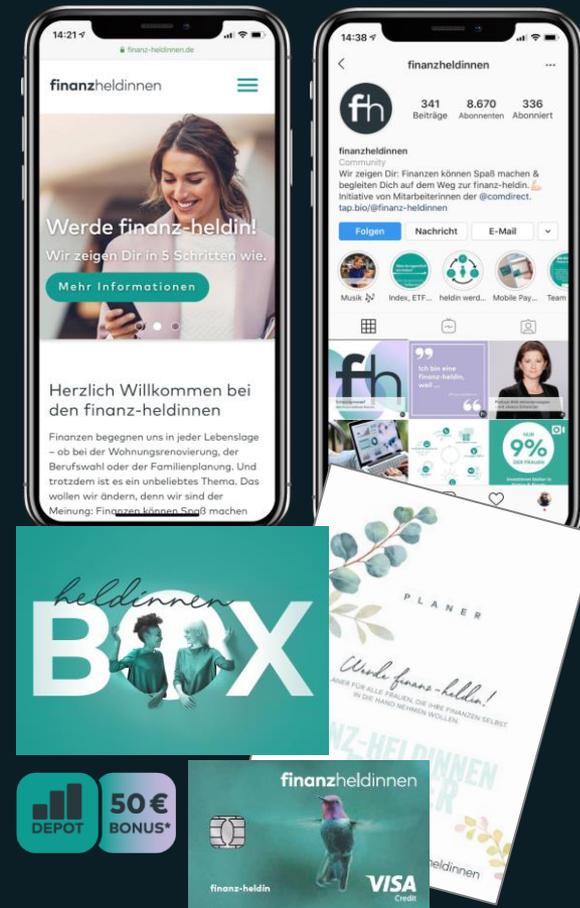
- ✓ comdirect is new partner of Germany's biggest football brand*
- ✓ Banking partner for mobile payments in Germany's biggest stadium
- ✓ BVB account with banking app, wearable and Visa card in club design
- ✓ Buy the BVB share without order commission with the BVB fan custody account



* Source: Football study 2018 Technical University Brunswick

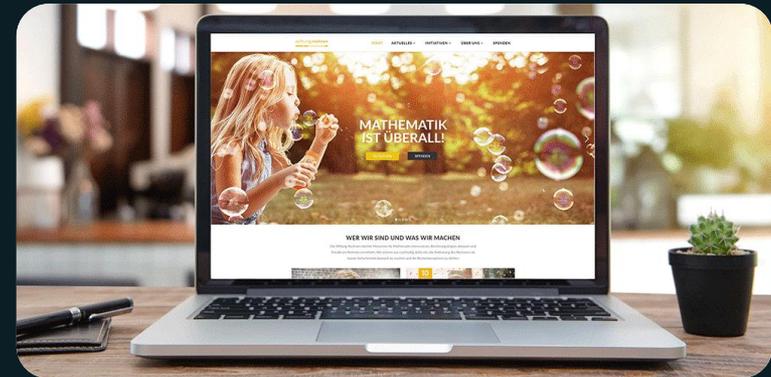
With finanz-heldinnen we are the biggest female finance community of any bank

- ✓ Strong community growth, in particular through presence in social media
- ✓ Contributing to financial education and independence of women
- ✓ The finanz-heldinnen account with its own card and financial planner accompanies women on their way to their first securities purchase



We have been assuming social responsibility for 10 years

- ✓ comdirect is founding partner of Stiftung Rechnen
- ✓ The foundation stands for mathematical and financial education
- ✓ The foundation works in initiatives together with teachers, pupils and universities for more fun in maths, for example at www.matheforscher.de



We are where innovations are created

- ✓ First financial partner globally of the Fraunhofer Venture start-up support programme
- ✓ Cross industry collabothon brings innovative people from finance and other industries together
- ✓ #fba19 und #finanzbc: 9th presentation of finance blog awards within the 5th comdirect finance bar camp



Modernisation of IT infrastructure largely concluded

- IT hardware and structure of data centre standardised
Simple scalability
- Efficient use of virtual server capacities
Optimised cost structure
- Virtual provision of applications
Process automation & acceleration in development
- Improved test environment
Quality improvement
- Physical control in a private cloud
High IT security

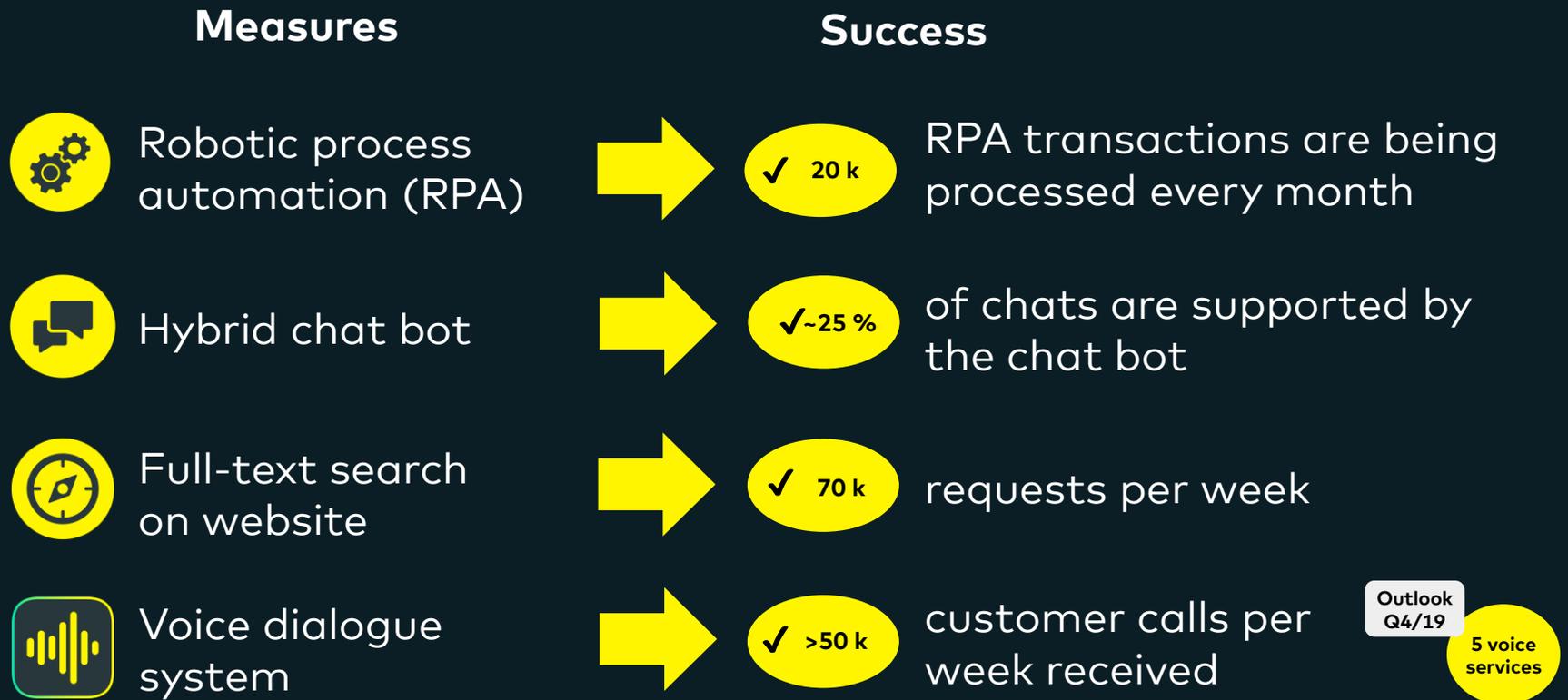


From
2020

Migration of all productive bank applications into private cloud

Optimisation of IT efficiency and IT cost structure

We create scalability through continuous improvement in efficiency



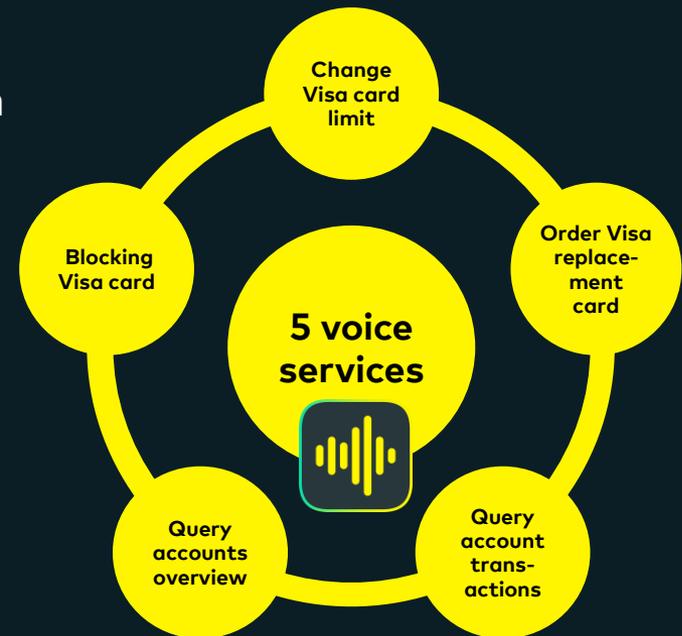
We simplify banking for our customers with smart voice services

Advancement voice dialogue system

- ✓ Our customers' autonomy is improved continuously with further functionality in voice services
- ✓ Further services for the voice dialogue system are planned

Scalability effects

- ✓ Simple queries can be dealt with directly and independently by the customer
- ✓ Enables customer growth at constant capacities



comdirect remains a profitable growth company

comdirect remains a profitable growth company:

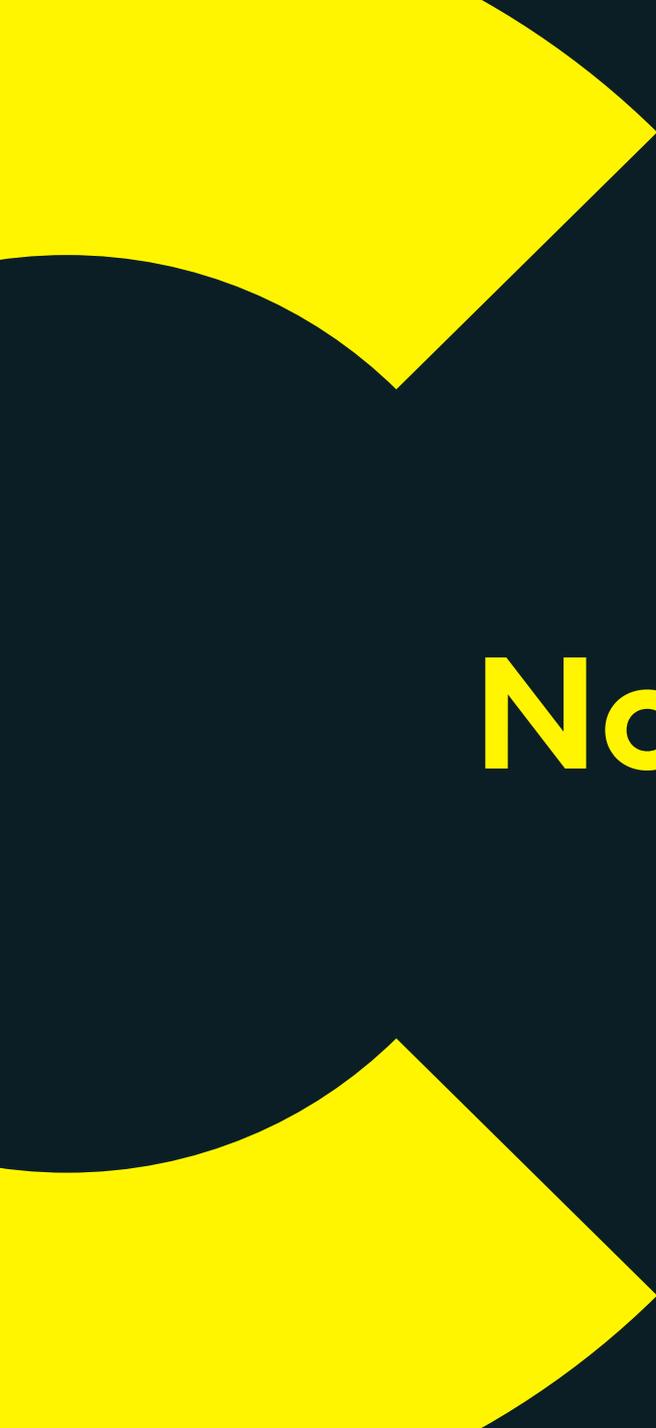
In 9 months +21% assets under control or +€13bn

The growth investments into the core business to date have resulted in **significantly increased profitability** during the last quarters

comdirect group posts a record group pre-tax profit of €175.7m in a challenging market environment

Efficiency measures are taking effect: operating administrative expenses are stabilising and are making the business model more scalable

comdirect has been standing for a free life of its customers for 25 years: with new voice services customers become more flexible and autonomous

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Notes

Selected financial key figures for comdirect group

		2015	2016	2017	2018	CAGR 2015-18	9M 2018	9M 2019	Change
Total income	in € m	316.4	327.8	320.6	334.3	2%	252.2	273.1	8%
Net interest income after loan loss provisions	in € m	134.8	119.3	96.3	117.0	-5%	86.2	94.3	9%
Net commission income	in € m	174.6	163.2	194.2	206.3	6%	155.5	161.3	4%
Other income components	in € m	6.9	45.3	30.1	11.0	17%	10.4	17.5	68%
Administrative expenses	in € m	236.6	217.2	239.3	279.6	6%	198.8	212.5	7%
Cost/income ratio	in %	74.1	66.5	75.0	83.2		78.5	77.7	
Pre-tax profit, continued activities	in € m	79.8	110.6	81.2	54.7	-12%	53.4	60.6	14%
Pre-tax profit, discontinued activities	in € m	10.9	10.1	13.6	16.0	14%	10.9	115.1	954%
Group pre-tax profit	in € m	90.6	120.7	94.9	70.7	-8%	64.3	175.7	173%
Earnings per share	in €	0.46	0.66	0.51	0.36	-8%	0.34	1.09	225%
Dividend per share	in €	0.40	0.25	0.25	0.25	-15%			
ROE before tax	in %	16.7	21.4	15.8	11.3		13.7	33.9	
ROE after tax	in %	12.0	16.4	11.9	8.0		10.1	29.7	
Continued activities		Dec-15	Dec-16	Dec-17	Dec-18	CAGR 2015-18	Sep-18	Sep-19	Change
Balance sheet total	in € m	16,769	19,273	23,033	26,915	17%	25,480	29,106	14%
Equity	in € m	624	628	639	634	1%	637	759	19%
Credit volume	in € m	300	326	447	609	27%	572	705	23%
Equity ratio	in %	3.3	3.0	2.7	2.4		2.5	2.6	
Own funds ratio	in %	36.3	38.8	40.9	41.5		43.5	35.6	

Net commission income and selected custody account data

Continued activities	in € m	2015	2016	2017	2018	CAGR 2015-18	9M 2018	9M 2019	Change
Commission income		192.6	179.4	223.8	256.1	10%	189.9	201.0	6%
Brokerage business		160.0	149.0	184.2	208.0	9%	154.2	158.1	3%
Payment transactions		20.6	20.8	24.2	30.1	13%	22.0	27.2	24%
Placement business		10.0	7.7	8.1	8.8	-4%	7.1	7.9	11%
Other commissions		2.0	1.9	7.2	9.2	66%	6.5	7.7	18%
Commission expenses		18.0	16.2	29.5	49.8	40%	34.3	39.7	16%
Brokerage business		7.1	6.0	16.4	23.9	50%	17.4	20.2	16%
Payment transactions		7.9	7.2	4.6	8.9	4%	6.6	7.3	10%
Placement business		0.0	0.0	0.0	0.0	-	0.0	0.0	-
Other commissions		3.0	2.9	8.6	17.0	79%	10.2	12.2	19%
Net commission income		174.6	163.2	194.2	206.3	6%	155.5	161.3	4%
Brokerage business		152.9	142.9	167.8	184.1	6%	136.8	137.9	1%
Payment transactions		12.7	13.6	19.6	21.2	19%	15.4	19.9	30%
Placement business		10.0	7.7	8.1	8.8	-4%	7.1	7.9	11%
Other commissions		-0.9	-1.0	-1.3	-7.8	-102%	-3.7	-4.5	-20%
Selected custody account data		2015	2016	2017	2018	CAGR 2015-18	9M 2018	9M 2019	Change
Executed orders	in € bn	14.5	14.2	17.2	21.9	15%	15.9	18.1	14%
Average order activity / custody account	number	15.9	14.6	15.6	16.9	2%	16.7	16.6	-1%
Order volume / executed orders	in €	5,498	4,456	5,142	4,860	-4%	4,902	4,343	-11%
Net commission income brokerage business / executed orders	in €	10.55	10.04	9.77	8.42	-7%	8.58	7.62	-11%
		Dec-15	Dec-16	Dec-17	Dec-18	CAGR 2015-18	Sep-18	Sep-19	Change
Custody accounts	in k	943.7	1,006.8	1,202.2	1,383.6	14%	1,336.1	1,519.2	14%
Portfolio volume	in € bn	24.1	27.8	37.1	36.6	15%	41.1	46.9	14%

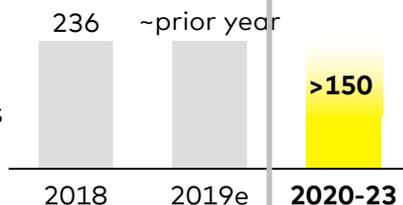
Administrative expenses in detail

Continued activities	in € m	2015	2016	2017	2018	CAGR 2015-18	9M 2018	9M 2019	Change
Personnel expenses		64.2	68.8	75.5	79.4	7%	58.7	63.7	9%
Sales		52.3	33.3	27.5	45.4	-5%	27.4	31.9	17%
External services		44.7	44.4	47.9	53.3	6%	38.5	42.0	9%
Business operations		29.3	26.9	30.9	33.6	5%	24.1	19.3	-20%
IT expenses		23.5	21.7	23.8	26.4	4%	19.9	19.4	-2%
Mandatory contributions		8.5	11.2	19.2	24.1	42%	17.6	20.1	14%
Other		2.1	1.8	1.5	2.4	4%	1.8	1.8	3%
Depreciation & amortisation		12.0	9.1	13.0	14.9	7%	11.0	14.3	29%
Administrative expenses		236.6	217.2	239.3	279.6	6%	198.8	212.5	7%
Ø FTEs	number	938.3	956.5	1,055.8	1,102.1	6%	1,087.5	1,171.8	8%

Outlook of comdirect bank AG



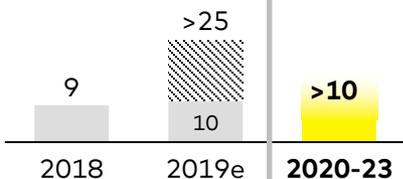
Net new customers
(in k)



We want to maintain our elevated levels of customer growth and achieve at least 150 thousand net new customers per annum.



Pre-tax ROE
(in %)

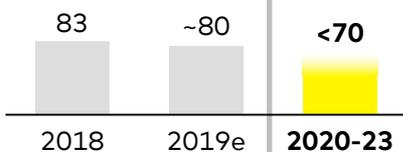


We want to continue to be among the most profitable banks in Germany and are aiming to achieve an ROE of more than 10% before taxes.

 ebase realisation gain



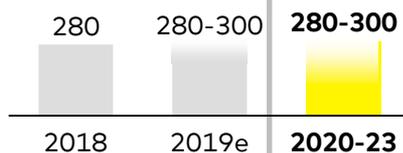
CIR (in %)



We continue to strive for the highest level in efficiency and scalability – which will gradually reduce our CIR. We are aiming for a level of below 70%.



Administrative
expenses
(in € m)



We continue to enhance the efficiency and aim to continue to increase the scalability of the business. The cost base and capacity structure should remain at comparable levels despite the growth.



Dividend

We aim to continue to achieve an attractive dividend yield.

Financial calendar 2020

29 January

Preliminary 2019 results
Press/analyst conference,
Frankfurt/Main

15 May

Annual general meeting,
Hamburg

27 March

Annual report 2019

30 July

Half-year report

28 April

Quarterly statement

27 October

Nine-month statement

Investor Relations

If you would like more information, please visit comdirect.de/ir

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