

Half-year report as of 30 June 2004



Sound results. Profitable growth. Focus on German market.

comdirect)

www.comdirect.de

Key figures of comdirect bank group

1st half-year		2004 ¹⁾	2003	Change in %
Customer figures as of 30.6.				
Total customers		630,927	612,472	3.0
Customers in the segment comdirect online		630,750	612,472	3.0
Customers in the segment comdirect offline		578	–	–
Business line comdirect online				
Placed orders		3,933,222	3,507,021	12.2
Executed orders		3,419,939	2,901,133	17.9
Average order activity per custody account (annualised)		12.5	9.8	27.6
Share of fund transactions in executed orders	in %	19.0	15.4	23.4
Order volume per executed order	in €	4,739	4,573	3.6
Total assets under custody as of 30.6.	in € million	9,922	8,108	22.4
of which: portfolio volume (excluding funds)	in € million	5,769	4,899	17.8
of which: funds volume	in € million	1,721	1,272	35.3
of which: deposit volume	in € million	2,432	1,937	25.6
Credit volume as of 30.6.	in € million	185	420	-56.0
Number of custody accounts as of 30.6.		549,552	586,949	-6.4
Number of fund-based savings plans as of 30.6.		58,406	41,576	40.5
Number of current accounts as of 30.6.		79,077	66,513	18.9
Business line comdirect offline				
Advisers as of 30.6.		42	–	–
Offices as of 30.6.		6	–	–
Total revenues	in € thousand	726	–	–
Earnings ratios				
Net commission income	in € thousand	50,656 ²⁾	36,928	37.2
Net interest income before provisions	in € thousand	29,417 ²⁾	31,011	-5.1
Administrative expenses	in € thousand	54,114 ²⁾	56,312	-3.9
Profit from ordinary activities	in € thousand	33,001	15,064	119.1
Pre-tax profit	in € thousand	33,001	15,064	119.1
Net profit	in € thousand	22,609	8,625	162.1
Earnings per share	in €	0.16	0.06	166.7
Balance-sheet key figures as of 30.6.				
Balance-sheet total	in € million	3,061	2,626	16.6
Equity	in € million	585	573	2.1
Equity ratio ³⁾	in %	19.1	21.8	-12.4
Own funds ratio according to BIS	in %	73.6	93.4	-21.2
Relative ratios				
Return on equity (annualised)	in %	11.3	5.3	113.2
Cost/income ratio	in %	62.1 ²⁾	78.2	-20.6
Earnings per customer (annualised)	in €	271.5	223.5	21.5
Employees' figures as of 30.6.				
Employees		596	711	-16.2
of which: in the segment comdirect online		583	711	-18.0
of which: in the segment comdirect offline		13	–	–
Employees full-time basis		511.1	622.0	-17.8

1) Unless marked, all figures are excluding contributions from comdirect ltd

2) Contributions from comdirect ltd in the first quarter are taken into account (see statement on page 9)

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

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Introduction

Playing to our strengths, concentrating on the target result – despite weakening markets in spring, we doubled profits in the first six months. Following the sale of comdirect Ltd, we are now focusing on growth in the German market.

Dear shareholders,

With half-year profits of €33.0m, comdirect bank continues to generate sound results. Following the record result achieved in the first quarter thanks to the upturn on the stock markets, we again performed well in the second quarter of 2004, despite the clear downturn in framework parameters. We have therefore moved a good deal closer to our target pre-tax profit for the year, which was revised upwards from at least €45m to at least €50m in spring. Earnings per customer in the first half of 2004 were up 21.5% on the previous year. Continued cost discipline improved the cost/income ratio from 78.2% to 62.1%. After the record figures reported in the first quarter of 2004, key indicators such as order figures and portfolio and deposit volumes were once again within our ambitious target range. The key value drivers in all three pillars of our business are developing well. The number of German customers has risen to over 630,000, the highest figure in the history of the bank.

At the same time, the sale of comdirect Ltd to a holding company in the Lloyds TSB Group plc. marks the completion of the strategic realignment for comdirect bank. The purchase price was €16.5m and the sale contributed €2.4m to the half-year results. The decision to sell represented the best option for our shareholders. Staying in the fiercely competitive and price-sensitive UK market would have required substantial investments. Instead, we are now able to concentrate completely on our promising growth strategy for the German market and we are expanding our range of one-to-one financial services for the modern investor.

Investments in our three fields of competence – Online Investment, Direct Banking and Financial Advisory are already having an effect. In Online Investment, our market share of German securities turnover has risen once again in the first six months of 2004. We have achieved a rise in the number of custody accounts in Germany of around 7,600 and boosted trading business with several no-fee campaigns. We have also made the home page of our website (www.comdirect.de) more appealing to all user groups and increased our offering of securities savings plans as of 1 July 2004 following strong demand.

The number of customers in Germany rose by almost 26,000 in the second quarter alone. Most of the new customers were gained in the Direct Banking field of competence on the strength of two additional high-interest time deposit offers from the comdirect special range. Around one in five of these new customers already use other products from the bank such as custody accounts and current accounts. Such cross-selling successes confirm



our expectations that sophisticated products, convincing functionality and services and an attractive price performance ratio, enable us to generate long-term loyalty in many of our new investors.

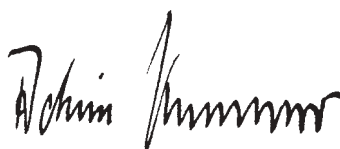
The independent Financial Advisory, the third of our fields of competence, has proven to be a welcome complement to our online business. comdirect private finance has more than doubled its number of customers in the second quarter to 578. Most of these are existing customers of comdirect bank. Since June 2004, comdirect private finance has had six offices: in Munich, a second office has already opened and an additional office was launched in Stuttgart.

A market leader needs a strong brand. This is why we are investing in an advertising campaign, initially in the print media, to increase brand awareness and highlight the advantages of the services we offer. The campaign slogan sums up what we want to achieve with our three-pillar strategy for customers and shareholders: "People who want more come to comdirect."

Companies targeting customers that demand more must also deliver more. In the second half of the year we will therefore continue to invest in profitable, sustainable growth in the three fields of competence. We aim to continually improve our services to meet the individual needs of customers even more precisely. Our target is to be the main bank for our customers and this dictates our strategic focus. Once they are with comdirect, customers should never need another bank again. A new pricing structure will be an incentive to pool Online Investment and Direct Banking transactions at comdirect bank. With regard to Financial Advisory, we are still planning to have seven offices and approximately of 1,700 customers by the end of the year.

As well as expanding our business model, we will continue to apply dynamic and strict cost management to our internal processes. This too makes us confident that we will achieve our target pre-tax profit for 2004 of at least €50m.

Sincerely yours,



Dr. Achim Kassow
CEO

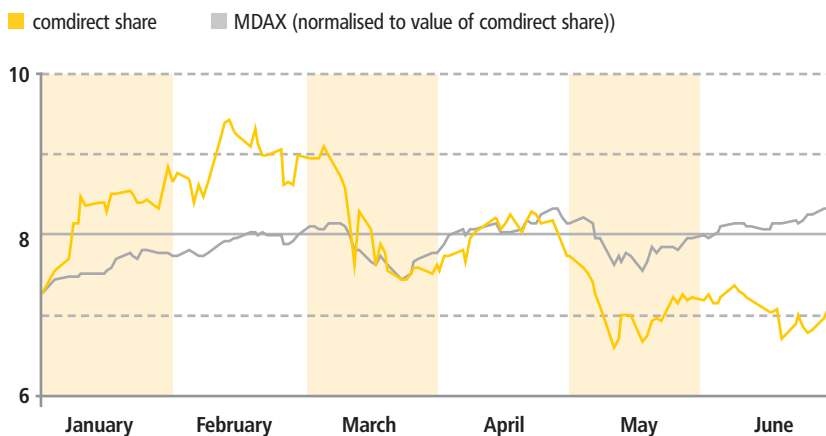


Dr. Achim Kassow, CEO of comdirect bank

The share

Moderate price decline – profit-taking and ex-dividend markdowns put pressure on our share price in the second quarter. However, our shares still kept pace with those of other financial services providers.

Development of share price of comdirect share 30.12.2003 to 30.6.2004 (in €)



Developments on stock market varied

There were share price gains on the DAX and MDAX, while technology and secondary stocks were slightly down. In the second quarter of 2004, the trends in the German stock market varied. The DAX closed at 4,052.73 points, up 5.1% on the figure established three months earlier. The MDAX continued its upwards trend, gaining another 7.6% to 5,110.93 points. By contrast, technology stocks on the TecDAX, the winners in the previous three quarters, suffered slight losses again and were down by -2.8%. The DAX and MDAX also outperformed most financial services providers in the second quarter and the Prime Financial Services Price Index lost 3.4%, falling to 297.08 points.

comdirect share price down

The price of comdirect shares reduced during the second quarter of 2004 by €0.42, or 5.6%, to €7.10 (XETRA), thereby underperforming the MDAX, but still largely keeping pace with other financial services providers. After a positive start thanks to high profit expectations for the first quarter, the share hit a high during the second quarter of €8.30 on 21 April. Following the annual general meeting on 28 April and the dividend payout the day after – the first since the bank's IPO – the share price fell significantly as a result

Shareholders' structure of comdirect bank AG

- 58.65% Commerzbank AG*
- 21.35% T-Online International AG
- 20.00% Free Float



*indirectly

Data and key figures on comdirect share

German securities code no.	542 800
ISIN code	DE0005428007
Stock-exchange code	COM
	Reuters: CDBG.DE
	Bloomberg: COM GR
Stock-exchange segment	MDAX
Number of shares issued	140,506,250
	no-par-value shares

Key figures – 1st half 2004

Average daily turnover		
in units	XETRA	106,357
	Frankfurt	31,214
	Other exchanges	8,321
		<u>145,892</u>

Opening quotation XETRA (2.1.2004)	€7.35
Highest price XETRA (11.2.2004)	€9.50
Lowest price XETRA (10.5.2004)	€6.55
Closing quotation XETRA (30.6.2004)	€7.10
Market cap (30.6.2004)	€997.6m

of profit-taking and ex-dividend markdowns. Compared to its low of €6.55 on 10 May 2004, the share price had climbed 8.4% again as at the reporting date of 30 June.

Investor Relations: prompt and transparent information

At comdirect bank, financial communication is driven by the need to inform investors promptly and comprehensively. We were one of the two fastest MDAX-listed companies to produce our report for the first quarter only 22 days after the reporting date. The German Corporate Governance Code recommends a deadline of 45 days. In May, we gave a presentation to institutional investors at the WestLB German Mid & Small Cap Conference in London and held numerous one-on-one meetings with investors. Directly after the sale of comdirect Ltd we used a conference call to inform investors and analysts about the reasons for the transaction and the consequences for the bank. The audio recordings of all conference calls held in 2004 are available on our website for investors to download, along with the slides from the presentation.

Over 700 shareholders attended the annual general meeting in Hamburg. Representing on average almost 84% of the share capital, the shareholders agreed to all the resolutions proposed by the management with a majority of over 99.9% in each case.

Corporate Governance

The high standards of corporate governance at comdirect bank were confirmed in a survey published by Hamburg University of Economics and Politics in June 2004. The 67 recommendations and 16 suggestions contained in the German Corporate Governance Code have been implemented by comdirect with only nine deviations. With 89%, comdirect bank has the third highest rate of compliance of all MDAX companies.

Stock option programme

In the second quarter, 2,900 subscription rights were exercised under the comdirect stock option programme. The number of shares outstanding has therefore increased to 140,506,250.

Business performance

Good performance in a weak market – comdirect increases its market share in stock exchange trading, gains new customers, expands advisory services and keeps costs in check.

Market development

Following extraordinarily high levels of turnover and share price fluctuations in the first quarter of 2004, the German securities markets slowed down in the second quarter. Order figures fell by 27.6% and securities turnover by 20.6%, with volatility also reducing as a result. With a total of 94.4m trades in the first half of the year, the stock markets have, however, still exceeded the previous year's figure by 13.7%.

After a long period of inactivity, the primary market sprang into life again in the second quarter and three companies floated on the Frankfurt stock exchange. Now that the Postbank IPO has broken the ice, this market is set to pick up in the second half of the year.

There is little movement in deposit business and according to the Bundesbank monthly report (June 2004), the deposit volume for German private individuals has changed only marginally in the first four months. Demand deposits were up by 3.2% and fixed-term deposits fell by 2.3%, while savings deposits and savings bonds remained virtually at the level of the 2003 year-end.

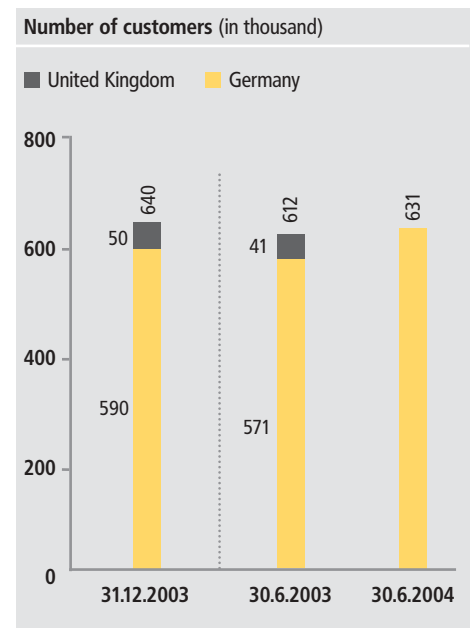
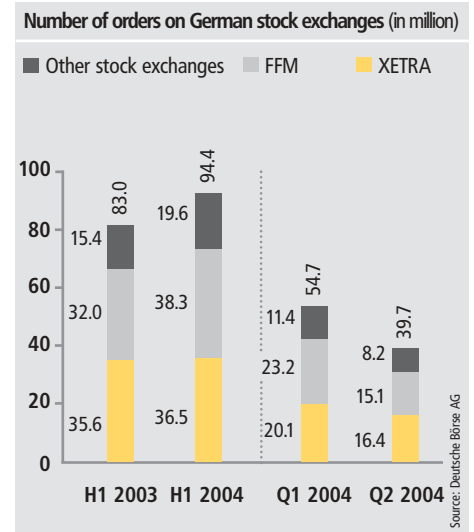
The economic parameters for Financial Advisory remain favourable. The number of endowment policies taken out this year is expected to be above average as the tax privilege is being abolished as of 2005. For the second half of the year in particular, we are expecting dynamic growth.

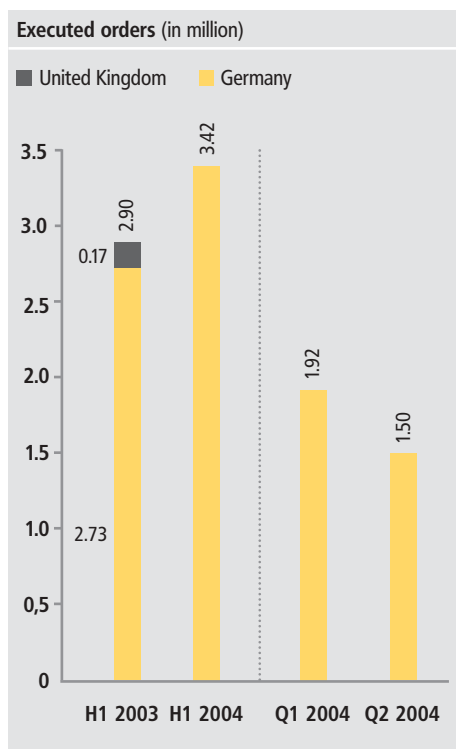
Focus on core German market

On 15 June 2004, comdirect bank AG sold its wholly-owned subsidiary, comdirect Ltd in London, for €16.5m to the Execution Services Group Limited, which is a holding company of Lloyds TSB Group plc. We believe that the disposal was the most advantageous option for our shareholders. Although the London-based company had achieved breakeven in a fiercely competitive market in the first quarter of 2004, it would have required a considerable amount of investment to enable the company to generate a considerable profit contribution on a sustainable basis.

Comparable figures for previous year

To facilitate comparability, we have also excluded comdirect Ltd from the figures for the previous year in the following review of the Online Investment and Direct Banking fields of competence. However, the table of key figures on the front cover does include the comparative figures for 2003, as published in the previous year, which still include comdirect Ltd.





Number of customers

In the second quarter of 2004, comdirect bank gained 25,991 customers, reaching a new record of 630,927 customers in Germany. Compared to the end of 2003, the numbers are up by 40,404. The main reason for this increase is the comdirect special product initiative, under which we have already launched three campaigns. Around 45,000 new customers used the opportunity in the first half of the year to invest a maximum amount of €10,000 in a high-interest time deposit account. In special campaigns, we also gained numerous active traders who switched their custody accounts from other banks to comdirect bank.

Online Investment and Direct Banking fields of competence

Order figures and order volumes

We carried out 3.42m orders in Germany in the first half of 2004, around 25% more than in the same period in the previous year (2.73m orders). The execution rate stood at 87.0%. The second quarter failed to match the exceptional figures achieved in the first three months, but the downturn of 21.8% was considerably lower than on the German stock markets overall. As a result, our share of the German stock exchange orders rose by 3.8% (first quarter 3.5%). The increase is due in part to our three no-fee campaigns, which allowed our customers to buy and sell selected warrants and certificates free of charge. Two of these campaigns had already started in the first quarter.

Compared with the same period in the previous year, with securities turnover of €16.2bn, of which €6.8bn is attributable to the second quarter, comdirect achieved growth of 31.0% in the first six months of 2004, outperforming turnover development on the German stock exchanges (up 15.2%). Certificates accounted for 33.0% (previous year 16.2%) of turnover, with warrants accounting for 22.4% (previous year 37.9%).

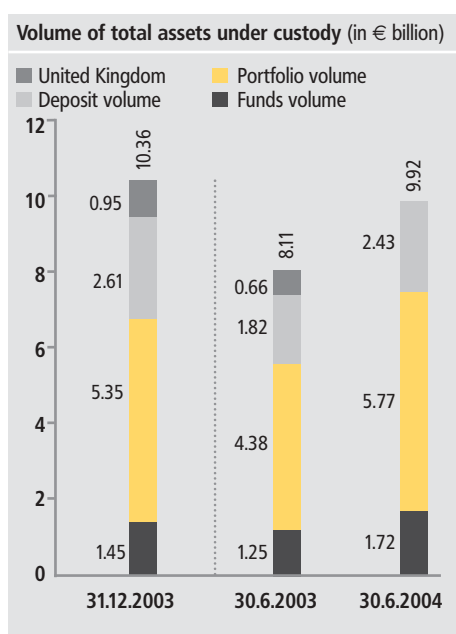
comdirect provided the opportunity to subscribe to the larger IPOs in the second quarter of 2004 – Wincor Nixdorf and Postbank.

Custody accounts and portfolio volume

Along with the slight upturn in share prices during the first half of the year, growth in the number of customers impacted positively on the portfolio volume. The improved mood in the first quarter also encouraged many investors to put money previously parked back into equities and derivatives. As of 30 June 2004, we had 549,552 custody accounts in total in Germany, 7,608 more than at the end of 2003. The aggregate portfolio volume amounted to €5.77bn, an increase of 7.9% on the volume at the end of 2003 (€5.35bn), a figure already achieved as of 31 March 2004. In addition, at €1.72bn, the funds volume clearly exceeded the figure as of 31 December 2003 (€1.45bn) and was up on the comparable figure as of the end of the first quarter.

Deposit volume

Following the record figure achieved by the end of 2003 (€2.61bn), the deposit volume fell by 6.9% to €2.43bn as of 30 June 2004. This was due on the one hand to customer deposits being shifted into securities, and on the other to the fact that a portion of the deposit volume was re-transferred once the special interest rate under the ZinsPLUS



campaign expired. Compared with the figure as of 31 March, the deposit volume remained virtually unchanged.

In addition to time deposits and overnight money, the deposit volume includes customers' demand deposits in current accounts. As of 30 June, 79,077 customers were already conducting their day to day payment transactions via comdirect, 3,628 more than three months earlier and 9,992 more than at the beginning of the year.

Innovation and product development

In the second quarter, we improved the performance and information content of our website for traders in particular. The changes include two additional XETRA order functions for German orders – Fill-or-Kill and Immediate-or-Cancel. Both options give investors greater flexibility and control and in some market situations enable users to avoid transactions with too few units or partial executions that are too late.

A survey of around 5,000 users confirms that the website, which underwent a complete relaunch in 2003, achieves high marks in terms of satisfaction when it comes to transparency, comprehensibility and variety. Moreover, at the end of June, we fine-tuned the home page of our website (www.comdirect.de) to better meet the needs of the various user groups and improved the content. The site now has navigational help for newcomers as well as detailed market information for active traders. Active, user-oriented dialogue boxes lead users to the product areas they are interested in.

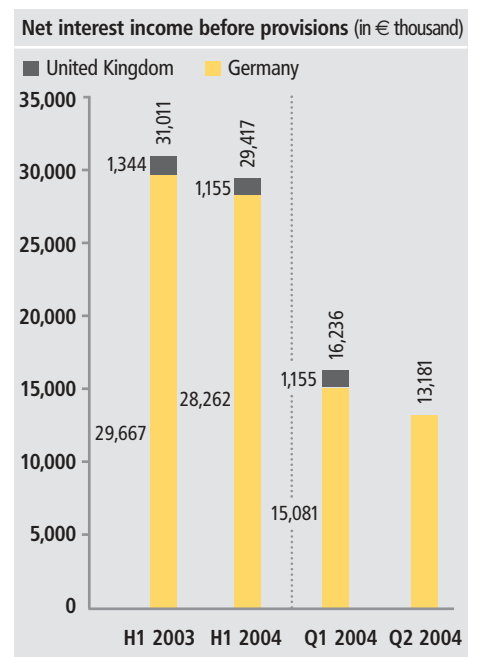
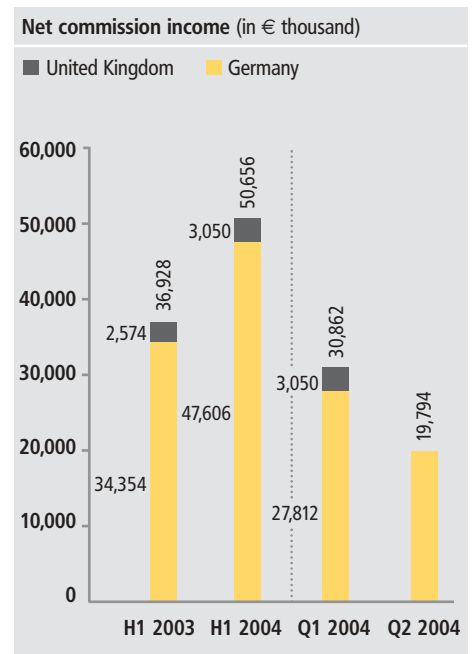
Due to strong growth in demand, we almost doubled the offering of savings certificates from 13 to 25 as of 1 July 2004. At the same time, we enhanced the range of fund-based savings plans and nine funds with low demand or below average performance were replaced with new top performing funds.

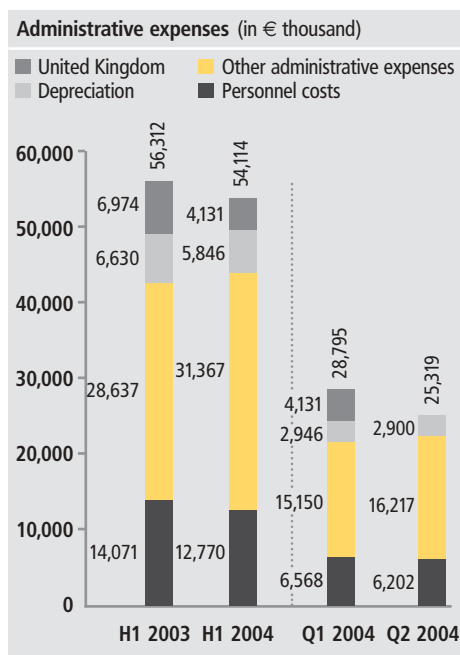
Financial Advisory field of competence

At comdirect private finance, all the signs point towards continued growth. In the second quarter, the number of advisers rose from 31 to 42 and the number of customers from 244 to 578. The number of offices also increased from four to six. Since 1 June, we have an office in Stuttgart and a second team has also been set up in Munich because of the high level of potential customers.

Two surveys carried out indicate that the customers receiving advice from us consider the offering of comdirect private finance to be a welcome complement to the range of online products and services. The sound impartial advice came in for praise, as did the quality of the products offered. In the first six months of 2004, we recorded a high level of demand for endowment insurance in particular.

The profit-and-loss-transfer agreement between comdirect bank AG and comdirect private finance AG was approved by the two annual general meetings with effect to 1 October 2003.





Earnings situation

Following the deconsolidation of comdirect ltd as of 31 March 2004, the individual items on the group income statement still include figures for the UK subsidiary from the first quarter. These items have no impact on the group result for the current financial year. The profit/loss contribution of comdirect ltd from the first quarter was netted out as part of posting the sales proceeds in the second quarter.

With profit for the first six months of €33.0m, we have more than doubled the figure for the previous year (€15.1m). Of this, €12.0m is attributable to the second quarter, which was also up on the previous year despite the downturn on the stock market. Earnings per customer on an annual basis rose from €223.5 to €271.5. The cost/income ratio currently stands at 62.1%, down from 78.2% in the previous year.

Net commission income and net interest income

As a result of higher order figures, comdirect increased net commission income in the first six months of the year by 37.2%, up from €36.9m (of which €2.6m comdirect ltd) in the previous year to €50.7m (of which €3.1m comdirect ltd). In Germany, growth amounted to 38.6%. Commission income climbed 35.5%, while commission expenses rose by 25.3%. comdirect private finance has already contributed €0.7m to commission income.

At €29.4m (of which €1.2m comdirect ltd), net interest income before provisions came in just under the previous year's figure of €31.0m (of which €1.3m comdirect ltd). The main reason for this was the additional interest expense resulting from comdirect special. As in the previous quarter, provisions have been set up as of 30 June 2004 for the interest cost that we anticipate in the subsequent quarters as a result of deposits made. Despite the unchanged lower interest rates in the money market, we have increased our interest income compared to the first half of 2003 because higher customer deposits were available to make investments in the capital market.

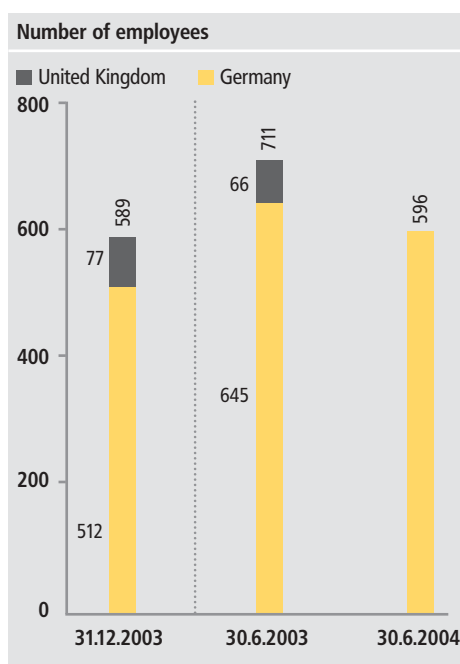
Result from investments and securities portfolio

The income/loss from investments and securities portfolio amounted to €3.9m (previous year €3.0m) and includes profit from the sale of comdirect ltd of €2.4m after deconsolidation effects and provisions for the usual contractual risks.

Administrative expenses

Despite the increase in business volume, we were again able to maintain administrative expenses at a stable level in the first six months of financial year 2004. Compared to the previous year's figure of €56.3m (of which €7.0m comdirect ltd), administrative expenses fell by 3.9% to €54.1m (of which €4.1m comdirect ltd). Within the German market, administrative expenses rose slightly, up from €49.3m to €50.0m.

Personnel costs in Germany fell by 9.2% to €12.8m (previous year: €14.1m) as a result of the reduced number of employees compared to the previous year. As of 30 June 2004, comdirect bank in Germany employed a staff complement of 596, down from 645 in the previous year. Compared to the 2003 year-end, the number of employees has risen by 84 as a result of growth in the German market.



Other administrative expenses (excluding comdirect ltd) rose from €28.6m to €31.4m. This reflects the increase in marketing activities as well as the volume-related rise in the costs of order execution. Depreciation of office furniture and equipment and intangible assets (excluding comdirect ltd) fell by 11.8% to €5.8m (previous year: €6.6m). The conservative level of investment in previous years continues to result in a low requirement for depreciation.

Result in the segments

The comdirect online business line (Online Investment and Direct Banking fields of competence) contributed €34.5m to group profits. As anticipated, the comdirect offline business line (Financial Advisory) which is still in its early stages, registered a loss of -€1.5m. Total revenues from comdirect private finance climbed to €443 thousand in the second quarter of 2004 (first quarter €283 thousand).

Outlook

In the first six months of 2004, we have created a strong basis for success in the current financial year. The sale of comdirect ltd marked the completion of the strategic restructuring, the number of customers in Germany has reached a new record high and we are a good deal closer to achieving our profit target of €50m.

In line with our goal of becoming the one-to-one bank for the modern investor, we will be investing in profitable growth in all three fields of competence in the second half of the year, as well. Tailormade solutions add value for our customers as well as for comdirect shareholders.

In the comdirect online business line, we will be improving services for all investor groups. Intelligent website functions for active traders are on the agenda, as is a product range with greater differentiation for investment products. In line with this we will be introducing a new price model in the fourth quarter, which will be announced publicly in advance. The model offers considerable advantages for active traders as well as an incentive to pool banking activities with comdirect. This move supports cross-selling activities between the fields of competence.

In the comdirect offline business line, we will be opening at least one additional office by the end of 2004. For the second half of the year, we, and the industry as a whole, are expecting the market to be buoyant and turnover to rise accordingly. Our aim remains to have around 1,700 customers by the end of the year, with break-even for comdirect private finance AG planned for financial year 2006.

Even though following a pleasing improvement in the first quarter, the markets weakened in the second quarter, we are anticipating a sound development in profit for the second half of the year. Despite plans for additional investment in growth, we are confident that we will achieve our aim of pre-tax profit of at least €50m for financial year 2004 as a whole.

Accounting standard and consolidated companies

The report of comdirect bank as of 30 June 2004 conforms to the rules of the International Financial Reporting Standards (IFRS) and the rules of International Accounting Standards (IAS).

The same accounting, measurement and calculation methods were applied as for the 2003 annual consolidated financial statements of comdirect bank.

The contract selling comdirect ltd, London/UK to Execution Services Group Limited was signed on 15 June 2004. After rebranding costs of €1.5m, the net proceeds of the sale amounted to €15.0m. comdirect ltd was deconsolidated as of 31 March 2004.

Segment reporting by business lines is shown on page 14. The requirement for segment reporting by geographical markets does not apply.

As part of our stock option programme set up in line with resolution of the annual general meeting on 11 May 2000, we issued a total of 2,408,810 subscription rights to employees of comdirect bank as of 30 June 2004. As of the reporting date, of these 711,790 subscription rights have expired and 6,250 have been exercised. New no-par-value bearer shares in comdirect bank AG were issued equal to the number of subscription rights exercised.

Following the employee representative elections on 2 March 2004, Mr Mitja Sack has been newly appointed to the Supervisory Board for the period of office as of 28 April 2004 (Ms Maria Xiromeriti until 28 April 2004). There were no further changes to the membership of the Supervisory Board as of 30 June 2004.

The company's boards

Supervisory Board

Martin Blessing

Chairman of the Supervisory Board

Klaus Müller-Gebel

Deputy Chairman of the Supervisory Board

Rainer Beaujean

Angelika Kierstein

Mitja Sack

Dr. Eric Strutz

Board of Managing Directors

Dr. Achim Kassow

CEO

Dr. Andre Carls

Income statement

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

€ thousand	1.1. to 30.6.		1.4. to 30.6.		
	2004	2003	2004	2003	
Interest income	44,680	40,420	20,716	19,566	
Interest expenses	15,263	9,409	7,535	3,925	
Net interest income before provisions	29,417	31,011	13,181	15,641	
Provision for possible loan losses	-15	-617	-60	-247	
Net interest income after provisions	29,402	30,394	13,121	15,394	
Commission income	58,176	42,928	22,618	24,208	
Commission expenses	7,520	6,000	2,824	3,207	
Net commission income	50,656	36,928	19,794	21,001	
Income/loss from investments and securities portfolio	3,906	2,999	2,391	2,224	
Administrative expenses	54,114	56,312	25,319	28,351	
Personnel costs	14,058	16,035	6,202	7,934	
Other administrative expenses	33,715	32,560	16,217	16,434	
Marketing costs	9,265	5,470	5,238	2,439	
Communication costs	1,465	2,555	682	858	
Consulting costs	4,260	4,010	1,739	1,972	
External services	10,675	9,252	5,097	4,420	
Sundry operating expenses	8,050	11,273	3,461	6,745	
Depreciation on office furniture and equipment and intangible assets	6,341	7,717	2,900	3,983	
Other operating result	3,151	1,055	2,041	98	
Profit from ordinary activities	33,001	15,064	12,028	10,366	
Pre-tax profit	33,001	15,064	12,028	10,366	
Taxes on income	10,392	6,439	2,961	4,164	
After-tax profit	22,609	8,625	9,067	6,202	
Net profit	22,609	8,625	9,067	6,202	
Earnings per share					
Net profit	€ thousand	22,609	8,625	9,067	6,202
Average number of ordinary shares	Shares	140,505,283	140,500,000	140,505,283	140,500,000
Basic earnings per share	€	0.16	0.06	0.06	0.04
Diluted earnings per share					
Net profit	€ thousand	22,609	8,625	9,067	6,202
Adjustment to the number of ordinary shares issued due to outstanding option rights	Shares	492,519	366,949	492,519	366,949
Weighted average shares outstanding (diluted)	Shares	140,997,802	140,866,949	140,997,802	140,866,949
Diluted earnings per share	€	0.16	0.06	0.06	0.04

* unaudited

Balance sheet

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

Assets		
€ thousand	as of 30.6.2004	as of 31.12.2003
Cash reserve	96,431	1,749
Claims on banks	1,305,208	1,310,434
Claims on customers	185,427	183,773
Provision for possible loan losses	-5,340	-5,766
Investments and securities portfolio	1,430,304	1,893,862
Intangible assets	9,839	11,905
Fixed assets	15,478	20,860
Other assets	23,721	9,313
Total assets	3,061,068	3,426,130

Liabilities and equity		
€ thousand	as of 30.6.2004	as of 31.12.2003
Liabilities to banks	0	0
Liabilities to customers	2,439,696	2,774,791
Provisions	17,338	18,556
Tax liabilities	6,850	7,370
Other liabilities	12,386	24,509
Subordinated capital	0	16,617
Equity	584,798	584,287
Subscribed capital	140,506	140,503
Capital reserve	367,255	367,240
Retained earnings		
Other revenue reserves	55,914	55,359
Revaluation reserve	-1,486	-1,296
Consolidated profit 2003	0	22,481
Consolidated profit 1.1. to 30.6.2004	22,609	-
Total liabilities and equity	3,061,068	3,426,130

* unaudited

Segment reporting

Segment reporting by business lines*

1.1. to 30.6.2004	comdirect online	comdirect offline	Group management/ consolidation/ others	comdirect bank group total
€ thousand				
Net interest income before provisions	29,410	7	0	29,417
Provision for possible loan losses	-15	0	0	-15
Net interest income after provisions	29,395	7	0	29,402
Net commission income	50,427	252	-23	50,656
Income/loss from investments and securities portfolio	3,906	0	0	3,906
Administrative expenses	52,866	1,815	-567	54,114
Other operating result	3,630	65	-544	3,151
Profit/loss from ordinary activities	34,492	-1,491	0	33,001
Pre-tax profit/loss	34,492	-1,491	0	33,001
Taxes on income	9,752	640	0	10,392
After-tax profit/loss	24,740	-2,131	0	22,609
Net profit/loss	24,740	-2,131	0	22,609
Acquisition costs of segment assets	1,912	55		1,967
Depreciation on segment assets	6,266	75		6,341
Cost/income ratio	60.5%	560.2%		62.1%
Segment income	109,883	798	-574	110,107
Segment expenses	75,391	2,289	-574	77,106
Segment assets	3,011,915	215	-100	3,012,030
Segment debt	2,439,696	100	-100	2,439,696

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 principles of materiality. A comparative presentation is not available for the primary reporting since comdirect private finance AG did not begin operations until 1 October, 2003.

* unaudited

Quarter-on-quarter comparison

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

	Q1	Q2	Q3	Q4	Q1	Q2
€ thousand	2003	2003	2003	2003	2004	2004
Interest income	20,854	19,566	18,883	25,586	23,964	20,716
Interest expenses	5,484	3,925	4,071	14,202	7,728	7,535
Net interest income before provisions	15,370	15,641	14,812	11,384	16,236	13,181
Provision for possible loan losses	-370	-247	0	652	45	-60
Net interest income after provisions	15,000	15,394	14,812	12,036	16,281	13,121
Commission income	18,720	24,208	28,085	25,673	35,558	22,618
Commission expenses	2,793	3,207	3,817	3,762	4,696	2,824
Net commission income	15,927	21,001	24,268	21,911	30,862	19,794
Income/loss from investments and securities portfolio	775	2,224	492	1,269	1,515	2,391
Administrative expenses	27,961	28,351	24,689	31,493	28,795	25,319
Personnel costs	8,101	7,934	6,808	8,830	7,856	6,202
Other administrative expenses	16,126	16,434	13,667	18,070	17,498	16,217
Marketing costs	3,031	2,439	2,661	4,233	4,027	5,238
Communication costs	1,697	858	778	709	783	682
Consulting costs	2,038	1,972	880	4,506	2,521	1,739
External services	4,832	4,420	3,820	4,870	5,578	5,097
Sundry operating expenses	4,528	6,745	5,528	3,752	4,589	3,461
Depreciation on office furniture and equipment and intangible assets	3,734	3,983	4,214	4,593	3,441	2,900
Other operating result	957	98	1,938	3,494	1,110	2,041
Profit from ordinary activities	4,698	10,366	16,821	7,217	20,973	12,028
Pre-tax profit	4,698	10,366	16,821	7,217	20,973	12,028
Taxes on income	2,275	4,164	6,093	3,209	7,431	2,961
After-tax profit	2,423	6,202	10,728	4,008	13,542	9,067
Net profit	2,423	6,202	10,728	4,008	13,542	9,067

* unaudited

Statement of changes in equity

The changes in the group's equity were as follows in the period under review:

€ thousand	2004	2003
Equity as of 1.1.	584,287	563,708
Changes in the financial year		
a) Subscribed capital	3	0
b) Capital reserve	15	0
c) Retained earnings	555	-945
Differences arising from currency translation and other changes	555	-945
d) Revaluation reserve	-190	1,606
e) Dividend payout comdirect bank AG	-22,481	-
f) Consolidated profit 1.1. to 30.6.	22,609	8,625
Equity as of 30.6.	584,798	572,994

Cash flow statement

€ thousand	2004	2003
Cash and cash equivalents as of 1.1.	1,749	5,181
Cash flow from operating activities	132,116	1,687
Cash flow from investing activities	1,091	-1,344
Cash flow from financing activities	-39,080	0
Effects of changes in exchange rates	555	-945
Cash and cash equivalents as of 30.6.	96,431	4,579

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/loss, changes in assets and liabilities from operating activities after correction for 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.

Financial calendar 2004/2005

21 October 2004	Nine-month report 2004
14 February 2005	Press/Analysts' conference in Frankfurt/Main
15 March 2005	Annual report 2004
22 April 2005	Quarterly report 2005
4 May 2005	Annual general meeting
21 July 2005	Half-year report 2005
21 October 2005	Nine-month report 2005

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Concept and layout

ergo Unternehmenskommunikation, Cologne/Frankfurt am Main

