

Additional information

53 Equity management

Through equity management, comdirect bank aims to meet regulatory capital requirements, to maintain adequate capital levels at all times to ensure that the bank has the capacity to act, and to achieve an appropriate return on equity.

Risk-bearing capacity analysis

The risk-bearing capacity analysis, i.e. the economically required capital as compared with the available risk cover potential, is used to limit the overall risk of the bank in conjunction with the capital levels. The overall risk position represents comdirect's economically required capital for all key risk types (operational risk, credit risk, market risk, model risk and business risk). The risk cover potential comprises the subscribed capital, capital reserve and retained earnings, result and the revaluation reserve after tax. Other intangible assets, such as software licences or internally generated software and deferred tax are deducted from the risk cover potential as correction items. The risk-bearing capacity is guaranteed as long as the risk cover potential available exceeds the overall risk position.

The economically required capital is measured using the value-at-risk (VaR) approach based on a confidence level of 99.91% and a holding period of one year.

The risk cover potential comprised as the following:

€ million	31.12.2012	31.12.2011
Profit after tax ¹⁾	72.9	111.8
Subscribed capital	141.2	141.2
Revaluation reserve	55.5	11.3
General reserves	315.7	283.0
Other intangible assets	-31.8	-30.6
Deferred tax assets and liabilities	-16.8	-6.4
Economic capital	536.7	510.3
Reserve for fluctuations in economic capital	-101.7	-76.3
Risk cover potential	435.0	434.0

1) After-tax profit/loss in 2012 in accordance with the income statement of the comdirect group after allowing for a deduction of €0.5m for expected loss from financial investments recognised at fair value in equity (no adjustment to comparative 2011 figure).

comdirect bank's overall risk position as of year-end was €159.4m (2011: €235.2m). As of the end of the financial year, utilisation of risk cover potential was thus 36.6% (2011: 54.2%). The risk report contains further details on the overall risk position.

Equity resources in accordance with Section 10, German Banking Act (KWG)

comdirect bank AG is an institution registered in Germany and is a subordinate company within an institution group pursuant to Section 10a (1) of the German Banking Act (KWG). In this capacity, comdirect bank AG has exercised the waiver under Section 2a of the German Banking Act (KWG). comdirect bank AG is included in the regulatory report of the Commerzbank Group.

The regulatory capital of comdirect bank AG is determined on the basis of the regulations of the German Banking Act (KWG) and the results of the calculation are used for internal management purposes. A separate notification of this is not submitted to the regulatory authorities. The equity in comdirect bank AG's individual financial statements in accordance with the requirements of the German Commercial Code (HGB) is used as a basis.

Banking regulatory capital requirements were complied with at all times during the reporting year. At comdirect bank AG, the own funds ratio as of the end of the financial year stood at 46.08% (in accordance with Section 2 (6) of the Solvency Regulation (SolVV), previous year: 40.14%).

€ thousand	31.12.2012	31.12.2011	Change in %
Subscribed capital	141,221	141,221	0.0
General reserves	255,367	218,110	17.1
Deducted items	-10,642	-3,406	212.4
Core capital	385,946	355,925	8.4
Liable equity	385,919	355,898	8.4
Own funds for SolvV	380,259	351,263	8.3
Risk-weighted assets	635,481	513,871	23.7
Eligible amount for operational risks, multiplied by 12.5	189,749	361,213	-47.5
Total	825,230	875,084	-5.7

54 Maturities, by remaining lifetime

€ thousand	Remaining lifetimes as of 31 December 2012					
	Total	Due on demand and unlimi- ted in time	Up to three months	More than three months to one year	More than one to five years	More than five years
Claims on banks	7,929,839	661,728	472,843	1,196,768	5,428,500	170,000
Claims on customers	202,596	202,596	0	0	0	0
Bonds and other fixed-income securities in the "available-for-sale" portfolio	3,671,472	0	398,378	1,046,937	2,140,387	85,770
Total	11,803,907	864,324	871,221	2,243,705	7,568,887	255,770
Liabilities to banks	1,901	1,901	0	0	0	0
Liabilities to customers	11,737,489	10,732,485	224,542	171,930	424,004	184,528
Total	11,739,390	10,734,386	224,542	171,930	424,004	184,528

€ thousand	Remaining lifetimes as of 31 December 2011					
	Total	Due on demand and unlimited in time	Up to three months	More than three months to one year	More than one to five years	More than five years
Claims on banks	6,711,938	353,579	771,106	860,512	4,586,741	140,000
Claims on customers	224,691	223,757	934	0	0	0
Bonds and other fixed-income securities in the "available-for-sale" portfolio	3,829,733	0	335,473	1,223,281	2,193,685	77,294
Total	10,766,362	577,336	1,107,513	2,083,793	6,780,426	217,294
Liabilities to banks	3,244	3,244	0	0	0	0
Liabilities to customers	10,723,015	9,693,791	291,534	130,780	463,626	143,284
Total	10,726,259	9,697,035	291,534	130,780	463,626	143,284

Time remaining to maturity is considered as the period between the balance sheet date and the contractual maturity of the claim or obligation.

55 Claims on/liabilities to affiliated companies

€ thousand	31.12.2012	31.12.2011	Change in %
Assets			
Claims on banks	7,917,570	6,665,625	18.8
Financial investments	2,257,512	2,662,514	-15.2
Other assets	361	310	16.5
Total	10,175,443	9,328,449	9.1
Liabilities			
Liabilities to banks	0	2,709	-100.0
Other liabilities	5,081	5,923	-14.2
Total	5,081	8,632	-41.1

Money and capital market investments carried out via companies in the Commerzbank Group are collateralised within the scope of a general assignment agreement.

56 Risk reporting on financial instruments

Risk management

The risk strategy is determined by the Board of Managing Directors of comdirect bank, which also bears the responsibility for the group-wide risk management and risk controlling system.

At comdirect bank, the CFO is responsible for monitoring and implementing the risk strategy.

The implementation and monitoring of the risk strategy is carried out through risk management on the one hand and risk controlling on the other. The task of risk management is to proactively and consciously manage all risks in the relevant divisions. For effective value-oriented overall bank management, risk management is carried out on a decentralised basis in the individual divisions. The task of risk controlling is to identify, evaluate, limit and continually monitor risks and to report to the Board of Managing Directors regularly on the respective risk situation.

Credit risk

The credit risk describes the risk of a financial loss as a result of a borrower being unable to pay or to pay on time the contractually agreed consideration.

One of the methods used to monitor credit risk is the monthly calculation of the CVaR for lending to customers as well as for the treasury business. Credit risks are therefore part of global bank management.

Maximum credit risk

The maximum default risk from financial instruments in the unlikely case of simultaneous complete default by all borrowers is equal to the book value of the financial instruments in question.

The maximum default risk for Commerzbank group companies is €10,175m (2011: €9,328m). These default risks are fully covered by collateral via an assignment agreement with Commerzbank AG. Of the €202.6m (2011: €224.7m) in claims on customers on the balance sheet, default risks from loans against securities in the amount of €123.6m (2011: €150.0m) are covered by securities pledged as collateral by customers.

Credit quality of financial assets that are neither overdue nor impaired

€ thousand	31.12.2012	31.12.2011	Change in %
Banks	12,083,946	10,944,255	10.4
Cash reserve	551,760	527,849	4.5
Claims on banks	7,929,839	6,711,938	18.1
Financial investments	3,602,347	3,704,468	-2.8
– Bonds	3,602,347	3,704,468	-2.8
Retail customers	177,275	202,069	-12.3
– Claims on customers	177,275	202,069	-12.3
Public sector issuers	69,125	125,265	-44.8
Financial investments	69,125	125,265	-44.8
– Bonds	69,125	125,265	-44.8
Corporates	19,925	16,189	23.1
Claims on customers	19,925	16,189	23.1
Total	12,350,271	11,287,778	9.4

Overdue, but as yet unimpaired financial assets

€ thousand	Claims on customers		Change in %
	31.12.2012	31.12.2011	
Age structure			
– 30 to 90 days	2,233	2,757	-19.0
– 91 to 179 days	411	653	-37.1
– 180 days and over	2,113	2,337	-9.6
Total	4,757	5,747	-17.2

Individually impaired financial assets

€ thousand	Claims on customers		
	31.12.2012	31.12.2011	Change in %
Volume of claims individually impaired	1,390	1,269	9.5
Impairment	-750	-583	28.6
Book value	640	686	-6.7

The risk report contains further details on the origin and cause of credit risk, on risk quantification and management as well as information on the current risk situation.

Liquidity risk

Liquidity risk in the narrower sense is understood as the risk that the bank will be unable to meet or to meet on time its current and future payment obligations. The wider definition of liquidity risk also encompasses refinancing risk, that is the risk that the liquidity will not be sufficient if required or that it can only be acquired in the money and capital markets at terms that are significantly less favourable than expected – as well as market liquidity risk.

The latter describes the risk of being unable to close out positions to the desired extent or only at a loss as a result of inadequate market depth or market disturbances.

Payment claims under financial assets in accordance with contractually agreed maturities

€ thousand	Remaining lifetimes as of 31 December 2012				
	Book value	Due on demand	Up to one year	More than one to five years	More than five years
Non-derivative financial instruments					
- Cash reserve	551,760	551,760	0	0	0
- Claims on banks	7,929,839	661,728	1,678,329	5,757,051	230,602
- Claims on customers	202,596	204,638	0	0	0
- Bonds and notes	3,671,472	0	1,474,228	2,255,679	96,112
Total	12,355,667	1,418,126	3,152,557	8,012,730	326,714

€ thousand	Remaining lifetimes as of 31 December 2011				
	Book value	Due on demand	Up to one year	More than one to five years	More than five years
Non-derivative financial instruments					
- Cash reserve	527,849	527,849	0	0	0
- Claims on banks	6,711,938	353,579	1,645,014	4,997,366	195,881
- Claims on customers	224,691	226,565	0	0	0
- Bonds and notes	3,829,733	0	1,583,859	2,339,257	97,833
Total	11,294,211	1,107,993	3,228,873	7,336,623	293,714

Payment obligations under financial liabilities in accordance with contractually agreed maturities

€ thousand	Remaining lifetimes as of 31 December 2012				
	Book value	Due on demand	Up to one year	More than one to five years	More than five years
Non-derivative financial liabilities					
- Liabilities to banks	1,901	1,901	0	0	0
- Liabilities to customers	11,737,489	10,732,485	396,624	459,906	244,024
Derivative financial liabilities					
- Negative fair values from derivative hedging instruments	5,278	0	3,518	3,398	0
Credit obligations					
- Private customers	0	3,614,001	0	0	0
of which from loans against securities	0	2,411,443	0	0	0
Total	11,744,668	14,348,387	400,142	463,304	244,024

€ thousand	Remaining lifetimes as of 31 December 2011				
	Book value	Due on demand	Up to one year	More than one to five years	More than five years
Non-derivative financial liabilities					
- Liabilities to banks	3,244	3,244	0	0	0
- Liabilities to customers	10,723,015	9,693,791	423,161	508,977	193,614
Derivative financial liabilities					
- Negative fair values from derivative hedging instruments	4,496	0	3,624	7,234	0
Credit obligations					
- Private customers	0	3,270,831	0	0	0
of which from loans against securities	0	2,736,039	0	0	0
Total	10,730,755	12,967,866	426,785	516,211	193,614

The loan commitments result from credit facilities granted, less those utilised as at the reporting date.

The possible loan utilisation for loans against securities is limited by the specific collateral value of each securities portfolio.

The risk report contains further details on the origin and cause of liquidity risk, on risk quantification and management as well as information on the current risk situation.

Market risk

Market price risks encompass the risk of loss from changes in market parameters (in particular interest rates, credit spreads, exchange rates and share prices).

The statistical/mathematical approach of historic simulation to calculate the value-at-risk values is used to quantify and monitor general market price risks on a daily basis. The value-at-risk describes the maximum loss under normal market conditions for a specific probability (confidence level) and specific holding period. The underlying statistical parameters are based on a historic monitoring period of the past 255 trading days, a holding period of one day and a confidence level of 97.5%.

The key feature of the historic simulation is that it does not use a parametric model for the risk factors. Historic market data and its empirical distribution function is used directly. A portfolio value is obtained for every day of the historic monitoring period. For a monitoring period of 255 days, a confidence level of 97.5% and a holding period of one day, the value-at-risk is the seventh highest daily loss in the historic monitoring period.

Stress tests are carried out at comdirect bank AG to monitor extreme market movements. The stress figure shows the maximum portfolio loss under worst case conditions. The respective maximum losses in the scenarios for the share price, interest rate, credit spreads and foreign currency risk factors are added together and are shown in the overall stress volume.

Market risks

€ thousand	As of 31.12.2011	As of 31.12.2012	Year high	Year low	Median 2012	Median 2011
Total VaR 97.5%						
Holding period 1 day	4,348	2,689	4,443	2,257	3,518	5,263
Stress test – overall result ¹⁾	62,539	108,284	119,627	102,278	110,966	83,363

¹⁾ The increase in stress since the beginning of financial year 2012 is a result of the implementation of a new calculation method for the credit spread stress test from a standalone perspective (more consideration given to the risk concentration of the treasury portfolio in Commerzbank Group positions).

The risk report contains further details on the origin and cause of market risk, on risk quantification and management as well as information on the current risk situation.

57 Fair Value of financial instruments

The table below shows the fair values of balance sheet items compared with their book values. The fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Where stock market prices were available, these were used for the measurement of financial instruments. In the event that no market price was available, measurements were carried out using internal measurement models with current market price parameters. In this connection, the net present value method was used in particular.

€ thousand	Fair value		Book value	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Loans and receivables				
- Cash reserve	551,760	527,849	551,760	527,849
- Claims on banks	8,156,766	6,680,670	7,929,839	6,711,938
- Claims on customers	202,596	224,691	202,596	224,691
Total	8,911,122	7,433,210	8,684,195	7,464,478
Available for sale financial assets				
- Financial investments	3,709,668	3,861,587	3,709,668	3,861,587
Total	3,709,668	3,861,587	3,709,668	3,861,587
Liabilities measured at amortised cost				
- Liabilities to banks	1,901	3,244	1,901	3,244
- Liabilities to customers	12,010,273	10,707,396	11,737,489	10,723,015
Total	12,012,174	10,710,640	11,739,390	10,726,259
Other				
- Negative fair values from derivative hedging instruments	5,278	4,496	5,278	4,496

For short-term claims on banks of €1,238,768 thousand (2011: €1,136,677 thousand), short-term claims on customers of €202,596 thousand (2011: €224,691 thousand), short-term liabilities to banks of €1,901 thousand (2011: €3,244 thousand) and short-term liabilities to customers of €279,623 thousand (2011: €3,305,102 thousand), the fair value was equated to the book value for simplification purposes. The level of liabilities to customers, where the economic maturities are subject to modelling, was again extended significantly in the reporting year.

58 Fair Value hierarchy

The following table contains the full portfolio of financial instruments that have been valued at fair value. The fair values are also classified into three levels:

Level 1:

Prices quoted in active markets (not adjusted) for identical assets or liabilities.

Level 2:

Exemplary prices calculated with the exception of the quoted prices included in Level 1, which can be observed for assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3:

Exemplary prices calculated for assets or liabilities, which are not based on observable market data (non-observable input data).

€ thousand	31.12.2012			
	Total	Level 1	Level 2	Level 3
Available for sale financial assets				
– Financial investments	3,709,641	1,785,826	1,923,815	0
Other				
– Negative fair values from derivative instruments	5,278	0	5,278	0
Total	3,714,919	1,785,826	1,929,093	0

€ thousand	31.12.2011			
	Total	Level 1	Level 2	Level 3
Available for sale financial assets				
– Financial investments	3,861,560	1,684,092	2,177,468	0
Other				
– Negative fair values from derivative instruments	4,496	0	4,496	0
Total	3,866,056	1,684,092	2,181,964	0

There were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy.

59 Net result from financial instruments

The following table shows the net result before income tax per financial instrument category within the meaning of IAS 39.

€ thousand	31.12.2012	31.12.2011	Change in %
Loans and receivables			
- Interest income	164,894	152,575	8.1
- Provisions for possible loan losses	-1,148	-1,159	-0.9
Net result	163,746	151,416	8.1
Available for sale financial assets			
- Fair value changes (recognised in equity)	63,087	-32,079	-
- Valuation results reposted from the revaluation reserve to the income statement	620	2,886	-78.5
- Results of sales reposted from the revaluation reserve to the income statement	-4,310	3,103	-238.9
Sub-total: change in revaluation reserve before tax	59,397	-26,090	-
- Interest income	97,704	115,205	-15.2
- Amortisation hedge adjustments	-26	0	-
- Dividends and similar income	1,272	1,309	-2.8
- Results from financial investments	3,690	-5,989	-
- Change in hedged fair value from hedging instruments	690	2,542	-72.9
Net result	162,727	86,977	87.1
Liabilities measured at amortised cost			
- Interest expenses	-109,691	-117,778	-6.9
Net result	-109,691	-117,778	-6.9
At fair value through profit or loss: held for trading			
- Trading result	0	-1,128	-100.0
Net result	0	-1,128	-100.0
Other: derivative hedging instruments			
- Net interest income	-2,079	-394	427.7
- Change in fair value from hedging instruments	-698	-2,493	-72.0
Net result	-2,777	-2,887	-3.8

60 Average number of employees during the reporting period

	2012			2011			Change (Total) in %
	Total	Female	Male	Total	Female	Male	
At comdirect bank AG	938	475	463	918	462	456	2.2
- in the call centre	359	203	156	357	204	153	0.6
- in the back office	135	103	32	130	99	31	3.8
- in other areas	444	169	275	431	159	272	3.0
At ebase GmbH	224	139	85	216	133	83	3.7
Average number of employees during the reporting period	1,162	614	548	1,134	595	539	2.5

The employee details listed above include full-time and part-time staff. The number of employees does not include the average number of trainees in the group in financial year 2012.

	2012			2011			Change (Total) in %
	Total	Female	Male	Total	Female	Male	
At comdirect bank AG	24	10	14	23	8	15	4.3

61 Income statement of comdirect group according to IAS/IFRS – year-to-year comparison

€ thousand	1.1. to 31.12.2012	1.1. to 31.12.2011	1.1. to 31.12.2010	1.1. to 31.12.2009	1.1. to 31.12.2008
Interest income	263,870	269,090	211,280	265,865	482,303
Interest expenses	112,069	118,243	109,206	157,172	318,898
Net interest income before provisions	151,801	150,847	102,074	108,693	163,405
Provisions for possible loan losses	-4,430	-1,331	-255	1,299	-1,172
Net interest income after provisions	147,371	149,516	101,819	109,992	162,233
Commission income	287,015	292,434	281,227	248,539	314,475
Commission expenses	120,599	109,849	108,455	99,782	137,441
Net commission income	166,416	182,585	172,772	148,757	177,034
Result from hedge accounting	-8	49	-22	0	-133
Trading result	0	-1,128	0	836	540
Result from financial investments	3,690	-5,989	9,919	20,850	-19,294
Administrative expenses	236,702	232,074	210,028	198,918	242,774
- Personnel expenses	68,958	67,465	62,563	62,341	58,795
- Other administrative expenses	152,249	147,877	133,404	124,201	171,836
Marketing expenses	56,000	57,208	53,021	41,441	80,210
Communication expenses	8,790	6,450	4,353	7,022	8,810
Consulting expenses	11,698	10,832	7,334	11,702	14,019
Expenses for external services	38,094	36,467	30,258	25,435	30,347
Sundry administrative expenses	37,667	36,920	38,438	38,601	38,450
- Depreciation of office furniture and equipment and intangible assets	15,495	16,732	14,061	12,376	12,143
Other operating result	11,519	15,117	6,414	3,421	5,148
Operating result	92,286	108,076	80,874	84,938	82,754
Restructuring expenses	0	0	0	8,945	0
Pre-tax profit/ Profit from ordinary activities	92,286	108,076	80,874	75,993	82,754
Taxes on income	18,928	-3,687	21,240	19,369	21,916
Net profit	73,358	111,763	59,634	56,624	60,838

Statement of comprehensive income of comdirect group according to IAS/IFRS – year-to-year comparison

€ thousand	1.1. to 31.12.2012	1.1. to 31.12.2011	1.1. to 31.12.2010	1.1. to 31.12.2009	1.1. to 31.12.2008
Net profit	73,358	111,763	59,634	56,624	60,838
Change in the revaluation reserve before tax	59,397	-26,090	-28,583	83,280	-2,504
Taxes	-15,194	6,690	7,708	-21,659	-363
Change in the revaluation reserve after tax	44,203	-19,400	-20,875	61,621	-2,867
Comprehensive income	117,561	92,363	38,759	118,245	57,971

The figures for financial year 2008 were adjusted to account for the contributions from ebase GmbH.

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

€ thousand	2012			
	Q1	Q2	Q3	Q4
Interest income	73,619	68,010	63,258	58,983
Interest expenses	31,608	30,381	25,830	24,250
Net interest income before provisions	42,011	37,629	37,428	34,733
Provisions for possible loan losses	-119	-859	-3,435	-17
Net interest income after provisions	41,892	36,770	33,993	34,716
Commission income	72,418	68,888	71,456	74,253
Commission expenses	28,247	29,533	29,726	33,093
Net commission income	44,171	39,355	41,730	41,160
Result from hedge accounting	14	-18	6	-10
Trading result	0	0	0	0
Result from financial investments	1,549	686	603	852
Administrative expenses	59,506	53,214	60,413	63,569
- Personnel expenses	16,366	17,459	17,683	17,450
- Other administrative expenses	39,650	32,104	38,281	42,214
Marketing expenses	15,775	9,679	12,800	17,746
Communication expenses	1,765	1,933	2,613	2,479
Consulting expenses	3,045	2,956	3,322	2,375
Expenses for external services	8,446	9,120	10,620	9,908
Sundry administrative expenses	10,619	8,416	8,926	9,706
- Depreciation of office furniture and equipment and intangible assets	3,490	3,651	4,449	3,905
Other operating result	1,117	290	3,814	6,298
Pre-tax profit	29,237	23,869	19,733	19,447
Taxes on income	7,175	6,373	5,359	21
Net profit	22,062	17,496	14,374	19,426

Statement of comprehensive income of comdirect group according to IAS/IFRS on a quarterly comparison

€ thousand	2012			
	Q1	Q2	Q3	Q4
Net profit	22,062	17,496	14,374	19,426
Change in the revaluation reserve before tax	42,558	-574	17,285	128
Taxes	-10,994	-155	-4,182	137
Change in the revaluation reserve after tax	31,564	-729	13,103	265
Comprehensive income	53,626	16,767	27,477	19,691

€ thousand	2011			
	Q1	Q2	Q3	Q4
Interest income	59,777	64,858	70,912	73,543
Interest expenses	26,515	27,234	31,560	32,934
Net interest income before provisions	33,262	37,624	39,352	40,609
Provisions for possible loan losses	-148	-419	-474	-290
Net interest income after provisions	33,114	37,205	38,878	40,319
Commission income	79,649	68,449	77,369	66,967
Commission expenses	29,505	28,141	27,107	25,096
Net commission income	50,144	40,308	50,262	41,871
Result from hedge accounting	-60	-231	297	43
Trading result	-255	222	-1,088	-7
Result from financial investments	-1,201	147	-1,364	-3,571
Administrative expenses	58,724	52,322	59,092	61,936
- Personnel expenses	15,792	17,005	18,176	16,492
- Other administrative expenses	39,437	31,788	36,781	39,871
Marketing expenses	14,599	11,294	13,793	17,522
Communication expenses	2,493	-25	1,938	2,044
Consulting expenses	1,989	2,638	2,355	3,850
Expenses for external services	9,837	9,300	10,127	7,203
Sundry administrative expenses	10,519	8,581	8,568	9,252
- Depreciation of office furniture and equipment and intangible assets	3,495	3,529	4,135	5,573
Other operating result	1,840	236	303	12,738
Pre-tax profit	24,858	25,565	28,196	29,457
Taxes on income	6,623	6,709	7,738	-24,757
Net profit	18,235	18,856	20,458	54,214

Statement of comprehensive income of comdirect group according to IAS/IFRS on a quarterly comparison

€ thousand	2011			
	Q1	Q2	Q3	Q4
Net profit	18,235	18,856	20,458	54,214
Change in the revaluation reserve before tax	-31,353	11,295	-7,632	1,600
Taxes	8,084	-2,951	1,559	-2
Change in the revaluation reserve after tax	-23,269	8,344	-6,073	1,598
Comprehensive income	-5,034	27,200	14,385	55,812

63 Segment reporting by business line

€ thousand	1.1. to 31.12.2012			
	B2C	B2B	Consolidation	comdirect group total
Interest income	263,151	1,165	-446	263,870
Interest expenses	112,016	499	-446	112,069
Net interest income before provisions	151,135	666		151,801
Provisions for possible loan losses	-4,430	0		-4,430
Net interest income after provisions	146,705	666		147,371
Commission income	134,518	152,509	-12	287,015
Commission expenses	14,179	106,420		120,599
Net commission income	120,339	46,089	-12	166,416
Result from hedge accounting	-8	0		-8
Trading result	0	0		0
Result from financial investments	3,878	-188		3,690
Administrative expenses	198,662	38,222	-182	236,702
Other operating result	10,683	1,006	-170	11,519
Pre-tax profit	82,935	9,351		92,286
Segment investments	11,010	5,699		16,709
Segment depreciation	12,093	3,402		15,495
Cost/income ratio	69.5%	80.3%		71.0%
Segment income	419,244	155,032		
- of which external income	419,074	154,574		
- of which inter-segmental income	170	458		
Segment expenses	336,309	145,681		

The management manages the comdirect group via two business lines: Business to Customer (B2C) and Business to Business (B2B). The B2C business line is comprised of comdirect bank AG and its five separate assets; ebase GmbH is comprised of the B2B business line.

The segmentation carried out reflects the internal perspective of the comdirect group and corresponds to the management approach. The respective customer groups in particular constitute the main delimitation feature of the business segments.

The figures for the B2B business segment were derived from the internal reporting of ebase GmbH and correspond to the contributions of ebase GmbH included in the income statement of the comdirect group.

In the comdirect group, net interest income is essentially generated by reinvesting customer deposits in the money and capital markets, whereby Commerzbank is a major business partner (see information on related party disclosures, note (26)). The interest income from money and capital market transactions in the amount of €188.6m exceeds 10% of the total income for the segments. This was earned almost exclusively in the B2C business line.

€ thousand	1.1. to 31.12.2011			
	B2C	B2B	Consolidation	comdirect group total
Interest income	266,992	2,116	-18	269,090
Interest expenses	117,033	1,228	-18	118,243
Net interest income before provisions	149,959	888		150,847
Provisions for possible loan losses	-1,331	0		-1,331
Net interest income after provisions	148,628	888		149,516
Commission income	157,113	135,321		292,434
Commission expenses	15,699	94,150		109,849
Net commission income	141,414	41,171		182,585
Result from hedge accounting	49	0		49
Trading result	-1,128	0		-1,128
Result from financial investments	-5,758	-231		-5,989
Administrative expenses	197,475	34,769	-170	232,074
Other operating result	13,763	1,524	-170	15,117
Pre-tax profit	99,493	8,583		108,076
Segment investments	12,153	4,317		16,470
Segment depreciation	13,603	3,129		16,732
Cost/income ratio	66.2%	80.2%		68.0%
Segment income	446,154	139,931		
- of which external income	445,984	139,913		
- of which inter-segmental income	170	18		
Segment expenses	346,661	131,348		

Net commission income in the B2C segment results predominantly from custody account business with private customers. In addition, commission is generated from payment services and other commission, e.g. from advisory services. In the B2C business segment impairments on financial investments amounting to €459 thousand were necessary (2011: €1,005 thousand). Furthermore, unscheduled depreciations were carried out on office furniture and equipment in the amount of €658 thousand.

Material non-cash income resulted from accrued interest. Non-cash income totalled €109.6m (2011: €107.2m).

Non-cash expenses mainly stemmed from depreciations, allocations to provisions, recognition of other liabilities and accrued interest in customer business. Non-cash expenses totalled €77.1m (2011: €69.6m).

In the B2B business line, net commission income is generated from securities services for institutional and private customers. Other sources of income, such as deposit business, are not material. Impairments on financial assets of €160 thousand were taken into account (2011: €178 thousand).

Material non-cash income resulted from deferred commission. Non-cash income totalled €36.5m (2011: €33.6m).

Non-cash expenses mainly stemmed from allocations to provisions. Non-cash expenses totalled €24.7m (2011: €21.7m).

The segment income and expenses reported relates to IFRS values and therefore correspond to the values stated in the consolidated income statement.

No total figures are stated for segment assets or segment debt as these values are not the object of reporting to management for management purposes.

64 Other liabilities

€ thousand	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	Up to one year	Up to one year	More than one year up to five years	More than one year up to five years	More than five years	More than five years
Rental payments	4,392	3,888	13,269	11,440	3,294	4,392
Lease payments	465	382	549	337	0	0
Total	4,857	4,270	13,818	11,777	3,294	4,392

The above table contains minimum lease payments under non-cancellable operating leases.

65 Fees for auditors

€ thousand	31.12.2012	31.12.2011	Change in %
Annual audits	376	336	11.9
Other certification services	172	147	17.0
Tax advisory services	112	250	-55.2
Other services	5	7	-28.6
Total	665	740	-10.1

The expenses shown in the table for services provided by PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft are stated net of VAT.

66 Corporate Governance Code

comdirect bank AG has submitted the Declaration of Compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) and has made it permanently available to shareholders on its website www.comdirect.de.

67 The company's Boards

Supervisory Board

Martin Zielke

Chairman

Member of the Board of Managing Directors of
Commerzbank AG,
Frankfurt/Main

Frank Annuscheit

Deputy Chairman

Member of the Board of Managing Directors of
Commerzbank AG,
Frankfurt/Main

Thorben Gruschka

Staff member IT Support department of comdirect bank AG,
Quickborn

Angelika Kierstein

Works Council Chairwoman of comdirect bank AG,
Department Support Finance, Controlling & Risk Manage-
ment of comdirect bank AG,
Quickborn

Georg Rönnerberg

Certified accountant and tax consultant,
Neu-Anspach

Sabine Schmittroth

Divisional Head of Sales Management in the Private
Customers & Private Banking segments
of Commerzbank AG,
Frankfurt/Main
(from 9 May 2012)

Karin Katerbau

Member of the Board of Managing Directors of BRE Bank SA,
Warsaw, Poland
(until 15 April 2012)

Board of Managing Directors

Dr. Thorsten Reitmeyer

Chairman of the Board of Managing Directors, CEO

Dr. Christian Diekmann

Member of the Board of Managing Directors, CFO

Martina Palte

Member of the Board of Managing Directors, COO
(from 1 July 2012)

Carsten Strauß

Member of the Board of Managing Directors, COO
(until 30 June 2012)

68 Seats on supervisory boards and other executive bodies

Members of the Supervisory Board of comdirect bank AG

Martin Zielke

Seats on statutory supervisory boards:

- Allianz Global Investors Kapitalanlagegesellschaft mbH, Frankfurt/Main
(until 31 August 2012)
- Commerz Real AG, Eschborn
Chairman
(until 19 June 2012, from 14 August 2012)
- Commerz Real Investmentgesellschaft mbH, Wiesbaden
Chairman
(until 19 June 2012, from 16 August 2012)

Sabine Schmittroth (from 9 May 2012)

Seats on statutory supervisory boards:

- Commerz Direktservice GmbH, Duisburg
Chairwoman

Karin Katerbau (until 15 April 2012)

Seats on comparable supervisory bodies:

- BRE Bank Hipoteczny SA, Warsaw
- BRE Leasing Sp. z.o.o., Warsaw
Deputy Chairwoman

Members of the Board of Managing Directors of comdirect bank AG

Dr. Thorsten Reitmeyer

Seats on statutory supervisory boards:

- Commerz Direktservice GmbH, Duisburg
(until 31 March 2012)

Seats on comparable supervisory bodies:

- European Bank for Fund Services GmbH (ebase), Aschheim

Dr. Christian Diekmann

Seats on comparable supervisory bodies:

- European Bank for Fund Services GmbH (ebase), Aschheim
Chairman

Martina Palte (from 1 July 2012)

Seats on comparable supervisory bodies:

- European Bank for Fund Services GmbH (ebase), Aschheim
(from 18 July 2012)

Carsten Strauß (until 30 June 2012)

Seats on statutory supervisory boards:

- Commerz Direktservice GmbH, Duisburg

Seats on comparable supervisory bodies:

- European Bank for Fund Services GmbH (ebase), Aschheim

69 Remuneration and loans to Board members

Remuneration for the Board of Managing Directors

The remuneration for the Board of Managing Directors of comdirect bank AG is set by the Supervisory Board. In addition to the non-performance related fixed compensation comprising the annual fixed salary and fringe benefits, the compensation also comprises a performance-related variable compensation component, which comprises a component due in the short term (short term incentive, STI) and a component with a long-term incentive effect (long term incentive, LTI). The STI and LTI will each be awarded half in the form of a cash payout and half as a share-based payment.

The variable compensation of the Board of Managing Directors therefore comprises the following components: STI cash payout, share-based STI, LTI cash payout and share-based LTI, whereby entitlement to a payout in respect of the LTI components is linked to suspensive conditions.

All members of the Board of Managing Directors also receive a company pension for their activities at comdirect bank AG.

Details of the compensation system for the Board of Managing Directors are provided in the Compensation Report.

In accordance with commercial law regulations, the overall remuneration for financial year 2012 includes the following compensation components: fixed remuneration, fringe benefits, STI cash payout, share-based STI and share-based LTI. In accordance with commercial law regulations, the portion of the 2012 LTI component to be settled as a cash payout is not reported until the suspensive conditions have been fulfilled and is shown as part of the overall compensation in 2015 in the amount to be determined at that time. The individual components below relate to the subheadings under IAS 24.16.

Mr Strauß stood down from the Board of Managing Directors with effect from the end of 30 June 2012. Ms Martina Palte was appointed member of the Board of Managing Directors for a period of three years with effect from 1 July 2012.

Taking into account commercial law regulations, compensation for the Board of Managing Directors totalling €1,311 thousand (2011: €1,533 thousand) was reported for financial year 2012.

Short-term benefits

€ thousand	Non-variable components		Value of fringe benefits		STI cash payout	
	2012	2011	2012	2011	2012	2011
Dr. Thorsten Reitmeyer	360	360	18	141	61	77
Dr. Christian Diekmann	270	230	18	16	43	47
Martina Palte (from 1 July 2012)	90	0	3	0	16	0
Carsten Strauß (until 30 June 2012)	115	230	3	6	65	103
Total	835	820	42	163	185	227

In financial year 2012, expenses were recorded in the income statement for the variable components due in the short term for Dr. Reitmeyer €64 thousand (2011: €101 thousand), Dr. Diekmann €45 thousand (2011: €62 thousand), for Ms Palte €17 thousand (2011: €0 thousand) and Mr Strauß €65 thousand (2011: €124 thousand).

Mr Strauß received continuous payments from comdirect bank until the expiration of his employment contract, amounting to €59 thousand, in the period from 30 June 2012 until 30 September 2012.

Share-based payment

Share-based components of variable compensation (compensation model from 2011)

One STI and one LTI component is settled in shares in Commerzbank AG as the ultimate parent company of com-direct bank AG. These are consequently to be viewed as share-based payment in accordance with IFRS 2. With regard to the LTI component, the expense is posted over a vesting period of four years. The full amount for the STI component is recognised as an expense in financial year 2012.

The compensation components shown in the table below are subject to suspensive conditions. The figures indicated represent the total amount of the volume granted for these compensation components and are determined on an indicative basis. They are deemed to constitute part of the overall remuneration for the specified year, even though they can be reduced or cancelled depending on the performance evaluation at the end of the waiting period or as a result of infringements of the objectives of the bank.

€ thousand	Share-based STI (Value upon granting)		Share-based LTI ¹⁾²⁾ (Value upon granting)	
	Tranche 2012	Tranche 2011	Tranche 2012	Tranche 2011
Dr. Thorsten Reitmeyer	61	77	91	115
Dr. Christian Diekmann	43	47	28	31
Martina Palte (from 1 July 2012)	16	0	10	0
Carsten Strauß (until 30 June 2012)	0	0	0	53
Total	120	124	129	199

- 1) The table shows the indicative figures calculated in the performance evaluation in respect of the performance-related variable compensation with long-term incentive effects (LTI component) upon granting. No entitlement is acquired in this regard until the end of a three-year waiting period, at the earliest. The amount can be reduced or cancelled depending on the results of a renewed performance evaluation at the end of the waiting period and will be settled in shares in the fourth year after the end of the financial year for which the remuneration components are granted, at the earliest. The value also fluctuates in line with the performance of Commerzbank shares until the time of issue. In accordance with DRS 17, the share-based LTI component has to be reported as part of the overall remuneration for the financial year in which the duty was performed.
- 2) The table shows the portion of the variable compensation for financial year 2011 granted to Mr Strauß in the form of Commerzbank share awards. The value fluctuates in line with the performance of Commerzbank shares during a three-year waiting period until the planned payout date. Furthermore, the amount can be reduced or cancelled if during the waiting period individual breaches of regulations and risk limits or individual misconduct in the sense of an infringement of the operating or strategic objectives or regulations of the bank are ascertained.

Performance share-based components

€ thousand	Share-based STI Tranche 2011		Share-based LTI Tranche 2011	
	Due for payment in the reporting year	Value upon granting	Evaluation as of 31.12.2012	Value upon granting
Dr. Thorsten Reitmeyer	68	77	104	115
Dr. Christian Diekmann	41	47	28	31
Martina Palte (from 1 July 2012)	0	0	0	0
Carsten Strauß (until 30 June 2012)	0	0	0 ¹⁾	53
Total	109	124	132	199

- 1) Mr Strauß was allocated 32,717 Commerzbank share awards as part of his variable compensation for 2011. The equivalent value of the shares was calculated on the basis of the average XETRA closing price for the period from June to August 2012, and Mr Strauß received a payment of €42 thousand in September 2012.

In financial year 2012, expenses were recorded in the income statement for Dr. Reitmeyer €111 thousand (2011: €135 thousand), Dr. Diekmann €59 thousand (2011: €71 thousand), for Ms Palte €19 thousand (2011: €0 thousand) and Mr Strauß €23 thousand (2011: €19 thousand) arising from the share-based compensation components illustrated.

Performance shares (compensation model until 2010)

In previous years, a compensation component was granted in the form of virtual, non-tradeable shares in comdirect bank AG (performance shares). These comprise the conditional right to a cash payout after a three-year waiting period. The performance shares were last issued in financial year 2010. Dr. Diekmann was the only active member of the Board of Managing Directors to hold performance shares from this tranche as at the reporting date; the 7,077 shares were granted to him for his activity on the board. These performance shares were valued at €5.41 per share as at the reporting date (€6.02 when granted). This corresponds to a total amount of €38 thousand (€43 thousand when granted). The realisable compensation from the performance shares may vary considerably from the figures stated and in particular may not apply at all as the final amounts for disbursement are not determined until the end of the term (blocking period) of the respective tranches.

Payments were made in the reporting period on performance shares relating to the tranche granted under the programme in financial year 2009. Dr. Diekmann received €114 thousand and Ms Palte €18 thousand. With regard to Ms Palte, this payment related to performance shares granted to her for her role as department head at comdirect. The value of Mr Strauß's remaining claim for performance shares was determined using a fair value measurement as at 23 April 2012 and compensated with a one-time payment of €159 thousand.

In the reporting year, €62 thousand (2011: €55 thousand) was recognised as an expense in the income statement for the performance shares granted to Dr. Diekmann and €92 thousand (2011: €107 thousand) to Mr Strauß for their activities on the Board of Managing Directors.

Other long term benefits (compensation model from 2011 onwards)

The following table shows the indicative figures calculated in the performance evaluation when granted. No entitlement is acquired in this regard until the end of a three-year waiting period at the earliest. The amount can be reduced or cancelled depending on the results of a renewed performance evaluation at the end of the waiting period and will be paid out in the fourth year after the end of the financial year in which the underlying duty was performed, at the earliest. Only then are the amounts included in the overall remuneration of the Board of Managing Directors.

Presentation of LTI component cash payout

€ thousand	Value upon granting	
	Tranche 2012	Tranche 2011
Dr. Thorsten Reitmeyer	91	115
Dr. Christian Diekmann	28	31
Martina Palte (from 1 July 2012)	10	0
Total	129	146

The amounts for each tranche are recognised as an expense on a pro rata basis over a total period of four years. In the reporting year, expenses relating to the LTI component with cash payout were incurred in the amount of €53 thousand (2011: €37 thousand) for Dr. Reitmeyer, €15 thousand (2011: €10 thousand) for Dr. Diekmann, and €3 thousand (2011: €0) for Ms Palte.

Post-employment benefits

The members of the Board of Managing Directors receive a pension commitment for their activities at comdirect bank AG. Accordingly, members of the Board of Managing Directors who were active as of the balance sheet date, are eligible for a claim to a capital payment. The company has formed pension provisions under IFRS for these future claims, the amount of which depends on the length of service, pensionable salary and current actuarial interest rate. The valuation is based on actuarial assessments, using the projected unit credit method, which are conducted by an independent actuary.

The pension obligations under IFRS towards members of the Board of Managing Directors who were active during the financial year developed as follows:

€ thousand	Dr. Thorsten Reitmeyer		Dr. Christian Diekmann		Martina Palte		Carsten Strauß	
	2012	2011	2012	2011	2012	2011	2012	2011
Pension obligation under IFRS (DBO) as of 1.1.	121	87	32	20	0	0	74	30
Change in financial year	90	34	29	12	3	0	-4	44
- of which service cost recognised in income statement	25	23	13	13	0	0	11	11
Pension obligation under IFRS (DBO) as of 31.12.	211	121	61	32	3	0	70	74

Regulations governing termination of employment

If comdirect bank prematurely terminates the appointment to the Board of a member of the Board of Managing Directors, the respective contract of employment is in principle continued until the end of the original term of office. Members of the Board of Managing Directors active as at the reporting date receive a maximum amount of up to two years' annual compensation, whereby the calculation is based on the compensation in the last full financial year prior to termination. There is no entitlement to further remuneration where termination takes place for good cause.

Mr Strauß stood down from the Board of Managing Directors with effect from the end of 30 June 2012. He received a severance payment of €772 thousand as compensation for the disadvantages associated with the early termination of his activities as member of the Board of Managing Directors.

Other information on active members of the Board of Managing Directors

In the past financial year, no member of the Board of Managing Directors has received payments, considerations or corresponding commitments from a third party in relation to their activities as a member of the Board of Managing Directors.

Members of the Board of Managing Directors performing board functions at subsidiaries or affiliated companies during the financial year only received reimbursement of expenses.

Information relating to former members of the Board of Managing Directors

The bank provides old-age provision for former members of the Board of Managing Directors or their surviving dependents. As of the balance sheet date, pension obligations under IFRS (defined benefit obligations) for former members of the Board of Managing Directors amounted to €3,886 thousand (2011: €3,367 thousand).

In financial year 2012, a total of €357 thousand (2011: €404 thousand) was paid to former members of the Board of Managing Directors of comdirect bank AG. A payment in performance shares was made to former members of the Board of Managing Directors amounting to €147 thousand (2011: €202 thousand) in the reporting year.

Remuneration for the Supervisory Board

The compensation of the Supervisory Board members is stipulated in the Articles of Association. In addition to a fixed compensation, the compensation scheme includes a separate component for committee activities and a variable component, which depends on the amount of the dividend to be distributed.

Provided that the financial statements of comdirect bank AG are adopted in their present form and that the annual general meeting approves the proposed appropriation of profit, the remuneration of members of the Supervisory Board will total €125 thousand (2011: €152 thousand). This comprises any applicable VAT and the remuneration breakdown by the members of the Supervisory Board is as follows:

€ thousand	Non-variable components		Variable components		Remuneration for committee activities		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Martin Zielke	0	0	0	0	0	0	0	0
Frank Annuscheit	0	0	0	0	0	0	0	0
Thorben Gruschka	12	12	17	23	0	0	29	35
Angelika Kierstein	12	12	17	23	3	3	32	38
Georg Rönneberg	12	12	17	23	6	3	35	38
Sabine Schmittroth (from 9 May 2012)	8	0	11	0	2	0	21	0
Dr. Achim Kassow (until 30 June 2011)	0	9	0	16	0	7	0	32
Karin Katerbau (until 15 April 2012)	3	3	5	5	1	0	9	8

Mr Zielke and Mr Annuscheit waived their compensation as members of the Supervisory Board for financial years 2011 and 2012.

Neither advance payments nor loans were extended. comdirect bank AG did not take on any contingent liabilities.

70 Holdings

Affiliated companies included in the consolidated financial statements:

Name	Domicile	Share of capital held in %	Equity in € thousand
European Bank for Fund Services GmbH (ebase)	Aschheim/Germany	100.0	33,095

SPEs (special funds) included in the consolidated financial statements as per IAS 27/SIC-12:

Name	Domicile	Share of capital held in %	Funds volume in € thousand
CDBS-Cofonds	Frankfurt/Main, Germany	100.0	109,156
CDBS-Cofonds II	Frankfurt/Main, Germany	100.0	94,041
CDBS-Cofonds III	Frankfurt/Main, Germany	100.0	105,881
CDBS-Cofonds IV	Frankfurt/Main, Germany	100.0	106,433
OP-Fonds CDBS V	Cologne/Germany	100.0	97,857

Other affiliated companies not included in the consolidated financial statements:

Name	Domicile	Share of capital held in %	Equity in € thousand
WST-Broker GmbH i. L.	Frankfurt/Main, Germany	54.0	93