
> Outlook and opportunity report

Forward-looking statements

We forecast future developments in the economy based on assumptions that are most probable from today's perspective. However, the bank's planning and all statements regarding future development are of course associated with uncertainty, especially in the current market situation. The actual development of the market environment or the bank can vary from the assumed trends.

Future strategic alignment

With its broad-based strategic position in online securities business and online banking, supplemented by its B2B business, the comdirect group has a robust business model. This will continue to represent the basis for growth and a sustainable increase in value in the future.

comdirect bank will exploit the unbroken trend towards web-based banking and securities transactions by further expanding its product range in brokerage and banking. At the same time, the bank aims to extend its promising position in web-based advisory models. Product-related initiatives are accompanied by measures to increase awareness of the brand. As a full-service and main bank for modern investors, comdirect bank intends to increase its market share in banking.

ebase will also leverage its good position in the market. Its specific expertise in white label products is expected to continue to be a key growth driver in the existing target customer segments. As a leading B2B bank, ebase additionally aims to cultivate the non-financials and near-financials segment.

Expected economic framework conditions

Global economic growth is likely to pick up again somewhat in 2013. In the eurozone, although the measures to combat the sovereign debt crisis are still tempering economic expectations as before, there is a good chance that the economy in the strong core countries will recover to a notable extent and many euro nations will return to growth. In the Southern peripheral countries however, the adjustment recession is likely to persist in 2013 and consequently current forecasts for the year as a whole are based on stagnation in the eurozone.

We expect the ECB to counter the collapse of the eurozone by keeping key lending rates low, buying up bonds and providing extensive liquidity. As a result, money market interest rates are set to remain extremely low in 2013 as well. Three-month EURIBOR could even drop below its average value for 2012.

In the bond market, the discrepancy between significantly negative real yields in the core countries and high yields for weaker credit ratings in the peripheral countries is expected to continue. Yields on German government bonds are likely to rise moderately at best, while countries in Southern Europe especially expect credit spreads to remain high. On the whole, we therefore expect the interest margin in deposit business to decline by comparison with the average for 2012.

The equity markets should be able to build on the upward trend of 2012, as long as the cautious recovery in the eurozone and the global economy remains stable. This is because equities have become more attractive by comparison with the returns offered by other forms of financial asset accumulation. However, ongoing weak global growth is likely to affect corporate profits and restrict upside price potential in the first half of 2013 at least. All in all, economists at Commerzbank expect the DAX to make significant gains over the course of the year. Nevertheless, their target price for the DAX of 8,500 is based primarily on the assumption that risk premiums in the equity markets will fall in the wake of a sustained easing of the eurozone debt crisis and stronger economic growth. It is not possible at the moment to assess whether the forecast positive sentiment will also stimulate securities trading.

Regardless of the development in the money and capital markets, we expect the long-term market and investor trends that favour the comdirect group's direct banking model to continue. An improved internet infrastructure, continually higher security standards and waning resistance to web-based banking models mean that bank customers are considering switching to a direct bank. With the comdirect and ebase apps, we are also benefiting from the growing trend towards banking by smartphone. Further opportunities stem from tighter regulations for asset managers and ebase can take advantage of these with its complete and largely standardised offering for asset accumulation, maintenance and drawdown.

Expected business performance and earnings situation

The comdirect group intends to continue its growth course in both business lines despite the ongoing difficulties in the market environment.

In the B2C business line, comdirect bank aims to once again comprehensively exploit its potential in banking, brokerage and advice in the future. New customer business will continue to centre on banking. Intensifying the marketing campaigns is set to help achieve the same fast-paced growth in the number of current and call money accounts as seen in previous years. Parallel to this, there will be continual improvements in the features offered by the current account and cards, as well as with respect to the security features in direct banking. Plans here include the introduction of the photoTAN. Despite the prevailing low interest rates, the deposit volume should rise further as a result of the growing number of current and call money accounts.

In brokerage, comdirect will further develop its offering for active traders. This relates to technical aspects such as the launch of a new trading front-end, as well as to the number of cooperation partners in LiveTrading and the terms and conditions. The successful flat-fee campaign in ETF trading will be continued. Furthermore, in future the bank will provide even more assistance for investors with regard to self-evaluation and structuring the right asset accumulation solution. In terms of products, processes and services, comdirect is thus well-placed to achieve significant net fund inflows from its customers in 2013 as well.

The initiatives in banking and brokerage will be flanked by measures to further improve the quality of Customer Services – including with regard to particularly active customers – as well as ongoing revision of the website.

In the B2B business line, the launch of the open custody account is scheduled for the first half of 2013. This opens up the opportunity to address additional target groups and thus reach more end customers overall, alongside B2B partners that are already connected. Sales will focus on the open custody account in 2013, along with the ebase Managed Depot custody account introduced in the fourth quarter of 2012 (see page 26) and company pensions. ebase is planning to increase the number of institutional partners in all of its existing customer segments and to develop the non-financials segment as well. As a result, the number of end customers, accounts and custody accounts should also outstrip the figure for the previous year.

We expect market conditions to remain challenging in financial year 2013. Persistently low market interest rates and bond yields will lead to a decline in net interest income. In the subsequent quarters, we expect net interest income to be slightly down on the level in the fourth quarter of 2012. Following a very cautious year 2012, we anticipate an upturn in trading activity by private customers in 2013. Coupled with projected higher sales follow-up commission due to higher prices in general, we consequently expect net commission income to improve. However, experience has shown that there is greater forecasting uncertainty when it comes to net commission income, and the absence of any impetus from the market for example, could adversely impact the trading behaviour of our customers. The other result, which primarily comprises the components result from financial investments and other operating result, was particularly dominated in financial years 2011 and 2012 by positive effects from tax appeal proceedings which were decided in the bank's favour; we are not expecting contributions of this nature in 2013. As in previous years, if appropriate we will exploit positive market opportunities as part of the active management of our Treasury portfolio.

Despite the trend towards weaker earnings overall by comparison with financial year 2012, we will continue to maintain our profitable growth course in order to utilise growth opportunities that arise in the changing retail business segment. Consequently, expenses for marketing and IT in particular will be significantly higher than the respective figures for 2012. In this respect, as in previous years, we will closely monitor our earnings development and cap the rise in administrative expenses if necessary.

Overall, as things presently stand, we assume that pre-tax profit in 2013 will be lower than the result for 2012. We will also continue to maintain our growth course beyond 2013 and at the moment have to assume that market conditions for this period will be largely unchanged. We therefore expect the result for financial year 2014 to be on a par with the level in 2013.

Expected financial situation

According to current forecasts, the financial situation and assets will be similar to the position in reporting year 2012.

> Details in accordance with Sections 289, 315 of the German Commercial Code (HGB) and explanatory report of the Board of Managing Directors of comdirect bank Aktiengesellschaft

Details in accordance with Sections 289 (4), 315 (4) of the German Commercial Code (HGB) and explanatory report of the Board of Managing Directors of comdirect bank Aktiengesellschaft

The details in the management report/group management report of comdirect bank AG in accordance with Sections 289 (4) and 315 (4) of the German Commercial Code (HGB) should provide third parties potentially interested in a takeover of comdirect bank AG with the information on the company relevant for a takeover.

Composition of the subscribed capital

As of the end of the financial year, the subscribed capital of the company amounts to €141,220,815.00. It is divided into 141,220,815 no-par value shares. The rights and obligations associated with these ordinary shares arise in particular from sections 12, 53a et seq., 118 et seq., 186 of the German Stock Corporation Act (AktG). The shares are bearer shares.

Restrictions affecting voting rights or the transfer of shares

There are no known restrictions relating to voting rights or the transfer of shares.

Direct or indirect holdings above 10% of the voting rights

Commerz Bankenholding Nova GmbH, Frankfurt/Main, which is a wholly-owned subsidiary of Commerzbank AG, Frankfurt/Main, in turn holds 81.13% of the capital of comdirect bank AG. There are no other direct or indirect shareholdings which exceed 10% of the voting rights.

Holders of shares with special rights, which grant controlling powers

There are no holders of shares with special rights conferring controlling powers. In particular, there are no rights to appoint members of the Supervisory Board pursuant to Section 101 (2) of the German Stock Corporation Act (AktG).

Type of voting rights control if employees participate in the capital and do not exercise their controlling rights directly

Where employees of comdirect bank AG hold interests in the capital of the company, they exercise the voting rights control directly.