

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.