



Quarterly Report III/2004

Foreword

Dear Shareholders,

As expected, the positive trend of H1 2004 did not continue in Q3. The capital markets were hit by fears of a revival in inflation and a cooling economy. A high oil price, fears of rising interest rates, the strong euro and the unpredictable outcome down to the last of the US election were responsible. As a result, trading volumes and volatility (VDAX) for Q3 fell to the lowest level since 2003.

Amid fluctuations, the DAX recorded only a slight loss in Q3 of 1.8%. The second-tier stock indices MDAX and SDAX clearly outperformed this figure again at 10.7% and 12.2% respectively. The TecDAX closed down a clear 8.4% on its opening value following poor leads from the USA. Even the major foreign indices showed no significant improvement after adjustment for exchange rate effects. The NASDAQ 100 Index slipped by 2.7% and the Dow Jones by 2.5%. The DJ Stoxx 50 closed up slightly (2.7%) while the Nikkei 225 had risen 0.4% at the end of the quarter.

The merger of SMS – Sobota, Maier & Stopp Wertpapierhandels GmbH with Baader Wertpapierhandelsbank AG marked the closing point of the company's successful integration. The takeover of Jörg D. Reuter Wertpapierhandels GmbH, the largest specialist for derivative products on the Frankfurt Stock Exchange, was a further milestone. This makes Baaderbank the market leaders in derivative products on the Frankfurt Stock Exchange with an interest of more than 75% of the market. The acquisition of CK trading Bank GmbH (in future: Baader Service Bank GmbH) on September 27, 2004 provides a basis for the Group to expand its service offering to institutional customers in Germany and abroad. The General Meeting in July 2004 resolved to expand the Company's business activities, as well as approving all the other items on the agenda. Particularly worthy of mention is the election of Helmut Schreyer as a member of the Supervisory Board in place of Josef Faltenbacher, who stepped down for personal reasons.

Group management report

Result of operations

Baader Wertpapierhandelsbank AG reported a net profit after taxes of €2,328 thousand for the first nine months of 2004. Although this represents an increase of around 400% compared with the prior-year period (€468 thousand), the subdued stock market environment and declining trading volumes in Q3 2004 led to a reduction in income from trading activities. Whereas the first two quarters generated highly satisfactory income of around €13.5 million, this figure was halved in Q3. At the same time, administrative costs increased slightly by 3% compared with the prior-year period, due to integration costs for SMS – Sobota, Maier & Stopp Wertpapierhandels GmbH. Therefore a loss from ordinary activities of €3,344 thousand was recorded in Q3 2004, resulting in a cumulative profit for the first nine months of €3,249 thousand (prior-year period: €547 thousand). The net income generated by Heribert Schollmeyer Wertpapierhandels GmbH and Jörg D. Reuter Wertpapierhandels GmbH is not included in the financial statements of September 30, 2004.

Net assets

At €146,933 thousand, total assets as of September 30, 2004 were up 7.0% on December 31, 2003 (€137,383 thousand). The decline in the item 'Loans and advances to other banks' and the increase in 'Deposits from other banks' are reflected in the item 'Intangible assets', which includes the acquired order books, and in the increase in the trading portfolio, as reported in the item 'Assets held for trading'. The decline in the 'Loans and advances to customers' item primarily affects cash funds. As of September 30, 2004 consolidated shareholders' equity amounted to €110,250 thousand and the equity ratio to 75.0%.

Financial position

On September 30, 2004, short-term loans and advances to other banks and available-for-sale securities and financial instruments amounted to €11,919 thousand, while short-term liabilities to banks totaled €10,548 thousand. The Group's liquidity was guaranteed at all times during the period under review.

Outlook

The clear outcome of the US presidential election eliminated one of the biggest sources of uncertainty for stock market developments. In contrast, imponderables remain in the current quarter due to fluctuations in the euro exchange rate and the oil price. The results of the first few weeks of the current quarter lead the Executive Board to continue expect a net profit for the fiscal year 2004.

Accounting policies

Baader Wertpapierhandelsbank AG makes use of the exempting provision of section 292(a) of the Handelsgesetzbuch (HGB – German Commercial Code). The following interim report was prepared in accordance with IAS 34 for the Baader Group as of September 30, 2004 in compliance with the International Accounting Standards/International Financial Reporting Standards (IASs/IFRSs) issued by the International Accounting Standards Board (IASB), as interpreted by the International Financial Reporting Interpretations Committee (IFRIC). The same accounting policies were used to prepare the interim report and determine the comparative figures for last year as were used in the consolidated financial statements as of December 31, 2003.

Consolidated companies

As of September 30, 2004, only Baader Management AG is included in the consolidated group of Baader Wertpapierhandelsbank AG. KST Wertpapierhandels AG was deconsolidated as of March 31, 2004. We did not consolidate the acquisitions Heribert Schollmeyer Wertpapierhandels GmbH and Jörg D. Reuter Wertpapierhandels GmbH, as their operating business had already been transferred in full to Baader Wertpapierhandelsbank AG. CK tr@ding Bank GmbH (in future: Baader Service Bank GmbH) will be fully consolidated on the reporting date of December 31, 2004.

Consolidated Balance Sheet (IAS)

September 30, 2004

| ASSETS | Notes | Sep. 30, 2004 | Dec. 31, 2003 |
|---|-------|-----------------------|----------------|
| | | € | €thousands |
| 1. Loans and advances to other banks | (9) | 8,509,961.82 | 14,059 |
| 2. Loans and advances to customers | (9) | 407,973.80 | 2,864 |
| 3. Allowance for losses on loans and advances | (9) | -163,469.99 | -188 |
| 4. Assets held for trading | (10) | 29,703,955.93 | 18,936 |
| 5. Available-for-sale financial instruments | (11) | 24,124,417.88 | 24,412 |
| 6. Investments in companies carried at equity | (12) | 961,212.46 | 1,025 |
| 7. Investment securities | (13) | 3,657,675.00 | 3,697 |
| 8. Property and equipment | (14) | 23,643,728.04 | 24,456 |
| 9. Intangible assets | (15) | 24,049,671.59 | 15,203 |
| 10. Recoverable income taxes | (16) | 1,069,373.45 | 1,475 |
| 11. Other assets | (17) | 2,834,547.28 | 2,820 |
| 12. Deferred tax assets | (16) | 28,134,461.07 | 28,624 |
| Total assets | | 146,933,508.33 | 137,383 |

| LIABILITIES AND SHAREHOLDERS' EQUITY | Notes | Sep. 30, 2004 | Dec. 31, 2003 |
|---|-------|-----------------------|----------------|
| | | € | €thousands |
| 1. Deposits from other banks | (18) | 24,325,035.33 | 15,099 |
| 2. Provisions | (19) | 6,605,024.15 | 7,508 |
| 3. Provisions for taxes | (20) | 462,390.00 | 0 |
| 4. Other liabilities and accruals | (21) | 4,788,750.55 | 5,675 |
| 5. Deferred tax liabilities | (20) | 502,696.17 | 514 |
| 6. Minority interest | | 0.00 | 813 |
| 7. Shareholders' equity | | | |
| a) Issued capital | | 22,408,684.00 | 22,409 |
| b) Share premium | | 83,559,806.85 | 82,856 |
| c) Revaluation reserve | | 131,571.22 | 214 |
| d) Consolidated net loss | | 4,149,550.06 | 2,295 |
| Total liabilities and shareholders' equity | | 146,933,508.33 | 137,383 |

Consolidated Income Statement (IAS)

for the period January 1 to September 30, 2004

| INCOME STATEMENT | Notes | € | Jan. 1 - Sep. 30, | Jan. 1 - Sep. 30, |
|--|-------|---------------|-------------------|-------------------|
| | | | 2004 | 2003 |
| | | | € | €thousands |
| 1. Interest income | (1) | 173,512.13 | | 417 |
| 2. Interest expense | (1) | -488,477.66 | | -491 |
| 3. Net interest expense | (1) | | -314,965.53 | -74 |
| 4. Allowance for losses on loans and advances | | | -30,727.94 | 0 |
| 5. Net interest expense after allowance for losses on loans and advances | | | -345,693.47 | -74 |
| 6. Fee and commission income | (2) | 13,227,443.34 | | 6,256 |
| 7. Fee and commission expense | (2) | -5,443,110.43 | | -5,024 |
| 8. Net fee and commission income | (2) | | 7,784,332.91 | 1,232 |
| 9. Net trading income | (3) | | 25,164,712.37 | 19,632 |
| 10. Net income from available-for-sale financial instruments | (4) | | 1,085,058.14 | 1,442 |
| 11. Net income from investment securities | (5) | | 175,875.00 | 185 |
| 12. Administrative expenses | (6) | | -31,382,377.37 | -29,093 |
| 13. Loss/profit from operations | | | 2,481,907.58 | -6,676 |
| 14. Other operating income | (7) | | 901,843.71 | 7,565 |
| 15. Other operating expenses | (7) | | -135,137.17 | -342 |
| 16. Income from ordinary activities | | | 3,248,614.12 | 547 |
| 17. Income taxes on profit | (7) | | -924,613.64 | -173 |
| 18. Net profit for the period before minority interest | | | 2,324,000.48 | 374 |
| 19. Minority interest in net profit | | | 4,167.50 | 94 |
| 20. Net profit for the period | | | 2,328,167.98 | 468 |
| 21. Accumulated income brought forward | | | 1,821,382.08 | 0 |
| 22. Consolidated net profit | | | 4,149,550.06 | 468 |

| | Jan. 1 - Sep. 30, | Jan. 1 - Sep. 30, |
|--------------------|-------------------|-------------------|
| | 2004 | 2003 |
| | € | € |
| Earnings per share | 0.10 | 0.02 |

| INCOME STATEMENT | | | | | | |
|--|-----------------|----------------|---------------|-----------------|----------------|---------------|
| QUARTERLY OVERVIEW | III/2004 | II/2004 | I/2004 | III/2003 | II/2003 | I/2003 |
| | €thsd. | €thsd. | €thsd. | €thsd. | €thsd. | €thsd. |
| 1. Net interest income/expense | -82 | -125 | -108 | -60 | 107 | -121 |
| 2. Allowance for losses on loans and advances | -1 | -55 | 25 | 0 | 0 | 0 |
| 3. Net interest income/expense after allowance for losses on loans and advances | -83 | -180 | -83 | -60 | 107 | -121 |
| 4. Net fee and commission income/expense | 2,753 | 2,328 | 2,703 | 893 | 458 | -119 |
| 5. Net trading income | 3,482 | 9,282 | 12,401 | 8,657 | 7,303 | 3,672 |
| 6. Net income/expense from available-for-sale financial instruments | 242 | -34 | 877 | 304 | 163 | 975 |
| 7. Net income from investment securities | 98 | 39 | 39 | 74 | 16 | 95 |
| 8. Administrative expenses | -10,096 | -9,533 | -11,753 | -9,758 | -9,976 | -9,359 |
| 9. Loss/profit from operations | -3,604 | 1,902 | 4,184 | 110 | -1,929 | -4,857 |
| 10. Other operating income | 280 | 408 | 214 | 361 | 4,747 | 2,457 |
| 11. Other operating expense | -20 | -57 | -58 | 500 | -754 | -88 |
| 12. Income/expense from ordinary activities | -3,344 | 2,253 | 4,340 | 971 | 2,064 | -2,488 |
| 13. Income taxes on profit from ordinary activities | 754 | -325 | -1,354 | -22 | 193 | -344 |
| 14. Net profit/loss the period before minority interest | -2,590 | 1,928 | 2,986 | 949 | 2,257 | -2,832 |
| 15. Minority interest in net profit/loss | 0 | 0 | 4 | 25 | -2 | 71 |
| 16. Net profit/loss for the period | -2,590 | 1,928 | 2,990 | 974 | 2,255 | -2,761 |
| 17. Accumulated income brought forward | 0 | 0 | 1,821 | 0 | 55 | -55 |
| 18. Consolidated net profit/loss | -2,590 | 1,928 | 4,811 | 974 | 2,310 | -2,816 |

Statement of Changes in Equity

for the period January 1 to September 30, 2004

| | Jan. 1 - Sep. 30, 2004 €thousands | Jan. 1 - Sep. 30, 2003 €thousands |
|--|---|---|
| Equity as of January 1 | 105,479 | 106,070 |
| Issued Capital | | |
| - Change in treasury shares | -1 | -199 |
| Share premium | | |
| - Change in treasury shares | -6 | -218 |
| - Adjustments from appropriation of profit | 872 | 0 |
| - Currency translation adjustments | 0 | 0 |
| - Adjustments from consolidation | -162 | 291 |
| Retained earnings | | |
| - Adjustments to appropriated profit | 0 | 0 |
| - Adjustments from consolidation | 0 | 0 |
| Revaluation reserves | | |
| - Remeasurement | -133 | -1,064 |
| - Deferred tax adjustments | 51 | 409 |
| Consolidated earnings | | |
| - Net profit for the period Jan. 1 - Sep. 30 | 4,149 | 468 |
| Equity as of September 30 | 110,249 | 105,757 |

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Cash Flow Statement

for the period January 1 to September 30, 2004

| | Jan. 1 - Sep. 30, 2004 €thousands | Jan. 1 - Sep. 30, 2003 €thousands |
|---|---|---|
| Profit for the period (incl. minority interest in net profit) | 2,328 | 468 |
| Cash-Flow from operating activities | 14,547 | -1,904 |
| Cash-Flow from investing activities | -20,875 | -12,308 |
| Cash-Flow from financing activities | -7 | -417 |
| Net change in cash and cash equivalents | -6,335 | -14,629 |
| Effect of exchange rate adjustments and changes in group structure | -1,758 | 2,181 |
| Cash and cash equivalents at beginning of period | 6,474 | 15,595 |
| Cash and cash equivalents at end of period | -1,619 | 3,147 |
| Composition of cash and cash equivalents at Sep. 30 | | |
| Loans and advances to other banks - payable on demand | 8,284 | 10,844 |
| Deposits from other banks - payable on demand | -9,903 | -7,697 |
| Cash and cash equivalents | -1,619 | 3,147 |

Notes to the Consolidated Income Statement

| (1) NET INTEREST INCOME | Jan. 1 - Sep. 30, 2004 | Jan. 1 - Sep. 30, 2003 | Change |
|-------------------------------------|---------------------------|---------------------------|---------------|
| | €thousands | €thousands | in % |
| Interest income from | 173 | 417 | -58.5 |
| - Lending and money market business | 173 | 417 | -58.5 |
| - Fixed-interest securities | 0 | 0 | 0.0 |
| Interest expenses | -488 | -491 | -0.6 |
| Total | -315 | -74 | -325.7 |

| (2) NET FEE AND COMMISSION EXPENSE | Jan. 1 - Sep. 30, 2004 | Jan. 1 - Sep. 30, 2003 | Change |
|-------------------------------------|---------------------------|---------------------------|--------------|
| | €thousands | €thousands | in % |
| Fee and commission income | 13,227 | 6,256 | 111.4 |
| - Securities and issue business | 393 | 198 | 98.5 |
| - Brokerage fees | 12,834 | 6,058 | 111.9 |
| Fee and commission expenses | -5,443 | -5,024 | 8.3 |
| - Brokerage fees | -1,319 | -821 | 60.7 |
| - Settlement fees | -4,040 | -4,106 | -1.6 |
| - Securities and issue business | -44 | -37 | 18.9 |
| - Other fee and commission expenses | -40 | -60 | -33.3 |
| Total | 7,784 | 1,232 | 531.8 |

| (3) NET TRADING INCOME | Jan. 1 - Sep. 30, 2004 | Jan. 1 - Sep. 30, 2003 | Change |
|---------------------------|---------------------------|---------------------------|-------------|
| | €thousands | €thousands | in % |
| Securities trading | 25,167 | 19,638 | 28.2 |
| - Interest and dividends | 732 | 198 | 269.7 |
| - Securities | 13,843 | 14,052 | -1.5 |
| - Options and futures | 319 | 5 | 6,280.0 |
| - Price differences | 10,273 | 5,383 | 90.8 |
| Foreign currencies | -2 | -6 | 66.7 |
| Total | 25,165 | 19,632 | 28.2 |

| (4) NET INCOME FROM AVAILABLE-FOR-SALE FINANCIAL INSTRUMENTS | Jan. 1 - Sep. 30, | Jan. 1 - Sep. 30, | Change in % |
|---|-------------------|-------------------|----------------|
| | 2004 | 2003 | |
| | €thousands | €thousands | |
| Interest and dividend income | 192 | 545 | -64.8 |
| - Fixed-interest securities | 0 | 497 | -100.0 |
| - Equities/ other non-fixed-interest securities | 9 | 48 | -81.3 |
| - Investments in associates | 183 | 0 | 100.0 |
| Gain on the sale of available-for-sale securities | 191 | 1,154 | -83.4 |
| - Equities/ other non-fixed-interest securities | 160 | 208 | -23.08 |
| - Investments in associates | 31 | 946 | -96.7 |
| Provision for depreciation | 702 | -257 | - |
| - Depreciations | -32 | -2,004 | -98.4 |
| - Appreciations | 734 | 1,747 | -58.0 |
| Total | 1,085 | 1,442 | -24.8 |

| (5) NET INCOME FROM INVESTMENT SECURITIES | Jan. 1 - Sep. 30, | Jan. 1 - Sep. 30, | Change in % |
|--|-------------------|-------------------|----------------|
| | 2004 | 2003 | |
| | €thousands | €thousands | |
| Interest income from | 176 | 185 | -4.9 |
| - Lending and money market business | 0 | 0 | 0.0 |
| - Fixed-interest securities | 176 | 185 | -4.9 |
| Provision for depreciation | 0 | 0 | 0.0 |
| Total | 176 | 185 | -4.9 |

| (6) ADMINISTRATIVE EXPENSES | Jan. 1 - Sep. 30, | Jan. 1 - Sep. 30, | Change in % |
|--|-------------------|-------------------|----------------|
| | 2004 | 2003 | |
| | €thousands | €thousands | |
| Staff costs | -16,209 | -15,265 | 6.2 |
| Other administrative expenses | -10,956 | -11,082 | -1.1 |
| Depreciation, amortization and write-downs on intangible assets and property and equipment | -4,217 | -2,746 | 53.6 |
| Total | -31,382 | -29,093 | 7.9 |

| (8) SEGMENT REPORTING | Specialist activities and proprietary trading | Institutional clients | Issues and equity investments | Others/ Consolidation | Group |
|---|--|--------------------------|-------------------------------------|--------------------------|---------------|
| € thousands | | | | | |
| Net interest income/expense | -321 | 0 | 6 | 0 | -315 |
| Allowance for losses | 30 | 1 | 0 | 0 | 31 |
| Net interest income/expense after allowance for losses on loans and advances | -351 | -1 | 6 | 0 | -346 |
| Net fee and commission income/expense | 6,074 | 1,332 | 378 | 0 | 7,784 |
| Net trading income | 22,286 | 2,837 | 42 | 0 | 25,165 |
| Net income/expense from available-for-sale financial instruments | 29 | 0 | 1,056 | 0 | 1,085 |
| Net income from at equity carried companies | 0 | 0 | 0 | 0 | 0 |
| Net income from investment securities | 176 | 0 | 0 | 0 | 176 |
| Net income/expense from financing activities | 22,491 | 2,837 | 1,098 | 0 | 26,426 |
| Direct allocated administrative expenses | 12,352 | 4,095 | 410 | 0 | 16,857 |
| Other operating net income/expenses | 707 | 9 | 51 | 0 | 767 |
| Earnings after direct allocated administrative expenses | 16,569 | 82 | 1,123 | 0 | 17,774 |
| Indirect allocated administrative expenses | 10,662 | 3,131 | 732 | 0 | 14,525 |
| Income/loss from ordinary activities | 5,907 | -3,049 | 391 | 0 | 3,249 |
| Risk-weighted assets | 92,888 | 9,231 | 10,720 | | 112,839 |
| Allocated capital | 80,980 | 23,727 | 5,543 | | 110,250 |
| Return on allocated capital based on income before taxes | 7.29% | -12.85% | 7.05% | | 2.95% |
| Average number of employees | 87 | 28 | 6 | 65 | 186 |

Consolidated Balance Sheet Disclosures

| (9) LOANS AND ADVANCES | Sep. 30, 2004 €thousands | Dec. 31, 2003 €thousands | Change in % |
|---|-----------------------------|-----------------------------|----------------|
| Loans and advances to other banks | 8,510 | 14,059 | -39.5 |
| - Payable on demand | 8,284 | 6,794 | 21.9 |
| - Other loans and advances | 226 | 7,265 | -96.9 |
| Loans and advances to customers | 408 | 2,864 | -85.8 |
| Allowance for losses on loans and advances | -163 | -188 | -13.3 |
| Total | 8,755 | 16,735 | -47.7 |

| (10) ASSETS HELD FOR TRADING | Sep. 30, 2004 €thousands | Dec. 31, 2003 €thousands | Change in % |
|--|-----------------------------|-----------------------------|----------------|
| Bonds and other fixed-interest securities | 7,935 | 671 | 1,082.6 |
| Equities and other non-fixed-interest securities | 21,769 | 18,265 | 19.2 |
| Total | 29,704 | 18,936 | 56.9 |

| (11) AVAILABLE-FOR-SALE FINANCIAL INSTRUMENTS | Sep. 30, 2004 €thousands | Dec. 31., 2003 €thousands | Change in % |
|--|-----------------------------|------------------------------|----------------|
| Unconsolidated affiliated companies | 10,182 | 0 | 100.0 |
| Investments in associates | 2,929 | 3,110 | -5.8 |
| Equities and other non-fixed-interest securities | 11,013 | 12,718 | -13.4 |
| Bonds and debt securities | 0 | 8,584 | -100.0 |
| Other equity interests | 0 | 0 | 0.0 |
| Total | 24,124 | 24,412 | -1.2 |

| (12) INVESTMENTS IN COMPANIES CARRIED AT EQUITY | Sep. 30, 2004 €thousands | Dec. 31, 2003 €thousands | Change in % |
|---|-----------------------------|-----------------------------|----------------|
| Associated companies | 961 | 1,025 | -6.2 |
| Total | 961 | 1,025 | -6.2 |

| (13) INVESTMENT SECURITIES | Sep. 30, 2004 €thousands | Dec. 31, 2003 €thousands | Change in % |
|---|-----------------------------|-----------------------------|----------------|
| Bonds and other fixed-interest securities | 3,658 | 3,697 | -1.1 |
| Total | 3,658 | 3,697 | -1.1 |

| (14) PROPERTY AND EQUIPMENT | Sep. 30, 2004 €thousands | Dec. 31, 2003 €thousands | Change in % |
|--|-----------------------------|-----------------------------|----------------|
| Operating and office equipment | 1,893 | 2,290 | -17.3 |
| Land and buildings | 21,751 | 22,166 | -1.9 |
| Property and equipment under development | 0 | 0 | 0.0 |
| Total | 23,644 | 24,456 | -3.3 |

| (15) INTANGIBLE ASSETS | Sep. 30, 2004 | Dec. 31, 2003 | Change |
|---|----------------------|----------------------|---------------|
| | €thousands | €thousands | in % |
| Concessions, industrial and similar rights and assets | 24,050 | 15,203 | 58.2 |
| Goodwill | 0 | 0 | 0.0 |
| Total | 24,050 | 15,203 | 58.2 |

| (16) RECOVERABLE INCOME TAXES | Sep. 30, 2004 | Dec. 31, 2003 | Change |
|--|----------------------|----------------------|---------------|
| | €thousands | €thousands | in % |
| Claims for actual overpayment of taxes | 1,069 | 1,475 | -27.5 |
| Deferred tax assets | 28,134 | 28,624 | -1.7 |
| Total | 29,203 | 30,099 | -3.0 |

| (17) OTHER ASSETS | Sep. 30, 2004 | Dec. 31, 2003 | Change |
|--------------------------|----------------------|----------------------|---------------|
| | €thousands | €thousands | in % |
| Other assets | 2,742 | 2,593 | 5.7 |
| Prepaid expenses | 92 | 227 | -59.5 |
| Total | 2,834 | 2,820 | 0.5 |

| (18) LIABILITIES | Sep. 30, 2004 | Dec. 31, 2003 | Change |
|--|----------------------|----------------------|---------------|
| | €thousands | €thousands | in % |
| Deposits from other banks | 24,325 | 15,099 | 61.1 |
| - Payable on demand | 9,902 | 320 | 2,994.4 |
| - With agreed maturity or notice | 14,423 | 14,779 | -2.4 |
| Loans and advances to customers | 0 | 0 | 0.0 |
| - Payable on demand | 0 | 0 | 0.0 |
| Total | 24,325 | 15,099 | 61.1 |

| (19) PROVISIONS | Sep. 30, 2004 | Dec. 31, 2003 | Change |
|-------------------------|----------------------|----------------------|---------------|
| | €thousands | €thousands | in % |
| Provisions for pensions | 4,901 | 4,833 | 1.4 |
| Other provisions | 1,704 | 2,675 | -36.3 |
| Total | 6,605 | 7,508 | -12.0 |

| (20) PROVISIONS FOR TAXES | Sep. 30, 2004 | Dec. 31, 2003 | Change |
|----------------------------------|----------------------|----------------------|---------------|
| | €thousands | €thousands | in % |
| Outstanding actual tax payments | 462 | 0 | 100.0 |
| Deferred tax liabilities | 503 | 514 | -2.1 |
| Total | 965 | 514 | 87.7 |

| (21) OTHER LIABILITIES AND ACCRUALS | Sep. 30, 2004 | Dec. 31, 2003 | Change |
|--|----------------------|----------------------|---------------|
| | €thousands | €thousands | in % |
| Other liabilities | 4,789 | 5,675 | -15.6 |
| Total | 4,789 | 5,675 | -15.6 |

| (22) CONTINGENCIES AND COMMITMENTS | Sep. 30, 2004 | Dec. 31, 2003 | Change |
|--|----------------------|----------------------|---------------|
| | €thousands | €thousands | in % |
| Contingent liabilities | 170 | 170 | 0.0 |
| - Liabilities on guarantees and warranties | 170 | 170 | 0 |
| - Liabilities from the granting of security for thirdparty liabilities | 0 | 0 | 0 |
| Other commitments | 0 | 0 | 0.0 |
| - Irrevocable loan commitments | 0 | 0 | 0.0 |

Information on consolidated subsidiaries

| | |
|--|---|
| Name, Headquarters: | Baader Management AG, Unterschleissheim |
| Equity interest/ Share in voting rights: | 100 % |

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