



**Quarterly Report III / 2005**

/ BAADER /

## Foreword

Dear Shareholders,

The positive trend gathered significant momentum in the first nine months of 2005 despite growing inflation fears and an economic cool-down caused by higher oil prices, a fear of rising interest rates and the continued strength of the euro. According to statistics from Deutsche Börse, trading volumes increased by just under 6% compared to the first nine months of 2004.

At the end of September, a fluctuating DAX index closed the period up 18.5%. The secondary MDAX and SDAX indices again turned in significantly stronger performances, rising by 32.2% and 36.3%, respectively. The TecDAX increased by 17.5%. Adjusted for currency effects, the major foreign indices also improved. The Dow Jones climbed 10.4%, the NASDAQ 100 rose by 11.3% and the Nikkei 225 was up by 21.5%. Only the DJ Stoxx 50 posted a below-average increase (9.9%).

In the capital market services area, 10 capital measures were managed in the third quarter alone. A total of 19 capital measures have already been implemented in the first nine months of 2005, five more than in the whole of 2004.

Baader Wertpapierhandelsbank AG has acquired a 19.96% stake in the Conservative Concept Portfolio Management Group ([www.ccpm.de](http://www.ccpm.de)). CCPM's core business area is designing and implementing alternative investment strategies. Here, the company specialises in the use of futures and options in the form of single hedge funds, managed accounts and certificates. At the time of the purchase, assets under management amounted to around EUR 65 million. The purchase price was just under EUR 1 million.

Baader Wertpapierhandelsbank AG, together with Baader Service Bank GmbH (wholly owned subsidiary) and the shareholding in the CCPM Group, make up one of the largest independent service providers in the area of hedge funds in Germany.

On 25 August 2005, together with Citigroup Investment Deutschland KAG and Bank Medici AG, Baader Service Bank GmbH launched its first equity long/short single hedge fund under the terms of the German Investment

Act. Herald Europe-CI deals predominantly in German equities and European blue chips. The initiator of the fund, the Vienna-based Bank Medici AG, will be responsible for marketing the fund exclusively to institutional clients in the context of a private placement.

## Result of operations

The situation on the stock markets has improved significantly compared to the first two quarters of 2005. The increase in trading volumes is directly reflected in Baader Wertpapierhandelsbank AG's earnings figures. The third quarter produced the highest earnings for many years. The net profit after taxes for Q3 2005 alone was €2,674 thousand, compared to €316 thousand in Q1 2005 and €867 thousand in Q2 2005. In the comparable prior-year quarter, the Baader Group posted a clear loss of €2,590 thousand. The result for the first nine months also improved compared to the prior-year period, rising from €2,327 thousand to €3,857 thousand, an increase of 65.7%. The consolidated profit from ordinary activities for Q3 2005 was €4,754 thousand (previous year: loss of €3,344 thousand). The main reason for the improvement in the result for the quarter was increased net trading income of €10,842 thousand (previous year: €3,482 thousand). At €6,432 thousand, net commission income also continued its upward movement, more than doubling compared to the prior-year quarter. The fall in the result from available-for-sale financial instruments is primarily due to the change to accounting standard IAS 39, which, since 1 January 2005, has not permitted the reversal to income of available for sale financial instruments. Instead, such reversals must be taken directly to a revaluation reserve in equity. As of 30 September 2005, the change in the revaluation reserve contains a positive remeasurement gain of €5,349 thousand relating to available-for-sale financial instruments whose losses were not reversed and recognised in income.

The significant improvement in results also led to an increase in administrative expenses. In the first three months of 2005, these costs increased by 18.0% compared to the prior-year reporting period. 56.3% of this increase related to a rise in personnel costs, caused by higher personnel expenses following the consolidation of the subsidiaries Baader Service Bank GmbH and Heins & Seitz Capital Management GmbH and the variable levels of success.

## Net assets

At €176,026 thousand, total assets as of 30 September 2005 were 6.1% higher than as of 31 December 2004 (€165,944 thousand). The increase in loans and advances to other banks is attributable to receivables from securities trading, which are not settled until the following month.

This above increase was offset by a rise in amounts due to banks. The increase in trading assets and available-for-sale assets is primarily determined by revaluation-related factors. The changes in the items shares in at equity accounted investments and goodwill result from the consolidation of Heins & Seitz Capital Management GmbH and SP AG. As of 30 September 2005, consolidated shareholders' equity amounted to €118,498 thousand, and the equity ratio was 67.3%.

## Financial position

On 30 September 2005, short-term loans and advances to other banks and available-for-sale securities amounted to €73,223 thousand, while short-term liabilities to banks totalled €26,662 thousand. This results in a net balance sheet liquidity surplus of €46,561 thousand. The solvency of the Group was guaranteed at all times during the period under review.

## Outlook

Fluctuations in the value of the euro and the price of oil will also cause an element of economic uncertainty in the final quarter of 2005. This will be accompanied by continued political uncertainty following September's general elections in Germany. In light of results for the first weeks of the current quarter, and in a favourable stock market environment, the Executive Board expects to see the significant improvement in earnings continue into the fourth quarter, and is standing by its forecast of an overall improvement in results in the 2005 financial year.

## Accounting policies

In accordance with section 315a of the HGB, Baader Wertpapierhandelsbank AG prepares its consolidated financial statements in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), as interpreted by the International Financial Reporting Interpretations Committee (IFRIC). The following interim report was prepared in accordance with IAS 34 for the Baader Group as of September 30, 2005. 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, 2004. The amendments forming part of the IASB's Improvement Project relevant to the Baader Group were taken into consideration.

## Consolidated companies

As of September 30, 2005, the companies included in Baader Wertpapierhandelsbank AG's consolidated financial statements comprise the parent company itself, Baader Management AG, Baader Service Bank GmbH, Heins & Seitz Capital Management GmbH and SPAG St. Petersburg Immobilien und Beteiligungs AG. Except last named company become all companies are been fully consolidated. The SPAG is included as an associate at equity.

# Consolidated Balance Sheet

September 30, 2005

ASSETS	Notes	Sep. 30, 2005	Dec. 31, 2004
		€	€ thousands
1. Cash reserve	(10)	666,007.50	161
2. Loans and advances to other banks	(11)	31,326,690.12	25,234
3. Loans and advances to customers	(11)	1,855,254.21	1,343
4. Allowance for losses on loans and advances	(11)	-22,347.52	-167
5. Assets held for trading	(12)	30,517,954.55	27,666
6. Available-for-Sale financial instruments	(13)	29,880,586.31	26,529
7. Investments in companies carried at equity	(14)	3,760,983.36	4,017
8. Property and equipment	(15)	22,790,270.74	23,456
9. Intangible assets	(16)	20,030,178.32	23,340
10. Goodwill	(16)	2,408,937.62	963
11. Recoverable income taxes	(17)	572,020.39	1,216
12. Other assets	(18)	4,179,986.25	3,300
13. Deferred tax assets	(17)	28,059,752.74	28,886
<b>Total assets</b>		<b>176,026,274.59</b>	<b>165,944</b>

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	Sep. 30, 2005	Dec. 31, 2004
		€	€ thousands
1. Deposits from other banks	(19)	26,292,677.94	24,015
2. Deposits from customers	(19)	14,158,572.57	15,037
3. Provisions	(20)	6,907,290.37	7,098
4. Provisions for taxes	(21)	295,037.00	1
5. Other liabilities and accruals	(22)	7,015,599.28	6,650
6. Deferred tax liabilities	(21)	2,859,385.01	708
7. Shareholders' equity			
a) Issued capital		22,573,284.00	22,438
b) Share premium		83,379,258.38	83,199
c) Revaluation reserve		4,213,782.36	279
d) Minority interest		202,349.09	0
e) Consolidated net profit		8,129,038.59	6,519
<b>Total liabilities and shareholders' equity</b>		<b>176,026,274.59</b>	<b>165,944</b>

## Consolidated Income Statement for the period January 1 to September 30, 2005

INCOME STATEMENT	Notes	€	Jan. 1, - Sep. 30,	Jan. 1, - Sep.
			2005	30, 2004
			€	€ thousands
1. Interest income	(1)	306,744.54		173
2. Interest expense	(1)	-702,122.71		-488
3. Net interest expense	(1)		-395,378.17	-315
4. Allowance for losses on loans and advances			-1,876.03	-31
5. Net interest expense after allowance for losses and advances			-397,254.20	-346
6. Fee and commission income	(2)	25,311,721.96		13,227
7. Fee and commission expense	(2)	-8,538,198.03		-5,443
8. Net fee and commission income	(2)		16,773,523.93	7,784
9. Net trading income	(3)		25,088,351.10	25,165
10. Net income from available-for-sale financial instruments	(4)		323,849.80	1,085
11. Net income from equity-accounted investments	(5)		767,165.76	0
12. Net income from investment	(6)		0.00	176
13. Administrative expenses	(7)		-37,028,953.83	-31,382
14. Profit from operations			5,526,682.56	2,482
15. Other operating income	(8)		984,849.70	902
16. Other operating expenses	(8)		-229,487.17	-135
17. Income from ordinary activities			6,282,045.09	3,249
18. Income taxes on profit	(9)		-2,276,066.97	-925
19. Net profit for the period before minority interest			4,005,978.12	2,324
20. Minority interest in net profit			-149,273.28	4
21. Net profit for the period			3,856,704.84	2,328
22. Accumulated income brought forward			4,272,333.75	2,295
23. Consolidated net profit			8,129,038.59	4,623

	Jan. 1, - Sep. 30,	Jan. 1, - Sep.
	2005	30, 200
	€	€
Earnings per share	0.17	0.10

<b>INCOME STATEMENT</b>						
<b>QUARTERLY OVERVIEW</b>						
	<b>III/2005</b>	<b>II/2005</b>	<b>I/2005</b>	<b>III/2004</b>	<b>II/2004</b>	<b>I/2004</b>
	<b>€ thsd.</b>	<b>€ thsd.</b>	<b>€ thsd.</b>	<b>€ thsd.</b>	<b>€ thsd.</b>	<b>€ thsd.</b>
<b>1. Net interest income/expense</b>	-169	-129	-97	-82	-126	-107
<b>2. Allowance for losses on loans and advances</b>	-1	-1	0	-1	-55	25
<b>3. Net interest income/expense after allowance for losses on loans and advances</b>	-170	-130	-97	-83	-181	-82
<b>4. Net fee and commission income/expense</b>	6,432	4,839	5,503	2,753	2,329	2,702
<b>5. Net trading income</b>	10,842	6,601	7,645	3,482	9,281	12,402
<b>6. Net income/expense from available-for-sale financial instruments</b>	214	157	-47	242	-34	877
<b>7. Net income from equity-accounted investments</b>	0	767	0		0	0
<b>8. Net income from investment securities</b>	0	0	0	98	39	39
<b>9. Administrative expenses</b>	-12,929	-11,554	-12,546	-10,096	-9,533	-11,754
<b>10. Profit/loss from operations</b>	4,389	680	458	-3,604	1,901	4,184
<b>11. Other operating income</b>	497	265	223	280	408	214
<b>12. Other operating expense</b>	-132	-19	-79	-20	-57	-58
<b>13. Profit/loss from ordinary activities</b>	4,754	926	602	-3,344	2,252	4,340
<b>14. Income taxes on profit from ordinary activities</b>	-2,037	-33	-206	754	-325	-1,354
<b>15. Net profit/loss for the period before minority interest</b>	2,717	893	396	-2,590	1,927	2,986
<b>16. Minority interest in net profit/loss</b>	-43	-26	-80	0	0	4
<b>17. Net profit/loss for the period</b>	2,674	867	316	-2,590	1,927	2,990
<b>18. Accumulated income brought forward</b>	0	-2,247	6,519	0	0	2,295
<b>19. Consolidated net profit/loss</b>	2,674	-1,380	6,835	-2,590	1,927	5,285

## Statement of Changes in Equity

	Jan. 1 - Sep. 30, 2005 € thousands	Jan. 1 - Sep. 30, 2004 € thousands
<b>Equity as of December 31</b>	<b>112,435</b>	<b>105,479</b>
<b>Issued Capital</b>		
- Sale of treasury share	136	-1
<b>Share premium</b>		
- Exercise of stock options	204	-6
- Valuation of stock options granted 2005	27	0
- Adjustments from appropriation of profit	0	872
- Currency translation adjustments	0	0
- Adjustments from consolidation	-51	-162
<b>Retained earnings</b>		
- Adjustments to appropriated profit	0	0
- Adjustments from consolidation	0	0
<b>Revaluation reserves</b>		
- Remeasurement	5,349	-133
- Deferred tax adjustments	-1,415	51
<b>Minority interest</b>		
- Change in reporting of balance sheet item	202	0
<b>Consolidated earnings</b>		
- Net profit for the period Jan. 1 - Sep. 30	3,857	4,150
- Dividend distribution	-2,246	0
<b>Equity as of September 30</b>	<b>118,498</b>	<b>110,250</b>

## Cash Flow Statement

for the period January 1 to September 30, 2005

	Jan. 1 - Sep. 30, 2005 € thousands	Jan. 1 - Sep. 30, 2004 € thousands
<b>Profit for the period (incl. minority interest in net profit)</b>	<b>3,857</b>	<b>2,328</b>
Cash-Flow from operating activities	10,528	14,547
Cash-Flow from investing activities	-5,146	-20,875
Cash-Flow from financing activities	-1,906	-7
Net change in cash and cash equivalents	3,476	-6,335
Effect of exchange rate adjustments and changes in group structure	162	-1,758
Cash and cash equivalents at beginning of period	15,456	6,474
<b>Cash and cash equivalents at end of period</b>	<b>19,094</b>	<b>-1,619</b>
Composition of cash and cash equivalents at September 30		
Loans and advances to other banks - payable on demand	31,158	8,284
Deposits from other banks - payable on demand	-12,064	-9,903
Cash and cash equivalents	19,094	-1,619



## Segment Reporting

for the period January 1 to September 30, 2005

<b>in € thousands</b>	<b>Specialist activities and proprietary trading</b>	<b>Agency business</b>	<b>Capital market services</b>	<b>Others/ Consolidation</b>	<b>Group</b>
Net interest income/expense	-504	106	3	0	-395
Allowance for losses on loans and advances	0	2	0	0	2
<b>Net interest income/expense after allowance for losses on loans and advances</b>	<b>-504</b>	<b>104</b>	<b>3</b>	<b>0</b>	<b>-397</b>
<b>Net fee and commission income/expense</b>	<b>11,679</b>	<b>4,337</b>	<b>758</b>	<b>0</b>	<b>16,774</b>
Net trading income	23,223	1,866	-1	0	25,088
Net income/expense from available-for-sale financial instruments	210	73	935	-894	324
Net income from at equity accounted investments	0	0	0	767	767
Net income from investment securities	0	0	0	0	0
<b>Net income/expense from financing activities</b>	<b>23,433</b>	<b>1,939</b>	<b>934</b>	<b>-127</b>	<b>26,179</b>
<b>Direct allocated administrative expenses</b>	<b>15,777</b>	<b>6,745</b>	<b>510</b>	<b>-117</b>	<b>22,915</b>
<b>Other operating net income/expenses</b>	<b>675</b>	<b>159</b>	<b>38</b>	<b>-117</b>	<b>755</b>
<b>Profit/loss after direct allocated administrative expense</b>	<b>19,506</b>	<b>-206</b>	<b>1,223</b>	<b>-127</b>	<b>20,396</b>
<b>Indirect allocated administrative expenses</b>	<b>9,736</b>	<b>3,617</b>	<b>761</b>	<b>0</b>	<b>14,114</b>
<b>Profit/loss from ordinary activities</b>	<b>9,770</b>	<b>-3,823</b>	<b>462</b>	<b>-127</b>	<b>6,282</b>
Risk-weighted assets	94,395	20,192	18,857		133,444
Allocated capital	81,548	30,560	6,390		118,498
Return on allocated capital based on income before taxes	0	0	0		0
Average number of employees	89	49	7	74	219

## Notes to the Consolidated Income Statement

(1) NET INTEREST INCOME	Jan. 1 - Sep. 30, 2005	Jan. 1 - Sep. 30, 2004	Change
	€ thousands	€ thousands	in %
<b>Interest income from</b>	<b>307</b>	<b>173</b>	<b>&gt;100.0</b>
- Lending and money market business	307	173	>100.0
- Fixed-interest securities	0	0	0.0
<b>Interest expenses</b>	<b>-702</b>	<b>-488</b>	<b>43.9</b>
<b>Total</b>	<b>-395</b>	<b>-315</b>	<b>-25.4</b>

(2) NET FEE AND COMMISSION INCOME	Jan. 1 - Sep. 30, 2005	Jan. 1 - Sep. 30, 2004	Change
	€ thousands	€ thousands	in %
<b>Fee and commission income</b>	<b>25,312</b>	<b>13,227</b>	<b>91.4</b>
- Securities and issue business	5,272	393	>100.0
- Brokerage fees	20,040	12,834	56.1
<b>Fee and commission expenses</b>	<b>-8,538</b>	<b>-5,443</b>	<b>56.9</b>
- Brokerage fees	-2,048	-1,319	55.3
- Settlement fees	-5,022	-4,040	24.3
- Securities and issue business	-946	-44	>100.0
- Other fee and commission expenses	-522	-40	>100.0
<b>Total</b>	<b>16,774</b>	<b>7,784</b>	<b>&gt;100.0</b>

(3) NET TRADING INCOME	Jan. 1 - Sep. 30, 2005	Jan. 1 - Sep. 30, 2004	Change
	€ thousands	€ thousands	in %
<b>Securities trading</b>	<b>25,052</b>	<b>25,167</b>	<b>-0.5</b>
- Interest and dividends	535	732	-26.9
- Securities	15,987	13,843	15.5
- Options and futures	-6	319	-
- Price differences	8,536	10,273	-16.9
<b>Foreign currencies</b>	<b>36</b>	<b>-2</b>	<b>-</b>
<b>Total</b>	<b>25,088</b>	<b>25,165</b>	<b>-0.3</b>

(4) NET INCOME FROM AVAILABLE-FOR-SALE FINANCIAL INSTRUMENTS	Jan. 1 - Sep. 30,	Jan. 1 - Sep. 30,	Change in %
	2005	2004	
	€ thousands	€ thousands	
<b>Interest and dividend income</b>	<b>384</b>	<b>192</b>	<b>&gt;100.0</b>
- Fixed-interest securities	229	0	100.0
- Equities/other non-fixed-interest securities	63	9	>100.0
- Investments in associates	92	183	-49.7
<b>Gain on the sale of available-for-sale securities</b>	<b>32</b>	<b>191</b>	<b>-83.2</b>
- Equities/other non-fixed-interest securities	32	160	-80.0
- Investments in associates	0	31	-100.0
<b>Provision for depreciation</b>	<b>-92</b>	<b>702</b>	<b>-</b>
- Depreciations	-92	-32	>100.0
- Appreciations	0	734	-100.0
<b>Total</b>	<b>324</b>	<b>1,085</b>	<b>-70.1</b>

(5) NET INCOME FROM EQUITY-ACCOUNTED INVESTMENTS	Jan. 1 - Sep. 30,	Jan. 1 - Sep. 30,	Change in %
	2005	2004	
	€ thousands	€ thousands	
Reversals of write-downs	767	0	100.0
<b>Total</b>	<b>767</b>	<b>0</b>	<b>100.0</b>

(6) NET INCOME FROM INVESTMENT SECURITIES	Jan. 1 - Sep. 30,	Jan. 1 - Sep. 30,	Change in %
	2005	2004	
	€ thousands	€ thousands	
<b>Interest income from</b>	<b>0</b>	<b>176</b>	<b>-100.0</b>
- Lending and money market business	0	0	0.0
- Fixed-interest securities	0	176	-100.0
<b>Provision for depreciation</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Total</b>	<b>0</b>	<b>176</b>	<b>-100.0</b>

<b>(7) ADMINISTRATIVE EXPENSES</b>	<b>Jan. 1 - Sep. 30, 2005</b>	<b>Jan. 1 - Sep. 30, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Staff costs	-19,389	-16,209	19.6
Other administrative expenses	-12,135	-10,956	10.8
Depreciation, amortization and write-downs on intangible assets and property and equipment	-5,505	-4,217	30.5
<b>Total</b>	<b>-37,029</b>	<b>-31,382</b>	<b>18.0</b>

<b>(8) OTHER INCOME AND EXPENSES</b>	<b>Jan. 1 - Sep. 30, 2005</b>	<b>Jan. 1 - Sep. 30, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Other operating income	985	902	9.2
Other operating expenses	-229	-135	69.6
<b>Total</b>	<b>756</b>	<b>767</b>	<b>-1.4</b>

<b>(9) TAXES</b>	<b>Jan. 1 - Sep. 30, 2005</b>	<b>Jan. 1 - Sep. 30, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Current taxes	-713	-448	59.2
Deferred taxes	-1,563	-477	>100.0
<b>Total</b>	<b>-2,276</b>	<b>-925</b>	<b>&gt;100.0</b>

## Consolidated Balance Sheet Disclosures

<b>(10) CASH RESERVE</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Balance of cash	4	1	>100.0
Assets Deutsche Bundesbank	662	160	>100.0
<b>Total</b>	<b>666</b>	<b>161</b>	<b>&gt;100.0</b>

<b>(11) LOANS AND ADVANCES</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
<b>Loans and advances to other banks</b>	<b>31,327</b>	<b>25,234</b>	<b>24.1</b>
- Payable on demand	30,492	25,008	21.9
- Other loans and advances	835	226	>100.0
<b>Loans and advances to customers</b>	<b>1,855</b>	<b>1,343</b>	<b>38.1</b>
<b>Allowance for losses on loans and advances</b>	<b>-22</b>	<b>-167</b>	<b>-86.8</b>
<b>Total</b>	<b>33,160</b>	<b>26,410</b>	<b>25.6</b>

<b>(12) ASSETS HELD FOR TRADING</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Veränderung</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Bonds and other fixed-income securities	1,222	8,019	-84.8
Equities and other non-fixed-interest securities	29,296	19,647	49.1
<b>Total</b>	<b>30,518</b>	<b>27,666</b>	<b>10.3</b>

<b>(13) AVAILABLE-FOR-SALE FINANCIAL INSTRUMENTS</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Unconsolidated affiliated companies	0	0	0.0
Investments in associates	3,931	2,929	34.2
Equities and other non-fixed-interest securities	17,070	16,747	1.9
Bonds and dept securities	8,879	6,753	31.5
Other equity interests	0	100	-100.0
<b>Total</b>	<b>29,880</b>	<b>26,529</b>	<b>12.6</b>

<b>(14) INVESTMENTS IN COMPANIES CARRIED AT EQUITY</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Associated companies	3,761	4,017	-6.4
<b>Total</b>	<b>3,761</b>	<b>4,017</b>	<b>-6.4</b>

<b>(15) PROPERTY AND EQUIPMENT</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Operating and office equipment	1,744	1,870	-6.7
Land and buildings	21,046	21,586	-2.5
<b>Total</b>	<b>22,790</b>	<b>23,456</b>	<b>-2.8</b>

<b>(16) INTANGIBLE ASSETS</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Concessions, industrial and similar rights and assets	20,030	23,340	-14.2
Goodwill	2,409	963	>100.0
<b>Total</b>	<b>22,439</b>	<b>24,303</b>	<b>-7.7</b>

<b>(17) RECOVERABLE INCOME TAXES</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Claims for actual overpayment of taxes	572	1,216	-53.0
Deferred tax assets	28,060	28,886	-2.9
<b>Total</b>	<b>28,632</b>	<b>30,102</b>	<b>-4.9</b>

<b>(18) OTHER ASSETS</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Other assets	3,969	3,205	23.8
Prepaid expenses	211	95	>100.0
<b>Total</b>	<b>4,180</b>	<b>3,300</b>	<b>26.7</b>

<b>(19) LIABILITIES</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
<b>Deposits from other banks</b>	<b>26,293</b>	<b>24,015</b>	<b>9.5</b>
- Payable on demand	12,064	9,713	24.2
- With agreed maturity or notice	14,229	14,302	-0.5
<b>Loans and advances to customers</b>	<b>14,158</b>	<b>15,037</b>	<b>-5.8</b>
- Payable on demand	14,158	15,037	-5.8
<b>Total</b>	<b>40,451</b>	<b>39,052</b>	<b>3.6</b>

<b>(21) TAX LIABILITIES</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Outstanding	295	1	>100.0
Deferred tax liabilities	2,859	708	>100.0
<b>Total</b>	<b>3,154</b>	<b>709</b>	<b>&gt;100.0</b>

<b>(22) OTHER LIABILITIES AND ACCRUALS</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
Other liabilities	7,016	6,650	5.5
<b>Total</b>	<b>7,016</b>	<b>6,650</b>	<b>5.5</b>

<b>(23) CONTINGENCIES AND COMMITMENTS</b>	<b>Sep. 30, 2005</b>	<b>Dec. 31, 2004</b>	<b>Change</b>
	<b>€ thousands</b>	<b>€ thousands</b>	<b>in %</b>
<b>Contingent liabilities</b>	170	170	0.0
- Liabilities on guarantees and warranties	170	170	0.0
- Liabilities from the granting of security for thirdparty liabilities	0	0	0.0
<b>Other commitments</b>	<b>3,045</b>	<b>3,331</b>	<b>-8.6</b>
- Irrevocable loan commitments	3,045	3,331	-8.6

## Information on consolidated subsidiaries

Name, Headquarters:	Baader Management AG, Unterschleissheim
Equity interest/Share in voting right.:	100.00 %
Name, Headquarters:	Baader Service Bank GmbH, Unterschleissheim
Equity interest/Share in voting right.:	100.00 %
Name, Headquarters:	Heins & Seitz Capital Management GmbH, München
Equity interest/Share in voting right.:	70.00 %

Baader Wertpapierhandelsbank AG  
Weihenstephaner Strasse 4  
85716 Unterschleissheim  
Phone 089/5150-0  
Fax 089/5150-1111  
Email [info@baaderbank.de](mailto:info@baaderbank.de)  
[www.baaderbank.de](http://www.baaderbank.de)



BAADER