OLIVER WYMAN

ON-LINE-SECURITIES BROKERAGE

The fight for the next billion in the German market

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MANAGEMENT SUMMARY

The turbulence on the stock markets as a result of the Corona crisis drove up investor activities and led to new record numbers. Both the number of investors and the number of transactions increased significantly. The latest developments underline the importance of securities trading as an attractive commission-based income pillar for the German banking world.

Oliver Wyman assumes more than 1 billion euros per annum "only" for order commissions and other fees of the brokerage providers and measures - in addition to expected sustainable growth of the underlying market - a profitability of around

10 billion euros per annum for the broader German securities market for private households.

However, this pillar of income is under attack and the battle for the next billion in revenue is on. New providers (FinTechs) are attacking with low-cost offers and innovative operation via app and are thus digging up direct access to the promising customer segment of young professionals, at the same time in the USA at the end of 2019 several providers led by Charles Schwab reduced fees to up to carried out to zero and could thus become a model for the German market. Last but not least, the initially planned sale of the provider Flatex (FinTech Group) and the subsequent announced takeover of the competitor Degiro as well as the market entry of "low-cost providers" such as Trade Republic, justTrade, free brokers and others are also moving in this country.

This report gives an overview of the German securities market, classifies relevant providers and shows earnings leverage as well as strategic options for providers in order to be able to survive in this market in the future.

There is a need for the management of established providers to choose one of two clear strategic directions:

1. A defensive consolidation with the aim of not expanding the business further, but maintaining it at low cost or

2. A progressive transformation with the aim of further expanding the customer base towards critical mass and staffing the customer interface more broadly, for example through an expansion into related customer groups and offers and / or through intelligent interlinking with the rest of the banking services

THE SECURITIES MARKET IN GERMANY

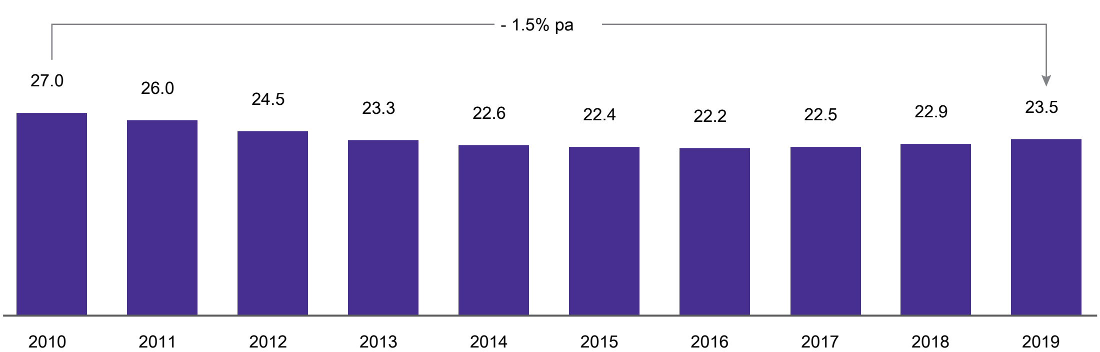
When looking at the German securities market in an international comparison, the first thing that strikes you is the small number of securities owners in this country. In the US, more than every second household holds securities[1], it was **according to the Bundesbank in Germany end**

In 2019, 23.5 million custody accounts held by households.

Assuming that a person holds an average of 2 securities accounts, **this report assumes around 10-12 million security owners, which corresponds to around 15 percent of the German population.** This coincides with observations made by the German stock institute, which made up around 9.7 million people for 2019 who own shares in companies or equity funds[2]. It is noticeable that the number of securities accounts has been falling since the end of 2010, but this trend has reversed again in recent years due to the prolonged low interest rate environment. The market value of the portfolio has increased from 30.967 euros at the end of 2010 to the last

50.035 euros at the end of 2019 (see Figure 1).

Figure 1.Number of securities accounts held by private households in Germany at the end of the year (in millions)



Average holdings per custody account in thousands of euros market value (year-end)

31.0	29.3	32.4	35.7	38.5	41.1	43.5	47.1	43.0	50.0

Excl. "Empty depots" and duplications (several depots of the same owner at one institute) Sources: Bundesbank, Oliver Wyman analysis

Two essential distinctions are important in these customer groups:

1. **The way that security owners make their decision and get involved**

   seek advice: We assume that around 8 million securities accounts (one third of the total market) are held at online banks or branch banks with an online focus.

1. See Federal Reserve Board, Survey of Consumer Finance 2016.

2. Holders of bonds are not included in the figures from the German stock corporation, but according to the Bundesbank, at the end of 2019, bonds made up the smallest part of the custody assets of private households at 11.5 percent (shares 31.1 percent, investment fund shares 57.4 percent).

We assume, equally to the general population, that each customer holds an average of two securities accounts, so we reckon with around 4 million security owners. To simplify matters, we assume **that these 4 million make their own decisions about securities,** This means that research, selection, purchase and sale are mostly carried out via the Internet and so-called "online brokers". About 3 million sometimes grab it

In their decision-making, they rely on advice (typical for this is securities advice) and the remaining part relies exclusively or predominantly on (mandate) advice. This does not mean that the “independent” part (also called “Execution Only”) cannot seek advice, but rather indicates whether the purchase and sale decision was made “on their own” or not. **In the following, we will initially concentrate on the "independent", the so-called "Execution Only" part.**

2. **How active are security owners:** Not every security owner is created equal
active. Most of them show what is known as “buy & hold” behavior, with individual stocks being bought and usually held over a long period of time. Only a quarter of all German security owners are more active and trade more than 10 times a year.

We estimate that the particularly active part of security owners, so-called “day traders” with at least one buy or sell decision per trading day, make up only 1 percent of security owners, but a quarter of all transactions (see Figure 2). The number of these day traders in Germany has been estimated at a mid-five-digit number for some time and is seen as relatively stable. If we include the "active traders" with at least 50 security purchase and sale decisions, it can be determined that around 4 percent of the relevant security owners already account for half of the trades. The customer structure in the market can thus be compared with a tapering customer pyramid.

Figure 2. The activity pyramid of German independent security owners

Customer type (according to activity)	% of the Securities owner	# Trans Actions per year1	# Securities owner in thousands	# Trans Actions in million 1
Day trader	- 1%	> 250	40-50	~ 20-22
Active trader	~ 3%	50-250	100-150	~ 19-21
Active investor	~ 20%	10-50	700-900	~ 26-30
Traditionally buy & hold	~ 76%	0-10	2,800-3,200	~ 15-17
		Total	**~ 4,000**	**~ 80-90**

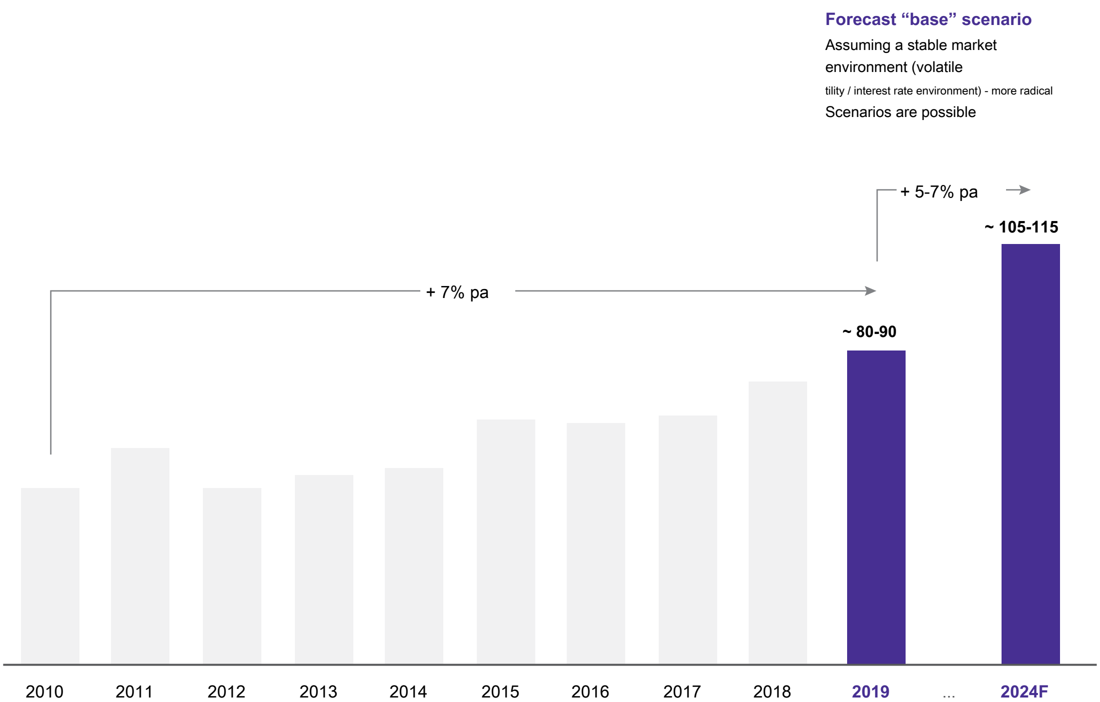
24% of the value paper owner to generate 80% of the Transactions

1. Exclusive CFD transactions and sales
Sources: Oliver Wyman analysis and survey data, Research Center for Financial Services, Deutsches Aktieninstitut

The growing online transaction channel is particularly interesting due to its continuous growth. While no central office quantifies the number of securities transactions via online channels (“online trades”), based on discussions with experts and projects in the market, we assume sustainable growth of around 6-7 percent per annum since 2010 and around 80-90 for 2019 Millions of securities transactions, excluding so-called "Contracts for Difference" (CFDs, see box in Appendix 1). Even if the number of transactions often depends heavily on the underlying volatility in the market, making concrete forecasts difficult to carry out (see Appendix 2), we expect this growth to continue structurally in the coming years (see Figure 3).

Figure 3.Number of online securities transactions in Germany (excluding CFDs)

Trades in millions



Source: Oliver Wyman analysis

There are several reasons that speak in favor of steady structural growth regardless of the volatility and the low interest rate environment, which will probably last longer due to the Covid 19 crisis:

- **Digitalization:** The introduction of new offers in the online and mobile areas will continue to shift investors from physical channels (such as branches, telephone) to the online area - the key points here are greater convenience and more (real-time) transparency with mostly lower prices.

- **Price transparency and efficiency:** Several low-cost offers have recently started. We assume that new low-price / flat fee providers will trigger higher customer acceptance through lower order commissions.

- **Lower barriers to entry for customers:** We continue to expect a lasting effect through new products that lower the entry barriers for new customers, for example ETF savings plans that can be saved cheaply or micro-investing offers. According to the FinanzSzene.de newsletter, ETF savings plans generate an estimated 15 million transactions per year

The media and politics regularly emphasize the importance of private old-age provision and the importance of securities for sustainable wealth creation, but we expect only limited impulses from this. On the one hand, the support has shown only minor effects on the market over the past 20 years; on the other hand, we believe that it requires targeted incentives in order to generate sustainable growth in interest in securities. Examples could be tax breaks that favor active investments in securities. In Sweden this is already the case today and favors a similarly large market as in Germany.

THE MAJOR PROVIDERS IN THE GERMAN MARKET

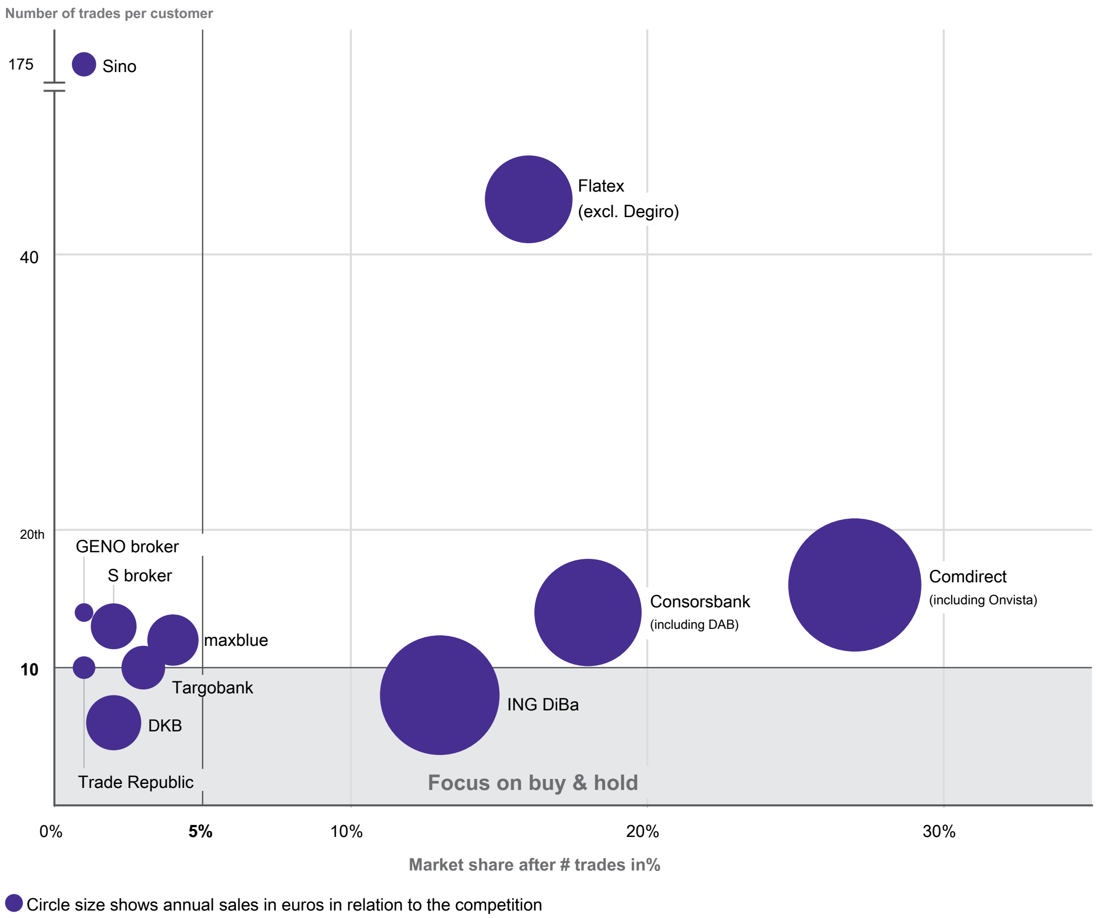
In the German “execution only” market, direct banks in particular have established themselves over the past 20 years. Based on the published number of “execution only” securities trades, four major providers currently lead the market. On the basis of the published figures, we estimate that these four providers have recently been able to combine almost three quarters of the "execution only" securities trades in Germany:

- The **Consorsbank,** part of the French BNP Paribas, best known from the takeover and merger of DAB (Direkt Anlage Bank) in the middle of the 2010s.
- The **Comdirect,** which offers securities trading in particular as a focus product and has expanded it further with the takeover of the information and brokerage portal OnVista.
- The **ING DiBa,** which in comparison can be seen more strongly as a full-service bank and, according to our survey data, is particularly successful in the “buy & hold” customer segment.
- The provider is very open to this group **flatex,** which was able to draw attention to itself primarily through the consistent use of “flat fees”, i.e. volume-independent unit prices, and the planned takeover of the competitor Degiro.

In addition to these four providers, almost every larger, branch-focused bank and banking association has a comparable digital offering on the German market. One possibility to present this competition in a striking scheme is a comparison according to size (market share as an estimated proportion of the 80-90 million total trades) versus the focus on customer activity in the market, recognizable by the number of trades per customer (see Figure 4).

Figure 4. Strategic classification of the German market participants

Market positioning of major providers in the German online brokerage market (excluding pure CFD platforms, estimated for 2019)



Source: Oliver Wyman analysis

Here you can see:

- Only a few providers explicitly target a highly active segment with at least 20 trades per customer per year, including Sino (> 150 trades per depot per annum), Flatex and Degiro.
- The largest providers in terms of number of trades have set themselves apart in terms of market share and profitability - Comdirect and Consorsbank have further expanded their position through acquisitions, ING DiBa has positioned itself particularly in the buy & hold segment (less than 10 trades per depot per annum).
- The majority of the rest of the providers have a market share of less than 5% and at the same time a moderately active customer group with around 10 trades per depot per annum. Here it will be particularly important to define strategic growth or specialization options.

It is important that this view is an inventory of the year 2019. From the segment with a low market share, Trade Republic (particularly valid since it was in the first year of business activity) and Degiro continue to grow strongly and the picture will therefore keep moving.

In addition to the established providers, new types of "start-up" providers have stood out over the last 2 years in particular, trying to put the established providers under pressure with very affordable offers and a focus on the highest possible level of user friendliness on online and mobile channels. The providers already mentioned are particularly noteworthy here

Trade Republic, justTrade, free broker, but also the broker offer of **Scalable Capital.**
Trade Republic in particular shows a declared focus on younger target groups with a fee of EUR 1 per trade (established providers usually charge at least EUR 5 (OnVista) or EUR 5.90 per securities transaction (Flatex)) and a strong focus on a simplified but intuitive via App to use offer.

We expect the market to remain attractive for providers. The reasons for this are:

- The resulting commission income instead of the interest income, which is under pressure from the low interest rate environment.
- The countercyclical nature of the business - especially in phases of high uncertainty, more transactions and customer activity and the associated increased income can be observed.
- According to our project experience, securities-affine customers often bring more liquidity with them than an average retail banking clientele and are less price-sensitive as long as they do not influence immediate action (also less sensitive to negative interest rates or custody fees).

- A German market that will continue to grow steadily and will continue to be one of the largest retail banking markets in the European market due to its population and purchasing power and will therefore be of strategic importance for foreign providers.

THE CUSTOMER VIEW ON BROKER AND
DECISION CRITERIA IN THE GERMAN MARKET

A current customer survey by Oliver Wyman with more than 1,500 participants residing in Germany on German online brokerage supports this market insight from the end customer's point of view. From this it can be seen how customers in Germany select, rate and switch to their provider.

According to the study participants surveyed, the four German market leaders Comdirect, Consorsbank, ING DiBa and Flatex are also the **four best-known providers.**
The Comdirect leads the field in terms of awareness with 25 percent of those surveyed. This is followed by Consorsbank (23 percent) and ING DiBa (18 percent). Flatex completes the top 4 with 10 percent of the mentions.

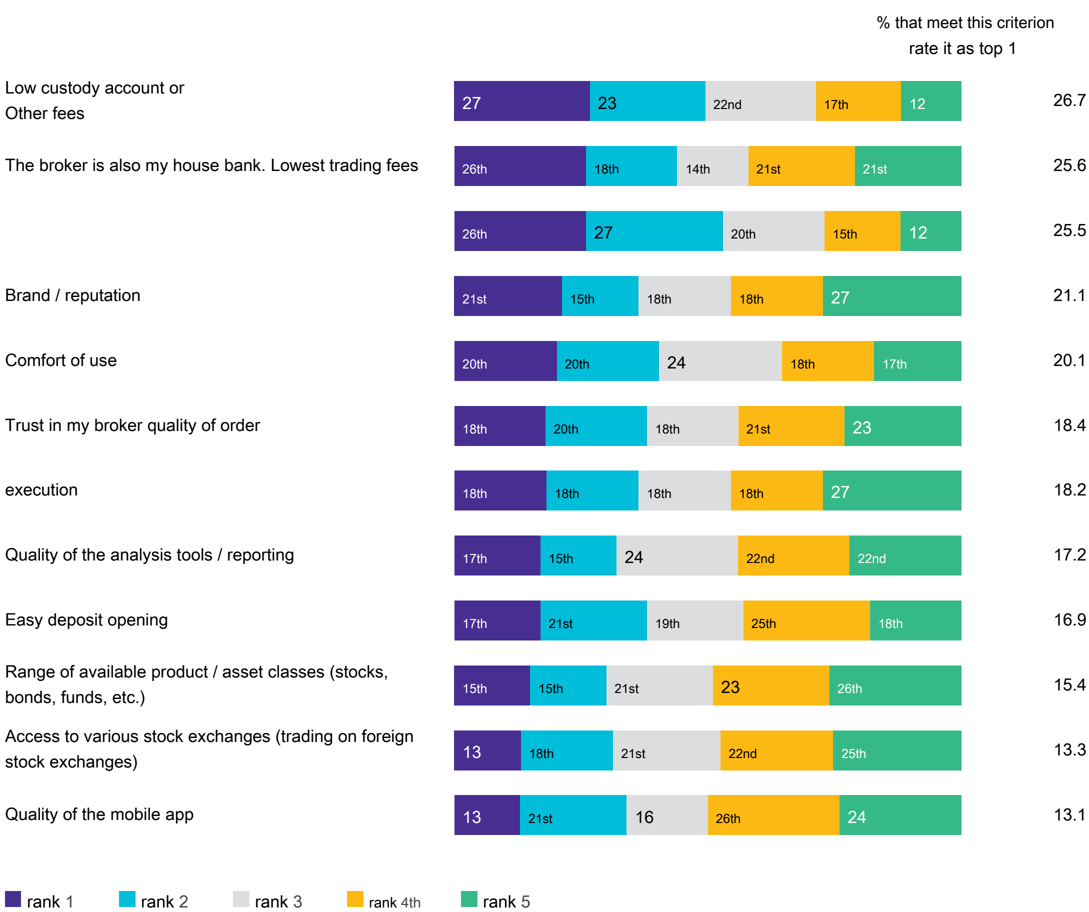
To **Choosing a provider** 75 percent of customers get information on the Internet or via apps. The top 3 websites visited are Finanz.net (12 percent), Boerse-Online.de (10 percent) and Finanztip.de (9 percent). The presence of social media such as Instagram (3 percent) and Facebook (2 percent) is also striking.

Various financial blogs have recently emerged here that want to make the topic of investing as easy as possible for their "followers", for example in Instagram stories, and later forward their followers to the respective broker platform via "affiliate links" and to open a securities account when the customer closes receive a marketing commission of 40 to 80 euros for these platforms 3.

The **Decision for an online provider** is often based on the provider's account management and trading fees (almost 27 percent cite custody fees as the most important argument, 26 percent cite low trading fees as the most important argument), its reputation and ease of use (see Figure 5). For many respondents, it is important that the broker is a bank or the customer's existing bank. This shows the importance of perceived trust and seriousness for customers in Germany. Further information can be found in the appendix.

Figure 5. The five most important reasons for choosing an online broker for German customers - Oliver Wyman customer survey 2018

From very (above) to least (below) important



3. See www.financeads.net, numbers accessed on April 17, 2020.

PILLARS OF INCOME IN GERMAN SECURITIES BROKERAGE MARKET

We estimate that there is significant income in the German securities brokerage market; we are assuming more than 1 billion euros per annum “only” for order commissions and other fees from brokerage providers. In addition, there is income from the product and infrastructure providers (stock exchange platforms). **In total, we estimate that the German securities market for private households has an earnings power of around 10 billion euros per annum.** From a broker's point of view, not only directly generated income per transaction and with customers, but also indirect income generated by maintaining the customer interface are essential sources of income.

Under "direct income" we see for example:

- **Income from the securities transactions per se:** A fixed fee per transaction, often linked to an additional fee based on the volume of the transaction.
- **Portfolio commissions:** Brokers also generate income from securities holdings, for example when investment funds pay the broker a portfolio commission.
- **Income from related lending business (example: Lombard loans):** Rather to be regarded as a niche, but quite attractive, as they are on the one hand secured by the securities holdings and on the other hand a means of lending the liquidity usually remaining in the accounts profitably to one's own customers and acting to support sales.

- **Income from additional service offers:** These are usually additionally priced, for example for changes of address, dividends from foreign securities, etc.

Maintaining the customer interface also results in attractive "indirect revenue pillars":

- **Income from partnerships with providers of financial products ("Issuers"):** Issuers pay commissions to broker platforms in order to advertise their own products in a targeted manner; for issuers this is attractive due to targeted access to a specific customer group. Examples are providers of securities certificates who enter into a “bronze” / “silver” / “gold” / “platinum” partnership with platforms and offer customers trading these products at a discount on the partner platform. The platform receives commissions, but the partners often also (partially) assume the trading fees for these certificates, i.e. the platform continues to receive a fee per transaction, but the customer does not have to pay this (in full). Such "preferred" product offers can increase the attractiveness of the offer in the customer group and in advertising.

- **Income from partnerships with exchanges that pay for traffic (referred to in the US as "payment for order flow"):** Exchanges can offer the trading platforms reimbursements if the brokerage provider directs the trading volume to this exchange and thus provides the exchange with liquidity and volume relevant to earnings. This route enables, for example, low-price providers such as Trade Republic through partnerships with exchange providers such as Lang and Schwarz to generate additional income per securities transaction.

What these forms of income show i **st the overriding importance of the customer interface,** which will also become more and more important in the digital world. We expect the income from these two blocks to continue to rise over the coming years. For direct banks with a broader range of banking products and services, the "cross-selling potential" of a securities offering and its importance for the product range should not be forgotten.

DISRUPTIVE EVENTS IN THE SECURITIES BROKERAGE MARKET

Even if the German online brokerage market is relatively young at around 3 decades is, the last 12-18 months point to the biggest upheavals in the industry for a long time, especially with a continuous focus on price leadership. Four disruptive drivers should be mentioned:

1. **US market lowers fees to "zero":** In a highly regarded move, leading securities broker Charles Schwab reduced commission costs for securities orders to zero in October 2019. Major competitors have followed suit, including TD Ameritrade, E * Trade and Interactive Brokers, intensifying what Bloomberg calls a "logical end point of a decade-long price war" [4th] Due to the pioneering role of the US capital market, this development could be an indication of the development in the German market. It is also interesting how these providers continue to generate income despite "zero fees": The focus is on lending customer liquidity, cross-selling on securities advice and "payments for order flow".

2. **"Zero fees" broker in Germany:** Parallel to 1.), new "neobrokers" such as justTrade and Trade Republic were launched in Germany in 2019. Trade Republic calculates, for example, a flat rate of 1 euro for third-party costs per executed order, justTrade offers free trading without flat-rate third-party costs. Both offer trading only via alternative exchange platforms such as LS Exchange or Quotrix, the prices are not determined by free market trading but by market makers. The "neobrokers" are financed by reimbursements from the partners and fees for additional services, Trade Republic states, for example, for orders "from third parties [...] to receive an average processing cost subsidy of 4 euros" (as of the end of April 2020).

4. See Bloomberg, "Brokers Profit From You Even If They Don't Charge for Trading," October 10, 2020, last accessed on April 20, 2020 at https://www.bloomberg.com/news/articles/2019-10-10/brokers-profit-from-you-even-if-they-don-t-charge- for-trading? Srnd = economics-vp

3. **Fusion of the "Low-Cost Challenger":** The German broker Flatex will take over the Dutch broker Degiro at the end of 2020, bringing together around 300,000 Flatex customers from the DACH region with 500,000 Degiro customers from various European countries. While both brands are to be retained, the merger offers opportunities for scaling and synergies, among other things by standardizing the product range. For other large providers, the merger means strong competition from an online provider with low-priced pricing models across European borders, which will increase the pressure on the established pricing models. In addition, this transaction shows for the first time a possible pan-European business model.

4th **Rediscovering the importance of IT stability:** The significantly higher activity in the Covid 19 crisis has put the IT stability of the online brokers to the test; Several market participants reported disruptions, some of which lasted several days. For end customers, such dropouts mean missed opportunities, while brokers lose income through non-executed transactions and costs can arise from accepted compensation claims. In the future, customers and providers alike will be paying more attention to this factor.

ACTION OPTIONS

In this constantly changing competitive environment, it is imperative for providers to be aware of the strategic route in order to continue to secure their competitive position and a profitable business area in the long term.

The following options for action are based on strategic hypotheses for the German online brokerage market (see Figure 6). We are still assuming a structurally growing market in which the price sensitivity, but also the importance of the stability and user comfort of the offer, will continue to increase significantly. You can only survive in this market if you continue to use cost-efficient economies of scale and occupy the customer interface across all of this.

Figure 6. Strategic hypotheses for the German online brokerage market

The German securities brokerage market will continue to grow structurally significantly
The price sensitivity of customers will continue to increase - the "zero euro brokers" are already here!
A stable and at the same time inexpensive platform is becoming more important than ever, in order to survive - economies of scale will decide on pure strategic survival
The strategically leading position will decide who can fill the broad customer interface for securities online in Germany

Source: Oliver Wyman analysis

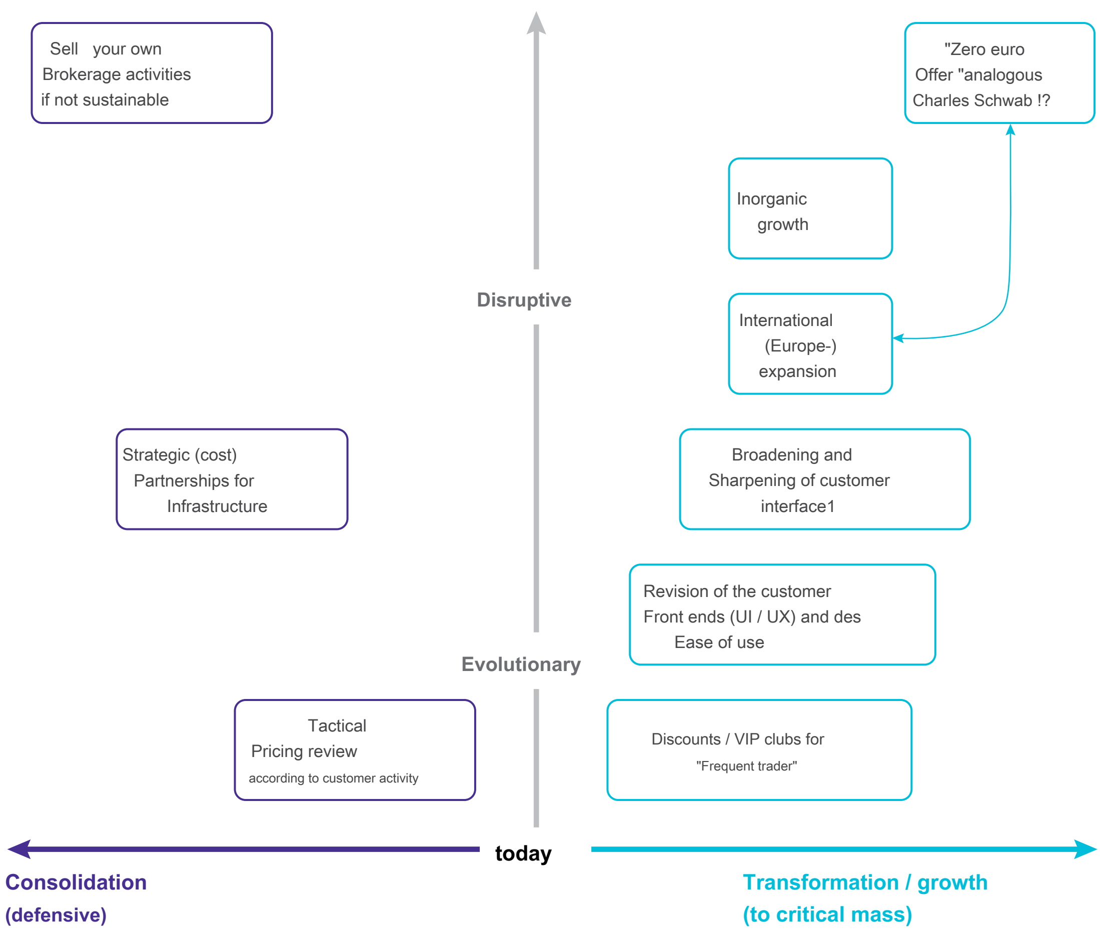
The resulting options for action result in two main strategic directions (see Figure 7):

1. A **defensive consolidation** with the aim of not expanding the business any further, but maintaining it in a cost-saving manner - right up to the last resort - to sell the business completely and use the capital released for more value-added projects. In view of the current competitive landscape (see Figure 4), these options are particularly suitable for competitors with a low market share and low customer specialization.

2. A **Transformation / growth** with the aim of further expanding and increasing a critical mass. This can evolve from selective discounts for frequent traders to improving the customer front end (UI / UX) with the aim of increasing user comfort to broadening and sharpening the customer interface. Disruptive measures all aim to significantly increase economies of scale and transaction volumes. Further inorganic growth or international (EU) expansion would be conceivable here. The highest form of increase would be the introduction of a "zero euro offer" analogous to Charles Schwab in the USA, from which, of course, highly significant increases in volume would be expected.

Occupying the customer interface means not only serving the existing customer base efficiently, but also (1) expanding into offers for related customer groups who may have a capital market interest but do not want to invest independently, for example by means of investment advice or robo-advisory offers (Against this background, we also value the announcement by ING DiBa that it intends to offer investment advice) and (2) to intelligently interlink the existing offer with the rest of the offer. Analogous to the concept of Amazon Prime, it would be conceivable to only charge the customer a premium current account with a monthly fixed price and to include monthly trades as a "feature" - a partnership between neobanks such as N26 and one of the neobrokers would be another possible consequence.

Figure 7. Strategic scope for online brokerage providers



1. For example, a broader offering or interlinking with the rest of the banking services. Source: Oliver Wyman analysis

Market participants should create strategic clarity at an early stage in order to optimally position themselves internally and externally. Likewise, there are opportunities for investors to create value.

CONCLUSION AND OUTLOOK

Securities trading in Germany is gaining in importance. Nevertheless, the online brokerage market has remained relatively unnoticed in the German banking industry, so that new, strong providers have been able to establish themselves. The German online brokerage market will continue to show structurally significant growth rates, retain strategic relevance and ensure access to billions in revenue pools. In this market, you can only survive in the long term if you have economies of scale and size and have access to the customer interface.

The management of established providers should decide on one of two clear strategic directions:

1. A defensive consolidation with the aim of maintaining the business at low cost or

2. A progressive transformation with the aim of further expanding the critical mass

The focus on just one specific product category is not enough; Providers should ensure broader coverage of the customer interface by expanding into related customer groups and offers or intelligent interlinking with the rest of the banking offering.

INVESTMENTS

Appendix 1: CFDs or "Contracts for Difference"

Excursus - CFDs or “Contracts for Difference”: Their importance in the German market

- CFDs are financial derivatives, the value of which results from the difference between two underlying assets ("Underlyings") - so-called "Contracts for difference"
- CFDs are agreed between two parties ("Over-The-Counter")
- Depending on whether the difference is higher or lower, the value of the CFD changes - in contrast to the underlyings, a change has a significantly greater percentage effect on the CFD. In this way, the same purpose can be achieved with less capital investment or, in other words, a significantly higher leverage effect can be achieved with the same capital investment
- Since the higher leverage effect also increases the risks, including a possible total loss, CFDs are more strictly regulated by the supervisory authority - in August 2017, BaFin ruled out the obligation to make additional payments for CFDs
- The German CFD Association regularly publishes figures on the industry - 69 million CFD transactions were recorded in Germany in 2018 and a volume of
1,579 billion euros traded
- Due to the lack of comparability with classic securities, we therefore focus in this study on market figures excluding CFD transactions

Appendix 2: Influence of volatility on transaction volumes in the German securities market

Phases of high risk or individual "shock" incidents (such as the announcement of the Brexit results) attract significantly more interest in the investment and can drastically increase the transaction volume - for example, providers report that on January 6, 2020, the day after the attack by the US military on the Iranian officer Qasem Soleimani and the associated fear of increased geopolitical tensions, the transaction volume was more than three times as high as on an average day [5].

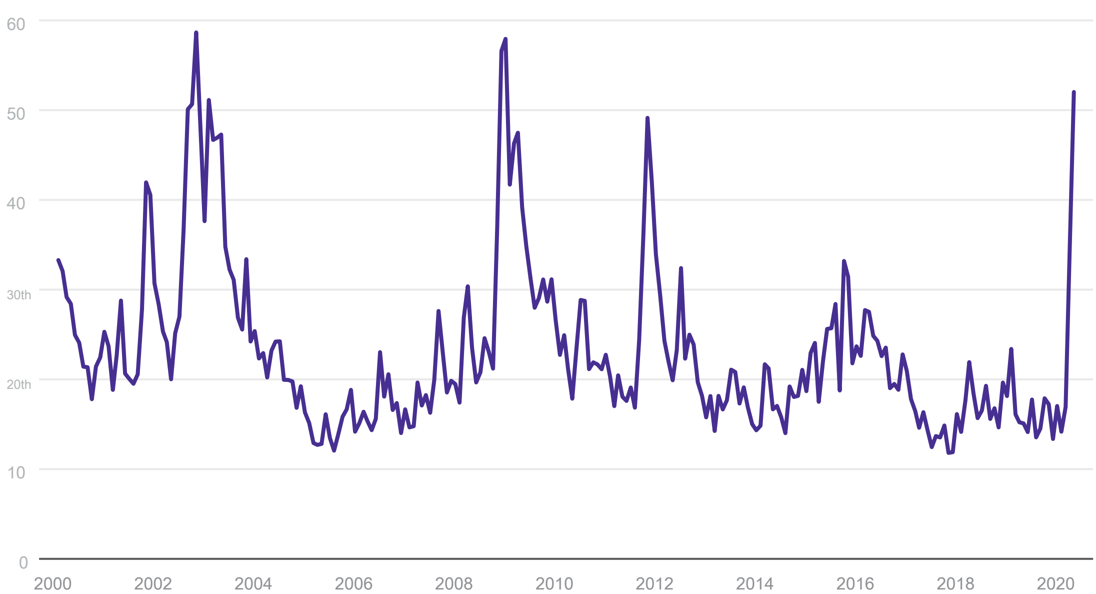
5. See Frankfurter Rundschau, “Stock exchange trading via Internet: 'I don't think that's risky at all'”, January 19th, 2020, last accessed on April 8th, 2020 at https://www.fr.de/wirtschaft/frankfurt-flatex-chef -finds-trading-boerse-internet-non-risky-13447758.html

The Comdirect also states in its 2019 annual report: "The order activity of our customers is particularly dependent on the stock market environment and can hardly be planned in the short term" (page 38).

In a long-term view, however, the VDAX, for example, a measurement of volatility on the German DAX share index, last went through a phase of relatively lower volatility from the beginning of 2017 to the beginning of 2020 before the overturning of the corona crisis. The biggest “shock” incidents in recent years have been the collapse of the investment bank Lehman Brothers in 2008, the peak of the euro crisis in the second half of 2011 and, most recently, a sudden stock market slump on

February 6, 2018 (see Figure 8), before the Corona crisis caused another drastic increase in volatility.

Figure 8. DAX volatility index (VDAX-NEW) - monthly trend since 01/01/2000 to 04/01/2020



Source: Thomson Reuters Datastream (accessed on April 8, 2020), VDAX-NEW is used in the illustration

Appendix 3: In-depth customer survey and order commissions in comparison

Lowest in point **Custody account fees** Out of the four biggest players, Consorsbank and ING DiBa do the best, while in point **Trading fees** Flatex shows the best results. ING DiBa, as one of the well-known banks in Germany, achieved the best rating on the subject **Broker and bank as one provider.** The **Usability of the provider portal** is rated positively for all major providers, with Consorsbank and ING DiBa with the best performance.

Lots **Customers stay with their primary broker for a long time,** almost a third over 6 years and two thirds over 4 years. Only 5 percent of those surveyed changed their primary broker in less than 1 year. Costs, both account management and trading fees, are the main reasons for switching brokers. Another reason is the recommendation of a friend or colleague, whereby ING DiBa, closely followed by Degiro (with an even smaller number of answers), Comdirect, DKB and Consorsbank, achieved the best Net Promoter Score (NPS).

The customer responses, which in addition to the price also focus on the relationship to and reputation of their provider, may also explain the discrepancy in the price offer in the German market. As of April 30, 2020, we observed a range for a share purchase or sale between

0 to 15 euros (median 7.30 euros) with a trading volume of 1,000 euros. With a volume of 15,000 euros, the range increases to 0 to 42.50 euros (median at 24.80 euros) and for a volume of 50,000 euros, the range increases from 0 to 69.90 euros (median at 36.50 euros). All figures are exclusive of third-party charges, new customer bonuses and any deposit management fee (for example, at Flatex currently 0.1 percent per annum of the deposit volume). These ranges are even larger for foreign stocks, for example US stocks up to 55 euros with a trading volume of 1,000 euros.

Figure 9. Order commissions for stock trades (as of April 30, 2020) of various sizes for existing customers in € (excluding new customer bonus, excluding third-party fees (stock exchange fees) and excluding custody account fees)

	Share in Germany in the amount of ...			Share in Germany in the amount of ...		
	1,000	15,000	50,000	1,000	15,000	50,000
DKB	10.0	25.0	25.0	20.0	35.0	35.0
comdirect	9.9	42.5	59.9	12.9	45.5	62.9
ING Diba	7.4	42.4	69.9	7.4	42.4	69.9
Consorsbank	10.0	42.5	69.0	25.0	57.5	69.0
Flatex	5.9	5.9	5.9	5.9	5.9	5.9
s broker	9.0	42.5	55.0	9.0	42.5	55.0
Targo Bank	8.9	34.9	34.9	8.9	34.9	34.9
Max Blue	8.9	37.5	58.9	8.9	37.5	58.9
DeGiro	2.2	4.7	11.0	0.5	0.6	0.7
Trade Republic	0.0	0.0	0.0	0.0	0.0	0.0
1822 directly	9.9	42.5	59.9	55.0	87.5	175.0
justTrade	0.0	0.0	0.0	0.0	0.0	0.0
VR professional broker	15.0	22.5	56.5	30.0	30.0	56.5
Onvista	5.0	5.0	5.0	10.0	10.0	10.0
Median	8.9	30.0	44.9	8.9	35.0	45.0
Average	7.3	24.8	36.5	13.8	30.6	45.3
maximum	15.0	42.5	69.9	55.0	87.5	175.0
minimum	0.0	0.0	0.0	0.0	0.0	0.0

Source: company information, Oliver Wyman analysis

What is striking is a relative similarity of the trading costs with the three largest providers Comdirect, ING DiBa and Consorsbank consisting of a trading fee plus a percentage of the market value - Flatex, Onvista and Trade Republic rely on a so-called "flat fee", i.e. one that is independent of the trading volume Trading fee.

Oliver Wyman is a leading international management consultancy. The company combines pronounced industry specialization with high methodological competence in strategy development, process design, risk management, organizational consulting and management development.

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