

DAB bank: €29.57 million profit before valuation effects at September 30, 2008 / Pretax profit for the first nine months at €1.48 million due to strict mark-to-market valuation of investment portfolio / Good start into the fourth quarter

Munich, October 27, 2008. The DAB bank Group, which operates in Germany and Austria, earned a pretax profit of €1.48 million in the first nine months of 2008. The operating profit for the third quarter amounted to €7.03 million and for the first nine months, it came to €29.57 million.

However, since September 15, when U.S. investment bank Lehman Brothers filed for protection under Chapter 11, the crisis in the financial markets has worsened considerably, leading to a massive widening of credit spreads. The mark-to-market valuation of DAB bank's conservatively composed investment portfolio at September 30, 2008 reduced the value of the portfolio by €28.08 million.

"We measured the value of our investment portfolio strictly on the basis of current market values. Therefore, we are not carrying any undisclosed liabilities as we enter the fourth quarter," said Alexander von Uslar of the DAB bank Executive Board. "Now as before, DAB bank is comfortably capitalized and possesses ample liquidity."

DAB bank's equity ratio was 11.18% at September 30, 2008 (December 31, 2007: 10.90%), which is significantly higher than the minimum required regulatory ratio of 8%. Also at September 30, DAB bank's liquidity ratio, which is calculated in accordance with the German Liquidity Regulation, came to 3.98 (December 31, 2007: 4.88), also well above the minimum required regulatory ratio of 1.0.

"DAB bank has had a good start into the fourth quarter. Since mid-September, we have seen a substantial increase in the trading activity of our customers, along with the attendant positive effects on our commission income," Alexander von Uslar said.

In the third quarter, DAB bank's customers were extremely restrained in their trading activity until mid-September, due in part to the weak markets, but also due to the fact that investors are traditionally less active in the summer months. However, their trading activity picked up again in the second half of September. DAB bank executed a total of 1,145,620 trades for its individual investors (B2C segment) and business customers (B2B segment) in the third quarter, that being 5.1% more than in the second quarter of 2008. Including FondsServiceBank, DAB bank executed a total of 1,977,271 trades for its customers, 3.8% less than in the preceding quarter.

The net commission income amounted to €23.18 million in the third quarter (Q3 2007: €34.30 million). Thanks to strict cost management, DAB bank's administrative expenses were reduced even further, to €30.41 million in the third quarter, 12.0% less than the corresponding figure for the year-ago quarter (Q3 2007: €34.57 million).

At September 30, 2008, DAB bank administered a total of 1,086,945 securities accounts. While the number of securities accounts carried for individual investors (B2C) and business customers (B2B) held steady, in the FondsServiceBank segment that number was lower by almost 8,000 securities accounts, as planned. As a result of the continued decline in key stock market indexes around the world, the volume of customer assets under administration declined 9.3%, from €29.04 billion at June 30 to €26.33 billion at September 30.

Key indicators and operating results of the DAB bank Group according to IFRS, for the nine-month period ended September 30

Key indicators		9M 2008	9M 2007
Securities accounts	No.	1,086,945	1,094,959
Trades executed	No.	6,413,280	8,596,783
Trades per securities account, annualized	No.	7.80	10.85
Customer assets	€ bn	26.33	32.79
thereof in investment funds	€ bn	14.22	17.82
Operating results		9M 2008	9M 2007
Net financial income*	k€	12,595	24,535
Net commission income	k€	79,209	107,657
Administrative expenses	k€	95,109	102,866
Profit before taxes	k€	1,481	33,812
Net profit	k€	940	18,785
Cost-income ratio	in %	98.5	75.3
Earnings per share	€	0.01	0.25

Key indicators and operating results of the DAB bank Group according to IFRS, for the third quarter

Key indicators		Q3/2008	Q2/2008	Q3/2007
Securities accounts	No.	1,086,945	1,095,198	1,094,959
Trades executed	No.	1,977,271	2,054,783	2,677,190
Trades per securities account, annualized	No.	7.27	7.48	9.82
Customer assets	€ bn	26.33	29.04	32.79
thereof in investment funds	€ bn	14.22	15.83	17.82
Operating results		Q3/2008	Q2/2008	Q3/2007
Net financial income*	k€	-14,355	11,497	11,057
Net commission income	k€	23,182	27,030	34,295
Administrative expenses	k€	30,408	31,022	34,574
Profit before taxes	k€	-21,052	9,046	11,140
Quarterly net profit	k€	-14,230	5,934	4,289
Cost-income ratio	in %	325.0	77.4	75.6
Earnings per share	€	-0.19	0.08	0.06

* Net financial income = Net interest income before credit risk provisions + trading profit/loss + Profit/loss from investments