

DAB bank posts pretax profit of €11.5 million for fiscal year 2008

Strong profit in the fourth quarter / Dividend of 11 cents per share proposed / Administrative expenses reduced by means of active cost management

Munich, February 16, 2009. The DAB bank Group, Munich, posted a positive pretax profit of €11.49 million for fiscal year 2008. In terms of its operating performance, that is excluding the valuation effects in the bank's investment portfolio in the third quarter, the pretax profit for the year would have been €39.57 million, not far below the record profit of 2007 (€45.52 million). The fourth-quarter pretax profit was €10.01 million. "In the crisis year of 2008, the business model of DAB bank proved to be robust and viable," said Alexander von Uslar of the DAB bank Management Board. "Despite the unprecedented turmoil in the capital markets and the associated restraint in the trading behavior of investors, we managed to generate a solidly positive profit for the full year, thanks in no small part to our strong performance in the fourth quarter."

After deduction of taxes and minority interests, the net profit of DAB bank came to €8.36 million. At the annual shareholders' meeting to be held on May 14, 2009, the management will propose distributing the entire net profit to shareholders in the form of a dividend of 11 cents per share. Once again, the dividend will be paid on a tax-free basis.

The net commission income of €108.42 million was 24.2% lower than the corresponding previous-year figure. Due to the valuation effects in the investment portfolio in the third quarter, the net financial income, defined as the sum of the net interest income, the trading profit or loss and the profit or loss from investments, declined from the previous year: At

€28.36 million, it was 23.1% less than the corresponding figure for 2007. By means of active cost management, however, DAB bank lowered its administrative expenses by nearly €12 million from €141.02 million in 2007 to €129.21 million in 2008.

Due to the plummeting stock markets, the customers of DAB bank were less active in 2008 than in 2007. In its individual investors unit (B2C), DAB bank executed 4.43 million trades for its customers, 10.8% lower than the previous-year figure. All together, including the business customers unit (B2B) and FondsServiceBank, the number of trades executed declined 19.7%, from 11.51 in 2007 to 9.24 million in 2008.

The number of securities accounts carried for customers in the B2C and B2B segments continued to grow, posting net gains of 16,500 (B2C) and almost 2,000 (B2B) in 2008. In this respect, DAB bank experienced disproportionate growth especially in the fourth quarter. The fact that the total number of securities accounts declined slightly, by 1.4%, from 1,106,322 in 2007 to 1,091,013 in 2008, was due exclusively to a planned reduction of more than 33,000 securities accounts in the FondsServiceBank segment.

The volume of customer assets held in securities accounts and deposits was heavily affected by the worldwide drop in stock markets and indexes. Whereas the DAX lost more than 40% of its value in 2008, for example, the volume of customer assets under administration in DAB bank declined by only slightly less than 30%, from €32.82 billion to €23.16 billion.

"Due to the situation in the financial markets, we are unable at this time to make a reliable forecast of the business developments in 2009," Alexander von Uslar said. "The developments in fiscal year 2008 made it clear that DAB bank can be successful even amid an extremely difficult market environment. Therefore, we are cautiously optimistic as we look forward to the new year."

The figures provided herein have not been audited. DAB bank will publish its annual report for fiscal year 2008 on March 17, 2009.

Key figures and operating results of DAB bank AG (preliminary figures):

Key figures		2008	2007	Change
Securities accounts	No.	1,091,013	1,106,322	-1.4%
Trades executed	No.	9,235,034	11,507,017	-19.7%
Trades per securities account (annualized)	No.	8.43	10.84	-22.2%
Customer assets	€ bn	23.16	32.82	-29.4%
thereof in investment funds	€ bn	12.34	18.12	-31.9%
Operating results				
Net financial income*	k€	28,363	36,888	-23.1%
Net commission income	k€	108,419	142,980	-24.2%
Administrative expenses	k€	129,206	141,019	-8.4%
Pretax profit	k€	11,487	45,515	-74.8%
Net profit after taxes	k€	8,359	25,711	-67.5%
Cost-income ratio	in %	91.8	75.6	+20.9%
Return on equity before taxes	in %	6.6	25.3	-73.9%
Earnings per share	€	0.11	0.34	-67.6%

Key figures		Q4/2008	Q3/2008	Q4/2007
Securities accounts	No.	1,091,013	1,086,945	1,106,322
Trades executed	No.	2,821,754	1,977,271	2,910,234
Trades executed per securities account per year	No.	10.36	7.27	10.58
Customer assets	€ bn	23.16	26.33	32.82
thereof in investment funds	€ bn	12.34	14.22	18.12
Operating results				
Net financial income/expenses*	k€	15,768	-14,355	12,353
Net commission income	k€	29,210	23,182	35,323
Administrative expenses	k€	34,097	30,408	38,153
Pretax profit	k€	10,006	-21,052	11,703
Quarterly profit	k€	7,419	-14,230	6,926
Cost-income ratio	in %	77.3	325.0	76.5
Earnings per share	€	0.10	-0.19	0.09

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