

DAB bank generates outstanding pretax profit of €12.14 million in the third quarter of 2009

Pretax profit for the first nine months of 2009 reaches €26.53 million / Full-year forecast raised from €25 million to substantially more than €30 million / Net financial income hits record level in the third quarter / Net commission income slightly higher than in the preceding quarters

Munich, October 27, 2009. The DAB bank Group, Munich, posted a pretax profit of €12.14 million for the third quarter of 2009 (Q3 2008: €-21.05 million). Accordingly, the pretax profit for the first nine months of this year came to €26.53 million (9M 2008: €1.48 million). In view of the strong performance in the third quarter, DAB bank is raising its full-year pretax profit forecast from the original target of €25 million to substantially more than €30 million.

The positive performance was driven in large part by the outstanding net financial income of €22.50 million, the highest that DAB bank has ever earned in one quarter. At €16.48 million, the net interest income was again higher than the strong figure for the preceding quarter (Q2 2009: €16.14 million) and substantially higher than the year-ago figure (Q3 2008: €13.61 million). An impressive contribution was made by the profit from investments, which hit a record level of €5.50 million in the third quarter (Q2 2009: €1.08 million; Q3 2008: €-27.82 million). "We have taken full advantage of the opportunities which the market is presenting right now, in the best interests of DAB bank. The recovery of the bond markets, for example, fueled substantial gains in our conservative and security-oriented treasury portfolio," said Markus Gunter of the DAB bank Management Board.

The net commission income rose from €20.30 million in the second quarter to €22.39 million in the third quarter of 2009, but was still below the corresponding year-ago figure (Q3 2008: €23.18 million). The year-on-year decline can be attributed to the continued reluctance of German investors to trade, which was reflected in the number of trades executed for customers of DAB bank. The seasonal drop-off in trading activity that usually occurs in the summer months failed to materialize. Thus, the trades executed

in the third quarter, at 1,603,279, were nearly the same as the trades executed in the preceding quarter (Q2 2009: 1,616,560). Nonetheless, they were lower, by 18.9%, than the corresponding year-ago figure (Q3 2008: 1,977,271).

Another factor contributing to the strong pretax profit was the strict cost discipline practiced by DAB bank. At €92.29 million, the administrative expenses for the first nine months of 2009 were about €3 million less than the corresponding year-ago figure (9M 2008: €95.11 million).

Thanks in no small part to the positive development of stock markets, the volume of customer assets administered by DAB bank rose 7.4%, from €24.47 billion at the end of June to €26.28 billion at the end of September. The number of securities accounts carried by DAB bank was nearly unchanged from the previous period. That number was 1,064,304 at September 30, 2009, as compared to 1,075,470 at June 30, 2009. The slight decrease can be attributed mainly to FondsServiceBank.

In spite of the very positive performance in the third quarter, DAB bank continues to be cautious in its outlook for the future. "Due to the current situation of interest rates, the net interest income will be lower in the coming months. As for the profit from investments, we anticipate that it will revert to the level of the first two quarters of this year. Furthermore, we do not anticipate a sustained increase in the number of trades executed, and therefore also not in the net commission income," Markus Gunter said.

Key indicators and operating results of the DAB bank Group, according to IFRS, for the first nine months:

Key indicators		9M 2009	9M 2008
Securities accounts	No.	1,064,304	1,086,945
Trades executed	No.	4,756,348	6,413,280
Trades per securities account, annualized	No.	5.88	7.80
Customer assets	€ bn	26.28	26.33
thereof in investment funds	€ bn	14.29	14.22
Operating results		9M 2009	9M 2008
Net financial income*	€ thsd	57,500	12,595
Net commission income	€ thsd	61,321	79,209
Administrative expenses	€ thsd	92,294	95,109
Pretax profit	€ thsd	26,525	1,481
Net profit	€ thsd	18,319	1,009
Cost-income ratio	in %	77.7	98.5
Earnings per share	€	0.24	0.01

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

Key indicators		Q3/2009	Q2/2009	Q3/2008
Securities accounts	No.	1,064,304	1,075,470	1,086,945
Trades executed	No.	1,603,279	1,616,560	1,977,271
Trades per securities account, annualized	No.	6.01	6.03	7.27
Customer assets	€ bn	26.28	24.47	26.33
thereof in investment funds	€ bn	14.29	13.27	14.22
Operating results		Q3/2009	Q2/2009	Q3/2008
Net financial income*	€ thsd	22,496	17,468	-14,355
Net commission income	€ thsd	22,394	20,296	23,182
Administrative expenses	€ thsd	31,987	29,814	30,408
Pretax profit	€ thsd	12,140	7,959	-21,052
Net profit for the quarter	€ thsd	8,341	5,490	-14,266
Cost-income ratio	in %	72.5	78.9	325.0
Earnings per share	€	0.11	0.07	-0.19

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