



Quarterly Report Q3 2009

DAB bank
Die DirektAnlageBank

Key Figures of DAB bank Group (IFRS)

		Q3 2008	Q2 2009	Q3 2009
Results				
Net commission income	€ thousand	23,182	20,296	22,394
Net financial income	€ thousand	-14,355	17,468	22,496
Administrative expenses	€ thousand	30,408	29,814	31,987
Result before taxes	€ thousand	-21,052	7,959	12,140
Net profit	€ thousand	-14,266	5,490	8,341
Cost-income ratio	in %	325.0	78.9	72.5
Statement of financial position				
Total assets	€ mn	3,997.4	3,560.0	3,223.6
Shareholders' equity	€ mn	157.3	168.1	178,6
Overall ratio per SolvV	in %	12.1	14.9	15.4
Share				
Earnings per share	€	-0.19	0.07	0.11
End of quarter share price (Xetra)	€	3.52	2.91	3.72
Key operating figures				
Securities accounts	number	1,086,945	1,075,470	1,064,304
Volume of securities accounts and deposits	€ bn	26.33	24.47	26.28
Trades	number	1,977,271	1,616,560	1,603,279
Trades per securities account per year	number	7.27	6.03	6.01
Employees				
Employees (headcount)	number	714	683	675
Employees (full-time basis)	number	651	614	607

The direct
bank for
investment
services

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Dear shareholders, customers and business partners:

The German economy has traversed the bottom of the recession faster than had been feared after the collapse of Lehman Brothers a year ago. The mood in the financial markets is gradually improving. As the business climate brightens and positive forecasts are issued for key economic indicators, a moderate improvement can be observed in the stock markets. Despite fears of corrections, investors gradually regained their confidence in the financial markets in the third quarter.

These trends also benefited DAB bank in the third quarter of 2009. Although the total number of trades executed for customers, at 1,603,279 (Q3/2008: 1,977,271), remained on a rather low level, the drop-off in trading activity that usually occurs in the summer vacation months did not materialize (Q2/2009: 1,616,560). In particular, our customers in the B2B segment placed about 18% more orders in the third quarter than in the second quarter. Although the number of securities accounts carried for customers declined by 1% to 1,064,304 (Q2/2009: 1,075,470), the volume of customer assets held in custody rose by 7% to €26.28 billion (Q2/2009: €24.47 billion).



The pretax profit for the third quarter amounted to €12.14 million, bringing the pretax profit for the first three quarters of 2009 to €26.53 million. Thus, DAB bank exceeded its full-year pretax profit target of €25 million already at September 30. The strong pretax profit was driven primarily by the net interest income of €16.48 million, which remained on the high level of the preceding quarter, and by the net commission income of €23.39 million, which was higher than the corresponding figure for the second quarter, as well as by a positive effect of €5.50 million within the net profit from investments and the continued practice of strict cost discipline. Therefore, we have raised our pretax profit forecast for the full year 2009 to substantially more than €30 million.

Customer satisfaction: Historically high values for DAB bank

It has been widely reported in nearly all the media that "people's trust in banks has plummeted in the last 12 months." Many customers felt betrayed by their financial services providers. But the results of the latest customer satisfaction survey revealed that the opposite is true of DAB bank. In fact, 96% of the customers surveyed by an independent institute are satisfied with DAB bank, including 87% who are so satisfied they intend to recommend DAB bank to others. Considering the current market environment, we are especially pleased with these historically high values. Another indication that customers have every reason to be highly satisfied with DAB bank can be seen in the awards that DAB bank received in the third quarter. According to the latest test by the investor magazine Euro am Sonntag, DAB bank has the lowest-cost overall securities offering of all the major online banks; and according to the consumer testing magazine Stiftung Warentest, it offers the lowest interest rate on account overdrafts (6.95% p.a.) of the 57 banks surveyed.

Trading tool for stock market pros

The popularity of the DAB Profi Trader continues to grow. In early September, the professional trading tool for frequent traders was also introduced by our Austrian subsidiary direktanlage.at under the name "PowerTrader Pro." Designed specifically for stock market pros, this trading application meets every need with respect to tracking, analyzing and trading securities. With functions like one-click trading, personalized pre-

fill settings for order templates, short cuts for automated processes and drag & drop features, traders have everything they need to optimally manage their securities portfolios and place orders in global stock markets at lightning speed. The trading screen lives up to traders' expectations in every respect.

12th Investment Congress of DAB bank

This year, more than 1,000 financial professionals again accepted our invitation to attend the 12th Investment Congress of DAB bank, the most important industry event for independent financial services providers and institutional investors, which was held in Munich on September 30. At this year's congress, Dr. Theodor Waigel, the former Federal Finance Minister of Germany, spoke on the "The Global Economic Situation and the Consequences for Germany." Also, future trends researcher Matthias Horx spoke on "The Future After the Crisis." The participants were also given the chance to attend workshops on specific subjects and speak with more than 50 exhibitors. The asset managers at this event were particularly interested in current market trends and the innovative product offerings of the exhibitors.

DAB bank in dialog with its customers

We have always pursued an ongoing dialog with our customers, investors and business partners through our many exclusive customer events. Since mid-October, we have been conducting a "portfolio check" campaign in cooperation with n-tv. The customers who avail themselves of this service receive an evaluation of their portfolio and suggestions to enhance efficiency. The "portfolio check" analysis is based on the insights and methods of portfolio theory according to Markowitz, under which the risk-reward ratio of a securities portfolio can be optimized by means of diversification.

In the B2B segment, DAB bank will provide even more support to banking professionals who wish to start their own business, starting next year. The business start-up agency for financial portfolio managers known as "DAB Start!" will "go live" at the beginning of next year with online tools, including a knowledge database, interactive itineraries and a business plan tool.

DAB bank also helps established asset managers hold their own "financial dialog" events. Successful asset management thrives on personal meetings and contacts. Besides supporting long-term client relationships, such direct conversations are also instrumental in winning new clients. Under the new event concept known as "financial dialog," DAB bank handles all the event organizing work for its B2B partners. Among other things, DAB bank takes care of scheduling, location search, invitations and participant lists. It assists in the actual conduct of the event and performs follow-up work. This way, the asset managers can focus on their clients, while DAB bank takes care of everything else!

Considering the great services we offer to our customers and business partners and our innovative product offerings, we are very confident that we will again be successful in the fourth quarter and achieve our new pretax profit goal of substantially more than €30 million.



Markus Gunter



Dr. Markus Walch

DAB bank share

Stock market environment

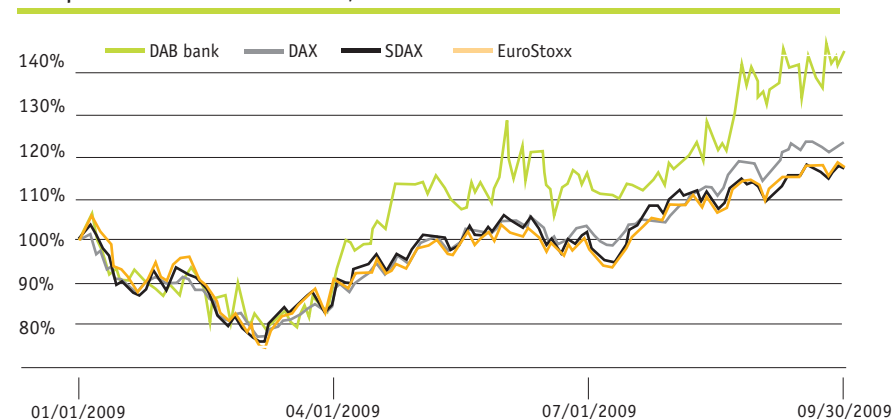
After the Bundestag (the lower house of the German parliament) passed legislation to create "bad banks," there was much trepidation at first about the consequences. By means of such "bad banks," other banks are given the chance to remove billions of euros in risky securities from their balance sheets. Although this scheme is hardly being used right now, the stock markets' initial response to this decision was negative. As a result, the German stock markets sustained considerable price losses at the beginning of the third quarter. Having started the third quarter at 4,820, the DAX was lifted in mid-July by positive data on the U.S. economy and by the first quarterly reports of U.S. banks. Boosted by strong signals from overseas stock markets and by the increased level of the Ifo Business Climate Index, the DAX reached new highs for the year of over 5,000 points before the end of July. Thereafter, the lead German index was somewhat volatile but nonetheless remained above the psychologically important 5,000 mark, before reaching its high of 5,731 on September 17. The German stock exchanges were buoyed by positive signals from the United States, including the Dow Jones Industrial Index, which climbed to more than 9,800 points on the strength of higher commodity prices and good economic data. The stock markets dipped slightly in the final week of September and the DAX closed the third quarter at 5,675 points.

In the third quarter, nearly all stock market indexes made up all their losses since the beginning of the year. In the first nine months of 2009, the DAX gained 17%, the MDAX 30% and the SDAX 24% over their respective levels at the beginning of 2009.

The international stock markets showed nearly the same development as the German indexes. The EuroStoxx closed on September 30 at 2,873, for a gain of 17%. The Dow Jones Industrial Index gained 11% and the Japanese Nikkei Index gained 13% in the first nine months of 2009.

Although investors' confidence in the financial markets is gradually returning, a certain hesitation can still be observed in the German stock markets, compared to earlier years. About 25% fewer trades were conducted in the third quarter of 2009 than in the third quarter of 2007, before the economic crisis, while the trading volume was 55% lower over that period. Compared to last year, the number of trades was 21% lower and the trading volume was 43% lower than in the third quarter of 2008. A total of 65.04 million trades were executed on all the German stock exchanges in the third quarter of 2009 (Q2 2009: 65.99 million), for a trading volume of €0.84 trillion, as compared to €0.89 trillion in the second quarter. Thus, the number of trades executed and the monetary volume of those trades were little changed from the previous quarter.

Comparison of DAB bank share with DAX, SDAX and EuroStoxx



The DAB bank share

Boosted by positive economic data and good signals from the United States, all the stock markets moved higher in the third quarter. As for the DAB bank share, its positive momentum caused it to perform even better than most stock market indexes in the summer months. Having gained 25% in the third quarter and 45% since the beginning of 2009, the DAB bank share performed much better than the relevant comparison indexes.

Having started the quarter at €2.90, the DAB bank share hovered below €3 for exactly one month, before finally breaking through the €3 mark barrier on July 31. From that point, it continued to rise without major corrections until September 24, when it reached its high for the year of €3.78. After some minor profit-taking, the share closed the third quarter at €3.72.

The trading volumes in the range between €2.81 and €3.78 were somewhat lower in the third quarter than in the second quarter. On average, about 19,832 shares traded hands every day (Q2/2009: 28,239) on Xetra and the Frankfurt Stock Exchange. In total, therefore, 1,308,932 shares were traded in the third quarter.

Through its capital market communication activities, DAB bank strives to maintain a ongoing and honest dialog with shareholders, prospective investors and analysts, in order to create the conditions for a fair and realistic valuation of the DAB share in the capital market. To that end, we again

DAB bank share price development in €

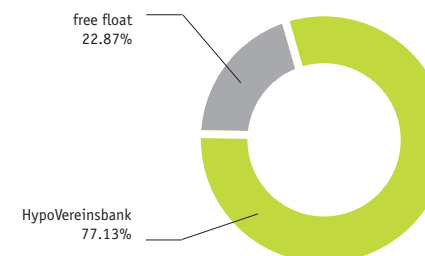


held numerous one-on-one discussions in the third quarter and presented the company's strategy and goals at the UniCredit German Investment Conference in Munich.

Key figures on the DAB bank share

Opening price, Xetra (07/01/2009)	2.90 €
Highest price, Xetra (09/24/2009)	3.78 €
Lowest price, Xetra (07/10/2009)	2.81 €
Closing price, Xetra (09/30/2009)	3.72 €
Market capitalization (09/30/2009)	279.69 € mn
Earnings per share	0.11 €
WKN	507230
SICOVAM	22040
Reuters Code	DRNG
Bloomberg Ticker	DRN GR
ISIN Code	DE0005072300
Shares outstanding	75,187,007
Stock exchange segments	Prime Standard, Frankfurt; Nouveau Marché, Paris
Stock exchanges	Xetra, Frankfurt, Munich, Stuttgart, Berlin, Duesseldorf, Hamburg, Hanover, Bremen, Paris
Designated Sponsor	HSBC Trinkaus & Burkhardt AG, Lang & Schwarz Wertpapierhandels AG

Shareholder Structure at September 30, 2009



Business developments

General economic situation and developments in the financial services industry

"The steep downward slide has been halted." "The end of the recession is in sight." "The upswing is coming." One year after the bankruptcy filing of Lehman Brothers and the culmination of the financial crisis, increasingly more optimistic assessments of future economic developments can be heard.

The ifo Global Business Climate Index rose for the second time in a row in the third quarter of 2009. This increase mainly reflected the much more favorable expectations for the next six months, but the assessments of the current economic situation also improved slightly, for the first time since the third quarter of 2007. Furthermore, the global average inflation expectations for 2009 were much lower than they had been in the previous year (2.5% as compared to 5.4%). As an average assessment for the global economy, therefore, neither a jump in inflation nor a slide into deflation is expected to occur in the current year.

Positive economic data came out of the United States towards the end of the third quarter. The stabilizing trend was evidenced by the fifth consecutive rise in the home price index; furthermore, the latest results of business surveys pointed to a slowing of the rate of job losses. Although only 530,000 people filed for first-time unemployment benefits in September, that being the lowest level since the beginning of the year, the unemployment rate rose in September to 9.8%, its highest reading since June 1983. Due to the U.S. version of the "cash for clunkers" program, consumer spending showed a strong jump in August, despite the continuing rise in unemployment. In view of other factors, however, such as the still high level of household debt and the reduction of wealth resulting from the continuing drop in U.S. real estate prices, the sustainability of consumer sentiment is questionable.

Central banks kept their interest rates steady in the third quarter. According to the experts participating in the World Economic Survey (WES), short-term interest rates are expected to remain unchanged at their current levels in most countries of the world in the next six months. Over this same period,

however, long-term interest rates are expected to rise somewhat in most countries, in line with the more favorable economic outlook. The WES experts regard the euro (which bought US\$1.46 at September 30) as being slightly overvalued, from an average global perspective. The other major world currencies (U.S. dollar, Japanese yen and British pound) are considered to be appropriately valued.

According to a GfK survey, a growing number of Germans believe the economic crisis and recession will soon come to an end. In September, the ifo Business Climate Index rose by 0.8 to 91.3 points, that being the second increase in a row. Right before the German federal elections, therefore, German business sentiment was better than it has been for a year. The 7,000 managers surveyed offered an improved assessment of both their current situation and the business outlook for the next six months, compared to the preceding survey. Industrial companies in particular are especially optimistic.

Less optimistic, however, are the projections of the Organization for Economic Cooperation and Development (OECD) for the German jobs market. The OECD is predicting a significant increase in unemployment in Germany. Because the economic recovery will be rather too faint, in the opinion of the OECD, the unemployment rate can be expected to reach into double digits in the coming year. At 8.3%, the current unemployment rate in Germany is still slightly lower than the average for the 30 OECD member states, which is 8.5%, the highest level since the end of World War II.

The reactions to the decisions made at the G-20 Summit in Pittsburgh in late September were quite critical. To prevent the recurrence of a financial crisis, banks will be required to set aside more capital in the future, to serve as a buffer in times of crisis and obviate the need for new government rescue programs. The member states are supposed to formulate new rules governing the quality and quantity of bank capital by the end of 2010. Experts fear that these new rules could be especially hard on German banks in particular. In addition, the heads of government of the G-20 countries will adopt international rules to limit bonus compensation to executives of financial institutions. Such bonuses are supposed to incentivize "long-term value creation, as opposed to excessive risk-taking."

Developments at DAB bank

DAB bank benefited in the third quarter from the brightening economic outlook and the gradual restoration of investors' trust in the financial markets. Although the total number of trades executed for customers, at 1,603,279 (Q3/2008: 1,977,271), remained on a rather low level, the drop-off in trading activity that usually occurs in the summer vacation months did not materialize (Q2/2009: 1,616,560). In particular, our customers in the B2B segment placed about 18% more orders in the third quarter than in the second quarter. Although the number of securities accounts carried for customers declined by 1% to 1,064,304 (Q2/2009: 1,075,470), the volume of customer assets held in custody rose by 7% to €26.28 billion (Q2/2009: €24.47 billion).

The pretax profit for the third quarter amounted to €12.14 million, bringing the pretax profit for the first three quarters of 2009 to €26.53 million. Thus, DAB bank exceeded its full-year pretax profit target of €25 million already at September 30. The strong pretax profit was driven primarily by the net interest income of €16.48 million, which remained on the high level of the preceding quarter, and by the net commission income of €23.39 million, which was higher than the corresponding figure for the second quarter, as well as by a non-recurring effect of €5.50 million within the net profit from investments and the continued practice of strict cost discipline. Therefore, we have raised our pretax profit forecast for the full year 2009 to substantially more than €30 million.

Considering the great services we offer to our customers and business partners and our innovative product offerings, we are very confident that we will again be successful in the fourth quarter and achieve our new pretax profit goal of substantially more than €30 million.

Customer assets, securities accounts and trades executed

Customer assets

As the markets have gradually recovered, the volume of customer assets administered by DAB bank rose by €1.81 billion to €26.28 billion in the third quarter (Q2 2009: €24.47 billion). In Germany, customer assets increased by 6.6% to €23.46 billion; in Austria, the customer assets administered by the Austrian subsidiary direktanlage.at increased by 14.2% to €2.82 billion. On a Groupwide basis, the volume of customer assets held in securities accounts exhibited a disproportionate increase of 10.3%, reaching €23.40 billion. In Germany, those assets rose by 9.5% to €21.05 billion (Q2 2009: €19.22 billion) and in Austria, by 17.5% to €2.35 billion (Q2 2009: €2.00 billion). Due to falling interest rates, many customers shifted their funds out of cash deposits, the volume of which came to €2.88 billion at the end of the third quarter, below the level of the preceding quarter (Q2 2009: €3.25 billion).

Volume of securities accounts and deposits

		Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009
Securities accounts and deposits	€ bn	26.33	23.16	22.55	24.47	26.28
Germany	€ bn	23.96	21.08	20.51	22.00	23.46
Austria	€ bn	2.37	2.08	2.04	2.47	2.82
Volume of securities accounts	€ bn	22.75	19.95	19.27	21.22	23.40
Germany	€ bn	20.80	18.27	17.64	19.22	21.05
Austria	€ bn	1.95	1.68	1.63	2.00	2.35
therof in investment funds	€ bn	14.22	12.34	12.18	13.27	14.29
Germany	€ bn	13.44	11.63	11.49	12.46	13.37
Austria	€ bn	0.78	0.71	0.69	0.81	0.92
Deposits	€ bn	3.58	3.21	3.28	3.25	2.88
Germany	€ bn	3.16	2.81	2.87	2.78	2.41
Austria	€ bn	0.42	0.40	0.41	0.47	0.47

Securities accounts

At the end of the third quarter, the DAB bank Group administered a total of 1,064,304 securities accounts (Q2 2009: 1,075,470). This lateral movement can be attributed in part to a decrease in the number of securities accounts carried for customers in the B2C and FondsServiceBank (FSB) segments, and in part to the mostly unchanged number of securities accounts carried for customers in the B2B segment and a slight increase in securities accounts carried for customers at our subsidiary direktanlage.at. Thus, the number of securities accounts carried for customers in the B2C segment declined by 4,740 to 509,413, while the number of securities accounts carried for customers in the B2B segment was nearly unchanged at 113,805 (Q2 2009: 113,871). At FondsServiceBank, the number of securities accounts decreased by 6,360 to 441,086. At direktanlage.at, the total number of securities accounts increased by 784 to 55,523.

Securities accounts						
		Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009
Securities accounts	No.	1,086,945	1,091,013	1,088,481	1,075,470	1,064,304
Germany	No.	1,035,214	1,037,990	1,035,104	1,020,731	1,008,781
Austria	No.	51,731	53,023	53,377	54,739	55,523

Trades executed

Continuing to recover from their lows in early March, stock market prices reached new highs for the year in the last weeks of September. This trend had the effect of stimulating the trading activity of DAB bank's business customers, in particular. The number of trades executed for customers in the B2B segment rose by 23,966 or 17.6% over the previous quarter to 160,509. The bank's B2C customers were more restrained, however, placing only 903,914 trade orders, that being 25,239 or nearly 3% fewer than in the second quarter. A moderate decrease in trading activity was observed at FSB as well, where 538,856 securities trades were executed for customers, that

being 12,008 or 2.2% fewer than in the second quarter. On a Groupwide basis, DAB bank executed a total of 1,603,279 trades for customers in the third quarter of 2009, that being 13,281 fewer trades than in the preceding quarter, indicative of a moderate 0.8% decrease.

The year-ago comparison reveals a considerable difference between the trades executed in Germany and Austria. A total of 1,298,456 trades were executed for customers in Germany in the third quarter of 2009, that being 440,714 or 25.3% fewer trades than in the third quarter of last year. In the Austrian market, by contrast, direktanlage.at executed a total of 304,823 trades in the third quarter of 2009, that being 66,722 or 28.0% more trades than in the year-ago quarter.

On a Groupwide basis, the annualized number of trades per securities account fell to 6.01 (Q3 2008: 7.27). In Germany, this key indicator came to 5.14 (Q3 2008: 6.71); in Germany excluding FondsServiceBank it was 5.36 (Q3 2008: 6.66). In Austria, 22.12 trades (Q3 2008: 18.44) were executed per securities account on an annualized basis.

Trades						
		Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009
Trades	No.	1,977,271	2,821,754	1,536,509	1,616,560	1,603,279
Germany	No.	1,739,170	2,503,285	1,291,257	1,320,636	1,298,456
Austria	No.	238,101	318,469	245,252	295,924	304,823

▶ Business developments

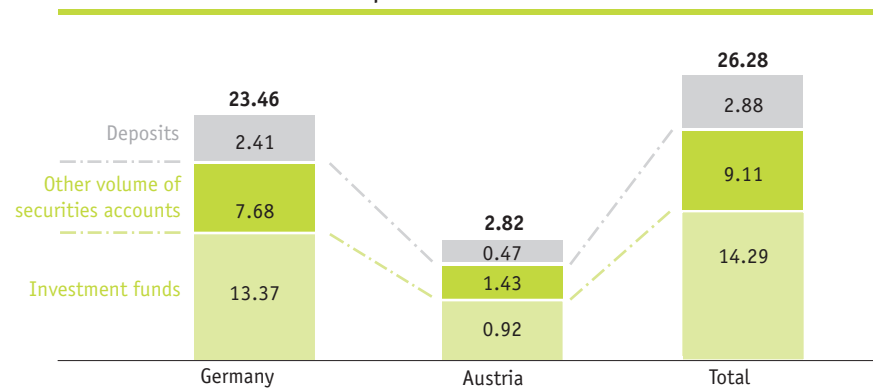
B2C (business-to-consumer)

		Q3 2008	Q2 2009	Q3 2009
Securities accounts	No.	486,863	514,153	509,413
Germany	No.	450,109	475,921	470,756
Austria	No.	36,754	38,232	38,657
Trades executed	No.	975,946	929,153	903,914
Germany	No.	780,380	678,921	651,094
Austria	No.	195,566	250,232	252,820
Securities accounts and deposits	€ bn	8.87	8.90	9.80
Germany	€ bn	7.34	7.35	8.00
Austria	€ bn	1.53	1.55	1.80
Volume of securities accounts	€ bn	7.23	6.95	8.13
Germany	€ bn	6.00	5.75	6.69
Austria	€ bn	1.23	1.20	1.44
therof in investment funds	€ bn	2.18	2.24	2.53
Germany	€ bn	1.86	1.94	2.19
Austria	€ bn	0.32	0.30	0.34
Deposits	€ bn	1.64	1.95	1.67
Germany	€ bn	1.34	1.60	1.31
Austria	€ bn	0.30	0.35	0.36

B2B (business-to-business)

		Q3 2008	Q2 2009	Q3 2009
Financial intermediaries	No.	1,071	1,098	1,103
Germany	No.	882	882	883
Austria	No.	189	216	220
Securities accounts	No.	112,491	113,871	113,805
Germany	No.	97,514	97,364	96,939
Austria	No.	14,977	16,507	16,866
Trades executed	No.	169,674	136,543	160,509
Germany	No.	127,139	90,851	108,506
Austria	No.	42,535	45,692	52,003
Securities accounts and deposits	€ bn	12.86	11.87	12.59
Germany	€ bn	12.02	10.95	11.57
Austria	€ bn	0.84	0.92	1.02
Volume of securities accounts	€ bn	10.95	10.59	11.40
Germany	€ bn	10.23	9.79	10.49
Austria	€ bn	0.72	0.80	0.91
therof in investment funds	€ bn	7.47	7.35	7.89
Germany	€ bn	7.01	6.84	7.31
Austria	€ bn	0.46	0.51	0.58
Deposits	€ bn	1.91	1.28	1.19
Germany	€ bn	1.79	1.16	1.08
Austria	€ bn	0.12	0.12	0.11

Volume of securities accounts and deposits in € bn



SRQ FinanzPartner AG

		Q3 2008	Q2 2009	Q3 2009
Assets under custody	€ bn	1.09	1.17	1.23
thereof securities accounts and cash deposits	€ bn	0.58	0.58	0.61
thereof other volume	€ bn	0.51	0.59	0.62
Customers	No.	9,967	10,858	11,200
thereof customers with securities accounts	No.	6,477	7,410	7,303
Employees	No.	14	13	13
Financial planners	No.	105	114	109
Result before taxes	€ thousand	-110	-18	39

FondsServiceBank

		Q3 2008	Q2 2009	Q3 2009
Germany				
Financial intermediaries	No.	35	32	32
Securities accounts	No.	487,591	447,446	441,086
Trades executed	No.	831,651	550,864	538,856
Securities accounts and deposits	€ bn	4.60	3.70	3.89
Volume of securities accounts	€ bn	4.57	3.68	3.87
therof in investment funds	€ bn	4.57	3.68	3.87
Deposits	€ bn	0.03	0.02	0.02

Operating results

Review of the third quarter

Despite the weak markets, DAB bank generated an outstanding pretax profit of €12,140 thousand in the third quarter of the current business year.

The pretax profit earned in the first three quarters of 2009 amounted to €26,525 thousand, which was well above the corresponding year-ago figure (Q1-Q3 2008: €1,481 thousand). At €12,140 thousand, the pretax profit for the third quarter was likewise higher than the corresponding year-ago figure (Q3 2008: -€21,052 thousand), which had been burdened by non-recurring effects, besides being 52.5% higher than the corresponding figure for the preceding quarter (Q2 2009: €7,959 thousand).

The very positive performance in the first nine months of 2009 was achieved in spite of the persistently tough market environment and the still uncertain economic forecasts. The following factors in particular contributed to this positive result in the third quarter of 2009:

1. The net commission income for the third quarter was more than 10% higher than it had been in the second quarter.
2. The net profit from investments in the third quarter was more than triple the corresponding figure for the second quarter, despite the continued low level of interest rates and the still low level of risk in our treasury portfolio.
3. On average for the year, administrative expenses have been kept nearly unchanged, even as income was increased.

The positive effect of the sale of the FSB business will likely be recognized in the fourth quarter of 2009, after all the risks and rewards incident to ownership have passed to the buyer.

Thanks to these positive developments, the DAB bank Group generated a net profit of €18,319 thousand as of September 30, 2009 (Q1-Q3 2008: €1,009 thousand).

Of the total year-to-date pretax profit of €26,525 thousand, the business conducted in Germany (DAB bank AG, SRQ FinanzPartner AG) contributed €18,719 thousand (Q1-Q3 2008: -€7,464 thousand) and the business in Austria (direktanlage.at) contributed €7,806 thousand (Q1-Q3 2008: €8,945 thousand). As for the third quarter, the Germany segment contributed €9,000 thousand (Q3 2008: -€23,638 thousand) and the Austria segment contributed €3,140 thousand (Q3 2008: €2,586 thousand) to the pretax profit.

Net commission income

At €22,394 thousand, the net commission income for the third quarter was only slightly less than the corresponding year-ago figure (Q3 2008: €23,182 thousand). On the other hand, the net commission income was more than 10% higher than that of the preceding quarter (Q2 2009: €20,296 thousand). Of the total net commission income for the third quarter, €18,041 thousand was generated on the business conducted in Germany (Q3 2008: €19,313 thousand) and €4,353 thousand on the business in Austria (Q3 2008: €3,869 thousand). The net commission income generated in Austria was more than 11% higher than the corresponding year-ago figure.

Net financial income

The net financial income (sum of net interest income before credit risk provisions, profit or loss from investments and trading profit or loss) exhibited a positive development again in the third quarter. At €22,496 thousand, the net financial income generated in the third quarter was higher than the corresponding year-ago figure (-€14,355 thousand). This positive performance can be credited to the practice of active interest rate management and also to the conservative investment strategy pursued with respect to our treasury portfolio, which is geared to long-term capital appreciation.

Administrative expenses

Thanks to active cost management, the administrative expenses for the first three quarters of the current year were significantly reduced by 3.5% to €92,294 thousand (Q1-Q3 2008: €95,109 thousand). At €31,987 thousand, the administrative expenses were slightly higher than the year-ago figure (Q3 2008: €30,408 thousand).

The personnel expenses for the first three quarters amounted to €30,078 thousand, nearly unchanged from the corresponding year-ago figure (Q1-Q3 2008: €29,856 thousand). At €9,874 thousand, the personnel expenses for the third quarter were likewise nearly unchanged from the year-ago figure (Q3 2008: €9,740 thousand). The "other administrative expenses" for the first three quarters of 2009 amounted to €54,787 thousand, that being significantly lower than the corresponding year-ago figure (Q1-Q3 2008: €58,293 thousand). At €7,429 thousand, the depreciation, amortization and impairments were lightly higher as the year-ago figure (Q1-Q3 2008: €6,960 thousand).

The cost-income ratio, which we define as the ratio of administrative expenses to the sum of net interest income after credit risk provisions, net commission income, profit or loss from investments, trading profit or loss, net other operating income/expenses and net other operating income/expenses, came to 77.7% as of September 30, 2009, significantly lower than the 98.5% cost-income ratio for the year-ago period.

Balance sheet indicators and regulatory ratios

At September 30, 2009, the total assets of the DAB bank Group amounted to €3,224 million, indicative of a 9.4% decrease from the same figure at June 30, 2009 (€3,560 million). The change from June 30, 2009 resulted primarily from the reallocation of customer funds.

DAB bank AG monitors the bank regulatory ratios only on the level of the parent company. The Group-level regulatory ratios in Germany are monitored exclusively by the parent company of DAB bank AG, Bayerische Hypo- und Vereinsbank AG, Munich.

At €519 million, the risk assets of DAB bank AG were lower at September 30, 2009 than at the end of the preceding quarter (Q2 2009: €561 million). The capital charges for market risk positions rose to €7.51 million in the third quarter (Q2 2009: €5.96 million). The capital charge for operational risks rose to €129 million, as compared to €116 million at the end of the preceding quarter. However, the total amount of risk positions for which capital must be set aside fell from €683 million to €655 million.

The liable equity of DAB bank declined very slightly to €100.6 million (Q2 2009: €101.5 million). At September 30, 2009, the overall capital ratio (as per the German Solvency Regulation, SolvV) rose to 15.35 from 14.86 at June 30, 2009. This ratio is still well above the minimum required value of 8%. At September 30, 2009, the core capital ratio (Tier 1 ratio) came to 13.34, as compared to 12.93 at June 30.

Since January 1, 2008, bank liquidity is measured for regulatory purposes on the basis of the ratio prescribed by the German Liquidity Regulation. For DAB bank AG, this ratio came to 5.51 at September 30, 2009 (June 30, 2009: 5.32) and was therefore well above the minimum required value of 1.0.

Employees

At September 30, 2009, the DAB bank Group had a total of 675 (Q3 2008: 714) employees. Of that number, 555 employees worked for the Germany segment and 120 for the Austria segment.

Employees		Q3 2008	Q2 2009	Q3 2009
Employees (headcount)	No.	714	683	675
Germany	No.	587	562	555
Austria	No.	127	121	120
Employees (full-time)	No.	651	614	606
Germany	No.	537	506	499
Austria	No.	114	108	107

Outlook

DAB bank generated a very good pretax profit in the third quarter of 2009 amid a market environment that, while slightly improved, was nonetheless still difficult. The pretax profit for the third quarter was again significantly higher than that of the preceding quarters.

Although we can be satisfied with the third-quarter profit, considering the continued weak economic environment, we face a demanding environment in the fourth quarter of 2009. A permanent restoration of trust in the financial markets and a recovery of the general market situation, which would lead to substantially greater trading activity on the part of our customers, especially in Germany, is currently not foreseeable. Therefore, we anticipate only sideways movement in the net commission income for the months of October and November, while December is traditionally a month of weak trading activity. We also anticipate that the leading stock market indexes will only exhibit sideways movement until the end of the year, so that a lasting change in the volume of customer assets held in custody is not probable, in our opinion, in the remaining months of the year.

With regard to interest rates, we expect that they will remain constant on a low level into the year 2010. As a result, the maturing securities in our treasury portfolio will have to be re-invested at low yields, leading to a lower level of net interest income in the final quarter, compared to the preceding quarters. Nonetheless, we anticipate that the net interest income for the full year will be substantially higher than the prior-year figure.

In view of the appreciable recovery of bond markets in the last few weeks, we do not expect any further price effects to influence the securities of our treasury portfolio, so that the profit from investments is likely to be lower in the fourth quarter.

Although we do not anticipate an appreciable change in the markets in the final quarter of the year due to the continued difficult market conditions, we expect that the full-year pretax profit for 2009 will be substantially more than €30 million, or nearly three times the pretax profit for 2008.

The business model of DAB bank poses both opportunities and risks, as explained below.

As part of our bankwide risk management program, we are continuously engaged in the identification, measurement, limitation, management, supervision and reporting of all typical banking risks, including default risk, market price risk, operational risk, reputation risk, liquidity risk, business risk and strategy risk. For more information on this subject, please refer to the detailed comments provided in the Risk Report contained in the Annual Report 2008 (pp. 48 ff.).

With regard to the following months, we can identify the following potential risks, in particular.

The expectations for the overall economy may continue to have a dampening effect on the investment behavior of our customers and business partners. The continued negative development or stagnation of the stock and bond markets could subject the trading business of DAB bank to fluctuations or drive it down further, which would have a direct impact on the revenues generated in this business. Although some of the lost revenues would be offset by cost savings in securities clearing and settlement or in the bank's commission expenses, such a scenario could nonetheless have a sustained negative impact on the company's profit performance. If the stock market indexes would decline further, DAB bank would be subject to the risk of lower income from the investment fund holdings of its customers. Also, any unexpected development of interest rates in the euro zone could have the effect of reducing the company's net financial income.

Despite the economic rescue packages that have been implemented on the national and international levels, further strains such as higher credit spreads or even the failure of additional market participants cannot be ruled out, considering the current state of the financial markets. Such a scenario could necessitate further writedowns in DAB bank's investment portfolio, despite the conservative investment policy practiced in this regard.

Consolidated Statement of Comprehensive Income (IFRS)

for the period
January 1 to September 30, 2009

in € thousands	Quarterly Report 07/01/2009 - 09/30/2009	Quarterly Report 07/01/2008 - 09/30/2008	Year to date 01/01/2009 - 09/30/2009	Year to date 01/01/2008 - 09/30/2008
Interest income	21,667	42,420	83,279	126,297
Interest expenses	5,192	28,807	33,570	87,167
Net interest income	16,475	13,613	49,709	39,130
Credit risk provisions	339	3	426	-7
Net interest income after credit risk provisions	16,136	13,610	49,283	39,137
Commission income	40,752	46,797	110,310	151,746
Commission expenses	18,358	23,615	48,989	72,537
Net commission income	22,394	23,182	61,321	79,209
Trading profit/loss	523	-151	740	183
Profit/loss from investments	5,498	-27,817	7,051	-26,718
Personnel expenses	9,874	9,740	30,078	29,856
Other administrative expenses	19,729	18,298	54,787	58,293
Depreciation/amortization of property, plant and equipment and intangible assets	2,384	2,370	7,429	6,960
Administrative expenses	31,987	30,408	92,294	95,109
Net other operating income/expenses	-424	532	443	4,802
Net other income/expenses	-	-	-19	-23
Result before taxes	12,140	-21,052	26,525	1,481
Income taxes	3,799	-6,786	8,206	472
Net profit/loss	8,341	-14,266	18,319	1,009
Gains/losses from AFS financial instruments not affecting net income	2,169	737	4,248	-71
Other comprehensive income/losses (after taxes)	2,169	737	4,248	-71
Comprehensive income	10,510	-13,529	22,567	938
Attributable to shareholders of DAB bank AG	8,336	-14,230	18,322	940
Attributable to non-controlling interests	5	-36	-3	69
Net profit/loss	8,341	-14,266	18,319	1,009
Attributable to shareholders of DAB bank AG	10,505	-13,493	22,570	869
Attributable to non-controlling interests	5	-36	-3	69
Comprehensive income	10,510	-13,529	22,567	938
Earnings per share (basic)	0.11	-0.19	0.24	0.01
Earnings per share (diluted)	0.11	-	0.24	0.01
Average shares outstanding (basic)	75,187,007	75,187,007	75,187,007	75,187,007
Average shares outstanding (diluted)	75,187,007	75,187,007	75,187,007	75,187,007

Assets

in € thousands	Quarterly Report 09/30/2009	Annual Report 12/31/2008
Cash reserve	62,454	36,139
Receivables from banks	675,017	1,282,764
Receivables from customers	159,426	268,572
Credit risk provisions	-2,296	-1,863
Trading assets	16,724	26,137
Financial assets	2,162,526	2,123,224
Property, plant and equipment	11,320	11,104
Intangible assets	62,280	67,260
Income tax assets (current)	3,592	3,553
Income tax assets (deferred)	18,002	21,718
Other assets	19,274	28,043
Assets of disposal groups	35,256	-
Total assets	3,223,575	3,866,651

**Consolidated Statement
of Financial Position (IFRS)**

at September 30, 2009

Equity and liabilities

in € thousands	Quarterly Report 09/30/2009	Annual Report 12/31/2008
Liabilities to banks	71,085	324,460
Liabilities to customers	2,882,807	3,261,371
Trading liabilities	15,734	24,235
Provisions	3,913	3,112
Income tax liabilities (current)	3,319	3,941
Income tax liabilities (deferred)	11,924	11,057
Other liabilities	37,453	53,263
Subordinated capital	18,011	20,023
Liabilities of disposal groups	761	-
Liabilities	3,045,007	3,701,462
Subscribed capital	75,187	75,187
Additional paid-in capital	59,769	59,769
Retained earnings	21,785	21,785
Accumulated other comprehensive income/expenses	2,990	-1,258
Consolidated net profit/loss	18,284	8,271
Non-controlling interests	553	1,435
Shareholders' equity	178,568	165,189
Total liabilities and shareholders' equity	3,223,575	3,866,651

Consolidated Statement of Changes in Equity (IFRS)

for the period
January 1 to September 30, 2009

in € thousands	2009	2008
Shareholders' equity at January 1	165,189	181,881
Changes 01/01 - 09/30		
Subscribed capital	-	-
Additional paid-in capital	-	-
Retained earnings	-	-
Accumulated other comprehensive income/expenses	4,248	-71
Consolidated net profit/loss	10,013	-24,624
Non-controlling interests	-882	69
Shareholders' equity at September 31	178,568	157,255

Consolidated Statement of Cash Flows (IFRS)

for the period
January 1 to September 30, 2009

in € thousands	2009	2008
Cash and cash equivalents at January 1	36,139	115,951
Cash flow from operating activities	71,868	-445,106
Cash flow from investing activities	-39,479	418,176
Cash flow from financing activities	-6,074	-25,636
Foreign exchange-induced changes in cash and cash equivalents	-	-
Cash and cash equivalents at September 31	62,454	63,385

in € thousands	3rd quarter 2008	4rd quarter 2008	1st quarter 2009	2nd quarter 2009	3rd quarter 2009
Interest income	42,420	42,696	33,170	28,442	21,667
Interest expenses	28,807	27,277	16,080	12,298	5,192
Net interest income	13,613	15,419	17,090	16,144	16,475
Credit risk provisions	3	319	154	-67	339
Net interest income after credit risk provisions	13,610	15,100	16,936	16,211	16,136
Commission income	46,797	54,933	32,924	36,634	40,752
Commission expenses	23,615	25,723	14,293	16,338	18,358
Net commission income	23,182	29,210	18,631	20,296	22,394
Trading profit	-151	-188	-28	245	523
Profit/loss from investments	-27,817	537	474	1,079	5,498
Personnel expenses	9,740	11,293	10,500	9,704	9,874
Other administrative expenses	18,298	20,030	17,521	17,537	19,729
Depreciation/amortization of property, plant and equipment and intangible assets	2,370	2,774	2,472	2,573	2,384
Administrative expenses	30,408	34,097	30,493	29,814	31,987
Net other operating income/expenses	532	-556	919	-52	-424
Net other income/expenses	-	-	-13	-6	-
Result before taxes	-21,052	10,006	6,426	7,959	12,140
Income taxes	-6,786	2,529	1,938	2,469	3,799
Unappropriated net profit	-14,266	7,477	4,488	5,490	8,341
Gains/losses from AFS financial instruments not affecting net income	737	394	869	1,210	2,169
Other comprehensive income/losses (after taxes)	737	394	869	1,210	2,169
Comprehensive income	-13,529	7,871	5,357	6,700	10,510
Attributable to shareholders of DAB bank AG	-14,230	7,419	4,493	5,493	8,336
Attributable to non-controlling interests	-36	58	-5	-3	5
Net profit/loss	-14,266	7,477	4,488	5,490	8,341
Attributable to shareholders of DAB bank AG	-13,493	7,813	5,362	6,703	10,505
Attributable to non-controlling interests	-36	58	-5	-3	5
Comprehensive income	-13,529	7,871	5,357	6,700	10,510

Quarterly Summary of Consolidated Statements of Comprehensive Income (IFRS)

Segment Report (IFRS)
for the period
January 1 to September 30, 2009

Statement of Comprehensive Income by region

in € thousands	DAB bank AG	SRQ FinanzPartner AG	direktanlage.at AG	Consolidation	Group
Net interest income					
01/01/2009 - 09/30/2009	42,524	-109	7,294	-	49,709
01/01/2008 - 09/30/2008	31,738	56	7,336	-	39,130
Credit risk provisions					
01/01/2009 - 09/30/2009	376	-	50	-	426
01/01/2008 - 09/30/2008	-13	-	6	-	-7
Net interest income after credit risk provisions					
01/01/2009 - 09/30/2009	42,148	-109	7,244	-	49,283
01/01/2008 - 09/30/2008	31,751	56	7,330	-	39,137
Net commission income					
01/01/2009 - 09/30/2009	47,403	2,370	11,548	-	61,321
01/01/2008 - 09/30/2008	62,878	2,890	13,441	-	79,209
Trading profit/loss					
01/01/2009 - 09/30/2009	761	-	-21	-	740
01/01/2008 - 09/30/2008	103	-	80	-	183
Profit/loss from investments					
01/01/2009 - 09/30/2009	5,116	-	1,935	-	7,051
01/01/2008 - 09/30/2008	-26,901	-	183	-	-26,718
Personnel expenses					
01/01/2009 - 09/30/2009	23,655	928	5,495	-	30,078
01/01/2008 - 09/30/2008	23,140	806	5,910	-	29,856
Other administrative expenses					
01/01/2009 - 09/30/2009	46,553	1,650	6,589	-5	54,787
01/01/2008 - 09/30/2008	50,186	1,684	6,423	-	58,293
Depreciation/amortization of property, plant and equipment and intangible assets					
01/01/2009 - 09/30/2009	6,440	328	661	-	7,429
01/01/2008 - 09/30/2008	6,213	128	619	-	6,960
Administrative expenses					
01/01/2009 - 09/30/2009	76,648	2,906	12,745	-5	92,294
01/01/2008 - 09/30/2008	79,539	2,618	12,952	-	95,109
Net other operating income/expenses					
01/01/2009 - 09/30/2009	-41	625	-136	-5	443
01/01/2008 - 09/30/2008	4,037	-121	886	-	4,802
Net other income/expenses					
01/01/2009 - 09/30/2009	-	-	-19	-	-19
01/01/2008 - 09/30/2008	-	-	-23	-	-23
Result before taxes					
01/01/2009 - 09/30/2009	18,739	-20	7,806	-	26,525
01/01/2008 - 09/30/2008	-7,671	207	8,945	-	1,481

Further particulars by segment

	DAB bank AG	SRQ FinanzPartner AG	direktanlage.at AG	Group
Cost-income ratio (in%)				
01/01/2009 - 09/30/2009	80.4	100.7	62.0	77.7
01/01/2008 - 09/30/2008	110.7	92.7	59.1	98.5
Employees (headcount)				
09/30/2009	542	13	120	675
09/30/2008	573	14	127	714
Trades (number)				
01/01/2009 - 09/30/2009	3,910,349	-	845,999	4,756,348
01/01/2008 - 09/30/2008	5,670,509	-	742,771	6,413,280
Securities accounts (number)				
09/30/2009	1,004,884	3,897	55,523	1,064,304
09/30/2008	1,031,724	3,490	51,731	1,086,945

in € thousands	09/30/2009	12/31/2008
Contingent liabilities		
from guaranties and warranty agreements	1,265	1,157
Other obligations		
from rental agreements	28,261	30,717
from leasing agreements	16,446	18,149
Total	45,972	50,023

Contingent liabilities and other obligations
at September 30, 2009

Other disclosures

Legal bases

The present interim report was prepared in accordance with International Financial Reporting Standards (IFRS), including IAS 34 Interim Financial Reporting, in particular.

Those standards that have been revised (IFRS 3) and amended (IAS 1 and IAS 27), as well as the new standard IFRS 8 issued in connection with the so-called Improvement Projects, were applied with effect from January 1, 2009, to the extent they are relevant to the DAB bank Group. (Additional information on this subject is provided in the Annual Report 2008, pages 82 ff.) With the exception of those changes resulting from the first-time application of the new and revised standards, the same recognition, measurement and presentation methods employed in the consolidated financial statements for 2008 (described in detail in the Annual Report 2008, pages 83 ff.) were used in the present interim financial statements.

Income taxes are calculated on the basis of the best estimate of the weighted average income tax rate that can be expected for the full year.

The present interim report is based on the unaudited quarterly financial statements according to IFRS of DAB bank AG, direktanlage.at AG and SRQ FinanzPartner AG.

Significant dealings with related parties

As before, the compensation granted to the members of the Supervisory Board and the Management Board of DAB bank AG in the period covered by this report consisted of a fixed component and a success-dependent component. As before, all such compensation mainly consisted of short-term employee benefits according to the definition of IAS 24.16.

At September 30, 2009, significant business dealings were conducted with Bayerische Hypo- und Vereinsbank AG, Munich, Pioneer Investments Kapitalanlagegesellschaft mbH, Unterföhring, Pioneer Asset Management SA, Luxembourg, and UniCredit Global Information Services S.p.A., Munich. The total income from these dealings amounted to €2,985 thousand and the total expenses amounted to €1,132 thousand. At September 30, 2009, the receivables due from the related parties mentioned above totaled €78,662 thousand and the payables due to those companies totaled €10,523 thousand.

All such dealings were conducted under ordinary market terms and conditions.

In both qualitative and quantitative respects, the dealings with related parties were not materially different from the dealings described in the relevant section of the Annual Report for 2008 (p. 114 ff.). Therefore, in consideration of the natural and/or seasonal variations within the overall economic assessment, no changes that could be deemed material occurred within the period covered by this report.

Shareholdings of members of the Management Board and

	Shares held at 09/30/2009	Options held at 09/30/2009
Management Board		
Markus Gunter	-	-
Dr. Markus Walch	-	-
Supervisory Board		
Werner Allwang	2,001	-
Nikolaus Barthold	-	-
Gunter Ernst	-	-
Alessandro Foti	-	-
Dr. Theodor Weimer	-	-
Jan Wohlschiess	-	-
Treasury shares	-	-

Supervisory Board

Share purchases and sales in the reporting period

No purchases or sales of DAB shares or derivatives on DAB shares were effected in the reporting period by members of the Supervisory Board or Management Board.

Financial calendar

provisional date

Annual Report 2009	03/16/2010
1st quarter report 2010	04/27/2010
Annual shareholders' meeting	05/20/2010
2nd quarter report 2010	07/27/2010
3rd quarter report 2010	10/26/2010

Management Board

Markus Gunter
Dr. Markus Walch

Supervisory Board

Dr. Theodor Weimer
(Chairman)
Jan Wohlschiess
(Vice Chairman)
Werner Allwang
Nikolaus Barthold
Gunter Ernst
Alessandro Foti

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Die DirektAnlageBank