

Corporate Governance Report 2008

As a leading specialist in international Transport Finance, DVB feels obliged to adhere to the principles of responsible corporate governance.

1. Corporate Governance at DVB

DVB adheres to the German Corporate Governance Code as amended on 6 June 2008 in making its business decisions more transparent for shareholders, employees, business partners and the general public. To accomplish this, the Board of Managing Directors and the Supervisory Board regularly review the Code's recommendations and how DVB is implementing them. Four essential parameters shape our corporate governance: protecting shareholders' interests, effective management and supervision by the Board of Managing Directors and the Supervisory Board, regular external reporting and independent audits as well as transparent communications.

1.1 Shareholders and the General Meeting

DVB's shareholders are involved in all of the Company's major decisions and are able to exercise their rights at the General Meeting. They elect shareholder representatives to the Supervisory Board, are presented with the financial statements confirmed by and the consolidated financial statements approved by the Supervisory Board, and pass resolutions to determine matters such as the appropriation of net retained profit, the formal approval of both the Board of Managing Directors and the Supervisory Board, the appointment of external auditors as well as all amendments to the Memorandum and Articles of Association. At the 2008 Annual General Meeting, shareholders passed resolutions on special issues as well: approving new Authorised Capital 2008, the share split as well as the merger of DVB Bank N.V. into DVB Bank AG, with a concurrent change in legal form to DVB Bank SE.

The invitation to the Annual General Meeting, including the agenda, is published in the electronic German Federal Gazette (Elektronischer Bundesanzeiger) and sent to shareholders via the banks that manage their securities accounts. In addition, the convening notice and agenda can easily be accessed through our website. We offer the additional service of allowing shareholders to authorise any proxies nominated by DVB and bound by the relevant shareholder's instructions to exercise their voting rights at the General Meeting.

1.2 Board of Managing Directors and the Supervisory Board

DVB Bank SE's **Board of Managing Directors** is responsible for independently managing the Company, in the Company's best interests and in order to achieve a sustained increase in its value. The strategic positioning of both DVB and its business divisions is determined and implemented by the Board of Managing Directors under regular coordination with the Supervisory Board. In addition, the three members of the Board of Managing Directors ensure that the Company is managed in accordance with legal regulations, the Memorandum and Articles of Association, and the Internal Regulations approved by the Supervisory Board – and that it is conducted with effective risk management and controlling. No conflicts of interest pursuant to section 4.3 of the Code occurred during the 2008 business year.

Corporate Governance Report 2008

The **Supervisory Board** of DVB Bank SE advises and supervises the Board of Managing Directors continually in its business management. It is involved in every major business decision. Pursuant to Article 18 of the Memorandum and Articles of Association, transactions that require approval are – in particular – the purchase and sale of companies, the conclusion of inter-company agreements and the launch of new or the discontinuation of existing business segments that are of material significance. In addition, the Supervisory Board is responsible for the appointment and dismissal of Managing Directors. The Supervisory Board conducts its business in accordance with Internal Regulations. These include an annual efficiency review that is used to critically evaluate the Supervisory Board's activities.

The Supervisory Board is comprised of a total of nine members (six shareholder representatives and three employee representatives), and it is coordinated by the Chairman of the Supervisory Board, who also chairs the executive body's meetings. In addition, there are two committees, the Executive Committee and the Credit Committee.

Detailed information on the remuneration structure of the Board of Managing Directors and the Supervisory Board can also be found on pages 4 to 7 of this Corporate Governance Report.

1.3 Accounting and audit of the financial statements

We use **financial reports** to supply our shareholders and the general public with regular information about DVB's results of operations, net assets, and financial position. DVB publishes two annual reports for each concluded business year. DVB Bank SE's Annual Report contains financial statements under German GAAP (HGB) and is made available on our website in German exclusively. DVB Group's Annual Report contains its IFRS consolidated financial statements: it is printed in both German and English and also published on our website. Both sets of financial statements are prepared by the Board of Managing Directors. They are subject to a review by the independent external auditors appointed at the Annual General Meeting before receiving final confirmation (in the case of the SE financial statements) and final approval (in the case of the Group consolidated financial statements) from the Supervisory Board.

During the year, we also publish a **half-yearly financial report** including condensed consolidated financial statements and **interim management statements** during the first and second half of the year (covering key financial data for the first and third quarter, respectively). All three reports are prepared according to IFRS.

Equity option programmes and similar securities-based incentive schemes have not been in existence at DVB since the "DVB shares" employee profit participation programme expired (on 31 December 2007).

Corporate Governance Report 2008

1.4 Financial communications

DVB regularly publishes information relevant to shareholders and the general public.

In 2008, we published four **ad-hoc disclosures** that were related to DVB Group's consolidated financial statements for 2007 (19 February 2008); the resolutions passed by the Board of the Managing Directors and the Supervisory Board to increase the Company's share capital, the proposed share split and the merger of DVB Bank N.V. into DVB Bank AG with a concurrent change in legal form to DVB Bank SE (10 April 2008); as well as further details regarding the capital increase (11 and 18 June 2008). In addition, three **disclosures on Directors' Dealings** in no-par value shares of DVB Bank AG exceeding a value of €5,000 were published immediately through DGAP (Deutsche Gesellschaft für Ad-hoc-Publizität), within applicable deadlines: on 23, 24 and 29 April 2008 (concerning Wolfgang F. Driese, CEO and Chairman of the Board of Managing Directors). Our website (http://www.dvbbank.com/en/investor_relations/directors_dealings/index.html) includes a link to DGAP's website where Directors' Dealings notices published by DVB can be viewed.

We actively use the internet to ensure that **information** with regard to DVB is provided to shareholders and the public in a **timely, concurrent and comprehensive** manner. Furthermore, the Annual Document also includes all of the past financial year's publications that are relevant to shareholders. In 2008, we established an additional information service in the form of our Investor Relations newsletter, "Performance", to actively relay target group-specific information about the performance of the Bank and its business divisions. All major DVB publications, documents from Annual General Meetings, the Memorandum and Articles of Association, DVB share data, our capital markets activities, as well as a financial calendar are available on our website (http://www.dvbbank.com/en/investor_relations/index.html).

Corporate Governance Report 2008

2. Remuneration of the members of the Board of Managing Directors and the Supervisory Board

2.1 Overview

The remuneration paid to Board members during 2008 amounted to:

in €'000s	2008	2007
Board of Managing Directors	2,625.4	2,211.7
Supervisory bodies	260.0	161.2
Former members of the Board of Managing Directors and their surviving dependants	425.6	423.2
Total	3,311.0	2,796.1

2.2 Resolution to refrain from disclosing the individual levels of remuneration for the members of the Board of Managing Directors in accordance with the German Act on Disclosure of Remuneration of Management Board Members (Gesetz über die Offenlegung der Vorstandsvergütungen; VorstOG)

Pursuant to the German Act on the Disclosure of Remuneration of Management Board Members, which came into force on 3 August 2005, it is now a requirement that listed companies disclose the remuneration of each individual member of the Board of Managing Directors, identifiable by name, in annual and consolidated financial statements for business years beginning after 31 December 2005. According to the VorstOG, however, the Annual General Meeting may pass a resolution exempting the reporting entity from disclosing remuneration on a personalised level for a period of five years, provided that such resolution is approved by 75% of the share capital represented at the meeting. DVB Bank AG made use of this option with the resolution adopted at the Annual General Meeting on 30 June 2006, as described in item 9 of the agenda.

Accordingly, disclosure of information in the annual and consolidated financial statements of DVB, as required in section 285 sentence 1 no. 9 a sentences 5-9 of the HGB and section 314 (1) no. 6 a sentences 5-9 of the HGB, is not required for a period of five years (financial statements 2006 to 2011).

Corporate Governance Report 2008

2.3 Remuneration of the Board of Managing Directors

The structure of the remuneration of the Board of Managing Directors of DVB Bank SE is based on the Internal Regulations for the Executive Committee of the Supervisory Board, which was adopted by the Supervisory Board. Accordingly, the overall remuneration of the Board of Managing Directors is composed of a fixed component of 50.7% and a variable component of 49.3%. The variable component consists of a traditional bonus element.

The **fixed component** of the remuneration of DVB Bank SE's Board of Managing Directors totalled €1,330,183.16 in 2008 (2007: €1,220,936.82). It comprises monetary remuneration components, pension commitments and special benefits. The monetary remuneration components amounted to €935,000.00 (2007: €905,000.00). Pension commitments, including additions to pension provisions, amounted to €256,575.48 (2007: €243,120.76). The special benefits amounted to €138,607.68 (2007: €72,816.06 €) and can be divided as follows: €54,974.93 (2007: €44,254.54) grants for company cars that may also be used for private purposes or monetary bonuses instead of a company car; €17,110.86 (2007: €0.00) for rent subsidies; and €66,521.89 (2007: €28,561.52 €) for insurance policies and employer contributions to foreign social security schemes.

Bonus payments to members of the Board of Managing Directors are calculated on the basis of target agreements (to be laid down for any business year) between the Executive Committee and the Board member concerned. The amount of the bonus depends on the extent to which the targets were achieved. One half of the targets refers to the achievement of objective criteria, such as the RoE and CIR for the relevant business year, and the other half refers to the individual performance of each member of the Board of Managing Directors. The bonus for the current business year is then paid out in two tranches of 50% each, in each of the two following business years. A prerequisite for the payout is, however, that no notice of termination has been given with regard to the employment relationship as at the time of payment. Bonuses of €1,295,250.00 were distributed to the Board of Managing Directors in 2008 (2007: €990,750.00).

2.4 Remuneration of the Supervisory Board

Total remuneration expenses for members of the **Supervisory Board** amounted to €260,002.79. This amount consists of the following components:

- The members of the Supervisory Board received annual remuneration (incl. taxes) of €190,372.09, pursuant to section 19 (1) of the Memorandum and Articles of Association.
- DVB paid taxes to the responsible tax office for foreign members of the Supervisory Board in the amount of €29,967.92.
- The members of the Credit Committee received additional remuneration (incl. taxes) of €39,662.78, pursuant to section 19 (2) of the Memorandum and Articles of Association.

Corporate Governance Report 2008

Remuneration for the members of the Supervisory Board in 2008 is broken down as follows (€):

in €	For Supervisory Board activities					For Credit Committee activities				
	Re-muneration Supervisory Board	VAT	Taxes for membership in a supervisory board	Solidarity surcharge	Remuneration Supervisory Board	Remuneration Credit Committee	VAT	Taxes for membership in a supervisory board	Solidarity surcharge	Remuneration Credit Committee
		19.0%	30.0%	5.5%			19.0%	30.0%	5.5%	
		1)	2)	2)	Total		1)	2)	2)	Total

Shareholder and employee representatives, domiciled in Germany:

Shareholder representatives:

Dr. Thomas Duhnkrack, Chairman	30,000.00	5,700.00		35,700.00	10,000.00	1,900.00		11,900.00
Prof. Dr./Univ. Miskolc Manfred Schölch, Deputy Chairman	20,000.00	3,800.00		23,800.00				
Hemjő Klein	20,000.00	3,800.00		23,800.00				
Frank Westhoff	20,000.00	3,800.00		23,800.00	10,000.00	1,900.00		11,900.00

Employee representatives:

Lutz Baumgartl	15,000.00			15,000.00				
Sabine Blummer	15,000.00			15,000.00				
Axel Clemens	15,000.00			15,000.00	7,500.00			7,500.00
Martin Wolfert	4,666.67			4,666.67	1,527.78			1,527.78

Corporate Governance Report 2008

€	For Supervisory Board activities					For Credit Committee activities				
	Remuneration Supervisory Board	VAT	Taxes for membership in a supervisory board	Solidarity surcharge	Remuneration Supervisory Board	Remuneration Credit Committee	VAT	Taxes for membership in a supervisory board	Solidarity surcharge	Remuneration Credit Committee
		19.0%	30.0%	5.5%			19.0%	30.0%	5.5%	
		1)	2)	2)	Total		1)	2)	2)	Total

Shareholder and employee representatives, domiciled outside Germany: 1), 2)

Shareholder representatives:

Flemming Robert Jacobs, domiciled in Cobham, UK	20,000.00	3,800.00	6,000.00	330.00	13,670.00					
Robert Jan van der Burg, domiciled in Dublin, Republic of Ireland	20,000.00	3,800.00	6,000.00	330.00	13,670.00	10,000.00	1,900.00	3,000.00	165.00	6,835.00

Employee representatives:

Frode Bjørklund domiciled in Bergen, Norway	4,666.67	886.67	1,400.00	77.00	3,189.67					
Dorinus Legters domiciled in Leiden, Netherlands	3,166.67	601.67	950.00	52.25	2,164.42					
Michel Matton domiciled in Hilveksum, Netherlands	1,333.33	253.33	400.00	22.00	911.33					

Supervisory Board and Credit Committee

					190,372.09					39,662.78
Total – Supervisory Board and Credit Committee										230,034.87

For Supervisory Board members domiciled outside Germany, the following applies:

- Value added tax is declared by DVB Bank SE and paid directly to the responsible tax office.
- Taxes for Supervisory Board members (and solidarity surcharge thereon) for those domiciled in foreign countries are declared by DVB Bank SE and paid directly to the responsible tax office. Therefore, taxes for Supervisory Board membership (and solidarity surcharge thereon) are deducted from Supervisory Board members' remuneration.

The taxes mentioned in 1) and 2) paid by DVB on behalf of foreign Supervisory Board members to the tax office amount to:

29,967.92

Corporate Governance Report 2008

3. Seventh Declaration of Compliance for 2008 and 2009

The current Declaration was made on 12 December 2008. DVB Bank SE has complied with the recommendations of the Government Commission "German Corporate Governance Code" (as amended on 14 June 2007) throughout 2008, subject to certain exceptions outlined in the sixth Declaration of Compliance issued by DVB Bank AG on 7 December 2007, concerning section 4.2.3 (1); section 4.2.3 (3), sentence 4; section 4.2.5 (2), sentences 1 and 2; section 5.2, sentence 2 no. 2; section 5.3.2, sentences 1 and 2; section 5.3.3; section 5.4.3, sentences 1 to 3; section 5.4.4, sentences 1 and 2; section 5.4.6 (1), sentence 3 no. 2 and section 5.4.6 (2), sentence 1; section 5.4.6, sentence 3 no. 2; section 6.5; section 7.1.2, sentence 2 and sentence 4 no. 1.

DVB Bank SE intends to continue adhering to the recommendations of the Code (as amended on 6 June 2008) in principle. Except for section 4.2.5 (2), sentences 1 and 2, which the Company intends to adhere to in 2009, the exceptions set out above will continue to apply during 2009.

In addition, DVB Bank SE will not comply with three further recommendations of the Code, as outlined below:

- **Section 5.4.6 (1), sentence 3 no. 1 of the Code:**
By virtue of the resolution adopted by the General Meeting on 11 June 2008, the Deputy Chairman of the Supervisory Board has received the same remuneration as the other members of the Supervisory Board. Experience gained over recent years has shown that the Deputy Chairman of the Supervisory Board did not incur any extra workload, nor did he need to acquire additional qualifications.
- **Section 7.1.2, sentence 2 of the Code:**
Within the scope of Supervisory Board meetings, the Management Board informs the Supervisory Board, regularly and without delay, regarding the business development of the Company and of DVB Group. This includes reporting on any unusual events. Furthermore, the Chairman of the Board of Managing Directors reports to the Chairman of the Supervisory Board on the current situation of DVB Group once a month. Where required in special circumstances, this report is provided without delay.

Beyond this process of continuous communication, the Company does not consider any additional discussions between the Supervisory Board and the Board of Managing Directors regarding the interim management statements and half-yearly financial reports to be necessary.

- **Section 7.1.2, sentence 4 no.1 of the Code (the underlying situation has changed):**
Given a change in the Company's external auditors and the related additional workload, the plenary meeting of the Supervisory Board will only pass a resolution on the 2008 consolidated financial statements in April 2009. The Company will thus not be in a position to publish the consolidated financial statements 2008 within 90 days of the end of the business year. Publication of the 2008 consolidated financial statements is scheduled for the end of April 2009.