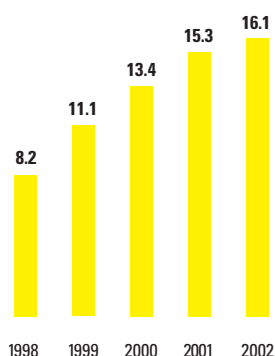


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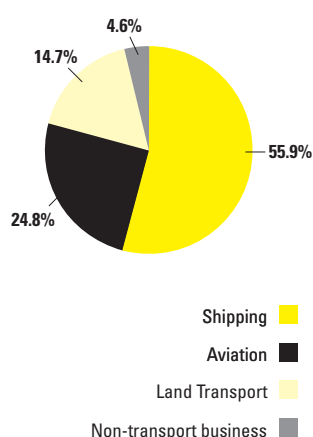
DWB

## Interim report for the six months to 30 June 2002

Profits from ordinary activities as at 30 June (€ mn)



Customer lending in terms of divisions as at 30 June 2002  
Total portfolio €7.99 bn



Dear shareholder,

The Board of Managing Directors is pleased to report that DVB's **profits from ordinary activities** increased 5.2% from €15.3 million to €16.1 million during the first six months of 2002. This reflects the strength and resilience of our core Transport Finance business, despite the current economic scenario.

**Net interest income**, largely derived from our lending business, advanced 20.0% from €43.0 million to €51.6 million, while **net commission income** rose 19.4% from €39.2 million to €46.8 million. Contributing factors included significantly higher advisory fees from our international Corporate Finance business and increased earnings offered by our subsidiary ReiseBank. In contrast, a further decline in commission income from the securities business conducted on behalf of "Sparda" bank customers reflected the reluctance of private investors to enter into new investments. **Net profit on financial operations** fell 48.9% from €4.7 million to €2.4 million. This reflected our cessation of trading in coins and precious metals as of 31 May 2002 and a decline in own-account securities investments on behalf of "Sparda" banks. **General admin expenses**, including operating expenditure for the expansion of ReiseBank's international branch network into the Czech Republic, the Netherlands and Switzerland, rose 17.1% to €83.4 million. Based on the factors referred to above, our **operating profit before loan loss provisions** rose 3.1% from €16.2 million to €16.7 million. The amount set aside for loan loss provisions in respect of the first half of 2002 matched the budgeted figure of €0.9 million.

**Total assets** fell 16.1% from €10.97 billion to €9.20 billion, largely due to a reduction in the placements with, and loans and advances to, other banks (down 69.1% from €2.56 billion to €0.79 billion). This €1.8 billion decline reflected developments on the **liabilities side** of our balance sheet: liabilities to banks decreased by €1.0 billion, while liabilities to customers and certificated liabilities fell by €0.7 billion and €0.1 billion respectively. Although we succeeded in acquiring significant new business during the first six months of 2002, **customer lending** (comprising loans disbursed and approved as well as guarantees and indemnities) contracted 7.2% from €8.61 billion to €7.99 billion. This reflected a lower currency conversion of loans denominated in US dollars due to the stronger euro: DVB's base currency. Shipping Finance represented 55.9% of the overall lending portfolio, 24.8% was attributable to Aviation Finance while Land Transport Finance - including Rail, Road & Logistics and Infrastructure - accounted for

14.7%. The discontinuation of our non-transport business continued apace with the share of the overall portfolio lowered from 5.6% to 4.6% (equivalent to €366 million) during the first six months.

**Total capital** registered a 3.6% decline from €771.4 million to €744.0 million as at 30 June 2002, while the capital ratios, calculated in accordance with the German Banking Act, remained stable with the **total capital ratio** at 9.6% and the **core capital ratio** maintained at 5.0%.

Our functions as a central institution for the co-operative "Sparda" banks are subject to fundamental change throughout 2002. Although we continue to hold and manage liquidity for this group of banks, all other activities involving significant administration will, by the end of 2002, have been transferred to new service providers chosen by the "Sparda" banks. Requisite agreements have already been concluded. Within the "CHANGE" project, we will ensure that all business and administrative units are focused on the future requirements of our Transport Finance activities. At our Frankfurt head office, this transformation process - which involves extensive adjustments in terms of human resources - will be completed by the end of 2004. Costs, in respect of the associated social compensation plan, have already been accounted for in our 2001 financial statements.

We have evolved into a unique global specialist in Transport Finance and related advisory services focused on Shipping, Aviation and Land Transport. Our international activities now account for more than 90% of our loans and advances to customers and, against this background, we need a company name that is instantly recognisable and easy to use across all our markets. Through the use of "DVB" as our brand name, we have gained an outstanding reputation with our corporate Transport Finance clients during recent years. Building on the recognition of this brand, we have used "DVB" as the core of our new company name, adding "Bank" in order to distinguish ourselves from other, non-bank financial services providers.

We would like to take this opportunity to emphasise that DVB will continue to expand its international Transport Finance franchise in order to successfully exploit the profit potential currently available in global transport markets.

Frankfurt/Main, August 2002

THE BOARD OF MANAGING DIRECTORS

# DVB Bank AG – Group

## Balance Sheet extracts

	30/06/2002	31/12/2001	Change in %
<b>Assets in € mn</b>			
Cash reserve	85.5	202.3	- 57.7
Placements, loans and advances with/to other banks	791.4	2,560.3	- 69.1
Loans and advances to customers	6,597.5	6,857.7	- 3.8
Financial assets	1,078.8	1,130.8	- 4.6
Fixed assets	175.2	182.7	- 4.1
Other assets	474.5	38.5	1,132.5
<b>Total assets</b>	<b>9,202.9</b>	<b>10,972.3</b>	<b>- 16.1</b>
<b>Liabilities in € mn</b>			
Liabilities to banks	4,448.3	5,417.7	- 17.9
Liabilities to customers	2,022.3	2,710.2	- 25.4
Certificated liabilities	1,872.8	1,953.3	- 4.1
Provisions	77.9	68.7	13.4
Other liabilities	76.1	113.2	- 32.8
Profit-participation certificates	164.5	164.5	0.0
Subordinated liabilities	201.2	210.5	- 4.4
Capital and reserves	339.8	334.2	1.7
Subscribed capital	154.3	154.3	0.0
Capital reserve	106.6	106.6	0.0
Retained earnings	68.6	68.6	0.0
Distributable profit	10.3	4.7	119.1
<b>Total liabilities</b>	<b>9,202.9</b>	<b>10,972.3</b>	<b>-16.1</b>
<b>Customer lending</b>	<b>7,985.0</b>	<b>8,609.0</b>	<b>- 7.2</b>
<b>Benchmarks:</b>			
<b>Total capital ratio</b>	9.6 %	9.5%	
<b>Core capital ratio</b>	5.0%	5.0%	
<b>Cost/income ratio</b>	80.4%	77.7%	
<b>Return on equity</b>	13.2%	6.8%	

## Profit and Loss Account

	30/06/2002	30/06/2001	Change in %
<b>Results in € mn</b>			
Net interest income	51.6	43.0	20.0
Net commission income	46.8	39.2	19.4
Net profit on financial operations	2.4	4.7	- 48.9
General administrative expenses	- 83.4	- 71.2	17.1
Net other operating income and expenses	- 0.7	0.5	- 222.6
<b>Operating profit before loan loss provisions</b>	<b>16.7</b>	<b>16.2</b>	<b>3.1</b>
Loan loss provisions	- 0.9	- 4.3	- 79.1
Net other income and expenses	0.3	3.4	- 91.2
<b>Profits from ordinary activities</b>	<b>16.1</b>	<b>15.3</b>	<b>5.2</b>

DVB Bank AG, Frankfurt/Main

Board of Managing Directors: Wolfgang F. Driese, Chairman, Klaus W. Heinemann, Dagfinn Lunde, Rainer Irmen (Deputy)

**Publisher**

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