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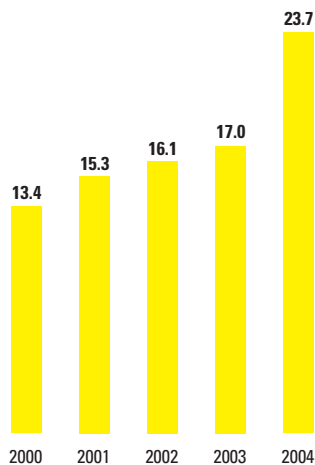
I N T E R I M R E P O R T

DVB



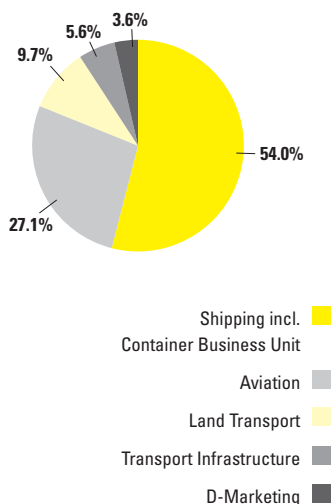
Interim report in respect of the six months to 30 June 2004

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



*from 2003 without ReiseBank/CashExpress

Customer lending in terms of divisions as at 30 June 2004
Overall lending portfolio €8.03 bn



Dear shareholders,

DVB Bank's **profits from ordinary activities** increased by 39.6% to €23.7 million during the first six months of 2004: an outcome that reflects a continuation of the positive business trend experienced during the first quarter.

Ordinary income, which includes net interest income, net commission income and net profit on financial operations, amounted to €67.7 million (+4.5%) in the first half of 2004. **Net interest income** registered a 7.9% increase from €47.2 million to €51.0 million. **Net commission income** achieved an above average increase of 13.5% from €16.6 million to €18.8 million. **Net profit on financial operations** showed a negative result of €2.1 million reflecting hedging operations in relation to the investment of liquid assets. As a result of ongoing cost saving measures, **general administrative expenses** decreased by 7.1% to €46.1 million for the six months to 30 June 2004 compared with €49.6 million for the corresponding period of 2003. **Operating profit before loan loss provisions** rose 38.5% to €23.2 million as of 30 June 2004. **Net loan loss provisions** of €0.6 million have been set aside in respect of the first half of 2004.

Total assets rose by 13.5% to €10.29 billion compared with €9.06 billion as at 31 December 2003. **Customer lending** (the aggregate of loans and advances to customers, guarantees and indemnities, irrevocable loan commitments and securities held as a result of customer business) increased 5.7% from €7.60 billion to €8.03 billion. Shipping Finance represented 54.0% of the overall lending portfolio compared with 52.0% at year-end 2003. Part of the Shipping Finance portfolio relates to the Container Business Unit, which alone accounts for 1.6% of the overall lending portfolio. Aviation Finance's share of the overall lending portfolio was effectively unchanged at 27.1% compared with 27.0% at year-end 2003. Land Transport Finance's portfolio share decreased from 10.5% to 9.7%, while Transport Infrastructure's share declined from 6.2% to 5.6%. The discontinuation of our non-transport business and certain aspects of our transport business that failed to meet our expectations has continued. Thus, the proportion of such business in relation to the overall lending portfolio has fallen from 4.3% to 3.6%.

DVB's **own funds** (as defined by the German Banking Act) were €790 million compared with €804 million as at 31 December 2003. The **total capital ratio** was 10.6% compared to 11.1% at year-end 2003, while the **core capital ratio** was 6.4% compared with 6.8% at year-end 2003. **Return on equity** amounted to 13.1% for the first half of 2004. The **cost/income ratio (CIR)** registered a further decrease, down from 70.9% for the corresponding period of 2003 to 63.0% for the first half of 2004.

To improve comparability the financial figures, key indicators and ratios for the first half of 2003 have been adjusted to take account of the effects of the sale, on 31 December 2003, of the ReiseBank/Cash Express Group.

Since 1997, DVB Bank has developed from a small, albeit universal, bank based in Germany into a leading provider of financial services to the international transport industry. A strategy that was no more than a vision some years ago is now a reality. The first phase of the Bank's development – restructuring – is now complete. Our business is based on the four market sectors: Shipping, Aviation, Land Transport and Transport Infrastructure. Through our financing and advisory services, which encompass Structured Finance, Distribution and Corporate Finance, we have established important partnership relationships with our clients in all four market segments.

We are highly focused on the international transport industry. We trust in the development of this industry and our clients have trust in us. A large number of financial transactions and advisory mandates bear witness to such trust. This, together with our competence and expertise, has resulted in a good operating result for the first half of 2004.

We are now in the second phase of the Bank's development, in which our concentration is focused on the realisation of the profit potential of our current business model. The development of our Container Finance business, which commenced operations in the New Year, has proved highly positive. During the forthcoming months we will continue to expand our core business and, in line with this, we are planning to launch a special "Engine Finance Unit" for the financing of aero engines.

Our strategic thinking is not, however, confined to the current business model. We have already initiated the thought process associated with the preparation of the third phase of DVB's development. We envisage a significant leap forward through the exploitation of new business opportunities and a further strengthening of our fee based income activities.

The transport industry has been and always will be a fundamental aspect of economic development. Whether we think of the enlargement of the European Union or the prospect of China emerging as an economic super power, an effective transport system is integral to the implicit growth in the mobility of goods and people. DVB Bank is positioned in the right market: the growth market of "Transportation".

Frankfurt/Main, August 2004

THE BOARD OF MANAGING DIRECTORS

DVB Bank AG – Group

Profit and Loss Account

	30/06/2004	30/06/2003*	Change in %
Results in € mn			
Ordinary income	67.7	64.8	4.5
Net interest income	51.0	47.2	7.9
Net commission income	18.8	16.6	13.5
Net profit on financial operations	-2.1	1.0	-307.0
Administrative expenses	-46.1	-49.6	-7.1
Staff expenses	-22.2	-22.5	-1.6
Other administrative expenses	-21.5	-24.5	-12.2
Amortisation and depreciation	-2.4	-2.6	-6.2
Net other operating income and expenses	1.6	1.5	0.6
Operating profit excluding loan loss provisions	23.2	16.7	38.5
Loan loss provisions	-0.6	0.0	-
Net other income and expenses	1.1	0.3	289.3
Profits from ordinary activities	23.7	17.0	39.6
Return on equity (excl. goodwill, before taxes)	13.1%	11.6%	
Cost/income ratio (excl. goodwill)	63.0%	70.9%	

Balance Sheet extracts

	30/06/2004	31/12/2003*	Change in %
Assets in € mn			
Cash reserve	38.2	215.9	-82.3
Placements, loans and advances with/to other banks	965.8	1,362.1	-29.1
Loans and advances to customers	7,809.7	6,547.3	19.3
Financial assets	1,226.8	564.0	117.5
Fixed assets/intangible assets	164.4	118.0	39.3
Other assets	87.7	257.9	-66.0
Total assets	10,292.6	9,065.2	13.5
Liabilities in € mn			
Liabilities to banks	3,652.0	3,780.8	-3.4
Liabilities to customers	2,579.5	2,108.3	22.3
Certificated liabilities	3,047.0	2,178.4	39.9
Provisions	50.8	59.1	-14.0
Other liabilities	42.8	34.4	24.4
Profit-participation certificates	164.5	164.5	0.0
Subordinated liabilities	231.5	226.0	2.4
Fund for general banking risks	82.4	82.4	0.0
Capital and reserves	442.1	431.3	2.5
Subscribed capital	154.8	154.7	0.1
Capital reserve	107.3	107.1	0.2
Retained earnings	163.0	163.0	0.0
Distributable profit	17.0	6.5	161.5
Total liabilities	10,292.6	9,065.2	13.5
Customer lending in € mn	8,033.0	7,602.3	5.7
Total capital ratio (German Banking Act)	10.6%	11.1%	
Core capital ratio (German Banking Act)	6.4%	6.8%	

* without ReiseBank/CashExpress

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