

The leading specialist in international transport finance



Group Half-Yearly Financial Report as at 30 June 2007

DVB

DVB Group – Overview

€ mn			%
Earnings data in accordance with IFRS	1 Jan– 30 June 2007	1 Jan– 30 June 2006	
Income	141.5	117.0	20.9
Net interest income after loan losses	94.7	62.9	50.6
Net interest income	88.2	63.4	39.1
Impairment losses on loans and advances	6.5	-0.5	–
Net fee and commission income	31.5	31.3	0.6
Net income from financial instruments in accordance with IAS 39	16.9	18.0	-6,1
Result from investments accounted for at equity	2.2	-3.0	–
Net other operating income/expenses	-3.8	7.8	–
General administrative expenses	-63.9	-56.3	13.5
Result from ordinary activities (before tax)	77.6	60.7	27.8
Balance sheet data in accordance with IFRS	30 June 2007	31 Dec 2006	
Business volume	14,064.7	13,105.3	7.3
Total assets	11,404.8	11,099.1	2.8
Loans and advances to customers	9,796.8	9,339.2	4.9
Deposits from customers	4,196.0	4,033.4	4.0
Securitised liabilities	3,177.6	3,029.5	4.9
Subordinated liabilities	628.3	537.1	17.0
Equity	750.5	704.8	6.5
Own funds in accordance with the German Banking Act (KWG)	30 June 2007	31 Dec 2006	
Total	1,116.0	1,033.2	8.0
Core capital (TIER I)	722.0	728.0	-0.8
Supplementary capital (TIER II)	394.0	305.2	29.1
Capital ratios in accordance with the German Banking Act (%)	30 June 2007	31 Dec 2006	in pp
Core capital ratio	6.3	6.8	-0.5
Total capital ratio	9.8	9.7	0.1
Key financial indicators (%)	1 Jan– 30 June 2007	1 Jan– 30 June 2006	in pp
Return on equity (before tax)			
IFRS	26.4	23.5	2.9
German GAAP	24.6	24.1	0.5
Cost/income ratio			
IFRS	47.3	47.9	-0.6
German GAAP	48.4	47.6	0.8

Employees	30 June 2007	30 June 2006	%
Total	419	388	8.0
Active	398	365	9.0
thereof in Transport Finance/ Corporate Finance	232	209	11.0

Rating	2007	2006	2005
Moody's Investors Service			
Debt and deposit ratings	A1/P-1	A2/P-1	A3/P-2
Financial strength	C	C-	C-
Outlook	stable	stable	stable
Standard & Poor's			
Long-term/short-term issuer credit rating	A/A-1	A/A-1	A-/A-2
Outlook	stable	stable	stable

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HALF-YEARLY FINANCIAL REPORT

Interim Management Report

The present interim financial statements as at 30 June 2007 – comprising the financial statements of DVB Bank AG and its subsidiaries, and prepared in euros – were not audited, in accordance with section 37w (5) of the German Securities Trading Act (Wertpapierhandelsgesetz – “WpHG”).

1. Interim report

in accordance with section 37 w (4) of the WpHG

1.1 Report on profit or loss, assets, liabilities and financial position

At €77.6 million, the profit from ordinary activities before tax for the first half of 2007 increased by another 27.8% on the record results posted in the previous year (H1 2006: €60.7 million).

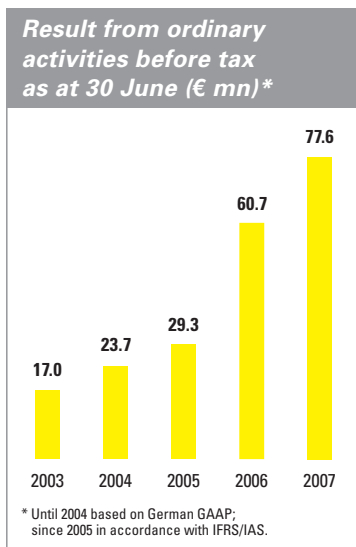
DVB boosted its **income** (comprising net interest income after loan losses, net fee and commission income, net income from financial instruments in accordance with IAS 39, results from investments accounted for at equity, and net other operating income/expenses), by 20.9%, to €141.5 million during the first half of 2007 (H1 2006: €117.0 million).

Specifically, net interest income after loan losses rose by 50.6%, from €62.9 million to €94.7 million.

Net interest income was up 39.1%, to €88.2 million (H1 2006: €63.4 million). Interest income increased by 6.6%, from €357.0 million to €380.4 million, whereby the credit business (up 4.7%, to €338.6 million) once again represented the main source of income. Thanks to brisk new Transport Finance business – with 114 (H1 2006: 102) new transactions having an aggregate volume of €3.01 billion (€2.51 billion) – interest income grew despite a further reduction in the average interest margin, from 153 to 135 basis points. Interest expense fell slightly, by 0.5% to €292.2 million.

The excellent quality of DVB’s credit portfolio was evident in the reversal of €6.5 million in impairment losses on loans and advances (H1 2006: €0.5 million recognised). The net figure comprised €7.9 million in new impairment losses recognised (excluding direct write-offs), of which €7.7 million was attributable to Aviation; and €15.1 million in reversals (of which Aviation accounted for €13.0 million, Transport Infrastructure for €1.0 million, and D-Marketing for €0.7 million). The total allowance for losses on loans and advances fell by 20.1% compared to year-end 2006, from €130.7 million to €104.4 million.

DVB’s fee and commission-based business generates loan commissions from new Transport Finance exposures, as well as advisory fees generated by the Bank’s Corporate Finance activities. The net fee and commission income generated increased by 0.6%, to €31.5 million (H1 2006: €31.3 million). DVB envisages further increases in this income component during the second half of 2007.



Net income from financial instruments in accordance with IAS 39 (comprising net trading income, the hedge result, the result from the application of the fair value option, the result from derivatives entered into without intention to trade, and net income from investment securities) decreased by 6.1%, to €16.9 million (H1 2006: €18.0 million). This result is largely attributable to the realisation of gains upon disposal of an investment by a fund managed by DVB.

Results from investments accounted for at equity showed a swing from €–3.0 million to €2.2 million, predominantly due to the profit contribution of an investment in an airline accounted for at equity.

Net other operating income and expenses fell from €7.8 million to €–3.8 million. The net figure comprises €4.1 million in income (down 51.2%), offset by higher expenses of €7.9 million, including expenditure for restructuring two transactions (one each in Shipping in Aviation).

General administrative expenses rose by 13.5% to €63.9 million. Staff expenses increased by 17.9%, to €36.9 million, primarily driven by two factors: firstly, the Bank hired additional Transport Finance and Corporate Finance experts to boost its worldwide business activities, increasing the number of active employees in the DVB Group to 419 (up 8.0%, compared to 388 as at 30 June 2006). Secondly, additional provisions were recognised for variable bonus payments. The higher level of non-staff expenses (up 4.3%, to €24.4 million) largely reflects the growth in DVB's business activities.

When analysing individual items of the income statement, it is worth noting that, in contrast to the published consolidated financial statements 2006, the results generated by the Transport Infrastructure Division are no longer disclosed separately in the income statement, under "Result from discontinued operations". This is due to a decision taken by the Board of Managing Directors to discontinue discussions regarding a sale of the division with interested financial institutions. The division's existing credit exposures will be held and managed until maturity, since the anticipated profit contribution exceeds the potential disposal proceeds.

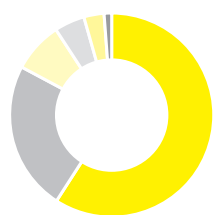
DVB Bank AG reported **total assets** of €11.4 billion (31 Dec 2006: €11.1 billion). The 2.7% increase was due to flows around the reporting date.

DVB's **nominal customer lending** (the aggregate of loans and advances to customers, guarantees and indemnities, and irrevocable loan commitments) rose by 7.1%, from €11.97 billion to €12.82 billion. The recent appreciation of the euro versus the US dollar absorbed some of the underlying growth: DVB maintains its accounts in euros, whereas almost three-quarters of its aggregate customer lending volume is denominated in US dollars. Customer lending in US dollar terms showed a higher increase of 9.8%, to US\$17.31 billion, compared to the year-end 2006 (US\$15.77 billion). As in previous years, to minimise the impact of exchange rate fluctuations as a source of uncertain business results, the Bank hedged projected US dollar net income from interest and commissions.

Growth in customer lending (in € and US\$)

	€ bn			US\$ bn		
	30 June 2007	31 Dec 2006	%	30 June 2007	31 Dec 2006	%
Shipping	7.58	6.71	13.0	10.23	8.84	15.7
Aviation	3.04	3.12	-2.6	4.10	4.11	-0.2
Land Transport	1.03	0.98	5.1	1.39	1.29	7.8
Transport Infrastructure	0.61	0.67	-9.0	0.83	0.88	-5.7
Corporate Finance & Capital Market Products	0.45	0.36	25.0	0.61	0.47	29.8
D-Marketing	0.11	0.13	-15.4	0.15	0.18	-16.7
Total	12.82	11.97	7.1	17.31	15.77	9.8

Customer lending by business division as at 30 June 2007



Shipping	59.1%
Aviation	23.7%
Land Transport	8.0%
Transport Infrastructure	4.8%
Corporate Finance & Capital Market Products	3.5%
D-Marketing	0.9%

The distribution of customer lending (in euro terms) amongst the Bank's **business segments** is as follows: with €7.58 billion, Shipping accounts for 59.1% of the overall portfolio, followed by Aviation (€3.04 billion – 23.7%), Land Transport (€1.03 billion – 8.0%), Transport Infrastructure (€0.61 billion – 4.8%), and Corporate Finance & Capital Market Products (€0.45 billion – 3.5%).

Return on equity before tax is one of the two key strategic indicators employed by DVB Group: measured according to IFRS, it was 26.4% – up strongly by 2.9 percentage points (H1 2006: 23.5%). The **cost/income ratio** according to IFRS improved by 0.6 percentage points, to 47.3% (47.9%).

Based on German GAAP (HGB), return on equity for the first half of 2007 was 24.6% (H1 2006: 24.1%), whilst the cost/income ratio rose to 48.4% (H1 2006: 47.6%).

The **core capital ratio** declined to 6.3% (31 Dec 2006: 6.8%), whilst the **total capital ratio** stood at 9.8% (9.7%).

1.2 Report on forecasts and other statements on expected developments

There are no new insights that would indicate any material changes to the forecasts regarding the development of transport markets, the Transport Finance and Corporate Finance portfolios, or to the financial outlook, as set out in the Group Management Report on pages 84 to 95 of the Annual Report 2006.

1.3 Report on opportunities and risks

No risks which would jeopardise the continued existence of the DVB Group are expected to materialise during the remainder of the 2007 financial year. Please refer to the Group Risk Report on pages 69 to 82 of the Annual Report 2006, which contains detailed information regarding risk management principles and organisation, DVB's risk-bearing capacity and risk capital, and on the types of risk. DVB has no information which would indicate any material changes regarding the risk situation outlined, and assessments contained, in the Group Risk Report.

Opportunities available to DVB Group during the second half of 2007 are outlined below.

DVB will leverage its market position as a globally-renowned asset finance provider to achieve a continued sustained increase in company value. The Bank will expand its business activities covering assets in its portfolio – ships, aircraft, engines, containers, locomotives, freightcars etc. – in a systematic fashion. This may involve the integration of individual experts or teams, or even the takeover of specialist service providers offering further development potential.

1.3.1 Report on progress made in developing the asset management business

During 2006, DVB successfully established a team of experts that actively advises and supports clients – such as airlines, leasing companies, banks or investors – with regard to the remarketing and leasing of aircraft.

DVB further expanded its aviation investment management business by acquiring a majority shareholding in TES Aviation Services Limited, a leading provider of aircraft engine management services, on 16 July 2007. TES Aviation Group provides a range of commercial and technical services to owners and users of aircraft engines. Leveraging the international strength of its brand and its outstanding reputation, TES will continue to develop as an independent subsidiary within the DVB Group.

1.3.2 Shipping division to adopt a sector-based organisational structure

The Shipping Division will be restructuring, moving towards an even more specialised sector approach. Seven new global units will be created, looking to follow the success of the existing three units (Container Box Unit, Floating Production Group, and Cruise Finance Unit). These new units will include teams covering sectors such as crude, bulk, container vessels, and offshore: they will capitalise on DVB's strong research base, and combine experts from all regions to focus on specific shipping segments. The new units will be able to provide DVB's clients with specific market knowledge, combined with focus on their industries. Furthermore, they will also coordinate transactions and advisory services across the entire Shipping Division. In our view, this is the first restructuring of its kind in the Shipping finance sector.

1.3.3 New subsidiary established

DVB is synonymous with the provision of customised, individual solutions with a high degree of value added. Based in Zurich, the new subsidiary ITF International Transport Finance Suisse AG will commence operations in the third quarter of 2007. Its aim, with a low cost basis, strict risk selection and targeting exclusively the interbank market, is to purchase tranches in syndicated loans in DVB's target markets. The Bank will therefore not only be able to exploit the relief on capital requirements available in the future, but also profitably consolidate its market share in international asset finance, thus capitalising on its strong reputation.

1.3.4 Group Investment Management expanded

Our Investment Management franchise, which was only launched in 2002, is now one of DVB's core activities and contributed in excess of 20% to the overall operating result as at 30 June 2007. In this segment, DVB arranges equity capital for clients in the transport sector and manages funds for co-investment with investors.

Through the Deucalion funds, investors can make equity capital investments in aircraft, airlines, and other aviation projects – jointly with DVB. Deucalion also plays an important role in supporting DVB's Aviation clients with equity capital solutions for their aircraft acquisition and divestment strategies.

The investments of the NFC Shipping Funds are focused on capital investments and mezzanine financings in the shipping sector.

The Intermodal Funds focus on capital investments and mezzanine financings for clients with operations in intermodal transport services. The investment focus of these funds lies in investments in containers, and in container chassis and trailers. On 23 July 2007, CIF 3, an investment fund advised by DVB Bank, acquired Capital Lease Limited, Hong Kong, the world's 8th largest container leasing company, and simultaneously on-sold the management rights to Capital Lease's 0.5 million TEU container fleet to Textainer Group.

There are also plans for a further fund focusing on freight locomotives and freightcars, as well as a fund for investments in cruise ships.

The scope of liquidity available on a global scale has strongly grown over recent years. Consequently the expansion of existing fund concepts and the development of cash flow-based investment products, primarily for international institutional investors, is on the agenda. Implementation of this concept is scheduled for 2008.

1.4 Report on major related party transactions

Since there were no major related party transactions during the first half of 2007, which materially affected the profit or loss, assets, liabilities or financial position, of DVB Group, reference is made to the information provided on page 83 of the Group Annual Report 2006.

Interim Financial Statements

2. Interim Financial Statements

in accordance with section 37 w (3) of the WpHG

2.1 Income statement

€ mn	Notes	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Net interest income	2.7.2.1	88.2	63.4	39.1
Impairment losses on loans and advances	2.7.2.2	6.5	–0.5	–
Net interest income after loan losses		94.7	62.9	50.6
Net fee and commission income	2.7.2.3	31.5	31.3	0.6
Net income from financial instruments in accordance with IAS 39	2.7.2.4	16.9	18.0	–6.1
Result from investments accounted for at equity		2.2	–3.0	–
General administrative expenses	2.7.2.5	–63.9	–56.3	13.5
Net other operating income/expenses	2.7.2.6	–3.8	7.8	–
Result from ordinary activities before tax		77.6	60.7	27.8
Income tax expenses		–9.6	–15.4	–37.7
Profit after tax		68.0	45.3	50.1
Minority interest		–1.1	0.8	–
Net profit for the period from 1 Jan to 30 June		66.9	46.1	45.1

2.2 Earnings per share

	30 June 2007	30 June 2006	%
Net profit (€ mn)	66.9	46.1	45.1
Average number of ordinary shares issued	3,932,574	3,896,912	0.9
Number of options outstanding at the balance sheet date	13,795	89,250	-84.5
Basic earnings per share (€)	16.91	11.84	42.8
Diluted earnings per share (€)	17.02	11.70	45.5

2.3 Balance Sheet

<i>Assets</i> (€ mn)	Notes	30 June 2007	31 Dec 2006	%
Cash and balances with the central bank		90.3	163.0	-44.6
Loans and advances to banks	2.7.3.1	638.2	600.7	6.2
Loans and advances to customers	2.7.3.2	9,796.8	9,339.2	4.9
Allowances for losses on loans and advances	2.7.3.3	-104.4	-130.7	-20.1
Positive fair values of hedging derivatives		123.5	172.8	-28.5
Financial assets held for trading		87.0	96.8	-10.1
Investment securities	2.7.3.4	196.7	221.9	-11.4
Investments accounted for at equity	2.7.3.5	42.5	48.1	-11.6
Intangible assets	2.7.3.6	80.7	82.0	-1.6
Property and equipment	2.7.3.7	373.6	469.0	-20.3
Income tax assets		45.3	22.5	-
Other assets	2.7.3.8	34.6	13.8	-
Total assets		11,404.8	11,099.1	2.8

Equity and liabilities (€ mn)	Notes	30 June 2007	31 Dec 2006	%
Deposits from other banks	2.7.3.9	2,292.2	2,554.8	-10.3
Deposits from customers	2.7.3.10	4,196.0	4,033.4	4.0
Securitised liabilities	2.7.3.11	3,177.6	3,029.5	4.9
Negative fair values of hedging derivatives		114.0	59.0	93.2
Financial liabilities held for trading		53.3	47.4	12.4
Provisions	2.7.3.12	62.7	57.6	8.9
Income tax liabilities		76.3	42.3	80.4
Other liabilities	2.7.3.13	53.9	33.2	62.3
Subordinated liabilities	2.7.3.14	628.3	537.1	17.0
Equity		750.5	704.8	6.5
Issued share capital		100.5	99.5	1.0
Capital reserve		203.2	199.4	1.9
Retained earnings		369.5	369.9	-0.1
thereof: Fund for general banking risks		82.4	82.4	0.0
Revaluation reserve		5.9	20.4	-71.1
Hedging reserve – cash flow hedges		3.9	3.7	5.4
Currency translation reserve		-3.6	-2.9	24.1
Distributable profit		67.6	12.5	-
Minority interests		3.5	2.3	52.2
Total equity and liabilities		11,404.8	11,099.1	2.8

2.4 Statement of recognised income and expense

€ mn	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Net profit before minority interest	68.0	45.3	50.1
Income and expenses not recognised in the income statement	-15.4	17.2	-
thereof: from remeasurement of AfS financial instruments	-14.5	0.5	-
thereof: from cash flow hedges	0.2	5.1	-96.1
thereof: from currency translation	-0.7	11.6	-
thereof: from actuarial gains and losses	-0.4	0.0	-
Total	52.6	62.5	-15.8

The figures presented for the prior-year period were adjusted due to the changes in the accounting policies applied for the consolidated financial statements as at 31 December 2006.

2.5 Condensed statement of changes in equity

€ mn	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Equity as at 1 Jan	704.8	622.6	13.2
Income and expenses not recognised in the income statement	-15.4	17.2	-
Minority interest	1.1	-0.8	-
Net profit	67.6	46.1	46.6
Dividend payment	-12.5	0.0	-
Employee participation scheme	4.9	0.0	-
Equity as at 30 June	750.5	685.1	9.6

The figures presented for the prior-year period were adjusted due to the changes in the accounting policies applied for the consolidated financial statements as at 31 December 2006.

2.6 Cash flow statement

€ mn	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Cash flow from operating activities	-467.2	93.0	-
Cash flow from investing activities	309.9	-27.5	-
Cash flow from financing activities	84.5	34.1	-
Net change in cash and cash equivalents	-72.8	99.6	-
Cash and cash equivalents at beginning of period	163.0	48.9	-
Cash and cash equivalents at end of period	90.3	148.5	-39.2

2.7 Notes

2.7.1 Summary of material accounting policies applied

The present interim report for the period ended on 30 June 2007 has been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. It also complies with the requirements for interim financial reporting set out in section 37 w of the German Securities Trading Act (WpHG).

The accounting policies applied for the present interim financial statements are in line with those applied for the consolidated financial statements as at 31 December 2006, except with regard to the following:

In April 2007, the Board of Managing Directors of DVB BANK AG decided to discontinue negotiations with regard to the disposal of its Transport Infrastructure business with interested financial institutions. The division's existing credit exposures will be held and managed until maturity, since the associated profit contribution will exceed the potential disposal proceeds. Accordingly, the interim management statement of the DVB BANK AG in accordance with section 37 x (1) sentence 1 and section 37 x (2) of the German Securities Trading Act already included a reclassification of loans and advances, bearer bonds and derivative financial instruments held in the portfolio. Therefore, the results generated from the Transport Infrastructure business will no longer be reported separately in the income statement, in the result from discontinued operations. The comparative information presented in the financial statements was adjusted accordingly, i.e. the Transport Infrastructure portfolio will substantially be reported in loans and advances to customers.

2.7.2 Selected notes to the consolidated income statement

2.7.2.1 Net interest income

€ mn	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Interest income from			
lending and money market transactions	338.6	323.3	4.7
bonds and other fixed-income securities	2.5	3.7	–32.4
operating leases	37.2	24.9	49.4
Current income from			
equities and other non-fixed-income securities	0.0	0.1	–100.0
equity investments and other investment securities	2.1	5.0	–58.0
Interest income	380.4	357.0	6.6
Interest expenses for			
deposits	185.3	214.5	–13.6
securitised liabilities	73.1	50.3	45.3
subordinated liabilities	15.1	16.4	–7.9
operating leases	18.7	12.4	50.8
Interest expenses	292.2	293.6	–0.5
Net interest income	88.2	63.4	39.1

2.7.2.2 Impairment losses on loans and advances

€ mn	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Additions	7.9	0.0	–
Reversals	15.1	0.1	–
Direct write-offs	0.7	0.7	–
Recoveries on loans and advances previously written off	0.0	0.1	–100.0
Total	6.5	–0.5	–

2.7.2.3 Net fee and commission income

€ mn	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Fee and commission income from payment transactions	0.4	0.3	33.3
guarantees and indemnities	0.9	0.7	28.6
the lending business	27.6	32.3	–14.6
other fee and commission income	6.1	0.5	–
Fee and commission income	35.0	33.8	3.6
Fee and commission expenses	3.5	2.5	40.0
Fee and commission expenses	3.5	2.5	40.0
Net fee and commission income	31.5	31.3	0.6

2.7.2.4 Net income from financial instruments in accordance with IAS 39

€ mn	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Net trading income	-0.8	2.9	-
Result from the application of the fair value option	0.0	0.1	-100.0
Hedge result	0.0	8.6	-100.0
Result from derivatives entered into without intention to trade	-0.1	6.6	-
Net income from investment securities	17.8	-0.2	-
Net income from financial instruments in accordance with IAS 39	16.9	18.0	-6.1

Net income from investment securities mainly contains realised gains from the sale of an investment in an investment fund managed by DVB.

Net trading income

€ mn	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Net trading income from derivative financial instruments	1.6	9.1	-82.4
Result from foreign currency transactions	-3.2	-6.4	-50.0
Result from interest and dividend payments	0.8	0.2	-
Total	-0.8	2.9	-

Hedge result

€ mn	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Result from re-measurement			
Result from hedging derivatives	-102.4	-124.2	-17.6
Result from hedged items	102.4	132.8	-22.9
Total	0.0	8.6	-100.0
Realised result	0.0	0.0	-
Total	0.0	8.6	-100.0

Result from the application of the fair value option

€ mn	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Loans and advances designated as at fair value through profit or loss	-0.3	-0.5	-40.0
Securitised liabilities and subordinated loans	3.8	7.3	-47.9
Result from economic hedging derivatives	-3.5	-6.7	-47.8
Total	0.0	0.1	-100.0

2.7.2.5 General administrative expenses

€ mn	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Staff expenses	36.9	31.3	17.9
Non-staff expenses	24.4	23.4	4.3
Depreciation, amortisation, impairment and write-ups	2.6	1.6	62.5
Total	63.9	56.3	13.5

2.7.2.6 Net other operating income/expenses

€ mn	1 Jan– 30 June 2007	1 Jan– 30 June 2006	%
Other operating income	4.1	8.4	-51.2
Other operating expenses	7.9	0.6	-
Total	-3.8	7.8	-

2.7.2.7 Segment reporting

€ mn	Group		Shipping		Aviation		Land Transport		Transport Infrastructure ¹⁾		Corporate Finance & Capital Market Products		Other/ Reconciliation/ Consolidation	
	6/2007	6/2006	6/2007	6/2006	6/2007	6/2006	6/2007	6/2006	6/2007	6/2006	6/2007	6/2006	6/2007	6/2006
Net interest income after loan losses	94.7	62.9	32.0	28.4	28.6	26.3	4.7	5.0	4.5	2.9	9.9	7.0	15.2	-6.8
Net interest income	88.2	63.4	32.0	28.4	24.0	26.3	4.7	5.0	3.5	2.9	9.9	7.0	14.2	-6.2
Impairment losses on loans and advances	6.5	-0.5	0.0	0.0	4.6	0.0	0.0	0.0	1.0	0.0	0.0	0.0	1.0	-0.6
Net fee and commission income	31.5	31.3	20.3	13.6	6.2	11.9	1.2	1.8	0.2	1.8	4.7	2.9	-1.0	-0.8
Net income from financial instruments in accordance with IAS 39	16.9	18.0	0.4	-0.8	0.0	0.0	0.0	0.0	0.1	0.0	19.1	-0.1	-2.7	18.9
Result from investments accounted for at equity	2.2	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2	-3.0	0.0	0.0
Net other operating income/expenses	-3.8	7.8	-2.0	0.0	-2.3	0.0	0.1	0.0	-0.2	0.0	0.0	0.5	0.6	7.4
Income	141.5	117.0	50.7	41.2	32.4	38.2	6.0	6.9	4.6	4.7	33.7	10.3	12.1	15.7
General administrative expenses	-63.9	-56.3	-10.6	-9.3	-5.7	-4.2	-1.5	-1.1	-0.3	-0.7	-6.3	-6.0	-39.5	-34.9
Staff expenses	-36.9	-31.3	-8.5	-7.3	-4.1	-3.4	-1.3	-0.9	-0.2	-0.6	-5.2	-4.6	-17.6	-14.6
Operating expenses incl. depreciation/amortisation/impairment	-27.0	-24.9	-2.1	-2.0	-1.5	-0.9	-0.2	-0.2	-0.1	-0.2	-1.2	-1.4	-22.0	-20.3
Result from ordinary activities	77.6	60.7	40.1	32.0	26.7	34.0	4.5	5.8	4.3	3.9	27.3	4.3	-27.4	-19.2
(Income) Taxes	-9.6	-15.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-9.6	-15.4
Minority interests	-1.1	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.1	0.0	0.0	0.8
Net profit	66.9	46.1	40.1	32.0	26.7	34.0	4.5	5.8	4.3	3.9	26.2	4.3	-37.0	-33.8
Risk-weighted assets (average)²⁾	11,247.0	10,249.5	6,035.3	4,846.4	2,988.3	3,151.5	888.9	890.5	585.9	514.4	298.5	250.4	450.1	596.3
Capital (average)	588.7	516.4	315.9	244.2	156.4	158.8	46.5	44.9	30.7	25.9	15.6	12.6	23.6	30.0
Cost/income ratio³⁾	47.3%	47.9%	20.9%	22.5%	20.4%	11.1%	24.4%	15.4%	8.7%	16.0%	18.8%	58.4%	-	-
Return on equity (before taxes)⁴⁾	26.4%	23.5%	25.4%	26.2%	34.2%	42.8%	19.5%	26.0%	27.8%	30.2%	349.8%	68.0%	-	-

1) The relevant credit exposures will expire on a controlled basis.

2) Owing to DVB's business focus, the risk-weighted assets are considered representative for the assets of the individual segments in accordance with principle I of the German Banking Act (Grundsatz I KWG).

3) Excl. allowances for losses on loans and advances

4) CIR and RoE of the divisions net of allocated overhead.

2.7.3 Selected notes to the balance sheet

2.7.3.1 Loans and advances to banks

€ mn	30 June 2007	31 Dec 2006	%
Loans and advances	215.5	138.2	55.9
thereof: payable on demand	179.3	117.7	52.3
thereof: with a limited term	36.2	20.5	76.6
Money market transactions	422.7	462.5	-8.6
thereof: payable on demand	169.6	177.5	-4.5
thereof: with a limited term	253.1	285.0	-11.2
Other loans and advances to banks	0.0	0.0	-
Total	638.2	600.7	6.2
German banks	230.4	243.7	-5.5
Foreign banks	407.8	357.0	14.2
Total	638.2	600.7	6.2

2.7.3.2 Loans and advances to customers

€ mn	30 June 2007	31 Dec 2006	%
Loans and advances	9,791.9	9,335.9	4.9
thereof: payable on demand	122.3	105.6	15.8
thereof: with a limited term	9,669.6	9,230.3	4.8
Money market transactions	0.0	3.3	-100.0
thereof: payable on demand	0.0	3.3	-100.0
thereof: with a limited term	0.0	0.0	-
Other loans and advances to customers	4.9	0.0	-
Total	9,796.8	9,339.2	4.9
German customers	1,070.8	1,048.5	2.1
Foreign customers	8,726.0	8,290.7	5.3
Total	9,796.8	9,339.2	4.9

2.7.3.3 Allowances for losses on loans and advances

€ mn	Specific valuation allowance		General valuation allowance		Total	
	30 June 07	31 Dec 06	30 June 07	31 Dec 06	30 June 07	31 Dec 06
Opening balance	123.7	115.0	7.0	5.9	130.7	120.9
Additions (incl. depreciation and amortisation)	8.5	37.7	0.0	3.0	8.5	40.7
Disposals	33.1	23.6	0.0	1.9	33.1	25.5
thereof: utilised	18.3	13.9	0.0	0.0	18.3	13.9
thereof: released	14.8	9.7	0.0	1.9	14.8	11.6
Changes in consolidated group and other changes	0.0	0.0	0.0	0.0	0.0	0.0
Changes resulting from exchange rate fluctuations	-1.7	-5.4	0.0	0.0	-1.7	-5.4
Balance as at period end	97.4	123.7	7.0	7.0	104.4	130.7

2.7.3.4 Investment securities

€ mn	30 June 2007	31 Dec 2006	%
Bonds and other fixed-income securities	116.2	117.9	-1.4
Equities and other non-fixed-income securities	12.5	29.1	-57.0
Equity investments	66.3	73.2	-9.4
Shares in unconsolidated, affiliated companies	1.7	1.7	-
Total	196.7	221.9	-11.4

2.7.3.5 Investments accounted for at equity

€ mn	30 June 2007	31 Dec 2006	%
Investments/interests in associates	19.0	17.7	7.3
joint ventures	23.5	30.4	-22.7
Total	42.5	48.1	-11.6

2.7.3.6 Intangible assets

€ mn	30 June 2007	31 Dec 2006	%
Goodwill	77.3	78.5	-1.5
Other intangible assets	3.4	3.5	-2.9
Total	80.7	82.0	-1.6

2.7.3.7 Property and equipment

€ mn	30 June 2007	31 Dec 2006	%
Land and buildings	7.1	5.1	39.2
Investment property	4.5	6.7	-32.8
Operating and office equipment	3.8	4.2	-9.5
Assets held under operating leases	347.3	451.5	-23.1
Other property and equipment	10.9	1.5	-
Total	373.6	469.0	-20.3

2.7.3.8 Other assets

€ mn	30 June 2007	31 Dec 2006	%
Other tax receivables	3.9	1.2	-
Advance payments and prepaid expenses	0.9	1.1	-18.2
Miscellaneous other assets	29.8	11.5	-
Total	34.6	13.8	-

2.7.3.9 Deposits from other banks

€ mn	30 June 2007	31 Dec 2006	%
Loans and advances	1,449.3	1,336.3	8.5
thereof: payable on demand	71.4	54.6	30.8
thereof: with a limited term	1,377.9	1,281.7	7.5
Money market transactions	839.9	1,218.5	-31.1
thereof: payable on demand	77.3	86.9	-11.0
thereof: with a limited term	762.6	1,131.6	-32.6
Other deposits from other banks	3.0	0.0	-
Total	2,292.2	2,554.8	-10.3
German banks	1,657.5	1,871.3	-11.4
Foreign banks	634.7	683.5	-7.1
Total	2,292.2	2,554.8	-10.3

2.7.3.10 Deposits from customers

€ mn	30 June 2007	31 Dec 2006	%
Loans and advances	3,815.1	3,685.8	3.5
thereof: payable on demand	355.0	206.1	72.2
thereof: with a limited term	3,460.1	3,479.7	-0.6
Money market transactions	369.0	347.6	6.2
thereof: payable on demand	58.5	6.2	-
thereof: with a limited term	310.5	341.4	-9.1
Other deposits from customers	11.9	0.0	-
Total	4,196.0	4,033.4	4.0
German customers	3,311.0	3,213.1	3.0
Foreign customers	885.0	820.3	7.9
Total	4,196.0	4,033.4	4.0

2.7.3.11 Securitised liabilities

€ mn	30 June 2007	31 Dec 2006	%
Commercial paper	1,220.0	848.6	43.8
Bearer bonds	1,957.6	2,180.9	-10.2
Total	3,177.6	3,029.5	4.9

2.7.3.12 Provisions

€ mn	30 June 2007	31 Dec 2006	%
Provisions for pensions and similar obligations	22.3	21.9	1.8
Other provisions	40.4	35.7	13.2
Total	62.7	57.6	8.9

2.7.3.13 Other liabilities

€ mn	30 June 2007	31 Dec 2006	%
Other tax liabilities	1.3	1.5	-13.3
Miscellaneous other liabilities	52.6	31.7	65.9
Total	53.9	33.2	62.3

2.7.3.14 Subordinated liabilities

€ mn	30 June 2007	31 Dec 2006	%
Subordinated promissory note loans	566.2	475.2	19.1
Subordinated bearer bonds	62.1	61.9	0.3
Total	628.3	537.1	17.0

2.7.3.15 Derivative transactions

	30 June 2007		31 Dec 2006		%	
	Fair values		Fair values			
	positive	negative	positive	negative	positive	negative
Interest rate products	169.4	-146.4	212.4	-90.2	-20.2	62.3
Currency-related products	41.1	-20.9	57.2	-16.1	-28.1	29.8
Total	210.5	-167.3	269.6	-106.3	-21.9	57.4

2.7.3.16 Off-balance sheet commitments

	30 June 2007	31 Dec 2006	%
Irrevocable loan commitments	2,659.9	2,006.2	32.6
Total	2,659.9	2,006.2	32.6

Responsibility statement

3. Responsibility statement

in accordance with section 37 y of the WpHG in conjunction with section 37 w (2)
no. 3 of the WpHG

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Frankfurt/Main, 13 August 2007

DVB Bank AG

The Board of Managing Directors



Wolfgang F. Driese
Chairman of the Board
of Managing Directors



Bertrand Grabowski
Member of the Board
of Managing Directors



Dagfinn Lunde
Member of the Board
of Managing Directors

Risks inherent in forward-looking statements

This Half-Yearly Financial Report contains forward-looking statements, including statements concerning the future development of DVB.

We would like to point out that these assessments and forecasts contained herein will always be subject to the risk of erroneous perception or errors, and may thus turn out to be incorrect. By their very nature, any deliberations regarding developments or events in the future are conjecture rather than precise predictions. Future developments may indeed diverge from expectations, not least as a result of fluctuations in capital market prices, exchange rates or interest rates, or as a result of fundamental changes in the economic environment.

Although we believe the forward-looking statements to be realistic, due to the reasons discussed above we cannot accept any responsibility that they will materialise.

Financial Calendar 2007/2008

Mid-November 2007

Publication of the Interim Management Statement for the third quarter of 2007

Mid-December 2007

Publication of the Declaration of Compliance 2007/2008

12 June 2008

Shareholders' Meeting of DVB Bank AG

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