



Interim Management  
Statement during the  
first half of

2010



## DVB Group posts satisfactory start to 2010 – Significant year-on-year increase in net interest income

DVB made a satisfactory start to 2010, in spite of the prevailing difficult environment on international financial and transport markets.

Total income (comprising net interest income after allowance for credit losses, net fee and commission income, net income from financial instruments in accordance with IAS 39, results from investments accounted for using the equity method, and net other operating income/expenses), declined by 9.8%, to €57.1 million during the first quarter of 2010 (Q1 2009: €63.3 million).

Notably, net interest income soared by 71.8%, to €51.7 million (Q1 2009: €30.1 million), driven by the following factors:

- Interest expenses were down by 16.6% during the first quarter of 2010, to €130.5 million (Q1 2009: €156.5 million). In particular, the Bank significantly reduced the impact from distortions on the international money markets, compared with the same period of the previous year. Thanks to the counter-measures adopted by DVB, in co-operation with its clients, interest expenses attributable to such distortions were down to a mere €0.1 million during the first quarter of 2010 (Q1 2009: €17.3 million).
- Interest income of €182.2 million was down 2.4% (Q1 2009: €186.6 million). DVB concluded new business during the first quarter of 2010, on a selective basis – however, the aggregate volumes originated did not fully match maturities of existing exposures. At 329 basis points, the average interest margin on new business remained at attractive levels (Q1 2009: 344 basis points).

Only a marginal amount of €0.2 million in new allowance for credit losses needed to be recognised during the first quarter (Q1 2009: net release of €0.4 million). Net interest income after allowance for credit losses was therefore up by 68.9%, to €51.5 million.

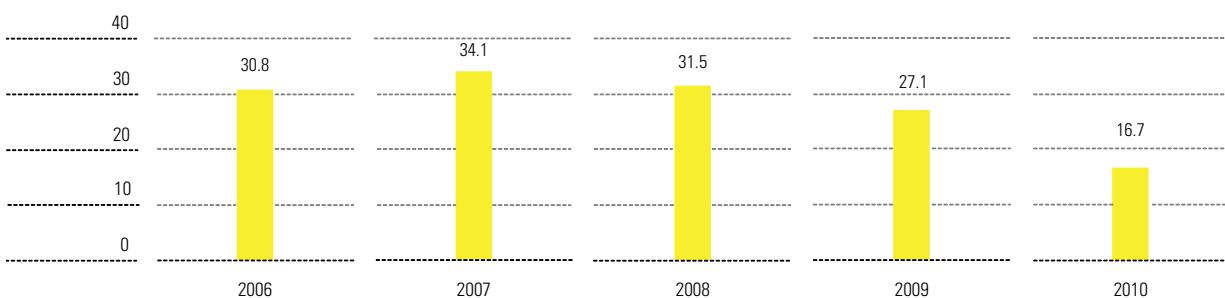
DVB's fee and commission-based business generates loan commissions from new Transport Finance exposures, as well as advisory fees. The net fee and commission income fell by half, from €32.9 million in the first quarter of 2009 to €15.6 million, which reflected the lower overall volume of new Transport Finance business.

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 to €–11.4 million (Q1 2009: €–5.3 million). Against the background of the global financial markets crisis, the figure particularly reflects increased volatility on foreign exchange and interest rate markets.

General administrative expenses rose by 11.6% to €40.4 million. Staff expenses were up 10.1%, to €23.9 million, due to higher provisions for potentially increased expenditure. Higher costs for legal advice and IT services meant that non-staff expenses (including depreciation, amortisation and write-downs) increased by €1.9 million, to €16.5 million.

Consolidated net income before taxes declined to €16.7 million for the first quarter of 2010, down 38.4% year-on-year. <sup>1</sup>

### <sup>1</sup> Consolidated net income before taxes as at 31 March (€ mn)



DVB reported total assets of €18.3 billion, up 5.8% from the 2009 year-end (31 December 2009: €17.3 billion).

DVB's nominal volume of customer lending increased to €17.8 billion, up 2.9% from 31 December 2009; in US dollar terms, customer lending declined by 3.6%, to US\$24.0 billion. ①

As in previous years, in order to minimise the impact of exchange rate fluctuations as a source of uncertain business results, the Bank hedged projected US dollar net income from the interest- and commissions-based business.

The distribution of customer lending amongst the Bank's business divisions is as follows: ②

The Return on equity (ROE) and the cost/income ratio (CIR) developed as follows: The ROE before taxes stood at 7.4% (Q1 2009: 11.9%), whilst the CIR rose by 13.1 percentage points to 70.7% (Q1 2009: 57.6%).

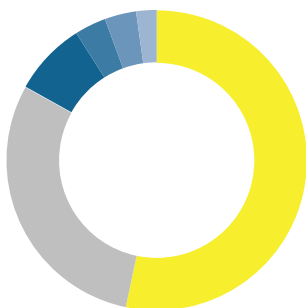
Calculated in accordance with Basel II, DVB's tier 1 ratio rose to 15.3% (31 December 2009: 14.2%), and the total capital ratio increased to 19.8% (31 December 2009: 18.0%).

Frankfurt/Main, May 2010

THE BOARD OF MANAGING DIRECTORS

① Development of customer lending	€ bn			US\$ bn		
	31 Mar 2010	31 Dec 2009	%	31 Mar 2010	31 Dec 2009	%
Shipping Finance	9.5	9.1	4.4	12.7	13.1	-3.1
Aviation Finance	5.3	5.2	1.9	7.1	7.4	-4.1
Land Transport Finance	1.4	1.4	0.0	1.9	2.0	-5.0
Investment Management	0.6	0.6	0.0	0.8	0.9	-11.1
ITF Suisse	0.6	0.6	0.0	0.9	0.8	12.5
Phased out portfolio	0.4	0.4	0.0	0.6	0.7	-14.3
<b>Total</b>	<b>17.8</b>	<b>17.3</b>	<b>2.9</b>	<b>24.0</b>	<b>24.9</b>	<b>-3.6</b>

## ② Customer lending by business division



Shipping Finance	53.3%
Aviation Finance	29.8%
Land Transport Finance	7.9%
Investment Management	3.4%
ITF Suisse	3.4%
Phased out portfolio	2.2%

## Condensed Income Statement (IFRS)

4

€ mn	1 Jan– 31 Mar 2010	1 Jan– 31 Mar 2009	%
Net interest income	51.7	30.1	71.8
Allowance for credit losses	-0.2	0.4	-
Net interest income after allowance for credit losses	51.5	30.5	68.9
Net fee and commission income	15.6	32.9	-52.6
Net income from financial instruments in accordance with IAS 39	-11.4	-5.3	-
Result from investments in companies accounted for using the equity method	0.0	1.2	-100.0
General administrative expenses	-40.4	-36.2	11.6
Net other operating income/expenses	1.4	4.0	-65.0
<b>Consolidated net income before taxes</b>	<b>16.7</b>	<b>27.1</b>	<b>-38.4</b>
Taxes on income	-2.6	-2.7	-3.7
<b>Consolidated net income</b>	<b>14.1</b>	<b>24.4</b>	<b>-42.2</b>
Consolidated net income attributable to non-controlling interests	-0.9	0,0	-
Consolidated net income attributable to shareholders of DVB Bank SE	15.0	24.4	-38.5

Earnings per share (€)	1 Jan– 31 Mar 2010	1 Jan– 31 Mar 2009	%
Basic earnings per share	0.32	0.53	-39.6
Diluted earnings per share	0.32	0.53	-39.6

Key ratios (IFRS)	1 Jan– 31 Mar 2010	1 Jan– 31 Mar 2009	pp
Cost/income ratio	70.7%	57.6%	13.1 pp
Return on equity before tax	7.4%	11.9%	-4.5 pp
Return on equity after tax	6.2%	10.7%	-4.5 pp

<b>Assets (€ mn)</b>	<b>31 Mar 2010</b>	<b>31 Dec 2009</b>	<b>%</b>
Cash and balances with the central bank	110.2	252.4	-56.3
Loans and advances to banks	426.9	401.2	6.4
Loans and advances to customers	15,638.7	14,670.4	6.6
Allowance for credit losses	-166.2	-158.5	4.9
Positive fair values of derivative hedging instruments	391.8	356.6	9.9
Financial assets held for trading	183.8	282.4	-34.9
Investment securities	170.0	134.6	26.3
Investments in companies accounted for using the equity method	21.8	18.7	16.6
Intangible assets	111.9	111.8	0.1
Property and equipment	978.1	839.7	16.5
Income tax assets	94.1	87.3	7.8
Other assets	295.6	272.0	8.7
<b>Total</b>	<b>18,256.7</b>	<b>17,268.6</b>	<b>5.7</b>

<b>Equity and liabilities (€ mn)</b>	<b>31 Mar 2010</b>	<b>31 Dec 2009</b>	<b>%</b>
Deposits from other banks	8,082.3	7,076.8	14.2
Deposits from customers	4,156.1	4,412.7	-5.8
Securitised liabilities	3,624.6	3,477.1	4.2
Negative fair values of derivative hedging instruments	188.7	162.3	16.3
Financial liabilities held for trading	260.1	206.7	25.8
Provisions	54.4	52.1	4.4
Income tax liabilities	87.0	90.6	-4.0
Other liabilities	109.3	125.8	-13.1
Subordinated liabilities	630.1	606.0	4.0
Equity	1,064.1	1,058.5	0.5
Issued share capital	118.1	118.1	0.0
Capital reserve	333.0	333.2	-0.1
Retained earnings	611.7	583.8	4.8
thereof: fund for general banking risks	82.4	82.4	0.0
Revaluation reserve	-0.8	-0.1	-
Hedging reserve – cash flow hedges	-10.8	-3.0	-
Currency translation reserve	-2.6	-2.7	-3.7
Distributable profit	14.9	27.9	-46.6
Non-controlling interests	0.6	1.3	-53.8
<b>Total</b>	<b>18,256.7</b>	<b>17,268.6</b>	<b>5.7</b>

<b>Customer lending volume (€ bn)</b>	<b>31 Mar 2010</b>	<b>31 Dec 2009</b>	<b>%</b>
Customer lending volume	17.8	17.3	2.9

<b>Basel II – Key ratios</b>	<b>31 Mar 2010</b>	<b>31 Dec 2009</b>	<b>pp</b>
Tier 1 ratio	15.3%	14.2%	1.1 pp
Total capital ratio	19.8%	18.0%	1.8 pp