



Interim Management
Statement during the
second half of

2010



DVB picks up speed during the third quarter of 2010, in a controlled manner – posting record nine-month results. Consolidated net income before taxes was up 52.9%, to €119.1 million. ❶

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) increased by 24.7%, from €193.8 million to €241.6 million.

Net interest income rose by 16.0%, to €146.6 million, and net interest income after allowance for credit losses was up 22.5%, from €109.2 million to €133.8 million.

Interest income rose by 14.4%, from €531.6 million to €608.2 million. DVB succeeded in closing several attractive new transactions with an appropriate risk/return ratio. Specifically, new Transport Finance business during the period under review comprised 93 transactions with an aggregate volume of €3.0 billion (9m 2009: 82 transactions with a volume of €2.0 billion). The average interest margin on new business was down slightly, from 335 to 322 basis points.

Reflecting an increase in average funding costs, interest expenses rose by 13.9% year-on-year, from €405.2 million to €461.6 million. At the same time, however, DVB managed to neutralise the impact of money market distortions, and thus to reduce interest expenses attributable to such distortions to a mere €0.1 million at the end of the third quarter of 2010 (9m 2009: €20.6 million).

Net allowance for credit losses amounted to €12.8 million during the period under review (9m 2009: €17.2 million).

The main items were:

- a net €25.6 million addition for the Shipping Finance portfolio;
- €8.2 million for the Transport Infrastructure portfolio; and
- a net €3.9 million addition for Aviation Finance.
- €33.7 million could be reversed (of which €22.5 million was attributable to Shipping Finance and €8.8 million to Aviation Finance).
- Charge-offs of allowance for credit losses totalled €22.3 million.

The total allowance for credit losses declined by 3.5% compared to the year-end 2009, from €158.5 million to €153.0 million.

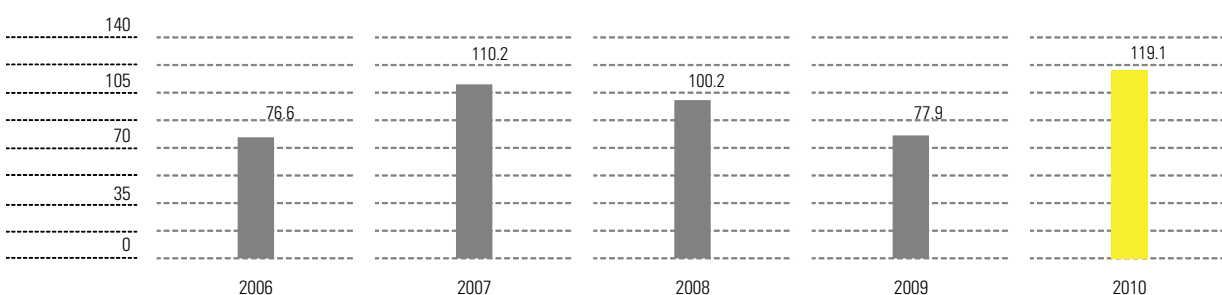
Net fee and commission income showed a welcome 14.1% increase (from €68.9 million to €78.6 million), mainly attributable to lending fees generated from structured financings in Transport Finance, and advisory fees.

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) moved from €6.3 million to €2.8 million. The net figure reflects the level of volatility on foreign exchange and interest rate markets.

Net other operating income/expenses doubled from €11.1 million to €22.2 million. This item comprises the effects of special transactions.

General administrative expenses were up 5.7%, to €122.5 million. Staff expenses rose by €2.5 million (+3.7%) to €69.7 million. The

❶ Consolidated net income before taxes as at 30 September (€ mn)



number of active DVB employees increased to 579, from 571 as at 30 September 2009. New hires included new Transport Finance experts as well as staff in service units. The 8.4% increase in non-staff expenses, from €48.7 million to €52.8 million, primarily reflected higher expenses in banking operations (IT costs, rents, etc.), as well as an increased need for consultancy services.

DVB reported total assets of €19.1 billion, up 10.4% as at 30 September 2010 (31 December 2009: €17.3 billion).

DVB's nominal customer lending comprises the aggregate of loans and advances to customers, guarantees and indemnities, and irrevocable loan commitments; it is determined through consolidation in line with applicable regulatory provisions. In euro terms, nominal customer lending amounted to €18.4 billion, up 6.4% from the year-end 2009. In US dollar terms, however, customer lending only grew by 0.8%, to US\$25.1 billion, reflecting exchange rate developments. 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 interest- and commissions-based business.

The distribution of customer lending (in euro terms) amongst the Bank's business divisions is shown in the following graph: ②

DVB's successful business performance is also reflected in its key financial indicators. These developed very positively:

Return on equity (before taxes) was 16.9% – up 5.5 percentage points (9m 2009: 11.4%). Accordingly, the cost/income ratio improved by 6.7 percentage points, to 48.2% (9m 2009: 54.9%).

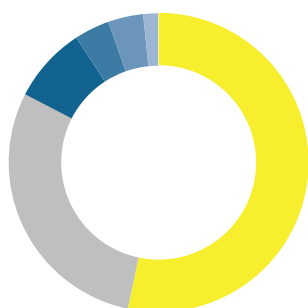
Calculated in accordance with Basel II, DVB's tier 1 ratio rose to 15.5% (31 December 2009: 14.2%), and the total capital ratio increased to 18.8% (31 December 2009: 18.0%).

Frankfurt/Main, November 2010

THE BOARD OF MANAGING DIRECTORS

① Growth in customer lending	€ bn			US\$ bn		
	30 Sep 2010	31 Dec 2009	Change %	30 Sep 2010	31 Dec 2009	Change %
Shipping Finance	9.8	9.1	7.7	13.4	13.1	2.3
Aviation Finance	5.4	5.2	3.8	7.4	7.4	-
Land Transport Finance	1.5	1.4	7.1	2.0	2.0	-
Investment Management	0.7	0.6	16.7	0.9	0.9	-
ITF Suisse	0.7	0.6	16.7	0.9	0.8	12.5
Business no longer in line with DVB's strategy	0.3	0.4	-25.0	0.5	0.7	-28.6
Total	18.4	17.3	6.4	25.1	24.9	0.8

② Euro-based customer lending by business division as at 30 September 2010



Shipping Finance	53.3% (+0.7 pp)
Aviation Finance	29.3% (-0.8 pp)
Land Transport Finance	8.2% (+0.2 pp)
Investment Management	3.8% (+0.3 pp)
ITF Suisse	3.8% (+0.3 pp)
Business no longer in line with DVB's strategy	1.6% (-0.7 pp)

Condensed consolidated income statement (IFRS)

€ mn	1 Jan 2010 – 30 Sep 2010	1 Jan 2009 – 30 Sep 2009	%
Net interest income	146.6	126.4	16.0
Allowance for credit losses	-12.8	-17.2	-25.6
Net interest income after allowance for credit losses	133.8	109.2	22.5
Net fee and commission income	78.6	68.9	14.1
Net income from financial instruments in accordance with IAS 39	2.8	6.3	-55.6
Results from investments accounted for using the equity method	4.2	-1.7	-
General administrative expenses	-122.5	-115.9	5.7
Net other operating income/expenses	22.2	11.1	-
Consolidated net income before taxes	119.1	77.9	52.9
Income taxes	-21.1	-21.0	0.5
Consolidated net income	98.0	56.9	72.2
Consolidated net income attributable to non-controlling interests	-1.6	-1.0	60.0
Consolidated net income attributable to shareholders of DVB Bank SE	99.6	57.9	72.0

Earnings per share (€)	1 Jan 2010 – 30 Sep 2010	1 Jan 2009 – 30 Sep 2009	%
Basic earnings per share	2.15	1.25	72.0
Diluted earnings per share	2.15	1.25	72.0

Key ratios (IFRS)	1 Jan 2010 – 30 Sep 2010	1 Jan 2009 – 30 Sep 2009	pp
Cost/income ratio	48.2%	54.9%	-6.7 pp
Return on equity before tax	16.9%	11.4%	5.5 pp
Return on equity after tax	13.9%	8.3%	5.6 pp

Assets (€ mn)	30 Sep 2010	31 Dec 2009	%
Cash and balances with the central bank	151.2	252.4	-40.1
Loans and advances to banks	581.6	401.2	45.0
Loans and advances to customers	15,795.1	14,670.4	7.7
Allowance for credit losses	-153.0	-158.5	-3.5
Positive fair values of derivative hedging instruments	435.2	356.6	22.0
Financial assets held for trading	406.5	282.4	43.9
Investment securities	206.0	134.6	53.0
Investments in companies accounted for using the equity method	19.7	18.7	5.3
Intangible assets	111.4	111.8	-0.4
Property and equipment	1,143.3	839.7	36.2
Income tax assets	129.1	87.3	47.9
Other assets	272.4	272.0	0.1
Total	19,098.5	17,268.6	10.6

Equity and liabilities (€ mn)	30 Sep 2010	31 Dec 2009	%
Deposits from other banks	7,833.3	7,076.8	10.7
Deposits from customers	4,144.9	4,412.7	-6.1
Securitised liabilities	4,700.1	3,477.1	35.2
Negative fair values of derivative hedging instruments	259.1	162.3	59.6
Financial liabilities held for trading	208.4	206.7	0.8
Provisions	41.8	52.1	-19.8
Income tax liabilities	135.8	90.6	49.9
Other liabilities	105.5	125.8	-16.1
Subordinated liabilities	539.0	606.0	-11.1
Equity	1,130.6	1,058.5	6.8
Issued share capital	118.0	118.1	-0.1
Capital reserve	332.6	333.2	-0.2
Retained earnings	583.1	583.8	-0.1
thereof: fund for general banking risks	82.4	82.4	0.0
Revaluation reserve	-0.6	-0.1	-
Hedging reserve – cash flow hedges	-0.4	-3.0	-86.7
Currency translation reserve	-2.1	-2.7	-22.2
Distributable profit	99.6	27.9	-
Non-controlling interests	0.4	1.3	-69.2
Total	19,098.5	17,268.6	10.6

Customer lending volume (€ bn)	30 Sep 2010	31 Dec 2009	%
Customer lending volume	18.4	17.3	6.4

Basel II key ratios	30 Sep 2010	31 Dec 2009	pp
Tier 1 ratio	15.5%	14.2%	1.3 pp
Total capital ratio	18.8%	18.0%	0.8 pp