



Interim Statement –  
Nine-Month Results

2011



## Sound operating performance during the first nine months of 2011 – strong increase in net interest income

DVB continued to enjoy success in its core international transport finance business during the third quarter of 2011, leading to a solid 21.2% increase in net interest income after allowance for credit losses, to €162.1 million. At €106.4 million, consolidated net income before taxes decreased by 10.7% year-on-year, primarily due to volatile net income from financial instruments in accordance with IAS 39. <sup>1</sup>

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 in companies accounted for using the equity method, and net other operating income/expenses) declined by 1.8%, from €241.6 million to €237.3 million.

Net interest income rose by 23.7% year-on-year, to €181.3 million, and net interest income after allowance for credit losses was up 21.2%, from €133.8 million to €162.1 million. Interest income rose by 4.6%, from €608.2 million to €636.4 million. New Transport Finance business totalled 109 transactions as at 30 September 2011, with an aggregate volume of €3.3 billion (9m 2010: 93 transactions with a volume of €3.0 billion). The average interest margin on new Transport Finance business was down during the period under review, from 322 to 297 basis points. Factors contributing to this decline included the fact that higher funding costs, which have soared for all banks, can only be passed on to clients through new business with a certain time lag. In addition, the Bank consciously targeted new exposures that have the potential to weather even a more drawn-out period of market weakness.

Net allowance for credit losses amounted to €19.2 million during the period under review (9m 2010: €12.8 million). New allowance recognised for credit losses totalled €47.7 million; a net €27.1 million was released, and charge-offs amounted to €28.3 million. These figures included the following key items:

- €19.3 million was recognised and €11.1 million released in Shipping Finance;
- €11.9 million was recognised and €10.7 million released in Aviation Finance;
- €6.4 million was recognised and €3.6 million released in Investment Management;
- €9.0 million was recognised in Transport Infrastructure (which DVB continues to phase out).

Accordingly, total allowance for credit losses (comprising individual impairments, portfolio impairments, and provisions) declined to €172.9 million, down 5.3% from year-end 2010 (€182.5 million).

DVB maintained net fee and commission income, which primarily includes fees and commissions from new Transport Finance business, and asset management and advisory fees, on high levels at €76.1 million, virtually unchanged year-on-year (–3.2%).

Net income from financial instruments in accordance with IAS 39 (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) changed from €2.8 million to €–10.1 million. The net figure reflects the level of volatility on foreign exchange and interest rate markets.

### <sup>1</sup> Consolidated net income before taxes (€ mn), as at 30 September



DVB's net other operating income and expenses includes income from certain specific transactions – in particular, the figure comprises ordinary income generated by subsidiaries, income from the sale of property and equipment, and effects resulting from the deconsolidation of special purpose entities. The high numbers achieved during the first months of 2010 were due to some non-recurring transactions. No such items materialised during the same period of the current year. As a result, this item was down 46.8%, from €22.2 million to €11.8 million.

General administrative expenses were up 6.9%, to €130.9 million. Staff expenses increased slightly, by 2.6%, to €71.5 million. The 12.5% increase in non-staff expenses, from €52.8 million to €59.4 million, primarily reflected higher contributions and fees (such as the bank levy and the contributions to the deposit-protection scheme) plus higher expenses in banking operations (IT costs, rents, etc.).

DVB's total assets rose by 7.3%, from €19.3 billion to €20.7 billion. DVB's nominal volume of customer lending (the aggregate of loans and advances to customers, guarantees and indemnities,

irrevocable loan commitments, and derivatives) rose by 2.1% in euro terms, to €19.6 billion; in US dollar terms, customer lending increased by 2.7%, to US\$26.3 billion. ①

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

DVB's key financial indicators developed as follows:

Return on equity before taxes was 13.8% – down 3.1 percentage points (9m 2010: 16.9%). The cost/income ratio rose by 2.9 percentage points, to 51.1%.

Calculated in accordance with Basel II, DVB's tier 1 ratio rose to 19.3% (31 December 2010: 18.9%); reflecting maturing subordinated funds, the total capital ratio amounted to 21.8% (31 December 2010: 22.4%).

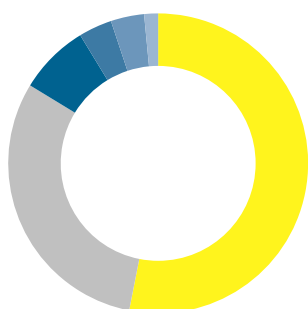
Frankfurt/Main, November 2011

THE BOARD OF MANAGING DIRECTORS

## ① Customer lending

	€ bn			US\$ bn		
	30 Sep 2011	31 Dec 2010	%	30 Sep 2011	31 Dec 2010	%
Shipping Finance	10.4	10.3	1.0	14.0	13.7	2.2
Aviation Finance	6.0	5.6	7.1	8.0	7.5	6.7
Land Transport Finance	1.5	1.5	0.0	2.0	2.0	0.0
Investment Management	0.7	0.8	-12.5	0.9	1.0	-10.0
ITF Suisse	0.7	0.7	0.0	1.0	0.9	11.1
Business no longer in line with DVB's strategy	0.3	0.3	0.0	0.4	0.5	-20.0
<b>Total</b>	<b>19.6</b>	<b>19.2</b>	<b>2.1</b>	<b>26.3</b>	<b>25.6</b>	<b>2.7</b>

## ② Euro-based customer lending by business division as at 30 September 2011



Shipping Finance	53.1% (-0.5 pp)
Aviation Finance	30.6% (+1.4 pp)
Land Transport Finance	7.6% (-0.2 pp)
Investment Management	3.6% (-0.6 pp)
ITF Suisse	3.6% (0.0 pp)
Business no longer in line with DVB's strategy	1.5% (-0.1 pp)

## Condensed income statement (IFRS)

€ mn	1 Jan 2011 – 30 Sep 2011	1 Jan 2010 – 30 Sep 2010	%
Net interest income after allowance for credit losses	162.1	133.8	21.2
Net interest income	181.3	146.6	23.7
Allowance for credit losses	-19.2	-12.8	50.0
Net fee and commission income	76.1	78.6	-3.2
Net income from financial instruments in accordance with IAS 39	-10.1	2.8	-
Result from investments in companies accounted for using the equity method	-2.6	4.2	-
General administrative expenses	-130.9	-122.5	6.9
Net other operating income/expenses	11.8	22.2	-46.8
<b>Consolidated net income before taxes</b>	<b>106.4</b>	<b>119.1</b>	<b>-10.7</b>
Income taxes	-21.8	-21.1	3.3
<b>Consolidated net income</b>	<b>84.6</b>	<b>98.0</b>	<b>-13.7</b>
thereof: consolidated net income attributable to non-controlling interests	-0.9	-1.6	-43.8
thereof: consolidated net income attributable to shareholders of DVB Bank SE	85.5	99.6	-14.2

Earnings per share (€)	1 Jan 2011 – 30 Sep 2011	1 Jan 2010 – 30 Sep 2010	%
Basic earnings per share	1.85	2.15	-14.0
Diluted earnings per share	1.85	2.15	-14.0

Key ratios in accordance with IFRS (%)	1 Jan 2011 – 30 Sep 2011	1 Jan 2010 – 30 Sep 2010	pp
Cost/income ratio	51.1	48.2	2.9
Return on equity before taxes	13.8	16.9	-3.1
Return on equity after taxes	11.0	13.9	-2.9

<b>Assets (€ mn)</b>	<b>30 Sep 2011</b>	<b>31 Dec 2010</b>	<b>%</b>
Cash and balances with the central bank	66.7	114.3	-41.6
Loans and advances to banks	721.1	410.3	75.7
Loans and advances to customers	17,324.2	16,445.0	5.3
Allowance for credit losses	-172.9	-182.5	-5.3
Positive fair values of derivative hedging instruments	453.1	362.9	24.9
Trading assets	194.3	193.1	0.6
Investment securities	480.2	110.9	-
Investments in companies accounted for using the equity method	72.4	37.3	94.1
Intangible assets	111.2	111.7	-0.4
Property and equipment	1,232.7	1,271.0	-3.0
Income tax assets	113.2	106.3	6.5
Other assets	105.3	336.5	-68.7
<b>Total</b>	<b>20,701.5</b>	<b>19,316.8</b>	<b>7.2</b>

<b>Equity and liabilities (€ mn)</b>	<b>30 Sep 2011</b>	<b>31 Dec 2010</b>	<b>%</b>
Deposits from other banks	6,097.6	7,214.6	-15.5
Deposits from customers	4,723.5	4,408.8	7.1
Securitised liabilities	7,452.8	5,319.9	40.1
Negative fair values of derivative hedging instruments	279.7	197.6	41.5
Trading liabilities	320.5	227.1	41.1
Provisions	41.3	58.6	-29.5
Income tax liabilities	106.3	107.4	-1.0
Other liabilities	101.3	94.0	7.8
Subordinated liabilities	390.4	545.5	-28.4
Equity	1,188.1	1,143.3	3.9
Issued share capital	117.9	118.0	-0.1
Capital reserve	332.0	332.5	-0.2
Retained earnings	661.3	661.3	0.0
thereof: fund for general banking risks	82.4	82.4	0.0
Revaluation reserve	-2.6	1.9	-
Hedging reserve – cash flow hedges	-6.0	2.7	-
Currency translation reserve	-2.1	-2.2	-4.5
Distributable profit	85.5	27.9	-
Non-controlling interests	2.1	1.2	75.0
<b>Total</b>	<b>20,701.5</b>	<b>19,316.8</b>	<b>7.2</b>

<b>Nominal customer lending volume (€ bn)</b>	<b>30 Sep 2011</b>	<b>31 Dec 2010</b>	<b>%</b>
Nominal customer lending volume	19.6	19.2	2.1

<b>Capital ratios in accordance with Basel II (%)</b>	<b>30 Sep 2011</b>	<b>31 Dec 2010</b>	<b>pp</b>
Tier 1 ratio	19.3	18.9	0.4
Total capital ratio	21.8	22.4	-0.6

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