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Manuscript – the spoken word prevails.

Chart #1: Welcome

“Citius, altius, fortius” – faster, higher, stronger: for thousands of years, the Olympic motto has characterised the endeavours of any athlete to always go the extra mile. Of course, the quest for top performance is not only important for the Olympic Games, but for mankind as a whole. Without ambition and the individual commitment to perform, there would be no top achievements in science and technology. And, of course, we would not see innovation in transport without the courage to break new ground.

Chart #2: Airbus A380 – maiden flight on 27 April 2005

The successful maiden flight of the new Airbus A380 aircraft, taking off from the Airbus test facilities at Toulouse on 27 April 2005, was yet further proof of the great achievements still possible today. At the same time, this event is testament to the confidence in the future of aviation prevailing in the sector. Confidence in the future is key to being able to approach and solve the challenges of today. And of course, there are a number of challenges in today’s aviation sector.

Looking back on 2004, it was yet another good year for global transport – and 2005 appears to continue along this track. The majority of market participants have an optimistic outlook for the future. DVB is equally confident for the future of the transport industry. More importantly, we have a team of skilled, enthusiastic and strongly committed staff, working on financing solutions for today and tomorrow. Numerous new financing transactions and advisory mandates during 2004 are clear evidence of our clients' trust, and their satisfaction with our performance.

Ladies and Gentlemen,
shareholders and shareholder representatives,

After this brief introduction, I would like to extend a warm welcome – also in the name of my fellow members of the Board of Managing Directors – to the Annual General Meeting of DVB Bank AG.

Chart #3: Presentation topics

As in previous meetings, I have structured my presentation in four sections. I would like to start with a synopsis summarising the Bank’s strategic positioning, developed in the course of recent years, and its position today. In the second section, I would like to illustrate the developments in the transport markets, whereby I will largely focus on the two core markets in our business: maritime shipping and aviation. I will then discuss the major events and financial data of the business year 2004, to outline the development and results of our business in the third section of my speech. I will conclude my remarks with a brief description of the Bank’s business during the first quarter of 2005, finishing with an outlook on developments for the remainder of the current business year.

Chart #4: Interim title

“Quod erat demonstrandum” – “Which was to be demonstrated”

This quote, translated from the original Greek, was used by Euclid to close each of his arguments. “Quod erat demonstrandum” might well have been on the minds of

the Airbus engineers as they watched their new A380 take off on its first test flight a few weeks ago. After all, this new aircraft is equipped with several technological innovations, which altogether result in cost savings of up to 15% compared to existing modern passenger aircraft. For instance, aluminium is only used for the lower part of the airplane's outer hull, whereas the upper part is built using glass-fibre reinforced aluminium, a newly-developed composite material. Its new engines are the largest and most powerful engines ever developed for a four-engine passenger jet.

Chart #5: Earnings development

Supported by you, our shareholders, we also created something new: a specialised bank for the global transport industry. For us, the key question was whether a bank can successfully compete on an international level, having focused its business to the extent DVB has done – concentrating on a single industry, the global transport sector, with a narrowly-defined client base of just 450 enterprise groups worldwide, and focusing its service range on a number of selected offerings.

Looking at DVB's business over recent years, and particularly at the results for 2004, we too can state: "quod erat demonstrandum".

The transformation of DVB, from a small-sized German commercial bank to become a global specialist in international Transport Finance, was completed at the end of 2003 with the sale of the ReiseBank/CashExpress group. Hence, 2004 was the first business year in which the new DVB generated its earnings almost exclusively from its core international Transport Finance business. At the same time, the Bank achieved its highest operative results: operating profit excluding loan loss provisions amounted to €60.7 million – up by a remarkable 28.6% on the 2003 figure of €47.2 million (excluding the contributions of ReiseBank/CashExpress). Revenues in the Transport Finance business grew by 17.5% or €20.2 million, to €135.4 million.

Chart #6: Development of the DVB share price

The DVB share attracted significantly higher investor attention during 2004, with stronger demand leading to an 18.6% year-on-year capital gain for shareholders at the end of the year. The share recorded its high of €111.00 on 27 September 2004, from a low of €87.50 on 2 January 2004. The year-end price was €103.75. To enable shareholders to also participate in DVB's improved earnings, we propose to pay a dividend of €2.00 per unit share. This represents a dividend yield of 1.93%, based on the 2004 year-end price.

Chart #7: Development of products and divisions

We have concluded the fundamental change process, having gradually built our Transport Finance expertise, whilst discontinuing all those activities which were no longer in line with our strategy. In this context, "all" really means all of them, without exception. Building and expanding our Transport Finance business franchise included, in particular, the acquisition of Long Term Credit Bank of Japan's aviation portfolio, the takeover of Nedship Bank N.V., and the establishment of our Corporate Finance unit. In addition, we developed research capabilities for shipping and aviation, and set up a Container Business Unit at the end of 2003. Following the successful launch of this unit, which specialises in container finance, our aim is to achieve a similar market position with the launch of our new Aero Engine Finance Unit in 2004.

On the other hand, we closed down our domestic branches, reduced those loan exposures no longer in line with our strategy to a very minor residual amount, discontinued the central bank function for 'Sparda' banks, and – as already mentioned – sold the ReiseBank/CashExpress group.

Alongside this process, we established a brand new IT platform and pulled through CHANGE, a Bank-wide cost-cutting programme. All told, it is fair to say that we shut down 'old' DVB, opening a 'new' DVB at the same time – yet we kept the business running all the time, continuously improving our overall results and paying good dividends.

Chart #8: From a regional bank to a global player

In 1997, the Bank was still operating a network of 19 branches across Germany. Nowadays, only two German locations are left: our Frankfurt head office plus the Hamburg branch, which is the hub for our business with German ship owners. DVB's network of business locations today truly reflects the global nature of transport flows, and the international diversity of our clients and staff. We have a local presence in all major financial centres and transport hubs around the world, covering all global time zones.

Chart #9: From non-core business to a focus on Transport Finance

The fundamental overhaul the Bank has undergone is also reflected in the development of customer lending. Back in 1997, total customer lending stood at €1.6 billion – with just two international loans. At the end of 2004, customer lending had grown to €8.16 billion. 97% of the Bank's current portfolio now relates to Transport Finance, with only 3% accounted for by minor residual portions of our legacy portfolio. Having expedited the reduction of this non-core business over recent years, we will finally reduce these exposures to zero in the years to come.

Chart #10: Staff

Following the restructuring process, which was largely concluded by the end of 2003, only a limited amount of job reductions was necessary during 2004. At the end of the year, DVB employed a total of 356 employees, of which 22 employees had entered the passive phase of partial retirement, were on maternity leave, or had taken parental leave. As shown here, the number of active employees at the year-end stood at 334. While staff numbers in our central Group functions and service units fell further to 120, we increased the number of Transport Finance professionals by nine, to a total of 191.

The change process the Bank has undergone also had an effect on the qualification and composition of our staff. We have been successful in building a highly qualified team over recent years. All of our staff combine hands-on expertise in innovative structuring and financing tools with in-depth knowledge of their respective Transport Finance segment: Shipping, Aviation, Land Transport or Transport Infrastructure. For instance, the members of our very young Aviation team already have an average experience of ten years in aviation finance. These skills and qualifications give us a strong edge, differentiating DVB from its competitors.

Chart #11: International Transport Finance team

The international nature of our business is also visible in the national diversity of Transport Finance staff, 76% of whom are non-German. As a natural consequence, English – the ‘lingua franca’ in global transport – is the corporate language used throughout the DVB Group. This also extends to the Board of Managing Directors. At this point, I would like to point out that I am particularly pleased that we were able to attract Bertrand Grabowski, a renowned aviation finance expert, to join the Board of Managing Directors of DVB Bank. It is also in the name of my colleagues on the Board that I would like to express our warm welcome to him. His expertise and experience will provide a valuable contribution.

Chart #12: Products and divisions

We have turned a vision of a few years ago into reality: today, we are a global leader in providing financial services to clients in international Transport Finance. Our business is based on the four market pillars of Shipping, Aviation, Land Transport and Transport Infrastructure. Thanks to our three product lines, Structured Financing, Distribution, and Corporate Finance, DVB Bank has evolved into an indispensable advisor and financing partner to its clients.

Chart #13: Interim title

Ladies and Gentlemen, let me now turn to the second part of my presentation, during which I would like to give you an overview of transport market trends in the course of 2004. 2003 had already been an excellent year in global maritime shipping – 2004 turned out to be even stronger. Charter rates remained at a very high level across all the major segments, albeit subject to some volatility in the course of the year. A boom in rates on this scale, and across all major shipping segments, has been unprecedented – record levels seen in the past had usually prevailed for a much shorter period than over the course of recent months. The main driver of this exceptional market environment during 2004 was the booming Chinese economy, which I will cover in some more detail later. Thanks to the outstanding market developments in global maritime shipping, order books for new builds remained at a high level, while price levels in the S&P Market continued to rise in this environment.

The aviation sector managed to return to its old growth trend during 2004. Although this turnaround had been expected, following the various burdens during 2003 – including the Iraqi conflict, global terrorism and the outbreak of SARS – air traffic volumes in 2004 even exceeded the levels last seen in the year 2000. This had been the last record year in air traffic before the sector experienced its worst crisis to date, caused by a weakening global economy and the events of September 11, 2001. Passenger air transport volumes in 2004 (measured by passenger kilometres) were almost 3% higher than in 2000. In the air freight segment, the boost in transport volumes was even stronger, with 2004 volumes (measured by air freight tonne-kilometres) exceeding the levels of the year 2000 by as much as 15%.

We witnessed the continued expansion of low-cost airlines throughout 2004. Although this development highlights the public’s continued strong interest in air travel, it also kept pressurising the profitability of traditional or network carriers – many of whom failed to meet their financial targets. All airlines are currently engaged in cost-cutting exercises. Overall, carriers remain very cautious regarding the build-up of new

capacity. This is evident in the load factors for 2004, which have stayed at a high level. Crude oil prices – and hence the development of jet fuel prices – remain the single most serious uncertainty factor for the aviation sector; the high in 2004 was reached in October. Nevertheless, aircraft values and leasing rates continued to stabilise during the year, and the growing order book of new aircraft (939 planes vs. 796 the year before) was a sign for growing optimism within the industry. The number of parked aircraft was also declining. Although a total of 2,100 western-built jets were still parked by the end of 2004, our research team estimates that this figure included only 650 modern jets; that is to say, aircraft which could be returned to normal flight operations as and when circumstances improve.

The land transport segment continued to be characterised by strong competition between road and rail transport. However, the decline in rail transport, which has been evident for several years now, appears to have come to an end – at least in Europe. The US rail markets had a very positive development during 2004, with the healthy economic environment leading to increased demand for rolling stock and engines, and to rising rental rates. A stable environment in Europe encouraged ongoing investment in local public rail transport, and in national as well as international freight traffic. The market for international transport infrastructure project finance saw another significant upswing in 2004, with public/private partnership financing structures still being extremely popular.

As briefly mentioned previously, China was a major driver of the positive trend in international maritime shipping during the year under review. China remained at the centre stage of media attention, and continued to attract significant international direct investment. DVB has maintained a business presence in China for some time, with our Hong Kong office being active in shipping finance. But China is also a growing market for aviation finance: this has been recognised by our Singapore subsidiary that has had exposure to this market for quite some time.

DVB has firmly established itself in Asia. As vivid evidence of this, the Bank was awarded “Best Ship Financier 2004 in Asia” by “Maritime Asia”, a renowned industry magazine.

Chart #14: Chinese economic growth

The Chinese economy is growing at an amazing pace. During 2004, gross national product grew by 9.5% - in absolute terms, this means US\$1,600 billion. By this measure, China ranks among the five largest economies worldwide – roughly on a par with France or the UK. In contrast, per-capita GNP for its 1.3 billion population stood at a mere US\$ 1,250, a level commensurate with a developing economy. The issue of whether the Chinese economy is already showing signs of overheating was widely discussed throughout 2004. In fact, the Chinese central government has recognised that unrestricted economic growth is not without problems for the country's future development. Given the continued growth of the population, and the fact that the restructuring of state-owned companies will result in job losses, new jobs will have to be created at a rate of almost 10 million annually over the next few years. Therefore, the Chinese economy is set to grow at a minimum rate of 7% per annum in the near future – not least because China's rural population of 800 million people will demand its fair share in the country's development.

Chart #15: Growth forecast for 2005

Accordingly, the Chinese economy is forecast to grow at a minimum rate of 7% during the current year 2005, although the momentum is likely to fall short of the previous year. This is due to measures taken by the Chinese government to cool the economy, as mentioned before.

Chart #16: Worldwide container handling (1)

China's economic growth is fuelled predominantly by strong export growth, with more than half of exports originating from production facilities funded by foreign investments. The boom in Chinese exports has been the driver of growing container traffic on the routes to China's main export markets in North America and Europe. Looking at Asia as a whole, container handling in the region has tripled since 1995, to TEU 181 million. During the same period, container handling in Europe grew by 119% (to TEU 72 million), and by just 81% in the US (to TEU 40.3 million).

Chart #17: Worldwide container handling (2)

Worldwide container handling increased from TEU 145 million in 1995 to more than TEU 355 million last year - a growth rate of 145.1%. During the same period, Asia's market share in worldwide container handling rose from 45% to 52% in 2004. Turning to China once again, the boom in container handling shows no signs of abating.

Chart #18: Leading container ports in China

The large, leading maritime container ports are continuously expanding, with Shanghai currently being the largest.

Chart #19: Top 20 maritime container ports around the world

Shanghai already ranked third among the top 20 maritime container ports worldwide, after Hong Kong and Singapore. A 29% year-on-year growth rate clearly shows the strong momentum of Shanghai's port. Besides Hong Kong, the top 20 maritime container ports worldwide already include five other Chinese maritime ports.

These growth rates clearly indicate the need for significant further investment in the expansion of Chinese container ports over the years to come. Of course, the same holds true for transport links from the maritime ports to the respective hinterland. Container shipping is also set for continued strong growth.

The 'China factor' not only influenced container shipping, but also the dry bulk markets. These benefited predominantly from higher iron ore imports and the coke trade, which helped to sustain high dry bulk freight rates.

Chart #20: Growing imports of iron ore

The major increases in iron ore imports were due to growing demand for steel in China, which, in turn, was largely the result of the country's still unbridled construction activity. 70% of China's steel consumption is directly related to the construction industry. There is a continuous stream of new housing and office units being built, particularly in the country's large urban areas. As the urbanisation trend in China is set to accelerate in the years to come, the steel boom is likely to prevail for some

time. With iron ore mines in the main producing countries, Australia and Brazil, already running at maximum capacity, China's growing demand for Brazilian iron ore in particular has a direct impact on demand for shipping tonnage. This is because the turnaround on the Brazil-China route is almost four times longer compared to the Australia-China route.

Chart #21: Projection of crude oil imports until 2030

China has been a net importer of crude oil for several years – mainly driven by the country's rapidly-growing motorisation. Forecasts project the total number of motor vehicles – cars, trucks and buses – to rise from the current fleet of just under 25 million to around 100 to 120 million vehicles within a few years. As China's own crude oil reserves are limited, the country will have to increasingly resort to imports. According to forecasts, close to 80% of China's crude oil demand will have to be covered by imports until 2030. Tanker markets are set to benefit from this trend.

Chart #22: Projection of natural gas imports until 2030

A similar trend is forecasted for natural gas. Whilst at present, China's own reserves largely cover the consumption of natural gas, forecasts indicate that by 2030, around 30% of China's natural gas consumption will need to be covered by imports. This will, of course, have a positive effect on the gas tanker market.

In summary, all these trends indicate that China will remain a major factor for shipping markets in the years to come.

Chart #23: Development of the Chinese domestic air traffic network

China has also been regarded as a promising aviation market for some time. Strong air traffic growth rates in the recent past have resulted in the opening of a plethora of new routes. At the same time, China has restructured the aviation sector, opening the market to new entrants.

Chart #24: Growth in Chinese air traffic (forecast by Boeing)

According to forecasts made by Boeing, Chinese air traffic volumes are set to grow by an annual rate of 8.1%. Although these growth rates are very strong, it is worth noting that, in absolute terms, Chinese air traffic is still at a very low level. By 2023, China is set to reach air traffic volumes equivalent to those across Europe in 2003.

Chart #25: Growth in Chinese air traffic (new aircraft orders)

According to projections by Boeing, Chinese demand for aircraft over the next 20 years will amount to a total of 2,293 planes, with an aggregate order value of US\$183 billion across all segments. The total fleet is expected to grow from currently 777 to a total of 2,801 aircraft in the year 2023. Airbus forecasts are based on similar expectations, calling for annual growth rates of 8.2% over the next 20 years, with Chinese domestic air traffic set to grow disproportionately. DVB will participate in this development.

All these positive forecasts will only materialise, however, if China maintains its political stability. To preserve the unity and integrity of such a huge country, with strongly

differing developments in some of its regions, is a major challenge for the Chinese government. In this context, it will be paramount to ensure that the agricultural sector – which still accounts for a major proportion of employment – gets its fair share in the overall economic growth, in order to prevent social tensions in the long term. Obviously, in addition to the numerous opportunities, we will also need to keep an eye on the risks involved. A few weeks ago, I had the opportunity to attend a reception by the Chinese president, Mr Hu, who described his country as a “socialist market economy”. Despite the contradiction in terms, I cannot think of any better way to characterise the challenges faced by this huge country.

Chart #26: Interim title

Ladies and Gentlemen,

I would now like to turn to part three of my presentation, looking at the major aspects of DVB Bank’s business development during 2004.

Chart #27: Business development – major aspects

New Transport Finance business was once again brisk in 2004. Moreover, we continued to expand our Corporate Finance advisory business – with €20.9 million in revenues, Corporate Finance products exceeded our medium-term projections. This is particularly rewarding as we only established this business line in the course of the last two years. We are thus very pleased by the speedy return on our investment. The same holds true for our Container Business Unit, which has extended our product range in corporate lending. With €5.5 million in revenues for its first full business year, this unit was also very successful indeed. We expect similar rewards for our Aero Engine Finance Unit, launched in November 2004 to capitalise on the prospering Aviation segment of engine financing.

The international Transport Finance business is predominantly conducted in US dollars. Hence, the majority of our income is in US dollars – in 2004, this applied to 73.2% of consolidated income. On the other hand, our financial statements are prepared in euros. Consequently, the development of the euro/US dollar exchange rate has a particular impact on DVB’s financial financial statements.

Chart #28: EUR/USD exchange rate development

During the first three years after the launch of the single currency, the volatility of the euro / US dollar exchange rate had been relatively small. From early-2002, however, the euro clearly started gaining in strength, and the corresponding US dollar weakness prevailed throughout 2004. Overall, the US dollar has devalued against the euro by 24.1% since the beginning of 2000.

In our profit and loss account, income denominated in US dollars is set against costs which are predominantly incurred in euros. We have therefore hedged our projected US dollar net interest and commission income, largely immunising these items against dollar weakness in the course of the year. Nevertheless, to simply maintain our results in euro terms, we had to generate an extra 15% in income in 2003, compared to 2002, and another 9% in 2004. To assess our true performance, you will therefore need to take exchange rate developments into account.

The effect of a strong euro against a weak US dollar is also visible in the development of our loan portfolio. Despite high-volume new business in Transport Finance during 2004, the growth in the portfolio's US dollar business was not reflected accordingly in euro, due to the aforementioned weakness of the US dollar / euro exchange rate. I would like to outline portfolio developments in euro terms first.

Total customer lending, which also includes irrevocable loan commitments, indemnities and guarantees, totalled €8.16 billion in 2004, up 7.4% from the previous year. This figure still includes a residual balance of just under €250 million in 'D-Marketing' exposures, which are no longer in line with our strategy. These exposures were further reduced by €79 million, or 24%, compared to 2003.

Chart #29: Transport Finance portfolio development (€ billion)

Transport Finance lending volume in euro terms is broken down in the sub-portfolios shown: At 52.5 %, Shipping accounted for the lion's share of the overall portfolio, followed by Aviation with 27.9 %, Land Transport with 11.3 % and Transport Infrastructure with 6.6 %.

Strategically, our target structure remains a portfolio where Shipping and Aviation each account for 40% and Land Transport/Transport Infrastructure (combined) for 20%.

Chart #30: Transport Finance portfolio development (US\$ billion)

In US dollar terms, the strong growth in our Transport Finance portfolio – up 17.4%, from US\$9.17 billion to US\$10.77 billion – becomes apparent. In summary, due to exchange rate developments, volume growth in the Transport Finance portfolios was twice as high in US dollar terms, compared to a calculation in euro.

Chart #31: Transport Finance portfolio 2004 vs. 2003

I would now like to review a number of specific factors regarding the development of our Transport Finance portfolios. As I pointed out before, our Transport Finance business during 2004 continued to be very strong. We concluded a total of 191 new transactions, 41 more than in 2003. The volume of new commitments was up by 39.2%, to €3.61 billion, of which we syndicated €546 million, thus taking €3.06 billion onto our own books.

We concluded 52 Aviation transactions during the year under review, where the average margin for new business was once again significantly higher, at 206 basis points. We exploited the continued strength in various shipping market segments to further expand our business during 2004, albeit on a very selective basis – entering into 110 new exposures, up from 89 in the previous year. At 144 basis points, the gross margin for new commitments remained stable at a high level. 20 new transactions were concluded in the Land Transport division, which comprises the Rail, Road and Logistics business lines. Given a higher interest margin of 139 basis points for these transactions, this business is also becoming increasingly attractive for DVB. Last but not least, our Transport Infrastructure team concluded six new transactions during 2004, also increasing the average margin for new project financings to 177 basis points.

There is one particular aspect which I would like to highlight in concluding my portfolio review. Given that staff numbers at DVB have remained virtually unchanged, the increase in the number of new transactions, as well as the growth in the overall portfolio, are remarkable achievements by all DVB employees. I would like to take this opportunity to express our sincere thanks to all members of staff for their strong commitment.

Let me now turn to other major financial indicators.

Chart #32: Liabilities – major items

DVB's liabilities were slightly higher than in 2003, up 2.0% to €8.22 billion. However, there was a significant change in the structure of liabilities, due to the termination of an agreement for the provision and balancing of liquidity by the 'Sparda' banks with effect from 31 December 2004. As the new central institution of the banking group, DZ BANK AG will provide and balance liquidity for these cooperative banks, a service that we had provided since 1992. The effect of the transfer of the liquidity provision and balancing function reduced the level of deposits taken from 'Sparda' banks to just €394 million at the end of 2004. We had, of course, prepared for this event by boosting our issuance activities during 2003 and 2004. Besides our Debt Issuance and Commercial Paper programmes, we also increased the volume of promissory notes issued. As a result, certificated liabilities rose by 27.3%. All of DVB's issues met with strong market demand – clear proof that we were able to find alternative sources of funding following the termination of liquidity balancing. Or, in other words: “quod erat demonstrandum”!

Chart #33: Development of issued share capital and disclosed reserves

New shares issued within the scope of our employee share ownership scheme 'DVB shares' led to a slight increase in issued share capital from €77.2 million to €77.6 million. Since these new shares were not registered until February 2005, issued share capital is still disclosed as €77.2 million in the balance sheet as at 31 December 2004. The fund for general banking risks under section 340g of the German Commercial Code remained unchanged at Group level, at €82.4 million, following the addition of €74 million in 2003 from the disposal proceeds of the ReiseBank / CashExpress group. On a group level, €26.4 million was transferred to other retained earnings, so that the reserves rose by 9.8% to €296.6 million.

As discussed before, since 73.2% of international Transport Finance exposure is denominated in US dollars, exchange rate developments also impacted on risk-weighted assets and hence on the capital ratios:

The total capital ratio fell slightly from 11.1% to 10.7% and the core capital ratio was down marginally from 6.8% to 6.7%.

Chart #34: Profit and loss account – overview

Ladies and Gentlemen,

Before discussing individual profit and loss account items in detail, I would like to cover a special factor affecting the earnings development.

Net income generated by ReiseBank/ CashExpress was included in the 2003 financial statements for the last time, whereas the results for the business year 2004 are exclusively based on our core Transport Finance business. To facilitate the comparison of income and expense items from both business years, we have eliminated ReiseBank/ CashExpress income and expenses from the consolidated profit and loss account for 2003.

On this basis, ordinary income rose by 9.7%, to €148.4 million. At €93.3 million, administrative expenses (including amortisation and depreciation) were down slightly on the previous year. After implementing the restructuring measures within the scope of the CHANGE project, we have therefore reached the targeted cost base in line with our objectives. The balance of other operating income and expenses declined further, from €7.4 million to €5.6 million. As in the previous year, contributing factors were the release of provisions that were no longer required, the expiration of leasing agreements and refunds of value-added tax.

Operating profit excluding loan loss provisions reached a record €60.7 million, rising 28.6% over the previous year. Again, adjusted for exchange rate fluctuations, the growth rate was even higher, at around 38%. Provisions for loan losses were down by 42.6%, from €20.9 million to €12 million. I will comment on this development in more detail later. Due to the special effect arising from the sale of ReiseBank/ CashExpress, net other income and expenses had amounted to €14.1 million in 2003. In the absence of any such comparable effects in 2004, the balance dropped by 78% to €3.1 million. Profit from ordinary activities thus improved by 15.6%, to €51.8 million. Profit from ordinary activities was burdened by the balance of income taxes/deferred taxes of €12.5 million, as well as by the unchanged return payable on silent partnership contributions of €6.8 million. Net income in 2004 was therefore €32.5 million.

Chart #35: Development of ordinary income

The next chart illustrates the development of ordinary income since the year 2000. As I indicated at the beginning of my presentation, the performance achieved in net commission income during 2004 was particularly positive, with net commission income up strongly, by 33.1% to €47.1 million. New business, predominantly in Shipping and Aviation, but particularly the targeted expansion of the Corporate Finance advisory business, contributed significantly to this positive development. In the US, our new Capital Markets unit was already successful soon after its launch. Its involvement in an IPO for a shipping company was awarded "Shipping Equity Deal of the Year" by Transport Finance, the renowned international industry publication.

Chart #36: Development of expenditure

Looking at the development of expenditure over time, it can be seen that we not only maintained the cost levels achieved after conclusion of our CHANGE cost-reduction programme, but even managed a further slight reduction.

Chart #37: Operating profit excluding risk provisioning

As seen in the overview of results over time, the disposal of the ReiseBank / CashExpress group led to a significant reduction in both income and expenses. What is decisive, however, is the continuous growth in operative results.

Chart #38: Net loan loss provisions

As already mentioned briefly, net loan loss provisions totalled €12 million in 2004. I would like to comment on the composition of this item in more detail.

Chart #39: Risk provisioning

We recognised new loan loss provisions in an amount of €54.5 million, which were offset by releases of €29.1 million.

We used our proprietary internal rating model for our Aviation portfolio for the first time in 2004. Given the dominant position of counterparty risk in DVB's business, we have developed an internal statistical and mathematical rating model for our global Transport Finance business. The model complies with the 'Advanced Approach' requirements under Basel II. In addition to the probability of default associated with a given client, we determine the expected loss given default for the unsecured portion of a loan and the anticipated extent of the claim at the time of default – the exposure at default. The assessment of the future collateral value of financed assets is fundamental to determining the potentially impaired proportion of a specific exposure in our collateralised lending business. DVB Bank's model is the most advanced among German banks, and has attracted significant attention from German banking supervisors.

The other industry portfolios will follow suit during 2005. Whilst this helps to strengthen our reserves, it is also becoming evident that our chosen collateralisation structures will provide significant capital adequacy relief once the Basel II framework has come into force.

We recognised specific loan loss provisions of €35.0 million in line with the default risks determined by the model for individual exposures in our Aviation portfolio. Against the background of our unchanged target of avoiding loan losses altogether, the application of this model should serve to strengthen our reserves.

As well as the additions recognised for Aviation, gross loan loss provisions of just under €13 million and €2.3 million were created for the D-Marketing and Transport Infrastructure portfolios, respectively

We had recognised a general loan loss provision for Aviation in 2003, to create a cushion against unforeseeable risks. In addition to replacing this general loan loss provision by the results of the internal rating model – as discussed – we released specific provisions of €6.1 million for Shipping and €5 million for D-Marketing. In addition, reserves for general banking risks of €13.4 million that had been recognised on a group level in previous years, pursuant to section 340f of the German Commercial Code, were released in preparation for the changeover in accounting to IASs/IFRSs.

Chart 40: Profit from ordinary activities

As you will appreciate, DVB has placed particular emphasis on risk management. Risks from the residual exposures which are no longer in line with our strategy have already been accounted for, by way of provisions, in the course of recent years. In our core Transport Finance business, we have carefully structured our lending expo-

sure – on top of this, we regularly conduct stress tests on our existing portfolio, using our internal rating model (which will be rolled out to cover all segments).

Chart #41: Net income

Net income amounted to €32.5 million. The decline from the previous year was attributable to the special effects from the disposal of the ReiseBank / CashExpress group, which had impacted the financial statements 2003. We propose to attribute €26.4 million from net income to retained earnings, and to distribute the remaining €6.6 million – including €0.6 million carried forward from 2003 - to shareholders of DVB Bank AG.

Chart #42: Cost/income ratio

As you are aware, the primary benchmarks we use to manage DVB's business activities are the core capital ratio, the cost/income ratio, and the return on equity. Our cost/income ratio (which is a measure of the expenditure required to generate income) further declined in 2004, to 57.8%, approaching our medium-term target of a ratio below 50%.

Chart #43: Return on equity

Return on shareholders' equity stood at 15.7%. Our long-term target, depending on the interest rate level, is a return on equity before taxes of between 15% and 20%. Excluding the one-off effect of the ReiseBank sale in 2003, return on equity was 9.6%. Once again, it is clear that we are on the right track. Our business model of a global specialist bank yields the returns expected in a national and international comparison.

Chart #44: Interim title

I would now like to turn to the fourth and concluding part of my presentation. In this, I would like to briefly outline the results of the first quarter of 2005, before giving you an outlook on the remainder of the current business year.

Chart #45: Development of ordinary income (31 March 2005)

I am pleased to report yet another significant improvement in results for the first quarter of 2005. Income was up by 11.1%, with the extremely positive development of commission income being once again noteworthy. Net commission income for the first quarter of 2005 almost doubled – up 94.3% - compared to the same period of last year. This is against the background of a 33.1% increase in net commission income for the year 2004 as a whole. Net interest income declined slightly, once again attributable to renewed US dollar weakness and related measures taken to hedge net interest income.

Chart #46: Development of expenditure (31 March 2005)

We keep costs under tight control: the first quarter saw a further 0.9% reduction.

Chart #47: Operating profit excluding risk provisioning (31 March 2005)

We now focus on realising the profit potential of our unique business model. This is obvious in the performance of operating profit excluding risk provisioning, which was up by more than a third – truly an excellent start to the year 2005.

In concluding my comments on the first quarter of 2005, I would like to briefly comment on agenda item 6, the passing of a resolution to approve the profit transfer agreement entered into with our wholly-owned subsidiary DVB Holding GmbH on 22 February 2005.

The Board of Managing Directors of DVB Bank Aktiengesellschaft and the Management of DVB Holding GmbH have jointly submitted a written report, which is available for inspection at this General Meeting, and which was sent to you, upon request, prior to the Meeting. This includes the relevant financial statements and management reports of both companies.

Against this background, I believe it is appropriate to restrict my comments to the key facts.

The profit transfer agreement has been drafted along the usual lines: DVB Holding GmbH, as the Controlled Company, undertakes to transfer its entire profits to DVB Bank Aktiengesellschaft, which in turn undertakes to assume any losses incurred. The agreement has a minimum term of five years. As DVB Holding is a wholly-owned subsidiary of DVB Bank Aktiengesellschaft, there is no requirement regarding a compensation payment or cash payment to minority shareholders. For the same reason, the Agreement does not need to be audited by expert auditors appointed by the court. The purpose of the Profit Transfer Agreement is to achieve fiscal unity of the contracting parties, within the meaning and for the purposes of German corporation and trade tax laws, and thus to optimise the Bank's tax payments. Provided that today's General Meeting approves the agreement, it will be lodged with the Commercial Register, and will come into retrospective effect from the beginning of the business year 2005 as soon as registration has been completed.

Chart #48: Objectives for 2005

As indicated, I will now turn to the outlook for the current business year.

2005 continues to hold manifold tasks and challenges for us. We will tackle them vigorously and (most importantly) with enthusiasm – and will deal with them successfully, as in previous years. Our focus is on the following areas:

We envisage continued growth in ordinary income, maintaining our cost discipline. Given the results achieved in 2004, net interest income is expected to show stronger growth rates than net commission income – notwithstanding soaring commission income in the first quarter.

Following the successful launch of our Container Business Unit in 2004, we aim to achieve a similar market position with our new Aero Engine Finance Unit. Where necessary, we will undertake additional investments in both areas.

In order to further enhance our profitability in the future, we had already embarked on our revolutionary project "Design Phase III – Leap in Profitability" in 2004. Within the scope of this project, we identify the growth potential of our customers and plan to

expand the range of products offered in value-added segments, so as to create added value for our customers whilst raising the potential for future revenue at the same time. Our Design Phase III project team is expected to submit detailed and concrete proposals for extensions to our product range, as well as our market coverage, in mid-2005. To name but two concrete examples, potential product offers which we are currently reviewing in detail include securitisation and the arrangement of equity finance to our clients. These proposals should result in further medium-term earnings momentum.

Our Head Office units will continue to face major demands, given further refinement of the concept to manage the Bank's ability to carry and sustain risk, along with the development of portfolio management tools, the implementation of the data warehouse project, and the conversion of our accounts to IASs/IFRSs.

These measures, and other projects we embark on, have a single purpose. We want to be the best in the market – to our clients' benefit, and to the satisfaction of our staff and shareholders.

Chart #49: Setting the pace in Transport Finance

At 15.7%, we clearly improved our return on equity: in fact, we are two years ahead of our own rolling medium-term projections in this respect. The benefits of progress made through productivity are obvious. Although our cost/income ratio of 57.8% compares favourably with our competitors, we will do whatever it takes to reach our target ratio below 50% ahead of the scheduled date of 2008.

We distinguish ourselves by knowledge and experience, by detailed asset research, and our global network: we are a business managed with a strong focus on risk/reward relationships. Short reporting lines and the entrepreneurial spirit of all our staff are equally important. We want to continue improving, year after year – after all, we are passionate about success!

Chart #50: Fortune Global 2000

Ladies and Gentlemen,
shareholders and shareholder representatives,

Allow me to conclude my remarks with a little anecdote. You will all be familiar with publications in the business press where companies are ranked by revenues, size, staff numbers or other factors. Such rankings are particularly popular in the US, where Forbes, the renowned magazine, has been compiling such lists for many years. It was with some surprise that we learned a few weeks ago that DVB has entered the new "Fortune Global 2000" list of the leading global listed companies, at place no. 1,991.

Of course we didn't expect to be at the top of the list, together with multinational companies such as Siemens, IBM, or GE, or alongside large banks. However, we were pleasantly surprised to see that a well-known US business magazine took notice, in effect testifying (by means of their ranking) that DVB Bank is a global player. This is all the more remarkable given that Forbes identified just 63 German listed companies as global players. DVB is one of them.

What makes this story special for us is the fact that we are being noticed, on a global scale.

Of course, this does not only relate to the press. Much more importantly, we are being noticed by leading global transport enterprises that are part of our target client group. Just a few years ago, the Bank was unknown to the international transport sector. Today, we have a distinctive identity, and our DVB brand name is known around the world.

DVB's Board of Managing Directors and all members of staff are proud of what we have achieved. At the same time, we are confident that we will not only maintain our top position, but expand it further. We want to be the best!

Thank you for your attention.

Chart #51: Background