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Manuscript – the spoken word prevails.

I still enjoy being a banker – and this is something that I can say on behalf of everyone at DVB.

Why?

Because we have a clearly defined business model,
because we are profitable, and
because we do not require government aid.

Becoming bank clerks is not an alternative.

Ladies and Gentlemen,
dear shareholders and shareholder representatives,

Welcome to the first Annual General Meeting of DVB Bank SE, and may I also welcome you on behalf of my fellow members of the Board of Managing Directors.

As you already know, we assumed a new legal form and became a European public limited-liability company – a *Societas Europaea* – last year.

Today I would like to talk about DVB's business development and how our Transport Finance portfolio performed last year, as well as our results for the first quarter of 2009. Another key issue will be the Bank's risk situation, which I would like to describe to you during my remarks regarding our outlook. Because the situation will continue to be demanding, I would like to spend a little more time explaining the challenges that we will be facing in the months and years to come.

For some years now, we have associated September 11, 2001 with something that changed international politics in a fundamental way. Today 15 September 2008 analogously marks something that shook the very foundations of the global financial economy – I am referring to the collapse of the investment banking firm Lehman Brothers in the United States. When US financial authorities decided to allow this bank to fail, it caused a tremor that unleashed a massive tsunami. This financial shockwave completely crippled the international money and capital markets for a time, and the effects are still fully palpable today.

If the global economy had already been showing signs of a downturn the year before, it was this event that pushed it into an international recession, and at a speed no one had encountered before. Hastened by the closely interconnected nature of our global economy, effects were pervasive and not confined to individual regions. A direct result of Lehman's collapse was a massive crisis in confidence amongst banks. Meanwhile, banks were reporting losses on sub-prime mortgage loans at an ever more rapid rate, and the repercussions ravaged other asset classes. As consumers also lost confidence, consumer demand contracted sharply and this in turn negatively impacted employment.

International goods trade met with hesitance amongst banks to provide financing for exports and imports, and, faced with an insufficient supply of funding, maritime shipping was the first of the transport sectors to be affected. The segments most sensitive to economic fluctuations, namely container and bulk shipping, were hardest hit. Sales and purchasing volumes for shipping vessels shrank dramatically, and vessel appraisals were sharply devalued. Growing uncertainty precipitated a number of reactionary measures: vessels being laid up or scrapped, orders for newbuilds being cancelled or postponed, dumping of rates to win freight orders – a truly vicious cycle.

The rapid decline in exports and imports, in conjunction with the cost-saving measures instituted by companies in areas like business travel, eventually reached the aviation industry as well.

At present, more than 200 US banks have received government aid. The country's largest financial institutions are under the control of the US administration (even though not legally, this is de facto the case). Governments around the world have also acquired stakes in their domestic banks. Some institutions which, not long ago, were still heralded for their ambitious expansion plans are now under the control of the state. In the interest of saving jobs, government support is also vividly discussed for other industry sectors.

However, state-administered capital injections do not come close to transforming poorly-managed banks into well-managed banks. It comes as no surprise that those receiving capital support are also discussing what the right business model is for the future; this is a discussion we do not need to have, because our model is clear, and has a successful track record.

Our business approach is shaped by close collaboration with our clients. Teams of specialists at 13 different locations around the world provide for close client relationships. The need for an open line of communication between banks and their clients is greater than ever now, and our global presence has been an important factor in our success.

We are naturally aware of the fact that our competitors are watching us, but this does not mean they are anywhere near to being able to copy our approach. Instead, these institutions have convoluted and unwieldy organisational structures. We are also constantly striving to be several steps ahead, true to our motto "Setting the Pace in Transport Finance".

Just one example of this is our expanded range of asset management services that reaches far beyond customary banking services. Our asset-focused services – 'close to the metal' – are available not only to operators and investors, but also to our competitors. Based in London, DVB's Aviation Asset Management unit was established in January 2007 to provide our Aviation clients with a broad

spectrum of services ranging from lease management, advisory, technical management and analysis, to remarketing of aircraft. At the end of 2008, Shipping Asset Management was established to provide restructuring and remarketing services for vessels.

The background story for this is that the shipping sector underwent a boom period that lasted many years, leading a number of less experienced banks and financial investors to enter the market without having a good understanding of the shipping business. Given the difficult economic environment globally, as well as enduring liquidity impasses at many financial institutions, it is not surprising that some investors face a shortage of financial resources. DVB's Shipping Asset Management aims to support these investors by minimising losses as efficiently as possible. The new team develops solutions for restructuring debt, as well as assuming and disposing of shipping assets.

Ladies and Gentlemen,

Despite all of the adverse factors experienced during 2008 – indeed, there were many of those – our clearly defined business model has made it possible for us to present you with very satisfactory financial results, and we hope you agree.

The result from ordinary activities before tax reached €100.2 million and the consolidated net profit of €104.9 million was only slightly less than the previous year's result of €109.2 million – a difference amounting to only 3.9%.

Driven by a higher new business volume (up by just under 4 %, to €7.37 billion) and a higher average interest margin of 186 basis points on new business originated, net interest income after allowance for credit losses increased by 4.2%, to €176.7 million. A substantial portion of this was achieved once again by our Investment Management businesses. Net interest income after allowance for credit losses generated by the Investment Management division nearly doubled, to €62.4 million. The share of Investment Management in consolidated net interest income amounted to 32.3%.

An especially positive development is that net fee and commission income showed strong growth, increasing by 24.4 % to €105.5 million. It reaffirms DVB's strong position as both an advisor and an arranger of complex financing solutions. The net income from investment securities, however, fell from €17.1 million to minus €34.1 million.

Two special factors which we had to put up with during 2008 need to be taken into account when analysing the results for the year. We had to recognise an impairment charge totalling €35.8 million on a bond issued by an Icelandic bank. We held this bond as a portion of our liquidity reserve for payment transactions at the European Central Bank. It was acquired in January 2005 when our liquidity reserves still exceeded €600 million – this amount decreased to only €83 million

by the third quarter of 2008. We subjected the Icelandic bond to another risk assessment in August, when we were still relying on the positive rating it was given by Standard & Poor's.

The mistake we made cannot be attributed to our having held onto the bond, but instead that we did not diversify our liquidity reserve more broadly, which we had been deliberately and significantly cutting back for some time.

Furthermore, DVB incurred additional costs in the realm of €29 million as a consequence of distortions on the money market.

I would like to delve into this topic a little further because it is something that we will be dealing with more over the course of the year and perhaps beyond. When we use the term 'money market distortions' we mean the blocked interbank markets – a situation that worsened throughout 2008, leading to an enormous shortage of available liquidity, with steeply rising short-term rates. Market distortions created enormous burdens that were caused primarily by the divergence of the LIBOR reference rate from current interbank interest rates, and were also due to increased demand amongst clients for loans revolving on a one-month basis.

As far as access to liquidity is concerned, DVB's integration in the German Cooperative Financial Services Network led by DZ BANK provides DVB with access to so-called 'retail liquidity' generated by German cooperative banks, but at market rates, and rightly so. Clearly, we can assume that refinancing for our business will continue to be provided by the German Cooperative Financial Services Network, in as much as this is necessary.

Serious problems were caused by the fact that a reference interest rate as important to the entire system as LIBOR – which is the interest rate that international banks and customers use as a pricing reference, including transactions between banks – no longer reflected actual interbank interest rates. In particular, the US dollar LIBOR rates set by banks taking part in the LIBOR fixing process were at times far below true interbank rates last year. The disparity between the rates was greatest, as you can see pictured here, in the first few weeks following the collapse of Lehman Brothers. The consequences were readily apparent for us because the majority of our loans are contractually tied to LIBOR as a reference interest rate. That means that a client who was granted a loan during this time period pays this reference interest rate, whilst our financing costs are significantly higher because we had to resort to the interbank market.

In order to reduce the financial burden that this situation created, various measures have already been introduced and put into effect by DVB. We are, for example, invoking the 'market disruption clause' in loan agreements with our clients to a greater degree. This allowed us to amend the calculation basis of

numerous client exposures, replacing the distorted LIBOR reference rates with current interbank rates.

A further burden was caused by increased client demand for loans with interest rates that are set on a monthly basis. Traditionally, the majority of both our lending and refinancing activities has been based on fixing interest rates quarterly, which is also the international standard. The collapse of Lehman Brothers in September 2008 ignited a trend of aggressive interest rate cuts around the world. This wave of precipitously falling rates caused client demand to shift to short-term refinancing periods seemingly overnight, and on a massive scale. The well-balanced relationship of quarterly interest rate periods on both the assets and liabilities sides was dramatically destabilised as November 2008 came to an end. Within a very short period of time, we were faced with an excess of loans with a one-month basis that we had to refinance via liabilities rolling over on a three-month basis. By restructuring our liability positions for the short and medium term onto a one-month basis to the tune of billions, we were able to counteract this to a great extent, but there was a price to be paid for it.

We have instituted measures to cope with this as well. Specifically, we have started to steer clients away from loans with a monthly basis back to traditional loans that roll over quarterly. This is already proving to be effective, and further negotiations with clients are underway.

As regards new business last year, DVB succeeded in passing on higher refinancing costs to its clients without exception. We were able to contain the consequences of the money market distortions with the measures just described for a growing number of loan agreements. However, in the short period following the collapse of Lehman Brothers, we were not able to conclude all adjustments, which meant that the distortions did indeed affect a portion of our loan portfolio.

The key strategic indicators which we use to manage our business held up well in an extremely challenging environment. The rate of return on equity before taxes, or RoE, amounted to 13.1% The RoE reference figure according to German GAAP is 17.7%. As I have already stated in previous speeches, we did set a goal for ourselves of 20% based on German GAAP, but – and I have said this before – depending on how interest rates developed overall. In an environment with an overall downward trend for returns on financial investments, we feel that the return on equity achieved in 2008 was satisfactory. Another factor to be taken into consideration is the capital increase that was conducted last year, and I would like to express my sincere gratitude for the support you showed for it. Because of this capital increase, RoE is about two percentage points lower.

We therefore do not want to focus too greatly on a specific RoE level. Doing so would misguide a bank to venture into riskier transactions. Achieving growth simply by assuming a greater amount of risk exposure is not our goal. Instead,

we remain faithful to our tried and true approach of achieving qualitative growth; that means, by unlocking business opportunities in ambitious financing projects.

For the business year under review, the cost/income ratio was 57.4%.
The cost/income ratio benchmark according to German GAAP is 43.9%.

Dear shareholders,

A review of the figures for the 2008 business year shows that we were able, as always, to successfully apply our expertise in our creative and solution-oriented approach to business.

DVB executed 229 new transactions with an aggregate volume of nearly €7.4 billion. We played a leading role in about 70 % of the new transactions.

This success can be attributed to DVB's employees – 546 individuals who overcame the numerous new challenges posed by 2008. I hope I can express not only my own heartfelt thanks to all DVB employees for their commitment, but yours as well.

Spread throughout 13 locations worldwide, our teams are multinational and multicultural. Over the past several years, a corporate culture has emerged that is characterised by an entrepreneurial way of both thinking and acting at every level that substantially supports our solution-oriented approach to business. An internal survey of our senior executives last year confirmed this.

Three quotes reflect this sentiment:

"DVB is one of the most international organisations I know."

"DVB has an entrepreneurial culture with a lot of freedom/autonomy in my area."

"DVB has an asset focus that is next to none in banking. Expertise and creativity of the employees enable us to tackle even very complex and complicated transactions."

Last year, DVB was once again honoured with a series of awards. We were especially delighted at receiving the distinction of being named "Rail Finance House of the Year" for the second year in a row. Our Shipping Research Team received another important distinction. For the fourth time, it received the award for conducting the best research. This paid tribute to our team's ability to anticipate important market developments early on. Once again, we were able to call attention to the dangers of too many orders for new shipping vessels in certain sectors. Our Aviation division had the pleasure of receiving six awards for various transactions.

Reflecting DVB's international Transport Finance business, the development of the euro/US dollar exchange rate always has a particular impact on the Bank's consolidated financial statements. 85% of all customer lending is denominated in US dollars.

Given the appreciation of the US dollar, customer lending grew somewhat more strongly in euro terms than US dollars: it was up by 28.7% on a euro basis, and 21.6% in US dollar terms.

Earnings from interest and fees that were denominated predominantly in US dollars were offset by costs that were mainly incurred in euro. Because DVB uses derivatives to hedge net US dollar income in a given year, these revenues accordingly remain largely unaffected by fluctuations in the exchange rate during the course of the year.

Ladies and Gentlemen,

I would now like to review a number of specific factors regarding the development of our loan portfolios. I would like to begin with the Shipping Finance business segment, which, despite the global financial crisis and the turbulence in the shipping industry, was able to achieve very good results again in 2008.

The crisis that hit the real economy with full force at the end of the year affected the shipping industry segments that are particularly sensitive to economic cycles, namely container and bulk shipping.

As the sub-prime crisis in the US spread into a global financial and economic crisis, it marked the end of the five-year boom that container shipping had been experiencing. This became apparent in areas such as container handling figures in Singapore, the largest handling location for container shipping in the world. After years of unencumbered growth, a steep decline came at the end of the year. By December 2008, there was already a 13% year-on-year drop in handling volumes. Decreases in handling were at 20% in January and February of this year. The year-on-year rate of decline slowed in both March and April, but was still nearly 14%.

The drastic reduction in container transport affected container shipping companies. The result was a tremendous excess of capacity that sent time charter rates into a nosedive. Last year the Clarkson time charter rate index plummeted to its lowest point since its inception in 1993: from US\$ 113 per TEU in January 2008 to nearly US\$ 47 per TEU in December of the same year.

The collapse of the global financial markets also brought an abrupt end to the bulk freight sector's super streak. Between 20 May 2008 and 5 December 2008, the Baltic Dry Index fell an unprecedented 94% to reach an all-time low of 663 points. It is currently quoted at about 4,000 points.

A strategic focus for Shipping Finance in 2008 was the implementation of a new organisational structure that replaced a region-based system with a new setup focused on ten main sectors covered by specialist teams.

The new organisational structure proved to be particularly beneficial in light of the current situation of rapidly changing shipping and financial markets, by enabling us to better attune ourselves to the specific needs of clients in the individual sectors.

The sector teams can work considerably more closely with their clients and, we believe, contribute significantly to managing the Shipping Finance portfolio and minimising possible losses. With a series of new instruments that were developed by the DVB Credit Shipping team, the sector teams can receive early warning signals about specific exposures when necessary. This includes stress tests that we have been subjecting our shipping portfolio to since the beginning of the financial markets crisis, as part of our Group-wide risk management system.

The Shipping Finance division's credit portfolio reached €10.48 billion, 25% higher than in the previous year. The portfolio remains broadly diversified by vessel type. We once again received important cues for portfolio adjustments from our Shipping Research Team throughout the year.

For instance, such input led to a further reduction in the portfolio allocation for container carriers, from the previous year's level of 11.3% down to 10.2%, as an excess supply of container ships had been anticipated for quite some time. Conversely, the portfolio share of crude oil and gas tankers rose from 9.8% in 2007 to 12.5% of the portfolio in 2008.

As a result of the sharp economic contraction, transport rates in air traffic also reduced dramatically toward the end of the year. In December alone, IATA – the International Air Transport Association – reported a 4.6% drop in passenger carriage, and a considerable year-on-year decline of nearly 23% in freight transport.

Despite these developments on the demand side, the need for aircraft financing remained high. Competition amongst banks in aircraft financing, like in shipping finance, started to wane in the third quarter and lessened dramatically in the fourth quarter due to the financial markets crisis. DVB remained in a small circle of globally active banks that were still actively involved in the market at year end. To this day, by the way, the situation has yet to change, quite the opposite in fact.

As a result, Aviation Finance had a record year in terms of both new business and net profit. A total of 48 new transactions were executed for our aviation clients, with an overall volume of €2.05 billion. At the end of 2008 the Aviation Finance portfolio stood at €4.9 billion.

This sub-portfolio also continued to be well-diversified, whether by aircraft manufacturer and type, by application area, vintage, or country.

The Land Transport Finance business division's portfolio grew by 32.4% to €1.5 billion. Since its 2003 level of €800 million, the Land Transport portfolio has nearly doubled in size over the last five years. This increase is not only a sign of market growth, but also reflects DVB's increased market penetration in recent years. Receiving the distinction of "Rail Finance House of the Year" yet again last year underscores this point.

The Land Transport Finance portfolio is also broadly diversified. Though the freightcar share of the portfolio has once again increased by 3.3 percentage points to total 57%, these cars are divided into sub-segments such as bulk freight cars, flat wagons, container cars, tank wagons, etc. so that exposures in this area are widely diversified.

Let me briefly summarise the 2008 business year:

Despite the escalation of the financial markets crisis and the global economy falling into recession, we are once again presenting you with year-end results of a calibre that, even given the tremendous obstacles and extraordinary circumstances, are only very slightly below the previous year's level.

This is primarily due to continued growth in new business, together with rising interest rate margins and commission rates, as well as the contributions by the Investment Management division.

With the proposed dividend increase from €0.50 to €0.60 per share, we would like to underscore that investing in DVB Bank shares continues to pay.

Ladies and Gentlemen,

Please allow me to briefly go into the business development of the first quarter of 2009 before I come to the final portion of my speech, the outlook.

We were able to achieve a very respectable result in a market environment that continued to be challenging throughout the first quarter.

Total income remained stable, at €63.3 million.

New Transport Finance business showed an aggregate volume of €1.12 billion with 39 transactions. The average interest margin on new business increased from 161 basis points from the first quarter of last year to 344 basis points, more than doubling.

Even though this was a very positive development, it could not fully compensate for higher funding costs on our existing portfolio and, in particular, the significant impact of distortions on the money market, as a result of which DVB incurred additional expenses of €17.3 million.

This caused net interest income after allowance for credit losses to decrease by 38.5%, to €30.5 million. Net fee and commission income, however, increased a remarkable 143.1% to €32.9 million, which is also a sign for ongoing strength in new business.

At minus €5.3 million, net income from financial instruments in accordance with IAS 39 reflected increased volatility on foreign exchange and interest rate markets due to the financial markets crisis.

In the first quarter, DVB Group's result from ordinary activities before tax amounted to €27.1 million, falling short of previous year's result by 14%.

Though refinancing costs have increased and market distortions have led to higher interest expenses, we were able to profit from increased interest income, due to the further reduction in the number of banks that are globally active in the Transport Finance business. This enabled us to benefit from higher interest rate margins, together with stronger fee and commission income.

That brings me to the outlook for the rest of the 2009 financial year and beyond.

Ladies and Gentlemen,

We have always presented you with a clear outlook on the current and the next business year. However, the only thing we are certain about now is that there will be a future.

Nevertheless, I would like to present you with an assessment of how the financial and transport markets will develop. As mentioned when I began, I would like to connect this to an observation of the Bank's risk situation.

We are assuming that 2009 and, for the most part, 2010 as well, will largely remain difficult years for everyone. At the same time, DVB is confident that, despite the extremely challenging market environment, it will emerge from the crisis affecting global financial markets and the world economy in an even stronger position, thanks to its unique focus and business profile.

The number of banks with a global franchise in Transport Finance is very limited, and will remain that way for the foreseeable future. This is due to the fact that numerous banks are re-defining their business focus, based on regional aspects and/or the intensity of the respective client relationship. Furthermore, the words "deleveraging" and "downsizing" that have come into fashion lately ultimately

mean little more than a drastic reduction in lending and all that this entails for one's own profitability, and for the real economy.

The systemic crisis of the financial markets should stabilise over the course of the 2009 financial year. In any case, governments will need to take extensive further action, including the hive-off of certain securities from banks' portfolios (the concept of 'bad banks'), amendments to valuation principles for securities for which there is no reasonable market price, the short-term shielding of the inter-bank market, and introducing new guidelines for capital adequacy and transparency of both banks and non-banks with financial markets activities.

If these measures are successful, the money and capital markets should begin to become more liquid and refinancing costs should normalise. In my opinion, the adjusted price for risk will remain, and it will be independent of the cost of funding.

DVB will continue to have access to retail liquidity generated by the German Cooperative Financial Services Network.

We are increasing our involvement in unlocking new sources of funding. Appealing to a new circle of investors is one of the reasons behind our new ship mortgage bond issuance slated for autumn 2009. When the German Act to Develop Mortgage Bond Law went into effect in March 2009, the necessary legal preconditions were created to make an aircraft mortgage bond issuance possible, and that is another possibility we are considering.

We are also hoping that when the financial markets stabilise, the international syndication market will pick up and that competitors will become more reliable for clients and banking partners. At present this is lacking.

Unfortunately we cannot rule out the possibility of a series of government measures leading to competitive distortions in our industry due to state control and/or government-supported banks.

A concrete example: banks issuing debt securities under a state guarantee do so at a total spread of 1.3%, whilst we pay a spread of 2.2% on our own issue. In this example, the difference to our cost is then 0.9% and in a placement of €500 million, this amounts to €4.5 million extra that we have to pay annually. Over a three year period that adds up to €13.5 million.

Furthermore, public-sector banks are being kept competitive with even more taxpayer support in Germany and regional politics have taken precedence over economic viability. We have never really seen the rationale that the two global market leaders in shipping finance are German public-sector banks – who were in fierce competition against us all over the globe. The merger of two large private-sector banks, namely Commerzbank and Dresdner Bank, is about to create the third-largest player in shipping finance – also with the support of state-

guaranteed funding, and equity capital provided by the government. But the state has also become a majority shareholder in some of our competitors in other parts of the world that were previously private companies.

As far as our own capitalisation is concerned, the situation is as follows:

Despite the challenging market environment, our goal for 2008 continued to be realising the potential for further profitable growth in international Transport Finance. To do so, it was necessary to strengthen our liable capital base, and the resolution of 11 June 2008 to increase the Company's issued share capital did just that. DVB obtained gross proceeds totalling €149.4 million from the capital increase.

The total capital ratio in accordance with Basel I fell slightly to 6.2%, reflecting new business and in particular the stronger US dollar. The tier 1 ratio also declined, to 8.2%. These ratios will continue to play an important role in determining regulatory capital requirements for banks until the end of the year.

Basel II will then apply exclusively, beginning in 2010. We have been calculating capital ratios according to Basel II since the beginning of 2008, which also takes the collateral value of financed assets into account in determining capital adequacy requirements. The assessment of the future collateral value of financed assets is achieved with the help of the what is known as the Advanced Approach, which means that the values are calculated by running simulations through an internal rating model approved by the banking supervisory authorities.

Under Basel II, the tier 1 ratio was 13.9% as at the end of 2008, and the total capital ratio 18.2%. These figures also include the funds raised through the capital increase successfully concluded in July 2008.

The development of capital ratios will continue to be affected under Basel II by the euro/US dollar exchange rate. The US dollar began to recover significantly in July 2008. This is once again tied to the fact that the US currency is still seen by investors as a safe haven in uncertain times, despite the reality that the state of the US economy tells another tale – one that could mean a weaker US dollar. We are hoping that the US dollar will continue to be range-bound in a close corridor around an exchange rate of 1.30 US\$/€. Every time the US dollar gets stronger, it means a reduction in our Basel I capital ratios, something that we will have to keep combating with expensive short-term capital measures until Basel II comes into effect.

The current US dollar exchange rate has already limited new business for us.

And now I would like to turn from the international financial markets to the international transport markets:

Here we are seeing some developments that give us cause to be hopeful for the medium and long-term. The huge programmes implemented to revive the economy will stimulate global demand. Commodity prices have fallen significantly, albeit perhaps only for a limited period. Interest rates are at historical lows. Large populous markets in Asia, Latin America and Africa, want to, and are forced to boost their share of wealth, and will add a growing contribution to growth in global trade.

But the transport markets will take some time to reach a state of equilibrium, and that can be attributed to the supply side. We are preparing for an excess in capacity in the transport markets that will take several years to remedy. It is most likely that the only companies to survive will be those who had significant amounts of capital available at the beginning of the financial crisis, and also only expanded their fleets moderately – or at an early stage, at very low newbuild prices.

In recessions and phases marked by over-ordering, we generally assume that extending credit will be confronted with the following challenges, which we can divide into three different phases.

In the first phase, individual breaches occur regarding individual covenants, but can be remedied. Many of our loan agreements for vessels contain so-called Value Maintenance Clauses: if the value of the vessel falls below a certain value in relation to the amount of the loan, we request redemption payments ahead of schedule or demand that additional collateral be pledged.

In the second phase, when remedies are no longer viable, restructuring is called for. Banks then renegotiate loan terms and payments with borrowers. For example, loan terms may be extended or payments adjusted.

In the third phase, banks are forced to acquire collateral, which in our business means the vessels and aircraft. Our Asset Management teams are prepared for this scenario.

For the most part, we are still in the midst of the first phase. Over the course of the next two to three years, however, we will have to progress through all three phases.

One thing that will continue to help us is that we were careful to keep loan-to-value ratios as low as possible during the last up cycle, so that we would have a buffer entering a down cycle. Following this strategy, the average loan-to-value ratio last year was 64.4% in Shipping Finance, 71.9% for Aviation Finance, and 75% in Land Transport Finance. It should be noted that there were market participants who accepted 90 percent loan-to-value ratios for ship financing facilities during the up cycle. At the end of March 2009, after adjusting the asset

values to reflect current market prices, loan-to-value ratios were still 66.5% for ships, 76.1% for aircraft and 74.3% for land transport assets.

By regularly running stress tests, we are trying to identify the potential for increased risk exposures in advance that might signal a depreciation in asset quality or credit quality. In addition to the regulatory stress tests required at Group level, we conduct stress tests for individual business divisions as well.

One challenge is that it is nearly impossible to determine prices for certain assets during this extreme economic down cycle. This pervaded the fourth quarter of 2008, and we confronted this challenge by discounting asset values according to the last available research reports from the various divisions. We then used this as a basis for conducting stress tests, the results of which helped us to foresee possible breaches of Value Maintenance Clauses early on – and to then respond quickly.

Even though we managed to keep our credit portfolio largely unaffected by defaults throughout 2008, value adjustments are expected to increase in the current year, and particularly in 2010. As in earlier cycles, we will do our utmost to keep real losses at a minimum. Any value adjustments are primarily a precautionary measure. What is a cause for concern however is the prohibition of IFRS rules to set aside reserves during good times – in other words, to act in an anti-cyclical manner. Now these accounting rules – which we also inherited from the US – are in fact fanning the fire. As Europeans, we should perhaps muster the courage to go our own way for once – a way that is more compatible with our business culture. Just a minor point, but one that I consider worth making.

Given the scarcity of capital within the Group, we will need to be very selective about new business. We will keep very close contact with our existing clients in order to keep surprises at a minimum.

We must be aware that current developments are far from being a normal cyclical downturn. This is a worldwide financial crisis and a global recession – and for the transport sector, this is exacerbated by the impact of an excess in ordering new transport assets.

This environment will be exceedingly demanding. Moreover, we will continue to place demands on ourselves – in order to be able to present you, our shareholders, with another set of good results for 2009 and to once again be able to distribute a fair dividend.

A sound approach in an unsound environment – that should be our mark of distinction: as bankers, and as a bank – in particular, as DVB Bank.

Thank you for your attention.