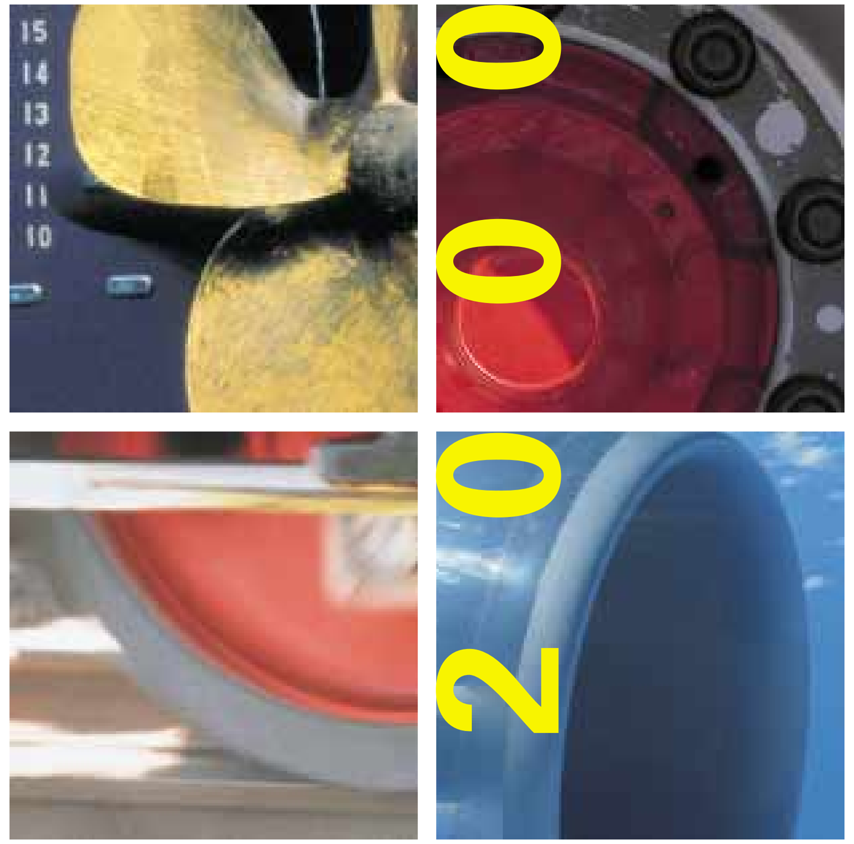
Deutsche **VerkehrsBank** AG

ANNUAL REPORT 2000



ANNUAL REPORT

DVB Group

A successful year reviewed

Major events in the year 2000

DVZ round table
On 9 February, the traditional Deutsche Verkehrs-Zeitung round table was chaired by our bank. We welcomed Mr. Hartmut Mehdorn, Chairman of the Board of Managing Directors of Deutsche Bahn AG, the German railways operator, as guest of honour.

International Aircraft Finance Conference, Geneva
16-18 February: The principal event for aircraft financiers in Europe was attended by more than 300 participants from around the world. In addition to acting as sponsor, we also contributed speeches and presentations.

Extraordinary General Meeting
Various capital adjustments required for the acquisition of Nedship Bank N.V. were approved by the bank's shareholders at its second Extraordinary General Meeting on 8 March.

Market re-launch
On 1 April, the bank's new international market presence was launched under the name of "DVB Group". Within the framework of the Group, DVB NedshipBank is responsible for international shipping finance, while DVB VerkehrsBank, in addition to financing capital expenditure for air and land transport, covers projects related to transport infrastructure.

Acquisition of Nedship Bank
The acquisition of Nedship Bank N.V. by DVB VerkehrsBank was completed on 31 May.

Annual General Meeting
The Annual General Meeting of Deutsche VerkehrsBank AG was held on 21 June, at the Messe Frankfurt CongressCentre. Resolutions were approved by 99.99 % of the bank's share capital, with 87.55 % represented at the AGM.

100th anniversary of Nedship Bank
DVB NedshipBank celebrated its 100th anniversary with a host of international clients at the "Sail 2000" event in Amsterdam from 23 to 25 August.

3rd Hamburg transportation forum ("VerkehrsInsel")
On 7 September, around 150 guests from the transport industry, politics, business and science met at Hamburg's traditional Altona fish market to debate the future of maritime shipping.

Strategy forum for Sparda banks
This year's DVB VerkehrsBank Strategy Forum for the Board members of "Sparda" cooperative banks and representatives of the cooperative banking sector was held at Petersberg castle, close to Bonn. Futurologist Matthias Horx was one of the guest speakers.

VerkehrsBank Award
On 5 October the DVB VerkehrsBank foundation prize was awarded for the fourth time. In cooperation with the German Scientific Society for Transportation (Deutsche Verkehrswissenschaftliche Gesellschaft), two scientific papers on the subject of transport finance were awarded a prize.

New member of the Board of Managing Directors
On 17 November, the Supervisory Board appointed Mr. Rainer Irmen as deputy member of the Board of Managing Directors as of 1 January 2001.

First industrial research analysis
At a press briefing on 5 December, the bank introduced its first major industrial research study, highlighting annual global investment volumes in the transport industry.

Key figures

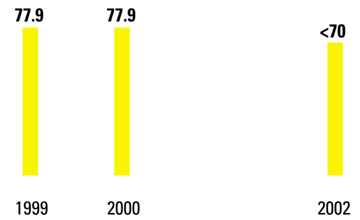
Deutsche VerkehrsBank (consolidated figures as from 1998)

€ mn	2000	1999	1998	1997	1996
Development of results					
Net interest income	66.1	47.4	36.9	33.6	32.2
Net commission income	90.1	69.1	59.5	52.8	51.7
Net profit on financial operations	8.2	11.0	13.1	12.6	5.2
Administrative expenses (including depreciation)	131.3	101.2	91.3	84.4	82.4
Operating profit before loan loss provisions	32.8	29.6	17.1	14.0	12.5
Net loan loss provisions	–1.1	7	8.3	39.9	12.1
Net income after taxes	19.1	15.5	5.0	0	3.7
Key indicators					
Return on equity before taxes (excluding depreciation of goodwill)	15.1 %	13.4 %	3.8 %	–4.6 %	4.3 %
Cost/income ratio (excluding depreciation of goodwill)	77.9 %	77.9 %	85.0 %	85.7 %	86.5 %
Balance sheet data					
Business volume	11,410	8,041	7,577	6,164	5,382
Total assets	9,472	6,875	6,565	5,331	4,689
Loans and advances to customers	6,244	3,370	2,434	1,507	1,496
Liabilities to customers	2,496	1,750	1,869	1,377	1,293
Certificated liabilities	1,521	688	770	285	254
Capital ratios					
Core capital ratio (German Banking Act)	5.7 %	4.5 %	5.2 %	6.8 %	6.6 %
Total capital ratio (German Banking Act)	10.2 %	8.6 %	8.8 %	9.3 %	11.0 %
Information on the DVB share (€)					
Dividend (excluding tax credit)	3.60	3.60	2.56	8.44*	2.05
Dividend (including tax credit)	3.82	5.14	3.65	12.05*	2.93
End-of-year share price	102.0	94.5	86.4	86.9	89.4
Rating					
Moody's Investors Service Long-term/short-term rating	A3/P-2	A3/P-2	–	–	–
Standard & Poor's Long-term/short-term rating	A-/A-2 Stable outlook	A-/A-2 Stable outlook	–	–	–

** Special distribution*

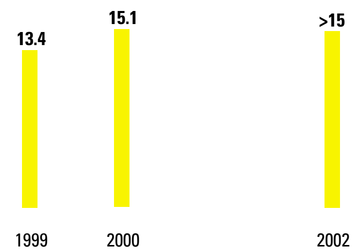
The primary benchmarks for our business activities are the cost/income ratio, return on equity and the core capital ratio according to the German Banking Act.

Cost/income ratio
(in %, excluding depreciation of goodwill)



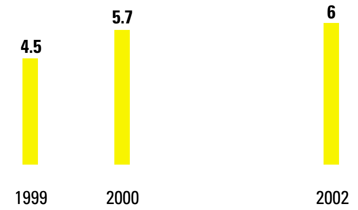
The **cost/income ratio** is defined as the ratio of administrative expenses (including depreciation of fixed assets) to the aggregate of net interest income, net commission income, net other operating income/expenses and net profit on financial operations. The cost/income ratio is a measure for the expenditure required to generate income. As a result of the take-over of DVB NedshipBank, our cost/income ratio for 2000 stood at 77.9 % excluding, and 80.1 % including depreciation of goodwill. Our medium-term target is a cost/income ratio of below 70 % (excluding depreciation of goodwill).

Return on equity before taxes
(in %, excluding depreciation of goodwill)



We achieved our goal to exceed 15 % **return on equity** by the year 2002 ahead of schedule. Return on equity for 2000 was 15.1 % excluding, and 13.5 % including depreciation of goodwill. This indicator expresses the ratio of net income before income taxes to average capital and reserves and is thus equivalent to the return on capital employed.

Core capital ratio
(German Banking Act, in %)



We have published our **core capital ratio according to the German Banking Act,** i.e. the ratio of core capital to risk-weighted assets, for the first time. Our target in respect of this important indicator is an improvement to 6 % by the year 2002.

Additional information

The Annual Report 2000 is published in English and German.

This translation is provided for information only; the German original is exclusively relevant and valid for legal purposes.

Please do not hesitate to contact us for any further information you require:

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Additional information on DVB Group and its activities is available on our website:
http://www.verkehrsbank.de

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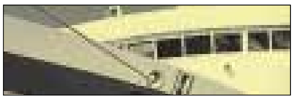
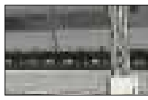
Photograph of the Board of Managing Directors on page 7 courtesy of Hahn Airport.
Photographer:
René Spalek

Printed on environmentally friendly paper bleached without chlorine.

2000

ANNUAL REPORT

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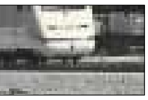

Diagrams

Selected tables

Worldwide presence of DVB Group

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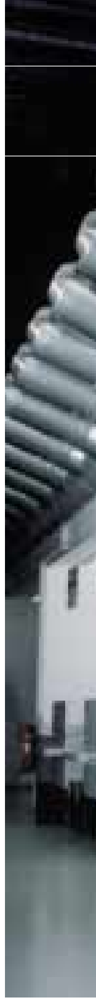
DVB Group is unique

The Deutsche VerkehrsBank Group is known internationally as DVB Group. Its global presence is ensured by representation in the world's premier transport finance locations. Within the framework of the Group, DVB NedshipBank is responsible for international shipping finance, while DVB VerkehrsBank, in addition to financing capital expenditure for air and land transport, covers projects related to transport infrastructure and Corporate Finance. Focusing on transport finance has given us a distinctive profile among international financial services providers. We are in an excellent position to benefit from developments in the global transport sector, where we face competition from large and powerful players.

Sector specialisation and our close contact to clients and markets distinguish us from our competitors. This allows us to work out creative and innovative solutions and to analyse credit risks in a more effective manner. Furthermore, as a comparably small bank, we have three decisive competitive advantages: a streamlined organisational structure, swift decisions and consistent implementation.

Our aim is to become a premier financial specialist in international transport finance. We have already achieved this in shipping and aircraft finance. Our realignment in land transport will enable us to also take on a leading role in this area.



Letter from the Board of Managing Directors

Dear shareholders and business partners,

In its year-end editorial, Börsen-Zeitung – the German stock exchange daily – described the year 2000 as "Annus horribilis" for banks. Despite the anticipated favourable results, observers spoke of "utopia", "loss of reality" and "missed opportunities" in the German banking industry.

The year 2000 was a successful one for DVB Group. We continued to consistently implement our strategy and seized opportunities without hesitation. Once again, the year involved hard work. The commitment of our staff in keeping pace with the speed of change, their readiness and willingness to perform was, and is, exemplary. We wish to extend our thanks to all – staff and employee representatives – both in Germany and abroad.

This 2000 Annual Report portrays only a first indication of the earnings potential of the new DVB Group. The significance of driving ahead the bank's position in international transport finance in recent years is already fully evident. Our commitment to the transport sector is documented by lending volume in excess of € 7 billion. We have attained the necessary critical size to ensure that we are a force to be reckoned with at all times.
On an international level, we have concentrated on the top 500 clients, the majority of which we have already established a business relationship with.

Once again, DVB VerkehrsBank has undertaken strong measures and undergone significant change. Particular and unique influences related to this are reflected in the profit and loss account. Any comparisons with the previous year must be treated with the utmost caution.

As the acquisition of Nedship Bank N.V. took effect on 31 May 2000, its income and expenses have therefore been included on a pro-rata basis for 7 months in the consolidated profit and loss account of the DVB Group. We bore significant direct acquisition expenses. In addition, we incurred preliminary refinancing expenses and a partial depreciation of goodwill. We successfully renewed our IT infrastructure and undertook considerable expense to introduce SAP software at the year-end. Furthermore, we completed our focus on the transport industry with the establishment of our Land Transport division, where we integrated the main elements of road, rail and transport infrastructure. This involved the closure of the remaining domestic branches and the concentration of the European land transport activities at Frankfurt/Main. The associated expenses are also included in the financial statements presented.

We launched the London-based Corporate Finance division by integrating the existing activities of Nedship Bank N.V. and DVB VerkehrsBank.

From left to right: Wolfgang F. Driese, Klaus W. Heinemann, Rainer Irmen

In addition, our remaining non-transport business, which had already been significantly reduced, was divested into two settlement units and valued in accordance with current market levels.

Dear shareholders, you have reason to be exceedingly pleased with the results of our numerous activities. Despite the special factors described, net income rose by 23.2 % to € 19.1 million. The 29.7 % increase to € 131.3 million in administrative expenses including depreciation is attributable to special influences, some of which we have already referred to. Excluding the major special effects, the increase in expenses was limited to approximately 8 %.

Ordinary income grew by 28.9 %, from € 127.5 million to € 164.4 million. We will propose to the Annual General Meeting the payment of an unchanged dividend of € 3.60 per share.

The performance of our new subsidiary, Nedship Bank N.V., during the year under review makes us proud. New business enjoyed substantial growth during the second half of the year – indicating significant market acceptance of DVB NedshipBank from the outset. Our shipping finance subsidiary was commended by Lloyds Shipping Economist for its innovative financing solutions. This will provide the basis for further expansion.

In 2000, we achieved our most important financial objective of increasing the pre-tax return on equity to more than 15 %. This was achieved two years earlier than intended and on a significantly higher capital base. Our new target is a 20 % return on equity which we are committed to meet by the year 2005.

Despite last year's extraordinary burdens, we maintained a stable cost/income ratio of 77.9 %. Our interim goal of achieving a level below 70 % by the year 2002 remains unchanged.

The DVB Group has many plans and ambitious goals for the 2001 business year. The expected marked increase in net income will be reflected in the continuing improvement of the return on equity and the cost/income ratio within the framework of our medium-term planning.

In addition to measures already carried out last year, further emphasis will be placed on quality and operative issues.

- Our market potential in international transport finance will be explored.

- The new Corporate Finance division will closely incorporate relationships with transport sector clients and new services will be launched.

- ReiseBank Group will expand in terms of markets and product range in the run-up to the introduction of euro notes and coins. We are considering the integration of retail and wholesale trading and settlement of foreign notes and coins into a single unit.

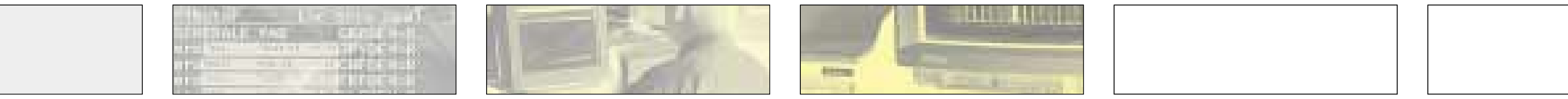
- We will assess and, where necessary, re-define objectives and measures for our Central Bank business line, in cooperation with "Sparda" banks, their association and DG BANK.

- We will complete the stabilisation of our SAP installation and launch SAP as the Group's IT platform. This will also apply to Nedship Bank N.V.

Dear shareholders and business partners,

We are steering a straight course into the future, adopting new values with enthusiasm. Your interests are the benchmark for our joint success.

Wolfgang F. Driese Klaus W. Heinemann Rainer Irmen



The DVB share

During the year 2000, international equity markets were strongly influenced by the performance of the technology sector. In the wake of the profit-taking that prevailed at the start of the year, rising capital market yields and key interest rate increases weighed heavily on investment sentiment.

Stock exchange rollercoaster

The rally in the DAX, where the index constantly achieved new records, was not based on a broad advance in equities but on a share price explosion in a relatively small number of companies, particularly those in the telecommunications sector. Following a DAX high of 8,064.97 points on 7 March 2000, the so-called "New Economy" issues experienced substantial setbacks. Revised profit expectations and a series of European Central Bank interest rate hikes triggered price consolidation and, in many instances, sharp losses. The initial reversal was reflected in a DAX of 6,466.26 points on 12 October 2000. Further share price collapses sent the DAX down to 6,200.71 points on 21 December 2000, the lowest level of the year. On balance, blue chips significantly outperformed most high-tech shares during the year under review.

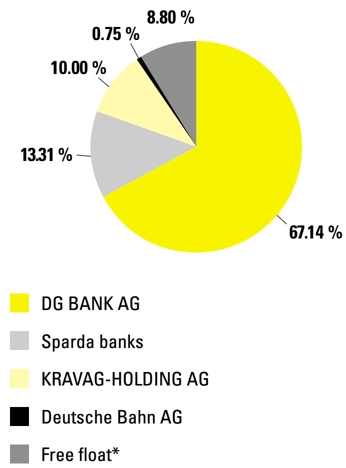
Performance of the DVB share

We believe that DVB shares represent an investment that offers performance potential. The lowest average price of € 87.59 across Germany's stock exchanges was traded on 4 January 2000. The corresponding peak of € 104.25 traded on 26 May 2000 was only marginally higher than the year-end price of € 102.

In absolute terms, our share underperformed the CDAX-BANKS index during the financial year under review. In the event, the index's performance was strongly influenced by M&A activity. It should also be noted that in view of our shareholder structure, the free float comprises a relatively small number of shares.

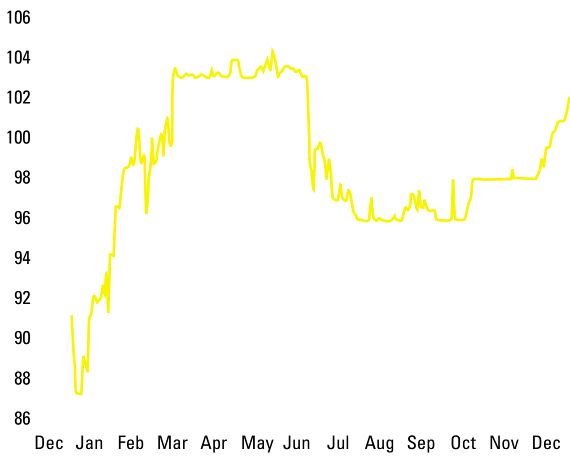
The bank's objective of a continual increase in profitability will be achieved by concentrating on our core expertise and on the targeted expansion of our commission-based business. This should find reflection in the long-term performance of our shares.

Shareholder structure as at 31 December 2000

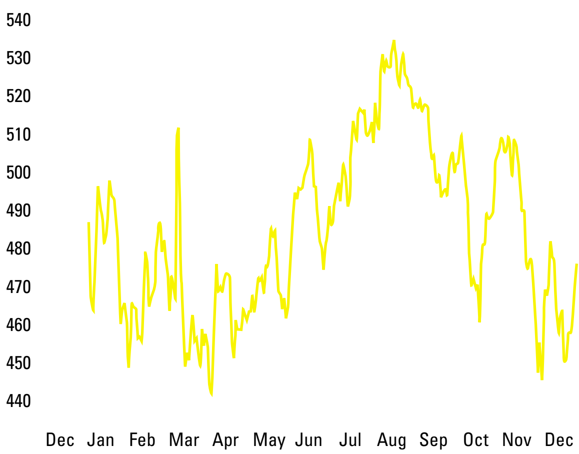


** included 3,857 shares (= 0.13 %) held by employees. These were purchased through the employee share ownership programme "DVB shares 2000".*

Performance of the DVB share 2000
in €



CDAX-BANKS index 2000
in €



Record total dividend payment

At the Annual General Meeting of 2001 we will propose to maintain our high dividend of € 3.60 per share. Taking into account the tax credit of € 0.22, shareholders subject to domestic income or corporation tax will thus receive a total return of € 3.82 per share. On the basis of the year-end share price of € 102, this equates to a dividend yield of 3.5 %, or 3.75 % taking into account the tax credit. At € 10.8 million, the total dividend payment represents a record.

Resolutions of the Annual General Meeting

Shareholders approved various capital adjustments at the extraordinary Annual General Meeting held on 8 March 2000. This enhanced the bank's ability to issue profit-participation certificates and subordinated equity. Our expanded capital base is detailed on page 45.

Furthermore, the ordinary Annual General Meeting held on 21 June 2000 approved the granting of subscription rights within the framework of the employee share ownership scheme "DVB shares", the creation of conditional capital to issue up to 180,000 unit shares and the authority to increase the bank's issued share capital by an aggregate amount of up to € 2.3 million. All resolutions were passed by a clear majority, with an 87.55 % representation of the bank's share capital (1999: approx. 93 %).

DVB share indicators

(€)	2000	1999
Earnings per share (DVFA)	3.22	6.75
Dividend	3.60	3.60
Including corporation tax credit	3.82	5.14
Dividend yield (including tax credit)	3.75 %	5.4 %
Business year high	104.25	95.00
Business year low	87.59	73,67
Year-end-price	102.00	94.50
Number of shares at year-end	3,000,000	2,246,000
Market capitalisation at year-end	306,000,000	212,247,000

Financial calendar

2 April 2001
Balance sheet press conference

24 April 2001
First DVB Group analysts' conference held in Frankfurt/Main

April 2001
Publication of quarterly figures

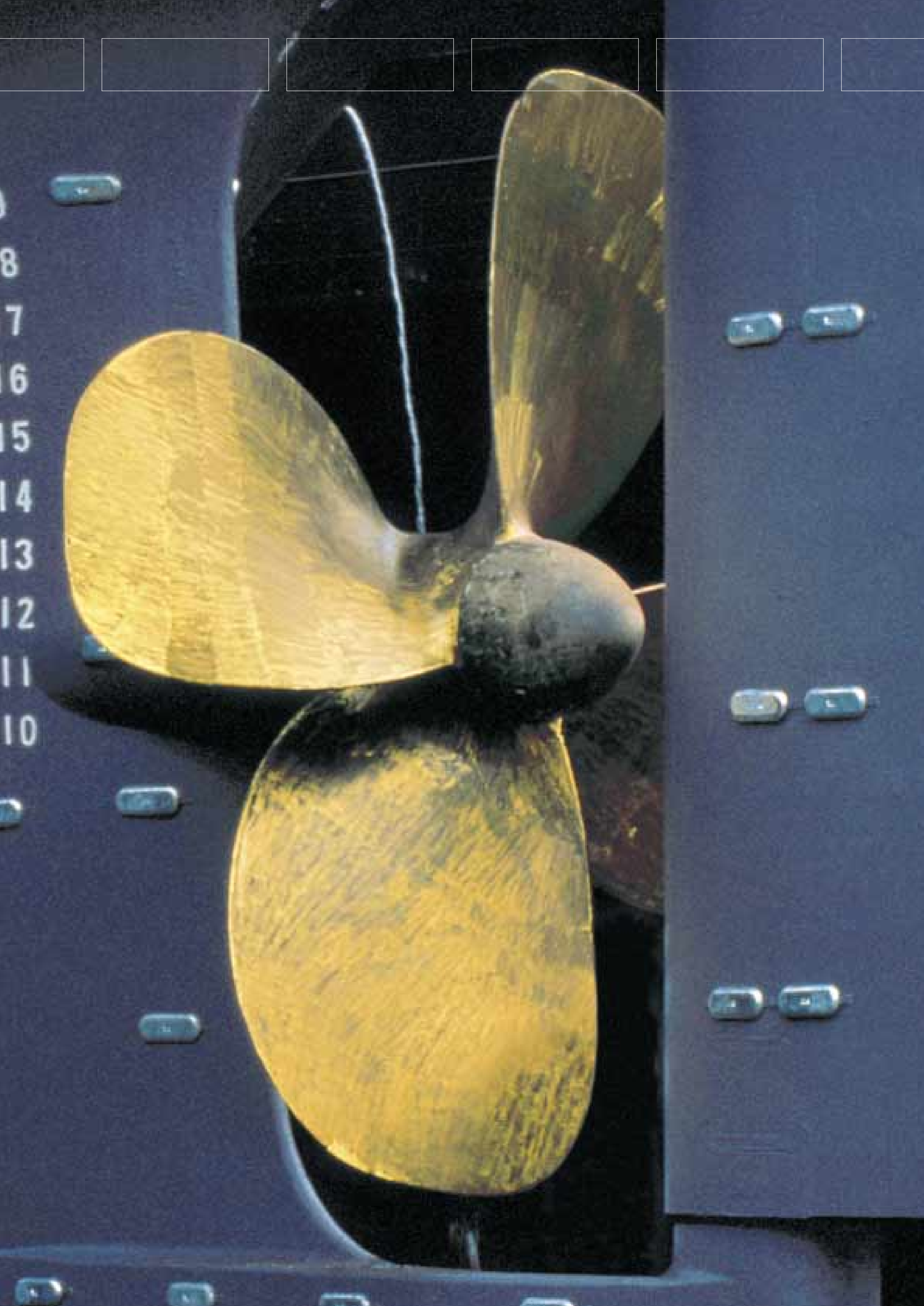
13 June 2001
Annual General Meeting at 10.00 a.m. at the Hermann Josef Abs Saal (Frankfurt/Main)

14 June 2001
Dividend announcement

August 2001
Publication of interim report

October 2001
Publication of quarterly figures

Report on the activities of the DVB Group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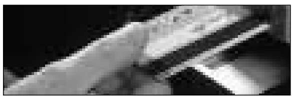


Review of the transport market

The transport sector proved one of the beneficiaries of the global economic performance in the year 2000. Both freight traffic and passenger traffic continued to grow. To keep pace with increasing traffic volumes, while at the same time complying with political environmental protection targets, investments in excess of € 3,000 billion will be made in new transport vehicles and the associated infrastructure over the next decade. This is one of the principal findings in a study entitled "The global transport market – a tremendous investment opportunity", the first in a series of research documents focused on major transport issues initiated by the DVB Group.

Boom in maritime shipping

The increase in marine freight and charter rates served to reflect the exceedingly positive trend in maritime shipping during 2000. Liner transport freight rates rose by an average of 40 % compared with 1999. The rate increase in the Asian and Australian shipping routes was almost 60 %. The sharp increase in charter rates was particularly evident in the global tanker market which achieved its highest rates since 1973. The upturn in rates was driven by low crude oil inventories and increased Asian demand. The loss of tanker "Erika" also had a significant impact as older tankers suddenly became almost redundant in the wake of this marine casualty. Whereas the average daily rate in 1999 for a VLCC tanker was a mere US$ 21,500, daily rates of US$ 55,000 were achieved on spot markets throughout the course of the year. In fact, at the end of 2000, VLCC tankers commanded daily rates of US$ 81,000 in certain instances. Bulk cargo markets also recovered in 2000, albeit to a lesser extent than tanker markets. The cruise ship business is characterised by the continued growth in passenger demand. The sharp increase in shipping construction orders directly reflects the positive outlook for maritime shipping. In view of the favourable returns, shipping investments represent attractive opportunities. We anticipate annual investment of around € 47 billion in new freighters, cruise liners and ferries. A total of 15 new cruise liners with a 20,282 berth capacity were delivered during 2000. Sea ports, given an annual investment of around € 5 billion to extend capacity, will also benefit from the increase in maritime freight and passenger traffic.

Air traffic continues to rise

With an estimated annual investment volume of € 80 billion in new aeroplanes and an approximate € 12 billion annual spend on airport capacity, the importance of air traffic in the global transport sector has in no way diminished. Although global air traffic posted another significant increase in revenue in 2000, not all airlines succeeded in selling the excess capacity they attempted to market. The sharp rise in the price of kerosene at the year-end proved a further cause for concern, particularly among those companies that had not taken price hedging measures.

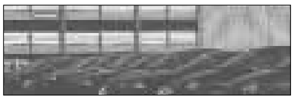
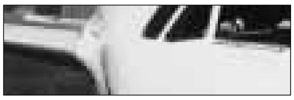
Rail vehicles and infrastructure: the need for change

Although somewhat pessimistic reports regarding the future of rail traffic often make the headlines, the sector attracts a high level of investment each year. We estimate an annual spend of almost € 33 billion and € 50 billion on rail vehicles and infrastructure respectively. The need to modernise the network was particularly evident in Germany during 2000. In part, the Federal Republic is able to use interest savings achieved through the sale of third generation mobile phone licenses for this purpose. The constant need for change to the majority of railway systems is also evident throughout Europe. Innovative organisational and financing models such as locomotive pools can serve to present rail transport in a more attractive light to freight customers and travellers. Under instruction from the German transportation forum (Deutsches Verkehrsforum), DVB Group carried out a joint review on this subject with two consultancies: HaCon and VR Leasing.

Expansion in road traffic

Commercial road traffic posted the usual growth rates in 2000 and all forecasts indicate repeat performances. The exchange of goods on the roads will be further accelerated by the increasing division of labour. The Eastern expansion of the EU represents another contributory factor to the growth of the European market. The development of road haulage was, once again, significantly boosted by logistics services. The importance of road traffic in global terms is reflected in an annual investment in new vehicles of close on € 120 billion. Governments are increasingly looking for solutions involving private capital for road transport infrastructure projects. Recommendations in this respect are indicated in the final report of the commission for the funding of road infrastructure (Pällmann commission). The course of fuel prices remains an inevitable risk factor for commercial haulage companies. While rising crude oil prices fed through to the entire supplier’s market, German companies were subject to an additional burden as a result of the introduction of the ecology tax.

Overall, the significance of traffic as the basis for mobility was clearly evident in 2000. Transport markets will continue on their growth path. The increased demand for structured financing solutions and accompanying advisory services from banks such as DVB Group augurs well for the future.

Review of the 2000 business year

DVB Group implemented two strategic decisions in the 2000 business year. We successfully completed the acquisition of Nedship Bank N.V. and also introduced a new group structure to realign our business activities.

The integration of Nedship Bank

We signed the agreement for the full acquisition of Nedship Bank N.V., Rotterdam from Dutch Rabobank on 20 December 1999. At an Extraordinary General Meeting held on 8 March 2000, shareholders were informed in detail of our acquisition and the approval of various capital adjustments was requested. These capital adjustments have been implemented as planned and approved.

The transition of ownership of Nedship Bank N.V. was completed on 31 May. In the purchase agreement we originally stipulated 3 April 2000 as the transition date. Certain outstanding approvals were responsible for the delay. In addition to the approval of the Dutch central bank, we also required approvals from the national banking supervisory authorities in the seven other countries where Nedship Bank maintains branches.

Directly upon completion of the agreement, a project team consisting of DVB Nedship-Bank and DVB VerkehrsBank staff was created to carry out the integration process. The team's responsibilities encompassed the processing of all organisational and operating issues that fell within the scope of acquisition and integration.

The most important issues were settled by twelve separate work groups where both parties were represented. Such issues included, for example, the alignment of reporting systems. DVB NedshipBank will continue to report to the Dutch Banking Supervisory Authority. However, Nedship's figures will now be integrated in our external reporting in accordance with the requirements of the German Federal Banking Supervisory Authority. The alignment of information systems is well underway. During the course of the year, DVB NedshipBank's IT infrastructure will be converted to our new SAP platform to provide a uniform Group IT structure. VerkehrsBank and NedshipBank staff now share offices in London and Singapore. DVB NedshipBank's lending approval methods have been adjusted to meet DVB Group requirements. Risk management has also been totally

The acquisition timetable

18 November 1999
Following extensive due diligence by international lawyers, external auditors and management consultants, Deutsche VerkehrsBank AG submits an offer subject to approval by the relevant corporate bodies.

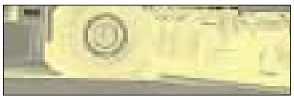
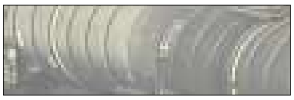
24 November 1999
The acquisition of Nedship Bank N.V. is approved by the Supervisory Board of Deutsche VerkehrsBank AG.

20 December 1999
An agreement is signed by the Boards of Managing Directors of Deutsche VerkehrsBank AG and Rabobank, the previous sole proprietor of Nedship Bank N.V.

8 March 2000
Various capital adjustments which were also required for the acquisition are approved at the Extraordinary General Meeting.

Spring 2000
All necessary international regulatory approvals obtained.

31 May 2000
Acquisition of Nedship Bank N.V. by Deutsche VerkehrsBank AG completed.

integrated. The benefits resulting from the work groups' activities should not be underestimated: staff have become better acquainted on a global basis, thus paving the way for the development of a joint corporate culture.

Upon completion of the initial integration phase, we initiated a special project focusing on the integration of the funding and Treasury functions, the harmonisation of lending and risk management directives to match DVB Group standards and adjustments to central functions to meet the requirements of DVB NedshipBank. We are also intent on improving our joint international service divisions. Support for market-oriented divisions will be optimised by EDP systems and processes and the introduction and maintenance of a suitable management control system. A project group has been established for this purpose.

The utilisation of considerable resources drawn from both parties to effect the integration process described above will continue in the near future. This was and is integral to the development of the Group into a powerful totally integrated unit. The introduction of the Group's new structure in 2000 represented a further milestone.

Realignment of the Transport Finance division

DVB Group's strategic objective is to become a leading global specialist bank in the transport sector. To achieve our goal, we have introduced a three-pillar organisation whereby the Transport Finance division comprises Shipping, Aviation and Land Transport. Whereas the objectives and organisational structures of Shipping and Aviation had already been formulated and revised, not least in the context of the acquisition of Nedship Bank, this was not the case in respect of Land Transport.

Prior to restructuring the Land Transport division, we thoroughly analysed the European transport market and carried out a critical assessment of our current portfolio. The result identified more than 800 potential target clients in the Road & Logistics and Rail segments with combined annual financing potential of close on € 5 billion. Such potential represents an important consideration in the development of DVB Group.

The market survey's findings clearly showed that the domestic branch network no longer met prospective clients' requirements. Internationalisation and the bundling of know-how are central to the bank's success as a global player. To reflect this at organisational level, we closed down the domestic branch network as of 31 December 2000 and re-directed our know-how in Frankfurt/Main into Road & Logistics, Rail, Infrastructure and a credit and loans unit. As a result of our specialisation in transport finance, non-transport business will be discontinued. At the same time, we will withdraw from transport business which does not meet our revenue expectations. The process of discontinuation is scheduled to take place over the next two years and will be implemented by two newly created settlement units.

Concentrating on the transport business has heightened our focus on a clearly defined prospective client base which encompasses some 500 separate organisations. These include shipping and large haulage companies, private and public railway companies, local transport companies and airlines.

Whether in Shipping, Aviation or Land Transport – all of our target clients require advice in respect of financing and the structuring of complex investment projects. Above all, our aim is to improve our risk-reward relationship. The visible success already achieved through concentrating on our core expertise is detailed below.

Following the realignment, Land Transport now represents an important pillar of our Transport Finance division with significant potential for expansion. Our specialist team represents a resource that will enable us to achieve an increasingly important international role in the financing of land transport projects.

Transport Finance – Shipping

DVB NedshipBank draws on more than 100 years experience with roots that go back to the beginnings of shipping finance in the Netherlands. Following DVB Group's acquisition of Nedship Bank N.V. in 1999, the bank was renamed DVB NedshipBank. The latter assumed responsibility for the DVB Group's entire shipping portfolio and now manages all loans related to this business. DVB Nedship-Bank has established an impressive platform from which to expand its portfolio and achieve its objective of becoming one of the five leading international maritime shipping lenders.

Shipping finance portfolio 2000

Lending volume:
€ 3,808 mn

Loans drawn including guarantee credits:
€ 3,202 mn

Average lending exposure:
€ 17,8 mn

Number of new transactions:
54

Number of clients:
214

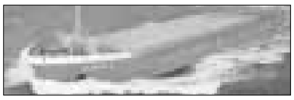
Agent in terms of the overall portfolio:
17 %

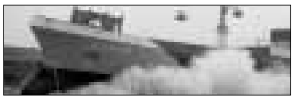
Agent in terms of new transactions in 2000:
19 %

International presence ensures excellent market position

DVB NedshipBank's network of eight international branch offices in all major shipping centres ensures a significant competitive advantage, particularly in terms of marketing. In addition to client service and various staff functions, the risk management, insurance, administration and IT departments are located at our subsidiary's head office in Rotterdam.

The recent expansion of the bank's activities in London heralds an important presence in the world's premier location for shipping finance. The New York representative office plays a key role in the negotiation of shipping loans in the US on behalf of DVB Nedship-Bank, Curaçao. The New York team is currently being expanded in view of the increase in capital market business as well as in traditional shipping lending. DVB NedshipBank's oldest overseas branch is located in Greece and services the specific requirements of the important Greek shipping market. Given the ongoing economic recovery in Northern Asia, 2000 proved an eventful year for DVB NedshipBank Hong Kong and Singapore. These branches also benefited from the expansion of the traditional shipping finance business to include corporate finance. The high concentration of ship owners in Scandinavia finds reflection in an important branch office in Bergen, Norway. Within the framework of the integration process, DVB Group's former Hamburg branch was integrated into DVB NedshipBank's global network as a representative office. Key objectives in Hamburg include an expansion of shipping activities and a raising of the public profile.





DVB NedshipBank's successful business operations

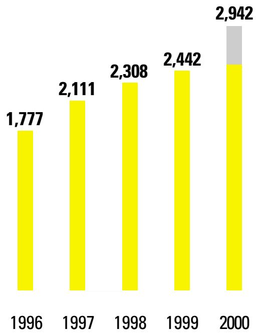
DVB NedshipBank's focus is on traditional shipping finance through the provision of collateralised loans, guarantees and credit lines. The bank's clients are professionally managed shipping companies capable of weathering adverse market cycles.

Personal contacts have always played a crucial role in banking and, in all probability, always will. Only by constantly focusing on our clients can we continue to develop relationships which will form the basis for successful financing operations. DVB NedshipBank's close contacts with ship owners, shipping companies, investors, legal advisors and other professionals enable us to accumulate immense know-how and participate in numerous transactions. The international branch network is reflected in clients' perception of the bank and serves to realise major synergies.

In the year 2000, realised new lending amounted to € 1.6 billion of which € 577 million was syndicated. The fact that we acted as agent for more that 34 % of syndicated loans illustrates our increasing willingness to adopt a lead role. The entire shipping portfolio totalled € 3.8 billion at the end of 2000, of which 38 % was attributable to bilateral loans. Taking into account the inclusion of cruise ships and the off-shore segment, the bank's shipping finance portfolio reflects a greater degree of diversification than ever before. DVB NedshipBank is involved in the following shipping segments:

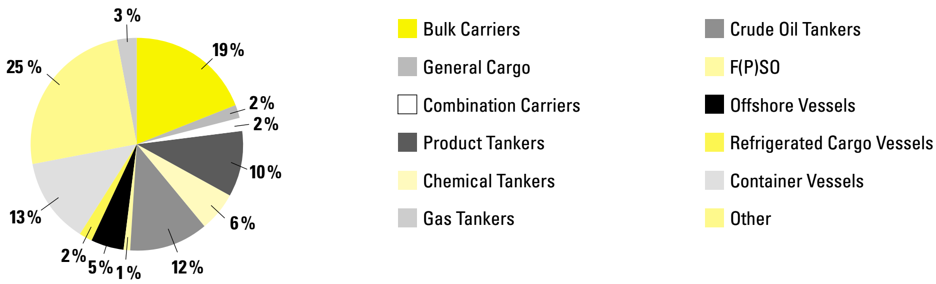
Development of the Transport Finance - Shipping loan portfolio*

(€ mn)



** Loans drawn excluding guarantees and irrevocable loan commitments*

Portfolio analysis by type of vessel



With new financing totalling € 413.4 million, December 2000 proved particularly successful. Positive market conditions, new management and the support of the DVB Group all contributed to the successful performance in 2000. Another positive development in the wake of our acquisition was the appointment of Dagfinn Lunde as Chairman and CEO of DVB NedshipBank. Mr. Lunde's priority is to establish DVB NedshipBank as one of the top five shipping lenders. Successful marketing has already found reflection in increased business levels across all of DVB NedshipBank's locations.

Sample of deals concluded in 2000:

- CV Timberfleet – Financing of four high cubic general cargo vessels. Debt HFL 25.9 million, Equity HFL 15.4 million. DVB Group was the arranger of the debt facility and underwriter and seller of the equity.
- Cenargo Group – First priority Guarantee facility in relation to financing of an Operating lease of mv "Midnight Merchant". GBP 28.8 million. DVB Group was Guarantee Facility Arranger.
- Overseas Shipholding Group Inc. – Senior revolving credit facility. USD 350 million. DVB Group was arranger.
- Cosco – Credit Facility. USD 324 million. DVB Group was coordinating arranger, agent and security trustee for the syndicate group of 17 banks.
- Chiles Offshore – Loan Facility. USD 120 million. DVB Group was arranger.
- Actinor Shipping ASA – Loan Facility. USD 44 million. Arranged by DVB Group.

Last year, DVB NedshipBank was nominated "Most Innovative Ship Finance Institution Worldwide" by subscribers to the distinguished industry magazine "Lloyds Shipping Economist". The bank was also awarded "Best Shipping Deal in 2000" by "Marine Money".

Strategic factors central to DVB NedshipBank's success

- *Shipping expertise*
- *Regional network ensures strong global presence*
- *Synergy benefits between shipping, other transport divisions and Corporate Finance*

The recovery which first became evident in 1999 was followed by a sustained rise in lending margins during 2000. We hope for and expect further improvement in the course of this year, not least as a result of two factors. Several banks whose core business does not entail shipping finance have withdrawn from the sector. In the event, the remaining banks can be expected to set higher return on equity standards which should result in a further improvement in lending margins.

Dagfinn Lunde

Further progress of DVB NedshipBank

The realignment of DVB NedshipBank as both a lender and provider of shipping-specific financial services is not yet complete. The incorporation of Corporate Finance activities (structured asset finance, structured derivatives and capital market products, distribution and sourcing, advisory and secondary debt trading) into DVB NedshipBank's traditional lending business is in the process of being implemented. The addition of recognised specialists to strengthen the team will position our subsidiary in accordance with management objectives.

The Advisory Board, introduced in 1999, provides a forum to discuss strategic shipping issues. The Advisory Board is made up of influential members of the shipping industry:

Captain Vassilis C. Constantakopoulos, President and proprietor of Costamare Shipping Company SA

Sean Day, President of Seagin International, LLC

Carel J. van den Driest, Managing Director of Carelshaven B.V.

Peter G. Livanos, President and proprietor of Ceres Hellenic Shipping Enterprises Ltd

Bernt D. Odfjell, Chairman of Odfjell ASA

C. C. Tung, Chairman of Orient Overseas International Ltd

Andreas O. Ugland, Ugland Capital Partners

Transport Finance – Aviation

During 2000, DVB Group established its position as one of the leading aviation finance houses, while also significantly expanding its international client base. By way of example, our client base was enhanced by the addition of Atlas Air Inc. in the US, Air Europa and LOT Polish Airlines in Europe and China Eastern Airlines in Asia. Overall, we entered into 31 new transactions, largely with airlines and leasing companies, which involved a lending volume of € 759 million. We acted as agent, arranger or lead manager in respect of two-thirds of this newly acquired business.

Aviation finance portfolio 2000

Lending volume:
€ 1,900 mn

Loans drawn including guarantee credits:
€ 1,592 mn

Average lending exposure:
€ 25 mn

Number of new transactions:
31

Number of clients:
76

Agent in terms of the overall portfolio:
35 %

Agent in terms of new transactions in 2000:
26 %

DVB Group is represented in the three major aviation finance locations

Building on our successful aviation finance teams in London and New York, a specialist unit commenced operations in Singapore last year. We have thus established a global presence across all time zones in the Aviation segment. In addition, the Tokyo branch of our subsidiary DVB International Transport Finance Ltd., which enjoyed positive development during 2000, serves to ensure our access to Japan's all important traffic market. In addition to airlines and leasing companies, the Tokyo branch has supported Japanese target clients in shipping and land transport. This subsidiary is also focused on the expansion of our capital market and secondary market activities in Asia.

A demanding 2000 also involved extremely hard work for our New York team. Having received all necessary approvals from the US banking supervisory authorities, the DVB VerkehrsBank representative office was officially opened on 1 January 2000. Our successes in the North American market paved the way for an expansion of our client list to include household names such as Comair Delta Connection and Midway Airlines Corp. We strengthened our existing business relationships with clients such as Alaska Airlines Inc., The Boeing Company, Delta Air Lines and FedEx Corporation and extended our contacts to several important regional aeroplane manufactures.

Transport Finance – Land Transport

The new Land Transport division covers the traffic segments of Road & Logistics, Rail and Infrastructure. This includes rail transport, road-based passenger and goods haulage, public transport, logistics and infrastructure projects. Our focus is on investment financing, cash flow oriented asset financing, payment systems for public transport and logistics and related advisory services.

Road & Logistics: a focus on global and European players

We primarily offer our clients in this segment investment finance for mobile and immobile commercial goods. We also develop special financing models for haulage fleet management and for public long-distance and local transport.

The business lines of system solutions for cashless public transport payment and the financing and collection of freight transport receivables have been integrated into the new Land Transport division. Hence, electronic ticketing products are now included in the service range available to clients. The modification of freight receivables management, a previous core freight netting product, will present an interesting opportunity to road haulage forwarders in the Road segment. We expect this to contribute to the expansion of our commission-based business.

We will also expand the syndicated lending business in this area in cooperation with other banks as well as leasing and rental companies. In addition to focusing on market leaders in international transport and logistics, we also support the development of certain medium-sized transport companies in their quest to become international providers of logistics services.

A clear growth trend in the Rail business

The amalgamation into the Transport Finance – Rail segment of the bank's domestic and international rolling stock financing operations should serve to maximise synergies and increase efficiency.

This strategy proved highly successful during the course of the year as the bank attained a leading position in numerous transactions. For instance, we were joint arranger for the financing of freight carriages for AAE Ahaus Alstätter Eisenbahn Cargo AG, Europe's largest lessor of standard freight carriages. We also jointly organised the financing of Siemens' electric trains for Angel Trains Limited, the largest UK operate-lease company for rolling stock, and the financing, for Amtrak, of passenger carriages for high-speed trains in California and high-performance passenger train engines.

Road & Logistics finance portfolio 2000

Lending volume:
€ 646 mn

Loans drawn including guarantee credits:
€ 646 mn

Average lending exposure:
€ 3.3 mn

Number of new transactions:
60

Number of clients:
196

Agent in terms of the overall portfolio:
0 %

Agent in terms of new transactions in 2000:
0 %

Rail finance portfolio 2000

Lending volume:
€ 570 mn

Loans drawn including guarantee credits:
€ 530 mn

Average lending exposure:
€ 9.8 mn

Number of new transactions:
10

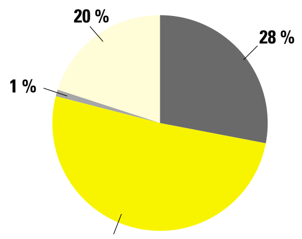
Number of clients:
58

Agent in terms of the overall portfolio:*
10 %

Agent in terms of new transactions in 2000:*
10 %

** in relation to the international rail finance business*

Geographical distribution
of the Rail finance portfolio



Other transactions in the Anglo-Saxon region included the financing of freight carriages for US rental companies and electric trains for the Greater London area. Leveraged leasing structures were predominant in the US. In the domestic financing business, a series of loans established our leading position in railway finance. This included the financing of freight cars for carriage rental companies and the financing of articulated carriages for local operators of public rail passenger services.

The development of rail transport in central Europe has major long-term implications. We anticipate increased participation from overseas companies, particularly those from English-speaking regions, in the segments of short-distance passenger transport and the leasing of freight cars and freight train locomotives. Operate - lease structures are set to become increasingly important. We intend to benefit from the positive growth trend in the national and international investment financing business for railway stock and to play a major role in granting loan facilities. Our mid-term goal is to achieve clear positioning as a reliable global banking partner for structuring and arranging rolling stock loan facilities.

Infrastructure finance portfolio 2000

Lending volume:
€ 68 mn

Loans drawn including guarantee credits:
€ 41 mn

Average lending exposure:
13.6 mn

Number of new transactions:
3

Number of clients:
5

Agent in terms of the overall portfolio:
0 %

Agent in terms of new transactions in 2000:
0 %

Infrastructure: reliable partner for global projects

Transport Finance – Infrastructure successfully expanded its financing and advisory activities. In addition to the successful processing and completion of an advisory mandate for the Federal German Ministry of Transport, Building and Housing, DVB VerkehrsBank was assigned the arrangement and underwriting mandate to structure an external loan for the purpose of financing an acquisition. We also structured the acquisition of a chemical loading and storage terminal. The latter mandate serves to illustrate the bank's mounting involvement in financing and structuring projects related to mergers and acquisitions in addition to "pure" infrastructure project financing.

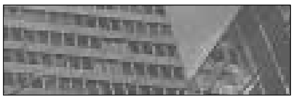
Our relationship with the International Finance Corporation (IFC), a subsidiary of the World Bank, dates back to 1999. Ongoing cooperation saw Transport Finance – Infrastructure participate in the financing of two projects arranged by the IFC in Central and South America. Transactions such as these have served to enhance our reputation as a premier source of finance in respect of global infrastructure projects.

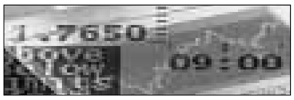
Overall, the volume of committed loans rose by € 28.7 million, or 73 %, to € 68 million.

Corporate Finance: successful start for financing and strategic advisory services

During 2000, the DVB Group established an independent London-based Corporate Finance division designed to incorporate our structured financing solutions and advisory services and expand the bank's service range. We thus integrated the existing advisory businesses which previously operated under the names of Corporate Advisory at DVB VerkehrsBank and Structured Finance at DVB NedshipBank. The Corporate Finance division's primary responsibilities fall into four distinct categories. Distribution and Sourcing focuses on the syndication of loans acquired by the bank to other banks and investors. This enables DVB Group to serve the same group of borrowers with more sizeable or a greater number of loans without exposing itself to an excessive clustering of credit risk. Structured Asset Finance develops, markets and arranges transactions which provide clients with tax efficient benefits or off-balance sheet financing solutions. Structured Derivatives and Capital Market Products offer tailor-made solutions for optimum risk management. This involves the management of market risks, credit derivatives and structured capital market products. Current projects in this segment include the securitisation of aspects of the bank's own loan portfolio. Corporate Advisory encompasses strategic advice and services related to mergers and acquisitions. We want to support our clients' business expansion by acting as an intermediate with new investors. In conjunction with this, we have already been assigned an extensive mandate by a long-term DVB Group client. We are currently establishing a fifth area of Corporate Finance to include secondary debt trading and a specialised sector fund. Secondary debt trading involves the purchase and sale of existing bank loans on the interbank market in order to identify and exploit arbitrage opportunities that arise between primary and secondary markets.

The new Corporate Finance team comprises product specialists who are supported by DVB NedshipBank and DVB VerkehrsBank analysts and researchers. We have recently employed additional experts to help manage this division's rapid growth. Our employees combine in-depth corporate finance know-how with specific transport sector knowledge.

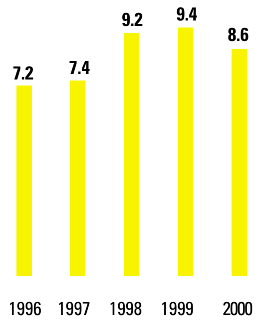




Central Bank/Trading

Various activities are integrated in this division. We act as a central institution for the "Sparda" banks (local credit cooperatives), the emphasis being on the provision and balancing of liquidity, securities business, balance-sheet structure management and payment services. Our trading functions cover securities, money market instruments, currencies and derivatives. In addition, DVB VerkehrsBank is the partner of the entire cooperative banking sector in respect of trading and the supply of foreign notes and coins, travellers cheques and precious metals.

Securities business conducted with "Sparda" banks
Holding in € billion



With the focus on private customer business, "Sparda" banks recorded further market success in 2000 and attracted 143,000 new cooperative members. As central institution to this group of banks, whose total assets rose by 9.8 % to € 36.8 billion, we administrated securities accounts on their behalf amounting to € 8.6 billion. Client securities holdings rose by 12.9 % to € 2.2 billion.

Breakthrough in multi-media distribution channels

In 2000, distribution channels supported by technology became an important alternative in the client securities business and provided an equal contribution to turnover in the advisory business. "Sparda" banks were provided with analytical concepts and research data to improve the management of their business and explore potential in a targeted manner. This also provided an important basis for the advisory-based securities business and our respected basic and extended information offers. Extending capacity and follow-up marketing concepts allowed us to successfully manage the immense customer demand for last year's major issues.

Management challenges posed by flat yield curve structure

During 2000, management of own-account investments and of the bank's overall position faced notable challenges presented by the yield curve. In our advisory capacity and provider of support on such issues, we developed a newly designed integrated treasury advisory concept ("IBE") for "Sparda" banks. The main focus is on optimising the performance of investment decisions and providing asset/liability management support. In view of market conditions, our offer of technical market analysis also met with a positive response. In addition to further developing the concept to implement the Minimum Requirements for the Conduct of Trading Activities of Credit Institutions – regulatory guidelines issued by the German Federal Banking Supervisory Authority – our Sparda Consult unit expedited the issue of index certificates and the creation of asset-backed securities structures. Holdings in our own-account business amounted to € 6.4 billion. Within the framework of our function to provide and balance liquidity, € 2.2 billion in deposits by "Sparda" banks were recorded at the year-end.

During the run-up to the introduction of euro notes and coins, we will hold discussions with "Sparda" banks regarding the implementation of European standards for payment services. The importance of a balanced, tailor-made mix of distribution channels, quality of workflows and competence in terms of advice and information regarding the securities business conducted by “Sparda” banks on behalf of their customers will increase. We want to work with them in overcoming these and other challenges central to bank management through focusing on quality. As a central institution, our role is that of a solution oriented partner and service provider.

Positive trading results in certain areas but overall decrease compared to 1999

Overall, the trading profits of DVB VerkehrsBank failed to match the previous year’s levels. Contributions from the different trading departments varied.

As the interface to our domestic and international trading partners, money market and foreign exchange trading faced new challenges, partially due to the expanded international activities of the DVB Group. Of particular importance in this context was the refinancing of the bank in connection with our Commercial Paper Programme in both euros and US dollars. Trading profits derived from foreign exchange trading increased.

Traditionally, we tend to run our money market trading activities as a liquidity management function. These activities bear a significant share of the structural changes to our liability side. The provision and balancing of liquidity for “Sparda” banks, whose temporary excess liquidity we absorb, continues to be one of our principal tasks. Furthermore, we provide our cooperation partners with refinancing across the entire maturity range.

In own-account securities trading we focus on traditional products; risk positions are assumed only to a limited extent, observing strictly defined profitability ranges. We perceive own-account trading as a support function to the securities business with “Sparda” banks and investment fund companies. Although our business with fund managers increased sharply, this growth proved insufficient to offset lower turnover in other segments.

We regard our derivative trading activities as a customer support service. Driven by the growth in interest rate swaps entered into with transport sector clients and “Sparda” banks, the number of transactions concluded during the year under review showed a noticeable increase.

Growth strategy pursued in foreign notes and coins/precious metals trading

Our trading activities in foreign notes and coins repeated the previous year's positive performance, with tight margins in the euro's legacy currencies compensated for by increased trading volumes. The share of foreign business compared with domestic activities continued to grow. For example, turnover in US dollars, Swedish kronas and Swiss francs grew by 20 %, 8 % and 5 % respectively. Higher trading volume was also recorded in business with Egypt, South Africa, Poland, Croatia and Turkey. Overall turnover in respect of foreign notes and coins trading rose by just under 5 %.

An Internet interface was established last year to execute client trades more easily and more quickly. The objective is to optimise client loyalty and achieve cost savings simultaneously. Foreign notes and coins trading pursued the strategic objective of increasing market share through new client acquisitions. In view of the impending introduction of euro notes and coins, deployment of online applications is of significant importance. The accompanying repatriation of the euro's legacy currencies should result in an increase in volume, particularly in respect of purchases.

Despite a decline of around 30 % in turnover in precious metals trading, profits were in line with the previous year's results. Client demand was characterised by the change in investment behaviour, where traditional investment vehicles were replaced largely by equity investments. Correspondingly, purchasing of coins and gold bars by the bank increased, creating liquidity for private investors which was largely invested in equities or funds.

The numismatics department was merged with precious metals trading during the year under review. Despite difficult conditions, results matched those of the previous year. Cost savings achieved through cooperation with one of Germany's largest coin traders had a positive effect.

The advantage of merging wholesale trading in foreign notes and coins carried out by DVB VerkehrsBank with the retail trading operation conducted through our subsidiary ReiseBank, is currently under review by a project team. Optimisation of the product range and client segmentation is envisaged.

ReiseBank AG/CashExpress GmbH

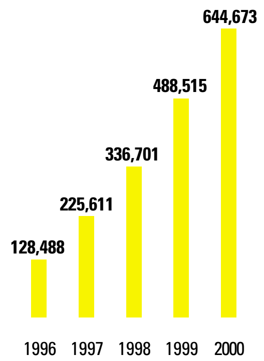
During 2000 our third division, ReiseBank AG/CashExpress GmbH, surpassed the excellent results achieved in the previous year. ReiseBank's bureau de change business, ATMs and money transfers operated in cooperation with Western Union proved highly successful. In line with the existing profit transfer agreement, profits of € 13.4 million (+ 8.9 %) in respect of the 2000 results were transferred to DVB VerkehrsBank. ReiseBank's total assets grew by 16.8 % to € 56.6 million.

ReiseBank's core business divisions remain positive

Strong growth was recorded in the core business of foreign notes and coins and travellers cheques. A 6.3 % rise in the number of transactions resulted in a 10.9 % increase in income over the previous year to € 27.4 million. The 134 ATMs in operation at the end of 2000 represented an important source of income. These ATMs generated more than 5.3 million transactions and a turnover in excess of € 650 million. Commission income grew by 15.5 % to € 10.5 million. In addition to the ATMs, 50 loading terminals for micro-payment cash cards ("GeldKarte") were in operation.

An improved service for Western Union customers, direct contact with clients, special marketing activities and an increased public profile resulted in a pronounced expansion of global cash transfer volumes during the year under review. This development was supported by the successful cooperation with banks, where business was transacted at a specifically designated branch office. The number of transactions increased by 31.9 % to more than 640,000, while turnover grew by 29.6 % to € 307 million.

Business with Western Union
Number of transactions
ReiseBank/CashExpress



Product range expanded

During 2000 we entered into a cooperation agreement with FTI, the tour operator. The opening of the first travel shops with integrated bank desks took place during the summer. These shops offer late availability trips and stand-by tickets ("5vorFlug") as well as regular airline tickets. We will continue to expand our activities in the tourism industry and will incorporate e-commerce applications.

We have been selling our own co-branded prepaid telephone call cards for domestic and overseas phone calls from Germany and for use on foreign travel since March 2000. This conversion resulted in a significant increase in sales and income. Our "Deutscher Bargeldtransfer" product has also been redesigned and is now known as "German Money Transfer".

Extended business activities lead to an increase in costs

Income-dependant leases and increased investments contributed to the 18.3 % increase to € 19.5 million in administrative expenses including depreciation and write-downs on intangible assets and property. Personnel expenses and other operating expenses amounted to € 16.4 million and € 0.8 million respectively.

At year-end, staff numbers at ReiseBank totalled 328 (1999: 316). Employees are situated at the Frankfurt/Main head office, in 56 branch offices throughout Germany, in three further mobile branches at Munich and Nuremberg airports and Frankfurt/Main's principal train station and in two international branches in Basle. International expansion will benefit from a cooperation agreement with Mittelthurgau-Bahn, a regional train operator in Switzerland. Agencies were opened in nine Mittelthurgau-Bahn train stations.

Marketing activities increase brand awareness

Regular image campaigns served to increase brand awareness. Campaign advertisements were placed in regional daily newspapers which effectively cover all of Germany. Outdoor advertising focused on three dimensions. The entire product range was advertised on large billboards. The travel money product was highlighted on all-year billboards while big banners portrayed ReiseBank as a strength to be reckoned with in the bureau de change market.

The significant success of these promotions is evidenced by the increased level of brand awareness. While unaided brand awareness rose three-fold from 1.1 % to 3.5 %, aided brand awareness rose from 8.7 % to 15.8 %. In urban areas with more than 100,000 inhabitants, brand awareness more than doubled from 9.4 % to 19.5 %.

Rise in net commission income at CashExpress GmbH

Five years after its formation, CashExpress Gesellschaft für Finanz- und Reisedienstleistungen mbH achieved a 23 % increase in net commission income, compared with 1999's figure, to € 1.9 million. The share of transactions in foreign notes and coins amounted to approximately 60 %; the other commissions were predominantly generated through the sale of "vignettes" (prepaid motorway fee coupons, e.g. for travel in Austria or Switzerland). During the business year, personnel and administrative expenses including depreciation rose by 10.1 % to € 1.9 million.

Staff numbers in the seven branches and at the Frankfurt/Main head office totalled 33 (1999: 35). In addition to its own customer business, the company provides marketing and acquisition related services to ReiseBank.

In 1999, CashExpress founded a subsidiary, CashExpress CZ s.r.o., for the purpose of expanding activities in the Czech Republic. The first branch at Wenceslas Square in Prague was opened in 2000. CashExpress CZ s.r.o.'s initial costs of € 256,000, which were carried by CashExpress, resulted in a loss of € 49,000 which was transferred to DVB VerkehrsBank under the existing controlling and profit-transfer agreement.

Treasury

The significance of capital and liquidity management for the bank continued to increase during the year under review. Treasury activities in 2000 focused on financing the acquisition of Nedship Bank and on the provision of resources for its integration.

Capital base of DVB VerkehrsBank strengthened

Various measures strengthened the bank's capital and reserves by more than € 400 million, an increase of 119.2 %. The issuance of 754,000 new unit shares with a total nominal value of € 19.3 million, plus the reserve appropriation from the premium, increased the core capital by approximately € 66 million. The issuance of silent partnership certificates of € 77.5 million introduced a fixed-income component to capital and reserves for the first time. The authorisation to issue profit-participation certificates of up to € 100 million was also partially utilised in the first quarter of 2000: € 75 million was placed largely with institutional investors. These three capital adjustments allowed for a further € 77.5 million of subordinated equity to be raised over subsequent months. Market conditions during the first quarter of 2000 permitted the execution of capital increases at favourable conditions; only in exceptional cases were we affected by the subsequent widening of risk premiums on the capital markets. This allowed us to lock in acquisition and refinancing costs of DVB NedshipBank at appropriate levels.

Capital adjustments

Issued share capital:
€ 19.3 mn

Reserves:
€ 55.4 mn

Silent partnership certificates:
€ 77.5 mn

Profit-participation certificates:
€ 75 mn

Subordinated equity:
€ 77.5 mn

Reserves (German Banking Act):
€ 103 mn

Increasing importance of international capital markets

In parallel to raising equity capital, debt issuance and commercial paper programmes strengthened the bank's refinancing base. Together with the issuance of promissory notes and other issues, we placed in excess of € 2 billion on the capital markets in 2000.

Thanks to the diversity of instruments used by the bank, new investors were attracted and market opportunities exploited. Targeting international institutional investors was of particular importance. However, we will continue to maintain traditional products such as promissory notes and standard deposits. Significant support in this respect is lent by Standard & Poor's and Moody's ratings and the expansion of our investor relations activities. We presented our Group to potential investors for the first time within the framework of a roadshow in Tokyo.

On a medium to long-term basis, a balanced mix of longer-dated issues will safeguard the bank's liquidity position. Entering into refinancing facilities, or so-called back-up facilities with other banks, achieved further security.

Breakdown of issues by product group

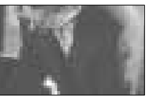
Promissory notes:
€ 934 mn

Issues under debt issuance programme:
€ 587 mn

Commercial paper programme:*
€ 218 mn

Other certificated issues:
€ 300 mn

** Average amounts outstanding*



Employees

The realignment of our Land Transport business lines and the acquisition of Nedship Bank affected the majority of our employees during the 2000 business year. The implementation of the new organisational structure presented a challenge which was met with immense commitment by all those involved. The specific identification of responsibilities within the business segments, which in certain cases changed significantly, is based on a client led approach thus establishing the basis for future success.

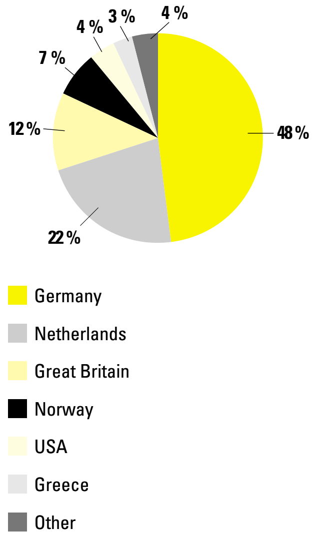
Accelerated globalisation of DVB Group

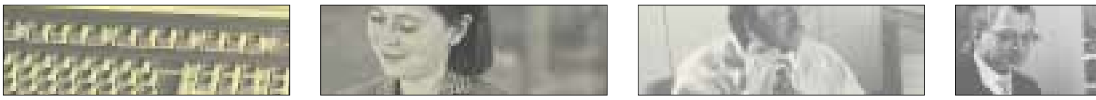
The acquisition of Nedship Bank, with an additional 71 colleagues, was the principal reason for an increase in Group staff levels from 804 in 1999 to 872 at the end of 2000. The spread of nationalities in Transport Finance – where more than half of the 205 staff have an international background – is evidence of the accelerated globalisation of DVB Group.

The closure of the domestic branch network affected 113 members of staff. Agreements in respect of 72 transfers and 28 contract terminations or early retirement schemes ensured that amicable solutions were found for those concerned. This was achieved through the trust and cooperation of the representative committee of executive staff, the Group Works Council and members of employees' councils, all of whom helped to ensure a fair balance of interests.

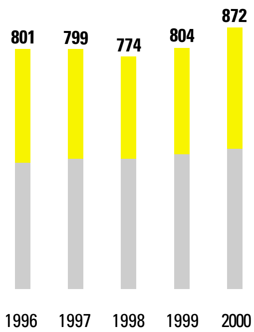
For the first time, staff were assigned to overseas branches for a limited period to meet colleagues at DVB NedshipBank and familiarise themselves with the ongoing internationalisation of the transport business. A continuation of this practice will inevitably benefit DVB Group in terms of integration and the cross fertilisation of know-how.

Analysis of Transport Finance staff by origin

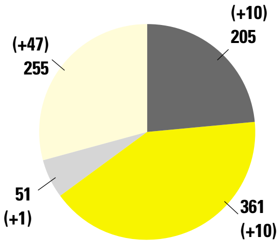




Development of staff levels



Breakdown of staff levels by business line (Charges over previous year in brackets)



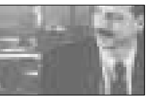
Personnel marketing as a strategic success factor

Additional finance and transport specialists have been attracted to the bank in line with our growth strategy. Personnel marketing is of vital importance in this context. Apart from traditional marketing methods such as print media and human resource consultants, we are also exploiting the trend towards electronic job search and application. The newly designed job centre on our Internet home page and the placement of all job offers in an international Internet job centre allows worldwide access to information regarding our job offers and the facility to apply via e-mail. This has already accelerated the recruitment process and led to an increase in the number of applicants.

In addition to providing support for internships and dissertations and holding a seminar for transport economics students, designed to attract new trainees, we have started to establish contacts with universities abroad which specialise in financial or transport economics. Six trainees who participated in our domestic or first international trainee programmes successfully completed their respective internships.

Value-added remuneration and joint responsibility through employee participation

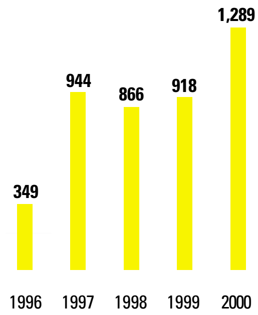
During 2000, we set up the “DVB shares” employee share ownership programme, designed to encourage those employees who displayed exceptional commitment to participate in the bank’s success. The programme is aimed at all DVB Group employees worldwide. In addition to the purchase of Deutsche VerkehrsBank AG shares at a 20 % discount, the scheme also involves free options which, after a period of three years, allow the purchase of shares at a discount to the prevailing market price. This discount will be based on the future return on equity of DVB Group. A total of 126 employees throughout the Group have participated in “DVB shares”. Despite the relative complexity of the programme, 101 subscribers represented an approximate 24 % participation ratio at Deutsche VerkehrsBank AG. The response from London and New York staff was particularly positive with a 46 % participation ratio. In the event some 15 % of staff throughout the Group subscribed to employee shares. Following this response our intention is to launch new share tranches annually. Long-term employee participation will serve to encourage commitment which, in turn, adds value to the Group.



Human resources development and training

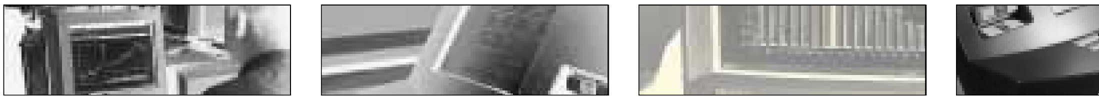
Our strategic approach to leading the market in terms of quality requires expertise and experience. To this end we invested a record seven-figure sum (€ 1.3 million, around 2 % of staff expenses) in training measures. This represents a near 370 % increase since 1996 in our investment in staff development. During the year the Group offered 435 internal and external seminars. Special issues were covered by in-house workshops. We are pleased that many employees participated in post-graduate studies in addition to standard training. Once again we supported customised in-house job rotation designed to encourage the development of employees.

Expenditure on vocational training (in € thousends)



Company pensions

In addition to supplementing national pensions, Deutsche VerkehrsBank's pension fund provides cover against occupational disability. Members pay one-third, the bank two-thirds of contributions. At the end of 2000, 480 former employees received benefits in the form of old-age, disability or surviving dependant's pensions. Furthermore, we ensure that employees working abroad, irrespective of location, are adequately provided for in terms of pension and disability benefits in line with relevant local practice.



Communications

One of the challenges that faced the Communications department related to the presentation of the Group post the Nedship Bank acquisition. International recognition of the Group was of paramount importance. At the same time, Nedship Bank's affiliation within the Group needed to be defined, preferably without the loss of an established brand name. The result was that all Group activities are represented by the international brand name "DVB Group." In transport finance, the brand name DVB NedshipBank represents all our international shipping finance activities, while DVB VerkehrsBank represents aviation and land transport finance.

Expansion of responsibilities for Communications

As with the bank, the Communications department was subject to significant change during 2000. In addition to its existing roles in respect of marketing and internal communication the department became responsible for two new areas: investor relations and industrial research. Investor relations focuses on financial communication with shareholders, rating agencies, investors and the financial press. In future, within the framework of industrial research, the bank will increasingly deal with current transport-related issues which are of interest not only to clients but also to the political and financial community. At the year-end, we published an initial study which analysed annual investment volume in the global transport market. Demand for DVB Group's expertise was evidenced by the positive response to this publication. The bank's expertise on other transport financing topics was voiced in articles and lectures. Marketing activities were supported by a series of client events, among which our 3rd Hamburg transportation forum (VerkehrsInsel) on shipping finance, held on 7 September 2000, was particularly well received.

Young academics supported by DVB Group

Dr. Stephan Meeder and Dr. Carsten Thies were the 2000 winners of the Deutsche VerkehrsBank AG foundation prize, awarded every two years. The award-winning studies by the two young academics focused on public-private partnerships in the transport sector, exemplified by airports or freight centres.

Projects were also embarked upon to improve internal employee communications. Against the background of an increasingly international profile "DVB News", the staff newsletter, is now published in German and English.

Information technology

The fundamental organisational and structural changes to the Group during the 2000 business year triggered adjustment and development measures directly affecting process flows and data processing. New concepts had to be developed and implemented. Areas particularly affected were connections to our system by users travelling in different parts of the world, teleworking links, growing Internet usage and the launch of intranet and extranet applications.

SAP launched on 2 January 2001

The changing structures and increasing internationalisation of the bank also influenced the introduction of the new SAP IT platform. During the first project phase, legacy systems were replaced by SAP modules. Hence, we achieved the objective of implementing a ground breaking, high-performance software platform designed to meet any challenges the bank may face. In particular, SAP modules for mapping lending operations, money market business, foreign exchange trades, derivatives and current accounts were implemented. Furthermore, both the income controlling and personnel management functions have been incorporated in the SAP platform. The main business processes were restructured in line with the optimisation of the EDP platform. Following extensive preparations, DVB VerkehrsBank launched the SAP platform on 2 January 2001 as scheduled. Any necessary adjustments will be carried out during a stabilisation period in the early months of the current year.

Introduction of new systems enhances working processes

Trading workflows were optimised by the introduction of a new trading information system which is based on the Reuters Triarch digital information platform. The platform allows traders to customise their desktops with direct access to trading information, news and all relevant market research data and to use predefined calculation models for a wide range of products. We developed a web-based ordering system for foreign notes and coins for our subsidiary ReiseBank. In its initial version, this first-time launch of an Internet e-business application has provided online access to corporate clients. Finally, we developed a trading application providing a direct Internet link to third-party banks for the purpose of ordering and settlement of foreign notes and coins, as well as precious metals.

Management Report

Management Report
(DVB Group and Deutsche VerkehrsBank AG)

DVB Group raised its profitability in 2000. In view of somewhat difficult market conditions, our strategy of clearly focusing on our core areas of expertise proved successful. As in the previous year, results in the advisory and lending operations showed considerable momentum which allowed us to further expand our transport finance business.

Group realignment

The 2000 business year was characterised by the integration of Nedship Bank N.V. and the introduction of a three-pillar organisation in Transport Finance. DVB Group is now organised in three business lines – Transport Finance, Trading/Central Bank and Reise-Bank/Cash Express. Segmental reporting in the Notes to the Financial Statements provide details regarding respective development.

As a result of the new structure, efficiency and quality have been significantly enhanced throughout the Group. We have thus implemented the prerequisites for corporate management based on customer focus and profitability.

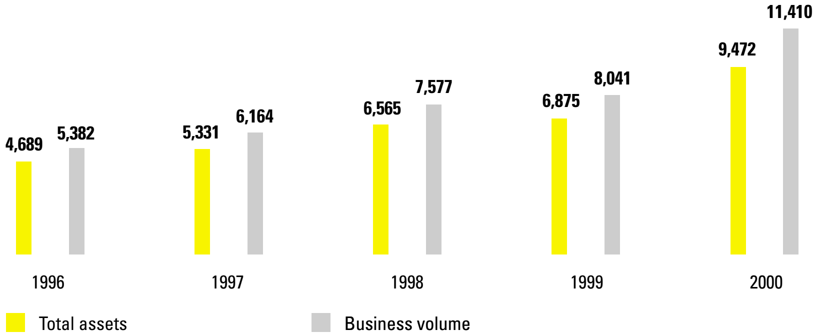
The acquisition of a 100 percent stake in Nedship Bank N.V., the specialist shipping finance house, was completed on 31 May, 2000. This was slightly later than the original deadline, scheduled for early April 2000, due to delays in receiving the necessary approvals. The successful acquisition of Nedship Bank N.V. heralded the significant expansion of DVB Group into shipping finance, where it now plays a leading role world-wide.

Within our strategic Transport Finance business line, we have merged our domestic corporate client business with our structured finance unit and allocated individual transactions to one of the three transport areas: Aviation, Shipping and Land Transport, the latter being organised to encompass the Road & Logistics, Rail and Infrastructure segments. The decision to discontinue corporate banking services for clients outside the transportation sector and for transportation clients where we envisage a low level of income, marked another important development. The process of discontinuation is scheduled to take place over the next two years and will be handled by two new special-purpose liquidation units referred to as "D-Marketing". These measures have resulted in the closure of our German branch network with the exception of the two liquidation units. Our target land transportation activities are now concentrated in Frankfurt/Main.

Business development

DVB Group´s **total assets** posted an increase of 37.8 % to € 9.5 billion. At € 11.4 billion, the **business volume** in 2000 (defined as the aggregate of total assets, guarantee credits, irrevocable loan commitments and derivatives) was 41.9 % higher than the previous year's level of € 8 billion.

Consolidated total assets and business volume (€ mn)

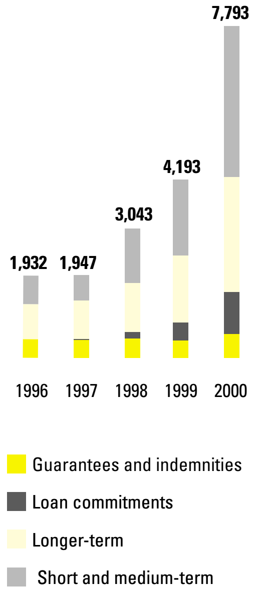


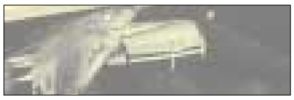
The increase in total assets was largely driven by the first-time consolidation of DVB NedshipBank and by the further expansion of our transport business. At € 6.8 billion, **loans and advances and guarantees to customers** were 78.9 % higher compared with the previous year. **Short and medium-term loans and advances to customers,** which also include receivables arising from freight netting procedures, rose to € 3.5 billion (+ 98.9 %) at year-end. **Longer-term loans and advances to customers** rose by 69.9 % to € 2.7 billion. **Guarantees and indemnities** increased by 38.3 % to € 563 million, while **irrevocable loan commitments** rose 137 % to € 986 million.

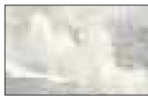
Overall **lending volume,** which increased by 39.9 % to € 10.5 billion, was made up of the following items:

	2000 € mn	1999 € mn	Change € mn	%
Placements with, and loans and advances to, other banks. Including: Balances held with central banks	1,844	2,153	–309	–14.4
Loans and advances to customers	6,244	3,370	+2,874	+85.3
Securities holdings (including participating interests)	900	1,188	–288	–24.2
Guarantees and indemnities	563	407	+156	+38.3
Irrevocable loan commitments	986	416	+570	+137.0
Lending volume	**10,537**	**7,534**	**+3,003**	**+39.9**

Loans and advances to customers including guarantees, indemnities and irrevocable loan commitments (€ mn)







Lending to our transport sector clients alone increased 87.8 % to € 7.7 billion. Transport Finance – Shipping accounted for € 3.8 billion, the majority share of the portfolio. Aviation also recorded a strong increase in volume. This means that Transport Finance, our core expertise, was the sole contributor to the expansion of business volume. From a risk perspective, a broadly diversified portfolio reflecting high security and quality criteria is of primary importance.

Freight netting executed by DVB VerkehrsBank saw freight and similar payments to the sum of € 3.6 billion settled in the 2000 business year. This marginally exceeded the figure of € 3.5 billion for the previous year.

In line with our practice of previous years, we offered our clients **interest rate derivatives** in 2000, and also used these instruments to hedge our own interest rate exposure. At year-end, the nominal volume of such transactions, including foreign exchange forwards, amounted to € 15.5 billion (+ 50.9 %) across the Group. The rise was largely due to an increase in foreign exchange forwards and interest rate swaps. The risk-weighted credit equivalent value at 31 December 2000 was € 390 million (1999: € 265 million).

The liability side of our balance sheet also reflects the strong expansion of international client business. **Liabilities to banks** rose 18.6 % to € 4.7 billion at Group level, and increased 25.7 % to € 4.4 billion for Deutsche VerkehrsBank AG. Certificated liabilities rose 121.1 % to € 1.5 billion. These increasingly comprise issues from our € 3 billion debt issuance programme. At € 2.5 billion, **liabilities to customers** were up 42.6 %, resulting in a total increase of 36.2 % to € 8.7 billion in **Group liabilities to customers and banks including certificated liabilities.** This illustrates our development from net capital provider to net capital borrower on the interbank and capital market.

In the past, we largely refinanced our business through interbank deposits taken, in the main, from "Sparda" cooperative banks. Since our long-term lending, particularly in respect of transport finance, is funded by bond issues, certificated liabilities will represent a significantly larger proportion of refinancing in the future. To further this, we will increasingly target the international capital markets and a broader range of investors through commercial paper and debt issuance programmes, including issues denominated in US dollars. The development of a long-term and constantly available capital base is essential for the long-term lending business.

Development of liable capital and reserves

Various measures were undertaken last year to strengthen the bank's capital and reserves. The issuance of 754,000 new unit shares with a total nominal value of € 19.3 million, plus the reserve appropriation from the premium, increased our core capital by approximately € 66 million. The issuance of silent partnership certificates of € 77.5 million introduced a fixed-income component to capital and reserves for the first time. The authorisation to issue profit-participation certificates with a value of up to € 100 million was also partially utilised in the first quarter of 2000: € 75 million was placed largely with institutional investors. These three capital adjustments allowed for a further € 77.5 million of subordinated capital to be raised in subsequent months.

The following table illustrates the development of liable capital and reserves during recent years:

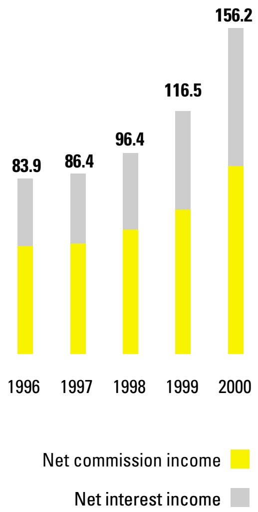
€ mn	2000	1999	1998	1997	1996
Issued share capital	76.7	57.4	51.0	51.0	45.9
Reserves	175.1	119.7	100.2	100.2	104.7
Silent partnership certificates	77.5	–	–	–	–
Reserves eligible for inclusion in accordance with the German Banking Act	99.9	–	–	–	–
Core capital	**429.2**	**177.1**	**151.2**	**151.2**	**150.6**
Subordinated liabilities	139.4	62.1	43.5	–	–
Profit-participation certificates	164.5	89.5	89.5	38.3	38.3
Reserves eligible for inclusion in accordance with the German Banking Act	16.2	13.1	18.7	18.7	21.0
Supplementary capital	**320.1**	**164.7**	**149.3**	**54.8**	**59.3**
Liable capital and reserves (German Banking Act)	**749.3**	**341.8**	**300.5**	**206.0**	**209.9**

€ 8.3 million of the € 19.1 million net income was transferred to retained earnings. At the end of 2000, Group **core capital** (including reserves) totalled € 429.2 million while **supplementary capital** amounted to € 320.1 million. Taking the reserve appropriation from the premium and the other capital adjustments into account, Group **liable capital and reserves** amounted to € 749.3 million in accordance with the German Banking Act (KWG).

We consistently complied with the Liquidity Principle 1 in accordance with sections 10 and 10a of the German Banking Act. To ensure future maintenance of a double-digit ratio, Deutsche VerkehrsBank AG founded DVB Holding GmbH, a wholly-owned subsidiary, at the turn of the year; ReiseBank AG and CashExpress GmbH, formerly directly owned subsidiaries, are now directly owned by the holding company. At the same time, our network was hived off into DVB Processing GmbH, a newly established subsidiary. This has enabled us to recognise the profitability of both business units as assets in our financial statements and to use this real capital to strengthen the bank's capital and reserves. Taking these funds into account, our total capital ratio stands at 10.2 %.

Net interest and net commission income

(€ mn)



Earnings development

We are pleased with the Group´s earnings performance in 2000**. Ordinary income,** comprising net interest and commission income and net profit on financial operations, rose by 28.9 % to € 164.4 million. The significant rise of 39.3 % to € 66.1 million in **net interest income** was largely attributable to volume growth in transport finance. **Net commission income** enjoyed particularly positive development. Following a successful outcome in 1999, we achieved a record result of € 90.1 million (+ € 21 million or 30.4 %) in 2000. Taking into account 1999´s € 13.4 million increase, net commission income has risen by more than 51 % during the past two years. In addition to the successful expansion of transport finance, commission income from ReiseBank and electronic banking contributed to this considerable increase. More than 50 % of the growth in commission income arose solely from the increase in loan commissions. By expanding our advisory capacity we intend to expand this business, which requires little capital cover, thus increasing our return on equity.

Net profit on financial operations at € 8.2 million was 25.5 % lower than the previous year. Our trading activities in foreign notes and coins and precious metals contributed significantly to the result. Foreign exchange and securities trading levels failed to match those achieved in 1999.

At € 131.3 million, **administrative expenses** (including depreciation) across the Group were 29.7 % higher than in 1999. The integration of Nedship Bank was the major contributor to the 22.9 % rise to € 60 million in **staff expenses.** The acquisition of DVB Nedship-Bank was also reflected in the 30.5 % increase in **other administrative expenses** to € 60.8 million. The profitability of this acquisition was reflected in goodwill of € 126.6 million which will be amortised over a period of 20 years. At the same time, investments in data processing, as previously reported, represented a substantial expense. Although the budget for the rollout of SAP software was raised, the performance of our IT platform will be enhanced by the earlier introduction of add-on modules. Furthermore, the software received from SAP proved more advanced than anticipated. Given that the restructuring of basic IT systems represents such a major competitive factor, the additional expenditure is justified by the scale of improvement.

Cost/income ratio

Increased costs were absorbed by higher income. Excluding depreciation of goodwill, our cost/income ratio was unchanged at 77.9 %. Including goodwill the ratio was 80.1 %. We intend to improve this indicator in the years ahead and we envisage a reduction of the cost/income ratio (excluding depreciation of goodwill) to below 70 % by 2002.

Operating profit before risk provisioning rose 11.1 % to € 32.8 million. Taking provisions into account, **pre-tax profit** amounted to € 30.8 million (1999: € 22.8 million), bringing us closer to our two-year objective of a € 50 million pre-tax profit.

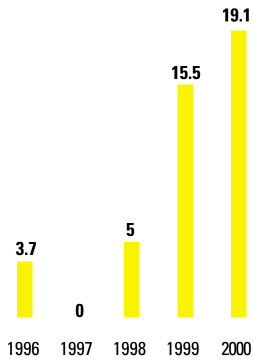
	2000 € mn	1999 € mn	Change € mn	%
Net interest income	66.1	47.4	+18.7	+39.3
Net commission income	90.1	69.1	+21.0	+30.4
Net profit on financial operations	8.2	11.0	–2.8	–25.5
Administrative expenses (include depreciation)	131.3	101.2	+30.1	+29.7
Staff expenses	60.0	48.8	+11.2	+22.9
Other administrative expenses	60.8	46.6	+14.2	+30.5
Depreciation	10.5	5.8	+4.7	+81.0
Net other operating income/expenses	–0.3	+3.3	–	–
Operating profit before risk provisioning	32.8	29.6	+3.2	+11.1
Net loan loss provisions	–1.1	7.0	–	–
Net other income/expenses	–3.1	+0.2	–	–
Pre-tax profit	**30.8**	**22.8**	**+8.0**	**+35.1**

While additional risks had to be covered, almost exclusively in the non-transport business and centred on the former Berlin branch, we could release provisions in the transport business. The global rise in demand for shipping tonnage significantly increased the valuation of some of the vessels we financed. Further general risk provisions could, therefore, be written back.

	2000 € mn	1999 € mn
Additional provisions	26.4	19.6
Amounts released	18.0	12.6
Net loan loss provisions	8.4	7.0
Amounts released for general loan loss provisions	–9.5	–
Loan loss provisions	**–1.1**	**7.0**
Revaluation results of securities held in the liquidity portfolio	–1.3	–0.7
Risk provisions reported in the profit and loss account	**–2.4**	**6.3**

At the end of 2000, loan loss allowance amounted to € 115.7 million compared with € 95.6 million the previous year. Please refer to the risk report for further credit risk details.

Net income (€ mn)



Net income and appropriation of earnings

Group **net income** rose by 23.2 % to € 19.1 million. Pre-tax profit rose by 35.1 %. At the Annual General Meeting of Deutsche VerkehrsBank AG we will propose a **dividend payment** of € 3.60 per unit share, thus maintaining last year´s high distribution. Taking the corporation tax credit of € 0.22 per share into account, shareholders subject to domestic income or corporation tax will receive a total of € 3.82 per unit share. This represents a **dividend yield** of 3.75 % based on the closing price of € 102 as at 31 December 2000. Our objective of achieving a 15 % **return on equity** by the year 2002 has been achieved earlier than planned. The return on equity, excluding depreciation of goodwill, amounted to 15.1 %. Including depreciation of goodwill, the figure is 13.5 %.

At the 2000 year-end DVB Group employed 872 staff. This represents an increase of 68 over the previous year and reflects the integration of DVB NedshipBank.

At the end of the year, DVB Group, in terms of its transport finance business, was represented in Frankfurt/Main, Hamburg, Rotterdam, London, New York, Curaçao, Bergen, Piraeus, Singapore, Hong Kong and Tokyo.

Principles of Corporate Governance

The Board of Managing Directors of Deutsche VerkehrsBank AG regularly reports on all matters concerning the company through annual and interim financial reports, ad-hoc disclosures and press conferences. We immediately disclose new facts that may influence the market price of our shares. In conjunction with this, an extensive compliance function ensures that insider issues and conflicts of interest are dealt with appropriately.

A financial calendar which lists the dates of important regular disclosures is published in our Annual Report under the chapter on the DVB share and on our website www.verkehrsbank.de. Additional information in our regular financial reports will serve to enhance transparency. We disclose detailed information on those companies in which we hold a participating interest, charitable donations, shareholdings of members of the Board of Managing Directors and the Supervisory Board of Deutsche VerkehrsBank AG and the total remuneration of the Board of Managing Directors, split into fixed and variable components. Please refer to the Notes to the Financial Statements for the corresponding details.

Risk Report

In view of the significance of financial risks, DVB Group has placed specific emphasis on the control and management of risk. Timely recognition is vital to the management of risk against an increasingly complex banking background. The responsible and deliberate management of market and credit risk, together with extensive risk reporting, represents an all important competitive factor.

Group risk management system and risk policy

The risk management system must ensure the measurement, monitoring and management of risks arising from the Group's banking business and other activities. Hence, Group risk management has become a key factor in the bank's strategy. This trend is reinforced by increasing international competition, the constant development of technological opportunities and an ever-changing regulatory framework. In view of the competition for the capital required for a company's successful development, transparency in terms of the bank's profitability, taking risk into account, is of importance to both shareholders and prospective investors.

Risk management of the DVB Group arises from interaction between the Group's various units within the framework of their respective responsibilities. Risk management parameters are set by the Board of Managing Directors, which is responsible for the formulation and implementation of risk policy. Monitoring and management of risk by the Board of Managing Directors is supported by Treasury, Controlling, Audit and a new Group Risk Management unit the foundation of which was the previous credit risk management department.

New integrated risk management structure

Establishing the Group Risk Management unit in the second half of 2000 represented an important initial step towards the integration of risk management throughout the DVB Group. The development of methods and models to measure, monitor and manage counterparty default and market risks, as well as the bank's operational and other risks, characterises the role of this department. One of the initiatives involves the planned introduction of a rating system specifically adapted to the needs of a transport finance house. The bank's Controlling and Treasury functions were closely involved with the launch of Group Risk Management. Furthermore, this unit is responsible for monitoring and managing the bank's entire portfolio.

A Group risk audit was carried out by a consultancy in Autumn 2000. Units across all markets and all operative areas were analysed in terms of risks managed and the methods used for this purpose. An assessment of the current Group risk management system was conducted on this basis and the result supports the approach we have adopted.

Internal audit

The internal audit is an integral aspect of our risk management system. The department operates independently and is exempt from the direction of the Board of Managing Directors. The major emphasis is on reviewing our internal control, risk management, risk control, reporting, information and financial and accounting systems and the evaluation of how effective, profitable and appropriate these functions are. Another element under internal audit's control is compliance with legal and regulatory provisions and internal operative directives and principles, together with adherence to all operational and business procedures. Other essential roles of the internal audit include the timely recognition and limitation of operational risks before such risk can be measured. This particularly applies to data processing, where the audit function is concerned with the security and consistency of data through controlled access to systems and restrictions to system users. The recruitment of experienced foreign auditors reflected the increasing scale of our international business.

Types of risk

Risk of counterparty default, liquidity risk, market risk, operational risk and other risks are inherent in the banking business. Risk of counterparty default represents the partial or total default of a business partner in respect of its contractual commitments. Liquidity risks comprise the potential threat of being unable to meet payment obligations at the due payment date. Market risks can negatively affect profitability due to unfavourable price changes on financial markets. Operational risks – as exemplified by organisational and procedural deficiencies – can arise throughout the bank. Risks are reduced by increased automation, constant control of working processes, security provisions and, not least, qualified staff. Risks are partially covered by insurance policies. Strategic and legal risks constitute other risks arising from contractual agreements or the legal framework.

The individual types of risk are described in more detail in the following sections.

Risk of counterparty default

All market and sales units of the DVB Group are subject to risk. This includes default risks in corporate lending as well as default risks arising from trading activities and country risks.

The bank's willingness to assume risk is managed by the directives and principles applicable to the market and sales units within the framework of the relevant lending policy and through corresponding limits. Lending policies for the Aviation and Shipping divisions have already been passed. Lending strategies for Road & Logistics, Rail and Infrastructure are currently undergoing an internal approval process and will be implemented in the course of 2001. The basis for appropriate risk assessment and development of the portfolio is set by industry specific guidelines. Within the lending principles and directives, individual lending decisions are made by the market and sales units or, where such decisions exceed specific volume thresholds, by the Board of Managing Directors.

The structure of the bank's credit risk management is in line with the Group's new structure which was introduced during 2000. Land Transport, including its Rail, Road & Logistics and Infrastructure units, was reorganised with its own central lending unit located in Frankfurt/Main. The responsibilities of this Land Transport lending unit include analysing clients' balance sheets and creditworthiness. Drawing up proposals, including final assessments, is a joint process with the relevant market unit.

Although Aviation credit risk management is co-ordinated from Frankfurt/Main, additional staff are located in London and New York. Credit risk management for the Shipping division is carried out by a DVB NedshipBank unit in Rotterdam. All responsible heads of the three lending units report directly to the Board of Managing Directors.

Special teams – called D-Marketing – for Northern and Southern Germany were established in Berlin and Stuttgart to phase out our activities in the non-transport business. The portfolio is expected to be dissolved over a two-year period. Experienced lending managers head both teams which are integrated through the close monitoring of Group Risk Management.

The Special Credits group within Group Risk Management is responsible for creating restructuring concepts in respect of lending exposures in danger of defaulting and the settlement of exposures which have already defaulted. By establishing a so-called watch list committee within the framework of an advisory approach, the timely engagement and approval of restructuring specialists has been achieved. This allows swift and effective reactions to relevant warning signals.

The risk of counterparty default in trading activities is managed in line with the procedures applicable to the lending business by a credit approval procedure and the use of borrowing limits and monitoring systems.

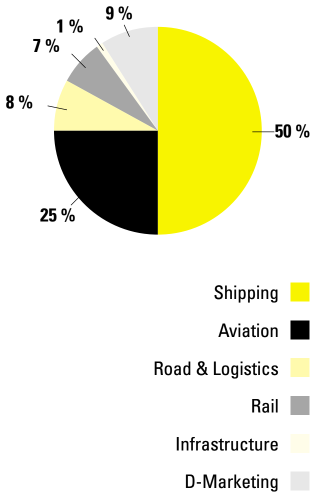
While the budgeting and limitation of country risks entered into by DVB Group are based on DG BANK's country limit master plan, DVB Group has retained the flexibility to adhere to its own approach. The risk analysis is based on macro-economic indicators managed by DG BANK's country limit committee, where Deutsche VerkehrsBank is represented. The setting of limits and allocation within the DVB Group is carried out by the Board of Managing Directors.

Development of lending volume

Group lending volume increased significantly, particularly as a result of the acquisition of Nedship Bank N.V. The following table details the development from 1996 to the balance sheet date.

	2000	1999	1998	1997	1996
Placements with, and loans and advances to, other banks. Including: Balances held with central banks	1,844	2,153	3,137	2,903	2,345
Loans and advances to customers	6,244	3,370	2,434	1,507	1,496
Securities holdings (including participating interests)	900	1,188	878	792	775
Guarantees and indemnities	563	407	427	413	384
Irrevocable loan commitments	986	416	160	26	–
Lending volume	**10,537**	**7,534**	**7,036**	**5,641**	**5,000**

Breakdown of lending to transport clients by industry sector



It is clear from the above that between 1996 and the present, loans and advances to customers have increased more than four-fold. Half our total lending volume to clients within the transport sector of € 7.7 billion is attributable to shipping finance. Less than 10 % is attributable to D-Marketing and thus outside our core business (also refer to the diagram provided).

Cautious lending principles form the basis on which credit is granted to borrowers in the international shipping, aviation and land transport sectors. As a matter of course, transactions must be backed by collateral such as an aeroplane, shipping vessel, train engine or carriage, motor vehicle, building, etc. Furthermore, the credit term must be limited and the amount of credit must not exceed a specified proportion of the market value of the asset to be financed.

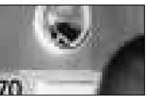
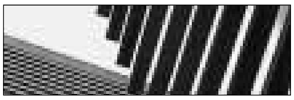
The following table indicates an average lending volume of € 25 million and € 17.8 million per client in the airline and shipping portfolios respectively. The ratio between the loan and the current value of the asset to be financed (loan-to-value-ratio) is 66 % and 64 % respectively.

	Aviation portfolio	Shipping portfolio
Average lending volume per client	€ 25 mn	€ 17.8 mn
Loan-to-value-ratio	66 %	64 %

At the balance sheet date, the Group's specific loan loss provisions amounted to € 113.1 million, including € 15.8 million in respect of shipping finance, € 8.4 million attributable to land transport finance and € 88.9 million for the D-Marketing units. These figures also illustrate the necessity to phase out the "D-Marketing" business, with clients outside the transport sector or with those transport clients where we envisage low income potential, over the next two years.

Development of country risks

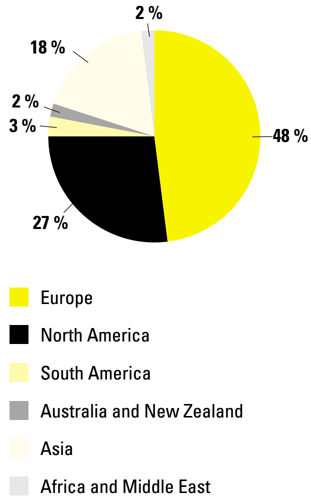
Country limits are granted on the basis of extremely conservative criteria. Loans are generally only granted to borrowers with impeccable credit rating. The extension of such loans is based on risk criteria applied to DG BANK Group subsidiaries.

For the purpose of avoiding transfer and conversion risks, supplementary agreements are frequently entered into, for instance, to secure the off-shore payment of interest and capital on a shipping finance loan. In addition, international financing is generally secured by registered liens, or the assignment of a stake in the respective project company, to ensure priority above other creditors in the event of liquidation.

The regional distribution (economic risk) of our loan portfolio is indicated in the adjacent diagram.

Regional distribution of the loan portfolio



Liquidity risk

Liquidity risk throughout the DVB Group is analysed and managed centrally, with responsibility held by Group Treasury. Cash flows are calculated, aggregated and offset by relevant money market transactions on the basis of constantly updated plans for liquidity flows and cash flow forecasts. Liquidity planning is supported by a liquidity management and information system which integrates the Group's various organisational units. The limit system, which is designed in accordance with the liquidity parameter as set out in the German Banking Act, ensures that timely and appropriate corrective measures are taken. Adequate liquidity reserves are ensured by sufficient access to short-term money market liquidity and extensive liquidity provisions and stand-by limits with renowned banks.

Focusing on medium and long-term borrowings served to substantially enhance the bank's structural liquidity position during the year under review. In addition, two issuing programmes were set up to enable the large-scale placement of commercial paper and medium-term notes on domestic and international capital markets.

The Liquidity Principle according to the German Banking Act was consistently adhered to during 2000.

Market risks

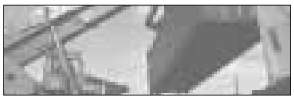
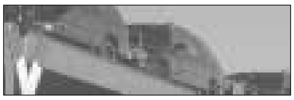
The bank aims to exploit profit opportunities which involve a low level of risk. Group Treasury is responsible for managing market risks across the bank. Trading portfolio risks are the domain of our money market, foreign exchange and securities trading desks. The daily review of market risks, the monitoring of compliance with set limits and regular checking of the underlying parameters are carried out by the neutral trading control team which is also responsible for daily reporting to the Board of Managing Directors, as prescribed by the "Minimum Requirements for the Conduct of Trading Activities of Credit Institutions" issued by the German Banking Supervisory Authority. A steering committee meets once a week to decide on the management of the entire bank and on the necessary money market and capital market transactions. The asset/liability management system, which compiles all the bank's necessary business data, forms the basis for decision-making. This system represents the basis for both the management and monitoring of market risks. Based on set scenarios regarding interest rate changes and defined parameters in respect of price fluctuations, the incorporated "risk point system" determines the risk potential to the trading portfolio and the entire bank as a result of fluctuations in interest rates, and capital, equity and foreign exchange markets. Given that this model is static, we will implement a value-at-risk approach during 2001. Set procedures for escalation and the consideration of daily trading results for the setting of limits ensure that potential risks can be identified at an early stage.

Operational risks

The main priority in eliminating operational risks is the constant monitoring and adjustment of workflows within the Group's new structure. Our employees' qualification levels contribute substantially to eliminating such risks. Specific training ensures a mutual understanding of current developments. One of the ways in which DVB Group addresses this type of risk is through substantial investment in new data processing systems and ongoing development of the IT structure. An example of this is the rollout of SAP software at DVB VerkehrsBank on 2 January 2001 and at DVB NedshipBank in the course of the year. This has provided us with a uniform data platform which increases organisational security and meets the bank's international requirements. In the course of introducing SAP, the bank merged all settlement units into the new Operations and Services division. The duties of the existing settlement units have been replaced by an all-encompassing process responsibility. This new structure should lead to a distinct improvement in process efficiency and increased transparency in respect of operational risks.

Any risks arising from the outsourcing of duties to bws bank AG, an external service provider, will be accounted for by active cooperation at different levels. In particular, service level agreements were entered into during 2000, with additional agreements to follow in 2001.

Risks arising from the acquisition of Nedship Bank were reviewed by internationally experienced lawyers, external auditors and management consultants within the framework of due diligence evaluation. The recovery of the shipping finance market has already impacted positively on the portfolio and consequently on the bank's value. While retaining its legal independence, Nedship Bank has been closely integrated into our internal control procedures. To facilitate this we established a post-merger adaptation project to finalise, in a targeted manner, the integration process. A second project group is intent on improving the joint international service divisions.

Other risks

Legal risks can arise where, for example, claims against counterparties cannot be enforced or if the bank finds itself placed under an unintentional obligation. Careful reviewing of the contractual framework minimises this risk. Cooperation with internationally recognised and experienced lawyers provides expertise in dealing with the extremely complex legal issues synonymous with international business.

The operative business of trading foreign notes and coins will be directly affected by the introduction of the euro currency in 2002. The discontinuation of eleven actively traded currencies will result in a setback in earnings. The timely takeover of DG BANK's foreign notes and coins and precious metal trading operations ensured the expansion of our strong market presence. We are now in a position to offer our services to other banks. Our ReiseBank subsidiary has adopted a retail strategy whereby its core expertise in the foreign notes and coins business, and its presence outside Euroland, is being maximised through new distribution channels, such as mail order and the Internet. It is also in the process of diversifying its product range.

In August 2000, the European Commission initiated proceedings against 17 banks in Germany regarding bank charges in respect of exchanging legacy currencies within the euro against German marks. The proceedings allege an agreement between the banks in question regarding charges to customers. In a written reply to the Commission, lawyers acting for DVB VerkehrsBank pointed out that the grounds for complaint relate to alleged violations in retail trading of foreign notes and coins, whereas DVB VerkehrsBank operates exclusively in interbank or wholesale trading of these instruments. We have, therefore, requested that the proceedings be suspended or revoked. It was not necessary to make provisions for this purpose. Our ReiseBank subsidiary also strongly voiced its opinions and rejected allegations.

As a result of DVB Group's comprehensive and integrated management approach, risks which might be material to the bank's income and financial situation can be identified, and appropriate counter-measures taken, at an early stage. No such risks have been identified in the DVB Group.

Further development of risk monitoring

DVB Group will continue to invest significantly to develop its risk monitoring infrastructure, to improve internal risk management support for all types of risk and to optimise the implementation of broadened legal requirements. Important risk projects which are either planned or in the course of being implemented are detailed as follows:

To determine credit and counterparty risk, statistically based methods are required to manage the risk of counterparty default. An internal rating model is used to determine the default probability of individual credit exposures and the determination of credit value-at-risk provides for risk adjusted profitability management. A project group was set up to develop our internal rating model and an internationally experienced consultancy was appointed to design the model.

Market risk is currently managed, through the "risk point" system, on the basis of worst case scenario analysis. A value-at-risk approach, which should be implemented during 2001, is also required for the purpose of relating the bank's income achieved on the basis of market risks to the risk exposure entered into.

The bank's operational and other risks are managed by the respective operational units, or are assessed and monitored within the framework of special projects such as the rollout of SAP. It is our intention, during 2001, to draw up a system, applying to all areas of responsibility and departments, which will continuously record and evaluate these risks.

Events after 31 December 2000

At its meeting on 17 November 2000, the Supervisory Board of Deutsche VerkehrsBank AG appointed Mr. Rainer Irmen as deputy member of the Board of Managing Directors of Deutsche VerkehrsBank AG with effect from 1 January 2001.

The rollout of SAP software restructured the bank's IT infrastructure, unifying a heterogeneous facility which previously included more than 120 different applications. Start-up of the new IT structure was on track on 2 January 2001. Several adjustments were required during the initial weeks of the current business year. This stabilising phase should be completed in the second quarter of 2001.

There were no other issues of material importance to the assessment of the income and financial situation of Deutsche VerkehrsBank AG and the Group after the end of the 2000 business year. Statements contained in the outlook have been confirmed by the development of business during the first months of 2001.

Outlook

Following years of extreme growth we expect the US economy to level out. Growth across Euroland will remain stable and the capital goods industry should increasingly provide momentum. Favourable performance can also be expected by certain transport companies. We will see greater dichotomy in terms of profit between sole transport service providers and those that offer clients the benefit of high-quality logistics.

In the years ahead, the financial industry will play an even more significant role in the transport sector which is increasingly organised by private businesses. New financing instruments and solutions are required to facilitate investment in new transport technologies, new infrastructure projects and logistics concepts as dimensions continue to expand.

Given our strategic positioning and focus on clearly defined core expertise, we are in a position to meet such challenges. Our successful development in recent years bears witness to the strength of our strategy.

In terms of earnings, we expect the positive trend in commission income to be sustained. European expansion of Land Transport – Road & Logistics and the extension of our management of freight receivables and offers and electronic ticketing will support our aim to grow our commission-based business. Our newly established Corporate Finance division will lend further significant support in this respect.

We intend to strengthen further our favourable market presence in airline and shipping finance and utilise our existing contacts in order to capitalise on the additional business opportunities offered by infrastructure projects. We also intend to expand our position as co/joint arranger in rail projects.

The challenges presented by our role as a central bank to the sophisticated clientele of "Sparda" cooperative banks calls for considerable creativity. Our Trading division will focus on client-driven business, support the other business divisions in terms of new products and improve the quality of service to "Sparda" banks. The anticipated downturn in 2002, due to the introduction of the euro currency, should be compensated by the internationalisation of ReiseBank, the expansion of branches in neighbouring countries and the introduction of new products and services. In addition, we are considering the integration of retail and wholesale trading and foreign notes and coins settlement into a single unit.

The improvement of profitability remains our key objective. Strict cost discipline and increased IT-based processes should improve our productivity. Following a series of complex special projects in recent years – conversion to euro, Y2K, SAP, the integration of Nedship Bank and the restructure of the Land Transport division – other expenditure should revert to normal.

With a return on equity of 15.1 %, excluding depreciation of goodwill, we are enjoying a much improved level of profitability. Our medium-term objective is to reduce our cost/income ratio, excluding depreciation of goodwill, to below 70 %. This can be achieved, given the forecast growth in our operative income and strict controls which will slow down cost increases to below the growth rate in earnings. We therefore anticipate a significant increase in net income for 2001. Furthermore, our core capital base will be strengthened further by a re-investment of profits.

Deutsche VerkehrsBank AG is affiliated to DG BANK Deutsche Genossenschaftsbank and related Group companies, within the meaning of sections 15 and 18 of the German Stock Corporation Act.

As at 31 December 2000, Deutsche VerkehrsBank AG has been included in the consolidated financial statements of DG BANK Deutsche Genossenschaftsbank.

In accordance with section 312 of the German Stock Corporation Act, the Board of Managing Directors has disclosed to the Supervisory Board the extent of the relationship with affiliated companies:

"In line with the circumstances known to the Board of Managing Directors during the period in which reportable transactions were carried out, our company has in each and every case received an appropriate consideration. During the year under review, the Board of Managing Directors neither took nor omitted any reportable measures."

Balance Sheet

Assets (€ mn)				2000	1999
1. Cash reserve					
a) Cash on hand			80.087		86.488
b) Balances with central banks			39.497		926.424
Including: Deutsche Bundesbank	39.497				926.424
c) Balances with Postbank			1.591		0.146
				121.175	**1,013.058**
2. Debt instruments of public-sector entities and bills of exchange eligible for refinancing at central banks					
a) Treasury bills, non-interest-bearing treasury notes and similar sovereign debt			—		—
Including: eligible for refinancing with Deutsche Bundesbank	—				—
b) Bills of exchange			0.049		11.046
				0.049	**11.046**
Including: eligible for refinancing with Deutsche Bundesbank	0.049				11.046
3. Placements with, and loans and advances to other banks					
a) Payable on demand			88.562		163.903
b) Other placements, loans and advances			1,754.990		1,062.272
				1,843.552	**1,226.175**
4. Loans and advances to customers				**6,243.787**	**3,370.421**
Including: Secured by mortgage charges	—				—
Loans to local authorities	299.052				295.310
5. Bonds and other fixed-income securities					
a) Money market instruments					
aa) Public-sector issuers		—			—
ab) Other issuers		—	—		—
b) Bonds and notes					
ba) Public-sector issuers		19.844			19.010
bb) Other issuers		627.916	647.760		920.413
Including: Securities eligible as collateral with Deutsche Bundesbank	159.884				443.445
c) Own bonds			—		—
				647.760	**939.423**
Nominal amount	—				—
6. Equities and other non-fixed income securities				**234.066**	**236.488**
7. Participating interests					
a) Participating interests			17.105		11.965
Including: Interests in banks	0.296				0.450
b) Members' capital contributions in cooperative societies			0.029		0.028
				17.134	**11.993**
Including: Cooperative banks	0.026				0.026
8. Interests in affiliated companies				**1.290**	**1.009**
Including: Interests in banks	—				—
Interests in financial service providers	—				—
9. Intangible assets				**129.714**	**0.630**
10. Fixed assets				**21.387**	**13.510**
11. Treasury shares				**0.131**	—
Nominal amount	0.035				
12. Other assets				**201.383**	**39.649**
13. Deferred items				**10.181**	**11.551**
Total assets				**9,471.609**	**6,874.953**

Balance Sheet of Deutsche VerkehrsBank Group as at 31 December 2000

Liabilities and capital (€ mn)				2000	1999
1. Liabilities to banks					
a) Payable on demand			1,735.968		1,295.195
b) With agreed term or period of notice			2,973.307		2,674.773
				4,709.275	**3,969.968**
2. Liabilities to customers					
a) Savings deposits					
aa) With agreed period of notice of three months		—			—
ab) With agreed period of notice of more than three months		—	—		—
b) Other liabilities					
ba) Payable on demand		1,064.879			963.788
bb) With agreed term or period of notice		1,430.628	2,495.507		786.002
				2,495.507	**1,749.790**
3. Certificated liabilities					
a) Bonds issued			1,505.898		688.487
b) Other certificated liabilities			15.000		—
				1,520.898	**688.487**
Including: Money market instruments	—				—
Own acceptances and promissory notes outstanding	—				—
4. Other liabilities				**44.834**	**79.852**
5. Deferred items				**5.118**	**5.505**
6. Provisions					
a) Provisions for pensions and similar obligations			8.164		7.624
b) Tax provisions			10.013		4.824
c) Other provisions			31.148		28.108
				49.325	**40.556**
7. Special item with partial reserve character				**0.524**	**2.829**
8. Subordinated liabilities				**141.576**	**63.322**
9. Profit-participation certificates				**164.476**	**89.476**
Including: Maturing within two years	—				
10. Capital and reserves					
a) Subscribed capital					
aa) Issued share capital		76.694			57.418
ab) Silent partnership certificates		77.500			—
			154.194		
b) Capital reserve			106.470		59.394
c) Retained earnings					
ca) Statutory reserve		1.790			1.790
cb) Reserve for treasury shares		0.131			
cc) Other retained earnings		66.691			58.480
			68.612		
d) Distributable profit			10.800		8.086
				340.076	**185.168**
Total liabilities and capital				**9,471.609**	**6,874.953**
Contingent liabilities					
a) Liabilities on guarantees and indemnity agreements			562.610		407.155
				562.610	**407.155**
Other commitments					
a) Irrevocable loan commitments			986.130		416.366
				986.130	**416.366**

€ mn				2000	1999
1. Interest income from					
a) Lending and money market business		370.221			229.644
b) Fixed-income securities and government debt		43.020	413.241		35.830
2. Interest expenses			365.599		230.757
				47.642	**34.717**
3. Current income from					
a) Equities and other non-fixed income securities			15.639		12.405
b) Participating interests and capital contributions in cooperative banks			0.596		0.285
c) Interests in affiliated companies			2.183		—
				18.418	**12.690**
4. Commission income			105.457		78.509
5. Commission expenses[1]			15.347		9.420
				90.110	**69.089**
6. Net profit on financial operations				**8.236**	**11.026**
7. Other operating income				**3.364**	**6.544**
8. Income from the reversal of special items with partial reserve character				**2.305**	—
9. General administrative expenses					
a) Staff expenses					
aa) Wages and salaries		48.021			39.731
ab) Compulsory social security contributions and expenses for pensions and other employee benefits		11.959	59.980		9.072
Including: Retirement benefits	5.077				2.591
b) Other administrative expenses[1]			60.811		46.567
				120.791	**95.370**
10. Depreciation/write-offs of intangible and fixed assets				**10.534**	**5.765**
11. Other operating expenses				**3.686**	**3.248**
12. Income from amounts written back on claims and certain securities and from the reversal of loan loss provisions			2.363		– 6.320
				2.363	**– 6.320**
13. Depreciation of, and write-downs on participating interests, shares in affiliated companies and securities held as fixed assets			1.480		– 1.785
				1.480	**– 1.785**
14. Expenditure for assumption of losses				**—**	**0.013**
15. Additions to special items with partial reserve character				**—**	**2.305**
16. Profits from ordinary activities				**35.947**	**22.830**

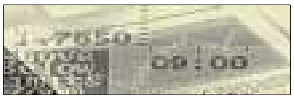
€ mn			**2000**	**1999**
17. Income taxes			**11.447**	**6.539**
18. Other taxes not reported under item # 11			**0.233**	**0.756**
19. Profit transferred under a profit pool, profit transfer agreement or partial profit transfer agreement			**5.125**	**—**
20. Net income			**19.142**	**15.535**
21. Loss carried forward			**0**	**0.098**
22. Transfer to retained earnings				
a) Amounts transferred to other retained earnings		8.342		7.351
			8.342	**7.351**
23. Distributable profit			**10.800**	**8.086**

[1] *In 1999 € 3.819 million was transferred from administrative expenses to commission expenses.*

Assets (€ mn)				2000	1999
1. Cash reserve					
a) Cash on hand			33.306		45.050
b) Balances with central banks			39.292		926.089
Including: Deutsche Bundesbank	39.292				926.089
c) Balances with Postbank			—		—
				72.598	**971.139**
2. Debt instruments of public-sector entities and bills of exchange eligible for refinancing at central banks					
a) Treasury bills, non-interest-bearing treasury notes and similar sovereign debt			—		—
Including: eligible for refinancing with Deutsche Bundesbank	—				
b) Bills of exchange			0.049		11.046
				0.049	**11.046**
Including: eligible for refinancing with Deutsche Bundesbank	0.049				11.046
3. Placements with, and loans and advances to other banks					
a) Payable on demand			110.805		160.035
b) Other placements, loans and advances			3,995.127		1,079.234
				4,105.932	**1,239.269**
4. Loans and advances to customers				**3,397.440**	**3,000.985**
Including: Secured by mortgage charges	—				—
Loans to local authorities	299.052				295.310
5. Bonds and other fixed-income securities					
a) Money market instruments					
aa) Public-sector issuers		—			—
ab) Other issuers		—	—		—
b) Bonds and notes					
ba) Public-sector issuers		19.844			19.010
bb) Other issuers		609.096	628.940		908.171
Including: Securities eligible as collateral with Deutsche Bundesbank	152.072				424.435
				628.940	**927.181**
Nominal amount	—				—
6. Equities and other non-fixed income securities				**234.066**	**236.488**
7. Participating interests					
a) Participating interests			11.810		11.965
Including: Interests in banks	0.296				0.450
b) Members' capital contributions in cooperative societies			0.029		0.028
				11.839	**11.993**
Including: Cooperative banks	0.001				0.026
8. Interests in affiliated companies				**445.553**	**6.262**
Including: Interests in banks	352.299				5.113
Interests in financial service providers	75.259				0.128
9. Intangible assets				**6.173**	—
10. Fixed assets				**7.506**	**6.771**
11. Treasury shares				**0.131**	—
Nominal amount	0.035				
12. Other assets				**191.442**	**36.866**
13. Deferred items				**5.478**	**4.582**
Total assets				**9,107.147**	**6,452.582**

Liabilities and capital (€ mn)			2000	1999
1. Liabilities to banks				
a) Payable on demand		1,735.826		1,269.893
b) With agreed term or period of notice		2,647.256		2,257.018
			4,383.082	**3,526.911**
2. Liabilities to customers				
a) Savings deposits				
aa) With agreed period of notice of three months	—			—
ab) With agreed period of notice of more than three months	—	—		—
b) Other liabilities				
ba) Payable on demand	991.780			971.384
bb) With agreed term or period of notice	1,415.187	2,406.967		806.944
			2,406.967	**1,778.328**
3. Certificated liabilities				
a) Bonds issued		1,505.898		688.487
b) Other certificated liabilities		15.000		—
			1,520.898	**688.487**
Including: Money market instruments 15.000				—
Own acceptances and promissory notes outstanding —				—
4. Other liabilities			**30.342**	**80.088**
5. Deferred items			**4.119**	**4.325**
6. Provisions				
a) Provisions for pensions and similar obligations		8.102		7.579
b) Tax provisions		2.966		4.467
c) Other provisions		23.664		22.113
			34.732	**34.159**
7. Special item with partial reserve character			**0.524**	**2.829**
8. Subordinated liabilities			**141.576**	**63.323**
9. Profit-participation certificates			**164.476**	**89.476**
Including: Maturing within two years —				
10. Fund for general banking risks			**86.652**	
11. Capital and reserves				
a) Subscribed capital				
aa) Issued share capital	76.694			57.418
ab) Silent partnership certificates	77.500			—
		154.194		
b) Capital reserve		106.470		59.394
c) Retained earnings				
ca) Statutory reserve	1.278			1.278
cb) Reserve for treasury shares	0.131			
cc) Other retained earnings	60.906			58.480
		62.315		
d) Distributable profit		10.800		8.086
			333.779	**184.656**
Total liabilities and capital			**9,107.147**	**6,452.582**
Contingent liabilities				
a) Liabilities on guarantees and indemnity agreements		1,042.432		815.579
			1,042.432	**815.579**
Other commitments				
a) Irrevocable loan commitments		2,100.985		363.514
			2,100.985	**363.514**

€ mn				2000	1999
1. Interest income from					
a) Lending and money market business		284.206			199.849
b) Fixed-income securities and government debt		41.545	325.751		35.439
2. Interest expenses			309.611		203.771
				16.140	**31.517**
3. Current income from					
a) Equities and other non-fixed income securities			15.639		12.405
b) Participating interests and capital contributions in cooperative banks			0.596		0.285
c) Interests in affiliated companies			25.983		1.084
				42.218	**13.774**
4. Income from profit pools, profit transfer agreements and partial profit transfer agreements				**13.438**	**12.395**
5. Commission income			39.763		30.137
6. Commission expenses[1]			14.233		7.671
				25.530	**22.466**
7. Net profit on financial operations				**8.478**	**11.129**
8. Other operating income				**24.865**	**8.698**
9. Income from the reversal of special items with partial reserve character				**2.305**	**—**
10. General administrative expenses					
a) Staff expenses					
aa) Wages and salaries		28.444			24.980
ab) Compulsory social security contributions and expenses for pensions and other employee benefits		6.209	34.653		6.163
Including: Retirement benefits	2.299				2.198
b) Other administrative expenses[1]			39.846		33.711
				74.499	**64.854**
11. Depreciation/write-offs of intangible and fixed assets				**3.596**	**3.376**
12. Other operating expenses				**2.770**	**2.900**
13. Depreciation/write-offs on claims and certain securities, additions to loan loss provisions			11.277		**6.320**
				11.277	**6.320**
14. Income from write-ups to participating interests, shares in affiliated companies and securities held as fixed assets			67.379		1.787
				67.379	**1.787**
15. Expenditure for assumption of losses				**0.049**	**0.013**

Profit and Loss Account of Deutsche VerkehrsBank Aktiengesellschaft for the period from 1 January to 31 December 2000

€ mn			**2000**	**1999**
16. Transfers to fund for general banking risks			**86.652**	**0**
17. Additions to special items with partial reserve character			**0**	**2.305**
18. Profits from ordinary activities			**21.510**	**21.998**
19. Income taxes			**2.806**	**5.805**
20. Other taxes not reported under item # 12			**0.221**	**0.756**
21. Profit transferred under a profit pool, profit transfer agreement or partial profit transfer agreement			**5.125**	**—**
22. Net income			**13.358**	**15.437**
23. Transfer to retained earnings				
a) Amounts transferred to other retained earnings		2.558		7.351
			2.558	**7.351**
24. Distributable profit			**10.800**	**8.086**

[1] *In 1999 € 3.819 million was transferred from administrative expenses to commission expenses.*

Notes to the Financial Statements

Notes to the Financial Statements on Group and Deutsche VerkehrsBank AG level as at 31 December 2000

Preliminary Remarks

Both the financial statements of Deutsche VerkehrsBank AG (DVB AG) and the consolidated financial statements for the 2000 business year have been prepared in accordance with the provisions of the German Commercial Code (HGB) in conjunction with the German Accounting Directive for Banks (RechKredV) and the applicable provisions of the German Stock Corporation Act (AktG).

The Notes for Deutsche VerkehrsBank AG and the Group Notes have been combined; unless indicated otherwise, the explanatory notes refer to both financial statements.

The subdivisions required for cooperative central institutions are also included in the balance-sheet structure.

As a general rule, explanatory notes to both the balance sheet and the profit and loss account have been included in the Notes.

The possibilities of set-off permitted by the provisions of the German Commercial Code and the German Accounting Directive for Banks have been utilised.

Consolidated Group of Companies

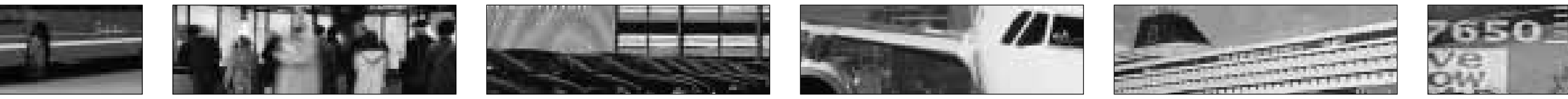
The consolidated group of companies in accordance with section 294 of the German Commercial Code comprises the majority stakes of DVB AG which fall under unified management, i.e. DVB Holding GmbH, Frankfurt/Main, DVB Processing GmbH, Frankfurt/Main, Nedship Bank N.V., Rotterdam and International Transport Finance Ltd (ITFL), London, as well as their subsidiaries (see overview of non-affiliated enterprises). All of the above companies are wholly owned by Deutsche VerkehrsBank AG.

Majority stakes, which do not fall under unified management, have not been included. Likewise, in accordance with section 296 (2) of the German Commercial Code, companies of minor importance were also not included in the consolidated financial statements.

Consolidation Policies

The financial statements of all the companies included in the consolidated financial statements have been prepared as per the Group balance sheet date.

Capital was consolidated at book value. Any shareholders' equity acquired on a pro-rata basis is set off at cost at the time of acquisition. Asset-side balancing items were reported as Intangible Assets and depreciated over their useful life.



All claims and liabilities as well as income or expenses existing between enterprises included in the consolidated financial statements have been set off. Intragroup profits were eliminated in accordance with section 304 of the German Commercial Code.

Accounting Policies

The financial statements of all companies included in the consolidated financial statements have been prepared in accordance with the uniform accounting and valuation principles of Deutsche VerkehrsBank AG.

Receivables (asset items 3 and 4) are reported at their nominal values. Sufficient risk provisioning has been set aside for receivables vulnerable to default. Based on the credit event ratio experienced over the past five financial years, we have set aside general loan loss provisions for potential lending risks.

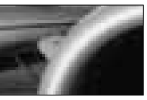
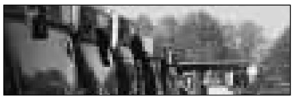
Any premiums paid and discounts received are reported as prepaid expenses or prepaid income respectively, and are recognised as income or written back over the capital commitment period in equal parts.

Fixed-income securities held as investments or as part of current assets (asset item 5 – Bonds and other fixed-income securities) as well as **special funds** (asset item 6 – Equities and other non-fixed income securities) are valued at the lower of cost and net realisable value. The requirement to reinstate original values (pursuant to the German Tax Relief Act (Steuerentlastungsgesetz) 1999/2000/2002 and section 280 (1) of the German Commercial Code) has been complied with. **Participating interests** (asset item 7) are valued at cost or fair value (if lower); capital investments are carried at their value at the time they were made.

Fixed assets (asset item 10) are valued at purchase or production costs reduced by depreciation on a pro-rata basis. Any additional moveable assets have been depreciated on a diminishing basis. Any moveable assets added in the first half of the year have been depreciated at the full annual amount, whereas any such assets added in the second half have been depreciated at half the annual amount. Low value fixed assets are written off in full in the year of acquisition.

A fixed value was set for the **inventory of forms**.

Liabilities (liability items 1 and 2) are accounted for at the amounts to be repaid. Any discounts paid are carried as prepaid expenses and written back over the commitment period in equal parts.

Provisions for pensions (liability item 6) are calculated by actuarial methods and valued by way of the cost ("Teilwert") method. The basis for this calculation are the actuarial tables of 1999, published by Dr. Klaus Heubeck, applying an interest rate of 6.5 % p.a. In accordance with the statement 3/98 issued by the Select Committee of the German Institute of Auditors ("IDW"), the bank increased its pension provisions during the 2000 business year by a further 25 % of the balance (€ 140,000) resulting from the calculation carried out for the previous business year based on the now obsolete actuarial tables of 1983. The other provisions are measured in such a way as to account for all identifiable risks.

Long-service awards are allocated at tax-allowable rates.

A special item with partial reserve character set aside in 1999 pursuant to section 52 (16) sentence 3 of the German Income Tax Act (EStG) (tax-free reserve for reversals of write-downs made for securities) has also been written back.

The translation of receivables, liabilities, securities and interests held in **foreign currency** as well as pending cash transactions is carried out at the spot rate in accordance with statement 3/1995 issued by the Banking Committee of the German Institute of Auditors, while the translation of pending forward contracts is carried out at the relevant forward rate. Any currency translation gains arising from collateralised items are identified in the profit and loss account. To the extent that these items are not specifically covered, any gains are set off against any translation losses for the same currency.

Property and equipment denominated in a foreign currency are translated at historical rates. Foreign subsidiaries of Deutsche VerkehrsBank AG that carry out currency transactions are refinanced using liabilities with matching maturities. Any interests held are therefore identified in the subsidiary's currency and valued at current exchange rates. The results of foreign subsidiaries and the bank's own foreign branches are translated at average monthly rates.

Derivative financial instruments are valued at the principles laid down in the statements 2/93 and 2/95 issued by the Banking Committee of the German Institute of Auditors, applying section 340h of the German Commercial Code accordingly. Using objective criteria, valuation units have been created among both this product group and selected traditional financial instruments. Collateralised items are valued in accordance with the principle of loss-free valuation.

Foreign notes and coins are valued at the bid rate for banks.

The annual results of any subsidiaries in which the bank holds a majority interest are allocated to Deutsche VerkehrsBank AG within the relevant periods by way of profit-and-loss transfer or shareholders' resolutions.

Explanatory notes to the individual balance sheet items

Other placements, loans and advances to banks with an agreed maturity or a period of notice (asset item 3) having a residual term of:

	DVB AG in € (mn)	Group in € (mn)
less than three months	2,949.1	1,343.8
minimum of three months, but less than one year	837.0	228.2
minimum of one year, but less than five years	164.9	145.5
five years or longer	154.9	126.1

The total amount of uncertificated claims for both DVB AG and the Group also comprise loans and advances to affiliated enterprises amounting to € 2,894.7 million within DVB AG (Group: € 655.7 million), including € 2,278.8 million to Nedship Bank N.V., € 570.3 million to DG BANK Deutsche Genossenschaftsbank, Frankfurt/Main, € 1.0 million to DG DISKONTBANK, Frankfurt/Main, € 44.6 million to ReiseBank AG, Frankfurt/Main, as well as claims to affiliated Sparda banks in the amount of € 348.8 million.

There are no uncertificated claims to companies in which a participating interest is held.

An amount of € 827 million has been invested in form of secured lending agreements.

DVB AG holds subordinated claims amounting to € 32.0 million (Group: € 5.1 million).

Loans and advances to customers (asset item 4) having a residual term or a period of notice of:

	DVB AG in € (mn)	Group in € (mn)
payable on demand	150.0	127.8
less than three months	479.5	575.1
minimum of three months, but less than one year	238.3	525.6
minimum of one year, but less than five years	971.7	2,322.4
five years or longer	1,557.9	2,692.8

Of the total DVB AG amount, € 293.1 million is related to uncertificated claims to affiliated companies and € 34.1 million to companies in which a participating interest is held. On a Group level, € 4.3 million is related to claims to affiliated companies. The receivables include subordinated shareholder's loans in subsidiaries amounting to € 11.5 million.

At year-end, the lending volume – before loan loss provisions – stood at € 8,771.4 million, broken down as follows:

	2000 **€ mn**	of which Nedship Bank € mn	1999 € mn	Changes excluding Nedship Bank € mn	%
Loans extended on bills not shown under claims	0.1	0.0	11.0	–10.9	–99.1
Book credits to banks	1,870.3	55.3	1,226.2	588.8	48.0
Loans and advances to customers	6,338.4	2,537.3	3,468.0	333.1	9.6
Guarantee credits	562.6	221.7	413.1	–72.2	–17.5
Lending volume	**8,771.4**	**2,814.3**	**5,118.3**	**838.8**	**16.4**

Of the total lending volume, € 3,522.0 million, or 40.2 %, relates to domestic and € 5,249.4 million, or 59.8 %, relates to foreign borrowers.

The item **bonds and other fixed-income securities** of DVB AG (asset item 5) includes securities negotiable at a stock exchange, totalling € 628.9 million, of which securities amounting to € 574.7 million are exchange-listed. These securities are valued at the lower of cost or market value.

Out of total fixed-income securities and other securities, an amount of € 100.9 million will mature during 2001.

This includes € 2.7 million for bonds and notes from affiliated companies.

The item **equities and other non-fixed income securities** of DVB AG (asset item 6) amounting to € 234.1 million includes securities negotiable at a stock exchange totalling € 1.4 million. This relates primarily to the proprietary interests from three (1999: four) special funds contained within the fixed assets, valued at € 232.7 million.

Group Companies and other Interests held by Deutsche VerkehrsBank AG

	Interest held (in % of capital)	Book value of investment In €	Annual results In €	Equity In €
I. Companies included in the consolidated financial statements				
Deutsche VerkehrsBank AG, Frankfurt/Main		–	–	–
DVB Holding GmbH, Frankfurt/Main	100	74,237,323		5,455,782
ReiseBank AG, Frankfurt/Main				5,624,211
CashExpress GmbH, Frankfurt/Main				242,864
DVB Processing GmbH, Frankfurt/Main	100	17,995,216		125,000
International Transport Finance Limited, London	100	14,780	2,203,130[2)]	2,217,910
Nedship Bank N.V., Rotterdam	100	352,298,775	23,779,636[2)] [3)]	225,705,000
Nedship Shipping B.V., Rotterdam	100			
Shipping Capital B.V., The Hague	100			
Hollandse Scheepsbank Hypotheekbank N.V., Rotterdam	100			
Illios Tourist Houses Development Ltd., Piraeus	100			
Nedship Merchant Bank (Asia) Ltd., Singapore	100			
Nedship Financial Consultants E.P.E., Piraeus, Greece	100			
Nedship International Inc., Greenwich, CT 06830/USA	100			
Nedship Bank (America) N.V., Curaçao	100			
Nedship Participation (Norway B.), Rotterdam	100			
Infifon XI B.V., The Hague	100			
Participate Maatschappij Majestic B.V., Groningen	100			
Scheepvaart Maatschappij Peter B.V., Rotterdam	100			
Infifon 111 B.V., The Hague	100			
Sea Sparrow Shipping Co., Nicosia	100			
Everhard Beleggingen B.V., Rotterdam	100			
Scheepvaart Maatschappij Ewout B.V., Rotterdam	100			
Scheepvaart Maatschappij Fokko B.V., Rotterdam	100			
Nedship Scheepvaarthuis B.V., Rotterdam	100			
Beheer-en beleggingsmaatschappij Elrosa B.V., Rotterdam	100			
Shipping Capital Antilles N.V., Curaçao	100			
Navy Arrow Shipping Ltd., Cyprus, Nicosia	100			
II. Affiliated companies not included in the consolidated financial statements [4)]				
Crosby Court GmbH & Co. KG, Eschborn	100	102,258	–3,921,054[5)]	–4,300,720
Zweite GfW Gesellschaft für Waggonleasing mbH & Co. KG, Hamburg	99.5	5,087		5,113
EFHATC Tankcontainer Vermietungs GmbH & Co. KG, Hamburg	90	255,646	–1,975,524[5)]	–437,721
DVL Deutsche Verkehrs-Leasing GmbH, Eschborn	39	1,001,406		
LDZ Weil am Rhein, Finanzberatung GBR, Weil/Rhein	33.3	256	0	768
Neerlandic B.V., Groningen	25	1		

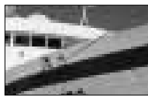
	Interest held (in % of capital)	Book value of investment In €	Annual results In €	Equity In €
C.V. Scheepvaartonderneming Neerlandic, Groningen	25	1		–342,150
West Supply III AS, Haugesund	22.22	61,437		
West Supply III AS, Haugesund	22.22	517,489		
B.V. Majestic, Rotterdam	25	1	–	–
C.V. Scheepvaartonderneming Neerlandic, Groningen	25	467,824		
C.V. Motorschip ‚Sunreef', Rotterdam	45	361,011		
Ship Investment, Curaçao	33.33	1		–174,787
Navalight Shipping Limited (Leandros), Cyprus	25	226,890		
Sascha Investissement SAS, Paris	50	1,274,825		
Anna Elisabeth B.V., Veere	20	17,785		
Anna Gabriele B.V., Veere	20	17,785		
Anna Catharine B.V., Veere	20	17,785		
Anna Constance B.V., Veere	20	17,785		
CashExpress, Prague	100	56,105.04		
Sextant Finance (Holding) Ltd., Brit. Virg. Isl. (Navigation)	50	227,000		
Navigations Finance Corp. N.V., Brit. Virgin Islands	50	1		
DWC Amethyst N.V., Curaçao	11.11	2,350,000		
III. Other economically significant interests held				
KRAVAG-HOLDING AG, Hamburg	10	8,436,316		
Union-Fonds-Holding AG, Frankfurt/ Main	2.47	2,620,882		
Diving Workovers Contractors Amethyst N.V., Curaçao	11.11	2,525,524		

1) There is a profit and loss transfer agreement with Deutsche VerkehrsBank AG.
2) At the same time, the annual results were distributed to Deutsche VerkehrsBank AG.
3) The pro-rata annual result for the period of Group affiliation (31.5.-31.12.2000)
4) With regard to the disclosures relating to both the annual results and equity, the exemptions offered by section 286 (3) sentence 2 of the German Commercial Code were applied.
5) After accounting for special depreciation.

Property and Equipment, and Investment Securities

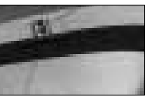
DVB AG investment overview

	Purchase or production cost 1.1.2000 (€ thousands)	Additions (€ thousands)	Reductions (€ thousands)	Exchange rate changes (€ thousands)	Accumulated write-ups (€ thousands)	Write-ups for the year (€ thousands)	Accumulated depreciation (€ thousands)	Depreciation charge for the year (€ thousands)	Residual book value as at 31.12.2000 (€ thousands)
Securities treated as fixed assets	253,011	0	0	0	5,175	922	9,079	2,561	249,107
Shareholdings with and capital contributions to cooperative societies	12,673	1	154	0	0	0	681	1	11,839
Investments in affiliated enterprises	6,262	442,663	5,356	1,984	0	0	0	0	445,553
Land and buildings	677	23	0	0	0	0	432	9	268
Office furniture and equipment	19,785	4,606	2,795	0	0	0	14,359	3,586	7,237
Property and equipment	20,462	4,629	2,795	0	0	0	14,791	3,595	7,505
Intangible Assets	0	6,173	0	0	0	0	0	0	6,173
	292,408	**453,466**	**8,305**	**1,984**	**5,175**	**922**	**24,551**	**6,157**	**720,177**



Group investment overview

	Purchase or production cost 1.1.2000 (€ thousands)	Additions (€ thousands)	Reductions (€ thousands)	Exchange rate changes (€ thousands)	Accumulated write-ups (€ thousands)	Write-ups for the year (€ thousands)	Accumulated depreciation (€ thousands)	Depreciation charge for the year (€ thousands)	Residual book value as at 31.12.2000 (€ thousands)
Securities treated as fixed assets	264,657	7,601	2,666	173	6,990	2,142	9,079	2,561	267,676
Shareholdings with and capital contributions to cooperative societies	12,673	7,563	2,569	0	148	148	681	0	17,134
Investments in affiliated enterprises	1,006	284	0	0	0	0	0	0	1,290
Land and buildings	677	5,701	0	0	205	205	566	143	6,017
Office furniture and equipment	33,358	9,141	3,440	0	365	365	24,055	6,642	15,369
Property and equipment	34,035	14,842	3,440	0	570	570	24,621	6,785	21,386
Goodwill	649	126,594	0	0	0	0	3,768	3,749	123,475
Software	0	6,173	0	0	0	0	0	0	6,173
Pre-payments	0	65	0	0	0	0	0	0	65
Intangible Assets	649	132,832	0	0	0	0	3,768	3,749	129,713
	313,020	**163,121**	**8,674**	**173**	**7,708**	**2,860**	**38,149**	**13,095**	**437,199**



Out of total **participating interests** (Group + DVB AG) (asset item 7), interests in the amount of € 8.5 million are negotiable at a stock exchange, but not listed. Out of total **interests in affiliated companies** (asset item 8) held by DVB AG, interests amounting to € 352.3 million are negotiable at a stock exchange, but not listed.

Both DVB AG's commercially used building (€ 268,000) as well as the commercially used building of Nedship Bank N.V. are used by the owners themselves. The premises are partially let to third parties.

Within the total **intangible assets** (Group) amounting to € 129.7 million (asset item 9), the goodwill of Nedship Bank N.V. of € 123.5 million (which is depreciated over its useful life of 20 years) and the SAP software costs of € 6.2 million are the primary components.

The **other assets** of the Group totalling € 201.4 million (asset item 12) include precious metal bullions and gold and silver commemorative coins in the amount of € 12.2 million, recoverable taxes amounting to € 4.1 million as well as premiums paid for options (€ 12.3 million).

€ mn	**DVB AG**		**Group**	
	2000	**1999**	**2000**	**1999**
Option premiums	12.3	18.4	12.3	18.4
Precious metals	12.2	14.5	12.2	14.5
Taxes	4.1	2.4	4.1	2.4
Currency valuation	160.8	0.0	160.8	0.0
Other assets	2.0	1.6	12.0	4.3
Total	**191.4**	**36.9**	**201.4**	**39.6**

Deferred items (Group: asset item 13 at € 10.2 million; DVB AG: asset item 13 at € 5.5 million) include discounts capitalised pursuant to section 268 (6) of the German Commercial Code amounting to € 2.4 million (DVB AG: € 2.4 million) and any premiums recognised pursuant to section 340e (2) of the German Commercial Code in the amount of € 4.7 million (DVB AG: € 2.2 million).

Liabilities to banks with an agreed maturity or a period of notice (liability item 1) having a residual term of:

	DVB AG in € (mn)	Group in € (mn)
up to three months	2,623.1	2,788.7
over three months, but less than one year	306.6	467.2
over one year, but less than five years	980.1	980.1
over five years	473.3	473.3

€ 771.1 million is related to DVB AG's uncertificated liabilities to affiliated companies. This amount includes liabilities to DG BANK Deutsche Genossenschaftsbank, Frankfurt/Main, in the amount of € 483.3 million, to DG BANK Luxemburg (€ 216.2 million) and Nedship Bank N.V. (€ 71.6 million). There are no uncertificated liabilities to companies in which a participating interest is held.

The total amount for DVB AG also comprises liabilities to affiliated Sparda banks of € 2,269.3 million.

As at 31 December 2000, there were no liabilities for open-market transactions collateralised by securities.

Other liabilities to customers with an agreed maturity or a period of notice (liability item 2) having a residual term of:

	DVB AG in € (mn)	Group in € (mn)
up to three months	1,388.3	1,463.5
over three months, but less than one year	19.9	22.8
over one year, but less than five years	277.3	287.7
over five years	721.5	721.5

As at 31 December 2000, liabilities from the freight equalisation procedure totalled € 170.4 million (31.12.1999: € 83.1 million).

Of this total amount, € 4.4 million is related to uncertificated liabilities to affiliated companies and € 1.7 million to companies in which a participating interest is held.

Of the total **certificated liabilities** (liability item 3) for both Group and DVB AG, amounting to € 1,520.9 million, € 1,505.9 million is related to bonds issued and € 15.0 million to money market securities, of which € 41.3 million will fall due during the following year.

The bonds issued are bearer securities. The total amount also comprises liabilities to affiliated companies (DG BANK) of € 298 million.

The Group's **other liabilities** (liability item 4), amounting to € 44.8 million, include inter alia interest on profit-participation certificates and silent partnership certificates (€ 15.2 million) as well as premiums received from caps and floors (€ 12.2 million).

€ mn	DVB AG		Group	
	2000	1999	2000	1999
Currency valuation	0.0	52.0	0.0	52.0
Option premiums	12.2	19.1	12.0	18.8
Interest on profit-participation certificates	10.1	5.8	10.1	5.8
Interest on silent partnership certificates	5.1	0	5.1	0
Other commitments	2.9	3.1	17.6	3.3
Total	**30.3**	**80.0**	**44.8**	**79.9**

The Group's **deferred items** (liability item 5) amounting to € 5.1 million also include discounts from purchased or directly extended loans in the amount of € 3.3 million.

Provisions (liability item 6) were set aside in the total amount of € 49.3 million (Group) and € 34.7 million (DVB AG), respectively. The other provisions comprise the following items:

€ mn	DVB AG		Group	
	2000	1999	2000	1999
Credit risks	10.0	11.8	10.0	11.8
Staff remunerations	5.5	4.3	8.2	7.2
Other commitments	8.1	6.0	31.1	9.1
Total	**23.6**	**22.1**	**49.3**	**28.1**

The provisions for taxes amounted to € 10.0 million on Group level and € 3.0 million on DVB AG level.

The European Commission is currently investigating several European banks due to unlawful agreements on the fee structure for transactions in foreign notes and coins. ReiseBank AG is affected by these investigations, but in our opinion the facts do not indicate anything that is liable for prosecution. For this reason, we have only set aside provisions to cover any legal costs.

DVB AG's **subordinated liabilities** (liability item 8) amounting to € 141.6 million include the following issues:

Amount in €	Currency	Interest in %	Due date for redemption
47,285,134.74	USD	7.65	31.05.2005
10,225,837.62	DEM	5.24	20.10.2008
10,000,000.00	€	5.12	24.03.2009
10,000,000.00	€	6.50	04.11.2008
5,112,918.81	DEM	5.14	16.09.2008
5,112,918.81	DEM	5.12	16.09.2008
5,112,918.81	DEM	5.23	10.09.2008
5,112,918.81	DEM	5.24	20.10.2008
5,000,000.00	€	6.70	02.08.2010
5,000,000.00	€	6.71	16.08.2012
5,000,000.00	€	6.68	13.10.2010
3,500,000.00	€	5.55	24.06.2011
2,556,459.41	DEM	5.06	26.11.2008
2,556,459.41	DEM	5.15	10.09.2008
2,556,459.41	DEM	5.18	08.09.2008
2,556,459.41	DEM	5.01	22.09.2008
2,556,459.41	DEM	5.01	22.09.2008
2,556,459.41	DEM	5.08	23.03.2009
2,500,000.00	€	6.67	04.02.2010
2,300,813.47	DEM	5.05	23.03.2009
2,000,000.00	€	6.53	21.06.2010
500,000.00	€	6.53	21.06.2010
255,645.94	DEM	5.05	23.03.2009

With regard to subordinated liabilities, Deutsche VerkehrsBank AG is under no obligation to redeem securities prior to maturity. In the event of bankruptcy, liquidation or composition proceedings, any claims from these liabilities will be subordinated to all unsubordinated claims by any of the issuer's creditors. There is no agreement on the conversion of these liabilities into equity capital or any other form of debt. These liabilities therefore meet the requirements of supplementary capital as set out in section 10 (5a) of the German Banking Act.

During 2000, expenses amounting to € 6.5 million were incurred in relation to the liabilities reported under this item.

DVB AG's profit-participation certificates (liability item 9) in the amount of € 164.5 million include the following issues:

Amount in € mn	Listed in:	Interest in %	Due date for redemption
38.3	DM	6.75	2004
51.1	DM	6.27	2007
75.0	€	7.585	2009

The profit-participation certificates approved by the resolutions of the Annual General Meeting in 1993, 1998 and 2000 meet the requirements of section 10 (5) of the German Banking Act with regard to supplementary capital. The total amount of these certificates may be used to cover for losses. Interest payments cannot exceed any distributable profit. The redemption rights of profit-participation certificate holders are subordinated to the entitlements of other creditors.

In the year under review, expenses in the amount of € 10.1 million were related to interest payments on profit-participation certificates and reported under "Other liabilities".

At the end of 2000, the Group's **capital and reserves** (liability item 10) amounted to € 340.1 million.

The **subscribed capital** comprises the bank's issued share capital of € 76.7 million as well as deposits from silent partnerships amounting to € 77.5 million. The issued **share capital** of € 76.7 million is divided into 3,000,000 unit shares. DG BANK Deutsche Genossenschaftsbank, Frankfurt/Main, holds 67.14 % of the total share capital, the Sparda banks 13.31 %, KRAVAG-HOLDING AG 10.00 % and Deutsche Bahn AG 0.75 %, respectively. The remaining shares are independently held.

In the year under review, the extraordinary General Meeting held on 8 March 2000 approved an increase of the issued share capital of € 19.3 million by issuance of 754,000 new registered unit shares having a pro-rata amount of the share capital of € 25.56 per share issued and a share price of € 88.00. The relevant registration in the Commercial Register was effected on 13 March 2000.

The offering premium of € 47.1 million realised in excess of the nominal value of the shares has been added to additional paid-in capital.

Silent partnerships account for deposits totalling € 77.5 million. In line with the approval by the extraordinary General Meeting held on 8 March 2000, the bank has entered into agreements on the establishment of silent partnerships – partial profit transfer agreements within the meaning of section 292 and 293 of the German Stock Corporation Act – with five shareholders. In accordance with section 10 (4) of the German Banking Act, any deposits by silent partners are added to the bank's core capital and are therefore subject to the following restrictions:

- The total amount of these deposits may be used as cover for any losses suffered by the bank. In the event of losses, no profits will be distributed to silent partners in the relevant financial year.

- In the case of insolvency proceedings with respect to the bank's assets or liquidation of the bank, these deposits will be repaid only after all creditors have been satisfied; they rank pari passu with the repayment claims of other silent partners whose deposits were also added to the bank's own funds.

- The repayment of the deposit is excluded for the entire term (until 31 December 2010).

- Termination of the silent partnership subject to a period of notice is excluded for the entire term.

- Any losses which reduce the silent partner's repayment claim during the term of the deposit may be compensated for only using profits arising prior to the silent partner's withdrawal.

- The loss sharing arrangement cannot be subsequently changed to the detriment of the bank, nor can the subordination be subsequently limited or the term or period of notice shortened.

With regard to **further capital adjustments**, the Board of Managing Directors holds the following authorisations:

- Subject to approval by the Supervisory Board, the company is authorised to increase the issued share capital up to a total amount of € 25 million by issuance of new shares for a contribution in cash up to 7 March 2005.

- Special-purpose authorisations for share capital increases to cover any commitments that may arise from staff stock option plans.

- Authorisation effective until 22 September 2003 for the single or multiple issuance of profit-participation certificates up to a total amount of € 38.3 million, while granting shareholders general subscription rights.

- Authorisation effective until 7 March 2005 for the single or multiple issuance of profit-participation certificates up to a total amount of € 25 million, while granting shareholders general subscription rights.

Furthermore, the bank obtained an authorisation at the Annual General Meeting on 24 June 1999 to purchase its own shares for trading purposes pursuant to section 71 (1) No. 7 of the German Stock Corporation Act. This is subject to the proviso that the trading portfolio of the shares purchased under this authority may not exceed five percent of the bank's issued share capital at the close of each day. The lowest equivalent at which own shares may be purchased has been set at the single price for the relevant shares that was quoted at the Frankfurt Stock Exchange on the trading day prior to the purchase, minus ten per cent. The highest equivalent for own shares was set at the single price plus ten per cent. On 31 December 2000, treasury shares in the amount of € 131,500 were held. The lowest price traded by us was € 91.00 per share, the highest was € 104.50 per share. During 2000, we purchased a total of 62,012 unit shares of Deutsche VerkehrsBank AG at an average purchase price of € 97.2371. 60,657 unit shares were sold at an average selling price of € 98.2090. For the year 2000, the maximum holding of treasury shares on any one day was 54,578 units; this corresponds to 1.8193 % of the bank's share capital. At year-end, the trading portfolio contained 1,350 unit shares of DVB AG (asset item 12) having a book value of € 131,500. A reserve for treasury stock was set aside in the same amount pursuant to section 272 (4) of the German Commercial Code. Any companies included in the consolidated financial statements do not hold shares in the parent company.

Of the Group's € 19.1 million net income, € 8.3 million was transferred to retained earnings (DVB AG: net income of € 13.4 million, retained earnings of € 2.6 million). The development of shareholders' equity over time is outlined in the management report.

The Group's liable capital is reinforced by reserve capital recognised for regulatory purposes. The reserve capital counting towards the liable capital in accordance with section 10 (2b) sentence 1 No. 6 in conjunction with section 10 (4a) sentence 1 of the German Banking Act amounts to € 2 million (for both DVB AG and the entire Group). The reserve capital pursuant to section § 10 (2a) sentence 1 No. 7 stands at € 113.4 million, while the reserve capital in accordance with section 10 (2b) sentence 1 No. 1 totals € 14.2 million.

The Group's **contingencies** include € 562.6 million in guarantees and indemnity agreements. DVB AG has pledged € 352 million as collateral for the liabilities of subsidiaries.

The **Other liabilities** totalling € 986 million consist of irrevocable loan commitments for aviation, shipping and railway finance.

Liabilities not identified on the balance sheet

An additional payment obligation of up to three times the value of the share held (31.12.2000: € 1.3 million) exists with regard to Liquiditäts-Konsortialbank GmbH, Frankfurt/Main. An obligation to make another capital contribution in the amount of € 1.4 million exists with regard to the limited partner's share in EFHATC Tankcontainer Vermietungs GmbH & Co. KG.

Other Information

Deutsche VerkehrsBank AG is a member of the cover fund of the Federal Association of German Credit Unions and Rural Banking Cooperatives.

Moreover, Deutsche VerkehrsBank AG is a member of Pensions-Sicherungs-Verein a.G.; this organisation levies a contribution from all its members.

The bank operates a retirement fund in the legal form of a mutual insurance association (V.V.a.G.) and is subject to the obligation of paying premiums for all staff insured.

During 2000, Deutsche VerkehrsBank AG donated approximately € 23,000 to various organisations. The main recipients included Euro Point Frankfurt e.V. (€ 4,500), Deutsche Logistik Akademie Bremen (€ 3,600), DVWG Bergisch-Gladbach and Städelscher Museums-Verein e.V. Frankfurt (€ 1,200 each).

The consolidated balance sheet includes assets denominated in a foreign currency to the equivalent of € 4,931.4 million (DVB AG: € 4,558.6 million) as well as liabilities to the equivalent of € 1,074.8 million (DVB AG: € 791.5 million).

The price risk is largely hedged by effecting currency spot purchases equating to € 80.9 million and currency forward purchases equating to € 172.2 million as well as currency spot sales (€ 145.4 million), currency forward sales (€ 3,919.5 million) and currency interest rate swaps (€ 53.8 million). Holdings of foreign notes and coins to the equivalent value of € 22.2 million remain unhedged due to the sustained cash management within tolerable ranges.

Explanatory notes for the individual profit and loss account items

The Group's **interest income** (item 1) totalling € 413.2 million includes income from bank balances (€ 34.1 million), income from fixed-income securities (€ 43.0 million) as well as income from customer lending (€ 336.1 million). From business with clients trading on an international scale, the London-based subsidiary of Deutsche VerkehrsBank AG, Nedship Bank Group and the subsidiary ITFL Ltd generated interest income amounting to € 103.1 million, € 106.9 million and € 44.6 million, respectively.

The Group's **commission income** (item 4) of € 105.5 million includes loan commissions and revenues for administrative and intermediary services in both custody and securities business for affiliated Sparda banks as well as mutual and special funds. This includes net commission income for ReiseBank amounting to € 51.2 million which is predominantly generated from transactions in foreign notes and coins, ATMs, Western Union global cash transfers, the sale of "vignettes" (prepaid motorway fee coupons, e.g. for travel in Austria or Switzerland), cash advance fees on credit cards and other commission income. This income has been generated almost exclusively by domestic branches.

The Group's **net profit on financial operations** (item 6) totalling € 8.2 million includes income from trading foreign notes and coins, precious metals and numismatics (€ 5.2 million), trading securities (€ 1.2 million), financial instruments (€ 0.7 million) and foreign currencies (€ 1,1 million). This income has been generated almost exclusively by domestic branches.

Other operating income totalling € 3.4 million (Group: item 7) and € 24.9 million (DVB AG: item 8), generated almost exclusively on the domestic market, is broken down as follows:

€ mn	DVB AG		Group	
	2000	1999	2000	1999
Release of provisions	0.8	1.4	1.6	1.7
Recoverable taxes	0.8	0.1	0.9	0.1
Rental income	0.4	0.5	0.5	0.5
Income from the disposal of fixed assets	17.8	4.0	0.1	4.0
Income from intra-group services	4.9	2.6	0	0
Other income	0.2	0.1	0.3	0.2
Total	**24.9**	**8.7**	**3.4**	**6.5**

The **general administrative expenses** (Group: item 9; DVB AG: item 10) consist of both staff expenses and other administrative expenses. They are broken down as follows:

Staff expenses:

€ mn	DVB AG		Group	
	2000	1999	2000	1999
Wages and salaries	27.9	25.0	47.4	39.7
Social security contributions	3.9	4.0	6.9	6.5
Expenses for pensions	0.7	0.5	2.5	0.5
Retirement fund	1.6	1.5	2.6	1.6
Early retirement	0.5	0.3	0.6	0.5
Total	**34.6**	**31.3**	**60.0**	**48.8**

Other administrative expenses:

€ mn	DVB AG		Group	
	2000	1999	2000	1999
Occupancy expenses	5.9	4.9	12.7	10.5
Office furniture and equipment	3.2	2.2	3.6	3.4
Operating costs	10.2	7.6	16.1	11.0
External services	19.7	17.6	25.5	21.3
Other administrative expenses	0.8	1.4	2.9	0.4
Total	**39.8**	**33.7**	**60.8**	**46.6**

Depreciation/write-offs of intangible and fixed-assets (Group: item 10; DVB AG: item 11) are broken down as follows:

€ mn	DVB AG		Group	
	2000	**1999**	**2000**	**1999**
Office furniture and equipment	3.59	3.34	6.64	5.71
Land and buildings	0.01	0.04	0.14	0.04
Intangible Assets	0	0	3.75	0.02
Total	**3.60**	**3.38**	**10.53**	**5.77**

Goodwill is subject to regular depreciation over the useful life determined.

Other operating expenses totalling € 3.7 million (Group: item 11) and € 2.8 million (DVB AG: item 12), and relating to domestic operations, are broken down as follows:

€ mn	DVB AG		Group	
	2000	**1999**	**2000**	**1999**
Losses from disposals of assets	0.1	0.2	0.1	0.2
Provisions for both consultancy and legal costs	0	0.2	0.0	0.2
Provisions for ATMs and refunds	0	0	0.1	0
German Remembrance Fund	0.2	0	0.2	0
Staff expenditure	0.5	0.3	0.6	0.3
Other expenses	2.0	2.2	2.7	2.5
Total	**2.8**	**2.9**	**3.7**	**3.2**

As for the previous year, "Other operating expenses" does not include any significant amounts which should be attributed to other financial years.

As a result of the first-time consolidation of the Nedship Bank Group, income and expenses have increased considerably. However, taking into consideration the costs of acquisition and refinancing, the consolidated Group results have not changed significantly following the inclusion of Nedship Bank N.V.

Segment Reporting

Segment reporting illustrates how the individual business lines contribute to the Group's overall results. The segmentation corresponds to the customer-oriented strategic business units of the Deutsche VerkehrsBank Group on which the Group management is based. The Group's operative business is organised into three business lines: Transport Finance, Trading/Central Bank and ReiseBank/CashExpress. Added to these are the central Group services.

The Transport Finance segment comprises all of the bank's activities in the area of aviation, shipping and land transport, including all relevant consultancy and structuring services. Until the year 2000, the corporate customer business unit was also contained in this segment. However, as the corporate customer business is no longer in line with the bank's strategic orientation, this unit is currently being phased out.

The Trading/Central Bank segment combines own-account trading in money market papers, currencies, securities, foreign notes and coins, and precious metals as well as the associated activities with consultancy and support services for the Sparda banks.

The ReiseBank/CashExpress business line comprises the results generated from services for travellers at key traffic hubs.

The figures reflect the operative business of the individual business lines and, in addition to the directly attributable expenses, include the income generated. Loan loss provisions are stated, in particular, for the Transport Finance business line. The net interest income is determined on the basis of market rates. In addition, this item includes the interest paid on any capital allocated to the individual divisions, taking into consideration the regulatory principles governing the capital backing for certain transactions. The net commission income generated by the Central Bank business line was reduced by certain expenses for the external settlement of securities brokerage business for the first time in 2000; these expense items had previously been included in “Other administrative expenses”.

To the extent that administrative and processing activities are not allocated to the operative business lines, these activities are subsumed under Group services. In addition, Group services also include expenses and income which cannot be clearly attributed to any other area. The administrative expenses of this segment also include the depreciation of goodwill following the acquisition of Nedship Bank N.V.

Group-wide, the segment result for 2000 amounted to € 19.1 million (1999: € 15,5 million). The fundamental restructuring measures implemented in 2000 (particularly in the area of transportation finance operations) have only displayed their full effect towards the end of the year. To retain comparability with previous years, this segment report corresponds to the organisational structure of Deutsche VerkehrsBank in effect for most of 2000.

€ mn	Group		Transport Finance		Trading/ Central Bank		ReiseBank/ CashExpress		Group Services	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Net interest income	66.1	47.4	40.5	37.5	1.9	2.0	–1.6	–1.0	25.3	8.9
Net commission income	90.1	69.1	29.3	14.0	8.0	7.9	52.9	47.3	–0.1	–0.1
Financial performance	8.2	11.0	0.1	0.8	8.3	10.2	0.0	0.0	-0.2	0.0
Staff expenses	–60.0	–48.8	–26.7	–16.3	–4.9	–4..2	–17.6	–17.1	–10.8	–11.2
Other administrative expenses and regular depreciation of tangible fixed assets	–71.3	–52.4	–19.3	–10.7	–7.8	–7.4	–18.5	–15.3	–25.7	–19.0
Other operating income and expenses	–0.3	3.3	0.0	0.0	0.0	0.0	–0.1	0.0	–0.2	3.3
Operating profit before loan loss provisions	**32.8**	**29.6**	**23.9**	**25.3**	**5.4**	**8.5**	**15.2**	**13.9**	**–11.7**	**–18.1**
Net loan loss provisions	1.1	–7.0	1.1	–7.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit after loan loss provisions	**33.9**	**22.6**	**25.0**	**18.3**	**5.4**	**8.5**	**15.2**	**13.9**	**–11.7**	**–18.1**
Other income/expenses	–3.1	–0.6	0.0	0.0	0.0	0.0	0.0	0.0	–3.1	–0.6
Income tax expense	–11.7	–6.5	0.0	0.0	0.0	0.0	0.0	0.0	–11.7	–6.5
Segment result	**19.1**	**15.5**	**25.0**	**18.3**	**5.4**	**8.5**	**15.2**	**13.9**	**–26.5**	**–25.2**

This result enables us to propose to the Annual General Meeting of Deutsche VerkehrsBank AG payment of a **dividend** of € 3.60 per unit share. Taking the corporation tax credit of € 0.22 into account, domestic shareholders will therefore receive a total return of € 3.82 per unit share.

General Explanations

The bank enters into **forward transactions** in order to hedge its own currency and interest-rate positions and also during the course of trading with its clients.

The primary purpose of **foreign exchange forwards and option deals** is the hedging of foreign currency loans and deposits and of foreign notes and coins. Furthermore, foreign exchange forwards, spot exchange deals and option deals entered into on behalf of the bank's customers are closed out via banking partners. As at 31 December 2000, the nominal volume of these transactions stood at € 4,322 million, of which € 4,259 million was directly used for the rate-hedging of on-balance sheet operations.

We also use **other derivative financial instruments** for trading purposes, the bank's asset/liability management and also for hedging purposes on an individual transaction level. As at 31 December 2000, the total nominal volume of these transactions at Group level stood at € 11,144 million, of which € 9,015 million related to financial swaps, € 50 million to forward rate agreements, € 1,608 million to interest rate options and € 471 million to DTB transactions.

Of the total volume of € 11,139 million in interest rate instruments, trading activities account for € 5,957 million.

One subsidiary has entered into an interest rate hedging agreement with Deutsche VerkehrsBank AG to the value of € 20.4 million.

Employees

Average number of DVB Group employees for the business year:

	DVB AG		Group	
	2000	**1999**	**2000**	**1999**
Female employees	164	153	401	350
Male employees	270	265	505	446
Total	**434**	**418**	**906**	**796**

The average number of staff excludes apprentices, employees on parental leave and those in military or civilian service, but includes temporary staff.

Governing Bodies of Deutsche VerkehrsBank AG

Supervisory Board

Uwe E. Flach, Chairman
Dr. Peter Scharpf, Deputy Chairman
Lutz Baumgartl
Dr. Heiko Bruns
Axel Clemens
Cornelia Jung
Dr. Peter Klaus
Hemjö Klein
Theo Markert (until 21 June 2000)
Hermann Möller
Dr. Ing. Manfred Mücke
Diethelm Sack (until 20 October 2000)
Rosemarie Schur-Heimann (from 5 September 2000)

One member of the Supervisory Board has not attended over half of the body's meetings.

Board of Managing Directors

Wolfgang F. Driese, Chairman
Anne-Rose Heibel-Dietrich (until 31 March 2000)
Klaus W. Heinemann
Rainer Irmen, Deputy Managing Director (from 1 January 2001)

The professions of the members of both the Supervisory Board and the Board of Managing Directors as well as the offices held by them are stated at the end of these Notes.

The emoluments paid to Board members throughout 2000 amounted to:

(€ thousands)	2000	1999
Board of Managing Directors	1,085	1,265
Supervisory bodies	123	104
Former members of the Board of Managing Directors or their surviving dependants	238	189

The emoluments paid to the members of the Board of Managing Directors is made up of the fixed component of € 600,000 plus a variable component of up to € 485,000.

The members of the Board of Managing Directors hold a total of 210 shares between them, and the members of the Supervisory Board hold a combined total of six shares in Deutsche VerkehrsBank AG.

Deutsche VerkehrsBank AG has availed itself of the opportunity offered by section 286 (4) of the German Commercial Code to omit some of the disclosures required by section 285 No. 9b of the same Code.

€ 1.85 million has been set aside as provisions for pension liabilities to former members of the Managing Board or their surviving dependants.

Consolidated Statement of Cash Flows

The consolidated statement of cash flows provides an overview of the development of the bank's cash, while categorising the individual cash flows according to their intended use. This is done using the indirect method which is based on the extended flow-of-funds statement and can be directly derived from the Group's accounting system.

According to the very narrow definition used by Deutsche VerkehrsBank, cash and cash equivalents only include "cash funds" and "public sector debt securities and bills of exchange eligible for refinancing at central banks".

The cash flow statement shows the changes in the cash flow situation by breaking down cash flows into the following segments: operating activities, investing activities and funding activities.

The allocation to the relevant operating activities is not only based on a very wide definition, but also on the factors impacting on the operating profit (or loss) from ordinary banking business. The cash flows from investing activities are basically limited to proceeds from the disposal of and payments for the acquisition of investment securities, and property and equipment. As the external financing by third parties is an integral part of the ordinary (and therefore operative) business of banks, we have limited our overview of the bank's cash-flow from funding activities to focus on equity providers.

Any changes in cash and cash equivalents over the business year resulted from these three business lines plus any net effects from exchange rate changes. Any receivables or liabilities from foreign currency transactions were converted at the reporting date using the spot middle rate, as all foreign currency transactions are subject to specific cover.

Consolidated Statement of Cash Flows – Deutsche VerkehrsBank Group

		31.12.2000			31.12.1999	
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Net income		19.143			15.436	
Non-cash items comprised in net income, and reconciliation to cash flow from operating activities						
Net loan loss provisions		9.190			7.434	
Depreciation, write-downs and additions on fixed assets and non-trading assets		6.145			5.746	
Changes in provisions/reserves		2.167			5.072	
Changes in other non-cash items	8.048	0		9.935	0	
Profits from the disposal of fixed assets and non-trading assets		0			0	
Other adjustments (predominantly interest received less interest paid)	60.934			47.406		
Subtotal	**68.982**	**36.645**	**–32.337**	**57.341**	**33.688**	**–23.653**
	Application of funds € mn	**Source of funds € mn**	**Net cash flow € mn**	**Application of funds € mn**	**Source of funds € mn**	**Net cash flow € mn**
Balance carried forward	68.982	36.645	–32.337	57.341	33.688	–23.653
Changes in assets and liabilities from operating activities after adjustment for non-cash items						
Placements with, and loans and advances to, other banks		200.623			1,017.250	
Loans and advances to customers	2,876.248			936.484		
Trading securities and liquidity reserve	0	291.662		300.221		
Other assets from operating activities	160.363			14.792		
Liabilities to banks		739.306			391.347	
Liabilities to customers	0	745.717		119.220		
Certificated liabilities	0	832.411		81.419		
Other liabilities from operating activities	37.710	0			67.906	
Interest and dividends received		431.659			278.163	
Interest paid	370.725			230.757		
Cash flow from operating activities	**3,514.028**	**3,278.023**	**–236.005**	**1,740.234**	**1,788.354**	**48.120**
Proceeds from the disposal of fixed assets and non-trading assets		5.968			3.392	
Payments for the acquisition of fixed assets and non-trading assets	152.074			18.502		
Impact of changes in the consolidated group of companies		0			0	
Changes due to other investing activities		0			0	
Cash flow from investing activities	**152.074**	**5.968**	**–146.106**	**18.502**	**3.392**	**–15.110**
Proceeds from capital increases		143.852			18.473	
Dividends paid	8.086			5.005		
Changes due to other funding activities		161.464			19.322	
Cash flow from financing activities	**8.086**	**305.316**	**297.230**	**5.005**	**37.795**	**32.790**
Cash and cash equivalents at the beginning of the period			206.103			140.302
Cash flow from operating activities			**–236.005**			**48.120**
Cash flow from investing activities			**–146.106**			**–15.110**
Cash flow from financing activities			**297.231**			**32.790**
Impact of exchange rate fluctuations			0			0
Cash and cash equivalents at the end of the period			121.223			206.102

The funding activities resulted in a € 297 million cash-flow. Additional cash-flows were generated thereby freeing up cash amounting to € 85 million, used together with € 146 million from investing activities and a further € 236 million for operative business.

Consolidated Financial Statements

In its capacity as a parent company, Deutsche VerkehrsBank is also a subsidiary of DG BANK Deutsche Genossenschaftsbank, Frankfurt/Main.

DG BANK Deutsche Genossenschaftsbank, Frankfurt/Main, prepared both the consolidated financial statements and the Group management report as at 31 December 2000 which were deposited with the Frankfurt/Main District Court (Amtsgericht Frankfurt am Main). As Deutsche VerkehrsBank has been included in these statements and reports, it is not required to prepare its own financial statements.

Frankfurt/Main, 20 March 2001

Deutsche VerkehrsBank AG
The Board of Managing Directors

Wolfgang F. Driese | Klaus W. Heinemann | Rainer Irmen

Offices held in supervisory boards and other supervisory bodies

(Disclosures pursuant to section 285 No. 10 of the German Commercial Code)

Supervisory Board

Uwe E. Flach	Chairman Member of the Board of Managing Directors DG BANK Deutsche Genossenschaftsbank AG, Frankfurt/Main Chairman of the Supervisory Board DEVIF GmbH, Frankfurt/Main, Deputy Chairman of the Supervisory Board Andreae-Noris-Zahn AG, Frankfurt/Main Deutsche Börse AG, Frankfurt/Main Union Investment GmbH, Frankfurt/Main Member of the Supervisory Board AGAB AG, Frankfurt/Main DG UNTERNEHMERPARTNER GmbH, Frankfurt/Main
Dr. Peter Scharpf	Deputy Chairman Solicitor and chartered accountant, Chairman of the Board Verband der Sparda-Banken e.V., Frankfurt/Main Member of the Supervisory Board DEVK Lebensversicherungsverein a.G., Cologne DEVK Allgemeine Versicherungs AG, Cologne
Lutz Baumgartl*	Bank officer Deutsche VerkehrsBank AG, Frankfurt/Main

Dr. Heiko Bruns	Member of the Board of Managing Directors DG BANK Deutsche Genossenschaftsbank AG, Frankfurt/Main Chairman of the Supervisory Board DEFO Deutsche Immobilienfonds GmbH, Frankfurt/Main Member of the Supervisory Board SPAR Handels AG, Hamburg Raiffeisen Hauptgenossenschaft Nord AG, Hannover Raiffeisen Hauptgenossenschaft Nord AG, Kiel
Axel Clemens*	Bank employee Deutsche VerkehrsBank AG, Frankfurt/Main
Cornelia Jung*	Bank officer Deutsche VerkehrsBank AG, Frankfurt/Main
Dr. Peter Klaus	Member of the Board of Managing Directors Kreditanstalt für Wiederaufbau, Frankfurt/Main Member of the Supervisory Board debis AirFinance B.V., Amsterdam HDW Howaldtswerke Deutsche Werft AG, Kiel Frachtcontor Junge, Hamburg Babcock Borsig AG, Oberhausen Georgsmarienhütte Holding, Georgsmarienhütte
Hemjö Klein	Chairman of the Supervisory Board Sixt AG, Munich E-Learn AG, Perinaldo (Italy) POP-Coin Interactive Marketing AG, Frankfurt/Main Member of the Supervisory Board Lufthansa Commercial Holding GmbH, Cologne
Theo Markert*	until 21 June 2000 Bank officer Deutsche VerkehrsBank AG, Frankfurt/Main

Hermann Möller	Chairman of the Board of Managing Directors Sparda-Bank Baden-Württemberg eG, Stuttgart Chairman of the Council of Verband der Sparda-Banken e. V., Frankfurt/Main Member of the Supervisory Board DEVK Allgemeine Lebensversicherungs-AG, Cologne Member of the Advisory Council BHW AG, Hameln
Dr. Ing. Manfred Mücke	Chairman of the Board KRAVAG-SACH VVaG, Hamburg KRAVAG-LOGISTIC Versicherungs-AG, Hamburg Member of the Board of Managing Directors R+V Allgemeine Versicherung AG, Wiesbaden R+V Versicherung AG, Wiesbaden Chairman of the Supervisory Board KRAVAG-ALLGEMEINE Versicherungs AG, Hamburg KRAVAG-HOLDING AG, Hamburg KRAVAG-LEBEN Versicherungs-AG, Hamburg Member of the Supervisory Board Eisen + Stahl Rückversicherungs-AG, Hannover Member of the Administrative Board of HGK Handels- gesellschaft für Kraftfahrzeugbedarf mbH & Co. KG, Düsseldorf

Diethelm Sack	until 20 October 2000 Board member for finance/controlling Deutsche Bahn AG, Frankfurt/Main Chairman of the Supervisory Board Deutsche Verkehrs-Assekuranz-Vermittlungs GmbH, Bad Homburg Transport-, Informatik- und Logistik-Consulting GmbH, Berlin DB Informatik-Dienste GmbH, Erfurt Member of the Supervisory Board Deutsches Reisebüro GmbH, Frankfurt/Main Mannesmann Arcor Verwaltungs-AG, Eschborn Frankfurter Versicherungs-AG, Frankfurt/Main DB Anlagen und HausService GmbH, Berlin DB Projekt Köln-Rhein-Main GmbH, Frankfurt/Main DB Station & Service AG, Berlin DB Netz AG, Berlin DB Reise & Touristik AG, Berlin DB Regio AG, Berlin DB Cargo AG, Berlin GBO Gerätebau Odenwald AG, Rimbach dvm Deutsche Verkehrsdienstleistungs- und Management GmbH, Berlin DEVK Allgemeine Lebensversicherungs-Aktiengesellschaft, Cologne DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G., Cologne Vice President of the Administrative Board EUROFIMA, Basle Member of the Administrative Board Dresdner Bank Luxembourg S.A., Luxembourg
Rosemarie Schur-Heimann	from 5 September 2000 Bank employee ReiseBank AG, Stuttgart

**voted by staff*

Committees of the Supervisory Board

Lending Committee

Uwe E. Flach	Chairman
Dr. Peter Klaus	Deputy Chairman
Dr. Heiko Bruns	

Executive Committee

Uwe E. Flach	Chairman
Dr. Peter Scharpf	Deputy Chairman
Lutz Baumgartl	Employee Representative

Board of Managing Directors

Wolfgang F. Driese

Chairman of the Board
Deutsche VerkehrsBank AG, Frankfurt/Main
Chairman of the Supervisory Board
Nedship Bank N.V., Rotterdam
Nedship Bank (America) N.V., Curaçao
Deputy Chairman of the Supervisory Board (until 6 June 2000)
DVL Deutsche Verkehrs-Leasing GmbH, Eschborn
Member of the Supervisory Board
ReiseBank AG, Frankfurt/Main
CashExpress GmbH, Frankfurt/Main
KRAVAG-SACH VVaG, Hamburg
DVB Group Merchant Bank (Asia) Ltd., Singapore
International Transport Finance Ltd., London

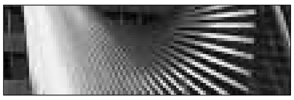
Anne-Rose Heibel-Dietrich	until 31 March 2000 Member of the Board of Managing Directors Deutsche VerkehrsBank AG, Frankfurt/Main Chairwoman of the Supervisory Board ReiseBank AG, Frankfurt/Main CashExpress GmbH, Frankfurt/Main Member of the Supervisory Board Union-Investment-Gesellschaft mbH, Frankfurt/Main Union-Fonds-Holding AG, Frankfurt/Main Member of the Advisory Council DEVIF Deutsche Gesellschaft für Investment-Fonds GmbH, Frankfurt/Main Verband der Sparda-Banken e.V., Frankfurt/Main Chairwoman of the Board of Managing Directors of the retirement fund of Deutsche Verkehrs-Bank VVaG, Berlin
Klaus W. Heinemann	Member of the Board of Managing Directors Deutsche VerkehrsBank AG, Frankfurt/Main Chairman of the Supervisory Board International Transport Finance Ltd., London Member of the Supervisory Board ReiseBank AG, Frankfurt/Main CashExpress GmbH, Frankfurt/Main Nedship Bank N.V., Rotterdam
Rainer Irmen	from 1 January 2001 Deputy Member of the Board of Managing Directors Deutsche VerkehrsBank AG, Frankfurt/Main Member of the Supervisory Board ReiseBank AG, Frankfurt/Main CashExpress GmbH, Frankfurt/Main International Transport Finance Ltd., London

Auditors' report

We have audited the Financial Statements of Deutsche VerkehrsBank Aktiengesellschaft, Frankfurt/Main, together with its consolidated financial statements and its Management Report, covering both the company and the entire Group, for the business year beginning 1 January and ending 31 December 2000. The company's legal representatives are responsible for the preparation of these documents in accordance with the German Commercial Code. Having conducted an audit which included the accounting records, our responsibility is to express an opinion on the Financial Statements and the Management Report of both the company and the entire Group.

We conducted our audit in accordance with section 317 of the German Commercial Code, observing the generally accepted German auditing principles as laid down by the German Institute of Auditors (IDW). These standards require that we plan and perform the audit to obtain reasonable assurance on whether the Financial Statements and the Consolidated Financial Statements (based on generally accepted accounting principles) and the Management Report for both the company and the entire Group are free of material misrepresentations and present a true and fair view of the net worth, financial position and results of the company. In determining specific actions within the scope of our audit, we considered the company's business activities as well as its economic environment and legal structure. Expectations regarding potential sources of error were also taken into account. The conduct of an audit includes examining the effectiveness of the company's internal control systems and, on a sample basis, evidence supporting the information contained within the accounting records and disclosed in the Financial Statements and the Consolidated Financial Statements as well as in the Management Report for both the company and the entire Group. The scope of an audit also includes assessing the accounting principles and consolidation policies used and the significant estimates of the company's legal representatives, as well as evaluating the overall presentation of the Financial Statements, Consolidated Financial Statements and the Management Report for both the company and the entire Group. We are confident that our audit provides a sufficiently sound basis on which to make an assessment. Our audit led to no objections.





In our opinion, both the Financial Statements and the Consolidated Financial Statements present, in compliance with generally accepted accounting principles, a true and fair view of the company's and the Group's net worth, financial position and results. The Management Report gives a true and fair overall view of both the company's and the Group's situation and of any risks inherent to future developments.

Frankfurt/Main, 21 March 2001

PwC Deutsche Revision
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Rosenzweig	ppa. Thomas
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Chartered Accountant)	(German Chartered Accountant)

Report of the Supervisory Board

Dear shareholder,

During the 2000 business year the Supervisory Board met on 8 March, 5 April, 20 September and 17 November. During these meetings, the Board of Managing Directors informed the Supervisory Board on the fundamental business policies and corporate strategy issues as well as on the business development of DVB. In doing so, the Board of Managing Directors gave a detailed account on the current situation with regard to the bank's liquidity, financial situation and profitability, and on corporate planning issues. The Supervisory Board was updated regularly, and in detail, on the integration of Nedship Bank N.V., following the acquisition of the same on 31 May 2000, and regarding the roll-out of the SAP R/3 software scheduled for 2 January 2001. In addition, the Chairman of the Board of Managing Directors informed the Chairman of the Supervisory Board with respect to the bank's economic situation, current events and business policy issues in the course of one-to-one meetings.

In its meeting held on 8 March 2000, the Supervisory Board approved the request by Mrs. Anne-Rose Heibel-Dietrich to retire from her position as member of the Board of Managing Directors, and to terminate her contract of employment early, on 31 March 2000, to allow her to assume a position in the cooperative banking system. In the course of the same meeting, the Supervisory Board approved a capital increase and an amendment to the amount of the bank's issued share capital, as stipulated in section 4 of its Statutes. The Supervisory Board approved an employee share ownership programme during its meeting on 5 April 2000.

In the Supervisory Board meeting on 20 September 2000 the Board of Managing Directors reported on numerous changes to the structure of Deutsche VerkehrsBank, including the phasing out of business relationships to clients outside the transport sector and the corresponding change in the bank's branch network. Also, the new Group Risk Management and Corporate Finance units were presented. The Supervisory Board duly noted or approved the associated measures, respectively.

During the Supervisory Board meeting held in November the Head of the Audit department gave a detailed account of the results of the internal audit, including the fundamental tasks and procedures as well as the focal points and results of the audit. In the same meeting the Supervisory Board appointed Mr. Rainer Irmen as deputy member of the Board of Managing Directors of Deutsche VerkehrsBank AG, with effect from 1 January 2001.

Messrs. Theo Markert and Diethelm Sack retired from their office as members of the Supervisory Board of Deutsche VerkehrsBank AG. In accordance with section 104 of the

Uwe E. Flach

German Stock Corporation Act, Mrs. Rosemarie Schur-Heimann was appointed as a member of the Supervisory Board.

In addition, the Supervisory Board approved issues of particular urgency by way of circulation.

The Credit Committee of the Supervisory Board met on 17 February, 23 March and 20 September 2000 in which it dealt with loan applications that required its approval under internal regulations; additionally, such decisions were taken by way of circulation. Loan exposures associated with special risks or otherwise subject to problems as well as special events in the lending business were discussed in detail with the Board of Managing Directors.

The Executive Committee, which deals with matters pertaining to the Board of Managing Directors, met twice during the business year.

The Supervisory Board entrusted the external auditor elected by the Annual General Meeting, PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, with the audit of the bank's accounts. The bank's external auditor took part in the Supervisory Board meeting to examine and approve the financial statements on 4 April 2001, as well as in the meeting of the Credit Committee on 23 February 2001. During these meetings, the auditor reported on the audit as a whole and on major individual items. The accounts, the financial statements and the management report have been examined and certified without qualification by the external auditor, and the corresponding report was made available to all members of the Supervisory Board.

Based on the consolidated financial statements, the Group management report and the report of the Group's external auditor, the Supervisory Board has examined the financial statements and management report as at 31 December 2000 and the proposal for the appropriation of distributable profit. There were no objections.

In its meeting on 4 April 2001 the Supervisory Board approved and thus confirmed the financial statements. The proposal of the Board of Managing Directors for the appropriation of the distributable profit, and for payment of a dividend of € 3.60 per share, is endorsed by the Supervisory Board.

The Board of Managing Directors has prepared and submitted the mandatory report on business relationships with affiliated enterprises; this report has been examined and certified without qualification by the external auditor, as follows:

"Having duly examined and assessed this report in accordance with professional standards, we confirm that the report is free from factual misrepresentations; and the company did not pay any excessive consideration with regard to the transactions identified in the report."

Following its review and examination of the report on business relationships with affiliated enterprises, the Supervisory Board approves the results of the audit of the financial statements. In particular, the Supervisory Board has no objections regarding the declaration made by the Board of Managing Directors pursuant to section 312 (3) of the German Stock Corporation Act.

The Supervisory Board would like to sincerely thank the Board of Managing Directors and all employees, and recognises their commitment during the year 2000.

Frankfurt/Main, 4 April 2001

For the Supervisory Board

Uwe E. Flach
Chairman

Distribution of responsibilities of the Board of Managing Directors

	Wolfgang F. Driese	**Klaus W. Heinemann**	**Rainer Irmen (Deputy Managing Director)**
Client groups	**Transport Finance**	**Transport Finance**	
	Shipping Dagfinn Lunde	**Aviation** David Goring-Thomas	**DVB Processing GmbH** Walter Bucher Alfred Scherff
	Shipping Credit Peter Illingworth	**Aviation Credit** Carsten Gutknecht-Stöhr	
	Road & Logistics Michael Heinz Klaus Torner	**Corporate Finance** Stein Arnesen	
	Rail Martin Metz Markus Neuland	**International Transport Finance Ltd.** Constance Laudenschlager Graham Grover	
	Infrastructure Karsten T. Landgraf		
	Land Transport Credit Gerhard Kaiser		
	D-Marketing Rainer Nothwang Walter Reinhardt		
	Central Bank/"Sparda" Banks Thomas Dellwig		
	ReiseBank AG/CashExpress GmbH Horst Erler Wolf-Dieter Weschke		
	Nedship Bank N.V. Dagfinn Lunde Richard Groeneveld Peter Illingworth		
Product groups/ Service and support units	**Group Risk Management** Rolf Büttner	**Compliance/Prevention of Money Laundering** Arno Grunhold	**Controlling** Martin Kinzel
	Money Market, Foreign Exchange, Securities Trading Jürgen Haupt	**Human Resources** Jürgen von Zeppelin	**Operations & Services** Walter Bucher Jürgen Schmidt
	Inhouse-Consulting Hermann Siegling	**Audit** Elena Segerbarthold Andrew Williams	**Organisation/EDP** Dr. Wolfgang Preuß
	Foreign Notes and Coins, Precious Metals Trading Günter Spieker		**Accounting** Werner Schmunk
	Treasury Ernst Albrecht Brockhaus		
	Corporate Communications Dr. Borislav Bjelicic		

Updated: 1 January 2001

Glossary

Asset-backed securities
A special form of securitising payment claims in tradable securities that are structured by aggregating certain financial assets.

Bulk markets
Shipping markets for mass dry-bulk cargoes.

Cash flow statement
Aggregation and analysis of cash flows returned or used by an enterprise in the course of a business year. The breakdown into the three sections of cash flows from operating, investing and financing activities serves to highlight the sources and appropriation of cash flows.

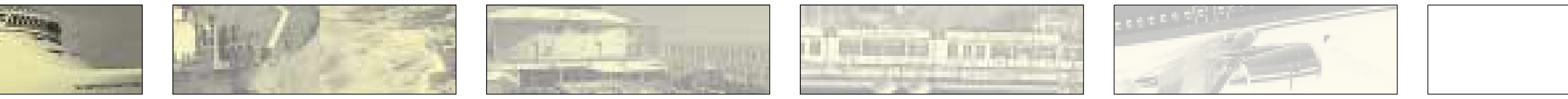
CDAX
Composite DAX; an equity index calculated and published by Deutsche Börse AG every minute during exchange trading hours.

Commercial Paper programme
Short-term, uncollateralised debentures issued within the scope of "issuing programmes". Commercial Paper is used by financing companies as well as industrial issuers or trading enterprises with an impeccable credit rating. Due to the minimum investment amounts involved, Commercial Paper is generally acquired by institutional rather than retail investors.

Core capital ratio (German Banking Act)
Indicator expressing the ratio of core capital (predominantly consisting of issued share capital and reserves) to risk-weighted assets, i.e. those assets on a bank's balance sheet that must be backed by equity capital, subject to certain weightings as set by the German Federal Banking Supervisory Authority.

Cost/income ratio
Indicator for cost efficiency that expresses the ratio of operating expenses to operating income.

Debt issuance programme
Flexible debt issuance facility based on standard documentation. This enables issuers to raise funds by way of uncollateralised debentures at different points in time, tailoring issue size, currency and term to their prevailing needs.



Derivatives
Products derived from traditional cash market instruments such as equities, bonds or foreign exchange. Derivatives are generally valued using the price, price fluctuation or expected price development of the respective underlying instrument. Derivatives include in particular swaps, options and futures.

Due diligence
The detailed analysis of the legal and financial circumstances of an enterprise. In this way, a buyer is able to verify the correctness of assumptions on which a bid has been based, and to ascertain that all material risks are taken into account in the acquisition contract.

Freight receivables management
Product developed by DVB Group, in cooperation with a number of partners in rail, shipping and road transport, for the acquisition of client receivables and the collection of payments for freight services.

IPO
Initial public offering; the first-time listing of shares at a stock exchange.

Lending volume
Aggregate loans and advances excluding provisions, comprising book-entry claims and off-balance sheet business.

Medium-term note
Flexible debt issuance facility that enables issuers to raise funds by way of uncollateralised debentures at different points in time, tailoring issue size, currency and term to their prevailing needs.

Mergers & acquisitions (M&A)
In a general sense, a generic term for the acquisition, sale or merger of enterprises or shareholdings. However, the term “M&A” nowadays generally refers to advisory services provided in relation to such transactions.

Net profit on financial operations
Item of a bank’s profit and loss account expressing the cross-divisional results of own-account trading activities. Specifically, it represents the positive aggregate of income and expenses incurred on proprietary trading in securities, financial instruments, foreign exchange and precious metals.

Numismatics
The science of coins, dealing with coins in the broadest sense.

Operating lease
Leasing transactions where all material risks associated with holding a leased object remain with the lessor.

Own funds according to the German Banking Act
Section 10 of the German Banking Act (Kreditwesengesetz – "KWG") provides for a sufficient level of liable equity capital of banks. This comprises core capital (predominantly consisting of issued share capital and reserves) and supplementary capital (mainly comprising profit-participation certificates, subordinated liabilities, hidden reserves pursuant to section 340f of the German Commercial Code and revaluation reserves on securities and real estate).

Principles of Corporate Governance
The principles of corporate governance facilitate the responsible and value-added management and supervision of a company or a group. These principles – which were drawn up by a Corporate Governance Commission comprising leading representatives of science and business – serve as a code of best practice.

Return on equity
Balance sheet indicator expressing the ratio of net income before income tax expense to the average available shareholders' equity.

SAP
Identical to the name of its producer, SAP is the most frequently used enterprise resource planning (ERP) software. The literal meaning of "SAP" refers to "systems, applications, products" in data processing.

Segment reporting
Breakdown of a company's financial situation and profitability by business activities or geographical regions.

Silent partnership
A participation in the business of a third party by providing an investment that is transferred to such third party. While silent partners have a share in the current profit and loss of an enterprise, they are not disclosed; neither are they authorised to manage or represent.

US Leveraged Lease
Leasing structure specific to the US market.

Value at risk
A method used to quantify the risks of financial instruments. It states the level at which risk arises, given a defined level of market volatility.

VLCC
Very large crude carrier – a crude oil vessel with a capacity of approximately 175,000 to 300,000 dwt.

Western Union
Cooperation partner of ReiseBank with more than 30,000 agencies in more than 130 countries worldwide. For fast money transfers, senders deposit cash at one of ReiseBank's numerous outlets, or at their account-holding bank. The amount is then available at any Western Union agency – generally within minutes, and also outside normal banking hours.