



DePfa Group

Press and Investor Relations Release

Contacts:

Hanno Strube

Telephone: +49 611 348 2373

hanno.strube@depfa.com

Frank Weber

Telephone: +49 611 348 2389

frank.weber@aareal-bank.com

Jürgen Junginger

Telephone: +49 611 348 2636

juergen.junginger@aareal-bank.com

Marc Towner

Telephone: +49 611 348 3249

marc.towner@depfa.com

DePfa Group: preliminary results for 2001 financial year Net profit before minorities up 72% to EUR 322 m

Wiesbaden. 4 April 2002. The last full financial year of DePfa Group before the split into two new banking groups this summer was very successful; Net profit before minorities increased by 72.2% to EUR 322 m, ahead of company forecasts of approximately EUR 280 m.

Total net interest income grew strongly by 10.6% to EUR 635 m, driven by higher financing volumes, particularly on the international side of both the public finance and property businesses. Net commission income was flat at EUR 129 m. The net trading result of EUR 95 m, which was up significantly from the 2000 level of EUR 8 m, has also to be seen in the light of the valuation of derivatives resulting from stringent US GAAP hedge accounting regulations. The trading profit at DePfa Investment Bank Ltd reached EUR 30 m (vs. EUR 25 m in 2000).

Administrative expenditure grew in 2001 by 15.0% to EUR 437 m due mainly to the first-time consolidation of Group companies, incentive plans of DePfa Group and a rise in staff and salary levels. An increase in expenditure for IT investments for the public finance bank explains for the most part the rise in other administrative expenses by 6.1% to EUR 139 m.

Other operating income and expenditure produced a strong net positive result of EUR 115 m (vs. EUR 1 m in 2000) due among other things to gains from the sale of securities, a core business in the public finance bank, and the sale of the participation in Deutsche Börse in the first quarter

2001. The costs of the split of DePfa Group have been fully accounted for under this item.

Provisions for loan losses declined by 24.7% to EUR 116 m and were within the revised company estimate of a maximum EUR 120 m.

Earnings in the public finance business improved in 2001 reflecting further progress in traditional budget financing business in Western European markets and success in the investment banking approach. Net income after taxes was up by one third to EUR 220 m, corresponding to a net ROE of 20.3%, calculated on a much higher equity base. Administrative expenditure increased by 21.0% to EUR 92 million due to IT investments, staff recruitment and the impact of incentive plans of DePfa Group in the 2001 financial year. The cost/income ratio of approximately 32% represents a more appropriate level for the independent public finance bank to take maximum advantage of new business opportunities.

Income before taxes of the property business including property holdings to be transferred increased to EUR 116 m (2000: EUR -33 m). The cost/income ratio improved markedly from 60.2% to 51.5%. ROE before taxes amounted to 11.3% and after taxes to 7.7%. Property financing volumes increased to EUR 25 bn, with international financings the main engine of this growth, as in the previous year. In 2001 volumes of synthetic securitisations reached in total EUR 3.2 bn, meaning that though they remained on the balance sheet from an accounting point of view pressure on risk assets was reduced.

Group net income totalled EUR 291 m, up by nearly 90% on 2000. DePfa Group proposes to pay an increased dividend of EUR 1.10 per share for the year 2001 (2000:EUR 1.00).

DePfa Group:

Preliminary figures for the 2001 financial year (according to US GAAP)

Earnings	1.1.–31.12.2001 EUR m	1.1.–1.12.2000 EUR m	% Change
Total net interest income	635	574	10.6
Net commission income	129	128	0.8
Trading result	95	8	
Total revenues	859	710	21.0
Personnel expenditure	261	216	20.8
Other administrative expenses	139	131	6.1
Depreciation on fixed assets	37	33	12.1
Administrative expenditure	437	380	15.0
Other income and expenditure	115	1	
Operating profit before provisions	537	331	62.2
Provisions	116	154	-24.7
Non-recurring effect from first-time application of FAS 133	-3	0	
Net income before tax	418	177	136.2
Tax on earnings	96	-10	
Profit attributable to minority interests	31	32	-3.1
Group net income	291	155	87.7
Portfolio	31.12.2001 EUR m	31.12.2000 EUR m	% Change
Public sector financing	120,675	112,373	7.4
of which international	72,944	64,530	13.0
Property financing	25,353	23,096	9.8
of which international	9,539	7,873	21.2
Outstanding securities including loans taken up	81,026	81,797	-0.9
Equity	2,425	1,990	21.9
Total assets	180,261	156,446	15.2
Key figures	2001	2000	% Change
Cost/income ratio	51.1%	53.5%	-4.5
Earnings per share	8.08 €	4.31 €	87.5
RoE after tax	13.4%	8.1%	

Segment reporting by operating unit as of 31.12.2001

EUR m	Public Finance		Property business		IT services		Consolidations/ reconciliations/others		DePfa Group	
	31.12.01	31.12.00	Property bank	Property bank plus Asset Pool*	31.12.01	31.12.00	31.12.01	31.12.00	31.12.01	31.12.00
Total net interest income	251	214	419	362	343	0	23	17	635	574
Net commission income	-3	5	38	38	36	108	-30	-21	129	128
Trading result	42	43	53	53	-35				95	8
of which: trading result DePfa Investment Bank	30	25							30	25
of which: valuation derivatives/SFAS 133	20	5	106	106	-30				126	-25
of which: interest	-8	13	-53	-53	-5				-61	8
Administrative expenditure	92	76	234	234	207	104	-5	-7	437	380
Other income and expenditure	68	4	20	13	-15	5	29	7	115	1
Provisions for loan losses	-1		116	116	155	0	0	0	116	154
Non-recurring effect from application of FAS 133						-3				-3
Net income before tax	266	191	180	116	-33	9	24	10	418	177
of which: income from treasury activities	38	-6	32	32	28				70	22
of which: income from payment transactions						15			22	15
Taxes	46	29	64	38	-44	8	2	-3	96	-10
Minority interests							31	32	31	32
Net income	220	162	116	78	11	1	-9	-19	291	155
Allocated equity	1,082	789	986	1,031	1,034	51	51	7	2,171	1,924
Cost/income ratio	31.9%	29.1%	45.8%	51.5%	60.2%	94.0%	96.8%		51.1%	63.5%
ROE before taxes	24.5%	24.2%	18.4%	11.3%	-3.2%	23.9%	17.0%		19.3%	9.2%
ROE after taxes	20.3%	20.5%	11.9%	7.7%	1.1%	4.7%	1.8%		13.4%	8.1%

*Property bank plus property holdings to be sold off