

## Press and Investor Relations Release

### DEPFA BANK gets off to a good start in 2005

- Net profit of € 120 million, return on equity of 25% -

Dublin / Frankfurt, 9 May 2005.

DEPFA BANK plc released its first quarter results 2005 today. The profit after taxes of € 120 million (corresponding to a return on equity of 25%) gives DEPFA every confidence that it will be able to achieve the profit target of up to € 500 million for the entire year. By opening up new markets and continuing to expand the product range, earnings of up to € 600 million should be realistic for 2006.

Total revenues in the first quarter remained stable year-on-year and reached € 193 million. Two indicators worthy of special mention are extended net interest income, which increased by € 5 million to € 112 million (+5%), and the trading result, which achieved a good level at € 36 million. Income from sale of assets amounted to € 35 million in the first quarter whilst net commission income totalled € 10 million. A very healthy € 24 billion of new business was generated in the first quarter which helped increase the total public finance portfolio to the € 160 billion mark.

Personnel and administrative expenditures increased considerably in the first quarter. After three months, total costs amounted to € 53 million; the cost/income ratio is still very good at 27.5%. The 56% rise in costs was mainly down to three factors: the ongoing development of the product range, the expansion of DEPFA BANK's geographic presence and some project-related expenditures.

The high retention of equity in the past 12 months increased total shareholders' equity from € 1.5 billion to € 2.0 billion. With net profit virtually unchanged, the return on equity has as a result come down from 34% in the first quarter of 2004 to 25%. This figure is still well above DEPFA's medium-term target of over 20% which has long been communicated to the markets. DEPFA is intent on remaining one of the most profitable financial institutions in Europe in the years to come as well.

Company profile:

DEPFA BANK plc is a leading provider of financial services to public sector clients worldwide. It is a Dublin-based public limited company, incorporated under Irish law, with a network of subsidiaries and branch offices across Europe, as well as in the US, Japan and Hong Kong. DEPFA's products and services cover the entire range of the public sector's financing needs, from budget financing to the funding of public infrastructure projects and investment banking solutions for public-sector authorities.

**WKN:** 765818 / **ISIN:** IE 0072559994  
**Exchange listing:** Frankfurt (MDAX)  
**Quote symbols:** DEPF.DE (REUTERS), DEP GR (Bloomberg)

**Corporate Communications Contacts:**

Managing Director	Investor Relations	Media Relations
Hanno Strube	Marc Towner	Henrik Hannemann
Phone: +49 69 92882-271	Phone: +49 69 92882-274	Phone: +49 69 92882-275
Hanno.Strube@depfa.com	Marc.Towner@depfa.com	Henrik.Hannemann@depfa.com

**DEPFA BANK plc: group figures for Q 1 2005 (US-GAAP)**

<b>Revenues</b>	<b>1 Jan – 31 Mar 2005 EUR mn</b>	<b>1 Jan – 31 Mar 2004 EUR mn</b>	<b>Change %</b>
Extended net interest income	112	107	4.7%
Net commission income	10	21	-52.4%
Income from sale of assets	35	97	-63.9%
Trading result	36	-32	
<i>of which securities and derivatives trading</i>	32	-42	
<i>of which valuation of derivatives</i>	4	10	
<b>Total revenues</b>	<b>193</b>	<b>193</b>	
Personnel expenditure	-36	-22	63.6%
Other administrative expenditure	-15	-11	36.4%
Depreciation of property and equipment	-2	-1	100.0%
<b>Administrative expenditure</b>	<b>-53</b>	<b>-34</b>	<b>55.9%</b>
Other income and expenditure	5	-	
<b>Group net income before taxes</b>	<b>145</b>	<b>159</b>	<b>-8.8%</b>
Income taxes	-25	-34	-26.5%
<b>Group net income</b>	<b>120</b>	<b>125</b>	<b>-4.0%</b>
<b>Portfolio</b>	<b>31 Mar 2005 EUR mn</b>	<b>31 Dec 2004 EUR mn</b>	<b>Change %</b>
Public sector financing	159,471	152,802	4.4%
Shareholders' equity	1,989	1,903	4.5%
Total assets	201,791	190,418	6.0%
<b>Key figures</b>	<b>1 Jan – 31 Mar 2005</b>	<b>1 Jan – 31 Mar 2004</b>	<b>Change %</b>
Cost/income ratio	27.5%	17.6%	
Earnings per share (US-GAAP) (€)	0.35	0.37	-5.4%
RoE after taxes	24.7%	34.3%	