

Press and Investor Relations Release

DEPFA BANK on track for outstanding result in 2003

Profit guidance for 2003 raised from € 250 million to € 300 million

5 August 2003 – Dublin / Frankfurt/Main

DEPFA BANK plc, the Public Finance specialist, today released an excellent set of results for the first half of 2003, with Group net income up by 24%, to € 176 million. This corresponds to a return on equity after taxes of 30% and gives DEPFA BANK every confidence that it will achieve Group net income of € 300 million for the full year. DEPFA is therefore capable of comfortably surpassing its original forecast by € 50 million. DEPFA BANK sees the half-year result as both clear confirmation of its company strategy and as evidence of its exceptional position in the current banking environment.

Total revenues totalled € 298 million in the first-half year, up 41% year-on-year. Extended net interest income was up 33% to € 175 million, while net commission income improved significantly to € 36 million (compared with -€ 3 million for the same period of 2002).

The 26% increase in administrative expenditure compared to the first half of 2002 to € 54 million is largely attributable to the quarterly accruals for variable compensation. The cost/income ratio for the first six months was 18%, however a considerably higher figure for the full year is to be expected. After a € 6 million charge for other expenditure, profit before taxes was € 238 million (+40%).

DEPFA generated € 28.3 billion in new business during the first half of 2003, more than for the whole of 2002. Its strategy of serving exclusively the needs of its public sector customers worldwide has proven to be highly successful. The public finance volume grew overall by 4 % to a € 117.5 bn.

All business areas added to the successful half-year result. DEPFA's Budget Finance activities benefited from higher margins. DEPFA Investment Bank further expanded its business in the EU accession candidate countries of Central and Eastern Europe and in

Asia. DEPFA's Infrastructure Finance business scored an important success in the North American market by arranging the financing of a toll motorway in California in May. The bank's US agency, which was established in May, was granted a New York State Banking Department licence in June and has already started up business.

Summary profile

DEPFA BANK plc is one of the leading providers of financial services to the public sector worldwide. It is a public limited company incorporated under Irish law, with subsidiaries and branches in many European countries as well as in the US, Japan and Hong Kong. DEPFA's products and services cover the whole range of financing needs of the public sector, from budget financing through infrastructure financing to investment banking. Thanks to the clear focus of its business model DEPFA BANK enjoys a prominent position in an attractive market segment.

WKN (German Securities ID)	765818
Exchange listing:	Frankfurt / Main
Stock listing codes:	DEPF.DE (Reuters) / DEP GR (Bloomberg)

Corporate Communications Contacts:

Managing Director

Hanno Strube

Tel.: +49 69 5006 2020

Hanno.Strube@depfa.com

Investor Relations

Marc Towner

Tel.: +49 69 5006 2077

Marc.Towner@depfa.com

Media Relations

Henrik Hannemann

Tel.: +49 69 5006 2189

Henrik.Hannemann@depfa.com

DEPFA BANK plc: consolidated figures as at 30 June 2003 (US GAAP)

P&I	1 Jan – 30 Jun 2003 EUR m	1 Jan – 30 Jun 2002 EUR m	Change %
Net interest income	180	180	-
Extended net interest income	175	132	32.6
Net commission income	36	-3	
Income from the sale of assets	52	70	-25.7
Trading result	30	-35	
of which securities trading	32	3	
of which derivatives valuation/FAS 133	3	10	
of which interest	-5	-48	
Total revenues	298	212	40.6
Personnel expenditure	-31	-27	14.8
Other administrative expenditure	-21	-14	50.0
Depreciation on fixed assets	-2	-2	-
Administrative expenditure	-54	-43	25.6
Other income and expenditure	-6	1	
Provision for loan losses	-	-	-
Group net income before taxes	238	170	40.0
Income taxes	-56	-21	166.7
Group net income after taxes	182	149	22.1
Profit attributable to minority interests	-6	-7	-14.3
Group net income	176	142	23.9
Portfolio	30.06. 2003 EUR m	31.12. 2002 EUR m	Change %
Public sector financing	117,519	113,130	3.9
Equity	1,232	1,136	8.5
Total assets	156,968	145,847	7.6
Key figures	30.06.2003	30.06.2002	Change %
Cost/income ratio	18.1%	20.3%	
Earnings per share (€)	5.06	4.02	26.0
RoE after taxes	29.7%	28.9%	

(All figures relate solely to continuing operations; they do not include any results from discontinued operations.)