

## Press Release

### **New DEPFA on course for further success**

- Group net income up by 61%, corresponding to RoE of 29% -

Dublin / Frankfurt, 15 August 2002.

The first half-year 2002 financial report is the first one of its kind for the new DEPFA BANK plc. Group net income for the first six months reached €142 million (before the result from discontinued operations), a strong 61.4% increase year-on-year and corresponds to an RoE of 28.9%. This very good result falls within the forecast range for earnings and gives DEPFA every reason to believe that the medium-term target of 20% return on equity after taxes for 2002 as a whole can be achieved.

At €212 million, total revenues for the first six months of the financial year were 47.2% higher than in the first half of 2001. Net interest income rose 15.4%, to €180 million, but fell slightly by 8.3% to €132 million when interest components from derivatives are included. Net commission income was at €-3 million. Due to the impact of the interest charge relating to derivative positions the trading result was negative, at €-35 million. The placement of public-sector assets resulted in earnings of €70 million.

Administrative expenditure was up 43.3%, to €43 million, due in large part to the business reorganisation. Increased investments were necessary for the setting up and expansion of support functions, new highly-qualified staff for the business divisions, as well as for the move of DEPFA Deutsche Pfandbriefbank AG to Frankfurt. These investments have largely been completed. In spite of some non-recurring expenses totalling €7 m, the cost/income ratio stood at a highly favourable 20.3%.

As a specialist financial provider working with public sector clients DEPFA is completely unaffected by the kind of problems that have recently beset many financial services providers, such as exposure to corporate lending and the equity markets, and has allowed the bank to report an excellent first half-year. The new DEPFA is a successful specialist financial provider in an attractive market that counts very few participants.

DEPFA's position as a low cost leader offering the highest standard of specialist expertise in international public finance is fuelled by a transparent corporate structure, above-average profitability and an organisation that is geared to achieving results. The current performance of the new DEPFA strongly vindicates the strategy of specialisation.

#### Company 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 USA and Japan. 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. On the basis of a clearly focused business model DEPFA BANK enjoys a strong position in an attractive sector characterised by few successful market participants.

Stock exchange: Frankfurt/ Main

Securities codes: 765 818 (REUTERS DEPF.DE, Bloomberg DEP GR)

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**DEPFA BANK plc:**

Preliminary figures as at 30.06.2002<sup>1</sup>

<b>Earnings</b>	<b>30.06.2002 EUR m</b>	<b>30.06.2001 EUR m</b>	<b>Change %</b>
Total net interest income	180	156	15.4
(NII incl. interest in trading)	132	144	-8.3
Net commission income	-3	0	
Income from sale of assets	70	-9	
Trading result	-35	-3	
of which securities trading	3	14	
of which valuation derivatives/FAS 133	10	-5	
of which interest	-48	-12	
<b>Total revenues</b>	<b>212</b>	<b>144</b>	<b>47.2</b>
Personnel expenditure	27	19	42.1
Other administrative expenditure	14	7	100.0
Depreciation on fixed assets	2	4	-50.0
<b>Administrative expenditure</b>	<b>43</b>	<b>30</b>	<b>43.3</b>
Other income and expenditure	1	38	
<b>Operating profit</b>	<b>170</b>	<b>152</b>	<b>11.8</b>
Provisions	0	8	
<b>Net income before tax</b>	<b>170</b>	<b>144</b>	<b>18.1</b>
Income taxes	21	36	41.7
Profit attributable to minority interests	7	20	-65.0
<b>Group net income from continuing operations</b>	<b>142</b>	<b>88</b>	<b>61.4</b>
<b>Portfolio</b>	<b>30.06.2002 EUR m</b>	<b>31.12.2001 EUR m</b>	<b>Change %</b>
Public sector financing	111,230	120,802	-7.9
Property financing	8,127	26,054	-68.8
Other loans	4,007	4,204	-4.7
Equity	984	2,257	-56.4
<b>Total assets</b>	<b>143,773</b>	<b>180,899</b>	<b>-20.5</b>
<b>Key figures</b>	<b>30.06.2002</b>	<b>30.06.2001</b>	<b>Change %</b>
Cost/income ratio	20.3%	20.8%	
Earnings per share	4.02	2.49	61.4
RoE after tax	28.9%	17.9%	

<sup>1</sup> According to US GAAP the result from discontinued operations relating to the spin off of property activities must be included in the Group financial statements. Given that the results of Aareal Bank will be published at the end of August this interim statement has preliminary character only.