

Press Release

DEPFA BANK reaps further success from strategy

Group retained income up 17% - return on equity after tax of 22%

Dublin / Frankfurt, 20 November 2002.

DEPFA BANK plc continued its successful performance in the third quarter of 2002. Group net profit from continuing operations amounted to € 166 million in the first nine months of the year, up 16.9% year-on-year. This is equivalent to a 21.6% return on equity after tax. The result continues the positive trend seen over the course of this year, allowing DEPFA to achieve its targets for the full year.

DEPFA bucks prevailing trend in banking sector

DEPFA envisages net income from continuing operations of approximately € 200 million for the full year 2002, with return on equity after tax of around 20%.

DEPFA assigned stable AA- rating by all three rating agencies

DEPFA is the best rated private sector bank in Germany after all three major rating agencies unanimously assigned first-time ratings at the 'AA- / stable outlook' level

DEPFA business model not exposed to typical banking risks

DEPFA is not affected by current problems relating to the economy, lending exposures or equity markets

The budget situation of public sector boosts DEPFA

As a specialist Public Finance bank, DEPFA benefits from the tight budget situation of public-sector authorities.

At € 266 million, total earnings for the first nine months of the financial year were up 6.4% year-on-year. Net interest income of € 281 million was almost unchanged but fell by 6.5% to € 203 million when including interest components relating to derivatives. Net commission income amounted to € 1 million for the period under review. As was the case at the half-year stage, the negative trading result (-€ 112 million) was largely due to the interest impact on derivatives positions. The negative valuation result of derivatives (-€ 20 million) is counterbalanced by a corresponding increase in unrealised reserves in equity capital reported under Other Comprehensive Income (up € 59 million in the third quarter, against the

figure reported at 30 June 2002). At -€ 14 million, the pure trading result reflected the challenging capital markets environment throughout the third quarter.

While administrative expenditure grew significantly by 52.4% year-on-year, to € 64 million, expenditure of € 21 million in the third quarter was already € 5 million lower than in the previous quarter. The cost increase – which was mainly driven by split-related expenditure – has clearly been contained: administrative expenditure for the year as a whole will thus remain within the projected range. Performance-related remuneration components will be included in the fourth quarter 2002. The cost/income ratio for the first nine months of the financial year was 24.1%. A ratio of between 30 and 35 percent is expected for the year as a whole.

The good business performance is reflected in the first-time ratings of DEPFA BANK plc ('AA- / stable outlook'). While Standard & Poor's highlighted the excellent asset quality and specialist expertise in the international public finance business, Fitch emphasised the unique business model, minimal credit risk and above-average returns.

DEPFA BANK welcomes plans by Deutsche Börse to open up its indices to foreign equities and it is seeking admission to the new MDAX index in March of next year.

Summary profile:

DEPFA BANK is a leading financial services provider to public-sector authorities worldwide. Based in Dublin, the bank operates a network of subsidiaries and branch offices across many European countries, as well as in the US and Japan. DEPFA's range of products and services covers all the financing needs of public-sector clients: from budget financing to the funding of public infrastructure products and investment banking solutions for public-sector authorities. Thanks to the clear focus of its business model, DEPFA BANK enjoys a prominent position in an attractive market where only a few participants are really successful.

Stock exchange: Frankfurt/ Main

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

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: Group Figures as at 30.09.2002

Earnings	30.09.2002	30.09.2001	Change
	EUR m	EUR m	%
Total net interest income	281	282	-0.4
(Net interest income incl. interest in trading derivatives)	203	217	-6.5
Net commission income	1	1	
Income from sale of assets	96	4	
Trading result	-112	-37	
of which securities trading	-14	18	
of which valuation derivatives/FAS 133	-20	10	
Of which interest	-78	-65	
Total revenues	266	250	6.4
Personnel expenditure	39	26	50.0
Other administrative expenditure	21	9	133.3
Depreciation on fixed assets	4	7	-42.9
Administrative expenditure	64	42	52.4
Other income and expenditure	1	30	-96.7
Operating profit	203	238	-14.7
Provisions	0	-9	
Net income before tax	203	229	-11.4
Income taxes	26	60	-56.7
Profit attributable to minority interests	11	27	-59.3
Group net income from continuing operations	166	142	16.9
Portfolio	30.09.2002	31.12.2001	Change
	EUR m	EUR m	%
Public sector financing	115,384	120,802	-4.5
Property financing	6,658	26,054	-74.4
Other loans	3,553	4,204	2.4
Equity	1,069	2,257	
Total assets	147,916	180,899	
Key figures	30.09.2002	30.09.2001	Change %
Cost/income ratio	24.1%	16.8%	
Earnings per share €	4.70	4.02	16.9
RoE after tax (continuing operations)	21.6%	18.4%	