

In accordance  
with US-GAAP

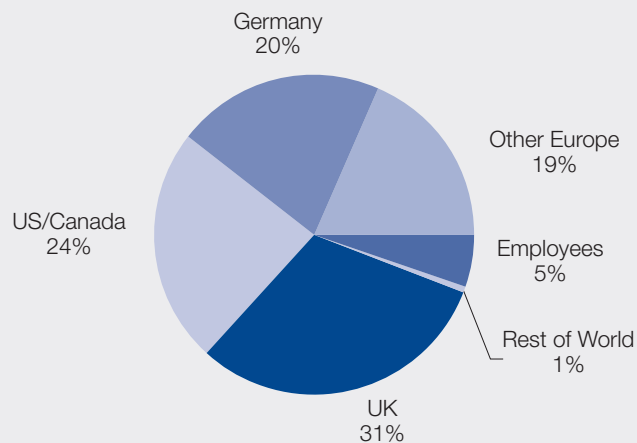
**interim  
group report**  
as at 30 September

**2004**

DEPFA BANK plc

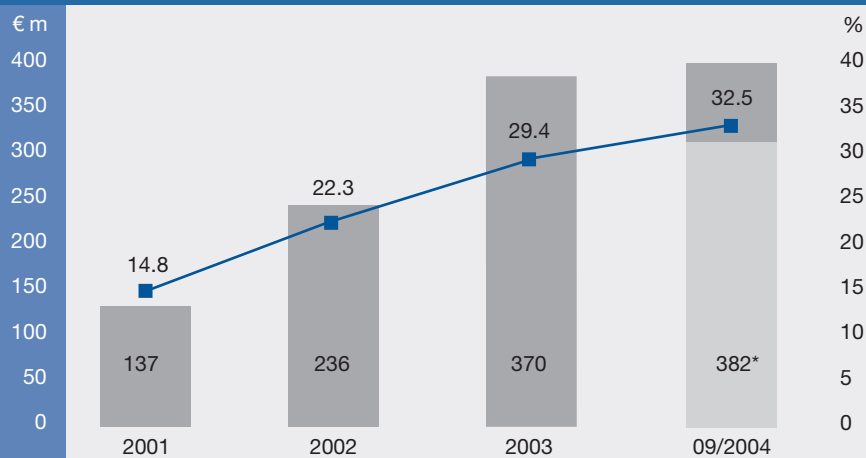
## Shareholders

Market capitalisation: € 4 bn  
 Number of shares: 353,019,720  
 100% free float



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## Net income and RoE after tax



© DEPFA BANK

\* € 305 m relate to continuing operations, and € 77 m to discontinued operations.

### Ratings

DEPFA BANK plc

DEPFA Deutsche Pfandbriefbank AG

DEPFA ACS BANK

### Fitch

F1+, AA-, B

F1+, AA-, B

F1+, AA-

### Moody's

P-1, Aa3, B

P-1, Aa3, B

P-1, Aa3, C

### S&P

A-1+, AA-

A-1, A+

A-1+, AA-

## Group figures (including discontinued operations)

	3Q 2004	2Q 2004	1Q 2004	9 months 2004	Change %	
					3Q '04 vs. 3Q '03	9 months '04 vs. 9 months '03
<b>Earnings (€ m)</b>						
Net interest income	109	104	107	320	16.0	16.8
Net interest income incl. interest from trading derivatives	110	104	107	321	18.3	19.8
Net commission income	14	20	21	55	-53.3	-16.7
Income from sale of assets	73	8	97	178	108.6	104.6
Trading result	4	57	-32	29	-73.3	-35.6
of which from securities and derivatives	-1	66	-42	23		
of which from derivatives valuation	4	-9	10	5		
of which from interest	1	-	-	1		
<b>Total Revenues</b>	<b>200</b>	<b>189</b>	<b>193</b>	<b>582</b>	<b>14.9</b>	<b>23.3</b>
Personnel expenditure	-26	-24	-22	-72	44.4	46.9
Other administrative expenditure	-12	-15	-11	-38	50.0	31.0
Depreciation on fixed assets	-3	-2	-1	-6	50.0	50.0
<b>Administrative expenditure</b>	<b>-41</b>	<b>-41</b>	<b>-34</b>	<b>-116</b>	<b>46.4</b>	<b>41.5</b>
Other income and expenditure	-5	-3	-	-8	-82.1	-76.5
Provision for loan losses	-	-	-	-		
<b>Income before taxes</b>	<b>154</b>	<b>145</b>	<b>159</b>	<b>458</b>	<b>30.5</b>	<b>28.7</b>
Income and deferred tax	-24	-16	-34	-74	4.3	-6.3
<b>Income after income taxes</b>	<b>130</b>	<b>129</b>	<b>125</b>	<b>384</b>	<b>36.8</b>	<b>38.6</b>
Minority interest income	-1	-1	-	-2	-50.0	-75.0
<b>Group net income</b>	<b>129</b>	<b>128</b>	<b>125</b>	<b>382</b>	<b>38.7</b>	<b>42.0</b>
<b>Key ratios</b>						
Cost/income ratio	20.5%	21.7%	17.6%	19.9%		
Earnings per share according to US-GAAP (€)	0.38	0.37	0.37	1.12	40.7	45.5
Earnings per share (based on number of shares issued, in €)	0.37	0.36	0.35	1.08	42.3	42.1
RoE after tax	30.9%	32.8%	34.3%	32.5%		
<b>Portfolio (€)</b>						
	<b>30.09.2004</b>	<b>30.06.2004</b>	<b>31.03.2004</b>	<b>31.12.2003</b>	<b>Change 30.9.2004 vs. 31.12.2003</b>	
Public sector finance	148,368	147,346	139,046	138,935	9,433	6.8
Outstanding securities including loans taken up	88,138	83,039	78,133	74,970	13,168	17.6
Equity	1,758	1,586	1,535	1,378	380	27.6
Total assets	183,003	180,736	178,609	173,965	9,038	5.2

Following the announcement on 1 March 2004 of the decision of the Board of DEPFA BANK plc to sell Deutsche Pfandbriefbank, the activities of Deutsche Pfandbriefbank are classified as discontinued operations.



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# Letter to Shareholders

## Dear Shareholders,

DEPFA BANK plc maintained this year's strong momentum in the third quarter, reflected in excellent levels of new business, strong revenue growth, and new record levels of profitability. The profit after taxes of € 382 million in the first nine-months alone has already surpassed the total result for the whole of 2003.

DEPFA has boosted net profit by an average annualised rate of approx. 50% over the past three years due in large part to its early strategic foresight in gearing resources solely towards the requirements of public-sector clients around the world. This specialisation has led to a significant expansion in our geographical coverage as well as in the range of products offered and this will continue to form the heart of our strategy in the years to come. The US business has got off to a very successful start and in its first full year of operations is already making a healthy contribution to profits. We are continuing to develop our investment banking activities in Central and Eastern Europe, and increasingly in Asia.

Total revenues for the third quarter of 2004 amounted to € 200 million, up 14.9% over the same quarter of 2003. The improvement was driven by a significant increase in net interest income, which was 18% higher at € 110 million, and by income resulting from the placement of public-sector assets, which more than doubled (by 108.6%) to € 73 million. Income from the sale of public-sector assets is generated principally from two main sources. Firstly, we are continuously optimising our € 148 billion-strong global public finance portfolio, taking into account country allocations and credit spread developments. Secondly, our experience in investment banking allows us to anticipate the future performance of public sector bond prices in specific countries and to position ourselves accordingly.

Net commission income for the third quarter amounted to € 14 million, which represents a decline of € 16 million over the same quarter of 2003. Although the trading result has fluctuated somewhat during the course of the year, the overall result of € 28 million after nine months is still at a satisfactory level. Total revenues for the first three quarters of 2004 amounted to € 582 million, which corresponds to an increase of 23.3% year-on-year.

Personnel and administrative expenditure has so far risen considerably during 2004. After nine months costs totalled € 116 million; an increase of 41.5% year-on-year. Organic growth, characterised notably by the expansion of the product range and growth in the US business has led to an increase in staff levels (up 59 to 413 over the last 12 months). Another important reason for the increase in personnel expenditure is the first-time inclusion of variable costs resulting from the 2003 staff share compensation scheme.

Factors which have contributed to the growth in other administrative expenses include project expenditure relating to the planned sale of DEPFA Deutsche Pfandbriefbank AG as well as the move to new premises at some locations. At 20%, the cost/income ratio for the first nine months of 2004 was in line with our projections.

Net profit for the third quarter stood at € 129 million (+38.7% over Q3 2003). Earnings per share were € 0.38 (Q3 2003: € 0.27). The return on equity of 30.9% after taxes remains considerably higher than our long-term target level of over 20%. Two points are especially important to stress here in relation to return on equity and growth in earnings for the years ahead: firstly, the average annual profit growth of approx. 50% over the past three years has been the result of DEPFA's strategic decision to adopt a business model that is unique worldwide. Whilst we will carry on successfully developing the business we must also recognise that growth rates at the current very high levels are not sustainable. Secondly, as a major issuing house we will continue to improve our standing in the capital markets and to optimise our rating. We will continue with our very conservative dividend policy as the strengthening of our capital base from retained earnings was, and remains a mainstay of our business strategy.



Gerhard Bruckermann  
Chairman und CEO



Thomas M. Kolbeck  
Vice Chairman und Deputy CEO

# Interim Report as at 30 September 2004

## Group figures according to US-GAAP

### Group balance sheet as at 30 September 2004 of DEPFA BANK plc

Assets (€ m)	30.09.2004	31.12.2003
Cash and balances with central banks	437	531
Loans and advances to banks	10,224	10,878
Loans and advances to customers	32,578	24,348
Debt securities and other fixed income securities	56,495	57,395
Equities and other non fixed income securities	113	56
Equity participations	1	5
Intangible assets	5	5
Property and equipment	15	9
Other assets	807	1,029
Accrued interest and prepaid expenses	3,082	2,484
Assets held for sale*	79,246	77,225
<b>Total assets</b>	<b>183,003</b>	<b>173,965</b>

\* Following the announcement on 1 March 2004 of the decision of the Board of DEPFA BANK plc to sell Deutsche Pfandbriefbank AG, the assets and liabilities of Deutsche Pfandbriefbank are classified as held for sale (Note 11).

Shareholders' equity and liabilities (€ m)	30.09.2004	31.12.2003
Liabilities to banks	48,162	49,944
Liabilities to customers	5,439	6,351
Debt securities in issue	41,613	31,580
Other liabilities	5,652	5,835
Accrued interest and deferred income	2,136	2,262
Provisions	108	36
Hybrid capital	400	300
Liabilities held for sale*	77,735	76,279
<b>Total liabilities</b>	<b>181,245</b>	<b>172,587</b>
Equity		
Subscribed capital	104	103
Capital reserve	362	354
Retained earnings	1,179	838
Other comprehensive income	113	83
<b>Total equity</b>	<b>1,758</b>	<b>1,378</b>
<b>Total shareholders' equity and liabilities</b>	<b>183,003</b>	<b>173,965</b>
<b>Contingent liabilities and irrevocable loan commitments</b>		
Contingent liabilities on guarantees and indemnity agreements	36	43
Irrevocable loan commitments	12,799	6,930

\* Following the announcement on 1 March 2004 of the decision of the Board of DEPFA BANK plc to sell Deutsche Pfandbriefbank AG, the assets and liabilities of Deutsche Pfandbriefbank are classified as held for sale (Note 11).

## Group profit and loss account for the period 1 January to 30 September 2004 of DEPFA BANK plc

€ m	30.09.2004	30.09.2003
Interest receivable and similar income from lending and money market business	962	777
fixed income securities	1,790	1,589
Interest payable and similar expenses	-2,545	-2,213
<b>Net interest income</b>	<b>207</b>	<b>153</b>
Commission income	65	73
Commission expenditure	-9	-6
<b>Net commission income</b>	<b>56</b>	<b>67</b>
<b>Income from sale of assets</b>	<b>153</b>	<b>43</b>
<b>Trading result</b>	<b>20</b>	<b>58</b>
<b>Operating income</b>	<b>436</b>	<b>321</b>
General administrative expenses	-97	-55
Depreciation and amortisation of intangible assets and property and equipment	-4	-2
Other income and expenditure	7	-3
<b>Operating results before provision for loan losses</b>	<b>342</b>	<b>261</b>
Provision for loan losses	-	-
<b>Income before taxes</b>	<b>342</b>	<b>261</b>
Income and deferred taxes	-37	-30
<b>Income after taxes</b>	<b>305</b>	<b>231</b>
<b>Minority interest</b>	<b>-</b>	<b>-</b>
<b>Group net income from continuing operations</b>	<b>305</b>	<b>231</b>
<b>Results from discontinued operations</b>	<b>77</b>	<b>38</b>
<b>Group net income</b>	<b>382</b>	<b>269</b>
Weighted average number of ordinary shares	341,996,032	347,103,865
<b>Earnings per share from continuing operations (€)</b>	<b>0.89</b>	<b>0.66</b>
<b>Earnings per share from discontinued operations (€)</b>	<b>0.23</b>	<b>0.11</b>
<b>Total earnings per share (€)</b>	<b>1.12</b>	<b>0.77</b>
<b>Diluted earnings per share (€)</b>	<b>1.12</b>	<b>0.77</b>

## Group statement of changes in shareholders' equity of DEPFA BANK plc

€ m	Subscribed capital	Capital-reserve	Retained earnings	Other comprehensive income				Total 2004	Total 2003
				Unrealised gains/losses from mark-to-market of securities	Unrealised result from cash flow hedges	Additional pension obligation	Accumulated effects of currency translation		
<b>Balance at 1 January</b>	<b>103</b>	<b>354</b>	<b>838</b>	<b>85</b>	<b>1</b>	<b>-3</b>	<b>-</b>	<b>1,378</b>	<b>1,136</b>
Group net income			125					125	83
Other comprehensive income				37	-	-1		36	-28
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>125</b>	<b>37</b>	<b>-</b>	<b>-1</b>	<b>-</b>	<b>161</b>	<b>55</b>
Purchase of shares for compensation scheme		-10						-10	-14
Share compensation cost	-	6						6	1
<b>Balance at 31 March</b>	<b>103</b>	<b>350</b>	<b>963</b>	<b>122</b>	<b>1</b>	<b>-4</b>	<b>-</b>	<b>1,535</b>	<b>1,178</b>
Group net income			128					128	93
Other comprehensive income				-47	4	-		-43	7
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>128</b>	<b>-47</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>100</b>
Dividends			-41					-41	-35
Purchase of shares for compensation scheme		-						-	-14
Share compensation cost	1	6						7	3
<b>Balance at 30 June</b>	<b>104</b>	<b>356</b>	<b>1,050</b>	<b>75</b>	<b>5</b>	<b>-4</b>	<b>-</b>	<b>1,586</b>	<b>1,232</b>
Group net income			129					129	93
Other comprehensive income				38	-1	-		37	-41
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>129</b>	<b>38</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>166</b>	<b>52</b>
Dividends								-	
Purchase of shares for compensation scheme		-1						-1	-6
Share compensation cost	-	7						7	3
<b>Balance at 30 September</b>	<b>104</b>	<b>362</b>	<b>1,179</b>	<b>113</b>	<b>4</b>	<b>-4</b>	<b>-</b>	<b>1,758</b>	<b>1,281</b>

## Consolidated statement of cash flows of DEPFA BANK plc

Consolidated Statement of Cash-flows (€ m)	2004	2003
Cash & cash equivalents as of 1 January	680	645
Cash-flow from operating activities	-434	447
Cash-flow from investing activities	-8,159	-26,030
Cash-flow from financing activities	8,368	25,358
Cash & cash equivalents as of 30 September	455	420

## Quarterly performance of DEPFA BANK

	2004 € m			2003 € m <sup>(1)</sup>				Change Q3 2003 vs. Q3 2004	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	€ m	%
Net interest income	76	65	66	52	59	57	37	17	28.8%
Net interest income incl. interest in trading derivatives	79	64	66	64	58	54	37	21	36.2%
Net commission income	14	20	22	27	31	16	20	-17	-54.8%
Income from sale of assets	60	7	86	4	7	18	18	53	
Trading result	-	51	-31	50	7	25	26	-7	
of which from securities and derivatives	-1	66	-42	19	11	16	16	-12	
of which from derivatives valuation	-2	-14	11	19	-3	12	10	1	
of which from interest	3	-1	-	12	-1	-3	-	4	
<b>Total revenues</b>	<b>150</b>	<b>143</b>	<b>143</b>	<b>133</b>	<b>104</b>	<b>116</b>	<b>101</b>	<b>46</b>	<b>44.2%</b>
Personnel expenditure	-21	-20	-17	-12	-13	-14	-9	-8	61.5%
Other administrative expenditure	-11	-19	-9	-22	-5	-6	-8	-6	120.0%
Depreciation on fixed assets	-3	-1	-	-	-1	-1	-	-2	
<b>Administrative expenditure</b>	<b>-35</b>	<b>-40</b>	<b>-26</b>	<b>-34</b>	<b>-19</b>	<b>-21</b>	<b>-17</b>	<b>-16</b>	<b>84.2%</b>
Other income and expenditure	-1	6	2	4	5	-3	-5	-6	
Provision for loan losses	-	-	-	-	-	-	-	-	
<b>Income before taxes</b>	<b>114</b>	<b>109</b>	<b>119</b>	<b>103</b>	<b>90</b>	<b>92</b>	<b>79</b>	<b>24</b>	<b>26.7%</b>
Income and deferred tax	-10	-9	-18	-18	-11	-11	-8	1	-9.1%
<b>Income after income taxes</b>	<b>104</b>	<b>100</b>	<b>101</b>	<b>85</b>	<b>79</b>	<b>81</b>	<b>71</b>	<b>25</b>	<b>31.6%</b>
Profit attributable to minority interests	-	-	-	-4	-	-	-	-	
<b>Group net income from continuing operations</b>	<b>104</b>	<b>100</b>	<b>101</b>	<b>81</b>	<b>79</b>	<b>81</b>	<b>71</b>	<b>25</b>	<b>31.6%</b>
Result from discontinued operations	25	28	24	20	14	12	12	11	78.6%
<b>Group net income</b>	<b>129</b>	<b>128</b>	<b>125</b>	<b>101</b>	<b>93</b>	<b>93</b>	<b>83</b>	<b>36</b>	<b>38.7%</b>

<sup>(1)</sup> The profit and loss account figures for 2003 are based on the DEPFA Group interim/annual reports, as reclassified for discontinued operations.

## Basis of accounting

The Consolidated Financial Statements of DEPFA Group are prepared in accordance with the United States Generally Accepted Accounting Principles (US-GAAP).

The accounting policies applied in the preparation of the Consolidated Financial Statements 2003 were also applied for this interim report, including the calculation of comparative figures for the previous year.

DEPFA Converging Markets Co-Investment L.P. has been consolidated for the first time in the period ended 30 September 2004.

## Disposal of DEPFA Deutsche Pfandbriefbank AG

On 1 March 2004, the Bank announced its intention to sell its German subsidiary DEPFA Deutsche Pfandbriefbank AG ('Deutsche Pfandbriefbank').

The results of Deutsche Pfandbriefbank are included in the Group Profit and Loss Account under result from discontinued operations and its assets and liabilities on the balance sheet are classified as held for sale. The comparative amounts for 2003 are also reclassified accordingly.

The result from discontinued operations and the carrying values of assets and liabilities classified as held for sale are disclosed in Note 11 to the financial statements.

## Notes to the Group balance sheet and profit and loss account

The comparative balance sheet figures and notes to the balance sheet are from the DEPFA Group accounts as at 31 December 2003. In order to conform with the current period's presentation, certain reclassifications have been made to the comparative figures. Assets and liabilities relating to discontinued operations have been classified as held for sale.

The comparative profit and loss account figures and notes to the profit and loss account for the period to 30 September 2003 are based on the DEPFA Group interim report as at 30 September 2003, as reclassified for discontinued operations.

### (1) Loans and advances to banks

€ m	30.09.2004	31.12.2003
Public sector loans	3,710	2,008
Other loans and advances	6,490	8,865
Net deferred items	24	5
of which premiums	25	5
of which discounts	-1	-
<b>Total</b>	<b>10,224</b>	<b>10,878</b>
of which repayable on demand	2,388	2,970

*(2) Loans and advances to customers*

€ m	30.09.2004	31.12.2003
Public sector loans	32,199	22,976
Other loans and advances	292	1,310
Net deferred items	87	62
of which premiums	87	62
of which discounts	–	–
<b>Total</b>	<b>32,578</b>	<b>24,348</b>

*(3) Debt securities and other fixed income securities*

€ m	30.09.2004	31.12.2003
Available for sale	55,683	56,850
Trading	812	545
<b>Total</b>	<b>56,495</b>	<b>57,395</b>

*(4) Liabilities to banks*

€ m	30.09.2004	31.12.2003
Deposits	12,211	10,876
Other liabilities	35,951	39,069
Net deferred items	–	-1
<b>Total</b>	<b>48,162</b>	<b>49,944</b>
of which due on demand	323	217

*(5) Liabilities to customers*

€ m	30.09.2004	31.12.2003
Deposits	3,675	4,723
Other liabilities	1,764	1,647
Net deferred items	–	-19
<b>Total</b>	<b>5,439</b>	<b>6,351</b>
of which due on demand	10	1

(6) Debt securities issued

€ m	30.09.2004	31.12.2003
Public sector covered bonds	19,593	10,180
Other debt securities	5,941	1,750
Money market securities	16,215	19,792
Net deferred items	-136	-142
<b>Total</b>	<b>41,613</b>	<b>31,580</b>

(7) Net interest income

€ m	30.09.2004	30.09.2003
Interest income from public sector finance	860	674
Interest income from other lending business and money market transactions	102	103
Interest income from fixed income securities	1,790	1,589
Interest expenditure for		
Asset covered bonds	-411	-137
Other debt securities	-105	-33
Borrowings	-40	-17
Hybrid capital	-21	-
Other banking transactions	-1,968	-2,026
<b>Total</b>	<b>207</b>	<b>153</b>

(8) Net commission income

€ m	30.09.2004	30.09.2003
Commission income from banking transactions	65	73
Commission expenditure from banking transactions	-4	-5
Other commission expenditure	-5	-1
<b>Total</b>	<b>56</b>	<b>67</b>

*(9) Trading result*

€ m	30.09.2004	30.09.2003
Securities and derivatives trading result	23	43
Valuation of derivatives / SFAS 133	-5	19
Net interest on trading derivatives	2	-4
<b>Total</b>	<b>20</b>	<b>58</b>

*(10) General administrative expenses*

€ m	30.09.2004	30.09.2003
Personnel expenditure		
Wages and salaries	-55	-34
Social security costs	-3	-2
Other administrative expenditure	-39	-19
<b>Total</b>	<b>-97</b>	<b>-55</b>

*(11) Result from discontinued operations*

Summarised financial information for the discontinued operations is as follows:

€ m	30.09.2004	30.09.2003
Operating result from discontinued operations:		
Net interest income	113	121
Other income	44	37
Total expenditure	-43	-71
Profit/(loss) before tax	114	87
Tax	-37	-49
<b>Profit/(loss) after tax</b>	<b>77</b>	<b>38</b>

The carrying values of assets and liabilities classified as held for sale are:

€ m	30.09.2004	31.12.2003
Cash and balances with central banks	18	149
Loans and advances to banks	8,416	7,589
Loans and advances to customers	36,439	38,437
Debt securities and other fixed income	29,438	25,974
Equities and other non fixed income securities	–	1
Property and equipment	5	7
Other assets	2,342	2,040
Accrued interest and prepaid expense	2,588	3,028
<b>Total assets</b>	<b>79,246</b>	<b>77,225</b>
Liabilities to banks	9,650	7,694
Liabilities to customers	788	547
Debt securities in issue	58,969	59,909
Other liabilities	4,347	3,654
Accrued interest and deferred income	2,668	3,137
Provisions	212	232
Hybrid capital	1,083	1,083
Minority interest	18	23
<b>Total liabilities</b>	<b>77,735</b>	<b>76,279</b>

The above assets and liabilities are shown net of consolidation items.

No impairment provision is required in relation to the above carrying values, as, in the opinion of the directors, the fair value less the expected costs of sale exceed the carrying value.

### *(12) Incentive compensation programme*

At 30 September 2004, the Trust established to purchase shares under the Group incentive programme held 10,769,086 shares of DEPFA BANK plc at a cost of € 73 million. Compensation cost relating to the programme recognised in the profit and loss account to 30 September 2004 amounted to € 20 million.

## Segmental reporting

The Group's profit and loss from continuing operations relates solely to the public finance segment. This is consistent with the internal management and reporting structures of the Group.

### Segmentation by geographic region

Total income is analysed by geographic region. For this purpose, a distinction is made between "Ireland", and "Other", based on the registered office or location of the respective Group company or branch office.

The geographical segment "Germany" relates entirely to discontinued operations and is therefore no longer presented.

The calculation of results is based on the assumption that the Group companies in the regions are legally independent units responsible for their respective operations.

Profit & loss account € m	Ireland		Other		Consolidation/ reconciliation		Total	
	30.09. 2004	30.09. 2003	30.09. 2004	30.09. 2003	30.09. 2004	30.09. 2003	30.09. 2004	30.09. 2003
Net interest income	163	106	43	47	1	–	207	153
Net commission income	33	30	23	40	–	-3	56	67
Net result from sale of assets	144	26	10	22	-1	-5	153	43
Net trading result	2	40	18	22	–	-4	20	58
<b>Total operating income</b>	<b>342</b>	<b>202</b>	<b>94</b>	<b>131</b>	<b>0</b>	<b>-12</b>	<b>436</b>	<b>321</b>
Administrative expenditure	-77	-33	-30	-25	10	3	-97	-55
Depreciation	-4	-1	–	-1	–	–	-4	-2
Other income/expenditure	18	–	2	-2	-13	-1	7	-3
<b>Total Expenditure</b>	<b>-63</b>	<b>-34</b>	<b>-28</b>	<b>-28</b>	<b>-3</b>	<b>2</b>	<b>-94</b>	<b>-60</b>
<b>Operating Results before provisions for loan losses</b>	<b>279</b>	<b>168</b>	<b>66</b>	<b>103</b>	<b>-3</b>	<b>-10</b>	<b>342</b>	<b>261</b>
Provision for loan losses	–	–	–	–	–	–	–	–
<b>Income from continuing operations before taxes</b>	<b>279</b>	<b>168</b>	<b>66</b>	<b>103</b>	<b>-3</b>	<b>-10</b>	<b>342</b>	<b>261</b>
Income tax	-32	-19	-5	-13	–	2	-37	-30
<b>Income from continuing operations after taxes</b>	<b>247</b>	<b>149</b>	<b>61</b>	<b>90</b>	<b>-3</b>	<b>-8</b>	<b>305</b>	<b>231</b>
Minority interest income	–	–	–	–	–	–	–	–
<b>Group net income continuing operations</b>	<b>247</b>	<b>149</b>	<b>61</b>	<b>90</b>	<b>-3</b>	<b>-8</b>	<b>305</b>	<b>231</b>

## Reporting on financial instruments

The following table presents nominal amounts for derivatives as at 30 September 2004 for the DEPFA Group inclusive of discontinued operations.

€ m	Nominal amount Residual maturity			Total
	< = 1 year	1– 5 years	> 5 years	
Interest rate and currency swaps	31,307	64,630	91,857	187,794
Interest rate futures and forward rate agreements	844	–	–	844
Interest rate options purchased	740	116	261	1,117
Interest rate options written	1,050	904	200	2,154
Other interest rate contracts	433	1,653	3,739	5,825
Foreign exchange forward contracts	5,827	–	–	5,827
Credit derivatives	121	2,390	2,862	5,373
<b>Total</b>	<b>40,322</b>	<b>69,693</b>	<b>98,919</b>	<b>208,934</b>

## Other details

The following notes relate to the DEPFA Group inclusive of discontinued operations.

### *New commitments*

€ m	30.09.2004	30.09.2003
Public sector finance	50,767	50,450
Other loans	1,416	1,121
<b>Total</b>	<b>52,183</b>	<b>51,571</b>

### *Primary sale of debentures including loans taken up*

€ m	30.09.2004	30.09.2003
Public sector covered bonds	13,644	15,867
Other debentures	4,974	664
Loans taken up	2,259	368
<b>Total</b>	<b>20,877</b>	<b>16,899</b>

### *Average number of employees*

	30.09.2004	30.09.2003
<b>Total</b>	<b>395</b>	<b>334</b>
of which part time employees	14	17

### *Regulatory capital and capital adequacy ratios in accordance with BIS*

Regulatory capital (€ m)	30.09.2004	31.12.2003
Core capital (Tier I)	1,502	1,563
Supplementary (Tier II)	1,259	1,159
<b>Total regulatory capital</b>	<b>2,761</b>	<b>2,722</b>

Capital adequacy ratios	30.09.2004	31.12.2003
BIS risk weighted assets (€ m)	15,623	12,316
Core capital ratio (Tier I)	9.61%	12.7%
<b>Total capital ratio (Tier I + II)</b>	<b>17.67%</b>	<b>22.1%</b>

The regulatory capital and capital adequacy ratios were produced in accordance with the Bank for International Settlements' (BIS), Basle Accord regulations to facilitate international comparisons.

# Management

## Members of the Executive Committee

### **Gerhard Bruckermann**

Chairman and CEO

### **Thomas M. Kolbeck**

Vice Chairman and Deputy CEO

### **Dermot Cahillane**

### **Fulvio Dobrich**

### **Reinhard Grzesik**

### **Bo Heide-Ottosen**

### **Rolf Hengsteler**

### **Jürgen Karcher**

## Non-Executive Members of the Board of Directors

### **Dr. Richard Brantner,**

Deputy Chairman

Member of Bank Management Board (ret'd)

### **Prof. Dr. Alexander Hemmelrath,**

German Chartered Accountant, tax consultant

Founding partner of the law firm

Haarmann, Hemmelrath & Partner

### **Maurice O'Connell**

Governor of Central Bank of Ireland (ret'd)

### **Jacques Poos,**

Member of the European Parliament,

Minister of Foreign Affairs (ret'd) Luxembourg

### **Hans W. Reich,**

Chairman of the Board of Managing Directors

of Kreditanstalt für Wiederaufbau

### **Prof. Dr. Frances Ruane,**

Professor at Trinity College Dublin

### **Prof. Dr. Dr. h.c. mult. Hans Tietmeyer,**

President of Deutsche Bundesbank (ret'd)

## Addresses

### DEPFA BANK plc

1, Commons Street

**Dublin 1, Ireland**

Phone +353 1 792-222, Fax +353 1 792-0211

www.depfa.com

### Nordic Representative Office

Frederiksgade 7

**1265 Copenhagen K, Denmark**

Phone +45 33 93-7571, Fax +45 33 93-7579

### London Branch

105 Wigmore Street

**London W1U 1QY, United Kingdom**

Phone +44 20 7290-8400, Fax +44 20 7495-0580

### Madrid Representative Office

Bárbara de Braganza 2.2° B

**28004 Madrid, Spain**

Phone +34 91 7004-640, Fax +34 91 3100-791

### New York Branch

623 Fifth Avenue, 22<sup>nd</sup> Floor

**New York, N.Y. 10022, United States**

Phone +1 917 286 2000, Fax +1 917 286 2088

### Chicago Representative Office

30 North LaSalle Street

Suite 1510

**Chicago, IL 60602, United States**

Phone +1 312 332 9100, Fax +1 312 332 9192

### Paris Branch

8, rue Halévy

**75009 Paris, France**

Phone +33 1 44 94-8270, Fax +33 1 42 66-4698

### Rome Branch

Via di Torre Argentina n.21 (Palazza Origo)

**00186 Rome, Italy**

Phone +39 06 6840-2801, Fax +39 06 6840-2831

### San Francisco Representative Office

One Market

Steuart Tower, Suite 1125

**San Francisco, California, CA 94105, USA**

Phone +1 415 541-7991, Fax +1 415 541-9036

### DEPFA Deutsche Pfandbriefbank AG

An der Welle 5

**60322 Frankfurt, Germany**

Phone +49 69 5006-0, Fax +49 69 5006-1331

### Rome Branch

Via di Torre Argentina n.21 (Palazza Origo)

**00186 Rome, Italy**

Phone +39 06 6840-2801, Fax +39 06 6840-2831

### Tokyo Branch

Atago Green Hills MORI Tower, 41F

2-5-1, Atago, Minato-ku

**Tokyo 105-624 1, Japan**

Phone +81 3 5402-9000, Fax +81 3 5402-9010

### DEPFA Investment Bank Ltd.

International Banking Unit

10 Diomidous Street, 3<sup>rd</sup> floor

**CY-2024 Nicosia**

Phone +357 22 396 300, Fax +357 22 396 399

### Hong Kong Representative Office

1005 ICBS Tower

3 Garden Road

**Central, Hong Kong**

Phone +852 2509-9100, Fax +852 2509-9099

### DEPFA ACS BANK

1, Commons Street

**Dublin 1, Ireland**

Phone +353 1 792-222, Fax +353 1 792-0211

### DEPFA UK Limited

105 Wigmore Street

**London W1U 1QY, United Kingdom**

Phone +44 20 7290-8400, Fax +44 20 7495-0580

### DEPFA Capital Japan K. K.

Atago Green Hills MORI Tower, 41F

5-1, Atago Green 2-chome, Minato-ku

**Tokyo 105-624 1, Japan**

Phone +81 3 3437-7620, Fax +81 3 3437-7623

### DEPFA Finance N.V.

Herengracht 450

**1017 CA Amsterdam, Netherlands**

Phone +31 20 555 4466, Fax +31 20 555 4308



**DEPFA BANK plc**  
1, Commons Street  
Dublin 1, Ireland  
Phone +353 1 792-2222  
Fax +353 1 792-2211  
[www.depfa.com](http://www.depfa.com)

