



DEPFA BANK plc WestLB Conference

Delivering Sustainable Growth
16 November 2006

 **DEPFA BANK**

DEPFA BANK: Dublin | Chicago | Copenhagen | Frankfurt | Hong Kong | London | Madrid | New York | Nicosia | Paris | Rome | San Francisco | Tokyo | Warsaw

DEPFA BANK pursues an unconventional approach of specialisation for the Public Sector client group, and has created a very successful business model that is very well suited to delivering
Sustainable Growth.

International Set-up

Shift from a German bank set-up to an International Bank with HQ in Dublin, small and efficient offices around the globe and listing in Frankfurt. 36 nationalities working at DEPFA. Anglo-Saxon Corporate Governance.

Operating in the Public Sector

Focus on the broad and attractive Public Sector creating the only pure Public Sector bank globally. DEPFA is only listed proxy for the Public Sector.

Introduction

Successful Track Record

Showing an impressive track record since the spin-off of the property business, which established the platform for future growth

Focus on Client-driven Earnings and Infrastructure

Focusing on delivering client solutions. Strong Budget Finance business with recurring Net Interest Income as “anchor segment”. Exploiting business opportunities in fast growing Infrastructure Financing

Higher Dividend

Strong capital growth has provided scope for higher dividend

Committed to Business Principles

Business Principles to guide daily business

Three major Global Trends in the Public Sector

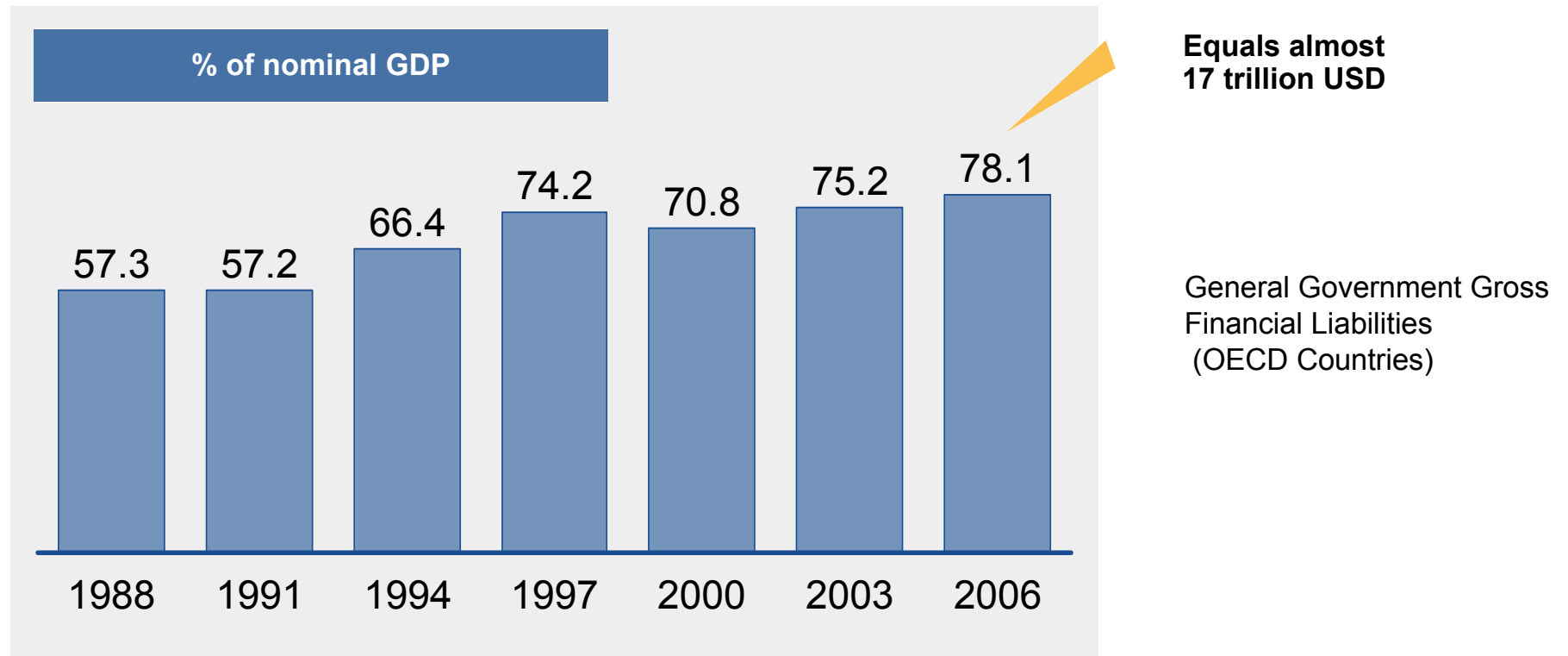
Budget constraints

Need for Efficiency Gains

Demand for Private Sector Involvement

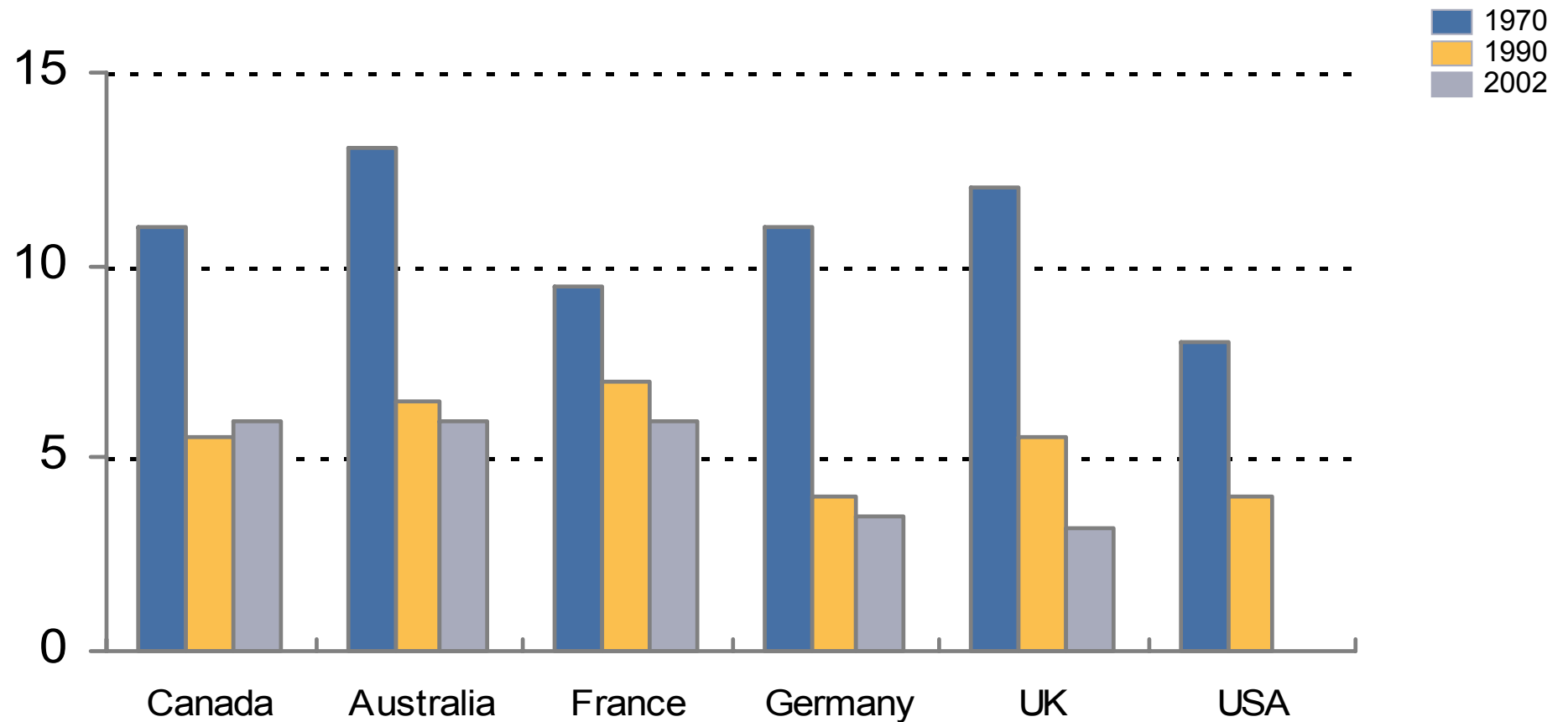
Operating in the Public Sector

Budget Constraints



Operating in the Public Sector

Demand for Private Sector Involvement



Infrastructure Spending
in % of Public Budgets

Operating in the Public Sector

DEPFA offers a range of products and services to meet these global trends

Characteristics

Budget Finance

- Leading global provider of Public Finance lending and distribution capabilities
- Excellent proven funding capabilities

Infrastructure Finance

- Provide off-budget financing products for the benefit of the Public Sector
- Good quality infrastructure loan portfolio with a balance between risk and reward

Client Product Services

- Leading-edge financial product tool kit for our public sector clientele
- Focus on Pension Advisory, Securitisation and Derivatives

Global Markets

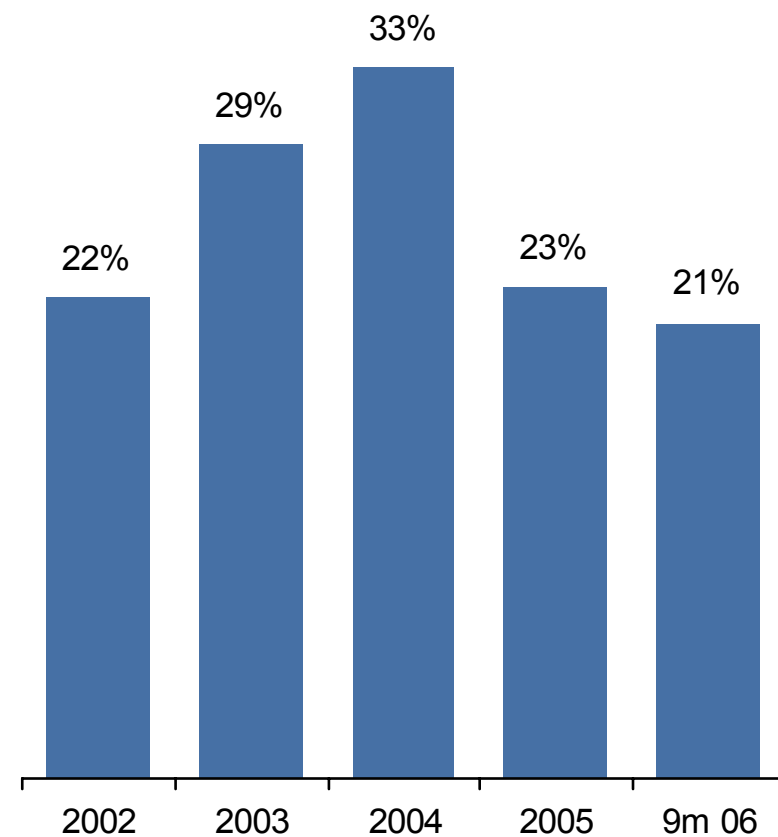
- Trading platform
- Client based activities

Successful Track Record

Compounded Annual Growth 2002 - 2005

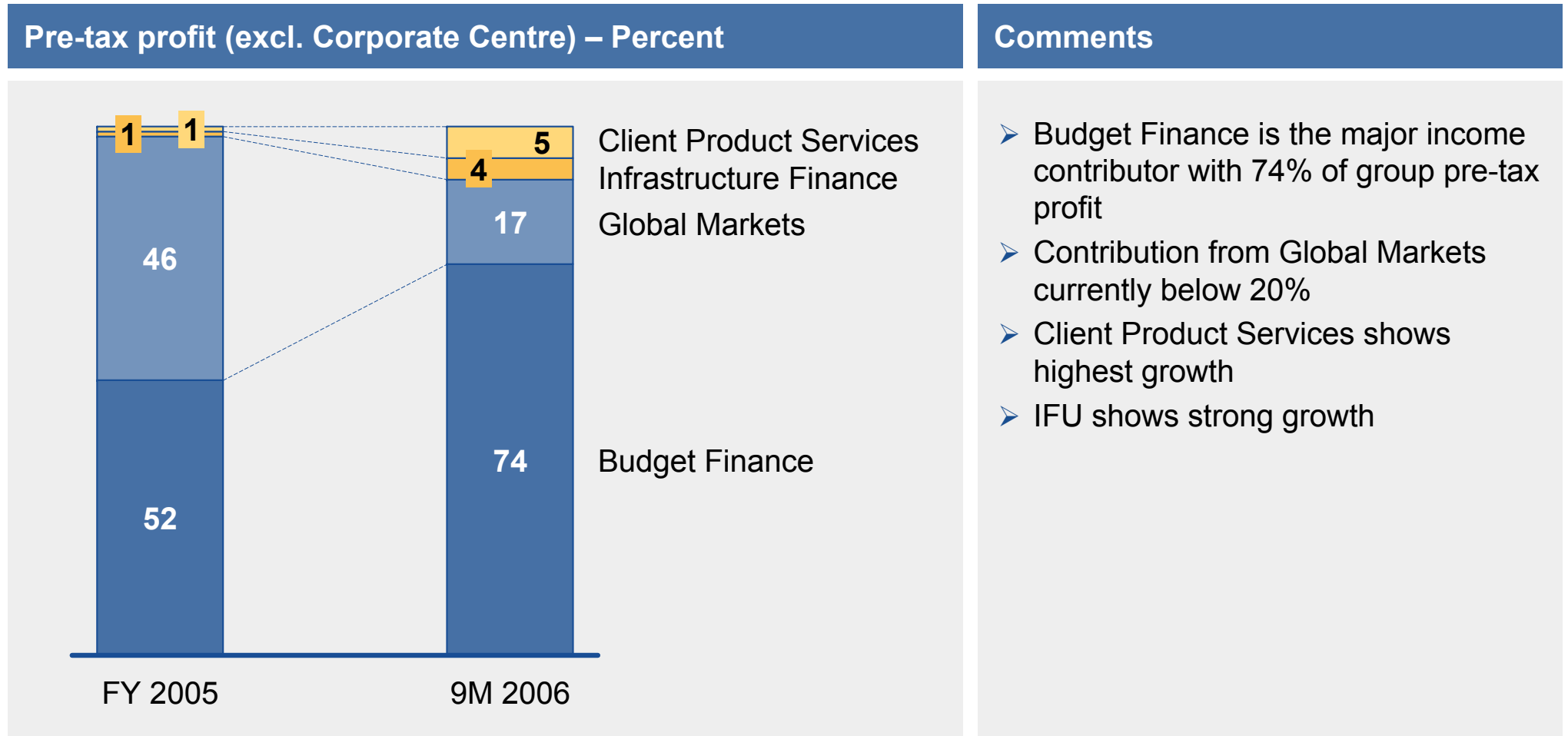
Total Assets	16%
Net Interest Income	12%
Non Interest Income	53%
Profit (after tax)	26%
Shareholder Equity	27%

RoE (after tax) 2002 – 3rd Qtr 2006



Focus on Client-driven Business

Earnings mix between segments has changed significantly



Focus on Client-driven Business

Successful build up of durable business at the appropriate pace

Long-term build up

Short-term build up

Infrastructure Finance, est. 1999

Client Product Services, est. 2005

Factors in build up phase

- Prudent underwriting of risks in new territory
- Development of links with other banks, development banks and major project developers to achieve higher profile and more lucrative lead arranger mandates
- Labour intensive operation (44 staff); resources must be deep enough to cover prospective bids and opportunities in new markets

- Strong demand from existing client base for embedding swaps in financing arranged by DEPFA
- Low risk nature of activity that has fee character
- 20+ strong team up and running within 1 year

Breakthrough

- **2006; revenue run rate has moved to €10m + p.q. vs. <€10 m for whole of 2001**
- **ROE has reached 15% pre-tax for first time (9M 2006)**
- **No. transactions closed per year has more than doubled since initial years to 39 deals**

- **2006; Strong impact on revenues in first full year: approx € 50 m (9M 2006)**

Further potential

- Well positioned in United States and European PPP markets with staff resources well spread out between established and growth markets
- Provides important spin off revenue for client derivatives business

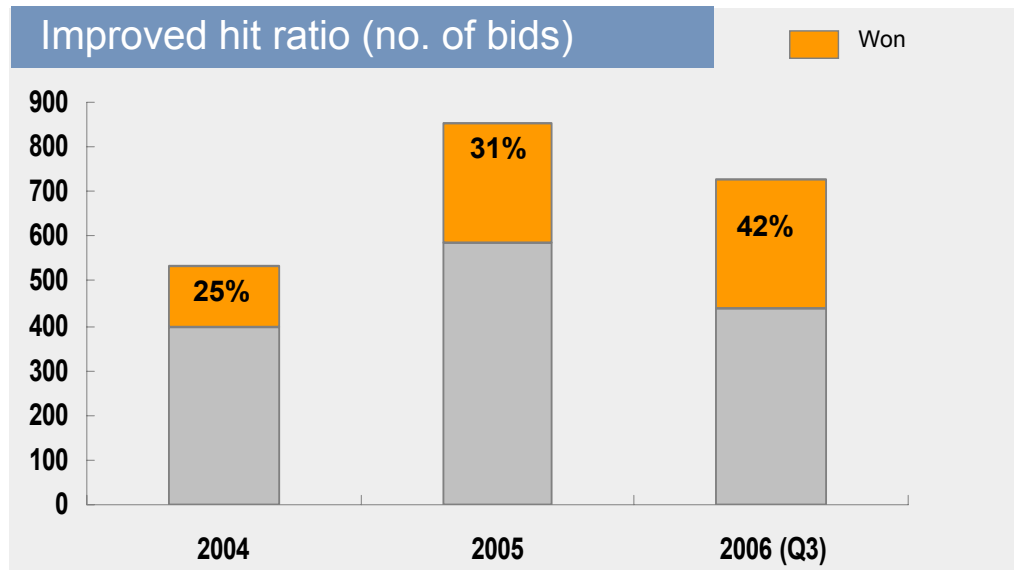
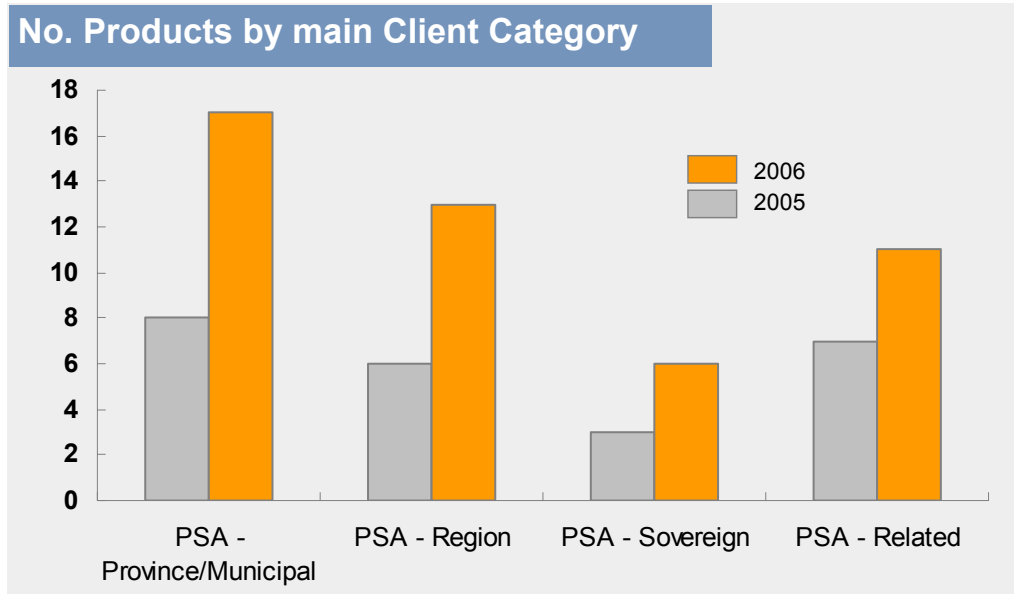
- Catch up potential identified in countries with strong origination
- Continuous roll out of other products and advisory areas; GICs, structured financing, pension advisory will add increasingly to P&L over short and long term

Focus on Client-driven Business

Improved cross-selling from client focus

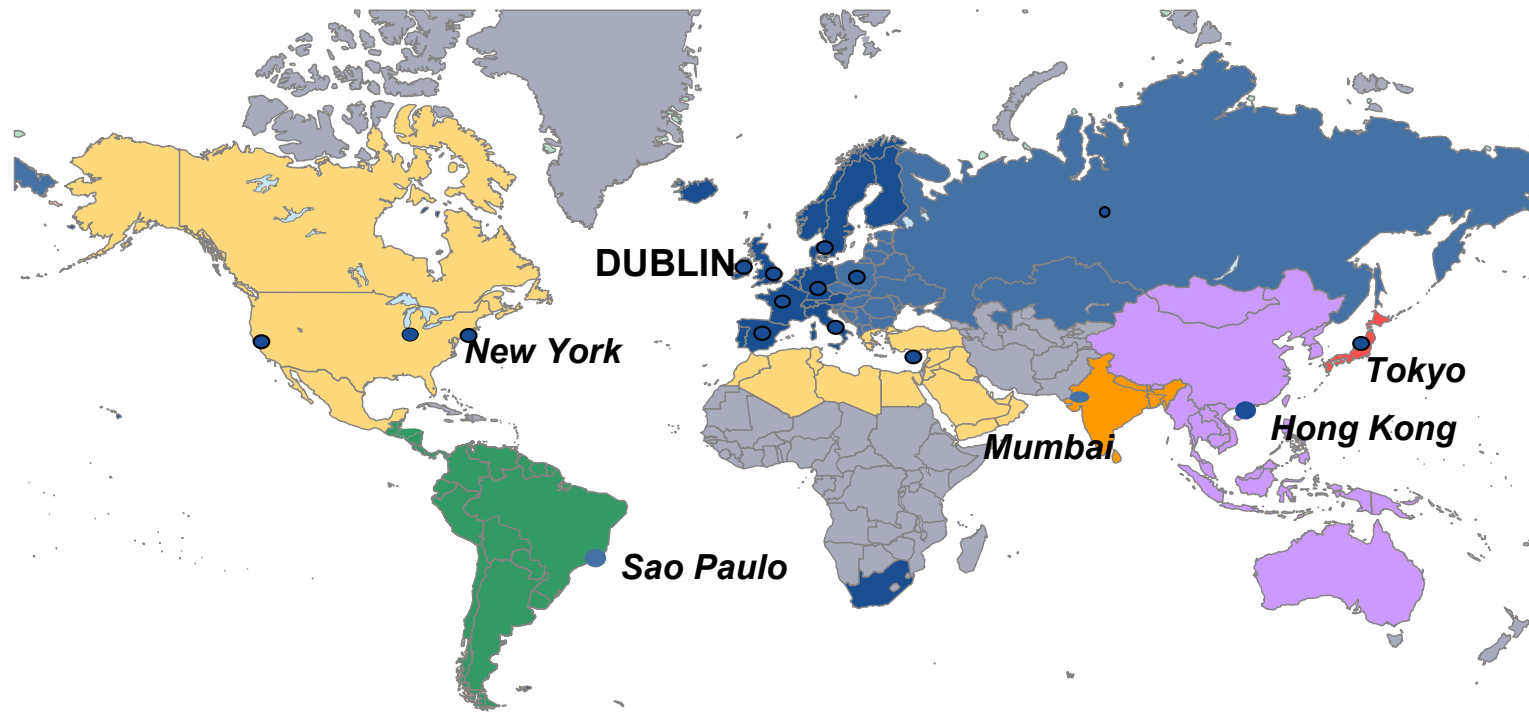
- Development of a client-driven Strategy throughout the company
- Matrix organization combining a local client approach with the product expertise of the bank

PSA = Public Sector Authority



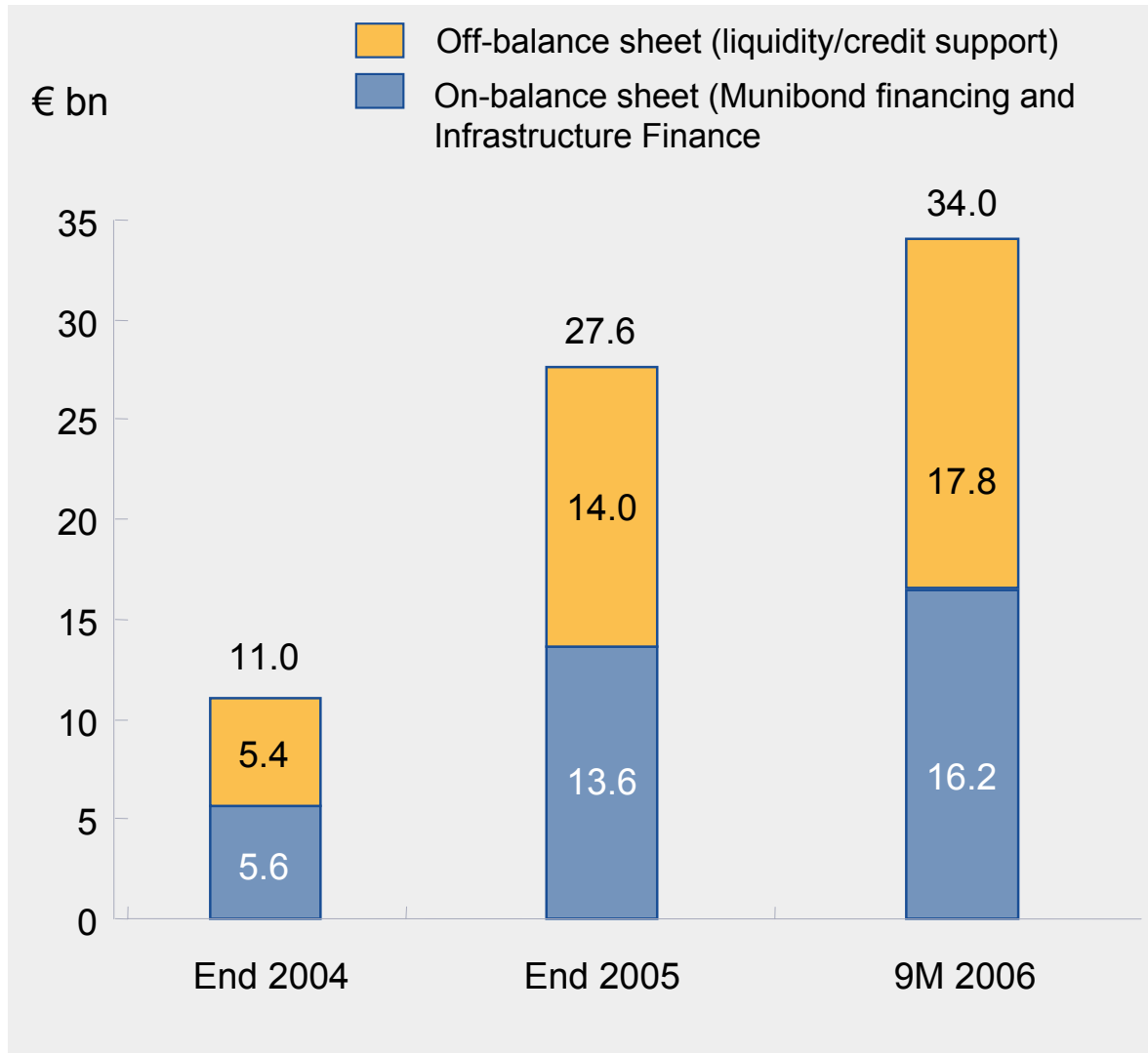
Focus on Client-driven Business

Global Client Relationship Network in 18 Offices



Focus on Client-driven Business

Successful Development of Financing volumes in the United States



Products:

- Infrastructure Financing
- Munibond Financing
- Credit & Liquidity Support
- Guaranteed Investment Contracts
- Client Derivatives
- BMA Trading

Focus on Client-driven Business

Growth in Core Budget Finance based on sound fundamentals

Core assets

- Assets generated in primary origination direct via Client Relationship Management (CRM) and the banking community
- Funding – via money markets and long term coverpool issuance
- Locked in margins with borrowers of high quality – average rating AA2

Margin on new asset purchases: 15bp over LIBOR

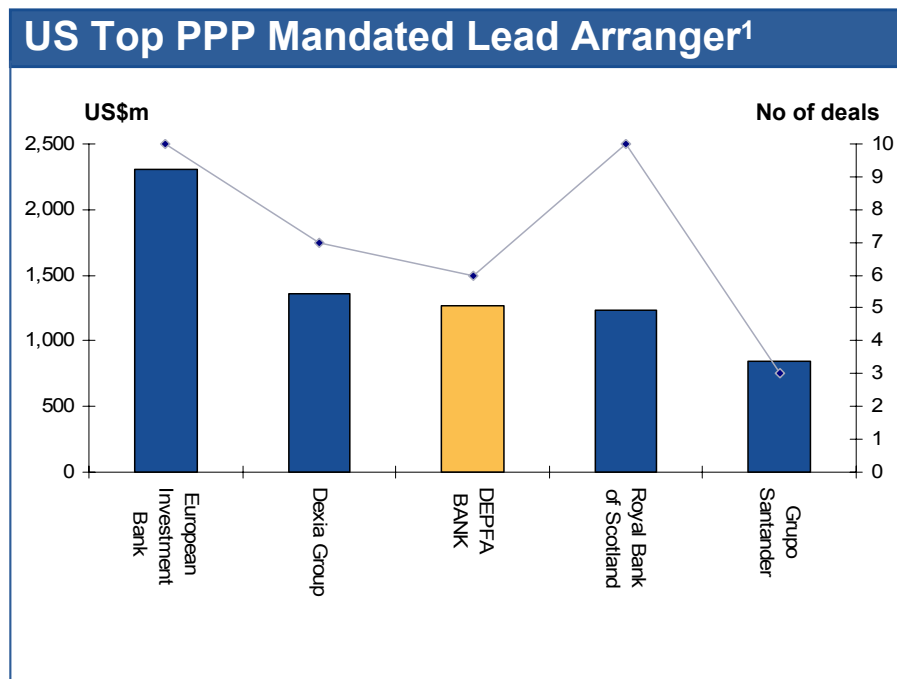
Total asset/liability margin on portfolio: 20bp

9m 2006 vs. 9m 2005
Financing Volume: +10% to €193bn
Net interest Income and fees from liquidity facilities +22% to €281m

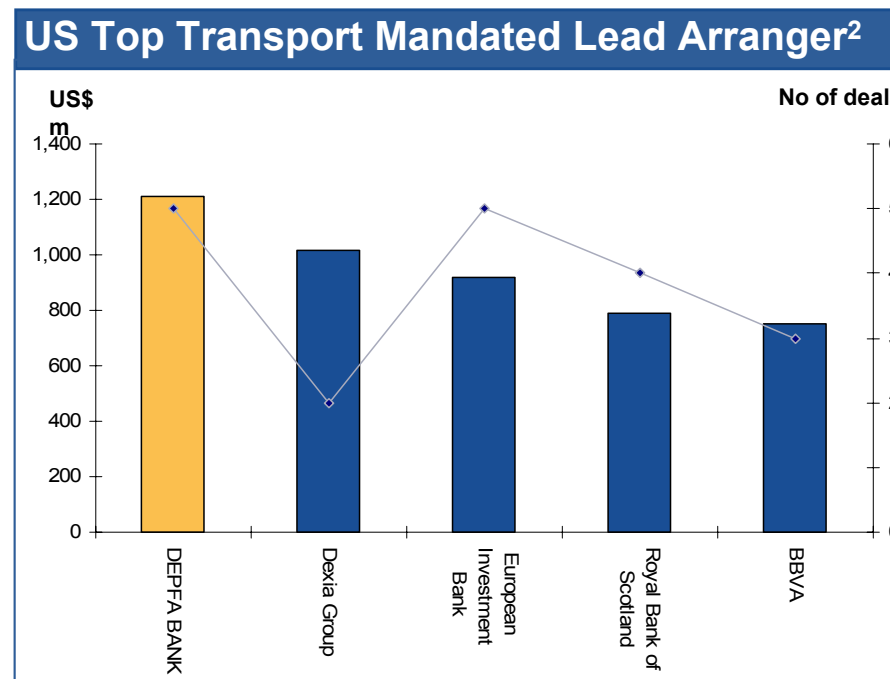
Infrastructure Finance

Among the global leaders

- Loan commitments of **€ 6.5 billion** (off-budget financing) to over 140 different PPP and infrastructure projects.
- More than **€ 20 billion** on-budget financing of infrastructure projects
- Involvement in over **€ 40 billion** of financing for new infrastructure
- Mainly Europe, Japan and North America (deals concluded in 24 countries: currently pursuing business in 14 others)
- Focus on public infrastructure: transportation, water, public “accommodation” facilities (e.g. schools, hospitals, prisons, government offices etc)



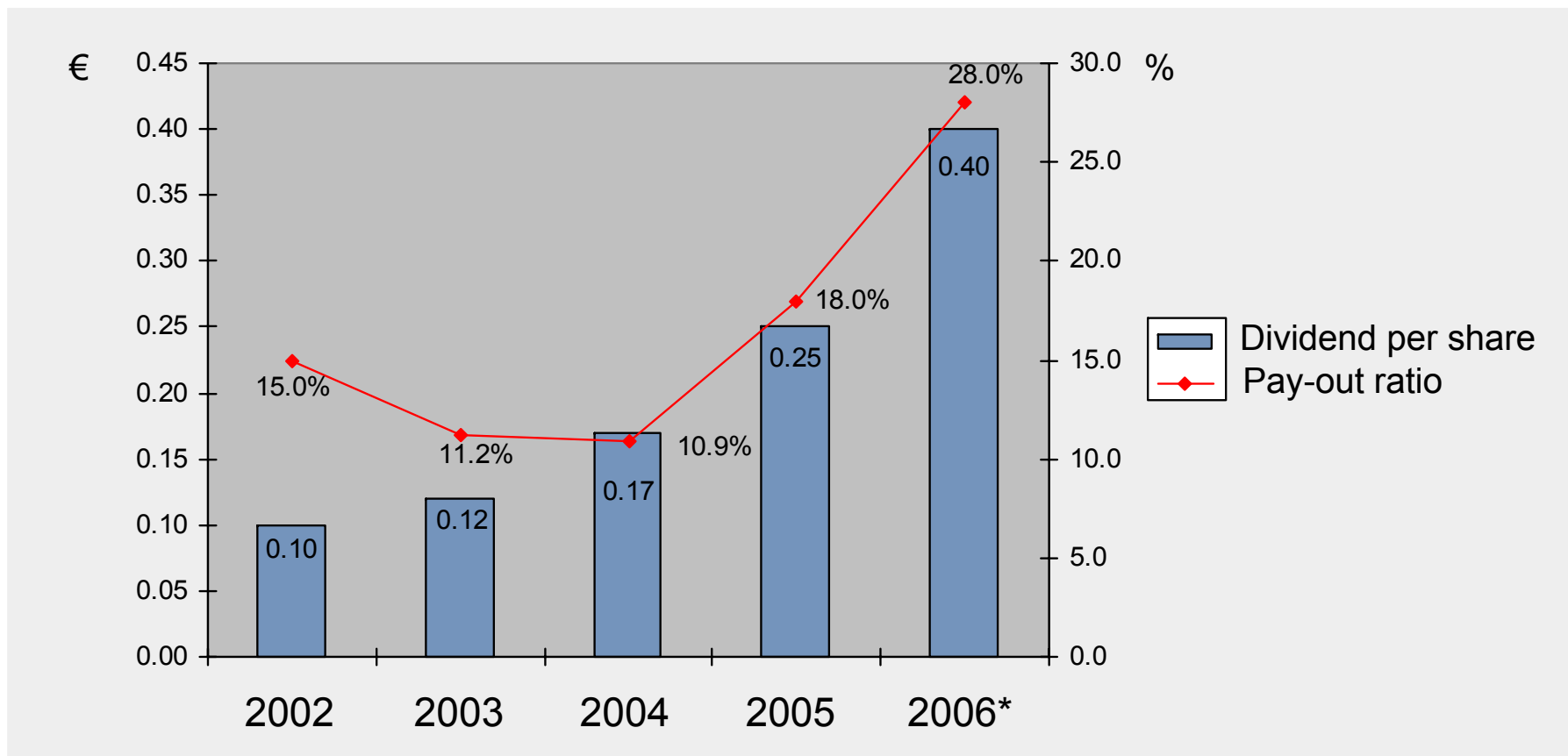
¹ Source: *Infrastructure Journal*



² Source: *Project Finance International*

Higher Planned Dividend

Strong capital growth has provided scope for a higher planned dividend



* Sep YTD annualised

Committed to Business Principles

Clients

DEPFA BANK is a leading provider of financial services to the Public Sector worldwide. With this comes a unique responsibility towards the respective communities within which we operate. **Our success depends on putting our clients' interests first**

Shareholders

We have provided superior returns to our shareholders in the past and we remain committed to continuing to do so. Excellent profitability can only be derived from the best people, the right strategy and a strong focus on our clients' needs. We believe in aligning our employees' interests with those of our shareholders through our share compensation programme

People

Our people are the key to our success. Employees must reflect the integrity, honesty and reputation of our franchise and the diversity of the communities and cultures we serve. **Given the wholesale nature of our business we strongly believe in flat hierarchies, entrepreneurial spirit and teamwork.** All segments and all teams work closely together towards our common goals

Responsibility

We are committed to support long-term economic growth and social responsibility. Therefore **we promote various social projects** in the interests of some of the most disadvantaged people in the world. We encourage our people to join in with these efforts. **We follow a strict policy of neutrality in political matters.** However, we try to avoid regions exposed to military conflicts and refrain from financing military projects in general

Selected Credentials

Transaction Highlights: 2006

<p>ITALY</p>  <p>A.N.A.S. spa €300m Term Loan Arranger January 2006</p>	<p>SPAIN</p>  <p>Region of Castilla La Mancha €200m Eurobond Joint Bookrunner January 2006</p>	<p>SPAIN</p>  <p>Region of Castilla La Mancha €100m 30Y Maturity Spanish Inflation Swap February 2006</p>	<p>POLAND</p>  <p>Republic of Poland €3.0bn Eurobond Co-Lead Manager January 2006</p>	<p>KOREA</p>  <p>Export-Import Bank of Korea USD 500m Bond Issue EUR325m Bond Issue Co-Lead Arranger February 2006</p>
Loan	Bond	Inflation Swap	Bond	Bond
<p>HUNGARY</p>  <p>Hungarian Development Bank €500m Eurobond Sen. Co-Lead Manager March 2006</p>	<p>USA</p>  <p>North Texas Higher Education Authority US\$450m Letter of Credit April 2006</p>	<p>SWEDEN</p>  <p>City of Sodertalje SEK 100m Loan Arranger April 2006</p>	<p>GREECE</p>  <p>Hellenic Railways € 713.3m Bond Loan Sole Arranger June 2006</p>	<p>CANADA</p>  <p>Golden Ears Bridge CAD\$ 1.0 bn Mandated Lead Arranger 2006</p>
Bond	Letter of Credit	Loan	Bond/Loan	Infrastructure Loan

Selected Credentials

Transaction Highlights: 2006

<p>IRELAND</p>  <p>DEPFA ACS BANK Issuer</p> <p>€ 2 bn 16/03/2011</p> <p>March 2006</p>	<p>SPAIN</p>  <p>Comunidad de las Islas Baleares</p> <p>€170m Bond Issue</p> <p>November 2005</p>	<p>USA</p>  <p>Pocahontas Parkway \$610,000,000</p> <p>Financial Advisor to Transurban June 2006</p>	<p>USA</p>  <p>Pocahontas Parkway \$610,000,000</p> <p>Mandated Lead Arranger June 2006</p>	<p>USA</p>  <p>Indiana Toll Road \$4,100,000,000</p> <p>Mandated Lead Arranger June 2006</p>
<p>Covered Bond</p>	<p>Bond</p>	<p>Advisory</p>	<p>Infrastructure Loan</p>	<p>Infrastructure Loan</p>
<p>USA</p>  <p>Icon Parking Project Delphi \$350,000,000</p> <p>Mandated Lead Arranger June 2006</p>	<p>PSION Synthetic CDO No. 1</p> <p>Public Finance CDO</p> <p>DEPFA Bank PLC Collateral Manager</p> <p>US\$1,000,000,000</p> <p>Reference portfolio December 2005</p>	<p>NETHERLANDS</p>  <p>Dutch Government Guaranteed</p> <p>Securitisation</p> <p>€2,458,000,000</p> <p>Sole Underwriter & Arranger August 2006</p>	<p>ITALY</p>  <p>GREEN FINANCE SRL Healthcare Receivables Securitisation</p> <p>Originator Regione Lazio €654,000,000</p> <p>Sole Underwriter & Arranger August 2006</p>	<p>USA</p> <p>Texas Dept of Housing and Community Affairs</p> <p>\$239m</p> <p>GIC (Acquisition Fund) June 2006</p>
<p>Infrastructure Loan</p>	<p>Securitisation</p>	<p>Securitisation</p>	<p>Securitisation</p>	<p>GIC</p>



Appendix: 9-Month 2006 Financials

Financials

Pre tax profits in €m	Q3 2006	Q3 2005	Change %	9M 2006	9M 2005	Change %
Budget Finance	140	84	67%	416	271	54%
Infrastructure Finance	11	2	>100%	23	8	>100%
Client Product Services	1	3	-67%	31	2	>100%
Global Markets	25	101	-75%	95	266	-64%
Corporate Centre	-43	-20	n.a.	-71	-69	3%
Total Group pre Tax	134	170	-21%	494	478	3%
Total Group after Tax	110	132	-17%	384	377	2%
Cost/Income Ratio	28.3%	23.8%		25.3%	24.8%	
RoE after taxes	17.3%	25.4%		20.8%	24.8%	
Headcount (avg.)	569	511				

Financials

Quarter 3 solo 2006 vs. 2005 comparision

	Q3 2006 € m	Q3 2005 € m	Abs. change € m	Change %
Net interest income	101	100	1	1.0%
Net fee and commission income	7	5	2	40.0%
Net trading income	9	25	-16	-64.0%
Gains less losses from financial assets	70	93	-23	-24.7%
Other operating income	0	0	0	
Total operating income	187	223	-36	-16.1%
Staff costs	-32	-32		
Administrative expenditure	-18	-20	2	-10.0%
Depreciation and amortisation	-3	-2	-1	50.0%
Other operating expenditure	0	1	-1	-100%
Operating expenses	-53	-53		
Profit before taxation	134	170	-36	-21.2%
Taxation	-24	-38	14	-36.8%
Group net income	110	132	-22	-16.7%
Key ratios				
Cost/income ratio	28.3%	23.8%		
EPS (€)	0.32	0.39		
RoE after tax	17.3%	25.4%		
Key balance sheet items	30.09.2006	31.12.2005		
Financing Volumes	219,111	205,418		
of which drawn	195,587	183,947		
of which undrawn	23,524	21,471		
Shareholders' Capital	2,611	2,304		
Total assets	228,898	228,630		
Leverage	88x	99x		

Financials

Quarter 3 YTD 2006 vs. 2005 comparison

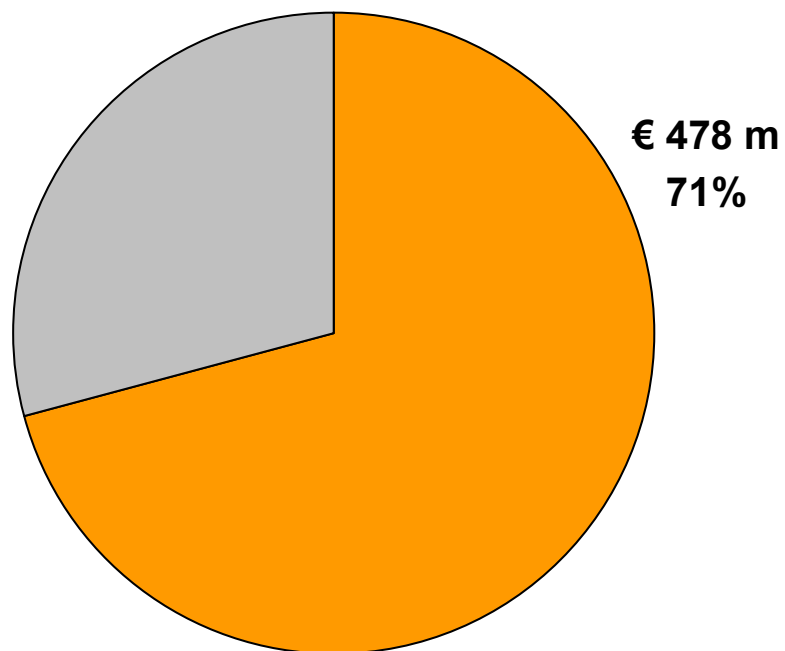
	9M 2006 € m	9M 2005 € m	Abs. change € m	Change %
Net interest income	318	306	12	3.9%
Net fee and commission income	24	14	10	71.4%
Net trading income	112	-111	223	n.a.
Gains less losses from financial assets	207	420	-213	-50.7%
Other operating income	0	7	-7	-100.0%
Total operating income	661	636	25	3.9%
Staff costs	-102	-99	-3	3.0%
Administrative expenses	-55	-52	-3	5.8%
Depreciation and amortisation	-7	-7		
Other operating expenses	-3	0	-3	
Operating expenses	-167	-158	-9	5.7%
Profit before taxation	494	478	16	3.3%
Taxation	-110	-101	-9	8.9%
Group net income	384	377	7	1.9%
Key ratios				
Cost/income ratio	25.3%	24.8%		
EPS (€)	1.12	1.10		
RoE after taxes	20.8%	24.8%		

Financials

Group Quarterly P&L

€ m	2006			2005				Average Quarter	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005
Net Interest Income	101	110	107	116	100	96	110	106	106
Net fee and commission income	7	12	5	6	5	5	4	8	5
Net trading income	9	41	62	-3	25	-181	45	37	-29
Gains less losses from financial assets	70	67	70	60	93	292	35	69	120
Other operating income						4	3		2
Total operating income	187	230	244	179	223	216	197	220	204
Staff costs	-32	-33	-37	-33	-32	-31	-36	-34	-33
Administrative expenditure	-18	-19	-18	-20	-20	-17	-15	-19	-18
Depreciation and amortisation	-3	-2	-2	-2	-2	-3	-2	-2	-2
Other operating expenditure	0	-2	-1	-2	1	-1		-1	-1
Operating expenses	-53	-56	-58	-57	-53	-52	-53	-56	-54
Impairment losses on loans				-3					-1
Profit before taxation	134	174	186	119	170	164	144	164	149
Taxation	-24	-34	-52	-21	-38	-38	-25	-36	-31
Group net income	110	140	134	98	132	126	119	128	118

9 months 2006 Total Operating Income

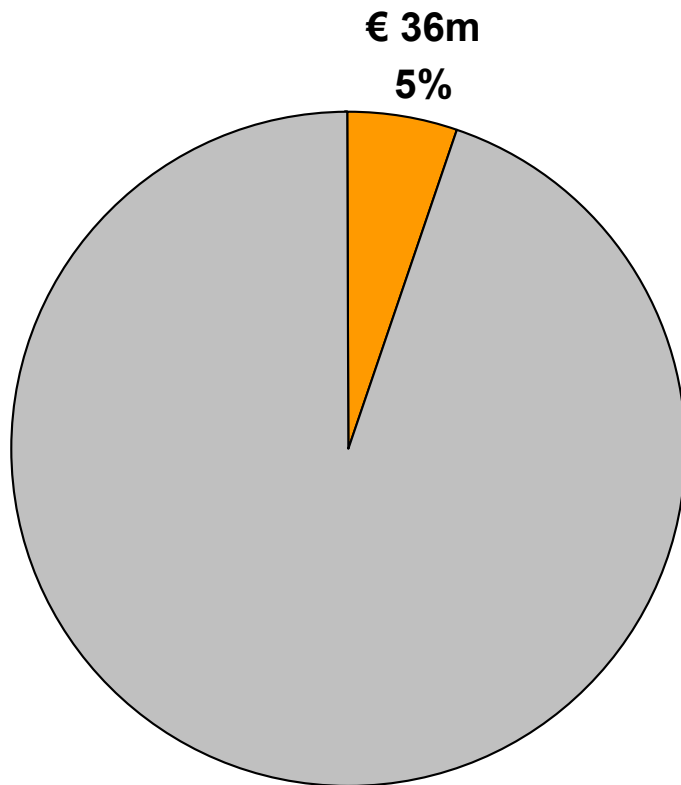


€ m	First 9 months 2006	First 9 months 2005	% Change
Net interest income	265	221	20%
Non-interest revenues	213	112	90%
Total operating income	478	333	44%
Operating expenses	-62	-62	0%
Profit before taxation	416	271	54%
Average equity	1,318	1,112	19%
RoE pre tax	42%	32%	
	30.09.2006	31.12.2005	
Financing volume (on B/S)	170,980	165,575	3%
Financing volume (off B/S)	21,971	20,549	7%

Budget Finance

€ m	Total 9M	2006			Total 9M	2005			Change Q3 v Q3	Change 9M v 9M
		Q3	Q2	Q1		Q3	Q2	Q1		
Net interest income	265	89	90	86	221	80	70	71	11%	20%
Non-interest revenues	213	70	74	69	112	24	53	35	192%	90%
Total Operating income	478	159	164	155	333	104	123	106	53%	44%
Operating expenses	-62	-19	-19	-24	-62	-20	-20	-22	-5%	0%
Profit before taxation	416	140	145	131	271	84	103	84	67%	54%

9 months 2006 Total Operating Income



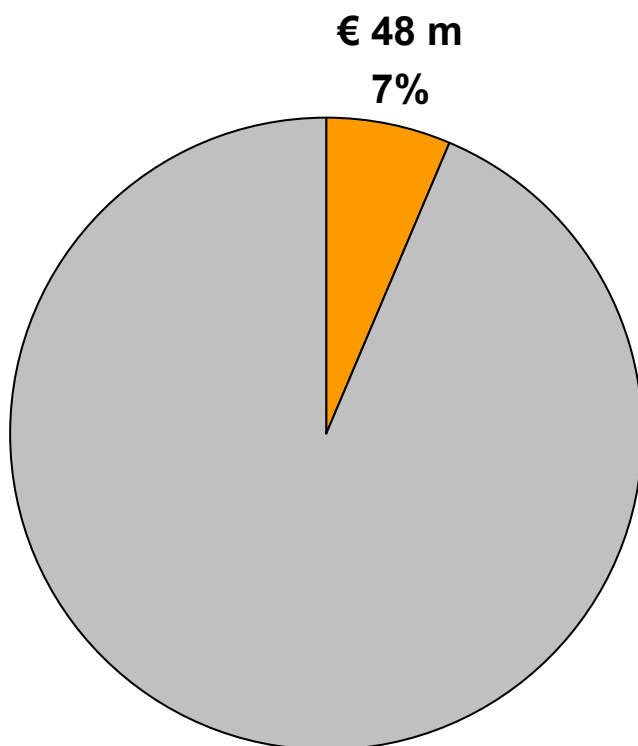
€ m	First 9 months 2006	First 9 months 2005	% Change
Net interest income	24	15	60%
Non-interest revenues	12	3	300%
Total operating income	36	18	100%
Operating expenses	-13	-10	30%
Profit before taxation	23	8	188%
Average equity	208	116	79%
RoE pre tax	15%	9%	
	30.09.2006	31.12.2005	
Financing volume (on B/S)	4,963	1,879	164%
Financing volume (off B/S)	1,553	1,014	53%

€ m	Total 9M	2006			Total 9M	2005			Change Q3 v Q3	Change 9M v 9M
		Q3	Q2	Q1		Q3	Q2	Q1		
Net interest income	24	12	6	6	15	5	5	5	140%	60%
Non-interest revenues	12	3	7	2	3	1	1	1	200%	300%
Total Operating income	36	15	13	8	18	6	6	6	150%	100%
Operating expenses	-13	-4	-5	-4	-10	-4	-3	-3	0%	30%
Profit before taxation	23	11	8	4	8	2	3	3	450%	188%

Client Product Services

Financials

9 months 2006 Total Operating Income

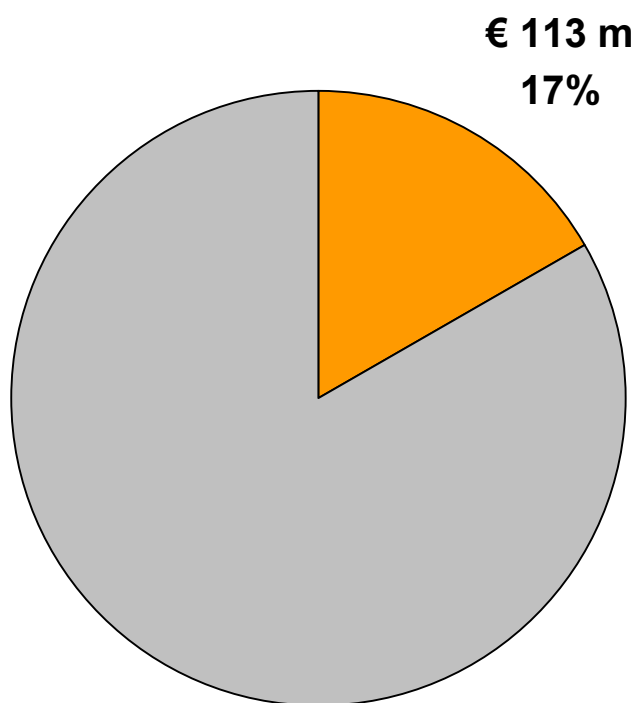


€ m	First 9 months 2006	First 9 months 2005
Net interest income	-1	0
Non-interest revenues	49	13
Total operating income	48	13
Operating expenses	-17	-11
Profit before taxation	31	2
Average equity	40	12
RoE pre tax	103%	22%
	30.09.2006	31.12.2005
Financing volume (on B/S)	906	5
Financing volume (off B/S)	0	0

Client Product Services

€ m	Total 9M	2006			Total 9M	2005			Change Q3 v Q3	Change 9M v 9M
		Q3	Q2	Q1		Q3	Q2	Q1		
Net interest income	-1	-1	2	-2	0	0	0	0		
Non-interest revenues	49	8	14	27	13	7	2	4	14%	277%
Total Operating income	48	7	16	25	13	7	2	4	0%	269%
Operating expenses	-17	-6	-5	-6	-11	-4	-4	-3	50%	55%
Profit before taxation	31	1	11	19	2	3	-2	1		

9 months 2006 Total Operating Income



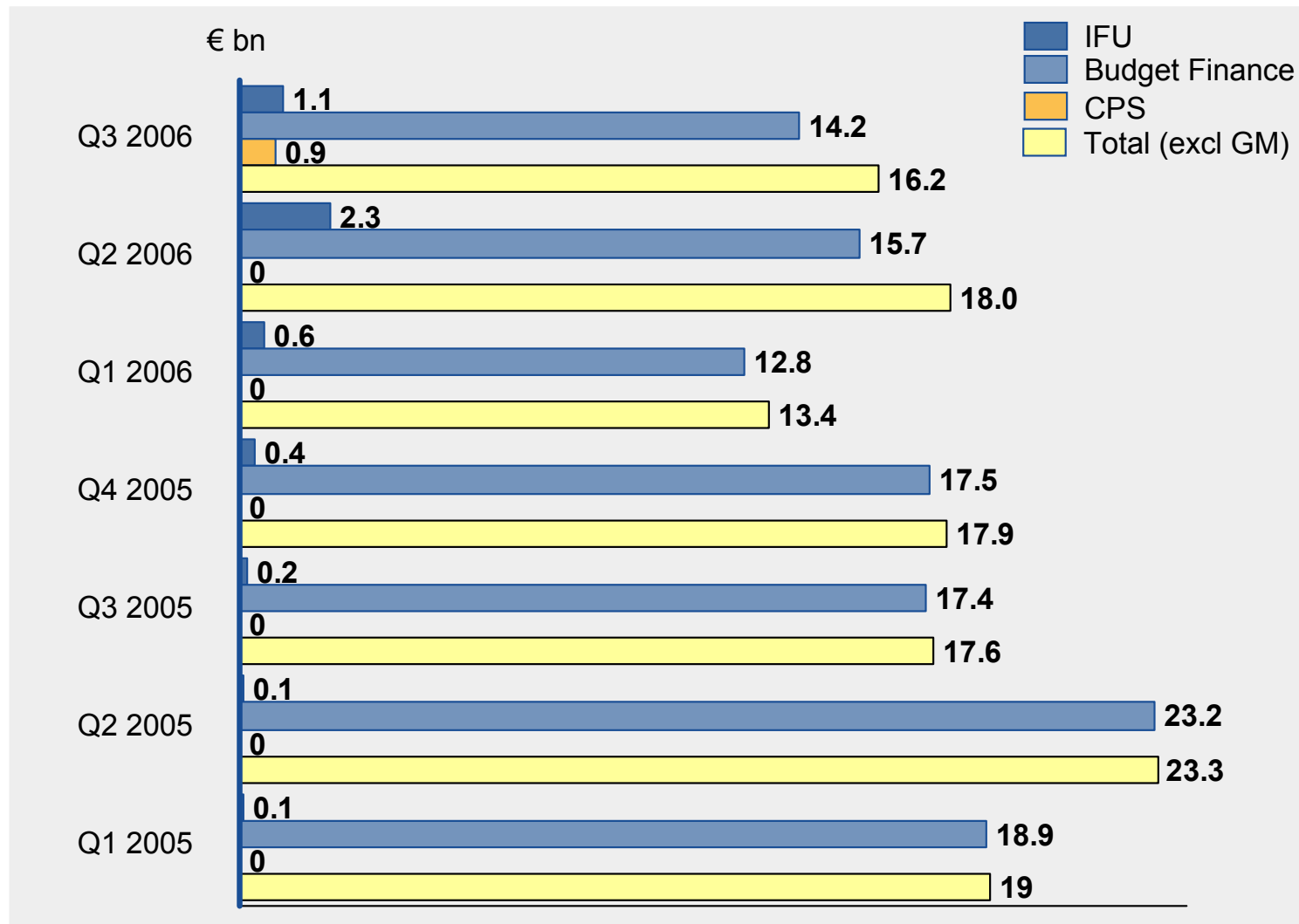
€ m	First 9 months 2006	First 9 months 2005	% Change
Net interest income	51	76	-33%
Non-interest revenues	62	217	-71%
Total operating income	113	293	-61%
Operating expenses	-18	-27	-33%
Profit before taxation	95	266	-64%
Average equity	713	398	79%
RoE pre tax	18%	89%	
	30.09.2006	31.12.2005	
Financing volume (on B/S)	13,936	11,116	25%
Financing volume (off B/S)	0	0	

€ m	Total 9M	2006			Total 9M	2005			Change Q3 v Q3	Change 9M v 9M
		Q3	Q2	Q1		Q3	Q2	Q1		
Net interest income	51	10	19	22	76	19	25	32	-47%	-33%
Non-interest revenues	62	20	16	26	217	90	84	43	-78%	-71%
Total Operating income	113	30	35	48	293	109	109	75	-72%	-61%
Operating expenses	-18	-5	-5	-8	-27	-8	-9	-10	-38%	-33%
Profit before taxation	95	25	30	40	266	101	100	65	-75%	-64%

€ m	Total 9M	2006			Total 9M	2005			Change Q3 v Q3	Change 9M v 9M
		Q3	Q2	Q1		Q3	Q2	Q1		
Net interest income	-21	-9	-7	-5	-6	-4	-4	2	125%	250%
Non-interest revenues	7	-15	9	13	-15	1	-20	4		
Total Operating income	-14	-24	2	8	-21	-3	-24	6		-33%
Operating expenses	-57	-19	-22	-16	-48	-17	-16	-15	12%	19%
Profit before taxation	-71	-43	-20	-8	-69	-20	-40	-9	115%	3%

Financials

New commitments in client segments



Financials

Development in Financing volumes by segment (On- and Off-Balance sheet)

First 9 months 2006

		Financing volumes by segment €m					
		Budget Finance	Infra-structure Finance	Client Product Services	Global Markets	Corporate Centre	Total
	Volume as at 31/12/2005	186,034	2,893	5	11,116	5,372	205,420
	New commitments	42,662	4,063	925	5,262	0	52,912
	Sales	-21,041	-299	-12	- 661	-78	-22,091
	Maturities and other	-14,704	-141	-12	-1,781	-492	-17,130
	Volume as at 30/09/2006	192,951	6,516	904	13,936	4,802	219,111