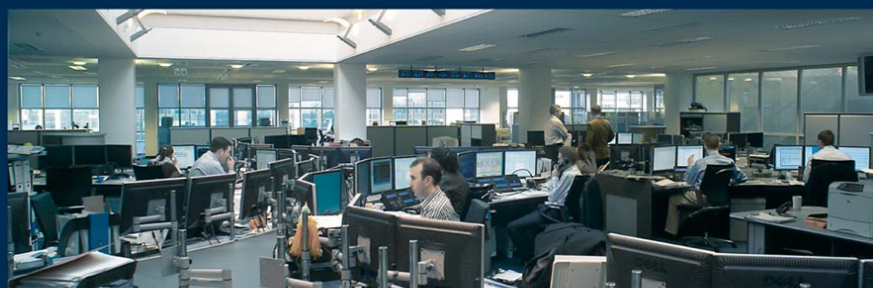


DEPFA BANK plc: 2nd Quarter 2007 Results Investor Presentation

23rd July 2007

DEPFA BANK plc



 **DEPFA BANK**

Dublin Amsterdam Chicago Copenhagen Frankfurt Hong Kong London Madrid Milan Mumbai New York Nicosia Paris Rome San Francisco Sao Paulo Tokyo Warsaw

Second Quarter 2007

Highlights

- Budget Finance new commitments increase by 17% to € 14.2bn from Q1 07; further tightening of credit spreads
- Infrastructure Finance with another strong quarter; on track for doubling of revenues in 2007 vs. 2006
- Client Product Services with growth in deferred profit reserves increasing by € 8m to € 29 m on top of IFRS earnings
- Global Markets result held back by impact of legacy positions and generally weak trading quarter
- Balance sheet: Cost of funding again marginally improved for overall portfolio; capacity for growth if credit spreads widen

Pre tax profits in €m	Q2 2007	Q2 2006	Change %	1H 2007	1H 2006	Change %
Budget Finance	171	145	18%	331	276	20%
Infrastructure Finance	20	8	150%	32	12	167%
Client Product Services	7	11	-36%	8	30	-73%
Global Markets	-22	30		-17	70	
Corporate Centre	-17	-20	-15%	-40	-28	43%
Total Group pre Tax	159	174	-9%	314	360	-13%
Group Net Income	126	140	-10%	249	274	-9%
Cost/Income Ratio	30.6%	24.3%		30.4%	24.1%	
RoE after taxes	17.3%	22.8%		17.5%	22.9%	

Second Quarter 2007

P&L Overview

€ million	Q2 2007	Q2 2006	Change	Change %	1H 2007	1H 2006	Change	Change %
Net interest income	101	110	-9	-8%	202	217	-15	-7%
Net fee and commission income	9	12	-3	-25%	15	17	-2	-12%
Net trading income	8	41	-33	-80%	20	103	-83	-81%
Gains less losses from financial assets	111	67	44	66%	214	137	77	56%
Total operating income	229	230	-1	0%	451	474	-23	-5%
staff costs	-38	-33	-5	15%	-75	-70	-5	7%
Administrative expenses	-26	-19	-7	37%	-52	-37	-15	41%
Depreciation and amortisation	-4	-2	-2	100%	-7	-4	-3	75%
Other operating expenses	-2	-2	0	0%	-3	-3	0	0%
Operating expenses	-70	-56	-14	25%	-137	-114	-23	20%
Net operating income before impairment loss	159	174	-15	-9%	314	360	-46	-13%
Impairment losses on loans and advances	0	0			0	0		
Profit before taxation	159	174	-15	-9%	314	360	-46	-13%
Taxation	-33	-34	1	-3%	-65	-86	21	-24%
Group net income	126	140	-14	-10%	249	274	-25	-9%
Key ratios								
Cost/income ratio	30.6%	24.3%			30.4%	24.1%		
EPS (€)	0.36	0.41			0.72	0.80		
RoE after taxes	17.3%	22.8%			17.5%	22.9%		

Second Quarter 2007

Client Facing Segments with strongest quarter ever

Profit before tax:

€m	2007		2006				Average Quarter 2006
	Q2	Q1	Q4	Q3	Q2	Q1	
Budget Finance	171	160	139	140	145	131	139
Infrastructure Finance	20	12	13	11	8	4	9
Client Product Services	7	1	6	1	11	19	9
Sub-Total Client Facing Segments	198	173	158	152	164	154	157
Global Markets	-22	5	27	25	30	40	31
Corporate Centre	-17	-23	-33	-43	-20	-8	-26
Total	159	155	152	134	174	186	162

Second Quarter 2007

Client Facing Segments – NII and Non-Interest Revenues

NET INTEREST INCOME

€m	2007		2006				Average Quarter 2006
	Q2	Q1	Q4	Q3	Q2	Q1	
Budget Finance	85	89	91	89	90	86	89
Infrastructure Finance	19	16	15	12	6	6	10
Client Product Services	6	3	3	-1	2	-2	1
Sub-Total Client Facing Segments	110	108	109	100	98	90	99
Global Markets	-2	-1	8	10	19	22	15
Corporate Centre	-7	-6	-10	-9	-7	-5	-8
Total	101	101	107	101	110	107	106

NON-INTEREST REVENUES

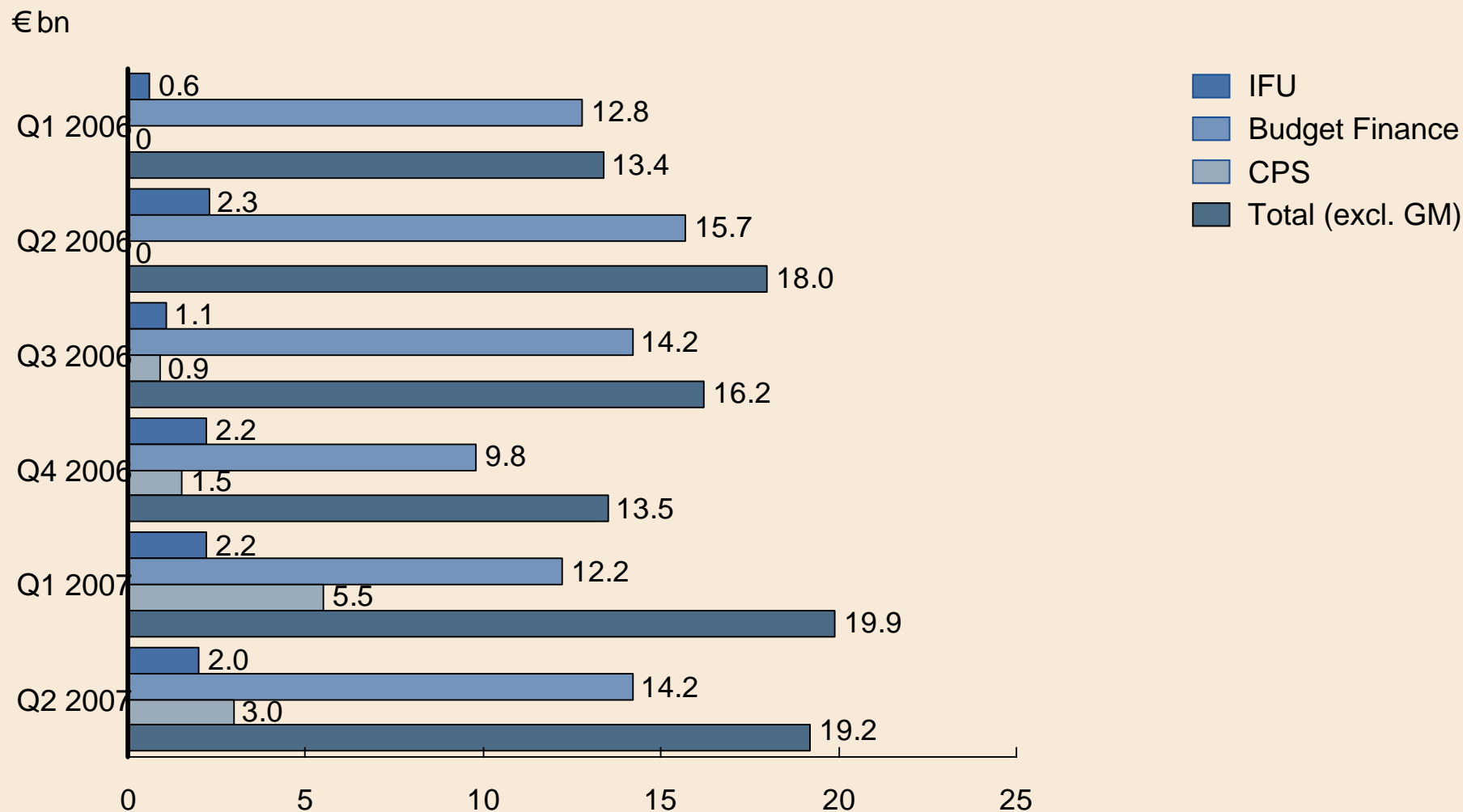
€m	2007		2006				Average Quarter 2006
	Q2	Q1	Q4	Q3	Q2	Q1	
Budget Finance	112	97	70	70	74	69	71
Infrastructure Finance	9	2	4	3	7	2	4
Client Product Services	10	6	10	8	14	27	15
Sub-Total Client Facing Segments	131	105	84	81	95	98	90
Global Markets	-15	10	23	20	16	26	21
Corporate Centre	12	6	-1	-15	9	13	2
Total	128	121	106	86	120	137	112

Comments

- Net Interest Income from locked in credit spreads is €110m making Q2 the highest of the last 6 quarters
- IFU portion of revenues doubled within first half of 2007
- Trend in profit contribution from client facing segments continues

Second Quarter – Client Facing Segments

New Commitments remain strong, despite further tightening credit spreads

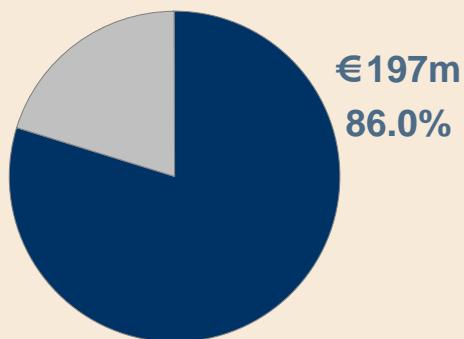


Second Quarter – Volumes have picked up vs. Q1 07

€million	Budget finance	Other segments	Total
Volume as at 31/03/2007	182,919	38,752	221,671
New commitments	14,203	6,655	20,858
Sales	-8,355	- 782	-9,137
Maturities and other	-5,550	-1,274	-6,824
Volume as at 30/06/2007	183,217	43,351	226,568

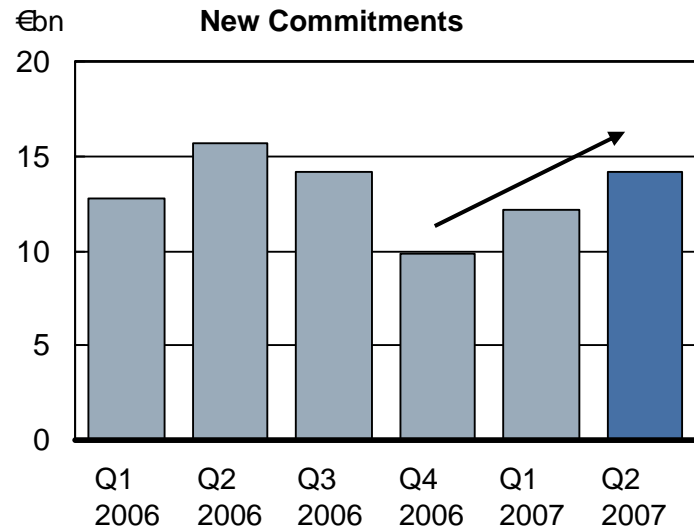
Comments
<ul style="list-style-type: none"> ➤ Volumes in Budget Finance up vs. Q1 2007 on strong new commitments (+17% vs. Q1) ➤ Overall volumes increase more significantly, due to increasing contribution from other segments ➤ Strong pipeline in all business segments for the remainder of the year ➤ Sales volume reflects active portfolio management exploiting continued credit spread tightening

Second Quarter 2007 Total Operating Income

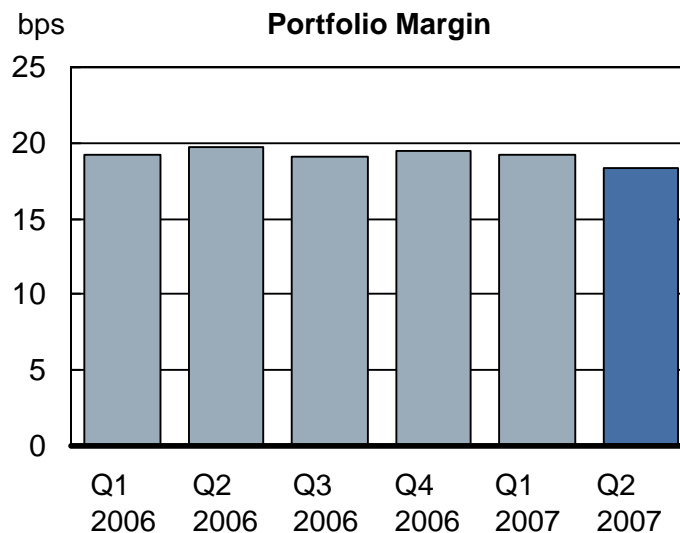
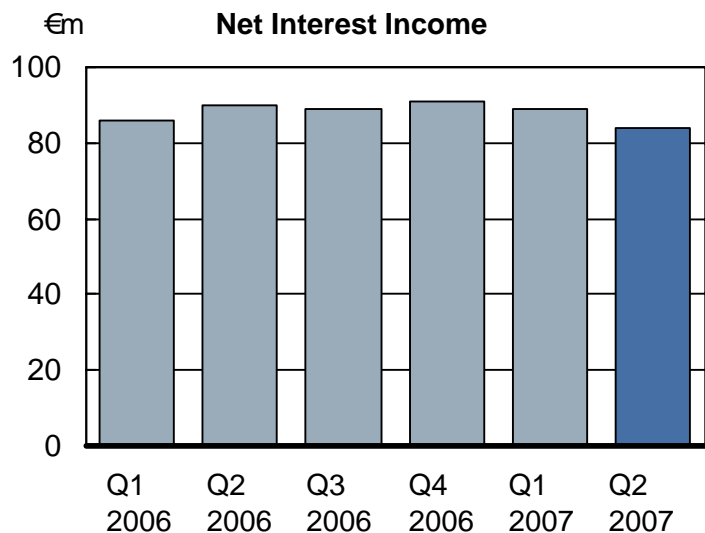
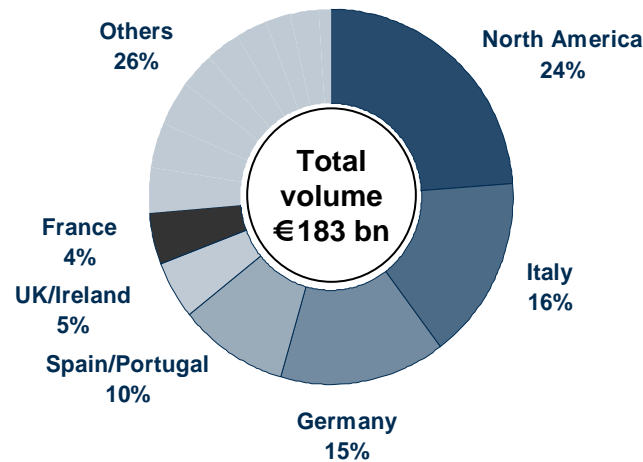


€m	2007		2006				Change Q2 v Q2
	Q2	Q1	Q4	Q3	Q2	Q1	
Net interest income	85	89	91	89	90	86	-5
Non-interest revenues	112	97	70	70	74	69	38
Total operating income	197	186	161	159	164	155	33
Operating expenses	-26	-26	-22	-19	-19	-24	-7
Profit before taxation	171	160	139	140	145	131	26

- Continued sustainable public sector asset origination flow and stable funding composition
- Focus on increasing the total return of the portfolio whilst maintaining stable portfolio size and high credit quality
- Combined net interest income and non-interest revenues up significantly Quarter-on-Quarter
- Continued improvement in cost of sub-libor funding and extension of tenors

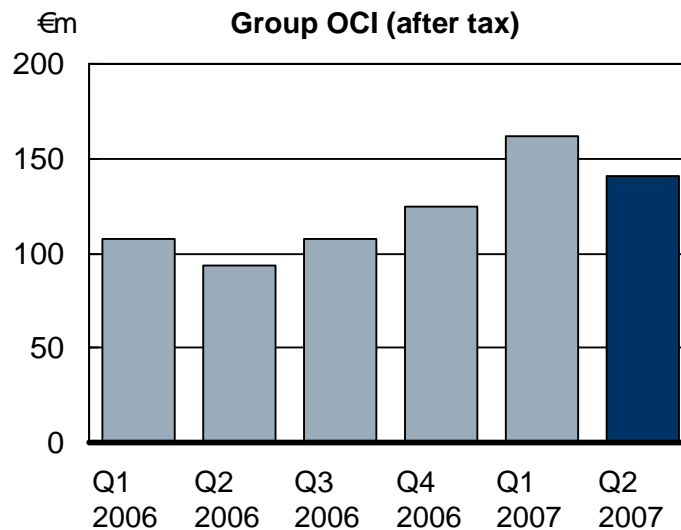
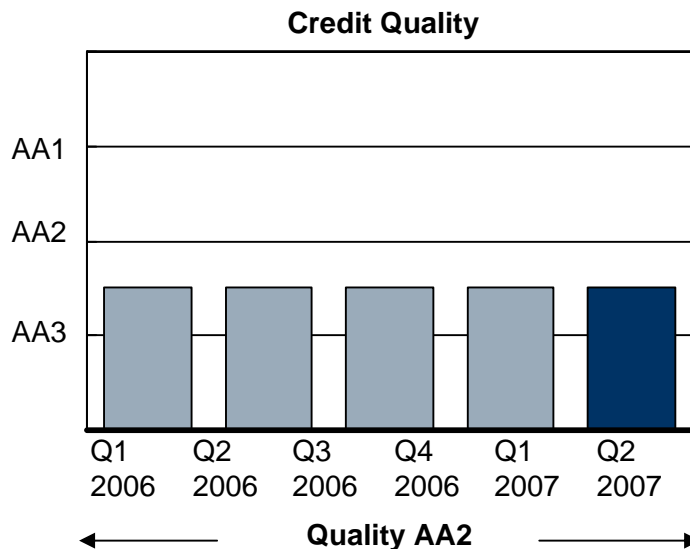
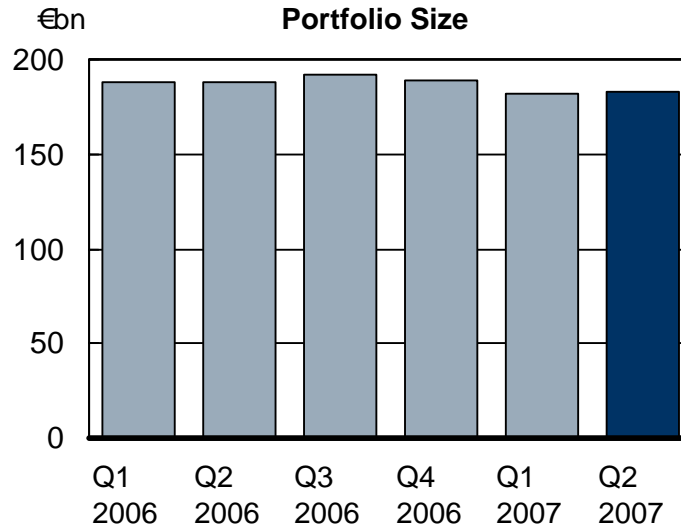
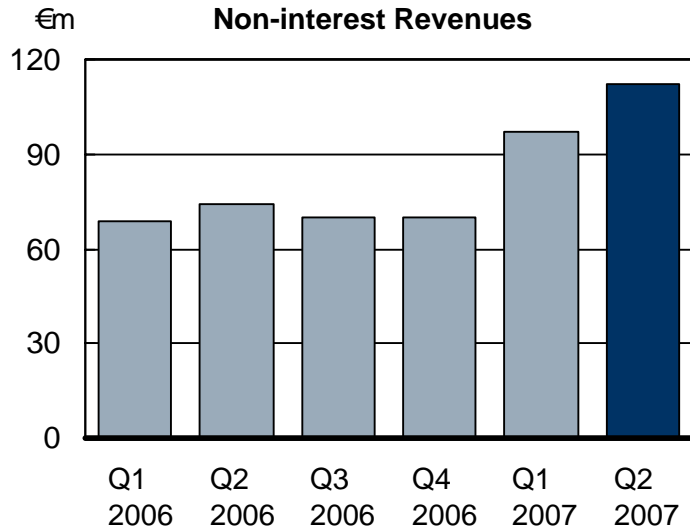


Portfolio % breakdown by country 1H 2007



Trends

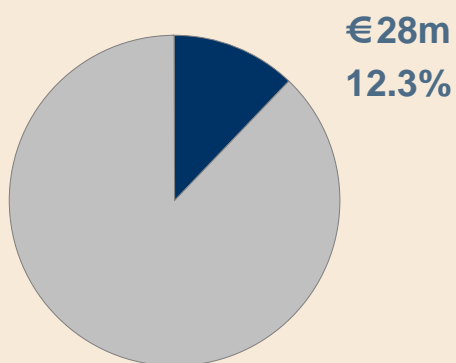
- Growth in new commitments to €14.2bn for Q2, an increase of 17% from Q1
- Further diversification in country mix; U.S., Spain, Italy and Japan represent the main areas of origination
- As expected tighter spreads resulting in slightly lower portfolio margin more than compensated by non-interest income revenues
- Globally diversified funding platforms leading to continued improvement in sub-libor funding and extension of tenors



Trends

- Focus on increasing the total return of the portfolio whilst maintaining stable portfolio size
- Continued diversification of funding sources with the ability to pledge EEA public sector loans at the ECB refinancing operations
- Continued high stable credit quality of the portfolio
- Group OCI remains healthy

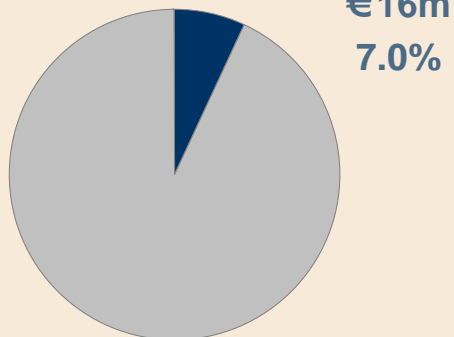
Second Quarter 2007 Total Operating Income



€m	2007		2006				Change Q2 v Q2
	Q2	Q1	Q4	Q3	Q2	Q1	
Net interest income	19	16	15	12	6	6	13
Non-interest revenues	9	2	4	3	7	2	2
Total operating income	28	18	19	15	13	8	15
Operating expenses	-8	-6	-6	-4	-5	-4	-3
Profit before taxation	20	12	13	11	8	4	12

- New commitments: 23 new transactions totaling ca. €2 bn (of which €1.1bn was AAA wrapped)
- Deals broadly based in 10 different countries, and covering ports, roads, healthcare, schools, car parking, water and power
- NII of €19m is strong, reflecting the core income from the growing portfolio
- Sale of assets realized €7m: as a result of managing counterparty exposure

Second Quarter 2007 Total Operating Income



€m	2007		2006				Change Q2 v Q2
	Q2	Q1	Q4	Q3	Q2	Q1	
Net interest income	6	3	3	-1	2	-2	4
Non-interest revenues	10	6	10	8	14	27	-4
Total operating income	16	9	13	7	16	25	0
Operating expenses	-9	-8	-7	-6	-5	-6	-4
Profit before taxation	7	1	6	1	11	19	-4

Interest Rate Swaps:

- Continued development of CRM / IFU synergies and continued geographical diversification
- Deferred P&L on client derivatives comprises of €29m (up by €8m compared to Q1)

Structured Credit / Securitization

- Continued increase in volumes and geographical expansion with strong pipeline

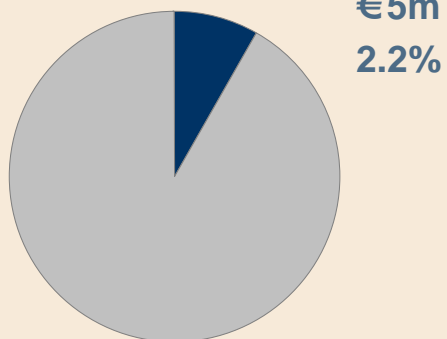
GIC:

- Strong performance from the GIC book; the balance of the GIC book now stands at \$4.5bn

€m	2007		2006				Change Q2 v Q2
	Q2	Q1	Q4	Q3	Q2	Q1	
Net interest income	-2	-1	8	10	19	22	-21
Non-interest revenues	-15	10	23	20	16	26	-31
Total operating income	-17	9	31	30	35	48	-52
Operating expenses	-5	-4	-4	-5	-5	8	0
Profit before taxation	-22	5	27	25	30	40	-52

- Negative NII caused by continued negative impact from legacy positions
- Very poor trading performance which is spread over a number of trading desks
- Continued diversification into uncorrelated trading desks and expansion of product catalogue

Second Quarter 2007 Total Operating Income

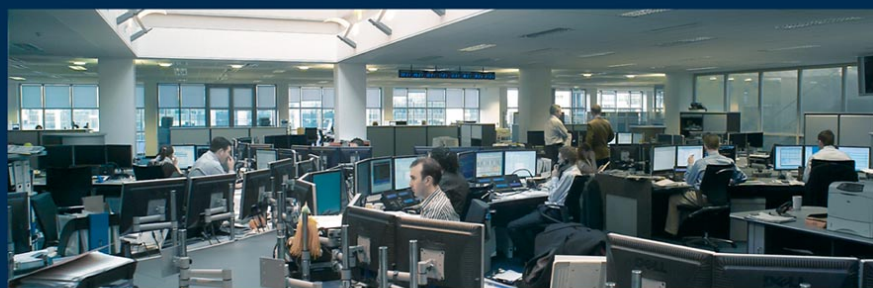


€m	2007		2006				Change Q2 v Q2
	Q2	Q1	Q4	Q3	Q2	Q1	
Net interest income	-7	-6	-10	-9	-7	-5	0
Non-interest revenues	12	6	-1	-15	9	13	3
Total operating income	5	0	-11	-24	2	8	3
Operating expenses	-22	-23	-22	-19	-22	-16	0
Profit before taxation	-17	-23	-33	-43	-20	-8	3

- Increase in non-interest revenues predominantly caused by non-integrated hedges
- Stable expense development

Appendix

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Development in Equity

	Other comprehensive income						2006
	Share capital	Share premium	Retained Earnings	Unrealised Gains/Losses on Cashflow Hedges	Unrealised Gains/Losses on Securities	Total Equity	
Equity 1 January 2007	106	1,142	1,402	2	125	2,777	2,304
Profit for period			249			249	274
Change in other reserves				0	14	14	-21
Purchase of own shares			-9			-9	-9
Share based payments			13			13	18
Dividends			-138			-138	-86
Equity 30th June 2007	106	1,142	1,517	2	139	2,906	2,480

Development in Financing Volumes (on and off Balance Sheet)

€million	Budget finance	Infra-structure finance	Client product services	Global markets	Corporate Centre	Total
Volume as at 31/03/2007	182,919	10,124	10,131	14,322	4,175	221,671
New commitments	14,203	1,956	3,039	1,660	0	20,858
Sales	-8,355	-148	-578	-56	0	-9,137
Maturities and other	-5,550	-81	-193	-391	-609	-6,824
Volume as at 30/06/2007	183,217	11,851	12,399	15,535	3,566	226,568

€million	Q2 2007	Q2 2006	% Change	1H 2007	1H 2006	% Change
Net interest income	85	90	-6%	174	176	-1%
Non interest revenues	112	74	51%	209	143	46%
Total operating income	197	164	20%	383	319	20%
Operating expenses	-26	-19	37%	-52	-43	21%
Profit before taxation	171	145	18%	331	276	20%
Average equity	1,458	1,290	13%	1,465	1,308	12%
Financing volume (on B/S)	160,079	167,418	-4%	160,079	167,418	-4%
Financing volume (off B/S)	23,138	20,723	12%	23,138	20,723	12%

€million	Q2 2007	Q2 2006	% Change	1H 2007	1H 2006	% Change
Net interest income	19	6	217%	35	12	192%
Non interest revenues	9	7	29%	11	9	22%
Total operating income	28	13	115%	46	21	119%
Operating expenses	-8	-5	60%	-14	-9	56%
Profit before taxation	20	8	150%	32	12	167%
Average equity	481	208	131%	448	173	159%
Financing volume (on B/S)	8,597	4,057	112%	8,597	4,057	112%
Financing volume (off B/S)	3,254	1,675	94%	3,254	1,675	94%

€million	Q2 2007	Q2 2006	% Change	1H 2007	1H 2006	% Change
Net interest income	6	2	200%	9	0	n/a
Non interest revenues	10	14	-29%	16	41	-61%
Total operating income	16	16	0%	25	41	-39%
Operating expenses	-9	-5	80%	-17	-11	55%
Profit before taxation	7	11	-36%	8	30	-73%
Average equity	102	38	168%	95	30	217%
Financing volume (on B/S)	12,399	0	n/a	12,399	0	n/a
Financing volume (off B/S)	0	0	n/a	0	0	n/a

€million	Q2 2007	Q2 2006	% Change	1H 2007	1H 2006	% Change
Net interest income	-2	19	n/a	-3	41	n/a
Non interest revenues	-15	16	n/a	-5	42	n/a
Total operating income	-17	35	n/a	-8	83	n/a
Operating expenses	-5	-5	0%	-9	-13	-31%
Profit before taxation	-22	30	n/a	-17	70	n/a
Average equity	479	706	-32%	533	737	-28%
Financing volume (on B/S)	15,535	13,111	18%	15,535	13,111	18%
Financing volume (off B/S)	0	0	n/a	0	0	n/a

€million	Q2 2007	Q2 2006	% Change	1H 2007	1H 2006	% Change
Net interest income	-7	-7	0%	-13	-12	8%
Non interest revenues	12	9	33%	18	22	-18%
Total operating income	5	2	150%	5	10	-50%
Operating expenses	-22	-22	0%	-45	-38	18%
Profit before taxation	-17	-20	-15%	-40	-28	43%
Average equity	399	215	86%	347	165	110%
Financing volume (on B/S)	3,566	4,965	-28%	3,566	4,965	-28%
Financing volume (off B/S)	0	0	n/a	0	0	n/a