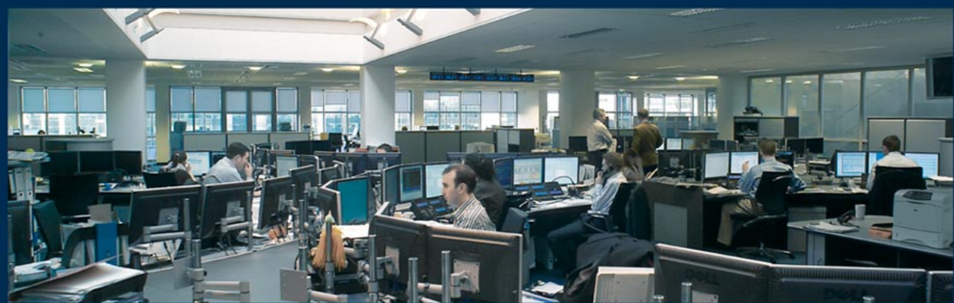
DEPFA BANK plc: 1st Quarter 2007 Results
Investor Presentation

2nd May 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

Overview

Pre tax profits in €m	Q1 2007	Q1 2006	Change %
Budget Finance	160	131	22%
Infrastructure Finance	12	4	200%
Client Product Services	1	19	-95%
Global Markets	5	40	-88%
Corporate Centre	-23	-8	188%
Total Group pre Tax	155	186	-17%
Group Net Income	123	134	-8%
Cost/Income Ratio	30.2%	23.8%	27%
RoE after taxes	17.2%	22.6%	-24%

First Quarter 2007

P&L Overview

	Q1 2007 € m	Q1 2006 € m	Change € m	Change %
Net interest income	101	107	-6	-5.6%
Net fee and commission income	6	5	1	20.0%
Net trading income	12	62	-50	-80.6%
Gains less losses from financial assets	103	70	33	47.1%
Other operating income	0	0	0	0%
Total operating income	**222**	**244**	**-22**	-9%
Staff costs	-37	-37	0	0%
Administrative expenses	-26	-18	-8	44.4%
Depreciation and amortisation	-3	-2	-1	50.0%
Other operating expenses	-1	-1	0	
Operating expenses	**-67**	**-58**	**-9**	15.5%
Net operating income before impairment losses	**155**	**186**	**-31**	-16.7%
Impairment losses on loans and advances	0	0		
Profit before taxation	**155**	**186**	**-31**	-16.7%
Taxation	-32	-52	-20	-38.5%
Group net income	**123**	**134**	**-11**	-8.2%
Key ratios				
Cost/income ratio	30.2%	23.8%		
EPS (€)	0.36	0.39		
RoE after taxes	17.2%	22.6%		

Key Points Financials

- Net profit of € 123 m represents a solid start to the year with positive upside from the trading line expected for the remainder of the year (both client derivatives and real trading)

- The rise in costs by 16% to € 67 m in Q1 marks a clear step up this year in the level of investments in client business capacity, which is an essential precondition for durable profit growth. Staff investments have centred on high margin growth sectors of the public finance market (derivatives, advisory and structured and PPP project financing). At the same time the cost income ratio of 30% shows that the bank is determined to maintain a strong grip on cost control even in the short term

- The decline in income from interest rate / yield curve positioning in Global Markets (- € 23 m y-o-y) has posed a short term challenge to overall profitability. This earnings shortfall has to a large degree been successfully filled by growth generated from the client segments

- Infrastructure financing is adding an ever stronger dimension to the bank's source of interest income (16% of total NII in Q1) and underlines the changing preferences of the public sector in their debt financing

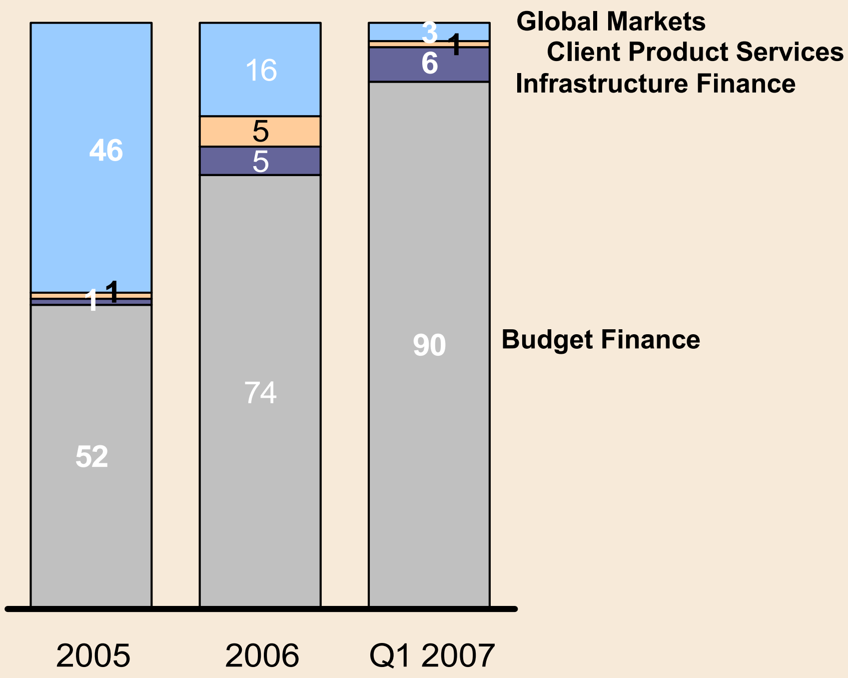
- Sale of assets generated very high revenues of € 103 m. As part of our portfolio optimisation the Bank took advantage of tightening in credit spreads in Q1. The continued attractiveness of the sovereign/sub sovereign asset category is working to the advantage of the bank with its own large public sector asset portfolio

Key Points Financials

- Net Interest Income amounted to €101m down 6% y-o-y. While net interest income from the client facing segments (CPS, Infrastructure Finance & Budget Finance) was up 20% y-o-y, the less favourable interest rate environment in the first quarter of 2007 had a negative effect on the carry income from Global Markets
- Net Trading Income of €12m was down from €62m (-81%) y-o-y due to a combination of particularly large IFU related transactions in the first quarter of 2006 and a more challenging trading environment in the first quarter of 2007
- Sale of Assets generated €103m up 47% y-o-y as a result of the Banks continuing portfolio optimisation within Budget Finance and the Bank taking advantage of tightening credit spreads in a number of regional sovereign debt markets
- Operating Expenses €67m were up 16% y-o-y. The increase was due to the Bank investing in increased resources in both front office and support functions, regional offices and a number of Group wide related projects including Basle II
- DEPFA cost/income ratio slightly increased to 30% reflecting our continued investments in front and support office functions. We will maintain a strong grip on cost control. Our long term target is to have a cost/income ratio around this level
- Our RoE of 17.2% fell below the 20% mark mainly due to higher costs and the performance of Global Markets

Key Points Financials

Pre-tax profit (excl. Corporate Centre) – %



Comments

- The earnings mix in Q1 does not reflect the expected trend for the year taking into account improved contributions from Client Product Services and Global Markets
- Budget Finance is the bedrock of the company's earnings with its €190 bn asset base yielding solid interest income as a lender and dynamic income as an investor and manager in public sector debt
- Infrastructure Finance continues to strengthen its share in earnings with consistent ramp up in volume creating a stable run-rate of revenue.

First Quarter – Client Facing Segments

Profit before Tax – Strongest Quarter so far

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

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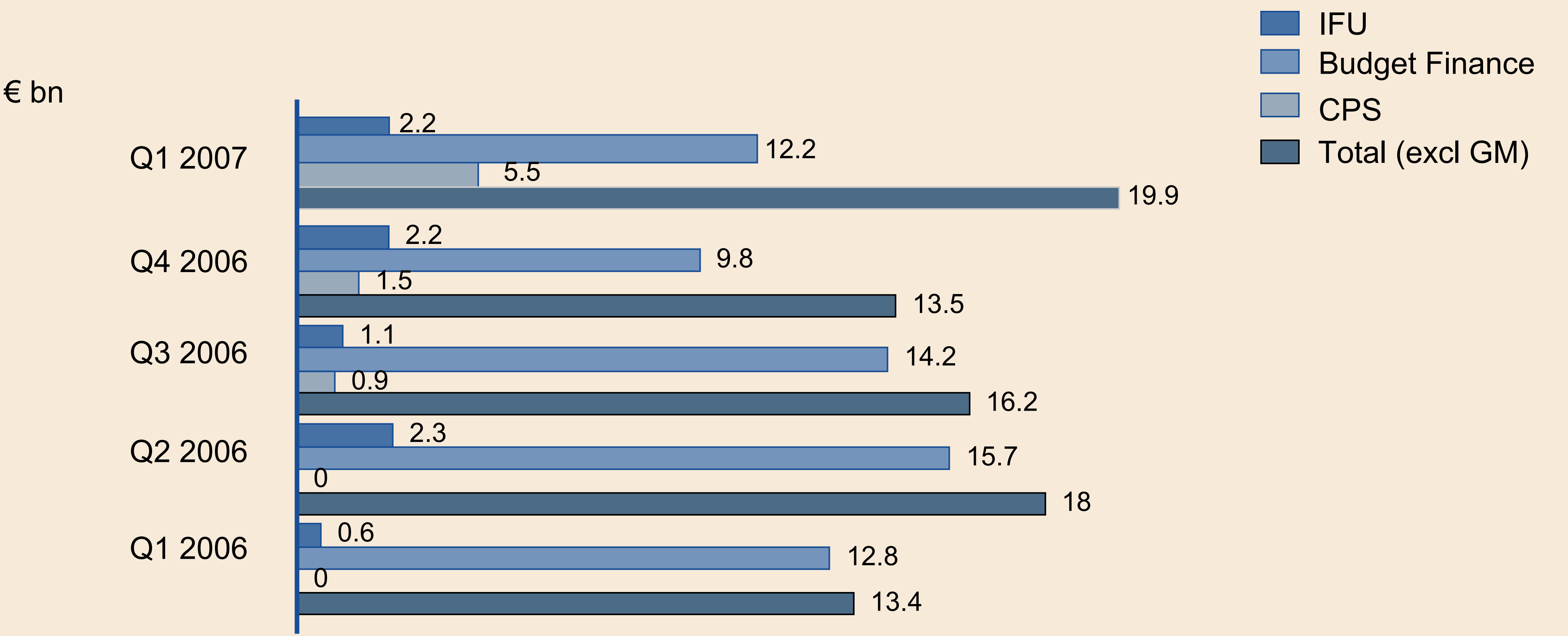
First Quarter – Client Facing Segments

New Commitments up to approx. EUR20bn



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DEPFA serves clients through a global network

Regions and offices

North America (Staff: 107)

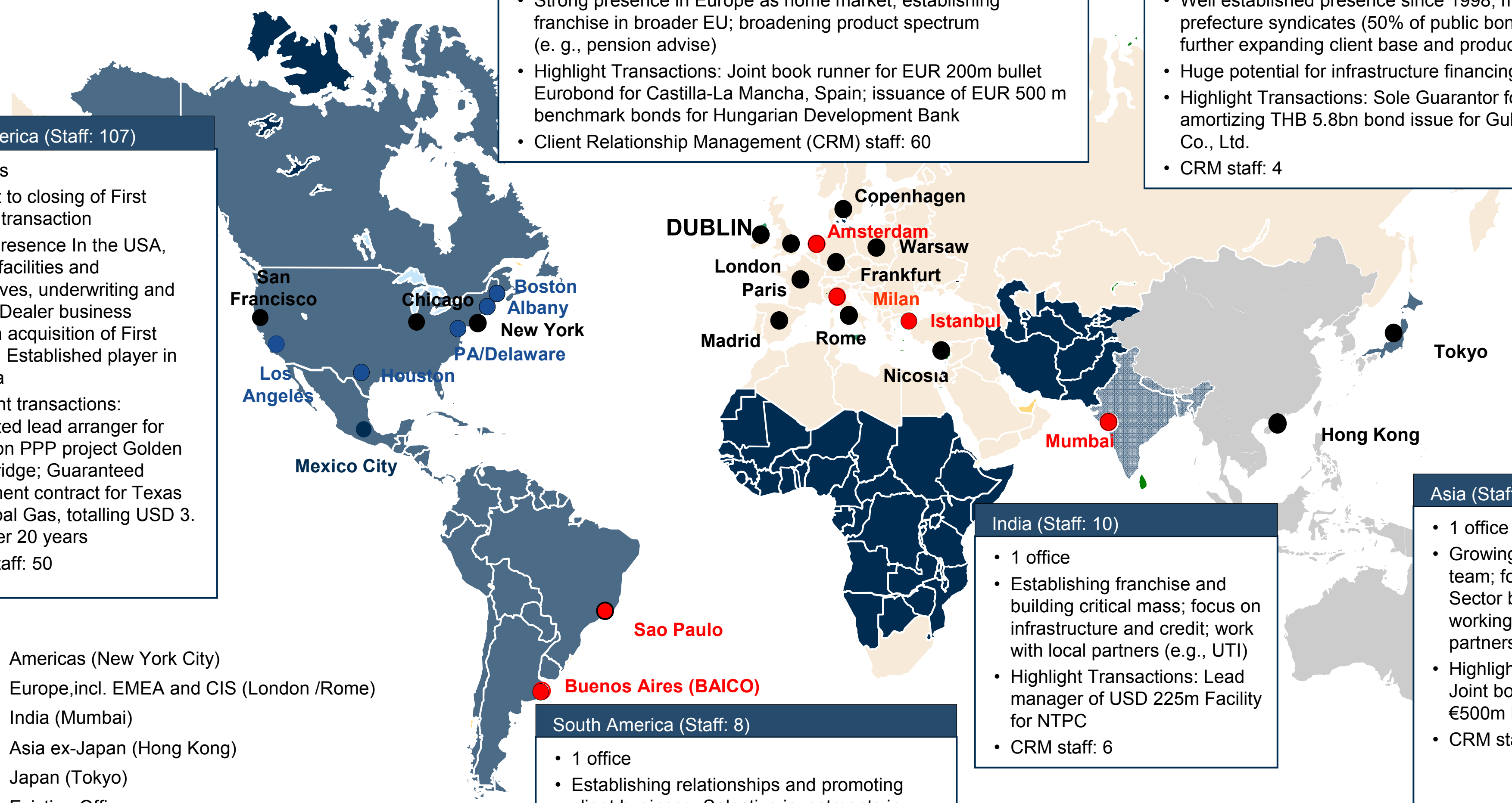
- 9 offices
- Subject to closing of First Albany transaction
- Good presence In the USA, mainly facilities and derivatives, underwriting and Broker/Dealer business through acquisition of First Albany. Established player in Canada
- Highlight transactions: mandated lead arranger for CAD 1bn PPP project Golden Ears Bridge; Guaranteed investment contract for Texas Municipal Gas, totalling USD 3. 5bn over 20 years
- CRM staff: 50

Europe Staff: 550, thereof 300 in Dublin

- 12 offices
- Strong presence in Europe as home market; establishing franchise in broader EU; broadening product spectrum (e. g., pension advise)
- Highlight Transactions: Joint book runner for EUR 200m bullet Eurobond for Castilla-La Mancha, Spain; issuance of EUR 500 m benchmark bonds for Hungarian Development Bank
- Client Relationship Management (CRM) staff: 60

Japan (Staff: 34)

- 1 office
- Well established presence since 1998, member in 19 prefecture syndicates (50% of public bond issuers); further expanding client base and product coverage
- Huge potential for infrastructure financing
- Highlight Transactions: Sole Guarantor for 10 year amortizing THB 5.8bn bond issue for Gulf Cogeneration Co., Ltd.
- CRM staff: 4



Asia (Staff: 10)

- 1 office
- Growing presence and team; focus on top Public Sector borrowers; working with local partners (e.g., CDB)
- Highlight Transactions: Joint book runner for €500m KEXIM Bond
- CRM staff: 7

India (Staff: 10)

- 1 office
- Establishing franchise and building critical mass; focus on infrastructure and credit; work with local partners (e.g., UTI)
- Highlight Transactions: Lead manager of USD 225m Facility for NTPC
- CRM staff: 6

South America (Staff: 8)

- 1 office
- Establishing relationships and promoting client business. Selective investments in assets. Focus on Brazil, Chile and Argentina
- CRM staff: 5

Americas (New York City)
Europe,incl. EMEA and CIS (London /Rome)
India (Mumbai)
Asia ex-Japan (Hong Kong)
Japan (Tokyo)
Existing Office
New Office (in 2006/07)
Target Offices (planned 2007)

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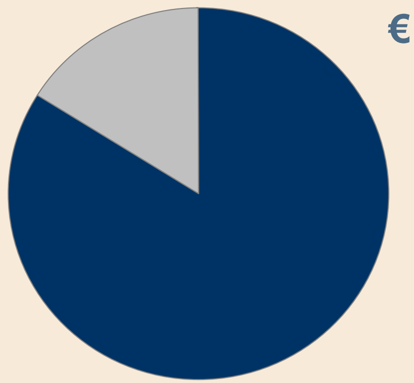
Budget Finance

Financials

First Quarter 2007 Total Operating Income



€ m	Q1 2007	Q1 2006	% Change
Net interest income	89	86	3%
Non-interest revenues	97	69	41%
Total operating income	186	155	20%
Operating expenses	-26	-24	8%
Profit before taxation	160	131	22%
Average equity	1,472	1,326	11%
	Q1 2007	Q1 2006	
Financing volume (on B/S)	160,121	166,913	-4%
Financing volume (off B/S)	22,798	21,094	8%

- Lending: Steady pipeline of new business (approx. € 12 bn), mainly from the U.S., Italy and Japan, with asset/liability margin preserved at healthy level of 20 basis points. The overall credit quality of the portfolio remained stable at the AA2 level
- Portfolio Management: Portfolio Management helped increase non-interest revenues and reflects DEPFA's proactive management of its portfolio of assets and ability to extract value from credit spread movements
- Funding: US$ funding base improved by US$1.25 bn ACS covered bond issue with 30 year tenor, achieving excellent funding costs and EURO 500mn Tier 1 transaction

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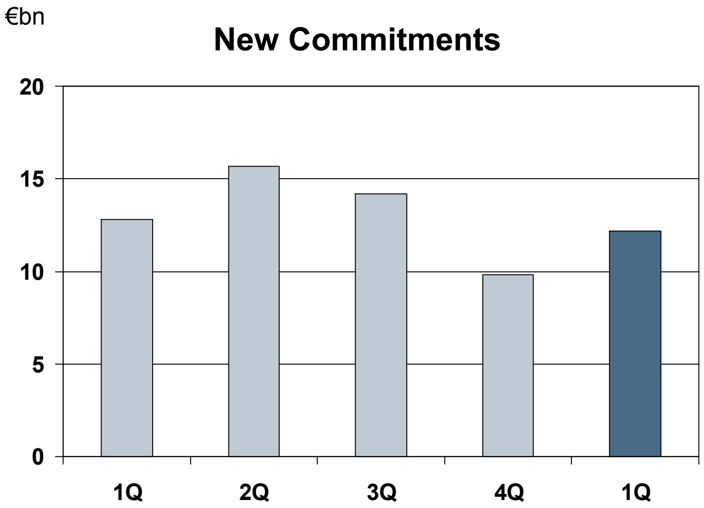
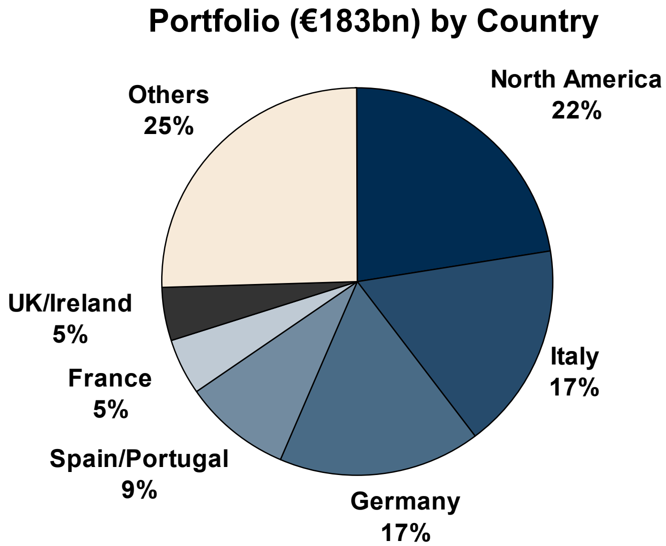
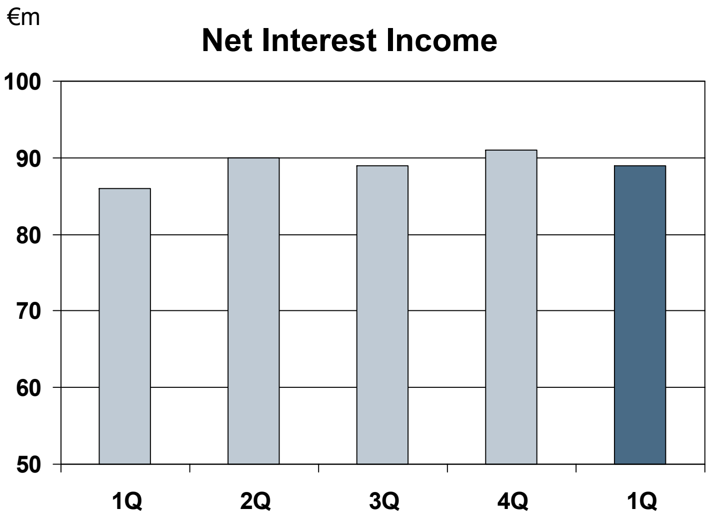
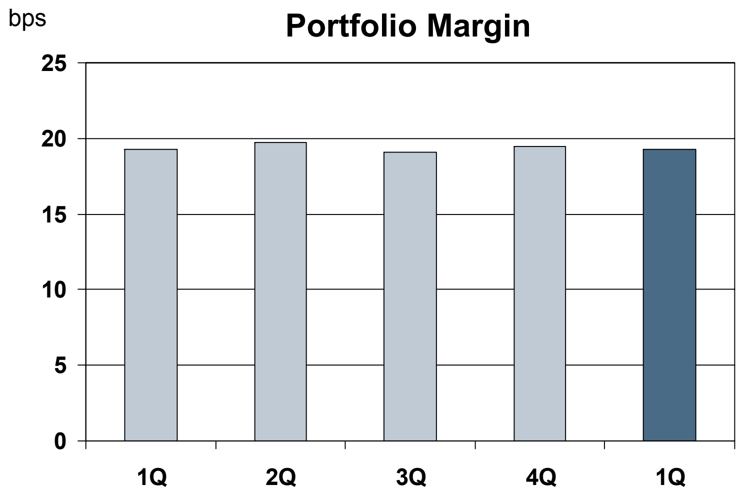
Budget Finance

Lending Business









Trends

Despite increased competition and further tightening of global credit spreads:

- Pick up in new Q1 commitments
- Average margin stable at 20bps
- Further diversification in country mix
- Extended funding tenor

= 2006 = 2007

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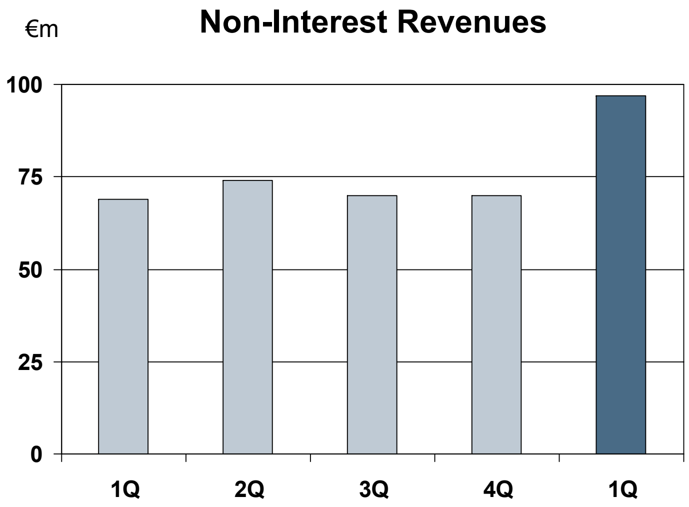
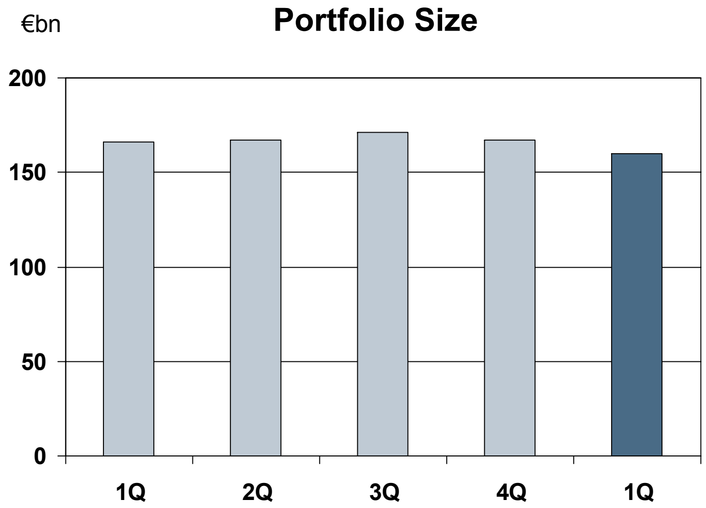
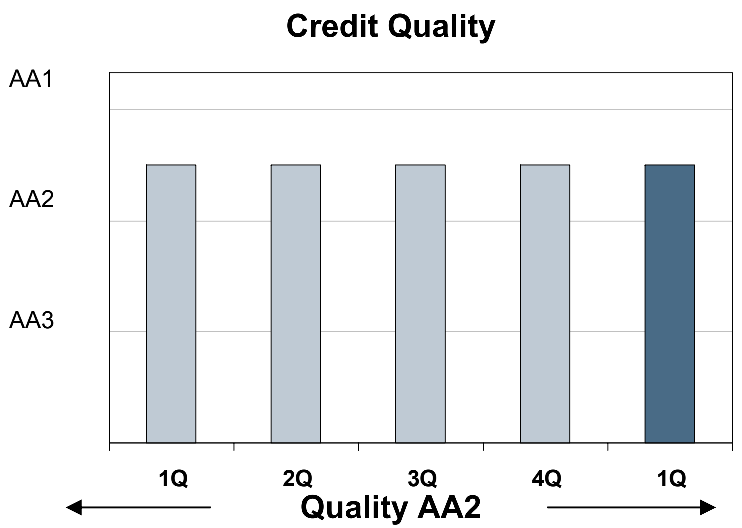
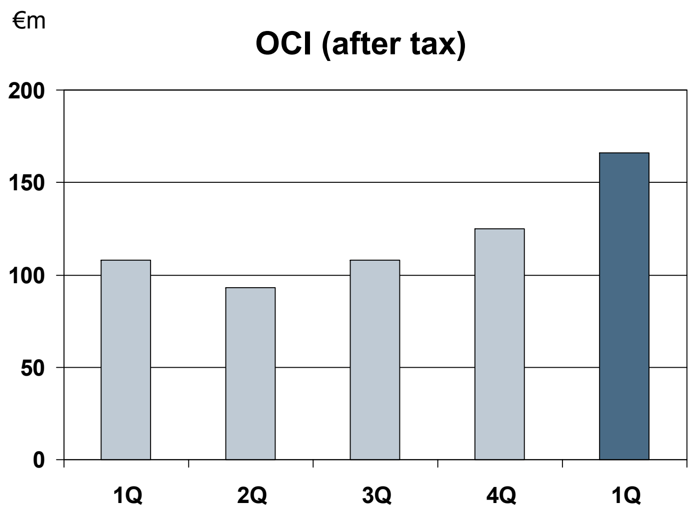
Budget Finance

Portfolio Management









<u>Trends</u>

Taken advantage of increased credit spread tightening in core markets:

- Increased Sale of Assets in Q1
- Increased OCI from the portfolio at the same time
- Maintained high credit quality (AA2) on total portfolio

= 2006 = 2007

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Two Major Funding Transactions in Q1

IRELAND
DEPFA BANK
DEPFA ACS BANK
Issuer
US$ 1.25 bn
16/03/2037
March 2007
Covered Bond

- First ever US$ covered bond issued with such a long maturity (30 yrs)
- Issue was heaviliy oversubscribed with order book of US$ 1.8 bn
- Highest ever US investor allocation for a covered bond (88%)

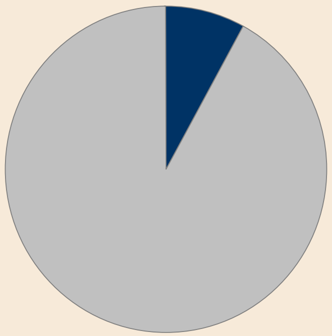
IRELAND
DEPFA BANK
DEPFA BANK plc
Issuer
€ 500 m
21/03/2017
March 2007
Hybrid Tier 1

- Issue part replaced € 220 m perpetual issue called in March 2006, at cheaper costs of funding
- Will bolster the Group's equity base and aid further organic growth
- Structured as a perpetual bond, eligible for inclusion in Tier 1 and has helped improve the Tier 1 ratio to 10.1%

Infrastructure Finance

Financials

First Quarter 2007 Total Operating Income



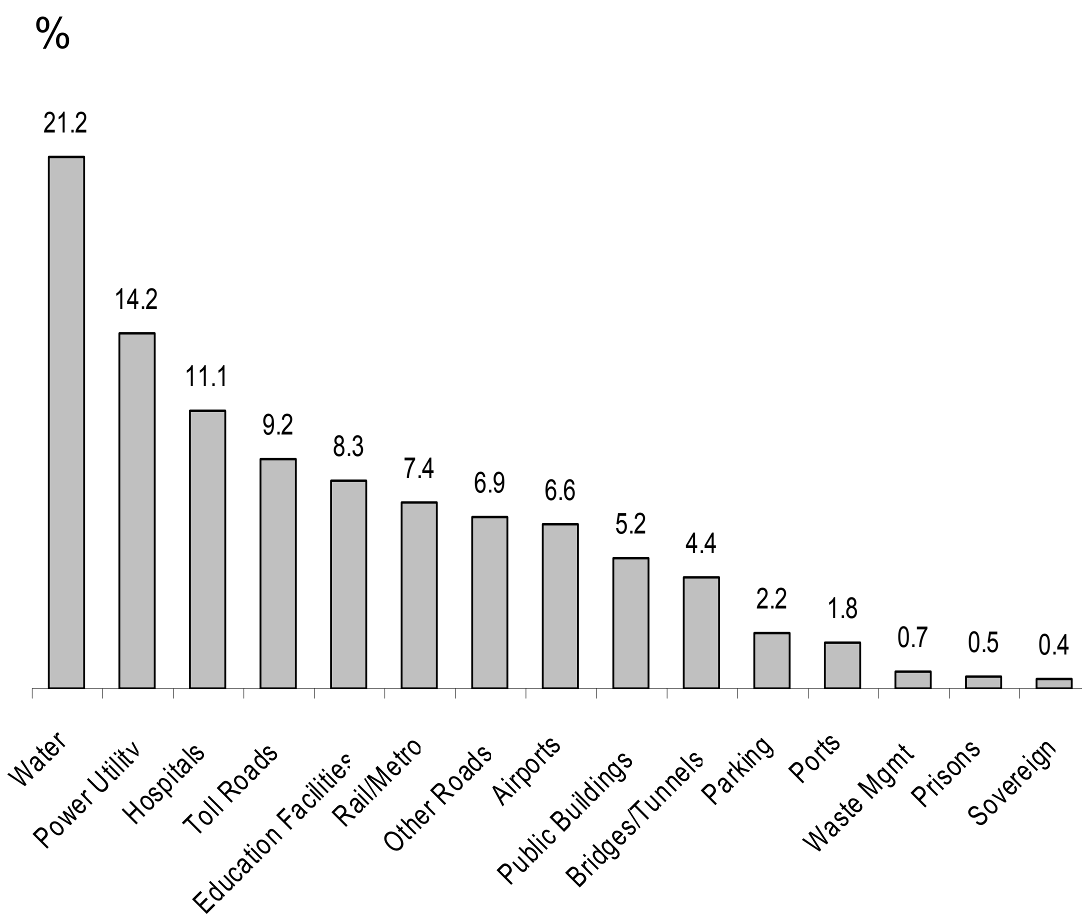
€ m	Q1 2007	Q1 2006	% Change
Net interest income	16	6	167%
Non-interest revenues	2	2	
Total operating income	18	8	125%
Operating expenses	-6	-4	50%
Profit before taxation	12	4	200%
Average equity	415	138	201%
	Q1 2007	Q1 2006	
Financing volume (on B/S)	7,117	1,986	258%
Financing volume (off B/S)	3,007	1,414	113%

- Transaction activity has moved to a higher run rate in Q1 (27 transactions closed, vs. 60 transactions for whole of 2006) confirming bank's strong competitive position in the PPP sector. Staff level increased 20% y-o-y to 60 to cope with additional business, including in fast growing US market
- Projects cover a broad range of areas in essential public infrastructure including traditional UK PFI school projects, funding acquisition of port facilities in North America, refinancing existing road and rail transportation projects in Australia, financing of new water treatment plants in N. Ireland and Singapore and refinancing wind energy projects in Germany and France
- Pipeline of new business remains very strong with over 300 potential funding and/or advisory transactions at various stages of development. This is expected to provide cross-selling opportunities for the Bank's Client Product Services team, such as interest and inflation rate hedging products

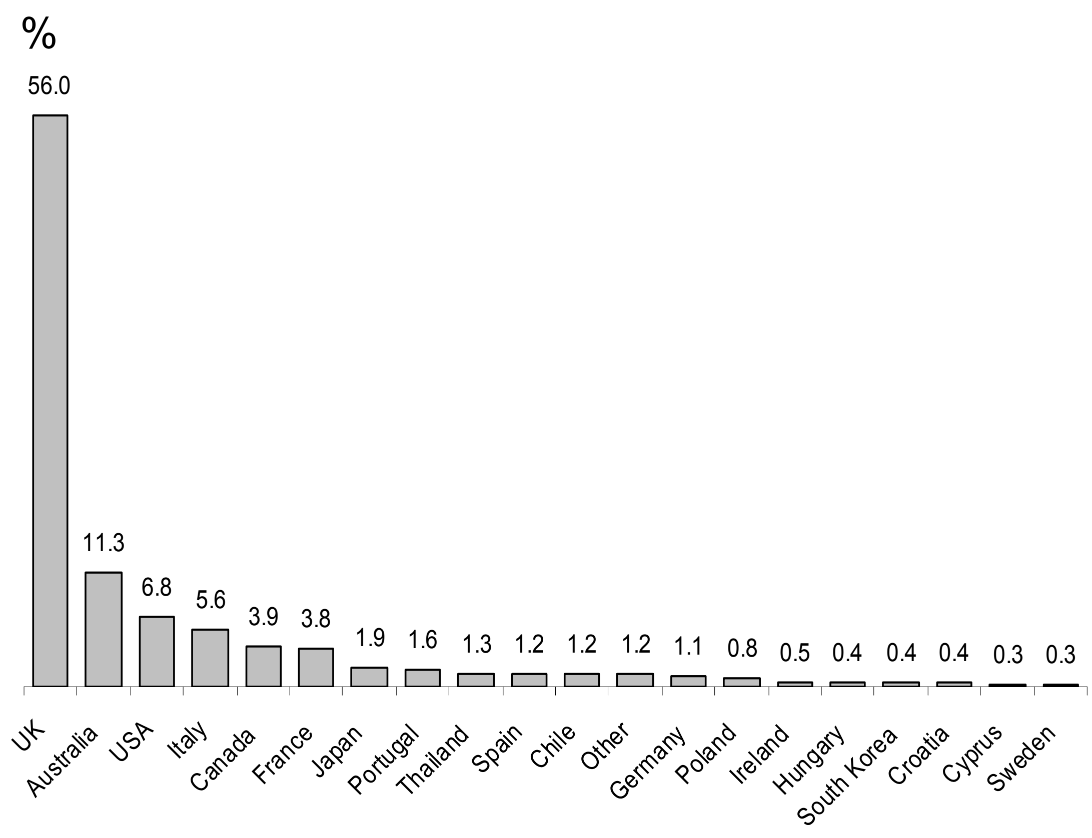
Infrastructure Finance

Sector and Country Breakdown

First Quarter 2007



First Quarter 2007



Total Commitments First Quarter 2007: €10.1bn

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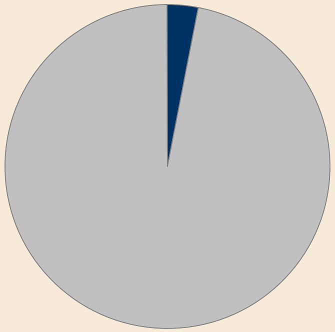
Client Product Services

Financials

First Quarter 2007 Total Operating Income



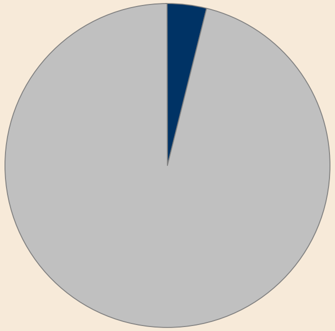
€ m	Q1 2007	Q1 2006	% Change
Net interest income	3	-2	
Non-interest revenues	6	27	-78%
Total operating income	9	25	-64%
Operating expenses	-8	-6	33%
Profit before taxation	1	19	-95%
Average equity	88	22	300%
	Q1 2007	Q1 2006	
Financing volume (on B/S)	10,131	0	
Financing volume (off B/S)	0	0	

- Client derivatives area performed according to plan in terms of transactions closed. However, revenue from certain transactions could not be booked upfront under IFRS accounting rules. As a result, a sizeable reserve of unrecognised profits has accumulated
- Management remains optimistic that the derivatives business will continue to perform in line with projections due to the current healthy pipeline and potential opportunities afforded by the sheer number of infrastructure projects in progress
- Interest income generating activities are making good progress: the GIC business with US Municipalities (with a balance outstanding in excess of US$ 2 bn and growing) and Securitisation/Structured Finance has increased the total asset volume to € 10 bn at the end of the first quarter

Global Markets

Financials

First Quarter 2007 Total Operating Income



€ m	Q1 2007	Q1 2006	% Change
Net interest income	-1	22	
Non-interest revenues	10	26	-62%
Total operating income	9	48	-81%
Operating expenses	-4	-8	-50%
Profit before taxation	5	40	-88%
Average equity	587	768	-24%
	Q1 2007	Q1 2006	
Financing volume (on B/S)	14,284	11,248	27%
Financing volume (off B/S)	38	0	

- The flattening of the yield curve has led to much reduced scope for earnings from carry based trades and yield curve positioning. In the light of this trend the bank has given priority to cutting back its interest rate exposure and closing open positions
- Traditional trading activities, including bond trading have performed below expectation so far in 2007 and have not been able to support the GM result to the same extent as last year
- The establishment of additional small scale trading desks, each operating within moderate stop loss and VaR limits is expected to provide greater diversification and consistency to the overall result

Appendix

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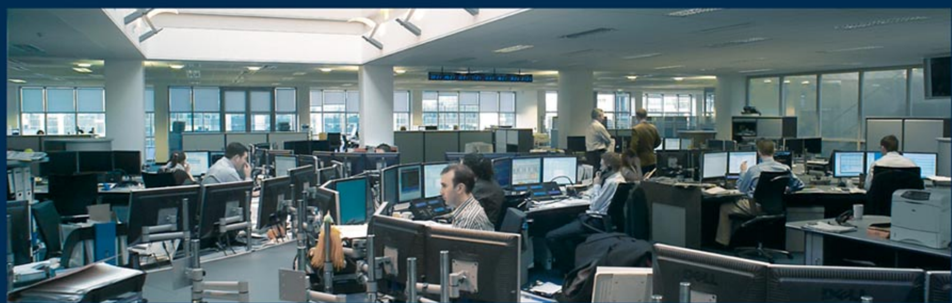

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Dublin Amsterdam Chicago Copenhagen Frankfurt Hong Kong London Madrid Milan Mumbai New York Nicosia Paris Rome San Francisco Sao Paulo Tokyo Warsaw

Development in Equity

				Other comprehensive income			
	Share capital	Share premium	Retained Earnings	Unrealised Gains/Losses on Cashflow Hedges	Unrealised Gains/Losses on Securities	Total Equity	2006
Equity 1 January 2007	**106**	**1,142**	**1,402**	**2**	**125**	**2,777**	**2,304**
Profit for period			123			123	134
Change in other reserves					37	37	-6
Purchase of own shares			-9			-9	-9
Share based payments			5			5	10
Equity 31 March 2007	**106**	**1,142**	**1,521**	**2**	**162**	**2,933**	**2,433**

- Increase in unrealised gains of € 37 m after tax in Q1 2007

Development in Financing Volumes (On and Off Balance Sheet)

First Quarter 2007

	Financing volumes by segment €m					
	Budget Finance	Infra-structure Finance	Client Product Services	Global Markets	Corporate Centre	Total
Volume reported at start of year	189,323	8,197	2,372	14,445	4,590	**218,927**
New commitments	12,170	2,191	5,513	946	-	**20,820**
Sales	-11,388	-	-5	-35	-	**-11,428**
Maturities and other	-7,186	-264	2,251	-1,034	-415	**-6,648**
Volume as at 31/03/2007	182,919	10,124	10,131	14,322	4,175	**221,671**

Budget Finance

	2007	2006				Change
€ m	Q1	Q4	Q3	Q2	Q1	Q1 v Q1
Net interest income	89	91	89	90	86	**3%**
Non-interest revenues	97	70	70	74	69	**41%**
Total Operating income	**186**	**161**	**159**	**164**	**155**	**20%**
Operating expenses	**-26**	**-22**	**-19**	**-19**	**-24**	**8%**
Profit before taxation	**160**	**139**	**140**	**145**	**131**	**22%**

Infrastructure Finance

€ m	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	Change Q1 v Q1
Net interest income	16	15	12	6	6	**167%**
Non-interest revenues	2	4	3	7	2	**0%**
Total Operating income	**18**	**19**	**15**	**13**	**8**	**125%**
Operating expenses	**-6**	**-6**	**-4**	**-5**	**-4**	**50%**
Profit before taxation	**12**	**13**	**11**	**8**	**4**	**200%**

Client Product Services

€ m	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	Change Q1 v Q1
Net interest income	3	3	-1	2	-2	
Non-interest revenues	6	10	8	14	27	-78%
Total Operating income	**9**	**13**	**7**	**16**	**25**	**-64%**
Operating expenses	**-8**	**-7**	**-6**	**-5**	**-6**	**33%**
Profit before taxation	**1**	**6**	**1**	**11**	**19**	**-95%**

Global Markets

	2007	2006				Change
€ m	Q1	Q4	Q3	Q2	Q1	Q1 v Q1
Net interest income	-1	8	10	19	22	
Non-interest revenues	10	23	20	16	26	-62%
Total Operating income	**9**	**31**	**30**	**35**	**48**	**-81%**
Operating expenses	**-4**	**-4**	**-5**	**-5**	**-8**	**-50%**
Profit before taxation	**5**	**27**	**25**	**30**	**40**	**-88%**

Corporate Centre

€ m	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	Change Q1 v Q1
Net interest income	-6	-10	-9	-7	-5	**20%**
Non-interest revenues	6	-1	-15	9	13	**-54%**
Total Operating income	**0**	**-11**	**-24**	**2**	**8**	**-100%**
Operating expenses	**-23**	**-22**	**-19**	**-22**	**-16**	**44%**
Profit before taxation	**-23**	**-33**	**-43**	**-20**	**-8**	**188%**

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